

## **GA 20 Steve Kane**

**Announcer:** You're listening to Episode 20 with Steve Kane.

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**Announcer:** Welcome to the Gemba Academy Podcast, the show that's focused on helping individuals and companies achieve breakthrough results using the same continuous improvement principles leveraged by companies such as Toyota, Del Monte, and the US Department of Defense.

Now, here's your host, Ron Pereira.

**Ron Pereira:** Hey there. This is Ron Pereira from Gemba Academy, and I'd like to welcome you to another episode of the Gemba Academy Podcast.

As always, thank you so much for listening to our show and for watching our Lean and Six Sigma training videos over at [gembaacademy.com](http://gembaacademy.com).

We definitely appreciate each and every one of you. I'm extremely excited to welcome Steve Kane to the show today. The reason for this excitement is because Steve recently joined the Gemba Academy team as our Director of Sales and Marketing.

Now, long time customers of Gemba Academy will remember Steve from a previous Gemba Live! episode and a webinar.

For those that don't know him, Steve is an extremely talented lean thinker with many years of lean leadership experience. Before joining Gemba Academy, Steve was the vice-president of operations for Specialty Silicone Fabricators in Paso Robles, California.

Now, during this show, Steve and I talk about the topic of autonomous teams. In fact, Steve walks us through the exact process he and his leadership team followed at SSF in order to implement autonomous teams across three different plants.

If you are not familiar with autonomous teams, don't worry. Steve explains what they are and how they may be able to add tremendous value to your company. Now, show notes which will include links to everything we talk about can be found over at [gembapodcast.com/20](http://gembapodcast.com/20). Enough for me, let's get to the show.

[music]

**Ron:** Steve, thanks so much for taking time to come on to the show. Where are you calling in from today, Steve?

**Steve Kane:** I'm calling in from Paso Robles, California.

**Ron:** I mentioned in the intro just now, Steve, that we welcomed you to the Gemba Academy team, officially on the podcast, welcome and we're happy to have you on board.

**Steve:** Thanks. I'm super excited to be a part of the company.

**Ron:** Let's go ahead and just start with, why don't you just tell us a little bit about your background and really how did you first come to learn about this lean thinking world that we live in.

**Steve:** Sure. It started many years ago. I was working in the motorcycle industry at a BMW motorcycle dealership.

We had a really good web presence. This was the early days of web retail. I was the manager running this organization, where I had parts and goods coming in through a single door everyday, we were sending out dozens and dozens of shipments everyday.

I came to realize that I really needed to improve flow through this department. It was a small space. Multiple people working in there. I had this idea that material should flow like water, and we should keep things as smooth as possible.

I just started exercising that idea and made some incremental improvements, but it wasn't until a few years later, when I went into the medical device industry, where I

began to understand that this whole idea of flow and reducing waste...there was actually a science behind it, and there were people who devoted their careers to this idea.

That's where I learned that lean had a name, and there was some real serious thinking behind it. It seemed intuitive. Then, when I learned about it, it really validated my thinking, and I really got excited and started studying it.

**Ron:** All right. Tell us a little bit about...your most recent position before coming onto Gemba Academy was Vice President with Specialty Silicone Fabricators, which is great friends of the show and the Gemba Academy.

We've done videos over there and everything. Tell us a little bit of what you did there.

**Steve:** Yeah. That was a great experience. I started on the production floor making silicon components and moved into sales a couple of years later and, eventually, went to our Michigan facility. SSF is based in Paso Robles, California, and I had an opportunity to go to a satellite factory in Northern Michigan.

I spent three and a half years there as an Operations Manager and, eventually, came back to the Paso Robles plant as the Vice President of Operations.

**Ron:** Nice. That's a very strong lean thinking organization thanks to you and your predecessor, Kevin, who's also on the board with us here at Gemba Academy.

We're going to talk more about SSF here in a bit, but what we like to do at the start of all of our shows, Steve, is have our guest share a quotation related to continuous improvement or leadership that inspires them. What quotation inspires you, Steve?

**Steve:** It's a quote from Vincent Lombardi. "The quality of a person's life is in direct proportion to their commitment to excellence regardless of their chosen field of endeavor."

