

# Backing Off the Edge: Transforming KANDU and Me



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# What's the AIM of Leadership?



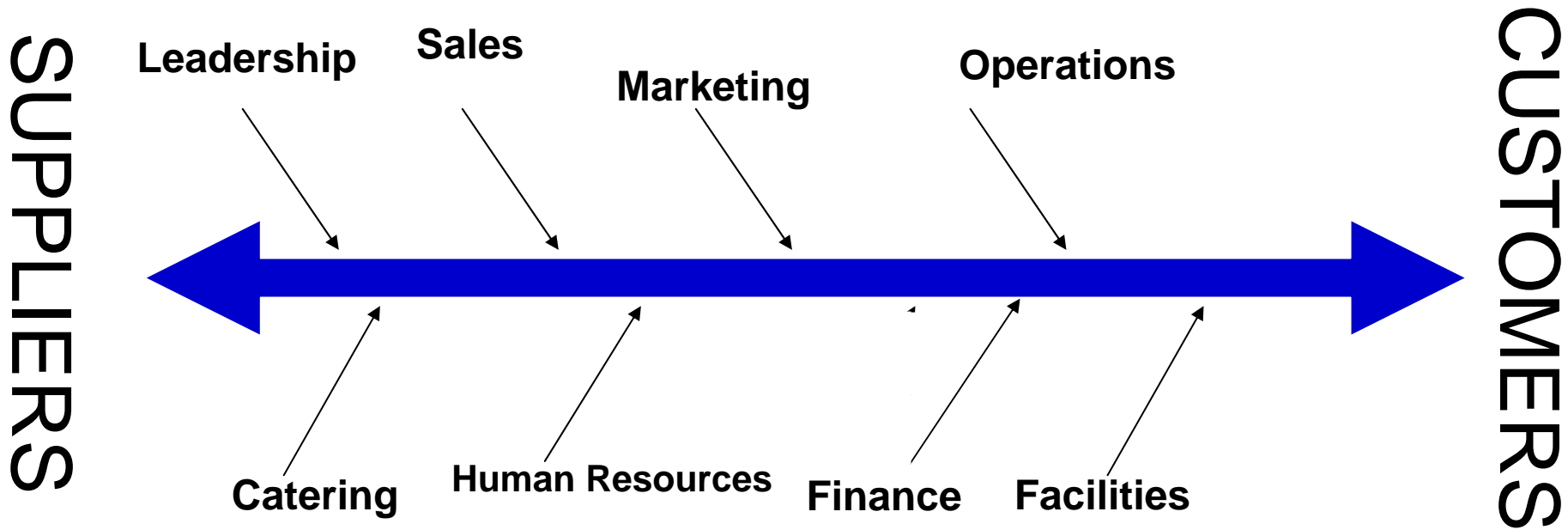
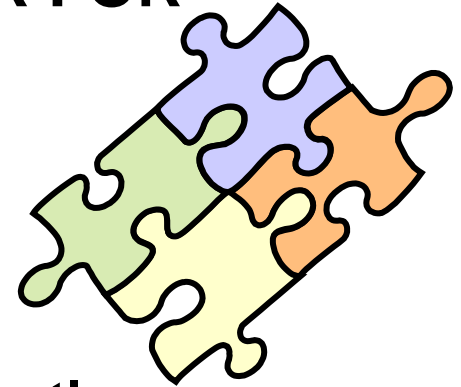
**Transform the Organization**

