

-- Speaker 0 00:04 Make it right. The manufacturing podcast manufacturing is a source of wonderment. Welcome to the makeup ride podcast. I'm Janet Eastman and that's how today's guest has described an industry he's been in for more than 40 years. Peter Gibbons is a business and supply chain executive who's been in manufacturing and logistics with consumer retail and specialty chemicals industries throughout his career. Most recently he served as head of development and product supply for toy maker. Mattel previously served as executive vice president of global supply chain operations for Starbucks and he's currently CEO of tire hub, a new national tire distributor in the United States. Peter, I'm really excited to talk to you. I know you have great stories, so welcome to the show

Speaker 1 00:57 Janet. Thank you. It's great to be able to take part in this.

Speaker 0 01:00 Yeah, I think we're going to have a really wonderful conversation and I loved your description and how you described manufacturing. Now, dictionary.com describes it as to make or produced by hand or machinery, especially on a large scale which is not nearly as magical as what you call it. So explain to me again why you think that manufacturing is so fascinating.

Speaker 1 01:27 So I was fortunate enough to be in my first factory as a, as an 18 year old. So it's been a long time and there's just something about, uh, factories and plants and manufacturing where you see people and engineering and processes and raw materials, uh, coming together. And at the end of it you see something you've made, you see a finished product, which you might find on the shelf of a store of some kind or something that gets mailed to by Amazon. But just that whole, uh, combination and synthesis of people and engineering machines and materials to create a product that someone's going to use is just, to me, it's a fantastic thing. Something I've loved and had been fascinated by ever since I first walked through the door, uh, for my first manufacturing job as an 18 year old out of high school.

Speaker 0 02:17 So what was that first job like?

Speaker 1 02:20 Well, I was on the floor of a local factory that made cushion floor. It made vinyl flooring and I was in the packing department working 12 hour shifts Monday to Friday, six hours, Saturday or Sunday, had more money in my pocket than I think I've ever had since. And I just got to work as a, it was about three months before heading off to university, I got to work in the floor and just see this, uh, incredible. Uh, it was a new factory built experience. The people, the challenges, the relationships, the uh, uh, the tensions, you know, things breaking, things not working. Uh, and, and you, you just saw a different application of technology and science and people that I hadn't seen before and, and I just loved it from the minute I walked in the door.

Speaker 0 03:07 Hmm. So with all your experience, what do you believe is at the root of success or failure in a manufacturing facility?

Speaker 1 03:17 Well, I'm going to tell you a little story if you don't mind, if that helps. Is that okay?

Speaker 0 03:21 Absolutely.

Speaker 1 03:23 So I remember in our factory in Redding, Pennsylvania, we were getting a demonstration of some work that had been done, a Kaizen event to help work out how to make a paint packaging line filling line run more effectively. And during the demonstration of how this a changeover normally to place a lady called Annie who'd been in the plant for 30 years, 25 30 years, she showed us how she had to get an old wooden stool stand on the stool, lift a three foot bar of metal above her head to close a valve that she couldn't reach. And then at the end of the change over, she'd have to jump on the stool again, lift up this three foot bar of metal to reach the valve and then open it again. If I were telling you that because unless I will happen to be there seeing Annie do that, there's no way I as a senior executive really ICI would ever know that we'd created a process as bad as that.

Speaker 1 04:18 And you know, the reason I go there is that, you know, at the success or failure I have manufacturing plant is the fact that the people who know best, how it really operates, what really happens on the day to day, other people on the floor and the supervisors. And so as leaders, if you can create a transparent, open two way communic --

-- ation flow where you're genuinely interested in improving things, solving problems, making things better, then you'll find those things out. If you're doing, if you are kind of command and control, you know, push, push, push to get volume, uh, people give up telling you things cause you're not going to fix them and they never get to you and you're trying to solve the wrong problem. So the best plants are the ones where people are open to understanding how does it truly work and what are the things that get in the way of people making the plant run faster, better hit schedule, create better products, better quality, right? First time and I, I've always remembered Annie, I'd flown in from Cleveland to visit that plant and how proud she was to show me that they'd redesigning this process. But then also how worried I was when I left. Cause I thought there are so many things, I don't know, I've got to make sure that people can talk openly about the things that get in the way of them doing a good job.

Speaker 0 05:37 So as an executive, I'm presumably you're not at the plant all the time, so you don't get the opportunity to regularly walk the factory floor. And when you do walk the factory floor, you see things like Annie, right? So how do you, how do you actually get it to the point when you do go to visit a factory? All the people there aren't panicked. Like, Oh no, Peter's coming today. You know, because everything has to be perfect. So you know, they, it doesn't look like there's any issues. How do you create that openness?

