

Episode Bonus (Oct 2020): Applying 2020's Lessons to Build Organizational Agility

Welcome to Lean Leadership for Ops Managers, the podcast for leaders in Ops Management who want to spark improvement, foster engagement, and boost problem solving - AND still get their day job done. Here's your host, Leadership Trainer, Lean Enthusiast, and Spy Thriller Junkie, Jamie V. Parker.

Hey there CEOs, COOs, and Operations Executives, I am glad you're here today. This bonus episode is meant for you. Here's what you're going to hear today. I'll talk about the hard lessons we learned in 2020 and what that means for us moving forward, where manufacturers and operations-based organizations are getting tripped up as they work toward organizational agility, and of course, what do we do about it. You'll also walk away with five things you can examine to determine your best next steps. All right, let's dive into the three hard lessons we learned in 2020 and what that means for us moving forward.

The first hard lesson is that we need to generate organizational agility. In 2020, we experienced challenges we hadn't anticipated. Changing customer demands, new products, shifting production line operations, increased team member absences, and 10-day long quarantines. They weren't exactly in our strategic plan, or on our tactical improvement project list. We needed our leaders and our team members to make effective decisions quickly while considering a new and constantly evolving criteria. We needed our leaders and our team members to solve new problems at a faster pace, and a broader scope. And we needed our leaders and our team members to iterate quickly through the unknown, to deliver results and sustain our organization's financial viability, and that left us in a bit of a scramble.

While our personal levels of resilience may have kicked in to get us through 2020, we know we can't rely on what was, to remain competitive and agile for the next unanticipated challenges. Lean provides the path to get there. It helps us not just solve problems, but also to create the learning organization we need to innovate. So we need to integrate Lean thinking and working into the everyday beliefs, behaviors in systems. And in 2021, that means that integration means we have to develop our operations leaders, both in what they do and how they do it because Lean integration doesn't happen in the CI office, it happens through our leaders.

The second hard lesson is that we need the capability to change behaviors quickly. Physical safety, it was the first obstacle to overcome when the pandemic reached our world. How do we keep operating while keeping team members safe? We adopted new protocols for social distancing, wearing masks, washing hands, and disinfecting surfaces. But defining and communicating protocols doesn't translate to automatic behavior change across the team. I mean, how often did you hear your leaders and managers and team leads giving the same direction over and over, "Pull your mask up", "Spread out further away", "Wipe the surface before you leave", "No really, pull your mask up over your nose"?

For many Ops Managers, changing team members' behaviors quickly was elusive. And one of the easiest and most effective mechanisms for helping team members adopt new protocols is reinforcing feedback. The problem is that most managers haven't developed that skill. They don't share the specific behavior, they don't share the impact of the behavior, they don't do it frequently or effectively enough. Yet, it's a

Episode Bonus (Oct 2020): Applying 2020's Lessons to Build Organizational Agility

simple skill to build. And what it does is it allows us to respond more quickly by changing behaviors more quickly. We don't have to go through the full change management plan. We can impact and influence and change behaviors more quickly this way. So in 2021, we need to master reinforcing feedback.

The third hard lesson is that we must improve our management team's abilities to lead through heightened emotions. We have a global pandemic, economic uncertainty, political and social unrest. Without question, 2020 raised the level of emotions our teams carried with them at work. Stress levels are high, people are anxious, tense, and struggling to adjust to new protocols. And team members worry "Will there be another lockdown? Will I take the virus from work to my family, to my aging parents? Will I have a job two months from now?"

It was more clear in 2020 than ever before, business is personal. And while there's been a shift over the last three decades toward people-centric leadership, we've now reached a point of no return. Team members expect more from their organizations. Team members are not just human resources or human capital. They're not a labor cost line on the P&L. They're not robots or assets to be commanded and controlled. Team members are the lifeblood of the organization.

The problem is that many managers still focus their efforts on managing operations without purposefully extending effort to leading people. And managers haven't yet developed the skills of building relationships that generate trust and commitment and ownership. And so we have to develop our leaders' capabilities to engage the whole person. And in 2021, we need to develop Ops Managers who practice leadership as a relationship.

So look, lessons are painful, right? 2020, probably painful for you. It definitely was for me. But lessons are worth it when we learn and we come out better on the other side. So we have these three hard lessons - we must build the capability to generate organizational agility to be able to react and respond and innovate. To change behaviors quickly, and to lead through heightened emotions. Lean thinking provides the path to gain that competitive edge today while building organizational agility in the future.

The problem is that most organizations implement Lean as an add on, which makes it difficult to get broad adoption and sustainability. Problem solving is isolated to the continuous improvement team, or just to managers. Workflow improvements are implemented and then entropy kicks in as things fall back to the way they were before. Daily huddles, visual management boards, and Gemba walks get started, but don't produce the impact expected. Instead of trying to add on Lean tools and systems, we need to integrate Lean thinking and working into our everyday. And that means with our Operations Leaders, too.

So let me start by walking you through my serve model for Lean integration, and then share where I see folks getting tripped up and what it means for you.

