

Centralization-Decentralization and Standardization-Customization

When and how to gain advantage of things that are the same and things that are different.

Dealing with Unified and Diversified Processes

Centralization and Standardization

Are different ideas and should not be confused.

- **Centralization** is doing something, gathering people and tools, in the same place. **Decentralization** is doing those things in different and diverse places.
- **Standardization** is arriving at a best way of doing something and gaining the advantage of that method, knowledge, tools, etc., regardless of where it is done. **Customization** is doing things differently based on diverse needs or desires.

What are the advantages?

Standardized

- Easier to manage things done the same way
- Less training cost
- When best way found, develop consistency in delivery
- Brand recognition and trust in the market
- Economies of research and marketing
- Leverage investment in software

(Example: All fast food, most chain stores, UPS delivery)

- Economies of scale
- When large capital investment is required in plant and equipment.
- Quick knowledge transfer
- Build each one the same for brand reliability

(All auto assembly plants, airline hubs, Expedia, Airline Reservations)

Customized

- Give the customer exactly what they want.
- Personalized, intimate, customer relationship with customers or clients.
- Immediate response to the customer
- Quick response to local, diverse, realities.
- Better response to complexity.

(Local grocer, Build-A-Bear, most small businesses, your doctor, lawyer, etc.)

- Mass customization
- Utilizes technology to deliver exactly what the customer wants.
- Leverages brand
- Economies of scale in contracts, purchasing

(Your I-Tunes store, Pandora, Amazon preferences, Facebook, LinkedIn, Match.com)

Decentralized

Centralized

McDonald's

Standardized

- Training methods and materials standardized but delivered on-site by local store managers
- Menu is standardized but promoted and delivered locally.
- Standardized software for ordering food, inventory management, HR management, etc. but all executed locally.
- Quick, Courteous and Clean (which defined the brand) are all locally executed.

- Brand management
- Training development
- Food research and testing
- Marketing programs and materials
- Software development and testing



Customized

- Customers order locally to a smiling clerk.
- “Hold the pickles”
- “We’ll bring it to your table”
- Food is cooked locally to the immediate orders of customers
- Local marketing programs and community involvement

Decentralized

Centralized

Hotel Reservations



Let's take the steps in the process.

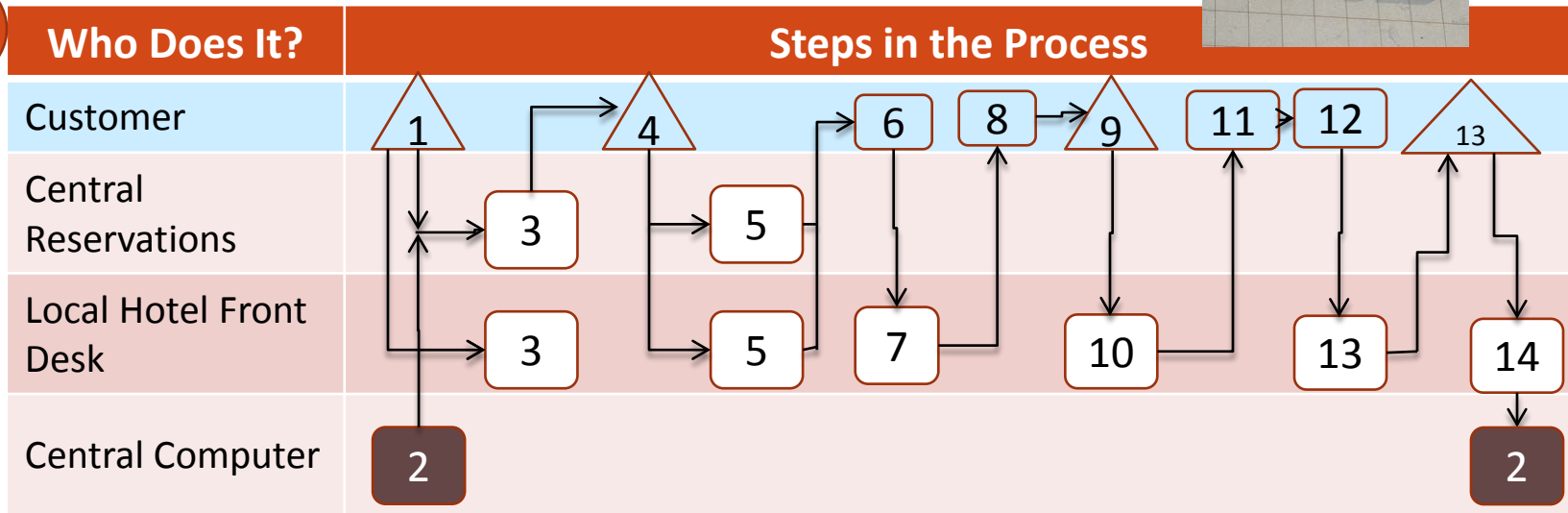
1. Customer decides to call Hilton Hotels for a reservation
2. There is an available and accurate schedule of available rooms at different prices and accommodations.
3. Reservation clerk responds to customer call with statement of availability.
4. Customer agrees to book type and location of room.
5. Reservation is entered in computer.
6. Customer arrives on-site and checks in and requests to be on 1st floor, sunny side, etc.
7. Customer is assigned a specific room.
8. Customer goes to room and doesn't like the odor.
9. Customer requests a change of room.
10. Front desk changes room and customer is happy.
11. Customer spends night in room
12. Customer checks out and clerk offers to make another reservation.
13. Customer agrees to another reservation.
14. Clerk enters next reservation.

