



**OXFORD CAMBRIDGE AND RSA EXAMINATIONS**

**LEVEL 4 CERTIFICATE IN MANAGEMENT CONSULTING 10331**

**UNIT 4 BUSINESS ENVIRONMENT**

**CASE STUDY – JANUARY 2014**

**INSTRUCTIONS TO CANDIDATES**

You should read this case study thoroughly and carefully at the start of the examination. You will have 30 minutes reading time. The examination questions will require you to refer to the content of the Case Study and your own knowledge.

## Healthcare Services at CitySalus

CitySalus is a healthcare services organisation which entered the London healthcare market in 2005 following the receipt of a substantial legacy of £20 million from a wealthy benefactor. In his will, and under the stewardship of his great nephew, a cancer specialist, the final wish of this benefactor was that a private healthcare organisation should be established which would focus on early healthcare intervention, particularly in the case of cancer sufferers.

As the Chief Executive Officer (CEO) the benefactor's great nephew has achieved remarkable growth for CitySalus. CitySalus is now recognised as a dynamic player in the healthcare market with a strong reputation for providing quality healthcare services at affordable prices. The CitySalus brand is widely known in the London area where it has a substantial client-base. It is also beginning to attract clients from other UK cities. For example, clients from as far afield as Birmingham are willing to travel to London to use CitySalus' cancer screening services. Also, the recent measles outbreak in Wales and the lengthy queues for vaccinations resulted in some clients from Wales travelling to London to use CitySalus' vaccination services. Against this backdrop CitySalus' Executive Board is split as to whether or not the organisation should expand into other cities, but this would undoubtedly require investment funds to be raised either through a share issue or loan capital.

CitySalus's structure reflects the nature of the healthcare services it provides and this is illustrated in Fig 1 below.

### CitySalus' Organisation Chart

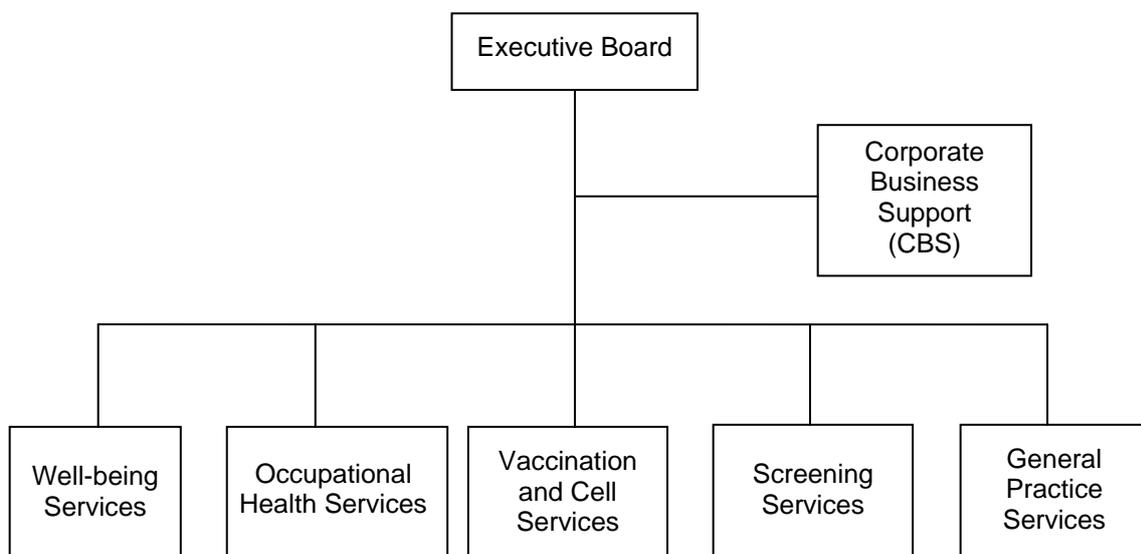


Fig 1

CitySalus is proud of its CBS function. The Director of CBS knows the importance to the smooth running of the service areas of effective human resource leadership and medical technology management. CitySalus also has an excellent client relations information system which schedules client needs and appointments with the availability of services. In this way, each service area can concentrate on its particular client group. CitySalus' service areas, service provision, technological equipment, and key operational objectives are illustrated in Table 1 below.

