Sustaining the Change
A Leadership Challenge

Ellis A. Jones
GM, Race Tire Manufacturing
Goodyear Tire and Rubber
Waste savings critical to delivering 2015 earning contribution

- Waste savings required to reach earnings contribution

Plant Cost Walk 2014 vs. 2015

2014 Actual: $46.5M
- Headwinds: $1.7M
  - $1.5M
  - $2.7M

2015 AOP: $44.0M
2014 Waste Cost $8.7M vs. 2015 Waste Goal $6.0M

$2.7M Gap to Goal

- The team became immune to the traditional way of looking at our waste
- People cared but felt it was a cost of manufacturing race tires
- Culture was comfortable with expecting what we got and playing not to lose

Waste Became Part of the Standard

Started to See It as Their Work Being Wasted

- In terms of pounds, for every 2 tires produced we scrap the equivalent of 1 tire.
- We had never stated our problem in these terms
- To see it was sobering for the organization.
Sustaining the Change: Capstone Project – Proposal

- Create waste process maps to help the team understand the point of occurrence in each process area.

- Implement systematic problem solving process using A3’s and root cause analysis in each process to define the problems and identify counter measures.

- Weekly waste walk to review progress and coach the team through the process.

- Review opportunities to produce “One Race at a Time” to reduce changeovers and extend runs in the Component Prep areas.

- Review opportunities to mount tires in the plant.

Additional opportunity not related to original project.
Potential Saving = ~$2M (see VSM)
Sustaining the Change: Capstone Project – Results

Financial

- The team achieved $1.2M in savings

<table>
<thead>
<tr>
<th>Waste</th>
<th>Savings</th>
<th>Gap to Goal</th>
<th>2015 Goal</th>
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<tbody>
<tr>
<td>$8.7M</td>
<td>-$1.2M</td>
<td>$7.6M</td>
<td>-$1.6M</td>
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Culture/Systems

- **Continuous Improvement**
  - 8 CI Projects Submitted for Regional CI Award Recognition
    - 2 Honorable Mentions
    - 1 Winner

- **6s Starting to Stick**

<table>
<thead>
<tr>
<th>6s Level</th>
<th>Color Code</th>
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<tr>
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<tr>
<td>6</td>
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</table>

- **Visual Management**
  - Tier Reviews
  - Pulling in Business Partners

- **Strategy Deployment**
  - Hoshin Planning
  - Strategic A3’s

- **One Race at a Time Concept**
Sustaining the Change: Tell me How You Really Feel

“Don’t take this personal but we have no expectation of you”
Sustaining the Change

Earning the Cultural Right

Who’s working for who?
Are you working on what the team feels is important?
Sustaining the Change...Earning the Right

Technical Right

Tools
Consultants

Cultural Right

Earn Trust
Value People
Our Needs
Self Help
Sustaining the Change: Guiding Principles

- “Home Safe” Every associate is empowered and has the personal responsibility to stop the process to remain safe.

- “Produce a Quality Product” Every associate is empowered and has the personal responsibility to stop the process to ensure we produce a quality waste free product.

- “A Great Place to Work.” Think people first and build talent; reward engagement, innovation and creative thinking.

- All associates are encouraged to improve their work and try new things.

- One Team - One Goal: Stakeholder alignment through trust, accountability and transparency.

- Uninterrupted product flow through the elimination of all forms of waste.

- Protect the Goodyear Brand through superior on track performance driven by continuous improvement in our quality systems.

Principle based system to drive performance...Principles Matter
Continuous Journey Framework

1. Case For Change
2. Develop Roadmap
3. Develop a Winning Mindset
4. Achieve Early Wins to Build On
5. Build Capability for Growth

Don’t stop changing
We are re-thinking our race strategy
- We think the investment is too high
- We don’t understand the ROI

Analyzed the business and...
They have prepared the plan
Execute the cost cutting plan
Sustaining the Change: Roadmap

*Where We Are*
- Lack of Vision / Roadmap
- Low Associate Engagement
- Business Rationalization
- Customer Focused
- High Leadership Turnover
- Dedicated / Proud Workforce

*Business Trends*
- Race Rationalization
- Positioned in NASCAR & NHRA
- Class A S&OP Requirements

*Key Strategies*
- Define Success
- Focus on the Core Business
  - NASCAR & NHRA
  - Build Organizational Capability

*Key How To’s*
- Strengthen Communication & Engagement
- Operational/Process Excellence
- Talent Management
- Cost Management

*Our Destination (2014+)*
- Preferred Supplier of Race Tires
- Learning Organization
- Lower & Flexible Cost Structure

- Great Place to Work
- Clear Stakeholder Alignment
  - USW + Plant Leadership + Race Operations

*Focused on aligning the organization...Direction Matters*
Sustaining the Change: Developing a Winning Mindset

**Old Mindset**
- Blame People
- Living in the past
- Lack of transparency
- Don’t speak with facts
- Need Certainty - No Change
- Control/No Trust
- Can’t do that! it’s Race
- Excuses
- Negotiate…What’s best for me

**New Mindset**
- Focus on The Process
- Looking forward
- Transparency
- Speak with data
- Continuous Improvement
- Empower/Conditional Trust
- It’s Race! Why can’t we?
- No excuses
- What’s best for the business

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Where the Magic Happens

Your Comfort Zone

You need to be comfortable being uncomfortable... Mindset Matters
Sustaining the Change…Critical Success Factors

- Structure
- Capability
- Environment
Sustaining the Change: Structure

Is the structure aligned with the change?

