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Bend the Curve CIP-News - August, 2011

Bend the Curve Continuous Improvement Practitioners

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The Unknown and Unknowable

— Walter E. Lowell



Ideas, such as Lean thinking, are powerful things even more so than bombs and guns because like viruses they spread.

And, like viruses, conditions for their spread depend on many things not the least of which is the tenor of the times.

Here at *CI-P News*, we have been writing about how the times "they are a changin'" for a while, and it seems with each new day this becomes more evident — but more on that below.

Malcolm Gladwell in his book, The Tipping Point, proposed conditions necessary for an idea like Lean thinking to spread, writing about connectors, mavens, and stickiness as possible explanations.

The reality is we don't really know how this works. If we did, than we would all fall victim to slick advertising campaigns, and freedom of choice would be the first victim.

In part this due to the 'fearsome complexity' of the world we live in.

Ed Deming talked at length about the unknown and unknowable and attributed these to our limited ability to understand our complex world.

A 'Tipping Point' is a good example of Deming's point, a convenient illusion - part of the world of the unknown and unknowable.

The premise of the unknown and unknowable is disturbing.

As humans we are conditioned by our culture and education to not think too much about these things.

We like to think we live in a world of the known. The sun shines and night falls.

Our sensory experience appears to anchor us in reality, but history and science prove that the reality given to us by our senses is deceptive.

How long did it take for humanity to realize we live on a planet and the Sun — not the Earth — is the center of our solar system?

Appearances do indeed deceive.

— *cont'd on page 6*

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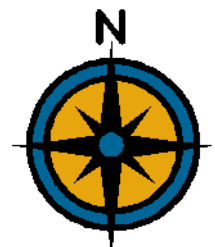
Volume 6, Issue 8

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Special points of interest:

- Next Clinical-Study Mission
➤ September 16
- Check out the Lean Summit



2011 Lean Systems Summit

Where Government, Services, and Manufacturing Met

**Friday, August 12, 2011
Eastland Park Hotel, Portland, Maine**

*Collaboration and Innovation in
Achieving Operational Excellence
through Lean*

Private and public business leaders joined together at the Summit to discuss collaboration, innovation, and using Lean continuous improvement principles and methods to improve organizational effectiveness. The Summit included 3 speakers and 15 workshops across healthcare, services, government, education, manufacturing, and other businesses, describing how Lean leaders and practitioners are using Lean to change their culture and improve their way of doing business.

Maine MEP conducted its stellar pre-summit experiential workshop, *Lean 101: Understanding the Fundamentals of Lean Processes*, providing an opportunity for the participants to learn & do and to generalize this learning to their own work.

The Thursday evening, August 11th, networking gathering at the Top of the East was a great success — enjoyable, relaxing, and a great way to meet other Summit attendees, presenters, and speakers.

Thank you to the Summit Sponsors: the Maine Manufacturing Extension Partnership, Jotul North America, Lonza Rockland, IDEXX Laboratories, and Crestline-Geiger.

For the *Summit Proceedings & Presentations*: <http://www.maine.gov/dhhs/btc/events.html>

Summit Speakers:

Opening Speaker - Deb Neuman, Deputy Commissioner, Maine Department of Economic and Community Development

Keynote Speaker - Dr. Alan G. Robinson, Isenberg School of Management,
University of Massachusetts &
Author: *Ideas Are Free*

Closing Speaker - Bruce Hamilton, President, Greater Boston Manufacturing Partnership: *The Declaration of Interdependence*.

2011 Lean Systems Summit Workshops

GOVERNMENT

Introducing Lean into State Government Culture-Progress on the NYS Story

William Phillips, Assoc. Commissioner, Outcome Management & System Information,
NYS Office of Alcoholism and Substance Abuse Services

LEAN: Changing Perspectives in a Municipal Setting

Todd Selig, Town Administrator, Town of Durham, New Hampshire

Sustaining a Lean Culture: the Role of Leadership in the Public & Private Sectors

Harry Kenworthy, Principal & Manager, QPIC, LLC – Lean Government Center

MANUFACTURING

Going Lean and Green: A Case Study in Creative Personnel and Facilities Management

Rebekah Woodworth, Production & Facilities Manager, Lonza-Rockland

Preventive Maintenance and Profit \$\$\$

John Perrotti III, CMRP, Senior Project Manager, Fuss & O'Neill Manufacturing Solutions, LLC

Empowering Your Lean Skills Coaches

James Stewart, Continuous Improvement Specialist, Huhtamaki, Inc.
Paul Serbent, Continuous Improvement Specialist, Huhtamaki, Inc.

