



The National Business Awards

White Paper

THE BARRIERS TO SUCCESS... AND HOW THEY ARE OVERCOME

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A review of the way the finalists in The National Business Awards
Programmes overcame the barriers to success

Edited by Mike Faulkner

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INTRODUCTION

The National Business Awards receive a huge number of written nominations for its 23 Award categories (see Appendix 1), with each entry generating around 2500-4000 words. The overall programme includes a Regional Programme covering five regions (see Appendix 2) generating several hundreds of applications in 10 award categories (see Appendix 3). In addition to this there are 15 categories for the National Business Awards for Scotland programme (see Appendix 4) which is run specifically for businesses operating out of Scotland. Through a rigorous short-listing process the initial entry is reduced to four finalists for each award category in each region, and five finalists for each national category within the programme. All finalists are invited to present their case in person to, and answer questions from, a judging panel of experts with knowledge and experience of each

award category specialism (see Appendix 5).

The whole process generates a wealth of intelligence about the way successful companies operate. In 2004 the data from the 2003 finalists was analysed and the findings were published in the White Paper: The Observed Characteristics of Successful Businesses in January 2004.

This year the 2004 finalists were analysed to contribute to this 2005 White Paper. One of the questions common to all categories asked applicants to identify the greatest barrier to success that the business had faced and the actions taken to overcome it.

This document has been prepared from a review of the applications of all the finalists for The National Business Awards, The National Business Awards Regional Programme and The National Business Awards for Scotland and looks specifically at

the responses to the 'Barriers To Success' question.

These observations are based on the submissions of a base 300 successful companies.

THE AIM OF THE PAPER

One of the tenets of the National Business Awards is that good practice should be widely disseminated in the business community to bring as much benefit as possible to UK plc. The sharing of the intelligence gathered is therefore the primary purpose of this paper.

The secondary purpose is to help British companies facing similar issues to know that those particular challenges are not exclusive to them, that others have faced similar situations, and to give some examples of how they have successfully overcome them.

TYPES OF BARRIERS

The barriers to success can be categorised into the following six broadly strategic categories:

1. Company Culture Issues
2. People Related Issues
3. Market Based Issues
4. Growth Issues
5. Finance Issues
6. Organisational Issues

See pie chart below.

The barriers are quite widely spread across the categories. Company Culture Issues and People Related Issues are so closely interdependent that, when combined, the issue relating to the performance of people appears to be the major performance barrier identified. Additionally, the performance of people is also a factor in most of the other categories.

It is worth noting that four submissions claimed to have no 'Barriers to Success' apart from the limits of their own imagination. This begs the question: are they in imminent danger by not recognising what they don't know; or have they developed a level of anticipation and a skill of proactive problem solving to the degree that every eventuality can be planned away. Only time will tell.

Within these categories was a range of sub-issues that expose the kinds of subjects which management is having to deal with at a strategic and tactical level on a day-to-day basis.

1. Company Culture Issues

These issues can be categorised as those arising from:

- a. Historic Legacy
- b. Reinvention/Change
- c. Sharing the Vision

2. People Related Issues

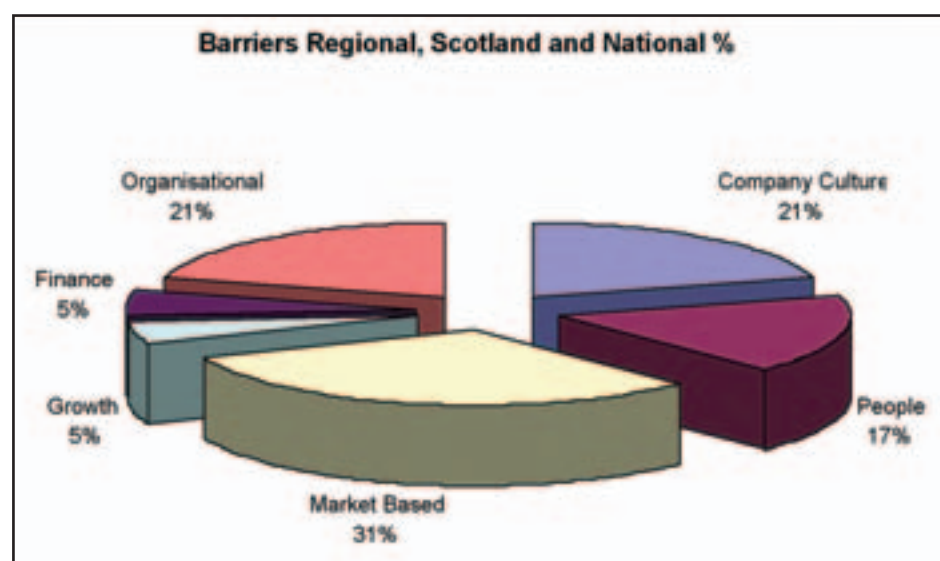
These issues can be categorised as those arising from:

- a. Skills
- b. Recruitment/Retention
- c. Development

3. Market Based Issues

These issues can be categorised as those arising from:

- a. Customer Relationships



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- b. Brand Recognition
- c. Positioning
- d. Competition
- e. Market Awareness & Acceptance

4. Growth Issues

These issues can be categorised as those arising from

- a. Coping with Growth
- b. Legislation/Regulation

5. Finance Issues

These issues can be categorised as those arising from

- a. Sources of Finance
- b. Start-up Finance
- c. Currency Fluctuation
- d. The View of the Institutions

6. Organisational Issues

These issues can be categorised as those arising from

- a. Distribution Strategy
- b. Location/Re-location
- c. Supply
- d. Systems and Processes
- e. New Technology

It was observed that many companies stated that they were having to deal with not one but a combination of barriers, some of which could be dealt with independently of each other and some which were interdependent; for example, the recruitment and development of staff for specialist functions where there is a limited market supply. While some were of a more tactical short-term nature, others needed to be addressed with a more strategic long-term solution. The more interesting general observation is that barriers were not allowed to be a permanent impediment on the journey to ultimate success.

INTERNAL V EXTERNAL BARRIERS

Another view of these barriers can broadly categorise them as Internal (54%) barriers and External (41%) barriers with one, Customer Relationships (5%), being possibly a combination of both.

