
SPEED TO MARKET

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Manage With Your Intellect, Not Your Ego



Bosses who tend to react and explode when problems are detected unconsciously sabotage organization performance and continuous improvement. Reactionary behavior produces a variety of secondary effects throughout an organization that may be perceived as problems in their own right, but are actually symptoms spinning off from the boss's dysfunctional behavior.

Delta Dynamics is currently working with a company that conducts pharmaceutical research. Although much larger than a typical tool shop, this firm operates more or less along the same lines as products are in a development process for an extended period, and speed to market is critical for cash flow and competitive reasons.

The president and two of his chief lieutenants in particular have a tendency to react to problems by jumping into the middle of things, and criticizing everybody in sight for not recognizing and correcting the problem sooner. This creates a crisis atmosphere which then provides the justification for their involvement. Often, this is personal and not pleasant. Employees seek to protect themselves in the following ways:

Hiding Problems: Employees naturally wish to avoid their boss's explosions, and so will cover up or hide problems, hoping they will be solved before being discovered. This rarely works. Problems become crises, and the resulting explosions are even larger and more severe than they would have been if the problem was dealt with earlier.

I asked one engineer why problems were not identified and addressed sooner. He said you can expect the boss to explode just as easily when a problem is small, and by ignoring it, he would only be subjected to one outburst, not two. Plus, there was always the chance the problem could be corrected before the boss found out. You have to love the way people work a system!

Indecision and Aversion to Risk: It makes sense that employees who wish to avoid being the subject of a boss's reactionary behaviors will tend to avoid or delay making decisions. And when they do make decisions, they are overly cautious. Employees become "rule bound" which limits their creativity, and slows down the product development process. One person described it as "operating by rote" when describing how a colleague approached an assigned task with no thought or creativity.

Failure to take Responsibility: It stands to reason that employees will avoid taking responsibility if they are afraid of making mistakes. Finger pointing and blame become the order of the day as employees seek to minimize their roles, and redraw their departmental boundaries to shift responsibility to others. This is a variation of "It's not my job."

Defensiveness: People naturally develop defensive attitudes as they have become conditioned to expect criticism and fault-finding. This hinders giving corrective feedback to individuals because they defend against it. This becomes a formidable barrier to continuous improvement, as well as individual growth and development.

Turnover: Reactionary bosses can create such an unpleasant work environment that good people will not stay. Barry Sanders would not stay with the Detroit Lions (and gave back millions of dollars) because he refused to play with a mediocre team that was not committed to becoming superior. Really good talent will not stay in an organization that diminishes their own performance and prevents them from developing their fuller potential.

CYA: A lot of time and energy is spent on CYA which is typically non-value adding. Being overly concerned with self protection also leads to burdensome policies and procedures which are designed to minimize decision making and avoid personal risk. The bottom line is that products take longer to get to market, and cost more, which results in lost revenues and profit erosion.

Lack of Vision and Strategic Direction: This could be a good research question. Do companies with reactionary bosses lack a clear, well communicated vision and strategy? Why? Because clear direction is antithetical to reactionary leadership. The idea is not to provide clear direction, but to create opportunities to be a hero which is best accomplished when the waters are muddy.

The Payoff: Any time you see dysfunctional behavior in an organization, the logical question to ask is, "What's the payoff for the person exhibiting this behavior?" In the case of reactionary bosses, one of the big payoffs is ego enhancement. The boss gets to ride in on his or her white horse, solve the problem, save the day, show how smart he or she is, and ride off into the sunset like the Lone Ranger until another problem surfaces. This aggrandizing behavior of course works directly against the kinds of effective behaviors one seeks to develop and nurture in any organization.

There may be successful companies with reactive bosses who would argue that it's unnecessary to change because they are successful. This assertion would appear to be a risky proposition in today's super competitive global business environment where a company's greatest advantage is an effective organization. When employees hide problems, avoid responsibility, delay decisions, play CYA, become overly defensive, and leave for greener pastures, you can bet an even larger problem is looming on the horizon.

What can you do? If you are a boss who tends to react, perhaps it's time to recognize the consequences of your behavior and take stock. It's also time to introduce a more rational approach to problem solving that is more constructive and will support continuous improvement. You might start with having adult conversations. Work on the idea of spotting potential problems before they become larger, and reward this behavior on the part of employees, rather than punishing them.

If you are an employee in an organization where the boss exhibits these kinds of explosive, reactionary behaviors, there may not be too much you can do to bring about change. The boss has to recognize the need and be motivated to change. You might start by leaving a copy of this article on his or her desk...sort of like slipping a bottle of mouthwash to a co-worker who has bad breath. Good luck.

Are you Managing with Information, or by the Seat of your Pants?



Do you really know what is going on in your business? Can you really afford to rely on business as usual to survive in these tough times? Isn't it time for you to move beyond seat-of-the-pants to more professional management?

Seat-of-the-pants defined: *Based on or using intuition and experience rather than a plan or method; improvised: "Each has already moved beyond seat-of-the-pants management to more professional operating procedures" (Business Week).*

Take this Test: How many of these questions about your business can you answer in the next 5 minutes? Enter the answer in the number column. Scoring is at the end.

Sales	Number
How many new prospects were contacted last week?	
How many existing customers were contacted last week?	
What is the dollar value of new orders booked last week?	
What is the dollar value of orders shipped last week ?	
How many RFQ's were received last week?	
What is your hit rate on RFQ's bid?	
What is your hit rate in terms of dollars bid vs. dollars won?	
What is your current order backlog in dollars and weeks of work?	
Customer Service	
What is your on time delivery performance?	
Is your on time delivery performance getting better or worse (trend)?	
How many orders shipped last week were over estimate?	
What is the total dollar value of those cost overruns for last week? YTD?	
What is your lead time? What lead time are you are quoting customers?	
How many customer complaints have you received year-to-date?	
Production & Productivity	
How many hours of rework did you pay last week? Year-to-date?	
What was the total cost of rework last week? Year to date?	
What is the cost of scrap last week? Year to date?	
What is the productivity rate of hourly labor?	
What is the percent utilization of your key machines and work centers?	
What is your working capital position?	

Scoring: There are twenty questions worth 5 points each. Count the number of correct answers, divide by twenty, and compare to the scoring chart below:

Scoring and Interpretation	
A 18/20 = 90	<i>Excellent.</i> You must have a Speed to Market Weekly Performance Report installed.
B 16/20 = 80	<i>Good.</i> But you have room for improvement. Some information you are missing is critical to the success of your business.
C 14/20 = 70	<i>Not so good.</i> You are on the raggedy edge of being out of control. What you don't know can hurt you.
D 12/20 = 60	<i>You are in dangerous territory</i> and flying blind. Losing money you don't even see.
F Less than 12	<i>You are clueless.</i> If you are a manager, you are taking money under false pretenses.

If you are not able to answer these basic questions about your business, you must improve your information system immediately. Contact us for information about our [Weekly Performance Report](#). Install it and watch operating performance and profitability improve dramatically. Blowing smoke is a thing of the past with this powerful tool that puts you in total control of your business! Remember, if you are not measuring it, you are not managing it.

For more information, visit

<http://www.deltadynamicsinc.com/Resources/WPR/mgmt report.htm>

Measuring Results

Key performance indices that drive the financials are tied to the process through a Weekly Performance Report.

