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September 7-8, 2017
An organization’s culture can serve as a conduit or obstacle for change

Do you agree?
Flow of Discussion

1. Defining Culture
2. Culture’s Influence on Change
3. What Good Looks Like
4. Using TOC to Create Positive Culture for Change
5. A call to action
Culture

• What is noticed or ignored
• What is celebrated or punished
• What gets prioritized
• What we say, how we say it
• Rituals, stories, traditions
Culture Establishes Behavioral Norms
2 Aspects of Change

Quantity

#

Impact

!
Quantity of Changes

The number of changes made in some period of time
- Attempted as well as completed

Too Few Changes

Too Many Changes
Quantity of Changes

The number of changes made in some period of time
- Attempted as well as completed

Too Few Changes

At Either Extreme
- Performance
- Agility
- Progress
- Morale

Too Many Changes

Conduit Needed

Obstacle Needed
What Drives Quantity of Changes?

**Perceived Need**
- # of changes decided

**Ability to Execute**
- # of changes made

Availability of resources
The number of changes made in some period of time
- Attempted as well as completed

Too Few Changes
- High Fear of Failure
  - Analysis Paralysis
  - Signal Blindness

Too Many Changes
- High Arrogance
  - React to Noise
  - Resource Blindness
2 Aspects of Change

Quantity #

Impact !
Impact of Change

On the organization’s performance

On the people involved with the change
Impact on Organization Performance

Determined by

The Constraint
The factor that limits a system’s performance relative to its goal.
Impact of Change

- On the organization's performance
- On the people involved with the change
<table>
<thead>
<tr>
<th>Making The Change....</th>
<th>Positive (+)</th>
<th>Negative (-)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New benefit(s) previously out of reach that the change would bring</td>
<td>Dangerous risk(s) or difficult obstacle(s) to making the change</td>
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| Not Making The Change... | | |
|--------------------------| | |
| What is positive now but might go negative as the change proceeds | Current or inevitable problem(s) that the change would solve |

*For each of these 4 quadrants, people evaluate the impact on themselves and on the people and entities they care about – before and after a change is made.*
Culture Influences Impact of Changes

On the Organization’s performance vis-à-vis its Goal

On the people involved and what/who matters to them
What does good look like?

A positive culture for change should be a conduit for a healthy flow of changes – not too few, not too many - that will simultaneously improve the organization relative to its goal while enabling those involved with the change to achieve more of theirs.
Creating a Positive Culture for Change

TOC Toolbox

- Quantity
  - TOC methods for managing and improving flow
    - WIP control, choking release, full kit, buffer management, batch reduction, CCPM, DBR, POOGI, etc.

- Impact
  - 5 Focusing Steps, Thinking Processes, Business Innovation, Throughput Accounting, Mystery analysis, 6 Questions of Technology, etc.

TOC 4 Pillars

- Can they guide a positive culture for change?
Wish to reach a full life

Have enough meaningful successes

Wish to have a successful organization
Wish to reach a full life

Have enough meaningful successes

---

The greater danger for most of us lies not in setting our aim too high and falling short; but in setting our aim too low, and achieving our mark.

(Michelangelo)
Wish to reach a full life

Have enough meaningful successes

Wish to have a successful organization

- Have a Goal. A Big one. And a Moral Compass. Verbalize them. Simply.
- Make them known, and clearly understood by the organization.
- Populate the organization with people who are excited about participating in achieving the Big Goal and embracing the Moral Compass.

https://www.goldrattconsulting.com/Our-Mission
https://www.goldrattconsulting.com/Core-Values
Parallels

Wish to reach a full life

Have enough meaningful successes

Wish to have a successful organization

Positive Culture for Change Environment

Have stamina to overcome failures

Failure is the key to success; Each mistake teaches us something.
-Morihei Ueshiba
Wish to reach a full life

Have enough meaningful successes

Wish to have a successful organization

If opportunity doesn't knock, build a door.

Milton Berle
Parallels

Wish to reach a full life

Have enough meaningful successes

Wish to have a successful organization

-I can do things you cannot.
You can do things I cannot.
Together, we can do great things.

-Mother Theresa

Be able to collaborate with people
Wish to reach a full life

Have enough meaningful successes

Wish to have a successful organization

Have stamina to overcome failures
Have many opportunities
Be able to collaborate with people

Positive Culture for Change Environment
Positive Culture for Change Environment

- What is noticed or ignored
- What is celebrated or punished
- The (real) priorities
- What we say, how we say it
- Rituals, stories, traditions

Stamina to Overcome Failures

Enough meaningful successes

Be able to collaborate with many people

Have many opportunities
Creating a Positive Culture for Change

- **Stamina to Overcome Failures**
- **Enough meaningful successes**
- **Be able to collaborate with many people**
- **Have many opportunities**

- **Thinking Clearly**
- **Requires overcoming 4 obstacles**
Overcoming 4 Obstacles to Clear Thinking &
Having Positive Culture for Change

Perception of reality as complex
• Instead, assume inherent simplicity

Accepting conflicts as given
• Instead, assume every conflict can be removed

Blaming
• Instead, assume people are good and there is always win-win solution

Thinking that WE KNOW!
• Instead, assume every situation can be substantially improved
Wish to reach a full life

Have enough meaningful successes

Wish to have a successful organization

Positive Culture for Change Environment Has

Have stamina to overcome failures

Have many opportunities

Be able to collaborate with people

Strives to think clearly

Mindset of a Positive Culture for Change

Inherent simplicity

Every conflict can be removed

Always a win-win solution; People are good

Every situation can be substantially improved
Culture for Change v Making a Change

• Saying that something is a culture means it is there for some time.
• Creating a culture for change means making a change.
• So this change is a long-term change. These are attributes we want the org to have forever. This is different than pursuing a “number” for this quarter, this year, or even in the next 5 years.
• Requires commitment & perseverance.
The Fish Stinks From The Head

• Old proverb implying that what’s wrong with an organization stems from the top
• But biologists point out that fish actually rot from the guts out

• So which is it?
• Rather than blame one or the other…
Power v Leadership

• Cultures are formed by people
  – New people are injected into the organization all the time
  – The more power they have, the more people look to them for the signals on what is expected of them in terms of behavior

Power
  • Dependent on hierarchy
  • People must obey

Leadership
  • Dependent on shared values
  • People choose to follow
### An Invitation to Lead – It Starts With You

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