

Changing the Culture Through Logistics

Road School 2018

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Where/Why We Started

- Our Maintenance Operations division included:
 - Day-to-day execution
 - Accountability for results
 - As well as management/maintenance of all the resources behind the work
 - Fleet
 - Facilities
 - Materials
 - Technology
 - Analytics



An Old Concept in a New Place

- Logistics and Supply Chain Management are not new concepts
- It was a new way of doing business for INDOT just 18 months ago
 - Three Districts (Crawfordsville, LaPorte & Seymour) are leading a pilot to validate the concept in our environment



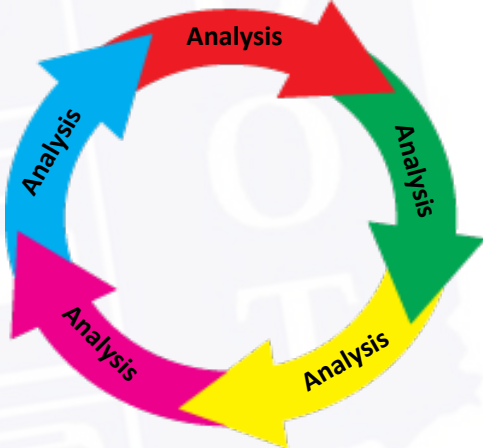
That's a LOT of Resources



Fleet



Technology



Facilities



Materials and Inventory

What Does That Mean?

In the Crawfordsville District Alone

- Over \$42M in Fleet assets
- Over 250 structures across 15 counties, including 10 Rest Areas with 24/7 operation
- An annual maintenance materials budget of approximately \$7M
- IT issues from tablets, to GPS devices, to specialized software
- Analytics across all business areas and performance – unit costs, how/where man hours are spent, work progress tracking, etc

What Does That Mean?

Too much capacity under the span of one area Director who was spread too thin



What Does That Mean?

- Let experts truly own these specialized areas for more agile and efficient management
- Let the folks that execute concentrate on doing that well

CERTIFIED SPECIALIST

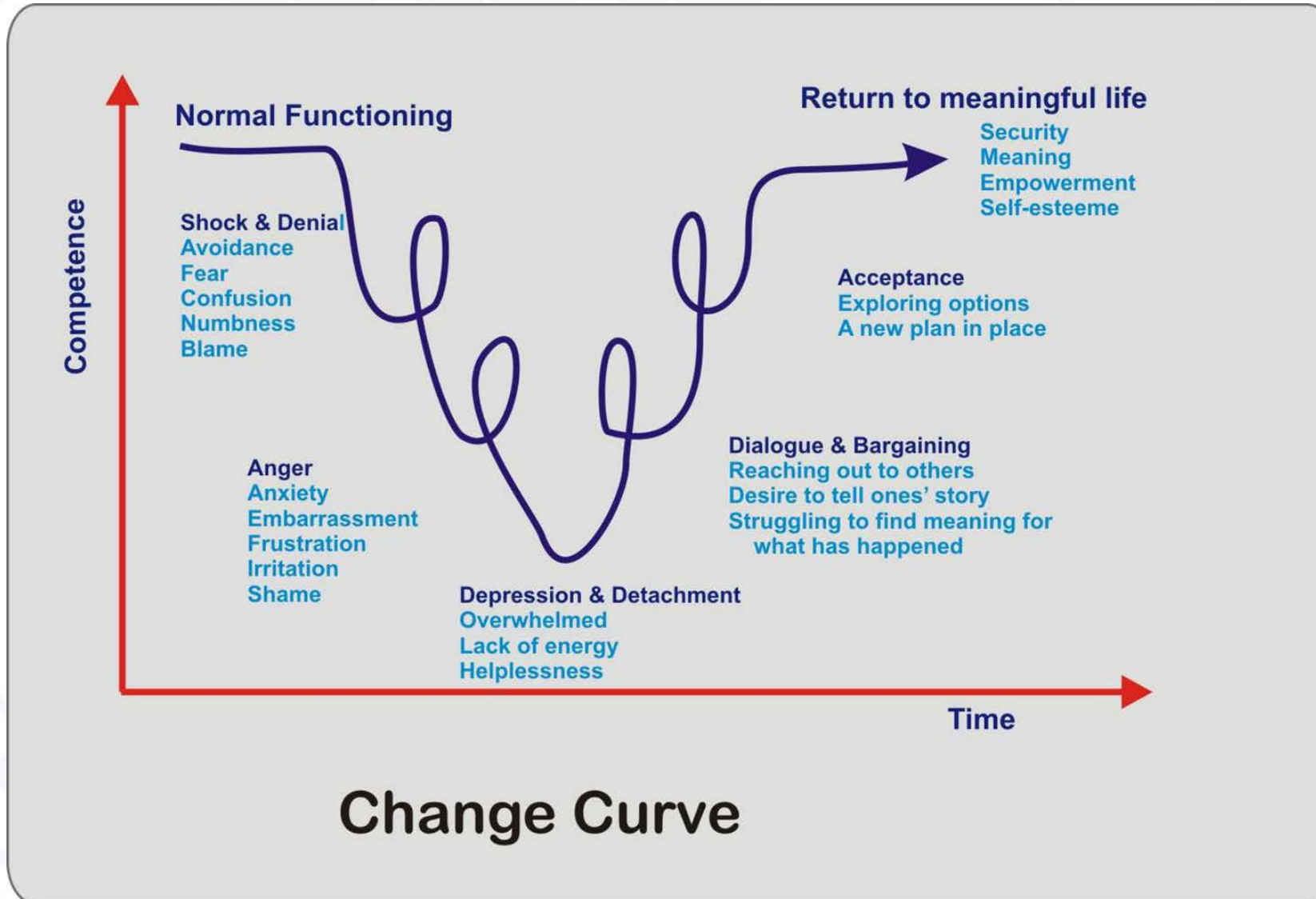
What Does That Mean?

