

AME/APQC Benchmarking CoP Virtual Networking Event July 23, 2013

The Importance and the Application of Lean in Healthcare: Safety,
Quality, Access, Cost, and Morale

Mark Graban, KaiNexus



Session Agenda

10:00 a.m. Welcome/Housekeeping

10:05 CoP Business

10:10 Benchmarking Presentation

10:45 Open Q&A

11:00 Adjourn

2013 Benchmarking CoP Calendar

| Month | Date | Session | Presenter |
|-----------|------------|--|---|
| February | 2/19/2013 | Real-Time Case Studies in Benchmarking | Travis Colton, APQC Don Davies, General Dynamics John Mellin, GlaxoSmithKline |
| March | 3/19/2013 | The continuous improvement journey at UL | UL |
| May | 5/31/2013 | Vet STRONG Program | Joe Barto |
| June | 6/18/2013 | Innovating with Lean Tools | Ken Rolfes |
| July | 7/16/2013 | Lean Healthcare | Mark Graban, KaiNexus |
| August | 8/20/2013 | TBD | TBD |
| September | 9/17/2013 | TBD | TBD |
| October | 10/22/2013 | TBD | TBD |
| November | 11/13/2013 | Knowledge Management at Eaton | Eaton |
| December | 12/17/2013 | TBD | TBD |

Send your topic or presenter recommendations via the Q&A tab or email at rwebb@apqc.org.

AME Events (www.ame.org)

August

- 8/1 – 8/2 Ft. Lauderdale, Florida
 - Lean Bronze Certification Preparation Course & Exam
- 8/6 Eaton, Ohio
 - Toyota Kata: 1 Day Workshop
- 8/8 Concordville, Pennsylvania
 - 5S Organizing the Workplace to Work for You
- 8/12 – 8/15 Huntsville, Alabama
 - Lean Healthcare Certificate Series
- 8/15 Champaign, Illinois
 - Lean Process Design - Sustaining Continuous Improvement
- 8/16
 - Adapting Lean for High Mix Low Volume

August

- 8/20 Chicago, Illinois
 - Lean Leadership...Are You Prepared to Lead?
- 8/21 Glastonbury, Connecticut
 - Roundtable: Habco Inc.
- 8/22
 - Introduction to the Harada Method - Webinar
- 8/26 – 8/29 Atlanta, Georgia
 - AME Atlanta 2013: Lean Summit
- 8/27 - 8/28 Redmond, Washington
 - Advanced Visual Management

AME National Conference

- 10/21-10/25 Toronto
 - Breakthrough to Your Leading Edge

APQC Events

<http://www.apqc.org/events>

- 7/23 APQC Financial Management Webinar
 - Enterprise Risk Management
- 7/23 APQC Supply Chain Webinar
 - Now in the Knowledge Base: Supply Chain, Product Development and Innovation
- 7/25 Business Excellence Webinar
 - Change Management
- 8/7 APQC Orientation

2013 APQC Process Conference

- 10/21 – 10/25 Houston, TX
 - Connecting People, Process, and Technology for Results

APQC Research Agenda

http://www.apqc.org/research_agenda

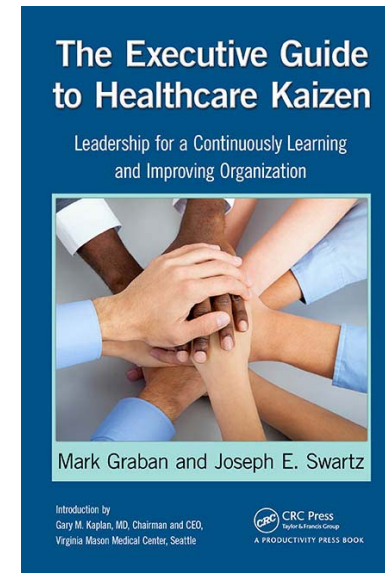
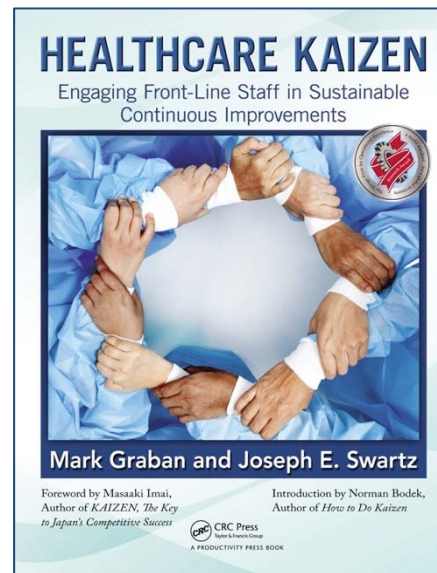
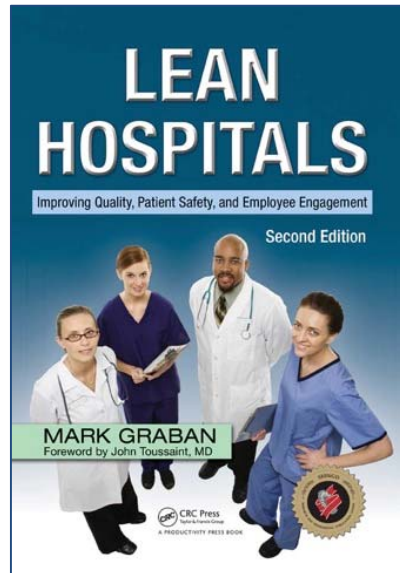
➤ Active Research

- Transferring and Applying Critical Knowledge (24% complete)
- State of Benchmarking (26% complete)
- Practices in Master Data Management (28% complete)
- How Shingo Prize Winners Manage Their Supply Chains (48% complete)
- Recruiting and Developing Talent in the Supply Chain (83% complete)

➤ Upcoming Research

- Insights from Open Standards Benchmarking in Product Development and Innovation
- Case Studies in Latest Manufacturing Process Improvement Techniques
- Cliff Notes: Productivity Measures
- What does Getting "Buy-in" Really Mean?

Lean in Healthcare: Safety, Quality, Access, Cost, and Morale



Mark Graban

- President, Constancy, Inc.
- Chief Improvement Officer, KaiNexus
- Faculty, Lean Enterprise Institute & ThedaCare Center for Healthcare Valu

