The Institute of Management Services is the primary body in the UK concerned with the promotion, practice and development of the range of methodologies and techniques for the improvement of productivity and quality, known collectively as ‘Management Services’. This embraces the disciplines of industrial engineering, work study, organisation and methods, systems analysis, and a wide range of management information and control techniques as illustrated in our Body of Knowledge.

The Institute acts as the qualifying body for the Management Services profession in the UK, focussing developments in practice and knowledge and acting as a forum for information exchange. This in turn enables our members who work under a variety of job titles across the whole of the UK economy, to make a more effective contribution to the well-being of their own organisation and to the nation’s economy as a whole.

In addition to creating and upholding professional standards for the practice of management services through the adoption of a code of ethics and the provision of a system of qualifying examinations, the Institute of Management Services collaborates with national and international professional bodies in similar fields.

The Institute is a member of, or represented on, a number of other bodies including the World Confederation of Productivity Science, the European Federation of Productivity Services, and the European Institute of Industrial Engineers.
I think that most people would agree that we tend to think of flexible working as an inalienable right - certainly the government and the media seem to think that without it, we will be miserable and less productive and that we should all be entitled to work the hours that most suit us and our families. Our employers will just have to get on with it. Flexitime, annualised hours, compressed working weeks, part time, term time - if you can think of it then your company may be branded unreasonable if the management decides that it just isn't workable in your current situation. I read in the newspaper this week that the majority of flexible workers can be found in the public sector, where management falls over backwards to accommodate employees' needs. Well, that's all very well - the majority will not have to look at a profit and loss sheet at the end of the year and wonder where it all went wrong. Don't get me wrong, I am not against flexible working as a concept but I think that employees must be reasonable too and make allowances for the fact that they may not work in a business that can accommodate this 'noughties fad'. My heart goes out to those small companies for whom the loss of a full time employee makes a real dent in the workforce and puts added pressure on those left behind to pick up the slack. In addition, it can be as difficult for larger companies employing thousands of people, many of whom may want to work irregular hours. Meanwhile business must continue as usual. So, what's the answer? Should employers be made to offer flexible working hours to all, regardless of the consequences to the firm? Should employees also be flexible in their attitude to working hours? Let's face it, productivity in the UK could use a boost - will this government led movement make or break British industry? Are we encouraging a workforce of slackers or will employees find life so rewarding that they give of their best 24/7? I would love to hear readers' views on this - write or email your thoughts to the usual addresses (see page 2).

By the time the Journal is published, I'm sure that those of you who are died in the wool football fans will be looking forward to the FA Cup Final - although not to be played at Wembley, as it seems the contractors will not be able to fulfil their obligations and have the stadium finished on time. I was absolutely appalled to hear that workers on the site had made a fortune at the bookmakers by betting on the fact that it wouldn't be ready. I'm sure that I wasn't the only person who wondered whether it was in their own interests to hold up work. When a high profile job like this goes wrong then confidence in British industry starts to falter among the general population. Let's hope that we can get back on track for 2012 and show the world that the UK is an industry force to be reckoned with.
Welcome to the first journal of 2006 and I am pleased to have this opportunity to update you on the following areas of Institute activity.

Membership matters
Institute membership continues to increase and all members should have now received their membership cards and diaries. They have proved to be very popular and we have received a letter of thanks from His Royal Highness Prince Philip who has been an Honorary Fellow of the Institute for some years now.

At the next Council we will be discussing ways in which we can increase our membership as we believe that our life membership is a unique selling point and should attract new members. We will also be seeking to expand our overseas membership base. We would very much like to hear from members who may wish to make a contribution to this initiative to increase membership.

In addition we would like to encourage affiliate members to apply to upgrade their membership grade where appropriate.

Financial matters
Following a period of sustained change which has resulted in securing the future of the Institute for the foreseeable future we have, thanks to the ‘life membership’ initiative been able to reduce our annual operating cost to the minimum. We have recently renewed the administration contract with the company that provides us with our administration service. The transfer from Stowe House to Brooke House in Lichfield went well and we are now settling in. Brooke House is located right in the centre of Lichfield near the medieval cathedral.

Our regions continue to do a good job of providing events and activities for Institute members and friends and I would urge you to support these activities. The annual regional financial grant has now been transferred to the Institute’s regional bank accounts.

Education matters
The ‘outsourcing’ of the Institute’s examination process has now been completed and four providers have been accredited for this purpose. They are Scott Grant, Chinal Management Services, Brian Cuthbert and IMG Consultants.

All the course providers are now providing certificate courses that are specifically designed to meet the needs of individual employers.

A contract has been entered into with Scott Grant for the production of a new DVD/video for the practical part of the certificate examination and John Heap is managing this project.

Journal and website
The Journal continues to attract positive comments and has been well received by the membership in its new quarterly format. We are keen to develop the journal further and to this end Harry Downes is arranging for a series of ‘high level’ interviews on productivity with the first appearing in the summer issue of the Journal. Given the United Kingdom’s recent poor performance on productivity improvement, I hope this focus will stimulate a wide-ranging debate on the issue of productivity. Our new website is now up and running and I would urge you to visit it.

Library service
Over the past ten years the Institute has provided members with access to a library service provided by the Chartered Management Institute. Sadly the provider for legal and copyright reasons is no longer able to provide IMS members with a library service. It is for this reason alone that as from the 31 March 2006 the Institute will no longer be offering this service. We apologise for the loss, but its loss was beyond our control. Use of the service had declined in recent years, I assume, because members are making greater use of the internet to obtain information.

Russell Currie Memorial Fund
An article on the origins of the Russell Currie Memorial Fund and the funds vision for the future is in this issue of the Journal. The trustees have reviewed the objectives of the fund and are anxious to regenerate interest and are seeking nominations for a ‘productivity award’.

I hope you enjoy reading this issue of the journal and as always I welcome your comments and ideas for improving the services your Institute provides.

John Lucey, Chairman

Stonyhurst College visit

Advance notice of a visit to Stonyhurst College, a Grade I Listed building with breathtaking scenery, located at Stonyhurst, Clitheroe, Lancashire, on Sunday 23 July, 13.45 for a tour (start time 14.00). Numbers have to be confirmed beforehand, so booking is essential.

A special group tour rate has been agreed at £5 per head for all visitors (children under four go free).

Refreshments and gift shop. Limited facilities for disabled visitors.

Cheques payable to IMS, North West Region, should be sent to Mr K Kelly, PRO, IMS, Pathways, Pincock Street, Euxton, Chorley, Lancs PR7 6LR. Tel: 01257 271066.

Brewery visit

Final notice of a visit to the Unicorn Brewery, Stockport, on Wednesday 26 April 2006 at 7.30pm. Numbers are limited so early booking is advised. Cost: £6 a head (senior citizens price £3). Cheques payable to IMS (North West Region) should be sent to Mr F Booth, secretary, IMS, 129 Rutherford Drive, Over Hulton, Bolton BL5 1OW. Tel: 01204 656486.
North West regional news

The Regional Board met on Saturday 14 January 2006 at the Rigbye Arms Country Inn, Wrightington for the 35th AGM. Following reports and discussion by members present, the election of officers took place. In the absence of further nominations all incumbent officers indicated a willingness to continue in office and were duly nominated and re-elected.

Regional Board for 2006
Chairman & treasurer
Len Price
01204 840672
Vice chairman
Neil Wilson
0161 487 1016
Secretary
Harry Hogg
01942 863776
Public relations officer
Kevan Kelly
01257 271066
Education & liaison officer
Bob Fletcher
01204 524279

Minutes secretary
Frank Booth
01204 655686
Past chairman & events organiser
Ian Cooper
01257 421383
Executive office & events organiser
Keith Gowling
0161 962 0367
Council delegate & IMS treasurer
David Blanchflower
0151 623 3654

At least 15 years ago the old IMS Birmingham branch visited a relatively new Tyseley Locomotive Works visitor centre, where the preservation and running of steam locomotives was carried out by a large and vibrant group of enthusiasts. These memories prompted the West Midlands members who visited all those years ago to make a return visit in November 2005. The event was most interesting and we gained a good insight into the workings of this fascinating venue. Julian Cutler, Chairman - West Midlands

A strong events programme is being established for our members, the first being the brewery visit (see page 4) to Robinsons in Stockport, which will include an introduction, tour of the plant and sampling of beer. So with limited numbers do not miss this opportunity. Visit www.frederic-robinson.com for location details and so on.

The second event is ‘an experience you will always remember’ at Stonyhurst College, near Clitheroe (see page 4), which includes a tour of the college to see how present day pupils live, work and play. You can visit the chapel and historic rooms, including the Great Hall, decorated with the portraits of former pupils who were awarded the VC, as well as the table upon which Cromwell is thought to have slept the night before the Battle of Preston in 1648. Visit www.stonyhurst.ac.uk for more details.

Len closed the meeting noting this strong start to the events programme. The next regional meeting is scheduled for 20 May. Do keep in touch with your journal and board members listed above.

Obituary
Hugh M Baxendale 1944-2006

Many, many people were shocked and saddened to hear of the sudden death of Hugh Baxendale on 23 January this year. Hugh died peacefully in Durham after suffering a brain haemorrhage; his wife and sons Hugh and Steven were at his bedside in hospital.

Born and raised in Berwick on Tweed he moved to Tyneside and became a proud Geordie. Hugh was a regional director with Scott-Grant Ltd based in the North East of England, having been with the company for almost 20 years, dealing with clients and contractors from the Scottish borders across to Cumbria, and into the East Midlands.

Hugh was an engineer, a very practical man, who developed as a productivity specialist with a lifetime of experience in helping businesses find ways to improve their performance. From a technical, work study background in progressive management roles with British Rail and Thorn EMI before joining Scott-Grant, Hugh was a genial and authoritative figure, always willing to share his knowledge and to help wherever he could.

Applying his expertise to manufacturing companies and across many other sectors he must have helped businesses save literally millions of pounds. Many will remember his passion for improving changeover times as he encouraged aged companies to adopt the lean principles of SMED.

Hugh was a thorough professional, dedicated to the cause of productivity improvement. He was very involved in the IMS over many years in different capacities and in the organisation of events in the then North East Region of the Institute.

As one of his colleagues commented: “Hugh was the sort of person you always looked forward to seeing. His reputation for tremendous insight and humour was well founded; his one-liners were legendary.”

Hugh and Eileen, his wife for over 40 years, were looking forward to the birth of their first grandchild later this year – his delight at sharing the news of this impending birth will be remembered by all who saw his ear to ear grin.

If any reader would like to make a donation to Orbis, Hugh’s choice of charity, please go to the website www.orbis.org or call Richard Taylor at Scott-Grant Ltd on 0161 234 2121.

IMS Library Service

The free library service currently provided for IMS members will be withdrawn, effective from 31 March 2006

It is necessary to do this because the Chartered Management Institute which provides the service is no longer able to provide a comprehensive service due to legal and copyright reasons beyond their control, associated with external database providers.

The Chartered Management Institute has offered to provide a limited library service but this would be little more than an IMS member could obtain from their local library, and as such the IMS has decided not to renew the contract for the limited service being offered. The IMS Council apologises for the loss of the service but members will appreciate it would not be cost effective to pay for a limited service that does not meet the needs of members.

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Mine’s a not so large one!

‘Christmas crackers – the hangover can last all year!’, a recent seminar, was well attended by managing directors, HR directors, trade union reps and anyone else concerned with employee wellbeing and organisational effectiveness.

According to leading alcohol charity Alcohol Concern, alcohol abuse kills someone every 24 minutes and costs the UK around £20 billion a year. The impact on British business is similarly startling, with Alcohol Concern reporting an estimated £3 billion loss every year as a direct consequence of unauthorised staff absences due to alcohol and other substance abuse.

While many employers frequently turn a blind eye to alcohol and drug misuse, the widespread problem hinders productivity, damages profits, costs jobs and could be affecting the nation’s health in ways yet to be fully identified.

Hosting speakers from British Airways, Alcohol Concern, Brachers Solicitors and the Medical Council on Alcohol, the event at Bio City aimed to raise employers’ awareness of the workplace implications of this looming social issue. The seminar provided valuable insights on how to approach the problem and begin to formulate policies that work.

The initial focus considered the series of unfortunate events that occur during the office party season, when social drinking reaches its annual climax. Verbal abuse, sexual harassment, assault and even serious crimes are just some of the results of excessive drinking - but a workplace setting can also lead to costly employment tribunals and even prosecutions of employers under health and safety legislation. Speakers presented a range of perspectives - from legal, medical and policy, through to the corporate experience of formulating strategies to deal with the problem.

Jerry Hart, managing director of seminar organiser Curo Aeger, says: "Some organisations resort to a strong disciplinary code to combat alcohol and drug misuse, although this can indicate a missed opportunity for proactive prevention. There is no substitute for sound policies and employee training to ensure everyone knows precisely where they and their employers stand on this vital issue."

Caroline - the productivity convert

Scott-Grant is delighted to announce the appointment of Caroline Fergus as their training co-ordinator, responsible for managing customers before, during and after their training.

“Caroline has had a bit of a baptism by fire by joining us just as we were introducing the new four week IMS Certificate course, and running the last of the old six week syllabus. But she’s handled everything with tremendous charm and efficiency” says training director, Mike Seaman.

“I’d never seen or heard of so much as a rating video before I came to Scott-Grant. Now I wonder how companies survive without measuring their performance” says Caroline, the convert to productivity improvement!

A native of the North West, Caroline has just re-located back home after a couple of years in Australia and Newcastle upon Tyne, so listen out for a mix of accents when you talk with her on the ‘phone - 0161 234 2121.

