

Jim's Profit Accelerator 4: Where's the Coach?

"We do the easy stuff fast; the hard stuff turns into dried mud and never goes away."

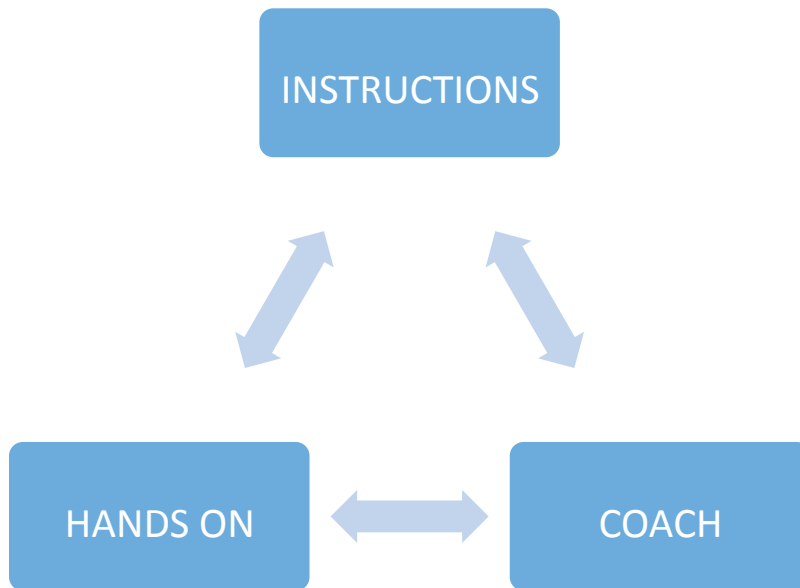
What if your organization was known for getting things done fast—and the harder, the faster? Why not? Yes, that's backward, but it's available to you if you go after it.

We've heard about the \$1500 Google Glass (glasses that project web images on their inside lenses). They are a fascinating concept that seems to still be searching for a powerful use. The story below, however, shows how a clever mix of traditional coaching and a twist on new technology reaps amazing rewards (from *Fortune* magazine 10/27/14).

For decades Nashville-based Lee Co. has employed mechanics, engineers, electricians, and plumbers to maintain commercial building equipment. Suddenly their supply of skilled workers is evaporating as they age. Dilemma: How to find folks who can do the work—or at least folks who can be trained to do it. Traditional training requires slow hands-on work, supervised by an experienced worker. Writing down instructions fails without hands-on practice with a coach. The trouble is that both pools—experienced workers and skilled coaches—are draining.

Lee Co.'s problem: Speed up training or shut down the company. Like basketball or playing the trumpet, excellence only comes by doing the work in front of a coach. Reading about it is necessary but insufficient. Practice is essential, but not enough. But how to move past work instructions to excellence when workers are spread all over the state?

Figure 1: How Great Players and Workers Learn:



SPEED BUMP: Success requires practice. Excellence requires a coach.

Most firms in my experience talk about the value of tribal knowledge and the need to document work instructions. Typically the pounds of talk produce ounces of documents, and a few molecules of change at best.

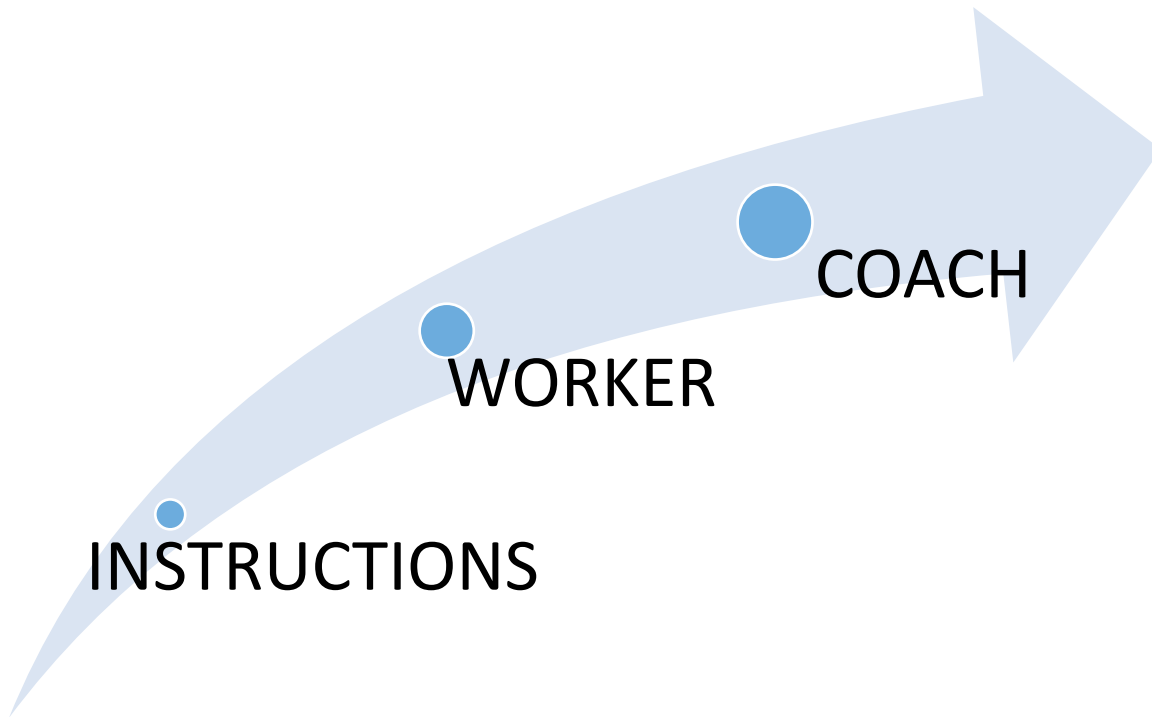
One of the disappointments of LEAN is the vain hope in this formula: $WI = I (p+cs)$, where WI = work instructions, and I = improvement in key metrics such as profit and customer satisfaction.

