

## The Journey Ahead

*A journey of a thousand miles begins  
with a single step.*

—Lao Tzu

In this book, I have laid out the details of my journey to understand lean and how it applies to a healthcare strategic management system. I made that first step after my performance review with John Toussaint. You took your first step when you picked up this book. Let's see how far you have come in only a few chapters.

In the first section, I laid out a framework to increase velocity and success in strategic planning, execution, and alignment. This framework synthesizes and simplifies the concepts of current thought leaders on strategic planning.

Specifically, in chapter 1, I explained that my old way of thinking about strategic planning was based on a command-and-control mental model. My personal awakening started when I realized that my role was not to be a strategic planning hero, diagnosing and solving the organization's issues; rather, my role was to build the capability in the organization to practice strategic thinking. This capability requires a

system with tools for formulating, executing, and monitoring strategy. The foundation for this system is plan-do-study-adjust thinking. PDSA thinking is the common language that unites senior leaders and clinicians in patient-centered value creation. When we work together using PDSA thinking, we stop arguing about who is right because we may all be right. We run experiments to test hypotheses and let the patients decide what is right for them.

Chapter 2 focused on putting strategy back into strategy deployment. I argued for the need to achieve differentiation through process redesign rather than asset acquisition. I then explained that achieving your ideal state requires senior leaders to make choices of strategic initiatives that will produce unique, differentiating value while reserving capacity for other big-rock projects that must be done to stay in business. And I delineated how PDSA can help with such problems using specific examples from my own experiences and those of several healthcare organizations.

The next section provides a process for applying the framework of strategic planning, execution, and alignment through a repeatable method. Woven throughout these chapters were examples of early successes with this framework.

In chapter 3, I urged you to realize the complexity of the situation that you are in—the mess—before you design your business model. In such a world, CEOs and senior leaders must work together to create a shared understanding of their reality, a vision of what great looks like, and a plan to obtain such a state. I then outlined a number of strategic management tools that can enable this shared understanding and illustrated with examples. I discussed how you can capture the essentials of your transactional environment and explore the context

of your industry, and I delineated a number of ways for you to analyze the forces that impact your organization so you and your leadership can achieve a shared vision of an ideal state. Most important, start from need; deeply understand your customers' pain points so you can discover ways to provide unique, relevant value to them. These insights are most often captured by frontline caregivers.

Framing the strategic issue was the topic for chapter 4. The lean strategic management system is built on PDSA and is derived by framing your organization's strategic issue—the compelling problem or opportunity you face. I propose a process to begin this inquiry that includes determining your current state, your ideal state, and your target state and the gap between them. Such discussions lead inevitably to the question of when innovation is required—what Ted Toussaint defined as an environment where “people use new knowledge and understanding to experiment with new possibilities in order to implement new concepts that create new value.”

Chapter 5 emphasized the need to make strategic choices, aided by specific tools. Each choice that you make is a hypothesis, based on assumptions you are making about your own capabilities and the behaviors of others. I've learned that Matthew May's adaptation of Lafley and Martin's Playing to Win approach helps teams generate meaningful, well-defined, hypothetical, strategic options for the problem or opportunity you are trying to solve.

The next chapter's theme was strategy deployment through rapid experimentation. In chapter 6, I asked you the question: What must be true—regarding your customers, your competitors, and your ability to execute your strategy? I defined strategy deployment as the process of rapid experimentation to prove whether your

hypothesis is true or false. This is done through a succession of lean learning loops to build out a solution by testing critical, unknown assumptions in a disciplined, methodical manner. I illustrated this process using examples from ThedaCare and Atrius Health, among other organizations.

In chapter 7, I described the power of catch-ball, both its technical and human sides. Catch-ball is a continuous, ongoing process of identifying priorities, making decisions, discussing implications, and reallocating resources. On the technical side, I introduced the X-matrix as a method of enabling dialogue between people and as a way to implement strategic intent. On the human dimension, I discussed the need for respect, dialogue, and the ability to negotiate throughout all levels of an organization. I presented a model of how to engage in critical conversations and drew on lessons from my son Jesse who is a Marine. Finally, I described a template to practice and improve catch-ball.

In chapter 8, I discussed the visual management systems and senior leadership processes with which the senior leadership team studies the work-in-process and keeps emerging ideas from leaping into top-priority status without being vetted through an evaluation system. This cements the strategic management system as an iterative process of adaptive learning, a shared leadership competency.

