



Frenken**linik** 

Für Sie und Ihre Zähne

Roger Harr

FRENKENKLINIK®, CH-4435 Niederdorf



15 Years Business Excellence

www.frenkenklinik.ch

Goal

Showing ways of success in tomorrows hyper competition



1. FRENKENKLINIK

2. Paradigm shift in society and and environment in Swiss dentistry

3. What FRENKENKLINIK achieved with Business Excellence

4. Opportunities and challenges

5. Summary


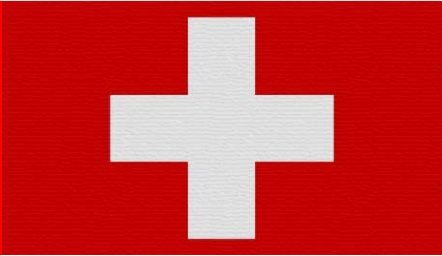
1. FRENKENKLINIK®



1. Turkey/Switzerland

Don't compare apples with pears!



		
Inhabitants Factor 0.5	Istanbul 15 Mio	Switzerland 7.7 Mio 23% not Swiss!
Dentists Factor 3.7	Dentists in Istanbul 5'000	Practices + Clinics 5'800 → 9'500 Dentists
Average Income Factor 7.3	Istanbul 8'000 €	Switzerland 58'000 €





1. FRENKENKLINIK®



1. Catchment area:

- Land clinic → Niederdorf has only 1'800 inhabitants
- Regional income is 40% lower than average Swiss income

2. Clinic data:

- Foundation of the clinic: 1984
- Today 30 employees (6 dentists, 6 hygienists)
- ~80h/week open
- Technology: Fully digitalized, paperless, DVT

3. Professional notes (95% of patients are direct payers):

- Family dentistry
- Prophylactics, surgery, implantology

4. Management system:

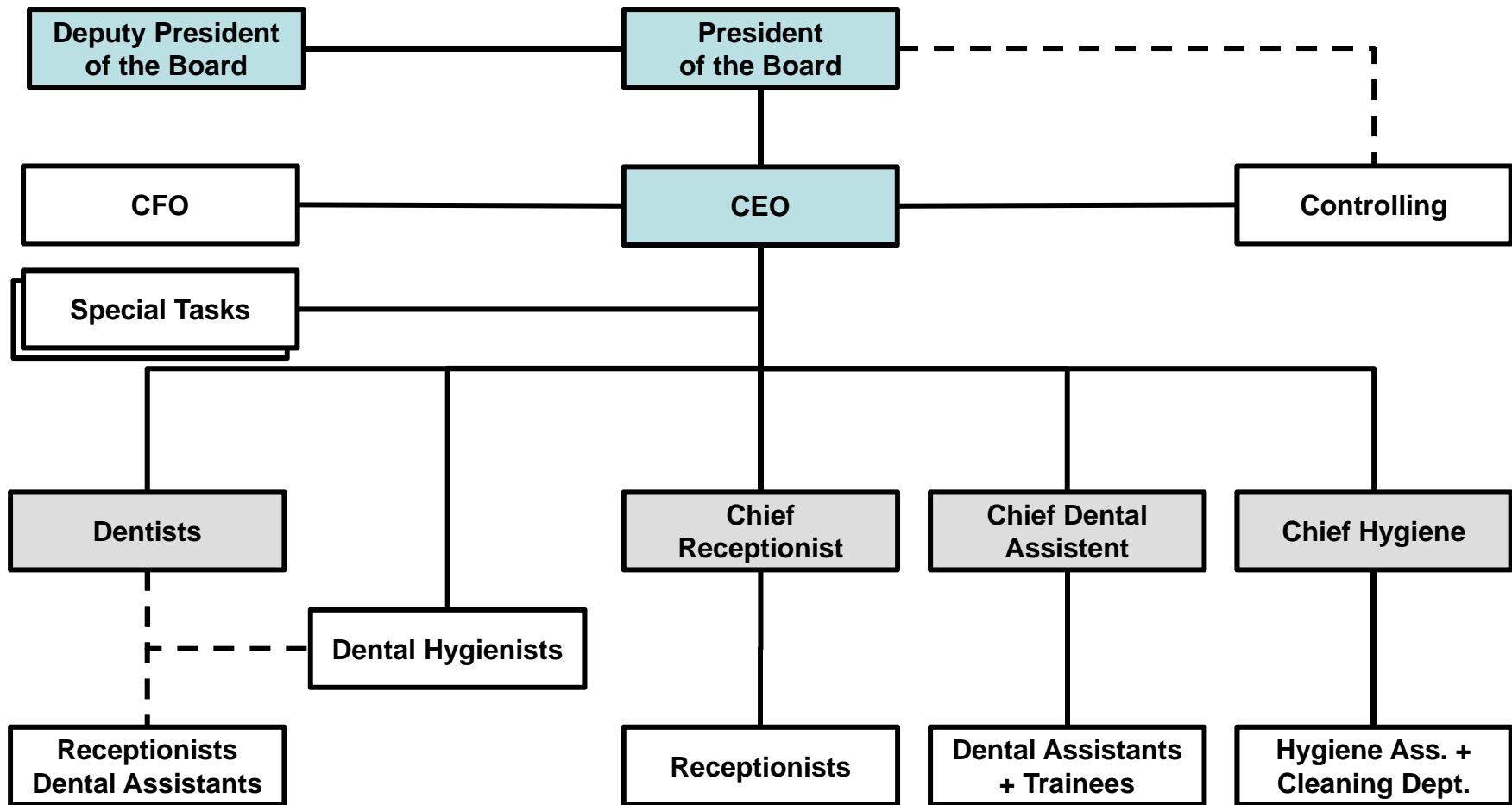
- Certified ISO 9001, ISO 13485, ISO 14001
- Business Excellence with the EFQM-System
- Winner of ESPRIX 2000, Prize winner EQA 2000, Winner EQA 2001

1. Our quality journey



- First situation assessement 04/95
- Kick-Off-Meeting 11/95
- ISO 9001, EN 46001 10/96
- 1. TQM-Assessment 03/97
- ISO 14001 03/98
- ISO 13485 07/99
- Winning national ESPRIX Award 2000 03/00
- Prize winner EQA 2000 09/00
- Winning EQA 2001 10/01
- JurymemberEQA 07/02
- 1. MBNQA-Assessment 03/03
- Kick-Off Branding 11/03
- Foundation of SQD 11/04
- FRENKENKLINIK → Branding 04/05
- FRENKENKLINIK inc. 01/06
- Enlargement of clinic rooms 04/07
- New organisational structure 01/11

1. FRENKENKLINIK: Organization Chart





Städtische Gesundheitsverwaltung
Der Stadt von ...
...

CHAMARTPRADO DE ROCHA BARR, NIESENBURG

...

ESPRIX AWARD 2000



Für ältere und körperlich behinderte Patienten bietet die FRIENKINGKLINIK einen Abfuhrdienst mit dem PHAXIMOBIL an.

Im Waidenburgerfeld sowie für die Gemeinden Langenbruck, Liebertswald, Altsiedel, Langenbrunn, Buhendorf und Bessert ist dieser Service kostenlos. Für die anderen Gemeinden berechnet wir einen Betrag von 10,- € pro gefahrenem Kilometer.

Bitte wenden Sie sich rechtzeitig vor Ihrem Termin mit unserer Rezeption in Verbindung, um den Abfuhrdienst zu reservieren.



