

Confront inferior organisation

Competitive product design is difficult and complex: achieving the optimum balance between functionality and cost; seeking innovation while fully exploiting existing synergies; ensuring reliability from the new and radical; harnessing the potential of the organisation to the opportunities of the customer. Little wonder that a range of tools and disciplines have evolved to help the designer in getting those balances right.

It seems strange then, to consider that business design¹, which is often more complex and critical than product design, should be undertaken largely without the benefit of similar disciplines and tools. More often than not, the design of a business remains static well past the point at which it would have been competitively advantageous to change; and only eventually changes following decisions that are largely bereft of the rigour applied to product design. Perhaps it is unsurprising that so many organisation changes fail or fall short of their potential.

The idea of applying the same rigour to business design as to product design is not a new one. As long ago as the end of the 19th century, Frederick Taylor applied some of the concepts then in use in product design, to radically improve the production performance of a steel plant. The result was so dramatic that the technique spread rapidly. However, because



Design: for products (or businesses)



¹ Business design is the conscious configuration of resources, facilities, alliances, systems, people and methods to efficiently fulfil current and future business opportunities.

Chapter 3

That evening, Richard poured over the outputs from his meeting. In the pattern of the diagram he could see a number of stickies around which the whole diagram seemed to hang; pivotal objectives from which it appeared possible to derive the whole of the rest of the chart. Richard looked at them more clearly. There were seven of them, and together they captured all of the lines that went from the bottom to the top of the chart. Each of them appeared to make the sticky notes above them inevitable, and the sticky notes below them essential. He could see that together they represented the real objectives of his organisation.

The more he looked at the Why-How chart, the more he felt excited by the words on the page and how they linked together. He could see success written in the pattern. It all hung together in a form of symmetry that engineers find beautiful, and it would make Cylek UK work.

He used to get the same feeling when he poured over the concepts and proposals for a new design. It was almost an instinct that told him what would work and what would not.

The parallel struck a chord in him. What actually was the difference in designing a business from designing a new product? Thinking about it, it struck him as odd that designing a business was essentially more complex and important, but that designing new products was undertaken with more objectivity, analysis and care. On reflection, he felt that this was wrong, and he began to wonder whether he could not apply some of the design tools with which he was so familiar to his current situation. Clearly, the design tools would have to be modified to engage the whole of his management team, but that should be possible. He settled down to work out how.



By late on Thursday evening he had developed a clear plan for his team to work on the design and development of Cylek UK. It would start with defining a clear specification; working up each of the objectives into measurable targets of success. Then he would get his team involved in using design tools that he had found successful in his own design career, in particular one called QFD, to establish exactly what Cylek UK was

of the value set at the time, the impact on the people doing the work did not feature significantly in the design objectives. As our values evolved, the conclusions arising from Taylor's work were seen as dehumanising, but instead of re-running the design process with revised objectives, the whole design process fell into disrepute. Essentially, the baby was thrown out with the bathwater.

What happened was akin to abandoning musical notation, because of 'The Birdie Song'!

Since then, the mindset appears to have developed that if we want to retain 'soft' objectives we have to avoid 'hard' methodologies.

This is patently not so. Rigorous design approaches have delivered us increasingly people-centred products. From the Avent baby bottle to the Stannah stair-lift, the 'softness' you deliver at the end depends upon the objectives you put in at the start. The 'hardness' only comes in taking full responsibility for the conclusion. The issue is really one of our own preferences and prejudices. For as long as we can convince ourselves that innovative, humanistic, inspirational, radical solutions can only be produced by liberated, free-wheeling, unconstrained activity, we can justify avoiding the disciplines and duties that we would prefer to do without.

Subconsciously, we often equate discipline with constraint, and we confuse our conclusions with our identity. But discipline can force the exploration of new avenues, and the most constrained of people are often inspired to the most radical of solutions. Necessity *is* the mother of invention, and invention *is* 1% inspiration and 99% perspiration. Good



The great enemy of the truth is very often not the lie - deliberate, contrived, and dishonest - but the myth - persistent, persuasive and unrealistic.

John F. Kennedy
Thirty-Fifth President of the United States



... by chance you will say, but chance only favours the mind which is prepared.

Louis Pasteur
French chemist

going to do to deliver those targets. He had his whole plan worked out, including detailed agendas for each of the sessions with the management team. He felt confident and alive. This was going to work. He had the same feeling he had about his winning designs.

Happily, he packed up his case to leave for home. With luck, he would be home in time to put Nicholas to bed.

Just before he left, he checked his e-mails. One caught his attention in particular. It was direct from Cyrus Lerejecks, copied to Frank Delaney. It read:

Review of Cylek UK operations.

