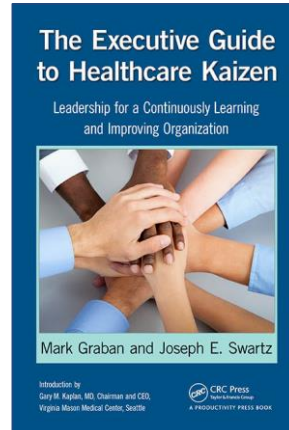
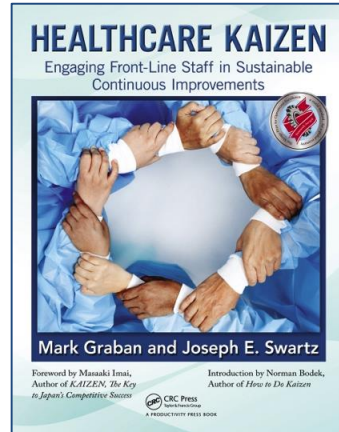
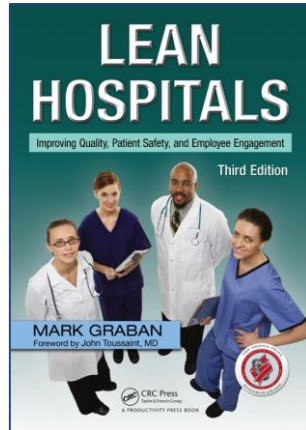


From the Boardroom to the Patient Room: Alignment through Lean Management Systems



 **@MarkGraban**
Mark@MarkGraban.com

**What is
Lean?**

**Why
Lean?**

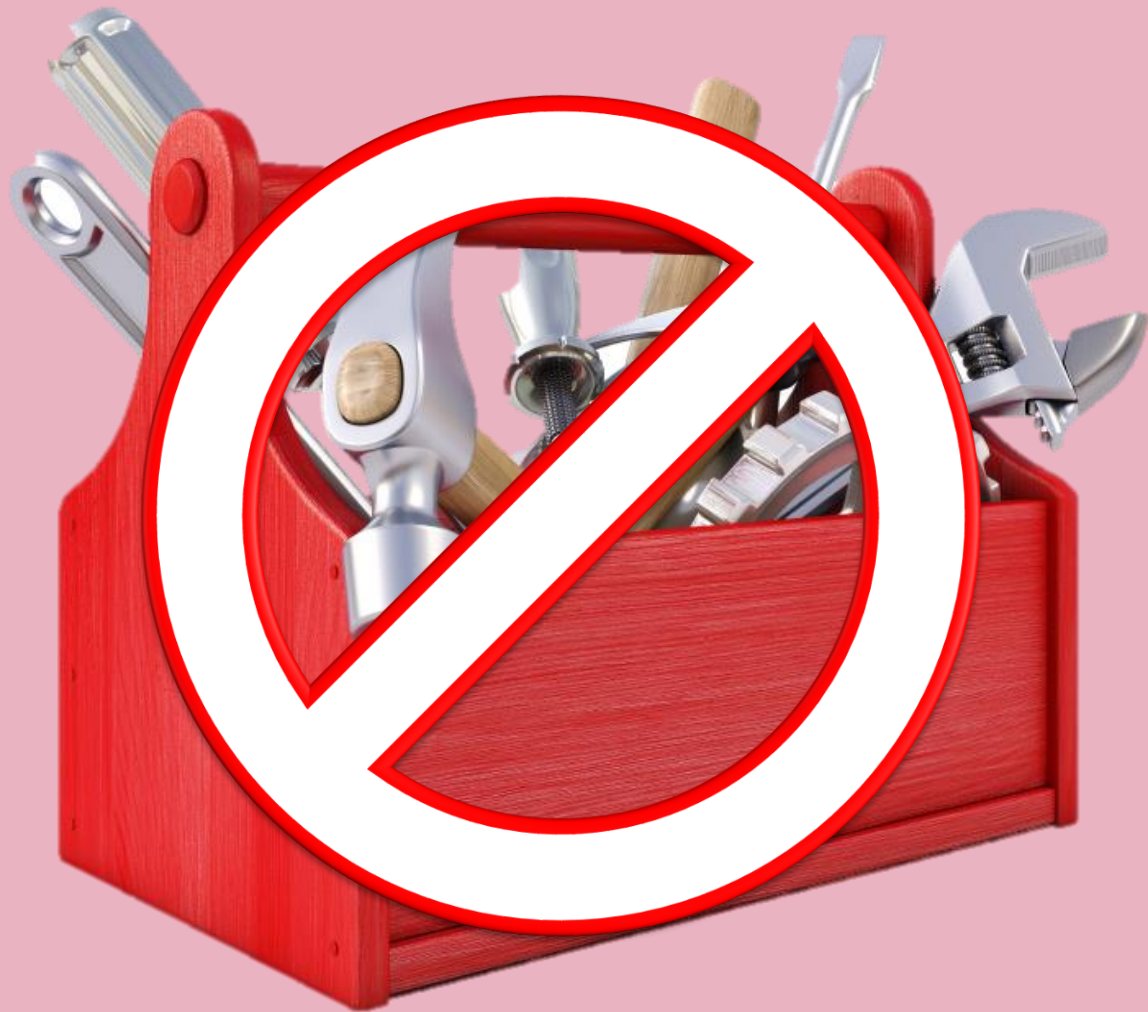


Start from need.



