Business901 *Podcast Transcription*

Implementing Lean Marketing Systems

The New Knowledge Management Game

Guest was Jack Vinson blogger
at the Knowledge Jolt

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The New Knowledge Management Game
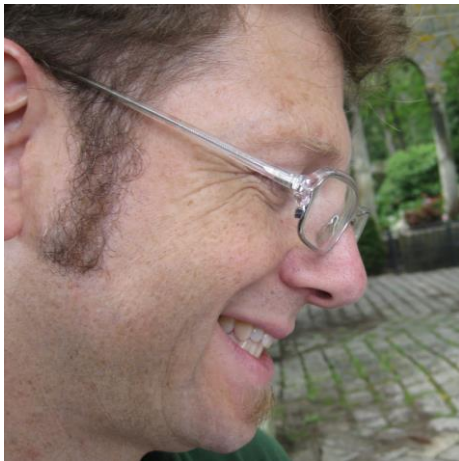
The New Knowledge Management Game

Business901

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Implementing Lean Marketing Systems

Jack Vinson, a Knowledge Management and Theory of Constraints expert was my guest on the Busienss901 Podcast. He is passionate and well versed in both subjects and we had a spirited conversation about them. A bottom line person, Jack is constantly looking for ways to see how the products he manages can help the customer be more effective with their time and energy.

Jack has been a knowledge management advocate and technology enthusiast and is the president of Knowledge Jolt, Inc., a knowledge management consultancy (2004 – 2007). He is deeply interested in how people work, whether that is as individuals, in small groups or within organizations. Within Knowledge Jolt, he focuses on helping organizations understand how they use their information. As an example, he worked with an insurance company and their call center to implement a content management vision as part of a large group of technology and business people. He has also worked with small firms to start a discussion around how they want to use their knowledge and the ever-changing horizons of technology on the offer. He continues to evangelize the importance of personal knowledge management to build individual and group effectiveness.

You can find Jack at http://jackvinson.com.

The New Knowledge Management Game

Joe Dager: Nice review of Womack's Lean Thinking book on your blog the other day.

You pointed out a lot of similarities between Lean and Theory of Constraints when you talk flow. Many consultants just talk about waste. It gives them a quick ROI to be able to get in by reducing waste. As a result, when everybody thinks of Lean they think of waste. When I think about Lean, I think about flow. I think about value streams and knowledge creation. That's my thought process. When I talk to a Lean consultant, he can't get paid that way.

Jack: I think that's an interesting aspect of consulting and the selling process, whether you're internal or external, is that you want to try to show a big bang, and big bangs look like things like, "Oh, we're going to pull 20 percent, or we're going to reduce waste." We're going to do things that people are familiar with. So reducing waste is a thing that people can grasp, whereas creating flow and changing your bottom line from five percent of sales to 30 percent of sales just doesn't compute for people. Because they think they've been doing that all along. Of course, they've been doing it with the methods that they've always used, which always gets them the same results. It's a classic problem.

Joe: What do you think about Snowden's Cynefin theories?

Jack: He certainly does go into a lot of interesting theory which, I think you're right, can be overwhelming, but in the end he talks about some fairly sensible things that fit in with his kind of thin framework. I take it you've been reading some of the discussions on the mailing list.

Where if you're in an environment that is not easily described with a process map, and you can call that chaotic or we can call it something else but if you're in a situation where you

can't map out all the interactions, either because it's just too - it would require a million books, or whatever it is, or if it's really chaotic, it's still the actual underlying behaviors are still emerging. But his process ideas of - it sounds a lot like Agile, it sounds a lot like David Anderson has written about in Kanban -- sounds a lot like Plan B. Try something. See what happens. And I think the thing that he focuses on is, not only try one thing, but try a couple of things, or maybe try a whole bunch of things. Look for the one that seems to be pushing you in the right direction, or the couple that seems to be pushing you in the right direction, reinforce those. Either stops the ones that aren't working or change the ones that aren't working so that they do move in the right direction, and keep iterating on that.

Depending on what world you come from, this idea of constantly observing and watching and checking and doing and planning - that makes a lot of sense. And so what he's talking about fits really well with that. He's just coming at it from a different - He's talking about the human behavior aspect of it, whereas we see it - I assume us being sort of the process management type of people - we think much more about the process.

He's much more interested in well, how do people interact with that. And I think he brings a lot of value to that conversation. So if you could interview him and keep him kind of focused around that, could be interesting. But he's an interesting guy.

Joe: Welcome everyone. This is Joe Dager, the host of the Business901 Podcast. With me today is Jack Vinson. He's a Knowledge Management professional and an expert on the Theory of Constraints and more specifically, critical chain project management and Logistics applications. Jack can be found at his popular blog called about Knowledge Jolt, located at jackvinson.com. I'd first like to welcome you, but could you start out by defining

Knowledge Management to the audience, and maybe how you could apply it in the business sense?

Jack: Thank for having me. You ask one of the more interesting questions for Knowledge Management people right off the bat. Defining Knowledge Management has always been kind of an interesting question because everybody defines it a little differently. The definition has morphed over time. I've been involved in KM for well over ten years, and I've seen the definition change. My own view on Knowledge Management has changed, and so ask me in another year and it'll probably be different again. I currently think of it as a mechanism or a process or a way of thinking about how you're running your business with a mind to how are we taking care of what people know so that we can actually get the work in the business done. That's really generic. But I think it needs to be somewhat high level, because every business has a different sort of a body of knowledge, and every business - small, large, medium - are going to have different ways to let that happen.

