

# New Entrepreneurial Model for Nonprofits: A Hospital Redefines Health Care



**A unique hospital is blazing an entrepreneurial trail.  
The lesson? Dream big. Even the sky isn't the limit any more.**

By Jill Muehrcke



**Hotel or hospital? Friends can meet at this healthy tea kiosk in the hospital atrium.**

**I**t's making some healthcare professionals very nervous. But in other corners of the healthcare industry and nonprofit sector, it's generating unparalleled enthusiasm for its revolutionary approach, and any nonprofit can benefit from its example. When Henry Ford Hospital opened in West Bloomfield, Michigan, in March, 2009, it ushered in a new way of thinking, expanding the very nature of nonprofit enterprise.

Visualize a hospital, and your mental picture is likely the same one your grandparents had as children. Now imagine a facility that looks and feels like a luxury resort, nestled amid 160 acres of woodland, where everyone who enters is treated like royalty. Envision a retreat where people throughout the community – indeed, throughout the world – come to shop, eat delicious food, enjoy spa and exercise facilities, take cooking classes, and meet with their own personal health and fitness coaches.

After two years of hard work, in which hospital leaders spread the word about their dream and generous donors responded with the needed funds, that vision of a community center for well-being is now a reality. It has attracted more attention than its creators imagined, leaving visitors awestruck and shaking up the healthcare field.

While not every nonprofit will want to be so radical, you can make a big difference in your organization without making a huge splash. Building on just one or two of the ideas discussed here can be an important first step toward a new future.

## Creating the Ritz-Carlton of Health Care

Much of the credit for thinking outside the old paradigm goes to Gerard van Grinsven, the new hospital's CEO. After over a decade working globally with Ritz-Carlton Resorts, he knows how to provide a quality experience for customers, pampering and charming them.

It was Nancy Schlichting, CEO of the seven-hospital, nonprofit Henry Ford Health System in southeast Michigan, who had the vision to hire someone completely outside the healthcare field. After listening to what community residents wanted, she realized the new hospital needed someone with a passion for service — someone who could create the Ritz-Carlton of health care.

Van Grinsven had no plans to leave the hotel business, but when offered the job, he saw it as a challenge he couldn't refuse. It was a chance to use the Ritz-Carlton philosophy of “putting service at the heart and center of everything” in a brand new setting. In the new hospital, for example:

- **Patients are welcomed as valued guests** and ushered to private rooms overlooking a pond and landscaped courtyards. No matter which way a room faces, it has a view of the green and growing world. The rooms all include 24-hour room service, Internet access, and flat screen TVs where patients can watch educational shows related to their illnesses.

- **There's a work-out facility**, a body and mind studio, and healing rooms where people throughout the community pay on a one-time or membership basis for a spectrum of services including water therapy, massage, acupuncture, and chiropractic care.

- **Community members come to shop** at state-of-the-art stores, boutiques, and kiosks selling such items as natural-fiber mattresses, specialty coffees, plush bathrobes, hypoallergenic lipsticks, “vegan” bags (made with no animal products), nutritional supplements, baby blankets, “green” cleaning products, aloe-scented pillows, healthy-brain CDs to boost memory, and books on yoga, meditation, and relaxation.

- **Rather than the usual hospital cafeteria**, which tends to draw more complaints than kudos, there's a world-class restaurant with food so delectable that people from miles around come to eat there. The restaurant stresses fresh, organic foods, brimming with nutrients and cooked in the healthiest possible way (“no deep friers,” says van Grinsven). A gourmet chef creates inventive dishes with ingredients from local

*continued on page 14*

## Manage Your Culture and Other Secrets of Super Innovators

What can you learn from the model presented in this article? Even if your organization has nothing to do with health care, you can glean many valuable lessons. You can carve out your own niche, gain the rewards of enterprise, and put the “Wow!” into your customers’ experiences with these guidelines, distilled from the success story described here:

