



CENTRE FOR ORGANISATIONAL STUDIES
Foundation José M. de Anzizu

COS

CENTRO DE ESTUDIOS SOBRE LAS ORGANIZACIONES
Fundación José M. de Anzizu

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NEW ORGANISATIONAL FORMS

COMMENTS ON THE 1994 COS ROUND TABLE (Nijenrode University, The Netherlands),

by THOMAS LUPTON, *Consultant, former Dean of Manchester Business School*

The 1994 COS Round Table took place at Nijenrode University, first of all in the Management Development Centre, and then in the castle, located in pleasant rural surroundings near Breukelen in The Netherlands.

Twelve nationalities were represented* in the traditional COS mix of managers, consultants and academics. The groups included colleagues from South America and India as well as the usual spread of Europeans and North Americans.

This Round Table differed in form from previous ones. The focus of attention was on two small innovating organisations: Endenburg Elektrotechniek of Rotterdam and Oticon of Copenhagen.

On Sunday evening, 5th June, the group was given some background on the history and culture of The Netherlands and Denmark by way of background of what was to follow.

Next morning everyone made the journey by bus to the factory of Endenburg Elektrotechniek to hear a presentation by Mr. Gerard Endenburg, the Chief Executive, and later to see the production facilities. In his talk Mr. Endenburg described the events leading to the introduction in 1974 of «Sociocracy» in the company. This consisted of overlaying the hierarchy of management with a participative decision-making process of linked «circles» where decisions based upon «consent» not «consensus» guided the activities of the company. The circles extended from shop floor to boardroom. After twenty years, he continued, the basic arrangements were still in place, evolving and working satisfactorily.

Back at Nijenrode after lunch, the members of the Round Table heard of the spread of «Sociocracy» to other organisations in The Netherlands and in the Americas by an organisation whose mission was to promote the idea and train consultants to help with implementation.

On Tuesday, Mr. Sten Davidsen lucidly presented an account of Oticon and the recent changes there. He was followed by Ms. Mette Morsing of Copenhagen Business School whose doctorate was based on the Oticon experience.

The Oticon innovations were mainly driven by commercial expediency – by the urge to use modern information technology as a competitive tool, to promote innovation in product design and development as part of a strategy of survival and growth in a global market dominated by giants like Siemens. *Flexibility* and *adaptability* were the key concepts. So far the results were good – shown by the shortening of «time to market», the development in improved products, market share and so on.

* Jorge Grosse, Isabel Rimanczy, Argentina; Sten Davidsen, Mette Morsing, Denmark; Alain Forgeot, Evelyne Martin, France; Birgit Begus, Germany; Rajendra Gupta, India; Maeve Houlihan, Ireland; Ketil Natvik, Norway; Uros Guncar, Slovenia; José Luis Álvarez, José M. de Anzizu, Ceferi Soler, Joaquín Tena, Spain; Gerard Endenburg, Annewiek Reijmer, Georges Romme, Tharsi Taillieu, Sybren Tijmstra, Diana Watts, André Wierdsma, The Netherlands; Ian Barber, Lilly Evans, Richard Holroyd, Tom Lupton, UK; Ellen Kaye-Gehrke, Christopher Schoch, USA. 9 of the participants were Managers, 10 Academics and 9 Consultants.

The contrast between the two cases was plain in the minds of the experienced members of the Round Table from their various perspectives. Endenburg, it seemed, was an example of innovation based on the application of a social theory – the belief that the survival (not necessarily growth) of an organisation and its technical development rests on the processes of interaction of human beings designed according to a particular humanistic belief system.

Oticon, on the other hand, seemed to be driven by a belief that economic survival and growth was a function of a designed disposition of spatial, physical and technical factors promoting flexibility from which would emerge both efficiency and effectiveness *and* improved relationships and motivation.

This, of course, is an inadequate and personally biased abstraction from the richness of the discussions, arguments and conclusions of the small groups that formed to compare and contrast the two cases.

However, most agreed that the format of focussing on contrasting cases was a good one although, as on other occasions there was not enough time to mobilise and to focus good minds to draw more positive and helpful conclusions.

