

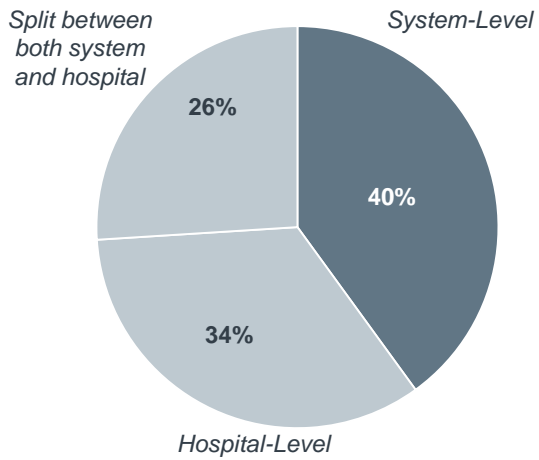
Observations From the 2017 Pharmacy Leadership Survey

2017 Survey Respondent Profile

Leaders Represent Variety of Levels, Roles

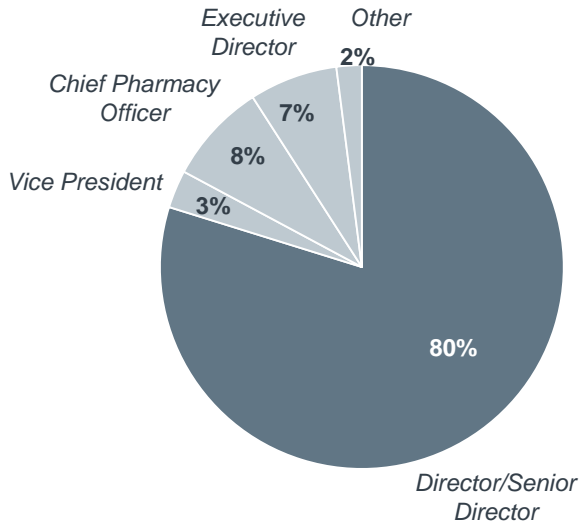
Respondent's Level of Primary Responsibilities

n=167



Respondent Title that Best Describes Position¹

n=167



1) Respondents with dual titles, such as VP and CPO, were counted only once.

Five Key Observations from the Leadership Survey

-
- 1** **There is no universal model for system-level pharmacy leadership**

 - 2** **Large, progressive organizations are establishing a dedicated system-level pharmacy leader**

 - 3** **System-level pharmacy leaders' responsibilities differ from those of hospital-level leaders**

 - 4** **Established reporting relationships may limit pharmacy leaders' effectiveness**

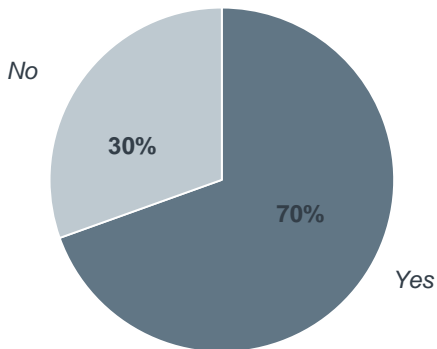
 - 5** **Skill gaps indicate opportunities to support the next generation of pharmacy leaders**

Many Orgs Have Dedicated System Pharmacy Lead

Inconsistent Titles Indicate Variation in Leadership Structures

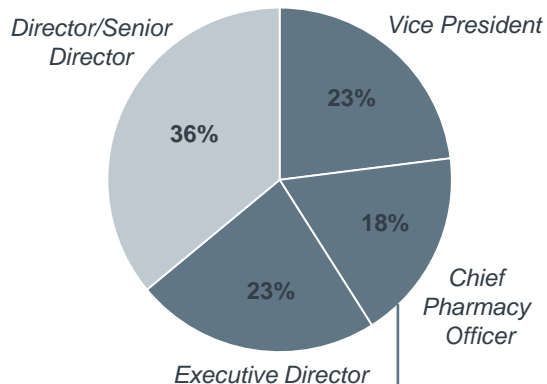
Does Your System Have a Dedicated System-Level Leader?

