Business901 Podcast Transcription
Implementing Lean Marketing Systems

Simplifying Lean and Six Sigma for Government and Healthcare

Guest was Jay Arthur of QI Macros

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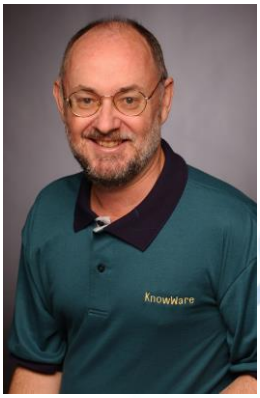
JAY ARTHUR is the author of the Six Sigma System, The QI Macros SPC Software for Excel, Your Seventh Sense - How to think like a comedian, Motivate Everyone, the Motivation Profile, and has written six popular John Wiley & Sons books on software engineering. Jay most recent book is Lean Six Sigma for Hospitals: Simple Steps to Fast, Affordable, and Flawless Healthcare.



Jay started many years ago simplifying the Lean Six Sigma process through his early books, Lean Simplified and Six Sigma Simplified which eventually led to Lean Six Sigma Demystified: A Self-Teaching Guide. Jay has always been a master at simplifying these processes and reducing the cost of entry into a methodology. His belief is that you can go a long way (5 sigma) by just doing it and utilizing only a few basic tools that he discusses in his money-belt videos.

Jay spent 21 years working in various parts of the Bell System-one of the biggest and best cash cows of the last century. Like most businesses, managers and employees used the trial-and-error-the slowest method of improvement-to reveal common sense ways to better the business.

As a result, Jay developed QI Macros, which provides a "Swiss Army Knife" of tools for companies embracing Lean Six Sigma. The QI Macros add-in for Microsoft Excel does all the math and draws the graphs required for SPC—Statistical Process Control—and process improvement.

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Implementing Lean Marketing Systems

Joe Dager: Welcome everyone. This is Joe Dager, the host of the Business 901 podcast. With me today is Jay Arthur. Jay works with companies that want to plug the leaks in their cash flow using Lean Six Sigma. He is one of the few improvement specialists that understands and can help you pinpoint your areas for improvement in processes, people, and technology, he says. Jay helps teams understand the communication styles and restore broken connections. He has over 30 years' experience, and everything under the sun I think, in Lean Six Sigma you've just about touched upon Jay, and I'd like to welcome you. Can you tell me a little bit of what you're up to recently?

Jay Arthur: Oh thanks, Joe, you betcha! For the last decade, I've been working with various organizations but not so much in the manufacturing world which is where they think Six Sigma really belong, but in healthcare. Many years ago somehow we got discovered by the healthcare community for having a tool that's easy to use and what came out of that whole process is I've gotten involved with all kinds of health care organizations. There's just a tremendous opportunity there to really start to drive improvement. We have this two and half trillion dollar health care we spend every year, 17 percent of the gross national product, but the estimates are that a trillion dollars of that goes for waste and rework and unnecessary treatments and all this kind of stuff. So right now we've got this whole discussion about healthcare reform, but I think for that to work and to not bankrupt us all and the government along with it healthcare is going to have to really step up in a way it hasn't stepped up before, to really simplify and optimize how they deliver healthcare.

It's easy enough to do, but not many people are doing it. Just, for example, turnaround times in emergency departments, you'd think an emergency department would be fast, right? Well,

according to Press and Ganey who measures all this stuff it's still four hours, essentially unchanged for a decade.

We haven't gotten any faster going through an emergency department, still have almost a half a million people a year die due to medical mistakes or medication errors or surgical complications or hospital acquired infections. There's a whole bunch of stuff that's actually totally preventable if we really get on board with it and I think that healthcare is at this crucial point where they're going to have to step up and really jump into it. I think the way to do that is with Money Belt skills and a handful of tools. It's just not that hard, but you have to get after it.

Joe: Well most hospitals I would think have a quality department. Do they, or do they not?

