

The Difference Between **Change & Transformation:**

What We've Learned as Our Quality Management Initiative Evolves

12th Annual Lab Quality Confab | October 9–10, 2018

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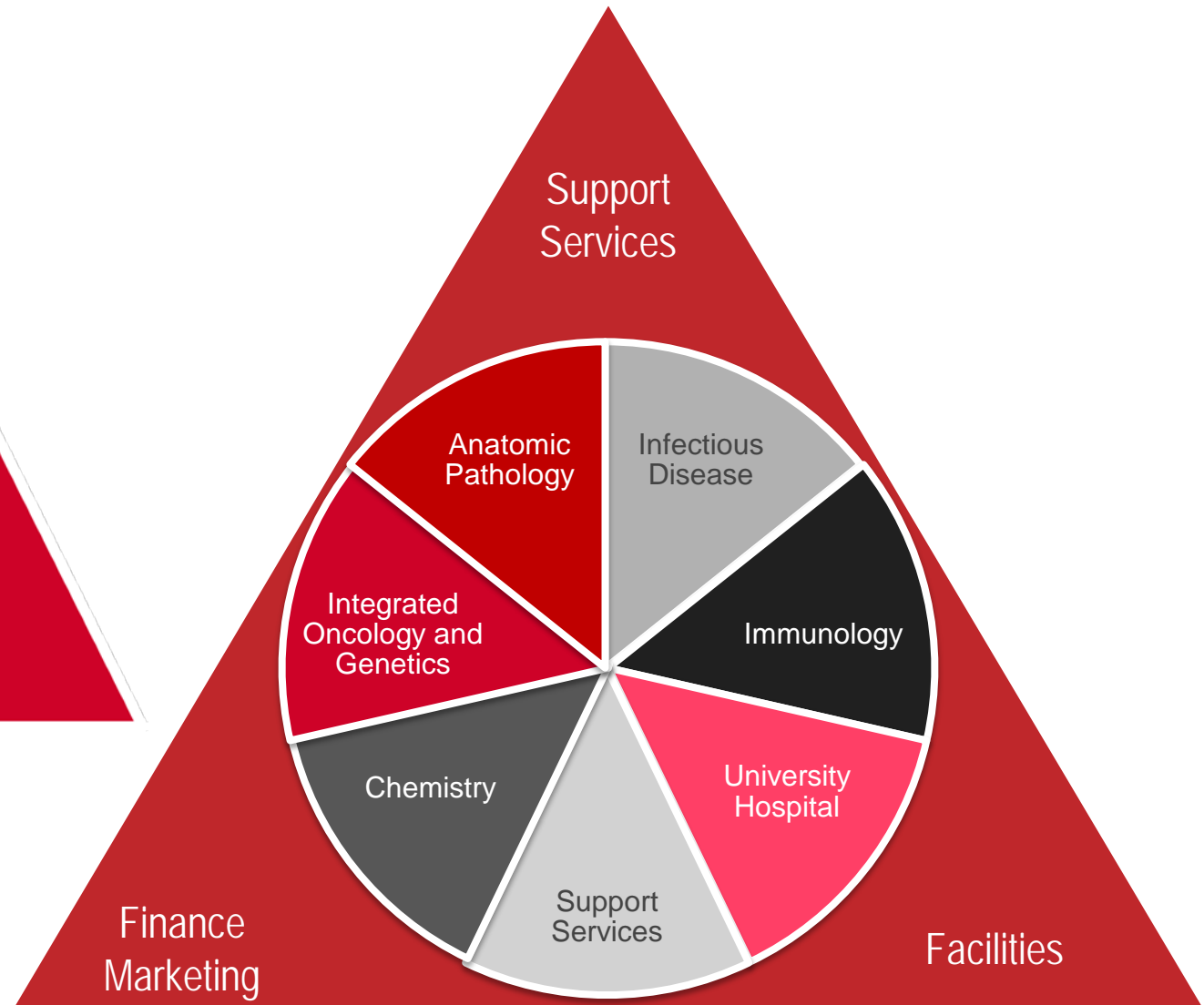
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Laboratory Value Pyramid



