

# Taking “Systemness” to the Next Level:

Savvy Health Systems Focus on  
the Basics to Achieve Higher Goals

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## The Evidence of Absence Versus the Absence of Evidence

According to *Becker's Hospital Review*, healthcare systemness is defined as:

“...the desired future state of complex healthcare delivery systems — delivering patient-focused, seamless and high-quality care across the many parts of the system to maximize value for customers....”<sup>1</sup>

Systemness is most conspicuous by its absence. For example:

- ▶ When systems are fragmented or not functioning optimally, patients will experience poor customer service, frustrating administrative barriers, confusing processes and sub-par outcomes.
- ▶ Employees will know that “behind the scenes” little is working the way it should, and the quality of their work is impeded by inefficiency and lack of coordination. Heroic efforts will often be necessary to accomplish rudimentary tasks.
- ▶ The C-suite will be under pressure for uneven financial results, missed targets and the organization’s diminished reputation for reliable quality and service.

Even more visibly, facilities and workflow will also show evidence of a lack of systemness. Signage may be wrong. Multiple electronic medical record systems may be unable to share information. Processes for accounting, purchasing, distributing materials, and collecting reporting measures will be out of joint.

In contrast, the evidence of systemness is consistency of experience and results for patients, providers, and employees. Organizations with processes that work predictably, efficiently and in a highly-coordinated fashion execute better, deliver on expectations more reliably and delight their customers more often.

<sup>1</sup> <http://www.beckershospitalreview.com/hospital-management-administration/systemness-the-next-frontier-for-integrated-health-delivery.html>

Football is a “system” sport. Offense, defense and special teams function as distinct units with their own coaches, schemes and measures of success. Each are comprised of multiple sub-units. Yet, successful teams somehow bring all those parts together to win.

The New England Patriots win more often than most other teams. Taciturn coach Bill Belichick foregoes inspirational speeches in favor of one simple motto: “Do Your Job.”

For the players, the meaning is clear. Team success is predicated on each player taking care of their own distinct area of responsibility. When small fundamental tasks are executed flawlessly, the “system” generates better outcomes.

Traditional healthcare is not a system sport, but that is rapidly changing. Today’s healthcare organizations realize the need to work across the care continuum; partner through joint ventures, networks, and affiliations; and consolidate operations following mergers or acquisitions.

Wins used to be tallied by the volume and cost of services reimbursed. “Job One” was acute care. Now, success is increasingly dictated by more complex measures, such as quality, efficiency and customer experience. But that new definition of success can only be accomplished by a system working in efficient coordination with shared priorities and objectives across multiple service lines.

C-suite leadership teams recognize the need for a “One Entity” approach to meet or exceed customer/patient needs and deliver on value-based contracts. Like NFL teams chasing a Super Bowl championship with a high-scoring offense or a bruising defense, healthcare executives tend to prioritize “big ticket” items, such as creating a system-wide culture or implementing a single electronic medical record, while overlooking less obvious opportunities to achieve the “One Entity” goal.

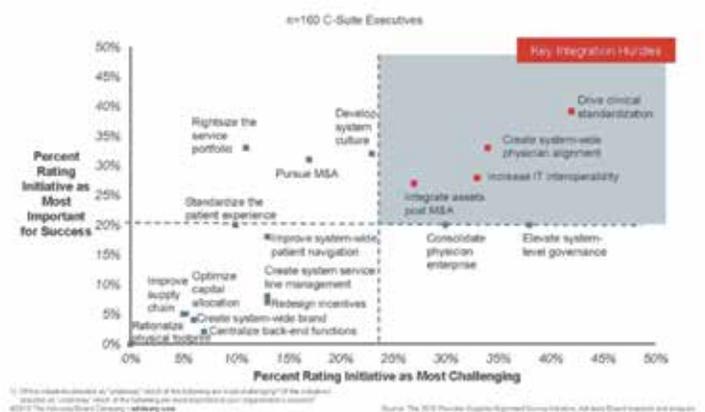


## The Right Focus

According to a 2015 *Advisory Board* report, healthcare CEOs recognize the strategic importance of systemness.<sup>2</sup> Asked to rank the integration imperatives that are most challenging and most critical to success, respondents selected:

- ▶ Driving clinical standardization
- ▶ Creating system-wide physician alignment
- ▶ Increasing IT interoperability
- ▶ Integrating assets post-M&A

The chart to the right shows these items falling in the upper right quadrant.