Jay: Most of them do. QI Macros products are in 3,000 odd hospitals, but the deal is -- one of the things I find -- is the people that are supposed to be doing this become what one guy lovingly called a chart monkey. All he does all month is draw charts graphing all of the medication errors and everything else, and some of them don't ever get around to making improvements. The other thing, I've talked to a lot of these hospitals is every couple of years process improvement, that's what they call it, PI comes back and gets reborn again and restarted and retrained and all this other stuff but they don't actually make the kind of progress that you would expect. So then it falls away and the CEO changes and I can't tell you how many people I know who were the head of Six Sigma in some hospital and in comes to a new CEO goes, "No, we need something else." Out goes Six Sigma and out goes the Six Sigma Black Belts and in comes who knows what. But it's inconsistent, and I think that inconsistency is part of what's killing quality improvement in healthcare.

Implementing Lean Marketing Systems

Joe: Now you see Lean being popularized more so than Six Sigma in the healthcare. Is there a difference there and can you tell me your take on it?

Jay: Well sure. In healthcare, one of the things that the joint commission which regulates and certify a lot of hospitals on is patient flow. So part of the job is to accelerate patient flow. Now what I've found, I call it the 357 rule. It means that the clinician's only working with a patient for maybe three minutes out of every hour. And the other 57 minutes is a delay. The patient is just sitting around waiting on something, all right? So, literally it does not take that long to figure out how to eliminate delays and clinicians are all worried we're trying to make you do twice as much work. No. We just want to get the delays out of the process.

I took my mom in for a simple thing. First the nurse came in, and then later the doctor came in, and they ordered some tests and eventually somebody came in and took blood and then we waited some more. A blood test is maybe 11 minutes; it's not that long. We literally we were there two and half hours saw a nurse or a doctor, maybe six minutes total and 11 minutes for the lab work, well that's ridiculous.

There's actually Robert with Johnson Hospital out in New Jersey actually set up in 1999, they established their 15, 30-minute guarantee. You would see a nurse in 15 minutes, a doctor in 30 minutes or your visit to their emergency department was free. Now this would scare the holy living stuff out of anybody that's out there running an emergency department, but literally they actually grew at over 10 percent a year, had to add a new wing onto their hospital, because every little soccer mom figured out they could take their kid there and get them in and out in 30 minutes.

They were discharging patients about 38 minutes is the actual time and admitting patients in 90 minutes instead of four hours or more. These are the kinds of opportunities if you just eliminate all those delays and these processes then you get dramatic improvement. I've seen examples where people are... I worked with one hospital lab and walking is a waste, it's one of the key phrases, walking is a waste.

We hung pedometers on the lab technicians, have them walk around, record how far they traveled. In a 2,400 square foot lab, they were walking four miles a day. Well, that's an awful lot of travel, all right? When we redesign the lab, we cut that travel time by over 50 percent and reduced the square footage from 2400 to 2000 square feet, and it actually accelerated. We thought saved like seven hours of delay on all this stuff, and that speeds up diagnosis and treatment, discharge, and everything else you could imagine. There are tremendous opportunities in that area.

In the nursing units, we hung pedometers on the nurses and surprisingly enough... this one new hospital clinic that was built here nearby I was talking to one of the nurses there and she said, "You know we're walking 10, 12 miles a day just to go get stuff." Well, that means it was badly designed. You can redesign where everything is that they don't travel as far, and I've seen examples where you can cut travel time in a nursing unit by 67 percent. That leads to better patient care, right? So nurses spend more time with the patient, not commuting. There is just way too much commuting going on out there. Those are just some simple examples. Go ahead.

Joe: Do you need Lean / Six Sigma to figure this stuff out?

Jay: No. What you need is some Post-it notes and get people in a room and ask them... All I do is go, "Well what happens first?" "Well, we register the patient." Click. "And then what happens?" They have little arrow shape post-it notes, and you can put the

little arrow-shaped post-it note up there, and then I say, "Then what happens next?" And they'd say the nurse does a little bit of triage, whatever. You know these steps. Then I have them say, "Well how long does that take: Registration, a couple of minutes."

"Well then, what's the delay between there and triage." "Well, that might be 10 minutes." You quickly discover that all of the delays are between things. When you illuminate like that, then they all go, "Wow. That's silly." Then they start to figure out how to compress it.

I've found I can get people in a room with Post-it notes and a flip chart and in a couple hours we can figure out what's really stupid about their process and how would we redesign it or reconfigure that to speed it up? Also using spaghetti diagrams we can figure out how to rearrange machines in a hospital lab, just like you would in a manufacturing unit, that's all it is. There are less travel and ease of use and out of that phenomenal improvement.

