The War on Waste Paradox

Leonard Bertain, Ph.D.
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“Using the War on Waste to Align Strategy with Process!”

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To my business clients,
Who have been such good sports.

Len.
Introduction.

This book evolved from discussions with several client CEOs and several productivity and innovation consultants. It still tells the same story about our War on Waste and the role that all employees play in business success. But it adds another dimension with the inclusion of the role that knowledge, particularly Tribal Knowledge, plays in any corporation.

But the real addition to this book and the issue that had been evading us over the years is the discussion that we get into in the book of what we have called the “War on Waste Paradox.” The owner of the business in the fictionalized story is the student of the book’s illustrious consultant who leads him to an understanding of what it is.

But why call it “The War on Waste Paradox?” What does Tribal Knowledge have to do with The War on Waste? It turns out that effective change requires an honest engagement of all people and a consequent understanding of the company Tribal Knowledge. And that observation is one of the major discoveries of this process.

Tribal Knowledge is the collective wisdom of the organization. It is the sum of all the knowledge. It is the knowledge used to deliver, to support, or to develop value for customers. But it is also all the knowledge that is wrong, imprecise, and useless. It is knowledge of the informal power structure and process or how things really work and how they ought to. It is knowledge of who constrains the process and who facilitates it. It is the knowledge that is squirreled away by employees who feel a need to protect their jobs by not sharing the information needed to do a job. This is part of the totality of the Tribal Knowledge. For example, it is the knowledge and the experience of the assembler who won’t tell others how he can put those two casings together (when no one else can). That knowledge is his job security. But more importantly, it is the untapped knowledge that remains unused or abused. This thought serves as one of the themes of this book.

We call this book “The War on Waste Paradox” because effectively engaging the rank and file is contrary to most corporate organizations and structures as well as outside the skill set of most managers. It is the actions of the executives and managers that
create the various paradoxes noted in the book. And it is these same actions that create the grand paradox.

As employees become engrossed in solving their problems during the War on Waste, all aspects of the company are examined. When Tribal Knowledge is challenged, it is done so under the protection of No Blame, a safe haven for generating ideas. We trademarked the “No Blame” logo seen in the book, to illustrate to employees just how important the ideas generated during the War on Waste are to the company. They are so important that we want to generate “change without reprisal.”

Our unique approach to problem solving includes 5/67 forcing functions, Yes/No Charts, World Record Reports all of which speeds the idea into action. “5/67” (67% of benefit for 5% of cost) is a subset of the 20/80 Rule that we discovered early in our work in this program. It is the way we manage all of our projects. We will go into that more in the body of the book. In the book, we will also explain the power of Yes/No Charts and World Record Reports in the War on Waste.

We equate the War on Waste (WOW) to a “phase 0” of innovation and action. Innovation occurs big time here because innovation is the conversion of an idea into action that improves the service to a customer, creates a new or improved product, or optimizes a production operation. And a lot of that is going on at Quality Pumps, the mythical company in the story.

There are other by-products to the WOW process: it provides a template for effective leadership by helping to define leadership best practices by example; it highlights the gaps between designed strategy and implicit strategy and then helps to provide the alignment; it ferrets-out the barriers to innovation; it creates visibility to current capabilities and skills; it initiates a process of effective employee training (learn by doing); and it refocuses the organization on the more profitable parts of the business (core business).

In most case these ideas are usually incremental innovation. But we have found that even in phase 0, 1 out of 6 ideas is a “Big Idea” with over 100 to 1 benefit to cost ratio and represents any of the following types of innovation identified by Peter Drucker: disruptive innovation, organizational innovation or a business venture innovation. By the time that we have reached Phase 3 of this process, we have an innovation organization focused on finding and
implementing Big Ideas. We will discuss more on these types of innovation later in the book. These big ideas make the payoff for our programs spectacular. The ROIs are through the roof.

Ideas are presented to management in this program with employees submitting ideas based on the waste that they identify. As they turn the idea into action, it amounts to solving a problem defined by the rules of the War on Waste process. The War on Waste exposes the problems that may exist with employees as they try to deliver value.

We have discovered that acting on good ideas of employees leads to a change in the way we look at the work of an organization. We are not talking about just any work; we are talking about “the right work.” We have found that the resultant organization is different, is turned around from its predecessor. The new organization focuses on understanding the value-adding functions of the business. This leads to a highly productive structure with the ability to change quickly in response to market demands, which in turn leads to greater profits.

