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If you want to try your hand at writing a feature for Management Services, please submit an abstract (around 200 words) explaining what your feature is about, with intended word count. (Features should be between 1000 and 2500 words, although exceptions can be made.)

Send your abstract to Anne-Marie Jordan, Editor, Management Services, 27 Castle Street, Canterbury, Kent, CT1 2PX or email editorial@msjournal.org.uk.

We also want your news and points of view about what appears in this journal. Something you disagree with? Tell us about it.
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Initiated as a project in 2007, implementing lean at the Department for Work and Pensions (DWP) has reaped substantial dividends, with a huge return on investment of 365% and a change in work culture across the Department. With the entire civil service currently undergoing transformation, DWP has paved the way for the rest of government in taking lean forward and making it real. See page 8.
This is my first Chairman’s Column after being elected to the position following the AGM held on 21 October. It is both an honour and privilege for me to represent you as your Chairman and I shall endeavour to promote the Institute and its values, as I have done during my 40-plus years in the profession. 

... It is my intention as Chairman to ensure our strategic aims remain dynamic and flexible so we can exploit the opportunities that will undoubtedly arise in the future

Chairman’s Column

hope to build. So if I may, on your behalf, thank David for all his sterling work during his tenure as Chairman.

David has not gone away, though: he will remain a member of Council as Treasurer and, along with the other six members of Council, will form a strong team on which I shall place considerable reliance. Indeed, I believe that in order to achieve maximum success, teamwork – and the synergy to be derived from everyone pulling in the one direction – will be essential for taking the Institute forward.

Most of you will be aware that, in my capacity as Deputy Chairman, I was responsible for chairing the group that reviewed the Institute’s strategy. Initially, five strategy streams were identified which have now been condensed into three specific strategic initiatives. To this end, Council has established a small assessment panel, consisting of three senior members of Council, to evaluate and approve new providers.

Thus far, the panel has recommended the approval of four new overseas providers: two consultancy firms in Zimbabwe, one in Harare, the other in Bulawayo; one consultancy firm in Lagos, Nigeria; and a fourth consultancy firm in Sitra, Bahrain.

It is interesting to note that the consultancy firm in Bahrain, whose chief executive is a Fellow of the Institute, also wishes to establish a branch in that country.

The second initiative is in relation to the retail and service sectors. These sectors have been identified as significant growth areas in the economy and, in order to strengthen the Institute’s involvement, Council has approved the setting up of a working group to develop and promote the Institute and the advantages of becoming a member.

It is significant that our UK education providers have seen an increase in demand for training in these sectors, which has resulted in a steady rise in student membership. The third initiative is based around communications and, more specifically, the use of the internet. Many of you will be aware of the developments which have already taken place to improve and enhance the Institute’s website. These developments will continue in order to ensure that the site remains relevant and up-to-date.

Social networking sites are also being explored to identify potential opportunities for promoting the Institute and its values. The journal is, of course, accessible via the website, but is also distributed in hard copy. Widely recognised as the informative professional publication on productivity in the UK, its editorial panel has a remit to ensure that it remains so.

While responsibility for formulating the Institute’s strategy traditionally falls to the Deputy Chairman, it is my intention as Chairman to ensure our strategic aims remain dynamic and flexible so we can exploit the opportunities that will undoubtedly arise in the future.

In conclusion, I would like to take this opportunity to thank my colleagues on Council for electing me as your Chairman. I shall endeavour to justify the trust they have placed in me on your behalf. Please remember, however, that it is your Institute and your comments, ideas and/or suggestions on how we can improve the service would be most welcome.

Finally, can I wish you and your family a very happy Christmas and a productive and prosperous new year.

Dr Andrew Muir
**Chairman’s Note**

The Russell Currie Trust, a charity that seeks to promote the advancement of productivity, is asking readers of *Management Services* to create short videos on any subject relating to productivity. Details are in this issue of the journal on p43 and there will be a financial reward. We are looking for good ideas, rather than top-class technical prowess, so start shooting!

**Regional News**

**North West Region**

Board members were shocked and saddened to learn of the death of Bob Fletcher. He was well liked as a board member with his sound common sense and warm brand of humour. He did much to support the Institute, particularly in its formative days, and contributed a great deal in the field of education and training.

When we lost our meeting room at Breighmet Library, Bob generously allowed us to use his home as a venue for board meetings, even providing us with refreshments.

Latterly, Bob became increasingly frail and his daughter Janet stepped in, helping with the preparations and seeing that the guests were well catered for. Luckily, Janet has inherited Bob’s sense of humour and plain speaking and made an excellent hostess – she could certainly handle a group of leg-pulling engineers. At our last board meeting at Bob’s house, we had the opportunity to thank Janet for all the effort she had put in for Bob and the rest of us. Outgoing Chairman Kevan Kelly expressed our gratitude to a delighted Janet and presented her with a colourful bouquet.

There remain vacancies on the Region Board and IMS members in the region are invited to join. Those interested should contact Chairman Harry Hogg on 01942 863776.

On behalf of the board, the Chairman wishes all members and their families a happy and enjoyable festive season.

**Eastern Region**

Ray Martin, Chairman of Eastern Region, welcomed past IMS Chairman Tony Parry to the regional meeting held at Eldon House, London. A full agenda discussed ‘Liaison with South East Region’.

It was noted that the ER website is being regularly updated with a variety of topics, covering items of a general interest in addition to productivity matters, and has attracted several visits. Any suggestions for the development and subjects for our management toolbox would be welcomed.

Richard Bridges, COM delegate to ER, reported to the meeting the main points from the recent COM meeting. Of particular interest to ER is the IMS Strategic Review.

Discussion took place about LinkedIn following an email circulated to all members – ER is looking to develop links using the system.

The region was sorry to read about the death of Bob Fletcher from the North West Region.

**East Midlands Region**

There was a board meeting on 8 October at which outline plans were made for the next six months.

In May 2012, there will be a visit to a recycling plant in Mansfield.

A further industrial/research visit will be made in Lincolnshire at a date to be decided, possibly January; final details and dates will be agreed at our next board meeting; details to follow.

Further information and joining instructions will be available from John Davies, email daviesj@bramcote.fsbusiness.co.uk.

Photograph taken at the recent Scottish Region meeting showing Bob Smith, Scottish Region Chairman, after he congratulated Dr Andrew Muir on being elected National Chairman.
Members of the IMS North West Region and their wives visited the Queen Street Mill Textile Museum, Harle Syke, near Burnley on 29 September.

After clocking-in at 1.30pm, we were introduced to our guide Les. The tour started in the boilerhouse where we were shown the workings of the Lancashire-made boiler. The coal no longer came from the local area via canal barges, but from America and Russia.

During the early days of production, the boilerman shovelled coal to feed the boilers six days a week while the engineer proudly ran and maintained the engine.

Next we arrived at the Engine House and this particular engine offered 500-horsepower of direct drive to the lineshafts. When first installed in the 19th century, the engine was given the name of the engineer’s wife, Prudence. However, at the end of the war in 1918, the name was changed to PEACE and still bears this name today. Poppies are displayed on it every Remembrance Day.

We were escorted to the reception area where Les explained the principles of weaving on a handloom. Warp yarn from the weaver’s beam was drawn through healds and reed to make cloth. The weft was transported in a shuttle across the full width of the cloth.

The healds allowed for the weft to go over one end then under the other end to give a plain-weave. After every traverse, the reed was pulled up to the cloth fell, the healds were then changed for the process to be repeated.

We were then taken into the warp preparation department where yarn from several hundred bobbins from a ‘creel’ – where each end was under tension – was drawn through a comb onto the weaver’s beam. The machine ran until the required length was wound-on.

The beams were located in the creel of the tape sizing machine, say, six for example, with around 450 warp threads on each, giving a weaver’s beam of 2700 ends. The process added a size mix to give the yarn extra strength to cope with the weaving cycle. These size mixes were retained as top secret, only the sizing operative knowing what the exact mix was.

Each weaver’s beam was then placed in a loom frame where each of the warp ends had to be drawn through an eye in the heald and each two threads through a space or ‘dent’ in the reed. There were four healds, utilising a system of two-up and two-down.

To provide the weft, the yarn is transferred from a cone to a ‘pirn’, which is done using a pirn winding machine where you could have a number of spindles winding at the same time.

At this point everything was ready for the loom. The warp beam was placed in brackets at the rear of the loom, the healds coupled up to their respective treadles, grouped in twos, and the reed was fixed into the sley. At each end of the loom, the cloth was tensioned to its width by temples, which consisted of spiked rollers, two per temple fixed to a bar that was connected to the loom frame.

In the weaving shed, we were given the chance to see two looms actually in production. Here we were informed about ‘shuttle-kissing’. It used to be the case that to facilitate a weaver to thread a shuttle, he or (usually) she had to kiss the shuttle and suck to get the yarn through two eyelets. This was superseded in later years by making a cut in the top of the shuttle and the insertion of a brass device that made it virtually self-threading.

Subsequently, the loom speed was in the region of 170-weft insertions or picks per minute. All machines that required powered drives were catered for by leather belts connected around drive wheels and the rotation provided by lineshafts.

We were then shown the cloth warehouse where the cloth was inspected, plaited and bundled. Here we saw samples of cloth for towels, Arab headdresses and Jewish prayer shawls, among others.

After a tour lasting around two hours, which everyone thoroughly enjoyed, we were shown the visitors’ book with entries by Colin Firth and Helena Bonham Carter, the lead actors in the award-winning film The King’s Speech.
The role of energy assessment

Harry Hogg, FMS CeMAP DEA, Chairman of the North West Region, delivered a three-hour lecture on energy assessment at St Peter’s Pavilion, Hindley, near Wigan on 13 October.


The EPBD has two main objectives: to help reduce CO₂ emissions which are contributing towards climate change and to focus our attention on the security of energy supplies in the medium to long term.

The EPC indicates the energy efficiency of the building’s fabric and construction, including the installed heating, cooling, ventilation, insulation and lighting systems for the purpose of producing energy usage and CO₂ emissions. The certificate will also provide recommendations to improve the energy efficiency of the building.

U values and ventilation rates were covered and by using diagrams and calculations, it was shown how to design the heating requirements of a room and/or a complete building.

For double glazing and all window replacements, it was explained why the importance of recognising if post-2002 glass units were installed because this is when ‘low E’ glass was introduced.

The basics of how to conduct an energy assessment were then explained, as were the differing types, such as for residential, commercial and public buildings.

Areas of special interest were also covered, including solar photo voltaic panels and feed-in tariffs, solar thermal hot water and pay back calculations, off shore and on shore wind farms, the UK energy mix and how electricity gets to your home, smart meters, wave energy and liquid gas imports (LNG) and new gas pipelines.

Further into the future

The introduction of the ‘smart grid’, along with more widespread use of smart meters, could give greater control.

Another suggestion is to integrate the EU network with the UK’s National Grid as the EU can negotiate better terms of supply within the energy market, while energy surpluses in one area can be transmitted to areas with shortages, giving increased security of supply.

Since the nuclear disaster in Japan, many countries have become disillusioned with this form of ‘risk related’ energy production but, in the absence of immediate alternatives, some are reverting to the fossil fuel usage, to augment their energy gap, which causes price rises and supply shortages.

Also with countries like India and China, whose populations will want ever increasing energy usage lifestyles, the point of peak fossil fuel availability will soon be met.

This is coupled with our own dwindling resources – already we have to import around 40% of natural gas.

Carbon capture and storage techniques have been discussed to great length but, as yet, there is no major headway from UK industry – we cannot get proper pilot studies operational.

The favourite alternative so far is wind energy where total input of energy to the UK grid is measured in gigawatts. Note that when a wind farm’s peak output is expressed, its actual average output is around a third of this due to variations in wind speed and transmission losses.

The key to any long-term strategy is to have a diversity of supply because we do not want to rely on too few resources or suppliers. Consider oil supplies from unstable countries or gas supply interruptions from Russia – relying on them puts them in a powerful position.

The first step to energy efficiency is to remove all or most wastage. The building stock in the UK is being replenished by ‘new build’ by the rate of 1% or so per year. Therefore we need to retrofit insulation and low U value materials to our existing stock. Also, we should encourage the use of low energy lightbulbs and, where affordable, replace any old boiler typically 60% efficient with a new condensing boiler with around 90% efficiency.

The lecture proved to be an enlightening event. It gave insight into where our energy requirements are heading and what steps are being taken to help secure future supplies.
Lean in DWP began as a project in 2007, becoming one of the largest of its type globally in either the public or private sector. Four years later we have successfully introduced lean practices and initiated a change in work culture across much of the Department.

In doing so, the project has achieved a huge return on investment of 365%, realised through demonstrable process and customer service improvements, delivered alongside improved staff engagement.

Following a number of successful lean pilots, we selected lean as a structured and proven method of delivering efficiencies and placing the customer at the heart of the organisation’s service delivery model. We remain firmly committed to continuous improvement and lean continues to be seen as pivotal to future improvements as we strive to meet increasing customer expectations and the challenges presented by strict financial settlements.

“Lean is a journey, not a destination. We’ve had some tremendous successes with lean and DWP has paved the way for the rest of Government in taking lean forward and making it real,” writes Jeremy Groombridge, Lean Senior Responsible Owner, DWP.

Collaborations

The DWP serves 22 million customers with whom it completes a huge number of daily transactions. These encompass a diverse set of activities including:

- high volume transaction processing
- calculation and payment of benefits
- complex activity such as policy development

The geographical spread, and sheer size of the organisation presented a wide range of practical and cultural challenges. Initial project activity was focused in seven initiatives in different operational areas, each with high volume, customer-facing processes and clear business metrics. These early initiatives were run as collaborations with external consultants and internal teams and delivered internal lean expertise in DWP through skills transfer, more customer-focused and standardised processes, improved accuracy and reduced rework and, in doing so, proved the case for lean in DWP.