n=105



System-level Pharmacy Leader Titles

n=72



38% of CPOs are also a VP in their organizations

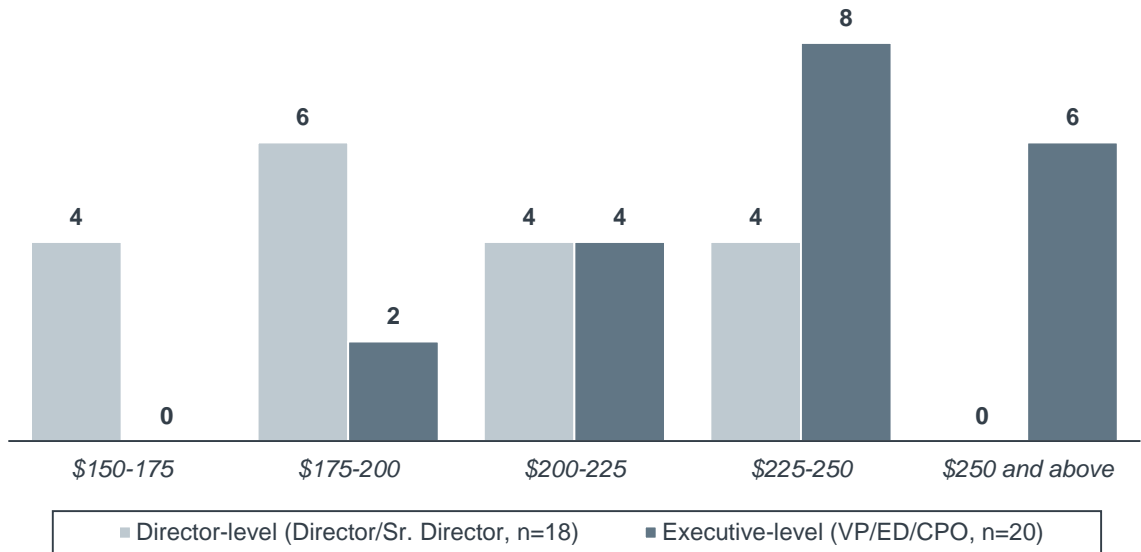
Other system-level leadership titles include:
pharmacist-in-chief, corporate director of pharmacy, system director of pharmacy services

Move to Executive Level Often Carries Salary Bump

Likely Indicates Increased Strategic Contributions

Reported Annual Salary Among Dedicated System-level Leaders

Salary Range in Thousands

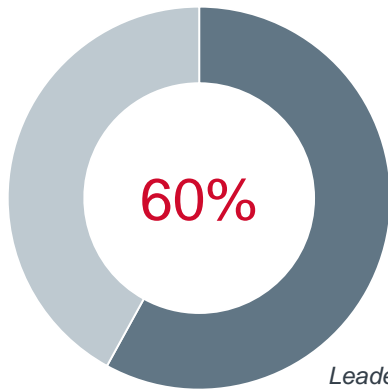


Most System Leaders Have Business Degree

Other Advanced Qualifications Less Common

Do You Hold an Advanced Business Management Degree?

n=42 dedicated system-level leaders



Leaders that answered yes

Additional Qualifications Held by Leaders



PharmD

45%



ASHP-accredited pharmacy residency program

40%



Board Certified Pharmacotherapy Specialist¹

11%



Administrative specialty residency

8%

1) BCPS certification was not included as an original survey option but was written in by many respondents; therefore the actual percent of leaders holding this certification may be higher than reported.

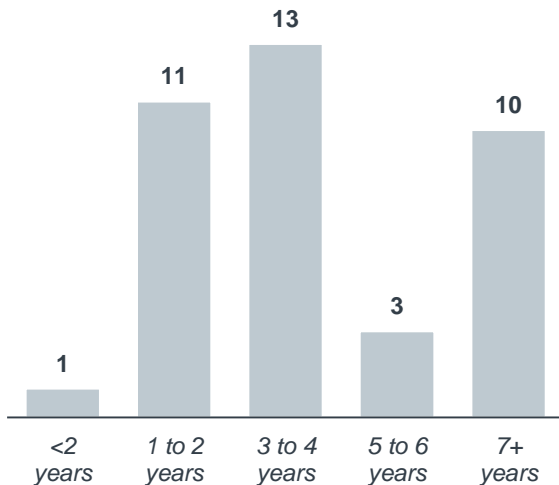
System Pharmacy Leaders Relatively New to Role