This again reinforces the importance of the

| Source | Category | Issue |
|----------|------------------------|--|
| INTERNAL | Company Culture Issues | - Historic Legacy - Reinvention / Change - Sharing The Vision |
| | People Related Issues | - Skills - Recruitment/ Retention - Development |
| | Growth Issues | - Coping With Growth |
| EXTERNAL | Organisational Issues | - Distribution Strategy - Location/Re-Location - Supply - Systems & Processes - New Technology |
| | Market Based Issues | - Brand Recognition - Positioning - Competition - Market Awareness & Acceptance |
| | Growth Issues | - Legislation/Regulation |
| BOTH | Finance Issues | - Sources of Finance - Start up Finance - Currency Fluctuation - The View of the Institutions |
| | Market Based Issues | - Customer Relationships |

people in the business to recognise the need, and accept the responsibility, to create ways and means to overcome the barriers that present themselves.

1. Company Culture Issues

- d. Historic Legacy - Int
- e. Reinvention/Change - Int
- f. Sharing the Vision - Int

2. People Related Issues

- d. Skills - Int
- e. Recruitment/Retention - Int
- f. Development - Int

3. Market Based Issues

- f. Customer Relationships - Int/Ext

- g. Brand Recognition - Ext

- h. Positioning - Ext

- i. Competition - Ext

- j. Market Awareness and Acceptance - Ext

4. Growth Issues

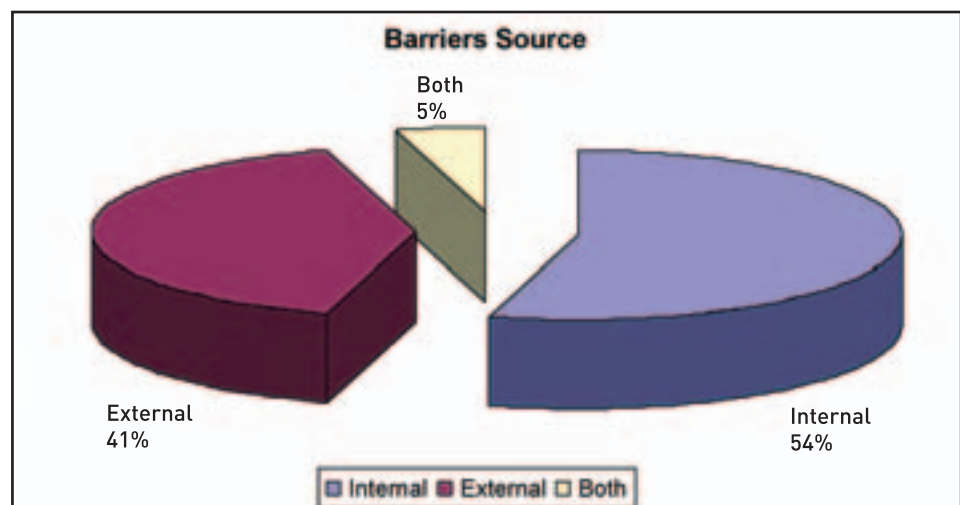
- c. Coping with Growth - Int
- d. Legislation/Regulation - Ext

5. Finance Issues

- e. Sources of Finance - Ext
- f. Getting Started Finance - Ext
- g. Currency Fluctuation - Ext
- h. The View of the Institutions - Ext

6. Organisational Issues

- f. Distribution Strategy - Ext



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- g. Location/Re-location - Ext
- h. Supply - Ext
- i. Systems & Processes - Ext
- j. New Technology - Ext

National and Regional Differences

The analysis shows some marked differences between the three finalist sectors, The National Business Awards, The National Business Awards Regions and the National Business Awards for Scotland, as the graph below shows:

Company Culture and Market Based issues have a higher incidence among the companies in the National programme while People and Organisational issues are more prevalent in Scotland and the Regions. There appears to be no obvious geographical rationale for this difference as many of the companies in the National programme are also regionally based or operate regionally and nationally. One hypothesis for this is, the fact that companies in the National programme are generally bigger businesses than those in the other programmes, and this can be supported by the fact that Company Culture issues, more usually associated with larger organisations, are higher in that group.

THE BARRIERS AND SOLUTIONS

1. Company Culture Issues

A. HISTORIC LEGACY – The category that

deals with issues that arise from businesses finding themselves at a disadvantage because either their management or their people are resisting the need to adopt new practices or processes in order to remain competitive.

Example 1a Historic Legacy – GNER

The legacy of British Rail was one of the key issues faced by GNER when they took over the East Coast Mainline in 1996. The need was to change from an outmoded command and control structure to a new philosophy that released the performance potential of every member of staff. The 'Creation of Three Thousand Leaders' was the platform on which the new approach was based. It required all employees to take control and responsibility for their part of the operation with the ultimate goal of delivering an excellent experience to customers. The key was the elimination of the blame-led culture of the past, into an open environment where talent could flourish and ideas develop into action. A structured process of leadership development for all managers was fronted by the chief executive and the senior team. They also led by example, spending time working on the trains with their staff to demonstrate their commitment to the new ways. Managers who could not take the opportunity to adopt the new ways were left behind. Staff development programmes helped all personnel to adjust and adopt the new approach and today GNER's new DNA structure has made it one of the most applauded and successful rail operators in the UK.

B. REINVENTION/CHANGE - This surrounds businesses that have needed to reinvent themselves or implement major change strategies in some part of their operation.

