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THE ORGANIZATION AND FOLLOW-UP OF INDUSTRIAL MANAGEMENT CLINICS

SOME IDEAS AND EXPERIENCES ^{1/}

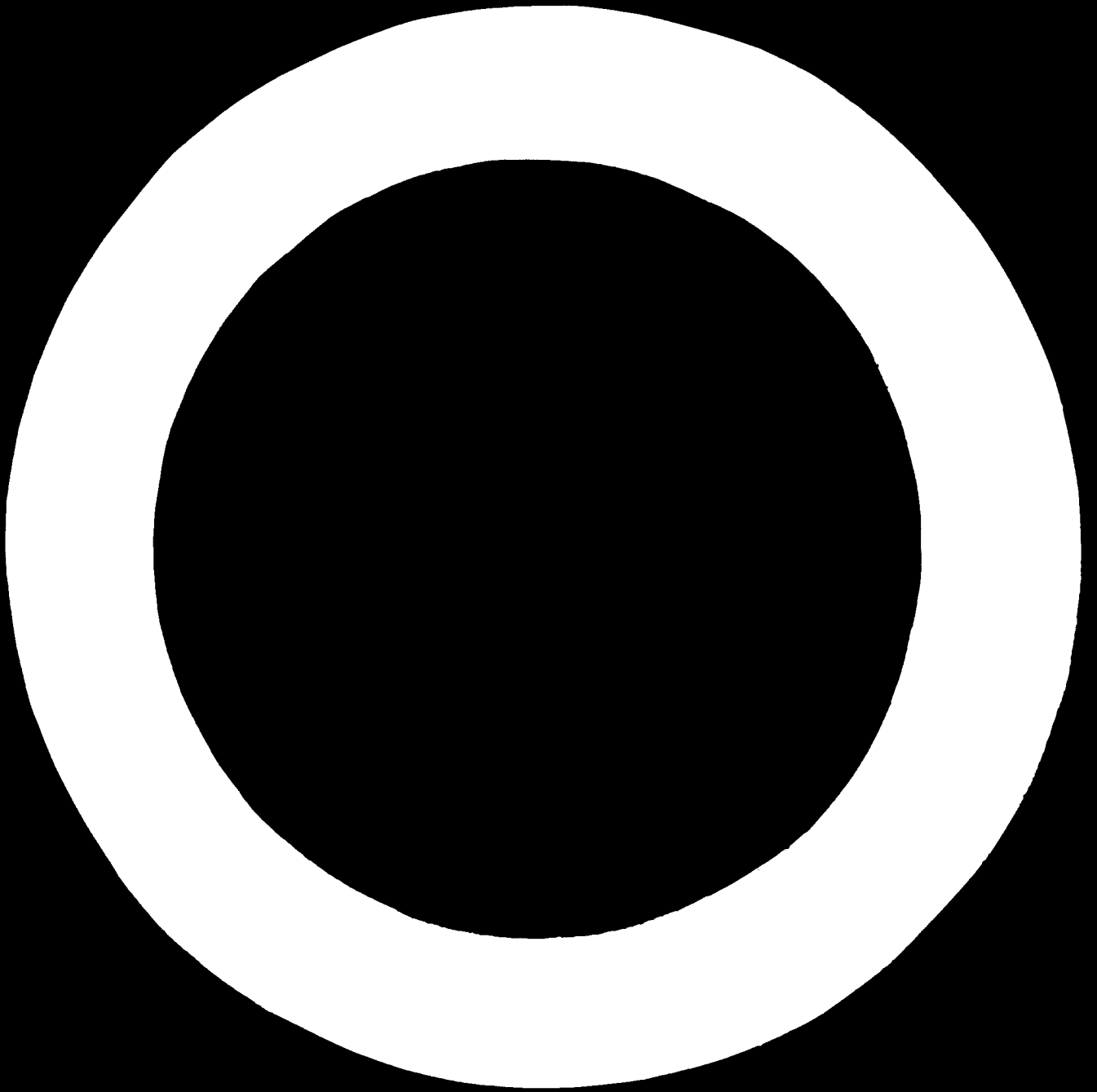
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I. INTRODUCTION

In the fall of 1966, the Management and Training Sections (MATS) of the Centre for Industrial Development (CID), began preparations for a new kind of technical assistance programme, then tentatively called Management Consulting Workshops. The aims of this new programme were, among others, to have the industrialists in the developing countries change their attitude towards their immediate and long-term tasks and responsibilities and to assist them in solving immediate organizational, management, financial, production and marketing problems. Short-term CID missions, consisting of 3 to 5 members, were to be sent out to assist the industrialists in the developing countries in these matters.

In New York, the organizational concept and the contents of the proposed programme were gradually changed and improved, particularly as a result of a number of meetings held between the MATS and the American Management Association (AMA), and with the Council for International Progress in Management (CIPM).

Based on experiences gained, steps were undertaken by the MATS to continue the Workshop concept. It was decided to change the name from Workshop to "Industrial Clinic".