You don't need any magic; you just have to get rid of the delays. In manufacturing they're trying to optimize the processing because it killed all the delays, those are gone now. But in healthcare there are lots of delays, and we just need some Post-it notes to figure all that out.

Joe: Well I have to admit I was shocked when I saw your new book that you had just published recently which is Lean Six Sigma for hospitals because most of your other books were fairly concise books, simple instruction. This one's a big book! Must you have packed a lot into it?

Jay: I've packed everything I've learned from the last 10 years about how to make improvements in hospitals and one of the things that worry me is there's this long drawn out thing, everybody thinks, "Well, gee. If we're going to get into Lean Six Sigma, we got to train some belts and then we got to start some teams in training. I got to have some black belts and some green

belts and some other belts and all kind of belting and starting some teams." It's six 12 months down the road before they start doing anything. That scares me, all right? This is really easy. A handful of tools are going to solve most of the healthcare's problems. Most of our Lean and green belt and black belt training is really designed for the one person out of a hundred in this country who still work on a factory floor somewhere trying to tune up production. It is not designed for service and healthcare industries. And so it's quite easy to say, "Well what we need here is a control chart." That might be cycle times; the patients coming into the ER. It might be medication errors or patient falls, or pressure ulcers or anything like that we can have a control chart about that.

Then we can get some Pareto charts and say, "Well why didn't we have this kind of medication here? Was it a timing error? Did we have the wrong delivery system?" Things of that nature.

We see these fairly often, where Dennis Quaid's twins get a thousand times as much a blood thinner as they were supposed to get, and they got it twice. He's on a rampage about that. Because from his point of view, the way he phrases it is that, medication errors kill the equivalent of 10 747's crashing every week in this country.

If we had 10 747's crashing nobody would fly, all right? Or at least not in 747s. So, it's a big problem but it's so spread out, it's kind of hard to track, but we could take control chart, creative chart, fishbone diagram and solve all of these problems. They're totally preventable. It's too easy, and that's why I put up this Money Belt training, free Money Belt training on YouTube so the people can go out and learn how to be a Money Belt.

Solve these problems quickly using a handful of tools. It's not that hard, all right? And we've made it hard and I think that's

shame on us in the Lean Six Sigma business for making it so complex.

Joe: Well I think what it is you usually find six, seven, eight tools you use on a regular basis and that's what you use.

Jay: There're been studies done by a quality progress magazine, they interviewed and surveyed all these people. You talk to even black belts, and they go, "Oh yeah, I just use a handful of tools, seven, ten." That's it! And what are they? Well, they're control charts, creative charts, histograms, fish bones, maybe a value stream map or a spaghetti diagram and I don't very often unless I'm in manufacturing get into DOE's and FEMA's and all that kind of stuff. So all that training becomes overkill and for the healthcare market that's why I do a one-day training covering Lean and Six Sigma for healthcare. It's not... I can't talk that long. There's nothing else to tell them. It's a different kind of environment, and I think if we served our customer in an appropriate way we could really slam dunk this and really move healthcare quickly.

Joe: When you go in there do you feel people object to this type of training? Are they thinking they're going to become Lean Six Sigma experts or how is quality looked upon when you walk in there and do the training?

Jay: I think part of the problem is they've all been dipped in some sort of process improvement every few years for the last decade. So to a large degree it didn't work out and deliver the results they were expecting, and so they're all a little jaded. It would be much better off if they were all virgins who knew nothing about this because then we could start them fresh. They all have a little bit of being jaded about all this stuff. If you show them how to use the right tools in the right sequence to get the results they want. To cue in macros I show them how to draw a control chart and creative charts in seconds, and they all go

"That's not so hard." So that becomes, "Oh well that hurdle is not so hard." And that's probably why we ended up in 3,000 odd hospitals because of ease of use and affordability. But out of that they start to see that it's possible to get results quickly. And that's what they need, is some way to get from here to there without spending a fortune or taking forever. So that's a very different approach, and they all respond to that really well. Kind of my take on it is we need to accelerate how they learn it and how they apply it so that they get results.

Joe: What is the advantage for a hospital to do this when it may actually hurt their funding and the way they're paid, doesn't it?

