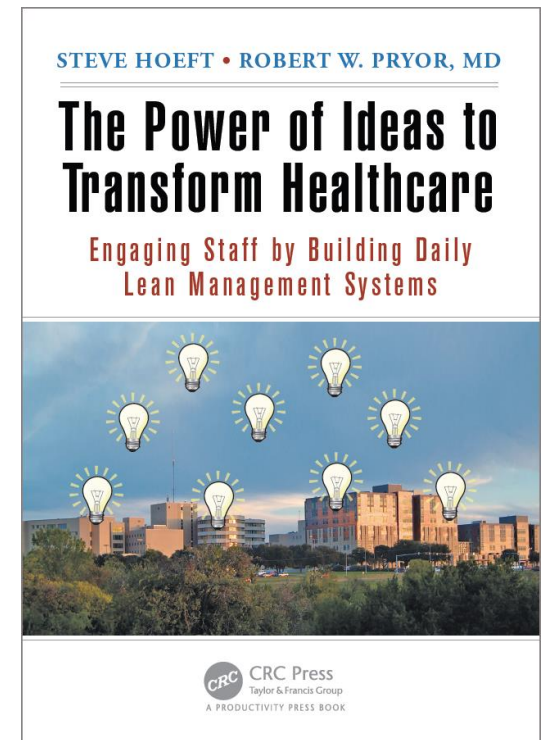


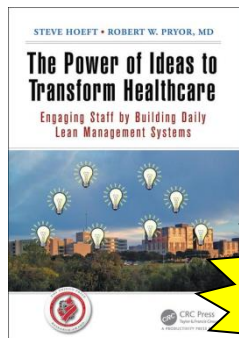
# Leadership Secrets in *The Power of Ideas to Transform Healthcare:* What Leaders Must *Do*

Shingo Conference  
Steve Hoeft  
Dr. Bob Pryor  
Apr 2016



# Dr. Bob Pryor, MD, MBA, CPE, FAAP, FCCM: Brief Bio

- (Past) CEO, Scott & White Health; Pres/COO/CMO Baylor Scott & White Health
- Largest not-for-profit health system in TX: 49 hospitals, 500+ access points
- Joined S&W Healthcare in 2005 as CMO; COO in 2007; President & CEO in 2011.
- COO at St. Joseph's Hospital and Medical Center in Phoenix.
- Undergrad: Baylor Univ.; Medical degree from UT Medical Branch-Galveston; MBA from Arizona State
- Board-certified Pediatrician; Fellow of the American College of Chest Physicians and American College of Critical Care Medicine. Intensive care physician for 20 years; led the division of critical care medicine, pediatrics at the Univ. of Oklahoma.
- Held numerous academic, hospital and medical staff appointments, authored book chapters, articles and abstracts in more than two dozen publications. Holder of a patent; delivered more than 300 presentations around the world as a guest lecturer. Held numerous healthcare board positions at the local, regional and national levels.
- Dr. Pryor led the development of Scott & White's Lean and Lean Management Systems, even creating the first **Idea Huddle** for his executive team back in early 2012. His unwavering commitment to building a **culture of continuous improvement** is chronicled in his new book.



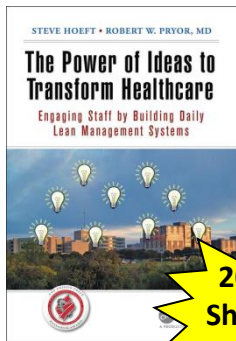
- Dr. Pryor is married to Kay and they have three children: Jarrod, Jami and Jaxon, and five grandchildren



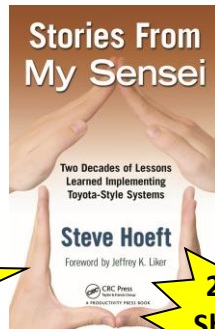
# Steve Hoeft: Brief Bio

- 32 years applying Lean principles, including quality, facility design, simulation and scheduling
- **Delta (Kogyo) USA** – lean supplier to Mazda (Sensei: Joe Shimada)
- **Johnson Controls** – studied lean principles directly from Toyota-KY (with Senseis)
  - Co-authored *JCI Manufacturing System* (ASTD Award winner)
  - Developed internal Lean Office; rolled out to divisions and plants (multiple Shingo Prize winners)
- **Lean Enterprise coach (8 years):**
  - Personally led over 200 Lean events; developed over 240 successful Lean Facilitators
- **Ann Arbor non-profit (9 yrs):** Scott & White (system-wide), Hospital Sisters Health System, UMass (Worcester), Spectrum Health, Dartmouth-Hitchcock Medical Center, Memorial Sloan-Kettering Cancer Center, University of Michigan Healthcare System, Henry Ford Healthcare, Rehabilitation Institute of Chicago, Yale New Haven Health, Kaiser Permanente, Blue Cross Blue Shield-Michigan, William Beaumont Hospital, UCLA Med School and Hospitals, Vancouver Coastal Health, Ontario Health Quality Council, Lakewood Health System, Nat'l University Hospitals (Singapore), AF Surgeon General, other DoD and government units; Government: Air Force-wide, Repair & Bases
- **Baylor Scott & White-Operations Excellence:** System-wide Lean transformation, Hoshin, Lean Management System-building
- ❑ (Past) Lead Instructor and Developer for Univ. of Michigan's Lean Healthcare, Manufacturing, and New Product Design certificate programs
- ❑ Lead Instructor for Univ. of Texas' Lean for Healthcare certificate programs