The success of these early pilots led to an acceleration of lean activity across traditional departmental boundaries and all business areas from 2008. Internal lean experts – skilled in training and coaching both leaders and staff in lean behaviours, as well as in the application of tools and techniques – have led the way to success.

Hereford Jobcentre deployed customer insight extensively to improve service for Jobseeker’s Allowance claimants reaching the 13-week stage of their claim. Surveys, group sessions and face-to-face interviews were used to establish what customers and staff thought about the existing service.

Real value

This dramatically improved claimant and staff satisfaction – and added real value to interventions. Customers initially rated the service 6.5 out of 10 and, 12 months later, rated it 8.2.

Any strategy designed to increase flexibility and reduce waste needs the commitment of senior leaders and the support of frontline staff if it is to succeed and not be viewed as simply ‘flavour of the month’.

With a mandate to introduce and embed lean working...
within DWP systems, the project set out clear objectives around transactional and transformational change and standardised reporting across the Department in four key result areas: capability, culture, customer and process improvement/efficiency, all of which were subject to internal and external validation.

**DWP Lean Academy**

The project focused on developing internal expertise, informed by and benchmarked against external lean learning, and standardised this across the organisation through the establishment of its own DWP Lean Academy and an externally accredited lean learning routeway.

Our skilled people have led and supported improvements in sites such as Midlands Disability Benefit Centre (DBC). Here they used lean project support to train staff in lean techniques, freeing up more than 50 staff to deal effectively with the transfer of work from Wembley DBC whilst maintaining service to existing customers.

Engaging and empowering frontline staff in lean activity from the outset was key to delivering successful and sustainable results. At first, some appeared sceptical, seeing lean as relevant only to the manufacturing sector.

However, as they became involved in informing and delivering visible business improvements, they proved quick to engage with lean and adopt tools and techniques to deliver better, quicker and more accurate results for customers.

Details of their successes and experiences were published internally across DWP, making advances visible, and building the opportunity to continue to drive lean forward and to share good practice.

"The biggest shift for people is to think in terms of delivering our services in a way that customers need, not because that is how the business wants to do it. Culture changes are always hard but if it’s better for customers, our job becomes better too," Julia Kory, Lean Expert, Hereford Jobcentre.

The project extended its activity in 2010 into specialist areas such as HR, Legal and Policy Groups. This was a key objective as these areas determine the high level design of operational processes and influence the organisation’s core systems which can enable or constrain lean ways of working.

The challenge proved very different in those areas as the focus was very much on the internal customer, with low volume work, little or no standardisation of processes and hierarchical, multiple checking tiers.

Although initially harder to find and quantify, significant improvement opportunities were identified, demonstrating how lean can be applied flexibly in non-operational areas, starting with small improvement initiatives, such as the handling of ministerial correspondence to convince, establish and prove the application of lean in more complex environments.

“I think the benefits of lean working speak for themselves and I’d advise anyone to give it a go. Lean is tried and tested with clear results and I think it emphasises the ‘can do’ approach to changing our everyday work,” Sue Owen, DWP Director General Strategy.

At the point of project closure in June 2011, our customer service had improved in terms of time, cost and quality and we had improved people engagement.

Our analysis shows a 12% improvement in staff experience and engagement. 54% of staff in the Department have been on lean training and are now applying that learning in practice. A further 28% of staff, who have not been through lean training, are now working on processes that had been improved by lean.

In addition, we have steadily grown our own internal lean expertise over the life of the project, as these figures show, to help sustain those gains and deliver further improvement in the future.

As the core DWP lean project came to a close, each of the Department’s major businesses assumed ownership for the ongoing implementation of lean as we continue our journey and move towards our 2017 lean vision of making lean sustainable and ‘business as usual’ across DWP.

**Development Centres**

In evolving its lean approach, we have recognised the importance of capturing and systematically testing improvement ideas. We have established seven Development Centres, led by lean experts, designed to test and channel these changes into the wider organisation. In addition, we are currently embarking on a more structured process to generate and capture ideas for change and innovation from front line staff.

To support this, there is increased focus on strengthening problem solving skills as the purpose of continuous improvement is to make things better – and that means understanding what is wrong in the first place – and being comfortable in bringing problems to the surface. This is a tough cultural challenge for any organisation.

The requirement to deliver a better customer service at reduced cost led telephony agents in Grimsby Contact Centre to redesign the call script. Based upon structured staff and customer feedback, they removed duplication and re-worded sections that customers found frustrating and unclear.

The new lean script was rolled out nationally, resulting in reduced call times for at least 2,500,000 DWP claimants annually calling to make a claim to benefit.

While much remains to be done, DWP has undoubtedly made significant progress over the last four years. If the Department only maintains its current lean commitments, the projected savings over ten years are estimated at £2.3 billion. These successes provide a sound foundation for DWP to continue its lean journey and ultimately realise our longer term vision of becoming a truly lean organisation by 2017.

We are also sharing our experience and best practice with other government departments who are embarking on their own lean journeys.

As we go through our current organisational transformation, work will continue to fully integrate and embed lean into DWP systems and to grow the culture of innovation and continuous improvement across the whole of the organisation.

**Lean is a journey, not a destination ... and DWP has paved the way for the rest of government**
Age concerns:
How the Equality Act affects individual rights in the workplace

Discrimination in employment on the grounds of a person’s age is unlawful. The Age Regulations, which came into effect in 2006, have now been replaced by the provisions of the Equality Act 2010 prohibiting age discrimination. Those provisions have far-reaching effects, giving protection to not just older workers, but those of all ages, in all areas of employment.

The protection given
The Act protects workers from age discrimination in recruitment, employment terms and conditions, promotions, transfers, dismissals and vocational training. It will also protect people from age discrimination in the provision of goods and services, but these provisions have not come into force at the time of writing (November 2011) and the Government is continuing to consult on the best way to introduce them.

The behaviour prohibited
The Regulations outlaw a number of different types of behaviour: direct and indirect discrimination, victimisation and harassment. Direct discrimination can also arise where a person is discriminated against because they are perceived to be a certain age or age group (whether correctly or not) or because they are associated with somebody of a particular age or age group. In certain circumstances they also prohibit discrimination after the employment or working relationship has come to an end. Employers may also be responsible for the acts of their agents, as well as the acts of other employees.

Direct discrimination
This occurs when a person is treated less favourably than another is treated or would be treated because of their age or age group, unless this treatment can be ‘objectively justified’ (as explained further in this article).

Indirect discrimination
This is where what the law describes as a ‘provision, criterion or practice’ (ie an arrangement or feature relating to the employment) is applied or would be applied equally to all persons. If this puts or would put people of a particular age group at a disadvantage, compared to persons of another age group, it may be indirect discrimination. However this would not be the case if the ‘provision, criterion or practice’ can be ‘objectively justified’.

Courtesy of Russell Jones & Walker Solicitors.
**Legal topic**

Discrimination on grounds of age may be justified in certain circumstances. The law recognises that differences in treatment on grounds of age are sometimes necessary. If this is the case, an employer will have to show that any such difference in treatment is a ‘proportionate means of achieving a legitimate aim’. Tribunals will scrutinise such defences closely and employers will have to produce solid evidence of their justification.

**Victimisation**

This is where a person is treated less favourably because he or she has made a complaint or allegation of age discrimination, or is assisting someone else who has taken action in relation to age discrimination.

**Objective justification**

Direct and indirect discrimination on grounds of age may be justified in certain circumstances. The law recognises that and where notice of retirement is given after 5 April 2011, the DRA cannot be relied upon by an employer, unless it can show justification:

Service-related benefits

Employers often require a certain length of service before awarding a benefit such as private medical expenses insurance or increased pay or holiday entitlement.

This could constitute indirect age discrimination because the younger a person is, the less likely he or she is to have reached the age of 65 (or the normal retirement age if this is higher) on or before 30 September 2011.

An employer may legally discriminate on grounds of age if being a particular age is a genuine occupational requirement.
needs. The extent of evidence required by a Tribunal in this case remains to be seen.

Statutory Redundancy Pay
This is currently calculated using age-related criteria but is exempt from the age discrimination provisions of ‘The Act’. Enhanced redundancy payments following the statutory scheme will also be exempt. If an enhanced redundancy scheme is different from the statutory scheme, it will not be exempt, and the employer will have to justify the scheme objectively.

National Minimum Wage
The National Minimum Wage is applied by reference to age bands.

Genuine Occupational Requirement
In limited circumstances, an employer may legally discriminate on grounds of age if being a particular age is a genuine occupational requirement. For example, an actor in a particular role may need to be in or around the age of the character he or she is playing. There are other exemptions in relation to life assurance, age-related statutory requirements and occupational pension systems.

Pursuing a complaint
Strict time limits apply in respect of bringing a claim. Most claims will need to be brought in the Employment Tribunal within three months less one day of the treatment you are complaining about.

Where that treatment amounts to a continuing course of conduct by your employer, the claim may be brought within three months less one day from the end of the conduct. In some instances, if a claim is lodged out of time, the Employment Tribunal has the power to extend the time limits if it is just and equitable to do so. However, this power should not be relied upon.

You may also need to follow the ACAS Code of Practice on Discipline and Grievance Procedures (which can be downloaded from the ACAS website). This is aimed at assisting parties to resolve disputes within the workplace.

If your claim is successful, but the Tribunal considers that you have unreasonably failed to comply with the Code, your compensation could be reduced by up to 25%. There are also penalties on the employer if they do not comply with the Code. Please note that the time limit for bringing a claim is not affected by compliance with the ACAS Code. It still needs to be brought within three months less one day of the treatment you are complaining about.

You are entitled to request your employer to complete a questionnaire to obtain information relating to your complaint. This can be served at any time prior to commencing legal proceedings, or within 28 days of lodging your claim. Once you have convinced the Tribunal that an act of discrimination has occurred, and the employer is responsible, it is up to the employer to justify their behaviour.

If a claim is upheld, a Tribunal can make a declaration that there has been unlawful discrimination and award compensation. There is no upper limit to the amount that can be awarded.

If you think you are a victim of age discrimination, you may bring a complaint to an Employment Tribunal. There is no minimum service requirement for bringing a claim. It is important to take legal advice at the outset.

Please visit www.rjw.co.uk to request a copy of the separate factsheet Age Discrimination at Retirement for details of the procedure to be followed for requests to continue working beyond normal retirement age.

ABOUT THE AUTHOR
Russell Jones & Walker Solicitors are home to the independently top ranked employment law team for individuals within England and Wales. We do not deal with businesses and this puts us in a unique position to advise people regarding their employment rights with no conflict. The team deals with all areas of employment law and regularly acts for senior executives and alike negotiating complex settlements and resolving employment issues.
Lean management failure at HMRC

By Bob Emiliani, Central Connecticut State University, New Britain, Conn, USA.

The controversy and negative reaction surrounding the introduction and practice of lean management in HM Revenue and Customs (HMRC) seems well-deserved.

A recent journal paper by Bob Carter et al, Lean and Mean in the Civil Service: The Case of Processing in HMRC, describes the flawed approach taken and the resulting terrible outcomes.

From that paper and other sources, it is clear that lean management was not actually put into practice at HMRC. The civil service unfortunately applied a highly degenerate and dysfunctional derivative form of new management practice that resulted in a proliferation of zero-sum (win-lose) outcomes. I have long called this ‘fake lean’. A better name, perhaps, would be ‘no lean’.

Fake lean
It is far more common, by a factor of 500 to 1 or more, to witness the rapid emergence of zero-sum fake lean in organisations due to a combination of short-term thinking, ignorance of what lean management is and ineptitude on the part senior managers and consultants.

The ability to discern the true intent of lean management and, hence, to practise it correctly, requires one to understand the history of progressive management and its evolution over the last 100 years.

The forerunner of lean management is scientific management. It too is much derided – until one realises the true intent of its originator, Frederic Winslow Taylor.

Taylor wanted to improve productive capacity for the good of workers (wage increases, less arduous work and better trained workers), enterprises (sales growth and improved profitability) and the Nation (GDP growth and international trade), and also improve cooperation between workers and management. He was specifically interested in eliminating disputes between workers and management which inevitably led to zero-sum outcomes.

Taylor said the following words in testimony he gave to the US Congress in January 1912: “It ceases to be scientific management the moment it is used for bad.”

Lean management used for bad is not lean management; it is simply bad management. This causes enormous headaches and confusion among managers and workers as to what lean management really is. Being used for bad, one can only conclude that lean management must be bad. But lean is not bad in and of itself; this is a very important point to remember.

Unfortunately, zero-sum thinking is deeply ingrained among most senior managers and consultants, which is the principal way in which lean is recognised as bad. Zero-sum thinking is so integral to management’s mindset that senior managers simply do not understand how to achieve non-zero-sum (win-win) outcomes. It is a concept so foreign to them that they ignore it altogether. The approach to lean taken at HMRC, and resulting outcomes, were thus entirely predictable.

Different focus
Importantly, this same mistake is made over and over again by senior managers and consultants, despite having gained decades of practical knowledge that inform us of what to do and what not to do when introducing progressive management.
Consultants should know this, but apparently practising progressive lean management correctly does not generate sales to senior managers, most of whom are narrowly focused, time-constrained and demand immediate cost savings for political or other purposes.

Lean management is defined by two inviolate principles: ‘continuous improvement’ and ‘respect for people’. These became principles of progressive lean management because its foremost practitioners – Frederick Winslow Taylor (US, practice period ca 1880-1914), Frank George Woollard (UK, practice period ca 1915-1933) and Taiichi Ohno (Japan, practice period ca 1947-1978) – realised that you cannot have continuous improvement without respecting people. Importantly ‘people’ in this context means an organisation’s stakeholders: employees, suppliers, customer, investors and communities.