On the surface, this book contains a fictionalized storyline. I wanted to tell a story as a way of illustrating a unique process for improving business. And I wanted the process to be understandable to a wide audience. So I created a central character, and his family, friends, and co-workers, out of a composite of folks and situations I have met and observed over many years. But the story behind the storyline is factually based. The reader who has never experienced a No Blame culture of innovation may dismiss the story line I came up with as a collection of unreal situations. However, you will be surprised at how real the story is when you begin your own journey.

We have delivered the War on Waste to over 150 companies and over 50,000 employees. The process has been used effectively in a wide variety of many businesses, from manufacturers, machine shops and distribution companies to hospitals, banks, and government agencies. This book, then, is the consolidation of many of those experiences. Most of the events have happened at one time or another. I have changed the names of people and places and some specific events in the story to assure anonymity.

As a tribute to the fact that the book comes pretty close to reflecting reality, I’ll share this story. I sent copies of the book’s final draft to some of my client CEOs. I scheduled lunch with three
of them to discuss their initial reactions. As I arrived at the restaurant, I could hear people laughing loudly in the background. It was two of the CEOs that I was going to meet for lunch. About that same time, the third CEO arrived. I asked about their loud laughing, and they began to laugh even more. It turns out that the first two had discovered they were both angry because they each thought I had written the book about their company. Then the third guy announced that no, in fact, he knew the book was about his company. The truth is, none of the above. The book was modeled mostly on two completely other organizations unknown to these CEOs. The bottom line is the events of the story sound the same because such similar events happen within so many different companies. I will try to point out these similarities in the various chapter summaries.

As you find out quickly in the book, the process described is a form of discovery for the participants. Each step offers a new learning. It is an enjoyable but difficult journey. The uncertainty of the process is painful for those who wish to preserve their old habits and systems or their own which they control.

But the new system is more efficient, more productive and more comfortable for employees. Everyone is focused on maximizing the value delivered by the business. And not surprisingly, the new organization is a very pleasant place in which to work.

The process of discovering this new system environment is what the book is about. The participants in the story discover a new way of looking at business and new measurements of success. The process takes lessons from the Japanese, Henry Ford, Frederick W. Taylor, Adam Smith and many others. We try to inculcate the concept of the 80/20 Rule in a leveraged subset that we call “5/67 Thinking”. This is a subset because we found that we are able to get 13 times return and speed for an application of the concept (5 into 67) versus 4 times for the 80/20 Rule (20 into 80). This concept is pervasive in our delivery because it allows for more rapid delivery of analysis and even faster delivery of results. As we will explain in the chapter Insights, this is a very powerful tool. And using these tools, the lessons are intended to lead both the participants and the reader on a journey of discovery of the new organization.

On a grand scale, it can be said that the process allows all members of the organization to discover improvements in the work and missed market opportunities or product offering. These
improvements are quantified as wastes, implemented with low-cost solutions. The employees discover that changes occur very quickly when everyone has the same focus. Managers and workers alike see profit for what it really is—the lifeblood of the company. They discover that it is OK to talk about profits. We even encourage employees to ask the very important question, “What’s in it for me?” We like to turn this around to asking employees “Do you listen to WII/FM (What’s In It/For Me?)”

As the discovery process progresses, several crucial issues are exposed. The idea is the center of this system. No Blame protects the idea in much the same way that freedom of assembly protects free speech. It doesn’t do you much good to have freedom of speech if you have no way to assemble followers to listen. This is the heart of the Tiananmen Square problem of China of a number of years ago. The Communist Chinese were touting to the world that they were allowing freedom of speech for all Chinese. But it was no good without freedom of assembly. If you want ideas and innovation to flourish in a company then you need to invoke No Blame and provide the opportunities to create. If someone is going to offer an idea, they need to know that they are doing so without threat of reprisal from their supervisors or managers.

Enjoy the book.

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Acknowledgments.

A number of people have contributed to this book both directly and indirectly. Mr. George Sibbald was an early contributor to the thinking that went into this manuscript. George and I have argued extensively about the different processes that exist in the War on Waste program. We continue to argue the merits of various approaches to the delivery of the program. He helped me get clarity on the use of the term Tribal Knowledge in the context of the War on Waste and on the War on Waste as phase 0 of a 3-phase process of incubating an effective Culture of Innovation and Action.

