



DISCUSSION SESSION PAPER

Session 7: Challenging management conventions in business and government, with practical presentations from two experts

Part 1: Stuart Ross, Ross International

Making an impact on the Scottish Economy

An article by Terry Murden in Scotland on Sunday, March 2006, billed me, Stuart Ross, as “The man who would save Scottish industry”. His comment was based on the results we had achieved with various SMEs and multinational companies, preventing some of them from following others to China. [See copy of original article attached].

Since the article was published we have:-

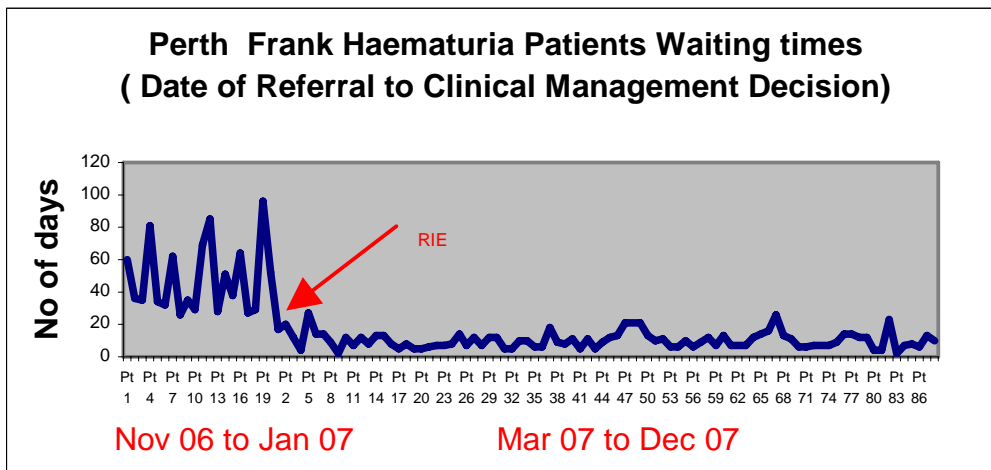
- worked with a passenger group rail operator to speed up train maintenance turnaround times while simultaneously improving the quality of the rolling stock before setting it back on the track
- helped a logistics organisation, with depots across the UK and Ireland, to increase the efficiency of their warehouse operations
- trained facilitators in CIBA Speciality Chemicals in Paisley and helped them increase productivity, improve the working environment and made big reductions in energy costs
- helped Coilcraft in Cumbernauld make the transition from being a manufacturer to a sales and service operation through the introduction of the Kaizen way of thinking
- started training facilitators for an oil and gas company

However, improving the Scottish Economy is about more than improving the performance of private sector organisations. Many of the people in Scotland are employed by Local Authorities and the National Health Service.

Much of our growth has come from the NHS and local authorities keen to follow on the success of our work with Aberdeenshire Council. What we have always believed and have now had a chance to prove is that the same people-centred improvement approach, based on the Lean principles established by Toyota, works just as effectively in the Public Sector. The approach and the principles used are exactly the same.

In the manufacturing world the approach is called a Kaizen Blitz. In the NHS many people prefer to call it a Rapid Improvement Event (RIE). With the Scottish Government’s help several NHS Health Boards have piloted the RIE approach and have seen the immediate benefits for the staff, the patients and the hospitals.

NHS Tayside won the Scottish Health Award for Innovation and Improvement last year based on our first intervention with them. They introduced a one-stop-shop for urology patients with worrying symptoms (blood in the urine) and dramatically cut their waiting time.



The NHS world is exceedingly complex. It requires more of everything to achieve results but this is balanced by the increased satisfaction from having an immediate positive impact on the lives of the patients and those that do their best to care for them.

In Perth and Kinross Council we tackled planning applications. They now have a fast-track system for “simple” applications, have cut the amount of applications awaiting attention by 1/3rd and are processing 16% more applications with the same staff.

Another event in P&K was on the repair of road defects. The old system, with the council carrying out inspections then passing instructions to the subcontractor, gave rise to problems and delays. A multi-level, multi-disciplinary, multi-organisation Kaizen team of 18, facilitated by Ross International, surfaced all the problems, designed a new way of operating and had it accepted by their colleagues over the course of an intense week.

In the old system the repair teams were constantly interrupted by instructions to stop what they were doing to make emergency repairs. The new system allowed the squads to work uninterrupted while new “find and fix” squads (formed from the same resources) deal with the emergencies.

