

OPERATIONAL EFFECTIVENESS FOR HEALTHCARE



VOLUME 3, APRIL 2011

This monthly newsletter is designed specifically to help healthcare executives and business owners raise the bar within their organizations by providing insights on how to improve performance and **maximize operational effectiveness**.

CASE STUDY

Improving Internal Customer Service

The Situation

The supply chain department of a healthcare organization was responsible for providing support and expertise to the rest of the organization. This department was perceived by the rest of the organization as an impediment to making quick and effective decisions. The department's internal customers were bypassing it in order to make decisions faster. This usually led to issues with suppliers and regulators down the road.

The Intervention

Andrew interviewed various stakeholders within the organization who were bypassing the supply chain department to determine what the real issues were. Through these meetings, it became clear that the department did not have the tools or the expertise to properly support the rest of the organization. Their activities were transaction based and there was little flexibility in the operating processes that needed to be followed. As a result of these meetings, Andrew helped the organization develop operating guidelines and supporting tools that provided the departments being supported with more flexibility and autonomy in certain situations. Andrew also educated the supply chain team on how to better support their internal customers by providing expertise and guidance instead of just policing compliance with existing policies.

The Results

Through the development and education of supply chain staff and internal customers, the number of emergency issues with suppliers and regulators was significantly reduced. The organization also achieved better return on investment for supply chain activities through the use of more effective and efficient practices.

ABOUT ANDREW MILLER

Andrew Miller is a well-known consultant, writer and speaker who has successfully helped world-class organizations dramatically accelerate results and improve the speed, performance and efficiency of their organizations. His healthcare clients include renowned hospitals, shared service organizations, group purchasing organizations, private clinics and government institutions.

As a thought leader in the healthcare industry, Andrew provides tremendous value to his clients by using his experience from both the private and public sectors to help maximize their strategic and operational effectiveness.

CONTINUE THE CONVERSATION



OPERATIONAL EFFECTIVENESS FOR HEALTHCARE

INSIGHTS

What insights can be drawn from the case study above and how might they be applied elsewhere?

There are a few things that must be considered to ensure success whenever a centralized department is doing work for internal customers:

Find out the real issue

In the case above, there could have been numerous reasons why the rest of the organization was bypassing the supply chain department. If we had not interviewed actual users and asked them specific questions, we would not have known the actual reasons for this behaviour. If the facts aren't known, improper decisions will be made that will generally exacerbate the issue. Don't rely on anecdotal evidence - find out the facts!

Internal customers are just as important as external ones

There are many departments within an organization that are responsible for internal support. These departments need to treat their internal customers the same way they would treat external ones. Just look at the impact that poor internal support had on the healthcare organization. There were supplier issues, regulatory issues - it was impacting the entire organization.

Make customers lives easier

By developing guidelines and supporting tools, the organization was able to give some autonomy and control back to the internal customers. This made their lives easier. In certain situations they were able to make their own decisions without intervention from the supply chain department. Making the lives of your customers easier will ensure that they contact you when they need support instead of looking for ways to circumvent dealing with you.

VIEWPOINT

Strategic Planning

There is always a catch phrase of the day and this year it seems to be "strategic planning". I'm not against strategic planning: I just mean that it should not be a fad or a catch phrase. It should be an integral part of running your business. Most organizations do some form of strategic plan, which usually consists of an outside adviser leading the senior team through a two-day workshop that results in a five-year plan. Sound familiar? The issue then becomes "what do we do with this terrific plan that we just developed?" My experience shows that most healthcare organizations don't do much with it. They are great at developing the plan but fall short on its execution. Regulations change, priorities change, senior management changes, funding models change...but the strategic plan rarely changes. **(continued on the next page)**

OPERATIONAL EFFECTIVENESS FOR HEALTHCARE

VIEWPOINT (CONT.)

Here are some things to think about in order to maximize the value of your strategic plan:

Identify no more than five strategic priorities

If you have too many priorities, then nothing is a priority. Focus on the areas that impact your business the most.

Review the strategic plan every six months

Get your senior management team together every six months to review your strategic plan and see if anything has changed. If it has, make the appropriate changes. Your strategic plan should always reflect the priorities of your organization.

Get your staff involved

It is generally going to be the staff on the ground who make these strategies a reality. Senior management develop the strategies and staff will implement them, so identify a staff champion for each priority and work with them to move it forward.

Provide clear direction

Most of your staff are more than willing to follow as long as they are given a clear direction and genuine leadership. Be transparent about what the priorities are and how they are going to be achieved. The less ambiguity, the more support you will receive from your organization.

ON ANDREW MILLER

Upcoming Speaking Events and Conferences

Federated Press is putting on a Value for Money conference in June that will provide valuable information. [Click here for details.](#)