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Initiative
Réinventer le Travail

The Work Organization in the Company
I Would Like to Start

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L'organisation du travail dans l'entreprise que je souhaiterais lancer

Cette fiche a été réalisée dans le cadre du cours « Réinventer le travail » donné par Frédérique Alexandre-Bailly au sein de la Majeure Alternative Management, spécialité de 3^{ème} année du programme Grande Ecole d'HEC Paris.

Résumé : Il n'existe pas, en Europe, d'entreprise créant des chaussures durables et soutenables. Il est possible de créer une pareille entreprise, où les salarié-e-s trouveraient un sens à leur travail.

Mots clés : Chaussure, Durabilité, Entrepreneuriat social

The Work Organization in the Company I Would Like to Start

This review was presented in the « Reinventing work » course of Frédérique Alexandre-Bailly. This course is part of the “Alternative Management” specialization of the third-year HEC Paris business school program.

Abstract: Companies creating long-lasting and sustainable shoes are scarce in Europe. There is room to start a new business in this field, where employees would find a sense in what they are doing.

Key words: Social Business, Shoemaking, Sustainability

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1. Context

1.1. The business idea

Like most people, you probably also have a favorite pair of shoes: that one pair in which you feel the most comfortable, which matches your style best, which seems suitable for almost every occasion. You wear this pair a lot and walk in it through a part of your life. At some point, you might also wear it when you picture yourself in your mind. The pair of shoes has somehow become a part of you.

However, there comes a moment when its soles are completely worn off and you realize that you cannot keep wearing your favorite pair forever. You need to start looking for a replacement. You might try to get a new pair of the exact same model once again. But most of the time your efforts are in vain: the model was replaced by a new design or there is just no new pair of it in your size and color left. At that moment, you might ask yourself why there is no way to make your favorite pair of shoes stay with you a bit longer.

This is the vision: I want to make our favorite pair of shoes stay with us as long as possible. I want a pair of high-quality shoes that does not have to be thrown away just because the soles are worn off. And in my mind, this pair looks more or less like this:

Initial ideas for women's shoes	Initial ideas for men's shoes
	
<p>Sources: http://www.queddy.com/products/womens-dawson-moc-1; http://www.queddy.com/products/womens-ringboot (date of retrieval: 30/12/2014)</p>	<p>Sources: http://www.queddy.com/products/olucner; http://www.queddy.com/products/kennebec-chukka (date of retrieval: 30/12/2014)</p>

I have not found a place in Europe yet where you could buy such a pair of shoes¹. Therefore, I consider creating it myself. I would like to start a company that produces and sells hand-made, high-quality shoes that are made to last. If a pair needs resoling, new laces, wraps or any other kind of repair, clients will be able to send their shoes in and the company will provide them with an estimate on the cost of repair or, if necessary, replacement.

It goes without saying that the company's shoes will be made of the most sustainable materials that currently exist. In Germany, a young startup called *Deepmello* shows that there are new, more ecological ways to produce leather. Firms like *Veja* from Paris or *ekn footwear* from Frankfurt already produce sneakers with soles made from natural rubber and other sustainable materials.

1.2. Availability of skilled shoemakers as the critical factor

There is one major challenge I will face when trying to implement the business idea. It is difficult to find skilled shoemakers on the market, who are obviously crucial if you want to start a firm where shoes are made by hand. In the German state (*Land*) of Hesse, only 18 apprentices are currently learning the trade and a mere 0.1% of all craftsmen in Germany are shoemakers². The situation is further complicated by the fact that most shoemakers in Germany have been working in generalist repair shops for leather products or related trades. Therefore, they do not have any or sufficient experience in creating a new pair of shoes from scratch. The difficulty of finding the right personnel is illustrated by the story of Jürgen Dohn, the owner of *Schuhmacherei Lenz*, a shoemaker shop in Frankfurt that sells bespoke business shoes: As Mr. Dohn did not find a shoemaker fulfilling his job requirements in Germany, he started to search for suitable candidates all over Europe³. As of today, he is still looking for new employees⁴.