Following the recent downturn in the performance of our UK operations, the Board have agreed to undertake a full review of our Gloucester facility. To this end, we have appointed Ms Lucy Derring to join you from 5th March, for an undefined period. Her brief is to identify and oversee the implementation of improvements at Gloucester. In this capacity, she will report directly to me. Lucy has done some excellent work in a number of our other facilities over the last ten months, and I am sure you will extend to her every courtesy and assistance. Cyrus

Richard went cold. He read, and re-read, the e-mail over and again. Surely, there was a mistake. He could not see how such an arrangement could be tenable. Who exactly would be accountable for what in practice?

He wondered why Frank Delaney hadn't warned him of this – Frank was his boss after all. Was this really coming direct from the Old Man, or was it simply Frank covering his ass?

He telephoned Frank, but he was in Wichita. He would not be contactable until tomorrow. He toyed with the idea of telephoning Cyrus, but that would be rash. He needed to be much better prepared for that call.

He put the telephone back down, leaving his hand on the receiver, undecided as to what to do next. So, Daniel had had the inside track again! Damn!



The news of the imposed trouble-shooter threw Richard's mind into turmoil. It was a cruel twist of fate that at precisely the time he was becoming confident that he really could change things, minds on the other

disciplines¹ ensure that the necessity and the perspiration are held in balance to generate the real quality of conclusion.

Whether your subject is a product or an organisation, the disciplines of an effective design process will ensure that the conclusions you reach are the best available, in all aspects, hard *and* soft.

The concept of business design

So, what actually do we mean by design?

Whether for organisations, or for products, design is essentially the basis for deploying objectives. In product design, a top-level specification is broken down into the performance requirements of individual components, and ideas are combined until there is confidence that those performance requirements can be fulfilled or exceeded. In business design, top-level goals are broken down into the performance requirements of the various areas of the organisation, and options developed until there is confidence that the performance can be delivered.

The effectiveness of the design is determined by the quality with which the objectives are broken down, to guide the selection and combination of winning solutions. This is true whether we are considering a new washing machine, the mix of business to achieve global presence, or the development of a new appraisal process.

¹ The disciplines themselves need to be designed if they are to be fully effective in this. Design tools are a proven example of such design.



Middle managers make nothing but the organisation

...

Earl Shorris
from *The Oppressed Middle*
(Anchor/Doubleday, 1981)



If, as the quote above might suggest, your sole role has been 'making the organisation', what tangible evidence can you claim as to the quality and productivity of your efforts over the past year?

.....

.....

.....

.....

.....

.....

.....

.....

.....

.....

side of the Atlantic had clearly concluded that he could not. Or had they? The whole picture was so unclear.

Richard struggled over the following week to retain his enthusiasm for his plans, but as he explained them to his team his words sounded hollow, his commitment eroded by the uncertainty of the new arrangements.

“Where does Lucy Derring fit into all of this?” asked Peter, when Richard had finished outlining the plans for moving forward. “Supposing her agenda is totally different? Shouldn’t we wait to see what she has to say?”

The whole group watched Richard in rapt attention. This was the question in all their minds. All of them wanted to understand what Lucy Derring’s appointment would mean, and none of them wanted to waste time on activities that were going nowhere.

Richard looked steadily back at them. He was not sure that he had an answer to that question. All he knew was that he did not want to dance to someone else’s tune when he had a good tune of his own. He did not know if, or how long, he would retain control of his company, but he felt sure that the easiest way to lose control was to have no clear ideas himself. And then a thought struck him. “Ms. Derring will not just be reviewing the situation here, she will also be reviewing us. Make no mistake about this. It is one thing to have a company with problems. It is something altogether worse to have a management team that is not doing something serious about them.”

In the silence that followed, Richard looked intently at each one of them. Andrew and Susan nodded back at him, but others bowed their heads and looked away. Richard was not sure why. In hindsight his argument seemed pretty compelling.

And then Daniel, looking back defiantly, put the concealed reservations into brutal words. “Richard, she will be far more likely to be reviewing you. It’s too late to mock up some sort of master plan now, and frankly if she’s going to be reviewing my work I’ve other areas I’d prefer to invest in than saving *your* ass!”

There was an audible intake of breath as people looked at Daniel, shocked. But Richard noticed that no-one was leaping to disagree with Daniel. He looked back at them, and defeat seemed to creep into his bones.

Peter took a more conciliatory approach. “Richard, we really won’t be able to do anything worthwhile in the few days that we have. Let us keep

Design, as a discipline for deploying objectives, works well because of the rigour it demands.

