

# Value Adding



July - September 1994

Welcome to the second edition of Value Adding - AnD Consulting's quick and easy to read newsletter.

This edition tells how one business is adding value to their customers and explores what learning means to Kate Ramsay and Des Ryan.

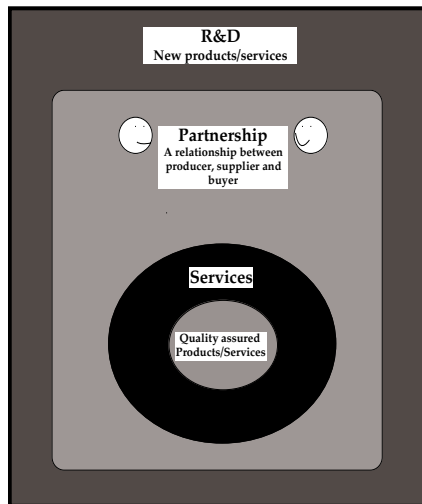
## Adding Value at Madigan Finance

The days of Henry Ford's 'You can have any colour you like as long as it's black' are well and truly over at Madigan Finance. This business, which finances technology equipment, is different.

Madigan's difference is adding value through building partnerships.

## Value adding

Customer Satisfaction



Madigan begins by building partnerships with equipment suppliers rather than with end users. They form a strategic alliance with suppliers and in this way become an extension of their

suppliers' sales team. "We become part of their product range," said Rob McIntosh, a Director of Madigan Finance. "When they supply equipment, they offer it under an operating lease basis through us."

The Madigan team sustains this partnership throughout the term of a lease and when the end of a lease is coming up, they and the supplier make a joint approach to the end user to talk about their ongoing needs. "The idea is that we give them what they need, rather than be seen to be just flogging them a box," Rob McIntosh said.

Another way the Madigan team builds the partnership and adds value is by their understanding of technology equipment.

"At the end of a lease we know we can achieve a higher value in the equipment than one of the traditional financiers," said Rob McIntosh, "therefore we take a risk on that. To the end users this is reflected in lower monthly payments."

Contract flexibility is a further way that Madigan builds the partnership and provides added value. For example, a large state school in Sydney is a satisfied customer of Madigan Finance because of this flexibility.

Like all state schools it relies on government funding by way of a grant once a year. Madigan structures their payments for their technology equipment so that eleven months of the year they pay a nominal payment and then two

weeks after they expect their grant to be forwarded their large payment for the year is made.

**"The idea is that we give them what they need, rather than be seen to just be flogging them a box."**

"This means the

school has the latest technology for their current students. The value added for them is that they attract more students while not being bogged down by cash flow problems," Rob McIntosh said.

Another satisfied customer is the clothing division of a large multinational. Their problem was a break down in communications with their branches, particularly overseas. In conjunction with one of their strategic partners Madigan was able to provide desk top video conferencing via PC's.

During a demonstration of the system a link was made with Hong Kong. The manager from one of their China factories held up a sample of a new design and the Sydney manager saw it was wrong. Normally this mistake would have involved a production run then a trip to China to sort it out.

"They told us they saved a minimum of \$50,000 from this \$10 I.S.D. call," said Rob McIntosh, "and the benefit to us is that people in these multinationals talk, and others are coming out of the woodwork and asking us to come and talk to them about their needs."

A win/win for everybody!

## What is learning?

### A story

As the sun slipped into the ocean over the Bali Sea, he sipping a whisky and ice and I a gin and tonic, he asked me, "What does learning mean to you?"

He's like that, and it's why he's so much fun to be with ... you just never know.

I said I thought learning was about two things. The first is what I call 'aha' learning and it happens when I have a flash of insight as something suddenly makes sense. The second is what happens when I apply this insight in some behavioural way.

I gave the example of a recent 'aha'. Unconsciously I had adapted my way of walking with the intention of reducing pain in my lower back, but I actually increased it! This 'aha' led me to consult with a backcare expert and with her help, and my persistence and practise, I learned how to walk properly again.

