The Magic Bullet

Hello, I'm James. Hi, I'm Jimmy and welcome to A Job Done Well, the podcast that helps you improve your performance enjoyment at work.

James: 0:15

Good morning. How are you?

Jimmy: 0:16

I'm well, James. I'm well. What are we talking about today? Ah,

James (2): 0:19

today we have got the magic bullet, the solution to all ills.

Jimmy: 0:24

We have become snake oil

James (2): 0:26

Absolutely. Yeah, we have. Yeah. So you need to listen to the end of this because we will tell you how to fix all of your problems. However, having started with that, what have we been up to?

Jimmy: 0:35

Not a lot this week, just getting ready for holiday. weekend we head off to Ibiza. Party capital. How old are you? I will be the oldest swinger in town.

James (2): 0:48

Anyway, I am, I on the other hand, I took my youngest daughter, she started sixth form This week. No, not excellent at all. I remember when I started MySixthForm,

MySixthForm just consisted of a series of failed attempts to chat up women. And I can just, well, girls I should say, and I can just imagine what it's going to be like for like her.

Jimmy (2): 1:09

Yeah, because she's Well, yeah. other end

James (2): 1:11

Anyway, before I go into another mental image. Let's go and talk about

Jimmy: 1:19

what's, what is this famed magic bullet?

James (2): 1:22

Before we start on the magic bullet, I'm going to talk about one of my pet peeves. One of my pet peeves is cost saving initiatives. Yeah, cost saving initiatives. We, I have seen, which were just atrocious.

Jimmy: 1:35

on, tell me about

James (2): 1:36

Well, ONE, ONE was an organisation that decided, it got offices all around the country, it decided that it was going to shut its canteens. And by shutting its canteens, obviously it would save the wages of the workers. Canteen staff, and I think the food was probably a little bit subsidized. They save some money there as well.

Jimmy: 1:54

But they pissed all the staff off, I bet.

James (2): 1:56

off. Any goodwill was gone. Any, I mean, the canteens used to actually be quite thriving. You'd have lots of conversations and ideas bouncing backwards and forwards.

Jimmy: 2:07

there's, there's a reason why Google spend millions on buying their staff's food and creating collaboration spaces, and it's all that, you know, that social relationships and innovation that they get

James (2): 2:19

get out of it. Right, well, yeah, not the place I work. Yeah, let's, cost saves the social relationships and the innovation. And the other thing, of course, is people used to go to the canteen, grab a sandwich and go back to their desk and do a bit more work. Whereas now what they have to do is go Down 16 floors, go out into the city, wander around a bit, stand in a queue, find the sandwich and then maybe eat it out and not bother coming back to their desks. So what on face value looked like a cost saving, because the canteen budget line had gone, actually the cost popped up somewhere else.

Jimmy: 2:48

of you

James (2): 2:49

So that's me first. Would you like another one? Because you're going to get one.

Jimmy: 2:51

Go on, one more, one more.

James (2): 2:53

so my other one, my other favourite was another organisation I work for where we decided we were going to save money on print costs. Yes. Right. So the whole idea was we had colour printers, and you couldn't print in colour. It had to be black and white unless you got a director's sign off.

Jimmy: 3:14

Well, I think that's exactly what you want your directors to be spending

James (2): 3:17

Well, yeah,

Jimmy: 3:18

off colour Well my, my cost saving, my cost saving, horrors, all, all involve organizations just using cost as a, a blunt instrument. So the classic is always, you know, we've got major problems with cost, so let's cut travel and

James (2): 3:34

Oh, because we spend a lot of money on

Jimmy: 3:36

track. Exactly. It's a rounding era.

James (2): 3:39

million pound business and let's worry about taxi

Jimmy: 3:41

Exactly. And I, I asked the CEO once, why, why bother about it? It's such a small number. And he tried to tell me it was psychological because it's an easy one. And you can't be wasting money here and there and everywhere. It's just like, but it's a rounding error. The other one is, you know, stopping, stopping recruitment. So just like, that's it. And that

James (2): 4:02

Oh, I had

Jimmy: 4:02

save, that will save you money in all the wrong places.

James (2): 4:06

I had that. We I was running an operation. We had a recruitment freeze. Yeah. You couldn't backfill anybody who'd left. Now, these people were doing work. Yeah. So, obviously, the work wasn't getting done. And because the work wasn't getting done, it was playing merry hell elsewhere. But it was okay, because we hadn't backfilled the vacancy.

Jimmy: 4:21

done. And then make people redundant.

