

## PODCAST 286: THEDACARE'S LESSONS LEARNED

By Mark Graban



*Dean Gruner, MD,  
Retired President and CEO  
of ThedaCare  
<https://www.thedacare.org>*

*In this episode, Dean Gruner and I spoke about Dean's reflections from his tenure as CEO of ThedaCare.*

*For more conversations between Dean and I you can also revisit Lean Blog Podcast episodes 119 and 144.*

I was delighted to once again welcome Dean Gruner to the Lean Blog Podcast for episode 286. Dean had joined me on the podcast twice before: for episode 119 and for episode 144. This time around, Dean was about six weeks into his retirement from his tenure as CEO at ThedaCare.

Dean was the Chief Medical Officer for the ThedaCare health system in Wisconsin, before becoming CEO in April 2008. At that time, ThedaCare was already becoming pretty well known globally for its efforts with Lean thanks to the previous CEO, John Toussaint, who

was already actively sharing the ThedaCare story.

"We started our Lean journey in August of 2003. It would've been four and a half to five years when I became the CEO. I can tell you that, very quickly in 2008, my worries were not about Lean, but about the financial meltdown and crisis our country faced, and the economic downturn for our people. That was clearly my focus in the first couple of years of being the CEO," Dean said. "We had, for 20 years or longer, consistently had a revenue growth of about eight to 10 percent a year. In fact,

over 25 years it averaged, I think, 9.8 percent. When [the economic crisis] hit us 2009, our revenue growth was two percent.

"We've had to look at some of our financial risks and figure out how to mitigate those, which we think we have. Then we, of course, kept continuing our improvement work using a lot of Lean principles and our Lean thinking through the years."

### **Collaboration and Relationships**

I asked Dean how his role evolved after the financial crisis, and was told he ended up spending more

time meeting with collaboratives about creating solutions to problems in the community. This included a collaboration with Children's Hospital of Wisconsin-Fox Valley and Affinity Health System to create something novel for pediatric and mental health.

"We actually combined all of our adolescent and pediatric mental health services into one organization that's jointly owned by the three health systems. By doing that, we were actually able to do some astounding work. We have almost doubled our number of visits in our community in the last four years.

"This collaboration also improved access, as urgent needs for a pediatric psychiatrist are now met within a week, and needs for a counselor are met within 48 hours," Dean explained. "This model has allowed for those improvements while keeping the financial losses, which are quite large, the same or even a bit less."

With ThedaCare situated within four or five miles of a farm in all directions, Dean also did a lot of work to create affiliations with various rural hospitals. After a set of conversations and negotiations, ThedaCare was added three rural critical access hospitals to its system in the last five years.

"The challenge with that is it's all the relationship building, and the structuring those to make sense. Then, once they happened, to then try to integrate them into the existing operations. For all these communities, they had no background with Lean or any of the other things that we did. Bringing them and integrating them into the ThedaCare system has been very, very rewarding, but very time consuming, too," Dean explained. "It's not something you can snap your

fingers and say, 'Oh, I get it.' It takes time and learning to join a system."

## Strategy Deployment

As ThedaCare continued its work with the Strategy Deployment methodology, as we discussed in episode 119, they continued learning about planning and priority-setting. Hearing from virtually every CEO in the health system that everyone had too many priorities and couldn't possibly get all their work done, ThedaCare tried to section off different parts of the system into about a dozen or so specialized areas--rural hospitals, physician groups, etc.--who would meet every September to start their planning for the following year. At around the same time, the system leadership team or the executive team would do the same thing, separately, Dean explained.

"As the end result, we had a proliferation of more work than could possibly be done," Dean explained. "What we did this past year is we changed the process. It's pretty simple, but, if it was easy to figure out, we would have done it five years earlier. What we did is we had all the people involved in the planning in these various divisions or departments, we brought them all together."

He challenged the group to narrow the list of priorities to three things, and within six weeks they did. After that, each department went back to create their individual plan to support those three system-wide priorities.

Dean added, "Even though we had gotten recognition for our strategy deployment because everybody could see the cascade and we used a triangle for a visual effect it wasn't and as pure or as effective as it might have seemed."

"We've been incredibly more focused this past year than we had previously," Dean said. "We're focused tremendously on access, inpatient quality, and restoring our margin so we can reinvest in the organization."

## Reflections and Adjustments

Even with all of the recognition ThedaCare received, Dean had some honest and blunt reflections.

"I'm going to say something harsh here. Amongst our team we believe that we, at a certain point, started to read too many of our own press clippings, and we stopped studying what was really going on."

Dean came to think that ThedaCare had misused some of the terminology, for example using "true north" to describe their annual plan numbers instead of their "ideal state," such as zero patient harm and zero staff injuries.

Bringing together large groups of people lead to another lesson for ThedaCare. As Dean explained, when Lean leader John Poole, who had been acting as the internal "sensei" for the ThedaCare Improvement System (TIS) left to take another opportunity, the organization had one of its previous organizational design facilitators return and meet with all the senior leaders and vice presidents--again about 40 people.

"She broke us into six or eight teams and gave us an interesting assignment. She had every table draw a picture on a flipchart, and their assignment was to draw a picture of what the culture was of ThedaCare [at that point]. Then, after that hour, everybody showed their pictures and reported out. It was a bucket of cold water in our face," Dean said. "What they drew

was a picture of an organization that had become very hierarchical and required approval from senior leaders to do things. It had become an organization that was very dependent on facilitators to do improvement work. An organization that had become much more inflexible and more rigid than we ever had imagined.

“All those things are exactly the opposite of what you intend to do with Lean,” He continued, “We looked at ourselves and said, ‘How did this happen? We’ve been doing this for 12 years. We’ve got everybody who comes here and tell us how great we are.’ One of the answers was, we hadn’t sat down and looked in the mirror thoughtfully for several years.”

Wanting to look at the issue further, about 15 manager focus groups—about 150 people—were held, again using the picture exercise.

“We had 40 some pictures in the room of what people felt the organization was like. It just was

not pretty. It was the same thing: rigid. What we learned from that is some people had interpreted Lean as it was all about creating standard work.”

After taking that information, reflecting on it, and revisiting some Lean resources, Dean said that one of the mistakes that led to that rigidity was not spending time investing in developing leaders.

Dean added, “It might have slowed our rate of improvement for a couple of years, because we were learning some difficult lessons. Now that we think we’ve learned these lessons, we think we’re back accelerating again. I guess that’s why they call learning and why they call it work. It’s not like it’s easy, or anybody would do it.”

This willingness to take the feedback from the drawings, and look at the new current state to adjust, and then share reflections on those learnings and adjustments with the world was important to Dean. I appreciate him sharing some of the

things he considered to be mistakes and lessons learned.

Dean said, “Hopefully, other people can learn from this and not have to go through quite the same experiences that we did. It will make us better and it’ll make us stronger for having learned these lessons.”

### Words of Wisdom

Dean offered some final advice to listeners he had learned from the chair of the department in psychiatry at Mayo Clinic about 25 years ago.

“His philosophy, he told me, about his work, was, ‘Life is difficult, and people are complicated, so be kind to yourself.’” What I mean by that is, sometimes I think people look for a magic bullet and say, ‘Oh, Lean. That’s gonna solve my problems.’ Then they get disillusioned because they find it can help them, but it isn’t perfect. That’s just the way it is. Be kind to yourself, don’t blame yourself too much when things don’t go perfectly; you’ve just got to study and adjust,” Dean said.



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