

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

Thriving in a New Regulatory Environment

The Situation

An organization that provides goods and services to hospitals and healthcare organizations was having difficulty dealing with new government legislation that was impacting the industry. The legislation was influencing how buying organizations were purchasing goods and services, including their processes and the criteria they used to make decisions.

The Intervention

Andrew educated the organization about the new legislation and provided unique insight into how it was changing the buying process and how to thrive in the new environment. Andrew led group sessions to teach employees how to effectively work within the new framework. He also worked with the organization's leaders to better structure the company for success. This meant changing some old ways of operating and focusing on solution-based relationships with customers.

The Results

The organization gained a true understanding of the new business environment and recognized that changes needed to be made. This included making sure employees talked to people at different levels of the customer organization on a regular basis. It also meant developing a better understanding of the issues that customers were tackling every day and helping them address those issues quickly.

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 government introduces new regulations or there is a shift in an industry, companies have two choices: go on operating the same way as before and hope to survive; or adapt to take advantage of the new situation and thrive. Since most organizations are slow to change, those that recognize the opportunity first and act quickly will be the ones that dominate the new environment. You need to decide what kind of company you want to be.

Here are three things to consider when your industry starts to shift:

What worked in the past will not always work in the future

As Marshall Goldsmith so eloquently put it, "What got you here won't get you there." It's important to recognize that the healthcare industry is changing and that organizations are purchasing goods and services differently because of it. If you are a supplier to those organizations, you can try to survive doing things the same way as before or you can change the way you operate and thrive. Your choice.

Always be aware of what is happening in the industry

You need to talk with colleagues, customers, competitors, regulators, advisers, consultants, front-line workers and anyone else who can provide insight on the industry. The more you know about your environment, the more you can anticipate what you need to do to succeed. Knowing who the key people to talk to in any organization is vital.

Talk to your customers regularly

This may seem obvious, but many organizations don't do it effectively. Talking to your customers doesn't just mean talking to the people who cut the cheques. It means talking to the people who use and benefit from your products and services and those who can influence the use of them. If you know what your customers need, you can better provide solutions to their issues and help shape the industry as a whole.

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VIEWPOINT

How To Encourage Innovation

At a number of recent healthcare conferences a common theme kept coming up: How do we encourage more innovation in the healthcare industry? Many of the processes currently followed by buying organizations actually discourage innovation. By focusing on the lowest price and setting very narrow requirements and criteria for competitive processes, the industry is losing the ability to create strong partnerships and reach innovative outcomes. This may force many small- and medium-sized organizations - the companies that are often the most innovative - out of the marketplace. We need to strike a balance.

Here are a few ways to encourage innovation:

Better planning – Buying organizations need to assess which areas would benefit from more innovation and which areas are pure commodities, and then develop evaluation criteria that focus on those potential benefits.

Increased collaboration – Buyers and suppliers need to collaborate more to make sure that actual needs are being addressed and buyers are aware of new innovations in the marketplace.

Determine how to show value – Developing a cost-benefit analysis would remove any guesswork on whether or not there is value in a particular innovation. Buyers and suppliers should work together on developing this new focus on value generation.

Focus on outcomes – As a part of collaboration, buyers should be focusing on their desired outcomes and give suppliers a chance to develop the best possible solution to achieve these outcomes.

No system will be perfect, but the next step needs to be a conversation between organizations on every side of the table to find the best way to balance new innovation and value generation (this will be the subject of next month's Viewpoint). These principles need to be engrained in the way organizations operate.

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ON ANDREW MILLER

Recent Articles

You might be interested in reading Andrew's recent article on how the typical RFP process is flawed when purchasing technology. [Click here](#) to read the article.

Upcoming Events

Andrew will be speaking at the OIPMAC annual conference on October 14 about how to create the ultimate supplier-customer relationship. 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.