



# PANAMA PORTS

## Creating an Atmosphere that Celebrates Teamwork

### The Background

Panama Ports Company (PPC) is a member of Hutchison Port Holdings, which, in turn, is a subsidiary of the firm Hutchison Whampoa Limited, the world's leading maritime port operator with interests in 51 ports in 25 countries around the world. It is a private company, but the Panamanian government owns a 10 percent share of the company.

PPC operates three facilities in Panama: the Port of Cristobal and Cristobal Cruise Terminal on the Atlantic Ocean

side of the Panamanian isthmus, and the Port of Balboa on the Pacific side. The operations are huge. Each week, some 6000 railcar containers are handled by mammoth cranes that line the ports--30 containers per hour per crane. Workers off-load containers 24 hours a day. Thus, the company, with thousands of employees, moves 2.4 million containers each year, making the port second in volume in all of the Americas (after Long Beach in California). PPC is number one in Panama, and it is number one in Latin America.

### The Challenges

Ten years after Panama Ports was founded, the company started facing serious challenges. There were rumors that a competitor was going to build a mega port close to Balboa Port, and that new port might take away some of PPC's clients. PPC was concerned about its ability to retain clients. There was also the problem of growth. The addition of many new cranes meant more new hires. For instance, Cristobal had the highest growth rate of any port in Panama, and in the space of just a few years,

the employee head count had gone from 500 to over 3000.

As General Manager Alejandro Kouruklis saw it, “growth in the number of employees presented the challenge of maintaining a common culture. Each manager was working in his own department, each trying to tackle his challenges on his own. [There was] a lot of frustration because they were feeling that there were all these external forces threatening their ability to keep up with the number of clients we had, that the level of growth was hard to manage. [They wondered] whether they had the right tools, the right people, the support of our parent company, and so forth.”

everyone was “on the same page.” To handle this situation, PPC turned to FranklinCovey. Alejandro Kouruklis believed that the work of a general manager “has very little to do with moving containers. It is, rather, what is our culture? What is the goal? What is the direction we are taking?” And so FranklinCovey was engaged to assist the leadership enrich the company culture.

### The Solution

In 2007, PPC invited Pepe Miralles of FranklinCovey Panama to train the company’s leaders in the philosophy of the 7 Habits of Highly Effective People and in the 4 Disciplines of Execu-

tion. “When we started to work with FranklinCovey,” explained Alejandro Kouruklis, “the first thing we did, which we had not done for ten years, was define our mission and vision for the company. When we were in third place among the ports in Panama, our mission was to become the lead port in Panama, and we moved to first place. To get there, we had to implement many changes: first, we adopted win-win agreements because we have had to negotiate with several governments, and each new government has its own ideas about how things work; then with clients, to convince them to come to use rather than to one of our competitors; then with our workers.”

After the initial training of the top leadership, PPC arranged to have a number of employees certified as in-house FranklinCovey facilitators. They, in turn, trained 250 people.

The trainers worked hard to make their trainees feel comfortable with the process. They decorated the training room with colorful balloons and provided snacks. Purchasing Supervisor Aixa Rose was one of those trained to train others. “As facilitators we had a fast-paced training, good training. Once we got trained we started to train our fellow workers. It was a great experience, the way the sessions were taught and the way people participated.”

Tatiana De Gracia is the Supervisor of Planning and Quality Control for the Engineering Department. She also was trained as a facilitator and agreed with Aixa Rose’s evaluation of the training: “The impact in my life was wonderful because I have to model the Habits. We had to make many changes in the way we work, the way we think, our attitudes, break paradigms, modify the way we plan activities, and most of all, in my personal life, maintain a balance.”



So, the company was in the throes of managing rapid growth while needing to keep a wary eye on the competitors around them. Moreover, the company wanted to achieve the amazing goal of processing 32 containers per hour per crane, and to do that, the company needed to make sure that

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Cesar Brathwaite, Manager of the Department of Industrial Safety and Occupational Health, was also trained as a facilitator: “After the program, I had to completely change my way of teaching because in order to teach the program I had to live it, I had to know it and feel it so I could explain it.”

One of those trained was Manuel Pizon, Manager of the Department of Operations for the Cristobal and Balboa Ports. He explained the value of using scoreboards and regularly reporting the results so that everyone in the company is working toward the same goals: “One of the most important processes we experienced with this program was involving the personnel in the results. Every week we go over the results of Operations and the whole terminal, both Balboa and Cristobal, and we share the results with the organization. That is important for them, because they are not only measuring their results but also seeing the progress and the changes we are making with them so that we move toward the goal set up by the organization.”

