

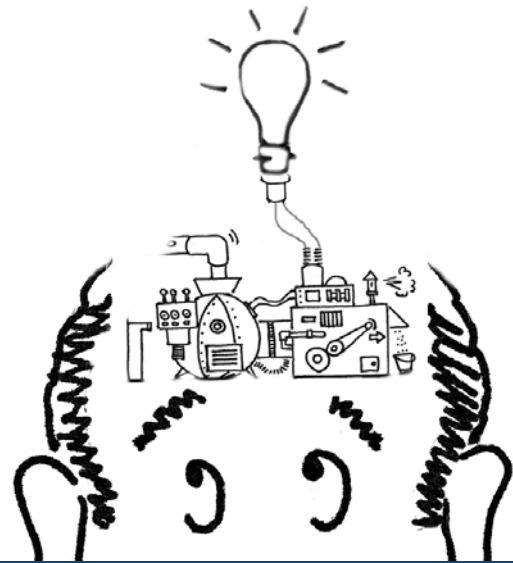


SCQUARE®  
International

THE SCQUARE REPORT II

# Cranking up the ideas factory

*... a study into the link  
between ideas, planning  
and productivity  
in business today*



---

## Why business needs to improve the way it brings its ideas to market

If our economy is to succeed in the future, then we will need to turn our businesses into ideas factories. Productivity will depend less on shop-floor efficiency and more on what managers can imagine and make real.

Good ideas are the lifeblood of any first-rate business. Yet, an idea is only of use if it can be converted into a viable business proposition and sold both internally and externally.

In undertaking this survey, we wanted to find out what the reality is in terms of having an idea and turning it into action for business today.

This report highlights that, for companies to crank up their productivity and take the lead in their industry, they must recognise that you cannot make money out of meetings or planning alone – you must execute the ideas they develop. The question that every organisation should be trying to address is: How can we best use our people and resources in order to minimise the time we spend getting to a decision and to maximise the time we spend executing it?

SCQuARE International

### What world leaders are saying on this issue:

*“The creativity and inventiveness of our people is our country’s greatest asset and has always underpinned the UK’s economic success. But in an increasingly global world, our ability to invent, design and manufacture the goods and services that people want is more vital to our future prosperity than ever.”*

PRIME MINISTER TONY BLAIR

*“To keep America competitive, one commitment is necessary above all: We must continue to lead the world in human talent and creativity.”*

US PRESIDENT GEORGE W BUSH

## The SCQuARE Report findings ...

... reveal that productivity would hardly change if companies were enlightened enough to stop their managers having to sit through lengthy, unproductive meetings and sent them to the beach for two months.



*"This meeting is not very productive, - my tan doesn't seem to be improving at all."*

### Poor planning is costing British business £ billions:

The time wasted during the planning process is costing British business £47.5 billion per annum. This is because £15.1 billion is lost each year by managers having to sit through meetings which produce nothing. £7.4 billion is lost by managers having to rewrite plans, £11.8 billion is wasted on plans not being executed as intended and £13.2 billion is frittered away on failed pitches and ideas that go nowhere.

### The huge effort managers put into the planning process is not being optimised:

Managers are, on average, having to write 12.3 plans a year. For nearly a third of the managers polled, this is taking up more than 50% of their time. Freeing managers from the worst aspects of the planning process is clearly going to be a key step towards improving business productivity.

### Most of the time is lost in time-wasting meetings:

Nearly a third (30%) of the UK managers polled say that they lose more than one day in five attending unproductive meetings. In reality, productivity would hardly change if our companies were progressive enough to let these managers have an eight week holiday on the beach rather than forcing them to endure the hot air, frustration and office politics of the meetings culture.

### Planning is causing real management pain:

Over a quarter (27%) of the managers polled thought that some part of the planning process was either 'as painful' or 'more painful' than having a tooth extracted.

### Improving our managers' ability to create and sell ideas is the key to improved productivity:

The UK Government is concerned about productivity and the threat posed by the so-called BRIC pack economies (Brazil, Russia, India and China). It says that the response to this needs to be innovation or, more specifically, the successful exploitation of good ideas. Whilst it has rightly identified leadership as a key driver to innovation, most managers understand that the ability to create and sell ideas is allied to this. Few have been trained in this skill but 41% of the managers polled identified it as one of the top three skills they would most like to develop.