Full Enterprise Transformation

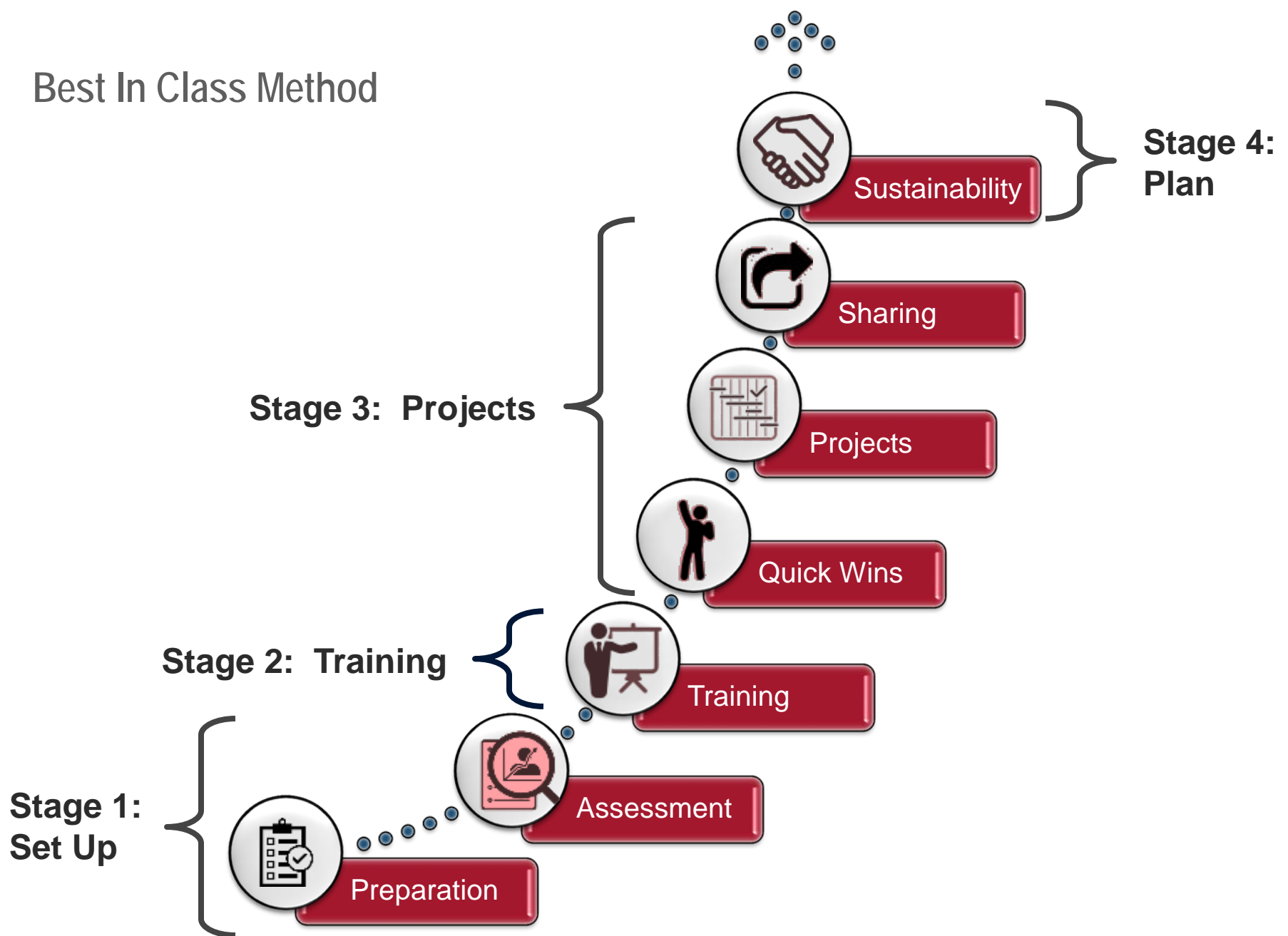
**Full
Best in Class
Enterprise**



Best In Class Method



Best In Class Method

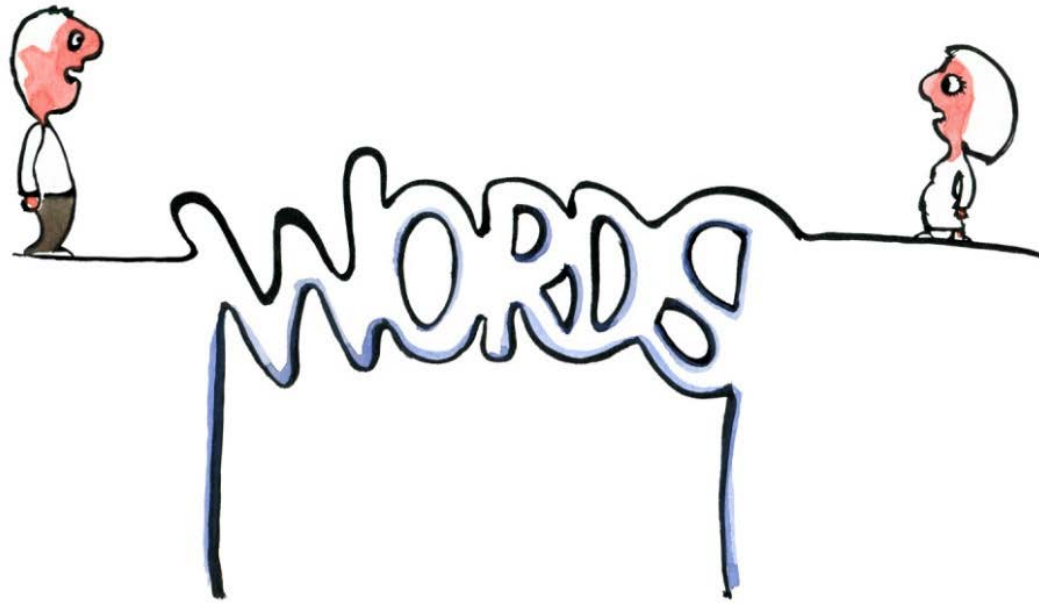


Kotter's 8-Step Process for Leading Change

Step	
Create	a sense of urgency
Build	a guiding coalition
Form	a strategic vision
Enlist	a volunteer army
Enable	action—by removing barriers
Generate	short-term wins
Sustain	acceleration
Institutionalize	change

2018





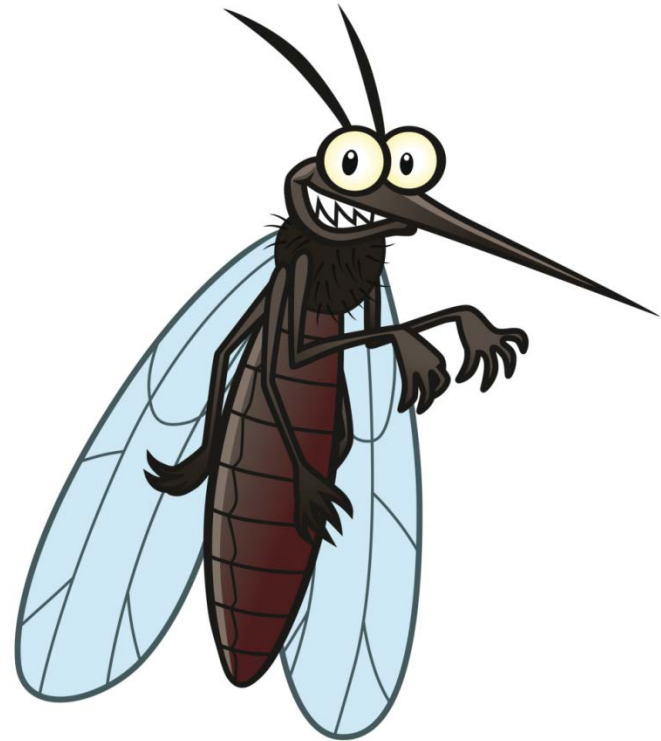
HikingArtist

“English is ... so flexible, so often light-headed with statements which appear to mean one thing one year and quite a different thing the next.”

—Paul Scott

Improvement Mosquitos

- Infect
- Annoy
- Itch



Team Stages

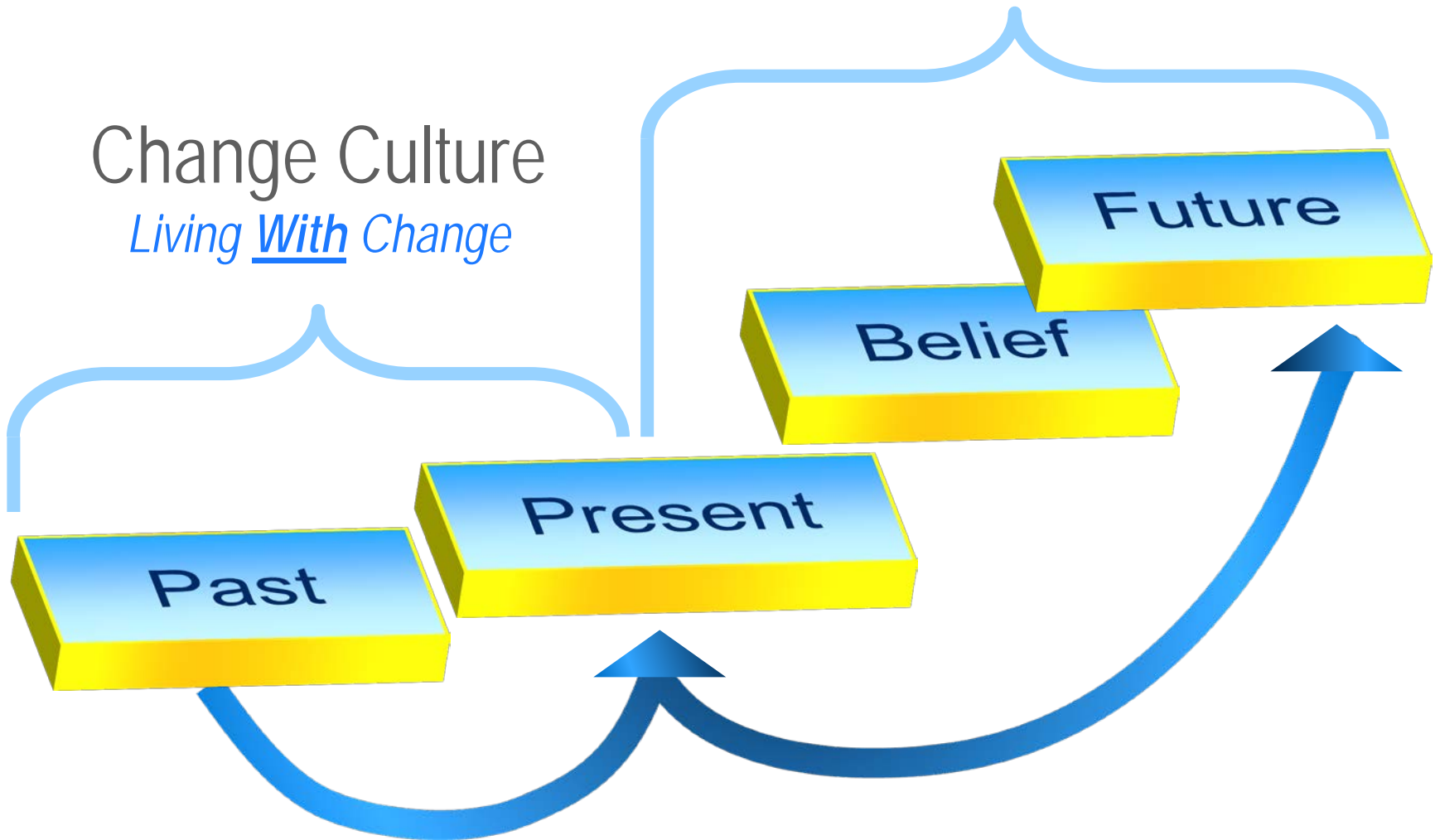
- Forming
- Storming
- Norming
- Performing
- Transforming

