

# **THE LEAN SCALE-UP™**

---

**A Step-by-Step Guide  
to Building a Great  
Business or Non-Profit**

 **ManageHub.pro**

# The Lean Scale-Up

How to Make the Leap from Startup to Scale-Up  
*and from*  
Scale-Up to an Enterprise-Class Organization

By: Michael S. Kramer, CPA

**Lean Scale-Up - How to Make the Leap from Startup to Scale-Up and from Scale-Up to an Enterprise-Class Organization**

Published by tsWB Strategies, Inc. Skokie, IL

[www.managehub.pro](http://www.managehub.pro), [www.managehub.com](http://www.managehub.com)

Copyright © 2019 by tsWB Strategies, Inc., Skokie, IL

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise, except as permitted under Sections 107 or 108 of the 1976 United States Copyright Act, without the prior written permission of the Publisher. Requests to the Publisher for permission should be addressed to the Permissions Department, tsWB Strategies, Inc., (847) 675-8211, fax (800) 999-9231, or online at [www.managehub.pro](http://www.managehub.pro)

**Trademarks:** ManageHub, the ManageHub logo and related trademarks are owned by tsWB Strategies, Inc. and/or its affiliates in the United States and other countries and may not be used without written permission. All other trademarks are the property of their respective owners. tsWB Strategies, Inc., is not associated with any product or vendor mentioned in this book other than ManageHub.

**LIMITATION OF LIABILITY/DISCLAIMER OF WARRANTY: THE PUBLISHER AND THE AUTHOR MAKE NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE CONTENTS OF THIS WORK AND SPECIFICALLY DISCLAIM ALL WARRANTIES, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE. NO WARRANTY MAY BE CREATED OR EXTENDED BY SALES OR PROMOTIONAL MATERIALS. THE ADVICE AND STRATEGIES CONTAINED HEREIN MAY NOT BE SUITABLE FOR EVERY SITUATION. THIS WORK IS SOLD WITH THE UNDERSTANDING THAT THE PUBLISHER IS NOT ENGAGED IN RENDERING LEGAL, ACCOUNTING, OR OTHER PROFESSIONAL SERVICES. IF PROFESSIONAL ASSISTANCE IS REQUIRED, THE SERVICES OF A COMPETENT PROFESSIONAL PERSON SHOULD BE SOUGHT. NEITHER THE PUBLISHER NOR THE AUTHOR SHALL BE LIABLE FOR DAMAGES ARISING HEREFROM. THE FACT THAT AN ORGANIZATION OR WEBSITE IS REFERRED TO IN THIS WORK AS A CITATION AND/OR A POTENTIAL SOURCE OF FURTHER INFORMATION DOES NOT MEAN THAT THE AUTHOR OR THE PUBLISHER ENDORSES THE INFORMATION THE ORGANIZATION OR WEBSITE MAY PROVIDE OR RECOMMENDATIONS IT MAY MAKE. FURTHER, READERS SHOULD BE AWARE THAT INTERNET WEBSITES LISTED IN THIS WORK MAY HAVE CHANGED OR DISAPPEARED BETWEEN WHEN THIS WORK WAS WRITTEN AND WHEN IT IS READ.**

For general information on our other products and services, please contact our Organization Development Department in the U.S. at 800-999-9231 or visit [www.managehub.pro](http://www.managehub.pro).

# Forward

## Why Lean Scale-Up?

Leaders are on a perpetual hunt for the one, elusive and all-powerful solution that will somehow magically transform their organizations from struggling to success. They are looking for ways to turn customer complaints into compliments. They are searching for ways to create loyal and dependable employees. They want freedom from performing routine processes and resolving recurring problems. They want time to focus on the future. They want their organizations to perform like finely tuned machines. Of course, they also want ever-increasing sales and bottom-line results!

Unfortunately, most of these leaders are looking for success in all the wrong places. They read the latest best-selling “guru-type” management books. They subscribe to trendy leadership blogs and online business magazines. They join expensive peer-advisory roundtables. They attend leadership development courses. They engage business-coaches or consultants. Some even give up on themselves altogether and hire their own replacement.

The impact of all this effort and expense is random. For most leaders, their pain and problems persist. Often their situation is made worse by bad advice, overly simplistic ideas, and solutions that won’t scale. This is unfortunate because the one, universal solution that they are so desperately looking for is hiding in plain sight. It is the same credible, time-tested and proven leadership approach used by the largest and most successful organizations to achieve their objectives and maximize their results. *This proven solution is also the basis of the Lean Scale-Up approach!*

Hmmm... I know what you are thinking, “If this one, incredible solution is so amazing *why haven’t I heard about it!*”? This is exactly the question I asked in 2009 when I contacted Bob Fangmeyer, the director of the U.S. Baldrige Performance Excellence Program.

“Baldrige,” as you will learn later in this book, is the United States standard of management excellence. It was established by an Act of Congress in 1987 to encourage leaders to create high performing organizations. The Baldrige Act specifically identifies mid-market and small businesses as a primary target audience, so, I was curious why its fame and prestige were mostly limited to the largest businesses and nonprofits. Why was Baldrige largely unknown to midmarket and smaller organizations? Bob shared my concern and suggested conducting a research study to identify ways that Baldrige can benefit smaller organizations.

With Bob’s input and the help of Dr. Kevin McCormack, we began a first-of-its-kind research project. Our hypothesis was that mid-market and small business success will become more predictable when they apply Baldrige-based best management practices.

Over 450 businesses participated in the study. Dr. McCormack’s conclusions offered a wakeup call, *“Business success seems almost random. Although organizations report that they are ‘focusing on business basics’ they do not seem to be engaging in process or strategic improvement. In other words, there seems to be a disconnect between their intentions and appropriate action.”* Furthermore, Dr. McCormack reported, *“The data shows that many small businesses are struggling with the basics. They require more direction in practical implementation of Baldrige best practices.”* Dr. McCormack also found a glimmer of hope when leaders accidentally stumbled on best management practices, *“We found a slight but a predicted Baldrige ROI for those companies who randomly discovered and implemented best practices. With a better focus on Baldrige practices, it could be better.”*

The research sparked our imaginations. What if mid-market and smaller organizations began to intentionally adopt Baldrige-based practices? What would the impact be for their leaders, their employees, their communities, and for our economy if they achieved even half the Baldrige return-on-investment reported by larger organizations? They would finally make the leap from good to great. The fog of endless problems would lift. The hidden potential of their organizations would come into clear focus. They could multiply the opportunity of everyone involved.

Now you understand the purpose of The Lean Scale-Up. Our mission is to make Baldrige-based best management practices easily accessible to all organizations regardless of their industry, size or stage-of-development. To accomplish this we created a customizable toolset and a step-by-step implementation plan.

We hope you use the Lean Scale-Up approach to begin your organization’s Baldrige journey, achieve your goals and maximize your success. We hope you use the Baldrige-based Lean Scale-Up approach to filter the business advice you read or are given by outside “experts” and avoid distracting and costly missteps. We also hope adopting Lean Scale-Up will encourage you to reach even higher by pursuing Baldrige-based recognition and awards. Baldrige is a very deep well of knowledge. The more you learn and achieve, the more you will want to know.

In addition to the tools and methods shared with you in this Lean Scale-Up Summary, you may also like to explore the following Baldrige-based tools created by the Lean Scale-Up team:

- **ManageHub Pro:** [www.managehub.pro](http://www.managehub.pro) (Access additional Lean Scale-Up tools, training and support)
- **BaldrigeLive:** [www.BaldrigeLive.com](http://www.BaldrigeLive.com)
- **The Success Score:** [www.managehub.pro/success-score](http://www.managehub.pro/success-score)

- **ManageHub Software:** [www.managehub.com](http://www.managehub.com)
- **20-Minute Lean Scale-Up Webcast** (a video companion to this book):  
[www.managehub.pro/webcast](http://www.managehub.pro/webcast)



I would like to thank the following people for their continuing guidance, encouragement, and support: **Darcy Davidsmeyer**, President & CEO of Illinois Performance Excellence, Ret.; **Geri Markley**, Executive Director Michigan Performance Excellence; **Anne Warner**, Executive Director, ExcellenceNorth Alliance; **Gary Nестeby**, Executive Director, Iowa Recognition of Performance Excellence, Ret.; **Dr. Doug Gilbert**, Rocky Mountain Performance Excellence (RMPEX), Ret.; **Dean Bondhus**, Kentucky Center for Performance Excellence; **Dr. Kevin P. McCormack**, President of DRK Research; and **Bob Fangmeyer**, Director of the Baldrige Performance Excellence Program.

I hope you enjoy and benefit from adopting The Lean Scale-Up.

Please contact me with questions:

Mike Kramer, CPA

office = 847-675-8211

Schedule a meeting with Mike: [www.calendly.com/managehub](http://www.calendly.com/managehub)

[www.linkedin.com/in/michaelkramer](http://www.linkedin.com/in/michaelkramer)

[www.managehub.pro](http://www.managehub.pro)

# Introduction

## Summary of the Summary

In the spirit of lean efficiency, this book is written in a summary format. Its purpose is to provide you with the information you need to optimize and transform your organization as quickly as possible. No fluff, just key concepts, practical methods and a toolset.

### Lean Scale-Up Cheat Sheet: Management Math

- **11 Core Values and Concepts** are translated into **10 Non-Negotiable Behaviors** that all employees perform to create a successful organizational culture
- The **10 Non-Negotiable Behaviors** are used to manage **7 Essential Areas of Management**: Leadership, Strategy, Customers, Systems, Workforce, Operations and Results
- The **7 Essential Areas of Management** are organized into **2 types of teams**: Strategy Teams and Process Teams
- The Strategy Teams and Process Teams all link to form a fully interconnected “**Network of Teams**” that work together to accomplish your organization’s mission and business objectives
- Teams and individual team-members are coached and supported using **2 primary engagement methods**: Team Accountability Meetings and One-on-One Employee Performance Coaching
- “Facilitated Management” ensures all participants are actively performing their roles and making progress
- Lean Scale Up is implemented using an **LSU Leadership toolset (Here are 10 starter tools)**:
  1. Business Model Map
  2. Management Systems Checklist
  3. 20/20 “Wish List”
  4. Annual Strategic Process Worksheet (part of the Lean Scale-Up Strategic Process Workbook)
  5. Value Proposition Analysis
  6. Accountability Meeting Worksheet
  7. Employee Coaching Worksheet
  8. Key Performance Indicator Worksheet
  9. Success Score
  10. ManageHub Software
- **4 Steps** deploy Lean Scale-Up (These steps mirror LSU’s strategic process)
  1. Gather inputs using the following LSU tools:
    - Leader’s “Wish List” Workbook
      - Issues list
      - Delegation list
      - 20/20 list
    - Business Model Map
    - Management Systems Checklist (and gap analysis)
  2. Develop a prioritized implementation plan using the following LSU tool(s)
    - Strategic Process Worksheet
    - Strategic Process Workbook (for more advanced implementations)
  3. Implement, monitor and adjust the plan (start slow... finish fast)
    - Charter the first strategy and process teams, with the goal of creating a “network of teams”
    - Use LSU’s Accountability Meeting Worksheet to accelerate progress
    - Use LSU’s Performance Coaching to train, guide and support employees
    - Use LSU’s “Facilitated Management” approach to monitor and encourage participation and progress
  4. Measure, Report and Recognize
    - Create a holistic set of KPIs (key performance indicators) related to the 7 Areas of Management
    - Report KPIs, trend data and results during “Accountability Meetings” and culminating events
    - Identify and recognize role-model employees
    - Celebrate successes
- Repeat Steps 1-4 as needed. When ready, transition to LSU’s 4-Step Strategic Process and include “visioning,” because now the “fog” of disorganization is lifting, and you have a clearer view of all your amazing possibilities.

# Section One

## Overview

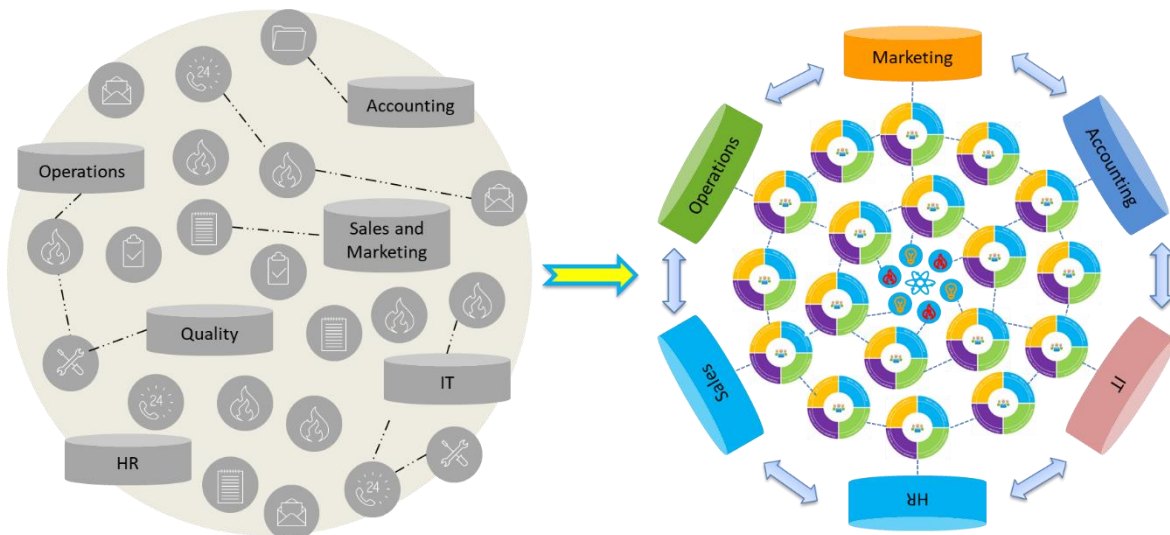
### What you will learn:

- What is Lean Scale-Up (LSU)?
- What type of organization is a good candidate for adopting LSU?
- What “pain points” does LSU solve for overworked and overstressed leaders and teams?
- What is LSU “Super Efficiency” and “Super Growth”?
- What benefits can you expect by using LSU?
- How does LSU benefit BOTH leaders and employees by giving each exactly what they want?
- Why is Baldrige-based LSU more credible, time-tested and less risky than “guru” bestselling books?

