The Leadership Challenge…

Getting Things Done in “White Water”

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The Challenge

• How do you lead and motivate people when their environment is constantly changing and punctuated with distrust, anger and fear, and their priorities are unclear or misunderstood?

• This evening I’ll describe approaches, specific actions, and overarching principles to address this challenge.

• Most of the approaches and actions presented can be implemented or initiated immediately.
Background

• In September, 1998 I was made head of the Media R/D Group at Polaroid. My first task was to reduce the population from 400 to 300 people.

• At the same time, Polaroid was again restructuring the Company. Consequently, many R/D projects were cancelled, changed or left in limbo.

• My new group was highly fractionated with long term turf wars, hourly vs. salary issues, Cambridge site vs. Waltham site tensions, etc.

• In this environment, loss of key employees, low morale, and low productivity were some of the major issues.

Approach to the Challenge

• In early 1999 we started the “Improve the Workplace” initiative. This program was design to address:
  – Why are people leaving?
  – What can we do about it?

• Our approach involved identifying and prioritizing reasons why people were leaving and establishing sub-committees from throughout the organization to define the problems and recommend solutions.

• I personally met with each of the five sub-committees each month to discuss their results and provide guidance and feedback.
How Do We Improve the Workplace to Offset the High Leave Rate?

Senior Staff

Brainstorm: Why are people leaving?

Categorize and Prioritize Top 5 Reasons

Managers & Supervisors

Brainstorm: Why are people leaving?

Categorize and Prioritize Top 5 Reasons

Combined Top 10 Issues (Results are on the next slide)

How Do We Improve the Workplace to Offset the High Leave Rate?

Combined Top 10 Issues

Senior Staff and Managers/Supervisors Prioritize

Form Teams to Address Top Five Issues

<table>
<thead>
<tr>
<th>Top 5 Issues</th>
<th>Points</th>
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<tbody>
<tr>
<td>Trust &amp; Faith</td>
<td>144</td>
</tr>
<tr>
<td>Vision</td>
<td>123</td>
</tr>
<tr>
<td>Strategy</td>
<td>118</td>
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<tr>
<td>Goals</td>
<td>108</td>
</tr>
<tr>
<td>Growth</td>
<td>104</td>
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<table>
<thead>
<tr>
<th>Bottom 5 Issues</th>
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</thead>
<tbody>
<tr>
<td>Job Market</td>
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<tr>
<td>Compensation</td>
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<tr>
<td>Management</td>
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<td>Change</td>
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<td>Culture</td>
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<td>(Bottom 5 issues &lt;90 points)</td>
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Benefits of Sub-Committee Approach

• Helped develop new leaders in the organization

• Created a critical mass of positive influencers (about 40 people)

• Began a subtle, but critical shift to a new culture

• Allowed rapid penetration of new thinking throughout the organization

• Positively impacted retention of key employees

• Empowered people

• Provided numerous innovative ideas

Ideas for a Research Renaissance (I)

1. Cultivate respect throughout the organization

2. Communicate Corporate/Business Strategies frequently

3. Link R/D strategy with workload

4. Establish/sustain connections with the marketplace

5. Implement/measure personal development plans for everyone

6. Benchmark against relevant R/D organizations

7. Establish technical review boards
Ideas for a Research Renaissance (II)

8. Encourage minority opinion reports

9. Provide suitable recognition for patents and papers

10. Establish “captains” with universities and societies

11. Revisit technical seminar programs at Polaroid

12. Create an effective R/D idea-generation process

13. Co-locate where and when practical

14. Make much better use of the R/D web site

Managerial Keys to Success

• Give employees clear goals and build in accountability

• Communicate, motivate, inspire

• Get out of the way

• Invest in people!
Highlights of R&D People Development

• Improving the Workplace programs (exempt & non-exempt)

• Multiple recognition initiatives (e.g., making a difference, patent hall of fame, spot recognition)

• Multiple communication forums (Quarterly Business Meetings, Monthly Extended Sr. Staff Reviews, Small Group Meetings, Biannual Joint Sr. Staff Meetings with Manufacturing and Marketing)

• Bimonthly State of the Business seminars to improve business acumen

• Weekly Technical Sessions; Biweekly Internal Technology Seminars

• Technical courses covering topics such as Emulsion Science, Coating Technology, Digital Imaging and Wireless Technology

