



# How to build an award-winning OpEx Culture

Steps and best practices for culture transformation programs that deliver tangible business results in 12-18 months

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# How to build an award-winning OpEx Culture

In December 2015, Co-Creation Partners wrote a [white paper](#) on the future of operational excellence (OpEx) that was downloaded by over a thousand members of the Process Excellence (PEX) community. In January 2016, the Wyandotte, Michigan site of BASF Corporation,<sup>1</sup> the organization featured in the paper, won the Process Excellence (PEX) Network award for Most Innovative Approach to Driving Culture Change. The first question asked of the awards panel was directed to BASF: “How did you do it?”

## HOW EXACTLY DID THEY DO IT? WHAT DID THEY DO?

**Wyandotte’s fundamental innovation was a shift in perspective.** Whereas many organizations approach culture as one small part of OpEx, or as a superficial change management effort, BASF Wyandotte saw their Mindsets & Behaviors (M&B) culture transformation as **the driver** of successful OpEx results. They held the perspective that the “human work” and the operations improvement work were two sides of the same coin. The M&B effort set the stage; the OpEx initiatives provided the focus and discipline that kept the culture transformation grounded in concrete business challenges.

But what did this look like in practice? What did BASF Wyandotte actually do to achieve a culture transformation that led to award-winning results?<sup>2</sup> In this supplement to the original paper, we answer this question of “**HOW?**” in two ways:

1. **The “Balcony View”** – If you are looking to begin a culture initiative and want a macro perspective of the steps involved in a beginning-to-end culture transformation process, the balcony view will provide you with a quick four-step perspective.
2. **The “In-the-Dance View”** – If you would like to dive deeper into the specific practices BASF implemented to make their OpEx journey an astounding success, read the in-the-dance view, where you’ll find six best practices with supporting concrete examples.

We hope that OpEx leaders will draw on this supplement to our original white paper as they focus on building a culture of operational excellence to boost the quality and results of their programs across the globe. We would strongly recommend that you also read the [original white paper](#) from December 2015 to gain a holistic understanding of the program.

## BACKGROUND: BASF WYANDOTTE CULTURE TRANSFORMATION

In 2011, five of BASF Wyandotte’s seven plants were in the red. There was widespread complacency and resistance to improvement efforts, while silos across the site prevented knowledge sharing. The economic downturn and industry competition posed threats to the site’s financial viability.

Within this context, a corporate-driven operational excellence (OpEx) site assessment identified a number of projects to improve performance and generate savings over three years. Rather than immediately implement these recommendations, Wyandotte decided to take a people-focused approach in which the OpEx effort followed a culture transformation program. Together

with Co-Creation Partners, they co-designed the Mindsets & Behaviors (M&B) program and embarked on a sustained campaign to transform both individuals and the organizational environment.

By 2014, the site had realized far more savings and generated hundreds more improvement ideas than originally projected. The business results were astounding, but that wasn’t all: In the midst of significant change, Wyandotte also significantly improved employee satisfaction. By 2015, 80% of Wyandotte’s employees felt recognized for their contributions, 75% were familiar with the site vision, and more than 90% trusted their leaders were heading in the right direction.

<sup>1</sup> BASF Corporation is the largest affiliate of BASF SE, the world’s leading chemical company. It is the second largest producer and marketer of chemicals and related products in North America.

<sup>2</sup> See our white paper, “[The Future of Operational Excellence](#),” for an overview of BASF Wyandotte’s culture program and business results.

## BALCONY VIEW: THE FOUR STEPS OF CULTURE TRANSFORMATION

### Step 1: Evaluate.

Start by identifying the key cultural shifts needed to achieve your desired business outcomes. Do this by understanding the current culture dynamics, the desired culture, and thereby the gaps. Understand who your people are and what deeply motivates them to bring out their full potential.

**HOW:** Gather input from within the organization – from leaders to the front line. Quantitative data from leading-edge culture surveys combine with qualitative data from focus groups and interviews to provide a deep initial understanding of the key “FROM” and “TO” mindsets and behaviors that are required to transform performance. For example, there may be a need to move FROM a culture of complacency TO one of initiative-taking, or FROM a culture of micro-management, silos and internal politics TO one of trust, transparency and accountability.