- **Put service at the heart** of everything you do. Think of service as a dialogue – asking people what they want, responding to what they say, and designing an experience that thrills them, exceeds their expectations, and bonds them to you. Give employees the authority to do whatever’s necessary to make customers happy.
- **Question assumptions**, and think expansively. Don’t let old beliefs hem you in. You’re limited only by the breadth of your dream. Let your vision soar.
- **Don’t be afraid to make a good, solid profit.** Money is a means to an end. You must make money to reach your goals. And don’t depend on just one revenue center; diversify as much as possible.
- **Treat your employees** (both paid and volunteer) as your customers. Seek their input, act on their ideas, and back them thoroughly. Give them plenty of training, coaching, and praise. Make sure every volunteer is part of a team that includes professionals and mentors. Turn supervisors into advisors rather than authoritarians.
- **Be disciplined about your pricing strategies**, analyzing sales patterns, pricing to assure profitability, and testing price effectiveness rather than pricing by default.
- **Define your mission broadly enough** to encourage breakthrough thinking. Craft a mission statement of 10 words or less, and make it a mantra employees recite to themselves before making any decision.
- **Choose employees** for their talents and values rather than any particular skill set. You can teach technical skills, but you can’t teach intrinsic qualities such as empathy, curiosity, and ingenuity. Embrace diversity, recruiting people (including board members) outside your own industry to garner fresh viewpoints. Seek out people whose values and talents meld with your organization’s culture — or the culture you want to create.
- **Let the market – what people really want – drive your activities.** Use marketing strategies to choose the best options for making a profit while augmenting your mission.
- **Engender a clear sense of common purpose** and camaraderie among your employees. Infuse action with transcendent meaning.
- **Develop a culture of teamwork**, caring, and open communication. Make entrepreneurship, inventiveness, and an eagerness to embrace change central parts of your culture, vision, and values.
- **Build relationships and collaborations** with other groups. Bring the community in. Think of innovative ways to turn your organization’s facilities into a community center that will attract people from surrounding areas.

help them create personalized wellness plans. These plans combine alternative therapies with the most advanced traditional medicine; classes on fitness, nutrition, cooking, weight control, and skin therapy; and cuisine customized to each person’s health concerns. Never before has one location coordinated a person’s entire well-being in such an integrated, friendly way.

Revolutionary as these innovations are, they’re all related to the hospital’s mission. All revolve around a healthy lifestyle and fulfill the needs of target audiences.

By attracting the community to the facilities, the hospital is constantly creating new customers. If people have a health coach at the hospital and are accustomed to coming there to shop, eat, work out, meet friends for tea, and enjoy the stunning surroundings, they’ll almost certainly pick it as their medical facility when they become sick or need an operation.

### Soaring Beyond the Boundaries of Imagination

Arriving at such an exceptional place required an expansive mission. The first step, says van Grinsven, was gathering the hospital’s stakeholders to hammer out a mission statement for the new hospital. Then he asked them to whittle their 10 paragraphs to 10 words or less.

Their final mission statement: “Taking health and healing beyond the boundaries of imagination.” This mission is bold, motivational, and broad enough to encompass new opportunities and keep pace with the fast-changing world.

The next step was to focus the staff on that mission. Now, no matter what they do, employees first ask, “Will this fulfill our mission? Will this take us beyond the boundaries of imagination?”

### Viewing Employees as the Most Important Customers

When asked for his recipe for success, van Grinsven says, “I came in with fresh eyes, seeing things differently from your average healthcare professional. Then I picked highly innovative people in

farms, featuring many ethnic foods to accommodate a diverse clientele. A 90-seat demonstration kitchen offers cooking classes for community members as well as patients with specific illnesses like diabetes and cancer.

• **Patients’ rooms look and feel like bedrooms** and include beautiful family areas with beds where patients can lie down with their spouses. Family members are welcome to spend the night there.

• **The environmentally friendly facilities** feature soft, soothing colors; quiet, healing surroundings;

and designs mirroring the natural world. Even the customary “Paging Dr. So-and-so” is eliminated, as all healthcare professionals communicate with special cell phones. People can listen to classical music in a peaceful, tree-filled atrium or meditate in the “quiet atrium.”

• **Each floor** of the four-story hospital has livable, homey rooms with kitchen facilities for families who need to stay for extended periods of times.

• **People from the community can come in at any time to meet with personal health coaches**, who

the healthcare industry who were hungry for change, hungry for innovation.”

Instead of hiring staff by reading through a stack of resumes, van Grinsven recruited people based on their natural talents. He looked for characteristics that matched the culture he wanted to create, a culture drenched in hospitality.

