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SOS2ROI Case Studies

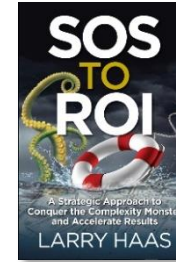
Top Five Mistakes Leaders Make When Battling the Complexity Monster

Larry Haas — Founder and President , Global Aperture LLC

INCOSE-LA — April 2020

Larry Haas

- Larry Haas is the Founder and CEO of Global Aperture LLC, a management consulting firm specializing in helping organizations improve and transform to achieve their strategic goals. The transformation approach he has developed is featured in his book, *SOS to ROI – A Strategic Approach to Conquer the Complexity Monster and Accelerate Results*.
- As a consultant and speaker, Larry's work has spanned a cross section of functional areas in industries such as Aerospace and Defense, Agriculture, Services, Corrections, Food and Beverage, Homeland Security, and Non-Profit.
- Clients and colleagues often refer to Larry's "sixth sense" ability to see into situations to clarify the complicated and conquer the complex. This skill has provided consistently more boldness for leaders, clearly-defined action for teams, and operational and financial impact for organizations.
- Prior to founding Global Aperture, Larry served as a consultant and leader in organizations such as Procter and Gamble, Deloitte, Diamond Consultants (now part of Price Waterhouse Coopers), The Boeing Company, and as an officer and program manager in the United States Air Force.
- Larry is a Hall of Fame alumnus of Columbine High School in Littleton Colorado. He received his BS in Aerospace Engineering from the University of Arizona, and his MBA with emphasis in finance and strategy from the UCLA Anderson school where he has served as the Vice President of the alumni Board of Directors.
- Larry Lives in the Los Angeles area with his two sons Matthew ("Matt"), Scot, and daughter Kate.



Functional Expertise

- General Management
- Program Management
- Strategic Planning
- Business Development
- Product Development

Industry Experience

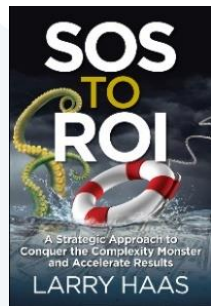
- Aerospace & Defense
- Manufacturing
- Technology
- Professional Services
- B2B, B2G

Flow for Today



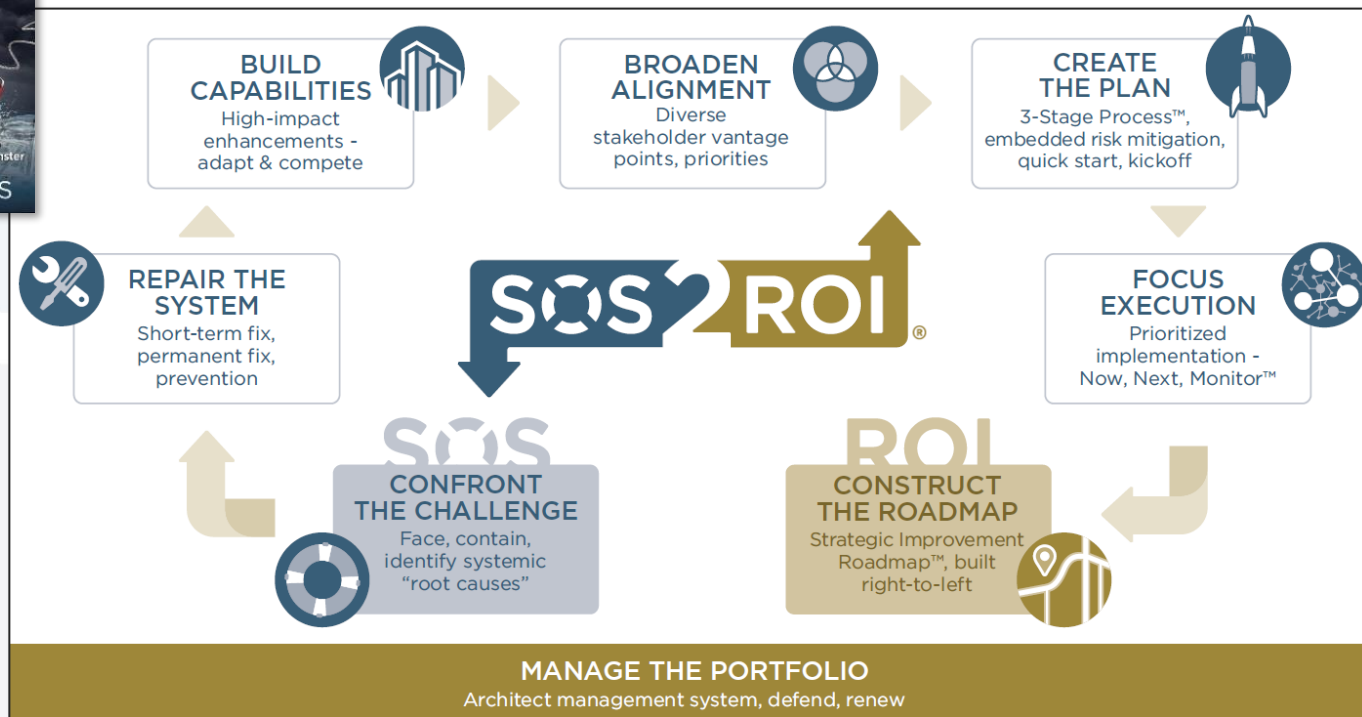
- Quiz
- Complexity Primer
- Case Studies – SOS Moments
- Discussion

