

Transcript: Meet Herbie: Your Organization's Million-Dollar Constraint

Melody King: 0:01

Everything rises and falls on leadership. The ability to lead well is fueled by living your cause and purpose. This podcast will equip you with the tools to do just that Live and lead with cause and purpose. And now author of the book the Anatomy of Leadership and our host, Chris Comeaux.

Chris Comeaux: 0:24

Hello and welcome to the Anatomy of Leadership. I am really excited. Today Our guest is Dr Lisa Lang. She's a Theory of Constraint speaker, a consultant and an expert. In fact, I'm going to read from her bio and then we're going to hear from her.

Chris Comeaux: 0:38

So, Dr. Lisa, she's renowned for the theory of constraints. She's an expert in this area. She's the foremost expert in the world of applying the theory of constraints. She's an expert in this area. She's the foremost expert in the world of applying the theory of constraints to job shop scheduling and marketing. She's regularly sought after for her expertise on developing marketing efforts that increase sales. She's been named a manufacturing trendsetter by USA Today for her work in helping highly custom job shops and machine shops to become more productive, more competitive and bring manufacturing back to the US with their velocity scheduling system and a little bit of a rabbit trail. This is why I think I was so excited to have her, because a lot of us listeners on Anatomy of Leadership are in healthcare and so you think of like the customized approach of healthcare. So I think this body of knowledge and wisdom that she has is so timely and applicable to us here.

Chris Comeaux: 1:31

Dr. Lisa has appeared on CNBC, CBS, the Wall Street Journal Newsweek, Yahoo Finance, to name just a few. She's a president of science of business consulting firm specializing in helping companies to achieve bottom line results, and she has served as a global marketing director for Eli Goldratt, who is the father of theory constraints, the author of the Goal, and Dr. Lisa. That was one of my very first business books and my first job out of college that I was given to read, so we're so excited to have you today. I'm so thankful to Tom Foster for connecting us, and is there anything else maybe about your consulting firm that you'd like to share?

Dr. Lisa Lang: 2:09

Well, we do focus mostly on custom manufacturers and job shops, as you said, and our focus is on helping them improve delivery performance and profitability without needing more people, equipment or overtime. And we use the Theory of Constraints to identify and elevate the one thing. That's the nice thing about Theory of Constraints it's not a whole bunch of stuff you need to do. There's one thing that's holding the business back. So, identifying that thing and then really helping them focus on that to take them to the next level. And our Velocity scheduling system helps with the scheduling side, so the chaotic shops gain control. And then we also have a program called Velocity Pricing System, where we focus on quoting and pricing, and then another one called Mafia Offer Bootcamp, where we work on sales and marketing, and then another one called Mafia for Bootcamp, where we work on sales and marketing. But that's what we do. We focus on results, we focus on the output, which, in theory of constraints, is really kind of where you want to be. It's about the focus and leverage.

Chris Comeaux: 3:19

So, I want to share with you literally how we came together. I have a credible team member. He didn't have a background in manufacturing, so he didn't have the exact technical term of theory of constraints, but he kept describing to me and I'm looking at him going you're describing a bottleneck. I looked at him and said I've got to find an expert on the theory of constraints. I told him about Eli's book, the Gold it's Not Luck, and how I got exposed to it.

Chris Comeaux: 3:46

In my young career I worked for KPMG, Pete Marwick and then a Fortune 50 company named Cooper Industries, which was a conglomerate that had multiple different businesses. They really would buy and sell companies, but it was all manufacturing. So, you can imagine Eli's reading was like a required reading coming into that job. And so, we started kind of taking that concept and applying it to what we're seeing in hospice and palliative care organizations. And so, lo and behold, I mentioned to Tom Foster and said do you know anybody who's an expert in theory of constraints? And here we are. So again, Dr. Lisa, I'm just so thankful, and some listeners may be sitting there going what the heck is theory of constraint? So, can you explain it in simple terms?

Dr. Lisa Lang: 4:26

Sure, TOC that's the shortened version. Toc is all about focus. Every organization, whether it's a factory or a hospital or a hospice, has one key area that limits how much value it can deliver. That's the constraint that limits how much value it can deliver. That's the constraint. And TOC teaches that improving anything other than that constraint, not focusing on that, won't necessarily improve the whole system. But if you identify and focus improvement efforts there, you can unlock flow and performance gains that ripple

everywhere else. So, it's a way to work smarter, not harder, and avoid wasting resources on changes that don't move the needle.

Chris Comeaux: 5:12

So, I'm going to use a couple analogies. You push back if you feel like this doesn't help, but my theory about why this podcast is so timely and important many of us were trained in lean-based thinking, like we've gone to some level of black belt training and I think that I'm working on being a healthier person so I can count my calories, and that's kind of lean-based thinking. But if I work on some things that have major impact in like moving the needle, like even how the flow of my body works, the flow of my systems, how all of it works together, I could have a much better, more return on effort. In fact, those are three terms we use in the work that we do ROI, which is return on investment, ROE, which is return on effort, and ROA, which is return on attention. I feel like that. That analogy is in the ballpark. Would you push back on that? I?

Dr. Lisa Lang: 6:08

would adjust it slightly. So, let's compare and contrast to lean. So lean tells us to reduce waste.

