



## If I Were to Lead Another Lean Transformation

Over the years I have often been asked what I would do differently if I were to lead another lean transformation. The list is too long to cover in this monthly letter, but I would like to highlight two important learnings that would shape the transformation differently. [View this message on Youtube.](#)

I would be more explicit about what behaviors were expected of me and the executive team. As a team we did not develop the specific behaviors we could all agree to embrace and practice. That was true for the Board of Trustees as well. Behaviors are the glue that holds the culture together. Just as key performance indicators are deployed throughout the organization to measure whether you are winning or losing, key behavioral indicators must also be deployed, and the senior team and board must model those behaviors for the culture to sustain.

Deployment has multiple channels. The most powerful is, of course, modeling the way at the Gemba. Leaders leading with humility by asking open-ended questions, listening with empathy, staying on the left side of the A3, and following leader standard work set the stage for sure. But what I have learned is that modeling the way does not go far enough. Leaders also must learn to be coaches. As CEO, I modeled the behavior I was seeking but did not effectively coach my team. This is a gap I see with many senior leaders today. I expected my senior leaders to just “get it” without my help. But if we do not do the hard work of developing our team members it will not happen. The key to success is developing people and leaving capability behind so the culture sustains without you.

Coaching is not easy. My colleague and Catalysis board member Kevin McNamara, CEO of TIDI Products LLC, a medical device manufacturer, believes coaching his team is his most important responsibility. The purpose statement of his leader standard work is “to support and equip his leaders.” His management system includes standard work for coaching his executives. This coaching occurs in multiple ways; during catchball sessions of strategy deployment, during recurring weekly one-on-ones specifically designed for personal development, at the Gemba, or during executive leadership meetings. He has developed standard work for Gemba, reflection, and coaching that is transparent to everyone through shared access to OneNote, a virtual Microsoft tool. He and his executives also share their personal development plans in OneNote. Upcoming experiments and commitments from these discussions are captured for review at the next check-in. There is color coding of his week of work in his Outlook calendar which indicates the purpose of each of his interactions. Purple indicates coaching opportunities, and the goal is upwards of 40% of his time should be spent in the purple meetings coaching. This includes planning, preparation, and follow up for these interactions. If the week does not have enough purple, he must study and adjust for the next week.

The other important learning that would guide my thinking about transformation is a different focus on customers. We should be delivering the care people really want, not what we think they want. We know too well all the barriers to care people face today. That is why we are trying to address the massive waste

with lean thinking. But as the famous system's thinker Russell Ackoff once opined, "The more efficient you are at doing the wrong thing, the wronger you become. It is much better to do the right thing wronger than the wrong thing righter. If you do the right thing wrong and correct it, you get better."

So how do we know we are doing the right things wrong rather than the wrong things right? We must ask the question; how do we know what our customers' needs are? The delivery and practice of clinical care has seen many changes related to the pandemic. A physician executive in California said to me "it took us 10 years to get to 10% virtual visits and 10 days to get to 90%." But then he said, "how are we going to maintain that level and is that what our patients really want?" So how might we figure that out?

This is where I made another mistake as CEO. To get feedback we used what I will call gimmicks, such as focus groups. We would invite 30 women to a hosted dinner to tell us what we wanted to hear. We never really got much new knowledge because they all nodded yes when we presented our fully baked solutions. We got closer to the truth when we invited customers to join a value stream analysis or an improvement event but even then, it was thin evidence and not representative of true customer wants.

Taking the time to research customer needs in a deep way is really the only way to find out needs. The innovation team at Legacy Health in Portland spent months on face-to-face interviews to understand what people saw as missing from their healthcare experience. Using this information, which included many direct quotes from potential members, they set up some quick experiments to test which new care model concepts people wanted. They will fail quickly and move to the next prototype as learning proceeds.

[Click here](#) to read our white paper about using customer needs' research to design new care models.

My son Ted did similar research when he worked at Atrius in Boston. He visited frail patients in their homes and heard "I would rather die than go back to the hospital." That one reflection drove the innovation team to develop a remarkable program, [Care in Place](#).

My questions for you this week are: What behaviors have you established at the senior leader level to build a culture of continuous improvement? And how do you know what your customers' (patients, members) needs are? Share your thoughts with me at [john.toussaint@createvalue.org](mailto:john.toussaint@createvalue.org).

Until next month,

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