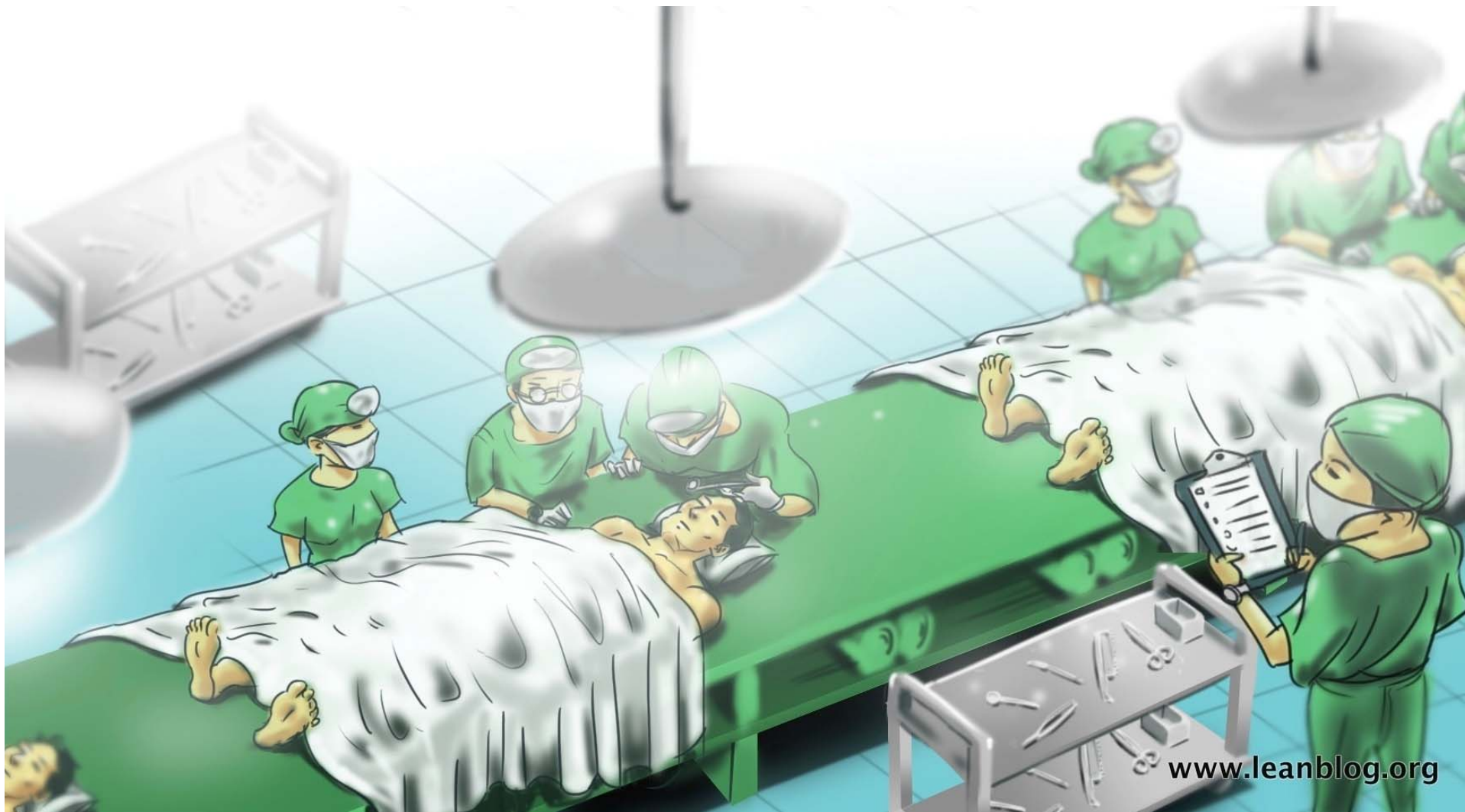
What is Lean Healthcare?

- Lean is built on three bedrock concepts:
 1. respect for people
 2. scientific method to seek perfection
 3. clear purpose: to align systems, strategy, and performance to yield customer value as the result.

Source: John Toussaint, MD



Not The Vision of Lean Healthcare



www.leanblog.org

A Transferrable Philosophy

“This isn’t about tools to us.

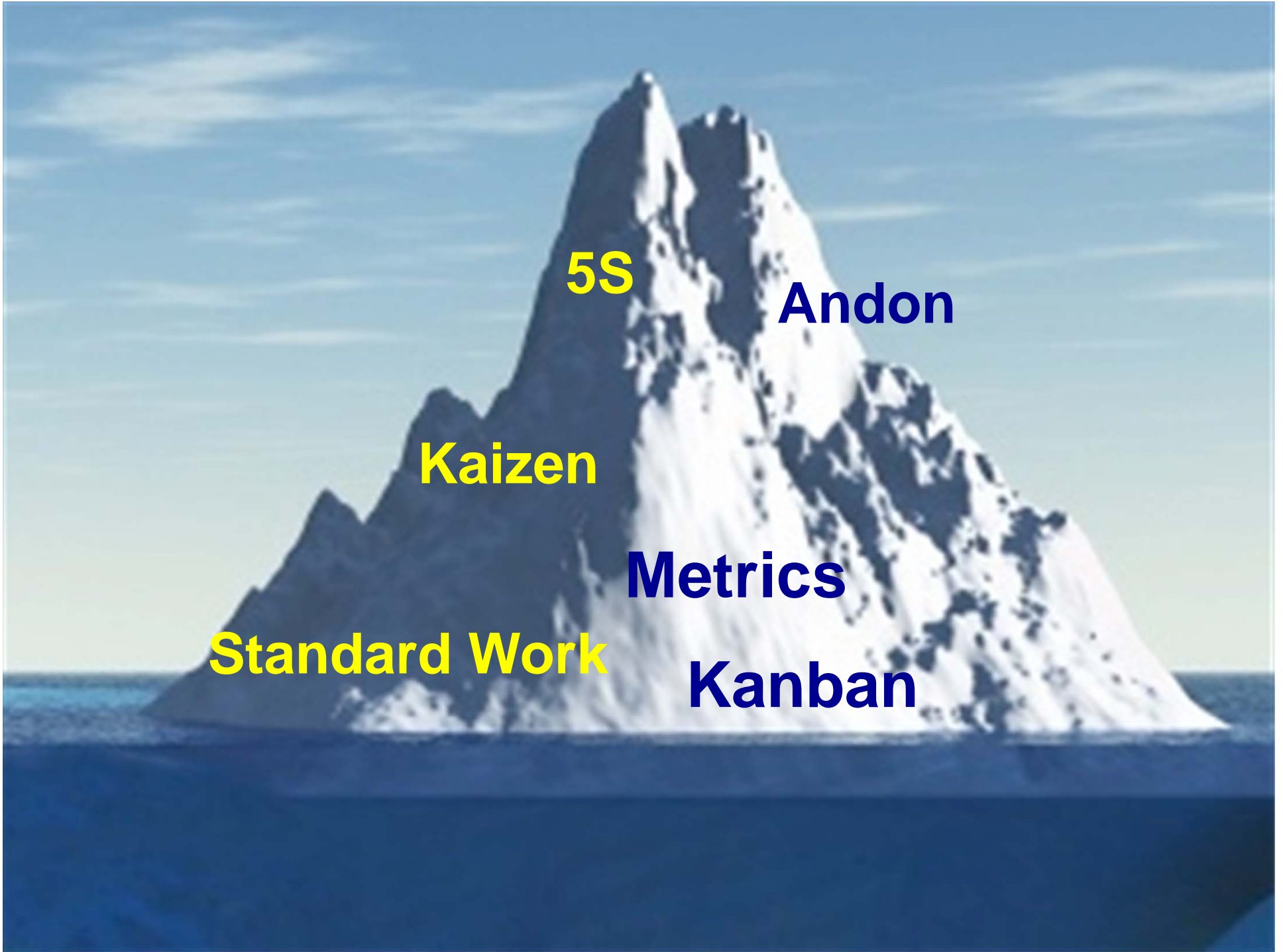
This is a philosophy.

We learned that from
Toyota.”

