

The LEI senior executive series on ...

Lean Leadership

As part of a continuing series on leading lean transformations, the Lean Enterprise Institute (LEI) will interview executives from a variety of companies to explore the challenges lean

transformations present to senior managers.

What follows are insights from Bill Hopkins, Akron Children's Hospital board member and former vice president, technology/strategic initiatives, at Goodyear. For more information about the lean transformation at Akron Children's Hospital, read the LEI lean case study, "Pediatric Hospital in Tough Market Pegs Growth to Lean Process Improvement."

LEI: You had learned of lean management while at Goodyear and have seen it there and elsewhere, but always in manufacturing settings. How was this implementation different than the ones you had seen before?



Hopkins: It was different in how quickly everyone got excited and involved across the entire organization. Like everyone else, Akron Children's wanted to get to results quickly. They knew I had some experience, so they asked me for advice early on. I told them to be careful of overkill, that it was possible to rush into making everyone a green belt and start a bunch of projects, and then have no results immediately. So they set out to walk before they ran, but the demand was such that as soon as people saw the first improvements, they wanted to get more involved.

LEI: What about pushback from other board members and doctors?

Hopkins: Several of us had been through this in our business lives, so we understood and gave support to the hospital leadership, which is vital. Then, the doctors really bought into it. They are very data oriented and are used to analyzing data to draw conclusions. So when they could see things happening like were happening in MRI, it was hard to deny the value being brought to the organization.

There are always going to be some people who don't accept that, and that's part of any change. But I honestly have not run into a single person who has outright said, "This is not a good idea."

LEI: What's the most significant way that the Center for Operations Excellence (COE) will help the hospital reach its expansion goals?

Hopkins: Getting better and better at efficient processes that achieve higher quality. For example, this will help us with our expansions such as into Metro [Hospital] because our people will know what they need to do when they get there because they already have the process. And it's not just medical care. We've reduced our days outstanding [from time patient is registered to time bill is paid] with process improvement. I walked with the CFO from department to department to see how they did this, and each person told me how they improved their process. It was clear that everyone knew what was upstream and downstream and really understood the process.

Our maintenance teams have voluntarily reorganized their work areas, reduced inventory, and improved speed of response. We have such a wide range of projects.

LEI: Why do you think your leaders recognized the need to implement lean process improvement at all levels and in all functions, while some of your competitors have taken a more limited approach?

Hopkins: Because we know that if we are going serve more patients, it has to be because they choose us. We don't get endowments or Medicare payments — we have to earn it. We know we need to do a good job and add value, and now we're going to do a better job.

The other part of that is that when we do have problems, we need to fix them quickly. In order to do that, everybody involved in the process needs to come together to do root-cause analysis and come up with a solution so the problem doesn't happen again.

LEI: What about the goal of becoming the region's leading pediatric research center? How will the lean learning help there?

Hopkins: You can move much more quickly and have better results when you have standard processes and systems where you can store and analyze all of your knowledge and data. This enables you to do modeling and scenarios, which reduce the number of experiments you need to have. Today's researchers are trained for this anyway because time is so important. Also, I'm sure it will influence project selection as well because we'll want to support research that furthers our strategic goals.

Links with Related Information

- Lean case study: "Pediatric Hospital in Tough Market Pegs Growth to Lean Process Improvement."
- <u>Lean Leadership Series</u>: Read how other executives are creating lean cultures in this continuing series of interviews.

- Books on lean leadership.
- Workshops on lean leadership.