Managing Innovation in Health Care Organizations

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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

Chris Trimble, Beyond the Idea
Six themes to achieve delivery innovation

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<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>
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<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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<td>Palliative Care</td>
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How to make your innovation process sustainable

Floortje Blindenbach-Driessen, PhD

#IHI27FORUM
Innovation management

Innovation process capabilities
Support capabilities
Innovation infrastructure

Adapted from Wheelwright & Clark, Harvard Business Review 1992

- Basic Research
- Clinical and Translational Research
- Radical Breakthroughs
- Platform / Next Generation
- Enhancements / Hybrids/Derivatives
- Improvements
- Single provider upgrades
- Next generation processes
- New core processes
- Additions to existing families of products or services
- Derivatives and enhancements
- Optimization

Extent of service / product change
Extent of process change

ABILITY TO IMPROVE
EDUCATE
ENGAGE
IDEATE
DEVELOP
IMPLEMENT
DIFFUSE
SUPPORT SYSTEMS

STRATEGIC DIRECTION

12/8/2015
What makes health care different?

Your main asset are people

Two fundamental principles:
1) Innovation becomes developing a “thing” + provider(s), who will deliver the service in practice
2) We cannot distinguish great ideas a priory, but we do know the process needed to validate and develop promising ideas

Innovation process capabilities

- Idea generation
- Develop
- Implement
- Validate

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

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Innovation process capabilities

- **Implement**
  - Celebrate successes
  - Incentivize sharing
    - Celebrate
    - Generalize
    - Teach

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McGrath and MacMillan 2009; Trimble 2015
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  Risk Management
Support capabilities

Portfolio management

Innovation activities

Strategy

Short term (weed less promising projects)

Long term (hiring, capital investments)

Support capabilities

Measurement of innovation
- Track strategic targets
- Track of costs
  - Including hours spent on innovation
- Benchmark execution
- Link with employee satisfaction and retention

Value = \frac{\text{Quality}}{\$}
Innovation management

Innovation infrastructure
- Innovation support function

Innovation management

Innovation support
- Educate
- Connect
- Support

Innovate with, not for clinicians
Making Innovation Sustainable

Consider innovation an investment in the future of the organization

Use a structured approach to get ideas implemented and diffused in practice
  • We cannot distinguish great ideas a priori, but we do know the process needed to validate and develop promising ideas

Create an innovation support function to educate, connect and facilitate the process
  • Innovation becomes developing a “thing” + provider(s), who will deliver the service in practice

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
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?
Physics of Innovation

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

The Critical Resource: TIME

Ongoing Operations
Part Time Contributions from All

Fraction of Time

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

People

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

The Fundamental Limitation

Project Size
Full Time Contribution from a Few People

<table>
<thead>
<tr>
<th>Fraction of Time</th>
<th>People</th>
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Ongoing 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

Ongoing Operations vs. Innovation

A Simple Innovation Map
Where is the Opportunity?

Small
All, Part Time

Large
A Few, Full Time
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?

Small
Comfort Zone

Large
Bright, Shiny, and New

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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
Primary Children’s Hospital
(Salt Lake City)

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**

**Continuous Improvement**

The act of raising to a more desirable quality or condition—to make better

*Mental model = elimination; making something (i.e. performance problems) go away*

**Innovation**

Introducing genuinely new methods, ideas, or products—to make new

*Mental model = creation; making something new*
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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