



Building on Wisdom



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Points to Ponder

- “The only true wisdom is in knowing you know nothing.” Socrates
- “Every man is a damn fool for at least 5 minutes every day. Wisdom consists in not exceeding the limit.” Elbert Hubbard
- Are we losing wisdom in the baking industry?



Summary of Presentation

- Impact of experience/wisdom on business results
- Strategies to capture experience/wisdom within the organization
- Ideas to convert this knowledge into cost-effective training programs



ABA/ASB Survey: 2015 to 2025

High or severe shortage of skilled employees:

- Maintenance/Engineering 78%- 78%
- Machine operators 40%- 61%
- Production workers 18%- 37%
- Salaried Maint/Eng. 59%- 62%
- Salaried Production 22%- 32%
- Scientists (QA/R&D) 21%- 38%
- Workforce issues number 3 on ABA list-2016



Impact on Business Results

- Costs of turnover
- Costs of overtime
- Increasing concerns of “bus factor”
- Focus limited to “urgent”, neglect “important”
- Concerns with asset care
- Increased risks
- Need to set up metrics and benchmark



Cathay Pacific Decision Matrix

Benefit Criteria	Cost Criteria	Other criteria
Increased revenues	Hard dollar costs	Risk
Staff relations	Resource consumption	Complexity
Productivity	Management time	Political factors
Cost savings	Business readiness	Time in queue
Crisis management		
Service support		



Case Study- VW Diesel engines

- “Defeat devices” installed to thwart emissions tests
- Affected 550,000 vehicles sold in US (2009-2016)
- Problem discovered by 3rd party- ICCT
- Results reported to EPA and CARB July 2015
- VW admits wrongdoing September 2015
- Value of company drops over 20%
- Cost of settlement \$ 14.7 billion



Methods of Learning Wisdom- Confucius

- By reflection
- By imitation
- By experience

Which is most noble?

Which is most bitter?



Strategies to Capture Experience/Wisdom

- Understand/manage barriers
- Consider company culture/subculture
- Invest in KM/IM systems
- Recognition and retention
- Forums for sharing/collaboration
- Create incentives



Barriers to Learning

- Dunning/Kruger effect: Unskilled persons over-estimate their competence. Highly skilled persons tend to under-estimate their competence
- Study inspired by case of bank robber with lemon juice “disguise”
- Lack of skill only recognized AFTER exposure to training



Barriers to Effective Knowledge-sharing

- Ignorance- Who has the knowledge?
- Lack of relationships- input is not sought nor offered
- Slow dissemination rate (average 27 months)*
- Ability to absorb and adopt/ratify

*Wall Street Journal



Company Culture

- Defined as “Values and behaviors that are reinforced by repetition.”
- 4 types of culture (Cameron/Quinn 1999):
 1. Clan (friendly/family)- internal focus
 2. Adhocracy (flexibility)- external focus
 3. Market (leader drives)- external focus
 4. Hierarchy (leader coordinates)- internal focus



Healthy Culture

- Appreciation for diversity
- Respect and fair treatment for all
- Pride and enthusiasm in work
- Strong communications (both up and down org.)
- Strong sense of direction and purpose
- Low turnover
- Investment in learning and knowledge

How interpret
“PASS ON?”



Knowledge Management (KM) and Ignorance Management (IM) systems

- Bayh-Dole Act (1978): Management of inventions by non-profit orgs from federally funded research
- Identify where knowledge resides- people, tools, tasks, subnetworks
- Motivation/incentive to share
- Design sharing mechanism to facilitate transfer
- Execute and evaluate transfer plan
- Practices include mentorship, guided experience, simulation, experimentation, work shadowing, communities of practice, etc.



ROI for KM/IM systems

- ID business goals- reduction of pain, lowering cost, improving quality, etc.
- Find business opportunities- recycle, republish, relocate, assure relevance
- ID specific applications- what/how/when/who/why of access
- Measure savings from applications
- Calculate ROI from estimated costs
- Influenced by degree of buy-in from leaders



Conversion to Training Programs

- Identify needed areas of knowledge and skill by audience- use this to develop topic/theme list (course syllabus)
- Identify contexts of knowledge/skill applications- use this to develop learning activities
- Use experienced and skilled trainer: tight design, build in social interactions, evaluation of learning
- Build in follow-up loops and refresher training



Example- Bread Production K&S

- Specific measures of quality
- Production standards- fixed and flexible
- Handling of raw materials
- Production rate
- How to operate machinery
- How to clean machinery
- How to observe GMPs and safe work practices



Example- Bread Production

- Types of quality problems/possible root causes
- How/why authorized persons adjust flexible standards
- Important raw material specifications- why they could change
- Why might the production rate be changed?
- What types of temporary repairs might we make?
Under what conditions are there injury risks?
- What specific tools and practices are needed to work safely and according to GMPs?



Training Program Design

- Where to build in automaticity?
- Application of Instructional Theory
- Proper balance of lecture, discussion, guided practice, coaching, evaluation
- Focused on goals
- Remedial options
- Participant involvement and application
- Process, not just an event!



What did you learn?

- There is great financial risk and urgency in the industry from the loss of talent
- Strategies to capture knowledge before it leaves the company
- How to convert knowledge gathering into training programs



Thanks!

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