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The RedQuadrant Method of Public Service Transformtion                    Guest was Benjamin Taylor

# The RedQuadrant Method of Public Service Transformation

Note: This is a transcription of an interview. It has not gone through a professional editing process and may contain grammatical errors or incorrect formatting.

### Transcription of Interview

**Joe:**   *Welcome everyone. This is Joe Dager, the host of the Business901 Podcast. With me today is Benjamin Taylor. He is the founder and managing partner at RedQuadrant. RedQuadrant is an efficiency and transformation consultancy for the public services and service industries. Benjamin has consulted extensively across local and central government, and other services and RedQuadrant is their Lean and systems thinking lead. Benjamin, I'd like to welcome you. Could you add a little bit to that introduction and explain the RedQuadrant Model and how you work with people?*

**Benjamin:**  Thanks, Joe. It's great to be on the call, and I really appreciate being asked along with the roster of illustrious names you've had on. I think Red Quadrant is a little bit different. It's a little bit interested in consultancy model. Effectively, my business partner and I, we both work for what I laughingly call the Four Consultancies, the big consulting firms. We both work with business process outsourcers as well and our thinking was that there had to be a better way of doing consultancy and service transformation, service improvement, cost reduction and all those kind of things than those business models.

We were inspired actually by a Harvard Business Review case study of an organization called Eden McCallum in the strategy sector and what we are is we are a network consultancy, so we don't employ any of our consultants directly. We have a big network with a fairly large, fairly healthy and growing number of core people now and we do the kind of quality management, project management training, coaching, support – probably in excess of what you get with those big consultancies, but we just don't have the people on the bench, the mouths to feed and we can be a lot more flexible, we're kind of likening it to for a consultancy geek, we're putting together a team which is a bit like putting together the kind of team that you would need to make a movie. A lot of them have worked here before, but not necessarily all of them. They all have a few core methods, core ways of doing things, they're all professionals, but then the creativity is in the way that you manage the team and meet the customer outcomes.

We're very customer, and we're very consultant centered as well. What we offer to the market is a mix of short-term, fixed price consultancy, training, coaching, capacity building. We have a little shtick that we call the 'Campaign Against Consultancy' trying to do ourselves out of a job by making our clients better consultants than we are, and we also provide transformation in terms of long term project delivery. The sweet spot, of course, is when we combine all those together and really help an organization on a longer term transformation journey.

**Joe:** *When I first started researching what you did and looked at it and everything, I did not realize that you were really global.*

**Benjamin:**    We were predominantly in London when we started, but we're across the UK now. We tend to do more of the training and leadership work internationally. I was just in the States, but we also work in Australia. Our home base is local public services, local government, city and state government type of things. And the Australian system is very similar to ours and going on, I'm afraid to say, some of the same kind of challenges and problems and therefore opportunities that the UK has been through. We're not quite a global -- almost being kind of an empire but we'll get there Joe. We'll get there.

*Joe: In the UK and the rest of Europe, I've seen words like service design, service transformation which seems to have maybe a wider scope than in the States, especially in the public sector. Would you agree and if you do, why?*

**Benjamin:**  Well, having just come back from the States, I'd agree that there are some opportunities for improvement in some public services to say the least. Part of it Joe I think really just comes from the fact that public services in the UK, to take our home base, I've had massive financial cuts to face, so the grant funding, the overall revenue money going into the local governments, those kinds of districts and city governments here in the UK has reduced something like 30 to 40% over the last four years. Now imagine running any service organization and they see a reduction in your net income of that scale and not only that but it's going to continue the same kind of size and proportion in the next four to five years. So part of it, a lot of these words, translation and so on partly do just come from people wanting to find a nicer word than cuts, than efficiencies, than savings and so on.

