On a path … 
*The 10,000 foot view*

1. **The Facts** – Success in 21st Century healthcare requires more than “best practice.” The future belongs to those who can adapt and innovate in a complex, dynamic, unpredictable world.

2. **The Problem/Opportunity** – Historically successful organizational structures, methods and mindsets *always* slow, stall or stop adaptive innovation.

3. **The Solution** – Medical education develops adaptive capacity; *i.e.*, be *designed to adapt.*
On a path.....
On a path....
Highly unpredictable events
On a path....
The doctor adapting.....
Good outcomes despite the system
On a path....
Management finds the solutions..

What’s going on here?
On a path....
Health care may be the most entrenched, change-averse industry in the United States. The innovations that will eventually turn it around are ready, in some cases—but they can’t find backers.

Will Disruptive Innovations Cure Health Care?

by Clayton M. Christensen, Richard Bohmer, and John Kenagy
“But, we will be innovative…."

Historic organizational structures, methods and mindsets are not adaptive.
“It’s almost impossible …”

On a path….  

“ALMOST IMPOSSIBLE?”

WHAT’S POSSIBLE?
Diagnosing the Problem: Will what got us here, get us there?

Historic organizational structures, methods and mindsets are not adaptive.
## Where do you want to be?

<table>
<thead>
<tr>
<th>List 1</th>
<th>List 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Equipment</td>
<td>Apple, Microsoft, Intel</td>
</tr>
<tr>
<td>Macy’s, Marshal Field, Sears</td>
<td>Nordstrom, Target</td>
</tr>
<tr>
<td>GM, Ford, Daimler/Chrysler</td>
<td>Toyota, Honda</td>
</tr>
<tr>
<td>Merrill Lynch, Lehman</td>
<td>Vanguard, Bloomberg LP</td>
</tr>
<tr>
<td>United, American, Delta</td>
<td>Southwest Airlines</td>
</tr>
<tr>
<td>Microsoft</td>
<td>Google</td>
</tr>
</tbody>
</table>

Harvard, Mayo, Kaiser … ?You??
Making the Future

Lessons Learned

• **Stay on List 1?**
  – Keep doing what you are currently doing
  – Try harder to make it better

• **Create a new List 2 business?**
  – Do what List 1 won’t, *de novo*.

• **Move from List 1 to List 2?**
  – Keep doing most of what you are currently doing
  – Medical Education expands the possible
  – Become “designed to adapt.”

©John W. Kenagy, 2010
Expanding the Possible – Step 1

Characteristics of a Successful Start

1. Management makes it safe to discover

2. Create small *innovation incubators* (Learning Lines®) close to the patient

3. Learn to eliminate assumptions through direct observation.
What does a nurse really ...?

**Observations:**
- Observations: 1000s of hours, med/surg units, 45-750 bed hospitals
- In one hour, a nurse worked in 8 different locations and changed location 22 times.

**Graphic:**
- In one hour, a nurse talked to 15 different people on 22 different subjects.
- Face-to-face patient time = 33%
- "Admin" = 24%
- Clarifying, hunting, fetching, rework, redundancy, checking, waiting, workarounds = 43%

**Discussion:**
- What activities does a nurse do?

©John W. Kenagy, 2010
What’s it take to get an aspirin ...
“And this is where our ED workflow redesign team went insane.”
Expanding the Possible – Step 2

Link strategy to execution

Historic = Current

Move information and problems up to people in meetings, who design solutions

Adaptive = Future

Develop responsive, coordinated, rapid decision-making close to the information
Basic business success skills
Moving the time-tested into real time.

- Customer (patient) first
- Develop and empower people
- Immediate response to problems or changes
- Hard data; eliminate assumptions
- Link hard data to action to verifiable results
- Use only the resources needed
- Relentlessly challenge the status quo
Leaving a Legacy ...

It’s not rocket science, just different

**Historic = Current**

Move **information and problems up to** people in meetings, who design solutions

**Think** your way to a new way of acting

**Adaptive = Future**

Develop responsive, coordinated, rapid decision-making close to the information

**Act** your way to a new way of thinking
The New Management Mindset

*Rapid cycle times generate better metrics*

"Quality is not a department and Improvement is not a project, they’re everyone’s work, every day"

Adapted from a Toyota training slide

©John W. Kenagy, 2010
Why real time information …?

Why men shouldn't take messages

Someone from the Gyna Colleges called. They said the Pabst Beer is fine.

I thought you didn't like beer??

©John W. Kenagy, 2010
Becoming “Designed to Adapt”
Delivering on the Promise

1. Identify when systems fail as a problem to solve in real-time

2. Link that information to action to results in real time

3. Make every change a disciplined, structured, systemic experiment in real time (A3 problem solving)
Real Time Learning and Improvement

Problems solved in first 10 weeks on a Chest Pain Unit

- Cath. lab reports
- Timely Thallium readings
- Integrelin flush
- Persantine dose availability
- Pts. ID’d as DNR
- Drug protocol reference
- Designate problem-solver
- Prioritized pt. placement
- Cath. lab block time
- Staff communication
- Bradycardia kits
- Simplify Learning Line
- Nuc. med. productivity
- Pt. discharge education
- Patient check-out
- Small glove par levels
- Box meals
- Room turnover

©John W. Kenagy, 2010
What’s Different? - Solve quality, safety, economic and process problems in real time

March ’04
- 8% decrease in Length of Stay
- 14% increase in RN productivity
- 51% reduction in turnover
- $1,700,000 financial benefit

May ’05
Most improved Patient Satisfaction in a 17-hospital system

©John Kenagy
**What’s Different? - *First innovate with ingenuity, then consider technology***

<table>
<thead>
<tr>
<th>Historic Practice</th>
<th>Adaptive Practice</th>
<th>Saving</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assess for restock</strong></td>
<td>30 min</td>
<td>2 min</td>
</tr>
<tr>
<td><strong>Collect items in warehouse</strong></td>
<td>25 min</td>
<td>10 min</td>
</tr>
<tr>
<td><strong>Re-stock supply room</strong></td>
<td>15 min</td>
<td>3 min</td>
</tr>
<tr>
<td><strong>Stock unit 3 days/week</strong></td>
<td>210 min/week</td>
<td>Stock unit 7 days/week in 105 min/week</td>
</tr>
</tbody>
</table>

- Almost no stock-out
- 21% decreased inventory
Management Innovation

Managers as architects rather than fixers

• Set clear, simple, meaningful direction

• Develop people as your #1 asset

• Build trust and optimism with results

• Design and develop systemic, real time problem solving

• Replicate what works, then challenge the status quo relentlessly

©John W. Kenagy, 2010
What’s Different? - There is no ceiling to our potential

A 60 clinician clinic begins
Adaptive Design

Oct 08-Oct 09 = 81% MD Improvement
Oct 08-Dec 09 = 121% MD Improvement

Cumulative MD performance in a large, excellent health system
Delivering on the Promise ..
“Look what I’ve learned.” “It’s fun!”
On a path …

The 10,000 foot view

1. **The Facts** – Success in 21st Century healthcare requires more than “best practice.” The future belongs to those who can adapt and innovate in a complex, dynamic, unpredictable world.

2. **The Problem/Opportunity** – Historically successful organizational structures, methods and mindsets always slow, stall or stop adaptive innovation.

3. **The Solution** – Medical education develops adaptive capacity; i.e., be designed to adapt.
On the path.....

Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it’s the only thing that ever has. – Margaret Mead

“DESIGNED TO ADAPT AND SUCCEED”

Slides? info@johnkenagy.com