*"Over a quarter (27%) of the managers polled thought that some part of the planning process was either 'as painful' or 'more painful' than having a tooth extracted."*

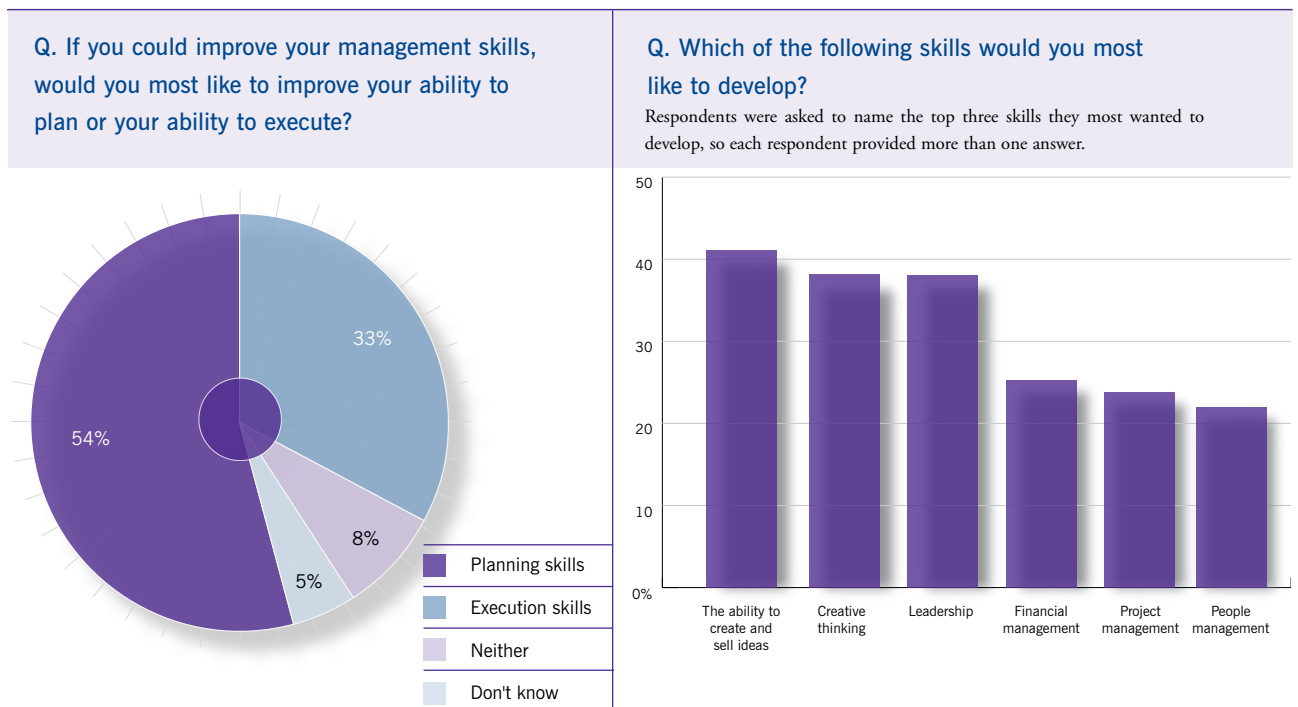


*"NO, anything but the - Planning Chair!"*

## What skills do managers really want to develop?

There are approximately 4.2 million managers in the UK today and the average spend per annum on a manager's personal development is £1,056.\* That's a £4.4 billion training budget, but is it being wisely spent? Managers are demanding that the money is spent not just on leadership training but also on developing a range of creative thinking and planning skills. Managers are crying out to learn how ideas are linked to the planning process and how leadership can be used to involve people in the creation, development and selling of ideas.

(\*Source: The Chartered Management Institute's 2004 study, 'Developing Managers, A European Perspective')



*“The productivity of work is not the responsibility of the worker, but of the manager.”*

PETER DRUCKER  
MANAGEMENT GURU

### KEY FINDINGS

- The ability to create and sell ideas was identified by 41% of managers polled as one of the top three skills they would most like to develop personally.
- Leadership and creative thinking (both cited by 38% of respondents as one of the top three skills they would like to develop) were the next most frequently mentioned skills.
- 54% of managers polled said they would like to improve their planning skills.

