

## **GA 27 | Ron Pereira**

**Announcer:** You're listening to Episode 27 with Ron Pereira.

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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 with Gemba Academy. I'd like to welcome you to another edition of the Gemba Academy Podcast.

As always, thank you so much for taking time to listen to the show and for watching our videos over at [gembaacademy.com](http://gembaacademy.com). Now, today's episode is a little bit different since...I'm actually being interviewed for the first time.

Steve Kane, our Direct of Sales and Marketing at Gemba Academy, comes on and actually takes over the role as host, and I'm the guest. I go through all the same questions that all of our other guests have gone through.

It was really fun, and really the point of the discussion today is about something that we're covering in pretty great detail in our new Culture of Kaizen course that we're developing. An important aspect is our brains, which sounds a little bit weird, like brains and Lean, but there are actually a lot of important things that we need to know about various chemicals in our brain, like dopamine.

What is that? Why does that have an important impact on how cultures are created within organizations and even within our families and communities in general? We walk through that a little bit. It was really fun and interesting, because I had never really had to prepare for some of the quick-fire questions. I hope you're going to enjoy this show. I do want to say that it's early October 2014 right now when we're recording this.

We have partnered with AME. We're happy to say that we are offering a 10 percent discount to anyone that wants to sign up for the AME Conference that's coming up in mid-November, 2014.

To get all the information, the best thing to do is go to our show notes, which is [gembapodcast.com/27](http://gembapodcast.com/27). Again, 2-7, [gembapodcast.com/27](http://gembapodcast.com/27). You're going to go ahead and get all the information for how to save 10 percent on registration for that AME Conference. We are going to have a booth there again.

We are also, we're working on and planning it right now, going to do an after-hours networking event there in Jacksonville. It's going to be on the Tuesday of the conference.

It's going to be free drinks and food. All the Gemba Academy team is going to be there. We would love to have everyone listening to this that comes to the conference come and hang out with us and spend some time networking.

Again, go to [gembapodcast.com/27](http://gembapodcast.com/27) for the show notes. That's enough from me.

Let's get to the show.

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**Steve Kane:** Ron, thanks very much for coming on the show. Tell us where you're calling from today.

**Ron:** I am in Keller, Texas at our studio here. It's great to be on the show, Steve. [laughs] It's fun being on the different end of the microphone today.

**Steve:** It's a new thing for me, as well. Ron, share with the audience a little bit about your background and how you first came to learn about continuous improvement.

**Ron:** I guess I first started to explore continuous improvement back at Motorola where I first worked out of school. I worked there building cell phones.

If anybody remembers the StarTAC, the famous StarTAC, that little, I think it was one of the first flip phones ever made.

Gosh, I remember being in the new product introduction area, and we were sneaking a look into the cages and all that where they were all stored. I first cut my teeth on, mainly, I would say, it's more Six Sigma slanted tools, control charts. There are a lot of Lean things that we were doing, but designing experiments and different more advanced statistical type stuff. I did that for a while.

After that, I moved to Nokia, the big competitor of Motorola. That's actually where I went through formal Six Sigma training, Green Belt, Black Belt, Master Black Belt, so forth. We were pretty much a Six Sigma house. There was a little bit of Lean sprinkled into our training, like you see in most traditional Six Sigma training.

But I knew there was a lot more, I started reading and buying books. I stumbled upon this website called [gembapantarei.com](http://gembapantarei.com). I had no idea who this guy was named Jon Miller. Clicked around and came to find out he had a consulting company called Gemba Research.

We actually brought Gemba Research into our Nokia facility. They helped us do some value stream mapping, training. That was the big buzz around that time was value stream mapping and flow and pull, and all this stuff.

That's where I first met Jon Miller, our partner here at Gemba Academy. That's really where my lean training I guess, formal training started. Then, I started following John closely, all of his writing and reading his work. Then, I started a blog.

Jon and I actually became pretty good friends. One thing led to another. We ended up making a video around 2008 kind of time frame, on stuffing envelopes, and so forth. That's how all of this Gemba Academy to fruition is meeting Jon at Nokia there.

