



TOOLKIT 7 – WORKING ON THE BUSINESS

- ❖ **Significantly improve the performance of your business in all aspects.**
- ❖ **Use the wisdom within your business to develop it. It's free.**
- ❖ **Create a strong internal customer culture by removing blockages and disconnects internally.**

This toolkit is important because it is a generic one that can be used in conjunction with several of the other toolkits. It helps you to make significant changes to your business by dealing with the inertia and obstacles that usually block change, particularly in larger businesses.

The purpose of this toolkit is to harness the wisdom and energies of your people in order to improve the performance of your business by working **ON** as well as **IN** it.

Often Managers are so busy working **IN** the business, solving problems and putting out fires; they feel unable to spend the time working **ON** the business to improve it. The consequence is that they continue fire fighting and the business performance stays exactly the same or deteriorates.

In order to work **ON** the business and manage change effectively the following short reading should get you into the right frame of mind.

It is based upon the work of my friend Gerard Egan who has successfully helped businesses, all over the world, change over the past thirty years.

UNDERSTANDING CHANGE – A SHORT INTRODUCTION

- Change can be a messy process. Most people hate it, because it generally upsets their rhythm and even keeps them awake at night; little wonder many resist it.
- Many organisations also suffer from inertia and an inability to change and suffer several malaises including the silo syndrome i.e., competition rather than co-operation between departments and the overburdening bureaucracy that stifles rather than liberates them. When they do change direction they find it very difficult to bring the prevailing culture in line with the demands of the new strategy.
- It's no surprise to learn that 95% of all the radical products and services developed over the past 100 years have come from firms employing less than 20 people.
- That's the bad news, the good news is that if you understand and manage the dynamics of change, then it is possible to deal with the worst effects of inertia, culture, turf wars, egos and internal politics.

Let's look at some change issues in more depth:

1. 80% of discretionary change initiatives are abandoned as failures within 2 years. Discretionary change is where people perceive they have a choice – so they decide to stay the same.

However 80% of non-discretionary change initiatives succeed. 'We have no choice, this is serious, so let's get it done.'

So how do you position your change programmes as non-discretionary change initiatives? This process of working **ON** the business has been designed to do just that, so read on.

2. If you are to make change a success you need to deal with the blockages to the process. These are:
 - The top team believes that everybody needs to change but them ...
 - There is no process to empower people within the business to change.
 - People try to introduce the change through the existing command and control culture, which creates resistance.

This toolkit deals with these three blockages.

3. Very often the reward system sends the wrong messages to people – keep doing what you are doing. Therefore if you want to change the culture, then change the reward system.
4. The principles to make change non-discretionary, deal with the blockages and improve the business therefore are:
 - Top management must get involved and be positive role models for the change. As one wise sage said 'Watch their feet, not their lips.'
 - You need to harness the creative energies of your people to help you make the change.
 - Work with the people with energy and commitment. Don't try to change your dinosaurs from day one. They will either come on board or leave eventually.
 - Make membership of the change teams a voluntary process. Get buy-in from volunteers.
 - Make the change non-discretionary by:
 - Providing new information to the team i.e., conduct a customer survey and report the results e.g. this is how bad we are!
 - Creating a vision with them about how you want the future to be. Excite them in the process.
 - Communicating clearly the consequences to the business (and to the team) of not changing i.e., 'If we beat £10m profit I will put in place a share option scheme for everybody. If we don't then I will seriously consider the future for the business; that's not a threat it's the honest truth.'
 - Change the reward systems in line with the change i.e., if we beat £20m profit I will share 20% of everything over that with the team.

TIP: Do not keep the reward system the same regardless of performance, i.e., Senior Managers get their perks and rewards regardless of performance in some businesses, therefore change is seen as discretionary and does not happen.

Let's look at a live example of working on the business:

STORY – IPSWICH TOWN FOOTBALL CLUB

Ipswich Town Football Club uses this approach with all their staff, excluding players. At the first meeting David Sheepshanks, the Chairman, led off and got the whole thing going. He had 50 people split up into six cross-departmental teams.

The first session produced a staggering 60 improvement actions; some 24 were chosen as the most promising, and within a month 16 of these ideas had been put to the test and found to work – a success rate of 66 per cent (16 out of 24).