Arthur: Well, it might, but it might not. So, just to give you some example, half the hospitals in the country are in financial difficulty. How is that possible? I mean, there are just truckloads full of money running through healthcare. But then, you start to notice that, I see lots of data about this, so I track it all, so one hospital was only charging for 40 percent of the stents that they put into patients. Well, at $25,000 a crack for a stent, or whatever it is, you're throwing lots of money away. They're not billing for things that they need to bill for.

I worked with one hospital, and they were having problems with denied claims. Claims are being denied by insurance customers, the payers, to the tune of like $1,100,000 a month. And, we went in there and started looking at it. And, a certain type of claim it boiled down to just one insurer was most of the denied claims, which meant that they quickly put processes in place to work around what was going wrong with that particular insurer and to straighten their contract issues with that payer.

And, we figured it out on a Friday; they implemented the change on a Monday and started saving almost $400,000 a month, $5,000,000 a year out of the $12,000,000.

So, I think that the issue is, clinically they have issues, but operationally they have huge holes in their process where they don't track what they do, what it costs, who got an aspirin. I mean, all that stuff in a way that's really going to maximize the profit of getting paid for what you do, right?

We talk about pay for performance. But, guess what? We're not getting paid for all the performance we're doing. Those are some issues, just pure operational things, financial things that can be solved easily with Six Sigma, really easily.

Joe: I hear this, but then I sit there and I struggle because here I am looking at the biggest and grandest of buildings that they're putting up at these hospitals and all the money that's going into it and all the funding and then we're sitting here saying that there're these huge savings to be made here, and we're ignoring many of them. You know, if there's that big of savings in there, it seems common sense could find that.

Jay: One of the things I find is that there's a limit to common sense. Once you hit the edge of common sense, and common sense really stops working at about Three Sigma, you can't get any better than that. Even the best data I see in healthcare is maybe getting close to Four Sigma, you know, still about a one percent error rate in everything we do. You know, even putting armbands on patients, that's about a three percent error rate. If you are Robert Smith and there's another Robert Smith in the hospital, you might end up with a wrong site or a wrong patient surgery.

You know, we still have so many wrong site or wrong patient surgeries a year in every state in this nation. I saw some data from Pennsylvania. It was running about 15 wrong patients or wrong site surgeries a month. It's like wait, how is that possible?

You know, we have all these things that they've tried to put in place, but it hasn't changed.

What is the issue? Why aren't we mistake proofing this, so it's impossible, impossible to operate on the wrong leg or arm or whatever it is and impossible to operate on the wrong patient?

Those systems are still running maybe Four Sigma, about a one percent error rate. That's because they're just using common sense and trial and error. They're going to have to get some science.

Don Berwick, who is head of the IHI said, I want all of you people, The Institute for Healthcare Improvement, that's what IHI stands for, but he said I want you all to pledge allegiance to science and data. We talk about it, but we still haven't seen that really take hold and people really push it forward.

Joe: I have to agree with you. You say that and how we have this new push in government about Lean Six Sigma, and that kind of scares me because I don't think people understand what that means by data. One of the things is it doesn't mean all these grandiose different things, multiple regression analysis, and all these other things. They don't just mean something fairly simple is what you're saying.

Jay: I'm a small business and it took me ten months to fight my way through all the bureaucracy to get on the GSA, the General Service Administration Sales List, you know, so we could sell stuff to the government. Then, when I got on that list, guess what, we found out that most of our government customers hadn't been mandated to buy through SEWP, which is run by NASA. It's like wait, why do you have two purchasing widgets and why did I waste all of this energy trying to get into the GSA when SEWP is the place where you go to buy all this stuff?

Well, I can't get on SEWP because I'm not, it's like oh, my gosh if you want to make it easy for small business, why don't you? And, why don't you get the barriers, the roadblocks and the people that drag their feet about everything? I mean, it would be weeks

between a response from the person that we were trying to work with.

Government, there's massive opportunities, just like there is in healthcare, and just about any business could benefit from the basic Money Belt tools. Just do some process improvement, get rid of the delays in your process, start to find out what your major kind of mistakes are, figure those out in a bucket, figure out a way to mistake proof those.

Anybody can do this, but you've got to want to. Unfortunately, there's not a lot of got-to want-to to out there in the government.

Joe: Well, you mentioned the Money Belt tools. Can you kind of define them and tell me what they are?