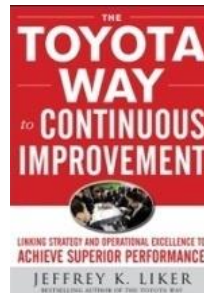
Lean!



2015  
Shingo



2011  
Shingo



THE UNIVERSITY OF TEXAS AT AUSTIN  
 Center for Lifelong  
Engineering Education

# Fixer-Upper vs. Flip This House?

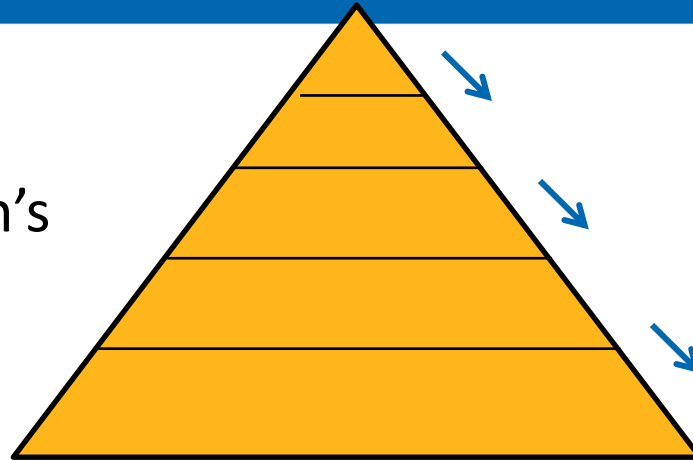


**VS.**



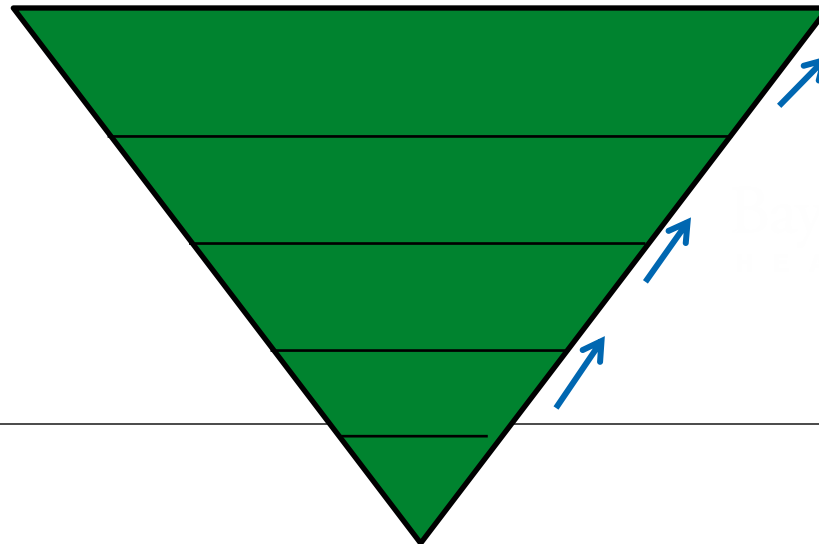
# Flippin' This House

Our  
Organization's  
'House'



*What's  
Wrong?*


Patients



# Moving Forward

“I’ve seen *hundreds* of applications of Lean management systems. What was surprising was its effectiveness. The Scott & White system, at the time this book was written, counted 2000 implemented ideas for improvement from employees per week from their 16,000 employees, this in an environment that included recent budget and staff cuts. That number is unheard of in my experience outside of a few high-volume, low-variety automotive manufacturers, mainly Toyota and some of its suppliers. That level of employee engagement is for me the *sine qua non* of a successful Lean implementation supported by a robust Lean management system.”

David Mann



“What was surprising was its effectiveness... 2000 implemented ideas for improvement from employees per week.... That number is unheard of in my experience outside of a few high-volume manufacturers

**Your Org? Possible? Benefits?**



# Moving Forward

“I believe the *single ingredient essential* to this success was the example that Pryor, the CEO, set for everyone in a leadership position at any level throughout the organization. This was not something he *delegated*. It was not the CEO endorsing an approach for *others* to take. It is something he personally demonstrates, coaches others on, observes them performing, and gives feedback. Pryor insists that leaders *learn to lead*, first by asking front line workers to share ideas for how to reduce the gaps between their unit’s performance and its goals, visually displayed in their daily tier meetings (huddles). Then, leaders are asked to take steps to be sure those who shared their ideas can tell whether their ideas were acted on, and if so their results on the performance gap.”

