Achieving excellence through people and productivity

Management Services

Back to Basics: A lean transformation

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CONTACTS

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

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

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

The Institute is a member of, or represented on, a number of other bodies including the World Confederation of Productivity Science, the European Federation of Productivity Services, and the European Institute of Industrial Engineers.

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Cover Story

It is essential that employers consider the value and power of developing people. A true lean system cannot survive without these elements as its DNA is made up of both efficient processes AND developed people. Mechanistic thinking might work for a while but it is doomed to ultimately fail. James K Franz, VP, Global Operations, The Toyota Way Way Academy explains all on page 11.
In the spring edition of the journal I advised that it was my intention to review the Institute’s management structure. The purpose of the review was to consider if the structure was ‘fit for purpose’ and the best configuration for various parts of the structure and its potential synergy to achieve maximum success. The outcome of the review, which has been ratified by Council, is as follows:

- Council of Management will remain at eight members.
- There will be three Subsidiary Groups: Membership & Recruitment, Education and Media & Marketing.
- The five Region Boards will remain, but greater effort will be made to have the members of the Region Boards contribute to the functioning of the Institute at a higher level whilst still retaining their role at regional level.

The changes to the structure are not in themselves significant but the reduction from seven Sub-Committees/Panels to three Subsidiary Groups will help focus responsibilities. The Chairs for these three sub-groups will be: Harry Downes, Membership & Recruitment; John Heap, Education; and David Blanchflower, Media & Marketing. Each Chair will have an agreed business plan and an approved budget in support of the Institute’s strategy. Members of each sub-group can be selected from any area of the Institute to meet specific role requirements.

The second change, is that greater effort will be made to engage Region Board Members and other Members of the Institute where appropriate, so that they can contribute at a higher level in the organisation.

Indeed, in this respect, I recently received a paper from the East Midlands Region Board entitled IMS Future. The paper raised a number of issues on the current and future operation of the Institute and put forward several proposals to help contribute to the Institute’s redevelopment.

As a consequence of receiving that paper, I invited the members of the East Midlands Region Board to Brooke House to discuss the issues raised. The meeting was most constructive and from the feedback I’ve received from those who attended, I can say that it was mutually beneficial.

As a follow-on from that meeting and, in order to keep this type of dialogue going, I intend to invite all five Region Chairmen, or their representative, to Brooke House for similar discussions. This is likely to be in October, possibly following the Institute AGM.

I shall keep you posted on developments.

I would add, that it is my intention to ensure that such developments are kept transparent and open and, where possible, simple.

Interestingly enough on the subject of simplicity, as I am writing this column the topic dominating the news channels is ‘bankers bonuses’. Perhaps little wonder, when it is still possible for them to receive seven figure salaries despite running up huge losses. However, when you examine their remuneration packages they are anything but simple. They include: basic salary, bonus, incentives, perks, estimates of stock options, awards, pension benefits, the list goes on. Perhaps it is not too surprising with such built in complexity they continue to receive such high rewards.

Indeed, banking itself has become complex – particularly investment banking. There are all sorts of investment products: Futures, Derivatives, CFD Trading, Forex, and so on. What ever happened to the 3-6-3 banking principle: where you deposited money at 3%; you borrowed money at 6%; and the Bank Manager was on the golf course by 3 o’clock in the afternoon for which he/she received a straight forward salary.

Perhaps it is time for all organisations to get back to some basic principles and concentrate on their core business. That is certainly my aim for our Institute.

Dr Andrew Muir

It is my intention to ensure that developments are kept transparent and open and, where possible, simple.
In my Chairman’s column I referred to organisations getting back to basic principles and concentrating on their core business. Interestingly enough, I recently had a communication from the Director of an overseas productivity centre with a request for assistance to help develop the skills of his professional staff.

The centre, which was established in 1969 has, for the last three decades, focused on vocational and management training and has recently undertaken the administration of several major EU funded projects.

Recognising that there is a need for productivity measurement and improvement among the country’s SMEs, the majority of which are in the service industry, they are now seeking the help of a productivity expert to train their professional staff to carry out productivity audits and work measurement exercises. Back to basics or what?

We shall, of course, do everything we can to assist.

2. The Institute’s Council of Management are keen to celebrate success and, as part of a programme of changes, have agreed to initiate a silver medal for Student of the Year. The first of these medals will be presented in 2013 and will be supplementary to the monetary award the top student already receives.

The East Midlands Regional Board had a useful meeting with Dr Andrew Muir, National Chairman, on 19 March. The Board had previously produced and circulated a discussion document entitled The Future Strategy of the IMS.

The aim of the East Midlands Region is to help and contribute to the redevelopment and re-establishment of this Institute: in particular, the relationship with customers and the progressing of an approved action were considered to be essential issues.

The Chairman gave an interesting and detailed response: he mentioned the planned development of three national sub groups, each of which would have specific roles with a business plan and budget.

The Board supports the specified national strategy as highlighted by Andrew Muir and trust that it will be subject to any modification deemed necessary to meet possible revised future national and international conditions.

The Regional Board has a planned meeting on 23 June at which, amongst other items, a programme of events will be planned for the forthcoming 12 months. Details will be published in the next issue of this Journal.

John Davies, Regional Secretary, email: daviesj@bramcote.fsbusiness.co.uk

The National Chairman Dr Andrew Muir and the Scottish Region Chairman Mr Bob Smith, represented the Institute at this year’s Fife Golf Challenge held on Friday 18 May 2012, at Elmwood Golf Course, Springfield, Cupar.

The Fife Golf Challenge is a unique event, organised and run by the students from Elmwood College, as part of their Higher National Diploma course in golf management.

Some 24 senior executives and professional managers attended the event and sponsorship was provided by a number of local and national organisations.

The students organise and manage everything from the welcoming party to tee-off times, the catering to prize giving. All profits go to charity and this year’s beneficiary was Chest Heart & Stroke Scotland.

Despite the poor weather conditions the whole event was, once again, a great success and a credit to the students and the college. I’m sure that all those who attended have already pencilled it in their diary for next year. Andrew and Bob certainly have!
A visit to the Fred Dibnah Heritage Centre, 121 Radcliffe Road, Bolton BL2 1NU on Wednesday 20 June. Meet at 1.30pm at Radcliffe Road. Admission £12 per person. The museum contains much of engineering interest.

A visit to Vauxhall Motors, North Road, Ellesmere Port, South Wirral, CH65 1AL on Wednesday 12 September at 11.45am for 12pm. Conducted tour ends at 2.45pm.

Numbers are limited, so aspiring visitors should register with Harry Hogg. Tel: 01942 8663776 or harryhogg@blueyonder.co.uk.
On 9 May 2012, IMS North West members and guests visited Pilkington’s Glass Museum in St Helens. The World of Glass had a variety of attractions and the main ones worthy of mention are: The live glass blowing studio, special effects film show, two museum galleries, Victorian tunnels, The Kaleidoscope Café, artisan gift shop, plus the educational and conference rooms.

Guides and very competent staff were constantly at hand to make our visit more enjoyable and provided helpful knowledge about The World of Glass.

The first display entrance room had art displays, including a CR2 type periscope originally designed in 1951 and installed to the HMS Rapid, an ‘R’ class – fast anti-submarine frigate. There was also a 1.8 ton chandelier, which had originally been on show at Manchester Airport.

The Manchester Airport chandelier – on display in The World of Glass since 2008, is one of four unique Italian Venetian glass chandeliers that were originally hung at the airport. Each one was made of 1300 hand blown droplets of clear, smoked grey and amethyst lead-glass, a complete chandelier weighed around two tons with a width of 8ft and a drop of 17ft at its longest length.

After refurbishment in 1987 the chandeliers were reduced in size, so that the number of droplets became 1200, with a total length of 10ft.

The ground floor gallery displayed many forms of glass, ranging from around 4000 years ago to more recent times from various parts of the world, including Egyptian, Ancient Roman, Medieval European, Byzantium, Islamic and Chinese. Visitors could discover further information via touch screen, sound and cinematic consoles.

After viewing the ground floor entrance and gallery museum our group ventured into the live glass blowing studio. There we were entertained by Charlie with his artisan skills of glass blowing, along with a running commentary from Sarah, his assistant. Two small furnaces were ‘fired-up’, with one set at 1200°C for quick reheating during the production process, and one set at 900°C to retain glass to near its molten state and also to retain heated coloured glass (called a colorant) for adding colour mix during the process. The equipment used included metal blowpipes, special glass blowing tweezers, paddles, shears and heat resistant materials.

When the final shape of the glass product was attained, in this case a wavy multi-coloured dish, it was then deposited into a kiln, where it was kept overnight, for the annealing process to relieve stresses and strains built in during the forming process. Finally a short ‘question and answer’ session was offered to the audience.

The group then moved on to the special effects film show. The film showed the discovery of natural glass, progressive inventions implemented and used for the production of glass, and the many uses of glass throughout the ages. Probably the most impressive use of glass is in fibre optics to enable communications and super fast broadband.

At this point it was lunchtime and so the Kaleidoscope Café beckoned us with its aroma of splendid foods. The café is open to the general public and because of its quality of service, had no problem in attracting clientele.

The group now fortified by the meal, set out to explore ‘The Victorian tunnels and nearby secondary exhibition and film show, which was reached via a covered walkway stretching over the canal.

The film show here was more specific about the Pilkingtons and their ‘trial and error inventions’. In the 1800s they were Britain’s, if not the world’s, leaders in blown glass production. By 1887 they had developed continuous production of blown glass using a large tank and a series of underground tunnels for exhaust and input of coal gas for fuel, whereby heat could be directed to differing parts of the tank for uniform temperatures of molten glass.

Once the film show had finished, we viewed the secondary exhibition which portrayed the various methods of glass production up to and including the ‘Float Glass’ method of manufacture.

**Float Glass**

Sir Alastair Pilkington (1920-1995) took 14 years to develop and fine tune his Float Glass method and spent over £7 million – a tremendous amount in the 1950s for a private company to outlay. A sheet of glass is made by floating molten glass on a bed of molten metal, typically tin. This gives the sheet uniform thickness and a very flat smooth surface.

By 1959 virtually all new glass plants in the world used his Float Glass process technique, which is still used today in over 90% of all flat glass manufacturing.

Before conclusion of the visit we donned safety helmets and inspected the Victorian tunnels which are a testament to the building skills of the time, because they are still in a fair condition today.

A visit well worth seeing with too many areas of interest to mention!

Harry Hogg
Focus on UK productivity

The Office of National Statistics has recently referred to the ‘productivity pause’. Its major report, *International Comparisons of Productivity*, showed the UK’s economic output per hour to be 11% lower than the average among other G7 nations.

While the UK’s productivity may be struggling to match that of some of our export partners, within England there is also a discrepancy between the north and south of England. It is claimed that the UK economy would be £40bn better off if the productivity gap between the north of England and the south could be halved. Nearly a third of England’s working-age population lives in the north, but the value added to the economy by each northerner is £5549 less than people living elsewhere.

The think tank IPPR North says the government must ensure that the labour and creative abilities of people in the north are not wasted by overly focusing energies on growth in the saturated markets in the south-east.

IPPR North notes that if the north of England were a European state it would be the ninth largest economy in the EU, ahead of Sweden, Denmark and Belgium, and that it has the potential to solve the UK’s growth problem.

Low productivity in Southern Europe

Southern Europe has low productivity levels, with workers in Greece, Portugal, Spain and Italy all producing below the euro-zone average per hour worked. Productivity is particularly low in Greece and Portugal.

One explanation is that southern Europeans mainly work on farms and in agriculture where productivity is low. In Greece 12% of workers and 7% of Portuguese work in agriculture, forestry or fishing, according to Eurostat data from 2010. The euro-zone average for employment in the sector is 3%. Just 2% of German workers are employed in agriculture (forestry or fishing).

Having a life increases productivity

Margaret Heffernan, author of *Willful Blindness*, recently wrote: “the most productive people have a rich life outside of work”. Heffernan suggested people should seek knowledge of various perspectives and interests outside of work. She pointed out that individuals with a rounded background and wider networks allowed them to incorporate a wider range of thinking, contacts and information and this allowed them to bring light and air into the business.

Margaret indicates that productive people had usually worked in a variety of industries and concluded that because of this they had seen different frameworks and approaches all of which allowed them to be more productive.

Poor work ethic in Jamaica

At a conference of middle managers in Kingston, poor work ethic was cited as one of the reasons for the low level of productivity in the Caribbean. Presenters also said the region was lagging behind in implementing management tools to increase productivity and to enable companies to realise their strategic objectives.

