

# Keynote



## **Joel H. Benkie**

***Vice President, Operations, Parker Aerospace***

As Vice President of Operations, Joel Benkie has financial and operational responsibility for five divisions of Parker Aerospace: Air & Fuel, Aircraft Wheel & Brake, Gas Turbine Fuel Systems, Nichols Airborne and Stratoflex Products.



**SEA** **SUPPLIER  
EXCELLENCE ALLIANCE**

***In Pursuit of Supply Chain Excellence  
“As Good as it Gets”***

**Joel Benkie  
Vice President of Operations  
Parker Aerospace Group**

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***Supply chain excellence is a  
reflection of multifunctional excellence  
within the company***



## *What do these firms have in common?*

**A&P**

**JP Stevens**

**Levi Strauss**

**Kodak**

**Zenith**

**Polaroid**

**Sears**

**Singer**

**MGM**

**CBS**

**Firestone**

**K Mart**

**Arthur Anderson**

**General Motors**

**Armour**

**Texas Instruments**

**TWA**

**Holiday Inn**

**Timex**

**Woolworth**

**Westinghouse**

**RCA**

**U.S. Steel**

**AT&T**



***What do these firms have in common?***

***They were all voted  
“as good as it gets”.***





***“It’s no wonder that change and innovation is so difficult for established firms. They employ highly capable people – then set them to work within long established processes, business models and cultures that doom them to failure”***

**Clay Christensen  
Harvard Business Review**



# *Operational Challenges Affecting the Successful Company*





## **Companies that stay successful:**

- **Understand the pressures, act appropriately**
- **Invest in innovation and improvement whether times are good or bad**
- **Make process management and improvement a priority**
- **Recognize the need to change. . . .in advance**
- **Allow their cultures to evolve and change**
- **Take appropriate risks, reward risk takers**
- **Respect non-traditional or controversial thinking**

## **Companies that fail:**

- **Act, but don't act appropriately**
- **Are blinded by past success**
- **Maintain a rigid devotion to the status quo**
- **Allow their strength to become weaknesses**
- **Suffer from active inertia**





## ***Active Inertia***

***We act on an issue but our actions are not the appropriate response or we simply rationalize away the issue.***

***Comments often associated with active inertia:***

- ***“Our processes are so well tuned our company can run itself”***
- ***“If we do that, it may upset our customers”***
- ***“Our company always makes it’s numbers”***
- ***“We are the best in our industry”***
- ***“We need to maintain our gains”***
- ***“The Aerospace Industry is Different”***
- ***“It is our policy to always promote from within”***
- ***“Our culture is rooted in tradition”***
- ***“We know the keys to our success”***
- ***“But this is our core competency”***
- ***“We will never change our core values”***
- ***“Our company is the best in the industry...if we’re not doing it, no one else is”***



**Growth** → **Success** → **Inertia**

***Social and structural inertia are useful so long as environmental conditions are stable or changing slowly. However, when the situation changes dramatically, we know that managers typically:***

- Increase commitment to the status quo***
- Decrease vigilant information search***
- Increase conformity pressures***

**Or. . .Do More of What We Do Best!**



## *Why is Change Management Important Now?*

### Yesterday

- **Highly vertically integrated**
- **Component purchases**
- **North American focus**
- **Cost plus mentality**
- **Resource availability**
- **Highly mechanical**
- **P.O. placement**
- **High volumes**

### Today

- **Highly outsourced**
- **Systems and subsystems**
- **Global reality**
- **Market driven prices**
- **Lean**
- **More electronic**
- **Supplier management**
- **Mixed model**



## ***Role of the Change Leader***

- **Recognize the signs of active inertia**
- **Redirect activity to the appropriate response**
- **Be a consistent role model to others**
- **Recognize, encourage, and reward appropriate risk taking**
- **Communicate business and organizational challenges regularly**





# Summary

*Balancing all organizational challenges requires leaders to create an environment free of “organizational inertia.”*

## Strategic Frames

The set of assumptions that determine how managers view the business

## Processes

The way things are done

## Relationships

The ties to employees, customers, suppliers, distributors, and shareholders

## Values

The set of shared beliefs that determine corporate culture

## Blinders

## Routines

## Shackles

## Dogmas

Ambidexterity

Organizational Inertia





***“The name of the game is not who is winning today, but who is proactively changing today to continue winning in the future.”***

***Christine King  
CEO – AMI Semiconductor***

***“Any company who cannot thrive on change and innovation will wither from the boredom of repetition.”***

***Glen Bradley  
CEO – CIBA Vision***