### Step 2: Transform.

Reach the “30% of the organization’s energy” tipping point needed to transform the culture organization-wide. Shift the mindsets and behaviors of a critical mass of people across the organization to realize the desired “TO” behaviors.

**HOW:** Deliver transformation workshops to engage and align senior leaders as well as build a cadre of informal leaders. Through personal and interpersonal insights and new learning, people are empowered to respond differently to themselves, others and their environment. These key leaders and influencers spread the new way by role modeling and applying culture concepts in their everyday interactions. Organizational transformation happens when the new way of being spreads through the organization and becomes “the way we are.”

### Step 3: Embed.

As the transformation is spreading throughout the organization, create a reinforcing loop between personal shifts and environmental shifts through persistent efforts by leaders and influencers (change agents).

**HOW:** The leader-change agent collaboration must build a holistic system of environmental support that allows people to embrace and embody the new culture. Leaders should communicate an inspiring vision along with a compelling transformation story that helps people “get it” and want to behave in the new way. Role modeling by leaders and influencers not only helps employees feel safe enough to begin behaving differently, but also shows them how they are now expected to conduct themselves. Skills training must be available to ensure people are able to do what is required of them, and organizational systems and processes must be adjusted or implemented to support the new behaviors. Communications – including two-way dialogue, formal efforts and viral communications – together create buzz and contagious excitement for the culture transformation.



### Step 4: Sustain.

Build an internal capability to continue the program after the initial transformation consulting engagement.

**HOW:** Internally develop a few expert facilitators skilled in leading team and individual transformation. Create a small team that manages logistics, measures impact, and fields questions. Ensure there is a transformational communication expert who creates communication materials. Set up an internal group capable of diagnosing and architecting a change initiative.

## IN-THE-DANCE VIEW: SIX BEST PRACTICES FOR SUCCESS

Together with Co-Creation partners, BASF Wyandotte co-designed a “Mindsets & Behaviors” (M&B) culture transformation program. Program sponsors began with diagnostics (as in the “Evaluate” phase described above), synthesizing the critical themes that needed to be addressed. Transformation workshops then catalyzed commitment among formal leaders and change agents, which activated the organization’s energy for transformation. Here are six of BASF’s best practices that enabled them to then EMBED and SUSTAIN their successful transformation.

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### **PRACTICE 1:**

**Tell Clear, Continual, Compelling Stories.** Boost momentum and energy by repeating thoughtfully selected stories with crisp, vivid imagery and clear messages. Stories should link the change to a concrete business need and evolve over time to reflect changing needs.

### **PRACTICE 2:**

**Allow People Choice.** Rather than “driving” change, let people see and experience the culture work themselves. Allow them to make their own choices about whether and how to get involved.

### **PRACTICE 3:**

**Make Culture Cool through Role Modeling.** Leaders (formal and informal) live the transformation themselves, deeply engaging with personal and interpersonal transformation. This self-development not only fosters better leaders, but also shows employees that the culture effort is genuine – that it isn’t just the latest fad – and that it is okay, even expected, to behave in the new ways.

### **PRACTICE 4:**

**Channel Energy through Focus Teams.** Focus Teams are the on-the-ground, day-to-day drivers of culture. Structured and directed however works best for your organization, they can hold events, promote employee recognition initiatives, welcome new change agents, coordinate activities of employees who want to get involved in culture, and/or provide education and information on culture.

### **PRACTICE 5:**

**Track & Record Progress.** Like most things in business, culture transformations require some discipline – in particular, a systematic approach to recording what needs to be done, what has been done, and what the results have been. Only with these records can leaders identify areas for future improvement, make the case for further efforts, and ensure alignment with overall site goals.

### **PRACTICE 6:**

**Celebrate Successes!** Celebrate both individual and organizational accomplishments. These celebrations boost energy and excitement to tackle the next challenge, keeping the culture work on a virtuous upward spiral.