James (2): 4:23

Ah. Yeah. my

Jimmy: 4:25

matter. Yeah. These are endless cost saving initiatives. But tell us, James,

James (2): 4:32

what's the better way?

Jimmy: 4:33

Yeah, show us the light.

James (2): 4:34

the light. Well, when I was, it must be about 25 years ago, I had a boss. It was a very clever man, and he said, he said, taking cost out of an organization. It is a little bit like taking air outta a.

Jimmy: 4:46

liver. Alright, how so?

James (2): 4:47

So, what most organizations do, if you think you've got your Lilo, and if you think you've got, what organizations do is they jump up and down on a particular cost item. So they'll jump up and down on, as we said backfilling recruitment, or they'll jump up and down on training costs, or they'll jump up and down on IT costs, or whatever the hell it is they jump up and down. And the problem is, of course, you jump up and down, but all it does is it pushes the cost from one area to another. Absolutely futile. His point was, instead the way to take money out of an organization is you open the valve. So what the hell is the valve? Well, the valve where you let air out of a lilo is capability. So there you go. The solution is capability. At this point, I must point out, the analogy falls away because the your lilo sinks but, but up to that point, I think it's quite a good analogy. So if you

Jimmy: 5:34

the capability of swimming,

James (2): 5:36

You're alright, yeah, yeah,

Jimmy: 5:37

Okay, so, the silver bullet

James (2): 5:40

Yeah.

Jimmy: 5:41

is building

James (2): 5:42

Absolutely. Well,

Jimmy: 5:43

before we get into how come that's a silver bullet, what do you mean by

James (2): 5:48

Well, for me, I think of organizations as just big machines. And so capability is the way in which the organization works. It's the.

Jimmy: 5:59

policies,

James (2): 6:00

processes and systems. It's just the way things happen. So let me give you a couple of examples of capabilities, which I thought were really quite good. If you are, I don't know, trundling up the M1 and you see a lorry go by and that lorry has got Argos written on the side of it, say, yeah. Chances are, or there's a, Fair probability that it hasn't got anything that belongs to Argos in that lorry at all.

Jimmy: 6:23

all. What they

James (2): 6:24

they do is they've all developed this capability called backhauling.

Jimmy: 6:27

And what's that?

James (2): 6:27

So what they do is they they drive the lorry out one way with loads of stuff for stores. Yeah. Then obviously the lorry is empty and driving an empty lorry is quite, you know, it's a waste of money. Yeah. So they've just arranged agreements with people who've got different logistics centers in different areas and they'll pop round to Astor or wherever it may be and then pick their stuff up and shift that for them. So there's this whole backhauling thing, just this capability of how do you make sure that your lorries are always full.

Jimmy: 6:53

I've got useful insight for you on that, James. Very similar. Did you know private jets? Yeah. Right. Private jets go

James (2): 7:01

Hang on, do I know about private jets? No I don't know about private jets. Yeah, go on.

Jimmy: 7:05

I'm saying? Private jets go from A to B. So a private jet goes from London to Paris, for example, taking some rich and famous people. Well, it's got to go from Paris back to London, back home,

James (2): 7:17

and

Jimmy: 7:18

it will be empty.

James (2): 7:19

Same problem.

Jimmy: 7:20

Same problem. They've still got the cost, so what they do is they hire out the return leg of private jets for much, much cheaper. So, next time you're travelling, James, figure it out in a Volvo. Hire yourself a PJ, mate.

James (2): 7:33

PrivateJets. com is it or something like that? Something like that. I'll try it. Another example, one that blew me away, just because I thought it was very clever, was when I first started working in call centres. You've got outbound call centres. Yeah. Yeah, where people are phoning up chasing debt or whatever the hell it might be.

Jimmy: 7:49

be.

James (2): 7:51

But they don't want the people sitting there individually dialing out customers numbers. They've got this thing called a dialer. They still have them, I'm sure they still have them. But it's a computer system and what it does is it predicts when an agent is going to come free and dials just ahead of time. So it reduces the amount of time that agents are not busy by

Jimmy: 8:11

When I think about capability though, I tend to think more about the people side of things. So have your people got the skills, the knowledge, the capability, the tools to be able to do their job.

James (2): 8:28

Okay, yeah, yeah, yeah. I

Jimmy: 8:30

think that applies. So,

James (2): 8:31

so Well, and absolutely it does, right? Because the capability to be a short order cook, as opposed to the capability of being a Michelin star chef, yeah, all about capability. But that's perverse, isn't it, right? So if you think about capability as training people and giving them skills, which are, yeah, it's another Yeah. So the way in which a lot of organisations save money is actually by destroying capability, i. e. sacking people, rather than building it.

