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Chasing the Rabbit by Steven J. Spear; Published by McGraw Hill, 2009.

Those of us in the organizational improvement business, either internally as leaders or externally as consultants, are always trying to figure out how the best companies do “it”. How do they achieve quality and productivity performance levels that are distinctively better than the average thereby creating unmatched excellence in their competitive environment?

In my experience this search started in the mid-80s when Tom Peters and Bob Waterman, Jr. published In Search of Excellence. Peters and Waterman’s study of many successful companies led them to develop a set of principles which led to excellence. Prior to this book, business literature was mostly academic and principle based. In Search of Excellence started the anecdotal, story based approach to organizational learning. For a while Peters made an industry out of publishing collections of examples of excellence in organizations of all types and sizes. Many of these were energizing and offered hope and guidance to managers. A few years later, however, Peters and Waterman published Renewal. This book basically said In Search of Excellence missed the point. One time achievement of excellence, Renewal said, was not the secret to continuing success but rather the ability to continually reinvent and renew your organization was the secret.

In 2001, Jim Collins published Good to Great. His research led him to identify 11 “Great” companies whose performance outdistanced the field. From there Collins inferred several guiding principles at which the “Great” companies excelled. Many of these were instructive i.e. Good is the Enemy of Great, Confront the Brutal Facts and A Culture of Discipline. But a recent rereading reveals that some of the “Great” companies have fallen from their lofty perch. Included on the list for example were Circuit City and Fannie Mae. The fact that not all the companies have maintained their Great performance levels does not negate Collins’ insight as much as suggest there must be more to it than a handful of guiding principles.

Now comes Steven Spear with Chasing the Rabbit, How Market Leaders Outdistance the Competition and How Great Companies Can Catch up and Win. Spear’s main premise is that all these anecdotal studies have missed the point. His personal experience of working within several organizations at all kinds of jobs leads him to offer that no set of principles (not even the famed Toyota Production System) provide the answer. Spear agrees that Toyota is a rabbit and a superb company but that the many studies of TPS have missed the key ingredients of their longstanding success. Spear says, and then offers a number of examples to make his case that the speed with which a company learns and shares learning is what keeps the “rabbits” racing ahead of the field.

There is an intriguing point here. Spear describes how rabbits are never satisfied and how they view anything that deviates from what is planned as an opportunity for examination, study and redesign. He describes how rabbits are never satisfied with workarounds or less than ideal methods even when they appear to produce acceptable results. They spurn heroic methods to achieve success for the more plodding, disciplined approach of analysis and improvement, behaving more like the famed tortoise than the hare on a daily basis but achieving rabbit-like velocity of performance as a result.

Spear posits four capabilities which he says explain the excellence of rabbit-like organizations:

One: Seeing Problems as They Occur. This is defined as catching problems (deviations from what is planned is defined as a problem even if the output is acceptable) when and where they occur. He describes the ability of shutting down a manufacturing line when there is a deviation as an example of this behavior.

Two: Swarming and Solving Problems As They Are Seen. Spear describes this as root cause analysis and countermeasure design performed at warp speed by everyone involved in the process. There is a real emphasis here on real time experimentation as the way to learn what works best. Try things rather than over analyze them.

Three: Spreading New Knowledge. This is the ability to share what was learned across organizational boundaries. There are two levels of learning which are shared. The obvious first level is the tactical process learning that surfaces but perhaps more importantly is the learnings about how we learned what we did. Spear didn't cite Chris Argyris' excellent work on double loop learning in the text (although he cited Argyris as a reference) but it seems to me that is exactly what Spear is describing.

Four: Leading by Developing the First Three Capabilities. Here Spear describes how leaders view their roles in two critical ways. Firstly, they create an environment, so different than what we find in most organizations, an environment where problems are not to be avoided or hushed up but rather to be celebrated as learning opportunities. The second leadership activity is to develop learning capabilities within the people who work for them. Spear's leadership models are always looking for "teachable moments." Create opportunities for people to learn to solve big problems by solving little ones. Leaders are described as "Learner in chief".

These are interesting capabilities which Spear fleshes out in a series of examples, many but not all, from Toyota. Spear does a fine job of describing capabilities One and Two. Many readers will recognize the tools and techniques of currently popular improvement methods such as Lean, Six Sigma and Process Improvement. In fact, with the exception of the points related to the speed of identification of issues to address and the concept of "swarming" some improvement leaders will find this to be "more of the same". I found the descriptions of on the job training instructive; learn by doing, break learning into small increments, build on increments, expect people to learn at different paces etc.

I do think these sections can be useful to use in triggering new thinking within an organization especially the descriptions of the Naval Nuclear Reactor safety record. They lend themselves to be read by management groups who can then use their reading to identify specific applications of the thoughts and ideas presented by Spear to their own situation. The examples are mostly from manufacturing and the few service examples are weak, although two or three of the health care examples should lead to specific application within service organizations.

While Capabilities Three and Four are interesting I did not think that Spear's examples led to an understanding of the tactics the rabbits use to develop and excel at these Capabilities. I know

many organizations that I would not consider rabbits who appear to do many of the things Spear describes rabbits as doing. The examples don't seem to drill down deeply enough.

The biggest flaw I found in Spear's book is how little attention is devoted to metrics. There is a great deal of emphasis on process, procedure etc. but precious little on how metrics play into the rabbit's performance culture. I also found the book repetitive and occasionally preachy in tone. I longed for fewer examples of the capabilities in principle and more about the "how'd they do that". I also found the graphics to be crude in design and not instructive.

There was very little reference to customers in any of the descriptions even though there is a theme that echoes throughout book about starting improvement analysis with the required output. Most often this output is described in the examples as an internal requirement rather than a customer need.

Perhaps the most interesting comment in the book was this description, "Alcoa gave up depending on *designing* perfect processes and committed itself to *discovering* them instead."