Wax On, Wax Off- Coaching Kata

by Bob Zaruta, President/CEO, NWIRC

Last month, readers were introduced to kata - a deliberate pattern of structured routine to learn, improve, and master specific skill sets. Regardless if the targeted skill is a specific martial art, a musical instrument, a sport, or how we in business think and act to achieve improvement, kata can help provide the discipline and create habits required to overcome challenges, adapt to uncertainty, and achieve desired goals. If you saw the movie Karate Kid, you’ll recall Mr. Miyagi’s approach to teaching Daniel and the results of applying the wax on wax off, painting the fence with up and down movement, and the house siding with left and right movement. I also previously wrote about my personal experience as a football coach applying the improvement kata when teaching my players the steps to practice and perform tackling, both effectively and safely in the open field. At our event in December, Mike Rother, researcher and author of Toyota Kata, introduced kata to learn and teach scientific thinking to achieve superior results in business.

We know that kata is a structured, deliberate practice routine, and that companies like Toyota have gained a sustainable competitive advantage from practicing scientific thinking (kata) in its culture. But how does an organization begin to practice kata? The answer lies in the ‘Coaching Kata’. The 4 steps of the ‘Improvement Kata’ are:

1) understand the challenge; 2) grasp the current condition, 3) establish the next condition; and 4) execute/experiment. Improvement (or learning) occurs from deliberate, repetitive practicing these 4 steps. But simply repeating this series of steps in the improvement kata is not enough, the learner needs a coach. Without a coach, it’s human instinct to revert to our existing habits and ways of thinking. The new patterns of thought and behavior we are trying to establish will not withstand years of experience and the brain’s tendency to fill in the blanks. A coach is important because the learner may not know or see what needs to be corrected. Additionally, the learner needs a coach to provide support and encouragement as there will certainly be setbacks and new challenges, and to enable and promote self-learning. Someone once said, “tell me and I’ll forget, show me and I’ll remember, involve me and I will understand”. A coach should routinely and predictively ask questions throughout the improvement kata: “why is that important?” “what did you learn?” “what can you do to accomplish that?”. Like the improvement kata, the coaching kata needs to be a structured, deliberate practice routine. According to Rother, the coach’s responsibility is to manage the learner’s practice and it takes practice to learn how to do that effectively and instinctively.

If you or your organization is serious about practicing the Improvement and Coaching Kata, contact the NWIRC and ask for Mr. Miyagi (we’ll know you read this article). All kidding aside, we can help.

Critical Thinking is a Choice

by Lisa Pustelak, Employee Development Specialist, LEDGE Enterprises

In this world of instant gratification, we need to be extra careful of the way we think. Critical thinking skills continue to decline as we get used to a ‘quick fix’ for everything. ‘Same day service’ is a popular mantra and creates a way of thinking that isn’t always conducive to long-term sustainable solutions.

I use the phrase, “you can’t change something you’re not aware of” almost daily. If you’re not aware of whether or not you are applying critical thinking every day in your business, you may be going for the ‘quick fix’ instead of finding the root cause of an issue. This way of thinking can put a bandage on a problem temporarily, but just like a physical wound that’s covered up and not attended to, the problem may continue to resurface or even get worse. One of the most important critical thinking skills is

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keeping an open mind. We get very protective of our opinion and current way of thinking. When we choose to open our mind, we can see things from another perspective.

In the manufacturing industry, often times problems are identified with either a process or an employee and we tend to be quick to blame a person when something isn’t working. Maybe we need to look at the process instead. It’s possible we are not providing the person with the right tools, enough knowledge, or... the process leading to their work may be where the problem lies.

Whether you decide it’s process or people, applying critical thinking skills will help you move out of the ‘quick fix’ thought process and into a long-term sustainable solution mode. Just like we develop habits of doing things a certain way, we also develop a habitual way of thinking. When you constantly tell yourself you have too many things to do or we’ve tried to fix this a million times, this thinking becomes a habit.

