Welcome to

Reducing Operational Costs thru Employee Engagement

Presenter

Jaquetta Clemons
- Vice President, Finance at Children’s Health
- 20+ years HFMA member
- Provides executive leadership for Financial Planning & Analysis
- Led multiple campaigns focused on cost and performance improvement
- Served as Idea Evaluator in recent “A Better Way” cost-reduction campaigns
**Presenter**

**Bob Stergos**
- VP, Engagement Practice, Performance Plus
- 20 years experience in employee engagement
- Designed, sold and implemented team-based engagement/suggestion programs for major hospitals, airlines and manufacturers
- Served as Top 10 Team Leader in 6,000-employee program
- Active member of Ideas America (national suggestion system association)

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**Agenda**

**Recent Children’s Health** *A Better Way* campaigns

- Website
- Cost of campaigns
- Design
- Enhancements
- Results

Discussion

- Q & A
- Comments
A Better Way

- Children’s application of Ideas at Work
- Voluntary, team-based employee suggestion campaigns
  - II: July 2 – August 31, 2015 ($1.9M estimated savings)

Campaign Objectives

Financial
- Reduce operational costs

Cultural
- Increase employee engagement in identifying operational cost-savings opportunities
- Promote cross-functional teamwork & communications
- Recognize and reward employee ideas that reduce costs and increase patient safety, quality care and/or service excellence
- Improve business “literacy” & transparency at all levels
Campaign Website

Employee Log-in
Welcome Letter

Welcome to the "A Better Way" program at Children's Health℠.

We appreciate your willingness to devote your time and energy in developing ideas that will help move our organization forward and ensure that we are making the best use of our resources. Through this program, employees can submit cost-saving and process improvement ideas individually or as members of a team. This is an opportunity to be innovative and to collaborate with your colleagues as we make life even better for children.

Working together, we can collectively come up with creative ideas that will benefit the entire Children's Health℠ system, as well as those we are privileged to serve. In addition to the potential for tangible rewards, this program offers something even greater: the opportunity to think creatively and to see your ideas translated into positive action.

Please take a moment and read the Rules of Participation.

For all questions, please contact Casey Bradfield at Casey.Bradfield@childrens.com.

Teams can begin registering Monday, May 11th, and may begin submitting ideas on Tuesday, June 2nd.

Together, let's find a better way to make life better for children.

Create a Team

Create a new team by simply typing the name of your new team in the box provided and click Add Team. By creating a new team, you will automatically be the Team Leader and responsible for submitting ideas on behalf of your team.
Join a Team

Submit an Idea
Submit and Idea (Cont’d)

<table>
<thead>
<tr>
<th>Name(s) of Resource Personnel consulted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resources Necessary to Implement the Concept</td>
</tr>
<tr>
<td>General Comments</td>
</tr>
</tbody>
</table>

Attachments
Add File
File Description
Browse... No file selected.

Reset Save Idea/Add File
Save & Submit Idea

We strongly recommend you keep a copy of your idea in a word doc format in case you experience issues with submission.

Team Request for Information

REQUEST FOR INFORMATION FORM

For any purchasing, pricing, volume or frequency-related information. Team Captains must complete this document and email it to the appropriate Resource Person listed below, and email a copy to your team’s coach.

| Date: |
| Team Captain: |
| Team Name: |
| Contact Information (Phone/Email): |
| Description of Information Requested: (Please be as specific as possible – if no description is listed, the request will be returned) |
| Item Number: (If applicable) |
| Manufacturer: (If applicable) |
Information Request Form (Cont’d)

<table>
<thead>
<tr>
<th>Email this document to the following</th>
<th>Name of Resource</th>
<th>Email hyper-link to resource</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Care and PM &amp; R</td>
<td></td>
<td></td>
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<tr>
<td>Pop Health</td>
<td></td>
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<tr>
<td>Laboratory Services</td>
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<td>Radiology</td>
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<td>Supply Chain and Contracting</td>
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<tr>
<td>Human Resources</td>
<td></td>
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<tr>
<td>IT</td>
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<tr>
<td>Finance/Cost of Care</td>
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<td>Nursing</td>
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<td>Security and Parking</td>
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<tr>
<td>Food Services and Clinical Nutrition</td>
<td></td>
<td></td>
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<tr>
<td>Environmental Services</td>
<td></td>
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</tbody>
</table>

