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BOLDLY GO: CHARACTER DRIVES LEADERSHIP AT PROVIDENCE HEALTHCARE

Dr. Chitra P. Reddin wrote this case under the supervision of Professor Mary Weil solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

It was October 14, 2014, and Josie Walsh, president and chief executive officer (CEO) of Providence Healthcare (Providence) in Toronto, was in her office, thinking about the October 27 strategic planning retreat with her board. Appointed president and CEO in 2011, Walsh had led Providence through massive change and turnaround, from potential crisis to financial health and innovation in four, short, action-packed years. Two critical questions demanded her attention. How could she integrate and embed the values that had helped her drive change and foster collaboration within Providence and with its key partners? What could she do to sustain positive change at Providence Healthcare through her values-based leadership and to win the support of key stakeholders well into the future? She reached for the phone to call key members of her team for their input.

A VALUES-BASED LEADER

Josie Walsh joined Providence Healthcare as vice president of programs and chief nurse executive in 2001. Walsh had extensive health care experience, held a master's degree in Health Sciences (Health Administration) and was a Certified Health Executive with the Canadian College of Health Leaders. Her joining Providence was a near-perfect alignment of her virtues as a leader with the needs and values of the organization. Her commitment to Providence was visceral: her own parents had received care at Providence, sharply focusing her views of what worked well and what needed to be radically changed in the health care system. Compassionate care, dynamic partnerships, high accountability and trust were integral to both the leader and the organization. This confluence helped drive success at Providence and was instrumental to enabling change and innovation. Walsh's competencies, her commitment to Providence and her character shaped the design and execution of radical transformation at Providence.

The notion of personal character as a driver of leadership and organizational success had come sharply to the forefront after the global economic meltdown of 2008, as CEO after CEO stood indicted for gross negligence, egregious fraud and monumental greed. Increasingly, character-based leadership had become very much part of the management conversation. Research by Ivey Business School academics Jeffrey Gandz, Mary Crossan, Gerard Seijts and Mark Reno explored the key dimensions of leadership character and its relevance to good corporate governance (see Exhibit 1).

How do these virtues help a leader to lead more effectively? Humility helps leaders to learn and grow. Integrity builds trust and fosters collaboration. Collaboration empowers teamwork. Justice shapes decisions that are seen as being fair and reasonable. Leaders need courage to make difficult decisions, take bold actions and challenge the status quo. Temperance helps leaders take a balanced view and reasonable risks. Accountability means leaders own their decisions, commit to them and expect others to do the same. Humanity powers empathy and understanding of others. Transcendence shapes a leader with vision, purpose and optimism. And finally, judgment equips a leader to focus and balance these virtues to meet the needs of both internal and external stakeholders. Of these dimensions, Walsh had been recognized by both internal and external stakeholders, particularly for her courage, collaboration, accountability and integrity. These characteristics helped her lead Providence Healthcare through a tsunami of change. Her values-based leadership drove change and innovation at Providence at a time when major change was needed to ensure the future of the organization.

PROVIDENCE HEALTHCARE: "HELPING PEOPLE. HEALING LIVES."

Established by the Sisters of St. Joseph in 1857 as the House of Providence to look after the needs of the poor, ill, homeless and vulnerable, Providence Healthcare had a 158-year history and strong values of compassionate care and responsive innovation (see Exhibit 2). As a leader in rehabilitation, palliative care, long-term care and community programs, Providence provided inpatient and outpatient care to more than 5,000 individuals annually. A rehabilitation hospital differed from acute care hospitals: patients of a rehabilitation hospital typically stayed for longer periods and required care from a broader spectrum of health professionals. Providence Healthcare included six rehabilitation units, one palliative care unit, the outpatient clinics of Providence Hospital, the Cardinal Ambrozic Houses of Providence with 288 residents who needed long-term care, and an Adult Day Program, which included caregiver workshops, support and education. Also part of the organization, Providence Healthcare Foundation was a fundraising organization that supported programs and equipment at Providence, with a goal of raising $3.5 million[1] for 2014/15.