# ALL SYSTEMS MUST WORK TOGETHER FOR THE COMMON AIM

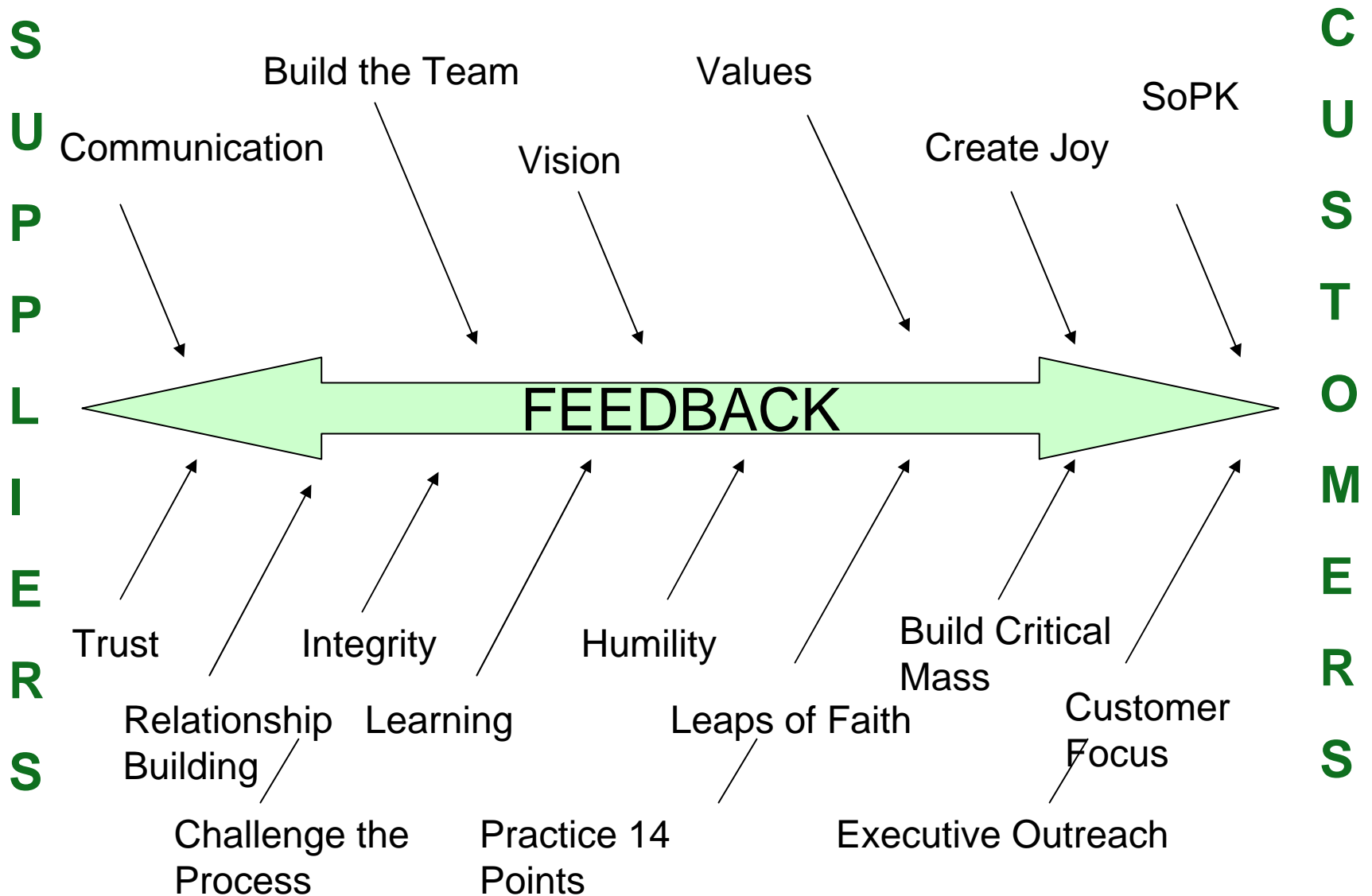
The important trait about a system is:

How its parts **INTERACT**

**NOT** how the parts **ACT** separately or independently



# LEADERSHIP AS A SYSTEM

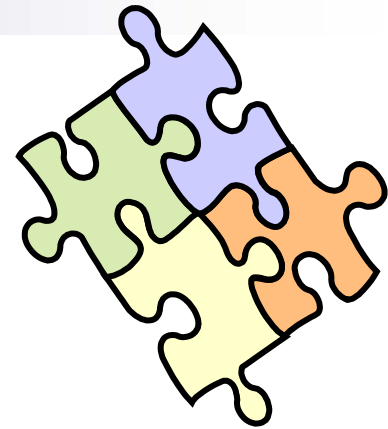


# Leading Through the System of Profound Knowledge (SoPK):

- The core of transformational leadership lies in Deming's SoPK:
  - Appreciation for a system
  - Knowledge of variation
    - Theory of Knowledge
    - Theory of Psychology



# Appreciation of a System:



- Leaders manage systems
- Parts of an organization are related to all other parts of the organization
- They are linked by a common aim
- Customers and suppliers are part of the system
- The system includes the future
- Leaders must work to optimize the system... create the WIN-WIN

