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, focusing 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.

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We also want your news and points of view about what appears in this journal. Something you disagree with? Tell us about it.

**Contents**

In this edition, Philip Atkinson explores the impact that trends and demographics have on customers and employees. Focusing on those born in the millennial generation, he explains the characteristics of this unique demographic group and suggests methods businesses can use to appeal to and retain millennial consumers and staff.
Obituary

Alfred Minter, Hon Fellow of the Institute of Management Services, has died at the age of 90. He was a stalwart of the Institute and served on the Council of Management until he retired. Anyone who met or worked with Alf will have their own memories and stories.

Alf was born in New Zealand, his father was a fruit importer. From an early age, Alf showed an interest in mining, and studied long and hard to achieve this ambition. He soon qualified as a mining engineer. His early years of employment took him to South Africa, South America and Asia. On returning to the UK, Alf settled in Kent, where he met his wife Betty whilst working at a coal mine. Betty worked in the administration office. They settled in Sandwich, where they spent all their married life.

Alf’s work moved on from mining and he became involved with the motor car industry, working for British Leyland at their Longbridge production line in the Midlands. It was here he became involved in ‘Method Study’ and ‘Work Measurement’. He gained a PhD, of which he was very proud, and his thesis was on ‘Relaxation Allowances’. This interest motivated Alf to persuade the IMS council of management to consider holding an annual technical conference. This proved to be a great success, and so was born the Institute’s Summer School. It was held at St John’s College, Cambridge, and ran for 27 years. This was perhaps Alf’s legacy to the IMS.

Many of you will not have some anecdote about Alf from this wonderful event. My own personal one was, Alf, aged 65, wired up, carrying a rucksack on his back, walking on an inclined treadmill for an hour, trying to prove the properties of relaxation allowances.

Alf was also an avid motor cycle enthusiast. He rode his Honda Fireblade regularly and even devised a contraption to fix onto his handlebar to carry the coin for the Dartford Toll Bridge, so as to save time passing through the check point. He once arrived at a ‘black tie’ occasion in Colchester, clad in a one piece leather riding suit, along with a large helmet. The guests were assembled when this figure burst through the door. He calmly stood in a corner and took off his leathers, revealing a smart suit, bow tie and buttonhole rose.

Alf was a lover of classical music, particularly choral music, and regularly attended his local church.

Alfred is survived by his wife Betty, two sons and a daughter. They lost their first born son, and it was Alfred’s wish that he be buried in the same grave. He will be greatly missed by everyone who knew him.

North West Region

Forthcoming event

There will be a visit to the Manchester Museum of Science and Technology on 3 June. Meet at the Byrom Street Entrance at 2pm. Entrance to the museum is free. Enquiries to Keith Gowing (0161 962 0367).
Researching the application of demographics to build customer relationships and HR strategy

By Philip Atkinson

Many organisations neglect to consider the importance of demographics in consumer ‘buying behaviour’ and in creating emotional bonding with their existing customers. Further, many organisations don’t understand how they can use research to plan and map their customer relationship management in the future.

The application of demographics is a powerful strategic tool that can really build demand for business. If a company can understand the values, the motivations and the attitudes of retained, new and potential prospects, then they are in a stronger position to manage their segmented markets.

Everyday you lose customers
The reality is that the average business loses customers everyday. If we take this eventuality as a given, then it’s probably a good idea to take action - hopefully to replace that old customer with new ones. But that often doesn’t happen. The shocking truth is that many organisations don’t know how many or how much it costs them to replace.

Further, they may not have a detailed breakdown of the exit rate. It’s not so bad if you lose a transient customer who makes few purchases – but you don’t want to lose the loyal customer who adds plenty of profit to your bottom line. In reality, many companies don’t know which segment of the market is collapsing and which parts are static, growing slowly or enjoying exponential growth.

CSI should be predictive not just historical
What also concerns us is that often a company will deploy a CSI (Customer Service Index) which tracks historical trends but that is no use for dealing with core issues, as it is what the customer experiences today which will affect his or her decision to continue as your customer tomorrow.

Too many companies rely on winning new consumers and customers without working through the statistics, and that’s why we have focused on assessing values, customers and demographics.

Simple demographics
Politicians have used demographics and psephology for decades to assess whether they will win or lose in any election. They will assess and predict likely voting intent and then take requisite action to marshal resources to ensure they get the best turnout and votes for their party. The statistical tools they, and companies like MORI and Gallup, use are very sophisticated with reasonable accuracy depending on the robustness and the size of the sample undertaken. For a company, to have the same knowledge of the motives and intent of their customer base is a fine goal to aim for, but many neglect to do so, thinking it’s all a gamble anyway.

Insurance companies understand the importance of risk as do those who work in the arena of asset management. They can build sophisticated models predicting which consumers or customers put their business at risk by not abiding by the contracts – but at the same time fail not just to track but also predict and shape consumer behaviour.

Grouping and demographics
Most are aware of the ageing population and the fact that indigenous British people have a falling birth-rate with fewer young people coming on the market each year as workers and consumers. We are also aware that children leave the family home much later than in the ’70s and ’80s and that the power of the grey and the pink pound are critical in creating profitability for companies in the retail sector.

However, in recent months we have only just become aware that we have a large population of over 60 million in the UK, with increasing migration mostly coming from Eastern Europe, the Middle East and many African countries.

Are you aware that we now have an amazing 6.8 billion people on the planet with growth estimated to reach eight billion by 2010? Are you aware that this will have a huge impact, not just on the demand and supply of goods and services but survival itself? What impact will this have on the world economy?

Tracking and extrapolating trends
It’s critical to track trends like this to understand the dynamics of the world economy in feeding and safeguarding these people, as well as safeguarding the planet from the excesses of climate change and global warning. So if it makes sense to get a feel for the bigger picture, I would think it makes sense also for any...
enterprise employing in the region of 100-10,000 employees and dealing with many tens of thousands to literally millions of customers. Any assumptions we make should be based on sound reasoning and a clear link between cause-effect relationships. This means we have to conduct some serious research to understand the impact trends and demographics will have on two vital components of any business – our people and our customers! Larger businesses and governmental organisations commit to this process. Rational Economists will have made assumptions based on trend data and regularly feedback their conclusions to national governments and large multi-national businesses. If they do it – it might just make sense for the company with less than 10,000 employees to engage in this practise so as to understand the mix or cocktail of customer preferences, habits, trends and emotions they service, as well as better understanding that the composition of their workforce is changing.

What are the key issues for customer relationships and CRM?

• How important is the application of demographics to changes in buying buyer?
• What key trends in our major customer groupings or segments are likely to change adversely towards us?
• To what do we have to commit to appeal to the changing attitudes and behaviours of our core groupings?
• How can we predict and prevent customers leaving and shape loyalty towards our business?
• What are the triggers that will spark customer loyalty and win lifetime value and where in the sales cycle does this occur?
• What do we need to stop doing to lose customers and create an unfavourable image in the marketplace?
• How can we harness demographics to better aid our mission and our survival?

What are the key issues for retaining quality staff and winning the best people to our business?

The issues are simply stated in these few questions.

• What are the implications of demographics to attracting high achievers, retaining our quality staff and dealing with poor performance?
• What key trends in our major staff groupings are likely to change adversely towards us?
• To what do we have to commit to appeal to the changing attitudes and behaviours of our people?
• How can we predict and retain ‘highflyers’ from moving on to our competitors, and shape their loyalty towards our business?

The issues are simply stated in these few questions.

what are the triggers that will spark loyalty, retention and going the extra mile and when does this happen in the employment cycle?

• What do we need to stop doing to lose our best people and create an unfavourable image in the labour market?
• How can we harness demographics to better aid our mission and our survival?

Millenials: core issues

With some experience of specialist recruitment, coaching and development of staff, and working with the generation born after 1980 – I am told constantly by middle managers that:

“They have no work ethic."

“They are selfish.”

“They express an entitlement attitude.”

“They are loyal only to themselves and their profession, rather than any business.”

“They don’t have the commitment to invest their personal time in a business.”

“They expect the fruits of success to flow to them immediately.”

“They don’t stay.”

I wonder, if the perception of millennials is so negative – why is it so?

Is it because their values are shaped by the injustices and critical incidents which have preceded them as they have grown up?

I am interested in looking behind these words at behaviours and what they express as millennials, born after 1980 but before the end of the 20th century.

Behaviours and attitudes of millennials

I see a lot of these behaviours and attitudes in my own children and their friends who also fall in the category of being born between 1980 and 2000. We sometimes refer to this generation as the ‘Net Generation’, or ‘Generation Y’ (Why) – questioning and evaluating everything which does not fit within their values. The behaviour and attitudes of the “Y” generation is wildly opposed to the previous rebellious ‘Generation X’, who fought against the inherent values of capitalism of the highly loyal and over-achieving Baby Boomers, born between the end of the Second World War and the mid ’60s.

Core issues for millennials as consumers and staff

Whether we are focusing on them as consumers or employees, the key issues that need to be understood in order to appeal to this group of self focused, very efficient, technically orientated, task oriented, multitasking, technical wizardry can be quite complex. You see, we have to look at the life and times of these people when they were at their most formative in the development of their personal and social values. What was going on in the world and how they responded to what was happening will be etched on their consciousness and matched in the formation and content of their personal values.

You do what you value

To help others understand the relationship between values, behaviour and actions, I quote the phrase, “You do what you value and you value what you do.” This is how to understand the drivers behind the millennial generation.

Millennial values

I believe millennials are very different to other generations and even more difficult to motivate and retain as customers and staff. In order for you to successfully appeal to or attract, recruit and retain, you need to find out what motivates them and where their pain and pleasures reside.

What are they and their personal motivations all about?

