Kaizen: A Lean Engaging Framework

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Agenda

- Presentation Goals.
- What is Lean?
- What are the Benefits ?
- Why would we do it it?
- What is the Strategy? Kaizen -
- What is requested from our people?





• Lean is about **People**

Leadership empowers

Employees to deliver

Value to the **Patient**



- Kaizen a framework to engage employees
- Lean Leadership for a kaizen culture

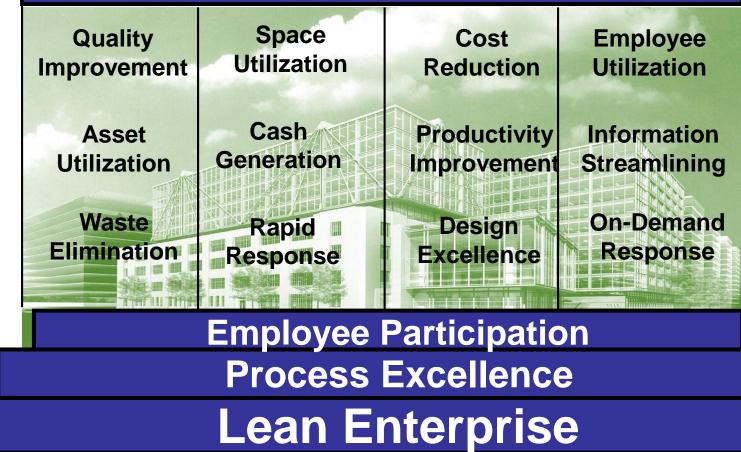
What is Lean?



"Lean is having the best process in place right Now"

Increased Profits

Customer Satisfaction



What is Lean for Healthcare?

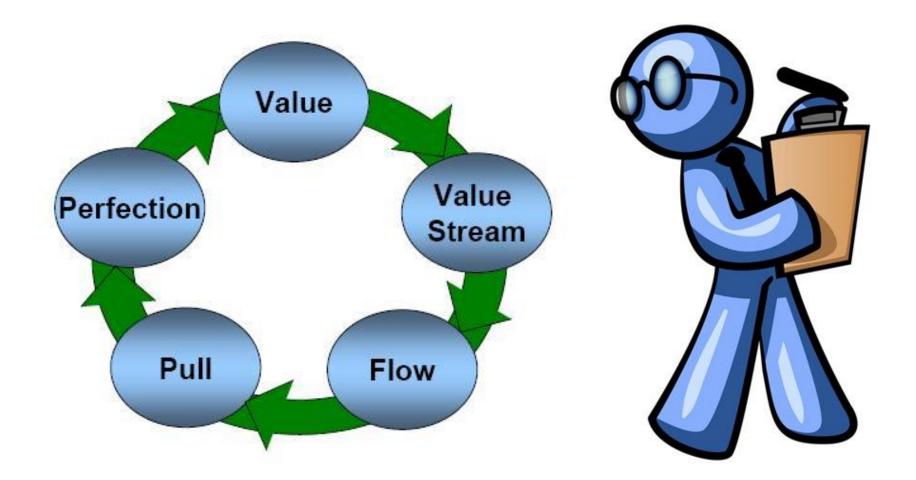
It is a process designed to bring about <u>rapid</u>, <u>planned</u>, <u>controlled</u> and <u>measured</u> step-change improvements to the performance of an organization through an overhaul of the value stream.

A comprehensive set of 5elements, 4rules and tools that focus on <u>value</u>, the <u>elimination of waste</u> and <u>continuous incremental improvement.</u>



