

Silos, Fiefdoms, and Stovepipes

BREAKING THROUGH BARRIERS TO ORGANIZATIONAL ALIGNMENT

Steve Ghera

Over 12 years learning, practicing and sharing Lean, Six Sigma and Operational Excellence

- Certified Black Belt, Master Black Belt
- McKinsey Global Change Agent
- Lean and Leadership Coach
- Led 6 manufacturing site transformations for Elanco
 - Where each transformation begins with establishing a clear direction for organizational alignment

Manufacturing, Leadership and R&D experience in Pharma. Industry (Eli Lilly & Co.)

- 21 Years in Manufacturing
- 10 Years in Research & Development

B.S. Chemical Engineering – Rose-Hulman Institute of Technology

Who's In The Audience (Poll)

Use your phone, PC or tablet.

Snag the QR code right from the screen



- OR -

Type the short link into your device's browser.

<http://etc.ch/58UM>

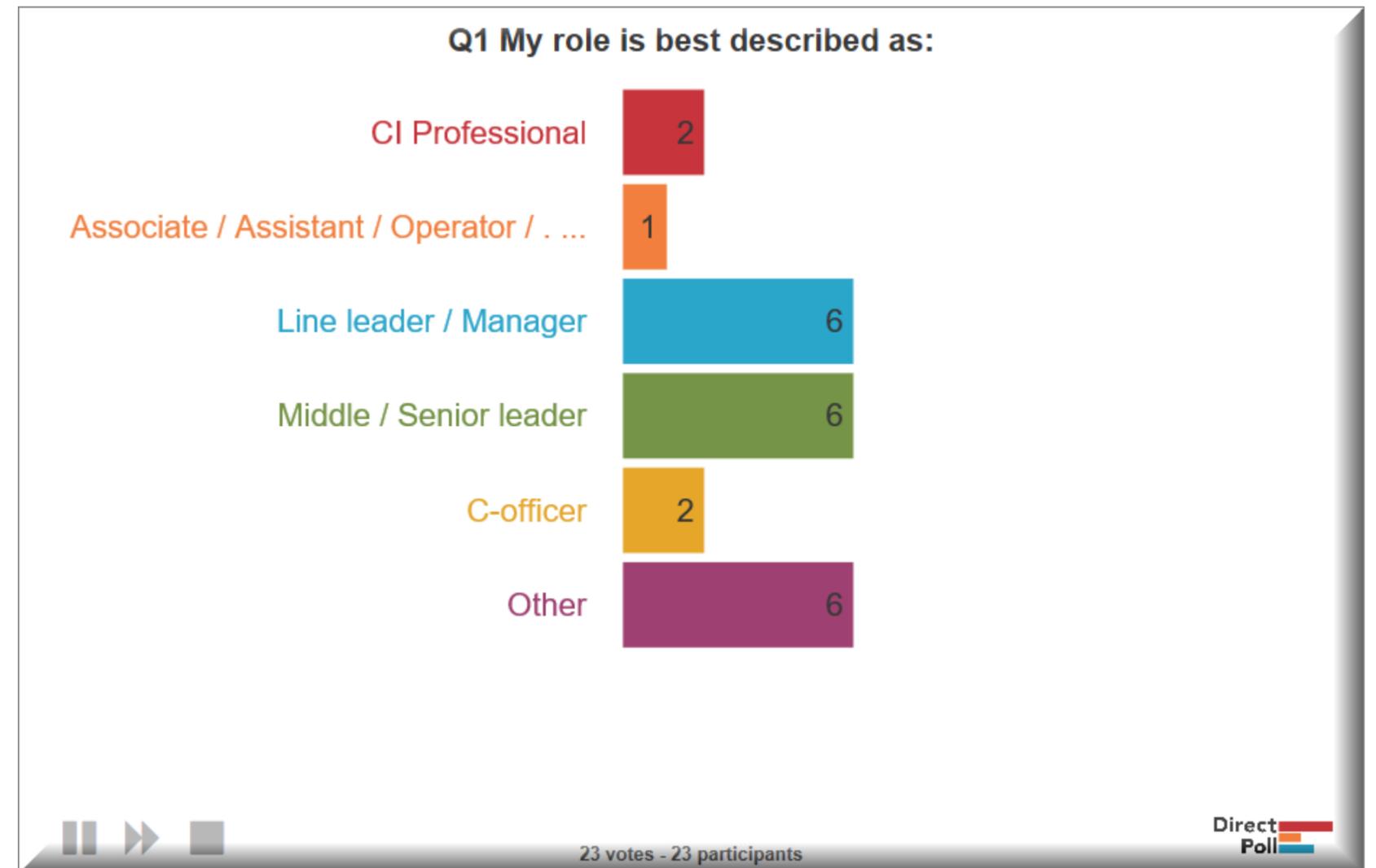


Direct
Poll

From where in the ranks are you

Q1 My role is best described as:

- A. CI professional
- B. Associate / assistant / operator
- C. Line leader / manager
- D. Middle / Senior leader
- E. C-officer
- F. Other



Topical Experience

Q2. Breaking down barriers and improving organizational alignment is something:

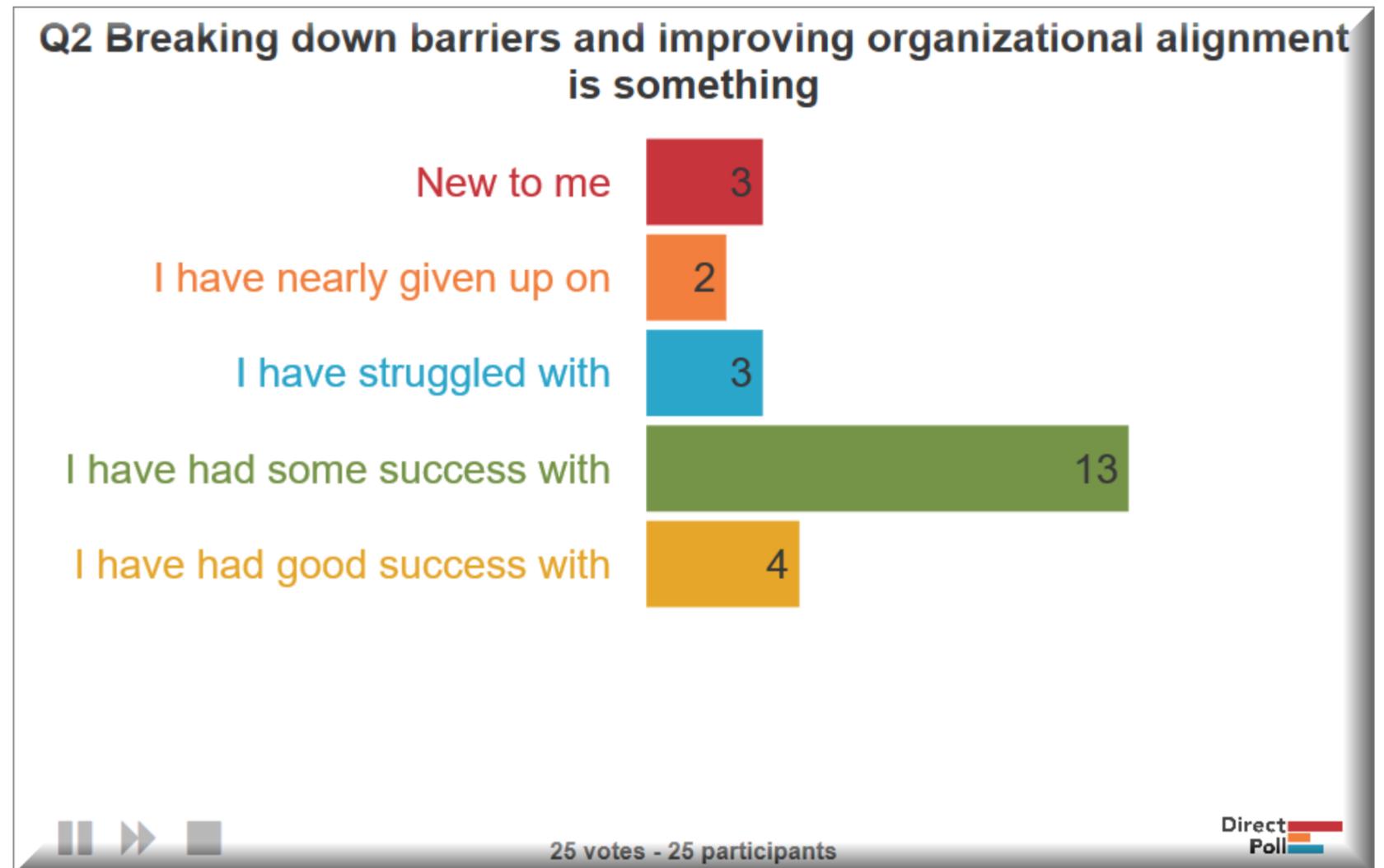
A. New to me

B. I have nearly given up on

C. I have struggled with

D. I have had some success with

E. I have had good success with



Our Readiness

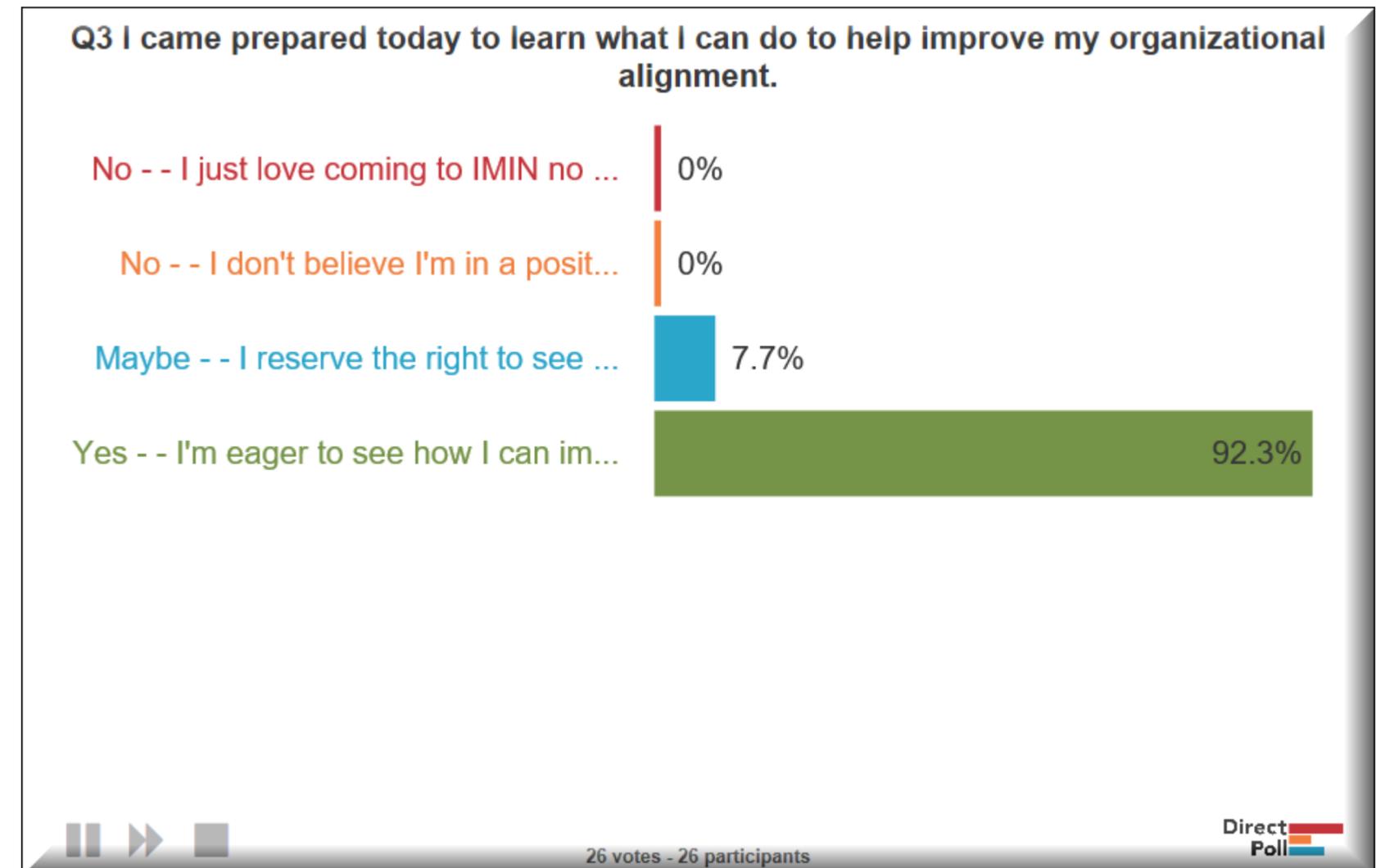
Q3. I came prepared today to learn what I can do to help improve my organizational alignment:

