

GA 011 | Greg Jacobson

Ron Pereira: You're listening to episode 11 with Greg Jacobson.

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Announcer: Welcome to the Gemba Academy Podcast, the show that's focused on helping individuals and companies achieve breakthrough results using the same continuous improvement principles leveraged by companies such as Toyota, Del Monte, and the US Department of Defense. Now, here's your host, Ron Pereira.

Ron: Hey there. This is Ron Pereira with Gemba Academy. I'd like to welcome you to another edition of the Gemba Academy Podcast. As always, thank you so much for taking time out of your week to visit with us.

A special shoutout to those folks who are listening in their cars or perhaps, you're traveling on an airplane and you're listening to us that way. We really appreciate you. I just hope you guys are having a great week.

Today, I'm excited to introduce a friend of mine and also a really incredible person. His name is Greg Jacobson, and he is the chief product officer and co-founder of a company called KaiNexus. Greg, as you'll here in the episode when he introduces himself, also has got another job.

He's an emergency room doctor. [laughs] It's not everyday that you see emergency room doctors dialed into the whole lean thinking side of the world, but Mr. Jacobson definitely is.

Today, Greg and I are focusing on the topic of engagement, specifically how engaging your front line staff is really the only way to truly develop this deep culture of continuous improvement.

I think Greg brings a lot of valuable insight just from his work at KaiNexus but also I think on his own journey on how lean is applied in his own industry, the healthcare industry.

All the show notes can be found, for this episode, over at gembapodcast.com/11. Again, that's gembapodcast.com/11. Enough from me, let's get to the show. Greg, first of all, thanks for taking the time to visit with us. Where are you calling in from today?

Greg Jacobson: I'm giving you a call from Austin, Texas, our office here in Austin.

Ron: Why don't you just kick things off, Greg, by telling us a little bit about yourself and your background and maybe just how you first came to learn about continuous improvement?

Greg: Sure, that would be great. I am the chief product officer and co-founder of KaiNexus. My background is, I'm an emergency medicine doctor, learned about continuous improvement when my chairman.

When I went from being a resident to a faculty, felt that an area of research that would really resonate with me would be learning about continuous improvement. He handed me Masaaki Imai's book "Kaizen."

Ron: When was that?

Greg: It would have been back in 2004.

Ron: Wow.

Greg: Transformed my life and put me on the trajectory that I'm on today.

Ron: Right. Tell us a little bit about KaiNexus. What do you guys do?

Greg: One of the things I like to do when I'm trying to describe KaiNexus is talk a little bit about why we exist as a company and what some of our core beliefs are.

KaiNexus is a software platform that really allows an organization to engage their front line staff, so everyone in an organization can participate in improvement work.

We believe that in order for an organization to develop a culture of continuous improvement, that every single person in the organization needs to be able to participate in that activity.

That's a little bit about what KaiNexus is.

Ron: Yeah, and it's software, really, it helps you track improvements and that thing, quantify benefits and whatnot. I mean, that's at a high level.

Greg: Yeah. At a high level, it is a software platform that allows an organization to organize all their improvement work. In the big scheme of things, we really feel like that, in order to develop a culture of continuous improvement, you need three pillars.

One of those pillars is leadership. Right? I mean, you have to have a strong leadership to be driving this. I like to refer and I think of the image as beating the drum.

Then you need a methodology. Whatever methodology that is, we really feel like, without a discipline and without some problem solving rigor that people often times won't come up with the better answer.

Whether that methodology is Lean or Kaizen or PDSA or Six Sigma or using the DMAIC, whatever type of methodology, you use it.

But I think the key third component is something that I think explains why a lot of organizations really struggle with going from, hey, we recognize that we need to do improvement, to being able to doing it in a really scalable and systemic way.

The technology is the piece that weaves everything together and make sure that everyone can collaborate and there's visibility and accountability. Most of all, reporting on the impact and letting people know what the benefit is.

Ron: I'm going to ask all kinds of questions about engagement here in a little bit, but before we do that Greg, we like to start all of our episodes here with our guests sharing a leadership, or continuous improvement quotation that inspires them. What quotation inspires you Greg?

Greg: You prepped us a little bit for that question, and I couldn't come up with one, so if it's OK I'm going to give you three.

Ron: All right, no problem.

