

Q&A With Competitive Solutions, Inc.

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# OPERATIONAL EXCELLENCE IN MANUFACTURING

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AMERICAN BIOMANUFACTURING SUMMIT 2016

May 10<sup>th</sup>-11<sup>th</sup>, 2016

## *What are the main obstacles that hamper decision-making, internal communication, and accountability?*

**Seth:** The lack of business processes which would ensure a consistent result for the organization. Senior leaders must develop processes to align and link everyone in the organization.

**Shane:** Organizations have not focused on internal team processes. For the last 20 years organizations have deployed initiatives and tools into the workplace (LEAN, Six Sigma, 5S, OPEX, etc...) There was a general assumption that the team infrastructure could discern and support the value and impact of these tools. Unfortunately, most teams have never defined their management infrastructure and systems and are consequently managed *"by personality, not process."* In this state, these initiatives are often viewed as *"an in addition to the work"* as opposed to *"the enable of the work."* If a team doesn't have a defined business acumen process, execution process, communication process and a behavioral sustainment process, decision making, communication, and accountability will be compromised.

## *What are some of the options biomanufacturers have when trying to overcome these obstacles?*

**Seth:** Employee buy in—leaders need to demonstrate this is not another program of the month or initiative. Leaders most model the desired behaviors for lower level employees to buy in to the culture change.

**Shane:** The biggest obstacle is the constant chase to the next, better program. Bio manufacturers are constantly seeking the latest technology or innovation – this is excellent in the external and research and development realm. This is disastrous in the internal operations arena. Leaders and colleagues at all levels are seeking three things from their employer – clarity, connectivity, and consistency – The constant quest for the “*next thing*” never allows for organizational stability. Internal thinking must be different than external thinking.

## *What factors play an important role in achieving operational excellence?*

**Seth:** Several factors are part of a successful Op Ex culture—having a clear concise business focus, shared accountability and a communication strategy to push key business information down into the organization.

**Shane:** Operational excellence is a mindset, not a program. Operational excellence isn't more to do...but rather the output of team activities in a manner that drives clarity, connectivity, and consistency. Connecting OPEX to the daily work is the key. When a team builds and deploys a rigorous business acumen and execution process, the team then has both a platform and a compelling reason to understand how OPEX can support and compliment the daily work. To truly embrace OPEX, a team must have a solid "run the business" platform before they will truly be able to understand how to *"transform the business."*

## *What role does employee engagement play in developing and maintaining a sustainable governance model?*

**Seth:** Engaged teams can be sustainable provided their governance is based on process not personality to drive performance and manage day to day operations.

**Shane:** Employee engagement must be defined as *“what people do...”* not *“how people feel.”* This definition is the difference between real and meaningful engagement and token lip service to the concept. Only when a colleague can articulate how he/she are *“moving the business forward...”* in a visible and personal manner does an organization have the framework for real and lasting employee engagement. Moving from ambiguous and temporal feelings to demonstrative acts that are visible and personal is the cornerstone of an engaged culture.

## *How can manufacturers assess the current level of employee engagement?*

**Seth:** The number one way to measure employee engagement is by asking employees about the status of the business, for example, are we “winning or losing.” Engaged employees will be able to answer the question based on data, not a feeling. Business results are also a key indicators of employee engagement levels, an engaged work force at levels will proactively seek to innovate and seek answers for metrics that are below target. Companies can also conduct an engagement survey by analyzing how many on a team and in the organization have current critical assignments and tasks. If the data shows a few people doing most of the work then the organization has an engagement problem.

**Shane:** Three simple questions:

1. *“Are we winning or losing?”* – Stand by an entry/exit point and ask this question to random colleagues – Can they answer the question with business acumen?
2. *“How have you moved the business forward?”* – stand by an entry/exit point and ask this question to random colleague – Can they cite visible and personal examples of how through their knowledge of the business, they have been able to contribute in a meaningful manner
3. *“What was the Pass Down Message this week?”* – Stand by an entry/exit point and ask this question to random colleagues – Can they cite the message of the week? Does a communication cadence exist that is meaningful and relevant?

*What are some best practices that biomanufacturers can adopt to help them achieve progressive and sustainable governance?*

**Seth:** They need to connect everyone in respective teams and departments to the business, a defined communication strategy and a process to drive accountability in the organization.

- Shane:**
- Examine the organizational structure – Does a management infrastructure exist that speaks to the following elements:
    - Business Acumen Process
    - Execution Process
    - Communication Process
    - Sustainable Behavioral Process
  - Can colleagues answer the question – *“Are we winning or losing?”*
  - Passive Reports (thermometers) or Active Positioning Devices (thermostats) – How would colleagues describe their metric?

## *How can adopting a Process Based Leadership model help drive operational excellence and sustainable governance?*

**Seth:** The Process Based Leadership methodology brings a different approach to sustainable team governance. Most governance structures are predicated on the personalities of the leader and the team members to drive performance. Our PBL model is focused on four key processes to drive operational excellence and create the systems necessary to sustain the team governance. The four processes are: Business Focus, Accountability System, Communication Strategy and Behavioral Transformation.

**Shane:** Process Based Leadership® (PBL) is the formalized management infrastructure process. It is the mechanism that allows teams to create a sustainable framework of clarity, connectivity, and consistency. It is predicated on the examination of a central question, “what is powering performance today?” – If the answers point to Managing by Personality, then the organization is positioned and ready for the following:

- Business Acumen Process
- Execution Process
- Communication Process
- Sustainable Behavioral Process

With these items in place, organizations build the proper infrastructure and governance systems required to sustain OPEX tools, engage colleagues at all levels, and most importantly, move the business forward with greater focus, urgency, and accountability.



*What criteria should biomanufacturers use when assessing consultancy services to help them achieve their operational excellence goals?*

**Seth:** Success the consulting organization has had in the biotech industry as well as other industries. Ask for a reference list and call companies in their respective vertical. Competitive Solutions, Inc. has worked with a diverse group of companies in the biotech and pharma space. Companies such as Pfizer, Genentech, Alcon, Genzyme have all seen improvements in the areas of employee engagement, accountability and most important business results.

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Hear first-hand strategic insights and explore best-practices in internal manufacturing, external manufacturing, operational excellence, quality management and compliance.



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Shane Yount / Principal / Author / Competitive Solutions, Inc.

May 10<sup>th</sup>, 2016 – 2:00PM

### **Governance Simplified and Sustained: Creating a Cadence of Clarity, Connectivity, and Consistency**

- Offering an overview of the barriers and obstacles that most organizations erect over time that hamper decision-making, internal communication, and accountability
- Challenging sacred cows to answer the question, “What is powering performance today?”
- Discussing how Process Based Leadership that focuses on people’s performance simplifies and sustains Governance models
- Designing and deploying a system that collectively and consistently harmonizes an operating rhythm across an organization
- Illustrating this successful approach in action based on examples from organizations including Genentech, Pfizer, GSK, Alcon, Meridian Medical Technologies and many others

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