

Thriving Amid Uncertainty

Strategic Pathways for Health Systems in the Years Ahead

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**UNITY AMID
UNCERTAINTY**
2025 IHA LEADERSHIP SUMMIT

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1

Craig Deao, MHA

Managing Director, Huron

- Joined via Studer Group (since 2006)
- Focused on Governance, Strategy, Leadership
- Lead Huron's Speaking Team
- Faculty for American College of Healthcare Executives (since 2011)
- Quality committee of local health system
- Author, [The E-Factor: How Engaged Patients, Clinicians, Leaders and Employees Will Transform Healthcare](#) (2017)
- Thought leadership published in Modern Healthcare, Becker's, ACHE's Health Executive magazine, AHA's Trustee magazine, AHA's National Healthcare Governance Survey Report (2025)
- MHA, University of Minnesota
- BA & BS, Louisiana State University
- Originally from New Orleans, now Pensacola
- Husband to Julie; Father to Sam (18) and Jack (15)



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2

This is a “Disruptive” time in healthcare



3

Changing Consumer* Preferences



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4

At some point, people will
access care *how* they want,
when they want, *where* they
want, for the *price* they want.*

*And they'll either get it from *you* or from *somebody else*.

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5

"Nobody wants to work anymore"

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1961 1940 1916
1894
1905

WITH all the mines of the country shut down by strikers what will the poor editor do for coal next winter? It is becoming apparent that nobody wants to work these hard times.

asked: 'Do you know' where prices would go if we raised more calves and pigs, and made more butter? They would go away down.'

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6

It's the fishbowl. Not the fish.



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7



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8

Additionally, outsiders are attempting to topple incumbents

LARGE ESTABLISHED PLAYERS are entering the healthcare space and bringing their consumer expertise

Walmart Primary care, Vision, Rx, Dental, insurance (incl. co-marketing with Humana), working with EPIC at new health clinics	Walgreens National network of neighborhood health destinations, acquisitions of Village MD and Summit Health	amazon Consumer-centric svcs. (PillPack, Halo, Alexa), new models – spent \$4.0b to acquire OneMedical	 Ecosystem to manage health data / developers can create health solutions	Google Tackle specific disease areas, build healthcare data infrastructure layer	Microsoft Focuses on being a partner/vendor to healthcare organizations	 Platform to enable coordinated understanding of the consumer
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FOCUSED PLAYERS are gaining traction across the healthcare value chain

PRIMARY CARE	EMP. SPONSORED	HOME CARE	COMPLEX ACUTE	INTEGRATED CARE	CARE NAVIGATION	INSURANCE	SPECIALTY CARE	BEHAV. HEALTH
 iorahealth fireflyhealth FORWARD	 crossover MAVEN homeward	 dispatch Nest Health ConcertoCare	 Medically Home Trapollo MedArrive	 Teladoc Livongo transcarent cityblock	 rightway Auxa Health dina	 DevotedHealth Clover oscar	 Hinge Health sword Tia	 mindoula Cerebral BRAVE

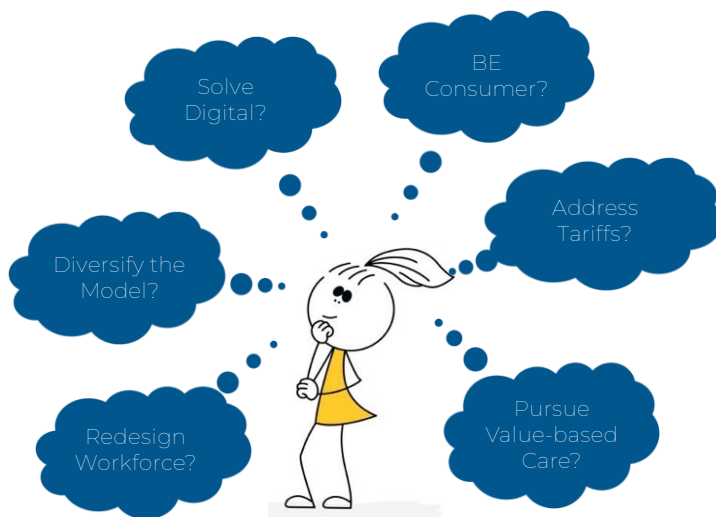
LEGACY INCUMBENTS are evolving their identity by creating a new form of vertical integration