Most Dedicated Leaders Expect to Maintain Position

Tenure in Current Role

Number of Respondents by Tenure

n=38 dedicated system-level pharmacy leaders



84%

of dedicated system leaders are likely or somewhat likely to be in their position in three years

8%

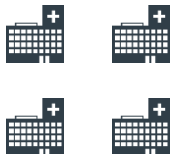
of dedicated system leaders anticipate retirement within the next three years

Acute Care Footprint Impacts Leadership Structure

Dedicated System Leads More Common in Larger Systems

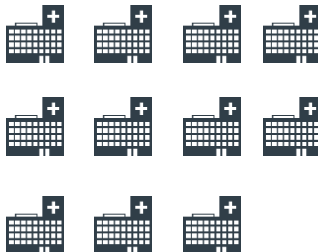
Average Number of Acute Care Hospitals

Organizations without a dedicated system-level pharmacy leader



4 acute care facilities in the system

Organizations with a dedicated system-level pharmacy leader



11 acute care facilities in the system

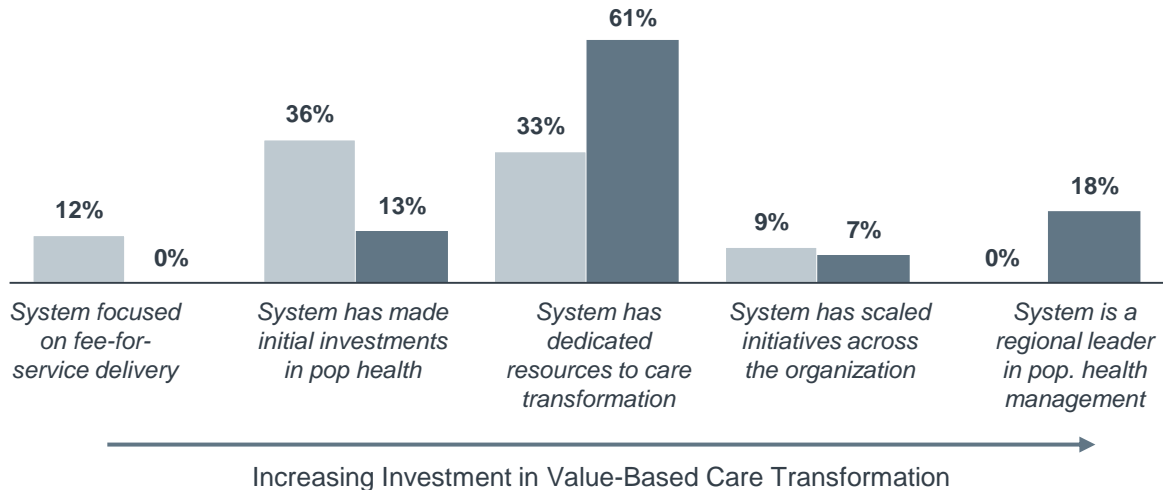
97%
of dedicated system pharmacy leads are responsible for inpatient drug spend

\$275M
mean inpatient drug spend in systems with a dedicated system pharmacy leader

Systems Focused on Pop. Health Elevate Pharmacy

Dedicated System-level Lead Less Common if Limited Movement to Risk

Org's Level of Population Health¹ Investment by System-level Pharmacy Structure²



■ No Dedicated System-level Pharmacy Leader (n=32)

■ Dedicated System Pharmacy Leader (n=62)