**What problem are
we trying to solve?**

**What is
Lean?**





5S

A3s

Kanban

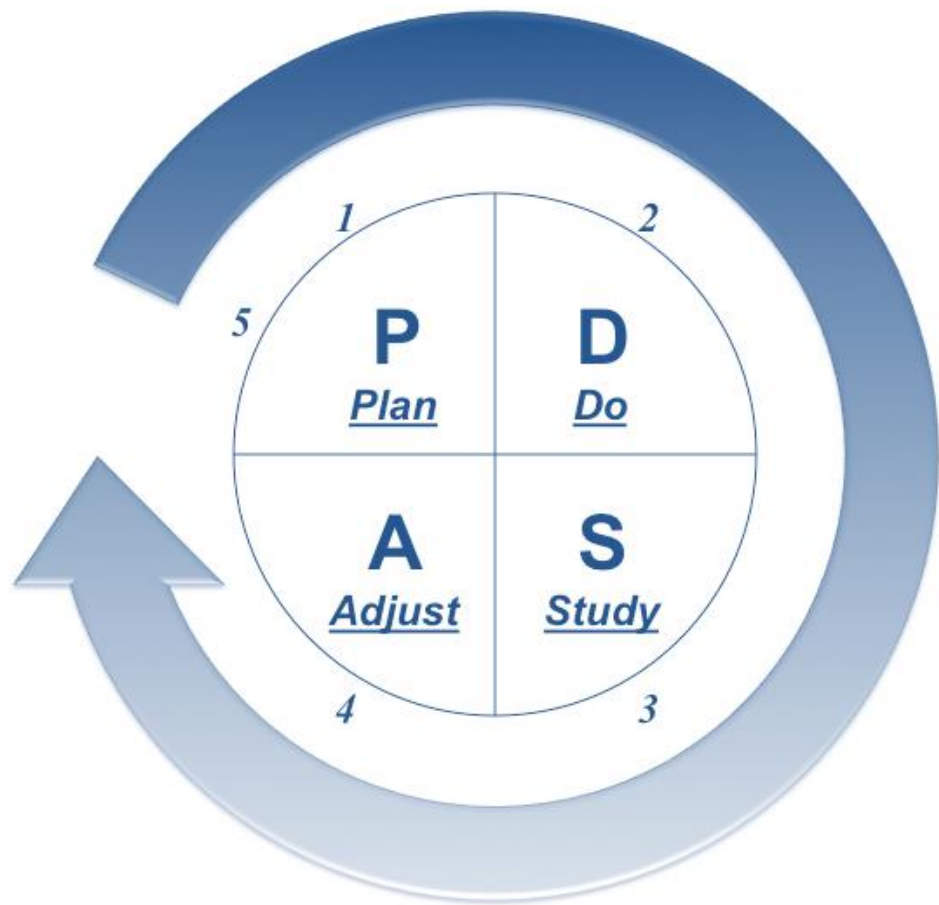
Value Stream Maps

Visual Management

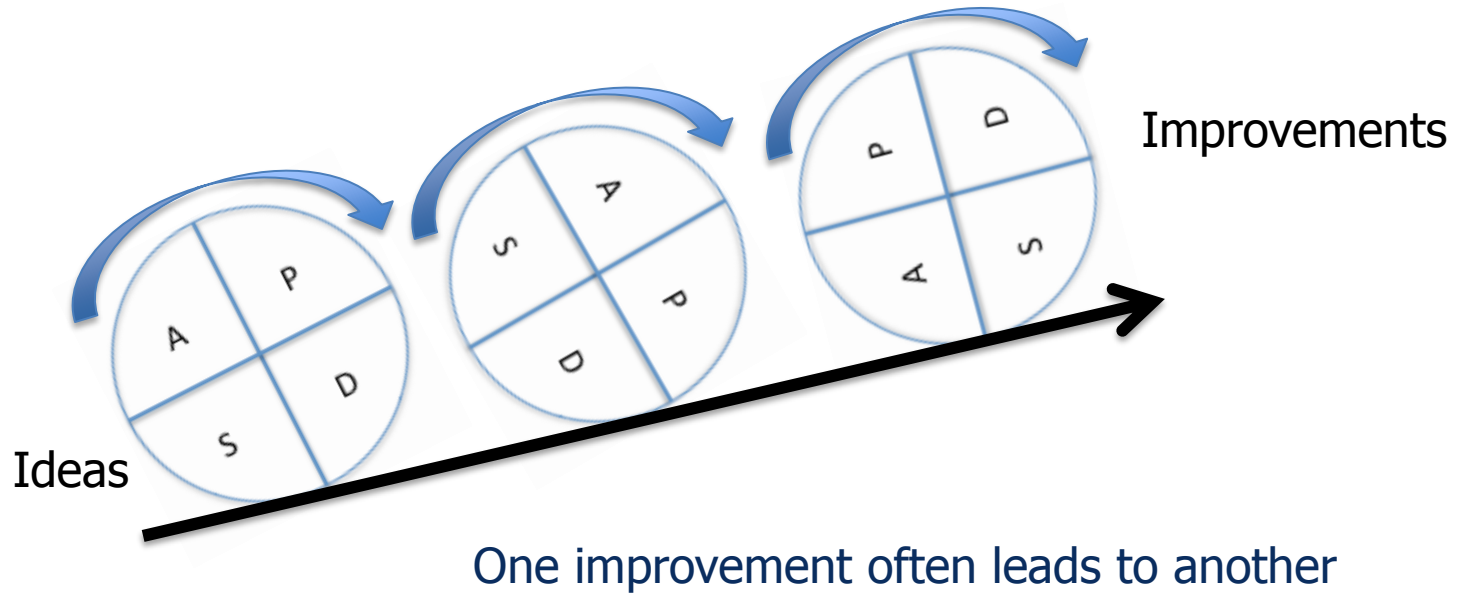
Standardized Work



Management System
Philosophy
Culture
Thinking
Mindsets

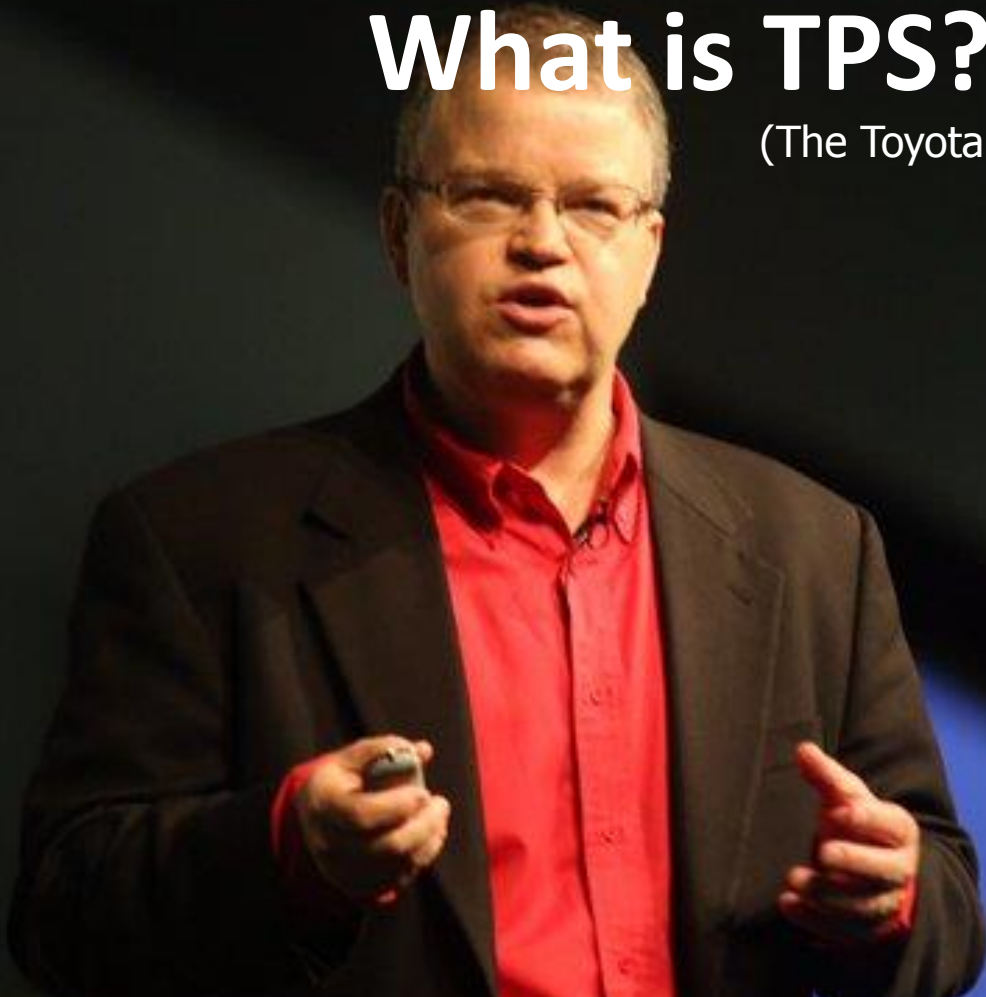


Iterative PDSA Improvements

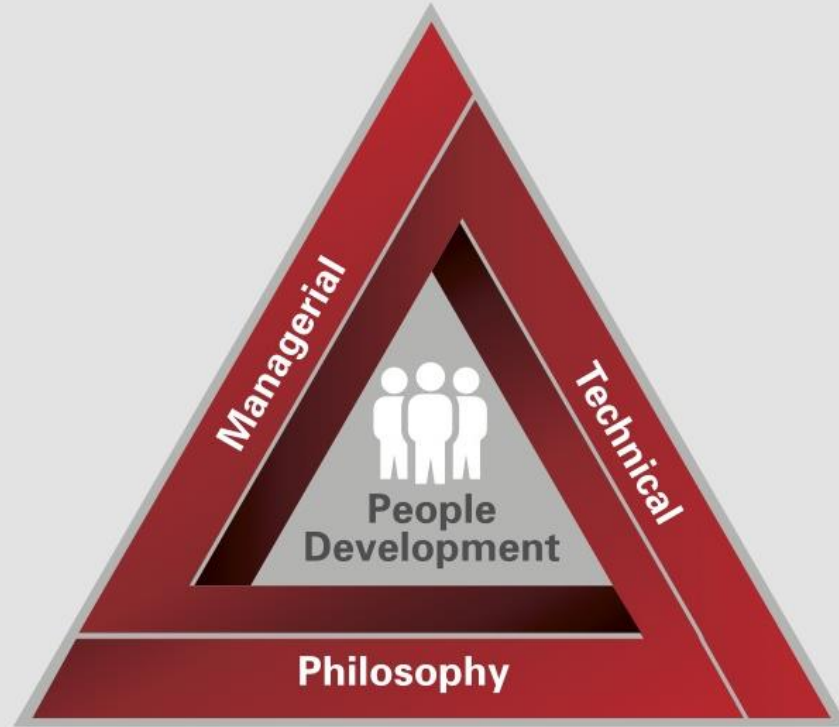


What is TPS?

