

The Executive Guide to Healthcare Kaizen

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

Pre-Publication Version – Chapter I

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About this Book

This book (*The Executive Guide to Healthcare Kaizen*) is a follow-up edition to our book *Healthcare Kaizen: Engaging Front-Line Staff in Sustainable Continuous Improvements*. This book, a derivative of that earlier work, is intended for senior leaders and other healthcare leaders who can initiate and sponsor a Kaizen program of staff engagement and continuous improvement for their organization.

Healthcare Kaizen is a longer book, with over 200 full-color illustrations, including 100 examples of real Kaizen improvements from different healthcare organizations. We, thankfully, received many positive reviews of the book, with the only real criticism being that the book was too complete or too heavy for an executive to carry onboard a flight.

This edition is intended to cover the “why” (why Kaizen?) and the “what” (what is Kaizen and a Kaizen culture?), while *Healthcare Kaizen* has more of the “how.” There is significant overlap between this book and *Healthcare Kaizen*, so there is a consistent approach taught by both books. We envision *The Executive Guide to Healthcare Kaizen* as a smaller, more affordable, book that covers the basics of Kaizen, while *Healthcare Kaizen* is the more encyclopedic guide for practitioners.

Each chapter in this book starts with a “quick take” list of key points from the chapter. At the end of each chapter are discussion questions that we hope you will use to prompt discussion with your leadership team. We invite you to interact with us via our website, <http://www.HCKaizen.com>.

While this book has two coauthors, Mark Graban and Joe Swartz, we have done our best to write in a single voice. Any work that we directly participated in is written about in the third person to avoid confusion about who was writing particular sections.

Franciscan St. Francis Health is a three-hospital system in Indianapolis. Throughout this book, we will often refer to individual hospitals in this system in an abbreviated form like “Franciscan.” That three-hospital system is part of the Franciscan Alliance, a 14-hospital system located throughout Indiana and northeastern Illinois. Where we focus on one of their other 11 hospitals, we will call them out uniquely, such as Franciscan St. Elizabeth Health.

Book Comparisons:

| | Healthcare Kaizen | Executive Guide |
|-----------------|--|---|
| Format | 8.5x11 paperback | ~6x9 paperback |
| Paper | Glossy | Plain |
| Color | Full-color | B&W |
| Figures | ~200 | ~15 |
| Kaizen Examples | 100 | 8 |
| Pages | 400 | 200 |
| Target Audience | All healthcare (trying to appeal to front-line and managers to a large extent) | C-level & Board Senior Leaders VPs Directors |
| Cost | \$59.95 | \$29.95 |

Chapter Comparisons:

| Healthcare Kaizen | | Executive Guide | |
|-------------------|---------------------------|-----------------|------------------------|
| Front Material | Norm Bodek & Masaaki Imai | | Gary Kaplan, MD |
| 1 | Kaizen & CI | 1 | The Need for Kaizen |
| 2 | Roots of Kaizen | 2 | What is Kaizen |
| 3 | Types of Kaizen | 3 | Types of Kaizen |
| 4 | Kaizen Culture | 4 | Kaizen Culture |
| 5 | Quick & Easy Kaizen | 5 | Daily Kaizen Methods |
| 6 | Idea Boards | | |
| 7 | Sharing Kaizen | | |
| 8 | Art of Kaizen | 6 | Role of Senior Leaders |
| 9 | Role of Leaders | 7 | Role of Other Leaders |
| 10 | Org-Wide Kaizen | 8 | Org-Wide Kaizen |
| 11 | Lean Methods for Kaizen | | |
| 12 | Kaizen at Home | | |
| 13 | Conclusion | 9 | Conclusion |



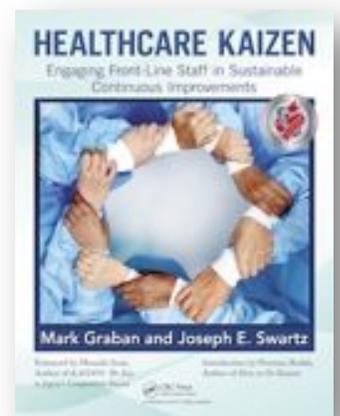
To view a 3-minute video about the practice of *Healthcare Kaizen* at the Franciscan St. Francis Health System, including comments from their CEO, Bob Brody, and their COO, Keith Jewell, visit:

<http://www.HCkaizen.com/FranciscanVideo>

Healthcare Kaizen was named a recipient of the prestigious Shingo Professional Publication and Research Award in 2013. Learn more at:

<http://www.HCkaizen.com/ShingoAward>

Visit www.HCkaizen.com for more information



Introduction

The value of using Kaizen to improve healthcare systems is indisputable. At Virginia Mason, we have been using Kaizen, based on the Toyota Production System, for more than a decade. The Virginia Mason Production System, as we call it, has allowed us to deliver safer, better, and more affordable care to our patients.

One of the keys to successful implementation of Kaizen is the serious commitment of leaders – including the CEO, senior executives, physician leaders, and boards of directors. In our organization, all leaders attend mandatory Kaizen training, are required to lead formal improvement events each year, and are expected to routinely coach and train employees about how to improve their work using Kaizen tools and methods. Kaizen is not a program or an activity that is the sole responsibility of one department; it is the management method used by all leaders at Virginia Mason to guide and operate every aspect of the organization.

Physician leadership is an important part of leadership commitment. An organization that reforms around physicians but doesn't involve them in the process will have difficulty succeeding in the long run. In my experience, the organizations with strong physician leadership and active physician involvement at all levels are best prepared to deliver change through Kaizen.

Kaizen tools encourage and guide change in day-to-day work by all employees. As employees gain a better understanding of Kaizen, they use its methods to improve how they do their work. At Virginia Mason, we encourage employees to record their improvement ideas as “Everyday Lean Ideas” and share them with the organization so they can be replicated across the medical center.

As it relates to employee engagement, Kaizen can't be imposed from above. Leaders should introduce, teach, and encourage the adoption of Kaizen methodologies, but it is only sustained when employees are engaged—because they have found that it makes their work easier and more satisfying. Employees become champions of Kaizen when they see it reduces the burden of work and the waste of rework and waste of time that come with inefficiency. It frees them to do the important things that add value for our patients and helps them recapture the passion that drove their original career decisions to work in healthcare.

Learning to use Kaizen consistently and effectively requires serious culture change and takes many years. This is really not unexpected, as using Kaizen requires deep organizational changes—changes that challenge long-held beliefs and many accepted practices. Our results have been gratifying and propel us to work even harder to deploy these methods and tools deeply within our organization. I believe this book will help any willing healthcare leader who sets out on the Kaizen journey to achieve similar success.

Gary S. Kaplan MD

Chairman and CEO, Virginia Mason Medical Center, Seattle

About the Authors

Mark Graban is an author, consultant, and speaker in the field of Lean healthcare. He is the author of *Lean Hospitals: Improving Quality, Patient Safety, and Employee Engagement* (2nd edition) and coauthor of *Healthcare Kaizen: Engaging Front-Line Staff in Sustainable Continuous Improvements*. Mark has worked as a consultant and coach to healthcare organizations throughout North America and Europe. He was formerly a senior fellow with the Lean Enterprise Institute and continues to serve as a faculty member. Mark is also the chief improvement officer for KaiNexus, a startup software company that helps healthcare organizations manage continuous improvement efforts. Mark earned a BS in industrial engineering from Northwestern University and an MS in mechanical engineering and an MBA from MIT Sloan Leaders for Global Operations Program. Visit his website at <http://www.MarkGraban.com> and his blog at <http://www.LeanBlog.org>.



Joseph E. Swartz is the director of Business Transformation for Franciscan St. Francis Health of Indianapolis, Indiana. He has been leading continuous improvement efforts for 18 years, including 7 years in healthcare, and has led more than 200 Lean and Six Sigma improvement projects. Joseph is the coauthor with Mark Graban of *Healthcare Kaizen: Engaging Front-Line Staff in Sustainable Continuous Improvement* and coauthor of *Seeing David in the Stone* and was previously an instructor at the University of Wisconsin. Joseph earned an MS in management from Purdue University as a Karnnert Scholar for academic excellence.



Chapter 1

The Need for Kaizen

Quick Take

- Because healthcare faces such great challenges, we have no choice but to get everybody involved in identifying and implementing improvements.
- *Kaizen* is a Japanese word that means “change for the better.”
- Kaizen is a key part of the Lean management philosophy and strategy.
- Kaizen engages all staff, physicians, and leaders in making improvements to safety, quality, access, and cost, while improving staff morale.
- Responsibility for Kaizen cannot be outsourced to consultants or delegated to a Quality Department.
- Kaizen creates higher engagement, which leads to better quality, which results in lower cost.
- The return on Investment (ROI) on a Kaizen program can be impressive (millions per year with little investment).
- Kaizen creates more a more flexible and adaptive organization, to better cope with conditions of extreme uncertainty.