 CVS Health OAK STREET HEALTH signifyhealth aetna	 Humana Kindred onehom heal CenterWell	 United Healthcare OPTUM Care Landmark SCA AbleTo
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9

The myriad of available choices combined with the “Tyranny of the Urgent” leads to inertia



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10

**"That's cute...
... but don't tell anyone about it"**

"There is **no reason why people would need computers** in their homes"
-- Ken Olson, CEO DEC, 1970

"World market for cell phones by 2000 would **be less than 1 million**"
-- McKinsey, 1980

"By 2005, it'll be clear **the internet's impact is no greater than a fax machine**"
-- Paul Krugman, 1998

"I'd **shut down Apple** and give the money to shareholders"
-- Michael Dell, 1997

"Maybe I am an idiot **but what is Cloud? It's complete gibberish**"
-- Larry Ellison, 2008

"The Americans need telephones, we do not. We have **plenty of messenger boys**"
-- Sir William Preece, Chief Engineer, UK Post Office, 1878

11

Disruption provides a unique window of opportunity to seize the moment and redefine the future

COMPANIES FORMED IN RECESSION YEARS

THE SILVER LINING

~\$250B+

Valuation of the ~15 unicorn companies founded in 2007-2009

THE SILVER LINING: An Innovation Playbook for Uncertain Times by SCOTT D. ANTHONY

PRODUCTS FORMED IN CRISIS YEARS

SONY	1957	Transistor Radio
P&G	1961	Disposable Diapers
IBM	1981	Personal Computers
Apple	2001	iPod MP3 Player

"There is no better time to start a new company or a new idea than a depression or recession... There [are] a lot of people who need to get really creative to create something new"
-- Jack Dorsey, CEO & Founder, Twitter

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12

Own your future,
or be disrupted by it.

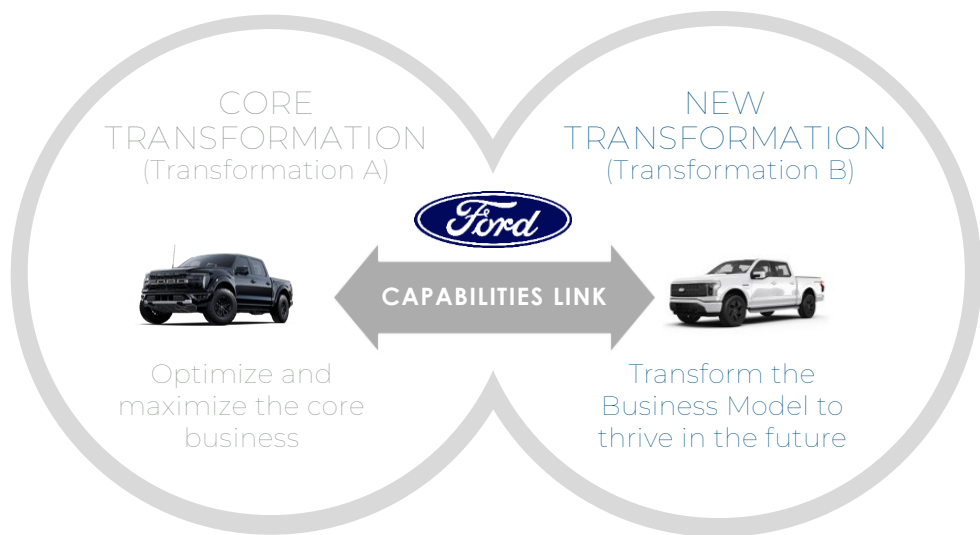
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The approach to navigating industry disruption is “Dual Transformation”

“The problem we had is that our core business just wouldn’t stop growing.” (2008)

