

Don't be ashamed of coming

BACK TO BASICS

By William T. O'Donnell
Instructor, Strategic Management Chair
University of Phoenix
Phoenix, Arizona

We have to keep coming back to the basics from time to time to remind us of where we want to go and what we want to do. It's very easy to get trapped into the, "I'm too busy to do things right, I've got to get too many things to get done" issue.

What you might need is simply some fine-tuning, bringing you and your business back up to speed.

What is the first job of management? It's two-fold. Your main job is to provide an environment where people want to work.

What, then, is the number one task in your firm? Hiring. The president of General Electric was once asked what his main job was and he said, "hiring." The president of Sony said the same thing. Your main job is to get the right people in the right place.

You probably need to get very highly sensitized to the things that make a business operate.

A crash course on management mistakes would include:

1. Fail to keep abreast of the developments in your field. (You can absolutely count on change if nothing else.)
2. Narrow your focus to only your area of specialty.
3. Refuse to take responsibility for your actions. Fear failure.
4. Avoid decisions.

5. Keep isolated from your employees. Don't visit the folks on the line.

6. Poor communications—giving people a job but they don't understand it. Don't encourage feedback. Failure to have a complete loop should there be reactions or questions.

7. Spend excessive amounts of time on details. Ignore the big issue or problem by concentrating on the little items. Focusing on details helps avoid or postpone decisions on major items or issues.

8. Don't recognize or accept your limitations. Fail to find or hire experts to complement your weak areas.

9. Accept minimum performance rather than strive toward the maximum. Don't inspire people to go for the maximum; withhold benefits from achieving beyond expectations.

10. Kill the messengers. Don't accept bad news. Discourage employees from telling the truth. Don't reward information.

11. Don't create customers. If your products or service are good enough, customers become automatic.

12. Be casual about the truth. With customers or employees. They'll give you a second chance (won't they?).

13. Your personal example or role model is not that important. You don't need to set the agenda.

14. Try to be liked rather than respected.

15. You don't need to cooperate with your employees. After all, you're The Boss. You don't need to back up their decisions as yours are ultimately more important.

16. Employee input and advice should be treated as suspect. They simply need to do the job, not participate in the decision.

17. Emphasize rules rather than skills. Rules and guidelines might prevent some unsettling thing from happening.

18. Criticize in public so other employees won't make the same mistake. Save praise for private encounters.

19. Tune out gripes and complaints. They're probably unjustified anyway.

20. Keep your plans and information to yourself. Why stir up rumors or discontent? Tell only those who really need to know. After all, it's your business.

21. Remember to treat subordinates as underlings. They are not equal and they certainly wouldn't understand a manager who tried to be their supporter. They're troops, not your team.

22. Why bother training an assistant? He or she might get ambitious and try to take over. (But, how will you get promoted if there's not someone there to take on your job or responsibilities.)

The five management functions include:

Planning . . . Do you have a five-year plan? Do you have *any* plan? Can you lead without a plan? What business are you in?

Revlon doesn't sell cosmetics. It sells hope. You've got to know what you're selling, what your market is. One of the key features of planning is bi-directional participation. It's called top-down, bottom-up planning where you ask the team what they can do. You have your goals and they may have theirs.

So you get together to see if they match. You'll often find the team gets more units produced in a voluntary way than if you were to dictate some level of production. You need to turn your goals into their ideas.

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Marketing . . . Who is the customer? Not the feedlot, but the end-user—the consumer. Beef no longer has a built-in market. Beef producers have to be in the marketing business.

The only reason people buy anything is satisfaction—satisfying needs or wants. The other reason people buy anything is for benefits, not features. Remember, benefits and satisfaction.

Be aware of these questions: why do the customers buy the product? What are their future concerns?

Technology . . . Where does the beef industry want to go from the present? Is there some product in the beef business that you can offer that the other protein producers can't? You have to differentiate your product so you can market that difference. You can pursue an advantage the competition doesn't have.

How can you differentiate your product as having or being the greatest value for the money spent? The essence of differentiation is convincing people your product provides more for their money.

Organization . . . No organization should have more than five layers in its structure. No more than five layers between the foreman and the CEO. As soon as you get too many layers, communications goes awry.

However, if you only had two layers and 100 people reporting to you, that's equally bad. It's too horizontal.

If you can directly manage five people, you can lead millions indirectly. If you have more than eight people reporting to you, you probably need to make two of them senior leaders each in charge of four. It's hard to talk to 10-15 people and keep track of all they're doing.

