John Gallagher: Welcome to the podcast today. Today I’m talking with Dr. Paul DeChant, who’s the former CEO of Sutter-Gould Medical Foundation, and also a senior advisor and executive coach for Simpler Consulting. How you doing, Paul?

Paul DeChant: I’m doing great, John. How are you?

John Gallagher: Good, I’m doing really well. I’m looking forward to our conversation today. Paul, as I’ve been reading, a lot going on today in the healthcare industry and specifically about implementing Lean inside of healthcare, there’s a lot of things that pop up that people want to talk about Lean really being about a set of tools that are used and certainly that the only way to use Lean is to eliminate waste in processes. And I know that we know at Simpler, and you know overall as an executive, that that’s not the only reason to be using Lean. And today I want to talk a little bit about how we overcome some of those barriers when we hear that, and how we communicate with folks about what are the most important things to do on a Lean transformation journey and also who the most important people are on that journey as well. So as we go through that today, Paul, inside that conversation I look forward to hearing some of the things that you’ve seen as successful inside of Lean enterprise transformation and how you work with executives today about that. So, Paul, I’m gonna kind of just let it turn over to you. Tell folks a little bit about you, this is the first time we’ve had you on the podcast, and then secondly just kind of jump right in as to what’s important to you on this Lean enterprise journey.
Paul DeChant: Great. Thanks, John. So who am I? I’m a family physician. I’ve practiced for 25 years, had close to 100,000 patient encounters in that time. Over a 30-year time span in my career I also had increasingly responsible levels of management within medical organizations, and those included working with the Palo Alto Medical Foundation, with Geisinger and with Sutter Gould Medical Foundation, where ultimately I became the CEO for five years. During that time, I engaged Simpler to help us with a Lean transformation of Sutter Gould, and we were very successful in that transformation - actually taking a historically top-down command and control culture organization to one that empowered people on the front lines to become great problem solvers, and in that process drove improvement across all of the metrics on our balance scorecard to be among the top within Sutter Health and in fact the top in California.

So that’s who I am and what my experience is. A lot of it comes from my deep experience as a practicing family physician, running into barriers and frustrations of trying to provide patient care as effectively as possible while maintaining my own personal health, both mentally and physically.

And a lot of that’s driven me into my interest in burnout. But in terms of how to think about Lean and how that applies to all of this, we do see a lot where people talk about Lean is really - to define Lean as a way to remove waste from workflow processes, and it’s a set of tools that helps people to do that, I really think of it very differently. I think of it as a management system and culture that supports and develops front line workers as meant to become great problem solvers and in that process, then, to be able to deliver great patient care.

So it creates a completely different culture for people to work within. And removing waste, and those tools are a part of that system and culture, but they’re not the key component. The way I like to think about this and describe it to the people I work with is to first just ask that question: who’s the most important person in our organization?

And in healthcare it’s pretty obvious that most important person has to be the patient, because without a patient we’d have no reason to exist. There’s no reason - without a patient, there’s no reason for our doctors, our nurses, or our administrators to get up and come to work in the morning. There’s no opportunity to fulfill our personal and professional mission. There’s no money coming in to pay for our salaries or support our facilities. So clearly the patient has to be the most important person in the organization.
And then I like to talk about what’s the most important thing that we do, and the most important thing we do is the healing interactions that take place between any caregiver and the patient. And those healing interactions can range from a receptionist who’s on the phone or reading a person as they come in the door, all the way through to a physician that’s making very complex medical decisions or providing a complex procedure that’s lifesaving to a patient, and really everything in between. Any opportunity where someone connects with a patient has an opportunity to make that a healing interaction in which we relieve pain and suffering, we reduce anxiety, or we can educate people in how to be healthier.

So that’s the work that’s most important, those healing interactions. We provide that to the most important person, and what that means, then, for people who are in administrative management and support roles is that we are a waste unless we are supporting the people who are doing that most important work. So in my career as a family doctor I was - that work was not waste, that was all healing interactions.

In my career as a CEO, no longer providing those healing interactions, the only way I wasn’t waste was when I was making sure I was supporting the people in the front line to be able to do their jobs as well as possible. And that drove the creation of the Lean management system within Sutter Gould, and really underpins our whole philosophy of a daily management system.

