

Case study : Business Effectiveness

“This case study describes an approach used in World Transport Agency with excellent results. We are a company of 100 people, now more effective individually and as teams.”

Gerry Lawler, Managing Director.

Introduction

The Directors considered that the staff in WTA were very busy – but not as effective as they could be.

The brief was to stimulate all the managers to think about:

- ❖ The commerciality of their approach;
- ❖ The way they manage their work priorities;
- ❖ The team’s work priorities;
- ❖ How these relate to the company’s priorities as a whole.

The challenge:

- ❖ What does ‘being an effective business’ mean?
- ❖ How do we achieve business effectiveness?
- ❖ What affects our personal effectiveness?

The approach:

- ❖ We (Obsidian Consulting) were engaged to explore these issues with each manager in individual discussions.

What does ‘being an effective business’ mean?

We established that the commercial aim of the business is:

To operate the business minimising risk, optimising profit, sustaining stability -- and growing.

We explored the extent that each manager believed that they were involved with the key levers and aspects that affect the success of their business.

In relation to each area we looked at a variety of issues related to the business operation.

For example:

- ❖ Order intake and output, customer relationships, cash flow, profit and loss and asset management;

- ❖ Technical, financial and commercial risks along with legal, regulatory, governmental requirements and Acts of God, plus the risks relating to personnel;
- ❖ Costs of operation, optimum levels of efficiency, market influences and marketing by influence were examined;
- ❖ Finally, the stability and growth of the organisation were discussed and the means of achieving this included reviews of products, the market, the people working within the organisation and the current and available technology: *and* the plans relating to all these areas for the future.

The opinions expressed by the managers during the discussions were summarised in charts. These demonstrated whether they believed they were engaged - directly or indirectly - or not at all - with the key performance levers of the business.

The results showed a very high level of personal engagement across the business units, particularly with the customer facing members of staff.

Are we achieving business effectiveness?

Each manager was asked to think of an occasion where a situation had gone wrong, or the desired outcome had not been achieved. This was most often either a selling situation or a ‘difficult customer’ situation.

In each case we were able to explore what happened, what could have happened and how the outcome could have been transformed.

It became clear that in almost all instances the ‘missing component’ was a soft management skill – and most frequently this was communication.



Case study – Business Effectiveness

After exploring the various scenarios each manager agreed that:

Effective outcome = technical competence x management competence

They also agreed that if a key management skill is low the outcome will be low - in other words the organisation and the person are operating at less than optimum level.

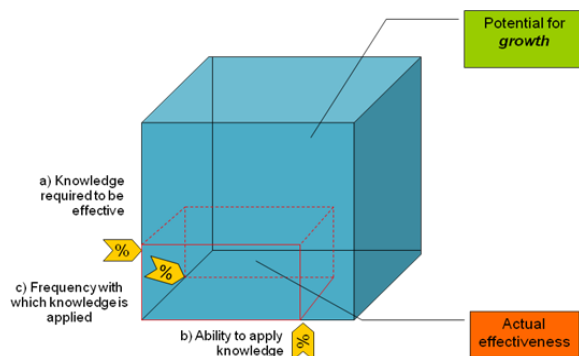
What affects our personal effectiveness?

To explore each manager's awareness of their own effectiveness we carried out an initial survey. This set out a number of questions under the headings of:

- ❖ Knowledge
- ❖ Ability to apply knowledge
- ❖ Frequency of applying knowledge (i.e. how often do we put into practice what we know?).

The aim of the survey was to stimulate thinking about what enables individuals to be *effective* in business. Using the answers each manager had given as a starting point the following approach was explained and developed.

Effectiveness - 'a volume'?



Effectiveness can be observed and considered as a volume.

One of the managers was a hot-air ballooning enthusiast – he understood well that the size of the balloon determines how easily and effectively the balloon lifts off and flies. Hence a powerful analogy for business effectiveness.

The 'volume' in the business sense is the interaction of the three key components – knowledge, the ability to apply knowledge and the frequency of applying that knowledge – leverages competence and, consequently, effectiveness.

Using this approach with each manager resulted in an understanding of the potential for developing and growing their skills – and those of the people working in their team.

Usually we ask ourselves questions to understand how well we are doing – in this case we asked the questions to identify potential for further growth.

We discussed Pareto's rule. Usually we think of this rule as identifying the 20% effort that gives the best 80% result.

In this case we turned the question the other way round. If we are achieving 80% of knowledge required, knowing how to apply that knowledge and actually applying that knowledge when the opportunity arises – what potential is left?

The result is surprising in terms of the volume - 48% is left to grow into! Turning the question around got the managers thinking about the space they could move into – what could be considered if they did not limit their thinking of what is achievable?

This modified each manager's perception of job satisfaction, achievable outputs and the potential for advancement.

Result?

"My team secured more opportunities with less apparent stress during the Summer peak season than in previous years."

Tony Butler – Operations Director

This assignment stimulated and motivated the managers to understand 'commerciality' in a broader way. i.e. to see how they could positively influence the commercial success of the business.

All the managers agreed that using this approach would enable them to become more 'effective' and hence the business to increase competitiveness considerably.

Going through this process has encouraged each manager to examine their own effectiveness and how effectively they work with others. As a result how they can improve their outputs for the benefit of themselves and the business.

For further details please contact us.