



---

# **CQI Learning Lunch**

## ***Enabling Transformation - Principles & Planning***

**Host - Dennis Sergent  
517-381-5330**

**October 8th, 2010  
10:30 AM to 1:00 PM**

***University Club of Michigan State  
3435 Forest Road, Lansing, MI 48909  
517-353-5111***



# Same Issues As Large Businesses

---

## 1. Only 15% of Performance Improvement Comes From Training

- The Rest Comes From The Hard Work
- Learning By Doing
- Consulting To Do Things Differently, New Things Or Not At All

## 2. Only 21% of Training Value Comes from Teachers or Instructors

- About 80% Comes From The Learner Doing
- Value (\$) Difference from Active Learning Examples Abound

## 3. 53% of Projects Fail

- With Certified Project Managers
- There Are Models of Higher Performance

## 4. 65% of Transformation Projects Fail

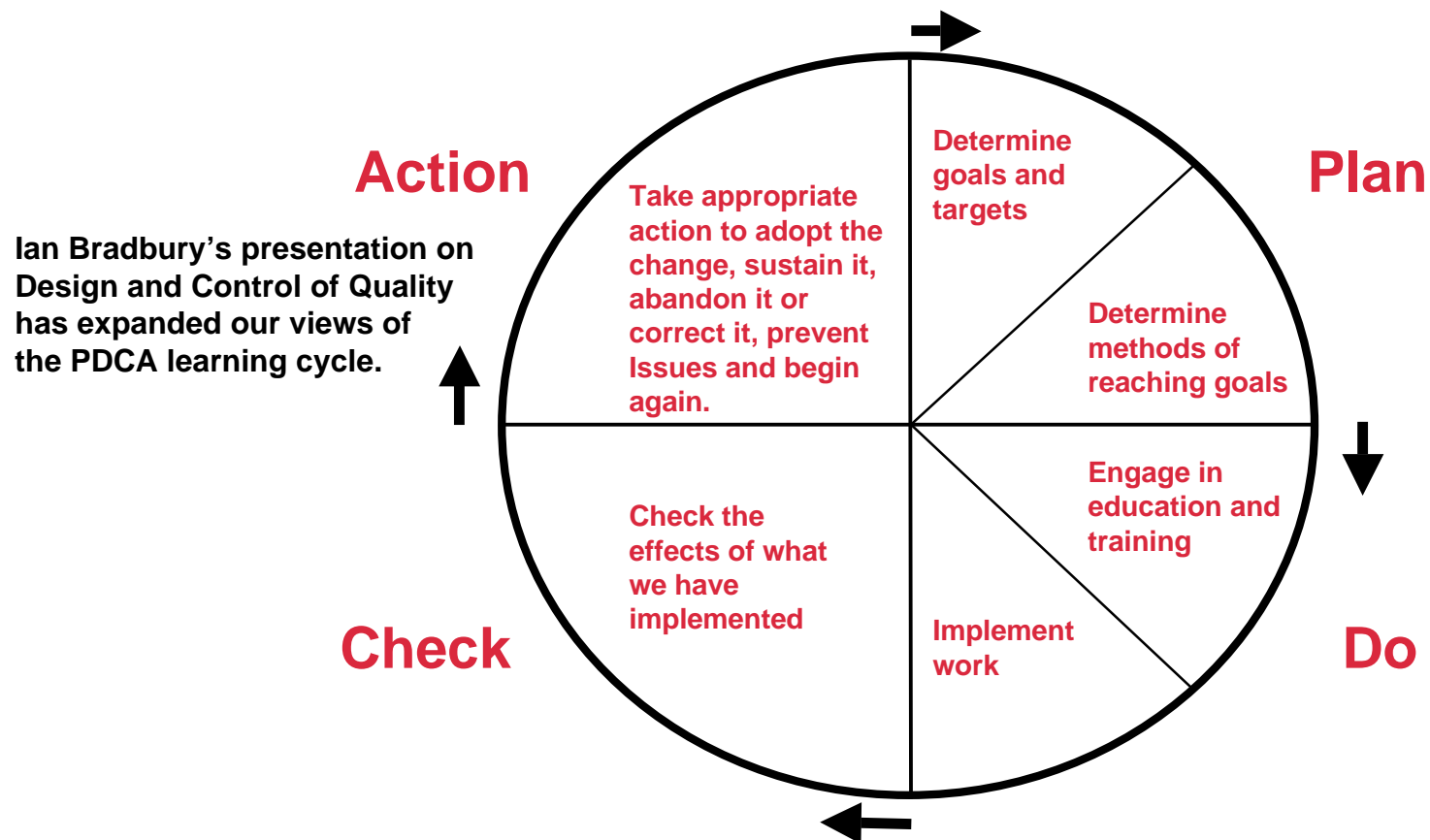
- Because People, Brand and Culture Are Ignored in Favor of Technology
- Defensive Reasoning Can Be Addressed, But Takes Time

## 5. Only 9% of Communication Depends On Words

- Non-Verbal Communication Accounts For 90+%
- We Can Unlock What is NOT Said Today
- Competent Facilitators Are Essential

# P-D-C-A - Proceed With Control

- We **PLAN** what we want to accomplish over a period of time and what we will do to get there.
- We **DO** something that furthers the strategies and goals developed in our plan.



We **CHECK (Study)** the results of our actions to make sure we achieve what we plan.

We **ACT** by developing procedures to ensure our plans continue to be successful and by changing what is needed to achieve the initial goals.