I have had a number of early guinea pigs that trusted my judgment enough to allow me to test my theories on their organizations. Jim Henderson of Advanced Machine Programming, San Jose, CA, Larry Lista of East Bay Generator, Oakland, CA, Paul Bergeron of Pilgrim Fireplace Equipment, Richmond, CA, Mike Bardon of General Grinding, Oakland CA, CA, Pat Perrin of Perrin Manufacturing, City of Industry, CA, Paul Rajewski of MicroAge Computers Centers of Cerritos, CA, Dennis Gertmanian of Ready Pack Produce, Sea Houston of Wells Fargo Bank and many others.

More recently, I have gotten a better understanding of the Quantum Leap company from Mike Betts of Betts Spring Company, San Leandro, CA, Nate Hamilton of Operon Technologies, Alameda, CA and Ken Cloyd of Cal Truss Company of Perris, CA. These three organizations are excellent examples of companies that have made or are about to make the Quantum Leap in business performance.

I would especially like to thank the Employment Training Panel of the State of California and particular thanks to Mr. James Quillin (deceased) of the International Association of Machinists, Panel Member. Jim was really a mentor for me in effective employee training.

And finally, I would like to thank my wife for her patience while I have developed my consulting practice over the last twenty years and listened and critiqued a concept of self-publishing that is the basis of CEO University Press. I love you and thank you for your support.

Len Bertain
“...And this I believe: that the free, exploring mind of the individual human is the most valuable thing in the world. And this I would fight for: the freedom of the mind to take any direction it wishes, undirected...And this I must fight against: any idea, religion, or government or corporation (the authors words) which limits or destroys the individual. This is what I am and what I am about."

John Steinbeck
East of Eden

The phone rang abruptly at 2:30 in the morning. I bolted up and grabbed it. My wife was alarmed by this disturbance and sat up in a daze. She brushed the sand from her eyes and watched me answer the phone. It was my father and he had bad news. Across the hall, in his room, the baby stirred and then whimpered with the interruption of his sleep.

My friend Charlie had just been killed in an automobile crash after a heavy bout with the bottle. According to the Highway Patrol he had hit a tree near our old drinking establishment. He died shortly after arriving at the hospital.

Charlie and I had worked at Osgood’s—a local manufacturing company—as machinists, and life had been pretty good. We hunted together and fished every lake and stream within 300 miles of our homes. Although he was closer to my father’s age, he had become my friend at work and at play.

Our lives changed when Osgood’s closed. We were suddenly out of work and that was a miserable experience. My wife Sandy was pregnant, and having a baby while your husband is unemployed is not a prospect for happiness. We were barely surviving.

I hung up the phone after hearing my father’s news about Charlie. What was I going to say to Phyllis, Charlie’s wife? Words

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really never cut it. I got up and pulled on my clothes. The irony of Charlie’s death was that today I was starting a new job and Charlie wasn’t. Charlie had been turned down for the job that I got.

I put a pot of coffee on and the phone rang again. It was Phyllis, telling me what had happened. I told her that my father had called moments earlier. As I was talking she began to cry. I comforted her as best I could. She’d called to tell me what Charlie had said to her just before he died.

She had met the ambulance at the hospital, and just before Charlie died, he told her that I was to get his tools because I was the son he never had. She went on: “Charlie told me that you were the best friend he had. And you know what else he said? He told me to call you and wish you well on the new job.”

She did what he asked and told me to go back to bed. “Charlie would want you to give it your best in the morning,” she said. “I know you will miss him but you need to take care of your family first. Stop by after work and tell me how it went.”

I turned the coffee pot off, got undressed, and went back to bed. I couldn’t sleep but I dozed a bit. Why was life so unfair?

Morning arrived quickly. I got up and got dressed again. The new job was 40 miles away, and I couldn’t be late. I went downstairs to go warm up the truck. As I headed out the kitchen door I noticed that it was raining. My coat was missing from the clothes rack next to the back porch entrance, and I was going to get soaked.

Buddy, my 10-year-old son, loved to wear my coat. Whenever he did, he forgot to put it away. I was angry with him for a moment, but then I remembered that he was still a little boy. I had the feeling that my first day on the job was going to be an awful day.