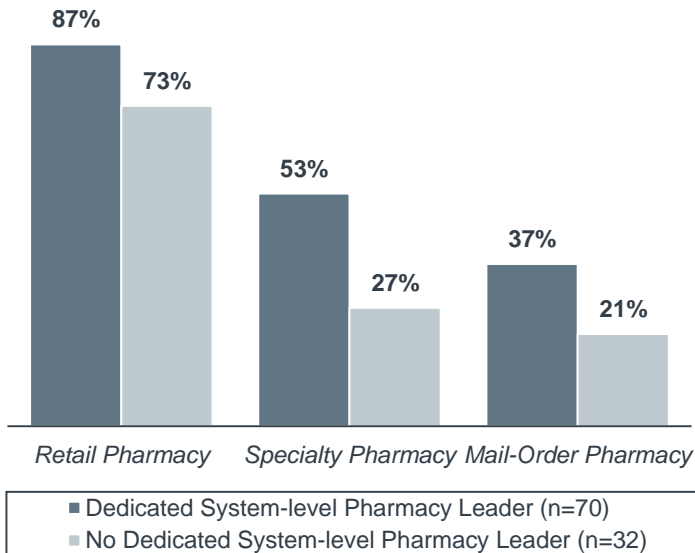
1) Population health encompasses value-based care initiatives designed to improve overall health and reduce health care costs across a population for which the institution has taken on some financial risk.

2) As reported by pharmacy leaders in response to the question: Which of the following best describes your organization's current position toward population health initiatives?

Executive Often Leads Outpatient Ambitions

Greater Ambulatory Offerings in Orgs with Dedicated System Leader

Which of the Following Does Your Health System Own and Operate?



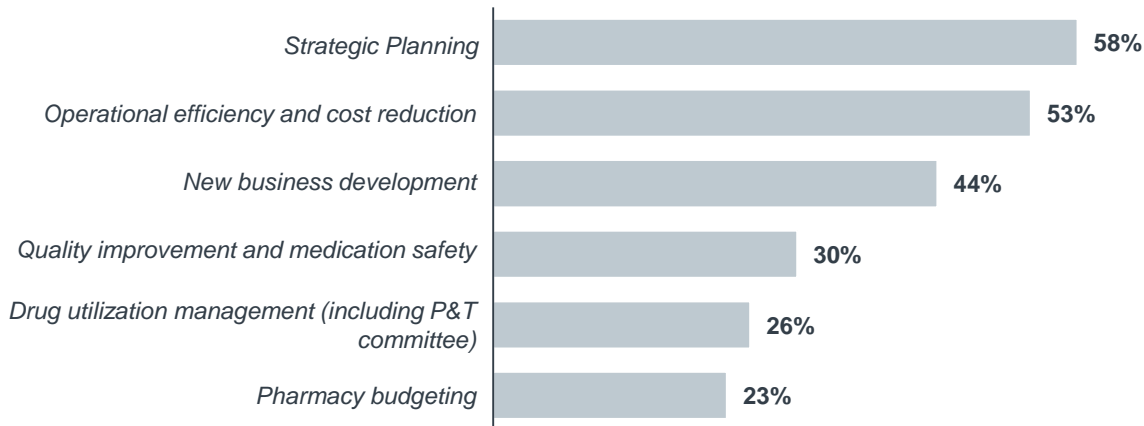
Strategy a High Priority for Dedicated System Leads

Operational Efficiency, Business Development Also Top Responsibilities

Responsibilities Consuming the Largest Portion of Time

Percent of Dedicated System-Level Leaders Ranking Responsibility in Their Top 3

n=39

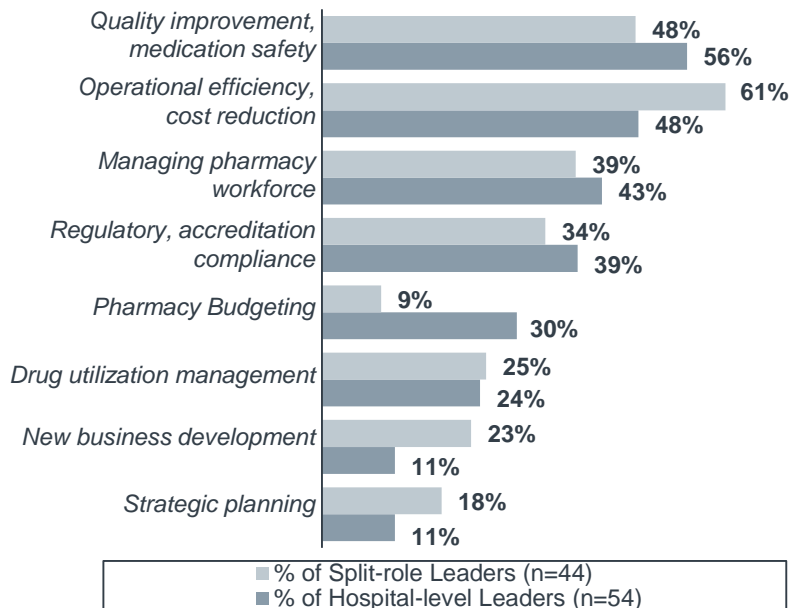


Hospital Leaders Focus on Daily Operations

Split-role Leaders' Roles Closely Resemble Hospital-Level Leaders'