2. Paradigm shift in society



- More and more „Prosuments“ (Matthias Horx):
 - Patients = customers are becoming more and more prissy, claiming, demanding, more mobile, unpredictable and fretful.
 - Our challenge: To satisfy these „prosuments“ with modern employees.
 - There are no more average customers → customer satisfaction questionnaires make no more sense
- Hybrid customers
- If we are starting today to try to satisfy today's customer needs, we are always coming too late
- Priorities of our trend assessments:
 - The millennium of women
 - There are no more average customers
 - There is a need for simplicity of service access
 - Develop the Plus-Markets → 40+, 50+, 60+
 - Green business model



Don't Have
UGLY
CHILDREN



2. Globalization: also in medicine

Prices in €



Treatment	Thailand	Turkey	Switzerland
Eye laser (Lasik)	2'200	1'500	7'000
	Thailand	Germany	Switzerland
Bypass surgery	22'000	37'000	60'000
Coronary angioplasty	10'000	19'000	41'000
New hip joint	14'000	Not covered by Swiss health insurance companies	26'000
Prostate surgery	3'000		20'000-40'000
Hysterectomy	3'000		20'000
	Thailand	Tunisia	Switzerland
Breast enlargement	4'300	4'300	8'000-12'000
Front /eyelid lifting	2'300	4'900	5'000-7'000
Liposuction	3'600-7'000	4'000	5'000-7'000

2. Focus on additional value brings chances for duppliers and customers



Premium Segment

Differentiation with additional value:
Individualization, service, positive
experience

