

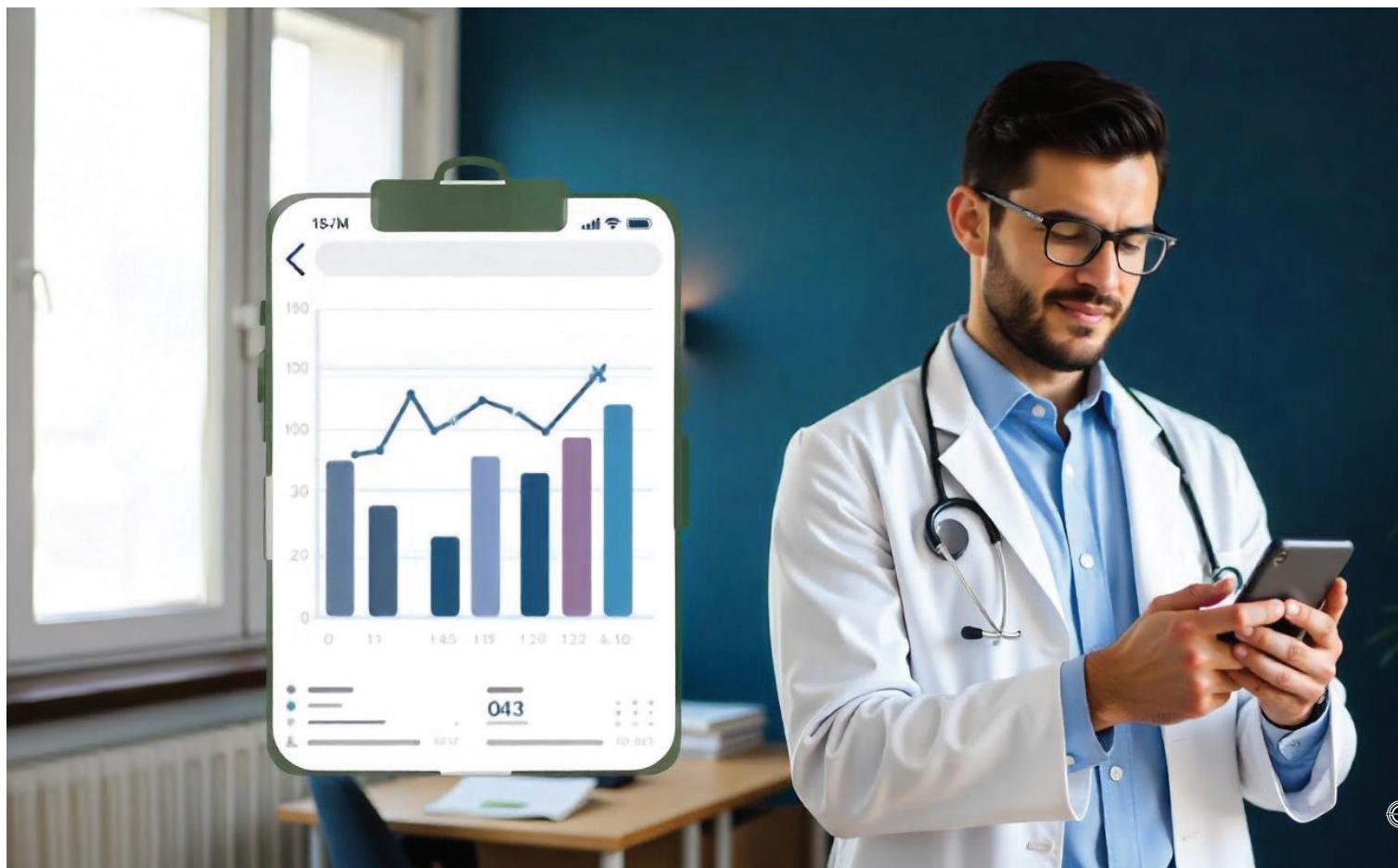
**Red Circle
Healthcare
Advisory**

Healthcare Finance Matters



The Importance of Costing in the NHS

Producing the NCC Return and Driving Decision-Making



The NHS operates within an environment of increasing financial scrutiny, where every pound spent must be justified in terms of patient benefit. Costing plays a fundamental role in ensuring that resources are allocated effectively, services are sustainable, and quality care is delivered efficiently. One of the key mechanisms for achieving this is the National Cost Collection (NCC) return, a mandatory submission that provides a detailed breakdown of service costs across NHS providers.

With the recent abolition of NHS England and the return of Sir Jim Mackey to a leading role, the spotlight is once again on Payment by Results (PbR) and the importance of accurate costing. This shift underscores the need for robust financial data to inform funding decisions, drive efficiency improvements, and enhance clinical

engagement. In this article, we explore the role of costing in the NHS, its impact on strategic decision-making, and how it can be leveraged to engage clinicians in financial and operational improvements.

Understanding the NCC Return

The NCC return is a critical dataset that NHS organisations must produce annually, detailing the costs associated with delivering healthcare services. It has evolved significantly from its predecessor, the Reference Costs return, and now provides a more granular and patient-level view of expenditure.

The key components of the NCC return include:

- **Patient-Level Costing (PLICS):** This methodology assigns costs at an individual patient level rather than aggregating expenses across services,

allowing for a more accurate understanding of resource utilisation.

- **Service Line Reporting (SLR):** Breaking down costs by clinical service lines ensures that hospital departments can assess their financial performance in detail.

- **Benchmarking Data:** The NCC return allows trusts to compare their costs against peers, identifying areas where efficiency improvements can be made.
- **Costing for PbR:** As discussions around PbR re-emerge, the NCC return will likely play a crucial role in shaping tariff payments, ensuring that reimbursement is aligned with actual service costs.

