

Auditing Your Organization's Efficiency: Working Smarter, Not Harder

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LEADERSHIP



Leadership Models – High Impact

- Person-centeredness
- Front line engagement
- Relentless focus
- Transparency
- Boundarilessness

Source: Institute for Healthcare Improvement White Paper – High Impact Leadership

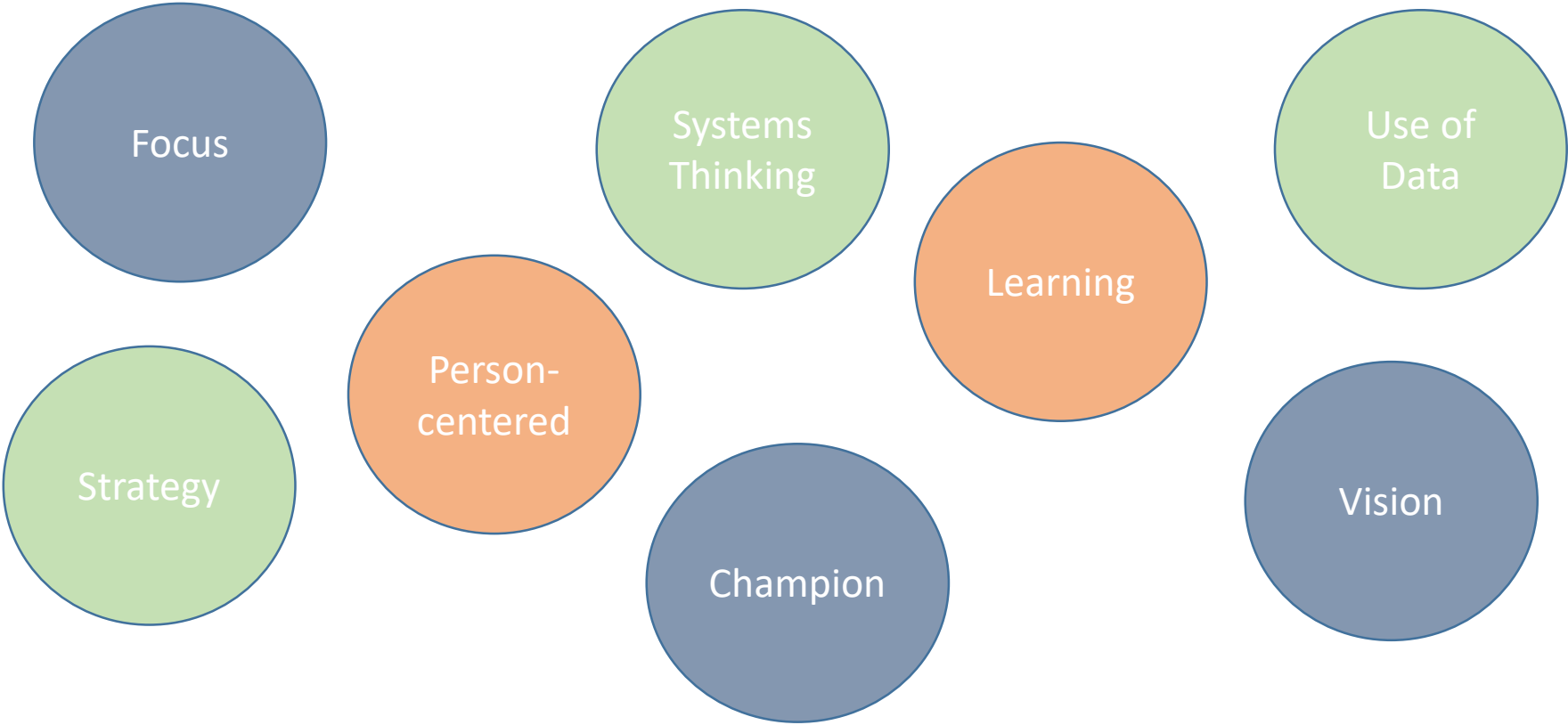


Leadership Models - Baldrige

- Systems perspective
- Visionary leadership
- Patient-focused excellence
- Valuing people
- Organizational learning and agility
- Focus on success
- Managing for innovation
- Management by fact
- Societal responsibility and community health
- Ethics and transparency
- Delivering value and results