– *Pat Hagan*

- *Former Chief Operating Officer
Seattle Children's Hospital*





5S

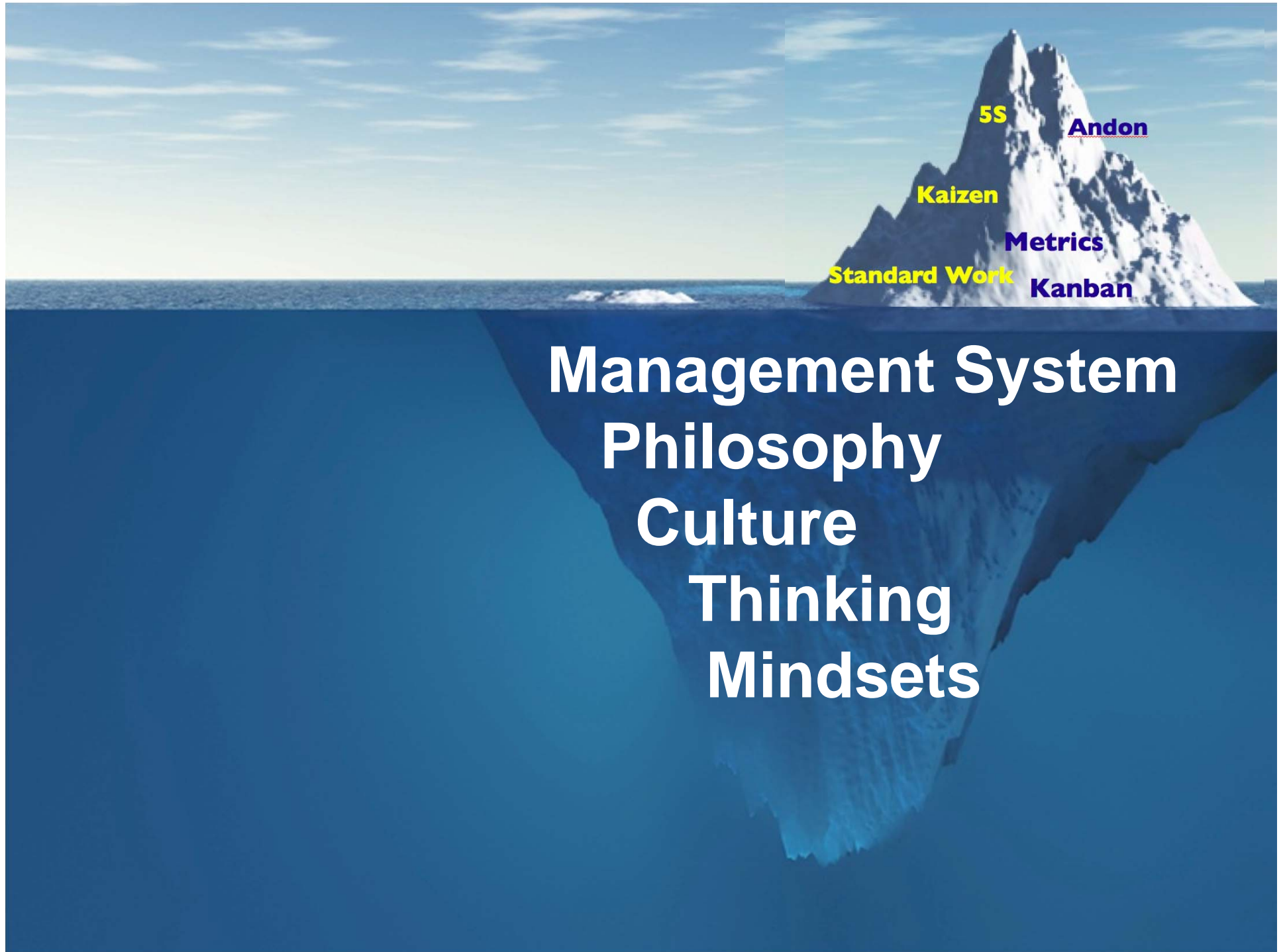
Andon

Kaizen

Metrics

Standard Work

Kanban



5S

Andon

Kaizen

Metrics

Standard Work

Kanban

Management System
Philosophy
Culture
Thinking
Mindsets

“Equally Important Pillars”



Why Lean?

“Start from need.”

Taiichi Ohno, Toyota
(1912-1990)



The Need in Healthcare

- Safety
- Quality
- Delivery (Access)
- Cost
- Morale



The Need in Healthcare

- **Safety**
- Quality
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98,000

Institute of Medicine: <http://bit.ly/IOM-report>

One in

Seven

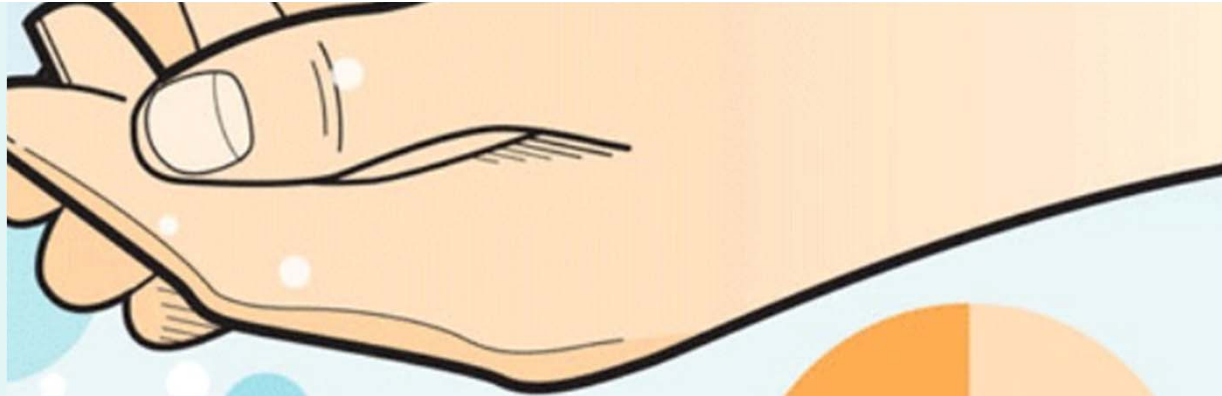
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HHS Report: <http://1.usa.gov/YiSez5>

