

High-Performance Teaming Comes to Flexible Steel Lacing Company, Downers Grove, IL

Performance measures, employee involvement, and training make the difference.

Lea A.P. Tonkin

Have you been wondering why your teams got off to such a great start and then fizzled? Maybe you're questioning this whole teaming business – what have you gained from the experience? Folks at Flexible Steel Lacing Company (Flexco) in Downers Grove, IL started along the high-performance teamwork path some years ago. They internally developed a four-phase team development program, upgraded their training efforts, and honed their performance measurement and communications prowess.

About Flexible Steel Lacing Company

Products several decades old and “new kids on the block” are made by employees at Flexible Steel Lacing Company (Flexco), based in Downers Grove, IL. The company produces a variety of conveyor belt fastening systems.

These products are marketed through a worldwide network of affiliates, industrial distributors, original equipment manufacturers, and resellers. Flexco has a presence in numerous markets including: mining, power generation, industrial plants, agriculture, recycling, package handling, warehousing, wood products, construction, food processing, and loading terminals.

Employees at Downers Grove all participate in teaming, whether they work in production, facilities, or the office. Plant workers are part of natural high-performance work teams that work in product-focused work cells. They handle assembly, metal stamping, heat treating, machining, and cold heading operations. Approximately 280 employees work at the Downers Grove site.

Flexco's investment in the transition to high-performance teaming pays off, big time. Net sales per employee rose from \$135,000 in 1997 to over \$150,000 in 2000. “Days to ship” has steadily dropped from 5.7 days in 1991 to 3.3 in 2000. Flexco employees implemented more than 1600 process improvements in 2000.

Yes, They Use the “E Word”

Flexco people proudly use the “E word” (empowerment). That means employees take responsibility for planning, improving, and tracking performance in their work areas. Since Flexco's organizational chart went from a pyramid shape to a flattened contour, you'll find fewer managers and no one titled foreman in the organization. Employees know their ideas count, in areas ranging from selecting new team members to process improvements for safety, quality, cost, and cycle time reduction.

Empowerment also enables Jerry Paulson to carry out his responsibilities as company president plus his long-term role as coach of the Final Frontiers team (the original, pioneering team now Phase III certified) in the Flexco shipping department, amongst the day-to-day happenings right *in* the shipping area. He ditched the trappings of a roomy office space several years ago. “I

learned that a formal office wasn't required to fulfill my duties," Paulson said. "A flat working space, a PC, a phone, cardboard bankers' boxes for files, and a safety railing separating my area from the lift trucks and Jeeps are all that's needed.

"I found that you adapt to the noise and activity going on around with greater focus and concentration," Paulson continued. "The guys in shipping probably perceive me as often being in 'my own little world.' Confidential conversations are not an issue as the din surrounding me muffles voices. Phone calls, however, can be a problem. Callers occasionally ask if a freight train is running through my office when they hear the Jeep horns bleat as they pass my 'desk.'"

The Teamwork Journey

"Empowerment through teaming, delivering value to the customer, and reducing costs are the major drivers for improvement throughout the business," said Bob Hafey (Figure 1), general manager. He also leads Flexco's continuous improvement (CI) efforts. Hafey recounted the company's transition from a hierarchical to a team-based organization.

Flexco began the journey in the early 90s by starting an umbrella CI program titled Flexquest. This program used cross-functional project teams to take on tasks such as

ISO 9000 certification and a new plant cellular layout, according to Hafey. Then in 1994, management organized a self-directed work team (SDWT) Design Team and launched a pilot team in the shipping department. The Design Team developed a four-phase high performance work team (HPWT) model. This step-by-step progression for teaming empowerment (Figure 2) includes a comprehensive training plan. Using this model, work groups become teams, then assume responsibility for core operations and performance measures (with quarterly feedback to the manufacturing manager), then they manage all daily operations, and finally become self-directed. Teaming pervades all Flexco operations, claiming converts in administrative, maintenance, and other areas in addition to the shop floor.

Flexco also developed four major cross-functional teams: sales and operations, global product advisory, CI, and corporate planning. Each of these multifunctional teams is accountable for tracking performance against business plan objectives in specific areas. For example, the CI team (senior and middle managers and others) monitors 5S training.

