

Welcome

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Master Black Belt, Blue Shield of California

Past Director, ASQ Region 6b

*2012 Anaheim World Conference on Quality & Improvement
(Innovation Life Cycle: a Hands on Simulation)*

Previously

Sr. Principal, Enterprise Transformation, Delegata Consulting

Mattel Innovation Master, Global Supply Chain, Mattel Inc.

Sr. Analyst, Product Life Cycle, Disney Consumer Products

Product Development, Positive Impact Consulting

Why did you
choose to be at
ASQ + specifically
this section?

What would
you like to get
out of this
session today?

What happened in 2014?

**2014 Service
Recovery**

“Sign Me Up Transformation”

Crash and burn

Talent first management

**Health Care
Reform**

**Fraud, Waste
and Abuse**

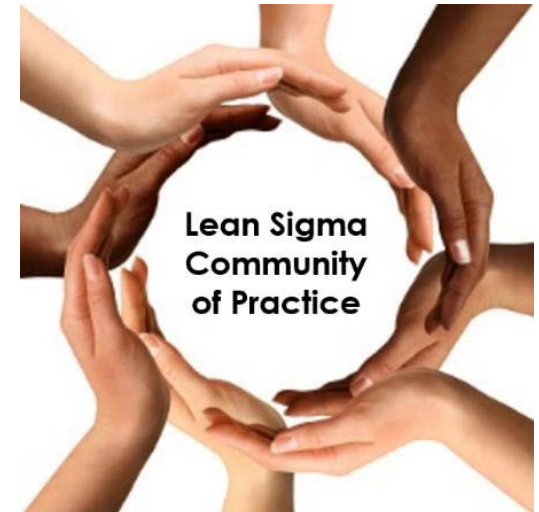
**Executive
Changes**

Lean Sigma at Blue Shield of California

“WOW....First time ever Blue Shield is offering end to end Lean Sigma training....and the price is right {free}.”

Lean Sigma Community Update

Lakshmi Balaji
Cohort 1 participant



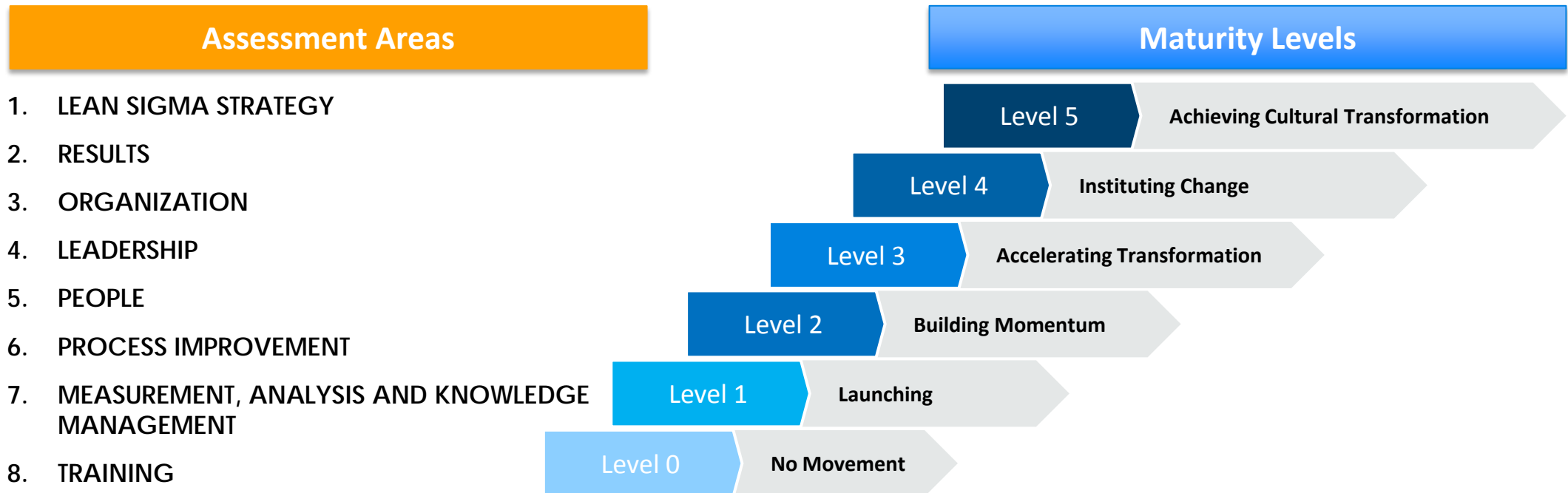
blue shield of california
lean sigma community of practice
**Maturity and Benchmark Assessment
Key Findings and Recommendations**

May 2016

Methodology – Overview

Purpose: Assess the current Lean Sigma Community of Practice methods and processes based on input from key stakeholders across the Community of Practice as well as against external benchmarks. Maturity is indicated by a particular "Maturity Level".

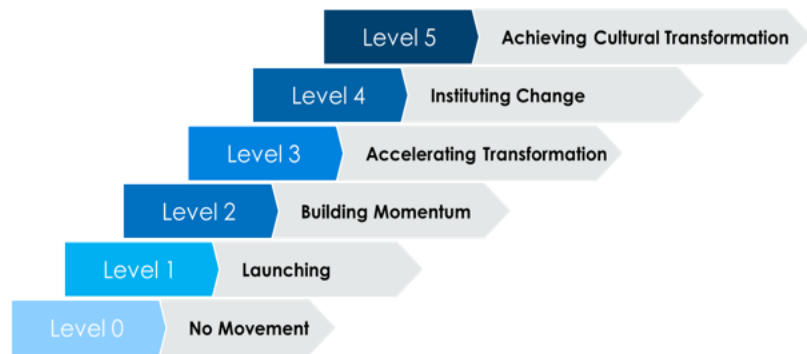
The maturity level provides a consistent set of questions to key stakeholders across the Lean Sigma Community of Practice requesting their feedback relative to the following assessment areas and maturity levels:



2016 Assessment Executive Summary

On a scale from 0-5 the results show maturity levels ranging from 1.5 to 2.06 across all eight areas. The data indicates the Blue Shield of California is at or slightly above the expected maturity of a newly launched Lean Sigma Community of Practice. To develop further, the organization will need to establish a plan to improve upon all eight areas.

