

The Executive Guide to Healthcare Kaizen

Leadership for a Continuously Learning
and Improving Organization



Mark Graban and Joseph E. Swartz

Introduction by
Gary M. Kaplan, MD, Chairman and CEO,
Virginia Mason Medical Center, Seattle

 CRC Press
Taylor & Francis Group
A PRODUCTIVITY PRESS BOOK

Available in August 2013:

The Executive Guide to Healthcare Kaizen

A special edition of the Shingo Award winning book *Healthcare Kaizen*

To learn more,
visit <http://www.HCkaizen.com>

Available to pre-order through [Amazon](#) or [CRC Press](#)

(Printed book will be black and white...
will also be available as a color Kindle book)\

Contents

| | |
|---|--------|
| Foreword | xvii |
| Preface..... | xix |
| Acknowledgments from Mark Graban..... | xxv |
| Acknowledgments from Joe Swartz..... | xxvii |
| About this Book | xxix |
| Introduction..... | xxxii |
| About the Authors | xxxiii |
| | |
| 1 The Need for Kaizen..... | 1 |
| Quick Take..... | 1 |
| Kaizen = Change for the Better | 3 |
| Kaizen = Meaningful Improvements..... | 4 |
| Healthcare's Opportunity for Improvement..... | 5 |
| The IOM's Recommendations for Continuous Learning | 6 |
| Dr. Berwick's Early Call for Kaizen in Healthcare..... | 7 |
| The Impact of Kaizen at Franciscan St. Francis..... | 8 |
| It Is Not Always about Cost..... | 11 |
| The Business Case for Kaizen..... | 12 |
| Lower Staff Turnover Costs | 13 |
| Cost Reductions and Hard Savings | 14 |
| Higher Revenue and Patient Throughput | 14 |
| Cost Avoidance and Soft Savings..... | 15 |
| Improved Quality and Patient Safety..... | 15 |
| Improvements Have Interwoven Results..... | 16 |
| What Executives Need to Do | 17 |
| Creating a Management Operating System | 17 |
| Tying Kaizen to Strategy | 17 |
| Connecting Kaizen to the Mission | 18 |
| Conclusion..... | 19 |

| | |
|---|-----------|
| Discussion Questions..... | 20 |
| Endnotes..... | 20 |
| 2 What Is Kaizen? | 25 |
| Quick Take..... | 25 |
| Bubbles for Babies..... | 25 |
| Kaizen = Continuous Improvement | 26 |
| Kaizen Is Not Just Change, It Is Improvement | 27 |
| Kaizen Starts with Small Changes | 28 |
| A Small Kaizen with Great Meaning..... | 29 |
| Kaizen Involves the People Who Do the Work | 29 |
| Kaizen, PDSA, and the Scientific Method for Improvement..... | 30 |
| We Often Succeed as the Result of Failing More | 30 |
| “Failure” Should Result in Learning..... | 31 |
| Changing Back Can Be Better for Babies | 32 |
| Kaizen Is Not a Suggestion System—It Is an Improvement System | 32 |
| Common Dysfunctions of Suggestion Systems..... | 33 |
| Suggestion Boxes Are Rarely or Never Opened..... | 33 |
| Suggestion Box Systems Are Slow, with Poor Feedback | 34 |
| Too Many Suggestions Are Rejected or Ignored | 34 |
| Suggestion Systems Put the Burden on Managers..... | 34 |
| Winner Takes All Demoralizes the Rest | 35 |
| Suggestion Bonuses Cause More Trouble than They Are Worth..... | 35 |
| Kaizen and Lean | 36 |
| Kaizen: One of the Two Pillars of The Toyota Way and Lean | 36 |
| Respect for People = No Layoffs Due to Kaizen..... | 37 |
| Kaizen and Respect Are Intertwined | 37 |
| Kaizen Closes Gaps between Staff and Leaders..... | 38 |
| Kaizen Values Creativity before Capital..... | 38 |
| Kaizen Helps Avoid Expensive Mistakes..... | 39 |
| Kaizen Reignites Our Inherent Creativity..... | 40 |
| People Are the Ultimate Competitive Advantage | 41 |
| Conclusion..... | 42 |
| Discussion Questions..... | 42 |
| Endnotes..... | 42 |
| 3 Types of Kaizen | 45 |
| Quick Take..... | 45 |
| The Continuous Improvement of a Lifesaving Innovation | 45 |
| Kaizen Means Continuous Improvement or Just Projects? | 46 |
| Three Levels of Kaizen | 47 |
| Large Projects | 47 |
| Mid-Sized Projects..... | 48 |