It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to change.

—Charles Darwin

Franciscan St. Francis Health is a three-hospital system in Indianapolis, Indiana, that is part of the Franciscan Alliance, a 13-hospital system located throughout Indiana and northeastern Illinois. Founded over 135 years ago by a group of

Catholic Sisters, they take their inspiration from St. Francis of Assisi. Franciscan St. Francis Health has received numerous awards, including:

- Number one ranking in Indiana by HealthGrades for cardiac services and one of America's 100 best hospitals for cardiac care and coronary intervention.
- Top 5% in the nation and number one in Indiana for joint surgery, according to HealthGrades, 2007–2011.
- The HealthGrades Distinguished Hospital Award for Clinical Excellence™ in 2012 for being in the top 5% in the nation in overall clinical quality.

In 2005, after several years of suboptimal performance, the organization went looking for ways to capitalize on its foundation of excellence.

Paul Strange, MD, then Franciscan's vice president of quality, convinced the leadership team to launch a Lean Six Sigma program. Robert J. Brody, president and chief executive officer of St. Francis Health, and Keith Jewell, the chief operating officer, brought in a team of people from the outside, including one of this book's coauthors, Joe Swartz, and professors from Purdue University. Their Lean Six Sigma journey began in 2006, and Franciscan added a formal Kaizen program of continuous improvement in April 2007.

What started small, with a housekeeping staff member improving the way coffee filters were stored, has turned into an organization-wide program and, more importantly, a significant culture change. Today, Franciscan St. Francis empowers their staff members to identify problems and take action, leading to improvements both large and small. Some of these improvements made life a little better for the patients in a fun or charming way, some changed clinical practice, and others saved significant sums of money.

Since 2007, the three Franciscan St. Francis hospitals have implemented more than 17,000 improvements that have an estimated hard dollar cost savings of over \$5.7 million, all with very little investment other than time, focus, and leadership. If every hospital in the United States could save \$2 million a year through Kaizen, it would add up to \$10 billion. That may seem like a small drop in the healthcare cost bucket, but the hard numbers from Franciscan don't include other "soft savings" such as staff time savings that can be reallocated to better patient care, increased patient and staff satisfaction, reduced error rates, and reduced waiting times.

The cost savings at Franciscan have been impressive, but cost is far from the primary goal of Franciscan's Kaizen culture. Throughout this book, we will be sharing stories from Franciscan and other hospitals to demonstrate how they engaged their staff in improvements that made a difference for all of their stakeholders: patients, employees, physicians, and the organization itself. CEO Bob Brody said, "There is every reason for any organization to encourage and support the Kaizen concepts. It creates a more efficient and productive work

environment, a more satisfied patient, and a more satisfied workforce. These are linked to one another, and to hospital performance.”¹

For Franciscan and other leading organizations, Kaizen is just the right thing to do in terms of furthering its mission and fulfilling its desire to treat all staff members, physicians, and other stakeholders with the utmost of respect.

Kaizen = Change for the Better

The word *Kaizen* is translated from Japanese in a number of ways, most simply as “change for the better.”² The Japanese characters are shown in Figure 1.1.

Breaking down the word: *Kai* means “change,” *zen* means “good.”

A Kaizen is an improvement that is made by those who do the work. It is typically a small, low-cost, low-risk improvement that can be easily implemented.³ Kaizen is an ongoing methodology and philosophy for challenging and empowering everyone in the organization to use their creative ideas to improve their daily work.

The word *Kaizen*, the way it is typically used, is synonymous with the phrase *continuous improvement*. An effective Kaizen approach is connected to measurable results and a deeper purpose. Children’s Medical Center (Dallas, Texas) has a process improvement campaign that asks the simple question, “Is there a better way?” Clay York, manager of the core laboratory, and other leaders help tie the department’s local improvement efforts to the organization’s mission and purpose by asking team members if proposed changes will help provide “better care for kids.”⁴



Figure 1.1 The word *Kaizen* in Japanese kanji characters.

Beyond the measurable results, Kaizen organizations value the organizational learning that results from the improvement process, as well as the personal learning and satisfaction of all who are involved.

IU Health Goshen Hospital has saved more than \$30 million since 1998 with a program called “The Uncommon Leader” as part of its broader improvement program. In 2009, CEO James Dague, now retired, promised to shave his head if employees generated ideas that saved \$3.5 million that year. The hospital more than doubled that savings goal, so Dague made good on that promise in front of his colleagues. The culture at Goshen has shifted to one where every person is empowered to make improvements to his or her daily work, making suggestions that can impact cost, quality, and patient care. For example, an emergency nurse educator saved \$4,000 by changing the type of napkins used on patient trays and the GI department saved \$22,000 by switching from disposable paper gowns to cloth gowns.⁵ Goshen has gone 17 years without layoffs, undoubtedly being a key reason its employees are so enthusiastic about improvement.⁶ Goshen was also named one of the top ten large employer workplaces in Indiana, in part due to its “workplace culture where employees feel valued.”⁷

Kaizen = Meaningful Improvements

Paula Stanfill’s husband had open-heart surgery. Paula is the manager of the neonatal intensive care unit (NICU) at Franciscan St. Francis Health. In the recovery room, Paula’s husband could not speak because he was intubated with a breathing tube. He was trying to communicate by furrowing his eyebrows and squinting. He knew sign language and was motioning at his arm and trying to use his fingers to tell Paula something, but he could not make his hands do what he wanted them to do. Paula remembers her panic in realizing that something serious might be happening to her husband. He also began to panic, thinking the surgery had caused a serious problem with his arms. They were deeply distressed until the anesthesia wore off and he could speak again.

Paula learned that her husband’s arms and hands were numb. He was a big man, and when the surgeons performed the procedure, they had leaned over his arms and put pressure on them, reducing the blood supply and causing the numbness. His arms remained numb for several weeks.

After this episode, Jessica Clendenen, a nurse in Franciscan’s cardiac operating room, learned that several other patients had experienced similar postoperative

numbness. She decided to do something about it. In January 2011, Jessica found some sled positioners that could be used to help tuck the patient's arms in place in a way that allowed the IV lines to be seen through the clear material. The use of positioners reduced the pressure on the patient, which meant improved quality, patient safety, and satisfaction.

This small, simple improvement can be described as a Kaizen. It was an improvement that made a difference to open-heart patients at Franciscan and was one that Paula will never forget. When she started making workplace improvements, Paula never realized it would touch her so personally. But after her husband's experience, Paula realized that the heart of Kaizen is the difference it can make in people's lives. Kaizen was no longer just a concept or a program to her; it had become a way of life.

Healthcare's Opportunity for Improvement

The largest room in the world is the room for improvement.

—Author unknown

As summarized in the Institute of Medicine's 2012 report titled, *Best Care at Lower Cost: The Path to Continuously Learning Health Care in America*, healthcare in the United States is underperforming in many ways, with problems including:

- \$750 billion in “unnecessary health spending” in 2009
- 75,000 “needless deaths” that “could have been averted” in 2005 if every state performed as well as the best state⁸

Of the \$750 billion in waste, \$130 billion is estimated to come from “inefficiently delivered services,” which includes mistakes, errors, and preventable complications, fragmented care, and operational inefficiencies.⁹ These costs are in the span of control of health systems and represent a great opportunity for improvement.

While healthcare spending in the United States is far higher than any other country, rising costs, along with costs that are too high for national budgets, are a problem throughout the developed world. Diabetes costs alone “threaten to bankrupt” the National Health Service (NHS) in England¹⁰ and the NHS is being forced to cut costs by £20 billion by 2015.¹¹ The budget cuts are leading to nurse layoffs and warnings from some NHS finance staff that patient care “will suffer” as a result.¹² Hospitals in Canada face government budget cuts, as public healthcare costs could comprise 70% of the Ontario provincial budget by 2022.¹³ Michel Tétrault, CEO of St. Boniface General Hospital (Winnipeg, Manitoba), says his hospital has to, each year, deliver care to 4% more patients who are 4% sicker with the same staffing and resources.¹⁴

With American hospitals now facing the additional financial pressures of the Patient Protection and Affordable Care Act of 2010, also known as ObamaCare,

reimbursements to health systems and physicians are being reduced, while penalties for preventable medical errors and readmissions are increasing.