You may at first associate with millennials the rebelliousness of Generation X. GenX’ers have probably experienced more instability and uncertainty than earlier generations as they were growing up. They will have witnessed, and perhaps even been part of, family break-ups, divorce, mothers who work full-time and/or do not or cannot commit to the traditional maternal role. They are the latch key kids who turned up after school, opened the front door and fell in front of the TV. No previous generation ever absorbed as much TV and MTV as this group.

These were the post punks – and their post goth behaviour enraged heads of school and parents alike. They will have also publicly witnessed some pretty large corporate disasters, huge layoffs, massive change in some industries and possibly suffered some personal employment loss through changes in the marketplace. Perhaps even their parents were the recipients of such disasters.

This was the start of company pension funds going south (which all started with the Robert Maxwell fiasco) and the response to Margaret Thatcher and her confrontations with various unions. This was when the class war was won and lost – both at the same time. This was not a time for trusting big corporates or Government. Now these X’ers occupy many middle and senior management positions in business and have high disposable incomes. We see the start of the distrust in this generation which has permeated through to today with millennial attitudes and their quest for authenticity. We can see how what they experienced as they grew up through their teenage years has shaped their personal values and behaviour which may now permeate the corporate culture of all sectors and influence their buying behaviour.

Maverick and authentic millennials

Some have described the millennial generation as focused on ‘self’ rather than ‘other’. They can be perceived as difficult to gauge and assess as customers. As staff they may be difficult to manage, even described as highly independent, displaying some maverick, behaviours, lack trust in traditional corporates and focus on their careers and their employability as their key priority. Millennials are very different to X’ers.

The economic, social and political factors that created the sceptical, entitlement issues and self-centredness of GenX’ers changed significantly to produce a radically different type of person as potential employee and actual consumer.

Millennials growing

If we look at social change – we find that, as these millennial children grew up, they experienced a very social and child-focused upbringing with constant attention from parents and carers. They grew up in the time of self empowerment and belief… “You can be anybody you want to be”, but at the same time, “Smell the roses and have an easy life.”

Nurturing parents

These parents provided an environment of stimulation and learning in which millennials could develop and mature at their pace. They were demanding, and some would say parents gave in too soon and too easily – wanting to give them the childhood and teenage development that they would have chosen for themselves.

Parents organised sports from an early age and provided their offspring with constant stimulation. Sleepovers and taking children’s friends on holiday became popular in some circles. Everything was geared to the little emperors and little princesses.

The standard of living had never been better and technological toys were in easy reach, even of those on the average income. The purchase of the latest technology such as video games, laptops and mobile phones and exposure to the early Net all helped shape the millennials.
Multi-tasking

Because of so many organised structures in which millennials grew and developed, and the options and choice that they had to develop their own unique skills and apply new technologies, millennials have the ability to multi-task and work well together with others at the same time, learning a high degree of technical wizardry. Their short attention span and constant craving for new innovations and ‘I want it all and I want it now’ culture has all contributed to the social demographics of today’s business world. Millennials have short attention spans, get bored easily with simple projects and demand to stretch their intellects. They like challenge and get bored by the proven way and the orthodox. They expect equality and a direct and speedy relationship between effort, performance and reward. Diversity is expected as the norm in how they ‘transact’ business, and equality of opportunity is something that is important to them and will be a key driver in their choosing to judge for whom they will work and from whom they will purchase their services.

They may not openly demand but they evaluate the quality of management style and culture of prospective employers before they decide to accept a post. They can destroy a service provider if the values run counter to millennials. Word and rumours spread quickly and what was once ‘cool’ can become defunct because of changes in trends and habits.

Employment: End or means

They view a job as a means to earn the money they need to have fun in their free time. Time is currency, not to be wasted, and they demand a work-life balance and paid time off with an environment for learning and development. Earning their stripes for future promotions is not a critical trait that this generation views to get ahead.

They operate, communicate in a world where nothing is guaranteed. They are not guaranteed anything from their parents. They are different. They distrust the typical parents. They expect feedback and honesty as customers. You have to grab their attention quickly. Because of their focus on ‘what’s in it for them’ and use technology in as many ways as possible to convey the message of your business. Communicating to them as staff or consumers, you cannot over-emphasise the role of technology in the message. Ensure formats for communication are in formats that are natural for our MP3, DVD, PDA loving millennials.

Make a difference

Concentrate on what the business does for the community and the positive impact it has on the environment. Green issues are paramount in the millennial mind. Global warming, peace in the Middle East and accountability in public positions and corporate responsibility are issues that need resolution and are at the forefront for this group. Generate a bad press and you will lose their loyalty. You’ll need a raft of PR professionals to get your CSI floating above the norm and have difficulty recruiting for those difficult positions. Millennials are driven by an inner ethics and a sense of fairness.

How to appeal to millennials?

Generation X created the big issues and outcomes that millennials will continue to pursue. The working environment and a humanistic corporate culture are central to them. They want to ensure that their personal values gel with the mission, vision and strategy of the businesses they purchase from and decide to work with. They care about their personal advancement and achievement, and value what they value. Remember the drive for ethical investment and the biggest march for peace ever.

Millennials have enjoyed receiving huge amounts of attention and care and have experienced immediate gratification from their parents. They expect feedback and honest assessment from their managers and their colleagues and not to be treated like donkeys by marketers.

Instant communication is what has led this generation to growing interest in and awareness of who their managers and their colleagues are and not to be treated. Millennials use to get ahead.

They need to know what is expected of them and they need to know for what you stand. They do not waste time – their short attention span distracts them if you are less than precise in terms of appealing to their values and expectations.

The best and highest calibre individuals will not waste their time or disposable income with you if you are vain and focusing on providing direction and meeting their needs – they will be off to buy elsewhere or off to pastures new for work to an employer of choice. Forcing square pegs into round holes in the context of consumer or employee is not an option.

Professionalism: Lacking business etiquette

Millennials are often seen as untidy, disorganised and lazy by their parents. They have seen news reports of 9/11, street murder, muggings, school shootings, terrorist attacks, war, and corporate ethical violations such as Enron. It is critical to understand the important public profile that you care about their personal advancement and achievement, and value what they value. Remember the drive for ethical investment and the biggest march for peace ever.

Phil Atkinson specialises in strategic cultural and behavioural change. Originally an economist, Philip completed his MSc in OD before he lectured as a faculty member at several business schools. For the last 20 years, he has been engaged as a consultant supporting companies in strategic development, organisational design, business expansion, due diligence, post acquisition integration, quality, management and culture change.

He has partnered with a variety of blue chip companies in the UK, Europe and North America in industries ranging from pharmaceuticals and genetics, and the automotive industry to Finance and banking. He regularly presents at conferences and workshop sessions and has written seven books on change management; his articles are regularly published in a number of management journals.

Accredited in designing learning strategies and business simulations and games to enable organisations to develop tailor-made strategies for accelerating and sustaining the implementation of change. He can be contacted on 0131 346 1276 or by email at: AtkinsonConsulting@AOL.com or www.wachmconsulting.com or www.wachmconsulting.com or www.learningstrategies ltd.uk.

Neglect millennials’ development and learning, and their feelings and commitment to social justice at your peril

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Why are some directors so much more effective than others who undertake similar tasks in equivalent circumstances? What do the high performers do differently?

The Winning Companies: Winning People research programme examines how people operate in areas such as building relationships, competitive bidding, pricing and purchasing, corporate learning, and creating and exploiting know-how. Some 2000 companies and 500 professional firms have contributed to recent studies to identify critical success factors for key business development activities. The findings are remarkably consistent across sectors, professions and different sizes of organisation.

Areas examined range from visioning and providing strategic direction to communicating and managing performance. Because most critical success factors are behavioural, investigating teams can distinguish the approaches of high performing winners from the practices of low achieving losers. The results are summarised in ‘Winning Companies: Winning People’ (Policy Publications, 2007).

Winning ways

The findings are encouraging. Every participating firm could increase directorial achievements and corporate performance by putting additional critical success factors in place and adopting more winning ways. Yet many directors ignore opportunities, fail to exploit corporate know-how and acquire where they would grow by building mutually beneficial relationships with customers, employees and other stakeholders.

The research suggests many boards do not pursue organic growth strategies because they are unsure of how to quickly scale up their existing operations. For example, few directors understand how support tools can help average performers to adopt the approaches of superstars. Most do not know that critical success factors and winning ways have been identified in key areas. Many directors have also lowered their ambitions. Because past management fads have not delivered, many boards appear to operate behind prison bars they themselves have created in their own imaginations. They seem preoccupied with ensuring compliance, not boosting performance. No wonder most entrepreneurs in one project within the programme viewed boards as costs rather than contributors.

Heart and soul

Corporate performance reflects what boards actually do and how their members behave. Successful or winning boards are distinguished by the conduct of their members. Corporate governance arrangements often appear to be a symptom rather than a cause of board effectiveness.

The board should be the heart and soul of a company, the source of its ambition and drive. Whether or not a company competes and wins, sustains success and remains relevant usually depends upon its board. Without a sense of purpose, a sound strategy and the will to achieve, even well endowed corporations wither and die.

Successful directors display the will to win. They are committed and driven to succeed. Their actions also demonstrate they care about their people and customers. They are alert to developments in the business environment and sensitive to marketplace trends. They anticipate events and confront realities.

Directors of winning boards don’t look for excuses or blame others. They assume personal responsibility and collective accountability for their actions. They appreciate the distinction between direction and management and understand their directorial duties. They confront dilemmas, balance interests and take a longer-term view.

Providing direction

Successful directors focus on what is important. They do the right things in winning ways. They concentrate upon the external, strategic and business development aspects of corporate governance. They strive to benefit shareholders by delivering additional value to customers. They provide strategic direction and communicate a distinctive vision, a compelling purpose, achievable goals and clear objectives.

Winners build critical success factors into key processes. They develop additional income streams, new capabilities and fresh intellectual capital. They invest in director development and the professional selection, appointment and induction of new directors. They chairmen consciously build effective boards of competent directors.