**Ron:** What does that really mean to you?

**Steve:** Regardless of where anybody is in life, position at work, position socially, things at home, the quality of your life is in direct proportion to you being truly excellent at whatever it is that you do.

Whether it's being a good spouse, a good baseball player, a good student, give it your best, and you'll get the best out of life as a result of your contributions.

**Ron:** I love that. My father used to say stuff. He said, "If, one day, you're a street sweeper, you be the best street sweeper you can be." Right?

**Steve:** Right.

**Ron:** No matter what you do. That's great advice. The topic of our show today is autonomous teams. We're going to dig in to what they are and all the rest of it sharing some stories of how these teams positively impacted and currently impact SSF.

Before we get into that, why don't you talk a little bit about the workplace at SSF before autonomous teams were put into place.

**Steve:** Sure. For me, it really started at our Michigan plant. I went in as the Operations Manager, and I was from California, not only did I not know the people there in the plant, I was not familiar with the culture in Northern Michigan, and what is work like for folks in Northern Michigan.

When I went in and got to know people and some time went by, one of the things I noticed was that people were not really happy. They didn't really seem to enjoy coming to work, certainly, didn't enjoy the end of the day like they felt like they really had gotten something done. They weren't smiling when they left...was really the impression.

It was enough of an issue that my leadership team and I...I had a few supervisors on the leadership team with me, and we noticed that we had to have this weekly meeting just to navigate through the interpersonal relationship problems on the floor. Employees wouldn't want to work together, couldn't stand next to each other in the same line.

One person wouldn't like the way somebody else did something. There was an atmosphere of negativity, and I couldn't figure out why. One other thing was I came in and replaced the first Lean manager of that plant. A manager, rotated in from Paso Robles, was there for two years before going back to Paso Robles, and he got Lean going there.

He started with 5S. The plant really looked great. He started with One Piece Flow, which was surprisingly difficult to implement. One thing I noticed was out on the production floor, people would do this One Piece Flow in the assembly process, and then, when I'd leave, they'd go back to batch processing.

In this plant, keep in mind, we manufactured small surgical components. These are things that are just a few inches long and a fairly simple assembly. It's assembled half by machine and half by hand. It's easy to put 30, 40, 50 of these things in one hand at a time and do some assembly, but we really insisted One Piece Flow, and we'd show it's faster, it's easier, it's better quality.

We'd show all the data behind it, but, for some reason, it just wouldn't stick. "What in the world is going wrong?" I scratched my head "Why?" It was really easy to come down as the leader and say, "You must do this, and we'll discipline anybody who doesn't."

While that did have some effect short term, it didn't last. Still, we struggled. "Why can't we get it to stick?" That's kind of what the culture was like when I got there.

**Ron:** Let's get into, at a high level, before we learn about your experience with autonomous teams at SSF, what are they? What are autonomous teams?

**Steve:** The most important part is team. Everybody in the organization is a team. Every single person not only identifies with the team, but they understand the team's role in the company, and how it connects to the company and the customer.

Each member of the team serves the team and works to make sure that the team is successful. The autonomous part is that the team runs itself.

**Ron:** When you say a team, is it like a value stream team? You will have a whole value stream, and they're one autonomous team?

**Steve:** Actually, smaller teams within that. I kind of describe it as a football team. You can say we're all one team, but within that, there's offense, there's defense, there's special teams.

You break it down even further. The offensive line. They go off and practice. The backs will practice together. Then, eventually, everybody comes together as a whole team.

Similar thing where a value stream may be large enough that you could have dozens of people and several smaller teams that are more focused on certain steps along the value stream. In the Michigan plant, we had a few basic processes, and we set up teams by process. It just so happened that these processes required about four people, five people per team, so that just happened to work out for us.

**Ron:** How did you learn about autonomous teams?

**Steve:** SSF is really forward thinking. We insisted that five people throughout the company go to AME throughout the year. I think this was in 2010.

One of the people who went in 2010 was one of our supervisors. She was actually in charge of supply chain and everything that supported production, but she had a background in human resources.