David Mann

# Moving Forward

“What Pryor has insisted on and personally reinforced and what Hoeft and his team developed is *rare*. It entails taking leaders through a process wherein they *persuade themselves* of the value of *sharing*, with front line staffers, their managerial discretion (power?) to define problems worth working on. When that happens, it holds the promise to improve the entire organization’s performance in ways others will find difficult to duplicate.

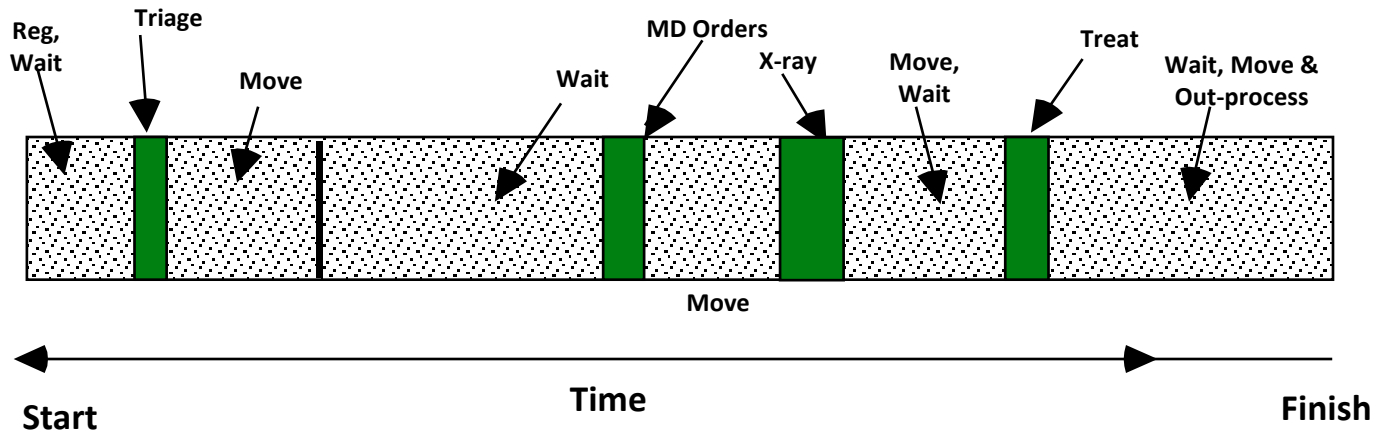
The goal is worthy, the journey is worth making.”