Jimmy: 8:59

building it. Absolutely.

James (2): 9:00

Isn't that nuts?

Jimmy: 9:02

Just typical, isn't it? I think about, I think about capability. I think people, you think machines. Yeah. Playing to

James (2): 9:11

do love a good spreadsheet.

Jimmy: 9:12

do. Okay. So we've talked about what capability actually is, but explain to me how is building capability the silver bullet?

James (2): 9:24

Well, and well, as you say, right, I think of organizations as machines. Yeah. And so you've got a load of resources go in and a product or service pops out in the back end. Yeah. And it is the capability of that machine, how sleek that machine is, how well you can make it work, which is really what drives profitability. I mean, if I look at it all, I'll get a bit esoteric, right? But if you go back, Well look at farming in the middle Ages. Yeah. Yeah. You've got a bloat with a, a wooden hoe and an ox dragging it. Whereas now you've got tractors and combine harvesters and God knows what else. And frankly, a lot less people who are farmers.

Jimmy: 10:03

Well, you should, you should check out Clarkson's Farm. I should 9.0 on IMDB, so it's highly rated. But yeah, I mean, he. is always looking at what capabilities he has, whether it's his machinery, whether it's his products, whether it's his tools, whether it's the, you know, the infrastructure that he uses, the restaurants, the pub, everything. He's always looking at the capabilities he has to be able to monetize

James (2): 10:31

monetize

Jimmy: 10:32

his farm.

James (2): 10:33

Right, yeah. But it's not such a cost saving game is it? And And I suppose the thing is it's not just a cosplay either, right? Because, in fact it's far from a cosplay. If you've got a quality problem, how do you solve your quality problem? Build some capabilities that don't bloody go wrong,

Jimmy: 10:51

Reduce, reduce errors, like, you know, and it could be systems to stop you from making mistakes, or it could be your staff's training. Right, exactly.

James (2): 10:59

If you've got a service problem, you know you're too slow. How do you prevent your service problem? Well, you build capability. You schedule your staff so they're against demand or

Jimmy: 11:11

though it ticks the box on your favorite thing that you love to hate the most, cost saving

James (2): 11:17

initiatives, yeah.

Jimmy: 11:18

It's not a cosplay. So it applies to whatever results that you need to improve. Building capability helps you improve those results.

James (2): 11:29

So, yes, it's the silver bullet. However, right, it's not, not quite that contrite. Let's talk about outsourcing, right? So, outsourcing, particularly, I don't know, 10, 15 years ago was your classic slash and burn cost saving initiative. Yeah. Get rid of your

Jimmy: 11:46

that didn't make your top three of most hated cost saving initiatives.

James (2): 11:50

So outsourcing, outsourcing, good or bad? What do you think?

Jimmy: 11:54

Well, just to sit on the fence appropriately, it depends. I think, you know, outsourcing, I think you think about rather than outsourcing 10 15 years ago, just using other suppliers to help you with whatever you're trying to do. I think you're buying either capacity or capability or both. And I think if you're buying capability, so for example, you know, it might be hard to get analysts or developers or something you as an organization cannot attract and retain people, going and finding somebody who can, who has that capability is a great way of sourcing Capability or if you, I, I worked in an organization that was relatively small, but had real big peaks and of

James (2): 12:38

Alright, yeah.

Jimmy: 12:38

So buying capacity well was a sensible thing.

James (2): 12:42

actually, I would argue, they weren't buying capacity, they were buying the capability to manage capacity. Yes. Yeah, because you're just buying it, presumably, from somebody who had got a load of it, and they were much more flexible, consequently.

Jimmy: 12:53

So I think, you know, that's one thing. But if you just go and outsource work where people don't have the cap capability, so they don't have the skills, which is we've both experienced a lot. People will tell you that they can do the work and then they can't. Oh yeah,

James (2): 13:08

Oh yeah,

Jimmy: 13:08

Then you're just on hiding to nothing.'cause then you are in a world of pain.

James (2): 13:12

So coming back to my capability point, if you are outsourcing to buy capability, then that's great. Yeah.

Jimmy: 13:20

But if you're outsourcing without capability, you're in trouble.

James (2): 13:23

You're in trouble.

13:27

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James (2): 14:00

I buy this, but if it's this, you know, if it's a silver bullet, we, are not the first to figure this out, are we? No, we are not. Not by a long way.

Jimmy: 14:10

So why doesn't everyone do it?

