

# 7712IBA ASSIGNMENT 2

April 25

# 2018

---

ADWIN AWADH  
STUDENT NO S1254602  
ASSIGNMENT 2

MANAGERIAL  
PROBLEM  
SOLVING

### **Executive Summary**

The following report is based on managerial issues faced by a medical company called City Fertility Center. The issues are regarding IVF support as well as communication gap within the organisation. The following report looks at the identification of the problems as well as searching for possible solutions and strategies that the respective organisation can implement supported by theoretical aspects. The problem statement of the study is to analyse the present contextual issues of the City Fertility Center followed by recommendations to improve business productivity and patient care.

## 7712IBA ASSIGNMENT 2

---

### Table of contents

Introduction .....	3
Identification of problem.....	3
Location and implication.....	9
Management of problem.....	10
Possible solution.....	10
Solutions for implementation plan .....	12
Theoretical aspects and rationale behind solution.....	13
Recommendation.....	14
Conclusion.....	14
Reference List.....	15

### **Introduction**

Managerial problems are common in any organisation having different hierarchies as well as leading heads. It is not only a matter of miscommunication but there are other gaps and managerial issues that can be faced amongst different heads of departments. The respective case has reflected a miscommunication gap between the finance and the marketing manager for the City Fertility Center, which operates in a highly competitive IVF market in Australia, as there are countless firms operating in the same base.

City Fertility Centre, established in 2003 is a privately owned Fertility Centre with IVF Clinics that offer patients access to the most advanced medical diagnosis and treatment options available to conceive a baby using the state-of-the-art fertility treatment. Over the past twelve months, the company noticed significant drop in its IVF lab services.

The problem statement of the study reflects on the issue where the finance manager has doubts on the operations of the marketing manager. However, it is not enough to determine operational gaps based on outcomes and decline in patient interactions due to lack of efficient strategies to attract a large number of patients. (Hoejmose&Adrien-Kirby, 2010).

### **Identification of problem**

The problem in the referred case has been identified as a communication gap between the finance and the marketing manager. Having a lower profit margin in the last financial report, the finance manager has claimed that the marketing strategy of the business is not up to the mark. However, the marketing manager justified that all of the regulated marketing efforts were maintained at regular terms, therefore, it was very evident that without having marketing gaps, there must be some other reasons that the extensive range of patients were not getting into the City Fertility Center clinics. One of the gaps was identified as marginal patient treatment (Nyberg, 2011). The respective organisation tends to provide support to only those patients who can pay upfront costs who register with the City Fertility Center due to which the productivity of the business seems to be marginal. The major problems in the respective context are as follow:

## 7712IBA ASSIGNMENT 2

---

- Communication gap between different managerial heads.
- Inefficient operational strategies including treatment of restricted patients.
- Marginal marketing strategies to tackle competitor's clinics.
- Higher expenditure of IVF support that is not affordable by individuals.

### Finance Department

From the Finance Managers perspective, marketing issues that were not being observed:

1. Lack of radio advertising.
2. Lack of community engagement.
3. Focusing on multicultural clients.
4. Not converting direct to public marketing patients into ivf patients.

### Marketing Department

From the perspective Marketing team they agreed but the problem was broader.

The Marketing Manager went out and did her research and found the underlying issues. To do this the Marketing manager designed a secret shopper list to gain insight into the business intelligence of its competitor's strategies.

-	<u>Queensland Fertility Group</u>	<u>Monash IVF</u>	<u>My IVF</u>
<b>Who did you see? (reception/nurse/patientliasion)</b>	Saw the Patient Liasion Coordinator on Thursday at the QFG Clinic. The Clinic address was 55 Little Edward Sreet, Spring Hill.	Saw the IVF Nurse at the Mosha IVF Clinic in the Wesley Hospital in Auchenflower.	Saw the Reception/admin staff at the MY IVF Clinic in North Lakes.
<b>How long is the wait to see a specialist?</b>	Depends on the fertility specialist and their wait time. Generally get an appointment within a couple of weeks.	Varies from specialist to specialist - average - 2-3 weeks	Not much of a wait - usually a week
<b>Can I choose which specialist I see?</b>	Yes - a list of doctors on the website - you can	Yes - doctor profiles on the	Maybe but not guaranteed. 3 specialists.