I headed out to the driveway and opened the door of my truck. It was chilly in the old Dodge pickup as I climbed into the cab. I pumped the gas a couple of times and hit the starter. The battery strained, the engine turned, and the motor gradually came to life. It ran ragged because it needed a tune-up, but the money just wasn’t there since I lost my job at Osgood’s. Both the defroster and heater were slow getting going on these cold mornings. I turned them both on and headed back to the house. As I rushed up the back steps, I could see the sun rising in the distance.

I opened the door and walked into the kitchen. Sandy had poured two cups of coffee. She was in her bathrobe, holding Mickey, our
newborn, under her arm. He was a real load for Sandy to carry, but today, smiling and giggling at Sandy, he looked like a cherub.

Sandy hated mornings but she usually tried to get up and see me out the door. It had been tough on her over the last several months. As she held Mickey, he began to squirm and reach in my direction. I grabbed him and gave him a big hug.

Buddy was stirring in another room. He heard us talking and realized that I was about to head out the door for my first day on the new job. Kids know when events are important to their parents. Buddy sure knew. He came out to breakfast with Boo, his little yellow teddy bear. Boo had been his sleeping partner for several years. I bought Boo on one of the training trips I had made when I worked at Osgood’s.

The last few months had been hard on all of us—but especially on Sandy. After Mickey’s difficult birth, Sandy went back to her old job working with her mom and dad at their travel agency. Before my layoff, the job had given her a chance to be around her parents, and the extra money helped us keep the house fixed up and buy those little things that we couldn’t quite afford. After my layoff her job became a necessity.

While I was looking for work, Sandy never said anything about my not working. Some of my friends were not having it so easy because their wives were on them all the time for being out of work. Sandy just gave me the words of encouragement I needed to hear. We knew everything was going to work out fine; the only problem was when.

I put down my coffee cup and gave Mickey back to Sandy. I kissed her good-bye, gave Mickey a kiss, and hugged Buddy and Boo. Buddy stood at the window and waved as I backed down the driveway. I was excited about this opportunity but miserable over my friend’s death. This was not the best way to start a new job.

As I drove to the new plant, I thought more about the past. I’d started work at Osgood Manufacturing right out of high school. I had been a reasonably good student and thought that I might go on to college, but decided not to. My dad and grandpa had both worked at Osgood’s. Having done well in my high school shop classes, it seemed natural to continue the family tradition. My dad worked for Osgood’s as a machinist and had a small shop at home where he did odd jobs in the evening and on weekends for businesses in town that
needed quality machine work done. He was a good machinist and a good teacher.

As a child I would sit on the bench behind his lathe and watch him work for hours. I loved the smell of cutting oil. I was always curious about the cutting of threads. I could never understand how he turned threads on a piece of metal with such precision.

My dad was a good trainer, and taught me how to think like a machinist. He introduced me to all of his work buddies as I was growing up. I liked to listen to them discuss various ways to make a particular part. They would sit out in Dad’s shop and talk for hours as they traded ideas on different ways to work through the manufacture of a part that Dad was working on.

They never seemed to argue with each other. After hours of talking, they would finally settle on a solution and complete the part. When I went to work it looked like a good deal. Osgood’s had been in business for years. Jimmie, Old Man Osgood’s son, had just taken over and he was expanding the plant. I joined the union and served my apprenticeship. The old man had ordered several new computer-controlled milling machines and he wanted me to learn how to program them. I went away to computer school and didn’t like it one bit. I had to spend a lot of time away from Sandy while I was learning, but the training was good because it allowed me to become a journeyman quickly.

Old Mr. Osgood always encouraged all of us to get training. With his help, I took some engineering and computer-aided machining courses that the local community college offered with the union.

Computers were very discouraging to me. I found out later they were discouraging to most people. I really had a hard time figuring out the best ways to write programs to make the different parts. I remember calling Osgood to tell him that I just wasn’t cutting it and that he ought to get another guy to take my place. I’ll never forget what he said to me: “Stick with it, son, you can do it! It may not be easy; we didn’t say it would be. We need you to learn that job so we can improve our product line. Just learn what you can now. If you have to go back a second time to learn a little more, don’t worry about it.” He was a really supportive boss.

It was hard but I did learn how to write the programs. I also taught several other people at the plant how to run the machines.
Jimmie Osgood liked my work and continually supported my efforts to train other people in the company. He bought several new machines to use with a new product line, and we were going great guns.

