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Conflict

Is The **Root** of All

WASTE

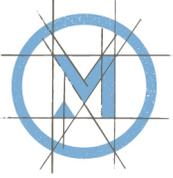
Why CI Doesn't Stick



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Behavior, Not Just Process

Since launching Macresco in 2001, operations strategy and Continuous Improvement Methodology (Lean and Six Sigma) have played a role in nearly every single one of our client engagements. Our practice has had thousands of opportunities to address, plan for and apply CI in a variety of environments and across a range of industries. Time and again we've seen that:

Behavior, not just process is to blame for performance pain.

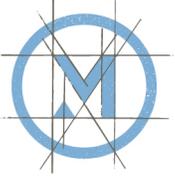
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Lean implementations that fail to achieve their objectives or sustain performance gains are absent behavior intervention.

In our experience the high failure rate of Lean implementations has everything to do with:

| | | | | |
|---|---|---|--|--|
| 1 Limited understanding of the impact change will have on the organization and its employees | 2 Misdiagnosis of the true origins of operational pain | 3 Lean interventions that ignore the more difficult change lever: employee mindset | 4 Not including employees in the development of the change | 5 Not preparing people for change in a meaningful way |
| 6 Leadership's misguided view of employees' role in poor performance | 7 Lack of leadership accountability for inconsistent sponsorship | 8 Governance based on business outcomes versus behavior change | 9 Unrealistic expectations of <i>what it takes</i> to cultivate CI culture. | 10 Unrealistic expectations of <i>how long it takes</i> to cultivate a CI culture |

Beyond addressing surface level operations issues, tools, processes and business outcomes, facilitating effective change requires taking into account a broader view of Lean's value and implications as well as the circumstances that affect its staying power.



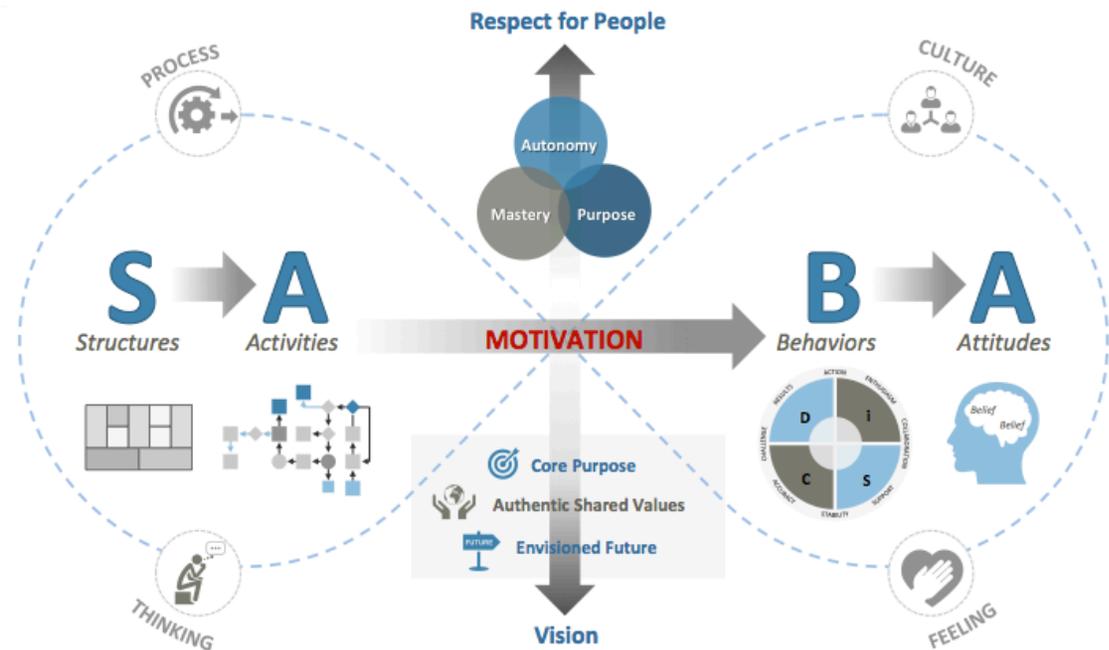
You Can't Create Change In a Vacuum

When considering change, organizations should consider the health of the organizational dynamic. This graphic is how we see it - we call it SABA.

