

The Business of AAPL

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At the Annual Meeting it is traditional for Presidents to address the members of AAPL on issues of personal interest and deep concern to that President. And these issues are usually ones that the President is involved with on a daily basis whether that be a research project, a scholarly activity, or a clinical program. I wish to continue that tradition although my focus will be somewhat different. First, like other Presidents, I will address an issue of personal interest and deep concern, that is AAPL, itself. In addition to focusing on AAPL, I will address aspects of AAPL that relate very much to how I spend my professional time.

As most of you know, for the last few years I have been the President and CEO of College Health Enterprises, a Healthcare Management Company. In that capacity, I have been responsible for all the business aspects of CHE as well as its clinical program development. It seemed natural, therefore, for me to address you about the business of your organization, AAPL. I have prepared this talk somewhat like that of a company CEO making an annual report to the shareholders and Board of Directors.

I don't wish to offend anyone by re-

ferring to the "business" of AAPL, and let me say that no less an honored and revered colleague than John Romano in a recent issue of the Archives of General Psychiatry pointed out that

Ever since Imhotep, in the third millennium before Christ, medicine has been a mixture of business and profession.¹

And later on in that same article after pointing out how the medical ideal has evolved greatly throughout the centuries, Romano again states

Today the physician has become more of a business person than ever before.¹

I think it is always appropriate periodically to take stock of your professional organization. But it is particularly important now because the recent moves by the APA to recognize forensic psychiatry as a subspecialty make this a critical point in AAPL's history and calls for a frank assessment of our organizational goals, direction, and capabilities. I will use this address as part of that frank assessment.

Today I plan to focus only on several aspects of the business of AAPL, specifically the financial, marketing, and long-range or strategic planning aspects of the organization.

Financial Aspects

Without further ado, let's look at our financial position. Well, there is some good news and some bad news. The good news comes from looking at our

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balance sheet. It is clear that over the years we have been a fiscally prudent and conservative organization. We now have accumulated a member's equity of approximately \$260,000, of which \$100,000 is in the form of a specially designated Endowment Fund. There is, however, some bad news or at least some not so good news. Conventional prudent organizational financial management recommends a war chest of at least one year's operating expenses. Our current 1991 budget, however, calls for expenditures of \$345,000. Thus, even including the Endowment Fund, we fall short of that generally accepted bench mark of one year's reserves. But what is more disturbing, when we developed our 1991 budget, we came up with a shortfall of almost \$20,000. In other words, we are planning to spend \$20,000 more this year than we are taking in. We project a \$20,000 deficit. Sound familiar? Though on the surface, a \$20,000 short fall with a reserve of \$260,000 does not appear alarming, let me express a word of caution. When a CEO was recently asked how a company goes bankrupt, he paraphrased a line from Hemingway by responding,

Slowly at first, and then quite rapidly.

Since this is a time of anticipated growth in AAPL, therefore anticipated increase in expenses, revenue will need to be increased through membership dues or other sources. I know that for many of us the Treasurer's Report and the discussion of AAPL's finances is the least interesting and most boring aspect of our business meeting. But if we are to achieve the growth we anticipate, AAPL

must maintain a stable and sound financial condition. I, therefore, urge you to listen carefully to future financial reports from our officers.

As an organization like AAPL moves past the question of whether it can survive financially, it must face new questions of how much money is enough and where do we get the money from? Now these are serious questions and members have a right to decide these issues. I am a member in a number of organizations that have big war chests, and it is not clear to me what the organizations are doing with the money other than amassing wealth. Since they are not-for-profit, my dues are sort of like contributing to a charity, but even charities tell you how they plan to spend the money they receive.

So let's look further at some aspects of the business plan of AAPL. As we turn to marketing, and the long-range and strategic planning aspects of AAPL, my goal will be to raise questions, offer some ideas and suggestions, and stimulate our thinking about these areas.