Jay: From my perspective, we want people who can actually go find where the problems are and fix them to save money, time, energy, effort, reduce customer defections, all that kind of stuff. Again, the sequence is if you're working on defects, it's a control chart of how many defects you're having, then a Pareto chart or two that narrows your focus down to the most common. I have what I call the 4/50 rule which says four percent of what you do produces over half the mistakes, errors, waste in work, whatever.

Four percent is only one step out of every twenty-five. So, one little step out of your entire process is creating all this waste in re-work and lost profit.

What we want to do if find ways with Pareto charts to narrow our attention down to that four percent. You fix that, you're going to get a fifty percent bang for the buck.

We're going to use some fishbone diagrams or Ishikawa diagrams to do a little root cause analysis, find out the why, why, why, why, why, as they say at Toyota. And then, we're going to come

with common measures, and then we're going to use that control chart to track and make sure we actually made the improvement.

I can't tell you how many of these people make an improvement, declare victory, but they can't demonstrate that they actually moved the bar. The bar is still sitting there, and they're all going whoo-hoo. So, we should see a reduction in defects that's measurable, a reduction in variation that's measurable.

The other things most groups don't do is then put control charts in place and monitor that and sustain that improvement. That's the control portion of the DMAIC process is how do I put a control chart in place so I make sure that I stay at this new level of performance because otherwise six weeks later you're back to being lame and defective and having the same problem you had before.

So, on a defect side, control chart, create a chart, fishbone diagram. And, if you're working on variability like in manufacturing, it's probably control chart, like an x-bar chart, a histogram to show whether you're capable or not, maybe some root cause analysis using a fishbone or a Toyota A-3, and then, again we're going to have a control chart to monitor the end process.

There aren't too many things people need. They don't need all the exotic stuff. They need to get started. And so, that's an individual's and moving range chart, I call it an XMR chart, and X-bar R chart, a histogram, a Pareto chart, a fishbone diagram. That's five.

If you work those really hard, you can go from Three Sigma to Five Sigma in about 18 to 24 months. That's how easy that can be.

Joe: To go farther, you may have to take a deeper dive and start training more people or whatever there?

Jay: Sure. But, you might have to get into more depth. You know, to go from five to Six Sigma may take a little bit more exotic toolkit. But, until you get to Five Sigma, all that other stuff is going to confuse you. You know, one of the principles of Lean is that you want to reduce over-production, right? That's what they say. You know, the head guy at Apple Computer says over production is fundamentally evil.

Well, what do we do in Six Sigma training? We spend five, ten, twenty days teaching them every tool they could possibly use at any possible moment. What happens is, I sit at this weird nexus where because of the control charts in software or the QI macros, people call me and the more they lead in with, well, you know, I'm a Six Sigma black belt and blah, blah, blah, blah, very often I find that they're going to ask me a very basic question because they're so confused by all the stuff they've been taught, they don't know where to start.

I find that disappointing, alright? Now, this is not true of everybody, but I find this way too often where people have been trained in everything but then they don't know what to do first. They're almost paralyzed by it.

That's my concern is that we want to get the right set of tools, get them good at it, and then out of that initial learning you're going to discover who's magically good at this and then you can throw them into black belt training. And, I think they'll just do wonder for any organization at that point, but not when you start.

Joe: I go back to the Toyota principles which is basically learn by doing, and you're giving them a quick tool set to say let's start doing it.

Jay: Even in my trainings when I train people, I force them to send me data in advance so that we have something to work on because if we're not trying to, if they're not trying to learn from their own data and their own problems, guess what, they're not

going to learn anything. I can't tell you how many healthcare folks I talk to, and they've said well, we went to green belt training, but all the examples were from manufacturing. And, I said, really? I don't see why you're having a hard time figuring out how that translates. So, that's why I've collected over the years lots of healthcare test data to teach people from.

But then, as kind of my prerequisite is I want them to give me something they really want to solve. You know, where is your pain, what's the thing that's not working properly, what data do you have about that? When we get that data, then we can process that and create an improvement story right there in the classroom. They go; that's what we're supposed to be doing.

It's a very different way of learning is to do it quickly, there's the learning curve which can take a long time, and the experience curve which is you do it very quickly in a short period of time to the point where you go oh, I get the pattern, I can go do this.

It's a different approach to how we train people, but it actually makes them a lot better at doing stuff.

