

Executive Insight >> Thought Leaders

Starting With a Clean Sheet

A Case Study in Business and Organizational Innovation

An ambitious investment in people, facilities and technologies is transforming one of the world's oldest providers of water and wastewater treatment systems into a model for "customer-friendly" service and new business practices.

The business is a worldwide leader in chlorination and chemical-feed equipment and systems for water treatment.

The company had decided that its 75-year-old plant in Northern New Jersey was no longer viable — and that radically new approaches were needed to provide the level of customer service demanded today.

Built around a core of experienced engineering, product and project managers, the new facility began initial operations just 12 months after a site in Southern New Jersey, located 25 miles southeast of Philadelphia, was chosen as its new location.

The plant has been realigned into four focused factories. Walls have been eliminated to make the assembly floor totally flexible. And product development, production, marketing and customer service have been placed side-by-side to improve teamwork and responsiveness. New technologies abound.

When people were recruited for the new plant, they were told they would be working in a team environment. And it wasn't easy to make the team. Some 12,000 people were screened to choose the first 130 to create this distinctive new operation. The company wasn't just looking for skills and experience, it was looking for team players who are flexible, thoughtful, willing to accept responsibility, eager to serve customers, and excited about learning and trying new things.

Company leaders envisioned a future in which speed, continuous improvement and constant focus on customers are paramount concerns. Where activities and results are measured, communication is treasured, and decisions are made as a group but individuals are respected and supported.

The goal is for people to be competent across many product lines and functions, able to train others in what they know, and willing to share their knowledge freely and generously.

This flexibility makes it possible to take full advantage of the design of the assembly floor, where all the furnishings and equipment are on wheels and all the utilities - water, air and power - are delivered overhead. Assembly cells can be reconfigured on a moment's notice to respond to influxes of orders or another cell's need for more space or people.

In this "factory of the future," customer service is fully automated and customer support is very personal. The people who design and assemble products are available to discuss problems, work out solutions — and take, check or even make changes to orders — by phone or online over the Internet.

In the new plant, walls or barriers between customers and the factory have been virtually eliminated. Plant personnel and end users are in close contact, so that the factory can be responsive to customer needs and more aware of the issues that arise when technology and public health are involved.

A customer calling in with a question about a piece of equipment - or to place an order - is greeted by voice-activated technology that directs the call to the focused factory responsible for developing and assembling the product. If there's a problem, the team is alerted straight away and able to immediately focus on finding a solution.

After-market service is consolidated as well in this new design. A technical services group, spare parts order entry and fulfillment, quality assurance and customer training are organized into a "focused factory" of their own, accelerating service to hundreds of thousands of customers and installations.

Charlesmore was engaged from the outset to help design and project manage the organizational aspects of this ambitious Greenfield initiative.

Starting with a vision of a fully automated, highly flexible, customer responsive factory, the organizational blueprint began with clear definition of the structures, competencies and systems required to deliver the vision.

The key elements included:

- Clearly defined leadership competencies and a carefully assembled leadership team who could both champion the cause and model the way.
- Facility design that helped leverage the vision including a wall-less, open work environment, furniture on wheels for maximum flexibility, computer terminals in each cell that connected customers and team members with key data, a wireless communication network that followed people as they moved around the facility and intelligent telecommunications architecture that pre-routed callers expeditiously to where they could most efficiently get their inquiries answered.
- Organizational structure and interfaces that eliminated barriers and promoted teamwork, knowledge sharing, flexibility, speed and

responsiveness. This included basing traditional office based positions (operations and materials management, engineering, order entry, customer service, administration) in the same work area as the assemblers.

- Workforce skills and competencies defined to promote teamwork, strong technical capabilities, knowledge development and sharing, multi-tasking, cross-functionality, flexibility and customer service orientation.
- A rigorous recruitment and selection system that pre-selected based upon technical aptitude, defined math and literacy standards and personal dexterity and ultimately selected based upon behavioral competencies and organizational fit. Peer-based interviewing added to the rigor and helped compound and reinforce organizational standards and a sense of ownership.
- An intensive and fun orientation process for new (and relocating employees) that grounded everyone in the vision and values, built camaraderie and set standards. It should be noted that of the hundred and fifty or so employees at the new location, no more than twenty had relocated from the facility in the north of the State that closed down. This new workforce was hired and trained in just six months.
- A comprehensive ongoing training curriculum that incorporated technical, behavioral and computer programs, supported by a major State training grant. Computer-illiterate assemblers achieved a high degree of fluency in a matter of months.
- A pay system designed slightly above the local market, but with team-productivity bonuses and an all-employee gainsharing plan bringing compensation levels significantly ahead of the market. Organizational progression is centrally based upon the acquisition, application and sharing of skills and knowledge.
- Operational policies aimed at supporting a respectful workplace, workplace flexibility, trust and open communication.

This Greenfield start-up was truly a remarkable example of business and organizational innovation and of what you can achieve with vision, courage to step beyond the traditional perimeter and a clean sheet.

In this transformation, the company went from one that was rapidly losing market-position due to quality and cost issues, poor work practices and under-performing workforce to one that returned to profitability within four months of start-up.



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