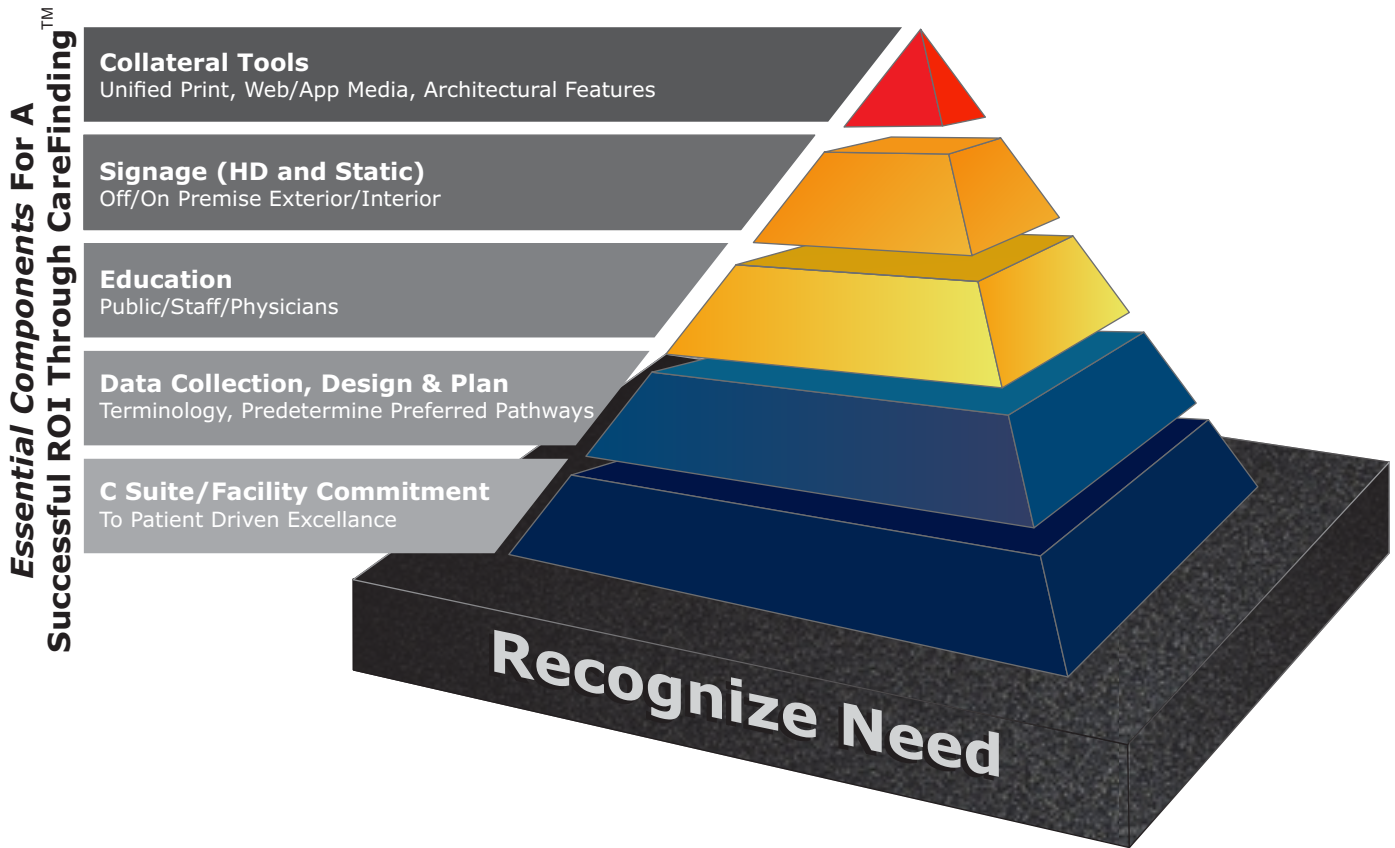


The Economic Value When Healthcare Wayfinding Becomes CareFinding™



By Steve Walker
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Today's medical community faces many different headwinds in its quest to show a strong return on capital invested. Increasing costs to build new facilities and maintain existing structures, a rising cost of capital, and the growing role of Accountable Care Organizations (ACOs) are just a few of the macro environmental issues management faces on a daily basis. On a local level, pressure to boost return on assets (ROA), increase market share, and enhance the hospital system's brand provides many opportunities for managers to exhibit leadership and business acumen in their quest for success. Hospital leaders can build a strong local foundation and increase the odds of triumph against industry-wide challenges by implementing a wayfinding system that enhances the most basic experience on their property – their patient's quest to get to where he needs to be and out as quickly as possible.