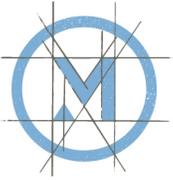
Organizations often seek to improve performance by changing structures and/ or activities ignoring or unaware of the impact this change will have on the rest of the elements in play.

Changing any one component of SABA, however, creates change elsewhere in the model - regardless of whether or not that was the intention.

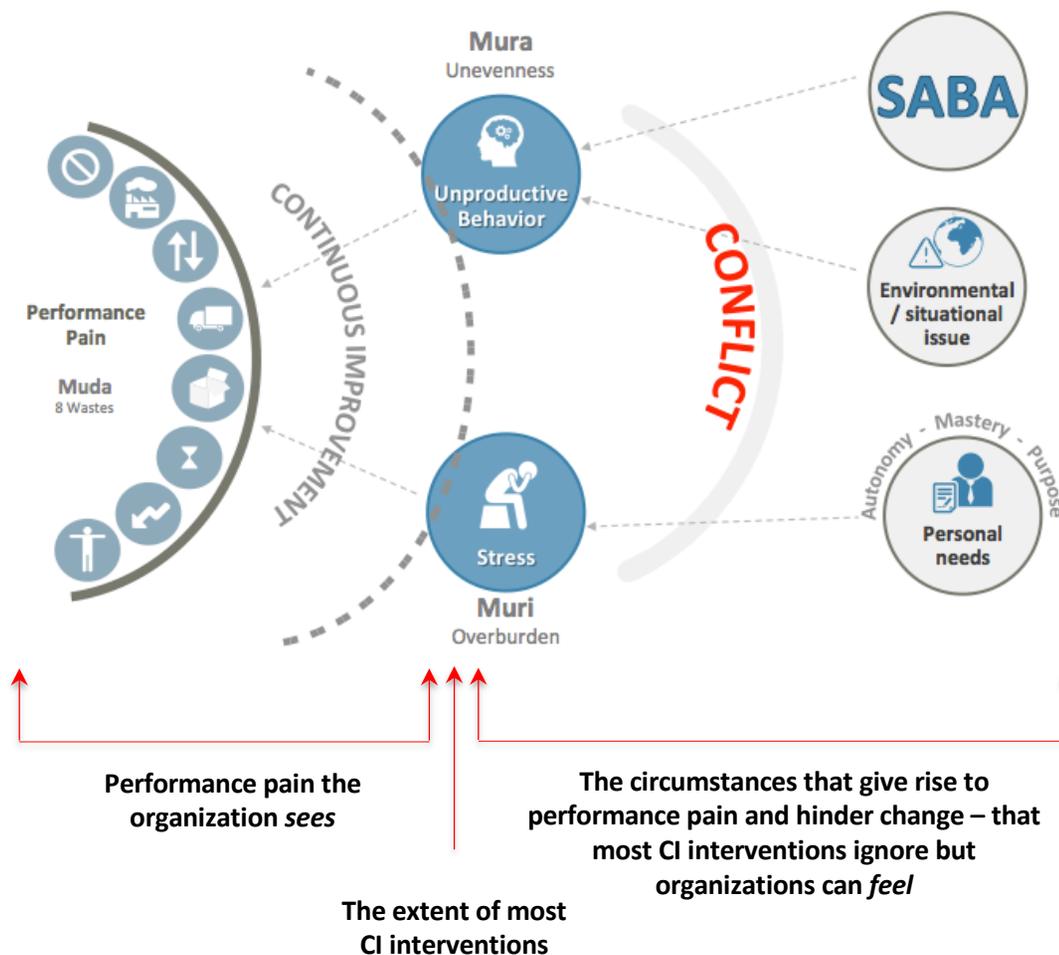
Whether or not those changes are positive or negative, painless or painful and short term or lasting, have to do with the change in question, the manner in which it is implemented and the structures and activities, behaviors and attitudes that define the organization - and inadvertently serve as the guardrails for their change initiatives.



SABA: The relationship between an organization's prevailing Structures and Activities and accepted Behaviors and Attitudes.