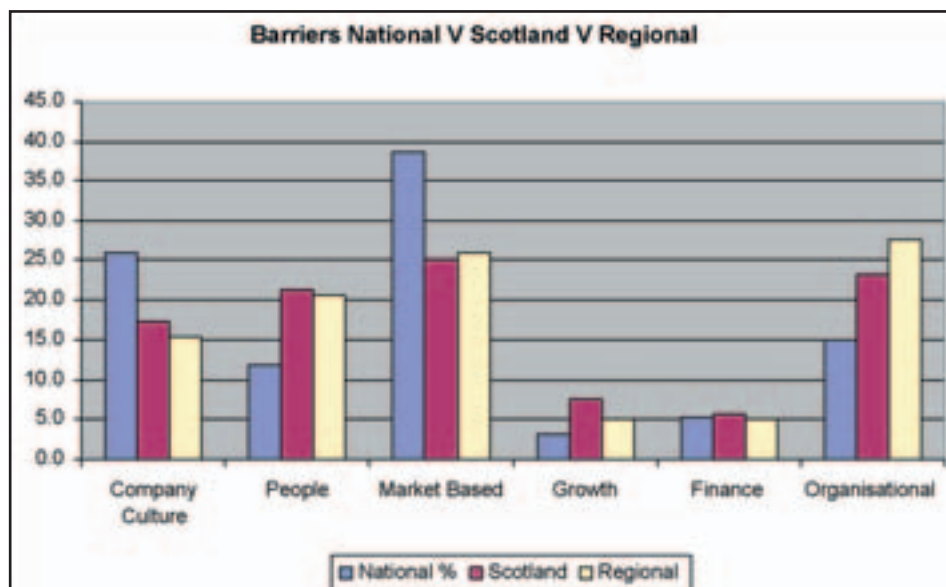
Example 1b Reinvention/Change – Swift Group Holdings

The company had achieved rapid growth through a policy of acquisition but was now constrained from optimising and reinforcing its market leading position in the caravan manufacturing sector by a wide range of constraints. An entire overhaul was required to ensure the business was equipped to take up the challenge of a rapidly growing market without loss of control of costs, quality or business results. An initial review of the internal management structure resulted in the recruitment of a new team of senior people skilled in the management techniques required to develop the company. They then blended these new skills into existing experience. The output has been the emergence of a new performance culture focused on the effectiveness of the business and its future direction and strategy. Change has occurred in every part of the business from product rationalisation, including the introduction of modular construction techniques, through lean manufacturing processes adopted from the motor industry to better cost- and risk-management and a new logistics strategy to improve supplier performance and reduce waste. The effect has been to manage 25 per cent year-on-year sales growth within the existing facility and to increase market share in an expanding market.

C. SHARING THE VISION – This deals with the need to create a common focus within some or all of a business, both in 'what' the company needs to do and 'how' it needs to do it in order to meet the needs of its stakeholder group.

Example 1c Sharing the Vision – BP plc.

BP took the bold step of committing itself to challenging targets to reduce greenhouse gas emissions without really knowing how they could be achieved. This created an environment where innovation became a vital precursor to action. BP is a big and complex company and the need to maintain the



priority of its environmental commitment has been a primary issue. The company made a demonstration of its commitment through investment in a £200m energy efficiency programme aimed at generating energy efficiency throughout its own business. Its leadership has been in the vanguard making this an organisational imperative in BP and pushing the whole industry further. One of the keys to the successful translation of its strategy into actions has been to ensure rigorous performance measures were in place for both financial and non-financial actions requiring managers and staff to be accountable for improvement in every area of the company. A green operations network has been established and a 'Green Clips' email system stimulates the sharing of knowledge and best practice solutions around the world. A structured communication programme keeps both internal and external stakeholders abreast of the programme and R&D continues to bring new, more environmentally effective products, to market on a continuous basis. The results are impressive. The company achieved its own emission reduction targets nine years ahead of schedule, its cleaner fuels are increasingly more widely available, the effect on the bottom line has been positive which is evidence of everyone in BP buying into its vision.

2. People Related Issues

A. SKILLS – Referring to the need to find, or improve, the core competencies in the people in order to retain or sustain competitive advantage.

Example 2a Skills – Miller Homes

Miller Homes is one of the UK's leading house builders. A detailed research study identified that customers going through a house purchase experience a series of emotional peaks and troughs that did not conform to the original expectations of the study. The solution developed to improve the customer experience included an in-house developed website - mymillerhome.com - which allows customers to access and track the progress of their purchase, to select their interior specification and track the construction process of their home. The site is database driven and is dependent upon the input of local sites for its timeliness and accuracy. Initially, the performance was

inconsistent as some staff did not appreciate the importance of their input or the value of the site to the customers, or were not as technically skilled as they needed to be. To overcome what was both an awareness and competence issue the company appointed a 'change agent' in every regional office to both champion the technology and provide guidance and support. It developed a training programme for all relevant staff to give them the understanding and skills to ensure the site is updated on a daily basis. It is now cited by customers as a differentiator and the company believes that it is now better-able to manage customer expectations.

B. RECRUITMENT/RETENTION – This refers to the processes involved in finding and retaining high quality staff.

Example 2b Recruitment/Retention – Laing O'Rourke Scotland

The company had an issue recruiting the people it needed to meet its contractual needs in a skill-short labour market. It took the bold step to recruit talent from the socially excluded and isolated labour markets in Scotland. The company partnered with Job Centre Plus and New Deal in a programme designed to engage with, rather than ignore, the most difficult to reach unemployed groups. These included ex-addicts, ex-prisoners, asylum seekers, refugees and the long-term unemployed from some of the most difficult inner city areas. Skill development programmes were created in conjunction with organisations such as the Scottish Prison Service to give prisoners the skills to take up work as soon as they left prison. The company also worked with other organisations on similar projects for the other groups. It also developed a schools programme to engage young people with the idea of a career in construction and create the basic skills that they would need. The results have been positive and widespread with hundreds of people now in long term employment, the burden on the taxpayer reduced and most importantly, the dignity and self sufficiency of a sector of the previously socially excluded now restored.

C. DEVELOPMENT – Referring to the need to develop people beyond the abilities required for their present roles in order to manage and sustain future growth in the business.

Example 2c

Development – The Royal Bank of Scotland

Part of The Royal Bank of Scotland's vision to be 'The most admired retail bank in the world' includes the aim to be the 'best bank to work for' and the commensurate need to invest in people, because people are the organisation. Attracting and retaining the best talent is therefore a necessity. The bank aims to be an enjoyable place to work and 'Fun at Work' toolkits are provided across the network to help branches create a friendly and positive working environment. The Staff Opinion Survey creates improvement actions at national, regional and branch level to ensure that positive progress is maintained. Advancement for those with talent and ambition is created via a company-wide succession planning process that develops the skills among managers to produce plans for their staff to move forward. At a higher level the Talent Management Programme seeks out the calibre and quality of management required to sustain the continuing success of the business. There are also individually tailored development programmes for individuals who wish to pursue a particular specialism. The Executive Development Programme is in place to develop the very best talent to be the top business leaders of tomorrow.

