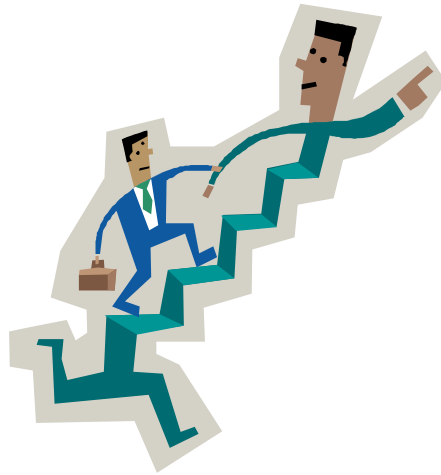


Chartered Management Institute
Diploma in First Line Management



Meeting Stakeholders Needs

Unit 3003

Candidate Name: Jamie Reeves

Organisation: Openreach

Tutor Name: Valerie Brown

Date: 20th April 2009

CMI Registration Number: 4158695

HISTORY OF OPENREACH

“Openreach” work on behalf of Communications Providers. Our job is to look after the wires that connect homes and workplaces to the local telephone exchange, where Communications Providers’ national networks take over.

The key purpose of my role as a Field Service Engineer is to Provide or repair communication services / network to end users on behalf of Communication Providers meeting contractual obligations in a professional and cost effective manner and working to Openreach Network Quality Standards.

CONTENTS

Planning to meet Stakeholders needs	Page 3-8
Continuous improvement	page 9-11
Managing change	page 12-15
Bibliography	page 16

PART A – PLANNING TO MEET STAKEHOLDERS NEEDS

Introduction

According to www.businessdictionary.com the definition of a Stakeholder is a Person, group, or organization that has direct or indirect stake in an organisation because it can affect or be affected by the organisation's actions, objectives, and policies. Key stakeholders in a business organization include creditors, customers, directors, employees, government (and its agencies), owners (shareholders), suppliers, unions, and the community from which the business draws its resources. Although stakeholding is usually self-legitimizing, all stakeholders are not equal and different stakeholders are entitled to different considerations. For example, a firm's customers are entitled to fair trading practices.

Customer Focused

Customer Satisfaction remains the most important differentiator for Openreach. Customers have become more demanding, more knowledgeable so it is vital to know what our customers want in order to succeed. We have to deliver exactly what we have committed to our customers. We have to do it right the first time and we have to do it when we promised. If, unfortunately, something does go wrong, we have to tell our customer and we have to fix it quickly.

Every one in Openreach has a part to play towards customer satisfaction. As an engineer I am customer focused by “Keeping my appointments & delivering what is promised on the day”.

Internal Customers

Our internal customers are the Communications Providers such as BT, Sky & Tiscali. Openreach provides the Communications Providers network & products to the general public & businesses (“End Users”).

External Customers

Our external customers are the general public & businesses (“End users”).

Customers Expectations

Our external & internal customers have the same expectations:

Functional	Personal
Fully trained engineers Multi Skilled engineers Deliver a high standard of quality Tidy workmanship Meet commitments Keep promises Fully functional telephone line Right First Time High Performance	Polite service Friendly service A courteous service Helpful service Simple explanations A professional service

To find out what our customers want we simply just ask them. My Self Study Guide suggests that this is referred to as market research. This is often split into two areas:

Secondary research

In my job role, as a field service engineer I would research what my customers or End Users want by looking at the job specifics on work manager via my laptop. Also more information is available on other BT systems such as CSS (Customer Service System)

Primary research

My primary research would be to find out what the individual customer or end user needs are & to respond to them. For example I have a task to install a new telephone line into Mrs Paterson's living room, usually best practice is to install the NTE5 (Telephone socket) on top of the skirting board but when attending site I have found Mrs Paterson is elderly & disabled so I had installed the NTE5 higher on the wall so it was accessible to Mrs Paterson.