One in

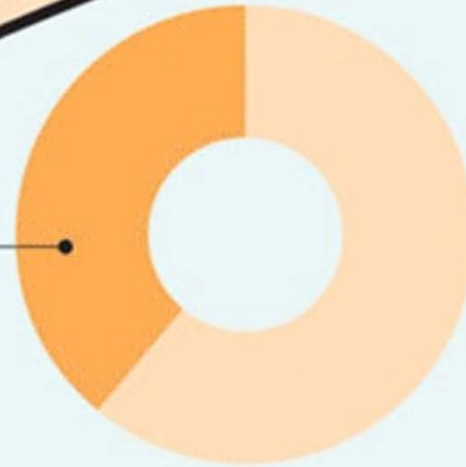
300

<http://www.guardian.co.uk/society/2006/nov/07/health.lifeandhealth>



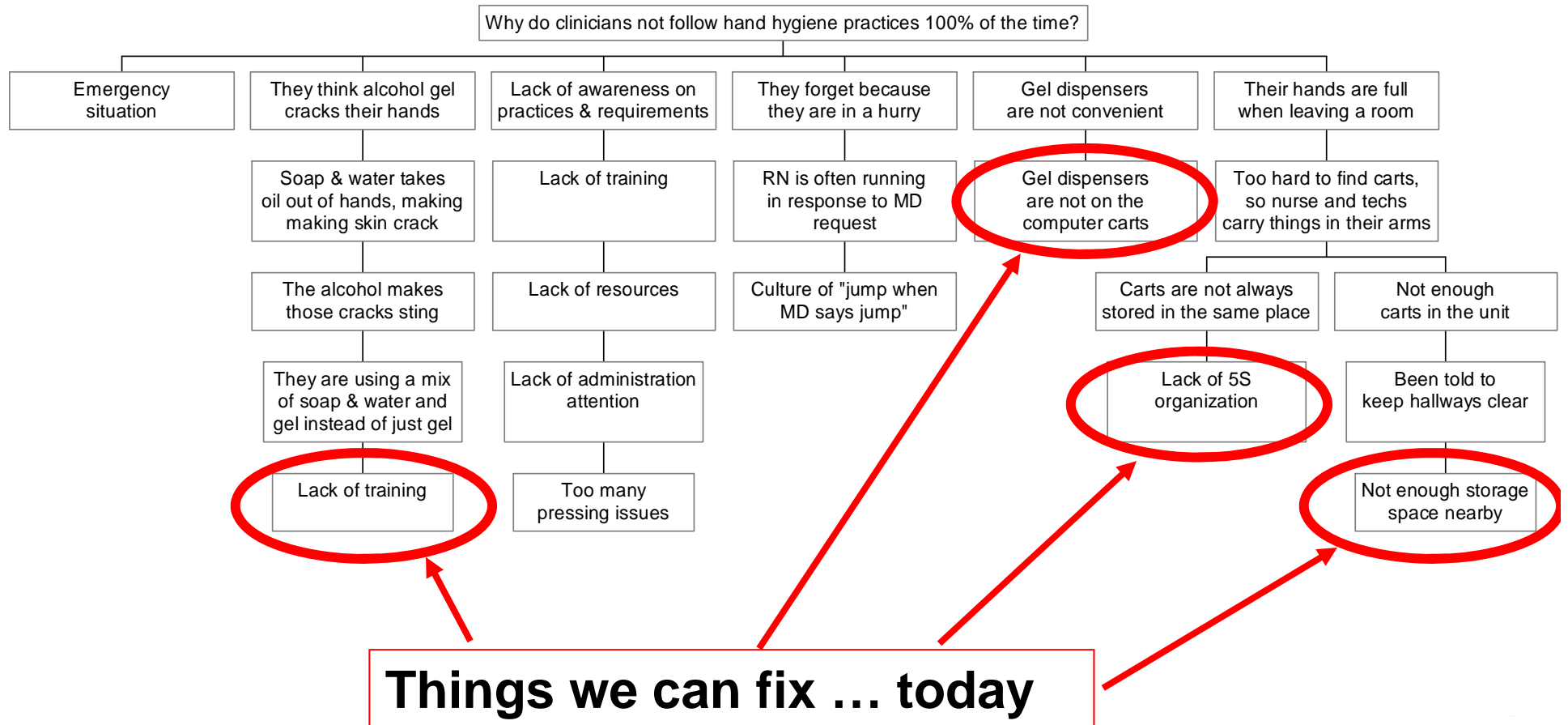
38.7%

The World Health Organization (WHO) reports the average hand hygiene compliance rate of healthcare workers is only 38.7%



“Why do clinicians not follow hand hygiene practices 100% of the time?”

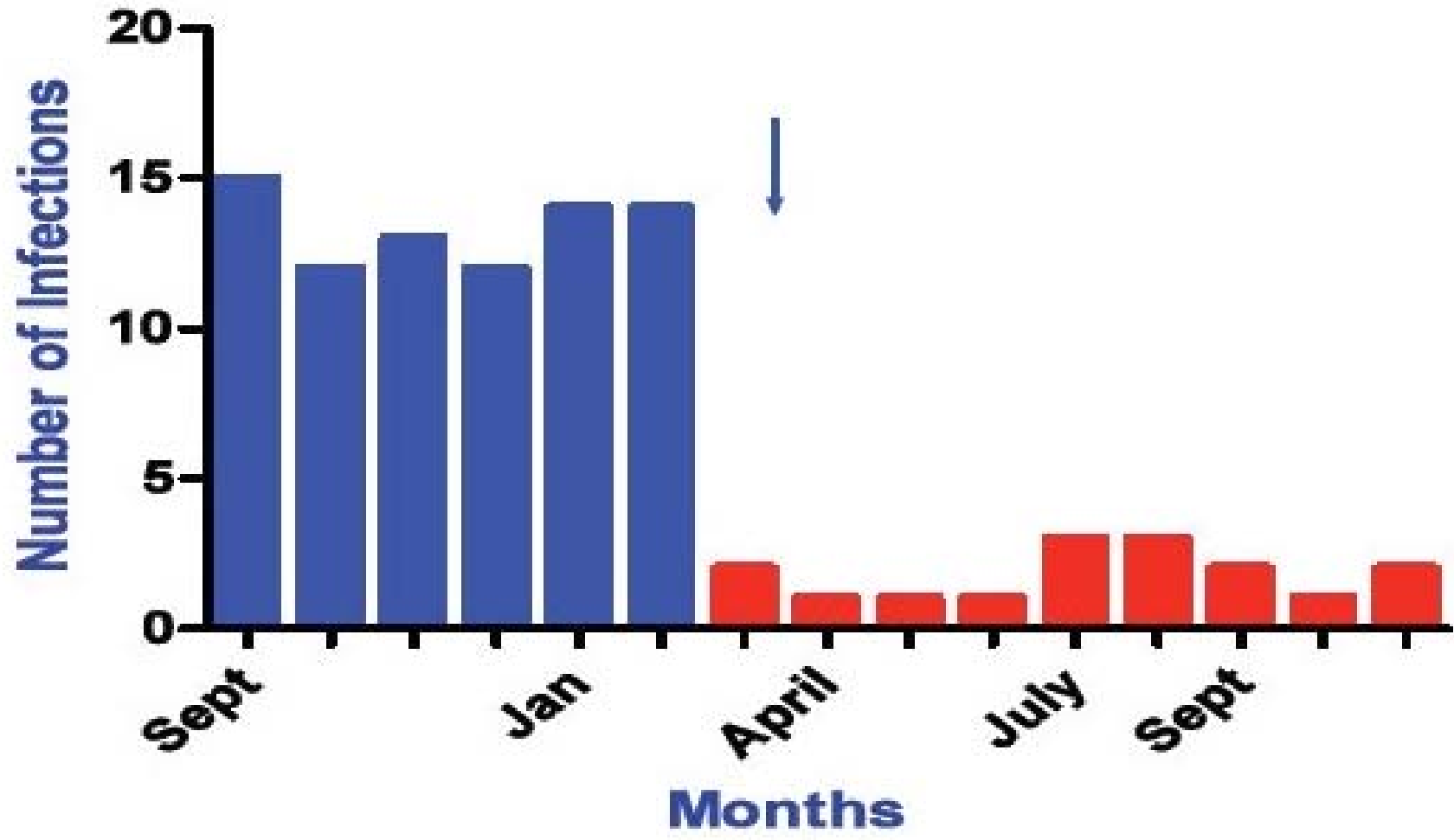
5 Whys



Source: Lean Hospitals, Graban



Central Line Associated Blood Stream Infections



Source: Dr. Richard

The Need in Healthcare

- Safety
- **Quality**
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What is Quality?

- Great service and patient satisfaction
- Lack of errors
- Right care, right place, right time

IOM Definition of Quality

- Safe
- Timely
- Effective
- Efficient
- Equitable
- Patient-Centered



INSTITUTE OF MEDICINE
OF THE NATIONAL ACADEMIES

“HCAHPS”

Hospital Consumer Assessment of Healthcare Providers and Systems

- How often did RNs & MDs communicate well with patients?
- How often did patients receive help quickly from hospital staff?
- How often was patients' pain well controlled?
- How often did staff explain about medicines before giving them to patients?
- How often were patients' rooms and bathrooms kept clean?
- How often was the area around patients' rooms quiet at night?
- Were patients given information about what to do during their recovery at home?

Asking “Why?”

- Looking at the **system**, not blaming staff
- Do staff know what proper protocols are?
 - Do they know why they should be followed?
- Have staff been properly trained?
 - Has their training been confirmed?
- Do staff have enough time to do their work?
 - Are they overburdened?
 - Are there good systems in place?
- Do staff have effective supervision and leadership?
 - Can they ask for help?

