



### Overview

**Country or Region:** Worldwide

**Industry:** Healthcare

#### Customer Profile

Headquartered in Madison, N.J., Quest Diagnostics is a Fortune 500 company providing clinical laboratory services. It was founded in 1967 as Metropolitan Pathology Laboratory, Inc., and became an independent corporation, taking the Quest name, at the end of 1996. With approximately 44,000 employees, Quest Diagnostics operates in the U.S., U.K., Mexico, Brazil, India, and Puerto Rico. The company generates more than \$7 billion in revenue.

#### Business Situation

Quest's wealth of senior talent represented the best and brightest in their respective functions. The organization's continued growth, however, would depend on helping those experts break out of their functional roles and gain a broader, enterprise-wide understanding of the organization's value chain.

#### Solution

LeadingQuest Academy (LQA) debuted in early 2015 as the cornerstone of a comprehensive organizational effectiveness strategy led by Quest's own Dr. Tovah Stroud. Developed in partnership with Cuozzo Enterprises and TRI Corporation, the 18-month program – spanning a five-day residential component, pre and post assessments, and special projects -- has had significant impact across the organization. By the start of 2017, as many as three quarters of Quest's 400+ senior leaders have graduated LQA. The program will continue to deliver this content for the remaining senior leaders.

#### Benefits

- More consistent and robust leadership culture
- Leadership aligned around a shared vision
- More effective cross-functional relationships
- Stronger financial acumen
- More rigor in decision-making
- Greater understanding of all aspects of the enterprise
- Long-term networking relationships across the organization
- Application of the learning from the week-long residential program into real-world project success
- Tens of millions of dollars of incremental value

## Quest Diagnostics Makes Experiential Learning the Cornerstone of a Groundbreaking Executive Development Strategy



*"With LQA, Quest has reached a tipping point in executive development. For perhaps the first time in our storied history, all Quest leaders are fully aligned around a shared vision and laser-focused strategy."*

**Tovah Stroud, Psy.D.**  
Executive Director of Organizational Effectiveness,  
Quest Diagnostics

### Situation

CEO Steve Rusckowski recognized a need to break down the silos that were preventing Quest's business and functional leaders, who include medical doctors and other professionals with deep subject matter expertise, from seeing the organization's bigger picture. He sought a way to provide world-class leadership development while simultaneously aligning his top leaders around Quest's newly formed vision, goals and strategy, creating a boundary-less organization that could carry the vision forward. That five-point strategy was to restore growth, drive operational excellence, simplify the organization, refocus on diagnostic information services, and deliver disciplined capital deployment.

### Solution

Rusckowski initiated the call for LeadingQuest Academy at the end of 2014. Dr. Tovah Stroud was, at the time, Quest's director of leadership and talent management. In March 2015, she stepped into her current role as executive director of organizational effectiveness and was tapped by Jeff Shuman, senior vice president and chief human resources officer, to take responsibility for LQA, turning it into the cornerstone of a comprehensive organizational effectiveness strategy. "We sought to broaden relationships among our leaders to enable them to better navigate the matrix and shift more effectively between their functional and enterprise-wide roles," Stroud explained.

Stroud and her team brought in Cuozzo Enterprises, headed by Dr. Pete Cuozzo, who provided four meta-design options for LQA's development. These helped the Quest team

determine a framework, from program length to content to number of participants. Cuozzo, in turn, reached out to TRI Corporation to execute a 360 assessment and a business simulation that would be the core of a five-day residential program. Those five days in residence would be the centerpiece of a larger, 18-month program that would also encompass pre and post assessments and individual action-learning projects.