## 7712IBA ASSIGNMENT 2

	preview their profiles and choose.	website	
<b>Do you have donor sperm available if we need it?</b>	Yes	Yes - 18 donor sperms	No small clinic - Monash IVF has donor sperm available.
<b>Costs</b>			
<b>How much is the first appointment with the specialist?</b>	\$250 approx - includes pelvic ultrasound, initial consult	Varies - average - \$200 - \$300	\$250 (female)
<b>Is there a administration/registration fee? Fee to access donor sperm?</b>	\$229	No administration/registration/donor sperm access fees	No
<b>How much will my IVF cycle cost?</b>	\$7950 - includes blood test, ultrasounds, lab/scientist fees, admin fees, counselling fees, 6 months storage	\$10187 - all blood tests, ultrasound scans, consultations with counsellor, egg collection, scientist/lab services, embryo extended culture, embryo freeze fee, 6 months storage, IVF specialist's participation in your egg collection and embryo transfer	\$3,036.50
<b>What does that cost include? Are there any external fees?</b>	As above and no external fees.	Additional fees for counselling and storage after 6 months	External fees - Excess embryos (freezing, storing, 6 months - \$600)
<b>Does that fee include ICSI? Donor sperm? (cost of these)</b>	No separate fee for ICSI - Total cost would be \$8762 (\$800 extra) and Donor sperm - Reserve - \$560 per vial	ICSI fee - \$11026.00, Donor sperm - \$731	ICSI cost - \$3384.65
<b>Does that include the Specialist Fee?</b>	No. Separate fees - \$950	Yes it is included in the IVF cycle cost	Yes specialist fees included for 30 days. After 30 days, \$175 for specialist information

## 7712IBA ASSIGNMENT 2

<b>Cost of Hospital Fee?</b>	\$2000 for hospital fee, which includes egg collection, embryo transfer, and anaesthetist fee.	Egg collection - \$1500	\$980
<b>Cost of Anaesthetist?</b>	Included in the hospital fees	\$400-\$600	Local not general - no cost
<b>Cost of Medication?</b>	\$200 per cycle	Yes it is included in the IVF cycle cost	\$38.80 per script (\$150 - \$300)
<b>General operational questions</b>			
<b>My cousin went through a company called City Fertility, what is the difference between you and them?</b>	Full service clinic, all forms of treatment, leading specialist clinic, very highly recommended doctors and is attached to a low cost clinic	Not familiar with City Fertility. However, they are different in relation to larger donor sperm program, big increase in success rates, genetic screening, backing from Monash Melbourne, good scientific processes	Part of Monash IVF, a big research arm, fertility specialists, 25% pregnancy rate - highest in the world
<b>How long would it take to get pregnant on average at my age? What are your success rates?</b>	Depends on the individuals. Average - 3 cycles to get pregnant. Clinic has created the most babies than any other clinics	Pregnancy rates - (35-39 age group - 74.6% - 86.2%)	Depends on the individuals fertility results
<b>Are there any restrictions on accessing IVF due to BMI or age</b>	No restrictions with full service clinic. However, age and BMI restrictions with low cost clinic.	Age restrictions - should be 45 and under	Yes - BMI should not be above 35 and age should not be above 45
<b>How often do I see Dr – I heard that in some places nurses or GPs do scans and stuff, is that the same here?</b>	Doctors or Nurses will do scans, blood tests, semen analysis	Varies due to individual treatment plan - average 3-4 times. Scans done by doctors.	You will see doctors - 3 times, nurses do scans
<b>Did they provide you with any information/brochures?</b>			
<b>Information pack</b>	Brochures were given when asked	Given when I arrived	Brochure given
<b>Pre treatment</b>	was verbally given as well	Included in the	Given

