

## Case Study - Healthcare

Objective: Productivity improvement and cost reduction effort with an end-to-end scope

Prestigious Hospital Group

2,200 Employees

500 Licensed Beds

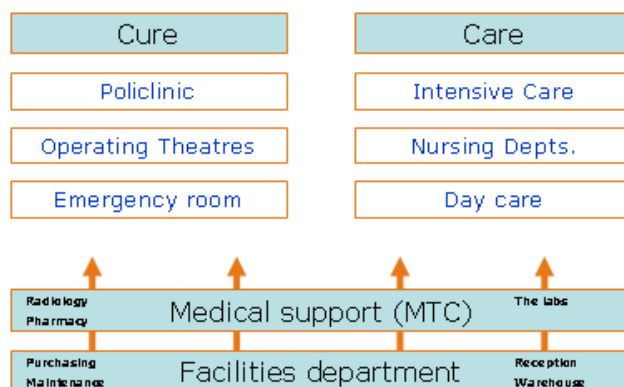
### OVERVIEW:

*One of the most prestigious hospital groups in Holland, this particular facility is centrally located in a big city known for a challenging environment and having to contend with diverse language, illegal immigrants, and drug abuse.*

*The initial approach by the management team was to tackle the high cost of their supply chain, and to improve their effectiveness with the diverse culture, language, and patient care.*

*It turned out that an analysis of the entire operating group was carried out coupled with deploying the recommendations which resulted in significant savings in the region. The specific quantitative results in the area's of purchasing, inventory, productivity, and other support areas are highlighted below.*

### Health Care Areas



**SITUATION & CHALLENGES:**

*During the analysis work we discovered significant opportunities for savings and improvements. Those areas were to increase patient throughput volumes (improve quality of service), and decrease annual operating costs. To be more specific, those areas are:*

***□ Patient Admission & Recovery Areas***

*Reduce patient wait times and improve appointment availability in the clinics. Reduce backlogs and traffic log-jams at the operating room. We found this had resulted in fewer number of weekly operations performed than capacity indicated. In addition, reduce patient waiting times in emergency room, especially at known weekly peak times.*

***□ Care Areas***

*Improve the quality of patient care and reduce ward operating costs. Improve inappropriate and variable nursing protocols (SOPs) and reduce excessive labor costs. Reduce bed blocking due to poor patient management. Reduce high levels of waste on consumables through poor planning and control. This applied to all 15 Nursing wards.*

***□ Medical Support***

*Reduce operating costs at the laboratory level, X-Ray, and radiology area's. Improve service delivery times, especially during peak periods in the nursing wards, operating rooms, and emergency rooms.*

***□ Facilities***

*Improve procurement, reduce maintenance and reception administration costs, and improve service levels.*

**THE END RESULT:**

*It is not an easy endeavour for anyone to increase patient throughput, while at the same time, improve care. Changing a deeply rooted culture, with some very sceptical directors and senior medical staff, was a major challenge. A task force approach was adopted using one consultant engineer and three personnel from each area. Their responsibility was to identify "best practice" protocols (SOPs) and to work with local management and medical staff to implement them. It was also agreed upon by each member that they must demonstrate an improved performance measurement. This client centred approach ensured ownership, thereby providing improvement sustainability.*

*To ensure compliance, a further important and more difficult task was to design and install performance-monitoring systems. This was achieved through the task forces; on-the-job training, work force participation, and a hands-on approach by the consultants.*

*Finally, a coaching and training program was used by all management and medical personnel levels involved. This provided an understanding of the management technologies used by the engineers. This program ensured ownership and reduced or eliminated resistance which resulted in success.*

***□ Return on Investment: 279%***

***□ Reduction in purchasing costs by 1.7 million euros (9% of purchasing budget)***

***□ 20% improvement in productivity, generating 9 million euro annualized saving***

***□ Total agreed savings 10.7 million euros***

***□ Improved patient care in admissions and recovery areas.***

***□ A happy Board of Directors***

*To learn more about what Taurus Concepts can do for you, call us at: (310) 804-8811*

