



Forte's Bakery

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Fortes Bakery Limited is a medium sized family-run business which specialises in the wholesale supply of bakery products to the airline industry, with customers based at Gatwick, Heathrow, Stansted and Luton airports and other caterers nation-wide. The company has approximately eighty employees.

Overview of case

Over the last five years Fortes has undergone a number of changes which have helped them to become world-class suppliers to their customers. In 1991 the company moved exclusively into supplying the airline catering industry and they have achieved competitive advantage through the systematic application of quality and standards to all procedures. The move was an attractive proposition for Fortes, as the demand for variety in airline catering was matched by the diversity in Fortes' product range.

The company needed, however, to undergo a number of changes and improvements in order to capitalise on this niche market.

Changes in legislation and standards meant that the food industry had to implement more stringent health and safety and hygiene regulations. With the introduction of Total Quality Management (TQM) and Investors In People (IIP) the company has helped to bring about a cultural change which encourages team-working and training at all levels. The management at Fortes have undergone a learning process over the last few years which has resulted in a very 'hands on' approach to management and a

commitment to leading by example. The company identifies CI as being closely linked to quality and effective team-working, and CI activities concentrate on promoting these values.

Fortes milestones along the CI journey can be broadly outlined by the following objectives and achievements.

Key points

- To introduce a formal set of procedures which can be measured and evaluated to ensure best practice. This is being achieved through the introduction of ISO9002.
- To train the Senior Management Team in leadership and facilitator skills.
- To train and develop staff to understand and share a common approach to quality. This is being achieved through Total Quality Management.¹
- To develop a culture that supports and encourages team-working. This is being achieved through the establishment of problem solving teams called Quality Improvement Process teams (QIPs).
- To encourage learning, training and multi skilling through IIP and NVQs.

Background

Founded in 1932 by the grandfather of the current directors, the business was a traditional craft bakery which had a number of cafes and bakeries in the Hove and Brighton area of East Sussex. The 1960s and 1970s represented a period of growth for Fortes, when products were in demand and the company was profitable. In the late 1980s the company recruited a new Sales and Marketing Director who highlighted the benefits associated with concentrating solely on the airlines market.

The in-flight catering industry had not been saturated with suppliers, and Fortes, with their track record of providing quality services, saw a gap in the market where they could achieve competitive advantage.

¹ Called Total Quality (TQ) at Fortes.

In 1989 the company moved to a site in nearby Burgess Hill in West Sussex, which was more modern and more appropriate for food production.

Changing competitive environment

In the late 1980s and early 1990s the company began to experience pressure due to external crises such as the recession and the Gulf War, which drastically hit the air-line industry. Competition and price pressures became severe and led to a decline in profitability and serious cash flow problems. The company could not afford to cut costs in raw materials as this would affect the quality of the finished product, and perhaps lose customers who had come to expect a particular high standard.

At this time airline catering was going through enforced changes in hygiene standards due to new regulations. This included the introduction of protective clothing. Fortes naturally followed suit, which helped them to develop a professional image which was not traditionally associated with their industry. In addition to these measures the company also decided to concentrate on improving internal efficiency and quality as a means of strengthening their commercial position. The company have outlined this aim in the Mission Statement (**Figure 3.1**).

Figure 3.1: mission statement - Fortes

The Fortes Company Mission Statement is
'To delight our customers with the excellence of our products and the quality of our service and to return value for money to those who have invested in the company'.

Management training

With the help of an external consultant Fortes identified that one of their key stumbling blocks to achieving competitive advantage was the fact that they had an inconsistent style of management. The top management had a laissez faire approach to leadership, which was often found in family-owned companies, and middle management on the shop floor tended to be autocratic. This had contributed

to the development of a blame culture and an atmosphere of mistrust, which the management were determined to rectify.

Under the tuition of an external facilitator the company embarked on a training programme which helped to teach management a number of crucial skills.

These included leadership skills, decision making, problem solving techniques, presentation skills and also developing and facilitating teams.