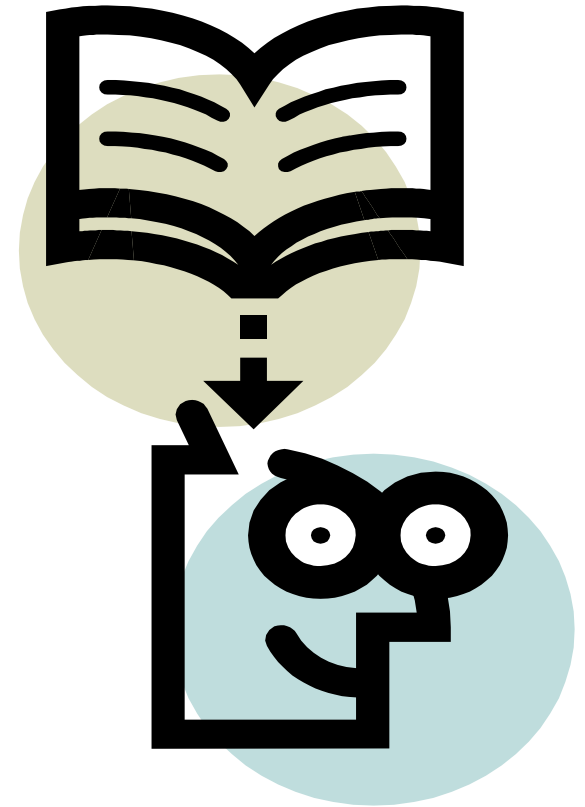
# Knowledge of Variation:

- Variation naturally occurs in all systems
- Leaders must be able to discern predictable variation from that which cannot be predicted
- Leaders must rely on data over time to understand process capability
- Leaders must make decisions based on what the process is capable of
- Leaders must compare the customers' needs to the voice of the process



# Theory of Knowledge:

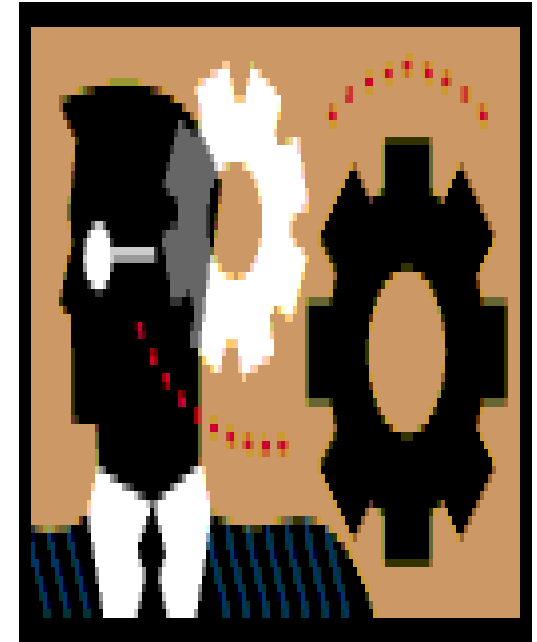
- Leaders must have knowledge to manage systems.
- Experience without knowledge means nothing.
- Knowledge is based on theory; new knowledge refutes old theory.
- Copying examples and following tradition do not create knowledge.





# Theory of Psychology:

- Leaders must recognize that people are different from one another.
- People learn at different rates and in different ways.
- Leaders create an environment where there is joy in learning and individuals take pride and satisfaction in their work



# Deming's Thoughts on Leadership:

- “A manager understands and conveys to his people the meaning of a system.
- He teaches his people to understand how the work of the group supports these aims.
- He helps his people see themselves as components in a system....”

Dr. Deming from *The New Economics*



# WHERE DO WE START?

- The first step is the transformation of the individual...

*Once an individual understands new knowledge, he will apply it in every interaction with people. He will perceive new meaning to his life, to events, to numbers, to interaction between people.*

*W. Edwards Deming*



# TRANSFORMATIONAL LEADERSHIP

- The organization will not change until the people change
- Must lead with new knowledge
- Must challenge beliefs, thinking, assumptions, paradigms, behaviors, communication styles, vocabulary

