

# Losing waste, finding efficiency

## The first step?

### Go, see

Julian Winn at WCI Consulting Ltd explains.

NHS managers have made tremendous improvements in the way they provide care. Over the past few years targets have been met and service innovations have borne fruit.

However, the march to greater efficiency continues. Some observers<sup>1</sup> are already forecasting that despite best efforts the NHS will find itself with a funding gap that will not be bridged by the current value and quality improvement plans and the planned £6.5bn savings required by the end of the financial year 2007-08.

Savings have to be made; and significantly, productivity has to be increased. Additional efficiency improvement could save £2.2bn a year. More importantly, money saved by eliminating wasteful activity could be used to improve patient services and make new services possible.

#### What do patients want?

After many years in healthcare I can honestly say that I haven't asked myself this question often enough yet it's one of the fundamental questions providers (individual clinicians and institutions) need to ask every day. And having asked the question, made sure they understand the answer, and act on it.

Let me be bold - What patients want is value. They want a (medical) problem solved, they don't want to wait, they want what they want, when and where they want it. No different from consumers of any other product or service (and what Jones and Womack describe as *Lean Consumption*<sup>2</sup>).

*"Patients want to be treated as consumers of health care. They want better information about treatment options and to be more involved in making the decision as to which option to follow."*<sup>3</sup>

If health services know what patients want they need to meet the need, put another way, they need to deliver the value. Of course, meeting the need in a commercial environment means doing it in competition with other providers and doing it better. And so it is with healthcare. Healthcare is in a competitive market and displaying key attributes; eager providers, constrained budgets, ill-defined demand and scarce resources.

Managing healthcare is no different from managing a commercial organisation. Both have to provide what customers want profitably (or within budget in the case of the NHS). But like many businesses healthcare providers are internal problems to address as well as external issues. A major problem for healthcare is the amount of wasteful activity it has allowed itself to generate, and perpetuate. For the purposes of this paper waste is defined as any activity, process, procedure or system that does not provide direct and quantifiable value to the patient or customer.

#### Created waste

No organisation knowingly allows itself to be wasteful. Competitive athletes train to convert energy into winning power, flexibility and skill. So should the healthcare providers but do they?

A few examples: Staff overproduce (constantly repeat tests, examinations, note taking and form filling to mention but-a-few), are overburdened (asked to do too many diverting, non-value adding activities) and are frequently presented with requests to vary what they do (work isn't standardised). All this is wasteful. Waste is created every day in every healthcare setting. Time is wasted; scarce and expensive resources are poorly used. The result - patients don't have their problems solved.

Healthcare is not **Lean**.

<sup>1</sup> Bramley-Harker et al, Mind the Gap-Sustaining Improvements in the NHS Beyond 2008, Oct 2006

<sup>2</sup> Womack J, Jones D. Lean Consumption. Harvard Business Review. 2005;83(3):58-68, 148

<sup>3</sup> NHS Service Delivery & Organisation Research and Development Programme, Access to Health Briefing Paper, Nov 2006

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Staff need to be liberated from onerous, repeated and unnecessary (wasteful) tasks so that they can deliver real value to patients. And in doing so healthcare providers will gain efficiencies; more patients will be seen more quickly, waiting times will be reduced, staff will be more effective and focused and have a greater sense of job satisfaction.

#### Examples of waste can be observed

Waste can be grouped into 7 categories. Each category is shown below with examples that can be observed occurring daily in our healthcare systems and institutions. Overproduction is the cardinal waste, cardinal in that all of the others can be seen to arise because of it.

| Waste Category                     | Examples  |
|------------------------------------|---|
| <b>Over-production</b>             | Repeating previous work; asking patients the same questions another clinician has already asked; re-entering patient details into another computer system, repeating tests and examinations, filling out numerous forms with the same information |
| <b>Waiting</b>                     | Any wait for results, patients waiting, clinical staff waiting, operating lists not starting on schedule  |
| <b>Transportation and movement</b> | Moving patients, specimens ... unnecessarily from one place to another  |
| <b>Inventory</b>                   | Poor stock control that has large amounts of stock or the wrong items in store. Worst: Out of date stock!   |
| <b>Motion</b>                      | Staff moving around, not having the right equipment in the right place at the right time. Having to concede work-a-rounds   |
| <b>Over-processing</b>             | Gathering information that's not necessary, ordering and completing inappropriate tests   |
| <b>Defective production</b>        | Work errors; no consent form signed by the patient, pathology not ordered, TTOs not dispensed correctly   |

Observing your organisation you may see some or all of these wastes; and perhaps many, many more.

