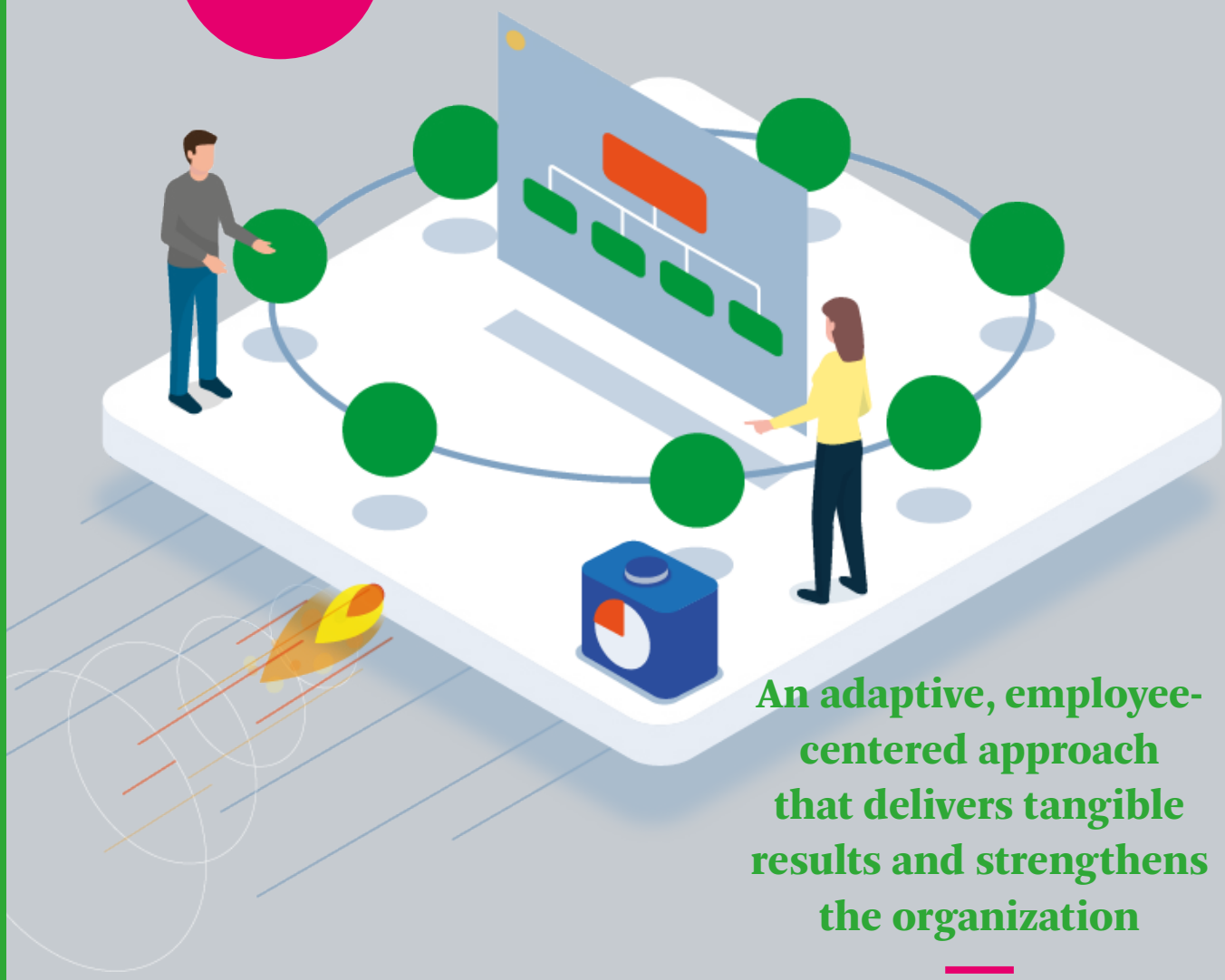
February
––
2020

Results Factory

Roland Berger

WITH EXPERT TALK (ENCLOSED)

MANAGEMENT TOOLS



An adaptive, employee-centered approach that delivers tangible results and strengthens the organization

Times change, and the world of consulting needs to change with them. Today's unpredictable environments call for a new way of working that offers greater flexibility, unleashes creativity and delivers results. We present a taster of the new "Results Factory" approach increasingly used by Roland Berger – an employee-centered method that locates learning in the heart of operations.

Roland Berger has been in the consulting business for more than half a century. Over that time, consulting experts around the globe have developed a robust method for translating ▶

programs devised by top management into specific actions for deployment by line management. This established method – a three-step approach consisting of analysis, concept design and preparation for implementation – provides a high degree of process stability and control. It can be deployed in clear phases, and each phase can be carefully monitored. In general, it delivers reasonably satisfactory results.

