

Implementing change in a small mechanic workshop

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Abstract

Many companies have been started as a small mechanical workshop. Many have to struggle to create a structure which enables the company to keep the core competences and at the same time reach their developed business concept and grow. The purpose of this paper is to, by the help of Kotter (1995) and process based analysis (Ljungberg and Larsson, 2001), improve the structure of the organisation, communication and production and by that secure this in Varberger Sweden AB. To do this a mix between case study and action research was used as well as the PDCA-methodology. The depth of the result from the different areas differed during the project, both due to time constrains and the fact that the analyse proved that some parts didn't need as much rework as thought or didn't have the impact as believed. The implemented activities created engagement among the employees and were well adapted. This shows both the power of working with processes as well as using Kotter (1995) as guideline when implementing a change. It also shows what could be done to structure a communication in a company as well as how some things might only need clarification and alignment, such as an organisation.

Keywords: Change management, Process mapping, Communication

Introduction

The company Varberger Sweden AB have for different reasons gone into bankruptcy some times during the years. The current management team identify a core within the company with great value which unfortunately they aren't able to use completely since its surrounding needs to be restructured. Hence the management team have identified the need of a study were this surrounding will be analysed and corrected to enable the company to fully utilise its core competence. The purpose with the work was to help the company Varberger Sweden AB to create a production and organisation that enables it to work according to the established business concept, core competence and customer adaptation.

To study the structure of the company, it's always good to initiate a walkthrough to understand the processes in the company. A good guideline to find this is "Processbaserad verksamhetsutveckling" (Ljungberg and Larsson, 2001) which describes all about how to transform a company towards a process based organisation.

Many companies have tried to implement changes but failed. Based on these attempts John P Kotter analysed the situations and wrote the book "Leading change" (Kotter, 1995). In this

study Kotter describes 7 things to think about when implementing changes into an organisation and explain what is important to avoid/follow.

The result of this paper could be summarized that changes were made to create a good baseline and foundation for the company to develop and build upon. The structure of the organisation was visualised and agreed upon. Also the communication was structured and clarified. The production change was in many cases initiated with a sense of learning by doing and was ongoing as this paper was ended.

As a conclusion it could be said that even though changes was implemented and initiated the time constraint of the project limited the authors from reaching all of their goals. The authors also got aware about the importance of being present when implementing changes. The authors were only on site part of the project, tried to do the best out of that time but the pace of the implementation and the result would have been greater if they could have been on site for the complete project

Method and material

Initially the processes was mapped by a virtual walk through which was carried out through interviews with the people involved in the company. These interviews were then interpreted into drafts of process maps. Later on a kick off was organised where the company met and together, through a brainstorming session, established the “as-is” map and “future-state” map. By this the processes were identified and put together as a map on how the organisation should work to get from customer need to customer satisfaction. When this map was created the company could start creating the team that should fulfil the work and the map.

The authors have used Kotters (1995) “Leading change” as a guideline during the implementation. It was visible through the creation of a strong need, a vision, strong leadership and use of small improvements to speed up the pace.

Later on, during the implementation, beside the Kotter theory, the PDCA cycle was used to enable a structure of the implementation. The activities were implemented according to the cycle, planned, implemented and analysed before future action was decided.

When the work was initiated it was an organisation that was unclear in its structure and with lack of clarity in the roles of the people working in it. As an example it was not clarified who had the responsibility to take the decision and where in the organisation, and as a consequence the owner, Dag Holm, could take his own decisions with the production without any alignment with the VP, Christian Möller. Another cause of misunderstanding was the communication which didn't work as it should and worked without any structure, neither which channels to use or in which way communication should be handled. Just the communication was important in a company were the organisation was divided throughout the country, with a Björn Holm in sales living in Stockholm, Christian Möller as VP in Lund and the rest of the company with production and ownership in Hoting. Since the company was lacking the tools to enable the organisation to work efficiently despite the distances, such as a good communication, the effects of the uncertainty of the roles in the organisation was reinforced. With both an organisation and a communication that was missing the structure needed, also the production did. It was a heritage from the beginning when the company only

had one or two employee and without any guidance from any production control. To take care of these structural problems the authors added to the agenda of the kick-off, apart from the teambuilding activities and process mapping, an “as-is” and a “to-be” mapping of the organisational structure. In this mapping also the communication channels was aligned.

