



CREATING BUSINESS AGILITY

Getting Results...

- **Faster**
- **Better**
- **Longer**

Presented by:

Low Sears

GE HR Alumni Conference

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Organization Development Mission

BUILDING BUSINESS CAPACITY TO
ADAPT, RENEW, AND THRIVE
IN A
CHANGING, UNCERTAIN WORLD
WHERE
WASTING TIME, MONEY, AND RESOURCES
CAN
MAKE A BUSINESS IRRELEVANT

OD Focus Shifts Over Time

Period	Programs	Focus
1950's	GE's POIM Industrial Engineering Time Study	Control
1970's	Human Interaction Labs Matrix Management 7 "S" Model	People
1990's	Kepner Tregoe TQM/Baldrige Six Sigma	Problem Solving
2000's	Globalization Culture Innovation	Change

Creating Business Agility

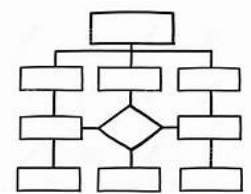
Organization Change Leaders



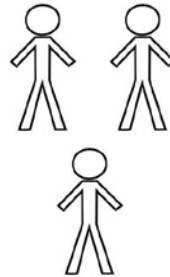
VISION



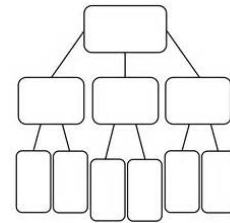
LEADER



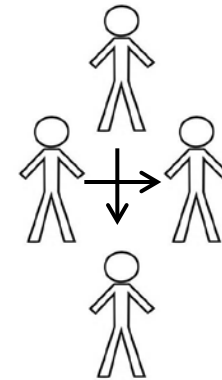
STRUCTURE



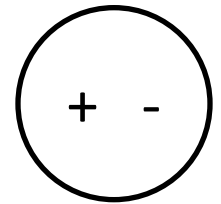
TALENT



PROCESSES



ENGAGEMENT



CULTURE

Agility Fueled by Coherent Approach

Today

- Strategy and execution blurring...both important
- Organization hierarchies impeding progress
- Leadership qualities being reordered
- Digitization creating divides between people
- HR straining to keep up...
 - Early talent identification
 - Learning while doing
 - Cultural alignment
 - Workforce diversity (not just gender & race)

A Coherent Approach to...

- Culture
- Leadership
- Core Processes
- Workforce Dynamics

Culture

Not “touchy feely” but driving results.

Culture

(Behaviors an Organization Values)

- Critical few make the difference
- Tied to business outcomes
- Demonstrated by formal and informal leaders
- Transcends functions
- Creates positive impact quickly

Alignment of Behaviors with Results

Characteristics of High Performance Culture

- Customer Centric
- Entitlement Driven (High Expectations)
- Process vs Function Mindset
- Collaborative (Boundary Less)
- Fact Based Problem Solving
- Results Oriented (Urgency)

Leadership

Integrating behavior, organization &
business.

Role of the Leader

Vision & Focus

- Compelling Vision
- Vital Few Priorities
- Workforce Buy In

Processes

- Entitlement Standards
- Collaboration
- Problem Solving Rigor

Talent & Team

- Exceptional Talent
- Distributed Leadership
- Cultural Coherence

Results

- Fail Fast
- Continue to Learn
- Celebrate Success

Leadership & Organization Alignment

Organization

- Clear Goals
- Project Pipeline
- Capabilities
- Engagement
- Results
 - Innovation
 - Operations



Individual

- Standards (Entitlement)
- Business Alignment
- Problem Solving
- Collaborative
- Learner
- Celebrating Success

10 Qualities of a Leader

- Vision alignment with near term priorities
- High standards – expects to fail at times
- Confident but open to learning
- Selects diversity of talent well
- Engaging and collaborative
- Passionate and inspiring
- Enjoys work and works hard
- Doesn't procrastinate...makes decisions
- Self aware
- Sense of humor

Makes Team and Business Better

Leaders In The News

“Outside the Box” Thinkers

Elon Musk

Tesla/Space “X”

