



“The way we do things,... around here”



NEVER STOP ASKING



What we will do... more or less

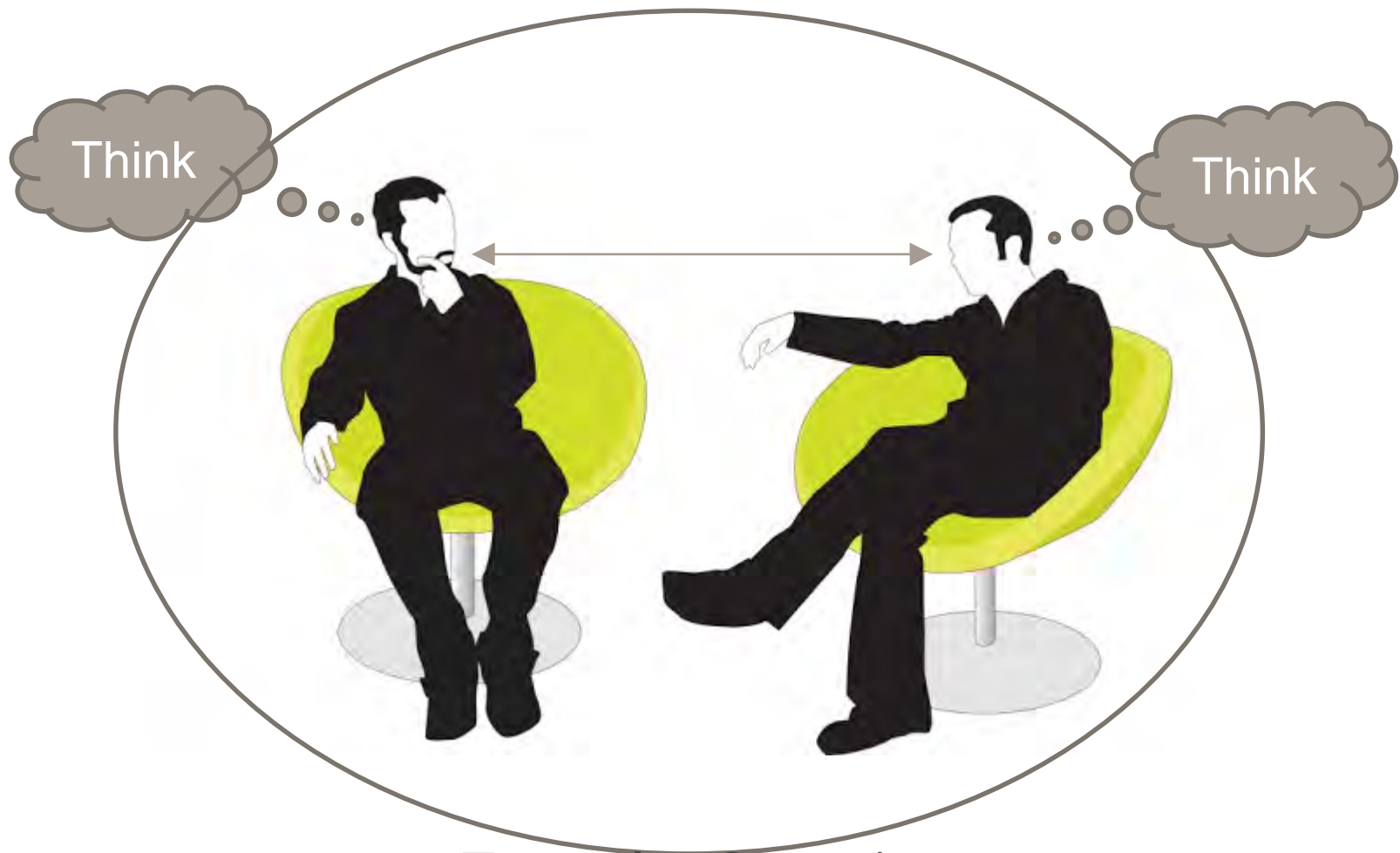
- Opening
- **Culture** – “You can’t measure that from where you’re standing.”
- Structure – “Don’t you make a monkey out of me!”
- Leadership – “Man is the only animal that blushes...”
- Growth – “Where are we, anyway?”
- Challenge – “You are such a nice person.”

- Lunch

- Contract – “Tell me what she wants to know.”
- Culture – “Just give me a hammer...”
- Culture – “My CFO will NEVER buy this...”
- Culture – “Red, Yellow, Green, Blue”
- Culture – “You know, this could work...”
- Final Exercise



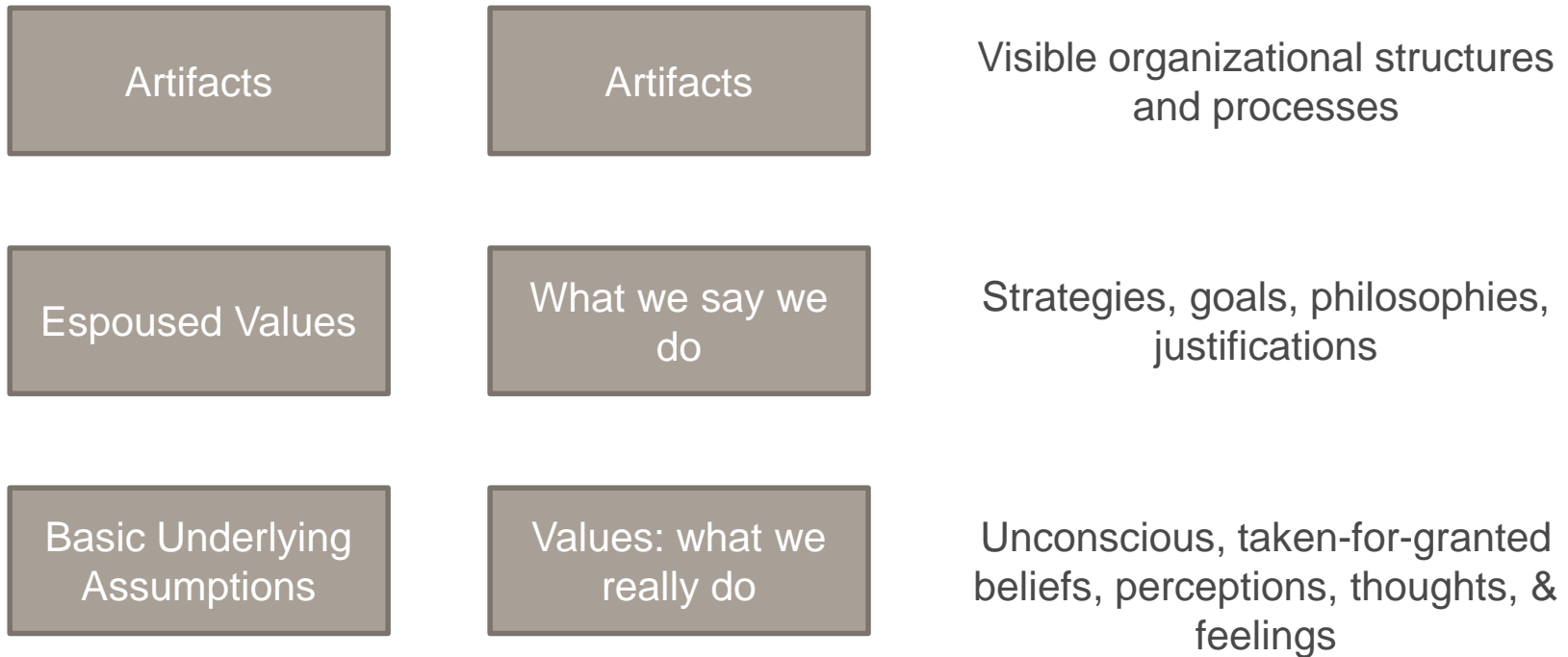
Audience Participation: *Think-Pair-Share*