Average Maturity Level Rating	
STRATEGY	1.76
RESULTS	1.68
ORGANIZATION	1.59
LEADERSHIP	2.06
PEOPLE	2.00
PROCESS IMPROVEMENT	1.56
MEASUREMENT	1.50
TRAINING	1.53



Methodology – Survey Outreach

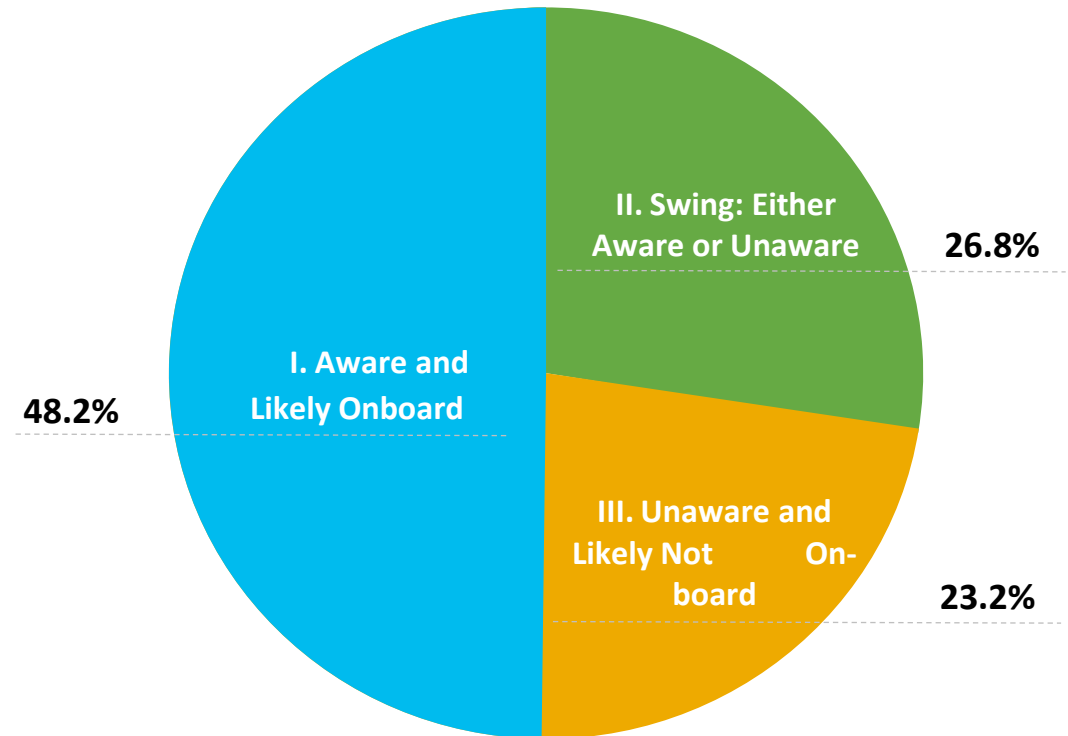
In order to get a diverse set of responses, the outreach plan* includes stratification into the three following groups:

Group	Includes
I. Aware and Likely On-board	VPs/Leadership CoP Core Green Belts in Training
II. Swing: Either Aware or Unaware	Waiting List
III. Unaware and Likely Not On-board	Other Business leaders and staff across functions (outside of program)

To minimize bias, we wanted to have an equal distribution across the three groups, but were not able to, therefore results maybe slightly biased toward more knowledgeable and invested respondents.

Overall, we outreached to 56 individuals to respond to the survey.

Percentage of Outreach Groups who Received Surveys

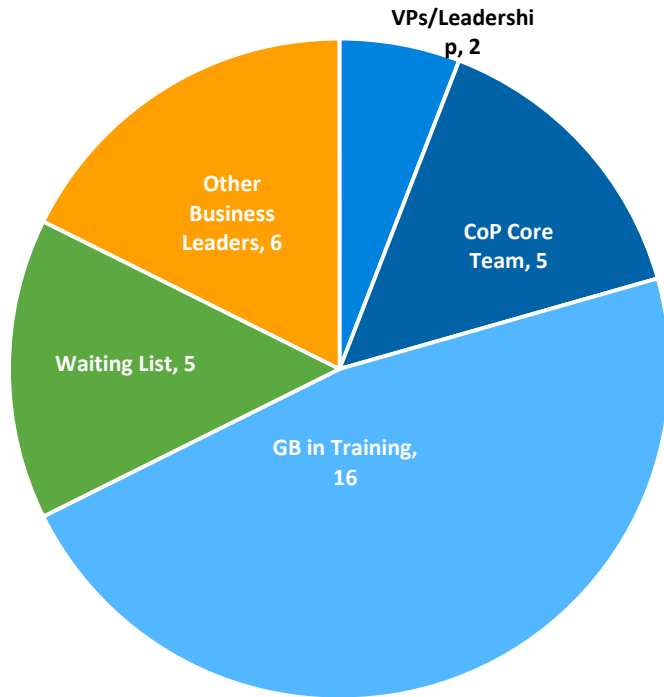


*See appendix for detailed communications plan.

Results - Demographics

Response rate was 60.7% (34 complete* responses from 56 requests).