Choose to make a habit of slowing down and concentrating on the problem at hand with an open mind. If it’s a process that’s not producing the desired result, asking “why?” only one time probably isn’t enough. Take the time to focus, ask lots of questions, and dig deep to find the true root cause. The time you spend applying critical thinking now will save you time addressing it again later.

Choose to become a critical thinker. Albert Einstein said: Education is not the learning of facts, but the training of the mind to think. When you choose to change your habit of thinking in quick fix mode, you will create long-term sustainable solutions for your business.

Lisa Pustelak is an Employee Development Specialist who helps manufacturing companies increase sales, improve customer service, and boost employee morale.

Side Note: A Critical Thinking workshop is scheduled for March 13th in Meadville with instructor Lisa Pulstelak. Check www.nwirc.org/events for details.

Family Business Advisor: Business Valuation Tool

by Susan Hileman, NWIRC Strategic Business Advisor
If you’re like the majority of business owners, your business is your retirement plan. Therefore, you want to build value to maximize profits. In my article last month, we looked at 6 critical financial aspects owners should evaluate prior to transition, one of which is to know the valuation of your business. That article described using a business valuation tool, such as CoreValue®, to assess how much your business is really worth. While there are other types of valuation tools, not the least of which is hiring a private consultant to provide a Certified Valuation Appraisal (which can be expensive), a quick look at the benefits of CoreValue® shows why this is an excellent option for manufacturers.

CoreValue® is a tested and proven methodology developed at Massachusetts Institute of Technology (MIT) and vetted by multiple business standards and organizations including the Natl. Association of Certified Valuation Analysts (NAVCA). Using a holistic approach and an experienced facilitator as your guide, your owners/management team answer multiple choice questions about your organization across 18 critical business drivers (9 internal operational drivers and 9 external market drivers). CoreValue’s proprietary algorithms then use business sales data to rate your team’s answers against other companies within your NAICS code, calculating your business value within an 85% to 90% accuracy rate. Based on the team’s answers, CoreValue can identify red flags showing high risks, provide a better understanding of value gaps and, most importantly, provide both a benchmark and recommendations to build value within specific growth opportunities. CoreValue is just one of the tools that NWIRC facilitates with clients using our Family Business Advisor services, but it is also beneficial to use with any company looking to grow their business. Within a family business, having the CoreValue assessment completed individually by multiple members can shed light on how aligned the family is to what is going on with their business.

Not only does CoreValue allow your team to align communication and build cohesiveness, but since the assessment is completed during two half-days, you uncover more opportunities in less time! This allows your team to tackle the ‘low-hanging fruit’ while completing and analyzing the next level’s deeper dive. With a focus on operations not financials, tasks and recommendations are evaluated based on ROI—essentially answering, what
can provide the ‘biggest bang for the buck’ to your business. Using simple language, a CoreValue assessment calculates the strength of your operations, identifying both your current value…and potential value. In a nutshell, it’s a business valuation tool which uses best practices to see how the market views your business. And it’s one of the best ways to help determine next steps in building organizational value and maximizing your retirement.

Susan Hileman is a Galliard trained Family Business Advisor, an Innovation Engineering Green Belt, and has degrees in Business Management and Speech Communications from Clarion Univ.

Impact of Low Temperatures

by Darren Sadowski, Advantage Energy Partners

This winter season has brought record low temperatures to the Northeastern region of the country. These temperatures are dramatically increasing the amount of energy required to keep businesses operating at normal conditions. During cold peaks, the demand for energy increases substantially across the grid. Homes and businesses alike are consuming more energy than normal to keep the temperatures at optimal levels.

Energy prices in the Northeast spiked due to winter storm Grayson. The record cold snap in the East is the primary cause for recent large storage withdrawals. The below normal temperatures for the majority of the lower 48 states have driven higher consumption of natural gas for residential heating and power generation. Withdrawals exceeded the 5-year average across the board. Working gas stocks are now below the 5-year average in all five regions for the first time in 2017.