Responsibilities Consuming Largest Portion of Time

Percent of Leaders Ranking Responsibility in Their Top 3



Split-role Leaders

- Tasked with both site- and system-level responsibilities
- Ranked same top four responsibilities as hospital-level leaders
- Also commonly report business development and strategy responsibilities, more similar to system-level executives
- Pulled in both directions; may have difficulty effectively executing all duties

Collaboration Critical At All Levels of Leadership

Dedicated System Leads Have Closer Ties to Finance, Supply Chain

Percentage of Pharmacy Leaders Collaborating Regularly with Leaders Across Other Health Care Functions

	Dedicated system-level leaders (n=38)	Hospital-level leaders (n=56)
Finance Leadership	89%	71%
Physician Leadership	84%	75%
Nursing Leadership	84%	87%
Quality Leadership	79%	84%
IT Leadership	73%	80%
Safety Leadership	71%	80%
Supply Chain Leadership	71%	50%

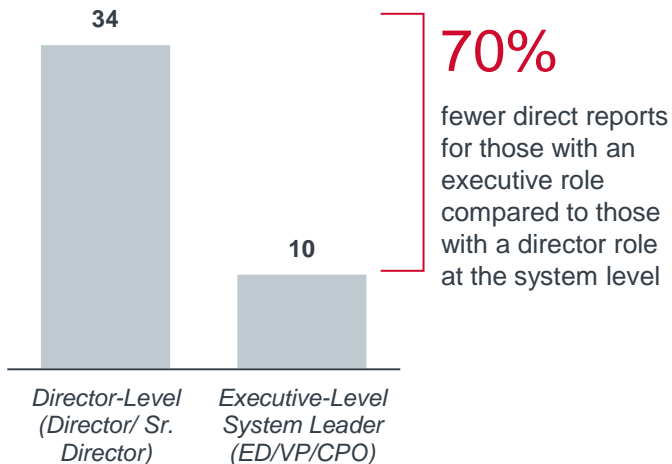
Span of Control Varies at System Level

System, Director-Level Leads Lack Optimal Reporting For Strategic Work

Average Number of Direct Reports for Position

Differences in Role Shown Through Span of Control

n=37 dedicated system-level pharmacy leaders



Harvard Business Review's Five Areas to Consider for Span of Control

1. Evaluate place in senior-executive life cycle
2. Assess cross-organizational collaboration required
3. Consider time spent outside of your direct span of control
4. Consider the scope of your role
5. Consider your team's composition

Hospital, Split-role Leaders Oversee Similar Staff

Operational Duties May Limit Capacity For Strategic Work

An Unbalanced Balancing Act



43 average direct reports
for hospital-level leaders

41 average direct reports
for split-role leaders



Split-role leaders often challenged to balance managing site-level operations with undertaking strategic, system-level pharmacy initiatives



Optimize your Pharmacy Organizational Chart

- Leadership hierarchy needs to create bandwidth for system executives to work on strategic, system-level initiatives
- Hospital-level leaders often manage more personnel than those working at the system level, because they oversee daily pharmacy operations and care delivery

