

Jimmy's tale

Names and situations will be changed in the future in order to protect the innocent.

Jimmy Roche is the managing director of Roche Manufacturing (RoCo), a company he set up in 1988. Jimmy has a mechanical engineering degree from GMIT. Jimmy has won a number of design awards, including an environmental award for a bale wrapper and several innovative designs for agriculture from the RDS, the Royal Dublin Society. RoCo designs and manufactures a range of machinery for the electrical utilities, agricultural and prefabricated concrete sectors. The majority of its orders are high value, one-off items. RoCo currently has broken its business into 4 categories:

1. Hollow Core Concrete Machinery, within which it provides the following products worldwide: concrete saws, camber presses, bed cleaners, vacuum machines, concrete lifters and concrete pourers.
2. Renewable Energy Solutions, within which it provides solutions in the areas of wind, solar and anaerobic digestion.
3. Agricultural Equipment Solutions, within which it provides a broad range of equipment used for the selective application of herbicide to weeds. The equipment includes the Weedwiper, Spot Sprayer, Spray Boom, Microwipe and Weedstick.
4. Utility Pole Handling Machinery, which includes equipment for the handling, setting and removal of electric utility poles and pipes.

Hello

I first met Jimmy at an innovation event in GMIT in 2006. We were launching a project under the Skillnets programme called Innovest, or Innovation In The West. Through his brother, who was a lecturer in GMIT, Jimmy had been asked to participate on the board of this project. The board was made up almost exclusively of owners and managers of manufacturing companies in the Galway region.

In conversation with Jimmy, we discussed his business which was then based in a small village outside of Galway called ClareGalway. I discussed the overall innovation area with Jimmy, eventually moving on to talk about my own area of research which is collaboration among small companies, or SMEs. I mentioned how, when SMEs try to do everything themselves, they can very easily get to this stage where they lose their core expertise by trying to be good at everything. The whole philosophy of good collaboration is to concentrate on continuously building your core competencies while working with others in partnership when other competencies are needed. Jimmy was very taken by this idea, particularly as his business was going through the roof at that time. We agreed that I would come visit Jimmy at his premises.

Welcome to ClareGalway

Was what Jimmy said when I walked into his far from impressive enterprise. "Let's go upstairs, where there is a bit more room". It was pretty obvious that Jimmy had outgrown his existing premises. His office doubled up as the office canteen and also included his design engineer. It looked like it could do with a good cleaning. After a cup of tea, Jimmy started talking about his ideas for collaboration. I pointed out that collaboration is not an easy thing to do and that most projects fail. Jimmy wondered why, particularly if it made sense for both companies to get involved. I started reciting the litany of reasons, such as promises not kept, missed deadlines, stealing customers, arguments over money, rows and blaming when things go wrong etc. Basically, I said, it comes down to two things:

1. Companies getting involved for the wrong reasons
2. Lack of trust between partners

Jimmy had a particular idea of farming out his production process so that he could concentrate on design and on sales. There was a local friend of his who had a fabrication company who he reckoned would be better able to manufacture machines than he would. He had a second company in mind also, who were based in the Netherlands and which sold a more automated version of his concrete cutting machine. He taught that there could be some synergy between the two companies whereby they could collaborate from a marketing perspective, with Jimmy providing the more manually controlled machine and the Dutch company providing the automated system.

We had a quick discussion about these two options and agreed that the first one was the most feasible at this time. For a new company just getting started in collaboration, it was far better to do it with someone with a similar culture and with whom there was already an established relationship. We agreed that Jimmy would have a chat with his colleague from this other company and that we would get together a month or so later.

When we had finished our conversation, Jimmy gave me a tour of the facility and he also showed me plans for his new facility in Mountbellow, a village about 40 miles north-west of Galway. He was currently finalising planning permission and hoped to start construction within a few months.

A month or so later....

I called Jimmy to set up a meeting with him and his colleague. He told me that he hadn't got around to talking to the guy yet but that he would do it in the next few weeks and get back to me. I didn't hear from Jimmy.

And three months later...