A. No: I just love coming to IMIN no matter the topic

B. No: I don't believe I'm in a position to make a difference

C. Maybe: I reserve the right to see what I'm getting first

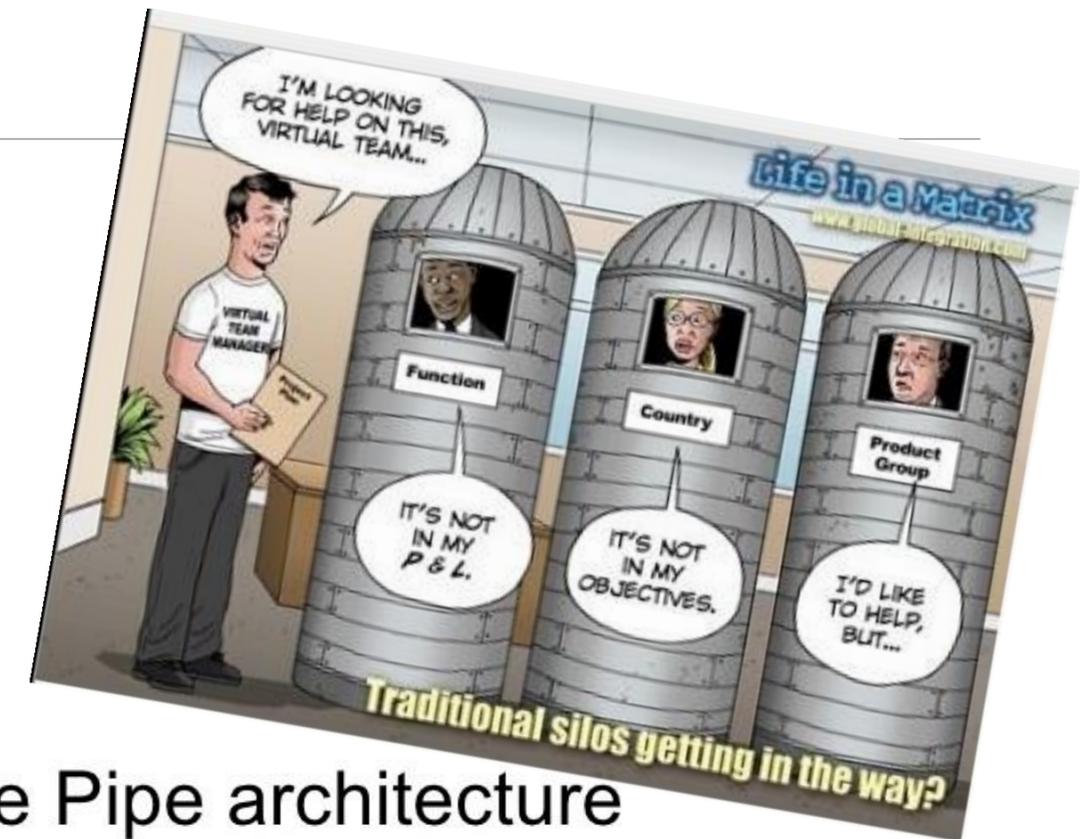
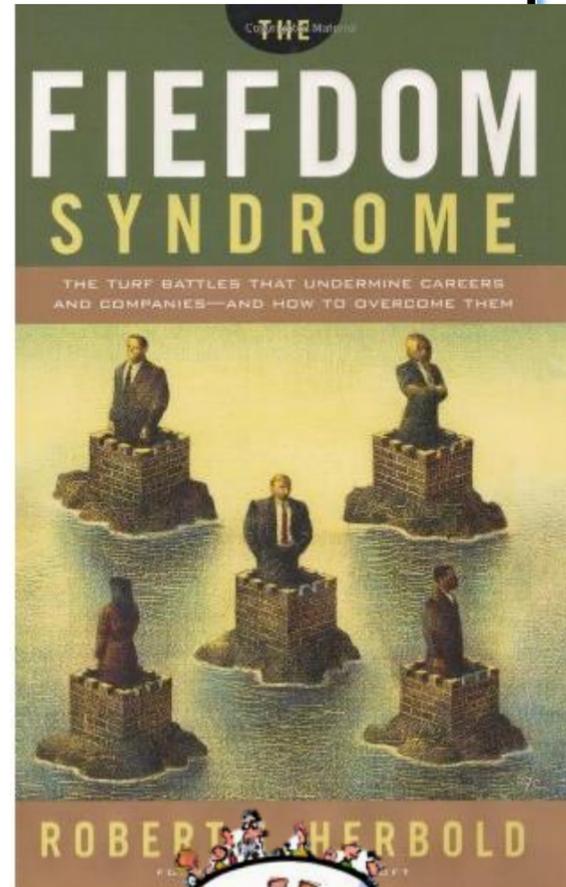
D. Yes: I'm eager to see how I can improve alignment



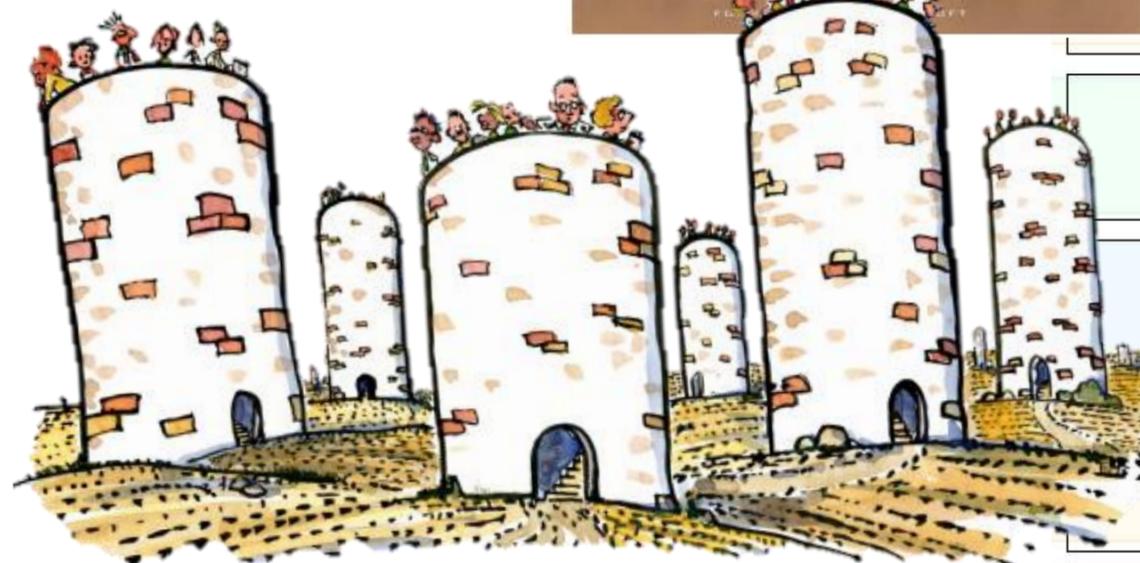
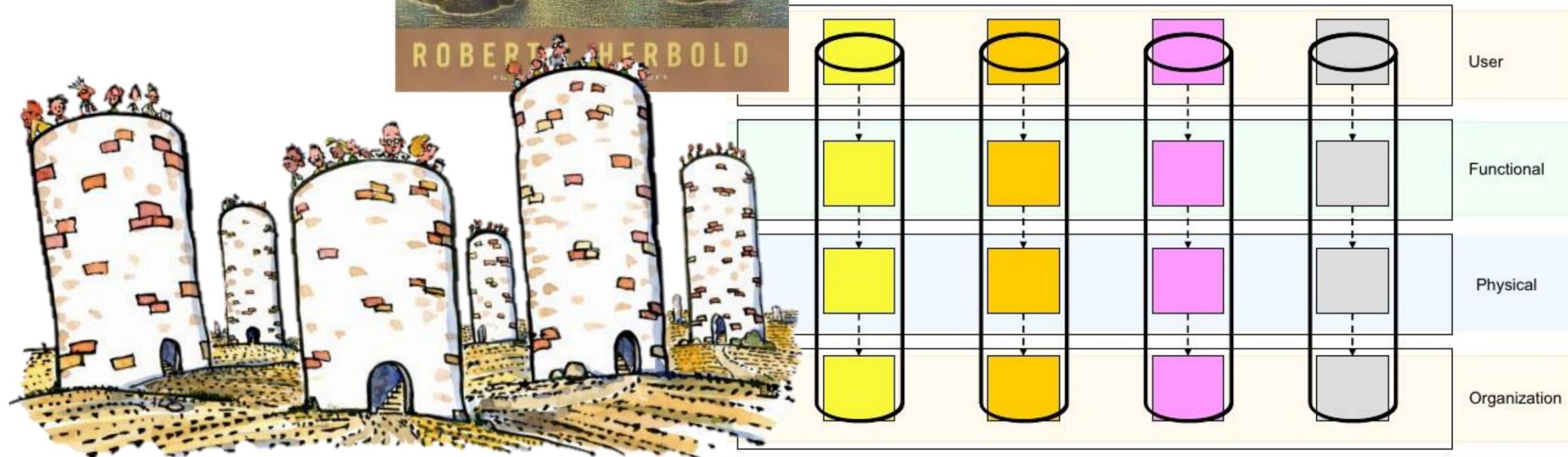
Silos, Fiefdoms and Stovepipes

Pejorative terms that express:

- Barriers to change
- Information strongholds
- Local priorities may be paramount
- Inward focus
- Misalignment



Stove Pipe architecture



Frits Ahlefeldt

The Cost of Poor Alignment

(Much) slower progress forward

- Gains take longer to realize
- Fewer “big ideas” will be realized

Less joy / satisfaction from “what you do”

- Retention / recruiting implications (turn-over)
- Top talent will flee for other opportunities

Loss of agility

- Rigidity is key source of performance loss
- Opens the door to the competition

Higher costs

- Agree to disagree = no prioritization
- More activity for fewer results

And much, much more.

Cannibalizing



Rowers, Passengers
and the Odd Driller



Vs

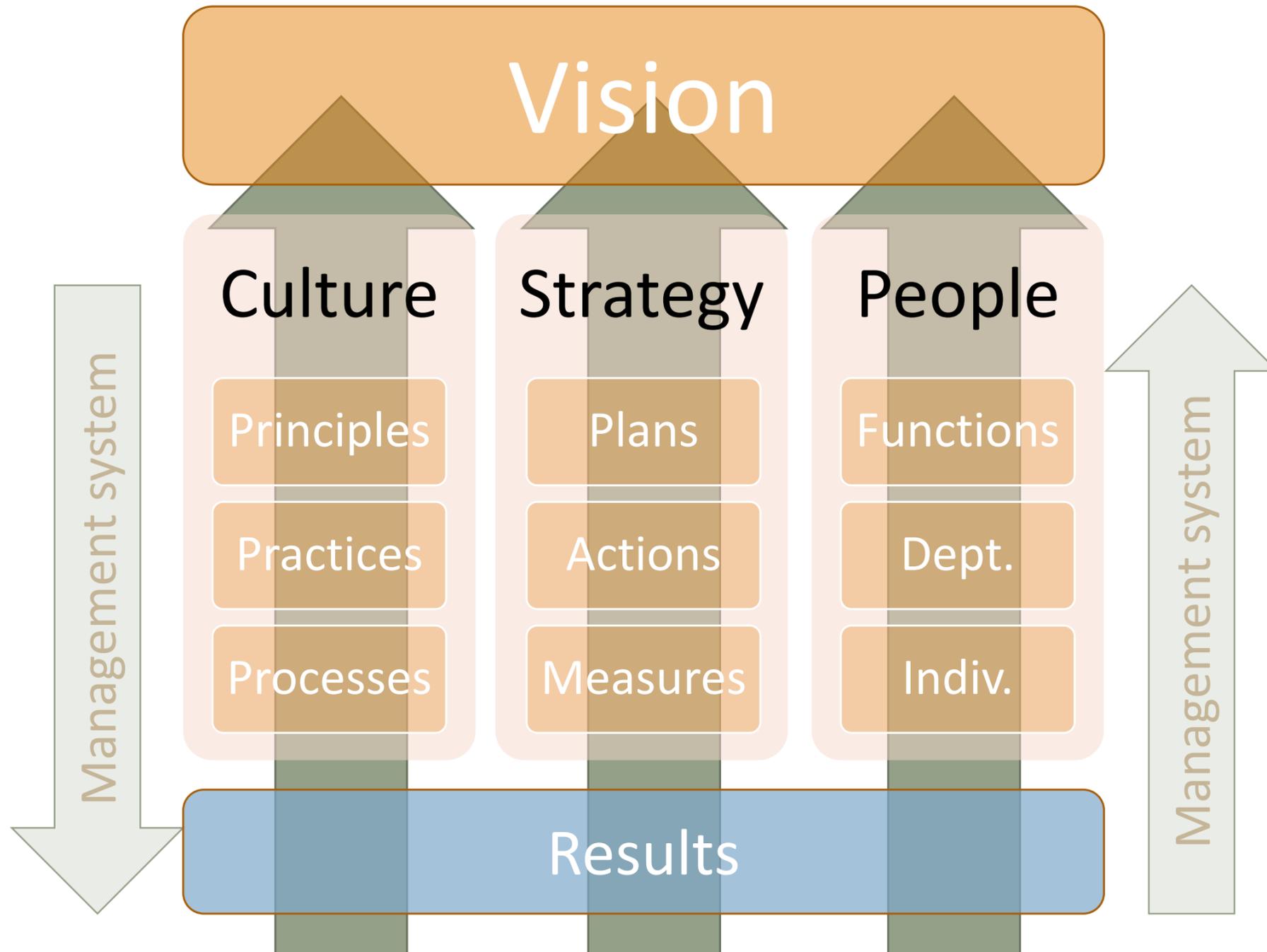
Team
“Flow”



Principles
Create flow.
Respond to pull.
Never push.

CONTRAST

What Enterprise Alignment Could Look Like



Management Systems,
Behaviors, and
Work
ALIGN
to
Guiding Principles

Everyone commits to the
larger cause.

History Quiz

What is the significance of June 6, 1944?