- The needs of the design are fully analysed to provide clear objectives, which are then tested with the 'customers'.
- An overall system is developed to deliver the objectives, and is broken down into logical subsystems to aid analysis and planning.
- The potential for each part of the system to deliver the objectives is explored, and performance targets set for each.
- New ideas and creative options are sought, evaluated against the performance targets, and combined into solutions, which are refined and proven through analysis and experimentation.
- A balanced solution is formulated to make optimum use of existing resources and to fully leverage new ones.
- The conclusions are fully tested against the original objectives.

Each element of the above list is simply a means to establish a contract for fulfilling the objectives. As such it is every bit as appropriate for business design as it is for product design.

The illustration on the next left-hand page explores how this works in practice.



On a scale of 0-5 (5 being best), how well did your most recent organisational change fulfil the bullet points on the left?

0 1 2 3 4 5

0 1 2 3 4 5

0 1 2 3 4 5

0 1 2 3 4 5

0 1 2 3 4 5

0 1 2 3 4 5

What would have been the result of moving to the right on each scale?

.....

the plan you have proposed, but delay starting on it until we know what is going on. This woman will be here on Monday, and then we can see what she has in mind. There is nothing to stop us picking things up again as soon as we know.”

Most people nodded at this, and Richard sensed he was not going to get any further. Clenching his teeth he nodded assent, and then watched as his team filed out of the room, the meeting clearly at an end.

Susan hovered toward the back and as she passed Richard, she paused, looked at him and said quietly, “We still have the plan, and that is almost as good as being three days into it. Added to which it gives us three days to paper over some of the other cracks.” Then she moved on without waiting for an answer.

‘Papering over the cracks’; Richard considered the statement with derision. But Susan was right, and he had some cracks of his own to paper over, and he would be damned if he would let this Derring woman in close enough to see the join.



The morning of Lucy Derring’s arrival came quickly. Richard leafed through the pile of papers in front of him, but his eyes just went through the motions. His mind was somewhere else. He had got nowhere with either Frank or Cyrus in reversing the decision to send Lucy Derring, and now the infernal woman was camped outside his office door. He knew he was being childish, making Lucy wait, but he really resented her arrival and his options to express the fact seemed very limited.

Ten minutes after their meeting had been due to start, Richard finally gave up his charade, and buzzed Helen to show Lucy in.

Lucy was almost exactly as Richard had visualised her to be: young, slim, attractive, blonde, self-possessed, cool and dressed immaculately in a business suit. The image only served to reinforce his prejudices. He felt anger rise up again inside him, and he vented it by directing his attention back at the papers on his desk, continuing his game and thus forcing her to make the first move.

She walked up to the edge of his desk without hesitation, thrust out her right hand and said “Good morning, Richard!”

Stage 0: We start our design process with an organisation that is largely headed in the same direction, but where there are differences in the detailed interpretation of what that means. This creates conflict and confusion, which leads to loss of enthusiasm and wastage of effort.

Stage 1: The overall direction is clearly and unambiguously defined in terms of a quantified vision, which is tested against the market and the shareholders' aspirations.

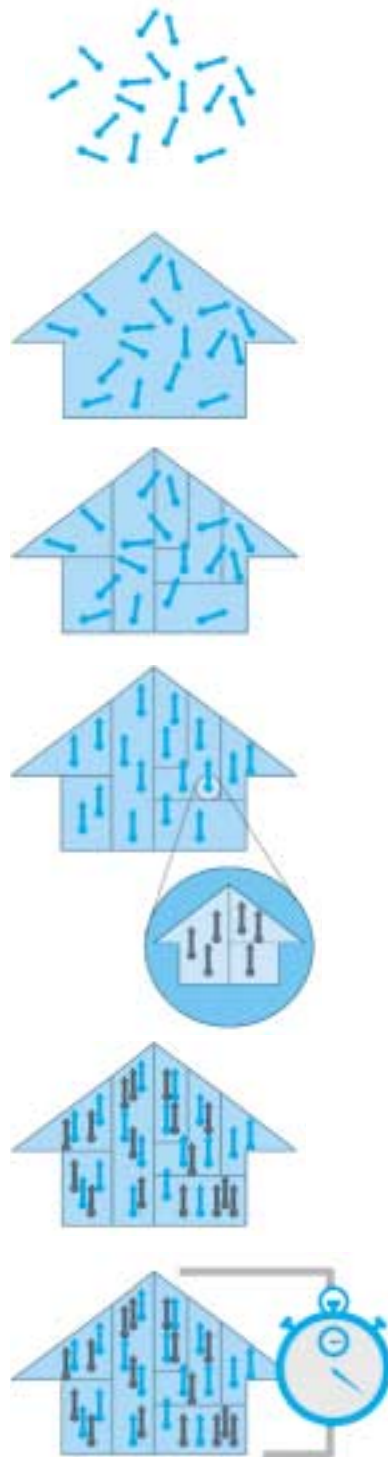
Stage 2: The organisation is divided into logical 'components', each of which needs to play a distinct role in ensuring the vision is fulfilled.