(The Toyota Production System)



TOYOTA PRODUCTION SYSTEM



Organizational Culture
An Integrated System

What is TPS Philosophy?

- **Customer first**
 - Provide customers with what they want, when they want it, and in the amount they want it
- **People are the most valuable resource**
 - Deeply respect, engage, and develop people
- **Continuous improvement (*kaizen*)**
 - Engage everyone each and every day
- **Shop floor (*gemba*) focus**
 - Go to where the work is done to find & solve problems

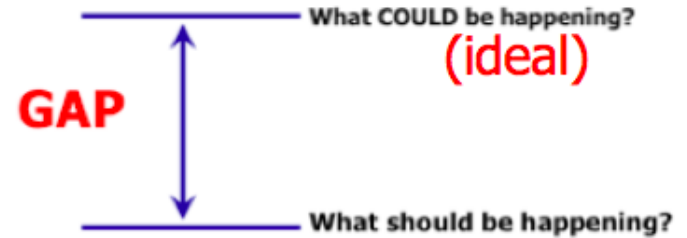
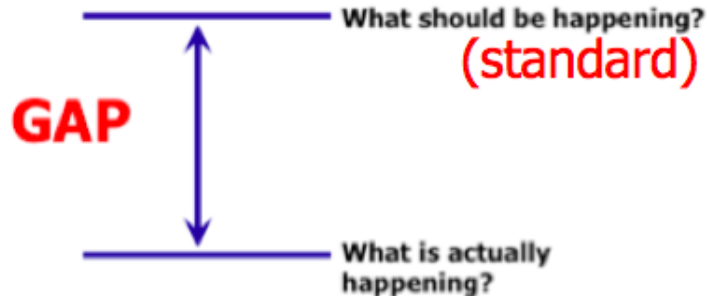
What's a Management System?

- What are leaders expected to do?
- How are leaders expected TO BE?
 - Is there clear alignment? Are there gaps?
 - Or "just get results"???
- How is this taught, modeled, and reinforced?
 - What happens when there are gaps?

Why a Lean Management System?

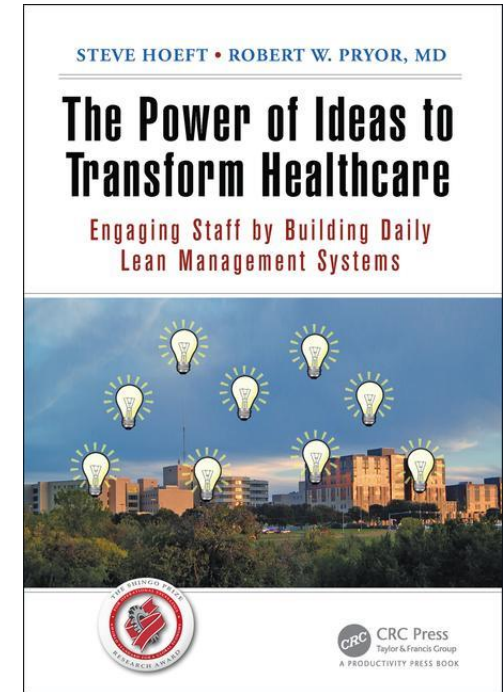
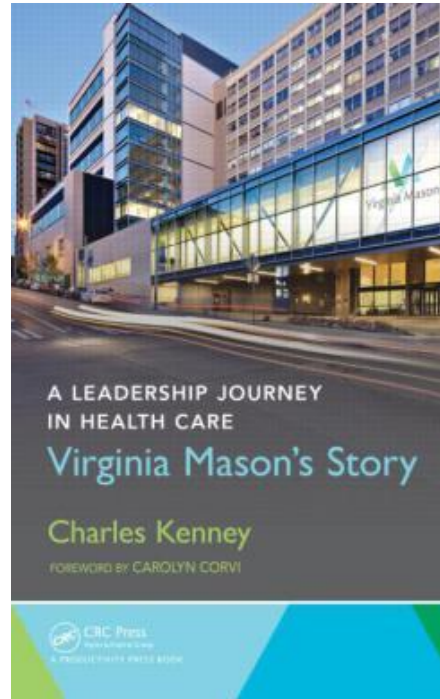
Creating a Lean Culture

- What are the gaps? How large are they?
- How long to close the gaps?
 - In culture & performance?

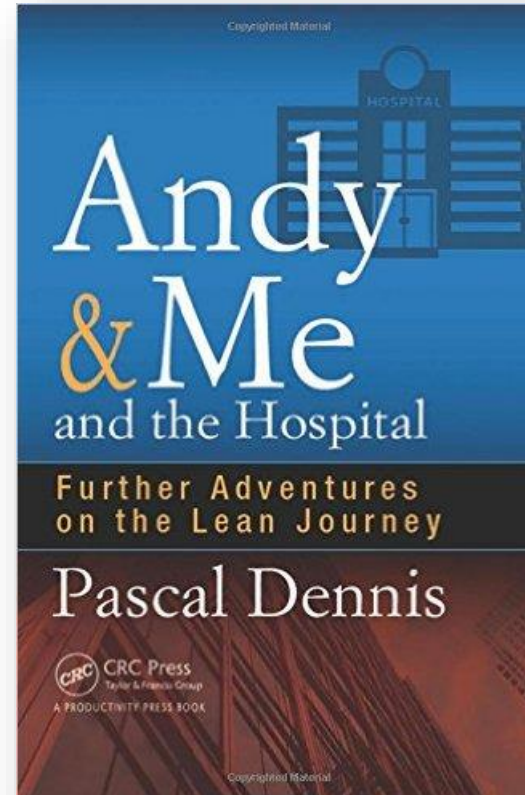
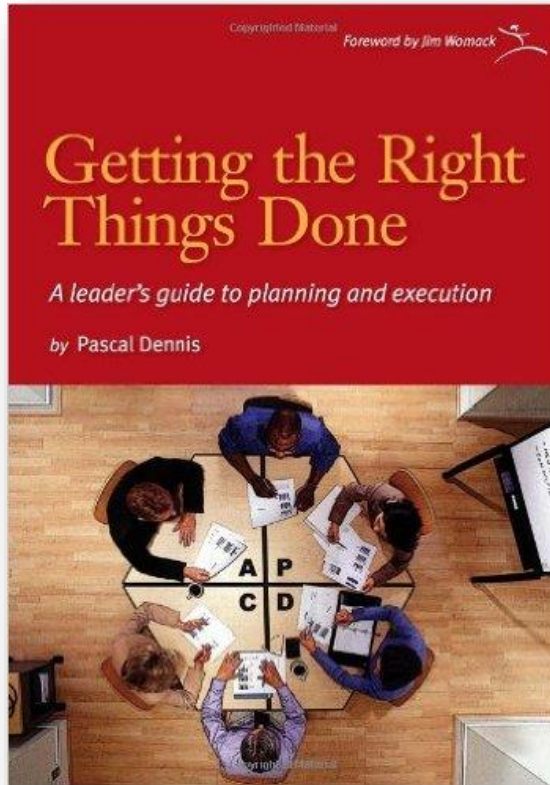


Strategy Deployment in Healthcare

(Scott & White)



Pascal Dennis Books



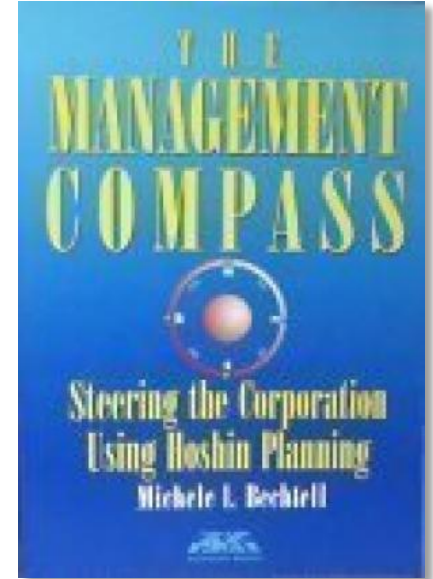
What is Strategy Deployment?