## What is Lean Scale-Up and Why Use It?

- Lean Scale Up (LSU) is a management approach that ends the “growing and slowing pains” associated with building a business or nonprofit. It replaces “seat-of-the-pants” management with a more systematic and structured approach, like the ones used by the most successful, innovative, respected and valuable organizations.
- LSU solves the problem of the disorganized business, where the right hand does not know what the left hand is doing; where recurring “fires” cost staff time; where knowledge and knowhow are siloed, hoarded and even held hostage by employees; and, where employee issues and improvement ideas are rarely shared or acted upon.

### Transform the typical disorganized organization into a Lean Scale-Up Organization





- LSU is used by organizations wanting to achieve one or more of the following objectives:  
(Which of the following statements do you and your organization want to achieve?)
  - Business transformation or turnaround
  - Breakthrough off plateaued growth (sales and/or profitability)
  - Optimize employee culture
  - Prepare for a lucrative exit
  - Effective strategic planning and execution
  - Improve product and service quality
  - Increase customer satisfaction
  - Freedom from working 24/7/365
  - End the “growing and slowing pains”
  - Improve inter-company communication and collaboration
  - Enjoy working again
  - Work on not in your organization
  - Accelerate progress and achieve business goals faster
  - Delegate effectively (without losing control)
  - Achieve command and control of “all the moving parts”
  - Increase sales and profits
- LSU solves a long list of typical “pains” associated with building a business or nonprofit:  
(Which “pains” are relevant to you and your organization?)
  - Knowledge is siloed (or worse, hoarded)
  - Strategies are not implemented
  - Recurring “fires” cost you and your team time, money and stress
  - Customer complaints
  - Inconsistent quality
  - Slowing or plateaued growth
  - Processes are not systematic and repeatable
  - Over-dependence on specific people doing specific work
  - Employees are stuck in “job traps” that prevent their promotion and risk their retention (Can you think of key employees who would be difficult to replace?)
  - Lack of inter-departmental communication and collaboration
  - Inefficiency and waste impacts bottom-line results
  - Lack of employee engagement, loyalty and retention
  - Lack of time to focus on innovation
  - Lack of future leaders
  - Lack of teamwork
  - Lack of visibility, reporting and measurement
  - Overworked, overstressed and unhappy leaders, teams and employees
  - Hidden and untapped innovation and profit potential
- LSU removes the primary (psychological) obstacles that prevent leaders from adopting best-management practices:
  - Lack of time
  - Fear of adding complexity
  - Employee Resistance
  - Cost
- In the short-term, the time and cost required to implement LSU are more than offset by the time and expense saved creating more efficient processes that result in fewer

recurring problems. In the long-term, LSU results in significant time and cost savings as your organization achieves “Super-Efficiency.”

- LSU’s “Super Efficiency” is achieved when:
  - All management and operational processes work together as a whole (“The whole is greater than the sum of its parts,” *Aristotle*)
  - Every employee is an active participant performing and improving the work they perform. (Everyone becomes a “leader of their own work”).
  - Open, cross-organizational communication and collaboration creates a new and dynamic synergy
  - Problems are treated as improvement opportunities that create a better run organization
  - The organization re-invests some of LSU’s time and cost savings to engage all employees at all levels of the organization in an annual strategic (innovation) cycle
- LSU results in an avalanche of benefits associated with higher-performing businesses and nonprofits: (Which benefits would you like to achieve in your organization?)
  - Highly organized and systematic operations that basically run themselves
  - Increasing visibility (measurements and reporting) that processes are performing as expected, customers are satisfied, employees are engaged, strategic objectives are being achieved and financial results are improving
  - Increasing customer satisfaction, retention and referrals
  - Reducing risk
  - More flexible, resilient, responsive and competitive organization
  - More sustainable
  - More scalable
  - More saleable
    - Increasing company value
    - Higher EBITDA-multiple
    - Better able to negotiate favorable M&A terms
  - Increasing communication and collaboration within and between teams and departments
  - Increasing employee satisfaction, engagement, productivity, loyalty and retention
  - Increasing creativity and innovation
  - Optimized culture (integration and alignment) that supports performance excellence
  - Active team building and leadership development as a byproduct of active participation
  - Deploying a common management language and common management toolset that replaces multiple manager-ways or location ways with one “company-way”
  - Employee powered continuous improvement that enables the business to stay relevant
  - Increasing bottom-line results
    - Sales growth
    - Employee productivity
    - Cost savings (every penny saved falls to your organization’s bottom line)
  - Achieve LSU “Super Growth” because your organization can easily scale to accommodate new customers without risking existing relationships

- LSU’s “Super Growth” is achieved when:
  - The company has a desirable product or service and knows how to market it (“secret sauce”)
  - The company’s processes are systematized, standardized and continuously improving
  - Leaders are irrelevant to day-to-day operations and employees are “plug and play,” freeing everyone to be cross-trained and promoted as the organization grows
  - The organization produces and delivers consistent products and/or services to all customers regardless of which employee(s) are involved
- LSU’s Super-Growth is explained by the theory of “Business Growth homeostasis.” The theory states, *“An organization can only grow to the point where it delivers consistent product and service quality to all of its customers.”* This means that the moment an organization cannot maintain consistent quality, they will simply lose older customers out the backdoor as they gain new customers through the front door. This explains why many profitable companies, who otherwise have effective marketing processes are frustratingly stuck on a sales plateau. For these organizations, no matter how much money they spend on marketing, sales gains will be temporary, and growth will remain plateaued. These organizations should consider reallocating a portion of their marketing budget to pursue LSU. As the organization becomes better able to deliver consistent quality to all of its customers, new and old alike, they can gun their marketing-engine and sales will naturally break through that stubborn plateau. The organization will also be in a position to achieve “Super Growth.”

## **Lean Scale-Up benefits BOTH leaders and employees by giving each exactly what they want**

- LSU cannot be described as a top-down or bottom-up management approach. Instead, it is an ‘inside-out’ approach that treats each employee as a “leader of their own work.”
- LSU equally serves the needs of leaders and employees:
  - Employees are empowered to manage their own work with greater independence
  - Leaders are provided greater visibility and confidence that their employees are performing with excellence
- A goal of LSU is for leaders to become irrelevant to day-to-day operations and their employees become “plug-and-play.” This allows leaders to focus on business improvement, development and strategy and frees employees from their “job-traps” so they can be promoted.
- In many underperforming organizations, people are perceived as problems. In an LSU organization, people are perceived as potential. The difference can be accounted for by the following:
  - LSU run organizations establish two-way communication between leaders and employees. Everyone is given an equal voice and equal opportunity to make a difference. Of course, leaders make the final decisions, but all voices are heard

and respectfully considered. This unlocks an organization's "wisdom of the crowd."

- LSU leaders set clear expectations, so employees have a better understanding of how to perform well.
- LSU organizations use the "10 Non-Negotiable Behaviors" (explained in Section Two) and performance measures to assess individual and team performance. Underperforming people or teams are coached and supported. Most willing employees and teams can make the leap to performance excellence.
- Resistant employees often recognize that they can no longer hide from the visibility that LSU creates. As a result, most recognize they are not a good fit for the organization and find another job.
- LSU avoids firing employees. However, when an employee is unwilling to be coached and supported, the organization may need to make a change for the benefit of the other employees who want to maximize the organization's and their own success.
- LSU can profoundly improve the "people-dynamic" in the organization. Teamwork replaces politicking, and managing-upwards is replaced with esprit de corps.
- LSU defeats employee-resistance and knowledge-hoarding by offering every employee the opportunity of promotion. Two LSU mottos help promote this concept: "Grow with our growing company, as you help it grow" and, "If you are not replaceable you are not promotable."
- An LSU leader is like a conductor of a symphony orchestra. They are in complete control of the performance, but they do not play any of the instruments.

## **LSU can be trusted – It is based on "Baldrige" - *America's Business Operating System***

- Lean Scale-Up is not a "guru" approach. Instead, it is based on the U.S. Baldrige Performance Excellence Program.
- Baldrige is the United States standard of management excellence.
- Baldrige was created by an Act of Congress in 1987 to encourage American leaders to adopt best-management practices as their fastest and lowest risk path to maximizing their success and achieving their goals.
- The Baldrige Performance Excellence Framework is named for Malcolm Baldrige, a United States Secretary of Commerce who unexpectedly died just before his marquee business excellence award program was established by Congress.
- There are over 70 Baldrige-based programs worldwide. Similar programs include the prestigious Deming Prize (Japan), EFQM (European Union) and Canada Excellence.
- The largest and most successful businesses and nonprofits have adopted Baldrige as their Business Operating System. These include IBM, FedEx, Nestle, Ritz Carlton Hotels, Motorola, Accenture, Price Waterhouse Coopers (PWC) and 3M.

- Baldrige codifies over 100 years of proven, credible and trusted management theory into a single standard of excellence. The standard represents the essential requirements shared by TQM, Six Sigma, ISO, Agile, Lean Manufacturing, etc.
- Baldrige integrates an organization's people, processes and strategies to maximize customer satisfaction and results.
- The origin of Baldrige can be traced to Henry Ford's innovative manufacturing methods, which were improved by Edwards Deming, Joseph Juran (the father of Six Sigma) and Toyota. These best management practices were later codified in the 1970s by the U.S. Navy and renamed, "Total Quality Management" or TQM.
- There are 31 Flavors of quality management. TQM, Lean, Six-Sigma, CMMI, ISO, and the list goes on-and-on. Baldrige is the ice-cream cone, the foundation of them all.
- Baldrige is a low-risk management approach because it has over 25 years of exceptional results documented by the National Institute of Standards and Technology. (NIST.gov). Other "guru" type approaches do not have this level of credibility. (see [Baldrige 20/20 Report](#))
- The advantages of adopting Baldrige-based LSU over a "guru" type approach include:
  - Avoids blind spots associated with the other quality models that focus on only one of the 7 Essential Elements of Management (Leadership, Strategy, Customer, Systems, Workforce, Operations and Results). For example, Six Sigma is a process improvement approach and ISO is a process documentation approach. They are both excellent tools but they are not a holistic management system like Baldrige-based LSU.
  - Reduces the risk of adopting an incomplete management method
  - Reduces the risk of adopting an over-simplistic management method that cannot scale with your organization as it grows. (Baldrige is adopted by the smallest businesses and nonprofits, all the way up to IBM, FedEx and PWC-sized organizations.)
  - Well suited for all businesses and nonprofits regardless of industry, size or stage of development
  - Allows leaders to control the speed, scope and scale of deployment (start with one process or department if you like)
  - Avoids the learning curve of recreating the wheel
  - Minimizes risk
  - Helps defeat employee resistance
- There is an important reason all businesses need to adopt the Baldrige-based Lean Scale Up. It has to do with the fast-changing competitive marketplace. It used to be that both large and small organizations could compete in the same marketplace. The large company's advantage was that they had more money to throw at problems and innovate. The small company's advantage was that they were more flexible, responsive and resilient. They could often out-manuever their larger and more lumbering competitors. Everything changed in the 1990s as large organizations began to adopt Baldrige-based best management practices. The large organizations became as flexible, responsive and resilient as their smaller competitors. (Sometimes even more so.) Their newfound performance excellence combined with their deep pockets made it very difficult for their small business competitors to compete. LSU helps level the playing field by providing all

organizations with easy access to the same management methods used by the larger companies to become successful.

## Why is LSU Important?

- The innovation of Lean Scale-Up is that it translates often complex management theory into a simple practical management approach.
- Where other methods tell you what you need to do, LSU shows you how.
- The mission of Lean Scale-Up is to make Baldrige-based practices easily accessible to mid-market and smaller organizations by providing them with a customizable toolset and a step-by-step implementation plan.
- **Here is LSU's big idea:** Just like accounting has GAAP, Generally Accepted Accounting Principles, LSU proposes management establish GAMP, Generally Accepted Management Principles. Every organization's financial processes are regulated by GAAP. Organizations would similarly benefit from adhering to GAMP (Baldrige-based LSU). Excellent accounting is not enough. GAAP is Yin. GAMP is Yang. You need both to achieve performance excellence.

