



Value Capture Opportunity: Identifying and Eliminating Worker Injuries

Summary

- Value Capture assists CEOs who want to transform their organizations by using the elimination of worker injuries as a values-based lens to engage everyone in the organization in principles based improvement.
- Value Capture helps the CEO develop the potential of every employee by teaching real time problem solving techniques utilizing the scientific method.
- Value Capture works with the CEO and leaders throughout the organization to identify the underlying root causes, tied to specific system design and operation principles. Value Capture utilizes the analytic methods used by the world's leading companies to transform their current business processes *and newly acquired facilities*.
- Typical opportunities unveiled by a transparent reporting system lead to redesign of core processes that permit 30-50% reductions in the cost base of the organization, without layoffs, by eliminating waste while improving safety/quality outcomes 90-100%.
- Value Capture will make significant portion of our fee contingent upon the results that are generated.
- Value Capture believes that safety/quality, cost and time do not need to be traded off against one another to produce improved results in each dimension. The triangle below is meant to represent what is possible with a CEO leading the organizational development.

Safety/Quality (↑ 90-100% improvement possible)



Cost (↓ 30-50% savings possible)

Lead Time (↓ = less time to meet specific patient need, increasing capacity)

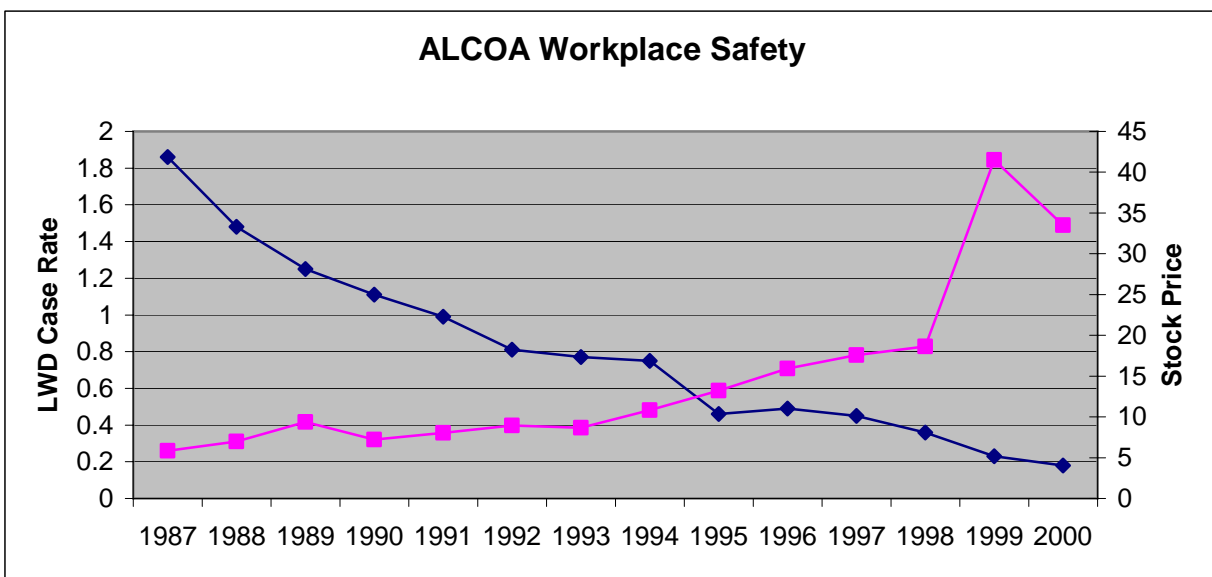
The Power of an Unarguable Goal

Great organizations benefit from an understanding that enormous energy can be released in a workforce when everyone is united behind an unarguable goal that is values based, and everyone agrees on a way to achieve that goal. Eliminating worker injuries as an unarguable goal basically translates into “no employee should ever get hurt in our hospital.” Another benefit of a theoretical limit goal is that it creates a healthy tension in the organization that can be the basis of continuous improvement.

