



Western Maryland Health System Facing Financial Issues

Western Maryland, a multi-hospital system located in Cumberland, MD required \$80 million in additional capital to qualify for financing for its new consolidated facility. WMHS leaders realized its staff required new and innovative methods if they were to achieve their goals. WMHS leadership acknowledged effective implementation must be system-wide and required an “all hands on deck” approach to succeed.

WMHS’s Needs

- Reduce total system operating cost
- Rapid implementation at the manager level
- Optimization of their OR and ED capacity
- Increase accountability and tracking of results

WMHS implements 100-Day Workout Productivity Series

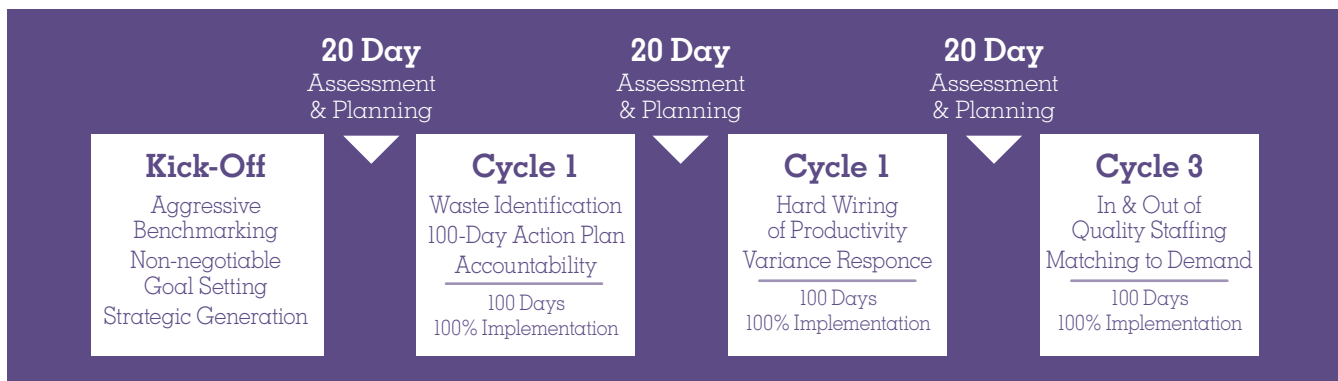
Caldwell Butler & Associated implemented an on-site mentoring and apprenticeship program for selected members of WMHS staff. Leaders and managers received training in the 100-Day Workout Methodology and support from Lean-Six Sigma Blackbelts for the purpose of optimizing patient flow and capacity. Each cycle of the 100-Day Workout method focused on a different priority:

Cycle 1-Waste Walk: Prior to launching the program, CBA assisted WMHS in establishing aggressive benchmarks and setting non-negotiable goals. This was accomplished through the use of Caldwell & Associates’ proprietary benchmarks featuring data from LA county, one of the most cost-competitive markets in the country. The benchmarks, along with concepts of the 50% Gap Closure technique of goal setting, were presented to hospital management during a Goal Setting Workshop. Managers were also provided with the tools and support to achieve their non-negotiable goals- they received training in the 7 categories of waste followed by mentoring in the creation of department-level 100-Day Action Plans. To help ensure success, CBA developed a customized system for reporting managers’ progress on the 100-Day Action Plan for senior management.

Cycle 2- Focus- Rapid Cycle Productivity Variance Hardwiring: During the second cycle, CBA assisted WMHS’s leadership and management team in defining the frequency of productivity variance response for each department (e.g. daily, biweekly, monthly or quarterly) and then established contingency plans (similar to JCAHO’s Failure Modes Effects Analysis [FMEA] process). These actions improved reaction times to variations by predetermining an immediate response to deviations to plan without requiring direct executive intervention.

100 - Day Workout Productivity Series

120 + 120 + 120 = 365 Days per year



Cycle 3-Staffing to Demand: During this third cycle of the 100-Day Workout, CBA assisted WMHS's managers in defining "Quality Staffing" based upon hour-by-hour variances in workload demand and staffing plan assumptions. In addition, CBA developed the reporting systems necessary for managers to proactively manage and adjust to deviations in demand. Due to the success of Cycles 1 and 2, WMHS was able to self-implement Cycle 3 of the 100-Day Workout.

Demonstrated Results of WMHS Implementation

As a direct result of the services provided by Caldwell Butler Caldwell & Associates, WMHS achieved:

Measurable Benefits:

- A \$2.5 Million improvement in financial operating performance in the first cycle of the 100-Day Workout
- A 30-hr reduction in hours worked per day
- An ROI on Caldwell & Associates Services of 7:1 (only includes savings from the first cycle)

Intangible Benefits:

- WMHS has tackled costs in "Fixed Overhead Departments" as a result of the 100-Day Workouts
- Organization-wide determination to close operating gaps
- Rapid deployment of proven methods and techniques for improving productivity and performance
- Certified one Black Belt who is now appropriately trained to certify future Black Belts without outside assistance



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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 & Associates has personally trained thousands of senior hospital executives in the effective healthcare application of Lean-Six Sigma.

Unlike traditional consulting firms, Caldwell Butler & Associates believes on-site mentoring and apprenticeship 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 apprenticeship 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