

EMS 2019

**Leadership
OR**

People, ideas, technology...IN THAT ORDER

Leadership

- 1. Leadership and Decision making**
- 2. Encouraging Initiative**
- 3. Providing a Coherent Strategy**

Postulates:

Leadership is, first and foremost, **about DECISION MAKING** and when, and when not to make a decision.

It also requires a management philosophy and practice which drives the right to make decisions down as far into the organization as possible.

More Postulates:

In a global setting only a decentralized organization can have a fast decision cycle. If players have to wait as the inputs they collect are transmitted up and down the management chain, with secondary requests for more “perfect” information called for, so that the ideal decision may be reached, the decision is going to be far too slow.

The environment is far too complex, the distances are far too great, and the fear of making an imperfect decision is far too paralyzing.

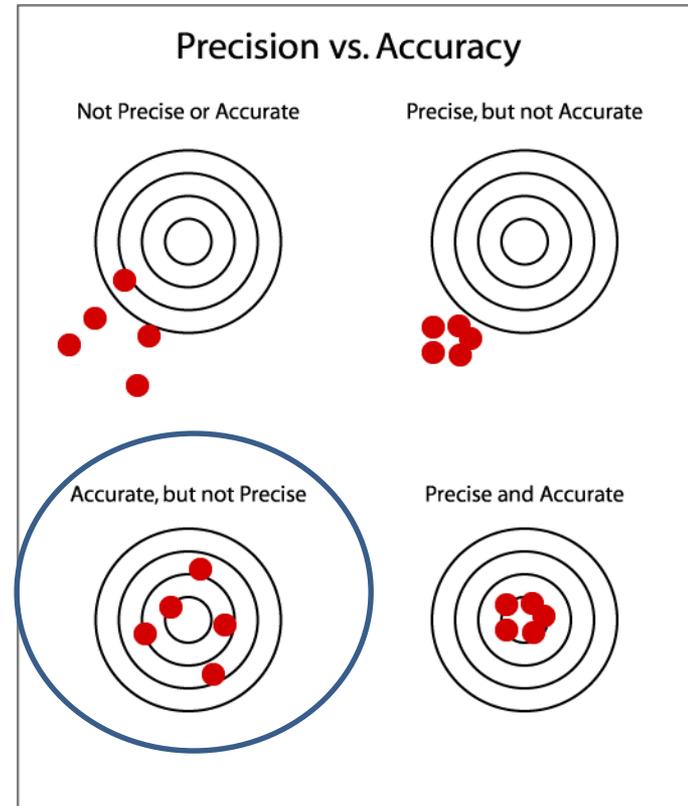
Conclusion:

- Modern international business enterprises cannot be governed by the actions or decisions of a single individual in any one place but must to a major degree emerge from the collective behavior of all the individual parts in the system interacting locally in response to local conditions and incomplete information.
- The success of an international business enterprise cannot be in the monolithic execution of a single decision by a single entity but necessarily involves near countless independent but interrelated decisions and actions being taken simultaneously throughout the organization.
- Efforts to fully centralize business operations and controls by a single decision maker are inconsistent with the intrinsically complex and variable nature of the global business environment.

1. Leadership and Decision Making

Embracing this approach requires that we will sacrifice some level of precision in analysis in favor of speed.

Works for me!



Turning the decision cycle faster than our opponents is the key to winning a piece of business that we are competing for, or coming up with a new product innovation, or even just beating the competitor to the punch and locking up available capacity for a particular product or process before the competitor can act.

We take as an article of faith that a decent decision made in a timely manner is better than the best decision possible made too late.



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2. Encouraging Initiative

- We must not stifle boldness or initiative and we must continue to encourage both traits, on the other hand, we should deal severely with errors of inaction or timidity.
- We will not accept lack of orders as a justification for inaction; it is every manager's duty to take initiative as the situation demands. We must not tolerate the avoidance of responsibility or necessary risk.
- Consequently, trust is an essential trait among leaders; trust by seniors in the abilities of their subordinates and by juniors in the competence and support of their seniors. Trust must be earned; any actions which undermine trust must be met with strict censure.
- Trust is a product of confidence and familiarity. Confidence among colleagues results from demonstrated professional skill. Familiarity results from shared experience and a common professional philosophy.

Google's Project Aristotle found that if people felt „Psychologically Safe“, that is, if they could trust each other, even if they made a mistake or said something controversial, that this was the single most common characteristic of successful teams

But What Does this mean? How do we build trust?

This means that we must allow for a certain amount of mistakes.

In order to minimize the pernicious effects of mistakes created by making decisions with imperfect data at high rates of speed, we must be certain that our personnel are **properly equipped and trained** to deal with their environment and their span of responsibility and control in the best manner possible

But What Does this mean?