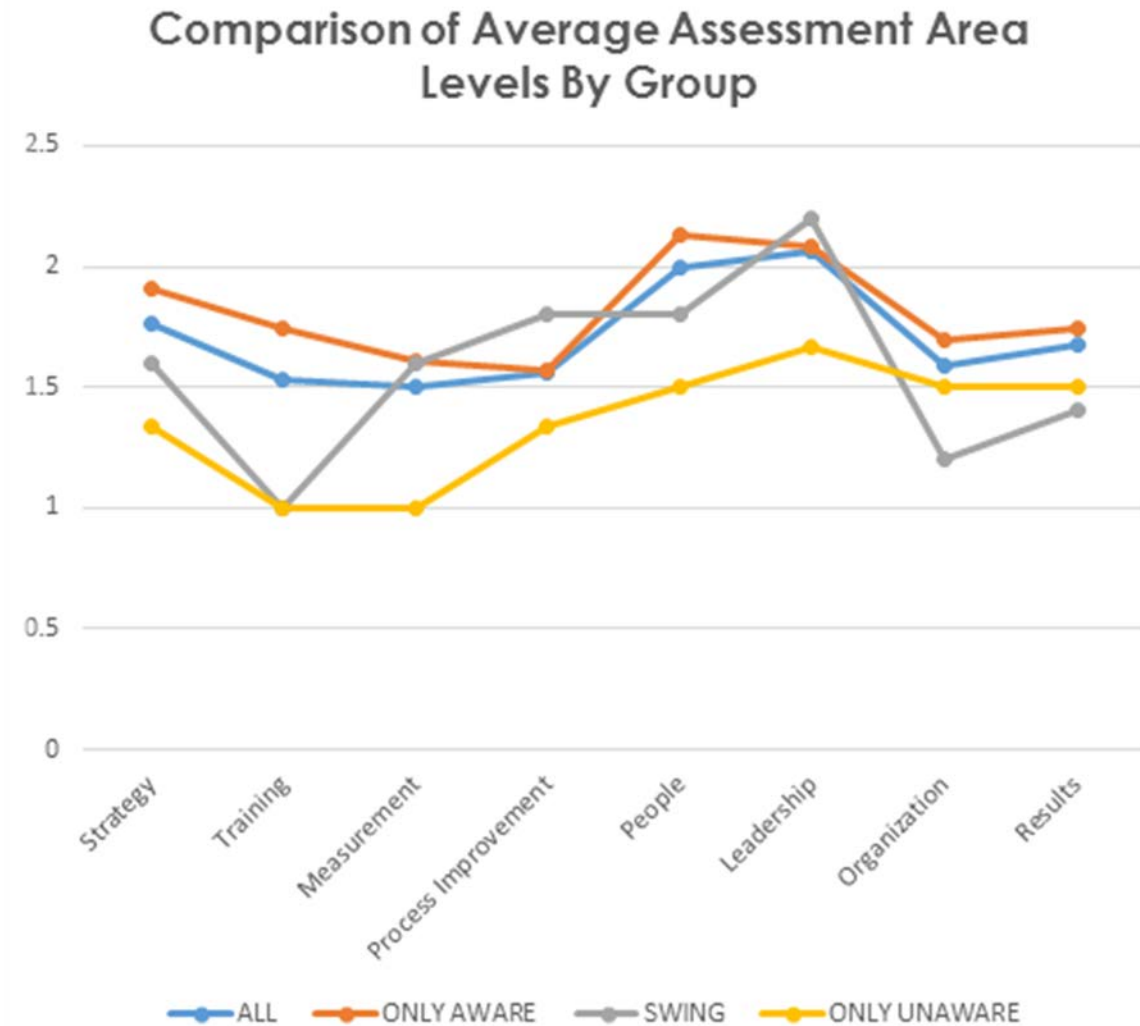
Roles of Respondents



Group	Includes	Outreach	Responses
I. Aware and Likely On-board	<ul style="list-style-type: none"> VPs/Leadership CoP Core Green Belts in Training 	48.2% (27 requested)	67.647% (23 responses)
II. Swing: Either Aware or Unaware	<ul style="list-style-type: none"> Waiting List 	26.8% (15 requested)	14.706% (5 responses)
III. Unaware and Likely Not On-board	<ul style="list-style-type: none"> Other Business leaders and staff across functions (outside of program) 	23.2% (14 requested)	17.647% (6 responses)
TOTAL		100% (56 requested)	100% (34 responses)

Stratification of Responses

Although we did not have statistical significance, the results showed, that **generally the “Unaware” group gave generally lower ratings** and the **“Aware” group gave generally higher ratings** across the assessment areas.



Everything in Context

Roadmaps guide our work in 2017

Our roadmaps lay out the detailed strategies and initiatives that will help us achieve our mission. They are:



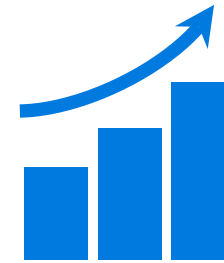
Trusted Advisor



Great Place
to Work



Virtuous Cycle



Growth

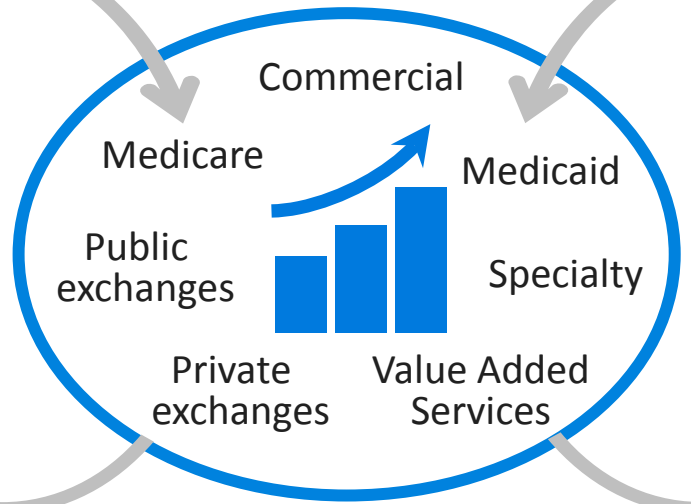
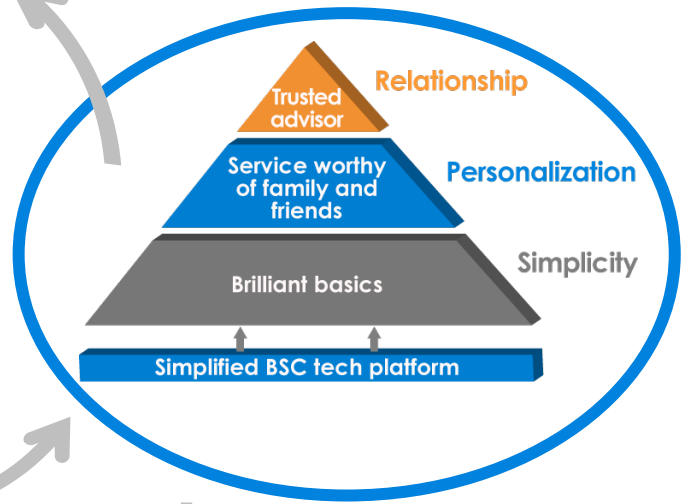
projected solution is relevant to our enterprise vision ...

AFFORDABLE
high-quality health care for
EVERY CA RESIDENT

Drive technically-integrated provider partnerships



Create new business / operating model



Grow membership



Make strategic use of capital

Make Blue Shield a great place to work



How individual goals support our mission

Our mission: Ensure all Californians have access to sustainably affordable high-quality healthcare that is worthy of our family and friends

Long-Term Strategic Goals

Affordability

Market strength

Clinical quality

Customer quality

Great workplace

Access

2017 Short Term Incentive Goals and Targets

Operating income

Membership

Customer experience:
Customer satisfaction

Customer experience:
Digital releases

Clinical quality

2017 Critical Few

Hit our
income target

Hit our
membership targets

Hit all our customer
service targets

Make Blue Shield
a great place
to work

Business/Functional Goals

Line of business / departmental goals

Team Goals

Your individual goals &
behaviors

Executive sponsorship at conception.

What is our vision?

Do you know yours?

“Sustainably affordable
health care for all
Californians worthy of
our family and friends.”

Paul Markovich
(Blue Shield of California President)

Todd Walthall
EVP Customer Experience
(Effectively Chief Operating Officer)

“You are embarking on a journey that changed the trajectory of my career.”

Video Blog for Lean Sigma Green Belt Cohort Session One

Todd Walthall
(Blue Shield of California Customer Experience)

What skills are we developing

Lean begins with ground and low hanging fruits

- First target is all obvious waste, variation, and strenuous activity observed.
- Takes less than 5 days to complete an event

Six sigma starts with bigger impact projects

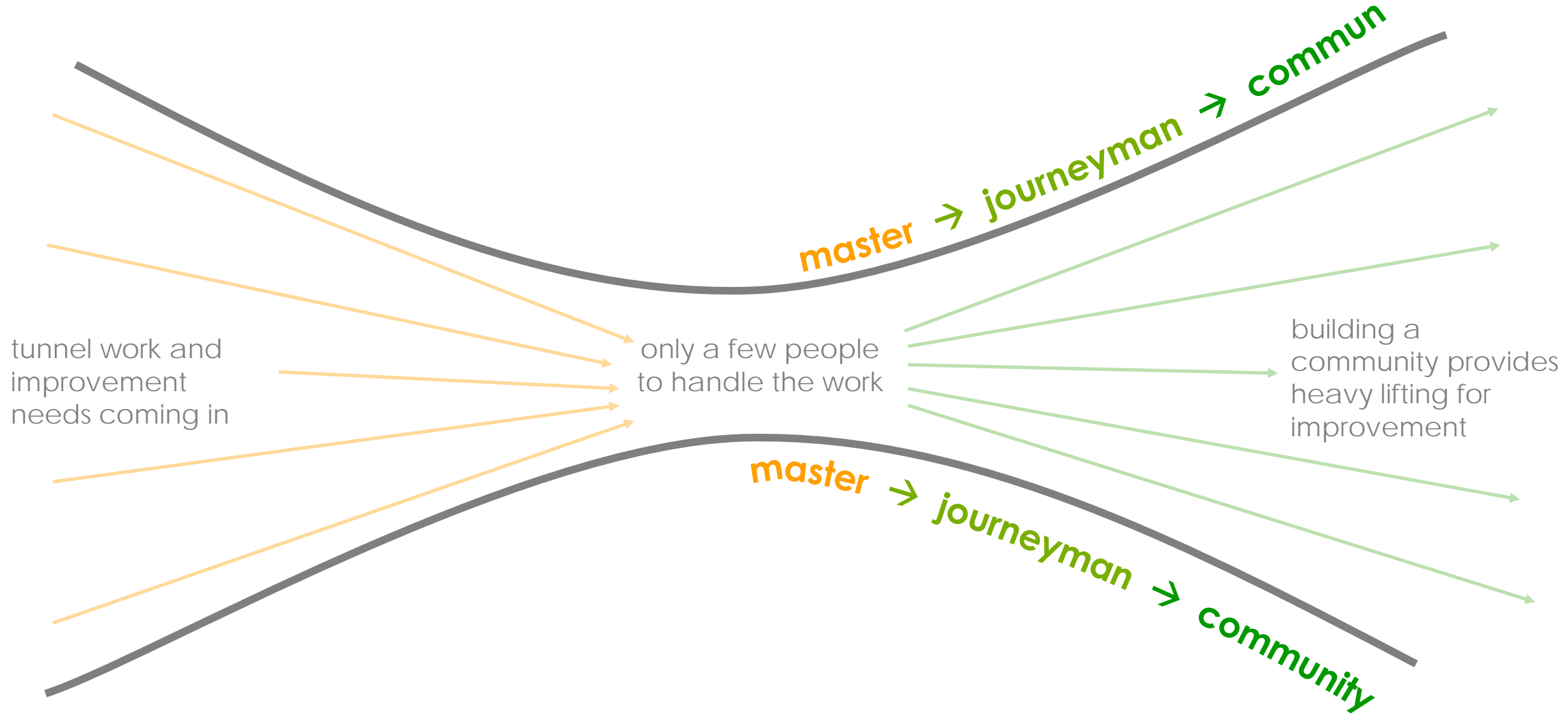
- Normally takes longer than Lean projects
- Typically more data driven

