

## VIEWS &amp; REVIEWS

## PERSONAL VIEW

## Competition is intrinsically wasteful

S Michael Crawford *consultant medical oncologist, honorary senior lecturer in Oncology and Clinical Research, Airedale General Hospital, West Yorkshire BD20 6TD, UK*

Some months ago I read a remarkable newspaper story. There is a push for restaurants to reduce waste ([www.independent.co.uk/news/uk/home-news/uk-restaurants-waste-600000-tons-of-food-a-year-2108978.html](http://www.independent.co.uk/news/uk/home-news/uk-restaurants-waste-600000-tons-of-food-a-year-2108978.html)). This is enthusiastically welcomed in some quarters but is causing consternation in others. Apparently, excessive portion size and careless kitchen habits lead to a third of all wasted food coming from diners' plates—600 000 tonnes of food each year, or 22 tonnes per eatery.

In the NHS we are taught to regard waste as anathema. Some are of the view that making healthcare provider organisations compete with each other will force them to drive down their costs by cutting out waste. Those providers operated by the private sector are expected to be especially good at this. Competition between providers is an important point of the legislation recently passed by parliament.

If any commercial organisations know about competition, restaurants do. Business failures are extremely common in this sector so you would expect that they, above all enterprises, must be enthusiastic about minimising costs. The thing about restaurants is that they compete by offering customers what they want at the time they want it. If a customer wants oysters then he or she need only to call at the local seafood restaurant to find them on the menu, but to ensure that all the diners who want oysters can be satisfied, the restaurant has to carry sufficient numbers in stock and if some customers order smoked salmon or scallops, then the oysters are not used. They don't last very long; they are wasted. The lesson from restaurants is that if you want choice and competition you have to have waste.

The restaurants closest to attaining a waste free culture are the factory production line eateries: Pizza Hut was the example given in the article. Most of us think pizza is all right in its place, but it's not always what we want.

In healthcare we generally do not choose our illnesses, whatever we lung cancer specialists might be tempted to think. People require the service that meets their clinical needs at the time. Although patients may like the idea of choice, choice can only exist where there is a variety of options available, and to ensure availability means carrying spare capacity—in other words: waste.

Every restaurant owner knows that the cost of the waste oysters is built into the costs of the scallops, smoked salmon, and oysters that are actually consumed, so, in the NHS, the spare capacity for providing services that are not fully used at the time must be paid for in the costs of the services that are commissioned, and that means that this must be built into the tariff. It is spare capacity that means that waiting for services can be avoided. It is well recognised that the models that simulate healthcare with no waiting lists have spare capacity and those that have no waste accumulate waiting lists. It is spare capacity, which some might regard as a positive spin on a synonym for waste, that ensures that the patient is admitted to hospital into the right ward at the right time, has tests in a timely manner, and is therefore discharged quickly. This is what constitutes efficient care. This is what patients really appreciate.

When that necessary spare capacity to guarantee timely access to a service (as distinct from the luxury spare capacity that allows choice) is absent, the real competition in the NHS becomes apparent. It is competition between patients for resources. Such competition is the defining characteristic of a service funded by a restricted budget. The inarticulate and the badly educated are not effective competitors, and so inequalities are exacerbated.

Health economists and commissioners speak of opportunity costs when they are discussing the competitive value of different services. However, in clinical practice, the competition is more direct and personal. It influences decisions by doctors, receptionists, nurses on wards for the elderly, and just about everywhere else.

When it comes to those independent sector treatment centres, a colleague who works in one of them said to me, "what the patients really appreciate about this place is the car parking." What does the treasury think of all that wasted tarmac?

Competing interests: None declared.

Provenance and peer review: Not commissioned; not externally peer reviewed.

Cite this as: *BMJ* 2012;344:e3199

© BMJ Publishing Group Ltd 2012

