Developing Capabilities for Lean Enterprise Change

George Roth
April 24, 2008
Enterprise Change Challenge

• Adapting to ever-changing external environments
• Managing increasing technological complexity
• Coordinating across multiple stakeholders and interfaces
• Working through collaborative networked enterprises

MOVING FROM THE PAST
(vertically integrated) organizations

TOWARDS THE FUTURE
(networked) enterprises
Good Leadership Practices

Survey: Which of the following good leadership practices do you find in your company?

1. becoming an outspoken and charismatic company and industry leader
2. paying-for-performance to ensure results
3. emphasizing good strategy and well articulated long-term plans
4. creating a relentless focus on “what to do” (core competence)
5. using technology to drive change
6. letting your mergers and acquisitions ignite change
7. focusing your mgmt team on managing change, motivating people, and creating alignment
8. using convincing names, tag lines, and launch events for change programs
9. positioning yourself in promising, high-growth industries

What is your organization’s score? _____
Collins’ findings

11 out of 1435 public companies (Abbott, Circuit City, Fannie Mae, Gillette, Kimberly-Clark, Kroger, Nucor, Philip Morris, Pitney Bowes, Walgreens, and Wells Fargo) changed into companies that produced sustained great results:

– Level 5 Leadership
– First Who... Then What
– Confront the Brutal Facts
– The Hedgehog Concept
– A Culture of Discipline
– Technology Accelerators
Multi-organization enterprise form:
  • New organizational forms correlate with high performance

• Enterprises are:
  • Poly-centric
  • Multiple relationships
  • Loosely coupled
Challenges of Enterprise Change

- Different assumptions about organizational context
- Should not assume that we can bootstrap past knowledge
- Need a theory of change built upon premises of working both within and across organizational boundaries
What can we draw upon?

• **Books/documeneted studies**
  - Toyota and “lean” – i.e. *The Machine that Changed the World*, *The Toyota Way*, *Remade in America*, *Collaborative Advantage*
  - Management/leadership – i.e. *Built to Last*, *Good to Great*, *Execution*, *The Leadership Engine*
  - Corporate/leadership – i.e. *Jack, Who Says Elephants Can't Dance?*
  - Strategy/Change – i.e. *The Innovating Organization*, *Leading Change*, *Breaking the Code of Change*, *The Dance of Change*

• **New case studies that develop and test concepts** – successful “lean” change
So, what does it take?

...beyond basics: consistency, people, training & metrics

- **Rethinking organizational boundaries**
  - View own organization with suppliers and customers as a contiguous value stream
  - *extend the domain to include organization’s environment*
An ‘enterprise’ is a set of connected organizations

Small, local businesses

Centralized hierarchical organizations

Complex networked enterprises

Source: Thomas W. Malone, 2001 “Inventing the Organizations of the New Economy”
Enterprise Value Stream

- A portrayal of the relationships of the organization in its external environment and the general ordering of high-level processes across that organizational environment
Enterprise Value Stream
Enterprise thinking

What is outside my organizational (or functional) boundaries is not beyond my influence… or improvement ability!

… rethinking organizational boundaries
Enterprise thinking…
… evolving from lean improvement efforts

Raytheon  Warner Robins ALC  Rockwell Collins  Ariens
Searching under the light
So, what does it take?
...beyond basics: consistency, people, training & metrics

• Installing sets of organizational innovations
  • Complementarities of practices
  • extend the scope to include sets of changes as coherent programs
“Lean” as a system that extends beyond organizational boundaries

MacDuffie (1995):
  • Combination of HR practices (bundles) and flexible production system technology (organizational logic) that explains economic performance
    • Bundles: elements in an internally consistent HR system
    • Organizational logic: combination of use of buffers and work systems for mass, transition, or flexible production systems

MacDuffie & Helper (1998):
  • Honda’s supplier support system (“BP”) at Capitol, Progressive, Tower, Donnelly, SEWS & GTI:
    • Developing lean suppliers to support their lean production system
    • Consistent with internal practices and philosophy
    • Encourage fresh thoughts and engagement
    • Gather data and keep records of production system changes
    • Root cause (5 why’s) method
    • Develop contextual knowledge (“go see”)
    • Smooth flow and eliminate waste
New organizational forms

- The ‘N’ Form or Network Form
- The Horizontal Corporation
- The Boundaryless Organization
- The Cellular Form
- The Federal Form
- The Virtual Organization
- The Learning Organization
- The Web

* Based on work by Andrew Pettigrew, University of Bath

• Overwhelming Finding (1,500 companies)
  – Common direction of change, but from different starting point and some variation in pace across the 3 regions.