The execution gap

However, this three-step method also has a number of shortcomings – weaknesses that can prove particularly serious in today's unpredictable market environments and complex matrix organizations. First and foremost, the three-step approach is by its nature linear and so does not offer companies the flexibility needed to react to new insights gained during the course of the project. Its top-down description of actions is often too abstract and detailed, limiting buy-in from operational management. As a result, the actions fizzle out when they finally come into contact with the reality on the ground. The top-down approach, with each step requiring approval from above, also tends to strengthen a "command-and-control" culture rather than promoting fast, local problem-solving and ownership. And the project structure results in expertise being built up in the temporary central project organization, rather than strengthening operational line management.

The traditional approach often involves taking teams away from day-to-day operations and training them in new ways of working, having them carry out theoretical tasks that may have little to do with the normal challenges that they face. Not only that, the teams that are targeted are often too small to bring about change in the whole company, and the program ultimately suffers from a lack of traction within the organization.

These features of the traditional approach tend to lead to an execution gap, particularly where complex environments call for cross-functional flexibility and creativity at the core of the business. The value harvested from the project is limited and the company is forced to commit large budgets in the hope that the actions undertaken will be successful – a risky strategy in the best of times. —

Key elements

The Results Factory approach unites different features in a strict, actionable framework, driving results and on-the-job changes.

Cross-functional teams

Break down the overall goal and assign tasks to interdisciplinary quads across the line organization. Link these teams to the leadership in order to harness their collective power and ensure end-to-end solutions.

Simple communication

Create transparency about facts, ideas and results. Shorten lines of communication to ensure speed and quality in decision-making. Separate ideas from identities.

Rapid iterations

Drive progress in short, rapid iterations with clear deliverables. This allows you to check that work is on track and moving in the right direction. The goal is efficiency, the correct prioritization and continuous learning.

Leadership that empowers

Establish end-to-end responsibilities within the line organization, focus support on enabling the work of the squads and drive change on the job.

A new approach

Today's fast-moving, complex environments and organizations require a new approach. Companies need a more adaptive method, one that is able to generate quick, tangible results with prioritized actions implemented immediately, not with long delays. This approach should focus on rolling out solutions that have been tried and tested, rather than ideas that may or may not work in practice. Importantly, it should be embedded within the organization: The line organization should be strengthened right from the outset, with any increase in on-the-job friction between project staff and line management treated as a welcome opportunity to fine-tune the implementation. Optimization efforts should be continuous, with risks and successes shared between the organization and the consultants supporting the project. Operational managers should ideally be employed in flexible teams so that they are able to unleash their creativity across different areas of operations. At the same time, senior management should be fully engaged as problem-solvers.

At Roland Berger, we are increasingly applying a fresh approach that fully meets these criteria – see the schematic outline on the one-page insert in this brochure. We call our approach a "Results Factory," as it churns out result after result in almost a production-line manner. It combines our established results-driven approach to consulting with our broad experience in three key areas: large-scale performance management and investment programs for major corporations, operational management, and programs implementing agile methods at board level.

How does a Results Factory work in practice? The project starts with the leadership developing a short, prioritized agenda, including setting a scope, defining targets and outlining an initial portfolio of actions. A smart portfolio management team then develops strategy in an agile manner and is responsible for learning, adjustments to the steering and any matters that need to be escalated to the leadership. At the same time, a varying number of squads test and implement specific actions on the ground, on an ongoing basis. All actions are "timeboxed," meaning that they each have their own deadlines, deliverables and budgets.

What's in a squad?

Squads have two key advantages: They do their work at the heart of operations, and they quickly establish the necessary horizontal, cross-functional connections. This makes them a vehicle for breaking up organizational "silos" and ensuring the interdisciplinary perspective required by today's increasingly complex challenges. They can also be employed without first making structural changes. Indeed, even where structural changes are required, working in squads gives organizations a chance to first develop a blueprint for their new structure.

Each squad consists of a number of people in different roles, covering all the skills and resources needed to guarantee fast results. There is a Task Owner – a senior manager responsible for aligning with the smart portfolio management team and escalating issues to them where necessary. The Task Owner is also responsible for setting targets and prioritizing tasks, and ultimately delivering the result, while all the time encouraging the other members of the squad to be creative in their thinking. The Results Facilitator is responsible for ensuring teamwork and a problem-solving attitude among the team members, in addition to documenting and passing on any key learnings. The rest of the squad consists of people drawn from across the client organization, plus external consultants and others as required to ensure a quick, end-to-end solution to the problem at hand.

Illustrations: elenabs/iStockphoto; miakievy/iStockphoto; sesame/iStockphoto

Bottom line

Could a Results Factory be the right choice for structuring your change program? Experience at Roland Berger shows that the new approach is highly effective wherever tangible results are needed in complex environments, especially if the challenges in question require cross-functional flexibility and creativity at the core of the business. By locating learning within operations, a Results Factory ensures that changes have traction within the organization and removes the need to commit large budgets to actions whose results are as yet unproven.