Example Question

“You can’t measure that from where you’re standing.”

- Edgar Schein



We know you care...




Think-Pair-Share



2:00

What do we say we do in my organization?

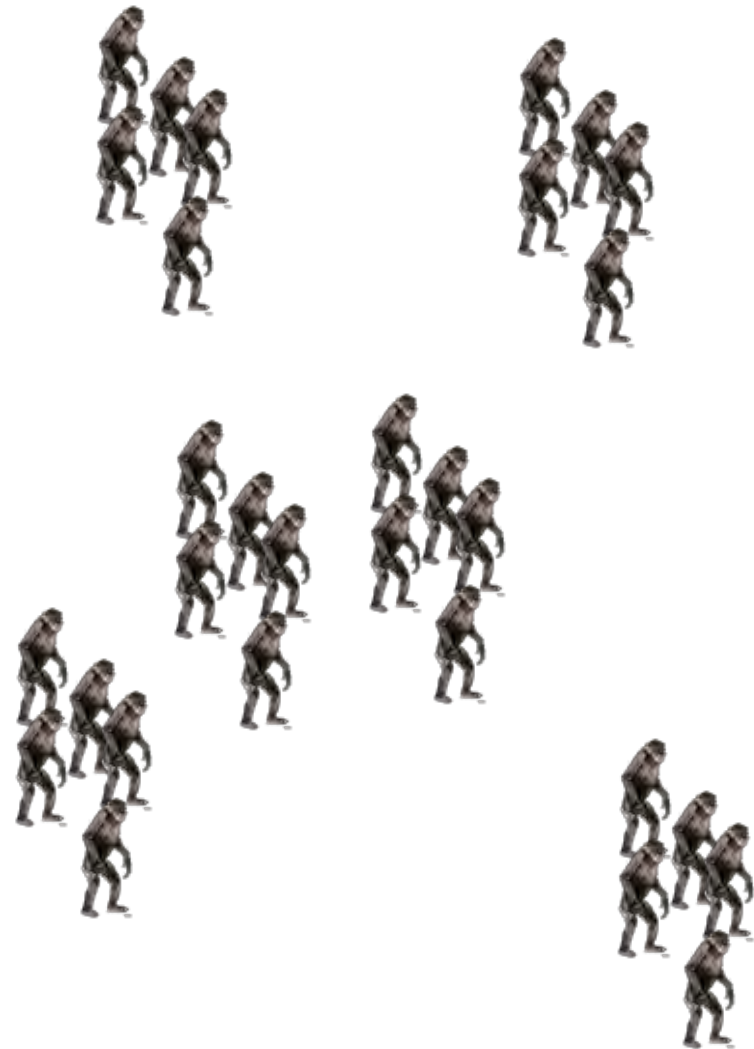
Agonic & Hedonic



I am sitting
on all of the
bananas



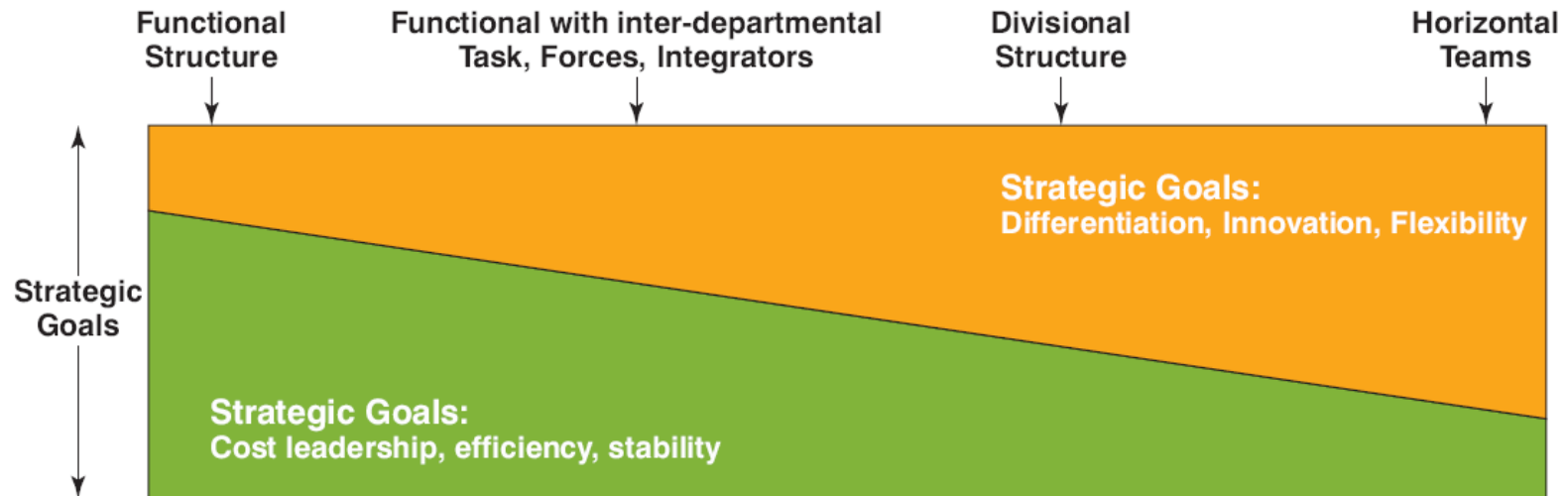
Social Attention
Arousal
Danger
Resources



Structure Follows Strategy

The right structure is designed to fit the organization's strategy

Don't you believe it!