In the circumstances, Richard Holroyd did an excellent job of guiding the torrent of ideas into fruitful channels and responding to the members' suggestions for moving things along.

The 1994 Round Table ended with an excellent dinner given by the Torres wine company and genially hosted by one of their senior managers, Mr. Jorge Grosse.

The work of José María de Anzizu, Nicky Davies and the staff at Nijenrode in the planning and administration of what was an innovative event in itself was much appreciated by everyone.

COS would like to express thanks to IOD (International Institute for Organisational and Social Development), Leuven, Belgium, for providing scholarships for two people to participate in the Round Table, as well as to Miguel Torres, S. A., Spain, for sponsorship of the final dinner. Their generosity is much appreciated.

REPORT ON 1994 COS ACTIVITIES

by NICKY DAVIES, Executive Assistant

Harald Burmeister Scholarship 1994 and 1995

This scholarship was established by COS to honour the memory of Professor Harald Burmeister who died of cancer in Barcelona in 1985. Harald, a German national, was a truly international academic and consultant. He worked in international trade in many different countries until he was in his mid-thirties, when he took an MBA at Harvard, studying subsequently at IMEDE where he prepared his PhD. After a stay at Berkeley, he joined the IESE faculty in the early seventies. There he was Professor of International Finance and the person in charge of starting the International MBA.

The topic for the 1994 Scholarship was **Innovation in Organisational Structures, Systems and Processes.**

The Jury (Professor Tom Lupton, nominated by **efmd**, Professor Joaquín Tena and José M. de Anzizu from COS), met on Friday 11th February 1994 to evaluate the case proposals presented for the 1994 Scholarship.

The case summaries were:

1. «DRVENJACA» D.D.
Mrs. DURDUNA OZRETIC DOSEN
University of Zagreb, Croatia
2. «TBILISI BUSINESS SCHOOL»
REVAZ VACHNADZE
Tbilisi Business School, Republic of Georgia
3. «RIELLO»
DONATELLA DEPPERU & LUCREZIA SONGINI
SDA Bocconi, Italy
4. «INNOVATIVE ORGANIZATIONAL
RE-DESIGN IN OTICON». METTE MORSING
Copenhagen Business School, Denmark
5. «SOCIOCRACY AT ENDEBURG
ELECTRONICS». GEORGES ROMME
Rijksuniversiteit Limburg, The Netherlands
6. «ST. ANTONIUS VESSEL HEADS»
HANNO ROBERTS
Universidad Carlos III, Madrid, Spain.

The Jury considered that three of the proposals were focused on the topic of the Scholarship, whilst the others were much less so, in spite of their possible value.

The Jury unanimously decided that the case proposal, «Sociocracy at Eindhoven Electronics» deserved to be awarded the 1994 Scholarship while two other proposals, «Innovative Organizational Re-design in Oticon» and «St. Antonius Vessel Heads», deserved special mention.

Similarly, COS has again offered the Harald Burmeister Scholarship for 1995 to cases on the same topic: **Innovation in Organisational Structures, Systems and Processes**. Proposals were submitted by 15 December and the results will be announced on 15 January. All entrants for the Harald Burmeister Scholarship are encouraged to enter the 1995 **efmd** Case Writing Competition as this is also the category for the prize sponsored by COS (see information on the **efmd** Case Writing Competition on page 4).

LECTURES

COS organised two lectures in 1994, one at the Pompeu Fabra University and the other at EADA.

On 19 May 1994, Luis Bartrina, who has worked at managerial level for national and international companies such as Procter and Gamble, Henkel, La Vanguardia and Corn Products Corporation and who now has his own consultancy firm, gave a lecture at the Pompeu Fabra University in Barcelona. He compared the management styles of multinational companies according to their different cultures of origin. Drawing on his own experience, he explained advantages and also problems encountered by those of a different culture working with differing ideologies and philosophies than those they are used to, giving as a particular example the American firm, Procter & Gamble. The lecture ended with a question and answer session with members of the audience also expounding on their personal experience in dealing with multinational companies.