Interestingly, each of the initiatives falling in the upper right quadrant is dependent on the very items that respondents defined as *least* challenging and *least* critical for success. In fact, outstanding, consistent customer experience and outcomes – the ultimate measures of an integrated system’s success – are predicated on optimizing the performance of these less glamorous activities.

## Intra-Company Logistics: Critical to Achieving Systemness

In every industry, the customer is the ultimate arbiter of quality, experience and satisfaction. That success, however, is built on making sure the trains run on time.

Large health companies deliver thousands of items every day to an ever-expanding delivery network. Such items include medical/surgical supplies, pharmaceuticals, lab specimens, instrument trays, equipment, linens, and documents and reports. And while not every item is critical in a life-and-death sense, they are collectively vital to operational efficiency and the consistent delivery of safe and high-quality care.

Research shows that healthcare companies tend to overlook the organizational advantages gained through strategic deployment of these items, and instead manage them on a departmental level with a transactional, commodity mindset. This approach impedes systemness because it leads to fragmentation, redundancies and added costs.

Traditionally viewed as a transactional courier service, the field of intra-company logistics is gaining the attention of healthcare CEOs, CFOs, COOs and function heads. These leaders understand that the most fundamental job of their organization is to make sure that people have what they need, when they need it, in order to do their work. Leaders who deploy intra-company logistics understand the meaningful opportunity that exists to leverage their

organization's logistical framework to operate as one, integrated system.

By consolidating the movements of the variety of items a sophisticated healthcare organization needs into one entity, intra-company logistics creates a single, streamlined, customized system. Combined with advanced technology, sophisticated intra-company logistics can drive standardization, centralize and streamline operations, eliminate fragmentation and redundancies, limit risk and liabilities, reduce down-time; and even reduce overall energy use.

Incorporating professional intra-company logistic services also minimizes errors. Best-in-class services can reduce errors to 50 to 75 per million (PPM) encounters, compared to an industry average of 1,000 PPM. This dramatically reduces associated error-recovery costs. It also reduces administrative and caregiving stress on those responsible for making sure that the trains run on time and patients get the care they need when they need it.

Strategic value requires more than just cost savings or traditional ROI. It has to move the needle on quality, improve operational performance and enhance customer experience. Meaningful ROI is a measure of value compared to total cost of ownership. When health companies get transportation right, they save time and money while improving performance and value.





## The New Healthcare Way

In a sport where talent is considered a difference-maker, the New England Patriots consistently out-match rival NFL teams by fortifying a high-performance system with players who fulfill their distinct roles responsibly. No player is bigger than the team and its system.

Health systems must be similarly relentless about evaluating the costs and benefits of basic functions and maximizing their value for the whole enterprise.

Today's healthcare organizations are in a state of nearly constant transition as they face many complex daily and long-term challenges. Systemness must be a state of mind for organizations that are growing, evolving, expanding or focusing services – and always striving to satisfy and delight customers.

This takes a clear-eyed sustained focus on the fundamentals. When health systems fail to “do their job” with respect to those fundamentals, higher goals remain elusive, workers are impeded from performing at their best and patients suffer the consequences in terms of quality, safety and experience.

Intra-company logistics can provide the strategic framework that allows championship healthcare organizations to build systemness from the ground up.



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**JAKE CRAMPTON** is the founder and CEO of MedSpeed, the market-leading intra-company logistics organization that is transforming healthcare transportation. By leveraging intra-company logistics, MedSpeed facilitates genuine health system integration, enabling systems to achieve greater operational efficiencies, reduce risk, better utilize scale, eliminate redundancies and centralize services. Mr. Crampton is an avid believer and presents often on how healthcare organizations can achieve systemness through physical integration to better leverage healthcare transportation as a strategic asset.