Then he put people in jobs that would let them fully use their talents; treated them with trust, respect, and dignity; and empowered them to do what they did best. He fostered an environment of coaching and mentoring rather than controlling or punishing.

“We look at our employees as our customers,” says van Grinsven. Treating them as important customers means listening to them, supporting them, and putting their ideas front and center.

The result is a culture of emotionally engaged employees, who go the extra mile to make visitors feel like part of a health-and-healing-focused family. Because they’re so engaged, they communicate seamlessly with each other and with customers. Satisfaction rises. Mistakes plummet because people aren’t afraid to speak up, point out safety issues, express their preferences, and report trouble areas or systems that need improvement.

### Making Volunteer Training a Priority

Volunteers are an integral part of nonprofit organizations, but they aren’t always scrupulously trained for their jobs. At the new hospital, a mix of volunteers and professionals work together so that volunteers get plenty of on-the-job instruction.

In the retail shops, for example, a professional sales force makes sure volunteers abide by standards of total customer service. Those hired for the job have a passion for wellness and infuse the volunteers with that same passion so that every customer experience is the best it can possibly be.

## Create a culture drenched in hospitality.

### Building Profit into the Equation

The hospital keeps down costs and generates revenue in a variety of ways:

- **Because its restaurant caters not only to patients but to the community, and since it uses only fresh ingredients, tailors its gourmet creations to people’s specific preferences, and doesn’t throw food away, it’s a money-making venture.** Most hospital eateries have a lot of waste, and most lose money.

- **The kitchen staff includes culinary students from the renowned Schoolcraft College — an economical way to access world-class epicurean expertise.** The teaching kitchen charges these students and reaps a profit.

- **Tying retail shops, cooking classes, and spa facilities to the theme of living a good life makes them very popular and profitable while strengthening the hospital’s mission.**

- **Community members can enjoy fitness and nutrition facilities either a la carte or as members.** The hospital has three membership levels: Platinum, Gold, and Silver. Each provides a personal health coach and a customized plan for achieving total well-being. Members receive discounts on products in the shops and classes for fitness, relaxation, and healthful cooking. Each week they’re challenged to eat new, organic foods and try therapies to alleviate stress and feel better.

- **As the hospital’s reputation grows, van Grinsven expects other healthcare facilities to send their personnel to Michigan to learn about this new model.** The hospital will be delighted to share its secrets, while charging a profitable fee.

### Designing a Vision for the Future

An energized workforce and gratified customers are assets that build on themselves. Customers feel comfortable enough to offer insights,

and employees are empowered to act on those ideas, enacting new ways to cut costs, build profit, and please customers so that the quality of the experience continues to grow

Meanwhile, schoolkids arrive daily to tour the site. They learn to eat healthily and think differently about food and fitness. The next generation is growing up with this new perspective.

“We hope to challenge the entire industry,” says van Grinsven. He wants other healthcare systems to say, “What a good idea. Why don’t we do that?” so that communities across the country benefit from this vision and other nonprofits are inspired to stretch beyond the boundaries of imagination. ■

## Weave Enterprise into Your Organization

For more on fostering an entrepreneurial mindset, see these *Nonprofit World* articles at [www.snpo.org/members](http://www.snpo.org/members):

- **How to Use Organizational Culture as a Competitive Tool** (Vol. 20, No. 2)

- **Looking for Customers rather than Handouts** (Vol. 22, No. 6)

- **Hiring a Concern? Learn What Talent Magnets Do** (Vol. 24, No. 5)

- **Grounded Visioning: A Quick Way to Create Shared Visions** (Vol. 26, No. 4)

- **How to Ignite Entrepreneurial Spirit in Your Organization** (Vol. 20, No. 5)

- **Overcome Organizational Indifference** (Vol. 24, No. 2)

- **Managing Your Volunteers: 19 Ways to Work Wonders** (Vol. 25, No. 6)

- **Avoid Headaches: Engage Your Employees** (Vol. 27, No. 2)

- **The Seven Pillars of Social-Enterprise Success** (Vol. 22, No. 1)

For more on the Henry Ford West Bloomfield Hospital, visit [www.henryfordwestbloomfield.com](http://www.henryfordwestbloomfield.com).