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On 17 November 1994, José M. de Anzizu gave a talk at EADA on «Success and Failure in Spanish Organisations». As there were less constraints on time, he was able to expand on the theme in more detail than had been possible at the IODA conference. As a result, more concrete examples were given and the audience became involved in an active discussion. The presentation ended with a summary of the findings of the 1993 and the 1994 Round Tables and the showing of a video of Oticon as an example of what can be achieved by an innovative organisation on an international level.

PUBLICATIONS

The third COS Working Document, «East West Business Collaboration», edited by Professor Max Boisot, was published in December 1993 in English by the British publisher, Routledge. Preparation is now under way for our next publication, also with Routledge, which will be based on the findings of the 1993 Conference on Organisations of the Future and the 1994 Round Table on Innovative Organisations. It will be edited by Professor José Luis Álvarez, who lectures at IESE in Barcelona, with contributions from José Luis Álvarez, Tom Lupton, Joaquín Tena, some real cases which were presented, as well as comments from leaders in the field.

MAILING LIST

The COS mailing list comprising 1,350 individuals and institutions interested in regularly receiving information on COS activities is gradually increasing. There is a mixture of Academics, Consultants and Managers, the majority being from Europe, USA, South America, but also others in the rest of the world.

LIBRARY

The library is open to anyone interested in organisational issues, as COS subscribes to specialised magazines and journals. Please telephone beforehand (+34-3) 412 34 32 to check library opening times or to make an appointment.

INTERNATIONAL CONFERENCES

The **efmd** Annual Conference on Business Driven Management Development took place at Copenhagen Business School on 10-12 June 1994, with a preceeding special event on The Scandinavian Approach to Business Driven Management Development on the MIL Campus, Klippan, Sweden, on 8-10 June.

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The 1995 **efmd** Annual Conference will take place from 17-20 June in Athens, Greece.

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The ninth IODA Annual Conference, on the theme of «Organizational Health and Ecology» took place in Barcelona on 18-22 September 1994. COS collaborated with organisation and sponsorship. José M. de Anzizu presented a paper. The tenth IODA Conference is scheduled to take place in Eilat, Israel, from 17-20 October 1995.

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The 13th International SCOS (Standing Conference on Organisational Symbolism) conference will take place from 29 June - 1 July 1995 in Turku, Finland, on the theme «Self and Identity in Organizations».

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If you require further contact details on any of the above conferences, you can telephone or send a fax to COS.

1994 AND 1995 efmd CASE WRITING COMPETITION

COS has continued collaborating with the efmd in the Annual Case Writing Competition and sponsored the prize in the category, «Innovations in Organisational Structures, Systems and Processes». There were three other categories sponsored by different European institutions, although one prize was not awarded due to insufficient entries. In total, 40 cases were presented, of which 20 were in the COS category, which shows the interest generated by our current topic of study. In 1995 COS will award a prize in the same category.

This is a short summary of the cases presented, their authors and the institution. COS cannot offer copies of the cases, but will provide information to those interested, in order to contact the author.

FRIENDS PROVIDENT: Reengineering Customer Services.

Authors: Soumitra Dutta, James Teboul, INSEAD, Bd. de Constance, 77305 Fontainebleau Cedex, France.

Friends Provident is the sixth largest life insurance company in the UK. Since 1989 it has made significant innovations in structures and processes to better serve its customers. The case focuses on the change process during 1989-1993.

BANKING ON TECHNOLOGY AT BANCO COMERCIAL PORTUGUÉS

Authors: Yves Doz, Soumitra Dutta, INSEAD, Bd. de Constance, 77305 Fontainebleau Cedex, France.

The case focuses on the innovations in the structures, systems, processes and technology put into practice since the foundation of the Bank in 1986. BCP is now one of the largest and most profitable financial institutions in Portugal.

RHÔNE POULENC AGROCHEMICALS

Author: Evalde Mutabazi, Groupe ESC Lyon, 23, Ave. Guy de Collongue, 69132 Ecully Cedex, France.