- Aka "Hoshin Kanri"
 - Hoshin = "compass"
 - Kanri = "management" or "control"
- "A process for embedding strategy and aligning an organization toward common goals"
- Developed by Dr. Yoji Akao
 - (Yokogawa Hewlett-Packard)



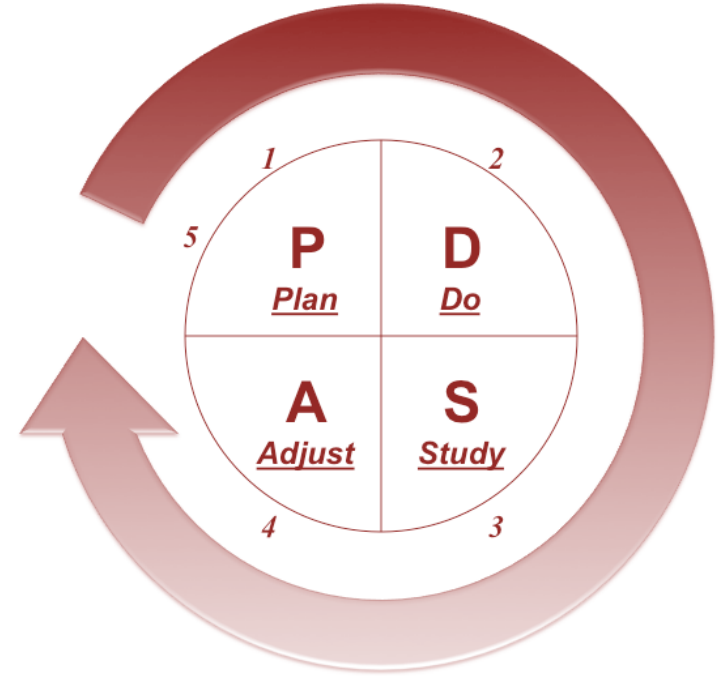
Strategy Deployment Process

1. Study the situation
2. Focus on vital few priorities
3. Ask employees to develop plans for how to close gaps
4. Specify means and measures to close gaps
 - Link metrics through the organization
5. Make cause and effect relationships visible
6. Iteratively zero in on strategic objectives (PDSA)



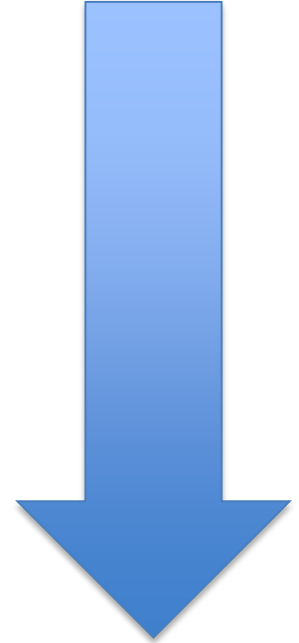
Strategy Deployment = PDSA

- Using PDSA cycles to:
 - Create goals
 - Choose measurement points
 - Link daily activities to high level goals
 - Drive results & learning



NOT "Goal Deployment"

- Management by Objectives
 - Top down (unidirectional)
 - Focuses on rear-view mirror results
 - Little effort to understand or improve the system
 - Often used as threat to improve performance (or else!)
 - Often unlinked (department budgets not tied to overall plan)



"Catch Ball"

- Executive/Senior Leaders
- VPs and Directors
- First-Level Managers
- Frontline Supervisors
- Charge/Senior Staff and Clinicians
- Value-Adding Staff and Clinicians

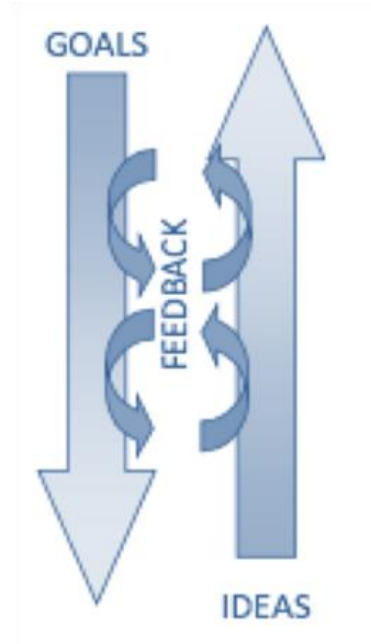


Figure 11.1 Illustration of how goals and ideas flow up and down in a Lean organization.

The Role of Leaders

- Define purpose clearly
- Identify the biggest obstacles
- Create an atmosphere conducive to initiative and creativity
- Reduce hassle
- Lead by example! Model behaviors. Teach

"True North"

- Broad goals and direction
 - "Brief expression of direction, purpose, commitment, and values"
 - "What we should do, not what we can do"
 - Speaks to the heart



"True North" Statements

- "No wait, no harm."
- "Eliminate all unnecessary death or illness."
- "Measurably better value."
- "To provide high-quality healthcare to all, regardless of their ability to pay."
- "_____ will care for patients the way we want members of our own families to be treated, while advancing humanity's ability to alleviate human suffering caused by disease. We will provide the right care in the right environment and at the right time, eliminating waste and maximizing value."

Strategy Deployment Questions

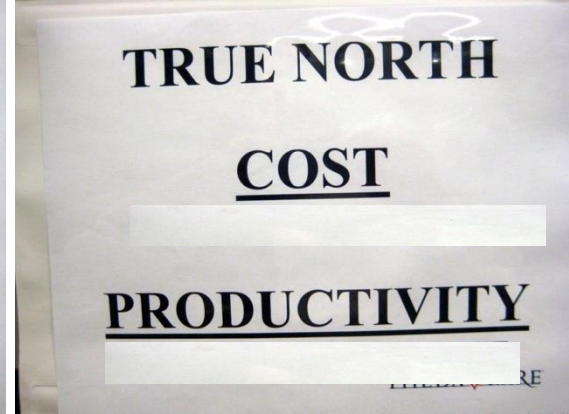
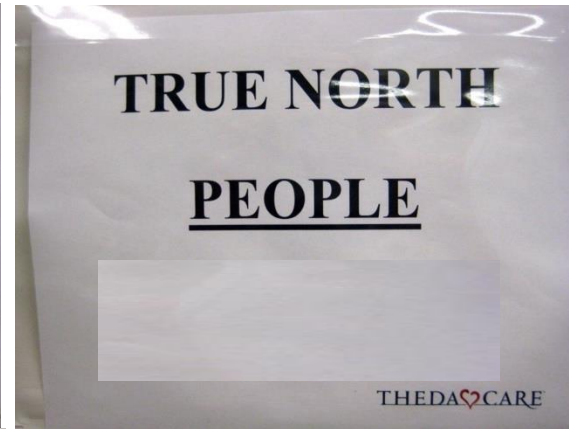
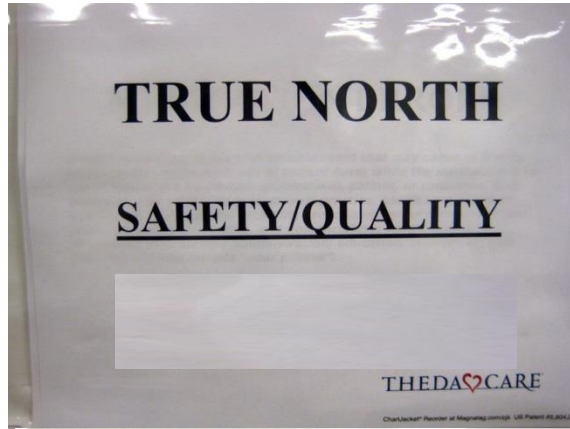
- What metrics (<10) are the best indicators of organizational health and progress toward True North?
- Where are the biggest gaps in performance?
 - Where do we need to raise the bar?
- What are doing to close those gaps?
- What progress are you making?
- Are you getting the results you predicted?
- What are you learning? How are you adjusting?

Strategy Deployment as a Series of Hypotheses

Hypothesis #1:

If we focus our improvement efforts and close performance gaps in these four (or five) areas, we will therefore perform well as an organization, this year and over the long-term.