Standard Segment

Longterm challenge: Lack of
differentiation

Low Cost Segment

Differentiation with price, simplicity,
reduction

Trading Up

Trading Down

1980

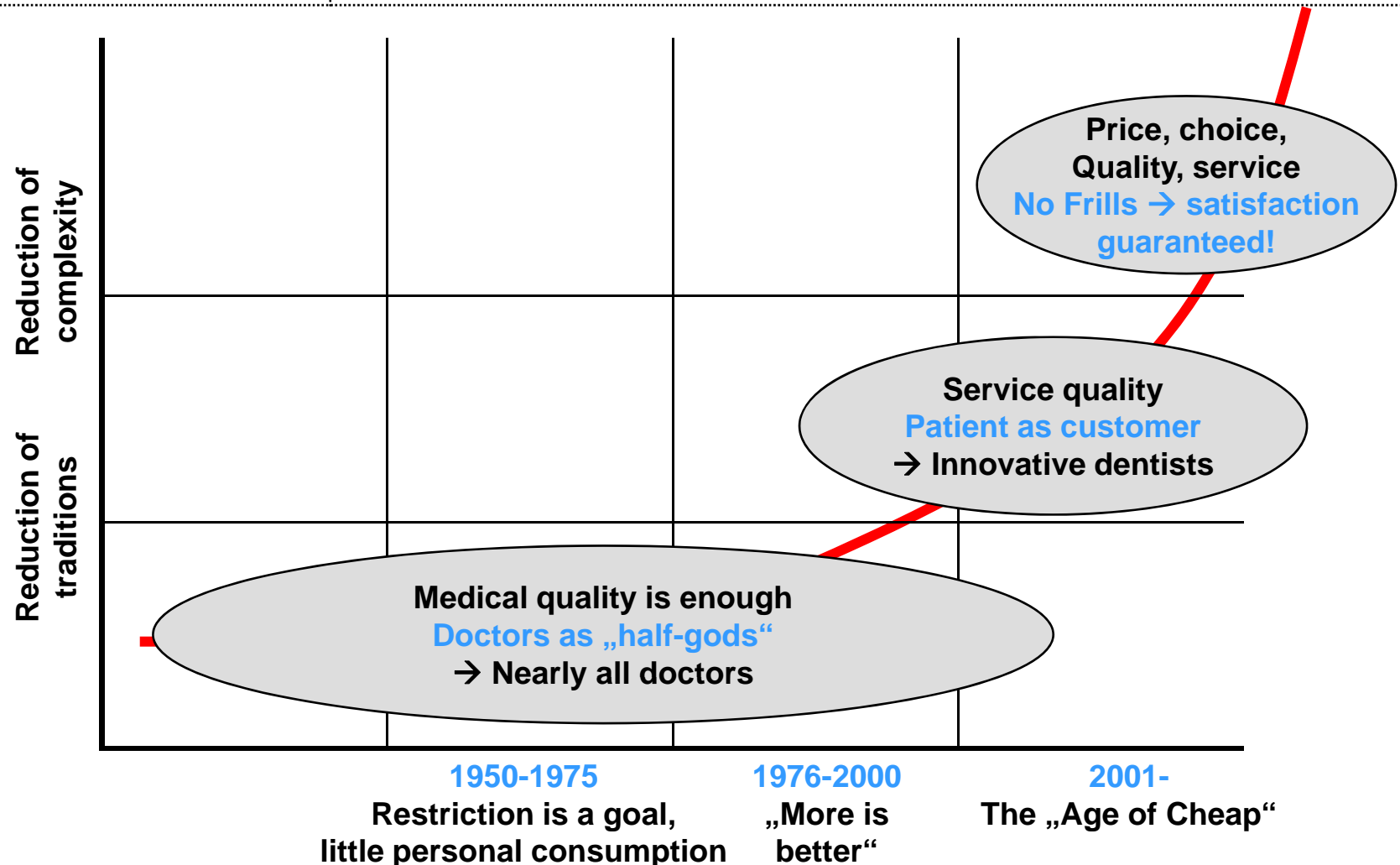
1990

2000

2010

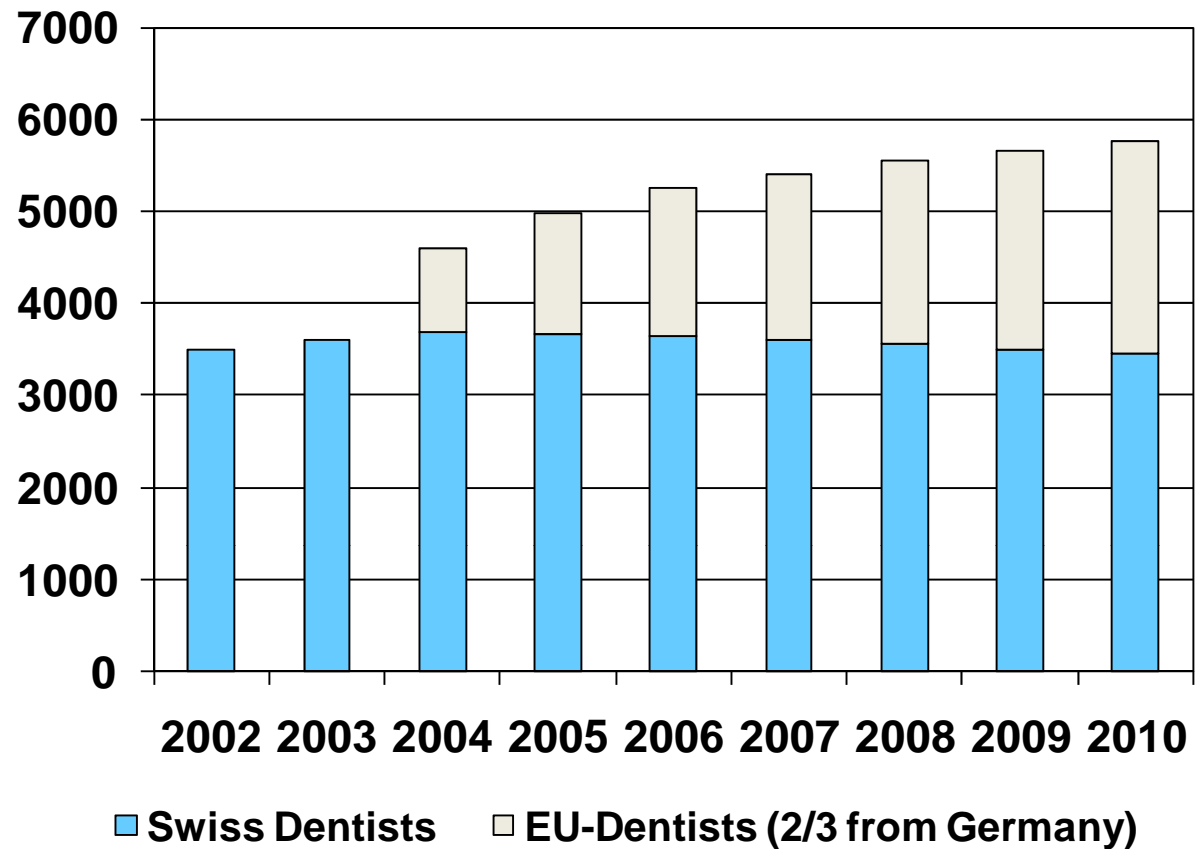
2. Changing markets

„The Age of Cheap“: service is not enough!



2. Dental clinics in Switzerland

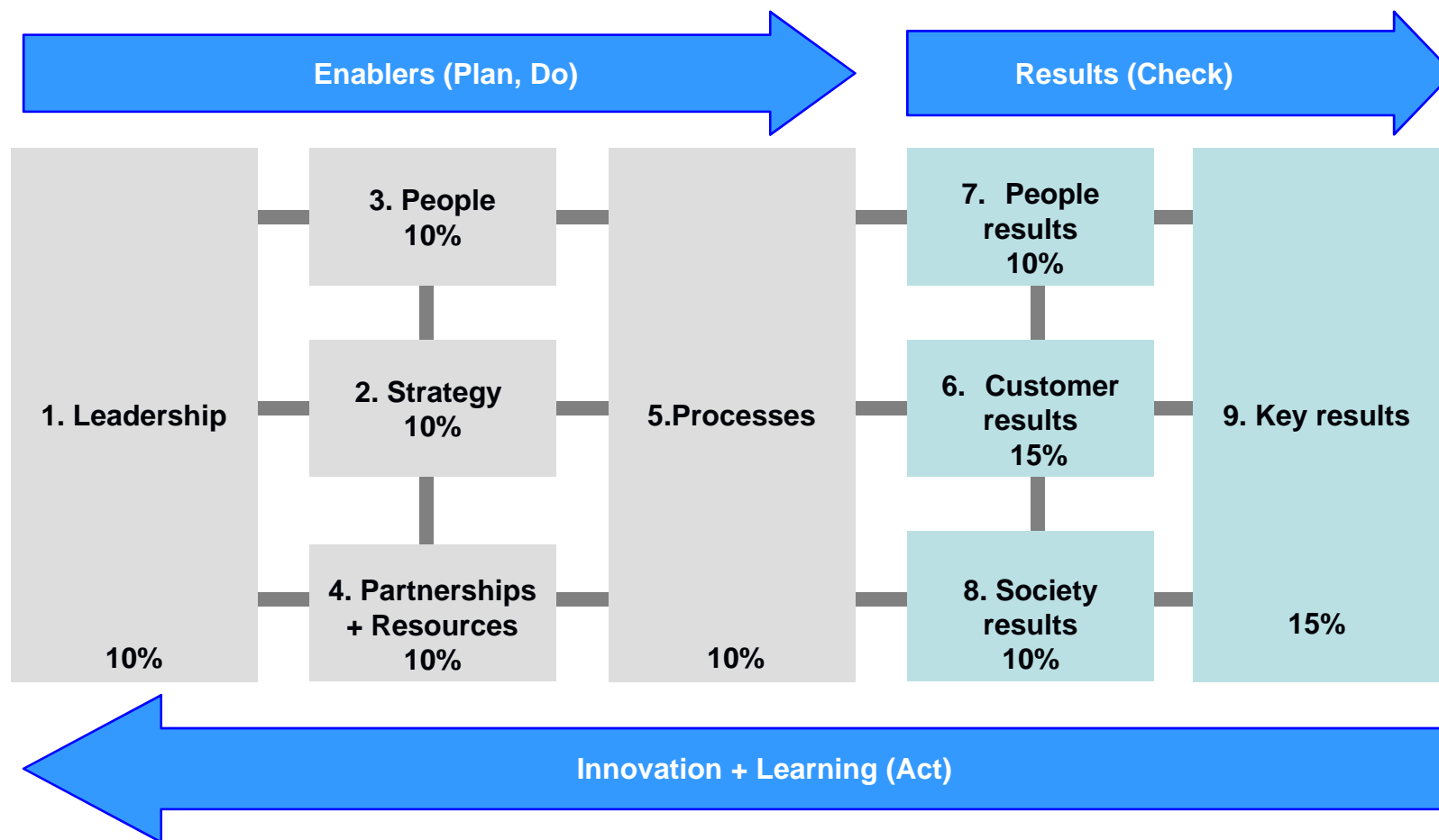
Development since introduction of bilateral contracts between Switzerland and the EU





3. Excellence-Model

European Foundation for Quality Management (EFQM)



3. My leadership principles (C1)

Most important leadership task: To focus!

