Sample applications of Magus Networker

NB The brief case studies do not necessarily apply to any of the sample applications and clients listed.

Magus Networker

Sample Clients	
BP Exploration	Cadbury – South Africa
General Accident	Citibank
Anglo Gold - South Africa	General Motors
Union Bank of Switzerland	An NHS Regional Authority (2)
Italian State Rail	British Transport Police
RAI – Italian State Broadcasting	British Road Services
Surrey Police	Xerox UK
INAIL – insurance company in Italy	Mazda cars UK
Metronet Rail	Kent Police
Police Foundation	Italian State Rail
Commune di Udine - Italy	Commune di Trento - Italy
Essex Ambulance NHS Trust	Staffordshire Police (2)
ENEL – Italian State Electricity Authority	Welsh Office
DTMX Army Logistics Unit	IDV - division of Grand Metropolitan
Autovie Veneto - Italy	Farming Cooperative – South Africa

Sample applications

Problem: The corporation was facing a high and increasing level of the introduction of innovative technology, at the same time as the organisation having become excessively bureaucratic. Levels of organisational inertia were high and new competition, from smaller companies, was threatening the survival of the business.

Result: The dominant role of two departments, not concerned with technology acquisition, was identified, along with a disconnect between these and the rest of the organisation. After much debate, involving people from many parts of the organisation, four major streams of work were identified, and resourced by 'small armies' of volunteers. Many blockages to the adoption of new technology were uncovered and removed or minimised, and the competitive position of the business improved. Previously suppressed innovations were released.

Problem: The General Manager of an NHS Trust was concerned that a perceived lack of team working across functional boundaries was a potential source of a reduction in standards of patient care. He was also concerned that there was a lack of focus in the management team on identifying and fixing organisational problems, of which the 'team working' issue was but one example.

Result: There was a major lack of communication between Ward and Community-based Nurses about patients' care needs, caused by a small group of Consultants regarding information as a source of power. The two groups of nurses fixed the problem themselves, acting informally. The Clinical Director expressed surprised when the management team pointed out the evidence that he was not acting as a senior manager. He was persuaded that his desire to be a researcher did not justify his Director's salary. He agreed to change the focus of his attention, including sorting out the power issues involving the Consultants. The two groups of Nurses, supported by other staff, rejected the Executive's strategy for change, on the basis that it was radical enough. A re-worked and extended strategy got their unanimous support.

Problem: Over a period of time, the company's performance in managing its forecasting, ordering, manufacturing and distribution network had deteriorated to the point where both sales, costs and customer service were all suffering. The major concern was that, having a product with a limited shelf life, getting levels of stock in Distribution that were higher than needed by the market resulted in stock write-offs. If levels were too low, then customers could not get the stock they ordered, and needed to satisfy there own customer demands.

Result: Small variations in the accuracy of Sales forecasts had resulted in a degree of 'second-guessing by Marketing. Where the second guess proved to be no better, over time, Production Planning started second guessing the Marketing forecast. When the Production output did not meet Distribution's need to meet customer orders, a complaint went through to Sales about their forecasts. Discovering the drift in the numbers contained in their forecast, Sales started 'adjusting' their forecasts to compensate for what they though was simple drift. This generated a whole new round of second-guessing, which ended up having a life of its own. Making very explicit what was actually happening drove management action to simplify the whole forecasting / ordering system to eliminate the possibility of second guessing. Stock losses and back-listed orders both reverted to normal levels.

Problem: The company was a major player in the energy industry. There HSE function had become regarded as one of the leaders in its field. The Head of HSE had, however, become concerned that compliance with rules had become a driver of behaviour in the operational units, more than seeking a safer working environment. The role of HSE was seen as police officer, and not one of adding value. Two years before the Networker intervention, a new initiative was implemented to shift the focus from compliance to value-added to the business. The Networker application was designed to establish the degree to which the initiative was successful, and what was needed to complete the shift.

Result: The review identified areas of great success, and a priority listing of areas where more attention was needed. More importantly, the work to complete the process was jointly agreed and set up between HSE and operational people during the Networker workshops - a cross-functional programmes, as distinct from HSE acting alone. A important and unexpected side effect, that also developed through the workshops, was a challenge to long-held assumptions about what produced safety in the industry. A new focus on engineering design resulted in a sharp drop in the number of reportable incidents over the next 5 years.