"True North" Focus Areas



TRUE NORTH WALL

**SAFETY &
QUALITY**

PEOPLE

**PATIENT
SERVICE**

FINANCIAL

Building Consensus



Lessons Learned

- Don't copy others' True North
- Go through the process of gaining consensus around what these should be
- True North must resonate with your people
- "The best strategy deployment system in the world doesn't make up for the wrong strategy." (Toussaint)

Strategy Deployment as a Series of Hypotheses

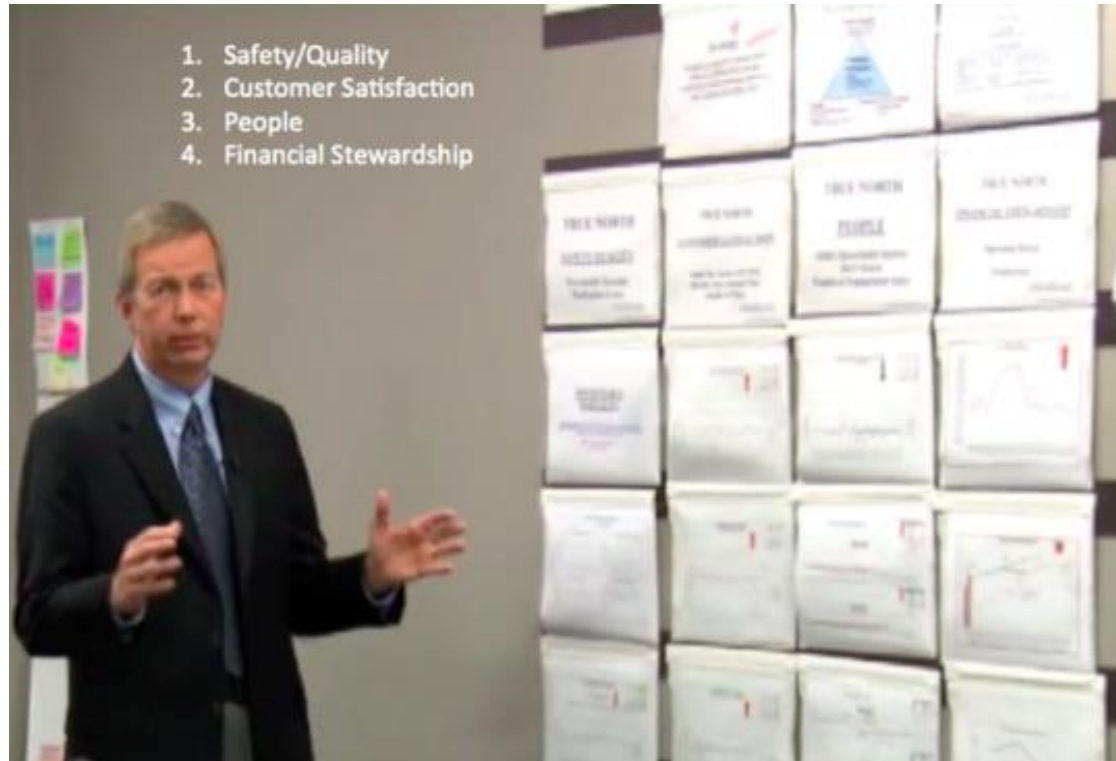
Hypothesis #2:

If we can improve and close our performance gaps in these key performance indicators, we will satisfy our need for improvement in our key focus areas, and therefore we will be successful as an organization, overall.

"True North" Metrics

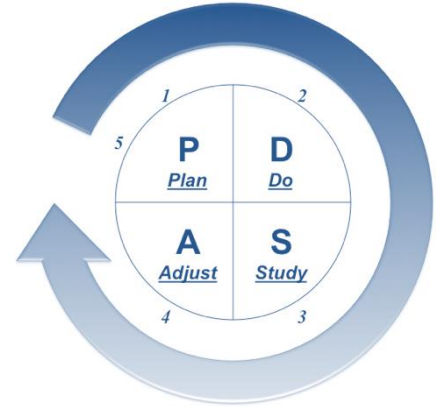


System Level Metrics



Annual PDSA Cycles

- Goals & Metrics
 - How did we perform?
 - Why did we have that performance?
 - Were those the right goals?
 - Are these still the right goals?



TRUE NORTH WALL

**SAFETY &
QUALITY**

PEOPLE

**PATIENT
SERVICE**

FINANCIAL

**STRATEGY
A3**

**STRATEGY
A3**

**STRATEGY
A3**

**a.k.a.
"MOTHER"
A3**

**MEASURE
1**

**MEASURE
3**

**MEASURE
1**

**MEASURE
1**

**MEASURE
3**

**MEASURE
1**

**MEASURE
2**

**MEASURE
4**

**MEASURE
2**

**MEASURE
2**

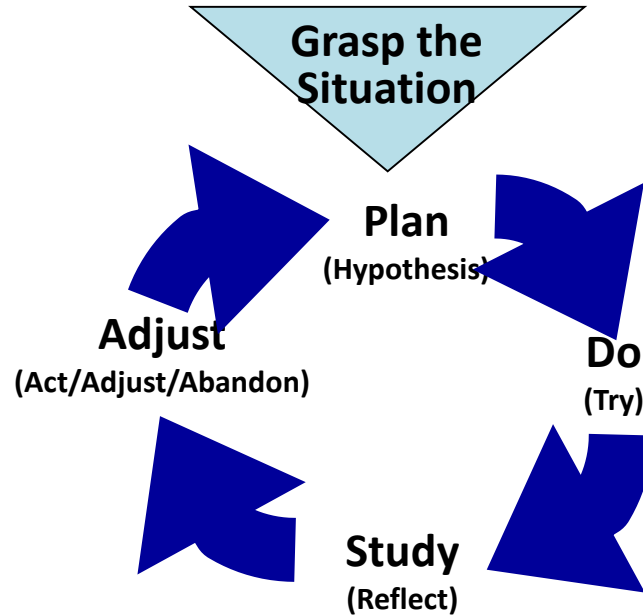
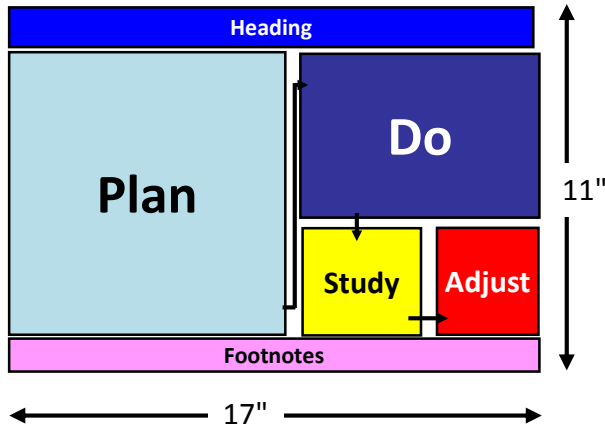
**MEASURE
4**