Ans.: Allied invasion of German-occupied Western Europe
[D-Day, Normandy Invasion]



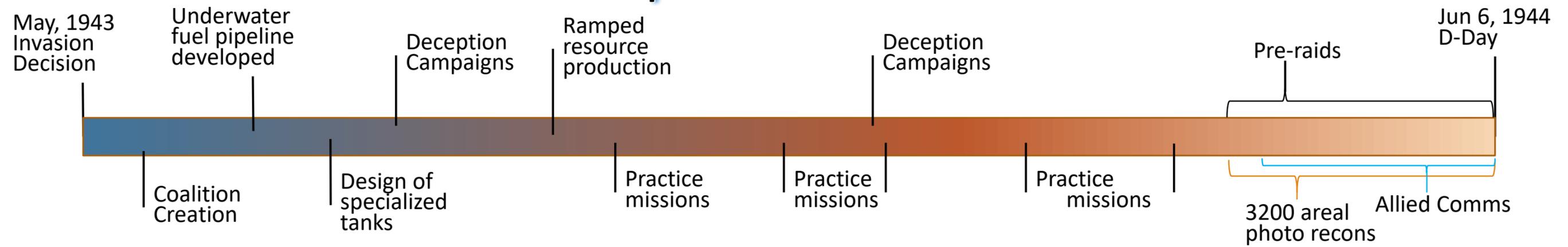
History Quiz

What is the significance of May 25, 1943?

Ans.: It is when the commitment was made by the U.K and U.S. to undertake a cross-channel invasion.

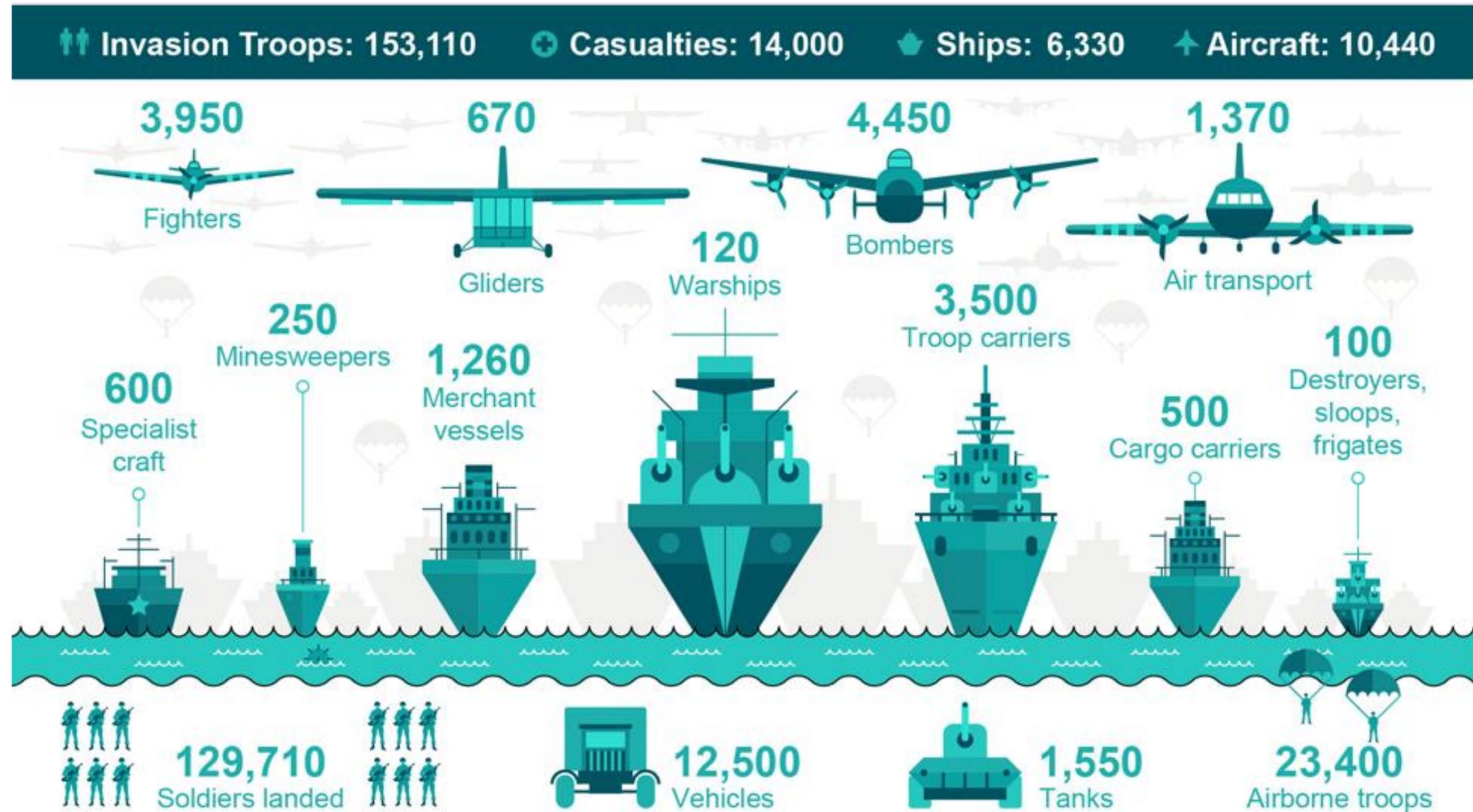
So what . . . ?

About 1 Year to Prepare



- 12 Allied Nations
- Hundreds of Units [comprised of divisions, battalions and regiments]
 - UK – 213
 - US – 29
 - Canada – 41
 - France – 10
 - Poland – 10
 - And many others
- Date (D-Day) and Time (T-Time) in flux -- feasible only 10 days/mo in Spring
- Brand new technologies had to be developed.
 - Information collection / interpretation / sharing
 - New vessels and tanks developed and built
- Surge of vehicle & vessel production
- Planning, orientation, training and practice
- Art of deception without losing the truth

An Alignment Allegory



But . . .

- Not all was smooth sailing:
 - US did not “invite the Marines” to the big day
 - Marines were instrumental in training and planning
 - Allied Forces were mostly Army Generals and reticent to share victory with a rival branch
 - It took over a year for the US to convince the UK of an across-channel assault
 - While the overall mission was a success, the first day fell very short of its planned goals.

Also . . .

- This was a mission - - not a vision. Relatively time-bound against a clear burning platform.
- Times, temperament and tactics were different in 1944:
 - It was expected, and accepted, that there would be huge casualties / losses. Today?
 - It was war, for the only world we have - - and no bail-out options for failure. Today?

Winning And Alignment

Show of hands:
Dell / Alienware owners

Winning And Alignment

Consider the case of Dell Computer (~2000).

- Routinely competes against HP for market share.
- Dell set a clear and compelling corporate goal to “Beat HP”
 - Boosted productivity, engagement, innovation. . .
 - Until they Beat HP.



Take-aways:

- Watch out for *Point-In-Time* goals
- Choose a noble goal - - rooted in customer needs
 - Stand for an ideal; not idolatry (e.g. “the best”, “#1”)

Rank	2001 ^[13]	2002 ^[14]	2003 ^[15]	2004 ^[15]	2005 ^[16]
1	HP 18.4	HP 14.2	Dell 14.9	Dell 16.4	Dell 16.8
2	Dell 13.2	Dell 13.2	HP 14.6	HP 14.6	HP 14.6
3	IBM 6.4	IBM 5.2	IBM 5.3	Lenovo 6.8	Lenovo 6.9
4	NEC 3.8	Fujitsu 3.8	Fujitsu 3.7	Fujitsu 3.8	Acer Inc. 4.6
5	Toshiba 2.9	Toshiba 2.9	Acer 2.9	Acer 2.4	Toshiba 3.3

Rank	2011 ^[2]	2012 ^[3]	2013 ^[4]	2014 ^[5]	2015 ^[6]	2016 ^[7]
1	HP 16.6	HP 16.1	Lenovo 16.9	Lenovo 18.8	Lenovo 19.8	Lenovo 20.7
2	Lenovo 12.5	Lenovo 14.9	HP 16.2	HP 17.5	HP 18.2	HP 19.1
3	Dell 11.7	Dell 10.7	Dell 11.6	Dell 12.8	Dell 13.6	Dell 14.1
4	Acer ???	Acer 10.2	Acer 8.0	Acer 7.9	Asus 7.3	Asus 7.1
5	Asus 5.7	Asus 6.9	Asus 6.6	Asus 7.2	Apple 7.2	Apple 6.8
Others	42.8	41.2		35.7	29.9	30.1

Lesson

Choose your *cause* wisely!
 (Think very, very, very long-term)

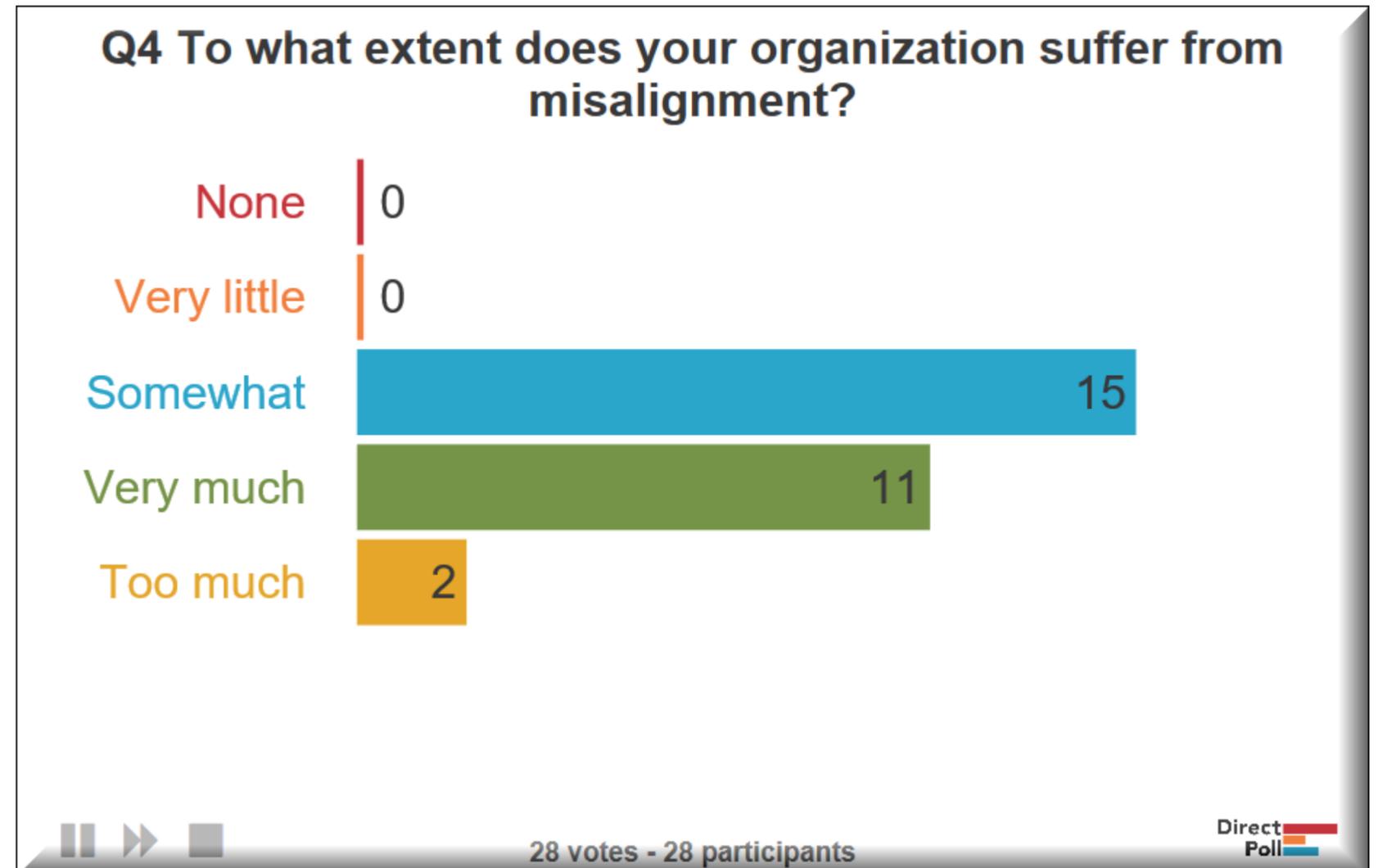
Reflecting On Our Current Condition

Think about your current company, organization, or enterprise with the following survey questions.

Alignment Dysfunction

Q4. To what extent does your organization suffer from *misalignment*?