When she went to the AME Conference, the international conference, she focused on the culture, value stream, of training at AME. She's very much into the leadership and the people side of the business, that's what she focused on. She sat in a one hour talk that was presented by Larry Davis, the President of Daman Products in Indiana.

He talked all about culture. The culture at Daman Products. He referred to it as a customer focused culture. This is where everybody in the factory...you don't work for your boss. You work with your team to help your customer be successful. One

of the bigger concepts there is that the people who actually make a product, they're the ones who run the factory. They're the ones who run the business.

The leader's job is to teach, coach, mentor, inspire. Nikki learned about this. She was really excited. She came back, and she said, "Hey, I think I found what we're missing. The missing link is this customer focused culture." Of course, I'm really excited about it. "Tell me about it." She said, "Well, yeah, essentially, what we need to do is let the operators on the floor run the factory."

Those weren't her exact words, but that was the idea. I was thinking, "Are you nuts? I can't get these people to do One Piece Flow without direct supervision. How can I trust them to run the factory?" Later found out that was exactly the flaw in my thinking. We'll get back to that in a minute.

That's how we learned about it. As we go through our weekly human resources meeting...all of our internal conflicts, and the problems we were having with quality. The problems we were having with delivery and overtime. Nikki would very carefully mention, "The customer focused culture. This kind of a problem would work itself out, because the people on the floor would figure out how to solve the problem rather than the manager deciding how to solve the problem. Later, with hindsight, I realized that I was really the classic, conventional manager resistant to Lean. "We're special." "That doesn't work here." I had all of these excuses for that. "No way, I'm not going to hand over running the plant to the operators. That won't work." I was just convinced of it.

She was very, very tactful. She was very persistent for a few months. She would just bring up these things, and she would show how this would work. "Here's an instant where customer focused culture would have a positive effect."

After awhile, quite frankly, I got a little tired of hearing this, I said, "Fine. What do we do? What's our next step?" She said, "Well, the President of Daman Products said that...he invited us over. It's only a four hour drive. We can go visit and learn more about it." "OK, set it up."

She did. She set up the hotels, all the scheduling. I drove down there with my team of supervisors. After listening to him speak for about 30 minutes, I felt like this light went on over my head. "Oh, I get it. I completely get it." I think the big thing

that I learned was people tend to perform the way they're treated. Thinking back, "How have I been treating people?" That is what drove me to learn more.

**Ron:** You've learned what it is. Nikki has inspired you and persisted, it sounded like. [laughs]

**Steve:** Right.

**Ron:** ...to keep pushing this forward, because she believed in it so much. You went to a company, and you saw how they did it. Now, you have an idea what it's all about. The next question is how did you go about implementing it, I guess, in your Michigan plant, right? That's where you started.

**Steve:** Right. We, as a team, spent half a day there at Daman Products really learning about it. We talked to operators, supervisors, engineers to really get a feel for the culture. It's this culture of a very high level of responsibility.

The thing is people were engaged. They were satisfied. They were motivated. They improved things on their own. We just thought we really wanted our people to be able to feel that day in and day out. Driving home from Indiana, we were thinking, "If we're going to do this, we really need to plan it out right and make sure we do this correctly."

As we're talking about it over four hours, plus the time it took us to stop for dinner, and strategizing, we came to the realization that we're not experts on this. We really can't come in with this master plan, step-by-step, and this is how it's going to work. We decided the best plan that we're going to have is we're just going to get everybody together and say, "Hey, look, here's the vision. This is what we really want for everybody here. We want you to be engaged. We want you to enjoy your work. We want you to have a rewarding experience at work. We want you to smile on the way in and smile by the time you leave."

We had this vision, "To start, we're going to share the vision with them, and we're going to just figure it out, one step at a time, as we get through it." We went back to the plant, and that following day we called an all-employee meeting in the afternoon.

This is a plant of about 30 people. The size of the plant was pretty significant in how we were able to launch this. We just got everybody together, and we started off by acknowledging, "Raise your hand if you really enjoy your work." Nobody did.

