



 Kimball International, Inc.

IMPROVING TEAMWORK AND TURN-AROUND TIME AT KIMBALL INTERNATIONAL

The Company

Chances are most people have had firsthand contact with Kimball International products. The \$1 billion company—headquartered in the small, southern Indiana, U.S.A., town of Jasper—manufactures furniture for offices, homes, and hotels, as well as cabinets, pianos, electronic assemblies, and processed wood parts. Facilities are located throughout the United States and in Mexico, England, France, and Austria.

The company's Kimball Lodging Group division—with revenues of \$100 million—has a mission to provide furniture products of exceptional value to nursing homes and assisted-living facilities, hotels, and motels, as well as government projects such as military-base housing. The Lodging Group's Custom Projects business unit has furnished a wide variety

of notable theme hotels, including Fort Wilderness in Disneyworld, Florida, and the pyramid-shaped Luxor Hotel and Casino in Las Vegas, Nevada. Such market and customer diversity requires responsiveness, vision, teamwork, and improved communication.

The Challenge

Some years ago, Kimball Lodging Group embarked on a plan to dismantle traditional departments and create Circles of Excellence—cross-functional teams of people with different skills to respond more effectively to dynamic customer needs. Under the plan, individuals would lead out when a problem required their expertise and contribute ideas when someone else was leading. It was a system that demanded high trust, an understanding of the company mission, and a willingness to listen

and collaborate to serve customers better. Kimball Lodging Group vice-president Jim Birk attended *The 7 Habits of Highly Effective People* workshop and recognized the organizational potential of the *7 Habits* for the newly proposed organizational plan. He brought the *7 Habits* training in-house to implement the visionary ideas in teamwork and to increase productivity and profitability.

“Our customer is our business,” says Birk. “We must provide products and services that create customer intimacy and exceed their expectations of quality and features. We also must recognize and respond quickly and creatively to ideas of others, both internally and externally. We could not have reorganized with the required level of teamwork without the *7 Habits* coming first.”

Birk explained that *7 Habits* training employs an Inside-Out Approach, which builds stronger organizations by first strengthening the individuals who comprise them. The *7 Habits* laid a solid foundation of principle-centered behavior that supported the new Circles of Excellence organizational initiatives.

Birk says, “We saw both change and opportunity coming our way, and so the first step was to develop the personal trustworthiness and interpersonal communication of our employees.” Birk himself became a *7 Habits* facilitator to lead this effort. John Light, the Lodging Group’s employee-development manager, who also facilitates creative problem-solving training, was charged with the responsibility of driving *7 Habits* training throughout the organization.

The two executives spent the first year teaching the *7 Habits* training to all Kimball Lodging Group employees. Once employees had an opportunity to learn and live the principles on and off the job, Birk and Light focused on developing managerial effectiveness and empowering team members with Win-Win Performance Agreements, greater decision-making authority, and accountability.

“Ultimately,” says Birk, “we worked on aligning team efforts with the Lodging Group’s mission to improve lead times, create customer intimacy, and exceed their expectations of value and quality. The Inside-Out Approach was culminating in a cycle of greater effectiveness within the organization as a whole.”

The Results

“Many results of *7 Habits* training have been measurable,” says John Light. “Turnaround time or through-time on custom products is a good example. We can now deliver customized product in 8 to 12 weeks. There’s no way we could achieve that without the improved communication and cooperation among our teams. Our vendors tell us our competitors can’t match our through-times.”

Joyce Kibby, manager of Order Fulfillment, has first-hand experience with the value of *7 Habits* training and its impact on the new Circles of Excellence in improving through-times. “Prior to forming the Circles of Excellence, we’d have customers, sales reps, or both calling our different departments requesting that we develop or reengineer a product. Often what was requested of one department had already been addressed by another. The Circles of Excellence are the forum for weekly interchange of communications. One team member will mention a development request, and another member will say, ‘We’ve already done that; let me help you with that.’”

Kibby says the company is now saving valuable engineering resources and not repetitively contacting the Quote department for a cost factor. Much of the work is already done. “Sometimes we can save three to four days of work in a single meeting because of the suggestions and ideas offered. This works very well for us. We’ve discovered the bottom-line value of synergizing, of helping each other out, and growing as a team. It’s a very positive thing for Kimball Lodging Group and our profitability.”

John Light says the focus on improved communication was largely a result of implementing the FranklinCovey *Organizational Health Assessment™* (OHA), which provides a 360-degree view of the marketplace and the organization's place in it. The resulting OHA Baseline Report provided analyses of data collected from all of the organization's stakeholders on key success factors, such as mission, strategy, structure, systems, and culture.

"It became clear to us," Light explained, "that communication and valuing the diversity of experience among our employees were key issues. Through our organizational effectiveness efforts, team members are at the point of not just valuing differences, but celebrating them in order to find new solutions to meet customer needs." He adds, "With the *7 Habits* and our Circles of Excellence, we're no longer operating in silos. We're beginning with the end in mind to meet customer expectations, the walls are broken down, and we're saving time, resources, and money."

Expanding the *7 Habits* Influence

Once word started getting around about the *7 Habits* training within Kimball Lodging Group, people from other Kimball divisions and business units wanted to get involved. "So we opened up our classes to more people, and the Circle of Influence keeps getting bigger," says Light.

Adds Jim Birk, "It's really quite thrilling to see what has happened in a two-year period. Sometimes I think two years is a long time. It takes patience to implement genuine organizational development and change. But the more I think about it, two years have gone by fast, and we've achieved a lot of change for such a big company."

Birk summarizes the benefits of the *7 Habits* training at Kimball Lodging Group this way:

- An ability to view differences as strengths, enhancing problem solving and conflict resolution.
- An increase in planning and preparation time, resulting in shorter, more focused meetings and more productive individual work time.
- Industry-leading, on-time product deliveries achieved through improved clarity between teams and reduced redundancy.

He concludes, "Executives should view the *7 Habits* as a cost-effective means to achieve their business objectives, because the training is aligned with natural principles leading to success. As vice-president of Kimball Lodging Group, it's thrilling to witness what we're achieving: real business results and more focused and balanced employees because of this program. The *7 Habits* help us realize our mission." ■