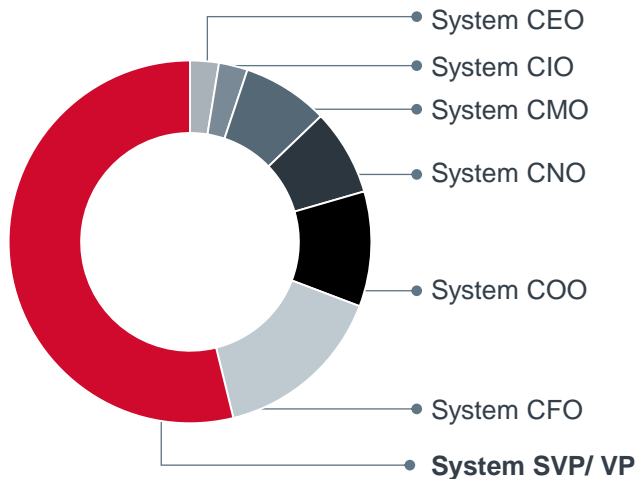
No Standard Pharmacy Reporting Structure

Dedicated System Pharmacy Leaders Often Lack C-Suite Connection

To Whom do System Pharmacy Leaders Report?

Among Dedicated System Pharmacy Leaders

n=39



54%
of dedicated system-level
leaders directly report to
a system SVP or VP

“Directly reporting to the CMO
or COO is ideal for moving
forward pharmacy’s strategic
work to executives and
presidents in the organization”
*William Churchill, CPO
Brigham and Women’s Hospital*

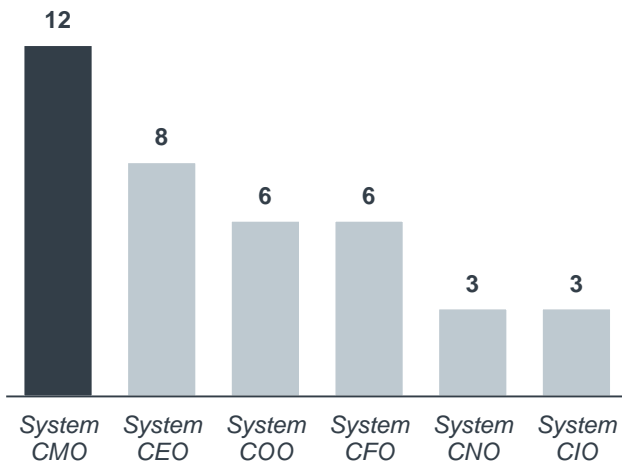
Dotted-line Reporting Helps Bridge Gap

Pharmacy Leaders Frequently Have Indirect Line to Medical Staff

Number of Leaders with Dotted Line Report

Among Dedicated System-Level Pharmacy Leaders

n=39



Optimize Your Indirect Reporting Relationships

- Dotted line relationships help to align strategic goals, set collaborative objectives, integrate care delivery
- However, these relationships are often unstructured and therefore may not lead to intended results
- Effective dotted-line relationships must represent limited but real power, such as through veto authority over strategic goals, budget control, performance reviews, and shared incentives

Influence, Strategy Skills Key to Leader Success

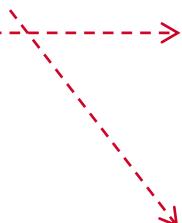
Also Top Opportunities for Proactive Leadership Development

What's The Most Important Skill to Succeed as a Pharmacy Leader?¹

- 1 Ability to influence others 50%
- 2 Strategy/planning 44%
- 3 Relationship building 42%
- 4 Communication 38%
- 5 Change management 35%
- 6 Finance acumen 25%
- 7 Creativity and innovation 19%
- 8 Team Building 14%

Top 5 Areas Pharmacy Leaders Felt Least Confident in When Starting in Their Role¹

- 1 Finance acumen
- 2 Strategy/planning
- 3 Healthcare industry knowledge
- 4 Clinical expertise
- 5 Ability to influence others



1) By percentage ranked in top three among all pharmacy leader respondents.