The Institute of Medicine (IOM) report concluded that, “Left unchanged, health care will continue to underperform; cause unnecessary harm; and strain national, state, and family budgets.”¹⁵ Patients and their families are a powerful motivation for improving quality and safety, reducing costs, and improving access. Beyond the financial strain, there is also a big need to reduce the workplace strain and stress on physicians, nurses, and staff members in all departments. This stress and frustration is caused primarily by process issues that can be fixed by healthcare organizations—and can often be fixed by local teams, if they have a method for improvement and a conducive environment.

Today’s health system executives, around the world, face the challenge of simultaneously improving across many dimensions. The old trade-offs can no longer hold true—the notion that better quality must inherently cost more or that the only way to increase capacity is spending more money on people, resources, and facilities. Leaders must figure out how to bust these old trade-offs and this requires new approaches. When facing large challenges, the most effective approach might, ironically, begin with the smallest of steps.

Small improvements are believable and therefore achievable.¹⁶

—Tony Robbins

The IOM’s Recommendations for Continuous Learning

The IOM report highlighted the need for “continuously learning” and “continuously improving” healthcare organizations. They directly endorse the use of Lean, Six Sigma, and other methods¹⁷ and their more detailed recommendations include many aspects of a Kaizen approach, such as:

- **Recommendation 6:** Care continuity. Improve coordination and communication within and across organizations.
- **Recommendation 7:** Optimized operations. Continuously improve health care operations to reduce waste, streamline care delivery, and focus on activities that improve patient health.
- **Recommendation 10:** Broad leadership. Expand commitment to the goals of a continuously learning health care system.¹⁸

The IOM elaborates that the characteristics of a continuously learning organization include “a leadership-instilled culture of learning” where a system is “stewarded by leadership committed to a culture of teamwork, collaboration, and adaptability in support of continuous learning as a core aim.”¹⁹ The IOM also envisions a learning health system as one in which “complex care operations and

processes are constantly refined through ongoing team training and skill building, systems analysis and information development, and creation of the feedback loops for continuous learning and system improvement.”²⁰ That all describes Kaizen and that is becoming the culture of Franciscan and other leading health systems.

The idea of a *learning organization* is not new, as the term has been used for decades by the quality guru W. Edwards Deming and his followers, as well as the *systems thinking* field popularized by MIT professor Peter Senge. Many health systems have found that Lean and Kaizen methods and principles can create a learning organization.²¹ In increasingly uncertain times, the organizational ability to learn, improve, and adapt will be helpful, if not absolutely necessary.

Dr. Berwick’s Early Call for Kaizen in Healthcare

The word *Kaizen* was introduced to the West by Japanese author and consultant Masaaki Imai in his 1986 book *KAIZEN: The Key to Japan’s Competitive Success*. Imai wrote simply, “Kaizen means improvement” and “Kaizen is everybody’s business.”²²

Shortly after Imai’s book, other healthcare leaders took notice. Dr. Donald M. Berwick is legendary in healthcare quality and patient safety improvement circles, thanks to his advocacy and education work done as the founder and chairman of the Institute for Healthcare Improvement and as the former administrator of the U.S. Centers for Medicare and Medicaid Services. In 1989, Berwick published an article called “Continuous Improvement as an Ideal in Health Care” in the *New England Journal of Medicine*, where he wrote that continuous improvement “holds some badly needed answers for American health care.”²³

Berwick cited Imai with the definition that Kaizen is “the continuous search for opportunities for all processes to get better” and emphasizing that the self-development and the pursuit of completeness found in Kaizen are “familiar themes in medical instruction and history.” In highlighting what is different with Kaizen, Berwick criticized disciplinarian-style leaders who look to punish “bad apples” instead of improving processes. He also argued that a leader cannot be “a mere observer of problems,” but instead needs to lead others toward solutions.

Berwick highlighted a number of themes, including:

- Leaders must take the lead in continuous quality improvement, replacing blame and finger pointing with shared goals.
- Organizations must invest managerial time, capital, and technical expertise in quality improvement.
- Respect for healthcare professionals must be reestablished, highlighting that they are assumed to be trying hard, acting in good faith; “people cannot be frightened into doing better” in complex healthcare systems.

Berwick’s summary of continuous improvement emphasized the culture change required to have everybody work together—removing fear, shame, and finger

pointing from the healthcare system. Many organizations post statements about continuous improvement on their websites or on lobby signs. Unfortunately, even in 2012, too many of those statements reflect aspirations rather than reality.

The Impact of Kaizen at Franciscan St. Francis

At Franciscan, the adoption of Kaizen grew gradually, yet impressively, over the first few years since the launch of the Kaizen program in 2007. In the year 2011, 41% of the staff had participated during that year, and 53% of the staff had participated sometime since the launch. In 2011, 82% of all departments had at least one person participate in Kaizen. The growth in employee participation is shown in Figure 1.2, including a slight dip in 2012. Franciscan is working toward having individual participation rates reach 80% in a given year.

As a benchmark, Toyota receives an average of 10 improvement ideas per person each year, after decades of building their Kaizen culture.²⁴ The number of Kaizens implemented each year at Franciscan is shown in Figure 1.3, at a peak of 1.7 Kaizens per full-time equivalent in 2011. The number at Franciscan is significantly higher than most healthcare organizations and they are working to increase participation each year. In 2013 Franciscan is aiming for 5,000 Kaizens.

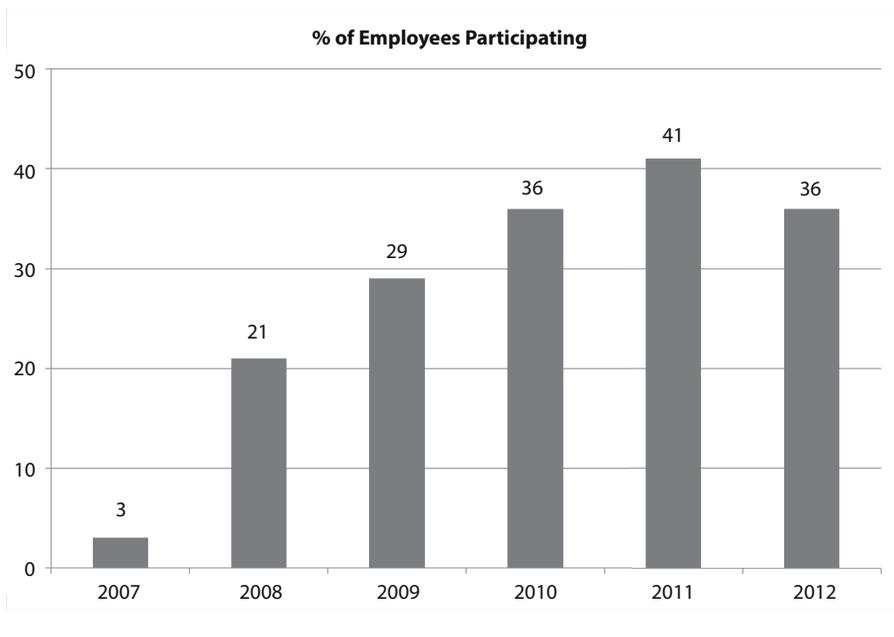


Figure 1.2 Percentage of employees at Franciscan St. Francis Hospitals with a formally submitted Kaizen in each year.

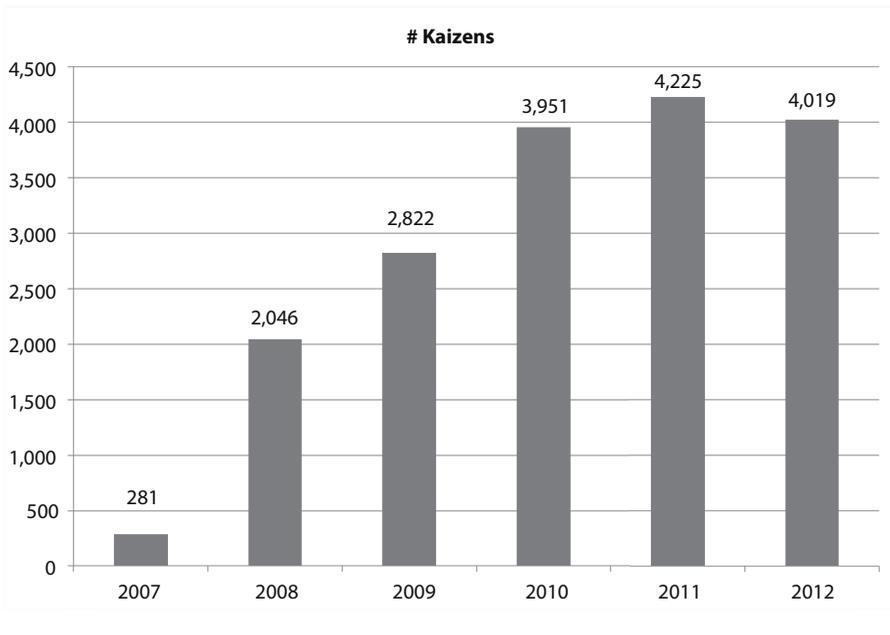


Figure 1.3 Number of formally completed and documented Kaizens each year.