The problem isn't documents; it's knowledge transfer, and the missing piece in the equation is the coach. Budding surgeons learn by doing surgery under the close eye of a veteran, bending over the patient together in the operating room. The malpractice cases would multiply like flies if the youngster "just tried it" after reading about it and hearing a lecture in class.

So here's the revised formula: $(WI) \times C = I (p+cs)$.

That is: Work Instructions multiplied by good Coaching yield Improved Profit and Customer Satisfaction.

Figure 2: RESULTS BOOSTER: The Coach Multiplier



ACCELERATOR: Where are your coaches?

Back to our story. Lee Co.'s answer to this problem is a mash-up of existing technology with a fresh face. Here's the core of their system:

- A brain trust of the experienced workers who can teach
- A database preserving tribal knowledge
- A web system to communicate it
- Special glasses
- Coaches working remotely

Nothing new here, except that someone asked, "What would it take?" and that birthed the breakthrough, which are special glasses with these features:

- Camera
- Microphone
- Speaker
- Detachable flash drive
- Wireless antenna
- Bluetooth connection to worker phone

How does it work? The Bluetooth sends a live audio/video feed of the close-up situation and worker actions back to a command center. There a veteran watches and talks the worker through how to do it—as they both watch the work progress together. Live! This beats tribal knowledge in books or computers or diagrams hands down.

What could this mean to you?

Hidden in the Lee Co. story is a speed technique that any leader can put to work this week. Lee Co. President Richard Perko calls this approach a game changer, because it solves both problems at once: disappearing coaches and lack of skilled workers. Without solving both these problems, Lee Co.'s business would fade into oblivion as its skilled workers retire. Here's Perko's summary of results:

1. Problems get fixed faster.
2. Younger workers learn faster.
3. Reports to clients verify job completion by providing evidence that the work has been done, and correctly. Verification is both by video and the direct observation of the coach-supervisors, who see what actually is being done in real time.

The core benefit of skillfully placed coaches is to increase the capacity of the organization to handle business. This added capacity will encourage more sales from salespeople, and as reputation grows the process multiplies itself. In most production operations, a drop in re-work or error work means higher capacity, less waste, higher efficiency, and the real possibility of higher profit. (The bonus of higher profit, of course, is the EBITDA multiplier: for every \$300,000 in extra profit, a conservative EBITDA multiplier of 3 yields an increase in company valuation of \$900,000. And valuation is something an owner can usually take to the bank!)

When Triad Speakers focused on missing parts, they tripled capacity by reducing order throughput from three weeks to three days. That produced a 47 percent rise in sales year over year, and the kind of valuation increase just discussed.

So here's what effective coaching might mean for you:

1. More cash
2. Less rework
3. More profit
4. Higher company valuation
5. Higher capacity for your company and lower marginal cost
6. Satisfied customers
7. Remarkable competitive advantages

ACCELERATOR: Where in your workflow should the first two coaches be? What are you waiting for?

Call me.

For more information, visit www.grewco.com.

Jim Grew is an expert in CEO-level strategy and executive leadership whose clients refer to him as the Business Defogger and Accelerator. Jim helps leaders swiftly discover the hidden opportunities within their businesses and exploit them for dramatic results. Nearly three decades of success as a COO and CEO coupled with his experience running nine thriving businesses provide the foundation for his consulting work as president of the Grew Company. He presents regularly to industry groups, mentors business leaders, and shares insights on his blog, BizBursts.com: <http://bizbursts.com/>. He holds BA and MBA degrees from Stanford University.

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