

Corporate Communique . . .

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HOW TO RUN A BUSINESS (or anything else for that matter)

It has often been said different approaches are needed to run a business or a professional firm or a non-profit organization. That's true to some degree. But it's also an excuse for poor management. Anyone with experience in managing companies, professional firms or non-profits knows that there are far more similarities than differences. It's the similarities that are important. Based on our experience, we have developed certain ground rules for running any business, firm or organization.

RULE #1: People, not structure, make the organization work or fail.

Adopting organizational concepts just because they are theoretically correct or have worked someplace else is a mistake. Management must evaluate itself and its people. Dedicated and competent people can make almost any structure work. Incompetent people will be ineffective regardless of the structure.

RULE #2: With age, people reach a point where their energy levels or capabilities fall below their job responsibilities.

This is natural. And when it happens, management has an obligation to provide opportunities for these people to continue to contribute in a meaningful way. If they can no longer pull their weight in their current roles, then they should be removed from the mainstream. On the other hand, advancing age by itself is not a valid reason for removing anyone. Furthermore, it's not legal. There is nothing more wasteful than pushing an experienced and capable person aside simply because the calendar has advanced.

RULE #3: Recognize that most businesses, firms and organizations now consist of four generations.

Each generation has different characteristics and core values, all of which are important to the success of the operation. Therefore, firm leaders need to be flexible in their communications and personal interaction.

RULE #4: Every person involved should know what is expected of them, how their role fits into the whole and how their performance will be measured.

The ultimate payoff should always be for achieving results, not just for making the effort. Those who perform well should receive greater recognition and reward. Those who don't must expect limited rewards, lesser responsibility or even removal. Sub-par performance, productivity and attitude drag everyone down and hurt the business, firm or organization.

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RULE #5: Most committees are a waste of time.

A committee may be useful, and even necessary, where a cross-sectional approach is essential or an oversight function is too much for one person to handle. But most enterprises, including the largest, have too many committees. Task forces are acceptable, if they are formed to accomplish a specific objective – such as developing a strategic plan – and are then dissolved when the objective is accomplished.

RULE #6: Establishing a solid strategic direction is essential for formulating a sound business plan – and sound planning is the key to good results.

Too often businesses and organizations develop strategic plans that are internally focused and merely extrapolations of the past. They don't look externally at the marketplace and recognize the realities, trends and changes.

RULE #7: The strategic plan must be in writing – and it should be short.

Regardless of its complexity, a sound plan, properly thought through, can be put down in a few paragraphs. Please note, that's paragraphs, not pages. Most operations spend too much time on developing the plan and have no energy or enthusiasm left for implementation. 90% of the benefits of planning come from the first 20% of the effort. The rest takes unnecessary time and just makes everyone feel good. Take the first 20% and run with it.

RULE #8: Implementation is essential.

Once a plan is developed and adopted, it must be implemented. The plan must define specific objectives that can be measured along with an implementation schedule that states the timetable for accomplishing them and who is responsible. Hell is paved, not only with good intentions, but with plans that were never implemented.

RULE #9: Successful leaders and managers know what is going on.

They cut across or through organizational lines and talk to anyone, at any level, without anyone else's advice or permission. Tom Peters defines this as "management by walking around".

RULE #10: No leader or manager should ever grab the credit for success.

Conversely, however, every leader or manager must shoulder the responsibility for results that have not been accomplished or have gone badly.

RULE #11: An effective leader or manager creates a healthy environment that permits people to work productively, develop themselves and achieve their aspirations.

This does not mean trying to make everyone happy or making work easier. It means fostering an environment and culture that consists of absolute honesty and integrity, a genuine interest in addressing and solving problems and pride in accomplishment.

These rules are not easy to follow. But successful firms, businesses and organizations follow them.

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