

# Section 1

## CONCERNING THE BASICS

### Introduction

The starting point for any person trying to become a better businessperson is to have the resolution to change things. If you are buffeted by chance and driven by external pressures you are surely in fire-fighting mode, a situation that is probably not viable in the long term. Next realize that the job of all managers and team leaders is to make decisions and exercise good judgement. We will look at the process of making decisions, and present a suggestion for documenting this process. Then we will consider those events in which businesspeople spend a lot of their time – meetings. Well-planned meetings can be a major aid to managing a team, not to mention managing your boss. The resolution to change, along with good decision-making and meeting techniques are like the stretching exercises of a fitness regime – they prepare you for moving on. Then you can focus on what you are trying to achieve and look at the outline of preparing a plan that enables you to get there. That's what this section is about.

### Question 1 *What happens in the long run if I never get out of fire-fighting mode?*

There are two possibilities – either you will die first or your organization will. You will die first either literally, through stress, or booze if that is what you use to alleviate the stress, or you will die metaphorically because your boss will finally get someone in to do the job properly. Or your organization will die first either because it ceases to be a viable unit, or because your bosses reorganize things so that you are not such a danger.

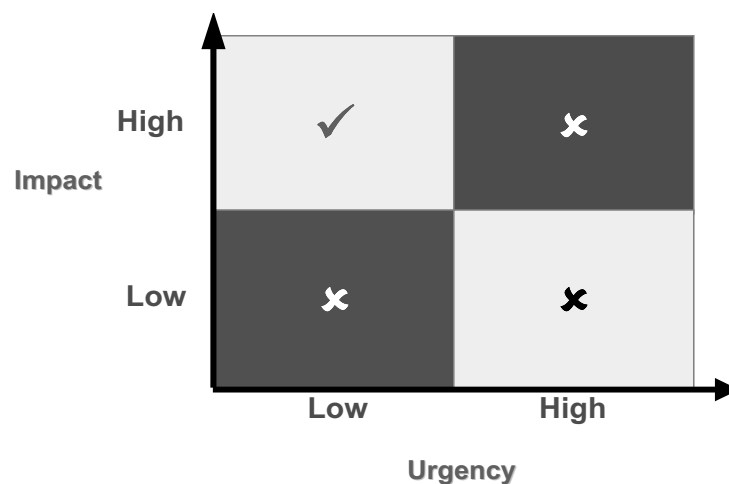
The test of how deeply you are in fire-fighting mode is to compare the amount of time you spend on dealing with the cause of business problems with the amount of time you spend on the effects.

**Example**

*Your washing machine is leaking. Finding the cause is not a complex process; you follow the water trail from where you saw it back to its source. It's a hose. It has frayed a bit and obviously leaks water, not all the time because when you got to it the machine was empty and the leak more or less dried up. You decide that the leak is very small and stick a bowl under the hose to catch the drips, vowing to check it from time to time and empty it if it is nearly full. Your decision is aimed at the effect. It has solved the problem with the least amount of effort and time. It could be that you will forget to empty the bowl and the floor will get wet again, and it could be that the leak, if unfixed, will get worse until eventually the hose bursts dramatically and you have a major flood. But that is for the long term. Put differently, the bowl under the leak is curing the effect, replacing the hose is tackling the cause.*

This book will give you a lot of clues about how to get out of fire-fighting mode. Start by testing yourself to see how badly you've got the 'bowl under the leak' disease. How many decisions have you made in the last few days that are quick fixes as opposed to changes that will avoid problems or exploit opportunities in the future? Then think about your activities in another light. Are you working on issues that are important to your performance or mainly on issues that are seen as urgent?

In an ideal world your plan would be so good that you would only be working on issues that will have high impact on your team's performance, but are of low urgency at the moment – see the top left box in Fig. 1.1. Have a look at how much of the activity you are involved with today is in the top right hand box – high impact and high urgency. These are your crises. If



**Fig. 1.1** The impact and urgency matrix.

most of your work is in the top left box you should avoid the crises of the future.

