

Why Best Practice Models Can Provide A Lifeline For SME's

For the past year and a half, many organisations have focused on survival rather than improving practices. Eddie Kilkelly, Chief Operating Officer at ILX Group plc, explains why a change of mindset and methodology could be the lifeline for many businesses.

Constant change is a fact of business life, whatever the economic conditions. When the economy is growing, companies may develop new products and services, increase headcount and open new offices. Recently, many SMEs have been buffeted by the combined winds of the credit crunch and the recession, and they may have had to restructure, reduce headcount, and exit from certain markets. In either scenario, how can management be sure they are following the most beneficial and profitable course of action? Without an appropriate framework the quality and outcomes of decision-making may vary, but best practice models can address this problem. So why do so many businesses hesitate to adopt best practice?

Many claim that the business is too busy or resource-constrained. However, these models are all about managing the change and maximising the resources that are at the heart of every organisation. Arguably, now is exactly the right time to implement a best practice model; the implementation of new frameworks and

processes can just become part of the overall process of change in response to the recession. However, it is important to select the model that best reflects the organisation's needs. Some of the best known and most respected models are Managing Successful Programmes (MSP™), which comprises a set of principles and processes for managing business change; PRINCE2® is a process-based approach for project management and increasing efficiency (and the de facto standard for project

management in the UK); and ITIL® outlines a best practice approach to the delivery of efficient operations in commercial IT services.

Contrary to common perceptions, there are very few mandatory expenses associated with implementing best practice. The models are detailed in reference books that cost £60-£70 (for MSP™ and PRINCE2®), or £300 for the full series of books on ITIL® Version 3. An individual can start to apply the principles as soon as they have read the books, and the books can be circulated around a number of employees, increasing the return on investment. If the

organisation wants its employees to be accredited, there are costs associated with studying and taking the relevant exams. Moreover, an organisation may decide to tailor the model to its own circumstances and will require a bespoke

learning programme to train employees in applying the model. There may also be opportunity costs associated with a short term reduction in efficiency while

individuals become used to the new processes, but this will be outweighed by the longer term benefits and efficiencies accrued post-implementation.

Bottom line benefits for SMEs

Best practice models are built upon years of management

experience of what works - and what does not - in project management or service delivery. In effect, the organisation can avoid the pitfalls that have befallen others before them. In addition, the emphasis on documentation and continual improvement of processes enable the organisation to build up its own repository of shortcuts and handy hints that can be used to improve the delivery of future projects. Best practice can help a commercial business focus on the activities that deliver the greatest benefit and financial contribution; equally, it can help public sector organisations increase efficiencies and control costs - which is likely to become increasingly important in coming years as public sector budgets are cut. In fact, any organisation or individual can benefit from understanding how to work more efficiently and there is specific guidance on how each model may be applied to small, medium or large organisations. Accreditation can also help smaller businesses to differentiate themselves in the marketplace as a more efficient business partner or supplier.

Continuous improvement

Whether the economy is in growth or recession, organisations need to be effective in managing change and efficient in maximising the return from their resources, and best practice approaches can deliver a rapid step change in business performance. However, to achieve the best results the organisation will need to adopt a comprehensive approach, that involves tailoring the best practice to the organisation's own needs and terminology, training the whole organisation in applying the model and investing in ongoing consultancy to ensure the change is properly embedded. There is never an ideal time to fundamentally change business processes, but if not now, then when?

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