The case deals with strategic and operational aspects of international human resource management during and after the merger of Rhône Poulenc with Union Carbide (Agrochemical Division).

PHILIPS FLOOR CARE. The Triathlon Project

Author: Francis Bidault, IMD, 23 Chemin de Bellerive, 1001 Lausanne, Switzerland.

The case deals with new ways of organizing the «Product Development Process» before the Triathlon project (up to the end of 1991), an assessment of it and calls for a discussion of alternative ways of organising the PDB.

BOSCH POWER TOOLS. The Delta Sander Project

Author: Francis Bidault, IMD, 23 Chemin de Bellerive, 1001 Lausanne, Switzerland.

The case deals with advantages and drawbacks encountered in accelerated product development; consideration of product development organisation to ensure faster time to market; what was decided and how the product was doing after a year of commercial activity.

PAKISTAN OXYGEN LIMITED

Author: Khawaja Anjad Saeed, Institute of Business Administration, University of the Punjab, 54590 Lahore, India.

The case describes the successful way this international company (a part of the BOC Group) has expanded over recent years with six major areas of innovation and change.

PERCY BARNEVIK AND ABB

Authors: Manfred Kets de Vries y Raafat Morcos, INSEAD,

Bd. de Constance, 77305 Fontainebleau Cedex, France.

ABB is the product of the world's largest cross-border merger to date. The case traces the history of Percy Barnevik, CEO of ABB, and his way of managing this engineering group, as well as addressing several other issues:

- the process of corporate transformation
- the architecture of the corporation of the future
- the making of global executives
- various strategic issues
- management succession.

(Winning Case) REVOLUTION AT OTICON (A & B): Acquiring Change Competence in a «Spaghetti» Organization.

Author: R. Morgan Gould, IMD, 23, Chemin de Bellerive, 1001 Lausanne, Switzerland. The cases deal with the changes projected at Oticon (a hearing-aid manufacturer) by the new CEO, Lars Kolind, and those actually introduced. Success, and the reasons for it, are examined, as well as looking at how the new organization can be sustained in the years to come.

RIMINI SIGNAL

Authors: Ramchandran Jaikumar, Bacem Moussa, David Lee. Morgan Hall, Harvard University, 02163 Boston, Mass., USA.

The case deals with methods used to deal with production problems and the introduction of a new manufacturing architecture: the E-lot system.

THE TALENT CASE

Authors: David Birchall, Laycock, Stiles, Robinson, Gaupin. Henley Management Centre, Greenlands, Henley-on-Thames, RG9 3AU, Oxon, UK.

The case deals with the history of Tallent Engineering Limited, focussing on the need for major changes in systems and processes and the changes which took place.

ALCATEL BELL TELEPHONE: EDI, Organizational Transformation and Competitive Advantage

Author: Ramon O'Callaghan, Nijenrode University, Straatweg, 23, 3621 BG Breukelen, The Netherlands.

The case deals with Belgium's most prominent exporter of telecommunications equipment and systems for both public and private networks, discussing company strategy, the redesign of the procurement organization and the role played by electronic data interchange (EDI).

BECTON DICKINSON EUROPE

Authors: Jérôme Barrant, Dieter Schmidt. Groupe ESC Grenoble, Europole, P.O. Box 127, 08003 Grenoble Cedex 01, France.

The case deals with reorganization proposals made in 1991 in order to reorganize operations around the concept of Supply Chain Management and Service Product; the

changes made, their consequences and the eventual design of a complete business reengineering of the company and the risks involved.

THE MAKING OF THE «SIMPLY BETTER» HEALTH CARE COMPANY: SMITHKLINE BEECHAM (A and B)
Authors: Philippe Haspeslagh, Dana G. Hyde, INSEAD, Bd. de Constance, 77305 Fontainebleau Cedex, France.
Case A deals with the equal merger of SmithKline and Beecham and its transformation into a leading transcontinental pharmaceutical and healthcare firm. The B Case examines SmithKline Beecham's portfolio of four businesses after five years of improvement efforts, concluding with a sketch of the emerging integrated healthcare strategy which the new CEO, Jan Leschly, and his team are in the midst of developing.

