

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

Leading a Successful System Transformation

The Situation

A global pharmaceutical company wanted to implement technology that would allow it to standardize some of its supply chain operations across multiple countries. The company needed help with both the customization of the technology and its rollout and implementation.

The Intervention

Andrew led the North American rollout to eight sites where more than 500 potential users worked. To ensure a smooth implementation, Andrew led a team of consultants and client employees to develop specific strategies to encourage employees to comply with the new technology. This change management approach included numerous meetings with different stakeholder groups throughout the implementation process, the development of a communication plan targeted at each of those groups, customized training material for each group of users and the recruitment of internal champions (called "super users") responsible for supporting the implementation in their individual departments.

The Results

Nine months after the technology was introduced, a full 80% of the people in the company who should have been using it were doing so. Two years after it was introduced, the organization had already saved more than \$100m in North America alone.

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?

When attempting to transform any system, it is vital to understand who the key stakeholders are and how to get them on board. Here are three things to think about that will help your transformation succeed:

Change is hard

As obvious as this sounds, many organizations underestimate how much time and effort it takes to successfully implement a massive change. The fact is, people do not like change and it will always take longer than you think. With the right strategy execution you will be successful, but do not be naive by thinking it will be easy.

Develop internal champions

Change is only sustainable when it is supported by every level of the organization. From the outset, you should find internal champions in every department who can help their colleagues throughout the process. These champions will give you a solid foundation for any big change.

Every stakeholder is different

For a system transformation to be successful you need to understand the different interests of impacted stakeholders and make them feel comfortable. But remember, not every stakeholder group is the same. You need to develop different strategies and spell out specific impacts and benefits for them.

Transformation is a difficult process, but it is also an exciting opportunity to improve your organization (or else why make the change in the first place?). Engage those who can influence the implementation early and often and help them support the initiative. The more ambassadors you have, the more successful you will be.

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VIEWPOINT

How to Measure Value Generation (Value for Money)

The phrase “value for money” gets used a lot when public sector organizations talk about ensuring a good return on investment for purchases. The problem is, no one really knows what “value for money” means or how to measure it. It usually gets interpreted as being the lowest cost. But value for money is much more than that.

To avoid confusion, let’s use the phrase “value generation” instead. When companies enter a partnership or purchase goods or services, there are many ways value can be generated. Here are just a few:

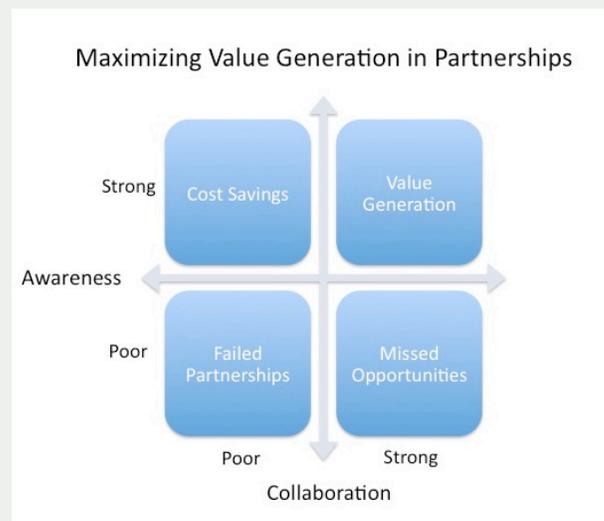
- Longer product life
- Increased service and support levels
- Shorter implementation timelines
- More accurate information
- Increased training and ongoing education
- Faster diagnosis

Value generation is not just about cost savings. It is about getting the most value for the best price. And the best price does always mean the lowest price.

The more companies collaborate, the more value can be generated. By working together to find better solutions to existing problems, companies can extract more value from those solutions. Buying organizations need to be aware of what solutions would provide the most value.

The visual shows that in order to get the most value out of a relationship, the buying organization needs to know both what is valuable to them (awareness) and how partnerships can deliver that value (collaboration). The more awareness an organization has and the more it collaborates with business partners on solutions, the more value will be generated.

Value generation is not being hindered by government regulation. Public sector organizations are not forced to select the supplier with the lowest price. The problem lies in how we measure value. Just looking at unit cost savings or comparing pricing will not yield the best value. We need to develop basic business cases that show the investment to be made and the benefits, both financial and otherwise, of that investment. Only then can we find which option will generate the most value.



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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 the article.](#)

Upcoming Events

I will be hosting a FREE teleconference on December 9 talking about Successful Techniques to Sell to Your Changing Healthcare Customers. [Click here for more details and to register.](#)

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.