The ‘continuous improvement’ principle expresses the need to improve on a daily basis in response to changing circumstances. The world changes every day and so must we. At minimum, customers’ expectations of quality and timeliness, for example, increase over time and costs, which increase inexorably, must be levelled or reduced by improving processes – not by laying people off.

The ‘respect for people’ principle reflects the need to help ensure that improvements do not result in zero-sum outcomes – winners and losers. Taylor, Woollard and Ohno were management practitioners, not academics, who each held positions in industry, ranging from engineer or shop floor worker to senior executive as their careers matured. They learned from experience the importance of the ‘respect for people’ principle and that it must not be seen by anyone – especially not by senior managers and consultants – as something that is optional.

If the ‘respect for people’ principle is not recognised, or is recognised but viewed as optional by senior managers, then failure is certain. The mistake that senior managers almost always make is to lay people off as the result of process improvement.

That kills employees’ desire to participate in continuous improvement and fundamentally contradicts the ‘respect for people’ principle.

Bilateral negotiation
Is not the cause-and-effect obvious? Instead, people who have been made redundant must not lose their job and instead be re-deployed to other areas of the organisation to do productive work. This process is one of bilateral negotiation between employee, current manager and future manager to assure non-zero-sum outcomes. Workers are not the pawns of management in lean, to be placed in jobs that are convenient for management but difficult for workers.

The ‘continuous improvement’ and ‘respect for people’ principles are practical and effective and they encourage people to think. And thinking is what lean management requires, as it is often referred to as the ‘Thinking Management System’. Managers have to think and they also have to learn to trust workers to think.

However, the HMRC case shows that neither the ‘continuous improvement’ nor the ‘respect for people’ principles were understood and thinking among managers was obviously on extended holiday.

Taking HMRC’s ‘no lean’, zero-sum approach to process improvement to other civil service departments in the UK will result in almost certain disaster.

What happened at HMRC is a major failure that has negatively impacted many different stakeholders. It is too important a failure to quickly dismiss it as the result of bad planning or bad execution, by blaming employees or suppliers (the consultants), or by scapegoating one or two high-level managers. The act of doing this would, in itself, demonstrate that the ‘respect for people’ principle is not understood by HMRC senior managers. There is no thinking going on here.

The root cause of this failure should be carefully determined using formal root cause analysis, such as by creating A3 reports. As senior managers at HMRC are responsible for the failure, they must be the ones to think and learn from it by analysing its root causes and identifying practical countermeasures in order to avoid future failures.

Importantly, failure analysis must not be used as yet another tactic to assign blame and it must not become politicised. It must instead be used as a means to identify process-related problems
Senior managers, in particular, have a lot of homework to do to gain a correct understanding of lean management, which is a prerequisite for its correct practice.

Lack of understanding
As always, the weakness in senior management’s efforts to introduce progressive lean management into organisations is their lack of understanding of the ‘respect for people’ principle. They typically think they are already practising this principle or that they know what it means.

These are horribly faulty assumptions. If the ‘respect for people’ principle were easy to understand, including its inter-relationship with the ‘continuous improvement’ principle, then fake lean would be rare and real Lean would be common. But real lean – the daily application of both the ‘continuous improvement’ and ‘respect for people’ principles – is rare while fake lean, unfortunately, is common.

The senior managers of HMRC and other civil service departments must realise that 100 per cent of their university education and work experience pertains to non-lean management. To emphasise this point, I tell people: “Don’t confuse getting an ‘A’ or receiving a diploma with knowing anything.” That may seem harsh, but it’s true. Formal education systems teach batch-and-queue information processing, while lean seeks to achieve flow in information processing. The two are completely different fields of knowledge and practice, with almost no areas of overlap.

Therefore, to adopt lean management in HMRC or elsewhere in UK civil service means to learn something completely new. Senior managers, in particular, have a lot of homework to do to gain a correct understanding of lean management, which is a prerequisite for its correct practice. The bad news is that most senior managers are not eager to learn new things. The good news is that there are resources today that did not exist ten or 15 years ago to help senior managers learn new things.

The question is: will senior managers be motivated to find and study those resources, put into practice what they learned and make adjustments as their learning develops and improves over time? Or will they simply blame someone for failure and move on?
Improving healthcare quality at scale and pace

Lessons from The Productive Ward programme, courtesy of The NHS Institute for Innovation and Improvement.

The NHS Institute for Innovation and Improvement’s (NHS Institute) Productive Ward: Releasing time to care™ (The Productive Ward) programme aims to empower ward teams to identify areas for improvement by giving staff the information, skills and time they need to regain control of their ward and the care they provide.

This research builds on the insights provided by the NHS Institute’s The Productive Ward: Releasing time to care™ Learning and Impact Review, undertaken February-June 2009, by the National Nursing Research Unit, Kings College London.

This study (undertaken April-June 2010 by the same research team) aims to inform efforts to maintain momentum of The Productive Ward, to support NHS staff going forward and to discuss mechanisms and arguments for continued commitment and investment.

Broader objectives include generalising the benefits from this learning, creating a set of hypotheses about the spread of large-scale change that can be tested in future change interventions, theorising about some of the implications for the spread of The Productive Ward and other large-scale change programmes across different sectors of the NHS, eg mental health and community sectors.

What were the aims of the research, what does it tell us and what are we doing about it?

It is no secret that the NHS is facing the biggest challenge in its history and that £15-20 billion in efficiency savings have to be found by 2014.

There are countless examples of money saved and quality improved through using the tools and techniques provided by the NHS Institute’s Productive Series. Some of these can be found at www.institute.nhs.uk/ productives.

However, we are currently finding that, although The Productive Ward has proved to be extremely successful in the NHS, so far it has been implemented in fewer than half of the wards in NHS England. This has to represent a huge missed opportunity – and one which needs to be addressed urgently.

It is critical that improvement programmes like The Productive Ward, which have the potential to have a significant impact on cost and quality, are implemented on a large scale and as quickly as possible.

To achieve this it is important to understand what is needed to support ‘spread’ and what actions can be taken to overcome potential barriers to widespread adoption, implementation and assimilation of such initiatives into routine practice.

The research provides significant insight into a number of questions:

1 What makes some organisations successful and others not in terms of take up?

2 Why do some organisations spread quickly and others do not?

3 What are the time scales that organisations take to spread?

4 Are there organisations that spread quickly and sustain well? What are the characteristics of these organisations?

5 What is the process that is used in organisations that have spread and sustained well?

6 For organisations that struggle, do they share specific factors?

7 Is it possible to identify specific actions that could overcome barriers?

It also explores how learning from NHS staff experience of implementing The Productive Ward can inform the spread and sustainability of other large-scale change initiatives and provides insight into a broader challenge; whether it is possible to take the lessons learnt from The Productive Ward implementation and move from a reactive to proactive understanding of the spread of large-scale change initiatives in a healthcare context.

Methodology

The research applied a two-phase methodology. Phase one comprised of three elements: a focused review of the theory related to spread of innovations within healthcare, application of this theory to our
knowledge of The Productive Ward and identification of beneficial areas for future research to inform phase two of the research.

Phase two comprised in-depth case study interviews with NHS staff implementing The Productive Ward. These focused on the three areas identified in phase one as being most significant for the future development of the programme:

Discontinuation – People (or organisations) decide to reject an innovation after adopting it, possibly due to shifts in context which make work methods and goals obsolete, or because sustaining one approach may inhibit staff development and the implementation of other new ideas;

Islands of improvement – Pockets of excellence remain isolated and unknown to others. There is a lack of spread or only isolated uptake of innovations;

Improvement evaporation – A situation where change is not sustained. The decay of organisational change may be influenced by a wide range of factors including staff commitment, managerial and leadership approach, as well as organisational, financial, political, cultural, contextual and temporal factors.

In the case study sites, multiple participant accounts were used to establish a near as possible insider's perspective of context, history, current activity, staff energy, organisational energy, facilitators and barriers, and future plans.

Insights from the literature review of the theory related to spread of innovations within healthcare

The report helpfully defines and clarifies the term's dissemination, diffusion, adoption, spread, assimilation and sustained change.

The case studies in phase two of the research are particularly exciting as they provide evidence on a topic which has not been widely researched previously: non spread.

The report looks at the assumptions and observations about core innovation concepts. It goes on to categorise, giving examples of a wide range of indicators which could be studied to assist spread of an innovation in the context of healthcare organisations, eg identifying and mapping opportunities and constraints (ideas), reviewing organisation’s impact (context) and assessing the capacity for beneficial change/effectiveness (outcomes).

Specific challenges to spreading improvement programmes in healthcare are identified and described within the report. Examples range from a lack of receptive organisational context or human receptivity to an absence of communities of practice or an inconsistent organisational/professional group vision.

The research explores these factors in relation to spread of The Productive Ward and helpfully summarises critical success factors required to spread improvement programmes at scale and at pace, eg awareness raising of the potential for change, emotional connection to unleash energies for change, learning about benefits to self, belief that change can succeed, seeking and forming supportive relationships and restructuring the environment to support change.

What lessons can be learned from the literature review?

Spread cannot be driven by ‘top-down’ plans and motivation alone – it needs to also focus on unleashing change from the system itself by moving people to change themselves and each other.

Spread has to be user-focused to meet the needs and requirements of different groups of potential adopters.

The rapid spread of ‘good’ ideas can be damaging in the longer term if there is not adequate time for staff to learn
new skills or wider impact (for example, on patients) is not considered.

There are different types of barriers to spread, including lack of receptive context, inconsistent vision, self-sealing groups, sticky knowledge flow, issues of scaling-up, and inward-looking innovation. Positive actions are needed to address specific types of problems.

Spread can be perceived as ‘grounding’ innovation within systems – in other words confirming the mutual knowledge, beliefs and assumptions related to the innovation. It includes the formation of groups of people, personal investment and local control as well as technical systems such as plans and measures.

Spread involves exchange and mutual learning – this means taking on board the human aspects of change and recognising that people influence people, eg local ‘change champions’, strong leadership support and great project management.

As leaders of improvement, is it possible to influence spread and adoption?

The research indicates that leaders of improvement programmes like The Productive Ward can learn from the above lessons and take positive actions to overcome barriers to innovation and spread:

- Connecting with wider social and political agendas (including national policy imperatives), particularly to secure resources and negotiate incentives.
- Understanding the needs and characteristics of potential adopters ensures the meaning of the innovation is clear to them and the adoption decision is made as simple as possible.
- Engaging potential adopters at all stages: for example, in development and end-user testing to target the innovation appropriately, enable ease of access to the innovation, provide support for implementation, and promote positive relationships and client-centredness.
- Engaging respected individuals to champion the initiative, publicise the work of ‘leading’ organisations, identify change agents and networks to connect and spread clear information and learning about the innovation.
- Providing clear information about the benefits of the innovation in terms of the potential for: advantage, compatibility with organisational goals, straightforward implementation, trial and adaptation to local contexts, and observable improvement.
- Providing clear information about the operational attributes of the innovation in terms of operational goals, usefulness, feasibility and stages of implementation, and what type of knowledge is required.

Supporting adopting organisations to examine their organisational context to identify facilitating factors such as resourcing, leadership, skills, knowledge-base, transferable know-how, ability to evaluate the innovation and receptivity in terms of vision, values and goals, as well as critical success factors for organisational spread.

Review of the four previous Productive Ward evaluation studies (listed below) also reveals characteristics which may have hindered the spread of the programme:

- The Productive Ward: Releasing time to care™ Learning and Impact Review (NNRU 2010);
- NHS Scotland (2008) Releasing time to care™ Evaluation;

For easy access we have compiled lessons from the focused review of the wider literature and insights from case study interviews and in a separate set of ‘top tips’ for practitioners who are leading Productive Ward implementation (Top Tips for spreading the Productive Ward within NHS Trusts, available at www.institute.nhs.uk/productiveward).

Discussion and recommendations for maintaining momentum of The Productive Ward

The research confirms that there are numerous frameworks and models relating to spread and adoption and indicates that this can be confusing for practitioners. The three-fold model – determinants, processes and measures – developed within the report aims to provide a helpful framework within which to reflect upon and plan locally for spread.

A deeper awareness of the different determinants... could help practitioners to channel resources and energies into areas where it will have the greatest impact.
of spread (individual, organisational and contextual) could help practitioners to improve readiness for spread by identifying facilitators and challenges for individual staff, different ward-based teams and whole organisations. Key factors include staff receptivity, staff energy, engagement, organisational commitment, collective capability, historical context and the way in which organisations function.

The study has focused on three selected processes of spread (discontinuation, islands of improvement and improvement evaporation) and it shows that one or more of these processes can be in operation in any one organisation at the same time.

A greater awareness of the nature of these processes – and why they may occur within an organisation – could help practitioners to channel resources and energies into areas where it will have the greatest impact.

For example, looking to continuity of organisational commitment and collective capability in order to avoid discontinuation, or looking to improve communication and shared learning in the case of islands of improvement.

Finally, organisations might look to invest resources in maintaining staff energy and engagement if they wish to avoid improvement evaporation.

Practitioners are likely to find it useful to know more about how to measure (and explain) the spread of The Productive Ward. Such measures could help to address variation in how spread is judged and assessed, as well as opening up a dialogue between different stakeholders to reach a more useful and objective agreement about what a ‘successful’ rate of progress is.

The findings of this study provide insights into how organisations can spread learning and embed improvement by, for example, helping ward leaders to manage time and resources to release staff, as well as supporting shared learning through local adaptation and then local standardisation of tools and techniques.

Conclusions for The Productive Ward and large-scale change

The progress of any organisation implementing a programme like The Productive Ward can be judged in different ways.

Successful implementation and assimilation means spreading programmes at scale and as quickly as possible. It can also mean making sure the right changes happen, at the right pace, and that these are embedded in organisational working.