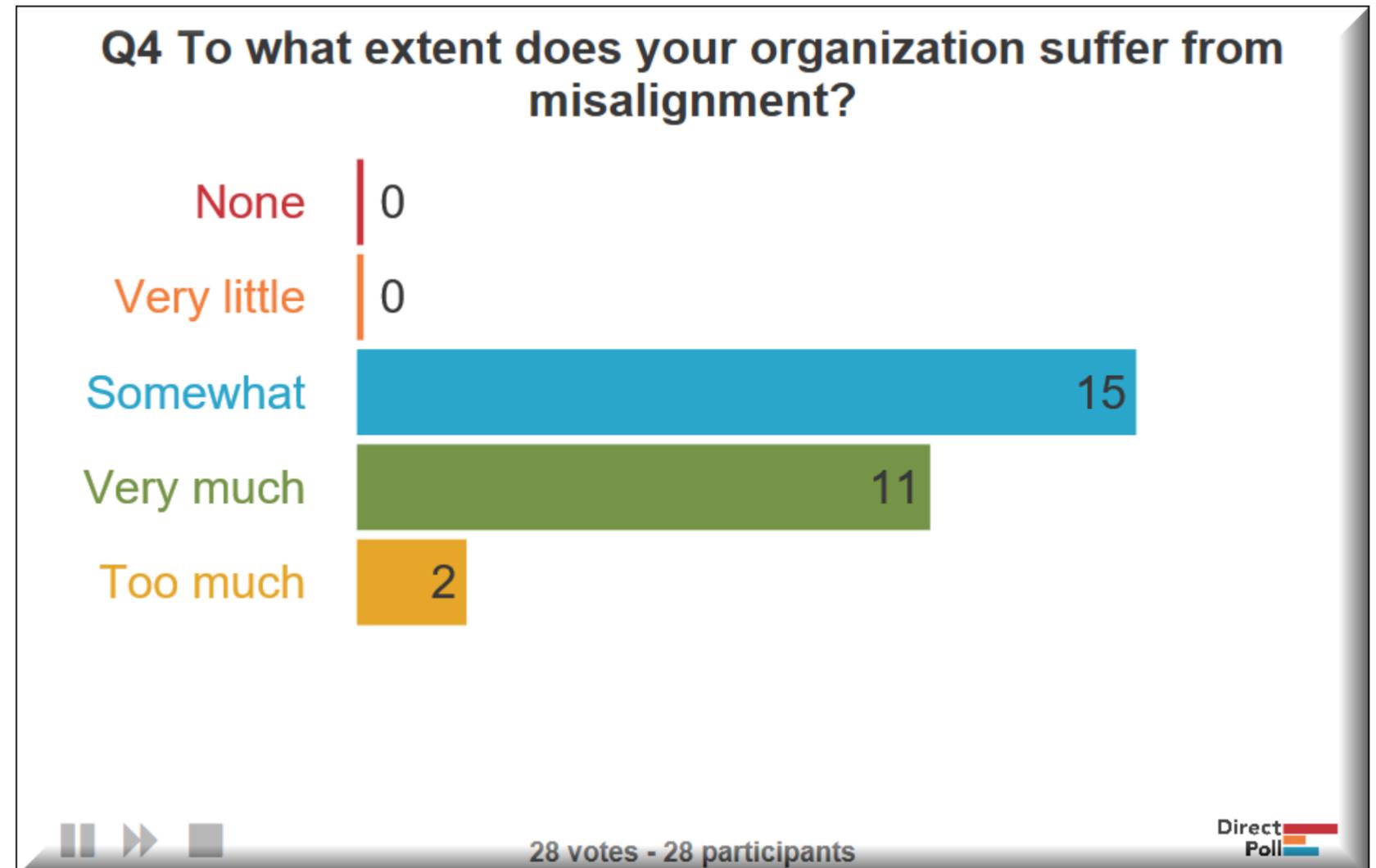
- A. None
- B. Very little
- C. Somewhat
- D. Very much
- E. Too much



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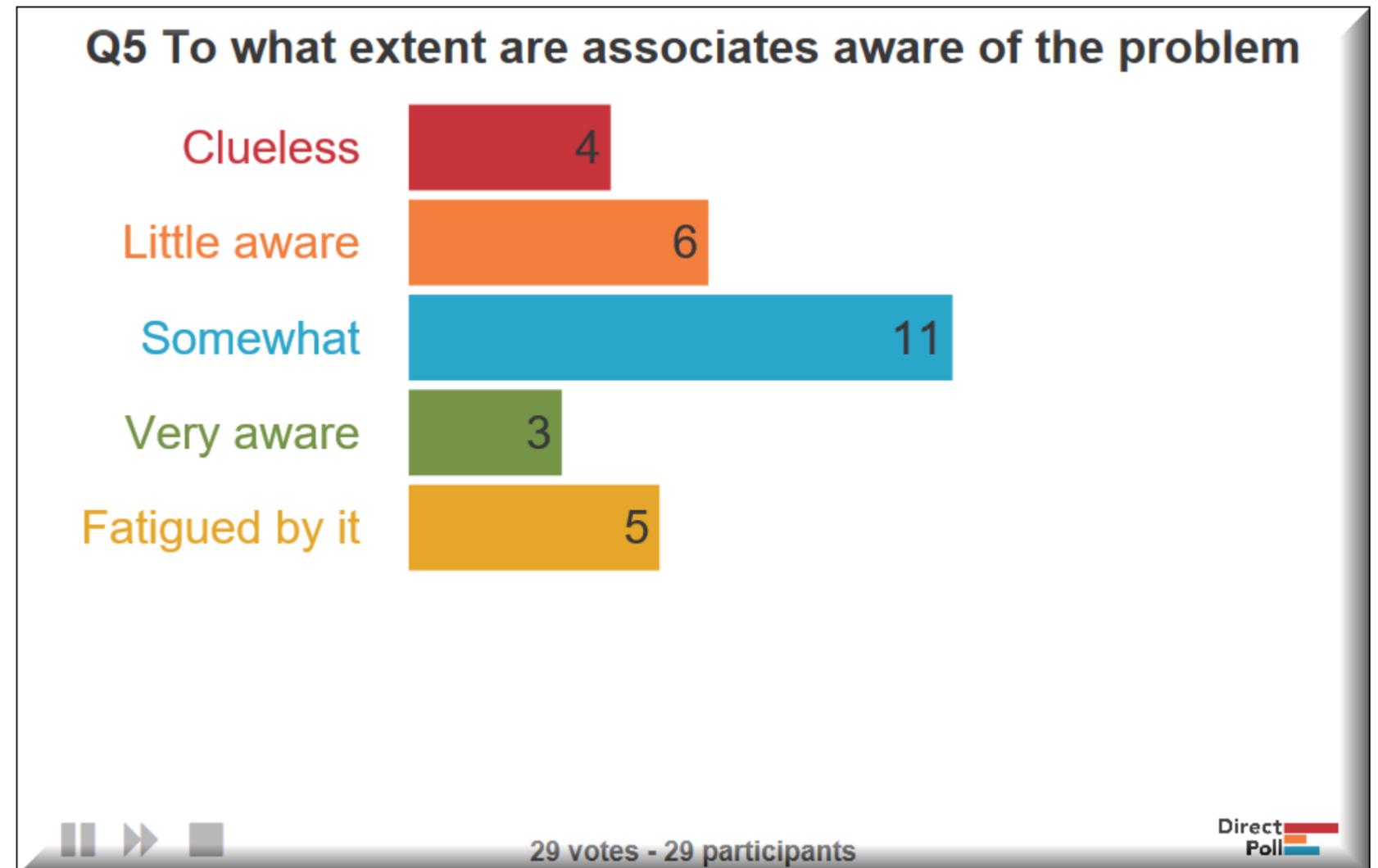
- A. None
- B. Very little
- C. Somewhat
- D. Very much
- E. Too much



Alignment Awareness

Q5. To what extent are *associates* aware of the problem?

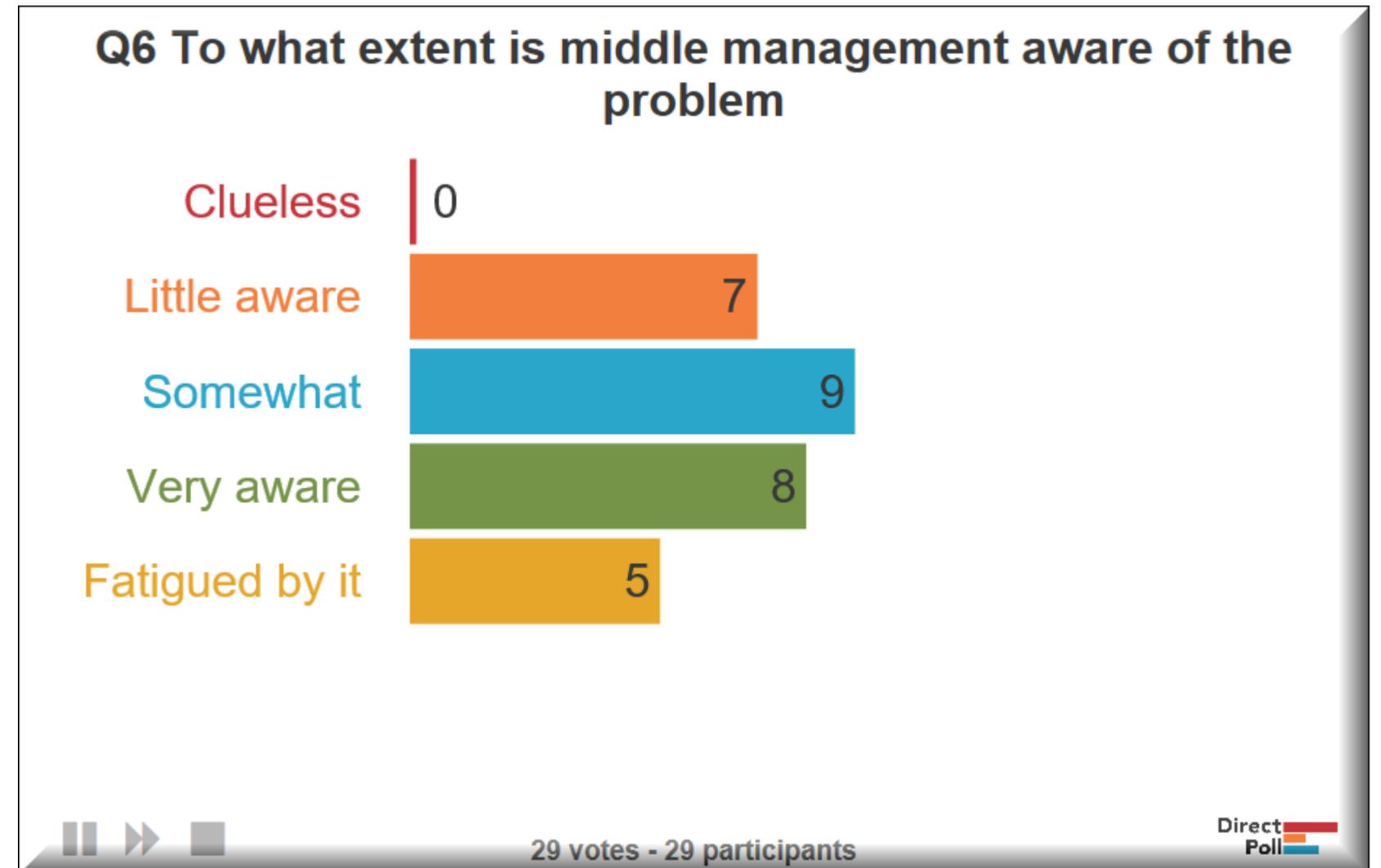
- A. Clueless
- B. Little aware
- C. Somewhat
- D. Very aware
- E. Fatigued by it



Alignment Awareness

Q6. To what extent is *middle management* aware of the problem?

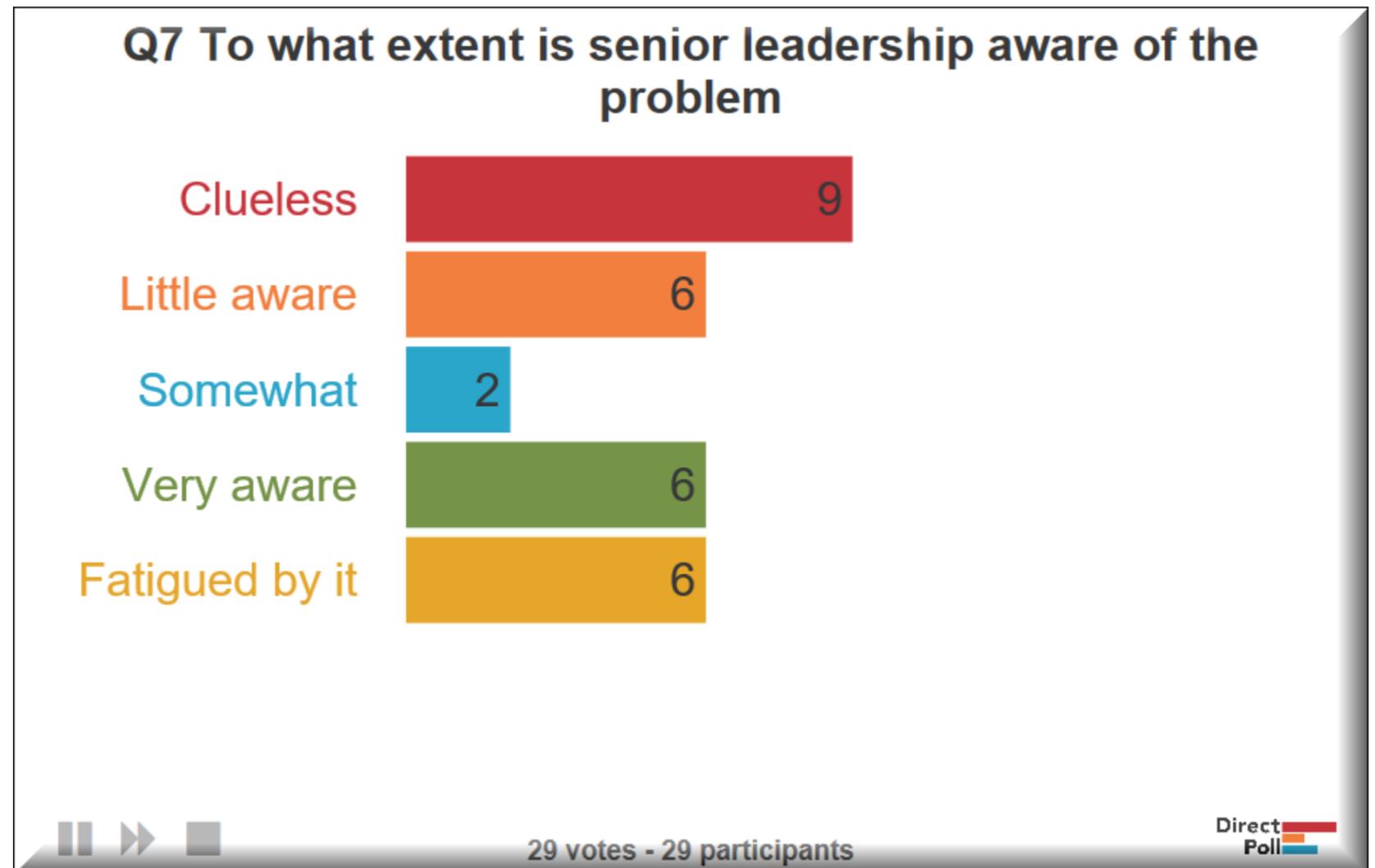
- A. Clueless
- B. Little aware
- C. Somewhat
- D. Very aware
- E. Fatigued by it



Alignment Awareness

Q7. To what extent is *senior leadership* aware of the problem?