# **Section Two**

## **How LSU Works**

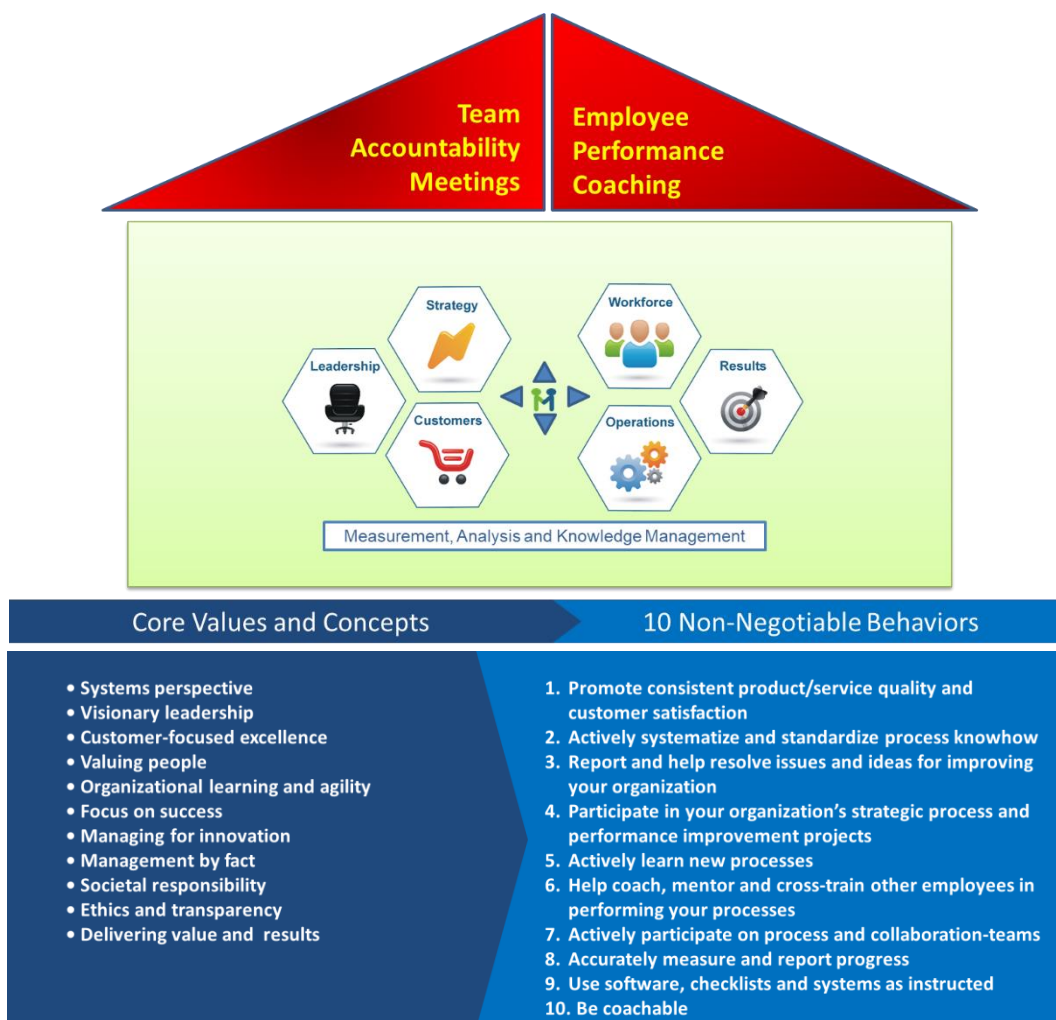
### **What you will learn:**

- LSU starts by building a strong employee-powered culture of excellence
- LSU translates 11 theoretical Baldrige-based Core Values into 10 practical Non-Negotiable Behaviors
- LSU uses the 10 Non-Negotiable Behaviors to manage 7 key management areas
- LSU organizes the 7 key management areas into 2 types of teams: Strategy and Process Teams
- LSU uses ManageHub Software to organize Strategy and Process Teams into a fully interconnected “Network of Teams”
- LSU engages individuals and teams using 2 essential methods: Accountability Meetings and Employee Performance Coaching
- LSU’s “Facilitated Management” is necessary to ensure all people and teams are actively participating

## **Start with Culture – Translate Baldrige’s 11 Core Values and Concepts into LSU’s 10 Non-Negotiable Behaviors**

- Your organization’s culture represents its spiritual foundation.
- Culture is important because it is used to cultivate high-performing employees and teams.
- The Baldrige Performance Excellence Framework identifies 11 Core Values and Concepts associated with the highest performing organizations.
- The 11 Core Values and Concepts represent the common denominator shared by great companies. Accordingly, your organization should consider adopting them as the basis of your organization’s culture.
- If your organization has already identified a list of “Values,” reconcile them with the 11 Core Values and Concepts to ensure they are complete.
- If your organization has not yet identified a list of “Values,” LSU recommends saving time and money by adopting Baldrige’s 11 Core Values and Concepts instead of creating your own.
- The following are the 11 Core Values and Concepts included with the Baldrige Framework:
  1. Systems perspective
  2. Visionary leadership
  3. Customer-focused excellence
  4. Valuing people
  5. Organizational learning and agility
  6. Focus on success

7. Managing for innovation
  8. Management by fact
  9. Societal responsibility
  10. Ethics and transparency
  11. Delivering value and results
- LSU translates Baldrige’s 11 Core Values and Concepts into 10 Non-Negotiable Behaviors.
  - The 10 Non-Negotiable Behaviors represent the shared “management rules” that align your organization’s people, processes and strategies.
  - The 10 Non-negotiable behaviors bring the 11 Core Values and Concepts to life:
    1. Promote consistent product/service quality and customer satisfaction
    2. Actively systematize and standardize process knowhow
    3. Report and help resolve issues and ideas for improving your organization
    4. Participate in your organization’s strategic process and performance improvement projects
    5. Actively learn new processes
    6. Help coach, mentor and cross-train other employees in performing your processes
    7. Actively participate in process and collaboration-teams
    8. Accurately measure and report progress
    9. Use the organizations’ software, checklists and other systems as instructed
    10. Be coachable





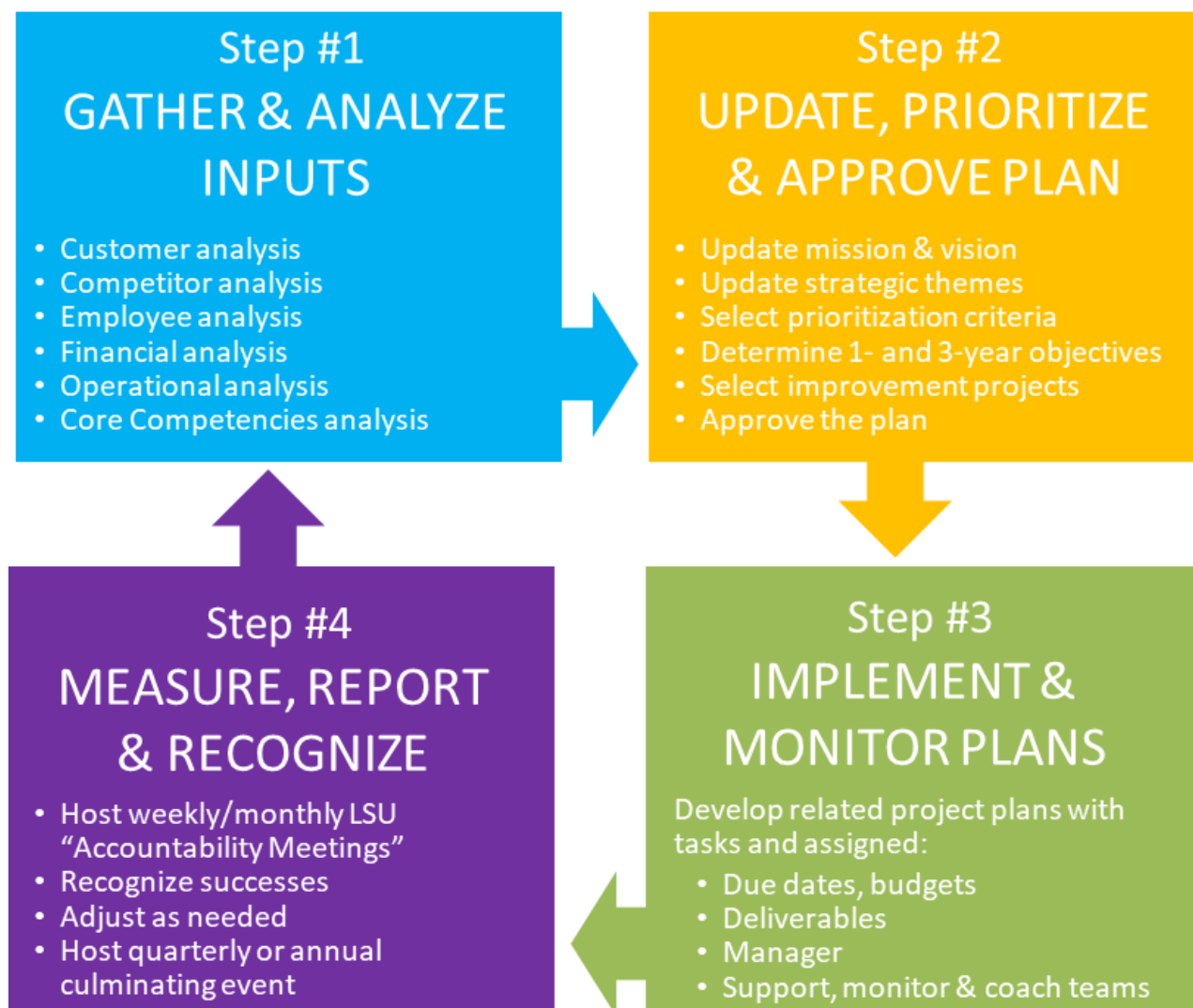
- Use the 10 Non-Negotiable Behaviors to create or improve your organization’s culture.
- Your organization can add behaviors, for example, “Having fun.” However, it is not advised to remove any of the original 10 behaviors.
- Use the behaviors to manage all phases of the employee-lifecycle:
  - Hiring
  - Onboarding
  - Mentoring, coaching, team building, leadership development, etc.
  - Promoting the highest performing people
- Culture-building starts by introducing the Non-Negotiable Behaviors during the hiring/interviewing process. This is important because hiring is the first opportunity an organization has to set expectations for the behaviors you want employees to perform. If the candidate cannot align with your organization’s behaviors, they are not a good fit for your team. Hopefully, mismatched candidates will self-select out of the recruiting process.

## **Use the 10 Non-Negotiable Behaviors to Manage 7 Areas of Management**

- Baldrige-based LSU identifies 7 Areas of Management:
  1. Leadership
  2. Strategy
  3. Customers
  4. Systems
  5. Workforce
  6. Operations
  7. Results
- Most under-performing organizations manage the 7 areas in silos. For example, they may invest in an annual strategic planning initiative or they may hire a consulting firm to document their operational processes (maybe even become ISO certified). Certainly, there is value in these individual initiatives. However, as separate initiatives, there is minimal leverage.
- To achieve LSU’s “Super Efficiency” and “Super Growth” an organization must manage the 7 areas as one integrated performance management system.
- Integration makes sense because all seven management areas are inter-related and inter-dependent. For example, a great strategic plan requires considering customers’ evolving needs and wants. It also requires considering workforce and operational capability and capacity. Similarly, Results cannot consist of financial measures alone. The organization must also measure and report strategic impact, customer satisfaction, employee engagement, operational efficiency, etc. You can continue with similar examples of inter-connected relationships for every area.
- The more integrated the 7 areas become, the more leverage you create and the more benefits you can achieve

## Organize the 7 key management areas into 2 types of teams: Strategy Teams and Process Teams

- The 7 key management areas can be organized into 2 types of teams:
  - **Strategy Teams:** Manage the Strategy and Customers areas
  - **Process Teams:** Manage the Workforce and Operations areas
- Both strategy and process teams are supported by the organization's management, measurement and knowledge systems. For example, these systems include accounting software, ERPs, EMRs, PSAs, ManageHub, etc.
- LSU gives each team a specific operating model
  - Strategy Team(s) manage LSU's annual 4-Step Strategic Cycle:
    1. Gather and Analyze Inputs
    2. Update Prioritize and Approve Strategic Plan
    3. Implement, Monitor and Adjust Plans
    4. Measure, Report and Recognize



- Process Teams manage the organization’s routine operations. One process team is created to manage a single work activity. Every member of the Process Team is equally responsible for managing the following 4 responsibilities associated with high-performing organizations:
  1. **Systematize and Standardize:** Mature processes have a repeatable system that is consistently used by all who perform it. The system also needs to be well documented with step-by-step standard operating procedures (SOPs).
  2. **Report and Resolve Issues and Ideas:** Mature processes require an integrated continuous improvement system where stakeholders (employees, customers, etc.) can report issues and improvement ideas.
  3. **Implement Improvement Projects:** Implementation of projects designed to resolve issues and improvement ideas is an obvious (but often missing) element in a mature continuous process improvement cycle.
  4. **Measure and Report Performance:** Mature processes identify one or more KPIs (key performance indicators) to measure and report performance. These process related KPIs should also contribute insight into the overall health of related processes and the organization as a whole.

