



Practical Change Management for Healthcare

Guest was Todd Sperl

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Transcription of Interview

Joe: *Welcome everyone. This is Joe Dager, the host of the Business901 Podcast. With me today is Todd Sperl. He is the co-author of three books on Lean Healthcare and facilitates Lean transformations for hospitals and physician practices throughout the U.S. and Canada. In addition, he is an Adjunct Professor for the Oakland University Executive MBA program at Auburn Hills. Todd, I'd like to welcome you, long time social media counterpart, first time guest with the Business901 podcast. Thanks for joining us.*

Todd: Thanks Joe. I'm excited to be here. This is my very first podcast.

Joe: *Well, we'll see if we can make it a pleasant experience.*

Todd: I hope so. I hope so. Let's get it as painless as possible.

Joe: *I wanted to discuss a few subjects in your book that I just got finished reading, Practical Lean Six Sigma for Healthcare. But before we start and I like to frame the context of the subject here, can you give me a quick overview on how you view the interaction between Lean and Six Sigma and Lean Six Sigma?*

Todd: There are a lot of different thought processes out there, but basically Lean or the Toyota production system focuses on the removal of waste, which is defined as anything not necessary to boost the product or service. So for healthcare, we define waste as anything the patient isn't willing to pay for. Now that may be an oversimplification, but when we start looking at it, that's the way we look at the waste in healthcare.

Six Sigma claims that focusing on the reduction of variation will solve process and business problems. By using a set of statistical tools to understand the fluctuation of a process, management can begin to predict the expected outcome of that process. What we've done is we've started to blend Lean and Six Sigma and together, it's a very powerful business too. They're the best of both approaches to eliminate waste in variation from the process which in the end lowers the cost and improves the quality of healthcare.

Joe: *Lean has I would say taken over in the philosophy I think in practice especially with healthcare. Do you see that and is there a reason that we seem to lead with Lean?*

Todd: Yes, absolutely. Back in 2002, when I was internal at a large healthcare system in Southeast Michigan, we started out with Six Sigma; learning the DMAIC process from General Electric. When they came in and we had a master black belt that was teaching us the benefits of DMAIC in Six Sigma, but we weren't getting the results that we needed to get as quickly as we needed to get them and it was very complicated from the statistical side for most people to absorb and understand. One of the funny things as we were going through this, the master back belt that was training us would come to us, and we'd find out that we weren't anywhere near Six Sigma in our projects at the beginning. We were actually negative

sigma, and he would look at us and say, "Well, go use some of the Lean tools to eliminate the waste and then apply the Six Sigma." At that point in time, we were lost, and we said, all right we'll start using these Lean tools, and we found out that we were getting better and faster results with the Lean tools. About two years into the whole training of Lean or of Six Sigma at this hospital system, we slipped. We removed Six Sigma and then we went out and found a Lean sensei to teach us the ways of Lean.

You fast forward a couple more years, and we're value stream mapping in multiple service lines including diagnostic imaging, emergency surgery. We found that it was so simple for others – the frontline and senior level managers to understand and absorb Lean than it was to grasp the philosophies of DMAIC and Six Sigma. It really has taken off I think in the last 10 years, the last 10 to 15 years in healthcare.

Joe: *Why would you bother with Six Sigma? I mean why would you bring that in?*

Todd: It works well in certain areas. But here's what I told my team when I was leading a group of... We called ourselves... We got into the belt fascination. My title was master black belt and I had all these black belts that reported to me. When we flipped from Six Sigma to Lean, I thought the benefit of it was you need to understand data. You need to understand what's good data and what's bad data. We were really pumped and ready to go with the understanding data part of it. We had that background. I think you need that understanding of data, but a majority of the work in healthcare, because of the processes are so full of waste, you can use it, the 80-20 rule. 80% of the time you're going to be using Lean and then 20% of the time, you'll use that knowledge base of Six Sigma where you need to

understand data.

Joe: *You're really looking at data to quantify things a little bit better. Would that be a fair way to say it?*

Todd: Yes. I mean it's a struggle. When you go to a hospital, and you ask what's your... You know I've been doing a lot of work with emergency departments lately, and one of the big things is a door to doc time. Everybody would say, our average door to doc time is 30 minutes. Then you look at them you say, what's the standard deviation? We have no idea. The benefit of understanding the data a little bit and asking another question is if you have an average of 30 minutes and your standard deviation is two minutes, you've got a pretty tight process. But if you have an average of 30 and your standard deviation is 40, you don't have a process. You're delusional thinking that 30 minutes is good. It's understanding that, the basic concepts of data and being able to apply that to whatever project you're on.

