

## **Some Case Study Examples of Business Flexibility (BFL)**

After working for many years in each of the following firms (and others), the author can offer these as case studies in business flexibility at its best and worst. The intention is to highlight BFL in a set of diverse companies and not-for-profits of multiple sizes, located in both the UK and New Zealand.

What's interesting is that in each case, there are both good & bad examples of business flexibility practice, with very real consequences for the entity concerned. Naturally, at the time, very little thought or discussion of business flexibility took place.

### **A New Zealand-based SME manufacturing firm (producing marine life jackets for the domestic and export market. And wholesaling of marine boating products to the domestic boat dealer market)**

#### **BFL examples**

- Regarding manufactured items, it offered both make-to-order jobs and standard production runs (batch manufacturing). This allowed factory capacity to be fully utilized for most of the time. The batch manufacturing tended to be seasonally adjusted and just-in-time, avoiding building up stockpiles of items in inventory.
- Locally manufactured items for export & domestic retail markets. And imported items for wholesale distribution, under a national licensed distribution agreement.
- Two manufacturing sites in different cities, with variable capacity. Both sites able to vary production volumes based on demand.
- Variety of raw material and wholesale suppliers from multiple countries.

#### **Lack of BFL**

- An inability to secure production or marketing efficiencies, resulting in declining margins and declining cash reserves.
- A family-run business, generating resistance to make necessary improvements to grow the business. Resulted in diseconomies of scale, sluggish income growth and a somewhat dated product range on offer.

### **The New Zealand national headquarters of a foreign-owned, retail bank**

#### **BFL examples**

- Full retail banking range on offer to customers.
- Highly diversified customer base across consumer, business and corporate client segments.
- Strong Balance Sheet with adequate reserves to survive macro-economic fluctuations.

#### **Lack of BFL**

- Regarding product and service innovation, at best a fast-follower of its competitors. The trouble with the fast follower strategy was that there was no guarantee it would be fast, or the primary follower either.
- A substantial. legacy investment in old fashioned technology (mainframe data processing) with a corresponding army of IT staff to support it. With the rise of distributed processing, this created two divisive factions of IT staff, each wanting the bank to invest further in their core approach.

### **A large teaching-led New Zealand university**

#### **BFL examples**

- A full range of academic faculties to meet the needs of approximately 13,000 students.
- Physical campus expansion into the heart of the central business district of the city, to nurture 'town and gown' links.

#### **Lack of BFL**

- A persistent inability to build a strong alumni relationship for fundraising & outreach purposes. This was both a symptom of inflexibility and a cause of inflexibility.

### **A UK Health Regulator**

#### **BFL examples**

- A scalable business model for regulating additional UK health professions. This essentially blended customer facing customization with back office standardization.
- Being the monopoly provider of the regulation service, this enabling price rises (annual fee payable by those on the public register of protected titles) as required.

#### **Lack of BFL**

- An over-sized governing body, based on regulated-professions representation, rather than board member unique skills. This slowed down the decision-making process and made reaching a board consensus harder than it needed to be.

### **A large research-led UK university**

#### **BFL examples**

- Considerable depth & breadth of researcher expertise across many academic areas. This made achieving a strong & consistent research income stream fairly reliable, from year to year.

#### **Lack of BFL**

- Although process management for research projects was world class, process management for support activities was slow to improve and cumbersome to operate.
- The high level of vested interests and office politics meant that sometimes, the researchers down the hallway were the main competitors for external funding (in the researcher's own words). It also meant slow improvement of current processes in support departments.

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