

Case Study

Fisher & Paykel Healthcare: Continuously Improving With CMMI and the Voluntary Improvement Program (VIP)

The Business Need

Fisher & Paykel Healthcare develops new products every year, requiring high levels of process efficiency and effectiveness among its locations. The company enrolled in the Case for Quality collaborative community Voluntary Improvement Program (VIP) with an initial goal of improving the synergies between product development and product manufacturing.

Fisher & Paykel Healthcare has a history of sustainable revenue growth as a result of its investment in R&D and continual new product introductions. “We have a big engineering mindset within the organization,” said Brian Schultz, Vice President of Quality, Safety & Regulatory Affairs. “If we can get more efficient at designing our products and transferring them into production, we’re going to see a lot of benefit from that, and we’ll be able to get innovative products to customers and patients sooner.”

With this goal at the forefront, the company enrolled in VIP as a multisite to leverage the Capability Maturity Model Integration (CMMI) to identify opportunities for continuous improvement.

The Solution

Fisher & Paykel Healthcare joined VIP for one key reason: “For us, it is all about continuous improvement,” said Schultz. “We know there are regulatory benefits, but that isn’t the value for us. The continuous improvement element is what was critical to us. We treated this as a key feeder into our existing continuous improvement programs.”



Company Background

Fisher & Paykel Healthcare is a manufacturer of primarily class 2 respiratory therapy products used in hospitals and homes. It is headquartered in Auckland, New Zealand, with manufacturing sites in Auckland and Tijuana, Mexico, as well as sales and distribution sites around the world. In total, the company has more than 6,500 employees and approximately US\$1 billion in revenue.

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Company leadership was enthusiastic about the program, says Schultz. “Our leadership has a mindset of continuous improvement. Some elements of our business were looking at CMMI before the Case for Quality existed, so there was some familiarity with the model. With our focus on the business results of improvement and quality, it was an easy decision for us to get involved.”

Fisher & Paykel Healthcare’s goal for the program was to cover as much of the supply chain as possible—designing the product, transferring the product and getting the product to customers. Identifying any pain points in the transfer and delivery phases was a key priority.

They also included their finance, human resources and IT departments in the program.

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The organization’s Lead Appraiser, Beth Layman, has enjoyed watching Fisher & Paykel’s improvement journey. “VIP is a perfect fit for Fisher & Paykel Healthcare. From Day 1, they have done a thoughtful job of helping me scope, plan and execute their annual appraisals with the goal of both benchmarking their practices as well as investigating known pain points and areas needing improvement,” said Layman. “I loved that they were bold, thinking “out of the box” one year, focusing on the company’s 3 key support functions (IT, HR, Finance) – we used several CMMI for Services Practice Areas with great results. It’s been wonderful to see the senior leadership select and drive improvements within their teams and cross functionally.”

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Results

Fisher & Paykel Healthcare was the first multisite virtual Voluntary Improvement Program appraisal during the COVID-19 pandemic. After the first MDDAP appraisal, a general theme emerged that team members are doing some of the quality system processes because they feel they need to, not because they understood the business value of the process.



“We are achieving tangible, quantifiable improvements by pulling apart some of those processes and looking at whether people understand the value of them,” said Schultz. “We really worked to communicate and get buy-in on the purpose and efficiencies of each process, and we saw results from that. Our people really appreciate the program , and we are shifting from ‘I need to do this’ to ‘I understand why I do this, and I want to do it because I see the value.’ The appraisals have changed mindsets and helped us get better at what we do.”

Additional outcomes included better resource planning and project management, a more effective use of data and measurement, and an improved management of performance objectives and targets. Fisher & Paykel Healthcare took a quality system improvement perspective, focusing on lead indicators of how effective and efficient its quality management system processes are. They broke down the QMS into individual processes and looked at each with quantifiable measures. They also reviewed and standardized some key manufacturing performance indicators. “We were able to reassess how we were measuring and how we were defining what we were measuring, and we got some gains out of that really quickly,” said Schultz.

“We wouldn’t be in year four of the program if we weren’t seeing continuous value in the program,” he added. “The value comes in doing things differently, and our CMMI Lead Appraiser Beth Layman and the appraisal team really make sure this is a positive experience. They offer sound advice and are really supportive and championing for us.”

With all of the benefits Fisher & Paykel Healthcare has experienced as a result of the VIP, ultimately the program benefits customers and patients: “We can get high-quality products to our customers more quickly, and that can improve patient care and outcomes,” said Schultz.

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