In 2013/14, Providence Healthcare had 1,100 employees and physicians, 350 volunteers and annual income of $88.5 million. Of this amount, $74.8 million came from the Ontario Ministry of Health and Long-Term Care through the Toronto Central Local Health Integration Network (TCLHIN); $7.4 million in income from patients and residents; $2.7 million from amortization of contributions to capital assets; $2.9 million from other incomes and recoveries; and $0.7 million from operations and equipment. Providence's focus on compassionate care, a part of its Catholic tradition, came through in its mission, vision and values.[2] These tenets of care were redefined in 2013 by 260 employees, physicians, donors, health care partners, volunteers, patients and families as part of the organization's transformation.

Compassion, hope and healing were the pillars of Providence's mission to the community. Providence's six values encompassed sanctity of life, human dignity, compassionate service, community, social justice and social responsibility. Providence Healthcare took its values seriously; each January, staff who exemplified the organization's key values in their work were honoured with awards for "Living Our Values." Providence even had a dedicated director of mission and values, Sister Mary Anne McCarthy, a sister of St. Joseph of Toronto. A highly unionized and diverse environment with a wide range of health care professionals, Providence was one of the largest rehabilitation hospitals in Ontario. It served a growing demographic: an aging population with multiple and complex needs.

[1] All currency amounts are shown in Canadian dollars unless otherwise indicated.
[2] Providence Healthcare, "Mission, Values and Vision," www.providence.on.ca/about/mission-values-and-vision accessed November 24, 2014.

Providence Healthcare's multiple stakeholders included the following:

- Providence Healthcare board of directors
- Providence Healthcare Foundation board of directors
- Senior management team
- Employees, physicians, volunteers and students
- Patients, residents, clients and their families
- Donors
- Union members
- Sisters of St. Joseph of Toronto and the Catholic Health Corporation of Ontario
- Five acute care hospitals: St. Michael's Hospital, Sunnybrook Health Sciences Centre, Toronto East General Hospital, The Scarborough Hospital and North York General Hospital
- Toronto Central Local Health Integration Network
- Ontario Ministry of Health and Long-Term Care
- Community Care Access Centres
- Community health professionals and agencies
- Media

In 2008, Providence was rocked by the shock waves of the global financial crisis and growing pressures in Ontario's health care sector to do more with less. Providence Healthcare found itself with a deficit threatening and its pension plans at risk. The board and senior management faced the stark reality of possible service cutbacks, staff layoffs and closing patient care units — if the organization followed a traditional approach to managing financial pressures. This situation was happening at a time when regulators expected health care organizations to reduce costs while providing more and better services.

As noted in the October 2014 report of the Canadian Institute for Health Information, *National Health Expenditure Trends, 1975 to 2013*: "Health spending in Canada is projected to grow by approximately $4.5 billion this year to reach $214.9 billion in 2014"[3] (see Exhibit 3).

There was a growing realization among health care leaders that Ontario's model of patient flow and care needed to be radically improved, with shorter wait times, higher quality and standards of care, smoother hand-offs and better use of limited resources. Hospitals were being held accountable for performance and productivity as never before and were expected to balance their budgets. The board of directors and senior managers knew conventional solutions would not be enough to ensure Providence's future. What was needed was breakthrough thinking. The person who believed this most strongly was Walsh, then vice president of programs and chief nurse executive. She was convinced that Providence needed quantum change to weather the storm and be strongly positioned for future growth and innovation.

TRANSFORMATION BY DESIGN

In 2009, Providence began a series of consultations with key stakeholders to ask what was needed. Providence's key partners, the administrative and clinical leaders from the acute care hospitals from which its patients came, had one clear and unanimous recommendation: "Improve patient flow." Improving patient flow would help to move patients faster through the health care system from acute care to rehab, which would reduce the number of costly alternative level of care (ALC) beds. Walsh, the senior

[3] Canadian Institute for Health Information, National Health Expenditure Trends, 1975 to 2014, October 2014 www.cihi.ca/web/resource/en/nhex_2014_report_en.pdf, accessed November 25, 2014.

team, and the board all saw an opportunity to develop a new model of patient flow and care at Providence. Walsh challenged her team to think about what perfect care would look like.

What followed was a brainstorming session that focused on the following questions:

"What if we reach out to patients in acute care to plan their recovery *before* their arrival to our rehabilitation program? What if we redesign the care experience *during* their stay at Providence, so that it better reflects the needs of patients and their families when they return home and continue their recovery? What if we manage the transitions and hand-offs in care for our patients so that they have a small and connected clinical team? What if we promise patients rehabilitation everywhere, always, one patient at a time?"[4] And what if we called patients after discharge to ensure they were safe at home?