### SCQuARE says:

The UK Government's 'Innovation Report 2003' identified leadership as the critical skill needed to realise innovation in business. However, fundamental to leadership is the ability to provide an environment which enables managers to create new ideas and to make them happen.



## How do managers view the planning imposition?

"If there is one thing worse than writing a plan, then it is having to listen to your colleagues present one."

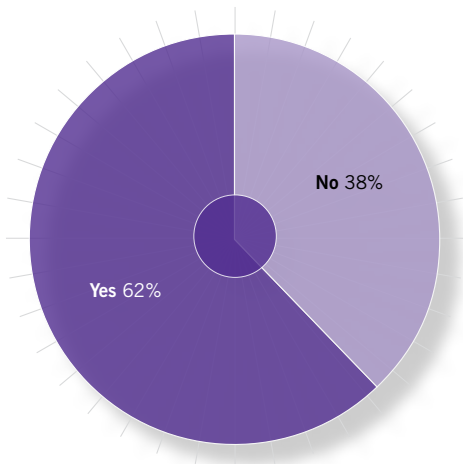


Now let's see if this idea is good enough to be mine or bad enough to be from Simpkins.

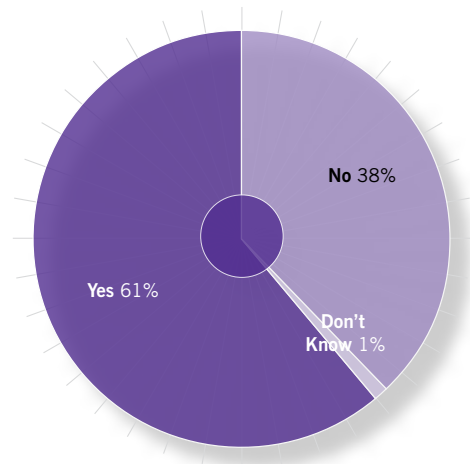
Planning is not widely perceived to be the most pleasurable aspect of business life. Over a quarter of the managers we polled for this study (27%) thought that some part of the planning process was either as painful or even more painful than having a tooth extracted.

The survey also revealed that if there is one thing worse than writing a plan, then it is having to listen to your colleagues present one. Considered worse still was having to rewrite plans or proposals written by colleagues. What do managers really think of the planning process and how involved with it are they?

Q. Do you consider yourself to be fully involved in the planning process?



Q. Do you sometimes feel that plans are just imposed on you?



### KEY FINDINGS

- 61% of managers polled said that they felt that plans were just imposed upon them.
- 38% said that they don't feel fully involved in the planning process.

### SCQuARE says:

To crank up the ideas factory, it is important to realise that, if a manager doesn't own the problem, they are unlikely to be motivated to find the solution. A feeling of involvement with the planning process is essential to success because managers who feel they don't have ownership of a plan are unlikely to feel they have ownership of its execution.

