

Chapter One

LEAD FROM THE
GROUND UP

Jane Delaney could take no more.

“Enough!” the CEO of Southcape Software told the representatives of Nexplas, her key client. “Enough. Do you understand how hard we have worked for you on this project? And how much we’ve delivered? And yet all you’ve done today is pick at problems and criticize our work. You show us no respect.”

Making an effort to show support for her team, she gathered herself and continued, “I realize you’re my customer, but our company will *not* be treated this way. We will fix the issue. At Southcape we always deliver for our customers. We simply need a little more time.”

Andrew Ward, VP of Nexplas, fixed his gaze on her intently. They had been working on this project for six months now and had yet to complete the first key milestone. Unless things changed dramatically—and immediately—both the project and the entire relationship would unravel. They had to talk.

“Jane,” he said, firmly, “we do have a problem. And I do not think we are going to solve it here in this meeting. Can we talk in your office?”

The two of them sat facing each other over her desk.

“The problem is *you*,” Ward said.

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“What—” Delaney blurted out before biting off the rest of her response. He was the client and this business was not going well but ... well, *really*?

“What do you mean by that, exactly?” she started again.

“The problem is you,” Ward repeated, with a calmness that exasperated her.

“After all the lecturing on developing partnerships with your suppliers, now, now you shift the blame to us?” said Delaney, who caught herself and added, “We may have communication difficulties, but in my world communication is a two-way street.”

“I didn’t mean you as in your company,” he corrected her. “I mean *you*, personally. You’re the senior manager here.”

She glared back at him, incredulous.

He looked at her openly and said, “As execs, it’s *our* job to make sure our people succeed. They have a right to succeed, not an obligation. And this creates clear obligations for us as managers—as bosses. We need to understand the details of their work to help them overcome all the obstacles that stop them from doing a good job: the safety issues, the overburden, the bad organization, the faulty material, the poor work methods, and so on. That’s *our* job.”

“What makes you—”

“Look, I believe that *you* need to figure out what the client wants. *You* need to understand what your teams do every day. All so that *you* can help them succeed—and we can finally work together in a more constructive manner.”

He paused while she simmered, furious at being lectured. She resisted a quick response, all too aware that as a successful woman she was always in danger of being judged as too harsh or too emotional. She hunkered down in her chair and fixed an impassive stare on him.

“Please, I realize it’s hard to hear. I am sorry, but I need to say this,” he continued. “I came here to see what was going on and after the session we’ve both witnessed I am ready to pull the plug on the entire project. Which is what my procurement manager has advised.

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You'll agree that this was more of a wrestling match than a productive meeting, and quite frankly, our commitment to value-creating work does not allow us such waste."

"But—"

"However," he cautioned, "because this project is critical for us, and in the spirit of making every effort to understand each other, I've asked to have a word with you in private, and I'm standing here trying to get through to you. The question is: are you listening?"

She resented his arrogance, chalking up some of it to his survival skills in the world of automotive bullies. Truth is, as she checked her anger, she had to admit he wasn't being that overbearing. Direct to the point of rudeness maybe, condescending, probably, but now he stood quietly, looking at his shoes, as if *he* were embarrassed.

Damn, they looked so young these days. She'd bet he was hardly 40, a tall thin guy with receding black hair and bags under his clear blue eyes. He was the European VP of Nexplas, a large automotive supplier, and had made the effort to visit their offices. This was unusual in itself—she usually dealt with IT people, rarely with the top dogs themselves.

Heaven knew Southcape couldn't afford to lose yet another contract. You can do this, she told herself. Save face, save the contract.

"What do you mean, the problem is *me*, personally?" she asked with a less combative tone. "I've only been involved in this project since Peter Rodriguez left the company and left us all in a lurch."

"Well, that is part of the problem, and why we'd like to make an effort to continue working with you guys—we enjoyed working with Peter and by all accounts he did a terrific job for us. In fact, he gave us advance notice that he was looking for another job because he couldn't stand working for Southcape any more."

"He did what?" she started. "He went behind my back ... and told you that he quit because of me? That's—"

"Not you, specifically," he interrupted.

"Then what—"

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“Yes, we knew what was happening and did nothing about it—that’s on us. We have certainly not done our best to continue the partnership, which is why we’re having this difficult conversation now.” He pressed on, with a distant look that gave the impression he was not entirely comfortable with his message. “But you’re the CEO. That’s what I’m trying to tell you. It all comes down to *you*.”