My dad had worked therefor thirty-seven years and was having a hard time dealing with all the new machines. He liked his old manual lathe and mill and didn’t like changes, so he decided to retire. I was thirty-one and had been at Osgood’s for twelve years when they gave me my dad’s job. I became a foreman.

I was a foreman for a little less than a year when things got bad for all of us. Jimmie got killed in a car accident and the old man came back to try and run the whole operation. After Jimmie’s death, Old Man Osgood was just not the same. He did what he could but it was in vain. He put the plant up for sale.

Pretty soon a group of investors from back east bought the company, and brought in a new management team to run it. The head of the group was a hotshot from some business school who was supposed to know what was going on. He was a very impersonal guy who never talked to anyone. We called him Darth Vader because he drove a black BMW with dark opaque windows. When he got out of the car he always had on dark sunglasses and black gloves. He parked his “Beamer” in the shade and covered it with a sissy cover. Whatever he was trying to do, his management style did not go well with most of us. From the moment he came on board, things went badly.

Charlie was a great machinist and one of my dad’s friends. He was in his mid-50s and had been at Osgood’s for years. He was one of those old-time machinists who used all his senses. He could tell if a piece was being machined properly with enough cutting fluid just by the smell of the oil as it cooled the parts it was cutting. He knew if a part was being ground properly by the shape and color of the spark flying off the grinding wheel. He was good and everyone in the shop knew it.

Charlie loved to read the machinists’ magazines and brochures that the salespeople left in the lunchroom. One day, in a magazine article, he found a solution to a setup problem on the old Warner-Swasey NC machines. So he came over to me and said that he figured he had a way to solve the setup problem in drilling centers on all those castings. All we had to do was buy a few more boring bars
and dedicate them to specific jobs. It was a neat solution to a big problem. It would have greatly increased our production in that area because it would have reduced our setup by 30%.

After lunch, Charlie and I went up to the engineering department. Before, we had always been able to go to Tom, the head of engineering, any time we wanted to discuss anything that had to do with production problems. He would take the time to listen to us. After we explained an idea to him, we would argue through several alternative approaches. The end result was usually that he would let us go ahead with our ideas.

When we arrived at engineering to see Tom we found out that he was no longer with the company. We hadn’t heard that he was fired. A new secretary stopped us. She quizzed us on why we were in engineering and not on the shop floor.

After a few minutes of this interrogation, she buzzed someone, and a junior engineer came to find out what we were doing in the engineering department. We showed this guy the article from the tooling magazine and our cost figures to justify the expenditure. He took our information and told us that he would look over the figures and get back to us next week. He didn’t even say thank you. He just headed back to his office.

Charlie and I stood there for a minute. We really felt stupid. We turned and headed out of engineering and back to the shop floor. A couple of days later, my boss came over to me and said in no uncertain terms that “engineers do the engineering and machinists do the machining.” As I left he asked, “You got that?”

Yeah, I got it all right. If you want my opinion, that’s what’s wrong with a lot of companies in America today. Engineers do the engineering, but damn it, they don’t own the market on ideas. Charlie and I were pretty good, and we had good ideas.

I couldn’t understand what was happening at work. Why were we being treated so badly? The new management team seemed to bring in a lot of good work. They had designed a couple of new product lines and we were producing full bore on two shifts. Immediately after the acquisition, we were very busy with a huge backlog.

After a couple of months, things started to get crazy. We would work like hell to get an order out only to find we were missing a key part when we went to assemble it. Parts started to pile up
everywhere. We would make a run of parts and then find out that we didn’t need them right away. By the time we did need them, we had to hunt all over to find them.

The situation kept getting worse. We’d get incomplete specifications from engineering. The plant manager would say, “Look, start the run and the rest of the specs will be down by the time you need them.” The specs were never on time, or if they were, the previous specs were wrong. We would machine a part and then have to do it over again because it didn’t fit the matching part of the lower assembly.

The investors had taken on a big debt to buy Osgood’s, so we were really scrambling to get the products out the door. It seemed that even with all the new machinery we kept falling further behind. When the old man ran the company, we would solve problems as they came up. But the new management didn’t run things that way. I would take a problem to the superintendent and he’d send it up to Engineering. A couple of days later new drawings would come down and we’d try to make them work.