According to Mr. Dohn, who is a master shoemaker himself, skilled and motivated colleagues have more professional opportunities today than ever before, thanks to the fact that so few of them still exist in Germany. They can find jobs in traditional shoemaker shops,

¹ *Quoddy* (<http://www.quoddy.com/>), a firm based in the US state of Maine offers more or less the product and service I want. However, it seems neither viable nor sustainable to send shoes to the US for repair. In addition, *Quoddy* does not use sustainable materials in its production.

² Ehrhardt Constanze, « Lieber Meister als Master », *Frankfurter Allgemeine Zeitung*, 30 mai 2014, <http://www.faz.net/aktuell/rhein-main/klassisches-handwerk-lieber-meister-als-master-12964062.html> (date of retrieval: 30/12/2014)

³ Ehrhardt Constanze, 2014, *op. cit.*

⁴ *Schuhmacherei Lenz*, <http://www.schuhmacherei-lenz.de/index.php/ausbildung.html> (date of retrieval: 30/12/2014)

work in the industry or start their own bespoke shoemaking business and sell made-to-measure shoes⁵. The workers needed to implement my business idea can thus afford to have high demands or expectations regarding any new position that is offered to them.

⁵ Ehrhardt Constanze, 2014, *op. cit.*



2. My Motivation

I feel that the most important reason why I work is to keep my brain busy. The following quote by Pablo Picasso describes the way in which I go about this and how I try to keep myself occupied very well:

I'm always doing that which I cannot do, in order that I may learn how to do it.

As I get bored very easily by merely executing the same missions on a repetitive basis, I am always looking for new challenges or projects. The way I have gone about studying languages illustrates this: as soon as I feel that I am more or less fluent in one language, I decide to start studying a new one. I have an urge in me to constantly restart from zero. The following quote by Franklin D. Roosevelt puts in a nutshell which elements I am looking for in my work so that I can feel satisfied with it:

Happiness [at work] lies in the joy of achievement and the thrill of creative effort.

The idea to start my own company follows the same logic. My internships proved that I would not find happiness in a typical office job. I already felt that this would not be the case when I was still at high school. However, at that point, I still had other options to keep myself busy (such as to go studying abroad, etc.). When Eric Domb, the founder and CEO of *Pairi Daiza*, a zoological/amusement park in Belgium, gave a talk in the context of the Alternative Management program, he said something I found very relevant for me in this context:

The project of my life is to live a life of projects.

I think that this is also what I try to do to be satisfied with my life. In addition, it is important for me to work on something concrete and to produce visible/tangible results. Having a passion for beautifully designed, high-quality, hand-made products, the above-described business will allow me to do to what I believe to be the right work for me.

On the contrary, money is not a big motivation for me. I obviously need to earn enough of it to “pay my rent and buy some food”. Sometimes, I also find myself thinking that if I only had “enough” money, I would be completely free and could do whatever I want. But based on my experience, I actually know that this would never be the case. No matter how much money I earned, I would always feel that I still did not have “enough”. My mind would always manage to imagine new possible adversities (personal illness, a severe economic downturn, etc.) that I could not buy myself out of yet. Therefore, as soon as I find myself

thinking that I should make more money because this would make me feel safer, I remember the following quote by Henry Ford who said:

*If money is your hope for independence you will never have it.
The only real security that a man will have in this world
is a reserve of knowledge, experience, and ability.*

Nevertheless, it is clear that a project has to be profitable to be viable. Making more money than you spent is a necessary condition to be able to realize your dreams. Or as Jean-François Zobrist, the former CEO of *FAVI* said in his presentation during our last session of “*Réinventer le travail*” / *Reinventing Work*: The aim must be to secure the survival of the project / company. To survive, you need to breathe and in the case of a company, the respiration equals money.

