

Jonathan Schechter “Corpus Callosum” Column
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Today and in my next column, I’ll discuss the concept of a Statement of Ideal, something I’d like to see incorporated into the current Comp Plan update. Today, I’ll set the context for the discussion, and speak in broad terms about the concept. In two weeks, I’ll offer more detail.

Like any thoughtful enterprise, the Comp Plan update is being driven by a statement of “Guiding Principles.” In other contexts, these are called “mission statements” or “vision statements;” regardless of the name, the purpose is the same: to make explicit the qualities valued by the enterprise and, by extension, the long-term goal(s) it is pursuing. From this flows the strategies and tactics meant to move the enterprise closer to the goal.

I first learned about principle-based organizations in graduate school; I became a true believer when I served as an elected trustee of St. John’s Hospital. During that time, I attended several two governance conferences, many of which emphasized how important it was for a hospital – the quintessential principle-based business – to make explicit its mission, vision, and values. As a result, I was happy to help when the institution decided to create a mission statement for St. John’s. After a lot of hard work, St. John’s dedicated staff developed thoughtful mission, vision, and values statements, all of which were unanimously approved by the board. The key was the mission statement, which remains in force today: “St. John's creates a healing environment, with a passionate commitment to healthcare excellence.”

This occurred in 1999. A couple of years later, I had the first of two epiphanies that led to my wanting to see a Statement of Ideal incorporated into the Comp Plan.

In late September 2001, I attended a conference in Aspen. One of the speakers talked about why, despite being led by smart people making smart business decisions, industry-leading companies often failed. The epiphany hit when the speaker described how the same meta-forces causing problems for major steel companies, auto manufacturers, retailers, and scores of other well-run companies were also causing problems for many hospitals, especially those competing against outpatient surgery centers. Eureka – he’d just described St. John’s! In particular, despite our best efforts, St. John’s had just gotten creamed by the opening of Teton Outpatient Services. Now here was someone explaining why that had happened: St. John’s had been overwhelmed by the same meta-forces that had done in some of the smartest, most respected businesses in the world. Epiphany indeed.

As a result, I was all ears when, two days later, the same speaker talked about an epiphany of his own – how the techniques Toyota used to become the world’s best car manufacturer could dramatically improve a hospital’s performance.

In Toyota’s view, building a car is a process involving complex interactions between large numbers of rapidly- and constantly-changing variables. To organize such a potentially chaotic environment, Toyota developed the Toyota Production System (TPS), a process hallmarked by three qualities:

1. Incremental change – every year, every Toyota plant makes tens of thousands of incremental improvements to its production processes. Individually, none is significant; collectively, all of these small improvements have allowed Toyota to increase its quality and efficiency to a point where they have left other manufacturers in the dust.
2. The scientific method – Each proposed change is designed and treated as a scientific experiment. Those which succeed are embraced; those which fail are viewed as opportunities to learn.
3. Statement of Ideal – Every action Toyota takes is oriented toward an ideal state. This allows individuals, departments, and the entire organization to orient and evaluate every action against a shared, unambiguous, never-reachable goal.

A Statement of Ideal is similar to a mission statement, in that both describe an ideal future. However, a

Statement of Ideal differs in two critical ways. One is usefulness: mission statements are broad philosophical statements; Statements of Ideal combine this larger vision with a practical management tool. The other difference is precision: mission statements tend to be ambiguous; a Statement of Ideal is completely unambiguous.

For example, consider the aforementioned mission statement of St. John's Medical Center: "St. John's creates a healing environment, with a passionate commitment to healthcare excellence." While the words sound good, from a management perspective the statement has proved completely worthless. Why? Because of its ambiguity. No one can agree what a "healing environment" is; nor what distinguishes a "passionate commitment" from any other commitment. Critically, like beauty, "healthcare excellence" lies in the eye of the beholder. As a result, management can't use St. John's mission statement to evaluate day-to-day activities; as a further result, the mission statement has been basically ignored since the day we trustees approved it nine years ago.

Being ignored – or, at best, treated with lip service – tends to be the fate of almost every statement of mission, vision, or guiding principles ever produced. Why? Because as well-intentioned as they are, from a management perspective, they rarely have any practical, day-to-day value. A company can have a brilliant strategy, but it's wasted if it's not directly linked to tactics; ditto the connection between a mission statement and day-to-day activities.

In contrast, consider a Statement of Ideal for a hospital: "Every patient, every time, will receive exactly the care they need, at exactly the right time, with no waste, in an atmosphere of complete safety for everyone involved: patients, providers, and family members." Every clause of the statement is unambiguous; for each, an observer can clearly ask and answer "Did it happen or not?" As a result, a Statement of Ideal serves not just to orient the institution's long-term efforts, but doubles as a supremely useful tool for judging its daily activities. This is the secret of Toyota's success; in hospitals which have adopted the Toyota principles, it has become the secret of their success as well.

About the same time I was learning about TPS, I came to believe there was so much activity going on in Jackson Hole that the community could never be understood using conventional analytical tools. As a result, conventional planning efforts were equally doomed: How could you effectively plan in an environment that was more complex and rapidly-changing than any analysis could comprehend?

This led to my second epiphany: The way Toyota describes car production – as a process involving complex interactions between large numbers of rapidly- and constantly-changing variables – perfectly describes life in Jackson Hole. As a result, I realized the principles of the Toyota Production System could be applied to understanding Jackson Hole, and helping shape its future.

From this realization came the Sustaining Jackson Hole process I've helped run for the past several years. In it, participants apply some of the most important TPS techniques to understanding and addressing Teton County's "current condition;" based on that understanding, they identify ways to make Jackson Hole better.

One of the most important TPS principles is a bottom-up approach toward quality improvement: Because no one understands a job as well as the person doing it, Toyota relies on its assembly line workers to solve problems and make improvements. In that spirit, Sustaining Jackson Hole divided Jackson Hole into over a dozen "Areas of Interest," one for every major aspect of community life (from Agriculture and Arts to Religion and Transportation). For each, we formed a "Working Group" of interested and knowledgeable volunteers. In turn, each of these groups was given two tasks for its Area of Interest: gather important and accurate data, and develop a Statement of Ideal.

The most fascinating outcome of the Statement of Ideal process was that, working independently, half of the groups – including Business, Land Use & Housing, Recreation, and Transportation – included Jackson Hole's environmental quality in their Statement of Ideal. The purest form of this ideal was captured in the Environment

Working Group's Statement: "Human activities in Teton County will allow for viable populations of all native species, and the preservation of all natural scenic vistas."

I mention this because, as the Comp Plan update process goes on, a consensus seems to be gathering around the importance of two issues: providing workforce housing, and preserving the environment. This consensus on environmental quality echoes the consensus that emerged across the many Working Groups involved in the Sustaining Jackson Hole process, one that continues to this day.

Given this consensus, how can the new Comp Plan best capture the importance of the county's environmental quality? Equally important, how can it do so in a practical way, one which not only avoids the problems incumbent in most mission statements, but provides a clear and useful tool for guiding day-to-day decisions about how we use our lands?

In my view, the answer is simple: make the Environment Working Group's Statement of Ideal – "Human activities in Teton County will allow for viable populations of all native species, and the preservation of all natural scenic vistas" – the cornerstone of the new Comp Plan's section on the environment.

In my next column, I'll explain a bit more how this might work, and why I feel it offers Jackson Hole our best shot at continuing the extraordinary legacy of environmental stewardship left to us by our forebears.