LEANING TOWARDS EFFICIENT COMMUNIC

What effect can the use of lean management tools have when deployed for the client by a provider as part of the FM service model? ***Martin Read*** talks to Vinci Facilities' Gary Codling about his company's approach and how it works

OBJECTIVE

STRATEGIES

TACTICS

Poor communication is seen as the defining point of failure for many FM service contracts; a slow build-up of resentments that suddenly crosses a line at which point the client-provider relationship is effectively over and can never recover.

Yet while the communication capabilities of individual managers have a significant and often critical role to play, contract structure, and the extent to which a client's strategy is tied to service performance, is similarly important. One approach to tackling the perennial problem of slowly souring relations is to work on a 'one team' approach, meshing the service contract to a client's strategic aims by organising performance and review along lean management principles.

For Vinci Facilities and its performance director Gary Codling, the use of Hoshin Kanri as a bedrock for the company's own distinct approach to lean management has become key. Perhaps less well known than other lean management models, the Hoshin Kanri strategic planning process is Japanese in origin. ('Hoshin' and 'Kanri' translate as 'direction' and 'administration' respectively.)

It's a way of working that the company introduced four years ago, notably in its arrangement, in partnership with Mouchel (now WSP), with Lincolnshire County Council. Key to its success is,

naturally, client buy-in. Codling describes Lincolnshire County Council's Kevin Kendall as "a very progressive, collaborative client who really believes in the (Vinci/ Mouchel-Lincolnshire) partnership".

Vinci has since introduced its own Hoshin Kanri variant (dubbed VMOST – 'Vision Mission Objectives Strategies Tactics') – to other contracts including Renault Nissan and the Canal & River Trust.

MOST efficacious

The 'big idea' behind Hoshin Kanri is that people perform best when they have a purpose; when they are aware of how what they are doing is important to their organisation. VMOST takes this thinking and introduces it into a model to be used for the client and provider relationship, bringing a client's overall strategic objectives into the discussion about the service support necessary to meet them. This, naturally, involves the good old 'intelligent client', one keen to open its own team up to become part of the system of constant waste elimination and process improvement.

Says Codling: "Applying the principles enshrined in Hoshin Kanri, and in particular using the VMOST methodology and toolkit, has been a key factor in enabling us to engage our management colleagues, both internally and within our clients' teams to design the tactics that deliver the strategic intent of both organisations."

The idea of the VMOST is that it's a logical pyramid or priorities to show the service provider's alignment with the client's overall organisational vision, says Codling. "We see that as a fundamental success and a great start to forming that collaborative culture."

This approach, Codling continues, encourages middle managers to be "the agents of a change programme that is fully aligned to the strategic intent". This, he says, is a "far cry" from descriptions of middle management made by change managers and consultants of their being "a difficult layer to penetrate – particularly when trying to engage the entire organisation in a cultural change programme".

Middle management can be where the problems in a contract lie, says Codling.

"You can end up having two layers of middle management, one each for contractor and client, so you have a kind of 'man marking' that stems from a feeling of a lack of control. You've outsourced, you're trusting someone else to perform the function – but you're still responsible for delivery of the service within your organisation."

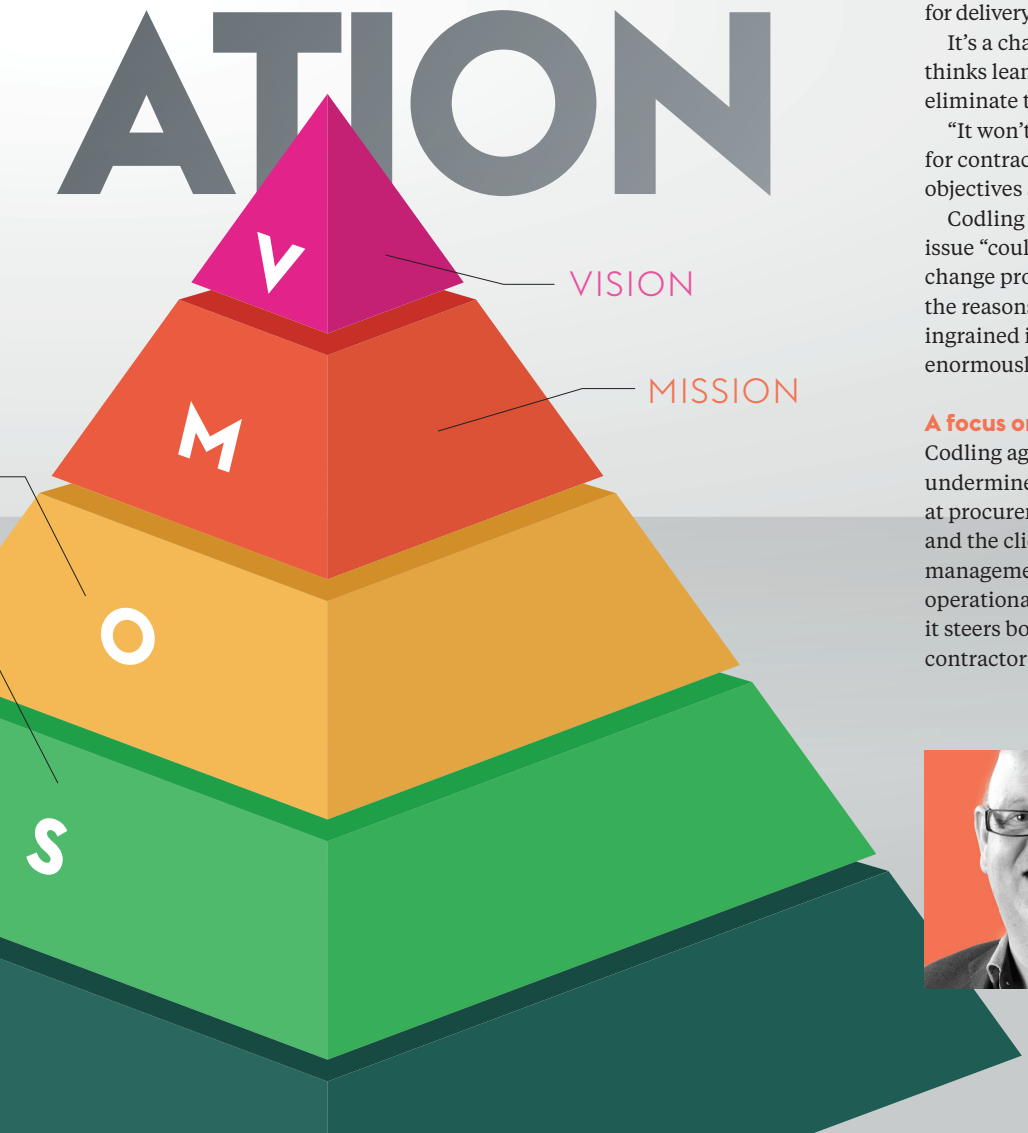
It's a challenge for many organisations, but Codling thinks lean models such as VMOST help to gradually eliminate this crossover of middle management roles.

