Businesses profit through people

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Investment in training and development is an issue that provokes varying reactions amongst business managers, particularly of small and medium-sized organisations. The allocation of time and resource is a much bigger issue to companies of this size and therefore there is a tendency to focus towards “on the job” training and learning through experience.

World-class businesses result from the quality of people working within them to achieve excellence. The year 2000 sees the tenth birthday of the Investors in People Standard. The aim of the Standard is the same today as it has always been; to provide a national framework for improving business competitiveness by developing people to meet an organisation’s business goals.

The present challenge facing the Standard is how will it continue to be relevant in today’s ever-changing business landscape? And why should businesses invest in their people and what does this practically involve?

Political, economic, social and technological factors are irrevocably changing the way and the nature of commerce. In Leicestershire, as throughout the rest of the UK, the economy is a state of flux, swinging from a traditional manufacturing base to small to medium-sized service based organisations.

But why this decline? There is no doubt that the sustained strength of the pound has not helped UK businesses that export products. Leicestershire is not alone in witnessing the decline of manufacturing, but there are examples of organisations that are bucking the “decline” trend.

Successful manufacturing companies remain so by gaining and maintaining a competitive advantage. Falling barriers to entry, such as more competitors due to closer links with Continental Europe, make protecting a competitive advantage increasingly more difficult than ten years ago.

Moreover, forward thinking businesses are recognising that it is through their people that competitive advantage can be achieved. The Investors in People Standard enables this development. It
successfully provides a framework to change “training” from a functional activity to a business process that is an integral part of an organisation’s strategy.

Local to Leicestershire, the manufacturing and logistics organisation Veeder Root is a positive example of a company that is a recognised Investor in People and continually develops itself and its employees to achieve real business benefits. Employing 25 people and with a turnover of approximately £13 million, the company gained full recognition in 1999.

Hugh Chapman, Site Director, Veeder Root, explains: “The success of our business depends on the total involvement of our workforce. If our business strategy is to be effective our people must understand what we are working towards, how we will achieve it and why we work the way we do.

“The communications framework that Investors in People gives us means everyone at Veeder Root is clear where we are going and what we need to do to get there. We are now a cohesive business unit which grew a further 15 per cent last year – growth which I put down to a committed workforce following the Investor in People guidelines.”

Veeder Root is just one of over 850 organisations in Leicestershire that are recognised Investors in People or which are committed to the Standard. That means an Investor in People organisation employs one in three of the entire County’s workforce.

Hugh Chapman continues: “I believe that if companies are to remain internationally competitive, organisations will have to concentrate far more on ‘people’ issues; and that schemes such as Investors in People will soon become the rule. Research shows that over the last ten years – and this is reflected in the success of organisations like Veeder Root – the programme contributes to an organisation’s increased profits and productivity; develops a more flexible and motivated workforce; and encourages a culture of continuous improvement.”

Both employer and employee recognise the tangible benefits associated with the Investors in People Standard. Simon Bailey, an electro mechanic fitter with the company says: “I started work at Veeder Root six months after they committed to Investors in People. The first thing that hit me about the company was their willingness to invest in your potential as an individual.

“‘Training’ is actually written into my job description. I attend regular workshops to further develop my technical skills and, once I have completed improvement courses, the management recognise my achievements. For me, Investors in People helps create an atmosphere where you are not limited in what you want to achieve, and it is an atmosphere I personally thrive in.”

The benefits are also acknowledged throughout Veeder Root’s supply chain. Customers and suppliers alike have seen improvements in the way the company works with them. Bob Miles, Technical Manager, Ledbury Welding, explains: “We’ve been working with Veeder Root for over ten years. Since they’ve adopted Investors in People their service has markedly improved. Whereas deliveries used to take five to seven days, we now receive our goods within three, and any queries we have are dealt with efficiently.

“The compound effect of all these improvements is a better overall working relationship. I’m looking forward to working with Veeder Root for a further ten years!”

The core benefits to any organisation of the Investors in People Standard are:

• proactive business planning skills to help forecast business patterns rather than react;
• improved communications leading to a better understanding of where the business is going for employees, customers and suppliers;
• pinpoint skills shortages and identify appropriate development plans for your people;
• introduce more effective management processes and structures to underpin the organisation’s success;
• an ongoing commitment to continuous improvement;
• added value relationships with key customers and suppliers;
• develop a culture that is receptive to change and positively accepts the opportunity to improve.

Each of these elements adds value to the performance of an organisation. The overall result is that Investors in People helps deliver real bottom line business benefits, such as increased productivity and increased profits.

Investors in People has entered its second decade, which is testimony to its enduring quality, and itsraison d’être is as strong now as ever before. More than eight million people throughout the UK work for Investors in People organisations with many more currently working towards the Standard.

Organisations determined to succeed into the twenty-first century recognise the need to be flexible and respond to the demands of an ever-changing business environment.

Veeder Root is a shining example of this, embracing new ideas whilst harnessing the potential of its greatest asset – its people.