Source: Baldrige Excellence Framework



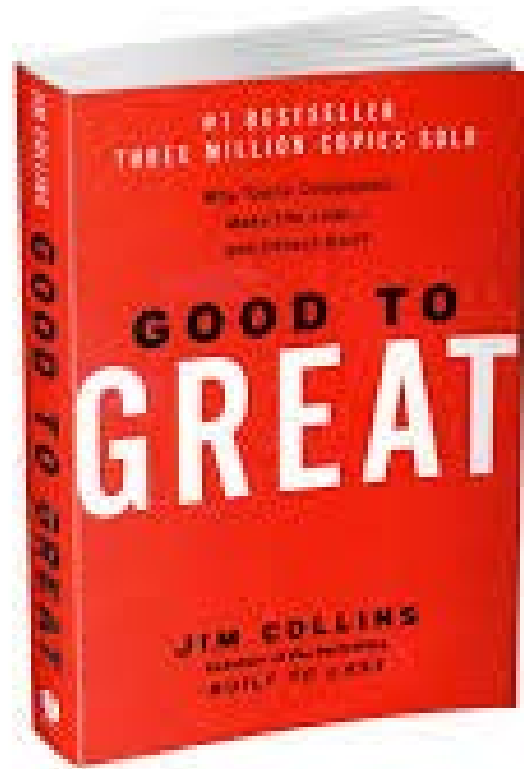


3 Key Learnings

- The 3 Circles
- Strategic decision-making for financial viability
- Articulating strategy and managing by fact