Kodak



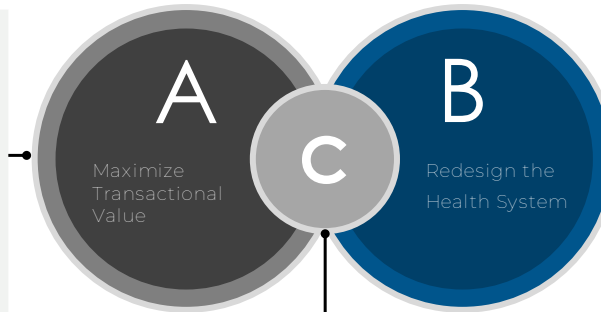
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14

“Dual Transformation” in health systems must balance Operational Excellence and Intentional Growth and Redesign across time horizons

A PRIORITIES

- What volume should we prioritize?
- How do we reduce roadblocks to priority services (e.g., scheduling, referrals, wait times)?
- How do we retain lost volume and improve network integrity?
- How do we use technology and process redesign to improve operational performance?
- How do we maximize managed contracts?



ENABLERS

- Operating model redesign
- Near and long-term strategy
- Resource allocation (OpEx/CapEx)
- Culture and change management
- Data Management and Analytics
- Governance (BoD)

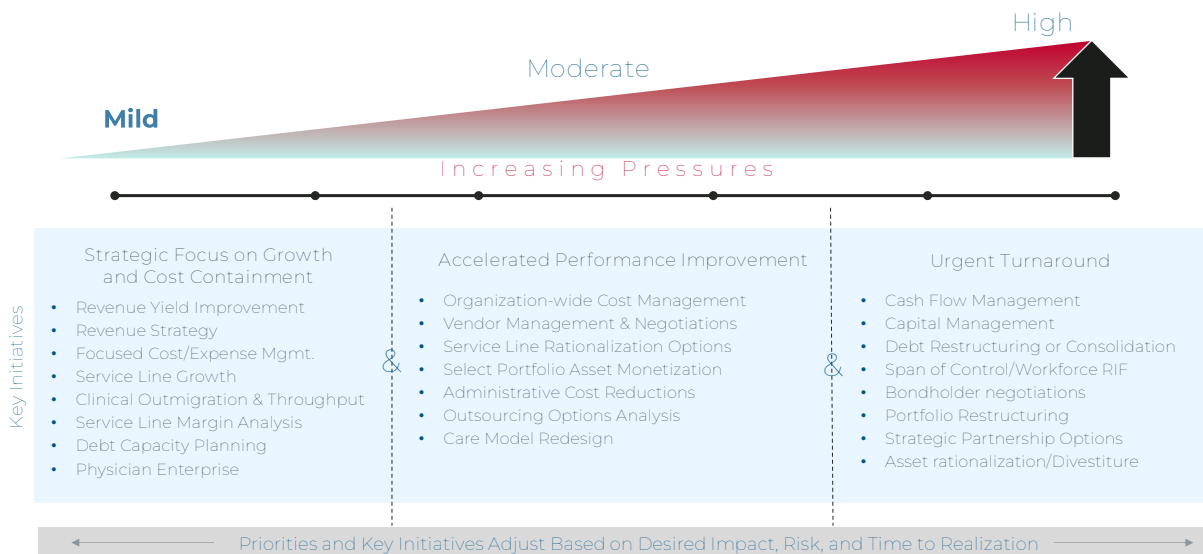
B PRIORITIES

- What type of “System” do we want to be and how will we win?
- How do we reposition our footprint, asset, and service portfolio?
- How do we evolve our care model to sustainably meet the needs of our communities?
- How does our business model diversify in the future?
- What traditional and non-traditional partnerships do we need?