RFT describes the level of service that customers expect from us. It is therefore, the benchmark against which we will measure our delivery against those expectations

Right First Time is fulfilling the customer's expectations perfectly, as perceived by the customer...they are telling us:

- They are concerned about quality of provision work and the volume of early life failure.
- They are very anxious about repair times and the volume of repeat reports
- They want tails (on going jobs) to be short, proactively managed and accompanied by relevant and timely progress advice.
- They tell us that we're not as good as we should be at keeping them informed.
- Where they are paying for enhanced service they expect performance to be much higher.
- They expect us to meet our commitments and keep our promises.
- They expect our products to be delivered to a high standard of quality.
- They want us to do what we say we'll do, when we say we'll do it.

RFT service agreements & specifications:

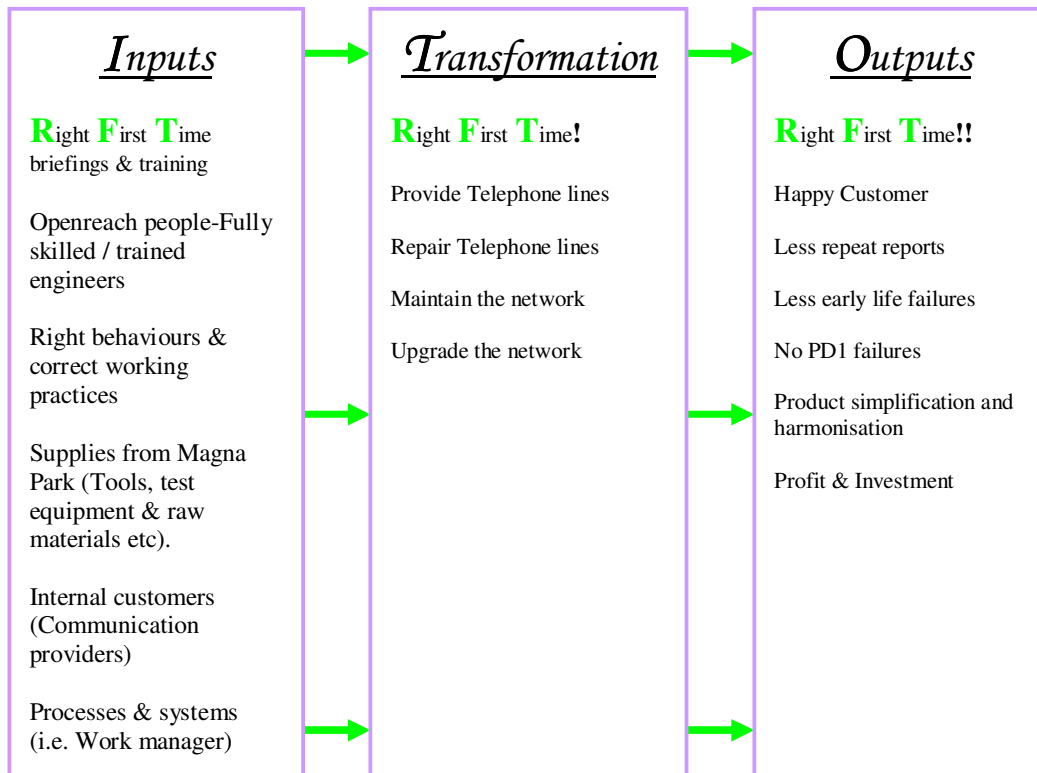
- Accept that we are all in this together and believe that we can succeed – it’s a huge challenge but we can do this.
- Achieve a step improvement in input quality for both provision and repair – we must be more certain at the point of making a commitment.
- Focus on making sure that when we issue a job we know that it can be completed.
- Automate as much as possible - especially WLR3.
- A test to confirm service at the end of every job is essential – we must remove Early Life Failures and repeat reports.
- Real time queue management with everyone focused on the ‘drop dead’ time and date – no more estimated repair times
- Be obsessive about reducing the amount of incomplete work.
- Make “tails” a ‘thing of the past’.

