



# On the Mend

*Changing a healthcare organizational culture to continuous improvement*

THEHEDAS<sup>CARE</sup>  
CENTER FOR  
HEALTHCARE VALUE

Targeting Value, Spreading Change



# Housekeeping

- To enlarge slides, use the magnifying glass icon just beneath the slides and to the right on your display console
- To adjust the sound, use the volume control on the console or on your computer
- To ask a question, type it into the box at the bottom of the console and hit "submit"



# Today's Speakers

## **John Toussaint, MD**

- Founder and president ThedaCare Center for Healthcare Value
- President and chief executive officer of ThedaCare, Inc., 2000-2008
- Introduced the ThedaCare Improvement System, based on the Toyota Production system
- Founding board chairman of the Wisconsin Health Information Organization
- Former chairman Wisconsin Collaborative for Healthcare Quality
- Co-author of *On the Mend*, the story of how ThedaCare applied lean principles from manufacturing to care delivery



# Today's Speakers

## **Roger Gerard, Ph.D.**

- Chief Learning Officer for ThedaCare
- 35+ years in executive & management development
- Experience in healthcare, manufacturing & service industries
- Specialist in lean for measurable organizational improvement
- Presenter at national conferences, most recently Association for Manufacturing Excellence
- Co-author of *On the Mend*



# Lean Healthcare Workshops

## **Key Concepts of Lean in Healthcare**

Oct. 11-12

LEI, Cambridge MA

## **New! Open Access: Improving Patient Access to Ambulatory Care with Lean Thinking**

Oct. 13

LEI, Cambridge, MA

## **Value-Stream Mapping for Healthcare**

Oct. 14

LEI, Cambridge, MA





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***On the Mend*** is a series of stories divided into two parts:

1. **Process**
2. **People**

We will focus on **People** in today's webinar



# Results using Lean

- Group Health of Puget Sound reduced E.R. visits by 29% using their medical home redesign resulting in a \$10/pm/pm premium reduction to customers while improving quality
- ThedaCare's redesigned inpatient care process called Collaborative Care unit has achieved 0 medication reconciliation errors for 3 years running and the cost of inpatient care dropped by 30%  
[www.createhealthcarevalue.com](http://www.createhealthcarevalue.com)
- St. Boniface Winnipeg, Canada has the best cost/weighted case (Canadian measure for inpatient cost efficiency) for an academic medical center in Manitoba, and is second in all of Canada



# Problem Statement:

The prevailing management system is based on an autocratic mindset that does not engage front line staff in identifying waste and improving processes



# White Coat Leadership vs. Improvement Leadership

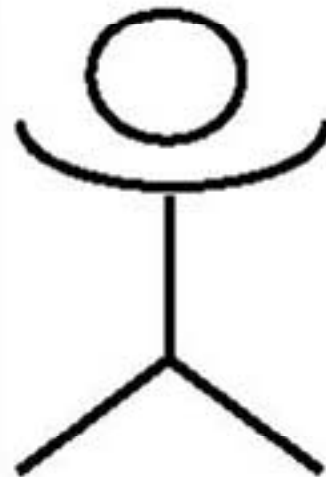
- All Knowing
- "In Charge"
- Autocratic
- "Buck Stops Here"
- Impatient
- Blaming
- Controlling
- Patient
- Knowledgeable
- Facilitator
- Teacher
- Student
- Helper
- Communicator
- Guide



# The Toyota Way

Best Quality - Lowest Cost - Shortest Lead Time  
Best Safety - Highest Morale

Continuous  
Improvement



Respect  
for  
People

PDCA Learning Cycles

# Can you say “yes” to these three questions every day?

- Are my staff and doctors treated with dignity and respect by everyone in our organization?
- Do my staff and doctors have the training and encouragement to do work that gives their life meaning?
- Have I recognized my staff and doctors for what they do?



# Management Team Behavior Change

- Go to the gemba every day, but go with standard work.
- Dismantle shame and blame with data.
- Visual management that front line staff can understand and engage.
- Hoshin Kanri and A3 thinking (standard work for senior management).



rights FOR the Day  
the ones you love!

# PICK CHART

High

celebrations  
teen's Grad.  
come Tina to  
he's GRAD!

Impact

Implement  
Tangible

Challenging

People PICK

Process PICK

Handwritten notes and sticky notes on the main chart area, including:

- Postcard Assigned for 9th month, leader for last
- to find the communication not optimal
- Some notes for presentation
- Various other notes and lists of items.

