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Finding The Key to High-Yield Returns

The Packaging Professionals Story

How High-Yield Returns Are Achieved And Maintained With The Transformation Of The Enterprise's Own Leaders

Many enterprises think that the only way to make significant improvements to their business performance is to spend money on new machinery and on consultancies to reengineer their business processes.

If these strategies don't achieve the results they want, they think the problem is in the staff they have, so they put pressure on their employees to lift their performance, or they start looking for new staff.

But what if the key to high-yield returns is the transformation of the enterprise's own leaders?

Packaging Professionals has put its efforts into leadership development and is seeing astounding improvements in business outcomes, like a 40% increase in throughput in one business line, and a huge lift in employee morale. Teams say they are working more cohesively than ever before, and they are committed to the company's success. CEO and owner David O'Leary feels he has got his life back, and employees say they feel empowered to look after their area of responsibility instead of passing all the decisions back to O'Leary.

O'Leary started the business just outside Bathurst in New South Wales around ten years ago, packaging a variety of consumer goods. He built the business from zero to an annual turnover of more than \$5 million. But he felt his business was capable of much more, and he was also finding the CEO role exhausting. He felt that if he didn't find a way to get things under control, he could see that he would eventually run both himself and his business into the ground. Looking for answers, O'Leary had previously undertaken a course in lean manufacturing, which delivered some improvements in processes.

The Enterprise Connect Experience

Peter Morris from Enterprise Connect assessed his business and the process showed O'Leary what aspects of his business were working well, and what was not working well. Enterprise Connect is a Federal Government initiative that offers comprehensive advice and financial support to Australian small and medium-sized enterprises to help them transform and reach their full potential.

The major learning for O'Leary was that he realised that the functioning of the whole business was too dependent on him personally. But he didn't yet feel that he had found the key he was looking for.

A conversation with Jeff Muir from the consultancy firm Integrity & Values convinced him that the main thing that was hindering the improvement of his business was himself. He wasn't working efficiently, and he wasn't showing the leadership his staff needed.

And the constant 14-hour days weren't helping either.

Business Transformation Starts With The Leader

What Muir told O'Leary was that he was stopping his business from evolving because he was trying to control everything himself. He was in fact holding his people back. Muir suggested that he introduce a "to do" list so that his managers and staff took over more responsibility for operational decisions. At first his managers were suspicious. They thought O'Leary didn't trust them and was trying to monitor them more closely.

But gradually they began to see that the intent was quite the reverse: they were being given responsibility for outcomes, and O'Leary was not going to be involved in all their day-to-day decision-making. They would be accountable for achieving the results instead of just following procedures and calling on O'Leary to solve any problems that arose.

O'Leary realised through coaching sessions with Muir that he had been neglecting aspects of the business, and he was not thinking and working in a strategic way. But to be able to think about and work on strategy, he had to withdraw from the day-to-day issues and focus on the things that would secure the future of the business.

Extending The Learning To Managers

Muir got O'Leary to focus on responsibility and accountability. For example, one of the messages O'Leary found very powerful was, "Don't whinge about problems; come up with a solution". It triggered a transformation in his approach to leadership. He implemented the concept with his managers. They learned quickly, and it accelerated their personal growth too. Many of O'Leary's staff do not have formal qualifications, but this hasn't stopped them from becoming very effective problem-solvers and innovators.

O'Leary comments, "We definitely needed a cultural change. We were going down the path of 'it's not my fault, it's someone else's'". He says the Integrity & Values course offered them principles for working together in a fundamentally different way. Managers and workers have been empowered, and they all know that they matter to the business. The difference is not just in their behaviour, but a permanent change in how they all think.

A Learning Program With Several Strands

The Integrity & Values program started with personal coaching of O'Leary by Muir. He learned concepts that helped him to shift from being a reluctant leader



ABOVE // CEO David O'Leary, David Smith and Graeme Sargent holding a pallet meeting to discuss on the spot communication performance issues.

There is much greater cohesiveness in the team. There is a better sense of direction. It has hugely improved our productivity.

BELOW // Production Supervisor Katie Lynch and Transport coordinator David Smith have both learned a whole new way to hold each other accountable without anxious moments and the fights they previously had.



workplace was the process of “teach once, learn twice”. The concept is that once you’ve learned something, you should teach someone else. As one participant reported, “In the course, I did a presentation to my fellow workers about one of the principles. I told a story of a situation where this principle was very meaningful to me. It was emotional, and they felt it too.”

The learning then becomes part of the workplace and it sticks. All participants take the flipcharts drawn in the workshops back to the workplace and put them up. Workers see them constantly, and refer to them in the course of their work. They discuss how the principles apply in practice, and they create performance indicators so they can hold themselves and each other accountable. For example, everyone now gets to meetings on time. They know it reflects on their respect for each other.

to a powerful one. O’Leary comments, “I’m not sure I had a leadership style before. I felt I had just been thrust into the role and I did the best I knew, but I wasn’t a good leader. I see now that I acted as a gopher. My focus was always on the immediate and the urgent: ‘Get this done. Do this now.’”