Conference organiser Jacqueline Coke-Lloyd, managing director of Make Your Mark Consultants, said that the conference was one way of addressing Jamaica’s productivity levels, which are now lower than they were in the 1960s.
Air India scraps productivity linked incentive payments

The civil aviation ministry has decided to overhaul the pay structure of Air India employees by scrapping the contentious productivity-linked incentive (PLI). The decision to scrap PLIs which constitute over 60% of Air India’s annual wage bill will impact on about 27,000 employees.

The introduction of a productivity linked incentive was done when the break-even limit for airlines was 19,000 passengers a day. It has now increased to 40,000.

Jaguar creates 1000 additional jobs

Following an announcement that Jaguar Land Rover is creating 1000 new jobs at its Halewood factory on Merseyside it received 35,000 applications for the available jobs. The carmaker said it needed more workers in order to meet strong demand for its Range Rover Evoque and its Freelander 2.

“We are moving Halewood to three shifts and 24-hour operation to meet increased global demand,” said JLR’s human resources director, Des Thurlby.

The new jobs take the workforce at Halewood to almost 4500 which is treble the number working there three years ago.

UK call centres can have high productivity

British-based call centres can provide companies with high productivity services without excessive costs, according to data centre and communications firm Node4. The company says that a move to creating more efficient call centres based in the UK, through the use of smarter technology, will create jobs and enhance customer service.

The comments follow a speech from the Employment Minister Chris Grayling when he indicated that firms should repatriate their overseas call centres to boost the number of jobs available in the UK.

Poor productivity in Ottawa Federal Government

The Ottawa federal government employs 400,000 people, and is currently carrying out a downsizing exercise that will shed 12,000 jobs over three years. This compares to New Brunswick which shed 5700 private sector jobs in March 2012.

It is calculated that if the Federal Government achieved a single percentage point increase in efficiency in the federal workforce annually for 10 years – you would save 40,000 jobs with no loss in either quality or quantity.

The public sector is Canada’s largest industry by far, administering one-third of the country’s entire economy. Excused from the need to get productive, it constitutes a constant drag on economic growth.

Change management

Change is an important part of business, but often businesses do not manage it well. According to a recent study by professional services firm Towers Watson, many organisations struggle when it comes to managing changes, such as implementing new technology. The study also found that many organisations fail in their change projects because they can’t keep them on schedule and to budget.

Tower Watson explains the study’s results in this issue – see page 20.
Air France to increase productivity

Air France, which is part of Franco-Dutch airline Air France-KLM wants to boost productivity by 20% over the next two years. Air France-KLM, was formed by a merger of French and Dutch flag carriers in 2004, its need to increase productivity stems from a net loss of 809 million euros it incurred in 2011. Air France is proposing that its pilots and cabin crew on European flights spend 20% more time in the air without an equivalent pay rise.

Improved productivity in Singapore

Singapore Prime Minister Lee Hsien Loong has made another urgent call to raise productivity as the country faces domestic constraints. In his May Day message, Mr Lee said that raising productivity is more important than ever in a maturing economy, with limited land and manpower. Singapore hopes to turn the economic tide by raising the country’s productivity to 2-3% each year, over the next decade. This will help grow the economy by 3-5% annually. Mr Lee also said that workers should also be adaptable and flexible, keen to re-skill and willing to cross over to new, growing industries. He said employers should look beyond short-term profits, treat employees as partners and invest in their development.

Increased productivity at Southampton container terminal

Shipping lines using Southampton’s container terminal are benefitting from the terminal’s continued drive on productivity which has reduced vessels turnaround times.

The South Coast terminal set its best ever vessel turnaround performance when it handled the maiden call of the largest ship in the Hyundai fleet. In a 12-hour shift, 600 containers were moved by an individual crane on the Hyundai Together, equivalent to 50 moves per hour.

Energy efficiency in homes

Rented properties in the UK are missing out on potential savings of £990 million on energy bills because these properties are lacking basic energy efficiency measures like insulation. According to research carried out by energy supplier E.ON, the country’s 2.4 million renters could each save up to £400 a year.

E.ON’s study of 10,000 households found that only two out of ten renters have made any attempt to make their homes more energy efficient, compared with 78% of homeowners who have made some sort of improvement.

German airline cuts jobs

The German airline Lufthansa will scrap 3500 administrative positions, which is 20% of its clerical staff, as the airline seeks to improve profitability with a 1.5 billion-euro cost-reduction programme.

The job cuts, 2500 of them in Germany, will help deliver one-third of the savings Lufthansa is seeking before 2014. A global purchasing project will also shave 200 million euros from expenses this year, and ‘traffic optimisation’ should recoup at least 10 million euros.

Lufthansa, Europe’s second-biggest airline, with 117,000 employees, 16,800 in clerical posts, recently indicated that its first-quarter operating loss widened to 381 million euros from 169 million euros a year earlier as economies slowed and the cost of restructuring and fuel effectuated earnings. The shortfall was bigger than anticipated by analysts.
In the last edition we looked at production line problems and the plan to overcome them. In this issue we look at how the supplier reacted to the plan and what was implemented.

That pesky PDCA cycle
This supplier, like most companies we work with, wanted to immediately jump to what they perceived to be ‘solutions’ to problems out on the floor. There were all sorts of elaborate and costly ideas on the table to tackle the job of re-balancing the line. To each of these ideas we asked a simple question: what problem are you trying to solve? This can be upsetting, maddening even, to people that are conditioned to ‘firefight’ in order to survive the day. You sound like some sort of ‘head in the clouds’ academic who has little concern for their troubles and would rather engage in theory versus action. With patience and persistence we were able to establish some high level targets for this effort. They were:

1. Balance each station to takt time with a three-month look ahead on volume;
2. Increase their number of team leaders on the line from two to seven;
3. Introduce small in-line buffers to help absorb the minor stoppages;
4. Eliminate end of line repair;
5. Train every operator on the new balance in at least two stations prior to launch.

The last item on this list, as you can imagine, resulted in some rather heated discussions with the plant leadership team. With the plant already in a negative condition regarding cost, it is
always hard to make the case that going further into the red is necessary if any true improvement is going to be made. The plant manager and especially the plant controller were adamant that training was an unnecessary luxury that the plant could not afford to bear. Then we did a thought experiment.

**Is training a cost or investment?**

This plant used a local contracting house to provide temporary labour for, on average, 15% of its workforce. These temporary workers were given a basic orientation and then put directly on the line in order to minimise their cost to the supplier. The supplier had taken the position that their oversized, colour standard work sheets were all anyone needed to perform their job. Any questions, just look up!

The flaw in this logic, we argued, was that if a new worker wasn’t trained, then they’d automatically be a drag on the productivity of the line. We were told that according to the supervisors on the line, a typical temporary worker was expected to be close to 90% ‘efficient’ their first day on the line. Great, we said. Now let’s see what this really means. With whiteboard marker in hand we can see the following:

- **Shift** – 6am to 5.30pm = 11 hours;
- **Line manpower** = 46 team members, two team leaders, three quality, five material handlers;
- **Three technicians plus salaried supervision + management**;
- **90% efficiency = 10% lost efficiency = 66 minutes lost ~ 1 hour.**

Using this simple math we see that every day a temporary, or full time, worker runs at 90% efficiency due to lack of training and skills costs this supplier about 60 hours of overtime to catch back up. Since we also pay people time-and-a-half for overtime, this was closer to 90 hours.

Our position was that it would be better to use that time to train an operator in an offline, controlled way, with an experienced and skilled teacher, rather than simply throwing them into the deep end of the swimming pool and shouting ‘swim!’

**The results**

After creating an offline training area in an unused area of the building the supplier began the painful task of releasing each operator to train for 30 minutes at a time on their two new jobs. We used the Job Instruction methodology to develop, deliver, and follow up on the training once the new balance was launched. The supplier wasn’t able to deliver 100% of the training prior to the launch of the re-balanced line and had to continue the training after the launch began. The addition of five team leaders greatly increased the responsiveness of the line to problems.

This responsiveness in turn encouraged the team members to highlight problems instead of ignoring them or trying to devise a work-around. Highlighting of problems made it easier for support groups to engage in root-cause identification and problem solving reducing the number of line stoppages. The additional in-line buffers reduced the congestion on the line and allowed for minor stoppages without the entire line grinding to a halt. The increased level of skill on the line greatly reduced the end of line rework. With each of the operations balanced to takt time, the over-cycle work as well as the waiting time was reduced to a minimum. This enabled a smoother flow of work down the line and higher daily volumes. The higher daily volumes enabled the overtime to be dramatically reduced. The supplier calculated that they could eliminate the need for temporary workers, but kept some on board to enable the training to continue.

**Conclusion**

This supplier was like most in that it failed to consider the value and power of developing people. A true lean system cannot survive without these elements as its DNA is made up of both efficient processes AND developed people. Mechanistic thinking might work for a while but it is doomed to ultimately fail. When people look at what is commonly called ‘lean’ they typically think that it is only a collection of exotic tools used to eliminate waste.

This is superficial and any efforts will devolve into a ‘flavour of the month’ and any improvements will backslide, since the capabilities of the people haven’t been developed. A lean transformation takes dedicated, visionary leadership that is willing to make the long-term investments necessary to both bring about and sustain the improvements. It has been our experience that most lean efforts fail, not due to failures on the shop floor, but rather a failure in leadership.
When people look at what is commonly called ‘lean’ they typically think that it is only a collection of exotic tools used to eliminate waste. This is superficial and any efforts will devolve into a ‘flavour of the month’ and any improvements will backslide.

About the author
James K Franz has more than 25 years of manufacturing experience and learned lean as a Toyota production engineer in Japan. He started at the NUMMI plant in California, moved to Motomachi in Japan and then teamed up with six engineers in the launch of Toyota’s $250 million paint facility in Kentucky.

In 1993, Jim left Toyota to apply his lean knowledge at Ford Motor Company, beginning in production engineering. In 2000, he accepted a three-year assignment at Ford of Australia and led its stamping, assembly, casting, and Powertrain facilities to global leadership in lean for Ford.

During this time he also worked with Tier 1 and Tier 2 supplier plants in their transformation efforts.

Upon his repatriation he then became a lean advisor in Powertrain for global alignment of lean practices.

Jim left Ford in 2004 to work with nine-time Shingo prize-winning author Dr Jeffrey Liker as a Senior Lean Consultant. In 2008 he partnered with Dr Liker to co-found the Toyota Way Academy.

His work has taken him to various companies around the globe including Bosch, the US Air Force, Exxon Mobil, AMCOR, Android Industries, Applied Materials, Benteler Automotive, Case New Holland, Caterpillar, Dappota, Fisher Coachworks, Grand Rapids Chair, Henry Ford Health System, Hertz, JLG, MENLO Logistics, Rio Tinto, SAF Holland, Continental VDO, Visteon and WABCO. He also teaches for the University of Michigan’s Center for Professional Development’s Lean Certification course.

With a Bachelor of Science in manufacturing systems Engineering from General Motors Institute in Flint, Michigan, Jim completed a Master of Science degree in Engineering Management at the University of Michigan.

He has collaborated as co-author with Dr Liker on the latest of the Toyota Way books: The Toyota Way to Continuous Improvement – Linking Strategy and Operational Excellence to Achieve Superior Performance, published (April 2011) by McGraw Hill. The authors recently won the Shingo Prize for Research and Professional Publication Award.
Corporate Social Responsibility (CSR) has a long pedigree. In the 1920s and 1930s, there were concerns that the economic power being accumulated by large corporations could be used in ways that might harm the interests of others. At the same time, its potential for good was recognised. The writings of Barnard (1938), Clark (1939) and Kreps (1940) covering the responsibilities of business executives, the social control of business and how the social performance of business might be measured laid the foundations of the current discussion of ‘actionable CSR’.

Actionable CSR was the theme of the Seventh International Conference on Social Responsibility and a ‘Global Convention 2012’ held in Dubai. The focus was upon ‘making it happen’ in terms of using corporate capabilities to benefit a range of stakeholders, including the company itself.

Too often, social responsibility and other policies remain as words on paper and there is a wide gap between boardroom aspiration and the reality of conduct on the corporate front line. Cost-effective means need to be found of implementing CSR policies, which is where the management services community can help.

