



CASE STUDY

A Lesson in Team Dynamics: Hire People with the Right Attitude

Case Study: Pediatrics Office

Executive Summary

Multivariable Solutions was hired just one day after the office manager at a failing pediatrics office was fired. Multivariable Solutions was tasked to not only solve the company's immediate office management and payroll needs, but also to uncover the root of its financial problems and take calculated measures to correct them. Upon delving into the inner workings of the business, Multivariable Solutions found that the company's internal team dynamics was ineffective and unproductive, which led to mismanagement of the company's finances and excessive overhead.

Challenges

Upon their arrival, Multivariable Solutions discovered the pediatrics company in a financial mess: their line of credit was maxed out, their credit cards were gathering interest, and they were behind on their accounts payable.

The company was averaging \$40,000 in the bank with a biweekly payroll of \$20,000 and experiencing no growth in their cash flow each month. This resulted in drastic ebbs and flows in the bank account balance, leaving little room to pay off their debts each month.

Although the symptoms of the company's problems reared its head in the form of financial disarray, the root of the problem lie in the lack of oversight and productivity of its staff and inefficiencies in its billing department. Procedures that were completed by the doctors were never billed to the client, and despite a sophisticated electronic medical records software package that could have easily routed bill payments, staff was still hand delivering checks to the bank each day. To top it off, lax oversight meant employees were not held accountable for their time and often took paid two hour lunch breaks at the expense of the company.

Solution

Multivariable Solutions immediately took over the office management, even running payroll two days after its consulting relationship began with the doctor's office. Their next crucial step involved running a complete team analysis of the company's 22 staff members to determine the roles of each member of the company.

During the first week of January, seven people were let go, including medical assistants, administrative staff and the entire billing department. Most of the employees who remained were given additional responsibilities, as well as raises and bonuses.

The process and systems used for invoicing and payment processing was modernized by simply taking advantage of the robust billing system already available to them. To track personnel, Multivariable Solutions switched to a bi-weekly payroll system and put in a timeclock for everyone who was not exempt.



Results, Return on Investment & Future Plans

Within three months, the pediatric firm was averaging \$250,000 in the bank account, had built up their line of credit, and paid off all of their credit cards. Even with one-third fewer staff members, overall productivity increased thanks to the implementation of streamlined operations and a more positive work environment. The primary doctor and owner of the company was even able to retire soundly and leave the day-to-day operations of the company in good hands. With the right team and processes in place, the outlook of this pediatrics office continues to look promising.