Speaker 1 06:10 That's a great question. So you have to tell your teams, you have to tell your leaders that, Hey, I've been around so high walk round. You've planned and everything's perfect. I know it's not true cause I've run factories over in the world. So I've always had a rule that said, you're not allowed to do any cleaning or organizing before I arrive. Right. And I'm going to ask people on the floor, did you have to do a lot of work for my visit? And very quickly people learn, I'm serious when I say you really mustn't do anything because I want people to understand. I've been around, I've seen it. So they don't have to pretend, they don't have to fake it for me. Factories of complicated, difficult places. Uh, and I know that. And then you want to build trust amongst your senior leaders where they are open to ideas that the believe in transparency, that there's no such thing as bad news.

Speaker 1 07:00 There's just information, some of which is more or less difficult than other information that transferring good practices and good ideas is a good thing. Uh, having common metrics, uh, having, uh, a realization that there's lots of scope to improve and it's okay. It's okay to talk about, uh, problems that you phoned is okay to talk about improvement opportunities. It's a lot to do by the way, John, it, it doesn't happen overnight. But if you can create the right mindset amongst your leaders, and by the way, you'll learn that some of these leaders have no intention of doing this. They only know one way of doing it and it's just demanding more volume. Uh, they're not really involved in how to make it better and you can't keep those people, but you want to create a collaborative, engaged senior leadership team who really want to learn how to make things better, how to make product faster, better, more effectively, and do it through people. People before the answer, they're not the problem.

Speaker 0 07:59 <inaudible> now you've been on both sides of the leadership. There's been a leader ahead of you and a leader behind you. When you meet those leaders, and you've already mentioned it earlier, you said, you know, there are some people who only see it one way and that's, that's how they're going to lead. But why do and how do most manufacturing leaders get it wrong? Because I don't think that most of them yet. Well, what do I know? But I wouldn't think that most of them are just like, we just got to get it out the door. Like I think they do actually want to do a good job, but why do they get it wrong?

Speaker 1 08:33 So they get sent signals often that, uh, in today's highly competitive world, you know, it's easy to send signals that say, don't ask for more resource, don't ask for capital. You know, don't spend more on maintenance people. Find what I would call the easy ways to hit targets. You know, cut the maintenance budget, cut the training budget, cut th --

-- e travel budget. Uh, you know, we, we sometimes box people in and we, uh, we, we make them forget that the biggest prize comes from genuine productivity. Uh, the American economy's a great example of four fabulous productivity does, uh, over the last 50, 70 years of manufacturing productivity in American factories has traditionally been higher than anywhere else in the world. And you know, as a good manufacturing person, I, I want people to embrace the idea that productivity and aligning, learning to make a product better, more efficiently, higher quality, yeah.

Speaker 1 09:34 And challenging all the things that get in the way of you doing that, that that creates a virtuous cycle. You know, telling someone just cut costs, just get rid of people. Just, uh, you know, have a hiring freeze and a capital freeze. You know, those are a set of responses to competitive problems, but there are very narrow minded set of responses in my view. Right. You can do that for a short while. The real answer is how do I learn to create a better factory, more automation, better ideas, better yield, more engaged workforce, more ideas from the workforce. That that to me is a, uh, an aspiration, which I think brings out the best and, and people and leaders.

Speaker 0 10:16 So how are how you been able to gain the respect of your employees? Now you've, you've made a couple of comments already that has made me think that, you know, I know some of the ways you've done it, but how have you been able to gain the respect of your employees? So they do feel they can trust you.

Speaker 1 10:33 So I call it the grocery store test. You know, if you're running a factory and I set a tone, a, a reasonable size city of town, there's a good chance when you go to the grocery store on a Saturday, you're going to bump into somebody who works in your plant. There's a good chance that when you go to pick up your kid from soccer practice or baseball practice, the, the, the mum or dad and the car next year maybe watching your plant, if you create an atmosphere of where you can engage in that more casual social setting as two equal adults, you've got a problem. And it sort of starts with a mindset that says we are essentially equal, uh, you know, adults with the same kind of problems and challenges and our, and our lives as we raise families or do whatever we do.

Speaker 1 11:17 So to me that, that's the first test. Do you view people in, not in that way? Um, you know, another test is, uh, do you sit with people regularly? When I visit plants or visit, eh, you know, different facilities we have, we always have round tables. You get a dozen employees round the table with just using the leader and you just talk as adults and you, you, you gotta be open to hear what people have to see. You want people to know that you're interested in what they're telling you and what they're seeing. Uh, I think I mentioned to you once about our, about labor, Dave, when I was at ICI paints and North, we approach labor day one year and realized we were going to work overtime on the Saturday and the Sunday. And you know, labor day is a holiday that was instigated to celebrate people's work and give people an extra day off to celebrate the fact that they work hard.