In 1967 and 1968, three clinics have so far been conducted by UNIDO, Yugoslavia, Taiwan and Indonesia. In 1969, another two clinics in Pakistan and Yugoslavia have been implemented. Experience has been gained, in particular as result of the clinics in Indonesia, Pakistan and Yugoslavia. An increasing number of government representatives, industrialists and other institutions have recently expressed their great interest in having clinics

given in their countries in the years to come. The clinics should become a standard UNIDO feature available for all the developing countries.

Up till now the clinics have been arranged on an ad-hoc basis, hereby creating a number of organizational problems, both for the requesting countries as well as for UNIDO. Therefore, the clinics in the future have to be planned and organized on a regular and standardized basis, i.e. with regard to the financing and the expert staff available.

As result of discussions within UNIDO it is now assumed that the 'clinic' programme should be expanded considerably during the years to come and become a permanent activity for the Management Section. The expanded programme will, to a great extent, be managed by specialists hired on short-term basis for the individual projects. In principle, UNIDO's role will become, step by step, the one of a clearing house from both, financial and organizational points of view.

As a result of these clinics, it is believed that countries and especially the industries that have been supported by such clinics, will continue to ask UNIDO for long-term assistance, in particular in the form of Special Fund Projects.

II. THE OBJECTIVES OF AN INDUSTRIAL MANAGEMENT CLINIC

The main objectives of an industrial management clinic are as follows:

1. to assist, on short notice, top executives of a group of firms or an industrial enterprise on how to solve in a practical manner, the urgent problems. These may be related to internal problems of the enterprise, such as cost reduction schemes, marketing, financing, organization, management and the process of integration of activities performed by one or several companies, systems analysis and electronic data processing, corporate planning, quality control, product planning and control, value analysis and value engineering, product development, etc.; or those problems may be related to external factors outside the control of management conditioning the business cycles, business climate, including government regulations and policies;

2. to acquaint top executives to solve immediate industrial problems by discussing among themselves the various alternative solutions;
3. to bring government closer to business, by having top executives and high government officials discuss external management problems in order to arrive at a level of better understanding between government and business, eventually to result in possible changes of government decrees and regulations in order to improve the business climate;
4. to have the UNIDO expert-team directly work in selected factories to solve immediate problems on the spot in close co-operations with the plant management (problem solving type of mission):
5. to support and reinforce the work of UNIDO experts already in the field and assigned to a country on a longer term basis.

III. ORGANIZATION OF AN INDUSTRIAL CLINIC

The clinics will, whenever possible, be conducted on a sectorial basis within industry (Pakistan Clinic). All kinds of problems within the technical and economical areas of management, and their inter-relationship may be covered. In particular instances, the participants in a clinic may represent several sectors of industry (Indonesia experience), for instance textiles, metal and engineering and chemical industry, and when the assistance is primarily concerned with the introduction, organization and management of maintenance systems in the various industrial enterprises. Also a clinic can be conducted for a limited number of selected plants. (Yugoslavia Clinic). Preferably also is that the factories are located in the same region or around the same city to make it easy to reach them all during the limited time available for the UNIDO team. Furthermore, the number of participating top executives should be limited to about twenty to twenty five. The UNIDO Advisory and Problem Solving Missions to aid top management are undertaken in state-owned as well as privately owned

enterprises or organizations, in compliance with the wishes of the requesting governments. Such a mission may consist of three to four experts, each specialized in a particular subject with extensive practical experience. The chief of the mission is a specialist in management dealing with organizational managerial and general problems of the industry.

The industrial clinic consists of six stages:

1. The Planning Stage

This consists of sending an "Advance Clinic Scout" to visit the site of the proposed clinic, to make arrangements for the requisites in the physical facilities, to recognize the problems to be covered in order to achieve maximum concentration on key subjects, to discuss with competent authorities for the implementation of the proposed project, to prepare the composition of the team of experts to be sent, to prepare the selection of the participants and the requirements they have to meet, to prepare the necessary documentation, such as statistical data, background information, training materials and equipment, to prepare the budget, the sources of financing, the tentative programme of work, and to execute other actions for preparing the proper implementation of the clinic. The planning stage can last three months before the opening of the clinic.

2. Assembling or Recruiting the Team of Experts

A team of Experts should be recruited; the number varies from 3 to 6, most likely 4 or 5. Various ways could be followed to acquire the Experts:

- a. to sub-contract to a well known consulting company, association of industries, or other industrial organization as in the case of the Taiwan Clinic by designating ISR for this purpose;
- b. to sub-contract to more than one company; the experts are representing various well known consulting firms;
- c. to recruit individual experts, either experts having their own individual consulting firm or experts operating on an individual basis or Free Lance Experts;

- d. a combination of sub-contracting consulting firms and individual experts;
- e. other form of recruitment.

The leader of the team should not be pre-determined; if possible he should be appointed after the whole team is assembled for briefing either in Vienna HQ or in the Field. A natural candidate might be forthcoming in the process of assembling the experts. He should be acceptable to the other members of the team. The team should be compact, representing an inter-disciplinary approach; they should re-inforce one another and be able to cover all aspects of management in industrial enterprises.

