

OPERATIONAL EFFECTIVENESS FOR HEALTHCARE



VOLUME 13, FEBRUARY 2012

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 healthcare organization needed help getting a better return on investment from their procurement decisions and implementing best practices for their purchasing process.

The Intervention

Andrew worked directly with three of the senior staff through a retainer relationship. This meant that they had access to Andrew whenever they needed to ask questions or develop new procurement strategies.

The Results

Through this close relationship, the organization was able to develop both best practices for procurement and a communication strategy aimed at employees to help with the rollout of the new process. They also gained additional expertise that could be retained within the organization. All of this resulted in a higher return on investment from organizational purchases, better compliance with government purchasing legislation and improved relationships with suppliers.

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



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INSIGHTS

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

Access to the right outside resources will make a difference

Outside advisers can be extremely helpful. They can bring a new perspective to your organization, especially if they have helped similar organizations in the past. But be selective when choosing who to bring in. Make sure that they have had previous success with other organizations and can show you how that success can translate to you. The retainer relationship described above provided that organization with access to Andrew's experience, even though there was no specific project being worked on. Instead, the focus was on improving the performance of the organization as quickly as possible.

Internal competency growth is key

Outside help will only be successful in the long run if that external knowledge gets transferred to your organization. You don't want to rely on outsiders forever. Part of any project should be knowledge transfer and increasing the competencies and expertise of your staff. Ensure that this is formally or informally part of any agreement you have with advisers.

Often, organizations already know what needs to be done, they just need some validation before they have the confidence to move forward. That validation can come from advisers, especially those who have a track record of successfully helping similar organizations. The biggest factor in selecting an adviser is trust. Do you trust this person and their advice? Do you believe that they have your best interests in mind? If so, then you have the foundation for a strong relationship.

VIEWPOINT

Global Healthcare Challenges

I recently sat down with a group of colleagues from a number of countries. We quickly realized that our different healthcare systems often have the same challenges. The group represented both publicly and privately funded healthcare models and covered North America, Europe, New Zealand and Australia. Here's what we discovered were the common healthcare challenges we all faced:

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VIEWPOINT (CONT.)

A reactive healthcare system

Each system was very reactive in the way that services were being delivered. New services were developed only after a need had arisen, while little effort was spent trying to anticipate any future needs. This was most evident in the way that governments focus on treating diseases and other medical issues instead of working to prevent them from occurring in the first place.

Solution: *Look at different models of care and engage patients more to determine not only what they need now, but what they will need in the future.*

An inefficient healthcare system

Many of the healthcare systems used old and antiquated technology. In a world where the electronic transfer of health records is paramount to effective patient treatment, this was very surprising. Many countries have stifled innovation with medical technology. Often, strict procurement processes and a focus on keeping costs low dictate the way technology is purchased. This not only prevents the development of leading-edge technologies, it also discourages some companies from even entering the marketplace for fear of being commoditized.

Solution: *Provide different options for different types of purchases. For products and services that should not be commoditized, encourage a process of collaboration between healthcare providers and their suppliers that focuses on the best solution for the provider and the best patient outcomes.*

A poorly integrated system

When hospital resources are strained, performance suffers. But so many healthcare systems do not effectively integrate hospitals with other levels of care. Too often, systems don't consider issues from the patient's perspective. Once a patient is discharged from a hospital, what support systems are we providing them? Family doctors and other clinicians do not always speak in terms that patients can understand and patients are afraid to ask for clarification. When patients don't know where to turn for help, they usually end up at a hospital, often unnecessarily.

Solution: *Governments should provide incentives for regional providers to get together and share patient information. This should make the transfer of patients and their information seamless. Imagine a health authority where home care, hospital care and clinical care was fully integrated with the patient at the centre of the model.*

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VIEWPOINT (CONT.)

A complex system

Of course a subject as large as healthcare is going to be complex. But that does not mean it has to be unclear. And yet, there is a real lack of clarity in healthcare legislation, misunderstandings about how the system will be sustained with current funding models and the issue of an aging population. These are important issues that politicians are not tackling adequately enough.

Solution: We need to create a model where smaller specialty clinics can remove some of the pressure from the hospitals. Aligning legislation with the concept of patient-centred care will go a long way in doing this by focusing every decision on what is in the best interest of the patient, not on lowering costs.

Since we all face the same issues, why are we not collaborating more? Why are we not engaging both industry and patients on a global scale to help resolve these challenges and turn them into opportunities? We need to stop worrying exclusively about our own backyards and see how beneficial that collaboration could be.

ON ANDREW MILLER

Recent articles

Read my latest article on **Selling to a Changing Healthcare Customer**. [Download it here](#).

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 teleconference series in 2012 that will cover some important issues relating to how organizations can improve profitability and performance. Topics will include how to be the top dog in your industry, how to segment customers and target more profitable opportunities and how to build stronger relationships with customers. More details to follow in next month's newsletter.