

## **An Organization in Motion... from Good to Great**

*Today our behaviour is much more open and collaborative, says Vice President Troy Taylor, Ortho-Clinical Diagnostics - a Johnson & Johnson company. His organization in OCD has been through two xQ surveys and 7 Habits training performed by FranklinCovey Nordic Approach.*

*This case study presents views from different areas of the global OCD.*

## Globalization



Troy Taylor

Three years ago Troy Taylor transferred from industrial equipment services into health care services. From General Electric's Energy Services business to Ortho-Clinical Diagnostics, a Johnson & Johnson company, where he now works as the World Wide Vice President of Customer Technical Services & Automation Systems.

- My main task was to globalize the organization. Lots of duplicate efforts were taking place and the demand for service and automated systems was growing. We couldn't just keep adding more and more people! We were not sure if everyone in the organization was clear with respect to the goals and objectives of the group and how their individual actions contributed to the success of the group, Troy Taylor explains.

Over 40 "major" measurements were being tracked and reported on in the service organization. Troy Taylor wanted to get some kind of cohesion between all of these measurements in order to obtain clarification. This was urgently needed as the launch of a new diagnostic instrument, that demanded much more attention, was being launched globally.

The World Wide organisation was relatively new based on a company wide reorganization that took place at the end of 2003. Most of the new staff had never worked together as a single team and so the group had to overcome some of the challenges related to forming a new global team. The first step was to bring all of the worldwide managers (approximately 80 people representing over 20 countries and

regions of the world) together as a team. This happened in Miami Florida in February 2005 and served as an introduction of the organization to itself: "One Team, One Vision".

Shortly after this meeting Troy Taylor was introduced to FranklinCoveys xQ<sup>1)</sup> methodology and its emphasis on "unlocking the underutilized capacity" of an organization by his Northern European Service Director, Lea Eggs. She sent him an article about the methods used by FranklinCovey in her Nordic region, and the section of the article that talked about the impact on organizational clarity drew his attention.

## Aligning the Organization

The following year at the worldwide management meeting, which took place in Lausanne Switzerland, xQ was introduced as a means of aligning the organization around one common goal of "Taking Care of Business by Taking Care of Customers".

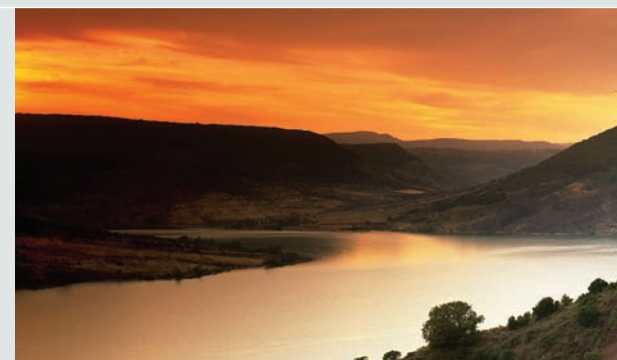
- xQ was not only a tool for me, but also for all of the 80+ managers in the group, Taylor explains. - With this tool managers were able to see where he or she did well and where they needed help. By surveying the entire worldwide population of over 580+ employees, each manager had an opportunity to understand where each of their teams stood with respect to the clarity of the goals and objective of the organization. Without clarity, the execution capability of an organization is limited because of untapped capacity.

- With respect to creating clarity through simplification, the group also introduced the con-

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 Ortho-Clinical Diagnostics  
a Johnson & Johnson company

1) The xQ survey is a FranklinCovey tool that measures an organizations ability to convert strategic targets to action and results.



cept of the “Wildly Important Goals” (WIGs)<sup>2)</sup>, the three to four most critical goals that the team must accomplish. All other goals or measurements are in support of the WIGs and were called “Pretty Important Goals” (PIGs). For the worldwide group we came up with three WIGs: Customer Satisfaction, Operational Costs and Service Revenue growth. We also defined some PIGs, which directly connected to enabling the accomplishment of the WIGs. If we couldn’t connect any PIG to a WIG we asked ourselves: Are we doing the right things?