"It won't matter so much whether you are working for contractor or client, just as long as there is clarity of objectives and of purpose."

Codling thinks the dualling middle-management issue "could be one of the reasons why so many strategic change programmes fail to get executed. And it's one of the reasons why lean enterprise thinking has become ingrained in our way of working; it has helped us enormously to engage our teams at all levels".

A focus on integration

Codling agrees that when FM service contracts are undermined it is typically because of the disconnect at procurement stage between the operational client and the client's procurement department. The lean management model, by contrast, forces a very open operational relationship between client and contractor; it steers both parties to recognise, for example, the contractor's need to make a profit on the contract



Gary Codling has been involved in the VMOST model since its inception. He suggests that the use of this Hoshin Kanri variant in contract talks with potential and existing clients can open doors to wider discussions. "What we're finding is that even though organisations will obviously still market test in some way, the strength of the relationship generated through working in this way means we are getting into second, third fourth generation contract conversations."

方針管理

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while simultaneously bringing managers from both client and contractor together to discuss collectively how to meet tactical goals. The obvious aim from the service provider's perspective is that these focused levels of integration will have such an impact on communication between parties that the procurement of contract extensions becomes based much more on the operational relationships at individual team unit level then simply overall contract management level.

One other interesting effect of FM service contracts being matched to lean management models such as VMOST is their potential, believes Codling, to flatten differences between private and public sector service drivers.

"We often talk about the private sector as having different drivers to the public sector, but the adoption of this (Hoshin Kanri) approach forces us to open our team up to focus, for example, on being more socially aware, while client teams in the public sector can perhaps be opened up to a bit more commercialism."

It's quite the claim for what is after all just a model for communication, but after four years of developing the VMOST model Codling is convinced that its potential is vast.

"This isn't our invention," says Codling, "but I do think we could change the market with it. We've been doing this for four years now and it's penetrating deep into our organisation.

The VMOST/Hoshin Kanri concept is a template than can be adapted from client to client, and from operating model to operating model. Indeed, Vinci Facilities now has its own corporate VMOST chart, broken down and applied to its business units, then sectors, projects and individuals.

"We're all good at coming up with strategies, but we can struggle to execute them," says Codling.

"What's needed is a genuine desire to collaborate. You certainly can't do is use this if you're not delivering on your basic promise, the fundamental FM service". FM

LEAN THINKING: THE HOSHIN KANRI APPROACH

Perhaps less well known than other lean management models, the Hoshin Kanri strategic planning process is Japanese in origin.

The aim of Hoshin Kanri (also descibed as 'policy deployment') is that an organisation's strategic goals are met through progress at every level within that organisation, the aim being to eliminate the waste that results from inconsistent management and/or poor communication. It breaks activities down into three key components – the goals of the company (Strategy), which are aligned with the plans of middle management (Tactics) and work undertaken by all employees (Operations).

The immediately obvious first step is the definition of strategy, and the goals to be met to address these strategic aims. Senior and middle management then agree these, following which 'tactics' are then developed, to be implemented by middle management and assessed between both senior and middle management on a regular basis. At the 'coalface', operational managers then work to put in place actual actions to meet the aforementioned goals.

For Vinci Facilities, what sits against each of these 'tactics' is an enabling action plan (EAP), which defines the outcomes that determine what success looks like. This sees objectives placed against each tactic together with the actions to be taken to meet that objective. The objective for that tactic, and then the actions you going to take, are defined. These are reviewed monthly and via both quarterly and annual review to check against progress.

Vinci's use of its VMOST model on its contract with the Canal & River Trust. Vinci has helped the trust to introduce lean management working beyond its contract with the organisation.