Appendix

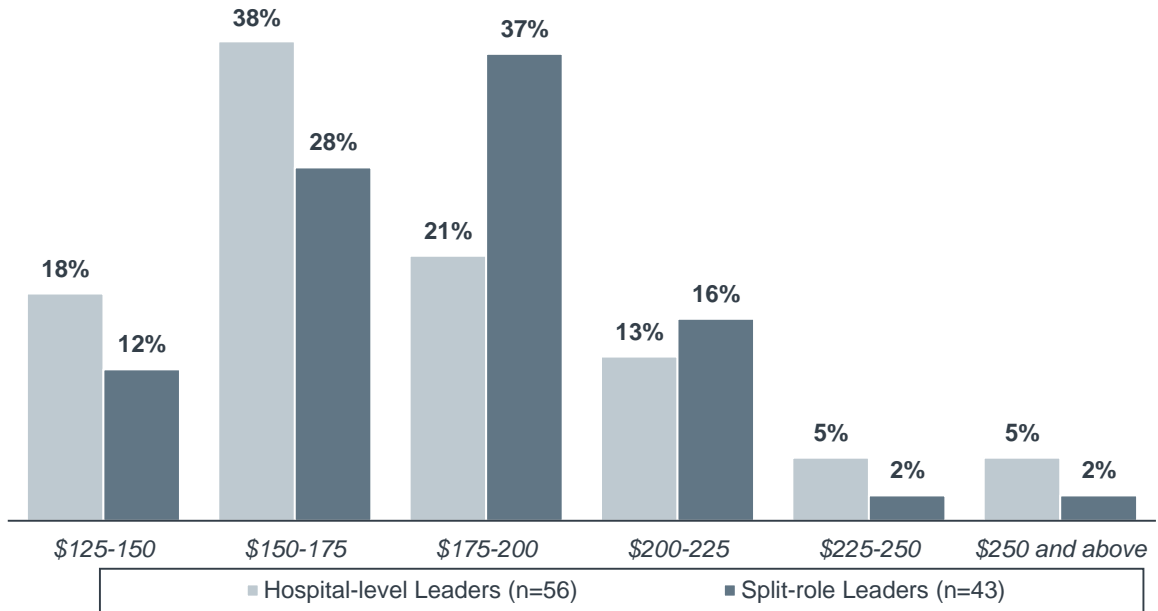
Benchmarks and Observations from Hospital-level and Split-role Leadership

Hospital-level, Split-role Leader Salaries Similar

System Responsibilities, Hospital Size May Account for Differences

Reported Annual Salary Among Hospital-level and Split-role Leaders

Salary Range in Thousands



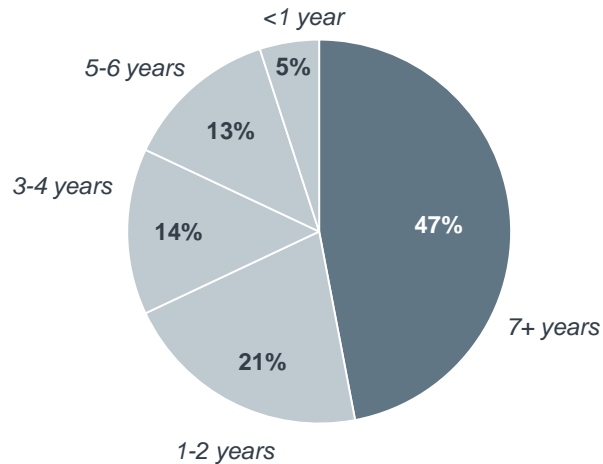
Hospital-level, Split-role Pharmacy Leaders Tenured

