

## *Leadership heading in the right direction!*

At the 2009 **Lean & TPM Annual Forum**, Graeme Smith presented a paper on how successful Leadership is achieved by goal alignment throughout the organisation. Graeme, **Operations Manager of NZ Sugar's Chelsea Refinery** in Auckland as seen in Figure 1, provided some insightful stories about Chelsea's continuous journey.

**Figure 1 – NZ Sugar, Chelsea Refinery Site**



Founded in 1884, The Chelsea factory employs some 185 full time employees and 30 permanent contractors. Operating on a 5 day / 3 shift bases, Chelsea's vision of becoming a reliable supplier of quality products is supported by a number of industry recognised quality achievements.

From the beginning of the new millenium the Chelsea Refinery found it difficult to find an improvement process to fit. Having problems with weak operations leadership structure, no culture of continuous improvement and a workforce not used to change, the various improvement processes implemented all failed.

However, in late 2007 the company recognised the need for change and selected CTPM's Lean & TPM (TPM<sup>3</sup>) methodology as a vehicle for continuous improvement. With the implementation of the Improvement Journey

early in 2008, it was very quickly realised that goal alignment was a critical element in the success of the process.

As quoted by Graeme: "Conflicting goals among product development, manufacturing, purchasing, sales and finance at the Executive level translate into competing targets and lack of cooperation among these functions down through the organisation. This in turn, generates employee cynicism about the change process."

The challenge therefore was to create an aligned organisation in which everyone understood what the company was trying to achieve, and every internal organisation supports the high-level direction. **Alignment** is a powerful tool that gets everyone focused on what's vital to success.

Graeme suggested that "the concept is very simple. Get everybody going in the same direction, towards the same goals. At NZ Sugar there were some things we had to do before it was possible to 'get our ducks in a row'."

In order to align the organisation they focused their efforts on:

1. Developing & communicating the Vision;
2. Defining & communicating the Values;
3. Opening Communication Lines;
4. Encouraging Strong Leadership;
5. Aligning Goals;
6. Giving & Receiving Structured Feedback; and
7. Recognising Success.

The **company vision** was adopted and the communication process started. Then the Leadership Team worked on developing a **set of values** that would determine how to go

about working towards the vision. They agreed that they needed to:

- **Create the future** – courage, sustainable growth, and innovation
- **Make it together** – same direction, one team, and leadership
- **Recognise success** – celebrate, enjoyment, and passion
- **Everyday excellence** – do the basics well, continuous improvement, and deliver on promises
- **Do the right thing** – integrity, respect, and safety, Health & Environment

These values had to be communicated to all employees and hence a **communication strategy** was developed that included:

- **Monthly briefings** – business / operations objectives & results involving all staff and contractors;
- **Weekly meetings** – covering team objectives, results and the forward plan;
- **Team Noticeboards;**
- **Daily planning** – team objectives and results; and
- **Newsletters** – stating achievements of individuals, teams, departments, and the company.

The next issue to be tackled was the **leadership structure**. For goal alignment to work there needed to be a structure which supported continuous improvement. The leadership team needed to ensure.....that everybody had the *means and ability* to achieve their goals, and that everybody had clear, agreed goals and received regular, structured feedback.

Remember to set the standard  
***“you get what you accept!”***

However, goals must be understood. As Graeme said, “In my experience, in an operations environment, there will always be some degree of conflict between goals, so it’s really important that the suite of goals is clearly understood and the links between the goals are also understood. For aligned goals to be effective in the drive for continuous

improvement it is essential that results are communicated clearly and frequently in a format that is easily understood.”

The last of the steps identified at the beginning of the journey is **recognising success**. The Leadership Team believes this is an important part to motivating the workforce. Recognition by the Leadership Team at Chelsea is achieved through:

- Attending team presentations;
- Organising BBQ days to celebrate the teams successful completion of their improvement cycle; and
- Distributing awards to teams who have been seen as the best throughout their improvement cycle and year.

The Chelsea Leadership Team also found the ability to recognise the company on a larger scale. CTPM’s 5 Level Milestone TPM<sup>3</sup> Excellence Award was their guide to becoming a world class organisation, and Graeme’s statement supported this recognition:

“We’ve found the 5 Level Milestone TPM<sup>3</sup> Excellence Awards to be a really useful tool to keep us on track. 2 weeks ago the whole company had a celebration lunch to recognise the achievement of level 2 in the excellence awards. We’ve used it as a tool to help map the path, to keep us on track, help us fine tune, and creating an opportunity for celebrating these awards have been worth pursuing.”

In conclusion, the Chelsea site has achieved great success by implementing Lean & TPM (TPM<sup>3</sup>) methodology and developing a Leadership strategy focusing itself on goal alignment. Their success in leadership has most importantly improved the engagement of the workforce at all levels and improved the business throughout.

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