Hotel Reservations



Who controls the process?

Customer decides



Customer's Choice

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Hilton Hotels



Standardized

- Standardized software and methods training and utilization
- Decentralized reservations system at local hotel

- Standardized software and methods development
- Centralized reservations system
- Centralized training

Customized

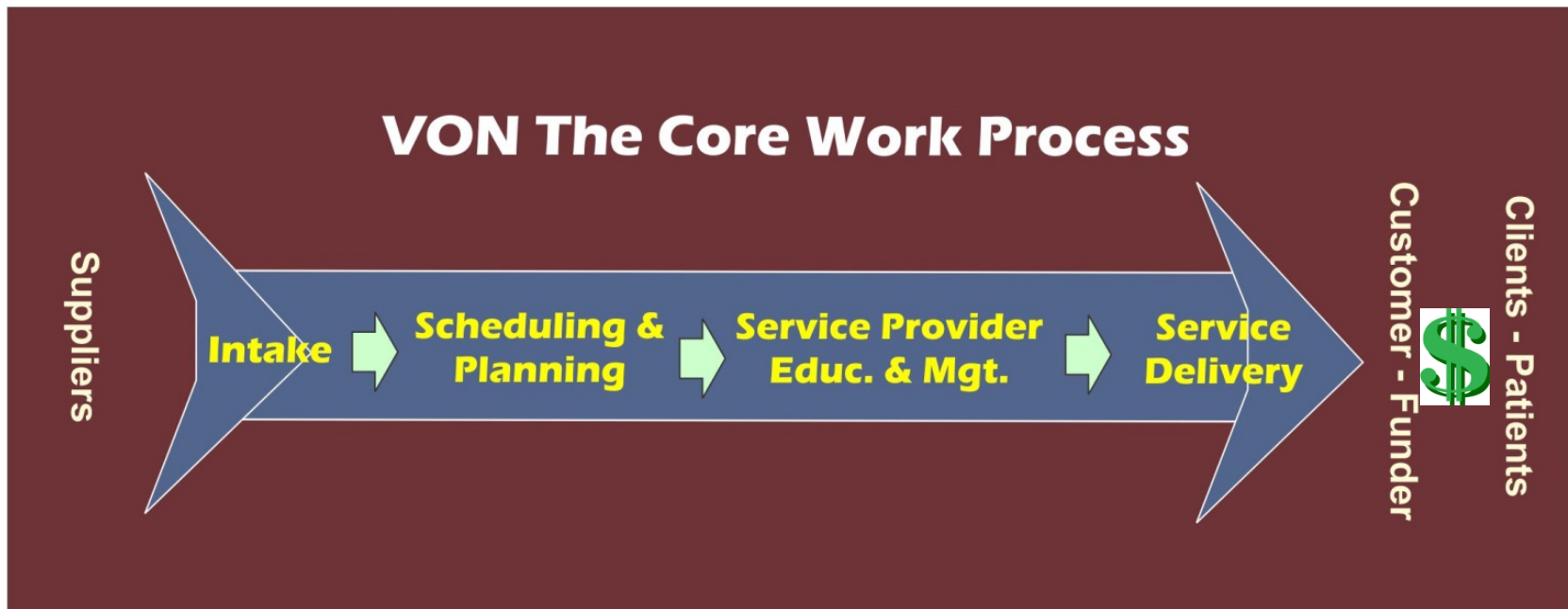
- Local hotel books room
- Local hotel assigns room
- Local hotel responds to individual customer needs
- Local hotel responds to problems or changes in customer preference
- Customer drives process by deciding where and how to make the reservation

