

Daily Lean
MANAGEMENT
with
KaiNexus

Metrics

Rounding

Hoshin
Kanri

Kaizen

Huddles

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Introduction

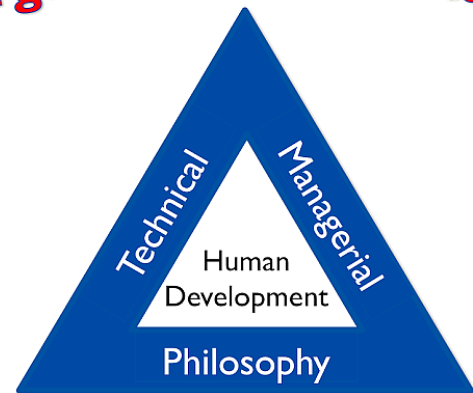
Many of the world's leading organizations in manufacturing, healthcare, and other sectors, have embraced “daily Lean management” practices as a framework and a foundation for continuous improvement, engagement, and improved performance.

Lean is often misunderstood, and subsequently misapplied, to be merely a set of tools aimed at increasing revenue and decreasing cost. Lean is so much more than just tools and projects, though; a successful Lean culture is dependent upon technical methods, philosophies, and management practices that not only fix problems, but also develop people.

Create An Integrated System

This diagram, adapted from Toyota, that appears in Mark Graban's book *Lean Hospitals* illustrates this more holistic view of Lean.

Organizational Culture



... An Integrated System

These elements combine to create an integrated system. Therefore, an organization that aspires to be Lean must embrace and practice all of the pieces that create the whole. To do this successfully, many organizations utilize five main principles of daily Lean management.

5 Principles

of daily Lean management

Strategy Deployment

Hoshin Kanri

Process Audits

Rounding

Performance Measures

Metrics

Methodology

Kaizen

Daily Standup Meetings

Huddles

Strategy Deployment

hoshin kanri

Strategy deployment (sometimes called "policy deployment" or "hoshin kanri") is a management methodology that has spread from Japan to companies and healthcare organizations around the world. Strategy deployment (SD) is an ongoing process for collaboratively defining goals and objectives along with a focused set of projects and key initiatives that aligns everybody across the organization and from top and bottom.

When implementing strategy deployment as a management methodology, it's critical to identify strategic goals in a way that includes all levels of leaders in the discussing (rather than simply deploying goals or prioritizing) initiatives in a top-down manner.

The SD objectives are usually centered around the core mission and values of the organization. Senior leaders should identify strategic goals and measures, but they should then communicate back and forth with lower-level leaders in a process known as "catchball" to adjust and finalize the categories and the specific measures. This frequent, open communication should trickle down to leaders of all levels, and the initiatives should be adjusted to accommodate feedback from lower levels. The priority of initiatives and the resources dedicated to them might also be tweaked based on a comparison of actual performance against those goals throughout the year.

The purpose of strategy deployment is to align all parts of the business in improvement efforts, ensuring that everyone is driving improvement toward their “true north” objectives. While the goals are set at a higher level, each department and work area implements different improvement projects or smaller initiatives to ensure that they’re working toward those objectives. Leaders defines goals for each department that are aligned with the organization's goals, and each work area defines and tracks sub-measures to achieve those goals. All staff are engaged in identifying ways in which they can translate the mission of the organization into their daily work and their daily improvement efforts.

The result of strategy deployment is a more balanced and aligned organization that puts a focus on ALL aspects of business, rather than only finance. Better aligned organizations provide higher quality goods and services, have happier and safer customers and employees, and realize improved finances.

How does KaiNexus help?

The visibility KaiNexus provides into the improvement work across the organization is an invaluable resource to leaders at all levels. KaiNexus makes it easy for leaders to identify their organization’s strategic initiatives and to easily run reports to see if they’re addressing those initiatives in a balanced way. This enables leadership to knows which goals or initiatives need more attention, to identify which departments are performing well and which need more help, and to see the impact of their improvement efforts.

Process Audits

Rounding

The second element of daily Lean management is called process audits (sometimes known in healthcare as “rounding”). Rounding is a process in which leadership gets out from behind their desks and goes out into the workplace to oversee operations in a constructive, collaborative way. It’s important to remember that the purpose of rounding isn’t to police the workforce, such as asking “Why did you make a mistake?” in a blaming way. Rather, it’s a way to engage staff in collaboratively identifying problems and implementing solutions. Asking questions such as “What are the problems?,” “What are the barriers?,” and “How can we do this better?” is a much more constructive line of questioning. These questions from Lean leaders imply trust between leadership and staff and promote a unified approach to problem solving. Leading by asking questions this way encourages people to bring problems out into the open for resolution, rather than to sweep them under the rug. This attitude is critically important in a culture of continuous improvement.