What Walsh had in mind was nothing less than a *new* model of patient flow and care at Providence that would perfectly meet the diverse needs of patients, families, regulators, donors, health care partners and professionals. It was a model so innovative and effective that other health care organizations in Ontario and beyond would also want to use it.

To make such massive change acceptable to a supportive but cautious board, Providence proposed to "pilot" the new design, test and refine it, measure results and then move forward. Transformation by Design (TbyD) was planned in September 2009, designed and piloted in 2010/11 and then implemented throughout Providence in 2012/14 (see Exhibit 4).

The complex, multi-year project redesigned 32 processes, changed staffing and infrastructure, affected multiple stakeholders, both inside and outside Providence, and subjected stakeholders to constant change. TbyD was potentially a high-risk endeavour. It called on every leadership virtue Walsh had, the support and engagement of stakeholders and the strength and values of Providence's corporate culture and its people.

It's a truism in change management that the older the organization, the slower it is to change. As Michael Beers and Nitin Nohria remind us, "The brutal fact is that about 70% of all change initiatives fail."[5] In January 2011, the board of directors of Providence Healthcare appointed Walsh interim president and CEO and, in May of that year, confirmed her appointment. She was now in the driver's seat and could lead the changes she felt were needed. So what happened and what was the impact of Walsh's values-based leadership on change and transformation at Providence?

LEADERSHIP DRIVES CHANGE

Walsh set the bar high with Providence's 2010–2015 strategic plan, *Time to Shine*,[6] which focused on three main goals:

- Redevelop the hospital's rehabilitation inpatient units through Transformation by Design
- Substantially expand outpatient programs and services
- Provide excellence in patient care

[4] Thelma Horvitz and Josie Walsh, "Building Sector-Wide Bridges to Improve Patient Flow and Care," Healthcare Quarterly, Vol. 16, No. 2, 2013, pp. 31–35.
[5] Michael Beer and Nitin Nohria, "Cracking the Code of Change," Harvard Business Review, May 2000, https://hbr.org/2000/05/cracking-the-code-of-change accessed November 14, 2014.
[6] Providence Healthcare, "Time to Shine," January 2011, accessed January 19, 2017, www.providence.on.ca/application/files/1014/8493/4748/time_to_shine_poster_18mar2011.pdf.

TbyD was the lever by which Walsh engineered massive change at Providence Healthcare. Beyond the inpatient rehab units, TbyD was used to redesign every aspect of the patient's journey: before, during and after care and treatment at Providence, in effect extending Providence's accountability for patients to before they arrived, and after they left. She wanted to totally transform Providence Hospital, up, down, across and beyond the enterprise.

BOLDLY GO

Walsh had a clear vision and the courage to think big and take calculated risks. Along with her senior team, she conceptualized TbyD, a radical process of reengineering using a plethora of management tools and techniques used more often in business and manufacturing than in hospitals. These tools and techniques included the full extent of Lean methodology and quality improvement tools such as 3P (production, preparation, process), Rapid Prototyping, Simulations and 6S.[7] The aim was perfect quality, high staff engagement and satisfaction, exceptional patient care and productive partnerships. The goals of TbyD were embedded in the 2010–2015 strategic plan *Time to Shine* as a multi-year commitment. A natural collaborator and believer in partnerships, Walsh closely aligned TbyD with the strategic aims in the Health Services Integration Plan of the Toronto Central Local Health Integration Network, Ontario's key administrator and funder for the health care region in which Providence operates.

TbyD began by articulating and committing to a widely communicated set of guiding principles:

1. Spend lots of time on design to get it right from the start and speed adoption.
2. Establish an aggressive project timeline.
3. Be diligent about building trust with all stakeholders.
4. Align project priorities with the priorities of the Ministry of Health and Long-Term Care.
5. Make communications a top priority and always be clear about our reasons for actions.
6. Stick to a bottom-up approach to engage staff and build buy-in and remain conscious of human resources implications.
7. Measure relentlessly.

These principles became the context and the compass for the project. Another critical success factor was the announcement of the leadership commitment (communicated early and upfront) that no one would leave the organization involuntarily as a result of TbyD. Major change initiatives are often derailed, don't achieve real value are even sabotaged when they're viewed by staff as primarily cost-cutting measures. Walsh's clear and bold vision of perfect patient care and her commitment to staff well-being and growth helped to build engagement and move change forward. Fundamental to the project was looking at every aspect of the patient's journey — before, during and after care at Providence — through the eyes of the patients and their families. This perspective became the litmus test of how well a new process worked and had value.