Highlights of R&D People Development

• Customer Engagement activities including customer visits, trade show attendance and focus groups

• Established university and professional organization liaisons

• Monthly Photo Club meetings and camera loan program

• Boston host for IS&T (Imaging Science & Technology) Meetings

• Division-wide process for new idea development

• Posted monthly metrics (performance vs. budget, resource loading, key programs, safety, environment, etc.)
Highlights of R&D People Development

- R&D Leadership Development courses designed to develop leadership skills with topics such as “Communicating to Inspire”
- Quarterly Health & Wellness seminars
- Facilities upgrade
- Development of Media R&D Vision

Media R & D Vision

The Media R&D Group delights consumers and enterprises with novel media systems developed through our core competencies — molecular architecture, coating process development and control, and imaging system design. We are driven by a culture that differentiates us from our competitors. The foundation of this culture is:

A CREATIVE CULTURE that is technically focused and market-driven. With knowledge of our customers, our products and our industry, we invent and reinvent media imaging systems.

A RESPONSIVE CULTURE that anticipates and embraces change, makes effective and timely decisions, and acts with excellence and accountability.

AN ALIGNED CULTURE driven by a clear business and technical vision and strategies that are understood and supported by all.

A VALUES-BASED CULTURE where all of us understand our corporate values and are committed to living them in our workplace and community.

A LEARNING CULTURE that is focused on continuous development, both for individuals and the division as a whole.

A DIVERSE CULTURE where diversity in its broadest sense, including diversity of thinking is sought, valued, and celebrated.

Pursuing this vision enables Media R&D to help ensure Polaroid’s success in a changing competitive environment. We are an employer of choice, able to attract, stimulate, and retain talented people.
Suggestions From Lessons Learned

- Lead by example.
- Practice the four “Managerial Keys to Success” and insist that your direct reports do the same.
- Involve as many people as practical in change initiatives.
- Stay current in best management practices by reading books, journals and magazines, attending workshops, surfing the Internet, and learning from colleagues.
- Provide personal behavior tips to your extended staff.
- Always remember that the way you get work done is through people.

Personal Behavior Tips

1. Make sure whatever you do adds value for the customer.
2. Relentlessly pursue growth…business and personal growth.
3. Embrace and help shape change in your company.
4. Learn to manage ambiguity and uncertainty.
5. Accept stress as part of your job and deal with it.
6. Understand what high-quality leadership is all about and become a leader.
7. Manage your “energy budget.”
8. Set and implement high standards in everything you do.
9. Continuously improve your communications skills: listening, speaking, writing.
Personal Behavior Tips (Continued)

10. Become proficient in at least one new skill every year.
11. Know and use the full range of resources available to you.
12. Support your manager.
13. When in doubt, retreat to facts.
14. Remember always that the uninformed inflame.
15. When you have a difficult task, the best way to get rid of it is to do it.
16. Don’t be a “victim.” Learn and practice where to go for information, support and alignment.
17. Be a team player. No one can succeed alone. Give support.

Epilogue

• During 1999-2000, by the actions described, we stabilized the organization, dramatically improved morale and created a workplace where people could develop their full potential. We became the model for our Company.

• During this time we created three new, game-changing Instant Digital Printing platforms, code-named Opal, Onyx, and ChromOnyx. These innovative platforms were developed in record time and could have been rapidly commercialized if funds were available.

• In 2001, we had three more layoffs resulting in the reduction of another 150 people. Because of the actions taken in previous years, the organization was strong enough to absorb all these changes and still deliver Opal, Onyx and other novel technologies.
Epilogue (Continued)

- In October 2001, Polaroid filed a petition for bankruptcy under Chapter 11.
  - In July 2002, Polaroid was purchased by One Equity Partners
  - In April 2005, The Petters Group bought Polaroid
  - In 2006, Zink was spun out and their first product, the PoGo printer, was introduced by Polaroid in July 2008
  - In October, 2008 Tumi introduced a combined digital camera-printer
  - In January 2009, Dell introduced the Wasabi printer
  - In January 2009, Polaroid introduced a combined digital camera-printer
  - Many more products are in the pipeline for introduction in 2009-2010

- All of the above products print color images on thermal color paper that was derived from ChromOnyx. The R&D work on ChromOnyx was started in 1998 by many of the same people who learned to get things done in “White Water”.

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