David Mann

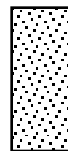
**3 Shifts...**



# 1. *Shift Your Thinking & Focus*



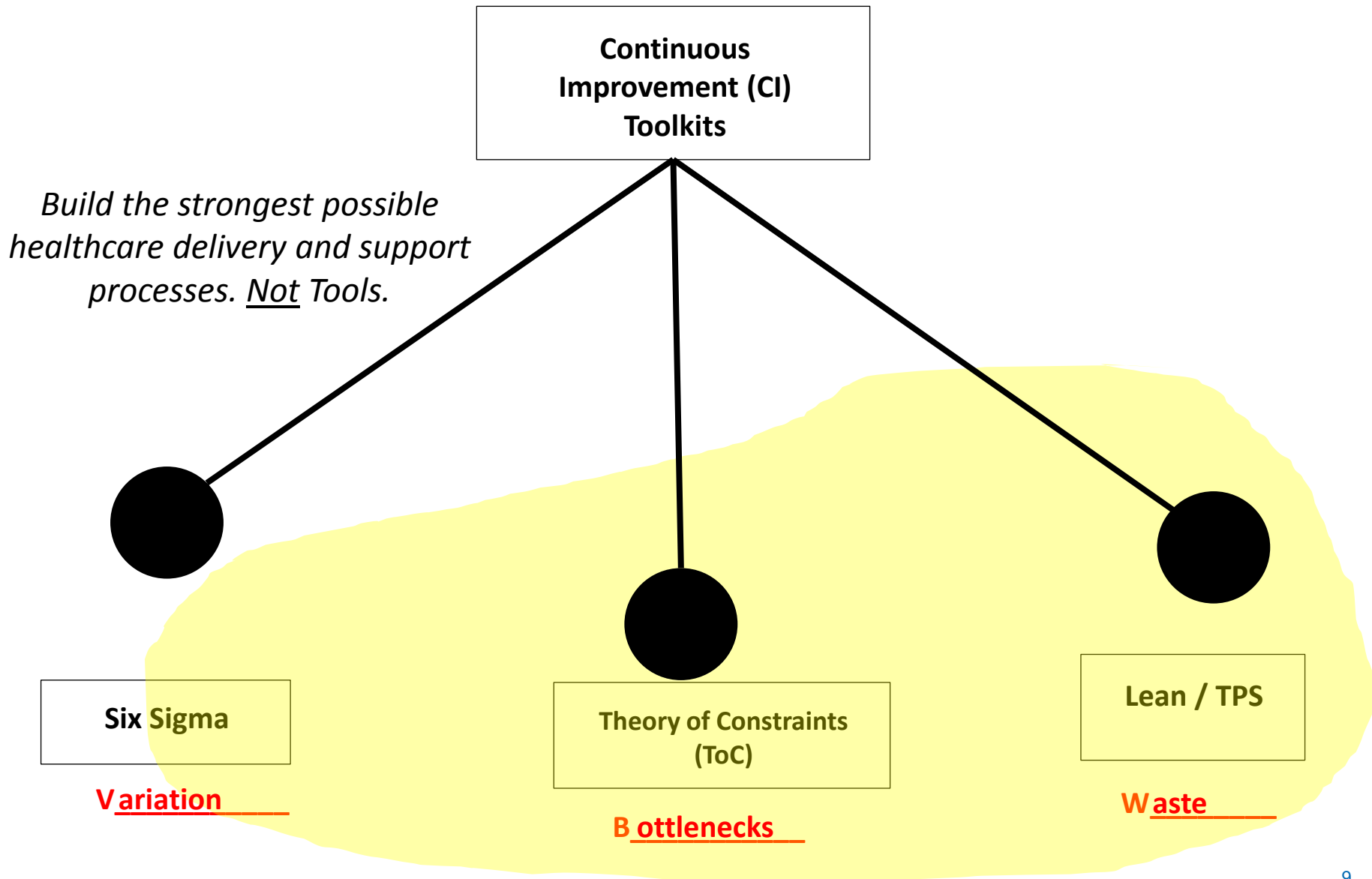
= Value  
Added Time



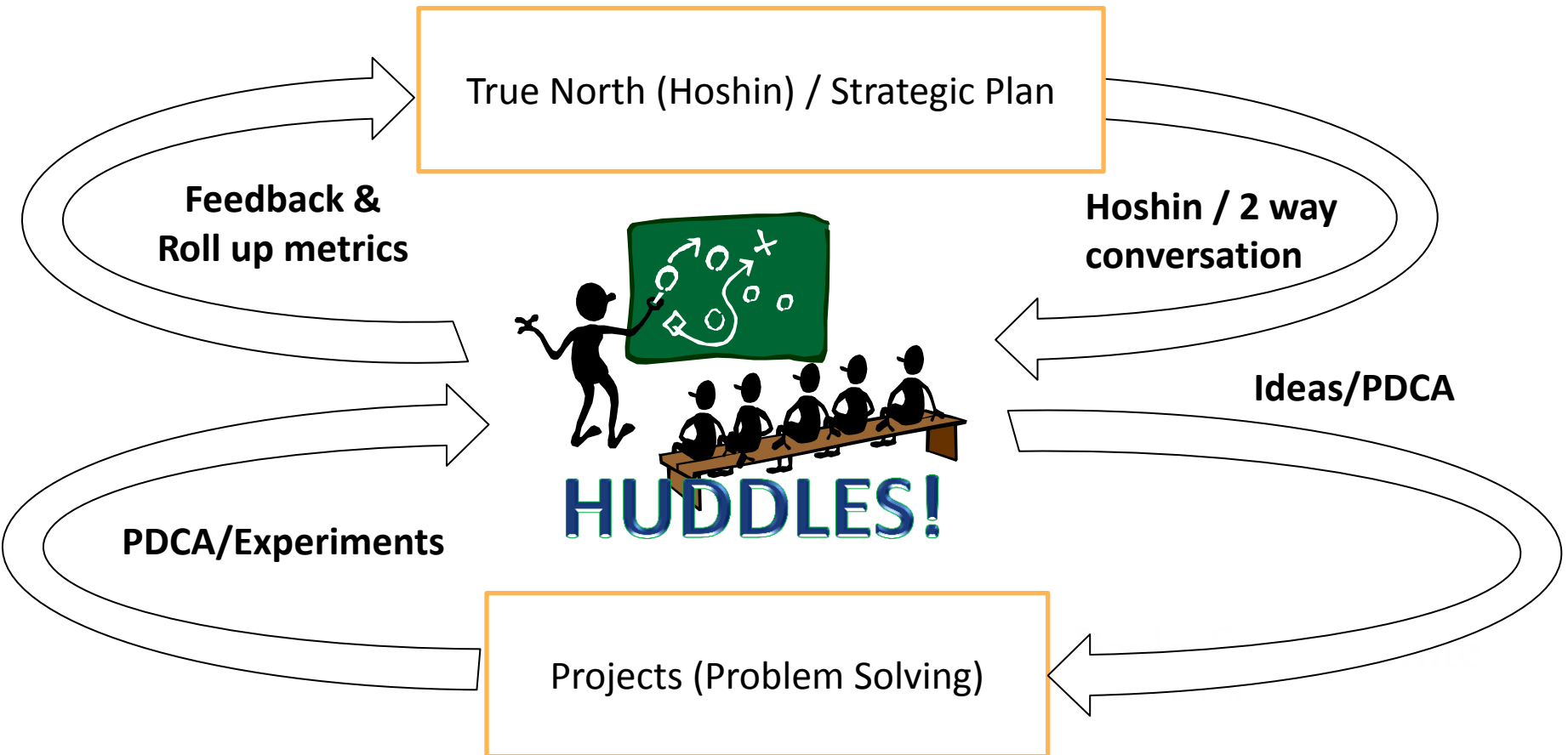
= Non-Value  
Added Time  
(WASTE)