#### Losing waste, finding efficiency – thinking again, thinking Lean

Becoming Lean (meeting patient needs efficiently) starts with a change in mind-set.

Lean practitioners will always refer you to the Toyota Production System. Toyota people (managers and production staff) have spent 50 years perfecting what they do to manufacture the world's most reliable cars. And whilst they still believe they have some way to go their efficiencies are impressive. In 2003-04 they took \$2bn of manufacturing costs out of a starting total \$113bn. And no jobs were lost.

So Toyota knows a thing or two about being efficient and losing waste.

The management ethos at Toyota is based on supporting workers and operators so that those closest to the product or service identify the waste, plan how to rid it from the system or process and banish it for good. Supporting the staff means enabling them to see where problems are occurring (through training) and encouraging processes to be questioned and failures (actual or potential) to be brought to the fore. Toyota believes that its experts work at the point of production or delivery. The company inverts the management triangle such that innovation comes from the point of production not, as is typical in many organisations, from 'the top'. Staff are trained to 'see' – waste, constraints, failure points – and to work in teams that problem solve. Managers are trained to support change, to let staff experiment with making processes better, to add value with and through the workforce. And when change doesn't have the desired effect there is no blame just encouragement to look again at the problem.

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Managers see problems too, of course they do. When they do they should take 3 steps:

1. Go and see  
The managers go down to the assembly floor and see for themselves what the process is like, what happens, how people work, who's doing what.
2. Ask 'why?'  
Why does this happen, why are these factors affecting the process, why are these factors in the process, why do the factors only happen at this stage, why do these factors need to be here.  
  
Asking 'why' up to 5 times can often identify the problem. Once that's done the resolution can be worked on.
3. Respect the staff  
All staff deserve respect. Respected employees are better team members. And acknowledged diversity of opinion is good – it forces debate and improves problem solving. Respect the staff.

#### **Taking more steps – deliver better services, give patients what they want**

Having seen and questioned why waste occurs, having listened to staff, what should managers do next?

The answer is 'start getting Lean'. Find a problem you really want to solve, let it be a little one so that you can practice Lean Thinking and process improvement. Find like minded people in your team, particularly those on the wards or in departments, people who are not afraid to innovate or make mistakes, but most of all who are willing to point to any and every wasteful step in a process – perhaps even the process itself!

Get your team together and work through the 5 Lean Thinking steps:

1. Define the value to be delivered by your ward, department, speciality, hospital to your patients and customers
2. Map the current state – what happens, when, how long does it take?
3. Define the future state – what's going to be improved, how will the service look? – and make the value flow through the process(es)
4. Provide services at the rate the patients (or other customers) demand
5. Pursue perfection in the organisation, make it a part of the culture

Working through these steps will take time, energy, commitment, tools and, in some cases, specialists to assist you. The good news is that Lean Thinking and Lean processes will transform the services you provide to patients. Staff will be able to do more (of the right thing) by freeing up the time and wasted effort they previously ploughed into wasteful activities that add no value to patient (customer).

Saving £2.2bn a year by improving productivity is a high and distant target. But healthcare providers (you!) can play a part in defining what, when, where, why and how they will do their bit not just to contribute to the National target but to make savings in their unit, to do what we (me included) go to work for – to improve patient care and realise great outcomes at the time they're demanded – no queues, no waiting, right-first-time, no frustration care; the kind of healthcare that receives more compliments than complaints.

Lean healthcare, born of Lean Thinking, delivering patient benefit from value-adding processes, profitably.

**Julian Winn**, WCI Consulting Ltd  
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