Problem: The company provided financial, insurance-based products to two main markets. The first was major manufacturers of high-ticket-price products. These were sold to end-users by the manufacturers under their own brand names. The second was through over 22,000 small dealers direct to end users. These were sold under the financial services company's own brand name. New EU regulation meant that the major manufacturer market was going to be opened up to much competition. It was in this market that the company had become the market leader, largely based on extreme levels of customer service, providing highly customised products. The company was weak in the 'small dealers' market, which was where the future the future growth potential existed. The MD doubted the ability of the organisation to handle the degree of change implied in the needed change of focus.

Result: The dominance of certain non-sales and non-marketing functions was demonstrated. Similarly, the extreme level of customer service survived only because of the superhuman efforts and achievements of one individual in Operations. This was evidently not sustainable under the new conditions expected within two years. Sales and Marketing developed a new, menu-based system for customising quotes and new packages. This took about 90% of the effort out of that stage of developing new business. The MD changed his own pattern of intervening with key accounts – this provided much-needed time and space for Account Managers to negotiate more standardised deals. Finally, the most courageous decision made was to take no new orders from anyone for a period of three months. This allowed both a new database system to be installed and to enable the new, menu-based system to be setup and tested with impacting on key accounts.

Problem: The client was a county police force, with a recently appointed Assistant Chief Constable. One of his major concerns was an apparent confusion within the management teams of operational divisions about the role and contribution of HQ functional departments. Seeing an opportunity both to clear up the confusion and rationalise the HQ structures, (with a possibility of cost saving), he commissioned a Networker application.

Result: The workshops that routinely accompany Networker projects revealed all the sources of confusion between operational units and HQ, as well as clarifying the exact nature of the problems. A number of revised supplier / customer relationships were worked out during the sessions, based on two-way processes where each member of pairs of parties were both supplier and customer. A side effect, that was not expected, was that a complete layer of management was removed from the organisational structure, as the only identifiable role for that group was that of 'internal banker'. As was noted, this job could be done by a relatively junior employee from the Finance department. The cost savings were substantial, as the people

concerned were used to staff functions that otherwise would have meant additional recruiting.

Problem: The company was in the business of designing and building engineering products that were sold to other manufacturing industries. Over a period of time, the company had gained considerable competitive advantage through its ability to get innovative new products to the market, on time and in budget. This left their competitors in the position of always playing catch up. The problem was that in the two years before the Networker project was implemented, new products had started to arrive in the market both late and over budget. The competitive advantage was rapidly eroding, and the drop in performance had resisted all conventional attempts to fix it, including a couple of goes at re-engineering the NPD process.

Result: All the information generated demonstrated that the NPD process was generally in good shape, with Marketing driving it, as hoped. There were, however, high levels of frustration and wasted energy devoted to trying to implement 'house rules', known as 'compliance with protocols', that had arisen through the company's efforts to meet the requirements of a variety of new employee H&S and product liability legislation. The difficulty stemmed from the fact that the protocols had been written by a small, dedicated department in the company head office, whose members had little appreciation of the realities of R&D, product testing and manufacturing. What evolved through the Networker workshops became known as the 'zero references metric'. All departmental heads in the engineering functions in the organisation had the same target – 'no references under any of a list of regulations. Hence safety became a line responsibility, and the HO department was disbanded. Rapidly, the NPD programme got itself back on target.

Problem: Another county police force was facing a demand for an increased presence on the streets, to combat higher levels of burglary and robbery, especially by youths, at the same time as the requirements of new legislation coming from the Home Office demanded an increase in resources in support functions. Needless to say, at the same time, there was downward pressure on budgets. The new Chief Constable, who had used Networker in another force to help develop a new IT strategy, applied Networker methodology to the problem.

Result: The Networker application demonstrated high levels of duplication between functions, gaps between functions and resources applied to processes for which there was no identifiable customer – internal or external. The workshops revealed that this condition was generating a significant degree of frustration among those officers who felt, quite correctly as it turned out, that they were engaged in roles which had no real purpose. The net result was approximately 220 police officers returned to operational policing, with a consequent improvement in crime management. Hence the winners were the community, the organisation and the officers who returned to what they had joined the force for, in the first instance – to make a difference.