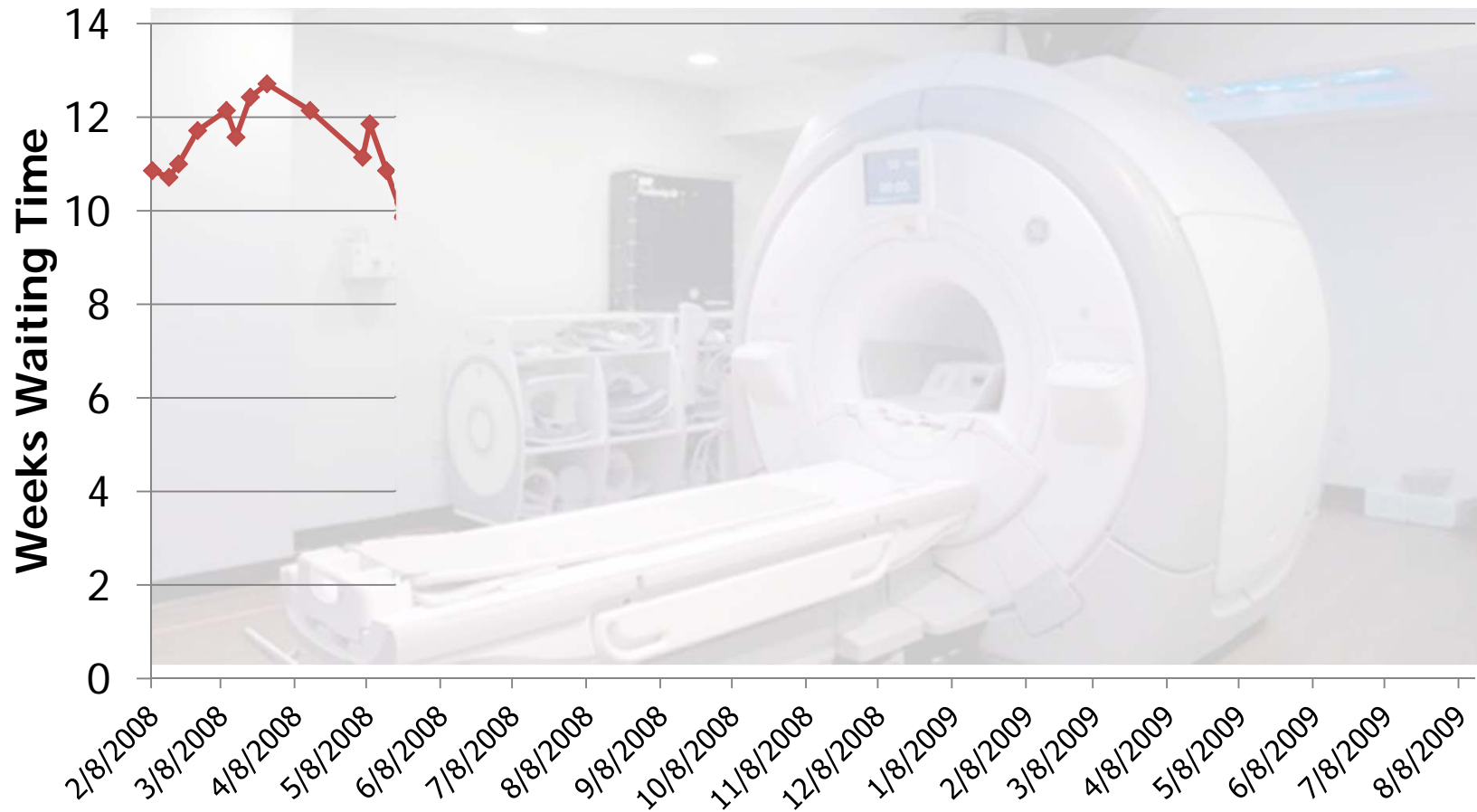
The Need in Healthcare

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- **Delivery (Access)**
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Improving Radiology /MRI Access Time

Outpatient Radiology Backlog



ALBUQUERQUE JOURNAL

SPORTS • B1, C1

NEW MEXICO

Home-Owned and Home-Operated • MADE IN THE U.S.A.
120TH YEAR, No. 66 • 58 PAGES IN 7 SECTIONS

TUESDAY MORNING, MARCH 7, 2006

FINAL

Copyright © 2006, Journal Publishing Co. • Daily

*"We've
been
saying
we're in a
crisis
situation.
It will just get
progressively worse."*



DR. PAUL ROTH,
EXECUTIVE VICE
PRESIDENT OF HEALTH
SCIENCES

Patients Languish in UNM Hospital Halls

Task Force Hears Pleas From Nurses

Copyright © 2006
Albuquerque Journal

By JACKIE JAJRINAK
Journal Staff Writer

Patients admitted and judged in need of serious medical care often wait days in the ER to be moved to a room. Nurses say they struggle to take care of their medical needs while constantly being pulled away to traumas and other emergencies they were hired to handle.

presented to the hospital's board Friday.

"Every day, we are holding, on average, 12 to 20 admitted patients, who have been in our department for days awaiting hospital beds," they wrote in a statement to the board. The

bed at any one time) was over 20," the nurses wrote, "and the record length of stay (in the ER) over five days."

Their petition had more than 120 signatures from ER workers, including physicians, nurses and others, according to an

said he agrees with it. "From my perspective, nurses are absolutely right," said. "The current conditions are unacceptable."

"The problem is there's no obvious solution," Lucero said, another

Emergency room nurses at UNM Hospital are sick of seeing patients stacked up in the hallways. Patients admitted and judged in need of serious medical care often wait days in the ER to be moved to a room. Nurses say they struggle to take care of their medical needs while constantly being



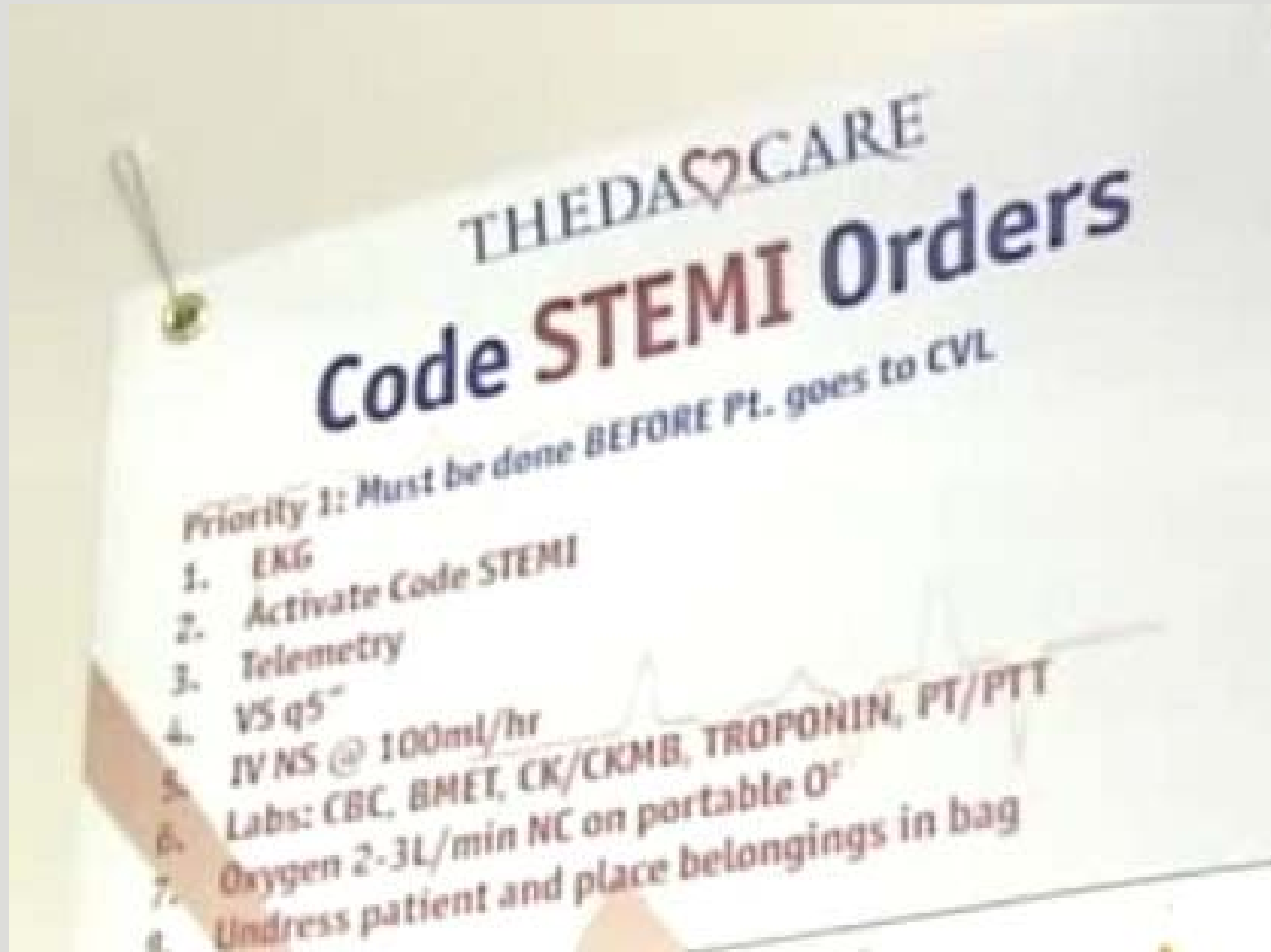


© AP Photo/The Sacramento Bee

ThedaCare “Door to Balloon” Time



“Standardized Work”