At Franciscan, the Kaizens in 2010 resulted in a total documented savings of over \$3 million. Of that, about \$1.7 million in savings was money that flowed directly to the bottom line, and about \$1.4 million of that was potential dollar savings through, for example, the saving of someone's time. Beyond these documented savings are the benefits from small Kaizens, where it is hard (or not worth the time) to calculate savings. The last 6 years of savings are shown in Figure 1.4. It should be noted that the calculated cost savings were lower in 2011 and 2012, as staff was preoccupied with the installation of a new electronic medical record system and the consolidation of two campuses into one. Basically, leaders did not push for a strong focus on cost savings in those two years, but there is a renewed cost focus in 2013.

Again, bottom-line savings and return on investment (ROI) are not the only things that matter, but they are an important part of the picture for healthcare organizations that are under significant financial pressures. Frontline staff at organizations like Franciscan haven't formally been taught to translate what they do into financial terms. They often don't know the cost of the supplies they use, an hour of their time (fully burdened), or an hour of operating room time. The practice of Kaizen at Franciscan has helped educate staff to get them thinking in financial terms, in addition to (not instead of) everything they already focused on.

The most significant benefit at Franciscan has been the difference Kaizen makes for patients and staff, as this book and the additional examples in our companion book *Healthcare Kaizen* will demonstrate. The softer benefits related to patient

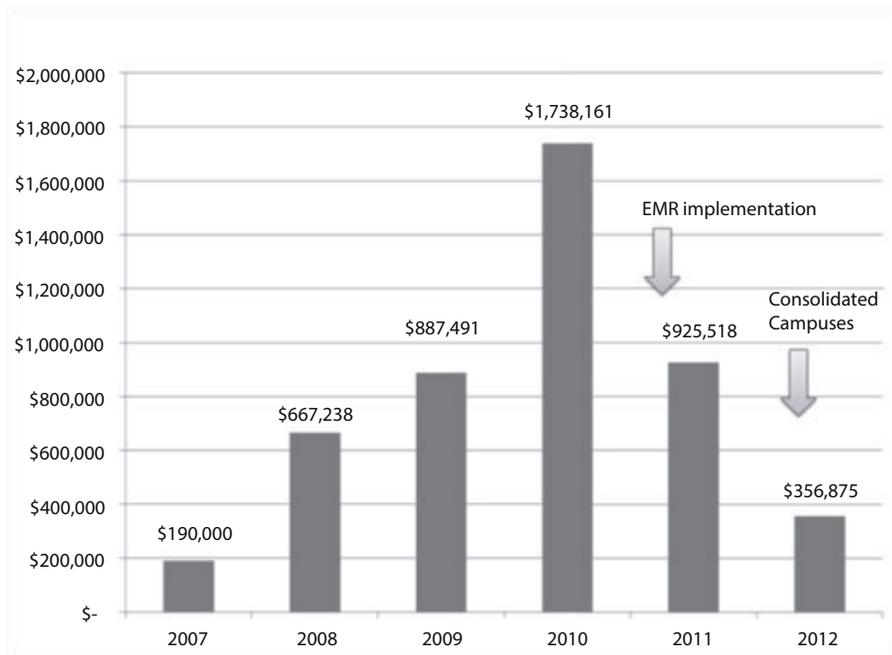


Figure 1.4 Bottom-line “hard” dollar savings for 2007–2012.

safety, outcomes and satisfaction, along with staff safety, learning, and satisfaction, can be hard to quantify but cannot be emphasized enough.

Baptist Health Care (Florida) has a Kaizen program called “Bright Ideas” that was established in 1995 to engage all employees in improvement and innovation. Since 2008, every employee has had the expectation of implementing three ideas per year that will improve patient outcomes, save time, or improve safety. More than 50,000 ideas have been implemented since 2000, and although cost savings is not the primary goal, there has been a total estimated cost savings and avoidance of \$50 million. In 2008 alone, almost 14,000 ideas were implemented, or more than two per employee, contributing \$10.5 million in cost avoidance and \$5.5 million in cost savings.²⁵ Additionally, full-time voluntary turnover is relatively low, at just 4% annually,²⁶ and the system has been on the Fortune 100 Best Places to Work for in America twelve of the last fifteen years, including every year from 2003 to 2012.²⁷

It Is Not Always about Cost

The most common types of Everyday Lean Ideas involve shaving time off a process. And when you think about the cost in health care one of our most valuable resources is time.²⁸

—Virginia Mason Medical Center

The aspect of Kaizen that excites some senior leaders is cost reduction, especially in a tough economic environment. This is very understandable. However, if too much focus is placed on cost savings, staff may get discouraged because they also want to improve quality, safety, and waiting times, while creating a better workplace. One way to address this is for administration to recognize and share Kaizens with varied benefits, not just those that reduce costs. At Franciscan, fewer than 6% of Kaizens are quantified and verified with finance personnel as directly saving bottom-line money for the organization.

One cannot be successful on visible figures alone ... the most important figures that one needs for management are unknown or unknowable, but successful management must nevertheless take account of them.

—W. Edwards Deming, PhD

At Goshen, Dague focused improvement efforts on four interwoven areas: customer satisfaction, quality, cost effectiveness, and best people, adding, “If you improve just one area, you’re missing the boat. A lot of people I see don’t get that.” Dague reflected, “You might make a decision that’s just driven by finances, like layoffs, but there are all kinds of studies that indicate that if you focus on best people and high-quality patient care, then the money follows. So yes, we have financial goals, but the most important aspect to hitting those goals is happy people.”²⁹

Several hospitals, including the previously mentioned IU Health Goshen Hospital, ThedaCare, Denver Health, Avera McKennan (Sioux Falls, South Dakota), and Akron Children’s Hospital, have a formal “no layoffs” or “no layoffs due to Lean” philosophy,³⁰ even in the challenging environment in 2012.³¹

These organizations will retrain, reassign, or redeploy any displaced employees to other departments or create opportunities to work in a central Lean or Kaizen group. If employees feared losing their jobs, “Nobody would get very enthusiastic about improvement in that world,” says Dr. Dean Gruner, the chief executive and president of ThedaCare.³²

Another CEO, Gary J. Passema, of NorthBay Healthcare (Fairfield, California), started a Lean program in 2012 as a “better, longer lasting, and less traumatic” way of reducing costs, as previous layoffs were followed by employee counts increasing again and having “savings evaporate” in the following years.

At the Cancer Treatment Centers of America, the objective statement for Kaizen is almost always about improving patient care, says Herb DeBarba, their vice president for Lean Six Sigma. Out of 450 Kaizens they analyzed, only one was financially driven.³³ Bart Sellers, regional manager of management engineering at Intermountain, says “one of the reasons we have been successful [with Kaizen] is that we don’t have great expectations about big savings” from improvement ideas.³⁴

Another motivation for Kaizen might seem a bit esoteric—learning. Marc Rouppe van der Voort, innovation manager at St. Elisabeth Hospital (Tilburg, The Netherlands), and his colleagues learned, from a Toyota factory visit, that the first priority for Kaizen activity is building problem solving capability and the second priority is the process improvement itself. At St. Elisabeth they mirror the Toyota thinking that “if we learn and there is no improvement, that is good” and “if there is improvement and no learning, that is bad.” In 2011 and 2012, St. Elisabeth implemented 4,000 Kaizens through *improvement boards* that are posted in 75 departments.³⁵

The Business Case for Kaizen

We made an investment in developing performance improvement concepts, and it has had lasting impact. The Kaizen movement allows everyone to participate, which is the most exciting and pleasing aspect to our organization, and is responsible for untold small improvements that add up well beyond what we have attributed to the program.

—**Bob Brody**

CEO, Franciscan St. Francis Health

The formal and direct cost of the Kaizen program at Franciscan is very small:

- One day of outside consulting help to get started
- 1.0 full-time equivalent (FTE) in a central Kaizen Promotion Office
- Some designated Kaizen coordinators in different departments, who spend a part of their time on improvement
- A few thousand dollars each year for recognition, incentives, and awards
- The cost of creating and maintaining a database to document and share completed Kaizens

Kaizen does not require major investment in new equipment, facilities, or technologies, making it the perfect strategy for times when money is tight and margins are squeezed. The main cost and investment is the time of staff and leaders at all levels. Kaizen is not complicated, but it requires ongoing effort and discipline. Leaders must often create time for Kaizen by, for example, reducing wasteful meetings. Kaizen frees up more time for Kaizen—if one can get started. As we discuss in Chapter 2, the best way to get started is through small steps.