The accuracy of the NCC return is paramount. Poor-quality costing data can lead to incorrect funding allocations, inefficiencies, and ultimately, suboptimal patient care. As such, NHS

organisations must invest in the right systems and expertise to ensure their costing submissions are robust and reliable.

Costing and Strategic Decision-Making in the NHS

Beyond regulatory compliance, accurate costing has profound implications for NHS strategy. Senior leaders, commissioners, and policymakers rely on costing data to drive efficiency, inform service redesign, and support financial sustainability. Here's how:

1. Service Improvement and Efficiency Gains

Costing data helps NHS organisations identify inefficiencies by highlighting variations in cost between providers. By comparing service line costs against national benchmarks, trusts can pinpoint areas where savings



can be made without compromising care quality.

For example, if one hospital is delivering cataract surgery at a significantly lower cost than another, a detailed costing analysis can reveal why—whether due to differences in staff mix, procedural efficiencies, or supply chain costs. Trusts can then adopt best practices from more efficient providers, ensuring that resources are used effectively.

2. Commissioning and Funding Allocations

The move towards Integrated Care Systems (ICSs) has brought a renewed focus on collaborative commissioning. Accurate costing data ensures that funding is distributed fairly based on the actual cost of service delivery.

For commissioners, having a clear understanding of how much different services cost

means they can make better-informed purchasing decisions. This is particularly important in the context of PbR, where payments are determined by activity levels and case mix. As PbR regains prominence under new NHS leadership, ensuring that costing data accurately reflects service complexity will be vital for fair reimbursement.

3. Business Case Development for Capital Investment

Capital investment decisions—whether for new hospital buildings, equipment, or digital infrastructure—rely on robust financial justification. Costing data plays a critical role in building business cases by demonstrating return on investment and long-term sustainability.

For instance, a hospital seeking funding for robotic surgery technology must present a clear financial case showing how the investment will improve patient outcomes, reduce long-term costs, and enhance efficiency. Without accurate costing data, such cases lack credibility and may fail to secure approval.

4. Workforce Planning and Productivity Analysis

Labour costs constitute the largest proportion of NHS expenditure. Costing data allows organisations to assess staff productivity, ensuring that workforce models are both cost-effective and aligned with patient needs.

By analysing costing data, trusts can make evidence-based decisions about skill mix, staff deployment, and rota management. For example, if a service has high consultant-led costs but could be safely delivered by advanced nurse practitioners at a lower cost, this insight can inform workforce planning and service redesign.

The Role of Costing in Clinical Engagement

One of the biggest challenges in NHS finance is engaging clinicians in cost management. Many clinicians perceive finance as a barrier rather than

an enabler, viewing costing as a tool for budget cuts rather than service improvement. However, when used effectively, costing can empower clinicians to take ownership of financial and operational performance, leading to better outcomes for both patients and the organisation.

1. Translating Financial Data into Clinical Insights

Traditional financial reports often fail to resonate with clinicians because they focus on numbers rather than patient outcomes. Patient-level costing changes this by linking costs to clinical pathways, helping doctors and nurses understand how financial data relates to their daily practice.

For example, a surgeon may not be interested in a generic cost-reduction target, but they will be interested in knowing that using a different type of surgical consumable could save £100 per procedure without compromising patient care. By presenting costing data in a way that is clinically meaningful, finance teams can foster greater engagement and collaboration.

2. Supporting Evidence-Based Decision-Making

Costing data allows clinicians to make informed decisions about resource allocation. If a hospital identifies that one treatment pathway is significantly more expensive than another without a corresponding improvement in outcomes, clinicians can work with finance teams to explore alternative approaches.

A good example is the use of biologic drugs in treating inflammatory diseases. These drugs are highly effective but extremely costly. Costing analysis can help clinicians assess whether switching some patients to biosimilar alternatives offers the same clinical benefits at a lower cost, freeing up resources for other areas of patient care.

3. Incentivising Efficiency Through Service Line Reporting

When clinicians can see the financial performance of their own service line, they are more likely to take an active role in improving efficiency. Service Line Reporting (SLR) enables departments to view their costs, revenues, and profitability, fostering a sense of accountability and ownership.

For example, an A&E department that sees a significant overspend on agency staff might explore alternative staffing models to reduce reliance on temporary workers. By providing clinicians with financial transparency, costing can become a tool for driving positive change rather than merely enforcing budgetary restrictions.

Looking Ahead: Costing in the NHS Under New Leadership

With Sir Jim Mackey's return and the potential re-emphasis on PbR, NHS costing is set to take on an even more critical role. The challenge for NHS organisations will be to ensure their costing processes are not just about compliance with the NCC return but are actively used to drive decision-making, improve efficiency, and engage clinicians.

To achieve this, trusts must:

- Invest in advanced costing systems that provide accurate, real-time data.
- Foster closer collaboration between finance teams and clinical leads.
- Ensure that costing insights are used to inform strategic decisions at all levels of the organisation.

As financial pressures continue to mount, effective costing will be central to ensuring the NHS delivers high-quality care within its means. The organisations that embrace this shift—using costing not just as an accounting tool but as a driver of transformation—will be best positioned to thrive in the evolving healthcare landscape.

The Basics of Activity-Based Costing (ABC) in Healthcare

In an era where cost efficiency and strategic decision-making are more critical than ever, healthcare organisations increasingly rely on advanced costing methods to allocate expenses accurately. One of the most effective approaches is **Activity-Based Costing (ABC)**, a method that assigns costs to activities based on their actual consumption of resources rather than using broad, traditional cost allocation methods.