Jeff Bezos

Amazon

Jack Ma

Alibaba

VISION

Cultural Missteps

Roger Ailes

Fox News

John Stumpf

Wells Fargo

Mike Pearson

Valeant

CULTURE

“Transformer Casualties”

Jeff Immelt

GE

Mark Fields

Ford

Ron Boire

Barnes & Noble

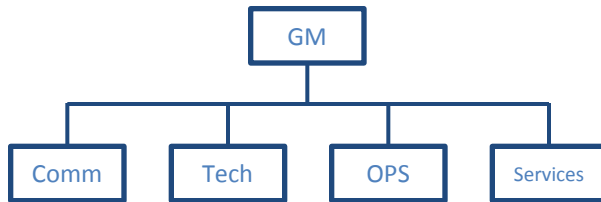
EXECUTION

Organization

Making the structure come alive.

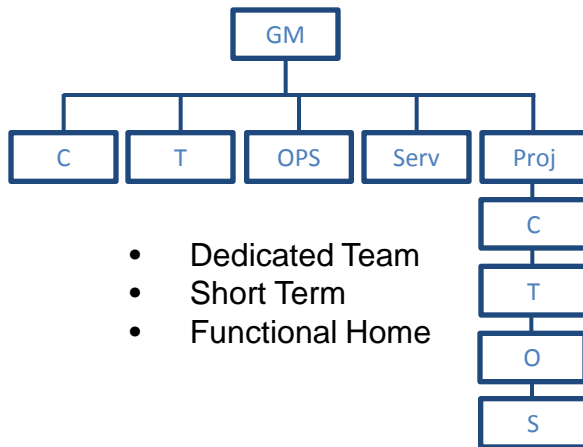
Organization Evolution

FUNCTIONAL



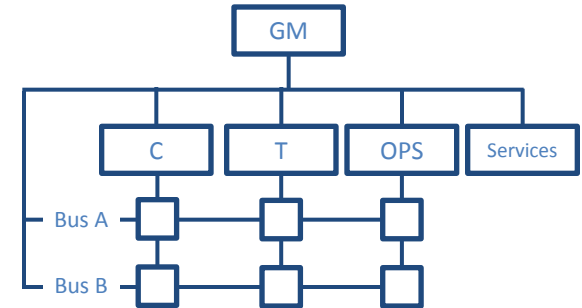
- GM Centric
- Functional Silos
- Hierarchical

PROJECT



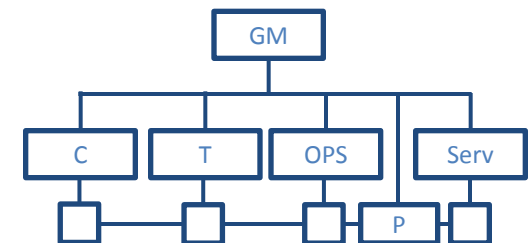
- Dedicated Team
- Short Term
- Functional Home

