



Operational excellence in healthcare: Getting from good to great

Building a culture of continuous quality improvement

First report from our global roundtable meeting

How can we build a culture of continuous quality improvement in healthcare? First report from our global roundtable meeting

Globally, healthcare leaders are increasingly looking to embed the principles of continuous quality improvement in their own organisations. Empowering staff to deliver safe, high quality, and reliable care can provide a step-change in results. From improved patient experience to enhanced staff satisfaction, adopting proven methodologies from other industries offers a powerful opportunity for organisation-wide change. The challenge remains understanding how to lead this successfully and sustainably across large-scale and often complex healthcare organisations.

Creating the right conditions, setting the strategy, and communicating this remain key, but how have successful organisations built on this to change culture? What can they teach us about implementing change at scale?

In order to answer this, KPMG hosted senior health system leaders from fourteen hospitals across North America and Europe at a recent two-day discussion event. Our meeting aimed to describe how

organisations have successfully achieved excellence, including how leadership, culture and data and analytics can contribute to this. We also explored the opportunities, challenges and key factors in successful implementation.

Prior to our full report, this briefing shares the initial learning from their successful journeys towards achieving operational excellence in healthcare in their institutions.

Roundtable meeting

Our roundtable meeting was hosted by KPMG's Global Healthcare practice in Toronto, Canada, with a series of facilitated plenary discussions and small group 'break-out' sessions on specific themes. These explored participants' implementation journeys, and included an educational visit to the internationally-renowned SickKids hospital (<https://www.sickkids.ca/AboutSickKids/index.html>).

These shared conversations, insights and lessons about a broad mixture of individual and common challenges will form the basis of a full-length report, supported by case studies, which KPMG will publish this year.

To register your interest in receiving a copy of this report once it is available, please email: healthcare@kpmg.com

What did we explore?

In order to guide our report, we asked healthcare leaders the following questions to understand their experiences of achieving operational excellence:

- What have been the key enablers and success factors to achieving operational excellence in your organisation?
- What were the main challenges and barriers to success that you encountered, and how have you worked to overcome these?
- How have you ensured the sustainability of your achievements?
- What were the key factors to gaining buy-in from your staff, including senior management and clinicians?
- How have you defined and measured success?
- What would you do differently if you were to do it again?

“To genuinely embed operational excellence in healthcare is a long term project that requires commitment, investment and persistence.”

What is ‘operational excellence’?

The term ‘operational excellence’ (OE) describes a way of working for healthcare organisations and systems. At the heart of this is delivering improvements in care quality and safety by the everyday, ongoing use of continuous improvement techniques that are driven and owned by frontline staff. Operational excellence must be fully and durably supported by the entire organisation and board; by specialised and ongoing training; and where necessary, by external facilitators and supporters.

Correctly understood, operational excellence is a culture; a philosophy about how to deliver healthcare. It is a learning journey for an organisation in how to improve by becoming sustainably self-analytical and self-critical. Like a video game, once your organisation successfully achieves

one level of operational excellence, the next, more challenging level up always awaits. At a practical level, it works by identifying problems in healthcare systems and processes, and encouraging and empowering frontline staff to develop and implement solutions that address the root causes.

It is also helpful to clarify what operational excellence is not. First and foremost, operational excellence is not a time-limited project. And it is very definitely not a turnaround-type ‘quick fix’. To genuinely embed operational excellence in healthcare is a long-term initiative (think ten years): one that requires commitment, investment and persistence. Operational excellence is not for the faint-hearted or the fad-chasing.

Operational excellence is also not easy. It involves specific challenges to traditional cultural expectations and ways of working for senior executives and

clinicians alike. To achieve operational excellence, the heroic, all-knowing problem-solver and answer-provider model of senior executive/clinician must evolve into a coach, facilitator and supporter of staff throughout the organisation, helping them learn how to identify problems, ask questions about root causes and develop, implement and review solutions.

Operational excellence is a challenge and an opportunity. Organisations wanting to consider introducing this approach need to review their commitment and capacity to make a set of fundamental challenges and changes to the way they work.