Chris Comeaux: 6:17

Where, everywhere, anywhere, right, they could go anywhere, yeah.

Dr. Lisa Lang: 6:21

It doesn't distinguish. So, what theory of constraints brings in? Is the focus? Where? Where should you improve? Where should you go next? Theory of constraints helps you figure out exactly what the next step is, what to do next. So, it's not 20, 80 with theory of constraints, it's 99, one you know the exact place to focus and, similarly, if anybody does Six Sigma. Six Sigma tells us to reduce variability, but where? Right.

Dr. Lisa Lang: 6:55

Where? So now, if you take Lean and Six Sigma, have some great tools, but what if you focus them? What if you focus them where they can have the biggest impact? That's what Theory of Constraints brings.

Chris Comeaux: 7:09

That is so good. I'll tell you a funny story. So, you remember the book the Goal, obviously, and so I shared it with our. So, my wife homeschooled our kids and I shared the story with them about Herbie the kid, if you remember. So those are our listeners. If you've never

read the Goal, it's actually kind of like Patrick Licioni. It's actually told. It's teaching a great wisdom in the midst of a story.

Chris Comeaux: 7:32

So this guy was a plant manager who was having marital problems, family problems. While his plant was having all these challenges, his son wakes him up on a Saturday morning and says dad, you're supposed to lead us on this Cub Scout hike, and he's having these horrible problems throughout the day. This one kid was a little bit chubbier, his name was Herbie and wherever Herbie was in the line, the line was having this huge gap. And at the same time this plant manager is learning about the theory of constraints, the concept of a bottleneck. So, he finally puts Herbie at the beginning of the line and then Herbie regulates the rest of the actual line on this hike. So, Dr Lisa, you'll laugh because our kids, we go on hikes. I live in the mountains of West North Carolina. Like I want to be Herbie, I want to be Herbie. So that's how the goal got codified in our family. They probably didn't exactly learn the wisdom. They just thought they was them being the first in line.

Dr. Lisa Lang: 8:20

Yeah, it's a great story and let me just point out one thing about that story is the reason that it made sense to put Herbie at the front of the line is because the goal of the hike was to get there together. If you did not have that goal, it really wouldn't matter if everybody spread out Right, so you had the people going fast up front and the people in the middle and the people in the end, you know, bringing up the tail. If that wasn't the goal, then putting Herbie to the front would not necessarily have made sense.

Chris Comeaux: 8:51

That is a great piece of wisdom, so that's probably a good segue. So I love where you're poking on here. So, what do most organizations get wrong when they're trying to improve their processes?

Dr. Lisa Lang: 9:03

Yeah, they usually try to fix too much at once, or worse, the wrong thing. So, if you have a constraint or a bottleneck somewhere, so let's say it's your admissions process and you start working on improving what the clinicians are doing, is that going to impact the admissions process? No, it's not that that's bad to do. It's not that you might not gain some benefit from it. But think of it this way If whatever is your constraint, your limiting output, your constraint limits your output, if you improve anything else, if you focus your efforts anywhere else, will you get more output? Tangentially maybe.

Dr. Lisa Lang: 9:57

But now what if you focused your efforts where you can have the biggest impact, on the constraint? Now the leverage is completely different. So, the two parts to TOC one is the focus and the second part is the leverage. And so, if you know where to focus, you're going to gain leverage. And then the other way that TOC impacts leverage is we have a bunch of tools that are part of the TOC toolkit that help with the leverage as well. Most improvement efforts focus on symptoms instead of the root cause. At TOC, we often see companies optimizing non-constraints, which doesn't improve the performance and can actually make things worse. More automation, more reports, more policies. None of it helps if it doesn't address the actual limiting factor. TOC gives you a disciplined way to diagnose where the real leverage point is, so that your improvements are effective, not just active. Not just activity.

Chris Comeaux: 11:08

Well, let me set the table on this next question. It's interesting. I don't know if you've ever been exposed to predictive index disk profile Myers-Briggs. I mean anyone in business has been exposed to one of those, one of the ones that we use. What you find in healthcare is that people are usually more caring and compassionate, but detailed, analytical are attracted to healthcare. So, my point is they see complexity in everything, so everything looks interesting and everything could be a rabbit trail. Oh my God, we have a problem here. But is it a real? Is it the problem? So how can leaders really identify the real constraint in their system, especially for healthcare leaders, because they just tend to see the problems everywhere and all the problems maybe kind of look the same. So how can they really identify the real constraint?

Dr. Lisa Lang: 11:55

Yeah, it's really common. I have given this. I have a speech called Maximizing Profitability that I've probably I've given well over 300 times, and I introduced the concept of a constraint and the first reaction of many people is they talk about their constraints as if they're everywhere and they're all running around. But before we can even talk about your constraint, because you tend to only have one at any one point in time the first step in understanding the constraint is always relative to your goal. So, in hospice that might be timely, compassionate, compliant care for as many patients as possible.

Dr. Lisa Lang: 12:39

A necessary condition to deliver that goal would be to make money. So usually, you've got a goal and then a couple of necessary conditions, the generic format for most for-profit businesses. As we say, the goal is to make money and then we have two necessary conditions One is to serve the market, to meet the needs of the market, and the second is to make sure we have a safe and secure, satisfying environment for employees. So, you got to have you know you need the employees and you need the market, but the goal is

to make money. So, some version of that for the hospice situation. Take into account. What is the goal? So, let's say that the main goal is timely, compassionate, compliant care for as many patients as possible.