Stability in Hospital and Split-role Leadership Positions

Tenure in Current Position

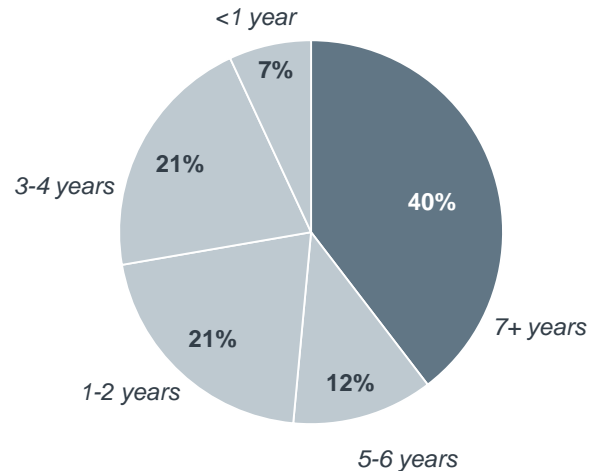
Responses from Hospital-level Leaders

n=56



Responses from Split-role Leaders

n=43



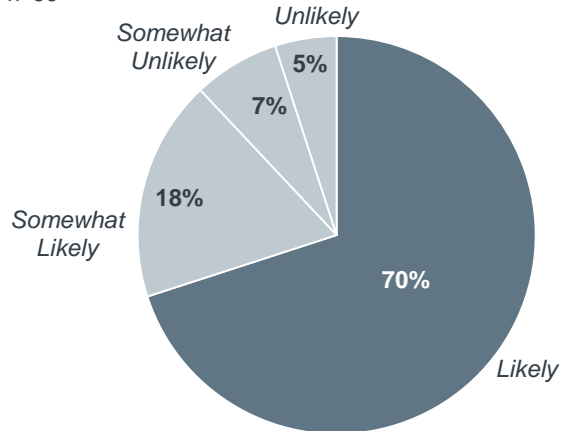
Hospital-level Leadership Expects to Remain in Seat

Less Certainty Among Split-role Leaders

How Likely Are You to be In Your Position In the Next 3 Years?

Responses from Hospital-level Leaders

n=56



33%

split-role leaders either somewhat unlikely or unlikely to be in their position in the next three years

Most Common Reasons for Split-role Leaders Departure



Promotion within current organization



Retirement

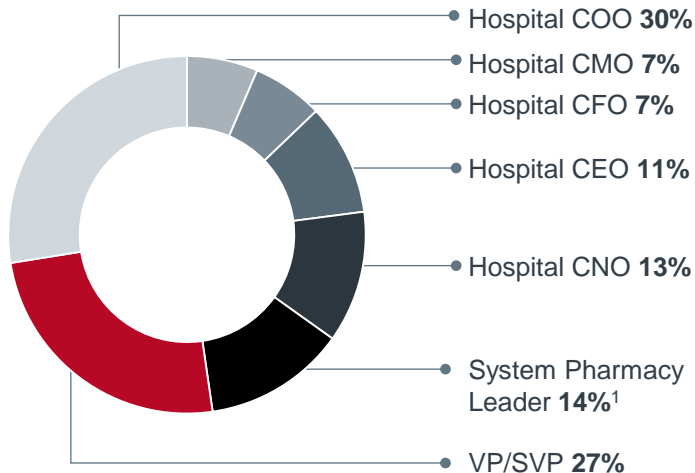
Hospital-level Leaders Often Report to Hospital COO

Close Ties to Hospital-level C-Suite Through Dotted Line Relationship

Who Do You Directly Report To?

Percentage of Hospital-level Leaders

n=56



1) 50% of hospital leaders responding are part of a health system with a dedicated senior pharmacy executive with purview over the entire system.

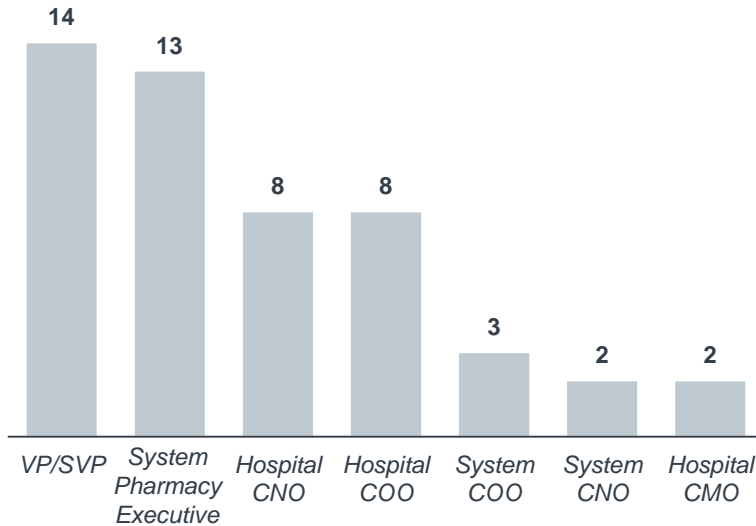
Split-role Leads Report to Pharmacy, Hospital Execs

Less Pronounced Connection to System-level Executives

Direct Reporting Relationships of Split-role Leaders

Number of Respondents Reporting to Position

n=43



Common Dotted Line Reporting Relationships



33%

Split-role leaders indirectly reporting to hospital CEO



28%

Split-role leaders indirectly reporting to hospital CMO



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