National Rehabilitation Hospital

Cultural Transformation through the “New Value” Process:
The National Rehabilitation Hospital Story

Impetus
In 1995, National Rehabilitation Hospital (“NRH”) underwent a restructuring and downsizing which resulted in employee distrust and increased patient complaints. Two years later, in order to address these issues, NRH implemented a “Patient First” initiative whereby employees were trained on guest relations. Patient First was viewed as “just another project” and lost momentum.

Then in 1999, NRH set out to adopt Andersen’s Value Dynamics™ philosophy by investing in its intangible assets (such as customers and employees) to improve the value and performance of the organization. NRH believed that clinical quality was extremely difficult for consumers to understand and determine. It concluded it needed to differentiate itself by focusing on the service delivered to its external customers instead.

What follows is the story of their remarkable success...

Goals of the “New Value” Process
By recognizing the value of its human assets – customers and employees—and by investing in these assets, NRH sought to be the rehabilitation provider of choice for all individuals. To increase the satisfaction and loyalty of employees and customers, NRH engaged Andersen to facilitate this cultural transformation which became known as the “New Value” process.

The Bottom Line - Results To Date
With the investment in customers and employees, NRH has been successful at improving its relationship with employees, physicians, and customers. Specifically, “Union employees voluntarily initiated a vote to decertify their union. “When management listens to you, you don’t need a union to represent you.”

- A dramatic 40% reduction in turnover. (35% to 21% in two years).
- Inpatient satisfaction has increased from 93% to 96%. 60% of inpatients rate NRH as excellent while 86% of outpatients rate NRH as excellent.
- Employee satisfaction has substantially improved in all categories over a six month period
- Employees feel “senior management cares about its employees” – from 39% to 59%
- Overall satisfaction with NRH” has increased from 52% to 72%
- 84% of employees “would recommend NRH services to a friend or family member” compared to 66% six months prior
- 92% of employees “know what is expected of them to perform their job successfully”
“Andersen was instrumental in leading us through this process. We simply couldn’t have done it without them. I would highly recommend them to any organization – except our competitors.”

– Doug Shepherd, COO

“Like a personal trainer, Andersen forced the entire leadership team to commit, stay on task, and walk the talk. It was really hard work, but it was well worth the effort in the results we achieved.”

– Ed Eckenhoff, CEO

**How NRH Achieved the Results**

With the assistance of Andersen, NRH launched the “New Value” process, which focused on the intangible assets of customers, employees, and underlying processes. NRH senior management was committed to living out their credo, “Adding Life to Years”, and their service vision, “Every patient encounter will be a life-enhancing experience that builds toward a lasting relationship.” With Andersen’s help, senior management realized that this must be translated into specific actions and behaviors lived out daily by everyone in the organization from the CEO to physicians to nurses to housekeepers.

NRH leadership realized this could only become a reality by transforming its culture and operations around the tenets of employee and customer service excellence. This cultural change began with the commitment and alignment by the entire senior leadership team and was led by the CEO, COO and Medical Director. NRH engaged Andersen to serve as a partner in guiding the design and implementation of all phases of this bold initiative over a fifteen-month period of time.

In early 1999, senior management attended a 3½-day course at the Disney Institute that was co-facilitated by Andersen and Disney. Senior management was inspired by this experience which showcased Disney as a world-class leader in demonstrating how investing in employees can lead to building a fanatically loyal customer base which drives repeat business and financial success. NRH sent several more teams of managers and front line employees to attend additional offerings at Disney Institute, in order to build commitment and passion throughout the organization. These forty “graduates” of Disney Institute became champions of the New Value process, which further leveraged management’s ability to be successful.

Andersen and NRH established nine task forces with a clearly delineated charge. Each task force was composed of a member of senior management, who chaired the committee, one physician leader, an Andersen facilitator and other NRH employees. Task Forces were formed around the following five pillars, the foundation for enabling their employees to carry out the NRH service vision.

- Define and reinforce a positive culture – including staff orientation, handbook, and service behaviors.
- Select for “right fit” – including the creation of a pre-application video, hiring for attitude, new name badges, and a new, clearly articulated dress code.
Train, coach and empower – including standardized job descriptions, communication of expectations, and intensified investment in training to develop their entire workforce and transform them into individual “service heroes”.

Inform and inspire – including variety of communication vehicles to the point of saturation.

Provide a caring environment – including reducing administrative hassles, reward and recognition programs, and a variety of listening posts to actively solicit employee feedback.

Additionally, Andersen worked with other Task Forces to support this process including:

- Customer experience, touchpoints and processes – Create the ideal customer experience and develop implementation plans for all eight touchpoints of the typical inpatient experience.
- Physical setting – Create a setting that supports a “life-enhancing” experience for customers and employees alike.
- Benchmarks, goals and measurement – Develop measurement and feedback systems to monitor operational processes and drive new value achievements.
- Value growth strategies – Capitalize on market opportunities and strengthen physician relationships to drive positive, long-term sustainable growth in market share.
- Continuous care – Assess financial and service implications of moving to a 7-day clinical operation to ensure care is consistent and satisfies physician and customer needs.

In summary, the net effect of leadership’s determination to invest in their intangible assets through the “New Value” process has resulted in the building of fanatic loyalty from their customers seeking out NRH as the destination of choice. This was built by first transforming NRH into the employer of choice for healthcare in the DC-Baltimore corridor.

“Value Dynamics served as the focal point to engage our entire team around the need to invest in employee and customer relationships.”

- Dr. Debra Lewis, Vice-President, Human Resources

“The Value Dynamics framework gave me new insight into understanding how intangible assets could be linked to tangible financial outcomes.”

- Dennis Werner, CFO

“The outcomes we attained through the Andersen approach helped revitalize my commitment to medicine.”

- John Toerge, D.O., Medical Director

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