Chris Comeaux: 13:29

I like that. That's really good.

Dr. Lisa Lang: 13:31

When we have that, then we ask what's limiting our ability to reach that goal right now? Where do we see delays, backlogs, bottlenecks, stress what happens? Where does it get hung up? Why aren't we just today having so much of that like that? We don't see any hesitation, any disruption to flow. So now you've got a goal, you step back and say where are the disruptions to flow?

Dr. Lisa Lang: 14:00

Often the constraint shows up as a place where people are overwhelmed, where work piles up or where others are waiting. But it's not always a person or a machine. It can be a policy; it can be an approval step or a mindset. TOC gives you diagnostic tools. One of them is a current reality tree where we use cause and effect logic to really understand the current situation. So, if, after I say that you really have no idea where it is, then we would use these logic tools to figure out where it is. And they map cause and effect logic so you can uncover the true constraints. So, you're not working on a symptom, but you're working on the root cause. And I think some people can you know, they hear that, and they know where the constraint is based on that, or they can observe it. Now that they've heard it, they can go back and observe it. But if you can't, it's really important to get to that root cause, to that true constraint.

Chris Comeaux: 15:01

That is so good. So, once they identify, let's say they're able to do that which is easy to say, really hard to do, really get to the true cause. And I see this all the time I sit in meetings and people are dealing with symptoms they're not getting to that true challenge. We do teach people the five whys is an interesting tool to unpill that onion, see if you can get to the core cause. So, let's say they are able to identify that bottleneck, what are the strategies for just managing or eliminating it? I don't know if that's the right way to speak about it, but what are the best strategies? And is it managing or eliminating? Or would you restate what they're trying to do with the bottleneck?

Dr. Lisa Lang: 15:40

Yeah, you're always going to have a bottleneck. You just always will.

Chris Comeaux: 15:44

Because every system has some limitations. Is that why?

Dr. Lisa Lang: 15:50

Well, if you didn't let's say, if your goal was to make money, you'd have unlimited money and most likely we wouldn't be talking right. So, there's, the bottleneck tends to move. So, you identify it and then if you start, if you're aware of it and you start to do things, what most people do is they chase it around. So, it's here, okay. So now I'm going to do something to improve that situation. Now it's going to go somewhere else, and then it's going to go somewhere else. So, you can end up in a situation where you're chasing the thing around and when you reach the goal, there are five steps that he talks about in the goal. You identify the constraint, then you exploit it, meaning maximize what it can do now, and that might involve removing interruptions, improving setup, offloading non-essential tasks, that kind of thing. So, you're going to exploit it. So, here's my constraint, let's exploit it. Then the third thing is you subordinate everything else to that. So don't let other parts of the system push more work than the constraint can handle. That's subordination. The fourth is, if needed, elevate, and that's buy more of it. So, notice, that's the fourth step, not the second step.

Dr. Lisa Lang: 17:10

It's not identify this constraint, go get more of it, because usually there's so much more capacity there, we're wasting it. In every situation we're wasting capacity. Most people have plenty of capacity. We're wasting it in every situation we're wasting capacity. Most people have plenty of capacity, we're wasting it. So only the fourth step is to add capacity, support or automation, and then the fifth step is once a constraint moves, repeat the process. What I like to add is, instead of chasing this thing around, what I coach people to do is let's strategically place the constraint. Let's not chase it around, because it's all pretty predictable. If I know it's here and I do certain things, it's going to move, and I know where it's going to move next. So, rather than do that, let's have a strategic decision. Let's talk about where is the best place to have it.

Chris Comeaux: 18:03

That's some ninja Jedi stuff right there. I mean, like how would you do that? Like you, you know, because you're walking into businesses, you're not necessarily the expert, and so how would you do that, like kind of go well, what if we put it here?

Dr. Lisa Lang: 18:19

Well, I don't tell them where it should be. I ask questions because it's their business and it's their strategy. My point is it should be a strategic decision. You will always have a

constraint, so let's strategically place it. So, I would ask all right, well, what's the kind of the key resource in your business, or what's the most expensive resource?

Dr. Lisa Lang: 18:41

Realize that if you have a constraint and everybody does, whether they know where it is or not every other resource relative to the constraint has excess capacity by definition, right. So, the constraint has the least amount of capacity for the type of work we do. Every other resource has excess capacity. So, if you're going to strategically place it, you're going to decide where do I want the constraint to be? And it's going to be a place where maybe it's usually the essence of what you do. It's a key resource. It's probably one of your most expensive resources, which is, if you have a very expensive resource, that's not where you necessarily want excess capacity, right? So, it's going to make more sense to have excess capacity at an easier to train, less expensive resource. That's a good place for a non-constraint, so you can quickly get to strategically where it might make sense to place the constraint.

Chris Comeaux: 19:42

Wow, and maybe as a way to just bring that home, that's what the guy did in the goal. He strategically placed Herbie at the beginning of the line because the goal for them was to get to the campsite all on time, all together, not chasing little cub scouts around the woods.