Marketing

In any business planning it is critical to ask the right question. I am reminded of the importance of this by a story I heard recently. A man had just arrived in a town and while on a walk he saw an old man sitting on a porch with a dog. He stopped and came over to be friendly. He asked the old man, "Does your dog bite?" The old man answered "No," whereupon the visitor reached down to pet the dog. The dog promptly proceeded to snarl and to bite him on the hand. Shocked and angry, he looked

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back at the old man and said, "I thought you said your dog doesn't bite?" The old man looked at him and said, "He doesn't; that's not my dog."

So let's start by looking at the marketing area and hopefully asking some right questions. In a true marketing sense, we must begin to address who our customers or constituents are, what services they need and want, and how we can best provide them. I have presented a partial list for us to focus on and it includes:

1. AAPL Members
2. The APA as an Organization
3. The APA Membership
4. The Legal Profession and Legal Colleagues
5. Government Agencies and Elected Officials
6. The Public

There is no doubt that you, the members of AAPL, are our most important customers. I also think it is fair to say that AAPL has by in large done a good job servicing its members. Our annual meetings, our review courses, our bulletin and newsletter, our endowment funds, our funds established for memorial gifts, and the general receptiveness of our central office to inquiries from members are tangible indicators of our commitment to the membership. To the extent that you feel we have failed in this regard, I ask you to bring your suggestions and comments to the officers.

An area of great concern to me and to the members of our organization involves our relationship with the APA. I am speaking not just of our fellow non-AAPL psychiatrist members of the APA but even more specifically about the relationship between our professional organization and that of the APA. When I

became President, I canvassed the Executive Council regarding the areas they felt were most critical for a President to address at this time. AAPL's relationship with the APA was listed as top priority.

To start the process of developing a closer relationship between AAPL and the APA, I talked personally with Mel Sabshin, Medical Director of the APA. I asked him specifically for his recommendations on how we could improve relationships between AAPL and the APA and on how AAPL could help improve the image of forensic psychiatry among psychiatrists, medical colleagues, and the general public. I am happy to report that Mel agreed these were also very important issues for the APA and that it was critical for our organizations to start working in a more effective manner. To that end, we have agreed that after our Annual Meeting, AAPL and APA will plan an Officer's Planning Meeting involving the leaders and the Medical Director of AAPL and the leaders and the Medical Director of the APA. At that meeting, we agreed that a specific agenda could be developed for how to improve the relationship between the two organizations. In addition, he suggested that the leadership of both organizations develop a statement that could be published in an Op-Ed issue of important newspapers addressing how psychiatry's involvement in the adversarial process is critical but also explaining how this involvement can inadvertently tarnish the image of psychiatry, forensic psychiatry, and sometimes of medicine in general. Thus we have begun the dialogue between the two organizations, and I think this is a good start.

With the advent of forensic psychiatry as a subspecialty, it is critical that we improve our relationship with non-AAPL APA members. I offer the following suggestions; in addition to leadership meetings and some of the other suggestions listed above, the following are some specific ideas on how we could improve relationships with the non-AAPL APA members:

1. Increase the participation of forensic psychiatrists at APA meeting workshops, panels, and paper presentations.
2. The Chairperson of Committees of AAPL could be cross-assigned to similar or related Committees in the APA.
3. A Board Review course could be developed by the members of AAPL to be presented at the APA.
4. The AAPL booth at the APA has been an excellent way of introducing APA members to the benefits of AAPL membership. There are other major meetings attended by large numbers of APA members where such booths could also be useful.
5. Increase AAPL member participation at the grass-roots level in the APA, e.g., District Branches, Legislative Representative Network, State Psychiatric organizations.

I believe it is essential that AAPL members become much more active at the grass-roots level of APA District Branches. We are all aware of how rapidly the field of forensic psychiatry has grown. There are now many overlapping issues among clinical psychiatry, ethics, legal agencies, and regulatory bodies where AAPL members have real expertise. AAPL members can take the lead in addressing district branches at appropriate meetings, in leading committees involved in forensic psychiatry, ethics and the law, and in seeking leadership offices of district branches and state psychiatric organizations.