## IN DETAIL: A CLOSER LOOK AT THE SIX BEST PRACTICES

### PRACTICE 1: TELL CLEAR, CONTINUAL, COMPELLING STORIES

Wyandotte Site General Manager Greg Pflum told masterful stories. He boosted momentum and energy around the site by repeating thoughtfully selected stories with crisp, vivid imagery and clear messages, evolving the stories over time to reflect changing needs.

Moreover, the stories always included a clear business link – the concrete WHY – for the transformation effort. As one executive said, “This isn’t about everyone being happier, it’s about running a better business.”<sup>3</sup> Wyandotte needed to transform, and keep the transformation going, **in order** for the site to turn around, succeed, and develop into a continually improving business.

But – critically – it wasn’t just Greg telling stories. Wyandotte’s storytelling strength came from many different people sharing the stories widely and consistently. Leaders (formal and informal, executives and change agents) repeated them in their own words across their own areas of influence, in emails and in conversations. This made the stories part of Wyandotte’s water-cooler lore...and that’s what made them stick.

#### Example of Storytelling

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As the M&B program ramped up, Greg talked about the Wyandotte site as Sleeping Beauty, long asleep and in need of awakening/ rejuvenation. After initial results were achieved, he shifted the story to a physical fitness analogy: We’re awake, and now we need to get ourselves strong and in shape. Once the transformation had solidified, he began telling the story of the Golden Plover and the discovery of Hawaii – a story of determination and perseverance – to highlight the need to keep going in the transformation effort and move forward a little more each year.

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### PRACTICE 2: ALLOW PEOPLE CHOICE

Rather than mandating change, Wyandotte let people see and experience the culture work themselves – through in-person, facilitated transformational M&B workshops – and allowed them to make their own choices about whether and how to get involved. This built intrinsic commitment to the transformation.

This practice started at the very top, when the Site GM first introduced the idea of M&B to his senior leadership team, and continued as the M&B workshops expanded to include the broader employee base. Even in the beginning, when some employees were “voluntold” to attend an M&B workshop, all that was asked of them was to arrive with an open mind. They were not expected to change anything after the workshops unless they wanted to.

This practice infused Wyandotte’s way of being, such that allowing choice became the norm in process improvement and other OpEx meetings. This created a more collaborative environment characteristic of the “WE CARE” culture Wyandotte wanted to create.

#### Example of Allowing Choice

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At first, operations technicians did not report problems because they feared being blamed. To address this issue, they were invited to attend the root-problem identification meetings. They were able to “...see no blame being assigned, and see where the problem is happening and how we [managers] want to make it better in ways that value the human. They change based on the evidence of their own eyes – they naturally come to their own understanding.”<sup>4</sup>

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<sup>3</sup> BASF Wyandotte OpEx Site Lead, personal interview

<sup>4</sup> BASF Wyandotte Operations Director, personal interview

### PRACTICE 3: MAKE CULTURE COOL THROUGH ROLE MODELING

Role modeling is one of the most important elements of culture transformation because leaders cast long shadows in organizations. Wyandotte's leaders (formal and informal) made M&B cool through consistent, obvious role modeling. They lived the transformation themselves: Leaders at all levels of the company – from the Site GM to team leads and change agents – really engaged with personal transformation and, later, interpersonal transformation. This self-development not only helped them become better leaders, but also showed employees they were genuine about the culture effort. They demonstrated that this wasn't just the latest fad and that it was okay, even expected, to behave in the new ways.

#### What if senior leaders aren't on board?

**Show, don't tell.** First work on yourself and your team. Build a really high-performing team culture and record your business results. Then show your leaders. At Wyandotte, "When you've got great ideas coming from the plant floor and we implement them and suddenly you can make another 1000 gallons per day or another 20 boxes an hour, it's hard for leadership to argue with that."<sup>10</sup>

**Create support groups.** "My leadership group didn't walk the talk at all. It was kind of like running in mud – you knew where you had to go, but there was no ground to run on. Managers didn't worry about the impact they had on a person. My manager and I ran headfirst into one another all the time. What helped was we had a good group of people from my plant who went through the training at the same time. We supported each other."<sup>11</sup>