External recognition of my work is much more important to me than monetary compensation. I would lie if I said that realizing myself in the eyes of others would not matter to me. As human beings in general, I am a social / gregarious animal and what I think what other people might think of me does have a certain importance. Building a company and getting its name known is something that motivates me. However, my last internship in a private equity fund has shown me that all the recognition you get from other people is of little use, if you do not like the work yourself. I have the impression that today most people think way too much about what other people might think of them. However, nobody cares much about what you achieved but yourself. Therefore, when I sit at home by myself on Sundays, I have to be happy with what I have done during the week. If I realize that I have been doing something only for the sake of getting external recognition, I try to stop doing it as quick as possible.

No matter if I get any recognition for my actions, I have a certain level of social and ecological ambitions. First, I believe that with capability comes responsibility. I want to take on my fair share of responsibility in a society that allowed me to grow up in prosperity and gave me the freedom to pursue whichever path I choose. Creating jobs and making my employees have a good life will give me the feeling of doing something useful. Second, it goes without saying that I try to limit the negative impact on the environment of whatever I do. I love living on this planet and therefore want to do what I can to make it stay the way it is for coming generations. The above-described business model naturally incorporates my ambitions in this regard.

3. Required Profiles

3.1. Production

The business model of selling hand-made shoes first and foremost requires skilled shoemakers who produce them. They will be the stars of the company as their work creates the added value for the customer. The most important quality of a suitable candidate will be solid experience in making high-quality shoes from scratch. While having passed the master craftsman's examination is certainly a good indicator for the level of skills and experience of a candidate, it is not a necessary requirement. The quality that can be expected from an applicant's future work should rather be judged based on some samples of his/her prior creations.

To ensure the highest possible product quality, which will distinguish the company from industrial shoe producers, candidates also have to bring a high-level of intrinsic motivation, diligence and passion for their trade. However, one can assume that people who still decide to become shoemakers today should generally have this passion. Otherwise, they would not have taken such an exceptional career path but would have chosen a more common trade where workers are sought after in much higher numbers. There are still people who start an apprenticeship to become a shoemaker after passing their high school diploma instead of pursuing a higher education course at university. What drives them is the desire to work on something concrete and to be able to see and touch the result of a day's work. They do not like to work out plans or theoretical concepts for years.

They have probably also chosen this profession because they like to work in fixed structures, to have a daily routine and to continuously improve their technical skills throughout their career by exercising their craft. In this respect, they differ a lot from me, as they do not have a constant urge to restart from zero and to do something new again.

However, suitable candidates also have to be proactive. They will be the only persons in the company who are able to improve products and processes based on their experience and skills. Thus, only they can increase the value added of the actual product.

It is also part of the business plan to make workers the public face of the company so that clients can associate a person with their new shoes and get an idea who built them. Therefore, candidates must be willing to have this form of client or public exposure.

In addition, the first shoemaker to be hired should fulfill some additional criteria in order to take on a key role in the development of the company. The candidate should ideally have some experience in managing a shoemaker's shop that actually produces shoes. Thus, he/she would be able to manage the materials inventory and production scheduling. In addition, the candidate should have good educational skills so that he could be put in charge of the apprentice training. If the company grows, taking on apprentices will allow to train workers with the required skillset internally and to become less dependent on the job market, where suitable candidates are hard to find. Of course, to take on a key role in the development of the business, the candidate must also share the company's vision.

3.2. Design

The business idea is to produce shoes that last. Thus, the aim is not to produce lots of new designs per season but rather a few rather timeless models. However, the style of these models still has to be up-to-date to create customer interest. As a consequence, in the early stage of the company, some design work and expertise to create such models will be required. The designer will develop the models together with the shoemakers who are the persons to judge what is possible or reasonable. In addition, regular reviews and adjustments of the models are necessary to keep them interesting for customers. If the company grows, a possible extension of the product line will equally require more creative expertise. However, the amount of needed design work does not justify a full-time position in this function.

