

FINDING THE POWER IN NUMBERS

A 3-Part Series



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ANFP CDM of the Year

1

FIRST THINGS FIRST

Presenters: Bill Klein and Mary Keysor

Exploring the power, fear, comfort and common mistakes in numbers —
What to do about it?

2

SOMETHING'S BETTER THAN NOTHING

Presenters: Dave Reeves and Mary Keysor

5 industry tools available to track data —
How to get started?

3

REAL LIFE STORIES — MISTAKES I MADE

**Presenters: Dave Reeves and Felicia Smith
moderated by Mary Keysor**

Panelists – Lessons learned from two FSD peers.

3

Real Life Stories—Mistakes I Made



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2015 ANFP CDM of the Year



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CURRICULUM



✓ Stories from two managers—different organizations

✓ Managers share mistakes and lessons learned

✓ Hear how these two managers beat the system

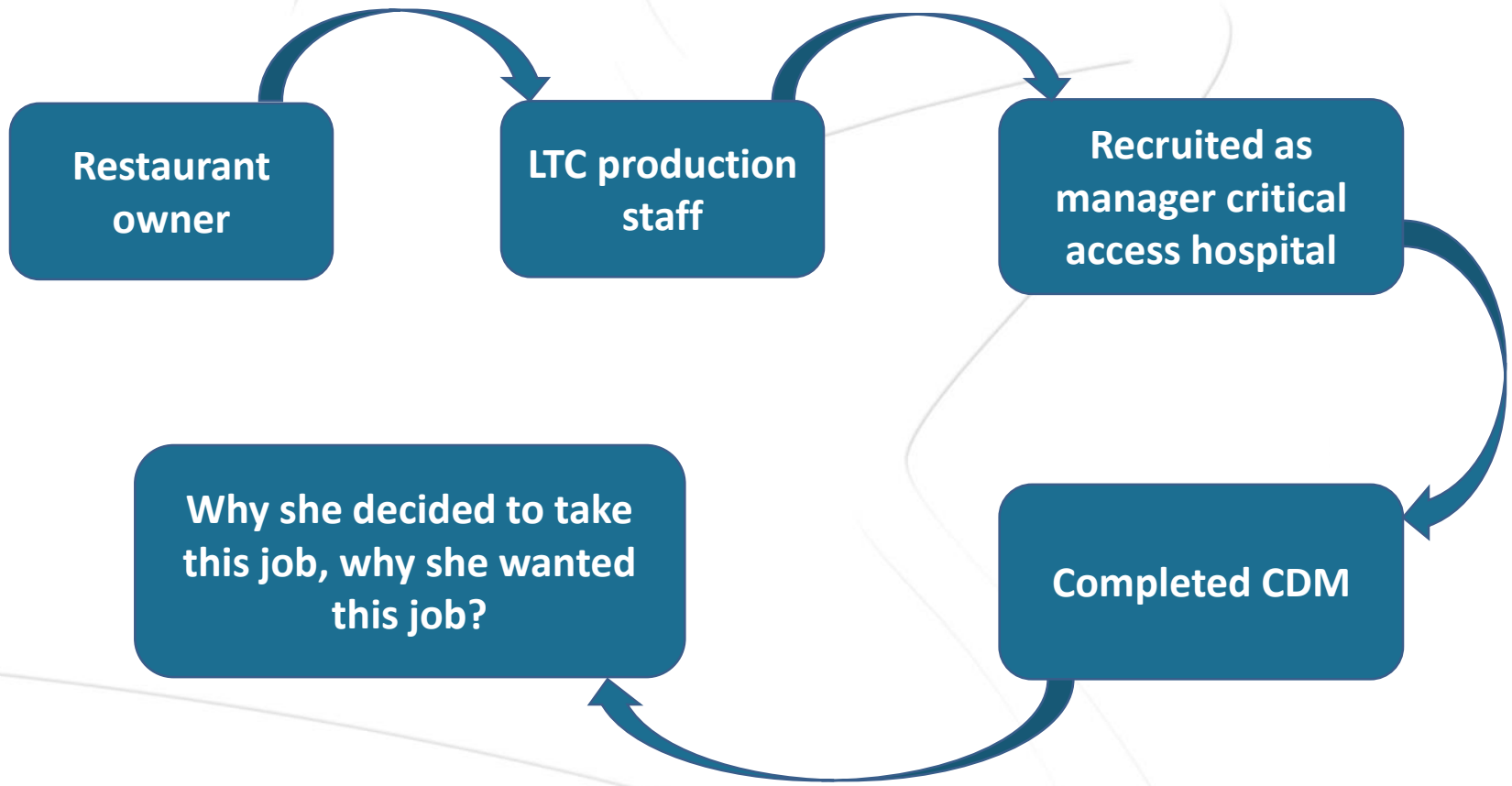
✓ Gaining new revenue streams with numbers

✓ Successes achieved with powerful numbers



Felicia Smith, CDM, CFPP
Director of Hospitality
Critical Access Hospital
and Retail Business
Memorial Hospital of Converse County
Douglas, Wyoming

