

## Background – Regulatory cuts necessitate intensified focus on efficiency

Cost pressure in the healthcare system is being passed on to the medical technology sector with increasing frequency while at the same time growth is slowly leveling off due to increased market saturation. As a result, there was virtually only one way left for our client to ensure profitability over the long term and that was with an efficiency program geared to sustainability that saves costs in an intelligent way. Thus, the program was to carry out an holistic optimization today in order to be prepared for the future, as opposed to possibly being forced to cut costs at short notice at a later stage

## Project approach – Collectively identified optimization levers are set and implemented in (sub) projects

In order to achieve a sustainable and intelligent increase in efficiency that did not involve the one-size-fits-all approach, the first step involved identifying areas, functions and overarching initiatives with optimization potential. This step was also explicitly about uncovering potentials at interfaces between areas and functions as well as overarching regional and business topics. Since these areas are often disregarded in short-term optimizations, the greatest potential is often found here for both cost reduction and for improved collaboration and cooperation. In a second step, more than 20 (sub) projects were set up for the topics identified in an effort to link optimization ideas with specific individual measures.

## Finding – Consistent inclusion of the decentralized units ensures the success of the project

A collective and cooperative approach was chosen to identify improvement areas. The inclusion of the decentralized units and the people responsible was a crucial factor in the success of the project. To begin with, topics were discussed and agreed upon ; only then was each topic designated a project leader as well as a corresponding target . This led to a high level of acceptance and commitment within the organization. What quickly became clear is that a project structure set up in a decentralized way with a central project management office can stimulate cooperation between individual areas. Barriers that have often become entrenched over time could be overcome in this way. Furthermore, findings show that interfaces between areas and functions in particular hold the greatest untapped potential. Moreover, consistently tracking the financial effects in a control process ensures that the identified potential is fully realized.

## PROJECT RESULT

- Installation of a project structure with more than 20 decentralized (sub) projects
- Sustainable cost reduction of over US\$ 300 million along various areas and functions