This article will provide a comprehensive introduction to Activity-Based Costing in healthcare, explaining its importance, key components, and benefits. Additionally, we will outline the step-by-step process of implementing ABC and provide a practical checklist to guide NHS trusts and other healthcare organisations in adopting this method.



What is Activity-Based Costing (ABC) in Healthcare?

Activity-Based Costing (ABC) is a costing methodology that assigns overhead and indirect costs to specific activities that generate those costs. Unlike traditional costing methods that distribute overhead evenly across departments or services, ABC recognises that different activities consume resources at varying levels.

For example, in a hospital, the cost of operating theatres should not be spread equally across all treatments. Instead, it should be allocated based on actual usage by different procedures. Similarly, the cost of radiology services should be assigned based on the number of scans performed rather than being divided equally across all departments.

Why is ABC Important in Healthcare?

ABC provides healthcare organisations with more accurate cost information, allowing them to make informed decisions on budgeting, resource allocation, and service pricing. The key advantages of ABC in healthcare include:

1. Improved Cost Accuracy – By tracing costs to specific activities, ABC provides a clearer picture of where money is being spent in clinical and non-clinical services.

2. Better Decision-Making – Helps hospital management make data-driven decisions regarding pricing, process improvements, and cost reduction.

3. Enhanced Performance Measurement – Provides insights into the efficiency of healthcare processes and highlights opportunities for financial optimisation.

4. Identifies Profitability – Helps NHS trusts and private healthcare providers understand which treatments or services are more cost-effective.

5. Supports Clinical Engagement – Helps clinicians understand the financial impact of their decisions, leading to more cost-conscious care delivery.

Key Components of Activity-Based Costing in Healthcare

To implement ABC effectively, it is essential to understand its core components:

1. Activities – These are tasks or processes that consume resources. Examples include inpatient care, surgery, diagnostic imaging, and administrative functions.

2. Cost Drivers – The factors that influence or determine the cost of an activity, such as length of stay, number of tests ordered, or time spent in surgery.

3. Cost Pools – Groups of related costs that correspond to a set of activities (e.g., all expenses related to a specific department or medical procedure).

4. Resource Allocation – The process of assigning costs from cost pools to activities based on their usage.

5. Activity Cost Assignment – The method used to distribute activity costs to patient treatments, medical procedures, or healthcare services.

The ABC Process: Step-by-Step Implementation in Healthcare

Implementing Activity-Based Costing in healthcare involves several key steps. Below is a structured process to guide hospitals and healthcare providers in adopting ABC.

Step 1: Identify Activities

- Map out all significant clinical and non-clinical activities within the organisation.
- Group similar activities into categories (e.g., diagnostics, inpatient care, outpatient services, administration).

Step 2: Create Cost Pools

- Organise costs into cost pools based on activity categories.
- Common cost pools include surgery, radiology, laboratory tests, nursing care, and support services (e.g., IT, finance, and facilities).

Step 3: Determine Cost Drivers

- Identify the most appropriate cost driver for each activity.
- Examples include:
 - Length of stay for inpatient care.
 - Number of scans performed for radiology.
 - Number of surgical procedures for operating theatre costs.

Step 4: Collect Cost Data

- Gather relevant financial data, including direct and indirect costs.
- Allocate expenses to cost pools based on actual resource consumption.

Step 5: Assign Costs to Activities

- Distribute costs from cost pools to specific activities.
- Use cost drivers to allocate costs proportionally to resource usage.

Step 6: Assign Activity Costs to Patient Services

- Apply activity costs to individual treatments, procedures, or patient groups.
- Calculate unit costs for better reimbursement and funding decisions.

Step 7: Analyse and Interpret Data

- Evaluate cost distribution and identify inefficiencies.
- Use data insights to optimise processes, improve financial sustainability, and support clinical engagement.

Step 8: Implement and Monitor

- Apply ABC insights to healthcare decision-making and operational processes.
- Continuously monitor and refine the costing system to ensure ongoing accuracy and relevance.

ABC Implementation Checklist for Healthcare Organisations

Use this checklist to ensure a smooth implementation of Activity-Based Costing:

- ✓ Identify all key clinical and administrative activities.
- ✓ Define cost pools based on healthcare service types.
- ✓ Determine relevant cost drivers for each medical procedure or service.
- ✓ Gather financial data and allocate expenses accordingly.
- ✓ Assign costs from cost pools to activities.
- ✓ Apply activity costs to patient treatments and procedures.
- ✓ Analyse cost data to identify inefficiencies and cost-saving opportunities.
- ✓ Integrate ABC insights into healthcare financial planning and resource allocation.
- ✓ Continuously review and refine the ABC model for accuracy and relevance.

Conclusion

Activity-Based Costing is a powerful tool for improving cost accuracy and enabling better financial decision-making in healthcare. By focusing on the actual consumption of resources, ABC helps NHS trusts, private hospitals, and other healthcare providers allocate expenses more effectively, leading to improved efficiency and financial sustainability.

With the increasing focus on Payment by Results (PBR) and financial accountability, NHS organisations must adopt advanced costing methods to justify funding and optimise service delivery. ABC provides transparency and helps bridge the gap between finance teams and clinicians, fostering a shared understanding of cost drivers and enabling more sustainable healthcare practices.

By following the step-by-step process and utilising the provided checklist, healthcare organisations can successfully integrate Activity-Based Costing into their financial management practices, ensuring better decision-making and long-term financial health.