Legal and regulatory pressures
In a competitive market and tough economic climate, many business decision-makers are keen to be responsible, but they are also under great pressure to improve performance and contain expenditures. At the same time, they are aware of customer, public and media expectations, and of their legal duties and responsibilities. In some jurisdictions, there are various laws and regulations that require responsible conduct.

In the UK, for example, many pieces of legislation impose specific responsibilities upon directors. The 2006 Companies Act requires directors to take account of the consequences of board decisions for different groups of stakeholders. In the absence of effective corporate responses, there could be pressure for more legislative and regulatory action. Is it possible to be both socially responsible and profitable?

Responsibility and profitability
Some boards worry about the impact of CSR on maintaining financial returns to investors or coping with adverse economic conditions. Some suppliers of products, whose consumption or use have adverse impacts, may worry about the cost of reducing the harm they cause. Other companies adopt a longer term perspective, such as advocated by Davis (1960) and Johnson (1971), and take a different view. Over time, they might lose business to competitive and substitute products that are less harmful if they do not act to prevent damaging consequences.

A strategic approach to CSR involves looking for ways in which an organisation can work with its stakeholders to mutual advantage, for example, to reduce negative impacts and increase the benefits of corporate activities. Areas can be identified in which socially responsible activities can create shared value. Working collaboratively may increase the benefits for all the parties involved and the wider public. If key stakeholders are properly engaged, the prospects of a business can be transformed.

Bowen (1953) pointed out the impact that corporate activities have upon the lives of many people. The author’s investigations (2002b & 2004) suggest the thought of more responsible conduct causes concern to some companies that view social and environmental impacts as a challenge rather than an opportunity. An actionable CSR strategy can build bridges between a business and local communities. Democratising benefits can require a cost-effective way of reaching and engaging a wider society.

Responsibility, reputation and trust
For good relationships with key stakeholders there needs to be mutual respect and trust. Many organisations are in essence a network of relationships built upon trust which can sometimes be lost more quickly than it can be
Many organisations are in essence a network of relationships built upon trust which can sometimes be lost more quickly than it can be built.

Honesty, transparency and a willingness to assume responsibility can engender trust, as can a reputation for fair dealing, honest disclosures, sustainable activities and evident concern for others.

Having a good reputation is more than a ‘nice to have’. As we will see in a moment, it can result in a range of benefits. CSR is thought to enhance a corporate reputation, although inconsistency that is perceived as hypocrisy can have the reverse impact (Galbreath, 2009; Wagner et al, 2005, Walker, 2010) and corporate performance (Bertels and Peloza, 2008, Fombrun and Shanley, 1990). Identified benefits include greater attractiveness to customers, investors and potential recruits and lower costs, the ability to charge premium prices and increased profitability. An established reputation can consolidate a brand and act as a competitive barrier, making it more difficult for new entrants to gain a foothold.

Implementation and justification
These benefits can remain as hypothetical possibilities without a means of implementation and, in particular, ensuring that there is compliance with any policies that are promoted and enabling more responsible behaviours to occur. An organisation wishing to be socially responsible may still face the challenge of finding a practical and cost-effective way of demonstrating and delivering its commitment, and in a way that continues to meet rising expectations (Bertels and Peloza, 2008).

Not everyone has an effective means of implementation. Developing and preserving a business reputation has been found...
Management Services
Summer 2012

The success of most businesses – and the extent to which they engage customers and other stakeholders – can depend upon trust. A minimum level of trust and reputation may be required for effective operation. A reputation for fairness and ethical and responsible conduct has been likened to a ‘license to operate’ and as a form of ‘insurance’ when challenging situations arise (Pelozza, 2006). For example, it could lead to increased cooperation with the ‘authorities’ when an incident arises.

Values, ethical conduct and a reputation for competence and fairness can all build trust and the continuing benefits that can flow from this (Fombrun and Shanley, 2009, Walker, 2010). These can provide further justification for investing in ways of ensuring compliance with relevant policies, guidelines, and codes (Michaelson, 2010).

Effective compliance can avoid risks, as can responsible approaches to remuneration, rewards and promotion, as people tend to follow behaviours that are recognised.

Reward systems can encourage risky behaviour (Moxey and Berendt, 2008, Michaelson, 2010). Steps to ensure compliance and reduce risk may be particularly important when people are under pressure to achieve demanding targets and they may feel it necessary to ‘cut corners’. While middle managers may be concerned with passing on targets and monitoring performance against them, it is the people in the ‘front line’ who may feel the burden and need support.

Informed and responsible choices
Progress in areas from sustainability and healthy living to inclusion, involvement and addressing social problems such as poverty, can depend upon engagement and enabling larger numbers of people to understand different alternatives and thus make better informed and more responsible choices. Many boards need cost effective ways of implementing policies for confronting and handling social and environmental challenges if their good intentions are to result in desired outcomes.

So how can business value be generated by CSR? Can responsible citizenship lead to more than just plaudits? Is a positive contribution to the bottom line a myth or reality?

What could a board do to increase awareness of the potential consequences of different courses of action and change the behaviour of customers, employees, suppliers and business partners whose collective decisions can have varying degrees of harmful or beneficial impact?

To see what can be achieved by actionable CSR let’s look at three examples.

First we will consider what can be done to make
customers more aware of the environmental impact of their purchase decisions. There are practical steps that suppliers can take to help people to understand and assess the differing consequences of available options and also help them to make informed choices (Coulson-Thomas, 2010 a and b).

Enabling responsible behaviour and decisions
If customers are to be helped to make responsible purchasing decisions, they and their advisers need to understand the benefits and drawbacks of different offerings and options. Weed control solutions provided by Nomix reduced the need for the on-site mixing of chemicals that could danger the environment. The company wanted to increase awareness of spraying and distribution techniques that reduce collateral damage to plants other than those being targetted. Finally, there was a desire to spread best practice within and across the sales force, and to do this in a cost effective way.

To increase understanding in an area that some found difficult to comprehend, Nomix commissioned a sales toolkit (see Figure 1) that succinctly explained the control problems the company addressed, and the value its offerings provides to clients. Research evidence presented showed how its approach could lower risks to the environment. These messages were welcomed by local authority customers tasked with behaving in a more sustainable way. Use was made of graphics to ensure that key points were quickly grasped.

At the time Nomix decided to opt for a performance support approach as it was a relatively small company, with an annual turnover in the order of £3 million. Because the tool that was provided enabled people to quickly understand what Nomix did, and the ways in which Nomix was different and special, it was used by the owner of the business to differentiatate and successfully sell the company. A potential purchaser could quickly appreciate the advantages of what it did over available alternatives.

The Nomix business is now part of Frontier Agriculture. What made a difference in this case was a focus upon understanding, capturing and sharing how talented people articulate messages and go about quickly evidencing value. It was done in such a way as to engage not just sales staff, customers and prospects, but a potential purchaser. The way the performance support tool was developed and used greatly benefited customers, the company and the owner of the business. A responsible approach contributed to business development and transformed the company’s prospects.

Communicating and engaging
Once engaged, corporate staff and customers and public sector work groups, such as those found in healthcare, can and do work together to identify ways of reducing quality problems, cutting out waste and improving efficiency (Fillingham, 2007; Kim et al, 2009). Securing engagement is more likely when and where people find that resulting outputs include ways of making it easier for them to do difficult jobs.

To emphasise how performance support tools can be used to communicate, engage and increase market share let us return to the approach developed to support the sale and purchase of the Nomix TDC weed control system. Nomix is used by 85% of the UK’s local authorities, a community which because of its own environmental services responsibilities is particularly keen to behave responsibly, and minimise harmful impacts when taking purchase decisions.

The support provided enables prospects to understand the potential environmental implications of different options that are open to them. For example the contamination risk of conventional systems was estimated by the UK Health and Safety Executive (HSE) to be 10, 20, 30 or 40 times greater than that of Nomix TDC. Buyers are provided with authoritative information that enables them to behave responsibly, and also explain and justify their purchasing decisions.

When the performance support was designed, particular emphasis was placed upon helping people to make informed choices. For example, prospective purchasers were shown how spray drift from an alternative, such as a knapsack, can cause environmental hazards, herbicide damage and health risks. Advantages of better alternatives are also explained, for example that spillage can be avoided as a result of not having to mix different liquids when on location.

Supporting self care
To take another example, let us consider the case of the growing number of patients with long-term conditions. If the ability of these people to...
self-care into older age could be increased it would reduce pressure upon healthcare resources. With the help of Dermal Laboratories a three month feasibility study has examined how performance support might be used to assist people with long term conditions.

The study team selected Psoriasis and set about creating a support environment for people with this condition (approximately 2-3% of the UK population). Using the expertise of Dermatology Specialist Nurse Julie van Onselen, a toolkit was designed to take users on a journey that starts with improving understanding of their condition, through practical day to day management of it, and culminates in producing a personalised action plan (see Figure 2).

Assessment of the impact was carried out by Bournemouth University. Although many of the users were not as computer literate as adopters in other fields, and already had some understanding of their condition, the University’s final report states that they found a statistically significant increase in the index used to measure people’s ability to self care following use of the toolkit. About half of the participants reported it had made a difference to how they manage their condition (Cowdell, 2011).

The self-care toolkit that was produced concentrates initially on the Psoriasis disease area. The Psoriasis association has described it as “mightily impressive”. Patient assessments of support provided from the first ten users gave it 9.3 out of 10 for being easy to access. When asked how useful it would have been if they had had access to it when first diagnosed the users ranked it at 9.4 out of 10 (where 10 is excellent).

Given the scale of the challenge presented by conditions such as Psoriasis Don Fuller, the architect of the support tool used in the three month trial stated “Over the medium to longer term this approach has the potential to improve people’s quality of life and at the same time make a valuable saving in National Health Service resources by reducing both consultation time and wasted prescriptions.” Dermal Laboratories has an opportunity to make a wider social contribution related to its core business.

Using corporate knowledge to help others

For a third example of how internal corporate knowledge can be used to increase external understanding and deliver social benefit we turn to financial services.

HSBC wished to utilise its know-how in a way that would be helpful to others and enhance the reputation of the bank. The problem addressed by one community marketing project was how to cost-effectively provide value to a targeted group outside of the organisation, while at the same time promoting the brand.

The bank wished to be socially responsible, and felt that it was in everyone’s interests for as many of its future customers as possible to be economically literate. Its response was to capture the knowledge and understanding of the HSBC chief economist and his team in the form of a support toolkit that could be used by A level and first year degree students (see Figure 3).

Since its support toolkit has been released, HSBC has received accolades from over 100 schools, and the bank has been praised for providing an exceptionally useful resource.
complex ideas when these are properly explained.

Another learning point is that within organisations there are often many people who have knowledge and experience that can be repackaged and repurposed for the benefit of customers, prospects and the community, quite quickly and in a format that can be readily accessed by others. Some 30 categories of commercial services can be offered using such know-how (Coulson-Thomas, 2003).

**CSR and the public sector**

Given the stress put upon public sector values and the fact that public services involve the expenditure of public monies and are ostensibly for the benefit of the public, one could question the relevance of any debate about CSR to the public sector. Many public bodies have a local monopoly and do not have direct competitors, although the proliferation of league tables means that many of them face comparisons with a peer group. Public bodies also compete in labour markets for staff and a good reputation can help them to attract and retain people.

Shouldn’t all public service activities be socially responsible? Maybe they should by design and delivery in relation to groups served, but even if this were the case there are such issues as unintended consequences, collateral damage and sustainability to consider. Support provided in the front line can determine the extent to which benefits are maximised and harmful effects minimised (Coulson-Thomas, 2012b).

**Sustainability strategy**

Central policy makers are now requiring public bodies to produce sustainability strategies. It has been argued that many leadership teams do not fully understand the strategic and operational importance of sustainability, and that they are failing to attract people with green credentials and skills (Glen et al, 2009). An explicit use of performance support tools to help service users, buyers, suppliers and staff to take more sustainable decisions could help in this respect, as well as building relationships with those who put a high priority upon green considerations.

Applications of performance support in the public sector in healthcare and social care provide clear evidence of the extent to which services could be improved and better organisational and social outcomes such as increased inclusion obtained (Coulson-Thomas, 2012b). Members of the public can be helped to help themselves and others. Direct and measurable impacts can be simultaneously obtained on multiple objectives. As with business applications, the desire of people to make a positive contribution can be harnessed and they can be enabled to create and deliver social value.