Transformation

Living In Change

Change Culture

Living With Change



Change

- Focus is on execution
- Applies to well-defined modifications to the way work is done
- Usually local, discrete, independent
- Uses change management tools and methods

Ron Ashkenas, We Still Don't Know the Difference Between Change and Transformation. Harvard Business Review, 2015

Transformation

- Focus is on reinvention and discovery
- Is organic, chaotic, interdependent
- Outcomes are unpredictable, often high-risk
- Methods are experimental

Ron Ashkenas, We Still Don't Know the Difference Between Change and Transformation. Harvard Business Review, 2015

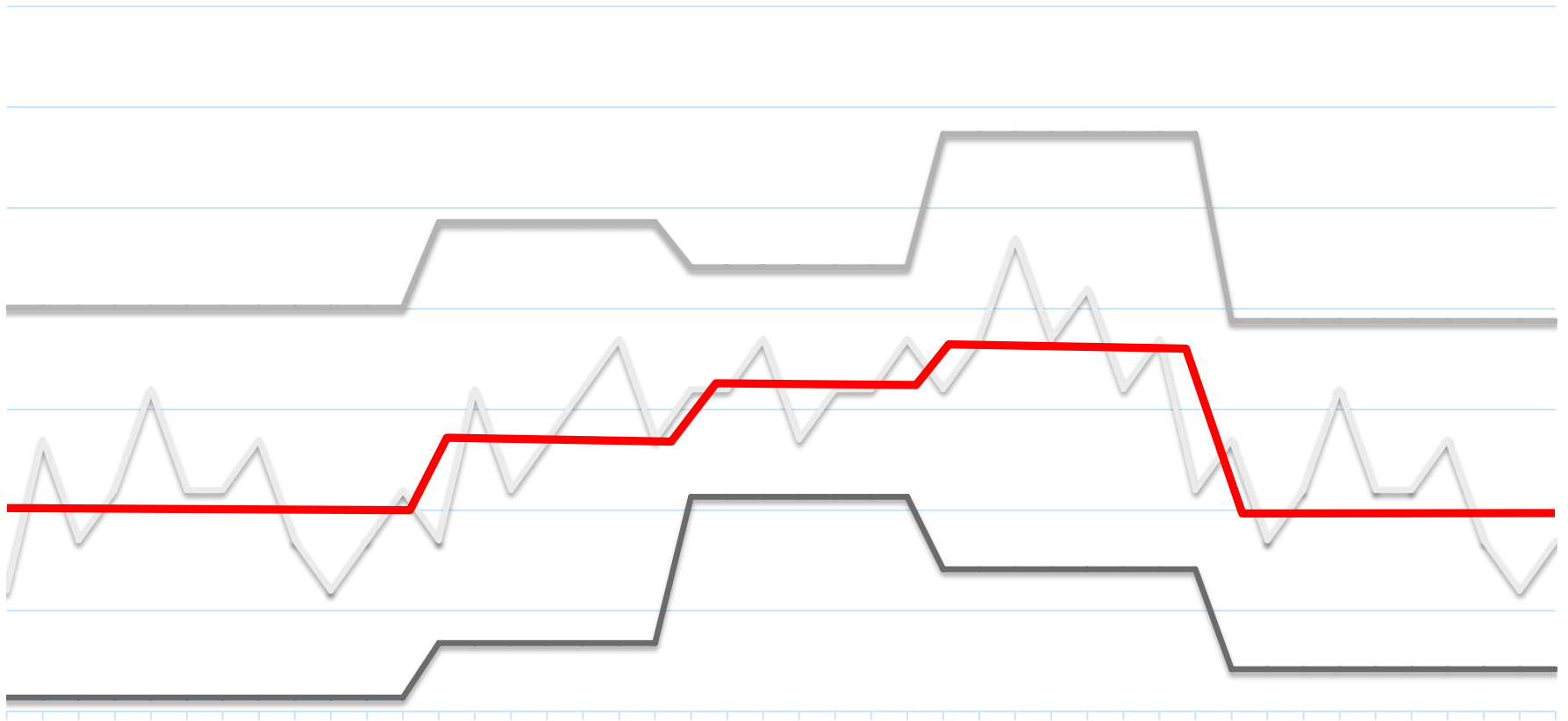
Six Critical Differences

Differentiators	Change	Transformation
Goals	Continual and continuous improvement	Becoming something new
Drivers	Any one in the organization	The whole ecosystem
Starting Point	Discreet start and stop—something needs to be fixed	A stable, highly functional system
Aspiration	Hold fast	Launch
Strategy	Tangible, measurable, tactical	Dynamic, portfolio of change, moving expectations
Execution	From need to response	From stability to brilliance

Adapted from Kris Fannin, *Organizational Change & Transformation – 6 Critical Differences and Why They Matter*, Intelivate, February 2018