James (2): 14:12

Well, I think it's got a lot to do with the way that organisations are run and people are rewarded. Yeah. So, let me give you an example. Silos. Organisational silos. Yes. Right? Interesting story. Beef burgers. Yeah, you'll like this one being a vegetarian. Excellent. In the dim and distant past I used to work in a beef burger factory. And obviously to make beef burgers you need beef. So I got a buyer who delivered the beef in 20 kilo blocks into this factory. And he came to the conclusion that you could take some money out of the system if you delivered it in tons. Because if you delivered it by the ton instead of by the 20 kilos it would load less packaging and faffing about. So he's got this huge opportunity, which would save the organization some money. The factory manager wouldn't have any of it at all. Why wouldn't he have any of it at all? Because he didn't have the machinery to deal with the

Jimmy: 15:06

the ton

James (2): 15:07

ton blocks, he wasn't prepared to invest in it, and it was all set up to do with 20 kilos.

Jimmy: 15:12

got

James (2): 15:13

you've got this silo mentality, two people, two different targets, doesn't do the right thing for the organisation. Yep, so you don't get the capability

Jimmy: 15:22

thing for the organisation. So you don't get the capability. But from a friend of mine, did you know my favourite biscuits, Bourbon biscuits,

James (2): 15:34

yeah, I can guess where this is going.

Jimmy: 15:35

you know how they're made? They are made off the scrapings and debris from all the other biscuits. They scrape it all up at the end of the day, whack in a bit of chocolate, mix it up and sell it as Bourbons. That put me off my favourite biscuit, that story.

James (2): 15:50

Well, as a man who was in fairness to the biscuit manufacturers I've got, I was a member of the Institute of Food Science and Technology in my youth. If you ever tell you that, God, I'm a fascinating person, but take the piss. There is such a thing. Yeah. Member of the institute, food Science and Technology, and they wouldn't have scraped you off the floor. It was just the stuff they. Caught that wouldn't go in the packing machine, but they just grounded back. Yeah.

Jimmy: 16:13

the story is so much better when you say it's scraped off the floor.

James (2): 16:15

but arguably, right. They built a capability. They've got all these biscuits that got cracked wouldn't go in the packaging machine. Yeah, yeah. Ground them down, added some chocolate so they could master the flavor and banged them back through the machine. I mean, what's, whats it like? Yeah. Tastes all right with your tea, doesn't it?

Jimmy: 16:30

doesn't it? So

James (2): 16:31

there's the first one, right? Yeah. Silos. The other one is a lack of focus on what your organizational purpose is. Right. Because if you think your purpose is to save money in your printing shop, then you will go to, double sided printing for everyone. However, if you think your purpose is to solve customers insurance claims, then you start to play things very, very differently. So the question becomes, how does what you do support your customers and what capabilities do you need to build rather than, oh, just I'm here to save money.

Jimmy: 17:03

And, and actually, as we've discussed many times, if you want to save money, you know, getting things right first time is one way of doing it. But when you're saving cost, you know, you're just slashing and burning.

James (2): 17:16

I think the third one though, fundamentally is it's very easy to sit there and say, Oh, we're going to close all the canteens and we'll save a load of money. Yeah. And show that on your P and L. Actually say or improving capability does take a little bit of thought. You need to understand what's going on and you need to find a better way of doing

Jimmy: 17:38

No, and in fairness, I know this is a sweeping generalization, but a lot of the senior people that I've come across are the hardest working, lazy people that you'll find. So they want some straightforward, easy answers to solve problems. It strikes me that building capability whilst, you know, we are talking about it as a silver bullet, it will will improve your results wherever you do it, but it's not an easy thing to do, is it?

James (2): 18:07

No, it's not.

Jimmy: 18:10

that's all very well, James. If you are managing a big organization and you're going on these big improvement drives,

James (2): 18:19

what

Jimmy: 18:20

What about if I'm managing a team? How does this apply to me?

James (2): 18:24

Well, I think it's probably easier at a team level. And the reason why I say that is if you're running a team, if you're on the shop floor, you are much closer to the work. So it's a lot easier to go and see and understand what's going on. And therefore it becomes an awful lot easier to understand what needs fixing. And being able to fix it. Whereas if you're the chief executive sitting in a boardroom somewhere, there's so much going on, it's very difficult to understand. So I think, shop floor, yeah, team leader, those are the guys who really have this in their hands.

Jimmy: 18:54

Yeah, because I suppose whether it's the organization's purpose or your boss's latest issue du jour, you will be, you will have somebody demanding results off you. So one way of improving your results that, you know, guaranteed will work is to improve the capability. So think about what is, what is the capability you need to deliver those results and then get on and build with that. But how do I do it? How do I build capability?