In order to work on the organisation the authors had to gain understanding about the business culture as well as the structure. The business culture of a company is often described in three levels, divided into 2 groups, one visible and one non-visible. The visible part focus on the working environment and the communication within the company but also on what the management team has communicated as a vision and goal. The non-visible part is more directed towards the norms and thoughts existing in the company and as these are built up during many years. When looking at the structure of the company the authors could see that the structure was in many ways informal as it often is in small company. This is contrary to what is normal in bigger companies were rules, instructions and role descriptions usually controls the company. The informal structure is often built from the business culture which makes it hard to learn that easily when coming to the company at first. It shows its most visibility when problem occurs and communication deviated to the formal communication is needed to solve the situation and the experienced worker knows where to turn. In Varberger the way of decision making was more of a decentralised format which differs from the centralised format when it tries to take the decisions at as low level as possible. Whit this format the need of coordination and control is more required. The authors found out that they needed to structure the communication and make it available were everybody could access it. To do this they added a plate in the production to collect and visualise the information needed to produce according to customer need. Also Kaizen was implemented in a structured way by the plate were improvements in the production could be highlighted and dealt with in a structured way. Depending on the nature of the problem it could be solved directly or be discussed in the morning meeting to get a decision what to do with the improvement proposal. To make sure that everybody could benefit from this information, morning meetings were initiated where the employees could meet up and update themselves and each other about what’s ongoing and what needs to be done in a structured way.

During the implementation the authors worked according to a philosophy that involvement from the company created engagement. This led, as an example, to workshops where the employees were participating in initiating the kanban implementation.

Throughout the study, different material was used as a base, such as Hill’s (2000) framework, lean production with TQM and kaizen.

Result

Noticed was that the virtual walkthrough as well as the common brainstorming during the kick off created an engaged group and enabled the authors to get the information needed within a reasonable level of involvement. Figure 1 reflects the organisational mapping that was created. The mapping itself was fulfilling its purpose in the work but in order to complete it the company needs to add a control system. It also helped the bottleneck analysis by showing that the bottleneck significant bottleneck wasn’t to find in the production but in the structure and the communication.

