

TURNAROUND MANAGEMENT STRATEGY THE GENESIS OF QUALITY IMPROVEMENT ADVENTIST HEALTH SERVICES

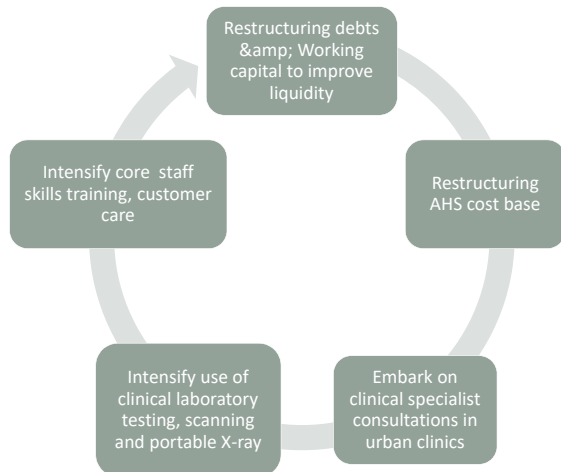
THE IMPORTANCE OF TURNAROUND MANAGEMENT STRATEGY

This turnaround strategy has been designed to reverse a negative financial and operational trend and get the organization (AHS) back on track to profitability. According to Jonson Scholes and Whittington (1995) turnaround strategy refers to a mechanisms that enhance speed of change, rapid cost reduction and revenue generations. It is important to note that this turnaround strategy will bring AHS to its original position and stabilize its performance..

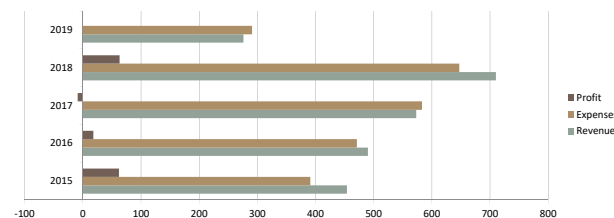
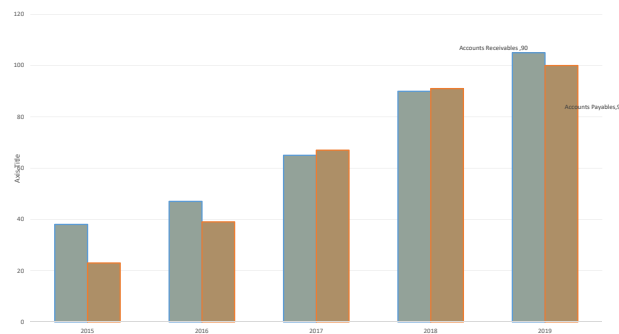
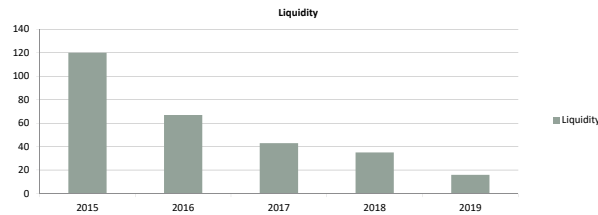
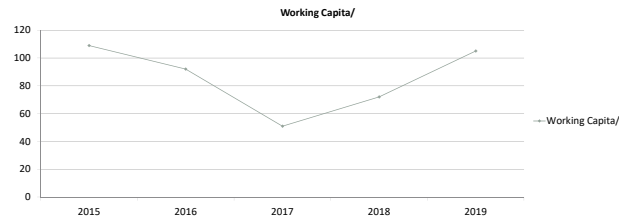
The current financial position of the organization has positioned management to embark in a “turnaround management strategy” as top on the list of important things to do.

The importance of turnaround strategy is that it converts a loss making organization in to a profitable one.

TURNAROUND STRATEGY FLOW MAP



FINANCIAL PICTURE 2015 TO 2019



STRATEGIC IMPLIMENTATION

- Working Capital – AHS is focusing on ways to increase sales revenues, proper management of inventory and reduce accounts receivable as well as payables.
- Liquidity – AHS is focusing on five strategic areas to improve its liquidity
 - Early invoice submission – from all clinics on Service Level Agreement with Government, and to all medical schemes.
 - Switching from short-term debts to long term debts.
 - Get rid of useless Assets
 - Control overhead expenses
 - Negotiate for longer payment terms
- Accounts Receivables – AHS is focusing on monitoring accounts receivables effectively to ensure that clients are properly billed and the prompt payments are received.
- Accounts Payables – AHS is negotiating for longer payments terms with local suppliers especially those supplying drugs and medical supplies.
- Profitability - AHS is reviewing the profitability of the service i.e. drug sales and on going process assessing where prices can be adjusted on regular basis to maintain or increase profitability.
- Income and Expenses – AHS is reviewing it income and expenses. To increase income and decrease expenses, the following turnaround strategies shall be put in place;
 - Cutting expenses on expense items that may not cause net loss
 - Getting rid of extra inventory
 - Evaluating labor needs, i.e. skills training
 - Having suppliers who sale quality standard supplies for a lower price
 - Urban clinic to have specialized doctors to consult.

SUMMARY

1. The graphs in this presentation indicate a decline in institutional operations and therefore requires a quickly implementation of turnaround strategies.
2. Improvement in Liquidity and working capital vital.
3. Right sizing the cost
4. Ensuring that the institution has the right team in place
5. Ensuring full control for institution cash flow

ADVENTIST HEALTH SERVICES
QUALITY IMPROVEMENT
THROUGH NETWORKING



Chileka Health Center – Receiving Delivery Beds and other equipment for maternity use

The Director of Sakaramenta handing over the donations to the clinic through the village Chief in the presence of South Malawi Field of the Seventh Day Adventist Church President and the Chief Executive Officer of Adventist Health Services. Chileka Health Center serves a catchment population of more than 13000



Nsambe Health Center – Received donation of beds from Sakaramenta Company

Sakaramenta Company – Donated delivery beds and antenatal for mothers coming to deliver at the health center. Nsambe Health Centers Serves a catchment population of more than 25000



Sangilo Health Center – Construction of incinerator and Placenta pit.

The Nyanja Project renovated Sangilo Health Center including staff houses. To crown their project they built new incinerator and the placenta pit for the health center. The clinic is along lake Malawi. Serving a catchment population of 12000



CHAMBO HEALTH CENTER – MATERNITY WING

Christian Health Association in corroboration with the Norwegian AID built a modern maternity wing at Chambo Clinic a health institution belonging to Adventist Health Services

Results of Networking

- As a result of networking and partnership;
 - Over ten of AHS facilities signed Service Level Agreement with Government.
 - Most Health Center have improved infrastructure
 - Service Level Agreement has improved AHS income
 - Increased clients are able to access medical services.