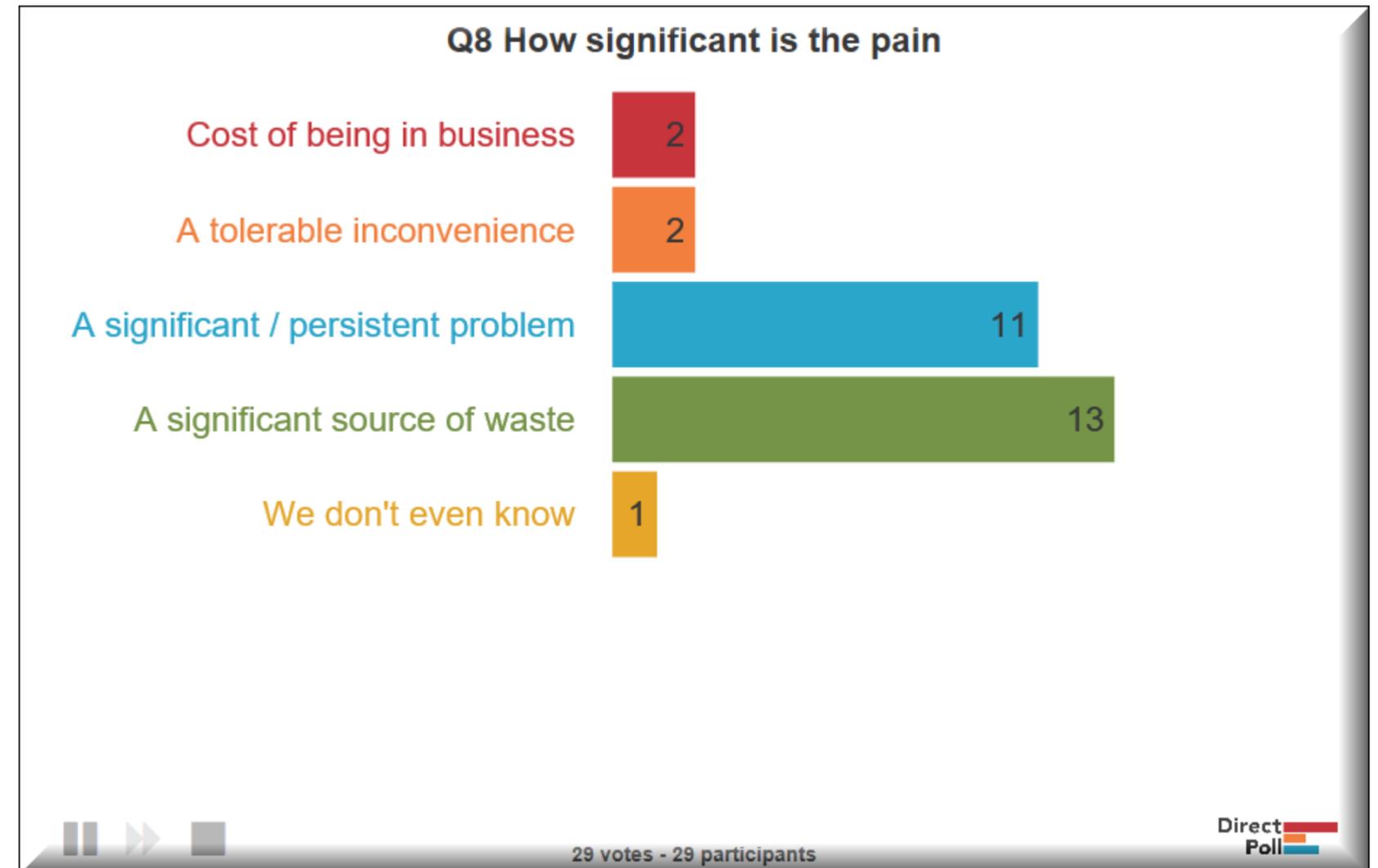
- A. Clueless
- B. Little aware
- C. Somewhat
- D. Very aware
- E. Fatigued by it



Alignment Pain

Q8. How significant is the *pain*?

- A. Cost of being in business
- B. A tolerable inconvenience
- C. A significant / persistent problem
- D. A significant source of waste
- E. We don't even know



Continuing With Current Condition

Let's hear from you:



Safe & Honest Dialogue

1. What does poll data mean to you?
2. What else is happening in your shop regarding alignment vs. silos?

3. Is there a cost to poor alignment?

What is it?

From Current Condition

To

Target Condition



Develop Target Condition

Let's hear from you:



Dialogue

1. What does enterprise alignment mean to you?
2. What does it look like (your vision)?

Develop Target Condition



Small Group Idea Generation

In groups of 3-5 people:

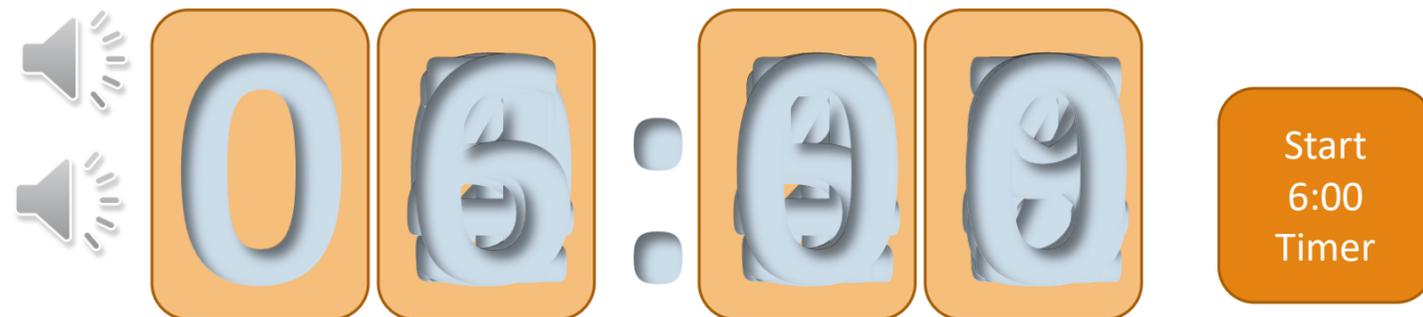
1. Create no less than 10 descriptors, characteristics, attributes, or traits illustrative of the goal, or “target condition”.
[One idea per Post-it]
2. One member bring Post-its to the front.
3. Agree on 1 to 3 leading or “real-time” measures of progress towards the goal.

Develop Target Condition



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[One idea per Post-it]
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Reflection



Dialogue

Please share:

1. How difficult was that assignment?
2. What was the hardest part?
3. Why do you think we did this work?

Review

So far, we have:

1. Delineated the topic
 - What it is. Why it is important. Explored examples (standards and stories)
2. Described what is happening now
 - Established the Current Condition
 - Pulse survey. Shared experiences. Cost of poor alignment
3. Described what should be happening
 - Set a Target Condition or Challenge
 - In terms of characteristics and measures
4. What's next

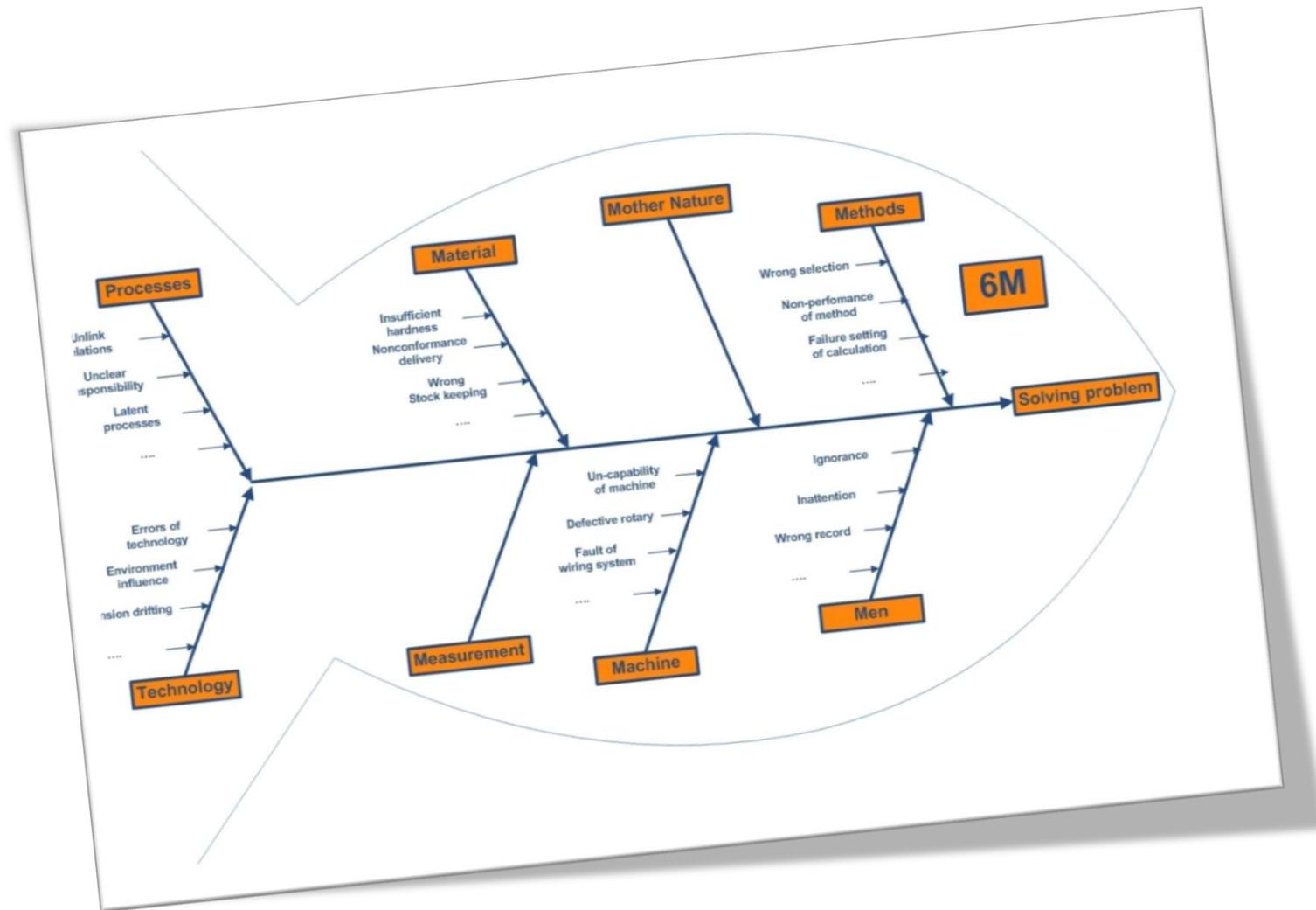


Analysis

WHY DOES THE GAP EXIST?

WHAT BARRIERS OR OBSTACLES ARE GETTING IN THE WAY?

Ishikawa, Fishbone, or Ishi-Fishy



In groups of 3-5 people:

1. Analyze why the gap exists (for achieving enterprise alignment).
2. Try to ask “Why” 5 times.
3. Discuss your findings and be prepared to share your top 3 insights.