Wayfinding Equals CareFinding™

The *wayfinding* concept is not new to healthcare or general industry. Urban planner Kevin Lynch coined the term in his book *The Image of the City* (MIT Press, 1960) to mean "a consistent use and organization of definite sensory cues from the external environment." In the healthcare community, a properly implemented wayfinding system can reduce patient, visitor and staff stress and yield a return on invested capital that more than pays for the program for years to come. As we move into the 21st century, it's time to expand the wayfinding concept to a broader approach that reflects the healing mission of the medical facility, *CareFinding™*.

In recent years, large and small hospitals alike have seen a boom in new building programs and facility renovations. In many cases, medical campuses are spread over several city blocks and available parking has become hard to find or located a considerable distance from the patient's final destination. New wings or whole new buildings can have a mapping system of their own, with little relation to the original plan that may be decades old. New technology calls for new treatment procedures and departments with names unknown just a few years ago. These issues can add up to a nightmare for a new patient and can compound an already stressful situation. When patients do not arrive on time at the correct location, medical staff and equipment are idle, wait times are increased, and money is lost.

Design-Build Advantages in CareFinding™

There is a fork in the road to a successful Carefinding™ system. Hospital leadership can take one of two diverging paths – design-build or design-bid-build. A lump-sum bid may also be an option, but the nature of implementing a CareFinding™ system calls for sole-source responsibility that provides continuity from concept through completion. While not focused on wayfinding specifically or healthcare construction, a joint research project of the Construction Industry Institute and Penn State University makes a strong case for design-build. The study found significant improvements in a design-build project over traditional design-bid-build. Growth rates in cost, construction and delivery time, and schedules all saw marked reductions with design-bid (Design-Build Institute of America).

Competition is fierce, budgets and schedules are tight, and litigation must be avoided. These realities in today's healthcare landscape call for a design-build expert to lead the installation or renovation of a wayfinding program. Owners can see several design-build benefits that translate to increased return on investment:

Enhanced consultation and collaboration

One entity, with one contract, completes the job. Institutional leadership can forgo the unknown of having to manage the traditional owner-designer-fabricator relationship. They can instead rest assured that sole-source responsibility for the project will keep them more involved in the process and ensure their input is effectively implemented. The consultant that interviews management on the front end is the same one that designs, installs and maintains the finished product for years to come. The vendor in a design-build arrangement takes a longer view of the client relationship than the typical design-bid-build vendor and will have a vested interest in the project's long-term success.

Heightened schedule and cost control

Time is money and the design-bid process can be an easy choice when schedules and budgets are tight. Going design-build over a traditional design-bid process could save sixteen weeks --four full months -- in a typical installation. Your staff and patients will be that much further down the road to satisfaction – no small difference in today's hyper-competitive marketplace. Based on the author's experience, the process from analysis to fabrication and installation can be accomplished in 52 weeks vs. up to 68 weeks for a standard design-bid-build installation. And, with one entity controlling the project scope and budget, change orders, and their accompanying delays and higher costs, will be less likely to see the light of day.

Reduced opportunity for owner liability

A constant of the design-build anatomy is an owner's shelter from liability. With a designer and installer being one and the same, or at least affiliated teams from the onset, a more harmonious relationship should ensue. Since the wayfinding consultant is no longer just an agent of the owner, design errors and omissions are solely his responsibility.

CareFinding™ Equals Higher Brand Value

Expediting delivery of your CareFinding™ system through design-build provides another important benefit – increased brand value. Health care marketers are under pressure to justify budgets and show results for marketing activities. The quicker and less expensively a wayfinding system is put in place, the faster staff and patient goodwill will grow and provide an intangible boost to your institution's image. Quality signage in high visibility public areas can do much to reinforce the hospital's image, and brand, with consistent styles and colors, and of course provide an opportunity to make liberal use of your institution's logo.

Outside of a focus on healthcare, the economic value of on-premise signage benefits industries as diverse as banking, hospitality, and automobile dealerships. Among case studies, positive business performance was generally associated with greater use of on-premise, and high quality, signage. A hotel chain found that the use of a digital electronic sign to display pricing was associated with increased occupancy rates; a national retail banking concern found that pylon signs were associated with significantly more teller transactions; and a car dealership found that the addition of a video sign board was linked with increases in both service department revenue and customer traffic (Rexhausen et. Al.). A point relevant to the medical community is that the dealership found an added benefit in the goodwill and reputational gain associated with using the video board for community-related public service messages.

BrandSpark International, a leading independent market research firm, annually conducts The American Shopper Study™ in conjunction with the *Better Homes and Gardens* Best New Product Awards program. BrandSpark mines a consumer panel representative of U. S. households in collaboration with academic partners. Findings involving signage consistently show four key value indicators:

- (1) Signs draw traffic to businesses, (2) consumers infer quality from signage, (3) signage trumps radio, Internet, and newspapers as an informational source regarding new products, and (4) a significant portion of the U. S. population (about half) has driven by and failed to find a business due to signage communication failure (Kellaris).