I did work at another company after Nokia as a Director of Continuous Improvement, then, right before leaving the corporate world for Gemba Academy. I don't know. That's my history in a nutshell.

**Steve:** Can you share with us a quotation that really inspires you?

**Ron:** I'm going to drop some incredible knowledge here. This is probably the most incredible philosopher of our time, Steve, that's been here for us. is Yoda from Star Wars.

It's one of my favorite quotes of all time. Yoda told young Luke Skywalker, he says, "Do or do not. There is no try."

**Steve:** Love it.

**Ron:** I love that quote. It's really how I try to live my life. It's how I try to teach my kids.

I tell my kids that, "You never say you can't do something. Instead you just say, "I presently struggle with." Just having that mindset that there's really nothing we can't do if we try hard enough and put enough effort into it.

**Steve:** Fantastic. You're working on a new course, "The Culture of Kaizen." What's new in this course, and how is it different than the existing "Kaizen Way" course?

**Ron:** I'll tell you. This course is really, really exciting to me. Something that it's taken me a long time. I've been practicing lean for gosh, 15 some years, and continuous improvement even just in general longer than that.

I've learned every tool there is to learn. Maybe not every tool, but I'm pretty knowledgeable on the various tools of Lean and Six Sigma. I've had some incredible teachers over the years. It hasn't been until really running my own company here at Gemba Academy, that it's really come to me that lean really truly is about people. Some people are like, "Ah duh," But it really is.

It's something that no one really talks about, including Gemba Academy. We do talk about respect for people and so forth, but they're just words, "respect for people." Like, what does that mean?

It's why one of the questions that we have here in the podcast. That's why we ask. The Kaizen Way course is a great course. It really talks about Kaizen events, and how to facilitate change.

There is some kind of philosophical stuff, that Kaizen is a way of life, and it's a mindset, which it is. We do kind of touch on that, but we don't get into the people side of things. That's what this Culture of Kaizen course is all about. We're just really getting into, "What makes people tick?"

It doesn't matter if you work in a factory, or a hospital, or a call center, or you're a stay-at-home mom. It really doesn't matter. We all have certain things about us, our bodies, our brains. That's something that we're going to really study in this course and talk about is some brain science stuff, like what makes us tick. That's what different about this course.

**Steve:** Great. On the respect for people side. I listened to the Lean Round Table recording that was hosted by Paul Akers at FastCap. You mentioned the respect for people being a bad translation. Can you talk to us about that?

**Ron:** Yeah. This is again something that I learned from Jon Miller. Jon, as many people know, was actually born in Japan and raised in Japan.

His parents were missionaries over there. He speaks and understands the language at a deep, deep level. Basically, he goes way over my head sometimes when he's talking about all the characters of the word and really breaking them down. The gist of it is it would have been better translated as respect for "humanity" instead of "people." I think there's a very important difference there.

Humanity is all of us, our whole being. And then everybody around us, not just the people we work with, our suppliers, our customers. The people that we meet in a grocery store, that's humanity. That's really what Toyota and these original thought leaders, they're really getting at. It wasn't meant to just be the people that you work with in the cubicle next to you.

**Steve:** Right. You mentioned something about going into the way the brain works in this new culture of course. Can you tell us a little bit more about that?

**Ron:** Yeah. This is what has probably got me the most excited. I can safely say that Jon Miller and I, we have worked together on really all of our courses here.

Again, the Academy, and obviously, you and Kevin Meyer also help us in reading the scripts, and seeing what we are up to. But something that Jon and I are really diving into here is how our brains work in the various chemicals, and so forth. Because in the end, all the tools of Lean and Six Sigma, they're very important. We have over 200 videos here in the Academy talking about the tools, because you do need to understand the tools and how to do that.

But in the end, if you don't know how to work with people or influence people, I don't care how good you are at value stream mapping, you are going to be a colossal failure. You will not sustain that kind of excellence. No one will follow you, you will be a terrible leader.

And so, what we are really doing is we're almost taking a step back and covering something that I don't think it's ever been covered within the Lean world, is the various chemicals in our brain and what they do to us, and how they're triggered and the various emotions that people go through, and what happens when you do certain things to certain people.