High Performance, Empowerment Criteria

After an update of their job descriptions in 1995, the shipping department employees (Final Frontier Pioneers, or FFP) and management began discussions about "how to guide the company to become self-directed." Early in 1996, they pushed for certification on Phase I of the empowerment continuum. Using an ISO 9001-styled certification process to review their proposal, the Design Team provided feedback leading to FFP's corrective action plan and later Phase I certification.

By June 1996, FFP team members had submitted their report for certification in Phase II of the empowerment continuum. Internal reviews and eventual certification followed – accompanied by internal training on the continuum and model and Phase II

"I learned that a formal office wasn't required to fulfill my duties."
Jerry Paulson



Figure 1. Bob Hafey, Flexco general manager.

HIGH PERFORMANCE WORK TEAMS EMPOWERMENT CONTINUUM

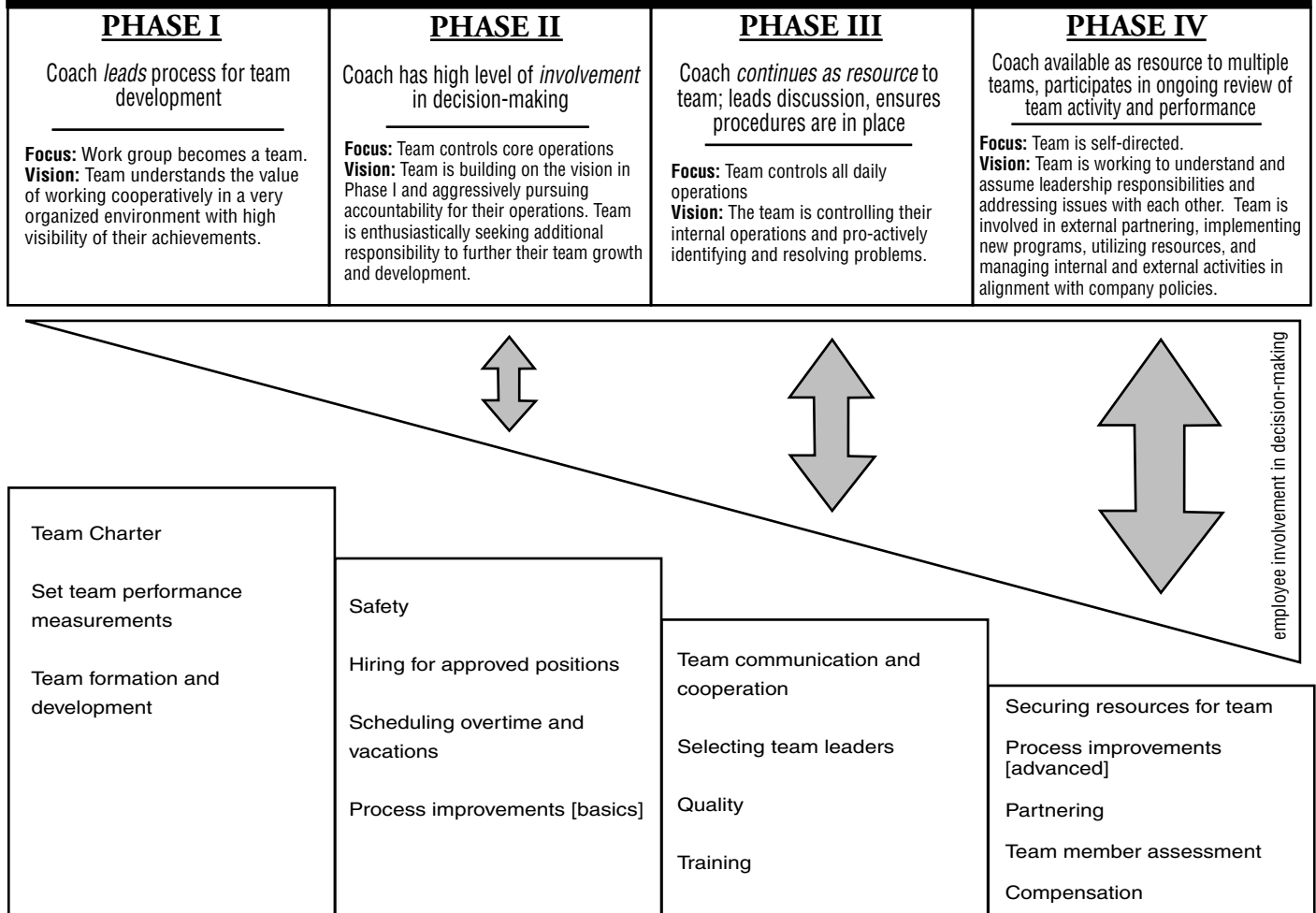


Figure 2. The company's four-phase continuum for work teams empowerment, modified as needed during the past several years.

certification criteria modifications. As each certification level is achieved, team members receive a one-time cash award.

Along the way, the "high performance" teaming moniker was adopted because some teams believed they were self-directed *before* they completed all four training phases. Meanwhile, education assumed a greater share of attention. More about that aspect is discussed under the subhead, "Training: Powering Up for Self-Direction."

Most employees except those in unique

jobs were journeying along the teamwork path during 1996 (teams are in Phase I, II, and III and the shipping team is shooting for Phase IV this year). Late in the year, the Design Team disbanded and celebrated the achievement of its mission, turning over its process to a Review Team (The Bridge Team); and an Implementation Team was also formed to beef up the empowerment/teaming momentum. Volunteer Bridge Team members represent the office, shop, officers, and management. They apply for Bridge

membership and are selected for two-year terms by Bridge members.

"The Bridge Team members are keepers of the team model and continuum," Hafey said. "They certify each team as it meets the requirements of succeeding team phases. The phased team continuum is a living document that's been modified when needed. If teams need particular training or don't need other courses, the Bridge Team recommends or makes changes." This evolution reflects the real world "lessons learned" as various teams throughout the organization learn to deal with the challenges of assuming greater day-to-day control of their work activities. The Bridge also refined a template for consistency in reviewing team and certifying teams, using a familiar ISO format. The continuum retains strength from its multifunctional roots – ideas from pilot team members, the Bridge Team, and others.

