



Value creation

Driving service excellence in health, ageing and human services organisations.

Supporting delivery of high-quality care, while controlling costs, to create value for individuals and care providers.

Driven by increasing demand and upward pressure on costs, expenditure in health, ageing, and human services systems is growing at a rate that is unsustainable. Governments, payors and service providers have renewed their focus on improving the performance of their organisations and systems, with the need to deliver greater value for those giving and receiving care in that process.

The easy problems have been solved. Thirty years of service improvement alongside generic cost-out approaches mean that the low-hanging fruit is gone.

Unprecedented service demand, workforce shortages, increasing consumer expectations, spiralling costs and a lack of integrated services, systems and technologies means it's time to consider some of the more challenging opportunities. Labour intensive functions, particularly in the middle and back office have been notoriously resistant to reform. Changing workforce conditions and fiscal pressure have placed a renewed focus on removing low-value, labour intensive, unnecessary functions across the organisation – from the frontline to the back office.

In the current complex economic landscape, organisations must prioritise eliminating low-value activities throughout their operations while focusing on implementing value-added processes and initiatives. By aligning these strategies, organisations can streamline their operations, reduce inefficiencies, and genuinely create value for their clients and their organisation. This, in turn, leads to enhanced long-term financial sustainability.

Contact us

Elizabeth Wood
Partner,
Operations Advisory
T: +61 412 059 256
E: emwood@kpmg.com.au

Jason Collins
Partner,
Finance Advisory
T: +61 439 313 792
E: jasoncollins@kpmg.com.au

Sallyanne Ingram
Partner,
Technology Advisory
T: +61 449 045 977
E: singram01@kpmg.com.au

Matt Wright
Director, Policy,
Economics and Public Impact
T: +61 410 909 293
E: mwright11@kpmg.com.au

Numerous factors are driving health, ageing and human services organisations to consider how to deliver high value services efficiently:

Rising costs

- Escalating care costs, including labour, pharmaceuticals, and technology, put pressure on organisations to find cost-effective ways to maintain or improve services without compromising quality.

Resource constraints

- Limited resources, including workforce shortages, require organisations to do more with less, making efficiency and value creation critical.

Consumer expectations

- Consumers have higher expectations for quality, convenience and affordability. Organisations are engaging consumers in a more meaningful way to design and deliver services that provide genuine value.

Technological advancements

- The integration of technology, such as electronic records, telemedicine, and data analytics, offers opportunities to optimise care delivery and improve outcomes while reducing costs.

Quality improvement

- Continuous quality improvement efforts are vital for maintaining or enhancing care quality while controlling costs.

How can KPMG help you?

KPMG's expertise can help you across your value creation journey

- **Strategic alignment:** we will seek to deeply understand your organisational goals and how you have aligned organisational effort to achieve them.
- **Data analysis:** we will analyse your data to identify priority areas within your organisation for initiatives aimed at addressing low-value activities.
- **Opportunity identification:** we will conduct a comprehensive review, identifying and prioritising opportunities for reducing low-value processes and activities throughout the organisation, guided by rigorous data analysis. With

a lasting framework provided to you to improve ongoing decision-making.

- **Delivery roadmap:** we will sequence these initiatives and develop a clear roadmap for executing them, ensuring a structured approach to maximise speed to benefit realisation.
- **Implementation:** we work with you to deliver the initiatives and ensure the full benefits of the program are realised across your organisation.

Our tools and capabilities to ensure your project is a success

- **Global benchmarking:** benchmark productivity metrics against global

peers facing similar challenges, as well as partnering you with organisations who have done this before.

- **Sector knowledge:** our diverse range of national and international subject matter experts allows us to provide detailed and appropriate insights into how your organisation can successfully drive value creation.
- **Operational analysis:** a diverse set of tools will allow us to effectively analyse your data and generate key value creation hypotheses to support your journey.

KPMG understand

Operational improvement for financial sustainability: we understand the significant cost pressures and firmly believe that the cost of good care is far cheaper than the cost of bad care. We have extensive experience in supporting organisations to deliver the best care, for the best outcomes, at the most efficient price.

The importance of defining the problem: and mapping the process end-to-end to determine the solution to be implemented.

Co-designed, innovative and agile service delivery models: our team are passionate and experts in human-centred design. Developing innovative service delivery models that are centred around the person receiving care, and supportive

of the person providing care, to ensure the best experience and outcomes.

Service and system design and redesign: including technology enablement and adopting automation.

Workforce engagement and optimisation: to ensure the right people are doing the right work.

KPMG'S 12 cost out levers for health, ageing and human services

Macro cost lens

Cost out opportunities in health, ageing and human services

Strategy

Focus on services, processes and initiatives that deliver value for patients, clients and residents

1 Geographies, markets, products: Enhancing outcomes (for patients and care providers) by determining the optimal number of service locations and service profiles of each location

2 Operating model and balance sheet: Evaluating operational processes in functions like recruitment, financial billing, and rostering to identify opportunities for enhanced efficiency

Simplicity

Ensure the organisational, accountability and governance arrangements enable efficient decision-making and operational agility

3 Organisational model: Streamlining governance structures for efficient decision-making, resource allocation and service delivery

4 Transformation optimisation: Being agile and continuously refining identified initiatives to maximise efficiency outcomes

5 Cost management focus: Vigilantly controlling costs through monitoring and close analysis of key focus areas identified (for example, procurement, overtime)

Engineering

Manage and optimise how services are provided, including use of technology, mode of service delivery and deploying automation and data to drive productivity

6 Digitisation and operational efficiency: Where appropriate, adopting digital tools to streamline processes and boost operational efficiency

7 Channel optimisation: Considering how services are most efficiently provided (hub and spoke, virtual, inreach/outreach)

8 Organisation design and people: Working to the top of scope of practice – identifying the right staff to do the right task to increase capacity for their functional speciality

9 Technology optimisation: Review and rationalisation of technologies

10 Asset optimisation: Consideration of service delivery locations (head office and service locations). Establishment of predictive asset maintenance practice to extend the life of assets

11 Sourcing & supplier management: Review third party arrangements and determine consolidation/renegotiation opportunities

12 Regulatory, governance & risk compliance (incl tax & legal): Structuring entities and refining regulatory disclosures to minimise legal compliance expenses while upholding regulatory adherence