He agreed that both insight and action are essential for learning to take place. He went on to say that it is probably the 'aha' that sets the scene for us to solve our problems appropriately.

"And yet," he lamented, "mostly we seem to spend our time acquiring facts to support our current view of the world; or, putting it another way, we spend a lot of time on the process of opening up our heads and pouring in information that may or may not prove helpful in the future".

"You mean like I can still remember the fact that the Turks captured Constantinople in 1452?" I asked.

Using my walking example, we then explored the philosophical effects that my 'aha' might have in terms of my living with flexibility rather than rigidity.

Could this be assumption learning we pondered?

The sun had by now well and truly disappeared and the pink glow in the sky was fading ... time to stop exploring

learning and start exploring where to eat.

### Some theory

Learning is like a scientific experiment in which the experimenter states what he/she intends to do to bring about an outcome. This statement is the espoused theory or hypothesis of the experimenter.

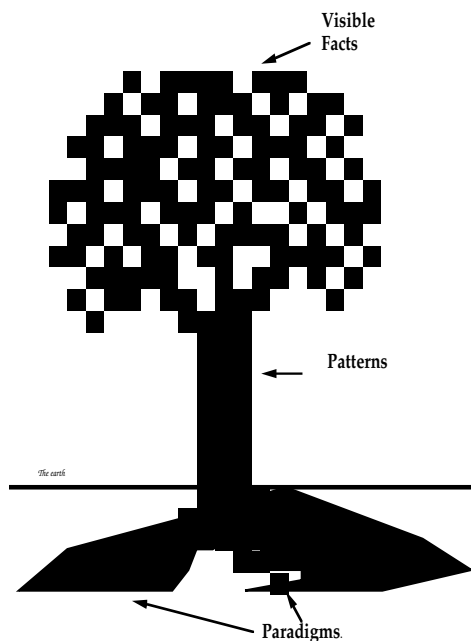
Learning which leads to appropriate action consists of three elements:

■ **Facts:** This focusses on the visible, eg: things, systems, facts, behaviours, buildings and contexts.

■ **Patterns:** This focusses on the 'ahas' of values and habits.

■ **Paradigms:** This focusses on basic assumptions/beliefs.

These three elements are visualised in the diagram below.



All three elements of learning are essential for people to acquire, action and sustain new behaviour.

When learning occurs, individuals make a choice appropriate to their situation. This is called their 'best shot'.

Learning is a personal experiment which is best done with a coach or in a learning team.

The outcome of a learning experiment will be either conforming or innovative.

Learning involves the risk of letting go of the familiar and grappling with the anxiety of actioning the unknown.

## The 'Did You Know?' Column

### Coaching the Coach

This is a partnering process in which we support and develop others in AnD's services. Our intention is to widen the net of what we can provide in the marketplace.

The first focus of Coaching the Coach is on our training services.

### Bali

The Bali dream is developing well. Des continues his monthly visits, which means we now have a good feel for what the diverse areas of the island have to offer. We are building a relationship with a delightful young Balinese man as our driver and cultural interpreter. And our plans to build AnD's Balinese 'Retreat' are evolving.

What shall we call this learning retreat, Reader?

### Learners AnD Toast

We've had the first of these marketing breakfasts in Adelaide and our fourth in Sydney. Dates are set to get going in Melbourne and Bali. We're looking forward to toasting with you!

### Added Services

AnD Consulting now offers eight (8) services. These are:

- (1) **Opportunity Manager** (innovations)
- (1) **Action Team** (Implementation)
- (3) **Outside the Square** (Learning how to learn)
- (4) **Coach** (Support and insights)
- (5) **Tour Guide** (Ideas)
- (6) **Visionary** (Direction)
- (7) **Trainer** (Knowledge and skills)
- (8) **Coaching the Coach** (Personal and Professional Development)