A steering team of executive sponsors and a cross-functional group of company leaders guided the decision-making behind LQA. Within the context of creating shareholder value, they identified the following learning objectives:

- Commit to Quest's five-point strategy and actively engage senior leaders to encourage employees to do so
- Execute the five-point strategy by taking decisive actions congruent with Quest's values, behaviors and leadership capabilities
- Understand the uncertainty and change in global, regulatory, competitive and customer landscapes and be capable of successfully navigating through any changes
- Create an inspiring and high-performance culture by developing, coaching and motivating team members for success
- Manage the interdependencies across organizational functions
- Understand the financial impact of business decisions
- Build value and create long-term growth through personal accountability, meeting commitments, innovating, and prudent risk-taking

*Continued*

## Solution (continued)

- Complete a team-based action learning project sponsored by the C-Suite that would continue for six months beyond the residential program

The team then developed several design principles: program content must address the organization's business and leadership challenges; it must incorporate a blend of educational methods and experiences to achieve the learning objectives; participants must be able to practice new learned behaviors in a challenging environment; and ROI would be measured through CEO-sponsored action learning projects.

Once the structure of the program was complete, the team determined an offsite location in upstate New York to host it. Holding the LQA away from Quest's New Jersey headquarters would give it the feel of an executive retreat – an important part of Rusckowski's vision.

## The Program

Charged with an ambitious goal to put Quest's entire population of 400+ senior leaders through the program, each LQA hosts 42 to 48 executives. They represent a cross-section of functions and come primarily from Quest's U.S. operations. "Our meta-design was elegant in its simplicity," said Cuozzo. "We developed content and learning methodologies to help participants to better lead themselves, lead others, and lead the organization."

One month before arriving, all participants complete the TRI-Leskin 360 Assessment. Developed by TRI Corporation and Barry Leskin of Talent Management Consulting, the TRI-Leskin 360 is based on 36 behavioral skills that have been refined into 12 elements that reflect business acumen and leadership/people skills. This instrument accurately pinpoints an individual's strengths and development needs relating to a set of core competencies. In addition to a self-assessment, each participant is rated by an average of 18 individuals – including his or her manager(s), direct reports, peers and customers. In this way, they gain valuable feedback from a wide range of key stakeholders.

LQA participants also are expected to complete a Quest Management System proficiency quiz in advance, as well as extensive readings and financial analyses.

Upon arriving at LQA, participants spend the first day in a series of sessions that prepare them for the work to come and introduce the action learning projects that they will pursue following their return home. The business simulation begins on day two using TRI's off-the-shelf competitive Leading the Business simulation. Live role play and vignettes are tailored to the healthcare industry and real-world challenges facing Quest. Participants are grouped into cross-functional teams of six or seven players, each tasked with transforming a failing healthcare business over six quarters.

Teams must learn to make decisions under time pressure with scarce resources, limited information, and divergent opinions – issues Quest leaders face daily. Teams take over the business midyear and after two rounds have their first operations review. A second op review takes place at the end of the simulation exercise with senior management or LQA alumni.

Throughout the program, Rusckowski and senior executives lead various interactive sessions that target a range of key workplace skills, including what it means to be a leader at Quest, operational finance acumen, and how to integrate the Quest Management System philosophy and tool kit. Live customer visits with Q&A also take place. In addition, each LQA participant attends a one-on-one coaching session with Dr. Cuozzo. The coaching session focuses on the results of the participant's 360 and, more importantly, generates a customized 12-month development plan to address these results.

In addition, every LQA cohort is sponsored by a Quest Senior Management Team (SMT) member, who provides individual support throughout both the in-residence program and post-program action learning projects. This enables participants to develop a more personal relationship with one of the most senior executives in Quest, increasing the participant's personal network as well as the broader Quest leadership network. It also provides a forum for the senior executives to have direct access to the company's most promising potential leaders.

While the residential program ends after five days, related activities continue well beyond. Participants share LQA insights and action plans with their managers; likewise, their direct reports offer reflections to help participants craft individual and career development plans. In addition, participants continue the action learning projects they initiated

during the program for six months. After 15-18 months, a second TRI-Leskin 360 assessment and follow-up coaching session are conducted to measure participants' growth and adherence to their development plan.