Transforming from SOS to ROI



Assessment approach identifies **WHAT**
must be done and **HOW**

Implementation system drives priority
RESULTS with **HIGH** confidence



It all starts with an *SOS Moment*

SOS Moments Come in Two Forms

The Burning Platform



“Oh no”

The Massive Opportunity



“Here we go”

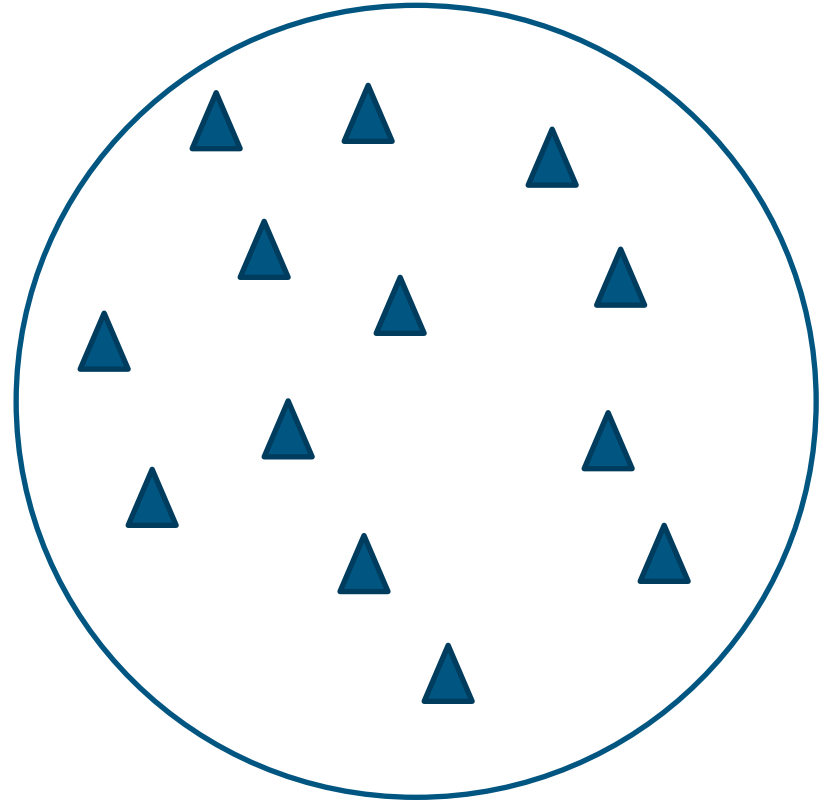
Flow for This Morning



- Quiz
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- Case Studies – SOS Moments
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Complexity is Driven by Three Factors