**Red Circle
Healthcare
Advisory**

Driving Innovation and Commercial Growth for NHS Trusts

Hermione King sat down with James and Bruce to ask them a few questions about why they started Red Circle 



Hermione: It's interesting to see you back in the world of NHS finance, James. What have you been doing with yourself over the last couple of years?

James: I sold Assista Software to LOGEX in September 2021 and was really happy to keep working for them while we migrated the Assista clients on to their software platform. I had some nice trips to Amsterdam (where LOGEX are headquartered) and we even took a group of directors of finance, including this year's HFMA president, Lee Outhwaite, on a study tour around some Dutch hospitals.

Once I'd finished the migration in January 2023 it was time to hand things over and we left on

good terms. LOGEX treated me very well and I can recommend doing business with them, particularly their CFO, Chris Holden, who was a very straight forward and fair guy.

I hate sitting around though so I then set up a private medical clinic, The Pinewoods Clinic, in north Liverpool with a mate of mine who's a plastic surgeon. We've got a full operating theatre and we can pretty much carry out any sort of operation if you can get up and walk away afterwards.

That went very well and we were able to open up a second clinic earlier this year. That's a BUPA franchise, so it's been very interesting dealing with BUPA and comparing that with my experi-

ence of working with the NHS. I also set up a little wine bar called Ten Streets Wine which has been great fun, but I was missing the world of NHS finance and Bruce and I began mulling ideas last year.

Hermione: So how did the pair of you meet? I hear there's a funny story about that.

James: From my work with Trusts and the wider NHS I was aware of Finnamore Management Consultants. I had seen how they had grown over the years and become (In my opinion) the leading independent management consultancy company in the UK.

Although at that time I didn't know Bruce, I knew that he was

well connected, had co-founded the Foundation Trust Network (now NHS Providers), was highly respected and had an amazing network across the NHS particularly with Chief Executives and Boards.

Finnamores were highly respected trusted advisors and I thought I would be able to learn from them and apply this learning to Assista. When I heard Finnamores had been bought by GE Healthcare I wrote to Bruce to congratulate him and ask whether he would be willing to give me some advice (if I took him for lunch!).

His PA contacted me and said that before meeting Bruce wanted to speak to me on the phone (he subsequently told me



he'd had a lot of calls and wanted to check me out)

We had a great call.

At the end of the call given my Liverpool accent Bruce asked me whether I was a "Red or a Blue". I of course answered "Red" which turned out to be the right answer! I didn't realise Bruce was a lifelong Liverpool supporter and so rather than buy him lunch I agreed to get him a ticket for Anfield. We've become good friends and Bruce is now one of our football gang who joins us at Anfield as often as he can.

Over the last few years Bruce has acted as a bit of a mentor to me (he may not realise this) and so when I was looking for a new venture I talked some of the options through with him. It was clear that there was a

significant need and gap in the market to help Trusts maximise their commercial income. So long story short we decided to set up Red Circle  together. I tend to see the world through the eyes of a Finance Director and Bruce through the eyes of a Chief Executive. We both understand the NHS in some detail, as well as having significant commercial experience so the synergies are good.

Hermione: What was your background in the NHS, Bruce?

Bruce: I started in the NHS as a national general management trainee and worked in the NHS for 8 years. My last 4 years were as the Deputy Unit Administrator at the Queen Elizabeth Hospital in Birmingham where I was responsible for the operational management of the hospital. I was the Chief Executive of an

independent hospital in London for two years before moving to Price Waterhouse to help set up their consultancy practice in 1986. I was with PW (before it became PwC) for five years before setting up Finnamore Management Consultants in 1991. Finnamore were primarily a strategic consultancy with a strong delivery and operational improvement arm. Over the years we developed a fantastic team. We focused on helping CEOs and their Executive Directors deal with the tough issues on their desks.

We worked on some major projects at national, regional and local level and I am pleased to say developed a reputation as trusted advisors who knew their stuff and would be there when it mattered. Although we were not in the public sector we had a strong commitment to working

with the public sector to help improve health and health for the people of our country - and do so commercially and sustainably.

Since leaving GE Healthcare Finnamore in 2014 I have continued to do some consultancy work (principally for CEOs), am involved in a few health related businesses (including Age Care Technologies and Kingdom Therapeutics), and am on the Boards of a number of not for profit organisations. I am still passionate about improving leadership and management in health and helping to realise potential. I want to do all I can to improve health including helping to improve the finances of the NHS which clearly is an important means to an even more important end.

Hermione: Why would Trusts come to Red Circle when they



The second Pinewoods Clinic

could do this work themselves?

James: My approach has always been to really specialise in one area, like the costing work we did at Assista Software. By doing that I think you can add a lot of value to individual trusts because you become a conduit where you share best practice and emerging insights.

Over the past few years we've seen an increasing awareness of how commercial income has the potential to 'drop to the bottom line' in trusts, but inevitably NHS finance teams are set up to day-

to-day work and perhaps haven't had the chance to learn the set of skills required.

Hermione: Do you think they will learn those skills eventually?

James: Yeah, of course. I think we'll be working with Trusts for the next three to five years and by then they should have all the skills in house. Then we'll have to go and find another thing to specialise in. (laughter).

Hermione: What kind of Trusts are you looking for?

Bruce: I'm going to put my neck

on the line here and say that every NHS Trust or Foundation Trust can make more commercial income than they're already doing. And it's not a zero sum game – if one trust makes more commercial income it's not at the expense of another. When you actually stop and think about it, it's such an exciting area to focus on.

Hermione: What are your learning points so far?

Bruce: I think that Trust's need an open mind and also need to dig into the details. DOFs know what the key areas are and have a rough idea of what the possibilities might be, but it's only by digging down and also by benchmarking against other similar trusts that you really get to the solid opportunities.

