Webinar 3
Creating a Culture of Lean
March 22, 2016

Presented by: John L. Roberts, MA

Today's Agenda

– Building a Lean Culture

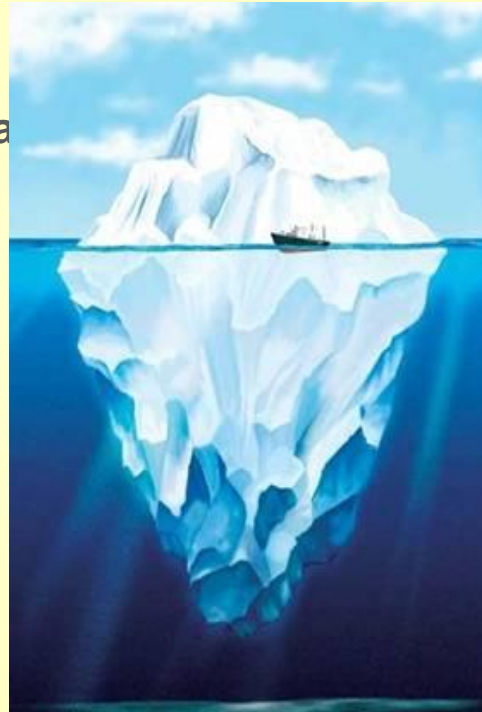– The Concept of Kaizen

– Lean Metrics

– Questions and Answers

Building a Lean Culture

Lean Leaders Facilitate & Rigorously Apply a Lean Management System

5S, Visual Controls, Standard Work, Mistake Proofing… — **Technical Tools**
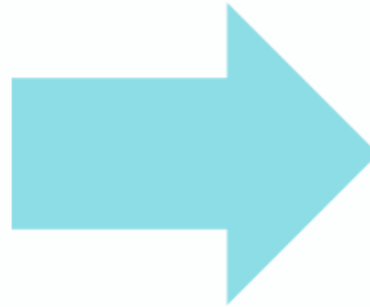

Cultural — **Lean Management System**

…without which Lean tools and techniques simply become unsustainable

To Create a Lean Culture…….

Additional work or Project specific work → How we do our work every day

Transformation Has Two Elements Technical and Social

| Technical Tools and Techniques	Social Tools and Techniques
Pursuit of Perfection	Learning Organization
Value Stream Thinking	Advanced Teambuilding
Disconnected Process Improvement	Employee Empowerment
Tools Deployment	Employee Engagement

Changing Cultures

Traditional Culture

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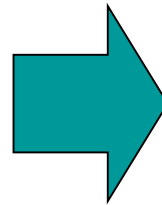
Lean Culture

- 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 <u>diagnosis</u> and <u>treatment</u> of illness

- Lean is the <u>diagnosis</u> and <u>treatment</u> of processes

- The goal is to give healthcare professionals a **new way** to look at their processes using a small Lean toolset

16

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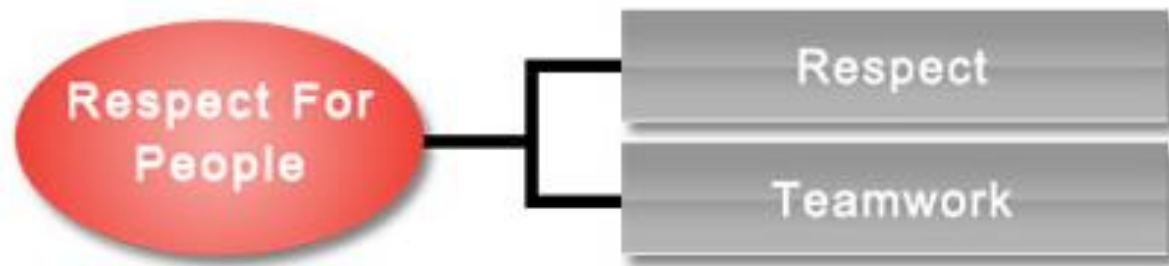
No organization will be a great, high performing, organization without a host of influential leaders at every level of the organization.