**John Gallagher:** Well, I think those are great points, Paul, and I think even as the introduction - thank you for that as well - is that one of the things that’s even more powerful, as I continue to watch Sutter Gould’s story, is that even after you left the organization they continued to thrive, and that says a lot about your leadership and the management system that has been put into place allowing them to continue to succeed. And I think that in and of itself has the pillars, if you will, of continuing to improve and respect for people both in place through the organization, allowing it to continue despite you not being there.

A lot of folks would tease that it continues to go on because you’re not there anymore but I don’t think that’s what it is. When I think about leadership, I think about it as putting those systems in place, putting the people in place to make sure that continues to happen even when you’re not there, and that’s the legacy that you’ve left there which is pretty exciting.

So when you think about how you’d work with other organizations now, then, how do you continue to help them to implement that philosophy inside of their organizations?
Paul DeChant: So most people get it, the patient’s the most important person and the most important stuff we do are the healing interactions that we provide to patients. The question is how do we design our management system to ensure we do that consistently, and the key there is to help those people on the front lines so that as they’re working so hard to provide those great interactions, then they’re running into barriers and frustrations on a regular basis, that they can solve the problems that are creating those barriers and we can continue to improve.

That’s what the daily management system is all about, and it’s based first in a huddle that happens at the front line on a daily basis. That huddle is all about making sure that we’re ready for the day, that we’re making progress on key metrics, and that we’re solving problems as they come up. As we run a huddle that’s based on that, we’ve realized oftentimes that there are problems that the front line can fix on their own. There are also problems that the folks on the front lines need support from other levels of the organization.

So it’s not just a huddle on the front line but there’s a set of tiered huddles where after the front line folks have huddled with their supervisor, that supervisor then huddles with managers. The managers huddle with directors and VPs, and they ultimately huddle with the folks in the C-suite. By having those tiered huddles and being able to escalate problems that can’t get solved at the front line, we can quickly escalate a problem all the way to the CEO if need be within one day, so that as a CEO you’re never surprised by problems that are happening in your organization. That was a concern I had in traditional management was you never knew what all the problems were that were bubbling around that you had no visibility to on a daily basis, and only when a crisis became major did I become aware of it.

John Gallagher: Sure. You didn’t even get a chance, really - I mean, in a traditional space inside of healthcare, sometimes you get data as the CEO on a monthly basis as to when things are going wrong, sometimes it’s even lagging on a quarterly or worse. So to be able to escalate an issue, a problem that occurs inside of the operation within that same day and sometimes less time based on the acuity of the issue, that’s pretty powerful and what’s possible with the management system, absolutely.
Paul DeChant: Yeah. Well, and that’s a great point about the data coming in on a, you know, relatively infrequent basis, because a lot of the way that we’re driving strategy is we have performance goals, we create strategies to drive those performance goals, but the people at the front lines may or may not be aware of what those strategies are. With that Lean management system, while we on one hand are escalating problems through the huddles, on the other hand as we decide the organizational strategies we can then cascade those out to the front lines so that the nurses who are working on Two West can know that as they work on specific things that are going to improve patient satisfaction or reduce costs or improve their own staff engagement, they can see specifically the actions that they’re taking that are driving the overall corporate strategy and feel good about it because they can see those linkages.

So that, the daily management system, while tremendously important to escalate problems and help solve them, it also brings great value by creating alignment throughout the organization.

And once we’ve got that quick problem solving ability along with aligned strategy, then as new external forces and requirements come upon us, we’re able to quickly put into place strategies and tactics that can move the bar on those new external requirements. And that’s one of the great strengths of a Lean management system and culture is that it’s highly adaptable to the changes that go on externally.

John Gallagher: Absolutely. So you don’t have to switch your management system every time a new problem comes up, whether it’s Affordable Care Act in terms of a new strategy that goes into place impacting you, it can help you be agile - to your point, adaptable - to what is happening in the industry, and you’re creating a team of problem solvers up and down the organization. And I think one of the other things that I heard you say that is really powerful, again, when we talk about Lean as the pillars being continuous improvement and respect for people, but you’re tying that front line to the strategy of the organization so that they know that what they’re doing is having an impact on the overall strategy, and that in and of itself, when they can see what impact they’re having on the organization that is tremendous respect for people with regards to the value of the work that they’re doing, and going right back to the start the healing interaction they have with the patient as well.
Paul DeChant: Yeah, yeah. Well, and it’s healing for the front line staff also because there’s few things more demoralizing than running into barriers and frustrations all day long and feeling like you’re not able to move the bar, not able to make a real difference. Nobody in healthcare wakes up in the morning and while they’re in the shower thinks, “I can’t wait to come in and ruin the day of my coworkers or my patients.” They come in motivated to make a difference, a positive change in the world, and the way our systems have become so burdensome, we create these barriers and frustrations.