Rachelle Schultz says that “there is a clear ROI” from their Kaizen and Lean program, as “problems actually get solved now and we track that.” Before Kaizen, “the old way was just a constant feed to the black hole, taking up a lot of staff time to talk about problems, but not fix them.”³⁶ She adds, “We break problems down and work toward a long-term goal instead of trying to fix everything overnight. With greater limitations on our staff and physician resources, there is a strong business case for Lean in all we do.”

The business case for Kaizen includes small costs and big returns, including:

- Lower staff turnover costs
- Cost reduction and “hard savings”
- Higher revenue and patient throughput
- Cost avoidance and “soft savings”
- Improved quality and patient safety

Lower Staff Turnover Costs

With healthcare facing major shortages of key personnel, including pharmacists, primary care physicians, nurses, and medical technologists, it is imperative to increase employee engagement to help attract and retain people. A 2007 study showed 13% of registered nurses had switched jobs in the first year of their career and 37% “felt ready to change jobs.”³⁷ Research from England shows that 44% of nurses would “leave their job if they could” due to frustrations, including their inability to complete all required nursing tasks during their shift.³⁸ Kaizen engages staff in fixing problems and reducing the waste that is often at the root of this dissatisfaction, providing a clear path to improving care and reducing turnover.

James Dague preferred to focus Kaizen efforts at Goshen on improving retention, because it can cost \$65,000 to replace an employee and much more than that for a nurse or a physician. Increased retention can be the best form of cost reduction, and Dague says, “That’s how you can justify honing people’s skills to make them more satisfied.”³⁹ Another CEO said, “We don’t worry about measuring ROI on Kaizen” because reducing voluntary turnover is justification enough for their program. An AARP study suggests the annual nurse turnover cost for a hospital with 1,000 nurses is \$20 million per year.⁴⁰

Cost Reductions and Hard Savings

Many Kaizens do have direct cost savings that can be easily measured and quantified, such as from reducing the use or wastage of supplies or medications. The single Kaizen with the highest value at Franciscan came when three departments worked together to reduce denial of payments from insurance companies. Before, the emergency department (ED) chart did not have enough documentation to avoid denials or write-offs. The team added indicators that showed why a radiology test was run and added another for long-term use of anticoagulants. They surprised themselves with the results, saving the organization over \$250,000 a year from their small changes.

CEO Tétreault reports that St. Boniface General Hospital often finds cost reduction opportunities that are uncovered by staff members in the midst of improvement work that is focused on other objectives like quality or waiting times. When working on a project in the cath lab, a staff member asked, “how come we have four types” of a certain supply, which prompted contract consolidation and renegotiation. Tétreault says, “That’s a hard and fast financial negotiation, but that’s not what we’re going after in our transformation.” Active participation in Kaizen, “instead of pouring over spreadsheets,” means St. Boniface “understands the business better, which allows us to perform better,” according to Tétreault.⁴¹

Sami Bahri, D.D.S., “the world’s first Lean dentist,” used Kaizen methods to treat the same number of patients in 2006, compared to 2005, but using 40% fewer resources (reducing staff through attrition, not through layoffs). Bahri’s office reduced patient waiting times and provided more dental care in a single visit instead of requiring follow-up visits.⁴²

Higher Revenue and Patient Throughput

With all of their improvements, Bahri Dental Group added patients and increased their productivity, as measured by *teeth treated per doctor*, by 65% from 2005 to 2012, with the sharpest gains in the last three years. Bahri says, “We did not need to hire more people to treat our patients and the profits went up as well.”⁴³

Other organizations have used Kaizen as a strategy for increasing patient throughput and revenue. The radiology department at Children’s Medical Center Dallas used Kaizen, as part of a larger Lean initiative, to nearly double the number of hours the MRI machines were scanning patients each day, meaning that more patients were treated and their backlog of waiting patients was reduced significantly. Christie Clinic (Champaign, Illinois) built “teamwork and trust” by involving all staff in their improvement efforts, reducing patient wait times by 30% and increasing clinic throughput by 10% over 9 months, while having very high staff satisfaction scores.⁴⁴

Cost Avoidance and Soft Savings

Organizations using Kaizen also find many opportunities for cost avoidance or soft savings. Many Kaizens are focused on saving staff time. Some time savings translate into direct hard savings, because overtime, temporary staff, or overall staff levels are reduced, through attrition or reassignment. Some time savings result in quality or patient satisfaction benefits, which can be difficult to more directly tie to a particular Kaizen. For example, a collection of improvements that free up staff time can lead to reduced patient falls or infections, which has a clear patient benefit and also reduces the amount of unreimbursed care provided by the hospital.

Other soft savings include the cancelation or avoidance of capital purchases or expansion as the result of Kaizen work. One such example is Seattle Children's Hospital (Seattle, Washington), which has avoided \$180 million in construction costs by improving throughput and capacity through process improvement.⁴⁵

Improved Quality and Patient Safety

As originally highlighted in *Lean Hospitals*, Bill Douglas, chief financial officer at Riverside Medical Center, sent a powerful message to their employees early in their Lean journey by saying, "Lean is a quality initiative. It isn't a cost-cutting initiative. But the end result is, if you improve quality your costs will go down. If you focus on patient quality and safety, you just can't go wrong. If you do the right thing with regard to quality, the costs will take care of themselves."⁴⁶ Statements like this are very helpful, especially if staff members are cynical about past cost-cutting programs.

Virginia Mason Medical Center (Seattle, Washington) has been widely recognized for using Rapid Process Improvement Workshops (RPIWs), a type of formal weeklong Kaizen project, described more in Chapter 2.⁴⁷ Thanks to the improvements that come from its RPIWs, VMMC providers are able to spend more time with patients, leading to better care as well as higher patient and staff satisfaction.⁴⁸ Additionally, bedsores were reduced from 8% to 2%, meaning that 838 patients each year avoided a type of harm that is increasingly considered to be preventable.⁴⁹ As a result of these quality and safety improvements, the hospital's professional liability insurance rates fell almost 50% from 2004 to 2009, a clear indicator of the program's quantifiable improvements.⁵⁰

Newton Medical Center (Kansas) has recognized the value of employee engagement, saving \$1.7 million in a year as the result of 121 ideas that came in after leadership asked

people for improvements that would reduce costs or eliminate waste. Val Gleason, the senior VP of physician services, emphasized, “It was not management imposing its will; it was management saying, ‘Here’s the problem we face, here’s the external environment, how are we going to respond to this?’” Furthermore, a hospital spokesperson said, “The ideas allowed them to save money, protect patient care, and protect the integrity of the work force by not having to have any layoffs.”⁵¹

Improvements Have Interwoven Results

Thankfully, the high-level goals, or “true north,” of leading healthcare organizations are interwoven. For example, ThedaCare’s four true north goals are:

1. Safety/Quality (preventable mortality and medication errors)
2. Customer Satisfaction (access, turnaround time, and quality of time)
3. People (injuries, wellness, and satisfaction)
4. Financial stewardship (operating margin and productivity)⁵²

Improvements in these areas can be simultaneous, such as a patient throughput improvement that reduces patient waiting time while improving operating margin. Or, one improvement can lead to another, as indicated by research into healthcare improvement. Research published by the British NHS shows that organizations with higher staff engagement also score higher on measures of financial effectiveness, have higher patient satisfaction, and have lower levels of patient mortality.⁵³

As illustrated in Figure 1.5, higher staff engagement correlates highly with lower turnover, better quality, and lower cost. Arguably, one leads to another in a sequential flow.

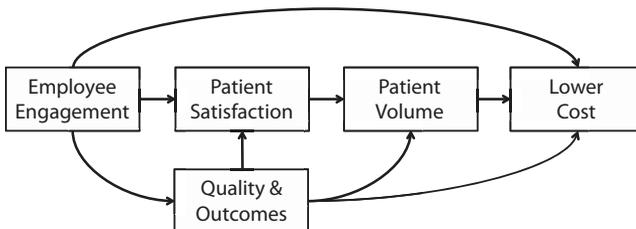


Figure 1.5 Higher staff engagement correlates highly with lower turnover, better quality, and lower cost.

What Executives Need to Do

As Deming said, “Quality starts in the boardroom.”⁵⁴ Senior leadership is responsible for the management system and organizational culture that either stifles or enables quality and improvement. Culture change and process improvement cannot be outsourced to consultants or delegated to a quality, Lean, or organizational development department.