Handwritten notes and sticky notes in the top right corner, including:

- Jan 17th
- Two yellow sticky notes with text.

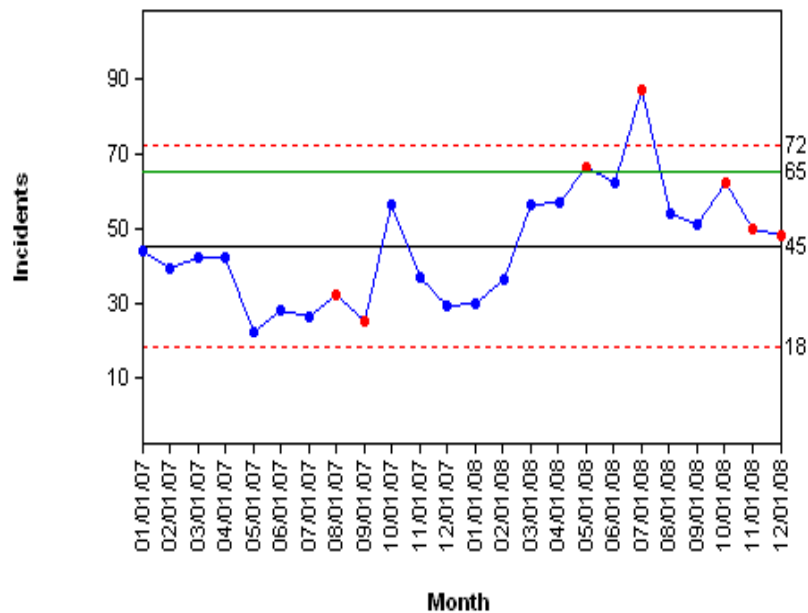
Handwritten notes and sticky notes in the bottom right corner, including:

- Notes under 'People PICK' and 'Process PICK'.
- A large blue sticky note with text.

# Medication Reporting-Inpatient

Med Error Incident Reports Complete - AMC

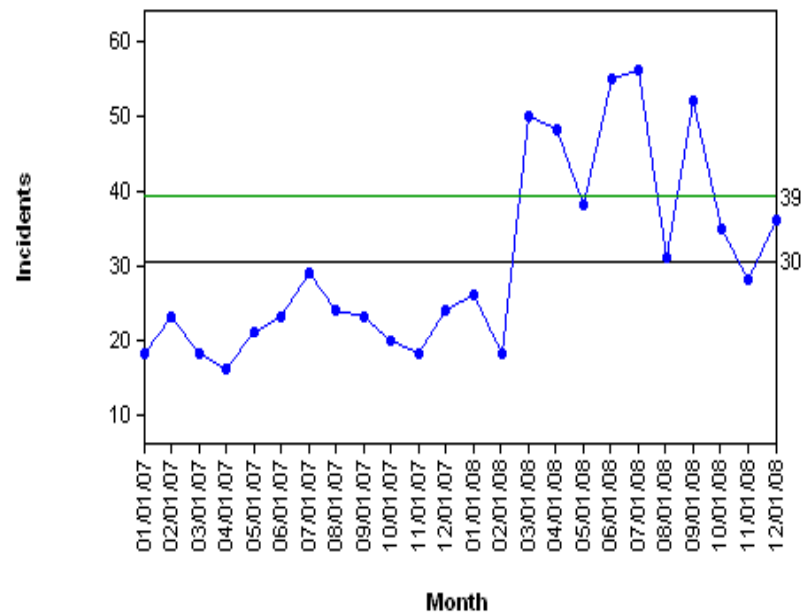
I Chart 3-Sigma



Feb 17, 2009 07:24:16

Med Error Incident Reports Complete - TC

Run Chart



Feb 17, 2009 07:24:18



# What's in it for me?

- Fix the staff and doctors' biggest problems.
- Improve the daily work experience by taking waste out which decreases fire fighting.
- Better patient outcomes.



# Employee Opinion Score results (6 point scale)

- **2009 Overall Mean = 5.027**
- 2008 Overall Mean = 5.014
- 2006 Overall Mean = 4.496



Harold Neal, "Fireworks #1" July 4, 2007 via Flickr, Creative Commons Attribution.