3.3. Sourcing of materials

Aiming to produce sustainable shoes, it is necessary to have good knowledge about innovative materials, leather tanning techniques and potential sourcing partners. The availability of materials will determine the design of the models to a large extent. When starting the company, having some expertise in this regard will be very useful and save a lot of time by reducing the need for market research. However, an external expert should provide this information. As in the case of the design process, the amount of work to be done in this respect will not justify the opening of a position within the company.

3.4. Business development / Sales

The right candidate for this role has to share the company's vision. To make it reality, he/she has to be willing to “go the extra mile” and deal with a high workload. The person should also bring a strong interest/passion for shoes, hand-made products, sustainability and a good sense of style and trends. He/she will not just work to earn his/her living, but also to enjoy or realize him-/herself.

The candidate has to be an all-rounder and to be able to deal with problems from very different areas. He/she must be outgoing, a good communicator, and a sales person with a strong entrepreneurial spirit.

The educational background is of minor importance. A person bringing relevant complementary skills into the company might be preferable. Thus, someone with a design or textile engineering background would certainly be interesting.

Last but not least, the personal fit between the candidate and myself is very important, given the large amount of time we will spend together and the need to closely collaborate.

4. Organization of Work

4.1. Division of labor

I am convinced that you can only do great work, if you like what you do. During my internships, I have realized that I did not like my work because it was subdivided too much and I did not get to see the final result. Often, I did not even see in which way or in how far my work finally contributed to the final output. To reach the highest possible level of satisfaction among the employees, work in my company should thus be divided as little as possible. There should only be three roles within the company: i.) production employees, ii.) business development/sales people and iii.) the role of the founder who is in charge of general management. External experts will provide the design work as well as information on the sourcing of materials. A friend of mine that holds a Master's degree in "Sustainability in Fashion" from *ESMOD* and now works as a *Sustainability Manager* at *hessnatur GmbH*, a large German online retailer and mail-order firm for sustainable clothing, will be able to provide relevant contacts.

The production work will not be horizontally divided. Each shoemaker will be in charge of completely producing a pair and can thus appropriate it as his/her creation. This will allow him/her to be satisfied with his/her work and take pride in it. Each shoemaker will know the name of the client for whom he/she creates the pair of shoes and thus clearly knows for whom he/she works each time. The absence of specialization in the production process will also allow the shoemakers to gain experience in the core business of their craft, *i.e.* making shoes, and to constantly improve their skills. This will also be in the interest of the company as the product of the shoemakers' work will improve over time and thus lead to a higher added value for customers. In general, they should also be responsible for packaging and shipping the final product as well as for the after-sales and customer service. The production employee who has produced a pair of shoes will also evaluate whether repairing this pair makes sense (once it is sent in), inform the customer about his/her decision and, if appropriate, conduct the necessary repairs.

The vertical division of the shoe production should also be reduced as much as possible. While a designer is supposed to ensure that customers broadly accept a model, the shoemakers already have their say in its conception. Their ideas and expertise have to be

taken into account as much as possible. This is the only way to allow them to do great work. Make them spend all day producing a model behind which they did not stand, would undermine work satisfaction and thus endanger the long-term success of the company.

Production employees should also be free to decide when and how they want to work on a given day, as long as they keep an average level of productivity. The shoemakers will decide how much time is needed to create a pair of shoes on average. They will be the only people in the company who are able to judge this realistically. Apprentices should equally be in charge of the complete production of a pair of shoes as soon as possible. They should be granted the necessary extra time to make up for their lack of experience. The first worker who finishes his/her pair and all repair work concerning his/her prior production will take care of the next/latest incoming order. Thus, the shoemakers are given the highest possible degree of self-determination. This will make their work experience resemble the way in which their craft was traditionally carried out.

The business development/sales team has the task to build existing customer relations or to access new customer groups and, thus, to provide the production department with a hopefully increasing number of orders. Each member of the team will be in charge of his/her own project that he/she will carry out from the conception to the execution. I am convinced that joy in commercial activity can best be found if you reap the fruits of your efforts and gain your “own” customers. In addition, completely appropriating a project is the best way to improve your management and entrepreneurial skills.

