please welcome Eric Katyn camp director of information technology for public supermarkets

good morning so you probably think it's a little bit unlikely to hear from a supermarket guy had something like this

but I wanted to start off by telling you just a little bit about myself I actually started off here my career about 19 years ago believe it or not and I worked in a group called RT SOE - I don't know if that means anything anymore to anybody but it was the
Industrial and Safety or industrial and

payload safety processing group and it

was a great experience but I did I did

move on after a couple years and and

went to Publix where I've now been for

17 years and I've worked in a lot of

different parts of the of the company

but I'm currently run part of the

information technology department and

and you may wonder what kind of

innovation we do there but there's

actually a lot more than you might

expect and I spoke here about a year ago

at a systems engineering graduation
ceremony and talked about some of the innovative things that were doing and a lot of things that I've been able to do as an engineer moving into the supermarket industry is bring a lot of higher mathematics and technology to how we replenish product how we forecast sales demand how we decide what products go on what shelves what shelf to put them on what mix of products to put in each store how we get product from California to Florida and how we move product from our warehouses to our stores etc etc so there's a lot of
optimization logic and things that we've

employed and as computing power has

 gotten more powerful we're able to

 crunch tens and hundreds of millions of

 calculations so that we can get product

 to the right place at the right time in

 the right quantities so I actually was

 going to take a little bit of a different slant to

 and talk more from an organizational

 standpoint how we do collaboration and I

 understand a collaboration was a big

 part of the theme today as well and I

 called this the collaboration myth and

 I'm gonna talk just some from my own
experience of what has worked and what hasn't worked I'm going to tell a little bit of a story about where our Information Systems department was and where it is now from an organizational standpoint and we've made some pretty significant changes to be more effective so real quick on Publix I'm sure most everybody here has been to Publix but we have a thousand and 50 stores now in five five states across the southeastern United States and we have about 28 warehouses and 10 manufacturing plants so it's actually a pretty complex
operation about 40,000 items in each store so orchestrating that whole supply chain in that Network is not a straightforward process by any stretch and we believe we're on the leading edge of being able to like I said get product in the right place at the right time the myth that I wanted to talk about that I've seen and experienced is that if you put a bunch of really smart people together and give them an objective you're going to get great results and they're going to succeed that is not a given and I think everybody would
probably agree with that but I see

organizational structures get set up in

a way that kind of assumes that this is

ture and I want to go back to when I

joined the Information Systems Group

there at Publix how we were structured

and the type of issues we had and how we

solved it so when I got there we had a

fairly traditional matrix type project

structure and I'm sure most people in

herre familiar with that kind of

organizational structure where you have

functional groups of like like skilled

people with a manager that typically has


that skill too and those folks and those

101
00:04:14,169 --> 00:04:19,060
functional departments are allocated out

102
00:04:16,449 --> 00:04:20,349
to projects and I just show the

103
00:04:19,060 --> 00:04:21,608
project's kind of on the side just to

104
00:04:20,350 --> 00:04:24,099
depict it so you have functional groups

105
00:04:21,608 --> 00:04:25,689
going up and down in our case it was

106
00:04:24,098 --> 00:04:27,069
process analysis and system requirements

107
00:04:25,689 --> 00:04:28,509
and design and

108
00:04:27,069 --> 00:04:29,980
database and architecture and I know

109
00:04:28,509 --> 00:04:31,779
here at NASA those would be different

110
00:04:29,980 --> 00:04:33,310
things and then we have various projects

111
00:04:31,779 --> 00:04:35,949
and so these folks would be allocated

112
00:04:33,310 --> 00:04:38,829
out to the projects and a project

113
00:04:35,949 --> 00:04:40,870
manager would lead the work whether it

114
00:04:38,829 --> 00:04:43,839
was an innovative type an innovation
type solution a delivery of a particular project or solution and what we found is that this was highly ineffective it was very slow and I'll just talk about a number of the specific issues that we encountered and I know this is kind of conventional wisdom and it's kind of an engineering mindset right that I compartmentalized the like resources and then I allocate them out to projects to deliver results but the some of the key issues we saw in this environment included first of all the managers of these functional groups oftentimes are
not engaged in the projects they might have 20 or 25 people and they naturally gravitate toward being what I call a resource manager something I have sorry I have no know liking or desire to be someone that just kind of manages people and pushes paper around and so on and we found that they were not deeply engaged with the customer the end result of whatever project their folks were allocated to and as a result they weren't really contributing to the ultimate delivery of the solutions that were being being worked on another issue
is you have a natural problem here where