# Lessons Learned Creating a Lean Management System

- Managers and staff must be trained, don't expect them to just "get it".
- Use data, be transparent, do your homework, then go to "gemba" – be humble but challenge.
- Communicate 1000X more than you think you need to.
- Standard work for all management is critical and must be in place for improvement to occur.
- Learn the leadership tools such as Strategy Deployment early in the journey.
- Develop Physician Champions early.



**Question:** How can you learn lean?

**Answer:** By taking risks and making mistakes, one painful lesson at a time.  
**We made our share!**



**Success in creating a lean healthcare system means we must revolutionize how we deliver care!**



Photo © Roger A. Gerard 2010

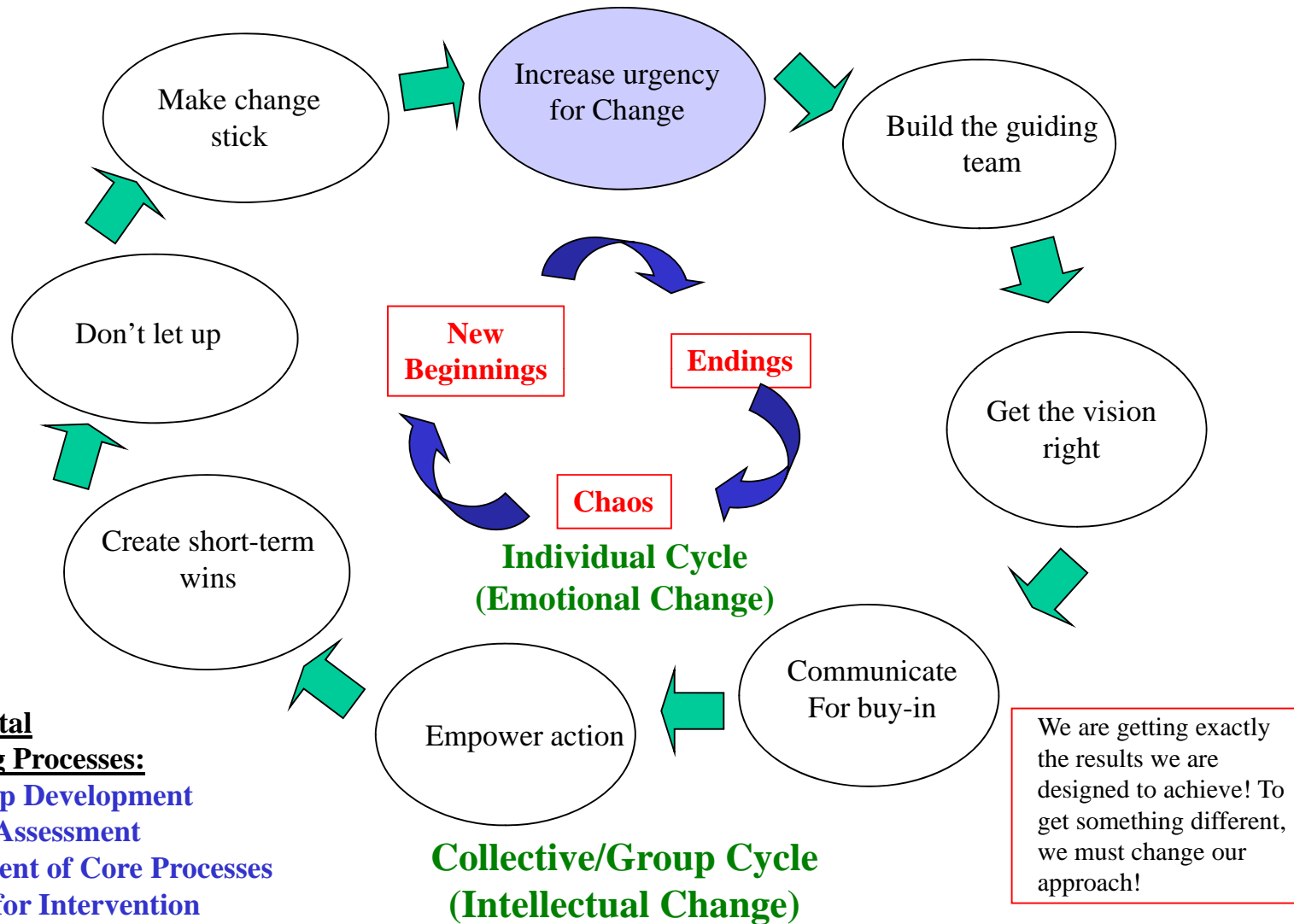


## We had some start up people issues...

- We began top-down – SMT was not united.
- We did not do a Cultural Assessment for readiness. Ouch!!
- We had an ambiguous, unwritten No Layoff philosophy.
- We had Marginal Performers, and did not manage them in advance.
- We initially did not seek HR help with redeployment processes.
- We failed miserably to ensure early provider involvement and compensation.