Now, instead of waiting around to be told what hole to fill next the new “find and fix” squads are out looking for defects and fixing them before they even get reported! The emergency response target of 100% is still being met. The target for completion of the core work is 80% and the actual performance has leapt from 93% to 99%. The new trucks are jointly branded with Perth & Kinross Council and Tayside Contracts logos side by side and the operators have a much greater sense of pride in doing the job they helped design.



“There is no doubt that the Kaizen process has focused everyone on the same goals. The find and fix squads have bought into the process and now work efficiently meeting the Council KPI's and complete other unrecorded defects at the same time which all goes towards giving a better service to the Council tax payer”. – Dave Gillies, Area Works Manager, Tayside Contracts (Partner)

The public has noticed a difference already.

“I, like many others am very quick to criticise our various departments when they don't aspire to our expected standards, therefore in fairness, we must commend them when they do.... Well done to all who played their part so speedily and efficiently” - John K. Harris, Perth

Ross International approach

We at Ross International are passionate about spreading awareness of our achievements in bringing about major improvements in the public and private sectors in Scotland. If people do not know we are here and the benefits we can help them deliver then everyone loses. Our Rapid Improvement approach delivers better service for customers, a better working environment for those in the process, better bottom line performance for the organisation and, if enough people get on board, can create better outcomes for the Scottish economy.

We operate a Business Resultancy. As the name suggests our approach is very much hands-on and focused on delivering bottom line results for the organisations that adopt it. Over the past 10 years we have developed an improvement formula that always works. We have focused our business on developing client organisations to become self-sufficient in driving improvement. The people we train go on to train others and deliver many more events than the 4 or 5 we need to train them. This strategy allows us to punch well above our weight.

We started out applying our approach in electronics manufacturing. In parallel we seized on opportunities to demonstrate that it could work anywhere you

have people working in processes. They all have exactly the same challenges no matter what sector they are in.

Variations in the approach are of course required. Each sector needs to hear examples they can relate to in order to be convinced that it will work for them. Scepticism is alive and well in all corners of Scotland (and beyond). We thrive on creating winning situations that convert the sceptics into enthusiastic supporters.

The basic principles behind what we do come from the Toyota Production System described as Lean Thinking by Professor Dan Jones in his book of the same name. Awareness and application of these Lean principles and the way of thinking that goes with them always seems to enable staff to make dramatic improvements in the processes they work in.

Accreditation - Professional Development Route for RIE facilitators

We are in the process of developing a qualification for people who go through our facilitation programme. This is in response to demand from the Scottish Enterprise Improvement Network Forum, from others who have been through our programme and from other interested parties. We also have 2 MSP's and the Chief Executive of Investors in People Scotland encouraging development of the programme.

We are working with Napier University, The Institute of Leadership & Management & ibp academy (our training provider) to develop this qualification. We are going to go beyond what was originally requested and develop a route to professional qualifications.

Meeting the requirements of the Ross International Facilitator Training Programme will enable people to gain accreditation from ILM which will be accepted by Napier University as being worth 60 points (of the 120 points needed for a Post Graduate Diploma) and allow entry to the Napier University led Post Graduate Diploma in Leading Rapid Improvement.

Completion of a Post Graduate Diploma will allow access to the Napier University MSc in Leading Rapid Improvement. The Ross International material will be credit rated by Napier University during February/March 2008.

The new programme will be launched, by all parties involved in its development, at the Public Leadership Conference, SECC on 22nd April 2008.

The outcome will be a route for Ross International trained RIE facilitators to be accredited by ILM before going on to take a Napier University led Post Graduate Diploma in Leading Rapid Improvement.

Company history:

We formed the company in the summer of 1998 in Bearsden, Glasgow. In 2007, in recognition of the shift in our client base, we decided to move nearer the seat of government. We now operate from an office in Edinburgh Park.

At the outset Ross International developed a clear operating philosophy based on ensuring complete customer satisfaction. Ten years on we have never had a bad debt, we have a no risk guarantee and through recommendations alone the business grew 80% last year and looks set to do the same next year.

Our first big contract was with IBM in 1999 and this recognition helped generate business with other electronics manufacturers. In 2001, in the interest of diversification, we created an opportunity to enable us to facilitate the first Rapid Improvement Event in the Public Sector in Scotland. This took place in the Scottish Executive (as it was then). The success of this event led to Aberdeenshire Council having Ross International train facilitators in the council. The Aberdeenshire successes were recognised in a Government Study into Lean in the Public Sector and the positive outcomes encouraged other public sector and health sector organisations to try it.