Comparing the way we plan our processes to meet the needs of our stakeholders

My team’s objective is to achieve 95% plus Right First Time. I will now compare this objective using the SMART module:

<i>Specific</i>	Target 95% plus
<i>Measurable</i>	Performance results are inputted automatically by a robotic tool into an electronic database
<i>Achievable</i>	The target is achievable. The team achieved the target 95% in February 2009
<i>Realistic</i>	Yes to achieve this target all we need to do is change our behaviour in the way we work
<i>Time bound</i>	The target of 95% plus will be an on going target to better customer satisfaction

I will now demonstrate the process of Right First time using the transformation process in form of Inputs into Outputs:



As you can see from the transformation “Right First Time” has added value to the organisation & its customers.

As you can see from the inputs my work area relies on Magna Park to supply us with tools, test equipment & raw materials. My Self Study Guide suggest I should check my suppliers “Magna Park” from time to time to make sure they can deliver.

Openreach are internal customers of Magna Park. They supply a very good service to us by supplying us with quality goods in a timely manner that suits our needs. Goods are ordered on line via eASC which provides the following functionality:

- ❖ Order Query
- ❖ Inventory Query
- ❖ Catalogue
- ❖ Catalogue Management
- ❖ Create Order
- ❖ Useful Information Board
- ❖ Useful Information Management
- ❖ Account and Profile Management
- ❖ Recent Delivery Information
- ❖ Returns
- ❖ Reference data management
- ❖ Offline Order

Standard orders are delivered every Wednesday & if goods are required more urgently Magna Park can arrange for next day delivery. This enables us to satisfy the needs of our internal & external customers.

It is also my responsibility to ensure that I have the right stock at the right time. I manage this by carrying buffer stocks on my van for example I check my van every morning to make sure I have the following stock for example:

Cable Joints	Inline 20pr X3 Inline 50pr X1	Capend 20pr X3 Capend 50pr X3
NTE5 (Telephone sockets)	NTE5 X20	NTE5 back boxes X20
External Cables (cable on wall)	Brown Cable X1 Dropwire 10 X1	White Cable X1 Cad55 X1
Under Ground Cables	5pr cable 20pr cable	10pr cable 50pr cable
Internal Cable	2pr cable	6pr cable
General Stores & Tools	All other stock	

It is important that I do not overload my vehicle so we only stock what we need. All other buffer stocks are kept in store rooms & personal lockers located in Cirencester Exchange.