Greg: Ones that really popped out as I was thinking about really great quotations is one by Stephen Covey. "If we keep doing what we're doing, we're going to keep getting what we're getting." I think that's just a really great take home message.

The second quote I want to toss out there is by Masaaki Imai, and I mentioned that he was my introduction to this body of knowledge. He made a comment that says "The starting point for improvement is to recognize the need." That's, I think, another great point.

The last one and I don't know if anyone's given credit for this, but it's something I live my life by, "The enemy of good is better."

Ron: That's great. Thank you for that. Mr. Imai's got so many quotes that I don't even know how you come up with...Just like Mr Ono. How do you come up with just one, right? [laughs]

Mark Graban, your business partner there, he's got all kinds of quotes over on his leanblog.org. I don't know if you have ever seen those, but he's got...I don't know. There's hundreds in that thread. That is incredible.

All right. Today Greg, we're going to talk about engagement, and specifically how engaging your front line staff is really the only way to develop a true culture of continuous improvement.

My first question, just to level set, is how do you define a culture of continuous improvement? What does that look like?

Greg: That's a great question. My feeling is that a culture of continuous improvement is a feeling, and something a tiny bit more abstract than anything concrete.

I think that if you are in an organization that has that type of culture, then there's just certain behaviors, and patterns that you see. I don't think that there's any metric, or number, or certification that would indicate that.

When I think of a culture of continuous improvement, I'm thinking of an organization that has put the customer at the center of the equation, and then has built an organization where every single person is being asked, and is contributing to improving whatever the work that's being done.

And everyone really feels like they are able to raise their hand and talk about problems, give ideas, and partake in the improvement process.

It's not just lip service. Truly anyone in a organization that has a culture of continuous improvement is able to change the process for the better. That's what comes to mind when I'm thinking about a culture of continuous improvement.

Ron: What's the deal with suggestion boxes? What's your opinion? Do they every work?

Greg: That's a great question. When I think of suggestion boxes in the traditional sense, we haven't found many examples where they work. When we say that, and at KaiNexus we talk about suggestion boxes, I'm thinking more of the system, and the thought process behind it.

But the traditional suggestion boxes, someone writes their name down, maybe it's anonymous, maybe it's not anonymous, and puts their idea on a sheet of paper, and tosses it in a box.

And then through some regularity those ideas or suggestions are reviewed in a committee types setting, and they're voted up or down, and potentially the person that put in the suggestion is notified, and potentially not, but most importantly.

The percent of ideas or suggestions that are implemented end up being very small. The question, I think, really asks, "Have I ever seen or do I know of a traditional suggestion system that's worked?" I think the answer is no.

Ron: Let's just say that were in charge of a business, and KaiNexus wasn't around, didn't exist, and you had to make a suggestion program work. What would you do different?

Greg: The way I'm going to answer this really has to do with a lot of the way in implicit design of KaiNexus. While I describe some of the important design elements, these elements can be done with, really, any type of mechanism, which is a matter of how do you scale or make it easy.

I think that they key points to developing a, whether you want to call it a kaizen minded or a kaizen style or a suggestion system that's going to promote sustainability and continuation is one that the origin of the person putting in the suggestion is really just the starting point.

I guess I should even back up before there. First, everyone should be able to engage in the suggestion system. It should be very, very visible, very active. People in leadership should be talking about it and making it very easy for folks to identify suggestions and ideas.

Then with a little bit of guidance. I think a suggestion system where the leadership just says, "We want your ideas," and then doesn't give any type of coaching or training or thought process of what they should be is often going to result in a lot of ideas that are really difficult to implement.

Giving some directions and saying, "We're looking for low-cost. We're looking for low-risk. We're looking for problems. We're looking for if you're frustrated at work. We're looking for if you weren't able to get a customer or a patient the best experience or care, we want to hear about those."

When that suggestion goes into whether it's an electronic system or paper system, there has to be a feedback very quickly. It can't sit there for 30 or 90 days. Even, I've heard of stories with it being over a year. When that feedback starts, that's really the...I like to refer to it as working to implement.

That's just the beginning. That's not the end. We're not going to vote on it. We're going to take a look at the suggestion and see where is the pain point, what's the problem. This is where that methodology comes in.

Then I think another key element is that next step where when you're completing the suggestion or that unit of improve work, you need to somehow record the benefit.