COLLABORATE, COLLABORATE, COLLABORATE

A hallmark of Walsh's leadership was her natural and open inclination to collaborate widely. Through the process, she made allies, benefited from the input of others, engaged her stakeholders and moved her goals forward. Collaboration helped her shape and lead TbyD, from initial consultations with the leaders

[7] A part of Lean methodology, 6S is a process improvement tool that stands for Sort, Set in Order (also known as Straighten or Stabilize), Shine (also known as Scrub or Sweep), Standardize, Sustain, Safety.

of acute care hospitals through ideas and innovations driven, throughout the four years of transformation, by Providence staff and health care professionals, the feedback of patients and families, and inputs from community partners, donors and the board. Through collaboration, she identified and supported leaders at every level, winning their support and engagement through successive waves of rapid and relentless change. Walsh was quick to see and support good ideas and leadership ability in others. She made Lean Corporate Lead Thelma Horwitz, now Director of Quality and Process Improvement, the project lead, recognizing her abilities early in the project. "She opened career doors for me," said Horwitz of Walsh. "She set the bar high to design the hospital of the future."[8]

Another key collaborator with a similar focus on collaboration was Dr. Peter Nord, vice president and chief medical officer at Providence. "Collaboration and inclusiveness is part of our culture,"[9] Nord said and pointed to a key process improvement. Before TbyD, patients, as was typical in rehabilitation settings, were looked after by as many as 35 different health professionals. After TbyD, patients had a dedicated, tight team of 14 health professionals who together held regular, individual meetings with patients to provide consistent, coordinated patient care. Collaboration enabled smooth patient flow and process improvement throughout the patient's journey from acute care to Providence and beyond.

To shorten the time from acute care to rehab, Providence partnered with the five acute care hospitals (from which Providence's patients came) to embed a patient flow coordinator from Providence at each hospital. Many patients would now meet with the flow coordinator to discuss their rehabilitation *before* being moved to Providence. When patients arrived at Providence, space, equipment, a welcoming environment and a snack were all ready for them. They settled in quickly and comfortably. Wait times were improved, patients better served and costly ALC beds reduced.

While at Providence, patients benefited from another instance of collaboration. Corporate partners and donors such as Sun Life Financial and Foresters made possible the remodelling of home-like spaces and facilities to strengthen and speed up the recovery process. The result was 12 innovative new spaces to support the project's goal of rehabilitation everywhere, always, one patient at a time.

Collaboration was also key in improving patient flow and care *beyond* Providence. Through shared planning and programs with Community Care Access Centres, patients were thoroughly prepared and supported for care when they left Providence and returned to the community. Patients without a family doctor were set up with one, and appointments were scheduled with Providence's outpatient clinics for ongoing care. A Providence Community Health Navigator followed up with patients within two business days after their discharge, then again after four months. Patients could also call Providence at any time for support.

BEING ACCOUNTABLE, BUILDING TRUST

Walsh's strong sense of accountability was another example of a point at which her leadership character perfectly meshed with the culture of Providence. Throughout its 158-year evolution, Providence exemplified a high degree of both accountability and responsiveness, and a willingness to change to meet the changing needs of its stakeholders. From caring for orphans and people living in poverty to dispensing stroke and orthopaedic care, as needs changed, so did space and services, with Providence maintaining its focus on compassionate care. Rapid, widespread fundamental change is difficult to implement without accountability, trust, collaboration and engagement.

[8] Interview with Thelma Horvitz at Providence Healthcare, Toronto, October 14, 2014.
[9] Interview with Dr. Peter Nord at Providence Healthcare, Toronto, October 14, 2014.

Mindful of the scope and impact of the change she was leading at Providence, Walsh made herself visibly accountable in every way she could. At the entrance to the hospital, a screen identified her and provided her contact information for anyone with questions about the changes she was leading at Providence. She held monthly face-to-face town hall meetings where she candidly and transparently addressed every question that was raised. Having worked at Providence for a decade before being appointed CEO, Walsh already had a measure of respect and credibility but she did not get an easy ride. Questions were asked for which she did not yet have answers. But her patience and willingness to hear everyone's viewpoints converted initial critics into the most vocal ambassadors of TbyD. Another indicator of her accountability was her relentless measurement and communications of results as each new process was designed, prototyped, refined, implemented and evaluated.

