

A culture of innovation pays big at Memorial Hospital



Philip Newbold

Philip Newbold, president and CEO of Memorial Hospital in South Bend, is on a mission to create a culture of innovation at his hospital. “We spent a good deal of time visiting organizations that are really good in innovation – Nike, Microsoft, Proctor & Gamble, Whirlpool, DuPont, Gore – people that have a long track record,” he says. “We found that any organization that is going to be viable for the future has to have three core competencies:

- World-class quality,
- Astonishing customer service,
- Constant innovation — a flow of new ideas, products and services, and a culture of innovation and imagination.

“We (in the health care industry) do quite a bit on the quality and service side, but we really don’t have the same commitment to tools, methodologies and funding on innovation. So we began four or five years ago to get very, very serious about that, just like we do quality and service, and I think that’s true across all of health care today. ... Health care is beginning to say we need more innovation, and that means we have to adopt tools, methodologies and processes, and begin to reexamine and rethink every aspect of our enterprise. Innovation gives us tools, thinking and a culture that lets us create things that have never been possible before.”

According to Newbold, it takes two or three years to create a culture of innovation where people anywhere in the organization can champion new ideas, new processes and new thinking.

“A lot of what we do around innovation is experimentation,” he says, “trying new things. If you don’t have a culture that will support that, if you don’t have people who are comfortable trying new things and new processes, you’re not going to be very successful.”

Among Memorial Hospital’s notable innovations has been its launch of Med-point Express, the first urgent care center in a Wal-Mart in the United States, on Labor

Day of 2005. “We see that as the beginning of an enormous retail medicine boom across the country. Retail clinics are showing up across the country in big box retailers like Wal-Mart, Target and Meir. We see them in CVS and Walgreens, and we’re beginning to see them in grocery stores as well. We had a chance to open the first one. We’re expanding that into the Indianapolis and Cincinnati markets right after the first of the year.

“That’s an innovation where you put a nurse practitioner in a retail setting, and they treat 37 or so common ailments and provide immunizations. It’s an opportunity to get people into a health care system at a very low price, with convenience as well as fast service in a way that’s never been possible. That’s what innovation does. It begins to open up new markets and new opportunities for you.

“Another example is we’ve partnered with DuPont to adopt a number of their safety principles. DuPont is the safest company in the world. They are working with us to make many of our processes and our culture as safe as possible. They’ve been a tremendous help. So here again we’re going outside health care to organizations that have developed extraordinary capabilities and brought that into health care. The whole basis of innovation is to go find good ideas and practices and bring them into your organization and put them to work.” The result, according to Newbold, is a dramatic reduction in errors and injuries to employees.

To encourage a culture of innovation, Memorial immerses its staff in innovation awareness and training so they can spot opportunities. “Sometimes it’s at the senior management level, often it’s front line people and clinicians that see something or learn about something in another industry,” says Newbold. “They have the budgets, encouragement and incentives to go out and find innovative ideas and bring them back. The idea is to have innovation everywhere and with everybody so your

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eyes and ears are all over the organization. It's not just one or two or three people in your organization. People like working in organizations that value their good ideas, and that affects things like turnovers and vacancies as well."

He cites three steps to the innovation process:

- First, go out and try something new on a small scale.
- Second, demonstrate whether the innovation really works and achieves widespread results.
- The third piece is to determine if the innovation can be replicated on a larger scale either all over the organization, all over the community or all over the country.

"Some of the things we do – like Medpoint Express – have the potential to become national products or national brands," Newbold emphasizes. "They get prototyped, tested and all the bugs worked out here, and we're able to extend them to other markets with the Internet and all the connectivity and so on.

"You're going to see hospitals become less local, more regional and in some cases more national. We really don't have too many national brands yet. If you look at Mayo Clinic, Cleveland Clinic and some of those, they are trying to become national brands. And, of course, we're trying to do the same thing on a more regional scale.

"You have to have an entrepreneurial approach," Newbold says. "You have to use innovation very effectively, but also be sure you do a few things very, very well. You know what your core competencies are and almost always we hook up with good partners. For instance, we're not that good at retail, but Wal-Mart's really good, so you hook up with them. And again, DuPont's really good on safety, so you hook up with them. That's the marrying together of strengths, and I think that's going to be a very good thing for all the life sciences." ■

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