

Putting what works to work



Making your business more of a magpie

Welcome to the first edition of Putting What Works to Work, the monthly performance improvement digest from Be the Business. Be the Business is a movement of businesses who want to share the practices that their company leaders and managers say are working for them, so that others can be inspired and put them to work. Set up and supported by the UK's leading businesses, from Amazon and BAE Systems to Cumbria Crystal, Fifteen Cornwall and John Lewis, our goal is to help the country be more productive and competitive by helping every firm be more successful.

In each monthly edition of Putting What Works to Work, we will feature a topic which has been voted for by our members. The monthly digest will share practical ideas, proven processes and methods that our members are using to be more productive in their own businesses. You can vote for the topics you want us to address – from driving cost-effective sales to achieving lower production costs and better cash flow.

Research shows that businesses that have a culture of constantly asking themselves 'how good is our business?', and identifying things that other businesses are already doing and putting them to work in their businesses, are more successful than those that don't. In this edition, we share what other businesses are doing to improve their performance by adopting these behaviours to become more of a magpie.

Is your business as good as you think?
79% of business leaders believe that their firms are as productive or more productive than their peers, yet the UK has more than 240,000 firms with lower than average productivity.

Magpie



Magpies are curious they find, adapt and adopt different ways of doing things. They are quick to pick up proven innovations from others and apply them successfully.

Ostrich

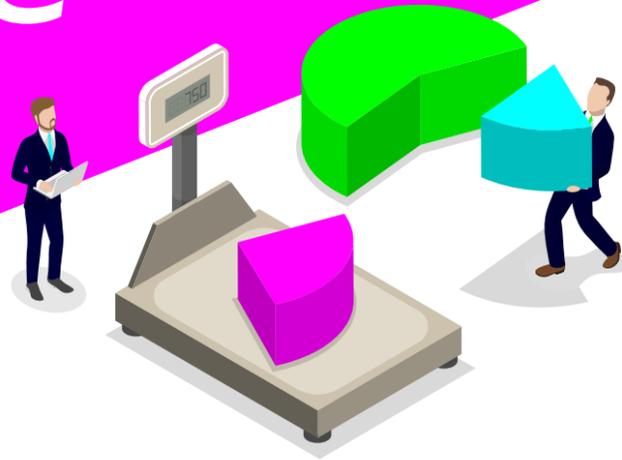


Ostriches tend to stick with what they know. They bury their heads in the sand instead of looking for ways to improve and find it difficult to take on advice from others.

"We constantly evaluate how we can improve, and the best way to do this is to look at best practice from other businesses. It can be easy to become insulated when working within a business so evaluating other companies helps break from this mindset, making us question our own methods and find new knowledge and ideas."

Chris mayne – operations director – forsberg services ltd

Compare more



How to use benchmarking to identify areas for improvement

How do you currently identify areas for improvement? Do you look at monthly changes in sales, cash and profit? Explore which things have the biggest impact on performance? Listen to what your customers are telling you? These are all great ways of spotting things you can do better, but there is another way which is used less often that can provide valuable insights – benchmarking. Benchmarking is about comparing different aspects of your performance and approach to management with businesses like yours. Knowing how you compare to others will ensure that you remain competitive. Underperforming? Then there are ways to change. Doing well? Great. But, can you make further improvements?

“Benchmarking helped us identify areas within the company where improvements were possible. It also helped me identify what could be achieved within our resources. It can be daunting to look too broadly, especially if you are a small business, and this exercise really helped identify a few key areas to target.”

Chris Blade, CEO, Cumbria Crystal

Selecting the right approach

There are many ways to benchmark your business. It's all about finding an approach that works for you. The benchmarking tools you opt for will depend on what you want to know about your company. It will also depend on the sector in which you work.

“The first thing is to know what you want to benchmark and the reason why, then, you can have a look at the how. Often the ‘why’ can be linked to productivity or improving flexibility. For example, comparison data only tells you how good or bad you are. Process benchmarking to find out how others do something and learning how they do it, in order to improve your own process and performance is often where the real value is.”

Andrew Peters, Managing Director, Siemens Digital Plant

28%

28 per cent of businesses owners have never benchmarked the performance of their business against their peers*



Example types of benchmarking tools	Where, how and when to use them
Management benchmarking tools	To understand how your leadership skills compare with other companies. To identify strengths and weaknesses within management. To implement new business practices that will enhance productivity.
Financial benchmarking tools	To work out budgets. To assess costs. To know if you're over or under spending in comparison to others on projects.
Market benchmarks	To understand where you sit in the market. To get a good idea of your competition.
Employee engagement benchmarks	To know if your employee engagement efforts are up to scratch. To figure out ways to get staff on-board with new ideas and boost morale.
Customer service and customer loyalty benchmarks	To see how you reward consumers in comparison to other companies. To analyse the performance of your loyalty scheme. To get new ideas regarding customer service improvements.
Overall business health checks	To see how well your business is doing across the board. To give you an idea of where improvements are needed. To understand issues of concern quickly before they become worse.