Hermione: Tell us a bit more about your portal and how clients can use it.

James: Our CINC portal is the bedrock that underpins all our work on commercial income. We've pulled together a wide variety of relevant publicly available data and we've then layered on specific data sets we've obtained from our clients. Every engagement we carry out makes the portal a stronger resource for clients.

Membership is based on annual

license and the first year is free so our clients really get to have a good play around with it before they commit to the annual payment.

Hermione: How do you see the future of commercial income in the NHS?

A: It seems inevitable now that the NHS needs to find funds wherever it can so I think done the right way, with the correct governance and oversight, commercial income is a very positive thing for all Trusts.

Hermione: Last question – why the name, Red Circle?

James: Bruce says it's because Siddhartha Gautama, the Buddha, drew a circle  with a piece of red chalk and said: "When men, even unknowingly, are to meet one day, whatever may befall each, whatever their diverging paths, on the said day, they will inevitably come together in the red circle."

Bruce: I just like simple ideas and I think it's a great visual!



James and Bruce at Anfield



Hermione King

Hermione King is one of our student interns and is currently studying Geography at University College London.

The Cloud Factory Sauvignon Blanc: A Refreshing Taste of Marlborough Nebbiolo, Adelaide Hills



If you're a fan of crisp, zesty white wines, then let me introduce you to The Cloud Factory Sauvignon Blanc. This gem from New Zealand's renowned Marlborough region is a fantastic example of why the area has become synonymous with world-class Sauvignon Blanc. It's fresh, vibrant, and packed with flavour—exactly what you'd want from a top-notch bottle.

The Story Behind The Cloud Factory

The name "The Cloud Factory" is inspired by New Zealand's indigenous Māori name, "Aotearoa," which translates to "land of the long white cloud." It's a nod to the stunning cloud formations that grace the country's skies, creating a sense of awe and adventure. The winery captures this spirit in its wines, using the region's exceptional climate and soil to produce something truly special.

Marlborough is located on the northeastern tip of New Zealand's South Island, and its combination of sunny days, cool nights, and mineral-rich soil makes it the perfect place for growing Sauvignon Blanc. The result? A wine that bursts with freshness, minerality, and those characteristic tropical fruit notes that have put Marlborough on the global wine map.

The Cloud Factory team is dedicated to sustainable viticulture, ensuring that their winemaking process not only delivers high-quality wine but also respects the land. They employ environmentally friendly techniques, such as reducing water usage, encouraging biodiversity in the vineyards, and minimizing chemical interventions. This commitment to sustainability helps preserve Marlborough's pristine environment while producing wines that truly reflect the region's unique terroir.

Tasting Notes: What's in the Glass?

As soon as you pour a glass of The Cloud Factory Sauvignon Blanc, you're greeted with a pale straw colour, shimmering with hints of green—an early sign of the crispness to come. The aromas hit immediately, and they're everything you'd hope for in a Marlborough Sauvignon Blanc: passionfruit, lime, fresh-cut grass, and a hint of gooseberry.

Take a sip, and the vibrant flavours explode on your palate. There's juicy citrus, ripe pineapple, and a touch of green apple, all balanced with a refreshing acidity. The minerality adds a slight wet-stone character, giving it a clean and elegant finish. It's the kind of wine that makes you want to take another sip before you've even finished the first.

The balance between fruitiness and acidity makes this wine highly drinkable, whether you're sipping it on its own or pairing it with food. The lively, mouthwatering finish leaves a lasting impression, making it a great option for those who enjoy wines with a crisp, invigorating character.

Perfect Food Pairings

One of the best things about The Cloud Factory Sauvignon Blanc is how well it pairs with food. Its zippy acidity and fruity notes make it a versatile match for a variety of dishes. Here are a few top recommendations:

- **Seafood** – This wine was practically made for seafood. Pair it with fresh oysters, grilled prawns, or a classic ceviche, and you'll see why.

- **Goat Cheese** – The tangy, creamy texture of goat cheese works beautifully with the wine's acidity. Try it with a goat cheese salad, topped with nuts and honey.

- **Sushi & Asian Cuisine** – If you love sushi, this is your go-to wine. It complements the freshness of sashimi and balances out the flavours of spicy tuna rolls or Thai dishes.

- **Grilled Vegetables** – Whether it's asparagus, zucchini, or bell peppers, the bright flavours of the wine enhance the smokiness of grilled veggies.

- **Lemon Chicken** – The citrus notes in the wine are a fantastic match for lemon-based chicken dishes, adding even more zest to the meal.

- **Spicy Dishes** – Thanks to its refreshing acidity and fruit-forward nature, The Cloud Factory Sauvignon Blanc can also handle a bit of heat. Try it with a spicy Thai green curry or a zesty Mexican ceviche for a mouthwatering contrast.

Serving Tips for the Best Experience

To fully enjoy The Cloud Factory Sauvignon Blanc, serve it well-chilled, ideally between 7-10°C. This temperature enhances the

crisp acidity and allows the fruit flavours to shine. If the wine is too cold, some of its delicate aromas may be muted, so letting it sit for a few minutes after taking it out of the fridge can help bring out its full bouquet.

Using a standard white wine glass will also enhance the drinking experience, allowing the aromas to develop as you swirl the wine. And if you're planning to enjoy this bottle on a warm day, consider using an ice bucket to maintain its freshness.

Final Thoughts

The Cloud Factory Sauvignon Blanc is everything you want in a Marlborough Sauvignon Blanc—refreshing, fruit-forward, and incredibly easy to drink. It's perfect for warm summer evenings, casual get-togethers, or just when you need a little burst of sunshine in a glass.