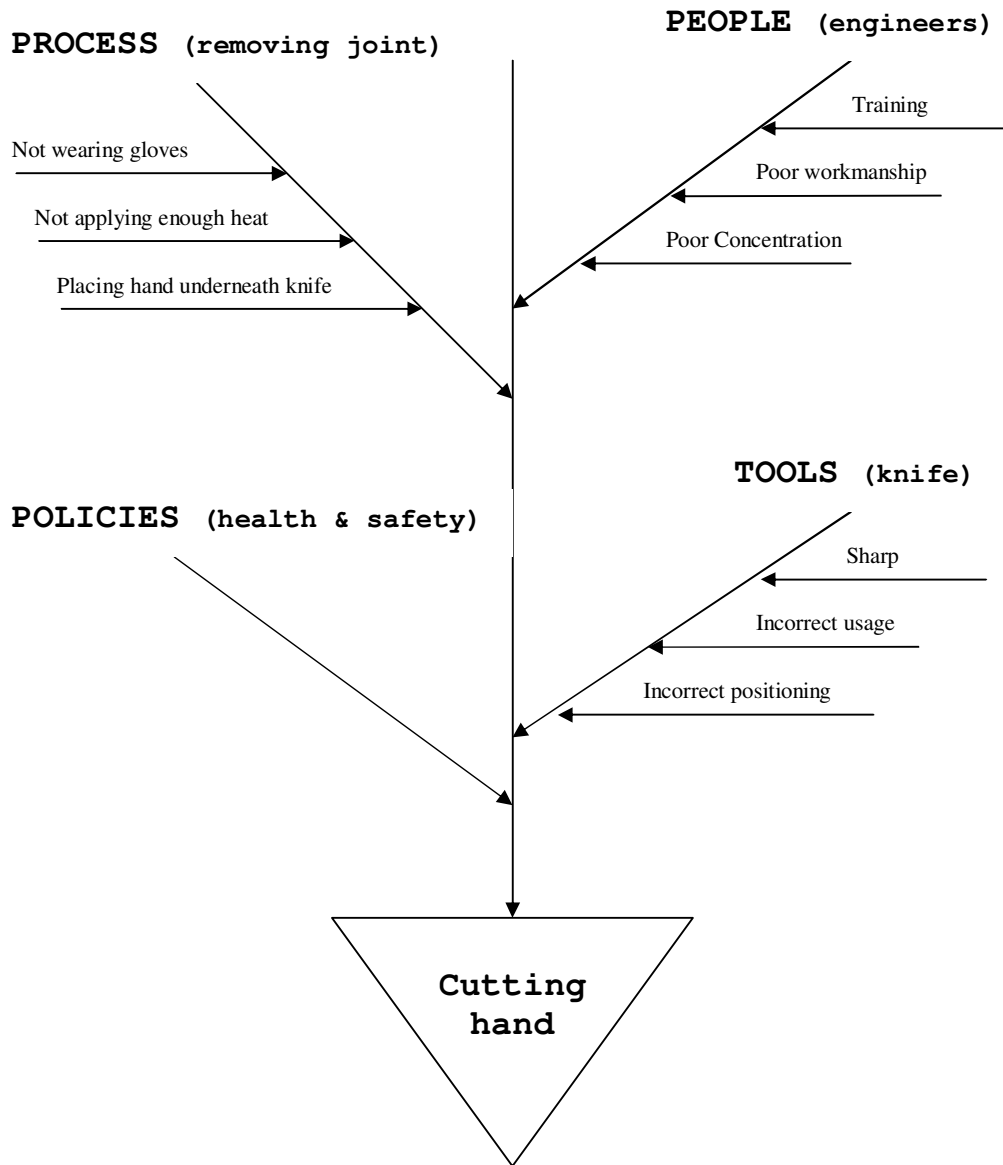
Insufficient stocks cost the business money, for example I had a task to repair a 50pr cable joint in Fairford & I had insufficient cable joints to remake the faulty cable joint. This meant I had to locate the nearest engineer with the spare supplies & then travel to collect them. This cost me time, affected my productivity & meant that it took longer to get the customer back into service.

It is also important to maintain my vehicle, stores & equipment. I am generally good at house keeping, I tidy & maintain my tools as I go along. All my safety & electrical equipment is tested regularly by a testing officer. My van is serviced when required. I usually book my van in for a service when I am rostered off for example:

Wednesday	Thursday	Friday
08:00-16:10 1hr absence to take my van to BT Fleet services 15:10-16:10	Rostered off	08:00-16:10 1hr absence to pick up my van from BT Fleet services 15:10-16:10

Customer Oriented Diagnosis

Removing obsolete joint closures seems to be a problem in my work area which is affecting service to our customers. We are limited to what tools we can use to remove obsolete joint closures due to health & safety precautions. This has made removing obsolete closures very time consuming. I will now identify the root cause of the problem by means of a COD diagram.