Dr. Lisa Lang: 19:59

Right, yeah, and how that translates to you know business for most of us. Let's say that if Herbie was the most skilled, the best hiker, you know the most expensive if he fit that category. Oftentimes we can't just place them at the beginning, right? So, if the clinician is the most expensive resource at the hospice, we can't put them at the start of the process, right? There has to be admissions and things that come before the clinician actually sees them. So, if you think of, if you look at the entire business and you say, okay, what's our high-level process? Well, you know, there's admissions and whatever these steps are. You kind of lay out those steps. How do patients flow through?

Dr. Lisa Lang: 20:49

Then ask yourself, well, what's the hardest to get more of, or most expensive to get more of? That should be our constraint Now. It might not currently be your constraint, but that's where we want it to be. Now you can start doing things to move the constraint where you want and set up your systems and processes. When you set up systems and processes acknowledging the constraint, it takes some effort, right? It takes those systems and processes. Get defined where the constraint is. If you allow the, you chase the constraint or you allow it to roam around. Now all your systems and processes have to

change every time the constraint moves. By strategically placing it now we can really line out our systems and processes, and if the constraint moves, it's because we chose to have it move.

Chris Comeaux: 21:42

I think we think in terms of pictures and I don't know if this one's helpful, but in the movie the Founder, the guy who ended up basically finding McDonald's they had like this concrete thing and they simulated how the restaurant was supposed to function and then would erase it and then kind of redesign it and they kept iteratively trying to improve the flow is kind of my interpretation of that scene. Are you familiar with the scene I'm talking about?

Dr. Lisa Lang: 22:05

No, I haven't seen that.

Chris Comeaux: 22:06

Maybe you go and check it out. It actually is a really cool scene and it'd be interesting if you're like, oh my gosh, we could use that movie clip. Well, I bet you have incredible success stories. Can you share maybe a real-world success story where theory of constraints just created an incredible breakthrough improvement?

Dr. Lisa Lang: 22:22

Yeah, like I said, I work with a lot of job shops and machine shops, and I had one shop that was constantly late, despite working nights and weekends. Once they applied, I have a product called Velocity Scheduling System, which is the theory of constraints technique or tool that we apply to scheduling. Once they implemented that scheduling system, they reduced their lead time so the time from when they got an order to when they delivered the order by 50%, and then their on-time delivery was at 60 when we started and went up to 95. And then they doubled throughput and, in theory, constraints throughput uh, they doubled throughput. So, throughput is the revenue minus the variable cost. Right, so it's dollars, the variable cost, right, so it's dollars. It doubled the throughput. So, imagine if you are getting more, more done with the same people and resources. That's you. You increase the throughput. And if you increase the throughput and you haven't hired more people or bought more machines, profitability increases this is so.

Chris Comeaux: 23:38

This is incredible and while I'm sitting here, I'm going to jump out of my seat. You may be familiar with this, but the projected workforce shortage in healthcare is huge because the Silver Tsunami of baby boomers crashing on the shore as they're aging on healthcare in America, people are like we don't know what we're going to do. There's not going to be

enough people to meet the healthcare needs. But yet what if the capacity is just sitting in our systems today, because the theory of constraints is not being addressed, which actually, again, is why I wanted to do this show with you. My theory is, like the time is really coming, that theory of constraints needs to be understood in every aspect of healthcare.

Dr. Lisa Lang: 24:14

Yeah, I mean, the transformation wasn't about working harder, it was about aligning everything around the constraint, and that same approach works in healthcare, too, especially when people feel like they're doing all they can but still falling behind.

Chris Comeaux: 24:29

And is that usually the symptom that you see in manufacturing? That's exactly how they're presenting themselves to you.

Dr. Lisa Lang: 24:35

Yeah, usually their due date performance is suffering. They can't get it out the door, so they have plenty of orders. They don't have a sales constraint. They have plenty of orders coming in, but they're having trouble getting it out, and it's usually not that they need more people or more machines or anything like that, it's they have to just realign everything.

Chris Comeaux: 24:56

Wow.

Dr. Lisa Lang: 24:57

They have to be in alignment with where the constraint is. They have to just realign everything. Wow. They have to be in alignment with where the constraint is and a lot of the. I really like the working with these custom job shops and machine shops because it's a very complex environment. So, they are the situation where they don't make the same stuff over and over and over again it's all custom. So, in their environment the constraint can move based on the mix of work Wow.

Jeff Haffner / Dragonfly Health / Ad: 25:20

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and their families. The company serves millions of patients annually across all 50 states. Thank you, Dragonfly Health, for all the great work that you do.

Chris Comeaux: 26:08

Which that resonates because you can say the same thing in health care. It should be customized because every patient's needs might be of the same milk but certainly different in terms of their preferences, needs etc.

Dr. Lisa Lang: 26:21

Yeah, so every patient or every job is a little different. The amount of time it takes is a little different. We're not just making the same thing over and over and over again and making millions of them. They're all a little different.

