

Is Your Culture a 'Good Fit' for New Technology?

By Rick Bohan



Companies who haven't done the work in areas like collaboration and communication will have a higher rate of failure.

Technology advances promise to help manufacturers thrive in an increasingly competitive and turbulent world. Readers of the articles on this website are likely to be very familiar with the digital and technical advances that promise to provide a broad range of advantages to manufacturers. Industry 4.0, Internet of Things (IoT), Artificial Intelligence (AI) and robotics will impact every aspect of manufacturing from product development to operations processes to supply chain logistics.

There's a danger, though, that these elements are sometimes presented

as "plug and play" technologies. In other words, all manufacturers need to do will be to purchase the technologies, plug them in and hit the "Start" button to derive the anticipated benefits.

We've already seen the costs of this thinking with respect to Enterprise Resource Planning systems. Materials Resource Planning (MRP) software had been around since the 1960s, but advances in computer hardware during the 1990s allowed the software to be expanded such that transactions across the enterprise could be automated. Managers would be able to monitor those

transactions and their outcomes in real time. If Sales Person Sarah wanted to know when a specific product would be available in a specific quantity, the ERP system would check existing inventories of finished goods, WIP, and raw materials, as well as materials in transit; subtract that which was already allocated to existing orders; calculate lead time based on production rates; and backlog and provide an answer in just seconds. Other functions like sales, purchasing, finance and accounting would realize similar benefits. And all a company needed to do was to install the software!

So how was it that 60% (or more) of ERP implementations failed, 80% of ERP purchasers were unhappy with their present system, and 90% of ERP implementations failed to deliver any measurable ROI?

And why would we think the technical advances so widely touted in this decade any more likely to avoid these same failure rates? The successful implementation of new technologies depends on a variety of factors, of course, but it depends most directly on the culture of the organization. Put simply, a culture that doesn't already manifest high levels of good communication, collaboration and teamwork; a devotion to teaching

and learning; and a commitment to high involvement problem solving and “bottom up” decision-making has a higher risk of failure when implementing new technologies.

Craig Ferriot, President of Ferriot, Inc., supports this position. Ferriot, Inc. is a full-service contract manufacturer and injection molder of engineered resins in Akron, Oh. Our conversation started when I read an article he posted on his company’s blog about its use of cobots (cooperative robots).

Impressed that the article highlighted the cobots’ ability to make workers’ lives easier, safer, and less frustrating, I reached out to Craig to congratulate him on his company’s enlightened approach to implementing new technologies. Craig responded: “As people begin to understand and feel more comfortable with how cobots can assist them in some of their repetitive tasks, they then turn their attention to solving larger, more complex problems. Most of the time, this requires collaborating with others who bring different experiences and talents. This promotes a culture of solving challenging problems through collaboration while building comradery and trust amongst team members.”

I then put my hypothesis directly to Craig: A company that has an existing culture of collaborative planning and problem-solving will be far more likely to realize benefits from cobots than will companies that don’t have such a culture. Craig’s response: “I agree 100%.”

In other words, Ferriot, Inc. is realizing benefits from the new technology, not because of a goal to “cut costs” or because it has better engineers than other companies do (though that might well be true). According to its President, Ferriot is successful in implementing the new technology because it already had the right culture.

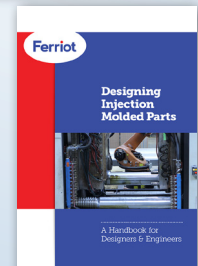
Notice, too, that Craig sees the benefits of the new technology in terms of how it will further enhance his company’s culture. Those benefits will be visible as we see workers engaged in addressing and solving even more complex problems. He recognizes that his company’s strategic advantage lies in utilizing the creativity and wisdom of all employees in helping the company address today’s and tomorrow’s challenges.

Senior leaders, then, when considering new technologies for their enterprises, need to ask themselves, “Do we have, at this moment, the culture of teamwork, collaboration, and engagement needed for a successful implementation?” They’ll need to be very honest with themselves in answering that question because a lot of money will be riding on the answer.

Rick Bohan, principal, Chagrin River Consulting LLC, has more than 25 years of experience in designing and implementing performance improvement initiatives in a variety of industrial and service sectors. He is also co-author of People Make the Difference, Prescriptions and Profiles for High Performance.

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