

IDENTIFYING PRODUCTIVITY DRIVERS AND BUILDING AN OPERATIONS DASHBOARD AND FORECASTING TOOL

SYNOPSIS

The management team of a mid-sized firm in the health care sector sought a better understanding of its productivity drivers. The firm had several hundred employees spread across dozens of facilities around the country and relied heavily on manual labor input. Identifying ways to improve labor productivity had the potential to significantly boost earnings.

SOLUTION

Horizon worked closely with the firm's COO and broader management team. We helped the team quantify the importance of various productivity drivers and develop a data-driven tool for facility managers and the COO to drive productivity and quality improvements and report to the board. The Horizon team pulled together the firm's enterprise data from numerous sources to construct a relational database, build a regression model that quantified the importance of labor input, technology, and other productivity drivers, and then develop a focused dashboard and forecasting tool for facility managers and the executive team.

VALUE

Our initial analysis of the firm's data identified wide variation in labor productivity across facilities and over time depending on type of output (product), technology utilized, extent of bottlenecks, and other factors. With this information, the management team was able to develop a prioritized approach to drive productivity improvement across the organization. We then worked closely with the executive team to build out a focused Power BI dashboard, allowing managers to get an overview of throughput, hours, productivity, and backlog during the prior pay period in comparison with historical trends and to drill in as warranted to the technology utilized (appropriateness) and individual employee performance (vs. best-performers and own trailing 3-month averages). The COO began using the dashboard to report out monthly to the board. Over 100 facility managers began using it to monitor productivity and quality at their facilities. The firm overall saw productivity improvements of >25% in the initial months following rollout of these tools, with some individual facilities registering even larger improvements.