Quite frankly, if you're doing work and change and "improvement," you need to be able to somehow log or quantify what the benefit of that is, whether it's related to safety or satisfaction or cycle time or time savings or if it's a pure financial benefit.

You should be able to discuss that in a manner. Then that broadcast the, "Hey, Ron had a suggestion. These people all work on it collaboratively, and we completed it. It's awesome. Our emergency department, our shop, our manufacturing, factory, it's better because of it."

Ron: Outside of suggestion system, let's say that we have a leader of people listening to this podcast right now and they're curious about how to better engage their front-line staff. What are some practical pieces of advise you could give to that person?

Greg: To answer that question, what's the most practical thing you can do, Mark Graban and I gave a webinar on your's Gemba Academy Webinar Series. I believe it was back in November.

What we did was we talked about 25 leadership behaviors that leaders can do, whether that leader is a middle-line manager or a senior leader or a C-level leader, things that they can do and start doing a discipline of that behavior.

Which will ultimately translate into promoting a culture of continuous improvement. I think that the easiest one to think of is simply to ask everyday all the time, to make sure

that every single front line staff are extremely that their ideas and their contribution is valued.

There's about 24 other different characteristics on that.

Ron: Give me a couple more. Not everyone have seen that webinar. Can you think of a couple more? I obviously can't go through all 25.

Greg: Sure, sure. Another one that I really love is have an example. Don't just ask for them, give an example. As a leader, if you're asking people to think about continually improving, you should be doing action as well. I love the example of the manager carrying around her key chain.

On her key chain, she had identified each one of her keys with one of those plastic colored cylindrical identifiers in keys, because she realized that it would take her four or five or 20 seconds every time she was having to unlock her office or another door, because all the keys look the same.

That was literally a 25-cent solution that saved her several minutes everyday. Giving that simple example to people when you're asking for that type of feedback and that type of contribution from your front line staff can really make a world of difference.

Ron: Let's flip the table now. Let's assume that we have a front line, Lean, or Six Sigma practitioner, just necessarily in leadership position, they're front line, and they're listening to this podcast right now and are thinking.

"Yeah, that's great. I sure wish my leadership would engage me or whatnot." Let's just say that they're fighting the fight but perhaps, it's a bottom up fight right now for this individual, and that's just the reality.

Unfortunately, that's the reality in a lot of organizations, as I know, you've probably see. What advise do you have for that person who isn't in a leadership position but is trying to fight to fight? What can they do?

Greg: I'm reading Alan Robinson's book right now, "The Idea-Driven Organization." He quotes numerous studies that show that 80 percent of an organization's improvement potential resides in the front line staff.

If you think about that for a second and you, all of a sudden, wrap your head around that and you think, "Wait. If you're not doing that as an organization, you're leaving out four out of five improvements."

So to speak, that the vast majority of how much better your organizations would be, you're leaving it on the table. I think when you start translating those types of numbers and start showing the impact of what this can do, you're going to start getting some, at least your time from leadership.

Ron: Greg, let's transition now to my favorite part of the show, which we call the Quick Fire section. This is where you get to share your personal thoughts and wisdom, which you've obviously been doing, but now, we're going to focus in a little bit on Greg.
[laughs]

Actually, I'm dropping a new one on you. We didn't discuss this in the pre-interview. This is live Greg here. We lean thinkers, we talk a lot about the importance of respect for people and we've talked a little bit about that already.

Sometimes, when you really try to define what respect for people is, it can be hard. In your opinion, what does respect for people mean?

Greg: Validation is the first concept that comes to mind. When I say the word "validation," in order to validate somebody, it means you had to have listened to a person.

You have to know that they can sense something, but then you've acknowledged that whatever insight or observation or feedback that person gave was valid.

I think oftentimes, when I see patterns from leaders not giving respect, it's because someone says, "What about this?"

They immediately say, "We can't do that because of XYZ," where I think that the respect would've come from simply saying, "Tell me more about why that's a problem or what made you think of those areas in."

Then you're at least starting to get to the root of some of these issues. I think once they've been validated, I think you can start working through, are these things practical or not practical? Off the cuff, I think validation's a really big component of respect.

Ron: I love that. I've asked many people that question, and that's the first validation angle but I think that's so good, it's so powerful. Thank you for that. Greg, what's the best

advice you've ever received? It doesn't have to be related to continue, just the best advice you've ever received.