The Most Important Thing to Remember is that Lean is a Thinking Process

Elements



4 Rules



Standard Work

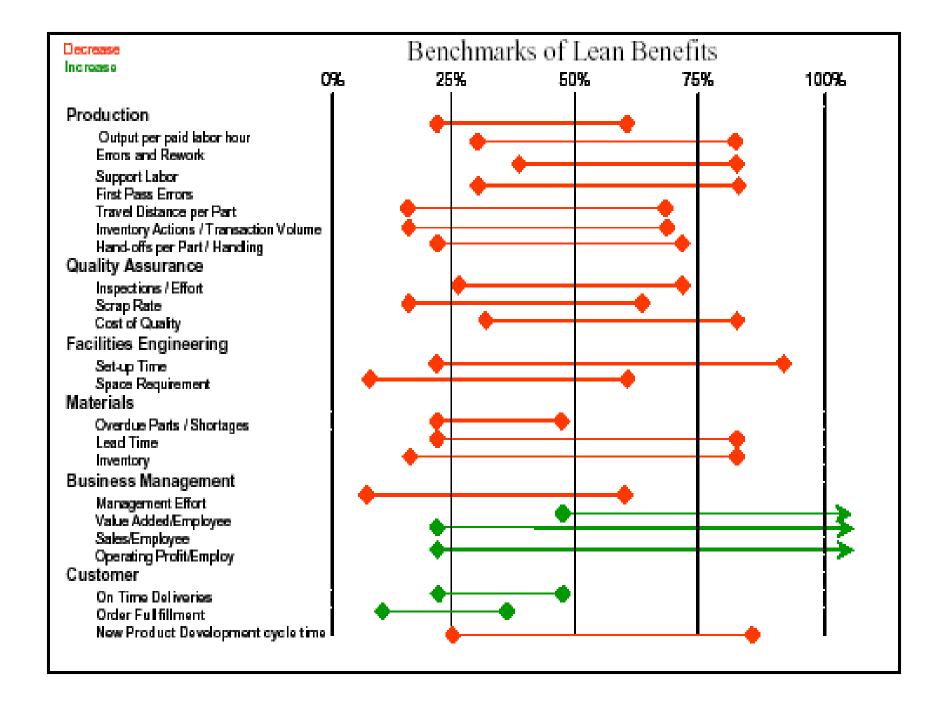
Limit Material/ Information Movement

Limit People Movement

Educate Everyone

A Variety of Tools





Benefits of a Lean Enterprise

- Service level improvement
- Cash generation
- Greater asset utilization
- Quality improvement
- Increased employee participation



- Productivity improvement
- Profitability improvement

Virginia Mason Benefits

Inventory	Dollars	\$1,350,000	Down 53%
Productivity	FTEs	158	$\mathbf{36\%}$ (redeployed to other open positions)
Floor Space	Sq. Ft.	22,324	Down 41%
Lead Time	Hours	23,082	Down 65%
People Distance	e Feet	Traveled 267,793	Down 44%
Product Distance	e Feet	Traveled 272,262	Down 72%
Setup Time	Hours	7,744	Down 82%

ThedaCare Benefits

- \$3.3 million in savings in 2004.
- Saved \$154,000 in the Catheterization Lab supply procurement processes.
- In 2004, reduced accounts receivable from 56 to 44 days equating to about \$12 million in cash flow.
- Redeployed staff in several areas saving the equivalent of 33 FTE's.
- Improved ThedaCare Physicians phone triage times by 35%, reducing hold time from 89 to 58 seconds.
- Reduced ThedaCare Physicians phone triage abandonment rates by 48% (from 11.6% to 6.0%).
- Reduced by 50% the time it takes to complete clinical paperwork on admission.
- Appleton Medical Center Med/Surg decreased medication distribution time from 15 minute/medication pass (the amount of time it takes to pass one medication to one patient) to 8 minute/medication pass impacting 4.1 FTEs of staff time.

Lean is there to help you achieve the vision for your organization.

It supports the strategy that evolves from the vision.



"You can spend your life reacting to circumstances... or you can spend it acting on your vision." Brian Furlong

Why Should We Do It?



To Eliminate Waste Which Typically Consumes 30% - 40% of \$\$ Revenue.

That's a Big "Hidden Opportunity"!!

Waste

"Waste is any activity (or inactivity) which absorbs resources but creates no VALUE"

James Womack, Daniel Jones, Lean Thinking – Published by Simon and Schuster.



UNDERUTILIZED RESOURCES Any Failure to fully utilize the time & talents of people

OVERPRODUCING

Generating more than the patient or customer needs

TRANSPORTING Movement of anything that does not create value

MOTION Searching, filing, sorting, walking, bending, stretching, etc.

Customers pay for waste with MONEY and TIME. INFORMATION (INVENTORY) Excess information or supplies of any kind

REWORK AND DEFECTS Defects, rework or errors of any kind PROCESSING Steps that the patient or customer does not care about WAITING Idle time when equipment, people or information needed is unavailable

What is the Strategy?



Continuous Improvement Through Kaizen to Achieve Customer Loyalty and Grow the Business.

A Kaizen is a...

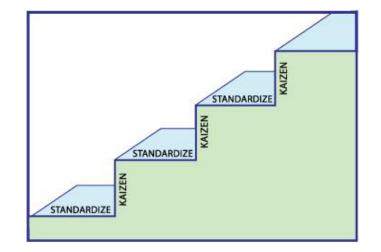


Rapid Improvement Event

Kaizen Defined

A Kaizen is a *cross-functional* group of people who study a process, identify all possible types of waste, then change the process to eliminate as much waste as possible.





When done, they restudy the area to verify that improvements were achieved.

Kaizen

- Kaizen surrounds all aspects of the Lean transformation.
- It is the engine that powers the Lean implementation and provides for Continuous Incremental Improvement.
- A four/five day project to review and make changes to a process.
- The cycle followed in performing Kaizen is sometimes referred to as, <u>Plan-Do-Check-Act</u>.
- The goal of Kaizen is to identify and eliminate Waste.

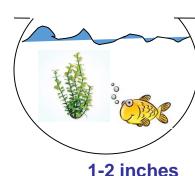


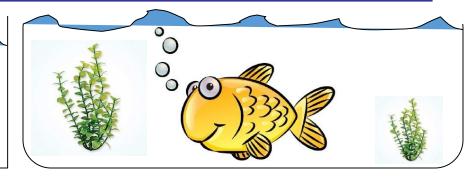
The biggest factor that determines the size of the fish is the size of its environment.

Do we keep our people in a confined environment because we see it as inefficient and wasteful to put them in a larger environment?



Do we provide people with a larger environment because we see is as ineffective and wasteful of their potential to keep them in a confined environment?





2-6 inches

10-12 inches

Do not follow where the path may lead....





Go instead where there is no path and leave a trail...