Whether you're a Sauvignon Blanc enthusiast or just dipping your toes into New Zealand wines, this bottle is a must-try. So, grab a bottle, pour yourself a glass, and enjoy the taste of Aotearoa's long white clouds—one sip at a time.



Holly Wilson

Holly Wilson is one of our student interns and is currently studying classics at University College London

Bounce by Matthew Syed: A Deep Dive into the Myth of Talent



Bounce by Matthew Syed: A Deep Dive into the Myth of Talent

If you've ever looked at an elite athlete, a world-class musician, or a genius in any field and thought, "Wow, they were just born to do that," then Matthew Syed's *Bounce* is here to challenge everything you think you know about talent. In this fascinating book, Syed—himself a former professional table tennis player—dives into the science behind success and argues that talent is far less important than we've been led to believe. Instead, he makes a compelling case for practice, mindset, and opportunity as the true drivers of greatness.

The Core Idea: Talent is Overrated

Syed's main argument is that natural talent is largely a myth. We tend to assume that people are born with a special gift for certain skills, whether it's playing the piano, hitting a tennis ball, or excelling in mathematics. But according to Syed, what really separates the great from the average is something far less glamorous: years and years of deliberate practice.

He leans heavily on the work of psychologist Anders Ericsson, whose research on expert performance suggests that it takes roughly 10,000 hours of focused practice to become truly world-class at something. This is often referred to as the 10,000-hour rule, popularized by Malcolm Gladwell in *Outliers*. But Syed takes it a step further, explaining that not just any practice will do—it has to be deliberate practice that pushes you beyond your comfort zone.

Stories & Examples That Bring the Theory to Life

One of the best things about *Bounce* is how Syed illustrates his points with real-world examples. He doesn't just throw research at you; he tells engaging stories that

make the science easy to digest.

His Own Journey: Syed shares how he became Britain's number one table tennis player, not because he was naturally gifted, but because of the unusual set of advantages he had. He grew up on a street where multiple top-level table tennis players lived, he had access to a coach, and he practiced relentlessly.

Tiger Woods & Mozart: Two classic examples of prodigies who were often seen as "born geniuses" but were actually shaped by early, intensive training. Tiger Woods was swinging a golf club before he could walk, and Mozart's musical training started at a ridiculously young age under the watchful eye of his father, a strict music teacher.

The Polgár Sisters: Their father, László Polgár, believed that any child could become a genius with the right environment and training. So, he homeschooled his daughters with a singular focus on chess, and all three became grandmasters.

Breaking the "Natural Talent" Illusion

One of the biggest takeaways from *Bounce* is that we vastly overestimate the role of talent and underestimate the role of effort.

Syed points out that when we label someone as "naturally gifted," we actually do them (and ourselves) a disservice. It ignores the years of work they put in and makes it seem as if success is something you're either born with or not. This mindset can be dangerous because it discourages effort—why bother working hard if you think you just don't have "it"?

The Role of Mindset in Success

Syed also dives into mindset, building on the work of psychologist Carol Dweck. People with a fixed mindset believe that ability is innate—you either have it or you don't. On the other hand, those with a growth mindset understand that skills can be developed through effort and per-

sistence. Unsurprisingly, those with a growth mindset tend to improve, while those with a fixed mindset often give up too soon.

One of the book's most eye-opening sections explores the impact of failure and feedback. Syed argues that we often view failure as a sign that we're not good enough, rather than an opportunity to learn and improve. Elite performers, however, see failure as a necessary step on the road to mastery.

The Dark Side of Success: When Practice Becomes Unethical

While *Bounce* is largely about the benefits of practice, Syed also highlights cases where obsessive training can lead to ethical and psychological problems.

For example, he discusses the dark side of competitive sports, where young athletes are sometimes pushed to the brink—both physically and mentally—by demanding coaches and overbearing parents. There's also the issue of doping and cheating, where the pressure to win at all costs leads some to take shortcuts.

Key Takeaways from Bounce

So, what are the biggest lessons you can take away from Syed's book? Here are six of the most impactful:

1. Talent is overrated – Natural ability plays a much smaller role in success than most people think. What really matters is practice, effort, and persistence.

2. Deliberate practice is key – Not all practice is created equal. To truly improve, you need to push yourself beyond your comfort zone, seek feedback, and refine your skills over time.

3. Opportunity and environment matter – Access to the right resources, coaches, and early experiences can play a huge role in success. It's not just about hard work—it's also

about having the right conditions to thrive.

4. Mindset shapes success – If you believe that ability is fixed, you're less likely to put in the effort needed to improve. But if you embrace a growth mindset, you'll see challenges as opportunities rather than obstacles.

5. Failure is part of learning – The best performers in any field see failure as a necessary step toward mastery. Rather than being discouraged by setbacks, they analyse them and adjust their approach.