Think-Pair-Share

2:00



Is my organization Agonic or Hedonic?

“Man is the only animal that blushes...or needs to.”

- Warren Bennis
- Attention
- Meaning
- Trust
- Self



Who is good at this?



Attention
Meaning
Trust
Self

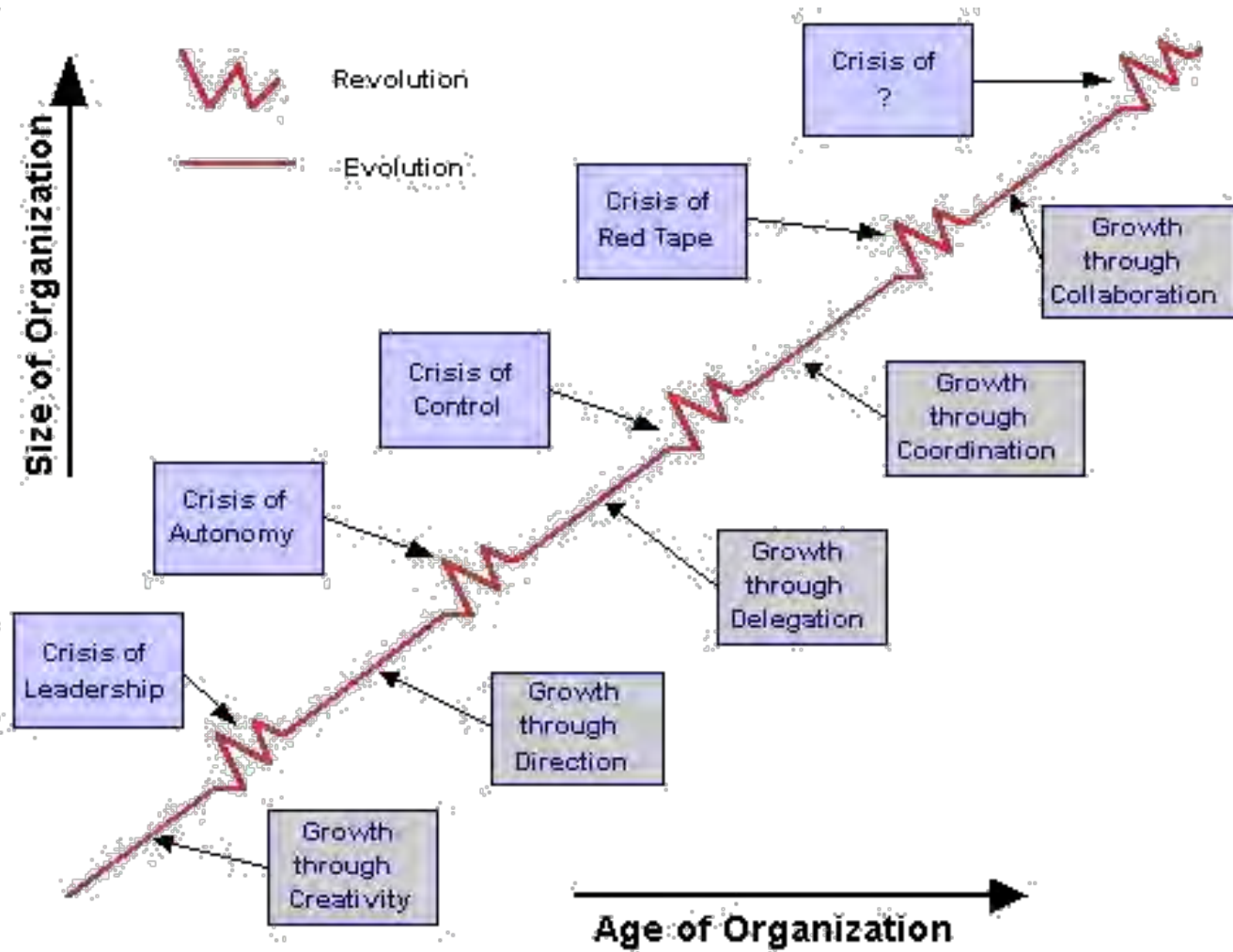
Think-Pair-Share

2:00

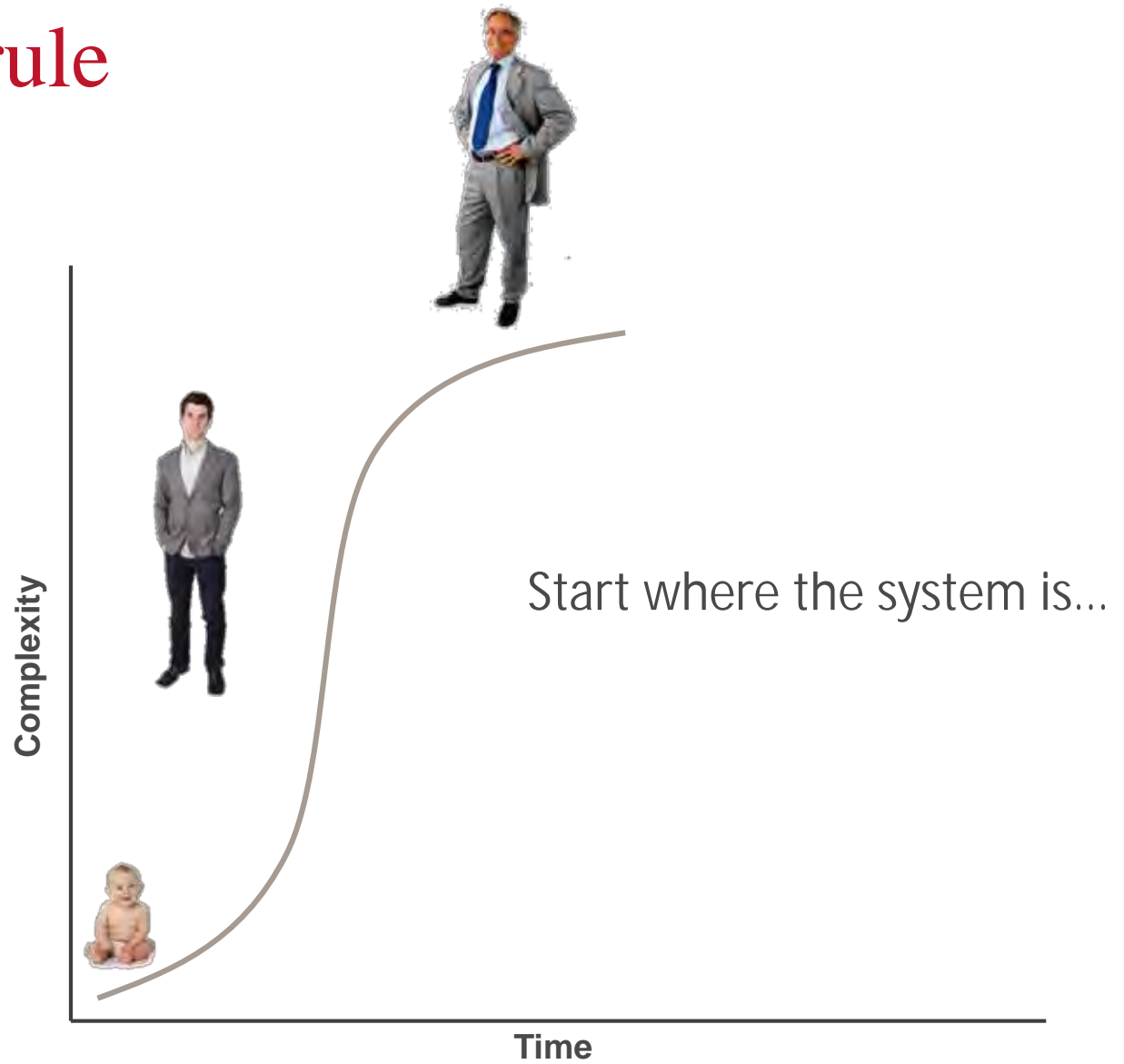


Does your leader style match the strategy?...

