

## The Medical City

Keeping patients on the center stage

The Medical City (TMC), a private, tertiary care hospital, has distilled some forty years of experience in hospital operation and administration in the establishment of its world-class healthcare complex that serves some 40,000 inpatients and 380,000 outpatients a year. TMC boasts a distinguished medical staff of some 1,000 physicians, all of whom are experienced, recognized and established experts in their various fields of specialization, supported a 2,100 strong organization.

### PROJECT GENESIS

Although TMC had enjoyed a healthy growth and margin for several years, they wanted to ensure a stronger position as a leader in a highly competitive market. They also wanted to challenge themselves to achieve a superior return on investment for the shareholders. As a result, Renoir Consulting was engaged to lead them through the “EDGE” Project (Enterprise, Development, Growth and Excellence), a program dig into areas such as Operations Excellence, Supply Chain, Case Mix and a Hospital wide Management Control System.

### ANALYSIS

The core elements of many processes were in place, but not well managed, e.g. the admission and discharging process and shop floor control systems. In addition, the findings concluded that:

- Systems lacked of productivity and cost efficiency indicators
- Management lacked proactive supervision
- Span of control was low in crucial areas

Cultural findings included:

- Individuals attached very little importance to understanding and meeting the requirements of customers – both internal (TMC staff) and external (patients)
- **Low accountability** – problems were seen as being caused by other departments and not their responsibility
- **Organization structure/decision making** – there was a recognition that they were not finding it easy to make the correct decisions, and a lot of finger pointing (lack of team work).

### PROJECT APPROACH

The project, “EDGE” was a 35 week program, with a commitment of a minimum financial improvement of Php 55mil. The project structure was comprised of a Steering committee headed by the President & CEO along with five ‘Management Action Teams’ (MATs) focused on Operational Efficiency, Supply Chain, and Hospital Management Control.

### Key Results

Reduction in Length of Stay  
by more than 9%

Savings in excess of USD 1  
mill in Supply Chain

Behaviour change of  
management, from passive  
to active supervision

Reduction in inventory level  
by at least 15%

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## KEY DELIVERABLES

### Supply Chain:

- Repositioned purchasing to actively pursue cost down opportunities and vendor agreements resulting in improved supply chain performance. Installed a management control system to ensure sustainability.
- Improve department issuance planning and stock availability, and improved communication between functional departments to ensure stock outs are addressed to prevent occurrences.
- Established guidelines for the purchasing of new capital-expenditure equipment and actively identifying cost down opportunities. Installed a committee to review equipment return on investment and marketability ensuring the hospitals best interest is always protected.

### Length of Stay:

- Installation of Management Control System to monitor and identify operational issues that affect the care plans, with corrective actions to address the root cause. As a result, TMC achieved the lowest LOS in over three years.

### HMCS:

Installed Monthly Departmental Balanced Scorecards throughout the hospital to improve visibility and accountability of departmental KPI's. Targets, and actual data, variances and action items on variances were also readily available on the scorecards.

### Case Mix:

- Established market share, market growth and an index of average revenue per procedure as compared with competing hospitals. The project also established a matrix which enables the user to prioritize which cases or groups of cases to attend to first. The use of the data and the prioritization matrix facilitates in the creation of strategic action plans.

In summary, EDGE project has established a control and review framework within the organization, with an emphasis on effective management that focuses on cost and productivity. A structure that not only captures and manages the tangible indicators, such as clinical audit and compliance to formulary but also the intangible indicators such as organization, information and human capital.

## THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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