**Performance support and CSR**

As well as offering a relatively quick and affordable route to the creation of a high performance organisation, performance support can ensure effective implementation of CSR policies (Coulson-Thomas, 2012a). It can increase understanding, engage and enable more responsible decision making. Building checks and controls into support tools can also ensure compliance and provide the evidence that reasonable steps have been taken to ensure responsible conduct. Delivering support via the internet and/or mobile phones can democratise opportunities, speed the diffusion of innovation and foster inclusion. Wider adoption could boost productivity and economic growth.

Performance support can make actionable CSR a reality. Its ability to engage can help a board to turn a business into a cause. Relevant help that impacts directly on behaviours can be provided 24/7 as and when required, including on location and on the move. Users of the approach report large returns on investment. Responses can be speeded up and performance increased, while costs and levels of stress are reduced. People, organisations, communities and the environment can all benefit.

**Further Information**

Examples of how support tools can help average professionals adopt the superior approaches of high performers can be found in Talent Management 2 and Transforming Public Services and Winning Companies; Winning People by Colin Coulson-Thomas, which are published by Policy Publications and available from www.policypublications.com. This article draws upon a paper presented at the Seventh International Conference on Social Responsibility. The conference and Global Convention 2012 in Dubai was organised by the Indian Institute of Directors.

The examples of tools mentioned and illustrated were developed by Cotoco (www.cotoco.com).

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**About the Author**

Prof Colin Coulson-Thomas, chairman of Bryok Systems and other companies and author of Talent Management 2 and Transforming Public Services, is an experienced non-executive director and chairman of award-winning companies, a member of the business school team at the University of Greenwich in the UK and an Adjunct visiting professor in the department of geopolitics and international relations at Manipal University in India. He has helped more than 100 organisations to improve director, board and corporate performance; and reviewed the processes and practices for winning business of more than 100 companies. Colin has served on many private, public, professional and voluntary sector boards, including as chairman and president, spoken at more than 200 national and international conferences and is a fellow of seven chartered bodies and the author of more than 40 books and reports. He can be contacted via www.coulston-thomas.com and his latest publications obtained from www.policypublications.com.
Effective Change Management: The Simple Truth

In a previous life I remember walking into my new boss’s office for my induction talk – it was my first day of my first people management job and I was full of excitement and anticipation. Then he sat me down and said: “Your job is to get the unwilling to do the impossible for the ungrateful.”

I nearly turned around and walked back out the door! If we put our hands on our hearts how many of us would admit that change management sometimes feels like this? A recent change management study by Towers Watson surveyed over 600 organisations that have recently gone through significant change and unearthed the practices that are at the heart of effective change management. They are simple truths and can make the difference between success and failure in many cases, but evidence suggests that they are often forgotten when in the midst of a challenging change project.

It is a fact that change is a constant reality for any organisation looking to survive and thrive in these turbulent and uncertain times. When you boil it up, change is about doing things differently or doing different things. Whether you have to change, help others change or define what the change is, we all have a vested interest in getting it right. Our recently published research shines a light on what those organisations that are effective at change management have in common when it comes to managing change. So bearing this in mind, the first issue to put to bed is what do we mean here when we say ‘effective change management’? In a nutshell, if change programmes achieve their stated goals on time and within budget and deliver sustainable benefit then that would fit most people’s definition. We used this definition to classify organisations that are really good at change management and then looked at what they did well in comparison with their peers.

Significantly and perhaps not surprisingly, we also found that those businesses that plan and execute change well are also the ones that are outperforming their peers when it comes to bottom line performance. Companies highly effective at both communication and change management activities are 2.5 times as likely to outperform their peers that are not highly effective in either area.

So considering the prevalence of change – and the effect of change management on bottom-line performance – there are plenty of reasons to take a hard look at how those organisations are approaching change management and to learn the lessons.

**From our research we found that the following are self-evidently true**

**Effective change management is a little bit art and a little bit science.** The best change practitioners balance rational, data driven approaches with a deep understanding of emotional drivers. It’s about understanding the unique needs of the business and its people and then applying insight and the right tools to deliver the change. It is most definitely about robust leadership, and aligning and sustaining activities to support the change. Effective change management also requires thoughtful, strategic measurement so an organisation can course-correct along the way.

There are six activities that really count. These are the ‘Big Six that really influence overall change success:
1. Leading
2. Communicating
3. Learning
4. Measuring
5. Involving
6. Sustaining

It doesn’t matter what type of change a company is going through or where that company’s operations are located. From highly complex mergers and acquisitions to more straightforward types of change, focusing on the right activities – the Big Six can help companies outperform their peers in any industry or geography worldwide. But what does this mean in practice?

**Leading**
The overwhelming majority of companies that were most effective at change management had clear vision on the intents and purposes of change with sponsorship from the top. The best organisations also said their leaders inspired confidence in the change, creating clarity among employees and fostering a sense of community. And leadership isn’t just confined to the C-Suite, with communication and change management professionals being fully involved from the start.

**Communicating**
Good communication during change fosters understanding, aligns the organisation from top to bottom and guides and motivates employees. So we should pay particular attention to getting it right in change management. We found that the organisations that are good at change management are the ones who do a good job in communicating the rationale for change. Interestingly, even these businesses had room for improvement when it comes to helping individuals make sense of the change from their position and encouraging their input. That being said it was also clear from our research that the organisations that don’t do change well are lagging way behind on all the critical indices.

We should pause at this point and ask how the leading organisations achieve better results when it comes to communication and change.
There are two significant factors here:

- They involve communication and change expertise right up front which means these aspects are properly considered in the overall approach to the change and wired into the plan.

- Their managers are better at making change real for their people. The best invest in their managers and give them effective training and support in managing through change, making the changes real and engaging for their teams. We found that the majority (82%) do actually provide training for their managers to help them manage through change. Whilst those organisations who were effective at change management felt they got the best return from their training investment (64%), there appears to be considerable room for improvement in this area, with the majority feeling the training had no great value in helping managers manage change.

Learning
Learning activities can help push a change initiative along, and they’re worth attention. Why? Because employees need to have the knowledge and skills necessary to adapt to change. Not rocket science but we found that, whilst there is clear water between organisations that are good at change and those that are not, even the best in class have significant room for improvement when it comes to nailing down new accountabilities and encouraging feedback on the new skills, processes and behaviours required.

Measuring
Using a balanced set of metrics to define success and support continuous improvement was typical of highly effective organisations in our study. Setting clear, measurable goals up front will help an organisation head in the right direction, use resources efficiently, make corrections along the way and assess whether the change programme achieved what it set out to do. In short, it’s essential to keeping the change on target, on time and within budget. The thing about measurement in change programmes is that it is no good starting it halfway through. A full suite of change measures relies on the identification of clear measurable goals and, of course, the measurement of those goals. There is a
standout difference when it comes to measuring change between change effective organisations and their not so successful counterparts.

Involving
“The best decisions I ever made were those where I asked the people who were going to be affected by them, be they customers or staff, what they thought before I made them. Not only were they better informed decisions, they were also easier to implement!” These words are from the (now retired) CEO of a large public sector organisation and our research backs him up. When organisations involve their employees in the design and implementation of change they are more likely to be effective at change management and less likely to face employee resistance to change. Companies that are effective at change management are nearly seven times as likely as low-change effectiveness organisations to create a sense of co-ownership about organisational change initiatives – a corporate sense among employees and leaders that they are all “in it together.”

Sustaining
When it comes to change management, in some ways, organisations are never done. One of the biggest mistakes any change manager can make is assuming the finish line is at the end of the project. It is vital that organisations put in place all the capabilities needed to ensure change sticks – this often means taking a ‘whole system’ view and taking into account the processes, policies, technology and structures necessary to support and sustain the post-change world. This is particularly important where that change requires new skills, behaviours and ways of working. Leaders are also fundamentally important once the change project is done, their continued role modelling and advocacy of the new world nourishes and sustains it. Our research shows there is room for improvement across the board although it is clear that, when it comes to change management, best in class organisations place a good deal of emphasis on ensuring change sticks.

Our latest research shows that the link between effective change management practices and financial performance is strong and regardless of the type of change organisations experience, the important change activities – the Big Six – remain constant. Doing the right things at the right times is crucial. How and when an organisation integrates the six activities during each change phase will impact outcomes and at Towers Watson we have recognised this and built it into our core change methodology which addresses the 3 strategic phases of a change programme:
- **Understand and Segment:** Understand the environment, including what’s changing, the underlying business needs, impacts by audience and how key stakeholders define success
Change management

**Figure 4.** Across the globe, there is room for improvement in effectively measuring change impacts

<table>
<thead>
<tr>
<th>Overall</th>
<th>High change effectiveness</th>
<th>Low change effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipating the business impact of changes</td>
<td>13</td>
<td>40</td>
</tr>
<tr>
<td>Defining clear, measurable goals for the impact of changes</td>
<td>14</td>
<td>39</td>
</tr>
<tr>
<td>Measuring progress against goals established for change initiatives</td>
<td>12</td>
<td>37</td>
</tr>
</tbody>
</table>

0% 20% 40% 60% 80% 100%

**Figure 5.** Effective companies involve employees in the change

<table>
<thead>
<tr>
<th>Overall</th>
<th>High change effectiveness</th>
<th>Low change effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing support from enough employees for change initiatives to succeed</td>
<td>11</td>
<td>35</td>
</tr>
<tr>
<td>Creating a sense of ownership about organisational change initiatives</td>
<td>9</td>
<td>32</td>
</tr>
<tr>
<td>Dealing with the resistance to change initiatives</td>
<td>10</td>
<td>29</td>
</tr>
</tbody>
</table>

0% 20% 40% 60% 80% 100%

**Figure 6.** Effective companies sustain the positive effects of change over time

<table>
<thead>
<tr>
<th>Overall</th>
<th>High change effectiveness</th>
<th>Low change effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continuing to exhibit new behaviours and use new skills after changes have been made</td>
<td>8</td>
<td>30</td>
</tr>
<tr>
<td>Finding additional improvements to be made in subsequent years</td>
<td>12</td>
<td>37</td>
</tr>
<tr>
<td>Avoiding reverting to the status quo as everyone moves on to the next thing</td>
<td>8</td>
<td>31</td>
</tr>
</tbody>
</table>

0% 20% 40% 60% 80% 100%

- Design and Build: Develop tailored plans and recommendations – including tools, tactics, timing and owners to build awareness and drive behaviour change
- Implement and Improve: Execute the change management plan, measure its effectiveness (both perceived and real), celebrate successes and make improvements along the way
  
  Each of these phases requires its own set of change activities to ensure a successful overall outcome.

At the start of this article I said that change management is part science and part art and I would not want to lose sight of the art aspect. Organisations are complex things and that always makes change management challenging. If you wind up a clock the moving parts within it respond and the hands move. Whilst organisations are complicated (full of interrelated moving parts) they are also complex and to understand the complexity of an organisation is to understand that there are no simple cause and effect mechanisms we can rely on when we plan for change.

The good news for organisations who want to manage change well is that, regardless of the type of change, if they do the important change activities well – the Big Six – they are likely to be successful.

**About the Author**

Phil Merrell is head of Towers Watson’s UK change management practice, focusing on M&A, business transformation and performance improvement. Phil has over 25 years industry experience at organisations including the NHS, BBC and Penna and firmly believes in the power of effective change management to improve business performance.

Towers Watson is a leading global professional services company that helps organisations improve performance through effective people, risk and financial management. The company offers solutions in the areas of employee benefits, talent management, rewards, and risk and capital management. Towers Watson has 14,000 associates around the world and is located on the web at towerswatson.com.
Who’s who at the IMS

This month it is the turn of Julian Cutler. Julian is a member of the Council of Management, and has recently been elected to serve as deputy chairman of the IMS.

Julian has had a very interesting and varied career to date. He studied education and youth and community studies at Birmingham University. On leaving university his first job was with Birmingham Royal Institute for the Blind, organising sports and social activities for the students. He then went on to work for Birmingham City Council as a Youth Worker. Julian then had a complete change in his career development, he moved into Management Services with the West Midlands Regional Health Authority, working on bonus schemes for the ancillary workers, staffing levels for nurses and other professionals and utilisation of the buildings estate.

It was at this time Julian became interested in the IMS joining the local branch. He studied for the IMS certificate at the Harry Mitchell College in Nottingham.

On leaving the NHS, Julian took up a post with NFU Mutual (Insurance Company), starting as a business analyst, and progressing to senior workplace analyst. The role has developed from traditional Management Services (procedures, moving work between business units to cope with peaks and troughs) into Facilities Management (space planning, procurement of FM services such as vending and small business machines, project management of office relocations throughout the UK).

