



The Tricord

June 2006

The Future for the Service Sector and Call Centres

There is a striking parallel between the competitive dead-end reached by the classic production line in factories and the current development trends within the service sector, typified by the call centre. In both cases the issues are not the fault of the new technologies, but how management chooses to use them.

The Scientific Management-based efficiency model, when driven too far, failed manufacturing in the West. Technology-driven solutions, ignoring the real needs of the customer and the worker, led to gross inefficiencies and industrial unrest. Competition from Japan forced a major shift in strategy, processes, organisation and culture. In the 1980s and 1990s the spread of the 'Toyota Production System' and 'Lean Manufacturing' revolutionised factories across the developed world. It balanced the needs of customers, the human needs of the worker and the opportunities afforded by new technology. People formed cellular teams performing 'whole work'. Many of those that did not adopt the new way of thinking failed to compete and eventually closed.

A 'whole work' revolution, similar to that which hit manufacturing in the west, is about to hit the service sector. Currently many service sector offices, and most call centres, whilst seeking to have the lowest component cost actually create large hidden costs caused by customer frustra-

tion and desertion, fractured processes, staff stress, de-motivation and absence, and the hidden costs of unhealthy work and dysfunctional organisations.



Those organisations able to embrace 'whole work' in the service sector will ultimately out-compete those who cling to the current mind sets. Those making the shift to become integrated service organisations which are technically and socially balanced, with lean processes and which provide 'whole work for whole people', will gain a significant market advantage through flexibility, reduction of wasteful activity, improved quality and customer service, and increased staff motivation, retention and innovation.

For the full paper contact Irwin Bidgood on 01299 401273 or at irwin@tricordant.com

Welcome to the second edition of The Tricord, our short newsletter aimed at keeping you informed of our latest ideas and what we are doing.

Tricordant Events Programme 2006

You are warmly invited to one of our workshops on hot topics open to all our clients, associates and friends. They will be held in Reading from 10.00 to 16.00. Minimal cost. Contact any of the team to book a place.

Personal Wholeness and Health at Work 23rd June
Whole life balance and whole work for whole people.

Change at Work 22nd Sept
Whole systems approaches to personal and organisational change. Changing strategy, systems and culture in an integrated way.

Structuring A Charity

A case study describing the approach used and results from our recent project with a disabled employment charity is now available.
Contact Irwin Bidgood.

Tricordant's Team

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Recent Tricordant Assignments

National Innovation Centre: Tricordant have been commissioned to develop an organisational design and business plan for a proposed national Adoption Hub to support the take-up of innovative technology in NHS as part of the implementation of the DoH's Healthcare Industries Task Force (HITF).

Surrey and Sussex Strategic Health Authority: We have completed a high-level review of acute hospital configuration for Sussex in line with the recent National Leadership Network's report on future hospital models.

Prime: We have undertaken an organisational review to support this dynamic international medical education charity in its further expansion and development.

Bexhill and Rother Primary Care Trust:

Tricordant are carrying out a strategic review of Bexhill Hospital to develop a coherent development plan within the changing context of the local East Sussex and national NHS.

Brunel University Business School:

We have recently delivered a well-received 2-day elective module for MBA students on organisational design and change, as well as lecturing and contributing to other modules.

Manchester Academic Clinical Partnership:

We have provided support to SQW in undertaking a major economic and social impact analysis of the relationship between the University of Manchester and 6 local NHS Trusts.

Wholeness as well as Leanness

Lean Manufacturing's full range of principles and tools can lead to a total reshaping of an organisation; its purpose, systems and culture. This is the paradigm shift that makes Lean outstanding when it works as a whole. Benefits are then measured not in mere percentage terms but by twofold and threefold improvements. The challenge is in achieving such 'whole systems' improvements when Lean is applied to a specific manufacturing business in unique circumstances, with different processes, structures and rhythms.

It is immediately apparent simply by walking into a factory when Lean has created a whole systems set of improvements. The full transformation can be seen and felt. The place is tidy, the processes efficient, there are no piles of work-in-progress, and the people are empowered by a renewed purpose and culture. Everyone will be proud of the achievement and feel that they are contributing to the impact on the bottom line. There is simply a buzz in the air.

In spite of its impressive range of tools, Lean does not apply fully to every manufacturing organisation, nor does it always create such a whole systems change. This is especially so in those enterprises operating outside of Lean's original home

ground of automotive, electronics and consumer goods, in areas such as pharmaceuticals, chemicals, aerospace, defence, process industry, food, capital goods and engineering projects. For many companies it is not appropriate or possible to apply the full set of principles and tools. In others the enthusiasm of management for quick cost-savings has led



manufacturers to apply Lean in a piecemeal, tool-based way. The aim has been to 'do Lean' rather than create the paradigm shift within the organisation as a whole.

It is obvious on walking into an enterprise where Lean has only been applied in part, and the paradigm shift has not occurred. There is still something tantalisingly missing. The teams themselves work well enough but the whole thing still has days when it feels like a misfiring engine. People still don't really get any great

satisfaction out of their jobs. There just isn't the confidence that were you to rev the engine the vehicle would accelerate smoothly away. A radical change in purpose and culture has simply not been inspired. The benefits are patchy and unreliable.

Tricordant's approach to transforming organisations provides a language and tool set for businesses to achieve a whole systems change where a paradigm shift in purpose, systems and culture happens. It provides the framework to apply the right set of Lean tools, to spot the gaps where other tools are more appropriate and to realise where sector-specific solutions or innovative new approaches are needed.

The Tricordant approach combines 'Wholeness' and 'Leanness' and has been shown to be beneficial in already 'Leaned' sites as well as those currently 'Leaning'. It can deliver an initial 10% to 30% improvement against a spread of key performance measures. The organisation then has the conditions set for 'whole systems' levels of improvement and for a much healthier future.

For the full paper contact Simon Thane on 01558 823927 or download it from <http://www.tricordant.com/pdf/lean03.pdf>.

Organization Design Forum

Designing for Sustainable Growth, April 2006



Three of us attended the annual international conference of ODF in Charleston, the beautiful historic city in South Carolina, USA.

It was a very stimulating and interesting conference, gathering together about 80 leading organisation design professionals.

There were particularly interesting sessions including Jay Galbraith on "Designing the customer-centric organization"; Robert Simons on latest thinking from Harvard Business School on "Designing high-performance jobs" and Marc Gerstein on "Avoiding risk-blindness in design—lessons from Merck to Hurricane Katrina" as well as a number of stimulating smaller sessions.

We were privileged to be able to present on international manufacturing networks [for more details please email simon@tricordant.com].

The Tricordant Health Day - Reading

This was an open workshop with people having a cross section of skills and experience from the health sector and beyond. The free format made it a stimulating and interesting day. Presentations included: the NHS Productivity Challenge; the 'ISIP' project mapping all change initiatives for each Strategic Health Authority; and a report on Designing the NHS Adoption Hub. The latter was about whole systems structures for the uptake of new technologies. Learning points that emerged from the day included :

- The Private Health Sector faces many of the same issues and challenges as the NHS. The same demand and purchasing environment triggers the same problems.
- Many of UK Health's problems are issues of scale.
- The whole systems challenge in the UK is turning the great elephant into a herd of gazelles.
- The historic flip-flop between decentralisation and centralisation in the NHS was due to the building blocks being too large so that any unit was an amalgam of parts that must be centralised and parts that should not.
- Whole systems thinking engages all these areas and provides solutions!

For further detail contact Alastair Mitchell-Baker on 0118 9426826 or alastair@tricordant.com