Greg: That's an interesting one. I think I want to take a different answer on how to answer that. The best advice, I think, I ever received was to read Masaaki Imai's book, "Kaizen." I say that, because it was a pivoting point, if you will, in my life.

I was really going to be an ER doctor. Being introduced to the fact that there are all these improvement principles, the endless body of knowledge that existed out there. It was really an eye-opening experience for me.

It's funny, because the person recommended that I read the book because I was always the guy that was asking, "Why do we do it this way? Wouldn't it be better if we were doing it that way?"

I was doing process improvement even back when I was helping my mom in her tuxedo shop in middle school and high school.

Ron: You were doing Lean before it was cool, huh?

Greg: Exactly. In fact, I think I was doing Lean before they even had the term "Lean."

Ron: [laughs] You're dating yourself now. Careful, careful.

[laughter]

Ron: One thing that just popped in my mind, I don't normally talk to ER doctors who practice Lean. One thing that things.

Thankfully, I'm not sure I've really been in the ER room with needing major work done or anything, thankfully. I'm always struck by how I foresee that process as being pretty lean.

All the tools point at you, so you got people hand these stuff. Isn't it? That's a pretty Lean process, isn't it, just from a process perspective?

Greg: I would say that, that's the movies.

[laughter]

Ron: Like I said, I've never really been in there.

Greg: Emergency departments are, huge opportunities for low hanging fruit. Certainly, when we get things right, things go very smoothly. I didn't make this my life packed, because emergency departments that I have to improve. How does that sound?

Ron: Fair enough, fair enough. Greg, can you share one of your personal productivity habits that others might benefit from?

Greg: I was thinking about this question, and I don't really know of any particular habit I do, per se, but I will tell you one of the things that really makes me anxious are meetings. I try to have as few meetings as possible.

Instead, what I like to do to schedule people are work sessions where we have a fine amount of work that we're going to accomplish during the 30 minutes or 60 minute that we're going to do.

Obviously, that doesn't work well with, maybe, external meetings. Certainly, the external meetings here, there are going to be a lot of communication as the primary "work" that you're doing.

But I think internally, I think shifting your thought process from having a meeting to having a work session has been a real big productivity booster for me.

Ron: I like that, I like that. You've mentioned Mr. Imai's book, "Kaizen," several times, so I'm going to call you on it and say, you're not allowed to use that for this next question.

Greg: Fair enough.

Ron: If you could only recommend one other book in addition to "Kaizen," obviously, related to leadership or continuous improvement, what would it be and why?

Greg: I'm not really one to follow rules.

[laughter]

Greg: I'm going to give you two, just like you asked for one quote. I'm going to give you one book that I finished and a book that I'm currently reading.

Because so far, what I'm reading, I think it's really making it into the top books that are influencing my thought process on that.

One is my co-worker, Mark Graban's book, "Healthcare Kaizen." I think it is just such a strong example of how Kaizen principles, which we all know you came from manufacturing, can be applied in another industry.

What I love about books in general are when they are really practical and they give examples instead of being really abstract. That would be one book I would certainly recommend folks to take a look at if they are wanting more knowledge and continuous improve in healthcare.

Then the other book, as I mentioned briefly before, is Alan Robinson's "The Idea-Driven Organization." I just started this book, but it's funny. I'm reading it. Now, it's just discussing it with one of my co-workers. It's almost like Alan has been into what we believe here at KaiNexus.

He's just adding some nice richness to some core beliefs we have here at KaiNexus. For example, the fact that there's actual really good data that shows that 80 percent of the improvement potential in organizations are in the front line staff.

Based on my beginning chapters of that book, I'm going to toss that one out there.

Ron: I'm not familiar with that book. Is he a Lean thinker? Is he just in another part of the productivity niche?

Greg: No, actually. That's other thing. I love when people talk and either just put out a blog post on this or about to, but I love when you see Lean or process improvement or continuous improvement in places that you're either not expecting it or they're not calling it that.

I had the benefit of having a really nice conversation with Alan. While he hasn't mentioned Lean or Kaizen anywhere in the book so far that I've gotten to, and I'm just at the beginning of extremely knowledgeable and process improvement in Lean and Kaizen.

I think when you can talk about these things without talking about them, it really shows a mastery of a topic. I think that's going to be a key for a lot of organizations to really focus on the action and the concepts versus terms and definitions.