Staffing . . . Whom do you hire? I always hired the very best people I could. Try to avoid relatives. Don't hire them because of who they are but rather of what they can do. I want people on board who refuse to lose. I consider tenacity and persistency two key elements.

Why do you hire people? To get things done. And you need people who can work at about 95 percent of their perceived capacity, not 105 percent. Over 95 percent and you'll encounter burnout. You can work people around the clock if they know it's going to end.

Why do people work? Human factors are at play. Almost everyone who works for you comes to work for a different reason. They don't necessarily come for money.

1. People have physiological needs to meet: food, clothing, shelter.
2. Safety, security, and stability. It can be an age-driven issue to a large extent especially among the pre-WWII and Great Depression era segments.

3. A lot work for socialization. A sense of family at work. It might be important to you as a supervisor to get your people together often on a recreational basis in a social setting. You don't have to pay money but pay attention to this need.
4. Recognition and self-esteem. A lot of people will work for reasons of ego and they want the recognition that goes with it. You don't have to spend money, just do something to get their attention. Don't spend money, spend interest.
5. People look for self-actualization. Translation: "We made it". It's the ultimate in success. It's when everything is really coming together.

Recognition is the number one objective, though.

There is a style of management called MBWA—Management By Walking Around. First of all, you have to be visible. Absentee leadership doesn't play, because the people can't relate to you. Remember, people are human, they're not bricks and mortar.

Communication takes many forms. Sending a memo is not communication unless you have a feedback item. If you don't have a place for response, how do you know they got the message and how do you know if they can even do it?

The kinds of communication: visual (remember, you receive about 60 percent of your input from your eyes. Give them something to see, look at), oral (20 percent), and the balance from the other senses. Body language . . . Dress (try to dress one notch above your employees, never dress below them because there's a respect aspect involved.)

Your job is to provide direction. You've come up with a plan with their help and now we're going to focus on that plan and we're going to make it happen. That's what leadership is all about.

Leadership includes communicating goals and objectives. The manager's second function is to take risks. Someone has to say "Go!" Most of the time we tend to overemphasize what bad things might happen, so we tend to not take risks. Do you let or encourage your people to try something, assuring them they won't get their knuckles rapped?

Contingency plans should include provisions for prices going down and feed prices going up. We must assume a downside scenario, for example, with the hormone in Europe issue or cholesterol.

Another job you have as a leader is reviewing employee performance. How many of you talk to your employees about how their doing at least once a year? How many do it every six months or less? Why not consider doing this once a month? If someone's having or creating

a problem, you don't want to spend three months before telling them about it. That's the reason for limiting the number of people reporting directly to you—you can't follow this approach with dozens, certainly not a hundred.

You want these people to be better. They may be making mistakes that are not their fault or they may be unaware of even making them. An annual review, then, becomes just a formality—just a piece of paper in the file.

Another job of management is to provide rewards and incentives. People work for themselves, don't kid yourselves. If they can get some satisfaction out of the job—recognition, money, whatever—then they will work hard, and your job becomes providing the environment. They need to know there are enough rewards and incentives in place, so they'll know if they do well, you're going to really stroke them. It takes attention, not money necessarily.

Finally, counseling the problem employee is a task of management. Suppose you have Charlie as your foreman, and after 15 years, he develops a drinking problem. You don't get rid of Charlie as that's insensitive and Charlie knows a lot about the foremanship of this ranch or farm. You find some help for him in whatever form that takes. You don't want the guy going in the trash can. The other members of your team will see you care enough about Charlie to get him detoxified, and that spreads good will among the team.

And when Charlie goes back on line, will he work for you? You bet! You've become more than an employer. You're a friend.

Another problem concerns the wife. You do hire the wife along with the husband. You can't have a wife at home doing guerilla warfare on you because she thinks you did her husband wrong. When he comes to work then in the morning, he has an ugly disposition. We always interviewed the wives and took them out to dinner when we were making a hire. You want them supportive; you don't want anybody shooting at you.

Controlling . . . is a kind of management function. This is botched by a lot of companies. They forget to watch the expenses. Organization says the bean-counter should come in once a week or month and tell you how you're doing, not once a year. It's the same with people.

If you want to control people's performance and deportment, it's controlling. Controlling shouldn't imply restriction but rather helping people focus. Focus the controls so they become supportive.

What is a marketing plan? What business are you in? Where do you want to grow in it?

You can get sales, market share, or

profit, but you cannot get them all at the same time. You might get pieces, but you cannot maximize them all at the same time.