This is not the work of the Lean department. It is the work of everyone and it will require a different method of management. It will also require the executives to elevate this to a very high priority level for it to be successful. Lean is not for the faint of heart.

—David Munch, MD

*Chief clinical officer, Healthcare Performance Partners
Former chief clinical and quality officer, Exempla Lutheran Medical Center*

Creating a Management Operating System

To be most successful and sustainable, Kaizen should be more than a standalone program. Toussaint says senior leaders must create a coherent and holistic “operating system” for the organization,⁵⁵ with Kaizen being a “critical part,” along with other Lean management practices.⁵⁶ CEOs must “get personally involved and change their behaviors,” as opposed to just hiring a consultant to facilitate some improvement events, says Toussaint. Chapter 7 details additional senior leadership behaviors that need to be practiced and modeled for others in the organization.

Following on Toussaint’s work, ThedaCare created a “business management system” that spelled out consistent management activities and behaviors for leaders at all levels, in order to “achieve and sustain continuous daily improvement.”⁵⁷ Many healthcare organizations are embracing the holistic “Shingo model” for operational excellence that connects guiding values and principles with continuous improvement concepts into a system that aligns the entire organization to achieve the highest possible results.⁵⁸ Changing culture requires changing the way leaders at all levels behave each and every day.

We have a wide variation in how we are managing healthcare organizations and that is leading to a lot of [quality] defects.⁵⁹

—John Toussaint, MD

Tying Kaizen to Strategy

The focus of Kaizen, especially in the early stages of an organization’s adoption, is often on issues that “bubble up” from frontline staff and the things they notice or struggle with in the course of their daily work. This staff-driven improvement

might raise concerns of having a thousand random Kaizens that may conflict with each other, suboptimize one department, or have little impact on the organization's goals and targets.

John Shook, CEO of the Lean Enterprise Institute, teaches that this approach is neither completely top down nor completely bottom up. Strategies and goals flow, generally, in a top-down direction, while ideas generally flow upward from front-line staff.⁶⁰ In both directions, there is a “catch ball” process of collaboration, where strategies are adjusted based on input from other levels and improvement ideas are refined based on input from leaders.⁶¹

ThedaCare and St. Boniface are among those who use the Lean model of *strategy deployment* for planning and measuring performance and improvement.⁶² The focus and prioritization of Kaizen is guided by the organization's strategy, including its true north goals and annual objectives. Shana Herzfeldt, a medical services unit manager at ThedaCare, says, “As a manager, I'm able to see on a daily basis my business, understand what's impacting my metrics, and not be surprised at the end of the month. As for my staff, they feel engaged and empowered knowing that their decisions greatly impact the work they do on a daily basis.”⁶³

Connecting Kaizen to the Mission

Beyond the business case, more healthcare organizations are embracing Kaizen methods because the methodology aligns with their strong sense of purpose and mission. Franciscan's Kaizeneers are taught to remember, “we, not me.” This can help connect what you are doing to the organization's mission to serve patients and the community.

Kaizeneer: Franciscan uses the term *Kaizeneer* for staff members who practice Kaizen—a term that is a combination of the words *Kaizen* and *engineer*. Engineers are designers, and those who do Kaizen are essentially designing or redesigning their world around them. If Disney has Imagineers who design their theme parks, why can't healthcare have Kaizeneers who redesign the healthcare work environment?

In Mark's experience working with Children's Medical Center Dallas, leaders in the laboratory and radiology very naturally talked about how improvement efforts needed to tie back to their mission, informally stated as “taking care of kids.” Clay York, laboratory operations manager, frequently emphasizes tying improvements back to the patients. Even though the lab is physically disconnected from patients, York strengthens the emotional connection to their unseen patients

by talking about how turnaround times affect the ability to get children discharged and back to school. York asks, “Are we doing this for the performance measures or for the kids?” Clearly, they are doing it for the kids, which leads to improved measures.

At IU Health Goshen Hospital, every meeting starts with the reading of the organization’s mission or a department’s mission, says Dague, along with some reflection on how well they are living those values. Dague and the other leaders help individuals connect their improvement work to their personal mission, saying:

One of the things we talk about in healthcare is one’s personal mission. Why did you get into this job and into this profession? How are you doing in completing your life’s mission? We want to get out of your way, in our culture, to allow you to fulfill that mission. That’s something that brings this home to the individual far more than I ever thought it would.⁶⁴

Conclusion

Masaaki Imai more recently defined Kaizen as “everyday improvement, everybody improvement, and everywhere improvement.”⁶⁵ At Franciscan, *everybody* means clinical and nonclinical staff and leaders at all levels—including the CEO, COO, and other top leaders who directly participate in Kaizen activities.

Both coauthors have seen firsthand and believe strongly that healthcare professionals at all levels:

- care deeply about their patients,
- want to provide the highest-quality ideal care to each patient, and
- have the ability and the desire to use their creativity to improve their workplace.

Healthcare has a 100-year-long track record of trying to adopt and emulate quality improvement methods, including Total Quality Management, Continuous Quality Improvement, Six Sigma, and Lean. Yet, daily continuous improvement seems to be more a goal than a reality in a majority of healthcare organizations.

Why don’t we have more improvement? Rather than pointing fingers at individuals—frontline staff, managers, or senior leaders—everyone should work to understand the systemic barriers and the oft-unspoken mindsets that interfere with making continuous improvement a reality. Your organization may have tried other improvement methodologies in the past, including Total Quality Management and Six Sigma. If past attempts at continuous improvement did not work out, it might be helpful to stop and reflect upon the systematic root causes of those struggles before moving forward with this book or with Kaizen.

Kaizen should not be just a one-time flurry of ideas, nor should it be just a one-time reaction to an organization facing financial pressures, as are rampant today. A so-called “burning platform” or crisis might prove motivating to some, but the pressure of a crisis might also harm creativity and have people hold back ideas if they fear they could be associated with job cuts that might occur in a tough economic environment. Ideally, the crisis would be an opportunity to learn and practice Kaizen methods that would continue even after the crisis has subsided. Kaizen, as a part of Lean, should be part of an organizational strategy and comprehensive management system.

Discussion Questions

- If your organization has tried other improvement programs that did not work or sustain, what are some of the root causes of that failure?
- What are some reasons that Kaizen has not been embraced more widely in healthcare over the past 20 years? What are some of the specific reasons within your organization?
- What is a single small Kaizen that you can identify and implement today in your own work?
- What do you want to accomplish through Kaizen? How do you strike the proper balance in talking about benefits to patients and staff, which are sometimes hard to quantify, and cost savings or other financial benefits?
- What is your “case for change” or “burning platform” for improvement? Does everybody in your organization understand this? If not, how can we educate them and inspire them to improve?

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The Executive Guide to Healthcare Kaizen

Mark Graban and Joseph Swartz

“I believe that Kaizen is essentially a “human business.” Management must meet diversified requirements of its employees, customers, stakeholders, suppliers, and its community. In this sense, the healthcare profession can probably best benefit from Kaizen because its central task is people. I am honored to write the foreword to *Healthcare Kaizen* by Mark Graban and Joseph Swartz.”

Masaaki Imai

Author of *KAIZEN* and *Gemba Kaizen*

“To get started with Kaizen, you should do the following. First, read this book. Second, ask your employees to read the book. Third, ask your employees to begin a Kaizen system. It is just that simple. You just ask, and you will get what you ask for. Just do it and learn from the process.”

Norman Bodek

Author of *How to do Kaizen* and *The Harada Method*

“I hope you will discover, as we have, the incredible creativity that can be derived by engaging and supporting each and every employee in improvements that they themselves lead.”

Robert J. (Bob) Brody

CEO, Franciscan St. Francis Health

“At a time when many hospitals and health systems have relegated Lean to the “Project of the Month Club”, Graban and Swartz remind us of the fundamentals that help organizations keep their Lean initiatives alive and thriving. I hope everyone reads this book and recommits to the fundamentals of Lean, particularly the involvement of frontline staff in process redesign.”

Fred Slunecka

Chief Operating Officer, Avera Health

“Unleashing the energy and creativity of every employee to solve problems everyday should be the sole focus of every healthcare leader. Unfortunately, there are only a handful of examples where this is happening. *Healthcare Kaizen* provides examples of front line staff coming up with solutions to problems on their own and implementing them. Healthcare leaders need to read this book to understand that their management role must radically change to one of supporting daily kaizen if quality safety and cost are to improve in healthcare.”