# Change Model – Draft 2alt.



**Fundamental Supporting Processes:**

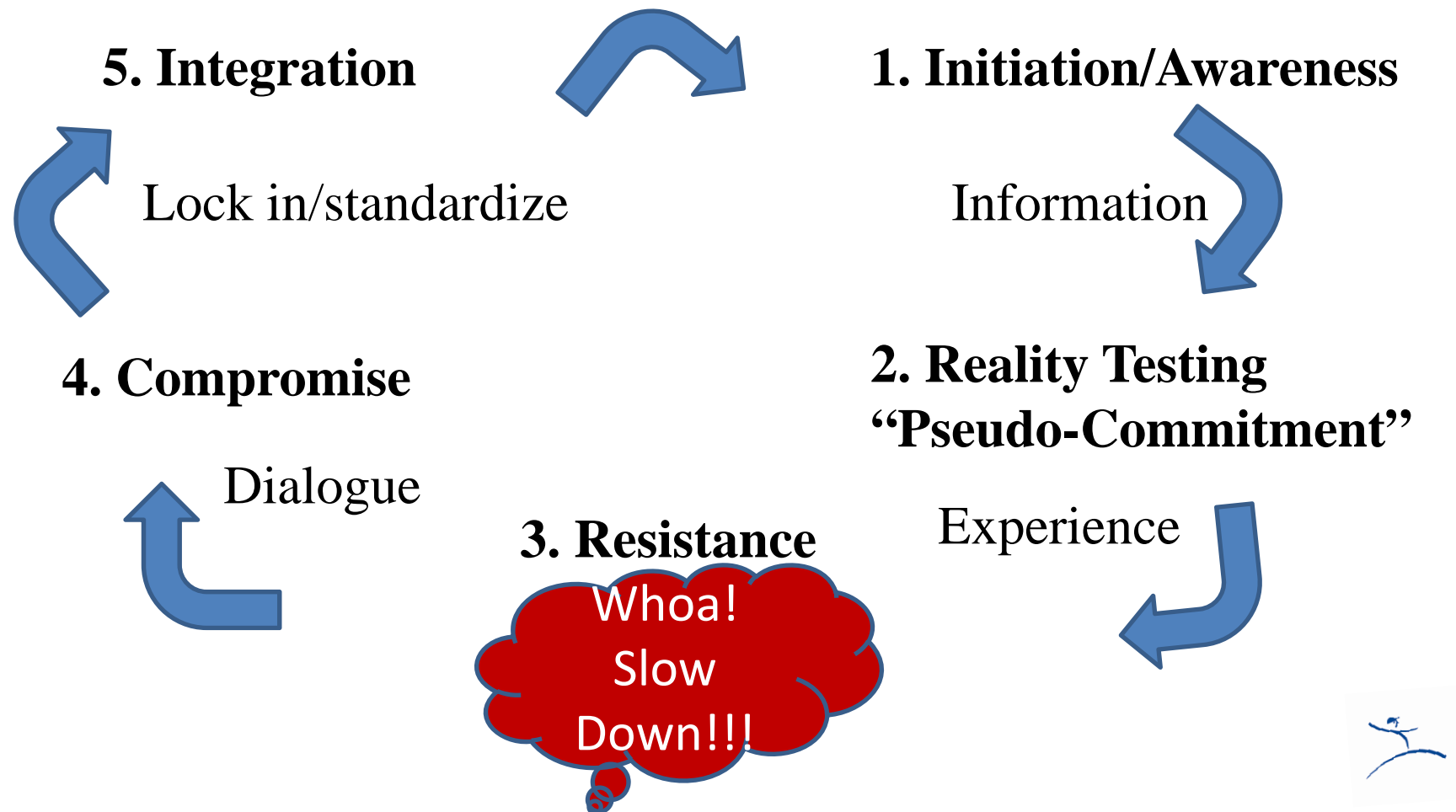
- Leadership Development
- Rigorous Assessment
- Development of Core Processes
- Capacity for Intervention
- Communication/Indoctrination