Walsh held regular scheduled "walk-arounds" with staff for the purpose of ongoing problem-solving and discussion of results. Stakeholders were regularly consulted and surveyed to gauge their understanding and support of TbyD and to gain alerts of areas that needed attention. Staff were surveyed pre-implementation, during implementation, post-implementation and after post-implementation. Progress was also measured, both through the comprehensive use of Lean methodology, weekly checkpoint meetings with staff and through a scorecard with 17 performance indicators shared with front-line staff, management, the board's Safety and Quality Committee and the full board of directors.

Walsh held herself accountable and expected no less from her team. But she was also quick to identify potential leaders and to provide support. At Providence's new Leadership Development Institute, staff and professionals were supported in navigating change and becoming change leaders, with programs such as "Crucial Conversations" and "Leading Self." Issues were resolved through transparency, targeted communications and openness. As Warren Bennis said:

> What employees want most from their leaders is direction and meaning, trust and hope. . . . Character counts because, in the leader, character is having the vision to see things not just the way they are but the way they should be — and doing something to make them that way.[10]

Walsh's leadership character, her bold vision and courage, her gift for collaboration, her accountability and her ability to build trust were pivotal in transforming Providence Healthcare. Her open and transparent communication and her desire to actively engage stakeholders also reinforced her integrity as a leader.

COMMUNICATING CHANGE

Post 2008, communication had come squarely front and centre as a key CEO accountability, particularly during crisis and change. Leaders define how and why the organization is changing and what the desired future state will look like. As management consultants Carolyn Aiken and Scott Keller remind us, the role of the CEO is:

> Making the transformation meaningful. People will go to extraordinary lengths for causes they believe in, and a powerful transformation story will create and reinforce their commitment. The ultimate impact of the story depends on the CEO's willingness to make the transformation personal, to engage others openly, and to spotlight successes as they emerge.[11]

[10] Warren Bennis, "The Character of Leadership," http://josephsoninstitute.org/business/resources/poc_bennis_character-leadership.html, accessed November 17, 2014.
[11] Carolyn Aiken and Scott Keller, "The CEO's Role in Leading Transformation," February 2007, McKinsey & Company website, www.mckinsey.com/insights/organization/the_ceos_role_in_leading_transformation, accessed November 17, 2014.

Clear, compelling, consistent leadership communication is a best practice for managing change. But, as change guru John Kotter notes:

> Most organizations under communicate their visions for change by at least a factor of 10. . . . When an entire team of senior management starts behaving differently and embodies the change they want to see, it sends a powerful message to the entire organization. These actions increase motivation, inspire confidence, and decrease cynicism. Tactically, a vision for change must be communicated in hour-by-hour activities, anywhere and everywhere — the vision must be referred to in emails, meetings, presentations, company newsletters, and internal training programs.[12]

This kind of CEO-led comprehensive communication and engagement strategy flowed at Providence throughout TbyD. Beth Johnson, Providence Healthcare's chief communications officer, had been with Providence through the entire change process. Savvy and knowledgeable, she worked closely with Walsh and the senior management and project team to create, sustain and measure a communications and engagement strategy for informing multiple stakeholders about the transformation. Equally important to her was to receive stakeholders' ideas and feedback early and often, through different channels to keep communications relevant and timely. She supported Walsh and the senior management team in communicating face-to-face and through multiple channels regularly and often, at every phase of TbyD, from design to implementation.

Johnson developed a communications and engagement plan for Providence to support TbyD and Providence's 2010–2015 strategic plan, Time to Shine. The overarching goal was to communicate with and engage stakeholders in Providence's transformation and to reaffirm Providence's commitment to compassionate care.

A communications audit and internal communications research were conducted in 2010 to identify gaps and priorities. Research findings revealed limited employee understanding and engagement and low morale, particularly among front-line staff. The research fuelled commitment and development of a long-term internal communications and engagement strategy. Out of the research came the following keystones of communicating change:

- Active participation and visibility of Josie Walsh and the senior management team to explain the transformation, engage staff and build teamwork and trust
- Launching special campaigns and events focused on Transformation by Design.
- Celebrating employee-driven quick wins throughout the project.
- Leveraging existing communications tools and creating new ones to focus on change and transformation at Providence. For example, the organization launched a weekly Providence internal newsletter called Our Providence.
- Using a diverse mix of multiple communications channels to inform and engage stakeholders, ensuring the key messages of change and transformation were received clearly, consistently and often.
- Using multiple methods for gaining feedback and ideas so that stakeholders were kept engaged and informed. (For example, staff could submit questions about change anonymously through question boxes; the questions were then answered by the appropriate vice presidents at town hall meetings).
- Measuring the effectiveness of its communications at regular intervals to ensure gaps and concerns were addressed quickly and candidly.