- **Multiplicity** - The number of nodes in the system

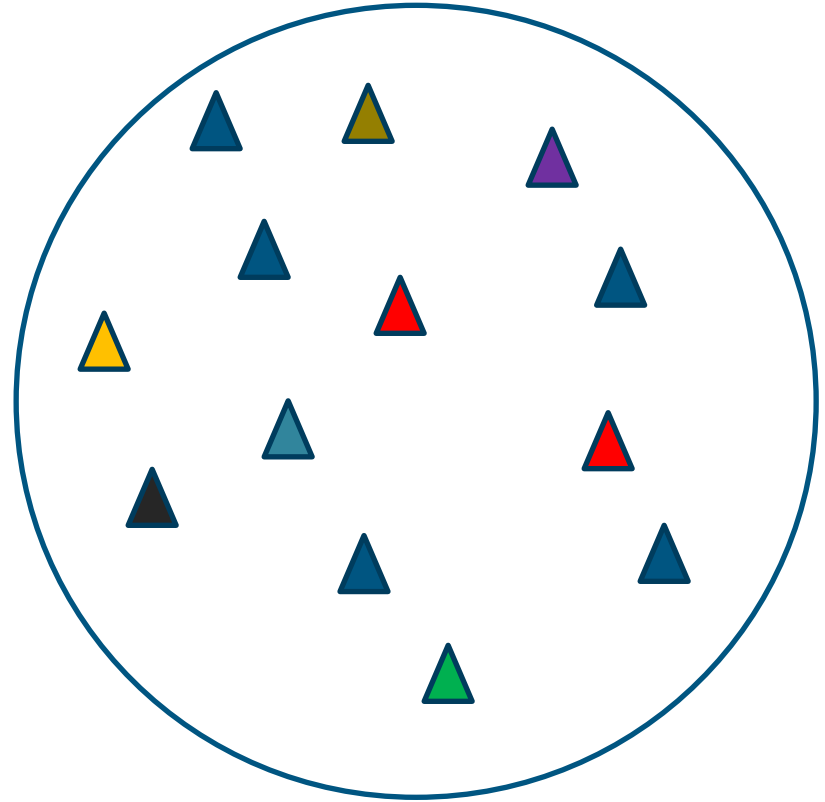


Source: HBR 2014, Learning to Live with Complexity

The more nodes in the system, the more complex

Complexity is Driven by Three Factors

- **Multiplicity** - The number of nodes in the system
- **Diversity** – The degree of “sameness” of the nodes

