

REINVENTING A COMPANY...THE JOURNEY TO LIGHT

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In the late Spring of 2001, in an effort to identify opportunities to increase employee morale and enhance productivity, Schuylkill Products, Inc. (SPI) conducted an employee attitude survey among the unionized labor force. The results of this survey indicated that indeed some opportunities existed, and focused action could be undertaken to improve the situation.

During the Summer a number of outside resources were brought in to review the survey findings, and propose a course of action that would assist the company to address the areas of opportunity and rally the support of the labor force. The suggestions of many of the resources contacted focused on the opportunity to create greater “teamwork” **among** the workforce, and proposed a variety of approaches to provide team building training to the unionized labor force.

A voice among the outside resources suggested that the opportunity may well extend beyond the labor force, and include the “management structure”. In order to achieve the greatest effect at the bottom of the organization, providing the same opportunity at the top of the organization might well provide a more handsome payback. Since this was a different approach than other’s had suggested, the top management team now saw themselves as part of the solution. They respected the group for their candor and honest attempt to identify the entire root cause and not just the symptoms.

It might have been easier to place the “need” at the feet of the employees, and simply plan to schedule mandatory teamwork training, and rely on the “outside trainers” to solve the problem in a couple of months. As a selection process was set in motion for “teamwork training”, management kept coming back to ask themselves “what if those guys from Alignment Consulting International (ACI) are right?” “What if we can address teamwork at all levels of the company?”

That small grain of sand got harder and harder to dismiss, and finally it was decided to bring ACI in again and have them provide substance to their approach. They did so by suggesting that “senior management provides the direction and the employees merely do what they are allowed to do”. How well that process works has a great influence on what is produced by the company.

They then drew a “star” and labeled the points of the star with Strategy, Structure, Process, People and Recognition, and placed Customer/Business results in the center of the star. Around the star was drawn a circle labeled “Leadership”.

They then asked a few questions:

Is there a defined strategy, and who knows about it?

Are you sure that everyone knows where they fit in the structure, and to whom they report?

When something goes wrong, do we say “who did it”, or “where did the process break”?

Do all employees have defined goals tied to the company plan?

Do you reward people for trying new things?

Management challenged each other to answer these insightful questions, and it painted a picture of where some gaps may exist in where they were heading. It became apparent that “the ship was sailing well, but could tighten up navigation”. The team from ACI never told management what they needed to do, they allowed the team to discover it for themselves.

The Decision:

ACI was asked to present a proposal with specifics as to how to assist SPI to address both the short and long-term issues it discovered. When ACI came back with their proposal, they had the project divided into phases, each with specific purposes, timelines and deliverables. This made it easy to see how the interventions would unfold, what they were targeted to accomplish, and how to evaluate that each was completed.

Phase I ...Immediate

Phase I consisted of 6 specific steps:

- One on one interviews with key organizational leaders
- ½ day feedback on what was learned from the interviews
- Convene a Strategic Planning Team (SPT) of senior managers to define **the three most important opportunities identified in the employee survey**
- Implement communications company-wide to define the strategic process
- Launch the first of three cross functional teams to address the most significant employee opportunity stemming from the employee survey
- Facilitate the SPT to draft a strategic plan over an eight week period

Phase II... Within three weeks

- Launch the second and third cross-functional teams to address the second and third most important opportunities from the employee survey

Phase III... Two months

- Upon the completion of the strategic plan, develop departmental plans linked to the company plan in order to cascade the planning process downward through the company.

Phase IV... During month 3

- Implement an Executive Leadership Development process to provide the skills and attitudes to the Senior Management team sufficient to enable successful cascade of the planning process throughout the organization, and attain the results desired.

The Implementation:

Armed with the new belief that organizational change is a “journey not a destination”, trust was put in ACI to facilitate that journey from where the company was to where it wanted to be.