Through the program I changed my perspective. Now I am focused on goals, and I start by enrolling people in the goals and then empowering them to achieve them. I am far more effective and efficient.”

The Integrity & Values approach is comprehensive, and the aim is a complete cultural change in the enterprise. Starting with personal coaching for O’Leary, the program involves workshops with managers and a series of online learning modules. These strands work together to reinforce the concepts and effect personal and team changes.

Participants in the workshops undertake the online lessons first, and this means they are prepared for the workshops before they arrive; they have some understanding and expectations. People were keen to participate in the workshops. They saw that O’Leary was transforming his own performance as a leader and thought, “I’d like some of that!”

The change in O’Leary was beginning to have a significant impact on the business, but that effect was accelerated when other managers and workers also engaged with the concepts through the workshops. The workshops did not consist of listening to someone else talk, and watching slides passively. Participants had the opportunity to discuss the concepts and express their meaning through stories from their own experience.

“Teach Once Learn Twice” A Method That Makes Learning Stick

An important part of the workshop process and subsequent actions in the

O’Leary has regular meetings with his team where they explore the concepts from the online lessons, extending the “Teach once, learn twice” philosophy. When O’Leary teaches his team what he has learned, he is reinforcing the lesson for himself. And when staff raise a problem with him, he is able to draw on the lessons and the tools.

This strategy has a continuing positive impact on the productivity of the team and on the quality of their relationships with each other. As one manager says, “Now, people are learning all the time. They are probably learning twice as much as they used to.”

The Language of Responsibility

Having everyone speaking the same language of responsibility and living it day to day has had an enormous effect on the business. O’Leary says “There is interaction and communication right across the organisation. This has been a big shift. There is much greater cohesiveness in the team. There is a

better sense of direction. It has hugely improved our productivity.”

One of the managers reports, “There are now clear lines of accountability. Things don’t get missed, and this is critical because we work with food products, and mistakes can have serious consequences for the business.”

The Impact On The Business

There is evidence right across the enterprise of the impact of the program. In one production process, the company improved its productivity by 40% over six months with no capital expenditure. “That alone”, said O’Leary, “is an unbelievable outcome”.

O’Leary is confident that the improvement is sustainable. He says it has nothing to do with working harder, and everything to do with willingness. People will now bring forward new ideas and share them.

More evidence of business improvements comes from the coffee packaging line of production. It had not met budget for production in two years; now it regularly meets budget – with the same people and the same machinery. The improvement is a result of process change, which came because people are not afraid to suggest that things could be done differently. They are not afraid to speak up, and new ways are tried out.

Both O’Leary and Muir see the program as a work in progress. O’Leary sees further gains for himself in the coaching, to work on his own personal development as a leader and “to take the business to the next level”. He is also keen to cascade the learning down through the organisation. Already he has seen his managers grow and develop. They are looking to their own future career growth, rather than just keeping their heads above water in the busyness of daily production.

O’Leary says his investment in the Integrity & Values program has already repaid him many times over through the company’s improvements in performance. Packaging Professionals has seen its contracts expand significantly, it has embedded its

reputation as a capable and reliable supplier, and it is attracting packaging contracts from major food suppliers.

An Investment That Pays For Itself

At a personal level, O’Leary says he has shifted from being a reluctant leader to embracing the responsibilities of leadership: “Everyone around me now respects my leadership, because I take it seriously”. He has come to realise what his vision is for the business, and he has shared that openly with staff. He wants to build the business so that it provides secure jobs for his staff and their children into the future.

Muir says there is no organisational transformation unless the leader is willing to transform him/herself. The Integrity & Values program offers this challenge to leaders but, as one manager said, “The impact on us as a team has been incredible. The investment we have made in getting these principles into our business has paid us back abundantly. The performance improvements outstripped the costs within months.”

Production Manager Craig Tristram shows the homework check list. Driven by Craig, the Pack Pro team monitored the leadership program homework to achieve a first ever 100% completion in the first month of the program.

David O’Leary is the owner and CEO of Packaging Professionals, a packaging company based in Bathurst. www.PackPro.Com.Au
Tel: 02 6334 4903

Jeff Muir is the Head Business Coach and senior facilitator at Integrity & Values, a leadership development and business coaching company. www.IntegrityAndValues.Com
Tel: 1300 364 588

Enterprise Connect is a Federal Government initiative that offers comprehensive advice and support to Australian small and medium-sized enterprises. www.EnterpriseConnect.Gov.Au
Tel: 131 791

Written by Glenn Martin, Sydney
NSW Ethics and Values In Business
02 9945 3345

BELOW // Andrew Grabham shows how the number of entries on the KIAZAN board has increased as a leading indicator of an increase in employee engagement.