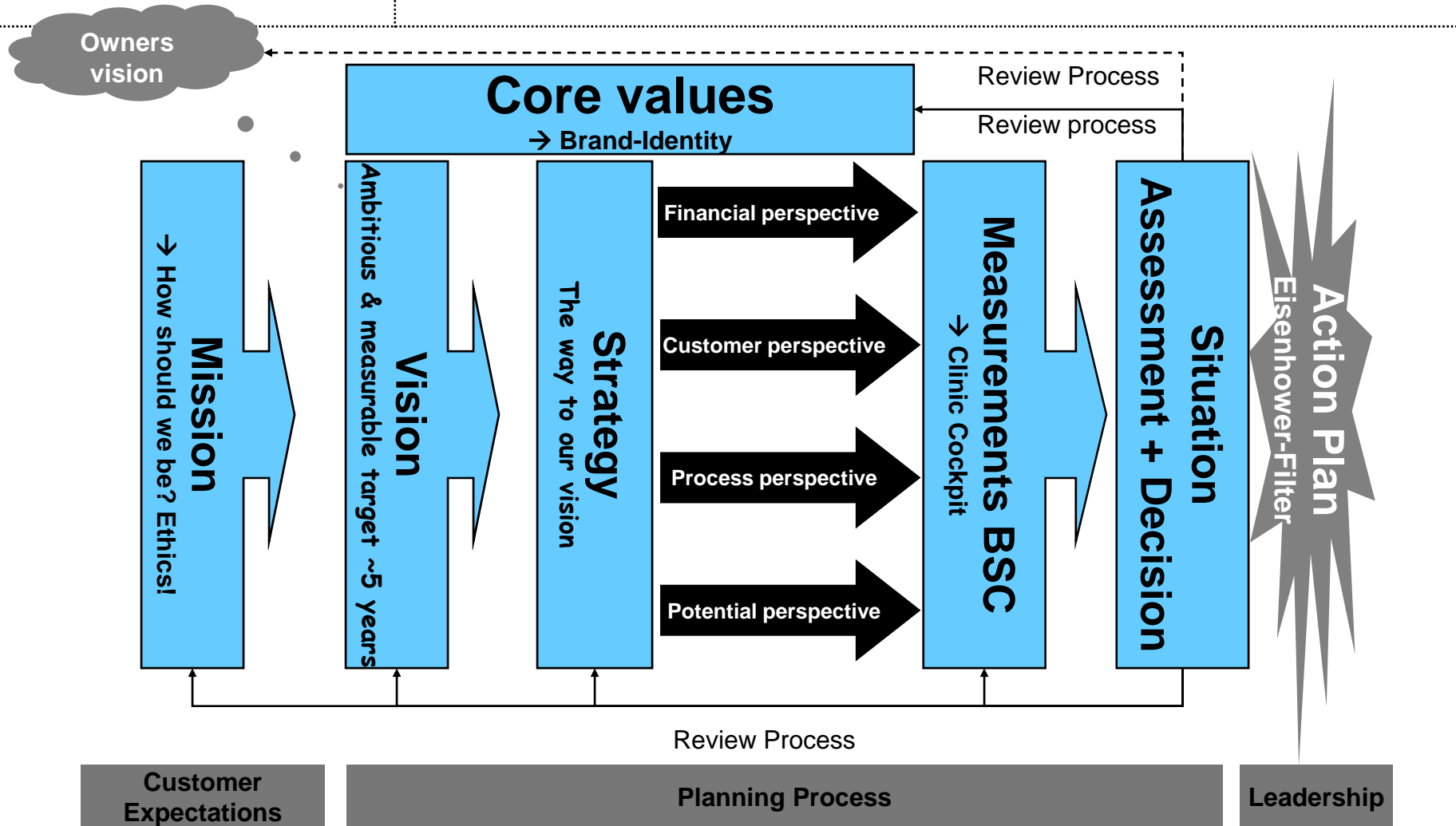
Demanding

Lame excuses

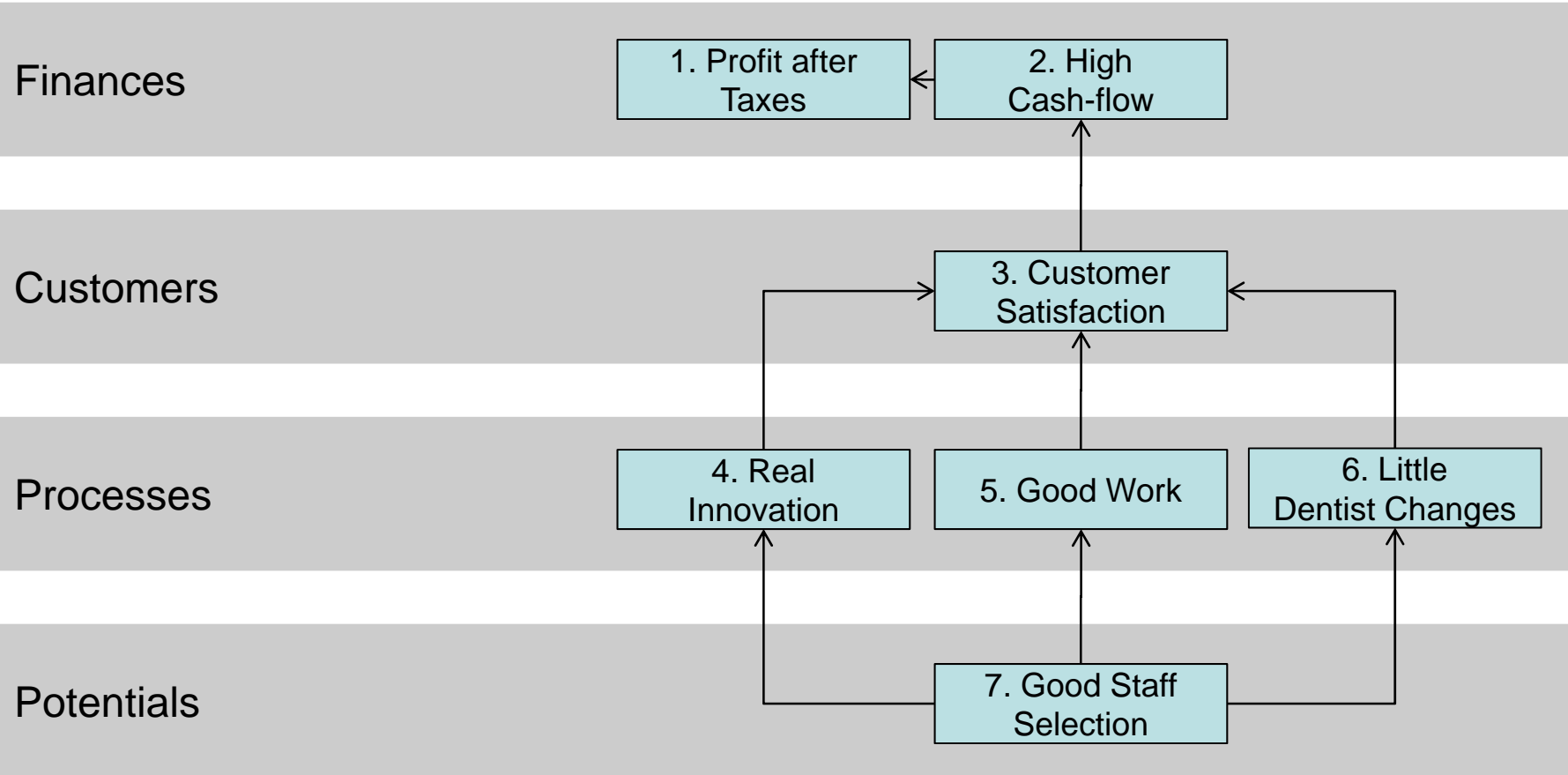
II. Strategic, not urgent -Planning -Prevention -Clarifying values -Planning -True relaxation -Promotion of independence	I. Strategic, urgent -Crisis -Urgent problems -Projects -Meetings -Preparations with a time limit
IV. Not strategic, not urgent -Trivial things, activity -Some phone calls -Waste of time -Flight-activities	III. Not strategic, urgent -Interruptions, some phone calls -Some mail, some reports -Some meetings -Many urgent items to decide -Many popular activities

- What has to be done?
- What is important for the company?
- Making action plans
- Taking responsibility for decisions
- Maintaining communication
- Concentrate on chances, not on risks
- Holding effective meetings
- Thinking, writing and talking in „we-form“

3. Planning Process (C2)



3. Balanced Scorecard BSC (C2)



3. Example of BSC Cockpit (C2)

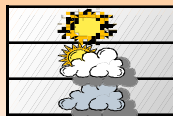
BSC Dashboard:

Objective achievement 1999

Status 4.11.99

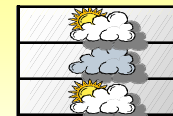
Finances

- | | |
|-----|-------------------------------------|
| 1.1 | Prescribed margin |
| 1.2 | Incoming orders |
| 1.3 | Incoming orders from rel. countries |



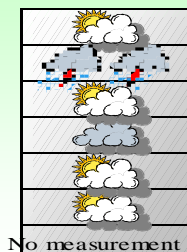
Customers

- | | |
|-----|--------------------------|
| 2.1 | Customer presence |
| 2.2 | Partner / problem solver |
| 2.3 | Retrofit solutions |



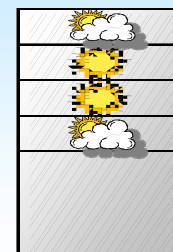
Processes

- | | |
|-----|--------------------------------|
| 3,1 | Supply management |
| 3,2 | Consulting process |
| 3,3 | Project management process |
| 3,4 | Acquisition process |
| 3,5 | Development process |
| 3,6 | Spare parts process |
| 3,7 | Assembly/commissioning process |



