***Stellar Performer: Seattle Children’s***

***Hospital and Regional Medical***

***Center***

**Hospitalwide Process Redesign**

**Virginia Klamon**

The growth in project management is powered by the speed of change in every sector of the

American economy. The techniques traditionally applied to the manufacturing or aerospace industries

are proving equally valuable in the services sector, particularly when applied to process redesign or

improvement efforts.

In 1996, Children’s Hospital of Seattle, Washington, a regional leader in pediatric medical

services, realized it needed to dramatically improve its patient management process. Customer complaints

were mounting and employee morale was suffering.

The hospital organized a team to undertake the effort of redesigning patient management systems

and named the project “Encounters.” The new system would streamline and standardize processes

such as admitting, registration, scheduling, and insurance verification. The goal was to make

things easier and more efficient at Children’s, from the initial call from a family or doctor to the visit

or stay, and following discharge.

**STAGE ONE: DIAGNOSTIC ASSESSMENT**

From August to November the project team performed a diagnostic assessment as stage one of the

effort. The team gathered customer feedback data, interviewed key organization stakeholders,

created a process map of the current system, and identified external business needs driving current

industry changes. The primary deliverable from this stage was the project charter. This document

included a scope definition, process goals and objectives, project approach, resource requirements,

cost-benefit assessment, and risk matrix. The project scope definition included the boundaries of the

organizational change and the work required to accomplish it.

**STAGE TWO: PRELIMINARY DESIGN**

The project team quickly moved to the second stage—preliminary design—once the project charter

was drafted and approved.

Using creative thinking and proven process modeling tools, the team was ready to move forward to

design a new patient management system. During this stage each new process link was painstakingly

identified and documented. An iterative approach allowed successive design ideas to be layered in on top

of the ever-developing process model. Patient scenarios were used to test the evolving design, allowing

the team to walk through each step patients would encounter as they were admitted or treated.

Stakeholder involvement is critical to organizational redesign, particularly during the development

of the preliminary design, the new conceptual process model. To promote involvement and

stakeholder input, a display room was open 24 hours a day, seven days a week. From March through

July 1997, employees, patients, and physicians were invited to view the new preliminary design.

Feedback was encouraged and received, creating repeated design adjustments throughout the phase.

**STAGE THREE: DETAILED DESIGN**

From July through December the team drilled the new processes down to the lowest level of detail

as part of the third stage, detailed design. The new designs were rigorously tested through hours of

computer-based process simulation. Using simulation, the project team was able to model system

performance, running what-if scenarios to determine how long patients would have to wait to check in

for a clinic visit and what it would cost if they added additional staff during specified shifts.

It’s important to realize that redesigning the process meant redesigning all aspects of the patient

management system, including work flows, process performance measures, information systems, facilities

and space, roles and job descriptions, and organizational culture. Computers don’t simulate the

social system components, so stakeholder involvement was designed into the process every step of the

way. The communication plan consciously chose a variety of mediums to keep the information flowing,

including a newsletter, all-hospital forums, and presentations to the hospital steering committee (HSC).

**STAGE FOUR: IMPLEMENTATION**

In January 1998 the team began to prepare for stage four of the project: implementation. Significant

changes were required for the hospital computer systems. New software was selected to meet the

requirements of the new system design. New services were planned for rollout. Detailed comparisons

of the current process were made against the new design so that changes would be identified and documented.

Sequencing of dependent activities was determined and tracked on a master project plan.

With implementation under way, the hospital has already begun to reap the benefits of its new

Encounters patient management system. A more streamlined admissions process, including patient/

family valet parking, is producing increased customer satisfaction. The segments of referral processing

installed so far are already producing enhanced efficiencies during the patient check-in process.

**STAGE FIVE: CONTINUOUS IMPROVEMENT**

Seattle Children’s Hospital, like many organizations today, faced the formidable challenge of redefining

the organizational culture. It endeavored to develop new norms for promoting continuous learning

and continuous improvement. While continuous improvement is defined as the final stage of the

redesign life cycle, it represents much more than the completion of the hospital’s redesign project. It

represents the cyclical nature of an improvement process.

Encounters is changing both the processes and the culture of Children’s Hospital. The team attributes

its successes to many factors, including some of the universal best practices of project management.

**Sponsorship**

The Hospital Steering Committee (HSC), led by the hospital’s chief operating officer (COO) and medical

director, was visibly involved in the project. The members publicly supported the project by attending

project functions, feedback sessions, and design review sessions and by representing Encounters

to the greater hospital organization, including the board of trustees. The COO acted as the primary

contact point and was the most visible member of the HSC to the project and the hospital staff.

**Early Stakeholder Identification and Involvement**

During stage one, the team developed a comprehensive system map defining all process areas

impacted and the extent of the interrelationships. Most areas of the hospital were impacted in some

way. While the Hospital Steering Committee acted as the representative body for all stakeholders,

other stakeholders were clearly recognized and represented, including patients and families, physicians,

insurers, and employees.

**Communication Plan**

A communication plan supported the project from start to finish, identifying the different stakeholder

groups, their information needs, and the channels for reaching them. The channels ended up covering

the spectrum: visibility rooms, all-hospital forums, project e-mail, intranet updates, a newsletter, and

a 24-hour voice mail hotline open for project-related questions and comments.

**Team Building**

The project team was carefully selected based on members’ functional or technical knowledge and

prior experience working on similar projects. Initially, just a handful of individuals were working

together, but during the preliminary design and detailed design phases the team eventually grew to

more than 50 to 60 and edged up close to 100 at times. Experiential team-building exercises and

creative problem-solving training prepared them to think beyond the status quo and endure the challenges

of organizational and cultural change.

**Risk Management**

A consistent obstacle to organizational change is the fear and resistance people have to leaving old

ways behind. Encounters consciously addressed this risk by bringing in resources to assist the team

in defining behavioral and cultural change requirements that would support the new processes going

forward. Workshop sessions had also been held prior to this effort, which provided information and

practical tips for understanding the human side of change. These activities helped to make employees

aware of the dynamics of dealing with change and to understand how people move through the

change curve, thus helping them respond constructively.

**Detailed Planning**

Each stage of Encounters was progressively more complex and forced the team into areas beyond its

experience. To keep the project controlled and to support the team members who were learning while

performing, the project plans were broken into great detail, often listing task assignments day by day.

At times the amount of planning and oversight activity and project work grew so much that several

outside project management specialists were temporarily brought onto the project.

**Scope Management**

Organizational change projects are particularly susceptible to scope creep because they have so

many dimensions and touch so many parts of the firm. To fight this tendency, all the process design

deliverables were subject to rigorous change control, beginning with the project charter in stage one.

All requests for changes were logged and addressed weekly by a project oversight team consisting of

two process managers, the information systems director, members of the project team, and the project

manager.

**SUMMARY**

Health care is changing more rapidly than nearly any other industry. Seattle Children’s Hospital

and Regional Medical Center shows that dramatic change can take place and improve the service

provided to its young patients. Its success is testimony to the potential for the industry, the commitment

required from every level of the hospital’s staff, and the need for a structured and disciplined

approach to organizational change.

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