The case of
the missing french fries

Forcing organizational change from on high rarely works. Corporate transformations work best when leaders identify the relevant issues but then let their frontline workers find the answers.

Who knows better than frontline workers about customer service issues? Yet their views and experience are often overlooked when companies try to sort out an operational challenge. Moreover, executives, comfortably above the fray, may search for years for complicated explanations—let's call them conference-room solutions—to a problem that may actually have straightforward answers, courtesy of their front line.

The following case study, drawn from a real-world example, illustrates the critical role a frontline team played in solving a long-standing operational riddle.

The challenge

Executives at a North American quick-service restaurant chain calculated that their company was losing millions of dollars a year because of cost overruns on french fries. The issue was what's known as the "french fry efficiency rate."

If you get paid by customers for every french fry you buy from a supplier, that's 100% efficiency. But this company had an efficiency rate of just 91%. That sounds good, but given the amount of french fries the company buys, a 9% loss adds up to a lot of money. Even getting to 95% efficiency would add tremendously to the bottom line.

Management spent several years trying to figure out what was happening. Among the possibilities raised were vendors shortchanging restaurants on the weight of the frozen french fries being delivered or sloppy fry cooks spilling a lot of product onto the floor.

One thing the company didn't try in those years was to assemble in one place the employees responsible for procuring, packaging, and serving the fries. Until that happened, the source of the efficiency gap remained a mystery.

The insight

The company decided to take a frontline approach. It convened a team that included a cashier, fry cook, restaurant manager, purchasing manager, and business analyst. All were invited because of their insights into day-to-day restaurant operations. Recognizing that it would be necessary to break free from entrenched thinking, the team launched the initiative with an intensive, two-day working session (see sidebar, "Inside The Corporate Lab").

The team then visited restaurants to monitor their operations. It tested ideas and prototyped solutions. In the field, the team saw that the employees were dropping nothing on the floor and threw out little at the end of the day. The team sampled hundreds of bags of fries, concluding that the vendors weren't cheating on the amount of fries they supplied.

Then a light bulb went off. After a few weeks of observation, the team realized that employees were serving more french fries than their paper containers were meant to hold; sometimes, the fries would spill out onto a customer's tray. The servers were supposed to give customers 3.5 ounces of fries, but the bags could hold up to 4.2 ounces so the employees filled up the bags. Who could blame

them? No one wanted to give customers an unfilled bag of fries.

The result

The team quickly ruled out the idea of training staff not to overportion, as it raised two issues. First, how could managers monitor an employee's behavior without resorting to a Big Brother approach? Second, the industry suffers from 200% annual turnover in the field, so the problem would never quite go away.

Instead, the team landed on a straightforward solution, one that now seems obvious but had eluded everyone until then. The simple answer was that the bags were too big and so should be made smaller. In a test kitchen, team members cut bags to prevent them from accepting more than 3.5 ounces of fries.

Inside The Corporate Lab

To achieve success, an organization must build a transformation program that will allow change to be rapidly implemented across its departments and throughout its layers. Unless key employees at all levels embrace the change, the initiative will die on the vine. To create this kind of widespread passion, the workforce must be exposed to a vision of *what could be*, which will enable it to rethink mental models and break free from entrenched thinking.

To address the question of what could be, I developed The Corporate Lab®. It aims to establish a flexible, scalable, reality-based platform that can build clients' capabilities in a number of areas. The goal is to offer a transformative—not merely educational—experience and to show participants how to recognize obstacles to success in their own organization and how to overcome them. The Corporate Lab immerses participants in an environment that precisely mirrors their day-to-day workplace in terms of culture and behavior, so that they can see how they typically behave. The Corporate Lab incorporates design thinking as well as organizational-agility approaches.

The basic philosophy of The Corporate Lab is to weave together traditional problem solving, in the form of the scientific method, and a strong constructionist element. The scientific method challenges you to make an observation, ask a question, form a hypothesis, conduct an experiment, and then accept or reject your hypothesis. This method is the backbone of the approach employed by The Corporate Lab. But it is not enough to generate the behavioral change that is crucial to allowing participants to experience the "art of the possible." The Corporate Lab therefore employs a heavy dose of constructionism, a learning theory developed by Seymour Papert of the MIT Media Lab. It holds that students learn best when making sense of something on their own, with the teacher as a guide to help them along the way.

The Corporate Lab was built to absorb the cultural norms of the client organization. This familiarity encourages participants to reframe their mind-sets by allowing them to view, through a very different lens, the same information that they have seen countless times. This shift enables them to recalibrate their perspective and become open to change.

In addition to the new, smaller fries bag, they also introduced a different fry scooper. And, notably, this new setup would not require any additional training. In a pilot, the fry efficiency rate rose from 91% to 96% in just a few weeks, opening the way to savings of millions of dollars.

Before creating the cross-functional team, the company had worked for years unsuccessfully to find an answer. It took insight from the front line to cut through the organizational fog that had obscured what turned out to be a simple solution. ∎

About the author

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This article is adapted from his book, *The Q-Loop: The Art and Science of Lasting Corporate Change* (Routledge, 2014).

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