

A compelling case for investing in excellence

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Alan Jones OBE, Chairman, Midlands Excellence

Background

It's a fact. Excellent practices make for excellent organisations and one man who uses this concept to underpin everything he does in business is Alan Jones, the chairman of our not-for-profit parent company Midlands Excellence.

For almost two decades Alan has been an ambassador for excellence and he actively champions the Investors in Excellence (IiE) Standard at every opportunity.

Under his leadership Global Solutions Limited (GSL) and TNT consistently achieved large increases in profits. Customer satisfaction also improved along with quality, efficiency and productivity.

According to Alan these successes wouldn't have been achieved without investing in excellence and when it comes to GSL he's adamant the **IiE Standard played a fundamental role** in transforming the company's fortunes for the better.

A leading provider of critical support services for governments, public authorities and energy utilities GSL was acquired by private equity buyers in 2004.

Tasked with driving the business forward when he joined and taking a stake in the company towards the end of 2005 Alan quickly realised that GSL would benefit from more accountability within the organisation structure together with a proven framework for the achievement of excellence.

As a result he introduced the IiE Standard and with help from the experienced as well as capable GSL senior management team used it to prepare a simple company plan that was quickly cascaded to all ten thousand employees around the world.

Three profit accountable divisions were immediately established and managing directors appointed from the existing team to head them up. Additionally key measures were introduced that enabled GSL employees everywhere to focus on continuous improvement and an appraisal system was also implemented for the first time.

Within eighteen months two of the divisions succeeded in attaining the IiE Standard and the third was well on the way to achieving it by that time.

Benefits of Excellence

GSL

Profits tripled over a 2 year period.

TNT Express

1998 loss of €150m
2003 profit of €276m

TNT UK

1993 profit of £26m
1998 profit of £75m

Customer satisfaction improved and the company's bottom line increased significantly with profits more than tripling in the two years ending in December 2007 when the company was sold.

"Investing in excellence made GSL a stronger, leaner and more efficient organisation," said Alan. "By adopting the IiE Standard the company was able to improve customer satisfaction across the board and to this day the principles of excellence are firmly embedded within the culture of the organisation."

Another company that took excellence to its heart under Alan's leadership is TNT and this is a business that like GSL operates in an extremely competitive market place.

"TNT is an amazingly good business and yet there was always plenty of scope to push it even further," said Alan.

Alan decided to introduce the European Foundation for Quality Management (EFQM) Excellence Model. The EFQM Excellence Model was used continually to evaluate overall performance and identify areas where TNT could improve.

"I liked the fact that the self assessment process pushed us to ask ourselves searching questions about where we were going and without being prescriptive it helped us formulate a clear business strategy for the future. The concept of excellence is simple to understand and our enthusiastic staff bought into it."

It wasn't long before TNT UK Limited was reaping the fruits of its labours and achieving steady as well as profitable increases in market share.

In 1994, the organisation succeeded in winning the inaugural UK Quality Award and this was presented to TNT UK Limited by the then Prime Minister The Rt Hon John Major MP.

Operational performance together with service quality also improved alongside enhanced customer and employee satisfaction.

"If you work on the enablers and focus on achieving the desired results then improvements in profit will naturally follow," continued Alan.

"We consistently reviewed the business at all levels against the EFQM Excellence Model and used the principles behind it to underpin our work."

Indeed ongoing use of the EFQM Excellence Model saw TNT UK Limited's profits almost triple in the following five years. The company went on to win the European Quality Prize four years running and the European Quality Award in 1998.

The following year Alan became group managing director of TNT Express which is a global express delivery service integrator and immediately introduced the EFQM Excellence Model across the whole of the organisation with dramatic effects.

Having made a loss of €150 million in 1998, **profits at TNT Express rose to €276 million in 2003** and by the time Alan left the company at the end of that year the **bottom line was improving at a rate of €2 million per week.**

"Excellence makes a massive impact on an organisation and as I've witnessed first-hand its very positive results can be far reaching" concluded Alan. "I encourage everyone to embrace the Investors in Excellence Standard and implement it everywhere because this approach will increasingly be the factor that differentiates the winners from the losers."