**Sources:**

- “The Heart of Change” – John Kotter/Dan Cohen
- “Managing Transitions” – William Bridges
- “Making Sense of Change Management” Cameron & Green

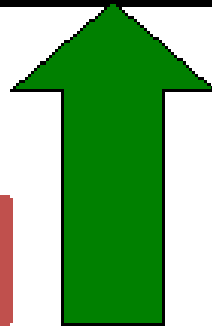
# 5 Stages of Change

## How it is "experienced"



\*A statistical significance would be 2.0%

2010 Target = (2008 x 2.0%) + 2008



2010 TARGET: 79.5%  
% Improvement: 2.4%

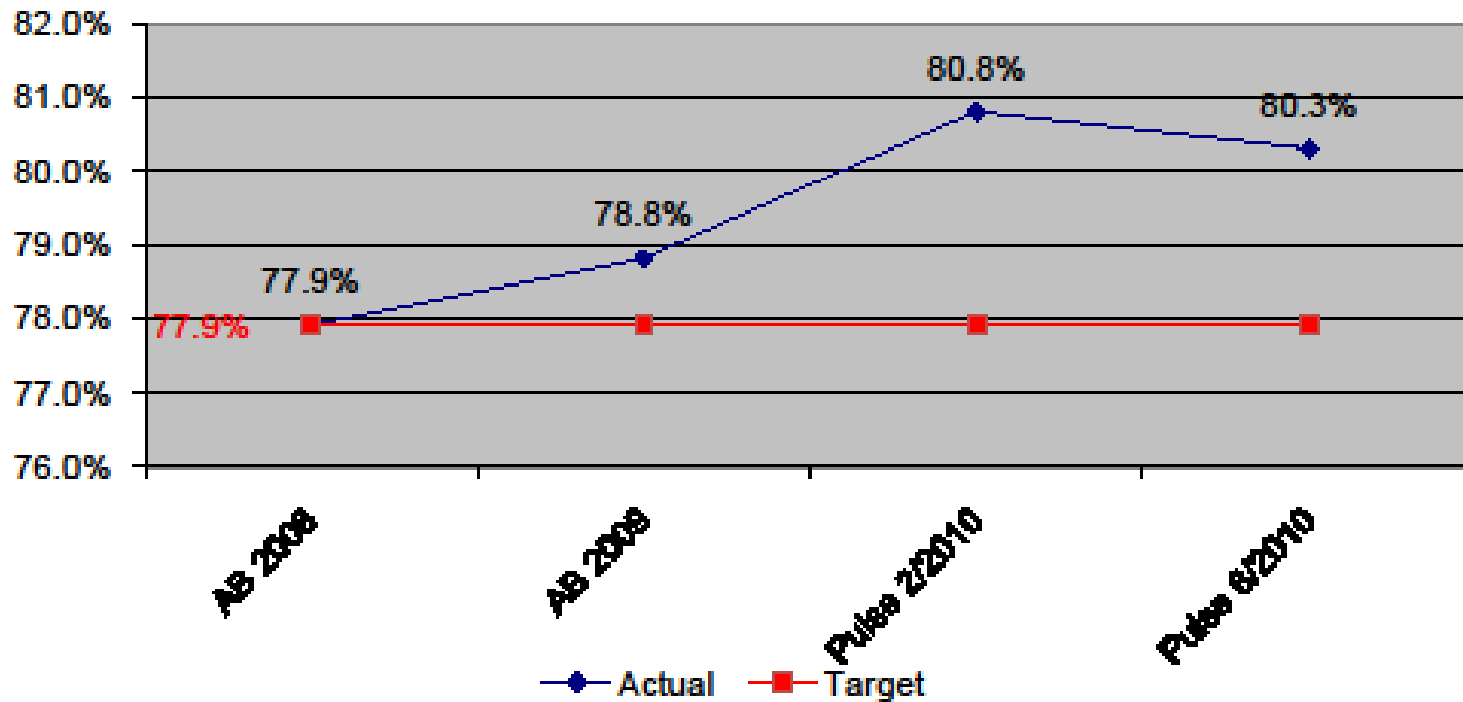
Baseline: 77.9%  
2010 YTD: 80.3%

YTD % Improvement  
YTD Cost Savings

\$ -

### 2010 Engagement Metric

4A: "I understand how my daily work contributes to the organization's mission."  
Strongly Agree/Agree