External observers, executives, managers and front line staff make different types of judgements about how well the organisation is doing. The three-fold way of explaining spread developed here (determinants, processes and measures) provides a framework within which to reflect upon and plan locally for spread.

Organisational energy is influenced by levels of visible executive support, resources for programme leadership and facilitation, as well as building resilience to times of pressure and change. Continuity of organisational energy helps to avoid discontinuation.

Sometimes the decision to temporarily halt implementation can be beneficial for ensuring the work is picked up at a defined time in the future, rather than struggling on while organisational energy wanes and contextual issues escalate.

Staff energy drives programme spread, but staff need to know about the programme, feel they are backed by organisational energy and have time and space to participate in ways that are meaningful and beneficial to them.

In implementing organisations there will naturally be islands of improvement because of patterns of staff energy and approaches to implementation.

Communication is essential to the spread of the programme and the improvements made. It involves promoting the programme through existing structures such as induction programmes, education and training; maintaining interest on wards using informal interactions and reflection time; and linking monitoring and reporting into organisation-wide improvement meetings.

In a context of shrinking investment and the challenge of scaling up to whole organisation roll-out, programme leads and facilitators are now focusing more on managing staff expectations about what type of work can be done and delivering support in more efficient ways. Where The Productive Ward has been able to demonstrate cost savings, such evidence can be used to make the case for organisational roll-out, even in a challenging financial context.

However, assessment of progress and impact is complicated by the fact that there is no agreed end point to implementation or completion of the programme. Nonetheless, it should be noted that aspects of The Productive Ward have been sustained even when wider implementation and spread has seemingly halted; this includes embedding improvements (such as standard procedures and guidelines) into working practices and leaving a lasting structure (theory base and staff knowledge) for future organisational improvement.

Closing comments from the NHS Institute

The NHS Institute continues to work closely with key partners at all levels of the health system to maintain momentum of The Productive Ward programme and support NHS staff going forward with other large-scale change programmes.

While discussions regarding the mechanisms and arguments for continued commitment and investment are ongoing, the report indicates that continued investment in facilitators will be critical in order to sustain and build on improvements which have already taken place in many organisations.

The research also indicates that robust evidence of impact measures would be extremely beneficial to support continued investment.

The NHS Institute has undertaken Rapid Impact Assessments for The Productive Ward in ten organisations, the results of which are available at www.institute.nhs.uk/productiveward.

We look forward to continuing our support of NHS organisations on their Productive journey.

Source: NHS Institute for Innovation and Improvement

To find out more about The Productive Series visit: www.institute.nhs.uk/productives
Louisiana State Police

Increasing efficiency of forensic DNA

By Melinda Richard, MT(ASCP), Louisiana State Police; Timothy D Kupferschmid, MBA, MFS, Sorenson Forensics. The complete technical report is available at www.ncjrs.gov/pdffiles1/nij/grants/235190.pdf.

While Louisiana’s violent crime rates showed decreases, violent crime rates were 1.5 times that of the nation and murder rates were more than twice the national rates. With 40.4% of Louisiana offenders having committed violent crimes and a recidivism rate of 31.8% (2008), the need for rapid investigation and resolution to forensic cases was apparent.

Through increased sensitivity in testing, laboratories are able to isolate DNA profiles from very small ‘touch’ sample sizes, providing an important crime solving tool. Coupled with the ever-increasing power of the national CODIS database to produce a CODIS ‘hit’ or investigative lead, the likelihood of DNA forensic analysis yielding assistance to an investigation is growing, provided DNA analysis of the evidence in the forensic case is completed.

Like other public crime labs, LSPCL saw increases in submissions such that backlogs existed and turnaround times exceeded a calendar year. The completion rate was not increasing at a rate to compensate for the increased submittals and a backlog of DNA requests continued to accumulate (see table 1).

The solution

The LSPCL had a multi-pronged approach to the problem of the backlog, extended turnaround times and low productivity. The overall goal was to create an efficient business-like structure to the scientific work and focus the scientists on the technical laboratory work of DNA analysis where the services rendered would then be timely and accurate, meeting the needs of the agencies served.

The strategy involved three levels of improvement:

1. Develop more effective communication between agencies and LSPCL
2. Outsource as much work as possible to temporarily create more staff resources
3. Improve the efficiency of the DNA forensic process

The major work points for each of the three levels are listed in the box opposite and below:

Level 1: communication
LSPCL increased communication with the district attorneys and investigators to scrutinise and prioritise pending cases.

Once each agency reviewed its pending cases, hundreds of DNA cases were cancelled because the case had been solved, closed or otherwise no longer needed DNA analysis. Today case submittals are reviewed at the time of submission, using a new submittal form which gathers all information and prioritises the case prior to submission. Evidence submissions are initially limited to five items for testing.

Level 2: outsource
LSPCL outsourced work, such as casework analysis, training of DNA analysts and validation of new equipment. Newly hired analysts were trained by an external vendor, off-site, reducing supervisor time needed to train the new staff. Validation of the robotic equipment by external vendors allowed LSPCL to introduce technology to shorten analysis cycle time, saving valuable DNA analyst time.

Level 3: improve DNA forensic analysis workflow
Louisiana was awarded a 2008 Forensic DNA Unit Efficiency Improvement grant by the US Department of Justice, Office of Justice Programs, National Institute of Justice (NIJ) to find innovative and creative solutions to this nationwide problem.

The grant was for $600,000, with $450,000 (75%) supplied by the federal grant and $150,000 (25%) funded by state funds. The grant goals were to: 1) reduce DNA case turnaround-time by 50%, 2) double productivity, 3) reduce DNA case backlog by 50% and 4) increase the number of CODIS hits.
e Crime Laboratory
casework using lean six sigma tools

<table>
<thead>
<tr>
<th>Year</th>
<th># of DNA requests received</th>
<th>% increase in # of DNA requests from previous year</th>
<th># of DNA requests completed</th>
<th>% DNA requests completed</th>
<th>TAT</th>
<th>Backlog as of 31 Dec</th>
<th># of caseworking FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>843</td>
<td>-0.6%</td>
<td>458</td>
<td>54%</td>
<td>476</td>
<td>876</td>
<td>11</td>
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<tr>
<td>2007</td>
<td>1032</td>
<td>22.4%</td>
<td>433</td>
<td>42%</td>
<td>561</td>
<td>970</td>
<td>11</td>
</tr>
<tr>
<td>2008</td>
<td>1037</td>
<td>0.5%</td>
<td>350</td>
<td>34%</td>
<td>568</td>
<td>1194</td>
<td>8</td>
</tr>
<tr>
<td>2009</td>
<td>1501</td>
<td>44.7%</td>
<td>1374</td>
<td>92%</td>
<td>676</td>
<td>910</td>
<td>14</td>
</tr>
<tr>
<td>2010</td>
<td>1317</td>
<td>-12.3%</td>
<td>1771</td>
<td>134%</td>
<td>287</td>
<td>286</td>
<td>16+4 trainees</td>
</tr>
</tbody>
</table>

Table 1: LSPCL DNA requests received vs completed, as well as annual backlog

LEVEL 1
COMMUNICATION
- Cancel unneeded cases
- Prioritise backlogged cases
- Ensure complete submissions
- Equip agencies for easier future submissions

LEVEL 2
OUTSOURCE
- Casework
- Training of new DNA analysts
- Transfer screening to newly created Forensic Technician positions
- Improve analysis capacity and productivity
- Leverage technology
- Sustain with clerical time savers
**Improve analysis capacity and productivity**

After researching the success of the lean six sigma (LSS) methodology, the decision was made to apply business management principles of LSS to the laboratory setting. Consultants who specialize in these efficiency methods were contracted to conduct two projects: Sorenson Forensics, for the forensic DNA analysis LSS project, and CTQ Consulting, for the DNA purchasing LSS project.

**Lean six sigma (LSS)**

LSS is the unique combination of lean thinking and six sigma process improvement to form a thorough and comprehensive approach to quality improvement, process improvement and the elimination of waste to produce a remarkably efficient and quality driven product, the crime laboratory forensic DNA analysis report. The combination of lean thinking and six sigma variation reduction, when merged together, form seven guiding principles.

The principles are 1) focus on the customer, 2) identify and understand how the work gets done, 3) manage, improve and smooth the process flow, 4) remove non-value added steps and waste, 5) manage by fact and reduce variation, 6) involve and equip the people in the process and 7) undertake improvement activity in a systematic way. DMAIC is the acronym that describes the seventh principle. It is a systematic improvement framework. DMAIC stands for Define, Measure, Analyse, Improve and Control.

**DEFINE:** The project goals and scope are based on the customer needs and the processes that need to be improved. The define phase requires that you define the problem before you can begin to solve it.

**MEASURE:** Data is gathered that measures all of the details and timing of the current processes to establish a performance baseline. A spaghetti chart is a graphical illustration tool of the actual physical movement of people and evidence throughout the laboratory. Processes that have not been streamlined often look like a bowl of cooked spaghetti when diagrammed. Steps of the process for analysis of a sexual assault case were drawn and measured, showing a total of 12,687 feet (or 2.4 miles) for a single case. As one step (two feet) takes approximately one second to travel, the time for one case was 106 minutes. For 400 sexual assault cases, staff would spend 42,400 minutes (707 hours) in a year travelling. In a typical working year [2,080 hours (40-hour/week x 52 weeks/year)] the motion waste of this process is 34% of an employee's time. Different colours represent different processes as described in the process map (see figures 2 and 3).

**ANALYSE:** The analyse phase focuses on analysing the data collected during the measure phase and investigating the causes of the bottlenecks, backlogs and defects.

**IMPROVE:** The solution implemented during the pilot study was a five-day laboratory process that consisted of four technicians acting in a support role and teams of three DNA analysts performing the lab work, interpretation, reporting, and quality checks on ten cases using a strict timed schedule. Over a dozen other improvements were made during this phase. For instance, lab processes and equipment were relocated to reduce motion waste; the concept of SS (sort, straighten, shine, standardise and sustain) was implemented at the workstations so that every workstation was identical to every other workstation; barcodes were printed to replace manual tube labelling; laboratory doors were removed to ease movement to and from lab spaces; unnecessary procedural steps were removed from the Standard Operating Procedures; and a master schedule was implemented that dictated the activities of all analysts hourly.

**CONTROL:** Control phase is a management system that monitors process variables and performance measures and ensures that the problem stays fixed over time. Visibility and accountability are cornerstones to the management practices, with daily production ‘huddles’ to ensure that all is functioning as designed.

**Forensic DNA lean team**

A team of seven managers and forensic scientists from LSPCL worked with Tim Kupferschmid and Dirk Hooiman, the consultants from Sorenson Forensics, over a period of six months. The LSPCL team consisted of: Captain Layne Barnum; Melinda Richard, Project Team Leader; Adam Becnel, Joanie Wilson PhD, Alyson Saadi, Jeremy Dubois and Erica Sparacino. Additional employees of Sorenson that assisted with the project were Anthony Carter, PhD, Kevin Day PhD and Chris Harmston MS.

**The results**

All grant goals were met (see table 2).

**Turnaround time**

One goal of the project was to cut the DNA request turnaround time (TAT) in half, from 258 days (May 2008) to 129 days. While the metrics are calculated from the receipt of the request to report issue, the scope of the project focused on the TAT as measured from case assignment to release (see figures 4 and 5).

**Backlog**

LSPCL defined backlog as DNA requests that have been received but not reported. The rear bars include the outsourced cases plus the internally analysed cases. The front bars represent internal backlog only.

**Productivity**

The entire LSS project was focused around increasing the productivity of the DNA laboratory – the flow of casework. The solution was that four teams of three DNA analysts process approximately 75 samples (roughly ten cases) per batch. This translates to 40 cases per week, 160 cases/month (see figures 6 and 7).

Figure 8 shows the improvements of several different metrics from the start of the DNA forensic LSS project in May 2010 to the end of the Improve Phase in August 2010. Of particular note is that the total queue time, or time a case is being processed, decreased from 181 days to 11.6 days. This exemplifies the ‘flow’ that was created by the LSS process. Second, the value added time, a measure of lean efficiency, increased from 2.7% to 37.9%.

The average number of samples processed per analyst per month were doubled by the LSS project.

Leverage technology – as the LSS projects progressed, leveraging available technologies became essential. Details are available in the full technical report.

Sustain with clerical time savers – the last step was to sustain the efficiency obtained by reducing time spent on clerical tasks. Reorganisation of LSPCL resulted in a Business Unit being formed to absorb purchasing of DNA supplies. A professional service contract, engaged to conduct the second LSS project to reduce the staff time spent on purchasing functions, streamlined the.
process and reduced the cycle time needed to obtain supplies.

DNA purchasing LSS project lean team
A team of six staff members from LSPCL and the management and finance departments worked with Kathi Sill, the consultant from CTQ Consulting Group, over a period of three months on this efficiency project: 9 February through 11 May, 2011. The LSPCL team consisted of: Charron Thomas, Deputy Director of the LSP Crime Lab; Melinda Richard, Project Team Leader; Christie McColough, Santina Spears, Erin Bielkiewicz and Marci Herndon.

The methodological approach applied by CTQ was the same LSS methodology used in the forensic efficiency project. The DMAIC process was used to Define, Measure, Analyse, Improve and Control changes that led to achieving the project goals.