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15

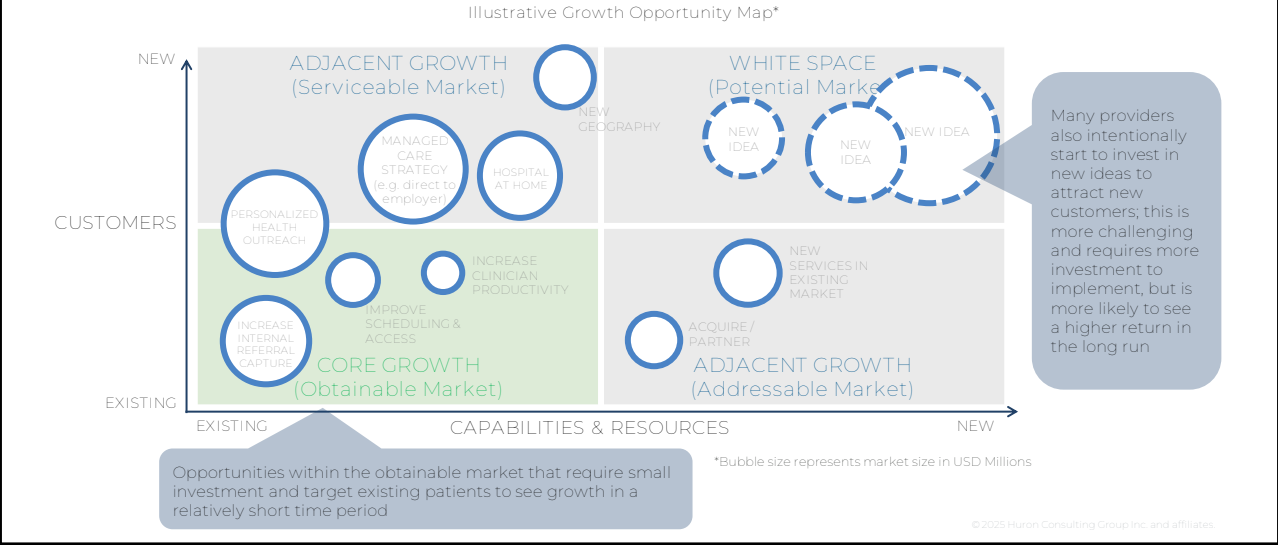
Optimize The Business We're in Today (“A”) Continuum of financial improvement levers based on pressure



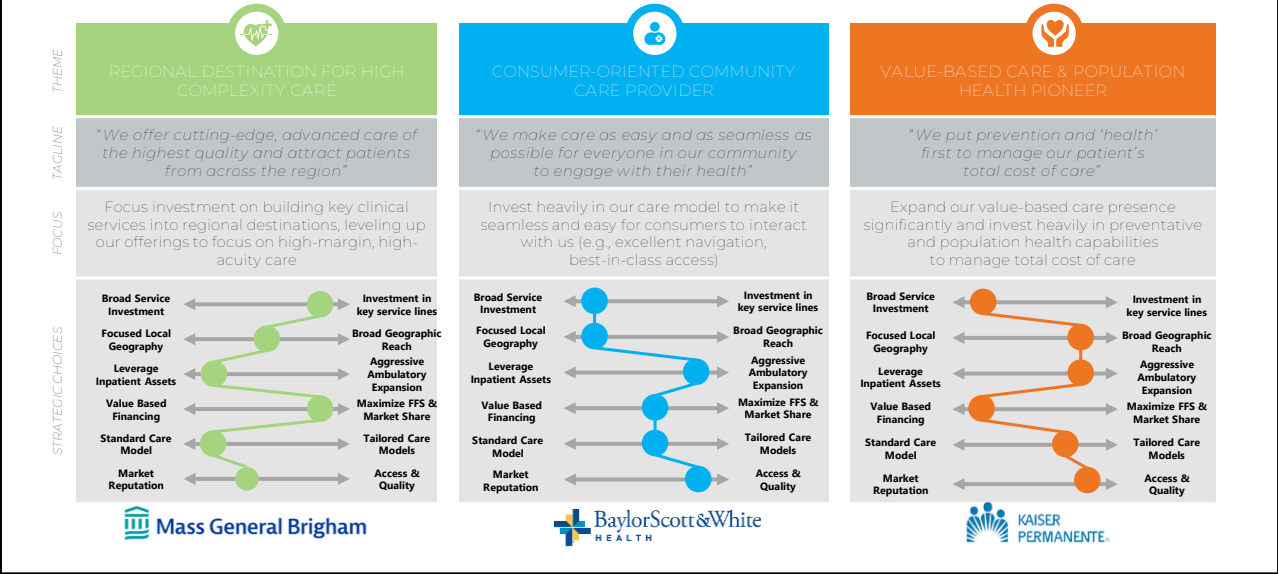
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16