People should be clear about objectives, proper tools were needed, shared enthusiasm was a necessity, and it should be clear that we all could reach the goal. To me xQ allowed us to understand how the 580 people in the organization aligned and understood the objectives of the organization. For each people manager it was a kind of mirror test that help them understand how well they were translating the organizations goals to their employees. At the end of the three day session in Switzerland many of the participants stated: I never had this visibility into my organization or my leadership capabilities.

At the Lausanne meeting the senior manager team also committed to carry out a 7 Habits education session for themselves in order to be able to work together as a higher performing leadership team. The session took place in Raritan New Jersey (WW HQ) between the second worldwide managers meeting in Lausanne and a third managers meeting in Phoenix Arizona (Feb 2007). To Troy Taylor the fifth habit “Seek first to understand then to be understood” made a profound impression. -What is amazing today, he says, - is that we now use the terminology in our day to day conversations and our behaviour is much more open and collaborative.

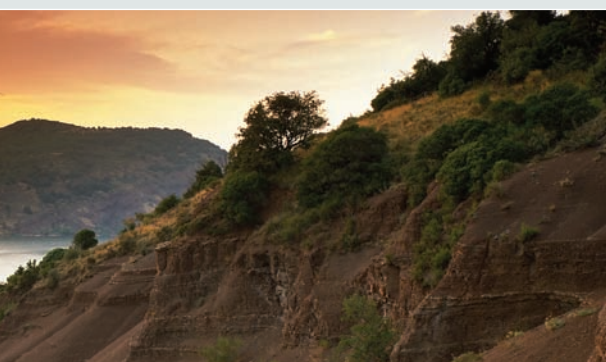
## Second xQ Meeting

In Phoenix the results of the second xQ survey were outstanding along with the performance of the business. - What happened? we asked ourselves, as the improvements were so obvious. Members of the OCD Global Management Board were present and they were impressed at the devotion and engagement of the staff, Troy Taylor explains. The types of insights and questions that were asked by the group to the board members demonstrated the engagement of the team. - But I was not surprised, because I understood the power of the xQ surveys, he says.

If we look at the WIGs the results were very clear at the Phoenix meeting: Customer satisfaction was increasing, costs were managed incredible well and revenue was growing.

To Troy Taylor xQ result is a kind of actionable diagnostic tool, but it doesn’t cure the

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2) Wildly Important Goals is a FranklinCovey term that focuses on the few targets in a company that are crucial if you want to reach success.

symptoms by itself. -The identification and the knowledge about how chronic the organizational ailments are, allows us to isolate and create a solution to solve or better yet prevent the problems, he states. He is convinced that the organization today is much healthier than before, and the position of just being aware of the possibilities of improving the results has turned out to be motivating in itself. Another organizational ailment that can be diagnosed by xQ is what he calls lack of trust. - It is one thing to know each other, but another thing to grant trust to each other. To many of us it is very scary to give someone else the power over your success. By going through the 7 Habits education as a team, it changed the relations between the senior management team in a very positive way. And as a result of that, the group decided to have the whole management group of 80+ people go through the 7 Habits education during the summer of 2007.

Johnson & Johnson has a Credo, which contains the guiding principles of the firm. Responsibility for the patient comes first, followed by the employees, community, and then the shareholders. Through annual surveys the company determines how well it is living up to the values identified in the Credo. It was not a surprise to the teams that groups with high xQ scores had a tendency to have high Credo scores. On a broad basis a 10% increase in terms of Credo results have taken place during the last year while the xQ results, involving only senior management, started out in the late 60 and are now in the middle of the 70, Troy Taylor explains. He considers the xQ survey to produce operational tools that speak to the brain: do this and you will get

that! While the Credo represents your principles, which are more like the heart of the organization. At the end of the day, he says, - it is not so much about the tools, but about how we use them. The idea is, that you put the tools in motion, you motivate and you give people the opportunities to choose to make a difference.

