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CORPRA CASE STUDY

MCA AWARDS 2008

CHANGE MANAGEMENT CATEGORY

ASSOCIATION OF ACCOUNTING TECHNICIANS

M·C·A
MANAGEMENT
AWARDS

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EXECUTIVE SUMMARY

A few weeks ago, a few dozen people gathered for the grand opening of their new offices in the City. Speeches were made, champagne was sipped, and everybody enthused about the glitzy new premises. But the opening of the new headquarters of the Association of Accounting Technicians was a far cry from the traditional ribbon cutting event. It marked the end of a remarkable journey for the organisation, and the beginning of a whole new era for its staff and members. There was an incredible buzz.

This is not a story about how management consultants helped a FTSE-100 company boost profits for shareholders. It is about how we helped a not-for-profit organisation, set up to provide opportunities for a diverse range of people to gain access to a profession and establish exciting and lucrative careers in accountancy, achieve their real potential, and reach out to thousands more candidates.

In 2006 the AAT had aspired to grow their business. Yet they weren't sure where to start. Stuck in a rut, working in safe, staid old ways, they dotted their i's, crossed their t's, but struggled to see beyond ticking boxes. Now their growth plan is clear and coherent. Employees are deeply passionate about their jobs, aligned behind a strong corporate vision and have

changed the way they work. So far the organisation has attracted 16,000 more members. Over two years, we helped transform the AAT from a simple not-for-profit organisation into perhaps the most dynamic body of its kind. It has been a true partnership, which stands to benefit generations of young people.





PROBLEM / OPPORTUNITY FACED BY THE CLIENT

The AAT wanted to reach out to more people. Traditionally they help students who have not been to university or cannot afford to train for accounting qualifications. Membership was stagnating and thousands of potential candidates were missing out because they did not know about the organisation. Former AAT students were not being encouraged to keep in touch and continue their professional development. By their own admission, they were not working well as a team, and the organisation was being hampered by its own red tape. Managers were pre-occupied with pleasing the AAT's ruling body, or "council," rather than nurturing their staff; while staff were overburdened with projects which lacked clear time scales and objectives. Many employees appeared to have lost sight of the AAT's mission and had little sense of how they as individuals could contribute to it. In answer to their growth aspirations, the only solution available to them was expanding their office occupancy needs.

BRIEF PROJECT BACKGROUND

When we were engaged to advise on the relocation and growth plans, the council believed more floor space was necessary if they were to expand their services. They planned to buy another freehold

property, wanting the security and status that outright ownership of a large asset traditionally provides.

Corpra saw the move as an opportunity for a significant cultural change at AAT. What began as a simple "lift and shift" job - the physical relocation of the AAT - turned into a far bigger project, involving a wholesale review of the way the organisation worked.

Jane Scott Paul, CEO AAT: *"For us this was not a pure property move, we wanted to use the relocation as a catalyst for bigger changes in our organisation. Other consultants we met to discuss the move, weren't adding any value. Generally it was 'You currently have 18,000sqft, you want to grow by 20%, so add another 5,000sqft' They were not dealing with the bigger issues."*



AAT new reception area





CONSULTING ACTIVITY

Corpra spent three months in the discovery process consulting the council, management and staff about how they worked. We conducted over 50 interviews, speaking to every member of the board and a cross section of staff. We discovered a mismatch between what they were trying to do, and what they wanted to achieve. The opportunity for transformation was high - AAT had the will, and the resources.

The first step was the physical move. We challenged the assumption that the AAT needed to buy a big new freehold property. Due to its age and size, the old building cost around £500,000 a year to maintain. For the same annual sum, the AAT could move into smaller leasehold offices, and release substantial amounts of capital by selling their old HQ.

This was at the heart of positioning the AAT for the future. Corpra believed that instead of working in two different buildings, spread across eight floors, staff should be in open plan offices on a single floor. This would help them work better as a team.

In the heart of the financial district, modern office space was more readily available for leasehold. The council was initially wary - swapping a freehold for leasehold was highly unusual for a membership organisation. When the £6million sale of their old building twice fell through at the 11th hour, they

could have been forgiven for running scared. But they realised that pressing ahead would release valuable capital for investment, and give staff an opportunity to work differently.

Property consultants had advised the AAT they would need to increase their office space by 5000ft to achieve their aims. Corpra helped the AAT see their new home could actually be smaller and more productive. By introducing flexible working - a move enthusiastically welcomed by staff - the AAT was able to reduce its occupancy needs from 22,000 to 14,000 ft.

Corpra then helped the AAT ensure every employee understood what their organisation was all about, and how they fit into it. Many AAT employees had become so bogged down with day to day minutiae they had forgotten the bigger picture. AAT's aims were not clearly spelt out, leaving employees with little idea of their real roles. With Corpra's help, the AAT clarified its *raison d'être*, setting out four key aims: acquiring students; deepening student knowledge; retaining members; and providing fulfilment through an environment for continuous learning and professional development. For the first time, staff had a common understanding of why they were there and how their performance would be measured.