It was clear that the company was in trouble. Morale in the shop began to slide. Some of the workers found other jobs. Even Charlie seemed to get worn down. He just did what he was told. He ran the machine and he didn’t even bother to tell them the parts were screwed up. He didn’t pick up the machining magazines anymore.

We started having trouble between the union and management because management was trying to change the work rules. Management wanted the machinists to set up the machines and to have helpers run them. It was just one more hassle.

It was getting pretty hard for me to get up to go to work. I hung in there because I felt like that’s where I belonged. My father taught me that when you work for someone you give him or her your best, and I really tried to do that.

After a while under the new management getting up in the morning wasn’t a problem anymore. They closed the plant. They said that the union wages were too high and that with the restrictive work rules they couldn’t compete. A bunch of lowboy trailers were pulled into the lot by Mack tractors and the machinery was carted off to parts unknown. The local paper did a front-page story about why the plant closed and said that the machinery was being shipped to a facility in Mexico.
Things became tough after the closure. A few years before, with help from my folks and my in-laws, Sandy and I had been able to buy a couple of acres outside of town that had a nice little house on it. The bank held our mortgage, but it was a payment that we could easily handle on my wages. The plant closing made our life miserable. We used up our savings after several months. Sandy’s mom and dad and my parents helped us as much as they could.

I had to file for unemployment. I hated waiting in lines. The state people were no help. When I submitted my form for enrollment, I made a mistake. I put the wrong date on a line and had to go back again to get it right. There was an old lady running the show who was really terrible. She acted like everybody in the unemployment line was taking her money. To punish me for my mistake in filling out the form, she delayed the payment of my benefits by two weeks.

As soon as I was laid off, I went down to the union hall. It was just like going to work, I saw all the same faces. Some of the people found jobs pretty quickly, but with 115 machinists unemployed all at once, the market was soon saturated.

Charlie and I looked for work together so that we could share gas and leads. We followed up every possible lead that we got. When all the companies had turned us down in a ten-mile radius from home, we expanded our search by moving in an ever-widening circle. One afternoon, before Charlie and I were finished, he pulled a pint of whiskey from his coat pocket. He removed the top, took a long swig and offered it to me. This really pissed me off. I was depressed about not finding work and I didn’t need alcohol. I told him, “Goddamnit, Charlie, nobody’s gonna hire us if you smell like booze.”

I should have seen it coming when Charlie responded: “Nobody’s gonna hire an old man like me anyway, so what’s the difference?” I was unwilling to give up. I said, “Charlie, remember when you used to come over to Dad’s place on Saturday? I sure do. You really helped him out a lot in those days. You’re the best. And you know it. You’ve forgotten more about machine work than most guys will ever know. If you just hang in there, it’ll be alright.” He didn’t say anything; he just took another swig and stared off into space.

The next morning when I picked Charlie up, he actually looked pretty good as he lumbered across the lawn. He jumped into the truck and said, “Thanks for your support yesterday. I needed that. I tossed
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I was feeling pretty good when we pulled into the parking lot at Quality Pump. We went into the personnel department and filled out employment applications for the umpteenth time. They all looked the same, asked the same questions, and required signatures in the same location. What a waste!

I submitted the form to the woman at the front desk. After a while the receptionist called Charlie and he went in for an interview. In a few minutes he came out with a little smile on his face and whispered to me, “The guy said they’re getting ready to put some people on!” I was called in a few minutes later. The guy on the other side of the desk looked at my application and said that he might be able to use me. He thanked me for coming and said that he would let me know. All the way home, Charlie remained pretty excited. This was the best prospect we’d had in a long time.

I went right home after I dropped Charlie off. As I pulled into the driveway, Buddy was there with his glove and bat. I got out of the truck, kissed Buddy and went into the house to see Sandy. She was walking over to pick up the phone. She answered it as I picked up Mickey and Cathy. Cathy is our four-year-old beauty. She looks just like her mother. She never could get up to see me off in the morning; she deferred that responsibility to Buddy. At night she insisted that I was her exclusive territory.

I tried to pay attention to Cathy but Sandy signaled that the phone was for me. It was the personnel manager where we had interviewed asking me if I could start in the morning. Of course I told him yes. I then asked about Charlie. The personnel manager said that he was sorry, but that they couldn’t use him.

About nine o’clock that night, Charlie called and spoke with Sandy. She told him that I was going to work. He didn’t say anything and just hung up the phone.