But actually what that has forced has been quite an outburst of creativity. Not all of it is

words by any means and some of the public services in the difficult state but using digital, using a much stronger design focus, a much better insight into the customer and customer-led services has really made a big difference. And I think that maybe something culturally, a willingness to push for those kinds of changes. I can't really speculate, but you just have much higher levels of labor that are employed in the States in a lot of services which are now all automated, all online, all done in digital style certainly in the UK, or at least that's the aspiration. That's what all of the clients that I'm working with are moving towards. And we can sometimes take the employees on the journey with us. They're taxpayers too, and they actually understand that good service can sometimes cost a lot less and involve a lot less effort in the delivery.

*Joe:*   *You think of Agile under services, and when we think about it here in the Sates, we think of the clunkiness in the public sector, and there's anything but Agile. But that's one the things that you professed that you can do, isn't it?*

**Benjamin:**    Absolutely, absolutely.  I mean if you look at one of our long-term clients, one of the London boroughs where Heathrow Airport is based in London, we actually worked with them over a period of four years and we're not necessarily applying the power word Agile to the service delivery, although that's the point of it that's making the kind of really big difference. But we're talking about Agile change and a new of way of applying some of those Lean principles, some of the ideas of improving service. I have a definition of service which is service is the shortest possible time from identification of the purpose of the citizen and their need from the public service to co-producing a positive outcome for them.

Let me break that down slightly. I talk a lot about citizen purpose, people's purposes out there in the world and only rarely do those translate into needs from public services. A lot of the time we're out there pursuing our lives very happily, and we don't actually need to go for help. When we do need to go for help, I mean something's gone slightly wrong, so a lot of what we're doing is pushing back in the community capability, helping people to be adequate to help themselves. Where Agile transformation really comes into that is in engaging the customer, the citizen and engaging the frontline staff and their managers to work together to find better ways of delivering what's needed so that's where we use this word co-production where you actually are engaging the citizen because after all in every service, nothing gets done unless the recipient of the service is actually involved in some way or another. The rest of it comes from the Agile movement which comes from the Agile IT space. If you look at AgileManifest.org, you can compare that to PublicServiceTransfromaiton.com, which is our accreditation, our associate to the accreditation body and some of the principles there are about better ways of doing service change. We've just taken that, and a lot of people are talking about it these days but we really have the experience, we've learned some lessons the hard way about engaging people and doing lots of short-cycle plan, do, check, act groups, lots of small improvements which drives a much faster change than big, long-term planned Waterfall-style delivery projects. I don't know if any of that makes sense, but that's my attempt to explain it.

**Joe:** *What I hear from you though is that Lean compliments or is adjacent with Agile with the same thinking.*

**Benjamin:**  I think there's a lot to that. I think they are very much aligned and if they're both done properly. Both of them can be done badly just like everything else. And perhaps the plan, do, check act, so respect for people, so engagement of the citizen. And the definition if you remember, Ohno's original definition and boiling down of Lean was reducing the time from all this would take.  Reducing the time from the ordering place for the car, perfectly specified, faultless, arriving at the customer's door. That's what we're talking about for services. Maybe where things differ is that people perhaps misapplying Lean or enthusiastically applying Lean, that was call sometimes a two-head approach get stuck in kind of analysis paralysis and Agile is about really prioritizing, really knowing that you can only do one thing at once and really delivering units of value, changes, tests, lots and lots of rapid prototypes into the value stream, into the service value stream on a regular and a fast basis. So even for big things like changing the whole of a kind of support system – finance, HR and IT, we start with lots of very small prototypes, lots of small systems, small process changes that build up into the big thing.

The old way we spend four months doing the analysis, two months planning and then designing and then implementing. But these days, by the time you get to implement, everything has changed. So our experience in our real research shows the reason why change consistently fails is because a very limited amount is actually given to the people in the service to design and own. So we're all about maximizing how much the people are running the service, how much the people receiving the service can actually have control or can actually shape themselves. So yes, it's very complimentary. I think there are some clear differences and you just get hung up on the words, but I think that the Lean

principles and the insight into what really makes the service are exactly shared with Agile if it's done well.