• Evidence of parallel organizational change, but little evidence to support the thesis that firms are converging towards:
  • A Single Type, or
  • A Set of Organizational Practices

• Across the 3 regions is greater evidence of boundary and process changes than structure changes in the period 1992-1997.

* Based on work by Andrew Pettigrew, University of Bath
### Systemic change: Europe, Japan and US, 1992-1997

#### The 3 Dimensions

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Europe</th>
<th>Japan</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure (S)</td>
<td>30.3%</td>
<td>6.2%</td>
<td>16.5%</td>
</tr>
<tr>
<td>Processes (P)</td>
<td>74.9%</td>
<td>53.7%</td>
<td>82.3%</td>
</tr>
<tr>
<td>Boundaries (B)</td>
<td>44.9%</td>
<td>30.7%</td>
<td>57.0%</td>
</tr>
</tbody>
</table>

#### The 4 Systems

<table>
<thead>
<tr>
<th>System</th>
<th>Europe</th>
<th>Japan</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>System 1 (S+P+B)</td>
<td>13.0%</td>
<td>1.2%</td>
<td>8.9%</td>
</tr>
<tr>
<td>System 2 (S+P)</td>
<td>25.1%</td>
<td>4.7%</td>
<td>12.7%</td>
</tr>
<tr>
<td>System 3 (P+B)</td>
<td>34.2%</td>
<td>18.7%</td>
<td>46.8%</td>
</tr>
<tr>
<td>System 4 (S+B)</td>
<td>16.4%</td>
<td>1.6%</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

*Very few companies adopting whole system of change*

* Based on work by Andrew Pettigrew, University of Bath*
Systemic change and performance*:
Summary of regression results

<table>
<thead>
<tr>
<th>The 4 Systems</th>
<th>Pooled Sample of Western Firms</th>
<th>UK</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>System 1 (S+P+B)</td>
<td>++</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>System 2 (S+P)</td>
<td>-</td>
<td>--</td>
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<tr>
<td>System 3 (P+B)</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>System 4 (S+B)</td>
<td></td>
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</tr>
</tbody>
</table>

One symbol, + or -, indicates weak positive or negative significance; two symbols, ++ or --, indicate strong positive or negative significance.

- The adoption of a **full set** of changes (System 1) increases the probability of **improving** corporate performance
- The adoption of **partial** systems (System 2 and System 3) is likely to **reduce** performance

*‘High’ performance companies are in upper quartile of sector adjusted Return on Capital Employed*
Strategic complementarities

“Doing more of one thing increases the returns of doing more of another”

Milgrom and Roberts, 1995

• Investing in one practice makes more profitable investing in another, setting off a potential virtual circle of high performance

The Positive Proposition:
• Changing only a few of the system elements at a time may not come close at all to achieving all the benefits that are available through a fully co-ordinated move

The Negative Proposition:
• Partial moves may drive down performance

Competitive Advantage Grows Out of a System of Activities as a Whole

* Based on work by Andrew Pettigrew, University of Bath
Two big issues for leadership in complementary change

Complementarities Traps

- incremental change might lead to sub-optimal performance
- some performance improvement could result in being trapped in a sub-optimal success recipe
- changing external and internal contexts of firm requires keeping the “virtuous circle of change turning”

J – curve: things may get worse before they get better…

- BP: Walters → Horton → Simon → Browne
- Need for strong leaders to endure transition

* Based on work by Andrew Pettigrew, University of Bath
### Rockwell Collins Lean Enterprise Change Timeline

