

KAIZEN®

LEAN FORUM

Information ■ Impulses ■ Ideas



Traditionally these problems have been solved by providing more staff, more money, more space or a combination of all these factors. Sometimes the answer is simply that the patient must wait longer for treatment.

The Healthcare sector requires the ultimate in client/patient satisfaction purely by the nature of the service it provides. A growing number of healthcare organizations are applying the KAIZEN Lean principles to increase their effectiveness. The Kaizen Lean approach focuses on two major objectives: Customer satisfaction and flow whilst simultaneously improving staff satisfaction and safety. When the transformation is completed

■ Less Stress for Staff – Better Care for Patients

Lean Healthcare

The Healthcare profession is facing growing challenges:

- cost of materials,
- staff shortages,
- increased demand,
- increased stress on their staff ,
- greater potential for mistakes,
- increased dissatisfaction from patients/clients because of long wait times and poor service,
- financial restraints from insurance companies and governments and
- increased media attention and distractions.

properly it affects the organization's end-to-end processes, plus the culture. The positive and usually immediate impacts include the speed, cost and quality of service. Once lean implementation is underway, the entire staff (doctors, nurses, technicians, support staff) and the patients, all 'see' and 'feel' the impact. There is a huge shift in culture and thinking and everyone starts to work as a team and as part of the Value Stream not in department or silos. The stresses are removed and staff are able to focus on applying their skills instead of spending time on the non-value activities. The principles of KAIZEN Lean can be applied to a range of healthcare environments, such as hospitals, family

practice units, laboratories and medical supply facilities large and small. Amazing results have been achieved in just a few weeks by eliminating wasteful activities that over time have become part of the everyday system/processes, freeing up time for staff to do real value added work. These improvements are beneficial to everyone: patients, doctors, nurses and administrators, Healthcare is the perfect environment to implement Lean and streamline complex processes.

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- Launching a lean initiative in an environment of constrained resources
- Environmental improvements and reduced Energy Consumption
- Successes Highlighted at Lean Healthcare Conference



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The staff are motivated and are passionate about giving the best care to their patients/clients. All they need is the relevant knowledge and methods to transform their processes and thinking to meet the challenges they are facing both today and in the future.

Healthcare staff are doing an amazing job considering the processes they have to work with are less than perfect.

The processes are the problem and need to be fixed so that our healthcare workers can do their jobs efficiently.

The following case studies will demonstrate the potential of applying Lean to Healthcare throughout the entire organization and supply chains.

The Kaizen Institute can help you to adapt and apply Kaizen Lean thinking to your unique situation. Call or email us to find out more – www.ca.kaizen.com.

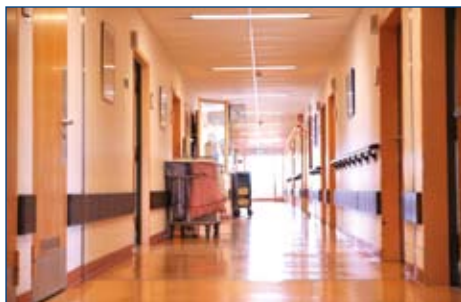


Best Practice: Applying Lean to Healthcare

■ Best Practice: Applying Lean to Healthcare

Achieving More and doing it Better, Faster and with less cost

Staff and Management of the **Hospital for Sick Children** in Canada are enthusiastic about Lean Methodology. Their ‘Lean Journey’ has resulted in a collaborative effort and substantial benefits for both patients and staff. They reported achievements in the ‘SCRUB notes’, a publication for the staff of the Peri Operative Care Unit.



state design was produced mapping the hospital’s logistics vision. This enabled people to take the next step toward continuous process improvement.



Larry Coté, President of Kaizen Institute Lean Advisors found many opportunities for improvement when he visited Health Care Organizations. The initial step in lean implementation is to assess the current work flow. It is crucial to first understand the practice’s current state and the minutiae of the environment.

and administrative processes. A future state map was designed and implemented, bringing the following magnitude of results: consultation lead time reduced from 45 days to 8 days, no material shortage, lay out improvement, better communication between various departments, better communication between doctors and patients. Then generate customer satisfaction without any big investment!



The **Saskatchewan Ministry of Health** adopted a culture of lean, focussing on providing value and eliminating waste. The goals were to create and maintain an unwavering focus on the patient; to improve quality of care and safety of patients and staff; to increase the effectiveness of processes; to increase customer satisfaction; to raise employee morale and more.

In Portugal, the **San Antonio Hospital** implemented a lean project to improve the external consultation process. Through accurate value stream mapping, numerous problems were identified connected with infrastructure, patient focus, stock management, work leveling,

One step towards ‘Lean Hospital’ is the **Hospital Logistics System**. The team from Kaizen Institute Portugal worked with large hospital, using the value stream mapping technique to identify waste and bottlenecks and other opportunities for improvement. A future



Please download all these case studies and more at www.kaizen.com/business-sectors/healthcare.

■ Reality Check – Lean in Healthcare

Launching a lean initiative in an environment of constrained resources

By Steve Read, CFO, Brockville General Hospital

There is an abundance of empirical and anecdotal evidence to support the use of lean principles in modern healthcare. However eager employees returning from Lean seminars enthused and excited about the prospect of introducing lean into their organization may have their hopes extinguished by a healthy dose of reality when they return to their offices.

The case for lean is undeniable. The economics of modern healthcare demand value added processes, fluid patient movement through clinical interventions, and the perpetual absence of waste. Lean is ideally suited to address that challenge, but the transformation of an organization into a lean environment does consume resources – time, space, effort, and of course, money.

Lean practitioners, especially those champions introducing lean principles to an organization for the first time, need to acknowledge that lean is, in fact, an investment. In the face of budget constraints, funding shortages, overworked management teams and many competing priorities, we need practical tools for demonstrating a quantifiable return on lean investments.

