



A STRATEGIC ANALYSIS ON PARKING SERVICES IN A SUPER HOSPITAL

Introducing a New or Updated Parking System

By Nasos G. Makriyiannis, Dr. Alex Whitmore, Tim Field, Julie Kristof

KOMAND Consulting Inc.

Parking Services in a Super Hospital

A Demonstrated Need for Strategic Review

Hospital parking is not a glamorous part of the health care system but it is a vital service and a source of public and staff complaints when it does not function well. Parking services pose a financial burden to patients and their caregivers but they also make an important contribution to hospital cost recovery and funding. These opposing interests create a tension that has become a focus of heated public debate and a public relations challenge for hospital administrators. **By undergoing a strategic review of their parking services, technical and operations directors create efficient parking systems that both generate revenues and serve all stakeholders.**

In some respects, a hospital parking facility is like those found at airports or urban shopping centres. Yet, parking services in a hospital context face expectations and demands that make its circumstances unique in many respects. This paper sketches some of the strategic issues that are unique to setting up a new or fundamentally upgrading the parking system in a hospital facility – a clean slate approach – and suggests a methodology for getting the right system in place. It does not provide answers but, we trust, will help raise the right questions and help show the best way forward.

There may be a temptation to implement the same parking system in a new hospital facility that was in place at the old, perhaps with a few updated features but without major rethinking of the operation. We suggest that this passive strategy would pose a missed opportunity. A hospital parking system is comprised of five major components (see *Figure 1*).

These components must be optimally designed and operated to provide a first-class parking service. There

are numerous stakeholder groups concerned with hospital parking services (see *Table 1*).

Figure 1 - Major Components of a Parking System



These stakeholder groups are far from homogeneous in their interests, even within the same group. Patients, for example, may be in-patients or out-patients. They may come from local districts of the city, outlying suburbs, or distant communities. Their illnesses may require long or short stays, single or recurrent visits. They may or may not need the assistance of attendant caregivers. And so on. **What operating policies should govern hospital parking? What principles of equity, access and cost recovery should underpin these policies?** How might these principles be publicly articulated so their inherit merit and reasonableness

STAKEHOLDERS
<ul style="list-style-type: none"> •Patients •Caregivers •Family and Friends •Medical and Support Staff •Commercial Transport •Public Transportation Authorities •Government Agencies •Competing Parking Operators

Table 1 - Key Stakeholders of Major Hospitals

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are visible and understood by all stakeholder groups? Answers to these questions require careful study and strategic review.

STRATEGIC CHALLENGE #1: How can a Major Hospital Position its Parking Services to Provide an Equitable Parking Solution that Satisfies All Key Stakeholders?

An expedient point of view might argue that the problem is really only one of setting the parking fee schedule and then choosing the most cost effective way of implementing the service so the hospital receives maximum financial benefit. We argue that this expedient point of view would be myopic and difficult to defend in a public forum. Hospital parking in the new facility will generate millions of dollars in revenue each year. The selected configuration of parking services that is chosen at this time will likely remain in place for a decade or more. Thus, a small investment in getting this system right at the outset is an outlay that offers large potential gains in terms of financial returns and improved public relations.

STRATEGIC CHALLENGE #2: How can a Major Hospital Introduce a New or Upgraded Parking System with Tight Deadlines due to Constraints on “Parking Downtime”?

An additional constraint is the effects of change from an old to a new system. The change we are referring to is organizational change and the challenges faced with reengineering existing business and operational processes. These incremental costs of change management can be avoided by introducing a new or updated parking system with a well-thought out strategy.

STRATEGIC CHALLENGE #3: How can the Hospital Avoid Costs Associated with Organizational Change Resulting from a New or Updated Parking System?

In light of the strategic challenges the hospital should consider taking pre-emptive action in the form of a strategic study of the parking services. The study will take a holistic view of the parking system and introduce new strategic initiatives and operational processes based on validated, statistically significant results.

SOLUTION: Pre-Emptive Action in the Form of a Strategic Analysis

What are some of the key elements of a strategic study of parking services? We list a few below to illustrate the potential breadth and substance of the study.

- **Review the current plans** of the new/updated parking services
- **Benchmarking:**
 - Review hospital parking services in Canada, the U.S.A., Europe, and elsewhere
 - Review parking systems of similar public service facilities, such as airports and commuter train pick-up points, to learn what innovative strategies have been tried and are successful
- **Undertake a statistical review** of historical parking patterns with the current structure
- **Perform a thorough consultation with** stakeholder groups to define their needs
- **Assess the impact of different configurations of parking services** on requirements for equipment, information systems & personnel and make specific recommendations for procurement and installation
- **Consider the interaction of parking services with other related client services** in the hospital such as out-patient clinics, diagnostic services, food services, security, and reception/information
- **Develop a financial simulation** to account for various scenarios and other sensitive assumptions and parking configurations,

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followed up with recommendations on the optimized configuration and systems

RESULTS: Strategically Sound Operational Processes Based Both on Financial and Non-Financial Metrics

Before embarking on such an endeavour, the hospital needs to establish a cross-functional strategic review group. Specifically, this group would set parameters and boundaries of the strategic review, provide guidance on what is manageable and acceptable from an institutional perspective, provide study oversight, receive the final strategic recommendations and direct further actions that flow from it. The group and review team would work out a realistic time line for the strategic review and reporting requirements.

By following the approach suggested in this Strategy Paper, technical and operations directors should now expect to avoid stakeholder backlash and also minimize restructuring costs. □

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Dr. Alex Whitmore is the lead statistician at KOMAND Consulting. Alex is the foremost expert in business statistics and analysis. Alex has also been involved in analyzing and identifying traffic patterns in a multisite parking facility.



Nasos Makriyiannis is the managing partner at KOMAND Consulting. Nasos has helped companies formulate and implement business and organizational strategies in many sectors and has also led an operational improvement initiative for a multisite parking facility.

KOMAND Consulting Inc.

1250 René Lévesque Blvd. West - 22nd Floor
Montréal, Québec
Canada H3B 4W8

Montreal: +1 (514) 934-9281

Dubai: +971 (50) 156-7650

For more information please visit www.komand.ca or email us at healthcare@komand.ca