

Executive Action Brief

DISTRIBUTED WORKPLACE

This brief describes the organizational capability known as Replication Competency, the ability to identify, implement and take advantage of best practices across a widely dispersed system. The brief describes the barriers to achieving replication competency, including how human nature often works against the transfer of good ideas throughout a far-flung organization. The brief lists key factors in successfully driving replication success and examples of how organizations can bring a dependable methodology to maximizing the value of replication.

Replication Competency

The Key to Staying Ahead in Distributed Workplace Organizations



By Mike Pecoraro Senior Vice President, Leap Technologies, Inc.

The CEO of a well-known, mass market retailer is scrambling to reduce operating costs across a far-flung distribution network, while searching for ways to get his store operations back on the growth track.

He hires a respected external consulting firm to assess opportunities for cost reduction and sales improvement. The consultant's report follows and the CEO assigns his leadership team to implement the recommendations. Six months later, the performance picture isn't any better, in spite of new activities and well-intentioned efforts.

The culprit in this oft-repeated example is usually not the quality of the recommendations for change. For organizations operating with distributed workplaces, the underlying cause of inertia and failure to keep up has more to do with the rarely understood capability we call Replication Competency.

Replication Competency Defined

Webster defines replication as "to repeat or duplicate". In the context of distributed workplace organizations – growing more prevalent in the wake of mergers and acquisitions in many industries – replication is the capability to identify, implement and institutionalize best practices. The measuring stick for replication effectiveness is the cycle time to proficiency in deploying new practices wherever those practices apply.

The concept of replication is not new and is practiced by many organizations across industries with highly distributed workplaces. But aside from advances in communications and computer systems – particularly wireless and Internet technologies – little attention has been given to the behavioral requirements for replication competency. Our experience with organizations across the distributed workplace spectrum suggests there are observable characteristics that separate organizations on the basis of replication competency. However, building replication competency starts with understanding the fundamental barriers that work against it.

Barriers To "Doing the Right Things Right" Across the Organization

There are many factors that work against effective and consistent execution in organizations with multiple locations or shifts that do the same work. First is the fundamental problem of space and time separation. Fortunately, technological advances have cut this problem down to size. Today, a modest investment can equip an organization with the means to share information at a speed and volume necessary for effective replication.

Lack of top leadership commitment is also a prescription for failure. Competing on the basis of replication capability is a strategic commitment that only the top tier of the organization can make. Of course, it's not the only strategy for improving

Highlights:

Replication Competency Defined

Barriers to "Doing the Right Things..."

The Replication Paradox

Keys to Replication Competency

Getting Started on the Path

performance in distributed businesses. Certainly, examples exist of organizations that have done very well as “loose confederations” of essentially autonomous operating units, versus the uniform brand approach. Nonetheless, for organizations that compete on the basis of replication, there is no substitute for unwavering leadership commitment.

But even with the right investments in technology and an aligned and committed executive team, replication success remains an elusive goal. The biggest barrier is human nature itself.

The Replication Paradox

On the surface, the very concept of replication runs counter to basic human values of individuality, self-determination and freedom of choice.

People naturally resist conformity, even more so when conforming is perceived as an infringement on personal comfort.

In the organizational context, the tension between discipline and unity required for effective replication versus personal freedom and choice can produce two types of under-performing business cultures.

First is the “top down, burn the bridges, resistance is futile” culture. In this type of organization, conformance is not an option. In times of crisis, this approach to replication can work. Over time, however, this strategy creates a culture of passive compliance and stifles innovation.

Second is the “Just make the numbers. How you do it is your business.” culture. In this type of organization, conformance to process or best practices is optional. In fact, replication exists but in the form of reinvention and duplication of effort. In good economic times, the consequences may not be severe. As things get tough, this culture of “optionalism” can exact a big toll on profitability.

Distributed workplace organizations often swing back and forth between compliance and optionalism, which is usually manifested in shuffling of roles and reporting relationships and a “this too shall pass” syndrome among employees. In these instances, the results are usually short-lived, producing an endless cycle of frustration for both senior leaders and the rank and file.

Organizations that excel at replication understand that solving the replication paradox begins with harmonizing two seemingly “at odds” goals. On the one hand, effective replication requires some degree of conformance *across* the organization. On the other hand, replication only works if there is sufficient *individual* belief in, and ownership for, adopting solutions other than your own. The best performers have developed organizational competence at balancing compliance with commitment to make replication a core, organization-wide competency.

Keys to Replication Competency

Our experience with hundreds of change efforts in distributed workplace organizations shows three factors consistently drive replication success:

Speed of Deployment

Motivation to change is a perishable commodity, particularly in up-tempo operating environments. There is a limited window of opportunity for introducing new ideas, especially to employees on the frontline. The longer it takes to introduce, educate and show results, the more resistance to change increases.

Simplicity in Solution Design

Complexity is the archenemy of replication. While new strategies, processes, or systems may be inherently complicated, they should be broken down into “executable bites” that local work units can quickly act on.