In comparison, ‘losers’ lack will, drive and heart. They mouth generalisations and are easily distracted by pleasantries and trivia. They avoid responsibility and blame others for disappointing results. Their perspective is essentially defensive and short-term.

Less successful directors are often preoccupied with their own status and remuneration. They confuse the roles of director, manager and shareholder. They concentrate upon internal, policing and stewardship aspects of corporate governance, and engage in spin and damage limitation exercises to protect their reputations.

‘Losers’ confuse operational and strategic issues, and muddy personal and corporate interests. Many charming individuals who effortlessly assemble portfolios of independent directorships instinctively know when to look the other way and can be relied upon not to rock the boat. Insecure chief executives seek out their services.

Unsuccessful directors fail to engage, excite or motivate people. They respond to developments rather than influence events. They focus increasingly – sometimes almost exclusively – upon financial measures of performance and the control of costs. They make little effort to review and improve their own effectiveness.

A proactive approach

Winners and losers also distinguish themselves in their respective approaches to managing change, leading transformation and creating future opportunities. Winning boards inspire and energise. They avoid rhetoric, blather and hype and address specific issues. They determine, pragmatic and positive. They strive for success rather than survival. Instead of rationalising disappointment they learn from it.

Winners are also proactive. They approach those they would like to do business with. They set out to become business partners rather than commodity suppliers. They are also selective. They focus upon areas that make a difference. They understand that change can disrupt valued relationships, and only change what needs to be changed.

Confident directors support and enable the achievements of others. They trust reliable people and take calculated risks. They delegate responsibly and encourage entrepreneurship. In comparison, losers are self-interested and fear the unknown.

They play it safe and avoid commitments. They mouth platitudes, spread themselves thinly, and bark up the wrong trees. They react and adopt ‘me too’ approaches. They also duck issues, fall for fads, embrace panaceas and search for single solutions.

Winners think for themselves and reflect before they act. They ‘read the road ahead’ and assemble what they need to succeed. They adopt simple solutions and differentiate their companies’ approaches, products and services. They shape the future by creating bespoke offerings, additional choices and new markets.

Lastly, successful boards are self-aware. They monitor their own performance. They are open, welcome questions and invite feedback. They critique themselves and encourage challenge.

They choose pragmatic colleagues and competent advisers. Urgent action is needed to improve the competence of directors and the effectiveness of boards. Identified success factors must be put in place and winning behaviours introduced when required. Nomination and selection committees should look beyond current holders of directorships with their long experience of losing ways, and identify people who know how to win.
The global pharmaceutical industry is expanding at a brisk pace with projections for world growth to be 8% year on year until 2009 (see IMS). This article assesses the key factors driving this growth. In order to do so, it applies theories of internationalisation which help point to the reasons behind this growth and uses industry specific data to support the main view points. The industry is of particular interest in that new firms are starting to globalise to improve skills and research capability, rather than focus on low cost production as is often the case in other industries, including automobiles and electronics.

Introduction

Drug makers have tripled their spending on US marketing over the past decade according to Bloomberg (August 2007). Much of the expansion into global markets has been attributed to liberalisation in the industry as well as a decline in government action towards misleading advertisements. The global market is dominated by the US, accounting for 34% of global growth, though this is down from 60% five years ago. The rebalancing of the global market is favouring China and India (see table one), though European countries still figure strongly in the global market.

Reasons for growth

According to Porter (1990), political and economic changes can lead to increased demand conditions for products. Demand conditions are one important component of Porter’s Diamond. This work has been seen as an important addition to the political, social, technological and economic factors (PEST) which have often been used to scan the changes taking place in the business environment.

Assessing the key factors driving the growth of the pharmaceutical industry

By David Floyd, Senior Lecturer at the University of Lincoln Business School

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shows that large pharmaceutical firms often acquire small firms where knowledge can be shared. Hassan (2007), for example, tends to support the increasing activity of alliances and mergers more in the over the counter markets where global competition is increasing. Hassan claims that almost half of females will live until their 90s in Hong Kong in the year 2020.

For other countries, such as the US and UK, greater life expectancy will depend on diet, exercise and a positive attitude to life and increasing knowledge, according to Jaffe (2006). Indeed government have a further role in the industry that government can organise campaigns and information to promote good health in society. In years to come, it is also likely that China will experience an ageing population due to the one child policy. The ageing population will result in greater demand for drugs such as statins, therefore social and demographic factors are extremely important in explaining success in the global pharmaceutical industry.

Political factors are also important. Of late, governments are trying to open up the pharmaceutical sector in many countries in order to reduce its cost burden. The ageing population combined with lower taxes to attract more FDI has led to a shortfall in revenue for government. In many industrialised countries, including the US, the government purchases over 45% of drugs. The market is being deregulated to allow foreign drugs to compete. This, in turn, may lead to lower prices and help reduce the health budgets for many countries. The UK is considering this option and there is much scope for this, particularly in the field of over the counter medicines and generics where companies from India, for example, are offering cheaper products. However this will only occur in established markets and where drugs comply with the requirements of the medicines act. This illustrates the importance of legal factors in the industry, as medicines act approval is compulsory in the US, Japan and Europe, as well as complying with the World Health Organisation requirements. In addition, the rules on patent protection from the World Trade Organisation need to be adhered to. Despite this, there is a problem of counterfeited production, however, some relaxation of the rules has been allowed in the case of exporting Aids drugs to Africa for example.

Protectionism still remains
In some cases the pharmaceutical industry remains protectionist at the high value end. For example, the US government recently announced a £1.3 billion fund to link research based companies to the National Health Service. For prescribed drugs and drugs supplied to hospitals there has been little competition and it is more in the over the counter markets where global competition is beginning to take place. However, this may extend to other markets due to cost pressures imposed on hospitals.

Research in the pharmaceutical industry is also important and tends to support the increasing activity of alliances and mergers where knowledge can be shared. Hassan (2007), for example, shows that large pharmaceutical firms often acquire small firms for strategic reasons and markets react positively to this. Mergers tend to be more popular than acquisitions as this allows firms to continue to develop new products, as well as allowing for the opportunity of entering new markets more quickly than establishing a subsidiary. Alliances ensure the greatest pool of talent will be used in the development stage, though alliances also involve high negotiation costs and a greater level of uncertainty than is the case for subsidiaries for example (see Buckley, 1985).

On average around 30 new drugs come out per year and there are over 100 in the development stage as far as the global pharmaceutical industry is concerned (see IMS). Drugs dominating the market have been in the fields of cancer, arthritis, statins, diabetes and Aids of late. With an increase in competition and global players, research is becoming more important as the product life cycle speeds up (see Vernon, 1966).

Better technology and communications are further globalising the industry. Gurau (2005) states that over 17 million US citizens had been online to consider pharmaceutical products.

Porter (1990) also showed that factor conditions are also important in explaining international production. Factor conditions in the US are such that there is a skilled labour supply of researchers in the industry, the same is true of the UK. Due to the value of the pound, it has become more expensive to do business in the UK and so firms like GSK are starting to do more research in the US and Asia.

In terms of other factor conditions, China and India have an abundant supply of low cost labour. India has become a large world supplier of generics and is also trying to move up the value chart by becoming an R&D producer. The Indian firm Ranbaxy has also purchased a small firm belonging to Aventis. Trials are increasingly done in Asia and Eastern Europe and firms like Astra Zeneca are expanding their activities in this field.

Porter’s approach to analysing the global environment also includes related supporting industries which are left out by traditional PEST analysis. This includes infrastructure available in the industry of a particular country. Governments have increasingly focused on encouraging clusters and science and technology parks offering shared facilities and experience, as well as government support. UK examples in the pharmaceutical industry include Oxford and Cambridge, where various industrial and universities are widely available. The importance of clustering in enhancing research and development is well documented in the work of Cook (1995), for example.

Strategy, structure and rivalry are the last focus of the Diamond. With regards to the pharmaceutical industry, there has been an emergence of new players in the generic sector, particularly from India and China. However, the high value end of the market is dominated by Western firms and to ensure adequate expertise in research, there have been many mergers, such as the merger of GSK.

Alternative Models explaining the changing environment
Dunning’s OLI model (1993) has often been associated with the Diamond model. Liu (1997) links the two models and refers to the ‘Porter Dunning Diamond’. Firstly, OLI factors include ownership factors such as technology and management skills which are crucial in explaining why many pharmaceutical firms are globalising in order to achieve the maximum of these capabilities. Maximising economies of scale and capital are other ownership advantages that are incorporated in the motivations of global pharmaceutical firms.

Location factors include the importance of labour and skill, as well as the importance of operating in markets with favourable income and growth rates; these factors are similar to demand conditions and factor conditions in the Porter Diamond model. Dunning also introduces access to resources which are also important in the pharmaceutical sector. Often firms in sectors such as pharmaceuticals, chemicals and the gas industry globalise in order to improve on their stock of raw materials to be used in global production and this factor has a part to play in explaining why the pharmaceutical sector is becoming more global.

The market is being deregulated to allow foreign drugs to compete. This, in turn, may lead to lower prices.
**Conclusion**

It has been shown there are main driving factors that are influencing the pharmaceutical industry to become more global. These factors were explained by the use of data and various models of internationalisation. Research and development was found to be particularly important in this sector, as well as the role of government from a regulation point of view. The future for the pharmaceutical industry seems positive and much future growth is predicted on a global scale. Demographic factors were also found to be important, as an ageing population is supporting the development of particular drugs.

The future will very much depend on the extent to which governments allow the industry to open up, as well as creating more global standards of regulation. This is likely to take time, though increased knowledge and the power of the internet in promoting more global standards of regulation. This is likely to take time, though increased knowledge and the power of the internet in both sales and providing information will help to open up the industry further in the future.