=

Lean Six Sigma

- Systematic process steps with roadmaps
- Data drives the decision not subjective/feelings
- Generates measurable results
- Focus on key metrics

team adoption: what you get with a few masters bpm team

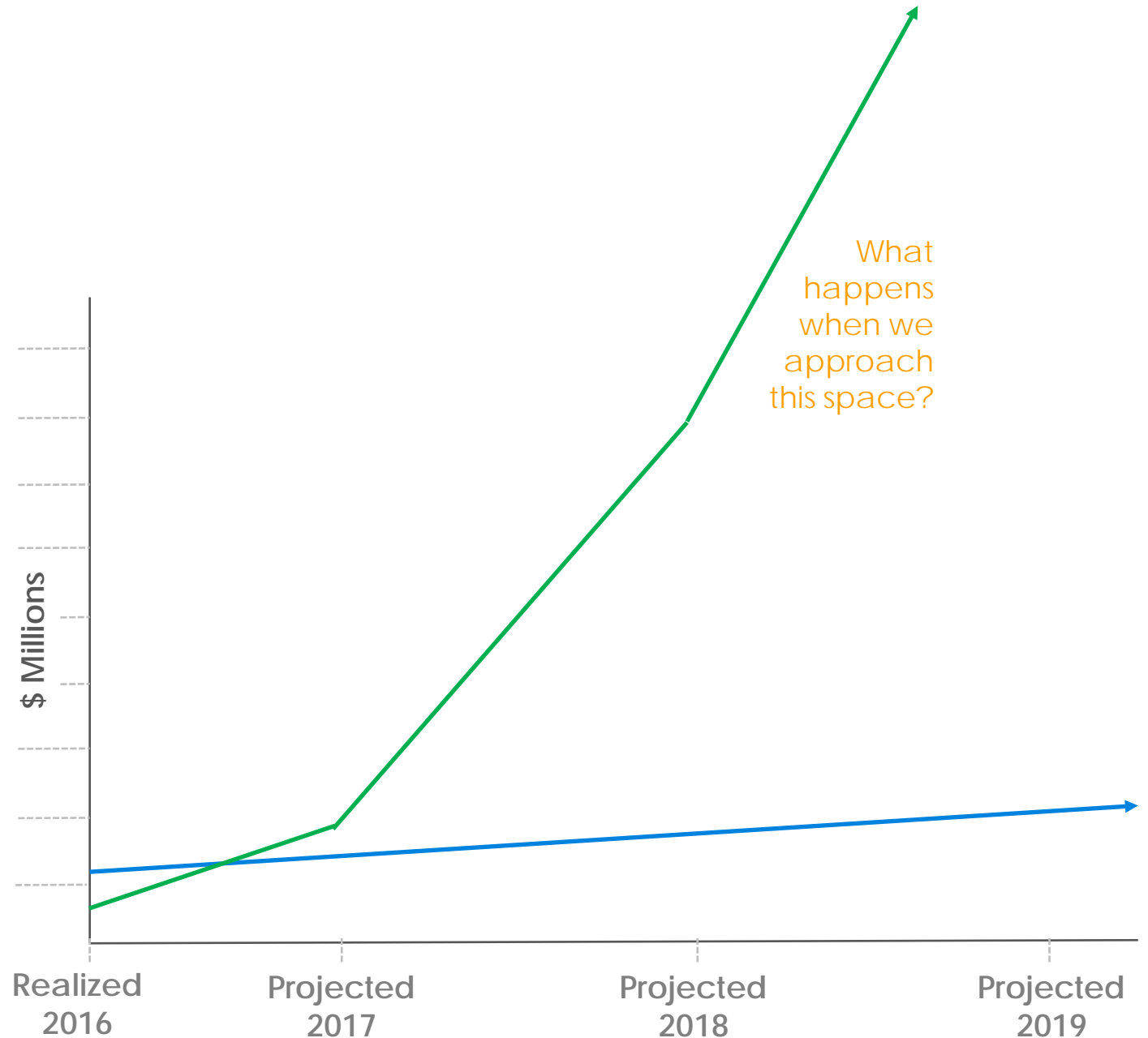


Masters can't do it alone.

