



# Redesigning Care

**REIMBURSEMENT  
COSTS**

**POPULATION  
MANAGEMENT**

**MERGERS**

**ACCOUNTABLE  
CARE**

## **National Rural Health Resource Center Lean Culture - Webinar 3 April 10, 2015**

**Presented by: John L. Roberts, MA  
Lean Healthcare Black Belt**

# Today's Agenda

- Building a Lean Culture
- The Concept of Kaizen
- Lean Metrics
- Designing Your Lean Project
- Questions and Answers



# Building a Lean Culture



**RE-THINKING HEALTHCARE**  
IMPROVING PATIENT CARE THROUGH DESIGN

# Transformation Has Two Elements Technical and Social

Technical
Tools and Techniques
Pursuit of Perfection
Value Stream Thinking
Disconnected Process Improvement
Tools Deployment

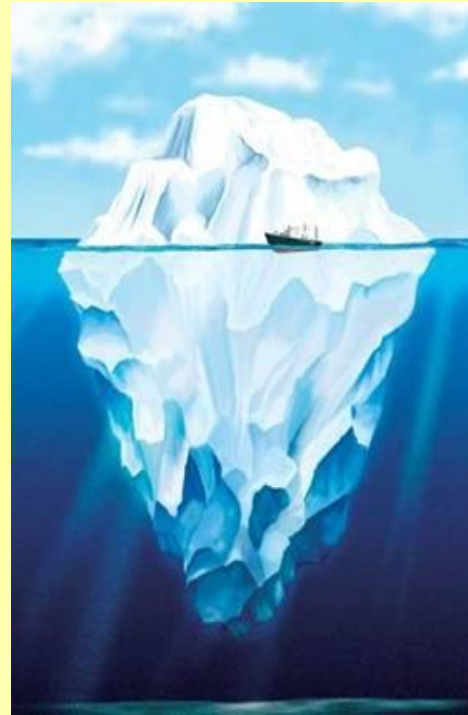
↑  
The Path to Lean

Social
Tools and Techniques
Learning Organization
Advanced Teambuilding
Employee Empowerment
Employee Engagement

# Lean Leaders Facilitate & Rigorously Apply a Lean Management System

5S, Visual Controls, Standard Work, Mistake Proofing...

Technical Tools



Cultural

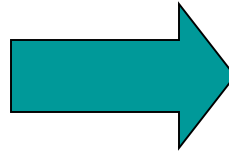
Lean Management System

...without which Lean tools and techniques simply become unsustainable

# Changing Cultures

## Traditional Culture

- Provider focus
- Problem hiding
- Functional Silos
- Blame people
- Reward individuals
- Guard information
- Lower cost
- Expert driven
- Manage from the office



## Lean Culture

- Patient focus
- Problem highlighting
- Process is visible
- Respect for worker
- Manager teach/empower
- Root cause analysis
- Rewards group sharing
- Decrease waste
- Process driven
- Walk the process

# Healthcare People “Get” Lean

- Healthcare is the diagnosis and treatment of illness
- Lean is the diagnosis and treatment of processes
- The goal is to give healthcare professionals a **new way** to look at their processes using a small Lean toolset

# Lean Success is....



**Not found in the tools, it's the culture!**

**“Respect For People”**



# The “Toyota Way”

## Continuous Improvement

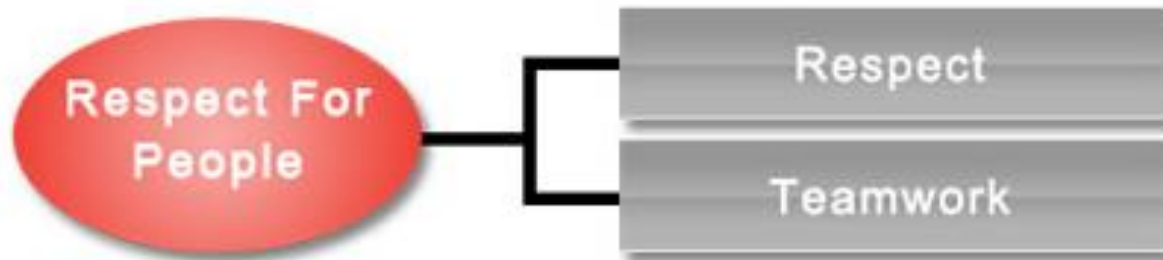
1. Form a long-term vision meeting challenges.
2. Improve operations continually.
3. Go to the source to find the facts.

