SESSION 107: HOW TO USE LEAN PRINCIPLES TO DRIVE ORGANIZATIONAL EXCELLENCE

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LBB

Welcome & Introductions
Lean Snowflake Exercise

What did we learn?

One way Communication does not produce standard results

Achieve better results when we can ask questions

People “hear” directions differently so ensure you use multiple education tools
Why talk about LEAN?

ACTUAL Examples
LEAN Project Benefits to Date

- Reduced payroll errors by 97%
- Reduction on Budget Cycle 25%
- Profit to Budget 136%
- Decrease missed visits by 33%
  - Revenue Impact $184K first year
- Decrease Unfilled Shifts by 61%
  - Revenue Impact $240K first year
- Coordination Hours Saved
  - $45K in FTE hours
- Other cost Reductions
  - $1M (travel, systems, storage etc)
- Automated Travel
  - $1.2M in savings

LEAN

- Lean is a structured way of continuously exposing and solving problems to Eliminate Waste in Systems that deliver Value to your Customers (Patients\Clients\Residents)

NO VALUE ADD = WASTE
Lean in Health Care

• Lean thinking begins with driving out waste so that all work adds value and serves the customer's needs
• Identify value-added and non-value-added steps in every process as the first step of the journey toward lean operations
• Waste of money, time, supplies, good will = decreased value to the customer/client

Lean Philosophy

• Eliminate of Waste
  – Based on the Toyota Production System
• Philosophy
  – Produce only what is needed, when it is needed
• Methodology
  – What is value add in the process
• Tools
  – Kaizen, 5S, Standardization, 5 Whys ....
Lean

Common Reasons for waste

- Too long setup time
- Lack of training
- Inefficient Layout
- Maintenance
- Poor work methods
- Poor process
- No Performance measures
- Ineffective planning
- Disorganization
- Poor supply reliability
- Under using talent
Benefits of Process Improvement

• Increased customer satisfaction
• Efficiency in process
• Increase in net operating income
• Reduced Waste
• Reduced time to complete tasks
• Reduced errors in processes
• Engaged employees

Risks of Not Changing

1. Resident Risk
2. Financial Risk
3. Reputational
4. Regulatory
Projects and Lean Succeed or Fail Depending on Leaders

- PM and Lean go hand in hand
- Promotes project sustainability
- Builds capacity for problem solving
- Develops Leaders
- Develop people and capability for sustained lean performance and growth
- Lean is a culture not just a set of tools

Lean and Leadership

- How we think
- How we act
- What we do
- What we get
## Many Lean Tools

<table>
<thead>
<tr>
<th>Lean Tool</th>
<th>What is It?</th>
<th>How does it help?</th>
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<tbody>
<tr>
<td>Hoshin Kanri</td>
<td>Align the goals of the company (Strategy), with the plans of middle management (Tactics) and the work performed on the plant floor (Action).</td>
<td>Ensures that progress towards strategic goals is consistent and thorough – eliminating the waste that comes from poor communication.</td>
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| 5S                              | Organize the Work Area:  
  - Sort - eliminate what’s not needed  
  - Set In Order - organize remaining items  
  - Shine - clean and inspect work area  
  - Standardize - write standards for above  
  - Sustain - regularly apply the standards | Eliminates waste that results from a poorly organized work area.                    |
| Gemba - The Real Work Place     | A philosophy that reminds us to get out of our offices and spend time on the floor – the place where real action occurs. | Promotes a deep and thorough understanding of real-world issues by first-hand observation and by talking with floor employees. |
| Root Cause Analysis or the 5 WHY’s | A problem solving methodology that focuses on resolving the underlying problem instead of applying quick fixes that only treat immediate symptoms of the problem. A common approach is to ask why five times – each time moving a step closer to discovering the true underlying problem. | Helps to ensure that a problem is truly eliminated by applying corrective action to the “root cause” of the problem. |
| Standardized Work               | Documented procedures that capture best practices including the time to complete each task. Must be “living” documentation that is easy to change. | Eliminates waste by consistently applying best practices. Forms a baseline for future improvement activities. |
Exercise - 5 WHYs Lincoln Memorial Puzzle

Lincoln Memorial Eroding

1. Why deteriorating
   - Washed often with harsh chemicals
2. Why washed so often
   - Due to bird droppings
3. Why so many Bird Droppings
   - Birds attracted by spiders
4. Why so many Spiders
   - Spiders attracted to insects coming at dusk
5. Why so many Insects
   - Lights attract them

Maintenance had the answer
Change how the monument is illuminated in the evening to prevent attraction of swarming insects
• Problem solved.....or was it?
Value Stream mapping

- Validate and map the current state process
- Value add = customer would pay
- Non-value add = Necessary for operations or unnecessary waste
- Design the Future Desired State

Eliminate the Unnecessary

Kaizen Events
The Voice of Customer

Voice of the Customers

- Residents and Clients
  - Their home
  - Technology Adverse
  - Keep it simple and safe
  - Concerned about acuity of others
  - More Acute
  - Visitor Access
  - Family Access
Visual Management - Leading with what you can see

- Visual management techniques:
  - Expose waste
  - Increase visibility and use of standards
  - Enhance efficiency through an organization
- Visual management organizations:
  - Improve quality through error prevention, detection, and resolution
  - Increase efficiency
  - Improve safety
  - Reduce costs

“Perfection is achieved, not when there is nothing more to add, but when there is nothing left to take away.”