So, SERVE is a mnemonic for my five-step organizational transformation model for this integration process. So, SERVE, "S", "S" is for "Set the foundation for value". Look, we must have a foundation that

Episode Bonus (Oct 2020): Applying 2020's Lessons to Build Organizational Agility

everything else can be built on. We can use the analogy of building a house on sand, right, we all know that idea, but we have to have that foundation for value. And that is a different foundation than what most of our organizations were built on initially.

“E” is for “Expand Lean thinking and working”. This is where we expand both going deeper into more skills and tools and systems, as well as broader beyond the CI or management team and out across the organization.

“R” is for “Remedy resistance and poor performance”. Look, we know it's there, and generally, we want to start by feeding the hungry. But once we get traction and building problem solving across the organization, we have to address resistance and poor performance so that that doesn't stall us out.

“V” is for “Vest ownership and decision making”. This is when we're really empowering people to own more. This is way beyond delegation. It's where we raise everyone's capability to play at the next level up. This is how we get more strategic thinking and innovation because we're raising everybody up.

And then “E” is for Embed. We want to embed people development improvement. Embed is when we're moving beyond the way we work today to having this culture ingrained to last beyond any individual, even you, even the CEO, even the one person who's driving this today.

So, serve, set, expand, remedy, vest, and embed.

Now, we know this integration model takes years to work through, right, you're listening to it. You're like, “Okay, that's a big undertaking”, and it takes years to work through with constant PDCA cycles throughout. And so while it's sequential to an extent, there's not this start, stop, we're layering things in. But here's the biggest problem I'm seeing right now. And it's one that's heightened by these hard lessons learned in 2020. You ready for it? Here it is.

We skip or breeze past the first step of setting the foundation for value. You see, we're so excited about how Lean can improve the business that we jump straight in to the step of expand. And we're so focused on fixing the people who aren't on board that we jump straight to the step of remedy. So, because we don't first set the foundation for value, we never actually get out of the expand and remedy steps.

This is why so many organizations find themselves stuck, saying, “We're doing this Lean stuff because we know, we know that it can create agility, where we can better problem solve and innovate and respond to whatever unexpected challenge, might come next, but we're stuck in a spin cycle.” People are resistant; they prefer doing things the old way, which causes improvement to slow or stall or slide backward. You've got visual boards and Tier 1 meeting boards and stuff all through the plant, you can see it, but it's almost become like wallpaper. Your KPIs, safety, quality, delivery costs, they're not improving satisfactorily. Even though you've done all the things - you've done the startup meetings and the visual management, and the Gemba walks. And supervisors complain that they're too busy firefighting. Lean feels like an extra chore,

Episode Bonus (Oct 2020): Applying 2020's Lessons to Build Organizational Agility

rather than a better way of working. See, you can't get past expand and remedy, right. And we have to go back to see what we missed and set the foundation for value and add those in so that you can get past them.

You see, in this scenario where we breezed past setting the foundation too quickly, we never get to the vest step where we really raise the bar and everyone is performing at the level above them, where strategy and agility really come into play. And we never get to that embed step and so we're always a little bit nervous. What happens when the person who's driving it all leaves? What happens if my CI lead leaves? What happens if my VP of manufacturing who's driving all this improvement stuff leaves? What happens when I'm ready to move to the next phase of my career or life? Will this outlive me? Will I leave a legacy here? Or is everything that we're building dependent upon the person? You see, we got to go back to that first step, set the foundation for value, assess what old ways of thinking or working are still there. And there's a very good chance that your operations leadership is where we need to focus. Your team leads, your supervisors, your managers, and executives.

All right, before I get too far on a rant, let me bring this back to you and what you can do about it. You see, in "set the foundation for value", when I work with clients, I use my value framework to make sure those clients have what they need to be successful, that they've built that strong foundation that's not building a house on sand.

So VALUE. Yep, that's right, another mnemonic here. Now, the five areas of value are not necessarily sequential steps. So the order isn't as relevant but all five of them have to be there. And we're going to do five things. When we set the foundation for value, we're going to do five things.

"V" is for Envision. We need a clear vision, not just words on paper, but clarity on what and why. So clear that everyone in the organization can articulate how they fit into it, and so that everyone in the organization can use it to make better decisions because we know we're going to have competing priorities, we know things are going to come up. So how do we make decisions? That's why we have to have clarity in our vision.

"A" is for Align. Are our metrics and priorities aligned with this vision? Are our leaders aligned? Are our leaders using language and stories that help people connect and align every day, integrated into how they interact with people?

"L" is for Listen. Here's the thing, business is personal and leadership is a relationship. Relationships are built on trust. So how do we generate that through high impact listening not as an event, but in our everyday leadership and people interactions? And not just listening to build relationships and trust, but high impact listening that helps team members maintain ownership of the decisions and problems they need to own. When we do this, we're building the trust and responsibility that will carry us forward when we move into the expand and remedy stages of the SERVE model.