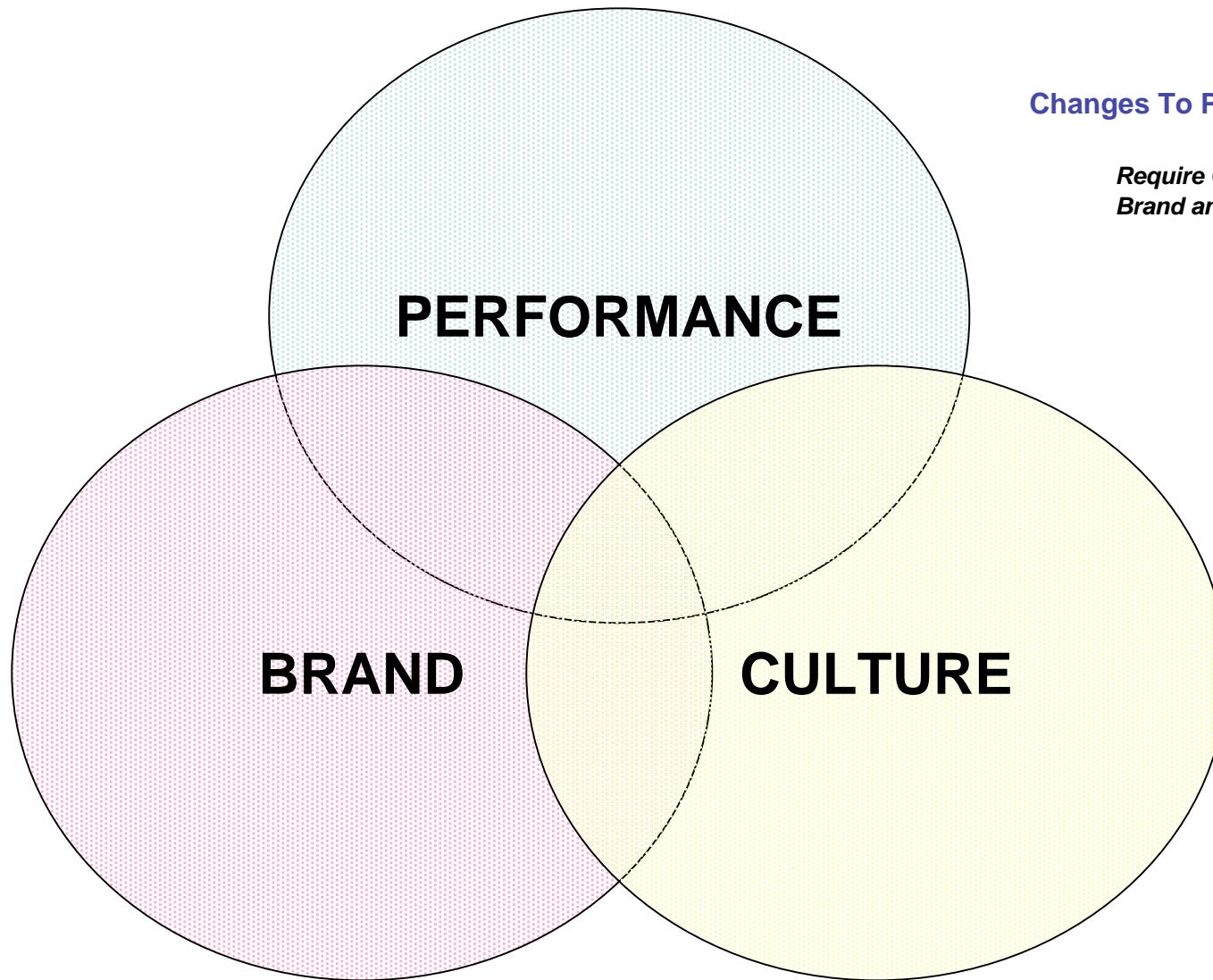


# Deming's 14 Points For Management

Key to understanding the 14 Points is variation. The more variation - the more waste, Deming's 14 points are paraphrased here:

1. **Create constancy of purpose towards improvement.**
  - Replace short-term reaction with long-term planning.
2. **Adopt the new philosophy.**
  - Management should walk the talk.
3. **Cease dependence on inspection.**
  - Reduced variation eliminates need to inspect for defects.
4. **Move towards a single supplier for any one item.**
  - Multiple suppliers mean variation between feedstocks.
5. **Improve constantly and forever.**
  - Constantly strive to reduce variation.
6. **Institute training on the job.**
  - Adequately trained staff will all work the same way, and reduce variation.
7. **Institute leadership.**
  - Mere supervision is quota- and target-based
8. **Drive out fear.**
  - Long term, it prevents workers from acting in the organization's best interests.
9. **Break down barriers between departments.**
  - Use the 'internal customer', that each department serves other departments that use its output.
10. **Eliminate slogans.**
  - It's not people who make most mistakes - it's the process they are working within.
11. **Eliminate "management by objectives".**
  - Deming saw production targets as encouraging the delivery of poor-quality goods.
12. **Remove barriers to pride of workmanship.**
  - Many of the other problems outlined reduce worker satisfaction.
13. **Institute education and self-improvement.**
  - **Harassing the workforce without improving the processes they use is counter-productive.**
14. **The transformation is everyone's job.**
  - "You do not have to do this. Survival is not compulsory."

# Managing Change



Changes To Performance

*Require Changes To Both  
Brand and Culture*

# What Can You Do?

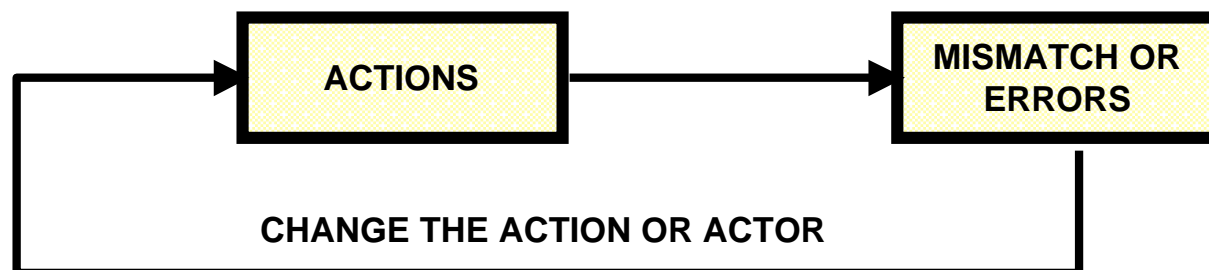
---

---

- Be comfortable with;
  - Learning & PDSA Cycle
    - Productive Reasoning
    - Leadership, not management
  - Managing by Fact
    - Data drives decisions
  - Customer, Team and Owner
    - Cooperative Processes
    - Middle management must lead, support
    - Alignment & adaptation of plan by whole team
    - Involvement and engagement by all employees
    - Customer perception of value must be kept in focus
  - Commitment to Quality
    - Time and Resources
    - Action Consistent With Words

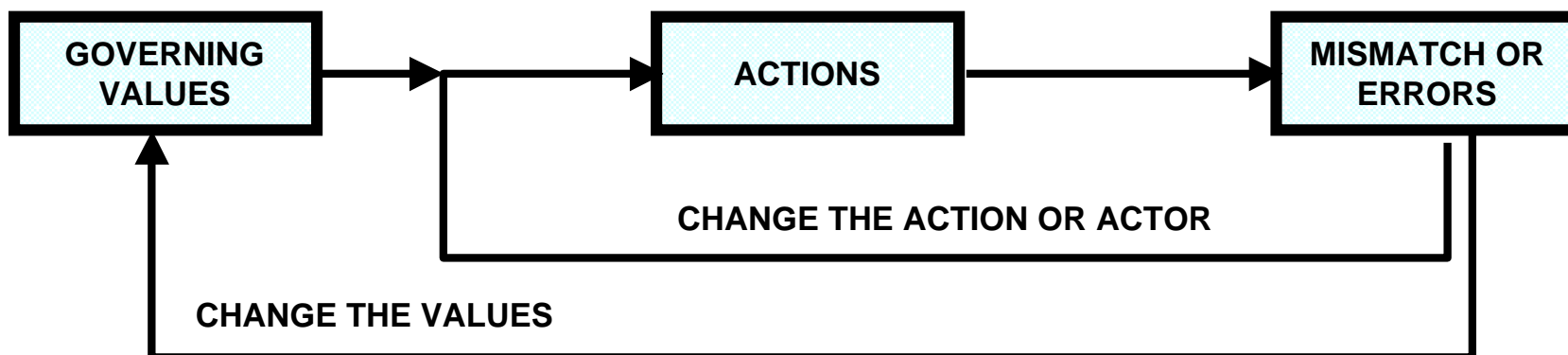
# Single Loop Learning - Double Loop Learning

## SINGLE-LOOP LEARNING



Invalid or Incomplete Information - Ineffective Roles & Policies, Designed Errors = *Fix Blame*

## DOUBLE-LOOP LEARNING



Valid Information - informed Choices - Monitored Implementation = *Fix System*



# Left Handed Column

- This "left-hand column" exercise is based upon the two-column method developed by Chris Argyris and Donald A. Schon, with further use by Peter Senge, Candace Pert, Nancy Oelklaus and others.
- In the left-hand column exercise, people select a difficult situation and reconstruct a pivotal, difficult conversation. In the right-hand column, they first write down what was said. In the left column, they articulate what they were thinking and feeling, but not saying. The case becomes an artifact through which people can examine their own thinking, as well as the systemic problems which underlie the difficult conversation. It makes it possible to discuss the un-discussable thoughts which have been covered up and not communicated completely.

<i>My Thoughts and Feelings</i>	<i>What Was Said</i>

The purpose is to become more aware of what is unsaid, to think about what you are not saying and also think about how to express the issue productively.