HEALTHCARE / LEADERSHIP

Cultural Transformation at ThedaCare with Lean

Mike Radtke, Director, Diagnostic Imaging, ThedaCare Healthcare

Leadership - The Key to Creating a Lean Culture at ThedaCare

Mike Radtke, Director, Diagnostic Imaging, ThedaCare Healthcare

How High-Performing Idea Systems Work & How to Implement Them

Alan G. Robinson, Ph.D., Isenberg School of Management, University of Massachusetts.
Author: Ideas are Free.

EDUCATION / TRAINING

The MISSING LINK To LEAN: Training Within Industry

Dr. Steven Grossman, Director, TWI Institute
Susan Janus, Lead Project Manager, Mass MEP

Creating a Lean Mindset in a University Setting

Joyce T. Gibson, Ph.D., Dean, University of Southern Maine, Lewiston-Auburn College
Kim-Marie Jenkins, Coordinator & Assistant Dean, Student Success Center, USM-LAC
Marcel Gagne, Chair, USM-LAC Advisory Board & Manager, Maine DHHS MaineCare
Process Improvement & Staff Development

Innovation: The Way to Sustainable Profitability

Renee Kelly, Director of Economic Dev. Initiatives & Co-Director of the Foster Student
Innovation Center, University of Maine-Orono Foster Student Innovation Center

TOOLS

Implementation of 5S Methodologies at IDEXX Laboratories

Ron Dupuis, Operations Manager, Instrument Solutions, Instrument Mfg, and Service
Operations, IDEXX Laboratories, Inc.

The Kaizen Story Board

Robert Doiron, Field Operations Manager, Maine Manufacturing Extension Partnership

How and When to Use Six Sigma Problem-Solving in Your Lean Journey

Bev Daniels, Director, Operational Excellence, IDEXX Laboratories, Inc.

How I Saved Millions Using a 1960s Movie Title

by Jay Arthur, KnowWare International, Inc. (DBA LifeStar)

When I worked in the phone company in the 1990s, we had slow data transmission between our Denver and Albuquerque data centers. Our team knew there was something wrong, but we didn't quite know how to approach it with TQM. So we started looking, one by one, at each transmission line. We quickly found that some lines were performing as expected while others were running at half their potential speed. There were a dozen slow lines and we dubbed them *The Dirty Dozen* after the movie with Lee Marvin as a colonel that trains a dozen convicted murders to undertake a suicide mission in World War II.

One-by-one we investigated why each line was running slower than expected. In every case, one or both modems on either end were configured to run at a lower speed. On further investigation, we found that the original order for each line *had been configured that way*. They were installed as ordered! By doing "root cause analysis" on each line we were able to identify and verify the root causes as we discovered them.

We issued change orders and in a matter of days, all lines were running at maximum speed.

This step-by-step, line-by-line, defect-by-defect approach to analysis became one of the most effective tools in my arsenal of Six Sigma tools.

The Dirty 30 (Thirty) for Postage Costs

A few years later, I worked on a project to reduce postage costs. The phone company sends out millions of bills each month and postage costs had been climbing. On investigation, we found that the increased postage was caused by bills that went over the one-ounce limit. I remembered my experience with the Dirty Dozen and wondered if it would apply to this problem.

Fortunately (or unfortunately), the phone company also received 150,000 returned bills each month, so it was easy to find some two and three ounce bills to examine. We dug through the returned mail and started opening overweight bills one-by-one. Some were two ounces or more because they were business bills, but some were not.

By the time we'd opened 30 bills a pattern had emerged--small long-distance companies had been springing up and we'd started billing for them, just like AT&T. But each small charge added another *page* to the bill. It only took one or two pages to push the bill over the one-ounce limit.

The opening and analysis of 30 bills took no more than a couple of hours.

We opened another 30 bills just to confirm our theory. Then, armed with the evidence we went to the Finance VP to brainstorm countermeasures. It took awhile, but a redesigned bill, printed on both sides of the paper, slashed the weight of all bills saving \$20 million a year.

The Dirty 30 for Service Order Errors

A few years later, I worked on a 17% error rate on telephone company order errors. We were able to identify the six most common types of errors, but there were thousands of these a day. What to do? Then I remembered *The Dirty 30*.

A few of us sat around a computer terminal while a savvy operator helped us investigate 30 examples of each type of error. I used a check sheet to keep track of errors found. Invariably, the process started slowly with various types of errors, but by 30, the root cause had appeared. And

because we knew exactly what caused the error, it was easy to design system changes to prevent the error. We did this for each of the six main errors which accounted for 90 percent of all order errors.

It took only four hours to investigate and verify the root causes for each type of error.

It took several months to implement all of the changes in the system and when we were done, we'd *completely eliminated five of the six errors saving \$3 Million per year*. That's the power of the Dirty 30.