The Innovest project commissioned me to carry out an innovation assessment with several companies involved with the project. This included RoCo. I contacted Jimmy again to set up a time with his organisation. He was very apologetic for not having got back to me but had been spending a lot of his time trying to put in place a management structure in the organisation. He was very excited about this and had recently appointed a production manager and an operations manager, which would then free up Jimmy to concentrate on sales and also on strategic management of the

business. I told him to forget about collaboration for the moment because there was too much on his plate, but let's go ahead anyway with this innovation analysis and see what it threw up.

The innovation analysis

They were two parts to the innovation analysis. The first of these was an innovation assessment which we asked each person on Jimmy's staff to carry out independently. The results would then e-mailed to me, after a couple of reminders, and I consolidated these together. When we met, we looked at the scores from each person and the overall score. Where there was a significant spread between respondents, I initiated a discussion. This proved quite fruitful for finding out if there were different interpretations of the question or, more importantly, where people could argue their point and tried to persuade their peers that there are few was closer to the correct situation for the company.

The second part of the innovation analysis was an overall organisation assessment. This was carried out, facilitated by me, with Jimmy, his production manager and his financial manager. Within this we looked at several things:

- We looked back in time at innovation in the company. What projects had been conceived, had these been delivered and what were the results on the level of success? We also looked at what current initiatives were underway. This was quite a useful exercise as it gave the company a sense of achievement e.g. they were in the process of getting the new facility in Mountbellow set up; they had developed a special vacuum machine for concrete cutting, of which a prototype was now in place at one of their local customers; they were looking at renewable energy and what could the company could usefully do in that space; they had a dream of getting involved in bio diesel, with a particular attraction for the use of algae.
- We looked at the value streams that the company had and tried to determine what contribution each of these made to the revenues of the organisation. In total, six value streams were determined, including precast concrete machinery products; pole grabs; bio diesel; roto wipers; renewable energies; sports equipment.
- We looked at the organisation's strengths and competencies by identifying the major factors which influence the ability of the company to achieve success or failure. We prioritise the company's strengths and then, from that, determined what the company's competencies were. We identified two competencies:
 - Tailored mechanised design solutions for the construction industry
 - Design, manufacture and service of large machines

We examined these to determine whether these were core competencies (are we really good at it? Is it difficult for others to replicate? Gilmore customers and potential customers value this capability?). The first of the two competencies above ticked all three boxes and therefore could be considered a core competency. In effect, if RoCo ensured that it exploited this competency above all others, it should become a successful company.

- Looking at the organisation's strengths and competencies gave us an internal review of the company. Now we needed to look and externally at the potential opportunities and threats which were out there. To do this, we identified issues of importance in the environment and

then critically assess these as to whether there were threats or opportunities. We then looked at the likelihood of occurrence of each, and what our capacity was to act if it did occur. The following are examples of the outputs from this analysis:

- 'Slowdown in the construction sector in Ireland' was seen as a major threat; its likelihood of occurrence was possible; and we had no influence in terms of reacting to it.
 - 'Energy costs driving support from renewables' was seen as a major opportunity; its likelihood of occurrence was likely; and it was felt that we could influence in a minor way.
 - 'Oil-producing algae showing potential as renewable energy source' was seen as a major opportunity; the likelihood of occurrence was unlikely; and we had absolutely no influence over it.
- Taking the opportunities identified in the previous section, these were prioritised and discussed in order to arrive at a couple of business opportunities that were real for the organisation. We identified three business opportunities, each of which had a different time horizon:
 - The first of these was to provide design and prototyping services to large machine building sectors across Europe. This built on existing core competencies in the organisation.
 - The second was to set up a renewable energy business with particular emphasis on Roco's strengths. This would take the company's current capabilities and build new skills and new markets around them.
 - The third was to carry out feasibility research of algae hydrocarbon development. This was seen as a long-term potential opportunity.
 - The final section of the organisation analysis involved matching the identified opportunities with the capabilities of the organisation. Once the organisation identified five skills were needed to deliver on any particular opportunity, it then looked at what its current competency level was and determined what its approach should be to bridge any gaps in competency e.g. develop it internally, evaluate collaboration option, sub contract to a third party, definitely collaborate.
 - This then led to an action list on which names and dates were agreed.

And that was the last of Jimmy until Ardawan came along....