



Transcript for the WLEI Podcast:

Forging the Winning Link with Billy Taylor

Featuring Host Tom Ehrenfeld and Billy Taylor

Lean veteran Billy Taylor coaches others on what he calls The Winning Link, which (no surprise) is the title of his new book from McGraw-Hill: The Winning Link: A Proven Process to Define, Align, and Execute Strategy at Every Level. In this episode of the WLEI podcast, Billy shares with Host Tom Ehrenfeld what he calls “a connected operating system” helping people and organizations define and achieve a set of ambitious goals.

Tom Ehrenfeld:

Welcome to WLEI, the podcast of the lean enterprise Institute. I'm your host, Tom Ehrenfeld. Today we have the great privilege of speaking with Billy Taylor, author of a new book, The Winning Link.

Billy Taylor:

Thank you for having me.

Tom:

It's a pleasure. So, Billy's book, The Winning Link shares something called the LinkXL system, which is a comprehensive management system that Billy has developed over several decades of implementing operational excellence working primarily at Goodyear. And it has a number of integrated elements about clarity, purpose, setting goals, and coaching people in a mindful way, so that they know why they're executing and that, ultimately, the system becomes improvable and renewable. And he speaks to all those aspects in this book. So I think the best way to start is having Billy tell us what's at the heart of this book.

Billy:

Well, for starters, this is a *connected operating model*. And when I say connected, it's not just about the tools, right? We've heard about people and process tools. Well, how do you link those together? So they form an ecosystem: they're interdependent upon each other. That's what's different, right? How do you connect functions in there, right? Often we're talking about strategy deployment, but that, that strategy normally stops in someone's computer or it's on a wall, right? We did the strategy, we send it out to people, but we really don't deploy it to, to exactly who owns what in that strategy. And we've heard people talk about the hidden factory. We've heard people talking about what, what are we talking about

is you can't manage a secret. So what's hidden is not only the factory—what's hidden is your strategy. What's hidden is who owns what net strategy. And then the link that in the winning link is, we talk about how do you connect those? Those people processes, having tools at each function and every tier of the organization.

Tom:

Excellent. You can't manage a secret. This something you talk about frequently in the book in a different context. It says to me, kind of the converse to 'you can't manage a secret' it's that there's always a very clear and essential need for those who are leading to help every person clarify things—that they should start with an understanding of purpose, and then understand strategy as a series of goals to realize that purpose and furthermore, as managers provide a sense of ownership. This is something you talk about as a means of clarifying and making explicit what people are seeking to achieve and how they're going to do it. And I think that's at the heart of strategy deployment. And you seem to be about demystifying the daily management system of enabling people to collectively hit these goals.

Billy:

Absolutely. And, and, this starts with the value proposition as human beings. That's what we seek most: to feel and be valued even in our relationships. And so as leaders start to, to deploy strategy or connect strategy, it's that ownership piece that's often missing. Ownership trumps accountability, right. And, when people own it, I always say in the of ownership comes blame, right? When people don't know what they own, they tend to blame when things go wrong. But let me put a little, little, little color around the ownership. Trump's accountability. Okay. If you've ever rented a car or stayed in the hotel, I am accountable for that car, but I'll eat a, a, a hamburger in that car in a minute. I'll do things in that car that I probably wouldn't do in the car. I own if I'm staying at a hotel you know, I may put my shoe on and, and tie my shoe on that leather Ottoman, but I wouldn't do that on miss Rachel's Ottoman in my house. Right. And the difference is ownership. When people tend to feel, they own it, you get the higher level of engagement.

Tom:

You draw a lot from experience in the book. You talk about successes at this Fayetteville plant and in other plants. Tell me how you learned from experience, say, these lessons about the difference between ownership and accountability?

Billy:

Well, I actually managed six different locations. And these locations across North America were problematic in some form or another. And so going into these organizations, it was bigger than the leader itself, right? When you're talking about evangelizing your process, evangelizing it. And so when I went into these organizations, I was starting meetings and holding these big town halls. And I thought I was being deliberately clear on what the strategy was, deliberately clear on what true north was, but what I didn't have was that alignment and ownership from the people. And, when I started to talk about real strategy deployment, defining, winning, that must be confirmed. And it's not what you say, it's what the people hear and, and what they embrace. And so we would have these pocket meetings and this was a 3000 workforce plant.

