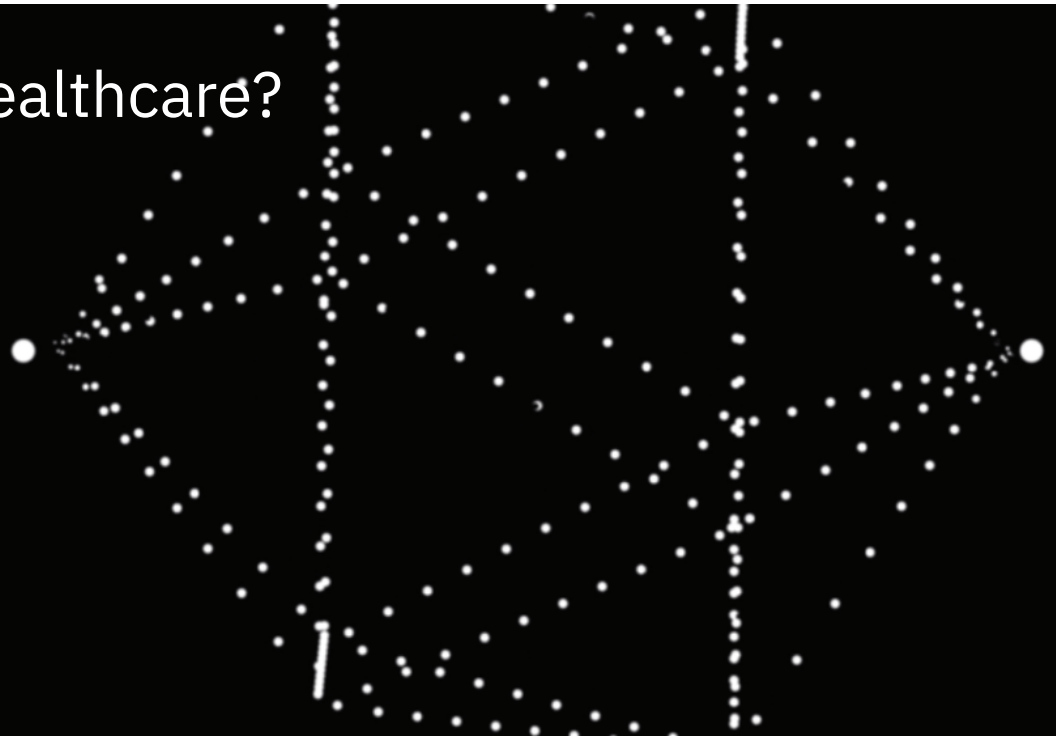# IBM

What is lean healthcare?

Using lean principles to dri[ve]
improvement, reduce wast[e]
better experiences for pati[ents]

Overview

What does it mean to be lean?

Lean principles help organizations continuously improve by reducing waste, increasing efficiency and developing a culture focused on building value. These principles were formalized for the automotive industry, so it may seem odd that a system designed for lean manufacturing would also work for lean healthcare. But the beauty of lean is that it's not an industry-specific tool. Lean is a business model that can be adopted in even the most complex industries.

Lean management in healthcare

Healthcare organizations that practice lean management empower every person in every role to reduce waste and help improve clinical workflows and business practices. Ultimately, small improvements add up to big changes in the speed, quality and safety of the care they provide.

A focus on value and quality

Lean uses value stream mapping to identify value-added tasks. With value-based healthcare, more healthcare organizations want to optimize workflows.

Stronger collaboration

With lean, collaboration increases the opportunity to strengthen the organization. Teams within healthcare who implement lean methodology become very tightknit, which can make further improvements more intuitive.

Continuous innovation

Healthcare practices change constantly. Lean helps teams adapt more easily because they already have a system in place to improve their workflows.
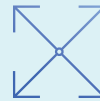
Clinical standards vs. business standards

Clinical standards are clear because they're decided by accrediting bodies or experts. Business processes can vary from place to place.

Variations abound for common processes

Consider patient discharge: Even in one department, it can be handled many different ways. Most people use a method they learned in clinical training.

Standards help reduce variation

Collectively agreeing on standard steps for discharging a patient helps highlight how each step enhances or detracts from a patient's experience.

Reducing variation eliminates wasted effort

After workflow improvement, only value-added steps are included. So discharge speeds up, waiting is reduced and staff will feel more productive.

The results of lean healthcare

Lean methodology can produce long-lasting changes in healthcare because lean thinking becomes part of the fabric of an organization. Simpler Consulting®, an IBM company, has seen many clients make dramatic improvements in patient outcomes, cost reduction, satisfaction and more. Let's explore some of the results achieved with lean.

Client outcomes

Significant cost reductions

After lean healthcare consulting, clients have seen an average ROI of 10:1. Overall, Simpler clients have saved over $4 billion with lean.

Faster business processes

One health plan used lean to decrease provider onboarding time by 90%. Another hospital reduced referral turnaround time from two weeks to 24 hour

Patients spend less time in the hospital

One hospital cut patient flow time for surgical care from 7.5 hours to 3.5. Another reduced the average stay for stroke patients from 43 days to 23.

How lean healthcare builds resiliency

The highly regulated nature of healthcare means there are constant updates to payment models, clinical standards, laws and other changes. Once people learn lean principles and lean tools, adapting to change becomes easier because their problem-solving skills are already honed. With a lean culture in place, organizations can be prepared for the future with a business model that helps them overcome new challenges.