[12] John Kotter, "Think You're Communicating Enough? Think Again," June 14 2011, Forbes website www.forbes.com/sites/johnkotter/2011/06/14/think-youre-communicating-enough-think-again/, accessed November 18, 2014.

These keystones were integrated throughout the TbyD communications and engagement process. Together, they created an open and lively communications climate and increased morale and engagement. In effect, communications at every level and with multiple stakeholders improved through TbyD. By summer 2014, Providence senior management, staff and professionals had set up and benefited from improved communications not only internally but also externally with multiple stakeholders. To highlight its new model of patient flow and care and innovations to the community, Providence circulated a special supplement, titled "Helping You Home," in the Toronto Star, April 28, 2014 (see Exhibit 5).

LOOKING AHEAD

By summer 2014, the TbyD project, initially piloted on one patient care unit of Providence Hospital, had been implemented on all six rehabilitation units. The results were measurable and impressive.

- Transformation by Design met its goal of providing the highest quality care while helping Providence balance its budget.
- Providence Hospital's annual admissions grew to 2,664 in the year ending March 31, 2014 from 1,759 in 2008/2009, while the number of beds was reduced to 245 from 347.
- The percentage of patients being discharged safely home (rather than to long-term care) increased to 81 per cent after the transformation from 69 per cent prior to the transformation.
- The average length-of-stay for patients in Providence's rehab/complex continuing care beds decreased to 33 in 2013/2014 from 76 in 2008/2009.
- The average number of ALC patients at Providence was reduced from 100+ to 21 on many days.
- More than 90 per cent of patient satisfaction surveys as of March 31, 2014, indicated positive responses when asked about their "overall experience" and "would you recommend this hospital to my family and friends?"
- Providence maintained a stable, committed workforce, with a job vacancy rate of less than 1 per cent. Within the senior management team, 90 per cent have been with Providence for over 10 years.
- The first "pilot" unit to be transformed recorded the highest staff satisfaction results following the transformation.

