
Volume 6 - Issue 4, 2006 - Features

Increasing Operational Effectiveness

Ensuring Stable Departmental Growth

Author

Prof. J. L. Bloem

Head of Radiology and

Nuclear Medicine

Leiden University Medical

Centre

Leiden, The Netherlands

J.L.BLOEM@LUMC.NL

To develop a quality-led, customer-driven and forward looking healthcare facility, heads of departments must implement innovative strategies to enhance clinical service, research, teaching, management, quality, safety, technology and revenues. Are patients fully satisfied? Is the available budget being used in the best possible way? Can enough resources be allocated to non-clinical academic tasks? What about the future growth of the department? A key factor in meeting the demands of patient care, education and research, is having a holistic overview and strategy for developing your department and identifying tools to increase this operational effectiveness.

What is Operational Effectiveness?

Operational effectiveness is the capability of producing results according to specifications in a timely fashion (quality), using human and material resources to result in adequate services for customers. It is the cornerstone of any successful enterprise, which can be defined as one with adaptability, wise use of resources and an ability to adjust to a rapidly changing external environment, while maintaining its focus on core values. There are four levels in the growth of an organisation:

- Operational effectiveness: Is the department meeting at least minimum performance standards?
- Cost effectiveness: Is the department using available resources in the best way?
- Commercial effectiveness: Are customers satisfied?
- Strategic effectiveness: Are current operational strategies ensuring the future success of the department?

Best Practice in Change Management

One of the ways we can ensure that any changes implemented for the success of the department are solid and reliable, is to take them one level at a time. Only when change has achieved its goal at each level should one consider moving on to the next. In this way, the process of development will be swift, coherent and focused. If more than one level is addressed at the same time, the process will drain resources from day to-day operations and become unstable.

Taking a controlled approach to development and change at an operational level means that business product or workflow redesign should only be carried out if the existing process is working sufficiently to cover the time needed to implement change. The stability of any new integration takes time and planning.

For instance, it can be seen that 10% of all business mergers fail because there is no integration at top level. In order to adapt infrastructure to new, more sound strategies, operational effectiveness, i.e., the basic running of the department, should be optimised. This process is characterised by a singular focus on the department and needs a top-down approach because a clear direction, priorities, and speed are of the

© For personal and private use only. Reproduction must be permitted by the copyright holder. Email to copyright@mindbyte.eu.

utmost importance.

The next phase (cost-effectiveness) is also internally oriented but should also use the input of the working floor. Input from human resources lower in the organisation enhances the process of improving cost-effectiveness and also increases motivation. Motivation is one of the most important factors leading to success. The next two phases (commercial and strategic effectiveness) are focused on the outside world and definitely need the input of the entire department.

What Determines Infrastructure?

Operational effectiveness means that the product lines (producing clinical output, research and education) of the enterprise run smoothly. At a minimal level this is operational integrity, and at top level this means that a department meets high internationally recognised standards. The infrastructure of the department is a major determinant of operational effectiveness. As well as the availability and exchange of data, assets such as human resources, technology, and budget are all factors that determine the operational effectiveness of the existing infrastructure.

Development and use of resources and informatics are therefore pivotal in improving operational effectiveness. Only if operational effectiveness is reached may the enterprise move to the highest levels of development. It goes without saying that unless basic operational standards are met, no other steps should be considered. Even if a department is meeting minimally effective operational standards, i.e., quality standards are being met and the budget is being respected, this of course does not ensure that it is at its most costeffective and therefore that the commercial and future success and stability of the department is being maximised.

Conclusion

Prioritisation is the key tool when implementing improvements or changes without undermining the elasticity of the organisation. Elasticity is the ability of the department to adapt or even generate change, without damaging its own structure. Using too much or too little elasticity will affect improvements to operational effectiveness and is instrumental in keeping an organisation vital and dynamic.

Published on : Sun, 1 Oct 2006