“We have a portfolio of properties in the Oxford and Abingdon area that we let out to tenants on an annual basis. For the business to succeed, it's really important for our prices to be competitive. Too low and we lose out, too high and we may potentially price ourselves out of the market.”

The benchmarking tool we use is Rightmove.co.uk which gives us access to all the rental properties available in the market and the rental prices. We believe our properties are towards the top end of the rental market and therefore make relevant comparisons. We review equivalent properties to see how much they charge and if they're being let at that asking price.”

Mike Wilson, Managing Director, Unique Lets Ltd

“We have a habit of underselling ourselves, so analysing similar businesses has helped us immensely with pricing our services competitively while still charging a cost that reflects the quality of what we produce.”

When you're starting out, it's also tempting to say 'yes' to everything, even when it's a lot of effort for a minimal reward. Exploring other companies' operations has helped us to learn when and how to turn down work that isn't worth our time, and to build in T&Cs that mean we don't spend undue time on a project that won't give us a sensible return. For example, we now charge a higher hourly rate for small, ad hoc projects and specify at the outset how many rounds of amends are included in the price.”

Charlotte Carlton, Director, Minerva Creative UK

“Benchmarking our customer service standards has proved beneficial. It has helped us for many years in building relationships with clients, suppliers and sub-contractors. Open communication with all is vital and monitoring the responses from the clients in regards to our management, quality of work and communication has helped us improve over time.”

Amy Willemite, Director, Fergal Contracting Co Ltd

“For external benchmarking, we have traditionally assessed ourselves through Best Factory Awards (UK) and European Foundation for Quality Management. Through completion of the BFA audit questionnaire we received a benchmarking report in return - our last entry was 2017. EFQM allows us to access knowledge and information on best practice approaches adopted by high performing companies worldwide. We are big advocates of informal benchmarking (some refer to it as educational benchmarking) and visit other organisations to gain what we can – ‘pinch with pride’.”

Internally we tend to compare ourselves against other factories manufacturing similar product lines, so quality, cost, delivery and productivity benchmarks or KPIs are very regularly compared, and these would be applicable for any manufacturer. We also regularly do internal self-assessment where parts of the organisation are peer reviewed in an open culture of wanting to improve. In my own experience, the most effective tools and methods are the ones that are not too complicated, where the learning points can quickly feedback into the organisation. We also put a lot of focus on internal forums where we share best practices with other different internal businesses. Again an informal way to benchmark processes. Finally communication of new ideas that have been successfully implemented is a great way to share, we are starting on our digital journey in developing new simple communication processes to maximise this.”

Andrew Peters, Managing Director, Siemens Digital Plant

Useful Benchmarking Tips:

1. Spend time choosing the area to benchmark thoroughly.
2. Don't give up too quickly as sometimes you do not see the results you hoped you would straight away.
3. Look into your competitors to see what they are focusing on as it may be an area you hadn't considered.

How to make the most of your chosen benchmark:

Based on the feedback of multiple business leaders six

Don't be afraid to step out of your comfort zone

"If it (the benchmarking process) challenges you or makes you feel uncomfortable it is probably asking the questions you need to understand better."

Chris Blade, CEO, Cumbria Crystal

Use benchmarking to set new goals and targets

"Benchmarking is a vital part of ensuring you progress and grow. You have to know what you achieved in Year 1 and the previous year in order to set your goals for the upcoming year – this could be anything from an increase in turnover to employing a new member of staff. Without targets it's easy to bumble along aimlessly and never improve or evolve, and that can mean the end for a small business."

Michael Johnson, Managing Director, Minerva Creative UK

How to tell if a benchmarking tool is worth spending time on:

"If it gives me region and sector specific data in my industry [it's worth spending time on]. I want to know how good I am against my domestic and then international competition!"

Arunima Motilal Dhar, Director, GlaxoSmithKline

Use benchmarking to set new goals and targets

"Informal (or educational) benchmarking has proven very beneficial over the years, whether it's us visiting other organisations, hosting best practice visits on site to share information, social networking platforms or ad hoc networking events. There's usually something out there that you can bring back and implement to improve a process. Networking outside of Congleton keeps us moving forward."