Potentials

- | | |
|-----|-------------------------------|
| 4.1 | Lacking capabilities |
| 4.2 | ABB network |
| 4.3 | Convinced employees |
| 4.4 | R&S introd. in rel. countries |



Objective will be achieved, improved upon



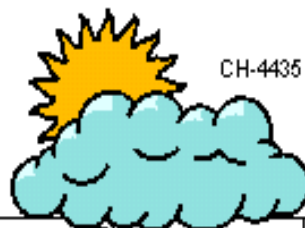
On course to achieve objective, minor deviations



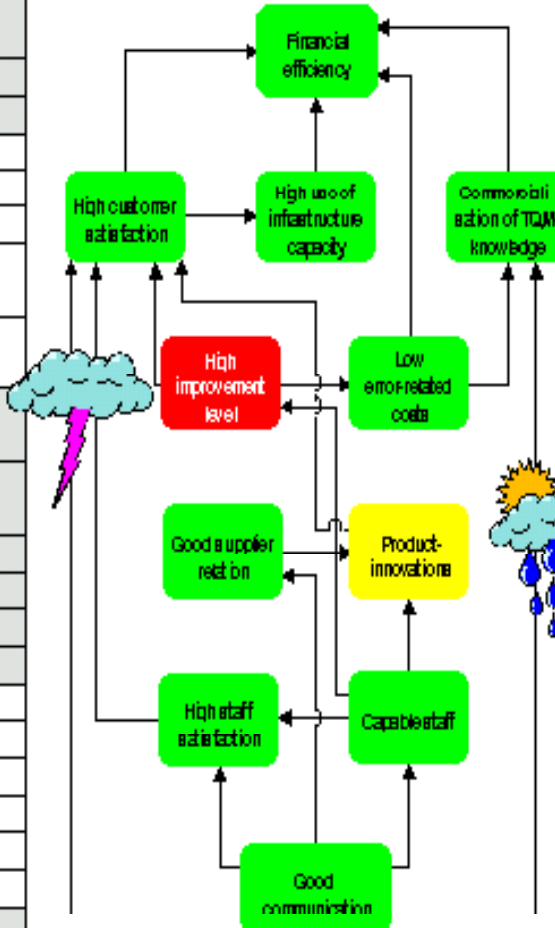
Major deviation from objective



Objective will not be achieved by end of year



Practice Cockpit → Example of ample chart

Perspective	Strategic target	Indicator	Objectives								Cause and effect network
			97	98	99	00	01	02	03		
Finance	1. Financial efficiency	Cash flow in % of - defined - overall performance									
		Cover ratio II									
		Total return on investments									
Customers	2. High customer satisfaction	Net new patients									
		Patient waiting time									
		Patient satisfaction with needs met									
	3. High use of infrastructure capacity	Turnover with fixed assets									
Processes	4. Commercialisation of TQM-knowledge	Inquiries from external organisations									
	5. High improvement level	Accepted improvement suggestions per staff member									
		Level of satisfaction with complaints management									
	6. Low error-related costs	Measured defect-related costs									
	7. Good supplier relation	Supplier performance									
	8. Product innovations	New technologies adopted									
		New services adopted									
Staff	1. High staff satisfaction	Staff satisfaction index									
		Average length of employment									
		Sick days/employee/year									
	2. Capable staff	Skills level									
		Staff satisfaction with further training offers									
		Further training hours per staff member									
Communication	3. Good communication	Staff satisfaction with communication									
		Customer satisfaction with communication									
		Supplier satisfaction with communication									

3. Strategy (C2)



- Vision: „The“ brand in dentistry in Switzerland
- Some thoughts about strategic thinking:
 - Medical quality is taken for granted by patients/customers → otherwise they would not visit our clinics!
 - This is the reason, why in the basic sector of medical quality only a negative differentiation is possible.
 - We have to find differentiation potential beside our medical quality.
- Important:
 - Strategy belongs in the heads of our employees and not in files!
 - To be first is more important than to be best!

3. High-end marketing with service package (C2)

Vital marketing against empty consultant phrases



Personal relationship, building bridges to customers:

pictures and names of all employees in the clinic, sponsoring of regional cultural and sports events, touching the hearts of our patients with positive surprises

Management services: optimization cooperation with technicians and other partners, specialists, dentist education, consulting, software development, benchmarking

Additional services: Webpage, fully automatic SMS appointment reminder free shuttle service, garden waiting room in summer, coffee and soft-drink service for waiting patients, financial service for payments by instalments, kids < 5 years have free treatments

Core services: Appointment the same day when patients call, evening and Saturday appointments, variant planning, quality management system, guarantee, fixed-price treatment packages, waiting time guarantee (otherwise refund), guarantee of keeping cost-estimates

Treatment range: Surgery, implantology, esthetic dentistry, periodontology, etc.

3. SWOT Analysis (C2)

	Opportunities <ul style="list-style-type: none"> •New product trends •Cost and time awareness •Most competitors don't understand the market 	Threats <ul style="list-style-type: none"> •Aggressiv competitors •Very dynamic market •Prosuments
Strengths <ul style="list-style-type: none"> •Culture •Management •Branding 	Growth strategy: Adapting new trends, improving processes, Branding, keeping localization and preparing different plans for succession.	Stagnation strategy: Keeping good processes, no more growth.
Weaknesses <ul style="list-style-type: none"> •Localization of clinic •Succession not yet clear •Changing employed dentists 	Move strategy: Massive PR, new buildings closer to the city. Condition: Successors in sight!	Reduction Strategy: Makes no sense!

3. Employee Stock Index ESI (C3)

Employees assess them self



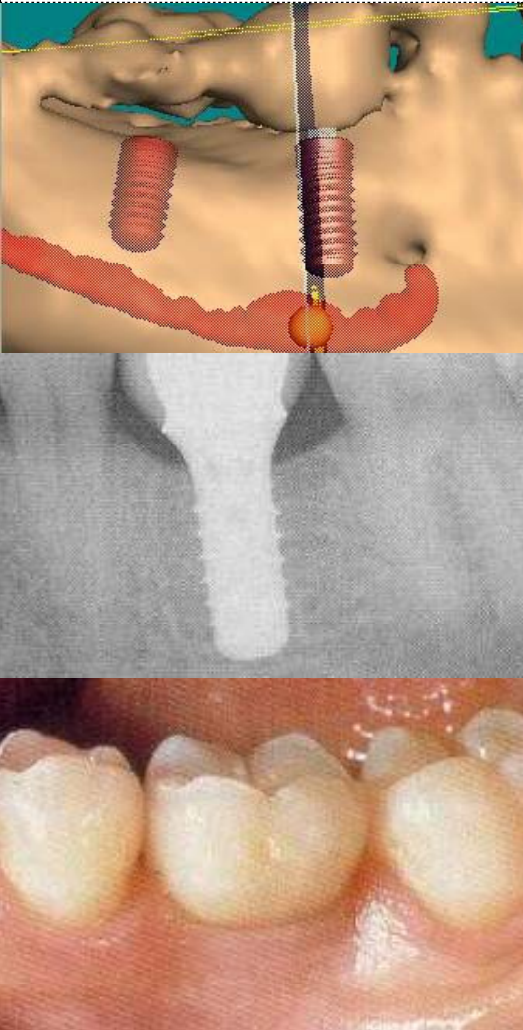
1. Active work with a time planning system – paper or electronic	9. Voluntary assistance in project work
2. Depreciation – every staff member's stock is depreciated 1% every month	10. Smoker or Non-Smoker? It's better to be a Non-Smoker!
3. Supporting the continuous improvement process	11. Abide BMI (Body Mass Index)
4. Own failure rate	12. Breaking rules
5. Results of quarterly staff assessment	13. Further education
6. Sickness days	14. Employment jubilee – experience is precious
7. Timeliness	15. Customer focus
8. Pixel reward for special performance	16. Team spirit