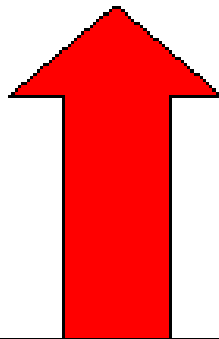
2010 TARGET: 50.6%  
 % Improvement: -3.40%

YTD Baseline: 49.4%  
 2010 YTD: 46.0%

YTD % Improvement  
 YTD Cost Savings

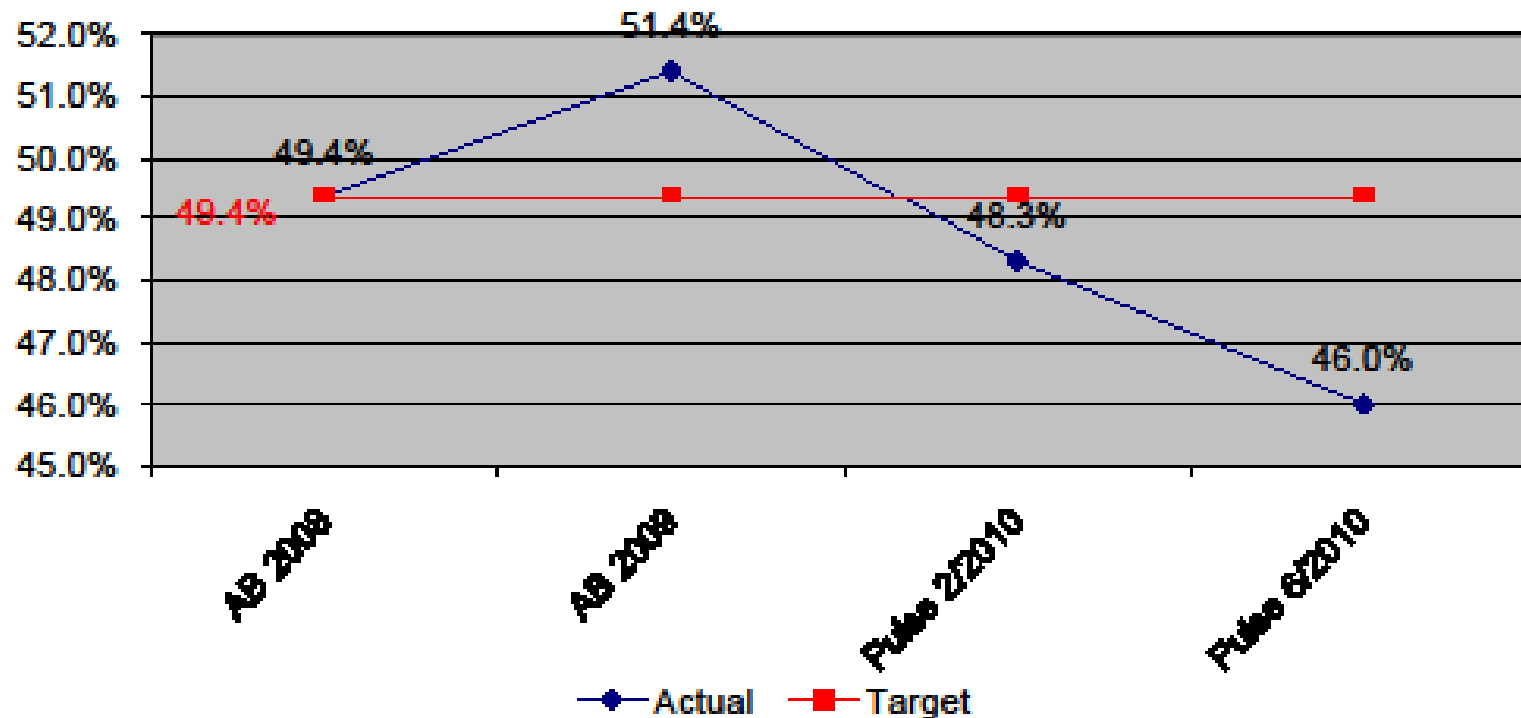
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\*A statistical significance would be 2.4%  
 2010 Target = (2008 x 2.4%)+2008



**2010 Engagement Metric**

4B: "My ideas and suggestions are valued by my organization."  
 Strongly Agree/Agree