“Where are we, anyway?”



The empathy rule



Think-Pair-Share

2:00



Where is my company in the growth curve?

Find someone you don't know....



Think-Pair-Share



Culture, Growth, Leadership, Structure
What I really want to know, before I leave, is...



Lunch & Learn

So nice of you to come back!

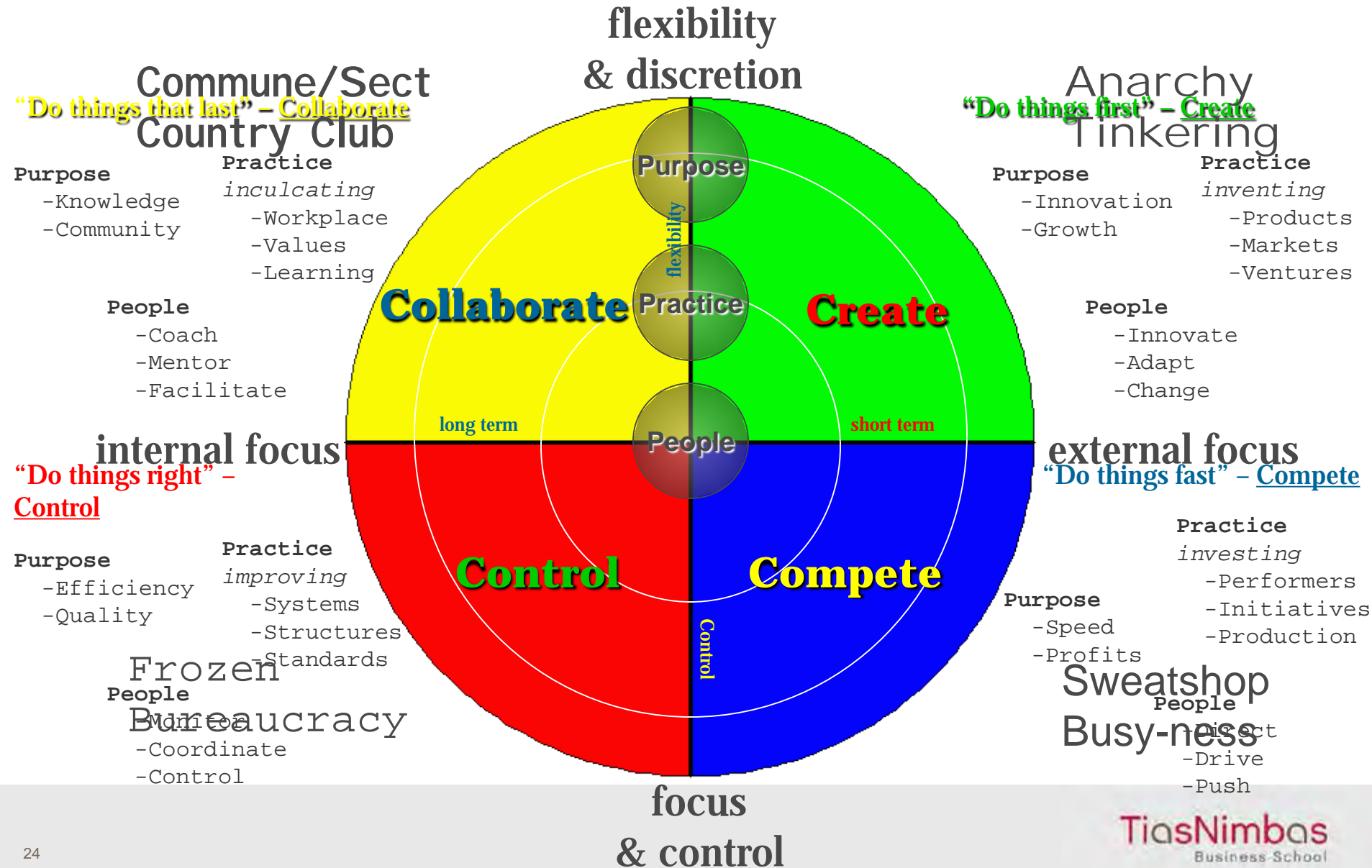
Tell me about your lunch
discussions...



