Session Objectives

- Identify opportunities to improve your organization’s innovation capabilities.
- Articulate the value of innovation to health care delivery systems.
- Identify the key components of an innovation management system.
Agenda

- Introduction – health care delivery innovation
- Developing a production system for innovation management and sustainability
- Review your results from Health Care Innovation Management Index + Exercise
- Case Study: How physicians can fix health care
- Conclusions

Innovation is not an event
Innovation is not a product

Innovation is a process...
Our chosen focus: health care delivery innovation
### Six themes to achieve delivery innovation

<table>
<thead>
<tr>
<th>Standardization</th>
<th>Coordination</th>
<th>Improved Decision Making</th>
<th>Find Analogous Situations</th>
<th>Simplification</th>
<th>Removal of accepted system faults</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bundles</td>
<td>Transitions for health systems</td>
<td>What matters to You</td>
<td>Improving handoffs</td>
<td>Remote monitoring of patients</td>
<td>Triple Aim definition</td>
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<tr>
<td>High reliability systems</td>
<td>Safe transitions for elderly patients</td>
<td>Palliative Care</td>
<td>Risk resilience</td>
<td>Optimizing stroke care</td>
<td>Primary Care 3.0</td>
</tr>
<tr>
<td>Production system design</td>
<td>Integration of behavioral health and primary care</td>
<td>Antibiotic stewardship</td>
<td>Access &amp; Flow</td>
<td>Real-Time Demand Capacity for Flow</td>
<td>Execution Framework</td>
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**How to make your innovation process sustainable**

*Floortje Blindenbach-Driessen, PhD*

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*I Institute for Healthcare Improvement*

**D6/E6**

Founder and owner of Organizing for Innovation LLC

#IHI27FORUM
Adopted from Wheelwright & Clark, Harvard Business Review 1992
The innovation funnel

Cooper and Edgett, Product Development Institute 2007

Healthcare funnel in reality…
Innovation management

Innovation process capabilities
Support capabilities
Innovation infrastructure

What makes health care different?

Your main asset are people

- Domain specificity of knowledge
- Opaque quality of health care services
- Preference for autonomy
- Intertwinedness of inventor and idea
Innovation process capabilities

- Idea generation
- Develop
- Implement
- Validate


Innovation process capabilities

- Idea generation
  - Seek many ideas
  - Seek input from inside and outside the organization

Innovation process capabilities

- Development
  - Staff teams appropriately
  - Use data to decide whether or not to proceed
  - Use milestone based funding
  - Look for collaborators to move forward faster and more efficiently

McGrath and MacMillan 2009; Trimble 2015

Innovation process capabilities

- Implement
  - Celebrate successes
  - Incentivize sharing
    - Celebrate
    - Generalize
    - Teach
Innovation process capabilities

- Validate
  - Surpass organization politics, by focusing on the process and data
    - Explicating assumptions
    - Address important assumptions first
    - Use experiments to address unknowns
    - Use milestones to evaluate and assess progress

Support capabilities
Support capabilities

- People
- Organizational learning
- Risk management
- Portfolio management
- Measurement of innovation

Support capabilities

People
- Innovation is a responsibility of all; different roles
- Dedicate time
- Financial / non-financial incentives
Support capabilities

Organizational Learning
- Appropriate learning processes
- Culture supportive for learning
- Leadership support learning
[www.los.hbs.edu](http://www.los.hbs.edu)

Risk Management
- Ensure patient safety; *do no harm*
- Review committee that understands innovation process


Support capabilities

Portfolio management
- Don’t evaluate projects only on individual merits
- Align innovation activities with strategy
- Align for the short term (weed less promising projects)
- Align for the long term (hiring, capital investments)
Support capabilities

Measurement of innovation
- Track how projects match up against strategic objectives
- Keep track of costs
  - Including hours spent on innovation
- Benchmark execution of projects against each other
- Link with employee satisfaction and retention

Value = \text{Quality} \begin{array}{c} \text{Value} \end{array}

Innovation management

Innovation infrastructure
- Innovation support function
- Senior management support
Innovation management

Innovation support
- Educate
- Connect
- Support

Innovate with, not for clinicians

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Innovation management

Senior management support
- Innovation as a means to achieve strategic goals
- Reward innovation equally as performance engine activities
- Support execution
  - Seed funding
  - Align with HR and education
Making Innovation Sustainable

Consider innovation an investment in the future of the organization

Align innovation initiatives with the strategic objectives of the organization

Use a structured approach to get ideas implemented and diffused in practice

Create an innovation support function to educate, connect and facilitate the process

Health Care Innovation Management Index (HIMI)

- Process capabilities
- Organizational capabilities
- Innovation infrastructure
Your results

- 110 total responses; 67 hospitals and health systems

- Self report – your perceptions

- If you filled out the survey – stay tuned for a report on the data you submitted

Average Perceived Performance

- Idea Generation
- Development
- Validation
- Implementation
- People
- Organizational Learning
- Risk Management
- Portfolio Management
- Measurement of Innovation
- Innovation Structure
Exercise

5 minutes: Think of a something innovative – big or small - that your organization has successfully undertaken. What made it a success? What enabled its success in each domain of the index (innovation strategy, structure, processes, and organizational capabilities)?

10 minutes: Break into groups of three. Talk together about your examples. What do they have in common? How are they different?

5 minutes: Volunteers to report out.
A Simple Innovation Map
Where is the Opportunity?

Small

Improvement

Large

Innovation
Physics of Innovation

\[ R_{\text{tot}} = R_{\text{ops}} + R_{\text{inn}} \]

The Critical Resource: TIME

Ongoing Operations
Part Time Contributions from All

Ongoing Operations

Innovation

The Fundamental Limitation

Project Size
Full Time Contribution from a Few People

Fraction of Time

%  0%  10%  20%  30%  40%  50%  60%  70%  80%  90%  100%

People

Innovation Operations

Innovation with Full Timers

- Bigger Projects
- Resources are More Reliably Available
- Ability to Practice Clean Slate Team Design (Without Breaking Anything)
This Approach Does Not Enable Clean Slate Team Design

A Simple Innovation Map Where is the Opportunity?
A “Lab” or “Innovation Center”
May Not Be the Answer

Team Redesign ...
...lies at the very core of innovation in health care delivery.
Team Based Medicine

Step One:

*Build New Teams From Scratch*

A Simple Innovation Map
Where is the Opportunity?

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Innovation in Health Care Delivery
Four Categories, Four Simple Ideas

1. Standardization
2. Coordination
3. Prevention
4. Improved Medical Decisions

Small Full Time Teams
For Single Initiatives
To Redesign Care From Scratch
AND Deliver Better Care
For A Selected Patient Population
1. The Population

*Children with Complex Medical Conditions.*

2. The Intervention

*Heavyweight Primary Care. More care planning, care coordination, and close contact with families.*

3. Results

*Outcomes up. Costs down >10%. Patients more satisfied.*

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**Innovation & Improvement: A continuum**

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<th>Continuous Improvement</th>
<th>Innovation</th>
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<tr>
<td>The act of raising to a more desirable quality or condition—<em>to make better</em></td>
<td>Introducing genuinely new methods, ideas, or products—<em>to make new</em></td>
</tr>
<tr>
<td>Mental model = elimination; making something (i.e. performance problems) go away</td>
<td>Mental model = creation; making something new</td>
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What we know…

- Both improvement & innovation are needed in today’s organizations
- Both depend on interactions with the routine operations of the delivery system
- They differ in their goals and their intended business impact
- They are different processes with different methods and purposes...
- …that can be managed well together
Questions?

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