We'd meet with 30 people every day for lunch, and we'd buy their lunch. And we held these meetings, these skip level lunches. And at that point, we could tell if people understood what the purpose of the organization was and what they owned in the strategy. And so it was almost like a mirror exercise, right? We were looking in the mirror of the enterprise and the mirror, they were speaking to us, here's what we thought was happening. Then here's what we actually confirmed was happening. So at that point, we started building models around, how do we communicate strategy? How do we connect strategy? But more importantly, how do we engage the entire workforce inside the strategy?

Tom:

Is having a goal of producing 38,000 tires a day in a factory, a strategy?

Billy:

No. So, so really that's what, what we call that a, a CPI, a critical performance indicator. If we didn't make the 38,000 tires, that plant wouldn't be in existence. The purpose was to meet customers' demands on time and fully, and to safely meet those demands. That's what our purpose was. It was critical that we delivered 38,000 a day cost effectively so that we could improve the bottom line. But what we really realized in our strategy, we actually implemented a process called KPIs, key performance actions that deliver the KPI, right? The KPI is the actions I have to take is what I do. The KPI is what I get. So I often talk about, if I stood on a scale in the morning, that's a KPI. The KPI is, did I work out? Did I eat 2000 calories a day? Did I sleep? And so that's the connected business model. When you talk about strategy and who should talk about the, who should be more qualified to talk about KPIs than the people closest to the source? So in the book we talk about when we build the visual management boards, there's two parts to that. One is the KPI side. And the second is the KPI side. Often companies go right in the red greens on KPIs. So that's how we, we looked at connect and strategy with, with technical execution.

Tom:

Okay. Fabulous. Cause one of the things I enjoyed about the book is how well it brought things into focus. It explained how you make ambitious goals that are defined under strategy real. And it seems gosh, there there's a Taiichi Ohno quote about the Toyota production system being nothing more than a powerful application of common sense.

Billy:

Well, think about common sense, right? It's that, what's inside right. Understanding that practical understanding. And also we get caught up in a common language rather than a common meaning.

See, at the core of the common sense, it's that common understanding and what drives that. A common meaning. If I get off of a plane in Brazil, everyone says Ola, right. I get off of a plane in New York. They hi. If I get off a plane in Texas, they may say, howdy. Right. The common meaning is greeting you politely. And so that's common sense. And when I become educated in all three of those, no matter where I land, I understand. Okay. And a smile is a common language, right? That emotional intelligence gives me a a warm greeting, Texas. Howdy. I know what they mean. I smile. Hi.

And so with the common sense with, with operational excellence and lean, how do you create that common sense approach? And that's what I focused on in the book. I think I rewrote it three times, bouncing it off, Sammy, the janitor, bouncing it off the, the CEO and vice president of an organization to build that model in the book that was comprehensible at every level of an organization,

Tom:

Let's unpack that model. To me it seems like there's a sequence of forming strategy that, that comes after getting clear on the purpose. And then I don't even need my notes, but you, you create the strategy, then you communicate it. And then you execute it through the daily management system, which enables you over the longer term to focus on governing, which is sustaining. So what steps will people take after reading your book?

Billy:

So remember in the book, it talks about the football jersey with 38 on it. That was a symbol, but defining winning, I was deliberately clear on what we needed to accomplish, to survive. And I communicated that to the people and I was deliberately clear on what the strategy was, meeting 30 people a day to get that, that back and forth interaction and confirming that they understood where we're going. So defining winning is being deliberately clear of what we wanted to achieve or needed to achieve and what the strategy was. So being deliberately clear after, we knew we'd made significant strides in deliberate clarity. The second step is aligning to win. So once you know what winning is, I think alignment is critical. So people know what they owned in the strategy, they know how they impact winning, right? And so if, if Billy Taylor needed a thousand tires a day, that's the enterprise goal, but I've got, let's just say I've got 10 tire machines where everyone on those tire machines understands they have to make a hundred tires a day. And so being deliberate and clear around what everyone owns so that we could celebrate, right. Celebrate the win. And when I say aligning the win, that's not only what the target is, the process is to get there and the people that are gonna drive it. And at that point, I can be hard on the process and lead easy on the people.