Our full report will provide a self-analysis tool to help healthcare organisations understand where they currently are, the work that needs to be done, and what support might be helpful for this.

“Through Operational Excellence, we seek to align direction, goals and objectives whilst empowering and enabling the frontline teams to own and drive improvement ‘bottom up’ to allow leaders and managers to coordinate larger changes.”



Case study

Learning from the SickKids journey

SickKids in Toronto is one of the world's leading children's hospitals, with a successful multi-year continuous improvement program. Having supported the introduction of SickKids' improvement program, we were able to visit and observe the daily work of the leadership team and front-line ward staff in order to understand best practice.

SickKids began its operational excellence journey in 2012, with the help of external consultancy support from Gordon Burrill of KPMG and Kim Barnas of ThedaCare.

Departments have been empowered through their Daily Continuous Improvement Program (DCIP), to solve problems at the department level, and the hospital has achieved significant success with local improvements and innovations.

SickKids has a dedicated team of 5 full-time staff, mainly with industrial engineering backgrounds, whose job is focusing on empowering staff to:

- Identify improvement opportunities
- Design efficient processes
- Implement viable solutions

This team offers training in Daily Continuous Improvement Programme, as well as in process improvement at the Yellow Belt Level (one-day training) and the Green Belt Level (six-day training spread across six months, plus the completion of a project)

SickKids is currently developing a Gemba (<https://www.processexcellencenetwork.com/lean-six-sigma-business-transformation/articles/gemba-kaizen>) tool, to help its internal teams who focus on process improvement and innovation to provide meaningful feedback to departments and teams on their performance.

SickKids®

“Focusing on operational excellence at SickKids has really helped drive our strategy throughout the organization. We've targeted the critical links between strategy and front-line accountability — measurement and an improvement system — to close the gap.”

Dr. Michael Apkon
President and CEO of SickKids



Examples of how SickKids apply operational excellence

1. Safety briefing call

During the visit, the group joined the daily safety briefing phone call at 8.40 am with leadership from across the hospital. The call focuses on quality, safety and risk issues across the organisation and is always led by a hospital executive, who reports back each Monday to the full board on the week's calls.

Conducted calmly and methodically, the daily call takes a look back at the past 24 hours and anticipates any problems set to arise in the next 24 hours. At SickKids, this has proved invaluable to identify and resolve problems quickly: it has had the side-effect of making interdepartmental links much stronger.

A notable feature of the call was evident 'coaching moments' when incidents

were described. The executive leading the call described such an incident as "a good reminder of using our 'STAR' (stop-think-act-review) error prevention technique ... these are really great coaching moments, when we can identify that a patient identification error has occurred. It's great we can use this call to educate ... lessons for all of us".

Where problems are raised on the safety calls, the SickKids process ensures there is always a follow-up: the expectation is that a problem raised today will be solved tomorrow (or a plan to resolve it developed by tomorrow). Repeating issues that arise will be noted by the internal team identifying quality and safety trends.

2. Status meeting and improvement huddles

The status meeting is a methodical run-through of operational, technical and logistical issues conducted in all units affecting every team, following a detailed single A4 sheet of questions.

The safety huddle is a scheduled 15-minute meeting (timed with a countdown clock on the standardized huddle board). All members of staff can put a 'ticket' detailing a quality or safety problem on the board at any time. These tickets are reviewed and filed for action (or further review) at every meeting, with verbal updates on progress or re-filing the ticket into a different board category. Some teams agree that the

individual who writes up the ticket cannot themselves solve it.

The 15-minute countdown keeps the focus high: "it raises anticipation. If it were not timed, you'd lose enthusiasm".

Participants felt that it was helpful for teams to build in time to schedule the huddle as early as practicable towards the beginning of the working day, to ensure energy: "don't tack it on to the end of a clinic".

Safety huddles help to grow a sense of team and empowerment: one team member observed, "when you get your tickets dealt with, it feels great." They also suggested that, correctly done, the huddles are effective means of teambuilding and positively influencing staff satisfaction.