### Question 2 *Are decision-makers born not made?*

The chief executive officer (CEO) bits of our minds have a tendency to answer this question positively. They argue that some decisions are split-second gut reactions to situations in which going through any decision-making process would result in wasted time and a decision, whether right or wrong, taken too late.

In fact, most decisions have more implications than it seems at first, if you take that attitude. Managers often make decisions without knowing they are making a decision at all.

Consider this domestic situation. Someone has stolen one of the two cars that Kevin and his partner Jean use. What actually is the decision they have to make? We eavesdrop on their conversation.

#### Example

*Kevin: We have to decide which new car to buy. In fact I can narrow it down further. We have to decide which new sports car we are going to buy. I have always wanted a sports car and this is the opportunity to get one.*

*Jean: You have already made four decisions: that we are going to replace the car with another one, that it will be a new one, that we are going to buy it and that it will be a sports model.*

*Kevin: So?*

*Jean: So, the downside of what you are saying is that we will have to invest more, probably a lot more, in cars. The insurance claim will not cover a new sports car, we are still paying mine off and there are other things that we need. Surely before we go shooting off to buy a Ferrari we could take some other options into account?*

*Kevin: You just don't want me to have a sports car. Oh, and we are not going to spend the insurance money on a stair carpet.*

*Jean: Kevin, I am quite happy for us to have a sports car provided we have thought the issues through, including those of finance. Now what problem does not having a car cause you?*

*Kevin: I can't get to work.*

*Jean: Kevin you take the car to the station each morning to avoid the 25-minute walk that you used to take before we had two cars. If you went back to walking you would be getting the exercise that you say you are not getting at the moment and we would benefit financially from having only one car.*

*Kevin: There was another reason why I stopped walking. When it rained I was arriving at work soaked to the skin and with my trousers looking as though I had just crossed a muddy field, which in fact I had.*

*Jean: When it rains, I could take you to the station in my car.*

*Kevin: But what happens if it's raining and you have had to set off early for an appointment?*

*Jean: Then you take a taxi. It takes a lot of taxi fares to come to the same total as running a second car.*

*Kevin: Yes, but there are other times when we both need cars.*

*Jean: That's true, but there are not many. When it is unavoidable, it is almost certainly still cheaper on those occasions to take a taxi, or maybe, in extremis, borrow my brother's car.*

*Kevin: Wait a minute, if we go this way I will have to drive your little dinky car down to the rugby club. I couldn't stand the shame.*

*Jean: Think about it, Kevin. If we sell my car and add that to the insurance money we will have no further payments to make on that car so we could afford a better car like, well, a sports car.*

*Kevin: You mean we have to decide which sports car to buy.*

*Jean: Yes.*

*Kevin: But that's what I said in the first place!*

*Jean: Oh, darling, you are clever. (Flings arms round Kevin) And, with the money left over we could replace that filthy old stair carpet we inherited from the previous owners.*

It may be that some people are naturally better decision-makers than others; certainly it is our experience that some people are confident enough to make a decision while others prefer to have them made for them. But whichever you are, you can level the playing field by using a decision-making process. Here is one that has an emphasis on a team making a decision. What it does is structure the conversation so that the best decision can be tested against others in a logical fashion.

The title of the decision reflects what you or the team has to decide. For example, 'We need a training course that ...', 'We have to decide how to approach the small business market', and so on. Then you move on to identifying concerns.

In a formal decision-making tool you will need the first column as a unique identifier of the concern. Then you need to express what that concern is. Now go to the third column and work out what impact that concern is having on performance. Be as specific as you can at this stage and try to quantify the impact. The next two columns give a weighting to each concern in terms of Impact and Urgency. A simple numbering system of one for low impact and urgency to ten for very high impact and urgency gives a graphic statement of how important these issues are to the organization. You should try and limit the number of current issues to three. Any more and it will be hard for you to get your head round the implications of what you are doing and probably means that you have more than one decision to make. This discipline also means that you concentrate on the real issues, and get rid of