“What? Forgive me, but we’ve been dealing with shifting and rarely explicit expectations—not to mention resistance to the things that we know we do well! And now you’re saying that it’s *my* fault!” she said, wondering if she was going too far in defending the company by citing her complaints with Nexplas.

“Yep,” he answered coolly. “And I know the feeling—my CEO told me the same thing a long time ago, and I took it really badly. How could I be the problem, right? Nothing else was working!”

“Please let me try to explain. In many ways this all comes down to respect, as you said. Respect is a practice that has many important meanings for us at Nexplas. Our main strategy is to develop the company through the development of its human resources. We have a general phrase for this: *lead with respect*.

“Our core belief is achieving our objectives through developing people. *Lead with respect* is a practice, mind you—a number of actions and approaches that enable us to realize this as something we do, rather than something we merely say.

“We *respect* people’s experience and creativity, and their right to feel safe and succeed at what they do: customers, employees, and suppliers.” He ticked off several points on his fingers as he spoke.

- We *engage* everybody all the time in problem solving, together, by making every effort to understand each other’s point of view.
- This guarantees *quality, productivity, and flexibility* as we try to eliminate nonsatisfaction and nonvalue-added work. At the end of the day, productivity is wealth.

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- *We share success and reward involvement and initiative,* which makes our respect promise credible and sustains our long-term growth. Customer satisfaction simply can't happen without employee satisfaction.

"And that's it," he said, staring at his open hand reflectively. "Lord knows we don't always succeed, but we struggle to follow this practice every day. This is never easy and it never happens on its own. It's a tough slog—especially for the CEO who must lead this. That said, it's essential, and if you can't understand what we mean by *lead with respect*, I doubt that we can continue to work together.

"Let me backtrack," he said, leaning back against the wall. "Partnerships are very important to us, but not on any terms. We look at every business situation as both *results and relationships*. We try to be clear on what we seek from both. Results are clear, measurable goalposts, whether financials or operational. We all know about that."

She nodded, tight-lipped.

"But we also understand that sustainable results can be achieved only within stable relationships based on mutual trust. We've found that results are an outcome of step-by-step improvement, which can only happen within strong relationships, which involves a commitment on both sides to make the partnership work. Attitude is key and the first step is a genuine effort to understand each other."

"Amen to that," she quipped at his sermon. "But shouldn't you practice what you've been preaching to me? How can you speak so highly of respect when your company's reputation is based on its mastery of *lean*?"

"So?" he asked, taken aback.

"So?" she repeated. "We all know what reputation lean has: relentless productivity gains, management by pressure, people working until they drop. Grinding suppliers into the ground. Scraping up pennies where you can find them ... I'll be damned if I let Nexplas use any cultish program to justify such ghastly methods."

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Now it was Ward's turn to be exasperated. "Yes, lean is the mainstay of our strategy," he replied, edgily, "and lean is why we grow twice as fast and twice as profitably as our competitors. And it has nothing do with any of those rumors you've heard.

"For us, lean means that we continuously strive to improve safety, quality, flexibility, and productivity by involving all employees in problem solving every day. Their initiatives and creativity guide us in growing the company and enhancing work.

"Lean is *not* about pressuring people, plain and simple. Actually, pressure isn't even the right word. Come to think of it, we do pressure people—but in a manner that we consider productive—what you might call healthy tension. That said, overburden is the first thing we strive against, and the safety of our employees—physically and morally—comes before anything else. And *we mean it*.

"And," he continued intently, "it matters not one whit that all the idiots out there call their Taylorist cost-cutting programs 'lean.' *This is not that*. Real lean is most emphatically not about making people work harder. We strive every day to make people work smarter. This is not the same thing at all. For us, lean is all about challenging yourself and each other to find the right problems, and working hard every day to engage people in solving them. So I don't know what you've heard about lean, but this is a good time to learn about what it really means. Lean is about kaizen and *respect!*"

"Respect!" she scoffed.

"Absolutely, *respect*," he repeated earnestly, emphasizing the word. "Respect of every person's development to the full of their abilities, respect of every person's wish to succeed, and respect in doing our utmost to understand each other and solve problems together."

"Right," she said curtly. "Tell you what. Why don't you just say what you want from us."

"Here's the deal," he nodded, firmly. "I'm willing to continue this project if I have your *personal* commitment that we will build a partnership between my division and your company—on our terms.