Summed up, it really meant one thing



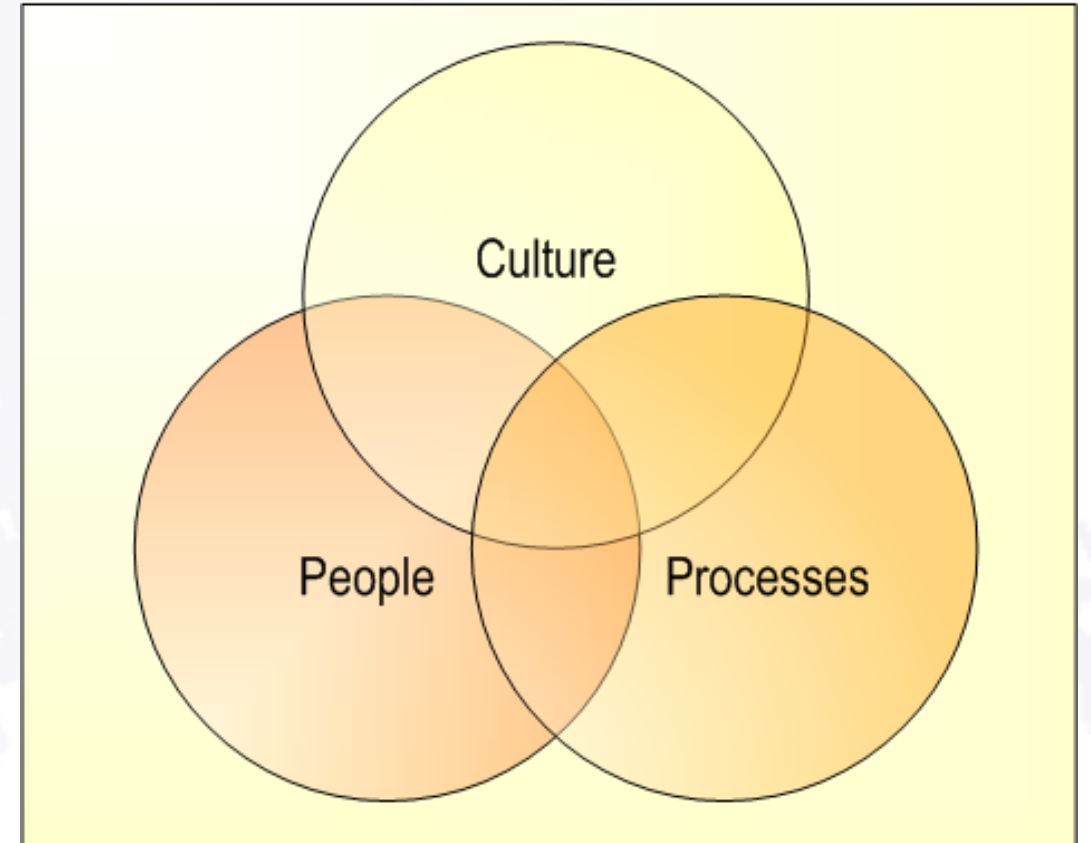
Change...It's Not a 4 Letter Word