Another tool for Congleton is the use of EFQM and BQF (European Foundation for Quality Management and British Quality Foundation) as models to assess against. Each time we put a submission together for an external assessment, we are not only analysing our own approaches and performance in great detail, but opening up what we do for others to scrutinise and give feedback on...and we do this because we want to get external views on areas that we can improve upon. If you like, it's holding a mirror to yourself, and because of the external element, it tends to hold you to account in implementing the identified areas for improvement."

Andrew Peters, Managing Director, Siemens Digital Plant

Don't stop comparing yourselves to other businesses

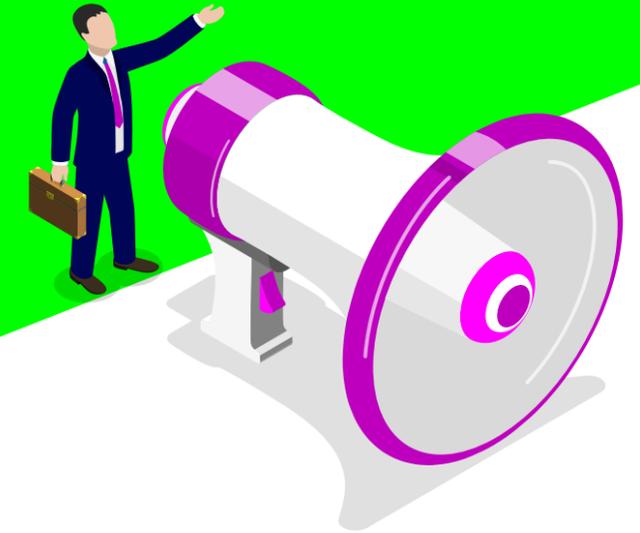
"Research into other companies and your own company takes up a lot of time – but the learning process should never stop as it can aid the growth of your company."

Frederick Woodley, CEO, Diamond Code Studios

To get you started, you will find our management and leadership online benchmarking tool on the Be the Business website. Driven by extensive academic studies and insights, our benchmarking tool helps address issues across leadership, employee engagement, future planning and more. With each of the four surveys taking around five minutes to complete, you will be given practical recommendations and impartial advice without reams of business financial statistics.



Share more



According to research, businesses across the UK are less likely to work with other businesses to share what works than those in Germany and the USA. The consequence is that we have a higher proportion of less productive businesses than these countries. So, how do you get better at making connections with other companies? And how can you gain and share insights along the way?

Know and understand your competitors

"If we hear about similar firms that we don't already know about - either through networking, colleagues or we have missed out on a project to another firm - we might have a peak at their website / portfolio."

Paul Newman, Founder, NewmanEye



Research your sector extensively

"I read a lot of articles online and follow key employees in a range of organisations within the sector. I generally look to LinkedIn articles, groups and communities, in addition to Twitter to pinpoint companies I can learn from. I also read a few industry publications and if I see a great article, I will check out the author and his/her company in more detail. Smart people often head up smart companies, so they are always worth checking out."

Charlotte Day, Creative Director, Contentworks Agency

Develop your network in multiple ways

"I attend three monthly 'action learning sets' with deep trust networks of business leaders I have worked with; monthly networking evening; engage pro-actively with Business schools and Universities; attend morning business networking groups; attend FSB & IOD seminars; use Twitter & LinkedIn."

Chris Blade, CEO, Cumbria Crystal

Be open to a reciprocal approach to learning and sharing information

"I read a lot of articles online and follow key employees in a range of organisations within the sector on social media. I generally look to LinkedIn articles, groups and communities in addition to Twitter to pinpoint companies I can learn from. I also read a few industry publications and if I see a great article, I will check out the author and her/his company in more detail. Smart people often head up smart companies, so they are always worth checking out."

Charlotte Day, Creative Director, Contentworks Agency

Gain more



Identifying best practice means nothing if you don't implement it. How do you ensure that your business benefits fully from the information you have collected?

Think rationally and adopt suitable approaches

"From analysing other companies, I have obtained valuable knowledge and insight into how to conduct business strategies. For example, a small company like mine needs to keep costs down. Instead of hiring full-time employees (and worrying about the costs of looking after those employees throughout their employment) hiring freelancers as and when you need is another option."

FREDERICK WOODLEY, CEO, DIAMOND CODE SOLUTIONS

Learn from good and bad feedback

"It's important to know how you compare to other companies as long as you take the feedback – good or bad – and learn from it."

PAUL NEWMAN, FOUNDER, NEWMAN EYE

Understand when it's best to implement business changes

"Most of our rentals are renewed in the summer, so every year we do our homework to get a good understanding of prices and the buoyancy of the market."