Practitioners of fast maneuver methods accept that it is preferable to have **well trained** associates who exhibit high levels of initiative with the attendant ability to turn a decision cycle quickly, even if this means that acceptance of some mistakes is inevitable.

This is important because for a fast maneuver organization to be successful, we need to develop these traits.

Therefore you have to commit to a system of training and education that allows you to develop associates who are simply better than the competition and have the confidence to trust each other and act on what they encounter.

But What Does this mean?

It means that if you have the best people, properly trained, ready to take the initiative, and who trust each other, your life will be much easier.

If you have the right team, it will be difficult to fail.

If you do not have the right team, it will be difficult to succeed.

“I would rather go down the river with 7 studs than with 100.....”

Col. Charles Beckwith

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The third element of Leadership is that
Leadership must:

**PROVIDE A COHERANT STRATEGY
SUFFICIENT TO IMPEL THE ORGANIZATION IN
A DIRECTION DESIGNED TO ASSURE ITS
SURVIVAL.**

“Strategy is a mental tapestry of changing intentions for harmonizing and focusing our efforts as a basis for realizing some aim or purpose in an unfolding and often unforeseen world of many bewildering events and many contending interests.”

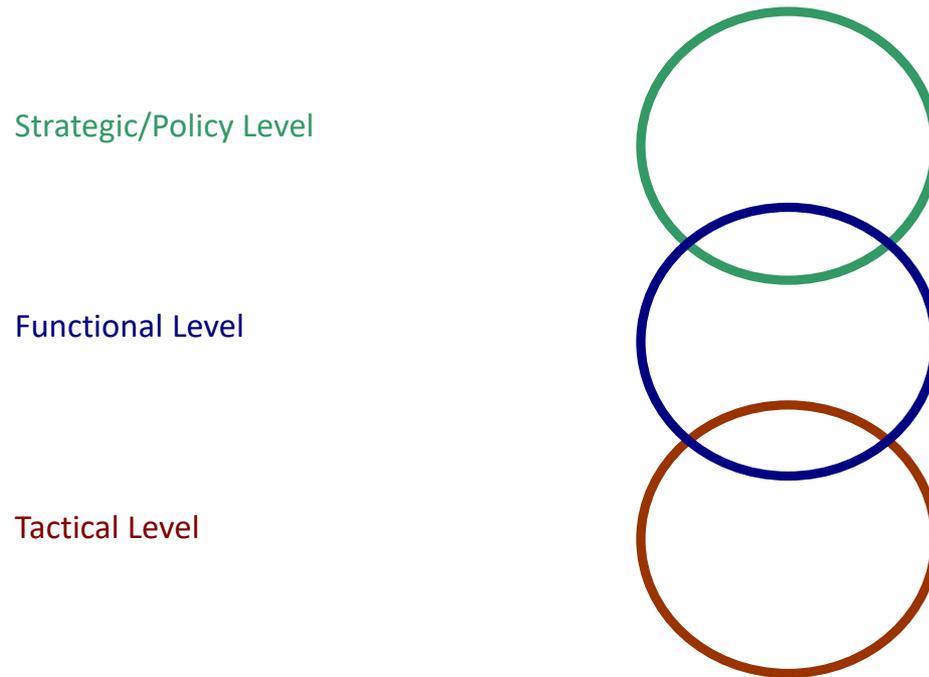
John Boyd

- Strategy is not a given plan for a given set of circumstances.
- It must support the creation of a fast moving organization that is very sensitive to and is sensible of, changes in its environment.
- The organization must be built to respond in an elegant manner to constant environmental changes.
- Furthermore, the organization must be designed in a manner which will allow it to take as much advantage of these changes as possible, quickly, while losing as little energy as possible.
- In short, the strategic roadmap should produce operations and tactics sufficient to design an organization which will truly thrive on chaos.

Yet there is always the following caveat. When a plan is written down, after the final sentence you must consider all that you have done in light of the immortal Publius Syrus who said:

“It is a bad plan which cannot be changed”.