Top Down

Is the structure aligned with the change?

Bottom Down

Empower the Team
ICM Cultural Characteristics: What we aspire to be...

Customer Obsessed  Value Driven
Transparent
High Performing  Safe
Mutual Respect  Trust
Wellness  Learning
Recognition  Engaged
Systems Thinking  Integrity
Problem Solving  Fun
Aligned

We think of it as more than making tires...all encounters matter
Sustaining the Change: Environment - Management System

Ellis Jones
Strategy Deployment
Defines & Aligns Winning
Creates Line of Sight
Clarifies Purpose
Plan•Do•Check•Adjust
Leadership Standardized Work
Individual Performance & Development Plans

Jennie Tinney
Visual Workflow
Identifies the Process
Workflow Management
●Safety Target Zero
●Maintenance
●Product Development
●Projects

Bill McEvoy
Team Huddles
Improves Communication
●Interactive
●Two Way
Follows a Standard
Recognition Accountability

Cory Duval
Tier Reviews
Initiates Problem Solving
Metrics Always Updated
Daily, Weekly, Monthly
Transparent: Red/Green Accountability

Claude Wagner
Problem Solving
Drives a Systematic Process
●A3
●8D
●DMAIC
Problems Openly Discussed

People Development

Effective Execution of the Management System Enables our Operational Excellence Journey
Tier Reviews: Daily Performance Review and Accountability

Tier Reviews were designed to drive the accepted behaviors while measuring performance and setting priorities for action

- KPI Accountability (Red/Green)
- Metrics Updated Daily
- Scheduled Day and Time
- Performance Report, Insight and Action
- Identifies Problems
- Includes an Escalation Process

Manage visually...Accountability Matters
Sustaining the Change: Environment - Organizational Health

Two Requirements for Success

**Smart**
- Strategy
- Marketing
- Finance
- Technology

**Healthy**
- Minimal Politics
- Minimal Confusion
- High Moral
- High Productivity
- Low Turnover

Model for Improving Health

- Build a Cohesive Leadership Team
- Create Clarity
- Over communicate Clarity
- Reinforce Clarity

The Advantage: Why Organizational Health Trumps Everything Else in Business: Patrick Lencioni

Strong Team Health is Imperative to Sustaining Change
Sustaining the Change: Building Capability

- **Coaching**: Help others achieve performance breakthroughs
- **Influencing**: Change behavior & results using the 6 sources of influence
- **Problem Solving**: Use a systematic process to identify and solve the right problems
- **Systems Thinking**: Standard method of prioritizing and executing projects on time
- **Acumen**: Emotional Intelligence + Intellectual Intelligence = ACUMEN
- **Lean Thinking**: Creating Value. Pursue perfection through operational excellence

Build a curriculum to close the capability gap
Are you driving the right behaviors to influence business results through a sustainable process?

- Make safe happen
- Demonstrate accountability for business results
- View our work through the eyes of our internal and external customer
- Take deliberate action to ensure the organization remains attentive to process
- Stay curious while challenging problem solving rigor and decision making
Sustaining the Change: Define and Align...Deployment

2017 Plant Strategy

2017 PLT Strategy

2017 Strategy
Business Team A

Extruders
Calendars
Cutters/Bead

2017 Strategy
Business Team B

Tire Room
Curing
Final Finish

Catch Ball...Create line of site and engage the team
# Sustaining the Change...Achieving Wins

## 2016 Continuous Improvement Monthly Submission Status

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<tr>
<th>Month</th>
<th>CI Submission Project Name</th>
<th>Recognition</th>
<th>PST ID</th>
<th>Safety</th>
<th>Quality</th>
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Total: $1,083,798

ROI YTD @ 93%

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**On the floor Engagement & Insight**
Sustaining the Change: Building Capability

Operational Excellence Leverage Points

Pursuing Perfection
Cory Duvall

Safety, Wellness & Environment
Matt Kelly

Shop Floor Engagement
USW
Tom McIntosh

6s
Ryan Smith

Quality Systems
Claude Wagner

Continuous Improvement
David Coleman

People Development
Mario Edmonds

Total Material Flow
Jennie Tinney

Productive Maintenance (TPM)
Chris Wozniak
Sustaining the Change: Lead with Courage

If your going to lead...lead!

“Respect is earned, honesty is appreciated, trust is gained.”
- Unknown