**References**


Ranani, I. (2007), *Internationalisation Strategies of Indian Pharmaceutical Firms*, University of Surrey.


Table 1

<table>
<thead>
<tr>
<th>World Sales of Pharmaceuticals 2005 ($Billion)</th>
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<tbody>
<tr>
<td>North America</td>
<td>266</td>
</tr>
<tr>
<td>Western Europe</td>
<td>170</td>
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<tr>
<td>Japan</td>
<td>60</td>
</tr>
<tr>
<td>Africa, Asia and Australasia</td>
<td>46</td>
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<td>Latin America</td>
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**On average around 30 new drugs come out per year and there are over 100 in the development stage**

**Summary**

To summarise the arguments of the first three steps: The major disease of 20th century organisations is in their design and management. If we want to achieve a quantum leap in performance, we have to be prepared to change the way we think. In step one, I exposed the problems associated with designing and managing organisations as top-down functional hierarchies. In step two, we began to look at the organisation in a better way, from the outside-in. In step three, we looked at the idea of organisational capability – what is predictable about what is happening between you and your customers? If you conducted the exercises as suggested, you will have a schema of the transactions with your customers and at each point of transaction, reliable data about what is currently happening. We will take this further, as we now move from the ‘what’ to the ‘why’.

**Flow tells you why**

Capability tells you the ‘what’ of performance, flow tells you the ‘why’. Many organisations claim to be working on their processes or flows, but the question always find myself asking is how have they decided their focus? In many cases I find people simply re-defining their functions as processes, resulting in improvement work that doesn’t improve very much, if anything. If you have completed the previous exercises you will be in the most effective starting place for defining your processes. Your core processes are defined by the transactions with your customers – how the work flows end to end to deliver your current capability. Any other process is a support process – Human Resources, Finance, Information Technology and so on, whose only purpose ought to be to help the core processes work better. Their contribution should be measured that way – a challenge to some. Often the policies adopted by these functions (for they are seen as functions rather than processes), interfere with the flow of work. We return to this issue in system conditions, step five.
The next activity is to define your core processes. In order to help you avoid the pitfall of taking internal, functional perspective, remember:

- The focal point for a systems view is always the customer – outside-in.

The process must be viewed from end to end – from the point that the customer makes the demand, to the point where the customer's need is fully met.

**Activity**

Take out your schema of transactions between you and your customers (from step two). Do these adequately define your core processes? Did you establish capability measures for each in step three?

If you did, the exercise in step two – a schema of transactions between you and your customers – you will have defined your core processes. If you did the exercise in step three – measuring capability – you will have measures of your core processes performance. This is of critical importance. If you don't have measures of your process before you study it, how will you know whether it is worth improving, and how can you judge any improvement? If you haven't completed this step, my advice is: return to step three.

**Studying your process flows – learning about the 'why'**

In this step we will study the process flows. Why? Because better improvement? If you haven't completed this step, my advice is: return to step three.

What do you do now?

If you have completed this exercise and found lots of examples of sub-optimisation, you will feel compelled to act to remove them. The object of your work will be to change your flows to only do the value work – as a consequence your costs will fall and your service will improve. But a word of caution: The sub-optimisation of your current flows exists because of what I like to call 'system conditions', for example the design of work, the types of measures and control in use and so on. To get to and remove these causes, you have to understand the relationship between system conditions and performance. So that will be the next step in this series.

This series 'Six steps to improving productivity' is based on The Vanguard Guide to Understanding Your Organisation as a System, published by Vanguard Education.

Downloaded from www.lean-service.com – improve service and cut costs.
The fundamental essence of Six Sigma is the progressive reduction of defects. Six Sigma was pioneered by Motorola and further developed by companies such as General Electric. With almost half of GE’s business being outside manufacturing and in financial services through the medium of GE Capital, GE was the first organisation to apply Six Sigma formally to service and transaction businesses. The fundamental essence of Six Sigma is the progressive reduction of defects – outcomes that do not meet the specific requirements of a customer – to a level that is better than your competitors in the marketplace or indeed towards world-class 6.0 sigma (3.4 defects per million opportunities).

The process
This is achieved through a combination of process improvement and ongoing effective process measurement and management. The approach usually depends heavily on process measurement and analysis using statistical process control, hypothesis tests, regression and design of experiment techniques. Whilst there are two basic project methodologies (DMAIC and DMADV, or the like) each project is different and there is no unique pre-configured prescriptive sequence in which the individual tools and techniques are used; indeed the project team are like ‘data detectives’ and may seemingly unproductively follow up many lines of root cause analysis before discovering the main underlying causal factors. The very power of Six Sigma is in its breadth of application of data tools and techniques, but at the expense of a lack of a simple prescription of approach.

Lean manufacturing
Lean manufacturing was developed in Japan to eliminate waste in manufacturing processes; examples of its application include JIT (just-in-time) to eliminate WIP (work-in-progress inventories) between different manufacturing activities, and value stream mapping to reduce cycle time in processes by adopting a pull (rather than push) system. Unlike Six Sigma, lean thinking suggests that most manufacturing processes suffer common similar problems (waste) that can be systematically reduced or eliminated through a standard prescriptive approach. The toolkit is heavily centred on process analysis and flowcharting/mapping techniques, rather than being data driven.

TPM
TPM (total productive management) was also developed in Japan to optimise the life cycle, productivity and costs of equipment and assets (and then referred to as total preventive maintenance). It has developed into a much extended improvement management system, and organisations such as Volvo Cars Gent – the first winners of the World Class TPM Award – have applied the philosophy and approach to all aspects of management.

TPM is based around a number of ‘pillars’, one of the basics of which is the elimination of all ‘losses’. Whilst it is initially tempting to translate ‘losses’ as ‘defects’ in the Six Sigma definition of that word, ‘loss’ is much more encompassing – referring to any situation which is not ideal, even if this is not yet causing a ‘defect’ to occur. A ‘defect’ refers only to the output of a process (and to a non-conformity viewed through the eyes of a customer); by contrast a ‘loss’ can refer also to an input or factor in a process – for example a loose electrical lead or fluid pipe, or a frayed wire. Such ‘losses’ may eventuate in a problem resulting in a defective output (‘defect’), but TPM requires that these are identified and corrected long before such a defect actually occurs. In essence this is a ‘zero tolerance’ approach to problems – the Rudi Giuliani style of management. Of course TPM is much more than this – but I hope the reader has some sense of the essence of how it differs from the other approaches.

GUTs
Unlike physics which has its GUTs – or should I say Grand Unified Theories – of the world, the universe and everything management and leadership theory often seems to be composed of, many different practices are seen to be rivals to each other. But improvement perhaps has its GUTs too – and this is seen in the trends to develop lean Six Sigma or other unified approaches to improvement.

The best form of cure is prevention, so the best solutions to process improvement are likely to include TPM style approaches. Many initial Six Sigma improvements to business processes – particularly in service and transaction processes – arise from the application of process mapping and analysis techniques to identify root causes (the ‘process door’ in the analyse step of DMAIC), rather than from the data collection and statistical analysis techniques (the ‘data door’ in analysis); it is only once these “low hanging fruit” improvements have been made that the more sophisticated data analysis techniques come into their own.

In manufacturing processes such gains have already largely been made during ‘lean’ improvements, and so Six Sigma tends to rely much more on the data door approach; by contrast most businesses have yet to apply lean thinking to service and transaction processes (even those companies in the manufacturing sector), and lean is often ‘adopted’ within the process door and integrated into the Six Sigma programme directly by enhancing the process tools with value stream analysis and other relevant techniques. Volvo have gone further and integrated their Six Sigma and TPM systems into an overall approach they term ‘Perfection Focus’ – perhaps this is indeed the holy grail of business improvement mechanisms.
Do you dread going into work after a holiday because you know that first day back will consist of wading through the 200 plus emails sent to you while you have been away? Do you receive emails from colleagues whose office is only next door, or along the same corridor? Do you get caught in exchanges between colleagues trying to arrange a mutually convenient meeting (can’t do Tuesday at 10am, how about 2pm, can’t do 2pm, how about Wednesday at 11am, can’t do Wednesday, how about………)? Do you receive emails from external suppliers notifying you of the month’s special offers, only to receive a further email from a senior manager bringing to your attention the special offers from the same supplier? Do you receive emails thanking you for sending previous communications? Do you automatically get copied into emails that seemingly add little value to your job?

Managers are increasingly facing the burden of email overload. It is not just the time taken to read them, but there is a compulsion to respond and take actions relating to an email in case it is forgotten, which not only robs time from the manager, but distracts from more priority activities. Nonetheless, there are undeniable advantages to communicating by email. For those tele-working, it is a primary means of keeping in touch with head office. However, it is the speed of production and transmission that makes emails so attractive, and that a permanent record of the communication can be retained. Similarly, to receive an immediate response, ensuring understanding or compliance of the recipient offers managers reassurance, as does the facility to check a recipient has received/opened an email. To issue a communication to all members of a department or organisation would be time-consuming and costly without emails. Moreover, the ability to attach documents and thereby save on printing and posting is another key factor.

However, when emails are sent almost automatically, without initially considering whether they should be sent or not, or whether other means of communication would be more effective, then problems start to occur. An approach of send and forget transfers the burden or responsibility on to others to action. There is also an element of covering oneself for
future reference or just-in-case by sending an email, justifying positions, covering tracks, showing to others in the organisation we are doing something about an issue. Furthermore, there is the problem of duplication, with email communications from various sources.

Consequently, there is now an urgent need to establish effective email practices and protocols to improve managers’ working lives. Actions can therefore be categorised into three spheres: Organisational wide; through the use of technology; and individual managers.

Organisational wide

Here we are seeking a cultural shift that will discourage the predominance use of email communication in the business. Senior management should encourage greater emphasis on face-to-face or telephone communications, constantly reminding staff to use email only after careful consideration.