The Need in Healthcare

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\$765,000,000,000

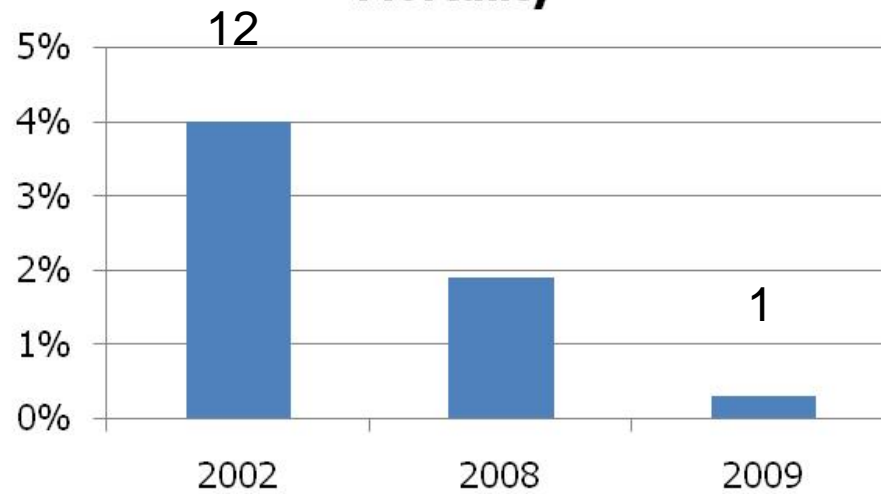
\$2,500,000,000,000



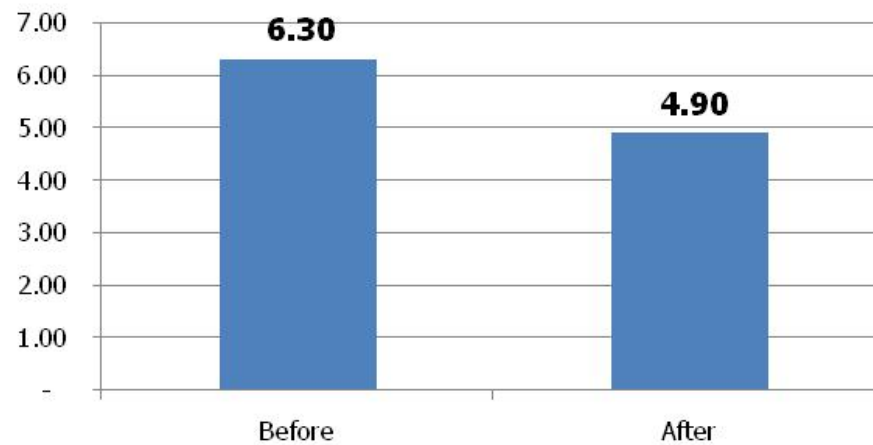
ThedaCare Coronary Bypass Improvement



Mortality

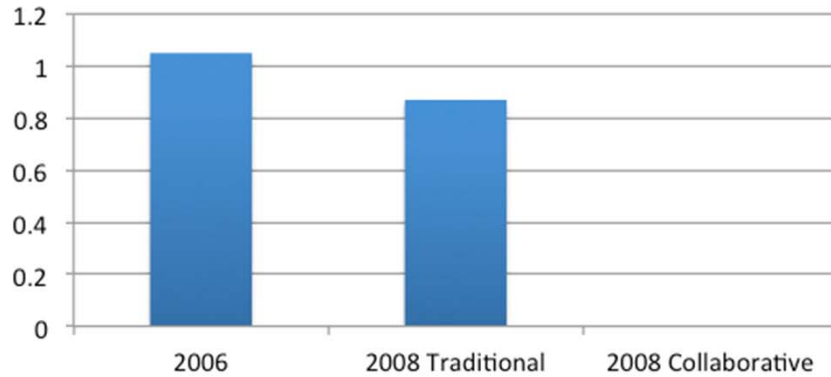


Length of Stay

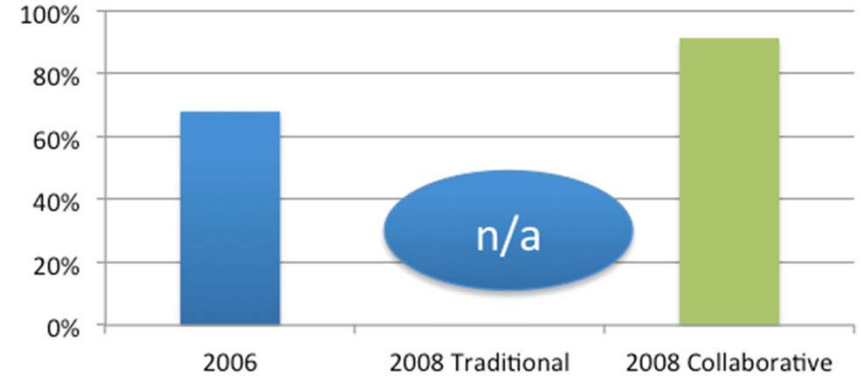


ThedaCare's Collaborative Care

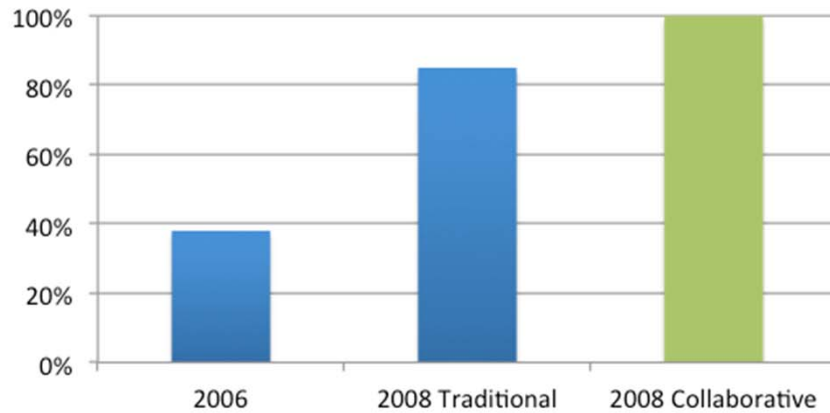
Med Rec Errors per Chart



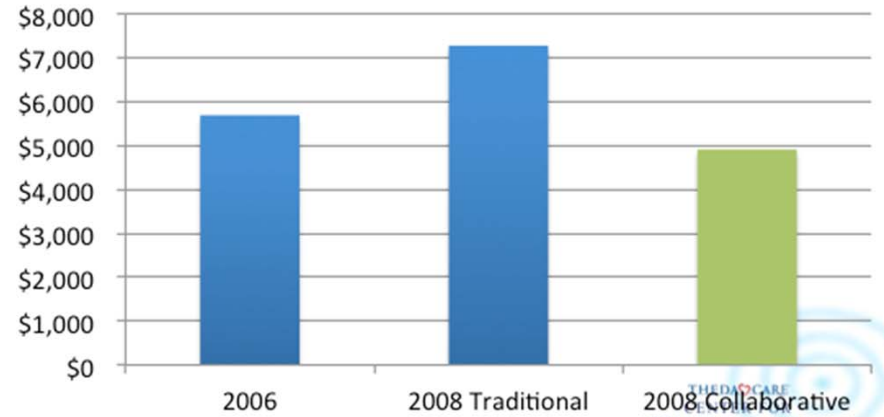
Patient Satisfaction



Pneumonia Bundle Compliance



Cost per Case



Source: Health Affairs



The Need in Healthcare

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Worldwide Morale Problems

- 20% of U.S. nurses quit in the first year
 - “The stress of trying to keep her patients from getting much worse as they waited, sometimes for 12 hours, in an overwhelmed Dallas emergency room was just too much.”
- 44% of UK nurses would leave their job if they could
 - 90% said “one necessary activity” was not done in their last shift

