

Standing by their words



More than just a voluntary exercise: talking to each other

Can you change the culture at a company without replacing the bosses? The medical technology manufacturer Stryker Leibinger managed to do just that.

The story of a renovation.

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Prologue

Fall 2010. "Talk to each other", they were told. Great. They had almost driven their business into the wall and then along came a consultant who accused them of failure and told them they needed to change the way they did things. She threw around the customary buzzwords, talked about "change management" and "improved communication." Many people thought they knew what would happen next: the usual focus on curing the symptoms. The walls would be painted in cheerful colors, an expensive espresso machine would be installed in the new cafeteria, "change agents" would be appointed here and there. And then communication between them would be expected to somehow take care of itself.

Or not?

A plant at its limits

Spring 2010. All hell has broken loose in the development department at medical technology manufacturer Stryker Leibinger in Freiburg, Germany. For twelve years, the mid-sized company founded in 1951 by Oswald Leibinger has belonged to the US medical technology provider Stryker; a corporation with over 20,000 employees and an annual turnover of about eight billion dollars. Originally, the German company was focused on standard surgical instruments like clamps and forceps, later specializing in instruments and implants for oral and maxillofacial surgery. But now the Americans have made them the central development location for navigation systems for

minimally invasive surgery. With computers, micro-cameras on surgical instruments and infrared signals, they give surgeons a clear view inside the patient's body. They also make it possible for doctors to see exactly what they are doing, whether they are working on a knee, spine or brain.

And now, development of an indispensable tracker, a type of tracking device for surgical instruments, was delayed, while costs had simultaneously doubled. They had already been working on the device for three years, but the quality was so poor that operations were having to be terminated. "It was dramatic," recalls Amir Sarvestani, head of development at Stryker Navigation. "The US regulatory authorities got wind of it and customers lost their confidence in us. And Stryker headquarters was also considering relocating development work to cheaper countries – the long-term future of the Freiburg site was up in the air."

Above all, the tracker fiasco laid bare a fundamental fault: At this time, it was not uncommon for Stryker Navigation to launch new products up to a year later than scheduled, with significantly higher development costs.

Today, just four years later, development projects at Stryker Leibinger in Freiburg are on target. "All the key performance indicators have improved considerably," says Sarvestani. Recently, the Freiburg subsidiary even received the "Plant Excellence Award" from Stryker headquarters and is now considered one of the group's top 19 plants.

What happened?

Developers were a disruption: Production Manager Uwe Zimmermann



The view from the ivory tower

"In fact, we only made very subtle changes," says Amir Sarvestani. "There were processes of rethinking, changes to the culture and mentality. And this is largely down to the fact that we now genuinely talk to each other." In the field of navigation, they previously failed due to the "extraordinarily complex material," where mechanics, electronics experts and software specialists need to work hand in hand. And it was precisely this interaction that they could not get to work. Various new projects, a growing number of developers – the Freiburg site had expanded rapidly. But coordination and control were mainly left to chance. Teamwork? "Everyone optimized themselves, there was no collaboration," says Sarvestani. "This realization was like a blow to the head, but without it, we wouldn't have been able to seize the rudder and change course."

Today, he sees things clearly: "We were at each other's throats. We argued and shouted at each other." If a project manager needed help from departments like Mechanics or Quality Assurance, he would continually run aground – after all, colleagues felt no responsibility for someone else's problems.

Relations with the production department were particularly bad. The then-head of production, Uwe Zimmermann, describes an almost hostile culture: "Freeing up a machine for tests? We didn't like it. We often saw development projects as a nuisance." And the developers? "All we could think about was the perfect product," admits Sarvestani.

Management could not get to grips with the problem. The heads of development, production and quality assurance all moved their offices to the same floor, but they still did not talk to one another. Sarvestani: "We were sitting in an ivory tower. I didn't have any relationships with the outside, such as production. That way, we only found out about problems after the fact. And then crisis meetings turned into slanging matches, with an atmosphere full of personal resentment."

