

case 1-428-795
May 14, 2009

Lean Process Improvements at Cleveland Clinic

Cleveland Clinic is one of America's premier hospitals, known worldwide for its cardiovascular care. In 2007, the Surgery Division's Throughput Council identified an ongoing issue that created dissatisfaction among the hospital surgical staff. Surgeons were unhappy that certain instrument sets were not available when needed and that, frequently, multiple requests were required to get all of the necessary instruments for surgeries. While this seemed a minor issue to some, the missing tools frustrated the surgical staff, and caused unnecessary delays in the surgery schedule.

The surgeons most often complained to Jim Stanicki, manager of the Surgical Processing Department (SPD). The SPD was responsible for cleaning, inspecting, sterilizing, and delivering over seven million instruments per year in four separate processing areas. These areas supported 65 main campus operating rooms that performed over 35,000 surgeries annually. Stanicki said, "The surgeons were concerned about the inability to start operating rooms on time and instruments that were not immediately available when requested."¹ Stanicki and his team were responsible for managing an extremely complex process. Although they were working around the clock, there were still complaints and they realized that something had to change in the way that they were processing the surgical instruments.

Overview of Cleveland Clinic

Cleveland Clinic was founded in 1921 under the principles of cooperation, compassion and innovation. It was created by four physicians, in what was considered an unusually collaborative model for the time. Over the 20th century, the nonprofit hospital system became one of the largest and most respected healthcare institutions in the country, known primarily for its excellence in cardiovascular care.

In 2006, there were 3.3 million outpatient visits to Cleveland Clinic and 71,643 surgical cases system-wide. Surgical cases over time are shown in **Exhibit 1**. Operating revenues in 2006 were \$4.4 billion and the clinic employed more than 35,000 people in Ohio.

In the 2006 *U.S. News & World Report* "America's Best Hospitals" survey, Cleveland Clinic was ranked number one in the nation for heart care, for the twelfth consecutive year. In addition, the survey recognized Cleveland Clinic as one of the nation's best hospitals overall, ranking it as number three in the country. The clinic also ranked within the top ten institutions in ten other categories, including kidney disease, neurology and neurosurgery, and respiratory diseases.

Published by WDI Publishing, a division of the William Davidson Institute (WDI) at the University of Michigan.

© 2010 William Davidson Institute. Research Associate Grace Augustine and Brian Duncan, Cleveland Clinic Medical Director of Emerging Businesses and University of Michigan Executive MBA Alumnus, prepared this case under the supervision of Professor Izak Duenyas.