

When visiting businesses we notice that they are often blind to the Requirements of their trading partners (customers and suppliers). How can this be so? without a thorough understanding of these requirements how does a business know what to produce?

Understanding requirements may seem, on the surface a relatively easy Job, but dive a little deeper and it all turns rather 'murky'.

Requirements are most often shaped by what is current and familiar i.e. 'same as before'. Pressed a little, by giving some additional options, it soon turns out that what was originally required is not what is now needed. So people's minds can be shaped and their requirements are far from fixed and firm.

Given the variable nature of requirements how does a business go about defining them?

Requirements can be categories as:

• Generic

These requirement are common to a range of Outcomes (products & services) and are often contained within Standards such as ISO 9001 (quality management system requirements), and such like. Whether a company produces a Cake or a Cleaning service, requirements standards such as ISO9001 still apply.

• Specific

These requirements apply to individual Contracts, they reflect the Outcome requirements of <u>a</u> trading partner. They often vary in terms of the Outcome and the Quality, Delivery, Price and Control.



There is a marked difference between the Requirements capture process for a <u>design</u> (i.e. recipe) and that for an <u>outcome</u> (i.e. cake). When capturing <u>design</u> requirements it is prudent to remove: 1) some of the variabilities (i.e. whims), and 2) the complexity of the requirements, by using a metaphor or an analogy. Requirement capture for an <u>outcome</u> tends to be simpler, as the design is known, and requirements tends to reference only the Quantity, Delivery, Price and Control requirements.

There is an element of KIS (keep it simple) when capturing requirements. It does somewhat rely on the individual, who is interpreting the requirements, bring their imagination to bear.

Capturing & communicating requirements is essential to the contextualisation of work. As requirements change, people's work activities should also change. (In nature the ability to change lies at the heart of survival. When animals get too big their ability to change speed & direction is hampered by their mass; compare elephants with a murmuration of starlings).

Globalisation is increasing competition in many markets and the ability to capture, communicate and react to changes in trading partner requirements is a distinct competitive advantage. How are businesses with hierarchical and functionalised business models going to react to these changes, if they are currently struggling to communicate the changes in requirements to their people? Are our current business models no longer fit for purpose? What are the alternative business models that can better satisfy the ever changing requirements of trading partners?



Future businesses success will almost certainly lie in creating the shortest 'distance' between the individuals adding value in a business and the trading partner. Rapid capture, communication & reaction to changing trading partner requirements will be key to business survival & growth.

We will have to develop very short and efficient supply chains where information is not being double, triple, quadruple..... handled. Trading partners will expect to have direct access to designers and producers without the interference of layers of management.