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If we can do that, there is a lot of potential work for you, because I have an urgent need to deploy this pilot in all the sites across the division.”

“What do you mean, on your terms?”

“I’m willing to teach you to work differently, if you’re willing to learn. Just like I’ve been taught myself.”

“Teach me?” she asked, aghast.

“Yes. But you’ve got to commit to learn to work with us. You. Personally.”

They sized each other up over a tense silence.

“I realize this is not how you thought this meeting would go,” Ward finally said. “If it helps you feel any better, back when I was a plant manager it took me a long, long time to accept that I needed to learn before I could solve the plant’s problems. All I ask at this stage is that you think over what I’m asking of you. If I don’t hear from you within the week, we’ll just leave it at that. Fair enough?”

She nodded, not trusting herself to speak, and composed herself as she steered him out of the room and back to the lobby where the Nexplas people and her own team were exchanging angry stares, equally impatient to go their separate ways. Partnership indeed!

Ward sighed deeply as he climbed into his taxi. He was of two minds about the meeting. On the one hand, the altercation was a disappointment to him—yet another reminder that doing the right thing often felt in the moment quite the opposite. He felt bad for putting Jane Delaney on the spot like this. She had looked really annoyed. On the other hand, he was pleased that he’d managed to confront her—albeit inelegantly. He was working hard on balancing how direct he should be in his position, and his occasional discomfort with this meant that when he did face up to difficult issues he often appeared overbearing, even if it was a defensive attitude. But he had

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been challenged to address this situation by his CEO Phil Jenkinson, so he was glad that at least he tried.

After years of being coached by Phil, he felt comfortable with the lead with respect management model when it came to managing his own troops. He had eventually codified the model into seven steps:

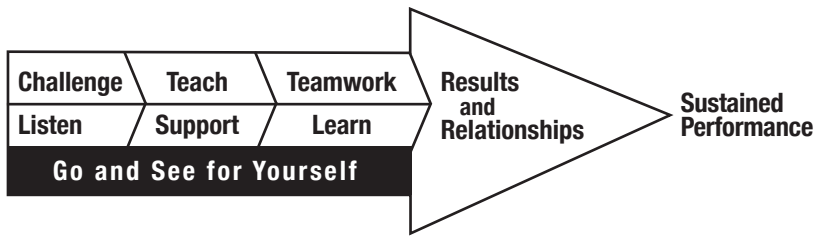
1. *Go and see* is a foundation of lean practice—the idea that all work takes place within a context, and that people (not processes, systems, or organization) make results. Go and see is about leading from the front by seeing the actual situation, and meeting with people one-by-one to learn, challenge, and support.
2. *Challenge* is about giving a clear direction and defining success in terms of progress or improvement goals. Rather than telling people what to do, challenge is about leading them to agree on a clear description of the problem, the criteria for an acceptable solution, and the expected pace of progress.
3. *Listen* means understanding the barriers people saw in their way to reaching the challenge, seeing the obstacles they had to overcome through their eyes, and empathizing with their moments of discouragement in the face of what could seem like steep adversity. Understanding doesn't mean agreeing; it's an essential foundation for any constructive relationship.
4. *Teach problem solving* is about developing his staff's autonomy to analyze and solve their own problems. This often means giving them a hard time on correctly visualizing the problem and seeking root causes before jumping to the first obvious solution. This requires day-in, day-out, hands-on coaching. Most importantly, this means giving people space to think for themselves.
5. *Support* by both engaging and involving people in their own workplace. Engaging people means encouraging them to feel responsible for the problems they encounter and support them in trying out new ideas, even if these could lead to failure.

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(Hopefully, the problem-solving coaching would limit the number of really bad ideas.) Involving is about recognizing improvement efforts and making sure people feel ownership for their ideas when they're implemented, so that they can see their contributions to the company as a whole.

- 6. *Teamwork* is about developing people's individual skill in working with each other. Andy had come to see that he absolutely needs his employees to work across functional boundaries and that he can only foster teamwork by getting people with different outlooks to solve problems together.
- 7. *Learn* is the part of the model he was focusing on personally. As his staff solve problems and come up with unexpected initiatives and creative solutions, his understanding of what is and isn't possible changes. As he delves into the details of what they've done, some avenues for success close but others open. He was excited to discover that his understanding of the overall challenges deepens through the study of people's local initiatives.