- Input reservation

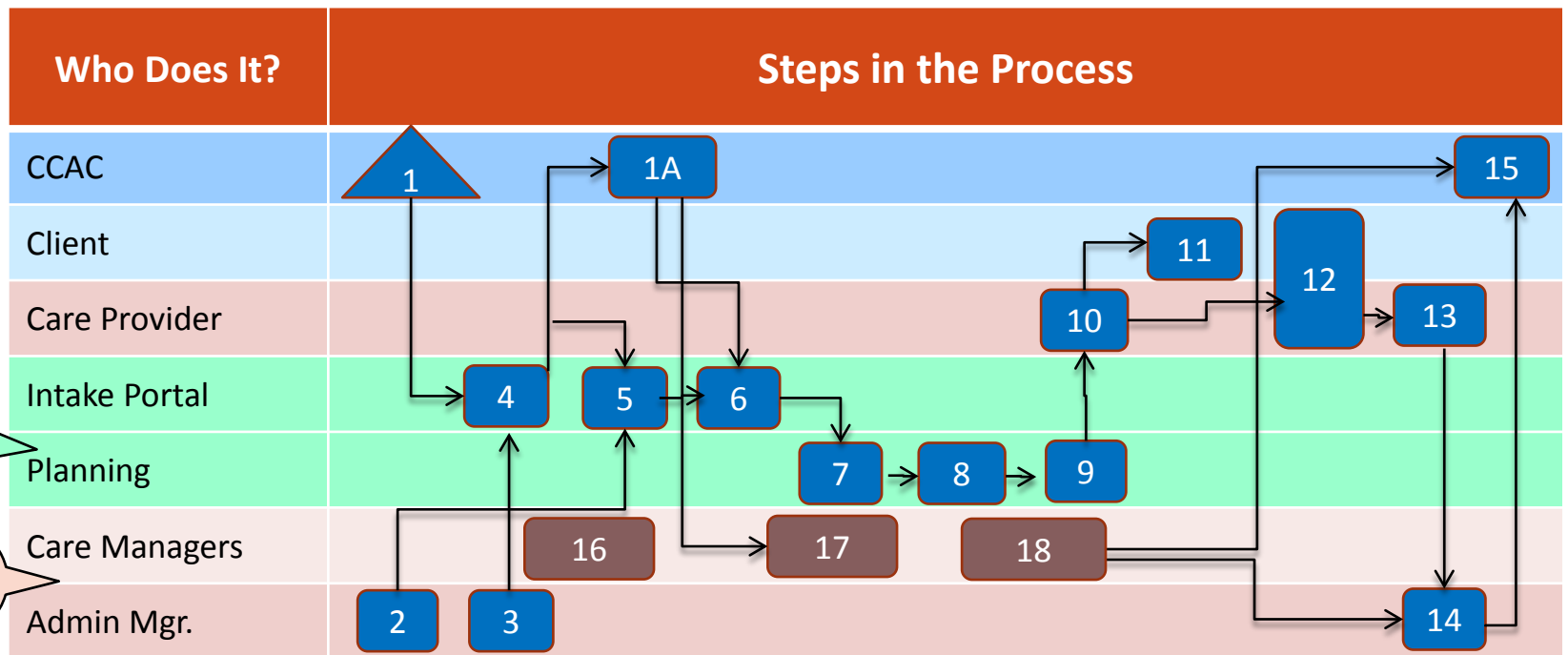
Decentralized

Centralized

What is our “core work” for which we get paid?