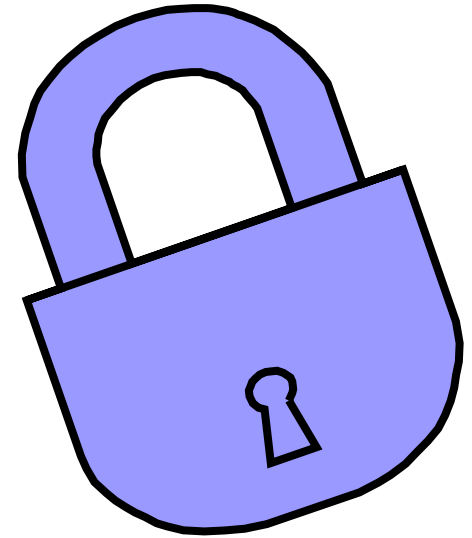


# PERSONAL FEARS:

- Job Loss
- Sacred Cows
- Position Power
- Failure
- The Unknown
- The Income Statement
- Not Having All the Answers



**SACRED COW #1:**



**THE**

**PERFORMANCE**

**APPRAISAL**

# Dr. Deming on Performance Appraisals:

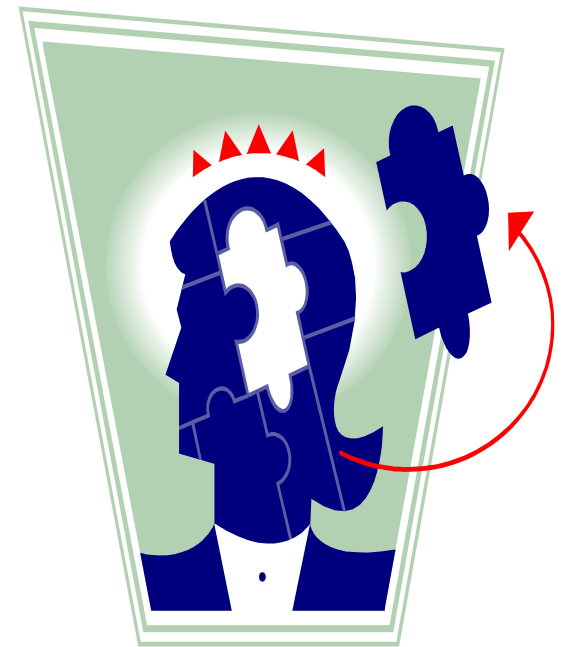
- “It nourishes short-term performance, annihilates long-term planning, builds fear, demolishes, nourishes rivalry and politics.
- It leaves people bitter, crushed, bruised, battered, desolate, despondent, dejected, feeling inferior, some even depressed, unfit for work for weeks after receipt of rating, unable to comprehend why they are inferior.
- It is unfair, as it ascribes to the people in a group differences that may be caused totally by the system that they work in.”



Dr. Deming from *Out of the Crisis*

# SO WHAT'S A LEADER TO DO?

- He is a coach and counsel, not a judge.
- He creates trust.
- He creates an environment that encourages freedom and innovation.
- He does not expect perfection.
- He listens and learns without passing judgment on him that he listens to.

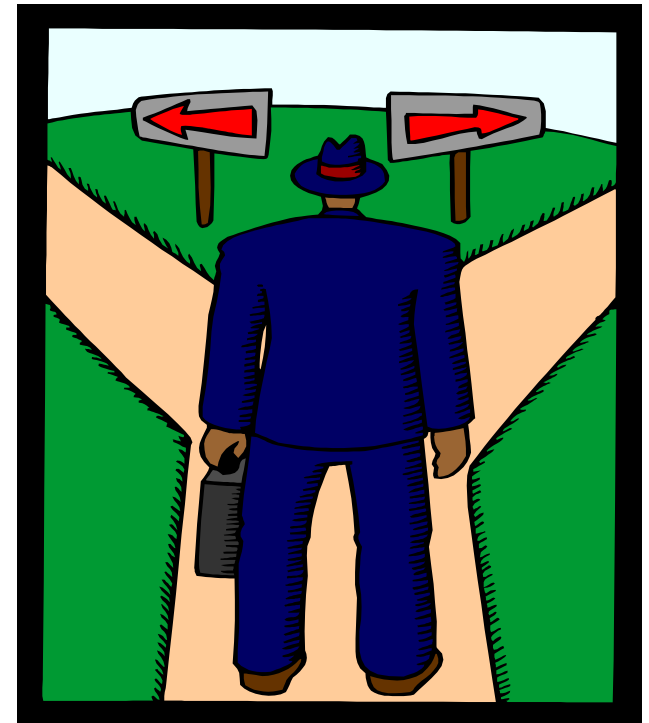


Dr. Deming from *The New Economics*



# The Fork in the Road :

- Every Decision We Make
- Every Action We Take
- Every Feeling We Have
- Every Thought We Pursue,
- DOES IT HELP US GET CLOSER TO OUR AIM, OUR VISION—OR DOES IT MOVE US AWAY?