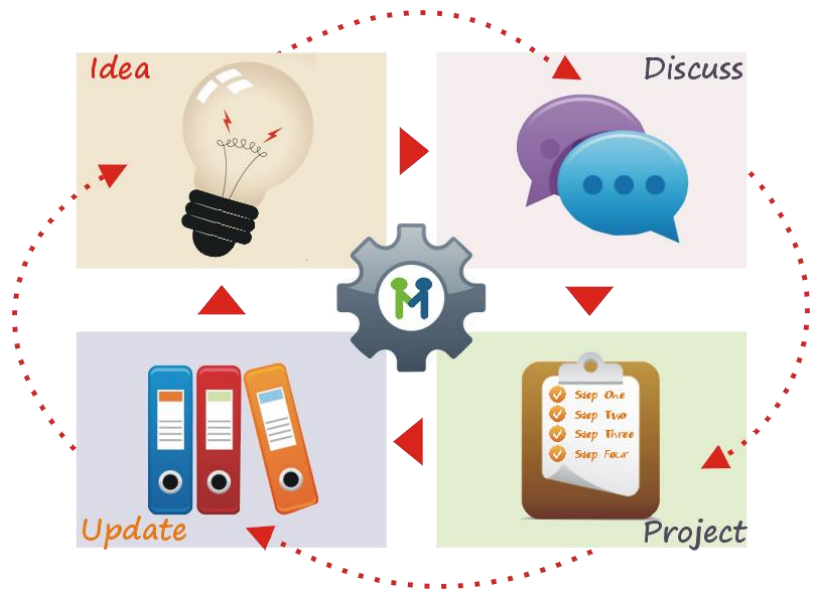


- Assign a manager to each strategy and process team. The manager has the additional responsibility of facilitating collaboration and holding team members accountable to actively participate.
- **Strategy and process managers work with the organizations “LSU Implementers” who oversee the deployment of The Lean Scale-Up approach and facilitate communication and collaboration between individuals, teams and departments. (More about “LSU Implementers” to come later in this Section)**
- Process Team and Strategy Team Managers are in the best position to identify high-performing and high-potential employees. High performing employees should be identified as role-models. They should be recognized for the value they provide. They should also be rewarded with learning opportunities, leadership positions and promotion. They represent your organization’s future leaders.

## **Interconnect the Strategy Teams and Process Teams to form a “Network of Teams” that work together to accomplish your organization’s mission and business objectives**

- Creating an interconnected and high performing “Network of Teams” is the primary mechanism of LSU.
- Each team is responsible for managing itself and also communicating and collaborating with other teams to report and resolve issues and improvement ideas.
- Creating a “Network of Teams” helps optimize your organization’s culture. It does this by empowering and engaging employees to become “leaders of their own work.”
- LSU offers organizations an alternative to expensive and ineffective team-building events. Instead of trust-falls, picnics in the forest or facilitated icebreakers, LSU builds strong teams by teaching employees how to work together to build a better department, business or nonprofit.
- LSU helps change employees’ attitudes about sharing issues and improvement ideas. In many underperforming organizations, employees avoid sharing issues and ideas in fear of being perceived as a “rat” or getting their friends in trouble. In an LSU organization, the shared objective is to build a better company. With LSU both the employees who report issues and ideas and the teams that resolve them are recognized and celebrated by all. There is never retribution for the reported problem. Instead, the only retribution is for teams that do not take approved corrective action.
- LSU’s “Network of Teams” helps create a flat management structure. However, it can easily coexist with an organization’s traditionally cascading organizational chart.
- ManageHub Software ([www.managehub.com](http://www.managehub.com)) was created to manage a “Network of Teams.” ManageHub creates one dedicated online workspace for each strategy and process team where team-members manage and improve the work that they perform. ManageHub’s benefits include:

- Aligns all team members to one organization-wide standard of work. Instead of having multiple “manager-ways” or “location-ways,” the organization will have one “company way.”
- Provides every participant an opportunity to report issues and improvement ideas directly to the process team(s) who can take corrective action. This helps create an employee-powered continuous improvement cycle that fuels valuable incremental improvements.
- Stores all current knowledge in the related online ManageHub workspace(s). This is important because most employees, especially new recruits, struggle to find the information, standard operating procedures (SOPs), training methods, checklists, forms and other documents they need. Using ManageHub the knowledge is always easy to find.
- Creates an Employee Profile Page where team members are given credit for the knowledge they share, the issues and ideas they report or resolve and the improvement projects they manage. They can also create a learning-plan to encourage knowledge-sharing, cross-training and a path to promotion as the organization grows.
- It makes it easy for process and strategy team managers, and “LSU Implementers” to oversee and facilitate effective communication and collaboration.



## **Engage individuals and teams by using 2 engagement methods: Team Accountability Meetings and One-on-One Employee Performance Coaching/Mentoring**

- Most organizations fail at properly engaging their employees:
  - They do not set clear expectations
  - They do not have open, two-way communication channels
  - They do not support active “listening” of customers, employees and community stakeholders
  - They do not facilitate collaboration. (Some may purchase “shiny” software tools and expect them to magically manage collaboration. They do not. The collaboration still needs to be facilitated.)
  - They lack measurement and reporting systems that provide needed visibility
  - They do not adequately hold individuals and teams accountable
  - They do not adequately mentor or coach employees
  - They do not adequately recognize individual and team accomplishments
  - They do not create a culture of performance excellence where everyone works together to achieve the organization’s mission
  - They do not create a trusting relationship needed for a long-term commitment
- LSU solves these problems by deploying two simple employee engagement routines that maximize employee and organizational performance:
  1. Team Accountability Meetings
  2. One-on-One Employee Performance Coaching

### **Team Accountability Meetings**

- First, keep in mind that LSU is not “pro-meetings.” LSU recommends that most meetings be replaced by facilitated asynchronous collaboration. However, regularly scheduled Accountability Meetings are essential for achieving active employee engagement.
- The primary objectives and benefits of the Accountability Meeting are:
  - Alignment
  - Accountability
  - Visibility
  - Recognition
  - Inter-company (or department) Communication
  - Team building and leadership development
  - Creating one “Company Way” for managing meetings that can cascade from the executive team, through departments, and down to process and strategy teams.
- Use the following rules to manage the Accountability Meeting:
  - Hold Accountability Meetings on the same day and time
  - Establish a regular schedule for the meetings. (daily or weekly is recommended)
  - Require mandatory attendance (with a few exceptions like PTO, client meetings, etc.)

- No negative comments are allowed during the meeting. (These should be handled one-on-one.)
- Avoid brainstorming solutions. (Brainstorming should be conducted asynchronously using ManageHub or outside the Accountability Meeting.)
- Participants should provide a quick (3-Minute) report by functional area, strategic project, issue/idea and KPI using the following format:
  - Start with a brief overview for those who are unfamiliar
  - Continue with a progress report of the deliverables completed
  - Conclude by setting expectations for deliverables that will be completed
- Recognize the value of individual and team contributions
- Try to keep the meetings to 20-30 minutes
- The Accountability Meeting should be organized using LSU’s Accountability Meeting Worksheet which serves as both meeting agenda and daily management tool. (See Section Four for an example of an Accountability Meeting Worksheet.)
- The Accountability Meeting Worksheet should be a “living document” that all participants can access 24/7/365 to add or update their initiatives and report progress. (Google Sheets works well.)
- The Accountability Meeting Worksheet should also be used between meetings by LSU Implementers to check-in with key participants to encourage progress, offer assistance and prompt action.
- Participants should have advanced notice that they will be reporting their progress during the Accountability Meeting. This is important because it helps motivate them to complete their promised deliverables. It also helps ensure they have time to prepare their presentation and not be embarrassed or surprised with an unexpected request to report.
- The Accountability Meeting Worksheet helps all participants stay on track and complete their assigned tasks.
- The Accountability Meeting Worksheet includes the following basic information for each listed initiative and represents the column-headings in a spreadsheet:
  1. Initiative name and a brief description
  2. Manager and team members
  3. Due Date
  4. Blockers (indicate anything that may be preventing progress)
  5. Progress Report
- Typically, an organization will start with the simple format listed above and then slowly improve it to better accommodate their unique reporting requirements.
- The Accountability Meeting and Worksheet should both consist of the following sections: (These items represent the headings for groups of rows moving down the spreadsheet.)
  1. **Alignment:**
    - State Meeting Rules
    - State the 10 Non-Negotiable Behaviors
    - Identify the systems and process-tools that require consistent use by all employees. This is important because many organizations invest in expensive software solutions that are either not properly configured or actively used. As a result, they do not provide the desired benefit or visibility. LSU uses the following motto to remind employees of the

importance of using the organization's tools, "Garbage in garbage out or, nothing in nothing out."

2. **Department-by-department list of prioritized initiatives:** Department representatives use this section to report progress made on their active initiatives. (Not every initiative needs to be discussed. Some are a low priority. Others are having problems that do not need to be exposed to the entire group. In all cases, the initiatives that are discussed are selected in advance by the Department Representatives and the meeting facilitator.)
  3. **Strategic Process updates:** Strategy team managers report on progress made on key strategic projects.
  4. **Issues and Ideas update:** Managers alert attendees to critical issues and improvement ideas reported by employees that need collaboration and resolution.
  5. **KPI report:** Leaders report measurements and trends related to a holistic set of key performance indicators. The following are a few examples of KPIs that an organization might report: (You will need to create your own list of relevant KPIs.)
    - Customer satisfaction measurements
    - Product/service quality
    - Productivity
    - Number of new vs. lost clients/customers
    - Website traffic
    - Number of new safety incidents
- The worksheet should be fully updated prior to the Accountability Meeting.
  - During the meeting, each participant refers to their listed item(s) to provide a brief progress report. At the same time, they should recognize the efforts and value of supporting employees, even if they are not in attendance.
  - Between meetings, the LSU Implementers use the Accountability Worksheet to:
    - Assess progress
    - Report, track and help resolve blockers
    - Encourage active engagement
    - Prompt participants to complete tasks
    - Prompt participants to update the Accountability Worksheet so that it is accurate

## **Employee Performance Coaching/Mentorship**

- Employees are an organization's most valuable and expensive resource. Yet, most organizations do not fully leverage the potential of its people's insights, experience, skills, wisdom, knowledge and creativity. This is especially true for mid-managers down to frontline employees. This is unfortunate because rank-and-file employees are often the ones with their ear to the ground. They speak to customers. They negotiate with vendors. They work with your organization's expensive equipment. They know what is working and what is broken. Accordingly, it is in your organization's best interest to have a system in place to fully engage all employees at all levels of your organization.



- LSU suggests adopting a program of regularly scheduled one-on-one Performance Coaching and Mentoring for every employee, starting with their first day.
- Performance Coaching and Mentoring is not the same as typical “employee coaching.” Employee coaching typically focuses on personality issues, inter-personal conflict and simple goal setting. Performance Coaching focuses on how well the individual performs their job and how actively engaged they are in performing the organization’s 10 Non-Negotiable Behaviors. Performance Coaching also works with the employee to create a learning plan that cross-trains them to perform new roles/processes, prepares them for promotion and prepares the organization for scaling.
- The time and cost associated with Employee Performance Coaching should be offset by a significant and measurable return on investment (ROI) including:
  - Improving job performance resulting in cost savings
  - Reducing errors and waste
  - Reporting (and helping resolve) issues that can reduce waste, increase quality, consistency, customer satisfaction, etc.
  - Sharing innovative ideas
  - Increasing employee satisfaction
  - Increasing employee retention
- The more an employee performs LSU’s 10 Non-Negotiable Behaviors the more likely they are to be a high-performing and high-potential contributor. This makes sense because the more knowledge they share, the more issues they report or help resolve, the more projects they help successfully implement, the more processes they learn and help train other to perform, then, the more valuable they are to your organization.
- Performance Coaching should be a quick 20-60-minute one-on-one conversation that occurs on a regular (monthly or quarterly) schedule. Some organizations use a weekly check-in schedule for the first 90-days for new hires.
- Employee Performance Coaching can be conducted by the employee’s supervisor, LSU Implementers or HR staff. In all cases, the Performance Coach must be trained, monitored and supported. The objective is for all employees to receive a consistent experience regardless of who performs the coaching.
- LSU Performance Coaching can be conducted in as little as 20 minutes because it is a simple review of how well the employee is performing the 10 Non-Negotiable Behaviors. (Organizations using ManageHub.com Software can use it to structure the meeting by simply reviewing the employee’s ManageHub Profile Page). For example, use the performance coaching session to determine:
  - How well the employee is promoting consistent product/service quality and customer satisfaction
  - Determine to what extent the employee is helping their process teams systematize and standardize process knowhow. (In mature organizations the employee may be assigned to perform operational processes that are already highly systematic. If so, this behavior may not be as relevant as it might be for a smaller or less mature organization that needs their employee’s help to systematize and standardize the work they perform.)
  - Determine to what extent the employee is reporting and/or helping resolve issues and ideas for improving their processes or the organization

- Determine to what extent the employee is helping implement their process team's improvement projects and/or your organization's strategic initiatives
  - Determine if the employee is actively learning new processes
  - Determine if the employee is helping coach, mentor and cross-train other employees in performing his or her processes
  - Determine if the employee is actively participating in process and collaboration-teams
  - Determine if the employee is accurately measuring and reporting their processes, project's or strategy's performance
  - Determine if the employee is properly using the organization's software, checklists and other systems as instructed
  - Determine to what extent the employee is open to being coached and mentored
- Not all behaviors are equally relevant to all organizations or employees. You will need to determine which behaviors to prioritize organizationally and individually.
  - The Performance Coach should work with the employee to create a simple performance plan that sets improvement goals to be reviewed at the next meeting. (See Section Four for an example of a Performance Coaching Worksheet.)
  - The Performance Coach can refer to the organization's software, Accountability Meeting Worksheet and ManageHub to determine to what extent the employee has been performing the 10 Behaviors.
  - High performing employees represent the future leaders of your organization. They should be recognized as role-models for other employees to emulate and awarded with promotions.
  - It is important to begin Performance Coaching as soon as an employee is hired because the faster they understand and perform the 10 Behaviors the faster they will align with your organization's culture of excellence.

