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**STANFORD** SOCIAL INNOVATION *review*

## Case Study

### Clear Blood

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# Action Case Study

## Clear Blood

By 1998, thousands of people had contracted HIV and hepatitis C from Canada's tainted blood supply. To restore the supply and the public's trust, the federal, provincial, and territorial governments of Canada created a new organization, **Canadian Blood Services**. Despite the public health tragedy that it inherited, Canadian Blood Services rebuilt Canadians' faith in the nation's blood supply by infusing transparency into its structure, culture, and operations. **BY MOE ABECASSIS, DAVID BENJAMIN, & LORNA TESSIER**

IN DECEMBER 1984, 53-year-old Kenneth Pittman underwent coronary bypass surgery in Toronto. During the operation, he received an infusion of cryoprecipitate, a fluffy white protein that helps clot blood. Pittman survived his heart disease and the surgery, but not the infusion: In March 1990, he learned that he had contracted HIV from the cryoprecipitate. He died a few days later. His wife, Rochelle Pittman, did not learn about the diagnosis until three weeks after her husband's funeral. By June 1995, she too had succumbed to HIV infection, recounts André Picard in *The Gift of Death*, a chronicle of Canada's tainted blood scandal.

Starting in the 1970s, HIV and hepatitis C found their way into Canada's blood supply. By 1990, more than 1,200 Canadians had contracted HIV from blood and blood products. Three-quarters of these people have since died. A much larger number—up to 20,000 people—were infected with the hepatitis C virus (HCV), which damages the liver. Although the exact number of Canadians who have died from liver disease caused by tainted blood is not known, the Canadian Hemophilia Society puts the estimate in the thousands.

To investigate this public health disaster, the Canadian government convened the Commission of Inquiry on the Blood System and named Justice Horace Krever as its head. In November 1997, Krever released the commission's report, which cited widespread mismanagement as the source of the tainted blood scandal: "The expression 'blood supply system' is used for convenience. The truth is that during the entire relevant period, no integrated system existed." The report

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also singled out the Canadian Red Cross, the organization most responsible for ensuring the safety of the blood supply, as a "tentative and ineffective decision maker that recoiled from its responsibility to make timely decisions on matters of safety." And it denounced local and national governments for showing no leadership.

Lack of leadership wasn't the only problem that led to the tainted blood scandal. Lack of transparency was also a critical factor. In delineating the major systemic problems that contributed to

the contamination of the blood supply in the 1980s, Krever stated, "The operator of the blood supply system and the Health Protection Branch must ensure that they remain informed about the spread of blood-borne diseases ... and they must communicate information about the risks that are known or believed to exist."

Even before the damning report, the Canadian public had lost faith in its blood system. As Picard reports, a 1995 poll conducted by Compas Inc. for the Canadian Red Cross found that 33 percent of Canadians would refuse a transfusion because of fears about tainted blood.

Restoring the Canadian blood supply began with the creation of Canadian Blood Services in 1998. Based on the recommendations from the Krever Commission, the federal, provincial, and territorial health ministers established the nongovernmental organization.

Canadian Blood Services' first tasks were to stabilize the blood supply and to restore public confidence in the safety and security of the system. The organization then had to assuage the well-founded fears of donors and recipients, without whom it could neither secure nor disburse its voluntary blood donations. To regain the public's trust, Canadian Blood Services went to great lengths to make its

structure, culture, and practices transparent to the public.

A decade later, Canadian Blood Services has largely regained Canadians' faith in their blood supply. In 2007, the marketing research firm Ipsos Reid surveyed the Canadian general public and found that 83 percent



*Janet Connors, whose husband died from HIV-tainted blood, accuses Canadian blood managers of secrecy and silence.*



as making the right decisions,” says Ian Mumford, Canadian Blood Services’ chief operating officer and one of three senior executives who have been at the organization from the beginning. “The need for openness and transparency came up in every decision.”

Following one of Krever’s main recommendations—“the public must have access to information about the policy, management, and operations of the blood supply system and be represented in the decision making”—the leaders of Canadian Blood Services built the organization to facilitate communication with and involvement of its various stakeholders, which include patients, donors, hospitals, partners, volunteers, health care professionals, and the general public. All are needed to ensure the safety of the blood supply, for which Canadian Blood Services has ultimate accountability.

To institutionalize Canadian Blood Services’ commitment to bringing outside voices in, its board of directors includes representatives of all these stakeholder groups. According to the organization’s charter, the 13-person board must include four directors who represent each of Canada’s four geographic regions (Atlantic Canada, Ontario, Alberta/Saskatchewan/Northwest Territories/Nunavut, and British Columbia/Yukon); two directors who represent consumers and patients; six directors with medical, scientific, technical, business, and health expertise; and a chair. As a result, the composition of the board matches the complexity of the blood system.