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*Our service division is now like a professional orchestra, where all musicians play in tune.*



Lea Eggs



## A Professional Orchestra

Lea Eggs, Business Director CTS, Europe North & EDM, adds that there has certainly been an improved focus within world wide CTS. She talks of enhanced involvement of all worldwide employees, and she uses the picture, that a change from being back seat passengers to driver seat employees has taken place. - When you compare the two xQ surveys that the World Wide division have executed during the last year the figures only speak of improvement. In total the employees have improved by 17%, the organizational direction improved by 27%, the team goals quality by

Ortho-Clinical Diagnostics is an American based company selling medical equipment to health care sectors around the world. OCD is a member of the multinational Johnson & Johnson company that was founded in 1885 and today is one of the world's largest providers of health care products.



23%, line of sight improvement by 24% and team trust improved by 24%.

We have managed to unleash employee potential, and a high level of energy and motivation is now evident, Lea Eggs states.

She finds that the effect is growing like circles in the water, and she is also very content to notice, that the Credo results, customer satisfaction and level of productivity have improved.

During the Summer 2007 all line managers worldwide participated in a 7 Habit workshop in order to take the organization to the next level. Furthermore it has already been decided, that the senior leadership will continue their learnings with the 8th Habit in October 2008. Again Lea Eggs uses a picture to describe the situation within the service division: Our service division, she says, is now like a professional orchestra, where all musicians play in tune.

## A Platform for Targeted Improvement

-The timing of the xQ surveys were fortuitous to the organization in that the first xQ survey occurred before our new organizational structure and management were fully in place, says Suzanne Carillo, Director, US Customer Technical Support Center, OCD, Rochester, NY.

This enabled a baseline as a platform for targeted improvement. Understanding areas of improvement was vital to our new organization and the xQ gave us the information on what and where to target for improved performance in 2006.

Productivity improvement within Customer

Technical Support was 15.2% equating to \$513,000 cost savings in 2006. A focus on the Wildly Important Goals (WIGs) enabled flawless execution of a new strategy for Customer Technical Support. Understanding the initiatives and drivers of our business turned out to be key to departmental engagement. - The ultimate result was a turn-around and 3% improvement in Customer Satisfaction. In addition, employee morale improved - we have seen no turn-over in almost two years and a 30% improvement in Credo Scores year over year. The second xQ survey improved over 15 points in just 12 months, which was amazing, and just what we needed to sustain productivity improvements and customer satisfaction, Suzanne Carillo continues.

## Challenges During the Process

In order to align each individual employee with the WIGs, it was critical to ensure that the entire department understood the Strategic Imperatives at the highest level. To reach that goal each individual was linked with their own score-card, which is updated on a monthly basis and reviewed with them. Initially, it was slightly "uncomfortable" to have such transparency and alignment with results. Now everyone is tracking performance themselves, and are coming to the manager with their success stories and ideas. This has shown true engagement.

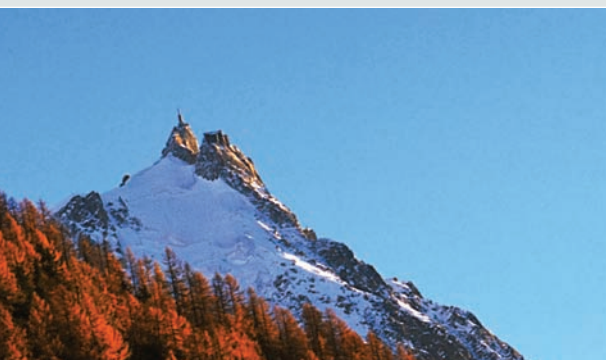
## Key Learnings

- During the process we have learned how important it is to assure that all levels are



Suzanne Carillo

*Now everyone is tracking performance themselves, and are coming to the manager with their success stories and ideas.*



The Credo: Visionary Robert Wood Johnson developed Johnson & Johnson to a worldwide company. Already in the 1930-40s did he create The Credo formulating the responsibility managers and employees worldwide should show in their everyday working life.



accountable and involved in the process from the beginning. We have recently incorporated 7 Habits into the Technical support Center, to reinforce direction and give our employees the tools to enhance their development - both personally and professionally.

