

## Art Koch's Profit Chain® Tips

# The Supply Chain Revolution: Unlocking the Sustainable Profit Chain

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Hi Everyone,

It's expensive and risky to make new hires - especially at the senior-most level. But what if you didn't have to?

If you're looking to build a super team, I shared my 10 rules for doing so with *Chief Executive* magazine recently.

You can [read the article here](#) but I include it in full below.



### **Finding Geniuses And Castaways: 10 Rules For Building Super Teams**

Given that 17 percent of new hires quit within 12 weeks and 33 percent quit within 6 months, it's not easy to get hiring right. As we all know, hiring a new team member isn't clear-cut, is costly, and too often is a roll of the dice.

The good news is, you don't necessarily have to hire anyone new; you have an untapped and hidden free resource within your organization waiting and ready to be called upon. You just need to become intentional about finding it.

The best leaders get to know the people around them—not their name and job title, but details. For example, Elby, who works in a production cell, is a regional stock car champion but could never get enough financial backing to make a successful run in NASCAR's Cup series. Or Jim, who works in the machine shop, is putting four children through university. They're studying to become MDs, an attorney, and a schoolteacher.

I've discovered that, too often, individuals get pigeonholed. But to become better leaders, we must pay better attention and find the geniuses and the castaways in our organizations. This is how we're going to have industry-leading retention rates and become the employers individuals aspire to work for.

Geniuses within the organization can be introverts who keep to themselves or who might not have been able to attend trade school, community college, or university. Castaways can be those who ask the questions that make leaders uncomfortable or whose edginess makes insecure managers want to avoid. No matter the organization, becoming better leaders involves finding and nurturing the hidden talent of these and all other workers.

Here are 10 fundamental rules to follow to build super teams:

**1. Make contact.** Unconditionally, the first rule to learn is that leadership is a contact sport. Leaders must lead by getting out of their offices and physically leading the team. Follow Gemba principles (the Japanese term for the place where value-created work is performed): senior executives must spend up to 30 percent of their time on the frontlines and managers up to 60 percent.

**2. Lead from the HEART.** Early in my career, I worked with the authors of *Managing from The Heart*. The experience was transformative and allowed me the basis to sharpen my skills as a leader and grow.

Lead from the HEART entails:

Hear and understand me  
Even if you disagree, don't make me wrong  
Acknowledge the greatness within me  
Remember to look for my loving intentions  
Tell me the truth with compassion

**3. Let go of ownership.** Stamp out the words 'me,' 'my' and 'I.' Cultivate a culture of 'our,' 'we' and 'the team.' True leaders refer to our team, a subtle yet significant distinction between leadership and managerial mindset.

**4. Establish the value-added.** Ensure all team members know and understand the product you make, who the customer is, how your product differentiates in the market, and your company's value to society.

**5. Create a non-toxic atmosphere.** Create an atmosphere in which it's safe to share ideas. Bad results aren't viewed as "red;" the messenger isn't flogged. Rather, view results that fall short as opportunities for improvement.

**6. Embed KPIs.** Teach team members to know the "why" of key performance indicators (KPIs) and goals. Ensure each understands how KPIs roll up to make the business more competitive, best-of-class, and the place to work. Institute visual daily management with KPIs to drive communication, workflow, rapid problem resolution, and improvement of long-term initiatives.

**7. Promote inclusivity.** Cultivate a culture of inclusion for all associates to thrive as a team. Establish a community with face-to-face communication meetings, monthly informal birthday lunches, and quarterly performance meetings.

**8. Foster transparency.** Institute open, straight-forward communication for both individual and shared accountability. Ensure a "no-blame" philosophy.

**9. Expect excellence.** Build operational excellence as part of the organizational DNA. Make everyone part of the solution. Prioritize on-the-job training for continuous improvement and lean manufacturing principles. Ensure everyone has a role in the Operational Excellence model. All team members need to be able to shine.

**10. Honor each team member.** Look, listen, and hear all the team members for their impressive private life accomplishments. The regional stock car racer and proud

parent mentioned earlier are real people I was honored to work with and to tap into their skills and talents, leading to great successes.

Applying these fundamental principles will enable you to successfully build team participation and inclusion. The more you teach, share, and serve team members, the more they thrive. When team members know that their leaders care about them as individuals and want them to succeed, they'll remain with the organization and do their best toward helping it improve.

If you want to discuss this topic further and how it might impact your business, schedule a 30-minute call with Art here. [30-Minutes with Art info@arthurkochmgt.com](mailto:info@arthurkochmgt.com)

Carpe Diem,

Art Koch

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Find out more about "The Supply Chain Revolution" [here](#).

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Get your copy on [Amazon](#).

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## Art Koch's Profit Chain®

Create dramatic improvements to inventory velocity, customer service, and corporate profits.

If you have any questions or concerns about your operations and supply chain business strategy, please contact me by [e-mail](#) or at +1 (336) 260-9441.

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**Self-Ranking - Pick one of the four questions below and fill in your comments relating to the current month's newsletter in the space provided.**

1. Don't think this applies to your business or enterprise? (Write three to four reasons why it might not.)
2. A new idea and strategy; we need to work toward it. (Brainstorm the first steps.)
3. We can do better. We just need to modify our strategy, and now we are moving in the right direction. (What are the next steps to ensure success?)
4. Our team gets the time to keep their minds fresh, and we plan to live our dreams. (Comment on how you're ready.)



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Thanks in advance for your time and for being a loyal client. Looking forward to helping you and your team again soon.

Carpe diem,

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**Don't be afraid to call with any questions or comments.**

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Assessing the health of enterprise inventory and procurement practices.

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in·ven·to·ry / 'in-vən-,tôr-ē / noun

Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.

in·ven·to·ry is evil! / 'in-vən-,tôr-ē is 'ē-vəl / phrase

"Left unchecked inventory has many negative unintended consequences to profitability. It hides problems; therefore, it delays fixing problems!"

**Transforming Problem Chains into Profit Chains™**

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