Speaker 1 12:09 And here were we heading towards labor day. Mark only work overtime in the Saturday and Sunday. It doesn't sound very respectful. And we vote as a leadership team that come the next labor day, there'd be absolutely no overtime and that we would have known some months beforehand or that there'd be no working over that holiday weekend. And as we got to close to that month, we came up with an even stronger idea of which was, we were gonna send everybody home four hours annually on the day before the labor day weekend. And we did, we got everything sorted out and arranged and hit our targets. And once before labor day, we told everybody they would be off for the entire three days. And as we got to the final day before labor day, we closed every shift, four hours early and paid people for the whole shift. It's just a story. It's just a one off thing that we did what we did it from there and I'll actually, but yeah, that, that is a signal of, of respect for people. So, you know, meet people, talk to them, treat them like equivalent adults, ask for their ideas, you know, find tangible ways of showing respect. Uh, and one way of showing respect is to respond to people's que --

-- sions and ideas. So I could go on about this all day. I should really pause cause like I get too excited about this.

Speaker 0 13:21 No, but when you had spoken to me about that story earlier, when we previously spoke, you said you got pushed back on that. You said people had said there's no way we can shut down over labor day weekend. It's never been done before. Like how did you, how did you say yes, you drew that line in the sand, you said, yes we are. We're going to make it happen. How'd you get everybody on board?

Speaker 1 13:45 You know, we, we, we, we had a really good discussion about it. I mean we, we had a very open and lively debate and when people push back a bit, uh, one of the points I made or a few other people made as well was, Hey, we've got a year to plan this. You know, with 12 months ahead, we can't change this, this month's labor day weekend. But what if we just made this something that we, we practiced and we, and we'll learn how to do. And it was a great team. We don't agree it team of leaders and people do resist change. Sometimes people, uh, smart people sometimes just can't help but tell you why something won't happen. They don't necessarily mean it, but your brain kicks in and you think of the three reasons why, you know, you know, the boss is wrong, but we had a good debate. We had good discussion, we allowed that to carry on and then we all held hands and said, no, we're doing it. That's it. We're all in. We're all in this together.

Speaker 0 14:42 So we did that. Yeah. Yeah. I think that's a fascinating story because what ends up happening with that is you go and you tell your that they're getting that entire weekend off, which they've never had before in their life. They're getting an extra four hours off. They're getting full pay. They actually do get to spend labor day with their family if that's what they choose to do. What was the result after that with employees when you move that plant forward? Did you see, did it help drive improvement across the plant?

Speaker 1 15:15 Well, do you know? It did a couple of things as, as a great question. First of all, we had to double down on our efforts to stop having to let work overflow into weekends. So in the months before that particular labor day in 2005 we put a lot of focus in, you know, why don't we hit schedule, right? We've got to learn to hit the plan, hit the plan in the five days. So we, we improved as a manufacturing network of, you know, 10 factories or whatever when it happened. We got a lot of positive feedback. Many people were very generous and positive in the feedback. And then there are a few people who rightfully said, Hey, yeah, find out the same other holidays. Right? It's not just labor day. That sometimes happens. And, and that helped then create a challenge for us to say, Hmm, we need to just get better at this in general.

Speaker 1 16:04 And what it pushed us to readdress was to stop thinking about Saturday as being an overflow day. If we didn't quite make the schedule, how do we, how do we get work done in time? How do we become better? Uh, not scheduling less work, but how do we become better at, uh, using our continuous improvement program to attack the causes of why we miss our schedule. And so it became part of that virtuous continuous improvement cycle, uh, encouraged by the fact that employees responded to it so well, right. People came up to it and said, gosh, yeah, wow, this hasn't happened before. Can it happen again? Well, both 4th of July. What about Thanksgiving? And we became a better organization because we paid more attention to making sure that people got the right amount of time off. And we weren't just driven by delivering extremely high levels of customer service. We were driven by delivering high service, but doing it in a way that wasn't, uh, overly encroaching on the life waves in this. And, uh, the spare time, the free tape of our employees.

Speaker 2 17:10 Yeah. And, and I think there's a lesson in there for all of us because Saturday should be a day off. True stories from the manufacturing floor can teach us so much, and Peter Gibbons has a wealth of them from his 40 years in manufacturing. Next week, he'll share his approach to taming this beast we call manufacturing. John is then, that's our show this week. Please check out our Twitter and LinkedIn feeds and subscribe and share this podcast with your friends and colleagues through iTunes, G --

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