*Joe:* *Well I think when we go back to all those buzz words like Agile, and Lean, Service Design and Systems Thinking, they really coincide with each other and they're just exactly that kind of buzz words to it to a certain extent.*

**Benjamin:** No, absolutely. I agree. We used to have if I can get away with this expression on your podcast Joe, but we use the expression 'bullshitting' quite a lot in the UK. You're looking for the full house. I mean ultimately, we're trying to give our consultants, ourselves, and our customers, the organizations we work with a toolkit that works. I'm a bit academically minded. I believe in really understanding why it works, what makes a difference, what doesn't work and all the rest of it. I don't really believe in methodologies or even though I use the word toolkit; I don't really believe in tools. I don't really believe in applying – you know we don't do traditional value stream mapping anymore. We don't see the direct value in it, but we do things differently. We get people to experiment and learn from their system so that they really understand it before they get into that level of technician detail. So yes, it's all about you might know how but also productive ways of seeing the system. There are two systems at play whenever we go into an organization as a minimum. One system is the service which delivers the products or not, and the other one is the organizational system.

*Joe:* *I think you say that well because I struggle a lot with it seems like when we go to apply like value stream mapping or some type of other mapping or something that we*

*create this linear thought process and services are somewhat cyclic. I mean each customer that walks in the door is different, and you have to do your mini PDCA cycle with each customer to a certain extent.*

**Benjamin:**    Absolutely. In fact distinguishing the types of services where you really critically need to do that from those which are through the transactional is a really important part of what we teach. But if you just did Lean really, really well with good insights into services, you would get to some of the same findings because just look at the SIPOC or COPIS diagram, the point about services is that the customer is often also the supplier, and so the customer in order to get what they want has to be part of the process. They have to be a supplier. They have to provide you certain data about themselves at a minimum. Maybe they have to change their life in order to be a recipient of health services to become healthier for the long term. So it's cyclical, it's loops, it's systems. It's actually understanding that services are complex and that the kinds of organizations we're doing, we work with social care, we work with public help and even if we work with things like inventory and we've done some Agile service transformation with a shipping firm for example, it's not an entirely predictable linear system and some of the real toolhead who do 6 Sigma religiously, it's all about defining the scope so that you're in a controlled environment. Well, the world is not a controlled environment, unfortunately. There are open loops and open systems all over the place, so our work has to be about a really pragmatic recognition of that.

**Joe:**  *We go through this, complexity and things being adaptive, but how does leadership lead with all this? I mean what role do they play now and one of the things they have to do*

*is simplify to the rest of the organization I would think.*

**Benjamin:**    One of the things that we know is that it's really, really critically important that people have real clarity of purpose, task, of role, that the organization has a real clarity about what a level of work is being required, the capability of the people within the system. So everybody knows that leadership is critical. Often I have to say that a lot of approaches to leadership, I don't want to be critical of everybody on this call, but there are tool-head Lean people, there are amazing Lean people, and there are people in leadership who are amazing, and there are people in leadership who wave their arms around and help people to find inspiration and may occasionally make a real difference. But we're about making a systemic, long-term difference to the organization, just as we believe in Lean.

Adaptive leadership is really critical in some situations. If you're dealing with wicked, nasty problems, if you're the Gates Foundation, and you're trying to end world hunger and poverty, you have to take a highly adaptive approach. If you're in a broken organization where the hierarchy is no longer serving and if you're not in a position to make the hierarchy work, then you have to take an approach that's about leading beyond authority. But ideally and there's a lot of really good moves that's out there, thinking about this and talking about this and a lot of really practical work that you can do, leadership and hierarchy and management are there to serve the frontline and the service delivery; the only place where value gets created in any kind of organization.