For more detail see: www.qimacros.com/pdf/dirty30.pdf

The Dirty 30 for Healthcare Denied Claims

A few years later, I worked with a hospital group that had over a million dollars a month in denied insurance claims. This time, I didn't hesitate. We dove right into the Dirty 30 process.

Again, about six errors out of hundreds dominated the denied claims. We huddled around a computer terminal and investigated 30 of each type of error. In just a few hours, we found and verified the root causes for each type of error.

We even found that one insurance provider caused two-thirds of denials for "timely filing." The team figured this out on a Friday, implemented process changes on Monday.

This one change saved \$5 million per year.

We also found \$24 million in miscoded denials. And the list goes on and on.

For more detail see: www.qimacros.com/pdf/A-Cheaper-Hospital-in-Five-Days.pdf

The Dirty 30 Process

The Dirty 30 can be used anytime there are "silent killers" of productivity and profitability. And you don't have to be Lee Marvin to get employees to solve these problems.

- Just get 30 or more examples of each type of error (don't try to do them all at once or you'll get confused).
- Then analyze the root cause of each one, keeping track of the types and quantities for each cause.
- By 30, a pattern usually emerges. By 50, it's clear as it can be, or the initial data analysis was off target.

Benefits of the Dirty 30 Process

- You can do it on almost any type of defect.
- You can't go wrong. Analysis of each example delivers both a root cause and verification.
- By 30, not only are the root causes obvious, but the countermeasures to prevent the problem are also obvious.
- You can do it in a matter of hours, not weeks or months.
- It does take some Pareto analysis to narrow your focus to where the Dirty 30 reside, but this usually takes no more than eight hours regardless of how much data exists.

Where could you apply the Dirty 30 process to start getting results immediately?

Certainty is a very special place in this complex universe, and one does not get there — if ever — easily or even alone.

An individual's knowledge of the world is always limited. Our work as CI-Ps recognizes that one person alone only sees a part, a step in a process for example, emphasizing the importance of diversity (of perspective) in understanding complexity. The more eyes and knowledge we have focused on a process, the more we can know about it.

And as a corollary, the closer we are to the work the better our chances of understanding it.

Even our Value Stream Maps are only a representation of a process as it currently is at the moment; tomorrow it may well be different from what we've mapped today. Despite our best efforts and gemba walks much remains unknown and unknowable.

Since variation is a feature of our complex world, in Lean the *Plan-Do-Check-Act* of continuous improvement is an effective way to counteract variability;

which is another way to say:

Lean is thinking scientifically.

Science is humanity's best effort at reducing complexity and getting close to Certainty. It is our united struggle to wrest the known from the unknown.

One must admit that over the years we have made good progress.

Interestingly, it is a hallmark of this progress that we now recognize the tentativeness of the known and the unknowability of the unknown.

The foundations of Lean and our work as CI-Ps go far deeper than we may suspect.

Think about the current times mentioned earlier and the world-wide cultural, economic, and financial upheavals our state, country, and the world now face.

A scary thought isn't it? There is no historical precedent for it.

We are witness to the confluence and contest of great ideas, ideas that have sustained civilization for centuries, clashing in what is now a huge struggle for the future.

— *cont'd on next page*

Printed & Other Matters

Various agencies and departments of the Federal Government have been implementing Lean for some time and are beginning to coordinate their efforts. So, the introduction of this bill seems timely, tho' its passage is not, of course, necessarily assured. But you might find this Act interesting and relevant to what the State of Maine and *Bend the Curve* is also trying to achieve.

H.R. 2188: "Less Government Act" (short title) introduced in the US House of Representatives, June 15, 2011. Its purpose is "To require government-wide application of continuous process improvement methods to reduce waste and improve the effectiveness of the Federal Government, and for other purposes."

<http://www.govtrack.us/congress/billtext.xpd?bill=h112-2188>

Also, check out the LEI columns by Michael Ballé - he addresses several of our concerns:

<http://www.lean.org/balle/ColumnArchive.cfm?v=2011&m=8#Col1893>

The Unknown and Unknowable

The form and function of government and individual liberty is at the very center of this struggle.

We hear daily about these problems and how our leaders propose to deal with them.

Be in no doubt that we are all connected to these decisions and their consequence no matter how remote from them we may appear to be.

We, too, as CI-Ps must contend with these events as well.

So, too, Bend-the-Curve is connected.

The foundations of BTC contain equally important ideas of individuals-respect for people and method- continuous improvement.

Ideas we recognize that are immensely powerful simply because we experience their consequences directly in the outcome of our CI-P and BTC work as seen in —

- less waste and happier customers;
- the employees who value the work we do;

- the improved relationships between staff and managers;
- recruiting new CI-Ps;
- the interest expressed by those attending the Lean Systems Summit;
- the employees we visit on study missions; and
- in the sharing of what we have learned with other states.

