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Barry Owens took over as Business Leader at DuPont upon the retirement his predecessor. He decided to achieve DuPont's aggressive goals using Rummler-Brache Group's methodology.

Rich Deegan, Product Manager, served as the internal facilitator during the initial stages of the implementation. The following interview describes their experience in applying the Rummler-Brache approach.

BRACHE: What was the business need that triggered your change effort?

OWENS: There were two triggers. First of all, *Teflon Finishes* could no longer operate as a "mind-sized" business. By "mind-sized," I mean small enough that it could be run from the head of a single individual. Secondly, our financials were sound, but we saw an opportunity for more rapid, entrepreneurial growth. However, our infrastructure couldn't support our target, which was to triple our revenues without an equivalent increase in cost. We knew that achieving our goals meant introducing 6-12 times more products than we had in the recent past. We needed a tool to help us profitably implement this ambitious growth strategy.

BRACHE: Why was the Rummler-Brache methodology selected to address the need?

OWENS: We needed to integrate all of our activities across our regions and functions. We had an excellent kit of strategy tools, quality tools, reengineering tools, product development tools and manufacturing tools, but none had the breadth we needed to transform the business. I wanted to put all of our activities on a critical path and "manage by process." This methodology encompassed the "big picture" and directly addressed our primary need, to design and integrate the key processes that would support our growth.

DEEGAN: We also saw it as a tool that could help us integrate our improvement activities.

BRACHE: How would you define RBG's methodology?

OWENS: I can't define it in a few words. It's a methodology for running a business the same way operations people run a plant. Very few manufacturing facilities operate without processes or diagrams; however,

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many large businesses do. As such, we are using Rummler-Brache to help empower the total organization by allowing the people that do the work to design the most efficient steps to accomplish their tasks. This is diagrammed and communicated to everyone so that globally we are all working together and systemically. This formal, traceable, manageable blueprint not only improves our overall productivity, but also is modified as the competitive and external environment changes.

DEEGAN: I describe the Rummler-Brache methodology as a way of eliminating conflicting goals and other hindrances by focusing on the most important business objectives.

BRACHE: What are the primary components of the RBG approach?

OWENS: It helps us dissect our activities and assess their health. It employs the classic scientific method: analyze—determine route cause—design solution— implement—measure results—recycle.

It creates blueprints of how work is currently done and new blueprints for how work should get done.

It develops an instrument panel with appropriate performance measures.

It provides forums in which managers and individual contributors jointly analyze and redesign processes.

It enables people at all levels to see the need for change and therefore be motivated to change.

Its activity-based costing component provides a stronger financial basis for decisions than standard accounting information.

It forces continuous self-assessment.

DEEGAN: It also formally links planning and managing activities for all key processes.

BRACHE: How does the methodology, which clearly has a process focus, differ from process improvement?

OWENS: Process improvement looks at a single process. Rummler-Brache's methodology looks at all processes and how they link together.

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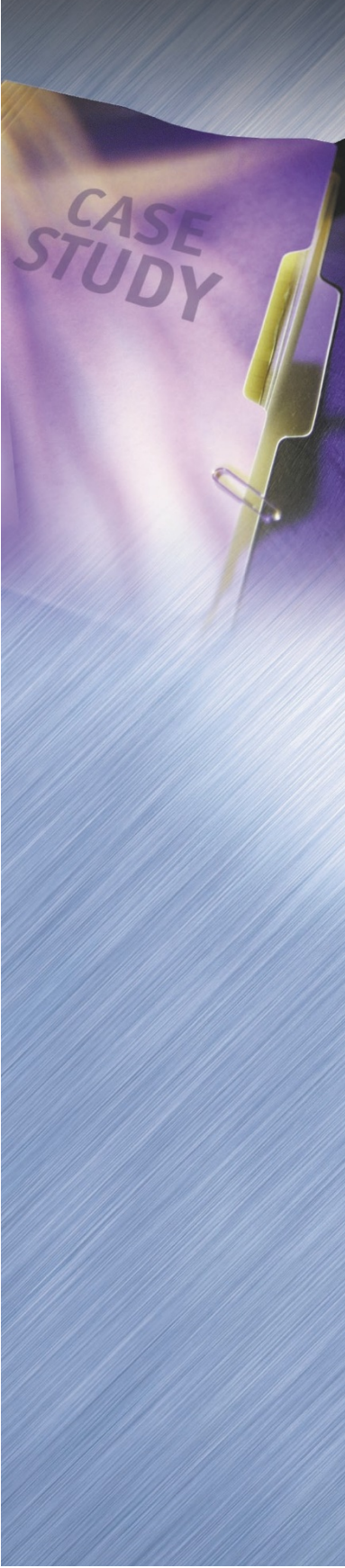


BRACHE: What has changed as you've implemented the methodology?

OWENS: During our strategy work, we concluded that we needed to change our priorities and to segment our business differently. Unfortunately, existing measurement data was in a format that prevented us from extracting information on the financial and non-financial performance of our new segments. Using this methodology, we designed a measurement system that surfaces the performance information that we need to monitor the implementation of our strategy. Based on this new information, we allocate resources differently, solve problems differently, make decisions differently, and plan differently.