Small Group
Idea Generation

Ishikawa, Fishbone, or Ishi-Fishy

Consider

Man

Method

Mindset

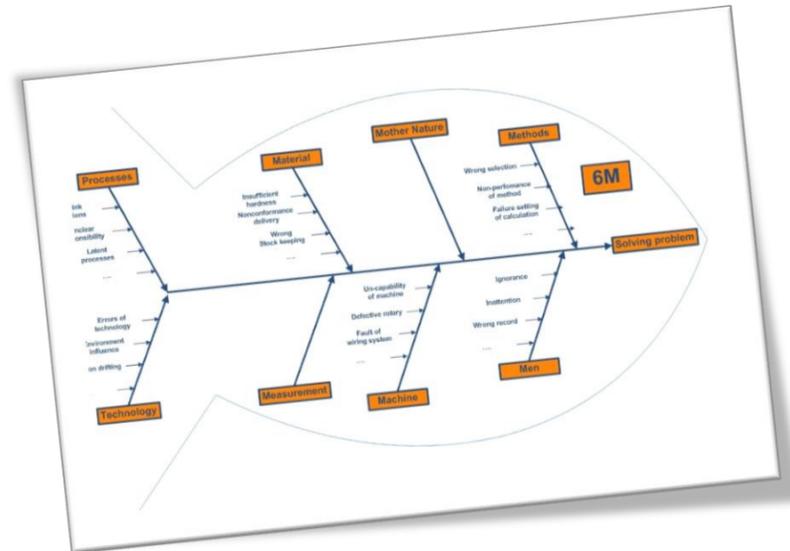
Materials

Meetings

Messaging

Mental Models

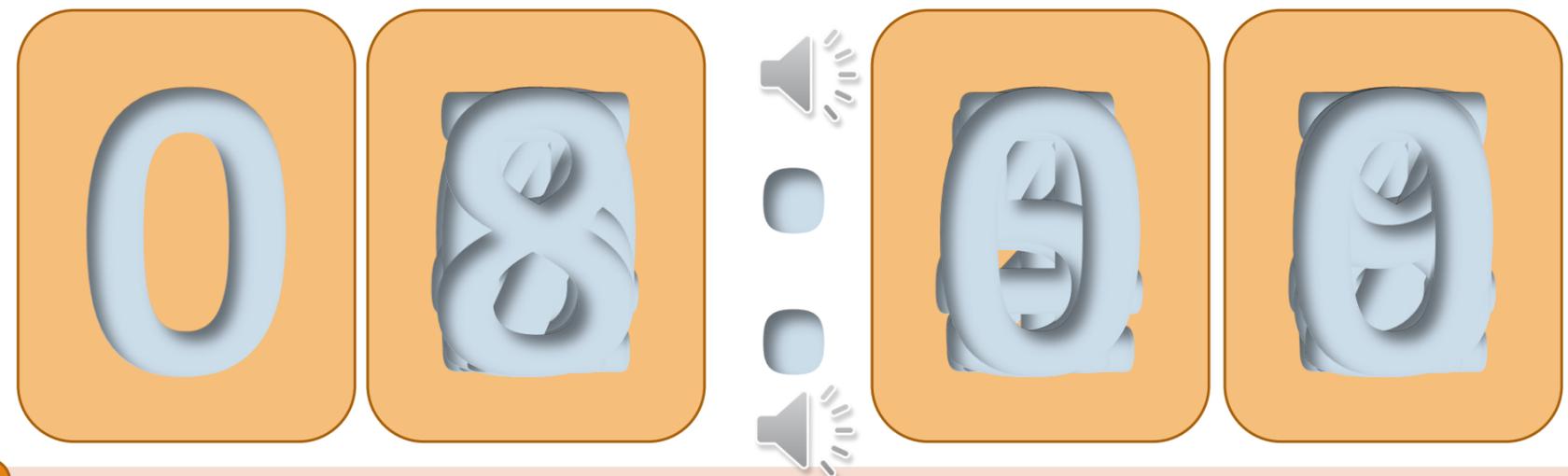
Measurements



In groups of 3-5 people:

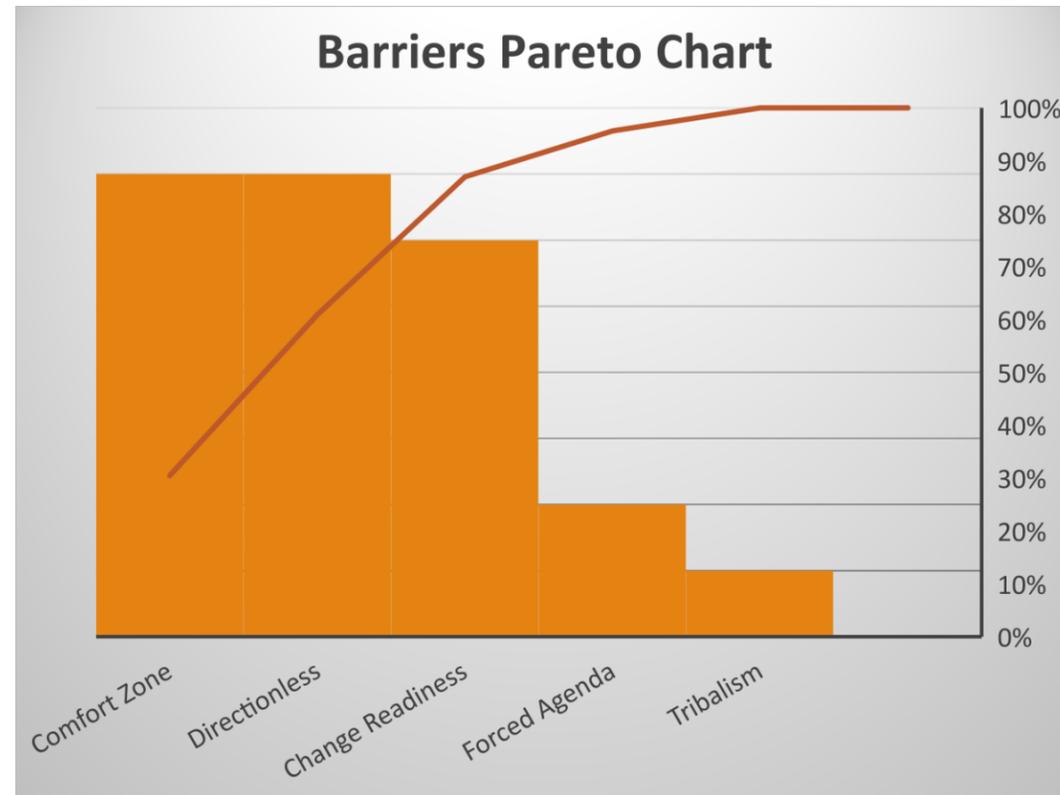
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Small Group
Idea Generation



Report-out

Let's hear what each group learned.



What Our Research Says

Top Three Reasons for Enterprise Misalignment:

1. Cause
2. Culture
3. Communication ()



Organizational culture is a system of shared values and beliefs which governs how people behave in organizations.

References:

<https://hbr.org/2017/02/how-aligned-is-your-organization>

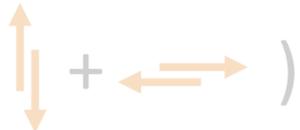
<https://mck.co/2CWVwqb>

<https://bit.ly/2DvudDp> [Forbes]

<https://www.jeffdavis2.com/blog/2017/8/13/what-causes-enterprise-misalignment>

What Our Research Says: Cause

Top Three Reasons for Enterprise Misalignment:

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Simon Sinek abbreviated clip (1:41):



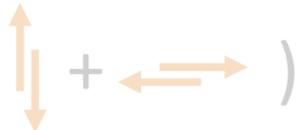
1. Essence of the golden circle
2. Quote: “People don’t buy *what* you do, they buy *why* you do it”.

References:

<https://binged.it/2FbtSaD> [Simon Sinek video]

What Our Research Says : Cause

Top Three Reasons for Enterprise Misalignment:

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Speaking of Cause:

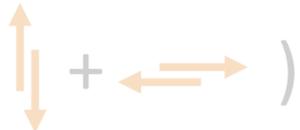
- Is it noble?
- Is it customer oriented?
- Is it very, very long-term?
- Do you really believe in it?

References:

<https://binged.it/2FbtSaD> [Simon Sinek video]

What Our Research Says : Culture

Top Three Reasons for Enterprise Misalignment:

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Culture: What is it, really?

culture is an invisible but powerful force that influences the behavior of the members of that group. So, how do we define organizational culture?

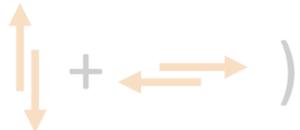
Organizational culture is a system of shared assumptions, values, and beliefs, which governs how people behave in organizations. These shared values have a strong influence on the people in the organization and dictate how they dress, act, and perform their jobs. Every organization develops and maintains a unique culture, which provides guidelines and boundaries for the behavior of the members of the organization. Let's explore what elements make up an organization's culture.

References:

<https://study.com/academy/lesson/what-is-organizational-culture-definition-characteristics.html>

What Our Research Says : Culture

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Culture: How does it effect us?

Cultures that form by accident or without attention can have significant, far-reaching negative effects. *A culture built around "highlighting" success and promoting the "highlighted" rather than identifying and fixing the problems that cause misalignment is the first place.* In a culture that promotes the "power hungry," people might withhold information except when it has the potential to benefit them personally. They keep the decision-making authority as close as possible rather than trusting others to make appropriate choices, thus making the organization respond much more slowly to issues and much less likely to make the best decisions. Likewise, it's not difficult to imagine the behaviors one might see arise in organizations that foster cultures of fear, survival, blaming/backbiting, malaise, etc.

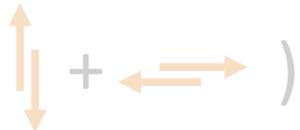
References:

<http://lean.nh.gov/documents/Shingo%20Model%20Handbook.pdf>

<http://sapartners.com/wp-content/uploads/2017/07/Shingo-Model-booklet.pdf> (p. 11)

What Our Research Says : Culture

Top Three Reasons for Enterprise Misalignment:

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Culture: Why should I care?

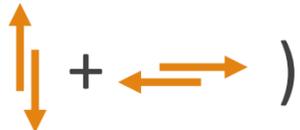
Professor Edgar Schein of the MIT Sloan School of Management said, “The only thing of real importance that leaders do is to create and manage culture. If you do not manage culture, it manages you, and you may not even be aware of the extent to which this is happening.”

References:

<http://sapartners.com/wp-content/uploads/2017/07/Shingo-Model-booklet.pdf> (p. 11)

What Our Research Says : Communication

Top Three Reasons for Enterprise Misalignment:

1. Cause
2. Culture
3. Communication ()

Communication:

- A euphemism for “Listening”.
- Sharing the *cause* 6 times is not enough; in perpetuity.
- Listen with your ears, *eyes*, *heart* and *mind*:
 - What is what you *see* saying to you?†
 - Embrace and understand the *emotions* of the workplace?
 - Remain *curious*. Stay Socratic (ask much, say less).

† Lean organizations integrate each of these into the landscape of the workplace using visibility to capture metrics, emotions, performance, standards and more.

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 - Established the Current Condition
 - Pulse survey. Shared experiences. Cost of poor alignment
3. Described what should be happening
 - Set a Target Condition or Challenge
 - In terms of characteristics and measures
4. Analyzed barriers and obstacles



Initial Proposal

WHAT WE MUST DO TO:

- IMPROVE ORGANIZATIONAL ALIGNMENT
- BREAK THE BARRIERS OF SILOS, FIEFDOMS, AND STOVEPIPES?

Review the Gap and Barriers

Current Condition:

- Awareness (by level)
- Pain
- Less progress, joy, agility, performance

Barriers & Obstacles

- See *Pareto Chart*
- Clarity of Cause
- Culture Conundrum
- Communication

Target Condition:

- See *Affinity Diagram*
- Functions help each other towards common cause
- Alignment gets measured and discussed

Let's Hear Your Thoughts

Consider these questions to start the Dialogue.



Dialogue

In order for Alignment to improve:

1. What must happen that is not happening now?
2. What are the applicable roles and responsibilities?
3. What should be the first step?
 - Why?
 - What are the risks?



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What Our Research Says

What Our Research Says

Jonathan Trevor and Barry Varcoe [HBR]



Kotter 8-step model

1. Create urgency
2. Form a powerful coalition
3. Create a vision or change
4. Communicate the vision
5. Remove Obstacles
6. Create Short-term wins
7. Build on the change
8. Anchor the Changes in Corporate Culture

McKinsey (Generalized) Approach

- Establish and clarify the Vision
- Develop a supporting strategy
- Communicate (strategy, targets, measures)
- Employ personal transformation story

References:

<https://mck.co/2CWVwqb> [McKinsey]

<https://bit.ly/2AVBdH0> [Kotter Model]

<https://hbr.org/2017/02/how-aligned-is-your-organization>

Quick Reflection

Are you seeing any patterns here?