	# of "journeyman"	# of "masters"
2016	100	12
2017	300	18
2018	1000	25

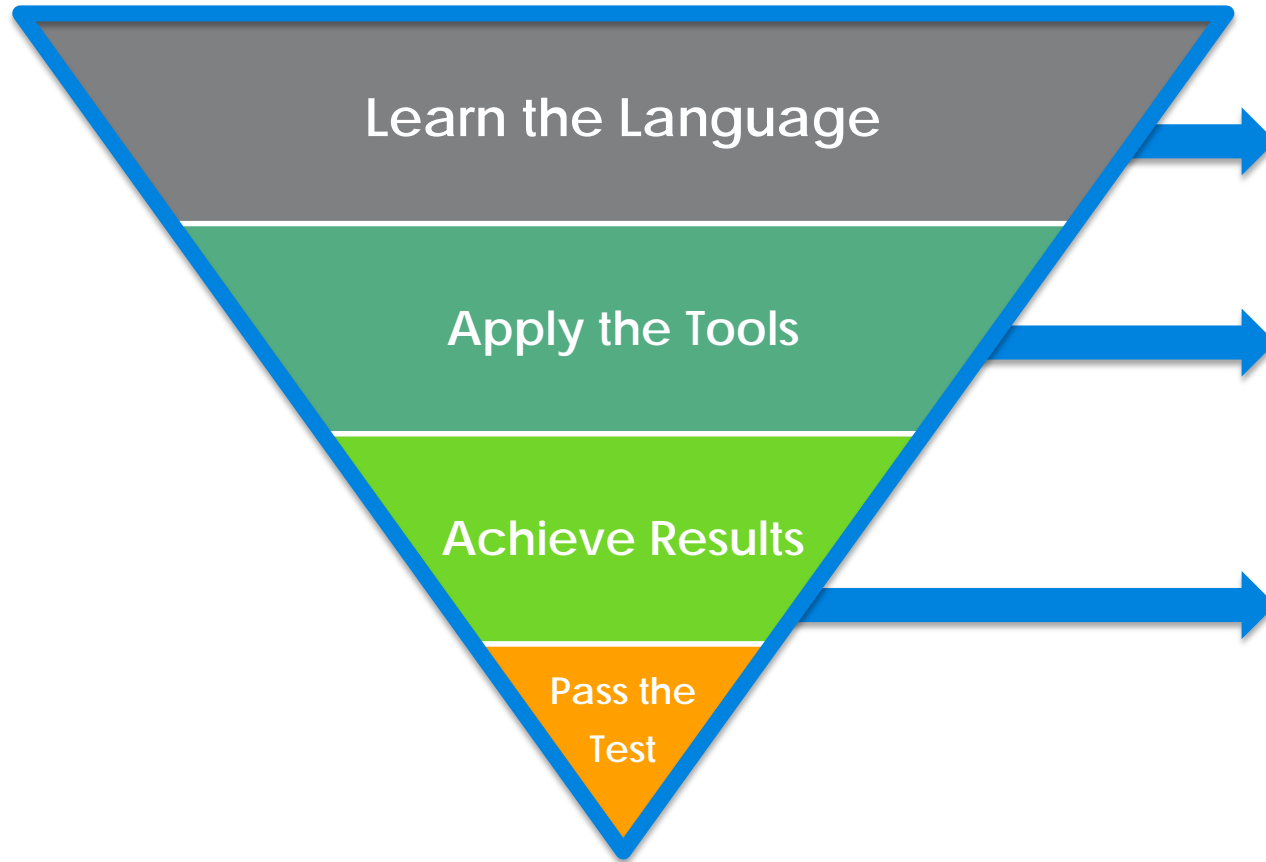
This works.

How many start ups make a single dollar of profit their first year?



Lean Sigma Community of Practice Goals & Objectives

lean sigma CoP



2016 Objectives

- Common vocabulary used for continuous improvement
 - 15-25% Enterprise-wide active engagement in lean community
 - Manager & Leader Training
- Increase # of practitioners:
 - 50-100 Yellow Belt
 - 150-200 Green Belts
 - 7-10 Black Belts
- Standard lean approach for improvement activities deployed across projects
- Support the administrative cost objectives
- Support cost of health care objectives
- No specific goal for American Society Quality certification of Green Belt, Yellow Belt and Black Belt.

company adoption: "work to learn"

bpm team

response

- massive groundswell of desire to join the lean sigma cohorts
- more applicants than the training could accommodate

learning to work 2015

- abstract
- improvement after training
- production stops to train
- struggle to get applicants
 - ~30 combined belts

working to learn 2016

- specific
- bring your own improvement required
- production improves during training
- 12+ full cohorts of applicants
 - **100 yellow belts**
 - **200 green belts**
 - **10 black belts**

2016

- 1 CSSBB, 6 in pre certification projects & studying for CSSBB
- 1 Master Black Belt
- 20+ CSSGB, Study groups in past had **80% pass rate**
- **150 on CSSBB cohort waiting list**