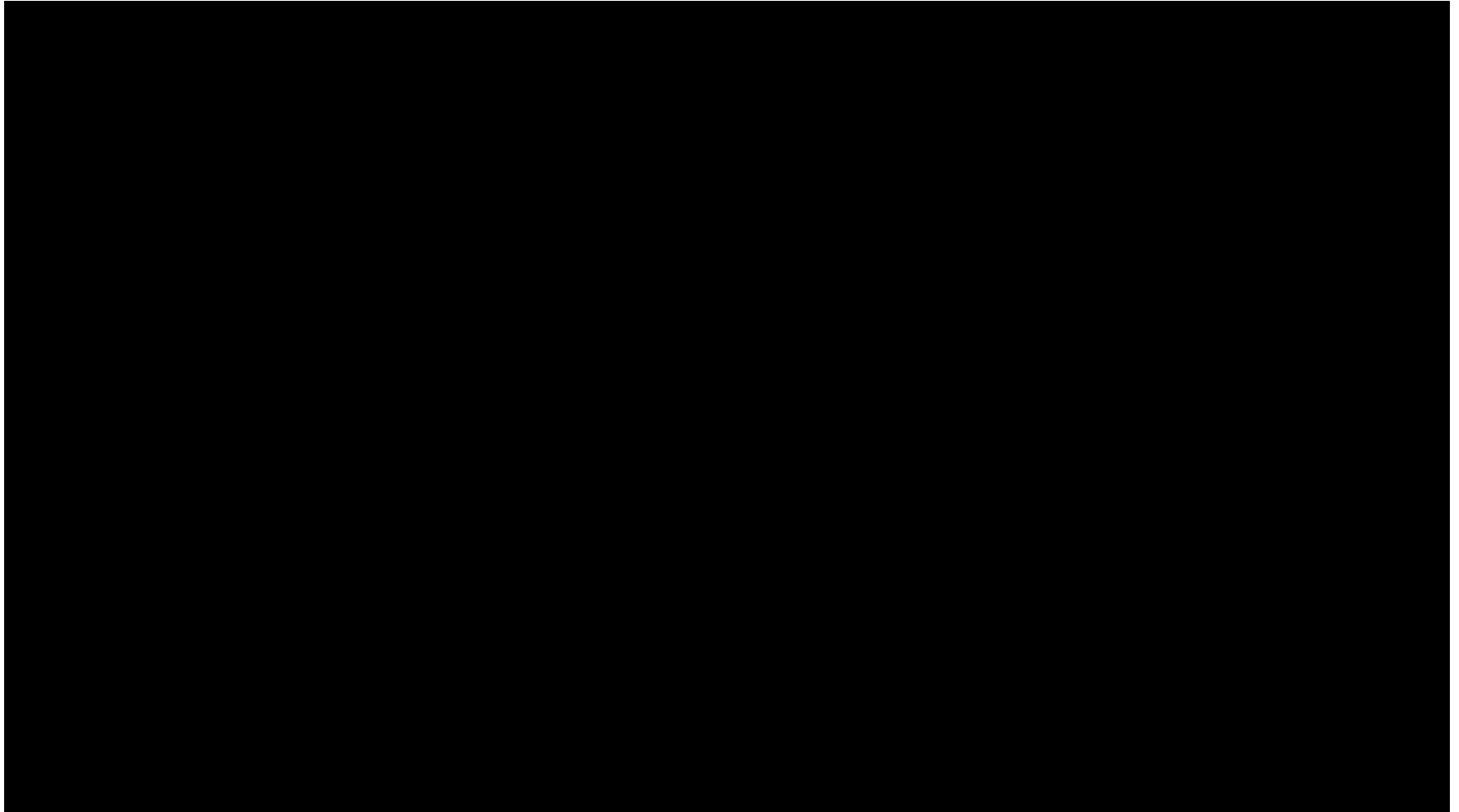
Well, let me get to work...



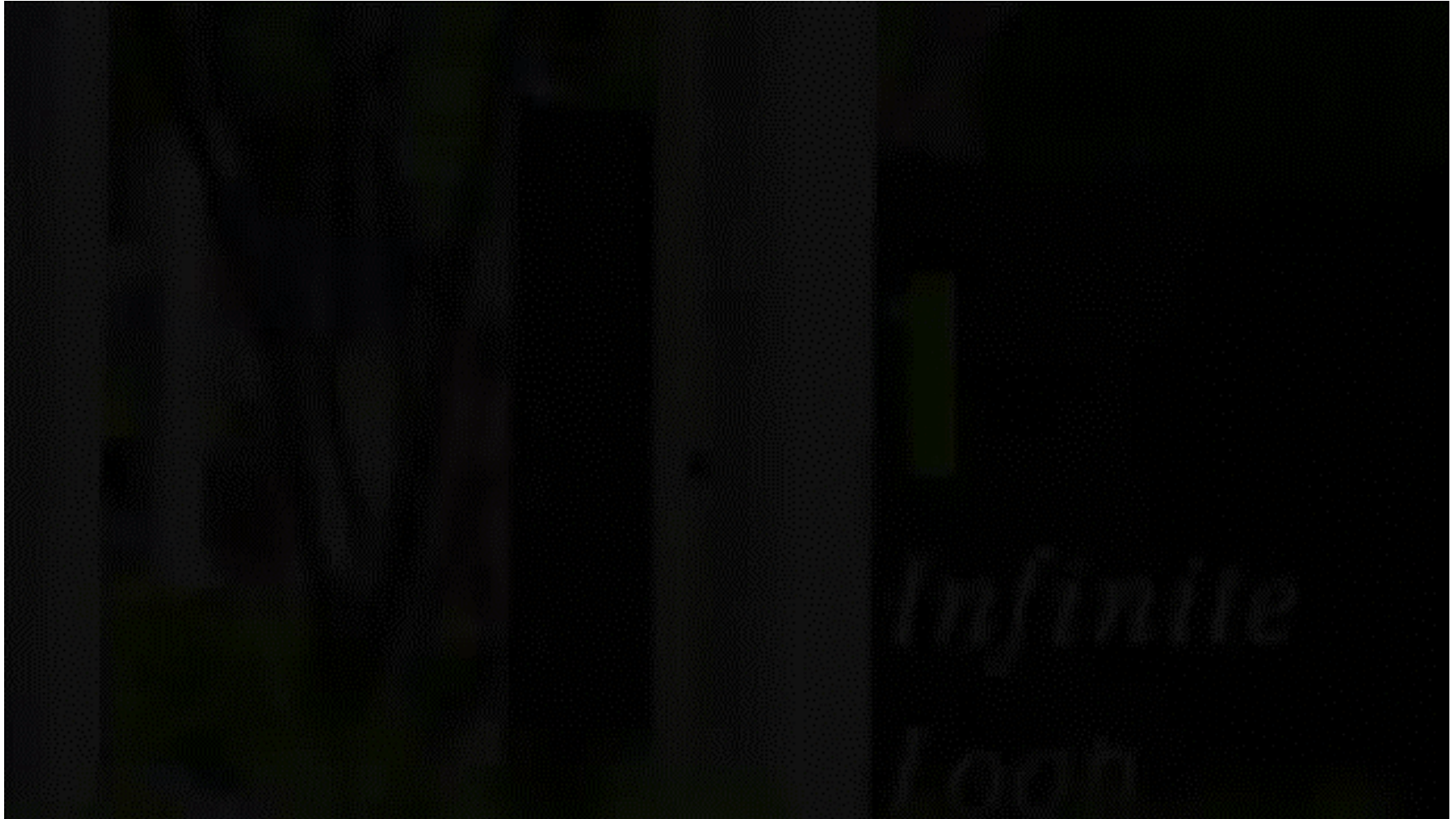
Competing Values Framework – Your “Hammer”



