



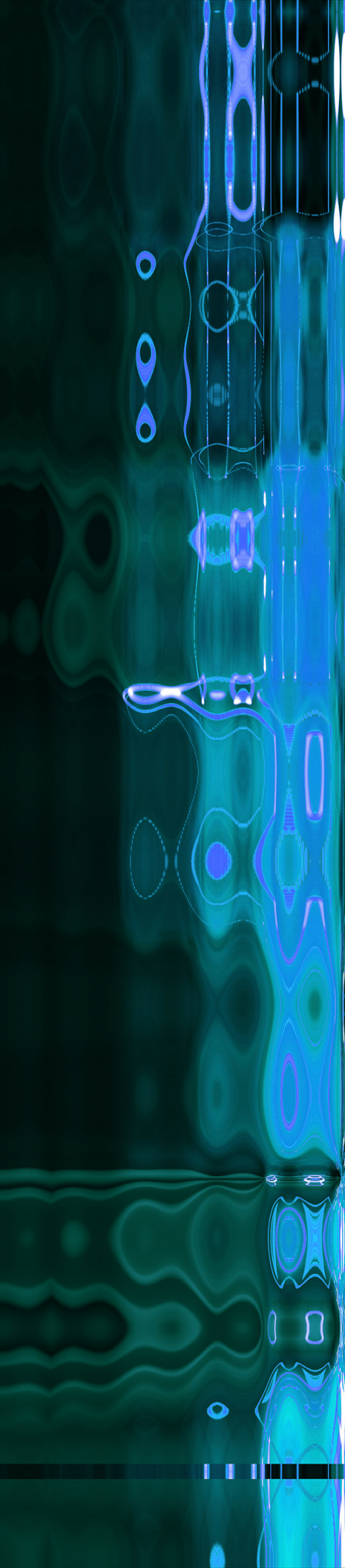
PRACTICING HIGH PERFORMANCE

HOW 360SOLUTIONS HELPS BUSINESSES REACH THEIR FULL POTENTIAL
BUSINESS STRATEGY WHITE PAPER

While many training and consulting companies across the United States concentrate on improving employees' technical skills and daily processes, 360Solutions has a vision different from the rest. Our goal is to prove that no amount of technical training and benefits can motivate and empower employees like human developmental training. Essentially, the distinction is our emphasis on the model for the high performance business, rather than the traditional model that has dominated the business world for so many years.

Consider these facts:

- A Sherwin Williams auto paint plant boasts of 30% higher productivity, 45% lower costs and 25% fewer employees for equivalent volume over a sister plant.
- A Digital Enfield plant yields equal volume to sister plants with half the people and half the space, while realizing a 2.5 times higher rate of first-time-perfect modules.
- A Corning mold machine shop realized 100% improvements in quality and delivery while reducing costs from 15% above to 15% below the competition.
- Rocky Mountain Labs reduced turnaround time from 28 to 14 days, reduced internal handoffs by 500%, thereby improving productivity by 50% and profits by 25%.
- Tektronix Portables Division reduced inventory from \$40 million to \$15 million and reduced cycle time from 12 weeks to four weeks.
- Shenandoah Life Insurance Company reduced the employee-to-supervisor ratio from 7:1 to 37:1, yet service improved and complaints and errors declined.

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- American Transtech decreased head count by 56%, increased sales volume by 46%, increased customer satisfaction and had an average of 158% improvement in shareowner services.

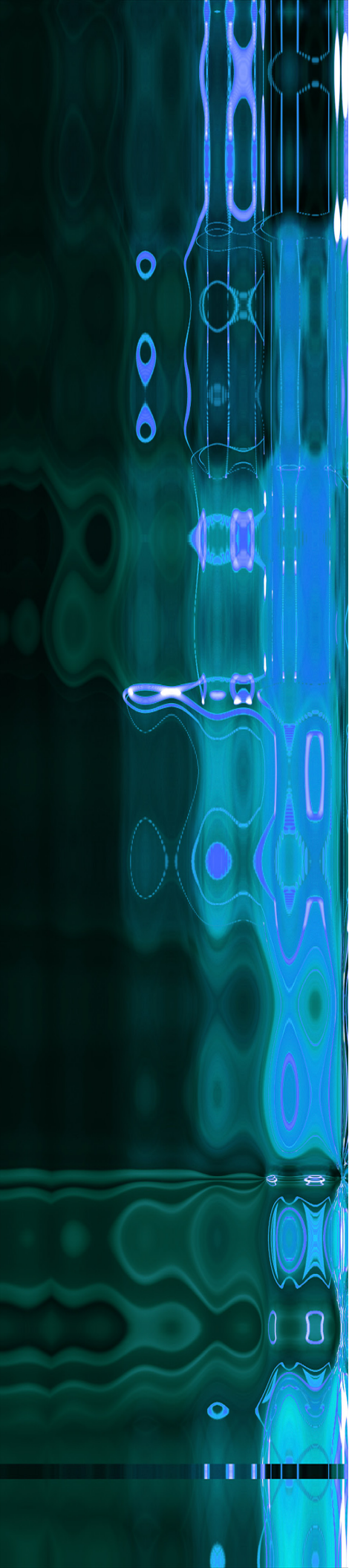
These are just a few of the businesses that are achieving outstanding results in the United States.