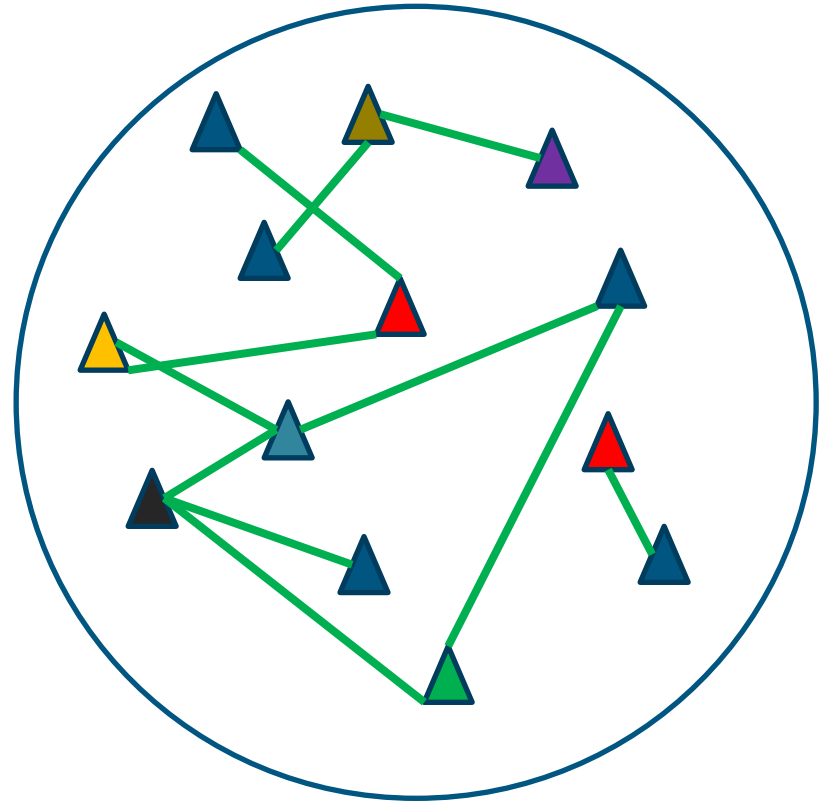


Source: HBR 2014, Learning to Live with Complexity

The more diverse, the more complex

Complexity is Driven by Three Factors

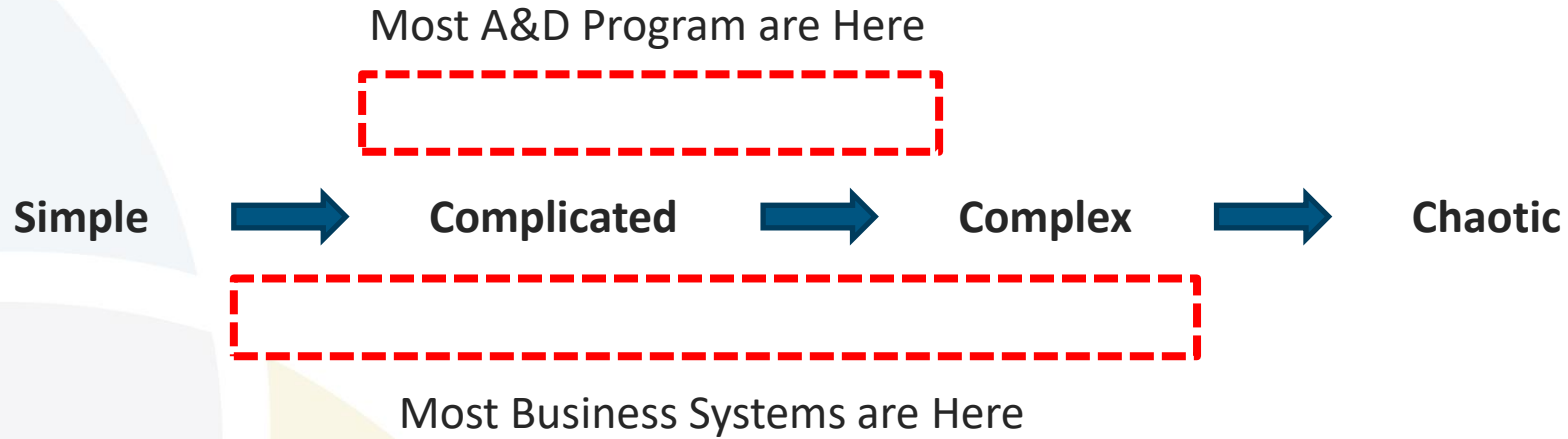
- **Multiplicity** - The number of nodes in the system
- **Diversity** – The degree of “sameness” of the nodes
- **Interdependence** – the connectedness of the nodes



Source: HBR 2014, *Learning to Live with Complexity*

The more connectivity, the more complex

A Complexity Continuum



Although an A&D system can be modeled, often, the business system building it cannot

Top 5 Mistakes Leaders Make When Battling Complexity

1. Ignore it – “it will settle down”
2. Attempt to model it / master it – “we can figure it out”
3. Get paralyzed and do nothing – “I’m just not sure”
4. Not removing bad complexity – “that’s how we do it”
5. Fail to acknowledge good complexity – “complexity sucks”

The Complexity Monster is on the loose, and leaders need to wage the battle

Instead, Do This

Regularly

- **Remove** Unnecessary Complexity (e.g. VW, Boeing)
- **Restrain** Critical Complexity (e.g. regulations, customization)
- **Reinforce** Good Complexity (e.g. organizations, teams)

And when in strategic change:

- **Try** something sensible, and watch for patterns
- **Respond** to patterns and adjust
- **Maintain** situational awareness

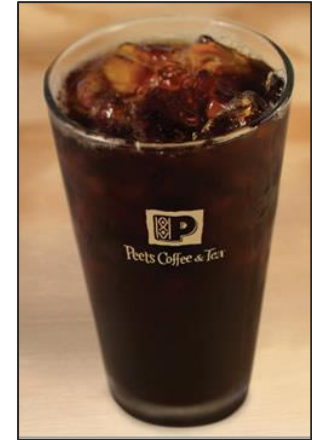
Battling complexity is a lot like fishing – go with what's working

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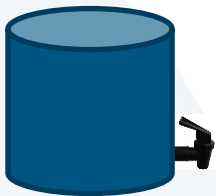
SOS Moment 1 — Cold Brew



