Improving the Enterprise
At the end of this module, you will be able to:

- Recognize that enterprise improvement requires more than “local lean thinking”
- Describe how lean organizations are able to adapt to external constraints and disruptive events
- Participate in a Rapid Process Improvement Workshop to achieve larger-scale lean improvements
- Implement a Daily Management System
- Describe some of the difficulties of large-scale change
- Explain a future state map for a process
Enterprise Issues

- HC operations are often impacted by decisions made at higher enterprise levels
  - Regulations, insurance, billing…
  - Resource constraints and performance demands
- HC networks need (ultimately) to be optimized at an enterprise level
  - With poor coordination, local optimization may sub-optimize the enterprise (and vice-versa)
  - Done right, enterprise resources and removal of enterprise constraints may allow much greater efficiencies at the local level
Constraints and Disruptions

• Higher level decisions and systems may appear as constraints to local attempts at lean
  • Billing and paperwork requirements
  • Hiring rules, credentialing requirements
  • Budget cutbacks

• Higher level improvements may appear as disruptions to local attempts at stable process
  • EMR
  • Consolidations, HC networks
  • Changes in insurance or law
Living with change

- Lean organizations are, by their nature, adaptable to change
  - Process orientation allows efficient process change and quicker stabilization
  - Standardization means fewer things have to change (i.e. change and train the standard, not many individual processes)
  - Rapid cycle time means changes take effect quicker
  - Continuous improvement culture means people are practiced at change, know how to minimize disruptions, quickly stabilize the new state

Higher level change requires greater levels of organization and planning
CPI Framework

Steps are the same, organization and emphasis are different

Problem perceived
Grasp current situation
Diagnose root cause
treatment options
Visualize future state
Create implementation plan
Develop follow-up plan
Obtain stakeholder buy-in
Execute implementation plan
Execute follow-up plan
Achieve an outcome acceptable enough to standardize?
Establish standard process

A culture of mentorship and personal growth

Consult affected stakeholders

Healthcare Enterprise Stakeholders

- Patients & Families
- Medical Staff
- Insurers
- Other employees
- Suppliers
- Directors & Management
- Government
- Businesses

“Any group or individual who can affect or is affected by the achievements of the organization’s objective”

Freeman, Strategic Management: A Stakeholder Perspective, Pittman, 1984
“Value - how various stakeholders find particular worth, utility, benefit, or reward in exchange for their respective contributions to the enterprise.”

Murman et al., *Lean Enterprise Value*, Palgrave, 2002
Visualizing: The Ideal State

• “Giving customers exactly what they want, when they want it, is a core principle of an ideal state. As you observe work in progress, note the delays in care created by caregivers waiting for necessities from their suppliers (...). It is easy to see the delay passed onto the patient and the costs passed onto the organization”*

• An Ideal State Map is often a useful exercise for determining what directions improvements should follow.

* Cindy Jimmerson, Value Stream Mapping for Healthcare Made Easy
Rapid Process Improvement Workshop (RPIW)

- Focused on a specific improvement opportunity
- Chartered by a sponsor who gives improvement goals and organizational constraints, and provides resources
- Lean coaches & facilitators provided
- Event is up to a week in duration
- Several months preplanning
- Involves all important stakeholders
- Data driven process
- Ends with implementation plan
- Implemented outcomes measured

RPIW is the tool for enterprise level changes
RPIW Flow

**Strategic Choice**

**Planning Stage**

- RPIW Charter
- Resources
- Process data

3 – 6 months

**RPI Workshop**

3 – 5 days

**Follow-up Stage**

3 – 6 months

Enterprise performance

Future state process implementation plan
RPIW Participants

- **Objectives Resources**
  - Sponsor
  - Team Domain Experts Stakeholders
  - Lean Experts Facilitator, Lean Coach, Lean Fellow
  - Support Team IT, Facilities...

Image by MIT OpenCourseWare.
• Day 1 – Team building, Gemba walks, current state map, brainstorming
• Day 2 – Morning: develop future state improvement strategy
• Day 2 – Afternoon: brief management
• Days 3 & 4 – Prototype improvement strategy, including: mockups, testing, develop training materials, engaging affected stakeholders
• Day 5 – Wrap up & brief management

Shorter RPIWs for simpler improvements
Daily Management System

- DMS focuses on a 5 minute meeting of ALL clinic personnel at day’s start to:
  - Review previous day’s performance
  - Transmit any new enterprise directives
  - Review current day’s plans
  - Note any special achievements or issues
- Organized and run by clinic administrative lead
Wrap Up

- Enterprise level issues may create constraints and disruptions at the local level.
- Enterprise level LEAN can provide much greater benefits than local efforts, however.
- The CPI framework applies, although the emphases are different.
- Stakeholder value and Ideal State vision focuses direction.
- Structured teams (RPIW teams) will be needed, and with them methods for team collaboration and management.

We will continue exploring RPIW events and tools in the upcoming simulation exercise.
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