

Value and Waste

Waste: The Enemy of Value

If the average veterinary practice could eliminate all the wasteful activities from its working day, the staff would all be home in time for a late lunch. Although this may seem a little far-fetched, a true understanding of waste and its 8 different guises may make you think otherwise.

When many of us go to work, regardless of occupation, we are faced with irritations and frustrations throughout the day that get in the way of what we want to do. In Lean terminology, we call this *waste*. The typical veterinary practice workday sees all manner of interruptions, things not going quite right, miscommunications, sorting issues out and a lot of back-and-forth running about.

As employees and managers, we may feel a necessary and important aspect of our job is our ability to deal with problems when they arise. Indeed, we may spend the greater part of the day dealing with these issues at the expense of helping our clients and their pets. Some people call this fire fighting; we go and put one fire out only to see another flare up somewhere else.

In fact we may even judge ourselves as being first-class employees and a great asset to the practice based on how well we can deal with these fires. For example, we need a medicine urgently that should have come in the daily order so we write up a prescription, take it to the local chemist and get it made up. When the biochemistry machine is on the fritz again we step in and sort it out. When a vet hasn't billed up a patient we get a receptionist to chase him/her up as the client is waiting to pay. All sound familiar?

These “workarounds” get the job done and we can end up looking like we saved the day but only after considerable additional effort, time and expense. However, what we should really be doing is hunting for waste and either reducing it or, better still, eliminating it altogether, leaving us more time to do the “real” work.

In other words, activity is not equivalent to useful work and rather than defining our roles based on what we do, we should be asking ourselves *what should we be doing?* Think about your role at work; how much time do you think you really spend directly helping clients and their pets? Don't you wish you could eliminate all the junk work so you could concentrate on performing quality care that counts? We'll return to this later.

What is Value?

To fully understand waste, we must first understand value. What is viewed as value must be defined by the “end customer” or, in the context of the veterinary practice, both the client and pet. Clearly, the client is the one paying for the service we offer but the pet is the recipient of the care we give so we must take into account both their considerations. Although a pet may not consciously be able to define what it sees as value it is fair to say it probably knows the difference between feeling well and being ill, being treated with care or being poorly treated, spending a short period of time in the practice and spending many days cooped up in a kennel. So we can take a good guess as to what a pet sees of value.

Many times, what is of value to a client differs to that which is of value to the pet. Sometimes they are even at odds with each other, which makes our jobs all the more challenging.

Accepting the limitations of not being able to ask a pet what it values, we should, however, never assume we know what the “end customer” considers of value. Therefore we must ask our clients exactly what it is they seek: consider surveys, focus groups or even one-to-one interviews. However we find out, we should not simply hazard a guess and design our service around assumptions.

We must also understand that for some of our work we might have *internal* customers, again with their own views on what is of value. For example, the process of packaging up and sterilising a surgical kit could be viewed as having a vet as the end customer. Regardless, we should always have in mind who our downstream recipient is for the work we are doing and that ultimately their needs must align with the client and patient to avoid becoming too inwardly focused.

The 3 Rules of Value

There are many textbook definitions of value yet, as we have discussed above, it depends on what the recipient of the service sees as being of value to them. However, there are three general rules that must apply within Lean methodology to determine whether an activity is value-added. These are:

1. The “customer” must be willing to pay for the activity
2. The activity must transform the product in some way
3. The activity must be done correctly the first time

All three of these rules must be met for our end customer to consider it value-added activity. Any activity falling short of the criteria is considered non-value-added, or waste.

Rule 1: The “customer” must be willing to pay for the activity

As service providers, we may feel in a good position to regard what we think is of value to our client and patient end customers. However, as already discussed, we should never assume but rather we should make steps to ask our clients what they are willing to pay for, according to rule 1.

An argument some professionals have put forward is that clients are not fully aware of all the necessary service elements they do for them and therefore would not be able to sufficiently answer the question “what are you willing to pay for?”

The counter argument to this is that we should make such “black box” activities transparent to clients so they understand fully what is involved in the services we offer. A complaint about the size of a bill can often be resolved when a clinic member goes through the bill in detail and tells the client exactly what was done and charged for. A better way is to prevent the complaint from occurring in the first place and do our best to estimate not just the total cost of something we are about to do for a

patient but to itemise everything we anticipate will be necessary so the client knows exactly what we are going to do and where the value lies.

