

Sharing experience can be beneficial and does not put your company secrets at risk

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A new kind of consulting is breaking down barriers

In the early 2000s, Lego was in serious financial difficulty. The toymaker had reported millions in losses and was floundering, leading commentators to proclaim that children preferred virtual computer games to those colourful bricks.

Then, in 2004, Jorgen Vig Knud-storp arrived as chief executive, sold off the theme parks and focused Lego again on what it did best. Two years later the building bricks had put it back in profit and a remarkable turnaround was complete.

While the basic facts of Lego's recovery are well documented, only a few will know exactly what made it work – and as much as companies would love to get access to such inside information, barriers to confidentiality prevent most from sharing.


The Office for Business Architecture (OBA), a consultancy based in the Netherlands, is pioneering an unusual method of consulting. It is asking FTSE 100 companies to reveal their innermost secrets to enable them to solve each other's problems.

The consultancy, founded in 2005, uses an extensive database to decide where companies' strengths or weaknesses lie, and then match-makes them based on the areas where they can help each other.

On the face of it, Lego and Syngenta, the world's largest agrochemicals manufacturer, appear to have little in common. They were brought together last year when Mike Wilson, the head of global supply operations at Syngenta, wanted to improve communications within the business. After approaching OBA, the company was paired up with Lego, considered to be expert in open communications.

"Since [Lego] nearly went bust, they have established a reputation for making decisions quickly and moving on," Mr Wilson said.

The two companies met in Denmark to share their experiences. The secrets of Lego's communications process were simple, Mr Wilson discovered. "They have an operations meeting once a month, everyone is invited and all the information that they use to make decisions is written on a wall. It's a very interesting discipline – it limits the amount of information you can put up and focuses your mind on what is important. At Syngenta we put it in a huge PowerPoint presentation and send it via e-mail. It tends to grow and grow and you get redundant slides that nobody looks at."

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Michael Kehlet, Lego's senior director of global sales and operations planning, recalled that his company was looking for answers to a different problem. It needed advice on managing production to keep up with rising demand for the toys, which are sold in more than 130 countries. Mr Kehlet said: "Sales were outpacing our production plant. We were constantly behind demand."

Mr Wilson said that the key to the cooperation was that the companies were not competitors. "You couldn't get more different – they sell toys and farmers are our customers," he said.

Mr Kehlet admitted that initially he thought that the matchmaking exercise could be a waste of time. "I wasn't sure whether all partners would get something out of it. We wanted to look at issues specific to Lego," he said. Yet on meeting Syngenta, he discovered that many of the dilemmas were common to both companies.

"The biggest one was how to deal with uncertainty in an unpredictable market. When will the consumer buy? How much will they buy? Which products will they buy?" Demand for Syngenta's agrochemical products is governed by the weather and so the company is expert in scenario-planning, he said.

"They taught us that to deal with uncertainty you have to get very close to the market and talk to your sales force directly. It sounds easy, but it's very difficult on a global scale," Mr Kehlet said. Lego is running a pilot scheme in America based on Syngenta's advice.

Bill Bronsky, the managing director of OBA, called the matchmaking consultancy model "a sort of recycling of ideas . . . Whatever it is, someone will have solved the problem somewhere. But there has never been the motivation for companies to look beyond their own industry or sector." Not all the matches work as well, he said. "The danger is that one company doesn't get much out of it while the other says: 'That was excellent.'"

A difference with traditional consultancies is that many tend to present only positive stories, Mr Bronsky said. "We are just as interested in the stuff that didn't work. Clients get more from companies that have gone through something that really messed up." Seeing how something worked in practice can have a profound influence, he said. "I've seen people change their mind completely over big investments."

Fiona Czerniawska, a consulting industry expert and founder of SourceforConsulting.com, a web portal for consultancies, said: "Clients always want to find out what's going on in other organisations but they often think there are barriers to confidentiality, so the brokering model is extremely interesting."

The model could become more widespread in the future. "Clients are increasingly looking for fast solutions. One of the challenges will be how [OBA] protect this and prevent a big established consulting firm from doing the same thing."

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