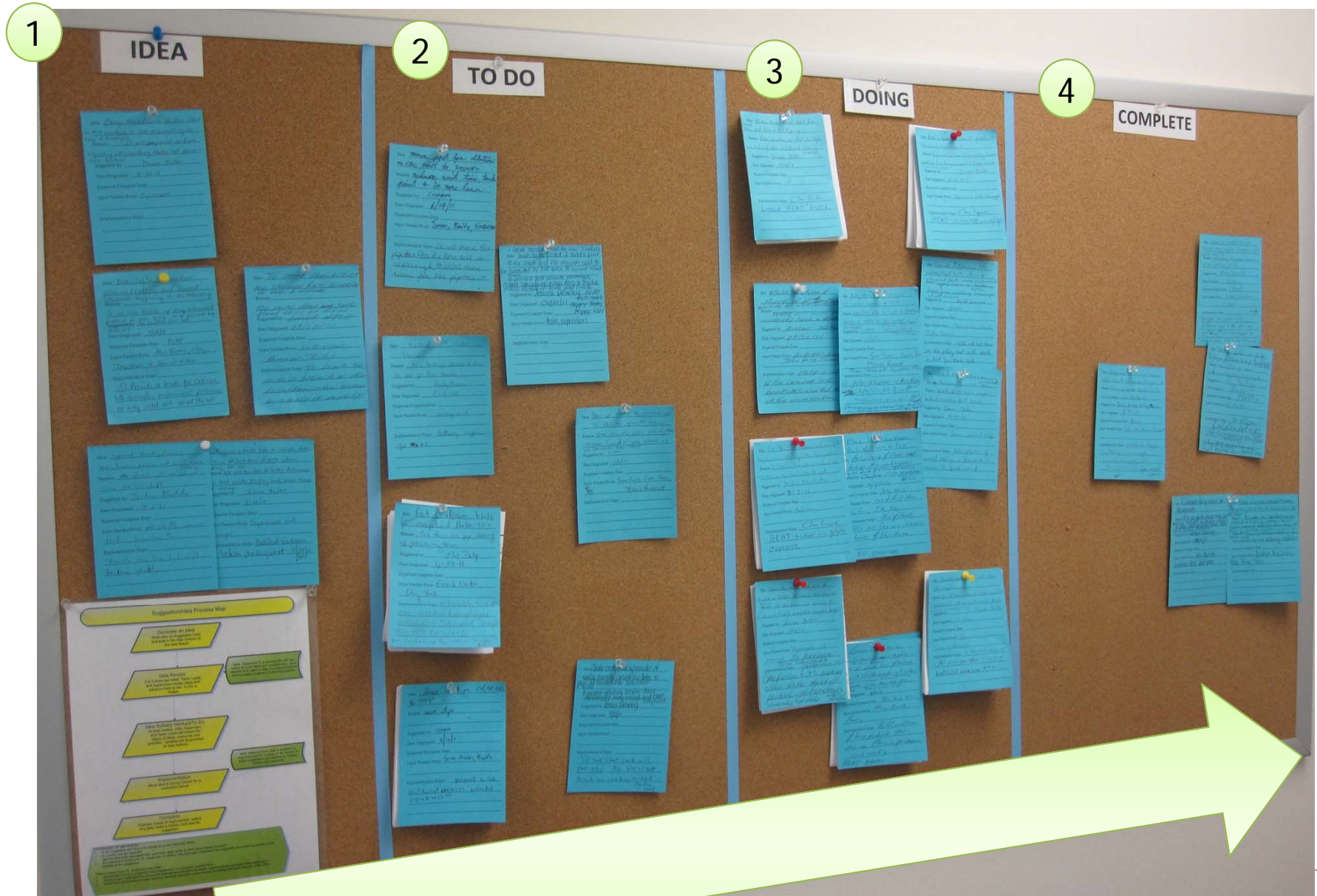


I was **‘creating a negative work environment.’**
It said that in my performance review.”