you have people that have kind of

divided loyalty or you have people who

report up through one manager but they

have some temporary allegiance to the

project manager or the person that's

kind of leading the particular effort

they're assigned to and again that

happens a lot but in my experience

preventing that to the degree possible

is optimal the other problem we saw we

would have here is that a lot of

conflicts arise so you can have

competing objectives in the structure

where you have a particular manager a

158 00:06:26,319 --> 00:06:29,019 particular person from one of the

159 00:06:27,610 --> 00:06:31,150 functional silos that has a very strong

160 00:06:29,019 --> 00:06:32,649 opinion about something that should

161 00:06:31,149 --> 00:06:34,089 happen on the project that may

162 00:06:32,649 --> 00:06:36,849 contradict someone else on the project

163 00:06:34,089 --> 00:06:40,250 and possibly contradict what the overall

164 00:06:36,850 --> 00:06:42,230 project manager has is their mission

165 00:06:40,250 --> 00:06:44,000 and the problem is oftentimes that

166 00:06:42,230 --> 00:06:46,610 project manager role has very little

167 00:06:44,000 --> 00:06:48,829 Authority and so resolving these types

168 00:06:46,610 --> 00:06:50,870 of conflicts oftentimes has to go way up

169 00:06:48,829 --> 00:06:53,990 high in the organization and is

170 00:06:50,870 --> 00:06:56,090 painfully slow meetings prepped for

171 00:06:53,990 --> 00:06:58,160 meetings sometimes getting on schedules
a month out and the decision-making process is just incredibly slow in this environment and so we came to a point where we were just overly frustrated with our inability to get work done and make decisions toward the things we were trying to achieve so I'm going to talk a little bit about what we did about this so and this is actually I have found and talked in other companies it's actually quite rare in an IT organization today and what we did is we went from this matrix structure to more of what we call a line of business structure where teams
were defined as more permanent structures so we took these managers we basically got rid of the project management role altogether and we got rid of the functional manager role altogether and we define these roles called line of business managers and what's neat about this role is it's an individual who has overall accountability to a particular business area to a customer but they also directly manage the resources pay performance reviews career planning and so on and it allows that person to
balance supply and demand and to be totally accountable to the customer and have the authority and the autonomy to make the decisions that need to be made quickly and that person also lives with the results balancing short-term and long-term for example immediate project delivery versus helping people grow and go to conferences and learn and so on trying to balance that short term and long term that individual owns both of those as opposed to the previous structure it was constant conflict between the resource manager trying to...
trying to grow their people and the

project that's trying to deliver and

actually get results and so what we have

found is that this structure is extremely fast it's extremely effective

and we have grouped within these line of business teams cross-functional people that have all the skills needed to in our case deliver information technology solutions and there's a manager in place that can make the decisions and drive the results and so the projects go more up and down the projects are not pool executed by
pools of people from different structures they all report to the same manager and if we get a new initiative or a new business area to support we create another permanent structure with a manager and permanent in quotes nothing's permanent in this world but a manager who has people actually reporting up to them directly so that they can be accountable to the customer and own the resources so I was actually going to talk about kind of an analogy of how we run our stores but I was thinking more about you know there's a
continuum of types of work here and you
might be saying to yourself that sounds
fine for an operational execution
environment but in a project or
innovation type environment it doesn't
make sense and and I was thinking about
kind of this continuum of work types
with one extreme being kind of wartime
military where there's no room for
consensus building there's no room for
negotiation and so on it's a straight
chain of command command and control
structure that's required to make
decisions for obvious reasons all the
way to the other extreme which would be

more like a think tank where folks are

they're contributing it's it's it's more

loose decision-making rapid

decision-making maybe isn't as critical

and so on but I would argue that what

I've seen is that org structures

gravitate more toward the think tank

side to far to the think tank side and

less toward the good old fashioned

command and control structure and it's

like somewhere about 15 years ago that

idea of chain of command and command and

control structure became like a like a
bad word like you know what was talked

00:10:43,669 --> 00:10:47,178
about with self-directed work teams and

00:10:45,409 --> 00:10:49,370
things like that not traditional command

00:10:47,178 --> 00:10:52,730
and control structures my experience has

00:10:49,370 --> 00:10:58,120
been that good old-fashioned line of

00:10:52,730 --> 00:11:01,579
line of command org structures work best

00:10:58,120 --> 00:11:03,169
now what's critical in this role in this

00:11:01,578 --> 00:11:05,388
structure is that line of business

00:11:03,169 --> 00:11:06,779
manager you have to find people that

00:11:05,389 --> 00:11:09,180
have very

00:11:06,779 --> 00:11:11,879
good mix of skills to run a

00:11:09,179 --> 00:11:14,519
cross-functional organization and be

00:11:11,879 --> 00:11:15,509
accountable to a customer and so on the

00:11:14,519 --> 00:11:18,269
first thing is they've got to have

00:11:15,509 --> 00:11:20,069
technical skills which means they've
gone deep that's what we call it they've gone deep once into something and they really understand technology and the complexity of technology they obviously need skills project management skills and leadership management and people skills and I'll admit it's tough to find people that have that complete package and we actually use kind of a pie chart where we classify everybody and we say one you know one person has two pieces of pie another person has three pieces of pie we want a lot of people a lot of managers that have all four pieces of
that pie that can actually run teams

from end to end the other thing I'll add

in there is facilitation skills we

obviously are dealing with professionals

and so this command and control type

structure has to be there for

decision-making and expediency but the

reality is with professionals folks have

to be heard and so it's important that

the manager also has the capability to

get input from everybody and facilitate

discussions but at the end of the day

still has to make the decisions and do

it in a rapid manner and I'm just going
to close with this concept called work

and I'll tell you just a little bit about our president at Publix

president of Publix of a multi-billion dollar organization has a high school education he's one of the most brilliant people I know and he often talks about this concept of work and he has this book actually sitting in his Lobby and he often talked it's a National Geographic book has pictures of all types of work like this I'm not even sure exactly what those folks are doing but the the concept is whether someone
is sweeping a floor in the store or

building an optimization algorithm at

the end of the day everybody's trying to

produce output everybody's trying to do

work and I've seen organizational

structures get too focused on thinking

costing and so on and at the end

of the day we all have to have output we

all have to have work and it needs to be

done and so I would just suggest

as I've had to do myself next time a big

project or endeavor comes up and you're

figuring out how to structure it at

least consider building an actual

structure with a command and control
environment where there's a manager that's ultimately accountable and the team reports them directly as opposed to a matrix environment where folks are there the project manager doesn't have a lot of authority and you're spending weeks and months trying to resolve conflict and I know there are lots of models in between but the challenge I would offer and something I've had to do is just to think about structuring work kind of the good old-fashioned way where somebody's in charge as opposed to these loose structures that in my experience
have been significantly less effective

thank you very much