Efficiency Ideas w/out direct savings

Efficiency:
Improving efficiency in our current processes will increase our capacity to serve more patients and families, without adding additional resources. Efficiency ideas without direct cost savings will be eligible for submission in this program. If approved, Award Points will be allocated based on the number of employees who will be positively impacted by the change.

<table>
<thead>
<tr>
<th>Number of employees affected</th>
<th>Value of Idea</th>
<th>Award Points per Team Member</th>
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</thead>
<tbody>
<tr>
<td>At least 10</td>
<td>$1,000</td>
<td>2,400</td>
</tr>
<tr>
<td>At least 20</td>
<td>$2,000</td>
<td>4,000</td>
</tr>
<tr>
<td>At least 30</td>
<td>$3,000</td>
<td>7,000</td>
</tr>
<tr>
<td>At least 40</td>
<td>$4,000</td>
<td>9,000</td>
</tr>
<tr>
<td>At least 50</td>
<td>$5,000</td>
<td>12,000</td>
</tr>
</tbody>
</table>

* Each Team Member must remain active in order to be eligible to receive awards for Approved Ideas.
Sample Ideas List Report

Team Award Points

Reward Earning Structure - Click here to register now!

Team Members

Each Team Member will earn an equal amount of Award Points for their Team’s Approved Ideas, according to the following schedule, with 50% of Award Points issued at the time of Idea Approval and 50% of Award Points issued at the start of this implementation.

Cost Savings:

<table>
<thead>
<tr>
<th>APPROVED COST SAVINGS (12 MONTHS NET VALUE)</th>
<th>AWARD POINTS ISSUED PER TEAM MEMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000-$2,999</td>
<td>3,000</td>
</tr>
<tr>
<td>$3,000-$4,999</td>
<td>6,000</td>
</tr>
<tr>
<td>$5,000-$9,999</td>
<td>10,000</td>
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<td>$10,000-$19,999</td>
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<td>100,000</td>
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<tr>
<td>$100,000-$199,999</td>
<td>166,000</td>
</tr>
<tr>
<td>$200,000-$399,999</td>
<td>254,000</td>
</tr>
</tbody>
</table>

* For each $10,000 increment of Approved Savings over $100,000, each Team Member will earn an additional 24,000 Award Points.
Campaign Rules

Program Objectives:
- A Better Way is designed to encourage employees and providers to innovate at Children’s Health™. Cross-disciplinary teams are encouraged, as this improves safety and the development of ideas with broad potential to create positive change.
- A Better Way seeks to reduce operating costs through the generation, approval, and implementation of cost-saving ideas. Approved cost-saving ideas that also improve patient safety, quality care, or service excellence are eligible for bonus points awarded at the end of the program.

Campaign Program Dates:
- Ideas may only be submitted during the designated online submission period, which begins on June 3, 2013 at 6:00 AM CST and ends August 2, 2013 at 11:59 PM CST.

Eligible Team Participants:
- Employees, part-time and seasonal employees at Children’s Health.
- Physicians who practice at Children’s Health regularly.

Teams:
- Individuals may only participate on one (1) team.
- Teams must elect a Team Captain, who will:
  - Register online as the Team Captain.
  - Enter the team name into the online system.
  - Add members to the team in the online system.
- Up to (5) total members per team, including the Team Captain.
- A “Welcome” email will be sent to each team member, including information about the Team Coach assigned to their team.

Company Time/Resource Commitment:
- When the nature of one’s job permits and with permission of your manager, employees will be allowed to meet up to one (1) hour per week on company time to work on ideas for A Better Way.
- Resource Personnel at Children’s Health are available to assist Team Captains in the researching of data, such as “costs” and “frequency-of-use,” which will often be needed to quantify the cost-savings value of an idea.
  - Team Captains must use the “Request for Information” form, located in the “Resources” tab on the A Better Way website, when requesting information from Resource Personnel.
    - This form must be emailed to the appropriate Resource Person as listed (by department) on the form.