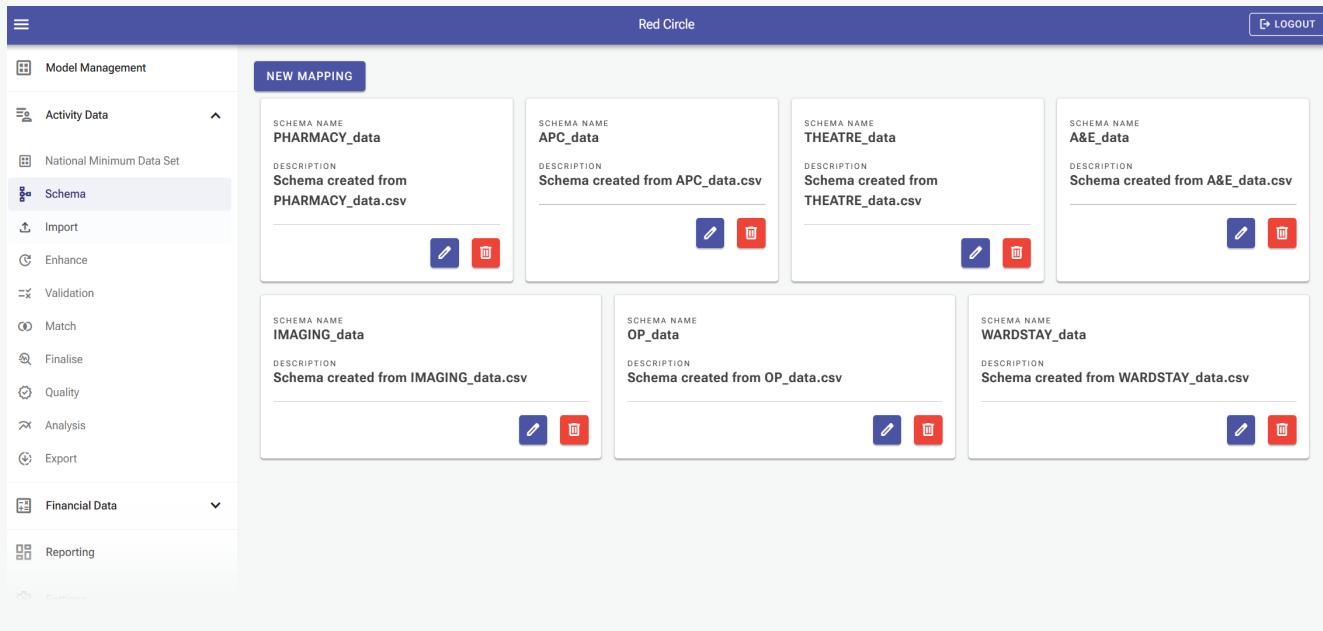
6. Success can have a dark side – While intense practice is essential for reaching the top, it's important to balance ambition with well-being. Burnout, unethical shortcuts, and unhealthy pressure can take a toll if not managed properly.

Final Thoughts: Is Bounce Worth Reading?

Absolutely. Whether you're an athlete, a businessperson, a musician, or just someone looking to improve in any field, *Bounce* is packed with insights that can shift how you think about success. It's not just a book about sports or performance—it's a book about human potential and how we can unlock it.

Matthew Syed's writing is engaging, relatable, and full of powerful real-world examples that make the science easy to digest. If you're someone who has ever doubted your own abilities, this book is a great reminder that success isn't about being "born great"—it's about putting in the work, learning from failure, and seizing opportunities.

So, if you're ready to rethink what it really takes to be exceptional, *Bounce* is a must-read. Just be warned—you may never look at "talent" the same way again!



The screenshot shows the 'NEW MAPPING' section of the Red Circle Costing Portal. It displays six schema entries arranged in two rows of three. Each entry includes the schema name, a description, and two small icons (a blue pencil and a red delete). The entries are:

- Schema Name: PHARMACY_data, Description: Schema created from PHARMACY_data.csv
- Schema Name: APC_data, Description: Schema created from APC_data.csv
- Schema Name: THEATRE_data, Description: Schema created from THEATRE_data.csv
- Schema Name: A&E_data, Description: Schema created from A&E_data.csv
- Schema Name: IMAGING_data, Description: Schema created from IMAGING_data.csv
- Schema Name: OP_data, Description: Schema created from OP_data.csv
- Schema Name: WARDSTAY_data, Description: Schema created from WARDSTAY_data.csv

Red Circle Costing Portal: AI-Driven, Best-in-Class Costing Solution

In the ever-evolving landscape of NHS finance, **Red Circle's Costing Portal** stands out as a **best-in-class solution** designed to revolutionise how trusts manage their costing and financial reporting. Built from the ground up with cutting-edge **artificial intelligence (AI)**, the platform simplifies and accelerates the entire costing process, offering unmatched accuracy, efficiency, and actionable insights.

AI-Driven Efficiency

One of the biggest challenges in NHS costing is the time-consuming nature of traditional models, where finance teams manually extract, cleanse, and allocate costs. **The Red Circle Costing Portal** leverages **AI-powered automation** to handle these tasks seamlessly:

Data Cleansing & Validation: AI detects anomalies and inconsistencies, ensuring only high-quality data is processed.

Automated Cost Allocation: Machine learning algorithms dynamically assign costs based

on real-world usage, improving precision.

Predictive Modelling: AI forecasts future cost trends, allowing finance leaders to make data-driven decisions.

This level of automation significantly reduces the time required for NHS trusts to produce the **National Cost Collection (NCC) return**, making it the most efficient solution available.

Best-in-Class Features

Red Circle has designed the **Costing Portal** to outperform legacy systems by focusing on

three key areas:

Ease of Use – Unlike traditional costing software that requires SQL knowledge, Red Circle's platform is intuitive and user-friendly, making it accessible for finance professionals at all levels.

Speed & Accuracy – AI streamlines complex calculations, ensuring faster turnaround times with superior accuracy.

Clinical Engagement – The portal provides clear, evidence-based costing data, helping clinical teams understand financial implications and drive better decision-making.

The Future of NHS Costing

With the return of **Sir Jim Mackey** and renewed focus on **Payment by Results (PBR)**, NHS trusts need reliable, AI-powered tools to justify funding and improve financial sustainability. The **Red Circle Costing Portal** is the ideal solution—delivering transparency, efficiency, and AI-driven insights that make it the most advanced costing platform in the market today.