It is probably time that AAPL again reassess its position regarding our relationships with the legal profession including the ABA as well as with lawyers in general. Especially in the early years of AAPL, there was a general feeling that too many lawyers attending our meetings could prove to be intimidating and prevent the free exchange of ideas about forensic psychiatry. Whether that reticence remains reasonable should at least be questioned. But without doubt, we need, as the organization grows, to consider how we are going to relate not only to our own professional organization, the APA, but also how we are going to relate to other legal organizations, in particular the ABA. This could open up significant opportunities for growth and service by our organization and by our members.

AAPL has made some attempts to help and be involved with governmental agencies and to interface with certain criminal justice agencies. Nevertheless, this is an area also where we have been reticent to branch out. I discussed this also with Mel Sabshin, and he agreed that AAPL leadership should meet with leaders in the government affairs section of the APA and from there move to appropriate meetings with government officials and elected public leaders. At the grass-roots level, more AAPL members should become involved in the district branch legislative representative network.

I think AAPL has now grown to the size and has the strength to begin appropriately addressing the needs of the public. In particular, we must develop mech-

anisms for educating the public about our role in the adversarial system. There can be no doubt that the public and the media's misunderstanding of our role in highly publicized public trials can almost instantaneously severely tarnish the image of psychiatry and forensic psychiatry despite countless hours of hard and dedicated work in many other forums developing good will and understanding of our field.

In addition, I believe it is time that AAPL directly reach out to the public by sponsoring public forums, lectures, and public workshops on matters of great public concern such as violent crimes, rape, sexual abuse, and ethics. We must tap the new age of increasing communication to share directly with the public the many areas of our real expertise. I believe that marketing dollars spent in this way would not only enhance our image but would also provide an important and needed service for the public.

Long-Range Planning

Let us turn to long-range or strategic planning for AAPL. AAPL is now a 22-year-old, well established, major professional organization. The recognition of forensic psychiatry as a subspecialty will have significant impact on the field and on AAPL. It is, in my opinion, imperative that AAPL move ahead to develop a long-range plan that reevaluates the mission, goals, and objectives of the organization and includes a SWOT analysis that looks at the strengths, weaknesses, opportunities, and threats to AAPL as an organization. Today I will only highlight parts of a long-range plan.

I want to acknowledge at this point the work already underway of AAPL's Long-Range Planning Committee with Mel Golzband as Chairperson. What follows draws heavily from his committee's reports.

Membership We are currently estimating that AAPL's membership, at 1,300 now, will grow to 2,000 by 1995 and could double by the year 2000. Already a major organization, such size will further establish us as a powerful interest group—hopefully for powerfully good purposes. What size should AAPL be and how hard should we work to achieve those growth numbers? What do we gain and lose by such growth? Should we consider expanding our numbers by opening up membership in any capacity to other disciplines? As we grow, will we need to provide other services to attract and maintain members? What will be the cost of new services for members?

Are there specific values or a specific "organizational culture" that will be sacrificed if we work for a significantly larger membership?

I want to address this point more specifically because I believe this could be *the* fundamental question underlining all of our future plans. I will attempt to phrase the question: Will or should AAPL become the premier organization of the subspecialty of forensic psychiatry or will or should AAPL continue as the premier organization of psychiatry and the law? These are two very different concepts that lead to important "organizational culture" differences. The path we choose will profoundly affect current and future members. I have some related

experience watching this process in the Academy of Psychosomatic Medicine. There, the issue is whether the more global, overarching somewhat ambiguous concept of psychosomatic medicine will yield to the more specific, more easily definable concept of consultation liaison psychiatry. Those who wish to see consultation liaison psychiatry accepted as a subspecialty bring one set of agendas to the meetings and look for certain types of presentations. Those members interested primarily in psychosomatic medicine do not always share the vision of the consultation-liaison group. Similarly, many of us have been members of AAPL without viewing ourselves as forensic psychiatrists. To what extent will subspecialization alter our member's goals, ambitions, and careers and how will AAPL respond? These are tough questions but must now be faced directly.