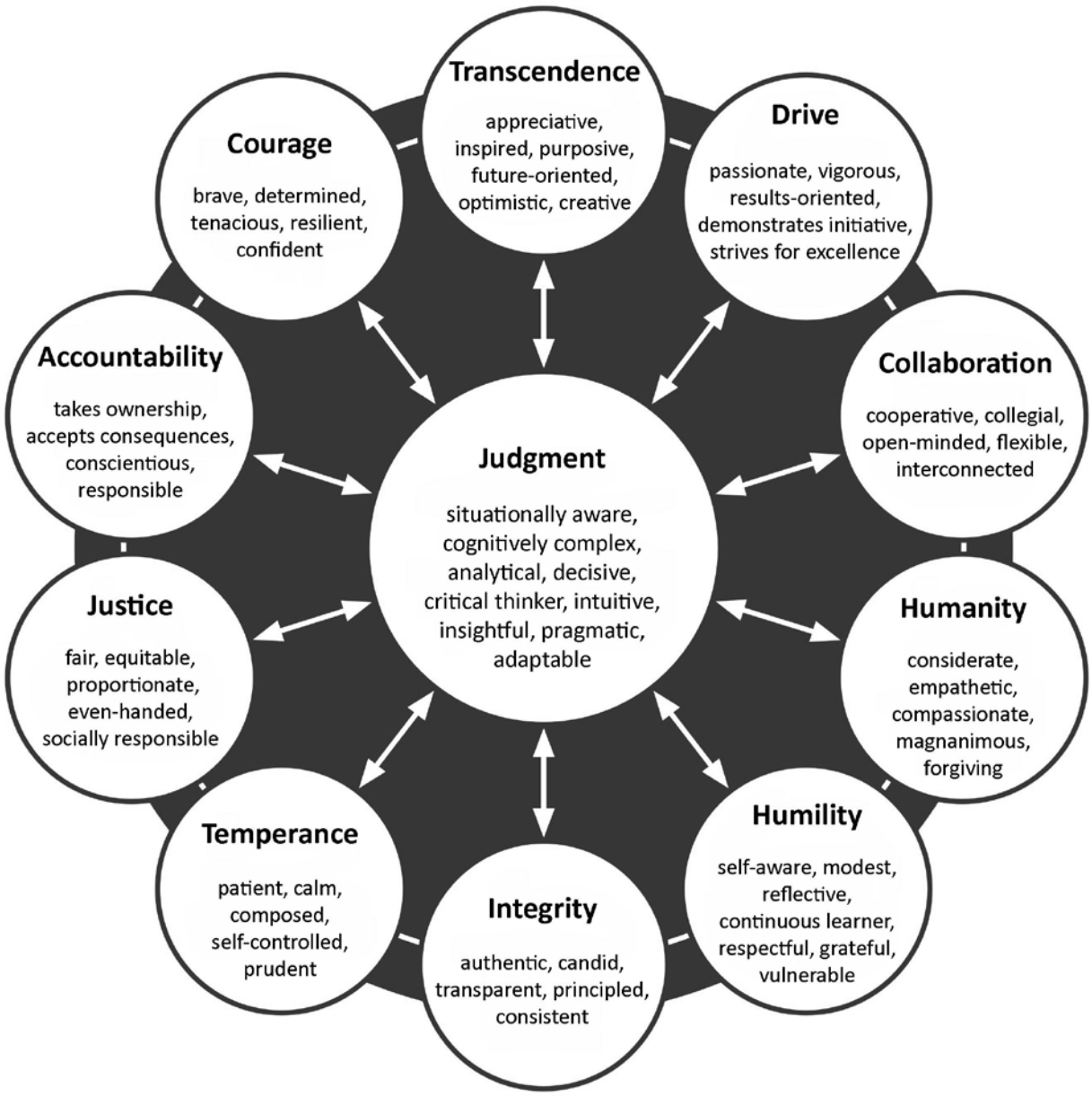
Providence was widely recognized for its innovative transformation. In 2013 and 2014, the Office of the Auditor General of Ontario chose Providence Healthcare as one of three hospitals in Ontario to represent the sector for its audit of rehabilitation in Ontario. Providence received a Gold Quality Healthcare Workplace Award at the Ontario Hospital Association's Health Achieve Conference; Dr. Peter Nord was named co-chair of Ontario's Rehabilitative Care Alliance; and Josie Walsh received a leadership award from the University of Toronto's Institute for Health Policy, Management and Evaluation.[13]

Walsh's leadership character had helped her drive change and innovation at Providence. Now she needed to sustain the momentum and build the future. How could she do that?

The Ivey Business School and the Ian O. Ihnatowycz Institute for Leadership gratefully acknowledges the generous support of Bill and Kathleen Troost in the development of this case.

[13] Providence Healthcare 2013/14 annual report, Compassion, Hope, Healing, www.providence.on.ca/Uploads/2013-2014%20Annual%20Report/, accessed November 25, 2014.

EXHIBIT 1: DIMENSIONS OF LEADERSHIP CHARACTER



Source: Jeffrey Gandz, Mary Crossan, Gerard Seijts and Mark Reno, "Leadership Character and Corporate Governance," Ivey Business Journal, May/June 2013. Used with permission.