In fact, when I talk with healthcare workers, I don’t talk about removing waste as a goal in Lean. I talk about removing barriers and frustrations, ‘cause we have highly motivated people working really hard running into those barriers. The work they do, there is waste, and when we do a classic value stream analysis, yes, we can see the waste. We call it out. But the theme that we approach people with initially isn’t we’re gonna take all the waste that you do out of the work you do, it’s we’re gonna help you be more effective by removing barriers and frustrations. And that actually is teaching you how you can do it yourself, ‘cause the most important thing is those people on the front line, they know what those barriers and frustrations are and they have great ideas about how to fix ‘em. They just have never had the opportunity to put their great ideas into place, and this system actually enables that.

John Gallagher: Absolutely. Well, you think about that, Paul, when you think about your previous role as the CEO of an organization implementing a system like this, and again, coaching those that you coach now, what’s the role of the CEO in this journey? What’s the important part that they must play in this transformation?

Paul DeChant: Well, first of all the CEO has to be a clear advocate and support for this management system because it is a different way to manage than pretty much everybody in the organization has done before, and we’re asking people to change and that’s a hard thing. And unless people see that the CEO is fully committed they’ll find ways around participating in this change process and assume they can fly under the radar and get away with it.

So the CEO’s commitment has to be front and center and visible, and that includes both discussing that publicly, whether in written communications or in meetings but also going to Gamba, reinforcing that in the Gamba on a regular basis. Another important role is listening to the front lines about their problems and about the challenges they have so you develop a level of empathy and a real impetus to drive the change more effectively. I actually met with all of my front line staff in the course of about a year, asking them what I needed to know so that I could help them do their jobs better, and the information I got from that was so valuable to make sure that I was motivated, when times got tough, to keep moving forward on the Lean transformation.

And thirdly is clearly defining the vision for the future, working with your team to develop a strategy that helps you achieve that vision, and then ensuring that the tactics that it takes to develop and drive those changes are clearly understood all the way throughout the organization.
John Gallagher: Well, thanks, Paul. Those are definitely key important things for the CEO regardless of industry, even, but when you think about overall and the Lean transformation side of healthcare I think you’ve hit on some really big things today, that the patient is really the most important person.

We must have a patient or we don’t have a business, that’s very important. Secondly that the healing interaction with that patient is the most important interaction in the journey. And thirdly, really, that the management system comes into play to ensure that those two things can be done in the most effective way. And finally that the CEO plays a very important part, the C-suite leadership plays a very important part. They can’t sit on the sideline and watch. So I think you’ve brought some very valuable points to the conversation today. I think you brought very valuable, in essence, solution approaches if you will to some of those barriers where folks say that Lean is just a set of tools and it’s only to eliminate waste, that it’s much bigger. It’s a cultural transformation. So I appreciate your time today, Paul, in discussing this important topic. What I’ll do is I’ll leave the last word to you, and then I’ll close us out. So how is that to finish it out, Paul?

Paul DeChant: Well, thanks, John. I think the most important thing to remember is that we are creating great problem solvers and empowering our highly motivated caring people who provide those healing interactions every day the opportunity to solve the problems that make it tough for them to do that. That motivation helps make their lives better as they’re trying to make our patients’ lives better.

John Gallagher: Well, again, thank you, Paul, for your time today. I’m glad you’ve joined us and become a part of the Simpler podcast. For those of you who are listening, we appreciate you listening and we’d like for you to participate in the conversation. If you have a topic that you want us to talk about, or if you’d like to provide some feedback on today’s podcast, you can email us at podcast@simpler.com or visit our website. Until next time, I’m John Gallagher, the host of the Simpler podcast, and thank you for listening.
For more information or for media interviews with our speakers, contact:

Christine Tankersley
336.283.0775
tankersleyc@simpler.com

@simplerconsult
Simpler Consulting
podcast@simpler.com
simpler.com/healthcarepodcasts