Change is HARD...even when it's freeing

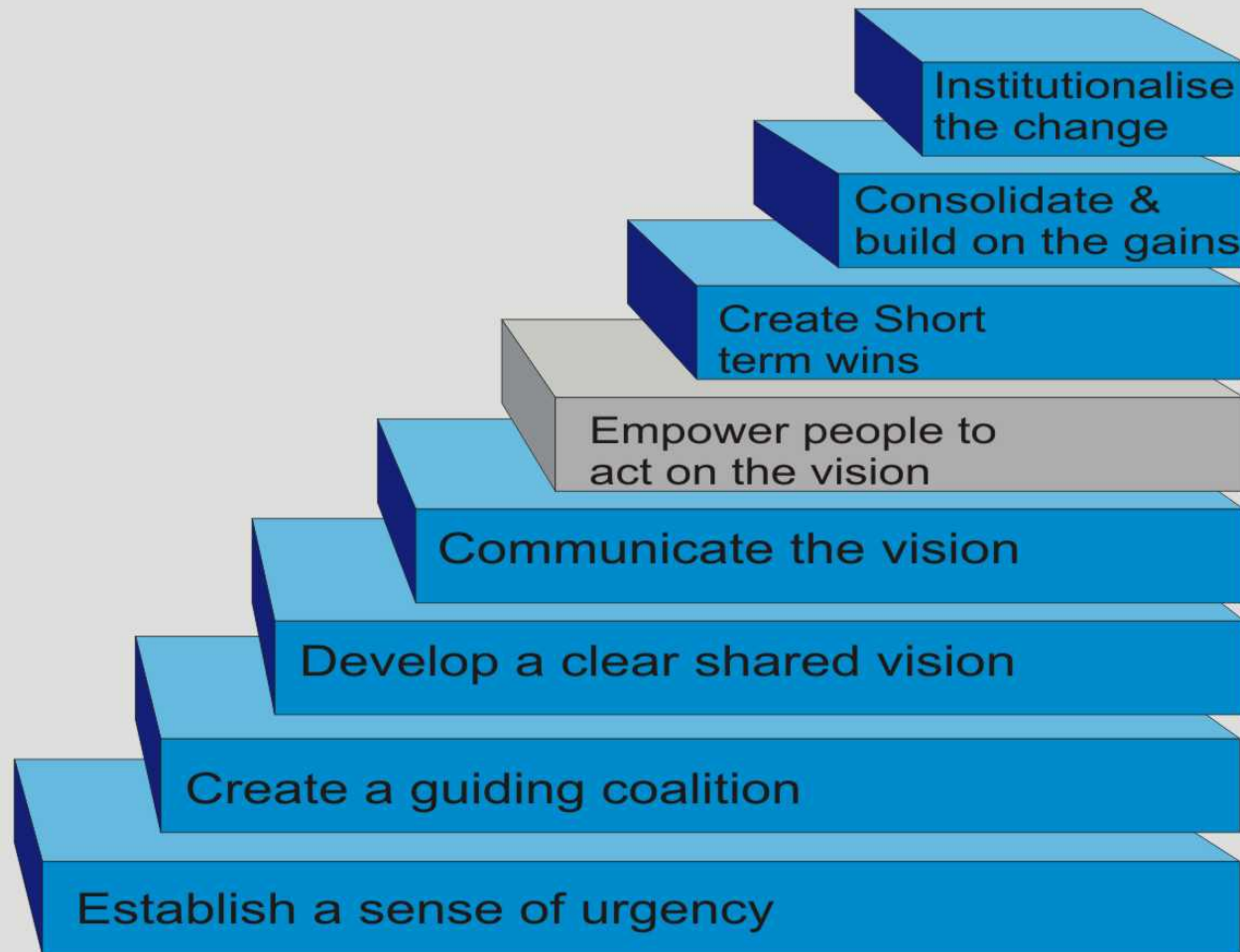


Is It Really a Big Change?