Under pressure to offshore business

A recently published survey has found that the drive to cut employment costs and tackle skills shortages in the UK has led to almost a third of organisations feeling under pressure to offshore business activity. As a result of this pressure the Chartered Institute of Personnel and Development (CIPD) estimates that 30,000 jobs have been offshore each year since the turn of the century.

Although those losses have been partially offset by parallel job gains and have been more than compensated for by the underlying growth in jobs over the same period, any plans to offshore must involve human resource professionals if they are to minimise the negative effects often associated with offshoring. These include damage to employee morale, UK job losses and difficulties as a result of managing remotely.

Ben Willmott, CIPD Employee Relations Adviser and author of the report, said: “Organisations that decide to go down the offshoring road focusing purely on cutting costs, without taking account of the people management challenges and the potential pitfalls are likely to face considerable problems.

“Too many organisations (42 per cent) don’t involve HR when strategic decisions about offshoring are being made with the result that some of the real people management challenges that exist may not be taken into account in the excitement over the potential cost savings. The survey finds organisations make 180 UK job cuts on average as a result of offshoring. In spite of these job losses offshoring also leads to the creation of new jobs, with organisations generating an average of 58 jobs in the UK as a result of offshoring.

Dr John Philpott, CIPD Chief Economist, commented: “Projecting these findings onto the whole economy suggests that around 30,000 UK jobs have been offshore each year since the start of the decade. But as the survey finds, these job losses are partially offset by job gains and they should also be viewed in the context of the 250,000 net new jobs created in the economy during the same period.”

Information: http://www.cipd.co.uk.
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Russell Mackenzie Currie was one of the early pioneers of management services, credited with having first used the term work study.

He was born in Glasgow in 1902, the seventh child of John and Rachel Currie (John Currie was a cotton yarn merchant). After his education at Kelvinside Academy, Glasgow; Fettes College, Edinburgh; and at the Royal Technical College, Glasgow, he became an engineer with the Lukwah Tea Company of Assam where he stayed from 1924 to 26. He then went on to be assistant distribution engineer at the Shanghai Waterworks Company, rising to engineer in chief by 1942. Currie then joined Associated Industrial Consultants and played a part in reorganising companies (mostly shipyards) for war production. Immediately after the cessation of hostilities in 1945, at the request of the UK government, he returned to Shanghai for six months and helped restore the local water supply.

Perhaps his most important role was at Imperial Chemical Industries, where in 1947, as senior assistant technical director, he developed what became known as work study. Currie's success in this role provided the foundation for his wider professional achievements.

The techniques of work study are important; but just as important, however, is that Russell Currie fostered their fair and proper use with the full force of his enormous enthusiasm and persuasive personality. He insisted on applying all techniques with integrity and honesty and he managed to restore and revitalise approaches which had become suspect due to misuse and neglect. Where necessary, he developed and adopted new techniques to form a complete 'kitbag'.

Underlying all that he did was a strong pride in ICI and a firm conviction that the company should lead the way to national prosperity. He ‘sold’ the concept of work study on the strength of ICI's own financial performance, citing it as an example of what happens when modern approaches to performance improvement are systematically applied.

In 1957 Earl Mountbatten, First Sea Lord of the Royal Navy sought Currie's assistance in setting up a Naval School of Work Study. Currie also assisted the British Army and Royal Air Force in setting up similar establishments. He also advised governmental departments, some of the nationalised industries, some trade unions, and many sections of private industry. Wherever necessary, he helped them establish their own work study organisations. His great work in this respect was recognised when he was awarded a CBE in 1957. Overseas, his enthusiasm infected ICI's subsidiaries and spread beyond them in their respective countries. As a consequence he was invited to introduce work study and national productivity campaigns in India and Canada. He also became the first president of the European Work Study Federation, as well as having been the first president of the British Institute of Work Study a few years earlier.

The Russell Currie Travelling Fellowship

Following his death, in order to perpetuate his name, the Russell Currie Travelling Fellowship was set up under the control of a Charitable Trust. The IMS agreed to carry out all the clerical work connected with the Trust and an appeal was launched for funds under the patronage of Earl Mountbatten of Burma. This proved successful and has funded the activity of the Trust ever since. This activity has largely been to fund scholarships for young management services professionals to make short visits overseas for study and research. One condition of the scholarship has always been to provide a report on the visit for Management Services. For a variety of reasons the scholarships have been less frequently awarded in more recent years and the trustees of the Charitable Trust have been thinking about ways in which the fund can be more flexibly and more
creatively used.
The Trust has the simple, fundamental aim of ‘supporting productivity promotion and improvement. In future, the Trust will make financial grants available to:

• Support management services professionals (who are members of the IMS) to make short visits overseas for study or research. (This is the way the fund has been used so far.)

• Sponsor the IMS Productivity Improvement Award – to be judged by the Trustees and awarded annually to an IMS member. (See later text for more details.)

• Sponsor or commission research furthering the promotion or practice of productivity improvement. Preference would be given to research undertaken by members of the IMS, but funding can be given to non-members at the discretion of the Trustees.

• Sponsor the award of a Russell Currie Medal to be presented to a non member who the IMS consider has made an outstanding contribution to productivity promotion or improvement in that year. This will be awarded on the recommendation of our president John Thurso.

How do I make a submission to the Trust for support?
If you wish to be considered for a scholarship to cover the costs of a short overseas visit for study or research, please send a submission to the secretary of the Trust at the Institute’s head office in Lichfield (full address below). This submission should include:

1. Name, membership number and contact details of person making the submission. (These contact details must include an email address via which all correspondence will be made.)

2. Brief descriptive identifier of the activity for which support is requested, including any specific outcomes. (These must include the production of a report/article for Management Services.)

3. Start and end dates for the proposed visit.

4. Proposed costs and specifically the sum of money being sought from the Trust.

The Institute of Management Services Productivity Improvement Award
The IMS Productivity Improvement Award will be given to an organisation to recognise a particularly successful deployment of management services techniques by a team (which includes a member of the Institute of Management Services) to make a demonstrable improvement to the productivity of an organisation (or part of an organisation).

Awards are considered annually and the Trust is now inviting members to submit applications to be considered for the award by 28 April 2006. Full details of the Productivity Improvement Award appear on page 19 together with the address to which applications should be sent.

John Heap
Chairman, Russell Currie Trust
Institute of Management Services
Brooke House
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Lichfield
Staffordshire WS13 6AB

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Once you have identified the key drivers of employee engagement, you can start to create and implement a road map for achieving outstanding organisational performance through the service-profit chain.

Business journals are brim full with articles about leadership. Ignore them – they are all far too complicated. Effective organisational leadership is simple:

Have a vision of where you want to get to, and clearly and persuasively communicate that vision to employees. Be consistent in your behaviours as you strive to achieve that vision. Do this and your employees will follow. Fail and you will be out there on your own.

In involve your people and value their input
Business journals are also brim full with articles about change. Ignore these too because they typically start from the Machiavellian premise that ‘people hate change’.

This is nonsense of course. People love change – in fact they can hardly get enough of it.

Through the 1990s the UK DIY retail multiples experienced growth of over 185 per cent and in 2004 the sector was estimated to be enjoying a turnover of just over £7.3 billion.

People hate change? And when the paint brushes and electric drills are put away for the night, these same people are tuning in to makeover shows and gardening programmes.

People hate change? No, if people are involved in change (DIY) and their input to the process is valued they will readily engage with it.

Look after your reputation
If the world believes that your organisation is a poor ‘corporate citizen’ they will tell your people. If your employees believe what they hear they will increasingly distance themselves from the business. And if they don’t, they will get increasingly frustrated if they see that you are doing nothing to correct these misconceptions.

Either way, organisations that proactively manage their reputations will also enjoy higher levels of employee engagement.

Could it be any simpler?
Well, actually, it could, because a common theme runs through all three stages of the process of communication. A major study by Watson Wyatt: Connecting Organisational Communication to Financial Performance has given us the ultimate end-to-end measurement: from key driver of employee engagement (communication) to shareholder return on activity.

The research found that ‘a significant improvement in communication effectiveness is associated with a 29.5 per cent increase in market value and that companies with the highest levels of effective communication experienced a 26 per cent total return to shareholders from 1998 to 2002, compared to a 15 per cent return experienced by firms that communicate least effectively’.

Effective communications create engaged employees, creating loyal customers who in turn create bigger profits. Furthermore, they found that organisations that communicate effectively were ‘more likely to report employee turnover rates below or significantly below those of their industry peers.’

But we need to be clear about what is being said here. The report highlights the return on effective communication, not information. And communication is not just about telling people what you want them to do or are about to do to them – it is about genuine two-way dialogue with both employees and the outside world. And although this is simple it
is not always easy.
In fact it is going to be really difficult to implement because there are four substantial barriers in place in most organisations:

Managers do not see communication as part of their day job
Most managers focus on ‘hard’ measures, delivering the required outcomes on time, on budget, and on target. The ‘soft’ stuff is all too often done on the side of the desk, as an extra-curricular activity, or abdicated to personnel.

Giving people the information and instructions they need to achieve these outcomes is clearly part of the manager’s role.
Communication, however, is still seen as ‘soft’ stuff, even though the reality is that it is the hardest driver of organisational performance that managers have at their disposal.

Managers have not developed their communication skills
Human beings are, bar none, the most effective natural communicators in the animal kingdom. A change in inflection, the tilt of the head and a knowing look can convey the most subtle nuances and utterly transform the meaning of a sentence.

But this is natural one-on-one or one-on-few communication, using techniques our species has evolved over millennia and which we have practiced as individuals throughout our lives. Organisational communication operates on a totally different scale and uses thoroughly unnatural tools.
Mobile phones, email, PowerPoint and teleconferencing are immensely powerful tools for communicating with a large, widely spread audience, but all have been blamed for our failure to communicate effectively.

Why? Because our natural communication skills are so good we take it for granted that we will be competent organisational communicators too.

We are therefore making the assumption that we can use unnatural tools to engage with an unnaturally large audience without acquiring any additional skills. Naturally we are wrong!

Communication channels are absent, inappropriate, or over-subscribed
Decades of failing to take organisational communications seriously means that in many businesses appropriate channels have not been created or effectively maintained.

As the head of internal communications for a major blue-chip corporation recently commented “a decade ago the ‘internal communications department’ was an ex-journalist who churned out the employee newsletter once a month”.

Now things have moved on considerably, but even within progressive organisations there is still a legacy of poor channel infrastructure, usage and management to be tackled.

Communication around corporate citizenship is disjointed
Like internal communications, ‘community communications’ is a new and developing discipline which is working through a host of legacy issues. Foremost amongst these are the need for organisations to enter into a true dialogue with the communities within which they operate and for all of the positive interactions within these communities to be ‘joined up’.

Again much progress has been made, but although corporate and social responsibility (CSR) teams have done great work in gathering and promoting a wide range of issues, few companies could claim a truly strategic approach. And even fewer could claim that CSR is owned by each and every employee, which is where it needs to be if employees are to feel personal ownership and pride in the organisation they work for.

A manifesto for outstanding organisational performance
It is clear, therefore, that employee engagement is a major driver of organisational performance. Plus effective organisational communication is a significant driver of employee engagement.

If, as I do, you find the argument persuasive and you want to begin the process of breaking down the barriers to successfully harnessing the service-profit chain for your organisation, I believe that you should sign-up to the following four-point manifesto:

• Education: Every manager in your organisation must understand how effective communication drives performance;
• Development: Every manager in your organisation must recognise the difference between natural and organisational communication and commit to developing the required skills;
• Infrastructure: The organisation must invest in the development and maintenance of appropriate channels of communication;
• Community: The organisation must actively manage its reputation as a corporate citizen and positively engage employees and the wider community alike.

This is a simple plan, but it is not a sequential plan – all four areas can, and should, be tackled simultaneously.

This means that it will not necessarily be an easy plan to deliver, but business leaders must deliver because with almost nine out of ten employees currently being either ‘disengaged’ or just ‘moderately engaged’ at work, the opportunity to drive outstanding organisational performance is simply too enormous to ignore.

Courtesy of www.management-issues.com

Andy Parsley helps organisations positively engage with two key audiences: their employees and their customers, both existing and potential. A marketing communications expert, he is the founder of Green Lion Insights and Solutions – an employee engagement consultancy and a regular writer and speaker on employment issues.

Spring 2006 Management Services
When the CEO of the mighty Wal-Mart asks the UK government for protection against competition from Tesco, one fifth its size, it is clear something significant is going on.

The rise of Tesco is not because it is better at dominating its home market than Wal-Mart is in the markets it serves in the US. Both benefit from enormous scale and purchasing power.

The difference is that Tesco has developed a superior lean business model that is exposing the cracks in the Wal-Mart business model. Through its loyalty cards it knows exactly who its customers are and what they want – Wal-Mart does not, and the company has opened a range of formats to mirror customer circumstances – which Wal-Mart is just thinking about. In addition Tesco has developed a rapid, reflexive replenishment supply chain to serve all these formats, including home shopping.

Quite simply Tesco is giving more of its customers exactly what they want, and where and when they want it at lower costs. The good news is that none of this is a secret; competitors can follow their example. It is not an exaggeration to call Tesco the Toyota of the grocery business. They are by no means perfect and, like Toyota, they have not lost the drive to keep improving all of their processes.

Another crack in a very successful business model was also exposed recently. BMW, the proud technology-driven premium carmaker, decided it could not develop hybrid engines alone (even though Honda is doing so). For years Daimler Chrysler and BMW dismissed hybrids as the future, claiming that diesels and hydrogen were the way forward and that they had all the answers. In the face of the huge expansion of third-generation hybrid car production by Toyota, BMW has joined forces with rivals Daimler Chrysler and General Motors to develop hybrids in a bid to catch up. Toyota’s path to develop a new premium position is more in tune with consumer values than product proliferation and stuffing cars full of technology most of us never want to use.