Ron: That's one of the goals of this podcast. So many people have access to podcast. I hope there's someone listening right now who has no idea what this Lean stuff's all about or Kaizen or anything like that. They're interested in making things better, their life better, their business better.

Having a better time at work, or even their personal lives. I think that's the problem we Lean thinkers sometimes fall into. It's such a small little part of the world when you think about it that there are so many other people out there that need this.

Greg: That probably have some of these natural tendencies, but if they were exposed to this body of knowledge, they would be able to just rapidly accelerate their natural tendencies.

It's like finding someone that has a talent to run, putting them with a trainer that can really teach them how to run, that huge boost.

Ron: The last question I have for you, Greg, is this. Imagine that, I don't know, you sold KaiNexus for \$1 billion down the road and now, you're looking for something else to do.

You've been hired as the general manager of a company, and this company is struggling with quality, productivity, poor morale. They're really a mess.

You are hired because, obviously, of your continuous improvement experience and background. The CEO that hired you, he's given you complete operational control, full P&L responsibility, and trust you to ride this ship.

With this said, Greg, what would your first week on the job look like? What would you do and why? You got \$1 billion in the bank, so don't worry.

[laughter]

Greg: I'm not sitting on the beach?

Ron: No. That's too boring. You need the action, man. You need the action.

Greg: This is fortunately one of those one due you gave me an opportunity to think about. As I was visualizing what I would do, I was finding myself not sitting in the office at all and going out and not necessarily interviewing people.

But certainly going and informally having conversations with folks. That might have a little bit to do with that respect, but I think the best way to influence people is first to get to know who, and what is going on.

I think by going in, and talking to the CEO, and talking to the administrative assistants, and talking to the people that are doing the work on the front lines for whatever the company is.

And getting to know them, they're going to start really quickly talking to you about what barriers they're having in doing their job, and what problems they're experiencing.

I think once you develop that respect you can start saying "OK, well I see where we're at now folks," and that probably isn't going to be in week two.

But you'll probably be doing quite a bit of that at the beginning before you're really able to, from a meaningful place I think, improve, or help that organization.

Ron: Then you get to practice your validation exercise again, right?

Greg: Exactly.

Ron: Love it. All right Greg. Thank you so much for taking the time to visit with us today. I know you're super busy.

Why don't we close the show with you sharing some final words of wisdom, and then why don't you tell everyone how they can get in contact with you via social media, or really any other way?

Greg: Absolutely. Closing thoughts are I always cringe whenever I hear people say "We're too busy to think about continuous improvement," so I would always just give people pause whenever they make that comment.

There is no better time than today to start improving what you do because the ultimate cycle that folks who say comments like that are in is that they're just going from fire, to fire, to fire. We'll never be able to start putting out fires by simply going to fires, or preventing fires I should say.

That would be my comment. Start improving today, and the best way, and the easiest way to improve is to open up the potential of your front line staff by engaging them.

Anyone that wants to reach out to us, there's a ton of information on our website about what we do, which is kainexus.com, and that's spelled K-A-I-N-E-X-U-S.com. My direct email address is greg@kainexus.com, so just simply G-R-E-G-@-K-A-I-N-E-X-U-S.com

Ron: Now are you a Twitter guy Greg?

Greg: I am a Twitter guy. I just started tweeting, and it's been a lot of fun. What's interesting about tweeting that this will be the first time I'm verbalizing it, is it really helps me refine my thought process because you only have 140 characters.

Ron: That's why kids are so good at it, because they're like C, the letter C, U, the letter U. They get all these words in with just single letters, right? [laughs]

Greg: Exactly. My Twitter is Greg H Jacobson.

Ron: We're going to have all this information in the show note, and everybody can listen to the outro here that we'll record after, and we'll tell you the episode, and where to go to find all these links to Greg's information. Again, Greg, thanks again.

Hopefully we can do this again. I know we've got some webinars coming up with you guys. Everyone can go to gembaacademy.com, and check out our webinar schedule. Greg, and Mark, and the KaiNexus team do awesome webinars, so check those out.

All right, Greg. It's a Friday here when we're recording this. Have a great weekend, and we'll talk soon.

Greg: Thanks so much for having me. It was a lot of fun.

Ron: All right.

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