We use the phrase 'the practice of system leadership' and it's people-based, it's about understanding the organization as a system, the way you behave as a leader has an

impact on the outcomes you get and the way people feel about the organization which in turn has an even bigger impact on the outcomes you get, and we're trying to teach people some really practical stuff. When things are complex, what is your purpose? What are people trying to achieve for you? How are you getting feedback? How are you involving in the decision making and how you're behaving in a way that's going to create a positive culture?

There's so much you can do around that before you get into making life more complex for yourself. Then there's also the viable system, a much overlooked model, an organic model of how an organization actually needs to be set up in order for it to be long term viable and be able to respond to its environment. We talk about that quite a bit as well.

*Joe:*  *Yes, I don't think we talk about the viable systems model too often and maybe as you mentioned, maybe not often enough. Could you just touch upon that for me and explain it a little?*

**Benjamin:**  Sure. I'm a director of an organization in the UK called SCiO which is a systems and cybernetics in organizations. There's a whole history; there's a whole background. I'm really interested in the history of ideas, but I'll try not to get into that. But the viable systems model is an organic model of the organization which is based on really good sound theory about how organizations can generate enough stability in a complex environment to sustain, to keep their identity, to keep going, to keep existing but be able to respond to the variety, the complexity of customer needs and customer demands in a way that also keeps them viable. So basically, if you're out there in the world as an organization just like if you're out there in the world as a human being with a brain or as

an organism, you've got two challenges. One is dealing with what the outside world is throwing at you and in a service organization, that's a really good, deep understanding of customer demands that's coming across your front door every day, but most of our organizations are too dumbed-down to actually understand as the customer sees it, beyond that is customer purpose. That's the first thing that you need to be able to cope with and that's the variety of you need to be able to understand when somebody's calling in with a special request and not put them through three layers of help desk in order to deal with it for example.

And then the other is complexity within the organization. You need management and leadership to be complex and capable enough but no more complicated to make it any worse, to manage all of that complexity of moving the resources and creating the capability with all that different type of demand coming in. So organizations that we work with can screw themselves up in many ways but the big ones are pretending that the world is a simple place than it is, simplifying the demand types down and trying only to deal with customers in ways that the organization finds comfortable, and that's a pretty familiar situation. The other way is just having a broken hierarchy; having a hierarchy that starts to service own ends, become political, starts to work on its own special kind of meetings and that isn't connected to what leadership is there for which is to serve the frontline and the culture of the organization.

So in a nutshell, there's a lot more to it than that. Look me up if you want to hear more about it but the viable systems model is a lovely organic model, by the way from the 60's, which is just a nice way of looking structurally at whether an organization could cope with

that complexity in the environment, maintain enough stability within the organization to survive but enough variety to be able to meet the needs of its customers.

*Joe: I've always professed that standards are what creates the wow in an organization because someone knows exactly how far they can go, kind of their limitations, limitations of the company, they know when to step out of the box and when to stay in the box and without that definition and I think of standards in a pretty broad term, not like a script or something – I relate that somewhat to the military. In the military, the guy knows what he can and cannot do, what his capabilities are. I think that's an important part in services is to really understand and understand your core capabilities and what you can and can't do, and that helps the customer experience.*

**Benjamin:** Absolutely. Standards is a word that's like leadership, like management, like Lean – there's probably more of them that's abused and unused for different ends if anything else. The risk of being complicated let me try and take that in four parts. I think the first thing that you were talking about, part one and part two of standards for me is capabilities and discretion, and it's easy to get those mixed up, right? Capabilities, what are you actually capable of doing as a business unit, as a team, or as an individual at the frontline? To go on the battlefield, not that I know anything about applying any of this in the military needs to know what he is and isn't capable of doing. There's no point in doing something outside of his intellectual, physical or logistical capability.

But the second is discretion. He needs to know, and this is so important in all of our organizations what's going to get him into trouble and what's going to get him lauded,

right? And there needs to be a quite sophisticated understanding of that in order for people to be able to go above beyond when it's appropriate. People dumb this down so much but work is about exercising your own freedom and your own freedom of will and discretion within certain limited, so you really need to know what your limits are. And I think one of the really sad things about the way that management has gone in the 21st century is that some of these good old-fashioned things like letting people know what the limits to their discretion and making that really clear have kind of gone away.