Fortes were lucky that they had a relatively young and well educated management who were willing to learn and were enthusiastic to pass their newly acquired knowledge down through the company. After this initial training programme the majority of subsequent training has taken place in-house and is usually delivered by a member of the management team. The management team includes the three directors as well as the general, technical and quality managers (see **Figure 3.2** — organisational structure).

The management team have developed a very 'hands on' approach to learning, and training usually takes place in an informal setting. This approach has helped learning to become embedded in the culture rather than been seen as an 'add on'. Because a number of employees work long hours and irregular shifts it is important that training is scheduled in such a way that it is not too time consuming or intrusive.

The management team have gained confidence in their ability to lead the change processes. They are very visible on the shop floor and they operate an open door policy, which means that staff can approach them directly with any questions.

This has helped to build up a more open environment in terms of communication and trust.

Initial change programmes

Table 3.1 gives a brief illustration of the major changes the company has undergone over the last seven years. These have included structural changes such as evolving the organisation from a hierarchical to a flatter functional team based structure as well as strategic changes which have involved the commitment to quality standards and increasing skill levels.

Table 3.1: process of change at Fortes

1990	move to exclusively supply the airlines industry
1993	ISO9002 accreditation
1994	membership of British Deming Association
1994	management training in TQM principles
1994	flattening of organisational structure
1994	Production Manager job role devolved to newly-formed Team Leader positions
1994	training for team leaders in functional team-working skills
1994	cross-functional teams called Quality Improvement Process Teams set up on an ad-hoc basis to deal with internal problems
1995	membership of CIRCA CI Network
1993—1996	implementation of Investors In People standard, which the company achieved in October 1996

Introducing quality standards

In 1992 the company, with the help of external consultants, introduced ISO9002. The Managing Director had attended a seminar on quality and standards and decided that this was the way forward for Fortes.

First some members of the management team visited a number of companies in order to learn how they had gone about gaining accreditation.

The next stage was to gain the support of other managers within the company and to get everybody to measure the different processes within their area of work. This activity helped to identify procedures, define the different elements of the various job roles and give everyone a common set of guidelines around acceptable standards and procedures. Each section compiled a list of the various job descriptions within that area which were included in the company's procedures manual. The procedures manual is used as a checklist to audit the company and evaluate systems. In October 1993 the company gained ISO accreditation.

Devolving the responsibility of auditing

In October 1992 the General Manager and the Quality Manager attended a course to learn how to audit the different procedures within the company. Internal audits now take place every six months and external audits are conducted annually. Originally all of the auditors were from the senior management team but this caused some problems as individuals felt they were being criticised rather than the process.

Since October 1995 a new auditing team has been set up which includes team leaders and front line staff, who received their training in house, and are qualified to audit all areas within the company. All

auditors volunteer for the responsibility through the company's electronic-mail system or by approaching a member of the management team directly. The auditing team consists of three front line staff, one team leader and one manager. Monthly meetings take place in order to keep up to date with each other. The implementation of ISO9002 has helped to increase the general level of awareness in the company, people are more inclined to see their job roles as part of a process rather than in isolation and the regular carrying out of audits ensures that standards are maintained.

TQM

The next stage of learning the company embarked on was the introduction of Total Quality Management in 1994. This programme had a number of objectives which were compatible with the company's business aims and included:

- Flattening the organisational structure
- Incorporating quality into everyday work activities
- Encouraging team-working and improvement activities in both functional and cross-functional situations.

Influences in implementing TQM

The initial motivation for introducing Total Quality was as a means of reducing customer complaints. The Managing Director also saw that TQM could play a role in driving change and help to build up a culture which was process oriented and built around problem solving and teamwork.

Around this time the company joined the British Deming Association (BDA) as the Managing Director wanted to adopt this approach to quality. The Deming approach advocates rooting out defects and developing an understanding of processes. These aims have been partially achieved by the application of ISO standards. However, some of the human factors, in particular those relating to quality, still needed to be developed and enhanced, in particular creating an environment where there is a 'no blame' culture and encouraging cross-functional working. Initially there was some resistance to change, in particular at middle management level but as benefits such as reduction in staff complaints and a reduction in staff turnover began to emerge, this resistance was overcome.