**Firm Accomplishments and Results**

- **Industry Week** names Coralville named one of the top 10 plants

**Timeline**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>Rockwell sells other defense businesses to Boeing</td>
</tr>
<tr>
<td>1997</td>
<td>Merger of commercial &amp; government business</td>
</tr>
<tr>
<td></td>
<td>Jack Cosgrove named President</td>
</tr>
<tr>
<td></td>
<td>Cross functional teams that later become shared services started</td>
</tr>
<tr>
<td>1998</td>
<td>Lean consultants involved</td>
</tr>
<tr>
<td></td>
<td>Hughes Avicom acquired</td>
</tr>
<tr>
<td></td>
<td>Exited two non-electronics businesses</td>
</tr>
<tr>
<td></td>
<td>Rockwell Collins leadership visits Boeing</td>
</tr>
<tr>
<td></td>
<td>Clay Jones succeeds Jack Cosgrove</td>
</tr>
<tr>
<td></td>
<td>Lean Electronics Initiative begins</td>
</tr>
<tr>
<td>1999</td>
<td>Leadership Team offsite – “creating something special?”</td>
</tr>
<tr>
<td></td>
<td>Flight Dynamics acquired</td>
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<tr>
<td></td>
<td>First SAP ERP “go live”</td>
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<tr>
<td></td>
<td>Intrarade acquired</td>
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<tr>
<td></td>
<td>Core Process Optimization begins</td>
</tr>
<tr>
<td></td>
<td>• S&amp;FP, POC, D&amp;D, Build, S&amp;S</td>
</tr>
<tr>
<td></td>
<td>Kaiser Aerospace &amp; Electronics acquired</td>
</tr>
<tr>
<td>2000</td>
<td>December</td>
</tr>
<tr>
<td></td>
<td>Sales $2.5b, Net $262m, EPS $1.38</td>
</tr>
<tr>
<td>2001</td>
<td>Share Price = $26</td>
</tr>
<tr>
<td></td>
<td>June</td>
</tr>
<tr>
<td></td>
<td>Share Price = $14</td>
</tr>
<tr>
<td></td>
<td>September</td>
</tr>
<tr>
<td></td>
<td>Sales $2.8b, Net $139m</td>
</tr>
<tr>
<td></td>
<td>2002</td>
</tr>
<tr>
<td></td>
<td>March</td>
</tr>
<tr>
<td></td>
<td>May</td>
</tr>
<tr>
<td></td>
<td>Share Price = $28</td>
</tr>
<tr>
<td></td>
<td>June</td>
</tr>
<tr>
<td></td>
<td>September</td>
</tr>
<tr>
<td></td>
<td>JTRS Cluster 1 award</td>
</tr>
<tr>
<td></td>
<td>ISO 14001 certification</td>
</tr>
<tr>
<td></td>
<td>NEPT and EPA environmental</td>
</tr>
</tbody>
</table>

**Management Initiatives, Change Efforts, and Significant Events**

- Spin-off of Rockwell Collins as independent company |
- Value Stream Mapping & scorecard begins |
- Reduce headcount by 15% after 9/11 |
- Lean Electronics in 80% of businesses |
- CMMI Level 3 Certification |
- Communication Solutions acquired |
- Comm and Gov’t Leadership changes |
- “Renewal” of Rockwell Collins Vision, Lean Roadmap and Enterprise Scorecard |
- Clay Jones becomes Chairman & CEO |
- Airshow acquired |
- Advanced ERP nearly completed; “Virtual...”
We need a system that
• extends beyond our own organization (i.e. suppliers, partners, and customers) and
• manages improvement and change as a set across our structure, processes, and boundaries

So… how do companies manage change, and what is unique in an enterprise context?
Approaches to organizational change

Lewin’s Change Model

Unfreezing

Inquire into Best Practices

Discover Themes

Envision a Preferred Future

Design and Deliver Ways to Create the Future

Movement

Positive Model

Initiate the Inquiry

General Change Model

Entering and Contracting

Diagnosing

Planning and Implementing Change

Evaluating and Institutionalizing Change

Refreezing

Envisioning

Data gathering after action

Data gathering & preliminary diagnosis

Joint diagnosis

Joint action planning

Action

Feedback to Client

Consultation with a behavioral scientist

Problem Identification

Action Research Model

web.mit.edu/lean

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Effective Change involves eight sequential steps

1. Establishing a Sense of Urgency
2. Creating a Guiding Coalition
3. Developing a Vision & Strategy
4. Communicating the Change Vision
5. Empowering Broad-based Action
6. Generating Short-term Wins
7. Consolidating Gains & Producing More Change
8. Anchoring New Approaches in Culture
So, what does it take?