Chris Comeaux: 26:33

Well, as I sit here, and kind of process, how can the theory of constraints thinking process I'll say hospice leaders, but let's just also say healthcare leaders just help them tackle some of the major challenges? And the interesting thing I just alluded to, the staffing challenge, Dr. Lisa, but regulatory pressures. I'm sure manufacturing has its own regulatory pressures, but they feel even more onerous in health care. It feels like the government's always thinking about how to make our jobs more difficult than easy, specifically like nursing facilities or nursing homes. I've heard it said many times that the two most highly regulated industries is the nuclear industry and the nursing home industry. So, there's a huge amount of regulatory burden also amongst limited staffing.

Dr. Lisa Lang: 27:21

Okay. So, you asked about the thinking processes. The TOC thinking processes are like a decision-making framework with x-ray clarity. So, they help leaders uncover hidden assumptions, connect cause and effect and then develop breakthrough solutions. If staffing is tight, we might discover that a flawed intake process is creating surge demand. If regulations feel crushing, we can map where the burden comes from and explore ways to comply more efficiently. And the tools the thinking process tools are super powerful and they give they can give hospice leaders a way to move from reactive firefighting to structured, intelligent problem solving, which I know is really easy to say, but to have a tool that can actually do that. You know there are a lot of tools out there that are supposed to help you get to root cause and they give what I would say is lip service to root cause. But TOC actually helps you dive down into the details with critical thinking, critical cause and effect logic to really help you get to the root cause. If you don't get to the root cause you're not going to see the impact.

Dr. Lisa Lang: 28:42

And how many times next time you've got a group of hospice leaders together, ask them how many of you have undergone an improvement project but didn't have the bottom line or whatever the impact, whatever the goal was that they were trying to achieve, didn't really achieve that.

Chris Comeaux: 29:05

Yeah, I'd say probably. More often than not they probably say that's the case.

Dr. Lisa Lang: 29:09

Yeah, yeah. And when I was doing a lot of speaking, I would be in front of these business owners and ask them. I would be in front of these business owners and ask them how many of you are working on the same key priorities as last year? Are you dealing with the same issues, the same projects? And the majority of the hands go up. And then how many of you have been working on that for multiple years? Most of the hands stay up. We're not getting to root cause. So getting the right tools with the critical thinking, and we weren't taught how to do critical thinking in school. I don't know about you, but I didn't get to do critical thinking 101, but really understanding how to do some critical thinking to dive to the real root cause and not. You know, so many of the tools are so surface, they're surface level, they don't really get to it, and even you know the five whys. There's nothing wrong with them, but I don't think they always get to the root cause.

Chris Comeaux: 30:17

Because you kind of check the box right. Well, I got to the five whys and you still may not be at the root cause. Something occurs to me. Just listen to you, Dr. Lisa, gosh, if I had a dollar every time, I've heard especially clinical leaders go their critical thinking skills. Why do they not have critical thinking skills? I mean, I've heard that literally for 30 years now I've gotten hospice-empowered care, so you're making me think about that just so differently. And I think probably the easy thing is some of our listeners especially hospice-empowered care, they'll go. Oh yeah, our constraint is clinical staffing. It's because the shortage is so acute. Covid made it even more acute, but maybe push their thinking Could bottlenecks exist elsewhere? Staffing is kind of an easy one to look to. How would the theory of constraints help them identify other constraints in their system, or maybe what the real constraint is?

Dr. Lisa Lang: 31:09

Again, it doesn't really matter where it is, it's where they want it to be. So, if clinical staffing is the most expensive, most skilled resource and that's strategically where they want it to be, then put it there. Let's assume that that's where it is. Then the analysis the issue is figuring out how to get more through, more flow through that critical resource, not to move it, and you probably couldn't add more of it even if you wanted to. But how

do we gain more throughput, more of our goal, whatever that is, without adding more people right, without buying anything? If we just critically look at that, that's where this critical thinking can really come into play. Staffing may feel like the constraint, because it's where the stress is visible, and it might be. But more importantly, if you think, if that's strategically where you want it to be, then put it there. If it really is somewhere else, you're going to know. So, if you start acting as if it's the clinical staff and it's somewhere else, it's going to know. So, if you start acting as if it's the clinical staff and it's somewhere else, it's going to become obvious why. Because you're not flowing, it's not happening there, we're seeing other issues, other places, and then.

Dr. Lisa Lang: 32:33

So, then you dive into. Well, why is the staff overwhelmed, right? What's going on? Is it poor handoff? Is it some sort of other inefficiency scheduling issue? Somewhere else, some sort of lack of clarity that comes up. You want to find out all of the symptoms that exist. So, what this is, this is a let's make the assumption that it was clinical, that the clinical staffing is where we want the constraint to be. Most skilled, hardest to get more of strategically makes sense. That's where it's at. Great. Now, what symptoms do we have in our current environment? So, what's happening? Collect those negative symptoms. They tend to be negative, so we're not trying to necessarily be negative here, but in order to improve, we need to understand.

Chris Comeaux: 33:29

I could give you a really big one, because most of the electronic health record systems are more of a distraction and they don't aid in the job. It's more can you document what you did which doesn't feel helpful to delivering care in the moment. So, the electronic medical records end up being a huge kind of source of friction with a lot of healthcare providers.

Dr. Lisa Lang: 33:50

And take time away from the clinicians because they're spending their time doing that. Yep, all right, so that's one. My guess is there are others. So, the way I would state that is that updating records takes too long. Right, so that's mostly what they're doing is updating patient records takes too long. There are likely other symptoms.