Joe: So, when you go into a hospital, there's an existing quality department there. Do you go in and train them and go through that process with them? Or, do you try to gather a larger group than that?

Jay: Usually there's maybe like a director of quality. But, they're bringing me in and then I'm training a group of people that are in their various operational areas. What we're doing is getting them working on issues and how to work the kinds of issues they have clinically and operationally in a hospital. And then, kind of the director of quality then goes on to coach those people to finish up their projects that they started in the training. Yeah, I'm not really training the people that are quality experts usually. I'm just partially refreshing them but also giving them a simple and easy

way to get the results they're looking for. I don't have any, nobody seems to have any conflict with me doing that.

Joe: You have a long history in this. I mean, you've been teaching simple Lean Six Sigma for 20 years now it seems.

Jay: Yeah, I have. You know, when I first got involved with this, I was with the phone company back in '89, 1989, and we were trained by Florida Power and Light. They were the only company, I think, to win the Demming Prize for Quality from Japan. But, we spent five days in a very nice training going slowly through all these tools. We were trained as trainers, and we hadn't done a project yet, but we were trained as trainers. We started training lots of other people and starting teams. What I found was that the teams, we started hundreds of teams and only three of them completed, which is an atrocious sigma performance, I might add. But, what I started to do is go look at each team as a defect and started to apply TQM at the time to what makes teams fail. Well, you one of the first ones was letting a team choose its own problem, because they always want to fix their customer, their supplier, their manager, their subordinates; they do not, under any circumstances, want to fix anything they do; and so that was a huge mistake.

We used to start teams, another major mistake people make is convening a team, and then trying to figure out what problem to solve. No, no, no, no, no; we start with the data, let the data tell us what the problem is, and then we figure out who is an expert in that little segment of the world, get those subject matter experts in, have them be the team. We meet for four hours; we come up with the root causes, and we disband and go on into implementation.

So never start a team that doesn't know what it's going to do 'cause... I call it the hundred-yard dash for the directionally impaired. There was an old Monty Python skit where they'd line

up on the line; the gun would go off and all the runners would run off in different directions. That's what happens if you convene a team before you know what problem you're going to solve. So just started figuring out: how can I change what I'm doing to start to get the result I want, which is the teams that succeed every time.

I just kept tweaking that while I was in the phone company from probably '90 through '95 and I took our big three ring binder and distilled it down into a 24 page guide, and it at the time was called the QI coloring book, and I was trying to, you know, make it fun for people to learn. Then we, I worked on them doing their data, not some mythical pizza stand. Out of all of those learnings and tunings, I got to the point where I could train people in short order, throw them into solving a problem, get them through it in a day or two, or three at the max, and out of that they all seemed to learn!

15 years later I'll run into people and they'll pull their desk drawer open and show me their improvement project where they had a control chart, Pareto Chart, fish bone diagram that they had done recently. This is thing, this is not that hard and we keep trying to make it hard, or we keep trying to make everybody learn everything that there is to know, and it leads to problems, I think about half of the Six Sigma efforts out their fail, and I think that is a dismal performance rate for someone who says theirs into Six Sigma. Anyway, that's just me ranting about my experience over time.

Joe: I think there is a lot of merits, because what you said was intriguing to me. So many times when you ask a consultant, or you ask a department, you find out that they're willing to train other people in these tools, but you ask them where they've used those tools in their process; it's non-existent.

Jay: "I'm sorry, but that doesn't apply to me."

Joe: Yeah!

Jay: "I'm sorry, but that doesn't work here"

Joe: You're going to talk the talk; you need to walk the walk! So I compliment you a great deal in saying that. I go back, as I mentioned to you; I might have been one of the first people to buy the coloring book from you!

Jay: That could be.

Joe: Or maybe the only one! I don't know.

Jay: No, you weren't the only one.

Joe: Because I can remember that, using that as the way of introducing and applying data in manufacturing, probably around the mid-nineties. I enjoyed Lean and was trying to learn about data, I would open books, and it would be like I don't want to revisit Calculus, that was 20 years ago. I saw your book and it intrigued me as a way that I could instill quality and have some basic tools to use.

