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About FYA

FYA - *For Your Advantage*, is a free twice - monthly newsletter published by TrendLeader Connections.

With every issue, FYA provides insights into the topics that concern healthcare leaders today and the challenges that will be faced in the near future.

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Who Comes First: Employees or Customers?

By Fred Lee

A legitimate concern of a great service organization is that trying to please employees can sometimes run counter to pleasing your customers. Which comes first?

Let me offer an example. Hospitals often set up committees to make suggestions for improving employee morale. Many times their recommendations include relaxing dress codes. They may reason that the dress code is too conservative. That people should be free within reason to dress as they please. That clothes do not make the person and regimentation is stifling. That there is no consistency in the current policy anyway. That managers don't like to enforce dress codes and employees resent it if they do. So the logic goes, and it's easy to be persuaded.

A compromise motion seems to come out of these committees with some regularity. In most places it's called "casual Fridays," and is common in many companies. If we don't want to loosen our daily dress code, why don't we at least give people their freedom of expression one day a week? Is that too much to ask? We have read in the media how effective this seems to be for boosting morale in other workplaces. Why wouldn't it do the same for us?

Guess what the Disney organization would say to such a request? The same thing hospitals need to say: "Guests who come on Friday are just as important as those who come on Monday. For them it could well be their only contact with our company. What makes the impressions of one-seventh of our customers less important than the rest?"

Of course even the most dedicated people can be persuaded to adopt a misguided idea. When you consider where the idea comes from, it is easier to understand why many get drawn to something that seems so harmless. The technological revolution of the last two decades has been stunning. Those of us in the service sector have watched with envy as employees in hundreds of Silicon Valley start-ups and dot-com ventures became rich overnight. Talent from all over the world

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Who Comes First: Employees or Customers? (Continued...)

flocked to these companies, where they reported being so energized that they worked day and night for the success of their venture. Morale in these places soared, and so did creativity and drive. Everyone wanted to be part of something exciting. The media wrote endearingly about the free-wheeling cultures that allowed people to think and act outside the box. We read about how liberating it was for employees to come to work in frayed shorts and a tee shirt if they wished. How nobody ever wore a tie and you could wear nose rings or sport tattoos or let your hair grow as long as you liked. We were given to believe that this helped free the human spirit that was so stifled in the uptight cultures of traditional corporate America.

Any hospital employee, or Disney cast member for that matter, could easily be persuaded that freedom from dress restrictions would have a positive impact on morale. After all, look what it is doing in these exciting places. But in all the praise about these unfettered cultures, we can easily lose sight of the single biggest difference between their customers and ours: Their customers never actually see their employees. How people look to each other in a workplace where customers

do not see them doesn't matter much. If an insurance company wants to have casual Fridays or abolish the dress code, who cares? Their customers are on the phone, not sitting or lying in front of them. If a web-based catalog service has scruffy-looking employees, what does it matter? They do not see each other face to face. Customers do not walk down the halls of companies where employees are writing software. They do not rub shoulders with service-center personnel when they are online about a computer problem.

But that is not the way it is with our patients in the hospital, or Disney's guests in its resorts and theme parks or Marriott's patrons in its hotels and restaurants. Here, the customer comes face to face with the employees who represent the company, and their first impressions are often their most lasting impressions.

Fred Lee is a highly popular speaker; and the author of "If Disney Ran Your Hospital." His book was named the 2005 book of the year by the ACHE.

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Profits for Not-for-Profits

By Rick Kneipper, Chief Administrative Officer and Co-Founder of PHNS

What a difference a year makes. During the last two years there were predictions that the recent relatively good financial times for not-for-profit hospitals were going to end. In November 2005 my *FYA* column stated that "The outlook for many struggling not-for-profit hospitals for 2006 and 2007 is rather bleak according to an October 2005 report by Standard & Poor's, the credit rating agency." But last week Standard & Poor's said that it expects the financial results enjoyed by not-for-profit hospitals during 2006 will continue to be positive in 2007 and possibly 2008, despite growing financial pressures such as increasing federal and state reimbursement cuts.

Standard & Poor's reported that its number of increased not-for-profit hospital ratings in 2006 exceeded its number of lowered not-for-profit hospital ratings, which may continue into 2007. The rating agency stated that the principal drivers of the favorable financial results in 2006 for not-for-profit hospitals included favorable managed-care pricing, outpatient and other business growth and continuing focus on improving operating conditions.