They are doing so by changing the way work is organized and empowering the people who do that work. This is known as high performance work systems! But before looking ahead, let us look at where we have come from.

The Traditional Paradigm

The model that has dominated most modern businesses is based on a set of principles and practices formally defined by Frederick Taylor in 1903 and known as “scientific management.” The principles of scientific management were very useful a century ago when this country was moving from a rural society in which people were self-employed, produced their own food, made their own clothes and educated themselves, to an urban society based on mass production and interdependence. With these changes in the structure of society and the way work was organized, it was necessary to create bureaucratic organizations to manage and control masses of untrained people. Taylor believed that work could best be accomplished by breaking it down into simple and repetitive tasks for workers and that management’s job was to control the means and speed of production. Some major features of job design that came out of the industrial revolution are the following:

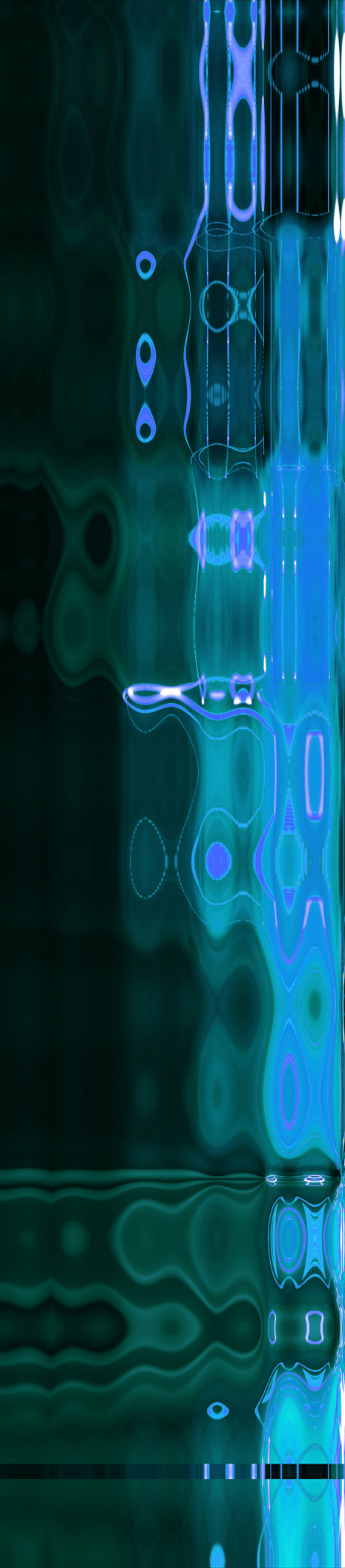
- Simple, narrowly defined jobs.
- Division of labor that keeps different functions separate.
- One best way to do a job.
- Uniform and strictly enforced policies.
- Management’s role to control the means and speed of work.



Although this paradigm may have been useful in moving us to an industrial society, it does not fit with the complex and changing nature of the economy, market place, technologies and people today. It is seriously flawed in two primary ways.

First, traditional organizations are structured around functions. The problem this creates is that work is fragmented in such a way that people do not see or feel responsibility for a “whole process.” They over-identify with their own jobs and fail to understand or care about the overall good of the company or the customers they serve. This leads to poor communication, redundancies of effort, turf battles, delays in decision-making and general inefficiency. It is most noticeable when a piece of work is completed and “thrown over the wall” to another department to be forgotten, or when an urgent decision that directly impacts a customer is delayed for a couple of days because it needs someone else’s signature, or when work is inspected after it has been built. The former Soviet Union was the paragon of inefficiency and bureaucracy. It took five years for the government to approve construction of the first McDonald’s restaurant, and to change a single ingredient in ketchup took numerous levels of government approval.