| | |
|--|-----------|
| Smaller, Daily Improvements..... | 49 |
| Complementary Nature of the Levels of Kaizen | 49 |
| Three Types of Kaizen at Children’s Medical Center Dallas | 50 |
| Events Are Powerful, but Not Enough..... | 51 |
| Basic Structure and Format of an Improvement Event..... | 51 |
| Additional Challenges with Weeklong Events..... | 52 |
| Combining Different Types of Kaizen | 53 |
| Virginia Mason Medical Center | 53 |
| ThedaCare | 54 |
| Avera McKennan | 55 |
| Kaizen Leads to Innovation at Franciscan | 57 |
| Conclusion..... | 58 |
| Discussion Questions..... | 58 |
| Endnotes..... | 59 |
| 4 Creating a Kaizen Culture | 63 |
| Quick Take..... | 63 |
| Everyone Is Part of the Change Culture..... | 63 |
| The Real Goal—Cultural Transformation..... | 64 |
| Kaizen Grows Skills and Abilities | 65 |
| Barriers to Kaizen | 65 |
| Resistance to Change..... | 67 |
| Lack of Time—We’re Too Busy..... | 68 |
| What a Kaizen Culture Feels Like | 69 |
| Everyone Is Engaged..... | 69 |
| Drivers of Engagement | 70 |
| Everyone Is Relentlessly Searching for Opportunities to Improve..... | 71 |
| Patients and Families Are Happy..... | 72 |
| Staff and Physicians Are Engaged | 73 |
| The Workspace Is Clean, Orderly, and Safe | 74 |
| Everyone Works Together..... | 75 |
| Everything Gets Questioned..... | 75 |
| Small Successes Lead to Bigger Successes | 76 |
| Imai’s Three Stages of a Kaizen Culture..... | 77 |
| Conclusion..... | 77 |
| Discussion Questions..... | 78 |
| Endnotes..... | 78 |
| 5 Daily Kaizen Methods | 81 |
| Quick Take..... | 81 |
| Fresh Eyes Can See Waste That Hid before Your Eyes | 81 |
| The 5 Steps of Kaizen | 82 |
| Step 1: Find | 83 |
| Start Small..... | 85 |

| | |
|--|-----------|
| Step 2: Discuss..... | 85 |
| Say “Yes”..... | 85 |
| Coaches for Coaches..... | 86 |
| Step 3: Implement..... | 87 |
| Seven Days Grace | 87 |
| Step 4: Document..... | 88 |
| Quantifying Benefits When Possible | 88 |
| Step 5: Share..... | 89 |
| Sharing Kaizens: Kaizen Reports and the Kaizen Wall of Fame | 90 |
| Visual Idea Boards: Making the Entire Kaizen Visible..... | 91 |
| Idea Cards | 92 |
| Electronic Kaizen Systems: Making Kaizen More Broadly Visible..... | 93 |
| Advantages of an Electronic Online Database | 94 |
| Quick Entry and Categorization..... | 94 |
| Automatic Routing and Electronic Communication | 94 |
| Quick Search and Retrieval..... | 94 |
| Electronic Kaizen within Intermountain Healthcare | 95 |
| Electronic Kaizen at Vanderbilt | 95 |
| Conclusion..... | 97 |
| Discussion Questions..... | 97 |
| Endnotes..... | 97 |
| | |
| 6 The Role of Senior Leaders in Kaizen..... | 99 |
| Quick Take..... | 99 |
| The Reluctant CEO | 100 |
| Key Actions for Leaders at All Levels | 101 |
| Key Action 1: Believe in the Power of Kaizen | 101 |
| Key Action 2: Participate in Kaizen | 102 |
| Key Action 3: Just Ask..... | 103 |
| Ask, Don’t Tell | 105 |
| Key Action 4: Use Kaizen to Develop People..... | 106 |
| Key Action 5: Ensure Staff Members Are Recognized and Rewarded..... | 106 |
| Key Action 6: Share and Spread Ideas..... | 107 |
| Key Action 7: Sell the Benefits | 107 |
| The Specific Role of Senior Leaders..... | 108 |
| Leadership and Kaizen Participation Starts at the Top..... | 108 |
| Going to the Gemba..... | 108 |
| Key Actions for Senior Leaders | 109 |
| Key Action 1: Communicate Expectations, Prioritize, and Set Direction | 109 |
| Key Action 2: Ensure Adequate Resources Are Available..... | 110 |
| Key Action 3: Sponsor a Recognition and Incentives Program...111 | |