Seven Practices of Lead with Respect



He thought of these steps as the *seven practices of lead with respect* that he carried out daily until they had become his own seven habits. With hindsight, he had found this practice to be surprisingly robust.

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The hairy part was the constant need to find the correct balance between driving hard for results and listening hard to grow relationships, like a two-stroke engine.

Back when he was a plant manager, he often felt like he'd fallen in a ditch on both sides of the path. At first he overempathized with his staff to the point of running afoul of his own boss because of his poor results—in fact, he almost lost his job.

Then he overcompensated by becoming a petty tyrant, which delivered immediate results, but drove the plant workers to strike and almost cost him his job again. He was thankful that Jenkinson had been patient with him. He had taught him the balance between strong leadership (be clear on where you want to go) and empathy (listen to your people and understand their problems as they see it), between teaching rigorous problem solving (run this analysis again) and understanding the human need for approval and validation.

Getting people to open up to a new kind of thinking was always a case of “damned if you do, damned if you don’t.” He knew that he had to be direct to get their attention, but he had enough battle scars to know that if their ego got too badly bruised, he'd never get beyond the first step. He had learned repeatedly that respect—and lean itself—was not something he could explain just by talking the talk; people needed to walk the walk. Understanding this system could only come through experience. All the best books, resources, and workshops were table stakes compared to learning through actual practice.

Reflecting on his scene at Southcape with Jane Delaney, he wondered whether he should have made a better case for lean. After all, he had learned from experience that lean worked, plain and simple. Nexplas was doing incredibly well. In the five years since Jenkinson had taken over the company, its value had multiplied four-fold. They had taken over another company and purchased additional plants, such as the Swindon site he was now trying to sort out. They were increasing their market share in a depressed market, and their profitability was twice that of any of their competitors.

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Ward himself had done very well in this transformation, moving rapidly from plant manager to European VP. When he took the time to think about it, lean had made him wealthier than he'd ever thought he'd be. But that wasn't the issue.

Working for Jenkinson made sense—and sometimes was even *fun*. He had a management approach unlike any other top exec. He believed that people—not organizations or systems—delivered results. He would explain that top performance came from great people running great processes, and that people made the processes. He would never design solutions for himself and then look for people to implement his ideas. His strength was carefully developing people to enable them to figure out answers to business issues. He was not running the company with a few brains around him managing lots of pairs of hands. He challenged all the brains in the firm to move the business forward.

Ultimately, lean and respect were all about people, and not in some “soft” sentimental manner. To improve performance, Andy had to improve processes, and to improve processes he had to improve his people, their individual competencies and their ability to work with others. This was essentially how *lead with respect* delivered results. If your people are better at what they do, the processes they come up with can't be copied by the competition. Learning turns into competitive advantage because others can't copy you—they have to follow the same learning curve.

His challenge was how to teach others as he had been taught. He was completely sold on *lead with respect*, not from blind faith but firsthand experience. But getting others to see the brilliance of this approach remained a puzzle. An urgent puzzle at that, now that he had this massive business—including suppliers—to turnaround quickly. He questioned whether he had challenged Jane too much, but he didn't know any other way to get through to her. “They don't know what they don't know,” he reminded himself, and they can't see what they don't know is there unless you make them look.

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Jenkinson certainly had not spared him in their first discussions when he was a struggling plant manager. He remembered feeling both challenged and angry in their early talks. But he'd also found that, as soon as he'd started to *do* things rather than argue, Phil had been patient and understanding to a fault. And the company had evolved into a place where people could just say what they had in mind, and trust in the strength of the relationship.

As a VP now, he called it as he saw it. But with Southcape, he belatedly realized he was in a completely different situation. He had enough experience—both good and bad—to feel confident in how he managed people who reported to him. But in this case, his challenge was to convey the model to someone who not only did not report to him but, as Jane had intimated several times, didn't think she had anything to learn from him. She was an established CEO in her own right, and he'd treated her as if she'd been one of his employees. She'd probably take all he meant about respect *exactly* the wrong way, feeling he'd been disrespectful to her. He feared that he had pushed too hard on the challenge front, but that seemed inevitable at the outset ... In any case, he didn't know what to do better to actually get people to listen up. But the risk was to offend them utterly and lose them.

"Oh, well," he finally told himself with a mental shrug, "stuff happens, move on!" He'd definitely have to work harder at figuring out how to get his suppliers on board. He'd be easier on her next time ... if there was a next time.

Jane Delaney was wondering the same thing.