RN, 20 years experience



Visual Idea Board



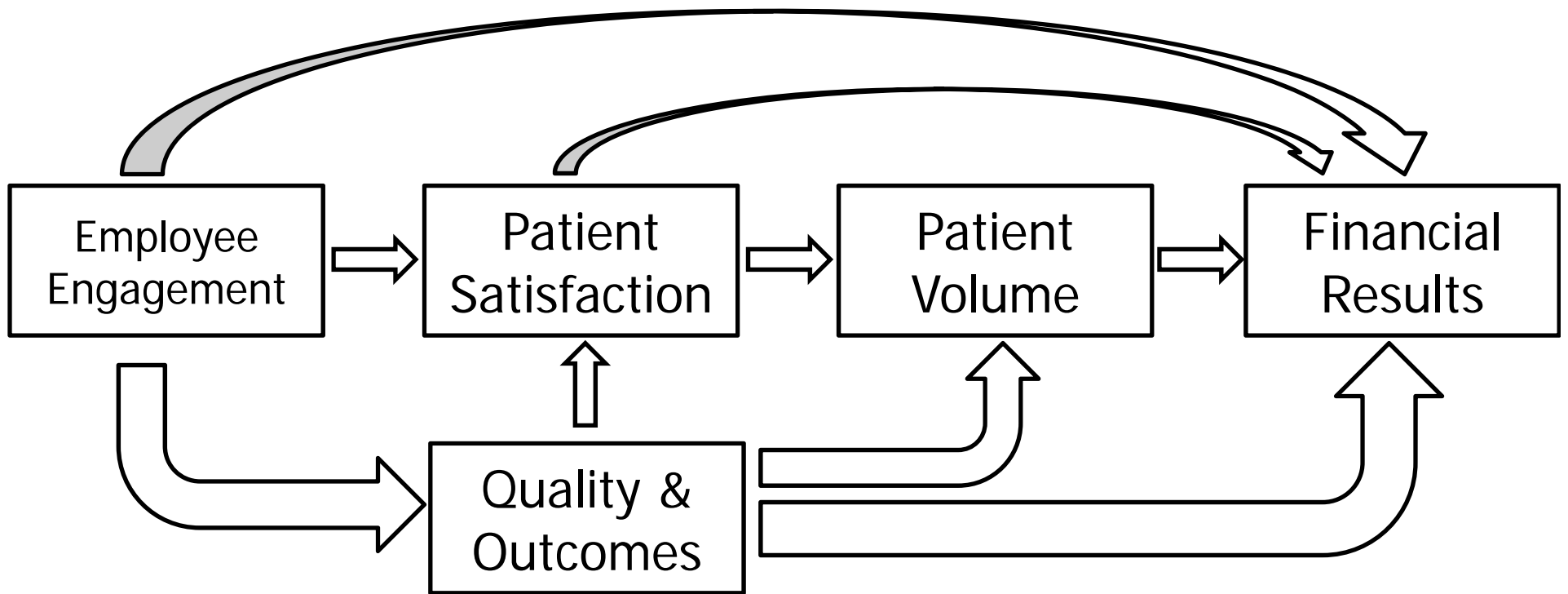
Before / After Data from CMC Lab

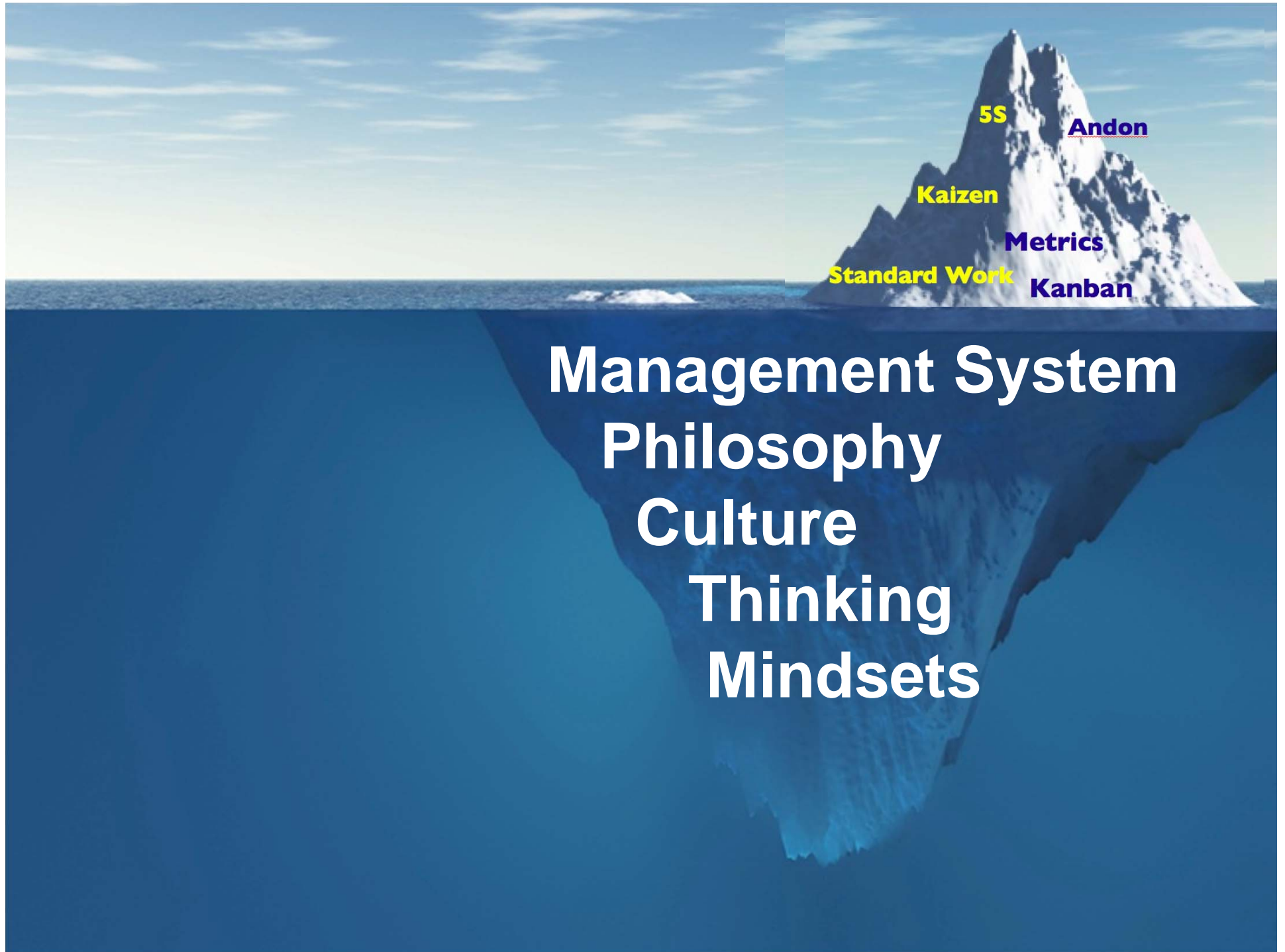
| | Before Lean | 12 Months After Starting Lean |
|---|-------------|-------------------------------|
| 3. I have the opportunity to do what I do best every day. | 3.11 | 3.92 |
| 8. I feel free to make suggestions for improvement. | 2.84 | 3.48 |
| 10. I feel secure in my job. | 2.32 | 3.42 |
| 13. Stress at work is manageable. | 2.43 | 3.23 |
| 17. I am satisfied with the lab as a place to work. | 2.51 | 3.43 |
| 18. I would recommend my work area as a good place to work to others. | 2.38 | 3.46 |
| Grand Average | 2.96 | 3.69 |

Employee Quote

“This is the best thing we’ve done in my 20 years. We’re finally fixing things.”

It's All Connected





5S

Andon

Kaizen

Metrics

Standard Work

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**Management System
Philosophy
Culture
Thinking
Mindsets**

Straight from Toyota

- Manager's role is to:
 - Develop people to
 1. Surface problems
 2. Solve problems
- Create an environment where this happens



Jamie Bonini
Toyota Production System Support Center

New Habits for Leaders

“White Coat Leadership”

- All knowing
- “In charge”
- Autocratic
- “Buck stops here”
- Impatient
- Blaming
- Controlling

Lean Improvement Leadership

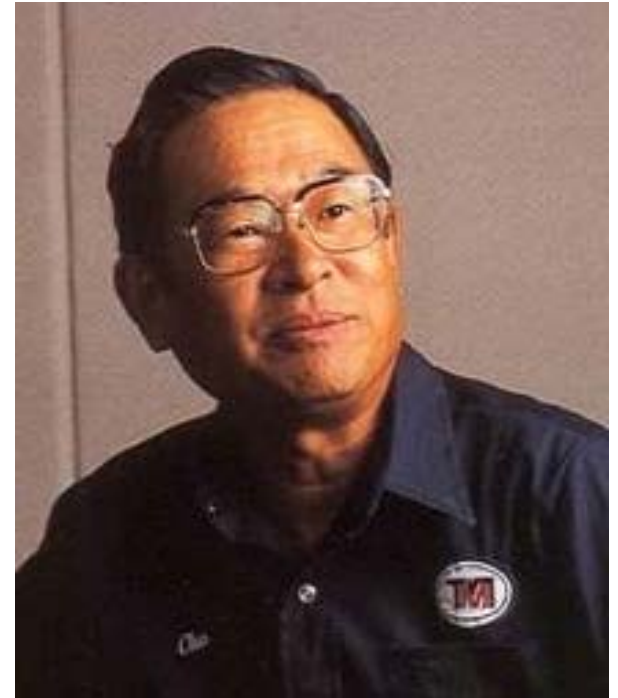
- Patient
- Knowledgeable
- Facilitator
- Teacher
- Student
- Helper
- Communicator
- Guide

Source: John Toussaint, M.D.

Toyota's Chairman Mr. Cho

Three Keys to Lean Leadership

- **Go See**
 - “Senior Management must spend time on the front lines.”
- **Ask Why**
 - “Use the “Why?” technique daily.”
- **Show Respect**
 - “Respect your people.”



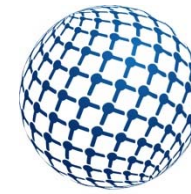
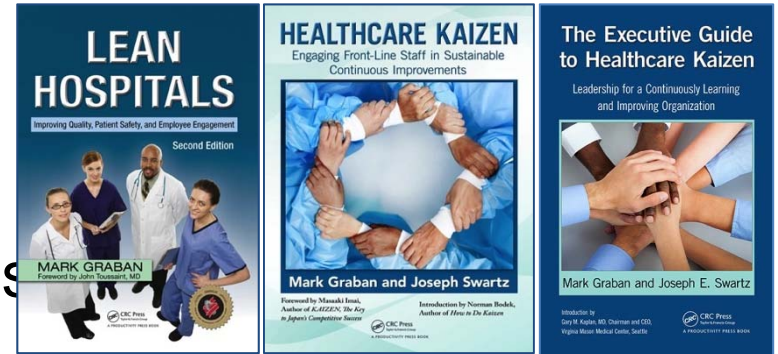
Can You Say Yes to These Questions Every Day?

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



Q&A / Contact Info

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Lean Blog

www.leanblog.org