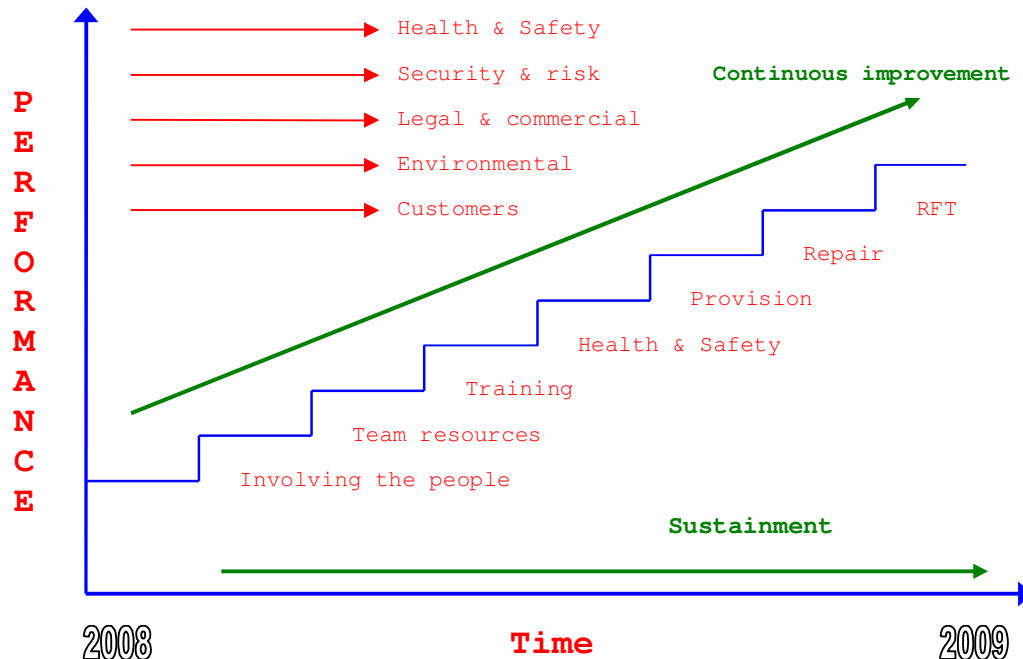


As can be seen from the COD diagram above, the solution to this problem lies in training in the use of proper equipment in the proper way. In this way the needs of our stakeholders (customers) are met.

PART B – CONTINUOUS IMPROVEMENT

Introduction

According to en.wikipedia.org “Continuous Improvement” is a management process whereby delivery (customer valued) processes are constantly evaluated and improved in the light of their efficiency, effectiveness and flexibility. Some successful implementations use the approach known as “Kaizen” (the translation of kai (“change”) zen (“good”) is “improvement”). This method became famous by the book of Masaaki Imai “Kaizen: The Key to Japan's Competitive Success.”



Continuous improvement is a very important process to Openreach. Technology is constantly developing & people’s expectations are increasing. If we do not deliver what I have demonstrated in the above graph then we would lose business with the Service Providers & our external customers.

According to my Self Study Guide people will try to put a wet blanket over any suggestions that will be made to continually improve things. In my work area wet blankets are likely to arise when there is lack of trust in management or from employees who have been working for the organisation for a long time. The “wet blankets” are most likely to be:

- It has been tried before & it didn’t work
- It works so why change it?
- It’s just the manager’s flavour of the month
- “Whatever” the change is **not** for the good but for the manager’s own pocket
- Theory is different from practice
- We shouldn’t make this change now, do it later.

This is why when making change to continually improve things it is important to involve all those who will be affected by the change. This tends to stop the wet blanket issues as of course a **good idea** agreed by all those involved is a “**good idea**” but a **good idea** judged by one individual may not be a **good idea** to other people who may know the job better.

Kaizen activities

I will now compare the 10 basic tips for Kaizen activities listed in my Self Study Guide against my own views & opinions:

- **Discard conventional fixed ideas.** I feel that this is a valid point because flexibility in thinking is needed if there is to be continuous improvement.
- **Think of how to do it, not why it cannot be done.** A positive way on how to do it would be my first choice but it is also important to analyse the negative aspects of the change & to consider how they can be overcome.
- **Do not make excuses. Start by questioning current practices.** Do not change current practices for the sake of making change. Change should only be made if it will lead to improvement.
- **Do not seek perfection. Do it right away even if for only 50% of target.** While perfection may be the ultimate aim it is most unlikely to be achieved immediately if changes are implemented. I am not sure if achieving only 50% of the target is a good place to start as this suggests that the change has not been properly planned.
- **Correct it right away, if you make mistakes.** I agree with this as there is of course no point in ignoring the mistakes.
- **Do not spend money for Kaizen, use your wisdom.** I do not agree with this tip as there will be times when resources will be required to make change.
- **Wisdom is brought out when faced with hardship.** I do not necessarily agree with this point as issues should be recognised before you are actually faced with them.
- **Ask “WHY?” five times and seek root causes.** I agree.
- **Seek the wisdom of ten people rather than the knowledge of one.** There are times when experience & knowledge from one individual needs to be taken into account, but generally I feel it is important to involve all those who will be effected.
- **Kaizen ideas are infinite.** There are always possibilities.