Our team has created a "7-Habits book Club", where we meet during lunch and discuss the vital topics of 7 habits. It's a great way to reinforce the message, and assure alignment. In our facility, the 7 habits are proudly displayed on the walls, in our offices - just about anywhere. The most important aspect is ongoing communication, and demonstration of managements commitment. This will allow for and encourage employee engagement. Credo scores have improved >30% YOY, and exceed both the OCD and J&J norm, Suzanne Carillo finally states.

## Communication is the Key Word

Communication is the key word for Dr. Fritz Hafner, managing director of Ortho-Clinical Diagnostics (OCD), European Support Center in Strasbourg, France:



*Sylvie Ad*

- I believe that focus on key priorities and disciplined execution is the best formula for my team's success. In fact, what I saw from our Nordic office and its use of xQ surveys was so promising that I decided to do my best to benefit to the maximum from this great management tool. The challenge for the Customer Technical Service group was that the business was performing so well that we had to absorb additional Hotline support activities with the same amount of people.



*Fritz Hafner*

Fortunately, the first xQ survey we received in

January 06 during our yearly worldwide management meeting held in Lausanne, gave me a detailed look into my business unit. I could clearly see where there were small gaps preventing my staff from focusing and executing on its wildly important goals. It also gave me something tangible I could begin to manage to in order to address those breakdowns. "Individual Planning" (40 out of 100) could easily be identified as an opportunity for improvement.

Back in Strasbourg, I started to work with my managers who then conducted xQ debriefs with their own direct reports. I also gave a challenging task to Sylvie Ad, one of my managers: "I asked her to organize xQ awareness sessions for the sixty people who belong to my unit in order to help them understand the eight drivers of execution". One can say that these 2 hour sessions allowed the people to gain a clear line of sight to how their individual goals tied to the organization's big-picture goals and strategy. It also helped to clarify the wildly important goals and the ultimate one, which is our customers' satisfaction.

## Hotlympic Games

As a motivational incentive, Hotlympic Games were introduced within the European Hotline department. Through positive team competition based on mixed groups, 11 teams were put together and were given a unique goal: "Take as many customer calls as possible".

Dr. Paulo Ramos, who supports French and Portuguese customers, mentions that he now really focuses on the Hotline accessibility.





As a result, a 10% increase in Hotline accessibility can be measured while sustaining an outstanding customer satisfaction around 92%.

- We learn a lot from each other and the goal is to maintain and even improve the customer satisfaction, Paulo Ramos says.

As outlined by Dr. Hafner, one can say that implementing the xQ management tool is really a team effort. It is a big project with many components.

Being a member of the Johnson & Johnson Company, OCD also uses a tool that measures the employee perception of the company climate at a certain time - the Credo survey.

- The Credo results give us a picture of how the situation is today whereas xQ shows us the levers we can pull, Fritz Hafner says.

And communication is crucial. The main key

learning that has emerged from the whole process is, that it is impossible to over communicate.

- People look at things differently and they understand things differently. That is the reason why you have to repeat things again and again, Fritz Hafner says.

Communication is also a question about designing the message. You must make it simple and crystal clear. Another key learning, which is an integrated part of the communication process and one of the seven habits, is:

Always understand the situation before you act, Fritz Hafner concludes. If you do that, you'll measure how successful you'll be! In 2007, we managed to increase our individual planning score from 40 to 62.

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FranklinCovey nordic approach is the Scandinavian part of FranklinCovey Company - a worldwide consultant firm. We help companies and employees to enhance and measure their efficiency and assertiveness in areas such as leadership, productivity, communication and sales.

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