Surface Pain Is Only Half Of The Story



Your review of the organizational dynamic will likely expose some problem areas: Territorial managers, compliance issues, productivity delays, morale deficits, and communication issues among other red flags.

Our experience tells us that at the root of these issues is some sort of conflict an employee has with SABA, the working environment or with his or her needs not being met.

This conflict not only negatively impacts organizational culture but is also at the root of the waste organizations recognize as performance pain.

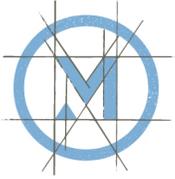
Before diving into a Continuous Improvement effort, its important to investigate the cultural roots of at least some of the organization's more acute / higher profile pain points.

You'll gain critical insight into what implementation will need to be sensitive to, focus on and how to mitigate these conflicts so that they don't continue to hinder the organization moving forward.

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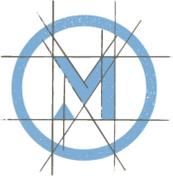
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Conflict Is The Root Of All Waste

To help organizations derive more value from their CI efforts and begin the mindset shift that is necessary to pursue improvement efforts in a people centric manner, Macresco developed the following workshop to introduce the organization to a behavior driven CI approach that unlike traditional efforts, begins by looking inward.



Conflict Is The Root Of All Waste Workshop

When companies tackle CI, they typically do so with the *physical* implications of waste in mind: Inventory, space, materials, time and human capital. But an insidious waste undermines value even more significantly and pervasively: *Unresolved conflict*.

Where there is conflict, there is unproductive behavior. Behavior - not just process - is to blame for loss of productivity yet it isn't typically addressed in most CI plans.

To *truly* implement change, Lean leaders must learn to identify and address the emotional “muda” that bottlenecks progress and often manifests as:



- Territorial managers
- Persistent struggle between departments
- Low morale / pent up anger
- Failure to use / learn new systems
- Failure to progress w/performance goals / resistance
- Defective product or a break down in service
- Unhappy customers
- Margin erosion

WORKSHOP OVERVIEW

Designed for operations leadership and CI executives, this one-day workshop walks participants through the rarely discussed and even more rarely addressed *people* side of Lean implementation.

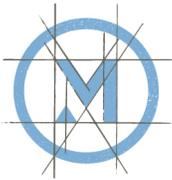
Conflict At The Organizational Level

- **Ultimate root cause analysis:** Learn to identify and overcome the common sources of stress, anxiety and miscommunication that underpin most CI efforts.
- **Leadership style review:** What do your behavioral tendencies say about the role you play in creating or quelling conflict. How do you respond to peers, supervisors or direct reports in conflict?
- **Discovery of accidental stressors:** Determine if your company's Structures and Activities help to create or enable negative Behavior and Attitudes (SABA). Do unclear goals, misguided KPI's or unrealistic expectations inadvertently lead to the conflict that weakens improvement efforts?

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Conflict Is The Root Of All Waste Workshop- cont'd

Participants will also learn:

- How most organizations misinterpret the “Respect For People” side of the Lean equation.
- What organizational values have to do with Lean.
- How to sustain lean investment and performance gains through a more balanced, engaged and high performing team.

Conflict At The Individual Level

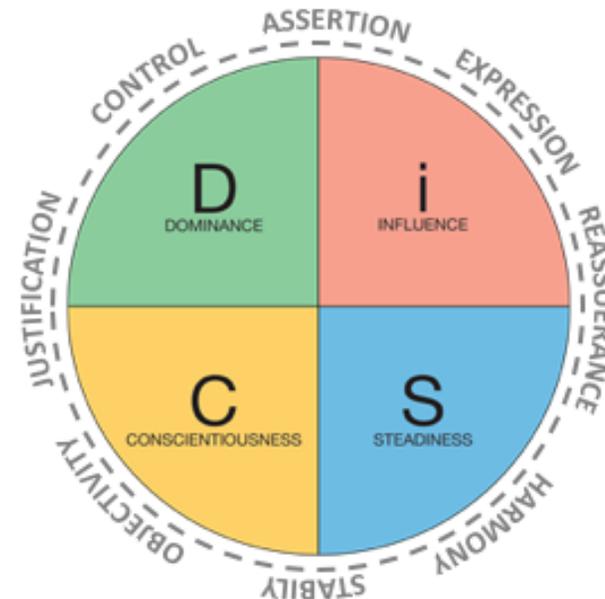
In addition to learning to see conflict in an organizational context, participants will also be looking at and reflecting on their own behaviors. To help participants fully embrace how their own behaviors can impact the outcomes of conversations and interactions as well as the adoption of change efforts, an in depth look at a personal conflict will be also be explored in an interactive format:

KEY TOPICS OF DISCUSSION

Who You Are in Conflict: Given the focus on behavior during this workshop, a central component of the content is a DiSC conflict assessment that measures each participant’s tendency to behave in Dominant, Influential, Steadfast and Conscientious ways when in conflict.

Making it Personal: Participants will be asked to recall a conflict in which the result didn’t go as well as they would have liked. We will use this conflict to explore their personal conflict style as well as create strategies to improve their skills and communication methods.

Exploring Behaviors: Participants will explore conflict triggers and their reactions to better understand how to manage and control the negative responses that may exacerbate a trigger in someone else.



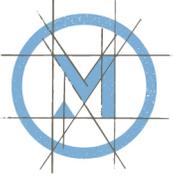
Exploring the Conflict Mindset: Participants will explore the automatic thought and the mindset that undermines productive conflict and develop strategies to overcome the unintended consequences of the automatic thoughts.

Call to Action: With a better understanding of their behavioral tendencies, how they are triggered in conflict, the automatic thoughts that undermine engagement, Participants will be invited to develop strategies that will improve their conflict to be more productive.

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Pricing

OPTION ONE

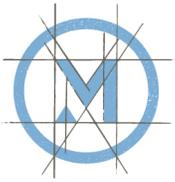
One day workshop that covers the key concepts of “Conflict is the Root of All Waste” and a personalize conflict assessment report for up to 20 participants. Each additional participant is at a rate of \$100.

Workshop cost: **\$7,000** plus travel related expenses

OPTION TWO

Two day workshop that covers the key concepts of “Conflict is the Root of All Waste” and a personalize conflict assessment report for up to 20 participants. Each additional participant is at a rate of \$100. Over the course of the two days we will cover the key concepts in greater detail, provide the participants more time to work through their personal conflict details to better uncover the reason the conflict wasn’t productive. Additional simulations and role plays are included in the two day session to enhance the learning objectives.

Workshop cost: **\$9,000** plus travel related expenses



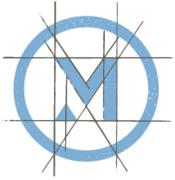
About Us

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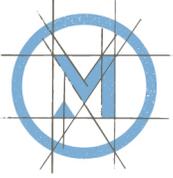
Macresco is a management-consulting firm dedicated to helping organizations achieve *transformative* results.

We believe in the radical possibility of workplaces that are both **high performing AND humanistic** as well as the profound impact employee engagement has on performance.

It is this employee centric approach to driving performance that sets us apart. In our experience, structural change alone is not enough to achieve success. A focus on organizational culture is ultimately what drives and sustains profitability.

Thousands of client engagements have proven that affecting and sustaining meaningful change requires exploring **the context in which challenges arise**. As such, our practice enables a holistic approach to enterprise excellence through intervention across three core service pillars - Strategy, Operations and Organizational Development - and considers the entire performance equation.

Whether small or sweeping change is in order, our efforts are guided by Continuous Improvement expertise and an acute awareness of the influence mindsets and behaviors have on culture and performance.



Change Team

Macresco is staffed by senior professionals only – there are no junior consultants in our midst. Because of this you can be assured that our guidance and recommendations are borne from years of real world experience and more importantly, success.



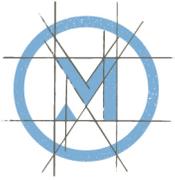
SCOTT GAUVIN | CEO

Scott is a seasoned change agent with over 25 years experience successfully helping organizations realize their potential. Throughout his career, Scott's focus has been on driving performance gains through organizational alignment and a progressive approach to operations strategy. He has advised companies the world over and across a wide range of industries including pharmaceuticals, biotech, consumer goods, medical devices, agriculture, packaging, legal service, banking, food processing and industrial manufacturing.

