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## Olena Tischler: Health Care Operations Management Intern

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Olena Tischler was excited about her internship during the summer between her two years in the Darden Graduate School of Business (Darden) MBA program. She had worked hard to develop this first-of-a-kind operations internship with Northeast Regional Healthcare (NRH). The internship involved a month in each of three specialties: Thoracic Radiology—Imaging and Procedures (TIP),<sup>1</sup> Orthopedic Department and Clinic (Ortho),<sup>2</sup> and Quincy Lake Primary/Specialty Care Clinic (QLC).<sup>3</sup> After Tischler found a supporting member of the health system’s Talent Development group who was open to the MBA intern idea, she had an open shot at a huge playing field. While many options were available to her, she chose to focus on patient care operations and used the leadership for whom she would be working as the deciding factor. Each of these areas had rock-star managers with open and inquisitive minds about management concepts.

After two days of familiarity training, she was finally at her first assignment, walking TIP’s *gemba* with her new manager and mentor, Dr. Amir Kanakogi.<sup>4</sup> While walking, Tischler asked Kanakogi the main question she had been toying with since helping develop the position title of Operations Management Intern, “How do you define *operations* as it relates to your department?”

Kanakogi gave her a slightly puzzled look and thought for a few seconds before giving a humorous first response: “Oh, that’s easy—it’s where we cut on people!” His laugh was interrupted by a pager buzz. As he hurried off to respond to a patient need, Kanakogi looked over his shoulder and said, “Really interesting question—I look forward to hearing *your* answer!”

After Tischler got over the fact that pagers were still being used for communication, she turned toward her desk, where she spent the remainder of the day pondering the question. She was saved from this rumination by a call from her mom, Petra, who was traveling in nearby Atlanta and asked Tischler to join her for dinner that evening. Never one to turn down a free meal and good company, Tischler agreed.

As Tischler drove, she thought about her mom’s own career. Tischler grew up hearing about operations management from her mom’s conversations about her work. Petra had an undergraduate engineering degree and initially worked in manufacturing as a design engineer. She soon wanted to break from technical boundaries to try leading people in an organization to overcome the challenges a broader definition of *business* offered.

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<sup>1</sup> TIP was focused on procedures within the thoracic area that used radiological technology to assist in a less invasive manner of surgery. TIP was led by Dr. Amir Kanakogi.

<sup>2</sup> Ortho included both the department of orthopedics and a specialist orthopedic clinic located on the main hospital grounds. It was led by Dr. Joe Johansson.

<sup>3</sup> QLC was a complete health care clinic built around general practice providers and most major specialties needed in its urban/rural setting. It was led by Sue Roberts.

<sup>4</sup> *Gemba* was a Japanese word used in Lean practices to refer to “the place where value is created.”

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This fictional case was prepared by Austin English, Visiting Executive Lecturer; and Elliott N. Weiss, Oliver Wight Professor Emeritus of Business Administration. It was written as a basis for class discussion rather than to illustrate effective or ineffective handling of an administrative situation. Copyright © 2021 by the University of Virginia Darden School Foundation, Charlottesville, VA. All rights reserved. To order copies, send an email to [sales@ardenbusinesspublishing.com](mailto:sales@ardenbusinesspublishing.com). No part of this publication may be reproduced, stored in a retrieval system, used in a spreadsheet, or transmitted in any form or by any means—electronic, mechanical, photocopying, recording, or otherwise—without the permission of the Darden School Foundation. Our goal is to publish materials of the highest quality, so please submit any errata to [editorial@ardenbusinesspublishing.com](mailto:editorial@ardenbusinesspublishing.com).

After her own graduation from Darden, she had joined a large HVAC corporation, a division of a *Fortune* 50 company, where she gravitated toward gemba and successfully worked her way up the organization through manufacturing and general management until she reached her current role in charge of North American Operations.

As the waiter poured them each a glass of wine, Tischler said, “Mom, I helped develop the job position I have now, but I am really struggling to define what operations means in health care. It seems to be very departmentalized and specialized—what I’ve heard you call ‘silo mania.’ Today, I asked my manager how he defined operations. He turned the question back on me and I have been wrestling with this all afternoon. How would you define operations in health care?”

In her usual self-deprecating way, Petra replied, “Well I’m just a manufacturing geek and have no idea how health care works, but I can tell you how we tend to define and manage operations. I will leave the translation from that into health care up to you!”

They then meandered through a conversation, and by the end, Tischler had several pages of summarized notes (see **Exhibit 1**) giving her a framework to compare her world to Petra’s. She made a mental note for the next day to compare the operational building blocks Petra believed necessary to operate a production operation with the ones she herself found in each of her three assignment areas. Tischler and Petra both agreed that the most important point about operations was the gemba! That was where value was created, so it was the most vital part of the whole business.

Over dessert, Petra brought up the transition she had experienced early in her career and suggested that Tischler might be in a similar situation now. Petra explained, “The environment I encountered was very silo focused. First, every manager was intent on how their own department could accomplish its goals. The department’s mission was only that of its own silo, so that was as far as department members worried about optimizing the value of what the company shipped out. There was no teamwork, shared responsibility, or customer-centered focus among silos. A task was a given silo’s responsibility to perform, and everyone outside of that silo’s job was to complain how they were not getting supported.”

Petra continued, “Also, our primary managerial focus was on labor! Headcount, labor hours, labor efficiency, and so on. If you were going to advance your career, it would be through labor hours. Your success depended on how well you performed on labor metrics and how much labor you actually managed. Did you manage 40 people or 400? Our secondary focus was on return on assets. Were you keeping your machine busy—regardless of whether you needed the output or not?”

Petra went on, “We were failing miserably in top- and bottom-line metrics along with soft metrics like employee turnover and customer feedback. Our quality stunk! Our investment in the business was in the same tailspin as our bottom line. I came very close to taking a different job and moving us all to Kalamazoo, Michigan. When our business, previously a cash cow, went into the red, we finally woke up to the need for change and actually took continuous improvement seriously. Then we finally shifted our focus from the vertical silo and labor focus to the horizontal value stream (VS) and VS throughput. We did this by both focusing on horizontal process flow and by changing our management structure to support this flow. The players within it critically evaluated each VS. Continuous improvement plans were prioritized, and we got to work on them. We also changed our management structure to support the horizontal team.”

As Petra spoke, she scribbled out a matrix on a napkin to clarify her points (see **Exhibit 2**). “While we recognized the importance of certain technical or functional skillsets that needed to be managed together, we shifted each silo employee’s focus more toward product value output rather than silo output,” she said. “Our new motto was ‘what value gets safely shipped out today—on schedule, at an affordable cost, with the highest quality?’ We started to really see the results. Add this to our investments in our people—we taught them all to be problem solvers—and we have been on an upward trajectory ever since. Success was rewarded with extra

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investments in people, assets, and growth. Career growth was achieved through improved process flow, not labor reductions.”

After ending this soliloquy, Petra reeled off some questions for Tischler to ponder.

- How do you want to define *operations* in your organization?
- What functions does your value stream depend upon to function well? How many of these are effectively operating horizontally in the VS? How smooth is the flow?
- If you were the VS manager, what would you do to improve performance? What hurdles do you anticipate?

Petra looked up and said she did not know whether this whole conversation had helped Tischler figure out the definition of what operations meant in health care, but she was confident that in time, Tischler would. And when her daughter did, she would be fully conversant in the problems a health care operations manager faced. As for Tischler, she looked across the table at Petra and tried to decide whether or not she liked this new vein of conversation with her mom.

As they said their good-byes and headed for their cars, Tischler noticed that Petra had a skip in her step!