# Arrogance is Toxic:

**We are smarter  
than:**

**Our employees**

**Our customers**

**Our clients**

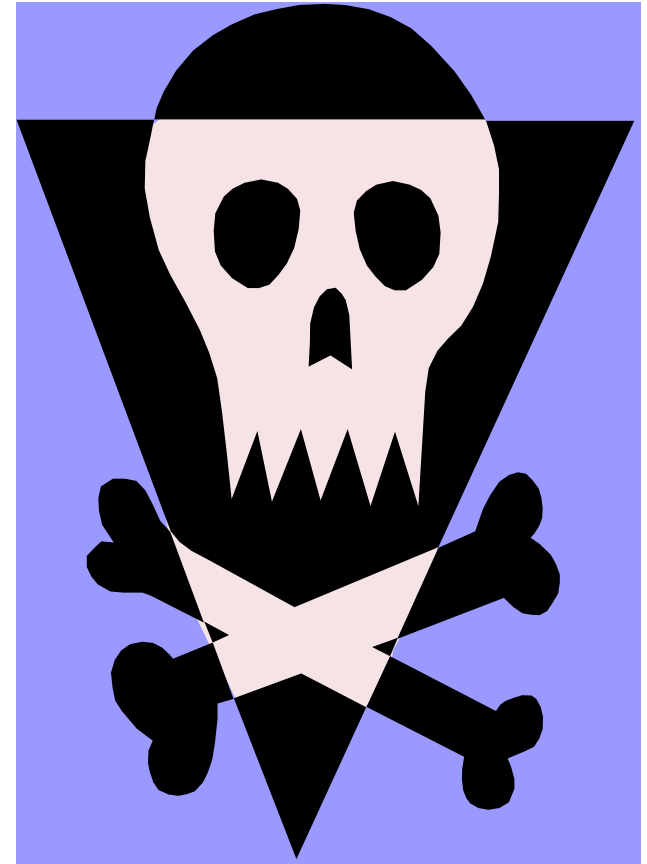
**Our competition**

**Our community**



# Arrogance is Toxic:

- Profit and cost reduction are the most important measures of success.
- We are here to satisfy the needs of the owners and managers.
- Employees are expensive commodities.
- If it's any good, we thought of it. If we didn't think of it, it's not any good.



# Transformational Leadership is about HUMILITY:

- Leaders are self aware, non-defensive, open to feedback.
- Leaders are approachable and real; they are authentic.
- Leaders are transparent with their faults and weaknesses.
- Leaders admit their mistakes and know their limitations.
- Leaders ask for help.