3. Market Based Issues

A. CUSTOMER RELATIONSHIPS
– Dealing with the issues surrounding the relationship the company has with all customers in the broadest possible context.

Example 3a Customer Relationships – Yorkshire Water

The challenge for one of the UK's largest utilities was the replacement of an ageing water and sewage system in Bradford, which meant that their position as a monopoly supplier gave them little protection from the potential damage that a poorly managed and disruptive public works programme could do to their local reputation. Through a carefully structured planning process they developed relationships with a wide range of local interest groups and the media. A programme of consultation, communication and community support meant that all interested parties, politicians, businesses, consumers,

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ethnic groups, schools and commuters were kept abreast of progress in general and how the work would specifically affect each group in particular, thereby giving them notice to plan their way around any disruption. The effect has been to maintain the customer service quality image of the authority and to produce a plethora of positive support feedback from the groups and people of Bradford.

B. BRAND RECOGNITION – This refers to the need to develop and communicate the brand and brand values to the target market.

Example 3b Brand Recognition – Costcutter Supermarkets Group

Competing in the highly competitive supermarket sector -where even the value segment is highly crowded with some long-term players such as the Co-op and Spar - meant that relative newcomer Costcutter had to establish its service and value brand proposition quickly and effectively. It has to maintain that proposition if its outstanding record of growth (from 6 to 1200 stores) in 15 years is to be maintained. In order to achieve this it deploys a wide range of communication media including TV and national press, but has at its heart a door-to-door leaflet distribution programme reaching 1.8 million households every three years. In addition it operates initiatives to encourage its store operators to engage with the local communities by sourcing from local producers and by offering additional community value services such as Post Offices, Delicatessens and more recently Pharmacies. Their brand is gaining wider recognition and their proposition appears to appeal to an ever-increasing audience with revenue again forecast to increase in the coming financial year.

C. POSITIONING – Referring to the need to put the product proposition in the right place in the market in order to optimise its market opportunities.

Example 3c Positioning – Canon Cameras

Enjoying a market position of being safe and trusted was not helping Canon improve its pan-European market performance, where a

position of being stylish and desirable would greatly assist its ability to proposition a new audience as a style brand. An advertising-led approach was felt to be unable to reposition the brand simply by saying Canon was stylish. So, a PR-led strategy was developed which engaged with celebrities and the International Red Cross. The programme gave well-known personalities a Canon digital camera effectively putting them on the 'Other side of the lens' and asking them simply to photograph whatever they chose. The output of their work was to form a prestigious coffee table book, exhibitions, launch events, media tours, competitions and on-line publicity, with The International Red Cross sharing in the profits of the publications and events. Its format is internationally applicable, is being rolled out continuously across Europe and other world markets, has so far raised over €300,000 for the charity and has exceeded all of its reach and positioning objectives.

D. COMPETITION – The need to deal both strategically and tactically with the actions of competitors.

Example 3d Competition – Ethel Austin Retail Holdings Ltd

Established in 1934 the company is a highly successful regionally based and rapidly expanding value clothing retailer, having to come to terms with the reality of price deflation in its sector. Since an MBO in 2002 the business has been able to respond better to changing market demand and engage in its expansion programme while developing a carefully thought through retail strategy designed to increase like-for-like sales, improve profit margins and deal with an increasingly competitive and deflating market. The strategy involves not only locating its stores as neighbourhood stores, but also contains a process of pricing architecture which offers customers a price/quality tiered proposition on branded goods, while maintaining its competitive position versus High Street competitors. The success of the strategy is reflected in trading results which show improving sales and margins and upper quartile performance in its sector.

E. MARKET AWARENESS AND ACCEPTANCE – Dealing with the issues surrounding market knowledge of the

product or service and its readiness to accept or adopt the proposition.

Example 3e Market Awareness and Acceptance - British Heart Foundation

Faced with the issue of how to engage a potentially unwilling audience with a potentially unpleasant message was the challenge the British Heart Foundation faced with its anti-smoking campaign. The aim was to make the message anti-cigarette rather than anti-smoker and to make the hidden impact of smoking visible in an engaging and motivating way. The creative execution was to make the cigarette the centrepiece of the campaign and as the cigarette burned, instead of producing ash it produced a fatty deposit, which it inferred clogged up smokers' arteries. This was supported by propositions encouraging smokers to 'Give up before they clog up'. A highly integrated programme used a wide range of media including TV, outdoor banners, posters and advans, direct mail to GPs, web advertising and a helpline. Its impact has been enormous with British Heart Foundation saying that at least 6000 people were known to have stopped smoking immediately, spontaneous concern about heart disease doubled, doctors and smoking cessation clinics reporting a 25 per cent increase in referrals and the number of people aware that smoking causes fatty deposits to stick to arteries increasing from 31 to 57 per cent. The outcome shows that the market can become aware of, and accept, a complex and potentially unpleasant message when it is skilfully and creatively communicated.

4. Growth Issues

A. COPING WITH GROWTH – This refers the situations that arise from high growth and the need of a business to cope with the stresses that can come from success.

Example 4a Coping With Growth - Capita Group plc

Winning the contract for the TV Licensing Customer Contact Centre brought with it the need to cope with setting up the operation from scratch in a four-month timeframe. The chosen location was the high unemployment

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town of Darwen in Lancashire where an old mill provided the premises. The building was in need of complete refurbishment and there were no experienced call centre staff, supervisors or managers in the area. A programme of refurbishment and fitting-out using the highest standards of interior design and state-of-the-art equipment was paralleled with a recruitment and people development programme designed to offer jobs to people of all ages, work experience and background primarily from the local community. Careful planning, a multi-faceted approach and commitment to the task meant that the contact centre opened two weeks early and has successfully taken up the duties of its contract.

B. LEGISLATION/REGULATION

– Dealing with the consequences that arise from changes in legislation or where new or heavy regulation exists within an industry.