"Raise your hand if you feel like you really accomplish something by the time you go home at the end of the day, or you feel like you had a really rewarding day. Raise your hand if you feel like you're in control of your career path and you feel like you're growing."

We pointed some of these things out, and I just mentioned, "Hey, you know, I'd really like that to change. I would love for everybody to really enjoy their work." We went into a lot of detail about all the positive benefits that we'd really like people to get out of the workplace.

We told them, "Hey, look. Starting tomorrow morning, you are going to be in charge of the plant. You're going to run this plant. You're going to be the operators on the production floor. You'll be responsible for on time delivery, you'll be responsible for quality.

You're going to be responsible for scheduling all of production, sourcing your raw materials, bringing that in. You will be responsible for job assignments, scheduling, time off, all of these things. All aspects of the workplace are going to be your responsibility."

Of course, people were looking back at me, their eyes as wide as saucers, and they had the same response I had with Nikki, originally, "Are you nuts?"

[laughter]

**Steve:** I told them, "There's nothing different between you and me as far as professional responsibility goes, but there's this expectation that the manager is going to hold you accountable for following the rules.

I'm not going to do that anymore. That's going to be your job. You'll hold yourself accountable. Team members, you're going to hold each other accountable. We all

perform at the same professional level, we all know the rules, we know our policies, we know how to do things.

Also, I'm really not the master of running this factory. The reality is all of you are, and you do it every single day. The only thing that's different now is you're going to understand that it's your responsibility to do this. It's going to be your choices that make us successful.”

**Ron:** What if they didn't know how to do something? What if they didn't know how to source materials, or they didn't know how to do some financial reporting, or whatever it is, that needed to be done? How did you handle that?

**Steve:** We told them, "You will do all of these things. When you don't understand what to do, I will be out on the production floor along with all the supervisors. We'll be here all day as long as you need us.

When you have a question, I promise you I will not answer your question for you.

[laughter]

**Steve:** The look I got from people...a kind of disbelief, confused...I just wanted to explain, "Hey, look. I can't spoon-feed information to you and show you how to do things, and have you retain it.

When you come to me with a question, I'm going to respond with a question because there's a good chance that you or other people around you may already know, and you might just need some coaching along to help you. The idea's that if there's something that you're not familiar with, I want you to truly learn it so, then, you can also teach it.”

That was the method we had. Something that was really important about this was that the supervisors and I were truly in lockstep. We believed in this, we knew it was the right thing to do, and we trusted each other. We said, "No matter what, we back each other up. We will be available to the people on the floor all day, as much as they need us. If we have other office work that needs to get done, we'll do it after-hours if we have to. The people come first."

That was a really fundamental and important element that we were truly in lockstep, in that regard.

**Ron:** You've got these things in place now. Some operators are wide-eyed, unsure, but they're going to fight through it. For the first few months of practicing this concept, how did it go? What were some of the struggles? Let's start there.

**Steve:** I described it as a few weeks of chaos, really. Remember we said, "Starting tomorrow, you'll decide when to come to work, you'll decide job assignments and all that. The supervisor is not going to do that anymore."

We actually even took the supervisor off the production floor to create some distance for the purpose of having the teams work the problems out on their own before coming to anybody, to the supervisor, for help. We were there, we were available, but we were just a little bit separated to let people struggle enough to come up with the good questions.

The folks were having some issues with these responsibilities. There was a little bit of disagreement on job assignments, "Hey, it's up to you. You've got to work it out, who's going to do what."

One of the things we told folks, "When you're making these decisions, whether it's a critical quality decision, just a job assignment decision, or anything in between, here are three questions that you need to ask yourself, am I helping the customer be successful? Am I helping my team be successful? Am I doing the right things for the right reasons?"

If you're doing all three of those things, you're probably heading down the right path and things are going to work out just fine, but you've got to work it out with your team."

We had people not agreeing on job assignments, when to bring materials to the floor, how to go about doing the administrative tasks. We had one particular employee who really enjoyed running the automated floor polisher, the thing with the big tank and the scrubbing wheel...