Publisher

ROLAND BERGER GMBH

Sederanger 1
80538 Munich
Germany
+49 89 9230-0

www.rolandberger.com

This publication has been prepared for general guidance only. The reader should not act according to any information provided in this publication without receiving specific professional advice. Roland Berger GmbH shall not be liable for any damages resulting from any use of the information contained in the publication. © 2020 ROLAND BERGER GMBH. ALL RIGHTS RESERVED.

Contact details

Joerg Esser
Partner
Helping organizations enhance performance
joerg.esser@rolandberger.com
+49 160 744–2123

Ingo Ammermann
Partner
Implementing agile work formats in complex corporations
ingo.ammermann@rolandberger.com
+49 160 744–6161

Heiko Ammermann
Senior Partner
Advising public and private organizations on major transformation and investment programs
heiko.ammermann@rolandberger.com
+49 160 744–3574

Photos: Roland Berger GmbH

The Results Factory

Roland Berger

February – 2020

The first phase is an initial screening to specify the goal and break it down into an initial portfolio of action areas. The kernel of the approach is working in cross-functional squads based on action areas, in a timeboxed manner and with full transparency about progress and learnings.

Smart portfolio management

Ensure a consistent view across all action areas, coach squads and facilitate relations between management board and squads.

Squad

Set up one squad per action area, led by a representative of the organization. Ensure the right cross-functional mix for the tasks at hand and anchor actions at the heart of operations.

Initial agenda-setting

Carry out a quick, timeboxed screening to specify the goal and break it down into initial key action areas. No in-depth analysis at this stage.

"Projects can be continuously adjusted to changing environments"

Joerg Esser, Partner

EXPERT TALK

Is the Results Factory approach really any different from traditional methods? Yes, it differs radically from the old way of doing things. For one thing, there is no "project team" working in isolation, coming up with solutions that one hopes will be implemented but oftentimes never actually make it to the operational line organization. Instead of desk-based analysis, the inspiration for the solution comes directly from where the action is. Actions can also be prototyped within the business and, where successful, embedded straight away in the organization.

What sort of benefits can clients expect? A whole range of things. For example, initiatives are designed around the client's line organization, which ensures both traction and results. Projects can be continuously adjusted to changing environments, and no big budget gamble is required. Leadership and the organization are aligned and results-driven – a sort of "change management on the job."

Have you actually tried this new approach out with major clients? Absolutely. At Roland Berger we recently used a Results Factory in a program aimed at improving top-line performance management at a major airline. The results were impressive: The client is now able to successfully manage its top line end-to-end across multiple commercial functions. We are also using Results Factories with other major clients for both performance management and optimizing commercial strategy across different functions. We find it particularly valuable in fast-moving environments, where goals are measurable and cross-functional agility at the core of the business is key. In short, it's an approach that delivers real results.

Joerg Esser is an expert in organizational transformation and performance management at Roland Berger. His experience working as both a consultant and an executive within companies gives him a unique dual perspective.
Get in touch: joerg.esser@rolandberger.com

"We jump-start the cultural change, while attacking performance issues"

Ingo Ammermann, Partner

EXPERT TALK

How does a Results Factory differ from the traditional approach? In a nutshell, the key driver for results is no longer the consultant's brainwork, but the joint hands-on effort of the client's line organization and the consultants, whose role is to facilitate the teams.

Can the approach be used in all projects, even sensitive performance improvement projects? Yes. The basic approach can be used for performance improvement projects, business development projects and even organizational development projects. We always customize the project to fit the specific objectives, context and environment. So, of course, there is room to align with the management board and works council. Flexibility and pragmatism lie at the heart of the Results Factory, so we quickly recognize if a different mode of attack is needed for a specific task and adapt accordingly.

Is it more about cultural change or financial goals? Most clients with performance issues are acutely aware that the way they work is the root cause of their problems. For me, this is where a Results Factory really comes into its own. We jump-start the cultural change needed, while at the same time attacking the short- and mid-term performance issues. Employees become the drivers of the transformation because they can see that their day-to-day work is becoming more effective and enjoyable. This sort of viral change is quite different from what you see in old-school projects, where management redesigns the organization behind closed doors and then tries to drag their employees along.

Are Results Factories more for big corporations or SMEs? We originally developed the Results Factory approach for large, complex organizations with traditional working cultures, a matrix organization, and so on. Of course, those companies will never be like Spotify, nor should they try to be. But being big doesn't mean that you can't become much quicker, leaner and customer-oriented – or that your employees shouldn't try to have fun and get results!

Ingo Ammermann specializes in customizing elements of agile and other management methods to boost the performance of complex organizations. He has supported executives on these topics across a broad range of functions and industries.
Get in touch: ingo.ammermann@rolandberger.com