



INGERSOLL-RAND

Operational Excellence

Assessing and Changing a Culture in a Newly Acquired Business

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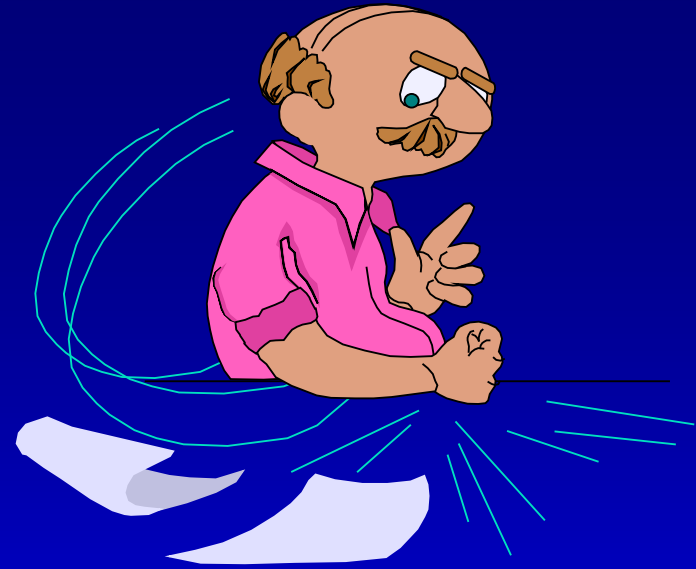
You have just Acquired a new
Business. It is not performing
up to your standards.

Now what?

How does Change Happen?

- Top Down
- Bottom Up
- Pilot Project
- Collaboration/Teamwork

Top Down



- Pros
 - Fast
 - Ownership at Top
 - Supports Integration of Business Strategy
- Cons
 - Only owned by Top Management
 - No Accountability - “Told you so...”
 - Changes are Usually Superficial

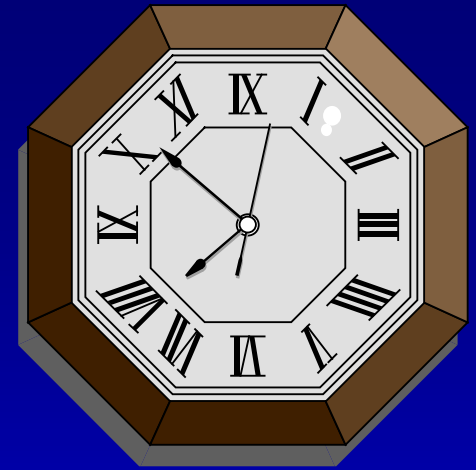
Bottom Up (Revolution)

- Pros
 - Buy in at Lower Levels
- Cons
 - Must have Huge Groundswell of Support
 - Only Works if it Eventually Results in Management Support
 - May not Support Business Strategy





Pilot Project



- Pros

- Must Show that the Change will Work in Several Smaller Areas - Less Risk
- More and More Converts Pick up the Torch to drive Change

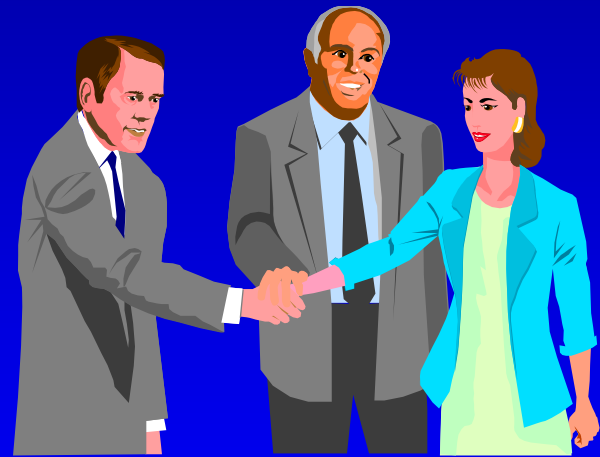
- Cons

- Can take a long time
- May not Spread to All Areas of the Plant
- Management may Change before Implemented



