

Top Performing Hospitals Use Benchmarking Differently

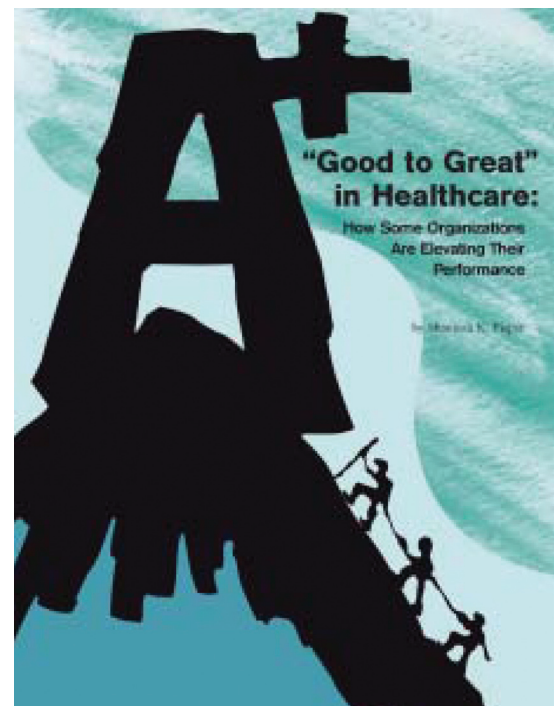
A three year study examining the cost position of over 220 hospitals reveals that “Quantum Improvers” have learned an important lesson about the effective use of benchmarking information and methods for non-goal setting. What these leaders have learned is the common approach to benchmarking is failing to deliver results and hindering progress by delaying implementation. The research revealed “Quantum Improvers” follow a unique but discernible approach in how they utilize bench marking information and set non-negotiable goals in less than 30 days.

Why Traditional Benchmarking Methods are Failing Healthcare

Let’s examine the traditional approach to bench marking. It typically begins as a reasonable request to identify a select group of “*hospitals just like us.*” Unfortunately for most hospitals, this process frequently descends into a never ending cycle of sorting and resorting data in the pursuit of an ever-narrowing peer group. Regardless of the care used in selecting peer hospitals, the results of the analysis are subject to perpetual challenges by managers.

The traditional approach to benchmarking tends to fail because it is based on two false assumptions. **The first false assumption is that a “perfect peer group” actually exists.** In reality, it does not. Every hospital is unique and contains distinct differences. Therefore, there will never be a perfect match which leaves the integrity of the best benchmarking data open to challenges.

The second false assumption is, “if we can just find hospitals in the peer group who are top performers, we can adopt their practices and achieve similar performance.” This implementation strategy is seldom successful due to the infinite differences in operational protocols between hospitals. This line of logic combines goal-setting with process of selecting tactical solutions. Our research revealed that hospitals following the traditional approach to benchmarking seldom achieve acceptance of targets and encounter long delays in implementing their strategies and tactics.



Effective Benchmarking and Non-Negotiable Goal Setting

In contrast, “Quantum Improvers” without exception, followed a distinct path in how they use benchmarks and set non-negotiable goals. They recognize that all benchmarking data is flawed and they build allowances into their process. Secondly, they realize the processes of identifying opportunity and goal setting is distinct from the process of selecting performance improvement strategies. “Quantum Improvers” identify opportunity and set goals first, then move to identify the appropriate strategies to achieve the targets. Last, they recognize that their primary purposes for using benchmarks are:

Appropriate Purpose for benchmarks

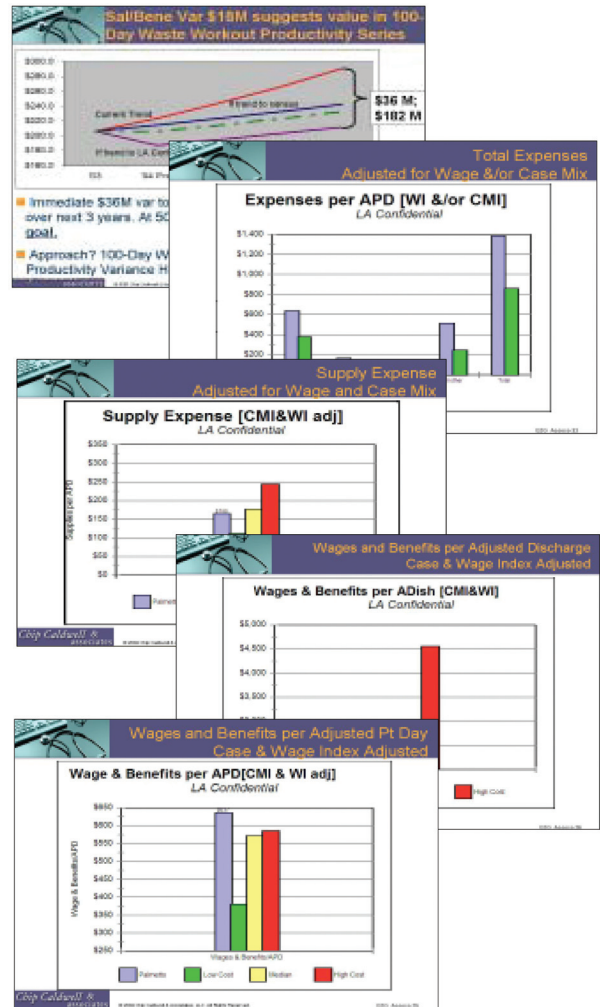
1. Identifying opportunities for improvement
2. Setting meaningful non-negotiable goals for managers
3. Achieving acceptance of targets and moving as rapidly as possible toward implementation (30 days or less)