Julian joined the IMS West Midlands regional committee in 1999. During his time on the Regional Committee he held various positions including Secretary, Chairman and currently Events Secretary.

Julian was upgraded to Fellow of the IMS in 2007, the year in which he was elected to Council of Management.

Outside of work and IMS duties Julian plays an active role as a member of the British Institute of Facilities Management (BIFM), organising events for the Midlands Region.

His main recreation is visiting museums, especially his favourite one, the Motor Heritage Centre at Gaydon.

Julian also owns a Polish food shop in Stratford-upon-Avon, specialising in Polish sausages.

Julian Cutler, Deputy Chairman, IMS
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Sustaining performance in managed services

By Michael Howitt and Dr John McManus, Lincoln Business School.

The increasing importance of improving service delivery is much emphasised by organisations and their senior managers. Increasing global competition places increasing pressures on firms to add value at the margin. Many firms find this increasing difficult to achieve or sustain. One of the main causal factors for lack of sustainability is to do with strategic alignment in that operational and performance related goals in service management are generally not synchronised.

Poor service provision within the global services industry is contributing to a profound rethink in many firms that offer information and technology services. Recent press reports suggest that all but a few providers are willing to commit the organisation and its resources to high volume, high risk service provision.

In examining strategies for service risk management, it is observed that differing approaches to performance measurement are often employed. This, in part, is due to the wide variety of approaches taken and stakeholder groups involved in the various stages of service delivery.

In defining key objectives and performance criteria, managers are tempted to overstate the position, that is placing the hurdles too high. The results are generally disappointing and lead to conflict and a lack of cooperation between different stakeholder groups.

At the service design stage, it is recommended that a few key personnel from the customer and service provider establish a first cut list (or draft) of criteria. This criterion must be linked to the service provision and should be stated in simple terms. For example:

- Must be tied to profit-related business goals;
- Must be relevant and understood by stakeholders;
- Perceived to be fair and just;
- Motivated by the right behaviour;
- Action oriented and based on objective results;
- Sustained management sponsorship.

The premise here is that the service provision ‘must’ contain processes that are essential to meeting the customer and provider’s strategic goals. Such key processes would, for example, include resource management,
Clear vision and understanding of the business goals to be achieved is an essential input to a workable model.

Relationship between business goals and key processes

The framework outlined in figure 1 demonstrates the relationship between the service entity, strategy and business goals. For any firm engaged in the provision of services, having a clear understanding of what is to be delivered and included within the service provision is crucial to the management and control of resources and time management.

Clear vision and understanding of the business goals to be achieved is an essential input to a workable model. Business goals serve to identify the purpose of objectives (or tasks) needed to support the delivery strategy. When these goals are well articulated, they beg questions that lead us to evaluate success or failure with regard to the purpose of the objective, rather than some arbitrary characteristics of the objective itself. In essence the objective is to:

1. Identify your short, medium and long-term business goals;
2. Identify what you need to know (or learn) about these business goals;
3. Identify the attributes that support these business goals and what performance drivers support the key process areas.

Managers who are responsible and accountable for service provision are driven by short-term pressures. They need systems and measures that will contribute directly to their decision-making and performance as quickly as possible. To achieve this, they need to know and understand priorities and timescales, both of which should be spelt out in the service level agreement (SLA).

Criterion in this SLA should refer to the attributes that make up the key process areas, for example, for ‘Service Initiation’ the key attributes could be defined as: 1 implantation, 2 monitoring, 3 control and 4 feedback (please see figure 2).
The advantage of using this top-down, bottom-up approach is that it reduces conflict between line management and operations staff. A key issue in my experience is synchronisation of strategic and operational objectives. Operational (or line) management are all too aware of the potential financial risks of lack of SLAs and service standards.

Irrespective of the risks involved, both customers and providers alike must take care in the details of an SLA as it is a legally binding document. Providers are generally penalised for poor service and often have to pay compensation which can run into millions of pounds. A common practice within the services industry is to compensate customers in the form of service credits, which are applied as discounts in the next period of service.

Apart from the SLA, the effectiveness of a service entity is judged on many other levels, for example, profitability – the primary measures, however, tend to be cost effectiveness and quality of inputs.

As a result, service management is likely to take a short to medium term view of its responsibilities and maintain a restricted and rigid approach to changes within service level agreements.

To some senior executives and service account managers, this may be viewed as unresponsiveness to customer needs and restricted practices. On the other hand, so is maintaining business integrity (and profitability), so in the final analysis it generally comes down to a quid-pro-quo trade-off strategy between the service inputs and outputs.

Setting and aligning management and service performance

Unlike some service industries, the industry does not have extensive experience with managed services, because it has traditionally sold products rather than services. In services industries, such as consultancy and health provision, they outline what standard of service a customer and provider agree is acceptable for the negotiated price. In consultancy, ‘delivery’ is generally linked to the individual performance of the consultant providing the service.

Those organisations that link their service objectives to personal or individual performance tend to gain significant financial and non-financial benefits. In practice, individual objectives should be set against short and medium operational goals.

In setting individual performance targets, the organisation should detail what is being measured and over what period. The terms of reference (or agreement) should detail what hours the individual is available to the customer and when they are not, (for example, weekends, bank holidays and annual leave periods) as well as the expected bench marks of the provided service. The customer should agree with the service provider what kind of behaviour is expected and the type of failures that count as critical, and what sanctions will apply (please see table 1).

Conclusions

Knowing your customers and their requirements – and how to meet expectations in a profitable and equitable way – is by no means easy. Often service providers and line managers are working within the tight confines of service contracts which leave little or no scope for error.

Aligning strategic, operational and individual objectives to the service delivery and SLA key performance indicators helps reduce internal and external business risk to both the provider and the customer. Ongoing improvement in service levels comes from leveraging value from the key process areas.

The economic gains to be made from leveraging KPA value can be significant for the provider. Turning your customers into followers should be the goal of every service provider. Most service
Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN of the forty seventh Annual General Meeting of the Institute to be held at Charter Room, The George Hotel, Bird Street, Lichfield, Staffordshire WS13 6PR on Friday 19 October 2012 at 10.30 am to conduct the following business.

1) To receive the Annual Report and Accounts

2) To confirm the following Bye-Law No 1/2012

   Membership subscription for 2013 shall be for Life Membership at a rate of £270 for all members. An annual membership fee of £140 will be available on request.

3) To appoint Auditors for the ensuing year and to authorise Council to fix their remuneration.

4) To Note elections to Council

6 June 2012

By Order of Council of Management

Harry Downes
Secretary

Institute of Management Services
FORM OF PROXY – FOR CORPORATE MEMBERS ONLY

I (full name) ..................................................................................................................................................................
of (full address) .............................................................................................................................................................
........................................................................................................................................................................................
Membership Grade ........................................................... Membership No ...............................................................

Hereby appoint A. Muir of 1 Berryhill, Finglassie, Glenrothes, Fife, KY7 4TQ or failing him the Chairman of the meeting to vote for me and on my behalf in accordance with the directions, if any, given hereunder at the forty seventh Annual General Meeting of the Institute to be held at Charter Room The George Hotel, Bird Street, Lichfield, Staffordshire WS13 6PR on Friday 19 October 2012 at 10.30 am and at every adjournment thereof.

RESOLUTION NO 2 FOR / AGAINST *
(Bye-Law No: 1/2012)

RESOLUTION NO 3 FOR / AGAINST *
(Appointment of Auditor)

*delete as applicable

as witness my hand the............................................................... day of ............................................................. 2012

Signed ........................................................................................................................................................................

This proxy form must be deposited at the head office of the Institute by not later than 10 am on Friday 21st September 2012. The name of A Muir has been inserted (or chairman of the meeting) to ensure that your vote is cast in the way you have indicated. You may however, insert another proxy holder if you wish who must be a corporate member of the Institute, but your vote will not be recorded if he or she is not present at the meeting.
Raising the standard

Organisational design: the role and form of the Centre of Excellence.

The term Centre of Excellence (CoE) is becoming a popular way of focusing attention on problem solving in many organisations, but what exactly is a CoE? Does it add value, or simply create tensions between ‘elite’ and other workers? Perhaps more cynically, is it just another ‘excellence’ fad?

Kerrine Bryan and Ian Herbert answer some typical questions.

What is a ‘Centre of Excellence’?
The actual role and form of a CoE is largely dependent on the organisational and business context but the essential features we suggest should be as follows.

• A CoE should have a normal operational function and also be responsible for improving its own expertise and knowledge resources so that in turn workers can help other activity centres throughout the organisation to solve problems and improve in the future.

• The defining feature of a CoE is knowledge management, especially the tacit (verbal) knowledge that cannot be readily captured by technical manuals and which is constantly changing and adapting to operational requirements.

• The CoE may comprise a functional or cross-functional team looking both inside and outside the organisation to capture new knowledge and practices. It may be set up as a physical or virtual team, but it will have a permanent rather than just a project status.

What does this say about ‘other’ centres?
We mean that it is easy to overuse the ‘excellence’ label. We are using it here to signify a sense of being different rather than (necessarily) better than operational units, but of course the objective is to help everyone to improve. For example, if there are ten customer service departments, then nine may be ‘routine’ (Centres of Competence) and one might operate as a CoE. This should not mean that workers in the other centres are somehow less worthy, or are offering a sub-standard level of service, rather that the CoE will have a further role in developing its methods and techniques to establish best practice and disseminate this to the other teams.

Other centre categories might be:

• A technical or research centre not directly involved in day-to-day operations and which specialises in the production of technical manuals and training mainly involving explicit knowledge, ie that knowledge which has been standardised and codified such that it becomes the ‘canonical’ procedure for doing the job and approaching problems in the future.

• A centre of expertise (CoEx) the workers of which...
specialise in certain activities or problems not normally addressed by routine workers. Examples might be treasury management in a finance function. A CoEx will go beyond the routine (explicit) knowledge by drawing on the specialist tacit knowledge that its workers have built up over perhaps years of experience. However, unlike the CoE this knowledge will not generally be applicable for sharing across other centres.

These four basic categories are represented in figure 1 in relation to their leanings towards 1) the future rather than the present and 2) the use of explicit versus tacit knowledge.

But in practice ‘excellence’, does seem to be a wide ranging term
It does have different meanings to different people in different contexts, hence the need to define the CoE in terms of both its generic form and the way that it relates to the rest of the organisation. The example below follows the development of a hypothetical field service operation as its range of products and customer types becomes more varied, with consequent tensions emerging in balancing the operational imperatives of service response time and repair efficacy against cost.

A CoE should have a normal operational function and also be responsible for improving its own expertise and knowledge resources.
Case study – Washco

Washco was established in the mid-1990s to import and sell high quality domestic washing machines via the internet to retail customers. Later it created a commercial sales team to sell a larger version of the basic machines to launderettes (multi-site), as well as a range of specialist laundry machines to hotels. Commercial sales have mainly been in the more densely populated south of the country, although some have been placed across the whole country. All machines are made by a top European manufacturer with working lives approximately three times longer than normal although the purchase cost is consequently higher in comparison to Washco’s competitors.

From the outset, Washco’s business model was to offer better than average after-sales service using its own technicians. Initially, service calls were straightforward but, over time, the number of model variations in operation has grown significantly. As as the number of field service technicians increased to around one thousand, a number of different organisation structures have been adopted.

1. 1995-2000 central control
   At first a single base in the middle of the country worked fine, but eventually average travelling time per visit increased and servicing became uneconomic. Moreover, training and personal supervision by the director of service became strained, especially as new models were introduced and the age of on-site machines increased from an average of under two years to around five years old.

2. 2001 – 2003 geographical control
   Next, three regional service divisions were set up, each relatively self-contained and able to service all machines (north, south and east). This worked well, but proved costly, due to the wider range of spares which each technician had to carry. Moreover, the smaller North division had relatively few commercial machines and its technicians did not have the opportunity to become familiar with a sufficient range of the common problems. In the South division a higher proportion of launderettes and hotels created problems because these customers insist on fast response times (24 hours, seven days a week) and more ‘first-time’ fixes. Technicians were spending more time on commercial machine servicing at the expense of the domestic customers, some of whom were equally quick to complain about what they saw as a deteriorating service, even though response times were mostly within the four working days in the service agreement.

3. 2004 – 2006 customer focus
   In response there was a move from the geographical format to customer type, ie home, launderette, and hotels. This improved the first time fixes because technicians were servicing a smaller range of machines and hence their familiarity, with awkward faults increased. However, travelling time and costs rose significantly and overall there was little in the way of ‘bottom-line’ improvement.