Optimize The Business We're in Today ("A") Conceptualizing growth opportunities from the core



We need to make deliberate choices about how the System will compete and win in the future (What is our "B" Future State")



Making these choices requires a “Future Back” approach

Future-back STRATEGY APPROACH

Strategy based on defining tomorrow, and orienting planning around it

STRATEGY UNCOVERS NEW GROWTH CATEGORIES AND PRIORITIES

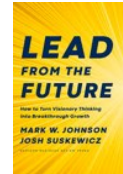
VS.

CONVENTIONAL STRATEGY APPROACH

Strategy extrapolated from present market view and current capabilities

STRATEGY FOCUSED ON EXISTING CATEGORIES OF GROWTH

FUTURE-BACK STRATEGY



VIEW OF THE WORLD

- What are the major forces that will shape the ecosystem in ~5-10 years?
- What are stakeholders' most critical unmet needs and how will they evolve?
- How will they expect their needs to be solved in the future?
- How will new solutions and technologies reshape the industry?

FUTURE-STATE

- What role will our organization play in this future?
- What is the scope and magnitude of our ambition?
- Why will our organization win against competitors?
- What are the priority Strategic Focus Areas our organization will pursue?

WALK-BACK

- What are the specific initiatives and plans to achieve our future state?
- What are the gaps in our current portfolio of activities to achieve this plan?
- What capabilities are required for us to be successful?
- How will we fund our journey?

ROADMAP

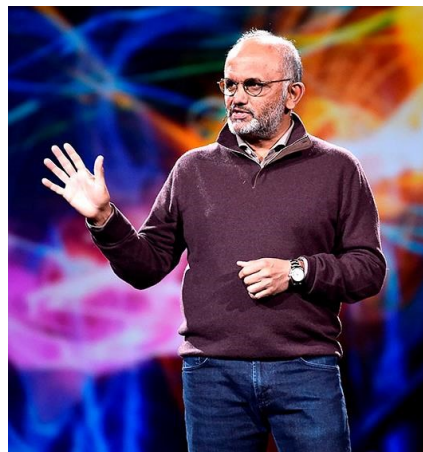
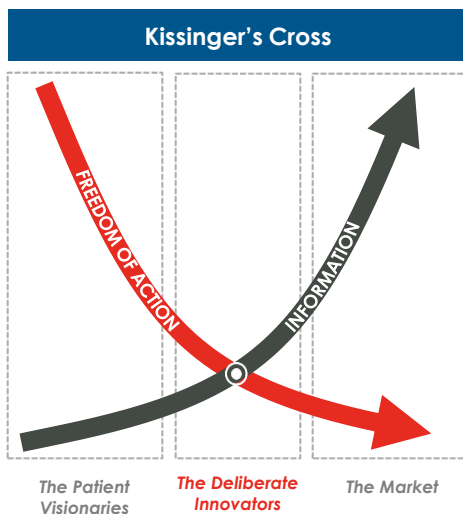
- What is the right sequence of events for us to build toward our future state?
- What do we need to start doing now?
- What do we need to stop doing?
- How will we communicate to key stakeholders?



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19

It takes courage to act under uncertainty, but inaction is fatal



“Preserving the status quo is not a winning business strategy. This is a belief that drives so many of the decisions we’ve made at Adobe”

-- Shantanu Narayen, CEO, Adobe

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20

Strategy is at most 49% of the answer



Microsoft had all the pieces to build a search advertising offering, but the core business poisoned the experiment around it



After passing on buying Netflix for \$50 million, Blockbuster's competitive response never gained traction



Nokia was working on devices similar to the Apple iPhone in the late 1990s but decided to deprioritize efforts in 2005