But you also asked the other question, which is how does this connect to business. I think in some of your initial thoughts about what we would talk about today we talked about knowledge creation. I don't know if we're going to go there directly.

But businesses are made of people and you can't run a business without the people in it. As people become more and more familiar with the roles and the company and the roles that they're involved in, they're developing their own knowledge base on how things work. One of the things that really come up a lot in Knowledge Management is that as organizations get more complex, as the world and interactions within organizations grow,

and just the number of people and companies that you have to interact with grow, it becomes harder and harder for just one individual to run the business.

You even see this with a small enterprise. You grow from 10 people to 50 people over the course of a couple years, and you start losing the ability to know exactly what everybody's doing. Then there's that magic number, the 250 number, where you really can't know what everybody's doing.

One of the ideas behind Knowledge Management is being more thoughtful and considering what is it we're doing and how do we need to help one another exchange information...and again, whether it's information or knowledge is kind of a fun conversation too, but how do we help one another do the work that we need to do so that the business can move forward?

Joe: I feel with Knowledge Management today, I think, is why it's kind of -- I don't want to say rebirth because it was kind of big in the '90s there a little bit -- but the rebirth of it is that as organization has gotten flatter, you're communicating within your company and outside your company with more and more people throughout the organizations. You don't have these four or five sales guys out there. You get sales teams made up of IT, of engineering, of marketing, of purchasing, that are actually one-to-one conversations with your customers. So much knowledge, with the Internet and social media, is flowing. How do you manage it all?

Jack: I think one of the struggles a lot of people have is if you try to dissect the terms "Knowledge Management" it becomes a little bit of a nonuseful game. A lot of people actually don't like the term Knowledge Management at all. One of the things that I think is

exactly along the lines that you were just going there, that the world hasn't necessarily become more complex, but there's just more going on and there's more things that I can find at my fingertips. I can go out and I can ask a lot of interesting questions and find a lot of interesting information, but how do I make sense of it all? If I am not necessarily an expert in the field where I'm asking questions, I might not have even a good idea of which questions to ask. It's almost a chicken and the egg. I need this answer, but how do I ask the question of the people that have the most valuable information?

You see it with simple things like, "How do I solve a computer problem?" You know, my Mac is acting up and I don't quite know what the right terminology is. But even in the business sense, I'm working on an IT project that happens to touch on the supply chain, if I haven't done supply chain work before I may not know that language.

It takes a while for me to even find the right people in my organization, and then, as you said, they're not only in my organization anymore. They're in my suppliers, they're in my customers. How do I ask the right questions to find the right people to ask those questions of?

This is an area that, back in the early days of Knowledge Management, there was a classic quote from a guy at HP. "If HP only knew what HP knows." Now it's not only HP. It's basically "If I only knew what I needed to know right now at the time that I have the question."

One of the things that Knowledge Management would like to do, I think, and the goals of how things are working, is how can we help people get there faster? We can't expect everybody to be an expert in everything. That's just not possible.

One of the things that I'm really interested in Knowledge Management is helping people have the skills that they need to be able to do that. My brain is kind of going multiple directions here, but this relates to, back in college, they used to do surveys at the end of the classes. "Did this course help you become a better..." Not logical thinker. A better critical thinker.

A lot of what Knowledge Management... What do you actually do for individuals? Is helping people become better consumers of the technology that we have, which is an interesting aspect, but also just how do I approach this question? What's the best way to approach this question? How do I start thinking about... who do I know in my network that might have answers to that question?

Then, at the very detailed level, what facilities do we have in our organization? If it's a big organization, they tend to have a lot of intranets and discussion boards. What facilities do I have to make those connections, to get some questions answered?

If you're a solo entrepreneur, now you have the whole World Wide Web if you're willing to go out and start asking those questions of people. There's an interesting question about, well, what if you don't feel comfortable asking the questions? What if you think those questions are going to tip your hand in terms of intellectual property or something like that? There's a lot of interesting avenues we can go down there.

Joe: I think you hit it. But within a company, one of the things that I find is just to find out where that knowledge is at, you can look at it from either a lousy filing system, or who do you contact? Where do you go to find it? The first step in Knowledge Management is like

most any step. You kind of build a current status. Where is the knowledge at? Before you even think about sharing, you've got to figure out where it's all at a little bit, don't you?

Jack: I struggle answering that question because one of the things I've done in my consulting is what used to be called a knowledge audit, where you do something of that sort. You go and ask people where do they go for information? If its electronic information, you can kind of browse through it and figure out what's there and what's not there. I think that's useful. I don't know that that's necessarily the first step because you also want to think about how do we want people to do this? What is our picture for how things should work? And, not just how do we think they should work today, but if we were the king for the day or the queen for the day, what could we do to change things and make it really work well?

Which then gets me thinking about the process behind how we ask questions and thinking about the process behind how what we do with things once we've finished a project, what do we do? How do we wrap it up? Do we do an after-action review? Then, what do you do with the results of the after action review?

So, I think there's a lot of, there's sort of two aspects. One, the thing I think is more interesting is well, what do we want to do and what do we already have in place that's sort of part way there? Then, what can we do to help that?

A piece of that might be well, one of the things that we do frequently is check through the six or ten different places where information might be about a future project based on we'd like to learn from our past, then you might want to go and do an audit and think about

well, should we have half a dozen places where this kind of stuff is kept or should we have only one or two?

You can kind of think well, that's not a technical aspect of the solution, but what we really want to have ability for people to do is ask each other in the planning stage, what have we done before so that we can learn from it and so that we don't make the same mistakes again, or we can check the situation. Has the situation changed in something that we tried to do five years ago might actually work now because the underlying circumstances are different, the underlying capabilities are different in the organization. But then, we can be more specific about what we're doing and why we're doing it.

