



BUSINESS AGILITY

INSTITUTE | LIBRARY CASE STUDY

Agile in the Healthcare Sector

by Marina Alex, CEO University of Business Agility

As an operator of one of the country's leading providers of managed networking solutions and lightning-quick fiber networks, it comes as little surprise that tw telecom's forecasting implementation was quick and agile.

Agile stands for flexible management. The principles and values of Agile were first formulated in the Agile manifesto, published in 2001 by a group of IT professionals. The key principles of Agile can be summed up as following:

- people and their interactions are more important than standard processes and tools;
- the work product has a greater value than detailed documentation;
- cooperation with the customer is more important than negotiations of the terms and conditions of the agreement;
- willingness to change is more significant than sticking to the initial plan.

These days, Agile has grown beyond the IT sector and is being successfully applied in marketing, sales management, logistics, corporate governance, and more. These are some basic agile concepts:

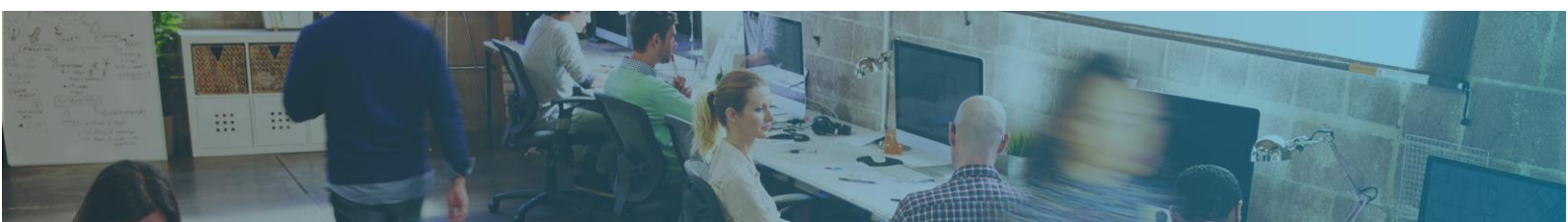
- **Scrum** is the practical application of the Agile principles. This approach, as posited by the creator Jeff Sutherland, allows the company to achieve twice as much success in half the time.
- **Scrum-master** is a coach, a mentor of the team.
- **Product owner** is the "official" head of the team, the director who sets the goal, yet acknowledges that it is the team who decides how to accomplish that goal.



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Agile encompasses both the culture and the methodology that allows the companies to adapt to the changes in the most effective manner. No matter where Agile methodology is applied--whether it is dentistry, banking, sales management, or marketing--Agile always stands for creating value for clients as well as creating value for teams.

Agile does not only enhance the quality of the business processes of the company, but also ensures their maximum transparency. Only when it is possible to see the clarity of interactions, the team members are able to truly discuss the issues hidden under the table, namely, the ineffective instruments, and insist on the urgency of change.



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AGILE ADVENTURE

Even the least developed industries impacted by Agile can undergo a successful transformation. Our team faced a similar task when we risked implementing Agile in a large medical company - the medical chain "President." It was a true adventure as never before had anyone used Agile in the medical sector!

Frankly speaking, medicine has been standing behind other financial industries. Even though medicine has always been deemed commercially viable, it was still benched when it came to applying new technologies and business-tools, making bold personnel decisions, or starting innovative marketing activities. We decided to take a risk, even though at that time we did not still have a clear picture of the potential outcome of our endeavors.

Initially, the company management ordered us to conduct a three-day training session. We ended up teaching the top-management, including the branch managers and the industrial directors, about Agile and its tools. After the training, the company attempted to implement Agile on their own; yet it did not truly fly, so the company turned to me for additional consultations.

For the pilot project we chose the clinic that demonstrated the worst financial performance. The goal was to show how much Agile can increase not only the turnover but also the commitment displayed by the employees. To measure effectiveness, we introduced several criteria (KPI): financial plan performance, the number of the patients, the number of referrals, and so on.

