

# **A Profile of orgne's<sup>1</sup> management practices which contribute to their culture for innovation.**



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‘An innovative climate is not just a sentimental need. It has powerful business implications and can bring real results. There’s a reason why companies like Google and Apple have such a breathtaking record of rapid innovation; you need to look no further than their climate. A climate of innovation ensures that you’ll have the inherent ability to not just innovate with an occasional flash of brilliance, but to do so continuously. That’s an extremely important strategic advantage to have in a fast-moving marketplace that’s overcrowded with competitors’.<sup>3</sup>

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<sup>1</sup> Formerly known as Ontario Air Ambulance Service

<sup>2</sup> According to 25 Factors set out in the web site: <http://www.corporateinnovationonline.com>

<sup>3</sup> FutureLinkLLC. See; [www.getfuturelink.com](http://www.getfuturelink.com)

## **Objective and Methodology**

The objective of this review is to identify the management practices employed by orgne which support a culture for innovation and are similar or different when compared to other innovative organizations. The overall purpose of this profile is to contribute to a better understanding of the reasons why some organizations are innovative and others are not.

The following profile is based on an examination of information about orgne drawn from a number of publically-available sources.

- orgne web site: ‘Welcome to orgne’,
- Annual Report 2007-2008 – reviewed March 31, 2009 when available on line,
- Article in The Globe and Mail, Report on Business, Small Business, March 23, 2009,
- Toronto Star article; thestar.com, March 28, 2009,
- The Lion Rock Institute, Hong Kong, presentation on ‘Alternative Survey on Ambulance Services, October 2005, Andrew Work, Executive Director.

The above information sources are used extensively in preparing this profile.

Anecdotal information, drawn primarily from the above sources, has been structured according to 25 Factors. The 25 Factors have been, as a result of earlier research into innovative companies, identified as contributing to, or detracting from, a culture which supports innovation. **By parsing the culture for innovation into 25 Factors, it is hoped that other organizations and not-for-profit groups may be able to assess their own culture and take initiatives which will improve their own innovativeness.**

**If you would like to comment on this profile or add your insights, please go to the Blog as part of this site and make a contribution.** Perhaps you can fill in some of the blank areas or correct or modify interpretations set out in the profile. All comments are welcome. This is the first Profile which has been prepared for a non-profit organization.

Background information on earlier and current research can be referenced at the following web site: <http://www.corporateinnovationonline.com>

## **Background to the Preparation of this Profile**

The preparation of this Profile was prompted by an article which appeared in The Globe and Mail, March 23, 2009, entitled ‘Cultivating a corporate culture’ which made reference to the change in culture which has taken place over the last 2 to 3 years. orgne has adopted three main themes in its business; collaboration, compassion and innovation. Based on this article and other relevant research on orgne, we have been able to construct this Profile of a changed organization and consequently get at some of the reasons why the organization has a well-earned international reputation in the field of ‘transportation medicine’.

The air ambulance program<sup>4</sup> was established in 1977 to serve remote areas primarily in Northern Ontario that are inaccessible to land ambulances or that land ambulances would take too long to reach. Ontario was the first Canadian province to provide a helicopter-based air ambulance system to transport critically ill patients to hospital. A large part of the air ambulance service is involved in serving the aboriginal communities, of which there are approximately 140 in Northern Ontario.

Air transportation, an integral part of a modern health system, flies organs to waiting donors, transports critically injured accident victims and quickly moves patients from small community hospitals to big city specialty centers.

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<sup>4</sup> Wikipedea

Yet<sup>5</sup>, 15 years ago, the then-fragmented system was plagued with medical and aviation problems. Finally, in 2005, the province heeded the advice of experts to streamline the service. It's now a world leader in air medical transport. Fifteen years ago, few people would have predicted Ontario's air ambulance system could survive, let alone be so highly regarded. During the early 1990s, the system was fragmented, run by private companies vying for ministry dollars, and plagued by medical and aviation problems. In 1992, a *Toronto Star* investigation found the government's inadequate inspection program allowed unsafe planes to transport patients, and the system's poor service jeopardized patients' lives. In July 2005, the province heeded the advice to streamline services – those recommendations included one from the Auditor General of Ontario – and appointed a non-profit body responsible for all air ambulance operations in the province.