…beyond basics: consistency, people, training & metrics

**Pushing and pulling change**

- Set in place the structure and process that enables virtuous learning and change
- *extend the tools to integrate the divergent change approaches*
What kind of change process?


HBS Research Grant: conference in summer of 1998: 50 academics and 25 consultants and 6 CEOs, debating the different perspectives on change.

*comparative cases: Scott Paper, Champion Paper, Asda, GE*

Two dramatically different assumptions about the purpose for, and means of, organizational change emerged:

- **Theory E** – based on Economic Value
  - Goals: Maximize value
  - Leadership: Top down
  - Focus: Structure and systems
  - Process: Programmatic
  - Reward system: Financial incentives lead
  - Use of consultants: Expert consultants analyze problems and shape solutions

- **Theory O** – based on Organizational Capability
  - Goals: Develop capabilities
  - Leadership: Bottom up
  - Focus: Corporate culture
  - Process: Emergent
  - Reward system: Commitment leads and incentives lag
  - Use of consultants: Consultants support process to shape own solutions
What kind of change process?

Theories **E** and **O** approach the problem of organizational change from two different, but equally legitimate perspectives....

*neither achieves all the objectives of management in most cases!*

<table>
<thead>
<tr>
<th>Dimensions of Change</th>
<th>Theory OE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goals</td>
<td>Embrace paradox between value and organizational capability</td>
</tr>
<tr>
<td>Leadership</td>
<td>Set direction from top and engage people from below</td>
</tr>
<tr>
<td>Focus</td>
<td>Focus simultaneously on hard and soft</td>
</tr>
<tr>
<td>Process</td>
<td><em>Plan</em> for spontaneity</td>
</tr>
<tr>
<td>Reward system</td>
<td>Incentives reinforce but do not drive change</td>
</tr>
<tr>
<td>Use of consultants</td>
<td>Consultants are expert resources who empower employees</td>
</tr>
</tbody>
</table>

*We need to be **both** “pushing” (**E**) and “pulling” (**O**) change!*
Frameworks for Lean Transformation: TTL

Strategic/Episodic Learning & Change

Long Term Cycle

Entry/Re-entry Cycle

Focus on the Value Stream

Initial Lean Vision

Develop Lean Structure & Behavior

Detailed Lean Vision

Short Term Cycle

Environmental Corrective Action Indicators

Detailed Corrective Action Indicators

Create & Refine Transformation Plan

Outcomes on Enterprise Metrics

Implement Lean Initiatives

Enterprise Level Transformation Plan

Challenge of understanding, enabling & managing flow-down and feed-back

Continuous/Process Learning & Change

Decision to Pursue Enterprise Transformation

Adopt Lean Paradigm

Enter Strategic Planning

TTL

Strategic/Episodic Learning & Change

Continuous/Process Learning & Change

Freestanding Learning & Change
Balancing Push & Pull Change: 
Using Force Field Analysis

Social systems exist in a state of homeostasis - the ability or tendency of an organism to maintain equilibrium and hold to the status quo.

Change in the system comes from:
- Increasing enabling forces
- Relaxing inhibiting forces

Lean Tools & Principles:
- We are all part of the same value stream and each only as good as our customers & suppliers
So, what does it take?
…beyond basics: consistency, people, training & metrics

• Seeking growth opportunities
  • Project positive vision for continual renewal
  • extend the strategy to build in growth and development
Growth orientation

We repeatedly find that:

• Team and organizational development will get people engaged and committed to improvement efforts
• People committed to improvements efforts can produce dramatic results
• Resources and opportunities to are needed to continue to vitalize development (feed growth)
Growth orientation

How do you balance **pull change** (continuous improvement, organizational capabilities, or theory **O**) and **push change** (strategic direction, economic value, or theory **E**)?