In parallel with the initial slow growth in the public sector the private sector side continued to expand. In 2001 we developed our training approach to enable it to be accredited by the Institute of Leadership and Management. The first clients that experienced this new product (Aggreko and Cameron House Hotel) went on to win National Training Awards for the skills transfer and the results demonstrated. From its electronics roots the client base gradually widened out to include light & medium engineering, food & drink, plastic moulding, warehousing, logistics, rail, pharmaceutical and finance.

The public sector growth is no longer slow. A growing band have seen the benefits with their own eyes and, especially in health boards, are keen to build their own capacity to drive further improvements in patient care, productivity and quality of work life for their staff. The private sector growth has been from the new areas of passenger transport, logistics, pigment manufacture and oil & gas production.

Virtually all of our work now, in all sectors, involves training others to become self-sufficient in facilitating Rapid Improvement for themselves.

BIO for Stuart Ross, MD

I am the Managing Director and Principal Resultant of Ross International. A Resultant is a Consultant with his sleeves rolled up and focused on delivering results for their clients. I am driven by a need to achieve outstanding results in circumstances many others would find impossible. In 1998 after many years of continuous, secure employment with American multi-national electronics companies, I started Ross International. The fact that my hearing

was rapidly deteriorating was part of the challenge! Now I am profoundly deaf in both ears and dependent on advanced hearing technology.

I was one of the pioneers of Lean thinking in Scotland. I started by helping many household name manufacturing organisations engage their workforce in improving their performance. I then set about applying myself to driving improvement in the public sector. I started with local authorities and I am now a leading practitioner of Lean in the NHS in Scotland with demonstrated success in several health boards.

I have a can do attitude, am passionate about what I do and want to train as many others as possible to be able to do Lean for themselves. In this way I hope to maximise the positive impact Ross International can have on the people of Scotland and, through them, maximise the impact on the Scottish economy.

In Charles Handy's book "Myself and other more important matters" he tells the story of a farmer well into his seventies who, when asked what he was now doing replied "The same only slower. Why would I do anything different? It's what I love". I feel the same way.

The man who would save Scottish industry

TERRY MURDEN, Scotland on Sunday, 12th March 2006

WHEN the call came from hole-in-the-wall company NCR, it looked like the Larkhall plant of Rosti Technical Plastic was about to become the latest victim of the drift of manufacturing work to China.

NCR believed Rosti's components were too expensive and that it could have them made in China at a fraction of the cost. Jobs were on the line and another bit of Scottish manufacturing looked as if it was about to bite the dust.

But Rosti's management had other ideas. They had heard about Stuart Ross, a veteran of the Japanese working practices of kaizen ("continuous improvement") and lean manufacturing. Ross had been working at multinationals including Hewlett Packard, Digital and Polaroid where he had become a convert to the principle of stripping out waste and improving the way companies operated.

Now running his own business and gaining a reputation for results, Ross was brought in to offer Rosti a route to salvation. He got to work and within weeks had come up with a means to improve productivity by a massive 70%. While Rosti's other plants in England and Wales suffered cutbacks, the work that NCR wanted to switch to China stayed in Scotland.

Ross, 60, is emerging as a messianic figure in Scottish manufacturing, an expert in improving company processes and the way people work to the point where he is now advising even the biggest corporations and grabbing the attention of the government as the search for cost-efficient working moves up the agenda.

He reckons, even by his own modest estimates, to have saved Scottish industry more than £10 million - a sum that grows as the annual savings accumulate - and to have kept hundreds, if not thousands, of Scots in work. The results of his endeavours speak for themselves and have encouraged those who have worked with him to describe him as the saviour of Scottish industry. A close examination of what he has achieved suggests there is some truth in it.

Henry Technologies was a struggling manufacturer of components for refrigeration systems on the Hillington Industrial Estate near Glasgow when it announced that job losses appeared inevitable. Ross was brought in and implemented his programme. Within weeks the company saw a 150% improvement in productivity. The firm cut the cost of its main product by 15% and the delivery time from six weeks to three days. Salesmen previously hindered by this long lead time were able to tell customers they could have the parts installed that same week and at a lower price.

Within 10 months the firm saw a 125% increase in sales and went from threatening to fire people to hiring them. No extra finance was raised, it all came about from a reorganisation of how the firm operated.

Peter Hughes, chief executive of Scottish Engineering, the trade association for the country's manufacturers, said he could not praise Ross highly enough for what he was doing. "He has done a hell of a lot of good, quite amazing. He is making a significant impact."