Eligible Ideas:
- Cost-savings ideas that achieve a minimum of $1,000 in 1 year NIV value and that are NOT considered ineligible as described below.
  - Approved cost-saving ideas that also improve patient safety, quality care or service excellence are eligible for bonus points awarded at the end of the program.
  - Ideas to increase efficiency that will positively impact a minimum of 10 employees upon approval are eligible for points according to the number of employees affected by implementation of the idea.

Ineligible Ideas:
- Ideas that call for the elimination of a specific individual’s job (or group of employees’ jobs). That said, ideas that outline a way to not have to replace a retiring employee ARE eligible.
- Cost-saving ideas and initiatives already in process by a Value Analysis Committee.
- Other ideas already under development or consideration by Children’s Health management as evidenced by written documentation and assigned projects.
- Ideas submitted for the purpose of generating revenue.
- PLEASE NOTE: If a supply item is part of a group purchasing (GPO) arrangement, changing to another equivalent supply item will likely not be approved even when there is a single-sourced savings for one Children’s Health facility.
- Ideas that target specific groups for reductions in pay.
- Any ideas inconsistent with the mission and values of Children’s Health.
Welcome to Team Captain Training

Idea Thought-Starters

Our employees are being asked:

“What if we...”

- Equipment/Materials?
- Supplies
- Timing?
- Routine/Procedures?
- Size?
- Value?
- Frequency?
- Quantity/Price?
- New Material?
- Another Method?
- Vendor?
- Work Layout/Flow?
- Functions?
- Forms?
- Deliveries?
- Schedules?

Change
Modify
Add
Increase
Reduce
Eliminate
Substitute
Rearrange
Combine
Idea Thought-Starters (Cont’d)

Here are some examples...

- **Change** equipment, material or supplies:
  - Purchase rather than lease
  - Buy materials/supplies in bulk to get volume discounts
  - Buy in smaller volumes to reduce waste
- **Reduce** or eliminate paperwork
- **Substitute** for high-priced items without sacrificing quality
- Find a **new method/application** for existing equipment, products or procedures
- **Modify** mailing procedures; i.e. pre-sort, bulk rate
- **Combine** distribution of materials, supplies and mail

Idea Thought-Starters (Cont’d)

Then our employees should be asking...

- **What?** What is being done? What would happen if it were eliminated? What else could be done?
- **Why?** Why is that being done? Why is that necessary? Why that way?
- **Where?** Where is it being done? Why there? Can it be combined in one place?
- **When?** When is the best time to do it? Why is it being done at that time? Can it be done at another time?
- **Who?** Who is doing it? Why does that person do it? Should someone else do it?
- **How?** How is it being done? Is this the best way? Is there a better way? How much will it cost?
Campaign Dashboard

Dashboard

Approved: $4,198,520.54

Employees

Eligible Employees: 6000  Registered Employees: 836
13.83%

Teams

Eligible Employees: 6000  Employees on Teams: 377
4.70%

Registered Employees: 836  Employees on Teams: 377
45.10%

Total Teams: 121  Active Teams: 71
58.68%

Campaign Dashboard (Cont’d)

Ideas

Pending: 0  Posted: 1
Not Posted: 8  Approved: 4
Implemented: 75  Denied: 105
Idea Approval Rate: 42.9%
Total Submitted: 193  Ideas Submitted Per Team: 1.60
Ideas Approved Per Team: 0.65

Savings

Posted: $80,799.00  Approved: $4,198,520.54  Implemented: $4,167,520.54
Avg. Savings Per Team: $34,498.52  Avg. Savings Per Idea: $53,145.83
Top Saving Idea: $447,000.00  Top Saving Team: $1,069,212.00
Campaign Reports, (Cont’d)