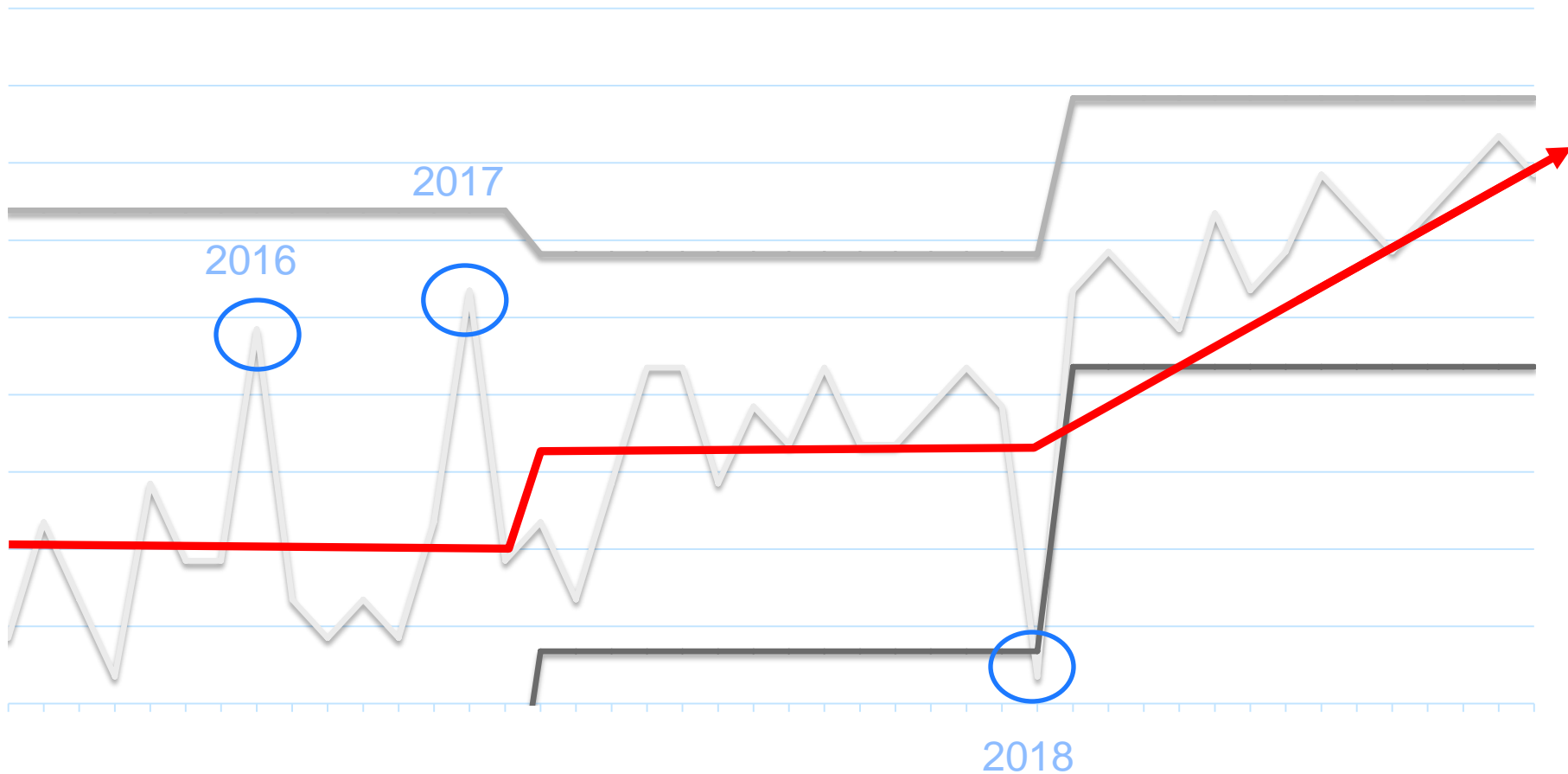
Carrier Wave

The Domain of Change

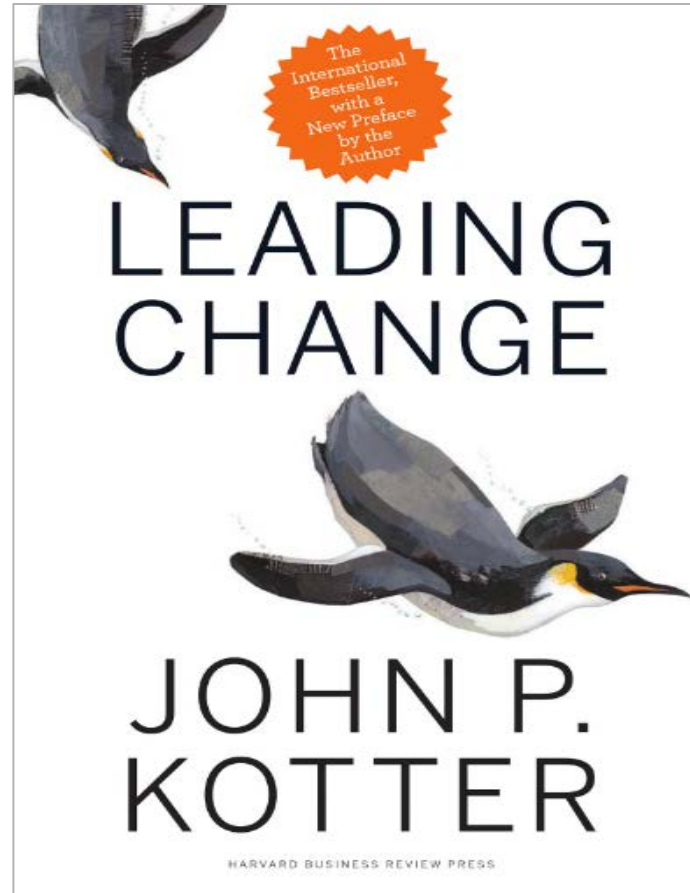


Noise

The Domain of Transformation



Framework for Change



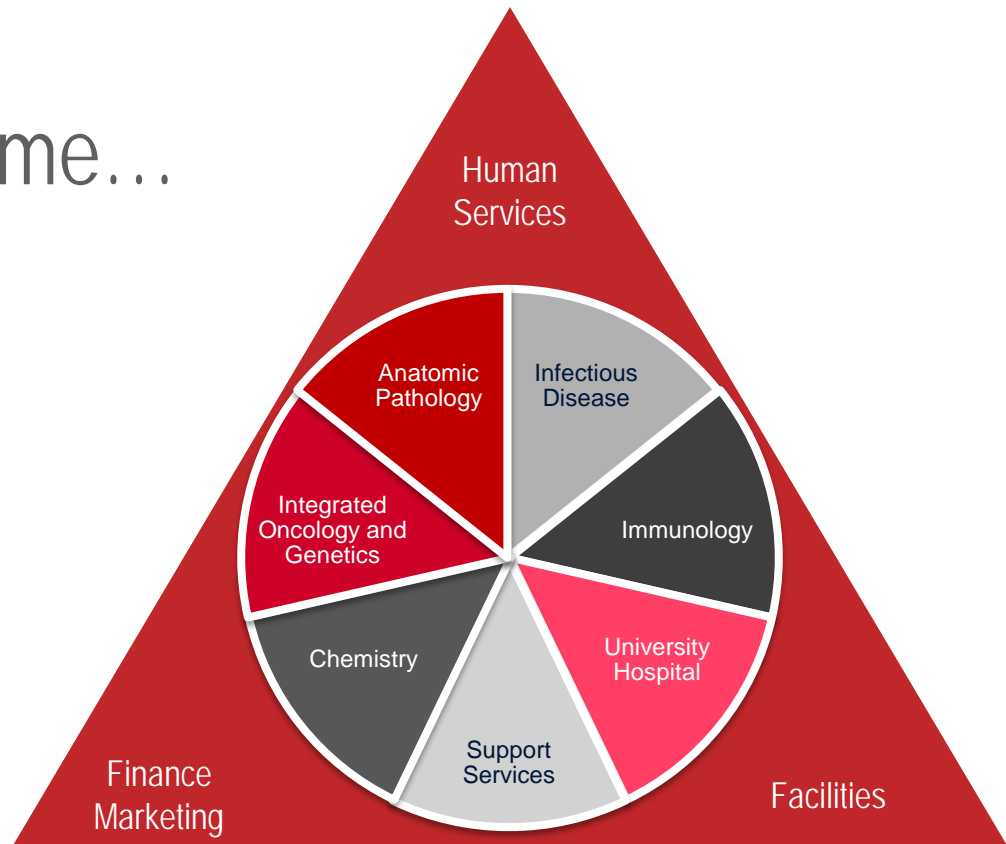
Eight Stage Process of Creating Major Change

1. Create a Sense of Urgency
2. Create a Guiding Coalition
3. Develop a Vision and Strategy
4. Communicate the Change Vision
5. Empower Broad-based Action
6. Generate Short Term Wins
7. Consolidate Gains
8. Anchor New Approaches in Culture

“Changing the way
we think about work”

Best in Class Strategy

One division at a time...