## Respect for People

1. Make every effort to understand each other.
2. Take responsibility and build mutual trust.
3. Stimulate personal and professional growth.
4. Maximize individual and team performance.

# Respect for People

***Individual breakthrough performance drives organizational breakthrough performance***



**No organization will be a great, high performing, organization without a host of influential leaders at every level of the organization.**

# Who are the experts?



## The Front Line Staff

# The key to a Lean Culture



**It's not management telling the staff how to improve, it's the other way around.**

# Key Characteristics of a Lean Culture



Small teams of people reflecting each and every day on how well the value stream performed yesterday and how we may make it better today.

Leadership focused on building the problem-solving “muscle” of the organization.

# 62% of Initiatives Fail Due to Lack of Senior Leadership Commitment

Large scale improvements require precise coordination and a common “cadence” to advance smoothly



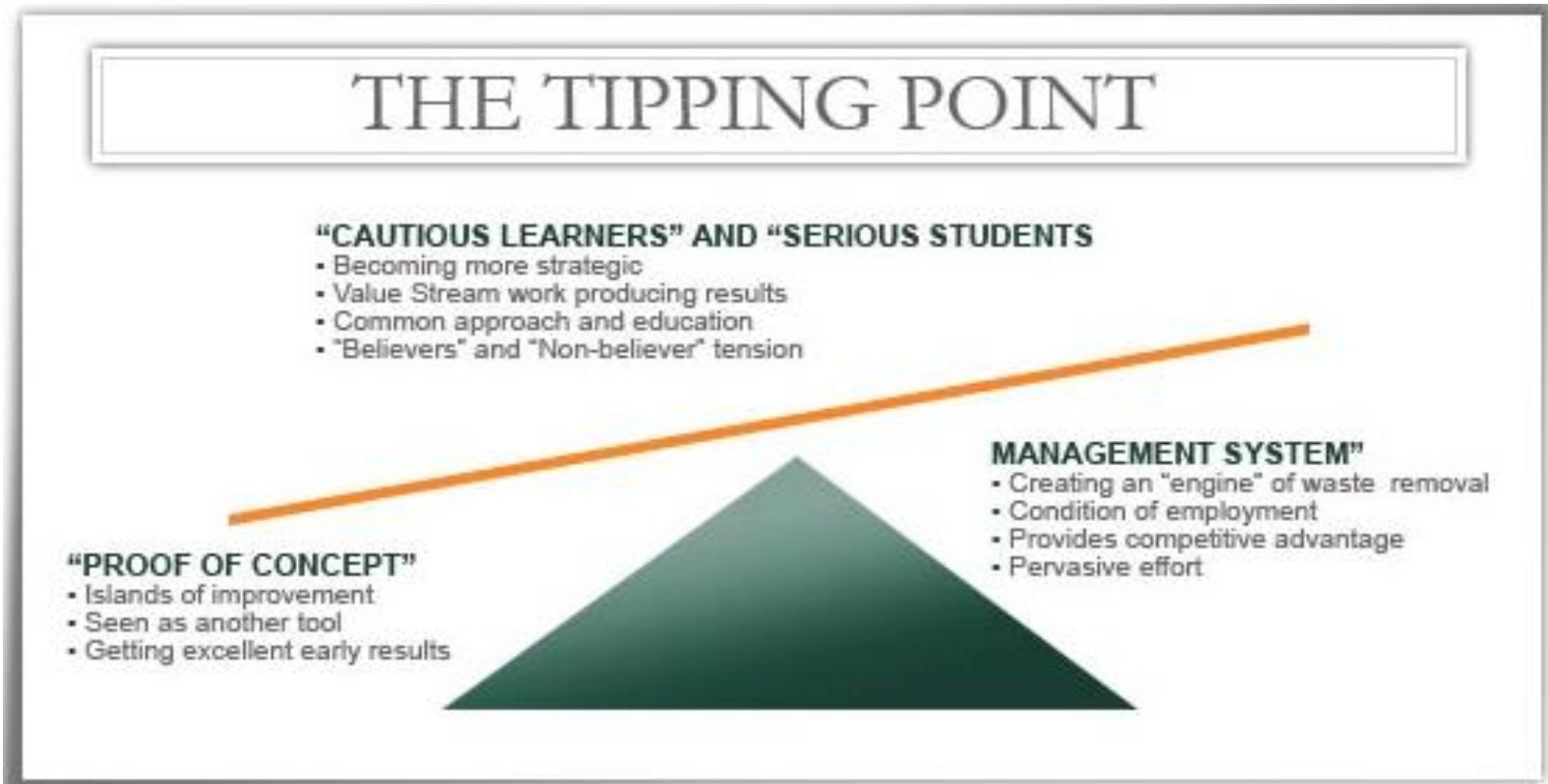
# A Self-Sustaining Lean Culture



**Build YOUR  
Capacity**

- **Trained Lean Experts In-House**
- **No more Consultants!**
- **Year-over-year results in all key areas**

# This is not for the “faint of heart”



Getting to the “management system” could be a 3-5 year journey



# Building a True Lean Culture

- Means winning “one heart and soul at a time”
- Each individual comes to a full commitment at their own individual pace
- Be patient - some who embrace it slowly become the strongest advocates
- You know you’re there when all employees engage in identifying and eliminating waste every day

# Lean Transformation Lessons Learned

- Commitment from leadership is the foundation of any transformation effort
- Resistance from physicians, clinicians and staff is to be expected
- Look for opportunities to engage physicians, clinicians and staff in improvement activities
- Important for physicians, clinicians, and staff to understand how Lean is different from other process improvement initiatives