4. 2006 – 2010 matrix management
   In 2006 the structure was changed again. This time a matrix style was adopted with three regional managers, based on the former regional bases (south, north and east) plus, three sector managers, (home, launderette and hotels). Initially, service levels improved but, over time, there were ‘priority’ misunderstandings between the technicians and managers some of which escalated into full scale ‘boundary disputes’ between the managers. Eventually, the response times rose again and the rate of first-time fixes fell as experienced technicians left through natural turnover and incoming technicians were not getting anything like the right exposure to a wide enough range of non-routine faults.

Washco structure – Centre of Excellence Framework
5. 2011 best of all worlds?
The present approach based on the CoE model was recommended by another field service company (non-competing) who Washco’s founding director Lucy Garner met at a trade dinner. Following an analysis of one month’s service calls it was clear that Washco was not learning fast enough from the new situations that it was encountering. At a board meeting to discuss the problems and possible solutions the following objectives for a reorganisation were agreed:

1. To diagnose faults quicker and more reliably on site.
2. Achieve more first time fixes and order the correct parts when a repeat visit is necessary.
3. Focus on customer types and profile of machines by a central despatch team, overseen by a former technician, to be able to better match technician capabilities to each service call.

As a result there will be a reversion to line management control based on three geographic divisions servicing retail machines together with three technically focused centres and a new approach to specialisation of skills, but with greater co-operation and sharing of knowledge based on a CoE approach. Figure 2 shows the new arrangement. Note that there is not a formal dotted line shown between the CoExcellence and the CoExpertise because the technical issues affecting the latter would not usually be applicable to the more routine retail service calls.

At first Lucy was sceptical. In her opinion, people have a reluctance to ‘give up’ what they know, unless it is worth their while. However, she accepted that something needed to be done as the other approaches had all proved to have some drawbacks and there were opportunities to increase new sales if a better standard of service could be guaranteed.

In response to Lucy’s insistence that any change should be based on clear objectives, and an understanding of how things will work in practice, the Service Director prepared the following commentary.

1. Centres of Competence (CoC) servicing retail machines and simple faults on commercial machines. Washco, technicians have traditionally diagnosed around 85% of faults correctly on the first visit and been able to fix around 70%, although this has varied dependent on the structural imperatives at the time. The majority of technicians will be grouped into four CoCs with a target of diagnosing 95% of faults first time and repairing 80% of the diagnosed problems on the first visit (not all spares are carried by technicians). In the remaining cases, maybe because the machine model is new, the problem unusual or if major spares are required, then the technician will be expected to
consult the CoE or in the case of commercial machines to transfer responsibility to the CoEx.

Field technicians in the CoCs need to be able to follow manuals and wiring diagrams to diagnose and fix problems fast. As they develop they will be encouraged to attempt new or unusual faults by talking to co-workers, consulting the CoE and feeding back into the system recurring issues but this aspect is likely to remain a small part of their overall role.

2. A specialist technical centre which will look at recurrent issues and improve technical support, especially as new machines are introduced. These technicians will need to absorb verbal (tacit) knowledge from the field and codify this into explicit knowledge for the future by amending the field documentation (explicit).

3. A Centre of Excellence (CoE) based in the east division. These technicians will attend regular service calls but they will attempt to identify the root cause(s) of problems and ‘capture’ that experience for the future, perhaps in consultation with the Technical centre and the manufacturer. This emerging tacit knowledge will need to be made explicit wherever possible and disseminated across the firm. Although some knowledge will be informal (tacit) by nature and thus better communicated verbally to other technicians through training workshops, telephone calls whilst at service sites and perhaps through interdivisional secondments of technicians. The CoE technicians will be keen to share their knowledge and thus require a strong ability to explain and communicate.

4. A Centre of Expertise (CoEx) in the south division to undertake all commercial calls in the south and to undertake all second visits and repeat calls for commercial machines across the country.

In addition to the required core competencies, expert technicians will have additional experience, knowledge, equipment and resources to deal with the commercial machines and some older retail machines. They will be focused on solving more complex and often situational problems (for example higher than normal humidity affecting the machines). Being able to identify likely service problems at the call despatch stage, together with a clearer understanding of individual expertise on the part of the despatch operators, will enable more efficient call allocation and also enable the specialist technicians to further their own knowledge.

Travelling time for these expert technicians will likely increase per call, but overall spend will be reduced by sending the appropriate person when there is anything other than a routine problem. The call despatch team will be trained to screen commercial faults into straightforward and potentially complex. These technicians will have specialist knowledge but their main focus is to fix the machines that are referred to them, and build up specialist knowledge within the team.

Conclusion

It is easy to overuse the ‘excellence’ label, however the case study and frameworks in this article help us to identify the main characteristics of a CoE, the main feature being knowledge management. Non-excellent centres are not less worthy, nor are they offering a sub-standard level of service, rather that the CoEs will have a role in developing their methods and techniques so that best practice can be disseminated to other teams.

The CoE strategy is to underpin organisational structures and systems with an approach that:

1. Promotes communication and the sharing of problems.
2. Helps to locate or generate solutions – thus creating new knowledge.
3. Shares and disseminates new tacit and explicit knowledge.

Through the process of sharing problems, information and experiences, employees learn from each other, and have an opportunity to develop themselves and the organisation. This is what Wenger (1998) describes as a ‘community of practice’ (CoP).

References and further reading


Author

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Part of the work contributing to this project has been kindly sponsored by the Chartered Institute of Management Accountants. Ian Herbert is interested in talking to CIM members who work within shared business please contact Ian at: i.p.herbert@lboro.ac.uk
Healthcare is heading toward a state of crisis throughout the developed world, unless we can dramatically increase the rate at which healthcare organisations improve. Patient injuries and deaths due to preventable errors are far too common. Costs are too high and are increasing too quickly, which places pressure on government budgets and threatens the availability of timely care or the best treatments.

One improvement methodology that healthcare organisations have used around the world is called ‘lean healthcare,’ based on the ‘lean’ management system most often associated with Toyota. One notable adopter of this approach is Bolton NHS Foundation Trust Hospital and their ‘Bolton Improving Care System,’ which counts achievements such as reducing patient falls, reducing mortality in hip replacement patients, and generally improving the quality of care.

One of the core components of Lean is a Japanese word, ‘Kaizen.’ It is translated from its two root words to mean ‘change’ and ‘good’ or ‘change for the better,’ in the context of continuous improvement.

One of the underlying principles of Kaizen is the ‘Deming Cycle,’ as taught by Dr W Edwards Deming to the Japanese after World War II. The Deming Cycle consists of four iterative stages that can repeat:

- Plan: Initiating a change by understanding the current situation and root cause of problems; developing a change and stating a hypothesis about what will occur with the change.

Applying the ‘PDSA’ cycle to our application of ‘Kaizen’ in Healthcare. By Mark Graban and Joseph E Swartz.

The term Kaizen was introduced to the Western business community in Masaaki Imai’s 1986 book, KAIZEN: The Key To Japan’s Competitive Success. Soon after, prominent healthcare quality advocates wrote about the need for Kaizen in healthcare. The first was Dr Donald M Berwick, who wrote a 1989 article in the New England Journal of Medicine that cited Imai with the definition that Kaizen is ‘the continuous search for opportunities for all processes to get better,’ emphasizing that it invoked ‘familiar themes in medical instruction and history.’ A year later, Richard Smith, editor of the journal BMJ, wrote ‘there is every prospect that Kaizen might do for health care what it has done for Japanese industry’ because Kaizen emphasises that ‘poor quality arises from bad systems rather than bad people.’

One of the underlying principles of Kaizen is the ‘Deming Cycle,’ as taught by Dr W Edwards Deming to the Japanese after World War II. The Deming Cycle consists of four iterative stages that can repeat:

- Plan: Initiating a change by understanding the current situation and root cause of problems; developing a change and stating a hypothesis about what will occur with the change.
• Do: Carrying out a small-scale test, or pilot, of the change
• Study: Testing the change and its hypothesis: gathering data, observing the changes and outcomes
• Adjust: Based on those results, deciding to accept, adopt, and spread the change, or making adjustments (or trying something different)

The remainder of this paper will structure the story of Kaizen adoption in this PDSA framework, to illustrate our experiments, results, and reflections.

Plan: Understand the current situation and root causes

When the co-authors of this article began teaching Kaizen to healthcare organisations in 2005, it was disappointing to find that the practice was so rare, 15 years after the publication of Berwick and Smith. Many hospitals profess, in vision statements or on their websites, that they want a scientific culture of continuous improvement, but reality often falls short.

Many of the root causes for a lack of Kaizen can be traced to organisational culture and the mental models of leaders. One barrier is the traditional ‘command and control’ mindset, where workers only need do what they are told and improvement is solely the domain of managers or experts. Healthcare professionals often complain that nobody has asked for their ideas and that they are not given permission to improve their own processes. ‘We don’t have time for improvement’ is a common complaint. Instead of that statement being an excuse, it should be viewed as the first problem to be solved.

Other barriers to Kaizen include:
• Siloed organisations with poor communication and collaboration
• Tendency to blame individuals for problems, which leads to the hiding of problems, which prevents improvement
• An expectation that any attempt at improvement leads to a ‘perfect’ solution, which leads to people being cautious
Kaizen in Healthcare

Plan: Develop a hypothesis
In our work, we assumed that healthcare professionals are highly motivated to improve the systems in which they work, especially when focused on patient care improvements. We applied Imai’s and Bodek’s teaching that it is important, early in a Kaizen program, to focus on making work easier for staff (by helping them eliminate waste), rather than cutting costs. Another hypothesis was that opportunities for small improvements in the dozens, hundreds, or thousands would, collectively, contribute to safety, quality, waiting times, and staff morale. The Kaizen hypothesis is that improvements in these dimensions will result in cost reduction.

The proposed methods for Kaizen implementation included ‘Quick and Easy Kaizen,’ as popularized by Norman Bodek, and ‘Visual Idea Boards,’ as introduced by David Mann.

Do: Carrying out a small-scale test, or pilot, of the change
The co-authors started with small tests in a few departments, with Mark working as a consultant to Children’s Medical Center (Dallas, Texas) and Joe as an employee of Franciscan St Francis Health (Indianapolis, Indiana). Front-line managers and directors were taught about their role in encouraging Kaizen and helping their employees evaluate and implement improvements. Front-line staff members were given training on Kaizen fundamentals and the mechanics of their system.

Some of the basic mindsets, as taught by Gregory Jacobson, MD, who was doing parallel work in the emergency department at Vanderbilt University Medical Center, included:

- Continually improve, with no idea being too small.
- A major source of quality defects is problems in the process.
- Focus change on common sense, low-cost, and low-risk improvements, not major innovations.
- All ideas are addressed and responded to in some way.
- Collect, verify, and analyse data to enact change.

Kaizen-style improvements at Vanderbilt include a case where a resident and an attending physician had coat hooks installed in patient bathrooms so a patient would have a place to hang their IV bag. This simple, low-cost, low-risk improvement led to better patient satisfaction and reduced the risk of infections. By 2012, common improvements that are facilitated through their web-based Kaizen management system range from getting a chair replaced to updating complex clinical protocols.

At Franciscan St Francis, the staff and managers were taught a five-step process for ‘Quick and Easy Kaizen,’ where ideas are generally documented after completion, as part of this process:

1. Find: Search for opportunities for improvement or problems to solve.
2. Discuss: Discuss the idea with your team and your supervisor.
3. Implement: A change for the better must be implemented to be a Kaizen.
5. Share: Post it, review it, and discuss.

The very first Kaizen documented at Franciscan St Francis came from the environmental services department. A staff member noticed that coffee filters in a ward were getting soiled and were often thrown away. She asked the nursing ward manager to purchase a plastic container for her, so the coffee filters could be kept clean. This type of small, simple change...
builds enthusiasm for Kaizen, as people take pride in making their work easier, as well as saving time and money that can be better used for patient care. The team in the laboratory at Children’s Medical Center Dallas was taught a similar method where ideas are displayed on an ‘Idea Board’ throughout the entire PDSA cycle. Early ideas in the lab focused on reducing wasted motion for staff, which translated into shorter turnaround times, better quality, and lower cost.