Example 4b

Legislation/Regulation – PricewaterhouseCoopers

Ever more stringent regulation has limited the ability of the company to offer its clients the range of services they require. To offer the brightest staff the variety of challenges they seek in their work, the company has responded by providing new training often through e-learning techniques. To equip the staff with the understanding of new financial accounting regulations to provide quality service and sound advice to clients, helping partners and directors improve their business development skills they created a programme entitled 'Developing our Partnership' – a suite of learning interventions. The firm has prospered by putting an unprecedented focus on seeking new clients and revenue streams whilst at the same time as tailoring its people development initiatives around the legislative and regulatory changes.

5. Finance Issues

A. SOURCES OF FINANCE – This deals with the requirement to manage the funding of a business from the most effective mix of sources available.

Example 5a

Sources of Funding – West Cornwall Pasty Company

In the past six years the company has grown from a small local business into a continuously expanding regional and national organisation which has been profitable from the start and whose rate of growth has only been held back by the availability of funding. A tried and tested business model expands its reach using carefully selected leasehold property. The assets it acquires are related to the production, storage and presentation of food and as such are not attractive to banks. The option of using venture capital was rejected because of the combined effect of loss of control and the feeling that the shorter term exit strategies of many of the providers was incompatible with the long term aims of the directors. The solution was to accept a slower short-term rate of growth funded by the profitability of the business and to use hire purchase for equipment supported by a traditional bank overdraft to cover short term needs. With a record of 50 per cent year on year sales growth paralleled by commensurate profit performance the business has demonstrated the success of its approach and retained its independence in the process.

B. GETTING START-UP FINANCE

– Referring particularly to small or new businesses and the issues faced in getting started or getting new projects funded.

Example 5b

Getting Start-up Finance – Metalfx Technology Ltd

Metalfx, invented a new way of printing metallic colours that was as simple as it was ingenious. Having developed the idea and a sophisticated business model using licensing to take the process to the global printing market, the final hurdle was to take the opportunity to launch it at the world's second largest printing exhibition in Japan. With personal funds almost exhausted by the R&D process the principal of the business requested a modest loan from the bank to cover the costs of travel and accommodation. The bank refused. The principal faced with no other choice surrendered his personal life assurance policies, made the journey and returned with many tens of thousands of pounds worth of cheques and orders. From this start the business is now highly successful and enjoying enormous growth. Had he not had the determination and perseverance to pursue his idea he would not be enjoying such success today and

a different bank would not have such a valuable customer.

C. CURRENCY FLUCTUATION – The issue faced by businesses whose supply or distribution chain is heavily involved in international trade.

Example 5d

Currency Fluctuation – Lewmar Ltd

Lewmar manufactures and distributes its high quality marine hardware products to the yachting and boating fraternity worldwide. Like all major international exporters, particularly those in the luxury sector it is subject to the vagaries of the global economy and uses a combination of six and twelve month forward currency contracts to mitigate the short term effects of currency fluctuation. It has to deal with the longer term effects of currency weakness in its major markets through a strategy of continual product innovation, quality maximisation, cost control and targeted promotions coupled with outstanding levels of customer service provided by locally recruited staff, expert in the needs of the local market.

D. THE VIEW OF THE INSTITUTIONS

– The issues created in businesses where the providers of finance either allow their needs to override the best interests of their client's business or policy inflexibility causes them to miss a viable commercial opportunity.

Example 5d

The View of the Institutions – ACS Clothing

Becoming the largest kilt hire company in the world is an unusual ambition but a traditional, profitable and long established Scottish menswear company set out to achieve that ambition. In its way was a bank that was content to fund business expansion in car hire companies as the vehicles were seen as assets but the clothing to be deployed in the same way was seen as stock, and therefore did not qualify for asset finance. The company had seen the rising popularity of kilt weddings and had negotiated to be the national supplier to the major wedding hire businesses in the UK, backing its proposition with an excellent service guarantee. It achieved its ambition by having the creativity, energy and

commitment to raise finance from almost every possible source but feels its energies could have better served the growth of the business via a sensible and perhaps more creative solution from its bank.

6. Organisational Issues

A. DISTRIBUTION STRATEGY – This deals with the ability of the organisation to get its products to market through an effective distribution chain.

Example 6a Distribution Strategy – Anthony Alan Foods

Having developed and launched a successful low fat, high-taste cake recipe the company had to decide how best to take it to market. An association with Weight Watchers positioned the product away from the traditional, much maligned low fat sector and opened the door for distribution opportunities with the major supermarket groups but raised the potential for profit erosion through retail price competition. The solution was to develop a unique proposition for each group so that there was no common offering and therefore price competition at point of sale was reduced. The foresight and success of this strategy has allowed the company to grow at an extremely high rate and to maintain levels of profitability that provide funding for the product development required to sustain the growth rate.

B. LOCATION/RE-LOCATION

– Dealing with the issues arising from the constraints of location either in terms of size or geography and those that follow from business relocation.

Example 6b Location/Re-location – The House For an Art Lover

This is a unique development. A property designed by Charles Renee McIntosh but only built in 1996 in Glasgow as a joint venture between private capital and the city council. Its function is a tourist attraction and event venue and its principal constraint is the fact that because of design limitations it cannot be developed further. Its sole sources of revenue are the services it provides; these include visitors' entry fees, a café and shop, weddings and private events. Given

that it is unique and its capacity finite, the attraction has to develop a very carefully structured facilities management plan to ensure that priorities are properly organised and revenues optimised. This sometimes may include re-negotiation or adjustment of existing schedules with a properly structured benefit adjustment package to ensure all parties are totally and professionally satisfied. Having a flexible and nimble approach to its business opportunities is vital to the continuing success of this business.

C. SUPPLY – This refers to the issues faced by a business where its supply chain is non-existent, intermittent, breaks down or in excess.

Example 6c Supply – YORKTEST Veterinary Services

Yorktest is a small business offering specialist animal allergy diagnostic services to the veterinary market. Its customers had identified a specialist need but its portfolio was short of a test for cats. Unable to source the necessary reagents in the UK to create a suitable test, it embarked upon a worldwide search for a solution. Eventually its persistence paid off when an American scientist provided an answer that has led to the final research that brings a unique cat test into its offering and creates a competitive advantage for the business. Its ability to pursue a variety of options, establish networks and always remain determined is indicative of the benefits of an innovative and optimistic outlook for a business of any size.