Using scoreboards, the top leadership as well as department heads go over the productivity measures weekly with their staffs. Such openness allows everyone to see how all the teams are moving toward the goals. But productivity results are not the only items discussed. Continuous improvement plans are also discussed, with the leadership doing a lot of listening in order to get feedback from the employees.

## The Results

How did the employees feel about the training? “The majority of the people were pleasantly surprised because, up to that point, they really didn’t have a way to express their ideas; there was not a channel within the company that they could use to have their ideas heard, to feel that they were taken into account. They now felt that were important enough to the company to be provided with this type of international training. So, they felt heard, that they were part of this company, and that they now had greater power to solve issues,” explained Kouruklis. He added, “You can see how they get excited about taking it home. They say, ‘This is going to help me with my wife, my husband, to help my children,’ and that makes them feel good because they are not thinking that we are doing this so they can work faster, but because we all want to be the best people we can possibly be.”

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The new company culture has produced results far beyond the number of containers moved in a day or week. Tatiana: “The company has a variety of social projects. Departments practically compete with each other to see which one will give the most to children [in the community]. We are the godfathers of the Leukemia and Cancer Foundation; we have festivities for anniversaries and mother’s day; we had a lot of convivial celebrations with singing and enjoying ourselves. In these festivities we share family pictures from the employees, and they feel so proud and so united. So all these opportunities for interaction within the Panama Ports’ family, as well as in the communities of the Colon Province and the Panama Province, have been very valuable. So much so that, at a national level, Panama Ports has been recognized as one of the best companies to work for, and that is something we are so proud of, and we have done it in a short period of time.”

According to Lisa Ballesteros, Administrative Manager of Port Cristobal and a ten-year veteran of PPC, the FranklinCovey training made a big im-

pact on the culture of the company: “I definitely think that there is a big change. Ten years ago, when I just got to Panama Ports, the culture was too...how could I explain it so as not to get anyone in trouble? The organization has changed most in how much more we listen to everybody, everyone who works in the company. This has helped us to better understand our business, the objective, that everybody understands the key objective of the company. Before, each department, each person had a different objective. Not now. Now is different because we are all focused on the same thing.”

Cesar Brathwaite: “One important change has been the opportunities. Upper Management has given many opportunities to the employees to grow professionally and personally. In my case, they listened to me during management meetings and [thus] gave me the endorsement to grow professionally and take this message to others, namely, that in this company there are opportunities, and if we do our jobs with a sense of commitment, loyalty, and responsibility, we can all achieve things.”

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**“There has been a big change.”**

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Listening to the needs of the employees has produced a work environment that other companies only envy. There is a scholarship program for employees' children who do well in school; there is a physical therapist on site to help with physical ailments; there are nurses, ambulances, and paramedics; hot, healthy meals are provided; even coffee is provided all night for workers on the night shift; employees feel so united that they voluntarily choose to wear matching T-shirts with both the logos of Panama Ports and FranklinCovey printed on them; the company gives coffee mugs to employees with their personal name printed on them alongside the phrase "7 Habits;" key chains and lunch coolers with "7 Habits" on them also are handed out.

In addition to the cultural atmosphere improvements, the company achieved its productivity goals, for when the company was launched in 1997, it was not number one in Panama nor Latin America. But, the company has achieved those goals and is on track to achieve its next goal of 32 containers per crane per hour.

### Return on Investment

Was it worth it financially for PPC to bring the FranklinCovey philosophy on board? General Manager Alejandro Kouruklis explains: "It was inexpensive, truly. There is no doubt that the investment was more than justified. It was worth it, and we feel proud every time a person who works at Panama Ports receives this type of knowledge from our internal facilitators—to see how they get so excited, not only at work but also at home. ■



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FranklinCovey wishes to thank the following for their contribution to this case study: General Manager Alejandro Kouruklis; Human Resources Manager Jose Domingo Gonzalez G.; Training Supervisor Querube Martinez de Diaz; Planning and Control Supervisor Engineering Department Tatiana De Garcia; Facilitator Aixa Rose; Facilitator Cesar Brathwaite; Manager Liza Ballesteros; and Manager Manuel Pinzon. Interviews were conducted in March 2010.

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