In addition to driving the growth of Macresco's consultancy practice, Scott counsels client organizations in transition and is most often involved in strategic endeavors that include assessing and improving upon company capabilities and capacity for change as well as innovating underperforming business models to improve market opportunity.

Prior to launching Macresco, Scott was a business management consultant and began his career in the tech space specializing in systems design and architecture.

He holds a BA from the University of Massachusetts, an MBA from Boston University and is a Six Sigma Black Belt. Scott is also a frequent speaker and has presented for the American Society of Quality, The Shingo Conference, The Association for Manufacturing Excellence, Fabtech, Vistage Boston University School of Management and California Polytechnic San Luis Obispo among others.

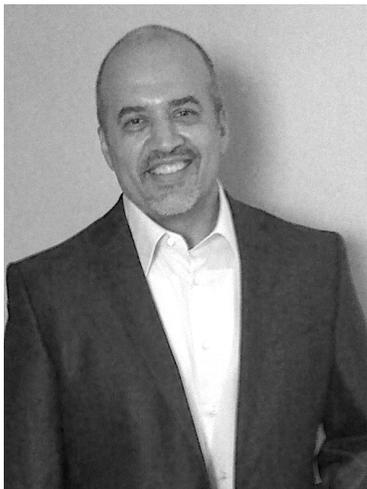
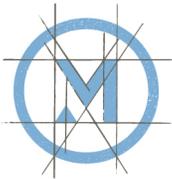


JUDITH MENDOZA | Change and Communications Strategy

Judith is a strategy and communications leader with an intuitive ability to understand and speak to the needs of an organization's most important audiences. Equally at home in startup environments or large enterprise cultures she has over 20 years experience engaging employees, customers and consumers both locally or globally. A multilingual and bicultural storyteller, her strengths include strategy, branding and messaging with a focus on driving change and improving business outcomes.

Her client facing work with Macresco centers around advising executive leadership on the market relevance of their business model, the strength of their go to marketing strategy and effectiveness of their branding and engagement efforts. She also supports client endeavors through the development of insight driven calls to action: From campaigns that cultivate community and change hearts and minds to initiatives that amplify external demand and spur internal performance.

Prior to joining Macresco, Judith was the Director of Brand Strategy at global experience marketing agency, GPJ. She studied Advertising and Communications at Boston University.



ERNIE AHUMADA | Change Leader

Ernie is a versatile operations and manufacturing executive with over 35 years experience leading Continuous Improvement initiatives across Fortune 100 companies. With a focus on developing operational and workforce capability, he supports clients' efforts to transform performance via step-change improvement - be it for a stand alone facility or multinational end to end endeavor.

Prior to joining Macresco, Ernie ran global Lean efforts for two of the world's leading organizations in consumer packaged goods. His efforts at these companies hinged on leveraging operations excellence as a competitive advantage. To that end, Ernie's tenure in the CPG environment forged his ability to tame complexity as well as the discipline to consistently and effectively execute in the name of operational turn arounds in particular.

Ernie holds a BS in Civil Engineering from the University of California, Berkeley. He is a Six Sigma Green Belt and is certified to train, coach and facilitate inter-personal topics related to technical management, personnel management and strategy development.



JOE BAZZINOTTI | Change Leader

Joe has been driving operations innovation for over 25 years. An expert Lean and Six Sigma practitioner, he has held executive positions across a variety of organizations supporting companies and improvement efforts in the US and across China, Mexico, Germany, France, Scotland, Sweden and Spain.

Most recently Joe was President and CEO for American Dryer Corporation, a commercial laundry equipment manufacturer based in Massachusetts. During his tenure at ADC, Joe took the 45 year old capital equipment manufacturer from a negative operating profit to record sales and profits and improved EBITDA through sales growth, consolidation, cost controls and margin focus.

Prior to this Joe was the General Manager of the Foxboro Company, an Invensys subsidiary where he successfully implemented Continuous Improvement to significantly up level performance for the \$170 million manufacturing operation.

Before Joining Invensys, Joe was a Lean Manufacturing consultant with Synergetics Worldwide implementing Lean systems for a global clientele that included companies such as Haemonetics, Ford and GM.

He holds an MBA from Suffolk University and is a Six Sigma Black Belt.