**Persistence is key!**

# The Concept of Kaizen



**RE-THINKING HEALTHCARE**  
IMPROVING PATIENT CARE THROUGH DESIGN

# Why Kaizen?

## Question 1:

Could you improve what you do and who you are by just 1% today?



## Question 2:

If you could improve 1% daily on a consistent basis – where would you be in one year?

**365% Better = Breakout Performance!!!**

# What Does Kaizen Mean?

改

K A I

Change

善

Z E N

for the better

改善

K A I Z E N = C I - Continuous Improvement

Everybody!

Everyday!

Everywhere! ... CI Lean Strategy!

## Concept

- Small increment improvements
- Improvements add up over time

# Kaizen Events

In Lean, we attempt to remove all waste from our organization, so that the organization and its workforce perform at the peak of capability.

This is accomplished by continuously improving processes – change for the better - **EVERYDAY**.

改善

# Kaizen Events



Many Kaizen events attack we will call “**Low Hanging Fruit**”.

This Kaizen Event is a ‘just do it’ type of activity, where:

- The solution is obvious
- You have a quick consensus on a solution
- The solution is very easy to implement

# Kaizen Events

Successful Kaizen Events tend to have certain common ingredients:

- A **focus** on achieving a very specific improvement in a short time – through an intense burst of activity and effort
- A bias toward **action** over analysis – measurement is important, but making changes requires action
- A dedicated cross-functional **team** that is committed to the improvement goals





# Who should be involved in a Kaizen Event?

Anyone who works in the area – including upstream and downstream processes – should be considered as a representative on the cross functional team.

**In addition, it is often valuable to include an outsider, who can provide a totally fresh perspective.**



# What's the main benefit of Kaizen?



**To develop problem solvers!**

**Practicing observing, analyzing and improving daily!**

# Kaizen in Healthcare

## “Problem Awareness”

- Being able to admit problems
  - Mindset & culture
- Being able to see problems
  - Seeing waste, “lean thinking”
  - From workarounds to kaizen