Joe: Well, I always think when people hear about Knowledge Management, it seems so esoteric. You've got a big picture thing out there, and I'm just worried about putting groceries on the table tomorrow. I don't need to burden myself with all this. Should they? I mean, is Knowledge Management something more to create needs for a consultant or is it really something useful to people?

Jack: Well, I look at it from both. I do the big high-level stuff, as you're kind of talking about. But then, I also look at well, what does Joe Dager need to do to get his work done? Is there anything that we can do, as consultants or as organization change agents or whomever you are, to help Joe out, or to help the guy next door out, or to help myself out? I look at simple things like how are people using their email system? Are they using it in the best way they can? Are they always getting in a situation where they can't find something because they've filed it away somewhere, but they don't know where it is? Is there something we can do to help them? This isn't necessarily buying new software, but

it's what do you have and what is the best way to use it to answer questions that you typically have as you go through your work.

Every organization is going to be a little different that way. Some organizations, it's really easy for them to stand up, they're in a cube-a-farm and they can talk over the wall to their buddy and say hey, we were working on this six months ago, what was the result of that? Or, other organizations that are completely virtual, that's really hard to do. So then, you have to find good ways to use your email and your instant message technologies or the phone and figure out the best ways to do that.

You've been having some conversations about personal Kanban recently. I think a lot of what happens in the idea of personal Kanban is right up there with Knowledge Management. Its how do I organize, organize is a difficult, is the wrong word, but how do I go about deciding what to do? And, how do I go about doing it? It's just more thoughtful about taking action. I need to answer this question. Well, what's the best way to go do that? Do I just shoot off an email right away or do I sit back and say you know what, there may be a better way to answer that question.

One of the things in Knowledge Management is in just getting that information about, well, instead of having people just scratch their head and think well, what is the better way, having that here's a way to go about doing that, having that a little bit more forefront in people's minds as they go about their work I think is really important.

I think that's what a lot of, whether it's personal Kanban or Getting Things Done or even Stephen Covey or Franklin Planner, whatever you have, I think a lot of the value of those for people is that people are just more thoughtful about going through their day.

In my mind for the individual, what is in it for me classic question is how can this help me walk through my day or walk through problems that I have in a better way. And, I think a lot of what I have gotten interested in Knowledge Management has been that aspect, helping people get through their day.

You can step back to get a slightly higher level. If you help each individual to work better together, or work better, then you can think about well, how do we as groups, the five of us on a consulting team or the hundreds of us in the IT shop, how can us as a group decides to work better together? So, this requires stepping back from the day-to-day grind and thinking about well, this is what we would like to do. This is how we would like to approach answering this kind of question.

I was talking to somebody recently about this idea of how do we keep track of what's going on in these better, flatter organizations, right? So, now you have 20 people who report up to a manager. It feels like it's impossible to keep track with everything that's going on with those 20 people, not even the 100 people that report up to the other managers.

What are the best ways to keep track of that? Is it email blasts of weekly or monthly status updates? Are there ways that we can use some of the newer technologies? Blogging isn't a new technology anymore, but things like Twitter and Jammer -- or Jabber, whatever it's called -- that provide more of an activity stream kind of ideas? Those are really new ideas and those are very specific technology, but one of the things it gets to is if people aren't sitting down at lunch with each other and talking about work, how do they find out what's going on.

This is also in this relation to what's happening in the world? There always are people that have some tidbits and interesting aspects of knowledge that unless we're sitting in front of them, or unless they know what's going on, it's very difficult for them to say hey, I know that. So, I think that's one of the things that people really like about Twitter, the idea of status updates in general.

Joe: Well, that's one of the things I use Twitter for. I mean, the first thing I do is I create a column on a subject I want to learn something about. And, I put it up there and I just watch who's talking to it and all of a sudden I'm flooded with links, I'm flooded with different information. I can digest that information at my speed and when I want to. And, that's where we go back to personal Kanban. If you build slack into someone's schedule, they're able to expand their knowledge at a pretty significant rate with today's tools.

Jack: The idea of allowing people to have the time to sit back and think about what it is they're doing is really important. It's so easy for us in the business world to sort of get convinced that I have to be busy all the time. And, you know this from Lean, right? And, you know this from reading about TOC. Being busy all the time is not the most-effective thing for anybody because they need, at the very least, they need down time. But even better, they need to have the time to think I'm about to start this, what do I want to learn from the activity? OK, let's do the activity. I finished the activity. What did I learn? Should I, could I have done it better?

This whole idea of, whether it's an individual or if it's a group, it's a podcast, it's a talk that I'm giving, what would I like to see come out of it and what did come out of it and how can I do it better next time? I think these are all really important things that a lot of times we

lose in the hectic nature of at least the way business is portrayed. It's not necessarily always that way, but the way we portray, you know, everybody's busy, we're reading, we're Blackberrying, we're on our iPhones, we're on doing these things all the time, and not stepping back and really taking the time.

I have a very firm belief that one of the things that we need to be able to do, whether we're doing Lean and TOC and helping improve a specific process or we're doing knowledge management, which is also process related by the way, in some senses, and trying to help get content connected with people, do a better job of collaboration, whatever it is, is that we also need to have that opportunity to step back and really think of what we're doing, not just kind of be busy all the time.

Joe: Well, you are a Theory of Constraints person, and I'm not sure if, the chicken or the egg -- did Knowledge Management come first or Theory of Constraints with you? But, how do those two subjects relate to each other?