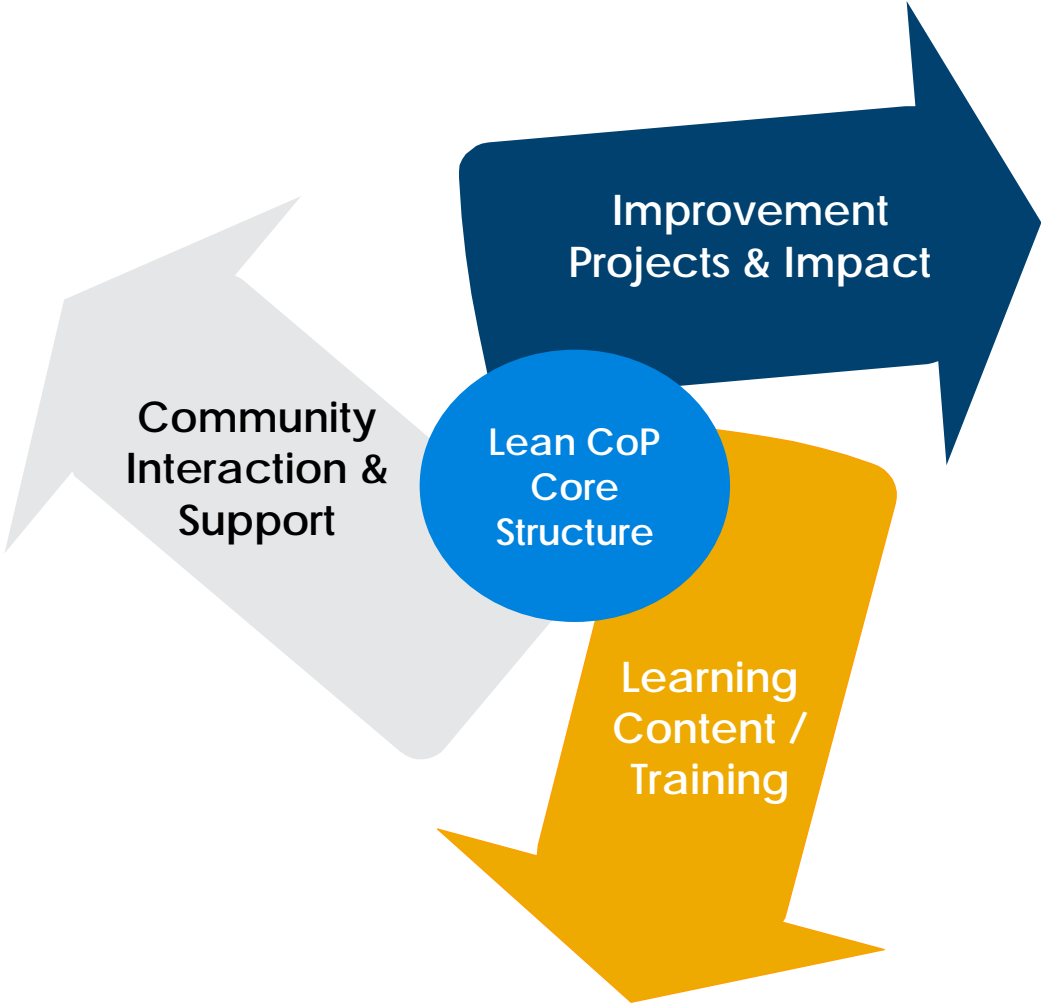
2017

- 4 CSSBB, 8 in pre certification projects & studying for CSSBB
- 2 Master Black Belts
- 80+ CSSGB, 120 Cohort Graduates with **60% pass rate**
- **250 on CSSBB cohort waiting list**
- **tens of millions in savings in 2016 (still heavily weighted toward the experts)**

Structure of Lean Sigma Community

Design of Lean Sigma CoP

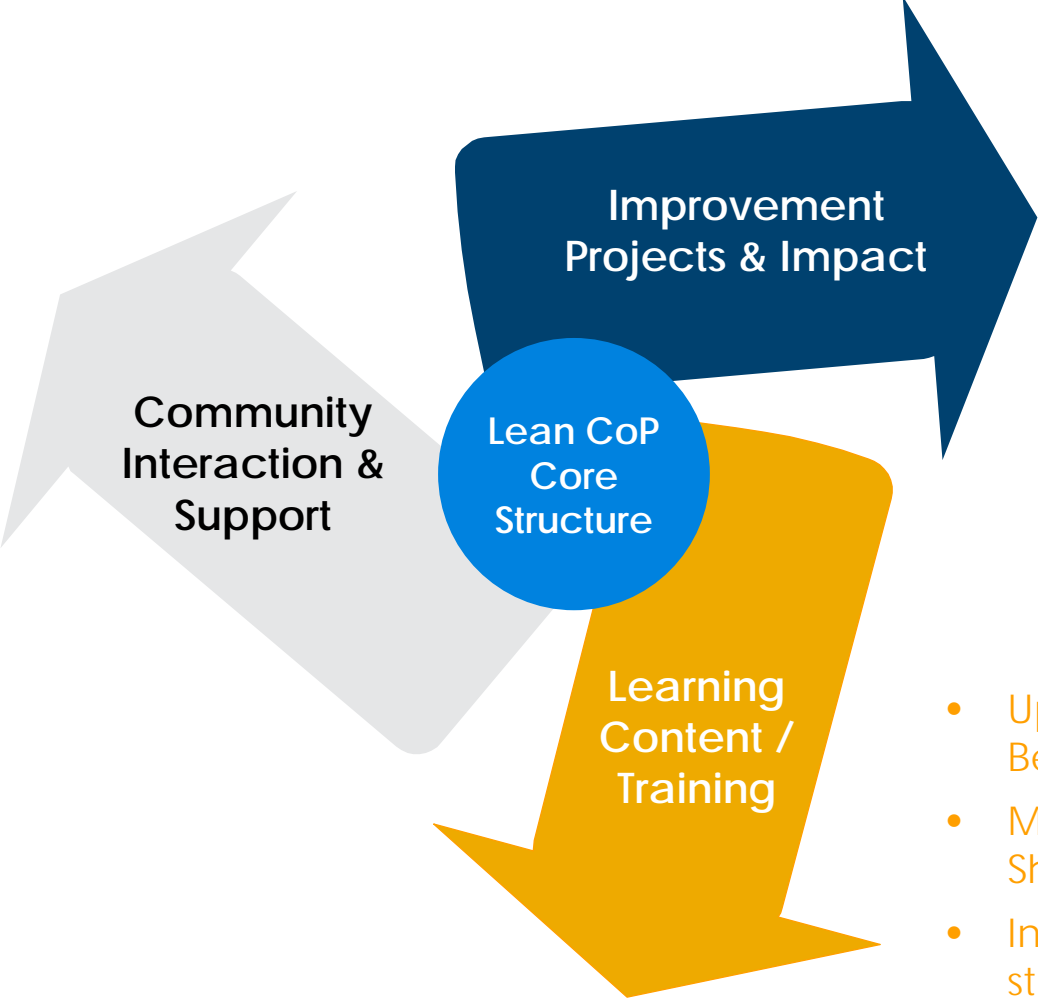
The CoP has three key pillars, held together by a robust core structure.



Key Pillars of Lean Sigma CoP

The CoP has three key pillars, held together by a robust core structure.