Stage 3: Each 'component' reconsiders its activities and performance against its new role, and realigns itself to what is now expected of it.

Stage 4: Where a 'component' is complex, they may need to repeat Stages 1 to 3 locally in order to ensure all their targets are aligned.

Stage 5: Each 'component' harnesses all of their resources in pursuing the targets they have agreed with the rest of the organisation, and employs new and creative solutions where there are short-falls.

Stage 6: Overall progress is regularly measured, and used to refresh and reinforce commitment to the overall strategy, and to identify where the logical model needs to be improved.



Richard delayed his response just long enough to be rude. He flicked through another page, before standing up, peremptorily shaking her hand, and responding in an aloof tone “Muzz Derring, please take a seat.” It sounded more like an instruction than an invitation.

It seemed clear to Richard that this was to be a power struggle, and currently he had the power, and he wasn't going to roll over and play dead for anyone. The chairs were all neatly arranged around Richard's meeting table, but Richard sat back down behind his desk and resumed his charade of flicking through papers. Lucy appeared to take this in her stride. Her face showed no sign of irritation, or of it being 3am by her internal clock. She simply picked up a chair and brought it over to face Richard's desk.

As soon as Lucy had sat down in front of his desk, Richard picked up his pile of papers and moved over to the meeting table. Lucy hesitated, still sitting in front of Richard's desk. And Richard began to feel that he had gone too far. A sense of shame began to intrude on his annoyance. This was not like him. It was not worthy of him. What was he doing?

But Lucy simply picked up her chair again, moved it back to the meeting table and said: “I'm sorry, it's the jet lag! I get a bit confused,” and then sat attentively, waiting for Richard.

The meeting was short and predictable. Richard remained cold almost to the point of rudeness. He made it clear that the review was unnecessary, and that on no account was it to intrude on the smooth running of the business, or on the progress of plans already in place to address performance issues.

Lucy remained calm, conciliatory and pleasant, noting Richard's objections and concerns in her file. Lucy had clearly been here before! She worked hard to understand the detail of Richard's concerns, drawing him out, and making copious notes. Richard recognised the technique, but Lucy appeared totally sincere in what she was doing, and gradually Richard became calmer and even a little more open.

When Richard had run out of steam, Lucy introduced her agenda. She slid a sheet of quarto paper across to Richard. It was a memo from Cyrus Lerejecks to Lucy, and it was headed ‘Objectives for Review of Gloucester Facility’, and on it were the following bullet points.

- Understand major factors in current performance issues

The quality of business design depends on the quality of each step. Design methods have developed to ensure that each step can be undertaken methodically and confidently, to maximise the effectiveness and efficiency of the final conclusion. Many organisations will claim that they undertake these steps, but the quality of the methods they use are suspect, and this is borne out by the levels of conflict and inefficiency (often unseen, or worse still, accepted as inevitable¹) that remain in their business.

Planning to design the business

Business design, as we have shown, is an important, perhaps vital, task that should be undertaken with discipline and rigour² if it is to fully achieve its potential.

But not all business design takes place at the same time, or at the same level of the organisation. For business design to be effective, it needs to be undertaken where the best information exists to support it effectively. It also needs to be undertaken at the best time to make full use of that information.

To ensure that these things happen effectively requires careful planning. Time needs to be scheduled into existing work patterns and commitments, and attuned to existing planning and budgeting cycles.

Effective business design therefore involves management throughout the organisation. Every manager needs to be involved in the configuration of their specific areas of responsibility and knowledge.

1 Waste and conflict are only inevitable to the extent that poor design makes them so.

2 Discipline and rigour are commonplace concepts in practically all professions, and yet they sometimes jar when we consider them in terms of management. Could this be because traditional approaches to management are amateurish?



"I think we may need a little more clarity around step 2"

Every moment spent planning saves three or four in execution.

Crawford Greenwalt
President, Du Pont

- Work with management team to ensure strategy and effective management approaches to meet end of year performance targets
- Establish effective program of continuous improvement in line with Cylek standards
- Recommend further changes as required.

The final sentence on the memo clearly stated that Lucy was expected to report progress and findings, weekly, direct to Cyrus Lerejecks, according to the Plan of 18 February.