Deming and Crosby philosophies provided the theoretical basis for change and commitment. But as the company became more confident they began to develop their own framework for change. This period represented a major learning phase for the company, in particular the management team. The Deming philosophy advocates that a strong message about quality is understood by everyone in the organisation, and this message is usually passed down through management. Therefore, the managers had to undergo training in order to be able to effectively pass that message to staff.

The company also referred to various sources of help in order to benefit from experience and expertise. These include the Department of Trade and Industry's booklet on best practice benchmarking² together with several visits to companies with a reputation for best practices in TQM.

In 1995 Fortes joined the CIRCA CI Network at the University of Brighton which gave them access to other companies who were committed to implementing CI. Fortes also introduced some elements of the Crosby philosophy, such as zero defects and the Price Of Non-Conformance, which involves identifying the cost of *not* getting a product or a service right.

² 'Best practice in benchmarking' published by the Department of Trade and Industry as part of the 'Managing in the 90s' series.

Organisational structure

In November 1994 the company went through a de-layering process and reduced organisational layers from six to three levels. The first change was to establish the position of Managing Director as a formal role. In the previous structure the role was shared between three managers which caused some problems, for example gaps in communication and procedures. The appointment of the Managing Director has helped to focus the company towards a common set of goals and procedures. It was also around this time that the production manager left Fortes and the company faced a major challenge at team leader level.

The production manager's job was divided between the team leaders. The fact that the team leaders had greater responsibility and control has helped to solve the problem of a communication bottleneck which had been created at the level of production manager.

Adapting to the new responsibilities at team leader level was made easier by the fact that the functional teams were established and working well, and since the introduction of ISO job roles and procedures were outlined in the Procedures Manual. Staff could refer to the manual if there was any area that needed clarification. However, just as the management had undergone training in facilitating and managing staff, team leaders also needed to develop these skills to help them to successfully manage their teams.

The company then set up voluntary teams, called Quality Improvement Process Teams (QIPs) to try to solve some of the internal problems within the organisation. The first QIP teams were set up in late 1994, early 1995, and they will be discussed separately in this chapter.

Team training

The Managing Director developed and delivered a training course aimed at management and team leaders which incorporated elements of the TQM philosophy, both theoretical and practical. The training took place in three stages:

1. team leader training;
2. the opportunity to work within their own teams;
3. the opportunity to work on cross-functional problem solving teams (QIPs).

The theoretical elements focused on gaining support and consensus that attention to quality and team building was the way forward for the company.

The second phase of training gave the teams the opportunity to develop some of the practical techniques associated with TQM. The majority of these tools were aimed at improving learning and training in a cross-functional, as well as functional team situation.

The Managing Director customised a toolbox — the **Fortes Quality Toolbox** — which would provide staff with techniques and advice about how to deal with certain situations. Examples include:

- How to work effectively as part of a team.
- How to use problem solving techniques.
- How to measure processes.
- Advice on how to deal with your internal supplier.
- How to identify opportunities for improvement.

The tool box also contains information on which individuals within the company staff could refer to for specialist information, for example, to obtain details on training courses and NVQs.

Outcomes

The main change which occurred as a result of the team building exercises was an improvement in the atmosphere, which became less tense and autocratic on the shop floor. The training, which took place for two hours per week over a ten week period, was delivered to the team leaders. However, some problems occurred due to the fact that the programme had been influenced by CI implementation at other companies. Therefore, amendments had to be made to make it less rigid and more appropriate to the Fortes way of working. The company started introducing their own training material and also the development of the 'Fortes problem solving tool box' (as outlined above) helped to overcome some of these barriers to learning.

Suggestion Scheme

At one stage the company introduced a suggestion scheme which involved ideas about opportunities for improvement being submitted to management. However, so many ideas were being submitted that the management team could not process them. The scheme was disbanded and the company decided to manage improvement ideas through formal problem solving teams called Quality Improvement Process teams.