- It is easier to align economic value creation and organizational capability development when there are growth opportunities.
Growth orientation

Plan Targets

- Annual sales growth of 10%
- Earning per share at 13-15%
- Return on invested capital at 20-25%

Growth Drivers

- Alliances & Acquisitions: 1-2%
- Expansion & New Growth: 3-4%
- Lean ElectronicsSM: 5-6%

Figure 11. Rockwell Collins’ Financial Targets and Growth Drivers
Growth orientation

- Warner Robins ALC

Zero Sum Game
(Competition-based focus on splitting the pie)

BRAC 2005 Closure and Realignment Impacts by State
Growth orientation

Initial CHALLENGE: 0 – 100 per mo. in 10 weeks

100 to 250 per month in three months with Lean Line
Lean Timeline at LEAD

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 July 2002</td>
<td>Col. Guinn joins as Commander LEAD</td>
</tr>
<tr>
<td>October 2002</td>
<td>Lean launched at LEAD on Patriot RECAP program*</td>
</tr>
<tr>
<td>Feb-Oct 2003</td>
<td>Lean launched on 3 other Patriot programs</td>
</tr>
<tr>
<td>September 2003</td>
<td>$1.3 million refunds to Patriot RECAP program</td>
</tr>
<tr>
<td>February 2004</td>
<td>$0.99 million refund check on SOCOM GMVs</td>
</tr>
<tr>
<td>August 2004</td>
<td>$2.5 million total in refunds to Patriot &amp; Avenger Reset programs</td>
</tr>
<tr>
<td>March 2005</td>
<td>Lean launched on HMMMV RECAP program</td>
</tr>
<tr>
<td>May 2005</td>
<td>HMMMV flow line operational</td>
</tr>
<tr>
<td>30 August 2005</td>
<td>Col. Guinn succeeded by Col. Swenson</td>
</tr>
</tbody>
</table>

*RECAP: Remanufacturing, Evaluation, and Configuration Support
Lean Savings = “Refunds” to Customers

- Lean reduces Utilized Labor expenses below their fixed-price allocations.
- Depot offers through MIPR* to perform Additional Work during current FY, at no added cost to Customer, which endorses and hands back its “refund check”.
- Additional work adds current FY labor demand and reduces its excess NOR.

Lean Savings Returned to Customers = $5.8M
LEAD has changed the business by giving money back!
So, what does it take?

...beyond basics: consistency, people, training & metrics

- **Distributing leadership practices**
  - Recognizing interdependent roles in a system of leadership
  - *extend the leadership to all levels of the enterprise*
Leadership Begins at Home

“Leadership is about capturing the imagination and enthusiasm of your people and turning that energy into action.”

“Make that action impress and astound your customers.”

Daniel Ariens
What did it result in?
Leadership Must Motivate Change

Is This Enough Motivation?

USA - $31.47/Internal

China - $19.30 + Freight

APS/Lean - $15.72
One Piece Flow Cell
Leadership for Learning & Change

Applying learning disciplines...

...is leadership in learning organizations different from the leadership needed in organizations with other goals?

Building an Ecology of Leadership

*What do we mean by leadership?*

CEO who drives change

*vs.*

Human community capable of shaping its future

*(The Dance of Change*, 1999)
Fundamental Issues

... paradox of the system... activities...are rigidly scripted, yet at the same time operations are enormously flexible and adaptive.

... activities and processes are constantly being challenged and pushed to a higher level of performance, enabling the company to continually innovate and improve.

... observers confuse the tools and practices ... with the system itself.
“Lean” cultural assumptions: 
4 Rules at Toyota

**Rule 1:** All work shall be highly specified as to content, sequence, timing and outcome

**Rule 2:** Every customer-supplier connection must be direct, and there must be an unambiguous yes-or-no way to send requests and receive responses.

**Rule 3:** The pathway for every product and service must be simple and direct

**Rule 4:** Any improvement must be made in accordance with the scientific method, under the guidance of a teacher, at the lowest possible level in the organization

Source: “Decoding the DNA of the Toyota Production System” Spear & Bowen, HBR 99
What is the “lean” culture?

A culture is a set of basic tacit assumptions about how the world is and ought to be that is shared by a set of people and determines their perceptions, thoughts, feelings and behavior.

Culture manifests itself at three levels:
- the level of the deep tacit assumptions that are the essence of the culture,
- the level of espoused values which often reflect what a group wishes to be ideally and
- the way it wants to present itself publicly, and the day to day behavior
Organizational Culture Model

"occupational communities" generate cultures that cut across organizations

**Artifacts**
- stories people tell
- visible organizational behavior, processes and structure
- (hard to decipher)

**Values**
- strategies, goals, philosophies
- (espoused beliefs and justifications)

**Basic Assumptions**
- unconscious beliefs, habits, perceptions, thoughts, and feelings
- (ultimate source of values and actions)