In one of their early examples, a staff member questioned the use of a ‘sharps’ container for bench top disposal of plastic pipette tips. The sharps container had a very small opening (per its safety-focused design) but resulted in poor ergonomics for staff who were disposing plastic tips in it all day. Additionally, it was more expensive to dispose refuse that is sharp (like needles), so staff wondered if the hospital was wasting money since the plastic tips were not sharp.

After a review with department leadership and the employee health department, it was agreed that a simple biohazard bin could be used, which was easier for staff, less expensive for the hospital, and posed no health risk. In a classic example of ‘creativity before capital,’ a staff member cut the top off of a urine collection jug with a pair of scissors, placing a biohazard bag inside. This problem was identified by staff and was addressed by them in a safe and clever manner, with the support and involvement of their leaders.

Kaizen has marvellously engaged so many of our staff and enabled them to improve the world around them to the benefit of staff, patients and community.
they do attempt to estimate the financial return for those ideas that have a big impact. They have estimated that they realize ‘hard’ savings of more than $1 million a year, in addition to ‘soft’ savings in terms of freed-up staff time and other factors.

Paul Strange, MD, their corporate VP of quality, states, “Kaizen has marvellously engaged so many of our staff and enabled them to improve the world around them to the benefit of staff, patients and community.”

Adjust: Based on those results, deciding to accept, adopt, and spread the change, or making adjustments (or trying something different)

While the principles are generally appealing, education and the introduction of specific methods do not guarantee the long-term adoption of Kaizen in an organisation. As with many new programs, Kaizen sometimes fades away after an initial wave of enthusiasm.

What are some countermeasures that some might suggest for reinvigorating a Kaizen programme or preventing its downfall?

Some suggest setting a quota that mandates each employee implement a certain number of improvements each year. However, as Dr Deming would have warned (and we have seen in practice), the presence of a quota creates the risk that people initiate a flood of Kaizens at the end of the year just to hit their target (for fear of being punished). Some organisations, including Franciscan St Francis, have had success with leaders expressing the desire that everybody complete one Kaizen each year. These goals are stated by the CEO and COO to encourage Kaizen based on intrinsic motivation rather than extrinsic motivation or fear.

Others might suggest direct incentives, using the proverbial ‘carrot’ instead of the ‘stick.’ Traditional suggestion box systems offered cash rewards to an employee, based on a percentage of the value of the suggestion. This system often broke down when employees battled with managers over the value of suggestions, with managers having an incentive to downplay the value to minimise payouts. We have found that Kaizen programs can be enhanced, as done at Franciscan St Francis, by including token payments, such as a certificate for a meal in the hospital cafeteria, and other ways of giving recognition, instead of big financial rewards.

From our experience, the success and sustainability of Kaizen can be attributed to the ongoing involvement of managers and directors. If you want to make Kaizen successful, you have to want it to be successful – and you have to work at it. Some hospitals or departments have had their Kaizen activity trail off after the first few months, when leaders stopped asking staff members for improvement ideas. One of Norman Bodek’s books is titled All You Gotta Do Is Ask. The asking needs to happen regularly in team meetings and individual discussions. A Kaizen culture requires leadership at all levels of the organisation – from front-line supervisors to the CEO.

With the level of change that healthcare organisations will be required to digest over the coming years, now is the time to reach out and develop the organisational capability to engage each and every employee in improvement. We believe Kaizen is a powerful way for organisations to prepare to safely navigate the pending healthcare crisis.
Achieving strategic fit

Bob Lillis and Steve Macaulay outline how to marry up operational delivery with strategy.

Strategic fit is the degree of linkage or consistency between what the business strategy has specified as the means by which competitiveness will be achieved and the delivery system and infrastructure of its operations.
At a time when it's never been more important for businesses to deliver outcomes their customers expect, managing service operations effectively demands the successful implementation of the business strategy. Yet too often in service organisations, customers receive a service experience very different from what they had anticipated and what the company had intended. Consequently, achieving what's referred to as 'strategic fit' between business and operations strategies is the key to helping businesses ensure that the outcomes their customers receive are those the business actually desired. In this article, we report the findings from a research project that sheds light on how services try to marry up the necessary alignment of operational delivery with strategy.

Strategic fit is the degree of linkage or consistency between what the business strategy has specified as the means by which competitiveness will be achieved and the delivery system and infrastructure of its operations (Hill and Brown, 2007). Successful strategic fit demands not just consistency between the operations strategy and the overall business strategy, but also consistency between the various on-going operations decisions being made daily by management. The achievement of consistency can be made even more challenging because changing market requirements and the actions of competitors can necessitate amendments to an organisation's business strategy which will have knock-on effects for operations. Therefore, establishing and then checking for on-going strategic fit is important for all organisations that have customers, clients or users.

Established methods
Methods that have been devised to assess strategic fit tend to fall into three main categories. These are:

- **Step-by-step gap-based audit methods** which seek to compare what is required of the operation by the business strategy (and market-place) with the levels of performance operations are presently achieving. The idea is to identify gaps or mismatches between required processes and practices and the current processes and practices the operation is developing or pursuing.

- **An audit of the performance measurement system**. Measures are used to assess the effectiveness of on-going operational decision-making on the achievement of competitive priorities such as quality, flexibility, delivery and cost. The audit looks for false alarms, missing measures or measures that may conflict with each other. A false alarm is an outmoded measure that is no longer relevant or useful to a firm (Dixon et al, 1990). It may even drive the wrong behaviour by encouraging inappropriate operations decision-making, but managers often cling to it for fear of the internal political fallout if they remove it from the system. Alternatively, measures may be missing that are important to a company's success but are not presently part of the system. This can be the case when competitive priorities have changed, but the measures being used haven't. Also, sometimes, measures are introduced that conflict with existing measures causing the achievement of one to come at the expense of deterioration in another measure, perhaps in another part of the organisation. Services often experience this outcome when a restructuring of their operations has occurred, creating new end-to-end processes.

- **Knowledge audits** which are intended to reveal previously unknown capabilities and competencies that may have developed or be contained within the organisation's operational resources. The purpose is to use what the audit reveals as strategic assets, to inform or shape business strategy and offer potentially new strategic directions for the company.

What companies in our study did in practice
To explore how organisations seek to ensure strategic fit, we conducted research with six services – the sample comprised a health insurer, a pensions' administrator, an IT company, a vocational awarding body, a security services provider and a motor insurance organisation.

Given the importance of achieving strategic fit to the company, most of the services we studied did carry out some type of procedure but the value of outcomes obtained and the rigour of the method devised varied considerably from sophisticated to inadequate.

The health insurer developed the best gap-style method we saw. Each year, it produced a plan based on an independent statistical analysis of data from an extensive customer attitude survey, including competitors' customers.

Changes to competitive priorities, together with an assessment of how well customers believed the company to be performing against competitors, were specified. The findings were presented to the Board, after which amendments to the business strategy were undertaken as necessary. This in turn led to a comparison with existing service delivery with an outline of the mismatches presented as operational challenges to be faced in the coming year. These challenges were set out in the form of an operational agenda with specific plans to address the challenges.

A simpler, but nonetheless effective, variant on a gap-based procedure was that developed by the motor insurer. It established an internal change advisory board whose part purpose was to identify mismatches between the company's defined best practices and current practices adopted by its claims handling teams. Actions to improve performance were then intended to take place.

In regard to performance measurement auditing, two of the services never reviewed the continuing adequacy of the measures they used or the formulas on which the measures were based during the three-year period of our study. A third company merely made its existing measures more stringent. Two of the other services relied solely on ad hoc measurement related decisions with indifferent results. For example, a senior manager with responsibility for UK and Indian call centres claimed to have removed an outmoded and potentially conflicting productivity measure that related to the number of calls handled per shift by an agent. She viewed it as a false alarm and conflicting with a more vital measure that sought to determine the level of customer satisfaction with...
each call made. But its removal was never officially publicised so employees still considered their performance subject to it.

Of the six services we studied, only the IT company conducted a thorough review of its performance measurement system and this was in response to a radical change in its business strategy. The IT company redefined its business strategy to focus on the achievement of superior technical expertise and process innovation as the means by which to compete.

An immediate review of existing performance measures occurred and some of them were discarded. In their place, measures of the company’s ability to innovate were introduced: “We had a long debate at Board level (about the measures used)… then quickly got rid of four or five measures that didn’t work for us.” (Operations Director). Employees were strongly encouraged to innovate as “reward and recognition for innovation is now listed as one of the goals under ‘technical excellence’ in the strategy document.” (Managing Director).

The third established method for assessing strategic fit, knowledge auditing, was not commonly used and also management seemed to face difficulty in devising its own method. For example, a senior business analyst offered this explanation for his organisation’s reluctance to employ a knowledge audit method: “It frightens everyone when you start to talk about knowledge management around here… because it’s seen as so woolly.”

Overall, our findings indicated that managers’ formal level of awareness of methods available to assess strategic fit was poor. This failure resulted in less useful insights being gained by the service into what actions were needed to correct misalignment and thereby ensure strategic fit.

**Selecting the most suitable method**

It was also clear that managers were not only unfamiliar with the available assessment methods but did not understand when to use a particular method and why. The most suitable method adopted will depend on the context, for example:

- Looking for false alarms, missing measures or measures that might be in conflict is the correct approach when a business seeks to develop a consistent and cohesive approach to operational decision-making;
- Gap-based methods are best used for verifying that operations practices conform to the requirements of the business strategy;
- Knowledge auditing is ideal for helping operations to exert more influence on the formulation of business strategy.

**Conclusion**

Incompatibility between current operations practices and the competitive needs as determined by the business strategy will have serious consequences for the survival of the organisation. If strategic fit is not being achieved, customers will not experience the outcomes the company will have intended. Competitiveness of the business will be impaired. Our findings indicate that there is clearly a need for managers to be better acquainted with the methods by which to check on-going achievement.

**References**


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Have you got an e-learning strategy yet?

Rapid business improvement and ROI through tailored e-Learning.
By Philip E Atkinson, Gareth Howells, Mark Reilly and Christopher Ross.

Business success leaves behind a path of clues
When you flick through the Harvard Business Journal, scan the Economist or FT for success stories in bringing about effective organisational change you will often be drawn by articles that focus on leadership, customer focus strategy, innovation – but with very little reference to communications and L&D strategy, and, in particular, the substantial role that developing an e-learning delivery system can play in enabling that process to happen.

You will find that a lot of business transformation relies on the primary factors of change, and pays very little attention to the ‘secondary factors’ which actually determine whether the change becomes a living reality or just another ‘flavour of the month’.

Effective change requires ‘prime drivers’ and ‘secondary enablers’
You’ll find in many change projects that the real strategic catalyst or ‘primary factors’ are leadership, customer service, strategic vision and innovation but very little reference will be made to how those elements of the change formula are leveraged into effective implementation by ‘secondary enablers’.

Having great ‘primary’ ideas and cascading them down through and across the organisation is not enough anymore. Those ‘primary’ ideas have to be debated, discussed, critiqued and more importantly incubated, so that they generate a climate of curiosity and exploration that enables further innovation to take place. Sustained change only arises when original ideas are grown after incubation, improved and then installed.

You know as well that effective organisational change requires a degree of adventurous curiosity, innovation and exploration and, even more important than that, a process and delivery system that reflects and encapsulates that philosophy the change initiative will logically shift the business to the next level of operational efficiency and is much more than just ‘words written on paper’.

Design and delivery critical to change implementation
We can confidently predict that this comes about by the thoughtful design and delivery of a strong learning and development strategy, delivered by a powerful set of communication tools. Asked how well this is achieved currently, our response has to be less than positive. Ask yourself the question ‘how well did our organisation implement and install the change initiative into ‘business as usual’? You may then realise that too often the secondary enablers are largely ignored.

There is a degree of certainty that these, currently ignored tools and strategies, can be full developed and installed through a carefully crafted e-learning strategy.

Great theory, lousy implementation
There is no doubt about it – successful organisational and
cultural change is associated with strong leadership and effective communication. Most initiatives don’t make it. We know that about 85-90% of change initiatives fail to achieve the synergies for which they were originally devised, partly because we fail to have a learning and communications delivery system which will bed down the great ideas and convert them into reality. Theory expounded in workshops is great, but implementation is the real acid test of whether or not change is working, and that only comes about by developing learning delivery systems that create and sustain specific and actual measurable changes in behaviour.