Although the disbanding of the suggestion scheme removed the formal channel for submitting ideas, it appears that individuals are still putting forward ideas informally by availing of the managers 'open door' communication policy, or through the E-mail system. This system has proved quite successful and ensures that all ideas are brought to management's attention.

Quality Improvement Process (QIP) teams

The Quality Improvement teams were set up in order to deal with specific problems as they occurred. Over a ten week period two hours per week were put aside to solve problems. After a problem has been identified the people who need to be involved are brought together to solve the problem and review the outcome. At the time of writing there were 21 improvement teams in place across the company looking at a variety of issues. For example, one team drew up a procedure for welcoming visitors and showing them around the different sections in the company; another team is looking at the development of recognition certificates.

Communication Sheets

Some of the teams involve just one section of the company and some involve all areas.

A special form, called a communication sheet, is displayed on a notice board in the canteen which names the team leader, coach and other members of the team; describes the issue they are working on; and outlines the progress and outcomes to date. The sheets are updated on a weekly basis.

Examples of some of the projects

One team reduced a two man job to a one person job which has saved the company fifty man hours per week. This was achieved by designing a new bag that fitted into the delivery baskets which could be filled and sealed by one person, rather than its more cumbersome predecessor which had to be filled and tied by two people. Another team was brought together to look at ways of reducing staff turnover. In 1996 staff turnover was down by 57.7 percent.

Staff recruitment

The system of recruiting front line staff on an informal basis, for example by contacting friends and ex employees when vacancies arise, has been replaced by a more rigorous procedure. Vacancies are advertised in the local paper and successful candidates must go through an formal application and interview process. Details of applicants who were short-listed but were not successful are kept on file to refer to in the event of future vacancies.

This has helped the company to ensure that they are getting the most suitable employees and has contributed to the decrease in staff turnover.

Problems with QIPs

In the beginning it was found that the same people were taking part in the QIPs, these tended to be the 'quality champions' at both team leader and front line level. The management team encouraged others to become involved but felt that if joining the teams did not remain voluntary, they would return to the autocratic culture that they were slowly moving away from. There were also problems with some of the teams running out of steam and not finishing the projects in a conclusive way. In addition there is a tendency for team leaders to focus on their own problems within a cross-functional team rather than taking a holistic approach to problem solving. One of the reasons appears to be that teams are not using the problem solving tools and techniques effectively and the Quality Manager has identified this as an area for improvement. At the time of writing all the teams were being coached by a member of management rather than the team leader. The team leaders do not feel confident yet in their ability to lead and this is a behaviour which the company plans to develop.

Some of the teams tend to be quite competitive which does not help cross-functional working. The approach to team leader training has been to concentrate on introducing problem solving techniques.

However the training did not try to develop a consistent style of leadership or values for team leaders. As a result some of the team leaders still impose a rigid style of leading which was a feature of the old culture at Fortes. Certain measures are been taken to overcome these problems, such as the introduction of IIP which should encourage multi-skilling, communication and job rotation.

Recent developments

Just-in-Time (JIT) techniques

In the last six months some of the product ranges have introduced Just in Time Techniques. This was an important development for a company that produces over 286 lines of perishable goods. The procedure is only suitable for some of the easier to control lines and was introduced due to customer complaints arising from mould problems which resulted from the very hot weather in the Summer of 1995. The decision to introduce JIT resulted from a brain storming session between the General Manager (of production), one of the team leaders and the sales teams.

This shows that the company has made some progress in the introduction of cross-functional team-working. The benefits accruing include tangible savings due to:

- no over making of goods;
- no remaking of goods;
- no goods going off.

Quality Club

Any member of staff can join the quality club which meets after work on an informal basis. The MD leaves the onus on individuals to become involved, rather than forcing the issue. The quality club has

people from the British Deming Association involved, who give support and advice on how to introduce quality systems. Often guest speakers will attend (both from within and outside the company) to discuss any issues of interest. Statistical Process Control was introduced six months ago and, using the expertise of the quality club, a paper has been introduced which offers advice to managers and team leaders about best practices in implementing SPC. The club also serves a social function as it provides the opportunity for people from different areas in the company to get together outside of a work situation.