## 7712IBA ASSIGNMENT 2

estimated quote?	as emailed	information pack	
Cost handout?	was verbally given as well as emailed	Included in the information pack	Given
Other			
<b>Overall patient experience</b>			
<b>What was your overall patient experience? Were staff friendly and helpful / rude or disinterested? Did they seem happy to give you the information?</b>	Very satisfied with my experience. Staff were friendly and attended to me quickly. They seemed happy to give me information.	Staff were neither friendly nor rude - it felt like they were just doing their job. Nurse gave the information pack and said to make a booking as the consultants were busy. She said I could also phone and ask questions. My impression was they were only interested if I already referral from a GP.	Overall patient experience was good. Staff were friendly and willing to give information.
<b>Did they call or email after your visit?</b>	They emailed me after my visit. Quick to response to my queries too.	No - they didn't ask for contact details as I couldn't see the consultant	They did ask for a call back in order to talk to a nurse in more detail.
<b>What was your first impression of reception/waiting area and clinic in general?</b>	I was a confused when I arrived at the level as to which one was the main reception. They were like 3 waiting areas. However, I quickly figured it out. Very inviting, sophisticated and professional clinic. Also, conveniently all doctors are located in the same building and hospital is only 2 mins away.	Felt claustrophobic, small waiting area, didn't look inviting, near emergency ward - very depressing.	Reception is part of the day hospital - and it is hidden in a small corner. A small clinic. Had to ask the hospital reception area to locate the clinic reception area.



## 7712IBA ASSIGNMENT 2

<p><b>Was the clinic easy to locate? Get to? Parking?</b></p>	<p>Yes easy to locate and park. Stairs lead straight to the entrance of the building. Clearly marked signs on which level to go to.</p>	<p>No. Difficult to find the clinic. Rang the clinic to ask for assistance with parking and they said customer parking is expensive, try street parking. It took me going around the Wesley hospital to find parking and then took a while to actually find the clinic.</p>	<p>Didn't know it was part of the day hospital otherwise it would have been a bit easier to locate. There is no sign on the street to indicate that the clinic is inside. Easy to park but limited spaces to park.</p>
<p><b>Would you from your initial experience be happy to undertake treatment with them?</b></p>	<p>Yes definitely would take treatment with this clinic as the staff particularly the patient liasion was so friendly and welcoming. She saw me within 5 mins of waiting at the reception area.</p>	<p>No - I would not undertake treatment with this clinic - finding the clinic was an issue, finding a parking was an issue, clinic wasn't inviting, I do not like that it is part of the hospital (because there is too many people, too big of an area, less privacy - should be a separate building like QLD fertility group.</p>	<p>Yes I would consider this clinic as it is cheap and not as crowded, a bit more private. Just don't like its part of the day hospital as there are other patients (for other reasons) waiting there</p>

There were minor differences in the services provided by the competitor clinic services but the main cause of the problem and decline in profit was that the competitors parent companies set up separate budget clinics run by nursing teams, which was cheaper to operate.

Queensland Fertility Group, Monash IVF & Primary Medical, all set up low cost bulk bill clinics.

### **Location and implication**

The location of the case is City Fertility Centre Clinics in Sunnybank and Brisbane Private Hospital and along with its competitors and their respective discount clinics operating in the same field along with similar services. Practically, it is the height of difference as well as flexibility of services. The entire IVF care center in Australia tends to provide complete support in order to manage optimum number of patients. However, leading competitors of City Fertility Center like Queensland Fertility Group, Monash Fertility and Primary IVF have innovating marketing strategies which is evident in the respective locations through its full service and its budget clinics and the implication of IVF strategies and efforts have found their own value and popularity in the referred context.

The low-cost IVF Clinics in Brisbane were My IVF, Life Fertility & Primary IVF. Patients were given the option of a bulk bill service with no out of pocket expenses whereas the parent companies required upfront payment of at least \$10,000 and Medicare would rebate around \$3000 back.

City Fertility Centre quickly started their marketing strategies to tackle the budget clinics by educating the Doctors why they should still refer patients to their clinic. This was directly derived from the information gathered by comparison and secret shopper information about the competitors and service difference between city Fertility Centre and the discount clinics.

The main point of difference was that City Fertility Centre provided tailored treatment plans to their patient whereas the budget clinics provide IVF treatment to any patient that walked through their door. Example, patients with Polycystic Ovary Syndrome or Endometriosis need not necessarily need an IVF treatment but a treatment for the mentioned conditions but at the budget clinics they would be just taken to do IVF.

The advantage for CITY Fertility Centre was that it provided egg and sperm donor program but the budget clinics didn't.

The major point of difference was that the budget clinics were run by nursing teams and not specialists.