But despite the relatively rosy financial picture painted by Standard & Poor's, hospital chief executive officers still say that financial challenges are their major concern. According to an annual survey by the American College of Healthcare Executives, 72 percent of hospital CEOs ranked "financial challenges" as their number one "top concern" in 2006. That's not surprising given the continuing and increasing series of efforts by federal and state agencies to reduce the amounts being paid to hospitals under Medicare, Medicaid

and other reimbursement programs. In addition, hospitals are facing rapidly increasing labor and supply costs, as well as increasing costs for skilled managerial employees.

The good news is that these negative predictions can be mitigated or eliminated by "well-positioned organizations with nimble and proactive management," according to Standard & Poor's. In fact, many hospitals are taking advantage of these relatively good financial times to increase their capital spending, expand their facilities and increase their debt. So, what's your hospital projecting and planning for 2007 and 2008?



I would like to hear your comments.

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About

TrendLeader Connections

FYA - For Your Advantage is brought to you by TrendLeader Connections. The function of TrendLeader Connections is producing educational materials and seminars that help healthcare executives differentiate between fads and trends; and making connections with "Trend Leaders" within the healthcare industry.

We are committed to delivering new perspectives and ideas, creative and innovative healthcare solutions, provocative concepts and quality educational materials to today's healthcare leaders. We want to concentrate on "what comes after what comes next."

Internet Has Changed Patient Management of Healthcare

A sizeable group of Americans report in just over a decade the Internet has changed the way they manage their health and helped make them healthier. But they complain that physicians have not really embraced e-health and aren't offering the online health services that they want.

One in three Americans report that the Internet "has changed the way I go about managing and maintaining my health," according to an Illuminas study commissioned by Cisco. Sixty-Two percent reported they have used online health tools and more than half, 56 percent, reported an improvement in their health management due to personal technology.

In addition, nearly one in four of Americans reported that they were a healthier person today because of the Internet. The Internet has rapidly become a primary source for health information and advice, even rivaling the family physician. When asked what sources they were likely to go for information and advice, 62 percent said their physician. However, 44 percent said medical Web sites and 32 percent said online search. In fact, the Internet accounted for three of the top five sources of information.

While many Americans said they use the Internet to manage their health, they also reported that most physicians appear slow to utilize it. Sixty-two percent said that their doctor does not offer Internet-based tools such as the ability to directly e-mail them, schedule an appointment online or check a web site with information on the practice or doctors credentials. And only 27 percent responded that medical providers have fully embraced the Internet to deliver health information and services.

The survey also uncovered a significant disconnect exists regarding what online tools consumers want and what doctors are offering:

- Forty-five percent of Americans said they would like to be able to directly e-mail their doctor. But only 11 percent of respondents said their doctors make themselves available via e-mail.
- Thirty-four percent said they would like to be able to access lab results via a secure Web site. But only seven percent of respondents said they had that option.
- Thirty-three percent said they would like to schedule an appointment online. But only nine percent that online appointment scheduling was available to them.

Other highlights from the Illuminas study include:

- As mentioned, 62 percent of Americans said they have used online health tools. Here are the top five they are most likely to use those tools to do:
 - Access symptoms and diagnostic information: 33 percent
 - Access general wellness and fitness information: 30 percent
 - Attempt to self-diagnose: 23 percent
 - Manage prescriptions: 15 percent
 - Health assessment to self-assess health: 15 percent
- Many Americans see high value in online health tools. Forty-seven percent said that "online tools and information empower me to better manage my health and well-being" and 43 percent said "online health information is an important part of my personal health management." Of those who said that information technology has improved their health management, 80 percent said it was due to access to information.
- Those with chronic illnesses are more likely to use the Internet for health purposes and report it has improved their ability to manage their health. Specifically, 63 percent of those with chronic illnesses said it improved their health management. Twenty-seven percent reported that their primary goal for using online tools was to become an "equal partner with my care providers in making my health decisions."
- Those with chronic illnesses were also more likely than others to report that the Internet had changed the way they go about managing and maintaining health. Forty-one percent credited the Internet with changing the way they approached their health care.
- Lingering concerns remain about whether online health tools are secure. Thirty-nine percent reported that a key hurdle to using personal technology to manage their health was a concern that their private information would be released. Thirty-eight percent were concerned that their identity would be stolen or abused. And 24 percent are concerned that private medical information will be used to discriminate against them, and that concern jumps to 31 percent among those with chronic illnesses.

The Illuminas survey of 4,105 adults was conducted between January 29 - February 14 and has a margin of error of +/-1.5 percent.