Joe: *Are you really trying to get to Six Sigma because I would think those processes are three or four sigma, especially starting out.*

Todd: I have to chuckle because when we first started out back in 2002 or 2003 with Six Sigma, our projects were truly negative sigma when we started and we would get them to one sigma after the end of the project; nine months later. We had a huge problem. It was marketing and understanding that one sigma was okay for this project. We would get in front of 50 to 100 leaders of this hospital, and we'd say we got to one sigma, and everybody would go, but this is Six Sigma. How come you're not at Six Sigma? The only project in the three

years that we were really doing Six Sigma that we got to Six Sigma at the end was in medication where it was at a distribution machine. That was the only one that we ever got to Six Sigma.

One of the biggest barriers we experienced when we were trying to spread Six Sigma. We were doing really good work but trying to let people know that one sigma, two sigma, three sigma is okay, and it's really good work and you're never going to get to five or six sigma, it's hard because we're not manufacturing. In healthcare, there's a lot more variation. You're dealing with the human body and the human condition; whereas in manufacturing where it's easier to get into the higher sigmas, it's a better tool to use.

Joe: *Six Sigma for services or something like that, I really should look at the fact that Six Sigma is kind of the marketing term over it but for actual services that maybe that's my ideal that I'm looking towards, but it's really what Six Sigma is all about is really understanding the variation and understanding how to correct that and how to move a process forward based on data.*

Todd: Absolutely. To get to Six Sigma would be... It's really, really difficult and as I think back over the years, that was one of our bigger issues from a marketing plan or communication plan to get people to understand that two sigma is okay. In fact, that's really good for this project.

Joe: *You entered some other confusion to the whole thing, while I was reading your book that I wasn't quite ready for, and it was something you called the A-D-T-P process or model.*

What is that?

Todd: Sure. Sorry for the confusion. It models after Deming's PDCA model of process improvement, plan-do-check-act. And all we did was we took that four-level model, four stage model and just redesigned it and renamed it access-diagnose-treat-prevent, so healthcare can be able to understand that and relate to it.

Joe: *Is that follow the exact steps of PDCA, or how is it similar, or how is it different than PDCA and DMAIC, or is it not?*

Todd: It really is very similar. It just mirrors the four stages, and we just relabeled them access-diagnose-treat-prevent. It follows that same principles of Deming's PDCA model. And then when you look at DMAIC, which is for Six Sigma, which stands for define-measure-analyze-improve-control, all three of them are very similar in that they all follow a process.

The difference in my mind is in the amount and level of data needed to move forward as they go through each stage. DMAIC I think is more rigorous in that you have the toll gate reviews at the end of each one, and then you move into the next phase. At the end of define, you have a toll gate review, you meet the metrics, and you go into the next bucket of measure.

We do that as well in the Lean world as well. I mean in our earlier book we called Value Stream Management for Lean Healthcare, we have a toll gate review which is a guide, it's not meant to be black and white, but it's a guide to say have you done all of this before you

move to the next level. You've completed the Assess phase, now you're going to go into Diagnose, and did you complete these or a majority of these items? So there are toll gates at each and every one of these different philosophies or models.

Joe: *Let's jump over something else you covered in the book was the A3 and that seems to really have taken over a lot in healthcare and service industries in general. Is there a reason you think the popularity of A3 exists?*

Todd: Well for us, it's kind of the glue that pulls everything together. If you notice in the book, it was designed in that the book and everything flows along with the A3. The A3 itself helps you tell the story in a logical and visual way. There are several different types of A3s that are out there but for the most part, they have to seven to eight or nine buckets in them. And as you go through those A3s or as you go through the A3, it's not meant to be typed up. You actually, originally, you do it in pencil, and you adjust, and you add and subtract things to each of those components. If you have the first couple stages of the A3 is your problem statement, so you put that in there, and it holds the leaders back so they don't go right to solutions, which might not be the best solution. It guides the individual to find the root cause of the problem. Historically healthcare is data rich, but information poor. Over the years, I have found those lack of standards in collecting data can lead you to poor, misused information. When you use that A3 format, it just helps you get through all of that and become more focused to where you want to go.

Joe: *Can I use your ADTP model along with an A3?*

Todd: Absolutely. We think it fits well with the A3, and that's the way we designed and put it into the book. The way we've overlapped it, we think it blends nicely with that A3. Some may agree, and some may disagree. But the way we looked at it was, the **A**ssess phase comprises of the problem statement and current state which are two typical components of the A3, and then the next components are improvement opportunity, and problem analysis are covered in the **D**iagnosis phase. Then our **T**reat phase includes future state implementation plan and verifying the results. The last part of the A3, the follow-up that falls into our **P**revent phase. If you don't follow up, you're not preventing, or it slips it back to the way you used to work.