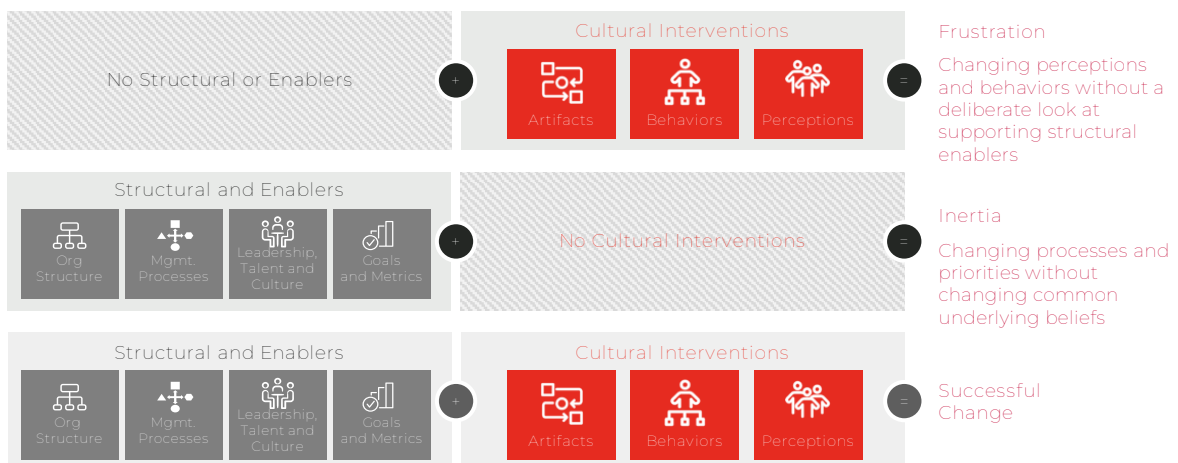
Wal-Mart made aggressive investments to "dominate" online retailing in 2000, but today lags far behind Amazon.com

An aligned operating model and culture is essential to sustaining commitment to transformation

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21

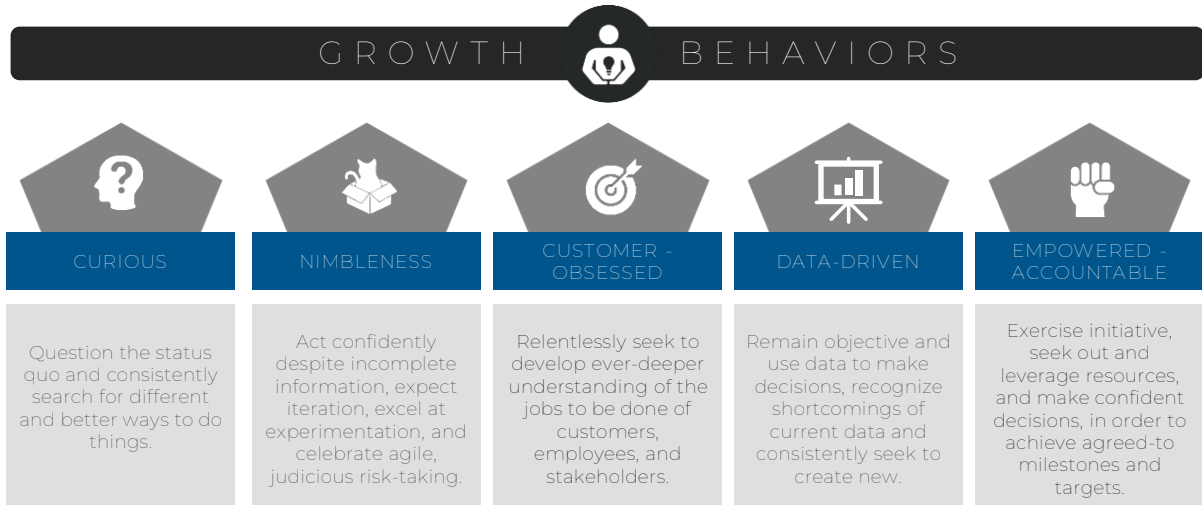
Successful Transformation Requires Both Structural & Cultural Change



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What does a Transformation oriented culture look like?