In every industry the business models of the mass production and mass consumption era are broken or creaking. The ‘hub and spoke’ airlines dependent on feeding traffic through big hub airports are struggling to compete with ‘point-to-point’ airlines. Banks and telecoms firms are losing customers as they outsource customer support. Retailers and manufacturers are beginning to question the ‘low cost’ sourcing of cheap products in China, as responsiveness become more critical to compete in clothing and footwear.
And maturing computer technology is even undermining the ability of Dell’s ‘build to order’ model to compete with picking up an equivalent product in the local computer store the same day.

The list could go on – then add in our own experiences of waiting in queues for diagnosis and treatment in large general hospitals and in car dealers waiting to get our car fixed. Changing times mean it is time to rethink these broken business models. In each case there are examples of firms that have begun to do so. They are beginning to demonstrate the huge potential of lean not only as an approach for streamlining processes, but as a strategy for turning the tables on your competitors and providing a better deal for consumers and their employees at the same time.

In rethinking the business models most organisations naturally start by asking what products they should make in the future, what assets they will need to make them and where they should be located. Lean thinkers on the other hand begin by asking who the customers are, what problems they are trying to solve using these products and services and how best to organise to serve them.

It is not the computer, but the combination of the hardware, the software and the knowledge of how to use them that allow us to process documents and send them to others. And obtaining, installing, upgrading and replacing all these is a process involving the consumer’s time and patience, just like production.

Following this consumption process reveals that many of the interfaces with the provider’s process which mirrors it are broken and frustrating. Moreover they have often been outsourced so direct contact with the consumer is lost and there is no feedback loop to help redesign the product or the processes of obtaining and using it.

In our Lean Solutions book we show how mapping these processes back from the consumer through several layers of distributors to production and all the way back to raw materials, reveals really staggering opportunities for removing layers of cost for all parties, including the consumer. It really can be a win-win-win for all concerned. Better customer service as well as greater convenience turn out to be as free as quality in a lean system.

The ability to think back from the consumer and to design provision systems that can solve their problems by giving them exactly what they want, where and when they want it, at minimum cost will be critical to success in the future. The key question will not be who makes the products but who coordinates the provision of all the elements on an ongoing basis to the consumer.

In the end survival in this challenging environment will depend on the ability and speed with which firms can rethink the business models for their value streams and write off and replace old assets that stand in the way of progress. Firms that are too slow to change will almost certainly be replaced by lean entrepreneurs who figure out how to make lean, consumer-focused business models work. Will you join them or be swept aside?

Daniel T Jones is a management thought leader and advisor on applying lean, process thinking pioneered by Toyota to every type of business across the world. He is the founding Chairman of the Lean Enterprise Academy www.leanuk.org in the UK, dedicated to pushing forward the frontiers of lean thinking and helping others with its implementation. His work has inspired the very successful implementation of lean by Tesco and many other companies.

He is the author with James P Womack of the influential, best-selling management books - The Machine that Changed the World, and Lean Thinking: Banish Waste and Create Wealth in Your Organisation - which describe the principles and practice of lean thinking in production.
Working smarter is the key to improving employee satisfaction, according to a joint DTI, TUC and CBI report, published recently, which explores the ways in which firms can manage change to improve working patterns and address the long hours in the workplace.

Companies, which included BT, Accenture, PricewaterhouseCoopers and Eversheds took part in the research and have all introduced flexible working practices. These measures include part time working, flexitime, job sharing and annualised hours in a bid to modernise working practices, while maintaining and improving productivity.

Benefits have included enhanced customer service, retention of skilled staff, improved morale and less absenteeism, which have all contributed to improved worker satisfaction and productivity.

Employment Minister Gerry Sutcliffe said: “Changing work patterns can benefit everyone – employers, workers and their families. The government is firmly committed to giving people real choice about their working hours to achieve a better work-life balance. “While regulation has a part to play, creating a culture where we work smarter rather than longer is key to improving worker satisfaction, as well as improving competitiveness, productivity and retaining skilled workers.”

The report also states that businesses need to earn the trust of their workforce and encourage their input when considering any major changes within the organisation.

John Cridland, deputy director of the CBI said: “Maximising company performance by modernising work patterns is a key issue for UK firms. This project demonstrates how involving employees in these new patterns can raise productivity, reduce absenteeism and give people a better work-life balance.”

The TUC believes that it is possible to beat Britain’s long hours culture by working smarter and that workplaces can do even better when managers and employees work together.

The report was produced as the culmination of a series of nine masterclasses around the UK, at which the participating ‘business champions’ shared their experiences. In addition to the companies mentioned the contributors included Land Rover, Excel Assemblies, Parkin Elmer, Exel, Rolls Royce, BMG Sellafield, Unilever Foods, BI Worldwide and Westinghouse.
Many organisational problems and crises exist simply because organisations have failed in their ability to achieve serious improvement through teams working together across boundaries. It is time to retain some simplicity in managing change. Although ‘strategic direction’ and ‘high energy’ are important in building a strong culture, what is required is an ‘alignment’ where teams work with each other to manage change. The approach of ‘teamswork’ is more than a return to basics, and is fundamental to building a strong and resilient culture for the future.

The basics are simple
Do we know where we are going and have we ensured that everyone else is committed to that same path - the same strategic direction?

Have we the leadership, the passion and the energy to follow that route – despite setbacks and challenges?

How well have we won the hearts and minds of key teams to work up, down and across organisational boundaries to actually achieve the goals inherent in the strategic direction?

The basics for improved change lie in three areas. Focus and direction is paramount. That means strategy. If we don’t know where our business is going how can we expect others to jump on board? If an organisation does not have a clear direction, communicated into the hearts and minds of its people, then things will go wrong. The second component is energy or passion. If the management group fails to lead with commitment, to excite, stimulate and motivate people to work together, then the organisation is wasting its most important resource – its people. They, the management group, have failed to engage with the emotion that sparks innovation, drive and improvement. The third component which binds the others together is team alignment – that is, working with people in teams across
boundaries. We refer to this concept as teamwork.

Effectiveness can be accessed as a simple formula........

Effectiveness = focus + passion + alignment through teamwork

Any team’s effectiveness whether in a commercial or sporting context is dependent on those three components. Organisations need to revisit this formula to see where they are going wrong and how they can leverage some quick wins.

Stop looking for complexity when simplicity is the answer
A key foundation of General Electric’s approach to continuous improvement is a concept called work-out. Work-out is a process for driving change with the goal of ‘speed’ of delivery to the customer driven by associates who display ‘self confidence’ and look for ‘simplicity’ in resolving solutions. As Albert Einstein quotes “Everything should be made as simple as possible, but not simpler”.

Creating an effective functioning organisation does not have to be complex. Solutions for organisational ills appear far too complex to the informed spectator, but this can be relatively simple. It is implementation and sustaining a commitment to change that is difficult. The average organisation wastes too much time worrying about how to cope with change, than just getting on with it and measuring progress against time frames.

Team dynamics and teamwork
Many basic principles of effective functioning are unpopular with management teams. For instance, working with team dynamics is perceived by many to be too basic and obvious a solution. Yet what do people spend most of their time doing? They work with their teams and commit to working with other teams on common organisational problems. Central to this is how teams operate, how they grow, how they can be shaped to become more innovative, and how they can manage change. We refer to this philosophy as ‘teammwork’. Very few teams operate in a vacuum. Effective organisation is achieved when a variety of teams are aligned and commit to work together to deliver across boundaries to a variety of consumers, customers and stakeholders.

Diagnosing problems
To examine the core of any organisational problem, simply examine how people work together. Examine the personality dynamics, the team composition, team rules, team development and decision-making. Within this simple analysis lies the foundation for ‘alignment’ and effective ‘teammwork’ across the whole organisation – especially as many organisations have de-layered and have very few levels of management. We believe this approach is critical to developing a healthy performance driven culture. Effective team working can be easily achieved through using a variety of tools. Ineffective teamwork can seriously damage the long term viability of any business. Once the ‘us and them attitude’ prevails, cross functional working dies and people become much more silo driven, less open to flexible ways of working and the rot of bureaucracy becomes a dominant part of the culture.

De-mystifying the change process
Change management can be very simple. Focus on how teams work together. This will indicate how ‘aligned’ people are with the ‘direction’ and the ‘energy or passion’ of the enterprise. To further create solutions that can work, undertake a fast and foolproof diagnostic of how the organisation is functioning across boundaries.

Adopt a completely seamless process attitude and the solutions to long standing organisational problems will be soon become very apparent. There are three models that we will be discussing that are easily applied to assessing the effectiveness of teamwork in any business and include:
• Team diagnosis
• Interaction analysis
• Team development

Team diagnosis
This is a very powerful method of assessing the hard and the softer elements of how teams work together. We use a variant of the McKinsey’s 7 S’s model that focuses on the hard S’s – ‘strategy, structure and systems’ within the teams, as well as addressing the softer elements such as the staff, the participants within the team, the style or behaviours within the team, the skills of team members and the shared values that bind the team together. Just by addressing a few key questions one can undertake a fairly rigorous approach to team diagnostics. (See table 1.)

Interaction analysis
Interaction analysis focuses upon how team members interact and it enables the team become more effective by focusing on the contributions and styles of each member. The research investigates measures of leadership which the researcher, Bales², identified ‘task leadership’ and ‘people leadership’. Task leadership includes examples such as ‘giving information’ ie, explaining, summarising and making suggestions, requesting information, asking for details, seeking out new possibilities and asking for clarification. All these behaviours focus on being ‘instrumental’ in getting the task completed.

To add balance, ‘socio-emotional’ or ‘people management leadership’ was also important in maintaining the group’s ability to function as a team in harmony. Principally, the behaviours were identified as leading to positive reinforcement of behaviour in the group. Examples include praising and acknowledging the contribution of team members, clarifying any disagreements, and building and reinforcing a positive atmosphere. The behaviours which would overcome the more negatively orientated to win group or team compliance include, setting rules for mutual working, dealing with violations, defining and enforcing standards and limits and rules for managing conflict that could lead to disharmony in the group. This element of ‘socio-emotional’ leadership focuses on holding the group together.

We can use this approach very positively to assess the climate and interaction within teams. By understanding ‘interaction analysis’, we can significantly shift behaviours from negative to positive. We will be aware of the mood and the dominant style or contribution of the group members.

Team development
The four stage model of group or team development³ is a very powerful process to examine the relative maturity of a team in terms of assessing their ‘teamness’. Reading through each stage highlights where team development has been arrested in the past and the action that can be taken to get it back on track. This is characterised by four key stages. Not all teams go through the stages effectively. Here is a brief outline of the process.

Stage 1: forming
This occurs when a team comes together for the first time. This is now becoming the norm in many businesses where virtual teams are formed frequently to work on special projects. If insufficient attention is paid to helping the team evolve in a structured fashion through each of the stages, the team will learn ‘by accident’ and will develop their own informal network for doing things. Not all the ‘practices’ to which they adhere will be in the interests of team morale and corporate performance. Here we refer to how the team will make decisions about work output based upon assumptions about people’s backgrounds and their experiences. When a team is leaderless, in the formal sense, this can create a major problem. What is important is that, unless a team is driven by a strong individual who values shaping effective team dynamics, the team will evolve by default. Sometimes, the team can achieve reasonably well, but when confronted with a challenge to test their ‘mettle and resolve’, may not hang together, and individuals will revert to the strict demands of their job specifications. This can lead to the second stage.

Stage 2: storming
This stage is characterised by conflict and disagreement and the eventual overthrow of the old team structure and culture. The old way of transacting business may have been wrongly founded on assumptions of team members, which do not live up to the reality of the demands on the team. Major conflicts may arise during this stage, especially regarding decision-making, leadership and how resources are used within the group. Critical rifts can emerge within the team, indicating several sub cultures operating in spite of each other. This failure to work together has to be worked through or facilitated. Team effectiveness is radically reduced if no intervention takes place to introduce ‘norms’ – standards of behaviour which will unite all team members in achieving their goal.

Old assumptions are cast aside and the team starts to learn from both its good and bad experiences. Now, the team has more information on how the individuals work together as a team and this helps them re-structure roles and responsibilities.

Stage 3: norming
As the team operates and steadily improves its ways of working there are certain practices which will be found to work more effectively than others in ensuring that both productivity and harmony are achieved. It is expected that these standards and behaviours will become ‘norms’ for the team and these ‘unwritten’ rules can frequently override formal processes upon which the team should operate. Unofficial ‘norms’ often carry more weight with team members than formal protocols and processes.

Stage 4: performing

Table 1
If positive norms evolve and are

| Bales interaction process analysis (IPA) |
| This is a classic in the study of small group interaction, communication, learning and problem solving. Typically, the types of observable behaviour are: |
| Task orientated |
| Giving information |
| Seeking or questioning for information |
| Organising ideas |
| Clarifying ideas |
| Summarising |
| Testing understanding |
| Evaluating |
| Deciding |
| Process orientated |
| Encouraging |
| Harmonising |
| Sharing/gate-keeping |
| Listening |
| Tension reducing |
| Individual focused |
| Blocking or difficulty stating |
| Seeking attention |
| Dominating |
| Distancing |
promoted, the team will progress to become a high performance team. Where this does not happen, the team members need to work together to ‘diagnose’ the cause of the problem and perhaps go through the whole process again.