As in the case of every startup, first of all, my task as the founder will be to set up all necessary structures. In a second step, my task will be to ensure the financial viability of the project and to bring in and ensure future business, *i.e.* also to conduct business development activities. Thus, my primary mission is to secure the survival of the company. This includes coordinating the work of the different teams and intervening where their self-organization capacity reaches its limits. In this context, reiterating the vision, *i.e.* constantly reminding the employees of our common objective, will be a central part of the work.

There will not be any full-time support functions in the company. Everyone has to do his/her share of menial work that is necessary to ensure the functioning of the company. This will strengthen the team spirit. It can also make employees more aware of the fact that everyone finally works for the customer: As practiced by *Innocent*, the British smoothies producer, every employee will be charged with answering general customer inquiries by

phone. In addition, customers can come and visit the company and will be shown around by the first employee they encounter.

4.2. Coordination

As described above, the work within the different teams should be organized and coordinated as much as possible by the respective employees themselves. Based on my own experience, I believe that job satisfaction is necessary to be able to deliver a high professional performance. Constantly controlling the employees' work leaves them little room to enjoy their missions. Therefore, a high performance also requires a high level of trust in the employees.

Employees should be given as much freedom as possible as long as customer satisfaction is not affected. In this respect, I am also close to the philosophy of Jean-François Zobrist, the former CEO of *FAVI*. As mentioned above, I only want to intervene where the self-organization capacity of the teams reaches its limits. However, this might be necessary on a regular basis given that the above-described division of labor will lead to very flat hierarchical structures and a lack of formalized power relations.

My role will also be to coordinate the work of the different teams. I intend to do this more or less on an *ad hoc* basis. I do not believe in formalized annual budgets or plans. Based on my experience, the planning/budgeting exercise often leads to poor results.

I will regularly reiterate why and for whom the employees work and in which way each one contributes his/her share to making the company's vision come reality. Even if the shoemakers are the stars of the company from an external point of view, the people finding new ways to sell the product of their work have the same importance for the continuity of the company. To get an understanding of the company's core business, every new employee should spend the first days at work creating his/her own pair of shoes with the assistance of one of the master craftsmen.

4.3. Performance control and evaluation

As soon as a shoemaker starts to work on an order, the client will be informed about who is creating his/her shoes. Thus, the shoemaker does not work in anonymity. He will most likely try to serve the customer to the best of his abilities. If a customer complains about the quality of the product later on, the coworkers should first of all evaluate the case. They are the persons who are the most qualified to judge whether their colleague has done a good job or whether the client has a legitimate reason to complain.

As mentioned above, the shoemakers should also fix an average level of productivity that each of them is supposed to achieve. The production employees know best how much time they need to produce a pair of shoes of high quality. The workers will also make sure that everyone performs accordingly. Given that a new incoming order will always be taken care of by the shoemaker who just finished his/her latest pair, it will go at the expense of the colleagues if someone works slowly on purpose.

The most valuable indicator to evaluate the quality of the work performed by the production workers is certainly the feedback received from customers. Numerical indicators that provide some sort of information to management are of little help if clients are not satisfied.

The success of a business development project is not really measurable because the increase in customers caused by a single project cannot be isolated from the total change in their number over a certain period. The only way to evaluate a project is to discuss it within the team. In this way, you can find out what went well and what can still be done better next time.

The total performance of the company should not only be measured in terms of revenue but also in terms of a more concrete measure that is of direct relevance to the employees. The “months of salary” that can be paid thanks to the realized sales might be such a measure. It focuses on the continuity of the firm and the shared objective to continue making the best shoes and be able to live of it.

Last but not least, I should protect employees against overwork and control that employees take their holidays and reduce overtime. It is my responsibility to keep work-related stress at an acceptable level.