Until behaviour changes nothing changes
Organisations can adapt and improve only when people start doing new things that promote and grow error free service delivery and stop doing things that inhibit that delivery. It’s a fact that until core organisational behaviours change, very little else changes. Until key individuals perceive that their new leadership behaviours instil enhanced team performance and further learn those ‘things’ that support and contribute to those behaviours then the situation will remain the same. Words mean little in the process of organisational change. Decisive action is actually what breeds’ progress.

Organisational culture shaped by learning and communications infrastructure
From our perspective the ‘organisational culture’ of the enterprise is strongly dependent on and influenced by, the educational, learning and communications infrastructure that dominates. You may think the word ‘dominates’ is a little strong – but unless we market, sell, influence and promote a learning climate and culture that supports the change then very little, if anything is going to change.

E-learning is the key to change implementation
E-learning has much to offer any change process, and this is especially the case in large scale business transformation projects. In our experience, e-learning does not currently appear to play a large part in this process yet it could deliver way beyond its limited and defined role in focusing on delivering orthodox, low level, unexciting content, error-free at minimal cost!

Some reading this may be horrified by our exclamations, but they are true reflection of how e-learning is applied in organisations. Way back in 1999 when the concept of e-learning was born in a conference in LA, e-learning was described as the secret behind building the true ‘learning organisation.’ If that is the case, those seeds of wisdom have not been allowed to flourish to their natural level for organisations to really benefit from its applications. Applications have unfortunately been delivered as a vehicle for ‘sunk cost’ projects.

If you explore how most organisations have applied e-learning, generally speaking you will find it is used 95% of the time on fairly routine, unimaginative mandatory or administrative subjects and projects. This is unfortunate when it could be used on major transformation projects to install and implement the core elements of effective behaviour change.

We suggest that the role that e-learning can play in being the catalyst for improvement can be significant. However, currently, e-learning, is at best, seen solely as a low cost strategy to deliver regulatory, mandatory and statutory training to a large group of people quickly, rather than a powerful organisational change tool.

E-learning delivers a strong ROI
In eyes of many, this is one of the few benefits of e-learning over traditional L&D activity. Other benefits are associated with what we call ‘mass baptism’ – which is a basically putting a large group of people through a training experience which in turn can be validated, recorded and discussed.

Issues in e-learning for business improvement and culture change
1. Why and where has it been used in companies?
When someone asked at a conference why e-learning was so popular and well used the response from a speaker was threefold

a. It was cheaper,
b. It didn’t require users to be away from their jobs and

Of course the speaker was being cynical of course but it is merely the veneer to a fundamental and inconvenient truth for those who really should be driving organisational change, rather than focusing their energies solely on compliance issues.

Where is it used? We see it used most frequently in compliance training and meeting statutory and mandatory requirements for such subjects as health and safety, induction training, legal compliance with specific legislation and topical subjects such as equality and diversity at work. What that generates for the organisation is the
Examples of the potential applications and delivery of innovative e-learning solutions in the arena of organisational change

<table>
<thead>
<tr>
<th>Innovative e-learning opportunities</th>
<th>Outcome and focus</th>
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</table>
| Organisational restructuring & redesign | Clarifying changes in reporting relationships  
Job redesign  
Equipping people with the skills and competencies to arise to new roles  
Exploring matrix management reporting relationships |
| Organisational change initiatives | Defining the current and future state for the organisation  
Roles of managerial staff as change agents  
Equipping managers with core change agent skills  
Creating virtual teams with shared platforms  
Developing effective communication processes |
| Leadership | Exploring the leadership role  
Defining and assessing leadership capabilities  
Self and 360 degree assessment  
Action planning for improvement |
| Personal Development | Tailored programmes organised around specific corporate competencies – personal stretch  
Integrating organisational needs and individual objectives  
Assessing personal effectiveness competencies and how this aligns with the business |
| Performance Management | Assessing self motivation and assessment of teams and direct reports  
Setting up a performance management system and developing expertise in appraisal  
Dealing with poor performers and high potentials |
| Team Building | Assessment of team culture  
Self scoring and analysis of what makes a cohesive team  
Team dynamics and interaction with other organisational teams  
Resolution of win-lose Team conflict |
| Culture Change | Defining global HQ culture  
Assessing regional or satellite cultures diversity  
Measuring organisational cultural components  
Explore the role of the line manager as innovator |
| Post Acquisition Integration | Smoothing the flow of integration between two cultures by creating a new entity  
Preparing staff for issues for resolution  
Equipping people with a common and shared language and means of communication  
Highlighting decision making processes and the managers role in the process |

Some key e-learning concepts
- Engage and Prepare the Learner before e-learning starts, set the scene using emails, posters or even stage events
- Have the e-learning be relevant to the learners situation – not just list of facts and figures
- Allow the learner to explore the e-learning and virtual situation – they are adults not children
- Provide realistic and intrinsic feedback related to the situation and scenario
- ’Tell and Test’ is about short term memory and doesn’t transfer to the workplace

simple actions of looking at company records to see whether your people comply with requirements. That’s why so many L&D professionals are disappointed and refer to e-learning as a tick the box exercise!

Of course, there is nothing fundamentally wrong with that but it would only take a little imagination to apply it to corporate growth strategies such as customer service, client retention, market penetration, competitive behaviour, continuous improvement etc.

2. What was the key motivation to using e-Learning?
It was motivated by the promises made for it by its suppliers in leading companies. Unfortunately, there is too little passion in many e-learning experiences. It can be used fundamentally as a transfer of information for many staff linked with reportable statistics on how many attended, the completion rate and whether it meets the required compliance with whatever standards or legislation.

The promises it failed to deliver are due to significant misunderstandings and misinterpretations of what it could achieve. We know it can deliver on its promise – you just need to think beyond the typical e-learning page-turner – it could, given the chance, be a real brand ambassador and a sales driver in terms of L&D and organisational change.

Research into effective e-learning delivery is sadly lacking. If performance improved after undertaking e-learning we need to know. Was the improvement because of or in spite of the e-learning? Nobody knew unless they had the foresight (and a large enough organisation) to set up a control group and do some serious research before and after the implementation of e-learning.

Unfortunately, cost still seems to be the driver for most businesses when using e-learning and the lowest cost provider wins the deal rather than the most innovative, learning behaviour specialists who can prove how their process can lead to significant leaps in performance improvement.

3. Does e-learning and its delivery equally provide large scale organisations with a competitive edge?
Of course it does – or at least it can. Large organisations can instigate distributed learning, and learning environments and bring the workforce together around the learning initiative. Done well, it fosters collaborative learning and sharing and then performance working.

Tailored for their needs – e-learning improves morale and helps people feel valued. Of course that isn’t to say that plain vanilla e-learning has no use. Unless you have a specific build or configuration of Microsoft Office for your company, then why not get an off-the-shelf training package? But you have to ask yourself – is this training and not learning? In some cases, it is no more than a step up from the Help menu but overall, it can nonetheless be useful.

4. What about ROI and how can it be measured?
We referred to this before and this is a key issue to make e-learning a powerful business tool. Instead of counting the
costs of learning provision in the simplest terms, L&D professionals need to sit down with purchasing managers and help them understand the real potential of effective e-learning design.

ROI can be measured in a multitude of ways. It usually isn’t measured at all though, and so many see no value attributed to e-learning – and often for good reason whether you have measured it or not. We can measure changes in attitudes, skills and knowledge and easily apply these measures to e-learning beyond the compliance box being ticked and indicating that the learner has completed all modules in order to comply with statutory – or other requirements.

E-learning can be used as the medium and the driver for performance improvements to be modelled, transferred and installed to increase and improve the bottom-line. We suggest it is relatively easy by increasing operation efficiency and reducing failure rate in products. Often, it can be focused on increasing customer satisfaction and service delivery – this again ultimately affects the bottom line in a positive way. E-learning can instil very positive attitudes, as long as learning objectives are refined to focus on developing more than ‘recall of knowledge’ but actual shifts in behaviours, values and mindsets. Too much ‘trivial many’ concepts of the Pareto principle rather than the ‘vital few’ business activities. We all know that motivated, knowledgeable and perceptive employees increase their individual and team contribution, and this gives companies a competitive edge.

5. Currently what are your views on e-learning in bringing about change and performance improvement in organisations? Treat e-learning as you would any other Learning and Development intervention; as an investment. Work with designers who understand the difference between behaviourism – and cognitivism. Even constructivism is possible too with the right e-learning. But also understand that this shift away from learned responses requires the six stage change model we use to span the e-learning, and be the top and the tail and only then is it going to happen. E-learning can and will deliver.

More purchasers need to understand how people learn and how behaviour is shaped and can change through e-learning. They need to understand the learning process in terms of acquiring and recalling information, creating and practising new skills and integrating new behaviours and attitudes into their style of communication and management. Currently ‘cost’ appears to be the chief criterion behind buying behaviour.

6. What is your opinion on the biggest challenges for purchasers of e-learning? It really is to do with suppliers of e-learning like us changing long established negative perceptions. I think that the purchasers of e-learning set out with the best of intentions only to find that those that are in charge of the purse strings simply see it as a way to spend less money. So learning and development can be three things – something you do to gain or retain competitive advantage or something you do because ‘the staff’ expect it or something you have to do to comply with standards etc. In the first case e-learning (for reasons we now understand and appreciate because of failing to define specific behaviours) failed to deliver so is used to a much lesser
on the relative contribution of e-learning to effective change management?

Any learning intervention should set out to foster change. But change happens when we take the learner through our change model based on Prochaska’s work and integrated with basic learning theory and Kubler Ross’s Transition Curve.

Designers of e-learning really should be practitioners in change management or work with those who do this daily. This is where true integration really bears fruit when the technical IT specialists, the behavioural scientists and the learning and communication experts come together. E-learning designed around an old template that worked in a different context will not be applicable. Every e-learning intervention needs serious research to define outcomes, processes and methods of assessing learning. Technologists cannot achieve this by themselves and need input from behavioural scientists or change makers. We have many views on the scope for improvement, in the design and delivery of e-learning. In terms of scope it is almost without limit. We believe it is not only important but practically a pre-requisite to initiating behavioural change. It is critical and has not happened except in rare cases when enlightened teams have been able to make it happen. The technical delivery of e-learning has become a huge industry to the point that it has overtaken the content of e-learning. This has imposed its own limitations and restraints but thankfully these systems (based on SCORM / AICC standards) are changing to the benefit of the learner and the instructional designer.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Learner Perceptions &amp; Behaviour</th>
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<tbody>
<tr>
<td>1. Pre-contemplation (not ready)</td>
<td>Not ready to start new behaviours and maybe unaware of their need to learn and change Encourage to think of the pro’s of learning Learners become mindful of changing behaviour</td>
</tr>
<tr>
<td>2. Contemplation (getting ready)</td>
<td>Self realization and are aware of the advantages of learning and behaviour change More committed to learning Understand what potential they could realise</td>
</tr>
<tr>
<td>3. Preparation (ready)</td>
<td>Take committed steps to learn and improve Understand the need to be better prepared for learning and change Self liberated from past behaviours</td>
</tr>
<tr>
<td>4. Action</td>
<td>Strengthen their commitment to learn and change behaviours Develop behaviour that is ‘self rewarding’ and aligned to the new behaviours and learning Integrate helping relationships with others</td>
</tr>
<tr>
<td>5. Maintenance</td>
<td>Stabilising and seeking support from others for the learning to become the norm Engage in new behaviours and seek feedback from others Self reinforcement of new learning and behaviour</td>
</tr>
</tbody>
</table>

7. What are your comments on the relative contribution of e-learning to effective change management?

Summary and final thoughts

Generally speaking, we believe that e-learning has never really achieved the status it could be awarded as a serious model for change. We referred to the ‘primary drivers’ of change being totally dependent on a communications and learning strategy to achieve its objectives which we refer to as ‘secondary enablers’. There is a lot of confusion about what e-learning can achieve, and its potential is nowhere near realisation in terms of equipping organisations and their people with the ability to learn and practise new behaviours. We believe that the behavioural competencies and capabilities of e-learning are far superior to the 95% of projects which currently occupy its agenda in most enterprises.

We have highlighted the key issues for those who are purchasing e-learning and hopefully demonstrated the flexibility that e-learning can play in bringing about organisational change.

Perhaps as a last thought, e-learning should also be thought of as ‘empowerment-learning’ because that is what is really should be designed to achieve – to give individuals freedom of action to enjoy and seek new innovative learning experiences – rather than just logging into a standardised learning modules. E-learning is much more than a lowest cost provision for boring repetitive programmes – it really has the scope if designed and delivered with verve, to shape an organisation and individuals within it to achieve their true potential.


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