3. Partnership & Resources (C4)

- Managing financial resources:
 - Three investment priorities
 - Rolling investment planning
 - Since 1997 our controlling is based on the BSC
- Knowledge Management:
 - Interactive web based clinic handbook
 - Fundamental research → many student projects
- Managing external partnerships:
 - Continuous partner assessment
 - Partners assess our work
- Other resources:
 - Payback for investments < 3 years
 - Continuous change protects innovation

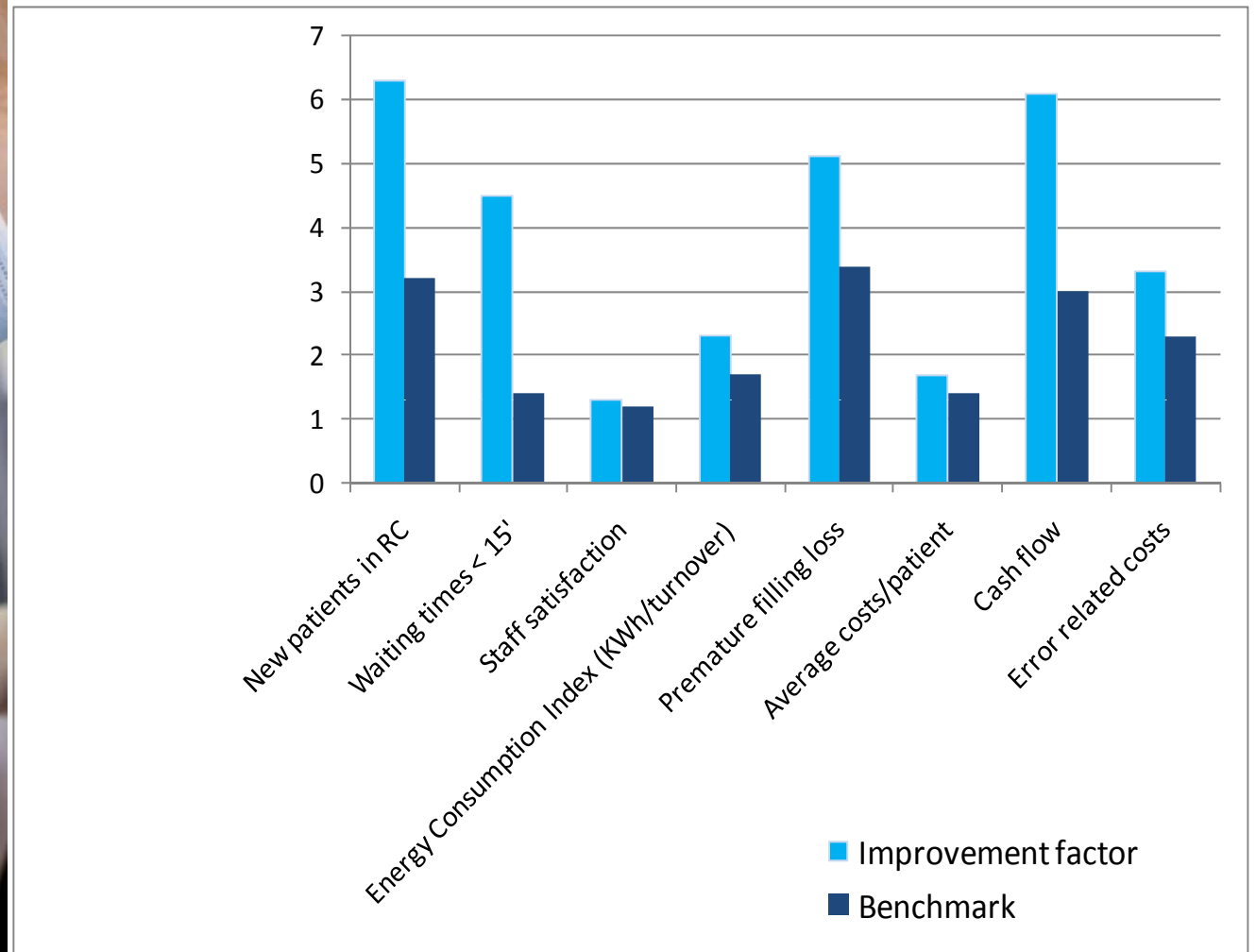


3. Processes (C5)



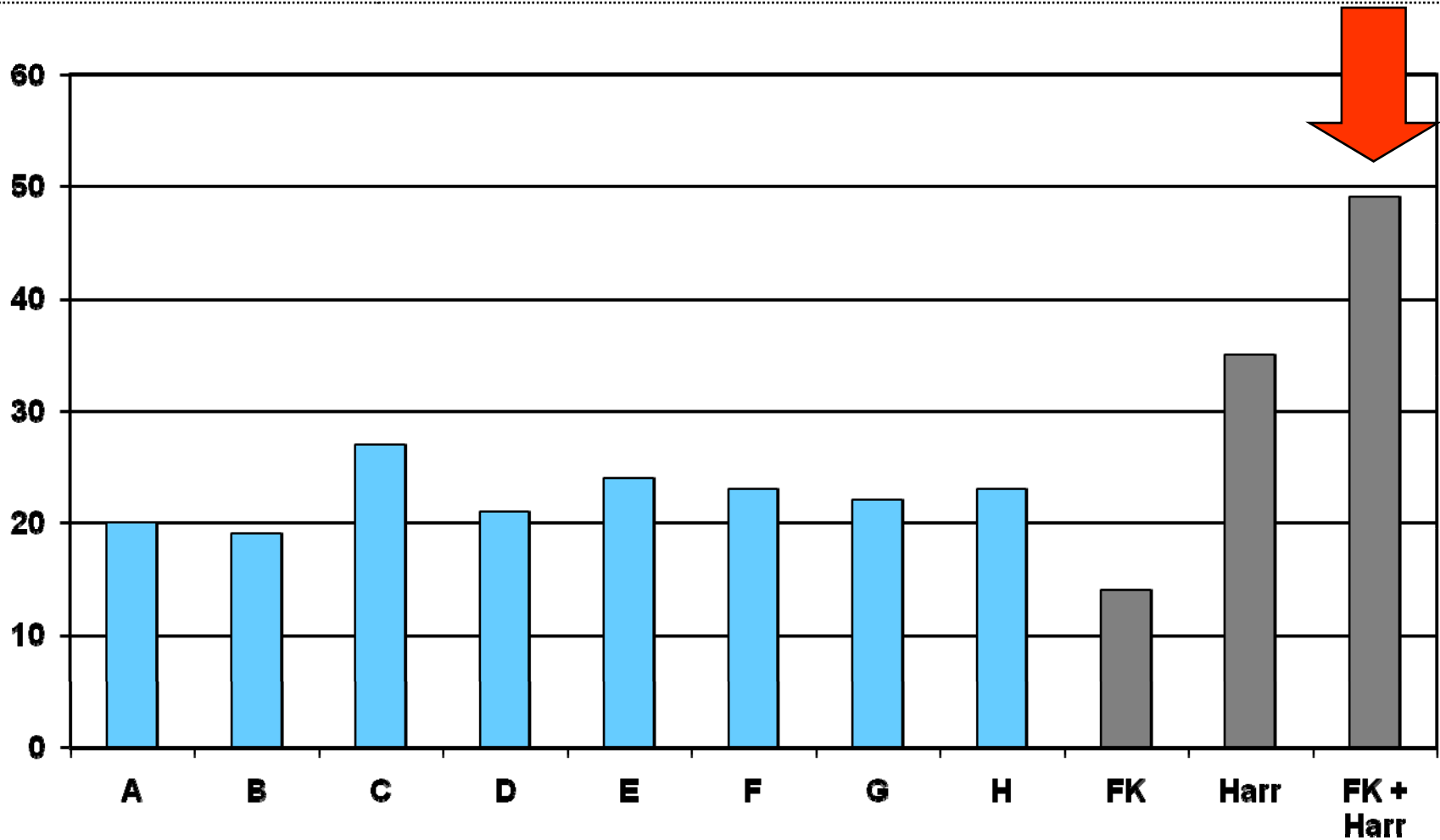
- Assessment of patient expectations:
 - Hybrid customers → no more questionnaires!
 - Focus groups
 - Assessment of patient fluctuation
 - Survey: name a good dentist...!
- Managing quality:
 - Measurements cover 80% of our medical work
 - 4 Audits, 1 Assessment/year
 - „Mystery Man“
- Key processes:
 - Based on the most important satisfaction drivers of our customers
- Benchmarking:
 - European Society for Quality in Dentistry (SQD)
 - Best Practice Organizations (NOKIA, ESPRIX Winners Organization, etc.)
 - Attention → benchmarking with “average” partners forwards average performance