Cultural Change and Team Ownership

Although Flexco's teams progress at varying rates, they share a commitment to high performance and finding better ways to work together. The cultural shift from managers-as-bosses to employee accountability is profound.

"We have ownership. No one is telling us what to do," said Hassell Hogan (Figure 3), an inventory control specialist, original and current FFP member in shipping, and also a member of the Bridge Team. "We still have coaches and managers, but they are there to teach us about goals, roles, and objectives. They give us feedback about the company's overall performance in safety and quality and other areas. We don't have many disciplinary problems, but managers can help with those. Sales representatives talk with us about customer requirements and any changes customers want.

"Our team owns productivity and delivery and quality," Hogan continued. "We use PDCA (Plan, Do, Check, Act tracking) to manage cost and to help us focus on service to the customer. The four-phase process sets boundaries, but we are always expanding



Figure 3. Hassell Hogan, inventory control specialist, original and current FFP member in shipping, and a member of the Bridge Team.

the boundaries. Our team process and the Bridge Team process are always under construction." His team has 20 members; average team size at Flexco is 10-12.

Sub-teams in FFP and other teams call the shots for attendance, scheduling, and other issues. FFP handles shipping and packaging tasks, and they fill orders from distributors, picking items from storage. Team members rotate through sub teams slots every six to eight months.

"The team approach and the continuum help you to know what you need to do next. If I'm doing something right or wrong, I get feedback about it. That helps the day to go by smoother," added new FFP member Dorothy London.

Metrics and Accountability

When teams such as FFP step up to Phase IV certification evaluation, they will be reviewed for performance against criteria such as the use of advanced process improvements, partnering with other Flexco work centers and functions, use of a team member assessment process, the ability to secure resources (such as training) for the team, etc. The team will focus on self-direction and managing internal and external

"The Bridge Team members are keepers of the team model and continuum."
Bob Hafey

"Our team owns productivity and delivery and quality."
Hassell Hogan

activities in alignment with company policies, although a coach will be available for ongoing reviews.

