



# The Journey Towards a Dream: How Humana Inc Turned Chaos into Success

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**Abstract:** One of the challenges facing CEOs and HR leaders and leadership and organizational development executives—indeed, all of those involved in building great companies or communities—is how to measure ROI. This article describes a successful intervention within [America's 73<sup>rd</sup> largest company](#), who, in turn, shared the process in the region where the company is headquartered, leading to the creation of a world-wide center of excellence that has created 175,000 new jobs.

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Mike McCallister, [Humana Inc.](#)'s Chairman and former CEO, knew that the election of Barack Obama would bring huge changes to his company. But he wasn't certain what they might be. And he knew that the scale of uncertainty posed by the anticipated overhaul of America's healthcare system would unnerve his (then) 25,000 employees and 17 million health plan members.

Leaders of great companies will, at some time in their career, find themselves facing external turbulence, often beyond their control. Some will hunker down, others will deny the threat or hope it will go away, and others will "ride out the storm". Some will go on the offensive, and still others build barricades. Some will do nothing at all. The choices made in these challenging conditions can make or break an organization. Uncertainty can throw professionals off their game—in sports, politics, and entertainment and in corporate life. Mike McCallister knew how



dangerous it would be to attempt to navigate through choppy waters with an unfocused team. As Washington bureaucrats and politicians huddled, wisps of news drifted from their deliberations like dark smoke from a papal conclave. Most of it was wrong, misleading and premature—exactly the fuel that stokes uncertainty.

Remember, this was not a failing company but one that was surfing a long period of extraordinary success. Some of the radical steps McCallister planned might have seemed risky to the faint of heart, but McCallister was on a mission—he wanted the company to be focused and calm; he wanted the company to be stronger inside than the dangers outside.

Tensions among some leaders, long bubbling below the surface, came out into the open and threatened to add more stress and distraction. Competitors peering into Humana’s cockpit at this time might have hoped that this mixture of stress, uncertainty and external turbulence would destabilize a great organization. Extraordinary CEOs can learn and grow with their team under pressure and Mike McCallister is one of these exceptional leaders.

Lance Secretan was hired as a thought leader to inspire 400 fast-track female executives. This group gave him the highest ratings ever for an outside speaker and consultant. This caught the attention of Jim Murray, the company’s COO who invited Dr. Secretan to work closely with 6,000 senior leaders as part of the company’s initiative to seek continuous improvement in customer service.

Some of Secretan’s ideas, such as shifting the company’s focus from motivation to inspiration, and from ego-driven metrics to aspirations derived from meaning, fulfillment and well-being caused Jim Murray to remark to a large Humana audience, “Lance Secretan has brought more value to Humana than any other consultant we have used”.

Meanwhile, Secretan persuaded Mike McCallister that all of these successful initiatives would not gain traction unless the top team became stronger, more cohesive and aligned. Part of Secretan’s philosophy is that all senior leadership teams, without exception, are dysfunctional, which explains why so many organizations follow counterproductive strategies and behaviors. So he worked with Mike McCallister to coach the leadership team, turning them into an inspiring group of people who loved their work and each other. He defined a collective list of team aspirations, introduced a methodology for building more inspiring relationships and one player was taken out of the team altogether. The original team numbered 15; McCallister altered the reporting relationship, leaving a tighter team of eight. He asked the team to recommit to each other, to their newly defined aspirations and to the challenging journey ahead; to change from being a mere corporation to becoming a *movement*. Building on these commitments, McCallister established a new code of values, co-created with Secretan—*The CASTLE® Principles*—an acronym for Courage, Authenticity, Service, Truthfulness, Love and



Effectiveness (<http://www.secretan.com/castlepersonalsurvey/>), and these became the principles for Humana to live and grow by. Next, current corporate priorities were assessed and those considered to be distractions or incapable of yielding significant returns were dumped, thus concentrating intellectual and emotional energy where it mattered most.

