

Manager or Leader, Which Are You?

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Earlier this year I visited several manufacturing plants of a major corporation. It was a unique opportunity because a few years earlier I led the top management of these plants through an Enterprise Excellence Education program.

Surprisingly, the enthusiasm evident during my initial visit was sorely lacking. There were virtually no changes in the operating structure of the plants and the business and production process and products had not improved. These top managers had remained in the "maintenance mode." They were not leading the improvement effort; they were only managing the status quo. Somewhere along the road to Enterprise Excellence they had lost the primary driving force necessary for success, "Leadership."

Effective management must have a leadership mentality. Embracing the vision of Enterprise Excellence for the firm, leadership goes on to develop a thorough, demonstrable knowledge of the Enterprise Excellence process, and a fundamental understanding of the tools it uses for identifying and resolving problems. Leadership means you "walk your talk" daily; you communicate in words and actions what you mean by Enterprise Excellence. It means you know the right questions and aren't afraid of the answers. It means you recognize the efforts of all involved. And it means you accept-yes embrace-the process of change in your company's culture, behavior and beliefs.

Acquiring the Leadership Mind-Set

The leadership mentality begins with the realization that change is essential for improvement. For this to happen, you must be inspirationally dissatisfied with the status quo. This is usually preceded by an honest appraisal of the facts-both about your company and its competition-that clearly shows that improved performance and reduced waste will increase sales, profits and market share.

Next, the leaders must make and fulfill a commitment to become educated, as a team, in Enterprise Excellence. This instruction will show them the roles and responsibilities they must master to manage the process of continuous quality improvement. For this process to succeed, all must share this leadership understanding.

Most importantly, the leaders must be able to accept facts and be eager to acquire new ways of thinking. They must have the confidence to make the decisions and to take the actions required to achieve Enterprise Excellence.

The Next Steps

As management education progresses, the chief executive and a specially appointed Enterprise Excellence steering committee must develop a vision of Enterprise Excellence for the organization. Sharing this vision with all employees will help to mobilize the organization. It will give purpose and direction to the Enterprise Excellence effort.

Next, management must identify and measure the true cost of poor performance in the business systems. All processes and practices involving everything from receipt of raw materials to the shipping of finished goods must be examined. This thorough analysis will also help to reveal weaknesses as well as strengths in the business system.

In addition, a competitive analysis, as well as a benchmarking of the firm against excellent companies who are not competitors, will provide valuable data to further focus the effort. Most importantly, an accurate measure of your customers' perception of your performance must be made. Ask them: "How are we doing?" and "How can we do it better?" The results will lead to the identification of specific missions and objectives to further guide the process.

Creating the Environment

At this stage, management must begin to demonstrate its commitment to fulfilling the vision of Enterprise Excellence. It begins by challenging all of the past practices, policies, procedures and methodologies, recognizing that the future is not an extension of the past.

The improvements leading to Enterprise Excellence, begin when managers start to think and act in a process-oriented manner. They must start to ACT differently, to think differently. If they don't they revert to the old way of

running the business. This is what happened to the managers mentioned at the beginning of this article. They were in "maintenance mode" and were not working to improve the system.

Reinforcing this change in thinking should be new ways to measure performance. The emphasis must be on measuring improvements to the process, not results. For example: measuring cycle time reductions versus inventory turns or measuring the number of new supplier partnerships versus the reduction in the number of vendors.

One aspect of the Enterprise Excellence process that cannot be overlooked, is the importance of the people involved. Their contributions need to be carefully evaluated and appreciated. An emphasis should be placed on solving cross-functional problems, team building efforts and team recognition, not on solo fire-fighting and functional excellence.

In some instances, dramatic changes in the structure and organization of the firm may be necessary to speed the movement towards Enterprise Excellence.

Moving Ahead

Keeping the process of Enterprise Excellence improvement on track and moving ahead requires a considerable management effort.

These 12 key guidelines were developed by my friend Ed Turcotte. They can help you acquire and keep a leadership mentality. You should use them to direct your quest for Enterprise Excellence.

1. Ensure that your people have time to work on the improvement process.
2. Establish new policies, procedures, and standards promoting business excellence rather than functional excellence.
3. Eliminate corporate and functional barriers to improvement.
4. Flatten the structure of the organization.
5. Set cross-functional goals.

6. Demand the best possible education and training for all employees.
7. Make human resources a strategic priority.
8. Run the business using a formal system.
9. Demand linear performance.
10. Get to know your employees, customers and suppliers.
11. Review business performance with the management team.
12. Be highly visible in your leadership of Enterprise Excellence.

Only managers who are leaders and who embody the leadership mentality can make Enterprise Excellence happen. Which are you, manager or manager-leader? There is a difference!