"Organizations can only achieve true excellence when their employees are legitimately empowered. Implementing a lean management system is one powerful way to maximize the engagement of employees in organizational success."

Jeff Mainland
Executive VP, SickKids



Roundtable group discussions



The outputs from our facilitated group discussions with hospital and health system leaders will be summarised in our final report, which proposes a set of operational excellence ground rules and requirements for successful and sustainable implementation. Some of the key themes are included below.

Making operational excellence work is all about behaviour. A key element is knitting the organisation together in a new way: helping frontline staff develop a new working system, see the bigger picture, and connecting the organisation's strategy to daily improvements in quality and safety.

Communications are important. Both to explain the changes that are coming as the work is rolled out, and to celebrate the successful improvements that follow from this work. Operational excellence work involves getting leaders to change behaviours: this may seem confusing unless it is explained to the rest of the organisation. A change of this scale has to come with a communications plan.

Middle management matters, a lot. There is a big challenge in cascading the strategy of operational excellence throughout organisations so that it is consistent. Plugging in middle management is easier said than done: it requires real alignment and focus at all levels of an organisation. The role of middle management is in getting this work from the operational realm to becoming cultural. Middle management needs to be bought in to this approach, and to understand it; similarly

Boards need to understand middle management work as it is done on the front line, rather than as the Board may imagine it.

Clarity about accountability and about goals. Operational excellence requires organisations to have focus and accountability around what they are working towards. It can be loose as to how to achieve this, but should be tight on what the organisation needs to achieve. This is why getting the management/measurement system right is crucial.

Technology and IT — These can be an important companion and a differentiator for operational excellence work. Technology should equip and enable operational excellence management work, for example through displaying real-time performance metrics, but it is not an end in and of itself.

KPMG's approach to sustainable transformation

Shifting your improvement culture to one of continuous improvement means moving from 'top down change' through command and control to 'bottom up change', enabling and empowering front line staff. KPMG's tried-and-

tested approach to delivering this is made up of three components;

1. Operational improvement (OI)
2. Operational management (OM)
3. Operational design (OD)

Operational improvement (OI) — is the more traditional use of continuous improvement methodology which redesigns pathways and processes to eliminate waste and variation to standardize care. It embeds new capabilities with front line staff to enable them to solve problems and improve care on a daily basis.

Operational management (OM) — is a fundamentally different way of managing. OM creates a new "Board to ward" management approach and culture. Staff are trained to work with new tools and routines and they are coached to adopt new behaviours. This creates a "golden thread" that drives performance improvement, delivers sustainable results and creates a culture of continuous improvement.

Operational design (OD) — is the redesign of enabling processes, such as technology and systems, infrastructure and people roles and reward systems within an organisation. The design is based on the performance led approach and hence comes last in the OE approach.

KPMG's Healthcare Operational Excellence System

The deployment of the elements within the OE programme is built around our principles of Training, Practice and Coaching. We use a "boots on the ground" approach to ensure new skills and techniques are fresh in the minds of trainees as they deploy improvement tools and develop their capabilities.