4.4. Recognition for the work performed

Thanks to the fact that clients know who produced their pair of shoes, their positive feedback will be directly addressed to the respective production employee. He/she can thus directly see how his/her work is appreciated.

In addition, the shoemaker that will get the most positive customer feedback over a given period should be awarded a special honor. One idea might be to give a relatively valuable present to the “best shoemaker of the year”. The present should be one that also makes the other production employees dream and which thus motivates them to give their best in the following year.

I will also regularly pay attention to each of the employees and thank them for the work they perform. Furthermore, I will allow them to use a certain part of their working time and some of the company’s resources to work on their own projects. Letting them realize their technical potential and express their creative abilities is a further means of recognizing their contribution to the success of the company.

4.5. Remuneration

The base salary of employees should be linked to the market level of wages for the respective profile. In addition, there should be a bonus for each employee based on the overall performance of the company. As all team members share the same vision and each of them contributes his/her share to realize the common objective, everyone should receive the exact same bonus. If every team member just tried to get the highest bonus for him-/herself, there would be little solidarity and a bad atmosphere within the company. Under such circumstances, employees would certainly not be able to deliver their best performance.

I will set myself a target salary level that I want to achieve after a certain number of years. This salary will allow me to live comfortably and provide for a family. Once I have actually reached this level, I intend to not increase my remuneration but to keep the remaining money in the firm. I want to reinvest it to ensure the continuity of the business or to realize new ideas, which will allow me to live my life of projects.

There is no general plan to make employees participate in the share capital. But if there is a good reason to do so at some point, I might take this decision. As long as the survival of the

company or my projects are not threatened, persons that bring the right motivation or have already rendered a great service to the company could be allowed to invest in its equity.

4.6. Career

At the current moment, it is not clear how a person could progress on the career ladder within the company, as this will largely depend on the size that the company will have at the respective moment. However, if an employee feels the desire to switch functions, because he/she would, for example, like to create a tangible product and become a shoemaker, this should be made possible.

In addition, to ensure the highest possible job satisfaction and performance, I will also try to enable employees to pursue further professional training or work part-time, if they wish to do so.

As described above, employees should also be given the opportunity to use a part of their working hours to pursue own projects as a form of non-monetary recognition of their efforts. If such a project turns out to be of use to the company, the employee can be allowed to work on it on a full-time basis. However, whether this will really be possible finally depends on the situation of the business at that future moment.

5. Conclusion

Writing down how I would organize work in the company I would like to start has forced me to finally think my initial ideas through. While my frequent flashes of inspiration regarding the issue might have made sense on an individual basis, they often did less so after I started to consider the whole picture. As all decisions regarding the work organization are interconnected and influence other dimensions of labor, writing down a complete plan was a valuable exercise. It made me experience the complexity of setting up a plan that is realistic and might prove its worth in practice. I feel that I have still some work to do to reach a completely coherent way to organize work.

In any case, the exercise has made me aware of the fact that the success of a company stands and falls with the people who work in it. Finding the right employees and keeping them motivated are key elements to ensure the survival of the firm and its development. I also found that, when dealing with humans and thus different interests, every form of organization could only be a good compromise. It is not possible to make everyone completely satisfied. For example, my objective to start new projects at will and live out my creativity opposes my idea of letting every worker participate in the company's capital and forming a cooperative where decisions are taken on a democratic basis. Thus, there is no perfect solution.

Conducting this exercise for a company that still has to be founded has its limits. In reality, there might be constraints that require a completely different form of organization. There might also be opportunities that open up and that will allow doing things in an even better way. There is still complete uncertainty regarding the questions of whether the company will ever reach a stage where the above-described plan becomes relevant, how many employees the company will actually have after a certain number of years, or how people will react to such an organization of work in practice.

In any case, the exercise allowed me to identify what is important for me regarding the question of how to organize work. In a next step, I could extract some broad lines from the above exercise. These would be the ideas that I would certainly insist on implementing no matter how the entrepreneurial project will finally look like in reality.