"The deal is dead, right?" asked Simon Burnsell, the project manager who had taken over from the rat Rodriguez when he'd left.

"Not quite," she sighed, keeping her face blank. "No thanks to you guys. That was some performance you've put on in there!"

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“Oh, come on, be fair,” jumped in Daniela Webb. “You’ve seen what they’re like. If they already have all the answers, what do they need us for?”

“Their VP just told me that they were very happy with Peter’s work,” Delaney replied coldly.

“There we go again,” Simon sighed.

“Yes,” Delaney agreed. “Let’s not have this discussion *again*. Did you guys reach any conclusions while I was talking to the head honcho?”

“They gave us an action plan,” answered Daniela. “There’s no real logic to it. Just a list of ‘To Do’ points.”

“Okay, team, we’ll look at that in the morning—let’s call it a day,” Jane concluded. “Let’s all go home and think on this. It’s not off yet, but close. Remember, losing Nexplas would be a real setback, so I expect some soul searching from all of you tonight. Remember, team, I really am counting on you—you can do it.”

Naturally, Jane got caught in the heavy traffic of rush hour by driving home early. She fumed as she inched her way along the familiar route, thinking that there was at least one upside to usually returning late from work.

She was angry: at the traffic, her team, and most of all, that arrogant Andy Ward. The worst of it was that he’d touched a nerve. Two years ago, when Southcape Software’s founder and sole owner David Marais, had decided to sell and go back to his native South Africa (bless him), the three senior directors had pooled together and found a private equity firm to set up a leveraged buyout. She took the President and CEO role while Rob “bloody” Taylor became Sales VP and Mike Wembley chief technologist. She’d had many doubts then, but never, never in a hundred years would she have thought she might

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fail. After all, she'd been all but running the company in the last years of David's tenure, particularly as he became embroiled in his third—and nastiest—divorce, which in the end had sent him scuttling back to whatever Afrikaans farm he'd come from.

She smiled grimly to herself thinking that she missed the old rogue. Since he'd left, it had been nothing but bad luck and trouble. The economy was sputtering along with nary a recovery in sight, the software world had become worse than cutthroat, and the blood-sucking shareholders and bankers wanted their pound of flesh every month. Every month!

She just didn't understand why it was all so hard. The company was well established. They had several massive projects in banking where they originally started, then pharmaceuticals, and more recently manufacturing and warehousing. The people were not brilliant, but they were sound. They were a bit on the expensive side, maybe. But overall, clients had seemed satisfied.

She still couldn't get her head around why she had lost so many large contracts since David left. Rob was still selling, but it seemed that every new gig was harder, meaner, and profitability was dropping fast. If she didn't find a way to turn things around, she would be unable to pay the bankers soon—and if she broke the covenants, then real hell would break loose. And now the Nexplas project.

Jane cursed as she struggled to open her front door, reminding herself to fix the lock. Her younger daughter Marie was sprawled on the rug in front of the TV doing her homework with her tiny speakers on and books and magazines spread all around the floor. This drove Jane crazy, as usual, but she managed to blow her daughter a kiss without telling her off.

"Hi, Mom," she said, barely looking up. "Sara is upstairs. She's staying home tonight."

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Sara, her oldest, was in her first year of college and supposedly living in the dorm. Something must have happened—another crisis to deal with probably.

Suddenly it was just too much. She walked straight through the open kitchen and out into their tiny garden without even taking the time to drop her handbag. A strong wind was blowing and the winter stars were shining crisp and cold. She dove into her bag and brought out the pack of smokes she'd guiltily bought earlier in the week.

Time—she needed time. Time to think. Time to sort herself out. Time to figure out what was happening to the business. Time to take better care of her kids. Time to—

“Mom? Do you smell this? It smells like cigarettes ... Oh, Mom! You promised!”

“They just don't get it,” said Simon in his quiet voice, the following morning. He was their most experienced project manager and knew his way around operational software thoroughly. Over the years, Jane had come to realize that his flat tone and mild manner could conceal how opinionated he really was—particularly about technical issues.

“Go on,” she asked.

“For starters, their ERP is completely crap. It's something out of the dark ages. It's slow, the user interface is confusing as hell, their data structure is incoherent and a nightmare to work with, the system is unstable and buggy, and there's something wrong with their server connection. As a result the system often crashes.”