Sometimes, though, staff and leaders perceive rounding as just another “to do” item to check off a list. Michael Lombard, the corporate director of operational excellence at Cornerstone Health Group, shares a great suggestion for how to change that attitude. Michael believes that every time a leader goes out for rounding, that visit to the workplace should be treated as an experiment. They should expect to find abnormalities of three kinds: personal training levels, process barriers that prevent standard work, and innovations

and process improvements that are taking place that haven't been documented as of yet.

This experimental attitude puts leaders in a collaborative state of mind for proactive process improvement, allowing everyone to learn, coach, drive process improvement, and engage the workforce in the improvement process. Knowing that leaders are looking for abnormalities and investigating systemic causes rather than assigning blame or judgment enables staff to be forthcoming with problems and actively work to improve their processes and drive results.

How does KaiNexus help?

Traditionally, leaders might carry a notepad around with them during rounding to jot down notes. This creates rework for them when they get back to their offices and enter it into whatever system they track improvement with, such as a spreadsheet. Or they don't capture the ideas, increasing the risk of forgetting the ideas and not following up. KaiNexus solves this problem by enabling leaders to enter opportunities for improvement on the fly using an iPhone app, which includes the ability to attach pictures of the opportunity, problem, or idea. Using a tablet can give leaders access to the full-featured version of KaiNexus while rounding, enabling them to do a quick search to see if someone else in the organization has already found a solution for the problems they're encountering (or is working on doing so). Essentially, KaiNexus provides a knowledge repository of all of the organization's improvement work at your fingertips wherever you are.

Performance Measures

metrics

Performance measures, or metrics, are a great way to drive improvement and innovation. A common mistake, though, is to rely too heavily on monthly performance measures as a way of tracking progress, success, or failure.

Monthly performance measures are helpful when looking for long-term trends, but they present the following challenges:

1. Typically, monthly metrics are calculated and presented by separate groups or specialists, far from the people actually doing the work and their leaders. Removing the staff and local leaders from the reporting process decreases engagement, accountability, and accurate perspective.
2. There's too much lag time between when the metrics are captured and when they're analyzed and presented. Those delays make it hard to address problems with speed and agility when you're looking at data that's a month or two old.
3. Monthly meetings typically focus too heavily on financial measures, rather than taking the balanced view of that's required for maintaining a well-balanced organization that looks at safety, quality, delivery times, and other important measures.

The most effective way to utilize performance metrics is to check in on them daily. This allows for rapid feedback, identification of opportunities for improvement, and monitoring the incremental progress of those opportunities. Daily metrics enable teams to adjust their strategies as they go, so they're constantly staying on track to meet their goals. The best organizations also apply simple statistical analysis methods to ensure they are not overreacting to every up or down in the data.

As Lean leaders say, it's important to be "hard on the process, not the people." When people aren't being blamed or punished, it's easier to get them involved in driving improvement and collaborating with others.

How does KaiNexus help?

KaiNexus provides every area of the organization, from the highest levels down to departments, work groups, and project teams, with access to their own set of visual data. They can track whatever metrics are important to their process improvement work, and the Lean leaders can see what every area is working on without having to hunt through dispersed files for the data. Everything is in a standardized format, in a single location, and accessible to everyone. The data is displayed in simple, visual charts.

Methodology

kaizen

The fourth critical element of daily Lean management is a methodology for handling continuous improvement that is born from staff ideas. There are lots of methodologies to choose from, with kaizen being one of the most popular and effective. In the seminal book Kaizen, author Masaaki Imai wrote that continuous improvement (“kaizen”) isn’t about projects or events, but rather, it’s about “everyone improving everywhere, every day.” Kaizen relies on engaging everyone in identifying and implementing solutions for the hundreds of opportunities for improvement that we see in every workplace, every day.

The foundation of kaizen is the identification of relatively small ideas by asking, “What can we make better?” and “What gets in the way of you doing your work?” One real life example of this was when a nurse realized that hospital inpatients in her unit were always asking for ginger ale when they were feeling nauseous. Because they didn’t stock ginger ale in that unit’s refrigerators, the hospital staff spent a lot of time retrieving it from other locations, and the patients simply didn’t get any if the staff were busy. By implementing a simple change to start stocking ginger ale on that floor, the nurse was able to save time and increase patient satisfaction with a relatively simple improvement. This improvement came from her pointing out a problem and her manager working with her to implement it.