THE 3M COMPANY. Integrating Europe (A and B)
Authors: Mary Ackenhusen, D. Xuzyka, N.C. Churchill, INSEAD, Bd. de Constance, 77305 Fontainebleau Cedex, France.

This two-part case series presents the reorganization of 3M's European operations from a strong autonomous country structure to a pan-European product line structure matrixed with a regional structure.

JAEGAR LADIES

Author: Francis Buttle, Manchester Business School, Booth Street West, Manchester M15 6PE, UK
The case traces the history of the company from its founding in 1884 to the present day, focussing on changes in merchandising strategy.

THE DESIGN OF OTICON'S NETWORK

Author: Mette Morsing, Copenhagen Business School, Institute of Organisation & Industrial Sociology, 2200 Copenhagen N, Denmark.

The cases (A & B) trace the history of Oticon, new ideas and changes introduced and problems encountered in building a networking organization.

OGU

Authors: Xavier Castañer, Koldo Echebarria, ESADE, Avda. Pedralbes, 60-62, 08034 Barcelona, Spain.

The case follows the development of OGU (a unified management office) to solve the problem of industrial permits in Spain's complicated bureaucratic system.

CFM – International

Authors: Pierre Dussauge, Bernard Garrette, Groupe HEC, 1 rue de la Libération, 78351 Jouy-en-Josas, Cedex, France.

The case focuses on the strategic alliance formed between General Electric and SNECMA to produce the CFM-56 commercial aircraft engine. In alliance, partner firms have their own objectives that are distinct from those of the common project, resulting in a compromise between each partner's strategic objectives and the efficiency requirements of the project itself.

DIGITAL EQUIPMENT ENTERPRISE (A & B)

Author: Bettina Buchel, Université de Genève, UniMail, 1211 Genève 4, Switzerland.

Case A looks at Digital's process of acquiring computer divisions in the SME market segment and the decision to create DEE: Digital Equipment Enterprise, and problems which needed to be resolved in major European countries. Case B describes the evolution of DEE in terms of its operational developments.

OSBORNE – Considering a merger with Larios

Authors: José Mario Álvarez de Novales, Stephen Ruth, Instituto de la Empresa, C/ María de Molina, 13-15, 28006 Madrid, Spain.

The case examines mergers and acquisitions in order to compete with new global competitors and exploit the economies of scale which result from joint distribution of products. Both Osborne and Larios have developed different strategies.

1995 efmd EUROPEAN CASE DEVELOPMENT WORKSHOP Barcelona, 17-20 September 1995

TEACHING WITH CASES: New Challenges and Opportunities

This Workshop will examine new approaches concerning the preparation, writing and teaching of cases in different management programmes. A special session will be held for young professors or those who want to improve their skills in the area of teaching by the case method.

The event will be organised jointly by the European Foundation for Management Development (efmd), Brussels; the Centre for Organisational Studies (COS), Barcelona; and the Universitat Pompeu Fabra (UPF), Barcelona.

The sessions will take place at the UPF building, located in the very heart of the city. Accommodation will be in nearby hotels.

There will a 20% fee reduction for those also attending the COS Round Table.

For further information, please phone or fax COS (Ms. Nicky Davies). Tel.: (+34-3) 412 34 32
Fax: (+34-3) 301 84 39.

1995 COS ROUND TABLE

Barcelona, 14-17 September 1995

EMERGING ORGANISATIONAL DYNAMICS: What are we learning? What questions for tomorrow?

Under the Chairmanship of Mr. Christopher Schoch, this Round Table will use the innovative dynamics of «Open Space» to share and explore new ideas and experiences without the inhibiting effects of more traditional formats.

We expect to have a select group of limited size, composed of academics, consultants and managers, therefore early registration is advisable. Some scholarships will be offered. The event will take place in the EADA-Collbató training centre, located on the outskirts of Barcelona.

There will be a 20% fee reduction for those also attending the 1995 **efmd** Case Development Workshop.

Please see the separate information and pre-registration form enclosed.