Jack: I started out, essentially, with expert systems in graduate school. So, Knowledge Management ideas came first. But, in my business life, I was becoming more and more involved in Knowledge Management at the same time as I was becoming more and more in Theory of Constraints. We were doing critical chain projects 10, 15 years ago at the same time as I was becoming involved in Knowledge Management. So, it was kind of developed together, which is why I link them together. The way I see them linked is that in the end they're both aimed at helping people get stuff done. I think it's just a matter of focus. For Theory of Constraints and Lean and other continuous improvement ideas, I think those are

probably the biggest two, and Lean is far and away bigger than TOC, which always disappoints me.

But, the idea is getting stuff done means bringing value to the bottom line to the customer. Who is ultimately buying this and are we able to get that to them in a fashion that they want? Are we able to get it to them on-time with the right level of quality, in the right quantity, all these kinds of things.

Within that, the people involved in all that work, as I kind of said at the beginning, need to have the skills, they need to have the knowledge, they need to have the background, they need to have the experience to be able to deliver what it is people need.

Sort of from the very specific example of we're trying to get, you know, make this product faster. We're trying to get this product out the door faster. We can't just ask people to work overtime all the time. That is just not sustainable. You can do it once in a while, but it's just not sustainable for the long term.

We need to really rethink our process and rethink the way we do things. The only way you're going to get that to really fit, you have a general idea of how it will happen, but the people in the facility are the ones that know how this works and how things can happen. They're the ones, once given a directive -- I don't know that that's the right word -- given the framework, actually, I took that quote out of Lean Thinking, given a good process for thinking about things, and anybody can come up with great ideas.

I think it was given a brilliant process, average, I hate the word average, but regular employees can come up with brilliant ideas, whereas you've got a broken process, brilliant employees can only come up with broken ideas because the initial process is broken.

So, I think, as far as Knowledge Management goes, it's how do we help people talk to each other? How do we help people work with each other? How do we help give them the information, the background, the idea? But, how do we help them get together and work in a way that actually moves them in the right direction?

Joe: Go into the Theory of Constraints, and we think about that, I mean the first thing everybody thinks of is the goal and bottlenecks. You go to Lean, and everybody thinks about waste.

There is so much more to both disciplines. They really are not accurate descriptions of either, but that's how they've been branded.

Jack: It's frustrating, and I think one of the jobs of people like you, and people that do TOC consulting is to help raise the eyes from looking at a specific aspect to a higher level, and I think one of the things that you do with this podcast, and one of the things that I've done with my blog is... Here are all these topics that come to bear when you start thinking about transforming an organization to become a top performer, and to be able to outstrip the competition, and to really serve the needs of the clients. Here are all the things that have to come into play. There is a whole bunch of aspects that has to come into play, and there's stuff about how do we deal with learning. How do we learn from one another? Way back in the nineties there was a great book by a guy from Shell called "*The Learning Organization*" -- Arie de Geus. I am probably not pronouncing his name correctly. But it's

called "The Learning Organization" and it talked about how Shell was using some of these ideas to learn from what they do in the past.

Or *Learning to Fly*, which was a British Petroleum's book. It wasn't British Petroleum's it was Collision and his coauthor whose name I don't remember. But, they came out of British Petroleum and used the idea of after-action reviews, which came from the military, to really grow the way they were able to solve problems and run projects better, and better, and better. Then whole idea was continuous improvement.

Joe: It's interesting what we see is that in the '90s, Knowledge Management, Theory of Constraints and Lean, these were really first introduced, and here we are in 2011. This seems to be the crux of what's going on right now. I think social media has taken knowledge creation another level.

I want to go back to knowledge creation a little bit since I touched upon it, but when you are creating knowledge in the company, you are doing that every day, aren't you? I mean, how do you know what to capture?

Jack: That is a great question, and I'll expand on it. Let us imagine that we've got a decent process for writing down what we have done. So, we have completed a project, we write a report up of it, mention it in our monthly update, we call it a newsletter or some kind of blog post that goes up and then there's a monthly post like, "Hey, we did this project. Here is the highlight of its results. If you want to see the report, go find it." I came out of the pharmaceutical world, and we did a decent job of recording that kind of thing that came to a finish. But, what about all the things you do for a friend? "Hey, I read this question about this lab work that we did, can you look at it for me and kind of give me a

sense of it?" Or, "Let's try this out... Oh," three weeks later we discover it doesn't work, "Let's put it on its shelf and leave it alone."

There's a lot of that kind of stuff, the intermediate stuff, that never has a reason to get written down, and we may not ever think about writing that down. Well, we canceled the project. Therefore, there's no reason to continue doing anything about it. And, of course, we get reassigned right away to make everybody look busy.

With creating knowledge, we are using what we know we are making connections we are using what we know, using what connections that we have, every day. You can't write all that down, can you? It's not possible. You'd have to have a clone just documenting everything that goes on.

So, the question you had about how do we record or what do we decide to record. I don't know that there's a specific answer to that question. I was going to say continues partial awareness, and using things like status updates, but I don't what to necessarily prescribe that everybody use Twitter, because I know that not everybody wants to go that route.

There has to be a mechanism, and explicitly or implicitly in the organization I am saying, basically, what kinds of things are happening today, now in our group, and spreading that information around so that people are at least aware on an ongoing basis of what's going on. That's one element of it, right? So it's just this awareness of, "Hey, this is what we are doing this week."

I worked in an organization where every week we did our five... Here are our five highlights for the coming week, and here are the five things I did, that I said I was going

to do last week and their status. So through a one-hour meeting a half a dozen or so of us will kind of go through that really quickly.