- Value Added Time is only a very small percentage of the Leadtime
- Traditional Cost Saving efforts focused only on Value Added Items
- *LEAN THINKING FOCUSES ON NON-VALUE ADDING ITEMS*

## 2. (Don't) Choose a CI *Toolkit*

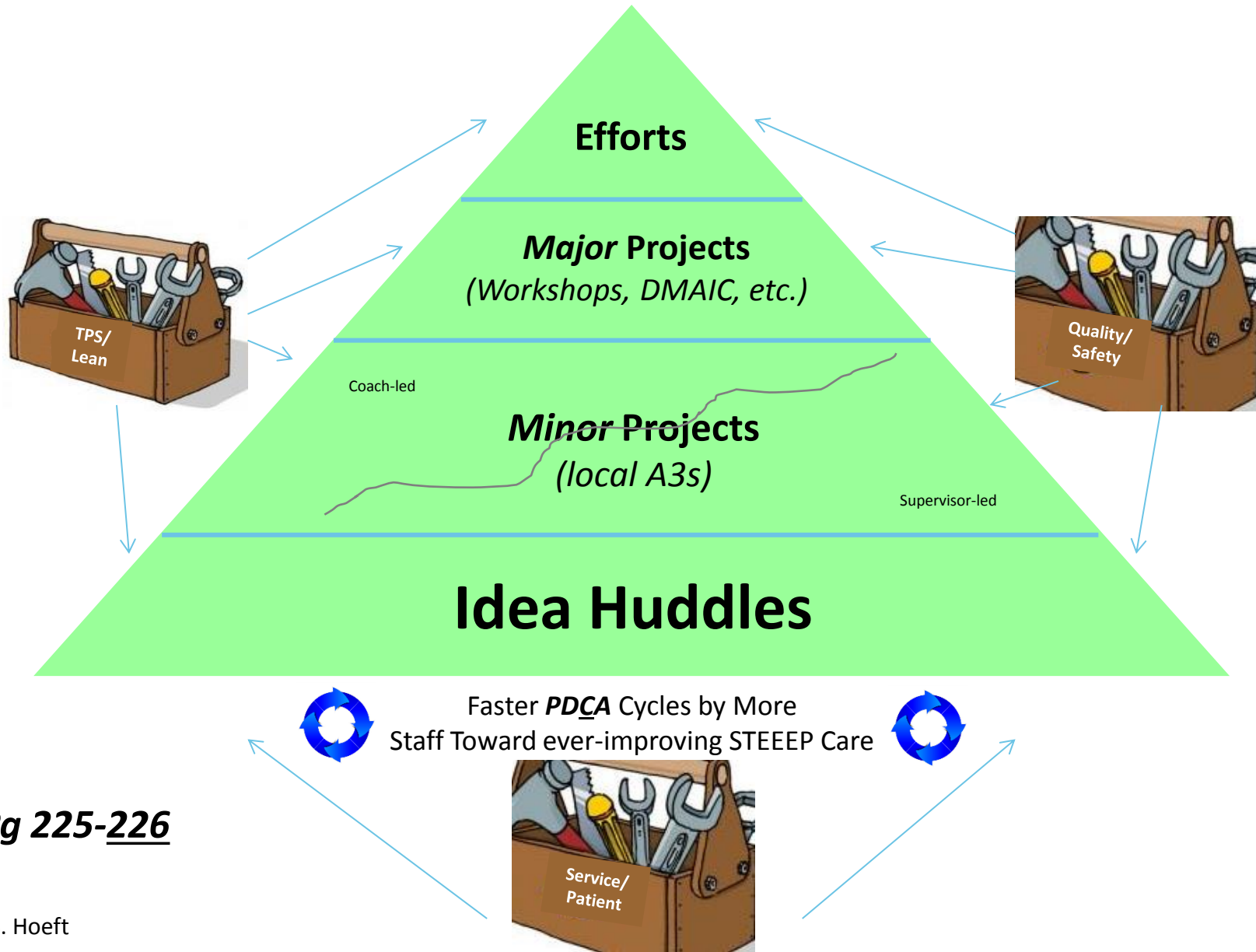


### 3. Build a *Culture of Continuous Improvement*



# Building a *Wider* and *Deeper* Culture of CI:

## The Baylor Scott & White Way, Idea Generators



**Pg 225-226**

# Book *Is* About...

As Bob shares with other healthcare leaders in America, he is astounded by a common thread in their conversations – all of them seem to have the same strategy! All are pursuing cost reductions, staying ahead of reforms, and planning for population health. The key will be – who will *execute* the best!