James (2): 19:26

build capability? Well, and I think that's very straightforward, right? First of all, you need to be really clear what you are there to do. What is your machine making? Yeah, is it making biscuits? What is it making? Yeah. And I suppose that's the role of the chief executive, really, is to be really clear what your business is there to do. Once you've got that, then it's a question of, what is getting in the way of me doing that? What's stopping me? Because then if you can understand those problems, then you've got an opportunity to go and fix them. By understanding the problems, that really is delving into the process. It's delving into the data, talking to your employees, looking at your customer. There's nothing new in all of this, Customer journeys are a great one. You know, if you really want to understand what your organization is like, go and play through it as a customer. That will tell you what you've got some problems. But then when you've got those problems and you understand that, then it's just a question of finding some solutions to that. talk to your employees. Other industries are a great place to go and look, what are other people doing?

Jimmy: 20:29

I think the other thing about other industries or other companies is also it can light you up in terms of what are the capabilities that are out there. Because you might look at your team and say, right, the capabilities I need are x, y, and z. But actually, There might be capabilities out there that you are not aware of that if you look outside your organization, outside your industry, you can learn from what other people

James (2): 20:57

Absolutely. Yeah. The other thing is the horrible term, I don't like it, but thing end to end, right? Yeah. So my point of points about silos, I spent 30 years helping organizations run better, and all you do is you just go and look at where the work moves from one department to another, because that's invariably where it screws up.

Jimmy: 21:13

up. I used to work with somebody who who was a former GE person. Yeah. And they didn't, they didn't use the term end to end. They had one that was worse

James (2): 21:21

What was that?

Jimmy: 21:21

that? Wing to wing.

James (2): 21:23

Wing to

Jimmy: 21:23

What? What the hell do they

James (2): 21:25

What the hell do they call it wing to wing for?

Jimmy: 21:27

Think about an aeroplane. From one side of the wing, to the other side of the wing. Wing to wing.

James (2): 21:31

Wing to. It's nonsense. Well, I suppose you don't want anything going wrong between, do you? Exactly. And then, once you've got your solution, Try it, test it, get your arms around it and knock it off. Simple as that. Not difficult. Yeah, you

Jimmy: 21:45

say that, but

James (2): 21:47

it's not the

Jimmy: 21:48

easiest solution, is it?

James (2): 21:50

No, but it's the only one that works.

Jimmy: 21:52

it takes a bit of bravery.

James (2): 21:55

Yeah.

Jimmy: 21:56

A bit of thought. Yeah. You've got to figure out what, what is the solution and a bit of patience because it's not a day one solution necessarily. Building capability, whether that is technology or people capability can take a little bit of a while. So you need to be patient

James (2): 22:13

Yeah, and a little bit of trust. Yeah.

Jimmy: 22:16

Okay. So let's summarize. So we started off by talking about why cost saving initiatives don't work. Yeah. And you unveiled the silver bullet, which is building

James (2): 22:28

capability. First of all, I unveiled the Lilo model of cost control. Jumping up and down on cost doesn't work. Then I unveiled the silver bullet

Jimmy: 22:37

Fair enough, fair enough. And in talking about capability, we agreed that building capability can be technology or it can be people

James (2): 22:46

Yeah, skills, absolutely.

Jimmy: 22:48

The key is to understand what it is you're trying to solve. What, what, what results you're trying to improve and then what capabilities will help you do the job better.

James (2): 22:59

Yeah, focus on what, dare I say, your customer needs.

Jimmy: 23:03

And then you find those solutions and this applies whether you're running a team or running an organization or running a process, whatever you

James (2): 23:12

like. If you're running a sales office, if you're running a finance office, whatever it might be, it all applies.

Jimmy: 23:19

it all applies. So actually we're not stake oil salesmen. There is an opportunity to improve your results and your performance at work by simply building the right capability for success. Hope you enjoyed today's episode. And if you want to know more about building capability, please get in touch.

James (2): 23:41

Cheers now.

Jimmy: 23:42

Thanks everyone.

23:44

We cover a whole host of topics on this podcast from purpose to corporate jargon, but always focused on one thing, getting the job done well. Easier said than done. So if you've got. Unhappy customers or employees, bosses or regulators breathing down your neck, if your backlogs are out of control and your costs are spiraling and that big IT transformation project that you've been promised just keeps failing to deliver, we can help. If you need to improve your performance, your team's performance or your organization's, get in touch at jimmy at jobdonewell. com or james at jobdonewell. com.