

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 healthcare shared services organization wasn't spending enough time managing their most important supplier relationships after the contracts were signed. Suppliers were not meeting their contractual obligations and a great deal of time was wasted resolving issues that could have been avoided.

The Intervention

Andrew helped the organization to make an inventory of all of their contracts and prioritize the relationships based on total value of the contract and the importance of the products or services being purchased. The organization identified 50 key contracts that needed to be managed more carefully than the others.

For each of these key contracts, Andrew helped the organization create a meeting schedule for performance reviews. For some suppliers, these meetings would be held monthly, and for others quarterly. A contract owner responsible for building stronger relationships and ensuring that suppliers met the performance metrics that had been established was assigned to each contract.

The Results

The results were immediate. The organization received better support from their suppliers, service levels improved tremendously and the amount of time spent resolving issues was reduced dramatically.

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?

Too many priorities means no priorities

When an organization either doesn't know what its priorities are or has too many priorities, nothing of value gets done. By identifying key contracts and relationships, your organization can allocate more resources to the partnerships that provide the most value.

Increase the value of your best partnerships

Managing key relationships properly isn't just about preventing issues from arising. You can get even more value out of those relationships by turning them into true partnerships. A true partnership is when both organizations are committed to identifying and implementing solutions that have mutual benefit.

VIEWPOINT

The Keys to Profitable Growth

In the current healthcare environment, there are plenty of opportunities available. Companies just need to know how to take advantage of them. As shown in the visual below, any profitable growth strategy should encompass five components.



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VIEWPOINT (CONT...)

The Keys to Profitable Growth

Generate great opportunities

Contrary to popular belief, relationships with customers are now more important than ever in the healthcare industry. Companies must understand what their customers need and build stronger partnerships with them.

Determine the best opportunities

Not all customers are good customers. Organizations must implement a process for evaluating the best and most profitable opportunities based on a set of criteria such as growth potential, strength of relationship, appropriate fit with offered solutions, and so on.

Provide the right solutions

Many organizations offer one-size-fits-all solutions and methodologies to their customers. Successful organizations develop custom solutions based on market needs and their organizational strengths.

Maximize usage

When your organization is not the incumbent supplier, you have to make your products and services as attractive as possible to potential customers. Help customers make the switch by providing support in the areas where it is most needed.

Maximize retention

When you create a customer experience that cannot be matched you make it difficult for customers to leave. Ask your current customers why they stay with you and build on those strengths.

As you can see from the diagram above, this profitable growth strategy is a cycle. It should never stop. As you acquire new customers, you should follow the same strategy you do with existing customers.

If you implement a growth strategy with these five components, you will see profits grow and relationships flourish.

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ON ANDREW MILLER

Recent News

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

I was recently featured in the Globe and Mail newspaper. Here is the [article](#) and the [accompanying video](#).

[Contact me](#) if you would like a copy of my free operational excellence assessment for your company.

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

Upcoming Events

Register for my free teleconference on what the best companies will be doing in 2013. [Click here for more information and to register](#).

Watch for the launch of my new website. Coming soon to a computer or tablet near you!

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.