**Ron:** I've always wanted to drive one of those [laughs].

**Steve:** They are fun, actually. We had this great polished floor in the warehouse and a lot of empty space. He enjoyed running that thing. We're super busy, working really hard to get a shipment up, he's out in the warehouse polishing the floor.

I go to talk to him, "Hey ya! Tell me what's going on." "Well, you know, I'm polishing the floor." I go, "OK. Great. Does that really need to be done right now?" And he says, "Well, it's good to keep the floor clean, and you said I can do whatever I want. It is my decision to pick my work assignment."

"Yes, that's true, but remember, I also said you have to ask yourself if you're helping the customer be successful, if you're helping your team be successful, if you're doing the right thing for the right reasons."

And he stopped, scratched his head a little bit, and he said, "Ah, yeah. OK" He went back on to the production floor and started helping out. We had those kinds of issues. What we found was the less leadership got involved in that the more sustained the improvements were. People worked problems out for themselves, and the team were holding each other accountable.

"Ray, hey. Your break was supposed to be 15 minutes. That was 20 minutes ago, you need to be back on time." Those kinds of things. When the teammates were saying these things, the message really stuck. In the past, where the supervisor said it, it didn't.

We had a few weeks of this turmoil. Then, it was like we turned the corner and things started to really smooth out. The people were getting along better. After three months, I remember talking to the rest of the leadership team and asking, "What do you have going on, today? I'm really not all that busy." They were saying, "Yeah, me too. I feel like I don't have so many tasks to deal with."

We looked at our agenda for our HR meeting that we had over the week, and we shifted from conflict to ideas like, "When are we going to have our next pizza party? When are we going to do something to celebrate this accomplishment?"

It turned from being an agenda of dealing with challenges to an agenda of dealing with successes and celebration. That's when it hit us, "Hey. Wait a minute. This is actually working."

There was a really rewarding moment of, "Gosh! We really hit a home run here, we really did something right." We called an all-employee meeting, and we talked to everybody who wanted to give some feedback on how things were going. They acknowledged that we had some struggles, but things seemed to be getting better. I told everybody that, "First of all, I'm just truly impressed with the professionalism that everybody brings to the team, and the way that the team is performing."

Honestly, I had no idea what to expect in such a short period of time. I had dreamed that, hopefully, we could get to this level in about a year, but it only took about three months." Once we hit that point, then it was like the momentum, really, just picked up, and the performance really improved.

**Ron:** Somebody's going to sit back, be skeptic, and say, "Oh, yeah. That sounds great. Now, the managers should be sitting back planning pizza parties." What was going on with the leadership, then? Once this thing's really moving, it's a well oiled machine, what's the role of the leadership then?

**Steve:** It's really easy to think that the supervisor's or the manager's job is either simple or almost nonexistent at that point. If you're not telling people what to do, what are you doing?

The leader's job is to teach, coach, mentor, and inspire. The coaching that goes along...we talk to everybody in a pretty short period of time, just how to run things day-to-day. The reality is most of the knowledge which is out there is a matter of cultivating it and getting it out.

That was happening. Then what? We're doing one piece flow. How do we improve upon that? What does the customer need from us? Some of the Lean concepts I was trying to teach in the past. In Takt Time, for instance, I would ask people, "How many parts do you need to manufacture today?" "I don't know. I work a 10

hour shift, I just come in, I make parts, and then, at the end of my shift, I go home.”

Here's how you figure out how many parts need to be made in order to deliver on time to the customer, what your production rate is, what the difference is, how much overtime you will need to work today if you're not on target? Again, something I couldn't get to stick because I was forcing it on.

After we made this change and told the team, "Hey. You're responsible for on time delivery. It's going to be up to you to make sure that you get quality products out to the customer. Then, the operator started asking, "I have x number of days to get this order finished. How many parts do I need to make in a day?"

Here's the concept on it, "Actually, let's go to Gemba Academy. Here's the video on Takt Time." We would teach this concept and then...the question, "Here's Takt Time. How many parts do I make in an hour?" "I really don't know. Let's time it." These fundamental parts of Lean were really starting to come out. They were organic. People needed these tools.