What's going on inside of their brains? And then, once we understand that, how can we leverage that and use that to our advantage to build this culture of Kaizen. In the end, there's a lot of discussion of this type of topic in this course.

**Steve:** Right. What are these chemicals and how do they impact us?

**Ron:** We're going to go into far more detail in the course. I'll just give an elevator speech here on the podcast.

The first one is endorphins, and endorphins exist to mask physical pain. I don't say they necessarily have a lot to do with what we are doing, and we're building a culture of continuous improvement.

But it's important to understand what they are. When you go on a run, if anybody's a runner and they're starting to really struggle, and the next thing you know the pain is overcome by this euphoria or this runner's high they talk about. That's endorphins, that's an endorphin rush covering your body and allowing you to push through that pain.

We also have endorphins when we laugh. If there's ever been a time when you are cracking up, somebody is killing you with a joke or something, they keep going and you are just losing it. You're laughing so hard and you're like "Oh gosh, please stop, it's starting to hurt."

It's hurting because the endorphins are starting to go away, and now the pain of you laughing in your chest and what not is really starting to impact you. Yeah, that's endorphins.

**Steve:** Wow.

**Ron:** The next one is dopamine, and dopamine is what we get, it's that feeling of accomplishment. You get a dopamine rush if you have a to-do list. I know you're big on your to do list, and when you have a to-do list and you get to cross something out, you feel good, right?

**Steve:** Right, absolutely.

**Ron:** That's dopamine. Dopamine is being released in your body when you do something that makes you feel good. My kids play sports, and so my daughter Brenna is a good little soccer player and she scores the winning goal, guess what?

I actually get a dopamine rush when I see my child succeed. If you're watching your favorite team play sports, and they went, you are going to get a dopamine rush. Another one about dopamine, you've got to be careful, and we cover this in great detail in the course.

It can become addicting, and this is bad, right? Probably the one that we are all familiar with is our smartphones. We carry these little blocks around in our pockets and our hands, and I don't know, Steve, if you've ever been driving and your phone is in your pocket and it buzzes. You get an immediate feeling, right?

You're like "Oh, what is that, who is that, who's trying to get a hold of me?" And you're tempted to pull it out and check it, but you being the former policeman, I know you would never do that while you're driving.

**Steve:** Never, never.

**Ron:** But that's dopamine. You get this dopamine rush when your cell phone buzzes in your pocket, so it can be addicting and that's not a good thing, obviously.

That's where you've got to have a balance with dopamine. After dopamine is serotonin, and they call that the leadership chemical. Serotonin is pretty fascinating, and it's released in a number of different ways. One of the most common ways as it pertains to the culture of Kaizen is when you give public recognition to someone.

I always like to think of when you do a Kaizen event, at the end of the event, when the team comes together and they give their report out to the leadership team or whoever it might be.

And they do a great job, and the leadership team claps and says, "Great job." Giving this public praise, these Kaizen event team members, serotonin is actually flooding throughout their body, and that makes them feel good. Dopamine and serotonin are actually called neurotransmitters, and so, they actually make our bodies work, to be honest with you.

They connect cells within our brains, and so forth. That's why they're both this feel good neurotransmitter that make us do what we do on a daily basis. That's dopamine and serotonin. The next one is oxytocin, and oxytocin is actually a hormone.

It gives us, someone say this is the best one at all, that it makes us feel good. It makes us feel safe. It makes us feel loved, and allows us to trust people around us. It's the warm and fuzzy feelings, feel good moments in our life. That's oxytocin. Now, oxytocin is actually the easiest way to trigger this and release it in someone else, is to actually touch them physically touch them.

That's why if you have kids and your child falls down, they skin their knee, what do you do? You run up and you go to hug them.



You say, "There there, that's OK" and you're patting their back and all that. It's a natural reaction to comfort them, but it's also releasing oxytocin in that child's body. They're starting to feel safe, and they're starting to feel better from skinning their knee. I'm a big baseball fan, huge baseball fan.