- Managers felt as if they were losing control
- Started running every “What if...”
- Insisted that it would not work and was “just another change we’d outlive”
- People went through shut down, sabotage, total withdraw and silence to a different degree in different locations



Steps to Successful Change



**Kotter - 8 steps to
Successful change**

Steps to Successful Change

- Establish a sense of urgency
 - This is based on data/facts and not feelings
 - Support services were being unmanaged or undermanaged
 - Dollars were not being directed to the right asset/consumable at the right time and in the right quantities – loss of opportunity



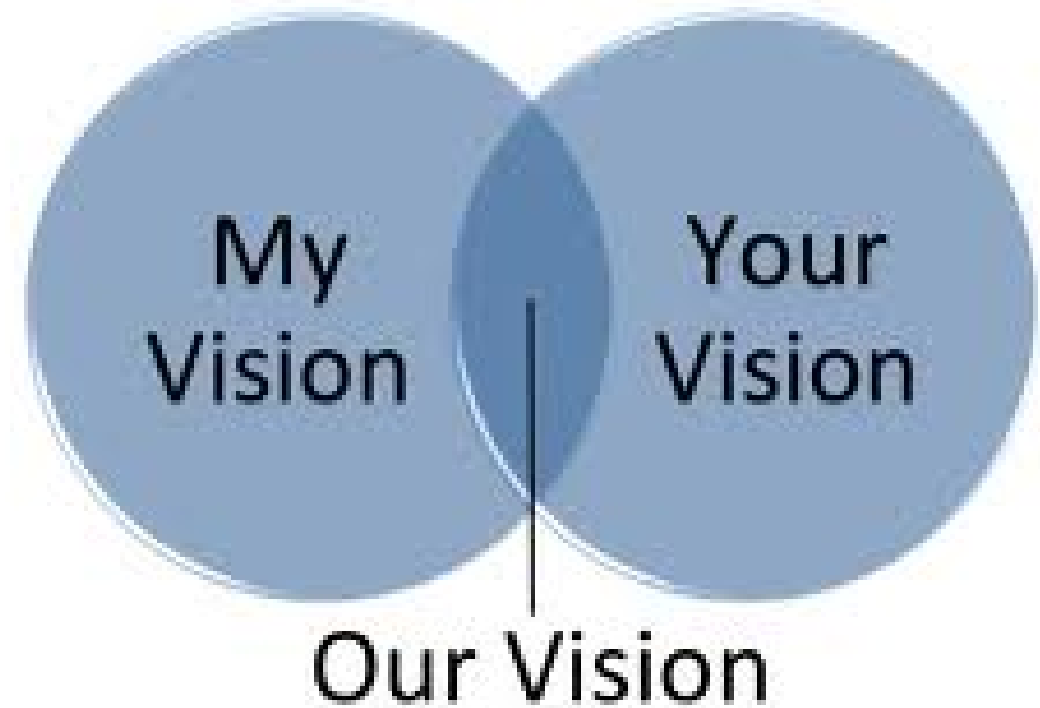
Steps to Successful Change

- Create a guiding coalition
 - Pick the right place(s) to launch
 - Who all will be effected? Get a representative from that group to help champion the progress and the change
 - Have executive buy in and check in



Steps to Successful Change

- Develop a clear, shared vision
 - Create milestone with deliverable dates
 - Ownership for that is shared across the guiding coalition
 - Develop measurables and apply them uniformly



Steps to Successful Change

- Communicate the vision
 - Communicate, communicate, communicate
 - Get information out early
 - Get information out often
 - Keep repeating the message
 - Transparency is everything