**MEASURE
2**

**MEASURE
3**

The A3 Management Discipline

A3 (PDSA) Story Board

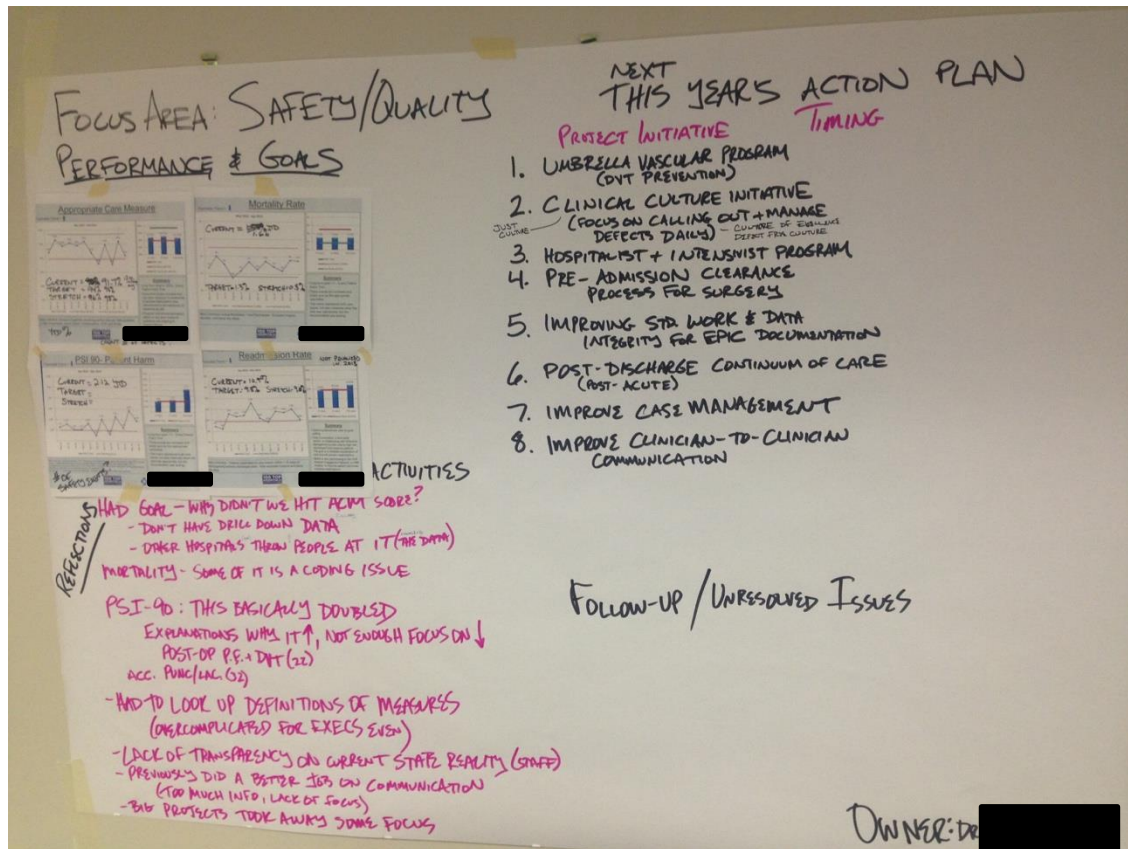


Cycles of learning and continuous process improvement
Developing people and improving processes

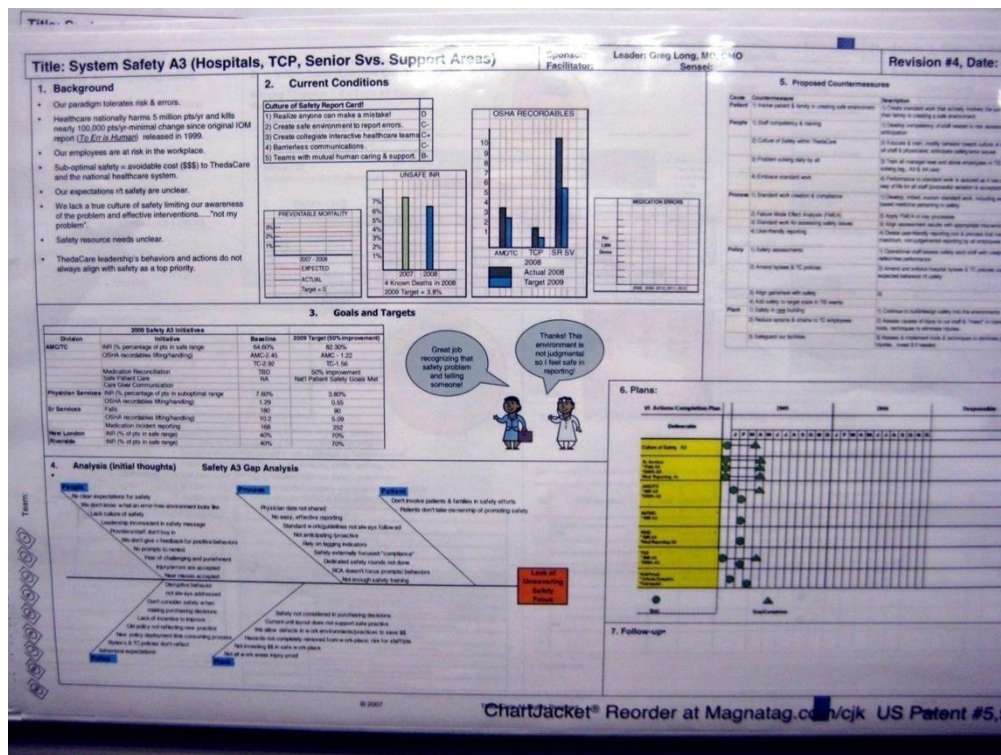
Strategy A3

Focus:		Strategy A3		Dept:	
Performance, gaps, and targets		This year's action plan (milestone chart)			
Reflection on last year's activities and results					
Rationale for this year's activities					
Signatures:		Author: Version and date:			

Initial Strategy A3 Work



- Expect 20 to 50% improvement in these breakthrough A3s



True North Can Evolve

Safety

- System Patient Safety Bundle
- D.A.R.T

&

Quality

- Preventable Mortality
- 30 Day Readmission

SAFETY/QUALITY

Preventable Mortality
Medication Errors

Customer

"Lori"



DELIVERY

Results Turn Around Time
Same Day Access (24/7/365)
Quality of Time
THEDA CARE

- Customer Loyalty Score

COST

Operating Margin

PRODUCTIVITY

Deflated Gross Revenue / FTE
THEDA CARE

PEOPLE

OSHA Recordable Injuries
Turnover
HAT Scores

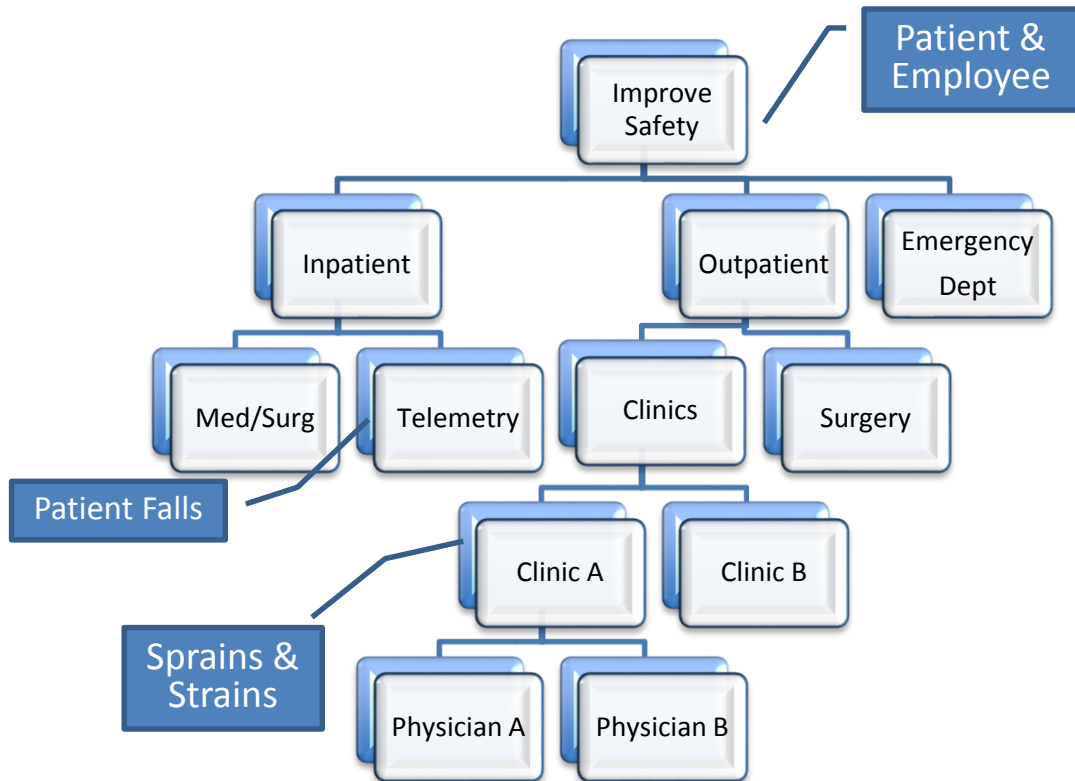
People

- Engagement Index
- Health Assessment Score

Financial Stewardship

- Operating Margin
- Productivity

Align Measures Throughout the Organization



Tiered Metrics (3 Levels)

Office



Clinic



Primary Care Group (26 clinics)

Source: Group Health Cooperative

Daily Management Boards



Lessons Learned

- KPI = KEY Performance Indicator
 - Tracking more metrics isn't always better
- Don't copy: gain consensus on the metrics
- Focus on metrics that are best indicators of progress & gap closure
- Is it worth arguing too much over exact goals?
- Get alignment, not everybody measuring the exact same thing

Strategy Deployment as a Series of Hypotheses

Hypothesis #3:

If we actually execute and complete these top X initiatives, projects, events, and A3s, then we will make the greatest strides toward closing the key performance gaps (from Hypothesis #2) and therefore we'll be more successful in our strategy.