## **LSU Implementers use “Facilitated Management” to bring the Lean Scale-Up approach to life**

- Assign one or more employees to perform the role of your organization's LSU Implementer(s).
- LSU Implementers are responsible for deploying and managing the Lean Scale-Up approach.
- LSU Implementers serve as a bridge between leaders and their employees.
- LSU Implementers perform the Lean Scale-Up role of “Facilitated Management.”
- Facilitated Management represents a variety of interconnecting tasks required to effectively **monitor, assess, support** and **report** progress. These tasks include frequent check-ins with participants via email, text, phone or online communication. They also include the ongoing review of the Accountability Meeting Worksheet which participants use to share documents (including promised deliverables), report blockers and progress.

- The role of Facilitated Management includes:
  - **Monitoring:** Facilitated Management requires LSU Implementers continuously monitor employee-engagement ensuring:
    - Work-activities are being performed with excellence
    - Initiatives are on-time, on-budget and on-track to fulfill their intended objectives
    - The right stakeholders are actively collaborating to resolve reported blockers, issues and improvement ideas
  - **Assessing:** Facilitated Management requires LSU Implementers act as the organization’s “switchboard”, where they continuously assess if:
    - Communication and collaboration is being achieved between departments, teams, leaders and individuals
    - All participants are engaged and productive
  - **Supporting:** Facilitated Management requires LSU Implementers help participants achieve their maximum performance and potential. This requires Implementers:
    - Train participants in properly using the Accountability Meeting Worksheet
    - Ensure worksheet-related tasks are being completed on-time, on-budget and fulfilling their intended purpose
    - Help participants resolve reported blockers
    - Facilitate communication and collaboration between departments, teams, leaders and individuals when needed
    - Advocate for the engagement of outside experts, when needed
    - Encourage, mentor and coach under-performing participants to be effective contributors
    - Help new participants prepare and practice their progress report that they will deliver at the Accountability Meeting
    - Ensure every participant has a positive experience and the opportunity to shine
    - When an LSU Implementer discovers a lack of engagement, they quickly create visibility, report blocker(s), find support and track progress. They do this behind-the-scenes while trying to avoid embarrassing participants who need support.
  - **Reporting:** The Accountability Meeting Worksheet is the primary reporting tool used by LSU Implementers:
    - The worksheet provides a 30,000-foot perspective of all the moving parts of the organization
    - Participants should use the worksheet to report progress and attach/link related deliverables and other important supporting documents
    - The worksheet is meant to be a “living” document. This requires all participants to use the worksheet to contemporaneously report blockers and provide updates. This allows Implementers, leaders and other participants to independently assess progress between Accountability Meetings and offer immediate support, as needed
    - Additional reporting can be provided by the organization’s software-based systems, including ManageHub

- The role of Facilitated Management, when properly performed, gives leaders the confidence they need to delegate time-consuming management and oversight tasks to their trusted LSU Implementer(s).
- LSU Implementers are assisted by strategy team, process team and project team managers, who also perform a similar Facilitated Management role. They are responsible for monitoring and encouraging communication, collaboration and high performance at the frontline, team level. LSU Implementers, on the other hand, are responsible for monitoring and encouraging communication, collaboration and high performance at a 30,000-foot level, between teams and individuals that often cross-functional lines.
- LSU Implementers are often in the best position to identify high-performing and high-potential employees who are worthy of recognition and promotion.
- In many organizations, LSU Implementers also perform organizational or process roles. For example, they may serve as an Executive Assistant, an administrative (middle manager) role, or perform one or more operational processes.
- In smaller organizations, LSU Implementers often perform multiple other LSU roles like Process Team Manager, Strategy Team Manager or Project Team Manager. They may also perform employee performance coaching.
- LSU Implementers, along with Employee Performance Coaches, and Process and Strategy Team Managers serve as the cultural champions (ambassadors) of LSU.
- To be effective the LSU Implementers must have the intention of helping participants maximize their impact and be recognized for the value they contribute.
- In all cases, the LSU Implementers must be high-performing, role-model employees who have the skills, aptitude and attitude needed to help promote your organization's LSU approach.
- LSU Certified Implementer Training is available through ManageHub.pro: [www.managehub.pro/implementer-training](http://www.managehub.pro/implementer-training)

# Section Three

## How to Implement LSU

### What you will learn:

- Deploy LSU by initiating a slightly modified LSU 4-Step Strategic Cycle
- **Step #1:** Start by gathering data using 3 tools: Leader's "Wish List", Business Model Map and the Management Systems Checklist
- **Step #2:** Develop a prioritized implementation plan.
- **Step #3:** Implement, monitor and adjust the plan when needed. Start slow by chartering, training and supporting your first strategy and process teams. These first teams represent future LSU champions who can help you engage your next teams.
- **Step #4:** Measure, report and recognize individual and team performance during regularly scheduled Accountability Meetings, Employee Performance Coaching sessions and quarterly and/or annual culminating LSU event(s).

### Use 4 Steps to implement Lean Scale-Up (These steps mirror LSU's 4-Step Strategic Cycle)

- Leaders often wonder how to initiate a business transformation initiative. LSU solves this problem by providing a structured, step-by-step deployment approach that initiates a valuable strategic (planning) cycle that focuses on optimizing the organization's operational and management processes and results in a quick ROI.
- Leaders often initiate a business transformation initiative with grand announcements and even launch parties. LSU suggests a stealthier and lowkey approach. It is better to postpone celebrations for when the initial LSU team(s) achieve measurable outcomes like optimizing one or more key processes, completing one or more critical strategic projects, and/or increasing sales growth and bottom-line results.
- An under-the-radar approach has many advantages:
  - Avoids alerting resistant or politicking employees, who might sow seeds of discontent with negativity and whisper-campaigns
  - Gives the initial LSU team(s) the time they need to identify the right mix of people, processes and strategies to engage and improve
  - Gives the initial LSU team(s) the time they need to overcome any learning curve
  - Set expectations low and manageable
  - Builds unstoppable momentum
- Organizations have three options for an LSU starting point:
  - Start with strategy (Mission, Vision, Values, Objectives, etc)

- Start by creating or optimizing management and operational processes
  - Start with both (Recommended)
- For most underperforming organizations, their most important strategic theme/pillar is “Performance Excellence.”
- “Performance Excellence” requires building a culture of excellence that can support scalable strategic, management and operational processes.
- The ideal starting point for most underperforming organizations is to use LSU’s simple 4-step strategic process to optimize the organization’s management and operational processes. This approach helps the organization:
  - Initiate a valuable strategic cycle by gathering essential strategic inputs needed to thoughtfully fine-tune its Mission, Vision and Values, and develop a prioritized set of short and long-term objectives
  - Identify critical management and operational gaps and other blind spots that require improvement
- Starting with a strategic “visioning” exercise is often a mistake for the following reasons:
  - For most underperforming organizations, both leaders and teams are so distracted by “problems” they are not in the headspace to dream big. Their time and effort are better spent eliminating the underlying problems.
  - Another reason under-performing organizations should delay a serious “Mission and Vision” exercise is that it will likely be riddled with blind-spots that can unintentionally take the organization in the wrong direction and even increase risk.
  - Leaders are often misled by consultants wanting to sell strategic planning services. Honest consultants will encourage underperforming organizations to first focus their limited financial and human resources on creating the scalable infrastructure needed to pursue its strategic objectives.
- One last word: It is often difficult for leaders to resist starting their organization’s transformation initiative with a “Three days at the Radisson” style strategic planning event. They justify the time, effort and expense by citing famous management quotes like Franklin Covey’s, “Begin with the end in mind.” However, even a facilitated strategic planning event can be riddled with blind-spots and misdirected by uninformed opinions. LSU recommends starting with its 4-step deployment approach that delays “strategic visioning” until after the organization has a chance to gather and analyze key strategic inputs, adopt the 10 Non-Negotiable Behaviors, engage its first strategy and process teams and begin to see the “fog” of disfunction lift. At this point, the organization will be in a better position to dream big and develop a clearer mission and vision statement. The organization will also be in a better position to involve more people (frontline employees, customers, community leaders, vendors, etc) in the visioning process. It is like an airline’s standard pre-flight announcement instructing parents to first place the oxygen mask on their own faces before their children’s. LSU is the oxygen mask.

## Step 1 - Start by gathering inputs

- LSU requires leaders to gather and analyze key customer, employee, operations and other relevant inputs before initiating any strategic or improvement initiative. The idea is to enhance (or replace) risky “seat of the pants” strategic planning with a well-informed systematic strategic process that results in taking “intelligent risks” (Baldrige) instead of “avoidable risks.”
- For most organizations, the most important strategic theme is the pursuit of performance excellence. This includes:
  - Using the 10 Non-Negotiable Behaviors to optimize the organization’s culture
  - Organize the company (or nonprofit) into a network of self-managed process and strategy teams
  - Identify, prioritize and select a set of operational, management and strategic initiatives
  - Implement regularly scheduled Accountability Meetings and Employee Performance Coaching to engage teams and individuals in implementing the organization’s operational, management and strategic initiatives
  - Manage all activity using LSU’s “Facilitated Management” approach
- LSU’s Leadership Toolset includes 10 essential tools. Three of the tools help your organization gather and analyze key strategic inputs needed to create a prioritized improvement plan:
  - Leader’s “Wish List”
  - Business Model Map
  - Management Systems Checklist
- The Leader’s Wish List, Business Model Map and the Management Systems Checklist are completed by interviewing or surveying leaders, managers and employees.
- One-on-one or small group interviews are often better than surveys because the meeting facilitator can use the opportunity to explain key LSU concepts, like the 10 Non-Negotiable Behaviors and assess the individual’s level of interest. People who are excited by the idea of having an opportunity to share ideas, help improve the processes they perform, help document operational know-how, and have a learning plan that can advance their careers are often the employees who are potential future leaders. Those who are less engaged or resistant require monitoring. They may not be aligned with the organization’s emerging culture of excellence.
- Use the Leader’s “Wish List” Workbook to understand the leader’s pain and initial ideas for improvement.
  - **Issues List:** Have the leader create a list of all the issues, problems and pain-points they want to resolve as quickly as possible. Once the list is complete have the leader rank the issues in order of priority using an A, B, and C scale.
  - **Delegation List:** Have the leader create a comprehensive list of the work-activities they currently perform. Once completed have the leader indicate which work activities they want to delegate if they could. The Delegation List can become the starting point for creating employee learning plans.
  - **20/20 List:** Have the leaders review the “[Baldrige 20/20 Results Report](#).” The 20/20 Report is published by the National Institute of Standards and Technology (NIST.gov). It compiles actual impacts achieved by organizations adopting the

Baldrige standards, the same standards used by LSU. Have the leader list every result presented in the 20/20 Report that they want to achieve in their own organization. Desired results typically include:

- Customer satisfaction results
- Workforce satisfaction and retention results
- Strategic impacts
- Financial results

Encourage participating leaders to set their expectations high using the LSU motto, “If they can achieve it, you can achieve it too!”