Define phase
Current processes meant that the purchase order process would take an average of 39 workdays. However, there was

<table>
<thead>
<tr>
<th>GOAL</th>
<th>UNIT OF MEASURE</th>
<th>TARGET</th>
<th>MARCH 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce case turnaround time by 50%</td>
<td>Days</td>
<td>129</td>
<td>59</td>
</tr>
<tr>
<td>Double productivity</td>
<td>Requests completed/month</td>
<td>100</td>
<td>175</td>
</tr>
<tr>
<td>Decrease backlog by 50%</td>
<td>Requests</td>
<td>850</td>
<td>152</td>
</tr>
<tr>
<td>Increase # of CODIS hits</td>
<td>Hits for last 12 months</td>
<td>&gt;314</td>
<td>748</td>
</tr>
</tbody>
</table>

Table 2: Breakdown of grant goals

Figure 2: Before improvement spaghetti chart of a simple sexual assault case (12,687 feet)

Figure 3: New, improved process spaghetti map for a sexual assault case (7879 feet)

Figure 4: DNA request TAT. The gold bar indicates the goal of 129 days. During the pilot project, the TAT for pilot cases was 22 days

Figure 5: DNA request backlog. Total backlog includes outsourced cases; internal backlog does not

Figure 6: DNA requests completed per month (includes outsourced cases completed as well as internally analysed cases)

Figure 7: DNA requests received and completed monthly showing the effect of LSS improvements in 2010
such variability in the process that, to have a 95% confidence level that a supply or service could be procured, one would have to allow 92 workdays.

Measure phase
Data was collected to understand the purchasing metrics and milestones. A survey of Crime Lab employees was taken for the time that employees spent on purchasing tasks. The message was clear: a great deal of staff resources were being used on marshalling the purchase of supplies and services, only to have the process take approximately 40 business days (eight weeks) to occur.

Analyse phase
Hypothesis testing showed the current purchase process had a sigma value of 2.67. By implementing the improved approach designed by the project team was expected to have a sigma value of 4.70 and represented a process yield improvement of 90.96%.

Improve phase
Based on the analysis of the data, improvements were made to streamline the purchase process and reduce the time to delivery, manage vendor relationships which resulted in vendor managed warehouse stores for office supplies and lab consumables and better management routines to forecast budgeting.

Control
Reports have been developed which allow the monitoring of purchase performance metrics.

Results – DNA purchasing LSS project
All goals were met, except in the area of staff time spent on purchasing activities. The target was five hours/week for DNA and 40 hours/week for the entire Crime Lab. The results were slightly higher – believed to be due, in part, to the short pilot time and due to the time for staff behaviour to change and to convert purchases to the new process.

A staff survey revealed a 81% satisfaction rating with the new processes. The entire cycle time for a purchase to be completed was an average of seven days, far exceeding the 40-day target (see tables 3-5).

Conclusions
The overall objective of all projects never changed: provide tools and operational structure to increase efficiency in DNA forensic casework. While the improvements were a custom set of solutions, the tools and the concepts can be shared and replicated.

LSPCL has changed the culture and the way of doing business at the Crime Lab. In an economic time that requires all businesses to do ‘more with less’, LSPCL found a strategy and a mechanism to increase efficiency. The LSPCL and the Department of Public Safety Services in Louisiana have benefited from the outcome, which equates to a safer community.

References
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Achieving well-being has been the concern of philosophers since Aristotle and is, in many respects, the essence of human existence. In recent years, well-being has moved from the realm of philosophy to that of science. There has been a growing body of research into what contributes to the quality of people’s experiences of their lives. This has enabled a new understanding of the factors that both influence and constitute well-being (Sloman and Smith, 2010; Botten and McManus, 1999).

Traditionally, we use comparisons of wealth creation to benchmark our nation state against other nation states, but are traditional measures, such as gross domestic product (GDP) and gross national product (GNP), enough in a contemporary 21st century economy (McManus, 2009)? Should we not question what we really require from corporate society is respect and behavioural changes from our peers as well as making enough money to survive and attain a certain standard of living. Coalition theory suggests that objectives of firms often involve striking a balance between the various political players in the boardroom. Often this results in achieving a consensus where balanced growth becomes the main objective for business and society (Chertkoff, 1971).

In this respect, growth is seen as a measure of output and, when this is increasing, it is assumed by economists that everyone will feel better off in a particular society; government will be able to spend more, people will have

**By Dr John McManus and Dr David Floyd, Lincoln Business School.**

**Some observations**

Historically, economists assumed there is a need for us to maximise profits and utility. Profit can be maximised to the point where marginal costs – that is the cost of producing one extra unit – are equal to marginal revenue, the money received from producing one extra unit (Botten and McManus, 1999). Theorists such as Cyert and March (1963) and Baldwin and Clark (1997) have shown managers that other individuals have goals other than profit maximisation and these could be managerial prestige or maximising the size and influence of a company.

It would be hard to dispute the fact that profit maximisation is a dominant goal for many managers (or individual employees) within a firm in the industry (Friedman, 1970). As we move into the next decade of the 21st century, economic conditions and expectations are changing based on this premise – ethical, social welfare, citizenship and corporate responsibility are becoming the dominant model.

Authors, such as Davis (2007), have argued that what we really require from corporate society is respect and behavioural changes from our peers as well as making enough money to survive and attain a certain standard of living. Coalition theory suggests that objectives of firms often involve striking a balance between the various political players in the boardroom. Often this results in achieving a consensus where balanced growth becomes the main objective for business and society (Chertkoff, 1971).
the income to consume and invest more (Robbins, 1999).

**Measures of economic efficiency**

It could be argued that economic welfare is a limited measure in that it leaves out such factors of life expectancy and education levels of the population. It has also been suggested by the New Economics Foundation (NEF) that maximising productivity and output may not be the best thing for society. If, for example, people only worked for 21 hours a week there would be a large fall in unemployment and people could do more worthwhile tasks, according to the NEF study.

However output still needs to rise to achieve growth and improved national wealth and income, regardless of whether more or less people are actually working. It has also been shown that higher growth can often lead to higher accommodation cost and overcrowding, as well as increased stress levels. More growth and further globalisation can also lead to increased pollution, an increase in people trafficking and child labour, as well as an increase in pollution levels. The banking crisis also has its origins in the increased level of globalisation activities.

Stiglitz (2010) argues for more regulation in view of the expanding globalisation process. More recently data has become available on other factors influencing society to counteract the above problems. There has firstly been the introduction of the human development index. This was introduced by the United Nations in 1990. This index combines adult literacy and life expectancy with income levels to give a better indicator of human development than conventional GDP and helps to disguise extremes which may be more incorporated in GDP figures.

There are further factors that may influence the happiness of individuals choosing to live in a country. It could be the ratio of male to female as well as the infrastructure available. In addition, society is also interested in freedom of speech. Population growth is also useful to know to help with future planning and estimate whether the government and business can provide enough investment to cope with population changes. Most people on average only change jobs every seven years, so some planning may be necessary to ensure people feel comfortable with the standard of living provided.

There are a variety of other factors that people consider with regards to their well-being. For example, expatriates have stated that one of the important pull factors for living outside the United Kingdom has been the low level of crime (Siegel, 2001). Data is now compiled on drug and alcohol use to help explore this factor further. In some ways, however, it is difficult to measure happiness since different people may give varying values for the factors considered. Indeed future research could find an average figure for these factors across a sample of people to help provide future insights into the subject.

**Some considerations of economic growth**

Economists have been concerned with the study of the broad aggregates, unemployment, inflation and government deficits as well as levels of growth. Inflation figures help to give an indication of stability of prices within the economy, which help us understand whether growth is sustainable in the long run. Higher inflation is often associated with higher growth (Sloman, 2010).

As in the last decade during periods of rising output, there is more pressure on finding the resources for achieving these results. More recently, government has exerted a more favourable control over inflation and this has occurred globally. Reduced trade union power and the forces of global competition have drastically reduced wage inflation. There
have been many documented problems of inflation measurement; for example, the consumer price index measure takes out house prices whereas the retail price measure allows for inclusion of inflation (Floyd, 2006).

There have also been concerns over the weightings given to the prices of various goods. In a similar way, it is important to understand the budget balance in order to see how sustainable growth may be.

As we have witnessed in the West, if there is high borrowing, governments may lose credibility, which will then lead to government having to borrow at higher rates of interest. Consequently increased flows of money will be required to pay for higher interest rates – the more money there is in the economy may lead to a decrease in desire of people to purchase the currency and currency value will then fall. With a falling currency it becomes more costly for society to buy imported goods and, therefore, standards of living will then fall.

It is, therefore, important to point out the links between macro-economic variables and the necessity to use monetary and fiscal policy in order to achieve favourable economic efficiencies. There are problems in measuring efficiency in services and government provision; for example, numbers of patients treated in hospitals may be a poor measure if the quality of service is poor and people have to return to hospital at a later date. Le Grand (2006) suggests that health provision varies across region as well as country and to some extent people may experience a postcode lottery and, therefore, not always achieve an adequate standard of service.

In addition with more private care being now provided, one might also question how their motives may vary from traditional government providers. Botten and McManus (1999) have also shown the difficulty in measuring the efficiency of greater service activity evident today in the economy and performance indicators are not always without bias.

Data available on currency values and budget spending helps to understand the numerous factors that influence our well-being. To reflect the true level of happiness in society, it is necessary to draw on this variety of informative data. Indeed, many countries may have important pull factors, but these need to be offset by the various drawbacks associated with living in a particular country.

The following examples may be useful in illustrating the point. Many countries, including the USA, Singapore and Hong Kong, offer low taxes (Backman, 2001). This may provide a good incentive to work there. However, costs of housing may be high in some cases and also education and health may be provided less than in Europe. Higher taxes in Europe may, therefore, not always be seen as a drawback for some citizens. Employment figures are also an important indication of happiness. Unemployment of less than 5% of those able and willing to work is the main goal of most governments. However, this figure may hide such factors as those in part-time work or education and, in some cases, the figures may seem misleading.

Future implications
In essence, there are many factors that influence the well-being of the population. Table 1 helps to show the important factors that need...
Measurement to be considered in addition to general levels of growth. While GDP per head is an important measure and will continue to be so in making monetary comparisons, we also cover the human development index in the table to recognise the importance of skills and education so widely spoken of by politicians these days.

Health spending, again in a similar way, is often an issue general elections are fought on and the importance to the population needs to be reflected in compiling new methods of measuring contentment in society. As has been shown, although the population is now looking for efficiency in government spending and demanding good standards of service across all regions of the country, performance indicators can help to achieve this to some extent but also have limitations. These factors also figure extremely high on government expenditure.

Also the level of crime is important to convince people that the system is safe and viable in the long-term. Finally, it is also important to consider population growth. Again this needs to be taken into account in order to convince people that happiness can be maintained in the longer term and it also helps in the planning of individual budgeting. Such rich data is now becoming available and needs to be more widely used in order to understand the importance of what makes society better off.

Indeed, the process of globalisation has influenced society greatly and has, in part, prompted people to revaluate what is important to them in society. Future generations are likely to have different value systems, so there will be a point in time to revisit these issues again.

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP/Head</th>
<th>Healthcare</th>
<th>Crime</th>
<th>Human Development Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>39700</td>
<td>8</td>
<td>&lt;25</td>
<td>94.6</td>
</tr>
<tr>
<td>Germany</td>
<td>35000</td>
<td>10</td>
<td>&lt;25</td>
<td>93.5</td>
</tr>
<tr>
<td>USA</td>
<td>43700</td>
<td>15</td>
<td>32-46</td>
<td>95</td>
</tr>
<tr>
<td>Japan</td>
<td>34000</td>
<td>8.2</td>
<td>&lt;25</td>
<td>95.6</td>
</tr>
<tr>
<td>China</td>
<td>2000</td>
<td>4.7</td>
<td>N/A</td>
<td>77</td>
</tr>
</tbody>
</table>

(Source Floyd and McManus, 2010 (new data is under review))

It is, therefore, important to point out the links between macro-economic variables and the necessity to use monetary and fiscal policy in order to achieve favourable economic efficiencies.
Leadership lessons in lean
By Michael Ballé and John Bouthillon.

When one of the authors, John Bouthillon, took over as CEO of PO Construction – a family-owned, mid-sized construction business – things were looking dire.

As he stepped in, the company had experienced a record turnover, but was not making a profit. Sales were also poised to fall off the cliff in the great recession.

John had been curious about lean for a while. He had book knowledge of the topic and decided that was the approach he needed to face the coming challenges.

Rather than go the common route of setting up a lean cost-cutting project and delegating it to a lean officer, he did it by the book: he found a sensei (lean expert coach) and they started visiting construction work sites to learn to see what physical problems affected his performance routinely and, hence, his bottom line.

They never did anything extraordinary, focusing in the first year on debating with each site manager about safety, ordered work sites and getting concrete right first time – rather unrewarding hard work.

Surprise results
To John’s surprise, in the first year of doing lean the old-fashioned way, although he did fall off the cliff and lost 30% of turnover, he made a significant profit.

In the following years, John has steadily increased both turnover and profitability to record levels for the company.

For the past three years, John’s routine has been the same: the CEO spends two days a week visiting the construction sites and discussing problem solving with his line hierarchy.

He is on the gemba once a month with his sensei and they slowly progressed from safeguarding people (safety and order) to protecting customers (solve problems before passing the work on to the next step), to controlling project lead-time (anticipating the impact of technical problems on project milestones) and reducing project lead-time (balancing work between trades to accelerate the flow of work).

Without ever being targeted explicitly, costs have been reduced throughout, mostly by taking out the costs of silly mistakes and foul-ups. Furthermore, by focusing all his energies in developing his line management in order to deliver good products to his clients on time, John has also grown back turnover without increasing overhead at the same rate and made the company globally far more productive.

Counter-intuition pays
As a veteran researcher of lean transformations, the other author, Michael Ballé, was struck by how working with his line management to solve daily mundane issues had led John to radically rethink the entire strategy of his company.

John’s overall approach was not to let operational problems fester in order to stick with the production plan, but to get his teams to stop and fix problems before moving on.

Although profoundly counter-intuitive, this paid back massively on the overall
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Leadership

Clearly, none of these new strategies is easy or even ever fully implemented: they remain a constant struggle against industry tides and natural human behaviour.