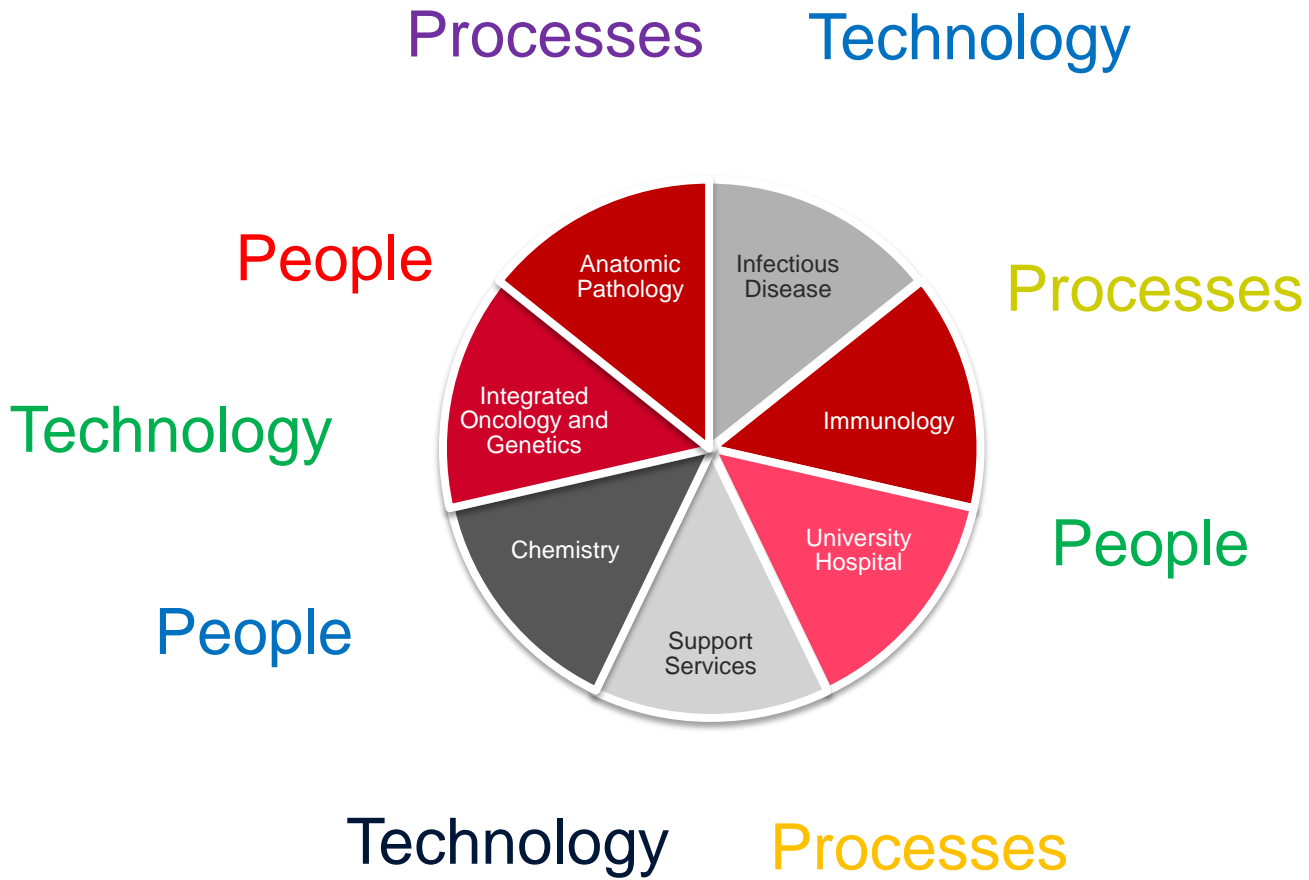


Easier, Better, Faster, Cheaper –In that Order

Shigeo Shingo

“Organizations achieve success through the integrated functioning of people, processes and technology. The strength of organization development lies in its roots in organization behavior and dynamics, and the application of action research to improve human performance and organizational effectiveness.”

—Hilton and Sohal



Stage 1: Establish a Sense of Urgency

"...establishing a sense of urgency is crucial in gaining needed cooperation. With complacency high, transformations usually go nowhere..."

Easier, Better, Faster, Cheaper



Urgency

- Easier is a person centric approach
- WIIFM—What's in it for me

Urgency

What's in it for **me** =

Easier

What's in it for **the patient** =

Better
Faster

What's in it for **ARUP** =

Cheaper

Urgency

- What if we only culture the specimens that need to be cultured?
- Why not delay culture setup until they are actually needed?