Episode Bonus (Oct 2020): Applying 2020's Lessons to Build Organizational Agility

"U" is for Uplift. All right, you got me. I had to stretch a little on that one, but this is what I mean. Are our leaders currently recognizing team member contributions today? Have leaders integrated reinforcing feedback into their everyday people interactions so that team members feel valued? And not only so they feel valued, but also in a way that drives the foundational helpful improvement behaviors we want and need.

We need to be real. The type of Lean thinking, working, and transformation that you want in your organization means team members have to make a lot of change. And they're going to be so much more receptive and committed to changing behaviors quickly when we build this uplifting into our everyday leadership.

"E" is for Enable. Now, we're not talking about that grand ol' empowerment, let's turn everything over to self-management teams, we're talking about the foundation. Yes, we're going to put in some basic systems and processes, and habits that will enable team members to participate in the transformation process. And yes, we want to do some foundational education that will enable team members to have the knowledge to contribute. So we might have some Tier 1 meetings or visual management, they might learn about the 8 process wastes and flow - the foundational things that enable them to engage more effectively.

But the part of this that a lot of leaders miss is enabling also means dismantling some of the current beliefs, behaviors, and systems that run counter to our vision. We can't say, "Blame the process, not the person", and then when a customer failure happens, ask who ran the job. And we can't say that your job is to improve the work and then base all incentives and punishment on personal productivity of getting work out the door. So to enable, we might have to do a little dismantling.

Set the foundation for value. Envision, super, super clear vision. Envision, align, listen, uplift, enable. When we miss some of these foundational pieces, then things will stall out. And I told you that the hard lessons of 2020 heightened this, right? Here's the thing, the foundation for value happens through your leadership team.

These heightened emotions that we're working through, and the need to change behaviors more quickly, to respond more quickly, they shine a light [on] where we haven't yet developed our leadership team to integrate this foundation of value into there every day. It was always there, it wasn't quite as visible. And so it was a little easier to adopt the status quo. But the status quo won't work any longer. We've got heightened emotions, and we have to be able to move more quickly.

So what can you do?

Episode Bonus (Oct 2020): Applying 2020's Lessons to Build Organizational Agility

Get your leadership team together and assess where you are on the foundation of value using these questions in the five areas:

Vision - Have we defined a vision so clear that everyone understands and can explain how they fit into making the vision a reality? Have our leaders internalized the vision as a guide for decision making?

Align - Have our leaders integrated the language and stories of our vision into their everyday leadership so that everyone in the organization understands and can explain how they fit into making the vision a reality? Have our leaders aligned metrics and priorities with the vision so that everyone in the organization is putting energy and effort toward the right things?

Listen - Have our leaders integrated high impact listening into their everyday leadership so that there's a high level of trust in the organization, and so that team members feel heard, while also owning decisions and problems in their span of control?

Uplift - Have our leaders integrated reinforcing feedback into their everyday people interactions so that team members feel valued, while also quickly adopting needed and helpful behaviors?

Enable - Have our leaders identified and dismantled old beliefs, behaviors, and systems that are not aligned with our vision, while also establishing core foundational elements that have enabled team members to engage in business improvement?

If you want help getting more clarity about your organization's foundation for value, then let's talk. If you want help integrating Lean thinking into your management team's everyday leadership, then let's talk. Head over to processplusresults.com and click on the "Schedule a Call" button.

All right, let's summarize today's main points. Here are your quick takeaways.

In 2020, we learned some hard lessons that leave us knowing we must create the capability to generate organizational agility, to change behaviors quickly, and to lead through heightened emotions. Lean provides a roadmap to organizational agility, but we can't just add it on as another implementation project. We must integrate it into our everyday.

The SERVE in our integration framework provides that model. We want to set the foundation for value, expand lean thinking and working, remedy resistance and poor performance, vest ownership and decision making, and embed people development and improvement.

Now, that's a journey. That's a journey. The mistake I see organizations making is they skip over or they gloss over, or they don't fully execute the "set the foundation for value" step, and this causes them to stall. It's a little bit of a hamster wheel, maybe it's two years or three years or five years or eight years into that Lean journey. This problem is magnified by current events because emotions are heightened, and we all

Episode Bonus (Oct 2020): Applying 2020's Lessons to Build Organizational Agility

have to move faster, we have to change and respond faster. The countermeasure is for you and your leadership team to go back and check you're standing on the foundation for value. The foundation for value. When we set a foundation for value, we do these five things:

- We en**V**ision
- We **A**lign
- We **L**isten
- We **U**plift
- We **E**nable

And finally, I provided you five questions that you and your leadership team can discuss together to get started on your foundation for value. If you get stuck along the way, or if you want a guide to the process, or if you just want to explore what it might look like to work together, head on over to processplusresults.com and click on the "Schedule a Call" button. We'll hop on the phone for 40 minutes, and you will leave the call with greater clarity. Thanks for listening.

I hope you enjoyed this bonus episode. If you know someone that needs to hear this message, then please share this episode with them. You can find the episode along with visual aids showing the frameworks discussed at processplusresults.com/podcast/bonusoctober, that's www.processplusresults.com/podcast/bonusoctober