

CASE 4

The Success of Buurtzorg

In Frederic Laloux's book – Reinventing Organizations – this company is set as prime example of a teal and cyan organization. Its success can be explained by looking at the nature of the work of the company, a consistent application of simple principles and the context of the Dutch healthcare system at the time the organization was created.

by Marit Ubachs and Bas van der Velde

Is it advisable to copy the principles from Buurtzorg? Will that make you as successful as them? This analysis might help you understand if it may work in your own context – a context which will most likely be a different one. We will analyze what made Buurtzorg a success and what context enabled them to do so. This article is based on the collaboration between our ICG-network and Jos de Blok, founder of Buurtzorg, on one of our Learning Days (first quarter of 2018). We know for sure he would agree with most of this analysis. Where he is convinced his model is applicable to all kinds of organizations, we think it is important to consider the nature and context of the work thoroughly before deciding to embrace his concept entirely. This is the part where our opinions might differ. The information provided might help you understand if it is advisable to copy its principles. And the analysis might offer you insight into whether it will work in your own context, which will most likely be a different one. Because who would not want this success for his own organization? Especially now in healthcare institutions, where margins are extremely slim if they exist at all and costs are increasing due to an increase in both the complexity of care needed and in demand (more people are getting older). This makes Buurtzorg an appealing case study.

Growth and happy people

Buurtzorg started in 2007, offering nursing and personal care to clients at home with a revolutionary model that became a success instantly. Autonomous teams consist of a maximum of 12 people and work in a specified neighborhood with 5,000 to 10,000 inhabitants. The old adage »prevention is better than cure« is the underlying principle. Therefore, nurses primarily focus on preventive health measures in order to maintain the clients' independence. Of course, they also provide care when issues arise. The patients' informal networks of relatives, friends and acquaintances are also used by the team in order to provide the best fitting care. The model finds great satisfaction with both patients and employees and earns high ratings (nine on a scale of one to ten). The organization has also won the Best Employer of the Year award five times already.

Since 2007, Buurtzorg has grown into a financially sustainable business model with 50 to 100 new nurses a month and more than 80,000 patients a year. As a matter of principle, at least 61 percent of the nurses' time is spent with patients. In order to cut overhead, nurses have access to a »real-time« information system, which is connected to the individual care process and translates the needs into administrative require- ▶



ments. Reducing tasks and costs has led to an extremely lean organization with no managers, 20 to 30 coaches and only 50 people in the back office (eight percent overhead). This efficient way of working has led to cost savings up to 40 percent for the care, an amount many companies struggle to reach and is one of the reasons organizations try to copy Buurtzorg' model. Who would not want this success for his own organization?

A closer look

What made the model work? Buurtzorg has internalized individual work based on high standards by highly skilled professionals. It has smartly taken advantage of a niche in the market. Their straightforward and easy-to-protocolize type of care is designed for a client population with no demanding/complex needs. More difficult cases requiring night care or dealing with multiple health care issues rely on existing institutions. This is very similar to the behavior of many start-ups, especially in the field of fintech. For their services, they still depend on the public utility function provided by traditional banks. Specialized IT tools bring highly scalable

additions to the market. Buurtzorg started in an era where it was quite easy to attract qualified personnel. Finding skilled people who are motivated to work in a self-organizing context is much harder now in the Dutch market. What is of similar importance is the fact that nursing at home is very individual. Independent decision-making is important and there is no great dependence on group dynamics or the assessments of colleagues. The combination of these three factors made for a very good starting point for Buurtzorg's concept.

Starting from a greenfield situation

Buurtzorg is an exemplary institution when it comes to the consistent application of simple principles for self-organization. While growing, the organization did not compromise on this; they stuck to the same basic routines and agreements designed at the beginning. An important test of endurance took place when Buurtzorg took over the nurses and clients of a larger classical organization (TSN). Overnight, their principles were copied and implemented and most newly acquired people felt comfortable with them. Not everybody though, Jos had to admit. After a starting period

»The Dutch organization is a well-known success story of applying self-organizing principles on a large scale.«

of several months, the informal leaders, who were once appreciated because of their »fire-fighting attitude,« didn't feel appreciated enough anymore as the self-organizing principles started to work and their role was no longer required or was divided and taken over by other members from the team. This provides an interesting insight into the group dynamics of a transformed organization. It will most likely appear when an existing structure is dissolved and employees have to settle into their new way of working.

Dutch healthcare was ready for disruption

The cost of elderly care was growing much faster than the economy as a whole; Dutch authorities were desperately seeking reforms. Traditionally, the care was financed by the state and provided by big residential institutions. Government and politicians needed challengers for this system and Buurtzorg was one of them. This opened opportunities for rules and regulations for the organization. While Buurtzorg is now growing outside of The Netherlands and wants to make a global impact, some questions have been raised about the business model from the point of view that public healthcare shouldn't shovel money into private pockets. Jos de Blok's initiative to create a health insurance company failed. The tailwind Buurtzorg has had from the transformation in Dutch healthcare might have turned.

Behind the scenes

Buurtzorg is undisputedly an ongoing entrepreneurial success and a landmark in the innovations of organizations. So should we all copy them? Probably so, but in any case, it is wise to consider the following questions first:

- Does a self-organizing concept fit to the nature of my work? A workflow easy to protocolize and enough skilled people willing to work in a self-organizing context and individualized work are recommended.
- Are you willing and able to implement a small and simple set of self-organizing principles in a consistent way? This is easier to do in a greenfield situation, than when transforming an existing structure.
- Does the system support you and give you sufficient tailwind to develop your business? Success is necessary to inject your internal organization with a positive vibe. ●



Buurtzorg is a pioneering healthcare organization established 12 years ago with a model of holistic care that has revolutionized community care in the Netherlands. Buurtzorg scaled very quickly across the country from one to 850 teams in just ten years. Currently, there are 10,000 nurses employed. Buurtzorg is now active in 24 countries and has the highest client (patient) satisfaction as well as 40 percent lower costs than its peers. The company received the »Best Employer« prize five years in a row.

www.buurtzorg.com



Recommended reading

»Reinventing Organizations«
LALOUX; Knowledge Partners; 2018