

3C. Scaling Up Without Screwing Up

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begin shortly.

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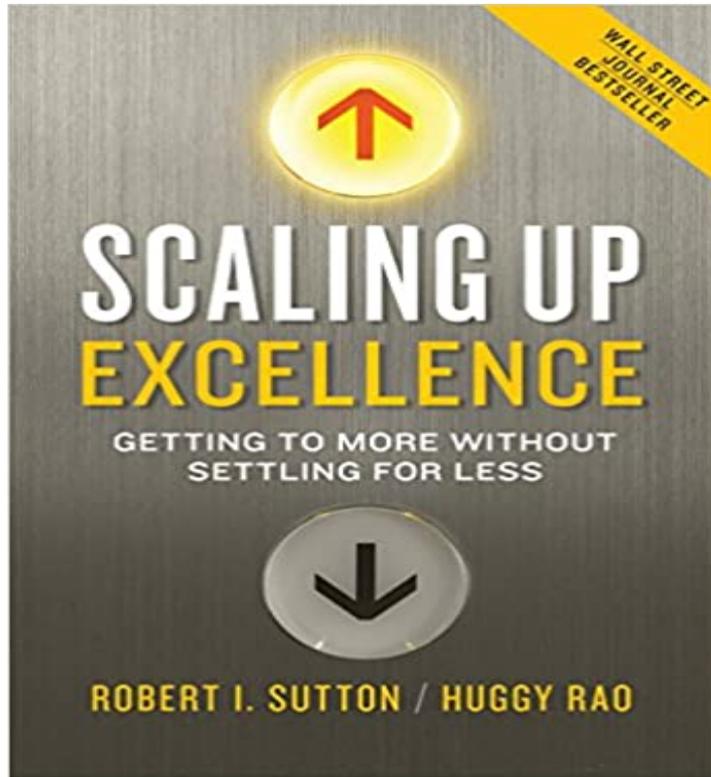
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SCALING UP EXCELLENCE

Huggy Rao



STRUCTURE OF TALK

- 1. Foundations and Enablers
- 2. Challenges
- 3. Lessons/ Solutions

FOUNDATIONS: WHAT IS EXCELLENCE?

- Doing the right thing even when nobody is watching over your shoulder !
- Creating **felt** accountability; ownership and obligation as enablers.

FELT ACCOUNTABILITY EXAMPLE



OUR CORE MESSAGE

- Scaling isn't just about running-up the numbers as fast and far as you can.
- Scaling change about spreading and sustaining a *mindset*, not just a *footprint*.

MINDSET EXAMPLE: FIFI THE “CHANGEOVER COACH” AT THE WYETH PEARL RIVER PHARMACEUTICAL PLANT

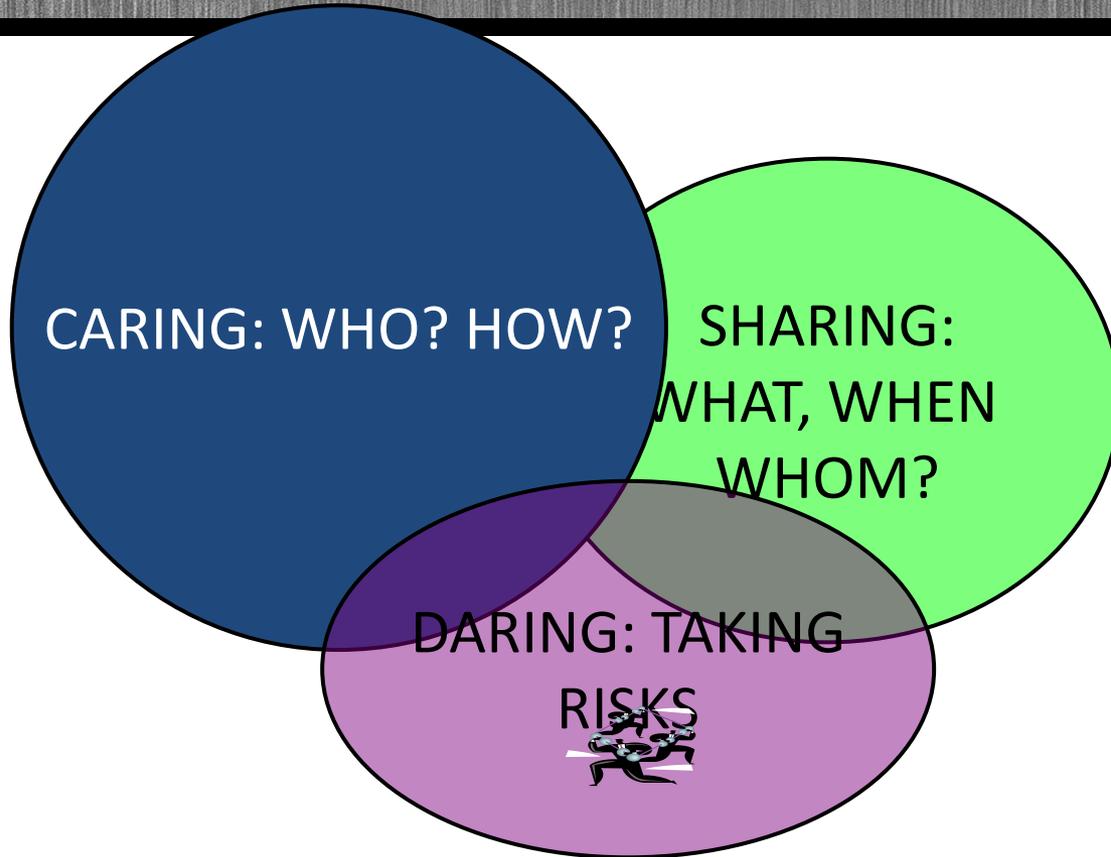
Adopted NASCAR “pit stop” analogy for equipment changeovers, no longer seen as “breaks”:

Changeovers went from 14 to 8 hours

Cascaded excellence to others



MINDSET ELEMENTS: CARING, SHARING, DARING



CHALLENGES: : DILUTION OF MINDSET!