### Examples of Role Modeling

Using M&B tools, like the check-in, in regular team meetings. "And it's not, 'Oh, I've gotta do a check-in...' but just doing it."<sup>5</sup>

Change agents throw events in the enormous, permanent tent built to bring everyone together as one community. The Site GM often hosts or participates in events to demonstrate support. Events generally have free food, music and something interesting for people to do. Once the people are there, event hosts share key content messages in fun ways. Past events included an Old Time Radio Show about safety, Family Feud (also about safety), a Classic Cars show about OpEx, and a "Get to know the Wyandotte buildings" show.<sup>6</sup>

"Encouraging people to attend [culture] functions, and helping them find the time to do it." This includes approving time off, arranging coverage, and providing budget.<sup>7</sup>

Openly sharing personal journeys with the site. "[Site GM Greg Pflum] talked about gaps that he had, and things he was working on. He was in the trenches with us, and I saw most of the leaders [do the same]."<sup>8</sup>

"By keeping myself in a good place and people seeing me in a good place, a positive place, with a great attitude, that infected other people...I can't expect someone to change, just because I tell them to change, or I want them to change, or I don't like the way they are. But they see me and how I act and how I conduct business, and they want to do the same."<sup>9</sup>

<sup>5</sup> BASF Wyandotte Senior Product Manager, personal interview

<sup>6</sup> BASF Wyandotte Business Analyst, personal interview

<sup>7</sup> BASF Wyandotte Senior Product Manager, personal interview

<sup>8</sup> BASF Wyandotte Plant Manager, personal interview

<sup>9</sup> BASF Wyandotte OpEx Site Lead, personal interview

<sup>10</sup> BASF Wyandotte OpEx Site Lead, personal interview

<sup>11</sup> BASF Wyandotte Plant Manager, personal interview



## PRACTICE 4: CHANNEL ENERGY THROUGH FOCUS TEAMS

The M&B Focus Teams are the on-the-ground, day-to-day drivers of Wyandotte's culture. They sustain Wyandotte's culture transformation by holding M&B events, promoting employee recognition initiatives, and providing continual education and information on M&B. Participation in the teams rotates based on interest; most new members sign up after experiencing a transformation workshop. Each team has a chairperson and co-chairperson, a charter, and an annual succession plan. They also establish annual goals based on areas of need identified through an

annual employee survey and the annual summit held between site leaders and the Change Community.

The Focus Teams also sustain the transformation by giving people an entry point into M&B. If an employee goes through a culture transformation workshop and says, "I love this stuff! I want to get involved and engaged. What can I do?" then Wyandotte has an answer: Join a Focus Team and take on a task! Because the Focus Teams have annual plans, they can easily assign newcomers to tasks that align with the overall culture vision. This prevents employees' energy from spinning off into dozens of different directions or unrelated projects. The Focus Teams channel energy where it needs to be.

### The Wyandotte M&B Focus Teams

#### RECOGNIZE-WYANDOTTE

- Facilitate the recognition and rewarding of employees/teams who go above and beyond the scope of their daily work
- Encourage a positive interdependent mindset across the site
- Champion the "Recognizing YOU!" program at Wyandotte site
- Develop new ways to tell the success stories in Wyandotte
- Create a metric to measure site recognition and identify successes and challenges

#### TRANSFORMER

- Lead the charge on education on M&B terms and tools
- Design approaches to reach new groups
- Manage training toolbar
- Consult Wyandotte organizations to help them effectively utilize M&B tools to resolve real-life business challenges
- Develop and design opportunities to assist in culture change

#### EVENTS

- Create a positive, safe, engaged culture through informative, interesting and fun events. Bring excitement and enthusiasm to the Wyandotte site and bring people together in a team environment
- Lead, plan and take ownership of M&B Wyandotte initiated events. Assist, support and participate in events initiated by other groups' events on site. Example Event: Old Time Radio Show (October 7, 2015), featuring stories told by colleagues

#### MARKETING AND COMMUNICATIONS

- Establish/build M&B as a brand at the Wyandotte site, with regular communication using a variety of vehicles
- Support M&B community (Focus Teams, Catalysts, Agents) with communication tools
- Provide tools to ensure we are communicating a consistent message
- Hold back-to-basics sessions on the purpose of M&B (Valuing People)
- Make it easy and fun!