## How do managers manage the planning/doing equation?

*"I can't help it, I just don't have a head for figures."*

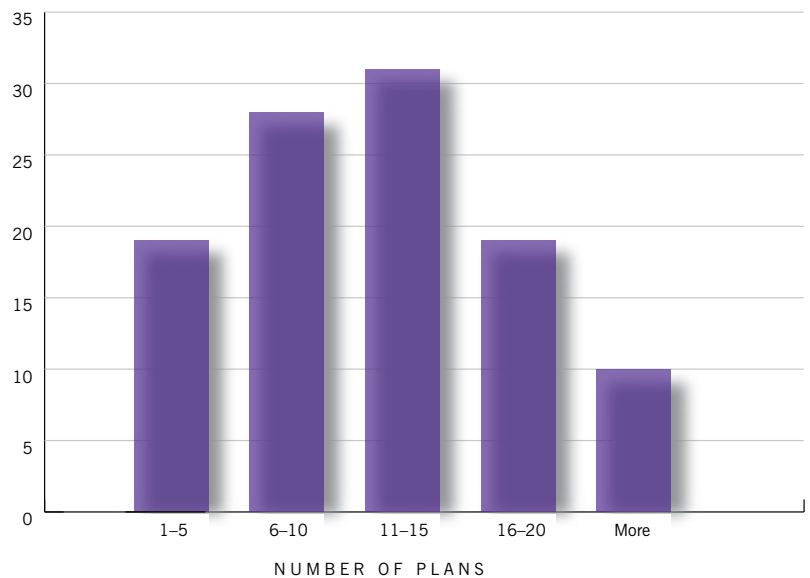


"To plan or not to plan, that is the question." This is the Shakespearean dilemma facing any manager who needs to ask "Should I be planning, or should I be doing?" Obviously, acting without a proper plan (one that has clear aims and objectives, defined strategies with actions points, a timeframe and budget) can result in behaviour resembling that of a headless chicken.

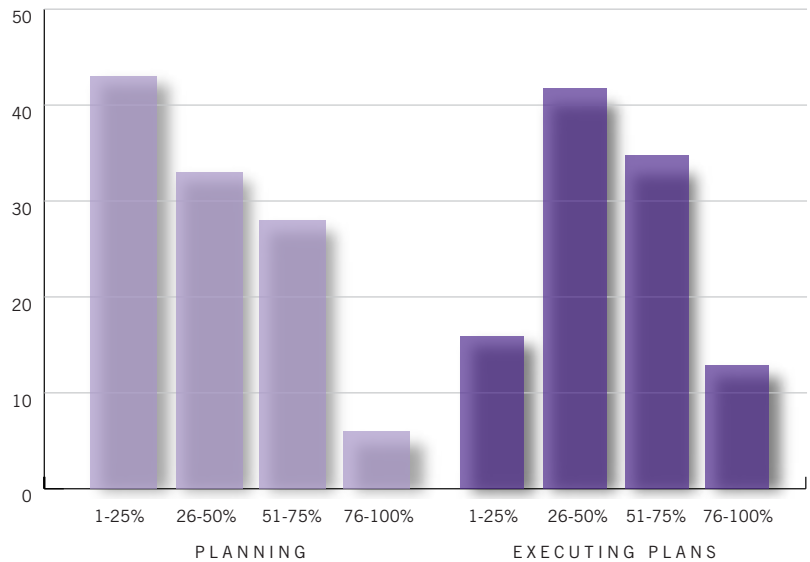
However, managers with 'analysis paralysis' who spend too much time polishing their plans may be missing the point, which is "get on with it."

Finding the right balance between planning and doing is obviously the key to making the business as productive and efficient as possible. How do managers feel they cope with this balance?

**Q. Typically, how many plans or proposals do you have to prepare and present during the year?**

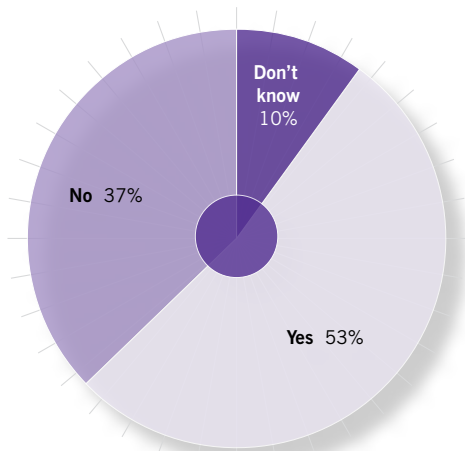


**Q. What proportion of your working life is spent on planning and what proportion is spent executing plans?**

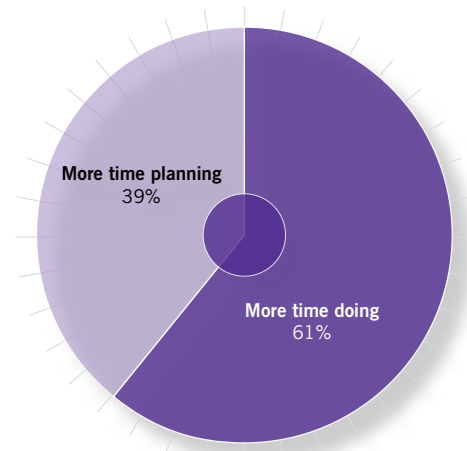


"The unavoidable conclusion from this study is that there is often just too much planning and not enough doing."