- Detailed reports readily available for viewing and exporting in Excel
  - Employees who are registered: their team, work email and department
  - Team reports: team name, number of members, captain, coach and number of submitted ideas
  - Ideas report: name of idea, team, value, status of decision and if approved, who approved and who is identified as the implementer
  - Awards points summary and detail
  - Award points earnings redemption

Award Point Earnings-Redemptions
Sample Report
Program Costs

Campaign Funding as % of Savings

- Awards & Gross-up: 17.50%
- Performance Plus Fee: 7.50%
- Fixed Costs: 74.40%
- Net Savings/Revenue: 0.60%
Campaign Design

Campaign Design Process

- Select executive champion(s)
- Appoint Campaign Manager
- Conduct vendor led 4-6 hour “Campaign Design Session” with key stakeholders
- Enlist support from business units
- Leverage existing CI/PI/Lean Six Sigma specialists in key Team Coaching roles
- Develop communications & training plan
**Campaign Changes**

- Eliminated the limit on # of Ideas submitted per Team pending decision by Week 3 of the first campaign
- Added “Labor Efficiency” ideas to build operational capacity in the second campaign
- Expanded role of Team Coaches in second campaign

**Campaign Roles**

- **Teams** (1 Team Captain per 5-member Team)
  - Generate, research, document & submit Ideas
  - RPs provide teams with unit cost and frequency-of-use data

- **Team Coaches** (Approximately 10 Teams Each)
  - Assist Teams in team process & program mechanics
  - QA/PI/Lean/Six Sigma specialists

- **Campaign Manager**
  - Responsible for overall program operation
  - Evaluate Ideas

- **Idea Evaluators** (VPs per operational area)
  - Initiate implementation of Approved ideas thru assigned Implementer(s)
  - Adjust budgets accordingly as Approved Ideas are implemented
Time Commitments per Role

Teams
(1 Team Captain per 5-member Team)
- Team Captain: 2-3 hrs/week
- Team Member: 1-2 hrs/week

Team Coaches
(Approximately 10 Teams Each)
- 1-3 hrs/week
- 2-3 hrs/week

Campaign Manager
- 10 hrs/week

Evaluators
(VPs per operational area)
- 2-3 hrs/week

Idea Process Flow

Team registers
(1 team member registers entire team)

Team is notified and re-submits idea

Idea is evaluated
Evaluator makes decision on idea
Accept, Deny, Request more info

Team registers idea on idea Process Decision Process ends

Team is notified via email (No points awarded)

Team logs idea
Team registers

Key
- Process
- Decision
- Process ends
Key Communications

- A Better Way campaign website
- Employee newsletter articles
- Leader briefings
- “Daily Briefing” updates
- A Better Way blog

Campaign Results
Senior Leader Idea Evaluators’ Feedback

- “The ideas and suggestions that were submitted challenged us to think differently than we have in the past. This program allows staff the opportunity to build business literacy surrounding an issue and then think creatively about solutions.”

- “The engagement of all levels of the organization and collaboration across multiple divisions has been wonderful and fostered innovative ideas. Even the review of these great ideas has led to discussions of new opportunities. This process has helped us all think differently so we can find A Better Way.”

- “To me, the most impressive outcome of this initiative was the teamwork. Many of the ideas that were submitted required input from multiple departments or teams. How those teams came together to identify, review and propose the ideas speaks to the level of collaboration that exists across Children’s Health.”

Campaign Results

<table>
<thead>
<tr>
<th>Measure</th>
<th>Campaign 1</th>
<th>Campaign 2</th>
<th>Total Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submitted Ideas</td>
<td>193</td>
<td>216</td>
<td>409</td>
</tr>
<tr>
<td>Approved Ideas</td>
<td>79 (41%)</td>
<td>96 (49.7%)</td>
<td>175 (43%)</td>
</tr>
<tr>
<td>Highest Approved Idea</td>
<td>$487,000</td>
<td>$500,000</td>
<td>N/A</td>
</tr>
<tr>
<td>Avg. Approved Idea</td>
<td>$53,146</td>
<td>$20,572</td>
<td>$35,277</td>
</tr>
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</table>