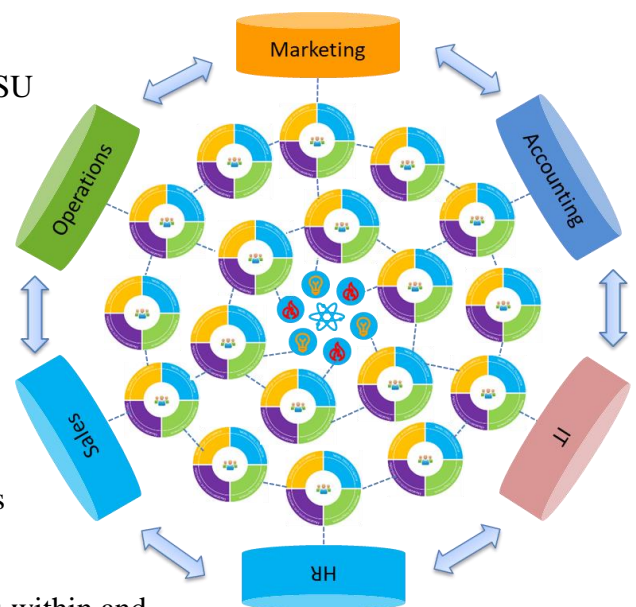
- Use LSU’s Business Model Map (BMM) spreadsheet to hyper-analyze every critical process managed by every department. A completed BMM reports the following information:
  - Name of each process
  - Names of Process Team members (these are the employees who manage and perform the process)
  - Names of the systems (software, checklists, equipment) used to automate the process (if available)
  - Link-location of standard operating procedures (SOPs) that provide step-by-step operating instructions for performing the process (if available)
  - List of issues and ideas that the Process Team members or others have suggested
  - List of one or more projects that can resolve the reported improvement issues and ideas
  - Indicate one or more Key performance indicator(s) (KPIs) that are used to measure the process’s performance
- Once the BMM is complete, use it to:
  1. Create a prioritized improvement plan (Strategy)
  2. Create a network of Process Teams (Operations)
- Use the BMM to create a prioritized improvement plan:
  - Notice that many issues and ideas reported on the BMM are similar or are connected across processes and even departments. Also, notice that many suggested projects are similar. This is important because in most organizations a handful of cross-organizational projects can resolve a majority of identified issues and ideas.
  - Typical similarities include:
    - Lack of visibility and performance measures
    - Lack of inter-company communication (For example, operations may not support sales or contracting which results in uncompetitive pricing and lost contracts or won contracts that lose money)
    - Customer’s and employee’s inability to easily report issues and improvement ideas, and the organization’s inability to take quick action
    - Poorly configured or lack of enterprise-class software (ERPs, EMRs, PSAs, CRMs, etc.)
    - Lack of systematic and repeatable processes
  - The BMM typically also identifies a holistic set of strategic gaps related to:
    - Customer satisfaction
    - Workforce engagement



- Product and service quality, consistency
- Innovation
- Use the BMM to create a network of Process Teams:
  - The BMM provides all the information you need to charter process teams
    - Department name
    - Process name
    - Process team manager (listed first) and members
    - The systems used by the team to perform the process
    - The link-location of the step-by-step operating instructions
    - List of issues and improvement ideas
    - List of improvement projects that can resolve the issues and ideas
    - Key performance indicator(s) (KPIs) and other reports used to measure the process's performance excellence



- The organization should create one Process Team to manage every individual work-activity
- Employees will likely serve on multiple teams. This is especially true in smaller organizations
- Each team member is equally responsible for managing the process
- The manager has the added responsibility to facilitate active participation and collaboration by all team members. This will require emailing, messaging and calling inactive participants to encourage and coach them. When necessary, inactive members need to be further supported by their Performance Coach and the organization's "LSU Implementers."
- The goal is for each Process and Strategy Team to become an effective "self-managed" team. This is an idea borrowed from Lean Manufacturing
- Although teams are "self-managed," LSU requires the support and oversight of:
  - Accountability Meetings
  - Performance Coaching
  - Facilitated Management
- The network of process teams structure creates a highly efficient flat organizational structure where communications (knowledge exchange, reporting issues and improvement ideas) flows within and



- between teams without filtering by middle managers. This flat structure also encourages better strategy development and execution.
- The network of strategy and process teams structure promotes team building and leadership development. Team members learn how to work together. The goal is for all employees to become “leaders of their own work”
  - ManageHub.com Software was created to help engage process and strategy team members. ManageHub creates one dedicated online workspace for each team. Team members are invited into the workspace where they:
    - Share their current “best practices,” knowledge, knowhow and documents related to performing the process. Knowledge can include standard operating procedures, training methods, templates and other key documents.
    - Report and resolve issues and improvement ideas
    - Manage process improvement assignments and projects
  - The LSU Management Systems Checklist was developed by analyzing the requirements of the Baldrige Framework.
    - A key innovation of LSU is that it requires an organization to optimize both its operational and management processes
    - Lack of systematic and repeatable management processes prevents organizations to easily scale
    - The Management Systems Checklist (MSC) organizes 34 Baldrige-based management processes into a fully integrated “Leadership Performance Management System” consisting of four sections:
      - Operations Performance Management
      - Workforce Performance Management
      - Customer Performance Management
      - Strategy, Innovation and Risk Performance Management
    - Use the LSU Management Systems Checklist as a completeness check. Determine which of your organization’s systems are missing or require improvement. Then prioritize which management systems to create or optimize first.

## **Step 2 - Develop a prioritized implementation plan**

- Reconcile the issues, ideas and gaps identified in the Leaders “Wish List” Workbook, BMM and MSC to create a prioritized “improvement plan.
- LSU requires you develop a simple standardized decision-making model to qualify and select which strategic initiatives to prioritize and implement first. Typical filters include:
  - Aligns with the organization’s mission
  - Reduces waste and unnecessary expenses (100% of money saved increases bottom-line results)
  - Creates a scalable organizational structure that supports rapid growth
  - Benefits customers/clients
  - Reduces risk
  - Increases sustainability, scalability and scalability
  - Increases employee satisfaction and retention

- Increases value of organization
- Ability to implement (availability of required human and financial resources)

### **Step 3 - Implement, Monitor and Adjust Plans (start slow... finish fast)**

- LSU recommends “starting slow and finishing fast.” This mean, you carefully charter, train and support a handful of process and strategy teams who both:
  1. Manage their processes/work-activities and their assigned strategic initiatives
  2. Become “LSU Champions” who eventually help your organization train, onboard and support additional teams.
- As the number of trained LSU Champions grows the pace of deployment organically speeds up.
- Use the Introduction to LSU PowerPoint to train your process and strategy team members:
  - Explain the origin and history of LSU and its alignment with the proven and credible Baldrige Performance Excellence standards
  - Introduce the 11 Core Values and Concepts and the 10 Non-Negotiable Behaviors
  - Explain how the 10 Behaviors are used to create an interconnected “Network of Strategy and Process Teams.
  - Use the Strategy and Process Team graphics to explain how each team works
  - Explain the importance of the Accountability Meeting and One-one-One Performance Coaching
- Be sure to provide initial teams with “always-on” training, oversight and support. It is important that these first teams are fully engaged and feel supported. When successful, these first teams will become more-and-more enthusiastic supporters of LSU and the new direction your organization is taking. Encourage this excitement by recognizing your employee-champions with public and private praise and recognition. Ultimately, your LSU Champions represent the future leaders of your organization. They are your role-model employees that everyone should emulate. Develop a learning plan for each Champion and when possible award them with new opportunities and promotions.
- As soon as your strategy and process teams are chartered:
  - Initiate the regularly scheduled Accountability Meetings using the LSU Meeting Worksheet to provide 30,000-foot visibility
  - Initiate One-on-One Employee Performance Coaching to provide individualized LSU training and support
  - Initiate LSU’s “Facilitated Management” approach to manage all the moving parts, and encourage, prompt and support active engagement by all team members
- Never use LSU as a weapon against your people. If you publicly embarrass employees for non-performance or target individuals as the cause of a reported issue, EVERYONE will notice. You will demoralize and demotivate the very people your organization needs to succeed. Instead, celebrate issues as opportunities and give

employees the opportunity to take corrective action. When they do, celebrate their responsiveness and good attitude. This will help create your LSU culture where everyone learns how to work together with the shared goal of creating a great organization. (Be patient. Creating a great culture takes time.)

## Step 4 - Measure, Report and Recognize

- Create a holistic set of KPIs (key performance indicators) that relate to the 7 Areas of Management:
  - Measuring and reporting financial results is not enough. To assess the true health of your organization it needs a holistic set of measures related to:
    - Leadership performance
    - Strategy performance
    - Customer satisfaction, retention, referrals, etc.
    - Workforce performance, satisfaction, retention, etc.
    - Operations efficiency, quality, consistency, safety, etc.
    - Financial Results
  - The holistic set of measurements should fit together to tell a story about the overall health of your organization. Your organization's set of KPIs are like the battery of medical tests performed during an annual physical. Each measurement (blood test, EKG, blood pressure, reflexes, etc.) is meaningful on its own but taken together the measurements indicate the overall health of the person. The same should be true for your organizations KPIs.
  - Each KPI measurement should have the following elements: (See the “Key Performance Indicator Worksheet” to select and report your organization’s holistic set of KPIs).
    - A baseline benchmark reference
    - Trend data to monitor performance and proactively anticipate opportunities and threats
    - An independent comparison that explains how the organization stacks up with its competitors. Examples include government, industry or trade-association benchmarks. Another good source of comparative data are the results of past Baldrige award winners published by NIST.gov.
  - Selecting the right KPIs is often a challenge. It is important to make sure each measurement (individually and collectively) provides an accurate reflection of your organization’s health. Measuring the wrong KPI can result in a false sense of security or blindspots.
  - KPIs should be reviewed at least once a year to determine if they are still the best measurement for your organization.
  - The following list of KPIs are provided as examples only. The example KPIs are only provided to help you and your employees start a conversation. Every organization is unique. You will need to develop your organization’s own holistic set of KPIs:
    - Leadership Measurement Examples
      - [Success Score Assessment](#)

- Number of Accountability Meetings each month
  - Percentage of employees participating in LSU Performance Coaching
- Strategy Measurements Examples
  - Number of active strategic projects
  - Percentage of projects on time and on budget
  - Percentage of employees participating in the strategic process
  - Percentage of strategies achieving their objectives
- Customer Measurements Examples
  - Number of new customers
  - Number of lost customers
  - Number of complaints reported
  - Average time to resolve a customer complaint
  - Number and value of prospective new customers
- Workforce Measurements Examples
  - Number of employees
  - Number of new employees
  - Number of employee exits
  - Number of employee issues/ideas reported
  - Average time to onboard new employees
- Operations Measurements Examples
  - Percentage of processes systematized and standardized
  - Value of reworks or defects
  - Hours of downtime
  - Number of safety incidents
  - Productivity measures (budget vs. actual)
- (Financial) Results Examples
  - Monthly sales
  - Gross profit percentage
  - Average receivables aging
  - Cash flow ratio
- Use the LSU's "Key Performance Indicator Worksheet" to develop and track your organization's list of KPIs
- Report selected KPIs, trend data and results during the Accountability Meetings
- Host (quarterly and) annual year-end culminating LSU events:
  - Review the benefits of adopting LSU's 10 Non-Negotiable Behaviors
  - Review the organization's strategic themes. The list of themes should always include your organization's pursuit of LSU's Baldrige-based "Performance Excellence"
  - Update the organization's Mission and Vision statements
  - Explain the criteria used to select strategic initiatives
  - Report on progress and discuss next steps
  - Spotlight key accomplishments reported on the Accountability Meeting Worksheets
  - Report KPI trend data

- Honor and recognize role-model employees
- Celebrate successes

## **AND REPEAT (this time with visioning)**

- **PLEASE REMEMBER:** LSU's 4-Step Deployment Approach mirrors LSU's 4-Step Strategic Process. However, the difference is LSU's 4-Step Strategic Process is meant to be a repeating ANNUAL Cycle. However, no set timeframe is required for the 4-Step Deployment Approach. This gives your organization the flexibility to control the speed, scope and scale of its LSU deployment.
- Furthermore, LSU recommends that your organization not initiate the annual strategic cycle until deployment is complete. (You can, but it might be confusing.)
- LSU's 4-Steps Deployment Approach can be performed in just a few months. or might take a year or more. It depends on the complexity of your business, the number of processes requiring improvement, the number of employees involved, etc. However, to maximize the benefits of LSU you cannot skip steps.
- Some organizations complete multiple cycles of LSU's 4-Step Deployment Approach. Each cycle brings the organization into a clearer focus.
- Once your organization has successfully completed its LSU deployment, your organization can transition to the annual 4-Step strategic cycle. This transition should be extremely easy because all (or most) of the "heavy lifting" is complete. Your organization gathered and analyzed key strategic inputs. You optimized key management and operational processes. You chartered, trained and engaged strategy and process teams. Employee-champions are familiar with LSU methods and tools. Most important, the fog of disorganization is lifting. Costly and distracting recurring "fires" rarely occur. Customers are complementing not complaining. Employees are more engaged and excited about the future. Now, your organization is in a better headspace to focus on "visioning." Now, your organization is prepared to leverage its scalable management and operational systems to maximize its full potential.

## **A Few Final Thoughts**

**Start now, not later:** Leaders often procrastinate implementing an organizational transformation initiative. There is always an excuse to delay optimizing their business or nonprofit's performance. However, the earlier, in your organization's lifecycle, that you adopt LSU the easier it will be to manage, innovate, achieve your objectives and grow. Start now and start slow. LSU's 4-Step deployment approach allows you to control the speed, scope and scale of your organization's implementation. Use LSU to focus on the

key areas of your organization that need improvement. Engage a handful of high-potential employees who you want to cultivate as future leaders. As you and your employees experience the benefits of LSU the momentum will organically grow and more and more people, processes and strategies will naturally be incorporated into your deployment process. Start now! In a year's time you will be grateful that you did.

**Focus on ROI:** Your organization LSU initiative should result in a significant return on investment (ROI). An immediate return should come from optimizing and improving your day-to-day processes. Your employees' reported issues and ideas should provide a rich source of ideas that save money, make money, eliminate waste and streamline your organization's operational workflow. Every dollar you save adds a dollar to your organization's bottom line. This means that even if you do not add any new revenues in the next 12 months you can still boost profitability by transforming your organization into a lean operating machine. Ultimately, your greatest ROI will come from LSU-powered "Super-Growth" that is made possible by having a scalable infrastructure.

**Be a visionary leader:** You will likely encounter many obstacles while deploying LSU. You may experience an unexpected and unrelated business crisis that distracts your attention and tests your resolve. You may encounter resistance from powerful employees or partners who do not want to give up their knowledge or do not understand the advantages of building a scalable organization. Whatever your circumstances, you need to remain steadfast, committed, determined and focused. This is your moment of opportunity. Applying LSU's Baldrige-based best-management practices offers you and your organization a credible, respected, and validated approach to make the leap from stressful to successful.

