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Hospital Management Department – internal trade of services and the meaning of improvement, innovation and competitiveness

Elaboration from the HFMD (St. Olavs driftsservice)
at St. Olavs Hospital University Hospital in
Trondheim/Norway

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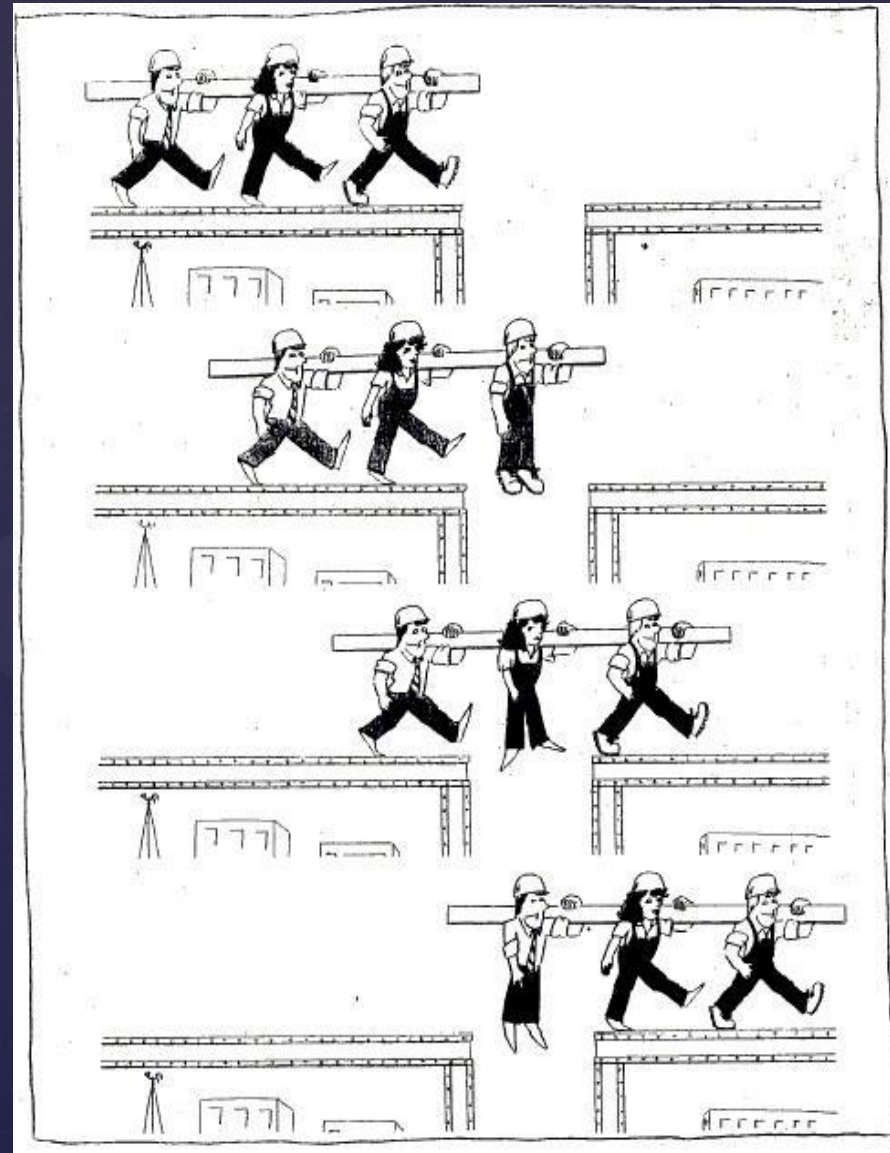
The changing world in the Hospital Facilities Management Department is facing new demands and require a business approach to management and further development.

What is the management mechanisms, events, improved quality, better effectiveness, innovation and competitiveness?

Orcestrating creativity-boosting collaboration – a fruitful approach to improved, competitive Hospital Facilities Managment Department?

Aim of presentation

Discuss the idea of improving hospital running by orchestrating a continuous creativity-boosting interplay of people across fields, activities, and departments



Structure

Three principles for orchestrating creativity-boosting collaboration

& The theoretical framework

The principles at work

& Empirical examples from a successful innovation project in a large industrial company

Bringing the principles into play in hospital running: A promising idea for improved quality, better efficiency, competitiveness and innovation?