Q. Would you like to change this balance?



Q. If yes, would you like to spend more time planning or more time on executing plans?



### KEY FINDINGS

- The unavoidable conclusion from this study is that there is often just too much planning and not enough doing. This is because managers are, on average, having to write 12.3 plans a year for their business (the equivalent of having to write one plan a month).
- For nearly a third of the managers polled (31%), this process is taking up more than 50% of their time.
- Over half of the managers polled (54%) are spending less than 50% of their time on executing plans once they are completed. Clearly, productivity and wealth are not being optimised if we are not 'doing' as well as planning.

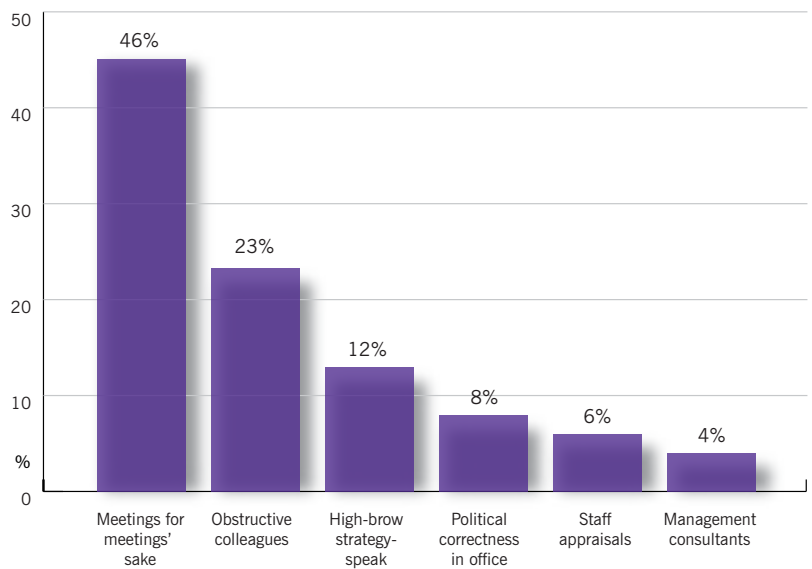
### SCQuARE says:

Closing the gap between having an idea, planning its execution and making it a reality is the key both to productivity and to gaining a market advantage. To achieve this, the aim of every top leadership team should be to turn management time away from the torture of internal prevarication and politics and into execution. Those who find this key will succeed. Those who don't will most likely be outmaneuvered, or even consumed, by sharper and more adaptable competitors from the East.

## What managers would like to eradicate from working life to make it better

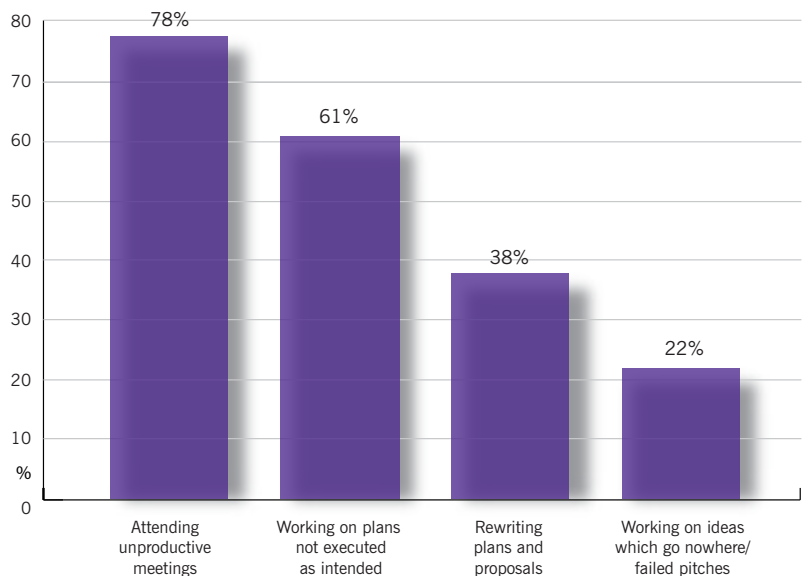
Every manager knows what it is like to have their ideas put down by cynical, awkward and unhelpful colleagues. They know what it is like to have to fight against the tangled web of office politics to make sure their ideas see the light of day. But given the chance, what would they most like to drop from their business to make their life easier and their work more productive?