Benchmarking Process of “Quantum Improvers”

The research revealed a definable process followed by the “Quantum Improvers” studied. The critical elements isolated by the research are:

Steps to Successful Goal Setting:

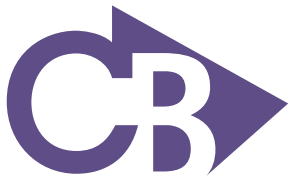
1. They acquire the most aggressive peer group possible rather than seek an ever-narrowing peer groups.
2. They seek to close 50% of the gap with the top quartile rather than close 100% of the difference with a narrow peer group. All the “Quantum Improvers” studied use some form of this gap closure technique to dissipate discussion about relatively inconsequential errors in the data. The source of data used was secondary to the process used to benchmark.
3. The “Quantum Improvers” interviewed moved through the benchmarking and goal-setting process in less than 30 days. They recognized the need to rapidly complete the goal setting process and shift the focus to implementation. Speed to execution was vital component of success.
4. Goals were established as non-negotiable. Because they were set at 50% of the gap, they were considered reasonable and considered nonnegotiable in the minds of the managers.



Receive Your High Level Aggressive Benchmarks at No Cost

Your hospital can receive a High Level Aggressive Benchmark Assessment featuring the techniques used by “Quantum Improvers.” This No-Cost High Level Aggressive Benchmarking Assessment provides valuable insights and takes only a few minutes of your time to complete. To receive your Aggressive Benchmarking Assessment please follow the steps below:

1. Request High Level Aggressive Benchmarking Worksheet via e-mail to gregb@chipcaldwellassoc.com
2. You will receive a one-page Excel worksheet
3. Please enter the requested data and return the completed worksheet via e-mail
4. You will receive your comparative benchmarks with graphs in a PowerPoint presentation in approximately 10 working days.



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Caldwell Butler & Associates, LLC

Caldwell Butler & Associates is an innovative firm specializing in strategic deployment of Lean-Six Sigma resulting in cost position improvement, financial turnarounds, and patient throughput optimization. Caldwell Butler & Associates has assisted hundreds of clients increase productivity, maximize patient throughput, and improve patient satisfaction. Our team is exclusively dedicated to healthcare and brings extensive practical experience in hospital operations to each project. Our knowledge of the healthcare environment allows us to implement effective performance improvement programs tailored to the specific needs of your organization. Caldwell Butler & Associates is the trainer of choice for both the American College of Healthcare Executives and the American Society of Quality. During the past decade, Caldwell Butler has personally trained thousands of senior hospital executives in the effective healthcare application of Lean-Six Sigma. Chip is a nationally recognized author of four leading books and served as the healthcare representative on the U.S. Quality Council.

Unlike traditional consulting firms, Caldwell Butler & Associates believes on-site mentoring and apprenticing are the most effective methods for achieving sustainable gains in performance. Our on-site programs empower your employees by providing them with the tools to attain new levels of performance. We offer proven techniques and methods for enhancing personal accountability, monitoring progress of initiatives and tracking your ROI on each project. Where most consulting firms are satisfied with finding "identified savings" Caldwell Butler & Associates works along side your team throughout implementation thus providing you with a sustainable process for managing the entire productivity improvement cycle.

Caldwell Butler & Associates apprenticing and mentoring programs include:

- Effective use of aggressive benchmarking data
- Proven techniques for non-negotiable goal-setting
- Methods of identifying waste and generating cost savings strategies
- Creation of implementable 100 -Day Action Plans
- Flawless execution of performance improvement projects
- Creation of internal tracking methods for enhancing personal accountability