# Influencing People

## Become A Friendlier Person

1. Don't criticize, condemn or complain.
2. Give honest, sincere, appreciation.
3. Become genuinely interested in other people.
4. Arouse an eager want in the other person.
5. Smile.
6. Remember the other person's name and use it.
7. Be a good listener.
8. Encourage others to talk about themselves.
9. Talk in terms of the other person's interests.
10. Sincerely demonstrate the other person is important.

## Win People to Your Way of Thinking

1. Avoid an argument to win it.
2. Begin in a friendly way.
3. Get the other person to say "yes, yes" immediately.
4. Show respect for the other person's opinion.
5. Let them do a great deal of the talking.
6. Let them feel that the idea is his or hers.
7. Never say "You are wrong."
8. If you are wrong, admit it quickly and emphatically.
9. Try to see things from their point of view.
10. Sympathize with their ideas and desires.
11. Appeal to their nobler motives
12. Dramatize your ideas.
13. Throw down a challenge.

## Be A Leader

1. Begin with praise and honest appreciation.
2. Call attention to mistakes indirectly.
3. Talk about your own mistakes before criticizing.
4. Ask questions instead of giving direct orders.
5. Let the other person save face.
6. Praise the slightest improvement.
7. Praise every improvement.
8. Be hearty in approbation and lavish in praise.
9. Give the other person a fine reputation to live up to.
10. Use encouragement.
11. Make the fault seem easy to correct.
12. Make the other person happy about doing the thing you suggest.

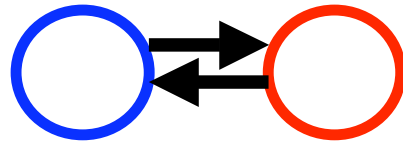
*These are all principles from Dale Carnegie's book*

*"How To Win Friends and Influence People"*

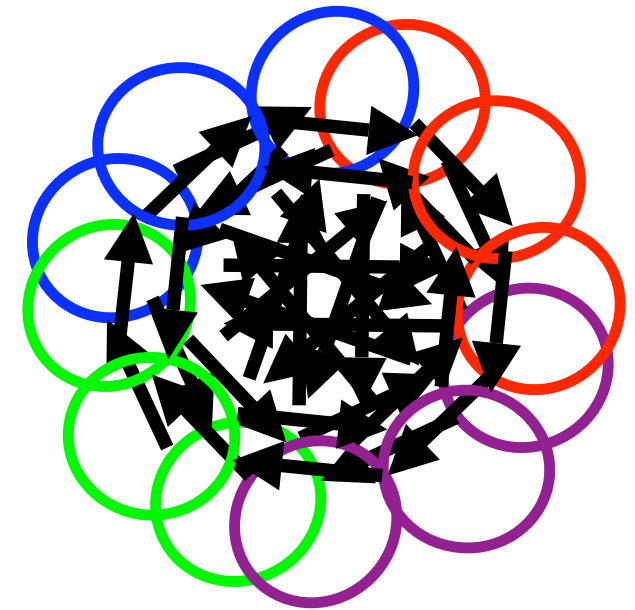
# Relationships - The Power In Any Team

The **Power** of a Team is the sum of the **Trusting Relationships** between its members

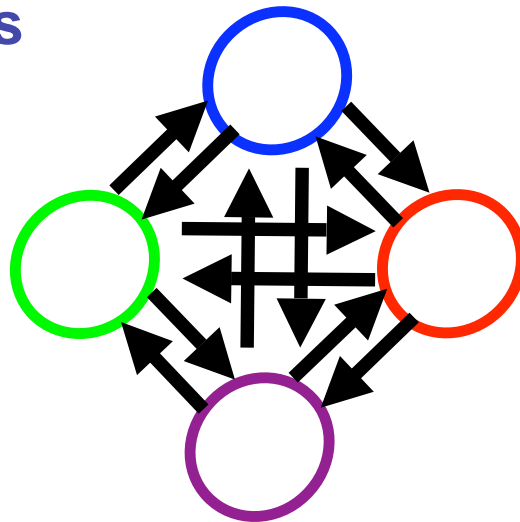
2 people = 2  
relationships



12 people = 132 relationships



8 people = 56  
relationships



# Ladder of Inference

Inquiry and Advocacy logs and worksheets are useful supplements to “the Ladder”.

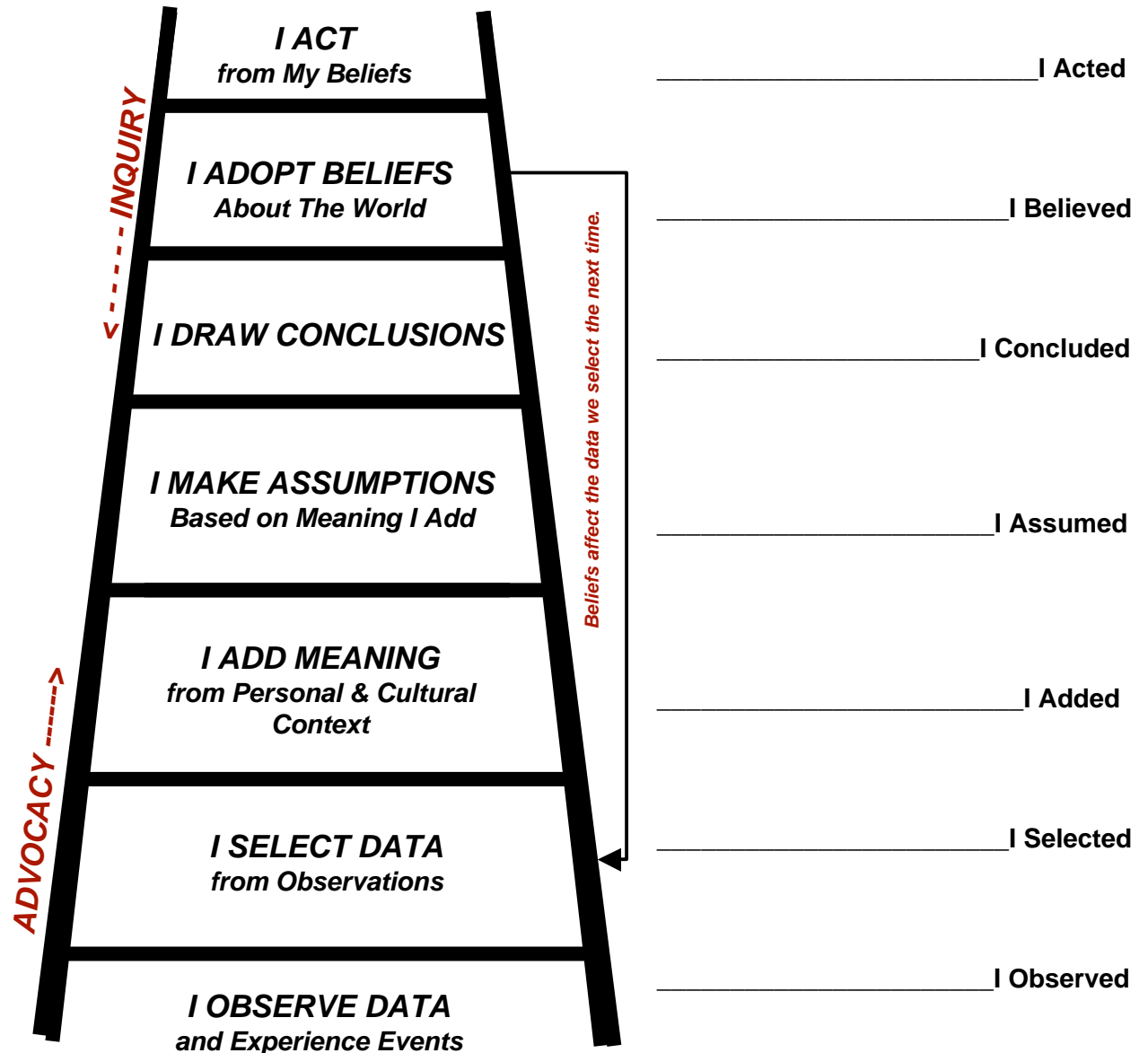
The ladder of inference was first described in Chris Argyris’ book, “*Overcoming Organizational Defenses*”, and later in “*Action Science*”, as well as in “*The Fifth Discipline Fieldbook*” by Peter Senge.