In July 2005, the Ontario government announced the appointment of Ornge (formerly the Ontario Air Ambulance Services Co.) to co-ordinate all aspects of Ontario's air ambulance system. This transfer was completed in January 2006. Within three years, Ornge had become one of the world leaders in air medical transport. The Ontario Air Ambulance Services Corp. – renamed Ornge in 2006 – now oversees some 180 flight paramedics and co-ordinates all air medical transports. The OAA, a non-profit body accountable to the Ontario government through a performance agreement, is now responsible for all air ambulance operations including the contracting of flight service providers, medical oversight of all air paramedics, air dispatch and authorizing air and land ambulance transfers, as well as the development and implementation of the software system technology used for air ambulance dispatching. Air ambulances are also used to transport medical teams and organs for transplant.

Much of its success is due to the communications centre in the airy first floor of an office tower near Pearson Airport. There, a team of aviation and medical professionals is led by a trauma doctor who triages all calls, something done by few other air ambulance services in North America.

In 2005, it was reported<sup>6</sup> that Ontario was experimenting with the use of a non-profit corporation of Air Services and that a single point of contact for the entire system leads to better co-ordination and quicker patient transfers. Specifically; (1) direct medical supervision could reach every part of the operations, ensuring safe, effective treatment of patients, (2) dispatch and operations working together made for more effective use of air ambulance resources and that (3) there was an improved awareness for health care service providers, of available air ambulance services.

There is a new sense about this non-profit organization. Dr. Christopher Mazza, President & CEO, whose management experience is steeped in aero medical transport since 1996, has instilled a new spirit in the organization. **Here is a company which, according to all reports, has transformed itself and established an international reputation. The culture for innovation is probably one of the many initiatives which have been taken to contribute to this success.**

**Other not-for-profit organization can learn a lot by better understanding the changes in management practices which have taken place over the relatively recent period.**

## **Executive Summary of Results**

Ornge has established an international reputation for being the best in the business of 'transport medicine'. For the first years of its existence, however, it was not always the best performer, was performing poorly, which in the field of 'transport medicine', similar to the aerospace business, is not acceptable. It was faced with the challenge of improving its performance or shutting down. No one wants a hospital that does not perform! In the last few years the turn around has been dramatic. This Profile attempts to explore the 'culture of innovation' in bringing about at least some of changes for the better.

There is a positive correlation with 19 of the 25 Factors deemed to describe a culture supportive of innovation, i.e. Ornge's management practices fit well with those of other innovative companies. Anecdotal

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<sup>5</sup> thestar.com, March 28, 2009

<sup>6</sup> The Lion Rock Institute

information, however, is silent on 6 of the 25 Factors. Should more information become available, the results could add to the correlation or detract from it.

**It seems clear that orgne, by taking the following major decisions, has made a step-change in the culture for innovation,**

- **placing innovation at the centre of its strategy and its culture,**
- **establishing an R&D initiative which sets out the message that longer-term improvement is sought and is basic to the future success of the organization,**
- **opening up its activities by setting up a Stakeholder Relations Program and**
- **hiring in new talent at the top level with a view to stimulating change.**

**Most of these decisions represent a significant change from practices prior to 2006. The Profile examines the changes brought about since 2005.**

## orgne's Management Practices<sup>7</sup> Which Support or Detract from a Culture for Innovation.

Corporate  
Innovation  
Online  
*Ideas. Self-help and News*

### Factor #1: Emphasis on short-term versus long-term profits.

orgne has taken very significant steps to restructure its financial as well as operating capability. While profits are not the specific objective of a not-for-profit organization, the equivalent test is whether, in their planning and strategizing, it is the long or the short term which is given priority. It seems clear that in responding to the short term pending financial difficulties the organization has put in place a plan which places emphasis on longer term improvement objectives. There is also a strong sense of urgency to turn around negative performance and restore stability while at the same time taking a longer-term view; in this case 2 - 3 years.