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Now Is the Time for Courage Five Strategies for Bold Leadership (HBR 2025)

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Strategy	Key Insight
1. Reframe Risk	View risk as opportunity, not threat. Shift mindset from fear to potential.
2. Anchor in Purpose	Use organizational purpose to guide bold decisions and build conviction.
3. Build Psychological Safety	Foster open dialogue and support experimentation to empower courageous action.
4. Practice Small Acts of Courage	Start with incremental steps to build confidence and momentum.
5. Model Boldness	Demonstrate visible courage to inspire and lead by example.

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24

1. Reframe risk

Risk is not the enemy—it's the raw material of transformation.

"What is the cost of not acting?"

Flip the default framing. Instead of asking "What could go wrong if we try this?", ask:

- *What opportunities will we miss if we don't?*
- *What will our competitors do while we wait?*
- *How will our community suffer if we stay cautious?*

Facilitate a "Future Headlines" Exercise

- *"If we take this bold step, what would the headline say in 3 years?"*
- *"If we don't, what might the headline say instead?"*

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25

2. Anchor in Purpose

Purpose is your compass when the map keeps changing.

Use purpose to guide bold decisions, especially when financial ROI is unclear.

When margins are tight, it's tempting to prioritize short-term gains. But courageous leaders ask: Does this initiative reflect our mission—even if it's risky?

"Would we still pursue this if it didn't show immediate financial return—but deeply served our community?"

Why it matters:

Purpose-driven moves often attract long-term support—from staff, funders, and the public. They also help boards and leadership teams stay aligned when facing tough trade-offs.

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3. Build Psychological Safety

Courage is contagious. But only in safe environments.

Bold leadership isn't just about the CEO—it's about creating a culture where others feel safe to take risks.

Create regular forums where teams share:

- Experiments they tried—even if they failed.
- Lessons learned from near misses or unexpected outcomes.
- Ideas they're hesitant to voice elsewhere.

"How does your performance management system reward intelligent risk taking?"

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4. Practice Small Acts of Courage

Boldness isn't a leap. It's a series of steps.

Courage is a skill, not a trait. It's built through repetition.

For health system CEOs, this means starting with visible, manageable actions that challenge inertia and signal change.

In coaching or performance reviews, ask:

- *"What's one courageous decision you made this quarter?"*
- *"What small risk did you take that helped your team grow?"*

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28

5. Model Boldness

If you want your team to be brave, show them how.

Courage cascades from the top. When CEOs visibly take bold action—especially under pressure—they give permission for others to do the same.

Make bold leadership visible:

- Share your decision-making process in internal newsletters.
- Acknowledge the discomfort of risk—and why it's worth it.

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Sensemaking, Trust, and Direction

CEO Imperatives in Disrupted Times

- From CEO as strategist to CEO as sensemaker and simplifier
- Facts are friends — speak the adult truth
- Create clarity amid noise: mission, pace, and principles
- Frame the why, not just the how
- But remember: people also need a plan — because the plan brings hope
- Build trust, alignment, and transparency
- Influence tone, urgency, and resilience — aim for calm, focused, and positive

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He who has a compelling
enough *why*, can
overcome any *how*.

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32



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EDUCATION & QUALIFICATIONS

- MHA, University of Minnesota
- ACHE Faculty
- Served over 400 health systems
- B.A., Louisiana State University

Craig Deao is a prominent industry thought leader, accomplished executive, and experienced board member helping leaders create better places to work, practice medicine and receive care.

He serves as a trusted advisor to boards and executive teams on healthcare leadership, especially patient experience, employee engagement and patient safety. He splits his time between executive management and thought leadership responsibilities as a published author and invited speaker to more than 400 healthcare organizations across the United States, Canada, and Australia.

Craig co-led Studer Group's journey to become a recipient of the Malcolm Baldrige National Quality Award in 2010. In 2016, he combined his experience with the latest evidence to author the book, [The E Factor: How Engaged Patients, Clinicians, Leaders, and Employees Will Transform Healthcare](#). In addition to his full-time work with Huron, he serves as faculty for the American College of Healthcare Executives (ACHE).



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