The board also reflects the system’s history: James Kreppner, a recipient of tainted blood who is now living with HIV and hepatitis C, was once one of the biggest critics of the blood system. He is now a member of

trusted Canadian Blood Services—up from only 56 percent in 1998. Kumanan Wilson, an expert in Canadian public health policy, writes in his commentary in the Nov. 20, 2007, issue of the *Canadian Medical Association Journal*, “The reformed blood system has regained public confidence and has even received high marks from the group representing the primary victims of the tainted blood tragedy.” This patient group, the Canadian Hemophilia Society, awarded Canadian Blood Services an A grade on its 2005-2007 report card. It also wrote, “Canadian Blood Services continues to be accountable and transparent in its decision making.”

#### CRYSTALLINE STRUCTURE

“Our ability to achieve confidence in the system was first and foremost dependent on making the right decisions, but also on being seen

the Canadian Blood Services board and has been for six years. To allow even greater transparency, the board’s charter stipulates that at least two of the six to eight board meetings held each year must be open to the general public.

Also connecting the board to its stakeholders is the National Liaison Committee, an external advisory committee that provides input on policy development, explores emerging issues, monitors ongoing activities, and identifies and assesses potential threats to the safety of the blood system. The committee consists of 24 members who represent many external stakeholder groups and all regions in which Canadian Blood Services operates. To ensure the independence of the National Liaison Committee, stakeholder organizations nominate their representatives to the committee. Representatives then serve a three-year term.

The National Liaison Committee reports directly to the board, allowing stakeholders direct input into Canadian Blood Services' central decision-making processes. The consumer representatives of the board co-chair the committee. The National Liaison Committee meets twice a year, with a provision for additional meetings should the need arise. One of its meetings is held with the entire board.

Reporting to the National Liaison Committee, in turn, are the seven Regional Liaison Committees. The Regional Liaison Committees expand Canadian Blood Services' reach into local communities and help optimize service delivery at the local level. They also identify threats to the blood system wherever they might first emerge.

The Regional Liaison Committees meet twice a year. One representative from each Regional Liaison Committee sits on the National Liaison Committee. Moreover, when crises or other special situations arise, these bodies act both as participants and as connectors to the broader system.

Overall, there are about 125 committee members who feed information from the grassroots to the National Liaison Committee. The National Liaison Committee, in turn, communicates the concerns of various stakeholders to the board. To keep communications frank and uninhibited, Canadian Blood Services does not allow its employees to serve on the National Liaison Committee or the Regional Liaison Committees.

With these governance structures, Canadian Blood Services keeps a broad group of stakeholders either at the decision-making table or very close to it. "If we have an issue we have the ability to raise [it] in the proper forum," says David Page, executive director of the Canadian Hemophilia Society. "And if there's information or an issue that Canadian Blood Services wants to raise, then they know who to talk to. The formal mechanisms exist, but also the relationship is sufficient that the informal channels also exist."

"Canadian Blood Services staff is unbelievably committed to considering the input of their stakeholders and the public," agrees Stephani Roy McCallum, president of the International Association of Public Participation, a professional association that promotes public participation in nations throughout the world.

### OPEN CULTURE

Canadian Blood Services not only built governance structures that encourage the open flow of information, but also constructed a culture that models and re-

### CASE STUDY QUESTIONS:

Following a scandal, how can an organization restore the public's trust?

What structures and practices encourage transparency?

How can leaders maintain a culture of openness?

wards transparency. CEO Graham Sher hosts monthly brown-bag lunches to which approximately 10 employees are invited. Employees can discuss anything that is on their minds—from their vision for the organization, to pension concerns, to the need for more lighting in parking lots. In recent brown-bag sessions, Sher heard feedback from employees that the organization's commitment to corporate social responsibility must be strengthened. As a result, when the organization's leaders re-

viewed its strategy, they began to consider specific initiatives that would help meet this need.

"Culture is ultimately what enables strategy," says Sher. "You can have a great strategy, but if employees are not engaged in making it happen, you will not get far. The [phrase] I have heard that best sums this up for me is, culture eats strategy for breakfast." Other reflections of the open culture include town hall meetings with the CEO and the staff-initiated National Employee of Distinction Award, which recognizes employees who exemplify the organization's values, including openness. Canadian Blood Services also includes a specific "openness" metric on its balanced scorecard.

COO Mumford also stresses the need to remember Canadian Blood Services' history. He advises all employees to read *The Gift of Death* because it is such an effective chronicle of the tainted blood tragedy and its causes. "If you need to be reminded of what we're all about and where we've come from, read the book," he says.

The first real test of Canadian Blood Services' commitment to openness came in 2001, when the world faced a shortage of blood-clotting Factor VIII. Ninety percent of hemophiliacs lack Factor VIII, but at the time only three firms in the world manufactured this blood product. When the U.S. Food and Drug Administration shut down one of these manufacturers, Canadian Blood Services faced a looming shortage.

In a stark departure from the past, Canadian Blood Services didn't keep the crisis quiet, nor did it deny that patients were at risk. Instead, the organization quickly acted to stockpile Factor VIII from a different source. Then, every week for eight months, the executive team organized conference calls with the Factor VIII manufacturer, regulators, hemophilia patients, nurses, patient groups, and physicians to ensure an open exchange of information and search for solutions. The Canadian Hemophilia Society commented on the management of the shortage: "Canadian Blood Services did an excellent job in managing the world shortage of factor concentrates to ensure provision of high-quality products for Canadians.