Collaboration & Teamwork

- Pros
 - Everyone is Involved (or else)
 - Accountability & Ownership
 - One + One = Three
- Cons
 - Takes Up Front Investment
 - Management must walk the talk (or else)





Comparisons

Directive Bottom Up Pilot Collaboration

Support

Top Level Management	Yes	No	Maybe	Yes
Mid Level Management	No	No	Yes	Yes
Worker Level	No	Yes	No	Yes

Ownership:

Management	Yes	No	Maybe	Yes
Workers	No	Yes	Maybe	Yes

Speed to Implement	Fast	Slow	Variable	Slow at First
Staying Power	Poor	Poor	Maybe	Yes



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How do you get to
Collaboration & Teamwork?

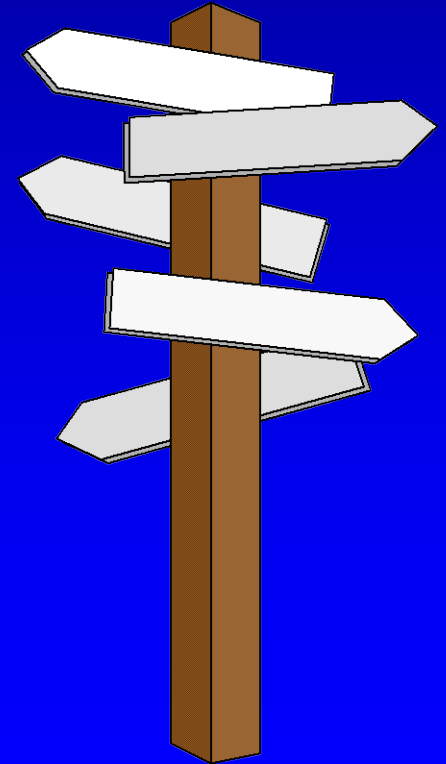
You must change the culture!

5 Steps to Changing the Culture



Step 1 - Leadership

- Common Vision
- Strategic Business Plan
- Teamwork
- Communications Up, Down,
and Across
- Management Style





Management Style

Autocratic

- Pros

- Fast Decisions
- Clear lines of Authority

- Cons

- No Ownership, Accountability
- Only as Good as the Top Person
- No Teamwork

Collaborative

- Pros

- Sum is More than the Parts
- Empowerment, Accountability

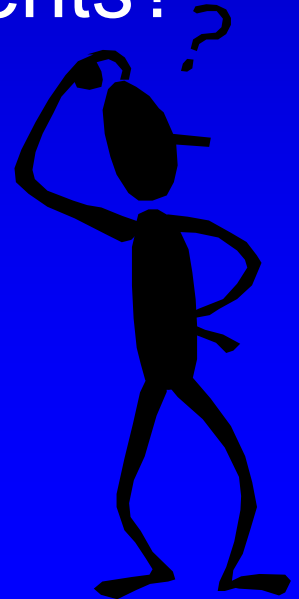
- Cons

- Slow Decision Process
- Must be willing to do Significant amount of planning



Step 2 - Organization

- Number of Handoffs
- Who Owns Problem Solving?
- How Many Organizations Are Involved?
- Who Owns Long Term Improvements?
- How Are Support Resources Coordinated?



Typical Structure

Quality Dept. 

Sustain Engr. 

Maint. T & D Facility 

Special Projects 

M.E. Dept.

I.T.

