

# The success of the Royal National Lifeboat Institution (RNLI)

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## Abstract

The paper identifies the main motivations for the remarkable success of the RNLI as: commitment, collaboration, competence and leadership. That it achieves this in the absence of competition with other organisations is an important observation for society.



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## Introduction

For over 30 years I have sought answers to this basic question “What drives the success of successful enterprises?” One of my conclusions is that although market competition undoubtedly stimulates success and is often essential, it is not always a necessary ingredient for success and in some situations it just not relevant.

The operation of the RNLI that I describe in this paper, supports that conclusion.

## The RNLI ‘business model’

The AA and the RNLI have in common that they are services to which many turn in an emergency, but they are structured very differently. For road breakdowns we take out insurance whose cost depends on the type of service to be provided. If we think of the RNLI service as an insurance against breakdown on the water it could hardly be more different: the ‘insurance premiums’ are decided by the ‘insured’ rather than by the insurers. Many of the people who pay a ‘premium’ (in fact make a donation) are very unlikely to be in a situation where the RNLI will be involved and there is no requirement for those who are rescued to

have contributed either before or in the future. The people at the cutting edge of the organisation, the lifeboat crews who operate in dangerous, uncomfortable situations, are not paid for their work – they are volunteers. And, unlike the AA, the RNLI is not in competition with any other organisation.

Despite (maybe because) they work to a very unusual business model, the RNLI is a very successful organisation. They are highly regarded by the public in general and are very highly regarded by those who have the misfortune to use their services. They have high safety standards and are very good at keeping their supporters informed of their activities.

If the RNLI is not in competition for its services, what is it that drives its success? How can donors be assured that their contributions are well spent?

## The ethos and governance of the RNLI

In their 2019 Annual Report<sup>1</sup> the RNLI CEO Mark Dowie wrote:

“We are *One Crew*. We are all lifesavers and we are all fundraisers. Everyone is valuable and we are all working together towards a shared goal of saving as many people from drowning as possible.”

<sup>1</sup> RNLI Annual Report and Accounts, 2019 <https://rnli.org/about-us/how-the-rnli-is-run/annual-report-and-accounts>



The organisation is led by an executive team of seven people and is governed by a Board of Trustees:

“The Trustees set and agree the overall direction, strategy and culture of the RNLI. They lead by example and support the chief executive in the daily delivery of our lifesaving plans and activities, regularly monitoring our performance against agreed measures.”<sup>1</sup>

### **RNLI boatbuilding and repair strategy**

In 1963, the RNLI established a build, repair, and maintenance facility for their rigid inflatable Inshore Lifeboats (ILBs) in East Cowes. A ‘lean’ approach to production involves careful analysis of production processes to improve efficiency and quality. At Cowes, RNLI started to apply lean with outstanding success, achieving quite amazing levels of improvement in terms of, for example, reduced refit times, whilst improving quality with near zero-defect rates.

For All Weather Lifeboats (ALBs), RNLI traditionally relied on the marine industry for both build and maintenance but also established a repair facility at their Poole site. Hulls for ALBs were sourced from the only UK company with the expertise and experience to mould the complex advanced composite structure.

After the 2008 financial crisis, RNLI sought to further improve the overall efficiency of their operation and in 2009 they bought the hull moulding operation so bringing hull build in-house. Building on the success of lean for the ILBs, this was also applied to the moulding operation resulting, via reduced outfitting costs, in lower cost of production than was available commercially.

in 2015 RNLI established their own yard in Poole for building, repair and maintenance of ALBs in a purpose built building that included the hull moulding operation.

Prior to creating this facility, the RNLI team had undertaken the design and had closely monitored and measured the build process. When they established the in-house facility, they therefore fully understood both the process and the starting point benchmarks, e.g. manhours required, on which to continuously build improvements. In-house also brought seamlessly together the design and production activities with very short feedback for lessons learned on both build, maintenance and operational issues.

The number of hours to build the latest all-weather lifeboat (ALB *Shannon*) have been steadily reduced. The facility has shown the flexibility to undertake major repairs due to grounding/collision damage and also to refit as new a 25-year-old ALB (*Severn*) to extend its life by another 25 years.



RNLI adopts best practice engineering principles in its boat building activities including: have a continuous drive to improve the design and in-service processes; use a design process that takes account of safety, reliability, user requirements, ergonomics, manufacturing efficiency, reliability, sustainability, etc.; monitor performance; re-use materials and re-manufacture where practical; use long-term planning, etc.

RNLI have a rolling requirement for new boats, maintenance and refurbishments that require special equipment and special skills. It therefore makes sense to have all three functions in-house. They seek to push up quality while keeping the cost down.

The success of their boat build strategy is one of the ways that they can demonstrate best value to donors.

### Principles that drive the success of RNLI

Everyone in the organisation is inspired by, committed to and focused on the goals.

The RNLI has the great advantage of having an inspirational fundamental goal – saving lives at sea. The *one crew concept* is not an empty slogan but an ethos that suffuses the organisation to which all – the crew, the trustees, executive and staff, the army of devoted fundraisers are very obviously committed in thought and action.

Those involved closely collaborate to achieve the goals. The one crew concept inspires such collaboration

The competence of those involved is a core feature of the organisation. They have a world class in-house training facility. The success of their boatbuilding, maintenance and

repair unit is testament to the competence of the technical department of the organisation, fully integrated with the needs of the operations department.

Finally, and crucially, the leaders create an environment that is conducive to the *one crew* approach.

### Conclusion

The principles that drive the success of RNLI – commitment, collaboration, competence and leadership – are relevant to all organisations. Some organisations have the extra driver of competition but the operation of the RNLI is a very good example of how great success can be achieved in the absence of external competition.

There is another fundamental principle that we can infer. Suppose we had no sea rescue service. It would be reasonable to think that private companies should set themselves up to provide the sort of service presently provided by the road rescue firms.

Consider the situation of a sailor whose boat is sinking. He makes a mayday call to a sea rescue provider. “Are you a member, sir?” “I was a member but did not pay last year.” “That is OK sir. I can sign up now for two years and all will be fine. Could I have your credit card number? Thank you very much. That is all good, now how can we help you?”

That competition for sea rescue is clearly not an option illustrates the principle that what works in one situation may not work at all in an apparently similar context.

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