Pursuing True North means committing totally to perfection (zero accidents, zero customer complaints, immediate delivery of products made 1x1 in sequence, 100% value-added, employee suggestions every day and a regular flow of innovation) by aggressively pursuing improvement (-50% accidents per year every year, -50% complaints reduction per year every year, -20% lead-time reduction per year every year, 10% total productivity improvement per year every year and -20% new product lead-time per year every year), regardless of circumstances.

Now, of course, these aggressive targets are rarely achieved because, first, something unforeseen always happens and second, well, it's hard. But they are pursued nonetheless because not achieving them is the source of reflection and radical rethink.

In John's case, following True North led him to change his mind on many aspects of how his company did business,

...
but the outstanding point is levelling. He realised that the number one success factor of any project was having the right management team in place to kick off the project as most significant choices are made very early on.

This, it turns out, is never easy as people are always committed elsewhere (worse is on late projects), leave or are overburdened. The key then is levelling: having a steady stream of projects come through the pipe.

Price the adjustment variable
In construction, where every project is both large and unique and customers have their own decision cycles, it seems impossible, but it turns out that, although very hard, as the firm’s reputation for quality and service improves, there is one adjustment variable: price.

Customers relentlessly negotiate prices down so rather than base the go/no go decision on estimated profitability, the company tries to decide on the basis of project team availability. One surprise was that this led the firm to protect its prices in the worst environment in decades rather than the other way around – clearly a case of better be lucky than good!

Going to the gemba – in lean terms, the shop floor, the real place where things happen – is clearly the one unique lean practice at the heart of PO Construction’s progress. The CEO must learn the practice of gemba walks.

The point of the visits are teaching all team members either PDCA or SDCA. Starting with the latter, the main insight is to realise that performance is made now, today, right this minute. There is no elsewhere, no elsewhen.

Standards do check act
As you read this, your people are making the performance which will accrue into your financial results. Standards Do Check Act is the basic practice of checking whether everyone understands the standard by highlighting physical problems (such as orderliness) and asking teams to come up with concrete actions (Do) to get back to standards, check the execution (Check) and most importantly reach the right conclusions (Act) by discussing with all involved.

Where and when standards are respected, the second gemba skill is to drive teams to seek further improvements by practising Deming’s Plan Do Check Act: taking a problem and making a plan, executing it, checking results and either adjusting or adopting.

In essence, on the shop floor, the CEO points out problems, highlights technical alternatives when necessary but never instructs. The only legitimate question is “why?” The aim of the gemba walk is to get people to stand back from their rushed work, scratch their heads and think deeply.

Shopping list
One unique practice John developed as he mastered gemba walks is the ‘shopping list’: every person is entitled to ask the CEO to solve one specific problem which requires no investment. This has, unexpectedly, been a key driver to improving central services’ performance.

The role of the leader in lean practice is developing more leaders, not followers. As the CEO practises gemba walks intensely, the difference between being in control and controlling progressively emerges more starkly. John has learned, not always comfortably, to delegate all decisions and signatures as far down the line as possible. The real risks are in fact limited as he sees all his sites once or twice a month, so he has a pretty good hands-on idea of what is going on.

Furthermore, the entire line is progressively focused on 1) training their direct reports and 2) flagging problems as they crop up. The CEO must learn to intervene only in the case of large issues that can impact disproportionately the
company and where local teams are in no position either to understand the problem (it’s elsewhere) or to solve it.

Equally hard, the CEO must also let people make marginally poor decisions in order to let them learn and grow.

For the rest, the practice is essentially about asking questions about how people intend to handle things and where their own priorities are. In this, John and his sensei have defined people development in three dimensions:

- Autonomy in problem solving: the ability to distinguish important problems from futile ones and to solve problems according to company policies without help;
- Self-direction: the ability to understand the company’s aims and formulate their own plans to how they want to evolve their teams and departments to contribute to improvement;
- Teamwork: the ability to get teams working together and to solve problems across functions with experts from other parts of the firm or from outside.

Consequently, the CEO must completely reframe their understanding of what a good manager is: managers must be teachers. Rather than people being able to bring results independently (as long as I bring home the numbers don’t ask me how I do it), the lean CEO seeks managers who can train because they themselves can learn.

Educate, don’t drive
Shifting from command-and-control has been – and still is – a hard exercise for the management line from John downwards, but one key to the company’s success.

In the early days, this also caused quite a few headaches and even some departures as the managers in place could not accept their primary role as educators rather than drivers.

The key skill to acquire is to keep asking questions to lead the person’s thinking, but never giving an answer – even when one is quite certain of what it should be.

This has the dual benefit of developing people’s thinking, but also in several cases of being surprised by the answer. It turns out that this is also an extremely demanding discipline – for John to start with and then for his activity directors – and the temptation is always there to apparently speed the process by giving answers, as opposed to developing the organisation’s capability to solve its performance problems.

Questions and answers
Finally, John’s overall conclusion is that the lean CEO must learn to see (and hear) the moment when people change their minds. As he practises questioning as a core leadership skill, different answers will start coming up.

Many of them are plain silly, but some of them are correct, even though they don’t sound right. Conflict is mostly born of misunderstanding and in the business environment, managers are often very attached to their own positions – they feel that a public change of heart is a sign of weakness.

Conversely, John has also noticed that teams tend to convince themselves of collectively adopting a work around as opposed to solving the fundamental problem without realising it.

All in all, right answers come from right questions and John has found he had to learn to step back from answers he couldn’t fathom and question whether he was questioning right.

Ultimately, from the CEO’s perspective, lean is about products and people, not about processes or productivity tools. Sales are driven by market share and reputation which, in turn, are driven by establishing our products as standards for customers through impeccable quality and short lead-times.

Market leadership for products requires innovation and this is probably the most unexpected side of the story regarding relentless kaizen.

In the process of ‘leaning’ the company, PO Construction found itself developing innovative products, with one patent registered and a second one in the works – John’s grandfather had founded the company at the end of World War Two in the firm belief that industrial innovation could be brought to construction.

Half a century later, it turned out that developing lean thinking in the company rekindled the kind of technical innovation that had made it strong in its early years.

Lean is a practice, not a theory: there is no roadmap, project plan or strategy. There are no miracles other than going to the shopfloor often, visualising one’s challenges and patiently teaching people to solve their own problems.

Yet, there is one golden rule in the end: you need to develop people in order to develop products.

Equally hard, the CEO must also let people make marginally poor decisions in order to let them learn and grow.

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references
1 Jeff Liker, private communication.

Dr Michael Ballé is a best-selling author and executive lean coach. He assists CEOs in leading the lean transformation of their businesses and has 15 years’ experience in lean research and practice. He is also associate researcher at Telecom Paristech where he is co-founder of the Projet Lean Entreprise, as well as co-founder of the French Lean Institute. He has co-authored two lean novels: The Gold Mine and The Lean Manager, for which he has been awarded the Shingo Prize in 2006 and 2011. He has a background in both Systems Thinking (he is the author of Managing With Systems Thinking, McGraw Hill) and cognitive sociology, having received a PhD from La Sorbonne in Social Sciences and Knowledge Sciences. He writes the weekly Gemba Coach column for the Lean Enterprise Institute: www.lean.org/balle/.

John Bouthillon is the CEO of PO Construction, a 100 million euro construction firm. After working for Bouygues and then a major insurance company specialised in building and civil works for four years, he joined the family-owned PO Group in 2001. He became the CEO of PO Construction in 2009.
Lean is a waning

By John Seddon.

... people are becoming disillusioned: results fail to come up to expectations.

Persuaded that adopting lean will lead to Toyota-style levels of performance differentiation, managers of service organisations have flocked to the bandwagon. The persuasion comes from both consultants and academics. With the former this is understandable, but that academics have been cheerleaders is lamentable.

At this time, many people are becoming disillusioned: results fail to come up to expectations; the ‘improvements’ reported by lean projects don’t throw real money to the bottom line. We need to understand why.

Service vs production

Lean arrived in service organisations that were already highly industrialised – for instance, call centres and back offices managed as mass-production systems. Managers of these organisations think of their job as continually juggling the following equation: how much work is coming in, how many people do I have and how long do people take to do things?

Central to this production-driven view is that activity equals cost; hence, the argument goes, the more we reduce activity times the more we cut costs. It is a fallacious argument to which we will return.

Mass-production managers are constantly looking for new ways to do three things: standardise work, reduce activity times and drive out waste. For them, lean seemed like an answer from heaven. They were encouraged by the promulgators to believe that lean was a new solution to management’s known problems.

Yet that very assumption – that we already know what our real problems are – runs directly counter to the teachings of the originator of ‘lean’ (a label he would have rejected), Taiichi Ohno.

Ohno, the man who developed the Toyota Production System, taught managers that their first and primary task is to study their systems, to identify and understand what their real problems are. He taught that through acting on the system – the way the work works – and focusing on relationships, financial results would follow. To focus on financial results is to do it the wrong way round – they are the by-product of identifying and resolving the problems in the system.

Studying service organisations as systems reveals some counter-intuitive truths. To treat all demand as though it is work to be done is to miss the truth that much of it is what I call failure demand – demand caused by a failure to do something or do something right for the customer (Seddon 2003).

Much failure demand is predictable and if it is predictable, it is preventable. It cannot be removed without understanding its causes, however. And studying service organisations as systems reveals that two of the major causes are – wait for it – standardisation of work and management’s focus on activity management.

Different problems

When we switch off preconceptions and really study service organisations as systems, we discover that they have very different problems to solve from car manufacturers. By far the most important is designing a system that can absorb the variety of customer demand. If we can achieve that, costs will fall as service improves. It is the essence of the ‘Toyota solution’ for service organisations – and has little to do with what is commonly accepted as ‘lean’.

By believing the pitch that the Toyota tools are universal – again contradicting the advice of Ohno who insisted that codifying method would have exactly this damaging result – managers have failed to realise they have missed the first and vital step and thus the whole point of the Toyota approach.

A focus on reducing activity times to cut costs not only leads them to ignore a much more powerful
lever for improvement – understanding demand – but also lulls them into the belief, understandable but erroneous, that they must automatically be improving end-to-end performance, the complete flow of service from first contact to final solution, as well. As careful analysis shows, focusing on activity times usually damages end-to-end performance from the customers’ point of view, with inevitable upward impact on costs.

To take an example, the leaders of Portsmouth City Council’s housing repairs service learned, through studying their service as a system, that focusing on the activity of their tradesmen actually drove costs up, a counter-intuitive realisation. Working to standard times failed to reflect the variety in the work being done (not all tap repairs, for example, are the same) and setting targets for jobs-per-man-per-day led to meeting the target, but not ensuring jobs were completed.

Using knowledge gained by studying demand – the type and frequency of repairs required by the properties – they have designed a repairs service that now delivers repairs on the day and at the time tenants want and this revolutionary design operates at half the original cost – a result on a par with Toyota’s original level of differentiation (Zokaei, Seddon and O’Donovan, 2010).

Ohno would have been impressed; Gary Hamel recognised Portsmouth’s innovation with an award, it is a true economic benchmark (Hamel and LaBarre, 2010).

Studying demand leads managers to the recognition that service organisations need to use people to absorb variety; in Portsmouth’s case it means the tradesman determines how long he needs to complete repairs.

Customer knowledge
Likewise, in service centres it means removing all arbitrary measures of performance, like standard times and productivity targets, in favour of developing measures of actual performance in customer terms and designing a service based on knowledge of customer demand.

But lean, as it has been applied in so many service organisations, ignores these vital realisations. Instead lean interventions treat all demand as work to be done, assume that activity is equivalent to cost and report reductions in activity time as annualised savings, in complete ignorance of the true impact on performance.

The reality is, as it was for Ohno, that true costs are in flow, not activity, and in service organisations this means the true costs of service are the total number of transactions it takes for a customer to receive a service.

The most egregious example of the folly of treating activity as cost is Her Majesty’s Revenue and Customs, many years into its lean programme, never out of the news for performance failure and subject to perpetual scrutiny
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by the Treasury Select Committee.
Accountants despair at the number of transactions it now takes to get a service and the failure of call-centre operatives – if they can get through (many millions of calls are abandoned) – to provide answers to questions. While HMRC’s leaders argue they have achieved efficiencies through reducing transaction costs, the regular spectacle of PAYE mistakes and other failures continue.

Hallmarks of a fad
HMRC managers point to an academic report (Radnor and Bucci, 2007) as support for what they describe as their ‘journey’, but it is a journey to a terrible destination as HMRC’s ‘customers’ and the incessant failures attest. As well as performance failures, HMRC suffers from incredibly low morale, a consequence of the industrial design (Carter et al, 2011).

The Radnor and Bucci report amounts to little more than a collection of interviews with HMRC personnel, gathering opinion, and includes no critical evaluation of management’s assumptions, instead supporting the ideas that work should be standardised, that activity equals cost and targets have a role in performance management, all of which may be conventional but are also shown to be wrong when such services are studied as systems. Radnor and Bucci ignore what academics call the dependent variable: in lay terms, does it work? (For a more detailed look at lean in the HMRC, see p13).

Meanwhile in the private sector, where money talks more loudly, many are abandoning their lean programmes. Some do so simply on the basis of the failure of ‘improvements’ to hit the bottom line, the more enlightened do so from a recognition that lean only served to reinforce the current management paradigm – and it is this that has to change if we are to emulate Toyota’s original achievements.
Lean has all the hallmarks of a fad: it fits with the current management paradigm, it offers to solve problems managers think they have, it reinforces the notion that change can be achieved with projects and tools and the promises of consultants fail to be realised. To cap it all, academics join the bandwagon instead of concentrating on the discipline of learning. The lean fad is about as far from Ohno’s philosophy as it is possible to get.
The good news is that as more service organisation leaders learn, just as Ohno learned in manufacturing, that a focus on relationships (the system) in service delivers levels of performance improvement that most people wouldn’t dare dream of the fad’s wane will speed: the faster the better.