My Texas Rangers, they stunk this year, let's be honest, but I still love them. The pitching coach for the Rangers, his name is Mike Maddox. When the pitchers are doing badly, which unfortunately happened a lot this year, he goes out to the mound to talk to them. If anybody has ever watched a Texas Rangers baseball game, they'll notice that Mike Maddox does something.

I don't know if any other pitching coach does this. He actually takes his hand and he puts it on their shoulder. He grabs the pitcher's shoulder, and he's talking to them. He's almost shaking, moving the pitcher a little bit.

I've heard him say that he does this sometimes to feel the tension throughout their shoulders, but I don't know if he realizes this, what he's also doing is I can guarantee that he is releasing oxytocin in that pitcher, which is, again, calming them down, making them feel more comfortable and more centered, hopefully, able to pitch better.

Yeah, that's oxytocin. The last thing I want to say about oxytocin, which is very important, is that it can actually strengthen our immune systems. It's not just a feel-good thing, it can help you be healthier if you have a healthy amount of oxytocin running through your brains and then our bodies.

It also helps us become better problem solvers if you have a lot of oxytocin. It only makes sense, right Steve? If people are walking around an organization and they feel good, and they feel comfortable and trusted and able to experiment and make mistakes, they're going to be better problem solvers, right?

That's oxytocin. The last one that we talk about in the course is what they call the big C, cortisol. We save this one for last, because it's probably the most serious of all, and it can be the most dangerous of all, especially, as it relates to building this culture of Kaizen. Cortisol is released and someone when they are stressed out, or they have anxiety, or they're scared or nervous, paranoid.

Cortisol is like in the African safari, if these gazelles are out in the middle of the field, and all of a sudden they hear the rustling in the bush, and it's a lion coming out to eat them. The first gazelle that sees that is going to have a burst of cortisol throughout their body, its fight or flight.

The other gazelle didn't even hear it, but they saw their friend is freaked out, they're also going to get a cortisol release, even if they don't know why, just because their friend is.

That's why if you see someone in your company who were stressed out, or they are worried, or whatever, that can be almost contagious. That's why you have the so-called bad apple, where someone has a bad attitude, that attitude can be spread throughout the organization all through this cortisol.

The most dangerous part of cortisol is that it is actually in oxytocin inhibitor. In other words, if you have enough cortisol running through your body, your immune system can actually be compromised. That's why some people who are always stressed out and they never feel good, they get sick.

It's cortisol, that's doing this. Yeah, those are the main chemicals. There are a few other things that tie into the course, and how those same chemicals how habits can be formed, and other characteristics that we get into. For me, it's some really fascinating stuff, and I've really enjoyed researching it with Jon to create this.

**Steve:** Great, I'm actually looking forward to learning about this, and watching the new module. Ron, why do you think the Lean community hasn't focused on this before now?

**Ron:** That's a good question. We are part of that community, so we are pointing a finger back at ourselves. The easiest answer is that tools are easy to teach. I can teach anybody how to do 5S, I can teach anyone how to draw a value stream map.

Even some of the more common problem solving methodology and what everybody sees these days that are really popular and really good. But at the end of the day, they are cookie-cutter. Do this, do this, do this, and good things are going to happen.

Which is fantastic, but unfortunately, again, we come back to the point of I don't care how good you are at value stream mapping, or whatever it is. If you understand why people aren't on board with you, or you don't understand what makes people happy or sad, you're not going to be really effective. And so, I don't know. I think dealing with people is hard. At the end of the day, the human person is a complicated being.

**Steve:** Sure.

**Ron:** And so, it's not easy. I think it's a natural evolution for Gemba Academy. Again, we've covered the tools at great length and it's time that we got back to the roots of what makes continuous improvement successful, and that's people.

**Steve:** All right, Ron, well it's time to switch gears a little bit. We're going to go to the quick fire section of the podcast. Are you ready?

**Ron:** I am.

**Steve:** I'm sure you never heard these questions before, but here they come. What does respect for people mean to you?

**Ron:** It's funny, I was preparing for this earlier, and I don't normally prepare. But these are tough questions, and this first one is something that obviously I am passionate about.

