

## 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 group of healthcare organizations needed assistance setting up a shared services centre (SSC) to centralize many of their supply chain functions and processes. The new SSC required the development and implementation of an organizational structure and technology infrastructure.

#### The Intervention

Andrew led the development of the shared services model structure. This included conducting the selection process for a supply chain software vendor, participating in the development of the organizational structure and building the process foundation for operations. Andrew also helped with the development of the service levels that would be provided to customers of the SSC.

#### The Results

The SSC realized annual savings of more than \$1m in its first year of operation, as well as productivity increases resulting from the centralization of supply chain operations. The SSC has since grown in volume and has been able to take on new customers as a result.

#### 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?*

#### **Have a clear future vision of desired outcomes**

This means that you should know what you want your organization to be, what you want to accomplish and what kind of culture you want to develop. Having a clear vision of your organization's future makes it much easier to communicate with employees and business partners to ensure that everyone is on the same page moving forward.

#### **Begin with the right structure and plan for growth**

This doesn't mean that you have to hire all of your staff right at the outset. But you need to understand how the organization should be structured when it gets larger. When do you need to hire full-time employees and when can you use contracted support? Which activities need to be completed by core employees and which can be outsourced? Knowing not only how you will grow, but also what you should look like when you do, will make execution much easier.

#### **Build the model with the customers in mind**

Very few organizations succeed if they don't think of their customers first. But you can't put the customer first if your organization isn't structured to properly serve them. This is where new organizations have an advantage over more established companies—they can put the right structure in place from the outset. Understand what your customers need and how to best deliver that to them, then structure your organization appropriately. Does that mean hiring more customer service representatives or centralized account managers? Or both? Determine the most efficient way to deliver value to your customers and then structure your organization to do it.

### VIEWPOINT

#### ***What Makes A Company Successful?***

There are four things that the best companies, both private and public sector, do to achieve success.

#### **Effectively implement strategy**

Successful organizations not only develop the right strategy, they also implement it effectively.

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### VIEWPOINT (CONT.)

You can see it when you walk through their hallways and you can hear it when you talk to their employees. Everyone knows what is expected of them and what they are accountable for. They all know where they want the organization to go. The leadership has communicated a clear vision of what success should look like and have developed a roadmap to get there.

#### **Empower employees**

Successful organizations give employees the flexibility to make decisions that are in the best interests of the customer. Employees are given the authority to remedy a customer issue without having to navigate various levels of internal approval, wasting valuable time and effort in the process. Empowering employees will not only increase customer satisfaction, it will also help you attract and retain top people. Employees feel satisfied when they are given the chance to use their strengths and feel trusted by the organization. If employees feel micromanaged, they won't feel like they are being used to the best of their abilities.

#### **Lead industry initiatives**

Successful organizations take the lead on industry initiatives and set an example for others. This might mean taking a leadership position in an industry association, taking a stance against government legislation or being the first to break into a new market. When an organization can raise the bar for an entire industry, it creates a competitive advantage that won't be matched for a long time. Think of how Maple Leaf Foods led the way on health and safety standards in the food industry. The company enjoyed tremendous success as a result. What can you do to raise the standards for patient safety?

#### **Balance speed and performance**

Speed is a very important component to any business. Making quick decisions, being first to market with a product, or quickly resolving customer service issues can all give an organization an advantage over the competition. But just being speedy isn't enough. If the quality of a product or service is low, it doesn't matter how fast it arrives. The most successful companies have figured out how to ensure good performance while still doing things quickly.

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### VIEWPOINT (CONT.)

#### Attributes Of Successful Companies



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I call this concept responsible speed. Do you know the speed at which your organization can move and still function effectively? My guess is no, because it requires stepping out of your organization's comfort zone.

The visual below shows the four attributes and how they are all interrelated, like the pieces of a jigsaw puzzle.

These four attributes are the key elements of a successful organization. You need to be doing all of them well. Which ones do you need to improve upon?

### 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.