Q. If you could dump one thing from your business, what would it be?



Q. During the last 12 months, what percentage of your working hours do you think you could have saved by avoiding the following?

The graph illustrates the percentage of respondents who said that more than 10% of their time is being wasted on each of the following aspects of the planning process.





*“The brain is a wonderful organ.  
It starts working the moment you get up  
in the morning and does not stop until the  
moment you get into the office.”*

ROBERT FROST  
AMERICAN POET

## KEY FINDINGS

- The time wasted during the planning process is costing British business £47.5 billion per annum (the equivalent of over £11,000 per manager employed).
- £15.1 billion is lost each year by managers having to sit through meetings which produce nothing, £7.4 billion by managers having to rewrite plans, £11.8 billion on plans not being executed as intended, and £13.2 billion on failed pitches and ideas that go nowhere.
- Asked if they could dump one thing from their business to make it better, 46% said they would dump meetings for meetings' sake, 23% obstructive colleagues and 12% high-brow strategy speak.
- Political correctness in the office (8%), staff appraisals (6%), and management consultants (4%) were all also named for the chop.

## SCQuARE says:

Over £11,000 per manager is being wasted in the planning process. This means that any company employing 100 managers is probably losing at least £1.1 million per annum in time wasted during planning.

The real cost to business is in what else is being lost. This calculation does not take into account the lost revenue which could have been realised by making new and innovative ideas a reality, by developing new markets faster, and by winning new customers through improved productivity in the planning process.

Fixing the skills gap in this area should be a company's top priority. Taking the following three recommended steps will have an almost instant and positive impact on any company's productivity:

1. Do what managers are asking, which is to invest in training that will really improve their ability to create and sell ideas within the organisation.
2. Sharpen your managers' planning skills in order to minimise the time spent on planning and maximise the time spent on executing ideas.
3. Structure internal meetings so that they deliver real measurable progress towards set goals and, wherever possible, ditch time-wasting meetings altogether.

## How to calculate the management time-wasted cost to your organisation.

Our survey shows 78% of managers waste 10% or more of their working time on unproductive meetings, which is equivalent to over 24 days a year (assuming 240 working days in the year i.e. 48 weeks of five days).

According to The Labour Force Survey (LFS), there are currently around 4.2 million managers in the UK and according to the National Management Salary Survey, Chartered Management Institute/Remuneration Economics, June 2005, the average total earnings of managers in the UK are £46,054 (i.e. they earn around £192 per working day).

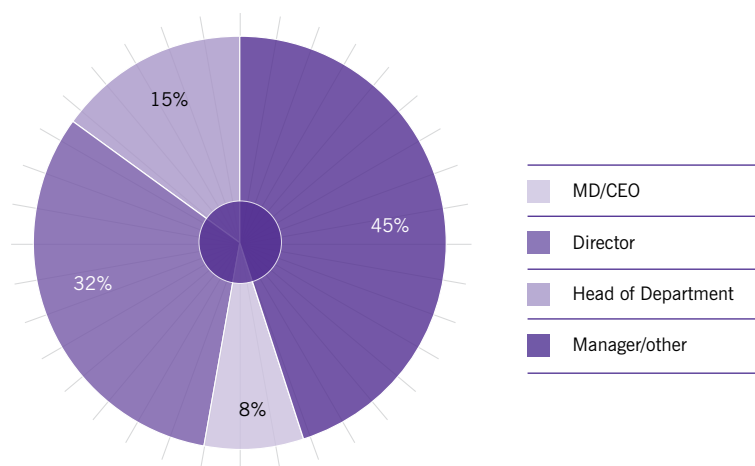
If 78% waste 10% or more of their time, then 3,276,000 managers waste 78,624,000 days a year which multiplied by £192 = £15,095,808,000 (i.e. £15.1 bn).

Likewise, if 38% waste time on rewriting plans and proposals then £7.4 billion is lost, if 46% waste time on ideas going nowhere, then £8.9 billion is lost, if 22% waste time on failed pitches, then £4.3 billion is lost, and if 61% waste time on plans not executed as intended, then £11.8 billion is lost.

To work out the cost if managers are wasting 10% or more of their time on these activities in your organisation, simply divide their average salary by 240 and then multiply it by 24 and then by the number of your managers. The final figure will make interesting reading.