| | |
|--|------------|
| Key Action 4: Share Notable Kaizens | 111 |
| Key Action 5: Thank People Personally | 111 |
| Conclusion..... | 112 |
| Discussion Questions..... | 113 |
| Endnotes..... | 113 |
| 7 The Role of Other Leaders in Kaizen | 115 |
| Quick Take..... | 115 |
| From Cop to Coach..... | 115 |
| Kaizen Requires Leaders at All Levels..... | 116 |
| Role of Middle-Level Managers..... | 116 |
| Paula’s Baby Steps Lead the Way | 117 |
| The “Great Big Pile of Problems” | 117 |
| Key Actions for Middle-Level Managers..... | 118 |
| Key Action 1: Be the Departmental Owner and Develop Co-Owners or Coordinators..... | 118 |
| Key Action 2: Use Departmental Meetings | 119 |
| Key Action 3: Encourage Staff to Participate by Asking for Their Ideas | 120 |
| Key Action 4: Create a Departmental Recognition System | 120 |
| Key Action 5: Put a Tracking System in Place, if One Does Not Exist | 120 |
| Key Action 6: Tie to Performance Evaluations | 120 |
| Role of First-Level Managers..... | 122 |
| Key Actions for First-Level Managers | 122 |
| Key Action 1: Coach | 122 |
| Key Action 2: Empower Staff—Do Not Do the Kaizen for Them..... | 124 |
| Key Action 3: Use Rounding to Coach..... | 124 |
| Key Action 4: Help Set Expectations..... | 124 |
| Key Action 5: Review and Approve Kaizen Reports | 125 |
| Key Action 6: Help Document Benefits | 127 |
| Key Action 7: Make Kaizen Fun..... | 127 |
| Key Action 8: Recognize and Reward..... | 127 |
| Key Action 9: Share and Spread Ideas | 128 |
| Key Action 10: Be a Cheerleader | 129 |
| Leaders Drive Kaizen Success | 129 |
| Conclusion..... | 130 |
| Discussion Questions..... | 130 |
| Endnotes..... | 130 |
| 8 Organization-Wide Kaizen Programs..... | 133 |
| Quick Take..... | 133 |

| | |
|--|------------|
| From Helplessness to Empowerment..... | 133 |
| From One Department to the Whole Organization..... | 134 |
| Getting Started..... | 134 |
| Starting Small and Spreading Kaizen | 135 |
| When Will You See Results? | 136 |
| Tying Kaizen to the Organization's Strategy..... | 137 |
| The Kaizen Promotion Office | 138 |
| Staffing the KPO | 139 |
| Activities of the Kaizen Promotion Office..... | 140 |
| Activity 1: Facilitates the Practice of Kaizen | 140 |
| Activity 2: Reports Kaizen Metrics..... | 140 |
| Activity 3: Coordinates Rewards and Recognition | 141 |
| Activity 4: Facilitates Kaizen Sharing across the Organization | 142 |
| Activity 5: Develops Kaizen Standardized Work | 142 |
| Activity 6: Develops and Delivers Staff Education..... | 142 |
| Activity 7: Facilitates the Documentation and Tracking of Kaizens | 143 |
| Sustaining a Kaizen Program: Incentives and Rewards..... | 143 |
| Pros and Cons of Financial Incentives | 144 |
| Conclusion..... | 145 |
| Discussion Questions..... | 145 |
| Endnotes..... | 146 |
| 9 Conclusion..... | 147 |
| Small Methods Lead to a Meaningful Impact | 147 |
| Tools and Philosophies | 147 |
| Building the Culture | 148 |
| A Minute to Learn, a Lifetime to Master | 149 |
| Building upon Franciscan's Success | 149 |
| Your Next Steps | 150 |
| Building a Kaizen Community..... | 151 |
| Endnotes..... | 151 |