3. Providing Coherent Strategy

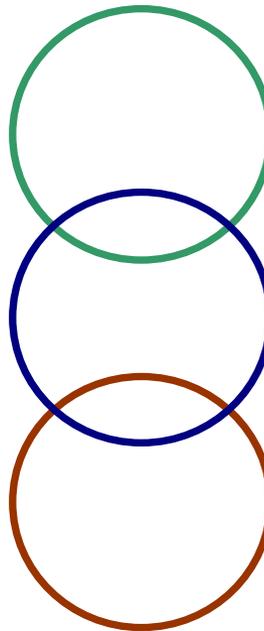


Like creating a symphony

Strategic/Policy Level

Functional Level

Tactical Level

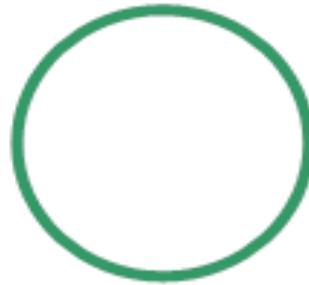


Compose

Score

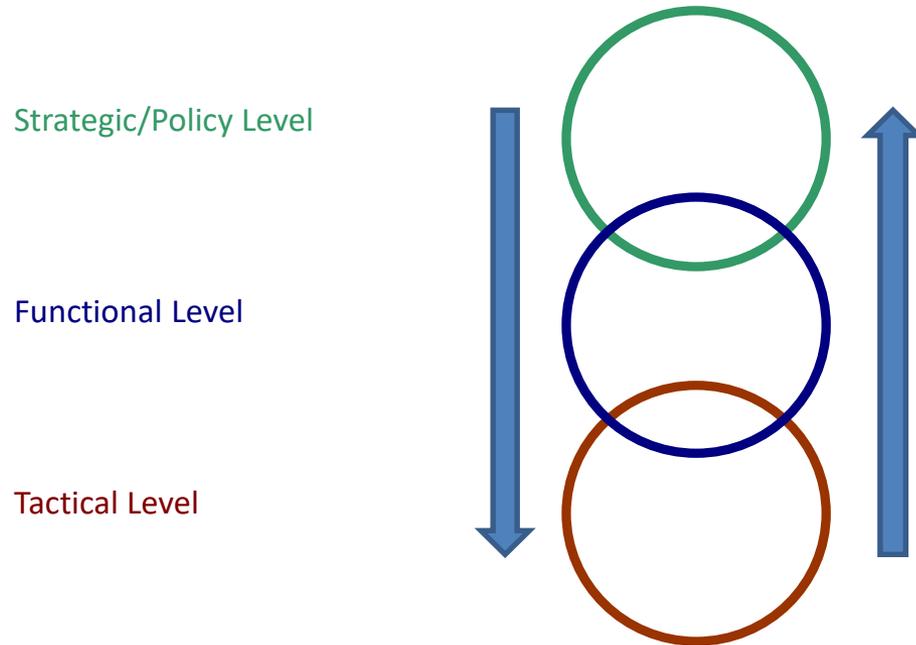
Perform

Strategic/Policy Level



First, we start with strategy at the highest level, the strategic policy level

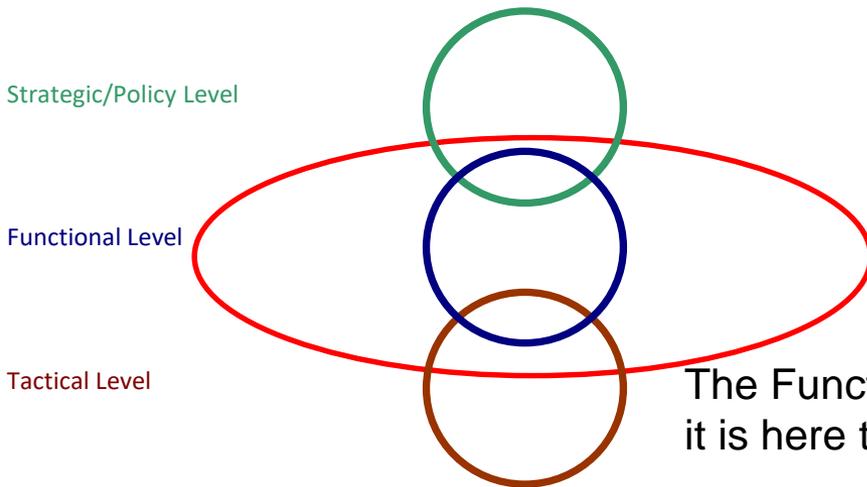
- Policy must be deployed in an intelligent manner and must serve the companies goals, which are almost always growth and increased profitability.
- But strategic policy deployment must also be achieved in a manner consistent with our capabilities.
- The strategic policy deployment goals must, therefore, always include a provision for the enhancement of our capabilities.



Ay! There must be feedback

To be successful, the policy must be deployed into the functional and tactical levels

3. Providing Coherent Strategy



The Functional level links the strategic to the tactical levels and it is here that most of the intellectual heavy lifting will be done.

