

# CASE STUDY



## JMG SYSTEMS LTD.

*"The Investors in People Standard has become more than a tool for business improvement – it is the core element of our business practices and values."*

Joann McCaul, General Manager



### BACKGROUND

- Size:** 80 employees
- Sector:** Electrical Control Systems Manufacture
- Location:** Omagh, Northern Ireland
- Status:** First achieved Investors in People recognition in January 2005

### THE ORGANISATION

Originally formed as McGoldrick Bros in 1976, JMG Systems became a limited company in 2001 and now employs 80 people.

The company designs, manufactures and installs electrical control panels for engine driven equipment for their main markets in the quarry, construction and recycling industries. Early in 2006, the company identified that a significant number of their managers lacked the knowledge and skills necessary to effect good practice when it came to "people management". In the main this situation had come to pass as a result of managers working their way up in the company without formal management training. Realising the seriousness of the issue, JMG undertook a company wide development initiative involving staff at all levels. JMG's General Manager Joann McCaul comments, "By investing in staff development we have seen positive changes within our company including increased sales turnover, improvements in quality and output, and most importantly a boost to staff morale".



**JMG Systems' staff on a Team Building exercise**

- **Increased sales turnover**
- **Improvements in quality and output**
- **Boost to staff morale**

## THE CHALLENGE

To consolidate work done in this area and improve the organisation structure, as well as general communication across the business, JMG decided to work towards accreditation as an Investor in People organisation. They hoped this would enable the business to grow as a company at all levels.

Joann states, "JMG needed to generate a continuous improvement culture in all departments with a clear organisational structure and defined responsibilities. We wanted to improve relationships between employees and management as well as creating a culture of improvement through continual staff development and working with others".

Joann goes on to say, "At the time when JMG Systems started to look into IIP, the organisation was fragmented, had little direction and was in a constant mode of fire fighting in order to meet customer demands – this was impacting on the morale of the workforce, and the quality and delivery of our products."

## THE STRATEGY

At around the same time as JMG were looking into implementing Investors in People, they were also engaged with a Total Productive Maintenance (TPM) initiative that started two way discussions between employees and management. From this they were able to identify gaps, such as the lack of documented processes and unclear roles and responsibilities in the business which fell short of the Investors in People Standard.

Once the gaps were identified, active steps were taken to address the shortfalls, many of which involved key staff across the organisation getting involved in workshops to ensure all bases were covered. A key priority was to set up daily staff meetings, focusing on the priorities and issues affecting output. The improved communication helped to eliminate any cross-messaging and everyone started to identify with the same goals. Joann comments, "Clearly defining roles and responsibilities across the organisation allowed our employees to have more interaction and influence on the day to day running of the business. The inclusion of the daily meetings helped staff to develop relationships and gain confidence in the management team".

## THE RESULTS

Since gaining IIP accreditation in 2005, the business outputs at JMG have continued to grow and develop. Since 2005 sales turnover has increased by 66%, employee numbers have increased by 40%, with staff turnover decreasing from 23% to 9%. Not only has communication improved, the company is now proactive in setting up development initiatives, for example, within the TPM framework, empowering employees to have their say on how they can improve processes and practices across the departments.

Joann elaborates, "After gaining IIP accreditation we have made a point of enhancing employee involvement by setting up an Employee Committee which meets every month. We also hold Performance Appraisal discussions and reviews between each member of staff and their immediate line manager. With clearer scheduling and better instructions, we've been able to eliminate the fire-fighting element of the business". As a family run enterprise, many improvements would normally rely on the management team. However, by investing time and effort to develop key skills in their managers, as well as being focussed at employee level, JMG has indicated a positive outlook for the future. With the skills and confidence that our management team have developed through ILM training, we are well equipped to take on the new and varied challenges our business faces.

remarking on the changes Joann states, "There is now a continuous development culture within the team. All departments are continually looking at ways of improving quality and all initiatives are driven by employees with the help and guidance of team leaders and management".

As for meeting targets, the company has doubled turnover and profits since they achieved IIP!

Joann comments, "Having the workforce commitment and the processes in place has enabled the company to grow year on year. Our customers are definitely more satisfied now than before IIP, and many of them recognise the proactive approach JMG has to securing their business needs, and their own customer demands". According to Joann understanding the Investors in People Standard and identifying the gaps required to meet it was quite easy. Getting the involvement and commitment from managers and staff, and preventing "old habits" coming back again was slightly more difficult!

"The one thing about the Investors in People Standard is that it just can't be "written" into a company", says Joann, "It requires effort from all. Basically it took us about 12 months to fully implement. Initially the cost was minimal but as we have grown the budget has too! We're now spending an extra 33% more on staff development but we now recognise the value of this and the positive impact it has on our effectiveness as well as our financial performance".

Joann concludes, "At the start of our journey with the Investors in People Standard, JMG Systems was simply using the Standard to help improve the culture within the business. Now we are focused on improving the business overall. For a growing company like JMG the basis of any success is primarily as a result of our employees' efforts, so the Standard has become more than a tool for business improvement – it is the core element of our business practices and values.

We're not just more professional in our approach, we now consider ourselves a progressive company moving forward in a global context."