



LEADERSHIP AND ORGANIZATION

Creating a Central Services Division

A recently appointed manager of a newly structured central service division (1,000 employees) was looking to form his new management group into a team, develop business plans including appropriate measures for each of their seven departments, and to reposition the division from a mere service provider to a value enhancer and creator within the company. Part of the challenge was the integration of service departments in a newly acquired subsidiary.

We coached the senior executive through the process, implemented reliable structured communication on division and department level, developed individual business plans involving middle management and regular staff, helped develop coherent matrices to measure success and scripted a communication strategy to reposition the new division within the company.

Situation and Challenge

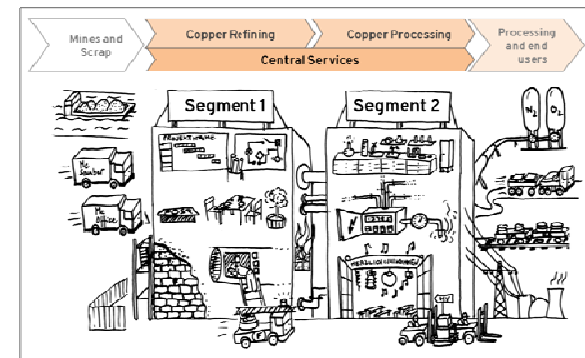
Seven individual departments (procurement, maintenance, construction, laboratories, security, fire and housekeeping, logistics and transportation) consisting of ~1,000 employees had to be integrated into one division. The departments had partly been

cost-center before. There was no process of regular structured communication in place.

Approach and Solution

The approach for helping the senior executive in the new leadership role was based on three pillars:

- ▶ **Pillar 1:** Develop and nurture individual leadership abilities e.g. improve communication-skills, role-modelling, prioritizing and delegating tasks
- ▶ **Pillar 2:** Form a leadership team consisting of senior executive, the seven department heads and the controller. Semi-annually off-site and weekly structured communications as efficient and effective tools for leadership were introduced.
- ▶ **Pillar 3:** Involving all levels of staff in developing an overall business plan for the division and each department including the development of a vision, strategic goals, and metrics. Also all staff were trained to become more customer oriented.



The leadership improvements resulted in higher productivity via the steps in chart 2. The initial process lasted three months with some 2-4 consultant-days per week. This phase was followed by a less intense follow-up period of 2-4 consultant-days per months.

Results

- ▶ +10% improvement of productivity could be realized across the board.
- ▶ In sourcing of services contribute up to 50% of the costs of individual departments.
- ▶ Improvement of service orientation of all employees.
- ▶ Quicker, faster, and more reliable communication.
- ▶ The newly formed Central Services Division was granted the same board-status as production divisions.



under the leadership of other board members before. Also a newly acquired unit had to be included. None of the units had been clearly structured as a profit or

A consistent and coherent communication plan was developed in order to support the project itself as well as for the new positioning of the division.