High Level Care Delivery Process

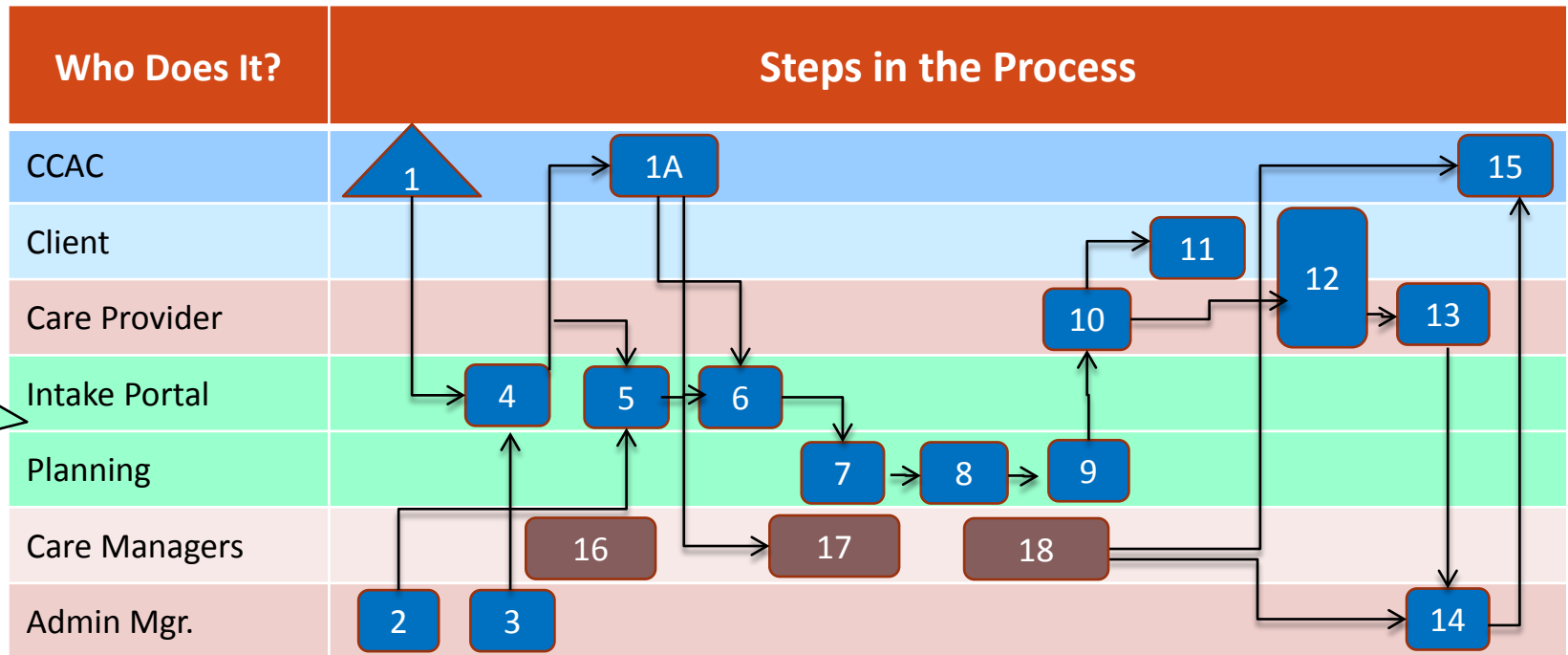


Central Planning

District Managers

1. CCAC presents offer
 1. A. CCAC sends medical orders
2. Prepares schedules, send to planners
3. Review capacity, send to intake
4. Intake accepts offer
5. Info sent to data entry
6. Referral info sent to Intake RN
7. Build client schedule
8. Assignment
9. Notify service provider
10. Call client
11. Client Agrees to visit
12. Visit
13. Paper work
14. Info to CSR
15. Info to CCAC
16. Training & Supervision
17. Schedule and assignment changes
18. Problem resolution

