



THE 70/30 RULE FOR HEALTHCARE FACILITY PLANNING AND TRANSFORMATION

A simple method to drive operational effectiveness and change

The 70/30 Rule is Navigant's rule of thumb for hospital mega projects honed through decades of construction planning and project experience. However, this simple rule can also be of significant value to any healthcare facility seeking to improve both patient and medical staff experience, as well as implement systemic process improvements.

Essentially, when an organization is in the operational planning phase to renovate or construct a facility, 70 percent of the changes sought by management are implementable through process improvements within the existing facility.

For the remaining 30 percent, there are either impediments in systems, the organization, or the way the building was initially constructed that cannot be feasibly or economically resolved. Therefore, undertaking a renovation of the existing facility or new construction would better accomplish the operational change desired.

"In an era of healthcare reform in which providers must do more with less, healthcare executives are encouraged to first develop a future state that defines new operational flows, processes, and more efficient staffing models. This is where we have seen hospitals have the most opportunity for the most significant transformation."

/ JOE KUCHARZ, DIRECTOR,
NAVIGANT HEALTHCARE REAL ESTATE.

For example, hospital management is seeking operational changes within its emergency department (ED) to increase capacity. The initial facility plans may be composed of renovations to build more ED stations. However, using the 70/30 Rule, the facility planning team would review its organizational throughput processes relative to emergency care. Those throughput issues may manifest themselves in the bed tower, where patients may not be discharged in a timely way, leaving incoming patients waiting in the ED, unable to be placed in rooms.

Evaluating and improving that inpatient throughput issue essentially improves capacity within the existing ED. Moreover, the result is a very good example of an operational process improvement – the hospital nets an improvement prior to needing to attack the 30% of the equation, the physical renovation.

"Organizations following the 70/30 Rule focus ~70% of transformational changes on improving an existing medical facility's system through process improvements. The remaining 30% of transformational change focuses on physical renovation or new construction."

/ DAVE BROWN, DIRECTOR,
HEALTHCARE REAL ESTATE, NAVIGANT

Let the operation plan drive the facility solution.
If you don't, you won't see the transformation you seek.

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About Navigant

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ABOUT NAVIGANT HEALTHCARE REAL ESTATE

Navigant's team of professionals assist hospitals in managing the planning, design and construction of facility projects to support their healthcare mission. We offer an end-to-end solution - from concept to reality -- throughout all phases of a project. Our professionals do strategic and operational work on the front end, and then drive that through to a brick-and-mortar solution as warranted. We are entrusted by our clients to help them take control of their future, and BUILD, MANAGE, and PROTECT their business value.

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HEALTHCARE FACILITY
DEVELOPMENT FIRMS
FOR 18 CONSECUTIVE YEARS

NO LITIGATION
HAS BEEN FILED ON
OVER
\$10 BILLION
OF COMPLETED
PROJECTS

ACCESS TO OVER

\$2 BILLION 

IN COMPETITIVE BALANCE SHEET-READY CAPITAL



ASSISTED OVER 300

HOSPITALS, & ACADEMIC
HEALTH SYSTEMS & MEDICAL CENTERS



COMPLETED MORE THAN **\$10 BILLION** IN CAPITAL IMPROVEMENT
PROJECTS, INCLUDING PROVIDING PROGRAM MANAGEMENT SOLUTIONS FOR
20 NEW HOSPITAL PROJECTS AND DEVELOPING
MORE THAN 100 AMBULATORY CARE PROJECTS

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