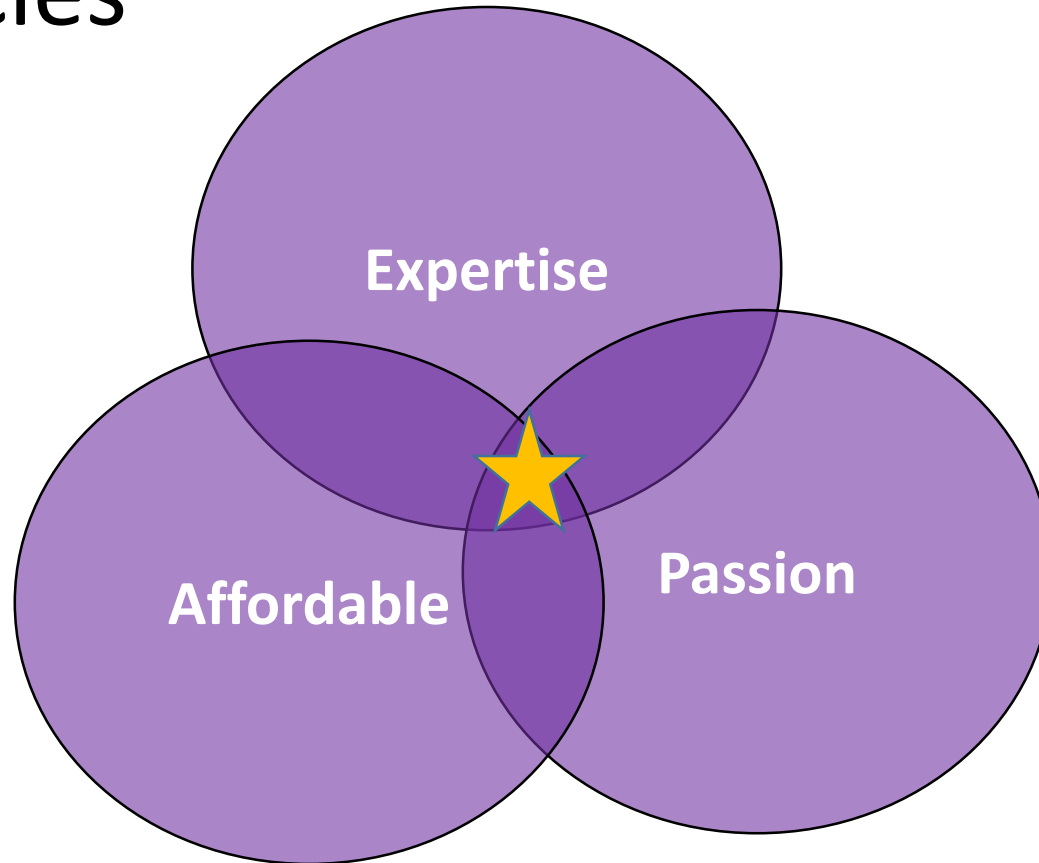
**Key Learning
#1**



***Good to Great* by Jim Collins**



The 3 Circles



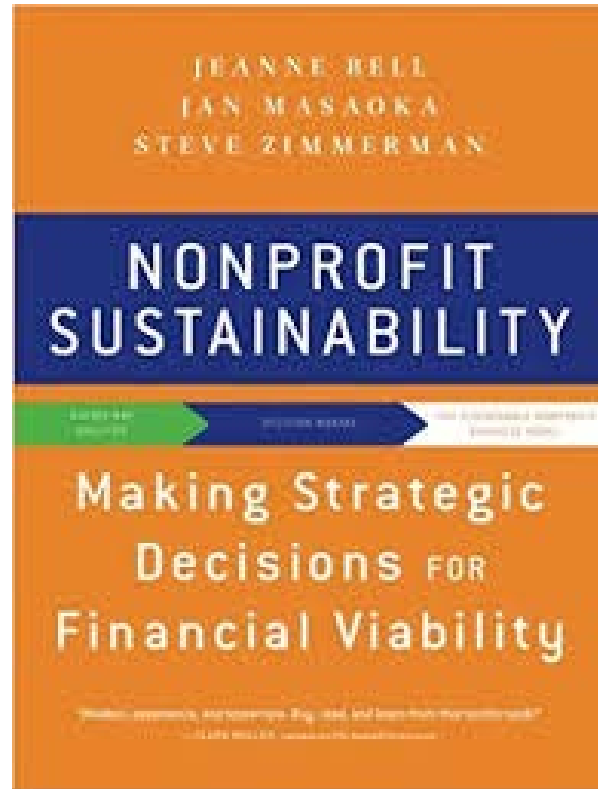
What's your single most important economic driver?

What "x" would have the greatest and most sustainable impact to your economic engine?

- Cost per visit
- Cost per patient
- For every \$1 donated, \$x services are provided (ROI)



**Key Learning
#2**



***Nonprofit Sustainability: Making Strategic Decisions for
Financial Viability***

By Jeanne Bell, Jan Masaoka, Steve Zimmerman



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Sustainability is an orientation.... not a destination

Financial sustainability

- The ability to generate resources to meet the needs of the present without compromising the future.

Programmatic sustainability

- The ability to develop, mature, and cycle out programs to be responsive to constituencies over time.



First step: Identify Service Lines

- Identify core activities (service lines)
 - groups of similar products/services/revenue-generating vehicles.
 - Includes fundraising activities.
 - May include volunteer solicitation and management.
- This is a process, bound to be full of debate, of which activities group together.



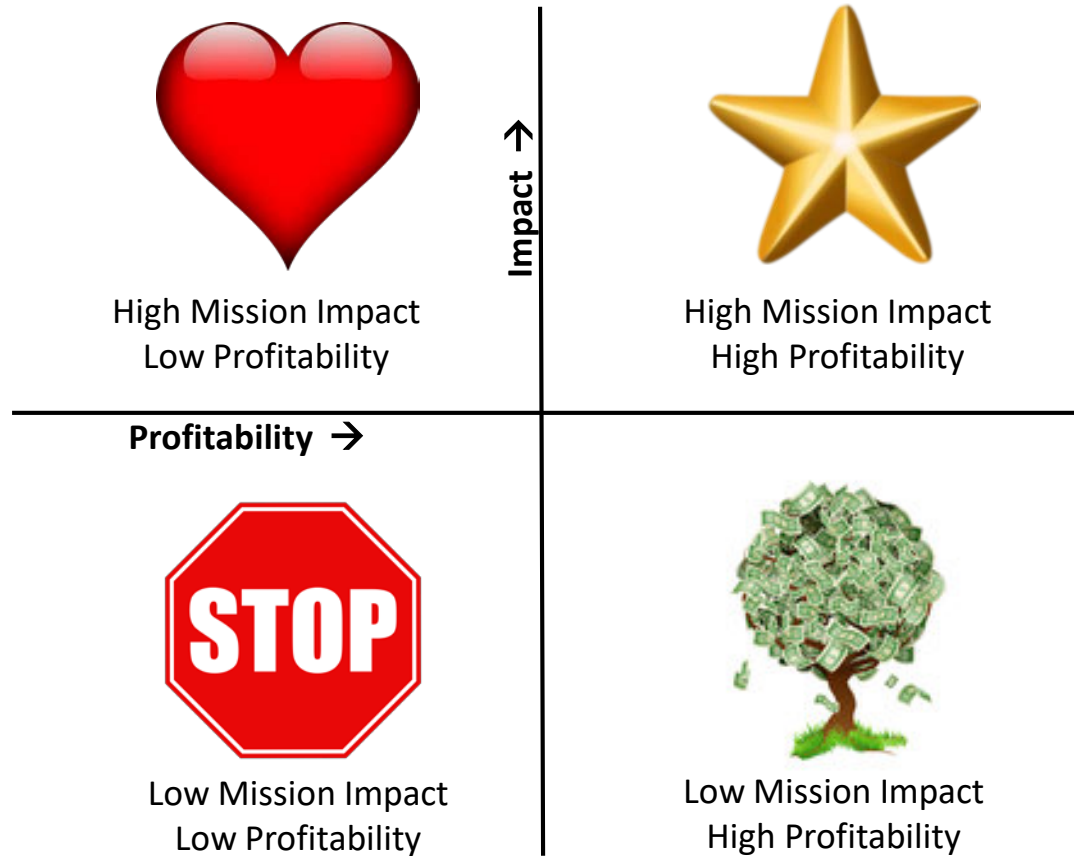
Second step:

Impact Strategy AND Revenue Strategy

- Impact Strategy: external effects of a service line
- Revenue Strategy: how a service line is financed
- Revenue = earned, grants/foundations, and contributions
- Every non-profit has a dual bottom line – impact and financial return.



Dual Bottom Line: Mission Impact and Financial Sustainability



Determine the full costs of a service line:

- Direct costs
- Fair share of common/shared costs
 - rent, supplies, utilities, shared staff time, etc.
- Fair share of administrative costs
 - accounting, human resources, staff who devote time to overseeing 100% of organization as a whole



Determining relative impact:

- Implicit assumption that everything is of value and everything drives toward the mission
- Some programs have a higher impact than others – can be an uncomfortable discussion
- May be able to get agreement quickly on where programs fall relative to impact




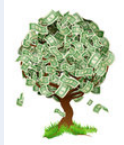


7 components of impact

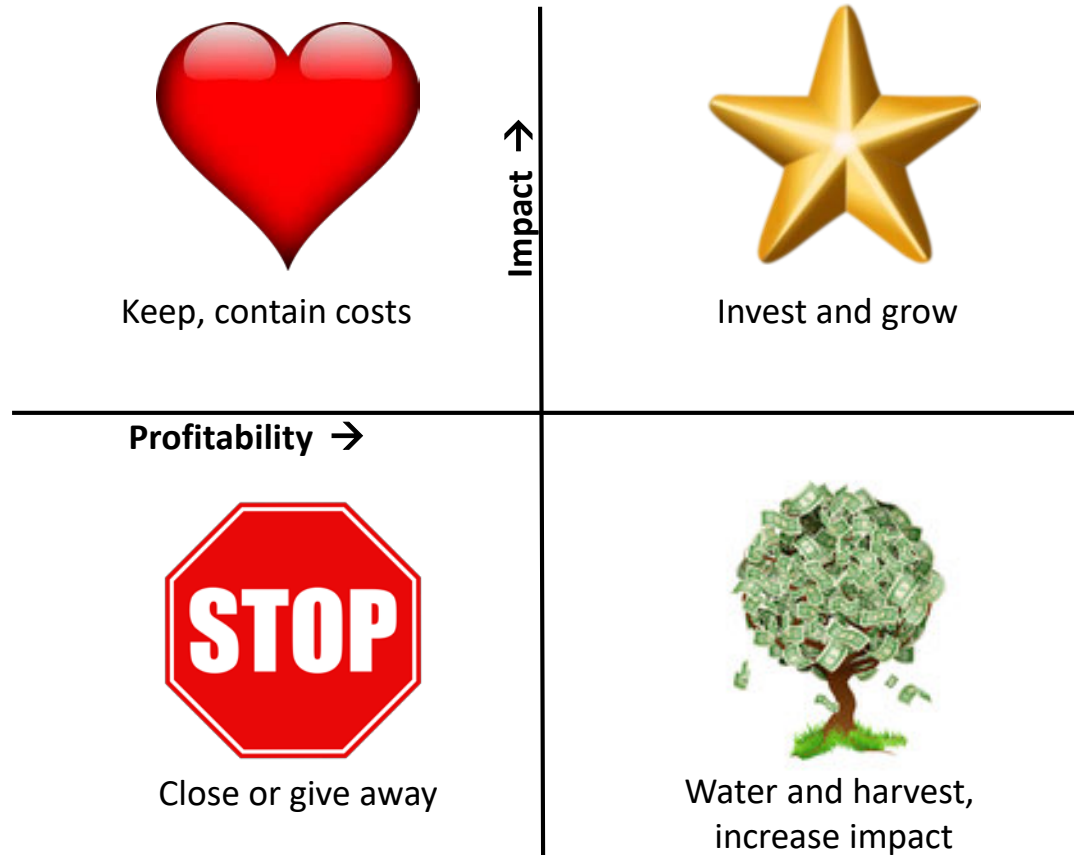
- Alignment with Core Mission
- Excellence in execution
- Scale or volume
- Depth
- Filling an important gap
- Community building
- Leverage (the degree to which a program increases the impact of another program)



