
Implementing a Commercial Business Culture

British Telecom

A Coote Harvard Case Study

Implementing a Commercial Culture:

The Starting Point

The telecommunications business climate was changing rapidly, and customer knowledge and expectation continuing to rise quickly. Within the company, demand for service improvement had preceded an anticipated increase in customer expectation. Prior to the introduction of Commercial Business Units, the cultural perception and general experience of interacting with the engineering side of the company was largely negative and lacking in customer focus.

The field technicians were considered by the rest of the business as 'letting the side down' in not providing the levels of customer service expected and sought. The result was a demotivated, demoralised and frustrated workforce. Some technician teams were dysfunctional and angry, perceiving that they were not listened to or involved in discussions with management. They felt pushed around and poorly directed in their work.

The work management tool exacerbated the problems of isolation and perceived lack of control by providing one job at a time and removing much of the contact previously enjoyed with other team members. It was blamed for all manner of problems, rather than adjusted to serve better.

Managers also felt demoralised, through lack of authority and the difficulty of making sustainable changes happen in such a large team. 'It's no use, we won't get anywhere' was a common cry. Culture change was not seen as their responsibility, though they suffered the effects of low motivation in their teams.

They were unconfident about the commercial aspects of management, and felt inferior to colleagues in similar functions in other industries who frequently seemed to have far greater financial and customer-related responsibilities.

Performance information that could inform decision-making was not readily available, though most felt inundated with data and demands for performance improvement. Processes were controlled and written but procedures were frequently worked around rather than followed.

The predominant management style was authoritarian, with little need perceived in broadening the scope of skills and behaviours. In this climate, gaining the benefits of further service improvement was an elusive goal.

Field performance in productivity had not improved in reality for several years, despite considerable efforts and investment to encourage and promote change.

The Future

Changes were needed at a business unit level, altering the cultural paradigm as perceived by management teams.

From

We are succeeding in a competitive world but our hands are tied.

We have some major service issues that we don't want the public to become aware of.

We are not keeping up with the changes demanded of us and feel like we are at risk of sinking.

We are fire-fighting and find it hard to take a strategic view.

We don't have time to solve all the problems we have.

We don't know the real cost of running our business.

We are working hard to streamline our processes.

To

We are organised in an effective way to meet the marketplace demands.

Future demand is welcome. We can cope with it.

Our mechanisms allow us to be flexible to new change & increased demand.

We know our cost and profit structure.

We know our customer base and where our profitable business is.

We are confident that we are running our business well.

From the perspective of people within business teams, the cultural paradigm was interesting. People felt disempowered and undervalued: a situation that needed to change. General perceptions within the wider business were that field technicians were not particularly hard working or willing to change. Systems and procedures contrived to view them as resources to be allocated to increasing volumes of work, rather than as individuals who influence customer perception through their work.

From

Technicians are not important enough to involve in the management of the business

The business is a large entity that I cannot influence.

I must not try to be different & stick my head above the parapet.

'They' are always trying to squeeze us and cut costs.

If a technician is any good, they become a manager.

Training is a waste of time.

Management courses just don't relate to my job.

To

We are responsible for the commercial success of the patch we belong to.

I can influence change in my patch.

I am a confident, skilled and valued employee.

I am fully involved in playing my part to run our business effectively.

Our team is proud of our record in meeting the differing demands of all our customers.

Our technicians do a good job and can be trusted to act in the best interests of the company.

We learn through our mistakes, implement solutions for improvements.

The company had been evolving since privatisation some years before, and a succession of initiatives typified the continuum of change. Among many, these included Performance appraisal, Values, the Teamworking concept, Total Quality Management, A Leadership Programme, Involving Everyone, Work Management Tools, Mobile Field manager programme, and Corporate Scorecard introduction. The intranet became a well-developed, popular and well-used tool for receiving company information, and email was in constant use when working with others. Many of these tools, however, were still not available to Field teams who had been bypassed during implementation and lagged behind office-based teams. There had been many changes of director, and two recent changes at CEO and General Manager level. Early Voluntary release schemes had been in operation for several years, and were continuing, creating a climate of uncertainty and continual change.

Within the UK Operation, Divisional response to the raft of corporate initiatives was piecemeal, with the story of company responses to the changing business environment uncoordinated and largely untold, resulting in lack of clarity and frustration for employees. The introduction of the Balanced Scorecard in 1995 began the process of co-ordination by introducing the concept of holistic business management and reducing the singular focus on financial performance.

Implementation

The Commercial Business Unit model was designed as a management system that could be easily explained and understood and used by all employees to run an efficient business at local level. It was known as a Customer Service Team. The concepts of personal control, responsibility, relevant information and authority underpinned the model, and proved to be motivating for managers and technicians alike.

Success in introducing such dramatic change in an old and firmly established culture depended on the local managers and their teams making and managing the changes themselves, in their own words and through their own actions. Consequently, effort focused on the managers, who were carefully prepared for their role in making the paradigm shift, and for the specific tasks that would help them do it

Management systems were altered and information assembled to support commercial operation within business teams, and manager education started early to allow time for Business Teams to establish.

Dynamic change events were developed to intensify the learning experience, and tailored by each manager and their facilitator to fit their specific team situations.

Results

Response to the events programme was very positive, with people at all levels feeling excited and empowered to make changes themselves. The release of frustration was evident, as teams began to picture how they could improve the way they worked, and to coordinate their new actions while maintaining their current performance within the established business process.

Teamworking was used with skill with managers and in mixed teams of managers and technicians, with the benefit of effective planning around shared goals visible to all.

Motivation improved as people began to contribute ideas for successful plans and actions, and see them accepted by their managers for implementation. As business team performance information became available, managers and teams gained greater clarity about the direct results of their policies and actions, driving more informed decision making.

Their early and relatively unsophisticated attempts at achieving new team goals became confident and streamlined, which in turn, increased people's commitment to the success of their business team.

Individual business team performance continues to improve through a vehicle that encourages information, communication and response for People, Customers and Shareholders. This foundation has enabled teams to develop increasing degrees of self-management, and provided a mechanism and process for introducing future large-scale change.

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