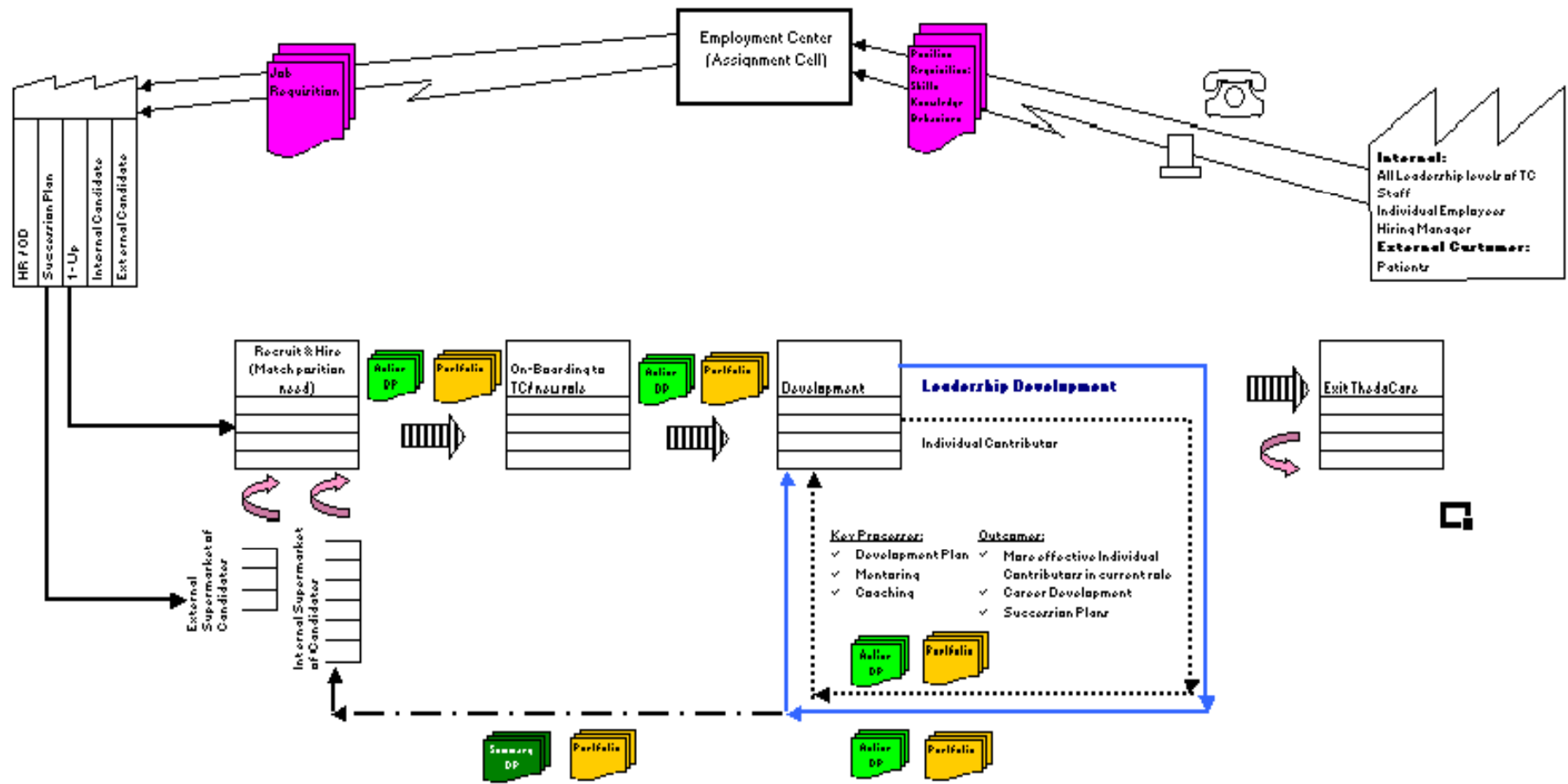
# We learned the “hard way” that ...

- Leadership cannot “support” this ... they must **drive** it!!!
- Lean radically changes the manager role.
- Accountability occurs in the metrics, and self-responsibility is the best approach.
- Metrics create data needs and the expectation of timely data delivery.
- All of this requires discipline/rigor.