Administrative Function Almost every professional organization in its early stage relies on a small handful of members who volunteer their services to run the managerial functions. As an organization grows, this form of management becomes less effective. Furthermore, organizations can become locked into a particular mode of functioning just because that's the way its always been done. Administrative function follows structure rather than vice versa. Given our projected growth, we have some important and politically loaded decisions to make regarding our management team. Let me present some of those options which we must address in the near future.

1. Our administrative support services will increase as does our membership and our organizational projects. Should we seek an administrative contract with another larger organization such as the APA or contract directly with a management firm?

2. If we decide to run the organization ourselves, what is the best structure? Should we have an Executive Director who manages all aspects of AAPL?

3. What is the role of the Medical Director? Is the Medical Director the Chief Operating Officer? Or is the Medical Director really the CEO? I have worked closely with Jonas Rapoport this year and appreciate all he does. But I know even Jonas believes there are ambiguities in his role and uncertainty at times about where his authority should begin and end. I believe the responsibilities of the Medical Director's office must either be expanded or shared with another position, e.g. an Executive Director.

4. How do we plan for the ongoing development of AAPL? This, to me, is the really critical issue. I am again acutely aware of how fast a year goes by and how little the President really accomplishes. All Presidents do something, some more than others, but the vision of where an organization is going cannot be delegated year after year to a new President. We must, with our Long-Range Planning Committee, develop these goals and objectives and then make sure that the responsibility for achieving these goals is spelled out and assigned. To help us do this, the Executive Council is exploring hiring a consultant with expertise in strategic planning. I heartily endorse this idea, and I hope you will too.

Headquarters Let's face it. To a large degree our organization has been run very much like a Mom and Pop company and that has, until now, been appropriate and adequate. We must begin now to address the adequacy of our organizational location given our projected growth. With regard to the central office we must address the following issues:

1. Should AAPL plan to own or at least operate its own headquarters and if so, when?

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2. Where should the headquarters ideally be located?
3. Would, for example, headquarters in Washington, DC, enhance the interface with the APA and other major psychiatric and legal organizations?
4. How would such moves be funded?

Threats We recognize the great opportunities for AAPL. Let's not forget that there are some significant threats. AAPL has been the major psychiatric forensic organization, but I predict stiff competition in the near future from other psychiatric and law organizations and also inroads into the field from professionals of other disciplines, particularly psychology. With the development of the new Board of Forensic Psychiatry, nonmember psychiatrists and others will see "business opportunities" in developing review courses and setting up training programs and the like. Such competition is healthy and even desirable. I think we have a good head start, but such threats should inspire us to keep moving forward and pursuing our long range goals aggressively.

Conclusion

These are exciting times with opportunities for growth and expansion in forensic psychiatry, both in the private and public sectors. As always, this growth will come from those of you who produce in this business, that is, those who present scholarly advances, develop innovative treatment programs, manage and run private practices and public services. As in the past, AAPL, as the premier psychiatry and law organization, will play a central role in these developments. But we can only do this

if AAPL develops a sound basic infrastructure from which these new developments can spring. And, that, in my opinion, will require us to conduct the affairs of AAPL upon sound business principles.

I am happy to report that AAPL as an organization is thriving. That's because the field it represents is vibrant and growing, the membership has been enthusiastic, and the past leadership has been dedicated and competent. I am very proud to be a president of AAPL.

I would like to close my remarks by sharing two quotations that aptly sum up my feelings about the business of AAPL. Despite our size, strengths, and sizzle, we must not become complacent. I read recently and would like to quote to you the company motto that a Forbes 500 CEO keeps on his desk. I think this quote is also very appropriate for AAPL:

We're in this business today, but tomorrow belongs to whoever does it better. No one owns this industry. It belongs only to the best—to those who keep it growing, producing, alive.

I am convinced, of course, that we will not become complacent but will continue to show the same progressive, creative, and vital approach to the serious issues of psychiatry and the law as we have in the past. As you can tell, I am optimistic about where we are going. I will close by paraphrasing a line taken from a recent rock song, which says it all in true California style:

AAPL's future is so bright, I think I need shades.

References

1. Romano J: The Battered Chairman Syndrome. Arch Gen Psychiatry 48:371-4, 1991