

100-Day Workout Cycle:

Quality Waste Recovery

Goal:

Continue the pursuit of world class quality. Cost recovery is the exhaust of reductions in quality waste.

Definition of Quality Waste:

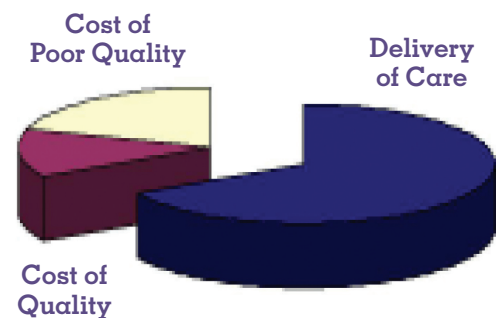
The intended or unintended activities consuming time and resources which:

- Do not contribute to the quality of care
- Do not improve or cause a decrease in patient or medical staff satisfaction
- Detract from the organization's performance in accomplishing its mission
- Is not a legal or regulatory requirement that must be satisfied
- Is not mission centric to the organization

Key Facts:

Every process has an element of inefficiency which results in waste. This includes the Cost of Quality (COQ) which are those activities conducted to ensure that quality goals are met and Cost of Poor Quality (COPQ) which are the activities that ensue when a process fails. On average each of these steps represent:

- 67% of resources are consumed in the Delivery of Care
- 13% of resources are consumed in the **Cost of Quality**
- 20% of resources are consumed in the **Cost of Poor Quality**



Summary of the 7 Types of Waste:

1 "In Quality Staffing" (Over Capacity)

- Too few staff for volume
- Too many staff for volume
- Overproduction of materials that will expire or be obsolete

2 Over-Correction

- Correction of error and omissions
- Repetitive inspections
- Rework of defective efforts

3 Over-Processing

- Multiple and unnecessary processes for the same function
- Parallel databases, forms, and communication
- Manual process in the presences of automation

4 Excess Inventory

- Duplicate locations for inventory
- Inadequate turns of drugs, supplies and medical devices
- Undocumented, lost or hidden inventory

5 Waiting & Delays

- Test results or their interpretation delayed
- Charts missing or misplaced
- Rooms are unavailable to send patients to the floor

6 Motion/Transport

- Patient transport is unavailable or behind schedule
- Multiple locations are used to complete diagnostic testing
- Patients moved through multiple holding or staging areas

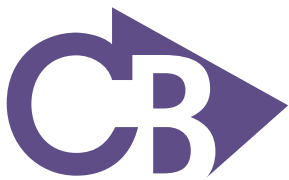
7 Movement of Materials & Information

- Supplies located far from patient's room
- X-Ray located on the other end of hospital
- Return phone calls, data transfers, information

18 Change Concepts (out of 84 total) for Eliminating Quality Waste

Process engineers use 84 change concepts to evaluate a process. Below is a summary of the 18 change concepts most frequently applied to improve productivity.

- | | |
|---|---|
| 1: Eliminate things that are not used | 10: Reduce classifications |
| 2: Standardize processes where possible | 11: Apply a default mode |
| 3: Consolidate functions and job classifications | 12: Minimize hand-offs |
| 4: Eliminate multiple entries | 13: Adjust to peak and trough demands |
| 5: Reduce or eliminate overkill | 14: Reduce setup or start up times |
| 6: Recycle or reuse | 15: Move steps in the process close together |
| 7: Use substitution | 16: Find and remove bottlenecks |
| 8: Use constraints and forcing functions | 17: Match staffing to demand |
| 9: Use reminder systems | 18: Shape demand |



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Caldwell Butler & Associates, LLC

Caldwell Butler & Associates is an innovative firm specializing in strategic deployment of Lean-Six Sigma resulting in cost position improvement, financial turnarounds, and patient throughput optimization. Caldwell Butler & Associates has assisted hundreds of clients increase productivity, maximize patient throughput, and improve patient satisfaction.

Our team is exclusively dedicated to healthcare and brings extensive practical experience in hospital operations to each project. Our knowledge of the healthcare environment allows us to implement effective performance improvement programs tailored to the specific needs of your organization. Caldwell Butler & Associates is the trainer of choice for both the American College of Healthcare Executives and the American Society of Quality. During the past decade, Caldwell Butler & Associates has personally trained thousands of senior hospital executives in the effective healthcare application of Lean-Six Sigma.

Unlike traditional consulting firms, Caldwell Butler & Associates believes on-site mentoring and apprenticeship are the most effective methods for achieving sustainable gains in performance. Our on-site programs empower your employees by providing them with the tools to attain new levels of performance. We offer proven techniques and methods for enhancing personal accountability, monitoring progress of initiatives and tracking your ROI on each project. Where most consulting firms are satisfied with finding "identified savings" Caldwell Butler & Associates works along side your team throughout implementation thus providing you with a sustainable process for managing the entire productivity improvement cycle.

Caldwell Butler & Associates apprenticeship and mentoring programs include:

- Effective use of aggressive benchmarking data
- Proven techniques for non-negotiable goal-setting
- Methods of identifying waste and generating cost savings strategies
- Creation of implementable 100 -Day Action Plans
- Flawless execution of performance improvement projects
- Creation of internal tracking methods for enhancing personal accountability