"As we move up to the next level, we are continuing to change the culture. We have more accountability for improving service, and also for improving costs and productivity," said Hassell Hogan. He and his team, along with all the natural work teams, participate in a team CI meeting every quarter.

All teams including FFP gear their improvement activities to meet performance improvement targets dovetailed with overall corporate goals. Six specific performance criteria are safety, quality, delivery, productivity, cooperation, and continuous improvement. Team performance as well as individual progress are tracked. Hogan said team ownership of these metrics contributes to day-by-day progress. Informal encouragement helps, too. All Flexco employees use "Thanks for..." and "Outstanding" (Figure 4) forms to show extra appreciation for others' efforts.

Every employee is expected to contribute four improvement ideas each year – a fruitful source of innovations, large and small. A sample "Implemented Process

Improvement Form (partial form) is shown in Figure 5. Ideas and associated benefits/cost savings are reviewed by the author's team, plus a coach/manager and upstream (suppliers) and downstream (customers). Rewards for implemented ideas include coupons for movies, food, or a \$5 donation to charity.

Performance Assessment and Development

Performance Assessment and Development (PAD) is a new assessment program, which will lead to a pay-for-performance program in the near future at Flexco. Shop floor employees and employees from other functions teamed up to hammer out the details of the plan, which will begin to affect paychecks in 2002 or 2003. It is a performance assessment tool designed to help employees track their own performance (in collaboration with a coach) in ten categories including "soft" areas such as teamwork, communication, and cooperation skills as well as the more traditional areas such as attendance, individual accountability, quality, and productivity. Flexco's in the midst of a PAD pilot program with five teams, and after tweaking the program as needed, will roll it out throughout the company. Pay ranges within labor grades will be linked to the PAD process for all positions.

Why start another assessment program? "We realized that assessment forms usually don't cover all the behaviors contributing to high performance," said Bob Hafey. "PAD will take a lot of time, but it will provide valuable information that will help us to improve. It won't cause surprises, but it will increase accountability."

Do's and Don'ts for Developing Performance Measures Owned by the Team

Effectively using performance measures is a challenge. President Jerry Paulson offered these suggestions for successful metrics:

-Link the measures directly to corporate measures

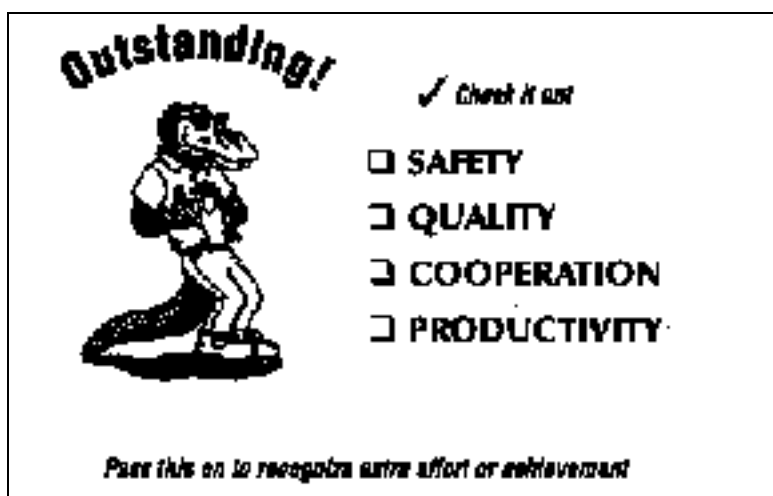


Figure 4. Recognition for excellent efforts helps to build momentum.

IMPLEMENTED PROCESS IMPROVEMENT FORM

Name: _____ Clock#: _____

Department#: _____ Date Implemented: _____ ECR#: _____

Type of reward (check one): ☐ Subway ☐ Blockbuster ☐ Donate \$5 to United Way

This process improvement relates to (check one): ☐ My Own Process ☐ Others' Process

This change impacts a process that is done:
☐ Daily ☐ Weekly ☐ Monthly ☐ Yearly ☐ Other (please tell how often) _____

Describe the process change and the benefits of the change (please be specific):

Please estimate the cost savings from this suggestion by either using the formulas below OR attaching supporting documentation to this form. COMPLETE THE COST SAVINGS ONLY IF THE # OF HOURS SAVED ANNUALLY IS > 5 HOURS OR IF MATERIAL SAVINGS IS GREATER THAN \$100.