The organisation should issue guidelines for emails; advising staff that a typical letter writing style (eg, Dear Julie, hope this finds you well...) is to be avoided, to cut down on reading staff that a typical letter writing style (eg, Dear Julie, hope this finds you well...) is to be avoided, to cut down on reading

SPAM is at best annoying, but it can also provide a medium to infect the PC of an unsuspecting user with potentially damaging viruses. Therefore, a number of email systems provide SPAM filters which can automatically redirect or even delete suspected SPAM emails. There are different levels of protection depending upon the number and type of SPAM emails you may receive. The criteria for detecting SPAM may also vary. Some filters reject emails with unfamiliar addresses, others monitor the numbers of recipients, with the justification that SPAM is likely to be targeted to large numbers of people. On the whole, SPAM filters work well, but will not detect all unwanted emails. New methods of avoiding automatic detection are being developed. At the moment, many and SPAM filters may also reject emails that are perfectly acceptable to you without you being aware of their existence.

Distribution lists are commonplace in email systems and provide a convenient way of emailing a number of people with a common interest. However, the next time you use a distribution list, ask yourself this, “Does everyone on the list need to receive this email?” Try to re-structure distribution lists to include sub-groups (eg, if a department contains three distinct divisions then create a distribution list for each division). As distribution lists can contain other lists, the list for the department can simply contain the lists for the three divisions.

Arranging meetings can be a tiresome process by email and alternatives have been suggested above. However, many email systems are accompanied by e-diary or calendar facilities.

E-diaries are basically the PC equivalent of your standard desk diary, allowing appointments and meetings to be booked and recalled. However, the main advantage is in sharing. E-diary facilities allow you to share the contents of your diary with whoever you choose, therefore instantly providing information on when you are free. When a group of staff share diaries, the advantages can be even more apparent. Specific searches can be initiated to seek time-slots when all/most of the staff are free to meet. You will, however, be unable to be aware of possible real resistance. Some staff may see shared e-diaries as a ‘big-brother’ management tactic to observe staff activities (or lack of them). Many email systems allow ‘rules’ to be created to manage various activities including handling incoming email. ‘Rules’ act a little like SPAM filters in which incoming emails can be redirected to other folders (ie, not the Inbox), forwarded to other email accounts or, more drastically, deleted.

Dealing with replies is another area of potential inefficiencies. The much maligned ‘Reply to All’ facility should be treated with the same respect as Distribution Lists. Does everyone who received the original email need to hear your reply? In face of the misuse of this simple function has been the source of many email embarrassments. When sending an email, it is also possible to have the reply automatically sent to another email address, thus avoiding dealing with replies yourself. However, bear in mind someone will have to.

Another email feature that is perhaps overused is automatically tracking to see if an email has been delivered/ opened. The reason for this is to ensure that important emails are read, and to have a permanent record of this. However, what this means is that you will receive an additional email notification for every person that received an email from you. Some systems will also inform the recipient that tracking has been requested and prompt them to choose whether a notification should be returned.

This additional work means that automatic tracking should be used sparingly. Ask yourself how often you actually need to receive confirmation that an email has been read. If it is important that an instruction is carried out or some information is received, then perhaps an alternative communication method, e.g., a telephone call, may be more appropriate.

Email systems are becoming increasingly more sophisticated and there is a temptation to ‘try out’ new facilities. However, try to ensure that any features adopted reduce, rather than increase, your (and your co-workers) interaction with email.

Use effective time management skills – block in times of the day for reading emails, and then diarise time follow-up actions. Perhaps the first action you could undertake is a communication audit. How many emails do you send/receive in a day? What percentage of incoming emails do you immediately delete without reading/upon reading? What percentage of emails actually add value to your job? What percentage of other methods of communication do you use over a working week? These basic questions could highlight potential issues regarding the problems of email overload.

We would be interested to hear members’ views on this topic. If you have any comments, or have adopted other approaches either as a manager, or in your organisation, please contact us on: w.wright@worc.ac.uk or c.evans@worc.ac.uk.

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KANBA scheduling system

By Quarterman Lee

The challenge of simplicity

What is Kanban scheduling?

Kanban scheduling systems are among the most simple, effective and inexpensive means for manufacturing production and inventory control.

The concept is proven. From Nagoya to Wichita Falls; from Windsor to Geelong; from microelectronics to heavy steel – Kanban scheduling systems reduce inventory, eliminate stockouts, displace massive computers and slash overheads. They improve both service and quality.

So why doesn’t every manufacturer employ this miracle?

In many situations, it is inappropriate – other methods work better. When Kanban is an excellent choice, firms may ignore it. Kanban scheduling often evokes strong emotional responses from both proponents and detractors and sets a variety of organisational phenomena at work against it.

Kanban scheduling systems operate like supermarkets. A small stock of every item sits in a dedicated location with a fixed space allocation. Customers come to the store. They visually select and purchase the items. An electronic signal goes to the supermarket’s regional warehouse which details what is sold. The warehouse prepares a (usually) daily replenishment delivery of the exact items sold.

In large, modern supermarkets, Kanban signals come from checkout scanners. They travel electronically (usually once each day) to the warehouse. Some stores still use a visual system. Here, a clerk walks the aisles daily. From empty spaces he deduces what was sold. The clerk then orders replacements. This signal might go by telephone, FAX or courier. Often it travels on the returning delivery truck.

Another variation is the bread truck. Here drivers follow a fixed route from store to store. They have a supply of bakery items in their truck. At each stop, they examine the stock and replenish what has been sold.

A manufacturing example

Kanban scheduling in manufacturing works in the same way. The essential elements of a system are:

• Stockpoint(s)
• Withdrawal Signal
• Immediate Feedback
• Frequent Replenishment

In the manufacturing Kanban system shown on the next page, a machine shop supplies component parts to the final assembly. Assembly is a manual operation with little setup. Assembly can produce in lot sizes of one, according to customer requirements. Machining is more automated than assembly and has significant setup costs.

Machining must produce in batches to amortise the setup and sequence parts to minimise tool changes. A small quantity of every part is maintained at the machine shop. By observing the remaining quantities, the machinists know what products need to be made next.

In practice, Kanban scheduling systems are often a good choice. They can be a transition between MRP and ROP approaches and Physical Linkage.

Designing the Kanban system

Preparing for a Kanban scheduling system can be formal with elaborate analyses and simulations. It can also be very informal with fine-tuning done on the production floor.

We suggest the following steps:

1. Analyse product-volume for upstream work centre
2. Analyse downstream order patterns
3. Identify Kanban products
4. Identify appropriate lot sizes
5. Identify containers
6. Identify signal mechanism
7. Specify stockpoint(s)
8. Specify initial Kanban quantities
9. Develop upstream scheduling algorithm

A hierarchy of methodology

The figure below shows how the methods form a hierarchy of simplicity and flexibility. The best system is the simplest.
Dietary factors that affect stocks. Examples

Predetermined formulae are available. Such formulae usually contain ‘guess’ factors and unavailable data. They often apply to specific situations and have limited usefulness.

Factor Analysis identifies the various factors that affect stocks. Examples

The Product-Volume Analysis shows each basic model and the average number of units sold each day. These are long-term averages and do not reflect the daily order flow. Three models represent the bulk of demand. Five additional models have medium demand levels. Seven models have extremely low demand.

The designers decided to have a stockpoint in the warehouse where orders could be quickly pulled and shipped. Only the high and medium demand items would have a Kanban stock. When a unit was withdrawn from the Kanban stock, a card would go back to the production area to signal that withdrawal. If a low-volume item appeared on an order, a special one-time Kanban card would immediately go to production where the item would be built before the day's end.

The Daily Order Profile shows the total number of units ordered each day for a two-month period. It appears that on most days, the demand is fairly constant at around 20-25 units. However, very heavy days seem to punctuate this steady pattern at about three week intervals.

The Order Profile is another way to present this same data. It shows that on most days, order volume clusters around 20-25 units with a few days of very heavy volume.

If the Kanban system was designed to satisfy the heavy order days, inventories would be huge. There was some doubt within the design team about the feasibility of Kanban.

Weird order patterns like this should and, in this case did, raise questions:

- Why the sudden increases?
- Why are they somewhat regular?
- Where does this volume originate?

Upon investigation, the designers found that most orders came from domestic distributors. These distributors ordered in very small quantities but there were many distributors around the US. The cumulative daily volume from these many small orders tended to be steady at about 20-25 units. The large spikes resulted from a single, overseas distributor that ordered large quantities for ocean shipment. This was a different market and different distribution channel. Fast delivery of these large orders was necessary for the domestic market but not for the overseas distributor.

It was decided to design the Kanban system for the domestic orders and make special arrangements for the overseas distributor. When an overseas order arrived, it would be mixed with the domestic production over a period of several weeks. This approach smoothed production and reduced the need for Kanban stock.

Daily operations

The team leader scans incoming orders.

He prepares one-time cards for large orders and customised items. The leader sorts cards coming from the warehouse. All cards then go on a board arranged by assembly sequence with cards in the red zone having priority. If necessary, additional people work an overloaded cell.

The warehouse picks standard orders from stock and sends cards to production. They combine standard items with any customised items arriving from production and ship the orders.

In a second phase of this project, sheet metal and welding operations moved directly adjacent to the assembly cells. They have dedicated people and equipment. The welding team leader examines each assembly cell for stocks of welded cabinets. He also checks the board. This daily checking constitutes the signal for replacement.

Operators weld the necessary replacement cabinets and place them on a paint line. This replenishment is normally 24 hours. It may be as little as four hours.

The welding department stocks sheet metal components in large wiretainers. Each wiretainer has special shelves and brackets. It holds a fixed number of each item on a particular cabinet. A minimum quantity signals operators or the team leader to send the basket to sheet metal for replenishment. The sheet metal team sets up and builds components to replenish the basket and returns it to the welding department. This normally occurs within 24 hours. Higher volume cabinets may have several identical baskets to maintain welding production during replenishment.