FELICIA'S STORY / CAREER PATH



Memorial Hospital of Converse County



- Rural Wyoming
- Energy Community
- Employees 400
- Critical Access Hospital – structured differently from acute care hospital
 - 25 beds or less
 - ALS 96 hours
 - 24/7 emergency services
 - 35 miles or more from closes hospital

Needed to know food costs

Needed to know supply costs

Needed to know labor costs

Knew Profit

??? How to count meals

??? healthcare

What I thought I knew

2012 – THE BEGINNING



Destination 10[®]

KNDS

**Current Data — Understanding what to track
in healthcare**

THE DATA



KNDS

**Meals for
inpatient—
outpatients**

Supplies

Guest meals

Floor stock

KNDS TRACKED DATA



- ✓ Retail
- ✓ Catering
- ✓ Discounts
- ✓ Free services
- ✓ Other services
- ✓ Now capturing all meq
- ✓ Accuracy for billing easy



KNDS KEY METRICS



Food cost per meal

Net cost ppd

Net of cash ppd

Dietitian hours ppd

Worked Hr/meal

Total cost ppd

Floor stock costs



MY MISTAKES



- I didn't know what I was doing!!!
- Healthcare was new to me
- Staffing needs had changed
- Department was growing
- Over all expectations growing

WHAT HAPPENED NEXT



- Hired an Executive Chef
- Dietitian
- Jail Contract
- Hiring freeze
- Affordable care act

- Then the road block hit....

MIRACLES



- Experience at Senior Leadership meeting
- Jail contract awarded
- New equipment replaced 30 year old equipment
- Catering delivery van approved
- Senior meals contract for weekend meals
- New records set

ARE WE THERE YET?



- Expectations still increasing
- Retail continues to grow--community
- Catering--acquired a van/community services on and off sites
- FTEs = grew from 15 – 34 — only department
- Mocha Molly's now permanent
- Using AHF Express



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MY TRANSITION FROM FOR PROFIT TO HEALTHCARE



- Began in the early 90's
- Hotel & restaurant work history and education
- Transitioned to healthcare
- Ignored & avoided finances, intentionally!
- Career progression developed within food and then multi-departmental
- Could no longer ignore & avoid finances
- Currently manage Food & Nutrition, EVS, Laundry, Starbucks

ELMHURST MEMORIAL HOSPITAL



ELMHURST MEMORIAL HOSPITAL



- Founded in 1926
- Located in the western suburbs of Chicago
- Opened a new state of the art acute care replacement hospital in 2011
- 259 private rooms
- Was able to design and develop foodservice operations for new campus

FOODSERVICE FINANCE IN HEALTHCARE



- Knowledge and skills develop over time
- What are your gaps in knowledge?
- C-suite expect their management to know their numbers
- Financial skills works to your advantage
 - Justify capital
 - Analyze services
 - Understand the overall organization
 - Be proactive rather than reactive

NEW FACILITY DESIGN



- Designed a replacement campus for aging campus
- Financial pro-formas drove most decisions
- Design phase was 2006 – 2007
- Financial pressures made the
 - Recession in 2007-2009
 - Affordable Care Act signed into law 2010
- Ability to fund the operations was questionable

NEW FACILITY DESIGN



- Transitioned from a tray line to room service
- Restaurant style food
- Retail driven model – focusing on revenue generation to offset expenses
- Starbucks Licensed Store

OPERATIONAL FUNDING CONCERNS



- Move from semi-private to private rooms – foodservice would deliver trays.
- Wildflower Café would be 2 times larger than previous café.
- Add Starbucks licensed store operated by the hospital.
- Programming phase specified to design a facility with capacity for growth.
- Previous facility = 450K sq. ft.
- Replacement facility = 1.2 m sq. ft.

OUTCOME



- Know your current numbers – be able to speak to the future numbers.



- Consider alternatives that would not compromise the integrity of the design.
- Food cost savings.
- Retail driven model – focused on revenue generation to offset additional expenses.
 - Bond covenants / rating were impacted by our FTE's per adjusted occupied bed.
- Opened operations with minimal change – Organizational finances were initially challenging.

MISTAKES AND SUCCESSES



MISTAKES

Underestimated success

SUCCESSES

- Found creative ways of funding multiple projects
- Gained huge wins with right decisions
- Gained credibility by doing what I said I would do
- ROI to justify projects; follow up ROI to prove success

NEW REVENUE STREAMS — AND MORE...



- Outside catering
- Vendor rebates
- Jail contracts
- LTC weekend meals
- RD services
- Contracted meals for outside facilities
- Forest Service Firefighters
- Meals for in house day care
- Celebrations for outside groups (in house)
- Guest meals
- Community residents as guests
- Retail vs subsidized pricing

Contact Us



If you have any immediate needs, require support or intervention, contact DM&A today for a free consultation with Mary Keysor or one of our Success Coaches. DM&A is your solutions provider!

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Reference this webinar using code **KNDS10** and receive 10% off this DM&A service.