The "ladder of inference" demonstrates how rapidly we can draw conclusions on our own, with little or no data to actually support the conclusions and no conscious thought about the process, as if rapidly climbing up a mental ladder and skipping a rung or two.

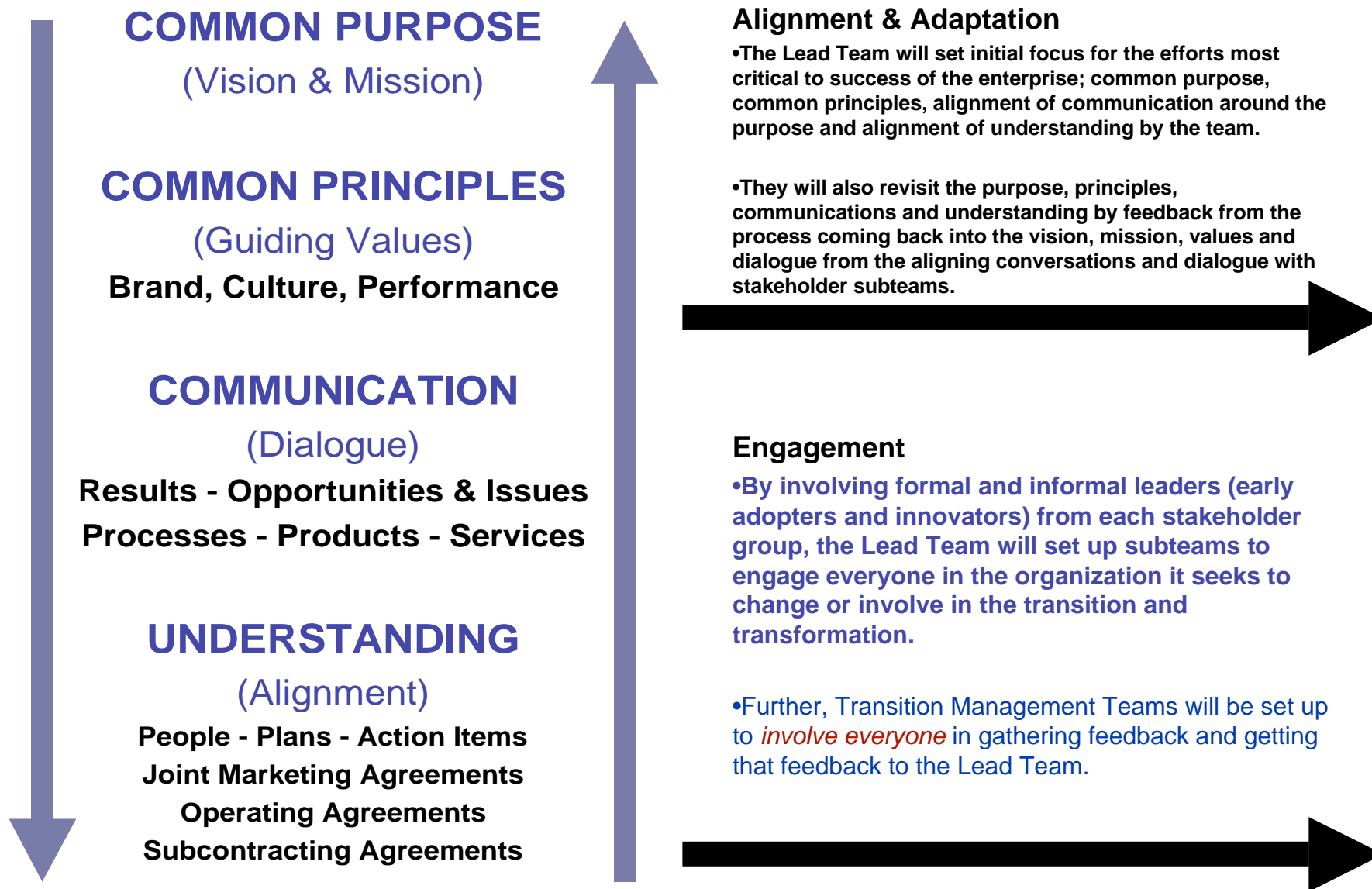
We all have started first with observable data, and within the space of seconds, leap up to assumptions, then on to more generic conclusions.

Since most of these conclusions are never discussed openly among team members, there is no way to check them in the impact on the organization or individuals within it.

Thus, incorporating the "ladder" into everyday conversation has proven to be a pivotal component of helping a learning organization work. It gives people a safe way to raise and check their varied interpretations of events.



# Alignment, Adaptation & Engagement



# Purpose Focused Dialogue

*This is a method to discuss knowledge and create solutions around questions which matter to teams.*

## **BASIC ELEMENTS - How it Works**

### **SEAT AT ROUND TABLES of 4 - 8**

*With Large Paper Sheets, Markers,*

### **EXPLORE QUESTIONS, ISSUES, IDEAS**

*Discuss What Matters To Their Situation in  
15 - 20 Minutes*

### **WRITE / DRAW KEY IDEAS & CONNECTIONS**

*Record & Share Major Insights*

### **TRAVEL IN SEVERAL ROUNDS**

*Carry Questions, Ideas, Insights To  
New Rounds*

### **TABLE HOST REMAINS**

*Briefly Shares Previous Questions,  
Ideas, Insights  
Travelers Connect Ideas From  
Previous Tables*

### **LISTEN FOR CORE QUESTIONS, INSIGHT & PATTERNS**

*Blend Perspectives In  
Progressive Rounds*

## **BASIC PRINCIPLES - How to Work It!**

### **CLARIFY PRINCIPLES & CONTEXT**

*Define Purpose, Participants,  
Time Limits, Possibilities*

### **CREATE COMFORTABLE SPACE**

*Pay Attention To Invitation,  
Refreshments, Music, Lighting*

### **EXPLORE SIMPLE, CLEAR, POWERFUL ISSUES**

*Ask Open Ended Questions  
Which Matter To Participants*

### **ENCOURAGE PARTICIPATION**

*Share Your Best Thinking,  
Listen Attentively, Make A Difference*

### **DIVERSIFY PERSPECTIVES**

*Link Discoveries In a Widening  
Dialogue and Conversation  
Build on Other's Thinking*