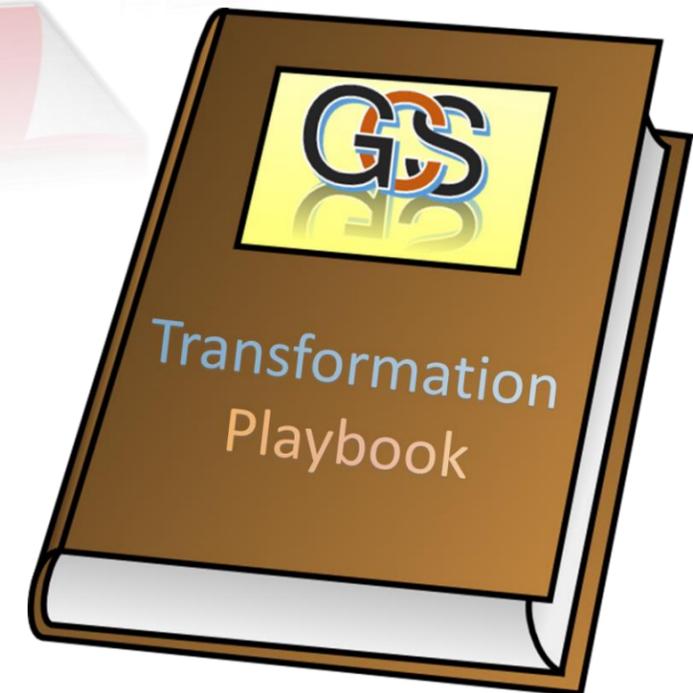
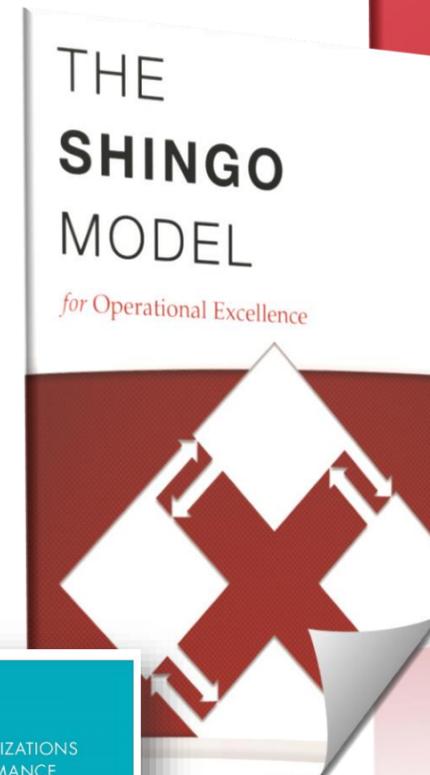
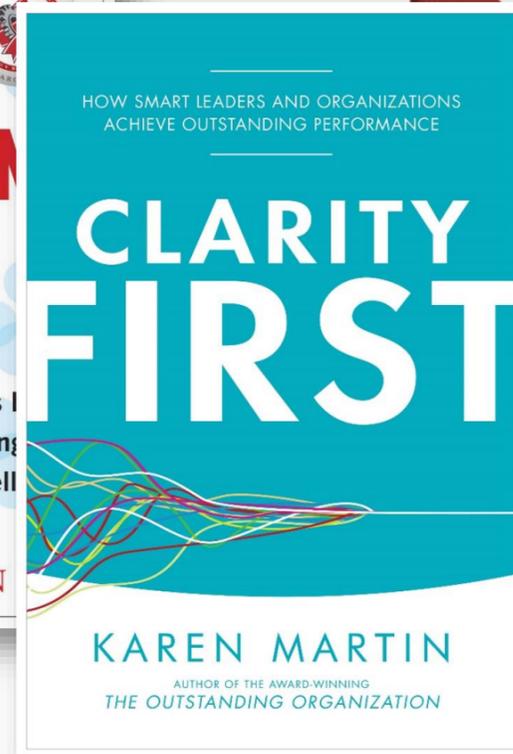
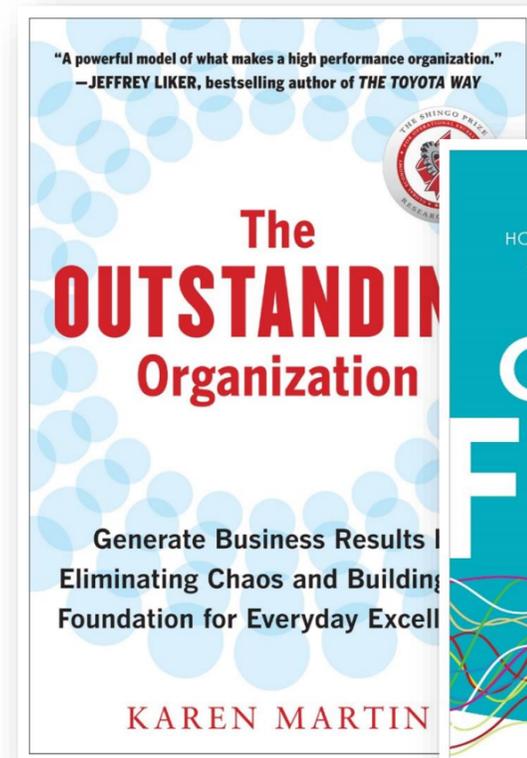
Are you surprised by what you are hearing / seeing?

Ghera's Approach

Principles: Shingo Model

Process: GCS Playbook

Patterns: Karen Martin

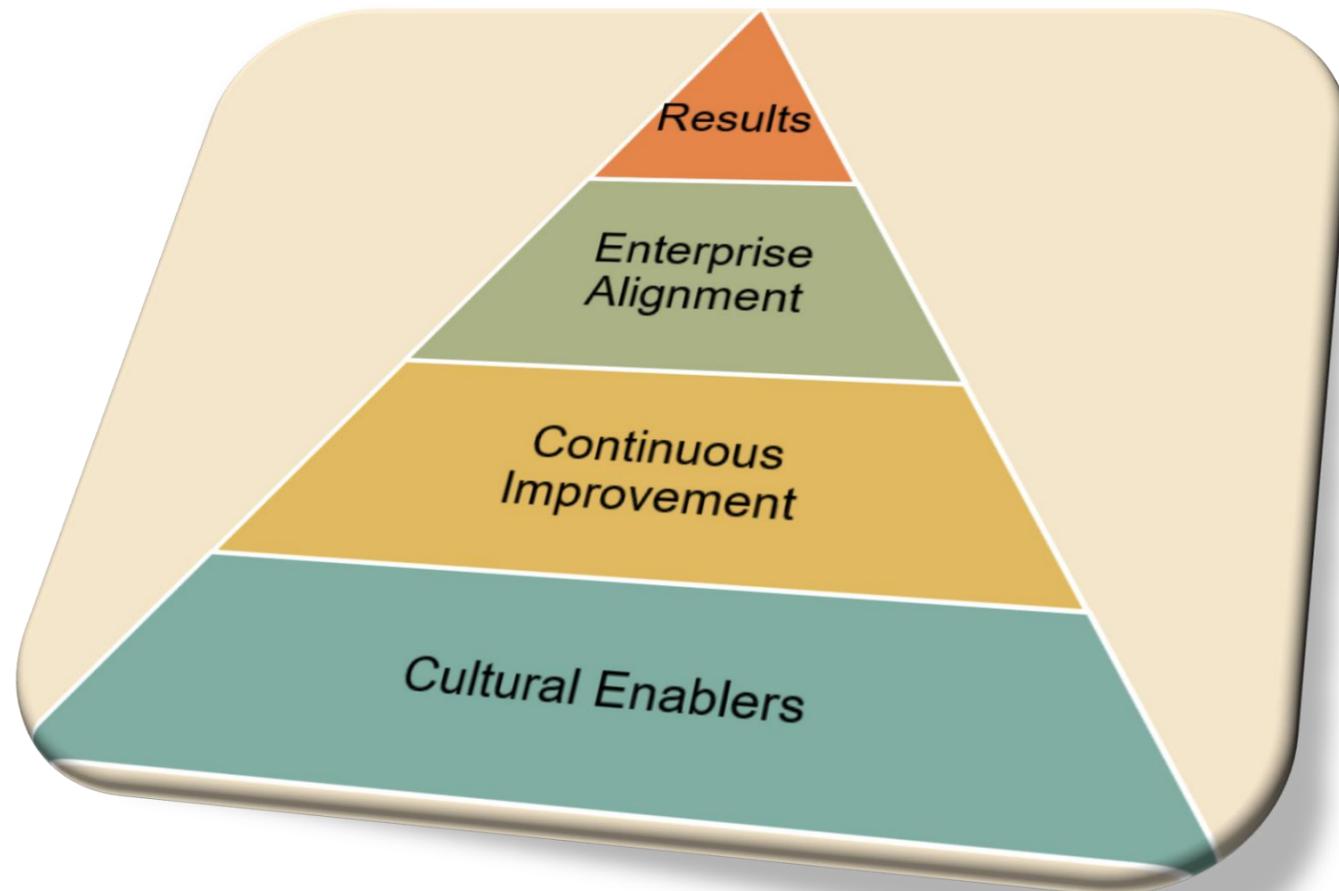


Principles

Principles: Shingo Model

Process: GCS Playbook

Patterns: Karen Martin



Results

- Create Value for the Customer

Enterprise Alignment

- Create Constancy of Purpose
- Think Systemically

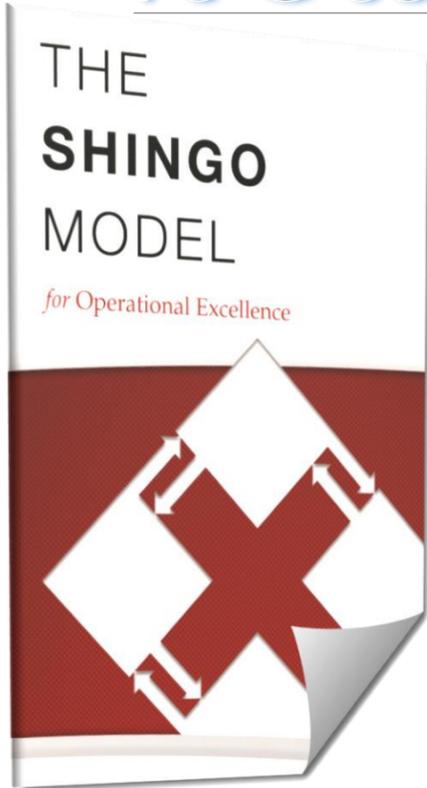
Continuous Improvement

- Flow & Pull
- Assure Quality at the Source
- Focus on the Process
- Embrace Scientific Thinking
- Seek Perfection

Cultural Enablers

- Lead With Humility
- Respect Every Individual

It Starts With Leadership and Alignment



exist?" It is incumbent upon leaders to find agreement on philosophical and strategic direction that provides a unifying vision. This sense of direction helps people keep their eyes on the horizon so that when tactical decisions require a temporary detour, they understand why and can contribute to getting back on track.

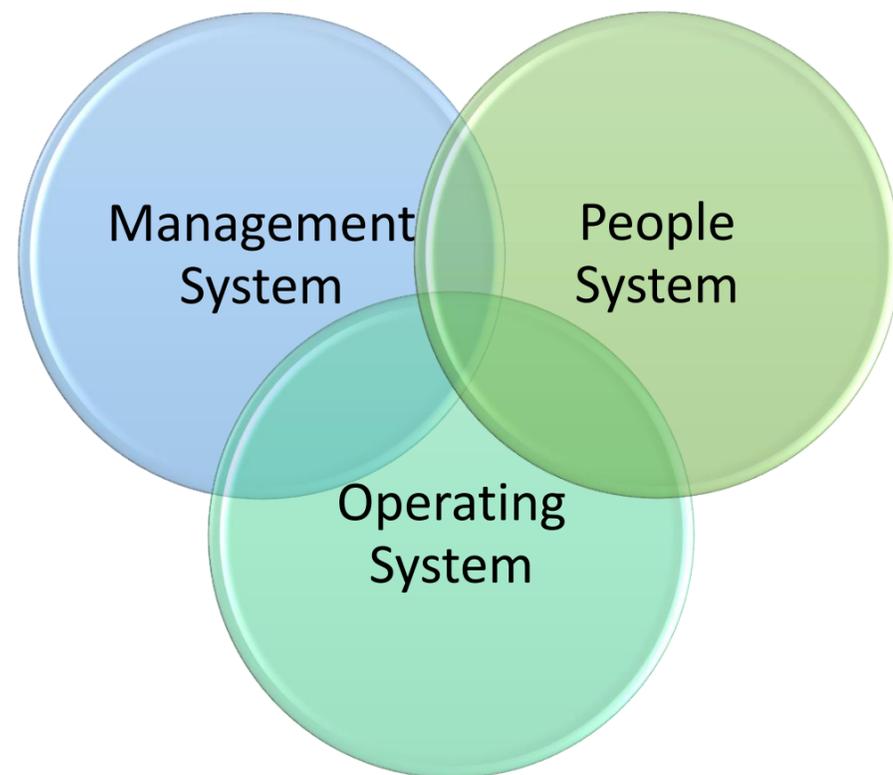
Dr. Shingo taught that understanding the principles behind the tools leads to higher-order thinking and answers the question, "why?" When people understand more deeply the why behind the how and the what, they become empowered to innovate and take individual initiative. As more and more people within a single organization begin to act independently based on their understanding and commitment to the principles, culture begins to shift.

