



Lean Leadership: Three Phases of Development

By Jeff McAuliffe, Tom Moench and Joan Wellman

When they're first introduced to "lean thinking," health care leaders usually go through three stages: skepticism, enthusiasm for lean thinking and strategic leadership.



Jeff McAuliffe Tom Moench Joan Wellman

In "[The Lean Enterprise Meets Health Care](#)" (*H&HN OnLine*, Feb. 10, 2004)*, we chronicled the emerging application of lean thinking, or the Toyota Production System, in Seattle-based health care organizations--including Virginia Mason Medical Center, Children's Hospital and Regional Medical Center, and Swedish Medical Center. Having described the six principles of lean thinking (see below) in our previous article, and having provided some early results of lean thinking among Seattle-area providers, we turn now to the challenge of leadership. In this article, we address two questions: How do health care leaders get hooked on lean manufacturing principles in the first place, and what can others learn from early adopters?

To briefly summarize our first article, lean practices developed by the Toyota Production System led to dramatic improvements of 50 percent to 100 percent in employee satisfaction, quality, safety and costs. The six practices of the lean organization are:

Eliminate waste. Remove all wasteful work process steps that add cost, increase time to respond to patients and multiply opportunities for errors.

Install visual systems. Make work process steps visible so abnormal conditions and barriers are easily detected and corrected.

Ensure quality at the source. Design work processes with mistake-proofing features to prevent errors from happening.

Redesign for steady flow. Ensure that customers receive just what they want, when they want it and in the amounts wanted.

Establish standard operations. Create a more effective choreography of people, information, supplies and equipment resulting in reliable processes that deliver better quality, in a safer manner, at less cost.

Engage and respect everyone's expertise. Educate employees on lean thinking and involve them in rapid process improvement workshops that dramatically improve process performance.

Having worked with and interviewed health care leaders for the past nine years, we have observed that leaders progress through three roles of lean learning and awareness: (1) the skeptic, (2) the enthusiastic early adopter and (3) the strategic leader.

The Skeptic

After years of programs and consultants promising quality and process improvements--total quality management, Six Sigma, reengineering--with little or nothing to show in terms of real performance improvements, it is not surprising that health care leaders are skeptical when they first hear about lean thinking. It sounds like just another quality program promise to make operations better only to prove to be too hard, too little, too slow.

These skeptics become enthusiastic early adopters when they have a first-hand "aha" experience with a lean improvement project. A rapid process improvement workshop participant summarized his hands-on experience: "I went to my first workshop thinking, 'What a waste of time.' When I left I thought 'This might work!' Then I started seeing how this could be applied to everything." One chief of anesthesiology put it another way: "My first exposure was a design workshop using lean principles. I found it to be unique and realized it could break down silos. I began to get encouraged about using industry's tools in health care."

Eventually leaders see something fundamentally different in lean. Because lean is a visual system, improvements from a workshop are immediate and dramatic. Secondly, because lean methods eliminate waste, resources are extracted from current operations and made available for immediate redeployment. It is often this second feature that sparks interest in the skeptic. The message for health care leaders is that until they and their colleagues engage in this all-important hands-on experience, they'll likely remain skeptics.

The Enthusiastic Early Adopter

For enthusiastic early adopters there is an immediate shift from thinking in terms of "manufacturing versus health care" to a more fundamental thinking about "waste, inventory, batches of work and flow." As one chief operating officer stated, "I have no barriers related to manufacturing models. Systems are systems--regardless of where they're applied. Whenever you see more than two steps in a process, there's opportunity." Enthusiastic adopters, now past initial "ahas" and on their way toward becoming diligent students of the Toyota Production System, embrace the following approaches on the road to lean mastery:

Lean site visits. Site visits employ one of the key concepts of lean thinking, the "three actuals"--going to the actual place and talking to the actual people about the actual process. Going to a manufacturing site that has been implementing lean thinking for eight to 10 years reveals an ingrained culture that permeates the workplace. One physician leader, upon returning from a factory site, commented, "I didn't see an example of a lean principle or method that didn't apply in our environment."

The consultant teacher. Not everyone in the early stages, however, has the commitment to make resources available for a site visit. Through well-designed classes and lean process simulations, leaders can deepen their understanding. As one of our leaders put it, "It's great to see an example of continuous flow and experience it through simulations as we have done in our education

process. Once you see it, it's, 'Oh my gosh, look at this opportunity!' It's easy to become a disciple."

"Just doing it." A third approach in early adoption is active participation and leadership of an improvement event. One vice president decided to attack a universal problem in medical centers--the availability of intravenous pumps to nursing staff. This executive co-planned and co-led a weeklong rapid process improvement workshop and described his experience this way: "You see it happen and you see the outcome and see the nurses who have pumps when they need them and you have cut out 90 percent of the waste. That has to be the compilation of everything. It changed my whole way of doing things."

There is so much waste in our current operations that the result from "just doing it" boggles the mind. As these successes and insights accumulate, lean leaders realize that "islands of improvement" are not enough to translate into better patient experiences or cost reductions unless there is a strategic focus on waste elimination and creating value.

The Strategic Leader

The strategic leader realizes that it will take an all-out effort to tackle the multitude of organizational silos and competing priorities to create a patient-centered, lean operation. One executive told us: "You have to make a decision about whether this should be a top-down or middle-up strategy. The problem with middle-up is that if you really do this, your [local lean] culture will be so different from the rest of the organization that you won't be able to do this. You'll start dealing with boundaries."

It is this tension that forces early adopters to move on to the next phase and embrace the Toyota Production System and philosophy as an organization-wide strategy. Strategic leaders see their role as creating an improvement engine that engages everyone in removing waste to optimize value to the patient. They publicly acknowledge that this is an ongoing, multi-year effort that may not end during their careers.

One mark of strategic leaders is the willingness to seek out teachers and executives outside of health care. They set mandatory standards for learning and leading lean projects at all levels of the organization. They look ahead to ensure that future leaders have the competence and commitment to continuously innovate. They understand the appropriate role and investment in technology as well as the importance of investing heavily in their people. They know they can't give up if they are to realize the potential of the lean enterprise. One physician leader summarized this well: "I am hopeful that this will change medicine in America and around the world. Our patients deserve that."

Our next article for *H&HN OnLine* will explore more aspects of lean operations as a strategic competitive advantage.

Jeff McAuliffe, M.A., is director of organizational effectiveness, and Tom Moench, Ph.D., is senior management development consultant at Swedish Medical Center in Seattle. Joan Wellman, M.S., M.I.M., is president of Joan Wellman and Associates, a firm in Bellevue, Wash., specializing in the application of Toyota Production System principles to health care and other service settings.

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