



## RELEASING THE GOOD IDEAS IN YOUR ORGANISATION

Research shows that more than 90% of improvement ideas come from staff working within a process or from an organisation's customers.

There are a wealth of ideas and opinions amongst any group of people, and if you can harness these objectively, you could have a winning solution. This is where Facilitation comes in. By definition, facilitation is "to free from difficulties or obstacles". We can all do with some of that occasionally!

We've all been in meetings where we feel frustrated that there has been no positive outcome or clear actions to follow, or only a heated debate when there is a conflict of views. Quite naturally, many people think the chair of the meeting should also be the facilitator, but this is not always the case.

To be a successful facilitator takes a certain skill and mindset – and both real and perceived independence and impartiality.

The facilitator is there to ensure a productive group process – perhaps brainstorming a new idea or discussing the latest employee appraisals. The facilitator's role combines elements of Leadership, being an un-biased Referee, a Mentor and a Challenger of Ideas. In short, the facilitator intervenes in an effort to ensure that the group

works as a constructive and cohesive unit, while helping them to produce innovative solutions, which resolve the issues at stake.

It is the job of the facilitator to release the energy and knowledge within the team and to harness it, having the team's objectives clearly in mind, and guiding and supporting the team towards their achievement. This often involves becoming a catalyst or a stimulant when the flow of ideas seems to be in danger of drying up, or the team appears to be going up a blind (unproductive) alley.

Facilitation usually entails encouraging, even reassuring those who may be shy about contributing, as well as reining in anyone who is over-talkative, in order to allow others air-time. The facilitator views the team passively, encouraging everyone to contribute, regardless of position or relative importance in the organisation, recalling that the team may include senior managers as well as more junior administration staff. The facilitator's ability to referee the group will allow all participants to feel that they are making a valid contribution.

However, of at least equal significance, this egalitarian approach is intended to ensure that no idea is missed. Rank does not have any prescriptive right to produce great ideas; indeed, many of the best ones come from the front line in the workplace...if anyone is listening! The facilitator ensures that there is someone listening. By using different techniques, and perhaps using short team exercises, the facilitator can help break down barriers, freeing up the team to recognise a common goal, and steering it to produce a winning solution.

This is where the real value of Facilitation comes into play, ensuring that any possible solution is talked through by all members and ratified by all of them as well. The facilitator ensures that an idea is not bulldozed through simply because its originator is the most senior or talks the most! A solution which is the product of everyone's involvement and agreement means that time will not be wasted afterwards, going over the subject again due to objections not having been heard and discussed properly in the first place.

Successful facilitation means that all involved feel valued and believe that they have contributed to the solution. This is absolutely key to organisations which are trying to implement new ideas and change. Without buy-in by the people directly involved, attempted change will simply end up in preservation of the status quo.

ValueAdding staff are highly experienced in all aspects of group and team facilitation. We have developed hundreds of in-house facilitators over the years, using our proven training and coaching programme.

If you need more facilitation in your organisation, please contact Alastair Watson at [alastair.watson@valueadding.com](mailto:alastair.watson@valueadding.com)

**The very essence of leadership is that you have a vision.**  
*Theodore Hesburgh*

**Failure isn't falling down. Failure is not getting up after you have fallen down.**  
*Richard Nixon*

## STRATEGIC PURCHASING - Buy Buy or Bye Bye?

Sadly, in the world of business, politics as much as commercial necessity dictate current thinking. We have all experienced the merry-go-round of "new" philosophies, with each function being put in the spotlight as each business methodology becomes fashionable. Over recent times, in purchasing, we have seen Best Value, Outsourcing, Partnering, Supply Chain Management, and E-procurement. Each major corporation has come along with a strapline to reflect and highlight its latest programme. It is, however, debatable whether such programmes have necessarily been developed within the strict bounds of a corporate strategy.

Most appear to have been created as a tactical approach to address a particular set of circumstances. The 'solution' staggers along until made redundant by the next business crisis. For

example, in the late 90s, GE Lighting ran a programme entitled Global 5, a cost-down initiative, designed to save 5% from suppliers year-on-year. This became, for a short while, Global 10, as pressure intensified to achieve more spectacular (but unrealistic) goals in the business. Sustainable? No! Global 10 became history. Why then should Strategic Purchasing be seen as anything more than just another passing initiative?

The best answer comes from John Smith, Strategic Purchasing Manager of the John Crane subsidiary of Smiths Industries.

**People can be divided into three groups: those who make things happen, those who watch things happen, and those who ask, 'What happened?'**  
*John Newbern*

"Strategic Purchasing must be seen as a key alliance within the corporate strategy. Its contribution to profitability is paramount in enabling the business to gain competitive advantage in the market place. Whereas Tactical Purchasing was synonymous with placing and chasing, Strategic Purchasing will, with clearly

defined objectives and with skilled people, manage a much broader spectrum of activity. At its heart Strategic Purchasing will be responsible for developing and managing a supply base aligned to support continuous improvement and sustainable business growth."

To have a long term approach to procurement is easy on paper but difficult to apply in the real world. So why do it? To quote Ray Bedford, Managing Director of the Purchasing Agency, and former Procurement Manager for Yorkshire Water, "Purchasing is becoming more and more closely defined. Everything, except those items related to the true core business, is being outsourced."

The Supplier has become an integral part of the Purchaser's business. To quote John Smith again, a strategic approach means that "You (The Buyer) help Suppliers focus on your own business."

What then is required, in the purchasing function, to achieve a strategic approach?