CRITICAL DECISION											Name	Team	Date	Status				
TITLE																		
ISSUES	CURRENT CONCERNS						IMPACT ON PERFORMANCE				I	U						
	I1																	
	I2																	
	I3																	
OPTIONS	OPTIONS						KEY FEATURES				S	A	F	E				
	A																	
	B																	
	C																	
	D																	
EVALUATION	SELECTION CRITERIA						P	A	B	C	D	PxA	PxB	PxC	PxD			
	1																	
	2																	
	3																	
	4																	
	5																	
	6																	
	7																	
	8																	
	9																	
	10																	
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DECISION																		
ACTION	IMPLEMENTATION PHASES						OWNER	TARGET	ACTUAL	S								
	A1																	
	A2																	
	A3																	
	A4																	

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Fig. 1.2 Critical Decision-making tool.

those with less impact on performance. Make sure you have a good understanding of the impact of the decision on the performance of the team, so that you focus decision-making on critical issues.

Once you understand the issues you can start to think about the various options available to deal with them and start the movement towards a creative decision. People often find it hard to find options. Their gut feeling tells them what needs to be done and they more or less pre-empt the decision-making process by defining one option in a way that makes it seem a more likely solution than any other. Most achievers think this is a mistake.

Despite the paucity of choice that Henry Ford famously made available to his customers – ‘You can have any colour you want as long as it is black’ – he trained his people in the opposite, and insisted that any decision that anyone was going to ask him to make had to have alternatives.

Most managers are faced frequently with ‘there is no alternative’ proposals. Indeed most managers find two things about people coming to them for a decision. First of all, they always ask for more resources. Secondly when they want a decision they generally have compelling and urgent reasons why the one option they are offering is the only one that meets the need, and suggest that any further exploratory work would stretch decision-making past the ‘window of opportunity’ after which it will be the end of life as we know it. This leads to this extraordinary limbo where everyone knows exactly what to do to solve crises, but no one has any ideas about how to avoid them.

### The people angle

*There is a phrase for this situation:*

*‘If I have to make a decision today, the decision is “No.”’*

Here are three good questions to help the creative options process.

- If there are no alternatives to this decision, how is it going to play a part in preventing similar problems arriving in the future?
- If I told you that this decision is unacceptable full stop and no arguments, what would you do?
- Have you asked three other people with experience in this area if they know of an alternative?

The SAFE boxes in the critical decision process stand for Suitable, Acceptable, Feasible and Enduring. This is a good rough guide to how likely the option is to be implemented successfully. Is the option suitable for my organization given the current situation and strategy? Will the people whose support I need to implement the option be likely to find it acceptable? Is it feasible, can we actually make it happen given time and resource constraints? And finally, will it endure for a reasonable length of time, or are we likely to be back for another option in the near future? Use some meas-

ure against each of the options – perhaps red, amber or green to suggest the degree of suitability and so on. This gives the first rough cut of the decision, and then we need to move into the detailed evaluation of the options.

Once again we will number the selection criteria in the first column for ease of identification at this and later stages in the process. Then we come to the selection criteria themselves.

Try to use words like ‘maximize’ and ‘optimize’ in the statement of criteria, as that way you get a comparison between the options. The point here is to make criteria clearer by suggesting that you want the highest, or the biggest or the smallest. This technique takes practice.

It is also a good idea to add to the criteria the ‘ideal’ answer to each criterion. It may not be possible to meet these ideal statements, but at least it gives you something to aim at and again the ability to make comparisons. It is useful when using this document with stakeholders to show where your proposal is hitting or missing what the team believes is the best.

We now need a method of comparing the likely performance of each option against each criteria using the form.

The column marked P is for the team’s estimate of the Priority of each criterion. Mark it from one to ten with one as a low priority. Remember to come back to this frequently as you identify and score more criteria. One you set at eight to begin with may later have to be adjusted down as two others are judged as being more important than it.

Remember that it is all relative. Look for a benchmark priority then adjust the others to it. Be prepared to revise the whole list if a new priority comes into focus.

Now use the next four columns to note, on a scale again of one to ten, which of the options A to D is nearest to the ideal. The next four columns simply multiply the criterion priority with its score to produce a number that reflects both the priority of the criterion and how nearly, comparatively, each option hits the ideal.