Still the unknown and unknowable haunt us.

We do not know, for example, how or how much these connections alter and influence the thinking and behavior of the work of others or how such a small effort here in Maine like BTC influences the clash of civilization's great ideas we witness daily in the news.

That may sound preposterous to you, dear reader, yet many of the ideas we promote are part of the solutions so sought after by our leaders, whether they know it yet or not.

— *Walter*

BTC Lean Events

Date	Time	Topic	Location	Contact
Sept. 16	9am-12:30pm	Clinical—Study Mission	IDEXX Laboratories, Westbrook	WEL/ASD
Oct. 14	8:15-4:30	Clinical Supervision	221 State, Lean Lab	WEL/ASD
Nov. 18	8:15-4:30	Clinical Supervision	221 State, Lean Lab	WEL/ASD
Dec. 5-9	8:15-5:00	DOP 1-7 (<i>tentative</i>)	221 State, Lean Lab	WEL/AD/JR/JK/MAD
Dec. 16	8:15-4:30	Clinical Supervision	221 State, Lean Lab	WEL/ASD
Jan. 20	8:15-4:30	Clinical Supervision	221 State, Lean Lab	WEL/ASD
Feb. 17	8:15-4:30	Clinical Supervision	221 State, Lean Lab	WEL/ASD

* To add or see more events or detail, go to the Bend the Curve Calendar in Outlook's Public Folders.



Department of Health and Human Services

Maine People Living
Safe, Healthy and Productive Lives

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Mary C. Mayhew, Commissioner

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The primary purpose of the *Bend the Curve* Team is to provide support, consultation, assistance, and leadership in continuous improvement approaches and activities for State staff, work teams, and leaders as they seek to continually improve their work culture, systems, processes, and environments – in order to meet the mission of Maine State government and the expectations of Maine citizens.

We're on the net !

<http://www.maine.gov/dhhs/btc>

Bend
the Curve

Continuous Improvement Practitioners: BTC Intervention Facilitation Status

DHHS		DOL		DAFS	
Kate D. Carnes	C-L	Jorge A. Acero	C-O	Wendy Christian	I-O
Nancy Cronin	C-O	Michael T. Brooker	I-O	Rebecca S. Greene	I-L
Marcel Gagne	LCL	Deidre A. Coleman	I-O	Lyndon R. Hamm	I-LCL
Julita Klavins	L	Joan A. Cook	LL	Billy J. Ladd	I-LCL
Walter E. Lowell	L	Merle A. Davis	L	Michaela T. Loisel	I-L
Jerrold Melville	LCL	Eric Dibner	O	DOC	
Ann O'Brien	L	Peter D. Diplock	I-O	Gloria R. Payne	I-O
Cheryl Ring	C-LCL	Brenda G. Drummond	I-O	DOT	
Terry Sandusky	L	Anita C. Dunham	I-LCL	Michael Burns	C-O
Bonnie Tracy	C-O	Karen D. Fraser	C-L	Jessica Glidden	I-O
		Timothy J. Griffin	L	Rick Jeselskis	I-O
Sec.of State-BMV		Gaetane S. Johnson	I-O	Robert McFerren	I-O
Scott Thompson	O	Michael J. Johnson	O	Sam McKeeman	C-O
OPEGA, Legislature		James J. McManus	I-LCL	Jeffrey Naum	I-O
Matthew K. Kruk	I-O	Scott R. Neumeyer	I-O	Mark S. Tolman	I-O
Univ. of Maine		John L. Rioux	L	DEP	
Kim Jenkins	O	Sheryl J. Smith	C-O	Carmel A. Rubin	I-O
Community — Private Sector *					
Rae-Ann Brann*	I-L	James Fussell*	I-LL	Henry B. McIntyre*	LCL
Stephen C. Crate*	I-O	Kelly Grenier*	LL	Jack Nicholas*	I-O
Arthur S. Davis*	L	Alicia Kellogg*	I-O	Anne Rogerson*	O
Nancy Desisto*	L	Maayan L. Lahti*	I-O	Clough Toppan*	LCL
Jane French*	I-L				
Town of Durham, New Hampshire					
		David Kurz	I-O	Steve McCusker	I-O
		Michael Lynch	I-O	Todd Selig	C-O
* Community CI-P					
I - Inactive		C - "Champion for Lean" - not facilitating			
L - Lead (LL-Learning)		LCL - Learning Co-Lead		O - Learning Observer	

More Miller workshops & next DOP 1 scheduled !

Additional workshops with Ken Miller are being planned for later this year. We'll keep you posted.

An introductory week-long CI-P Bronze level training DOP 1 is tentatively scheduled for October 24-28, 2011.

You can also check the Bend the Curve Calendar in Outlook's Public Folders & come to the planning meetings for Clinicals and other events.