Now, 20 of the 50 commercial staff meet monthly to identify problems, come up with possible solutions, and then test out whether they work. The results are presented to the management group, which sanctions the changes needed. In this first year, the aim has been to improve customer service generally and to improve takings through 'cross selling' the services offered by the club. The use of the restaurant bar and function rooms has shot up. At the same time, the drive for sponsorship has been stepped up and many more season tickets sold than before. Ipswich Town Football Club has a set target of 80 per cent successful implementation and already they are well on the way to doing it.

Here's how to work on your business:

STEP 1 Get your people together. Explain that you are going to work as a team to revitalise, build, improve, change (pick your own phrase) the business and they are all invited to participate.

You are not calling in experts or consultants. You believe that the wisdom is within to improve the business and you are going to do it together as a team.

This initial meeting takes ½ day.

STEP 2

- Suggest the team break into groups of 4-6 people of mixed departments and disciplines. Let them decide the composition of the groups, but try to ensure that the 'cliques' don't work together. Provide them with a flipchart or large piece of paper and pens. Join a team as a member but don't lead it.
- Tell them it would be a great start if they could identify 20 areas for improving the business. Tell them to identify:

- things that they can personally take responsibility for improving e.g., getting 3 quotes when purchasing
 - team actions e.g., set up an internal Intranet to share good ideas
 - inter-team issues e.g., implement an internal customer charter.
- Encourage them to avoid external undoable factors like 'exchange rates in Korea' or the old classic 'if only management would ...'
 - Try to provide some live examples from your own business e.g., 'Fred suggested we manned reception over the lunch break to improve customer service, I thought that was a great idea!'
 - Ask them to write their ideas on the flipchart or paper. Make it fun. Act as a cheerleader.
 - Discuss and apply the rules of brainstorming:

Ground rules - an example

- No finger pointing
- Treat each other with respect
- Be really honest
- Take the actions you agree to
- Get the facts - no guessing
- Positive can-do attitudes
- Make it fun and exciting, an adventure not a trauma

EXAMPLE – BRAINSTORM LIST – IPSWICH TOWN FOOTBALL CLUB

- Sell services of restaurant, membership etc. at half time via loudspeaker.
- Move ticket sales booths to better position (under cover).
- Get each department manager to present their services to each other in increase knowledge of cross selling.
- Include all products and services including contacts in a special programme 'keep by your phone'.
- Sell restaurant facilities for special events including birthdays.
- Improve access to merchandising shop – six days a week.
- Employ telesales team to sell 'services to season ticket holders'.
- Etc. etc.

STEP 3 Get each team to present their ideas quickly to each other. Congratulate everybody. Sometimes people do not have all the data so they may need to do some further research or investigations. Encourage this process.

STEP 4 Ask the teams how they want to take their ideas forward. Give them permission to take actions.

STEP 5 Agree some ground rules for the follow up. Here are some typical examples:

- Teams to prioritise the actions, since they cannot all be done at once.
- Whole group to meet again in one month's time to report on success and progress in implementing the ideas.
- Make sure you agree to undertake at least one action yourself. You are the boss and an important role model. You need to demonstrate your commitment to the process in actions, not just words.

TIP: If necessary ask teams to produce a simple action plan for you to review – see example in 'Providing leadership' toolkit 5.

STEP 6 Groups implement their action plans.

- You offer support and help to remove any blockages.
- Show interest as they implement their plans.

STEP 7 Groups report back on progress one month later to each other.

Celebrate and reward success and learn lessons. Make it upbeat, positive. Say thank you and well done.

- Calculate the percentage of actions successfully implemented against the total planned. E.g., 20 actions planned, 16 implemented = 80% success rate. Anything over 80% is an excellent score.
- Make sure you complete your actions or the whole thing will die before your eyes.
- Your challenge is to keep the action taking above 80 per cent on a consistent basis

SUMMARY

Working on the business can create step changes. If you keep it going it can also change your culture into one of continuous improvement.

TROUBLESHOOTER

POTENTIAL PROBLEMS

SUGGESTED REMEDIES

Too many issues get identified, you don't want to be seen as prescriptive in selecting ones to work upon.

1. *Use a prioritising process i.e., voting.*
2. *Select some quick easy wins.*
3. *Pick some meaty ones and put others on the back burner for later on.*

Actions are not taken 'We are too busy ...'

1. *Be assertive. Make attendance at the reviews non-discretionary.*
2. *Make sure you take your action as a role model.*