Graham Sher, CEO of Canadian Blood Services, led the charge to instill transparency in his organization.



It has moved to relationships with several suppliers to better ensure supply in case of manufacturing breakdowns.”

“We put all the data on the table and everybody had as much information as we had,” said Sher. “We saw the principle of transparency work. From then on, it was just a journey. Every major decision that we faced, we’d ask ourselves: Whom do we need to talk to? Whom do we need to involve? Whose opinions should we hear before we make this decision?”

#### PURE PRACTICES

Believing in the value of transparency and having structures and cultures that encourage it are two-thirds of the battle. The final third is having concrete practices in place that help large, diverse groups of people openly share information. Over the past decade, Canadian Blood Services has adopted three specific practices that help it improve patient care, build stakeholder trust, and update its systems.

The first of these practices is a specific conference design, de-

“They are night and day from the old organization,” says Canadian critic and author André Picard. “They talk openly. They are proactive.”

veloped by the U.S. National Institutes of Health, called the Consensus Development Program (CDP). Canadian Blood Services has hosted several CDPs to determine best practices for protecting blood systems and patients. In April 2008, for example, Canadian Blood Services and Héma-Québec (which separately operates Quebec’s blood system) jointly hosted a conference on transfusion-related acute lung injury (TRALI). A major impediment to studying this problem had been the lack of a uniform definition of the phenomenon. The conference’s expert panels developed a definition of TRALI, which organizations such as the American Red Cross have since adopted.

Canadian Blood Services also fosters transparency in its own internal decision making. For example, when developing strategy, Canadian Blood Services uses a process called Syntegration to bring its external stakeholders together over the course of several days and allow them to share their ideas. Despite the sensitive nature of many of its internal issues, Canadian Blood Services includes its external stakeholders in much of its strategy formulation. Whether developing strategies for blood collection or pandemic readiness, Canadian Blood Services invites employees from across the organization and representatives from all relevant external stakeholder groups. Most recently, in September 2008, Canadian Blood Services hosted 128 participants from across Canada to help develop its strategy for improving organ and tissue donation and transplantation.

A final practice that Canadian Blood Services uses to foster transparency and trust is to communicate directly with stakeholders through an electronic information network, the media, and its Web site. When Canadian Blood Services makes significant policy changes, it shares the information via the network, posts the information on its Web site, and alerts Canada’s newspapers. Its Web

site also includes board minutes, committee meeting minutes, and third-party recommendations for policy and operational changes, as well as Canadian Blood Services’ responses to those recommendations. A link on the Web site allows the public to ask the organization questions and share their concerns, and then to receive a response within 24 hours.

#### SECOND LIFE

The tainted blood tragedy in the 1980s left Canada’s blood supply system in shambles. By the late 1990s, Krever had laid out a road map for a new blood system that stressed the importance of building transparency and public participation into that new system. Despite the extreme trust deficit it inherited, Canadian Blood Services has earned the respect and faith of the public it serves.

Ten years later, the annual Ipsos Reid survey shows that 91 percent of Canadian Blood Services’ stakeholders are satisfied or very satisfied with their ability to provide input and to bring special interests to the attention of the board. After a 10-year decline in donations, Canadian Blood Services can now meet 100 percent of hospital demand for blood and blood products. And many of the blood system’s former critics, such as Edward Ferre of the Canadian Association of Transplantation, now laud its

operations and foresight: “Canadian Blood Services has surveillance not only of what’s on the horizon, but what’s beyond the horizon.”

The investments that Canadian Blood Services has made to support transparency and openness among its wide variety of stakeholders, along with its commitment to safety and operational excellence, have resulted in a world-class blood system. As a result of this trust, on April 1, 2008, the provincial and territorial ministries of health granted Canadian Blood Services the mandate to lead organ and tissue donation and transplantation, owing to the organization’s national integrated blood service delivery system (excluding Quebec), existing infrastructure and expertise, and reputation among Canadians.

In September 2008, as Canadian Blood Services celebrated its 10th anniversary, it recognized Krever with its Lifetime Achievement Award, which honors people who have made extraordinary contributions to the Canadian blood system. In his address at the event, Krever stated that “despite the internal difficulties within the Canadian Red Cross that contributed to Canada’s tainted blood tragedy, the donors, volunteers, and employees on the front lines of the organization were not at fault and were, in fact, to be commended. Today, I will substitute Canadian Blood Services to receive such praise,” he said, adding that “the system created by Canadian Blood Services in 1998, following the recommendations of the Krever Report, have resulted in a safe blood system.”

Although author André Picard is still keeping an eye on the blood system, he too believes in Canadian Blood Services. In April 2008 he spoke at a Canadian Blood Services educational symposium titled *10 Years Post Krever: Why It Won’t Happen Again*, and said that if his own child needed blood, he wouldn’t hesitate to use Canadian Blood Services. “They are night and day from the old organization,” he said. “They talk openly. They are proactive.” ■