### Research methodology

The research was carried out by a postal questionnaire sent to 1,500 managers and directors of major companies and organisations. The sample comprised the following breakdown in percentage of job titles:



---

## Have you read 'The Living Dead'?

Whether you are a boss or a manager, we would advise anyone in business to get a copy of *The Living Dead* by David Bolchover. If we are going to depend on managers being more innovative and creative in the future, then we need to address a corporate culture in which:

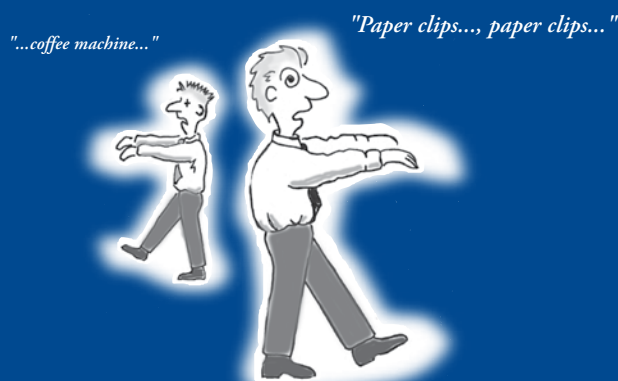
- one in three people has taken a class A and B drug such as ecstasy, cocaine, cannabis and amyl nitrate at work
- one in three midweek visitors to a major UK theme park is someone pulling a 'sickie' from work
- doctors receive nine million 'suspect' requests for sicknotes each year.

Subtitled 'Switched Off, Zoned Out – The Shocking Truth About Office Life,' the book examines why so many managers are mind-numbingly bored and disengaged in their jobs. Bolchover argues that in this environment, our managers' talents are largely wasted and long forgotten. Competitiveness and productivity are unlikely to thrive in environments where office politics, boredom and obstruction are the hallmark of the working day.

To crank up the ideas factory, bosses and managers alike need to understand that the ability to create and sell ideas depends not just on the individual skills of each manager, but also on the environment in which they work. A business which is not an ideas factory cannot move forward or improve its productivity.

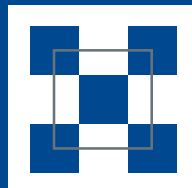
*"There are actually very few real managers currently in business. Mostly there are just 'managers' who set budgets, write the business plans that no one will read, sit around in the meaningless, jargon-filled meetings which are the pillar block of a corporate bureaucracy."*

DAVID BOLCHOVER  
THE LIVING DEAD



If you would like to find out more on how you can solve any of the issues highlighted in this report please contact:

Ross Lovelock of SCQuARE International on +44 (0) 845 0800 888.



**SCQuARE®**  
International

**Problem Defined: Solution Sold**

*"SCQuARE is the methodology that gives you the skill to think through the problem, sell the solution and own the execution"*

**The fastest way to make the complex simple**

SCQuARE International  
3 The Square, Liphook  
Hampshire  
GU30 7AB  
United Kingdom  
Tel +44(0) 845 0800 888  
Fax +44(0) 845 0801 888  
Email [info@scquare.com](mailto:info@scquare.com)

<p>SCQuARE Australia RM International Suite 18, Level 3 201 New South Head Road, Edgecliff 2027, Sydney <b>Australia</b> Tel +61 (0) 29328 6223 Email <a href="mailto:info@rminternational.com.au">info@rminternational.com.au</a></p>	<p>SCQuARE Malaysia 25, Jalan Changgai 6/22 46000 Petaling Jaya Selangor <b>Malaysia</b> Tel +60(0) 3 7957 6729 Email <a href="mailto:info@scquare.com.my">info@scquare.com.my</a></p>	<p>SCQuARE Portugal Av.Praia da Vitoria,3 1000-245 LISBOA R/C Dto <b>Portugal</b> Tel +351 (213) 121 102 Email <a href="mailto:info@scquare.com">info@scquare.com</a></p>	<p>SCQuARE USA 21 Raven Drive Chadds Ford PA 19317 <b>USA</b> Tel +1 610 361 04636 Email <a href="mailto:info@scquare.com">info@scquare.com</a></p>
--	--	---	---

[www.scquare.com](http://www.scquare.com)