D. SYSTEMS AND PROCESSES – The difficulties faced arising from the fact that the organisation's systems and processes are unable to cope effectively with the day-to-day or forecast demands of the business.

Example 6d Systems and Processes – Liverpool City Council

The systems and processes of Liverpool City Council were not effective at delivering its services to its customers. The council took the decision to fundamentally change the whole of its operation and to move from a multi-functional, disparately organised operation into a single source, one-stop-shop

service that delivered all council services to its customers via a single telephone or physical point of delivery supported by a back office function. The impact of this decision was to render almost all existing methods redundant.

Each of the functions was business process re-engineered via a specialist team dedicated to ensuring that the new processes properly served the needs of all stakeholders via extensive consultation and liaison. The changes were supported by parallel people development. This may have appeared as a high-risk strategy but this bold step has been successful and its new operation now delivers a higher standard and quality of service to the people of Liverpool at a lower cost than almost any other council in the UK.

E. NEW TECHNOLOGY – The issues that new technology brings to a business or its supply or distribution chains.

Example 6e New Technology – Moneysupermarket.com Financial Group Ltd.

An opportunity to change the way many financial services were purchased was identified. This business has developed new technology for the comparison and sale of financial services products using the Internet as its market communication medium. The application of the technology raised a wide variety of issues ranging from an interpretation of the regulatory framework surrounding its use to negotiation with a wide range of providers unused to, and unaware of the benefits available. The company approached these issues on a one-at-a-time basis investing a great deal of time and effort to understand the issues and then, through patient negotiation with all partners and stakeholders to develop a new business model which helped direct insurers to use the moneysupermarket.com as a market communication medium rather than as a competitive force. The approach has been a mutually beneficial success to the company and the product suppliers.

GENERAL OBSERVATIONS

1. No real patterns by group, industry or category were observed beyond those that may have been expected. The larger,

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more traditional companies have issues with culture and change management, smaller, entrepreneurial businesses, have more difficulty with financial issues. On this point The Prince's Trust is able to offer some pointers to the more traditional banking sector. Its model of helping young and often disadvantaged entrepreneurs by not only providing funding but also planning and mentoring support has produced a high number of success stories. If those banking businesses claiming to want to support the SME sector were to exercise some creativity like that shown by The Prince's Trust it might eliminate some of the barriers facing new businesses and be of mutual benefit to the banks and their clients.

2. The process used by many businesses to overcome the barriers they face appears to follow a similar pattern:

- Identify the barrier
- Understand its scale, scope and the issues involved
- Develop options to address the issues
- Prioritise and implement actions and measures
- Evaluation of the results informs the next steps

3. The importance of the performance of people as identified earlier in both the Company Culture and People Barrier categories (38 per cent) and their obvious influence in other areas continues to reinforce the reality that people really are a company's greatest asset - whether they behave in a way that recognises that truth or not. As UK plc continues to move steadily towards a service economy (over 60 per cent of finalists are in the service sector) the importance of service-based businesses will increase and drive up the standards and expectations of customers so the service delivery element of the other sectors is likely to assume even greater importance.

"People are the organisation" - The Royal Bank Of Scotland

It is therefore probable that the recruitment and retention of the right kind of people to fulfil this demand will become of greater significance in sustaining a competitive operational edge and managing the business over the performance barriers which arise in the future.

"Changing the Organisation is one thing, changing the people is entirely different"

- Britannia Building Society

A View on the Importance of The Human Resource

In view of the importance of attracting and retaining the best people The National Business Awards invited Dr Michael O'Connor of Life Associates in the USA to review this white paper. He is a specialist strategic human resource consultant, internationally published author and pioneer of many groundbreaking technologies for improving the performance of the human asset who has, on the back of substantial behavioural and performance research developed an innovative recruitment model that fits people to jobs using more dimensions than the traditional skills, experience and behaviour models. Already hugely successful with companies such as Black & Decker it has made major contributions to the bottom lines of businesses by improving productivity, reducing labour turnover and saving re-recruitment costs as well as contributing to a healthier working climate.

It is called The Big Six.

Its relevance to overcoming business barriers is based on the premise that the right people in the right jobs are less likely to create performance barriers (through lack of awareness and application) and be more capable of resolving the issues arising from the barriers they do face (through greater levels of competence and commitment.)

The Big Six is comprised of the following elements.

CAPABILITIES FACTORS

1. JOB SPECIFIC

- a. Knowledge
- b. Skills
- c. Experience

2. TRANSFERABLE CAPABILITIES

- a. Self Management
- b. Achievement
- c. Problem Solving
- d. Communication
- e. Decision Making
- f. Creativity
- g. Task Management
- h. Influencing
- i. Leadership
- j. People Management
- k. Process Management

3. ADAPTABILITY

- a. Flexibility
- b. Versatility

MOTIVATIONAL FACTORS

4. WORKSTYLE (TENDENCIES)

- a. Dominant
- b. Interacting
- c. Relating
- d. Cautious

5. WORK VALUES

- a. Challenger/Individualist
- b. In Between/Seeker
- c. Traditionalist/Conventionalist
- d. Synthesiser/Integrator

6. WORK INTERESTS

- a. Artistic
- b. Authority
- c. Economic
- d. Intellectual
- e. Moral
- f. Physical
- g. Relational
- h. Routines
- i. Status
- j. Technical

It uses a process that firstly identifies the Key Results Areas (KRA's) and the Critical Tasks that comprise any particular job in an organisation. It takes an investment of time to get that part of the process completed but once done the job profile is available for that job in every part of the organisation. Next, it selects and recruits the candidate that best fits the high needs of the job profile, rather than simply looking for job specific capabilities which research shows typically only contributes around 15 per cent of the factors that predict high performance. Similarly, while work style is highly predictive of job habits/work tendencies, sources of personal satisfaction and interpersonal dynamics/teamwork, it does not predict the quality of performance by an individual. By contrast, the emerging pattern appears to be that today (and tomorrow's) work world situation will require adaptability (either flexibility and/or versatility) and specific types of transferable capabilities - both determined by the key results areas and critical tasks. The type of work that interests an individual and their personal values point-of-view and commitment focus are the two key motivational predictors of note, especially for those in key positions in an organisation.

