

Pride and Joy

Alex Knight

Book summary



Pride and Joy is a business novel about the implementation of the Theory Of Constraints (TOC) in the hospital sector. It teaches how to help a hospital by improving the quality of patient care while improving its profitability at the same time.

We follow the adventures of Linda Seed, who is in charge of a hospital in the United Kingdom and was recently appointed interim CEO, after the dismissal of her predecessor. Her challenge is to quickly reduce the hospital's deficit while fully preserving the quality of care. Of course, putting patients' lives at risk is out of the question.

This book will fascinate any manager in the healthcare industry, used to cost-driven policies and tense situations. It deals with an aspect of the Theory of Constraints that is not often mentioned, in a very particular context where lives are at stake.

More generally, the novel describes the implementation of the Theory of Constraints in services. The Theory of Constraints is therefore not limited to the industrial world, although it became notorious thanks to the novel *The Goal* by Eliyahu Goldratt, which takes place in a factory.

The author of *Pride and Joy* is Alex Knight, a consultant specializing in the healthcare sector. He has done many implementations of the Theory of Constraints, working on the few capacity constraints that prevent more and better care.

Like the best-seller *The Goal*, Alex Knight offers a didactic novel in which the main character is helped by a mentor to face a crisis. The reader discovers step by step the intellectual path to develop and implement an improved method for hospitals.

1. Context and implementation of the Theory of Constraints in hospitals

1.1. Context

Linda's day-to-day life is becoming increasingly tumultuous: the hospital where she works is not profitable and faces constant crises due to medical errors. The situation is critical and the hospital always seems to be full of patients waiting to be examined or treated.

She then learns that her boss is going to be fired and that she will have to replace him on an interim basis waiting for a replacement to be named. Linda is left with a few months to try to keep the hospital afloat, her future depends on her results. An old classmate, Stevie Vokes, reappears in her life and introduces her to the Theory of Constraints.

1.2. State of the hospital and problems encountered

Linda Seed's hospital suffers from many ills:

- There is a lack of beds: there never seem to be enough beds to care for patients undergoing treatment or to accommodate emergency patients who need them. Increasing the number of beds would inflate the hospital's expenses, which is impossible in the current deficit situation.
- A second problem is the fatigue of hospital staff. The overtime only increases this fatigue, at the risk of causing errors in judgment, with serious consequences for patients.
- Finally, each department operates independently of the other departments, while sharing some resources. There is a lack of communication between the different departments and the improvement objectives are local objectives. These silos between the different professions are also found between the management teams and the medical teams who do not work towards the same objectives and do not necessarily understand the difficulties of their colleagues.

To solve this problem, Linda calls upon the services of Stevie, a former colleague. They carry out a diagnostic of the hospital and identify the 3 key indicators to follow:

- **Quality of care** must not deteriorate.
- **Finance** to prevent the hospital from going bankrupt.
- **Operational performance**, to guarantee that a patient will not wait longer than he should, but also ensures that all the scheduled appointments are honored.

Based on the observations, the protagonists imagine solutions to improve the conditions of the hospital while seeking a win-win-win approach.

1.3. Changes implemented

Linda sets out to find the various bottlenecks in the hospital. To do this, she starts by trying to break down the organizational silos between the different departments, improve patient flow and remove all the indicators which focus on local performance.

The initial approach consists in following each patient with a basic schedule. This schedule, which summarizes the main stages of care, is established by the doctors at the time of admission and contains only the patients' core medical needs. The department representatives monitor and comment on the schedules to check if they treat the patients on time.

When a patient's care is delayed, teams record the cause(s) of the delay in a shared tool. All of this data is concatenated so that solutions can be sought for the most frequent causes.

This approach initially faces strong resistance, but it finally improves the operational performance. The objective is to limit the patient's length of stay to a strict minimum. It also enhances the quality of care (the patient receives his treatment quicker) and reduces costs since treating more patients with the same resources also increases the hospital's revenue.

The schedules built by the doctors are based on the Critical Chain Project Management approach, a component of the Theory of Constraints.

The deployment of this method is initially limited to a small perimeter. But it is quickly generalized thanks to word-of-mouth and the spectacular results of the first weeks.

Once the entire hospital has converted to this new management approach, it became apparent that the structural bottleneck in the organization, the constraint that prevented more patients from being admitted, was the availability of beds. With the constraint identified, Linda and her teams begin to manage the hospital around this major constraint. The goal is to free up as many beds as possible to take on more patients.

1.4. Results obtained

All of these changes have a very rapid impact on well-being at work. The first successes cheered up all the teams and they became the driving force behind the proposals. The changes are driven by the medical team.

Another beneficial impact appears on the emergency department which, formerly saturated, has become more serene, in particular thanks to the management of available beds, but also thanks to a "virtual interdepartmental team" that can be set up at any time, in the event of a heavy influx in A&E.

The system that used to be focused on narrow goals is now patient-centered and seeks first and foremost the patient's rapid recovery with the best possible quality of care.

The decongestion of the hospital makes it possible to offer more specialized care and therefore more profitable for the care institution. The hospital is seeking to strengthen its position in this sector and to promote its expertise.

2. « Strategy and Tactics » building for the Hospital System

2.1. Raising the bar

Given her impressive track record, Linda Seed hopes to keep her job.

But it is a big disappointment when she learns that she does not. However, her employers push her to think bigger: try to reproduce the results obtained at her site in all the other hospitals of the group.

Her new position is more complicated than she expected. Many hospitals are reluctant to change and she is only able to get half-baked results in hospitals that – like hers previously – are on the verge of bankruptcy and willing to risk everything.

2.2. Development of the « Strategy and Tactics »

Facing this new challenge, Linda Seed receives help from Stevie Vokes who introduced her to "Strategy and Tactics", a tool from the Theory of Constraints. The goal is to build a tool that can be replicated and achieve similar results in any other hospital site, regardless of size or location.

The idea is to build a tool that Linda and Stevie will present to the Minister of Health.

3. Conclusion

This book proposes an innovative approach to deploying the Theory of Constraints to improve performance in a non-industrial environment. Concrete and elegant solutions are presented that the reader can quickly implement. Alex Knight also breaks the management triangle of cost, quality and time paradigm and proposes a solution that improves the quality of care received while going faster and making profits.

In *Pride and Joy* Alex Knight uses many elements of the Theory of Constraints such as the Critical Chain Project Management and the Strategy and Tactics tree.

While *Pride and Joy* is aimed at doctors and managers from the hospital environment, the lessons learned and the approach used will benefit other industries.

The symptoms differ, but the causes are similar.