

## OPERATIONAL EFFECTIVENESS FOR HEALTHCARE



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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 and profitability.**

### CASE STUDY

#### The Situation

A company needed help executing their growth strategy and ensuring its successful implementation across the organization.

#### The Intervention

Andrew worked with the senior team to confirm that their strategy was the right one and that they were able to clearly communicate it to the rest of the organization. Andrew then developed an implementation plan and a communication strategy to ensure quick and effective results. This included strategizing how to effectively engage employees, putting in place supporting tools, identifying key metrics for success and developing accountabilities for employees at all levels of the organization.

#### The Results

The strategy was successfully executed and the company was able to quickly take advantage of significant growth opportunities. Employee retention also improved because employees felt like they were a part of the strategy development and implementation process.

#### ABOUT ANDREW MILLER

Andrew Miller is a renowned and accomplished 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, global healthcare suppliers, 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



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### INSIGHTS

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

#### **The strategic direction of the organization must align with the priorities of front-line staff**

If front-line staff are being asked to focus on improving the quality of care and enhancing the patient experience, then the senior management team needs to prioritize these things as well. These priorities must be addressed as often as possible and made an integral part of the organization's strategic direction.

#### **Staff need to see themselves in the corporate strategy**

Some organizations use simple phrases and others use acronyms to highlight strategic goals. No matter how these goals are communicated, the important part is that staff are able to see how they can help the organization meet them. Even though different groups (doctors, nurses, administrators, etc.) have different perspectives, they each need to see how they are advancing the mission of the organization by improving quality and the patient experience.

#### **Empower staff to make decisions in the best interest of the customer**

Organizations often implement policies that only create roadblocks for their staff. Staff genuinely want to do a good job. Sometimes we just need to clear a path and let them do it. As one executive said to me, "We need to get out of their way and let them do good work."

#### **There must be accountability at all levels of the organization**

Without accountability, no initiative will be sustainable or successful. Leadership needs to be accountable for providing clarity and direction, and the entire staff—from senior management to the front-line—needs to be accountable for specific results.

You need to involve employees in the strategy development process and find internal champions who will help everyone see how they fit into the bigger picture. You also need to provide clear accountabilities and measurements so people know what success looks like and how they can help get there.

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### VIEWPOINT (CONT.)

#### *How to Prepare for a Business Crisis*

My family and I went to Florida for our March break vacation. We were scheduled to fly home on a Sunday afternoon. When I checked our flight status that morning, I was shocked to discover that our flight had been cancelled. That's right, a flight from West Palm Beach to Toronto on the Sunday of March break was cancelled with only a few hours notice.

I was forced to re-schedule our flight. That meant driving to a different city to fly home from, paying for an extra night hotel and missing a full day of work and school. And what did the airline offer me for this inconvenience? At the time, nothing. No travel voucher, no offer to pay for my hotel room, no compensation. I guess they thought I would be satisfied that they didn't charge me a change fee or the fare differential for the new flight tickets.

To this day, I don't know why our flight was cancelled and I don't really care. What I do know is that this situation was handled poorly by the airline.

It's a good lesson for other organizations on how prepare for and deal with a crisis. When companies develop a strategy for dealing with a crisis, they should always include four essential components:

#### **Communicate openly**

There is no value in lying or only giving partial truths about the reasons for the crisis. Tell your customers the whole truth. Customers will be more forgiving if you do this at the outset. If handled properly, a crisis can actually be an opportunity to strengthen your organization's relationship with its customers and business partners. You can build trust and show them that you act with honesty and integrity, even where there are serious issues to be resolved.

#### **Provide guidance and direction**

When a crisis arises, inform customers and business partners about the steps being taken to resolve the issue. Tell customers where to go and what to do if they have concerns that need addressing. Provide them with a way to contact you through a customer service hotline or an email address and ensure that there are extra staff and resources to address all customer issues quickly. There is nothing more frustrating than endlessly waiting on hold.

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### VIEWPOINT (CONT.)

#### **Contingency planning**

As a part of your ongoing risk management and mitigation strategy, review possible scenarios that could happen in your business and develop preventive and contingent actions. Preventive actions will reduce the likelihood of the risk occurring and contingent actions will help mitigate the problem if it does. Consider a number of options for each scenario and develop criteria for when the contingency plan needs to be enacted. One effective way to help you decide on a course of action is to monitor what your customers are saying about you on blogs, websites and social media.

#### **Develop operational improvements and communicate them**

Use crises as an opportunity to improve the operations of your organization. Look for ways to not only resolve the issue, but also to improve overall performance. Communicate what the exact problem was, how it was fixed and what steps will be taken to ensure that it never happens again. Engage customers and front-line staff in developing solutions that are more sustainable.

A number of years ago, Maple Leaf Foods had a crisis when 22 customers died after consuming tainted meat products produced by the company. It quickly came out that the company was negligent in the way it maintained some of its facilities.

Maple Leaf acted admirably during this crisis and used it as a launching point to raise industry standards for food production and safety. Here are some of the things that the company did:

- o It took responsibility right away and began a rigorous investigation into the causes of the crisis
- o CEO Michael McCain didn't hide from the public eye. He was on TV and the radio almost every day, giving updates on the situation and what steps were being taken by the company
- o It set aside a \$27 million fund to pay out all claims against the company
- o It proposed new standards for all Canadian food companies and worked with the government and industry associations to have those higher standards implemented quickly

Not only was Maple Leaf able to turn the crisis into an opportunity, it also raised the bar for everyone else in the industry. In this way, the company fostered customer loyalty. Many customers actually trust them more now than they did before. Six months later, they were profitable again.

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### ON ANDREW MILLER

#### Recent articles

[Read my latest article in PROFIT magazine](#) for six tips on how to increase profitability through more effective procurement operations.

You might also be interested in my recent article on how the typical RFP process is flawed when purchasing technology. [Click here to read it.](#)

#### Upcoming Events

I will be hosting a free teleconference on how to become a world-class supplier and the top dog in your industry. The teleconference will be on Friday May 4 at 11:00am EDT and a download will be provided to all who register. [Click here to register or for more information.](#)

Andrew will be speaking at the Hospitality Financial and Technology Professionals (HFTP) association on May 17 about increasing company profitability through effective procurement. [Click here for more details.](#)