There're another couple of ways of looking at standards which are basically two interpretations. One is that the standard is the repeatable way that we always do something which gives us an object to work on, clarity and a process that everybody is following. But the other is that the standard is the thing that we're aspiring to, that we constantly try to improve and work on. So people who want to use the word standards as a bogeyman, as a paper tiger to attack and push their own approach will say, when people talk about standards, they're talking about shackling everybody to the other thing the same way, and you and I know that's rubbish. But standards ought to be about the known best way of doing things and building the capability of everybody to do things in the known best way so far and giving them the discussion to improve it and then picking up and learning from that improvement.

Again, there are tweaks. Maybe in an Agile world, in a more complex world, in a more wicked, messy problems world, we're not looking for everybody to necessarily do things the same best way in every part of the organization, if that makes sense. Maybe there is more discretion now for people to do things the best way for them at that time but they

still need to know what everybody else is doing, how it can be improved, what the limited to their discretion are and what they are capable of doing so that they don't screw up. Because the worst thing that can happen in an organization is that you create a situation where you give people enough rope to hang themselves, and I see that happening time and time and time again. People are encouraged to exercise discretion and then as soon as they do, and there's a whiff of something going wrong – controversy, failure, upset customer, they get slammed right back into their box and that's exactly what we're trying to discourage because that's death to innovation, it's death to people putting in their discretionary efforts, and it's really death to a culture of continuing improvement.

**Joe:** *For so many times like yes, I'm going to make that phone call again.*

**Benjamin:** Yes, exactly. 'Back in your box' is the expression that I've used many times. I think in  the good, old delegation framework, one of those beloved old training companies in the States, the name may come back, there's that expression called leave a lone zap, isn't it where a senior executive delegates a project to somebody, doesn't support them, isn't available for questioning, and they go off and do their best, and then they come back, and then they get to criticized because they have not done what turns out to be in the senior executive's mind. So those kinds of things, just kill off people's will to work for you. That's what creates the dead wood in organizations.

**Joe:** *The question here because you deal so much in the public area, in the public service area, and we're always thinking of what the public side can learn from the private side. What can the private side learn from the public side?*

The RedQuadrant Method of Public Service Transformtion                    Guest was Benjamin Taylor

**Benjamin:** Wow, that's a great question. Well, I do think there's a lot because I think actually public services work under a lot more pressure in some ways than the private sector. Okay yes, if you don't do a good job in the private sector, eventually you get shuffled out of business unless you're a General Motors. But actually, a lot has been achieved in public service transformation because what it drives is better service at lower cost and an understanding of when helping people to help themselves is more effective and more efficient than actually dragging them in for help. I'll give a couple of stories to illustrate that. One is that it's said that the best way to build brand loyalty for a car manufacturer is to arrange for something fairly trivial to go wrong within the first 4,000 miles of driving the car, but then give somebody amazing diva service when they go in to get it fixed and that burnishes the reputation of the brand, right?

The other one is we often heard this kind of story in the Lean movement. Are you in the business of fixing tires or are you filling the potholes in the road which actually are causing the tires to burst in the first place? Are you fighting the alligators or are you draining the swamp? When in the public services when you're under pressure, you have to drain the swamp. You have to be the one who is fixing the potholes and not fixing the tires. You have to get out there and try and find out how to help people out themselves, how to prevent the need, prevent the demand for service before it arises, and you have to be really, really clear about that and you have to put funds into that at the same time as you're dealing with all the failure demand, all the broken things that are still coming in and presenting themselves to you.