"For the pilot project we chose the clinic that demonstrated the worst financial performance"

The first thing we did upon arriving to the clinic was dividing the employees into three groups. Out of 35 people representing the clinic staff, we managed to create three cross-functional teams. One team consisted of the chief doctor as well as the security guards, while the other one had the assistant doctor and the janitor. The employees were grouped based on the shifts they usually shared during their working

hours, so, each team consisted of the people who interacted with one another on the regular basis.

We chose the **scrum-masters** - the team leaders responsible for all the processes happening within the group, the **product owner** who was responsible for the overall vision of the assignment, targeting as well as prioritizing the task in response to the feedback received from the clients. Each team was assigned a **sprint**, i.e. certain periods of time which coincided with the project work. Likewise, each team went through the daily meetings, namely, daily 15-minute meetings where the participants had to be literally standing, the demo where the team was to demonstrate the results of their work in front of the other clinics, and the retrospective sessions where the in-depth analysis of the weekly work was taking place.

The clinic team was faced with clearly defined goals, as in:

- 100% performance of the plan (as opposed to the 43% performance demonstrated by the clinic at the beginning of the project work)
- increase the number of the first-time patients;
- launch the surgery room;
- increase the number of the referrals;
- instill the culture that celebrates the values important to the clients as well as philosophy of leadership and mentorship;
- create the marketing division.

Additionally, we were faced with the global task of instilling Agile values into the whole chain of the clinics. That is why we opted to install cameras in negotiating rooms where the pilot project participants were to get together.

Thus, all events were recorded and broadcast to the members of the closed community on Facebook. This way, every branch had the access to these educational videos.

We were able to record (and demonstrate) almost everything, with the exception of personal meetings with those team members where the inner conflicts and the complicated situations interfered in the discussion. This was a real PR-campaign to introduce Agile to every employee of the clinic.

PROBLEMS AND SOLUTIONS

Despite the positive attitude the top management of the clinic demonstrated towards our project, there still were several difficulties we had to encounter. Since it was still too far from accomplishing the goals in question, we had to focus on surmounting the local barriers. One of the barriers dealt with the total absence of the culture of leadership in the company. It turned out that there was not a single person in the clinic who was ready to lead the others. None of the eight managers was ready to shoulder that kind of responsibility.

"Once people realized they are capable of impacting the final performance, their commitment doubled."

When applying Scrum, we redefined the structure of the company; thus, limiting the number of the managerial roles, and appointing three scrum-masters and one product-owner. One of the chosen ones had to assume the role of the leader of all the changes to be happening in the clinic; however, no one seemed to be ready to shoulder that kind of responsibility.

In three months after the launch of Agile, the expected transformation stalled: the employees did not know what their further actions ought to have been. The people seemed to have cooled off, and the performance indicators decreased as well - the plan was performed by no less than 40%.

The teams blamed it all on Agile as supposedly, the discussions had taken a huge chunk of employee's work time. It was quite difficult to keep their faith into moving forward when the old system proved to be unworkable, yet the new one has not been established while the performance numbers kept decreasing.

The lack of motivation and overall negativity stirred up not just at the branch we were working at, but at the whole chain of clinics. One of the founders (and Agile supporters) visited the pilot clinic, organized a meeting of the employees and asked them point-blank, "Who wants to continue to participate in the project? Not just to be a part of it, but pay for the changes? Let's vote!" It's worth noting the doctors' incomes were in direct proportion to the profits made by the clinic, while the service of the Agile specialists should have been paid for.

"The plan performance of the pilot clinic by the end of the accounting period was 105%"

60% of the employees voted in favor of the changes implemented by the Agile methodology, and the director turned out to be the leader who managed to take the whole situation to the next level. Only then did the Agile transformation work to its fullest, resulting in the change of the way the whole clinic operated.