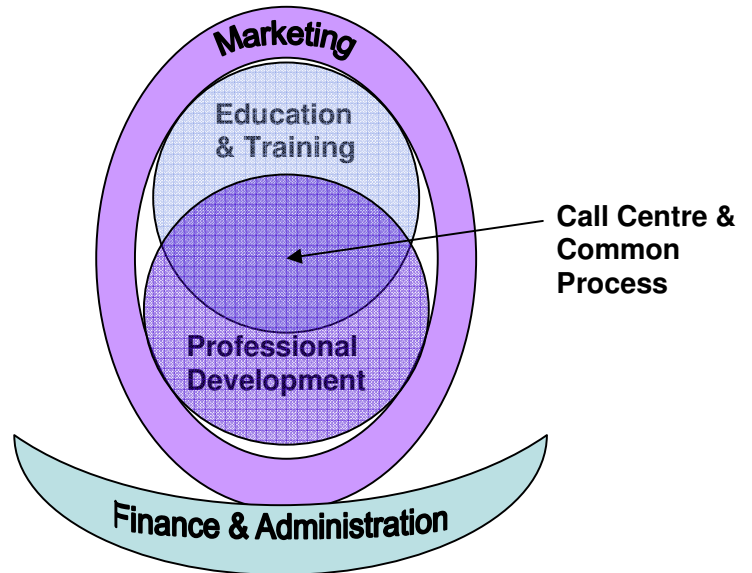
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The recruitment and continual development departments, which used to function separately, were brought together to provide a better service to new and qualifying members. The marketing team underwent a dramatic new lease of life, giving the AAT a far better chance of attracting new students from areas of the country that were under represented. We created a leadership programme, to help managers change their approach in this new customer centric organisation. We also worked with a specialist agency (17/7) to develop the branding needed to show the outside world the exciting changes that were happening within.

Soon, we noticed significant shifts in the organisation, with leadership willing to take more risks. Employees were more connected to the organisation's aims, more challenged, and their performance was monitored relative to the AAT's true aims. The whole organisation began performing outside its comfort zone.

Jane Scott Paul: "Corpra spent 3 months gaining understanding of our business; challenging & questioning us, taking us into areas we hadn't even imagined. They opened up possibilities, opened us up into being more radical. They made us more adventurous. Overall they gave us the confidence to go for it.

They were able to help us articulate our vision in a much less wordy way and remove the undergrowth which existed in the organisation."



The New Organisational Model

SUCCESS FACTORS AND CHALLENGES

If you walk into the AAT's sparkling new premises, on Aldersgate Road, you'll see a wall covered with pictures of every member of staff. Each face is made up of movable parts, so you can swap the CEO's forehead for the secretary's chin, or the PA's nose for the marketing manager's grin. It's a bit of fun, but more importantly, it's a powerful symbol and leveller, giving every employee a face and personality, and demonstrating that they are all important. It's a small insight into the remarkable culture change that has taken place at the AAT.



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Jane Scott Paul: *"This project was essentially about people; what we do as an organisation changes peoples' lives and makes a difference. Corpra helped us align our vision throughout the AAT. Now we expect people to change with us, and we expect people to work differently."*

It was vital to get council members on board. As the organisation's trustees, they were the key decision makers. We held workshops to build trust and confidence, and overcome their reservations about the leasehold move - a crucial part of the overall plan. We also worked hard to engage every member of staff. We conducted a web based employee survey, and detailed interviews with staff representing a cross section of functions and levels. The results showed they would be happiest if their new office remained in central London. Their feedback informed the design and structure of their new workspace, highlighting the need for closer working between departments and more casual space for chatting and mingling.

We helped AAT managers develop a new open relationship with council members, freeing them to focus on the staff and the people they wanted to attract, and keep, as members. We liberated everyone from all the vague "projects" that were dragging them down and made sure future projects would have clear deadlines and objectives.

Jane Scott Paul: *"Ambitious growth and innovation is now in our business plan and is at the heart of*

what we do. We are constantly looking at driving performance. This gives us the permission to be bold and brave. Being brave, helps us to go forward – status quo isn't an option."



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CLIENT/CONSULTANT RELATIONSHIP

It's a reality that management consultants are viewed with suspicion by many of those they are commissioned to help. There's a fear we'll march in and do something nasty, then vanish, leaving others to pick up the pieces. Or we'll charge a fortune for writing up a hefty report, then walk away, having changed nothing.

Engaging a company like Corpra was a first for the AAT, so we had to work extra hard to build trust. Our ambitions could only be achieved if everyone worked well together. We raised issues with the council and managers in a sensitive way and ensured everyone was on board. We tried to inspire and enthuse everyone, and make this far more than a commercial relationship. At one point, the AAT's financial director, Tom Kelman rang us, to ask if we minded if he took a short holiday. Of course, he didn't need our permission, but like his colleagues, he had become passionate about this project, and didn't want to do anything that might put it at risk.

Jane Scott Paul: *"It was part of having a clear plan. Having trust in our advisors helped us overcome certain conflicts. That trust began to cascade throughout the whole of the organisation, between leadership team and council, and crucially between the employees and us. It's been fascinating."*



AAT 'Faces' board



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CONCLUSION

The AAT is now a new organisation, with a new direction. It has a clear set of values, and new self belief. It has powerful symbolism and branding, employee morale has soared, and it has more money and members.

Here's what Corpra learnt: that this type of project only works if everyone involved is behind it; that it's far more effective to let managers lead the process, with the consultants providing support, than the other way round; that an office move can be a catalyst for far more fundamental change; and that branding and symbolism is particularly important for third sector organisations.

We have helped liberate the AAT from the old working habits that were holding it back, freeing its staff and members to achieve their true potential. Thanks to our partnership, the AAT now has what it takes to help thousands more of those young men and women, amongst others, who might otherwise have simply slipped through the net.