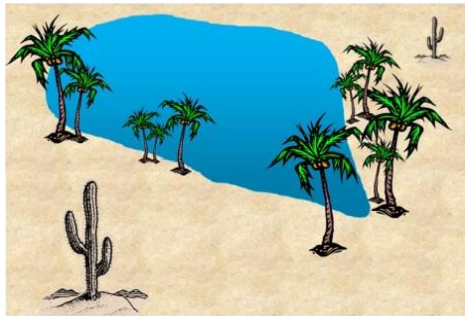
**What is our Execution System?**

# Healthcare Desert Oasis

So, we enter a survival period. Wandering a rich savannah of plentiful grasslands with well-worn paths of *problem* → *response* is now replaced by desert sands, shifting fast to cover the old paths. No paths are visible or familiar any more.

Healthcare leaders need to shift from simple heuristic thinking that worked in the past to new ways of thinking that are more nimble – ones that use more brainpower. The brainpower of just you and your executive staff is not enough. To ***survive*** and ***thrive***, the brainpower of your whole staff can and must be ***harnessed***.

A clarion call is sounding. The smart herd leaders are now saying, “**Move!** Find another path and ***move, fast!***” The water holes are drying up. The old ways of thinking just leave us in shifting sand. For healthcare, a new path is needed to survive the changing environment.



Pg. 13-14



# What Leaders Must Do Differently


"The ultimate arrogance is to change the way *people* work without changing the way *we* *manage* them."

Dr. John Toussaint, *On the Mend*



"The most important work of a leader then is to be certain that business systems are perfectly aligned with correct **principles** and drive the ideal **behaviors** that reflect the principles."





# How to Engage Staff



# CI Toolkit People – STOP FIGHTING!

## Build a wide *Culture of Continuous Improvement*

**Every, every, every...**

Culture: *In a workplace, the sum of the habits people rely on to get things done; “The way we do things here.”*

