
Surgical Services Reengineering



Reengineering Definition

- The fundamental rethinking and redesign of business processes to bring about dramatic improvements in performance
- Is not about downsizing, but is about rethinking work from the ground up to eliminate unnecessary work
- It is about improving efficiency of the processes and productivity of the people

Reengineering Requirements

- Reengineering requires common elements regardless of the specific approach
 - Leadership
 - Goals
 - Systems thinking
 - Measurement
 - Benchmarking
 - Technological innovation

Why Reengineering Fails

- Top reasons why reengineering FAILS:
 - Say you are reengineering but don't do anything
 - Do not focus on processes
 - Spend too much time analyzing the current situation
 - Proceed without strong executive leadership
 - Be timid in redesign
 - Go directly from conceptual design to implementation
 - Reengineer slowly
 - Place some aspects of the business off-limits
 - Ignore the concerns of the people doing the work

When and Why

- Indications for reengineering:
 - Customers – patient or physician dissatisfaction
 - Competition – shifts in market share to competitors
 - Change – to emphasize efficiency, innovative technology, quality, service and cost

- Why reengineer Surgical Services?
 - Key hospital service to the community
 - Economic engine for the hospital because it has significant impact on contribution margin that represents:
 - » Between 40 to 65% of the overall hospital revenue
 - » Up to 30% of the hospitals operating expenses
 - » Downstream revenue potential for lab, radiology, rehab and others

Goals

- Limit out migration and increase market share
- Improve profitability
- Provide a platform for team work and empower decision-making
- Identify opportunities for physician collaboration to improve efficiency, quality and cost
- Create a continuum of care model that achieves measurable outcomes

Process

- The Surgical Services Reengineering process includes three phases:
 - Operational Assessment
 - Action Plan Development
 - Implementation Support

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