Joe: *I think you've covered that really well in the book. I enjoyed that section of it and the way you chunked the different areas of the A3, I thought was very descriptive in the book. Your book is very practical and very tool-laden with lots of examples, download cheats that you offer. Can you put in place that tool perspective for me versus a culture perspective? I mean should we lead with tools? Is that a way that I should be learning Lean or how does all that work?*

Todd: Well, as we know, culture pretty much eats anything for lunch, dinner and breakfast and as well as a snack or two every now and then. The culture side that we run into this with from client after client after client and one of the things with that that we hear as we go into hospitals is, wow these guys; it's another flavor of the month. They're going to be gone shortly. What we like to do and I think the basics for Lean is that it's very simple for frontline associates to do, not to understand, everybody gets it, but it's the getting the accomplishments.

My best advice is to start small with teaching the frontline workers about waste, and they can identify that waste and start removing that. Some of the tools that you have that are part of Lean will help you eliminate the waste and then maintain the sustainability that you need, but in the same breath, you need also to start educating mid-level and senior level leaders on how to think and lead differently, how to ask questions and then how to monitor so that you maintain the results that you get.

The difficult thing is sustainability. I think that's the one neat thing with Lean. When I consult with hospitals, I typically don't go in with the answers. I know some unique situations where you can apply some new ideas for associates or on a project, but really, those ideas should come from the frontline because then, they own it. From that aspect of it, you really need to engage the frontline and have some quick wins, and then you start turning the culture that this is how we do things now. It's not easy, and it's not just one project and all of a sudden, you're Lean.

Joe: *Really when you think about it, Lean's got a great toolbox. Why not just appreciate the toolbox and use the tools sometime?*

Todd: You're right. Some will cringe when you say toolbox because it really is ultimately a management philosophy. Remove the waste and become more efficient. I teach as part of an adjunct professor up at Oakland University and I just started my winter class a couple Fridays go and in there, we have chief medical officers, CMOs and mid-level nurses looking to get their master's and move up, and other physicians that have their own practice that

are looking to add to their resumes.

The big discussion we had the other Friday was how come Lean isn't utilized more in healthcare. The other side of it was, somebody said, all of our hospitals in Southeast Michigan are Lean hospitals. They were right and wrong in that aspect. They use a lot of the tools like you were just saying Joe, they do a couple tools, they do some mapping sessions, but they're really not a Lean organization in that they follow it like a Virginia Mason or ThedaCare. Which are two hospitals that have been doing Lean since roughly 2000. If you ask somebody from ThedaCare, I've got some good friends that worked there for many years, they'll cringe and say, we were laying the foundation long before we started doing Lean in 2000 and that is absolutely true. It only took 17 years or so to become an overnight success for them. As they always say, I'm an overnight success, it took me 10 years.

Joe: *I agree with that because I always laugh when people compare themselves to Toyota and Toyota's being trying to do it for 50 years, and they still think they're a bit way from it.*

Todd: Exactly. The neat thing is just start somewhere. Start doing a 5S. Do a waste walk. Identify and start educating others around the types of wastes that are out there and then using the A3, you can just map it out, and it doesn't really need to be a master's level thesis to run a project.

I was doing a Lean assessment of a hospital in Michigan, and as I was walking through, I was talking to several of the nurses and finally the director of quality came up to me and said, well we do A3s. I looked at her, and this is a very, very small, nicely run, small

community hospital. And I said, really? What do you do with them? How do you get them going? How do you have A3 here because I figured, being a small hospital, that they just don't have the resources to get everybody trained in A3.

They did some online training, they had a portfolio of about 20 projects they did using the A3, and the only scientific tool they used was the 5Y's of Lean to solve their problems, to get to the root cause and then put in some solutions. Very simple, very basic stuff but they were finding success with it.

Joe: *Well it sounds like the A3 helped them think through the process.*

Todd: Absolutely. It allowed them to work it through and not jump to a bad solution.

Joe: *How many tools are described in the book? Do you know the number?*

Todd: I do not. I know it's got to be over 50 to 70 tools; somewhere in there. The interesting thing is the way we introduced the tools is where we think that... You know I've run hundreds of Kaizen events or rapid improvement events and over the years, when we were running these events, we realized that we use these tools first and then these tools are usually used in this part of the A3 and so myself and a couple others, we sat down and said, alright let's just lay these out so that if I'm using this book as a guide, true to the form of Lean, we're introducing the tools just in time.