“Yeah, and they have a runaway modular approach. Every department builds their own bits and bobs—none of them integrate well with each other,” added Chris Williamson. His T-shirt read *I don't have an attitude problem, you have a perception problem*. Topical as well as typical, Jane thought wryly.

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“We understand what they want to do fairly well and it’s a radical move,” Simon continued. “But it can’t be done without cleaning up their existing data structure first.”

“Which they adamantly refuse to look into,” added Sharon Miller, their graphics expert. “They won’t even question their data entry screens!”

“Typical resistance to change,” chipped in Daniela, never short of useful insights.

Ryan Cox, the last developer/tester on the team, remained quiet as usual, looking at them thoughtfully behind thick glasses—as if *they* were the odd specimens in the jar. The kid was really good at cracking code, but had the personal appeal of a slug.

“What about this action plan?” Jane asked. “Let’s have it. What’s on the top of the list?”

“Spending more time at the production site,” snorted Daniela, shaking her long black curls in annoyance. “It’s all the way by Swindon—over a hundred miles away. Just getting there and back takes an entire day.”

“We’re late enough as it is,” agreed Chris. “And it’s not like it’s our only project.”

“Simon?”

“I agree. We’ve wasted enough time there already. Our real problem is how to educate them into understanding that what they are asking for simply won’t get them where they want to go.”

“Which is?” she asked.

“Well, it’s tricky. They’d like to change the entire logic of the materials requirement planning for their procurement, from inventory control to lead-time tracking. It’s a massive project.”

“What was Peter doing with them that they were so pleased with?”

“You know Peter. Nifty pieces of shoddy code here and there.”

“Bits and bobs? Like what they do themselves?”

“Absolutely. One thing they really liked is that they were building a supplier list per part in a spreadsheet—a spreadsheet can you believe

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it? Peter managed to code a module that they could access from the main interface, nothing more. Stuff like that. All the users over there complain how full of holes it is, but the bosses simply don't care."

"And so far, they've rejected all our proposals?"

The team fell silent as she looked at each of them in turn.

"Okay," she sighed. "Item two on their wish list."

"Fix all the bugs that Peter left behind," snickered Chris.

"Now that's rich," snorted Daniela.

"That's what they asked for," confirmed Simon, speaking so softly it was almost a whisper. Jane had long suspected that the low voice affectation was a strategy to force others to listen, on a par with his black Steve Jobs turtlenecks and black pants, an outfit that never quite looked right with his nondescript face crowned with his remaining patches of brown hair around his ears.

"That's not unreasonable," she said. "It would give us a good place to start off again and get to grips with whatever Peter was doing with them."

No one answered. They wouldn't meet her eye again. What was going on?

"They said they wouldn't pay for it," Simon told her when the pause became awkward.

"Fine," she stated. She needed a smoke so bad she could taste it. "So they're pissed, and they want us to show that we're willing. Need I remind you this is a really big client and we need this to succeed? We'll make a commercial gesture."

"You'd better talk to Rob about this," rasped Simon, still not looking at her.

"Okay, I will. Now, let's get cracking, let's do it."

Still no reaction from the team around the table, apart from Ryan's superior smirk.

"What else?" she asked.

"You know Peter!" exclaimed Daniela, dark eyes flashing.

"You keep saying that. What about Peter?"

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“He did everything on his own, did his own testing, this so-called ‘agile’ stuff he kept going on about. He automated his tests as he went by writing his code.”

“Like it worked,” snorted Simon. “We all know how full of bugs his code always was.”

“And?” Delaney asked impatiently.

“Well... we’ve got the code, but—”

“But... what?”

“None of us really understand what he did. There’s a lot of strange logic in there, and we’ll need to spend a long time just figuring it out. Typical Peter.”

“As if yours was easier to understand,” fired Daniela, turning unexpectedly on Simon. “That last piece of code you sent for testing was just awful.”

“So, the good news is that you eventually got around to look at it, right?” he retorted.

“What is that supposed to mean?”

“Oh, come on now, Daniela,” dove in Chris. “You’re so busy with the MRX project you’re not pulling your weight on Nexplas!”

“I beg your pardon? You should see the rate at which your builds fail. It’s not testing anymore, it’s rewriting! ...”

Delaney watched the meeting degenerate into bickering and name-calling. This was supposed to be a team? Was this accidental? Or a true reflection of what the entire company was turning into? She felt that morale was low and that conflict had risen over the past year, but she dismissed it as an unavoidable consequence of tough times out there. Could there be more to it?