Dr. Lisa Lang: 34:12

You want to collect all of those symptoms. This is how you start that critical thinking analysis is. You start with all the symptoms and then what we're going to do is we're going to tie them together in a cause-and-effect logic kind of way to understand how they're all connected. If you tackle one symptom at a time. So, you know, somebody goes into the doctor, and they have whatever complaints they have. You know, patients often have multiple symptoms. Does a doctor try to address each of those symptoms? Okay,

you have a fever, so I'm going to give you some aspirin for the fever. And you have a cough, so I'll give you some cough syrup for the cough, and you have.

Dr. Lisa Lang: 34:52

We don't in healthcare, you don't try to tackle each symptom separately. What does the doctor do? The doctor tries to find the root cause, how they're all connected, and then treat that. That's the same thing we want to do here. We want to gather all of these symptoms that are in the system and then understand logically how they're connected together. Same thing a doctor does. They're doing the logic typically in their head, and I would certainly make the case that it would be better not to just do it in your head.

Dr. Lisa Lang: 35:27

And I think that's where AI is helping some in the medical is because it's better at connecting all of these symptoms, and you know we reach the limits of our human ability to connect all the symptoms. But that's something we can do in the kind of the administration side and running the business. What are the symptoms? What are the symptoms we currently have? Well, we're not being able to treat as many patients as we might like. We're not. We're not. The clinicians spend a lot of time updating records, collect all of them, then understand how they're all connected together, and you'll get to a root cause. That's what I mean by root cause Really diving deep on the symptoms and then driving to a root cause. That's how you really have an impact and if your goal is to be able to deliver more compassionate care with the same people and resources, that's the only way to do it is you got to drive to that root cause.

Chris Comeaux: 36:29

That's good. I'm getting kind of sitting there and channeling some of these hospice leaders and I think if they were on this podcast they'd go. Okay, I hear you, but I feel often stuck between the financial constraints delivering high quality, mission-driven care and so how do I create the win-win, like they look at it and go? I can't do all of those. My guess is you probably heard something similar in manufacturing.

Dr. Lisa Lang: 36:53

Yeah, yeah. So, one of the most powerful contributions of TOC is its focus on throughput. So not just cost cutting. Throughput is dollars, right, it's the revenue minus those variable costs. In hospice, that means improving the rate at which we deliver excellent care to the right patients with the right team in a way that's emotionally and financially sustainable. And when you focus on the constraint, you reduce rework, stress and waste so the same team can serve more patients better. And that's how you get both.

Dr. Lisa Lang: 37:33

The mission and the margin is you don't choose, you do both. And you should not have to sacrifice mission for margin. Right? Because remember we talked earlier about, typically you've got a main goal, whether it's to make money or whatever, your main one is. A nonprofit would have a different main goal than making money, but they need money. In their case, having enough money to reach their goal would be part of it. So typically you've got making money, a secure and satisfied employees, so a nice work environment, and then a secure and satisfied market. You have to have all three. So, it's not about choosing, pick two, pick one. If you don't have all three, you'll be out of balance. You're going to suffer in some way or another.

Chris Comeaux: 38:26

I love you're saying this. You may have heard or not heard this. There's a term called what was the triple aim and it's now the quadruple aim in health care. Don Berwick, during Obamacare, came into CMS and he basically said this is the goal Sounds like maybe he was trained by you, and he said it's better patient care, so better service, higher quality product and a lower cost. And then later they added a great work environment for employees and he said you only deserve a ticket to the future of healthcare if you're working on all of those things.

Dr. Lisa Lang: 38:55

I would change. I wouldn't emphasize lower cost. What I would emphasize is generating enough throughput so the system is financially sustainable, because who cares what the cost is? The cost is irrelevant. If you're financially sustainable, you're not going to save your way into this. And that's a very common approach at all types of businesses. They focus too much on cost savings and not enough on the throughput generation and the flow side of things.

Chris Comeaux: 39:29

Man, you just spoke a mouthful From your mouth, I hope, to the ears of RFK and HHS, because I mean, yes, we actually interestingly right, we do spend more in America and for healthcare, but we don't have the best outcomes. But then, okay, well then, we just need to cut costs as the solution. What you're bringing to the table is no, you got to look at this much differently.

Dr. Lisa Lang: 39:51

Any business can cost. Save you go out. You can just lay off all the people, right, you can get rid of everything. Well, now your costs are zero. And now where are you? It's not really about cost savings. You've got to have the throughput, so the profitability, the margin, along with satisfied employees, because if your employees quit and leave and you don't

have the employees, you can't deliver right. And then you have to satisfy the market, and the more you satisfy the market, better than anybody else can you write your own ticket.

Chris Comeaux: 40:28

Yeah, that is just very well said, and I want to ask you a couple more questions. I know we'll have to land the plane, but you know again, I think hospice leaders' kind of talk themselves into. One of my mentors called it terminal uniqueness. Yeah, I hear you, Dr Lisa, but we have all these regulatory challenges, we have all these industry challenges and what happens is many leaders are more reactive than proactive. So, can you take theory of constraints and be more proactive than reactive?