Many organizations keep track of kaizen opportunities or ideas on physical bulletin boards (often known as “idea boards,” or “kaizen boards”) that reflect the progress of ideas from conception to completion. Displaying information in an analog and visual manner can be a great way to engage staff, but it presents many challenges including:



Each board is only visible to the local team, so people in other departments or locations don't know what other teams are working on



It's difficult to share and spread completed ideas with others who may benefit from implementing the same changes (or modifying the idea to solve their own problems)



Once the changes are implemented and removed from the board, it's difficult (if not impossible) to refer to them the future



Tabulating the benefits of the improvement work is difficult and time consuming. Accurately calculating the aggregate impact of the organization's improvement work is nearly impossible



Senior leaders and process improvement specialists have no way to see which parts of the organization need the most help, and which deserve recognition for a job well done

How does KaiNexus help?

KaiNexus provides the local visibility of an idea board, with these added benefits:



Anyone in the organization can see what everyone else is working on, so they're able to work as a team when solving the same problems.



The resolutions of opportunities for improvement can be broadcast throughout the organization, selectively or completely, disseminating best practices and ensuring each improvement effort has the maximum impact.



Large, diverse, dispersed organizations can work collaboratively to solve mutual opportunities for improvement and benefit from the work and ideas of others.



A historical record of improvement is created automatically, and makes the process and outcome of each opportunity for improvement accessible to everyone. That way, when a person has identified an opportunity for improvement, they can do a quick search to see if someone else has already addressed that problem or something similar.



The impact of each opportunity for improvement is captured in a structured way, and KaiNexus automatically aggregates the impact of all improvement work. This allows you to determine the true ROI as well as the qualitative impacts of your improvement efforts.

Daily Standup Meetings

Huddles

The last critical element of daily Lean management is daily standup meetings (sometimes called “huddles”). The entire team, or a large subset of them, attends the meeting, which should be succinct and conform to a standardized agenda. During this time, the team should review daily performance measures and look for the causes of prevailing trends or single days that are positive or negative outliers in the data. Daily standup meetings are also a great time to ask for ideas about what should be improved, what’s been noticed in rounding, what could make jobs easier, and what could be done to achieve stated goals.

How does KaiNexus help?

Brian Taber, the rehab department manager at Middlesex Hospital, has been using KaiNexus since 2013. Middlesex Hospital has five different locations, making collaborative process improvement work challenging. Before KaiNexus, they utilized physical idea boards to track improvement work, but found that it was impossible to work collaboratively between locations.

KaiNexus provides Middlesex Hospital with the visibility they need to share their improvement work between locations. Every morning, they have a 15-minute stand up huddle in which each team presents where they’re getting hung up, their outstanding items, and where they’re headed next. They still use their physical idea boards locally, but the KaiNexus-driven huddles enable them to share both small ideas and larger projects outside of their local area.

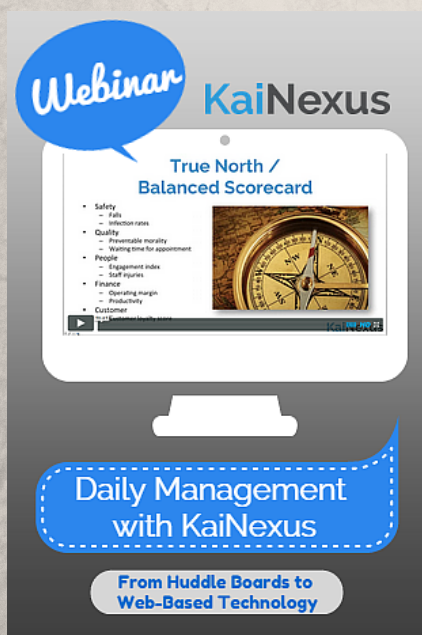
Conclusion

The five principles of daily Lean management are vital to the framework and foundation of a successful, sustainable culture of continuous improvement.

It's critical to remember that each of these elements must receive adequate attention, rather than approaching them with a buffet-style attitude in which some are utilized and others are ignored.

When used correctly, these five principles will empower staff and leaders to increase revenue, decrease cost, save time, and increase quality, safety, and satisfaction.

For more information about daily Lean management and the role of KaiNexus, watch this recording of our free webinar!



Daily Management with KaiNexus

[Click here to watch now](#)

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