That's one way to do it; it could be on the phone, right? But, the other piece of that, which I think you are possibly going at, is, what do we do with it piece a long-term deal? Does it sit in email? Do we decide...

I don't actually have a perfect answer for this question. I would love to be able to say, "This is the way to do it!" The concept for me is we have to acknowledge that there is always the new things that we are learning, and I think actually that's a big part of it is that acknowledge that we are learning something new. Maybe have a mechanism for saying, "What was the new thing that you learned this week, or today?" Let people know.

Then the recording of it, I am never sure what the best answer for that is. Ten years ago or fifteen years ago, there was a Lotus of database and Lotus still exists. So, some people might still be doing that, or put it in a Sharepoint or put it on your blog. I am not sure if any of those are the best way to do things, do that.

Joe: The idea I get is that it is an iterative process that if it has value it kind of flourishes on its own. It starts getting attached to. Your job when you create knowledge is to maybe tag it to make it searchable, that someone can find that knowledge before it's lost. But, if it has value it will flourish.

Jack: There are two pieces to that. The last thing you just said I think is really good. If it has value, it is going to flourish. It's going to come up again, it's going to come up again. The other piece that is always a concern is it gets back to what you said earlier. We do all

the stuff and the time. We can't possibly record everything. So we need to be, I think one of the things that I was kind of highlighting earlier is we need to highlight this idea that we need to be continuously thinking about what are we trying to learn. Either we do something and we learn the thing that we are trying to learn or we do something and it didn't teach us what we thought but it taught us something. It's going to teach us something else. We need to find ways to have that information available on an ongoing basis.

I think I really like the idea of social media, for that regard. But whether we call social media or enterprise 2.0 or social business which IBM is using that phrase these days, I think the idea of having, just being more aware of what people are doing, and have more access to that. Because as we know, with flatter organizations, the hierarchy, the old school information flow up and down, that's just choked. There is no way that we can use that mechanism to flow information any longer. We have to flow information where it needs to go.

So we have to recognize that one organizational structure is a hierarchy. But there is the other organizational structure of people that all went to the same college, or people that all, they are all chemical engineers, which is my training, or they are all interested in human resources, or they are all have lunch together and play Euchre at 12 o'clock. All those networks are ways that information flows. We just, I think one of the things is we need to sort of raise the bar for each other on. This is the way knowledge transferred.

A lot of knowledge transfer happens between people. We have to acknowledge that those networks, there are many, many different networks within an organization and knowledge

flows along all of them. We have to be more aware that that's happening and encourage people to use those networks rather than saying you must only go via this route.

Joe: Not everybody is going over the water cooler anymore. You have to find it somewhere else. How do you use the Theory of Constraints in conjunction with Knowledge Management? Are they two really separate things that you look at when you go in?

Jack: What are we trying to do? What is the bottom line impact? I use the Theory of Constraints particularly for production, are we producing stuff that we are actually selling? That is the same I think in Lean, though the terminology is little different, but let's make sure that we only produce stuff that we are selling to our customers. It takes us three days to make it, let's make sure we produce stuff that people are actually using in that kind of three-days-to-a-week timeframe. In Knowledge Management, what happens is that frequently it's how do we improve the process that affects the process that affects the process. So there is a set of questions in one of the TOC books I think, *Necessary but not Sufficient*. The book is a bit of an interesting read. But one of the questions is let's call that the necessary and sufficient questions for information technology. I actually strip out that information technology part of it.

Here is this, I have an idea and I think it's going to be great. Of course, all my ideas are great. So the question is what is the key, what is the core thing that your idea is about. I want to install social media. Well, it helps people get together better, it helps people connect. It helps people learn what's going on.

Well, great. What is the problem that you are trying to solve? The first is; what is the technology, right. What is the idea? The second is: I hope I remember all these questions,

what is the problem that the business has that's going to be removed by the use of this new idea, or reduced? The problem will be heavily diminished by the use of this new idea. Because that requires you to say, it's not necessary for ROI conversation, but the business has identified that we frequently spend a lot of time trying to solve problems that we've already solved somewhere else.

If we can find a way, to connect people, for them to raise their hand and say I've got a problem, has anyone else solved it, we can really go a long to saving time and getting through this improvement cycle even faster. Because that's one of our goals and the organizations get those improvement cycle even faster because we see, eventually it connects down to the better we can improve our processes, the faster we can serve our customers, and the faster we can execute new process changes, for example.

The next question is how does this idea that you have resolved that problem? Does that make sense? So I've articulated the problem, then I've articulated what my idea is.

But now how does my idea resolve their problem. What is it about the idea that resolves the problem? The interesting thing is what did we do before we had this problem?

What did we use to do when, to answer questions about how we've done this before? Well, we'd spend all day looking. Maybe we search the databases, we'd search in our email archives, we'd go and try to find people. Then after a certain period of time we just have to go and do it ourselves.

The question then has to be: will the technology resolve that issue? Will the technology change the way that the process -- and again it could be a changed idea as well -- will this

idea change the way you're doing things? Because if it doesn't change the way you are doing things, it's still going to take you too long to, in this case, generate a new idea.

Then think about, OK I think it will, but I need to install some new policy, or I need to install some new ways of work. Ah! Or maybe even I need to change what I was planning on doing to really fix, to really have an impact on this problem.

This is a really interesting question in my mind, because it takes you down to beyond "Hey this is great technology, everybody's doing it, we need to use it" to "it's an interesting technology, this is how we think it will affect us, and this is what we need to do within our organization to really get the most advantage out of that new idea."