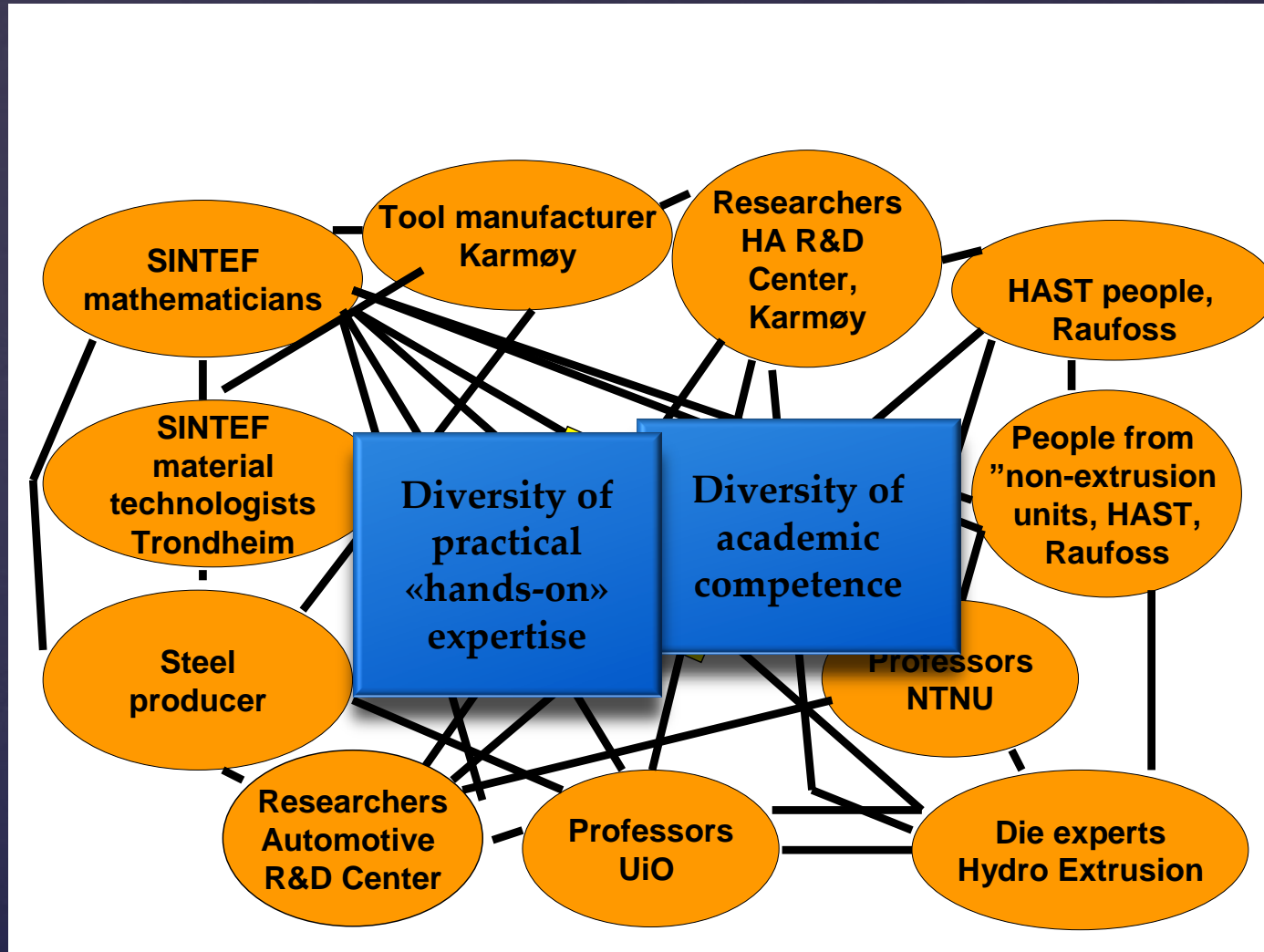
& Discussion

Principle no 1 Diversity of competence

- ⌘ An organization's diversity of competence must match the variety and complexity of pertinent problems (Nonaka and Takeuchi, 1995; Morgan, 1997)
- ⌘ Diversity stimulates creative abrasion (Leonard and Swap, 1999)