All things considered, upon applying the Agile principles, the pilot clinic changed beyond recognition. By the end of the accounting period, the plan performance of the clinic equaled 105%. This was the record not only for the branch but also for the whole chain, and this happened because every employee was involved in the process.

RESULTS

First of all, an open line of communication was successfully established among all the employees. This partially resulted from teaming up the people regardless of their position within the company: this way, we managed to get rid of managerial roles and official ranking and overcome the hierarchy. In fact, only one person was "in charge" - the product owner - whose task was assumed by the director of the clinic. Now the director did not impose the way the clinic was to fulfill the plan but he worked towards creating values.

Second of all, the commitment displayed by the employees drastically increased. Once the people realized they are capable of impacting the company's performance directly, their engagement in the work process doubled.

Let us see how that was achieved. A security guard started welcoming patients and inquiring about their health and mood, whereas before he appeared uninterested. Now, smiling and joking, he helped the patients to their seats and even turned on a TV program while the patients were waiting.

Before, the doctors at the clinic did not communicate much with each other. More experienced doctors who enjoyed a wide patient stream did not fancy sharing the knowledge while the young doctors were too reluctant to ask for advice. Everyone worked by themselves and for themselves. Besides, there was a certain caste system in the clinic: medical assistants and even younger doctors were perceived as the

lowest class. All in all, no one truly interacted with anyone.

Only after Agile was introduced into the system, the situation changed. In a way, Agile served as a wake-up call for the employees: stereotypes were dissolved and client-oriented values were formed.

Patients always know if the doctor and the medical assistant display mutual respect. If they don't work together as the team, the quality of the provided treatment tends to suffer as well. So, after we started organizing daily meetings where the people involved in the process were providing the feedback, the doctors realized the importance of the real team work. Likewise, the doctors saw the significance of the joint effort in both increasing the quality of the service as well as boosting the patients' mood. As a result, the clients started recommending the clinic to their friends and acquaintances.

The number of patient referrals went up as well. Before, the doctors did not put much thought into that aspect of work. Yet, after the doctors started interacting and communicating, as well as participating in the daily meetings, that situation changed too. Finally, the doctors began cooperating. For instance, a physician started the practice of referring his/her patient to the orthodontist or vice versa, as to make a precise diagnosis, sometimes one is to consult several specialists.

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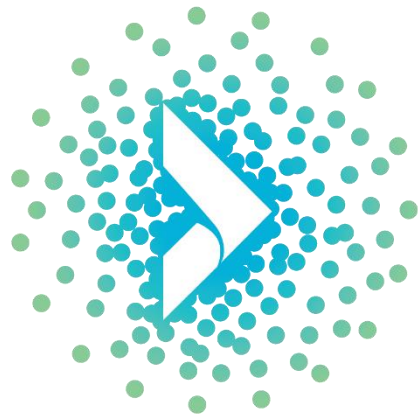
The project team initiated the system of knowledge-sharing. Before, specialists who had participated in the scientific conferences or attended training courses would keep the acquired information and experience to themselves; yet now he or she would share the valuable material with the colleagues.

As a result, the clinic has become the core of the whole chain. The total number of improvements achieved by the pilot clinic during the whole project period amounted to 260. For example, the doctors started to call patients directly (as opposed to referring that task to the receptionists).

The overall results of the project, including financial performance, drew the attention of other branches: the employees of the whole chain ended up coming to the clinic in order to learn new tools and work according to the new rules.

ABOUT THE AUTHOR

Marina Alex was working in sales-management field in Top-5 financial companies of Russia. Marina launched successful Agile-transformation in more than 1000 companies across the country. Likewise, Marina started more than 170 scrum-teams. She is a certified Business Agility coach and founder of the University of Business Agility (UBA). UBA implements methodology of flexible management in the companies beyond the IT sphere and organizes trainings and strategy-sessions as well as conducts an online-course "The leaders of the Agile change"



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