**Ron:** They had a problem.

**Steve:** If they had a problem to solve, exactly. Then Lean really started to kick off, because people needed to do this to be successful. They implemented day by hour report. We would ask people to stand in the Ohno circle for half an hour. The past, they would just stand there and daydream, presumably.

But after, they would stand and they would really watch and they'd come up with an idea. Then, they created the Kaizen Newspaper and tracking these ideas, and how to fix things. Again, the momentum just really got going.

**Ron:** Love it. The Michigan plant was off and running. I understand you also then took this concept to the California plant, right? Is that accurate?

**Steve:** Right. Yeah, it is. Just before I moved to the Paso Robles plant, there was this initiative to abolish performance appraisals company-wide. SSF has three

factories. We had people from all three factories involved. We want to abolish performance appraisals, but how do we do it?

That's where we in Michigan said we implemented this idea of autonomous teams. This has been the result and we feel that the appraisals really aren't appropriate, because the feedback in the moment and it's usually effective. We started getting up all rolling throughout the company.

Then, I moved back to Paso Robles where I became the vice president of operations. I was in charge of manufacturing at all three of our factories. We really drove this idea home at that point. It really started to spread.

Our task in plant was about twice the size of the Michigan plant. Again, the customer focus culture, the autonomous teams, it took off quickly and they really tried with it. In the Paso Robles plant, I actually learned a lot trying to implement that this is a factory of 150 or so people, several managers, several supervisors. It came to them with, "Hey look, here's this great idea. Isn't it wonderful? Let's do it." That was a fatal flaw in my thinking that I really...I didn't do what was critically important that we did do in Michigan, which was the leadership team was on the same page. We all thoroughly understood it. We believed in it and then together, we launched it.

It was a top down mistake that I made in Paso Robles. It took longer to gain some traction with it, but we did it. We were very persistent with it. It just took a lot longer to get going. In Michigan, things were just stellar in three months. In the Paso Robles plant, the mistakes I made really slowed things down, but we did get there.

**Ron:** If you had to do it over again in Paso Robles, what would you have done differently? Would you have brought them out to Michigan maybe to show them? What do you think?

**Steve:** Actually, that I would not do because we did have some people go to Michigan. I really encouraged them to, "Hey, really pay attention to culture. Bring back some ideas." That actually kind of put in with some responsibility on them

and then also, it's a comparison which we don't like being compared to others, right?

It's just saying Michigan's wonderful, but Paso Robles really needs to improve, which isn't the case.

In retrospect, what I should have done, and what I would do again if I were to take on a similar role, would be to spend the time and get to understand the challenges that leadership faces, and also, the challenges of folks on the floor face and take the time to get all the leaders in on board with a the autonomous team's idea, and really make sure that we're all together on it and that there's a real sense of unity on the idea before launching it.

Also, in a very large...larger organization, larger than 30 people in Michigan, those of us with office jobs and other assignments -- we had a few engineers, supervisors -- we could afford to spend all of our time on the production floor for a while. In the larger plant, there's so much going on that we couldn't do that. We couldn't ask our quality team to do that.

They're busy with audits and documentation and so many other things, and the customer care group. They're so busy with other things. It's really difficult to get absolutely everybody on board doing the same thing at the same time. We have to develop a better strategy for that, but it's really just a shift in thinking and that takes a lot of discussion.

One of the things that I did with this one, I implemented the idea in Michigan along with my leadership team that we decided that we were not going to ask for a permission to do this. We could have...I could have run it by the company president, who was Kevin at the time, by the way, or the director of HR. There are a couple of reasons for that.

One was that Kevin really supported people taking rests, calculated rests that it wouldn't hurt anybody, but experimenting and trying things and learning from it. I knew if I went to the rest of the management team, it would just be a huge obstacle to overcome just to get it going. I rationalized my thinking with communicating the fact that we will change policies.

We will not change any of our eyes of documentation. We follow our policies. We follow our quality system to the letter as we always have. We're going to shift our leadership style and that's really what it's about. It's not this monumental shift to the company. It's just changing the way you interact with people.

