

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

Capitalizing on Growth Opportunities

The Situation

A rapidly growing service delivery company wanted to take advantage of massive franchise growth opportunities to expand its business into different markets while maintaining sustainable and efficient operations.

The Intervention

Andrew met regularly with the organization's CEO to develop a strategy that would systematize growth and allow the company to move into numerous new markets simultaneously. Through these meetings, the main barriers to success were identified and a plan was created to remove these barriers. Every area of the business was reviewed and Andrew designed a future vision and new structure for the organization, including how to transition to the new structure and how to successfully implement the new strategy at an operational level.

The Results

Andrew designed a blueprint for the company's expansion that considered the organization's capabilities and constraints. This roadmap identified when to hire new employees and at what pace growth could be supported. It also included a plan for the CEO to delegate some daily activities, allowing him to focus on company growth and success. The organization was able to meet its growth objectives successfully while still keeping existing customers satisfied.

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?

There are a few things that must be considered to ensure success when a company is rapidly growing:

Standardize and develop a system

Most organizations don't realize the importance of developing a systematized approach to growth. This means creating a replicable system for expanding into new geographical markets, new franchises or new customer segments. Such a system removes much of the human error and allows the company to focus on a formula that has been successful in the past. Think of how a McDonald's franchise is started and run...there is very little room for error and all processes and policies are standardized, making it an easy business to grow.

Know what the future operations will look like

When embarking on growth opportunities, it is important to know what you want the future organization to look like. How do you want the organization to be run? Are you growing through new markets, new customers, new products or some combination of these? You cannot develop a growth strategy until you have a clear vision of where you want the organization to go.

Develop a transition plan

Once you have a vision of the future you will need to develop a transition plan for how your are going to get there. This will include any structural changes that need to be made, the development of a growth plan and supporting tools and details about how you will maintain (or even improve) the quality of your existing operations.

Too many growing companies forget to properly serve their existing customers while they try to take advantage of these great opportunities. Never forget what made you successful in the first place. Besides, your existing customers are the best and cheapest source of growth. Since they already know your organization and what you can deliver, they can refer you to new potential customers.

VIEWPOINT

Running a Successful Vendor of Record Program

With so many rules, regulations, directives and policies to understand, one program still stands tall as one of the most effective ways to ensure you continue to work with quality suppliers and service providers - the vendor of record (VOR) program. A VOR can be a very effective way to find services like consulting because it allows you to select your trusted advisers through a fair, equitable and transparent process, while ensuring that you can continue to ***(continued on the next page)***

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VIEWPOINT (CONT.)

work with suppliers that are providing value to your organization.

Here are some things to think about in order to run a successful VOR program:

Have clear entry and exit points

When you develop the initial documentation to solicit proposals, be clear on the length of the proposed relationship and the conditions for adding new suppliers and removing underperforming ones. This gives you the flexibility to ensure that you are always working with high-quality providers.

Provide clarity on the scope of goods or services required

It is important to plan in advance the types of goods or services you require. Do you want a company that can provide a whole menu of different goods or services or would you prefer to choose specialists in specific areas? This will have an impact on how you run your program.

Put a great deal of effort into the initial process

Too many organizations ignore the initial planning and strategy necessary for a VOR program to be successful. Deciding on the scope of goods or services required, the evaluation criteria for deciding between suppliers, how work will be allocated once the preferred suppliers are selected and how performance will be measured are only a few things you need to consider before launching the program.

Determine specific categories and the desired number of suppliers for each

Identify which categories should have VOR programs and how many suppliers you will need for each. Sometimes one supplier will be enough, but there are times when you may need to select two or more suppliers to ensure your demand can be met.

ON ANDREW MILLER

Upcoming Speaking Events

On June 14, Andrew will be speaking at the Value for Money conference about the benefits of the green procurement and sustainability movement as a way to reduce costs for your organization. For more details, [click here](#).

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.