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report.**

Cost overruns increasing, budget deficit projected for 2011. "If we didn't change, the program was going to die". The R&D initiative is also evidence of the Board and management taking a longer term view.

### Factor #2: Extent to which management explicitly looks for innovation.

Innovation has, historically, not been of orgne's priority but is now front and centre in their statements, planning and in their actions. Innovation is one of three main themes of their thinking along with 'collaboration' and 'compassion'.

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report.**

Management is looking for "sustainable massive change, but respectful and human". Starts with 'a new workplace culture', 'their smaller size can be an advantage: "They may have a little more room for the innovation, to do what they need to do to create that culture. Hiring people who demonstrate a sense of knowing about innovation and not afraid to make change - is strong evidence of the C.E.O.'s own expectations.

Choosing innovation as one of three themes to feature in the goals of orgne is a clear indication that management is aggressively seeking new ideas within its mandate. Employees were 'not engaged', referencing the previous management and structure, suggests that that morale was very low in the organization. Stakeholder lack of involvement suggests that the 'powers that be' were not interested nor did they care. In short, there was little leadership and employees were disenchanted.

### Factor #3: Tolerance of mavericks.

orgne does not mention mavericks per se nor their importance or otherwise within the organization. There is, however, some indication of an expanded notion of encouraging different views from within the organization.

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**

Deliberately hiring people from the outside with criteria of; innovation and collaboration, where the implication is that these characteristics did not exist before, is an indication of hiring 'people-with-differences' i.e. mavericks or their equivalent.

<sup>7</sup> According to 25 Factors set out in the web site: <http://www.corporateinnovationonline.com>

**Factor #4: Degree to which planning emphasizes rationing of resources versus identifying opportunities.**

**orgne, under new management, appears to have developed a strategic plan which is not hidebound, as in the past, and seeks to move forward with aggressive investment based on the identification of new ideas and opportunities.**

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**

Extensive investment and associated risk were a clear break with the past. Management demonstrated leadership and willingness to assume risk and move forward with their aggressive strategic plan and their plans to replace the aging fleet of aircraft.

The R&D initiative is strong evidence of an organization which is seeking to identify new opportunities and be a leader in the provision of transport medicine.

**Factor #5: Tolerance for failure.**

**Comments referring to the role of ‘mistakes’ suggest that failure is treated as an open issue and perhaps, as with many innovative companies, treated as a ‘learning experience’.**

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**

'This encourages staff to be forthright about a mistake, rather than fearing the consequences and covering it up, so they can learn how to avoid it in future'. This is a clear indication of a switch from a more punitive approach to having a higher tolerance for failure.

**Factor #6: Emphasis on management of people and their interactions.**

**Explicitly, orgne places a great deal of importance on the management of people. Opportunities to interact such as taking ‘walk-about’ and establishing training programs which offer an opportunity to interact in a meaningful way, are examples of management-sourced practices which create situations for interaction.**

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**

The statement that 'he also takes a walk around the office every morning to say hello' is indicative of the style of the C.E.O. and one who is very interested in getting to know his people and willing to devote time to demonstrate this interest.

A special emphasis on how people interact, i.e. collaborate, is a clear demonstration of a desire to have ‘open lines of communications’, not just limited to employees but, in this case, broadened to include stakeholders. In a sense this is an outreach program aimed at strengthening and building on relationships with a host of interested and dedicated parties; all essential to the long-term success of orgne.

The establishment of a Leadership Academy is not only indicative of an awareness of the need for training and skills development for potential leaders and managers but is also evidence of an above-the-line importance attached to training for purposes of career advancement and succession. Added importance is provided since facilitation is offered by ‘a member of the Executive Team’. The alternative was to outsource this program but this approach would not have the same impact as orgne’s more in-house approach.

