



## Doing the wrong things righter?

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The term Lean is arguably the most unfortunate phrase in the management lexicon. It was coined in the 1980's by John Krafcik – now Acting President and CEO of Hyundai Motor America – to describe Toyota's ability to do more with less and what seemed to be a relentless focus on waste elimination. However, as the Lean community learnt more from the Toyota Production System, it became increasingly obvious that waste is crucially defined in relation to value. Waste elimination is a virtue so long as it leads to value enhancement, e.g. inventory reductions leading to shorter delivery times for the customers at a given or even lower cost. Whereas the term Lean carries a strong efficiency connotation, Toyota Production System is all about effectiveness. We define efficiency as doing things right and effectiveness as doing the right things.

The dubbing of the Toyota system as "Lean" is an American manipulation influenced by the mass production paradigms. In fact when Lean is translated to other languages it often takes on different meanings closer to its origins. In French the literal translation of Lean results in "gestion maigre" meaning skinny or anorexic management. It is interesting that this translation is sometimes used in the French speaking parts of Canada, maybe showing mass production influences. However, the common phrase for Lean management in French is "gestion au plus juste" meaning the most appropriate or justified management. While Germans and Italians prefer to use the English phrase, Persians translate Lean production as pure or limpid production which again provides a value connotation as well as emphasising the simplicity aspects of TPS. But most interesting, in Mandarin Lean

is translated as "Jing Yi" which means the essential core for the benefit of people. For the Chinese Lean goes beyond value creation for the customer to include a wider range of stakeholders – at least potentially.

### LEAN="精益"

精 (Jing)=Essentials, take out waste and focus on essentials

益 (Yi)=Benefit for people (Consumer, Employee, Employer, Society)

Focusing on effectiveness means starting with value and understanding the purpose of the system from the customers' point of view. Nonetheless, conventional management thinking is preoccupied with measuring and improving cost or efficiency which very often could lead to increasing costs. We visit the example of primary care and GP practices in the National Health System in the UK. General Practitioner doctors [praktiserende læger] are regulated and rewarded by the government through the Quality and Outcome Framework (QOF). Put simply, the higher the score in the QOF, the higher the financial reward for the practice. The government claims that the framework helps practices to benchmark and improve the delivery and quality of care that the patients receive. There are hundreds of indicators within the framework nearly all of which measure 'activity' within the practice such as this one: 'the practice can produce a register of

patients with learning disabilities'. Such indicators drive GP behaviour to focus on referring people for various tests and examinations and to focus on data management tasks. Similarly, the framework encourages practices to provide appointments within 48 hours as well as offering certain range of appointments. Effectively the 'practice management' indicators incentivise offering 10 minute slot (or even shorter) to each patient.

The QOF indicators seem plausible, on the surface. However, they curiously ignore the actual purpose of the system which is treating the patient. For example the 10 minute slots sometimes mean that the GP is not able to treat patients leading to repeat visits. In fact when a Vanguard consultant carried out a study of the demand in a practice in England he found that patients were visiting the practice between 1 and 16 times for the same – or closely related – condition. This clearly shows high levels of failure demand or demand which arises as a result of the system not doing something right. Ironically a given practice can go on to receive high financial rewards by only focusing on good record keeping, by having many patients on the register and turning around appointments as quickly as possible regardless of the actual outcomes for the recipients of the service. The QOF pretty much means that practices are being incentivised to do the wrong things righter. For those who would like to know more about effectiveness thinking in the UK public sector, we suggest reading a recent report on Lean and systems thinking approaches: [www.wao.gov.uk/assets/englishdocuments/Systems\\_Thinking\\_Report\\_eng.pdf](http://www.wao.gov.uk/assets/englishdocuments/Systems_Thinking_Report_eng.pdf).