An additional stage: mourning!
In several organisations I have witnessed a fifth stage or what I would call the mourning stage. This often happens when teams of people are brought together to work as a special project team. They are united with a common drive and usually a target for implementation. On completion of the project they may well be returned to the function or operation from whence they originated. Having been chosen for the project team in the first place was recognition in itself and may have been highly motivating on the psychological level – but what happens to the individual post project?

Often we choose the ‘high flyers’ to become key drivers of a project – you cannot abandon them when they have achieved what you want. If ‘team disintegration’ is not managed, businesses could be losing their best, most motivated and highest calibre people to their competitors. This is an increasing trend in areas where virtual teams and companies are created to recognise the need to manage the transition of a project.

Summary
We have explored three approaches to assessing how well a team operates. It is obvious that if we have a highly cohesive motivated team, results will follow. The simple solution is overlooked by too many organisations which prefer the less direct, more complex route to improved performance.

Team composition and team leadership is critical to success. If team development is ignored how can the culture of the business improve? The personality traits of team members are critical in shaping how the team operates. Some people will tend to dominate. Others will be more likely to listen and question – seeking ideas and suggestions, rather than continually volunteering them. Some team members are focused solely upon task achievement, others upon promoting effective harmony within the group. It is important that team effectiveness is assessed. This is especially important where teams operate in key management processes that permeate all functions across the organisation. Some issues that illustrate the importance of adapting a rigorous approach to teamwork include:

- What would be the results on the bottom-line if you had seamless teamwork across the areas in the organisation which are currently under-performing?
- If you had superior team working across the business what impact would it have on morale, motivation, the business culture, customer service and business results?
- If you could not fail, what aspect of teamwork would you introduce across the whole business?

References
3 Tuckman, quoted in Philip Atkinson & Ian Millar op cit – Chapter 9.

Phil Atkinson is director of Learning Strategies Ltd, specialising in strategic, behavioural and cultural change. He is a consultant in the UK, Europe and United States, has written seven business books and published many articles, speaks at conferences and runs workshop sessions. His latest book is *How to become a Change Master: Real World Strategies for Achieving Change* (Spiro Press, spring 2005). Telephone: +44 (0)131 346 1276 Website: www.philipatkinsonconsulting.com and his L&D site is www.learningstrategies.ltd.uk email AtkinsonConsult@aol.com.
The IMS Productivity Improvement Award is given to an organisation to recognise a particularly successful deployment of management services techniques by a team (which includes a member of the Institute of Management Services) to make a demonstrable improvement to the productivity of an organisation (or part of an organisation).

Awards are considered annually and, where appropriate, submissions are made and evaluated by the judges, one completed productivity improvement project will be recognised by the granting of the Productivity Improvement Award, with up to three additional projects from the shortlist being Highly Commended.

Judging is carried out by the Trustees of the Russell Currie Memorial Fund who will, if necessary, take external, specialist advice.

What kinds of projects are eligible?
Any recently completed project which has made use of recognised management services or productivity improvement techniques (such as outlined in the IMS body of knowledge) can be submitted for consideration. This may be in any type of organisation in any industrial or commercial sector.

How do I submit a project for recognition?
Only members of the IMS may make a submission. There is a very simple two-stage submission process consisting of submitting information and evidence which corresponds to the submission format below. Where this information and evidence results in a shortlisting of the project, additional information may be sought by the judges.

Submission format
All first-phase submissions should provide the following information:

1. Name, membership number and contact details of the person making the submission. (These contact details must include an email address via which all correspondence will be made.)

2. Title or very brief description of the project.

3. Description of the project, consisting minimally of: Project start and end dates Project description (including details of approach and techniques adopted) – this description should normally be no more than 1,000 words. Description of Project Outcomes Nature of evidence that indicates or substantiates a ‘successful result’

4. Name, status and contact details of a senior manager within the organisation who can validate the information and evidence submitted.

Submissions should be made to:
Secretary, Russell Currie Memorial Fund
C/o Institute of Management Services
Brooke House
24 Dam Street, Lichfield
Staffordshire WS13 6AB

Schedule
Final date for submissions: 5 October 2006

The shortlisting will be completed by 31 October 2006 when successful organisations may be asked for further information and evidence.

The project receiving the IMS Productivity Improvement Award and any projects designated as Highly Commended will be announced by 1 December 2006.
Case study

Paul Jones, a Sales Manager, was given his notice after ten years of service. Paul seemed to accept the news in a resigned manner and was asked to attend a job interview the following morning. Paul did not show up for work the next afternoon. The Police were called in. Paul was found hanging in the woods. The manager who had broken the news to Paul was distraught. Paul's old office was like a ghost ship with people not knowing what to say to each other. His colleagues wished to attend his funeral but Paul's family refused the request. They considered the company was to blame. The manager and members of the team had to come to terms with the trauma of their colleague's death.

Redundancy is an emotive word. No one stratum within any organisation is safe from its implications because in the final analysis, employees are an expendable commodity. As the above case study demonstrates, the real cost of staff cuts can be catastrophic. Handled badly, the repercussions of redundancy may well threaten the infrastructure of even the largest company. Redundancy can cut a swathe through a workforce, leaving in its wake a trail of despondency, insecurity and lowered morale. Redundancy does not begin and end with the final selection of which an individual or section within an organisation is earmarked for cutbacks. The process is far more complex and its execution demands specific managerial skills if the knock-on effects are to be avoided or minimised. These can upset the positive atmosphere within the workplace - a prerequisite for productivity that is synonymous with healthy profit.

The two-edged sword

A major mistake made by organisations is to assume that only the staff being made redundant will be affected. Cutbacks create unrest for all personnel - both those remaining in employment and those destined to leave. Those that are staying may be expected to cope with the additional workload and be resentful of the company's resources and attention being steered towards those who are leaving. Once it is seen that both groups can be influenced by the changes within the infrastructure and a management plan evolved to address potential

The human sacrifice

On the twin altars of profit and productivity, redundancy can wield a relentless sword. In skilled management hands, the cuts can cure. But, says occupational stress guru Carole Spiers, applied indiscriminately and insensitively they may damage the very structure they are meant to protect.
problems, then a positive outcome with beneficial consequences for the individual and the company can be expected.

Changes within an organisation invariably reflect on such issues as:

- Job status and content;
- Relationships with peers and supervisors;
- Working conditions;
- Payment.

Unskilled handling of redundancy by untrained managers can cause chaos. The absence of clear communication initiates an atmosphere of fear in which conjecture and rumour run riot, and the anticipation of the consequences of change may generate more negativity than the initial impact of the change itself. Ill-informed rumour may suggest that an organisation is on the brink of being bought up, sold off, merged or closed. In the worst scenario, a news story may appear in the press before employees are informed – with dire consequences.

Fear of the unknown is basic to all resistance to change
Change and uncertainty are disturbing bedfellows. Incertitude is invariably more frightening than knowledge. The threat of impending redundancy often promotes a feeling of precariousness, and for some, re-employment may seem remote and unlikely, while the loss of structure and activity become difficult to adjust to.

It is not so much the nature of change as the employee’s attitude towards that change which is crucial. Any endeavour to help people come to terms with change based on logical argument is invariably ineffective because logic will not have a direct effect on a person’s feelings.

Even the most coherent arguments in support of change frequently leave employees unconvinced. This is where the effective use of counselling skills can help, but they must be used in conjunction with practical organisational initiatives. Even if a cutback or change in the company involves just one or two in a workgroup, all will need to be informed of the proposed changes to promote a feeling of security, maintain group co-operation and promote a feeling of security, and for some, re-employment may seem remote and unlikely, while the loss of structure and activity become difficult to adjust to.

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Management often fails to realise that activities such as communication can assist in the acceptance of change, and therefore managers need to make a special effort to maintain such important stabilising social processes in times of reorganisation.

The individual response
Humanity does not easily embrace change. Even a rut can suddenly seem cosy when viewing unknown territory stretching beyond redundancy. People in organisations, including managers, invariably resist change, yet sometimes the biggest barrier to the introduction of change is resistance to embrace new managerial methods by the managers themselves.

As each person will respond individually to different circumstances, communication skills are of paramount importance. Some employees may welcome change as an opportunity to achieve new goals, whereas others will not. Paradoxically, there is often a counterbalancing desire for new experiences and other associated gains.

Responses may be coloured by the fear of job loss and associated income and/or status, as well as altered relationships with people. Where change requires the person to work different hours, or relocate, then the impact begins to affect social activities both for themselves and their families.

One aspect that is often overlooked is the adverse effect that redundancy can have on an employee’s self-image. Another immediate and devastating result that’s often ignored is that redundancy can curtail any desire to complete the current work programme prior to the employee leaving. It may also preclude social and business intercourse, with dire repercussions.

A major mistake made by organisations is to assume that only the staff being made redundant will be affected

A new reality
Job security slid into oblivion with the demise of the twentieth century. A job for life no longer exists. Today, employers work to a different ethos and no-one has a guaranteed future. The hard truth is that the governing factor in industry and commerce is cost effectiveness. Short-term contracts are the norm – long-term employment is a luxury. In a world where departments are being outsourced and contracts courted by companies fearful of being forced to pay out compensation or face litigation, the average employee has no option but to cope with the transition of change – and that includes managers. In the short term, organisations may be saving money at their workforce’s expense, yet in the long term, this may well prove to be short-sighted if the work is not delivered in an effective and efficient manner.

Facing a future in which cutbacks are part of the accepted business culture, it is imperative that managers receive specialist training in how to run a redundancy programme which includes damage limitation.
Redundancy is a trauma inducing announcement, and indeed they may agree with the criteria for selection. Timing and having to make the decision of who stays and who goes. This task may result in the manager feeling frustrated over the loss of confidence and self-esteem, or cope with the additional stress, suffer feelings similar to a bereavement. As with any loss, the manner in which the news is delivered is of the utmost importance. Receiving bad news is traumatic and care must be taken to present it in the best possible manner. Bearers of bad news experience tremendous stress, so it is imperative that the harbinger receives peer group support and training in managing their own stress levels. The word ‘redundancy’ can be traumatic and care must be taken to present it in the best possible manner. Bearer of bad news experience tremendous stress, so it is imperative that the harbinger receives peer group support and training in managing their own stress levels.

It is imperative that managers receive specialist training in how to run a redundancy programme which includes damage limitation.

Pre-planning pays dividends
As with any tactical manoeuvre, redundancy needs careful planning. Time spent looking at the larger picture will help minimise trauma and assist positive continuity after the conflict is over. It is imperative that consideration is given to how the announcement will be made ie, by whom, to whom, and at what time.

- Announcements should be made at the start of the week to allow peer group support should employees not have family or friends with whom to share the details;
- Avoid announcements being made on a Friday or before a Bank/National holiday;
- Managers must be skilled so that they never assume a reaction.

How announcements should be made:
- Poor interpersonal skills will inflame a bad situation;
- Managers need a reasonable degree of counselling skills but should refrain from taking on the role of the counselor;
- A skilled manager can turn a bad situation into a manageable one;
- Avoid face-to-face confrontation with a manager who cannot listen or empathise.

Listening to employees:
- The employee needs to be able to tell their story without interruption;
- Managers should be able to focus on the specific difficulties employees will experience;
- Empathy and support must be given and options offered without pressure or coercion;
- Managers need to stay calm and supportive as well as being able to deal with a wide range of emotional reactions likely to be experienced by the employee.

The need for support groups
In the arena created by redundancy both employees and managers need support groups. Managers need a central counselling resource that is able to deal in depth with those employees deeply traumatised by the situation. This resource should be
available to both those who are being made redundant and those who are staying – including managers.

Setting up a facility whereby small, mutual-aid groups of redundant employees may meet together with the company’s backing will help relieve pressure on participants, and allow the workforce to view the organisation as being caring rather than having a ‘hire and fire’ culture.

The aftermath
For those employees who stay in the organisation there can be a sense of ‘survivor guilt’, which manifests feelings of awkwardness, embarrassment and an inability to communicate with their colleagues who are leaving. The realism that paternalistic organisations no longer exist can be shattering for all concerned.

When the initial shock has subsided, employees leaving a company may feel anger and resentment in addition to feeling they are possibly being ostracised. They may be disappointed and bewildered by the embarrassment they appear to be causing their colleagues who, due to their own inadequacy and feelings of guilt at having been selected to stay, find it difficult to converse with them.

No matter how sound the reassurance given by a manager that the company’s decision was objective, not personal, very few people will accept this. Being made redundant is personal and so the effect of the decision will be taken personally.

Skilled managers can help alleviate the traumatic impact, yet one of the best strategies is to allow space and give support to employees who have been given their redundancy notices to enable them to digest the news in their own time.

There are no hard and fast rules as to whether it is better for people to be given one month or six month’s notice of redundancy. Just as everyone is an individual so the experience of being made redundant is different for each person. It is up to management to make this as painless a process as possible.

Special offer for Management Services readers
Contact us to receive our free Special Report ‘The Ten Most Frequently Asked Questions about Stress’ please email sb@carolespiersgroup.com or contact us on 020 8954 1593.
Electronic commerce has such well documented advantages that if a business does not engage in doing so, one must question the wisdom of management.

Abstract

The major growth in this transition will be from established ‘bricks and mortar’ businesses, where ‘going online’ appears relatively simple and easy to do. Designing a website to sell and buy online is easy and certainly offers advantages over traditional business practices.

However, the real potential for successful e-business is in the choice of a correct business model. That design selection is critical to assuring that the major components of e-business are appropriately included, and that they all relate to assuring customer satisfaction.

This article describes the path to business model conceptual selection and unique design for ‘bricks and mortar’ businesses to assure success in e-business. The critical components; supply chain management, cost reduction, relationship marketing and adding value, all relate to trading information for inventory and assets. The formula for doing this, a careful integration of these factors, serves to satisfy customers – the key to e-business.