- Engagement of Blue Shield of CA staff from all levels and functional areas to drive continuous improvement & learning:
 - Guiding coalition
 - Identifying opportunities
 - Coaching and mentoring
 - Sponsoring improvement project work
- Real-time, community run discussion and sharing via online portal such as @shield
- Sharing and easily accessible best practice tools, methodologies, and Blue Shield examples via the Lean Sigma CoP portal on @shield.



- Organic improvement opportunity identification
 - Guided team-based improvement work
 - Assigned coaches to teams and available MBB/BB mentoring to students and leaders
-
- Upskilling opportunities for Green Belt, Yellow Belt, and Sponsors
 - MBB/BB facilitated learning with Blue Shield applications and case studies
 - Involvement of previous cohorts of students to teach and mentor trainees

Metrics & Critical Success Factors

Performance metrics indicate the value of the community to Blue Shield of CA:

Results:

- Administrative cost savings from improvement projects
- Cost of health care savings from improvement projects

Culture:

- # of individuals upskilled in the following tiers of learning:
 - Green Belts trained
 - Yellow Belts trained
 - Sponsors trained

Customer:

- Forrester healthcare rating (indirect, long-term indicator) for movement in customer satisfaction

Critical success factors need to be consistently in place and robust for the Community to be successful:

- **Management of Change & Stakeholder Engagement**
 - Development
- **Improvement Project Sponsorship**
- **Community Interaction & Knowledge Management of Best Practices**

Gap –
Y=f(x)
We are chasing the Y metrics and not paying enough attention to the (x)'s

How do you think we can improve?

bpm team

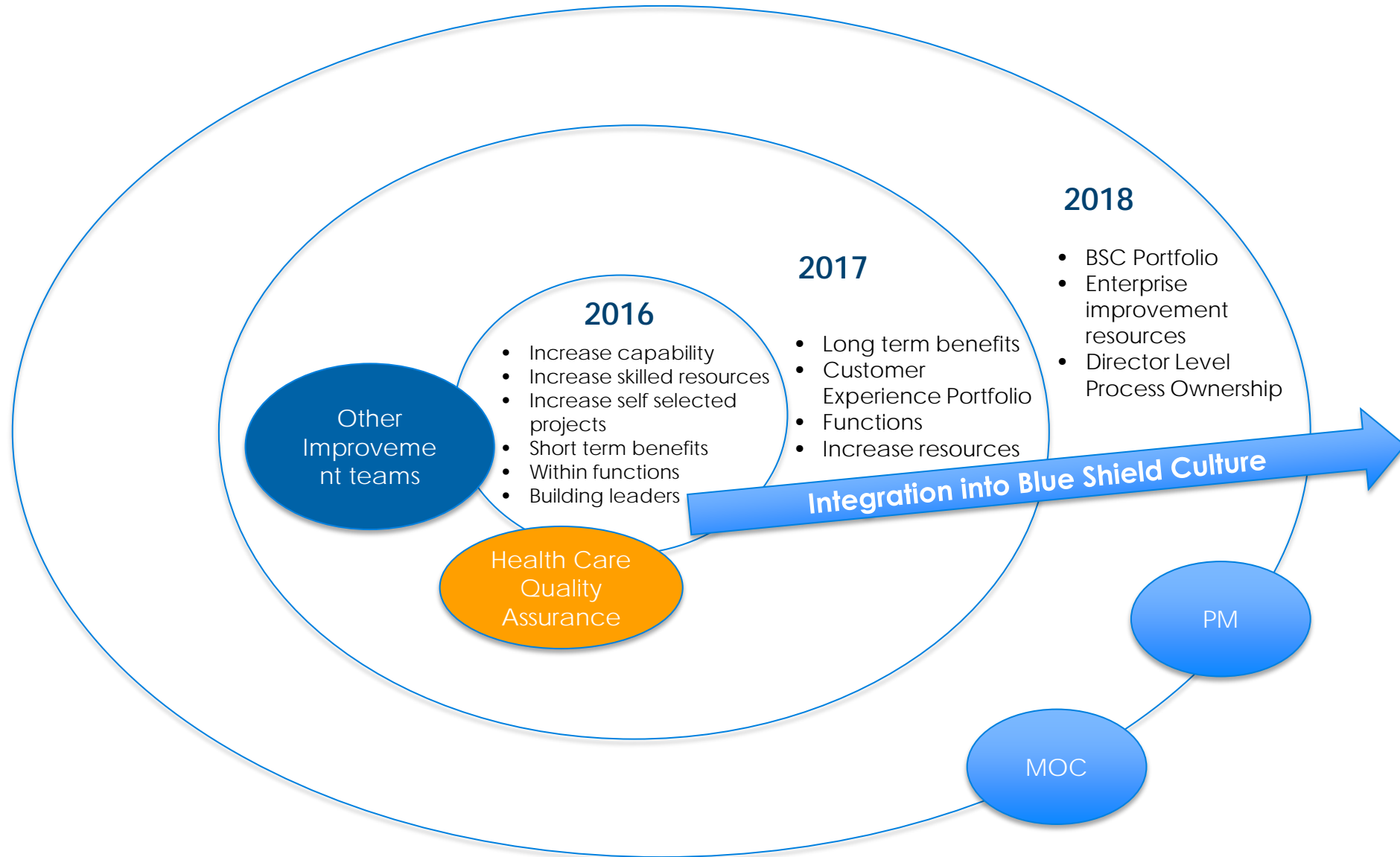
So far..

- engaged with past ASQ president
 - Jerry J. Mairani
- engage with local chapters
- ASQ/ lean simulation and test question database
- transform extensive ASQ experience into training and action
- provide practice material as needed; before AND after certification

Current strategy..

- encourage additional ASQ touches outside of the enterprise
- solidify the importance of ASQ to the company by creating a two way feedback loop between BSC and ASQ
- Become a “preferred” company with ASQ, for membership benefits and ease of contact.

Objectives - Horizon



Question/ Answer

Plus/ Delta