Jay: There is a couple of things that frighten people, and it's mass technology. You do not need to know statistics, but you don't need to know the formulas for control charts, you do not need to know how to draw Pareto charts by hand, it's a waste of time. There one professor I talked to who does this as an example, he has his students draw a Pareto chart by hand and time themselves. It takes somewhere between 48 minutes and hour and a half to draw a Pareto chart, single Pareto chart by hand. And then, has them use the QI Macros and draw one in like four seconds. Then they all look... it creates a shock value I think. But the idea here is that we don't need to know all these formulas. What we need to know is what chart to choose. I used to spend hours trying to teach people how to follow the decision trees or what control chart to choose and even put decision trees

into their quality assistant. But the issue is, should people know which decision tree to use, or should the software know how to follow the decision tree and make the decision for you. That is how I came up with my control chart wizards, and specifics wizard and stuff like that. It looks at your data, guesses what it ought to do, you know and based on the rules that are out there, it's going to make its best guess and run the chart for you. So you don't have to know everything there is to know, right? It's stupid, right?

So what we have to do is stop trying to force people into doing it the way Shewhart did it in the twenties, we need to upgrade how we do that and just make it easy on people. We do that; we're going to accelerate the adoption of these Lean and Six Sigma principles. In all kinds of industries, service, manufacturing, you name it. That's my goal in life is to get people to step up, take it on, you know learn quickly. You know, "ah, that's not so hard. I'll start doing it."

Joe: Why do you think that people think that knowledge workers, especially agile people, say that Six Sigma doesn't apply to them? Why do you think that's so?

Jay: That's everybody's excuse. "It doesn't apply to me, because..." For the public sector, for the government sector, there's a guy who wrote a really great book, Ken Miller wrote a book called "We Don't Make Widgets." Right? So, in Health Care they'll go "well, we don't make widgets?" No, you have patients, do you deliver medication? "Yes." Well, that's a widget. Right. We make widgets, we make little modules that do certain things; we have data storage or whatever it is because I've been in IT forever. Six Sigma will work perfectly in IT. One of the things I used to say, 'cause I wrote books on software development and everything else long ago, is that software doesn't release, software escapes. And when your software escapes, it's got bugs in it. When it comes back, you start getting the bugs, you can

count those and categorize those and track those in a control chart. You can categorize the types of defects that you're having. You know, I was working with one wireless phone company they had a 17% error rate on their service orders system. Well, we went in there, looked at, and there were probably six errors out of 200 that were producing all of the waste and re-work and whatever. And we did root cause analysis on each individual type of error. Right, because they were most of problem, implemented changes to the business requirements, and then magically, we actually drove all of those things to zero. They went from 17% error rate to 3% error rate in about six months. It took them that long to implement all the changes. And then they took that 3% down to under 1% the following year.

Anybody in software which says that this doesn't apply to them is just looking for an excuse to avoid it. Just like everybody else. "We don't learn anything new, I'm tired, I'm getting close to retirement, I'm too cute, it's not cool, it's not the new in thing..."

I actually saw a comment on one of these things that said "Lean's dead, Agile is the way to go." And I go, "wait a minute, Agile is just Lean applied to software development." Yeah! It's comical, almost, how little people know about this and why they don't embrace this and really use it. It's a great, great, great software. I continue to use it to develop my software. And, I've been at it for twenty years now.

Joe: Your website is QI Macros correct?

Jay: QImacros.com, yeah.

Joe: And they can find all this information and just tons of stuff on it right?

Jay: Sure, we have free resources and lots of free articles. You go into our free resources you're going to find a link to our free Money Belt training. The short link for that is LSSMB, "Lean Six

Sigma Money Belt" dot com. You can start to go out learning Money Belt stuff. They can download a free thirty trial of our QI Macros software and start drawing charts and stuff. And I've got 10 years' worth of Ezine articles about how to apply Six Sigma to just about any kind of industry you can imagine. You know once every couple of months I do a webinar on Lean Six Sigma for hospitals, so these are the kinds of things, I have lots of free resources to help people succeed, but they've got to want it. You know, there's an old joke about how many psychiatrists does it take to change a light bulb? And the answer is "only one, but the lightbulb has to want to change."

That's what I see in Six Sigma; you've got to want to change. And if you're willing, there's tremendous, tremendous ways to dig in and make stuff happen.

Joe: What's on the horizon for you, you got another book ready to come out? You just finished the one which was pretty elaborate, very intensive, what do you have on the horizon for yourself?