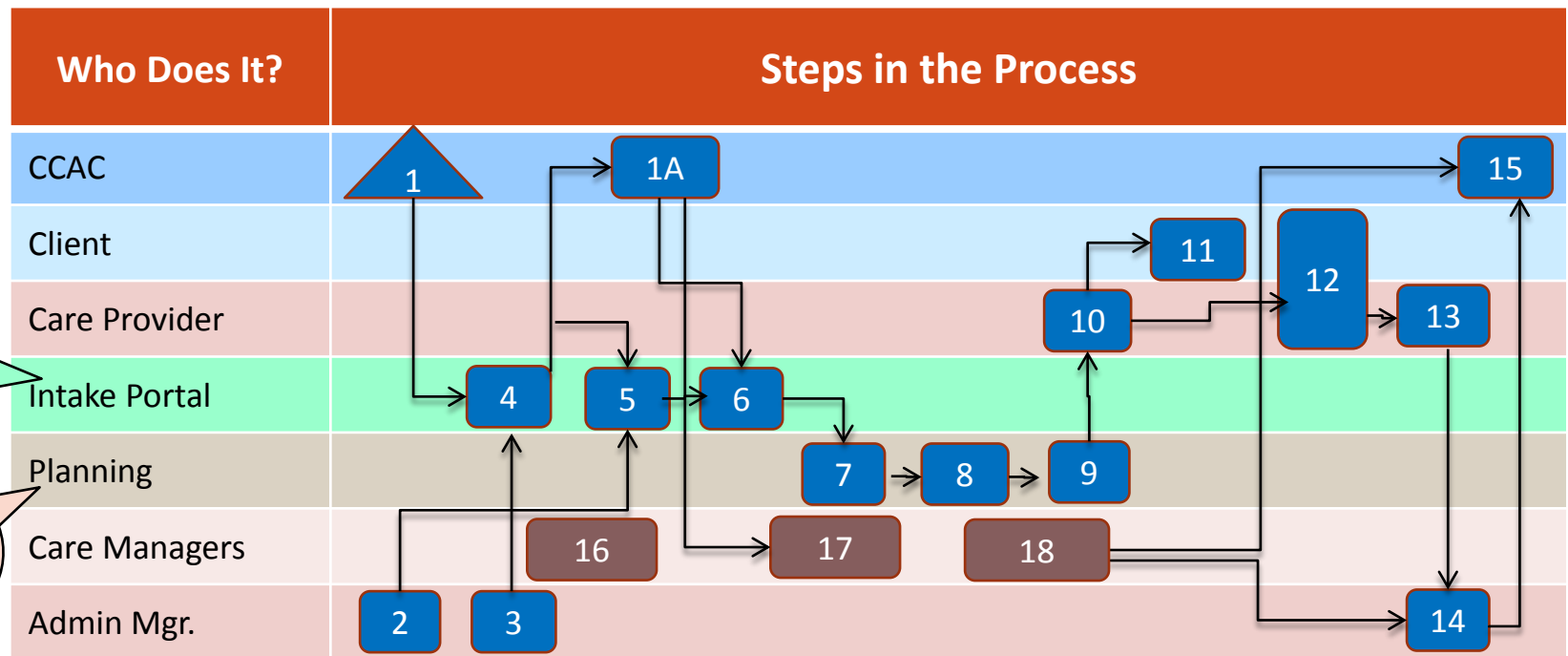
Option 1: Centralized Planning, Organized in District Team