**Factor #7: Use of career ladders and recognition of innovators.**

**orgne recognizes that innovation, and those with those skills, are important to the organization. Innovation is one of the three 'components' represented by new senior level hires.**

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**  
 'He also brought in executives who could demonstrate 'three key components; innovation, collaboration and, above all, compassion'. Can't comment on the results of these hires but the intent is clear.

**Factor #8: Tolerance for variance from the corporate norm.**

**Some indication that the 'norm' is to be less emphasized than in the past.**

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**  
 Hiring people from the outside into an organization which has not traditionally done this is an indication of a desire to encourage, and listen to, a range of views from within the organization.

Having a 'formal' Stakeholder Relations Program is the ultimate evidence that orgne is trying to reach out to these organizations. The emphasis on open communications suggests transparency and that leads, in time, to the sense of trust. Pointing out that respect is given to 'diverse cultures and beliefs' is a starting point for establishing across-the-board empathy and trust with Ontario's multi-cultural society.

**Factor #9: Tolerance for risk (in the planning process).**

**orgne has put innovation per se at the centre of its business and because of the switch to the ownership of assets and away from leasing, has probably increased the risk profile of the operation.**

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**  
 Suspect that the decision to shift from leasing to buying, and the financial obligations of such a change in investment policy, demonstrates a willingness to assume a reasonable risk.

**Factor #10: Degree of formal communication within the organization.**

**orgne seeks more informality than formality in its internal communications.**

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**  
 'his door is always open'. "I think the openness began to demonstrate from here". The 'door is always open' along with walk-about each day, suggests that there is a high degree of informality in the organization.

**Factor #11: Use of independent work groups.**

**orgne make use of independent (but not completely independent) work groups. There are many examples to illustrate the point.**

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**

The establishment of a Leadership Academy is not only indicative of an awareness of the need for training and skills development for potential leaders and managers but is also evidence of an above-the-line importance attached to training for purposes of career advancement and succession. Added importance is provided with the facilitation offered by 'a member of the Executive Team'. The alternative was to outsource this program but this approach would not have the same impact as orgne's approach.

**Factor #12: Degree to which management decisions are made with input from the rest of the organization.**

**orgne, through the establishment of more formal relationships with its stakeholders, its emphasis on collaboration, its Learning Academy, demonstrates that input from a variety of sources is valued.**

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**

The statement to never "pass on a problem or fault. If you see something, say something" indicates managements desire to open up communications top to bottom and across the organization.

Having a 'formal' Stakeholder Relations Program is indicative of orgne's interest in seeking information and input from a broad cross section of stakeholders. The emphasis on open communications means transparency and that leads, in time, to the sense of trust. Pointing out that respect is given to 'diverse cultures and beliefs' is a starting point for establishing across-the-board empathy and trust with Ontario's multi-cultural society.

**Factor #13: Formality of the decision process.**

There is little or no anecdotal evidence and therefore no comment is possible at this time.

**Factor #14: Availability of reward mechanisms for innovation.**

**Rewards are an important part of the organization's culture. The emphasis is on non-monetary awards which are open to both groups and individuals.**

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**

Rewards are a significant part of the culture of the organization. In this case the three rewards mirror the stated values, vision, and mission of the organization, letting everyone in the organization buy into what might be considered 'general information'. The rewards place emphasis on all parties working towards the goals of the organization.

**Factor #15: Planning orientation versus action orientation.**

There is little or no anecdotal evidence and therefore no comment is possible at this time.

**Factor #16: Attitudes towards merger, acquisition, joint ventures, and divestiture.**

Probably not a relevant Factor.

**Factor #17: Management expectations regarding loyalty to the company versus personal development.**

orgne seems to be making a statement about achieving a balance between work-life. It is not clear what this balance is but its mere mention is indicative of some attention being paid to the personal side – the development perhaps – of their employees.

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**  
 'We're hearing about work-life balances and the work environment way more than we did 10 years ago'. The mention of 'work-life' balances suggest that there are efforts to seek a balance but beyond this there is no comment possible.

