

Power to People-Centric Leadership: Leaders Gather to Ignite a MANUFACTURING RENAISSANCE

By Mary Rudder

Starbucks' new Evolution Fresh juice plant in Rancho Cucamonga, CA, stands as a symbol of the company's commitment to people-centric leadership. Last year, when Starbucks decided to build the new facility, Partha Kundu, vice president of manufacturing, could have chosen a site in a less expensive, more tax-friendly area. Instead, Kundu made driving distance from the old plant a primary factor in where to build. "When we made the decision to build a bigger plant, we committed to no job loss," he said. "That meant finding a location close enough such that all our partners could still drive from their homes to the new facility. We didn't want anyone having to choose to give up their job."

Along with the short commute to the new plant, the partners — as Starbucks calls its employees — also received increased wages and benefits, advanced training and fresh juice at every break station. "I have a deep conviction to providing opportunities for our partners," Kundu said. "It was an honor to bring Starbucks' vision — my vision — to life."

Kundu shared his ideas on lead-

ership in June at the AME Executive Leadership Summit in Aspen, CO. The AME-sponsored event, hosted by capital equipment and engineering solutions provider Barry-Wehmiller, brought together manufacturing leaders whose companies represent what is possible when people-centric leadership is coupled with enterprise excellence. The group committed to furthering AME's new vision for a

manufacturing renaissance. "Many companies are great at using the technical tools of continuous improvement, but there's significant void in the leadership side of respect for people," said Maria Elena Stopher, AME's People-Centric Leadership KRA chair. "Imagine if more manufacturing leaders inspired passion in their people to innovate and create value. Doing so is critical to bringing back a strong manufacturing economy."

Barry-Wehmiller saw the effect of blending people-centric leadership with lean principles when it first began using them as a means to listen to team members. "We were able to engage the heads and hearts of our team members, allowing them to share their gifts and return home fulfilled," said Bob Chapman, Barry-Wehmiller chairman and CEO. "Many said it was the first time in their careers that anyone had asked their opinion." Chapman said he hopes to make other organizations more aware of the fundamental importance of people-centric leadership

RIGHT: Attendees at AME's Executive Leadership Summit in Aspen, CO, participate in a brainstorming session.

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AME Executive Leadership Summit Vision Statement

We believe:

- Leadership carries the fundamental responsibility for the stewardship of the lives entrusted to us.
- Stewardship of people and business success are a virtuous cycle.
- Business has the power to become the most powerful positive force for enriching lives and communities.

through the collective efforts of like-minded leaders at the Leadership Summit. "When we share our ideas and increase the volume of people-centric leadership's impact, we can improve the future of our organizations," he said. "Business leaders need to accept the responsibility for the lives entrusted to them. The way we treat our people every day shapes this country."

The nine executives at the summit discussed the actions, behaviors and experiences that foster a people-centric culture inside their

companies. They hope the results of this collaboration and the vision statement they drafted (see box on p. 24) will spark a movement to improve the manufacturing sector. "It's time we change the narrative about what business success looks like in manufacturing and let leaders know it's okay to lead with heart," said Fred Keller, CEO of Cascade Engineering, which specializes in plastic injection molding. "There aren't a lot of sectors that are better problem solvers than manufacturers; we are very good at figuring stuff out. More widespread adoption of people-centric leadership will not only provide new life to manufacturing but will improve our communities, as well."

Dan Ariens, CEO of Ariens Co., a manufacturer of outdoor equipment, said the company's people-centric culture is the common denominator in achieving world-class lean enterprise status. "Our deep commitment to listening to our people is the heartbeat of the organization; it feeds everything we do," Ariens said. The 1,600-member company has

successfully implemented on average six to seven continuous improvement ideas per team member, Ariens said. "When people feel like a valued member of a team, and the team is helping them, they become completely engaged. You can't do anything without great teams," he said. Semi-monthly celebrations of kaizen event "wins" further engagement. "Ultimately, we end up spending more than half our lives at work, so why not make work fun? I want people to love coming to work each day."

Gaurdie Banister Jr., CEO of Aera Energy, one of California's largest oil and gas producers, is equally passionate about taking care of his people. To him, people-centric leadership begins with safety. "Each day we have team members stationed at more than 1,000 job sites throughout California," Banister said. "It is my personal mission to make sure every one of those team members goes home safely." Shortly after Banister became CEO in 2007, he implemented the Advanced Safety Auditing program, which places



AME Executive Leadership Summit participants (left to right): Dan Ariens, CEO, Ariens Co.; Gaurdie Banister Jr., CEO, Aera Energy; Tom Hance, president, Lincoln Industries; Tim Sullivan, group president, Barry-Wehmiller; Laura Roberts, co-founder and CEO, Pantheon Enterprises; Fred Keller, CEO, Cascade Engineering; George Saiz, president, MicroAire Surgical Instruments; Partha Kundu, vice president of manufacturing, Starbucks; and Bob Chapman, chairman and CEO of Barry-Wehmiller.

200 Aera leaders, including himself, shoulder to shoulder in the field asking team members how to make their environments safer. As a result, the company's incident rate has improved 60 percent. "A sound culture of safety goes hand in hand with the notion of sending people home alive and well." Banister shares his deep commitment to safe practices during the company's mandatory three-day safety training for every new employee. "As leaders we need to be accountable to steward the lives of those in our midst," he said. "I am excited to be in on the ground floor of the conversation connecting people-centric leadership

to business excellence to help this country flourish."

Other executives invited to the AME Leadership Summit included Tom Hance, president, Lincoln Industries; Laura Roberts, co-founder and CEO, Pantheon Enterprises; George Saiz, president, MicroAire Surgical Instruments LLC; and Tim Sullivan, group president, Barry-Wehmiller. The group will continue to meet and identify methods to mentor other business leaders in adopting people-centric leadership practices.

"Through the ongoing efforts of this group and by all of us living this message every day, I am hopeful that we can materially shape the world in

a direction of genuinely caring about each other," Chapman said.

Stopher is exploring ways the group can use AME's channels to champion their message. "Amplifying the focus on the people side of lean is pivotal to a rebirth of manufacturing," she said. "I am committed to take action to make people-centric leadership the norm in lieu of the exception."

"It's time to move people-centric leadership beyond the walls of our companies and show other leaders how to do it," Hance said. "In their hearts they get it; they just don't have the faith to do it. We need to inspire them." •