There's even a last piece, which is "How do I change the idea to make it work even better." So there's, I think, I kind of conflate them. I think that I learned that from Theory of Constraints, but I apply it quite often when I start talking about Knowledge Management. A set of questions that help me really think about what is it that we're doing and how do we really think it's going to affect the organization?

Because if it's a problem that the organization has identified, even if it isn't clearly a bottom line problem, it's clearly something that the organization has said, "You know what? This is something that we really need to resolve." If I can find ways to resolve it that have to do with Knowledge Management, that's great. It doesn't necessarily, you know, it could go any direction, but I think that's a great set of questions.

Joe: I think it is too, and I think it's so interesting because today, it's been talked about so many times that the problem has been solved someplace else within the organization.

We are used to relying on that because that's why we kept someone --- I always think of the old guy sitting there, on the side, that's just about falling asleep in all these meetings and everything, and all at once, he would wake up and say, "You know, well if you go back to 1968 and blah, blah blah." He'd give you the drawing number practically from let's say the engineering center, and you go put the drawing in, and the drawing was already made! You just had to dig it out of a file and you think it's this great new concept that you're going to come out with.

Jack: I don't think you're ever going to really replace the guy that has that immaculate recall, but one of the things I think grow out of Knowledge Management is the acknowledgment that those people are in the organization and what's the best way to use them? Be thoughtful about, we can't go, we can't always go talk to Jane because every time we have a question like that and we ask her, that means she's not able to do other things. But how can we best -- and ask this question of Jane -- what's the best way to take advantage of that capability that you have? Maybe, maybe Jane shouldn't be assigned to projects at all. Maybe Jane should be...

I'll call it a roving expert, but I have no idea the right terminology. Maybe they shouldn't be on projects at all, they should be an adviser to all of the projects because they've got vast experience, and they've got great knowledge about the organization and what we've done in the past.

In some cases, she's going to have to spend a couple of days diving down into a very specific problem in a very specific project. But maybe we shouldn't assign her to any projects at all because, guess what, she's the only one we've got and she becomes a

constraint on the projects if we assign her to projects and try to run our project management organization with her as the constraint.

Joe: I think you raise an interesting thing, but is it really doable in a business sense? What I'm thinking of a business is don't I need structure? Not everybody can be that flat, can they? Is it possible?

Jack: I think it is possible. And again, I think we have to be intentional about the way we do it. We can say, "You know what? There are one or two people we have to allow to be floaters like that because they provide value in so many different areas that we can't say that they're only assigned to one project. But then everybody else, you know what, the rest of the organization is more structured and has more defined roles, and that's fine, but I think it's not all or nothing, right? We need to be cognizant that there are some roles and some people that do specific activities and other roles and other kinds of people that are better at the high-level stuff. And that's why we have organizations where everybody has a slightly different role I think.

Joe: That's OK that Jane gets to do that and she gets to be a roamer. But I'm Jack over here doing all the work? I start feeling this animosity that Jane gets to sit there and what is her role? What is she doing? She's making more money than me. I mean, I don't really see where she's adding that much to it. Can I play that role or am I just a bad employee?

Jack: Well, that, it's a question that everybody has, right? They see somebody doing something different and it's not clear. If it's not clear what they're doing when they start asking those kinds of questions, right? It may be the cynical variety that you were asking or it may be just "Huh, I wonder what she's doing today? It's not clear what she's doing."

So the other thing that needs to happen I think is this idea again from the process improvement world, community is a whole organization needs to understand what we're doing. What is the focus for the organization? We're a project environment and we're trying to get, we're trying to improve the flow of projects through the system and we've decided to do that by analyzing the projects we've been doing the last year and the current projects in the system.

If we take Jane off of individual projects and make her the roving expert, then we believe we can get 25 percent more projects done. Ah, OK. So, now I understand why she's there. Then the question is, then we have to be intentional about let's check, is this working? Is the fact that she's now a rover and available almost on call to all projects, is that helping us, or is it now the situation where she actually is needed in very specific instances and we can't get her? Is that now causing other problems?

But, the important thing to do, I think, is check and to provide people the transparency that they need so that they can understand what's going on, as well as to do their own work, as well as the commitment to check, is this working? Is this idea that we had that we thought would work, is it having an effect, or is there something else we didn't understand at the time that she needs to do that wasn't included in our thinking?

That's so important, I think, to any continuous improvement and, I think, important to Knowledge Management. And, it doesn't always come up in Knowledge Management as much as it does in the more process-oriented implementations. You need to check what you're doing to make sure it's getting better and that it's working as you had hoped. If it

doesn't, what are we going to do to either decide not to do it anymore or to change it so that it can provide the results that we want.

Joe: And, I go back to my Lean thinking, of course, since that's such an integral part of people PDCA, and if it is working then you standardize that portion of it in the act section of it and you move on.

Jack: Exactly. In TOC, if you look at the five focusing steps, the last step is worded "Don't let inertia become the next constraint. Go back to step one." Depending on how you read it, it can be kind of a negative thing, but I think it's a great statement. It's acknowledgment that it's really easy to get to the next new level of performance and stop and sit on your little, oh, great, we won. But, no, we may have won. We may have given ourselves a little bit of breathing room, but we know that the world the way it is always going to get tougher. So, we now need to think about well, what's next for us? I think that comes up a lot in the Lean literature, as well. It's so easy to fix the easy things and then say, "OK, we're done."

Joe: Where do you think Theory of Constraints is right now? As a whole, has it played out? Is it gaining steam? Where do you think it's going right now?