3. Arrival of the Team of Experts

The expert-team should be briefed if possible at the HQ of UNIDO in Vienna, on the development of the programme and adjustments should be made according to the composition of the team and the expertise knowledge of each expert; the physical facilities of the clinic and the selected industrial enterprises should be visited by the team of experts before the clinic starts to get them acquainted with the local and prevailing conditions; pre-arranged meetings should be conducted when necessary to get a better knowledge and understanding of the country, the people and the economy and its relevant climate for industrial operation. The necessary documents should be produced in time to be handed to the participants for thorough preparation before the clinic starts. One week is needed for the expert team to prepare themselves before actual work starts. Important is a team of counterparts which could equal the team of experts and assist them in problems that are typical in a country because of its specific conditions and environment.

4. Closed Sessions

Intensive closed sessions will be held among the top executives themselves with the expert team and among them with government

officials and other faculty members. Small discussion or working groups could be formed to go deeper into specific problem areas directed in their discussion by the members of the team. At the end of the closed sessions, a "brainstorming" session could be initiated where the top executives could exchange their views without any reservation or any fear for losing stature or prestige. This third phase lasts for two full weeks.

5. Plant Visits

Visits to plants are obligatory. Directives will be given by the expert team on how to tackle the problems and how to reach solutions; they should play the role of industrial consultants facing the plant management as their client. The management of the plant should prepare thoroughly the problems that will be discussed and where consultation is needed. These studies should be prepared for the team enabling them to tackle the problems immediately and suggest alternative solutions.

Such visits will serve to associate the entire group with real management problems at source and will provide both, explanatory and diagnostic reference to management techniques. The location of plants to be visited in relation to small group meetings and discussion might make it possible to combine some plant visits and group meetings the same day. During the plant visits there will begin a natural grouping of clinic members around a particular expert because of special interest in his field. Based on these observable tendencies to form into smaller groups, the team leader and the local leaders will be able to allocate clinic members initially to one group or another. There must be great flexibility in joining such different groups. The groups should prepare reports on their

observations and findings, suggest solutions and acknowledge their own shortcomings. Duration of these plant visits, report writing and discussions at the plant level, is one week.

6. Evaluation and Review

Five to six months later an evaluation is undertaken by UNIDO to determine the real results of the industrial clinic. Experiences with other clinics should be exchanged and the practical results should be assessed and evaluated in a proper way to reach certain conclusions for improvements of new clinics or for further technical assistance if required.

IV. A CLINIC IS WANTED

The Industrial Management Clinic serves primarily existing industries, companies or industrial plants already in operation for some time. Once an industrial project has been completed, trail operations starts, the management immediately is facing numerous problems; on the other hand many old plants with obsolete equipment, machinery and production processes are even more challenged by complex problems and are struggling for survival. Both groups of industries, the newly established enterprises on the one hand, the old existing plants on the other hand, need assistance in solving the urgent problems management is facing continuously to keep their company viable against pressure of competition. Outside assistance and advise is important to support and strengthen management. This is the right time to join an Industrial Management Clinic. When authorities dealing with industry are aware of such common need, they should request UNIDO for guidance and advice; UNIDO is ready to move in, organize and send expert teams to set up an Industrial Management Clinic.

V. FOLLOW-UP

The Management Clinic is a group therapy; the experts are working as a team rather than as individuals, although in the process of the clinic,

they may advise individually a person or a group on specific problems as presented in the clinic. The persons receiving advices from the team of experts, are also working in groups, as one large group or divided in small working groups; practically no work is done on an individual basis. This inter-action of groups, team of experts with group of managers or group of government officials should be regarded as a way of problem solving through a group therapy. The Clinic is just the beginning of a series of assistance when the problems are clearly indentified and located by the Clinic; the cure of the problems needs further and follow-up actions which can be of a short-term, but also of a long-term nature. Those forms of further assistance could be coped either through a UN regular programme or, if substantial assistance is needed, through a UN Special Funds Programme with all the necessary components of experts assistance, a fellowship programme and some assistance in equipment. When assistance in human resources proved to be inadequate, assistance in capital aid through direct investment or foreign credits could be formulated in co-operation with IMF, Worldbank, or IFC, or through bilateral aid programmes. One might think also to call upon a consulting firm to assist the company to solve some of their urgent problems or contact one of the members of the UNIDO expert team for further assistance on a business-like basis. Various other forms of assistance could be thought of; in short the group therapy has to be followed immediately by steps to be taken to cure the problems as identified and recognized during the clinic. One might even think of liquidating entirely the operation when so required. This is an extreme case and should only be undertaken when no other solution could be contemplated. But before all these various assistance schemes are in operation there is, first of all, an Industrial Management Clinic needed. It is in this context that this programme of introducing the Industrial Management Clinic is set up as a continuous programme of technical assistance of UNIDO.



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