Principle no 1: Diversity of competence



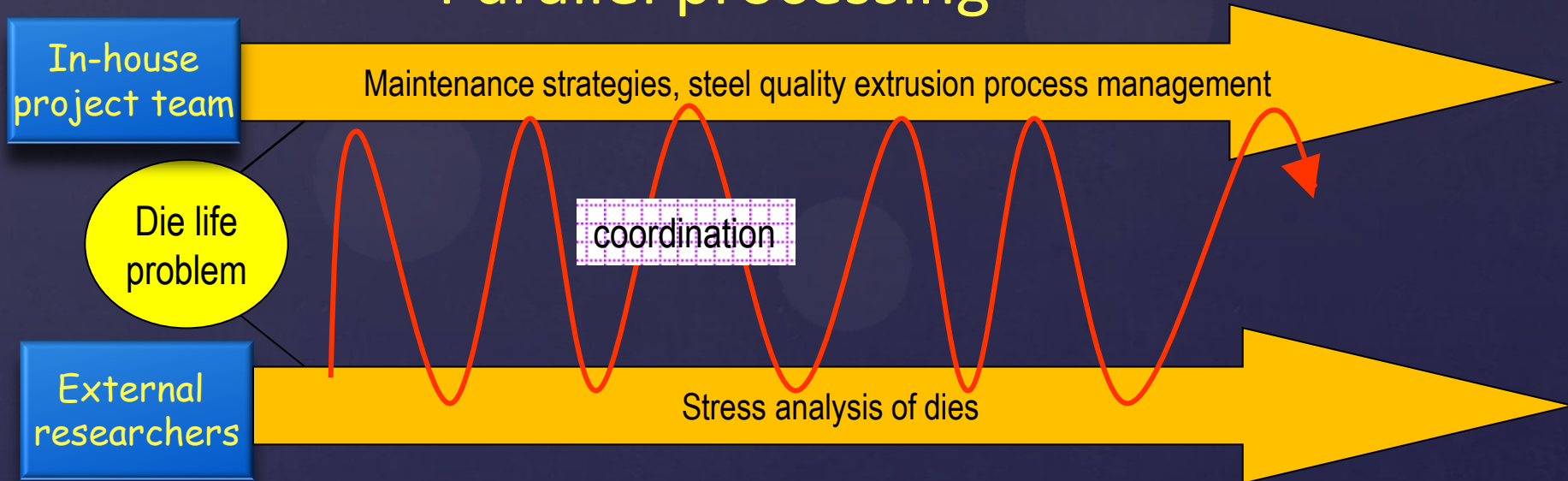
Principle no 2: Redundancy

Nonaka and Takeuchi, 1995; Morgan, 1997; Barrett, 1998)

- ⌘ Intentional overlapping of information about business activities, management responsibilities and the company as a whole
- ⌘ People get involved in the challenges at hand, whatever they may be, whatever they may be, and wherever they may come from
 - ⌘ Identification with and responsibility for the whole
 - ⌘ Overcome the «that's not my responsibility»-attitude

Principle no 2: Redundancy

Parallel processing



Principle no 3: Arenas for collective learning and reflection

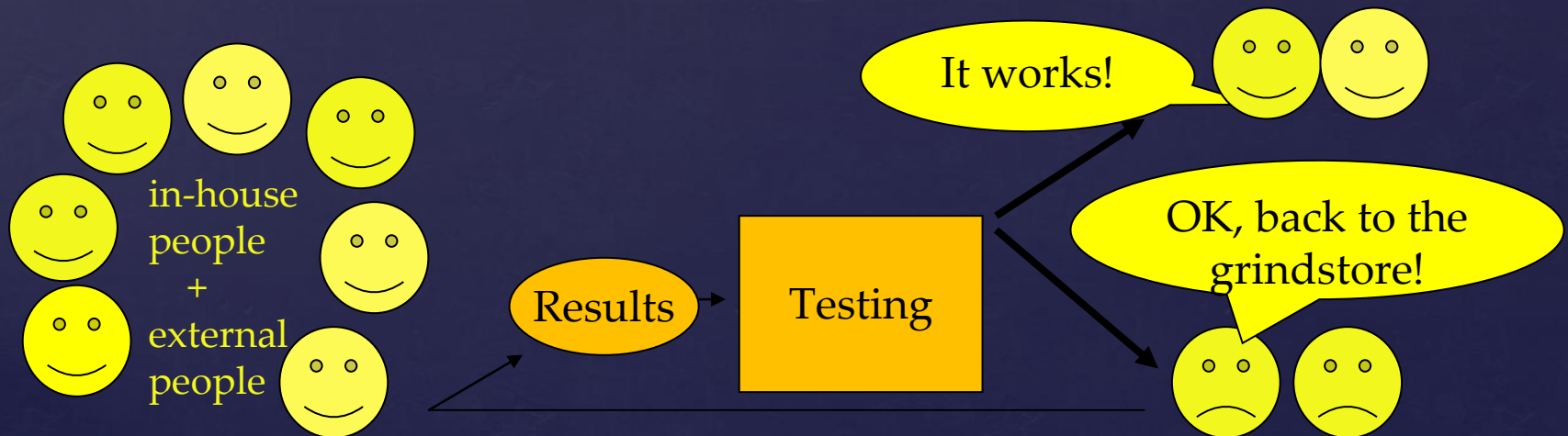
(Greenwood and Levin, 1998)

- ⌘ Arenas are locations where the involved actors encounter each other in a material setting to discuss pertinent problems
 - ⌘ Face-to face-meetings
 - ⌘ Conferences
 - ⌘ Task force meetings
 - ⌘ Etc.