Central Planning With District Teams

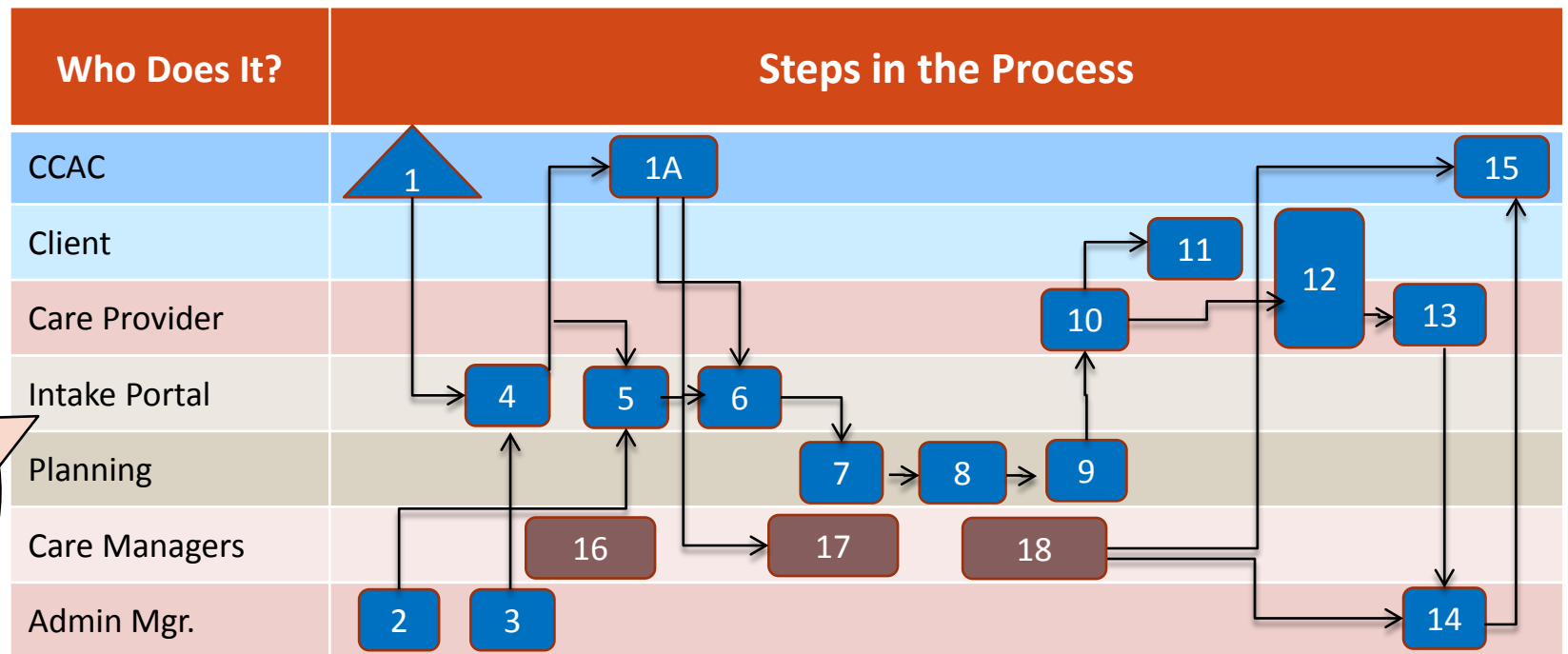
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Option 2: Central Intake, Decentralized Planning



1. CCAC presents offer
 1. A. CCAC sends medical orders
2. Prepares schedules, send to planners
3. Review capacity, send to intake
4. Intake accepts offer
5. Info sent to data entry
6. Referral info sent to Intake RN
7. Build client schedule
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9. Notify service provider
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13. Paper work
14. Info to CSR
15. Info to CCAC
16. Training & Supervision
17. Schedule and assignment changes
18. Problem resolution

Option 3: Decentralized Intake & Planning



District Intake, Planning & Managers

- | | |
|---|-------------------------------------|
| 1. CCAC presents offer | 10. Call client |
| 1. A. CCAC sends medical orders | 11. Client Agrees to visit |
| 2. Prepares schedules, send to planners | 12. Visit |
| 3. Review capacity, send to intake | 13. Paper work |
| 4. Intake accepts offer | 14. Info to CSR |
| 5. Info sent to data entry | 15. Info to CCAC |
| 6. Referral info sent to Intake RN | 16. Training & Supervision |
| 7. Build client schedule | 17. Schedule and assignment changes |
| 8. Assignment | 18. Problem resolution |
| 9. Notify service provider | |



VON Canada Options (simplified)

	Decentralized	Centralized
1 Customized Standardized		<ul style="list-style-type: none">• Centralized-standardized Intake operation• Standardized software and methods development and improvement
		<ul style="list-style-type: none">• Centralized planning and scheduling, but organized into customized district teams
2 Customized Standardized	<ul style="list-style-type: none">• Standardized software and methods	<ul style="list-style-type: none">• Centralized-standardized Intake operation• Standardized software and methods development and improvement
	<ul style="list-style-type: none">• De-centralized planning and scheduling	
3 Customized Standardized	<ul style="list-style-type: none">• De-centralized Intake with• Standardized use of methods and software	<ul style="list-style-type: none">• Standardized software and methods development and improvement
	<ul style="list-style-type: none">• De-centralized planning and scheduling customized to CCAC's needs	