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
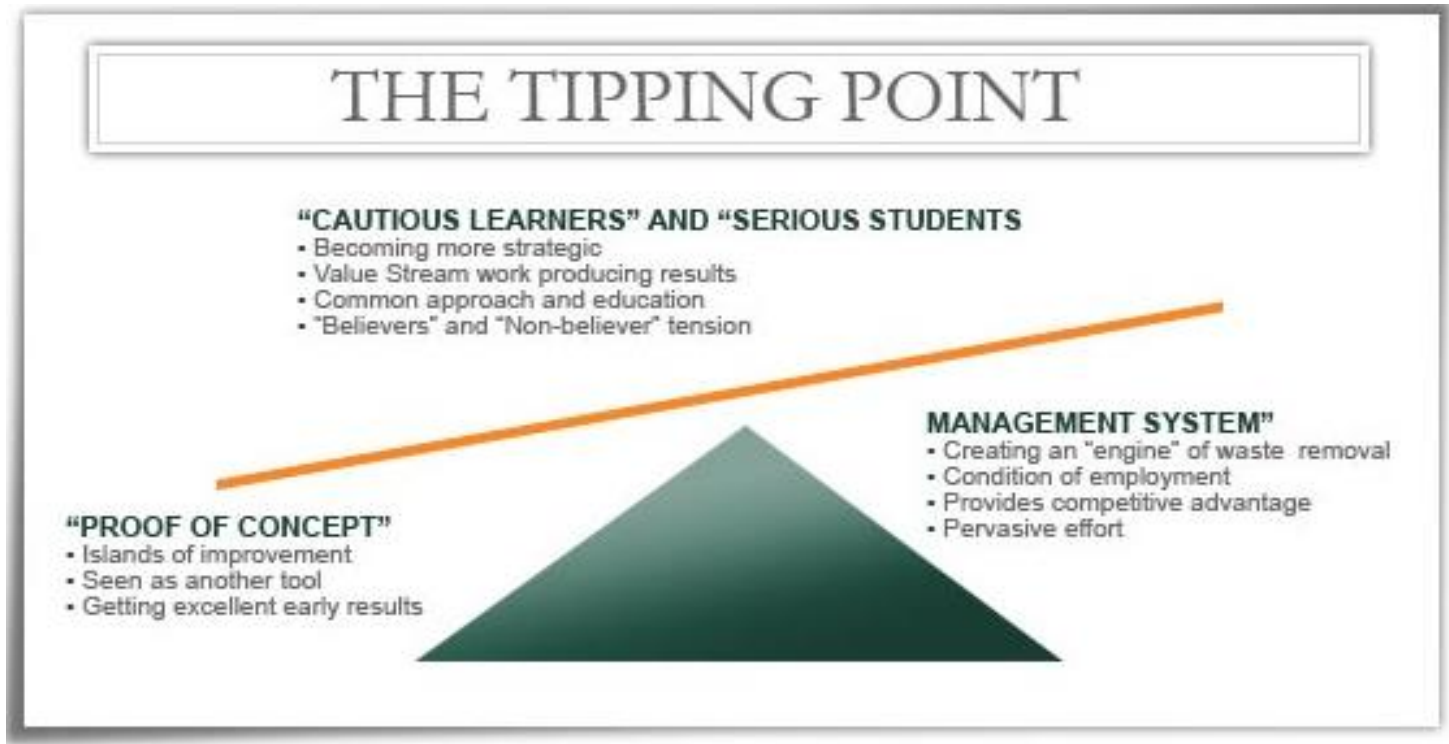
A Self-Sustaining Lean Culture

- **Trained Lean Experts In-House**

- **No more Consultants!**

- **Year-over-year results in all key areas**

Build YOUR Capacity

This is not for the "faint of heart"

THE TIPPING POINT

"CAUTIOUS LEARNERS" AND "SERIOUS STUDENTS
- Becoming more strategic
- Value Stream work producing results
- Common approach and education
- "Believers" and "Non-believer" tension

MANAGEMENT SYSTEM"
- Creating an "engine" of waste removal
- Condition of employment
- Provides competitive advantage
- Pervasive effort

"PROOF OF CONCEPT"
- Islands of improvement
- Seen as another tool
- Getting excellent early results

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 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

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!

Lessons Learned

Build Lean cultures that promote the search for waste in healthcare. They can help their teams and employees to apply the economic concepts of efficiency and effectiveness to redirect resources.

It's as simple as finding Lean savings and eliminating the budget silos that prevent savings from one area being used to address the needs of other areas

Lessons Learned - Build Accountability

Look hard at human performance management systems in order to drive home the accountability for process improvement and shed the "That's not my job" mentality.

Given the huge levels of waste in working time for nurses, for example, there must be a transition from "sit and wait" to actively addressing continuous improvement.