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The mine resistant ambush protected (MRAP) vehicle is a huge (up to 14 tons), heavily armoured personnel carrying vehicle that has been used in Iraq to protect soldiers and Marines from attacks by crude but effective, homemade bombs known as improvised explosive devices (IEDs). In 2007, production of this vehicle was one of the highest, if not the highest, priority within the entire United States Government (see figure 1).

The Department of Defense (DOD) was responsible for managing the MRAP programme. Actual authority for the programme resided with a joint programme office within Marine Corps Systems Command (Quantico, Virginia) which was under the oversight and direction of the Assistant Secretary of the Navy for Research, Development and Acquisition (ASN (RDA)).

Other major organisations involved in the programme included the Department of the Army, the Department of the Air Force and the US Special Operations Command.

By virtue of its ability to withstand attack by IEDs, which were responsible for 70% of the casualties in Iraq, the MRAP vehicle was quickly identified as a critical asset in modern warfare. It eclipsed other conventional military transport vehicles such as the High Mobility Multi Wheeled Vehicle (HMMWV) in its ability to withstand IED threats and, in the metric that mattered most, saving the lives of American servicemen and women.

Demand for MRAP vehicles increased significantly and virtually overnight. From an initial acquisition of 200 vehicles in late 2006 for the Marine Corps, demand grew to a total of more than 15,000 vehicles for all services by early 2007. In response to growing public concerns about the adequacy of US warfighters’ field resources and protection, the DOD set a goal of delivering 1500 MRAP vehicles to Iraq by 31 December, 2007.

Achieving this mandate required a ten-fold increase in production from five vehicles per day to 50. The magnitude of this challenge was massive.

The programme was very complicated due to the fact that four different original equipment manufacturers produced the MRAP at different locations across North America. The individual vehicles from these private-industry suppliers were similar in design, but were not identical.

Lastly, the final steps in completing each MRAP – the integration of navigation and communications equipment – took place at only one Government facility: the

This case shows how using the lean six sigma method to eliminate waste directly saved the lives of warfighters while simultaneously getting the most out of every tax dollar spent.
Space and Naval Warfare Systems Center (SSC) located in Charleston, South Carolina. The Space and Naval Warfare Systems Command (SPAWAR) managed this facility. Due to the variations between the vehicles, integration of the navigation and communications equipment proved to be a very complex process.

To meet the ten-fold increased production goal and to overcome the subordinate challenges resulting from lack of a common vehicle design, SSC leadership turned to the proven process efficiency and quality improvement methodology they had heard about from other organisations within the Navy – lean six sigma (LSS).

**Approach**

The first action taken was to develop a High Impact Core Value Steam (HICVS) map. Its purpose was to create a top level picture of the entire MRAP production enterprise that enabled leadership to see gaps in process, feedback, relationships and policy and other key dimensions of the enterprise (see figure 2).

Once these gaps were identified, their effects on the overall enterprise were assessed. These assessments established a sound basis for assigning priorities for follow-on ‘deep dive’ analyses and focus areas.

The HICVS map provided the ASN (RDA) a clear picture of the state of the overall enterprise at the outset of LSS application. One key finding of the HICVS map was that it clearly identified the Charleston facility as the ‘Enterprise Constraint’, meaning that it was the most significant choke point in the entire enterprise.

Charleston required immediate attention. Typically, once a HICVS map is produced, hypothesis testing is conducted prior to implementing changes in order to enable leadership to recognise risks and opportunities for improvement in the existing operating environment. However, gaps were so apparent – and time such a critical element – that the ASN (RDA) moved quickly to implement solutions for improving the MRAP operation at Charleston.

To start, Charleston formed a ‘process improvement team fully devoted to lean six sigma activities’.iii The team included specially trained process improvement personnel known as black belts and green belts, all working under a master black belt coach. The team began its work by focusing on the design of the production lines (of which there were 25) and, in particular, on the two stations which were resident in all of them.

Four key LSS events were focused on: point-of-use hardware 5S (sort, set in order, shine, standardise and sustain); navigation and communications equipment delivery; implementing TAKT boards to monitor process output; and communicating and
standardising quality assurance inspections across all 25 integration lines.iii

In all, a total of 57 projects were identified from the HICVS analysis and from holding an executive planning session with Charleston’s senior leadership.iv

These projects were captured using a benefits and efforts chart that provided the team a ‘battle map’ to use to attack the most significant issues (see figure 3).vi

Outcomes
The results of the LSS activities were profound. The MRAP production lines were transformed from messy and disorganised to neat and efficient. Standardised production support fixtures were introduced (see figure 4). The LSS team was able to achieve the goal of 50 integrated MRAP vehicles ready for shipment to the warfighter by 5 December 2008.vi

In fact, the capacity that was created exceeded demand with production, at times, reaching 69 vehicles per day. This ten-to 14-fold improvement in production was made using the same 25 production lines and workforce.

Much more importantly though, the increased quantities of MRAP vehicles delivered to Iraq saved American lives. In June 2008, USA Today reported that roadside bomb attacks and fatalities were down almost 90% partially due to MRAPs. “They’ve taken many hits, many hits that would have killed soldiers and Marines in unarmored HMMWVs,” according to Admiral Michael Mullen, Chairman of the Joint Chiefs of Staff.

Major General Rick Lynch, who commanded a division in Baghdad, told USA Today the 14-ton MRAPs have forced insurgents to build bigger, more sophisticated bombs to knock out the vehicles. Those bombs take more time and resources to build and set up, which gives US forces a better chance of catching the insurgents in the act and then attacking them.viii

This case shows how using the lean six sigma method to eliminate waste directly saved the lives of warfighters while simultaneously getting the most out of every tax dollar spent.

The MRAP programme has been an unqualified success for both the US military and the taxpayer.

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Figure 4. By using multiple LSS methods, the MRAP production lines in Charleston, South Carolina were transformed from messy, disorganised and inefficient (top) to neat, orderly and highly efficient (bottom)

Figure 5. By applying Lean Six Sigma waste elimination methods, the MRAP vehicle programme has been a success for both the US military and the taxpayer. This photo commemorates delivery of the 10,000th vehicle to US forces.
In search of unreasonableness: a set of SMART goals for BPR and beyond

By Dr John E Chamberlin.

In the last issue I wrote about an auditable model of SMART goals – Who Put the ‘ART’ in ‘SMART’ Goals? I did that for a reason.

The context then, primarily, was the need for ‘unerring clarity’ in the delivery of organisational goals, through people, at an operational level.

This context is important. It is to do with ‘doing the right things’ (Drucker, 1969) and then ‘doing things right’ – about being ‘effective’ first and then about being ‘efficient’ (ibid) in doing those ‘right things’.

That is, once we understand clearly, and company-wide, the organisation’s ‘purpose’ (doing the right things is an issue of teleology), from the customers’ perspective – its ‘vision’ and ‘mission’ – then our primary task at an operational level is the consistent delivery of that purpose to, and for, the customers (doing things right, first time, every time). In Philip Crosby’s (1986) terms, that’s zero defects or ‘ZD’.

Unforeseen tomorrows

And that’s okay for today and for the foreseeable tomorrows. But what about those tomorrows we can’t yet see?

At a strategic level in a continuously changing and chaotic external environment – and it’s now more chaotic than it’s ever been – the company’s or organisation’s top management will be looking beyond those tomorrows towards a future that has not yet become clear or been created, but which we will be unavoidably involved in, successfully or otherwise.

It’s to do with horizon. This side of it is operational and incremental: we can see where we are going, the route has been decided and even though it is beginning to bend a bit in the distance, a few incremental course changes – Deming’s (1986) ‘PDSA’ cycle – should suffice to keep us on track.

But beyond that? Well, that’s a different story. This is where ‘scenarios’ come in, our envisioning of possible ‘futures’. Either, ones we may (or be forced to) be part of, or ones we may wish to create for ourselves (which others, our competitors, are then forced to be in, or out of).

*Read Peter Scwartz’s *The Art of the Long View* to learn how scenario planning at Royal Dutch/Shell helped them survive (outwit?) the OPEC oil crisis of the early 1970s.

This is likely to require the need for change at a transformational level, a fundamental shift in organisational thinking and acting. And that won’t be easy: “The best place to look for the basis of organisation change is in the future business and the worst place to look is in the current organisation.”

“The present organisation, however, may be a good predictor of what will prevent you from developing the kind of organisation you will need. Like all creatures, it has a vested interest in continuing to exist.” (Davis & Davidson, 1993).

Erring clarity

So, how do we set people that task and with some equivalent clarity? Albeit even, with ‘erring clarity’! Why? Because to bring about change, on the transformational scale required, mistakes will not only be tolerated, they will be positively encouraged – demanded even. How else do we learn?

What we don’t do is prescribe the outcome, but what we must do is provide clarity regarding the freedom of the thought processes to be embarked upon. We describe a different set or type of SMART goals – SMART 2. We set people off ‘in search of unreasonableness’.

‘Reasonableness’, per se, was always the essence of SMART goals at an operational level. It was evident in ‘Attainable’. We did not ask people to ‘achieve’ things that were not reasonable. The goals may have been stretching, undoubtedly so, but in essence they were in line with the present ‘mission’ (‘R’ = ‘Relevant’, ie to ‘purpose’), and within people’s capabilities.

Your people were totally clear about what it was they were being asked to do and how they were to be ‘Measured’ and ‘Tracked’. Life, then, was pretty ‘Specifi c’. The future, though, is anything but:

SMART 2: “Reasonable men adapt themselves to their environment; unreasonable men try to adapt their environment to themselves. Thus all progress is the result of the efforts of unreasonable men.” (George Bernard Shaw).
asonableness:
and transformational change

almost). The point is everything is up for grabs; strategies, structures, systems – all the ‘hard Ss’ – and staff (people), skills and styles – all the ‘soft Ss’, which actually are much, much harder!

This is the helicoptered view of where we are now and where we (might?) want to be. If, looking down, you can see anything smaller than elephants, then get yourself higher above the jungle! This is a ‘super-ordinate’ issue,

‘superior in status’ to any other aim, and it is to be delivered by those who have the ‘authority’ or ‘control’ to carry it out. This does not mean that others will not be involved in its inception, but it does clarify the level, and elevation, of the changes required in thinking processes and where the real commitment must come from!

M – Mutant
Definition: “The changing structure of a gene, resulting in a variant form which may be transmitted to subsequent generations, caused by the alteration of single base units in DNA, or the deletion, insertion or rearrangement of larger sections of genes or chromosomes.”

In these circumstances there is no time to wait for evolutionary change. We want a different animal and we want it now! This is a process of actions that will bring about a totally new and distinct form. A butterfly is not a different (or better) caterpillar (Goss, et al, 1993). This is about alien forms!

A – Aggressive
Back to SMART 1: “…setting goals that are specific and attainable can significantly inhibit the effectiveness of change efforts.” (Heil, et al, 1995). And, perhaps more specifically, “Setting attainable
goals allows us to work in a manner we understand but may well be an impediment to substantial change.” (ibid).

SMART 2 aims to remove those inhibitions and impediments to effective change, to release people’s aggression. Free them up to fight for what might, just, be possible.

Aggressive means ‘ready or likely to attack or confront ... pursuing one’s aims and interests forcefully, sometimes unduly so’. Correct! This is not fine tuning, this is “fundamental rethinking and radical redesign.” (Hammer & Champy, 1993).

You will have a fight on your hands. But remember, it is not the people you are attacking, it’s the thinking, the system(s) and the processes, all part of the established ‘norms’. And the thinking that has to change the most is yours, management’s. (Champy, 1996).

R – Radical

Dare to be different! This is to do with the gap between our resources and aspirations. It is not about building a bridge to a new place on earth, it is about flying to a new world:

“You must unlearn what you have learned!” (Yoda in The Empire Strikes Back; Lucas, 1991).

It is to do with standing in a different place: “I stand up on my desk to remind myself that we must constantly look at things in a different way. You see, the world looks very different from up here. Just when you think you know something you have to look at it in another way. Even though it may seem silly or wrong, you must try.

“When you read, don’t just consider what the author thinks; consider what you think. Boys, you must strive to find your own voice because the longer you wait to begin, the less likely you are to find it at all. Thoreau said, ‘Most men lead lives of quiet desperation.’ Don’t be resigned to that. Break out! Don’t just walk off the edge like lemmings, look around you ... Dare to strike out and find new ground.” (Robin Williams as Professor Keating, Dead Poets’ Society).

But, remember Yoda again: “Try not! Do or do not! There is no try!”

T – Transformational

Transformation: ‘a thorough or dramatic change in form or appearance’.

Volvo, in the 1980s, used to say, on all of its advertisements (sic): “We don’t make a new car every year, we make a safer one.” It doesn’t say that any more. It has changed, transformationally. Look at its current model range – they are all new cars!

“When we transcend a paradox there is often a quality of obviousness that produces a shock of recognition. No longer held captive by the old way of thinking, we are liberated to see things we have known all along, but couldn’t assemble into a useful model for action.” (Pascale, 1990).

Transformation is about transcending paradoxes. It is brainstorming on a boundless scale; going into a new conceptual field, beyond the range or limits of previous thinking, knowledge and experience, and into areas that, despite sound reasoning from acceptable premises, may lead to conclusions that seem senseless, logically unacceptable or self-contradictory.

But that may be just what you need, even though you don’t know it yet! It is exactly the same counter-intuitive thinking that made Toyota decide to ‘make cars to order’, when everyone else said that could not be done.

Thinking outside the box?

If you want – really want – your people to Transform your organisation into something completely new, then you will need to set them free with a new version of SMART goals, within (without!) which to work – a new set of criteria.

They will need to think Super-ordinately – covering the whole ‘system’, not just parts of it. Challenge them to create a ‘different animal’, a Mutation, not to just tinkers about with what exists now, but to confront that very existence, attack the very concept, and do so Aggressively.