3.4. Exampels of improvements since 1996 C6 - C9



3. Trust as core of our brand

300 Questions on the street: name a good dentist...





25
Jahre

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4. Opportunity: „BLUE OCEAN“

Differentiation and low costs



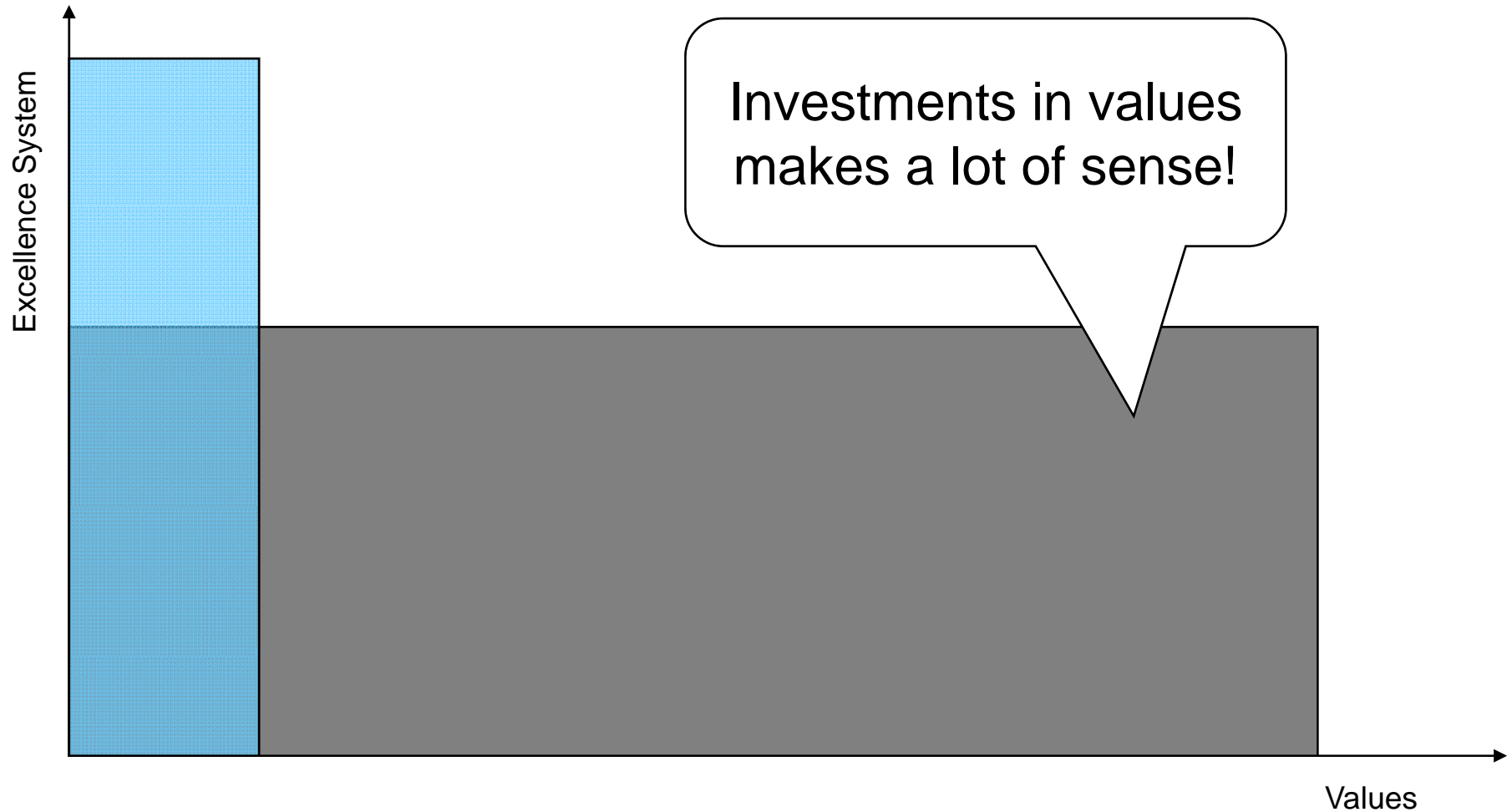
- Operating in highly competitive markets
- Trying to be better than competition
- Old Business Model
- Goal for all activities: Differentiation or low costs
- Shrinking profits
- Stagnant turnover
- Constant tough fight