MATRIX



- Economics of Scale
- Centers of Excellence
- Dual Focus Bus/Function

PROCESS



- Entitlement Focus
- Core Processes
- Business Overlay

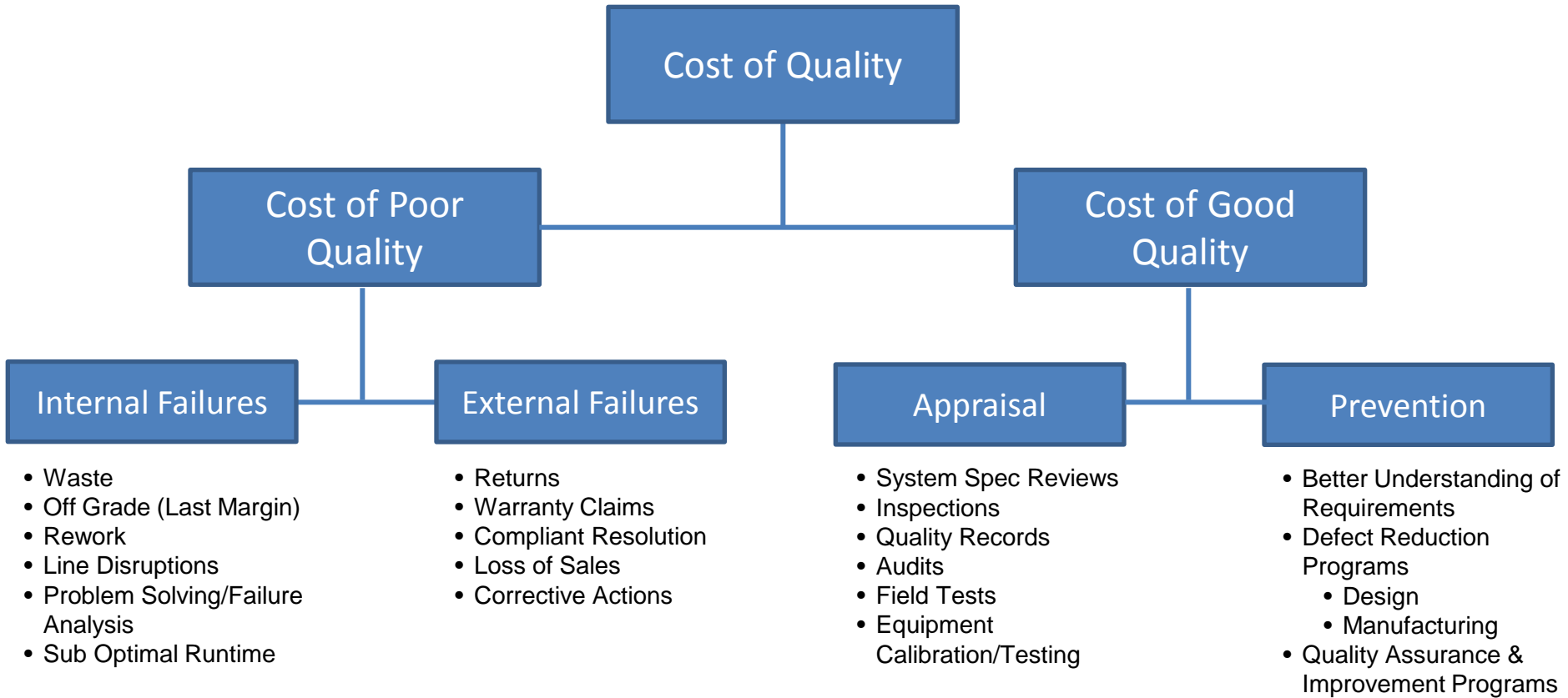
Faster, Better Execution

Core Business Processes

- Product Development/Commercialization
- Sales, Inventory & Operational Planning
- Process Development & CAPEX
- Productivity
- Order to Cash
- Quality

Agility Accelerators

An Example - Quality



Business Impact Masked by Traditional Metrics

The diagram features an iceberg floating in a blue ocean under a clear sky. The visible tip of the iceberg is labeled as the 'Top' of the iceberg, representing visible costs. The much larger, submerged part of the iceberg is labeled as the 'Bottom' of the iceberg, representing hidden costs. The visible part includes labels for Waste, Rejects, Testing Costs, Rework, Customer Returns, Inspection Costs, and Recalls. The submerged part includes labels for Excessive Overtime, Excessive Field Service Expenses, Premium Freight Costs, Pricing or Billing Errors, Excessive Employee Turnover, Development Cost of Failed Product, Overdue Receivables, Excessive System Costs, Customer Allowances, Late Paperwork, Excess Inventory, Expediting Costs, Planning Delays, Unused Capacity, Time with Dissatisfied Customers, Complaint Handling, Product Liability, Lack of Follow-up on Current Programs, and Incorrectly Completed Sales Orders.