Materials

Process Engineers

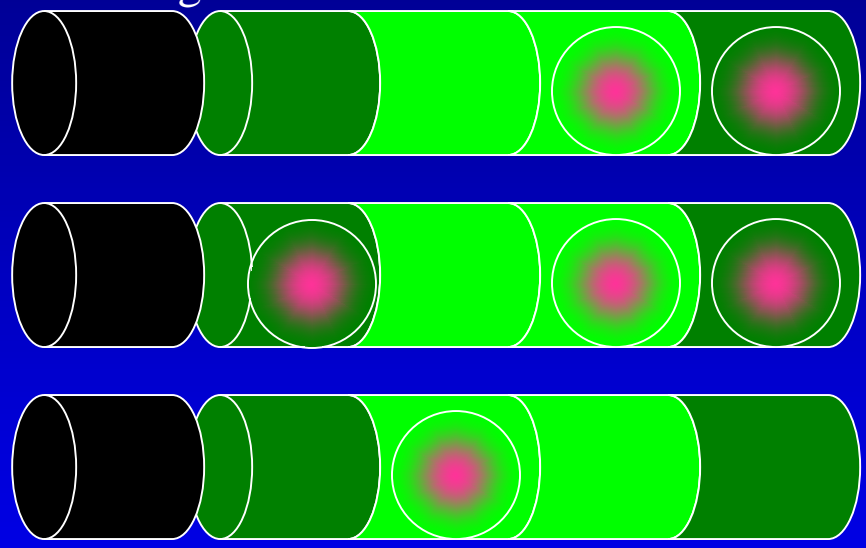
Sourcing 

New Prod. Design

Order Entry

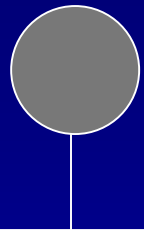
Master Scheduling

Material Planning Fab Polish Coat Assy



Shipping

Customer Service





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Order Fulfillment



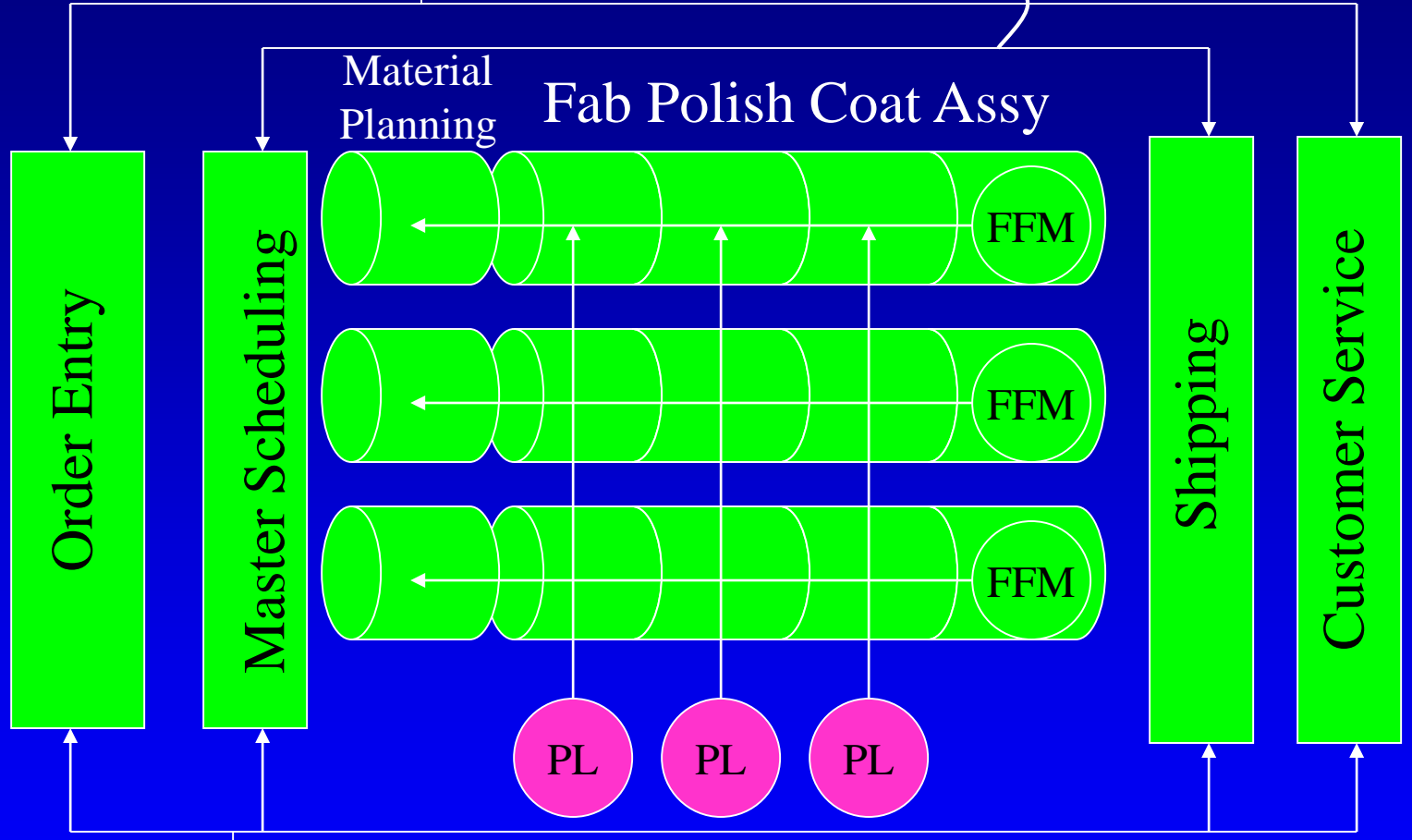
Support PLs

Process Quality PL
•Supplier Quality

Product Quality PL
•Sustaining
•Value Engr

Maint. T & D PL
Facility

Special Projects PL



Process Focus Structure

I.T.

Process Innovation

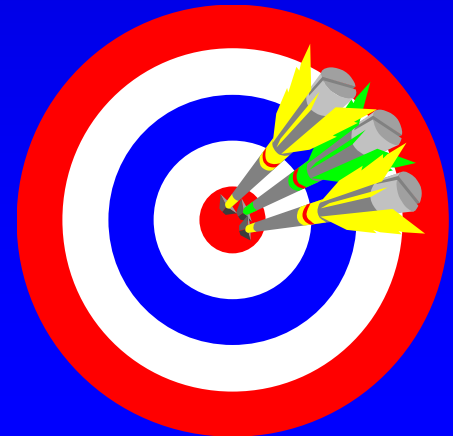
Sourcing

Design



Step 3 - Skills Assessment

- How Many Resources Are in the Organization?
- How Many Degreed Engineers are Available?
- Perform Business Skills Assessment
 - Leadership
 - Technical
 - Problem Solving