**Ron:** Love it. We're recording this right now and the early audios. We're going to be doing...you're going to be doing, I should say, Steve a webinar here with Gemba Academy on August 20, 2014, titled Empowering Employees with Autonomous Teams. This is going to be free.

If anybody listening to this and is interested in checking that out, I got to double check when we're going to release this episode. Even if it's after August 20, that's not a big deal because that webinar will have it up for free for 30 days. I could definitely encourage people that want to learn a little bit more about this concept to check that webinar out.

There's something that Steve and I, and Kevin, we've been talking about this possibly doing a formal course on this topic of autonomous teams. Beyond that, Steve, if someone wants to learn more about this concept, what advice do you have for them?

**Steve:** If you'd like to learn more about it, of course, the webinar is the first step. In that webinar, I will discuss the fundamental principles involved. It takes a little bit of time, so we weren't able to get into it during this podcast. But there are some key principles there and that would certainly help.

Also, if anybody wanted to contact me to get some tips or pointers on it, I'd be really happy to talk to them about it. But there are plenty of books out there, similar to this. The Servant is one that comes to mind.

Just really believing that the idea is that a leader's job is to lead...the leader's job is to teach, coach, mentor, and inspire. I mean that is a fundamental philosophy. I think it's going to send you in the right direction. I encourage the webinar and of course, you can look me up, as well.

**Ron:** Yeah, awesome. Let's go ahead and transition into the quick fire section. As I mentioned in the intro, we are...we've actually changed up the quick fire sites in a little bit and we've added some new questions and taken some questions out. We actually got some feedback that folks wanted to change that up a little bit.

I thought that was an interesting idea. Actually, Steve, I've actually added one that you and I haven't been talked about. We're going to keep this thing extremely real. I'm going to keep you on your toes. The first question, Steve, is what does respect for people mean to you?

**Steve:** That is an incredibly deep subject. Respect for people, it's so much...it goes so far beyond being professional and polite and kind to people.

It's about making sure people are sufficiently challenged that they have a rewarding experience at work, which I believe it really comes from being challenged that they have the resources they need to learn and to grow, that they are brought into the organization.

Not just to perform the task at their fingertips, but that they're really truly treated as an important part of a company. They are involved with the company's success and information is shared with them. They're not asset...I have trouble with the idea that people are best asset. It implies ownership.

Something about respect for people tells me...it just makes me think that there isn't any ownership there. We have to remember people are not obligated to work for us. We need to create an environment where they want to be here. They want to succeed and they want our customers succeed. I think Richard Bronson said something along the lines of, "Train your people well enough that they can lead and treat them well enough that they don't want to."

**Ron:** Nice. I like that. Here's a new question for you. This came to me as we were talking earlier. When you hear the phrase Kaizen Culture, what comes to your mind?

**Steve:** To me, that's improving something really every day. If you're going to work with a thought process of what am I going to improve today and it doesn't have to

be the big earth-shattering change, but that small incremental change that is going to be better for the customer, better for your team, better for the company, and ultimately better for you as the worker.

**Ron:** Yeah. We just got back...as you know, Steve, we just got back from our friend's at FastCap there. We visited their new factory and Paul Aker is the president of that company. We were visiting...we were doing a walk-through Monday morning and he said, "Yeah, I've got a bunch of tours today."

We were in there videotaping all kind of stuff. He said, "I actually came in last night to do my improvement because I knew I wasn't going to be able to get it done today." I was like, "What do you mean you did your improvement?" He said, "My two second improvement." Everyone at FastCap including Paul, the president and owner of the company, makes a two-second improvement every day. I'm like, "Wow. That's a Kaizen Culture."

**Steve:** That's absolutely a shining example.

**Ron:** What's the best advice you've ever received?

**Steve:** "Don't underestimate what people are capable off." It's really easy to do, particularly on a factory floor, where somebody is doing one particular task and then an opportunity comes up. The question is who do we want to do this? Don't discount people because of any preconceived notions. Let people prove their abilities.

**Ron:** Yes, nice. Steve, do you have one personal productivity habit that others might benefit from?

**Steve:** I really try to sustain five S of the workplace. The thinking is that my desktop reflects my thinking or my state of mind. It's really easy for the desktop to get cluttered. When that happens, the same thing is happening in my thought process. Keeping things clean at the desktop, it's the same reason we teach 5S, right?