Self-interest

The question, “What’s in it for me?” must be addressed by more than “Do it because it’s your job!” With organization loyalty increasingly on the wane, greater effort is required to get people beyond compliance to ownership.

These success drivers should guide the design of any replication effort. At the same time, their application should also flex with the nature of the solution targeted for replication.

Two additional factors to consider in designing a replication effort are *global direction* and *local discretion*. Global direction refers to the degree of specificity in the solution targeted for replication. Factors that impact the level of global direction needed are risk

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and confidence. The question to ask is, “To what extent can the solution to be replicated impact results and to what extent are best practices for implementing the solution known and validated?”

Local discretion refers to the level of individual involvement and latitude that should be permitted in implementing the solution. While ownership at the local level is essential for any replication effort, the level of local discretion will vary based on risk and knowledge of best practices. In addition, variability in local conditions or work environments should also be factored into the decision.

Companies with high replication competency have developed deployment systems for engaging every part of their organization to find and define what works, spread that knowledge, and then engage employees in using that knowledge. Replication success and the tools to support it are thus hardwired into the management system.

For example, a national transportation services company has perfected a system for replicating best practices on a quarterly basis across its field organization of more than 40 locations and 6,500 employees. Their “Get Better, Faster” system operates with four key tools to drive best practices to the bottom line, including:

Leadership Jumpstart Events

At the beginning of the year, the senior leadership team, including field operating managers, meets for up to three days to align on the company’s scorecard goals and identify the most important processes and practices for replication across the organization.

These replication targets are divided into categories based on risk, knowledge and application variability. For example, targets with higher risk and little documentation or agreement on best practices are assigned for study. Targets with lower risk and some best practice knowledge, but subject to variation in local conditions, are targeted for local action team execution.

The annual Jumpstart Event produces a menu of replication targets, road maps and goals that will guide deployment of quarterly “sprint” improvement campaigns.

Action Workout™ Teams

The primary engines for converting global replication targets into measurable performance improvement are small, local teams of five to eight employees. These Action Workout Teams, as we call them, operate on a 60-day maximum time track. Their mission is to “localize” best practices and discover potential new best practices.

Workout Teams are supported by a packaged tool kit that allows participants “to learn as they implement”, thereby eliminating the need for start-up training. In addition, the process is built on a model of short, weekly meetings and individual assignments, so time off the floor is minimized.

Action Workout’s just in time, easy-to-deploy design allows more employees to get personally engaged in replication efforts. The result is more effective “localization” of global solutions and greater ownership for sustaining results.

Local Replication Champions and Coaches

At each operating unit, local champions are designated to monitor best practices implementation. These champions are frontline supervisors and employees who demonstrate a passion for driving perfection in one of the company’s key performance goals and associated best practices.

A Replication Coach supports these champions, as well as Action Workout Teams. This individual is trained as an expert in the Workout process and other improvement methods. In some companies, Six Sigma Belts or Lean experts fill this role. Although these champion and coach positions are part-time roles, the investment in them provides a critical infrastructure for sustaining replication competency.

Listen, Learn, and Leverage Meetings

Every quarterly replication sprint concludes with a formal meeting of the senior leadership team and representatives from each unit. This one-day meeting provides the forum for reporting results, capturing cycles of learning, and recognizing teams and individuals. Equally important, this “L3 Meeting”, serves as the “jumpstart” point for launching the next quarterly campaign. In this way replication is being institutionalized into the culture.

For this transportation services company, the adoption of a system for replicating best practices has revolutionized the day-to-day operations of the organization. The distinction between running the business and improving the business is falling away as more and more sprint campaigns are executed.

In the 18 months since introducing their “get better, faster” initiative, the company has added \$2.5 million in profit to the bottom line. In addition, 65 Workout Teams have implemented more than 450 best practice solutions. For employees in the company, participating in a quarterly sprint is a rewarding part of the job and a source of satisfaction and pride.

Getting Started On the Path

Whether using tools in the company example described or other similar ones, the most important aspect of building replication competency is sticking with a system and avoiding the start and stop syndrome. For distributed workplace organizations willing to do it right, the rewards of installing and cementing a system for effective replication will usually pay a 20x or more return on investment.



For more information about Leap Technologies, go to www.actionworkout.com. To comment on this article, contact Mike Pecoraro by email at mikep@actionworkout.com or call 630-420-2708.

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About the Author

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About Leap Technologies, Inc.

Distributed workplace organizations face unique challenges when it comes to business improvement. Leap Technologies provides a suite of practical, ready-to-implement tools that bridge the gap between global strategies and local execution.

Since 1993, Leap Technologies has helped scores of distributed workplace organizations improve performance, including Amway, Alliant Foodservice, ATC, Bank One, Sears, U.S. Department of Defense and Walgreens.

For more information, visit www.actionworkout.com or call (800) 254-6805.

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