

# VISTAGE

## Member *Stories*

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Melanie (Mel) Sullivan, Ed.D., CEO  
St. Croix Orthopaedics, PA  
Stillwater, Minn.

### *At a glance*

*Role:* CEO & President

*Industry:* Health care delivery

*Employees:* < 150

*Vistage chair:* Brian Davis

### **Company background**

*[St. Croix Orthopaedics, PA](#) has 12 clinics, 25 doctors and 160 professional staff members serving primarily residents of the eastern Twin Cities' and western Wisconsin. The organization's patient-centered approach to care extends into everything they do. Orthopedic physicians, sports medicine doctors, and staff have the highly specialized training, education and experience that have helped to earn a national reputation for excellence. They continue to pioneer innovative new treatments and procedures that contribute to the results patients expect.*

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CEO Melanie Sullivan has been navigating St. Croix Orthopaedics (SCO) through uncharted waters for three years now. Her company, like many firms in the health care sector, is at the confluence of rapid industry change, marked by lower medical reimbursement rates, disengaged doctors (because of mounting levels of bureaucracy) and an exploding customer segment of aging baby boomers.



Mel—as she prefers to be called—came to St. Croix Orthopaedics 15 years ago and ascended to the CEO post in 2011. That's also when she discovered Vistage, and her Chair, Brian Davis. Mel at first was looking for a CEO coach to help her transition into a general management position that required her to wear multiple hats and oversee a rapidly-growing group of orthopedic clinics in a competitive specialty.

The more she learned about Vistage, however, the more she realized the organization was more than a place to find an executive coach. The value of Vistage was accentuated, for Mel, with the well-known speakers and authors who travel to Minnesota to present to Vistage chair groups. “The world-renowned speakers have given me more of a global perspective,” said Mel. And she likes that she doesn't have to travel far to have access to such high-quality talent.

She said another pillar of the Vistage experience is being in a peer group with 15 other executives from firms about the size of St. Croix Orthopaedics. Although Mel is the only health care executive in her group, the lessons she's learned from CEOs and leaders from other industries have been invaluable. “I have members

in my group from manufacturing, financial services, food and technology companies,” she shared. Mel explained that a better understanding of industries outside her own have led to a better understanding of microeconomic trends and other factors impacting her company.

### **Patient-centered care in eastern Minnesota and western Wisconsin**

When two orthopedic surgeons moved from the city to the Stillwater area in 1977 to start a clinic, their peers said they were crazy. “No one lives there, where will your patients come from?” was the often-heard retort. Fast forward 37 years and you’ll find an organization with 12 clinics, 25 doctors and 160 staff members. Apparently, they had no problem finding patients. St. Croix Orthopaedics is a major player in the area, nimble enough to change strategy and direction, yet large enough to attract talented surgeons looking for the chance of a partnership position in a sector that is gearing up for the onslaught of aging baby boomers. “Every day 10,000 boomers are turning 60,” explained Mel. Many of who could eventually need hip and knee replacements and surgery (nothing lasts forever).

The organization’s plain-spoken mission is “to provide compassionate, advanced orthopedic care by improving the lives of patients, supporting our partners and serving our communities.” St. Croix Orthopaedics walks the talk: “At our annual strategic partner planning meeting, Dr. Thomas Comfort, SCO current Board Chair, placed an empty chair in the center of the room to symbolize the patient—a reminder of why we are all here,” said Mel.

Mel manages the organization, which is owned by 17 of the orthopaedic surgeons with equity positions in the firm. St. Croix Orthopaedics is

one of only a few private orthopedics practices in the Twin Cities, and St. Croix draws its patients from an extensive area throughout the Twin Cities and western Wisconsin.

The industry has witnessed a lot of consolidation within the independent clinic sector as many practices are being bought by larger and wealthier health care systems. Industry consolidation, coupled with the nation’s new Affordable Care Act has underscored the importance of forging St. Croix Orthopaedics’ growth strategy carefully. One tool she wields to plot that course is a methodology called Traction. Used by other CEOs in Mel’s Vistage group, Traction, is a framework (Entrepreneurial Operating System—EOS) for managing and planning company growth.

Traction helps keep her accountable to her board of directors with extensive metrics and scorecards for measuring success. “Traction has been transformational for us,” Mel said. The company uses it to closely track scorecards and individual managers are held accountable for achieving their goals. That’s a strong endorsement, Mel confessed, from someone who first thought Traction would be a “Colossal flash in the pan.”

### **The safety net**

It’s challenging being a CEO and sometimes difficult to find people to share your concerns and thoughts with. CEOs cannot confide in employees, of course. But for Mel, Vistage has become her self-described “safety net.”

“It’s a place where you can allow yourself to be vulnerable,” she said, noting that she feels she can share anything with her fellow group members without the fear of information ever leaving the room. Mel said honesty and forthrightness

prevails with others because it's a "competition free zone." Not surprisingly, she describes her Vistage colleagues as a group of "great human beings."

Mel views the value of the all-day Vistage meetings once-per-month as an essential "Investment in me." She said that while she's away from the office she's "working on the business, not just in the business."

Reassuring support and coaching around business challenges and delicate issues are also the forte of Mel's Vistage Chair, Brian Davis. "He's good at asking questions," Mel explained. Brian spends two hours of one-on-one time at Mel's office every month. "Brian is good at finding and honing your strengths to offset any weaknesses," she said. "He sees you as unique," said Mel, and more than anything, he gives me support and it's authentic." She said it's great to have the regular feedback from her chair and receiving it from someone you trust is invaluable. Mel noted at times the CEO job can be somewhat isolating, but talking about those challenges with her chair is helpful.

That support sometimes comes as holistic advice, like the time Brian invited author and national speaker Dean Rosson to speak to his groups on "Powerful Strategies For Health and Wellness." The workshop was attended by members and spouses, which resulted in major lifestyle changes like healthier eating, more exercise and weight loss for many families.

The path to becoming a better leader, admits Mel, "Is a struggle of faith," adding, "I've been given a lot, and I give a lot. And Vistage has helped me grow as a leader." **V**