By stating that “we will do everything in our collective power to ensure that no one in our organization will be harmed” a determined CEO can ‘jump start’ an internal revolution toward that goal.

Sample Results

The following graph depicts how Alcoa, led by Value Capture’s Non-Executive Chairman, Paul O’Neill, simultaneously decreased lost work days (employee harm) and significantly increased the market capitalization (total value of the company).



The Approach

The basic framework of the system includes:

- A theoretical limit goal of 0 incidents
- An expectation set by the CEO of the organization that all safety problems will be immediately called out and solved
- A defined way to communicate worker injuries and/or risks (opportunities)
- A standard approach to problem solving
- A transparent method of shared learning with the entire organization

Initial orientation to the system is conducted through both traditional class room and experiential learning. We have learned that while exposure to the ideas is powerful, the only way to truly learn is to practice. Value Capture will work with members of your team at every level to begin to identify (recognize or see) worker safety risks, to learn how to call them out, to begin to solve problems in real-time, to share them transparently across the organization and to ensure that the solutions the staff creates are explicitly designed experiments.

Expectation Set by the Leader

Value Capture has designed a set of experiences that helps leaders to think through what it will take to achieve the goal of eliminating worker injuries. The Value Capture system taps into some of the world's most successful companies; coupling the value-based, transparency-driven leadership model perfected by Alcoa with the work design and improvement system principles created by Toyota. Value Capture principals have led the adaptation of this leadership framework in healthcare systems and have supported many of the best examples in the country of eliminating unsafe conditions.

Communication of Injuries and Risks (Opportunities)

In order to have effective problem solving, there must be a designed way for people to recognize and communicate the problems. We refer to any identified problems/opportunities for improvement as "call outs." There are two distinct components of the call out design: the human response component (the Help Chain) and the technical component (the Documentation System.) Value Capture has successfully facilitated designs for both components. We will work with you and your senior leaders to evaluate what designs initially make the most sense for your organization.

The Help Chain is a human support structure with designated roles for members of the organization to call on for help at the time that a problem occurs. Ideally, the person called on for help has an understanding of the work of the employee, operational authority to allow a change to take place and interruptible work that allows him/her to respond to the worker immediately when called. Depending on the scope of the change it may be necessary to go further up the Help Chain to an appropriate level of operational authority. The Help Chain is strategically designed so that it involves only the levels of leadership that are necessary to provide resources, eliminate barriers and ensure that the experiment as designed is unlikely to have unforeseen negative ramifications.

The primary purpose of the documentation system is to serve the function of collecting the detailed information about the risks and solutions to those risks so that they can be shared transparently across the organization. The documentation system can be electronic, paper-based, or a hybrid. The hybrid systems are typically paper-based for the persons filling out the report but are then entered by in a central area into an electronic system to increase utility. The design can be customized on an organizational basis but must be easy and efficient for the people filling out the reports in the course of their work and require only the information that is needed to begin the investigative process. Subsequent detail can be added following the investigation.

The information housed in this system is used to create a daily occurrence log that serves multiple purposes. Foremost, it acts as a warning and shares information with areas that might have similar risks. This data acts as a diagnostic for leaders at every level by assessing the strength of problem identification and solution development. It also makes it easier to spot pathways that would benefit from a full process redesign that may eliminate a group of the problems that are being identified. Value Capture principals have years of direct experience coaching all leadership levels in how to maximize the value of the messages imbedded in the data by changing their own work.

Sample Daily Occurrence Log:

ID	Event Date	Description Summary	Root Cause Summary	Action Taken Summary	Discovery Unit
345	1/1/09	A staff member slipped and fell upon entering a patient room.	The floor was wet after being recently mopped.	The housekeeping department created a chain barrier with a "whiteboard" sign that was placed across the doorway providing both a barrier to entry as well as the visual information as to when the floor was safe to traverse.	A-5
346	1/2/09	A staff member slipped and fell in the nutrition room	There was water on the floor as a result of a clogged drain under the ice machine. It was discovered upon investigation, that the "clog" was the result of a build up of deposits (known to occur) within the drain.	The Preventive Maintenance schedule was adjusted when they realized that the frequency of the current schedule was insufficient to prevent the build up.	A-5
347	1/2/09	A linen cart rolled off of the loading dock onto a worker on the ground below.	1. The rod that the worker was using to manipulate a ramp extension slipped through a hole on the ramp. (why he had to go to ground level to retrieve) 2. The chain that served as the barrier to prevent the cart from rolling off the loading dock had been removed to allow the worker to get to ground level to retrieve the dropped rod (same chain blocked access to stairs)	1. A collar was welded to the rod making it impossible for the rod to slip through the hole. 2. The chain barrier was redesigned to be two distinct segments; one that when opened would only allow access to the stairs for a worker to pass while the second segment remained in place preventing the cart from rolling off the dock.	Loading Dock (Laundry)
348	1/3/09	A staff members fingers were cut and pinched in a utility room door as they reached to retrieve a piece of equipment.	The door slammed closed more quickly than the staff member was able to react.	A device was attached to the door hinge that is designed to allow the door to auto close more slowly.	A-4
349	1/3/09	Nurse noticed that ice was forming on the sidewalk leading to the sleep center (West Unit).	Water was dripping from the roof off of the sign on the face of the building as a result of melting snow.	Purchase and install a gutter to catch and redirect the water dripping off of the sign. Materials ordered 12/9/08. Will be installed 12/10/08.	Building & Grounds

Standard Approach to Problem Solving

Setting an organizational goal of eliminating all unsafe conditions is only part of the equation. The "how" is of equal importance. Counter to the common practice of management by objectives where the number of approaches to improvement often equals the number of people in the organization, the Value Capture System uses a formal design that is used by a number of high velocity organizations. The design applies to all types of work making it possible for everyone in the organization to use it.

The core of the approach is the scientific method coupled with a focus on involving the people who do the work in each step of the process including designing the experiments to prevent recurrence (i.e. creating a hypothesis that by changing the work in the following manner, we expect the following result). The experiments are designed in accordance with work design principles developed by Toyota. Value Capture assists in capability development by working one-on-one with senior leaders and supporting mid-level managers during real-time investigations in utilizing these principles throughout the organization.

Transparent Method of Shared Learning

There is a lot of discussion about transparency in healthcare right now but there is not a lot of action. The data derived from the documentation of the problem solving activity mentioned above is incredibly powerful when released to the entire organization. In addition to the benefits listed above of sharing improvements and acting as a diagnostic tool transparency brings a reality to the goal that words cannot and maintains the necessary tension on the goal of eliminating harm by providing a common visible metric.

The Value Proposition

By utilizing all of the components identified above, a committed hospital CEO can simultaneously begin to eliminate harm in his or her organization and achieve a substantial financial return. The same skills derived from eliminating worker safety incidents can be applied to every problem in the organization. Eliminating the vulnerabilities in processes as staff members call out problems naturally eliminates waste because **Great Processes = Great Outcomes**.

To learn more about Value Capture or to request a planning discussion please contact:

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Excerpt from Leading with Safety, Thomas R. Krauss, 2005

“The most well known exemplar for this model is Paul O’Neill, who as Alcoa’s CEO faced a situation very similar to the one described above in 1987. He realized that to transform the organizational culture at the aluminum giant, he would have to find a way to engage employees at all levels. And this engagement had to occur in the context of cultural unity; employees had to believe that the organization really cared about what happened to them. So O’Neill did something extraordinary; he made safety outcomes the primary indicator of senior leadership’s performance. Over time, he transformed the culture of Alcoa, which became a world leader in safety performance, and set the stage of the kind of *organizational functioning* it needed to grow and prosper.

“In 1987, Alcoa’s lost-time incident frequency rate was 1.86. In 2002, it was .12. In 1987, net income was \$264 million on sales of \$4.6 billion with 35,700 employees and a market cap of \$2.9 billion. In 2000, when O’Neill retired, profits stood at \$1.5 billion on sales of \$22.9 billion with 140,000 employees. Market cap was \$29.9 billion.”