"What plan?" asked Richard abruptly. Lucy slid another quarto sheet in front of him. On it, a series of blue rectangles described how tasks would be completed in various timescales, and black diamonds set deadlines for various reports and deliverables.

Richard poured over the plan. The timescales were very tight, but even if they had been incredibly loose, Richard would have said what he said next. It was his means of negotiation. "There is no way we can do this!" he exploded.

Lucy remained calm. "What exactly?"

"Well, any of it!" responded Richard. "It will totally disrupt our schedules!"

"We can change the timescales," said Lucy, "but whatever we agree will have to be approved by the President."

Richard had to admire her strategy. She was presenting herself as a calm helpful ally. Her bottom line was anchored in the authority of the Old Man himself, and if Richard wanted to change that, he would be negotiating with Lerejecks. Very clever. He turned his attention back to the detail of the plan. He explored each task, and drew out the details. Each time, he would listen to her response and then, like a dodgy plumber, he would suck air through his teeth and shake his head, and move onto the next point.

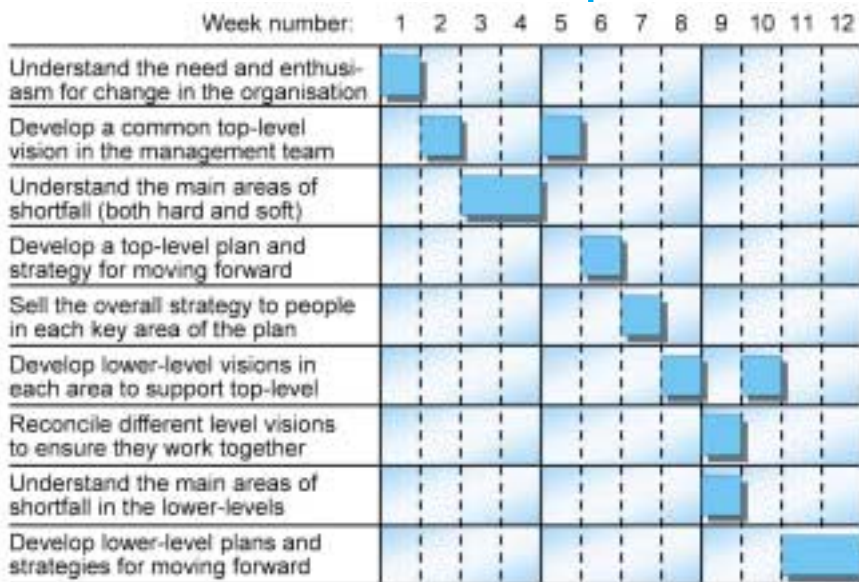
Finally he sat back in his chair and said: "Clearly there are some practical details to be sorted out. Be back in my office at 8.30am tomorrow morning with a detailed breakdown and we will review how we might take it forward then."

He got up to walk back to his desk, the interview clearly at an end and Lucy's composure almost broke. She had been told that Richard Frewer was a good man who just needed a bit of help. She had bent over back-

This has both advantages and risks. On the one hand, effective involvement of the whole management team can ensure a well informed solution that has the commitment of all those needed to make it happen. On the other hand, the involvement of the whole management team can prove an unwieldy distraction that disrupts existing work and creates confusion. The difference lies in the quality of planning for management involvement, and the determination of:

- when a manager's input is most appropriate
- how the background/context is sold to them
- the way in which they are encouraged to contribute, and how conclusions are reached
- how their conclusions are accommodated in the overall model, and how they are involved in implementing the conclusions.

The diagram below illustrates an outline plan for achieving this.



wards to enable him to show that side of his character. And he had just thrown it back in her face. There was no way she was going to play this game of submission and dismissal. She had seen it before: no involvement, a request for more detail, rejecting the conclusions, and being sent away to redo it. She could stay in that cycle forever.

What was her next approach? She had not prepared for this. Did it mean that her meeting with Richard's management team was now off for this afternoon? Was she to be held outside on a string?

Then a thought struck her, and she replied: "Good, I have an agenda for this afternoon's meeting that will deliver just that!" And she stood up quickly and walked out before Richard could gather his thoughts to reply.

As she closed the door and stood in the corridor she leant back against the doorframe for a moment and looked skywards for strength. She was infuriated! The sheer gall of the man!

She looked across to Helen, who was busily typing a document into the computer, and used this scene of normality to reset her frame of reference, and to regain the neutrality she needed to do her job. When she had fully recomposed herself, she approached Helen to find out what office arrangements Richard had put in place for her. On current showing, she half anticipated a broom cupboard in a separate portakabin.