Steps to Successful Change



KEEP
CALM
AND QUIT
MICRO-
MANAGING

Empower people to act on the vision

- When you have a team and a plan, let them execute without micromanaging every aspect

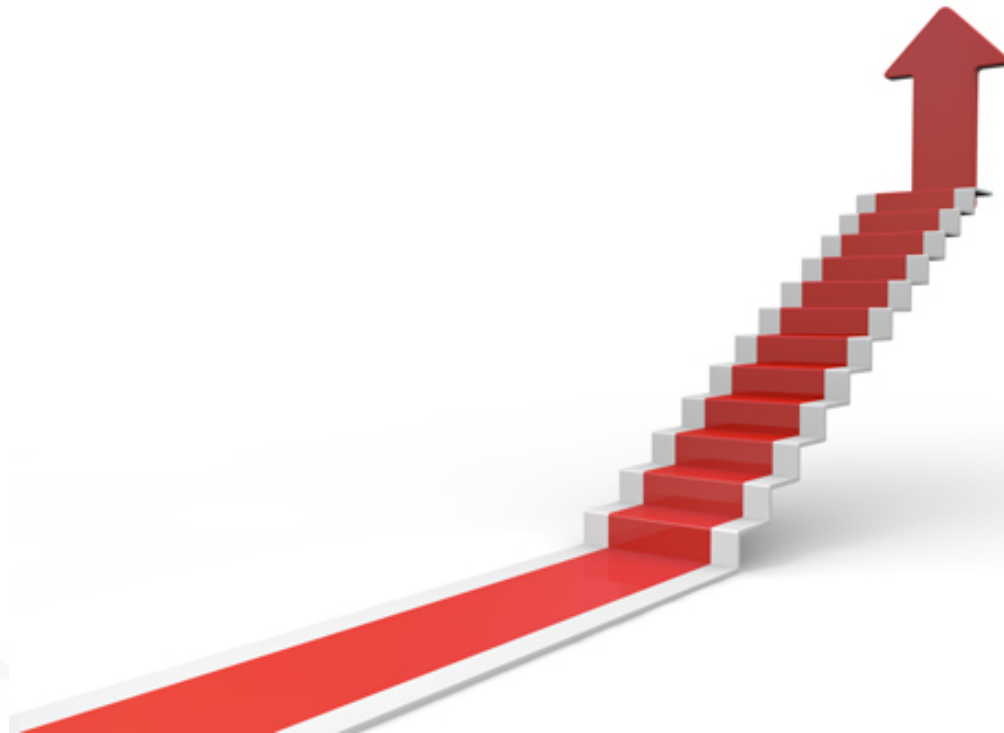
Steps to Successful Change

- Create short term wins
 - Identify some easy wins that will get and keep folks onboard
 - Track and share your successes along the way and with anybody that will listen



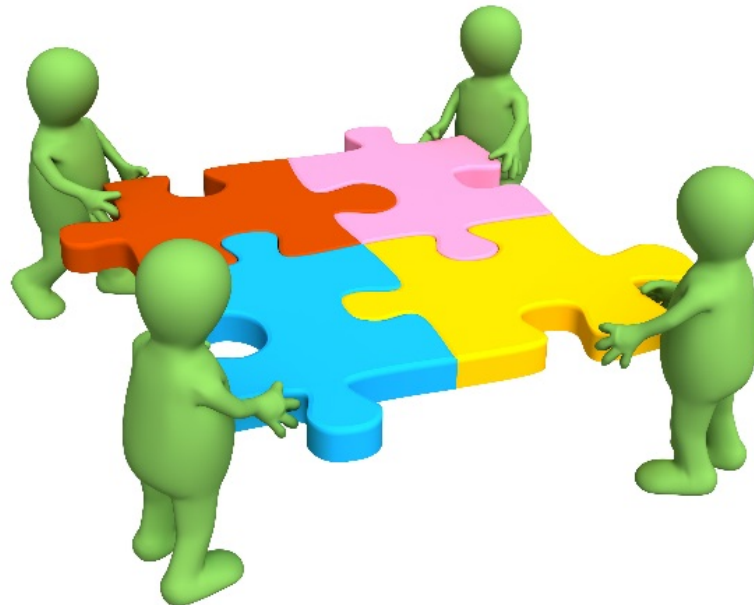
Steps to Successful Change

- Consolidate and build on the gains
 - It's important to keep the change moving in the same direction if implementing in multiple locations
 - Keep regular check-in meetings to ensure consistency in processes, reporting, staffing
 - Be open to change when best practices are found elsewhere
 - Keep sharing your metrics and your success stories