When you need this tool, it should be used in an order I'll explain it now in this part of the

book. I can say that we did a book a couple years ago where we just talked about the tools alphabetically. Now we look at it and go, wow, how hard could that have been for somebody new going, which tool do I use? We think that by bringing the A3 and overlapping it with the book, that it helps people understand that and know when and what tool to use. Now if a tool gets introduced early on, can it be used later in the process? Absolutely. It's where we thought and from our experience where they come into play.

Joe: *You laid out that A3, the ADTP model over the top of it, and then each section, you introduced the set of tools that belongs in that section, right?*

Todd: Exactly.

Joe: *I thought that was very nicely done. What is the future for you? What's upcoming? What do you have on your plate?*

Todd: One thing that's coming out shortly is we put together a book on just waste and healthcare and one of the things, it's a small little hand guide book so that it's meant to get in the hands of everybody. It's priced affordably, and it will be out there in the next month or so that's called 'Activity Doesn't Mean Achievement.' What we're doing is looking at understanding and eliminating wastes in healthcare and introducing standard work. So that book will be coming out shortly, and we have a training program that goes with that, so we're really excited about that one.

The other product line that we've been working with since... Well, it was released in 2013,

late 2013, is we're starting to develop Apps for the Android and the Apple platform, the IOS platform. That's really our really big product line coming out, and that is a whole series of Apps that will help you as a Lean manager understand and utilize the tools, and they're really focused on sustainability. What we have found as we come in, and we help clients change the flow information or the flow of the patients or clean things up in their area, a supply area or back in the emergency department or up on the floors, what we find is that as we do follow up calls three and six months, they slip back into the old ways of doing things. These Apps that we're designing and ready to put out there will help maintain the changes that you've made as part of these events.

Joe: *You're looking at how from the sustainability standpoint is creating that activity that someone can use on a regular basis to really create the habit that they need to create, correct?*

Todd: Yes and the neat thing that we've done is that it can be on your phone, or it can be on a tablet. It really doesn't matter where; they work for both. We call this series; we call it the Lean Fit Series. It's Lean functionally integrated technology in training. The cool thing is that the Apps are not just educational; they also give you the pure education of definitions of what you're working with but it also provides case studies in healthcare, and there are tools so that you can create an action item list for things to get done. First couple ones that we're working on right now that are ready to come out in February and March will be areas like the tools like waste walks, A3s, 5S audits, Gemba walks for leadership, as well as an overall introduction to Lean and Six Sigma App. We're really excited with these.

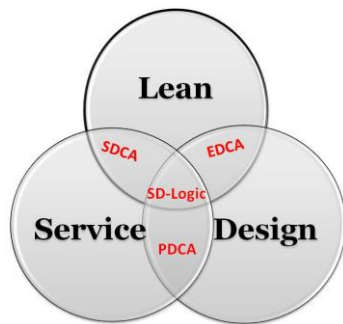
Joe: *That sounds exciting. We'll probably have to do another podcast or something on them and have you maybe do a video demo for me, Todd.*

Todd: Oh that would be great.

Joe: *What's the best way for someone to learn about you and where to find you? I know that I mentioned your company name first. Why don't you give me that background?*

Todd: The name of my company is Lean Fox Solutions, and you can find us at www.leanfoxsolutions.com. Everybody always asks me, how did you come up with the name for Lean Fox Solutions and the obvious one is Lean, where that came from and Fox is my name Todd in Old English. If you look up the definition of my name, you'll see one of the definitions is fox. And why that is, I have no idea, but if you remember the old Disney movie The Fox and the Hound, the fox's name was Todd. The funny things that have evolved out of this are that for my birthday last year, my wife went out and got me personalized license plates that says Lean Fox. The seven letters fits perfectly, right? I noticed quickly that I was disappointing males, as I was driving down the highway because more males would come up to me and drive right up to me and look over and then they'll have this look of disappointment. It wasn't the lean fox they thought they were going to get when they got up to my car.

Joe: *That's good. That's good. Well, I'd like to thank you very much, Todd. This podcast would be available on the Business901 iTunes store and the Business901 Blog Site. Thanks everyone for listening.*



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Joe Dager is President of Business901, a firm specializing in bringing the continuous improvement process to the sales and marketing arena. He takes his process thinking of over thirty years in marketing within a wide variety of industries and applies it through Lean Marketing and Lean Service Design.

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