

Shouldice hospital limited case study

Business



Case Study Shoulder Hospital Limited 39. November 2011 1 .

How does Shoulder compete? Identify at least three characteristics of Shoulder's operations that contribute to its competitiveness. Rhea four most important influences on competitiveness in a company are cost, time Speed), flexibility and quality. Cost and time should be held as small as possible, flexibility and quality as high as possible. In the Shoulder case we added another category: customer service.

For the categories cost, quality, time and service we found overall characteristic operations that contribute to Shoulder's success. Cost: Shoulder Hospital Limited operates at low costs compared to other hospitals.

Because of their method and that the patients do not need bed pans they do not need this much nursery stuff. Moreover they have low administrative and equipment costs because of the one type of operation they do not need as much equipment as In a general hospital.

That is why Shoulder can offer the operation for costs in the range of \$954 to \$1029 compared to \$2000-\$4000 at other hospitals. Quality: he low recurrence rate of 0. 8% compared to approve.

10% in other hospitals makes it Obvious that the operations in Shoulder are performed at a high quality level. The unique surgical method of hernia treatment is also highly-developed and the surgeons are well-trained and very experienced. They do more than 600 hernia operations a year compared to a typical general surgeon who performs between 25 and 50. Rime: A primary operation takes only 45 minutes.

The short recovery period of 4 days in hospital and back to work after 1 to 4 weeks after operation compared to other capitals with 5-8 days in hospital and back to work after 2 to 8 weeks is a huge competitive advantage.

Service: Customers, here patients, also care about how they are treated. In Shoulder hospital they socialize with other patients. Parents of kids can stay for free and the annual check-up is also free-of-charge. 2. Compute the cycle time (time per patient) and weekly capacity (patients per week) for:

Examination room, Nurse's Station, Operating rooms and Doctors.

Please see attached Excel spreadsheet for the calculations. Capacity for Examination Room: 180 patients per week Capacity for Nurse's Station: 320 patients per week Capacity for Operating Room: 175 patients per week Capacity for Doctors: 220 patients per week Cycle time for Examination Room: 3.33 min Cycle time for Nurse's Station: 3.75 min Cycle time for Operating Room: 14.57 min Cycle time for Doctors: 6.14 min

3. What was the average throughput rate (patients per week) to Shoulder = 137 Peak of 165 patients per week
4. What is the maximum possible throughput rate of Shoulder Hospital?

For the calculation of the maximum possible throughput rate we assumed that the patients arrive on Sundays, Mondays, Tuesdays, Wednesdays and Thursdays for being operated on the following day. They do not arrive on Fridays because there are no operations on Saturdays. A patient stays for 3 nights. The capacity of beds is 89.

The maximum capacity of patients per week for the different resources is shown in the attached Excel spreadsheet. In case patients arrive at a constant rate of 33 a day : assuming that each day 30 to 36 operations are performed), the maximum capacity of beds has to be 99.

Unfortunately on Tuesdays, Wednesdays and Thursdays the hospital would have a lack of 10 beds. In fact it is not possible to use the capacity of the operating room because the number of beds is the bottleneck which limits the number of operations a day. For this reason, we adjusted the arriving of the patients as shown in the right table of the spreadsheet considering the maximum capacity of 89 beds and 35 operations a day. The maximum number of patients a week is 159.

This is a throughput rate of 7950 patients per year (50 weeks). 12]