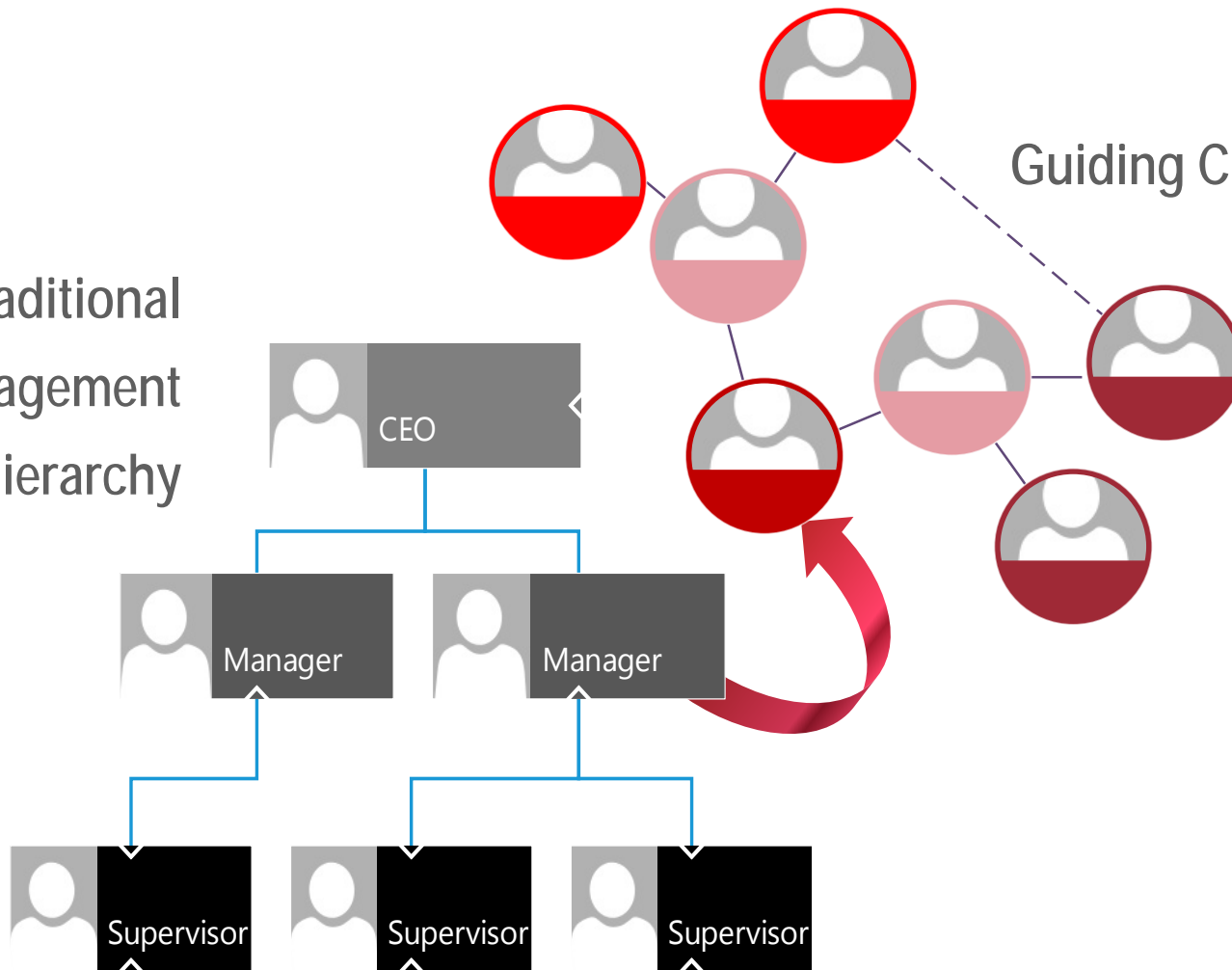
Urgency

- Reduced slide culture setup by 90%
(Easier, Better)
- TAT was not negatively impacted
(Faster)
- Reduced culture setup costs by almost \$40k annually
(Cheaper)

Stage 2: Create a Guiding Coalition

"...will ... create the necessary vision, communicate the vision ... empower the ... people to take action ... build short term wins, lead and manage dozens of different change projects, and anchor the new ... culture."

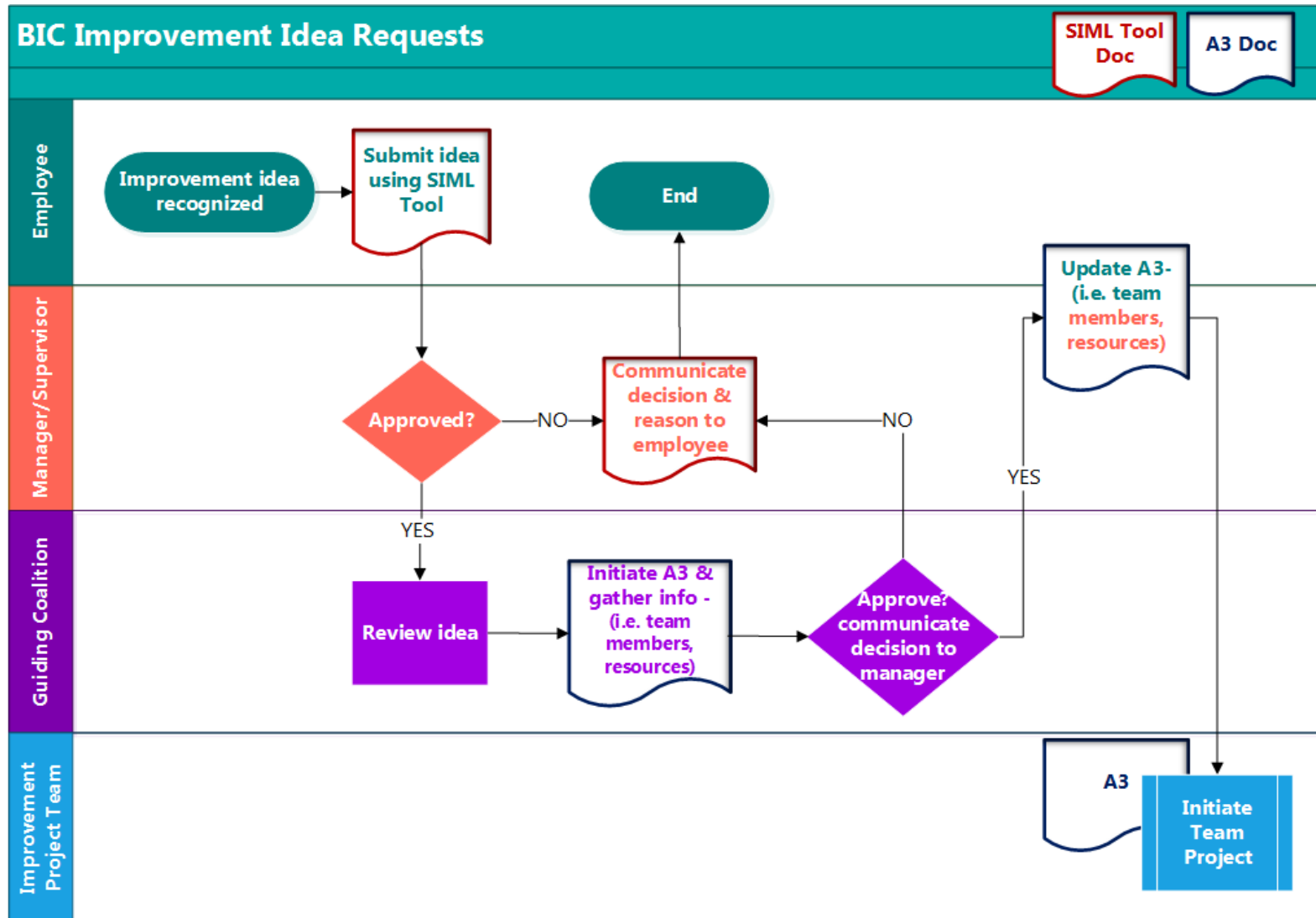
Traditional Management Hierarchy



Guiding Coalition

Management Team	Guiding Coalition
<ul style="list-style-type: none">• Structured• Credentialed• Hierarchical• Bureaucratic• Budgeting• Strategic• Planning	<ul style="list-style-type: none">• Organic• Credible• Networking• Agile• Cost avoiding• Tactical• Working

Guiding Coalition



Stage 3: Develop a Vision and Strategy

“Vision refers to a picture of the future with ... commentary on why people should strive to create that future.”

Vision & Strategy

- Our Best in Class Vision reads:
 - Changing the way we think about work
- A summary of our Strategy is:
 - One division at a time
 - Easier, better, faster, cheaper, in that order

Vision & Strategy

- Pipette to Light
- Workflow instructions using QR codes
- Daily Maintenance of Instruments
- Standard Operating Procedures
- FIFO Inventory Control of Reagents

Stage 4: Communicating the Change Vision

“...the real power of a vision is unleashed only when ... those involved in an enterprise activity have a common understanding of its goals and direction.”

