

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

Standardizing Purchasing Operations

The Situation

A public hospital was struggling to implement buying practices that were in the best interest of the organization. A combination of new legislation, decentralized buying practices and turnover in the supporting department was getting in the way. Because of this, the hospital was unable to maximize return on investment or solidify strong relationships with business partners.

The Intervention

Andrew met with staff from across the organization and reviewed current organizational documentation and other industry practices to determine the most effective way to increase return on investment in purchasing decisions and improve the support received by all departments.

Based on this research, he then developed a toolkit to be used by everyone in the organization that not only identified guidelines for purchasing, but also educated staff on how to maximize return on investment and develop and manage effective business partnerships.

The Results

The toolkit was successfully implemented, leading to consistently improved results. The organization was able to build stronger relationships with business partners, which improved its performance and increased the return on investment of purchasing decisions.

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?

Operating guidelines and standard procedures can help an organization improve performance and efficiency. There are a few things you can do to ensure this happens successfully in your organization:

Provide an easy, accessible way for staff to follow standard practices and guidelines

You may have the best documentation in the world, but if no one in your organization knows how to access it and you have never updated it, it won't help. Make sure standards and guidelines are in a usable format that does not require a PhD to understand. Store them in a location that is easy for people to access, such as your Intranet. Ensure that standards and guidelines are updated appropriately and in a timely fashion.

Don't assume your staff know as much as you do

Nurses, physicians and administrators usually have a million things to think about, none of which have anything to do with purchasing goods or services. Don't just assume they know the best methods to use, even though it may seem like common sense.

Solicit input from other departments

Find out how other departments perform certain functions and determine which elements can be used across the organization. If people can see themselves in the strategy and the guidelines, they will be more likely to adhere to them.

VIEWPOINT

Fixing The Healthcare System

We have all heard the news about our crumbling healthcare system - costs are increasing, the quality of care is decreasing and our current path is unsustainable. It is becoming increasingly obvious that we cannot just legislate our way out of this. We need to utilize smart business practices and implement real solutions.

Unfortunately, no government-led initiative can do this. It will only happen when public and private sector organizations get together and develop a system that appeals to everyone's self-interest. In such a system, patients receive the best care possible, hospitals receive both the financial and functional support they need to deliver that care, and the businesses supporting that care are amply compensated.

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VIEWPOINT (CONT.)

I have considered three things that we can do to improve our current system to make it more sustainable:

Encourage more public-private partnerships

It is simply naive to think that Canada does not already have a two-tier healthcare system. There are private healthcare clinics across the country. If public hospitals and healthcare facilities develop stronger partnerships with these private businesses, it would alleviate some of the pressure on the public system. Wait times for certain procedures would be reduced and people who cannot afford private healthcare would actually get better access to the public system because there would be fewer people in line ahead of them.

Encourage small groups to collaborate

Trying to change the entire system at once would be a massive undertaking and would likely end in failure. Instead, we should be encouraging companies and institutions to develop their own collaborative groups to implement things like electronic health records and information sharing. A central body could provide guidelines and a platform on how to do this in order to ensure consistency, but local institutions need to do the heavy lifting.

Develop a standard set of expectations

I met with a group of healthcare executives last week and each of their healthcare organization defines quality of care differently. No one can seem to agree on what the ultimate patient experience should consist of. Hospitals and healthcare organizations need a common set of expectations and standards to live by. This cannot be accomplished by legislation. It must be done by the development of groups that are accountable for the success or failure of the initiative.

It is clear that our current healthcare system is unsustainable. With costs on the rise, an aging population that will require more expensive care and no consensus among the political parties on how to fix the issues, the future does not look bright. Fortunately, we have a lot of smart people working to improve the system. They will be the key to our success. As a hospital CFO said to me last week, "Sometimes we just need to move out of the way and let them do good work."

ON ANDREW MILLER

Recent Speaking Events

[Click here](#) to listen to Andrew's speech on the importance of having a competitive mindset in healthcare. This speech was delivered at the Healthcare Efficiency Conference in December.