The Fit With Barriers to Business Success:

Dr Michael O'Connor President and CEO of

The National Business Awards

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Life Associates reviewed how the elements of the Big Six correlate with the Barriers to Business Success:

"A review of the successful National Business Awards Finalists (sample of 22) indicates a strong connection between their business practices and the Big Six predictors of successful performance. The Big Six consists of three CAPABILITIES factors and three MOTIVATIONAL factors that differentiate between higher versus lower performers of a job/role. Here is how these factors are reflected in the 22 current examples.

"On the CAPABILITIES side, two types of capabilities were evident in 21 of the 22 cases. These primarily involved the transferable capabilities of:

- **Problem-solving**
- **Task (processes) management**
- **Communication**

"In addition, adaptability - which involves the willingness and ability to successfully deal with changes, adversities, complexities, and trends - was a second key predictor that characterised this sample of finalists. By contrast, job/field-specific knowledge, skills, and experience was not highly predictive of success and, in some instances, could actually have been a barrier if 'past behaviour continued to be the best predictor' of the future decisions and actions taken by the people in those organisations.

"And, for the MOTIVATIONS dimension, once again two of the three types of predictors were significant among these successful businesses. Of the ten different types of possible work interests, the primary focus of these companies was

"Economic interests in 14 of the 22 cases, followed by Moral interests in 5 of the 22 (especially those with a public or community stakeholder focus).

"Additionally, the personal values orientation of the leaders in such organisations reflected a clear demonstrable commitment involving responsibility to others by the business actions described in their applications. This is in contrast to known cases of other organisations whose leaders demonstrate a qualitatively different sets of driving values involving commitment to their own rights and well-being versus those of other stakeholder groups affected by their business decisions

and actions (e.g., customers, employees, shareholders, suppliers, funding sources, community).

"A third dimension of motivation was not visible as a key predictor of these successful businesses, namely that of personal work style (e.g., direct vs. indirect, controlling vs. supporting). This is often the case when individuals and organisations transcend their natural, more comfortable and traditional ways and instead demonstrate leadership and business breakthroughs driven by their values commitments

"The people and culture factors are prime shapers of successful businesses. This is because of the obvious, but often overlooked reality that organisations don't make decisions - people do.

"As indicated above there is no single solution - though clearly an organisation is likely to be more successful if it focuses on making decisions to create solutions that are designed to be as likely as possible to achieve their desired impact. By having a clear understanding of how and where the roles at every level of the business are impacted by the different types of CAPABILITIES (3 general performance factors consisting of 16 total sub-variables that define them) and MOTIVATIONS (3 other types of performance factors comprised of 18 additional sub-variables) they will be better able to ensure that the right people come into the roles in the first place, and because they have the right people in the right roles both the people and the company will be more effective in two ways. Firstly by reducing the considerable costs associated with recruitment and staff churn, and secondly through improved productivity from more effective people who are less likely to create internal success barriers and have a greater capability to overcome the external barriers which inevitably arise.

"Effectively using this knowledge has been shown to be vital in the development of winning people and business cultures. It is also integral to the successful formulation and execution of winning business strategies and processes. For an organisation to capitalise on the competitive advantage provided by this intellectual know-how, it simply needs to follow the rational four-step process in a systematic manner in order to move in the direction it seeks and thereby shape and better control its own destiny.

FOUR KEY STEPS TO THE BIG SIX PROCESS

STEP 1 - Clearly identify and gain commitment among the key stakeholders to the desired end result.

STEP 2 - Identify the type of Big Six factors (CAPABILITY and/or MOTIVATION) required to achieve this result and rate the importance of the 34 specific variables.

STEP 3 - Source and deploy the key people who either embody these characteristics and/or will assure that they are successfully put into action to achieve and sustain the desired result.

STEP 4 - Build in cultural, personal and process mechanisms that naturally reinforce, strengthen and build upon the achieved results.

"This same process can be used on a cyclical basis by enlightened leaders and organisations to continuously or periodically reinvent and/or revitalise their business. It can also be used to build such a process formula into the genotype of the culture to ensure future generations of leaders are equipped with a strategy to deal with barriers of success of tomorrow."

CONCLUSION

In conclusion it is perhaps the most fitting observation to say that whether the organisations that were the finalists in The National Business Awards 2004 employ similar people deployment practices or not, it is true to say that they do make the resolution of success barriers a key organisational priority. The ability, determination and application of their leaders and their people have undoubtedly made a significant contribution to address and overcome whatever hurdles were placed on the route to their success. The skill of identifying, understanding and dealing creatively with such issues has placed them among Britain's most successful business organisations.

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→→ Appendix 1

THE 2004 NATIONAL BUSINESS AWARDS CATEGORIES

The Corporate Social Responsibility Award
The Environmental Awareness Award
The Prince's Trust Enterprise Award
The Advertiser of the Year Award
The CSC Business Leader of the Year Award
The Corporate Venturing Award
The Best Use of Technology Award
The Business Innovation of the Year Award
The Business of the Year Award
The Customer Focus Award
The Customer Service Strategy of the Year Award
The PR Campaign of the Year Award
The Employer of the Year Award
The Exporter of the Year Award
The Growth Strategy of the Year Award
The Lifetime Achievement Award
The Marketing Strategy of the Year Award
The National Business Awards Entrepreneur of the Year Award
The Sales Operation of the Year Award
The Small to Medium Sized Business of the Year Award
The Award for Social Enterprise
The Investors in People Award for Outstanding People Development
The Orange Award for Bright Business

→→ Appendix 2

COUNTY BREAKDOWN OF REGIONS

South East

Bedfordshire
Berkshire
Buckinghamshire
Surrey
West Sussex
Kent
East Sussex
Essex
Greater London
Hampshire
Hertfordshire

Wales & West Country

Cornwall
Isles of Scilly
Devon
Dorset

Somerset
Wilts
Wales

Midlands & East of England

Cambridgeshire
Derbyshire
Gloucestershire
Leicestershire
Lincolnshire
Norfolk
Northamptonshire
Nottinghamshire
Oxfordshire
Rutland
Shropshire
Staffordshire
Suffolk
Warwickshire
West Midlands
Worcestershire

North West

Cheshire
Cumbria
Greater Manchester
Lancashire
Merseyside

North East

Co Durham
North Yorkshire
Northumberland
South Yorkshire
Tyne & Wear
West Yorkshire