Jay: The new book I'm working on is "Free, Perfect, and Now." It's a Money Belt manifesto. You know, I used to say that everybody wants you to be better fast and cheaper? But Google taught everybody that they can get everything they want for Free, Perfect, and Now. So that's the new standard we're all being held to. You, and maybe can't do it all for free, but perfect and now is going to be a pre-requisite for getting paid for things I think. It's going to be a pretty short book about again, beating on the same drum; a handful of tools will solve most of your problems and how to go about them. That's what I'm working on right now. I'd like to convert all the businesses in this country to using these tools to make an unstoppable economy. We could use one of those right now.

Implementing Lean Marketing Systems

Joe: I still have your workbooks here on my shelf, and I'll still pull them out and look at them. One of the first one's I reference when I'm looking for a subject, or something to tell someone about because I can explain them easily to someone.

Jay: You know anybody who downloads a free trial of the QI Macros and if they sign up for the ongoing support will get free download links to Simplified, Six Sigma Simplified, Lean Simplified and a lot of our quick references cards. So, I've got all the stuff out there to help you figure this out; you just got to want to.

Joe: Yeah, I understand. Is there anything that you'd like to add to this conversation that I didn't ask?

Jay: Well, one of the things I would like to say is that for a long time, because of World War II, this country was kind of the main manufacturing plant in the world. We got used to a standard of living, and we got a sort of feeling of entitled to certain things, and we started getting a little cocky. But the rest of the world has caught up, and India, China, Malaysia, everybody else is working really aggressively to better their standard of living. I still get a sense that we're hesitant and think that somehow we're going to magically continue our way of living. I think that unless we really step up to some of the Six Sigma things, learning some other things as well, I think we're in trouble. You know, and we see that even in our recent financial crisis, we weren't very good at tracking all that stuff. That's something that could have been managed with Six Sigma. So, here's the deal. I think we're in a position where the rest of the world is really aggressively going after it, and I find that there's some hesitation in the people I talk to really tackle some of our big performance issues, and it's going to bite us. It is going to bite us, I'm telling you. That's why I continue to beat on the Six Sigma little drum.

Joe: I think it's a good drum to beat on. I do, I like the methodologies of it, I like the simplification of it as you put into it, as you know it's really the part that makes it available to the masses.

You don't have to have that big organization over here with Black Belts, Green Belts, White Belts, Yellow Belts, Gold Belts, or whatever, or even a Lean Sensei. None of that structure is needed. The individual just needs to understand that the statistics are needed.

Jay: Right. All those other things may ultimately get you there eventually, but that's not how you start. If you take a child, you're not going to throw them in the deep end and say 'Swim.' You know you're going to take them in the shallow end, and you get them some water wings, and then learn some basic strokes, and eventually they'll get comfortable in the water and then they can do whatever. The same is true with Lean and Six Sigma. It doesn't take that massive infrastructure to start making huge progress. You just have to start working on projects and solving things that are big pains for wherever you are. It's just not that hard, and we've made it too hard. I'm disappointed about that.

Joe: I would like to thank you very much for the conversation. The podcast will be available on the Business 901 side of the iTunes Store and also the Business 901 website. So thanks again Jay.

Jay: Thanks, Joe!

Business901 *Podcast Transcription*

Implementing Lean Marketing Systems

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What others say: *In the past 20 years, Joe and I have collaborated on many difficult issues. Joe's ability to combine his expertise with "out of the box" thinking is unsurpassed. He has always delivered quickly, cost effectively and with ingenuity. A brilliant mind that is always a pleasure to work with." James R.*

Joe Dager is President of Business901, a progressive company providing direction in areas **such as Lean Marketing, Product Marketing, Product Launches, and Re-Launches. As a Lean** Six Sigma Black Belt, Business901 provides and implements marketing, project and performance planning methodologies in small businesses. The simplicity of a single flexible model will create clarity for your staff and, as a result, better execution. My goal is to allow you spend your time on the **need versus the plan**.

An example of how we may work: Business901 could start with a consulting style utilizing an individual from your organization or a virtual assistance that is well versed in our principles. We have **capabilities to plug virtually any marketing function** into your process immediately. As proficiencies develop, Business901 moves into a coach's role supporting the process as needed. The goal of implementing a system is that the processes will become a habit and not an event.

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