A Systemic Approach

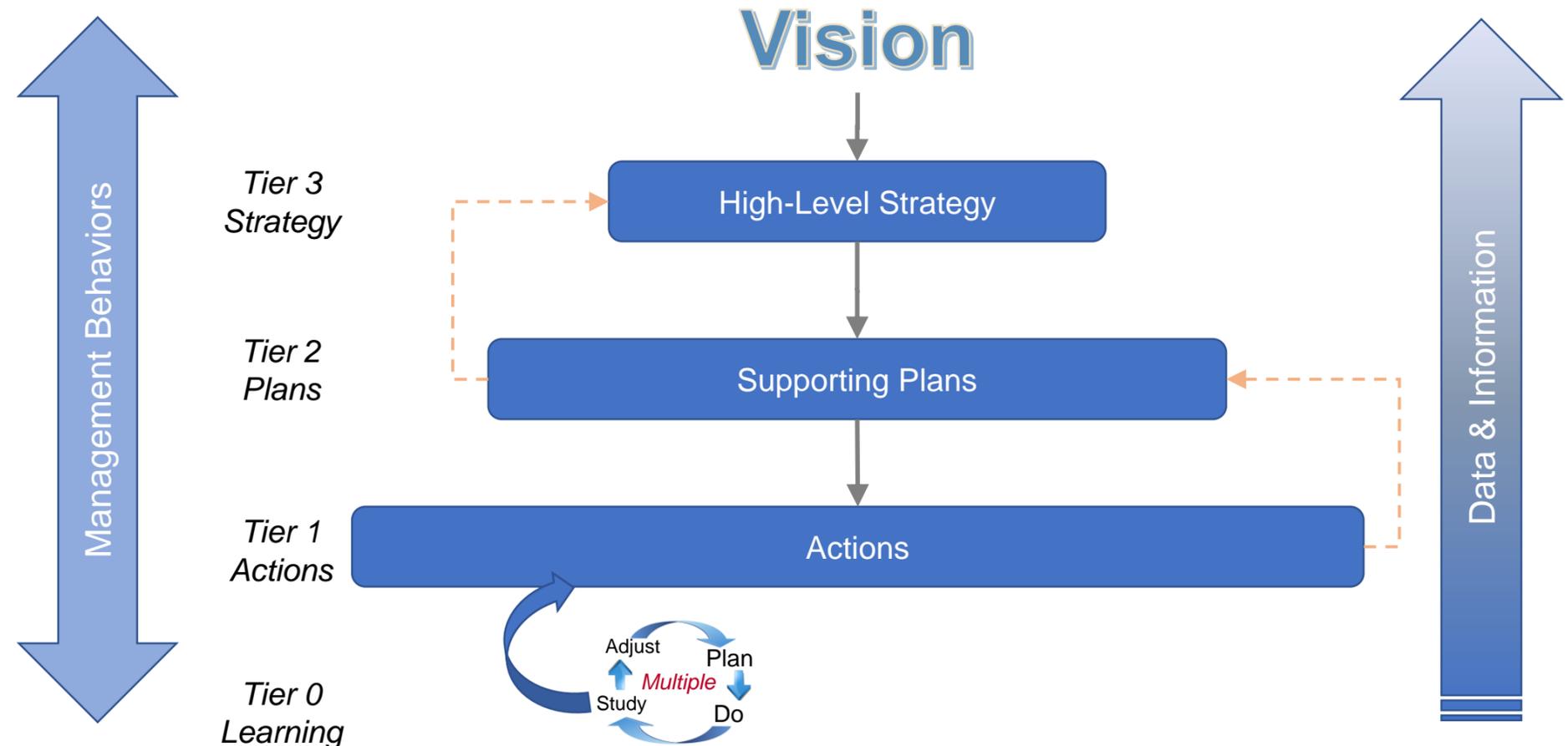
Principles: Shingo Model

Process: GCS Playbook

Patterns: Karen Martin



Organizational alignment, clarity, and focus require a clear direction and systematic strategy deployment

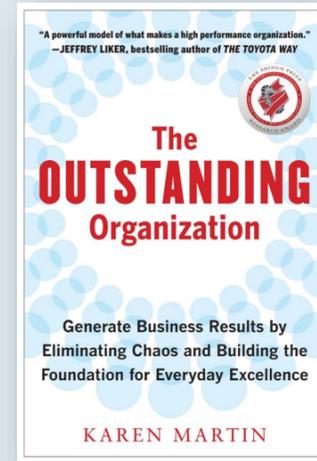


Patterns Of Practice

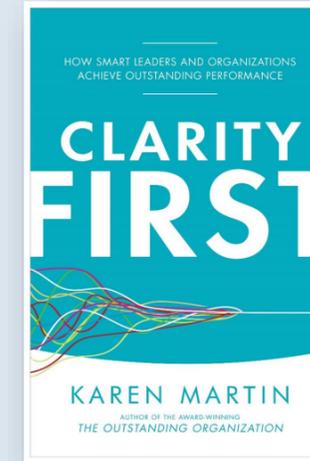
Principles: Shingo Model

Process: GCS Playbook

Patterns: Karen Martin



- Clarity
- Focus
- Discipline
- Engagement



- Alignment
- Five P's*
- Humility

* Purpose, Priorities, Process, Performance, Problem solving

Plus a 'pinch' of Peter Senge's book [The Fifth Discipline](#)

Vision: to build Clarity, Communication, Enthusiasm, Commitment

Dialogue: A free-flowing of meaning through a group to discover insights not attainable by an individual.

Your Turn

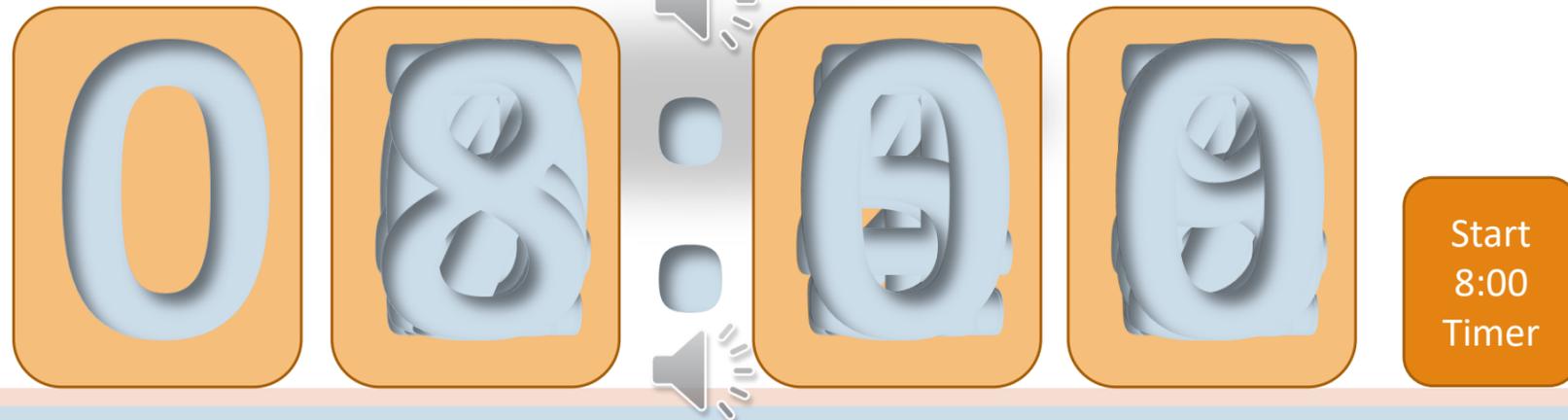


Small Group Idea Generation

In groups of 3-5 people:

1. React to what you've experienced and learned today.
2. Develop a simple action plan to take back to work (based on your positional authority).
3. Commit to taking the first step of your plan by including:
 - A target date
 - An "as measured by" clause
 - Your signature

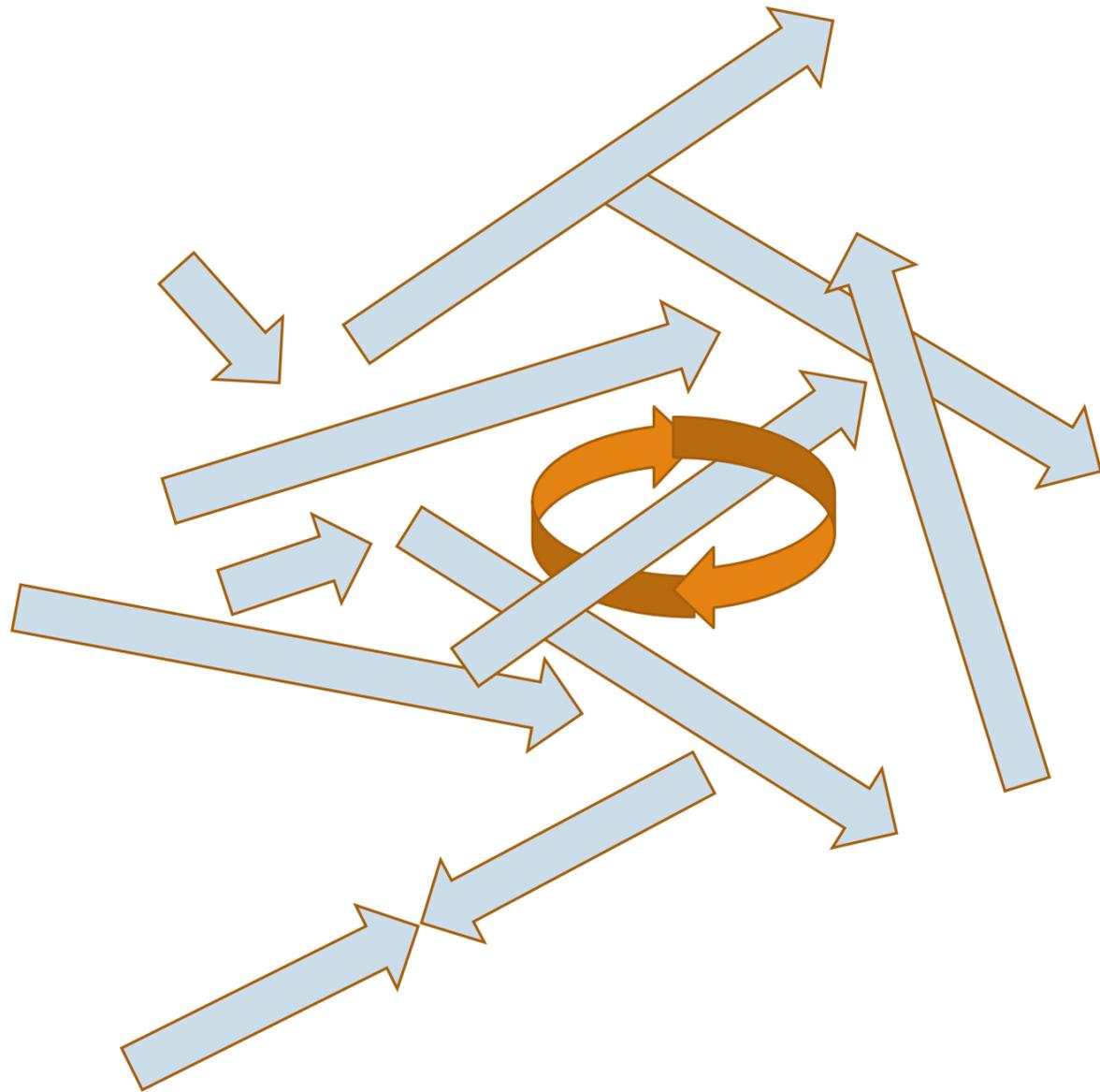
Your Turn



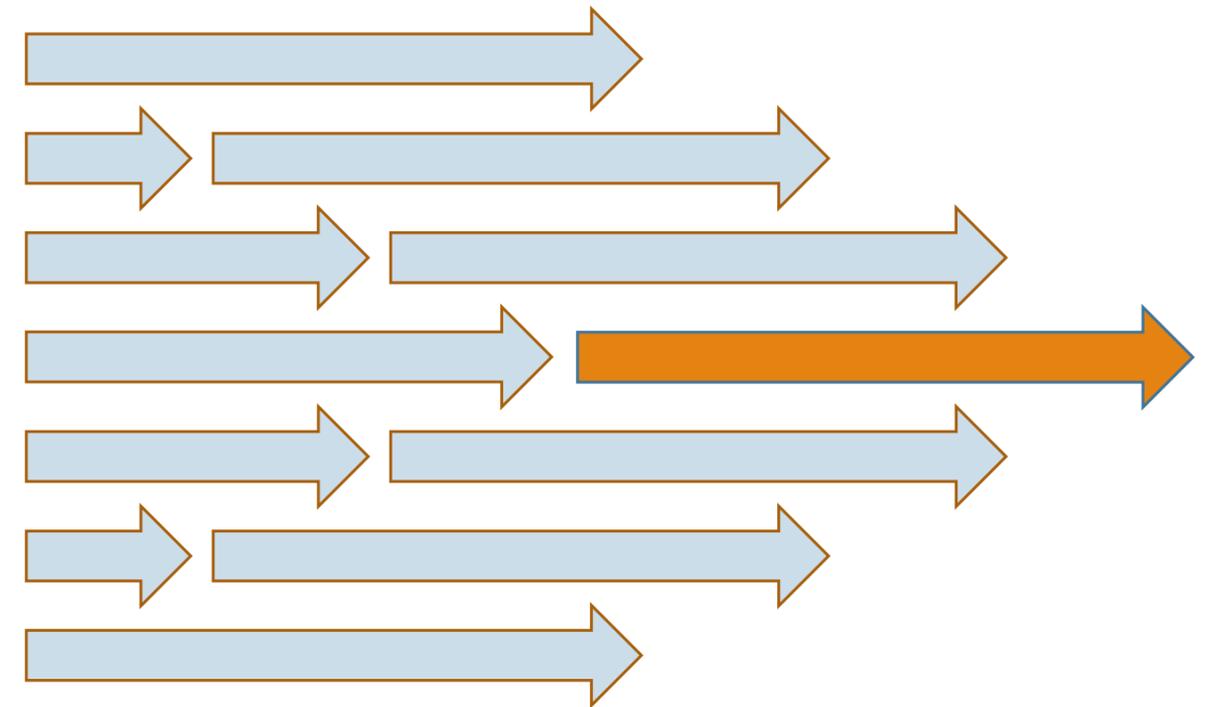
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Teach-back & Reflection



Principles
Process
Patterns



Final Review

In about 90 minutes, we used A3 thinking to:

1. Delineate the topic
2. Describe what is happening now
3. Describe what should be happening
4. Analyze barriers and obstacles
5. Develop and share what we might do to improve



Final Thoughts Or Reactions



Steve Ghera MBB, Operational Excellence Coach

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Thank You

Shigeo Shingo

When people understand more deeply the **why** behind the how and the what,



they become empowered to innovate and take individual initiative.

Shigeo Shingo

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.*



Culture eats strategy for **breakfast!**

Attrib. to Peter Drucker