Firstly, the business culture must be that way inclined, with total support from the Board of Directors and a procurement regime represented on the top management table, where decisions can be taken which will influence the whole business.

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Any mid and long term plan must have clearly defined sections stating objectives for the purchasing function and these must support all the core business needs.

Secondly, procurement professionals require key functional skills to deliver a Strategic Purchasing agenda.

These are:-

- Planning
- Market Research
- Analysis
- Communication
- Negotiation
- Process Mapping
- Benchmarking

A short explanation is required, in order to place a small amount of meat on those bones.

Planning is a necessary business evil, laborious and time-consuming, perhaps, but absolutely essential. Remember that execution at speed is

important to the success of the plan, but flexibility to adapt the plan to changing business climates is also a must.

Market Research, traditionally the preserve of marketing, is now important in the global market place where new economies are developing new sources of supply.

Analytical skills must be honed, not only to access the detail driven into the business through market research, but also to cope with ever changing day-to-day variables, such as exchange rates, shipping costs, commodity prices, labour rates etc.

Communication skills, to develop links both externally and internally, are not the preserve of the sales function. The other side of the commercial coin must fully understand the power of communication in any relationship, but even more so in a strategic context where long term benefits are the goal.

Negotiation skills are required in all commercial arenas, and in a strategic approach should never be

adversarial. Negotiations must be conducted on an ever more subtle level.

Process is the key to re-defining the relationship between buyer and seller, and the ability to map this is important to the implementation of Strategic Purchasing. The goal is to create processes that flow efficiently through the seller's business into the buyer's, continually adding value.

It is essential to know where you and your suppliers are commercially. Benchmarking affords this opportunity, by comparing various drivers across markets, functions, processes or businesses.

To conclude, Strategic Purchasing, fully applied and taking into account quality, cost and service, will recommend Best Practice solutions, ensuring cost-effective use of in-house equipment and resources, with the result that the business, as a whole, gains competitive advantage in the market.

If you'd like to know more about Strategic Purchasing, please contact Eddie Engel at [Eddie.Engel@valueadding.com](mailto:Eddie.Engel@valueadding.com)

# CREATING AN IMPROVEMENT CULTURE

Stakeholders are demanding year on year improvement - more, they are demanding evidence that next year will indeed be better than this. In turn this means that we need to have a visible culture of persistent and consistent improvement.

This holds true whatever the audience – whether it is an Audit Commission assessment in a Public Sector organisation or a stock market analyst making a visit to a plc.

We are often asked for help in achieving this intangible yet palpable nirvana! In fact the steps to achieve it are easy. Applying these steps persistently and consistently, however, is the measure of true leadership.

The trick is for the leadership to provide a

framework that the whole workforce can use when they are proposing or implementing improvements. However, the framework alone will not have the desired effect. There also needs to be positive support for the people involved in improvement initiatives.

In our experience, the key elements of an improvement framework are:

- *A clearly stated vision and direction for the organisation – By “vision” we do not mean one of those mealy-mouthed motherhood statements, but a simple, clearly stated intention of the direction that continuous improvement will support;*
- *A clear statement of the key principles that must be applied to any changes – Again, these can be simple, such as “using the minimum of space, time and resource in any area of our business”;*
- *The ground rules for instigating change – These will include a statement about financial constraints and approvals before proceeding.*

In addition to this framework there needs to be proactive support, coordination and facilitation for any initiatives that are proposed

“Nothing at all will be attempted if all possible objections must be overcome first.”

Samuel Johnson

for implementation. It is usually most successful where an improvement facilitator has the ear of the leadership team as well as the energy and skill to support the improvement teams.

The primary reason for this infrastructure is to ensure that employees have the ability to make their own informed judgment on whether their proposed change will win approval, and will move their organisation forward.

Continuous improvement will stop in its tracks if employees propose change and are

prevented from implementing it for reasons that are unclear and are not transparent. In our experience, employees will understand and accept a project being put on ‘hold’ due to lack of funds, or because other projects have priority. However, they will not tolerate rejection if they perceive that the rules are being made ‘on the fly’.

The best chances of sustaining your continuous improvement programme and keeping your organisation's critics at bay, will come from having a clearly understood direction and a framework within which to work, nurtured by a well-trained facilitator.

If you'd like to know more about our approach to Continuous Improvement, please contact Roger Cooper at [roger@valueadding.com](mailto:roger@valueadding.com)



## Paul O'Reilly

Paul O'Reilly, who recently joined ValueAdding, has a wealth of experience supporting IT implementation in both Local Authorities and commercial organisations. He learnt his trade with ICL and Logica, working on CRM, Operational Workflow and Back Office Systems.

He says, “Many organisations buy software (CRM, Financials) first, and plan to re-engineer their processes second. Users are dismayed by this approach, because they are:

- *Forced to accept tight “go-live” timetables;*
- *Constrained by the thought that their re-engineering ideas might not work with the new software;*
- *Unwilling just to automate their existing processes, warts and all.”*

Paul has experience of assisting clients in just this situation, helping them to re-engineer their processes, and ensuring that they exploit the functional opportunities provided by the new software. You can contact him at [paul.oreilly@valueadding.com](mailto:paul.oreilly@valueadding.com)

## Competencies

At ValueAdding.com “We help clients to respond to customer requirements by improving their processes and costs through the skills of their people.”

### SUBJECT AREAS

#### PROCESS REDESIGN

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#### CUSTOMER RELATIONSHIP MANAGEMENT

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#### SKILLS FRAMEWORKS

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#### CHANGE MANAGEMENT

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