Introduction

Electronic business (e-business) has created fundamental changes in the way businesses operate, and the changes are permanent. The advantages of e-business are so compelling as to overcome the cultural resistance to change necessary to make e-business work. These profound changes involve a fundamental restructuring of business strategy, including process re-engineering, analysis of supply chain, new partnering relationships, and a customer focused attitude.

Electronic commerce (e-commerce) is often confused with e-business, however they are different. Electronic commerce is a part of e-business; it is the part that has to do with buying and selling goods and services by using a data communications network instead of a paper or telephone (voice) system.

First generation efforts to conduct e-commerce preceded the Internet. In the second generation most businesses progressed in e-commerce to where they could conduct sales transactions electronically. E-commerce is a major improvement in business management, but we need to marry this function with other capabilities to convert an organisation to an e-business. We are now in the third generation of e-commerce, the integration of information technology infrastructure to create an e-business.

E-business includes connections of electronic sales to other parts of an organisation that relate internally to finance, fulfilment, staffing, marketing, customer service, etc, and externally to customers, suppliers and ultimately improved supply chain management. When an organisation recognises the strategic importance of this new business approach and embraces a new business model, thereby making a fundamental commitment to this process integration, it can move on to become a comprehensive e-business. The successes of Amazon, Yahoo!, eBay, Google, and so on, well known pure e-businesses, are just a small sample.

However, the thousands of ‘bricks and mortar’ businesses yet to make their entry into e-business are where our attentions are focused in this article.

These organisations require careful design work in developing the business model to extrapolate and amplify their traditional success to an online presence.

Business models

A useful definition of an e-business model is:

‘A description of the roles and relationships among a firm’s consumers, customers, allies and suppliers that identifies the major flows of product, information, money...’
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There are eight infinitesimal e-business models:

1. Direct to customer; 
2. Full-device provider; 
3. Intermediary (portals, agents, auctions, aggregators and others); 
4. Whole of enterprise; 
5. Shared infrastructure; 
6. Virtual community; 
7. Value net integrator; 
8. Content provider.

Also in selecting a business model one must consider the following six areas:

1. Strategy; 
2. Organisational structures; 
3. Business processes; 
4. Value chain; 
5. Revenue stream; 
6. Core competencies.

Business models should be crafted through value imperatives and each business should seek to define a model unique to its business. The model they portray is a statement of an organisation’s direction along a path to a conclusion, and the means to that conclusion is the technology necessary to marry organisation to process and collaborations. There is no definitive off-the-shelf business model, however, six value imperatives used to map a business model are:

1. Logistics; 
2. Relationships; 
3. Channels; 
4. Capital and cost structures; 
5. Branding; 
6. Value adding intermediation.

Another view of web-based business models provides the following list of nine generic e-business models:

1. Brokerage; 
2. Advertising; 
3. Infomediary; 
4. Merchant; 
5. Affiliate; 
6. Community; 
7. Subscription; 
8. Utility.

This taxonomy is not meant to be exhaustive and does provide for combinations of models to be blended to serve a given business strategy.

Five business level strategies that are affected by the e-commerce mode to be used are:

1. Value adding; 
2. Differentiation; 
3. Cost leadership; 
4. Focus; 
5. Growth source.

The major areas of e-commerce described are:

1. Intra-business; 
2. Business-to-business; 
3. Business-to-consumer; 
4. E-commerce applications within the value chain.

The way information technology is viewed within an organisation is central to the way e-commerce is established.

The four areas identified previously are but a small fraction of e-business model descriptions, but serve to suggest the divergence that currently exists. In addition there are also many examples of unique, hybrid, models in use for e-business. It may be too early in the maturation of e-business to expect convergence concerning business models, or perhaps convergence is a disservice in an area that should remain ‘free-wheeling’ and open for continued innovation. There is help in the form of many consulting companies that offer services and these solution providers can design or select an e-business model relevant to an organisation’s business strategy.

The role of trust
Successful e-business depends on a level of trust between parties to a transaction that is not normally evident in traditional business dealings. Trust means that the parties to a transaction will not attempt to exploit the weakness(es) of each other. Trust is also based on knowing the rules of engagement (business ethics) and believing that the other party will abide by them.

Traditionally, people do business with their neighbours, partners, known suppliers or with people they know. However, buyers and sellers may not have a physical location or a ‘bricks and mortar’ presence when conducting e-business, hence the participants are faceless entities. The lack of this physical presence or the lack of prior experience with an electronic transaction increase the apprehension of parties to the transaction; trust, thus, becomes an important factor in the business.

E-business: knowledge transfer from higher educational institutions to industry

Transfer Education to Business (Owens and McManus, 2004)
Trust in supply chain relationships is essential for successful e-business. Trust is further compounded when the transaction occurs between parties in different countries or is of a global nature. How might an organisation include trust in its business model? It is acceptable to suggest that a business strategy includes a commitment to do business ethically and to earn the trust of customers, however including trust in the business model may be difficult to undertake in practice. Trust, or the lack of trust, may be the most significant factor affecting the global expansion of e-business. The interplay between trust and technology can reduce transaction costs and enhance trust between parties to an e-business transaction. The business model that takes advantage of this (an inter-organisational information system that substitutes for lengthy trust building dialogues) can offer substantial savings in time and cost of business transactions.

Integrated Enterprise Architecture (ITAn, also called Enterprise Architecture (EA), or Integrated Information Technology Infrastructure (IITI) and sometimes referred to as Integrated Enterprise Architecture (IEA), contains the blueprints and standards used to explain how organisations’ information processes work together. An IEA should include the business activities performed, how they are organised, where they take place, the data and information flows, and the technology used to make all this happen. An organisation may have standards for its hardware and software and still not have a complete architecture. Developing an IEA is difficult and can often fail if the architecture and the standards are too rigid.

IEA by itself has little value as an individual technique; it needs to be linked to the organisation’s business strategy. The foundation of an architecture (the backbone) including basic communication tools, electronic mail, voice mail, communication software, network operating system, cabling etc, should be standardised. The top level of the architecture should be flexible enough to support a wide range of applications; an open system approach, which allows necessary exceptions to the architecture. Most business organisations are a non-integrated collection of legacy systems, databases, web pages and back-office infrastructure systems. Changing to an integrated model is not a trivial task.

IEA can serve as the basis of an effective e-business model. As previously discussed, the next wave of e-business growth will most likely come from traditional ‘bricks and mortar’ businesses, some rather reluctantly migrating to the web. Migrating to an IEA requires a detailed plan and substantial effort, but the payoff can be rewarding. Benefits can include improved ability to share and effectively process information amongst the supply chain partners, reduced costs due to resource sharing, improved customer service, faster response and cycle time and the ability to respond faster to changes in technology and the marketplace.

Alternative view of e-business models
Traditional ‘bricks and mortar’ businesses entering e-business in the
A useful insight (3) in suggesting entering into e-business and improved efficiencies before business process re-engineering (BPR) organisation usually results in architecture for an existing traditional use. The specification of unnecessary and costly processes in to the elimination of some the two business forms, but can lead IEA. This effort will not only integrate this effort must be the design of the challenge to address. The start of and what business model to use is the opportunity to tailor exclusive the two business forms can offer substantial advantages in supply chain management, inventory reduction, decreased administrative expenses and economies of scale.

How to implement this integration and what business model to use is the challenge to address. The start of this effort must be the design of the IEA. This effort will not only integrate the two business forms, but can lead to the elimination of some unnecessary and costly processes in traditional use. The specification of architecture for an existing organisation usually results in business process re-engineering (BPR) and improved efficiencies before entering into e-business.

This contribution focuses business model development to considerations of the important role of the customer, customer service, transaction data and customer relationship management. This is the central core of e-business. The considerations highlight the difference between traditional business and e-business, especially in product and service areas that have become, or will become, essential commodities. Successful businesses will distinguish themselves by customer service, and owning the transaction and customer data that will allow an organisation to better meet the needs of its customers. This data is the new intellectual property for an e-business; the data market researchers want to buy and competitors covet.

If the issue of trust between buyers and sellers and between trading partners in the supply chain is introduced into the equation, the outline of a new e-business model begins to take shape.

An e-business model for a ‘bricks and clicks’ organisation can be derived from three tenets:

1. The model is subservient to the enterprise architecture;
2. The model is based on ownership (to the maximum extent possible) of the customer;
3. Strong customer relationship management is developed from deep trust between the parties to the business transaction.

Business integration, IEA and customer ownership are all precursors for the major tenet of this model; customer relations. There are not many ‘Tescos’ in this world, and there probably will not be many ‘Amazon.coms’, but there will be many small and medium size businesses that will compete with large businesses and amongst themselves. Customer service will be the distinguishing factor.

Discussion
The ownership of a customer relationship means that one entity in the e-business chain knows more about the customer than any other party to the transaction. The ownership can be exclusive or shared, but the dominant owner often enjoys a closer business relationship with the customer. Where this closeness is high, providing detailed information about the customer, the owner has an opportunity to tailor exclusive services and products for the customer for future sales.

In conclusion, a customer relation is the single most decisive factor for success for e-business and subsequently must be the core tenet of an e-business model.

References


Jonathan D Owens
Senior lecturer business operations, Lincoln Business School, University of Lincoln, Lincoln, UK.
jowens@lincoln.ac.uk.
I’m sure all of you will have used brainstorming to generate ideas. Negative brainstorming looks to generate ideas, too, but ones that will help you achieve the opposite of what you really want to achieve. As an example, we might brainstorm ‘how we can ensure our organisation is fined for a health and safety breach?’ or ‘how can we ensure our meetings are a complete waste of time or badly run?’

When we have generated our list of ideas and actions, we can do one of two things. We can either ‘change the signs’ so that we have a list of things that will help us achieve what we really want and/or we can ask ourselves ‘how many of these things are we doing?’ This can be an extremely interesting exercise and the answers often bring an unpleasant surprise or two!

So let’s play. What are your ideas to ensure that a Six Sigma initiative fails? The list below gives you a few good ideas, but I’m sure that you can add many of your own.

- Lack of real management commitment – simply a lip-service approach;
- Ensure the improvement efforts are not linked to the strategy or business plan;
- Don’t train our managers to manage processes;
- Ensure there are no ‘Six Sigma objectives’ in the managers personal goals and objectives for the year;
- Ensure the reward and recognition policy excludes the behaviours and goals associated with Six Sigma;
- Ensure the people working in the processes are not involved in any improvement efforts;
- Make all decisions based on gut feel rather than data;
- Make no differentiation between natural and special cause variation ensuring that we tamper with our
A Process Is Managed When

It's owned
There's a clear customer focused objective and agreed requirements
There's a process map
There's a balance of input, process and output measures
It's been measured for six months
It's in statistical control
It's capable or there is a plan in place to move to that position
There's a response plan for when things go wrong, for example

Figure 2

processes and increase variation as a result;
- Ignore the real ‘voice of the customer’ and assume that you know what your customer’s requirements are.

Negative brainstorming can be a fun exercise and you’ll find that most people seem to be very creative in negative mode.

Culture plays a big part in successful Six Sigma initiatives. And the culture, systems and outputs of organisations reflect the thinking that goes on within them, but particularly at the top.

“The significant problems we face cannot be solved by the same level of thinking which caused them” Albert Einstein

Consider this quotation from Albert Einstein:
‘The significant problems we face cannot be solved by the same level of thinking which caused them’.

Six Sigma thinking is what’s needed; and General Electric’s retired chairman and CEO Jack Welch demonstrates that thinking in so many ways.

He was determined to make Six Sigma a natural part of the way GE’s business was (and is) run. That involved total commitment from him to put it and keep it on the agenda and to integrate it with everything that GE does. Managers do not get promotion, for example, unless they have completed specific Six Sigma training, passed an exam and successfully led improvement projects. So guess what, they do it! But what sort of thinking goes on in the minds of so many other business leaders and managers who appear to play games when it comes to achieving quality. I use the word ‘play’, because it’s clear that very few are serious about achieving it. If we ask the question, ‘who’s in favour of defect-free products and processes?’ I’m sure everyone would say ‘yes’, particularly your customers.

And yet management behaviour suggests otherwise. Consider the number of management fads that have been and gone; or the number of total quality initiatives that burned briefly bright then faded and died. How could it happen? How could organisations invest all that time, effort and money into them and yet allow them to fail? The simple yet complex answer is leadership and management.

At least some of the actions that leaders and managers must do have been identified in the earlier articles in this series, and indeed in the negative brainstorm list above. For me, one of the keys is for managers to understand that their role is to manage processes. And I really mean manage. My definition of a managed process is shown in figure 2. Imagine the impact on your organisation and your customers if you were doing this across the board.

The problem is that very few organisations train their managers to manage processes, though. As a consequence, they tend to focus on managing and blaming people for things that go wrong. Deming summed this up well when he said: “Eighty-five percent of the reasons for failure to meet customer expectations are related to deficiencies in systems and process, rather than the employee. The role of management is to change the process rather than badgering individuals to do better.”

The role of the manager should be to work on the process, with the people in the process and to continually find ways of improving it. One of the first things for the manager to then realise is the need to meet the requirements of the process.

Very simply, if we are to meet the requirements of our customers, we need the right number of people in place at the right time, and with the right skills, knowledge and experience. And we need to ensure that there are training plans in place to develop their potential or close any gaps in their capabilities.