### Management of problem

Before searching for a solution, it is important for the respective firm to specify it. If all of the patients coming to the door are not favored unless they pay upfront, there is a possibility of negative aspect in the market. On the other hand, it is not effective or valid to blame other managerial heads regarding lower profit margin, as there are some other possibilities. The initial problem statement may place the query if it is business supportive or ethical to treat only registered patient who can afford upfront payment or it will be better to manage all of the patients coming to the door. The IVF centers were following the same and this contrast has made negative impact on City Fertility Center's marginal patient interactions. At a glance, non-registered patients are working a negative marketing tool that is also lowering the reputation and brand loyalty of City Fertility Center. There is no doubt that such issues are on managerial decisions as well as operational strategy. It is possible that respective organisation does not have enough resources to manage extensive patients in emergency term, but in order to beat competitors, it is important in the context of Australian IVF support.

### Possible solution

Possible marketing strategies for direct to public marketing;

- By informing them that success rates of pregnancies of its competitors low budget clinics were based on the experience of parent clinics.
- **Shorter waiting periods to see a Specialist with City Fertility Centre.**
- **A Specialist would treat the patient all the way rather than nursing staff.**
- IVF treatment is tailored to suit individual patients.

Possible marketing strategies for internal improvements;

- Improve internal communication process by sharing market researches and updates.
- Have a review process in place of competitors.
- Research the idea of developing its own low cost clinic.

## 7712IBA ASSIGNMENT 2

---

There are major issues identified in the respective case in terms of IVF care including the competitive force that the City Fertility Center is facing. The major issue that needs to be resolved is caring of all of the patients in the door.

The impact is getting effective both on revenue as well as marketing activities (Garrison, 2010). Practically, if a respective patient is not getting the professional support after getting into a health care unit, there will be negative aspects. The solutions of this problem are to manage all of the patients including upfront paying patients and bulk bill patients.

If a better collaboration can be made between the two managerial sections i.e. lead management and nursing care professionals, a new budget clinic may operate in a better way along with patient's satisfactions. It is important to manage all of these practices while beating the competitors (Chiang & Hung, 2010).

Due to marginal patient availability, City Fertility Center has raised its budget for IVF so a smaller budget will be better to frame a new expenditure model or budget of IVF care and City Fertility Center will get more attention from clients (Garrison, 2010).

From the comparative analysis, it is very evident that there are certain disparities among services or costs with the competitors like Monash IVF and My IVF. In that concern, it is important to make further strategies. For example, an individual has to manage an appointment while having an emergency or regular visit, on the other hand, rest of the competitors have to wait for a longer time. It means customer attention seems to be lower in Queensland Fertility Group. On the other hand, cost variance is an important factor that profit margin is going down along with customer base. Cost of medication for Queensland Fertility Group is 200 AUD fixed whereas Monash IVF and My IVF maintains a minimum range. All these aspects are highly considerable in terms of customers.

In terms of discount, there are some additional supports provided by the competitors like regular communication regarding pre estimated quote as well as requirements of additional support. Therefore, it is important that customers are seeking such advantages from Queensland Fertility center also. Not having the same, there is a possibility to get outsourcing

of patients. Another important aspect in comparison to competitors is that most of the information is provided verbally whereas competitors tend to provide written information.

### **Solutions for implementation plan**

There are four major issues identified in the respective case for which solutions are proposed. In order to manage solutions, it is important to make implementation plans. However, implementation plans are dependent on resources. Practically, in this context, implementations of solutions are both i.e. internal as well as external. In order to manage implementation of communication, the respective management should manage regular communication efforts. Such efforts may follow regular meetings with stakeholder groups as well as managerial heads. It will bring effective communication along sharing of information. In this concern, managerial heads can share issues as well as possibilities of success measures can be better evaluated.

Another valued implementation plan includes better managerial operations in the budget clinics. Practically, most of the competitors of City Fertility Center are getting the success measures by managing the same i.e. efficient patient support as well as better communication among professional heads within the organizations. If nursing professionals get engage in the operational planning, there will be lesser opportunity to provide optimum care to the patients. Therefore, the best implementation plan of this solution will be engaging more specialist managerial heads that can easily make flexible operations. Besides that, such specialists can understand requirements of nursing and IVF support. Practically, it is important to understand requirements as well as issues of service users to improve the situations (Clegg& Grey, 2011).

Another budget concern of distant clinics should marginalised cost of IVF support. Some of the middle class service users cannot afford much expenditure. In that concern budget concerns should include the specifications of actual requirements. If there will be additional operations or expenditure those are not productive, overall expenditure will increase. Following the same strategy, it will be easier to make solutions.