Beginning in September 2001, the process as proposed was begun. The three cross-functional teams were formed to address opportunities in Orientation/Training, Safety, and In-Plant Coordination of Critical Activities. Both union and management were represented on each team facilitated by ACI. Issues were identified, root cause investigated and recommendations defined. Each team prepared and presented their findings to the senior management SPT. The recommendations were reviewed at the end of the presentations, accepted, and the teams were empowered to implement their recommendations.

Needless to say, this had a very positive effect on all parties...employees felt “listened to” and management gained critical insight into the workforce issues. This was an important first step, but change involved more than a couple of successful teams, and management realized an opportunity to change also. This was to be part of the journey.

While the cross-functional teams were working toward their recommendations, ACI began the facilitation of the strategic plan. Process materials were used to assist the SPT to address a series of critical questions and develop answers. This enabled them to construct a plan with content necessary and sufficient to provide direction and build confidence.

This was a process of discovery...and the team was challenged to provide substantive answers and knowledge in the areas of external markets, competition, trends, internal processes, resources, tools, and people. An intensive S.W.O.T. analysis (strength, weakness, opportunity & threat) was performed that challenged each member of the SPT to think broadly. Strategies were developed to address each weakness and threat, and to capitalize on the opportunities and strengths.

The plan, when completed, provided a comprehensive assessment of the existing and future markets, and the true picture of the company competing within that context. A VISION was defined and presented by the President, and a consensus of unqualified support was achieved for the Vision. A Mission for 2002 was developed with Critical Success Factors, action items, time lines, accountabilities and measurements.

When the Strategic Plan was complete, the next task was to embark on the process to cascade the plan throughout the organization. The key to successful implementation was Leadership, and their collective and individual abilities to drive the plan to every level of the company. In order to support this leg of the journey, the Executive Leadership Development process was initiated.

The process involved a series of weekly sessions with two component parts. Each session dealt with the review of two leadership issues contained in materials given to each participant in advance. These topics included: Transforming The Organization, Turning Goals Into Sustained Success, Leadership and You, Building Teams, Understanding What Motivates People, Collaboration For Success, Understanding Behavior, Developing Peak Performers, and Leadership Communication.

Discussion of the topics was facilitated, and participants discussed the issues from their own personal and professional experience. When the issues were thoroughly discussed, focus turned to the development of Departmental Business Plans. These plans were the method to define the role and actions of each department to support the Strategic Plan and ensure its achievement. Each participant completed a departmental plan, and presented it to the other participants to align and establish areas of departmental intersection and mutual goal achievement.

Step Two of the “Journey” in 2002:

As a result of the success realized in the Strategic Planning effort and the Executive Leadership Development process for the senior management team, the next challenge was to implement this success throughout the company.

In order to guide the implementation process, the SPT set up a schedule of monthly review and execute meetings. In each session, Action Items from previous meetings, White Space Analysis, and ongoing market strategies were review and reported upon. Additionally, to stay tuned to their leadership development, at each meeting a member of

the SPT presented one of the Executive Leadership Program topics, and led a discussion about how it has positively impacted change in the company.

The departmental plans developed during the senior management leadership process became the blueprint for the implementation task, and provided an integrated means to gain the involvement of the employee base of the company.

Two groups critical to the success of the company were the Supervisor/Administrator group (essentially middle management), and the Production Gang Boss group (key team leaders in the production departments).

The Supervisor/Administrator group represented a broad spectrum of the organization that included Finance, Manufacturing, Human Resources, Scheduling, Erection, Engineering and Sales.

The Gang Bosses were part of the organized labor group, and made up the largest number of participants. Their roles were to lead gangs of workers involved in the various steps of the around-the-clock production cycle such as: set up, pour, stripping, yarding, steel fabrication maintenance and general support. In essence the heart of the manufacturing operation

For each of these two groups, a development process similar to that of the senior management team was planned. The content of these processes were tailored to the roles and challenges faced by the participants, but utilized common aspects of personal and professional development. Consistent with the senior management program, exercises and team challenges were coupled with development plans for their groups focused on “doing it right the first time” and improvement of effectiveness.