They must fundamentally rethink and Radically redesign and ‘unlearn what they have learned’! They must come up with something new, which does not exist now, stand in a ‘new place’ and ‘look at things in a different way. Dare to strike out and find new ground’.

Remove their fear, release their inhibitions, suspend their disbelief, inspire their creativity, encourage their mistakes, capture their novelty and then celebrate and reward any new and ‘useful models for action’! Carpe diem.

References


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Dr John Chamberlin (65) is a senior lecturer and pracademic at the Derby Business School (DBS), within the Faculty of Business, Computing & Law (BC&L) at the University of Derby (UoD).

After 34 years in the telecommunications industry (BT), the last decade of which saw him as a senior manager with a large external workforce and commensurate budget covering the East Midlands, John took early retirement in 1996, but within a year of this he had signed on for a full-time MBA at UoD. Coming out with one of only two distinctions and the only ‘Masters’ Level Prize For Outstanding Performance that year, John then became a part-time lecturer within DBS.

Early in 2005 he again reverted to being a full-time student, to embark upon a PhD studying the implementation of business process re-engineering (BPR) within two local authorities, completing this in December 2008.

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Visualising Productivity: An IMS Competition

The Russell Currie Memorial Fund, on behalf of the Institute, is sponsoring a competition in which budding videographers are asked to make a short video illustrating some aspect of productivity – a particular tool or technique, a key concept or message … or a case example.

We are looking for creativity in concept and execution rather than slick, professional production. So the video can be produced on your camcorder, flip video camera or even mobile phone.

Videos should be no more than five minutes in length (but there is no lower limit) and should include a title screen giving the title and the name of the ‘producer’ (this could be an individual, a team or an organisation).

The video should be posted on YouTube or Vimeo (or similar video sharing web service) and an email should be sent to IMSCoord@ims-stowe.fsnet.co.uk giving the following information:

- Video title
- Contact name and email address
- Brief description of content
- Approximate length
- Url (web address) where the video can be viewed

The IMS will assemble a panel to view each submitted video and will select a ‘winner’s list’ of up to six videos, with one of them nominated as overall winner. The winners will be selected on the basis of the clarity of the ‘productivity message’ and the creativity applied in putting forward this message and will be put onto the IMS website.

All videos on the winners’ list will be awarded a prize of £100 and the overall winner will receive £250.

The closing date for entries is 31 March, 2012.

Notes

By entering this competition, you agree to the IMS posting your video on the IMS website (with the appropriate credit) or making use of the video in other ways commensurate with the aims and objectives of the IMS. This includes the IMS making a higher quality version of your video for such uses (with you being credited for the original concept). None of the material in your video must infringe the copyright of third parties.

Your MTM Association Needs You

The UK MTM Association is seeking to recruit replacements for the current three directors. Advancing years lead us to believe that if the use of PMTS and MTM in particular is to continue in the 21st century, a new group is needed to continue the story.

This is not an arduous task but it requires a commitment of usually three days per year to attend board meetings, for which we pay some expenses, and a little additional work at other times. One director is a member of the IMD, International MTM Directorate, and is required to attend meetings world-wide, at no cost to themselves.

The greatest load falls on the person elected Company Secretary and Finance Director, or Treasurer, but even this is not too much.

Further, we need more instructors to continue our training activities and a new instructors course is to be started in January 2012, which can be both part-time, and/or completed at weekends, to suit all persons, contact us by email; ukmtma@gmail.com; for more details, or via our web site; www.ukmtm.co.uk, addressing the Technical Director.

Believe it or not, training in UAS and other MTM techniques still continues within the UK, there being some 40 persons becoming practitioners this year, having participated in several of our courses. Further details of the Association can be obtained via our web site, or our email address provided in a previous paragraph.
In part one of a two-part series, Philip Atkinson focuses upon the positive benefits that coaching can deliver to create long term effective change for any business or organisation. As we move into 2012 and beyond, we recognise that most business models have changed. Ambiguity is the new norm. Don’t expect that things will get back to normal – this is the new normal. Effective coaching will deliver performance faster, stronger and deeper than traditional organisational training interventions.

Coaching can develop large scale organisational change very quickly if you focus on the right people participating in the coaching process with those people pivotal to the success and well-being of the organisation. Coaching focuses upon moving well beyond the transfer from ‘simple’ to ‘complex’ learning which can lie at the very heart of ‘attitudinal change’.

Coaching delivers huge ROI benefits to the client and the organisation

With coaching, attitude change can be very rapid – but usually requires a process of trial and error, learner-centred thinking in order for it to take place – whereas many of the alternative change strategies in training and development take too long, are imprecise in operational terms and are questionable in terms of the results achieved. Coaching is working one-to-one with a dedicated and experienced coach who is 100% focused on the client. This relationship enables the client to practise new ways of behaving and managing in a safe environment.

Personal change is more than transferring information

The typical training event focuses solely on transferring information to others. Information transfer is a poor criterion to view as positive and tangible ROI for organisational effectiveness. For training to be effective, it has to be active and enable those receiving the training to have real opportunities to practise integrating new behaviours and attitudes into their repertoire of skills and abilities.

Coaching is highly participative and geared solely to the client’s needs – you cannot get much more engagement than that. However, we know that effective T&D should focus on active participation and the exchange of ideas and concepts through dialogue.

Does it achieve these noble aims? Often training as a change tool does not fulfil these criteria or their intention.

Coaching and attention

The average person has an attention span of ten to 15 minutes. Will training lead to better retention or will coaching promote and stimulate much more interest, attention and subsequent action? The average person forgets 98% of what they have learned within 48 hours unless some form of formal review is undertaken. The implications for recall, understanding and application of training alone as an organisational change tool can be exceptionally poor, unless other mechanisms compensate to retain the understanding.

Coaching has maximal impact by designing the process around the individual instead of applying the general rule of ‘lowest common denominator’ or ‘sheep dip’ associated with...
In executive coaching: Real change

too many T&D events.
Not everyone in a training session will occupy the same position on the learning curve as everyone else. Some will be low on the curve because their attention has not been captured, they may be distracted by their own thinking or other things going on in the room.

Coaching is tailored for the client vs training – often akin to mass baptism
At best, training as a tool of change provides the ability to deliver lots of information quickly. There again, training cannot guarantee any learning at all. Often, trainees only receive and process a tiny percentage of the information transmitted in a session. Furthermore, at what level of individual or collective learning is the training focused on guaranteeing installed learning? By evaluating actual learning outcomes we can assess at what level training is actually delivered. We believe – and you may agree – that most of the time, coaching addresses the lower levels in the hierarchy of what and how people learn.

You may know from personal experience that shortly after attending a training event, recall can be extremely low – unless, that is, the training was well designed and well delivered. And, you know that this is often not the case especially when you attend ‘sheep dip’ events which are delivered to large groups of people.

Reflect on training you have attended and ask yourself: “How often do you get the opportunity to practise the skills, ideas and concepts after you have been exposed to a organisational training event?”

Coaching, however, gives you the opportunity to apply and demonstrate real learning because it is tailored precisely for the client and ‘where they are’ currently. It enables the client the opportunity to find, apply and commit to solutions to their issues. The higher levels of learning for personal improvement remain in coaching, rather than organisational change delivered through training.

Coaching and the ‘ASK pattern’
Training as a change tool tends to address knowledge rather than the skills and attitude inherent in the ASK pattern. Very few people will change their attitude as the result of attending a training event – however lengthy. However, coaching can address behaviour and attitude change very quickly. Working one-to-one with a dedicated and experienced coach who is 100% focused on the client is what leads to effective change. This relationship enables the client to practise new ways of behaving and managing in a safe environment.

Only the most advanced training programmes, with very precisely defined processes, can stimulate a person to change their attitude. Of course, these programmes do exist, but as a percentage of the average course on management training,

Coaching
team building, leadership, communication etc, there will be very rarely that focus, energy and stimulation to bring about the desired change quickly enough to make a real difference.

Case study: Non-directive coaching with top team leaders
Being a MD can be a lonely calling. Frequently a coach can help. I was privileged to work with the CEO of a financial services business who had the task of agreeing a business merger. Because of confidentiality agreements with the potential business partner, this CEO could not share the issues and concerns with his team.

At the initial stage, he was forbidden to do so because any information filtering to the marketplace could put the merger at risk. He had decisions to make, ideas to discuss and strategies to formulate, but no forum to test for coherence and understanding.

Over time, he shared his thoughts and aspirations with me – not specific business issues, but rather possible strategies for bringing about integration. Trust was established and a special relationship developed.

Two years later, this CEO moved to be MD of another business, which he successfully developed through organic growth and a series of acquisitions.

During the time I worked with this very capable man, he benefited from having someone to ‘bounce ideas off’ who was not directly involved in the day-to-day work of his business. My detachment and non-directive or ‘non-disclosure, content free’ approach helped him work through the processes without his feeling that he had to disclose specific issues.

**Behaviour change and performance improvement through focused facilitation and coaching**

Compared to training, coaching and facilitation do have a much higher ‘hit rate’ in terms of learning and delivering results quicker and deeper in any business.

Coaches or facilitators will focus more energy and take more cognisance of a learner’s individual style when working closely with their client. Trainers, on the other hand, may focus more on the old traditional method of ‘telling and selling’ information.

Training and teaching may have a role in L&D when conveying information to a large group of people. It is a case of one size fits all. However, the problem is that the individuals in the group may be on different parts of the learning curve and they may not have a shared interest to learn to unite them.

They will display very different learning styles. You have to ask: “Can the average trainer accommodate all those styles of the audience in training delivery?” Further, trainers may not be aware of ‘learning styles’ of others and, either by default or preference, deliver in the style with which they are most comfortable – that is, their own!

Learner-centred coaching focuses on the core behaviours and actions that an individual is comfortable to practise. With practice comes perfection.

**Influence and presentation facilitation**

I often coach one-on-one and in small groups for improving managers’ capabilities for effective public speaking. It really is the number one fear for many people. Coaching people who have the negative experience of public speaking at the ‘phobic level’ of fear, it is clearly possible to turn their ability to deliver and move their capabilities from the terrifying 80-95% on the fear scale to something approaching 3-5%. Rapid progress can be achieved through one-to-one coaching. It is unlikely that the same success rate will be achieved from attending a presentation skills course.

**Best practice in coaching and facilitation**

Coaching is tailored and focused upon changing behaviour: “Until behaviour changes, nothing changes.” My focus, therefore, is upon identifying precisely those activities that people need to display more effectively in their work and develop that ability until they have mastered the process.

You cannot achieve the same level of success quickly in a training room with 12-15 people in attendance. You certainly cannot achieve it in a large auditorium of 100-plus where there are competing distractions for the audience.

**Next time**

Coaching is about helping others learn how to enable exceptional performance in difficult times.

The next part of the article will specifically discuss the healthy ROI that coaching and facilitation can generate.

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**ABOUT THE AUTHOR**

Philip E Atkinson is a consultant and coach specialising in strategic, behavioural and cultural change. He is a member of various training consortia and has recently focused on creating innovative business simulations through Learning Strategies. He consults in the UK, Europe and USA, has written seven business books and published many articles. He is a speaker at conferences and runs workshop sessions for leading companies. Philip can be contacted on +44 (0) 0131 346 1276 or 07779 799286, email philip@philipatkinson.com or visit www.philipatkinson.com.
Profile of your new Chairman –
Dr Andrew Muir

Dr Andrew Muir was elected Chairman of the Institute of Management Services on 21 October, 2011. He previously held the position of Deputy Chairman.

Andrew began his career as an engineering apprentice at HM Dockyard, Rosyth. At the end of his apprenticeship he transferred into analytical estimating. In 1969 he moved into work study in the water industry. Then in 1973 he was appointed head of work study in a large local authority.

After a progressive career with various local authorities he retired in 2002 as lead officer for corporate best value in one of the largest local authorities in Scotland. He now occasionally undertakes consultancy work.

Andrew is married with two sons and two grandchildren.

He joined the Institute in 1971 and became a corporate member in 1975. He has been actively involved at branch and region levels since 1976 and is currently Secretary of the Scottish Region.

He was invited to stand for Council in 1989 after capturing the winning team of the Institute’s first management game. He served on Council for ten years and was Deputy Chairman and Treasurer up until 1999 when he stood down due to family circumstances.

A past winner of the Institute’s Gold Medal Award and the Award for Outstanding Service to the Membership, he has also received several awards for his academic work including the Napier Medal and the British Institute of Management Silver Salver.

Andrew has a DMS, an MBA and was awarded a DBA from the University of Abertay for his research into performance management. He has published numerous papers and recently reported in the Institute journal on the World Productivity Congress which was held in Turkey.

He has represented the Institute at four world congresses and, in 1999, was elected a Fellow of the World Academy of Productivity Science.

The first Scotsman to be elected Chairman, Andrew considers it both an honour and a privilege to head up the professional Institute that he has been associated with for almost 40 years.

He is looking forward to the challenges that lie ahead and, along with the other seven members of the Council, will endeavour to build on the work that has already been done to spread the Institute’s message and values at both home and abroad.

General news

John Heap, member of Council of the Institute, was elected President of the European Association of National Productivity Centres (EANPC) at its General Assembly in Vienna in October.

John is also President of the World Confederation of Productivity Science and is keen to forge closer contacts between the two bodies.

John will serve a minimum of two years as President of EANPC, taking over from Wolfgang Schoeter from Germany.

Europe is badly in need of productivity development at this time of financial crisis and economic recession and Wolfgang and John recently produced a ‘position paper’ on behalf of EANPC entitled The High Road to Overcoming the Economic and Social Aftermath of the Financial Crisis.

This paper is available on the EANPC website at www.eanpc.eu.
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

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Productivity at the Crossroads