**Factor #18: Decentralization versus centralized hierarchy.**

There is some indication that orgne operates, or wishes to operate, with minimal hierarchy but there is not much anecdotal information to support this notion.

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**  
 'made it clear that hierarchical and judgmental behavior - and even gossip, which he likens to bullying - would not be tolerated' - suggest that the organization has, in contrast to its history, little hierarchy, but the degree of decentralization or minimization of hierarchy is not clear.

**Factor #19: Availability of resources (budget, time, etc.) for new ventures.**

orgne has made a number of major decisions which suggest that new ventures will be sought and supported assuming that they pass appropriate criteria. The switch from leasing to purchase suggests that funds can be found. The setting up of an R&D function is obviously done with a view to generating new ideas – each of which requires some level of investment in order to be realized.

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**  
 'saved millions of taxpayer dollars by buying its own specially equipped helicopters and fixed-wing aircraft instead of leasing them'. With the big decisions taken, there should be a spill-over effect suggesting that smaller new ventures also can be now entertained.

**Factor #20: Staff versus line involvement in the decision process.**

There is little or no anecdotal evidence is available on this Factor.

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**  
 orgne 'brought in executives who could demonstrate three key components, one of these ... 'collaboration' suggests that all levels of line and staff are to participate in 'collaboration' but there is little anecdotal evidence to conclude on this Factor.

**Factor #21: Ability to retain innovators.**

There is every indication that efforts are in place to not only attract but to try to retain 'innovators', but there is no anecdotal evidence to indicate that innovative personnel are retained.

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**  
"internal branding" - the culture of an organization - has become increasingly popular with big companies hoping to attract and keep the best workers'.

Rewards are a significant part of the culture of the organization. In this case the three rewards mirror the stated values, vision, and mission of the organization, letting everyone in the organization buy into what might be considered 'general information'. The rewards place emphasis on all parties working towards the goals of the organization.

**Factor #22: Extent to which company has an innovative tradition.**

**orgne apparently did not have an innovative tradition and on the contrary relied on a 'business as usual' model. New management, by making innovation its centre piece (or one of 3), is clearly trying to rebrand the organization.**

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**  
'also inherited scores of employees used to doing things the old way' - difficult to comment but there is a strong inference that there was not a tradition of innovation in the organization.

Prior to 2006, there seems to be no tradition of innovation and the sense was that 'business as usual' was the norm. Failing to deliver on 30% of requests, for example, represented an unacceptable service level in 'transport medicine' where service is critical.

**Factor #23: R&D budget levels versus the competition.**

**R&D expenditures, while modest, are an important element in the new image and operation of orgne.**

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**  
The research and development initiative is a very different approach compared to the past. While the staff is not large, it is clearly aimed at exploring new ideas for the delivery of 'transport medicine'. Also significant is the practice of engaging both 'internal and external stakeholders' in the program, The R&D organization is set up as a self-standing organization with academic rigor as one of its mantra's with a clear focus on 'transport medicine and the best possible ways to improve in-flight patient care'.

**Factor #24: Perception of innovation as increasing or decreasing.**

There probably is (in the most recent years) a sense that innovation is increasing. Certainly many of the management practices put in place strongly suggest that this perception should exist amongst both employees and stakeholders. There is, however, little anecdotal evidence that this perception exists or not.

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**  
"If people feel good about where they work and with whom they work, then you harness the basic goodness that is all of those people..".

Prior to 2006, there was no tradition of innovation and the sense was that 'business as usual' was the norm. Failing to deliver on 30% of requests made for service was not seen as an acceptable performance in 'transport medicine' where service is critical.

**Factor #25: Degree to which employee organizations encourage innovation.**

**Some indication that at least one of the employee groups is on board and part of the new plans.**

**Statements drawn or inferred from The Globe and Mail article or from the Annual Report**  
Employee groups, in this case, OPSEU, have ratified an agreement which allows the organization to have a stable cost base over the term of the contract. The inclusion of a 'professional development program' in the agreement suggests a higher-than-normal level of care above and beyond typical labor agreements where the focus is often only on economics and working conditions.

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