And so the next phase after I define winning a deliberate ownership, being very deliberate around who owns what in the strategy and how they impact it, and also being very deliberate on recognizing and embracing those processes and people that are driving results.

Tom:

Do you have examples or stories around that challenge?

Billy:

Yes, absolutely. I remember the Fayetteville tire builders. They would check their brains at the gate. They didn't understand how they impacted winning. And so when we started this process where we could walk around and at a glance, people could see how we were winning as a team and how they were impacting it as an individual. And that alignment was very clear. Let's talk about if this was a football game, American football game, we're very clear around what the CPI was. So you're thinking about if you go to a football game and there's one minute left on the clock, it's in the fourth quarter, first down. And so you have to formulate a strategy, but there's no score on each team.

That part of the scoreboard just went blank. So now what's your strategy, right? You've got the ball, it's on the 20 yard line. What are you gonna do? Well, what you say is it depends on what the CPI, right? If I'm up 40, 40 to zero, I'm gonna run the clock out. That's the strategy. If I'm down three and I'm on a 20-yard line, my strategy now is to score a touchdown, not to kick a field goal for three points. I need seven to win the game. So being deliberately clear on what winning is and what we have to do, that's an example that I would use.

And so when we talk about that deliberate ownership, again, let's go back to the value proposition. When I acknowledge the fact that you're doing something and contributing to help the organization, you engage more relationships. My wife and I, right. I can't have a type of relationship with my wife and say, oh, I love you today. If anything changes, I'll let you know. That doesn't work in my household. Right. I have to be repeatable with people.

I have this saying, if you make people visible, they will make you valuable.

When I speak to Sammy, the janitor and Sammy would come into my office. Sammy became my most impactful mentor. He would tell me, Billy you're in these staff level meetings, but people don't understand that business jargon you're speaking. You've gotta simplify, break that down. Don't come in the meeting, talking about waste as a percent, the finish stock value; don't come in and talk about percent of sales. Let's just say we have scrap and we lost this much money. And it impacts the bottle line. Speak the language of the natives. And so that alignment is helping you again, be deliberate, deliberately clear.

Tom:

Interesting. Two thoughts. One: a great element of your book is the way you provide charts. Comparing jargon with straight talk, common language. I think you do that really well. And another: just hearing you talk about Sammy the janitor, is that your book emphasizes the principle of respect for people throughout, and it's not a main explicit theme. And yet it seems just stuffed with practices that embody this respect for people. So engaging them in clarifying the numbers providing us a sense of ownership. And the question is where does that fit into your kind of priority list as a, a manager or just coach?

Billy:

Top of the list. This is where I start. You know, earlier in my career, being a minority executive, you know, I wanted to be liked. And I would do things to be liked. And, that created it created setbacks for me. Interesting. When I started to talk about respect and trust, see, leadership is not a color. Leadership is not a race. It's not a gender, right. It's what you do. It's how you treat others. It's about respect and trust.

If you and I were in, let's just say Russia, and I see you in a restaurant, and I hear you speaking English, I'm gonna migrate over to you, right? It's no longer about black, white anymore. Right? It's around respect for something that I think is valued by both of us, right? The fact that we can communicate. And so I used to do things earlier in my career to be liked and that didn't help me. And then I realized I'd rather be respected and trusted than liked. And when people respect you and trust you, right? That's when change really happens, and people will follow you as a leader. And the leader has to be a good follower. Right. And that's what I talk about in the book: I worked for my team. They didn't work for me.

It was my job to eliminate barriers and constraints. It was my job, right. To help them drive change through enabling them through my actions. My favorite question, a matter of fact, it was my favorite question. It was the most hated question by people that work for me and leaders that I work with now use this. I would often ask: what do you need from me?