A second flaw of the traditional paradigm is the assumption that it is management’s job to control the work of employees. Management sets goals, makes decisions, measures progress, evaluates performance, etc. Managers are the thinkers and planners, and employees are the doers. These organizations fail to tap the tremendous intelligence and creativity of their people. Power exists at the top and people on the “front lines” and closest to the core process of the business have less authority to make decisions, solve problems or significantly contribute to the mission or goals of the organization.

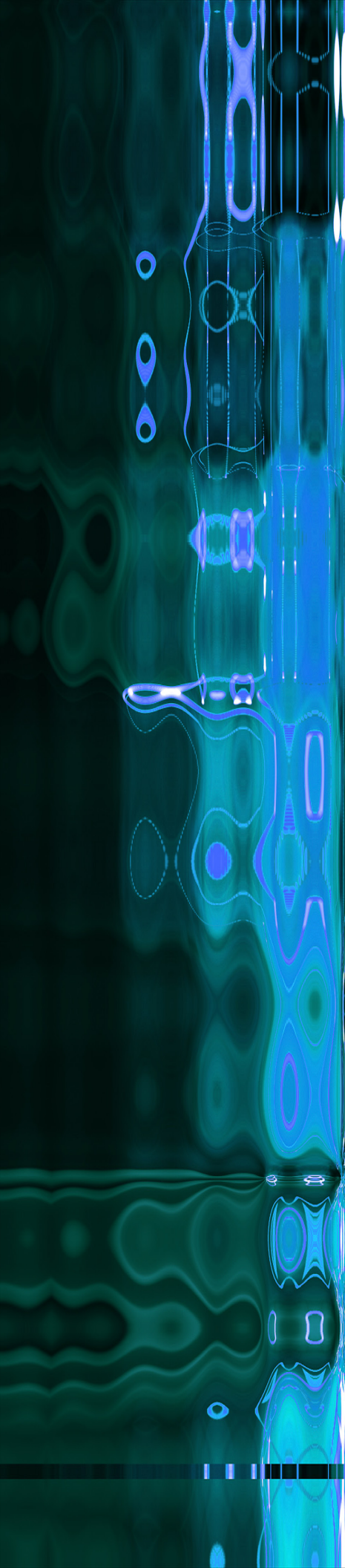


Most people do routine, repetitive and somewhat unchallenging jobs without much sense that they really make a difference in the overall direction or success of the business. This results in organizations that are bureaucratic, rigid, unconcerned about quality, lacking innovation, unresponsive to customer needs and generally unsatisfying places of employment. Unfortunately, in spite of such limitations, the traditional paradigm continues to dominate the practices of most businesses throughout this country today.

The High Performance Paradigm

There has emerged in recent years an exciting new paradigm known as high performance work systems, and is changing the way we think about people and how work is organized. A high performance organization could be defined as an organization in which each person is a contributing partner to the business. High performance work environments require a deep respect and trust in people. People are not viewed as extensions of machines, objects to be manipulated nor costs to be controlled but rather as thinking and feeling human beings who bring enormous energy, creativity and talent to their work. Most people want jobs that are meaningful and allow them autonomy to make decisions and contribute to the company in significant ways. Effective organizations are those moving beyond attempting to control people by trusting and empowering them with the resources, information, tools, skills and support to manage their work processes and create products and services of unprecedented quality.

Of course, many companies espouse a philosophy that values people and yet they are not experiencing the kind of performance described at the start of this article. That is because they are



not designed to do so. Only a holistic and systemic view of the organization, in which all aspects of the organization are aligned behind this philosophy, will realize the true value of their people.

In high performance organizations people understand the businesses are committed to getting results and are organized into self-contained, multi-functional and customer-focused business units or teams. These teams take full responsibility for making decisions, solving problems and continuously improving the quality of their work. Everyone involved with a particular core process are members of the same team and are empowered with full authority for the success of a whole product, service or major segment of work. Roles and responsibilities are much broader and more meaningful in scope than in a traditional organization. The team is responsible for setting goals, coordinating and scheduling their work, interfacing with the customer, training, making decisions and problem-solving, monitoring quality and even measuring performance and making hiring decisions. The role of management changes from that of controlling workers and solving day-to-day problems to being facilitators and coaches. They define outcomes, manage boundaries, interface with other departments and, in general, ensure that the team has the resources, training, information and support they need to carry out the job.