Last week, during a break from his latest seminar at the Beardmore Hotel, Clydebank, Ross modestly recounted his experiences and how he operates as a self-styled "resultant", rather than a consultant, as it describes the end rather than the means.

His grandly titled company, Stuart Ross International, turns out to be its own model of efficiency with just himself and one fellow "resultant", Richard Steer. His wife and son do all the administrative and internet design work. But that's it: four desks in a modest office in Milngavie on the outskirts of Glasgow from where he is implementing a programme now regarded as a vital component in the survival of Scottish manufacturing. He is getting results on a turnover of £250,000. So much for Scottish Enterprise's £500m.

All the more surprising is that Ross is profoundly deaf, a result of the side-effects of drugs he was taking for asthma. He communicates via an electronic device worn around his neck that is connected to two titanium studs drilled into his skull. The disability means that he requires a lot of microphones and cables in order to hear what is being said, but it has had no adverse effect on the message he conveys.

Some of his 70-plus clients have been back for more than one session and include some of the world's biggest firms - some that may have thought themselves to be already among the most efficient. He worked with IBM's continuous improvement manager, who was sceptical that he could achieve a 50% improvement in one particular area of activity. "He was stunned by what we achieved and the dead bodies we recovered," says Ross. "Before you knew it, the place was littered with dead bodies."

Ross says his philosophy is based on "doing more for less", stripping out waste and improving the way people work. "It is not just about productivity, but predictability, speeding things up, making things flow smoothly."

He involves employees in reorganising how they do their jobs, asking them to identify problems and how things might improve. It means asking what the customer wants and how best it can be delivered. "You look at the processes involved and usually they are not very good. Wherever you go, usually people are working with processes that have been imposed on them. When you give them a chance to look critically at how they are doing things and how they might do them differently, the results can be amazing.

"The other thing is that improving the way people work makes them enjoy their work. They often know what is wrong and what is broken, but they don't have any opportunities to make changes. So things stay as they are.

"You also find the same things coming up from different clients. We had a man from IBM listening to the problems at the Benefits Agency and he said the pressures, the inadequate processes and other problems were the same as the ones they faced."

Ross says his passion for improving organisations comes from a personal drive "to make things better". Some 30 years with multinationals included a spell as total quality master at Digital in the early 1990s when he was part of a team sent out to the US to apply the kaizen and lean manufacturing principles to build a jet engine. Instead of the usual 104 hours it took 26. "It was life-changing," says Ross.

Toyota claims to have developed the principles after the war and Nissan adopted them, introducing the concept of minimum waste and maximum efficiency to its new plant in Sunderland in the 1980s at a time when the British car industry was plagued with over-manning and underperformance. Kaizen and lean manufacturing are similar in concept, while Six Sigma, another "efficiency model" is driven more by technical improvements. Companies such as Weir Group in Glasgow and Bosch in Kirkcaldy have adopted one or other as a means of driving out waste and improving productivity.

Ross will be working closely with the Scottish Executive's new Scottish Manufacturing Advisory Service, which aims to send teams of experts to struggling companies to help keep them in business. He made an immediate impact at the launch conference at the Dunblane Hydro in November, with 10 of the delegates signing up as clients.

The Executive was so impressed with a session given by Ross to its managers that it asked for another and made a video to promote it to staff. Tom McCabe, the finance minister, has taken a keen interest, particularly after seeing the results of work that Ross did with Aberdeenshire Council, which has completed 18 sessions.

The council's planning department wanted to speed up its process. As a result of changes now introduced, the time for processing applications has been reduced from up to eight days to three. In half of cases it takes just one day,

and uses half the resources. There were similar improvements in the social work department, where no jobs were lost, but instead more staff were employed with clients rather than in paperwork.

Warwick Business School is due to publish the results of a survey in early summer into the effects of employing kaizen and lean principles into the public sector. It will include an analysis of the work at Aberdeenshire Council.

Ross says: "Lean thinking can be applied to almost any process, but the key is the involvement of those who actually do the work. I passionately believe that companies, councils and the NHS can make major improvements across all their key measures once they learn how to involve their staff in the elimination of wasted time."

DEVELOPING EQUITY OF SERVICE FOR FRANK HAEMATURIA PATIENTS IN TAYSIDE.

What was the problem?

- One-Stop service for Frank Haematuria (FH) was available in Ninewells Hospital, Dundee, but not provided in Perth Royal Infirmary (PRI) or Stracathro Hospital in Angus.