### Focus Team activities have included the following:

- Monthly meetings (with lunch provided), to build the M&B community.
- Posting short videos on the intranet and the TVs around the site on topics like, "What does M&B do for you?"
- Holding "Cookie Sessions," or bite-sized trainings at shift meetings, on culture topics like how to run a check-in and stepping out of one's comfort zone.
- Submitting event and meeting notices to the weekly BASF Wyandotte newsletter.
- Printing and hanging M&B posters to display in the various buildings.
- Creating and disseminating a one-minute video Tweet about a culture tool.

## PRACTICE 5: TRACK & RECORD PROGRESS

Like most things in business, culture transformations require some discipline – in particular, a systematic approach to recording what needs to be done, what has been done, and what the results have been. Only with these records can leaders identify areas for future improvement, make the case for further efforts, and ensure alignment with overall site goals.

Wyandotte excels at tracking and recording the results of both the M&B program and the OpEx improvement projects, allowing them to highlight results, make the case for further efforts, and ensure alignment with overall site goals.

### Examples of Tracking & Recording Progress

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Each year, Focus Team leaders and the site's senior executives participate in a joint review of the M&B program's architecture, vision and goals – a gathering of about 60 people. The results of an annual employee survey serves as a “report card” to inform discussion during the joint review. In this meeting, Wyandotte adjusts its culture plan for the year as needed. For example, they might revise a Focus Team's annual plan to address a gap or refine the culture story to reflect the current situation.

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The OpEx Roadmap is an Access database that tracks all OpEx improvement projects (currently over 600). It records project goals, activities, progress and results. Available site-wide, it lets everyone know exactly where each project stands, what benefits are accruing, and how much work is left to be done. In addition to tracking individual projects, the Roadmap is an invaluable tool for recording and reviewing overall program success. It shows how far the program has come, demonstrates business impact, and builds energy for continued work. It also records lessons learned in each project, facilitating knowledge sharing across the site.

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<sup>12</sup> BASF Wyandotte Plant Manager, personal interview

## PRACTICE 6: CELEBRATE SUCCESSES!

Wyandotte also excels at celebrating individual and organizational accomplishments. These celebrations boost energy and excitement to tackle the next challenge, keeping the culture work on a virtuous upward spiral.

### Examples of Celebrating Successes

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An infographic timeline highlighting major milestones from the beginning of the M&B program in 2011. Focus Team representatives take the infographic around the site, to various events and meetings, to promote the program. The message is, “Look how far we've come!” and “This is NOT just the flavor of the week.” People can see the culture work that has been done and naturally correlate the events with changes or things they remember in their work lives.

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The Focus Team for employee recognition, along with management, has embedded recognition into Wyandotte's regular business practices – a huge factor in the sustained energy around culture work. One manager said, “It's amazing how far a shirt can go. Or buying lunch for a shift... People want recognition, so they go above and beyond because they know WE [managers] CARE about it.” On winning an award for achieving significant savings for his plant, he reflected that, “This kind of recognition is wonderful, because people see, ‘I'm doing better and the business is doing better.’”<sup>12</sup>

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## QUESTIONS?

Join us for special PEX member Webinar:

**How to create an award-winning OpEx Culture.**

Thursday, May 12, 2016 at 1:00 EST

Register at [cocreationevents.com](http://cocreationevents.com)

For more information on the BASF culture transformation, read the case study in our White Paper **THE FUTURE OF OPERATIONAL EXCELLENCE**, a detailed look at why making the 'human system' the focal point of transformation efforts unleashes extraordinary, tangible results.

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## WHO WE ARE

Founded in 2010, Co-Creation Partners is one of the few organizations able to facilitate holistic transformation of the human system within an organization by addressing the individual, team and systemic aspects of transformation. We have a proven track record in enabling profound, sustainable organizational culture transformations that deliver extraordinary business results for our clients. We have a deep sense of ownership and pride in our client organizations' transformations. Our benchmark of success is when we make ourselves redundant.

## CONTACT US

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