Executives make resource allocation decisions based on such criteria as patient care impact, alignment with strategic directions, and the relative size of a project's return on investment (ROI).

Lean practitioners and Kaizen facilitators need to become proficient at calculating the financial impact of lean endeavours. It is useful, therefore, to have measurable outputs for lean initiatives and quantifiable results that illustrate their return. Dealing with limited resources is certainly not new to Hospital administrators, but the application of lean principles may provide new ways to address the challenges it creates. Time, for example, is a limited resource traditionally sourced by new hires or additional budgeted hours. In a lean world, time is created by eliminating non-value-added activities from key processes.

As waste is identified and eliminated, time capacity is created and staff can be

redeployed into value-added activities. Similarly, physical space capacity issues have traditionally been addressed through renovations, additions, or redevelopment. Lean provides for workplace redesign strategies (5S, FIFO lanes, Kanbans, etc.) that typically reduce physical space requirements. Reclaimed space can be reassigned to avoid future capital costs and can accommodate value-added patient care or revenue generating activities.

Money, of course, is commonly understood to be in short supply, and lean efforts that lead to cost reductions or cost avoidances contribute directly to the budgetary challenges facing all hospitals. Calculating the full return on a Kaizen event can be challenging, but enormously important in terms of demonstrating the power of lean. The real contribution of events that create time, space or financial capacity is tied to the value created through the redeployment of freed up resources. That new value might be cost avoidance (eg. when people are redeployed to add value in other processes rather than outsourcing or recruiting), or it might lead to new or increased revenue streams. For example, if an initiative to improve on-time discharges leads to an increase in billable room differentials (upgrades from semi-private to private), then this new revenue is a direct return



on the investment in the event. Whatever the outcome of a lean initiative or a Kaizen event, the team involved must be tasked with identifying cause/effect relationships and the positive consequences of any change. Often, one cost avoidance might lead to a pure savings in another area, or might open up revenue streams never before available. Practitioners who are skilled at quantifying, in financial terms, the full and future impact of lean transformations will have an easier time advocating for future investments in lean.



■ Gemba KAIZEN in Chemical Industry in Brazil

Environmental improvements and reduced Energy Consumption

The continuous process industries, particularly in the chemical sector, require large quantities of energy for operation. However, power generation consumes natural resources, which may or may not be renewable. This affects the balance of the environment either in resource extraction or production of pollutants in the form of gases or waste. Besides this social component, the energy usually has a significant impact on production costs, sometimes constituting the major item in cost's formation.

Recently KAIZEN Institute Brazil began a project based on the Kaizen Methodology, in the chemical industry with the biggest processor of food grade phosphoric acid in South America. The goal was to reduce energy consumption during pro-

duction. The project incorporates several phases of specific GembaKaizens for each type of energy used. The first aimed to reduce energy consumption, the result was a 14% reduction in annual average, which provided a return in 1.5 months. The second GembaKaizen was designed to reduce the consumption of steam and the result was a 12% reduction in specific consumption, providing a return in 1.8 months with minimal capital outlay. It is obvious that the reduction of steam consumption will directly influence the consumption of electricity without affecting product quality.

The next step will be a GembaKaizen of water, with the goal of reducing water consumption used in the process, including the system of wastewater treatment.

College

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■ Can the Toyota Way Save Canadian Healthcare?

Successes Highlighted at Lean Healthcare Conference

By Jacob Stoller, Freelance Writer, 416-203-0200, jacob@stollerstrategies.com

Canadian healthcare and the auto sector may seem miles apart. However, both face similar challenges when it comes to delivering value, and both are looking to lean, the discipline that helped Toyota become a manufacturing icon, for answers.

This parallel was clearly evident at the 2nd Annual Lean Healthcare Conference held in Toronto on September 21 and 22, where many of the participants had industrial backgrounds. The speakers, including hospital CEO's, frontline team leaders, and practitioners from private sector healthcare shared lean success stories, backed by real data, with an audience pressed to do more with less.

"I'm tired of hearing that Canadian healthcare is broken," said Chair Larry Coté, President of Kaizen Institute Lean Advisors Inc., setting the tone in his opening remarks.

Lean is a suite of simple workplace methodologies that help organizations eliminate actions or outlays that don't contribute to customer value. By removing this waste from the system, lean can

improve quality whilst reducing costs. In healthcare, this means:

- Shorter patient wait times.
- Increased capacity without increasing costs.
- Fewer barriers between care deliverers and patients.
- Cleaner, safer, and less stressful work environments.
- improved interaction between different organizations within the overall system.

Lean in Canadian healthcare is still in its infancy, and more hard work lies ahead if results such as these are to be achieved on a broad scale. One of the key challenges is cultural transformation – staff need to reassess their roles, and be prepared to work side-by-side with co-workers from all ranks to solve problems and create an environment for continuous improvement. As many speakers attested, this takes time and a strong commitment to lean from senior management.

That said, the early success stories presented at the conference are well substantiated and encouraging. Participants heard:

- How a nurse who was poised to leave healthcare because of intolerable working conditions is now a team leader using lean to transform an emergency ward.

- How a hospital CEO brought his executive team to visit Toyota in Japan, and how the experience transformed their vision for the hospital.
- How a children's hospital reduced the average turnaround time for lab tests by as much as 71% in less than 4 months.
- How a healthy competitive spirit in a hospital group has revitalized frontline workers, and spawned a dozen field-initiated improvement projects.

No one at the conference was pretending that lean is a quick fix – learning curves are steep, resistance is common and persistent, and much relies on trial and error. The success stories however demonstrated that with commitment and the right tools and support, significant change through lean is achievable.

IMPRINT

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