Steps to Successful Change

- Institutionalize the change
 - When it works, put it in place everywhere
 - No need to start over just because it's expanding – the groundwork has been laid
 - Place the expectation that this is the new “normal”
 - Provide honest support and feedback to those newer to the structure early and often



What are we talking about today?

The *Integration* of a Logistics Division into a workplace culture.

This integration of a new Logistics Division in the agency had two cultural elements:

- People Business
- Technical Business



Driving Change... People Business

People Business will always create variables in any business...

- Personalities
- Experiences
- Beliefs
- Adaptability to change
...to name a few

The creating “synergy” within the gray areas of people business was ultimately the bigger challenge in our Pilot.

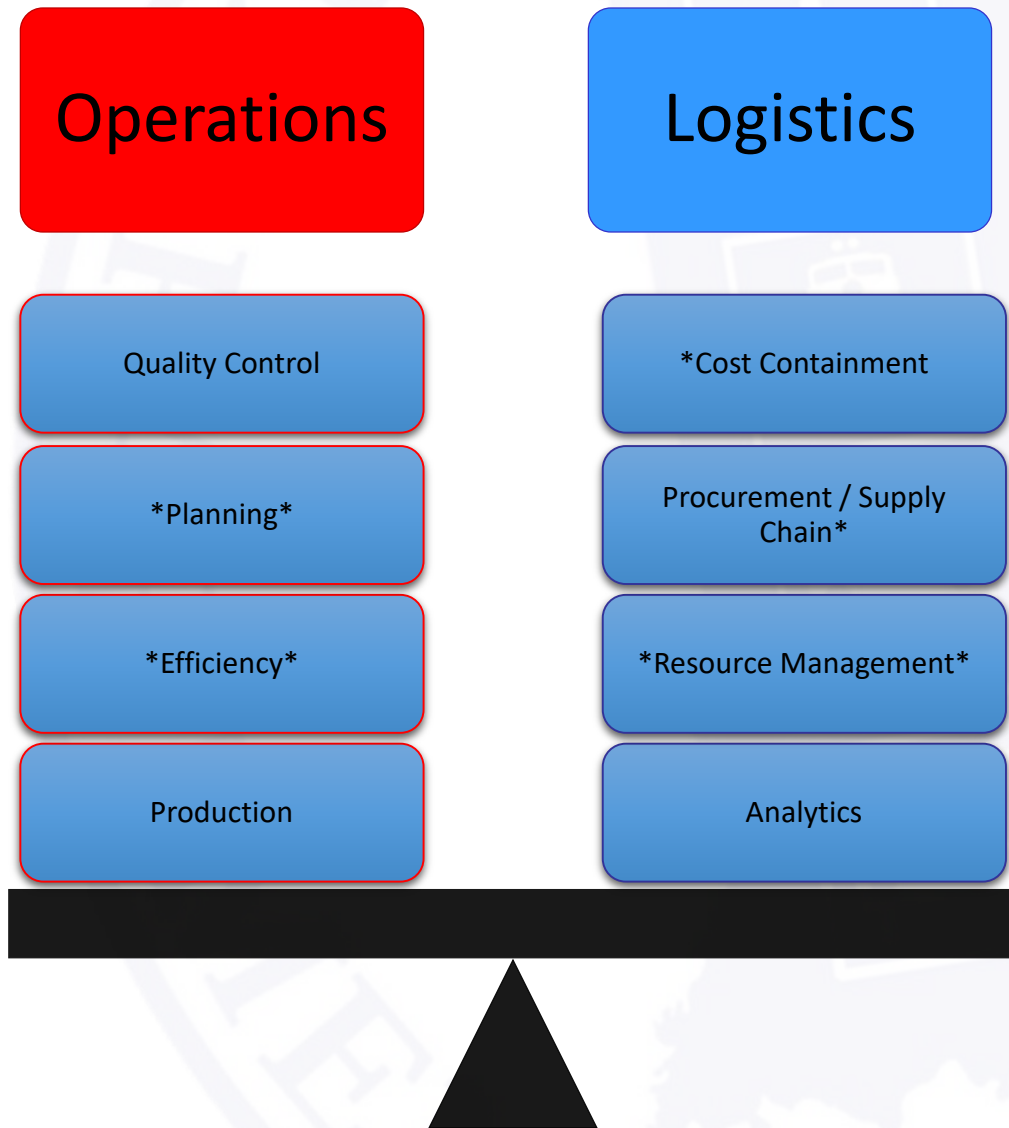


Driving Change... People Business



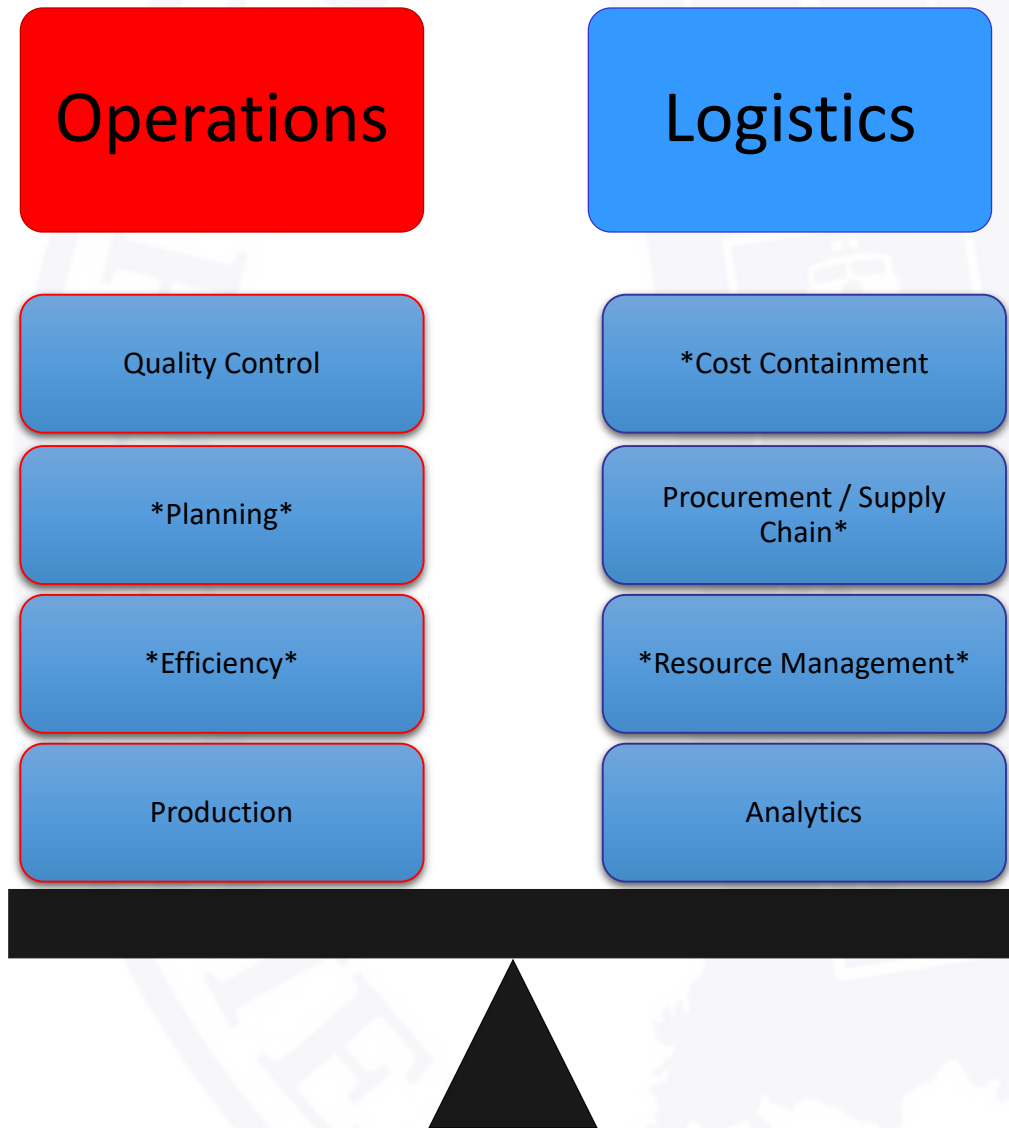
- Standing up the Pilot had a few early challenges:
 - People trusting the vision
 - People trusting each other
 - People trusting the process
 - People not reverting to old practices when hitting obstacles, early.