This complete system uses Kanban, Direct Link and Re-Order Point. A Breadboard system overlays the entire systems since all team leaders have access to the final assembly Kanban board. This Kanban system eliminated 96% of finished goods inventory, simplified scheduling and eliminated losses from obsolete product.

About the Author

Quarterman Lee (‘Q’) started his career at the fountainhead of lean manufacturing, Ford Motor Company. He has worked in foundries, paper mills and a window manufacturing plant in positions from Engineer to Plant Manager. Since 1977, he has been consulting, training and writing. Mr Lee has authored two books and hundreds of articles and programmes. He is currently President of Strategos, Inc www.strategossinc.com.
is ‘value added’

Just over a year ago, the Employment Equality (Age) Regulations 2006 banned age discrimination in terms of recruitment, promotion and training, together with unjustified retirement ages of lower than 65, and removed the former age limit for unfair dismissal and redundancy rights. The regulations were followed in April 2007 by the Gender Equality Duty – dubbed ‘the biggest change to sex equality legislation since the Sex Discrimination Act’ – which placed an obligation on all public bodies to promote gender equality and eliminate discrimination. Legislative changes such as these have turned the spotlight on the issue of diversity. As this two-part article explains, managing diversity isn’t just a moral and legal obligation, it can present tangible business benefits as well. So what is the current situation in relation to diversity, how is this changing, and what improvements in organisational management does the new legislation demand? Part 1 of the article examines the background to the issue, and Part 2 then looks in detail at the requirements of the Employment Equality (Age) Regulations, how best to implement an effective diversity policy, and the benefits of doing so.

What is diversity? We in the UK are fortunate to live in a country which is rich in the diversity of its population. Nowadays, your work colleagues might be any age, male or female, from any ethnic, religious or cultural background, married, single or living with a partner of the opposite or same sex, able-bodied or not. This has many advantages, but also presents organisations with the challenge of getting the best out of such a diverse workforce, while at the same time meeting their legal responsibilities. It is therefore important that companies give due consideration as to how to achieve this if they want to maintain, or ideally improve, their position in the market.

The moral case for diversity in the UK:
- Women make up half the workforce, but just 9% of management grades and 2% of senior management. (The Observer, September 2003)
- Ethnic minorities make up just 1.5% of management, and are almost non-existent at senior levels. (The Observer, September 2003)
- By 2011, only a third of the workforce will be male and under 45. (2002-based projections issued by the government.)
- By 2014, the working age population will increase by one million, and ethnic minorities will account for half that increase. (2002-based projections issued by the government.)

Introducing and promoting diversity is morally the right thing to do. Diversity not only assumes that all individuals are unique and different, but that difference is ‘value added’. It acknowledges that everyone has the right to express their views and beliefs in a manner that is sensitive to those around them (i.e., free from racism, sexism, ageism and other forms of prejudice). Everyone should have the right to contribute to activities and grow within their workplace. A diverse work environment also demonstrates an organisation that is caring, inclusive and respectful. So how is the UK performing in relation to diversity?
Closing the gender gap
In facts about Women and Men in Great Britain 2006, the Equal Opportunity Commission (EOC) highlighted the changes in differences between the two genders since the 1970s:
• Then, only one in four of both boys and girls in England and Wales passed five ‘O’ levels by the time they left school, whereas now, 49% of boys and 59% of girls in the UK gain five high grade GCSEs or equivalent by age 16.
• In the 1970s, nine out of ten men and six out of ten women of working age were in employment. Now, employment rates are 79% for men and 70% for women of working age.
• Then, around one in ten professionals were women. Now, women hold one in five of professional jobs.
• In the ’70s, the gap between women’s and men’s full-time hourly pay was 28%. Now women earn an average of 17% per hour less than men for full-time work.
• Then, half of mothers with dependent children worked, including over a quarter of mothers of under-fives. Now, two-thirds of mothers with dependent children work, and 55% of those with children under five.
• Then, there were only 27 women MPs – 4.3% of the UK Parliament. Now, women’s representation in Parliament has reached one in five. This contrasts markedly, however, with the Scottish Parliament (40% women) and the National Assembly for Wales (50% women), where more equal representation has been achieved through positive action by some political parties. There are also only two ethnic minority women MPs at Westminster, and 13 men. All four Muslim MPs are men.

Other key statistics quoted by the EOC are that:
• In the last 30 years the population of Britain has grown from less than 55 million to 58 billion. There are now one million more men and 0.6 million more women aged 65 or over than in the ’70s. (Source: ONS (2005) Population Trends Winter 2005)
• There are 24 million households in Britain, and 7 million families with dependent children. These include 5.2 million families headed by couples, 1.6 million headed by a lone mother and 180,000 headed by a lone father. (Source: ONS (2005) Focus on Families)

The population also includes an estimated:
• 10 million disabled people (reporting a limiting long-term illness or disability that restricts daily activities).
• 4.6 million people from ethnic minorities.
• 3.1 million belonging to a non-Christian religion.
• 2.3–3.2 million gay, lesbian or bisexual adults.


In broad terms, the differences between women and men’s jobs have declined dramatically since the ’70s. For example, in professional jobs the percentage of women has increased from one in ten to 42%. However, certain occupations are still mainly held by women or men, particularly in skill shortage areas. For example, fewer than 1% of people in plumbing occupations are women and only 2% of childcare workers are men.

White women and ethnic minority women and men are also particularly likely to be concentrated in low-paid jobs: many Chinese and Bangladeshi men work as cooks or waiters; while a care assistant is one of the most common jobs for white, Pakistani, black Caribbean and black African women.


Finally, in Sex and power: who runs Britain? (2006), the EOC published an annual set of indicators showing women’s representation in a range of areas. These included:
• Accountability: no secondary school head teachers and FE college principals are women, compared with one in nine university vice-chancellors.
• A quarter of Civil Service top management are women.
• Only 10% of senior police officers and 9% of the senior judiciary are women.
• Less than 1% of senior ranks in the armed forces are women.

What all this research clearly highlights is that while the gender gap may have closed over the last 30 years, it is still unquestionably there – as is the ‘glass ceiling’, or, as it has prosaically been called, the ‘marzipan layer’ (ie, you’re very close to the top of the cake, but haven’t quite made it to the icing). And, if you come from a black or minority ethnic background, these differences are even more pronounced.

It is hardly surprising, therefore, that Jenny Watson, Chair of the EOC, welcomed the introduction of the Gender Equality Duty, which, she said, “places an obligation on all public bodies to promote gender equality and eliminate discrimination. Public service providers will need to look at who uses their services, and ask, ‘What are the different needs of women and men, and how can we meet them? Do our spending priorities reflect these different needs?’ Public sector employers will also need to consider their employment practices and the needs of all their staff, including those who identify as transgender or transsexual.”

As well as marking a huge step towards true gender equality, the duty will lead to better public policy by requiring public bodies to recognise the implications of their policies for women and men, and encouraging a better user focus in service development. It should also generate employment practices that challenge occupational segregation and remove the barriers to women reaching their potential, such as a lack of flexible working.”

The best person for the job? By 2010, increased life expectancies – currently growing by two years per decade – mean that nearly 40% of the UK population will be over 45. By discriminating against this ageing workforce, employers risk ignoring the skills and talents of a significant proportion of the UK population.

According to research by the Department for Work and Pensions (2001), one in four ‘older’ people believe that they have suffered discrimination when applying for a job. Nearly half the organisations surveyed employed no staff aged 60 or over; line managers, while insisting they were ‘age-friendy’, were often ignorant of relevant guidelines; and ageism was seen as ‘more acceptable’ than other types of discrimination. So why does this discrimination continue to take place – especially when (according to Age Concern, 2002) 97% of Britons believe that age should be ranked as the least important criterion when recruiting a new member of staff, with ability (57%) and a good track record (40%) counting for

By definition, a diverse group inevitably draws on a wider range of experience, background and culture.

In broad terms, the differences between women’s and men’s jobs have declined dramatically since the ’70s.”
far more? Skills, knowledge and experience cannot be created overnight, yet many HR managers seem to see age (or lack of it) as a far more important factor in selecting employees to fill their vacancies.

This preference for younger employees becomes even more difficult to understand considering the length of time that employees of different ages expect to stay in their jobs. Research by the International Stress Management Association UK (2002) found that 54% of 18-24 year olds expected to stay in their current job for no more than the next two years (and 32% for no more than the next 12 months). This contrasted with 76% of 35-44 year olds and 74% of 45-54 year olds who expected to stay in their current job for at least the next five years.

One way of interpreting these results is that businesses appear to prefer employing individuals who are less experienced, require more training, and are less loyal than others in the labour market, simply on the grounds of age. If they continue with this strategy – given that the ageing population profile will mean that ‘younger’ talent will become an increasingly scarce commodity – they will also, presumably, end up paying more and more for the privilege. Another interpretation is that as employees become older, they know that realistically their chances of changing their jobs are significantly less – mainly due to ageism.

The keys to diversity
So rather than discriminating against people, what are the benefits of encouraging the development of a diverse workforce? By definition, a diverse group inevitably draws on a wider range of experience, background and culture; but also benefits because, in the presence of diversity, the mind is encouraged to stretch and daren to move.

The key to making diversity work is self-esteem. People have to like who they are; they have to take pride in themselves and draw on what they know to be true from their real experience.

If they are ashamed of the group from which they come, they will try to blend into the dominant group and nothing interesting will happen. But if, on the other hand, they think and speak proudly as themselves, they will communicate with greater range, depth, freshness and insight.