Total consumption of natural gas soared 26% week over week, reaching a new all-time high on January 1st. Power burn demand jumped 18%; industrial consumption rose 8%, while residential/commercial demand increased 39%! The impact of cold weather is real.

How can you protect yourself and your business? If you have a fixed-rate energy plan, you have taken a step in the right direction. A fixed-rate energy plan prevents your unit cost from rising or falling based on market prices, which means that you don’t have to worry about the cost of each individual kilowatt hour skyrocketing. You should also review your energy contracts; many suppliers have conditions in place that will allow them to pass on extreme cost increases to the customer.

That said, there is a second side to the equation- consumption. Business owners should take the time to review, or have an energy consultant review, consumption from your energy bills. This will give you insight to consumption at various times throughout the year at a building or site level. There are additional tools in the market that will allow you to monitor your energy consumption in further detail, both at the building level or down to the plug/device level, as well as granular time intervals.

Now that you’ve taken steps to understand your consumption needs, act to optimize your consumption. Simply put, minimize your consumption; start by turning off lights that are not required. Be sure to change your filters in your HVAC system to ensure they are running at an optimal level. Use low-wattage efficient appliances, over the last few years advances have been made in appliances to minimize consumption. This is true for advances in computers, phones, printers, fans, heaters, and even coffee makers. Consider draft stoppers, these are special blocks or mats that you can put at the bottom of interior doors to keep cold drafts from moving throughout your facility. Creating an energy efficient environment doesn’t come from one choice, but of many both small and large.

During these extreme periods of weather, decreasing energy usage anywhere possible can help balance out your overall usage so that an increase on your monthly bill won’t be quite so noticeable.

Darren Sadowski is VP of Commercial Operations at Advantage Energy Partners. He has a BSBA in Management Information Systems from Robert Morris University.

The Erie office of NWIRC has moved to 8425 Peach Street and our phones numbers have also changed. Please see www.nwirc.org for a complete directory.

PLEASE VOTE!

WhatsSoCool.org

Northwest PA Contest (Erie County): Feb 26-28
North Central Contest: March 5-7
YOUR STRATEGIC BUSINESS ADVISORS

If you have questions, or would like to speak with someone from NWIRC about services, please contact your Strategic Business Advisor:

**Tom Weible**  
814.590.5202  
Cameron, Clarion, Clearfield, Elk Jefferson, McKean & Potter Counties

**Susan Hileman**  
814.572.2077  
Crawford, Forest, Mercer & Venango Counties

**Ed Barthelmes**  
814.923.3084  
Erie & Warren Counties

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UPCOMING EVENTS

**Improvement & Coaching Kata**  
Feb 6, 7, 8  
Location: Erie  
Learn and practice the Improvement Kata and Coaching Kata with expert guidance in establishing current and target conditions, identifying obstacles, and choosing ideas for PDCA (plan, do, check, act) cycles. This is a learn-by-doing program with simulation, practice, and mentoring by a TWI Institute Certified Kata Trainer.

**Root Cause Analysis (RCA)**  
Feb 8  
Location: Erie  
Root Cause Analysis (RCA) is a methodology for finding and correcting the most important reasons for quality and performance problems. Don't just put a bandage on the problem. Discover a disciplined approach to problem-solving and add RCA to your quality management toolbox.

**Statistical Process Control (SPC)**  
Feb 27  
Location: St Marys  
SPC is another tool for your quality management system. This hands-on class teaches integrated SPC charts, how to select and use the proper control chart, and establish control limits. Exercises will demonstrate data gathering, constructing the control chart, and continuous monitoring.

**ISO 9001:2015 Internal Auditor**  
March 6, 7, 8  
Location: St Marys  
This 3-day course will provide a detailed review of ISO 9001:2015 quality standard, including the most recent changes. Participants will learn how to conduct an audit, write the audit report, take corrective actions, and more.

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For more information or to register for training, visit www.nwirc.org