The totals at the bottom give the result of this evaluation.

Let’s be clear. If you use the evaluation template particularly in a team environment, then you will have documented the logical thought that you and the team have put into making the decision. You have not necessarily made the decision. As you look at an option that is not at the top of the scorecard, you will see where it fails against an important ideal – one where the priority on the criteria is high and the performance of the option low. This gives you an opportunity to improve it. You may be able to change the result by making an alteration to the option.

Besides all that, do not forget your gut feeling. If the scored evaluation seems wrong, go over it again to make sure the logic is not flawed. If the score prefers an option that is a highly unexpected winner, you may find some misunderstanding is tipping the scorecard irrationally.

### The performance angle

*Lee Iacocca (b. 1924), former Chrysler chief said:*

*'If I had to sum up in one word what makes a good manager, I'd say decisiveness. You can use the fanciest computers to gather numbers, but in the end you have to set a timetable and act.'*

This may seem a rather whimsical example, but it comes from real life, and is a reminder at this stage that in the real world managers do have to make quick and sometimes almost instantaneous decisions.

### Example

*You are the assistant manager of a small branch of a bank. It is just after lunchtime, and you are preparing yourself for the afternoon's meetings when your secretary comes in and reports that one of your biggest customers has just walked into the bank and is moving towards the only cashier on duty who, the secretary happens to know, is a bit drunk. You happen to know that the customer is a member of the local temperance lodge and is frequently seen on Sundays on a soapbox preaching the evils of drink.*

*How many options can you come up with in the time it takes for the customer to walk from the door of the bank to the cashier?*

*You could:*

- *ask the secretary to go and tell the cashier that he has an urgent telephone call, and that you will take over dealing with the customer*
- *intercept the customer as he approaches the desk and usher him into an interview room to give him your 'personal attention'*
- *stand behind the cashier and be prepared to step in if something looks as though it might go wrong, although this may carry the risk that the cashier becomes abusive or even violent. Probably the phone call is better.*

*How many more did you add, given the time frame? In the end you could always fall back on the old routine of sounding the fire alarm.*

*If you have used the SAFE model a number of times you will find yourself doing it intuitively, even in time-pressured situations like this.*

Complete the decision-making process by recording the decision you or the team has made. Then move on to the implementation plan. Remember that a decision has not been made until implementation has started.

### The people angle

*An elderly painter and decorator was bemoaning his fate. He wanted to work less, and play a bit of golf, but the pressure from his customers to come and work for them was making this impossible. 'Have you decided to cut down the amount of time you are going to work per week?' said a process consultant. 'Yes, I decided ages ago but if I decide to play golf on, say, a Friday, I always have to cancel it because of work.'*

*'So,' came the advice, 'start the implementation of the decision by booking golf lessons in the middle of each Friday morning. At least that will cut your work down by half a day because you will not want to waste the money the pro charges you by cancelling at the last minute.' He did that and quite quickly stopped any work at all on a Friday. The decision did not really come into place until the action plan had started.*

### Question 3 *What is the difference between judgement and decision-making?*

What is the difference between judgement and decision-making? Perhaps judgement happens inside decision-making. When you are predicting the attitudes of stakeholders, or planning how to present your ideas to a doubter, you are exercising judgement. But good judgement is assisted in many ways by the application of the process we have discussed.

Perhaps judgement is decision-making without the facts, and you are going to have to do that sometimes. But the corollary is not true – don't ignore the need for facts. If the facts are available use a process to examine them rather than relying on a SWAG (a Strategic Wide-Angled Guess).

A Decca Recording Company executive in 1962 told a group that he was auditioning: 'Sorry we are not interested. Guitar groups are on the way out.' You will have guessed that the group he was turning down was the Beatles. He was reading the music fashion world wrongly and missing a quality ingredient of the group that the whole world came to recognize. I don't think any process would have kept the egg off his face.

### Question 4 *How do I stop finding myself in meetings that seem interminable, are pretty boring and don't end up achieving much?*

Every successful person you speak to on the topic of management eventually stresses the importance of preparation. Every technique you look at, from managing people to managing projects, starts with doing the preparation work. About to go into a negotiation? Do your preparation. Need to fire someone? Prepare for the meeting and what comes after. And so it goes on.