Astonishingly, nobody realized back then that inadequate communication was at the heart of the issue. Instead, each department doubted the competence of the others.

How did they work out that they were headed up a blind alley?

Uncomfortable truths

Summer 2010. Hoping that outside consultants could draw on external authority to give their employees a stern talking to, Stryker management hired the change expert Amel Karboul (see also brandeins 08/2014, "Geliebt und gehasst" [Loved and hated])* . The consultant nosed her way around the organization, asking production employees,

marketing managers and colleagues from other departments what they thought was not working and why. She sat in on meetings and heard how participants talked to each other.

Karboul does not believe in individual failings, she believes systems are to blame – the wrong rules, in other words. And so her analysis becomes a painful process of realization for the people that make the rules. In the fall of 2010, Karboul described a culture shaped by accusations, mistrust and an unwillingness to take the lead. According to Karboul, management did not exercise enough control and made opaque decisions. There was no feedback. Project managers were expected to do everything and intercept all difficulties. Above all, the core teams for the projects revolved around themselves instead of coordinating with everyone involved.

Karboul summarized her findings in words that everyone could understand. She formulated the governing principle as follows: “I’ll only love you if you love me.”

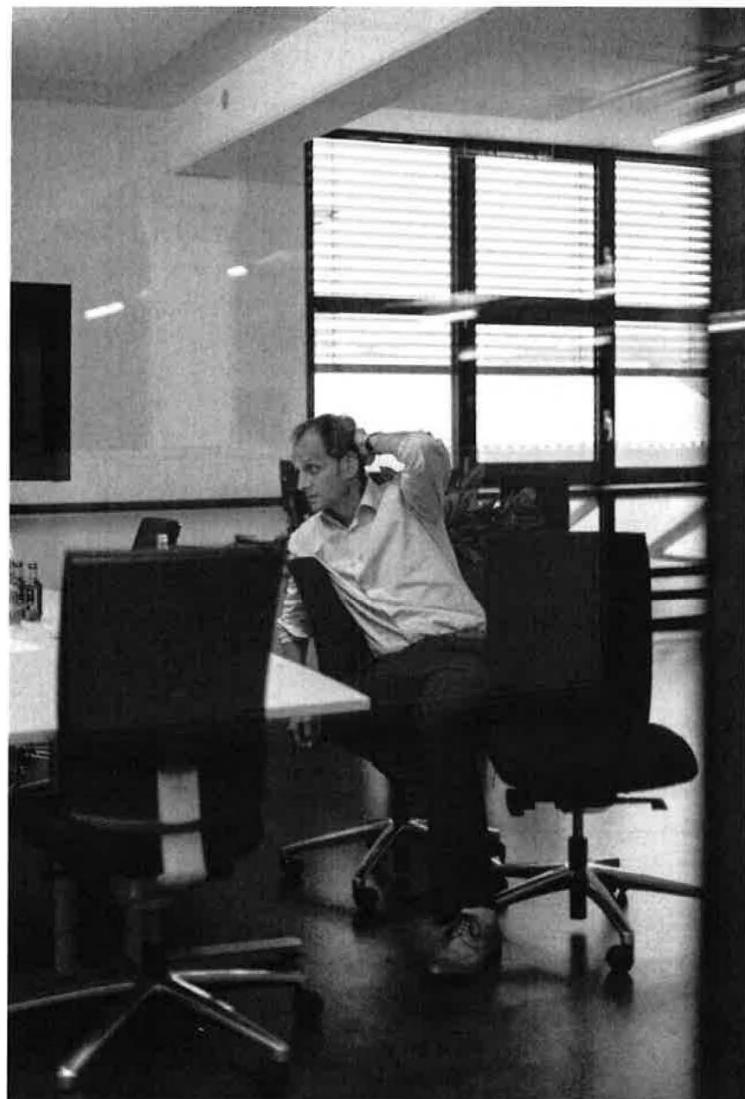
“Poor management,” is how Amir Sarvestani summarizes this analysis today. “She held up the mirror to us and kept nothing back. Realizing that we ourselves were to blame was quite a shock. But now that the problems were on the table, it was no longer possible to avoid them.”