**Avoid multiple approaches:** A critical mistake that many leaders make is to simultaneously implement multiple organization-improvement approaches. These leaders are so enthusiastic about breaking through to their next level of success that they attempt every fad and engage every guru. This can result in conflicting messaging that overwhelms both you and your employees. A better approach is to choose the one, holistic methodology that deploys tried-and-true, credible and proven best practices. (Baldrige-based LSU, of course.)

**Jumpstart your LSU deployment with a ManageHub Pro:** Beginnings are always hard. A ManageHub Pro can speed your organization through the initial phases of LSU:

- Gathering inputs using the following essential LSU deployment tools:
  - Leader's "Wish List"
  - Business Model Map

- Management Systems Checklist
- Developing a prioritized implementation plan
  - Working with your employees to develop selection criteria to prioritize your organization’s strategic themes, objectives and initiatives
- Implementing, monitoring and adjusting your organization’s plans as needed:
  - Chartering your first strategy and process teams
  - Initiating (and facilitating) regularly scheduled Accountability Meetings to provide you with 30,000-foot visibility and control
  - Initiating One-on-One Employee Performance Coaching to provide select employees with individualized LSU training and support
  - Performing LSU’s “Facilitated Management” approach to manage all the moving parts, and encourage, prompt and support active engagement by all team members
  - Training one or more employees to independently and effectively perform the role of your organization’s LSU Implementer(s)
- Measuring, monitoring and recognizing
  - Assist your employees to develop a holistic set of KPI’s (key performance indicators) and other reports that proved you with the visibility and confidence you need that your organization is performing with excellence
  - Transition from LSU’s 4-Step Deployment Approach to the LSU’s 4-Step Strategic Cycle
  - Engage leaders and all relevant stakeholders in a thoughtful “visioning” exercise focusing on maximizing all aspects of the business or nonprofit
- Learn more at [www.managehub.pro](http://www.managehub.pro) or call 800-999-9231

**LSU scales as it helps your organization scale:** The Lean Scale-Up approach is designed to be a simple reflection of Baldrige-based best management practices. However, LSU is more than an easy on-ramp to engaging your employees in building a highly organized, innovative, productive and successful business or nonprofit. There is more. Much, much more! The Lean Scale-Up scales with your organization as it grows. Remember, LSU is based on over 100 years of management theory, practice and proven success. It gives you the foundation you need to easily plug in additional tools and methods (for example, [BaldrigeLive](http://BaldrigeLive.com)) to help your organization reach even higher. Let us know when you are ready for more.





# **Section Four**

## **LSU Leadership Toolset**

**Lean Scale Up is implemented using 10 customizable LSU tools (there are more):**

- **Business Model Map**
- **Management Systems Checklist**
- **Leader’s “Wish List” Workbook**
- **Annual Strategic Process Worksheets**
- **Value Proposition Analysis**
- **Accountability Meeting Worksheet**
- **Employee Performance Coaching Worksheet**
- **Key Performance Indicator Worksheet**
- **Success Score ([www.managehub.pro/success-score](http://www.managehub.pro/success-score))**
- **ManageHub Software or Issues/Ideas Switchboard ([www.managehub.com](http://www.managehub.com))**

All tools are available in Excel Format through Lean Scale-Up Certified Implementer Training:  
[www.managehub.pro/implementer-training](http://www.managehub.pro/implementer-training)

# Business Model Map

| Department | Process                                  | Customer | Process Team                            | System | Standardized                                   | Bottleneck | Issues/Ideas<br><small>(How can the process be improved?)</small> | Improvement Projects<br><small>(How will the process be improved?)</small> | KPI<br><small>(How can measure performance?)</small> | Target | QTR 1 | QTR 2 | QTR 2 | QTR 2 |
|------------|--|----------|---|--------|--|------------|---|--|--|--------|-------|-------|-------|-------|
|            | <small>(What work is performed?)</small> |          | <small>(Who performs the work?)</small> |        | <small>(How is the process automated?)</small> |            |   |  |  |        | QTR 2 | QTR 2 | QTR 2 |       |
|            |  |          |   |        |  |            |   |  |  |        |       |       |       |       |
|            |  |          |   |        |  |            |   |  |  |        |       |       |       |       |
|            |  |          |   |        |  |            |   |  |  |        |       |       |       |       |
|            |  |          |   |        |  |            |   |  |  |        |       |       |       |       |
|            |  |          |   |        |  |            |   |  |  |        |       |       |       |       |
|            |  |          |   |        |  |            |   |  |  |        |       |       |       |       |
|            |  |          |   |        |  |            |   |  |  |        |       |       |       |       |
|            |  |          |   |        |  |            |   |  |  |        |       |       |       |       |
|            |  |          |   |        |  |            |   |  |  |        |       |       |       |       |
|            |  |          |   |        |  |            |   |  |  |        |       |       |       |       |
|            |  |          |   |        |  |            |   |  |  |        |       |       |       |       |
|            |  |          |   |        |  |            |   |  |  |        |       |       |       |       |
|            |  |          |   |        |  |            |   |  |  |        |       |       |       |       |
|            |  |          |   |        |  |            |   |  |  |        |       |       |       |       |

# LSU Management Systems Checklist

| CATEGORY                    | REQUIREMENT   | DESCRIBE YOUR SYSTEM(S) | RATE ITS EFFECTIVENESS | PRIORITY |
|-----------------------------|---|-------------------------|------------------------|----------|
| OPERATIONS                  | (Auditable) Operational Systems, Software, Checklists, etc.         |                         |                        |          |
|                             | Quality System(s) to Assure Consistency of Products and/or Services |                         |                        |          |
|                             | Process Knowledge Management System                                 |                         |                        |          |
|                             | Process Improvement System  |                         |                        |          |
|                             | Team-Work and Collaboration System(s)                               |                         |                        |          |
|                             | Resource Planning System (Current, Projected)                       |                         |                        |          |
|                             | Reporting Systems   |                         |                        |          |
|                             | KPIs & Measurement Tracking System                                  |                         |                        |          |
|                             | Culture System  |                         |                        |          |
|                             | Recruiting System   |                         |                        |          |
| WORKFORCE                   | Onboarding & Training System  |                         |                        |          |
|                             | Coaching and/or Mentoring System                                    |                         |                        |          |
|                             | Learning, Career Plans and Leadership Development System(s)         |                         |                        |          |
|                             | Performance Review System   |                         |                        |          |
|                             | Discipline and Dispute Resolution System                            |                         |                        |          |
|                             | Employee Recognition System(s)                                      |                         |                        |          |
|                             | Employee Listening, Communications and Satisfaction Systems         |                         |                        |          |
|                             | Efficient Meeting Format/System                                     |                         |                        |          |
|                             | Customer Listening, Communications and Satisfaction                 |                         |                        |          |
|                             | Marketing System(s)   |                         |                        |          |
| CUSTOMER                    | Sales Process   |                         |                        |          |
|                             | Customer Experience and Engagement and Monitoring System(s)         |                         |                        |          |
|                             | Complaint Management System   |                         |                        |          |
|                             | Community Listening and Communication System(s)                     |                         |                        |          |
|                             | Strategic Inputs Gathering and Analysis Process                     |                         |                        |          |
|                             | Legal, Ethics, Regulatory, Compliance System(s)                     |                         |                        |          |
| STRATEGY, INNOVATION & RISK | Competitive and Marketplace Monitoring System                       |                         |                        |          |
|                             | Supply Chain Management System                                      |                         |                        |          |
|                             | Update Mission, Vision, Values Process                              |                         |                        |          |
|                             | Update Decision Making Criteria Process                             |                         |                        |          |
|                             | Updating Strategic Priorities Process                               |                         |                        |          |
|                             | Project Management System (for Action Plans)                        |                         |                        |          |
|                             | Project Management, Monitoring, Support & Adjustment Process        |                         |                        |          |
|                             | Monitor, Adjust, Report and Recognize Strategic Results System(s)   |                         |                        |          |

# Leader's "Wish List" Workbook

| DELEGATION LIST                                |  |                     |                   |          |
|--|--|---------------------|-------------------|----------|
| CATEGORY                                       | PROCESSES AND TASKS THAT CONSUME TOO MUCH OF YOUR TIME AND/OR YOU DO NOT WANT TO PERFORM | POSSIBLE RESOLUTION | WHO CAN HELP YOU? | PRIORITY |
| OPERATIONS RELATED                             |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
| WORKFORCE RELATED                              |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
| CUSTOMER RELATED (INCLUDING SALES & MARKETING) |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
| GOVERNANCE, STRATEGY AND INNOVATION RELATED    |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |
|  |  |                     |                   |          |

| ISSUES LIST |       |                     |                   |          |
|-------------|-------|---------------------|-------------------|----------|
| CATEGORY    | ISSUE | POSSIBLE RESOLUTION | WHO CAN HELP YOU? | PRIORITY |
|             |       |                     |                   |          |
|             |       |                     |                   |          |

| BALDRIGE 2020 LIST                                     |                              |                        |                  |          |  |
|--|------------------------------|------------------------|------------------|----------|--|
| CATEGORY   | TYPICAL BALDRIGE RESULTS     | TARGET 12-MONTH RESULT | FINANCIAL IMPACT | PRIORITY |  |
| OPERATIONS RELATED                                     | Operational Efficiency       |                        |                  |          |  |
|  | Cost Savings                 |                        |                  |          |  |
|  | Scalability                  |                        |                  |          |  |
| WORKFORCE RESULTS                                      | Culture                      |                        |                  |          |  |
|  | Employee Satisfaction        |                        |                  |          |  |
|  | Employee Retention           |                        |                  |          |  |
|  | Employee Engagement          |                        |                  |          |  |
| CUSTOMER RESULTS (INCLUDING SALES & MARKETING)         | Customer Satisfaction        |                        |                  |          |  |
|  | Customer Retention           |                        |                  |          |  |
|  | Customer Referrals           |                        |                  |          |  |
| GOVERNANCE, STRATEGY, INNOVATION AND FINANCIAL RESULTS | Sustainability               |                        |                  |          |  |
|  | Contingency/Continuity       |                        |                  |          |  |
|  | Strategic Execution          |                        |                  |          |  |
|  | Innovative products/services |                        |                  |          |  |
|  | Market Expansion             |                        |                  |          |  |
|  | Gross Profit Improvement     |                        |                  |          |  |
|  | Expense Reduction            |                        |                  |          |  |
|  | Sales Growth                 |                        |                  |          |  |
|  |                              |                        |                  |          |  |
|  |                              |                        |                  |          |  |

TOTAL PROJECTED IMPACT OF ADOPTING BALDRIGE-BASED "LEAN SCALE-UP"



# Value Proposition Analysis

|                               | YOUR COMPANY | DIRECT COMPETITORS |               | INDUSTRY INNOVATION LEADERS |               |
|-------------------------------|--------------|--------------------|---------------|-----------------------------|---------------|
|                               |              | Competitor #1      | Competitor #2 | Competitor #1               | Competitor #2 |
| Products & Services           |              |                    |               |                             |               |
| Marketing Messages            |              |                    |               |                             |               |
| Marketing Methods             |              |                    |               |                             |               |
| Key Points of Differentiation |              |                    |               |                             |               |
| Analysis & Conclusions (SWOT) |              |                    |               |                             |               |

# Accountability Meeting Worksheet

| Accountability Meeting Worksheet (Alignment, Accountability + Recognition) |                               |                                     |  |                 |               |  |  |
|--|-------------------------------|-------------------------------------|--|-----------------|---------------|--|--|
| <b>ALIGNMENT</b>   | <b>Behaviors</b>              | <b>Meeting Rules</b>                | No Negative Comments (These should be handled one-on-one)          |                 |               |  |  |
|  |                               |                                     | Quick reporting by functional area, project, issue/idea, KPI, etc. |                 |               |  |  |
|  |                               |                                     | Set expectations for next week's deliverables                      |                 |               |  |  |
|  |                               |                                     | Recognize the value of each participant's contributions            |                 |               |  |  |
|  |                               |                                     | Try to keep the meeting to 15 minutes                              |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  | <b>Build Bridge Behaviors</b> | <b>Behaviors</b>                    | Commitment to Excellence   |                 |               |  |  |
|  |                               |                                     | Actively Shares Know-how   |                 |               |  |  |
|  |                               |                                     | Actively Shares Issues & Ideas                                     |                 |               |  |  |
|  |                               |                                     | Participates in Strategic Process                                  |                 |               |  |  |
|  |                               |                                     | Actively Learns New Processes                                      |                 |               |  |  |
|  |                               |                                     | Actively Cross-Trains Others                                       |                 |               |  |  |
| <b>Software &amp; Process Behaviors</b>                                    | <b>Behaviors</b>              | Actively Collaborates               |  |                 |               |  |  |
|  |                               | Measures & Reports Progress         |  |                 |               |  |  |
|  |                               | Use of Process & Software Behaviors |  |                 |               |  |  |
|  |                               | is Coachable                        |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
| <b>The Goal is: Accelerated Improvement</b>                                |                               |                                     |  |                 |               |  |  |
| <b>X/XX/20XX</b>   | <b>Initiative</b>             | <b>PRIORITY</b>                     | <b>Manager</b>   | <b>Blockers</b> | <b>Report</b> |  |  |
| <b>Reporting Departments</b>   |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
| <b>STRATEGY TEAM UPDATES</b>   |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
| <b>ISSUES &amp; IDEAS</b>  | <b>Old Items</b>              |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  | <b>New Items</b>              |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
| <b>KPIs to Track (See Tab for Data)</b>                                    |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |
|  |                               |                                     |  |                 |               |  |  |