I snapped back to my present situation driving to my new job and I turned up the volume on my favorite country station, KPAY, “You provide the city, we provide the country; a little bit of country in the city.” Johnny Paycheck began singing, “Take this job and shove it, I ain’t a’workin’ here no more.” I started laughing when I sang along because I really didn’t know whether or not I wanted to shove my job; I hadn’t even started to work.

When I got there, I parked my truck and went into the office. I filled out all the required paperwork. A couple of the other guys
filling out paperwork had worked with me at Osgood’s. We waited just a short time until this huge guy walked into the office. The personnel director pointed us out as the new hires and he led us to the shop floor. As we walked, he pulled the stub of a cigar from the pocket of his overalls, lit it and introduced himself as Jack, the plant superintendent.

Jack must have been six foot five or six and he weighed at least three hundred fifty pounds. Everyone seemed to like him and he laughed and joked with people as he walked around. He showed us around the plant. He took us to the tool crib and left me there with Billy, one of his foremen. Billy led me over to a small computer controlled milling machine and asked, “You ever run one of these before?”

I told him that I had and he pulled a drawing from his clipboard, pointed to a pallet with some rough stock on it and said, “Here’s the stock, and this is what we need to make. You’ll find all the tools you need in the tool crib. Go to work.”

My first job was pretty simple. I was able to set it up and start running it in about three hours. Billy came by just as I was finishing up and he seemed pleased. He put me with another guy doing setup for another job and left. As I punched out that afternoon, Jack came up and said, “Good day, young man, you’re going to work just fine.”

After work I stopped by to see Phyllis and told her about the new job. She listened for a while but every time she looked at me she cried. I reminded her of Charlie and she couldn’t contain herself. I stayed a little while longer, and then got up to leave and she gave me a big hug. Another friend arrived to comfort Phyllis as I headed for home.

The next morning I completed the job I had started the previous afternoon. The guy I was working with was the lead man from the tool and die shop. His name was Gus and he had been at this plant for a long time. He was a good enough hand, but he seemed too cocky. He was not as good as Charlie. He bragged that he and his crew were the only ones in the plant who knew what was going on besides Jack. He said, “That Jack’s a clever bastard.”

I liked working at the new plant. The group of guys was good, but I couldn’t help noticing that this plant looked an awful lot like Osgood’s before it closed down. There were pallets of WIP (work in process) everywhere.
Products seemed to get out in time, but there was always a lot of rescheduling going on. Everyone was putting in lots of overtime and no one seemed to mind because they were making pretty good money. I quickly got the feeling that the same things were happening here that happened at Osgood’s. Just as I’d get a job setup, I’d be told to tear it down and start another one.

Jack was in charge. There was no denying that. He ran the department like it was his own personal kingdom. Jack seemed to like my work, so he never gave me any trouble, but whenever he got the chance, he would terrorize the foremen just to let them know who was boss.

On my third day, Gus and I were doing a setup for another rush job. Jack was overseeing the work, sending people scurrying around to get us whatever we needed so that we could get the job running. At that moment the General Manager and the head of Sales walked over to him. The G.M. started to get on Jack’s case about the order being late, and Jack blew up. He started yelling that they didn’t know his problems, that he couldn’t get reliable suppliers and that these old machines couldn’t be expected to keep up with all the orders. Jack only knew one way to manage. He yelled, but he never listened.

While he was yelling, Jack was waving his arms. He began backing these two guys toward the offices. Finally, the two Executives were at the door of the office, and when the Sales Vice President opened it, they beat a hasty retreat.

Gus began laughing like hell while this was going on. “That damned Jack, he doesn’t take crap from nobody. He’s got that G.M. scared of his own shadow.” Even though Gus seemed to think it was the funniest thing he’d ever seen, I started getting a little nervous. I had just gone through one plant closure and was not looking forward to another.

In a weird way, I thought Charlie got off easy. He was out of this rat race and here I was back in the middle of another crazy deal. Jack and Charlie had gone to school together, so Jack had no problem letting me off to go to the funeral. I went into work early to help get the job that I was working on completed. On the way to the funeral, I stopped and picked up Sandy and we met my mom and dad at the church. There were a lot of people from Osgood’s there. Even Old Man Osgood showed up. He looked like he’d aged twenty years since I’d last seen him.
After the burial, a few of us from the old plant went down to see where the accident had happened. You could see the plant from where we were and one of the guys noticed that the “For Sale” sign was gone.