They knew what they had to talk about – about their attitudes, the way they interacted, their communication. Put simply, good communication means everyone knowing what others are up to. And reacting to this knowledge intelligently. What specifically did they have to do? Consultant Amel Karboul deliberately left them alone with this question – “because people have to find their own solutions, ones that they are happy to put into practice.”

An unusual approach, but one that worked well at Stryker because the people involved felt that they were being taken seriously. So in early 2011, Sarvestani, Zimmermann, the then-CEO and even Björn Ritter, head of the disastrous tracker project, hunkered down in a meeting room. “Without this analysis, it is very unlikely that we would have given Ritter another project manager position,” admits Amir Sarvestani.

These were men who had continuously put a spoke in each other’s wheels – and it showed. But they knew that if they failed to find a way out of their plight, development at Freiburg might well be a thing of the past. It was this fear of an ending that

turned the situation around at Stryker. They were smart enough not to let the bigger picture overwhelm them, because communication can soon degenerate into cacophony. Instead, they wanted to try out new approaches in individual projects, using the same people who were previously unable to find



“She held up a mirror to us”: head of development Amir Sarvestani

a common language. As such, they decided on a route that Walter Ganz, Director of the Fraunhofer Institute of Labor Economics and Organization (IAO) in Stuttgart, Germany, describes as a real “show of strength”: a change process involving existing personnel. On the one hand, the benefits are obvious: “Employee expertise is already there, you just have to combine it in a different way.” But to build up trust, it is not normally enough to change the way you do things: “Because behind all this are values, experience and commitments that can be very tough to shift.”

At Stryker, they broke the power of habits. How did they manage this feat?

Rivals in the round

"With a hammer" was how they worked thing out with each other, remembers Sarvestani. But they let everyone have their say. Including the quiet Amir Sarvestani, who takes great pleasure in cultural issues. Or Uwe Zimmermann, who sees himself as an "executer," a "realist" who makes sure that things work properly."

And so they drew up a collection of simple rules for the development of a new navigation platform; rules that would get them talking more effectively to each other. And they avoided a common mistake here: they did not rely on communication taking care of itself.

They forced themselves to talk to one another. Amir Sarvestani enforces weekly meetings in which project managers and the bosses of the departments get together. People responsible for projects were no longer able to spend an hour claiming everything was perfect, instead having to wrap up their reports in a few minutes. Heads of department had to commit to specific legwork in front of the entire team. Everyone brings everybody else up to speed in good time, not waiting until things have started to fall apart.

Dieter Teschke, head of the Mechanics department finds it all "very liberating." Teschke's contribution to a development project consists of making enough mechanical specialists available. "Now I was finally able to plan in advance, which made things much less stressful." And developers also benefit from these meetings. Tolerance limits in production, the resilience of specific materials – they now find out about these issues during the design process itself.

The meetings are more than simply informal chats. They create knowledge and relationships between former lone fighters, who over time grow together to form a squad.

"Supporting instead of policing" is how Amir Sarvestani describes the change that Freiburg Stryker management imposed in early 2011 on Uwe Zimmermann's insistence. Instead of simply



*Enjoying the new sense of appreciation: head of mechanics
Dieter Teschke*

performing an oversight function, an "executive sponsor" from the top level of management now operates as the first point of contact for the project manager.

Sarvestani was the first to take on this job. If the project manager needs a quality engineer, Sarvestani finds one. If the project manager has to negotiate with marketing about deadlines and possibly superfluous functions, Sarvestani makes the call. If a supplier is causing difficulties, if a prototype keeps falling through, Sarvestani takes care of it. Can he do justice to this task? This is one of the topics at the weekly meetings.

This way, communication is also a top issue among top management. Amir Sarvestani is quick to see the benefit in not being able to simply talk about problems: "For the first

time, we at the management level also had very specific tasks, our performance became measurable."