- Antoine de Saint Exupery
Ok I get LEAN, now
How do I Choose a Project?

Einstein said – “If I had one hour to save the world I would spend fifty-five minutes defining the problem and only five minutes finding the solution.”

- Develop a “Problem Statement” using facts
- Confirm with data that the process is causing problems and where
- Define the impact
- Develop a clear goal statement
- Define Current state
- Define your customer and their requirements
- Measures of Success

Priority to projects that have the highest impact on customer satisfaction, Quality and financial targets
Project Roll Outs

Charter and Scope

- The focus should always be on efficient, standardized processes that have a positive impact on employee engagement and quality client care
- Technology is a tool but it is a means to an end
- Always link back to the problem you are trying to solve and the project charter
- Use LEAN project management tools to streamline...don’t complicate the processes
- Timelines will shift so be realistic
Example : MobilityPlus Project

4000 Blackberries (BB10s) to PSWs/HSWs/HCAs
27 Branches across Canada
600 Tablets to Nurses and Therapists

Scheduling and Time verification Platform in real time

Goals
• to increase communication
• to reduce missed visits
• to add enhancements to assist the front line
• Automate
• Paperless Chart

Training Plan

• Do not underestimate the training needs
• Implementation Training
• Ongoing Training support
• Training developed for the audience
• Follow Up, Follow Up, Follow Up
• Provide Support at all Levels
• Power Users Model
• Sustainability Plan
Adult Education Principles

• Adults are:
  – internally motivated and self-directed
  – bring life experiences and knowledge to learning experiences
  – goal oriented
  – relevancy oriented
  – practical
  – Looking to be respected

Create user friendly training

• Show me how
• Tell me how
• Let me try
• Answer my questions

• Easy RELEVANT Job Aids
Change Management

- Chaos following change should be expected...and planned for

Objectives
- Minimize time in the Valley of Despair
- Minimize depth of performance drop
- Avoid ‘knee-jerk’ reactions to the Valley of Despair
Change Management Techniques

- Address the human side
- Start at the top
- Involve every level
- State your case
- Create ownership
- Communicate
- Address the culture
- Be nimble

Technology

The technology learning curve

<table>
<thead>
<tr>
<th>New User</th>
<th>3mths</th>
<th>9mths</th>
<th>1yr</th>
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INTERACTIVE WORK SHOP

PROBLEM VIDEO

I Love Lucy Chocolate Scene
Problem Statement

What tools can we use?
Discussion

• What did we learn
• Best practices
• Take-aways
From Project to Stats Quo

- Project Planning → Communication → Training
- Cut Over → Formal Transfer to Branch
- Branch Ownership → Sustain Improvement

Support/Monitor/Audit Week Post Cut Over

From Project to Daily Operations

- Expectation that it is mandatory that the people who have the ownership for the daily operations are at the training sessions
- Leadership NOT Project team ensures attendance, compliance and sign off of identified key deliverables during planning and implementation
- Conversion plans to formally transfer the ownership of the process to the Branches Operations and not the project team
- Formal sign off document (SLA) from Project to Daily Operations
- Formal Support and audit to ensure “stickiness” for a minimum of a week prior to cut-over
CASE EXAMPLES

Example - My LEAN Projects

Lean Events
- Payroll Kaizen
- Billing Kaizen
- Recruitment Kaizen
- Coordination Task Force
- ED Role of the Future
- Director of Care Role Review
- Resident and Building Safety and Security
- Capital Expenditure Process
- Annual Budget Cycle
Billing Kaizen - Goal

• to utilize LEAN principles to identify the root cause of the billing errors and to determine the actions that are required to help ensure a more effective and efficient process for all stakeholders
• Success will be measured by a significant reduction in PDE (Pre Download Errors), decrease in preventable lost revenue and decrease in bad debt

Billing Kaizen – Problem Statement

• Problem Statement
  – High number of errors generated within the Billing cycle
  – Lost revenue, rework, time waste and funder dissatisfaction
  – Over $288K in write offs in 2013
  – Est. $600K in lost labour hours correcting preventable errors
  – $1.9M impact to lost revenue/bad debt
  – Errors touch 38,902 shifts and total $3.3M in risk to RHH
Billing Kaizen

• Outcomes
  – Decrease in PreDownload Errors of 68%
  – Reduction of Billing Codes 87%
  – Reduction in preventable errors 67%
  – Reduction in lost revenue of $3.2M
  – Increase in top line revenue $13M

Payroll Kaizen

• Problem Statement
  – Staff dissatisfaction, PDEs over 1900 per cycle, preventable errors, delays in pay

• Goal
  – Reduce errors, reduce waste and increase efficiency

• Outcome
  – 97% decrease in preventable PDEs
  – Increase in employee engagement 12%
  – Reduction in turnover 18%
Benefits of HPG – Time saving

• Before - 1000 accepted offers at 21.5 mins equals 360 hours to complete
• After - 15 mins for each referral equals 250 hours to complete the same referrals
• The savings are approximately 110 hours!!

Working Toward Standardization
“Most people, upon reaching the top, look down and enjoy the view.

The smart money is on looking up and finding new mountains to climb.”

Jeb Dickerson