For me, respecting people really just comes down to one thing, and that's really caring about people, and giving a damn about people. And my wife will yell at me now for saying this. If my kids are listening, don't say that. But that's really what it's all about, Steve. It's about caring about people. And if you do that, again, it doesn't mean that you're always nice or whatever.

We've heard all those answers before, but it just means genuinely investing in people and caring for people, and treating them like their brain is so important to you.

I don't mean brain science things, I mean their ideas and the things that they can bring to the table. These companies that just look at people as a cost or an expense on the P and L, they don't get it and they probably never will. I don't know, that's what respect for people means to me, caring about people.

**Steve:** Next question. When you hear the phrase “Kaizen Culture”, what comes to your mind?

**Ron:** I'm actually going to take a little bit different angle on this than some of our previous guests have. The thing that I think about, when I think about this Kaizen culture, Kaizen is like Aesop, who wrote the fables back in the day.

There is the famous fable of the four oxen. The gist of it is when they are out and being attacked, those four oxen all back their tails together. When the lion or whatever it is is attacking them, the lion always faces the horns, he can't kill any of the oxen. But eventually, something happens, a fight or whatever, and these oxen get mad at each other and they all go their separate ways.

Eventually, the lion is able to easily kill each of them on their own. As the old saying goes, we've got to hang together or we'll all hang separately. To me, that's really what a Kaizen culture is. It's one that sticks together, and fight together, and wins together and loses together. That, to me, is what a culture is all about.

**Steve:** Great. Ron, tell us, what's the best advice that you have ever received?

**Ron:** I actually mentioned this in the podcast about my father, the podcast where we talked about Dale Carnegie's "How to Win Friends and Influence People."

My dad, who was a professor at the University of Manitoba for many years, extremely educated, he used to always tell me and all my siblings that we had to get that stupid piece of paper, that's what he used to say. The degree or whatever, he said that's important, because it's going to help you get your foot in the door. But at the end of the day, it's all about people. He said the people that are able to work with others and influence others, he said it's human engineering is what he used to tell me.

He said those are the people that are going to succeed in life. I've seen, and I know many highly, highly educated people. I'm talking about some of the best schools in the world. And you know what? These people struggle. They're either always unhappy, or they're complaining about everything, or their businesses aren't that great. I don't know, they never find any peace.

What I find is that these same people really struggle to work with others, and that's what it's all about, is your ability to work with others. Unfortunately, that's not taught in many MBA schools.

**Steve:** Right. The next question, can you share one of your personal productivity habits that others might benefit from?

**Ron:** Yeah, my favorite habit is that I work standing up now. I've done that since we built this new studio here about a year ago.

Before that, I did sit at the desk, and I tried standing up in the past, but I couldn't get it to work. I gave it another go, and I just fought through it. It was hard, Steve, I know you stand up, as well. It's hard in the beginning. Your legs hurt, and your feet hurt, and you're constantly pivoting left foot, right foot. But now, I can't stand to sit down. And so, I would really encourage anyone to give that a shot.

And again, realizing that first two to three weeks, it's going to be painful. You're going to want to quit. What we did here when we built a new studio is we bought some new desks, some new stand up desks. They said "Do you want a chair?" And I said "I don't even want a chair." I don't even have a chair I could sit in if I wanted to, that's been a fantastic improvement for me.

**Steve:** If you could recommend only one book related to continuous improvement or leadership, what would it be and why?

**Ron:** It's not your traditional lean thinking book, there's tons of good ones out there. But one of my favorite authors is Malcolm Gladwell, and he wrote a book called "The Tipping Point."

It's probably one of my favorite books of all time, and it's all about how epidemics are started, good and bad. The book actually starts with the story of hush puppies, the shoes, and talks about how back in the day hush puppies were very popular, but they eventually got out of style and nobody wore them anymore. And then, a group of teenagers, or somebody in New York City, they started this deal where they started wearing them.

Next thing you know, this epidemic of wearing hush puppies tipped, and hush puppy sales shot through the roof. That's how something tips. But there is bad ones, as well, in the book they talk about a young man, I believe it was a young man who lived on this island.