Zappos - Collaborate



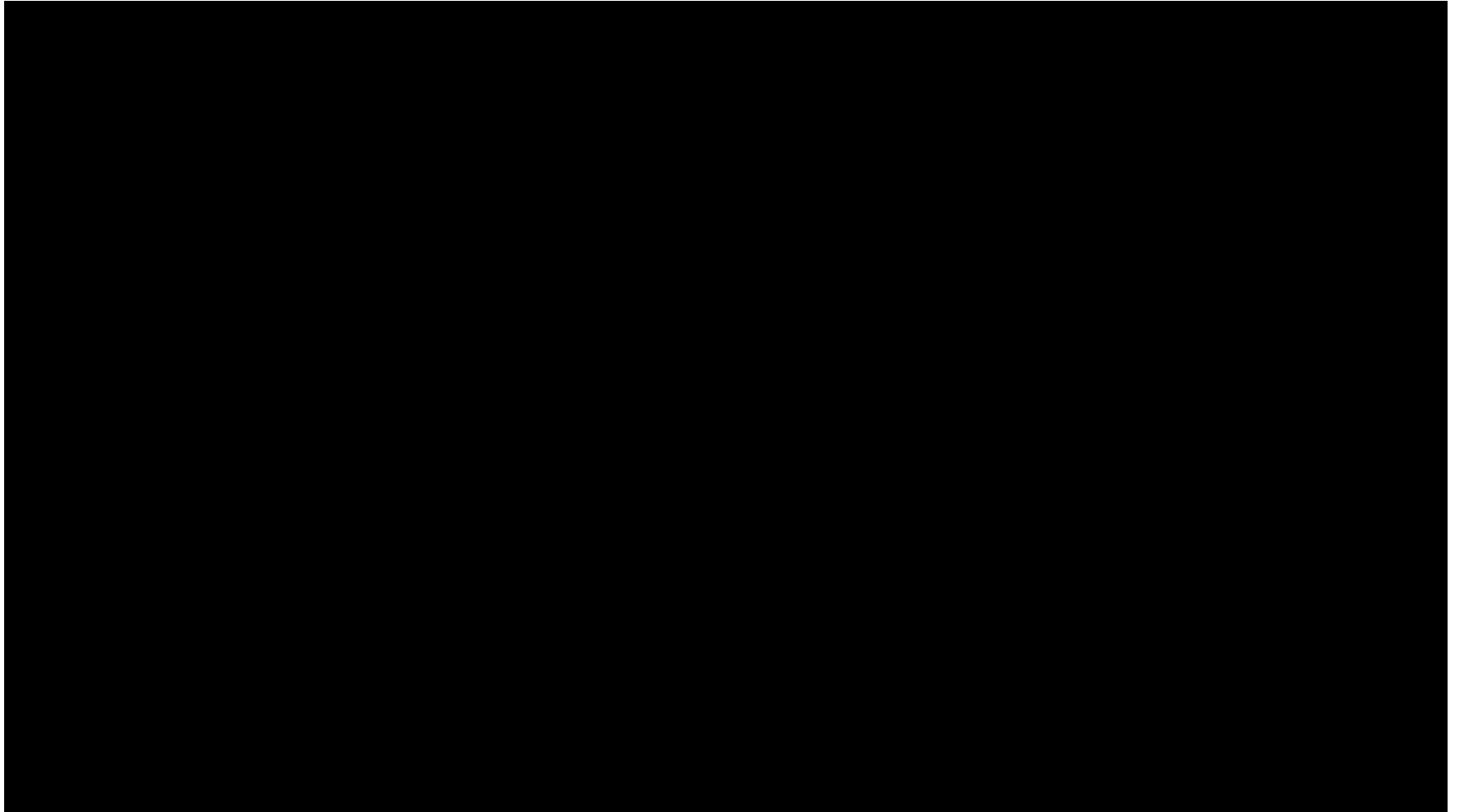
Apple - Create



Deloitte - Compete



Emerson-Fisher - Control



Company culture videos

- Company culture videos
- 3M, Create: <https://www.youtube.com/watch?v=CLIX9yJZosk>
- Apple, Create: <https://www.youtube.com/watch?v=EcHpgsTg458>
- Zappos, Clan: <https://www.youtube.com/watch?v=5CcLIPaUz3E>
- Google, Clan/Create: <https://www.youtube.com/watch?v=c1jImdkApTQ>
- Deloitte, Compete: <https://www.youtube.com/watch?v=2-Xu71-DsMI>
- Goldman Sachs, Compete/Clan: <https://www.youtube.com/watch?v=Ldd0UDcNZsc>
- Southwest, Clan: https://www.youtube.com/watch?v=M7b391n_TnY
- Emerson, Control: <https://www.youtube.com/watch?v=JFGRpwj3nuE&index=2&list=PLSXazcrqabneivOf5nT7OjH3uYflzSj7m>
- Emerson, Control/Clan: <https://www.youtube.com/watch?v=QVUhQcXX7gM&list=PLSXazcrqabneivOf5nT7OjH3uYflzSj7m&index=11>

Let's analyze a company

- Mission: Improving people's lives through meaningful innovation.
- Vision:
 - At our company, we strive to make the world healthier and more sustainable through innovation. Our goal is to improve the lives of 3 billion people a year by 2025. We will be the best place to work for people who share our passion. Together we will deliver superior value for our customers and shareholders.
- Behaviors
 - Eager to win
 - Take ownership
 - Team up to excel



Think-Pair-Share

2:00



Where is my organization?