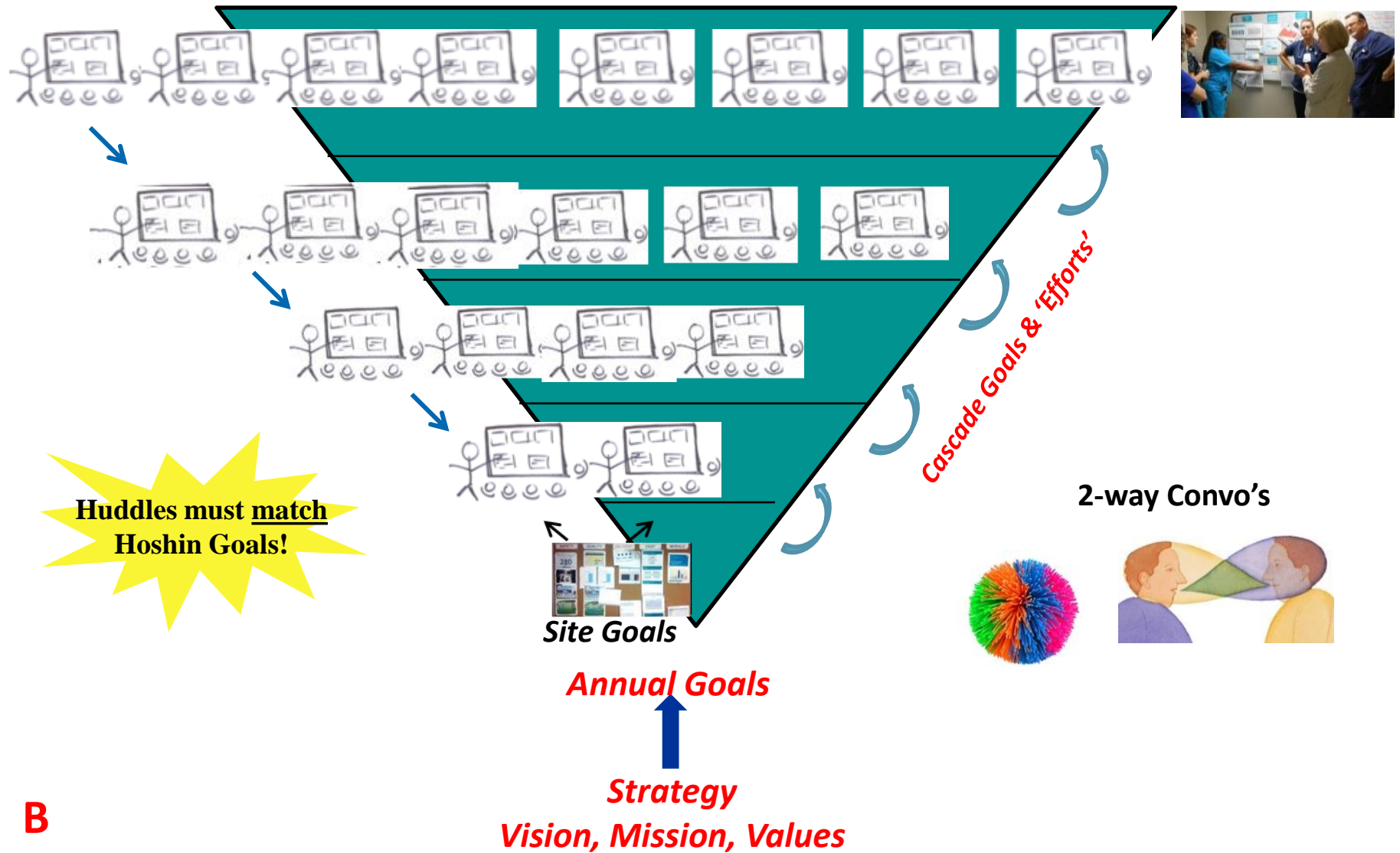


Kaizen or Continuous Improvement: *“Good change.” A way of thinking, of always being alert to the opportunity to make changes for improvements.*

David Mann, *Creating a Lean Culture*



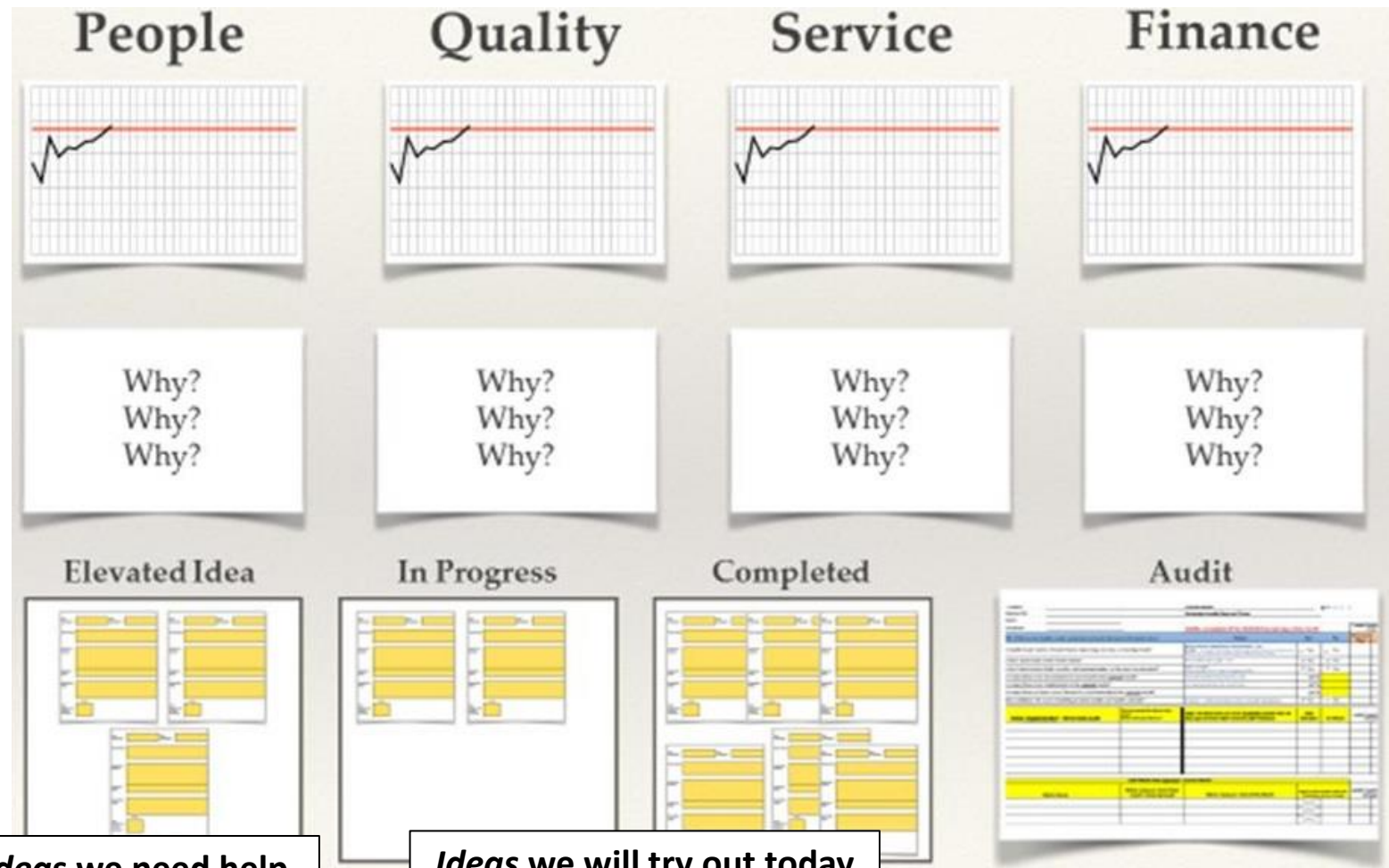
# Hoshin Drives Actions (including Daily Lean Huddles)