Event management...

Event	Impact	Profit	Effort	Type	Action
Senior Lunch	High	Low	Medium		Keep, contain costs
Crab feed	Medium	Medium but growing	High		Grow, increase impact
New Year's event	Low	Low	High		Give to org. that also has one
Autumn festival	Low	High	High		Grow, increase impact

Strategic Imperatives: Adjustments Demanded for Sustainability



Key Learning

#3

Communicating strategy & Managing by fact



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Communicating Strategy

Why it's important that all staff know the strategy:

- Whole organization working towards common goal
- Gain insight from staff – helps shape future strategic planning
- Increased joy in the workplace
- Everyone is an ambassador of your strategy!



Key Components of 'How'

- Be clear & concise
- Define your terms
 - Avoid jargon
 - Tell staff how you plan to measure your achievement
- Articulate the 'Why'
- Relate it back to what they know
 - MVV
 - Core Competencies
 - Known strategic challenges
- Use SMART goals





Goal: To decrease the cost per patient at our clinic.

S – What processes at our clinic affect this number? What changes could be made to decrease this number?

M – What measures could influence our results? Are these numbers readily available?

A – What level of change is attainable? Do we have the staff / tech to achieve this goal?

R – How will I ensure that my aims impact my goal?

T – What time periods will I take my measurements? When will I evaluate my results?

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SMART Goal Setting

Strategic goal: To decrease the cost per patient at our clinic.

SMART goal:

We aim to decrease the cost per patient by 10% in the next six months by increasing the number of patients seen at our clinic through reducing our appointment cycle time by 5 minutes per appointment and recruiting new volunteer providers, thereby increasing the number of appointments available at our clinic.



Shared Strategic Plans

- Ensure staff understand the role they play in the success of your strategy
- Discuss how departmental strategies contribute to the org. strategy
- Encourage two way communication
- Visual Reminders
- Don't go away!



Managing by Fact

- How will you know you're achieving your goals?
- Intentional measurement design
 - Begin with the end in mind
 - Match data to processes
 - What 'feels right' v. what's supported with data
- Changing the strategy
 - 3 data points is a trend
- Ask staff to show you their ideas for strategic change



Driver Diagram Example

Org Strategic Alignment	Aim	Primary Drivers	Metric	Baseline Metric	Goal	Benchmark	Definition of Metric/Source of Benchmark
The Measurement							

Aim	Primary Drivers	Secondary Drivers
←	←	
The Process		

Driver Diagram Example

Org Strategic Alignment	Aim	Primary Drivers	Metric	Baseline Metric	Goal	Benchmark	Definition of Metric/Source of Benchmark
To decrease our cost per patient figure	Increase number of patients visits						

Aim		Primary Drivers		Secondary Drivers
Increase number of patients visits	←	Recruit new providers	←	Ask current volunteers to help recruit
				Reach out to comm. partners for volunteers
				Current volunteer storytelling of their experience
				Make sure we have capacity to take on new vol.
				Create an 'how to get involved' section of our website
	←	Decrease appt cycle time	←	Train MA's on taking med history
				Stagger provider start times
				Mail out new patient documentation
				Implement a form for patients to fill out at check in that helps them state the reason for their visit
				Monitor cycle time and make adjustments



Questions?



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