Principle no 3: Arenas for collective learning and reflection

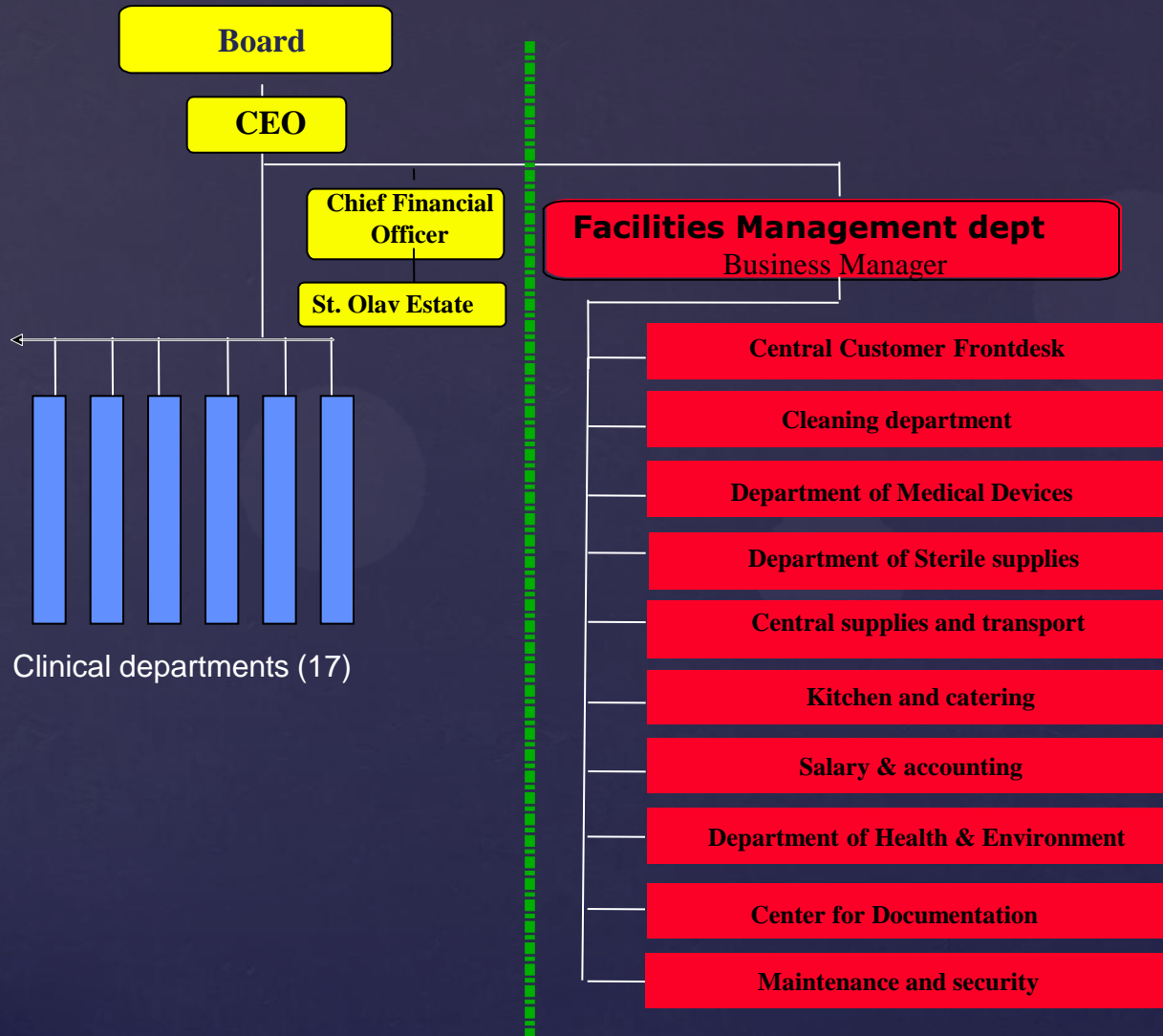
- ⌘ Team meetings
 - ⌘ Research-industry workshops
 - ⌘ Direct research-industry collaboration in the problem owner's setting
-
- Joint research-industry verification and validation of research results