The same reason we do it in the factory floor that it's not only that I can reach what I need when I need it, but it's about that clarity of thought and that I can stand cast because I have this highly organized workplace. My suggestion is take time at the beginning of the day and at the end of the day to stay organized.

**Ron:** You're also a stand-up desk guy too, is that right?

**Steve:** I am. I'm standing right now, actually.

**Ron:** Me too. I love it. I think that's actually in a very similar vain. It's like if I sit down, I get all comfortable and relaxed. It's OK when you're reading a book, but standing up and then working, I find standing is definitely better for me, at least.

**Steve:** Yeah, it certainly keeps me moving.

**Ron:** Here's another new question. Thanks to Steve for helping me kind of craft this, but I think this is going to be a good one for future episodes. Here's the back story. You're a Lean thinker, Steve, who has just been hired as a general manager of a company.

This company needs to improve their processes and ways of working. As it turns out, you've now discovered after you've been hired that many of the senior managers that you're dealing with, they aren't quite as enthused about your Lean thinking background and ideas as you are. With this said, what would you do and why?

**Steve:** First thing that comes in mind is language. If you want to understand somebody or you want somebody else to understand you, you need to speak their language rather than having them try to learn your language. Going into things, I would focus more on what resonates with the other members of the team, rather than using the Lean lingo and do it the lean way and try to force ideas on other people.

You can share the ideas without getting hooked or too attached to the Lean terminology and show how improvements will benefit the company. If you're dealing with the CFO, for instance, and you're talking about continues

improvement, the CFO might ask something along the lines of why are we spending time dealing this, when are we going to see the results in the financial statement?

Being able to explain, this is getting incremental and we're can do this little by little and we won't see the financials improved because this is one of that. But having the culture of this type of improvement is going to improve flow, improve or reduce the amount of labor per part, and start speaking the CFO's language. Then it starts to resonate a little bit more.

It can start focusing on things like on this blind item of the financials, I want to improve this. I want to get our cost down. In order to that, I'm going to implement these steps. With human resources, I may talk to be more concerned about retention and employee engagement and satisfaction and talk about respecting people and some leadership things, and maybe trying to pull the HR executive in that way.

It's about...again, it's about speaking their language and touching on the things that really resonate with the other members of the team and the company as a whole, and keeping focus on what is it we're trying to accomplish as a company.

**Ron:** Nice. In the CFO, you're going to also kind of sneak in Jean Cunningham's book "Real Numbers," right?

[laughter]

**Ron:** Yeah, very good. All right. Steve, thank you so much for coming on to this show. We are so excited to have you on board here at Gemba Academy. Why don't we just wrap this thing up, Steve, with you sharing some final words of wisdom and then why don't you tell people how they can connect with you?

**Steve:** Sure. The final words of wisdom, if you think about the House of Ling -- I think it's from Toyota -- the two pillars of Ling being continuous improvement and respect for people. Just really remember that those two pillars need to be a bit more strength. Their continuous improvement, the activities in the Lean tools on one side.

But remember that the strength of the respect for people side has to be at least strong. It's really the people who make the tools work. Make sure that everybody is getting the support and attention they need to use the tools. To get a hold of me, you can get me at [steve@gembaacademy.com](mailto:steve@gembaacademy.com). I'll be happy to correspond with you.

**Ron:** Yeah, fantastic. Again, depending on when this comes out, we're going to...Steve's going to do a webinar on August 20th that's free to anyone. You don't have to be a subscriber to Gemba Academy on Empowering Employees with Autonomous Team. Even if this episode comes out after that, don't worry.

The recorded version will be available for 30 days after that. I definitely encourage people to check that out. Steve, we've been talking for almost 45...little bit longer than 45 minutes, I guess it's time for us to get back to do some other work here. But thanks for taking the time again. I'm sure we'll have you back on the show again down the road.

**Steve:** You're welcome, Ron, and thank you so much.

**Ron:** All right, take care.

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