Jack: It's still, for whatever reason, seen as, as you kind of said earlier, it's still kind of seen as well, it's that Theory of Constraints, the goal is bottleneck breaking, right? And, a lot of people focus on the bottleneck breaking aspect of it and not the let's make a organization that actually really embraces Theory of Constraints from all the way across and really embraces this idea of continuous improvement for the long haul. The Lean organization, the Lean community, it seems to have done that better. But, I think there's

still the same issue of we get Lean in manufacturing and kind of stop there or we get TOC in one part of the organization and stop there like new product development. Well, new product development, that's built into everything, right? It's built into a new market. It's built into making sure that we've got products for the long term. You can't just do it in one arena and expect to get continuous improvement if you don't then start branching out into the whole.

I think it's just a question of the vision of the leaders of the organization. At some point, you can start small with all these, but at some point you run into a situation where you are no longer the constraint of the organization, you're performing really, really well. The constraint of the organization is somewhere or something else.

You need to have the ability to get to the right part of that organization and say, you know what, if we could change this organization so that we could pull from you rather than having you push stuff down our throats, so that we could pull new products to the organization, then we believe the organization would grow and continue to grow over the next couple of years. So, I think the tough part of it is to make a shift from local and good local improvements to good, sustainable, ongoing global improvements.

So, is TOC a niche player? I'm not sure. Depending on who I talk to, I see a lot of people interested in it, and then, I look out in the business world, more people are interested in things like they just generically call it continuous improvement, or generically call it operation excellence. That could be in just about anything.

I've also seen some interesting work out there in, let's acknowledge that all of these improvement technologies or methodologies work really well, let's look at how can we

combine Lean and TOC and the variation reduction ideas of Six Sigma and a lot of the other techniques out there. What can we combine to really create something that looks like an organizational excellence approach and provide that to organizations?

I think that's an interesting way to go, as well.

Joe: One of the things that everybody always want to talk about is how their discipline, their methodology as being the umbrella and the culture of the company, especially in Lean and a little in Theory of Constraints that they let that focusing mechanism do it. But, one of the things that I believe is the Lean has the easiest entry point. They've got the best set of tools which are just about everybody's entry into the methodology. Six Sigma raises the bar a little, making more of an investment. Theory of Constraints doesn't have a tool set so readily defined with it except when you go into the Decision Trees and the Logical Thinking processes and that is a tough bar for the normal person to grasp.

Jack: Yeah, it's interesting, and I just had that blog post about the Lean thinking process. One of the things that I mentioned in there about TOC is that, while there are a lot of tools in TOC, they're not as well documented. There are some very specific books and basically, manuals on how to do some of these specifics. They're not as well documented in terms of, this is how you do it, this is how you set up a drum buffer rope implementation. Or, this is how you, and, by the way, you do need to think about reducing batch size and just not emphasizing it.

I'm not sure why that is, because there's a lot of that knowledge that's in the TOC consulting community. So, if you talk to people that are in that community, you'll hear a lot of these tools, but I think you're right.

You know, for the average Joe who said, "Oh, I've heard about TOC. We had an implementation over here, what can I use from that implementation in this new facility or this new part of the organization?" It's not as straightforward, no, I don't know if it's straightforward to do with Lean either.

But I think, having some of that background would be much more helpful for the TOC community, to have that written down and sort of, here are the steps you go through to do this. And I don't know if I'm the guy to write that book.

Joe: Well, I think it's really ironic, OK, that a discipline that grew out of a nonfiction story lacks stories for their tools.

Jack: That's interesting. A lot of the TOC books have been these business novels, right?

And, business novels all based on real situations, just fictionalized. But then, since it's in sort of, this novel format, the details of, well, how do you do this, aren't as explicit. I think that could be helped.

Joe: I look at the fact that, if I want to learn how to five whys, I could probably get a hundred books to teach me the five whys, a simple processes. However, if done right, it can be the most complicated process. But when you think about A3 reports, you think about, the different components that you use, Pareto charts and the very simple components of Lean that people have a tendency to look at, from a much more practical standpoint. When you look at Theory of Constraints, like you said, I mean, drum buffer rope is that software that does that, but is that part of like, MS project, or what exactly is drum buffer rope? Why should that be complicated?

Jack: Exactly. I completely agree with you, I mean, you've had people on from the TOC handbook, and that provides an incredible level of detail and overview of the entire field of TOC. But, oh my god, it's like 10 pounds, and a thousand pages.

Joe: I think that's a great book, because it really introduces so many different areas. What I tell people to do with that book is go ahead and just buy a chapter on Kindle, before you buy the book, on something you're really interested in. And if it sinks in and has meaning, there are definitely other reasons to buy the book, because the breadth of knowledge in it is just unbelievable.

Jack: Yeah, absolutely. So, I don't know, like I said, there're some very specific elements of TOC. The other thing, of course, with TOC, just like with Lean, we use Pareto charts, we use, you know, the five whys are not unique to Lean.

But, actually, that then goes over into Knowledge Management. Why did this happen? Why did this happen? Why did this happen? You know, why did you do that? Why did this happen? Why do we think this happened? We're trying to elicit knowledge from the people, or from the system, whatever it is. I mean, there are a lot of crossovers. I think the people that are succeeding and doing this well, are people that can really acknowledge that. You know, there's not any one way, one right way to do these. I happened to start from a background of TOC, but I'm going to borrow ideas from everywhere. I mean, the Donald Wheeler, "Understanding Variation," that's an excellent, excellent book for just about anybody who wants to understand variation. Whether you're doing that within the context of Six Sigma or Lean or TOC, does it matter? So, it's kind of an interesting, it's an

interesting aspect. I would like to see more broader understanding of all, of TOC and of Lean. I suppose one of the reasons I continue writing about it is for that reason.

