

# Accountable Care NEWS

## Transformation House

By John Toussaint, MD

**H**ealthcare's processes for treating people are fundamentally broken. Decades of rising costs, alarming medical errors, and poor quality prove this. The often heroic actions of well-meaning caregivers can no longer work around the broken processes of our healthcare system. We need to fix these disjointed processes for delivering care.

Across the country and world, healthcare organizations have begun to learn and apply continuous improvement techniques. Lean healthcare has become a movement. More and more healthcare leaders are using these principles to drive cultural transformation and continuous improvement.

But as more systems put these basics in place, we face the next question: How do we sustain these improvements? The answer is with a fresh look at our overall management system through lean healthcare. Lean healthcare is not an improvement program. It is an operating system within a management system requiring a complete cultural transformation. Let's take a look at the elements and steps that help get us there.

### **Self-assess Your Leadership Team.**

Many organizations believe they can skip this step, but it's crucial to stop and carefully inspect the vehicle to make sure it is ready for the journey. The drive toward operational excellence will place great stress on your senior team. Remember, you're asking executives to make fundamental changes in the way they lead. Ask HR and organizational development to help gather objective data, facilitate 360-degree reviews, and counsel senior leaders on their results. Once you know your team's strengths and weaknesses, you will have a better understanding and be able to prepare your team to work together.

### **Create a Model Cell.**

Like a pilot program or prototype, a model cell is where you begin to actually design experiments to test some radical improvements in one of your areas. The model cell should be a teaching tool as much as it is an experiment in transforming into value-creating processes. There is no greater power than hands-on learning to hardwire principles and behaviors, such as scientific thinking and team-based problem solving, throughout the system.

Teams must learn to use lean tools like A3s -- a single sheet of A3 paper designed to lead people through the scientific method of studying an issue -- to address real problems that need immediate attention. At the same time, organizational development should be preparing the staff in the model-cell to work together as a problem solving team. They need to infuse new skills in the management team like how to build and follow standard work, create visual management and coach their direct reports.

### **State Your Values and Principles.**

Lean principles are practiced while teams build the model cell. They should serve as a clear reference point for all improvement work and guide behavioral expectations. The principles are developed using the Shingo model.

- Respect every individual
- Lead with humility
- Seek perfection
- Ensure quality at the source
- Employ scientific thinking
- Focus on process
- Think systemically
- Create constancy of purpose

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Each of these should be demonstrated in the model cell and taught in every new training course.

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**Build a Central Improvement Team.**

This is not just an incredibly useful group of facilitators who will teach and lead your lean improvements. This is the future of your organization. Assign your brightest stars to this team at the very beginning. The make-up of the team demonstrates to the rest of your organization how highly you value the improvement program and makes it clear that one day soon, the CEO will be a former central improvement team member. You'll foster a new kind of manager and new leadership style largely through this team.

**Develop a Daily Management System.**

This is so crucial to the health of an improvement initiative that some organizations begin their lean journeys here. Elements of a daily management system can and should be launched with the model cell so they become habitual. Senior leaders need to absorb A3 thinking, become valuable at gemba -- the process of going to the place where value is created, literally "workplace" in Japanese -- use visual management, create meaningful True North metrics based on identifying the organization's highest-level objectives, and focus on critical projects with strategy development. Supervisors and managers also must learn how to be useful at gemba, use visual management, and support True North metrics.

Leadership must also collaborate with members of support services such as HR, finance and business intelligence in monthly scorecard meetings. They audit standard work, coach frontline clinical leaders, and identify and address problems. Most importantly, they learn to teach and mentor their clinical leads -- nurturing tomorrow's leaders. All of these documents, metrics, meetings, and leadership traits roll up to create your daily management system.

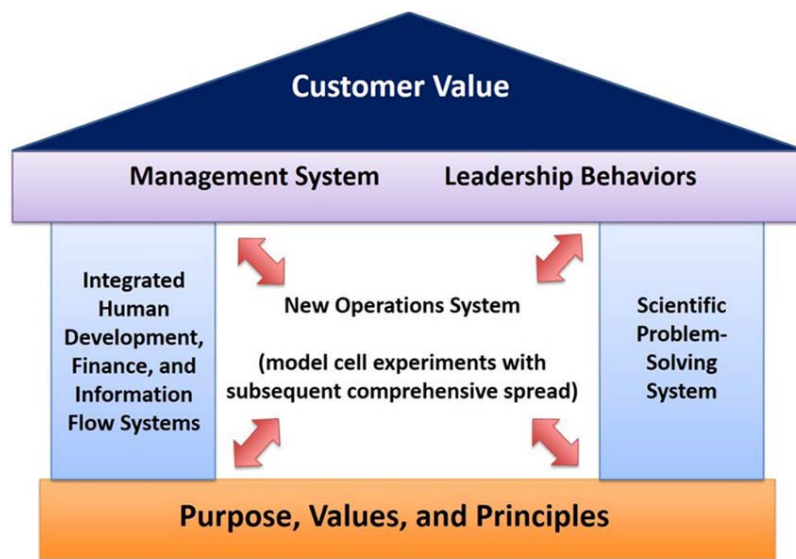
**Spread the Work.**

Once you have a working model cell, it's time to start spreading the improvement across your system, cell by cell or department by department. The transformation to lean is not a copy-and-paste operation, though. It is more of a copy- and-improve operation because every iteration of the model cell should bear the fingerprints of the people who work in the new cell. They in turn, should offer up improvement ideas on the original to share with the rest of the organization. Organizations that try the copy-and-paste approach risk strangling any sense of innovation and have a harder time implementing the ideas of the model cell.

To do this right, the model cell must have a robust process, well documented with standard work for each actor. Every department should be thinking how it fits into and supports the model cell or what slight customizations might need to occur for their particular areas. The changes are big, challenging and widespread, but entirely worthwhile. HR needs to be proactively redefining job roles involved in the improvement projects.

**Transformation House.**

So, how do you juggle, monitor and advance all the various elements of a lean management system? It helps to make it visual. In the book *Management on the Mend* we use a helpful graphic called the "Transformation House



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It helps leaders group the management system elements by their functions and how they interact with and support other key aspects. The foundation of lean cultural transformation, for example, is its underlying Purpose, Values, and Principles. These create the strong, stable base from which to build upon and develop your approach.

The pillars of the house rely on important ancillary systems like Integrated Human Development, Finance, Information Flow Systems, and a Scientific Problem-Solving System. Each of these must individually be anchored in your purpose, values and principles, and support your organizations' overall management system. If any one of them is weak, it puts the whole transformation structure at risk.

The rafters of the house are your Management System and Leadership Behaviors. These interact most directly with customer value and also act as the shelter for more foundational pieces. Humble leadership helps foster and protect work done on the pillars -- your transformation's important infrastructure systems.

At the center is the heart and soul of the house -- your New Operations System -- which works directly with the foundation, pillars, and rafters. Current model cell experiments help spread all four aspects of the house and put them into action.

And finally, the roof. All other elements are focused on holding up the roof so you can create Customer Value. Like the roof of any house, this focus needs to be maintained to prevent "leaks" in value.

**Don't Be Left Behind.**

Organizations across the globe are seeing the value in lean transformation and in creating a culture of care centered on the patient's well-being. A robust and thoughtful lean management system, following the Transformation House elements, will help you achieve sustainable change. The path is there. All you need to do is choose to make the transformation.

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