John Toussaint, MD

CEO, ThedaCare Center for Healthcare Value

Author, *On the Mend* and *Potent Medicine*

“In *Healthcare Kaizen*, Mark Graban and Joseph Swartz show us that Kaizen is more than a set of tools. What we have learned through our application of the Virginia Mason Production System is that Kaizen is a management methodology of continuous improvement that must permeate the fabric of the entire organization. Front line staff must know, understand, embrace and drive Kaizen and its tools to achieve incremental and continuous improvements. This book will help health care organizations around the world begin and advance their journey.”

Gary Kaplan, MD, FACP, FACMPE, FACPE
Chairman and CEO, Virginia Mason Medical Center

“The healthcare industry is in the midst of truly fundamental change, and those organizations that engage their front line staff in developing the strategies for improving care, enhancing satisfaction, and streamlining processes to reduce unnecessary variation and expense will be well positioned to thrive in a post-reform environment. In their book, *Healthcare Kaizen*, Graban and Swartz create a roadmap for using incremental, staff driven changes to inculcate performance improvement into the culture of an organization in a sustainable manner. This book represents a wonderful resource for healthcare leaders looking to foster innovation at all levels.”

Brett D. Lee, PhD, FACHE
CEO, Lake Pointe Health Network

“*Healthcare Kaizen* is a practical guide for senior healthcare leaders aspiring to engage frontline staff in true continuous improvement. Graban and Swartz skillfully illustrate how to foster and support daily continuous improvement in health care settings. Health systems struggle to move beyond improvement work being extra work done in “special projects” facilitated by experts. This book can guide organizational transformation so that continuous improvement becomes part of the daily work of frontline staff.”

John E. Billi, MD
Associate Vice President for Medical Affairs
University of Michigan

“When healthcare organizations take initial steps on their Lean journey, they often focus very heavily on tools and grand solutions, which may create new barriers to innovation. In *Healthcare Kaizen*, Mark and Joe remind us of the great power of daily problem solving. Their examples reinforce that learning is a result of the repeated tests of changes that are often small and simple, and less often by hitting the home runs of improvement. The story of Franciscan St. Francis Health is compelling, where leaders created the opportunity for great people at the frontline making great improvements for patient care.”

Michel Tétreault, MD, President and CEO
Bruce Roe, MD, Chief Medical Officer
St. Boniface Hospital, Winnipeg, Canada

“Without exception, the leadership of the health system is the determinant of success or failure in Lean transformation. *The Executive Guide to Healthcare Kaizen* is a focused and concise guide for that journey, a must read for those who have that responsibility.”

Dave Munch, MD
Senior Vice President and Chief Clinical Officer
Healthcare Performance Partners

“In the last decade, implementation of the Lean production model in a healthcare setting has produced remarkable outcomes and revolutionized the way we deliver care. Using examples from Franciscan Health and other forward-thinking medical groups, the book contains valuable strategies for organization-wide cultural transformation to create a more efficient, patient-centered healthcare system dedicated to continuous quality improvement.”

Donald W. Fisher, PhD
President and CEO
American Medical Group Association

“Mark Graban and Joseph Swartz have brought to life the critical concept of kaizen – continuous improvement. In this latest edition, a great deal of emphasis is placed on senior management engagement and support of ongoing improvement. Most agree that meaningful, sustained change cannot occur without leadership from the top, engagement of the front lines, and cohesion of the leadership chain. This book does a wonderful job of delivering these important concepts in an accessible, intriguing manner. Kudos to Graban and Swartz!”

Jody Crane, MD, MBA
Senior Medical Director, Stafford Hospital
Principal, X32 Healthcare
Co-author, *The Definitive Guide to Emergency Department Operational Improvement*

“Unfortunately the lean movement has too often turned into a race to implement as many of the tools of lean in as many places as possible. This is totally alien to the spirit of kaizen or the purpose of the Toyota Production System. The purpose is to create a culture of continuous improvement with people at all levels thinking deeply about their ideal vision for the people and process, and purposefully taking steps to achieve the vision. The vision should be for the good of the enterprise, not to check the box for the lean folks who are auditing 5S and visual management.

Mark and Joe have a deep understanding of the purpose of TPS and what is needed in healthcare to raise this from a program to a true culture that can tackle all the difficult challenges that face modern medicine. He has been steeped in the healthcare field for years and has great examples to illustrate kaizen, both small and big changes. In this book he takes on the challenge of driving kaizen down to the level of every work group--truly the deepest meaning of kaizen. This takes exceptional leadership, a second nature understanding of the tools, and always working at the gemba to solve the real problems. Hopefully this book will become a blueprint for healthcare organizations everywhere that truly want to be great!”

Jeffrey Liker
Professor of Industrial and Operations Engineering
University of Michigan
Author of *The Toyota Way*

“Adoption of the Lean philosophy is dead on arrival without the involvement of an organization’s senior leadership. Yet, what are members of the executive suite to think when a bunch of Japanese terms coming flying past their desk? And when the leadership philosophy required is something quite different from their training and experience? Graban and Swartz help cut through all this in a presentation that is cogent, efficient, and thoughtful. Whether you are new to Lean principles or experienced in them, this book has something to offer. Even if you don’t choose to take the entire Lean journey, you will receive insights and ideas that will help you get better results from your organization.”

Paul F. Levy
Author of *Goal Play! Leadership Lessons from the Soccer Field*
Former CEO, Beth Israel Deaconess Medical Center

“It has been studied and shown that true north for healthcare organizations is an engaged senior leader and senior leadership team. This factor alone is the difference between mediocrity and excellence when it comes to performance and sustained extraordinary metrics for care, health and cost. *The Executive Guide to Healthcare Kaizen* provides a foundation for you as an executive to build the learning organization needed in today’s environment. Smart, to the point, and handy. You will find this guide invaluable.”

Betty Brown MBA MSN RN CPHQ FNAHQ
Immediate Past President NAHQ
Principal, ELLO Consulting, LLC

“At Beth Israel Deaconess Medical Center, everybody improving every day is a critical aspect of our Lean and quality improvement efforts. *Healthcare Kaizen*, is full of relatable examples as well as practical ideas that will inspire staff, clinicians and leaders at all levels. Its’ must-have supplement, *The Executive Guide to Healthcare Kaizen: Leadership for a Continuously Learning and Improving Organization*, clearly outlines the role of management in leading this important work. It is not enough to be supportive; rather, one must demonstrate genuine interest with active participation and not delegate continuous improvement to others.”

Alice Lee
Vice President, Business Transformation
Beth Israel Deaconess Medical Center

“For the past 7 years I have been leading a successful lean healthcare transformation at Chugachmiut, the non-profit organization I lead in Alaska. During that time, I have learned that respect for the people who work for you is key to any transformation. Mark Graban and Joseph Swartz do a great job of

capturing this truth in their book, *Healthcare Kaizen: Engaging Front-Line Staff in Sustainable Continuous Improvements*. Every employee can learn the tools of lean, and improve processes as a result. However, sustaining a lean transformation and resisting entropy requires engaging front line employees in a long term vision for serving their customers and in true continuous improvement. Employees who work in a culture that removes blame and shame, operates on facts and seeks improvement continuously have great leadership and will respond with incredible results. This book is a long needed addition to my growing lean healthcare library.”

Patrick M. Anderson

“Lean in Alaska”

Governance and Management Consulting

“The term ‘kaizen’ has been interpreted in many ways since we learned of the Toyota Production System in healthcare. Mark and Joe demystify the term, help us understand its real meaning, and help us see how using kaizen can help us improve in healthcare and, frankly, how we can use kaizen to save lives. The philosophy, tools and techniques discussed in the book work, and work well, in any environment. We in healthcare must improve - we owe it to our patients and communities - and Mark and Joe are helping to show us the way.”

Dean Bliss

Lean Improvement Advisor

Iowa Healthcare Collaborative

“The healthcare industry has long struggled to tap one of the biggest sources available to it for ideas to improve outcomes and reduce costs – its front-line staff. Healthcare Kaizen lays out a step-by-step approach that any healthcare organization can use to get the dramatic results that come when its workforce is fully engaged in kaizen activities on a daily basis. This inspirational book is packed with examples and is informed by the authors’ years of experience on the “front-lines” themselves, helping leading healthcare organizations around the world to build successful kaizen programs.”

Alan G. Robinson, PhD

Professor, Isenberg School of Management at the University of Massachusetts

Co-author, *Ideas Are Free* and *Corporate Creativity*

“What Mark Graban and Joseph Swartz have done in *Healthcare Kaizen* and *The Executive Guide to Healthcare Kaizen* is to bring hope and light to a part of our society that is facing increasing challenges. Full of examples and illustrations from hospitals and healthcare professionals leading the way in the journey to patient-centered, error-free care delivery, this book makes it easy to connect with this very powerful concept of kaizen. By putting kaizen within the broader tradition of quality improvement, shedding light on its historical development and pointing out potential pitfalls in its application in healthcare, the authors provide a great service to the healthcare community. I was especially impressed by the authors’ important

insights on what a kaizen culture feels like, and how people at all levels can and must engage in daily improvement. These books will be a reference on the subject for many years to come.”