Meetings take place every six months to discuss financial issues and using quality data to benchmark progress. It appears that measurement has been introduced in every area but is not being recorded thoroughly.

Investors In People (IIP)

The company is committed to the implementation of the Investors In People Standard, which is being supported by the Sussex Training and Enterprise Council.

Three years ago, in 1993, IIP was identified by management as a major strategic aim for the company. Each section in the company is categorised by different skill requirements. The team leader regularly tests each team member and, when appropriate, credits them with all the skills in that section. This should help to improve the skills level in the company. The team member can then request that they are moved to another section in production, in order to increase and build on their existing skills.

A training matrix is produced for each section showing the required skills within each section and the current skill levels of each member of the team. The employee and the team leader meet to review a training plan based on the matrix. The training plan outlines planned and actual dates for the training of each team member. Once a month the team leaders meet with the personnel officer to review team

training achievements and update training plans. It is the responsibility of the individual's team leader to implement the training programme. The managing director provides access to and funding for external training courses when an employee requires additional support. Every six months the team leader reviews the training agreement with the employee. In October 1996 Fortes were accredited with the IIP award.

An evaluation form is used to evaluate both 'on the job' and external training. These forms are then updated to monitor the impact of training and assess further training needs.

National Vocational Qualifications (NVQs)

A number of employees at all levels have undertaken to increase their skill level through studying for NVQs. This is a voluntary initiative, but the company hopes to see the NVQ programme becoming integrated into the general company-wide training scheme. There is a proposal to train team leaders in the skills of assessment which should help them in their role of assessing and developing staff. The company has also outlined some generic competencies they wish to strive towards which includes the development of 'good relationships, attitude and teamwork.' In under six months the company expect to see the first NVQ candidates receiving their awards.

The managers really encourage learning and training at all levels.

(office employee)

Culture

The cultural change at Fortes is ongoing, however they do seem to have made progress in improving communication between the different levels in the company.

I notice management are making more effort to go around the shop floor and talk to people.

(front line employee)

In addition to operating an 'open door' communication policy, the Managing Director outlines any free slots in his diary during which employees are invited to come and speak to him about any issues or concerns they have. This sheet is put up on the notice board and staff can pencil in appointments.

In October 1996 under the banner of 'Aims, Principles and Values' the company sent out a questionnaire to all staff asking them how they wanted to be treated, and what standard of behaviour and level of co-operation did they expect (from themselves and others). The objective of this exercise is to develop a standard of expectations and behaviour throughout the company which everyone can adhere to.

Fortes case - review of implementation

key points

- The company adopted a top-down approach to change which was driven by senior management.
- The aim of the change process was to train staff to have a common approach to quality, and to improve team working.
- The focus was on improving internal efficiency and quality in order to strengthen the company's commercial position.
- The original approach drew heavily on external sources, such as the Deming and Crosby philosophies, but as internal expertise and knowledge developed the programme was adapted to fit in more with the company culture and internal way of working.
- Senior management developed a strong style of leadership and as a result were more confident in actively leading the ongoing change process.

Summary

Fortes is in the early days of CI implementation and, to date, the company has experienced a number of tangible benefits. The introduction of quality systems and procedures have improved internal efficiency and productivity. Customer satisfaction has improved, with a fifty percent reduction in customer complaints, and the company is gaining a reputation for delivering a quality service throughout the industry.

CI also brought Forte's intangible benefits such as improved company culture and team working. The company has recognised that CI cannot be directed by management alone and that responsibility for change has to be devolved to other levels in order to have a long term effect. One of the key learning points in this case is that employees have to be given the appropriate tools, training and opportunity for meaningful involvement, in order to play an effective role in the change process. As part of the learning process the company are now looking at new ways of developing a culture which is open to learning and helps devolve responsibility to all levels.