Prioritization is a Must

- What are the "must do, can't fail" initiatives for our organization?

A Generalization...

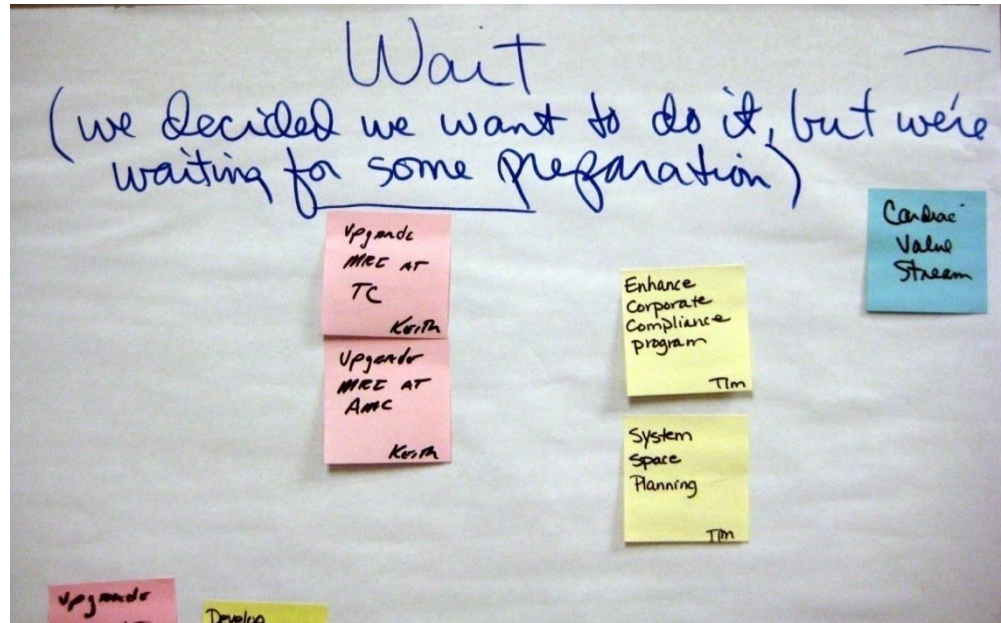


Photo: Dr. John Toussaint

- Most organizations have too many:
 - "High priority" or
 - "Top priority" initiatives / projects
- Does any initiative get rejected or postponed?
- How many of our top priority projects are getting completed??

"Deselecting"

- Don't implement every idea at once (Focus)
- Deselect if it doesn't meet immediate value stream project criteria



Project A3

Title: What you are talking about?		Owner/Date				
I. Background Why are you talking about it? ↓		V. Proposed Countermeasures What is your proposal to reach the future state, the target condition? How will your recommended countermeasures affect the root cause to achieve the target? ↓				
II. Current Conditions Where do things stand today? - Show visually using charts, graphs, drawings, maps, etc. What is the problem? ↓		VI. Plan What activities will be required for implementation and who will be responsible for what and when? What are the indicators of performance or progress? - Incorporate a Gantt chart or similar diagram that shows actions/outcomes, timeline, and responsibilities. May include details on specific means of implementation. ↓				
III. Goals/Targets What specific outcomes are required? ↓		VII. Followup What issues can be anticipated? - Ensure ongoing PDCA. - Capture and share learning.				
IV. Analysis What is the root cause(s) of the problem? - Choose the simplest problem-analysis tool that clearly shows the cause-and-effect relationship.						

BABY A3s

**BABY A3
#1**

**BABY A3
#2**

**BABY A3
#3**

**BABY A3
#4**

**BABY A3
#5**

**BABY A3
#6**

**BABY A3
#7**

**BABY A3
#8**

**BABY A3
#9**

**BABY A3
#10**

**BABY A3
#11**

**BABY A3
#12**

**BABY A3
#13**

**BABY A3
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#16**

**BABY A3
#17**

**BABY A3
#18**

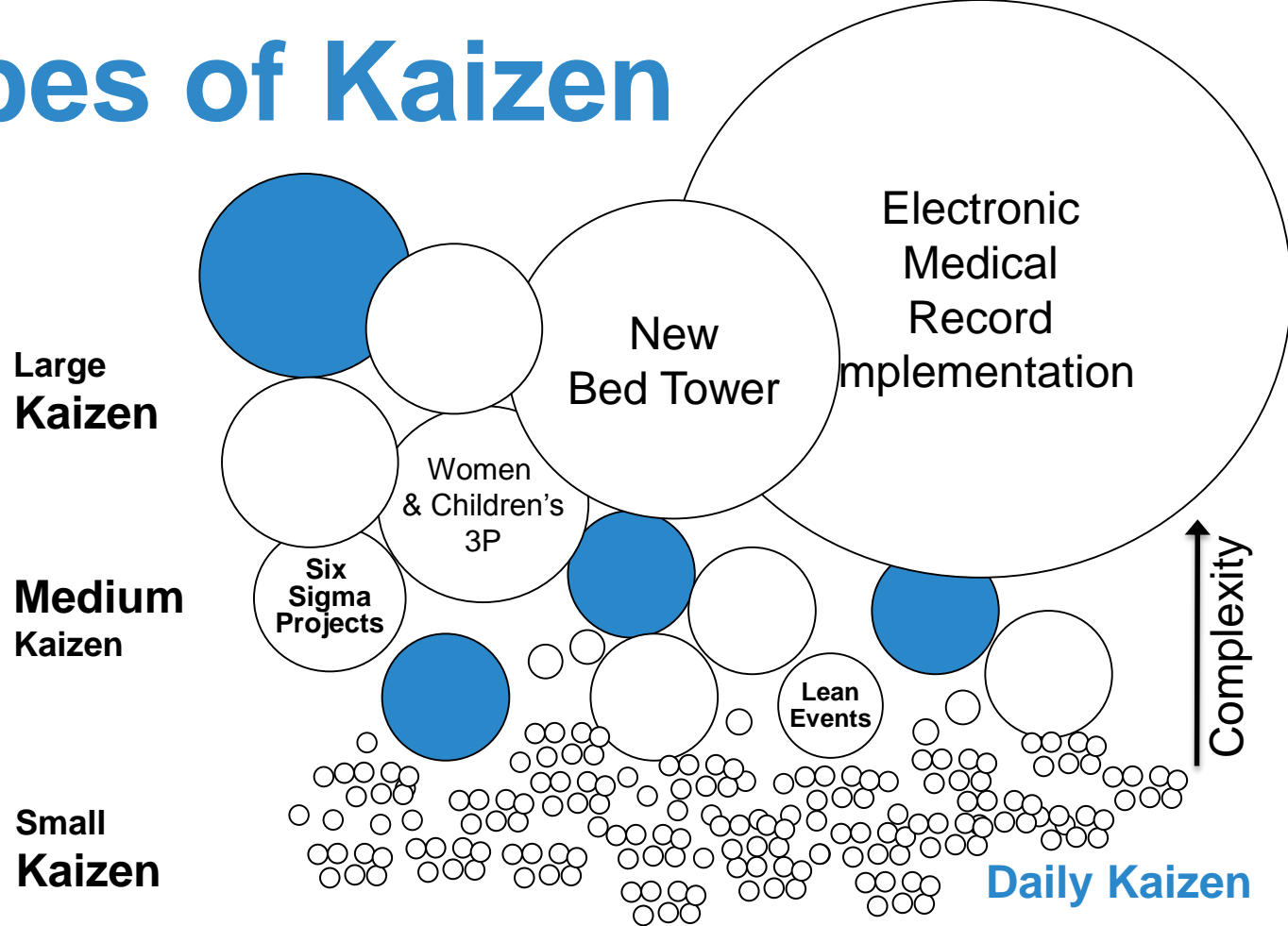
**BABY A3
#19**

**a.k.a
"TACTICAL A3"
#20**

Nursing Unit Board



3 Types of Kaizen



Lessons Learned

- Don't take on too much
- Gaining consensus on this takes a lot of time, too
- Maybe err on the side of "too few" key initiatives?
- Stop jumping to solutions!
- Don't let "alignment" stifle Kaizen