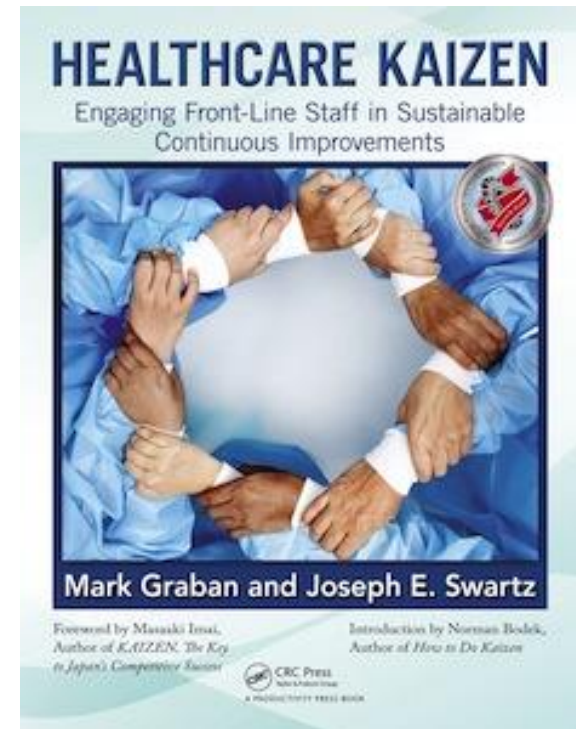
**KAIZEN**  
(CONTINUOUS  
IMPROVEMENT)  
**IS OUR  
WAY  
OF LIFE**

# People Are the Ultimate Competitive Advantage

**Kaizen and Lean are related and deeply interconnected concepts**



**Kaizen = Engaging Everybody in Their Own Change**



# Lean Metrics



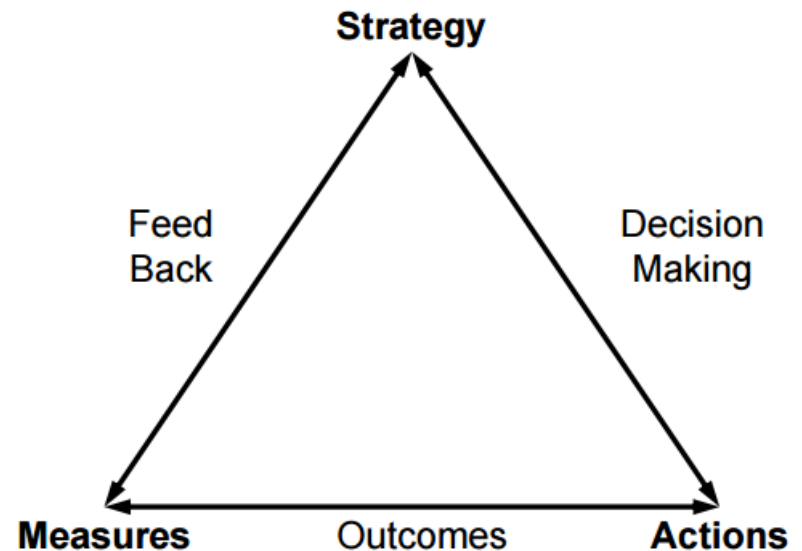
**RE-THINKING HEALTHCARE**  
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# Lean Metrics

*“Where performance is measured, performance improves.”*

*Where performance is measured and reported, the rate of improvement accelerates.”*

- Thomas S. Monson



# Why Measure?

**Successful measurement is a cornerstone of successful improvement.**

**How do you know if the if the changes you are making are leading to improvement? Simple: you measure.**

**Measurement doesn't have to be difficult or time consuming the key is to pick the right measurements.**

# Metrics Used in Lean Initiatives

Identify and target the right problems during Lean events and projects

Evaluate potential process improvements and select appropriate actions for implementation

Establish baselines for process performance and track progress over time

Understand and communicate the results (outcomes) of Lean efforts

Inform and monitor efforts to deploy Lean throughout an organization



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# Lean Metric Categories

<b>Process Complexity</b>	Process steps, value added process steps, handoffs, loop backs, decisions
<b>Quality</b>	Customer satisfaction, defect rate, rework steps/time, medication errors, fall rate
<b>Time</b>	Lead time, processing time, value added vs. non value added time, response time
<b>Cost</b>	Cost savings, labor savings, cost per transaction, total processing cost
<b>Output</b>	Production, work in process, backlog, inventory
<b>Organizational</b>	Lean events, lean participation, lean training, employee satisfaction

# Guidelines for measurement

- Information gathered should be
  - Strategic
  - Relevant
  - Important
  - Compelling
- Use multiple measures
- Don't track too many process measures, choose appropriate statistics
- Use sampling to make measurement efferent and representative
- Integrate it into peoples daily routine
- Plot data and measures over time

# Example – Pain Management Project

A visual analog scale (VAS) is used routinely in the department to assess the patient's perception of pain and is included in the nurses' computerized charting.