Diversity is inclusive. It is about ensuring that the ideas, opinions and contributions of all are heard regardless of race, colour, culture, creed, sexual orientation, disability, age, religion or gender. Making diversity pay involves real and difficult choices. For instance, to attract more women, city and consultancy organisations are having to tone down their long-hours-dominated cultures and pay attention to unfamiliar concepts such as mentoring and work-life balance.

Diversity has become a very important and profit-sensitive business issue. As we will see in Part 2 of this article, research shows that well-managed diversity potentially has a positive, practical and productive value to almost every business. Every organisation must therefore have a clear understanding of what it intends to achieve in living and working with its own diversity.

Developing a diversity strategy is a central part of this – with commitment from senior managers being absolutely critical to success. This could be, for example, through the inclusion of statements related to diversity within an organisation’s corporate values; or the setting-up of special teams to set targets for diversity, drive the process forward, and monitor and feedback the results – all of which will be discussed in much greater detail in Part 2.

About the Author

Carole Spiers MIHPE MISMA Leading International authority on corporate stress, Carole Spiers Group, international stress management & employee wellbeing consultancy
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Training, employee counselling consultancy at the service of top corporations to enable them to achieve a healthy corporate culture.

The Carole Spiers Group (CSG) has established a valuable niche in the field of workplace stress management, bringing proven, tangible benefits to a long roll of prestige clients such as Abbey, Health Education Authority, Sandhurst’s Rolls Royces, Walt Disney, Panasonic UK, Unilever and the Bank of England.

O ver time, all enterprises evolve and grow around the vision, skill and enthusiasm of the people who lead and manage them. The business gradually becomes an embodiment of their judgement, values and decisions. If they retire or exit for other reasons, the ethos and dynamics of the business will inevitably change. If the value of the business is to be maintained or enhanced, it is imperative these changes are carefully controlled.

The first step is to formally decide precisely what difference their departure will make. If the retiring directors/managers were responsible for sales dynamism, strict financial control, key account customer loyalty or engineering innovation, for example, these are the critical skill gaps which will need to be seamlessly filled.

Looking inward for future success
The assumption is that companies will need to recruit externally to fill operational gaps arising as they undergo change. This is not necessarily the case. External HR professionals can be brought in to work as change managers. They can identify current or anticipated gaps in managers’ range of skills and employees’ competencies and then develop the most cost efficient ways to fill these gaps.

However, there is more to succession planning. Rather than just being a way of averting the dangers of a foreseeable motivational and management vacuum, it can be an opportunity to refresh, revitalise or reposition a staid enterprise in a rapidly changing world.

I strongly believe businesses can move forward by optimising the contribution of their existing management, staff and workforce. It is highly likely that existing personnel will have undiscovered capabilities and talents. The fact these attributes have not become apparent in their existing roles is probably more to do with
The objective is to get the closest possible ‘fit’ between the under-utilised potential and operational shortfall.

habit and complacency than a failure to invest in employee development. It might be the case that they have simply not been invited to extend themselves in an unfamiliar direction or take on wider responsibilities. It is definitely the case that uncovering unproven talent in existing staff is less costly than recruiting and introducing new personnel. Job rotations can sometimes reveal these hidden reservoirs of ability.

Perhaps someone on your sales force has the potential to become an outstanding marketeer; perhaps someone from your shop floor or office has the potential to be an outstanding sales generator. An operative might have innate interpersonal skills which earmark him or her for development into line management.

How to boost existing employees’ skills
In some instances, the skills shortfalls can be filled by job rotation. Skills shortfalls in one department can be overcome by importing them from another where a competent individual’s ability is being under-utilised. There are huge savings to be made by offering coaching, mentoring or further job training to existing staff.

As an alternative to launching into a recruitment drive, taking positive and structured training action can expand the skills set of employees and identify and improve areas which require development.

My definition of coaching is not merely structured learning. It is more to do with supporting individuals and teams on their developmental journey – helping them to become the people they want to be and achieve the success they aspire to. It’s a question of focusing on their true future potential and how it can be realised.

Similarly, I see mentoring as the passing on of knowledge by a more experienced person to a less experienced one. Again, it’s not so much about structured learning; more about enabling through providing guidance, support and understanding.

External or interim HR consultants can provide mentoring and coaching on a stand-alone basis, either to supplement a training course or as part of a larger scale training and development programme.

The benefits of investing in existing employees
Investing in existing employees and working to improve their skills can prove hugely beneficial to an organisation. Apart from the obvious time and money savings, there are numerous other aspects which can impact on the corporate ethos and performance.

Employees’ perceptions of their career progression prospects change. They will obviously be prepared to make a deeper commitment to an enterprise which demonstrably invests in them and their route to achieving their personal ambitions, perhaps through promotion. It also inoculates the wider perception that, as others advance, the gaps they leave will create promotion opportunities for their immediate delegates rather than outside recruits. This creates a sense of career scope and momentum among the whole workforce.

This should be an ongoing process. Trainers, coaches and mentors need to do far more than recite prescribed catch-all programmes. They should take time to get to really know their client’s business and absorb its culture as a prerequisite of cultivating teamwork and enhancing productivity. It is about identifying people who have the capability to fulfil key roles both now and in the future; knowing who could step in immediately, who could be an asset to the company in a couple of years’ time and who is likely to be leading the company forward in the longer term.

Background, qualifications and experience only paint part of the picture. The qualities which make people exceptional managers, leaders, drivers and visionaries are somewhat more elusive. You don’t get certificates in perseverance, determination, emotional intelligence and resourcefulness. Years of service which may be attributed to the individual’s lack of enterprise and ambition might actually be due to unwavering loyalty or the lack of real opportunity to develop.

Assessment
Internal recruitment for senior or critical positions is vital to the future of the organisation and needs to start some considerable time before the expected succession occurs, so the transfer of responsibility can be a gradual process rather than a sudden dramatic event.

After finding out what competencies a particular company needs to achieve its goals, HR advisors can devise exercises to identify and develop strengths, and remedial programmes to overcome shortcomings where there is a need for improvement. A precise psychometric assessment of an individual’s range of skills and capabilities will define their suitability for bridging the gaps which they will be required to fill. The objective is to get the closest possible ‘fit’ between the under-utilised potential and operational shortfall.

If it eventually transpires existing employees do not have the skills or potential to fill a role, it may be necessary to seek guidance in recruiting candidates who match the exact requirements of a particular role and culture of the company.

Failing to prepare is preparing to fail
The key to future success lies in assessing and understanding the value of the human resources you have at present and what resources you are likely to need in the coming years. The future performance of any company is reliant on the thoroughness and vigour of today’s succession planning. Those with an interest in acquiring or merging with an existing business must put a finite value on it.

Any investor will agree running a slide rule over the fixed assets, past performance and future profit expectations of a target company is comparatively straightforward. What really interests them is the quality of the next generation of management and its preparedness to propel the enterprise to new heights.

Every management hopes it will be able to bring about a smooth transfer of control after an acquisition, merger or other transaction. Having competent and consistent management and an able workforce in place from day one will be a decisive factor in negotiations. It will influence the viability banks and equity houses place on the entire deal and the fiscal value placed on the business.

Careful planning also means your workforce will be less unsettled and disrupted. In short, if you want to boost the value and saleability of your business for the future, start planning for and building the next generation of human resources right now.

Management Services  Spring 2008
In the immortal TV series *Star Trek*, the Klingons were often fearsome adversaries of Captain James Kirk, his crew and the Federation. But on occasion, and especially during crucial times, they could be useful allies.

Today, another type of Klingon - people who cling on to old, outmoded ways of doing things when new ways are needed - can dramatically slow the successful progress of an organisation, or even stop that progress completely. Corporate Klingons need careful handling if they are not going to cause your organisation serious damage.

But, just like the Klingons in *Star Trek*, the Klingons of the business world can often be successfully wooed and turned into robust allies. And even better, there is often a great deal you can learn from them.

Why do so many initiatives to implement changes at organisations - initiatives that may appear to make perfect, even utterly obvious sense - run into problems? Why do the most promising initiatives so often either fail to be implemented at all, or wind up being implemented in a half-hearted way that fails to bring the organisation anything remotely resembling the benefits it should be getting from it?

Why do people who want to make the change so often end up feeling frustrated and convinced that their energies have been diluted by indifference and inertia within the organisation?

In today's enormously competitive markets, designing the right kind of change initiative and implementing it in an undiluted way that allows the organisation to reap the full benefits of the initiative is essential for maximising competitive edge. It may also be a prerequisite for sheer survival.
Barriers to change
What exactly goes wrong, and why, when an organisation doesn't manage to harvest as many benefits as expected from positive change?

We talk of change in business, but what we really mean is improvement. And in practice, what we usually mean by improvement is actually process improvement: that is, any organisational initiative causing a significant improvement in the way a deliverable is produced for a customer, whether an external or internal one.

It's true that some important kinds of change – such as the launch of a major new product or service or a move into a completely new business – may not initially involve process improvement. But in practice, process is almost always going to be a major part. The need for an improvement will arise, in corporate life, as in the life of an individual, because something serious is felt to be wrong. What exactly will be wrong is inevitably going to vary from one organisation to another, but typically it will be a perceived problem in one or more of the following areas:

- competitiveness
- customer service
- employee morale
- financial management
- logistics
- profitability
- sourcing crucial resources
- strategic planning
- technology

Typically, the existence of a problem will be signalled by a clear sense that the organisation is failing in one or more of these areas, with stakeholders (such as shareholders) putting additional pressure on the organisation to solve the problem. In practice, the question of who actually perceives the problem is of great importance. By looking at this question, we are starting to move into Klingon territory.

Advocates vs Klingons

Human beings tend to be creatures of habit, or even of inertia. In a corporate environment there is all too often a feeling that advocating new ideas can be risky. People worry, by no means always unreasonably, that sticking their neck out could lead to it being cut off. In corporate life, the border between being seen as possessing brilliant business insight, and being dangerously unconventional and eccentric, may be alarmingly narrow.