I can't remember where it was, it's been a long time since I read the book. But his girlfriend did him wrong, and he was very upset. She wrote a letter, and then he committed suicide. I think it was the first suicide that they ever had on the small island. But then what happened was, some other young people were not feeling good, and they did the same thing.

And so, this epidemic of committing suicide tipped, and so, there's good tipping points and there's bad tipping points. I think, for us, from a continuous improvement perspective, obviously, we want to get our cultures or whatever to kind of tip, to get to that point to where everyone is thinking this way, doing it. It's just a way that we work.

It's not longer a program or an initiative, or "Here comes the Lean guys or the Six Sigma police," or whatever. Everyone is on board, and this thing is tipped. That's why it's one of my favorite books of all times.

**Steve:** Now, I have a hypothetical for you. Imagine you're a lean thinker. You were just hired into a company as a General Manager. You were brought into improve processes and improve the way the company is working.

Your senior leadership staff, they're not really as excited or enthusiastic about Lean thinking as you are. With this being said, what do you do and why?

**Ron:** I thought a lot about this. I hate to do this, but I'm going to steal a little bit of an answer from one of our past guests, and it's Matt May. One of my favorite people in the world, Matt May.

When I asked him this question, he talked about the importance of empathy and really empathizing with the people that you're dealing with. I know in this situation, this hypothetical situation, with these people not on board, there's a reason why they're not on board. It's not that they're probably bad people or negative people, or don't want to see the company succeed.

They've probably been, back to their brain chemicals, they probably have cortisol dripping through their veins everyday. They don't feel good. They're not happy to be there. Really, trying to understand that, and trying to understand, "Why don't you feel good?" Forget lean at this point. It's back to that people and that human relationship, respect for humanity.

It's trying to really understand what's going on with these folks, and why are they resisting. Why are they scared or nervous? That's probably what I would start with is just really trying to understand at a human level, "What's going on with these folks?"

Again, once I got them over that, I would pop-in some Gemba Academy videos, and we'd be off and running, right?

**Steve:** Right.

**Ron:** But before that, before we start watching any videos, or reading any books, or going to any conferences, we're just going to talk. We're going to try to understand each other, and try to understand what's going on at the human level.

**Steve:** That's great. Ron, it's time to wrap up here. Maybe you can share some final words of wisdom, and let people know how they can get a hold of you.

**Ron:** My final words of wisdom come from Sir Winston Churchill. He famously said, "To never, never, never give up." To me, I guess what I'm passionate about is

learning. I don't mean come to Gemba Academy and learn from us. Yeah, sure. We want you to do that.

I don't ever want to stop learning. That's why I'm so excited about this course. I'm learning so much about things that I have not known in the past.

Again, Jon knows a lot about this brain science stuff. He's been teaching me, and I'm reading. I'm fascinated to constantly learn new things. I think that's what makes people tick. If you're not learning, you're probably slowly dying inside. I would encourage everyone. First of all, don't ever give up, discontinue some improvement battle.

You may be by yourself. Maybe you're the only one who believes in your company. Don't stop. If anything, do it for yourself. Maybe you've got to get out of that company eventually, but if you stop learning yourself, you'll let that cortisol or that bad energy kind of overtake you. Then, it's going to impact you for the rest of your life.

That's my final words of wisdom. As far as getting in touch with me, [gembaacademy.com](http://gembaacademy.com). That's the easiest way. Just go over to the contact page. That will eventually get over to me.

Then from a social media perspective, probably, the best one to use for me is LinkedIn. I do have a Facebook account, but that's really more for family and close friends, that sort of thing. I keep that a pretty small list. LinkedIn is the best way to get me. It's just Ron Pereira, P E R E I R A. Yeah, that's it!

**Steve:** Ron, thanks so much. It's been a great time talking to you.

**Ron:** Thank you. Great job, Steve.

**Announcer:** Thanks for listening to the Gemba Academy podcast. Now, it's time to take a free, no strings attached, fully functional test drive of Gemba Academy's School of Lean and Six Sigma over at [gembaacademy.com](http://gembaacademy.com).



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