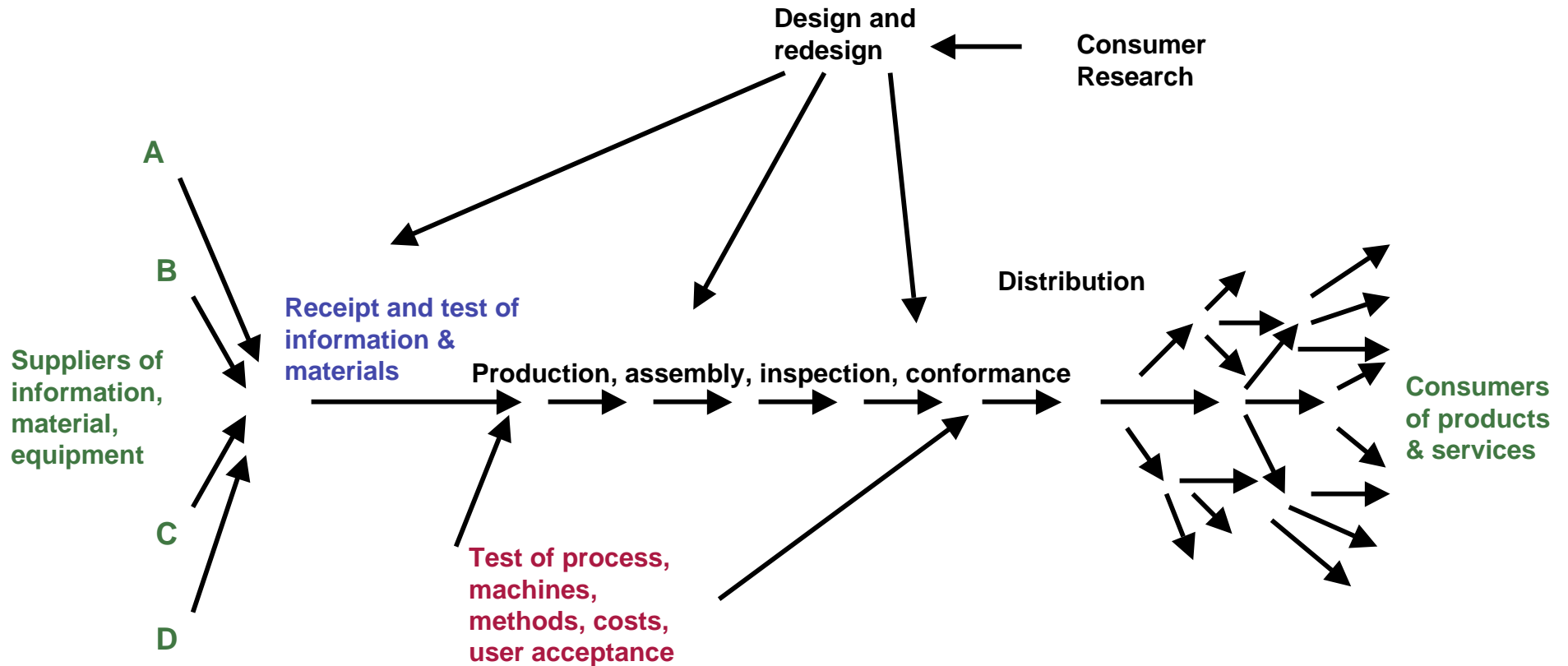
### **LISTEN TOGETHER**

*Find Deeper Wisdom  
As A Team*

## **SHARE QUESTIONS, INSIGHTS, PATTERNS IN TOWN HALL CONVERSATION**

*Larger System Becomes Evident, New Actions Become Possible, Team Value Becomes Obvious*

# Deming's System Model

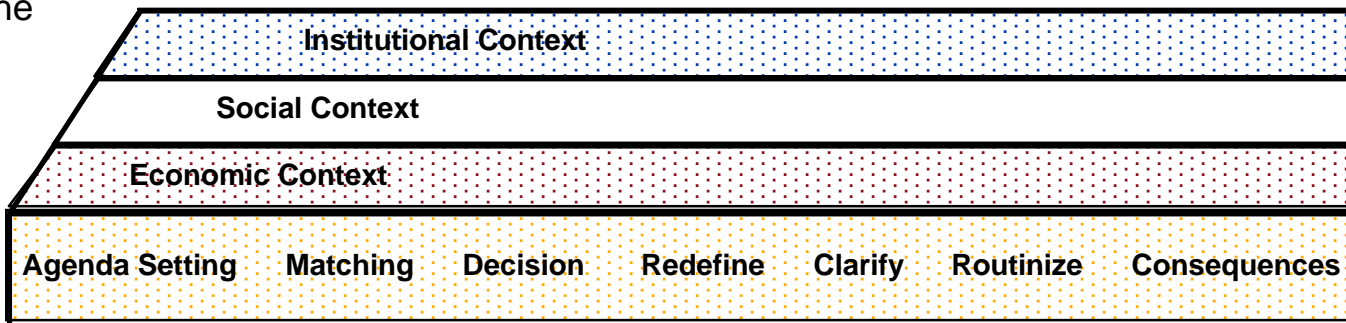


# Diffusion of Innovations

- Metacompetence in the Diffusion Process

(Diffusion Parameters)

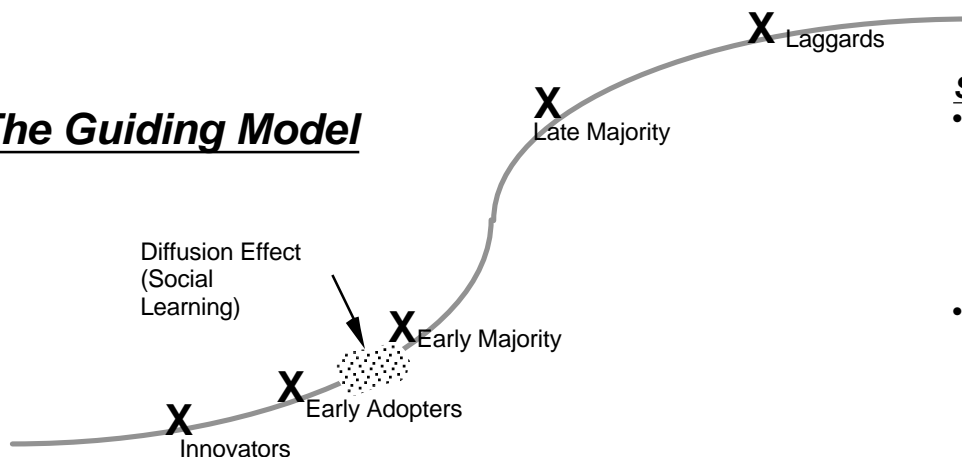
Context: Organizations



[Diffusion Process]

## The Guiding Model

*Primary Reference:*  
 "Diffusion of Innovations"  
 The Free Press,  
 By Everett M. Rogers, 1983



- SYSTEM:**
- **Structural Characteristics**
    - centralization
    - formalization
    - complexity
    - size
    - organizational slack
  - **Implementation Complexity**

Individual Competence

Knowledge	Persuasion	Decision	Implementation	Confirmation	Consequences
[Change Agent Effort - - (#1-6) - - - - -]			[CA effort - - (#7,8) - - - - -]		
		[- - Create and/or Reduce Dissonance - -]			[- - - Reinforce Consonance - - -]