# LEADERS THEN & NOW

## OLD

I decide

Tell-Control

Dictate-Yell

Had all the answers

Blame people for problems

Decisions based on opinions

Gossip behind the back

What's best for me

We've always done it this way

## NEW

Group Decides

Ask-Lead

Involve Others, Respect

New learning, ask questions

Study the system & processes

Data-driven decisions

Honest feedback

What's best for KANDU

Challenge status quo

# LEADERS THEN & NOW

## OLD

Focus on personal loss

Do nothing

Too much to do

Avoid loss

Protect loyalties

Blame others

Guard information

Silos/Departments

Management by the numbers

Add off-line costs

Limited flow

## NEW

Focus on organizational gain

Overcome barriers

Ask for help

Accept loss for gain

Confront loyalties

Take responsibility

Share, communicate

Optimize the whole

Data/improvement over time

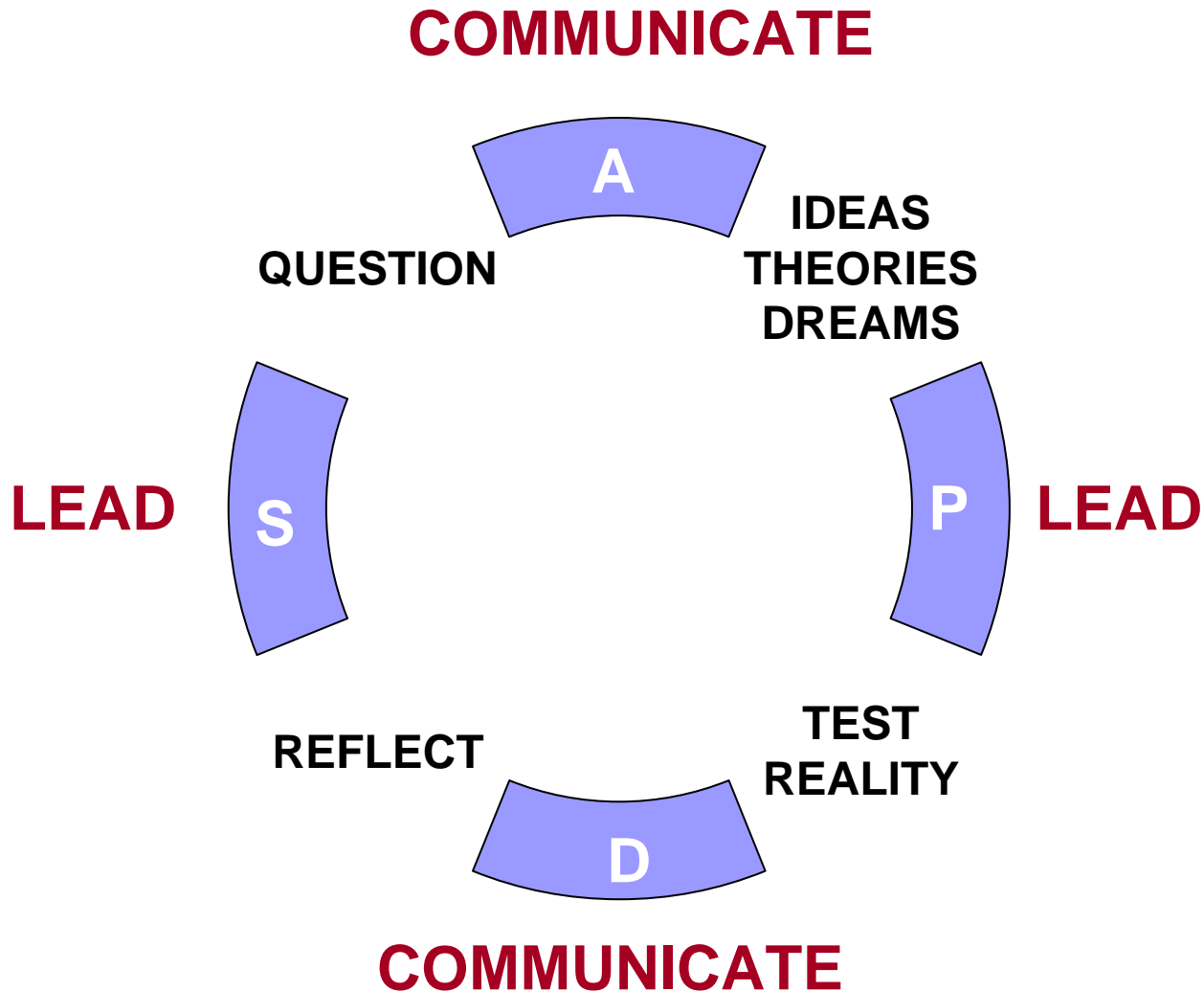
Value-added

Smooth flow

**It's my responsibility  
to create  
meaning and value  
in the  
leadership system  
and to lead the  
Transformation.**