PLEASE SEE YOUR MANAGER/COACH IF YOU NEED ASSISTANCE WITH THIS SECTION

Time Savings		Material Savings	
Annual time savings (hours) Only if hours saved annually is > 5		Annual material saving (units)	
Labor Rate \$ ____ X 1.5 =	X	Cost per unit	X
Annual Savings	=	Annual Saving	=
Less Cost Incurred to Achieve Saving	--	Less Cost Incurred to Achieve Savings	--
Total Cost Savings	=	Total Cost Savings	=
TOTAL COST SAVINGS (MATERIAL + TIME)			

IMPLEMENTED PROCESS IMPROVEMENT ROUTING SHEET

☐ **Team Review (REQUIRED)**

Date Reviewed with Team: _____

Comments: _____

☐ **Coach/Manager Review (REQUIRED)**

Name: _____ Date: _____

Comments: _____

☐ **Upstream (suppliers) & Downstream (customers)**

Name: _____ Team/Dept: _____

Comments: _____

Does your process improvement affect any of the following:

☐ Bill of Operations

☐ Bill of Material

☐ Part Drawing

☐ ISO Procedure

If so, you need to fill out an ECR (see Engineering Service) in addition to this form. Don't worry, it's easy!

Figure 5. When employees suggest process improvements, their ideas are evaluated and recognized; viable suggestions are implemented.

-Limit measures to six or fewer to maintain focus (such as delivery, quality, safety, cooperation, cost/productivity) and insure the measures are of team results

-Measure monthly, post in a prominent spot, and regularly report on measures

-Drive home the message that the team is responsible to its measures – not to management, not to a coach, and not to a boss. If they perform well against their measures, there will be no outside interference in the way they “run their business.”

Paulson also offered employee involvement (EI) ideas. See the box, “Breaking Down the ‘We Versus Them’ Mentality.”

Training: Powering Up for Self-Direction

Training supports Flexco’s cultural shift to high-performance teaming and EI. The current training model for high performance work teams represents the “lessons learned” from many teaming activities during the past several years, according to Tammy Balogh, human resources development manager.

“At first, we didn’t have anyone exclusively in charge of training,” Balogh said. “By 1996, we determined that if we were going to roll out HPWTs, we needed a full-time trainer. She spent the first several months conducting a special needs assessment with every team and department – finding out the needs of

Flex employees. The Design Team had outlined what they thought would be needed for the four phases of teaming, based on the requirements of the model." Education is linked to each phase of team empowerment; the Bridge Team continually updates the model based on suggestions garnered from the training manager and teams about the types of training needed. The initial team training was titled "6-Cs" (commitment, communications cues, collaboration, consensus, conflict resolution, and change).

Teams progress from the basics of "how to conduct meetings effectively" and how to establish performance measurements (Phase I examples) to working together on safety issues and programs as a team (Phase II), advanced team leadership skills and cross-training to enhance intradepartmental cooperation (Phase III), and self-direction areas such as budgeting, staffing analysis, and equipment and space analysis (Phase IV).

Balogh said Flexco's encouraging employees to volunteer as trainers for many technical aspects of the training, such as safety and quality. A trainer education program keeps the momentum going, nurturing more internal trainers as they are needed. Outside trainers provide some of the training for time management, project man-

agement, etc.

Employees provide feedback on the value of training sessions via standard evaluation forms. The training manager and instructors review these ratings, tweaking course offerings to provide more useful material that can be applied on the job.

When on-the-job training is needed for operations performed only a few times a year (such as setup or teardown of equipment), team members sometimes set up Saturday training. "For example, in the cold heading department, it may be several months before a new employee has an opportunity to participate in a setup or teardown, and a Saturday of training can help with this challenge" Balogh said. Experienced employees – some near retirement age – are asked to document and share their knowledge with others.

Flexco tracks the hours spent by trainers and employees in training sessions. There's no formalized requirement for a certain number of hours' training per year, simply the requirement that employees participate in classes designed to help them perform well in current or planned jobs. The company offers degree counseling and a tuition reimbursement program.