## HUMAN DEVELOPMENT VALUE STREAM

BUSINESS CASE:	VALUE STATEMENT	MUSTS:	MEASUREMENTS:	IDEAL STATE
Leadership is one of the most important contributors to a high performing culture. Lean Leaders' capabilities must be measured and developed with a reliable process to enhance their Knowledge, Skills and Behaviors in order to deliver Measurably Better V's	Leadership Development at The Doctors is a competitive differentiator that enables us to be an employer of choice. Our Leadership Development Process will be robust, flexible, targeted, durable, employee-driven, and culturally supported	<ul style="list-style-type: none"> <li>Clearly defined system wide process</li> <li>Individual Professional Development Plan</li> <li>Evidence of individual leader capability</li> <li>Clarity of leadership expectations</li> </ul>	See Value Stream Scorecard	All leaders possess the necessary capabilities to effectively lead in a culture of continuous improvement.



## The New Culture is Counter-Intuitive

- Reducing waste and non-value added work will come before adding technology, building manpower.
- One man's "silo" is another man's "value stream".
- Redeploy the *best* employees, not the poor or marginal performers.
- The fastest way to create pull for something is to tell them they can't have it.





Photos copyrighted Roger A. Gerard

***The key to everything is patience. You get the chick by hatching the egg, not by smashing it.***

**- Arnold Glasow**



# Lessons Learned: Stock Tip ... 3M!!



# Action Plan

- Identify the crisis
- Create a lean promotion office
- Find change agents
- Map your value streams
- Engage leaders in strategy deployment
- Acquire and disperse knowledge
- Leading as mentorship
- Supplier involvement
- Restructure into product families





**Lean Enterprise Institute**

*in  
partnership  
with*

**THE DA♥ CARE  
CENTER FOR  
HEALTHCARE VALUE**

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# Healthcare Value Leaders Network



# Network Purpose

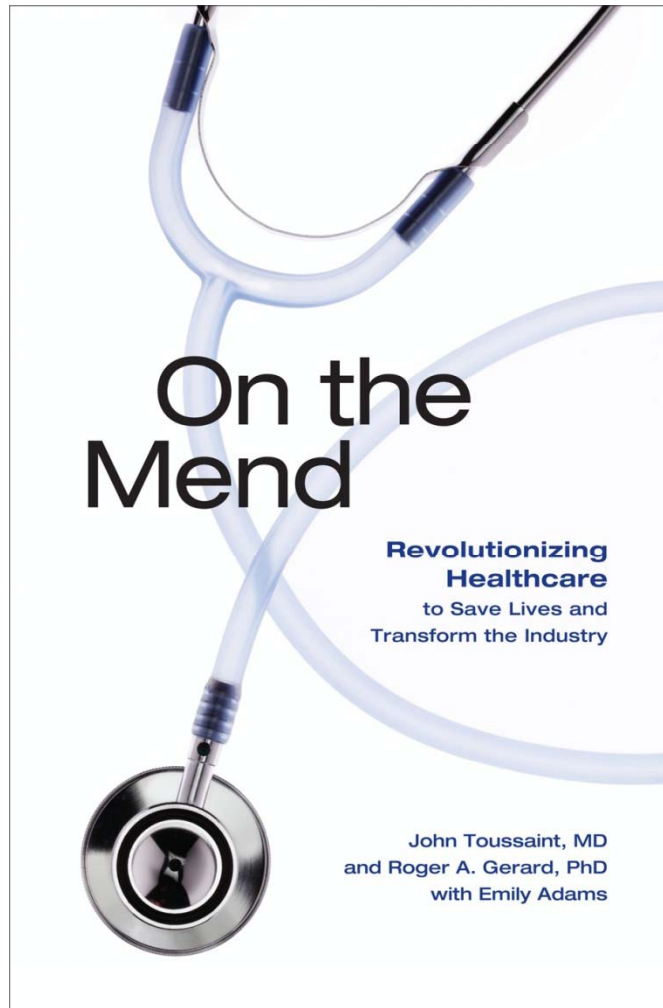
- Accelerate the lean transformation journey for each organization
- Multiple small learning communities
- Spread of current best ideas on system transformation
- Drive change in the larger healthcare system
- [www.healthcarevalueleaders.org](http://www.healthcarevalueleaders.org)







# Now Available at [lean.org](http://lean.org)



## ***On the Mend:*** **Revolutionizing Healthcare to Save Lives and Transform the Industry**

by John Toussaint, M.D. and Roger A. Gerard, Ph.D.

List Price: \$30.00 (*20% discount on purchases of 10-99 copies*)





# On the Mend Q & A