# The Learning Wheel

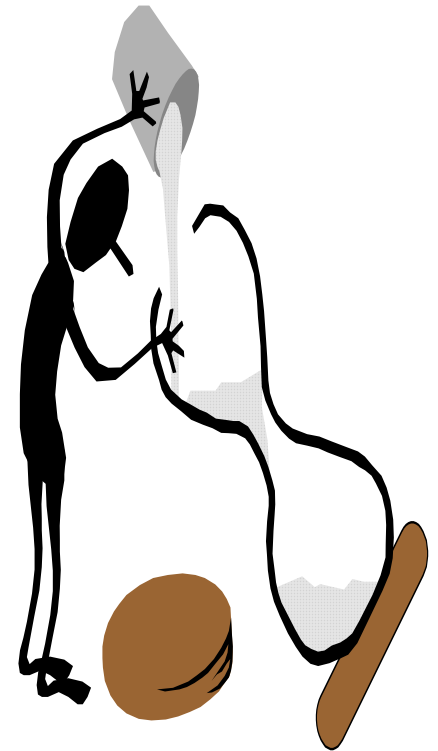




# SO HOW DO LEADERS TRANSFORM ORGANIZATIONS?

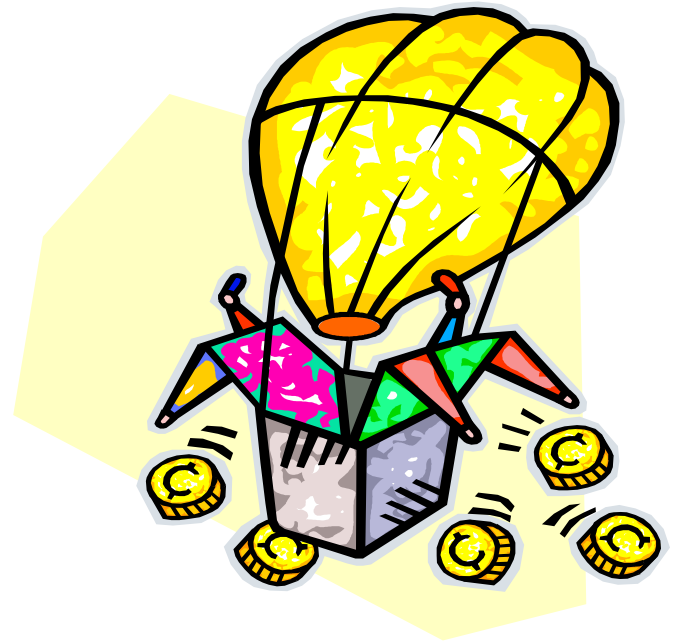
## ■ WE NEED TO:

- Continuously challenge beliefs, assumptions, patterns, habits, paradigms
- Build a team that thinks differently and acts differently
- Replace the “I” culture with the “WE” culture
- Have leadership with knowledge
- Have employees who are transforming
- Have a critical mass in place
- Adopt a mindset of continuous improvement of everything
- Link customers and suppliers to the system
- Make decisions based on data and context knowledge