Driving Change... People Business



- Logistics took over resource management
 - Fleet
 - Facilities
 - Information Technology
 - Materials
- Logistics owned the supply chain and flow of needed “stuff” to the **customer** (Operations).
- Operation’s focus became deep and narrow to enhance our transportation infrastructure!

Driving Change... People Business



This wasn't easy...

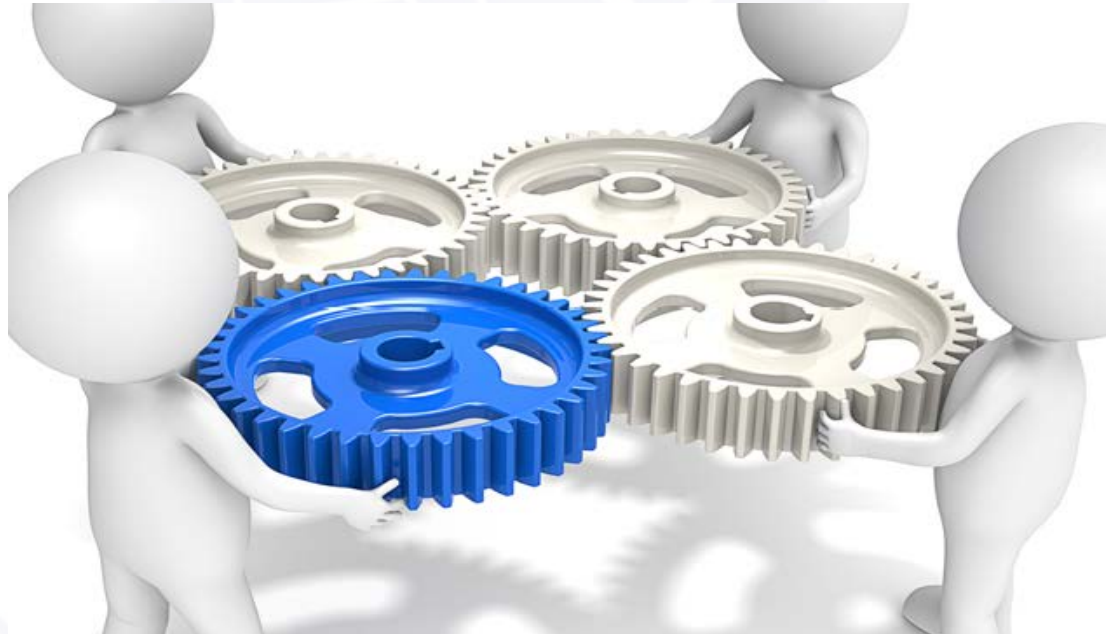
- We had to sort out who will own what, to drive accountability.
- We had to create communication forums and drive this to repetition.
- We had to manage robust, efficient processes.
- We had to correlate activity to results.
- We had to **trust** each other!

Driving Change... Technical Business

Technical business...

How is “Technical business” related to culture?

- Part of the Logistics business model was creating “process owners” to focus on specific technicalities of business.
- Resource management was now a front and center focus area, which required change in how people worked together at a regional and statewide level.



Driving Change...

So what is the benefit?

- Logistics' product is providing the required resources to support the success of Operations; IE equipment, materials, analytics, technology.
- Operations is Logistics' Customer.

The “Global Operation” benefitted:

- Unit Costs are down
- Production has increased
- Overhead reduced

Essentially, we are **MORE** done in a **MORE** efficient manner with tax payer dollars!



Questions?



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