An acceptable level of pain is VAS of 4 or less.

Moderate to severe pain was defined as VAS 4 or higher.

A search will be conducted of total knee patients using the VAS criteria and \_\_\_\_\_ charts will be randomly audited using a chart screening tool.

Time to pain management is defined as the interval between VAS assessment and the administration of a pain medication or other intervention as documented in the nursing record.

The rate of pain treatment is defined as the number of patients who received a pain intervention divided by the number of patient encounters audited.

## Example - Define your metrics specifically:

Number of patient reporting a VAS of 4 or more  
dropped from \_\_\_\_\_ to \_\_\_\_\_ percent

Time to pain management went from \_\_\_\_\_ minutes  
to \_\_\_\_\_ minutes

Untreated pain dropped from \_\_\_\_\_ to  
\_\_\_\_\_ percent.

Patient satisfaction scores improved from \_\_\_\_\_ to  
\_\_\_\_\_.

# Selecting Your Lean Mini-Project Project



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# Your Lean Project

The required project must produce meaningful results that "matter" to the organization. Projects can vary greatly in nature and complexity, and participants should seek to achieve improvement using the simplest tools available so as to achieve required improvement for the organization in the shortest possible time.

**Number of Projects: 1 Project**

**Draft Project Charters Due: April 24, 2015**

For each project, we require a clear explanation of your actions.

**Time to Complete: May 1, 2015 – June 12, 2015**

**Final Report Due: Friday June 12, 2015**

The final project report must include an interpretation of the process and results (i.e., what you did, why you did what you did, and what it means).



# Project Charter

The project charter contains the business case for the project, including background, problem definition, project scope, financial expectations, metrics and project deliverables.

Lean Project Charter Template

<i>Product/Service Impacted</i>		<i>Team Leader</i>	
<i>Business Unit</i>		<i>Phone Number for Team Leader</i>	
<i>Champion</i>		<i>Email for Team Leader</i>	

Element	Description	Specifications			
1. Process	Name of process to be improved.				
2. Project Description	What practical problem will be solved? What is project's purpose?				
3. Objective	What metrics will be improved, what is the current performance for those metrics and how much improvement is targeted? Provide specifics on how metrics are computed.	Metrics	Current	GOAL	% Improve.
		Metric 1			
		Metric 2			
		Metric 3			
4. Process Scope	Which process steps will be considered in this project? What is the first step and what is the last step?				
5. Business Case	Justification for this project. Why is it important? Why is it critical to business success?				
6. Benefit to Internal and External Customers	How will internal or external customers benefit from this project? How does improvement in the metrics that you have selected help them improve their performance?				



# Project Charter

It is often heard that having a good project charter is like being 50% close to completion of the project! Why is the project charter so important and why is that so many times we find that it is so difficult to write a good project charter?

7. Team members	Names and roles of team members.	
8. Schedule	Project Start	
	Project Charter Approved	
	Current State Value Stream Map	
	Future State Value Stream Map	
	Project Completion	
9. Support Required	What resources, people, departments are required?	

# Typical Problems with Charters

**Scope of the project is not clear**

**No appropriate project leader.**

**Not linked to organizational strategy.**

**Problem statement has not been quantified.**

**Goal statement is not SMART**

**Team members are not correctly chosen**



**PROBLEM**

# Additional Information Posted on Moodle

- Template Lean Project Charter
- Metrics Guide for Lean Projects
- Quick Start Guides:
  - 5S Project
  - A3 Problem Solving
  - Lean Metrics



# Technical Assistance is Available!

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