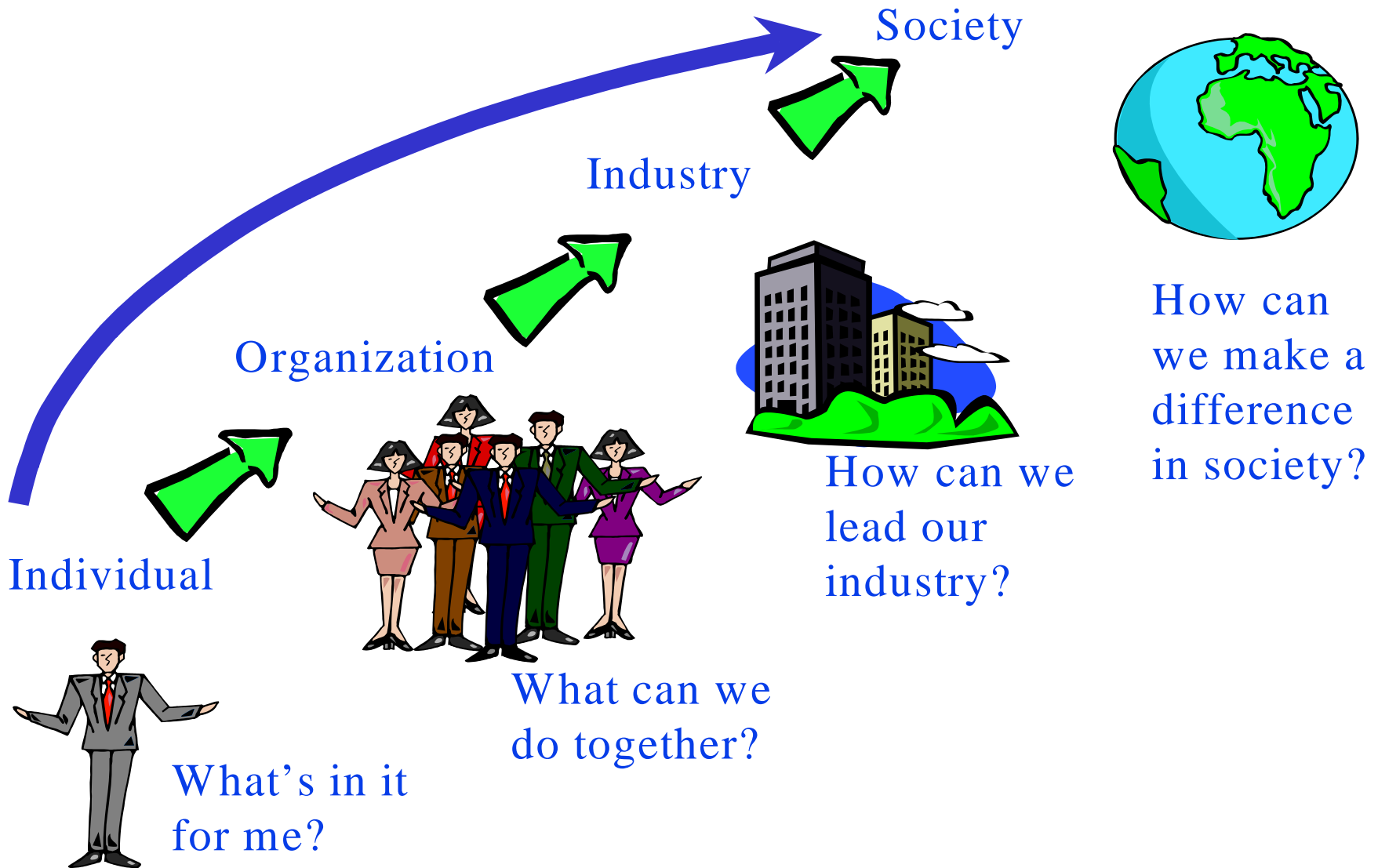


# SO HOW DO LEADERS TRANSFORM ORGANIZATIONS?

- Get different, get better
- Change deep rules
- Give people new lenses to look through
- Introduce entirely new voices
- Exploit the imagination of each person
- Ask “what if”
- Have employees who bring their hearts to work
- Create a point of view about the future that is uniquely our own



# DO YOU MAKE A DIFFERENCE?



**The transformation turns us upside down, inside out. If we have the courage to take the journey, we will be forever changed.**



*“Daring To Lead”*

*The 4<sup>d</sup> Annual Forum of the  
In2: In Thinking Network*

*April 7-10, 2005*

*Los Angeles, California*



## ***About KANDU Industries***

**“We lead people and business to new potentials.”**

KANDU Industries has been providing work opportunities to people with disabilities for more than 40 years. This service enables KANDU workers to achieve their maximum potential and enjoy the dignity of being productive citizens. At KANDU, we're not about care giving...we're about independence. In 1961, a small group of parents and supportive community leaders met to find ways to meet the employment needs of their sons and daughters with disabilities. By 1964, KANDU obtained its first outsourced work contracts from Parker Pen and American Baton companies. Over the years, KANDU has experienced tremendous growth and today, KANDU employs over 210 "clients" (persons with disabilities) along with a staff of 44, placing KANDU as one of the leading not-for-profit work centers in the Midwest.

KANDU provides industrial services to over 60 companies supplying them with high quality production, quick turnaround times, and competitively priced custom services. With continued opportunities in outsourcing and to accommodate the increased demand for high-volume packaging and assembly, KANDU has recently moved part of its production operations into the former Parker Pen/Gillette Arrow Park facility, expanding its production space by 50,000 sq.ft.



## About Best Events Catering

Established in 1986, Best Events is celebrating its 17th year of serving the Stateline area. Directed by Rod Oksuita, Best Events commitment to quality and excellence is recognized by the Leading Caterers of America®. Best Events is a full service caterer offering a wide range of menus and services.

Best Events caters excellent food and can create the atmosphere you desire. Best Events extensive inventory of rentals and displays can create endless possibilities ranging from a professional business lunch to dazzle your most important client, to the tropical island wedding of your dreams. Your imagination is our beginning!

As your full service caterer, we will help you plan the perfect event. From the smallest to the most extravagant, our commitment to detail will make your event a success from beginning to end. Throughout your celebration, you can enjoy yourself while you and your guests savor the experience of the Stateline's premiere caterer! Whatever you can imagine, BEST EVENTS creates!

[www.besteventscatering.com](http://www.besteventscatering.com)

# Contact Information

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**Located in Janesville, Wisconsin, near the Wisconsin-Illinois border, KANDU Industries, Inc. is convenient to Chicago - O'Hare and Milwaukee - Mitchell airports, and Interstate highways I-90/94, I-39, and I-80.**

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