- The culture changes. People expect more of others and of themselves.
- People understand how work gets done and are interested in doing it better.
- We identified eight of our forty-three processes as having the greatest impact on growth and have focused our improvement efforts on those eight.
- We now focus on leading indicators as well as financial and other lagging indicators.
- We have taken broad financial and non-financial metrics, linked them, and taken them down to individual work activities. We understand the direct connection between process excellence and financial results. We can trace return on net assets or shareholder value-added clear down through the processes to the job performer level.
- There's true empowerment because leadership is forced to share knowledge and to hand off responsibility.
- Skills and structure have changed to support processes.
- We are more sensitized to the influence of external forces.
- The management team now realizes that managers exist to support work. We're here to improve processes, not to boss people around.

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- We have integrated a complex, multi-national business. We now have a template for global management within which we can make segment-specific improvements.

DEEGAN: We are now better able to respond to dictates like “cut costs.” We have the information to show the implications of cost-cutting on our goals. If we are still required to cut costs, we know where to cut.

BRACHE: How do you know that the methodology has had a positive influence on your financials?

OWENS: We are exceeding our financial and non-financial goals. Rummler-Brache is the umbrella for all of our improvement efforts. For example, we have cut our cash flow cycle time in half. By year-end, we will have increased revenue by 30%. While Rummler-Brache is not all we’re doing, my team and I believe that the methodology is a prime contributor to this performance improvement. Rummler-Brache’s impact is on our total performance; we can’t isolate its impact on a single metric. We didn’t have the means to support aggressive growth cost-effectively; we are now building this capability.

BRACHE: How dependent is your success on your personal vision for the business?

OWENS: We’re close to hard wiring our business processes. Once that is done, I could leave and major improvements would continue.

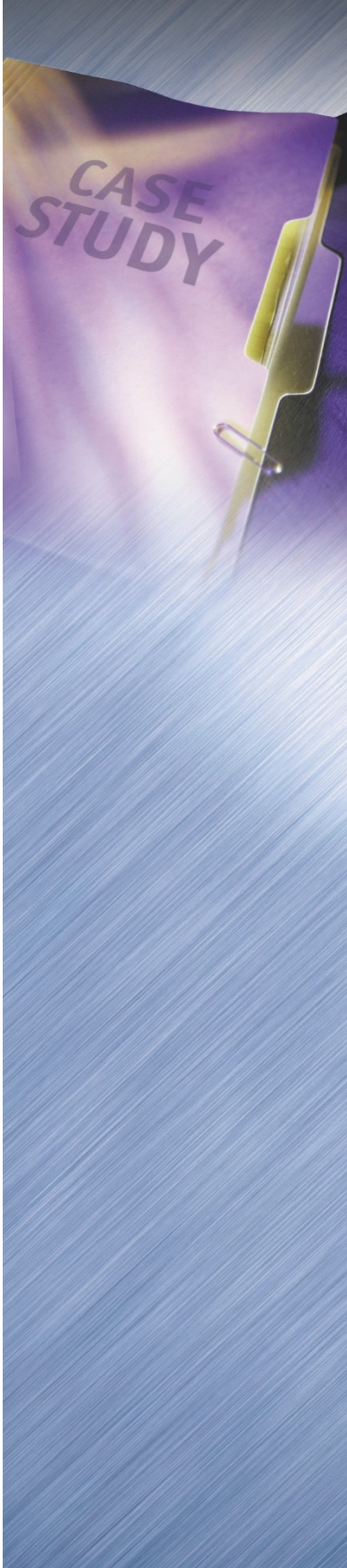
DEEGAN: I’d add the leadership team’s initial discomfort with giving up power in areas like budgeting and decision-making. At the beginning, they questioned their value-added. They struggled as they changed their role to that of coach, barrier-remover, and resource provider.

BRACHE: What is your advice to a leader who is considering implementing the Rummler-Brache methodology?

OWENS: I’d like to express it as a series of “don’ts.”

- Don’t do it if you are unwilling to identify and address improvement areas.

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- If your business is part of a larger entity, don't do it unless senior management at the highest levels also has a stake in it and is willing to publicly support it. This cannot be done as a "grass roots effort."
- Don't do it if leadership is unwilling to release power.
- Don't attempt to justify it with short-term financials. Anyone who asks you to do so is trying to kill the effort.
- Don't do it if you are unwilling to create stress and strain at all levels. It's tough to redesign and remodel your house while you're living in it, especially if you're doing all of the work yourself.
- Don't do it without reinforcing the benefits as you go. You need to continuously provide the motivation for change.
- Don't do it if you're not willing to make personnel changes.
- Don't do it if you're not willing to invest in training.

DEEGAN: I'd underscore the need for the top team to get their hands dirty in processes. It's the only way to build understanding. It's important to fund Rummler-Brache changes out of the leader's budget. (It was initially a "free ride," paid for by a higher level of management.) Lastly, I don't think an organization should not implement Rummler-Brache concepts if it doesn't have an attention span that's longer than a typical "program."