What Can Medicine Learn From General Motors?

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Financial Interest

• I am one of the founders of Alta Medical Management

Taken from despair.com
“You don’t change the culture by trying to directly change the culture.”
Edgar Schein

Three Legs of Our Business

• It starts with your People
• Enable them with Technology
• Develop and continually improve your Processes

General Motors

• Founded in 1908
• HQ in Detroit, MI
• 202,000 employees in 2016
• 10.8% of worldwide auto market in 2015
• Sold 7.48M cars in 2015
Toyota

- Founded in 1937
- HQ in Toyota, Japan
- 350,000 employees in 2016
- Sold 8.57M cars in 2016
- Most valuable car brand in 2015

Fun Facts From Fremont

- Fremont had the highest absenteeism of any GM plant – 20%
- Fremont had among the worst quality of any GM plant – think about that
- The UAW considered the Fremont workforce, “the worst workforce in the United States”

The NUMMI Concept

- The Fremont, CA General Motors plant operated from 1962 to 1982
- The Fremont plant closed in 1982
- The NUMMI plant was created and opened as a JV between GM and Toyota in 1984
Why?

- GM was terrible at building profitable, high quality, small cars
- GM had an idle plant
- GM was somewhat interested in learning about TPS
- Toyota needed to learn how to manufacture cars in the US

The Challenge

- GM sent 16 “rising stars” to Japan to train and then to run the NUMMI (and other) plants
  
  "We were ready, we were fired up and we had the mental condition that said, ‘we’re going to change the world.’” - Steve Bera

- The plant opened just two years after being shut down – using the exact same workforce.

The Results

- The Toyota Corolla produced in the NUMMI plant had the same defect rate as those produced in Japan
  
  - NUMMI had the highest quality of GM’s plants
- Absenteeism was consistently less than 2% (down from 20%)
What Changed?

- A feeling of membership
- Hiring process
- How work was organized
- How expectations were set
- What managers did

What Else Changed?

- How mistakes were dealt with
  - How did they identify and deal with mistakes
  - What was their attitude toward mistakes
  - Did they focus on the 5 who’s or the 5 why’s of the problem

When Doesn’t This Work?

- Leadership must see the need to continually change
- Employees must see the need to continually change
  - This is critical to the culture
- There must be a high level of trust between leadership and employees
Summary

• If you do what you always did, you will get what you always got

Sources

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• http://sloanreview.mit.edu/article/how-to-change-a-culture-lessons-from-nummi/
• This American Life, July, 2015

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