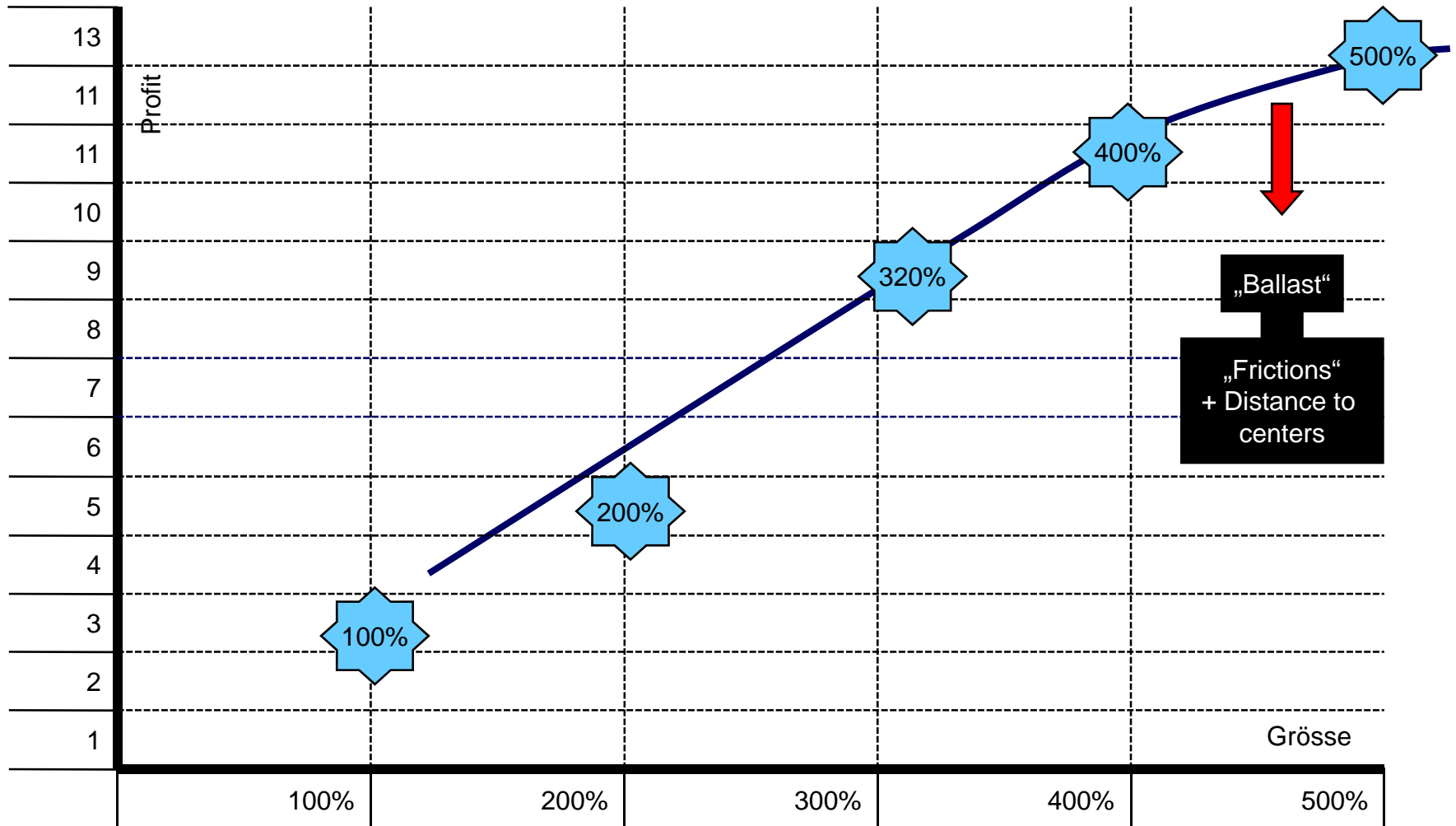
- Finding unoccupied markets
- Competition becomes unimportant
- Creating and using new demands
- Goal for all activities: Differentiation and low costs
- High profit
- Low costs
- 10-15 Years competitive edge
- Examples: Dell, Amazon, Cirque du Soleil, Chrysler Voyager (Minivan)

4. Opportunity: Excellence system versus values

Area = Success

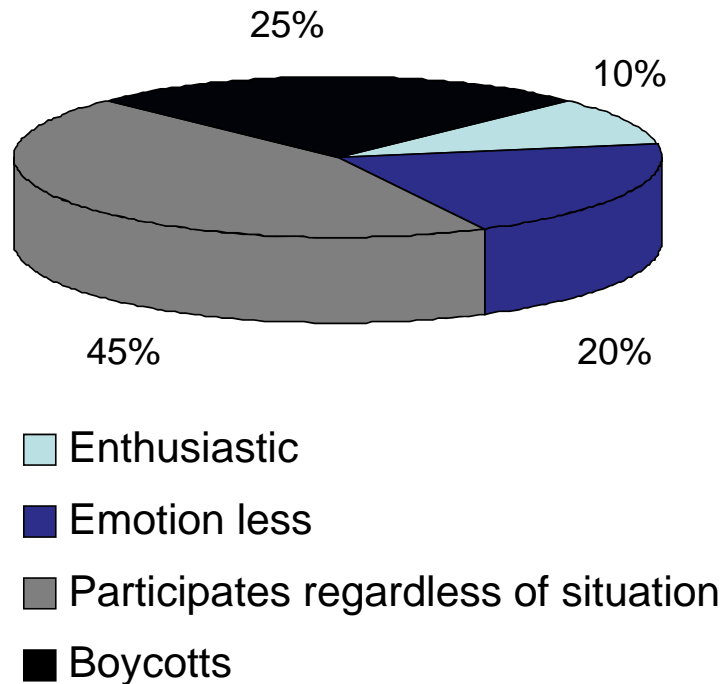


4. Opportunity: Clinic size



4. Challenge: The Stumbling Employee

Employees and change
(from a U.S. study)



- The only organizations that have a right to exist in the future are those who do certain things better than the rivals.
- Job security exists only, when we are able to re-invent our working place every day.
- Therefore:
 - Boycotts should not be tolerated.
 - Be encouraging but demanding.
 - Employee dismissal may be justified.

4. Challenges: Leadership

Experiences as a consultant



- Leaders think they can delegate the development of the system but they are no examples
- Organizations teach systematic leadership but they do not decide systematical
- Missing communication and meeting culture
- Leaders pull all teeth of the „bear“ that could hurt them self
- Employees manipulate results
- Boycott by key staff members and no hard consequences are drawn
- Missing focus.



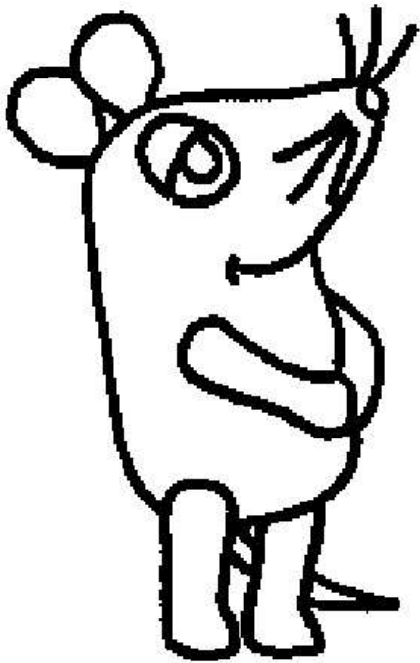
5. Benefits of Applying for an Award



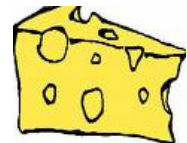
- Sharpens the focus of the practice and its improvement activities
- Write a succinct description of the practice in terms of:
 - Activities
 - Methods of operation
 - Results→ Valuable for communication and training
- Free consulting service with a written feedback report



5. Tomorrow the cheese is at a different place: always!



	1
	2
	3
	4
	5



5. Continuous improvement process vs innovation



- Continuous improvement process → Detail improvements
- Innovation:
 - Being totally D I F F E R E N T
 - Doing things no one ever did before → „Many light years away from earth the spaceship ENTERPRISE enters new galaxies no one has ever seen before (Captain Kirk, spaceship ENTERPRISE).
 - Doing things that are too risky for competitors
 - Not adapting rules of the market but defining own rules
 - Customer focus is always central

5. Leadership and planning make the Change!



5. Four approaches for the future



1. Winning the talent competition

- Since the year 2000 education is feminine
- Professionally balanced „Family-Wellness-Employees“ → very good employees as long as their life/work balance is OK!
- Optimization of your work environment

2. Using future sensors and future agents

- „Old“ instincts are not enough
- Creating „Early Warning Think Tanks“

3. Stopping the vision and change mania

- No more change programs as „hurrah-entertainment“
- Defining and living an authentic culture

4. No blind innovationism → important is

- Unconditional customer focus
- Focus
- Integration
- Simplification