→→ Appendix 3

THE 2004 NATIONAL BUSINESS AWARDS REGIONAL CATEGORIES

The Business Innovation of the Year Award
The Customer Focus Award
The Award for Outstanding People Development
The Entrepreneur of the Year Award
The Employer of the Year Award
The Best Use of Technology Award
The Growth Strategy of the Year Award
The Small to Medium Sized Business of the Year Award
The Business of the Year Award
The Orange Award for Bright Business

→→ Appendix 4

THE 2004 NATIONAL BUSINESS AWARDS FOR SCOTLAND

The Business of the Year Award
The Small to Medium Sized Business of the Year Award
The Entrepreneur of the Year Award
The Customer Focus Award
The Employer of the Year Award
The Award for Outstanding People Development
The Growth Strategy of the Year Award
The Business Innovation of the Year Award
The Best Use of Technology Award
The E-Business Strategy of the Year Award
The Environmental Awareness Award
The Corporate Social Responsibility Award
The Tourism Business of the Year Award
The Orange Award for Bright Business
The Lifetime Achievement Award

→→ Appendix 5

2004 JUDGES

Paul Gibson, Life Publishing
Linda Grant, Capital Radio Group
Kim Benjamin, Business XL
Kelly Roberts, Orange
Raihan Mustafa, PriceWaterhouseCooper
Prof. David Kirby, University of Surrey School of Management
Paul Hadley, Department of Trade and Industry
Martyn Rose, Macaw (Soft Drinks) Ltd
Lord Tim Razzall CBE, Argonaut Associates
Dr. Val Singh, Cranfield University School of Management
David Pannell, Durlacher
Mike Newnham, Orange
Tim Weber, BBC News Interactive
Christopher Fogg, Kingston Innovation Centre
Julia Hailes MBE, Sustainability Consultant
Giles Howard, Corbis
Christopher Broadbent, Swallowtail Hill
David Parsons, Institute of Customer Service
Zoe Mason, Ventura
Tony Longstaff, the centre:mk
Nick Smith, British Gas
John Stansfield, Orange
Peter Bewsey, Executive Help Limited
Jennifer Kirkby, White Waves Ltd
Shaun Orpen, Orange
Tom Thomas, Southampton Business School

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→→ Appendix 5 continued

Duncan Painter, ClarityBlue
Jayne Hutchinson, Orange
Markus Clavin, Business Link & Small Business Service
Chris Shoebottom, Cream Ink
Andy Nemes, Institute of Export
Roger Putnam, Ford of Britain
Lorraine Shah, Overseas Trade Magazine
Keith Aldis, ECITB
Neil Laidler, Orange
Graham Morris, Formerly Rolls Royce
Tony Gower, Miller Heiman
Lynda Marston, Miller Heiman
William Lewis, The Sunday Times
Ian Bull, BT Retail
Antony Ellis, Shell International
Tim Thorne, Edengene
Rob Woodward, Channel 4
Hazel Lowndes, The Principle Practice
Wendy Stephenson, Sponsorship Consulting Ltd
Karen Holyoak, Dead Good Productions
Marcus Gibson, Gibson Index Ltd
Prof. Andrew Graves, University of Bath
Stephen Mulholland, Up the Ante TV
Jonathan Bland, Social Enterprise Coalition
Mike Brophy, Business in The Community
Brian Chernett, Academy of Chief Executives
Kevin Obi, Orange
Peter Clifton, BBC News
Lord Tim Bell, Chime Communications
Lynton Barker, Hedra
Guy Haines, CSC
Angela Bowland, CSC
Karen Weech, Garlic Advertising
Nicola Maine, Investors in People UK
Andrew Carmichael, BBC Training & Development
Ruth Spellman, Investors in People
Adrian Gilpin, Institute of Human Development
Lindsey Brown, Strategic Dimensions
Pat Stringfellow MBE, Initial Hygiene
Stephen Roche, Hemscott
Kristin Syltevik, Hotwire
Duane Jackson, Key One
Thomas Corrigan OBE, 2change
Melanie Birch, Prince's Trust
Ron Lis, Prince's Trust
Bill Furness, Edinburgh Chamber of Commerce
Jennifer MacDonald-Nethercott, Fusion Linking
Pip MacLennan, Orange
Prof. David Ennis OBE, University of Stirling
Ann Edgar, GNER
Robert Crawford, Institute of Customer Service

Bill Junor, Company Growth
David Windmill, The Royal Zoological Society of Scotland
Danielle DeVeau-Crawford, The Royal Zoological Society of Scotland
Claire Doherty, ScottishPower
Robert Robinson, ScottishPower
Fiona Neil, GNER
Jim Roache, Company Growth
Margaret Lang, Docuserve
Linda Urquhart, Morton Fraser
Bill Spiers, STUC
John Reid, Company Growth
Calum Fraser, Orange
Stephen Morris, Connect
James Mason, Company Growth
Sandy Smith, PinkRoccade UK
Colin Burnett, Company Growth
Philip Yarnall, PinkRoccade (UK) Ltd
Kris Yule, The Scotsman
Stuart Duffin, West Lothian Chamber of Commerce
John Gilmour, Orange
Brian Taylor, ntl
Jim Crawford, ntl
Bill Jamieson, The Scotsman
Martin Buckland, ADAS
Colin Rudd, ADAS
Gordon Kinsford-Smith, SCVO & www.workwithus.org
Martin Grey, Orange
Martin Buckland, ADAS
Gerry More, Cala Homes (East) Ltd
Denis Mickleham, Orange
Tim Oakes, Royal Bank of Scotland
Zoe Van Zwanenberg, Scottish Leadership Foundation
Nora Farrell, Weber Shandwick
Jackie Evans, ADAS Scotland
David Watt, Institute of Directors
Richard Bogie, The Scotsman
Lindsay Bannerman, New Business Network (UK) Ltd
Ian Guthie, Orange
John Downie, The Federation of Small Business
Jim Tague, Orange
Richard Caul, Orange
Jack McLaren, Baker Tilly
Nick Bevens, The Scotsman
Keith Martin, Orange
Will Peakin, The Scotsman
Hazel Mackenzie, ADAS Scotland