Encouraging continuous improvement:

- Openreach has a suggestion scheme where employees can put forward their ideas. If the individual's ideas are successful then he or she will be rewarded.
- I feel it is important to thank individuals for continually improving. This can be expressed verbally or via a contact log.
- Reward on recognition. Individuals will be rewarded with a bouquet. This could be a bottle of wine or a £10-£20 voucher of his or her choice.
- If the team succeed in making change to continually to improve things then the team will be rewarded with a team event of their choice or may be

rewarded with a team treat for example, McDonalds for breakfast or a baguette for lunch.

- Just by continually involving people will encourage individuals to participate in continual improvement for example by giving different individuals their own area or task to work on. This way individuals can take pride in there own work & success.

PART C – MANAGING CHANGE

Introduction

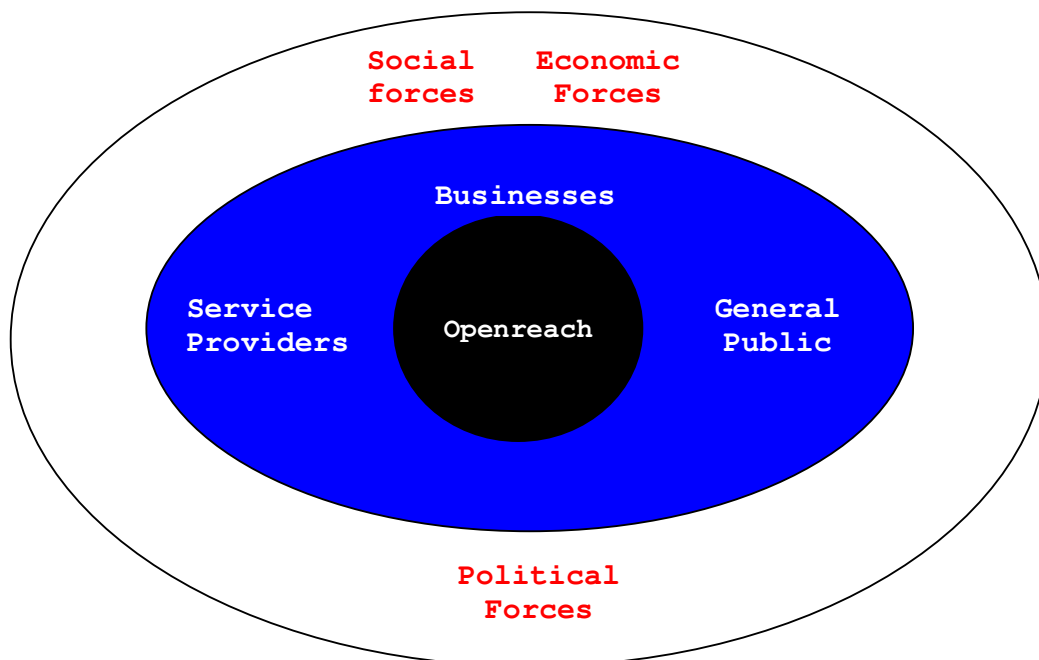
According to www.themanager.org “Change” is the continuous adoption of corporate strategies and structures to changing external conditions. Today, change is not the exception but a steady ongoing process. By contrast ‘business as usual’ will become the exception from phases of turbulence. Change management comprises both, revolutionary one-off projects and evolutionary transformations.

“Change management” means to plan, initiate, realize, control, and finally stabilize change processes on both, corporate and personal levels. Change may cover such diverse problems as for example strategic direction or personal development programs for staff.

Change should be managed properly for the following reasons:

1. Different people react differently to change
2. Everyone has fundamental needs that have to be met
3. Change often involves a loss, and people go through the "loss curve"
4. There are expectations & this will need to be managed realistically
5. People fear change & this has to be dealt with

Why Change?