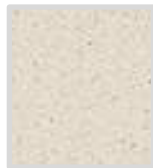
Cold Brew is “HOT”

Cold Brew Primer

Brew
Container



Filter



Coffee
Grounds



Water



12-24 hours



- Smooth, rich concentrate
- Low acid
- Mix with water, milk, ice (hot or cold)
- Store in fridge for 2 weeks

Hence, all the rage

SOS Moment 1 - Cold Brew



Situation – Midwest B2B, B2C Equipment Supplier

- Growing trend in coffee – 12-24 hr. “brew” process – smooth, non-acidic, “hip”
- Doing well, yet **operationally constrained** – difficult to scale with \$\$\$ or people
- The “big guys” began to test and experiment with equipment (2012)
- **SOS moment** – phone call - *Can You Supply North America???* (Aug 2014)
 - Demand picture becoming highly complex, impossible to track

Solution

- ***Don't try to figure out the demand puzzle, just build a scalable business solution to take advantage of the demand spike...then grow***

Result

- Capacity increase with no additional labor, Revenue increase, Margin Increase



Cold Brew Fast Becoming “table stakes” for Small to Medium-sized Coffee Shops and Major Chains – WORLDWIDE!!

Leadership /
Organization

Supply Chain

Operations

Distribution

Customer
Service

Product / Safety
Certification

Trademark
Protection

Scalable Solution Enabled
Rapid Growth

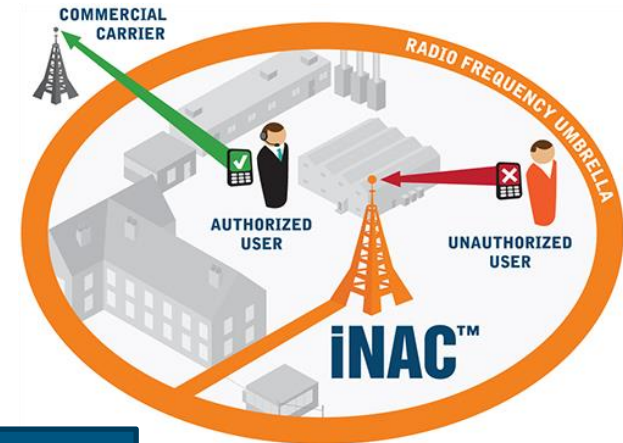
SOS Moment 2 — Contraband Cellphones in Prisons



SOS Moment 2 — Prison Managed Access



- Situation
 - Contraband cellphones allow prisoners to deal drugs, run illegal businesses and even organize murders, right under the noses of the guards and wardens – using highly creative means – *complex to track and manage*
 - Black market value = \$1500/phone
 - ***SOS Moment – 100% embarrassment to prisons***
- Solution
 - We helped prison service provider partner with major defense firm to create “managed access” solution
 - Cellphones inoperable (BLACK/WHITE) – stymies demand
- Result
 - Pilot testing continues in several states (TX, AL, CA)
 - Many rolling out solutions in both public and private prison applications



Approach – Render the Complexity Monster Obsolete

SOS Moment 3 — Holy Satellites Batman

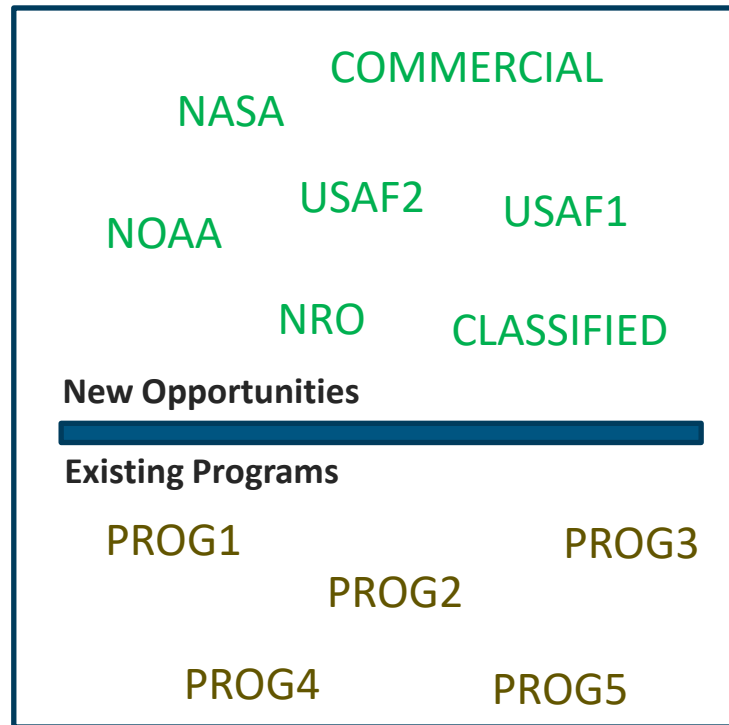
Situation (a few years ago)