We need the right equipment in terms of machines and software and

A process is managed when there’s a balance of input, process and output measures

John Morgan is a director of Catalyst Consulting. His many years of experience include operational and management roles for major insurance companies. He is a regular speaker on the conference circuit, and leads the BQF workshops ‘Six Sigma and business excellence’. He has co-authored ‘SPC in the office’ - a practical guide to continuous improvement and a range of articles for quality press magazines.

Information: 0845 345 2282 or www.catalystconsulting.co.uk
One life
Arthur Hulme

A profile of Arthur Hulme, aged 90, who has been an active member of the Institute of Management Services for more than 40 years.

Talking with Arthur Hulme about his life, has been like opening a book full of surprises – and the first surprise is the number of chapters. I had thought he must be nearing 80, and was astonished to learn that he would be 90 next birthday. Then there is the matter of the ‘book’s’ content.

Arthur was born in Bolton in 1916, the third and last of his parents’ children. Originally Lancastrian, Arthur spent most of his childhood in the Midlands. His father was a sheet metal worker but had a wealthy brother who paid for Arthur to attend the King’s School, Amblecide as a boarder from the age of 13.

Arthur delighted in the lakes and countryside after living in industrial towns and embraced fell walking and mountainineering, as well as football and cricket.

Arthur vividly remembers being in a party of boys taken, in 1930, to a vantage point overlooking Lake Windermere, to watch Sir Henry Seagrove attempt the water speed record. Sadly the boat crashed and the boys saw Henry and two companions killed.

The Depression years
At 17 he was back in Birmingham, looking for a job during one of the worst recessions in history. In August 1933 he was taken on by the Hercules Cycle Company, where he worked his way up to deputy assistant buyer in two years, responsible for the supply of all finished parts for the mass production of 40,000 cycles a day.

This job was invaluable in giving him an insight into the workings of the whole organisation. He left Hercules in 1939 and spent the next three years on the factory floor in four different industrial sectors – a chemical factory, aircraft industry, oil well engineering and diesel engine manufacturing.

He volunteered for the RAF in 1942 but was discharged due to poor night vision. He returned to industry and found himself at the Stockport Manufacturing Company building centre sections and tail planes for Lancaster bombers.

In 1945 he joined Philips Electrical Industries and for the first time received training in work study. By the following year he was able to join General Electric as a work study officer, and after six months was promoted to section leader.

During the late 1940s and most of the 1950s he worked in a variety of companies in five different manufacturing industries, dealing with the production of porcelain insulators, brake linings, cotton spinners, laundry and dry cleaning services and textile finishers. All this, and he still found time to get married to Vera.

On the work front he could now tackle a whole range of time and motion studies, job evaluations and bonus incentive schemes.

“In 1958, after having had 13 years of varied work study in several manufacturing industries, together with a period of three years as a part time lecturer in work study at Stockport Technical College in Cheshire, a new challenge faced me. This was to become one of the pioneers of work study in the hospital service, when I was selected out of 380 applicants, to become a member of the three man team at the Manchester Regional Hospital Board. The objective was to discover whether work study had a place in the complex organisation of caring for the sick,” he wrote in the Work Study and Management Services Journal in 1971.

Work study
It did, and it certainly had a place for Arthur too; after two years he applied successfully for the post of Regional O&M/work study officer with the East Anglian Regional Hospital Board (RHB).

Here, in a small attic overlooking the river, he had the daunting task of persuading chief officers that work study was not a gimmick. Arthur went for the grass roots approach, organised a seminar for the chief officers of the 12 hospital management committees where he explained the potential of work study techniques.

Following this first seminar he was inundated with requests and as a one man team, he had to be selective. His first study was of the portering service at Newmarket General Hospital and this generated more than 60 recommendations. Before long the demand for studies had grown and in the next few years more staff were recruited, with teams of officers all over the region.

Arthur had always kept in touch with his professional institute now renamed the IMS, and in 1968 he was elected to the Hospital Group Committee. In the same year he founded the Cambridgeshire branch and over the years served as chairman, secretary and PRO. In 1980 he received an award for outstanding service at Newmarket General Hospital and this generated more than 60 recommendations. Before long the demand for studies had grown and in the next few years more staff were recruited, with teams of officers all over the region.

Arthur too; after two years he...
Hampshire County Council has improved services and made substantial financial savings on street lighting and highways maintenance by implementing the findings of an innovative productivity improvement programme called CLIP. The County Council sees the project as a model in meeting the requirements of the Gershon review of public sector efficiency. Alan Mills, assistant director of environment at Hampshire CC, explains the rationale which underlies CLIP and how it works in practice.

I
mproving services at no extra cost is a tough proposition. At Hampshire County Council (HCC), prompted by the challenges of the efficiency agenda, we set out to do just that, starting with the street lighting and highway maintenance contracts.

Bob Hall, the former chief executive of Southern Electric Contracting (SEC), one of our main contractors, recommended the Construction Lean Improvement Programme (CLIP) which is run by the independent research consultancy BRE, and supported by the DTI. The outcome was so good that the CC now sees the approach as a model for future projects.

Our story begins in 2004. Prompted by the challenge of Sir Peter Gershon’s Releasing Resources to the Frontline report, which makes the case for focused spending on priority services, we asked Southern Electric Contracting and Raynesway Construction to examine the way they were delivering their respective contracts for street lighting and highways maintenance.

Identifying waste
Southern Electric Contracting has a five year contract with the council which involves maintaining around 146,000 lighting units. It is one of the largest street lighting contracts in the UK. Bob Hall recommended the CLIP programme after hearing how its unique approach, based on studies of the renowned efficiency of Japanese car manufacturing, were yielding startling business improvements in the construction sector.

CLIP is not about making cuts and squeezing more out of what’s left - instead CLIP techniques enable organisations to identify and minimise activities that fail to add value, leaving more time for those that do.

Working with the CLIP engineer, we examined the street lighting contract and broke it down into its constituent processes, identifying wasteful and non-value adding activity. It emerged that SEC were wasting a lot of time and effort travelling to and from site.
when they were replacing a column and its associated fittings.

SEC had three specialist teams visiting the same site at different times. This meant they were making up to 10 visits to replace a street lighting column, leaving the street light out of order for almost a month. It also meant potentially digging up the same area of pavement on up to four different occasions.

Replacing lights and old practices

Focusing firmly on one area is key to the success of lean thinking, so SEC started by re-examining how they change a street lighting column. SEC replaced the three specialist teams with a single multi-tasking team of three individuals with complementary skills. They take the specialised vehicles with all the equipment they need to get the job done in the minimum number of visits.

HCC tracked the improvements made on each phase of the work, using key performance indicator graphs. The results in terms of efficiency and productivity were truly amazing. We found we had reduced the site visits required to replace a street column from as many as 10, down to just two. This means it takes only nine man hours to replace a column instead of up to 22. As SEC maintains around 146,000 lighting units, the actual savings are significant. Both the Council and SEC benefit. In addition, by altering processes, we have improved the quality of work. Making fewer visits to site reduces the amount of waste and the impact we make on the environment.

CLIP champions

Obviously we needed to involve more than just the Partnering Board (comprising directors from both the CC and SEC) in rolling out this important change. So we formed sub-groups, appointed CLIP champions in both SEC and HCC and held regular workshops with the CLIP engineers to ensure that everyone involved was clear about what we were doing, why we were doing it and the results we were achieving.

Setting up CLIP did take us some time but it has been worth it. A closer partnership between HCC and SEC has developed, which has improved communication, saves time by reducing duplication of work and enhances the speed and quality of decision making.

Another CLIP case

Raynesway Construction Southern (RCS) has worked for HCC in an informal partnership for the past eight years to deliver highway maintenance services. Two years into the current contract, the HCC and RCS Partnering Board wanted to improve integration through enhanced collaborative working. The overall aim was to improve the efficiency of works delivery.

A CLIP engineer was enlisted to help the partnership improve the structure, organisation and operation of the highways term maintenance contract. The decision was made to devise a three-phase programme of improvement, supported by CLIP.

Five areas: ‘A’ roads inspection, emergency repair, surface dressing, winter maintenance and works orders of maintenance works - were assessed and a multi discipline team established for each area, comprising members from both organisations. A member of the Partnering Board became a member of each team. Designated as team champions, they were able to coordinate the work of the five teams and help manage the change process.

By deploying CLIP principles. we analysed how well the current processes were operating, identifying areas of duplication, delay, bottlenecks and inefficiencies. We challenged the status quo with the aim of eliminating wasteful activities and making value adding work more efficient. A variety of improvement opportunities were identified and several have been implemented.

Saving man hours

It is estimated that the level of value adding activity will improve from around 30 per cent to as much as 60 per cent. We expect a 50 per cent reduction in the time to deliver the surface dressing programme, a reduction of approximately 40 per cent in man hours to deliver the maintenance service and we aim to reduce travel time and mileage between 35 per cent and 65 per cent.

The list of additional benefits is extensive. It includes improved collaborative working; clearer joint understanding; improved planning, coordination and service delivery; better records and data management; improved order accuracy and programming. We are better able to assess training and development requirements, make more efficient use of resources within the partnership and we have improved budget predictability.

The partnership is currently working with CLIP on the second phase of the improvement programme. The focus will be on the diagnostic and improvement of key maintenance delivery processes, making a more detailed analysis to help define the best way to carry out maintenance.

Further use of CLIP

Would Hampshire County Council use CLIP again? The answer has to be a resounding ‘YES’. We have seen that the programme works and is adaptable. The principles applied to one area of work transfer successfully to another. This is why the DTI gives its backing to lean improvement programmes across 15 UK industry sectors including aerospace, ceramics and manufacturing.

CLIP is financially supported by the DTI, which means that organisations setting out along the CLIP route can implement lean thinking without paying commercial consultant rates. In situations such as ours, where the focus is on providing public sector services, the affordability of CLIP consultancy is vital, particularly during the early stages before the cost benefits have fed through.

Already, it is very clear that expenditure on CLIP has been far outweighed by the time and money saved for Hampshire County Council, Southern Electric Contracting and Raynesway Construction and the new business processes introduced will go on yielding cost savings and efficiency improvements well into the future.
Does your culture support or sabotage your strategy?

"An organisation’s capacity to execute its strategy depends on its ‘hard’ infrastructure - its organisation structure and systems - and on its ‘soft’ infrastructure, its culture and norms." Amar Bhide (Harvard and Columbia).

By Graham Yemm

Does your organisation one which invests a considerable amount of time and effort (and therefore cost) in looking to the future and creating a strategy and strategic plan? I hope so! However, what happens if the plan is not successful and the objectives not achieved? Is the blame put on to the market, the competition, the planners, the staff, or even the plan? The problem may be something more fundamental – the culture is not right for the strategic direction!

There are a number of variations about what a strategy is and what is involved in identifying and creating a strategy. The definition below is one which covers most of the key elements:

"An effective strategy is an integrated array of distinctive choices about which markets a company serves, what unique value proposition it offers to the customers and how it arranges its functions to deliver that value." Prof Jan Rivkin.

In creating a strategic intent, Michael Porter suggests asking three questions:

1. What is the business doing?
2. What is happening in the environment?
3. What should the business be doing?

For many years when working with organisations in various sectors on creating their strategic plan, we found that people approached the process with good intentions and wanted to be thorough and professional. The tools and techniques are generally well known and are applied with varying degrees of effectiveness. Many managers know about the 7S’s, SWOT, PEST and suchlike (how well they use them is another matter!). The better organisations have customer feedback data and may carry out some market research. Their analysis of the external environment is based on good information plus knowledge and experience. However, when they come to analysing the internal environment, they may not have such a clear understanding, even presupposing they carry out the strengths and weaknesses part thoroughly.

Combine running the day to day business with looking to the future and leading the people and the organisation and today’s executives and managers have plenty to deal with. Is it any wonder that they do not consider the culture of the organisation? Anyway, surely the culture is what it is, we cannot do anything about it can we? Not strictly true.

Corporate culture happens – the only doubt is if it is the culture you want to have or be part of. What is the culture of an organisation – or the corporate culture? The simple
statement (probably first used at McKinsey) saying, ‘the way we do things round here’ is a good starting point. A more wordy definition is, ‘the moral, social and behavioural norms of an organisation based on the beliefs, attitudes and priorities of its members.’ This does provide for a better understanding of where cultures start to emerge. Corporate cultures evolve from a number of factors:

- The top management and how they behave and operate;
- The history and traditions within the organisation;
- Strong groups within the organisation;
- The policies and practices, including rewards, recognition and promotion.

Whether the present culture has been created by accident or design, it is what you have and is the platform from which the business will continue to operate. Before you can set out on the new strategic plan you need to know whether the culture and strategy are aligned. If they are, you have a chance of success. If not, .......

A close fit between the culture and the strategy will increase your chances of success. Where the culture encourages the right behaviours and actions to support the strategy, the people will have clear guidelines and KPIs about what is good performance. If the culture has clear values, beliefs and behaviours which link to the vision, objectives and strategy – people will feel (and be) aligned and deliver more.

Where your culture does not fit with the strategy implementation and required behaviours, you send mixed signals. People are in conflict.

External focus

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<tr>
<th>Adaptability</th>
<th>Mission</th>
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<tr>
<td>patterns - trends - marketplace</td>
<td>direction - purpose - blueprint</td>
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<tr>
<td>Are we listening to the market?</td>
<td>Do we know where we are going?</td>
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Flexible

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<th>Involvement</th>
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<td>commitment - ownership - responsibility</td>
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<td>Are our people aligned and engaged?</td>
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Stable

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<td>systems - structures - processes</td>
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<tr>
<td>Do our systems create leverage</td>
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Internal focus

Should they be loyal to the culture and company traditions and resist actions and behaviours promoting better strategy execution? Or should they support the strategy by engaging in behaviours that run counter to the culture?