Communication

6σ Change Culture and Improve Continuously



"Usually improvement cannot be accomplished or sustained without giving the messy business of social interactions, communication, and organizational context its due."
—Susan Carr

"Kaizen means improvement. Moreover, it means continuing improvement in personal life, home life, social life, and working life."
—Masaki Imai, Kaizen Institute Founder

CHANGE CULTURE

Six Dimensions of Healthcare Quality

- Safety
- Effectiveness
- Patient-Centeredness
- Timeliness
- Efficiency
- Equity

Change Culture Elements

- Basic Principles (subul norms)
- Collegial Relationships (partners and collaborators)
- Learning Focus (invites as opportunities)
- Empowered Teams (authority and accountability)
- Holistic Quality Improvement
- Open Communication (trust)
- Enabling Infrastructure (respect, responsiveness, support)

Change Culture Characteristics

- Simpler rules
- Change in context
- Blame averse
- Invention over prevention
- Development of natural change agents
- Nature of work determines what gets measured
- Agents in system live in change
- Problem-solving tools look for and act on patterns

CONTINUOUSLY IMPROVE

Shared Mental Map

- Connective (sets goals and aspirations)
- Emotive (engages emotions)
- Clarifying (ensures everyone is speaking the same language)
- Anchoring (places all pieces on the same playing field)
- Directive (provides navigation for moving forward)
- Effective (taps into both right brain and left brain capabilities)

Quality Essentials

- Quality Standards
- Quality Control
- Do what you say and document
- Quality Assurance
- Prove it
- Quality Improvement
- Improve it
- Quality Management
- Manage with purpose
- Quality Culture
- Believe in it
- Quality Systems
- Harmonize

Step by Step

- Define (plan)
- Measure (baseline and desired state)
- Analyze current state (problems and opportunities)
- Improve (do)
- Control (check, act)

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ARUP LABORATORIES | Anatomic Pathology

5S

5 Steps to Creating a More Efficient Workspace

Once you complete the first three steps, **sort, set in order, shine**, you can focus on **standardizing** your processes and **sustaining** the new quality standards.

STANDARDIZE

Active steps in continuous process of standardizing the best of work habits on a regular basis. Do the right things the right way, every time.

SUSTAIN

Maintain quality standards by making three steps a habit. Continue to improve every day. Implement scheduled external audits to prevent backsliding.

SORT

Identify necessary and unnecessary items in each area. Remove unnecessary items from the workplace to reduce clutter and create a more organized environment.

SET IN ORDER

Arrange necessary items so that they are accessible and easy to use. Establish work locations for all items so that anyone can find them and return them to their proper location.

SHINE

Keep the workplace and equipment in a regular state. Efforts are made to identify a clean environment, and clean equipment operates more efficiently. Standardizing a clean workspace also reduces the risk of injury and safety hazards.

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ARUP LABORATORIES | Integrated Oncology and Genetics

a team is: a small number of people with complementary skills committed to a common purpose, performance goals, and approach for which they hold themselves mutually accountable.



TEAM PLAYERS:

FORM	STORM	NOISE	PERFORM	TRANSFORM
POINT UP Be open to other ways of achieving tasks.	NOT BULLIES Consider people who may not get along with conflict.	ONE Ask for clarification if you're confused.	OPPOSITE Assign people to roles.	TRY Be prepared to try new things. If it doesn't work, learn from the experience.
FORGIVE Forgive others when they make a mistake.	WALK If you are under a lot of pressure, let the team know.	ENGAGE Engage members of the team.	ACKNOWLEDGE Acknowledge your strengths and weaknesses.	COMPLIMENT Compliment team members on success.
LISTEN Listen to what the team has to say.	PROBES Ask for feedback on your ideas and changes.	OFFER Provide feedback when asked.	DISCUSS Discuss the quality of the team's work.	WORK Be committed and willing to learn from mistakes.
SUGGEST Suggest ideas and changes.	COOPERATE Cooperate with the team. Don't just sit back and wait.	PARTICIPATE Participate in the team. Open your mind to different ways of collaboration.	HELP Help one another to succeed.	SCRIP Be prepared to write up your ideas and changes.

If you want to build a ship, don't drum up people together to collect wood and don't assign them tasks and work, but rather teach them to long for the endless immensity of the sea.

—Antoine de Saint-Exupéry

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VSM Value Stream Mapping visualizing work and aligning leadership for organizational transformation



WHY

Gain organizational clarity by visualizing work. Connect parts into a whole, with the goal of improving patient care and supporting the mission of the University of Utah through excellence in laboratory testing, service, education, and research.

BUILDING THE VALUE STREAM

What? The value stream consists of all value added and non-value added activities required to bring a service or product from customer request to fulfillment.

1. Create a knowledgeable team: those who work the processes.
2. Define the process to be mapped: where does it begin and end?
3. Identify and map suppliers and customers.
4. Identify and map each major process step: combine and condense processes on the value stream shown enough detail without being overwhelming.
5. Understand and map the flow of information.
6. Gather baseline data and record on the map.
7. Identify areas for improvement: red flags, inefficiencies, waste.
8. Brainstorm solutions: plan for eliminating, controlling or preventing the problems identified.
9. Create an ideal future state map.
10. Assign action items and review schedule.

MAP THE CURRENT STATE

Enable everyone to see the truth. **Confront** the truth.

1. Prepare: review the charter and teach the team.
2. Learn current processes. Understand from those doing the work: **What, How, and Why?**
3. Measure: process time, lead time, quality of work, identify barriers to flow.
4. Map: focus on what, who, and sequence; aim for 1 to 15 processes.
5. Add details of systems and processes; illustrate push vs. pull.
6. Summarize: create timeline and chart distance traveled between steps; gain consensus.

DESIGN A FUTURE STATE

Develop a better tomorrow.

1. Eliminate waste to save waste.
2. Improve the whole, even if it means adding time to the parts.
3. Show done and think, innovate, catch up.
4. Endless continuous improvement: identify and track.
5. Review with leadership; ensure system gets common, addresses time and resources needed.

9 WASTES

- Defects
- Over-production
- Waiting
- Non-utilized resources/talent
- Transportation
- Inventory
- Motion
- Excess processing
- Safety risk

Current state map with Kaizen tools

Future state map

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Stage 5: Empowering Employees for Broad-Based Action

"...increasing numbers of firms are finding that they can tap an enormous source of power to improve organizational performance. They can mobilize hundreds or thousands of people to help provide leadership to produce needed change."

Stage 6: Generate Short-term Wins

“...short-term wins help build necessary momentum.”

Stage 7: Consolidate Gains and Produce More Change

“Whenever you let up before the job is done, critical momentum can be lost and regression may follow.”