Idle time is waste, plain and simple.

Lessons Learned - Fact-Based Decision Making

Encourage employees to look at other sectors and drive out the biases that have plagued medical decision-making and Lean implementation efforts to date.

Promote fact-based decision-making, going to the source of the problem (gemba), and realistic approaches to problem solving so root causes are revealed and countermeasures can be permanent.

This includes a strong effort on moving away from treating symptoms not root causes.

Lessons Learned - Internal Transformation

Look at internal transformation as a necessary precondition for meaningful Lean health system reform – do not rely on in-house experts who are likely to repeat earlier failures.

Drive the internal change with internal "experts" who know Lean, can help with organizational change as a result of behavioral science backgrounds and have demonstrated an ability to help throughout the Lean journey.

The Concept of Kaizen

Why Kaizen?

Question 1:

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

365% Better = Breakout Performance!!!

Question 2:

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

What Does Kaizen Mean?

KAI — Change

ZEN — for the better

KAIZEN = CI - Continuous Improvement
Everybody!
Everyday!
Everywhere! … CI Lean Strategy!

Concept

– **Small incremental 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**.

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Kaizen Events

Many Kaizen events attack what we 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

29

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.

30

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

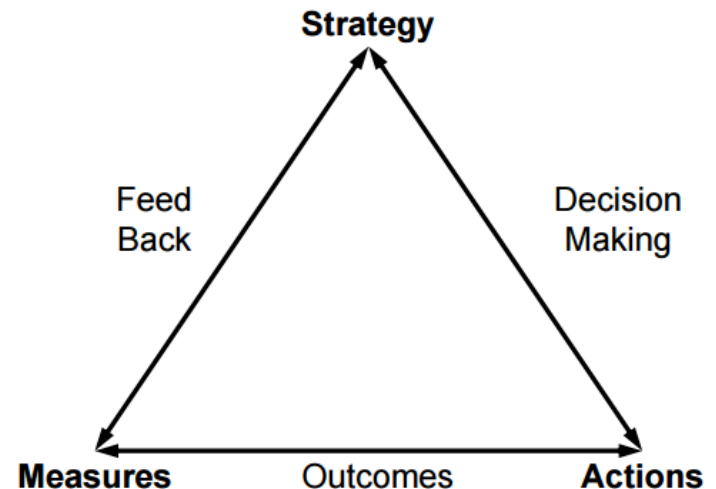**Kaizen = Engaging Everybody in Their Own Change**

Lean Metrics

Lean Metrics

"Where performance is measured, performance improves.

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

- Thomas S. Monson

Strategy

Feed Back

Decision Making

Measures — Outcomes — Actions

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

Lean Metric Categories

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

Metrics

Time

Time metrics evaluate the time to produce and deliver a product or service to customers, the portion of time that is spent processing the product or idle time, whether customers receive products or responses on time, and other time-related considerations.

Cost

Cost metrics measure cost savings and the costs of products or processes, such as the amount of full-time equivalent employees needed for a process.

Metrics

Quality

Quality metrics examine the quality of products or services, such as customer satisfaction and whether Patient information/data are complete and accurate.

Outputs

Output metrics track the production or activity of the organization's processes.

Metrics

Process complexity

Process complexity metrics describe the complexity and nature of a process, such as the number of handoffs and steps in the process.

Metrics

Lean Deployment

Lean deployment metrics measure the status of Lean implementation at an organization, such as the number of Lean events or trainings conducted.

Morale

Morale metrics pertain to employee satisfaction and staff retention, including responses to staff surveys and turnover rate.

Metrics

Process Metric	Results Metric
How we are doing	How we did
Great for action	Great for reflection
Help find root causes	Help develop strategy
More important for frontline teams / leaders	More important for senior leaders
Short cycles (immediate PDCA)	Big picture review

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 efficient and representative
- Integrate it into people's daily routine
- Plot data and measures over time

44

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 _____.

Your Lean Mini-Project

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

Time to Complete: March 22, 2016 – May 17, 2016

Lean Project Report & Presentation: Tuesday, June 14, 2016
Hospitals have four weeks to prepare and submit a Lean Project Report.

Webinar 4: Tuesday, July 12, 2016
The final webinar is an opportunity for teams to share their project learnings and outcomes and to celebrate successes with one another. Each team will be allotted two to three minutes to briefly present on their project, including lessons learned and outcomes.

Technical Assistance is Available!

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