- **Social forces.** People are losing their jobs or have had their working hours restricted. Cutbacks are being made by the general public due to the rising cost of living. People are also struggling or unable to pay back their debts.
- **Economic forces. Credit crunch. Recession.** Banks have lost capital therefore lending is limited, property values have dropped, petrol and the cost of living is increasing.
- **Political forces.** The government is using tax payer's money to bail out banks & businesses. Forcing cutbacks & slashing interest rates therefore lending is difficult. Taxes will inevitably rise.
- **Service Providers.** Volumes of provision have reduced due to the decrease in customers.
- **General public.** People are unable to buy or move into new homes & are also cutting back on their communication budget
- **Businesses.** Are not expanding or moving and are also making cut backs on their communications budget.
- **Openreach.** Like most businesses Openreach has been affected by the social, economic & political forces. We have lost volumes on provision which means we have lost revenue (Opex) & we have reduced our needs to upgrade the network (Capex) as we are not doing as much new work to gain capital.

This has left Openreach with a surplus of labour which unless we make redundancies Openreach will incur losses. Openreach have made the decision that it is better to retain key skills & retrain where necessary to get us in good shape when we exit the recession but we have no money in the budget to pay for the surplus labour so we need to find alternative work which we hope will drive new revenues to cover some of the costs.

Openreach is attempting to "right size" their business at the lower volumes i.e. run our operation at the right cost. This then leaves Openreach with the RTC (Regional Transition Centre) to run and fund (via new revenues). We cannot however do any business as usual activity or spend capital (Capex) because if we do it will all "wash back" into operational costs (Opex) and impact our ability to drive our overall bottom line.

What positive aspects will this change bring?

	People	Business
RTC	Learn new skills New interests Employment Career development	Retain key skills Re skill & create new possibilities
New Start (Redundancy)	Early retirement Settlement figure (20yrs service = 20 months pay)	Right size the work force Reduce operating costs

Openreach approach to change

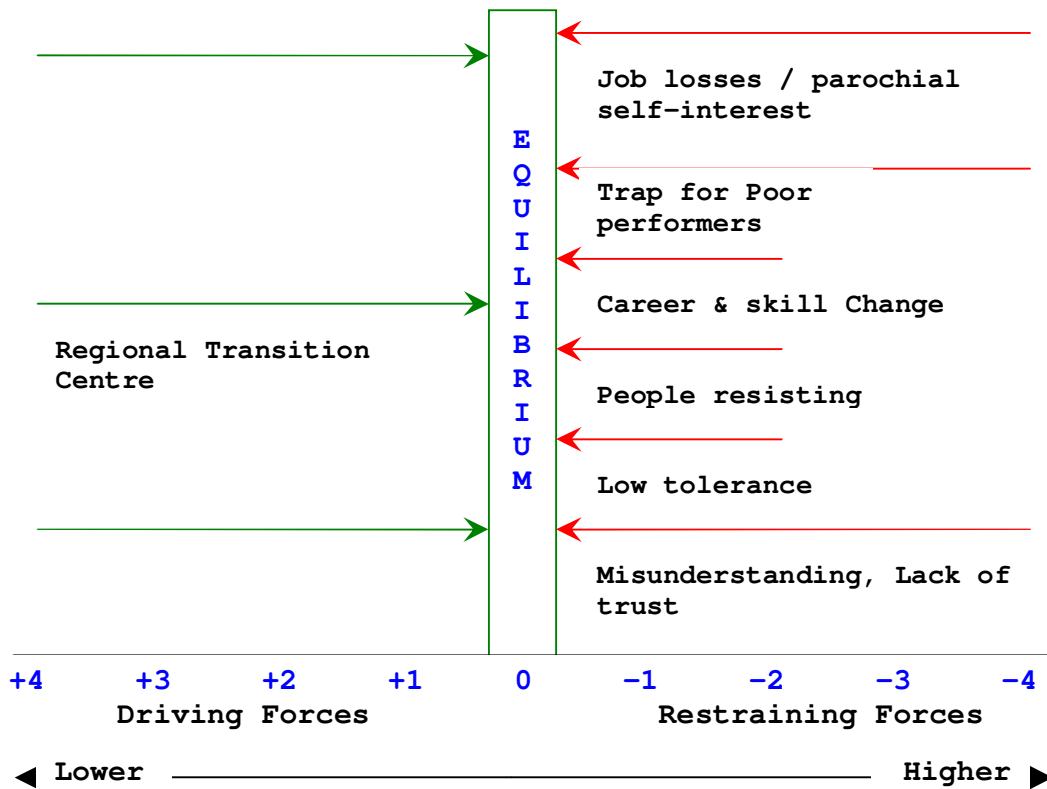
By analysing the 4 types of approaches listed in My Self Study Guide I would say that my organisation was forced to adopt the [Spider](#) approach (reactive) at the beginning of the recession. Now the forces are in place I would say my organisation have adapted to the [Sheepdog](#) approach (planning & thinking ahead) to be in a good place when we exit the recession.