Besides that, budget clinics should implement promotional activities on availability of eggs and other resources. If individuals get information regarding greater resources there will be assured solutions of IVF care. Having the same information in the market will attract extensive number of patients. Practically, an IVF care should manage all of these resources.

A review was done and comparisons made as City Fertility was loosing business. After much thought City Fertility Centre opened it's own version of a low cost clinics called first steps fertility as a solution to gain business back because at the end of the day it was patient choice that preferred a bulk billing service.

### **Theoretical aspects and rationale behind solution**

Such solutions as well as implementations plans are supported by valid theoretical aspects. Practically, it is not valued to make strategies based on practical implementations, but having the support of theoretical aspects, future implementations can be assured. Such theories and frameworks support most of the communication channels. The major concerns in the respective case include communication gaps and as per social cognitive theory, it is important to establish the base of understanding among different heads. It may be matter of professional place or a regular communication; there should be such understanding among different heads (Clegg, Dany& Grey, 2011).

**Social cognitive theory:** Social cognitive theory directs of understanding social perceptions as well as requirements of communication. Following the same, implementation efforts of the strategies will be easier to face. On the other hand, the respective organization has already faced some negative concerns regarding budget as well as availability of resources. Therefore, this theoretical aspects support such implementable strategies on communication as well as service user interactions.

**Root cause analysis:** The reference of root cause analysis has been referred in this case due to communication lack in operations along with external stakeholder groups. If nursing professionals as well as leading management specialists cannot make regular communication along with sharing of issues, there will be operational constraints. Practically, City Fertility

## 7712IBA ASSIGNMENT 2

---

Center should include departmental communications as well as other concerns of managerial solutions that all of these issues can be overcome.

Root cause analysis will also explore requirements of service users and it will be possible to manage implementations in an effective way (Del Giudice&Maggioni, 2010).

### **Recommendation**

It is recommended that all of the implementable plans should be monitored before starting for implementation. The respective organisation has faced different issues. It is practical that all of the issues cannot be resolved in a mannered or instant term. Therefore, it will be better to follow an algorithmic way. All of the implementations can be related with each other. For example, if operational expertise can be implemented in earlier stage, the implementation of communication strategies will be effective. Initially, communication expertise within the organisation may avoid blaming each other and the sharing of information between finance and marketing manager will get improvement. The availability of resources will encourage most of the patients seeking for an IVF support.

### **Conclusion**

Therefore, it can be said that managerial issues have varied sources and following the same some other constraints can be faced by an IVF care. The competitors do not only force City Fertility Center to change its business strategy, but at the same time there are operational issues as well as communication gaps that was addressed. Practically, if it is not possible to track the source of issues, but if proper implementable plans are followed, the issues can be resolved which will improve productivity. If City Fertility Centres case, proper management of the issue led to solving the problem. Since all of the patients were not considered in an equal manner, there was a negative impression in the market. In a highly competitive market like Australia, such strategies should be revised and this a new budget clinic was the ultimate solution for patient care.

### Reference List

- Chiang, Y. H., & Hung, K. P. (2010). Exploring open search strategies and perceived innovation performance from the perspective of interorganizational knowledge flows. *R&d Management*, 40(3), 292-299.
- Clegg, S. R., Dany, F., & Grey, C. (2011). Introduction to the special issue critical management studies and managerial education: new contexts? New agenda?. *M@ n@ gement*, 14(5), 272-279.
- Del Giudice, M., &Maggioni, V. (2014). Managerial practices and operative directions of knowledge management within inter-firm networks: a global view. *Journal of Knowledge Management*, 18(5), 841-846.
- Garrison, R. H., Noreen, E. W., Brewer, P. C., & McGowan, A. (2010). Managerial accounting. *Issues in Accounting Education*, 25(4), 792-793.
- Hoejmoose, S. U., &Adrien-Kirby, A. J. (2012). Socially and environmentally responsible procurement: A literature review and future research agenda of a managerial issue in the 21st century. *Journal of Purchasing and Supply Management*, 18(4), 232-242.
- Nyberg, A., Holmberg, I., Bernin, P., &Alderling, M. (2011). Destructive managerial leadership and psychological well-being among employees in Swedish, Polish, and Italian hotels. *Work*, 39(3), 267-281.