Dr. Lisa Lang: 40:57

Yeah, absolutely so. That's where this critical thinking comes in. When everything feels like it's changing, toc can really help you to anchor. Once you identify your constraint or, better yet strategically place it and build processes to protect and optimize it, you create a stable center, and that stability gives you the breathing room to evaluate new regulations, new demands, new opportunities, without panicking or overreacting, and you shift from chasing fires to driving change with intention. And TOC gives leaders a way to lead instead of constantly catching up.

Chris Comeaux: 41:36

That's very well said, and I'm thinking too. We live at a very interesting time with the advent of artificial intelligence, and so what role does the technology and artificial intelligence maybe play in? I guess the way to say it is supporting TOC Theory of Constraints, Improvements.

Dr. Lisa Lang: 41:52

Yeah, this is. I'm so excited about this. This is so interesting. I'm working on a new product right now where, you know, I've talked about this critical thinking and one of the things we do with businesses is we help them understand what we call their current reality.

Dr. Lisa Lang: 42:10

So, you take all those symptoms, you map it out logically, you drive to the core conflict. That's our current reality. Well, what do we want to do? We want to get to a new and better future reality. So then we come up with what we call ideas or injections to help us get to that future reality. These future reality, these are the changes we're going to make to drive them. Then, once we have that future reality and again, we map it out with cause and effect logic, because you have to trim negatives You've got to look at all that could go wrong, Try to block anything that could go wrong. Make sure you have a good solution and that these changes you're going to make are going to drive the solution you

actually want. That's the future reality. Once you have that, then you go into a project plan to implement this future reality. That's something we do in TUFC. We've been doing it for years.

Sona Ad: 43:02

Good employers know that health benefits can make or break your business. But while employers are looking out for their employees' best interest, who is looking out for theirs? Sona Benefits is an independent pharmacy benefit manager who partners with employers to optimize their pharmacy benefits while supporting their business goals. Pharmacy benefits while supporting their business goals. By offering no spread pricing, contract guaranteed rebates and the Sonamax program, clients are regularly able to save 20 percent to 35 percent off their total drug spend. The result pharmacy benefits that improve employees well-being and employers bottom line.

Dr. Lisa Lang: 43:38

We call it the roadmap, right, so you can create this roadmap. Here's where we are, here's where we want to go, here's how we make the change. So, what to change? What to change to? How to cause the change.

Dr. Lisa Lang: 43:50

So, what I'm working on is using AI to one get to know the business, owner and the business. See, I think where a lot of AI goes wrong is people are just asking it questions without the deep understanding of the owner and the business. Wow, so you get to know the owner and the business and what their vision is and what the owner's personalities. If you're not taking into account the owner's personality and their capabilities and their strengths and weaknesses and all that, and you're trying to build a future, if you build a future that doesn't match up with that, it's much more difficult. So, using AI to first understand the owner and the business and then layer that on with this roadmap process, but assisted with AI, I'm really excited about that. So I've been working on that and I it. I'm not too far away from having that ready, which is just really going to be exciting, and to have a first beta group going through that it's just going to be that's super cool, so it so it helps you get to that current reality quicker.

Chris Comeaux: 44:57

Yeah, well, the current.

Dr. Lisa Lang: 44:59

yeah, so it's like, instead of having to be an expert in cause and effect logic and even in cause-and-effect logic, there's ways you can go wrong with logic and things. We've got all these categories of legitimate reservation, where, in other words, your logic is bad. So, we

can make AI be the logic expert. And one of the things I was working on yesterday is I had somebody you know you just tell your story, just talk, ai is capturing the story. Ai then takes the story and pulls out the logic.

Chris Comeaux: 45:32

Wow.

Dr. Lisa Lang: 45:32

Wow, right, so now you don't have to be an expert in critical thinking, right, so it's that kind of thing. The, the, where this is headed, is just phenomenal, so you can build out that future reality. And then, once you have the, that future reality, now you've taken into account all that's possible as far as um, how your, the changes you need to make to achieve it, and if businesses are not thinking about how AI is going to evolve them, they're going to be behind very quick.

Chris Comeaux: 46:08

Very much. So I don't know, have you ever bumped into Pall's (P-a-l-l-'-s)? It's a fast-food restaurant in Eastern Tennessee and you're going to like where's he going with this? I had a friend call me and he said Chris Powell's won the Malcolm Baldrige award and I'm like what? It's a fast-food joint and you'll love this story.

Chris Comeaux: 46:28

So the guy who created the Malcolm Baldrige standards happened to live in Kingsport, Tennessee, and he kind of had a bet with this friend of his who was an executive of McDonald's. He became an executive of Powell's and originally, he was hired to shut down this fast food restaurant. And it kind of became this bet of what if we create like a Malcolm Baldrige winning fast food restaurant. And they actually won the Malcolm Baldrige award, and I actually went to their center of excellence and one of the things that occurred to me the reason why he knew he could do it is you can stand in one part of the restaurant and see the whole system function. Here's the challenge in healthcare I don't have one place where I can stand and watch the whole system function. I'd have to hover above the earth, look across multiple states and watch the system function, and so I would imagine someone sitting there going. Yeah, maybe that works in manufacturing, but in healthcare, a service-based business I'm not sure it applies. How would you react to that?