B



# (Idea) Huddle Board

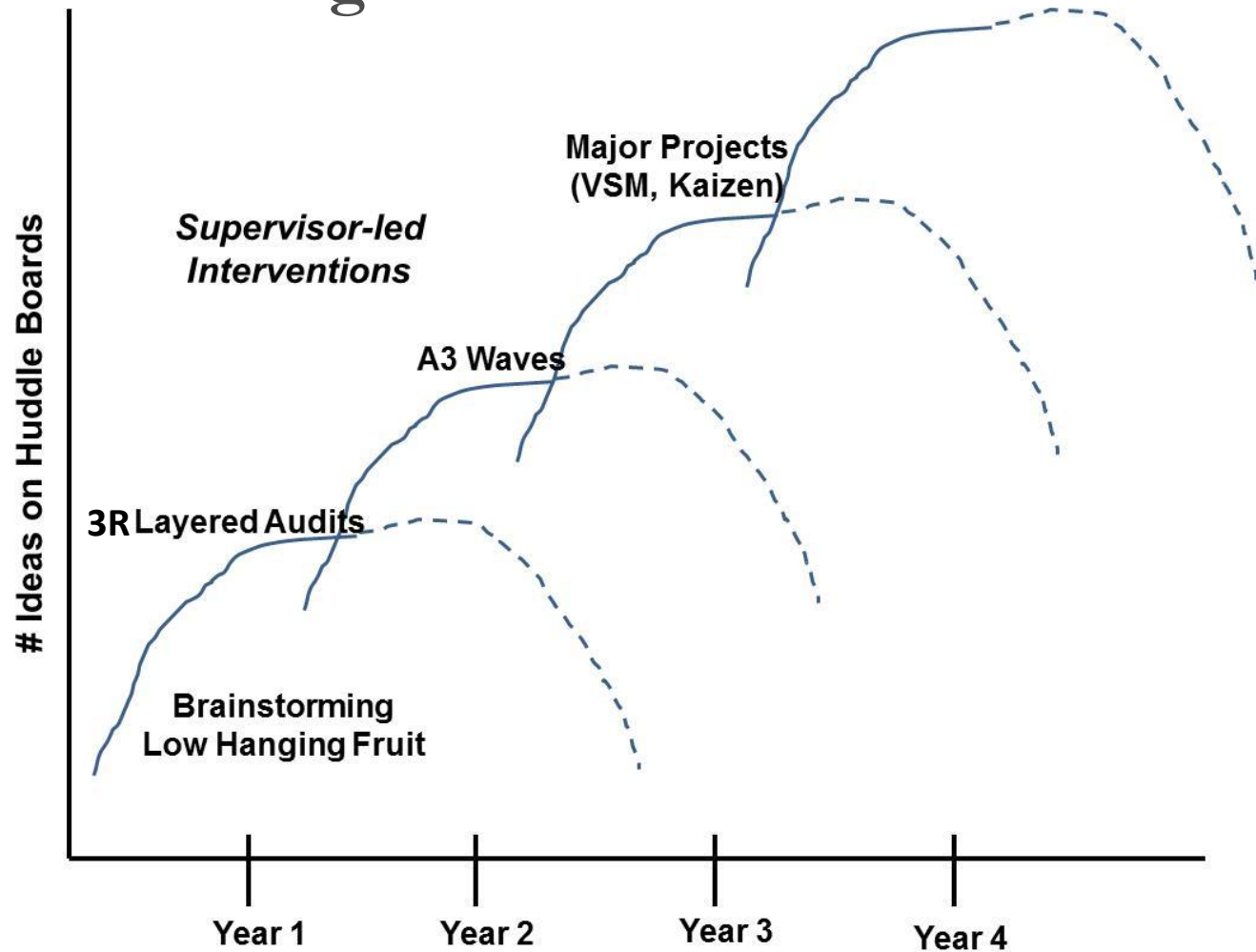


**Ideas we need help  
to implement**

**Ideas we will try out today  
or this week (PDCA)**

# Interventions to Accelerate Ideas

**\*\*Leaders must do: Pg 288**



# The Key: Our Staff!

**How Do You  
Engage Staff?**



## Questions?