

Growth, Challenge & Change

Finding the Right Path to Stay Competitive

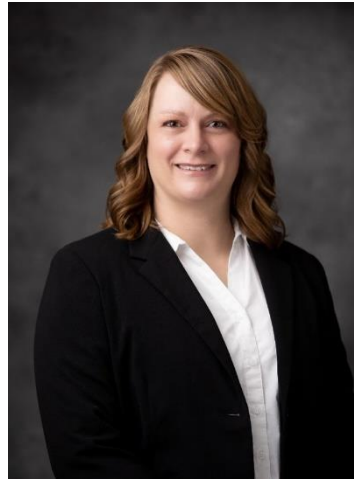
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Organizational Growth



- No single path to growing an organization
- Growth takes time, talent, capital, discipline, imagination, tenacity and much more
- Some opportunities may not be successful or lasting

Organizational Growth Options

(My Definitions)

Organic

Alliances and partnerships

Acquisitions

Mergers and Affiliations



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Organic Growth

- Control of process
- Resource Intensive
- Expertise
- Leadership
- Increases load across the organization

Alliances & Partnerships

- New ways of acquiring a resource
- Different investment than “building your own”
- Operational challenges
- Partners must align
- Maintain the vision over time

Acquisition Of Another Organization

- Build strategically
- Define the terms
- Faster
- Culture very important
- Stress of acquired organization

Mergers & Affiliations

- One partner typically leads
- Loss of some autonomy
- Organizational gains and losses
- Culture very important!
- Merging organization may be under stress

Growth Journey of **Centerstone of Illinois, Inc.**

- One example
- Not right or wrong
- Team effort
- Many choices



Anne's Legacy Organization

- Small, \$3 million budget
- 60 staff
- Served Madison County, Illinois
- Located in a renovated church



Community Counseling
Center of Northern Madison
County



**Small is
Wonderful,
but...**



We had big dreams!

**Time + Energy +
Resources =
GROWTH**

CCC Had Big Dreams to grow

- Small size held us back from pursuing dreams:
 - Dream -- larger facility, serve more clients, offer more services
 - Dream – all staff in a single facility with adequate meeting rooms, group rooms, etc.
 - Dream -- Home for methadone clinic that supported recovery positively
 - Dream -- Welcoming space for clients and community, no stigma attached to building
 - Dream – large, conflict-free waiting room
 - Dream – space for 12 step and other community group meetings
 - Dream – A community that supported and embraced our work

Tried Organic Growth

Planned large new facility

Worked with partners to find grants and loans

Started construction in 2009; facility complete in 2010

\$1.6 million federal demonstration grant for care integration



...Added Acquisition To the Mix

- 2009 – struggling CMHC 13 miles away
- 2010 - methadone clinic 25 miles away became insolvent, state asked us to continue operations at their location
- Culture and communities
- Stress added to growth

...Then added Partnerships

- Entered new facility in 2010
- Fully occupied by 2012
- Partnered with FQHC, lab and pharmacy-began to integrate care
- Partnerships hit some bumps
- Added nearly 100 staff
- Strained systems

Rebranded as WellSpring Resources

- Annual revenue quickly grew to \$10 million
- 160+ employees
- 27 MH Group Home Beds
- 80 units of supported housing
- 7,600 unduplicated clients per year



So, We Planned Even More



- Help needed because we grew so quickly – didn't have needed depth
- Hired *Open Minds* for planning, support
- Service lines continued to grow
- Strain on our AR and Finance Teams
- Plan was to continue organic growth + strategic acquisitions

..And We Changed Our Plans

- Difficulty finding partners who:
 - Shared our vision
 - Had revenue to achieve goals
 - Did not have similar pain points
 - Built on strength not exacerbate weaknesses
 - Finance, AR concerns led to an urgent partnership need

Remember: It is just as much work to merge with a \$1 million entity as it is with a \$50 million entity

Made a list and started looking...

What we Found



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- Similar mission
- National Reputation
- Commitment
- Expansion
- Competitive
- Expertise
- Plus – excellent IT team, single electronic clinical record, research institute, board support infrastructure, fundraising infrastructure, federal grant expertise...



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About Centerstone

Centerstone is a nonprofit health system specializing in mental health and substance use disorder treatments for people of all ages. Services are available in Florida, Illinois, Indiana, North Carolina, and Tennessee through the operation of outpatient clinics, residential programs, school-based services, telehealth, and an inpatient hospital. Centerstone also offers specialized programs available nationwide for the military community, as well as services for children, including therapeutic foster care.

Services

We want the best for our families, friends, neighbors, and communities. That's why our team of mission-driven professionals is here to provide a full continuum of mental health services for people of all ages, from children to seniors and everyone in between. Some of these services include:

- Mental Health Care
- Addictions Recovery
- Children & Family Services
- Medical Care & Pharmacy
- Military Services
- Residential Care
- Crisis Services
- Intellectual and Developmental Disabilities Services
- Therapeutic Foster Care

By the Numbers

109,311
people served

2,115,852
services provided

170+
total locations

852
schools served

3,629
employees
nationwide

1
inpatient
behavioral hospital

Change = Challenge

C H A N G E
IS CHALLENGING
AND REQUIRES
COMMITMENT,
COMPASSION,
AND CONSISTENCY.

- Anxiety
- Communication
- Cultural differences
- We vs. Them
- Trust
- Feedback

Considerations Along the Way

- Benefits of an increase in size
- Remember the “Why”
- Focus on shared mission, values, vision
- “Shared Services”
- Uncertainty and transition
- Broader support

Then & Now

Data	Centerstone of Illinois, Inc.- 2014	WellSpring Resources-2014	Combined in 2024
Budget	\$15 million (state business unit)	\$10 million	\$60 million
Staff	300	160	600
Office Locations	6	2	5
Counties	4	2	9

Lessons Learned

- Celebrate often
- Promises are important
- Know your reality
- Things will go awry
- Listen to understand
- No right way to grow, healthy growth is a journey



Jennifer Thomason, LCPC, MBA
Regional Operating Officer



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Enterprise System Approach

- Finding efficiencies
- Aligning processes
- Honor individual needs



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Leading a Team from Legacy Orgs

- Common goals
- Diversity
- Workplace Voice



A Few Pros and Cons

Pros

- Resources
- State and national influence
- Culture & employee voice
- Mission driven

Cons

- Little less control in areas
- Almost too much information



Stacy Seitz, LCPC
Statewide Clinical Director



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System Differences

- Work experience in large and small additions organizations
- Advantages and disadvantages exist for both!
 - Communication
 - Culture
 - Change



What's Different?





Questions?



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