

Q&A With EFESO Consulting

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# LEADING CHANGE AND DEVELOPING A FRAMEWORK FOR ENTERPRISE EXCELLENCE

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AMERICAN MANUFACTURING SUMMIT 2016

February 29<sup>th</sup> - March 1<sup>st</sup>, 2016

# INTRODUCTION

Unpredictable geopolitical events, shifting consumer demand cycles and evolving ownership models are creating an uncertain future for many manufacturers. To remain competitive, manufacturers need to develop a framework of enterprise excellence; increasing productivity, enabling flexibility and building a sustainable, high-performance team environment and culture. Many organizations, however, struggle with the successful transition to an enterprise excellence framework.

To better understand the challenges involved in affecting true change and the steps that manufacturers need to take to achieve enterprise excellence, we sat down with our friends at EFESO consulting to draw on their expertise.

EFESO Consulting has been active in the consulting industry for over 35 years, supporting many of the leading global brands in both mature and emerging markets. They create tangible and measurable results, generating an average ROI of 5 to 1 in the first year of engagement and maintaining a retention rate of over 90%.

# How does better leadership influence the profitability, productivity and results of manufacturing operations?

The effect of good leadership as a catalyst in organisations is far greater than most people realise. In our assignments we often find clear evidence that the root causes of performance variation are primarily due to differences concerning leadership.

Sometimes we have found a difference in understanding throughout the organisation, but this could also be related back to leadership.

What is important to stress is the difference between management and leadership. One of the most important parts of leadership is that people want to “go with you”. A leader creates the desire to go somewhere, and then inspires people to want that vision too. This creates organisations where the basics are in place to perform well, and then even more excellent results are generated by people more engaged to deliver beyond.

# What are some of the challenges that manufacturers face when transitioning to an enterprise excellence framework? What role does leadership play in this transition period?

A major challenge that can severely impact the successful transition to an enterprise excellence framework is the inability to build a guiding team that is able to work towards the vision, that is able to create the dynamism to facilitate the changes that need to happen and is able to federate people to align with that vision at all respective levels of the organisation.

This guiding team is a kind of a vertical slice of an organisation, representing every layer of this organisation.

When asked what the biggest learning is after a transition program most clients answer that there was not enough emphasis on the “why” while most energy was being directed to the “what”. Defaulting into tools without understanding what the requirement for change is may lead to some short term results but will not stick in the long run.

The role of leadership is to make sure that people really understand the reason for the change, the strategy that drives it, and how they can contribute to the realisation of that strategy at each level. People want to do a better job, so leadership should concentrate on creating the space to excel. The guiding team, in the way that we develop it, can make this possible.

# What role does a leader take when transitioning to enterprise excellence and creating lasting change?

One of the most important qualities we look for is whether the leader is willing to go one step further and be vulnerable themselves to learn from their organisation how they really are as leaders. It has also been described as servant leadership. In essence the full potential of a group of people can only surface once the leader demonstrates his or her own willingness to grow from within with more self-discovery.

## In this circumstance, what are the characteristics of good leadership?

The willingness to self-discovery is a surprising but logical requirement. Since it is a role of a leader to show willingness to “go first”, it necessarily follows that unless the leader is willing to learn about themselves then others will be similarly constrained and the organisation will be hampered from reaching its full potential.

Another characteristic which is vital is the choice of persons to occupy key positions, and the monitoring of their growth in the task. However it is also true that leaders who do not know themselves often make poorer choices of colleagues for key roles, and are less aware of their effectiveness, so this again returns to the previous point.

# How does the Shingo Model™ enable enterprise excellence? / Why do you utilize the Shingo Model™?

The search for improvement is instinctive. For businesses and indeed any organisation to be successful in the long term, they must be engaged in a relentless quest to make things better. Failure to make this an organisational priority will inevitably result in organisational entropy. Excellence must be the pursuit of all great leaders. In fact, the passionate pursuit of perfection, even knowing it is fundamentally impossible to achieve, brings out the very best in every human being.

Improvement is hard work! It requires great leaders, smart managers and empowered people. Sustainable improvement cannot be delegated down, organized into a program or trained into the people. Improvement requires more than the application of a new tool set or the power of a charismatic personality. Improvement requires the transformation of a culture to one where every single person is engaged every day, in most often small, but from time to time, large change.

In reality, every organization is naturally in some state of transformation. The critical questions are: "To what end is the organization being transformed?" and "Who are the architects of the transformation?" The Shingo Model™ asserts that successful organisational transformation occurs when leaders understand and take personal responsibility for architecting a deep and abiding culture of continuous improvement. This is not something that can be delegated to others. As the CEO of a very successful organization recently said, "Leaders lead culture!"

EFESO has adopted the Shingo Model™ because we subscribe to the belief that companies, even when they are fully “tooled up”, can still succumb to short term gains, often with an inability to sustain these gains.

Core to the Shingo Model™ is the understanding of the relationship between concepts (principles), systems and tools. Unfortunately, over the years, most manufacturers have gravitated to and exalted the tools associated with effective operations and have paid too little attention to the power of the principles, or the leadership necessary.

Understanding the principles behind the tools leads to higher-order thinking and answers the question, “why?” When people understand more deeply the why behind the how and the what, they become empowered to innovate and take individual initiative.

As more and more people within a single organization begin to act independently based on their understanding and commitment to the principles, culture begins to shift. This is the basis for lasting change, which we want our clients to achieve.

# What differentiates EFESO Consulting from other consultancy services?

Put very simply, and sung poignantly in the 80's by a British pop group called Bananarama: "It ain't what you do it's the way that you do it (3x), that's what gets results".

We describe our style as The Tandem approach. Our clients tell us this is really what sets EFESO Consulting apart from its rivals. The Tandem approach builds empathy and makes our clients into our friends.

The approach to "do with" rather than to "do to" is appreciated and valued as the driver of lasting change. The client is respected and feels the ownership whilst knowing that we are all in the same boat facing the same challenges.

It means we coach, stimulate, teach, drive and guide without taking over control or ownership for the transformation that needs to happen. It is like being a midwife. We know that it is the client's baby but we help the breathing and a smoother birth. We make sure it arrives successfully, but by that time the person or team involved will have increased skills, will be committed to the change, and will be able to replicate the same way of working to new challenges and subsequent births.

This approach allows us to accelerate the transformation journey, integrating within the team and federating everyone around the vision.

We share our knowledge with all involved, we unlock the hidden potential in the client's organisation, and we facilitate the delivery of a higher quality of work both in competence and quality.

And of course this delivers measurable financial and operational results.

The tandem approach is in the DNA of all our people, by working in tandem we become a team and align everybody to the objectives

# Join EFESO Consulting at the American Manufacturing Summit!

Participate in the in-depth discussions and build your road-map to achieve innovation, maximize manufacturing profitability, optimize plant floor operations and establish standardization across multiple manufacturing facilities.



March 1st, 2016 — 10:00AM

## THE SHINGO MODEL: A NEW WAY OF THINKING



### Mark A. Baker

Director, Leadership Excellence & Business Development

- The Shingo Prize is referred to as the “Nobel Prize of Manufacturing”
- Achieving sustainable improvement and ideal results requires far more than just implementing tools and systems
- We need to understand the relationship between results and culture with a focus on ideal behaviors. Changing the way people behave requires changing the way people think
- Ultimately, sustainable success comes when we not only engage our people’s hands, but their minds and hearts as well

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February 29th & March 1st  
Renaissance Schaumburg Hotel / Chicago, IL  
[www.manusummit.com](http://www.manusummit.com)