Rule 2: The activity must transform the product in some way

The original Lean manufacturing definition of rule 2 states transforming or changing the “product” in some way, bringing it closer to its final form. Of course, calling our patients “products” appears somewhat cold but the patient is essentially one of a number of products in the veterinary practice context, according to rule 2. For example, a patient admitted to the hospital for neutering goes through several transformative value-added processes that may look like this:

- i) Pre-surgical examination
- ii) Admittance to the hospital
- iii) Premedication
- iv) Anaesthesia
- v) Surgical procedure
- vi) Post-surgery examination
- vii) Discharge from hospital

Each of these steps brings the patient closer to the final desired state. However, losing the patients anaesthesia chart, for example, is non-value-added and an unwanted step in the process which does not help transform the patient towards the desired state according to rule 2. It is therefore considered waste; the client is not going to want to pay for this either according to rule 1.

Other products might include blood samples, pathology specimens, x-rays, medicines, patient histories etc. These are all changed in some way during the process of a value-added activity. They too can also be changed in a non-value-added way such as by dropping a glass blood tube on the floor – it’s changed but not in any useful way to us!

Rule 3: The activity must be done correctly the first time

We previously mentioned how activity does not necessarily equal value-added work and this is the principle of rule 3; having to correct or “rework” an activity that has been done incorrectly the first time does not count as value-added the second time around.

In fact, an activity may meet both the criteria for the first and second rules but fall down at the third rule. An example would be a vet filling out a written prescription incorrectly only for the pharmacist to reject the prescription and for the vet to have to re-write it. Not only is the vet’s time wasted the second time around but also the time taken for the prescription to be submitted, checked and rejected by the pharmacist is all waste.

Additionally, this example shows how one wasteful activity can lead to multiple wasteful, non-value-added activities.

There are potentially more catastrophic consequences of the failure to comply with rule 3. For example, a vet is closing a 35kg bitch spay and using some suture material which she feels might be a bit too light for the job, However, she perseveres with the material and finishes the surgery. Twenty-four hours later, the owner calls saying the dog has burst its sutures open and its intestines have ruptured through.

The choice to use a suture material too light for the job has not only caused a failure to comply with rule 3 but more critically has endangered the life of this patient. Once again we see how one non-value-added activity leads to multiple others: distress and inconvenience to the client, distress and pain to the patient, significant rework to correct the situation (i.e. save the life of the patient!), potential negative word-of-mouth and, of course, someone has to foot the bill.

A Third Classification of Value

The two simplest classifications of value are value-added and non-value-added, or waste. However, sometimes the line is more blurred. For example, a vet or nurse may spend some time going through a consent

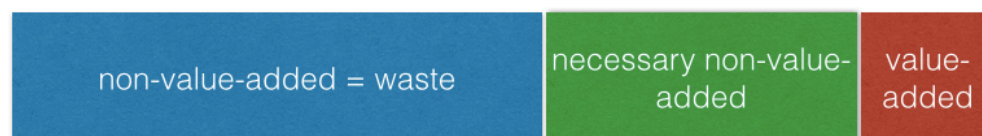
form with an owner before asking for it to be signed. Is this a value-added step? Well, let's think about the rules: Is it something the client is willing to pay for? Although she might appreciate having the information within the form explained to her, it's probably not something she is willing to pay for. Does it transform or change the patient in any way? Not really. Will it be done right the first time? Well hopefully.

But we can see it's not truly a value-added activity. But neither is it a wasteful activity because actually we have to do it for everyone's benefit.

There are many examples of these activities that aren't truly value-added but aren't completely wasteful. Sometimes these are known as *necessary non-value-added activities*, i.e. activities we must do in order to be, for example, legally or professionally compliant or to ensure a level of safety. Other examples may include time spent calculating overtime hours, logging in to computers requiring usernames and passwords, cleaning and preparing surgical kits.

Deciding whether something is value-added, necessary non-value-added or pure non-value added can at times become a subjective and academic exercise, and it is too easy to get bogged down by trying to classify what we do. The bottom line is the amount of true value-added activity we perform is often a small fraction of our day's work:

Typical Daily Work



Realistic proportion of activities by value

The above schematic shows the relative proportions by value of many people's typical workday. Of course, some will have a far greater proportion of value-added activity but some will have even less, the majority of their days consumed with wasteful activities. Regardless, a surprisingly large proportion of what we do during the day is actually waste.

Rather than spend too much time analysing what the exact category our work activities fall into, ultimately we should simply be asking ourselves whether any activity that is not obviously pure value-added can be eliminated altogether, or at least minimised or made better.

Much of the *en vogue* business improvement efforts within the veterinary profession focus on increasing revenues through getting feet through the door and charging properly. This is particularly so in corporate-structured enterprises because many of them maximise their shareholder wealth through a cut of the individual practices' turnover. The focus for them is therefore on driving factors affecting turnover directly.

As effective as this is, we are in danger of overlooking some fundamental good business practices, which can impact our net profit *in addition* to our turnover. It is therefore essential to understand what value means to our customers and to introduce efforts to increase this value whilst recognising, reducing and, better still, eliminating waste.

The next chapter will address the eight forms of waste encountered within veterinary practice.