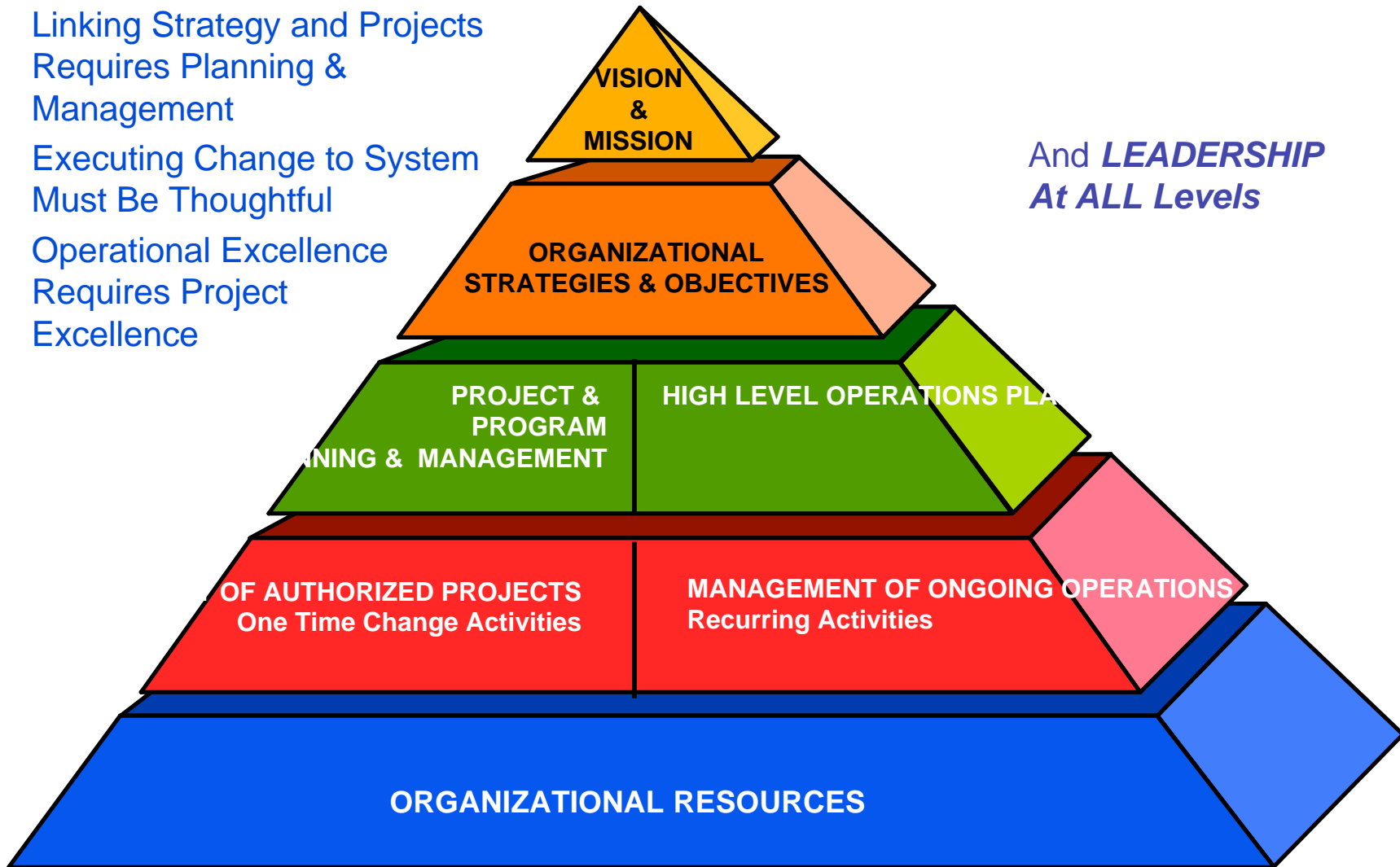
Relative Advantage; Complexity;  
 Compatibility; Trialability; Observability

(Transferability)  
 (Communicability)

# Organizational Project & Program Management

- Linking Strategy and Projects Requires Planning & Management
- Executing Change to System Must Be Thoughtful
- Operational Excellence Requires Project Excellence

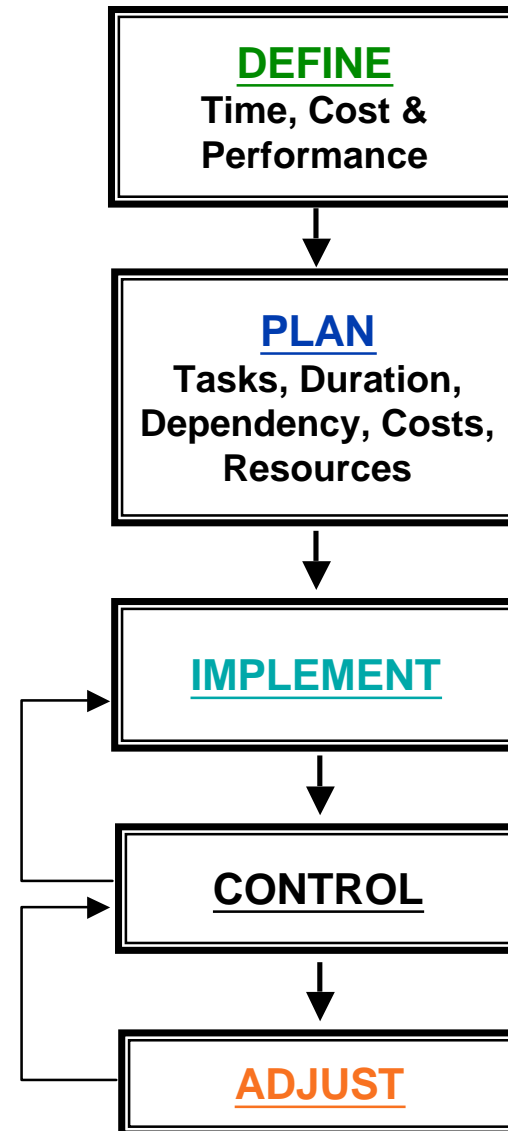
And **LEADERSHIP**  
At ALL Levels



Sources - Project Management Institute, *The Standard for Portfolio Management*, and *Organizational Project Management*, by Rosemary Hossenloop

# Project Management - 5 Phases

- 1 **Define The Objective**
  - What is to be accomplished
  - Within what time constraints
  - Within what cost constraints
  - With what level of performance
- 2 **Plan The Project**
  - What tasks are involved
  - Determine dependencies, lags, etcetera
  - Determine task durations
  - Determine costs
  - Determine resource requirements
- 3 **Implement The Project**
  - Do the work
  - Spend the money
  - Use the resources
- 4 **Control The Project**
  - Report Results
  - Analyze the reporting
  - Note out-of-control areas
  - Determine why
  - Communicate to all concerned
- 5 **Adjust As Required**
  - Reschedule
  - Change resource allocations



