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## Turnaround at UCLH

### *Part A: A hospital in intensive care*

#### Synopsis

University College London Hospital NHS Foundation Trust (UCLH) is a major London teaching hospital that encountered serious financial problems following the consolidation of two separate hospitals into a new hospital building, in the context of a changing remuneration system for hospitals in the UK. Following this crisis, a turnaround took place between April 2005 and May 2007. Pelham Allen was appointed Turnaround Director to assist with the implementation of a recovery plan to stabilise the situation and establish the foundations for long-term operational and financial success. This case describes one of the largest, most sensitive and most successful UK public sector turnarounds in recent years, highlighting the similarities with, and differences from, private sector turnarounds. The case also examines the different approaches that turnaround managers can take to embed change when in a position of influence.

*Note: Students are recommended to read Exhibit A1, "Background to the NHS", before reading the case.*

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The case was written by Anita Devlin (JEMBA 2009), Cheerag Shirodaria (SEMBA 2009) and Renate Verheul (JEMBA 2009), under the supervision of Professor Michael G. Jacobides, Sir Donald Gordon Chair of Entrepreneurship and Innovation, and Associate Professor of Strategic and International Management at London Business School. Significant support in the preparation of this case was provided by Jennifer Ladwig (JEMBA 2009). The authors are very grateful to and acknowledge the contribution of Sir Robert Naylor, CEO UCLH Foundation Trust, William Moyes, former CEO, Monitor, and Pelham Allen, Chair of Health Turnaround, Ernst & Young, without whom this case would not have been possible. C. Jennifer Tae provided useful input and Stuart Barton produced the AV material. The Advanced Institute for Management Research and the Management Innovation Lab are acknowledged for their financial support.

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