OR



- Unprecedented (\$10B+) new business opportunities in space – continual change in award schedules
 - Win all – hire 2000
 - Lose all – lay off 1500
- Existing programs largely cost+
- What to do? What to say?
 - Employees
 - University Recruiters
 - The “boss”



Too Many Moving Parts to Model Discretely

Staffing Driven By Program Needs

SOS Moment 3 — *100 Day Looking Glass*

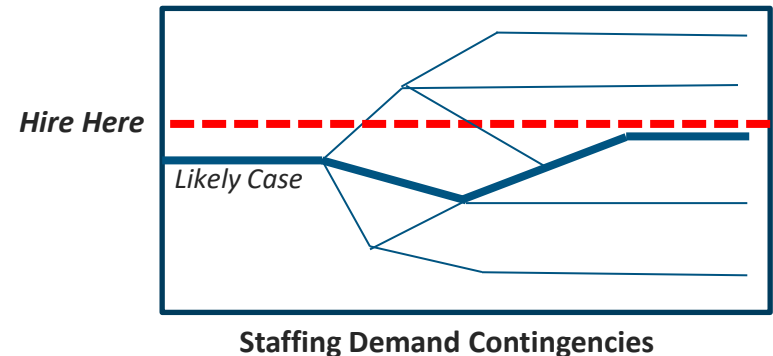
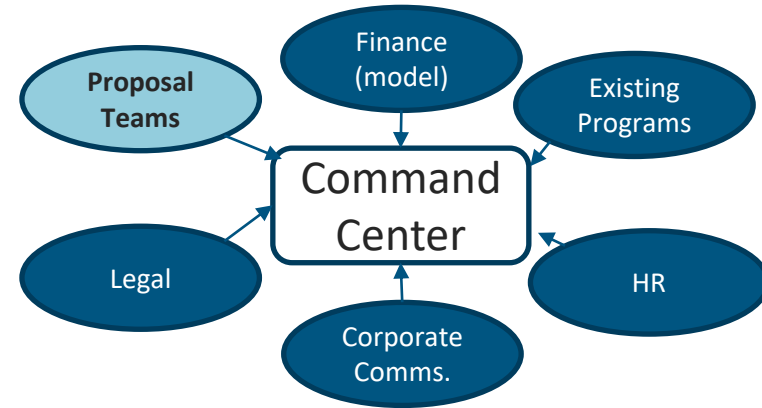


Solution

- Contingency planning supported by daily “command center” cross-functional interactions plus staffing demand modeling based on Pwin, Pgo, Pprotest, EAC’s on existing programs, skills needs
- “Most Likely” case changed weekly - drove communications plan
- Predict, act, respond, update, predict...

Result

- Won some, lost some, but saved \$30M by being ready to respond at a moments notice

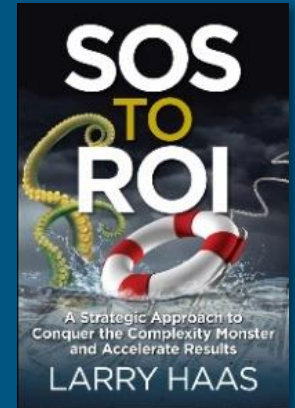


Summary

- **SOS Moments** drive the necessity for decision-making
 - Often revealing system weaknesses
- The **Complexity Monster** is here to stay – the world can no longer be discretely modeled - leaders must adapt
- It is possible to win the battle for huge **ROI**

Thank You!

Larry A. Haas | 310.780.4137 | larry@globalaperture.com | www.globalaperture.com



Helping YOU transform from SOS2ROI