Since signage is such an important facet of building brand awareness and image, it stands to reason that hospitals can benefit from implementing a CareFinding™ program backed by a high-quality, effective signage system.

CareFinding™ Equals Higher Return on Investment

Finally, ROI will grow with improved patient throughput, another area that a sterling wayfinding program will benefit. Effectively cycling patients through the hospital is a key operations management duty. Poor wayfinding leads to unnecessarily vexing already stressed patients, causing staff to spend time addressing customer complaints and performing damage control on the organization's reputation. Once a department or specialist gets behind due to a lack of optimized patient flow, they can find it difficult to get back on schedule for the rest of the day. The Chartis Group, a leading management consulting firm, states that optimized patient throughput leads to drops in admissions wait times of 35 - 50% and providers have achieved unit cost reductions of 5 - 7% (Chartis 2007). While the Chartis studies do not directly address wayfinding's role, its part in contributing to smooth day-to-day facility operation is an important component of maximizing patient throughput.

Healthcare ROI in the Real World

A Society of Environmental Graphic Designers (SEGD) Webinar titled "2008 Trendsetters in Wayfinding" noted the following effects of poor wayfinding in hospitals studied:

- 31% downtime by staff & equipment because of patients being late
- 40% idle staff time when patients are late in a facility with at least 30% first-time visitors.
- 2.4 minutes on average per staff member to give directions.

Figure 1 summarizes the striking boost to returns on the capital invested in a successful wayfinding implementation. Based on this data, and using an average hospital employee salary of \$50,000 per year, a healthcare facility with 950 employees spends on average \$277,875 yearly for employees providing wayfinding guidance as part of their regular duties. After successful implementation of wayfinding improvements, the average institution will realize a 60% improvement in this area – translating into yearly savings of \$166,725 in salary alone. Add to the salary savings increased patient satisfaction (now used as determining factor for Medicare reimbursements), improved patient throughput, and decreased employee and equipment downtime, and management will find a significant boost in funds available for more productive uses.

Figure 1. Improved Wayfinding Can Be a Major Cash Flow Enhancement

| Sample Facility | |
|--|----------------------|
| Average Employee Annual Salary | \$ 50,000.00 |
| Average Employee Weekly Salary (divided by 50 weeks) | \$ 1,000.00 |
| Average Employee Hourly Salary (divided by 40 hours) | \$ 25.00 |
| Average Employee Minute Salary (divided by 60 minutes) | \$ 0.42 |
| Average amount of time spent directing patients per encounter (minutes) | 2.5 |
| Average salary spent per encounter | \$ 1.04 |
| Weekly Average Number of Wayfinding Encounters | 9 |
| Weekly salary spent per employee per encounter | \$ 9.38 |
| Number of Employees | 950 |
| Percentage of Frontline Employees | 60% |
| Number of Employees interacting with public | 570 |
| Total weekly salary spent on wayfinding | \$ 5,343.75 |
| Total yearly salary spent on wayfinding | \$ 277,875.00 |
| Yearly Savings based on 60% target | \$ 166,725.00 |

In one of their major surveys that measure patient flow, The American Hospital Association found that approximately 46% of their respondents cited lack of wayfinding as being a significant current concern for preadmission patient flow. They also found that 83% of patients are not given adequate information prior to coming to their facility. (Source: AHA Solutions Patient Flow Challenges 2009-2011). They also noted that signage and wayfinding in general are key elements in building a facility's brand in the community. This becomes critical with multiple locations, affiliates and offsite locations. (Source: AHA Signature Learning Series webinar Excellence in Wayfinding, 5/15/12).

Case Study 1:

After CS&G implemented a Comprehensive Wayfinding program, a 914-bed facility in St. Louis noted a 40% increase in traffic at an existing urgent care center within two weeks of improved exterior signage and a significant increase in customer satisfaction scores relating to questions based on ease of finding their way around the facility.

Case Study 2:

A 374-bed facility in South Dakota identified a key decision point that was causing significant issues for lost/disoriented patients and visitors. This issue was corrected as part of the initial phase of their CareFinding project resulting in their staff being able to document a 59% improvement in their wayfinding. (Source: AHA Solutions Signature Learning Series webinar "Collaborative Health Care Wayfinding" 3/19/13).

An effective wayfinding program can be a valuable contributor to your hospital's brand, image, and financial success. Add a design-build component to the installation process and the benefits grow. A carefully selected wayfinding consultant that specializes in healthcare will be a trusted advisor on your team for years to come.

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