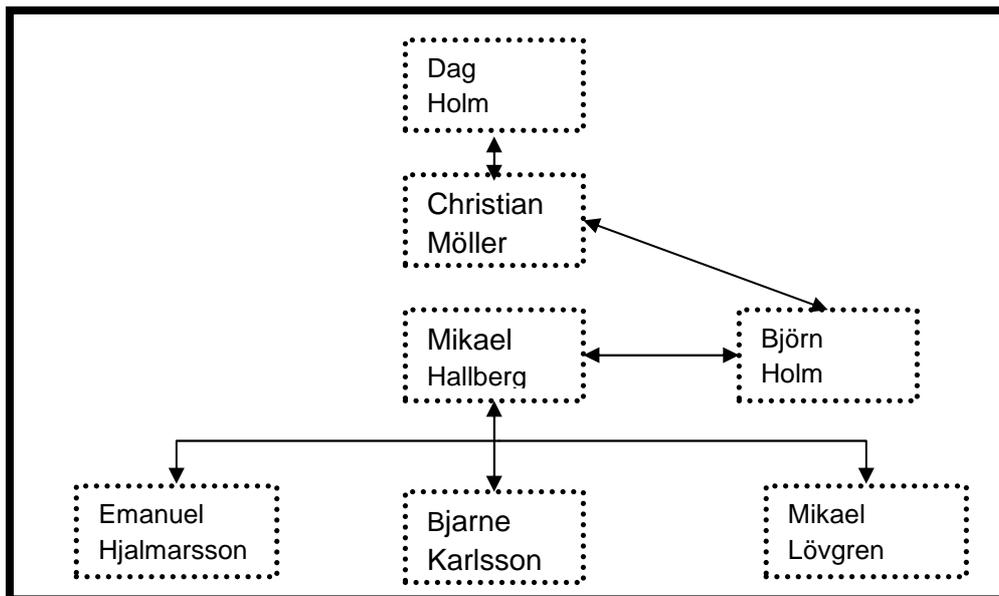


Figure 1 Map of how the organisation and communication should look like after the kick off

The work of Kotter (1995) was followed according to plan and the authors could sense the engagement within the company, even though that effect wasn't verified. At one stage, the authors missed creating a sense of urgency within the owners which was reflected in a way that there was no one to drive the implementation when the authors was away, creating a lack of momentum.

As mentioned earlier the communication was clarified in a good way but the authors could not work at the company during the work, but worked from Lund some weeks and used visiting weeks to implement their proposed solution. The proposal to enable a better communication was lacking the presence of the authors more than other, more concrete, solutions. The authors were not able to establish a routine in the changed communication, as noted previously, to create a sustainable implementation

The changes intended to improve the structure of the production was implemented with various result. The implementation of a kanban system was well received when guided by "learning by doing". The engagement of the employees was created by involvement and the visual result. However was the tools used more directed towards bigger company and was misplaced in this kind of companies.

The implementation of a plate followed partly the result of the communication and partly of the production. The communication part, were morning meetings should enable the information of what should be done failed as earlier described due to lack of presence. The kaizen part, were small improvements should be brought up and handled quickly, was more successful and helped the company improve the work

Discussion/Conclusion

Based on the purpose of the work Varberger has taken a small step on the way to fully utilise the core competence in an efficient way. However more work will be needed and the company is recommended to continue the process. One can say that to work with changing a company and especially with changing things that are connected to a company's culture takes some time as mentioned earlier. It's one thing to create a change but to change and implement a different culture is a procedure that needs time to be successful and permanent. If not working continuously with this, the company risk falling back on the old path again. It was early on decided that the work should focus on building the foundation and directing the company onto the correct path. What could be questioned in a later perspective is if it would have been better to changing the scope when this was identified.

Looking at the different objectives with the study, organisation, communication, production and structure it as well follows the general result with different depth. When following Kotter's (1995) advice on leading change, the authors could realise that when using Kotter in a correct way the change work was improved whereas the part were the work failed to follow the literature the effect of the work decreased, such as discussed earlier with the lack of engagement with the owner.

The map of the organisation was created. This among other ideas initiated during the process was a start in building and efficient organisation and with a continuance from the company to bring these ideas to reality it could have great effects on the way to build an efficient organisation. The company is also recommended to implement the idea of an internal homepage, which would both help the communication to work better as well as build on the organisation and company branding.

The work with the communication was something that early on in the process was identified as an area in great need of improvement and a lot of focus was put here. This could be noted in the depth of implementation where a map and guideline of how the communication should be structured were established as well as the table where the production plans and information could be communicated. For the future the company need to make the communication work according to this built structure to enable a structured and efficient communication. The authors tried, as explained earlier, but couldn't make it all the way, due to the distance. However, if the company management use the people on site to continue the work it could be successful.

For future areas of research the authors would like to see more studies on working in smaller companies were the requirements is different than in bigger companies and the challenges appears in a different way. This as well as how small companies, perhaps in their initial phase of growing, in a good way could develop itself from "single-piece-production" in a workshop environment to a bigger company producing larger batches with a cost focus. The authors believe this could be helpful to many companies in the today's competition. Also it would be beneficial for many companies in the current global environment if some studies could investigate how companies could handle distances in the most efficient way possible.

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