Not what do you want from me? Right. What do you need from me to drive the change that I'm asking you to make. Now, there's a difference between want and need, okay. I want a Bentley. I need a ride to work. They're different. And leaders have to be very, very specific around the difference of those two. After I give you the support and the things you need to enable you now, it's about, what's your standard, that leadership standard, right? And then I'd often ask, so why do you accept that? Why do you accept that? You know? And so, you know, and one of the things that I'd say is what you accept, you can't change. You know, organizations and leaders fail because whatever you walk by, that's the standard, whatever you walk by is the standard. And leaders say, well, we got a standard policy around safety, PPE. We have a standard around this, but then you walk by someone not wearing their personal protective equipment. You have lines on your floors that says, walk between these lines. So don't get in the middle of the aisle, but you walk by people walking down the middle of that. That's the new standard, whatever you said,

Tom:

What is the message that you take away when you see standards not being followed?

Billy:

Chaos...Chaotic organization, right? What makes America great is its governance model. Right? And so what I mean by that, people believe if they go down the highway, the speed limits, 55, they can go 60. They believe they've got a five mile cushion. However, if we ride by a police car that's parked under the bridge, we automatically take our foot off the gas instinctively. We know the standard but we elect to not follow the standard. But when there's consequences, everything flows from traffic lights to don't walk into a bank and say, here's a bag to fill it up with money, right? No, the governance model protects those processes. And those are driven by standards. Now, standards are not monuments, right? They, they changed, but you have to earn the right to change.

Tom:

And I think that standards that are set by the people who are doing the work become the baseline for improvement.

Billy:

Absolutely. You hit, as they say down south, you hit the nail on the head right there. When you said that that is the base for improvement, right. That repetition, the baseline for how you do it. And, again, when leaders walk by people not following the standard, that is the best practice that has been confirmed, then you're setting yourself and your team and that individual up for failure.

Tom:

How would you intervene in a situation like that? What would you do?

Billy:

So, what I would often do, I didn't walk by it again. Once earlier in my career, I walked by a gentleman that was doing something wrong and it stuck in my craw because I felt that that person was in harm's way. And, it was serious injury or fatality that could have happened to that person. And had he got hurt, the company and I probably would've been in court. But all I had to do is go over there, and start with, with why I'm talking to you, and go back to the standard that's nonnegotiable. And often those standards are approved when you walk in the doors as an employee. If you are in a union environment, those things are negotiated and built right in. A contract. So I would approach that, you know, not confrontationally because psychological safety is important, right. Even when you're managing visual management boards often say, celebrate the red.

Celebrate the red. So you can harvest the green, right. Because if, if people don't bring issues to you, then those issues are a secret. And remember you can't manage a secret. And so how do you create that and foster that environment, that, that people feel comfortable bringing those things to you.

Yeah. And so I, I actually, you know, there's a section in the book that talks about the ugly baby. And I don't mean that literally, but what I'm saying is in business, there are some things that are uncomfortable to talk about, but you can't skirt them. And so I not go directly to people. However, I follow the chain of command because if I went to you and there's someone else there, and when I'm not around, you are gonna continue to violate standard and the standard is standard.

Tom:

Right. So you actually mentioned race in the book, you say that you were first black person to work at the Goodyear plant in Kingman, Arizona.

Billy:

Yes.

Tom:

And I wonder, you know, the best that I, as an older white guy can ask this question sensitively, how did that play a factor? How did that inform your thinking early in your career when you wanted to be liked, maybe felt you had something to prove, but perhaps evolved over time.

Billy:

Well, what that really taught me going back to what we talked about, was respect and trust. When I walked into that building, I was fully aware that there was 0.7% blacks in the whole community

And at that point it was more 'so what's my value proposition?' Now, what's my race. And you know what, to, to win a team over, I was new to them just as much as they were new to me. And so I spent enormous amount of efforts building trust, building relationship. I would meet with those individuals,

right. When I first went there, I was told by my predecessor and some others that I was gonna have a problem out of a specific person. And for various reasons long or short, he became my greatest asset on the leadership team. He was very standoff-ish at first. First I repeatedly met with him, met with his team and did coaching, made myself available for him. But I held him accountable to the things that he owned. And I never, I never forgot when one day he came in to my office, and he called time out. Time out. And he goes, I hate coming into this office. And I hate that question you always ask: what do you need from me? He says, Billy, I couldn't answer it anymore. But when you walk me out, once you gave me what I needed, you'd walk me around and see people sitting down taking excessive breaks, not wearing their personal protective equipment. And you'd asked me, why do you accept that? Why do you accept that?