When a company’s culture is not right with what is needed for strategic success, the culture has to be changed as rapidly as can be managed!

How can you decide what your culture is – and whether it will fit the strategic plan?

There are a number of ways of looking at corporate culture. There are some which assess the styles of the top leaders and define the culture based on their behaviours. There are tools such as the Hofstead Cultural Orientation model, which look at various paired factors each on a continuum. The Johnson and Scholes Cultural web offers a more anecdotal and subjective view using six inter-related elements. The one we have used with a number of organisations is the Denison Organisational Cultural model. This tool has been around for over 16 years and benchmarked across over 1600 organisations. It provides a more objective view of organisations into four areas (see http://www.denisonconsulting.com/dc/DenisonAdvantage/LinkToBottomLine/tabid/32/Default.aspx).

The Denison Organisational Culture Survey has 60 items that measure specific aspects of an organisation’s culture in each of the four traits and 12 management practices identified in Dr Dan Denison’s research. Individual surveys are collectively tabulated into a graphic profile that compares your organisation’s culture to that of higher and lower performing organisations.

The results are presented in a...
typical circumplex with reports being produced in bar charts.

One of the main strengths of this tool is that it provides a snapshot of the organisation’s strengths and weaknesses. For example, when we used it with an organisation which was the result of a merger of two companies, we could see that there were low scores in the ‘involvement’ area, which told us that staff morale was low and they needed attention quickly if the good people were not going to leave! Also, the ‘consistency’ result was low which meant that the systems were likely to lead to customer and service problems, which was one area they wanted to compete on! This had the potential to sabotage their strategy! We created ‘action teams’ to

look at the detailed reports on each trait to address the major issues highlighted in these areas. Within six months they could see (and measure) significant improvements in these.

Another client had a new strategy which involved re-positioning their business and becoming a lot more proactive in their market and towards their existing clients. The Denison results showed that they were low on the ‘adaptability’ trait and this is currently being addressed.

Another plus which Denison offers is that you can judge your culture against high performing companies and see how well you compare.

There are many examples of organisations recognising the need to improve their culture, driving this from the top and then seeing the benefits in their bottom-line.

The characteristics of organisations with a strong corporate culture will include most of the following:

- A clearly defined and communicated vision and mission;
- Clearly stated values which underpin the behaviours throughout the organisation;
- A clear indication of the behaviours to be followed by EVERYONE in the organisation from the boardroom down;
- The top management work at creating and keeping the desired culture.

To ensure that the corporate culture supports your strategy it might pay dividends to carry out an assessment before you commit too much time and effort to the strategic planning process. Changing the culture is not necessarily easy, or even a quick task, but it can be done. Your strategy needs solid foundations to build upon so make sure that the culture is strong and that you align the strategic intent and plan with it. You will achieve the business success you want, create an even stronger culture and develop the corporate resilience to succeed even more.

For more information visit www.solutions4training.com.

Graham Yemm is one of the founding partners of Solutions 4 Training Ltd. Graham Yemm has worked with organisations in the UK and internationally helping them to assess their culture, make improvements and align their strategy. He can be contacted at gy@solutions4training.com or +44 (0)1483 480656.
RSPB is flying high

Leading UK Charity relies on IT solution to support its efforts in meeting important conservation goals.

After a rigorous tendering process, the Royal Society for the Protection of Birds, the UK charity for the conservation of wild birds and the environment decided to use Hornbill's Supportworks to manage IT support service to its four country offices, ten regional offices and over 180 nature reserves with communications and business systems. The IT team handles over 1200 calls per month to all of the RSPB's 1500 staff members.

The IT department has over 20 regular users of the helpdesk system, of which ten provide first line support and five second line. Using Supportworks it handles queries from purchasing and operational advice on computers and computer-related devices, to business system support on the organisation's finance and HR systems.

The RSPB team initially chose Hornbill's solution to replace its existing helpdesk system, which was too costly to upgrade to meet new business processes. Hornbill's solution was short listed and selected from 13 suppliers invited to tender. Working with Hornbill's consultancy team, a bespoke 'next contact date' traffic light system has been developed. The light changes colour, based on business logic provided to Hornbill's team, enabling the support analysts to keep customers informed of the current status of calls within or before pre-agreed times.

In addition to the 'traffic light control' system, Hornbill has provided bespoke reports that the IT team uses to monitor its service performance against targets set within the new business procedures. "Until we had Hornbill's system we had no way of really managing our next contact date promises with customers. With the traffic light system, analysts can see at a glance which customers they need to give an update to. Because customers know the progress with their issue, they no longer have to chase us for updates and thanks to Supportworks they now trust us to deliver solutions on time," said Cathy Green IS manager at RSPB.

Gerry Sweeney, managing director at Hornbill Systems, commented: "It is just as important for a charity to ensure that its staff can use its business and desktop systems effectively, and providing effective support to users is vital.

"Supportworks' functionality enables a helpdesk to support users by being able to log and track calls as well as analyse call data for proactive planning. Such systems not only enable staff to operate efficiently, they improve customer service delivery."

About RSPB

Founded in 1889, The RSPB exists to conserve wild birds and the environment. It is the largest wildlife conservation organisation in Europe with over one million members. From its initial stance against the trade in wild birds plumage, the issues that the Society tackles have grown widely over the years in both number and size.

The RSPB focuses its work on the species and habitats that are in the greatest danger and campaigns on behalf of the birds and the environment. The charity owns and manages over 180 nature reserves nationwide, and is active at a regional, national, and local level to protect the environment.

As well as its 1500 full and part-time staff – from nature reserve managers to computer analysts in its ten regional offices across the UK, the Charity has the support of over 170 local members groups, as well as, on average, more than 11,900 volunteers annually.

For more information, please visit www.rspb.org.uk.

Hornbill Systems delivers market leading service management solutions that enable organisations to automate business processes and provide first class customer service. www.hornbill.com
Much management thinking and writing is about entities – things – that are unmoving, unchanging and separate. The reality is that most of what you see around you, whether you can touch it or not, is part of some process or other. It is on its way to being something else.

The processes deployed in all organisations define the culture of that entity; they are what differentiate it from other seemingly similar entities; they define the corporate backbone and are, quite simply, the way things get done around here. Needless to say then, they are pretty important and need to be managed and exploited just like any other corporate asset.

One of the most effective ways of exploiting these vital assets is to explore ways of managing them and this is where business process management (BPM) comes into its own. But what exactly is BPM and is the technology hype or reality?

A good deal of the technology that underpins process management concepts has its roots in the late 1980s and early 1990s and stems from the early efforts of the workflow community. So BPM is not new. Business software has long supported major business processes. What has changed is the realisation that business managers need to understand and improve those processes. Getting a handle on the myriad processes that exists in all organisations is the easiest way to be more competitive, adaptable, responsive and manage costs. Using process-based software is the key to achieving that.

This software does five main jobs

- Puts existing and new application software under the direct control of business managers;
- Makes it easier to improve existing business processes and create new ones;
- Enables the automation of processes across the entire organisation, and beyond it;
- Gives managers ‘real-time’ information on the performance of processes;
- Allows organisations to take full advantage of new computing services.

The result is an improved ability to respond to or anticipate changing business demands. Also, the organisation saves money whenever it changes computerised working methods, usually an expensive and protracted rigmarole. As a bonus, the organisation becomes better fitted to exploit future business and computing opportunities, including business process outsourcing (BPO) and web services.

The success of all this depends on how managers introduce and use this new kind of software. Business process management is as much about organisational design, human communication, peoples’ viewpoints and mutual consideration as it is about technology. It is not just a matter of optimising computer programs.

Problem solving

So we are not trying to solve any new problems – just to solve them differently. The old way was to create isolated ‘stove pipe’ solutions. These were rigid, difficult to maintain, costly to set up and, worst of all, obsolete by the time they arrived. We want to solve problems cheaply, quickly and effectively. How? By seeing those problems as a set of well defined and integrated processes.

In May 2003, Nicholas Carr wrote a paper for the Harvard Business Review in which he argued that it is a mistake to assume that as IT’s potency and ubiquity have increased, so too has its strategic value. What makes a resource truly strategic, what gives it the capacity to be the basis for a sustained competitive advantage, is not ubiquity but scarcity. You only gain an edge over rivals by having or doing something that they can’t have or do. By now, the core functions of IT, data storage, data processing and data transport, have become available and affordable to all.

Carr’s article spawned a ‘may-bug’ industry of counter argument and rebuke – books were written, behemoths were angered. So this article is not going to enter the fray except to say that what if Carr is right, that buying more IT simply keeps you
in that game? Meaning that if an organisation is only going to get to a 'me too' position by spending vast sums on IT infrastructure, then they need to look at what it is that will give them the edge and apply technology to that aspect to gain the competitive advantage. The obvious candidate is process, ie, the way you do things and the backbone of your organisation.

Applying IT to process technology is going to give you that competitive advantage. It will show a return on the investment, keeping you in front and that is where the value will come from. And that is what I believe the 'process revolution' is all about.

BPM technology is becoming mainstream and one effect of this widespread adoption is that there will be less differentiation of large scale BPM engines. They will all:

- Be very scalable
- Support key standards
- Have good integration capabilities
- Be infrastructure products

Feedback
Analytics give business managers and executives the ability to track and measure performance based on real time feedback of their processes, which gives them real insight into how the organisation is operating. Once good and accurate analytics are in place, end users can make informed decisions because they are presented with issues that need to be addressed, as well as with the context so they can take the right action. They have the ability to ‘drill down’ into an anomaly and to look at the information from different dimensions, giving them greater understanding of the ‘information behind the information’.

Forecasting is made possible through ongoing statistical data capture, and reporting functions ensure real-time and predictive information is available.

Now users can:

- Adjust processes to changing business dynamics;
- Move from managing business processes to managing business process lifecycles;
- Tie together business objectives, strategic planning, process modeling, workflow, application/content management and analytics so that they interact;
- Develop feedback loops for change management and incremental optimisation of business processes;
- Eliminate gaps between strategy and business objectives;
- Ensure workflow and processes support key business objectives;
- Gain the control of operations to manage process lifecycles from end-to-end.

By implementing BPM, the business community will be able to build and execute processes that are designed with customers in mind, deliver better quality, faster and at lower costs, and retain competitive advantage by being able to execute processes that deliver the business strategy.

Jon Pyke MBCS CITP is the founder and CEO of the Process Factory Inc and the chairman of the Workflow Management Coalition. He is also a non-executive director of a number of Software companies. Jon has recently co-authored a book covering both technical and business aspects of BPM.
Chinese economic performance: Where’s the productivity?

by John Heap, member of Council, Institute of Management Services, president, World Network of Productivity Organisations

The Chinese economic miracle is well documented. By any measures, the performance of the Chinese economy over the last decade has been extraordinary. China is now an economic super-power, with great potential for still higher performance levels.

I have seen reports that talk about the Chinese productivity miracle and I was interested to learn whether the economic miracle is built on the back of higher productivity – or just on low productivity, high volume manufacturing.

Luckily, I was invited by the Chinese Association of Productivity Science to attend an International Forum on productivity development in Beijing last November and this gave me a chance – both in formal sessions and in background discussions – to explore this issue. There were only six ‘Westerners’ present (out of a total audience of about 200) and I think this made the Chinese exceptionally (and to me at least, surprisingly) frank.

The forum turned out to offer a comprehensive assessment of both the productivity gains made by China in recent years, and the productivity challenges lying ahead.

The presentations covered all parts of the Chinese economy and all industry sectors – from agriculture through manufacturing and transport to services. Clearly, China has made its mark on the world economy, especially in its capacity as being ‘the factory of the world’... future growth is being driven by the aspirations of individual Chinese (and collectively by Chinese society) to rise through the ranks of developing nations to reach the top tiers. It is also driven by the continuing rise in the population which creates a growing market.

However, already the Chinese have learnt that the status of a global manufacturing centre cannot provide sufficient employment for their growing population, (remembering also that continuing productivity gains ironically mean fewer jobs). There are plans being made to move through a ‘manufacturing service’ economy (growing services such as maintenance, design, re-manufacturing, recycling, etc) towards a more service based economy.

So is China a high productivity economy? Certainly not. China’s labour productivity is about five per cent of that of the highest productivity nations (such as the US and Japan). This is partly because China has had until now, a policy of full employment. This is an understandable aim, particularly in a centralist society. However, some are now starting to question this policy. There were calls from one of the speakers to move to a policy of effective, rather than full, employment – relying on economic growth to create new, value adding jobs.

Some of China’s current areas of concern arise from the recent growth. The next ‘Five Year Plan’, covering 2006-2010, expects an average growth rate in GDP of more than...
There were honest assessments of some of the things that China has done less than well in its race for ‘progress’. They recognise, for example, that many recent buildings have been constructed hurriedly – and to poor quality standards – resulting in excessive energy consumption when in use.

This environmental concern came through in a number of the presentations – again honestly recognising that there is a tricky balancing act between economic development and protection of the environment and husbanding of resources. However, some of the presentations addressed this issue specifically suggesting that a change of view (a paradigm shift?) can bring a realisation that these aims are not necessarily contradictory.

One particular interesting presentation from Li Jingwen, who is a fellow of the World Academy of Productivity Science, related to the use of natural resources. The argument was that China has historically had low energy prices. These result in low manufacturing costs but relatively profligate use of energy resources. The low manufacturing costs – and subsequent low pricing of goods - result in high export levels but also in increased energy consumption when in use.