Method of charting change

[Forcefield Analysis](#)

A simple & useful method for charting change was described by [Kurt Lewin](#), who was Psychologist, interested himself in the behaviour of groups of people. His view was that in any organisation, a situation is held in balance or equilibrium between two sets of forces. There are forces which are driving or seeking to change the situation and opposing forces which are trying to restrain it. He called this method of charting change – Forcefield Analysis and although it appears simple it allows you to define a situation clearly

I will now explain what Openreach intends to do using the Forcefield Analysis:



As you can see we have now realised that we need to reduce the restraining forces for the RTC to be successful. The problem of overcoming resistance is vital in implementing the change. However, different resistance in different phases needs managing in different ways. To do this Kurt Lewin suggests using the 3 critical phases in the implementation of a change or innovation;
[Unfreezing](#) > [Changing](#) > [Refreezing](#)

Phase 1 Unfreezing

- Giving people the hard facts about the reason behind creation of the RTC. For example to retain key skills & keep people employed
- Explain that if we do not change then Openreach will lose profit therefore unable to employ all current employees
- Explain what is causing the change. For example explaining that there is loss of volume on provision due to the effects from the recession
- List the benefits of RTC; Learn new skills, New interests, employment & career development
- Provide full information about how the change will be managed; there will be a reorganisation to re size the business. The RTC will have their own groups of Coaches, Managers & Trainers.
- Dealing with individual problems

Phase 2 Changing

- Retrain & overcome resistance
- Finding new or alternative work to increase revenue
- Finding new opportunities
- Set SMART objectives & responsibilities including personal development plans
- Promote good behaviours & lead by the right example. Do not let unacceptable behaviour go unchallenged
- Keep people involved & informed at all times
- Acknowledge new talent

Phase 3 Refreezing

- Put new processes & or systems into practice
- Resource areas with increasing volumes of profit
- Monitor the change & manage new resistance that may appear

Understanding why people resist change

As illustrated in my Force field analysis it seems people are resisting the change because of simple misunderstanding & lack of trust. People are scared that the RTC is a way of getting rid of people such as low performers & people with the least skills. It seems this is because low performers & people with the least skills are being transferred to the RTC. I think that people misunderstand that it is not a way of getting rid of people but a way to improve people's skills & give people the opportunity to improve & learn new skills. If people fail to improve or learn new skills then yes I think any one in the organisation "in the RTC or not" should exit Openreach.

To tackle this I think it is important to create the right atmosphere. A poor atmosphere hinders successful change. On the other hand a relaxed & happy atmosphere will aid the implementation of changes. In Openreach this is achieved by:

- Talking & listening to people
- Being open about what is going on & reassuring people
- Involving people in the change process.
- Friendly relationships
- Building trust

BIBLIOGRAPHY

KD Training Solutions, Self Study Guide-Maintaining Quality Standards (3007),
March 2009

www.businessdictionary.com – March 2009

Bob Challacombe – Openreach Regional Director for the Midlands, Wales and West

Openreach systems – March 2009

My first managers guide to managing change by Chris Walters & Tim Chidgey

en.wikipedia.org – March 2009

www.themanager.org – March 2009