Wow, Billy, I don't know, he went on. That's because I'd often say: what do you accept? You can't change. And what do you walk by is the standard. And I says, how can you write anyone up for not following standards when you are evasive on what the standard is? And so, he came back to me, and then he'd come see me every single day and that relationship grew and I'll never forget. He invited me to his home and we made sausage. He was showing me he how he loved to cook. And then I remember as I got ready to leave and I was getting ready to get promoted. And it was the greatest, one of the greatest testimonies of trust and respect I ever had. I said to him, Hey, I wanna let you know, I'm leaving and I'm gonna, you know, recommend you for the job.

He goes, no, I don't want to do it. He says, but I don't want you to leave. And he starts crying <laugh> and he says, you know, I wanna say that the person that replaces you won't have big shoes to fill— they'll have big hearts to fill. He says the way you made me and us feel as a leadership team, we knew we were a part of the process. We were evangelist of what Billy Taylor was bringing because Billy Taylor had our best interests at heart. And so when I look at that piece of executing, winning, we talk about defining, aligning, but executing it's beyond the tools. Although the visual management system is important, is critical. The operating system is important, but that aspect of trust in building that culture..., because if you have a culture where people are not bought in and they're not bought into you, you know, those things impact the bottom line.

I use sports analogies quite often. And I love watching Nick Saban. I'm not an Alabama fan, but I love the Nick Saban style. Right. I, I look at some of those best coaches, what Dion Sanders is doing at Jackson state and why our kids want to go leave powerhouse universities and go play for Jackson state. It's the culture that he's creating, the value system that he's creating. Nick Saban can take a kid from the worst environment or worse neighborhood in America and take a kid from the best neighborhoods, right. He can go to Martha's vineyard and get an athlete, but on game day, you can't tell what kids from where, why, because it's the Alabama standard.

Tom:

He totally creates the standard. Totally agree. I admire Alabama enormously. They're incredibly well coached.

Billy:

And, year after year, those standards keep them at the top of the polls. Right. And everybody wants a Nick Saban type coach. Building that respect and trust in those kids, who respect and trust him as a leader. Those parents respect and trust him

Tom:

And, you can't produce trust by saying, I trust you or trust me. It's formed indirectly through the creation of a system of commitments and shared, I guess, ownership.

Billy:

Absolutely. And, and again, like shared ownership—that that value that I'm a part of. I know what I own inside this enterprise, and I know how I contribute and I'm valued for doing so. You know, when, when I interact, even on social media, I get comments from people that I've worked with in both union and union free organizations. You know, when Billy was here, he'd come in on third shift before there was undercover boss. I remember coming in one night in one of my facilities in Topeka, Kansas, and I heard some things that was going on. So I drove into Walmart, bought me a, a shirt shirts, jeans, took the suit off, grabbed me a baseball cap. I went in on third shift and just hung out. And the people were doing what they were supposed to do. There were a couple I saw sleeping, but I went, talked to them. And then at about 6:00 AM I called the plant manager. And I says, hi, I I'm in your plant.

I've been here since 3:00 AM. And I just wanna congratulate you on a job well done. Your team, they're engaged. They own it. Your supervisors are. And he goes, 'you're in my plant? You've been here all night.' I said, yeah. Right. And so, it's that piece of, what are people doing when no, one's looking? At 2:00 AM 3:00 AM. I didn't show up because it was a poor running organization, I showed up because it was one of my best running organizations and I wanted to know why they were so good. So that's a different mindset.

Tom:

Absolutely. Okay. Well, listen, I we should probably wrap up for the sake of the podcast. Billy Taylor's new book is *The Winning Link* published by McGraw-Hill. It is available (one hopes) right now. And Billy, thank you for taking the time.

Billy:

Thank you. It's been awesome. A great dialogue. So thank you for having me. And I've been a fan of LEI for years as I've come through the organization. So I was honored that you even invited me to be on the show. Ah, so thank you.

Tom:

It's nothing. Thank you. All right.

Billy:

All right. Bye.