



STAY AFLOAT

The economic iceberg has hit – will your organisation and its projects navigate out of danger or founder in the depths? Perhaps these radical times demand radical solutions, says Professor John Beckford.

OVER THE LAST 20 YEARS, with substantial increases in public spending and growth in the private sector, it has been possible to improve efficiency through an incremental, continuous improvement approach.

But in 2011, such incrementalism will not suffice. A bold and radical approach is required if the public sector is to protect services while dealing with cuts of £81bn and the commonly dependent private sector is to remain financially viable.

In only a few weeks, the spending cuts for public services will begin to bite and this will have significant consequences for all – public service, private business, social enterprise and charity. The changes can neither be ignored nor prevented – they are happening and we must deal with them.

The fundamental shift required is from bureaucratic, command and control, supply-driven organisations to agile, highly autonomous, customer-driven organisations.

Fiddling about with the organigram (organisational chart) is not enough; delayering, consolidating and improving the process are merely deckchair shuffling on the Titanic. The ship IS sinking – deal with it!

Let's start designing the organisation with a sense of its purpose – the need it exists to fulfil and that is meeting the needs of the customer or service user. That means starting our design with the customer, NOT the chief executive! We can then work backwards from the customer and eliminate or reduce all those aspects of the organisation: and there will be many that add less value than they do cost.

For the most part we know the volume of a service that is required to provide the service. We can determine how many 'front line' staff we need and how much they cost. If we distribute decision-making and the information needed to make those decisions, we can grant those individuals the maximum possible autonomy to do their job

and minimise the amount of supervisory or managerial overhead required.

That is where we will save money – not on the front line, but on the management of the front line – and often in the management of the management (and the management of the management of the management).

Organisations that have done this, and many have, save in the order of 25 per cent to 30 per cent of their costs – enough in many cases to close the funding gap. When we know how much we need to spend to look after the customer, what is left in the budget is what we have to spend on managing the process and meeting customers' needs, which is, after all, the point of the organisation!

More radical thinking is also required for project managers, who are often responsible for delivering the changes in service, implementing changing technology and embedding the new, smaller organisation.

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■ John Beckford is an independent management scientist, author and Visiting Professor in the Department of Information Science at Loughborough University. He works with clients in central and local government, private organisations and social enterprises.

CHALLENGING TIMES

John Beckford is one of the key seminar speakers at Project Challenge who will be putting forward thought-provoking ideas to help project professionals take a proactive role in shaping the future for their organisations.

Procurement, change governance, harnessing team skills and knowledge to improve project delivery and new models for working are among the free seminar topics, illustrated with cross-sector case studies and demonstrations, and laced with a useful mix of top tips and discussion.

"Across the board, project and programme managers are being challenged to come up with innovative thinking and solutions to address the

very real issues being faced today," said event organiser Richard White.

"Even where the picture is improving, such as the recent encouraging increases in UK manufacturing output, the pressure is still on for different ways of doing things that will have a lasting and beneficial impact long after the worst is over.

"By bringing together some of the best and sometimes controversial thinking with the latest developments in tools, solutions and services, Project Challenge is there to support those who want to meet these challenges head on!"

Project Challenge takes place at the NEC, Birmingham, on March 30 and 31. For further information and to register for the free seminars, visit www.projchallenge.com