Conclusion
It seems as though the meteoric rise in the Chinese economy is a marriage of political will, inherent entrepreneurism, the availability of natural resources and the availability of cheap labour. If one compares this to the UK at the start of the industrial revolution, only the political will is an additional factor – but it is a most important one. China has to catch up fast – it has a growing population to feed. It cannot grow without massive central planning, especially of the infrastructure.

It does seem to have all the ingredients in place to play ‘catch up’. In fact it has already caught up with most of the East and is moving its target to the West. It has a massive productivity gap to make up, and it has to make it up carefully to balance a rising population with the falling labour requirements of higher productivity processes; growth has to fuel more jobs.

We shall all be aware of China’s progress over the next decade in general terms, but it will be worth keeping a more detailed eye on the productivity and environmental movements. The next World Productivity Congress is in Shenyang in China in October 2006. (See http://worldproductivitycongress.com for details)This will be a useful ‘observation point’.

Beijing’s roads.

China has some particular cultural phenomena that help its economic growth. For example, over the last 10 years the average savings rate has been 40 per cent of income. This creates a huge opportunity to fund expansion.

China recognises that it is not an ‘innovation nation’; it imports rather than creates technology. In fact, it even fails to ‘absorb’ technology – continually re-importing as external technology develops. This is recognised as a particular problem and (small) steps are being taken to encourage knowledge transfer from universities to industry – something which rarely seems to take place currently.

The current set of ‘research projects’, reported on at the Forum, come to an end in May 2006 and will be reported to the State Council so that they can help the early stages of development of the next ‘Five Year Plan’. (China works on a sequential series of such plans and the process of creating them is of major significance in shaping government policy and investment.)
How to get the best from a headhunter

Beverly Nazmi

Alongside the big players, a lot of job growth, where openings leading to partnerships and directorships are being created, is in the small to medium sized organisations.

Searching out the best senior creative and managerial talent around takes time, a luxury that companies seldom have. Executive search firms, or headhunters, are frequently used as the most effective way of spearheading the recruitment drive for high level positions. If you are called by a headhunter, you’ve been identified as a possible ‘fit’. Some people never get such a call during their entire career, which is not necessarily a reflection of a lack of talent.

Others are approached on a regular basis. The key to becoming sought after, if that’s what you want, is to be both excellent at what you do, and visible within the industry. Switched-on people use contact with headhunters to their own advantage.

Having an executive search firm call you is one of the best ways of finding a better job while you are employed, taking little effort from you. In fact, you’ve nothing to lose and everything to gain. As the whole process is extremely confidential, your current position will not be at risk. Even if you’re happy in your current role, being approached is a great opportunity for you to check how marketable you are. Because an executive search team has to keep up to date with both current and future industry trends, use the initial approach as a benchmarking exercise to see if there’s greater opportunity out there.

Generally appointed by companies that are serious about their cultural reinforcement and market standing, a competent headhunter will look for talent to not only support the employer today, but also as it reacts to changing trading conditions in the future.

On many an occasion, the headhunter is contributing towards the creation of ‘super groups’ of intellectual capital and experience. Be careful though. If you do get invited to an initial meeting to discuss your career plans and a possible opening, it’s not a good idea to charge ahead blindly. Check for yourself the reputation of the executive search organisation. Just as in every other field, there are a few headhunting firms out there who may not be quite as credible and professional as others. Be confident about both the firm and individual that approached you, before you place your career in their hands. Association with a firm that is not highly thought of may not help your career prospects.

A good executive search professional will not put you forward to their client unless they really think that you can offer the skills needed to help the client succeed, even though they only earn their complete fee when a job offer is made and accepted. Headhunters will not want to waste your time or their clients (risking their own reputation with both parties) and should certainly not put you under any pressure to take the new position. A professional headhunter should never tell you who else is in the running for a job. If they do, they have blown their confidentiality responsibility wide open. Again, end the relationship and never use that firm if you need a percentage of a candidate’s first year’s remuneration package for their efforts in attracting top talent. You should expect to be treated both professionally and ethically. If you feel this is not the case, sever the relationship. Your first meeting will be to discuss your suitability for the position in mind. The relationship might go no further for that particular job.

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search done in the future. Use that initial meeting to find out about the company looking for new senior staff, not just about the job itself.

A good executive search professional will give you detailed insight into the company, as well as the current job market. It's the headhunter's business to know this stuff, so go into as much detail as you need. Equally, be prepared for the executive search professional to drill into your professional life, personal drivers and lifestyle expectations.

A meeting to discuss one opportunity could open up different future avenues. The successful headhunter that is truly trusted and effective is likely to have other non-advertised, senior positions to fill. Knowing your characteristics and long-term ambitions, the headhunter should be able to help you move position, better enabling you to achieve your potential and goals five or ten years down the line.

If an executive search firm knows that you exist and has knowledge of your skills, aspirations and notice availability, they will also know what kind of opportunity will suit you best, when it comes along. And remember, as a candidate, the headhunter won't be charging you a fee! In these days of talent scarcity it's likely that high performers will eventually get approached by headhunters.

However, employers are unlikely to let talent disappear without a fight. For those offered golden handcuffs, instant promotion or a large salary increase, think twice. It shouldn't take a threat to leave to get the new conditions. Although you didn't ask the headhunter to approach you, don’t be tempted to go through the complete process with the intention of using the new offer to negotiate with your existing employer. What goes around comes around – it's a rapidly shrinking world!

Beverly Nazmi is managing director of Trojan, 020 7841 1600 beverly.nazmi@trojan.co.uk www.trojan.co.uk. Trojan specialises in supporting the growth & development of high performing organisations, by head-hunting (individuals, teams, companies) & nurturing incumbent talent.
Management psychology, far from being a woolly or ‘touchy-feely’ type of business intervention, is in fact one of the most straight-talking and down-to-earth resources available to people in business.

What does it aim to achieve? Nothing less than fairly and squarely to provide executives, and especially business leaders, with guidance to deal with fundamental practical business issues.

There are two factors that are critical for success in any intervention involving management psychologists. First, the executives in question must want to improve their performance. Second, there needs to be a specific issue that can be successfully mastered and worked on through the intervention of an expert in management psychology.

As long as these factors are in place, the potential benefits that management psychology can bring to an organisation’s executives are huge. Above all, modern management psychology techniques identify particular areas of strength and weakness in executives and help to take them, and their organisations, to new heights of performance, personal development and profitability. Management psychology has for many years been regarded in the United States as an established and powerful method of improving performance; it is now being seen in the UK in the same light. Today, it is making an increasing impact within British industry and commerce.

The increasing tendency for organisations to operate across national borders and even to develop a global infrastructure is one reason why management psychologists are nowadays a familiar sight in the corridors of power of companies that are determined to outshine their competition.

All change
Another reason is more fundamental: industry and commerce are going through massive changes. Many organisations have found that management psychology helps them win the edge they are seeking over their rivals. Just like top sportsmen who need to generate an extra margin of improved performance if they are to become world-famous champions, moderately successful organisations have found that management psychologists can help turn that moderate success into world-beating performance.

Management psychology is an especially potent resource during times of organisational change. Change is always disconcerting, but when a business model that has stood its ground for many decades is swept away by waves of new ideas, new resources, new levels of competition, new types of competition (cross-border as well as domestic) and new expectations on the part of customers, change that was once disconcerting can easily become alarming. But being alarmed by the pace and nature of change is no way to run a major organisation. Instead executives need to navigate the changes while maintaining their balance and, ideally, remaining graceful and in control as they do so.
Generally speaking, management psychologists tend to focus their attention on four key areas of activity:

- Assisting organisations to draw up profiles of the ideal types of candidates for new appointments, especially senior appointments;
- Interviewing shortlisted candidates in detail and assessing them from a variety of critically important perspectives in order to make recommendations on their suitability for the role in question; working with individual executives to look at ways of improving the performance of the executive in every area of his or her activity;
- Working to integrate organisations after a merger or acquisition, to ensure that the newly created teams and departments prove to be lasting and profitable.

Management psychologists, like clinical psychologists, are technicians of the human personality. The difference between the two sides of the profession is that clinical psychologists help to treat people with psychological problems, while management psychologists work to help organisations to maximise the performance of the people they employ. After completing their academic studies, most management psychologists gain practical experience in managerial positions in industry and commerce before turning to management psychology as a specialised activity.

This practical experience is an important aspect of the training of management psychologists, because it enables them to bridge the gap between theory and practice. Their work will be no less detailed or exhaustive than the work carried out by a clinical psychologist; the difference is that the work of management psychologists has a commercial rather than clinical objective.

The changes that have come over industry and commerce in recent years have shone the brightest of spotlights on every aspect of how companies do business and ought to do business. Infrastructure, management hierarchy, policy on mergers and acquisitions, overall competitiveness, billing procedures, regulatory policies, purchasing of resources – these and many other key issues have become major topics for strategic and tactical discussion. Yet it is above all people who make organisations successful, and the people challenge is tougher today than it has ever been.

This increased toughness stems from the fact that a different kind of person is required to lead organisations today than was the case even only a few years ago.

Conclusion

Today, the pressing needs that face organisations, especially in the areas of overall competitiveness, customer service, purchasing and business streamlining have made many former business models redundant. Furthermore - and this is an especially important point - interpersonal and human skills tend to become increasingly important the higher up the corporate hierarchy the executive progresses. This is because the higher up the ladder the executive goes, the more important it is for the executive to be able to influence peers and subordinates in a positive and, ideally, inspirational way. Management psychology is playing a key and radical role in helping executives develop their skills and capabilities. Executives who choose to benefit from management psychology are able to streamline themselves with particular efficiency and effectiveness for battle in today’s highly demanding trading environments. Of all the resources available to executives today, management psychology is the one they frequently find they need most of all.
Adidas was facing a number of key business challenges: they needed to cut the time required to turn around customer claims processing and customer responses. The customer service and credit and claims processing departments were drowning in paper and were unable to efficiently manage their workflow processes. Hand-offs between departments were manual and time consuming. Customer records were difficult, if not impossible, to find or effectively track. Confidential customer records were not secure, causing great concern for the Adidas legal department. In addition, the company was unnecessarily losing money on claims, simply because documents could not be found for verification and claims substantiation.

Adidas was faced with the major challenge of transitioning many years worth of information and paper based files to an electronic format that could be leveraged throughout the organisation.

The Global 360 Solution
Adidas began using Global 360 Enterprise in 1996 in their customer service department to simply transition from a paper and microfiche based document management process to an electronic records management system. The outsourced digitising and indexing of the 200,000 records received every month into a ‘library’ had been taking anywhere from three weeks to three months – which meant Adidas customer service representatives often were unable to find the documents they required to do their jobs. With the G360 Enterprise implementation, however, documents no longer needed to be sent out – the scanned documents were indexed and available within an hour. Users were able to locate all related documents instantly and in one spot, streamlining their processes and increasing productivity.

The credit and claims management departments soon adopted Global 360 Enterprise as well, but their requirements and usage of the...
solution were far more complex. They shared many of the same record tracking challenges faced by customer service, but in addition they needed business process management capabilities that would enable them to organise their work, automate the aggregation of records, and simplify inter-department process hand-offs.

G360 case management capabilities enabled them to create automatic case folders which mean all related documents, regardless of where they were stored, were linked and consolidated into a single view. These folders could contain references to workflow work items, diverse file types such as Word documents, PDF Files or HTML Links, as well as objects in SAP repositories. All information needed to process a case was readily accessible and tailored to the user’s roles and privileges.

G360 Enterprise also enabled the optimisation of workflow between the claims analysts, researchers and other departments involved throughout the entire claims management process, from the time the claim was received, through the resolution process and all the way to record archiving. The accounts payable and compliance departments also transitioned to G360 Enterprise, and because of the ease of use, both departments use Global 360 as the front-end interface to SAP.

Manual intervention in the hand-offs between all of these departments has been eliminated, and customer service level agreements (SLAs) are now automatically tracked and managed. Analysis of this workflow process is made possible for continuous process improvement.

Results

G360 Enterprise is providing Adidas with an end-to-end customer and claims business process management solution. Multiple departments are now part of a BPM closed loop solution that addresses the many touch points with customers, which translates into business speed, greater efficiencies and better customer service. The company has decreased its overall claims processing time seven-fold, and attributes this speed to its ability to communicate quickly and easily to find the information needed.

Ultimately Adidas is better able to meet its corporate goals of "achieving excellence in execution" and providing world-class customer service.

Challenges

- Time consuming, paper-based processes
- Inefficient workflow, low productivity
- Manual hand-offs between departments
- Customer files difficult to track translating to lost revenue
- Complex process to verify and match customer data and documents
- Lengthy lag time before orders and invoices were available in the system

Goals

- Real time access to customer files
- Cost savings in credit and claims management
- Efficient, streamlined organisation of work processes
- Readily accessible documents
- Faster claims processing
- Elimination of paper based files and indexes

Results

- Improved customer response time
- Reduced claims payments
- Seamless, automatic process management
- Integration of legacy records into BPM system
- Innovative consolidated invoicing
- Increased productivity and efficient workflow
- Easy integration with other enterprise solutions
- Reduced cycle times
- Lowered cost of doing business

ROI:

- Elimination of document storage fees
- Faster, more effective claims processing
- Less employee hours required to perform tasks
- Claim document substantiation translates to less claims written off

Departments using G360 Enterprise:

- Credit and claims management
- Customer service
- Accounts payable
- Compliance

Number of users: 165

Integrations: Tibco, SAP.
The new IMS website is now ‘live’

www.ims-productivity.com has been designed to provide information about the Institute of Management Services and aims to be the UK’s leading resource of information about productivity. What productivity is, why it is so important to the continuing prosperity of the nation, and the various methods and techniques used to enhance and maintain productivity.

www.ims-productivity.com