

May 11, 2011

## Wednesday's Words of Quality

**So what can a power company like DTE Energy teach us about quality and continuous improvement?**

Come to the **June 23 (Thursday) noon Quality Grand Rounds at HFH, Buerki Auditorium** and find out how a culture of continuous improvement is valued in every successful business (flyer attached).

**Jason Schulist, DTE's director of Major Enterprise Projects and former director of Continuous Improvement, will share with us lessons learned in the evolution of continuous improvement at DTE Energy that lead to savings of over \$500 million.**

Did you know that in 1985 a power company, Florida Power and Light, was the first American company to win the much coveted Deming Prize. This highly competitive recognition has been awarded for quality achievements in continuous improvement to Japanese businesses since 1950. This is the equivalent of the USA Baldrige Award that we began in this country much later in 1988.

At the heart of many successful business strategies, especially that of the Toyota Motor Corporation's that is popularly known as LEAN, is a philosophy founded in the ideals of human development and continuous improvement (kaizen). The latter source of improvement is based on the knowledge of process variation and continuous feedback to employees to own that process and are empowered to improve their own work.

This approach is founded in the management system proposed by W. Edwards Deming, a management guru to the Japanese since the early 1950s, who was discovered late by Western businesses. LEAN is notable as a successful cultural approach to numerous and continuous scientifically based quality improvements generated from the level of the worker and predicated on the data-driven Plan-Do-Check- Act (PDCA) analytic, also known as the Shewhart or Deming Cycle.

Toyota's success during the past 50 years, rarely reproduced, derives from a leadership-driven management culture of continuous improvement that over many decades perfected the principles of Deming and innovated aspects of efficient production design with worker empowerment to produce thousands of process improvements, many at the level of the worker, year in and year out.

Toyota's organizational structure and cultural expectations empower organized teams of employees to drive a daily examination of continuous improvement opportunities and learnings, thereby allowing them to be accountable, in charge of their own jobs, and allowed to design their standardized work. The culture then is one of disciplined problem solving.

The result is continuous quality improvement bread into the DNA of Toyota's culture. This cultural transformation of work is what will be required in our own healthcare system for the true power of LEAN or any other model of continuous improvement to be leveraged.

We failed to change our culture when attempting our American understanding of Japanese Total Quality Management 20 years ago. It doesn't take a genius to see that the fate of what we better understand as LEAN without a supporting leadership-driven culture will be no different today.

Transforming the culture of work or, more correctly, the work structure and authority for understanding change to be made horizontally and the employees' incentives to relate to each other and thereby work differently is a requirement to obtain success in a LEAN enterprise that is continuously learning and improving.

This requires leadership, as only leaders can make this kind of significant change and support realignment of incentives so that workers in connected workstations are encouraged to work collaboratively and horizontally along the path of workflow. This is the only way to obtain the strengths of Toyota's culture, namely: (1) employees in charge of their own jobs; (2) employees designing standardized work; and (3) employees working to continually improve the work at their own level, with changes made and effectiveness assessed by the customer-focused PDCA cycle.

***Want to know more or ready to start your journey with your team?***

Join us for **2 days of complete LEAN Training** at HFHS based on our 6 year long journey on Thursday-Friday June 9-10 at the Gilmour Center, One Ford Place. More info and registration through HFHS GME for this 14 hour CME granting event can be found here:

Internet- <http://www.henryford.com/body.cfm?id=50135>

Intranet- <http://www.henryford.com/body.cfm?id=50135>

The Henry Ford Production System LEAN training program consists of 14.0 CME hours of education class-time held over 2-days at the Gilmour Education Center, One Ford Place, June 9-10, 2011.

This is a didactic and hands-on approach to LEAN management with development of a leadership and management style that will prepare physicians, administrators and technical support staff for the realities and challenges of culture change and potential successes derived from leveraging an educated, empowered and accountable workforce.

This approach to LEAN is based upon Deming's principles of leading and practicing in a culture that uses manufacturing-based work rules and tools. These sessions are not just applicable to laboratory medicine but also adaptable to the processes encountered in clinical, industrial, service, manufacturing, housekeeping and dietary services.

This course has broad appeal and is intended for:

- Physicians
- Nurses
- Technologists
- Pathologists
- Residents
- Directors
- Managers
- Administrators
- Quality and Medical officers
- Technical and support staff

# Pathology & Laboratory Medicine

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## QUALITY GRAND ROUNDS

Thursday June 23, 2011

12 Noon – 1 PM

HFH Campus

Buerki Auditorium

**DTE Energy**



## Jason Schulist

*DTE Energy: Director – Major Enterprise Projects*

### ***“The Evolution of Continuous Improvement at DTE Energy”***

Jason Schulist serves as Director, Program Office, Major Enterprise Projects, DTE Energy. While acting as the Director of CI (Continuous Improvement), DTE Energy saved over \$500 million while building CI capability. His group was awarded the Best Process Improvement Program in 2009 by the International Quality and Productivity Council. He has 22 years of CI experience in the automotive, retail, and utility industries.

Jason earned a B.S in Electrical Engineering from Marquette University, M.S. in Electrical Engineering and MBA from MIT.

Jason serves as Chairman, Michigan Lean Consortium. He is co-creator of DTE’s Sustainable Lean Sigma discipline, applying lean six-sigma to environmental and social issues. He has served on the boards of Menlo Labs and Society of Organizational Learning (SoL).