

An “**EXCUSE**” is a lie we tell others.
A “**RATIONALIZATION**” is a lie we tell ourselves.

SOME EXAMPLES:

- ◆ When I get back from this trip, I’m going on a diet.
- ◆ I’ll save even more money if I buy nine of these.
- ◆ If I do a really good job, nobody will care that it’s twelve weeks late.
- ◆ I’m only moving the ball to where it should have landed.
- ◆ If he leaves it out on his desk, it’s OK to read it.
- ◆ I could quit tomorrow.

Signs everywhere

On the trucks of a local plumbing company:

“Don’t sleep with a drip.
Call your plumber.”

In a podiatrist’s office:

“Time wounds all heels.”

Outside a muffler shop:

“No appointment necessary.
We heard you coming.”

In a veterinarian’s waiting room:

“Be back in 5 minutes. Sit! Stay!”

In the front yard of a funeral home:

“Drive Carefully. We’ll wait.”

Proverbs:

God gives all birds their food, but He does not drop it in their nests.

Danish

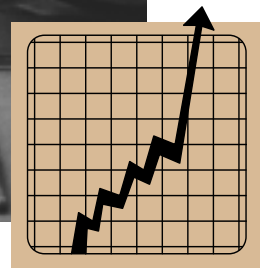
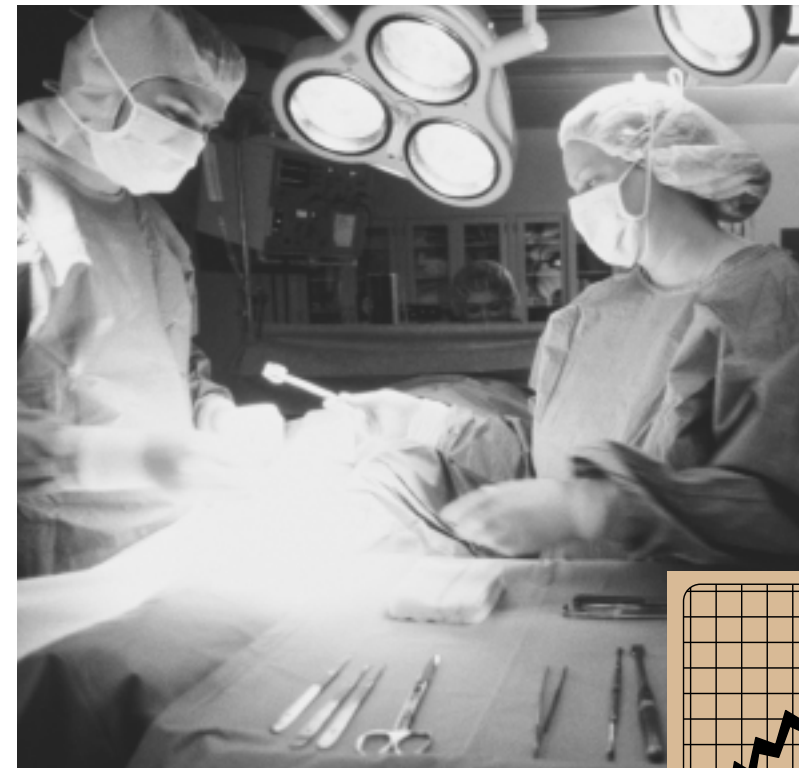
Experience is the comb that nature gives us when we are bald.

Chinese



Health Care Cost

A Timely Subject



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Get Health-Care Suppliers Lean

Believe it or not, there's a big group of suppliers out there that still have a lock on auto maker business, even though they are terribly inefficient and their costs are spiraling out of control. These suppliers account for as much as \$1,400 of the cost of a U.S.-built vehicle—more than the cost of the steel. Their inventory and process controls are archaic, their billing systems are out of date and their relations with their customers, employees and labor unions aren't good.

Despite these glaring problems, Detroit's Big Three routinely allow this special group to pass along price increases approaching double digits.

Auto suppliers that have spent the past decade or more adopting lean business practices so they can stay alive and deliver annual price reductions to their auto maker customers might be shocked by this, but they shouldn't be. They buy goods and services from this same group.

Who are they? Health-care providers.

It's not uncommon for an OEM to step in to help a struggling supplier revise its production operations in order to become more efficient or fix a quality problem. Sometimes it's mandated: "Let us help you get lean or you're finished."

It's time auto makers and Tier 1 suppliers adopt the same strategy with the health-care community. They need to start using their clout as giant health-

care consumers to force providers to get control of their costs by improving their efficiency, just like they would any other suppliers.

I'm not suggesting OEMs or Tier 1s flog doctors and hospitals even harder to make them reduce their fees.

I'm saying they should force hospitals and emergency rooms to adopt Toyota's lean production techniques for running their businesses and handling their "inventory," just like virtually every successful business enterprise has done— or is doing— in the U.S. today.

Sound crazy?

If you think lean-production techniques such as value-stream mapping, **kaizen** and root-cause analysis couldn't improve the typical emergency room or doctor's office, then you haven't been in one lately.

James P. Womack and Daniel T. Jones, co-authors of the definitive 1990 book on the Toyota Production System, **The Machine that Changed the World**, suggested extending the concept of lean manufacturing to all kinds of enterprises—including health care—in their 1996 book **Lean Thinking**.

Paul O'Neill, the former Treasury secretary and ex-Alcoa chairman, is taking the next step. He heads a consortium of businesses, hospitals and insurers aimed at improving health care and reducing costs. Called the Pittsburgh Regional Healthcare Initiative, it offers a 5-day training course based on adapting the Toyota system to health-care operations. According to the **Wall Street Journal**, the lessons learned there already are being successfully implemented at Allegheny General Hospital in Pittsburgh and at least a dozen other hospitals across the country.

Some are offended by the idea, but speaking as a veteran of several recent hospital visits, I think most patients and their families would consider being treated like a Toyota as a big step up. ■