This was the first time in a good long while she had actually sat with a team. She’d been so busy managing the business, dealing with clients, and generally running “important” things that her interaction

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had mostly been with project managers at the weekly staff meeting. Watching them squabble like this was painful. This was exactly the kind of infighting that had driven the car guys nuts at the meeting yesterday. Worst of all, she realized that she did not have an idea about what the issues really were anymore. She could not remember the last time she had actually looked at any of their code.

Then it suddenly hit her: this was not about software. She had been so angry with Ward for presuming that he could teach her something when he clearly didn't know a thing about software. But as she took a hard look at her team arguing with each other, she realized this *was* about management, not IT. Her management.

The team was being dysfunctional in the exact way she remembered from her first jobs in banking. That was why she moved to coding and then joined David's start-up gamble! It made her feel sick to see that her company had become the run-of-the-mill outfit she had despised and fled.

It hurt to admit it, but Ward might have been right: it was about her and her management style. She might have to face up to that, and to the consequences this might have for Southcape as a whole. What was it that he had said about respect? She'd been so angry she couldn't even remember the few points he had made repeatedly. She needed to wrap up the meeting and think about this—not as an IT Director, but as the CEO of any business.

“Enough!” she said firmly. “Listen to yourselves. Is this how we want to work? Is this who we want to be?”

Her employees were so taken up with their arguments that none of them even appeared embarrassed by all of this. She stared at a silent group of sullen faces.

“We're going to do exactly what we've been told to do by Nexplas,” she said evenly. “End of story. Yesterday their VP told me that the

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action plan is not about the software. The action plan is really a test of our commitment to work with them.”

“But—” started Chris.

“No buts, no ifs,” she cut him off. “Simon, you’re going to get your team to put together an item-by-item plan of how we will follow what Nexplas has asked us to do, and we’ll review this at the end of today. That’s all there is to it. Now let’s get to *work!*” she said, standing briskly and leaving the room.

That evening, after giving up on getting her daughter to talk about why she chose to drive an hour back to sleep at home rather than stay in her dorm—and dismissing for the moment the usual motherly worries about sex, drugs, and rock and roll—she gnawed on another bone.

What could she possibly have missed about David’s departure? Hell, he had already practically left the running of the company to her. Everyone at the director level had recognized her chops, which made her as the obvious choice for CEO when he left.

What had David been doing that she was not? He had been looking at the code. That’s what. In the last couple of years, he was rarely at the office, that’s true. Too busy with his personal troubles at home and, as she gathered, falling madly in love for some young chick—a man at his age! All the business decisions came to her. But when he was in, he sat with the teams reviewing their code. She could suddenly picture him, looking half asleep under his mop of gray hair, old-fashioned tie askew, balanced back in his chair, feet on the table as the team projected their code on the screen and he questioned how they went about it line-by-line.

David had a degree in operational research from Cape Town University, back when there was still a Soviet Union and a wall divided the world between the free and the Reds. He joined the IT department

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of a major U.K. bank, and led the charge in minicomputers. (Minicomputers, do any of these kids even know what they were?)

In the final wild yuppie years of the eighties, he jumped on the outsourcing bandwagon to exploit the possibilities of desktop computing. He created Southcape Software with Jeremy Nicks, another old-timer, and had taken Jane, Rob, and Mike Wembley along. He quickly bought Jeremy out and become sole owner. The four of them coded night and day for little pay, but it had been fun. They expanded out of the banking industry and grew the company to its current size.

David had been an indifferent administrator, but the man was a charmer, and never lost his childish delight at solving complex problems with clever bits of code. He hated all the “quality” stuff that had come to dominate the industry. He never tired of ranting against best practices and qualification systems. “Great people make great software,” he would repeat as a mantra.

“Walking the code,” he called it. He’d shuffle into the office, grab a cup of coffee, and chat with whoever was there. Then he would stroll into any project room apparently at random, interrupt the work, and ask the team to gather together and show him code—what could they say, he was the boss, wasn’t he?

She hadn’t done that in forever. She had rushed on with the job of setting up the deals and keeping the company together. And then she kept on doing the type of work that she knew she did exceptionally well—and told herself that her competence in this area translated into effective leadership. But—it hit her like a ton of bricks—she had lost touch with what they were doing. She hadn’t participated in one code review over the past two years. She didn’t know the company’s products anymore.