We have a little model called '7 ways to safely improve' which is about helping people to see both the customer and the demand side of transformation which is the more upstream and the more transformational thing, because if you meet the customer's needs immediately as soon as it arises, or you prevent it from arising in the first place, none of the costs, none of the processes, none of the structures, and none of the leadership is needed because you solved the problem before it has even begun. But you know, we're realistic so the 7 ways to safely improve' goes right back into the organization, optimizing the use of resources and all the rest of it. So you could compare it to one of the reasons why Toyota has great insight as I understand is because they had very little opportunity for capital investment at the end of the Second World War, so they had to make do, so they learned better ways of working without just building huge, expensive dedicated, inflexible plans. They learned to be flexible. They learned to make continuing improvements, and I think a lot of that is what's happening in public service now. Part of the RedQuadrant mission is to transform consultancy and to do things differently and better but to transform public services and show the world that they can lead the way. And believe me, there are things that my clients could teach a lot of private section organizations right now.

*Joe:*  *Where are Benjamin and RedQuadrant headed in the future? Where do you see your work taking you?*

**Benjamin:**  Well as I said Joe, obviously we're expanding into kind of world domination and all the rest of it. One of the ways in a slightly gentle way that we're going to be doing that is we have this body, the Public Service Transformation Academy, Lean Agile Systems Thinking. That's going to become what we call in the UK a social enterprise, basically a not

The RedQuadrant Method of Public Service Transformtion                    Guest was Benjamin Taylor

for profit or profit for social purpose. We're getting an advisory board on board for that, and we're going to sue that as a body to accredit RedQuadrant people, our trainers, and our consultants but also to do training to train us. So in client organizations but even competitors, even other consultants or other trainers out there can pick up and learn from or share our techniques. We're planning to do that in the private sector as well. We're increasingly moving across sectors. We're developing the practice in system leadership as a clear offering because we found so many times over the years because transformation fails because leadership fails and we're really trying to put our stamp on using the experience we've learned as we've moved over the years from long-term thinking and analysis and beautiful PowerPoint reports through to getting people on the ground, in the organization and making small improvements themselves. So the Agile service transformation is definitely where the future is out for service change, and we're looking to be part of that. We're making a life for ourselves really because we're not good at doing the same thing again and again and again. And look out for the RedQuadrant book. I'm working on a book right now which is also going to put our method, our thinking, our approaches out in the world, and we'll see what happens.

**Joe:** *What color will the cover be?*

**Benjamin:** Red is not really significant. It doesn't have a lot meaning to it, although I think you're calling a business revolutionary. That's a bit too violent.

**Joe:** *What's the best way for someone to contact you or attend any of your sessions?*

**Benjamin:** Well I'm fairly visible on LinkedIn. I co-own or run a lot of groups, and so I'm antlerboy on LinkedIn. It's an anagram of my name by the way. It doesn't refer to some strange hunting accident. So LinkedIn.com/in/antlerboy. I'm antlerboy on Twitter as well or just go to RedQuadrant.com. You'll find all my contact details there; the US number, the UK number, Australian number and New Zealand number. Email me or call me. One of our slogans is 'we believe in conversations', so that's what we're all about.

*Joe:* I would like to thank you very much, Benjamin. I'm sorry it took so long to connect with you over the years. We've connected through social media, and it seems like forever.

**Benjamin:** I've been listening to the podcast and following you for quite some time, so it's really nice to be on here and really nice to be able to share some of our thinking.

*Joe:* Well I appreciate it very much. This podcast will be available on the business901 iTunes store and the Business901 Website. Thanks again Benjamin.

**Benjamin:** Thank you, Joe. It's been a pleasure.
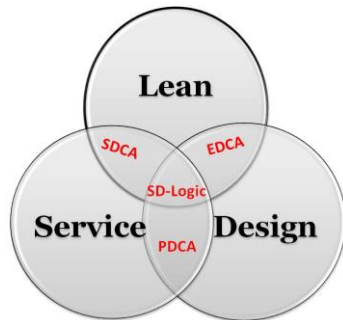
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