Building a Rapidly Adaptable Management System

Maryjeanne Schaffmeyer
Jeff Hunter

Transforming the Industry

Transparency of Cost, Quality, Risk and Consequences

Care Delivery Redesign with Focus on Value to Patient

Payment Models that Reward Value
ThedaCare as a Healthcare Delivery System

- 5 Hospitals, including a Cancer Center, Heart Institute, Level II Trauma Center, Stroke Center, Acute Rehab Unit
- 6 Behavioral Health Locations
- 3 Home Care Locations
- 2 Employer Health Locations
- 1 Skilled Nursing Facility
- 1 Senior Living Facility

- In 9th year of lean journey
- 6300 Employees
- 3800 employees affected by BPS so far

Appleton Medical Center

Theda Clark Medical Center

Transforming Culture, Sustaining Improvement

Source: Institute for Enterprise Excellence
SD + CDI + BR = TN

SD = Strategy Deployment
CDI = Continuous Daily Improvement
BR = “Big Rocks”
TN = True North

Definitions

CDI: Improving a current standard (process, method)

SD: Developing a new standard (process, method) to create differentiation from competitors that is relevant to customers!

BR: The big projects that consume cross-organizational resources, but will not create differentiation (like ICD10)
“Competitive strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value.”

-Michael Porter
“What Is Strategy?”

A New Method of Strategic Thinking

Think “Outside-In”.
A New Method of Strategic Thinking

Think “Outside-In”.

Be clear on our current business model.
A New Method of Strategic Thinking

Think “Outside-In”.

Be clear on our current business model.

What’s the problem/opportunity?

Use the cascade of strategic choices.
An Integrated Cascade of Choices

What is our winning aspiration?

The purpose of the enterprise:
• Our guiding aspirations

Where will be play?

The right playing field:
• Where we will compete: our geographies, product categories, consumer segments, channels, vertical stages of production

How will we win?

The unique right to win:
• Our value proposition
• Our competitive advantage

What capabilities must be in place?

The set of capabilities required to win:
• Our reinforcing activities
• Our specific configuration

What management systems are required?

The support systems:
• Systems, structures, and measures required to support our choices

A New Method of Strategic Thinking

Think “Outside-In”.

Be clear on our current business model.

What’s the problem/opportunity?

The cascade of strategic choices.

Reverse-engineer our assumptions.
A New Method of Strategic Thinking

- Think “Outside-In”.
- Be clear on our current business model.
- What’s the problem/opportunity?
- The cascade of strategic choices.
- Reverse-engineer our assumptions.
- Test our strategic assumptions through rapid experimentation.

The Basic X-Matrix

- Priorities
- Metrics
- Resources
- Initiatives

Operating Unit
Strategy Deployment

System Strategic Plan

Breakthrough Initiatives

Operating Unit Business Plan

Dialogue

Priorities

Metrics

Initiatives

Resources

Operating Unit

Ideal State Information Flow

Status of the Business:
- Information
- Continuous Improvement
- Metrics
- Escalation

Staff

Staff

Staff

Lead

Supervisor

Manager

VP

COO

Pres.

Level 1

Level 2

Level 3

Level 4

Level 5

Level 6

Level 7

Daily Huddles, defect ID and some metric owners

Lead SW, Stat Daily Sheet, Team huddles & Unit leadership Team

Daily Supervisor SW, Stat Sheet, team huddles & Unit Leadership Team

Daily Mgr SW, Stat Sheet, Unit leadership team & VP metrics Mtg. VP daily SW, Metric Mtg. and HLT SD

Strategy Goals
Purpose
- Mentoring
- Teaching
- Barrier Removal
- Strategy
- True North
Transforming Culture, Sustaining Improvement

ALIGN...the important

IMPROVE...the process

ENABLE...the people

Source: Institute for Enterprise Excellence
Lessons we have learned

- Staff surface defects not aligned with strategy or true north
- Coaching in the work takes time, intent and focus
- Deploying True North (operational effectiveness) rather than specific, focused, time-bound, strategic initiatives leads to overburden and lack of market differentiation
- Strategic planning is PDSA thinking; a proposed strategy is a hypothesis that needs to be tested through rapid experimentation

Table Discussion Questions

- What is your current standard for aligning, enabling, and improving
- What will you take home with you? What will do differently?