In chapter 9, I briefly reviewed the entirety of the lean management system and how the strategic management system fits as a subsystem into lean management. I explained the underlying principles of lean management and the behaviors that must logically emanate from those principles. I used the specific example of how a new cardiac surgeon at ThedaCare tested the strategic management system and how that

system led to senior management making important decisions that improved the patient and caregiver experiences.

So what are your next steps? I had to start with questioning my own mental models and behaviors. I had to explore what it was like to leave my office behind and go to where people were creating value for patients, and I had to figure out what my role in that was. I had to appreciate the role of shared visual management systems and leader standard work so that I had a basis upon which to improve my ability to create value for patients and for the organization. I had to learn how to develop the capability in my direct reports to solve complex issues, rather than solving them for them. I had to acquire new skills in design thinking and innovation, beginning with the process in which frontline caregivers could uncover deep customer insights. I had to devote myself to getting better at PDSA thinking and how to coach others.

There are many challenges to changing mental models and the strategic planning systems that result from them:

- The complexity of the situation. Senior executives feel the enormous effects of a transforming industry and feel less and less in control over the situation.
- It's very hard to align the key participants in any complex organization around a common brand promise. As my friend and leading brand consultant Karl Speak says, everyone in the organization is asking themselves this question: "If I help the organization become more of what it wants to be, do I get to become more of who I want to be?" The very nature of healthcare organizations as professional bureaucracies makes it even harder.

- Making choices can offend some key stakeholders. No one wants to be viewed as secondary; everyone wants to see himself or herself front and center in the strategic plan. Unfortunately, this can lead back to creating broad categorical labels of activity that can leave room for any project that professionals believe is important, resulting in overburden and lack of focus.
- Your existing financial mechanisms are not designed to support rapid experimentation and lean learning loops. The budget mentality reinforces the mental model of predict and predetermine. Innovation and rapid experimentation require a new way to think about measuring progress.

Despite these obstacles, there are best practices for proceeding. I recommend starting this strategic management system with one aspect of your business where you know you have a key strategic issue that must be solved. It could be a service line where you have a significant problem or opportunity. It could be a channel strategy such as developing a new customer-based primary care proposition or determining your position in the insurance market. Choose a model cell, and apply this strategic management system to gain knowledge and confidence. Remember that the model cell is an inch wide and mile deep. It should result in radical process redesign to achieve breakthrough performance.

TheaCare started with two model cells: patients suffering from breast cancer and the most chronically frail of TheaCare Physicians' patients in two of their 23 sites. North Memorial started experimenting with a new value proposition for a target audience in one of its many clinics. The Ashland and Hayward hospitals began experiments to

move from transactional to deeper long-term customer relationships in model cells. Catalysis launched with a minimum viable product and built out its transformation approach using senior executives in a handful of dedicated organizations. This strategic management system is scalable to larger organizations. Lafley and Martin proved that with Procter & Gamble. The lesson to learn: start an inch wide and a mile deep.

As you begin to model the principles and behaviors of this new strategic management system and foster innovation through rapid learning cycles, you need to protect your model cells from the inevitable reaction of stakeholders from the existing business model who want to kill off the innovation effort. Their behavior is not intentional, but it is inevitable. The more disruptive the innovation is to the existing business model, the greater the risk is to these stakeholders. We frequently experienced this reaction when our ThedaCare at Work employer solutions group would develop new value propositions that would threaten the business model of ThedaCare Physicians. The first reaction of ThedaCare Physicians was usually to restrict the spread of the innovation. This reaction is normal. You must facilitate catch-ball alignment discussions to counter it. If you leave transformation to chance, your innovation efforts will be stifled.

That's a lot of information to absorb and a lot of work to undertake. The complexity of the industry, the unique nature of healthcare organizations, and the change management challenge of rallying autonomous professionals around a common brand promise may seem daunting. But if I have learned anything from lean thinking, it is that removing waste from the process creates the space and time to address the unique, difficult work that requires your best effort. While the issues are complex and difficult, the system of strategic

management does not have to be. When you put the strategic options on the table and use visual management and standard work to process those ideas in a way that you can learn rapidly, your patients and everyone in the organization wins.

My hope is that now that you have finished the book, you will have learned the full value of lean thinking in strategic planning and can use it to transform your organizations to the highest level of performance possible to best serve your patients. In short, you are on your way to creating a patient-centered strategy.

I am still partway on my journey. I'm excited to continue this journey because it leads to better healthcare for my family, my friends, and my community, which is why I initially chose to work in this field. I have learned much over the years, and I invite you to join me on this quest. There is much I need to learn from you. This will have enormous benefits for you and for everyone in your organization who seeks the joyful experience that Dr. Kevin Croston suggested was the true goal of medicine.