Consolidation

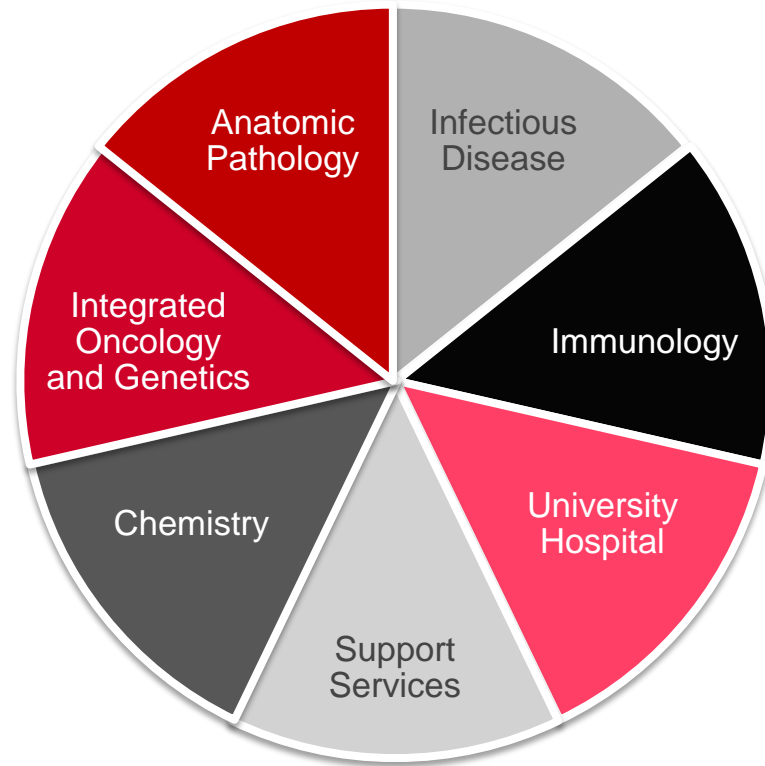
- Improved workflow to reduce motion by 49%
- Increased collaboration due to location by 27%
- Reduced TAT to meet published 99.25% of the time

Anchoring Change in the Corporate Culture

“Culture is not something that you manipulate easily ... culture changes only after you have successfully altered people’s actions ... and after people see the connection between actions and improvement.”

Anchoring Change in the Corporate Culture

3 of 7
divisions



2018 Epiphanies

(Otherwise known as Lessons Learned)

“Change Battle Fatigue”

Cause	Recovery
<ul style="list-style-type: none">• Past failure• Sacrifice• Cynicism	<ul style="list-style-type: none">• Be clear about vision• Celebrate success early• Create cultural norms that support the vision

Brent Gleeson, 1 Reason Why Most Change Management Efforts Fail, Forbes, July 2017

Divergent Vision

BIC Vision

Transform the way people
think about work—

THINK! easier, better, faster
and cheaper in that order.

Immunology Vision

Help us manage our work—

Help us MAKE! our work
easier, better, faster,
cheaper—and please hurry!

Belief Convergence



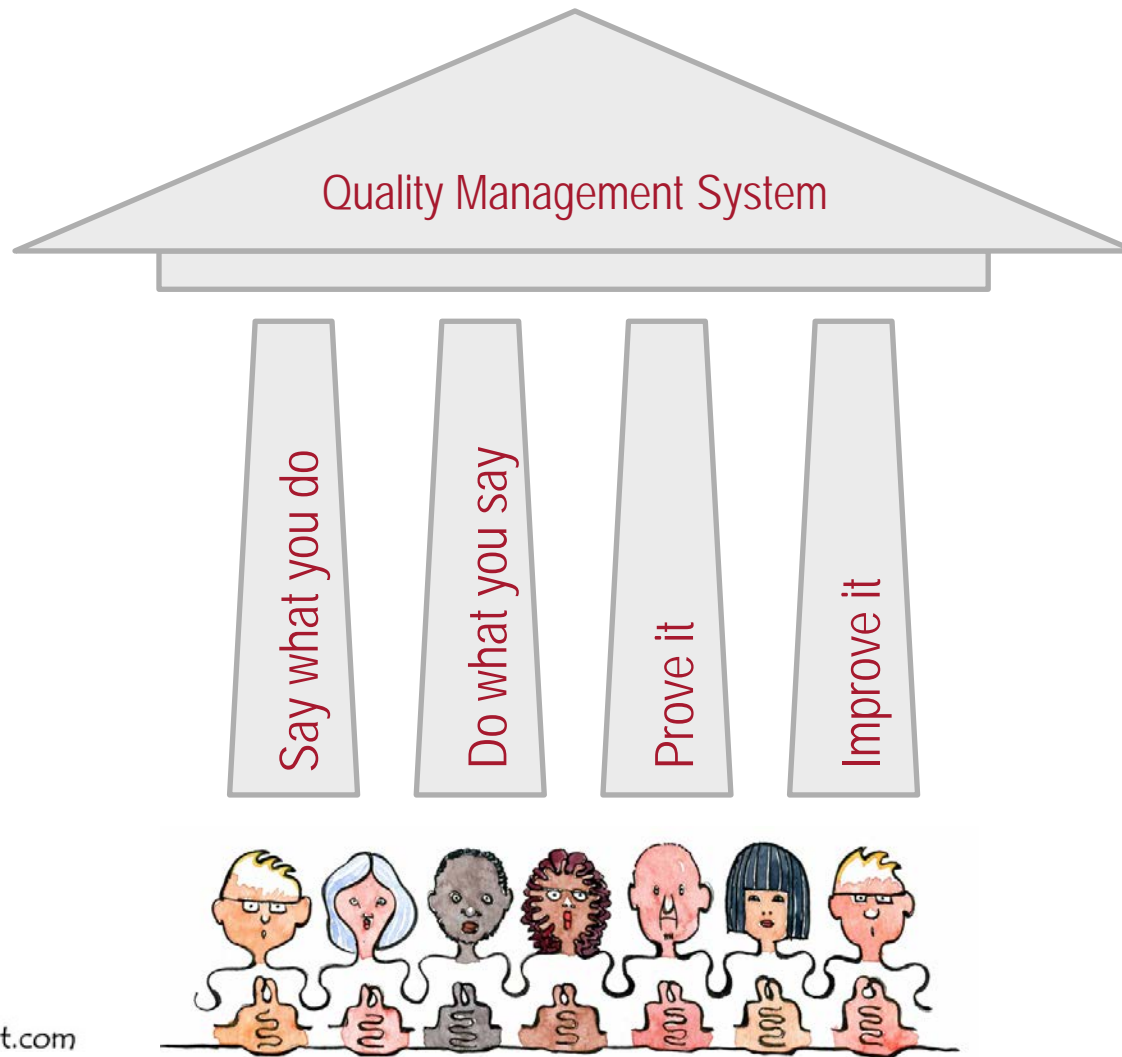
by HikingArtist

Chi, M.T.H. (2008). Three types of conceptual change: Belief revision, mental model transformation, and categorical shift. In S. Vosniadou (Ed.), Handbook of research on conceptual change (pp. 61-82). Hillsdale, NJ: Erlbaum

2018 Epiphanies

1. Change Is a Process
2. Transformation is not
3. Making transformation safe takes people who are comfortable with change
4. Safe transformation comes from managing change and transforming thought and belief

House of Quality



HikingArtist.com

ABC's of Transformation

Activating Event

Belief About the Event

Consequent Behavior Arising from the **B**elief

Davis Balestracci, "Frustrated by Glacial Improvement Progress?" Quality Digest, 1/25/2012

Sustainability Is a Function

IS a function of	IS NOT a function of
<ul style="list-style-type: none">• What powerful people believe is possible• Stability• Collaboration• Meaningfulness• Trust, respect, support	<ul style="list-style-type: none">• Method• Resources• Command and control• Management• Panic

Change Critical Mass

“In any organization, once the beliefs and energies of a critical mass of people are engaged, conversion to a new idea will spread like an epidemic.”

Kim, W. Chan and Rene Mauborgne, “Tipping Point Leadership,” Harvard Business Review, April 2003

4. Manage Change and Transform Thought