The HFMD

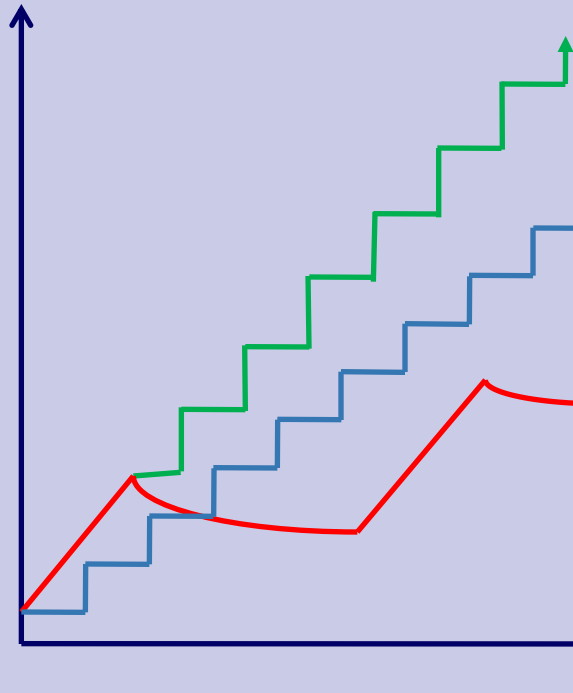
St. Olavs Hospital

St. Olav Hospital Facilities Management department



Quality management increases PERFORMANCE in the business, including improved quality of deliveries

Performance



COMPANY C:

Is doing continuous improvement through quality management in the wake of a restructuring that create stable improvement processes .

COMPANY A:

Is doing continuous improvement through quality management - continuous incremental changes

COMPANY B:

Is doing improvement through restructuring - ad hoc changes - ever radical change

Time

HFMD Goals defined in 2002

- Deliver professional products and services to the core activities at St. Olavs hospital (and other relevant customers)
- Be able to compete in an external market
- Become a business unit by creating income from selling services and products
- Be managed on a net-result basis that will be controlled as separate, independent business units.
- Create prices based on actual costs including the cost of capital.

The collaboration tool

Main contract

Description of services
and products incl. prices

Ordering procedure

Business procedures

- ⌘ The mechanisms of ordering services
 - ⌘ The authority to order and the responsibility of the customer
- ⌘ Service overview
 - ⌘ Making concrete agreements and clarifying customer needs
- ⌘ Control and evaluation
 - ⌘ Supplier and customer clarifies co-operation and contents of the services on a yearly basis

Improvement Projects

1. Implemented systems for Quality Management (ISO 9001: 2008)
2. Branding and marketing
3. Efficiency improvement
4. Web-portal & IT-projects
5. Customer Front desk
6. Orchestrating Customer Relations i.e. each department has a collaboration routine with the clinical departments

Collaboration

High quality contractual agreements (involving “simple difficulties” and “hard difficulties”), requires understanding of

- The principal's business (revenues and costs)
- The existing risk picture
- The supplier's abilities and wishes
- The customer's abilities and wishes

Making agreements is a “team effort”

Customer Relations - Collaboration routines

The preparation of the information program

Presentation material and brochure: For the Clinics – training department leaders to make the presentation

Presentation Material: For the Sales meetings with the clinical department. Clinics individually (10 units * 16 clinics)

Review and preparation of department leaders, sales are planned in detail for each customer (activity based)

Scheduling the meetings and participants

Updating the service descriptions

Improve accounting system and reports Basis for reporting to customers and follow-

Preparation of estimates

- New calculations based on the sales meetings

- Simple system o correct for the customer needs

Need to be done continuously

1. Coaching leaders
2. Awareness to customer relations
3. A wide variety of perspectives and motivation among leaders and workers
4. Consciousness of individual performances.

Events & results

Established all necessary contractual agreements with the customers for every department in the HFMD.

The agreements is the HFMD-departments business and legal basis for it's activities.

The contract is the central part of the respective department's business/market plan and regulates the collaboration with the clinical departments and external deliveries.

Moved the working culture from being based on executing public tasks (and say yes/no to customers) to be based on income from demanded customers services

All units in the HFMD have had a thorough review of their business, and have specific descriptions and calculations of each service they deliver.

Events & results

1. Monthly financial statements reporting both income and cost have given departments leaders the opportunity to evaluate the economic performance of their services.
2. The departments can more easily measure and compare the performance of their workforce.
3. Due to the internal pricing of every service/product, HFMDs customers are more aware of their orders and the cost of their demands.
4. HFMD can compare their prices and services with external providers