Dr. Lisa Lang: 47:24

Yeah, well, I would say the manufacturers would say oh, you guys in healthcare have it easy, and in manufacturing we don't make the same thing twice. You know, we got a different and they're both similar. I would say very similar and they're both similar. I would

say very similar. It's very rare that somebody can stand back and see the entire, their entire system. You've got to use some of these tools to visualize it, you know, and with AI you can even do things like create a digital twin. You know, create a, create a replica of your business and then simulate it Right.

Dr. Lisa Lang: 48:12

So, all of that makes it really interesting and to see what's going on. But however you do it, the key is you have to really get to that root cause. Yeah, one way or another, whatever tool you use, and I you know, I think one of the things people do that they look for reason, and it's this is human nature, by the way. So, we all do it. We look for reasons not to do something that won't work here, that won't like. Challenge your assumptions, think big you'll. You'll be surprised at what can happen.

Chris Comeaux: 48:37

I think that's very well said and I'd say any organization is part of a system and maybe a service-based business. This is even more important because it's so people dependent. So, whether you know it or not, there's some systems that are functioning within, many of which have never been elegantly thought through or designed. So probably theory of constraints is abounding, or the bottlenecks are abounding because they really haven't been elegantly designed systems. And then you, if you have a good product, you grow, and I've seen this in hospice. The growth becomes the enemy. Oh, it's just not like it used to be. We used to be a family; we used to do a great job. So, the enemy is growth, which is not exactly true. It's because they never actually designed the systems. Maybe they hired a really good person in the first couple of people, but then they didn't put systems and processes to scale the business.

Dr. Lisa Lang: 49:26

Exactly yeah.

Chris Comeaux: 49:27

Well, what advice would you give to a leader who wants to like man? This is awesome. What advice would you give them to help them to implement theory of constraints?

Dr. Lisa Lang: 49:36

but they just don't know where to start implement theory of constraints, but they just don't know where to start. Well, don't try to do everything right. Just ask what's the one area that's creating the most friction or delays right now? That's usually the constraint and again, hopefully its strategic. And if it's not, I would say strategically decide where you want it to be and then look for what the delays are around that and then focus your improvement efforts there. Just start with that. You can apply TOC formally with the five

steps we talked about, or you can just start informally by observing. You know, protect the constraint, seeing what's changing. Either way, the moment you shift from scattered improvement to focused action, that's where things start.

Dr. Lisa Lang: 50:23

And I would say that you know, whenever I do have engagements, I don't ask people to buy in ahead of time because you don't know enough. You're going to buy in because you've got results. If you'll take fast action and then get results, you're going to buy yourself it right. So don't get hung up on getting buy-in from your whole team. Just look, there's destruction to flow here. Let's see if we can eliminate that, see if we can get more flowing through those clinicians and just take action, just start.

Chris Comeaux: 50:57

That is so awesome. Well, Dr. Lisa, just any final thoughts or just worded advice. You've got the ear of a lot of leaders right now and I have a feeling they're like me. I find myself sitting on the edge of the seat. This is awesome. I have a feeling this is a podcast I'm going to listen to over and over again. But final thoughts, words of advice.

Dr. Lisa Lang: 51:15

Well, TOC is more than a set of tools. It's a mindset, and it helps you cut through complexity and focus on what truly matters. In hospice, that means making care more accessible, sustainable and human, without burning out your team or compromising your mission compromising your mission. So, whether you're facing staffing shortages, regulatory pressure or too many priorities, TOC can give you a way forward that's both compassionate and practical.

Chris Comeaux: 51:49

That is very well said.

Dr. Lisa Lang: 51:50

Check it out.

Chris Comeaux: 51:52

Well, we're going to include any links you want us to include. Dr. Lisa, we're going to include the link to your bio, your website. You have a small but mighty team, and so anything you want us to pay forward via the show. Bio your website.

Dr. Lisa Lang: 52:03

You have a small but mighty team, and so anything you want us to pay forward via the show notes we'll be glad to do that.

Chris Comeaux: 52:07

Great, I'll send those over. Thank you and really appreciate you taking the time to do this. I imagine you're a super busy woman because you're doing some incredible work and you're pretty thoughtful who you want to actually work with, so the fact that you actually took time today is just a blessing. You're pretty thoughtful who you want to actually work with, so the fact that you actually took time today is just a blessing. So, thank you, and thank you to your team and to our listeners. We always want to thank you at the end of each episode. We always share a quote, a visual.

Chris Comeaux: 52:28

The idea is we want to create a brain bookmark, a thought prodger about our podcast subject. We want to further your learning, your growth and thereby your leadership. We're looking for, like, a brain tattoo. We want it to stick. Make sure you subscribe to our channel, the Anatomy of Leadership. We don't want you to miss an episode. If you're interested in the Anatomy of Leadership book, check it out on Amazon. Tell your family, friends and coworkers about the podcast and all the resources we have. You know it's easy to rail against the world and be frustrated by things. Let's be the change we wish to see in the world. So thanks for listening to Anatomy of Leadership, and here's our brain bookmark to close today's show.

Jeff Haffner / Brain Bookmarks: 53:04

Today we have two brain bookmarks. "First, your constraint limits your output. If you focus your efforts anywhere else, you will get more output. You can unlock flow and performance gains that ripple everywhere else. By Dr. Lisa Lang.