Shirley, one of the gals who had worked in my department, called her brother who owned the local real estate office. She came back with tears in her eyes and said, “They’re going to tear down the plant and put up a shopping mall! They’re going to put a damn McDonald’s right there on the corner!”

I thought, Great! Some kid will be flipping hamburgers where we used to turn metal. That’s America for you. Tear down a factory and put up another fast food joint.

The next morning when Gus and I arrived, the plant was completely clean! All the pallets of WIP were gone.

When I asked Gus about it he said, “I told you Jack was clever. We’re doing physical inventory. The auditors start tomorrow. Jack took most of the WIP and stashed it in that old warehouse out back. He’s been doing it for years. You see, we have to pay a higher tax on WIP than on stock, so Jack hides it back there and calls it raw material. The guys over in accounting don’t have a clue what’s going on. They just know we look real good at tax time and that makes Jack look like a hero.”

Soon afterward it really hit the fan. The auditors looked in the warehouse and found the WIP. The plant was closed down for a couple of days while the big guns from the company’s accounting firm sent an army of auditors into the plant. When we came back to work, Jack was gone.

We sort of stumbled around for a couple of weeks, with the general manager and the foremen trying to run things. Then we got a new plant manager. He met with us and said his name was Jim. He told us that the last plant where he worked had just closed down. He said that he was glad to have a job and hoped to make some changes in the plant so that we’d become more efficient.

The last thing he said was that everybody was going to keep his or her job and that nobody would be laid off. That made me feel better because I had been one of the last hires, so I would probably have been one of the first to go.

Jim came over to my station after the meeting and said he was sorry about Charlie; he had known him and he had also known that
he was a good hand.

Jim meant what he said about changes. The first thing he did was move his desk onto the shop floor. He had some carpenters come in and knock out the wall between his old office and several other offices that were only being used for storage. The room was now big enough to easily hold twenty or thirty people. He brought in some tables and chairs, a VCR and a TV. He also got an overhead projector and put up several blackboards. He was making changes all right, but I couldn’t see how watching TV was going to make us more efficient.

One afternoon, about a week after the carpenters finished, Jim came walking through the shop with an interesting-looking guy. He and Jim were watching things and stopping here and there to talk with some of the workers. They came over to my station and Jim said, “This is Dr. Elbie. He’s going to help us make some of the changes that I talked about.”

Elbie had a good firm handshake, and said that he looked forward to working with us. He didn’t look like he could help much with machine work. He was in his mid-forties and was dressed in slacks and a sports coat. He wore metal-rimmed glasses and a wild pink pullover shirt. He wasn’t real tall but he looked strong. Not like a bodybuilder, but like a swimmer or someone who did gymnastics. He had large shoulders for his size. None of that mattered. I figured I’d wait and see what this Dr. Elbie could do.
Chapter 1

Insights

No one owns the market on good ideas. One of the observations in this chapter is that many companies are organized on the principle of “Engineers do the engineering and the machinists do the machining.” In other words, there are companies that think that only their super-educated employees are smart enough to propose ideas and implement them. Consider that a mediocre idea, fully embraced by those that must implement it, almost always gets better results than a stellar idea pushed down from on high. It is our opinion that these companies will fall short. The smart and profitable companies, however, say, “Any idea that helps the profit is a good idea.”

So how do you create a company that listens to ideas? How do you get people to tap Tribal Knowledge and work with everyone to make a profitable company?

In this chapter, we also hear about our hero’s father and his friends working outside their jobs on other work. It was a little side business. Why are they doing that? I see that in just about every company where I work. Employees work on cars, carpentry, and other outside craft activities after work to expand or utilize their knowledge or skill set. It is this aspect of Tribal Knowledge that we will explore in this book – the underutilized or untapped company resource. People have a need to use the knowledge that they possess. It is almost a mandate of the human
condition that people be allowed to utilize their Tribal Knowledge. If the use of the knowledge is constrained, then you end up with unhappy employees.

Tribal Knowledge is what it is, not what is written down in some procedure book. It is the collective wisdom, skills and capabilities of the company used or unused, accurate or inaccurate. It is the sum total of the information that gets product out the door. In most cases, it is not what management believes exists; it is something else. It is, what is. The goal in the War on Waste is to match the company public rhetoric with reality. And when they match, you end up with a very effective company. And that is what this book is about.