Jon Miller
CEO, *Kaizen Institute*

“At last, a crystal clear description of Kaizen as a philosophy and a work culture, not another top-down tool. Graban and Swartz show, in unequivocal detail, that Kaizen need not be viewed as a formal, five-day event, requiring X, Y, and Z participants, components, and steps. The compelling examples from Franciscan Health and others paint a picture of a hospital culture steeped in respect for people and continuous improvement—the very elements of Lean, Kaizen, and scientific inquiry. By busting the myth of the five-day “event,” the authors show the true, sweeping potential of Kaizen in the healthcare workplace.”

Naida Grunden
Author, *The Pittsburgh Way to Efficient Healthcare*
Co-author, *Lean-Led Hospital Design: Creating the Efficient Hospital of the Future*

“The vision of a world in which our healthcare institutions operate with a universal discipline of relentless, patient-centered improvement remains a vitally important yet distant dream. In *Healthcare Kaizen*, Mark Graban and Joseph E. Swartz illustrate just how to make that dream a reality.”

Matthew E. May
Author of *The Elegant Solution* and *The Laws of Subtraction*

When embarking on a Lean transformation, one of the greatest leadership and cultural challenges is getting to the point where the frontlines have the skills for and are truly authorized to make daily improvement. This shift not only accelerates results, it deeply engages the workforce, a precondition for achieving organizational excellence. Graban and Swartz present the kaizen philosophy in the most accessible way I’ve seen yet. They present a powerful model for preparing managers for their new role as improvement coaches and the frontlines for taking a far more active role in delivering greater value to the healthcare industry’s various customers. THIS is the missing link in healthcare reform.

Karen Martin
Author, *The Outstanding Organization* and
The Kaizen Event Planner

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The Executive Guide to Healthcare Kaizen

Leadership for a Continuously Learning and Improving Organization

Mark Graban, Chief Improvement Officer, KaiNexus, San Antonio, Texas, USA
Joseph E. Swartz, Director of Business Transformation, Franciscan St. Francis Health

Some healthcare organizations have learned about daily kaizen, but they struggle to move from platitudes to practical action. This book is an introduction to kaizen principles and an overview of how to create a kaizen culture. It is specifically written for senior leaders and managers who need to understand the power of this useful Lean tool. These are the executives and senior-level managers who need to inspire and motivate their organization—leadership which is critical in sustaining improvement and moving their organization into the future.

Reviews

“I hope you will discover, as we have, the incredible creativity that can be derived by engaging and supporting each and every employee in improvements that they themselves lead.”

-Robert J. (Bob) Brody, CEO, Franciscan St. Francis Health

“Unleashing the energy and creativity of every employee to solve problems everyday should be the sole focus of every healthcare leader...Healthcare Kaizen provides examples of front line staff coming up with solutions to problems on their own and implementing them. Healthcare leaders need to read this book to understand that their management role must radically change to one of supporting daily kaizen if quality safety and cost are to improve in healthcare.”

-John Toussaint, MD, CEO, ThedaCare Center for Healthcare Value, Author, *On the Mend and Potent Medicine*

“In Healthcare Kaizen, Mark Graban and Joseph Swartz show us that Kaizen is more than a set of tools...Front line staff must know, understand, embrace and drive Kaizen and its tools to achieve incremental and continuous improvements. This book will help health care organizations around the world begin and advance their journey.”

-Gary Kaplan, MD, FACP, FACMPE, FACPE, Chairman and CEO, Virginia Mason Medical Center

Selected Contents

The Need for Kaizen. What is Kaizen? Types of Kaizen. Creating a Kaizen Culture. Daily Kaizen Methods. The Role of Senior Leaders in Kaizen. The Role of Other Leaders in Kaizen. Organization-Wide Kaizen Programs. Conclusion.

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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,
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Healthcare Kaizen

Engaging Front-Line Staff in Sustainable Continuous Improvements

Mark Graban, Chief Improvement Officer, KaiNexus, San Antonio, Texas, USA
Joseph E. Swartz, Director of Business Transformation, Franciscan St. Francis Health

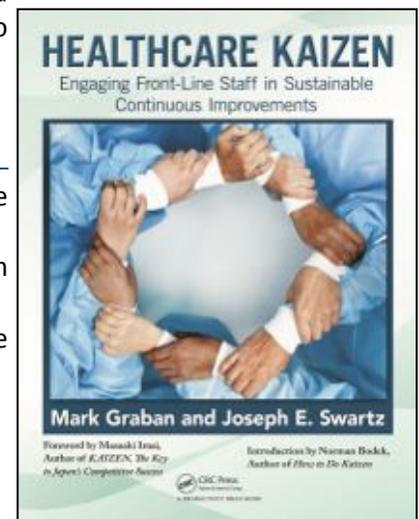
This book focuses on daily continuous improvement, or *Kaizen*, for healthcare professionals and organizations. It shares some mechanics for facilitating Kaizen, but more importantly covers the management mindsets and philosophies required to make Kaizen work effectively in a department or as an organization-wide program. All of the examples are real healthcare examples shared by Franciscan Alliance Health System and other leading organizations, with many color pictures and illustrations of Kaizens. This book will be helpful to healthcare organizations that have embraced weeklong improvement events, but now want to move beyond just doing events into a more complete Lean management system.

Key Features

- Provides examples of documented Kaizen improvement from multiple healthcare settings
- Discusses the three levels of Kaizen—daily Kaizen, Kaizen events, and system Kaizen
- Focuses on daily Kaizen methods for staff engagement in the healthcare setting
- Includes a Foreword by Masaaki Imai and an Introduction by Norman Bodek
- Offers templates that are available for download at www.HCKaizen.com

Selected Contents

What is Kaizen? Kaizen and Continuous Improvement. The Roots and Evolution of Kaizen. Types of Kaizen. Moving Toward a Kaizen Culture. **Kaizen Methodologies.** Quick and Easy Kaizen. Visual Idea Boards. Sharing Kaizen. The Art of Kaizen. **Kaizen Lessons Learned.** The Role of Leaders in Kaizen. Organization-Wide Kaizen Programs. Lean Methods for Kaizen. Kaizen At Home. *Each chapter includes a Conclusion, Discussion Questions, and Endnotes.*



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Lean Hospitals

*Improving Quality, Patient Safety, and Employee Engagement,
Second Edition*

Mark Graban

Chief Improvement Officer, KaiNexus, San Antonio, Texas, USA

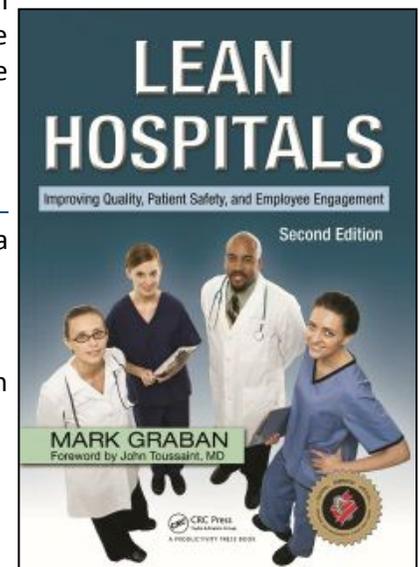
Building on the success of the Shingo Prize-Winning first edition, *Lean Hospitals, Second Edition* explains how to use the Lean management system to improve safety, quality, access, and morale while reducing costs. Lean healthcare expert Mark Graban examines the challenges facing today's health systems, including rising costs, falling reimbursement rates, employee retention, and patient safety. This edition includes new material on process audits, performance measures, employee suggestion management, and strategy deployment. It contains new and updated case studies as well as revised chapters on patient safety and medical errors.

Key Features

- Provides an overview for healthcare leaders interested in embarking on a Lean journey
- Includes new and updated case studies and Lean tools
- Contains new material on strategy deployment
- Covers process audits, performance measures, and employee suggestion management
- *Second Edition of a Shingo Prize Winner!*

Selected Contents

The Case for Lean Hospitals. Overview of Lean for Hospitals. Value and Waste. Observing the Process and Value Streams. Standardized Work as a Foundation of Lean. Lean Methods: Visual Management, SS, and Kanban. Proactive Root Cause Problem Solving. Preventing Errors. Improving Flow. Strategy Deployment. Getting Started with Lean. A Vision for a Lean Hospital.



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