

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**.

CASE STUDY

The Situation

A client wanted to strengthen the relationships they had with their customers. They were losing business and were concerned it was because they were focusing on too many opportunities at once.

The Intervention

First, Andrew asked them “Who are your ideal prospective customers?” Once they had come up with an answer and developed a profile for those prospective customers, Andrew helped them develop a strategy to best attract those prospects.

A key component of implementing that strategy was not spending time and resources trying to attract companies that didn't fit the profile of their ideal customer. This wasn't an easy switch to make because it meant changing their approach from volume-based selling to relationship-based business development.

The Results

The organization quickly saw results. They closed fewer deals, but the deals that they did close were over 50% more profitable. Within a year the company had increased revenue and, more importantly, profitability by more than 20%.

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 you draw from this case study and how might they be applied elsewhere?

Know who your front door customers are

My colleague, Dr. Alan Weiss, uses the term “front-door customers” to describe those customers and prospective customers that fit into an organization’s target market. This is the type of customers you should be pursuing. Going after anyone else just takes valuable resources away from the customers that will benefit your business more in the long run.

A strategy must be comprehensive

A customer acquisition strategy shouldn’t end after the first sale. It should be about developing long-term customers. The visual below outlines a cycle that will help your organization be successful both pursuing new business and maintaining long-term business.



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VIEWPOINT

Redefining operational excellence

Get ready, because here comes a provocative idea. Everything anyone has ever told you about operational excellence is wrong – until now.

It is not about lean or six sigma or any other methodology that people often tout. Operational excellence is a mindset, not a tool. It's about driving innovation, managing talent, enhancing customer engagement, ensuring your strategy aligns with your tactics and determining your optimal enterprise velocity.

Most of the people who write and talk about operational excellence discuss it in the context of manufacturing. It has become synonymous with the Toyota Production System. This view is far too narrow. I help clients pursue operational excellence and make tremendous improvements, yet very few of them are manufacturers. We need to get away from this idea that operational excellence only applies to manufacturing.

Nor is operational excellence just about developing a better process or eliminating waste or increasing standardization. That only works in very specific environments, usually for repetitive tasks. Operational excellence is about creating a different culture – one that is focused on adding value, making improvements and optimizing speed. That culture needs to come first.

Operational Excellence



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VIEWPOINT (CONT)

Redefining operational excellence

Operational excellence needs to extend outside of the organization. Too many people who talk about operational excellence focus on what happens on the inside. A company needs to pay attention to both the internal and the external – to employees, customers, suppliers and other business partners. Only then can they say they have achieved excellence.

You need to have a more comprehensive understanding of operational excellence if you want to generate breakthrough results. You can only achieve so much if you focus on standardization and eliminating waste. No company ever cut their way to growth – maybe to survival, but not sustained growth.

ON ANDREW MILLER

Recent News

Check out my blog, *From Chaos to Order*, where I post new articles, provocative ideas and other content regularly.

Read my latest article for *Health Research & Innovation* magazine on how to close the collaboration gap between healthcare providers and suppliers.

Upcoming Events

My new website has officially launched. Go to www.acmconsulting.ca for all of the free articles, videos and podcasts!

Recent Videos

Check out my new video series on Operational Excellence. These are short videos filled with tips to help your business run more effectively.