ALISON WILSON, MANAGING DIRECTOR, UNIQUE LETS LTD

Don't ignore your research

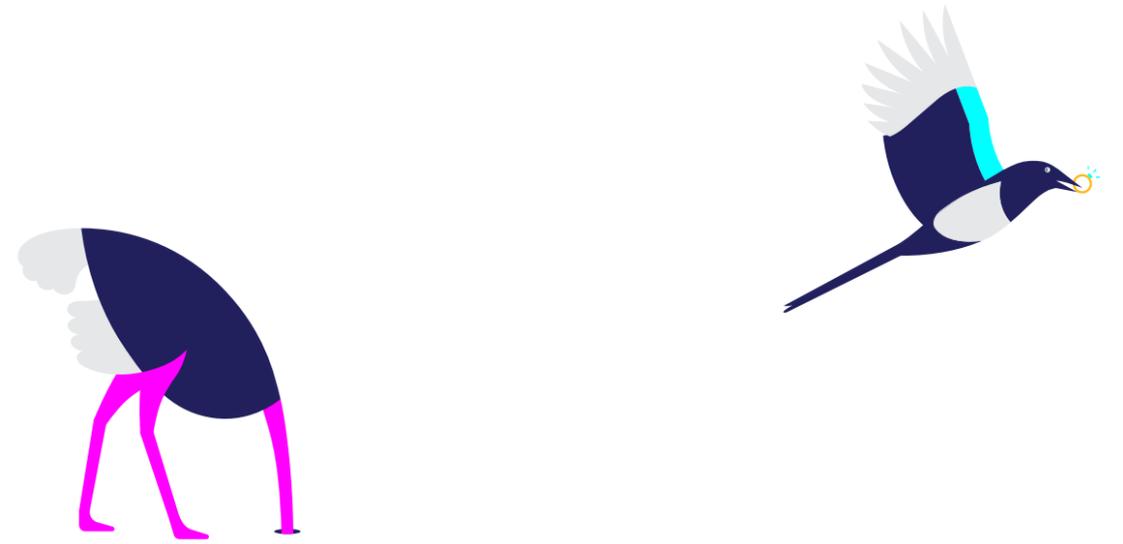
"Use the data to devise targets, actions and a program of work."

ARUNIMA MOTILAL DHAR, DIRECTOR, GLAXOSMITHKLINE

Be objective and do what's right for your organisation

"We have certainly taken inspiration from other brands within the financial services sector and applied them to our own company. One example refers to CSR (Corporate Social Responsibility). We reviewed the CSR policies of several companies within the forex and finance sector to see what they were doing to fulfil their commitment. In some cases, we were truly inspired. Charity work in Africa and Syria, work with the environment and even volunteer work for employees. In other cases, we felt that their commitment to CSR was somewhat forced or lacking in sincerity. We also paid attention to the marketing fund-raising efforts of leading brands and were motivated to create something positive of our own. Contentworks now sponsors Room to Read, an organisation providing literacy to underprivileged girls around the world."

CHARLOTTE DAY, CREATIVE DIRECTOR, CONTENTWORKS AGENCY



Keep an eye on the results you achieve

"We can only know if information which affects a process has positively affected our business by the results we achieve. Measurement is key, balanced score cards, surveys, etc. Again my advice is to keep it simple; a good picture of your key KPIs around quality, cost, delivery and safety."

ANDREW PETERS, MANAGING DIRECTOR, SIEMENS DIGITAL PLANT

Here are a few inside tips on implementing best practice

Do

- Implement ideas quickly
- Share the vision of what you're trying to achieve with staff
- Try and embed the change into common working practice
- Review and abandon if your plan is not working



Don't

- Try to protect your ego



CHRIS BLADE, CEO, CUMBRIA CRYSTAL

From Ostrich to Magpie

In November 2017, the CBI released a report, From Ostrich to Magpie, which illustrated that in order to move the needle on the UK's productivity, more UK firms needed to become magpies.

Magpies know how to find and adopt readily available technologies and management practices proven to lift productivity. They network to learn, rather than for the sake of it. Another common magpie behaviour is comparing their business practice to others, both within their sector and beyond, and then adopting what works.

Ostriches tend to lean on what they've always done before, which can see them missing opportunities to innovate and grow. Another characteristic is failing to measure business performance, which can see them ignoring clear signs of risk and danger to their business.

The good news is that with the right guidance, any business leader could become more of a magpie - one improvement at a time.

Start your benchmark journey today

If you have been inspired to be more of a magpie, then why not start by visiting the Be the Business website or using our benchmark to find out how good your business really is.

Visit our website on:

bethebusiness.com

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