

## What Can Medicine Learn From General Motors?

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## Financial Interest

- I am one of the founders of Alta Medical Management




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**TRADITION**

JUST BECAUSE YOU'VE ALWAYS DONE IT THAT WAY  
DOESN'T MEAN IT'S NOT INCREDIBLY STUPID.

Taken from despair.com




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“You don’t change the culture by trying to directly change the culture.”

Edgar Schein




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### Three Legs of Our Business

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




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### 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




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## 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




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## 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”




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## 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




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## 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




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## 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.




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## 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%)




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### What Changed?

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




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### 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




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### 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




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## Summary

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




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## Sources

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- <http://www.npr.org/templates/story/story.php?storyId=125229157>
- <https://hbr.org/2009/09/nummi-what-toyota-learned>
- <http://sloanreview.mit.edu/article/how-to-change-a-culture-lessons-from-nummi/>
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