Could that be the root of the problem? Could the problem really be her? It seemed unlikely that she was the source of the disarray she was currently witnessing—but still, the doubt was nagging.

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“Ward speaking.”

“Andrew. Hi. It’s Jane Delaney from Southcape. Is this a good time to speak?”

“Jane, sure, hang on, I’ll get out of this, wait a sec—”

She heard production noises in the background and then quiet.

“That’s better, go ahead.”

“Okay. Assuming the problem is *me* ...”

“Ah. That,” Ward replied calmly. “I probably came off as direct—perhaps too much so? I hope that I didn’t come down too hard ...”

“Don’t worry. You certainly made me think. I’ve been wondering. Maybe you’re right, maybe the problem is me. The question is: where do I go from here?”

“Um. Have you gone through the action plan with your team?”

“Yes. We’ll do it.”

“Great—well, that’s all there is to it, really.”

“You said you could teach me.”

“Ah, did I?”

“You said your CEO taught you.”

“That he did,” Andy chuckled. “And it wasn’t pretty. I almost got my plant closed down before I accepted that I needed to learn.”

“I’d like to take you at your word. I need to learn and fast. So, can you teach me?”

There was a long silence on the phone. She suddenly feared that she’d pushed too hard. She was going out on a limb here and might have just sabotaged the contract if this guy reacted the wrong way. She resisted the urge to say something and counted seconds in her head.

“I don’t know,” he finally said. “I can try, if you’re sure that’s what you want.”

“It is. Where do we start?”

“Um, well—the action plan is a good place to start. Look, we purchased this Swindon site a year ago and I’m spending a lot of time here integrating it with the rest of the division. Let’s find a time when I’m in the plant and I can show you around.”

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“How would that help me?” she blurted out. “What does a production plant have to do with a software house?”

“Go and see,” he told her. “First lesson, and probably last lesson. If I had a dime for every time my CEO has asked me ‘have you seen it yourself?’ I’d be a rich man by now. ‘Stop, look, and listen,’ he says. The main problem your team has right now is that you don’t understand us. Which means you don’t know how to lead them to understand us. *Lead with respect* starts with go and see, and finding the facts for yourself at the source.”

“Okay. Go and see—what?”

“The real place, where value is created. It’s what we call the gemba in lean lingo. It’s where customers work, where your own teams work, and where suppliers work. Real place, real products, real people, real relationships—that’s what we look at.”

“Is that why you came to visit us, rather than have us meet you at the plant?”

“Yes, I needed to see your workplace for myself.”

“But there’s nothing to see at Southcape, we do software. It’s all in the computers!”

“Precisely!” he laughed.

“Go and see,” she repeated doubtfully. “And then what?”

“Ah,” he hesitated. “I guess I’m not going at this right. Let’s take a step back and see if I can explain.

“I’m talking about respect. The management method that I’m learning from my boss is based on a specific form of respect. He calls it, *lead with respect*. He doesn’t mean respect in the common sense of being polite, but respect in the deeper sense of relating to our customers, employees, and other stakeholders. It’s respect for the development of the autonomy of every person. *Lead with respect* is not a theory, it’s a *practice*—or several practices, I should say. It’s not something you learn by reading a book or by analysis. It’s something you learn through practice every day, and blimey, it’s hard.”

“Right,” she said, doubtfully.

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“Yeah, I know, it takes a while to buy into, but that’s the basic deal. I can show you the practice, but then you’ve got to, um, practice. There’s no way around it. And the first practice is to go and see.”

“Like walking the code?” she mused out loud.

“Walking the code?”

“Sorry, yes, reviewing code, line-by-line.”

“Right. Absolutely, reviewing code, not to correct the work—that’s the coder’s responsibility—but to see how well people understand what they’re trying to achieve, the problems they’re trying to solve, and how well they work with each other.”

“Hmm.”

“Yes, well, I doubt we can do this on the phone. Come around to the plant and I’ll try to explain. The main idea behind go and see is that you need to find the facts to make correct decisions and to build consensus about how to achieve your mutual goals. We need to get people to agree to what the problems are before we have them arguing about solutions. I’ll have a go at showing you how we do this—not that we’re brilliant at it, but we do try hard.”

“In the plant then,” she agreed, wondering what she was getting herself into.

“Sure. It’s not that far, a couple of hours drive, no more.”

“Yes. Not far.”

“And, oh, bring your safety shoes.”

“Safety shoes, right,” she replied flatly. Was he pulling her leg?