Waste
Rejects
Testing Costs
Rework

Customer Returns
Inspection Costs
Recalls

“Top” of the Iceberg...the Visible Cost of Poor Quality

Excessive Overtime
Excessive Field Service Expenses
Premium Freight Costs
Pricing or Billing Errors
Excessive Employee Turnover
Development Cost of Failed Product
Overdue Receivables
Excessive System Costs

Customer Allowances
Late Paperwork
Excess Inventory
Expediting Costs
Planning Delays
Unused Capacity
Time with Dissatisfied Customers
Complaint Handling

Incorrectly Completed Sales Orders
Product Liability
Lack of Follow-up on Current Programs

“Bottom” of the Iceberg...Even Greater Costs!

Traditional Organization Approaches...

Customers

Commercial

- Complaints
- Field Service
- Corrective Actions
- Dispute Resolution
- Product Design Requirements
- Off Grade Sales
- Pricing

Technology

- Quality Assurance
- Product Design Flaws
- Process Development
- Measurement Protocols
- Equipment Calibration

Operations

- Waste
- Rework
- Line Disruptions
- SIOP
- Quality Control

Procurement / Logistics

- Supplier Quality
- Logistics & Warehousing
- Contract Negotiations
- Terms & Conditions
- Litigation

Support Services

- Billing
- Accounts Receivable
- Claims Processing
- Customer Service
- Legal Contracts

Suppliers

...Dilute Focus and Potential Impact

Dual Focus – Business and Process

- Senior Leadership Oversees Both
- Major X Functional Process Opportunities Identified
- Talented Project Leader Assigned
- Diverse, Relevant Team Selected
- Short Term Deliverables
- Disciplined Approach
- Defined Networks Within Business Identified
- Frequent Business Leader Engagement

Good Today...Better Tomorrow

Workforce

The revolution is underway.

Workforce Dynamics

- Companies Disappearing – 7300 to 3700 in past 20 years
- Jobs Disappearing – 5+ million in next 5 years; 7.1m jobs lost; 2.0m jobs created
- Jobs Changing – 45% of activities eliminated in next 5 years
- Digitization “Refugees”
- Lower Pay – 65% of new jobs created by startups
- “Gig” Economy Spawned
 - Short term
 - Limited benefits
 - Virtual workplace
- Nationalism Confronts Globalization

Business – Society Boundaries Blurring

New Workforce

- Later marriages – dual careers
- 9 to 5 workweek obsolete
- 50% of employees looking for next job*
- Want a purpose not just a paycheck*
- Want development not just job satisfaction*
- Want a coach not a boss*
- Want ongoing dialogue, not annual review*
- It's not a job – it's my life. Know me – value me*

*Recent Gallup Survey

Focus on Coherence

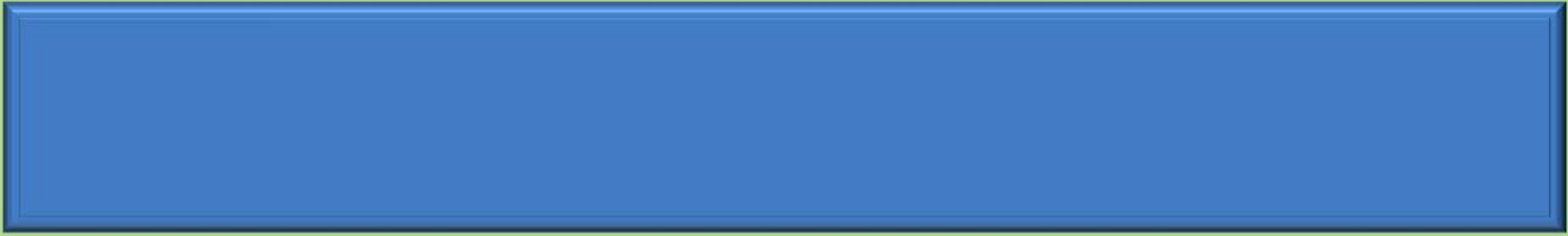
Culture – The few “difference maker” behaviors

Leaders – Leaders, at all levels, which demonstrate them

Processes – Dual emphasis with business

Workforce – Actions consistent with new realities

Agility



The future focus of HR is the coherence among culture, leadership, processes, and people...THE key to creating an agile business.

