

# The Power of One Idea

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**M**ethodist Le Bonheur Healthcare is a Memphis, Tennessee-based integrated healthcare delivery system with six hospitals and a full array of outpatient services. It employs more than 12,000 associates and has 2,000 affiliated physicians. When it comes to innovation, leaders look to this talent pool for fresh ideas that could support the continued success of this \$2.6 billion organization. In their view, if each person were to offer one suggestion for improvement, there would be 14,000 ideas just waiting to be tapped.

Although some may consider the thought of evaluating 14,000 ideas impractical, our well-defined mission, culture, and values, which guide our daily work, embrace the power of ideas. As such, the key tenet of our culture is grounded in what we have defined as “The Power of One”: a belief that each of our associates has the power to make a difference in the care and service we provide our patients and their families. This concept goes back more than 100 years, when the actions of one individual led to the formation of our organization.

In building on our Power of One culture, the MLH board approved creation of The Power of One Idea program. It is a Web-based, system-wide initiative that encourages associates to generate feasible ideas for reducing operational costs and increasing revenue while improving patient safety, quality of care, and service excellence. Both system leadership and the board preferred this approach of removing waste and instilling a discipline of cost efficiency to cutting costs through reductions in workforce or valuable programs. Regular updates on The Power of One Idea program are provided bimonthly to the board and to the finance committee of the board.

Grounded in our values of innovation and personal accountability, the initiative’s objectives are to increase associates’ engagement and understanding of cost-savings opportunities in their work areas, recognize and encourage innovative practices, and



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realize significant operational savings through increased efficiencies.

Here’s how the program works: Associates enter their ideas online into The Power of One Idea Web site. Each idea is then evaluated through an approval process that includes managers whose departments or

units would be affected by the proposed change. All ideas are examined thoroughly, and detailed process changes are suggested, where appropriate. Additionally, a team projects the potential return on investment. Lastly, each facility’s CFO validates the estimated savings before giving it final approval.

Upon initial submission to The Power of One Idea program portal, a site coordinator is assigned to serve as an internal consultant to the ideas team and to connect the team with appropriate subject matter experts. Thus, the importance of resource specialists to whom the team can turn with questions cannot be overemphasized. In addition, a team coordinator keeps the idea moving forward. Based on submissions to date, resource specialists from finance and purchasing have been most consistently involved in scoping and implementing the approved suggestions.

The coordination of multiple departments in gathering all required information and preliminary department-level approvals was initially time-consuming but has been easily manageable without hiring additional staff. With this work, the health system has taken a strong step toward “systemness” by standardizing process improvement across six different hospitals and has nurtured an innovation mindset.

The Power of One Idea program has now become a standing update for each bimonthly board report by the CEO. Further, the board has formed a new *ad hoc* body—the strategic collaboration committee—specifically to discuss new opportunities and initiatives for consideration. Ideas

## Key Board Takeaways

It is important that hospital and health system boards be knowledgeable in evaluating strategic systemwide initiatives to ensure management accountability and outcomes. Following are ways in which the board can participate:

- Ensure that ideas have been fully financially and operationally vetted by management.
- Be alert to opportunities to implement ideas from a systems perspective, expanding beyond a departmental or facility solution to apply a concept across the entire organization.
- Ensure ideas remain consistent with the organization’s mission, vision, and values.
- Demonstrate that the boardroom values innovation and remain open to challenging the status quo with new approaches that can yield significant benefits.

with systemwide implications or significant opportunity will be reviewed with that committee as part of the approval process.

## Establishing the Idea Structure

Instead of creating a new position to support the ideas program, the process improvement manager in the office of performance improvement and innovation oversees the initiative. The program director’s primary responsibilities are to raise awareness of the initiative, identify site coordinators, and assist in moving the ideas through stages of development and approval. By using a Web-based, on-demand software solution, start-up costs were minimal, and very little administrative oversight has been required to ensure operability of the site.

The program is self-funded, with savings in operational costs covering all program expenses. For each idea implemented, 10 percent of first-year annual savings are returned to associates who submit ideas in the form of a cash incentive. The remaining 90 percent goes to the health system. After the first year, all savings from the idea go directly back to Methodist Le Bonheur Healthcare. The board has been especially supportive of allowing associates to share in the financial benefits they have identified.

## Achieving Early Wins

Soon after the program began, several ideas hit home runs, including one for a medical device that fell outside of our

group purchasing contract—cochlear implants. The small department that provides audiology services knew its ongoing financial losses threatened the sustainability of the program. In response, staff members suggested that rather than continue to lose money on each procedure, team members should approach a couple of the device manufacturers for further price negotiation. Frontline technicians coordinated their idea with the director of rehabilitative services and an audiologist. The result: The purchasing representative successfully negotiated a cost that would ensure enough revenue to keep the program going, not only enabling continued provision of this important service, but also saving the system nearly \$500,000 annually.

Other ideas came from pharmacy staff, who identified significant savings for heparin management and medicines used in “sinus cocktails;” the IT department, which identified opportunities for printer cartridge savings; and the surgical team, which formulated a new cost-saving process for OR drapes.

While a couple of suggestions have each yielded more than \$1 million in cost reductions—the largest was \$1.7 million—the average benefit per idea is around \$125,000 in annual savings.

### **Getting the Word Out**

The Power of One Idea program is promoted through a variety of communication vehicles, including informational posters and announcements on our intranet. Success stories are recognized in our weekly corporate newsletter.

The importance of the program—and incentive opportunities for associates—is reinforced at each quarterly town hall meeting. Despite these efforts to promote the program, only 2.2 percent of associates have been participating, which is considerably lower than our goal of having 10 percent of the workforce submitting ideas. The program has been successful in keeping the focus on the quality versus quantity of the suggestions received, with about a 34 percent approval rate.

The cost-saving advantages to MLH have been a welcome benefit. Since the program’s inception in 2014, the ideas submitted so far have generated more than \$8.11 million in system savings—money that we can use to continue to provide exceptional care to our patients and their families. The 264 associates who submitted those ideas have shared nearly \$1 million in return.

Beyond the tangible benefits around the cost savings we’ve experienced, and perhaps more important, are the intangible and cultural advantages. Associates at each level of the organization now share responsibility for sustainability, and their insight has expanded leadership’s perspective in spotting waste within our system. ●

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