What was happening in Perth Royal Infirmary and Stracathro Hospital?

- Ultrasound and IVU slots could have been available on same day as cystoscopy but patients were scheduled to attend on three separate days.
- Delays with vetting Patients waited up to 96 days to receive clinical management decision.
- Consultant repeatedly reviewed notes. Uncoordinated and time consuming process with duplication of effort between urology office, medical records, urologists and radiologists e.g. up to 10 letters generated per patient and telephone requests for patient notes limited to 3 sets per day.

How was this identified?

- Process Mapping which highlighted duplication of procedures and areas to be fixed.
- Demand, Capacity, Activity and Queue studies.
- Collection of patient and staff stories.

How did we go about fixing the problem?

- A multidisciplinary team of 16 people, who represented the FH pathway, attended a Rapid Improvement Event (RIE) from 5th – 9th February 2007. Using Lean methodology the Team designed a new process to improve the patient journey. This was then discussed with all sites in order to gain acceptance and was subsequently implemented.

Goals of the Rapid Improvement Event

- Develop a One-Stop Service for Frank Haematuria across Tayside.
- No patient will wait longer than 9 weeks for a flexible cystoscopy.
- Develop agreed procedure for daily vetting and booking of ALL urology referrals in Tayside.
- Meet the 18-week refer to clinical management decision target for ALL urology patients in Tayside.

Feedback during the week

"It took 9 months to set up this service in another hospital and we have done it in one week!"
Consultant Urologist

"I only have to wait 1 hour between tests rather than weeks!"
Patient

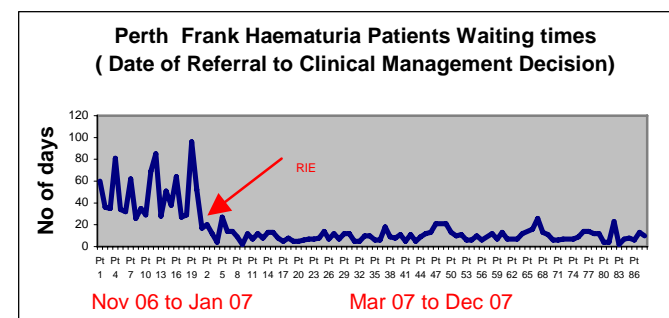
"I will no longer have to apologise to patients for providing a disjointed service."
Consultant Urologist

16 weeks into RIE Follow-up

🗑️	One stop service for Frank Haematuria (FH) patients referred to Perth Royal Infirmary started on 5 th March 2007.
🗑️	Average waiting time for FH patients to receive Clinical Management Decision reduced from 48 days to 11 days.
🗑️	One stop service for FH patients referred to Stracathro Hospital, Angus, started on May 15 th 2007.
🗑️	Consultant daily vetting of ALL referrals.
🗑️	Tayside Standardised procedure for appointing FH patients.
🗑️	2 letters generated per patient instead of 10.
🗑️	Generic Tayside Information Sheet for FH.
🗑️	Daily delivery of box of patient notes to urology office.
🗑️	Urology secretaries able to book patients electronically.
🗑️	Urology Secretaries have electronic access to Radiology results.
🗑️	New improved signage in place between Radiology Department and Day Surgery Unit.

How is the change sustainable?

- Strong Clinical Leadership taking responsibility to sustain change.
- Staff feel empowered as they have been involved in the implementation of the new process.
- Clerical staff ensure the clinic is running to capacity and re-book cancelled slots.
- Continual monitoring of waiting times and regular feedback regarding performance.



Benefits to Patients

- Shorter pathway end to end.
- Patient receives appropriate treatment more quickly.
- Patient less likely to get lost in pathway.

Benefits to Staff

- Less duplication of work.
 - More patient centred environment.
 - Less chasing of patient notes and results.
 - Ownership and pride in new process.
 - Less disruption and interruptions.
 - Predicted saving of up to 3 hours of secretarial time per week.
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Contact Details

Mr Chris Goodman, Consultant Urologist
chris.goodman@nhs.net

Mrs Sally Wilson, Project Manager, Diagnostic Collaborative.
sallywilson@nhs.net

RIE Team Members: Anne Dunbar, Kenneth Fowler, Chris Goodman, Paul Halliday, Harriet Hughes, Marilyn MacDougall, Joan McKenzie, Betty Morrison, Doreen Ptak, Mark Rahman, Allison Robertson, Lorraine Stewart, Chris Stirling, Margaret Taylor, Dawn Sturrock, Sally Wilson.

