

How Labor Cost Issues Originate

Most hospitals that experience financial trouble get there one step at a time, one decision at a time. Labor, at any hospital, is the largest ongoing expense. It trickles out of control. Seemingly little things that hardly anyone notices just drift into the organization until there is urgent need for immediate action. Too many respond with the easy response – a massive staff layoff. In the end, however, this does not solve the issue because unproductive processes with fewer people lead to failure.



The Compass Clinical Consulting approach can take 3% to 5% out of staffing costs for most hospitals – without disrupting the organization and without large public layoffs. Though we are focused on hospital labor cost reduction, it is through changes in inefficient processes, implementation of tools, policies and procedures, education and instilling accountability throughout the entire organization that we help you accomplish a reversal of the problems that have led to higher-than-necessary staff expenses.

Why Do it the Right Way?

Here's the response from one Compass client:

“Bringing in outside consultancies is a good thing because they can see things that we can no longer see. We take our world for granted. Problems are no longer visible since they become so much a part of the fabric. Compass came in and talked about the problems and how to fix them so we could get over the hump together – people, processes, procedures, policies, expectations.

We went about developing initiatives and programs to hit targets that were appropriate for our organization. In the end, there was no surprise that we did hit those targets. And the pride of the people in our organization leaped because they were part of the transformation.”

Call Shawna O'Neill or Eric Dam about Hospital Labor Cost Productivity at (513) 241.0142.

We assist hospital leaders in achieving better clinical performance at lower cost by utilizing productivity processes and management tools that ensure sustainable gains, year after year – amounting to multiple millions of dollars that can be utilized to strengthen the entire organization. The infusion of accountability for hitting targets accelerates the implementation and overall change process that leads to immediate and long-term success.

Even if you do not have consulting dollars built into your current budget, the typical savings of at least 3% to 5% on payroll expense more than compensates for the consulting cost (an ROI minimum of 10:1).

What if You Already Have a “Productivity System”?

Compass Clinical Consulting can either develop a new productivity system or work with your current system to close the gaps in implementation, reaffirm targets in specific areas, and link labor cost management to the budgeting process. Our process provides the education, personalized coaching and skills development on the use of management tools to reduce anxiety, resistance and turmoil.

Compass Labor Cost Management Services

- Comparative data review and target setting
- Comprehensive, interviews, assessment and implementation plans
- Implementation and milestone reviews with project teams
- Final project report with key learnings
- Annual progress checkup

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