You might do a terrific job in advertising but you spent money that came off the profit line. Therefore, the profits go down. If you don't advertise, the profits go back up but you lose market share.

Who gets involved in planning the marketing? E-v-e-r-y-b-o-d-y. You, as the manager, will coordinate the marketing plan.

Next, you make an assumption. You as the leader may say we're going to grow 10 percent—what does it take to get there? Then you give them the resources and incentives to get there, there's no argument you'll grow.

In a plan, you have to make sure there's enough responsibility passed to the people to execute the plan. You can't encourage people to increase the business 10 percent then not give them the staff or encouragement to do it.

Can you assume that marketing plans can overcome weak management? Remember, you have to look in the mirror every morning and remind yourself you have the responsibility to do the best job you can—responsibility to yourself, your family, everybody, and particularly to the company that's given you the money to do this in the first place.

The main points of a marketing plan are these:

1. Current market situation. This concerns background data, the product, the market, the competition, the distribution, the environment. You all have these things to contend with.

2. SWOT analysis. Strengths, Weaknesses, Opportunities, Threats. You list the different things you face under each category and then you focus on the top five in each column. It works darn near every time—you will know your situation in each of those categories. You've crystallized where you stand.

3. Objectives. Are they sales, market share, or profit? You have to define which one of those you want and in what order.

4. Action program. What's going to be done in the marketing plan, when, and by whom? How you going to do it? All plans should have a termination date, not indefinite and not ASAP. Set a specific date and time.

If you want to score big numbers in your business, you watch management basics made simple. First, in order to be successful, you must **create a niche**. If you say you can sell beef to everyone, you're smoking a banana. Doesn't work

that way. You've got to zero in on your target—who you want to sell to, how much you want to sell, for how many dollars. You go for a market niche. The winners don't try to sell to everybody. There's no such thing as the universal product.

Quality. People will pay premiums to get Maytags. They'll charge \$125 more than GE, and Maytag can't make enough of them. Why is the Maytag business so good? Working women. Women today don't want their washing machines to fail. People are insulted when they buy something that fails. People will buy quality every time if they

perceive that they're getting their money's worth.

Service. You have to be able to stand behind your product. The people with the 800 number will beat out the competition all day long. People will pay for the service.

Responsiveness. Sure, it's an inconvenience but it will mean the difference between a one-time sale and a regular customer.

Listening. You must listen not only to your employees but you must listen to your customers. They're the ones that count. You might run a big, crisp operation, but if nobody buys anything, it be-

comes uncrisp very quickly. The best marketing people will subconsciously listen to customers. Go to Stu Leonard's Dairy in Norwalk, Conn. He has 750 items on his shelves and does \$100 million in groceries. He brings customers in every second Saturday, feeds them coffee and doughnuts, and asks them, "what don't you like about my store." Then he takes them to his competitors' stores and asks what they like about those stores.

Should you get your best customers together and say, "look, what can we do to make things better?" Then, you better listen. If they say, "ship Tuesdays", all I'm going to ask is, "What time?" We don't talk Wednesdays or Mondays. That's how you win every time. Your factory, farm, or feedlot are all marketing tools. You bring customers to those locations—you make them feel part of the game. Then, you get everyone there to be customer-oriented. Alert your team to be helpful and informative to the Big Customer coming by.

Small starts. If you're going to start a new product or service, you want a small group of people to be the embryonic beginning to this thing. Too many people get in and nothing happens. Small starts maximize your control and your ability to react. Small starts get you through the minefield quickly and get to where the customers are.

You want to do a competitive analysis. How many of you do not have a competitor? Do a SWOT on them so you can get a handle.

Word-of-mouth. That's the unequivocal, hands-down, the way things get sold in this country. In marketing classes, we talk about the Laws of 3's and 9's. If you have a good experience, you tell three people. If you have a bad experience, you tell nine people. You want to be perceived like Maytag, as risk-free with lots of high quality for the money.

Support the innovators. Give your employee's suggestions a whirl. You win, plus others start coming forth with ideas.

Fast failures. If you have something that's not working, you play hatchet-man and you don't wait forever to do it.

Share revenue with innovators. If your employee can make a difference in revenue, give him some of the action.

The question you want to ask every day . . . what have you changed in your operation for the better? It might have been something very small, but it was positive. Why not list the things you want to change in your operation and every day do one of them?

If you're willing to provide leadership, most of these positive things can happen within your organization.

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