“Over the past ten years, in order to achieve the growth, development, and scale necessary to go from less than 1,000 stores to 13,000 stores and beyond, we have had to make a series of decisions that, in retrospect, have led to the watering down of the Starbucks experience.”



BIG LESSON 1:

SCALING CHANGE REQUIRES SMART SUBTRACTION

Excessive cognitive load undermines our ability to do what we know and believe we should.

Accountability = Account x Ability (Don't overfocus on accounts at the expense of ability)

Addition sickness lowers will power.

CAKE vs Fruit EXPERIMENT

Research subjects asked to memorize
2 digit vs. 7 digit number.

Offered cake or fruit salad –
the “7-digit” subjects were far more
likely to take the cake!



Parole Decisions by Israeli Judges

- 1000 decisions by eight judges over a 10-month period
- After a snack or break: 65% granted parole
- After about two hours: Close to 0% granted parole
- (Granting parole took more time, and happened less often, so it was more “depleting” or cognitively demanding).

“Armeetingeddon has landed”

The day that Dropbox
eliminated recurring
meetings



Meeting guidelines at Dropbox

- Invite only key stakeholders, not “spectators.” A cap of three to five people is recommended for decision-making meetings.
- Cancel meetings that lack a clear owner who keeps it on track.
- Schedule meetings if (and only if) other methods of communicating won't cut it.
- Employees invited to meetings are encouraged to ask "Do I really need to be here?"
- "If you find yourself on your phone or laptop during a meeting, that's a good sign that you're neither deriving nor contributing value to the meeting and it might be worth reconsidering."



Subtraction: Mowing the Lawn

Subtraction and other “friction fighting” methods at best, create only, temporary victories.

Drew Houston:

“The problem is worse than ever.”

Once was not a enough. It is like mowing the lawn; there is no “one and done.”



Subtraction at Astra Zeneca

Simplifying Our Business

We have unlocked more than 2 million hours through streamlined operations, more efficient processes, new technology & improved ways of working.

Creating time to...



Improve the lives of 4 million more patients



Complete 400 more early phase trials



Achieve 26 more late phase trials



Give employees back an hour each week



Retiring Debt at Astra Zeneca

Simplification Enables Delivering Our Medicines to Patients – Faster!

Time for...

Science Customers & You

Discover

End-to-end lab supplies management through VWR (MedImmune) **750 hrs**

Faster analysis of Next Generation Sequencing data through better IT, robotics and automation (IMED) **6k hrs**

Accelerated sourcing of preclinical services through AIM platform (IMED, Operations) **500 hrs**

Fully-integrated contract for testing & bioanalysis through Covance Central Labs program (IMED, GMD) **3k hrs**

Automated technology for high-throughput screening (IMED) **2k hrs**

Develop

Eliminated unnecessary data field in clinical trial management system (MedImmune) **450+ hrs**

15hrs to 15min
Cut transfer time for clinical data through Globalscape (IT) **15 hrs**

Per changeover through 72% reduction in changeover time at Frederick biologics manufacturing site (Operations) **13 days**

From annual to as-needed biologics non-significant change reports to US FDA (GMD) **6.5k hrs**

Cut clinical trial contracting timeline from 2 months to 1 day (Legal, GMD, MedImmune) **50k hrs**

Deliver

Centralised process for HCP-related activities for sales reps in India (Compliance) **20k hrs**

Recruitment time reduced for Pharmaceutical Sales Specialist role & new flexibility to scale headcount (North America) **30k hrs**

Improved field force productivity in China (International East) **700k hrs**

Streamlined process for innovative digital products through Flightdeck (GPPS) **15k hrs**

Standardised global commercial finance reporting (Finance) **18k hrs**

40+ projects in Switzerland, including new global IT offerings (Europe) **570 hrs**

Together, we have saved more than **2 Million Hours!**

that can be repurposed to:

Improve the lives of 4 million more patients

Complete 400 more early phase trials

Achieve 26 more late phase trials

Be a Trustee of Your Employees Time: Extra Milers

- Beleaguered extra-milers: The 3% to 5% percent of people who account for 20 to 35 % of the useful collaboration—many not be rewarded or recognized
- "In demand, yet disengaged" quit at a very high rate
- What can you to help them?

PARTING THOUGHT: SCALING IS A MANAGEABLE MESS

“I am sorry things seem so messy and unclear. You’ve got to embrace it. All we can do is to keep trying to clean it up the best we can and keep muddling forward the best we can no matter what.”

– David Kelley, founder
IDEO & Stanford d.school



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