They struggled through to the middle of 2012. A revolution made up of small steps. They completed their reference project with a delay of only three months and 15 percent higher costs. "And the quality was clearly better," says Sarvestani.

Two years later, the timetables for current Stryker development projects are up on the walls of Uwe Zimmermann's office and where previously large numbers of red bars were cause for alarm, green boxes now give the all-clear. It is obvious that Stryker has managed to change course. But will they manage to hold it? It would not be the first time that a change process floundered. After all, aren't habits the hardest thing to change?

New powers

At Stryker, they have managed this by taking three things to heart: They don't keep quiet about unresolved conflicts. They take time. And they have set their new dealings with one another in a solid framework to prevent themselves from slipping back into old ways.

Communication is power and in mid-2012, it is still distributed unevenly at Stryker. The heads of development projects come, as usual, from the research and development department and although production has a say, they have hardly any power of decision. Again and again, tensions arise and take up valuable time.

Which is why they break the power of the developers. They establish “Advanced Operations” with Uwe Zimmermann at the helm; a separate unit that simultaneously designs production of the developers’ products. They bring together developers, production specialists and employees from the departments from five different buildings into an “open space.” Above all, however, they for the first time put two people at the head of a new project, with a project manager from production on an equal footing.

This dual leadership is the most radical step that the company takes to force development and production to cooperate. After some initial hesitation, head of development Amir Sarvestani shared responsibility without reservation – because he had now learned to listen and trust others.

Such as mechanical engineer Björn Ritter, project manager of the failed tracker project. Originally, he was once again meant to bear sole responsibility for the new project, but more than a year after that fiasco he could well remember the feeling of being completely overwhelmed and the fear of the next blow. Ritter: “I didn’t want to go through hell like that again. I wanted dual leadership, no question.” So Ritter moved into a shared office with a mechanical engineer from production. They could see what the other was doing and did not have to waste their time in meetings. Ritter got prompt feedback from production, and vice versa. At first, each took care of his own set of tasks but increasingly the boundaries became blurred. It went so far that Ritter would present his colleague’s papers at management meetings.

“My problem is your problem,” is how Björn Ritter sums it up today. “We never thought that way before.” Now, teamwork functions at the highest level and changes the atmosphere all around it. Ritter can order components even though some tests have not yet been finished – which saves valuable time. He can hand over tasks to other departments. Head of the Mechanics department Dieter Teschke takes on responsibility for the design of the supporting arms for the monitor and camera because he now sees the request “as a sign of confidence in my department.” Production workers design workplaces for later production and check whether the planned cable harnesses can be installed in practice – something they would never have been allowed to do before. Now, they can be more than just laborers.

They talk to each other and that way they get better and better at working together. And because they work together, they also get better at talking to

each other. By the time they completed their second project in mid-2013, they had reached their goal. With a development period of twelve months, they were on schedule and they kept exactly to the cost framework. The new navigation platform sells well, without negative feedback.

Talking helps: the evidence is in.

Epilogue

A year after the longed for success, the second learning project at Stryker sets a benchmark. Even technology-obsessed engineers consistently use the new communication methods. Weekly meetings, supporters from the top management level and dual leadership for particularly challenging projects – at Stryker Navigation, all this is now common practice and it is also enjoying growing favor in the field of implants.

Is everything good now? Head of development Amir Sarvestani is sitting in the glass-walled meeting room of the “open space,” like a fish in an aquarium. Here and there he sees “a risk of burnout, because individual employees are on the verge of falling back into old patterns of behavior.” And even though the key performance indicators now are good, no-one can make a reliable statement about replicating this success in the long term, given the long development times.

But change through talking, through different attitudes, without obsessing too much about processes and documentation – for Sarvestani, this is still the right way. He is not looking for friends, he is looking for respect. And he knows he has to stick at it, which is why he keeps questioning his project teams about how they deal with one another and prompting them to suggest improvements.

Then he stands up: he wants to go take a look at a colleague’s presentation and simply walks into the room opposite, where the door is already open. That would never have happened before. Big changes are also about the little things.

*http://bl.de/A_Karboul