# System (Process) Map

**REQUIREMENTS (METRICS) SHOULD BE:**

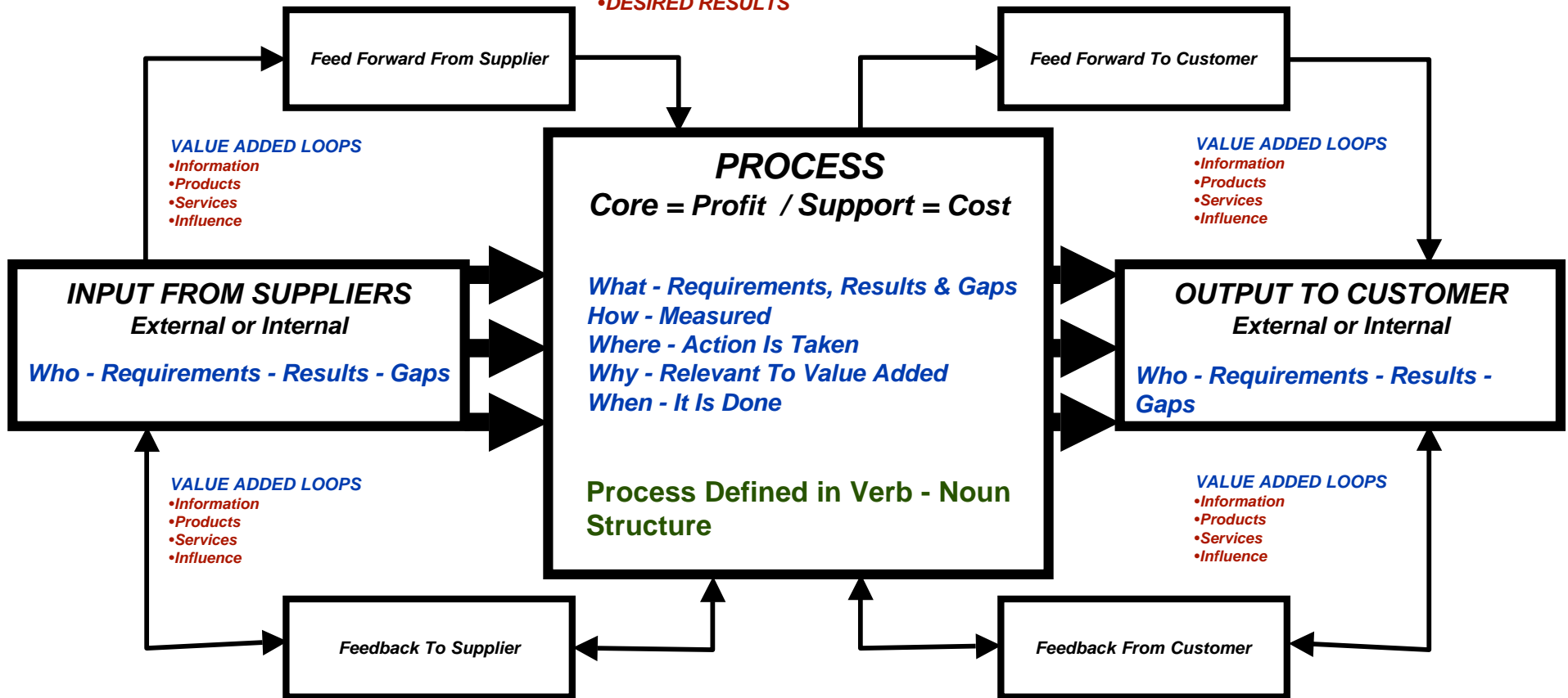
- SPECIFIC (What)
- MEASURABLE (How)
- ACTIONABLE (Where)
- RELEVANT (Why)
- TIMELY (When)

**METRICS (MEASUREMENTS) ARE:**

- DIAGNOSTIC (Lead Indicators)
- PERFORMANCE (Lag Indicators)
- DESIRED RESULTS

**WHO STAKEHOLDERS ARE:**

- SUPPLIERS - Other Stakeholders
- OWNERS - Other Stakeholders
- EMPLOYEES - Other Stakeholders
- CUSTOMERS = CORE STAKEHOLDERS
- COMMUNITY - Other Stakeholders
- REGULATORS - Other Stakeholder



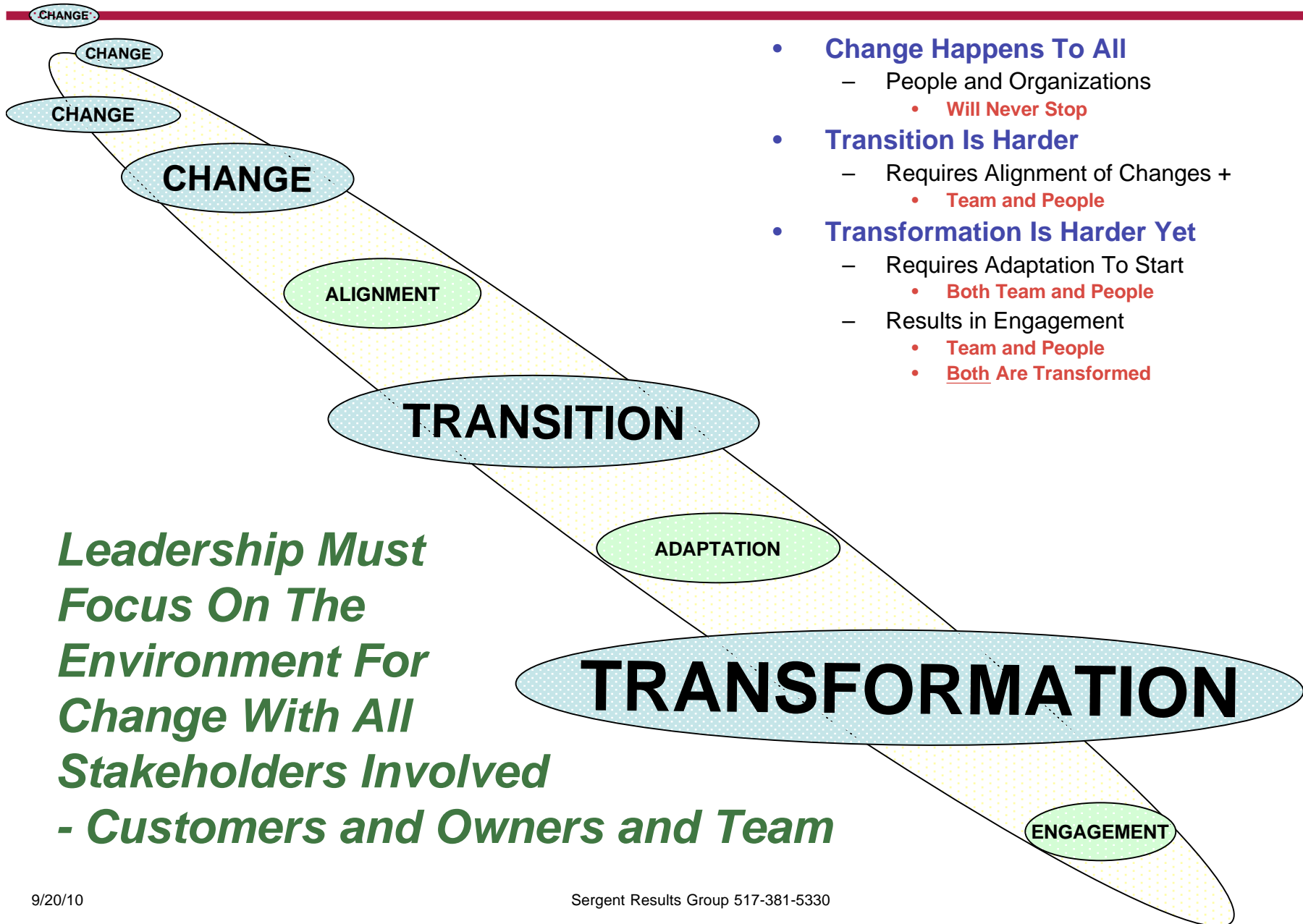
**PROCESSES SHOULD BE:**

- Stable
- Predictable
- Acceptable
- Repeatable
- Reproducible

**VALUE IN METRICS and GAPS ARE:**

- COST (Objective)
- SPEED or TIMELINESS (Objective)
- QUALITY (Can Be Objective or Subjective)
- SERVICE (Subjective)

# Leading The Change Process



- **Change Happens To All**
  - People and Organizations
    - **Will Never Stop**
- **Transition Is Harder**
  - Requires Alignment of Changes +
    - **Team and People**
- **Transformation Is Harder Yet**
  - Requires Adaptation To Start
    - **Both Team and People**
  - Results in Engagement
    - **Team and People**
    - **Both Are Transformed**

*Leadership Must Focus On The Environment For Change With All Stakeholders Involved - Customers and Owners and Team*



# Proposed - Solutions - Part 1

---

---

## What can work for an organization that wants transformation

### **Develop Outside Perspective & Inside Focus On Transformation**

- There Are HUGE Opportunities to Continue The Process
  - Will Require Discipline
- Ease Pressure on Price & Margin Regardless of Economy
- Develop Competitive Advantage
- Systems View Critical Among Lead Team
  - Set engagement and alignment model for enterprise

### **Develop Continuous Performance Improvement, Lean & Quality Models**

- Integrate These Models With Transformation and Learning Model
- Develop Leader Capabilities To Set An Example First
- Move to Emerging Leaders, Innovators & Early Adopters Next