Competing Values Game



Culture Collaborate

- How would they do “change”?
- “Be a fly on the wall” – what do they talk about in meetings?
- Who becomes a leader?
- Why do they fire people?
- In what industries/places/departments do you find them?
- What value do they create?
- Are they fast or slow?
- Do they make incremental or dramatic breakthroughs?
- Do they “stick” to changes?

Culture Create

- How would they do “change”?
- “Be a fly on the wall” – what do they talk about in meetings
- Who becomes a leader?
- Why do they fire people?
- In what industries/places/departments do you find them?
- What value do they create? Why would we want them?
- Are they fast or slow?
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Culture Compete

- How would they do “change”?
- “Be a fly on the wall” – what do they talk about in meetings
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Culture Control

- How would they do “change”?
- “Be a fly on the wall” – what do they talk about in meetings
- Who becomes a leader?
- Why do they fire people?
- In what industries/places/departments do you find them?
- What value do they create? Why would we want them?
- Are they fast or slow?
- Do they make incremental or dramatic breakthroughs?
- Do they “stick” to changes?

Think-Pair-Share

2:00



Most interesting thing you learned?

Make my CFO happy...

Measures of Community
 Employee satisfaction/morale surveys
 Employee retention rate
 Reduction in employee grievances and complaints
 Headcount as a percentage of forecasted needs
 Job posting response rate
 Percent of job offers accepted
 Percent of employees promoted
 Customer satisfaction survey ratings
 Measures of Knowledge
 Percent training requirements fulfilled
 Number of training days per employee
 Training expenditures are a % of operating budget
 Training investment per employee
 % of employees with career development plan
 Number of employee suggestions approved
 Number of best practices
 Skill targets achieved
 Value evaluation of training and development
 Average experience level of personnel



Unit cost
 Target versus cost achievement
 Actual versus planned production
 Days supply of finished goods inventory
 Percentage of backorders
 Percentage milestones achieved
 Percent of on-time deliveries
 Total internal cost savings
 Labor productivity variance
 Throughput time
 Percent first-time quality
 Percentage of scrap
 Safety violations
 Regulatory violations
 Number of product failure by product group
 Improvement on error or defect rate
 Percent reduction in redundancy or waste
 Number of engineering changes after release (manufacturability)
 Percentage of certified suppliers
 Number of warranty claims

Measures of Innovation
 # of new products or services launched
 # of new sources of revenue
 New products or services development investment as percentage of sales
 Revenues derived from new products or services as a percentage of total revenue
 ROI for new products or services
 R&D Investment / Total Expenditures
 Diversity of innovation portfolio mix
 New product and service process pipeline flow rate
 New product and service survival rate
 Growth in total sales
 Growth in sales by segment, channel, geography
 New market growth in sales
 Growth in sales through joint ventures
 Measures of brand recognition
 Growth in sales per person

First to market with products and services
 Cycle time: design & develop product or service
 Cycle time to market: new products and services
 Time to profitability: existing product or service
 Time to profitability: new products and services
 Number of projects launched ahead of schedule
 Number of projects delivered ahead of schedule
 Ratio: projects launched to projects advanced
 New market penetration time (acquisitions)
 Return on assets
 Total revenue
 Net present value
 Gross profit
 Stock price
 Shareholder value
 Operating income
 Earnings per share
 Amount of cash on hand (cash flow)
 Bid and quote success rate



Clan or Collaborate

- Measures of Community
- Employee satisfaction/morale surveys
- Employee retention rate
- Reduction in employee grievances and complaints
- Headcount as a percentage of forecasted needs
- Job posting response rate
- Percent of job offers accepted
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- Customer satisfaction survey ratings
- Measures of Knowledge
- Percent training requirements fulfilled
- Number of training days per employee
- Training expenditures are a %of operating budget
- Training investment per employee
- % of employees with career development plan
- Number of employee suggestions approved
- Number of best practices
- Skill targets achieved
- Value evaluation of training and development
- Average experience level of personnel

To understand your employees and their performance:

- Human Capital Value Added (HCVA)
- Revenue Per Employee
- Employee Satisfaction Index
- Employee Engagement Level
- Staff Advocacy Score
- Employee Churn Rate
- Average Employee Tenure
- Absenteeism Bradford Factor
- 360-Degree Feedback Score
- Leadership/Climate Survey score
- Salary Competitiveness Ratio (SCR)
- Time to Hire
- Training Return on Investment

Create

- Measures of Innovation
- # of new products or services launched
- # of new sources of revenue
- New products or services development investment
- as percentage of sales
- Revenues derived from new products or services
- as a percentage of total revenue
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To gauge your market and marketing efforts:

- Market Growth Rate
- Market Share
- Brand Equity
- Cost per Lead
- Conversion Rate
- Search Engine Rankings (by keyword) and click through rate
- Page Views and Bounce Rate
- Customer Online Engagement Level
- Online Share of Voice (OSOV)
- Social Networking Footprint
- Klout Score

Compete

- First to market with products and services
- Cycle time: design & develop product or service
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To measure financial performance:

- Net Profit
- Net Profit Margin
- Gross Profit Margin
- Operating Profit Margin
- EBITDA
- Revenue Growth Rate
- Total Shareholder Return (TSR)
- Economic Value Added (EVA)
- Return on Investment (ROI)
- Return on Capital Employed (ROCE)
- Return on Assets (ROA)
- Return on Equity (ROE)
- Debt-to-Equity (D/E) Ratio
- Cash Conversion Cycle (CCC)
- Working Capital Ratio
- Operating Expense Ratio (OER)
- CAPEX to Sales Ratio
- Price Earnings Ratio (P/E Ratio)