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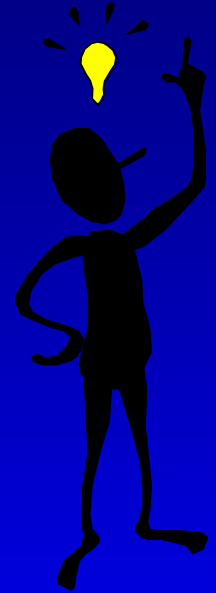
Building Bench Strength - Training





Step 4 - Data Systems

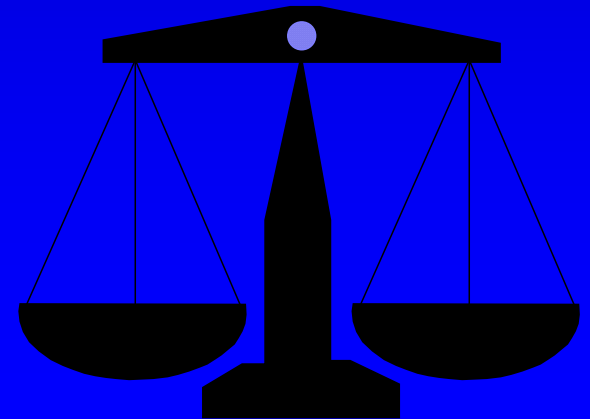
- Financial Measurements
- Quality System
 - Scrap Accuracy
 - Rework Data
 - Control/Disposition Process/Deviation Process
- Manufacturing Data
 - Flow Process Maps & Documentation
 - B.O.M., Drawings, OMS





Step 5 - Resource Support

- Willingness to Spend \$ (If Justified)
- Able to Hire More Resources (If Needed & Justified)
- Should Support Productivity Plan
- Metrics Drive Organization Tie In
 - Sourcing
 - Information Technology
 - Design Engineering
 - H.R.





Plant Score Card

	Leadership	Org Structure	Skill Level	Data Systems	Support	Quality Systems	Delivery	Flow Systems	Capital Equipment	Culture
Plant #1										
Plant #2										
Plant #3										
Plant #4										