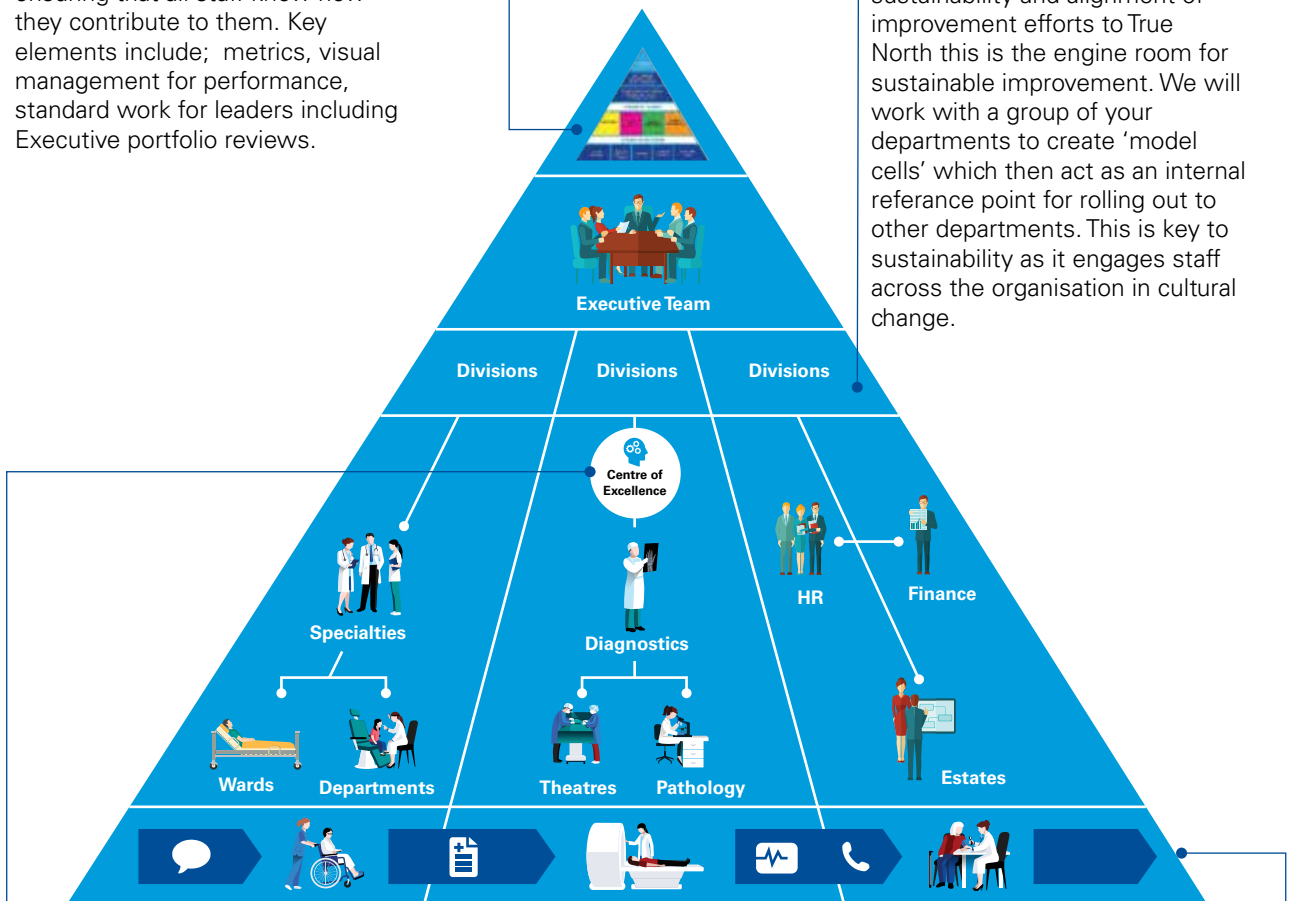
1 Strategy deployment

Strategy deployment focuses on defining 'True North' a set of strategic priorities and cascading them across the organisation, ensuring that all staff know how they contribute to them. Key elements include; metrics, visual management for performance, standard work for leaders including Executive portfolio reviews.

Operational Management System

2

The Operational Management System is a set of behaviours, tools and techniques that support daily continuous improvement, sustainability and alignment of improvement efforts to True North this is the engine room for sustainable improvement. We will work with a group of your departments to create 'model cells' which then act as an internal reference point for rolling out to other departments. This is key to sustainability as it engages staff across the organisation in cultural change.



Centre of Excellence

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KPMG can help you implement a centre of excellence, that includes a structured approach for improvement, a toolkit and the skilling up of a central team that will support the organisation to continue the journey of improvement.

3

Operational Improvements

KPMG can help deliver improvements through value stream analysis and rapid improvement events for key processes to both improve performance, build capability in staff to support continuous improvement.

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