Control

- Unit cost
- Target versus cost achievement
- Actual versus planned production
- Days supply of finished goods inventory
- Percentage of backorders
- Percentage milestones achieved
- Percent of on-time deliveries
- Total internal cost savings
- Labor productivity variance
- Throughput time
- Percent first-time quality
- Percentage of scrap
- Safety violations
- Regulatory violations
- Number of product failure by product group
- Improvement on error or defect rate
- Percent reduction in redundancy or waste
- Number of engineering changes after release (manufacturability)
- Percentage of certified suppliers
- Number of warranty claims

To measure your operational performance:

- Six Sigma Level
- Capacity Utilization Rate (CUR)
- Process Waste Level
- Order Fulfillment Cycle Time
- Delivery In Full, On Time (DIFOT) Rate
- Inventory Shrinkage Rate (ISR)
- Project Schedule Variance (PSV)
- Project Cost Variance (PCV)
- Earned Value (EV) Metric
- Innovation Pipeline Strength (IPS)
- Return on Innovation Investment (ROI2)
- Time to Market
- First Pass Yield (FPY)
- Rework Level
- Quality Index
- Overall Equipment Effectiveness (OEE)
- Process or Machine Downtime Level
- First Contact Resolution (FCR)

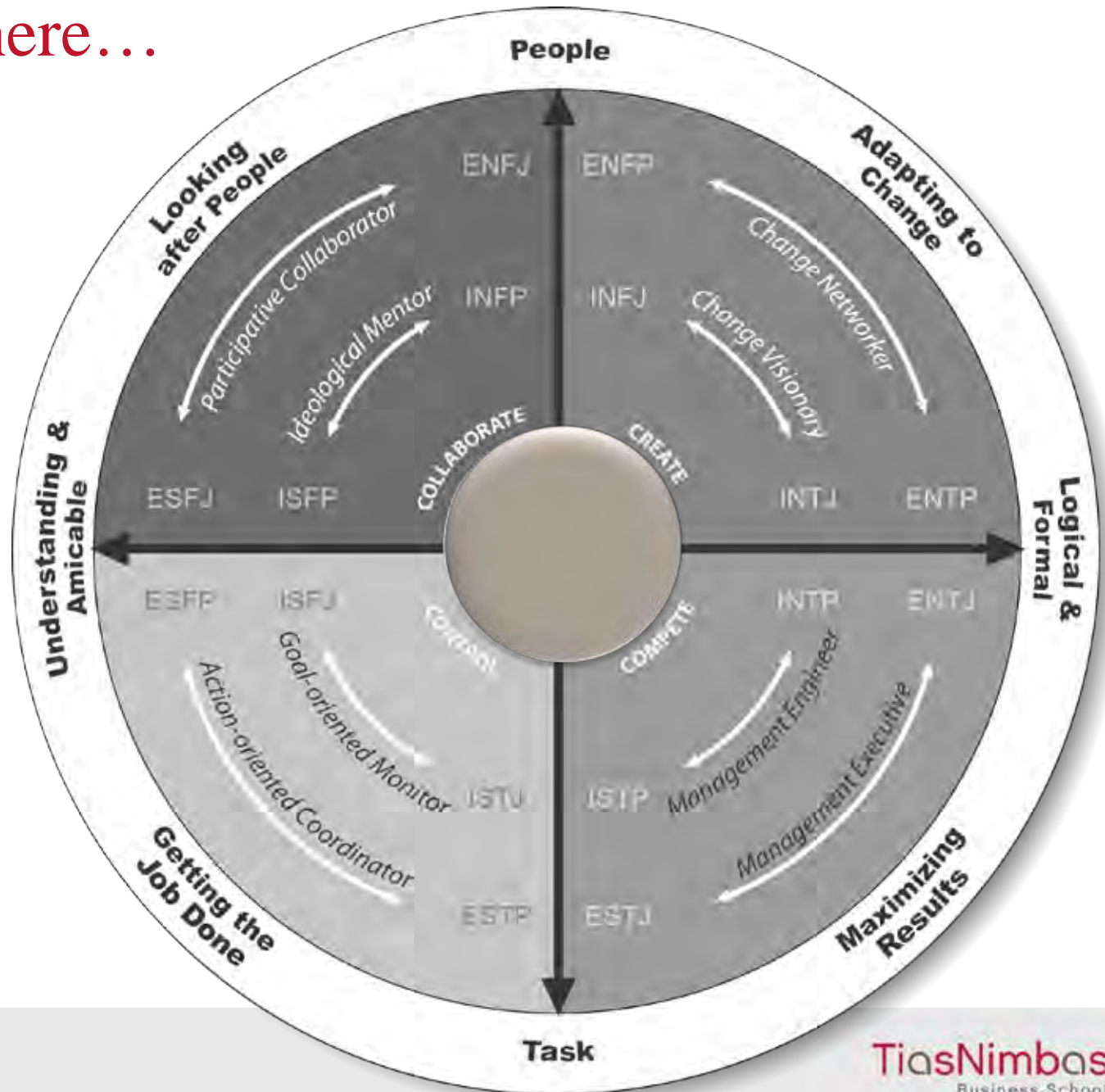
Think-Pair-Share

2:00



How can we get the right KPIs?

Lead me there...



Think-Pair-Share

2:00



What kind of leaders do we need in my organization?

All together now!

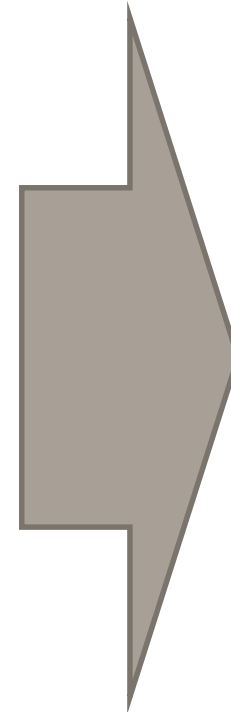


Measure what the culture should be
Ideally

Measure what the culture is
Now

- What it means
- What it doesn't mean
- Do more of...
- Do less of...

Tell Stories Yesterday,
Today, and Tomorrow



Who
does
What
by
When

Think-Pair-Share

2:00



Is it really that linear and simple?

Final Exercise

- Choose three things from the workshop you really think you can use
- Write them down
- Now open your agenda
- Choose 3 dates:
 - 3 months from now
 - 4 months from now
 - 5 months from now
- Review and re-understand
- Give me a mail or a call if you like



And that's it...

Thank you very much!



Peter Gillies, Principal

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