Endel: Your Personal Soundtrack for Focus and Sleep

Meet Endel: The Company Behind the Soundscapes



In a world where constant noise and digital overload make it hard to concentrate or unwind, Endel is on a mission to bring balance through sound. Founded in 2018, Endel is a Berlin-based company that blends **neuroscience, artificial intelligence, and sound design** to create personalized audio experiences that enhance focus, relaxation, and sleep. Their core belief? **Sound is more than entertainment—it's a tool for well-being.**

Endel's innovative approach revolves around **adaptive soundscapes**—custom audio environments that evolve in real time based on factors like time of day, weather, heart rate, and even your movement. Unlike static playlists, Endel's AI-driven system ensures that no two sessions are exactly alike, optimizing your mental state at any given moment.

The company has gained recognition from both tech giants and the scientific community. It has partnered with Apple, Amazon,

and major wellness brands to bring its unique sound technology to a global audience. Endel's work is rooted in research-backed principles, ensuring that every soundscape is not just pleasant to listen to but also enhances cognitive function, reduces stress, and improves sleep quality.

With a team of sound engineers, neuroscientists, and AI developers, Endel continues to push the boundaries of **how personalized audio can support mental and physical well-being**. Whether you need to power through deep work, relax after a long day, or improve your sleep routine, Endel's mission is clear: **to harness the power of sound to help people live better, one perfectly tuned soundscape at a time.**

How Endel Helps You Focus

We all know the struggle of trying to concentrate while emails ping, phones buzz, and our brains wander off into the abyss of social media. Endel tackles this problem head-on by generating real-time adaptive soundscapes that help tune out distractions and keep your mind in the zone.

1. Personalized to Your Needs

Unlike generic playlists or white noise apps, Endel uses AI to tailor its sounds based on factors like time of day, weather, and even your heart rate (if connected to an Apple Watch). This means the soundscapes evolve with you, maintaining the right balance of stimulation without overwhelming your brain.

2. Scientifically Backed Sounds

Endel's sound algorithms are based on neuroscience principles, ensuring that the frequencies used actually support

concentration. These ambient sounds work by promoting alpha waves, which are linked to deep focus and creativity. So, instead of just playing random lo-fi beats, Endel optimizes audio to enhance cognitive function.

3. Seamless Integration with Workflows

Endel integrates with Apple's shortcuts, allowing you to automate focus sessions. For example, you can set up a workflow where opening your laptop automatically starts an Endel soundscape, signaling your brain that it's time to work. No more wasting time curating the perfect playlist—just press play and get to work.

How Endel Helps You Sleep

Getting quality sleep is harder than ever with stress, screen time, and endless to-do lists keeping our minds restless. Endel offers a science-backed solution with custom sleep soundscapes that adapt to your nighttime routine.

1. Lulls Your Brain into Sleep Mode

Endel's sleep sounds are designed to slow down brain activity and guide you into a restful state. The soundscapes gradually decrease in complexity and tempo, mirroring your body's natural transition into deep sleep.

2. AI-Generated Sounds that Adapt

Unlike fixed playlists, Endel continuously adjusts its sound based on factors like your movement and environment. If it detects you're still restless, it may tweak the frequencies to help ease you into sleep more effectively.

3. Enhances Deep Sleep and Recovery

Deep sleep is crucial for memory consolidation, muscle recovery, and overall well-being. Endel's carefully crafted soundscapes support slow-wave sleep, which is essential for waking up refreshed instead of groggy.

The Verdict: Is Endel Worth It?

If you're someone who struggles with focus or sleep, Endel is absolutely worth trying. It eliminates the guesswork of finding the perfect background noise by adapting in real-time to your needs. Whether you're working on an important project or simply trying to improve your sleep quality, Endel provides a smart, science-backed solution that evolves with you.

Depending what deals Endel are running access to the app can be as little as £11.99 for a whole year.

So, if you want to boost your productivity and finally get the rest you deserve, give Endel a spin. Your brain will thank you.



Maximilian Lovegrove

Maximilian Lovegrove is our customer care co-ordinator



COMMERCIAL INSIGHT. FINANCIAL GROWTH.

WHO ARE WE? INTRODUCING RED CIRCLE O HEALTHCARE ADVISORY

BLENDING COMMERCIAL AND NHS EXPERIENCE

We are one of the UK's leading advisors specialising in NHS finance issues. Working exclusively in healthcare and employing many staff with a blend of commercial

and NHS experience gives us a unique perspective on the issues that NHS Trusts face.

We are a commercial organisation, delivering a value for money service. We are committed to providing commercial insight, spreading best practice and enabling financial growth

for NHS Trusts across the country - and doing so sustainably – through a combination of understanding your cost base and also growing your commercial income.

Our approach is based on the development of close working relationships with key local

stakeholders. We will ensure we develop an understanding of your organisational culture

and ambitions so that we can align our work with your strategic goals and operational plans.

We have two areas of focus:

1. The provision of best-in-class costing software and advice.

The software will calculate your National Cost Collection return and we also provide you with detailed insights that enable cost effective decision making across your Trust.

2. Increasing commercial income.

Through our detailed understanding of commercial income streams across all NHS providers, using our Benchmarking tools we can highlight the commercial opportunities

in your Trust. We will also help you to run commercial schemes if needed.

Feedback from clients shows we are proud of the fact that we are considered trusted advisors - a compliment we value highly and work hard to maintain and develop. Our work is

confidential and highly protected at all times. We work collaboratively and in partnership

alongside your existing team to help achieve the near and long term outcomes you require.

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We love getting feedback so please, please let us know what you think of our newsletter.

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