Humana had grown so quickly over the previous five years, doubling sales and adding 13,000 employees, that programs and messaging had proliferated in uncoordinated ways. Secretan held a meeting where he invited staff to hang all the companies' taglines, slogans, marketing messages on the wall and then he invited them to think like a customer in the face of this confusing display. Thus began a journey in which McCallister streamlined Humana's many messages (Humana had 42 advertising agencies on retainer at the time). He orchestrated the development of [ONE Dream®](#), Secretan's proprietary methodology that raises the aspirations of an organization by replacing the more pedestrian and conventional "mission, vision and values", which, he contends, is a key reason why so many organizations are not inspiring. The process begins with a rigorous



exercise to identify the energy available from all of an organization's constituents (in Humana's case this included employees and board members, suppliers, regulators, competitors, physicians and other medical providers, and media), with what Secretan defines as "[permission space](#)". This research methodology, unlike focus groups and other similar approaches, flies beneath the conscious mind, drawing the purest input possible. What is revealed is the permission, or energy, that a community or marketplace is willing to give an organization in its pursuit of a strategic direction. This *permission space* is what leads to an ideal condition—in this case, a world that *loves* Humana. Humana's permission space—what they *must* do in order to become endeared to customers was 1) to be there for others, wherever and whenever needed, 2) to care deeply about the health and well-being of others, 3) to work hard to be the best, and 4) to do the *right* thing. Permission space is like a foundation or operating system—if you follow it carefully it will lead you to your dream. During these intense sessions Humana's dream emerged: *to help people achieve lifelong well-being*. At last, Humana had created *one unifying idea* that galvanized the entire organization and provided a passionate force on the inside that would overwhelm the confusion on the outside.

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In the middle of this internal recalibration another explosion occurred in the outside environment, when Humana was criticized by its largest customer—the federal Centers for Medicare and Medicaid Services (CMS)—for suggesting in a letter to its Medicare members that proposed Medicare cuts in a draft version of the national health-reform bill would negatively affect their benefits, premiums, or both. But Humana was committed to being focused, calm and aligned to a higher purpose—their newly-crafted ONE Dream®—rather than reacting to each surprise or political barb as it appeared.

Humana was founded as a company that built nursing homes, eventually becoming Extencicare, the largest elder-care company in the country, then morphing into a hospital company which eventually became the largest hospital organization in America. Humana’s hospitals were spun off from the health insurance company to HCA in 1993. This enabled the company to reinvent itself as a health insurance powerhouse. So transformation was in Humana’s DNA. The ONE Dream® became the rallying cry of Humana employees and leaders, making, as one executive put it, “an indelible mark on Humana”. It changed the way people thought of themselves—no longer just a health insurance company, but a *movement* committed to the well-being of others and changing the way healthcare operates in America. Humana’s leaders began to define the world they were creating with their new dream of providing lifelong well-being: new market opportunities could be opened such as financial services, home care, technologies that lead to independence for seniors, healthcare analytics that lead to improved health outcomes, and knitting together social networks to educate and support its members. The first strategic acquisition under this new thinking was a Cincinnati-based health and wellness coaching company. The headline in the papers read, “Humana acquisition part of new focus on well-being”. Then Humana formed a partnership with Wal-Mart to offer the nation’s lowest cost prescription drug plan which quickly became the nation’s largest prescription program. This was followed by the acquisition of Concentra, a work-site wellness company with more than 200 locations nationwide . Then came HumanaVitality, a joint venture between Discovery Holdings and Humana to provide wellness incentive programs. In conjunction with The Engelberg Center for Health Care Reform at the Brookings Institution and The Dartmouth Institute for Health Policy and Clinical Practice and Norton Healthcare, a major Kentucky-based healthcare provider, Humana launched the region’s first commercial Accountable Care Organization. A new initiative to inspire Humana’s customers to achieve their ONE Dream® of well-being led to MyHumana Mobile, a mobile application that received the “Best Medical App” award at the first-ever Appy Awards during the Online Media, Marketing and Advertising (OMMA) Global Conference and Expo in San Francisco. The famous Bob Hope Classic Golf Tournament became the Humana Challenge, a partnership with the Clinton Foundation to promote well-being and quickly became the leading pro-am tournament in golf. Rapid traction on the new journey was taking hold.



With all the changes taking place within Humana, Secretan became the executive coach for several of the newer additions to the C Suite, ensuring their personal comfort, contribution and growth added to the new energy and passion being experienced by the company. This helped to align the top team even more, adding energy to the corporate journey, and ensuring none was wasted or lost through internal frictions.