Joe: How could someone get a hold of you?

Jack: I'm very easy to find. If you type in Jack Vinson, on the web, you'll find me. But my blog is probably the best place to start. And I've got contact information right there. I'm also on Twitter as Jack Vinson, just about everywhere as Jack Vinson.

Joe: Well, I'd like to thank you very much, Jack. I appreciate the conversation. This podcast will be available on the Business901 blog site and also the Business901 iTunes store. So, thanks again.

Jack: It's been a great conversation, Joe. Thanks.

Bonus Material

Joe: I think people struggle with that concept of Knowledge Management. I just really, that's why I was trying to find people to kind of talk about it more on the practical side.

I think it's important with what's going on. I really think Knowledge Management; knowledge creation is just about what marketing's turned into. Being able to give access to your people, I think is one of the things that marketing misses and is one of the things that

I'm writing about, is that the concept of marketing has changed. Part of the concept of marketing is how do we make the knowledge within our organization applicable to the customer when they want it and how they want it?

Jack: That's a great example of taking it, it's one of those struggles that we have in process improvement, too, of we've done just about as much as we can internally, and we see that our next big constraint is the way that we interact with our customers, say. How do we take that from what we know and done and what we've learned inside to really developing a new relationship with our customers, so, like maybe one specific customer or supplier? That's a great path that you can follow down.

Joe: It's not about cute and clever anymore, as I put it, is that it's really, I mean most B to B relationship is making knowledge accessible, proving that you're the expert in the field that they want to do business with because it's not the price. People want to be treated fairly in price, don't get me wrong, but a lot of people don't even shop for some of their biggest purchases if they're comfortable with the knowledge within your company.

Jack: Well, not only the knowledge, and the relationship, right?

I think one of the things that is most interesting to me is the sales and marketing capability. It's one of the areas I struggle with. But operationalizing it and practicing it has been interesting for me. But, I mean in selling, the thing that people really go out on is when you can help them understand what the problem is and give them some hint that you may actually know how to solve the problem is they're going to treat you very differently than somebody else who says I can solve your problem, I can solve your problem.

So, a lot of that is, you know, how do we develop the idea that I understand? It's tricky because it's not a game, it's just you have to help people get to the statement of the problem themselves, and if they could solve the problem, what the benefits would be to that problem.

I think that's why that conversation about the power of technology, that's an interesting path that that goes down because then you really involve your organization in answering the question well, we think it's going to do this, but, how are we going to make it really going to work? Then, the organization has to get involved.

We think we can have this relationship with you, Mr. Customer, and here's what we bring, here's what, you know, we can kind of talk about features, but until we can start talking about the real benefits of the relationship, then it's not going to go as far.

Joe: That's the problem that most people have especially in the marketing. I'm a good example, to sell marketing services; I have to give an idea to solve their problem to get my foot in the door. But then, typically, when your foot gets in the door, they really have never defined the problem. We need more customers. Well, the problem is many times, you find out that all your money that you're spending to dump people in the top of your funnel, which is the most ineffective use of your money, the most expensive.

Jack: They just sit up there, right?

Joe: Well, is it the bottleneck, for lack of better words is down along the funnel somewhere. Let's say you can get people to attend webinars, and you get 1,000 people in a webinar, but you're only converting one or two of them.

Why spend the money to get more people into a webinar? Why not spend the money to double that rate? That's a crude example, but, it's an example. That's where most of the time is that you're there that they want to know how you can bring more customers to them. I don't know that I can bring more leads to you, but what I can do is help you take the leads you have and double them.

Jack: That process of asking a question is sort of, "Do you get 1,000 leads from a webinar? How many get to the next level of the salesmen? Is it just one or two, or do you get actually a strong interest from your webinars? OK, great. How about the next step? Are they, once you get the strong interest, are you able to convert those to move them down the path of having that conversation with them and however many steps we have in your particular company sales funnel?" But then, you can say, "OK, it sounds like you're doing fine in steps five and six. What about that first step? What about that third step? I can help you." The issue for me is I don't know what the next conversation is to have. I can help you do that, but I'll, let's put it this way, what would be the impact, I think that's the correct comment, right, what would be the impact if we could change it from five percent to ten percent? Oh, my God, wow. Well, OK, let's think about that.

Joe: One of my favorite things to do is to take someone's budget and take a value stream or marketing funnel and put the steps of the process across the board. Then we take their marketing budget and break it up to where they're spending their money. You should see how enlightening that is because if they have a $100,000 budget, it's like $80,000 of it is spent getting people in the funnel, $20,000 is spent in the back end of the funnel once you have a qualified lead.

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What others say: *In the past 20 years, Joe and I have collaborated on many difficult issues. Joe's ability to combine his expertise with "out of the box" thinking is unsurpassed. He has always delivered quickly, cost effectively and with ingenuity. A brilliant mind that is always a pleasure to work with." James R.*

Joe Dager is President of Business901, a progressive company providing direction in areas **such as Lean Marketing, Product Marketing, Product Launches and Re-Launches. As a Lean** Six Sigma Black Belt, Business901 provides and implements marketing, project and performance planning methodologies in small businesses. The simplicity of a single flexible model will create clarity for your staff and, as a result, better execution. My goal is to allow you spend your time on the **need versus the plan**.

An example of how we may work: Business901 could start with a consulting style utilizing an individual from your organization or a virtual assistance that is well versed in our principles. We have **capabilities to plug virtually any marketing function** into your process immediately. As proficiencies develop, Business901 moves into a coach's role supporting the process as needed. The goal of implementing a system is that the processes will become a habit and not an event.

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