# Employee Performance Coaching Worksheet

| Coaching Date |  |  |  |            | ALIGNMENT   |   |
|---------------|--|--|--|------------|---|---|
|               |  |  |  |            |   | Commitment to Excellence                |
|               |  |  |  |            |   | Number of Processes Documented          |
|               |  |  |  |            |   | Number of Issues/Ideas Shared           |
|               |  |  |  |            |   | Number of Strategic Projects            |
|               |  |  |  |            |   | Number of New Process Being Learned     |
|               |  |  |  |            |   | Number of Processes Being Cross-Trained |
|               |  |  |  |            |   | Actively/Positive Collaborates          |
|               |  |  |  |            |   | Measures & Reports Progress             |
|               |  |  |  |            |   | Is Coachable                            |
|               |  |  |  | RISK       |   |   |
|               |  |  |  |            | Knowledge Owner                                     |   |
|               |  |  |  |            | Key Processes Dependency                            |   |
|               |  |  |  | Promotable |   |   |
|               |  |  |  |            | <b>Current Processes</b>                            |   |
|               |  |  |  |            | <b>Future Processes</b>                             |   |
|               |  |  |  |            | <b>GOALS</b>  |   |
|               |  |  |  |            | Goal Descriptions with Measurement and/or Due Dates |   |
|               |  |  |  |            |   |   |
|               |  |  |  |            |   |   |
|               |  |  |  |            |   |   |
|               |  |  |  |            |   |   |



# LSU Results Worksheet

|  |  |  |  |  |  |  |  |  |  |  | Area   |   |                        |         |          |       |       |     |      |      |        |
|--|--|--|--|--|--|--|--|--|--|--|--|---|------------------------|---------|----------|-------|-------|-----|------|------|--------|
|  |  |  |  |  |  |  |  |  |  |  | KPI<br>LEVEL<br>(Indicate the Key Performance Indicator) | TARGET VALUE<br>COMPARISON<br>(Indicate the measurement goal) | MEASUREMENTS<br>TRENDS |         |          |       |       |     |      |      |        |
|  |  |  |  |  |  |  |  |  |  |  |  |   |                        | January | February | March | April | May | June | July | August |
|  |  |  |  |  |  |  |  |  |  |  |  |   |                        |         |          |       |       |     |      |      |        |

# Introduction to LSU PowerPoint



Copyright © 2019, ManageHub. All rights reserved. 847-675-8211  
Please do not share this PowerPoint Presentation with anyone without ManageHub's prior written permission.

## The Lean Scale-Up "Management Math"

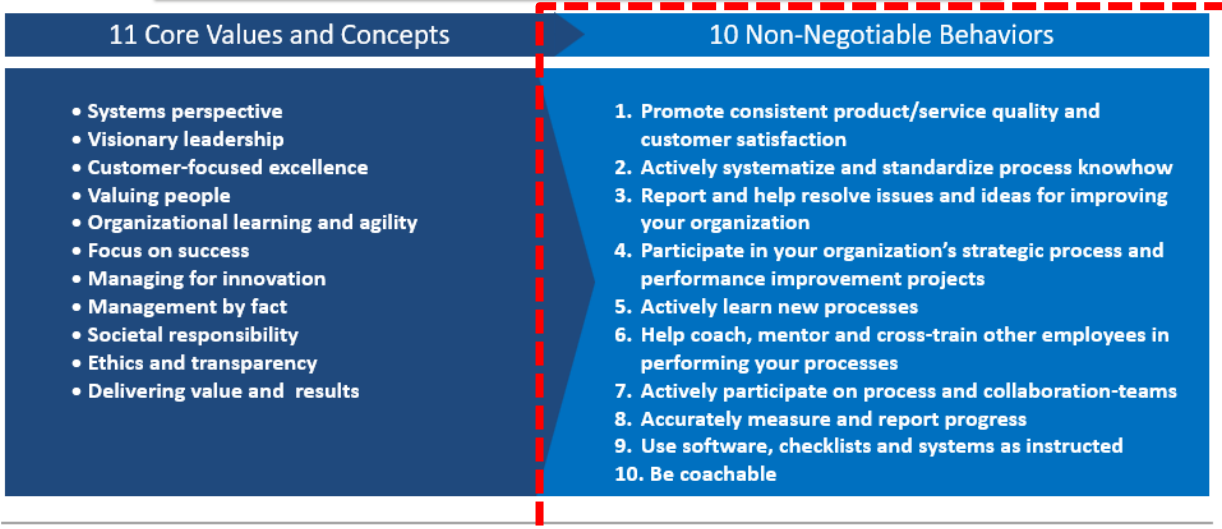


You start with "11 Core Values and Concepts" and "7 Essential Areas of Management"

**The Lean Scale-Up  
"Management Math"**

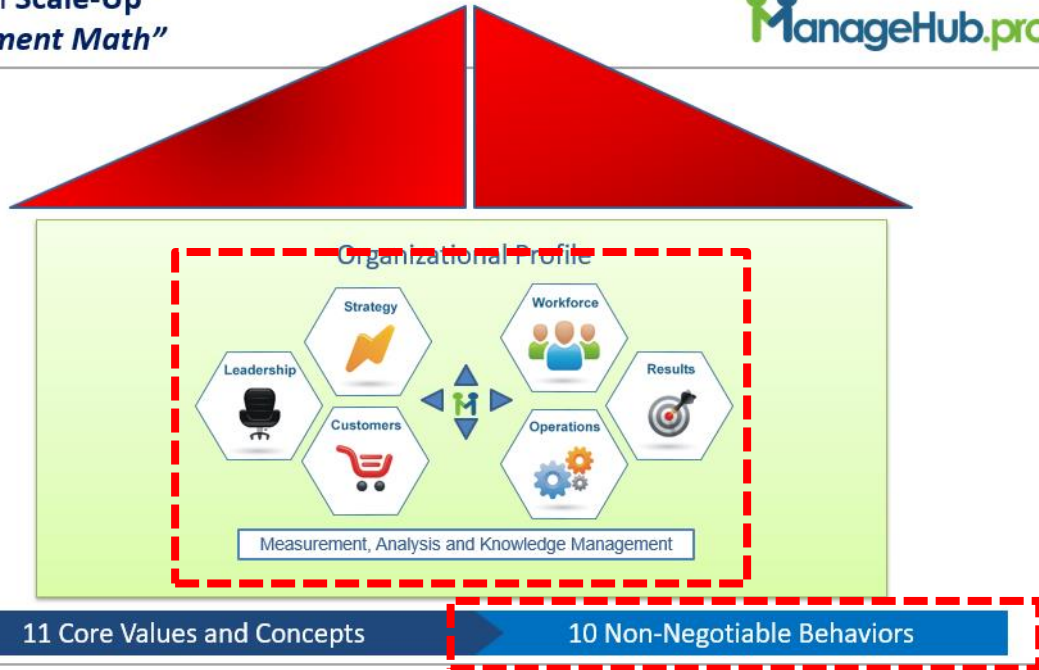


Translate the "11 Core Values and Concepts" into "10 Non-Negotiable Behaviors"



Use the "10 Non-Negotiable Behaviors" to create a great organizational culture

**The Lean Scale-Up**  
**"Management Math"**



Use the "10 Non-Negotiable Behaviors" to manage the "7 Essential Areas of Management"

**The Lean Scale-Up**  
**"Management Math"**



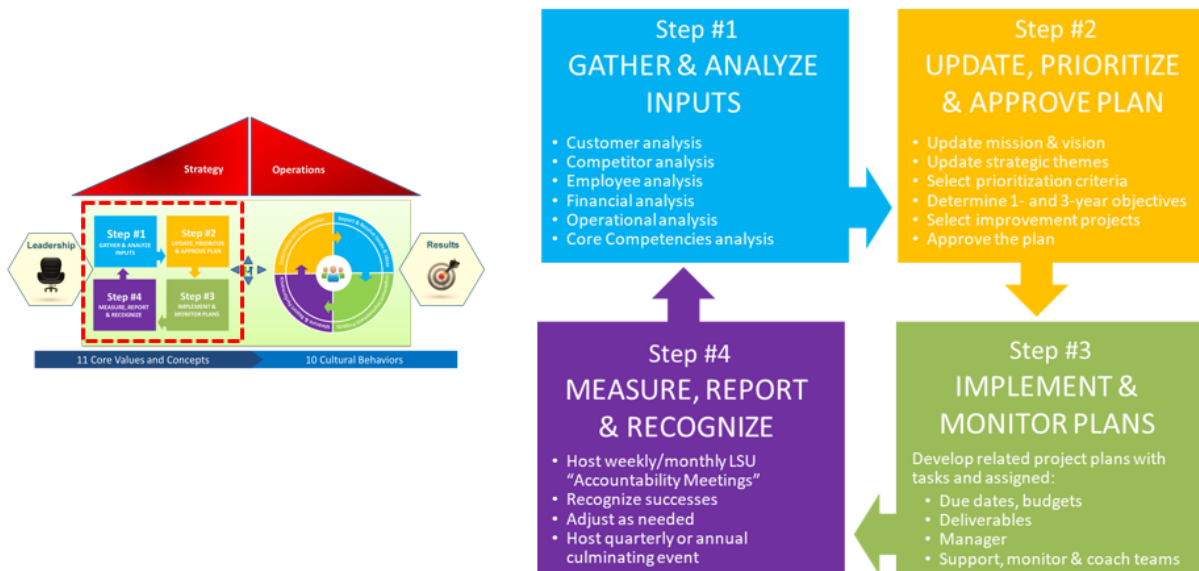
Notice the "7 Areas of Management" naturally divide into a "Strategy" and "Operations" side of the house

## The Lean Scale-Up "Management Math"



Organize the "Strategy" and "Operations" management areas into two teams: Strategy and Process Teams

## The Lean Scale-Up "Management Math"



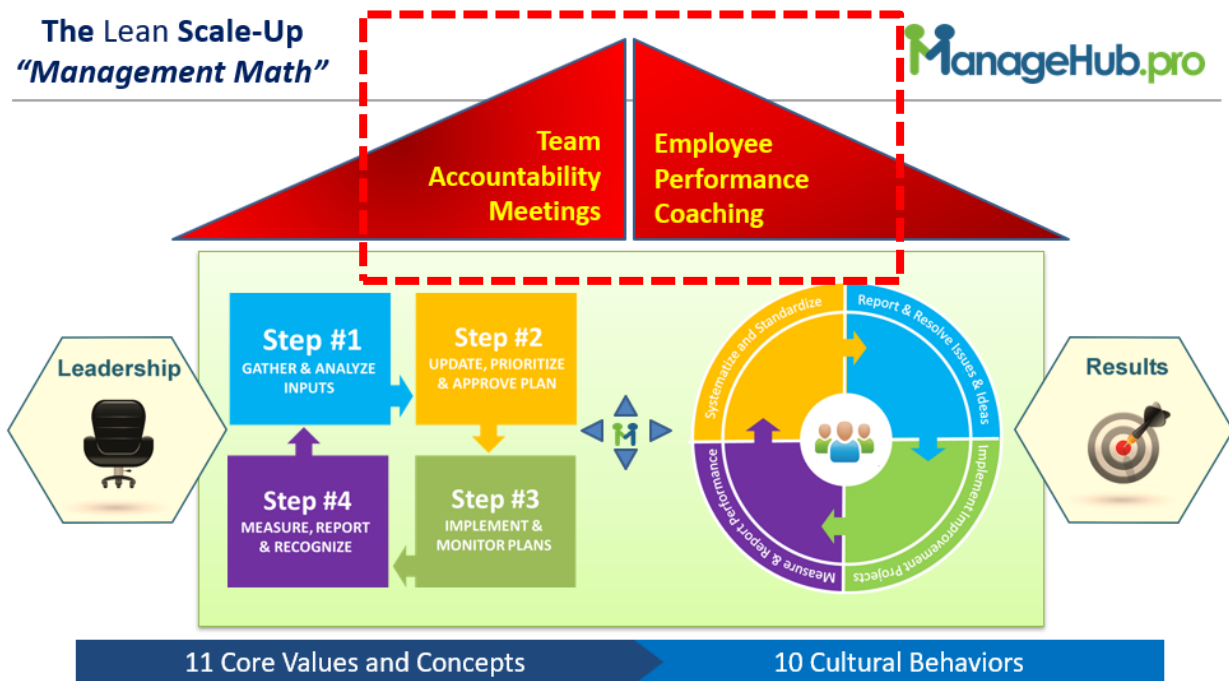
Use LSU's "4-Step Annual Strategic Cycle" to manage the "Strategy Teams"

**The Lean Scale-Up  
"Management Math"**



Use LSU's "4-Responsibilities" to manage the "Process Teams"

**The Lean Scale-Up  
"Management Math"**



Use 2 LSU tools to engage teams and employees: "Accountability Meetings" and "Performance Coaching"

# The Lean Scale-Up "Management Math"



# The Lean Scale-Up "Management Math"



There you have it, Lean Scale-Up explained in 10 Slides. Now, go build great teams that build you a great business.