While Humana's dream was being developed, Secretan guided senior leaders on a spiritual journey, a retreat during which they were asked to reflect deeply on why they were here on this planet, how they wanted to be while they were here and how they wanted to use their gifts to serve the world—known as Destiny, Character and Calling. Leaders worked together and shared their personal dreams, each eventually defining their own unique personal statements to describe the essence of their lives and how it would serve their friends and family, humanity, and Humana—and the world. These personal dreams were connected to Humana's new dream and the exercise brought the leadership team even closer together and aligned personal goals of meaning and fulfillment with Humana's dream of *Providing Lifelong Well-being*.

Mike McCallister defined his own personal Destiny, Character and Calling in this way:

*Destiny: To provide leadership in health care that respects people and the environment*

*Character: To be a builder of an environment of integrity, respect, and calm in all circumstances*

*Calling: To provide visionary, transformational leadership in health care*

McCallister's leadership approach can be seen clearly in these statements, and they were made explicit to employees across the organization. He held nationwide "town hall" meetings and championed his own Destiny, Character and Calling Statement, the new [ONE Dream®](#) and the recalibrated values and strategies, explaining the enormous ramifications for the company's future they represented.

And so a crisis in the making—a wild and unpredictable environment and a company that could have been spooked—reacting rather than leading—rose above the chaos rather than becoming overwhelmed by it, and used its vast talent and resources to do the most important thing when danger appears—keeping control of the game. The company's stock rose from the low \$20s to more than \$90 per share during this time. McCallister defined the company's journey as "one of the top ten success stories on the New York Stock Exchange".



## The Next Chapter

In the early 1980s, United Parcel Service was looking for a place to start their new air service. They chose Louisville, Kentucky—and started UPS Airlines with about 200 people, launching an entrepreneurial subsidiary delivering packages for commercial and residential clients. Today, because of Louisville's concentrated effort to expand the airport and focus on nurturing and growing the logistics industry, UPS has more than 20,000 employees and is Louisville's largest private employer. More than 100 businesses—from the Geek Squad to Johnson & Johnson—have opened offices and logistics centers in and around Louisville to be located near UPS, creating thousands of jobs.

A similar story is unfolding today. After The Secretan Center team guided Humana Inc. to develop its ONE Dream® and refine its leadership culture, the levels of engagement and alignment reached new heights rarely achieved by internal teams. After defining its ONE Dream® Humana aligned the personal “Destiny, Character and Calling Statements” of the top leaders to it, learning new methods of inspiring each other and their direct reports, trained 6,000 managers in “Perfect Service”, the company’s internal customer service training program, and another 2,000 sales personnel, and thus launched their transformational journey from a health and supplemental benefits company to a well-being solutions company—from a corporation to a *movement*. Humana embarked on an acquisition and new business development program, adding new businesses and developing unique strategies.

Humana is headquartered in Louisville, and their leaders were so inspired by their own ONE Dream® that they chose to help underwrite the cost of developing a similar ONE Dream® process for the entire [Greater Louisville Region](#)—a gift to the community from which they derived so much of their success. The new dream that emerged from Louisville's community initiative was to "[Be the idea capital of the world—where imaginations and individuals thrive](#)". Numerous Louisville-based organizations and people, including The Center for Nonprofit Excellence (who developed their own ONE Dream®), the University of Louisville, Greater Louisville Inc., and newly-elected Mayor Greg Fischer, who as an entrepreneur helped create Louisville’s One Dream® with Secretan, embarked on a journey to make this regional dream come true. In March of 2011, the Center for Lifelong Wellness and Aging Care was announced. Housed at NUCLEUS, the University of Louisville's downtown life sciences and innovation center, the proposed eight-story building focuses on starting, growing and attracting health-care companies that specialize in everything from nursing home care to rehabilitation. Already, more than 250 businesses and organizations specializing in health care are now based in Louisville, employing more than 175,000 people nationally, and Louisville is already the global leader in six sectors of this industry—assisted living; developmental and physical disability care;



health solution management; managed care; nursing homes and rehabilitative care. To top it off, the 2012 Conference of U.S. Mayors voted Louisville as America's most livable city—just two years after Louisville's ONE Dream® was created.

From the spark of one corporate dream, an entire community has ignited the flame of its own dream, and is carrying that torch to create a second UPS story for Louisville. Other cities are now copying this process.

This is how great organizations and communities are built. How do we get America—or any community— back to work and inspiring the world again? How do we create great organizations that set the standard for what we all hope for in Corporate America? By restoring passion and inspiration in organizations, who partner with their communities to change the world.