Among Balogh's suggestions for other

Training Resources

Tammy Balogh, Flexco's human resources development manager, offered this list of training resources:

*Management Association of Illinois (MAI), 2809 South 25th Avenue, Broadview, IL 60153, phone 708/344-6400; the group offers an excellent "Coaching Clinic" for managers/supervisors.

*College of DuPage, Center for Corporate Training, Business and Professional Institute, 425 22nd Street, Glen Ellyn, IL 60137-6599; phone 630/942-2180; time management, project management, coaching classes.

*J&M Training & Consulting, P.O. Box 339, Merrill, WI 54452, phone 715/536-8144; excellent facilitation class for employees.

*MW Corporation, 3150 Lexington Avenue, Mohegan Lake, NY 10547, phone 914/528-0888; contacts are Bob and Ann Harper. "We created our model based on the Harpers' five-stage self-directed work team (SDWT) development," Balogh said. "All Design Team members as well as our shop floor coach/managers attended their three-day SDWT Workshop. It is an excellent class if you are just beginning the journey or even considering SDWTs in your corporation."

Balogh added, "Sandy Kujawa (past training manager) created much of the training for all four phases of the model. She was assisted by internal team trainers in the development as well as the presentation of material."

Breaking Down the “We Versus Them” Mentality

If you're ever going to win employees' hearts in your quest for high performance, think first about changing your own attitudes, feelings, and ways of working with others. Here are suggestions from Flexco's President Jerry Paulson:

*Take an active interest in your employees on a personal level. Develop some type of social link with them based on a common interest (such as music, sports, entertainment, family, health, and clothes).

*Guard against the urge to learn too much about their work processes. This will help in resisting the temptation to “tell them how to do their job.” Always remember that they are experts and your role is to provide resources for those functions with which they are less familiar (such as developing performance measures, conducting efficient and effective team meetings and presentations, policy understanding, external influences to the business, and financial interpretation).

*“For the first three months in shipping, my role was just to coexist – to be out there sitting in their area, but having little involvement with the team,” Paulson said. “I focused on my other duties. After about 60 days I became a fixture, less imposing as they got used to my presence and shortly after they were going about their jobs as they had before my arrival. In short, don't rush it!”

managers planning a training program: Get a training manager on board right away or make it someone's full-time job if you are planning a major organizational transition such as teaming; look to inside and outside resources for effective training modules; all employees need at least basic team skills training if HPWT is to work; effective listening and feedback skills are valuable; develop ongoing evaluation of training, so employees can understand that it is being offered to meet their needs. “We saw a real shift in attitudes when people learned through training about communications skills, and that they need each other, even when change is uncomfortable,” Balogh said.

Coach Interns

The need for early education about teaming, cooperation, and communication skills, etc. was seconded by Bob Hafey. He also noted involving employees by fostering coach development is another aspect of Flexco's training efforts. “When we went to a team culture, we needed coaches to serve as resources to our teams. We worked with an organizational psychologist who assessed existing supervisors. Through this discovery

process it was found that some were more technically-oriented (steered toward technical specialist jobs — the number of these jobs is expected to increase), and others were more people-oriented (encouraged to train further in coaching skills). Three of our former supervisors became coaches, working with several teams each.”

A Learning Lab team, started three years ago, developed a leadership training program for potential coaches. Leadership, facilitation, knowledge of charting and graphing, problem solving and decision making skills, and effective communication and interpersonal skills are some of the areas assessed in the program.

“Coach intern” positions are posted on the bulletin board. Candidates are interviewed by the Learning Lab Team for outstanding people skills, and then selected candidates are given an opportunity to work with one of the natural work teams.

What's Next?

Flexco's emphasis on continuing improvements and high-performance teaming continues. Next on the agenda, according to Paulson is consistency through-

out the shop and office in the form and format of measures. "We want all measures to have a common look so they can be easily interpreted by anyone within the organization," he said.

Flexco people recognize customer needs and competition will continually bring new challenges. Their "people power" approach — accompanied by effective performance measures— provides a solid foundation for future success.

Editor's Note: Flexco is featured in AME's video, "Kaizen Culture;" order information is available on AME's website, www.ame.org.

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