Selected by Quest's CEO and C-Suite, each of the team-based action learning projects is customized to a specific need at Quest and has a corporate sponsor. Projects are directly linked to the Quest Management System, which has seven foundational practices. These are: management approach and governance, breakthrough management, customer insight and solution development, process management, continuous improvement, project management, and change management. Participants are expected to use a variety of statistical tools within the foundational practices, including VOC (voice of the customer), SIPOC (suppliers, inputs, process, outputs, customers), FMEA (failure mode and effects analysis), and process maps. Project handoffs are highly defined and participants must present outcomes and recommendations to Quest's SMT.

In the spirit of continuous improvement, each LQA offering has been refined from its predecessor, incorporating feedback from participants, Quest executives, and the LQA design team. For example, participants in the inaugural program recommended a new module on effective conflict management, which was then incorporated into the next and all subsequent LQAs.

## Benefits

By the start of 2017, almost 300 executives have graduated from LQA across seven programs – more than three quarters of the leadership team. The results have shown significant impact across multiple levels of the organization. Data from the TRI-Leskin 360 Assessment, for example, paints an extraordinarily consistent picture of the Quest leadership culture.

With its leaders now aligned around a shared vision, Quest's original five-point strategy has been refined to two as the others have been incorporated into daily operations. "We've built capabilities in the organization and created the Quest Management System to provide a common set of business tools to run our business," said Rusckowski. "I'm especially

proud of the LeadingQuest Academy, which we established in 2015 to train our leaders. LQA has helped us align leaders with our strategy and improve execution. Now we are driving leader development deeper in the organization so we can build a high-performance culture based on values and behaviors.”

LQA has given Quest leadership the confidence and aptitude to complete 13 strategic, CEO-sponsored action learning projects with another dozen in the pipeline, along with regional and individual projects. These have addressed topics from new product and service introductions to process improvement.

Since their inception, the team-based action learning projects have generated tens of millions of dollars of incremental benefit (present value) for Quest. The projects also have served as best practices throughout Quest, a benefit that, while difficult to directly value, affords a number of additional investment opportunities.

Moreover, Quest's annual senior leadership conference now serves as a reunion for LQA grads to share their challenges and successes. The LQA leadership network has grown from the cohort level to the corporate-wide level, encompassing all regions, departments and functions.

“Thanks to a cohort composition designed to maximize diversity, LQA participants have seamlessly extended their networks,” said Stroud. She continued, “For perhaps the first time in our storied history, *all* Quest leaders are fully aligned around a shared vision and laser-focused strategy.”

Added Shuman, “The expertise our partners TRI Corporation and Pete Cuzzo bring to LQA via their simulations, cases, lectures, and consultation on team projects provides our senior leaders with a blend of generic and customized pedagogy. From conceptual design to program development and delivery to post-program assessment and follow-through, their assistance has been outstanding. Their framework of meeting commitments within a balance of soft- and hard-skill development demonstrates that executive education can be a competitive differentiator.”

## For More Information

To learn about how TRI Corporation experiential learning services can benefit your organization, visit [www.tri-sim.com](http://www.tri-sim.com), or email [TRIContact@tri-sim.com](mailto:TRIContact@tri-sim.com).

For more information about Quest Diagnostics, visit [www.questdiagnostics.com](http://www.questdiagnostics.com).

## Participant Feedback

*“One of the best experiential learning and development opportunities that I have participated in. Clearly, a tremendous amount of thought, organization and preparation went into creating a meaningful and impactful experience for the participants.”*

*“The simulation was great – it was very ‘real’ world. The group dynamics in a time-stressed atmosphere to process information and make decisions fosters many good attributes (teamwork, organization, collegiality, decision-making).”*

*“The quality of simulation information and planning was outstanding! LQA is a great example of the investment that Quest Diagnostics is willing to make into leadership. Thank you!”*