### CitySalus' Five Service Areas

Service Area	Service provision	Technological equipment	Key operational objective
Well-being Services	Orthopaedic/chiropractic treatments, family planning, peri-, post- and ante-natal care, counselling services, dialysis services	2 Ultra-sound units <sup>1</sup> 10 Dialysis units <sup>2</sup>	<i>'treating clients with empathy and equity, whilst giving due priority to those on dialysis'</i>
Occupational Health Services	Fitness-for-work, functional capacity evaluation, frequent sickness absence analysis, attendance/absence policy implementation		<i>'minimising client risk by providing evidence-based analyses and strategies for reducing absenteeism'</i>
Vaccination and Cell Services	Infant, baby and adolescence vaccines, business and holiday vaccines, cell and blood testing	1 Cell and Blood Testing laboratory	<i>'providing quality laboratory and vaccination services that meet client needs'</i>
Screening Services	Breast and prostate diagnostics, STD testing, smear testing	1 MRI scanner 1 X-ray machine <sup>1</sup>	<i>'providing flexible, timely and accessible screening services that meet operational commitments'</i>
General Practice Services	Client diagnostics, acute/chronic illness treatment, preventative care, medical prescribing, minor surgical procedures, referral to other medical services		<i>'ensuring clients are treated empathically with accurate, timely medical diagnoses and/or referral'</i>

Table 1

Although not a serious threat to CitySalus' operations, some staff in service areas are unhappy about locating technological equipment in specific service areas. They suspect that locating the MRI Scanner and X-ray machine within Screening Services is because of the CEO's bias toward cancer screening and not for sound business reasons. However, the Director of CBS sees its function as being an 'independent broker' responsible for ensuring the efficient and equitable use of all of CitySalus' technological equipment among all the service areas. So wherever the resource is located, CBS ensures its proper scheduling among all of the service areas.

<sup>1</sup> Ultra-sound, X-ray and MRI scanning are medical technologies which allow the specialist to produce detailed internal images of any part of the client's body to help diagnose illness.

<sup>2</sup> Dialysis is a medical technology used to cleanse the blood of toxic waste in clients whose kidneys can no longer perform this function. A client usually needs to undergo dialysis three times each week.

CitySalus' philosophy is that the 'client experience' matters. If it delivers shorter waiting times and state-of-the-art medical technology coupled with highly trained staff and the right physical setting, the result will be superior value for which clients are more than willing to pay.

The Chief Executive Officer at CitySalus believes that the increased pressures on the National Health Service (NHS), the monopoly provider of public sector healthcare services, has led to rising client volumes at CitySalus. There is evidence that once clients experience CitySalus' services, they are willing to pay for further services. The quality of the 'client experience' is also borne out by average client satisfaction rates of above 90%. However, in General Practice Services where client satisfaction rates are somewhat lower, at an average figure of 75%, there is clearly room for improvement.

One challenge CitySalus faces, is replacing its MRI Scanner which is becoming obsolete. This scanner is vital to the service areas and to clients' perception of CitySalus as a leading healthcare provider. Consultation with all service areas on the requirements for a new scanner has taken place, and a comprehensive feasibility study has also been completed. The Executive Board has decided that a new state-of-the-art model, priced at around £1.4 million, should be sourced from either a German or Japanese supplier.

CitySalus' structure still reflects the ethos of preventative healthcare. Screening, Vaccination, and Occupational Health Services were established in 2005, but Well-being and General Practice were added in 2007 and 2010 respectively. The impact of diet and lifestyles on health problems such as obesity, diabetes and heart disease has driven the need for Well-being Services. Likewise, the ageing population and the growth of disposable income in the over-50s client group present opportunities for General Practice Services.

Higher economic growth rates in, for example, the BRIC countries (Brazil, Russia, India and China) has led to more business trips from the UK to developing countries. This has resulted in increased demand for CitySalus' business vaccination services in advance of people travelling abroad. There could also be a need for CitySalus' services among returning travellers.

The Coalition Government plans to give doctor's surgeries control over their annual budgets together with the existing ability to purchase healthcare services from either the NHS or private sector organisations. The £65 billion of public funds the NHS is allocated each year for general medical practice, presents a business opportunity which CitySalus cannot ignore.

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