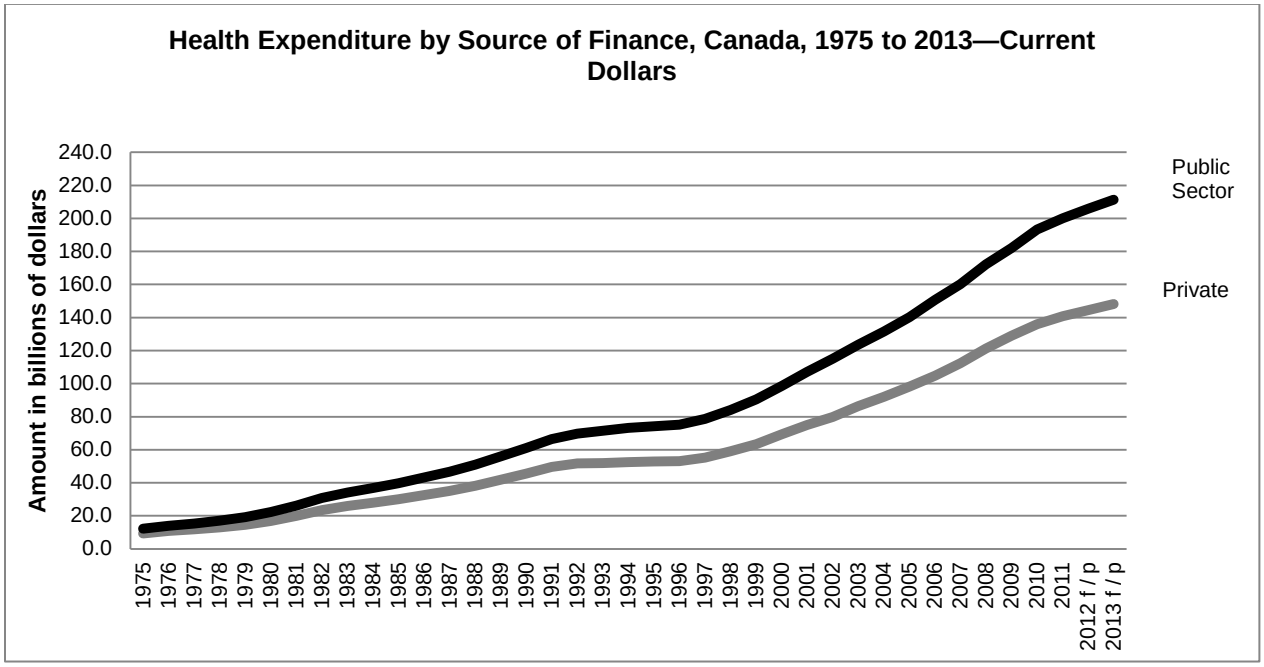
EXHIBIT 2: FROM HOUSE OF PROVIDENCE TO PROVIDENCE HEALTHCARE

1961

2009

Source: Company files, used with permission from Providence Healthcare.

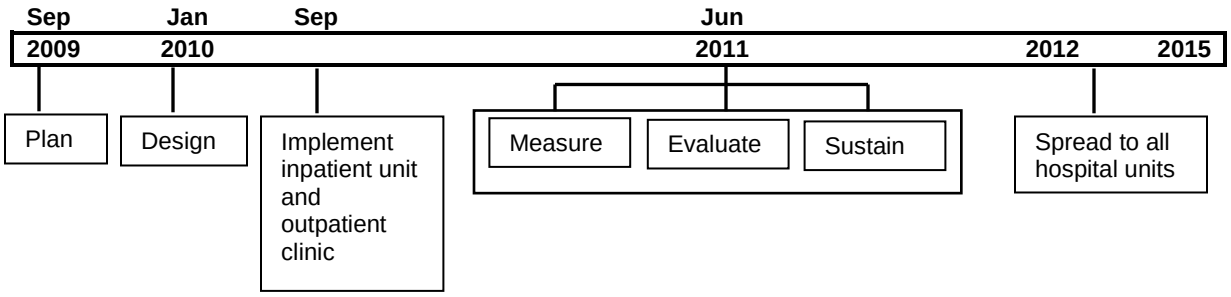
EXHIBIT 3: CANADA'S HEALTH CARE SPENDING TRENDS, 1975–2013



Source: Data from National Health Expenditure Database, Canadian Institute for Health Information, https://secure.cihi.ca/free_products/2.0_TotalHealthExpenditureFinanceEN.pdf, accessed December 9, 2014; chart created by case writers; please note the figures for 2012 and 2013 are forecasts.

EXHIBIT 4: PROVIDENCE HEALTHCARE'S TIMELINE FOR TRANSFORMATION BY DESIGN

The Seven Stages of Transformation by Design



Source: Created by case authors using data from company files.

EXHIBIT 5: PROVIDENCE HEALTHCARE SPECIAL SUPPLEMENT IN THE TORONTO STAR

Helping You Home

- Giving hope to the future
- A tradition of caring
- Support works
- Nurturing staff to grow
- Recovery with a plan in mind
- Grandma O'Shea's legacy
- Giving patients a pampering touch
- Circle of care
- Doing the rounds with the CEO

Source: Article titles from the Toronto Star's special supplement on Providence Healthcare, "Helping You Home," April 28, 2014, www.thestar.com/sponsored_sections/helpingyouhome.html, accessed December 9, 2014.