Alignment:

With the development processes well underway, three of the five points of the STAR were being addressed: Strategy, Structure and People. The next point of attack was to see if the company processes were aligned with the structure and strategy. Processes are the groups of tasks that people perform (in any area of the company) that get things done. Processes exist in all companies, but the question was “are they effective, efficient and fast?” In order to add value to the company, a process must provide the result desired (effective), utilize the least amount of resources (efficient) and have the shortest cycle time possible (speed).

In a facilitated session, the SPT was asked to define what departments existed in the organization. A series of “silos” (one for each department) were drawn to indicate the way departments typically work “within their own silo”, and that interaction between silos usually happened at the top of each silo. The questions posed by ACI were “who is managing the white space between the silos?”, and “what is being lost or not attended to in the “hand-offs”?

In order address this, a comprehensive review of the core process of the company (notification of potential jobs to bid, all the way to cash deposited in the company account) was undertaken, and this component was named “the white space analysis”. A “job” was followed throughout the organization as it wove from department to department on its way to becoming a product.

Each department and/or function received a module of training on Process Improvement to learn how to analyze processes. They then started to build a wall map of their process, define value and non-value added activity, look for areas of opportunity, brainstorm an ideal process, then develop consensus to implement a “can be” process (as close to the ideal as possible). The last step was to formulate an implementation plan for the changes they recommended, and present it to the SPT for approval.

A comprehensive set of Action Items and time lines were developed to track the implementation of the approved changes, and estimates of financial impact were calculated for each change. This allowed each team, and the SPT, to have an ongoing measurement of the results generated by the White Space review. Progress against these Action Items and results were reported at each SPT meeting. Teams continued to refine the changes as part of the continuous improvement philosophy, and these were included in the report of activity.

Results:

The following were some of the major results achieved by the teams working within the company.

- A universal numbering and tracking system was designed to follow all jobs from initial notification to bid through cash in the bank. The intranet version for real-time information flow is awaiting final implementation. This resulted in the closure of significant information gaps, timely notification of priorities, improved cycle time for estimates and bids, and smoother transition through the manufacturing process.
- A strategy-driven senior team focused on an agreed-to set of goals with the competence to cascade the goals through every level of the company.
- The adoption of “ownership at the source...do it right the first time” throughout the organization produced significant gains in the movement, storage and transportation of product; the engineering design and documentation cycle times; and reduction in variation in all phases of manufacturing due to improved training and process review.
- Improved over-the-road and on-site equipment uptime.
- The use of permanent teams and teams of opportunity as a means of getting the best decision made regardless of what level of the company the idea came from.
- A five year agreement with the organized labor group, improved morale.
- Significant reduction in “rework” due to an increase of things being done right the first time.
- Greater focus on safety in the workplace, and a reduction in the accident rate.
- Substantial increase in productivity.

- Improved coordination and cooperation among departments.
- Reduction in the cost of Quality Assurance while maintaining high quality product.
- Effective and rapid decision making due to a simpler organization structure and defined reporting relationships.
- A cultural shift toward “where did the process break down” and away from “who did it?”

On To the Future:

Schuylkill Products, Inc. continues the journey to become more efficient, effective and faster in their processes, provide more “ownership at the source”, and invest in their workforce through training and team problem solving. Middle managers are now becoming skilled at process thinking, and are imbedding the skill at all levels of the organization.

Since excellence is a journey not a destination, SPI will continue to improve areas of their operations by continuous examination, always looking for a way to make things better. As they look back on the process they have undertaken...they see it as **“a journey from darkness to light”!**

The beacon of the vision will sustain the organization as they journey forward.

Note: Gordon A. Nagle passed away unexpectedly on January 17, 2004.