**Operator sub-culture**

**Engineering sub-culture**

**Executive sub-culture**

"occupational communities" generate cultures that cut across organizations
Approaches to Managing Organizational Effectiveness

<table>
<thead>
<tr>
<th>Approach</th>
<th>Description</th>
<th>Goals to Set to Measure Effectiveness</th>
</tr>
</thead>
</table>
| External resource approach    | Evaluates the organization's ability to secure, manage, and control scarce and valued skills and resources | • Lower costs of inputs  
• Obtain high-quality inputs of raw materials and employees  
• Increase market share  
• Increase stock price  
• Gain support of stakeholders such as government or environmentalists  
• Cut decision-making time  
• Increase rate of product innovation  
• Increase coordination and motivation of employees  
• Reduce conflict  
• Reduce time to market |
| Internal systems approach     | Evaluates the organization's ability to be innovative and function quickly and responsively | • Cut decision-making time  
• Reduce innovation  
• Increase quality of output  
• Reduce conflict  
• Reduce time to market |
| Technical approach            | Evaluates the ability to convert skills and resources efficiently into goods and services | • Increase product quality  
• Reduce number of defects  
• Reduce production costs  
• Improve customer service  
• Reduce delivery time to customer |

from *Organizational Theory* by Gareth Jones, 1997
Leadership for learning

Premise 4: Successful change from learning requires at least three forms of leadership.

- Executive leaders - defining the organizational environment, offering permission, protection, evaluation, and context.
- Local line leaders - developing changes in ways that produce results, galvanizing activity around a project, and managing accountability.
- Internal networkers - building community and diffusing experience, making sure that the line leaders do not act alone.

...all are needed in order to initiate and sustain deep change
### Approaches to Managing Organizational Effectiveness

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• Reduce number of defects  
• Reduce production costs  
• Improve customer service  
• Reduce delivery time to customer |
| **Technical approach**         | Evaluates the organization's ability to be innovative and function quickly and responsively | • Build teams and improve morale  
• Reduce conflict  
• Increase time to market |

*From* Organizational Theory by Gareth Jones, 1997

---

**Lean, 6σ, re-engineering**

- Evaluates the organization's ability to convert resources into goods and services efficiently
- Goals: Reduce costs, improve customer service, develop alignment without hierarchical authority, develop communities, crossing occupational communities, cross hierarchical authority

---

**Network leadership**

- Crosses the organization's ability to be innovative and function quickly and responsively
Distributed Leadership: Countervailing directions for leaders implies a system of leadership with distinct roles

**Executive leadership** to design and implement complementary sets of innovations
- Top-down, planned change (Theory E) to drive economic value
- Set market strategy and financial targets
- Arrange position within value stream
- Make needed systems and structural

**Local leadership** empowered to continuous improvements
- Bottom-up change and development of capabilities (Theory O)
- Create culture of learning and commitment to continual improvement
- Evolve efforts based on past success and insight into new opportunities

**Middle leadership** to implement changes and encourage innovation
- Follow direction from top and engage people from below (Theory OE)
- Mentoring and coaching local leaders with directions from executive leaders
- Prophesize future opportunities and provide feedback on current realities

**Network leadership** to connect resources with opportunities
- Working across executive, local and middle leadership levels, creating communities
- Developing, testing and refining shared vision and alignment of efforts
- Finding needed resources inside and outside of organization

http://lean.mit.edu
Distributing Leadership

Who are your leaders?
What tools and methods do they use?
How are they empowered?
How do they facilitate learning and change?

Executive Leaders  Line Leaders
Middle Management

Network Leaders

How are leaders aligned and their efforts integrated?
Successful Enterprise Change

The system of change ~ leads to a ~ lean enterprise system

- Rethinking boundaries
- Installing innovation sets
- Pulling & pushing change
- Seeking growth
- Distributing leadership
Implications for Executive Leadership:

Architecting an enterprise through a change system
• Strong, competent, and enduring leadership at all levels
• Bridging occupational communities to foster learning
• Managing the contention in roles of executive, local, middle and network leaders

Improving, learning and changing their organization and enterprise through these five capabilities:
• Enterprise thinking
• Complementary approaches
• Pulling of change
• Growth orientation
• Distributed leadership

Sharing authority by establishing principles and modeling practices that executives adhere to and expect from all other leaders
Questions?

Discussion