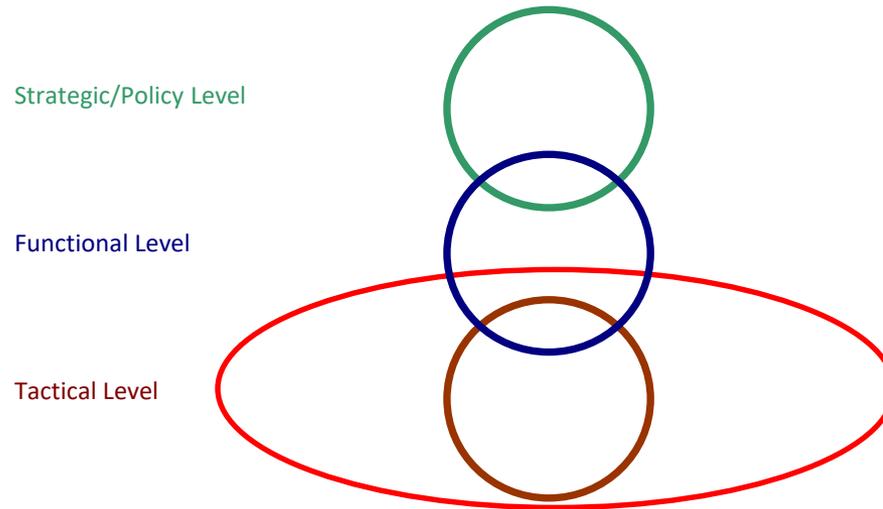
It is at this level that the planning, budgeting, analysis of constraints and the defining of the campaign will be done.

It is here that we define the actions and the resources required to support such actions that will take place as well as specific tasks to be implemented at the tactical level.

It is here the analysis of the environment is made and the relationships to other organisms can be considered.

Customers, competitors and suppliers must be considered in terms of predation, symbiosis or parasitism.

3. Providing Coherent Strategy



The Tactical level refers to the nuts and bolts of how we achieve a specific task that we consider important to address an immediate need or goal that supports a higher level operational assignment which in turn addresses a strategic policy which we are in the process of implementing.

Tactical actions might involve a control room in each of our factories, a new training program to improve responsiveness to customer requests for quotation, or the purchase of a new piece of capital equipment to increase available capacity for a growing market, etc.

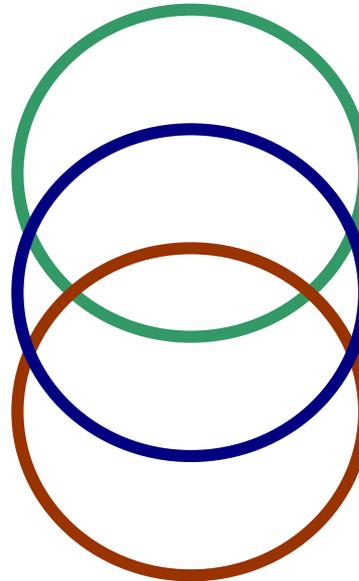
- The strategic system which is proposed here depends upon maneuver.
- Maneuver means not only moving, but also transitioning from one level or plan or state to another rapidly and with minimal loss of momentum; the better the organization, the faster the transition and the lower the loss of momentum.
- The underlying imperative is to generate speed and a fast decision loop. If we consider the effects that compressing the strategic/operations/tactical levels planning time required by an organization designed and honed to fast maneuver, this is the result:

3. Providing Coherent Strategy

Strategic/Policy Level

Functional Level

Tactical Level



We desire
Compressed organizational
levels and functions where
there are intersections from
the Strategic to the Tactical,
with lots of interactions and
feedback.

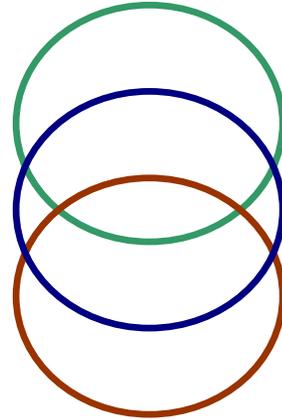
The Japanese call this “Hoshin Kanri”

3. Providing Coherent Strategy

Strategic/Policy Level

Functional Level

Tactical Level



As we can see, the intersections and entanglements of the respective levels increase in area, the goal being that at some point the actual tactical aspects are considered at the strategic level.

This is analogous to the concept of simultaneous engineering where the goal is, at the moment a product is designed, to solidly understand more or less exactly how it will be fabricated and assembled.

This requires that a solid understanding of how things work at a tactical level be possessed by those making the strategic decisions.

By implication, a large staff structure of persons without actual front line experience and management by a mandarin class of professional managers without actual detailed knowledge of the specific business and products is anathema to a fast maneuver approach as these will slow down the decision loop

However, maneuver systems are susceptible to attrition

You must close and end it quickly or.....

**And Remember,
People, Ideas, Technology.....
IN THAT ORDER!**

Thank You for Listening

Conclusion: Avoiding Chaos with all this initiative

Think of a planetary gear system