This observation provides a vital clue as to why implementing improvement within an organisation is all too often a demoralising matter. What frequently happens in any improvement process is that a disheartening polarisation soon materialises between:

- those who enthusiastically advocate the improvement
- Klingons who cling on to old ways of doing things and who therefore resist the change

In situations where there is no resistance to change, it is usually inevitable that the improvement will be implemented quickly and in full, but in practice, experience tends to show that such situations are rare. Instead, the polarisation is a much more likely outcome. For this reason, it's vitally important and instructive to look at both sides of this polarisation and the dynamics affecting each side.

Enthusiastic advocates of the improvement

Would-be advocates of the improvement may be employees (such as project sponsors or project managers) or external consultants. How much a particular advocate will have at stake in the bid to implement the improvement will vary from one advocate to another.

Employees may have their corporate credibility to lose, a potential promotion, or even the danger of being fired if they get things wrong. An employee advocate may, for this reason, be more willing to compromise when encountering obstacles, but not necessarily only out of fear. Such advocates are also likely to be more aware of the political dynamics within the organisation.

Consultants may have a large part of their remuneration at stake: increasingly clients are tending to favour shared-risk and shared-reward deals. On the other hand, consultants are more likely to be independent of internal corporate pressures, often because they may not be particularly aware of them. Consultants sell themselves on this independence/objectivity, which lets them venture into potentially exciting areas where employees restrained by timidity may be unwilling to venture.

Consultants sometimes also have another built-in advantage: it may be easier for them to stick to their guns and have the courage of their convictions, because the worst that can happen to them if the relationship with the organisation sours is that they’ll lose a client, which is much better than losing their job.

The Klingons

Viewed from the perspective of the would-be agent of the change, it is useful in a practical sense to identify two types of Klingons: rational and irrational ones.

Despite their dangerous reputation, corporate Klingons can, in fact, be perfectly rational. Too many consultants automatically assume that Klingons are bloody-minded individuals who have a secret (or not so secret) basic resentment of consultants and just want to spoil things. This might of course be true of some Klingons, but it won't necessarily be true of all of them. Ultimately, every instance of blockage by Klingons needs looking at on a case-by-case basis.

Factors likely to influence irrational Klingons

What do we mean by calling Klingons ‘irrational’ in this context? What we mean is that they fear an organisation’s improvement initiative for reasons relating to their own personal agenda, rather than to the objective needs of the organisation.

Their personal objections may be perfectly rational from the Klingons’ own standpoint: but we are still entitled to call the objections ‘irrational’. After all, the Klingons are being paid to contribute to the success of the organisations, and irrational Klingons have an agenda that isn’t focused around the organisation’s interests.

Irrational Klingons may fear, for example, that the planned improvement initiative is likely to interfere with their personal career developments. Alternatively, they may have grounds for thinking that they are in fact less efficient at their jobs than they should be and that the improvement – or the process of implementing it – will cast an unwelcome light on their performance.

Klingons who don’t like taking holidays are often anxious about light being thrown on to what they are doing. They would much rather be there to keep things going the way they have before: that is, concealed and in a dark corner of the organisation, rather than exposed to the light.

It must also be said that some irrational Klingons are deliberately unhelpful and bloody-minded individuals who just don’t want to co-operate. They don’t answer emails, or if they do, they don’t answer the questions you really need answered. They find some excuse to avoid attending crucial meetings, or – which can be even more annoying – they send along a
They fear an organisation’s improvement initiative for reasons relating to their own personal agenda, rather than to the objective needs of the organisation.

Factors likely to influence rational Klingons.

Of course, in real life, Klingons don’t come alone to discussion groups, or letter meetings (if they do attend them) wearing little name-badges with ‘rational’ or ‘irrational’ on them. Business, like life itself, is not that simple – if only it were.

In practice, there is no way to identify whether a Klingon is rational or irrational other than by getting to know them and investigating their objections.

The key point about rational Klingons is straightforward: rational Klingons, almost by definition really, know things about the organisation you don’t know, or at least they believe they do. Sometimes this knowledge will consist of something they really should be telling you about but aren’t.

Consultants, in particular, often find that major pieces of news may be kept from them. Occasionally the news may be price-sensitive (an imminent take-over bid, for example) but more often the news is kept from the consultant for some other reason.

Frankly, large organisations are rarely very rational places. People have their own fiefdoms and all too often are far more concerned about those than about the ultimate fortunes of the organisation that employs them.

The other type of information is something that has a major and rational implication for your initiative but which may be difficult to uncover. Not because someone is deliberately trying to keep it from you but because it may be information that not many people are aware of in its entirety.

Indeed, nobody may, in fact, be aware of its entirety, though some people may be aware of it in a vague sense. The information may not be something that will immediately be disinterred with a few scoops of the trowel when you interview people. All the same, the information may be extremely important.

A case study

For example, in a consulting project Airwave Professional Services carried out, the digital media function at an organisation fell under the operations banner, rather than under marketing. We couldn’t understand why, and interviews with executives yielded no coherent explanation. Finally, it emerged from a senior source that resourcing constraints had been the practical reason for digital media falling under operations.

It seemed quite clear to us that as the organisation grew, it was eminently sensible to move digital media back under the marketing banner. However, the people we spoke to at the organisation didn’t like the idea. They told us that the digital media team had no direct accountability to the marketing function and that, at present, digital media was benefiting from the emphasis operations always placed on delivery.

The point here is that the digital media people were not accountable to marketing but were reporting to operations. In effect, they were reporting to non-experts of marketing and as so, could do what they wanted (marketing or non-marketing) without really being directly responsible. They therefore enjoyed being autonomous. We strongly recommended in our report that digital media should be transferred from under the banner of operations to that of marketing.

Finally, there will be rational Klingons who tell you straightforwardly and uncomplicatedly that you don’t yet fully understand the processes you are planning to improve. They may be right; it sometimes takes a really able consultant to have the courage to go right back to the drawing-board.

Whether the Klingons at the organisation where you are seeking to implement a radical improvement are irrational or rational, the secret of dealing with them is to be as willing to reassure them as you are to learn from them. Properly approached – which usually means being shown that actually it’s in their interests to co-operate with you and admire their organisation more successful, no matter what effect this might have on any fiefdoms they’ve been laboriously building up – it’s frequently possible to show, or persuade, Klingons that it really is in their interests to be on your side.

And when this happens, former Klingons may easily become the most zealous supporters of your cause, and place for a chance to be allowed to join the crew of the Enterprise who are spearheading the really significant improvement that will transform the organisation forever.
There is a lot to be said about the zigzag pattern. Some may relate it to the motions of a snake. But what’s actually wrong with that? Snakes have been around forever and we all know better than to bother them!

Others may link the zigzag prototype to the lessons they learnt in preventing themselves from becoming an easy target for shooters. That’s also a valuable thing to keep in mind, of course. But regardless of your initial visions about this concept, the zigzag pattern is more useful now than it ever was. In this article I am presenting two valuable perspectives of the zigzag pattern that can make a world of difference in your daily performance and the way you feel about it.

On a personal level, zigzag, which you should envision as the crisscross pattern through a straight line, stands for the following:

1. The peaks are the moments in which you reflect on your foresights: Do they still look good at this moment? Is this project or action still worth pursuing from your current perspectives?
2. The crossing points with the linear trend are the moments of reflection on the here and now: How does it feel? Are you still having fun? Still enjoying the ride?
3. The dips are the moments in which you look at your situation from the bottom up: Is it still legally, ethically, and morally sound? Are you still proud of doing it?

These reflective moments form a recurring pattern that could guide you through your actions and provide you with early alerts about changes in your perspectives or in the surroundings, so that you can adjust your behaviour or directions more rapidly than others who adhere to the linear way of living.

On a business level, the zigzag pattern resembles the alternating set of macro and micro perspectives that you have to maintain in order to keep aware of the entire picture. In this regard, zigzag entails the following:

1. The peaks resemble the macro view. Here’s where you reflect on your actions from a broad perspective: How does your activity, project or operation affect the environment? What advantages does it bring for stakeholders at large? Who’s getting hurt with what you do, and what can you do to reverse that? Who’s benefiting, and how can you enhance that?
2. The crossing points are the here and now, or the day-to-day actions: How is your project running? Are you coping well with the hurdles that are part of this business? Is everything internally sound? In other words, are workers, suppliers, shareholders and customers still happy? Is the business still financially viable?
3. The bottom view represents the micro perspective – how do you personally feel about this project now? Are you still okay with it? Still proud of it? Still don’t mind if it were published in tomorrow’s newspaper?

Zigzag patterns, as you see, have more advantages than you may have considered before. They enable you to outperform those who stick to the linear way of behaving, which doesn’t create room for distant perspectives and reflective moments. The zigzag pattern is a far more active one than the linear way in which most people and organisations still move. Zigzagging keeps its practitioners in shape, while it ensures that they are engaged far more consciously in what they do, so they just go through life with greater gratification!


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**About the Author**

With the advent of life membership we are attracting new members. There are still people who are engaged in management services who are not members and we would like them to join the Institute.

We can use our ‘direct entry’ route to fast track this and information is available from Brooke House.

We very much hope that our existing members will make potential members aware of this option.

- Actively promoting the IMS in your place of work
- Encourage colleagues at work as well as professional and social contacts to join the Institute
- Refer potential new members to the Journal as an example of what the IMS is about
- Remind potential members of the benefits of IMS membership, eg education system, regional structure, recognised professional qualification
- Up to the minute information via the IMS Journal and website professional support
- Undertaking contract/consultancy work

What Next?
Contact the IMS for an application form
W: www.ims-productivity.com
E: admin@ims-stowe.fsnet.co.uk
T: 01543 266909
See address opposite

Incentive
A Prize Draw at regional level will be established and all current members who recruit new members will be entered. The prize draw will take place later this year.