West Jefferson Medical Center

Caldwell Butler
& Associates

West Jefferson Medical Center Proactively Improves Cost Position

West Jefferson Medical Center, a multi-hospital system located in the New Orleans, Louisiana market was seeking to hold its operating margins and improve its cost position. Three years earlier, West Jefferson embarked on a program to reduce its operating costs and was successful in realizing more than $5 million in operating expenses. However, in recent months the return from their existing program began to produce diminishing returns. It became clear that the current initiative needed to be infused with new and innovative methods if they were to achieve their goals of recovering an additional $5 million in cost improvement. In the words of CEO Gary Muller, "the best time for us to change is when we don't need to."

WJMC's Needs

- Reduce total system operating cost by $5 million
- Rapid implementation at the manager level
- Revitalize their current quality program
- Improve accountability across the organization

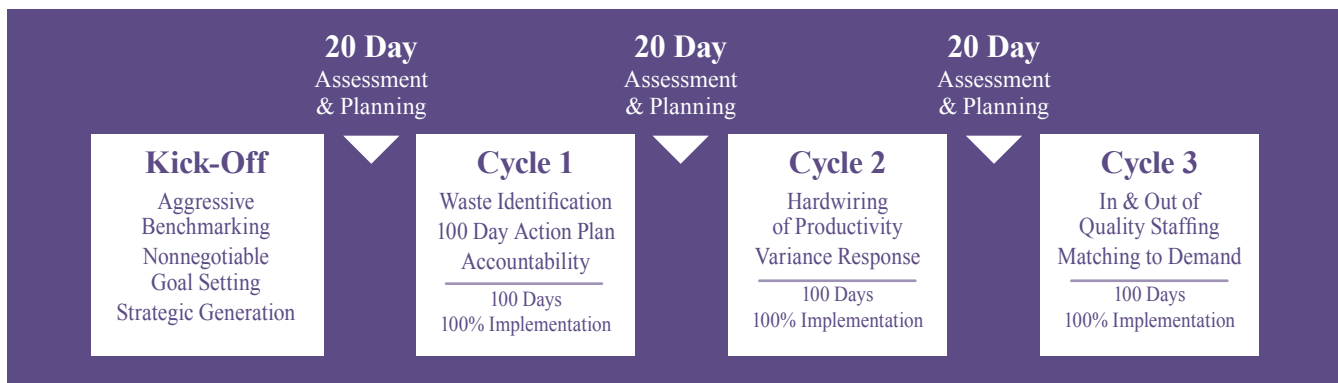## West Jefferson Implements 100 Day Workout Productivity Series

Caldwell Butler & Associates implemented an on-site mentoring and apprenticing program for selected members of WJMC staff. Leaders and managers received training in the 100 Day Workout Methodology for the purpose of identifying waste and developing effective strategies for waste recovery. Each cycle of the 100 Day Workout method focused on a different priority:

Cycle 1-Waste Walk: Prior to launching the program, CBA assisted WHMS in establishing aggressive benchmarks and setting goals for each department. After receiving their aggressive benchmarks, Caldwell Butler & Associates conducted a workshop in the techniques of the 50% Gap Closure for Nonnegotiable Goal Setting. Each department head and manager also received training in the seven categories of waste, 18 concepts and strategies for waste recovery as well as mentoring in the creation of department-level 100 Day Action Plans. WJMC used EXCELeratorTM, a proprietary tool of Caldwell Butler & Associates to create 100 Day Action Plan for every manager.

Cycle 2-Rapid Cycle Productivity Variance Hardwiring: WJMC is currently in the second cycle of the 100 Day Workout. CBA is assisting WJMC's leadership and management team in defining the frequency of productivity variance response for each department (e.g. daily, biweekly, monthly or quarterly) and establishing contingency plans (similar to JCAHO's Failure Modes Effects Analysis [FMEA] process). These actions will improve reaction times to variations to plan without requiring direct executive intervention.

100 Day Workout Productivity Series

120 + 120 + 120 = 365 Days per year

	20 Day Assessment & Planning		20 Day Assessment & Planning		20 Day Assessment & Planning	
Kick-Off Aggressive Benchmarking Nonnegotiable Goal Setting Strategic Generation	▼	**Cycle 1** Waste Identification 100 Day Action Plan Accountability — 100 Days 100% Implementation	▼	**Cycle 2** Hardwiring of Productivity Variance Response — 100 Days 100% Implementation	▼	**Cycle 3** In & Out of Quality Staffing Matching to Demand — 100 Days 100% Implementation

Cycle 3-Staffing to Demand: During the third cycle of the 100 Day Workout, Caldwell Butler & Associates will assist WJMC's managers in defining "In Quality and Out of Quality Staffing" based upon hour-by-hour variances in workload demand. Caldwell Butler & Associates will train managers in the analysis of staffing patterns and provide the reporting system for tracking their results.

Demonstrated Results of West Jefferson's Implementation

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

Measurable Benefits:

- A $3.2 million improvement in financial operating performance in first 60 days of Cycle 1
- Identified more than $5 million in savings opportunities
- An ROI on Caldwell Butler & Associates Services of 36:1 (only includes savings from first cycle)

Intangible Benefits:

- Education of entire WJMC management staff on the forms of waste
- Gained system-wide commitment to achieve aggressive goals
- Rapid deployment of proven methods and techniques for improving productivity and performance
- Revitalization of current quality program by introducing new tools and establishing a sustainable process

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.

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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