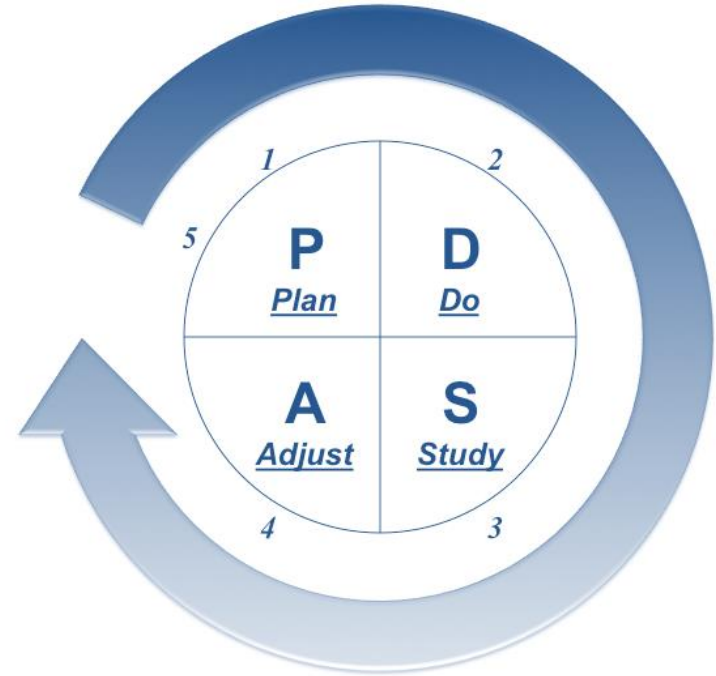
Strategy Deployment as a Series of Hypotheses

Hypothesis #4:

We actually have the organizational capacity to complete these X top priorities in a year or a given timeframe (and with the right quality).

PDSA Review Cycles

- Using PDSA cycles to:
 - Check progress on:
 - Activity
 - Results
 - Lessons learned



Mid-Year Review

- Old management approach:
 - Get the results, no matter what!
 - Get the results, or else!
 - I don't care what you did, I'm happy you got the results

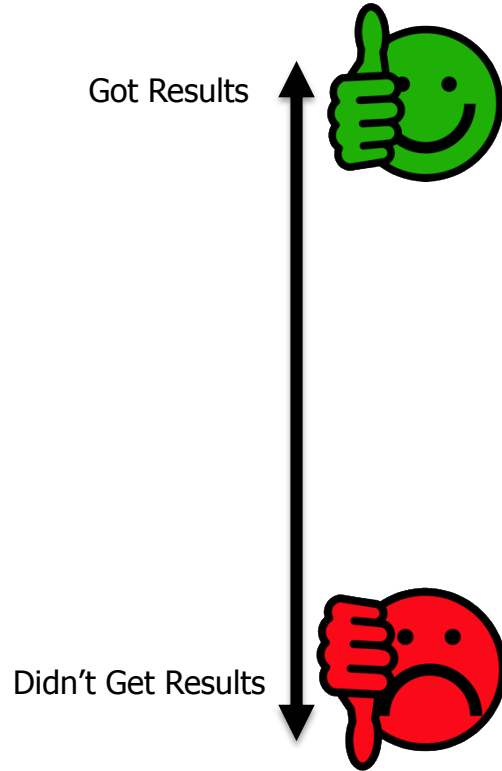
Mid-Year Review

- Lean / S.D. / A3 / PDSA Approach:
 - If "**Red**" (not meeting target), ask:
 - Did we do what we said we'd do, but didn't get results?
 - Do we understand why?
 - What did we learn?
 - Did we NOT do what we said we'd do?
 - Do we understand why?
 - What did we learn?

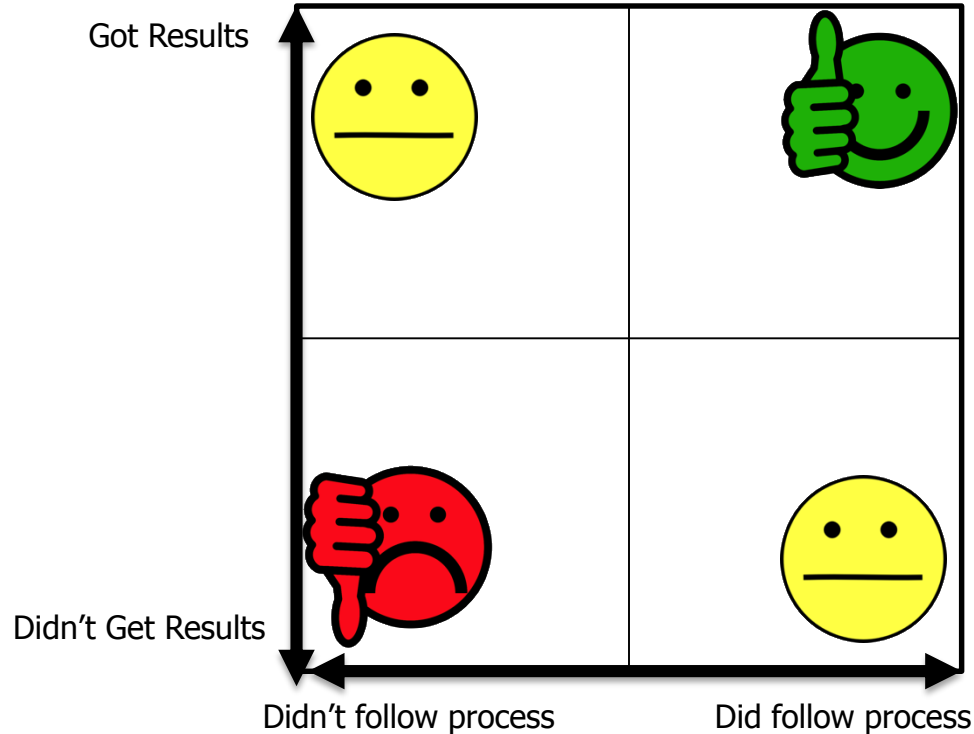
Mid-Year Review

- Lean / S.D. / A3 / PDSA Approach:
 - If "**Green**" (meeting target), ask:
 - Did we do what we said we'd do, and got results?
 - What did we learn?
 - Did we NOT do what we said we'd do, but still got results?
 - Do we understand why?
 - What did we learn?

Traditional Approach



Lean Approach

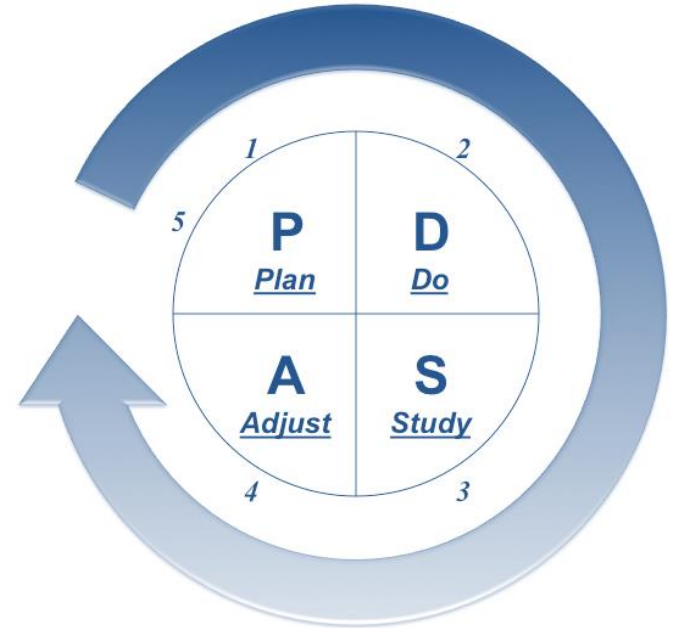


Lessons Learned

- Don't be confused by a single data point versus a sustained trend in results
- Don't wait until the end of the year to say, "Oops..."
- PDSA – Study capacity and progress
 - Adjust as needed
- If there's a new "top priority" initiative, what are you going to deselect?

Our 4 Hypotheses

1. We have the right
True North & categories
2. We've chosen the
right metrics & gaps
3. We've chosen the
right initiatives
4. We have the right capacity
to execute them





Kaizen Board

A3s

Huddles

S.D.Wall

KPIs

Rapid Improvement Events



Management System
Philosophy
Culture
Thinking
Mindsets

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