### **Consider Further Systems Integration At A Process Level**

- Prioritized To Make Cost Reductions Pay For Integration Costs
- Further Easing of Margin Concerns

### **Manage Program**

- Program Office
- Determine Every Initiative & Track Value Driver Measurements
- Facilitate Communications & Learning
- Track Results & Advocate



## Proposed Solutions - Part 2

---

---

### **Develop Core Team Capacity**

- Focus On Customers, Communications, Teamwork
- Understand Productive Reasoning To Overcome Organizational Defenses
- Align, Adapt & Engage Team (Primary Stakeholders)
- Develop Breakthrough Capacity Through People In The Culture
- Examine & Change Theories In Action
- Connect The Program To Real Business Issues
- Use New Learning Model In enterprise

### **Develop Allies & Strategies - Expand & Spread New Organizational Learning Model**

- Align, Adapt & Engage Stakeholders In Several Directions
- Integrate New Model of Business
- Develop Internal Resources with Leaders, Innovators & Early Adopters

### **Design & Integrate Change (Transformation)**

- Alignment, Adaptation & Engagement of New Stakeholders
- Develop Added Contract Consultants, Change Agents

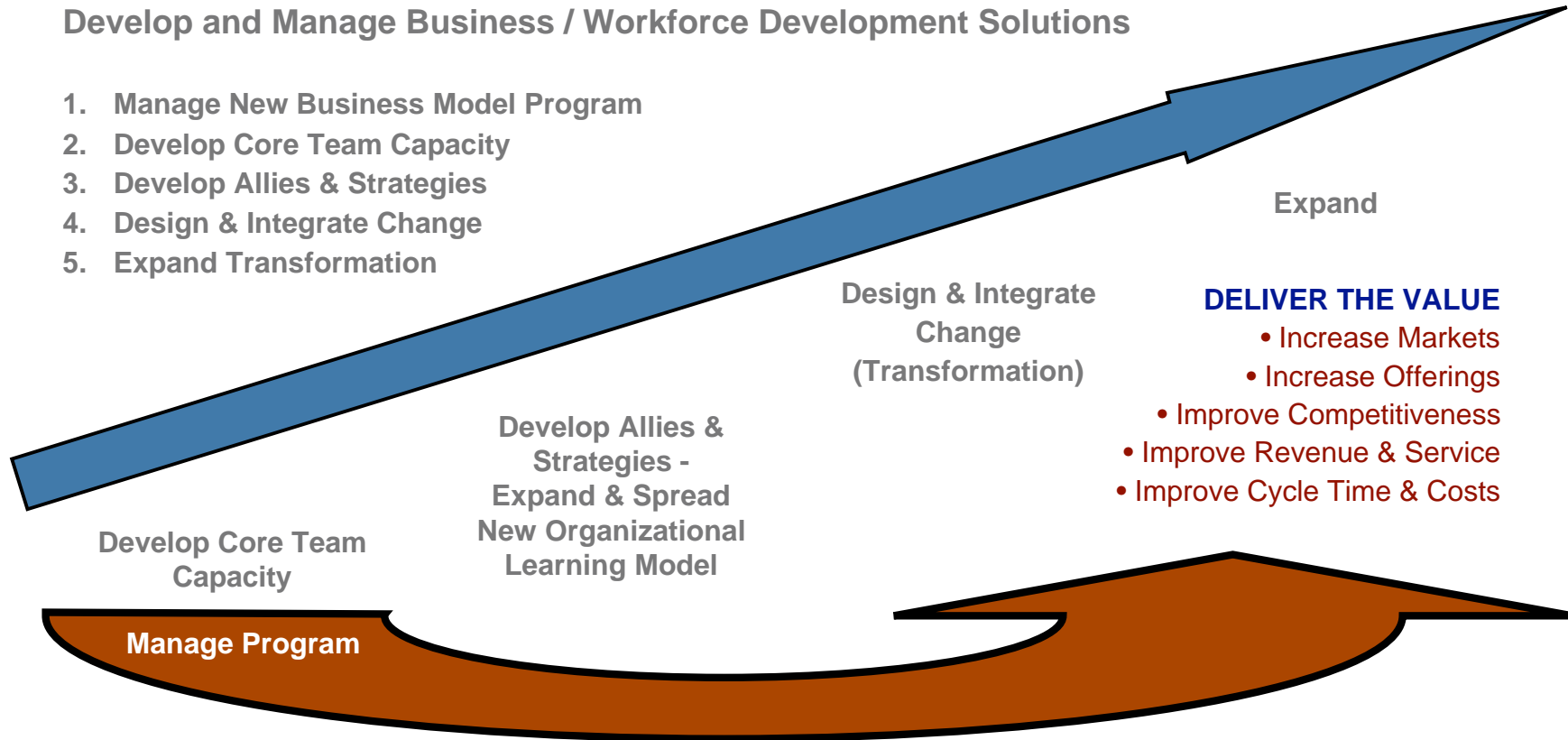
### **Expand (Viral Transformation)**

- Alignment, Adaptation & Engagement of Customer, Client, Suppliers as Stakeholders

## We Propose A New Model & Solution

### Develop and Manage Business / Workforce Development Solutions

1. Manage New Business Model Program
2. Develop Core Team Capacity
3. Develop Allies & Strategies
4. Design & Integrate Change
5. Expand Transformation



### Use Combined Resources of People and Assets To Bring In More Customer / Revenue

- For Leaders, Managers, Entire Team
- For Allies & Partners
- For Customers
- For Users



# Lunch!

---

---

- **Let's collect our lunch!**
- **Room will be secure**
- **Staff will take your drink orders in the meeting room**
- **When you return, start discussing at your table**
- **Make sure everyone is heard from**
- **Appoint one person to record your answers to the following questions!**



# TABLE DISCUSSIONS

---

---

## AT EACH TABLE DISCUSS AND DOCUMENT:

- **WHAT ARE OUR NEXT ACTION STEPS?**
  - **What did I learn here?**
  - **What do we need to discuss next?**
  - **Who else should be here?**
  - **What will we do with this learning?**
  - **When do we meet again?**

# Future Agenda

## Future Discussions

- **October 26th, 2010 = David Langford - Economic Impacts of Learning and Collaboration**
- **November 1st, 2010 = Dr. Bill Bellows - Thinking About Thinking Seminar AND CQI Luncheon**
- **November 12th, 2010 = Culture - What Is It, Can It Be Adaptive & Full of Leadership?**
- **December 15th, 2010 = Overcoming Organizational Defenses (Productive Reasoning)**
- **January 11th, 2011 = Leadership (What is a “Leader-ful” Organization?)**

## Other Subject & Speaker Suggestions

- Brainstorming, Benchmarking
  - Comparisons of Quality Management Systems
  - Continuous Improvement
  - **Design & Control of Quality (Ian Bradbury of Peaker Services, Inc.)**
  - Diversity (3 VOTES - See September 22 CQI Breakfast)
  - **Gipsie Ranney**
  - Having Difficult Conversations - Principles and Tools
  - Influence (Influencing Your Leader and Your Team)
  - Innovation
  - Lean Principles (2 VOTES)
  - **Lean Project: Eliminating the Waste In Performance Reviews (R. Steele of Peaker Services)**
  - Motivation (2 VOTES)
  - Overcoming Roadblocks (2 VOTES)
  - PDSA - In More Detail (2 VOTES)
  - **Quality Tools & Processes (Beth Leinhart)**
  - Six Sigma
- **What Are Your Ideas?**



**SERGENT  
RESULTS  
GROUP**

---

---

# **CQI LEARNING LUNCH**

***Enabling Transformation -  
Principles & Planning***

