RANDOM THOUGHTS

Communications With A Purpose

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Performance, profitability, and satisfaction

Even a child can tell you what it means to be productive, but finding ways to encourage, improve, and reward productivity is sometimes a mystery even to managers.

Top performance happens only when your managers concentrate on five key areas: operations, people, information technology, financial management, and overall management. That concentration leads to understanding and, in turn, allows your company to grow and be profitable.

What surprises many, though, is this: Managers can't do it alone. An effective way is to create an action team consisting of a member from each part of the company and a well experienced manager to lead the action team. The team will examine each function of the operation and document recommendations to improve. The team leader should report to the CEO or at least to a senior executive who reports to the CEO.

The team's authority

The action team is responsible for identifying existing processes and examining those processes thoroughly. The goal is to find ways to make each process better, to speed the process, to improve the results of the process, or to make the process less expensive. The team may also find some processes that are no longer needed or are counterproductive.

It may be that some processes are being conducted in the wrong order or by the wrong people, that two or more operations should be combined. It's the team's responsibility to identify the desired result of each process and set quality standards for each result.

The team must have the authority to implement changes. Ideally, only the CEO can disapprove a change the action team recommends. And with that authority comes responsibility: As changes are made, the team is responsible for determining whether the results are acceptable and then to document the processes and track performance. The manager who leads the team is responsible for determining the cause of any failure and taking the proper corrective action.

The CEO must be the primary cheerleader for the action team.

Standing the business on its head

This process turns the typical U.S. corporate procedure upside down for a reason: When people know they are expected to manage their own performance and produce acceptable results, remarkable things start to happen. When they know that they are being given a certain measure of autonomy in determining how to do their jobs, satisfaction increases.

The process of self management depends on making sure that each person understands and accepts two rules of performance: First, do the job right every time. Second, do as much work as needs to be done. To pave the way for employees to follow those two rules, managers must remove obstacles and prove to employees that they are ready and willing to help.

Record and reward

Although many employees will respond to this program, it's still management's responsibility to track individual employee performance each week. Record only superior or substandard work so that you will have the information needed to make informed decisions about which employees should be trusted, which should be promoted, and which need help.

Share the performance record with employees quarterly and ask for their comments. A quarterly review need take no more than a few minutes and need not create angst for either the manager or the employee. Managers should end these meetings by asking sincerely, *Do you need any help to continue the superior work, to continue the good work, or to improve the substandard work?*

By tracking results each week and summarizing each quarter, most of your work will already be done when it's time for the annual performance record. The review will be based on relevant facts instead of on faulty memory, emotion, or personality.

THE AUTHOR OF THIS ARTICLE, A.J. STINNETT, IS AN ORGANIZATION DEVELOPMENT CONSULTANT BASED IN COLUMBUS, OHIO. HE HELPS EXECUTIVES AND MANAGERS BECOME MORE EFFECTIVE AND THEIR ORGANIZATIONS BECOME MORE EFFICIENT. STINNETT CAN BE REACHED AT MSP@STINNETTGROUP.COM OR BY PHONE AT 614.889.9534. THIS ARTICLE MENTIONS THE IMPORTANCE OF RECORDING SUPERIOR AND SUBSTANDARD PERFORMANCE EACH WEEK. FOR A SAMPLE FORM THAT SIMPLIFIES THE PROCESS, CONTACT A.J. STINNETT.

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And what about the customers?

You must be accessible. Information may arrive orally, by fax, by phone, by mail, by e-mail, or by a Web-based form. Any given message may be critical to your client or to you. Any message that is critical to your client should also be critical to you.

The Internet has changed expectations. Clients expect prompt responses. If your business is one of the last few holdouts, it's past time to have e-mail access and to make your business accessible on the Web.

Internal information is the lifeblood of your business; it must be managed and protected so that everyone who has a legitimate need for information can find it quickly.

Every employee should be trained in how to use your computers and retrained as those systems are updated. This applies to managers, too, and even the CEO.

Outgoing information must be managed and given as much attention as internal information. These outbound messages are your company's face to customers and prospects. Poorly written messages filled with spelling and grammar errors do not represent you well.

Messages that are vague, incomplete, or inaccurate call into question your company's ability and desire to succeed. Your action team must examine the ways information is used in your business.

Managing finances

Your financial manager must be as up to date as anyone in the organization. Today's finance management tools are powerful and sophisticated. Starting with spreadsheet programs that can perform both basic and advanced financial management tasks, these tools include specialized applications, some of which are available online or are provided by banks.

Financial managers should be expected to set and accomplish specific objectives for their area just as operational managers are expected to do. Managing cash flow to maintain proper balances and optimizing the use of cash to minimize the cost of financing are two criteria on which any financial manager should be evaluated.

Consider pushing part of the responsibility for P&L reporting and results to the lowest possible level of management. Involving more people in this admittedly complicated process means that more training will be needed, but it also means that more people in the organization will take a personal interest in the bottom line because they've been given responsibility for it.

Managing the managers

One of the most critical areas to examine in determining how to increase business productivity is overall management. Managing is the process of getting things done through others.

That's true for CEOs, vice presidents, managers, and employees who are team leads. To be profitable and successful, manager must do the right things, do them consistently, and do them well. The right things include planning, organizing, staffing, directing, and controlling.

- **Planning** is predetermining a course of action and requires that you forecast, set objectives, establish the sequence and timing of steps to complete the objectives, and determine the appropriate procedures to be used.
- **Organizing** is arranging things and requires that you define duties for people; group them to focus on customers; link suppliers, employees, and customers with communication webs; and provide the tools people need to be successful.
- **Staffing** is hiring and keeping competent people and requires that you recruit competent and motivated workers, orient them to the job and the standards you expect, train them to be proficient, and develop them for a job with more responsibilities.
- **Directing** is working toward objectives by assigning work to people, enabling (motivating) them to perform, coordinating people and groups, and managing conflict.
- **Controlling** is ensuring progress toward your objectives and requires that you expect your people to do their job right every time and do as much work as is needed, and that you record the performance of people and the group, praise superior work, and help poor performers improve.

Sounds easy, doesn't it?

But are you actually performing all those tasks? Individually, the tasks are easy, but performing all of these tasks every day is a challenge. To test yourself, answer these questions:

1. Do you set objectives (results) for the future or just react to what comes along?
2. Is your company organized horizontally to focus on customer requirements?
3. Do you hire and train your people to work efficiently and develop them for the future?
4. If your people know what, how, when and why to do the work, can you trust them?
5. Are your people expected to do their work right the first time, every time? Are you?

If you answered yes to all five questions, you are managing effectively. If not, consider what you must do to become a more effective manager. ß

A note from A. J. Stinnett

To prepare this article, I've tapped the experience and wisdom of a superb group of people: Dr. Jane Thurston, Jane Landwehr Thurston Consulting; John R. Ness, president, ODW Logistics; Wendell T. Long, Long Consulting; John P. Stinnett, PMP, Chase Bank; Richard A. Inkrot, CPA, controller, Liberty Tire Services; and Ava M. Stinnett, editor, Zaner-Bloser Educational Publishers.