



ADAMS ON PVF Supply

■ by Joan Adams

Change Is Good

The PVF world is very insular - ideas from the outside are readily dismissed.

The definition of insanity is doing the same thing over and over and expecting different results.

Boil this famous statement down and what it really says is, "You must change."

I recently started working for a new client, one that has been through a steady downturn for a very long time. This once powerful defense contractor with more than 7,000 employees is now a broken down old shell of itself with a little more than 300 employees. They still rattle around in their old headquarters building and are selling off three related large manufacturing complexes now standing empty.

When I first visited, I toured the place and assessed the situation. I was stunned to realize that despite a monumental decline in business, nothing had really changed. They are running the company as though it were a 7,000-strong entity. Everyone who remains there – those who have managed over the years not to get fired or laid off – knows:

- something is very wrong here;
- the things that are wrong have been going on for a long, long time;
- the company continues to hang on by the thinnest of threads.

You would figure that if someone knew all of the above to be true, that same person would come to the simple conclusion that something – no, make that MANY, MANY things – need to change going forward. Yet, that is not what I heard or saw when I was there. They continued to operate departments they no longer needed, and those departments had big staffs to boot!

Excuses, Excuses

Over the next few days, I asked directly and indirectly what they thought needed to change, where that change should occur, who should lead that change and what the result might be. I didn't get very far.

I heard vague generalities like, "we need to get more business," and a lot of blame like, "OSHA and

government regulations are killing us." I heard complaints about management; I was told overseas competition was brutal.

I suggested some specific changes. The response was universally negative. I got a litany of reasons why none of these changes would ever work and another long list of reasons as to why none of their difficulties could be overcome. Poor management and cheap labor overseas had doomed them.

So, not easily deterred, I went straight for the jugular. I asked what THEY themselves could change to make things better.

Gloom and doom were instantly traded for defiance. They were adamant that they didn't have to change. Everything that they were doing was critical, important and done in the best way possible. Never mind that they were doing their job exactly the same way they had been doing it for 10, 20, even 30 years. (The sad truth is they were doing their job THE ONLY WAY they knew how.)

I turned the conversation to how the company itself could change – and the next flood of invective came. They had all sorts of ideas as to how everyone else in the company needed to change. The design department was too slow. Manufacturing was inefficient. The quality department had way too many employees and was still unresponsive to shipping deadlines. To a man (and they are all men) they were all for change – that is, for other people to change.

Change Denial And Finger-Pointing

This company is an extreme case of what I call "change denial," or "everyone needs to change but me." There are lessons here for all companies facing challenges. Employees' gut feelings toward change are similar. I get excuses, blame, intransigence and finally, admission. *Yes! Our company needs to change – he needs to change, she needs to change, that whole department needs to change, but not me.*

Change is uncomfortable. People may know that something could be done in a different, better way, but that won't prompt them to action. For most, it is far

For Same Day Shipping Call:
800-456-VLCO

ONE-STOP PVF SHOP

Industrial Valco
PVF Master Distributor

One Source, One Call — Better Value.

Valves
Weld Fittings
Flanges
Forged Steel
Y-Strainers
Wafer Checks
Gaskets
B7 Studs
Nipples
CW OPS
24/7 Machine Shop

For FREE information circle 93

ADAMS ON PVF Supply

more comfortable to go with the imperfect known as opposed to risk the unknown.

The business world is changing. In order to survive (and ideally, thrive) so must your business. Every year, the Wall Street Journal publishes a list of the top 50 U.S. companies of the year past, 10 years ago, 50 years ago and 100 years ago. There are very few on the 1956 list that are still successful enough to be on today's list. It is a sobering look at the absence of company longevity in our nation's rough and tumble business environment.

PVF Industry Is Change Averse

In this column and in my consulting work, I attempt to point out areas where PVF companies need to take a hard look. Fundamentally, the only way to address any of these issues – inventory, customer service, HR, marketing, etc. – is to change (improve) how they are currently doing things.

The PVF world has more similarities with the aforementioned company than we would like to admit. It is an industry where people have been in the business a long time. For many PVF companies, both the employees and owners have worked exclusively in PVF their entire careers. Ideas from the outside are readily ignored.

Change is a long and difficult process, fraught with all sorts of emotional hazards. It isn't like doing inventory cycle counts. We aren't dealing with valves here – we are dealing with people, who have infinite ways of responding to any stimulus. It is not something that readily lends itself to an "8 Steps to Managing Change" approach. However, I will give it my best shot.

8 Steps To Managing Change

1 Start now – don't get into serious trouble before deciding to embrace change.

2 Accept that you, your people and your company must change.

3 Little changes are good (and will stick), big sweeping changes are disruptive (and pass as another management fad).

4 Listen to your employees throughout the process. Get their input on the proposed changes. Understand and address their anxiety. You need them on-board.

5 Get an outsider to help in the process. Someone with no history in your company. Someone from outside the industry.

6 Write down your goals, and make them public. Everyone needs to know WHY they are going through the pain of change.

7 Mistakes will happen. Learn from them, but don't stop the process.

8 Make reassessing your business activities and goals a regular exercise. Continuous change is the only way this works. <<

To learn more, take a look at *Making Change Stick*, a short and simple guide to change written by Rich Reale. You can find it at Amazon.com.

Joan S. Adams has consulted for industrial clients for more than 15 years. She headed DITT, the consultancy arm of the French National Utility, Electricité de France, and was a managing consultant at A.T. Kearney. Later, she started Pierian, a consultancy that brings sustained and measurable success through operational excellence, customer focus, and competitive market strategy. Joan Adams speaks French and Spanish. She has worked on projects in Europe, Central America, Africa, Asia as well as North America. She has engineering degrees from the University of Wisconsin-Madison and MIT. She also has an MBA from the Wharton School. She can be reached at adams@pierian.net.