The winner in every aspect of work is very frequently the one who did the most effective preparation.

Take a simple example – who are you more likely to hire, someone who at the interview knows what business you are in and who your competitors are or someone who guessed what you did and got it slightly wrong? We wouldn't think of going into an interview totally unprepared, would we? You take risks when you play things by ear, risks that you will look foolish, that the outcome will not be to your advantage and that someone properly prepared will stand out as more competent. Even time with a customer can be wasted through bad preparation.

Preparation is, therefore, the answer to the meetings question. Use a systematic approach to managing meetings that ensures that special or routine meetings have clear objectives, a focused agenda and appropriate logistics.

The objective is to ensure that time invested in meetings is efficient and worthwhile.

The principles behind this are that organizations and teams spend significant amounts of time in meetings (up to 50% of time available, depending on job type). Simple improvements in the way meetings are managed can have a dramatic impact on overall performance. Time and resources are consumed in meetings so it is necessary to ensure each one 'adds value' to all participants.

Clear meeting objectives will show everyone concerned the benefits to them of attending. Indeed if a person finds that the objectives of the meeting offer them nothing at all, then that is one boring meeting that they know to avoid. If you have difficulty getting this right, try starting with the phrase 'At the end of this meeting we will ...' And then look for the actions that should come out of the meeting or the information that will have been passed on or whatever.

Now write down the people who are going to attend. For small meetings list the individual names, but for large meetings, reflect the different teams involved. Next formulate the agenda: the list of topics the meeting will need to cover to achieve the objectives. Some people like to put very detailed timings against each topic, while others are comfortable to let the discussion go on whilst concentrating on making progress towards achieving the objectives.

Before moving on from one topic to the next, make sure that someone has summarized and written down the actions decided upon, with who is responsible for carrying them out and when they are due to be completed. It is useful also summarize the points that were made in getting to the action plan; but often just the actions will do, and this keeps the record of the meeting as simple and concise as the meeting itself. Most people find that there is a distinct advantage in taking the minutes of the meetings they attend. It means you have to concentrate on what is being said, true, but it also means that any nuance of who is going to do what by when is up to you.

Finally ask yourself what logistics and resources are required in order to hold a successful meeting. It is a terrific waster of time if the first half hour

is spent getting hold of the LCD projector, and the second half hour trying to make it work.

Just on this last point. Technology can improve the efficiency of meetings by, for example, enabling you to hold them remotely and keep the minutes on an internal or external network so that they are instantly available to everyone who needs to know.

### The performance angle

*'No fast track career was built on long meetings.'*

*Richard Humphreys, serial chairman*

### Question 5 *How do I get everyone to focus on performance rather than on excuses?*

You have two weapons in your armoury here. The first is to get financial targets in place that people have agreed to achieve over a specified period of time. This pre-empts the excuses, in that they agreed to have a go at these numbers in the first place. But these numbers tend to be the ones that the organization needs to meet its objectives and may have little to do with the environment in which a person is working. If, for example, a salesperson is measured by orders taken, they may very well succeed for a period of time, and then the results may fall off. They or their manager need to know that the downturn is coming so that they can do something about it. This leads a salesperson into another performance measure – the leads they are generating and the number of prospects they are working on.

Setting such indicators is probably easier for salespeople than for many others in the organization, but it has to be done. Each individual must identify their key indicators and set objectives for them as well as for the end results. The indicators have various names, including critical success factors – the factors that must be, and remain, in place for the team to achieve its objectives.

So, brainstorm the list of indicators and then prioritize them. This once again has the added feature of pre-empting excuses. You could try using a simple red, amber and green traffic light system to highlight priorities and urgencies. If there is an indicator a person feels is at risk, and it has a high priority, then something needs to be done now to correct the situation. You now have a new objective – to get that indicator under control.

Now, at regular review meetings you are in a position to look at the person's performance scorecard and continue to get your excuse retaliation in first. Don't forget to compare one team member's performance scorecard with another's to make sure they dovetail.

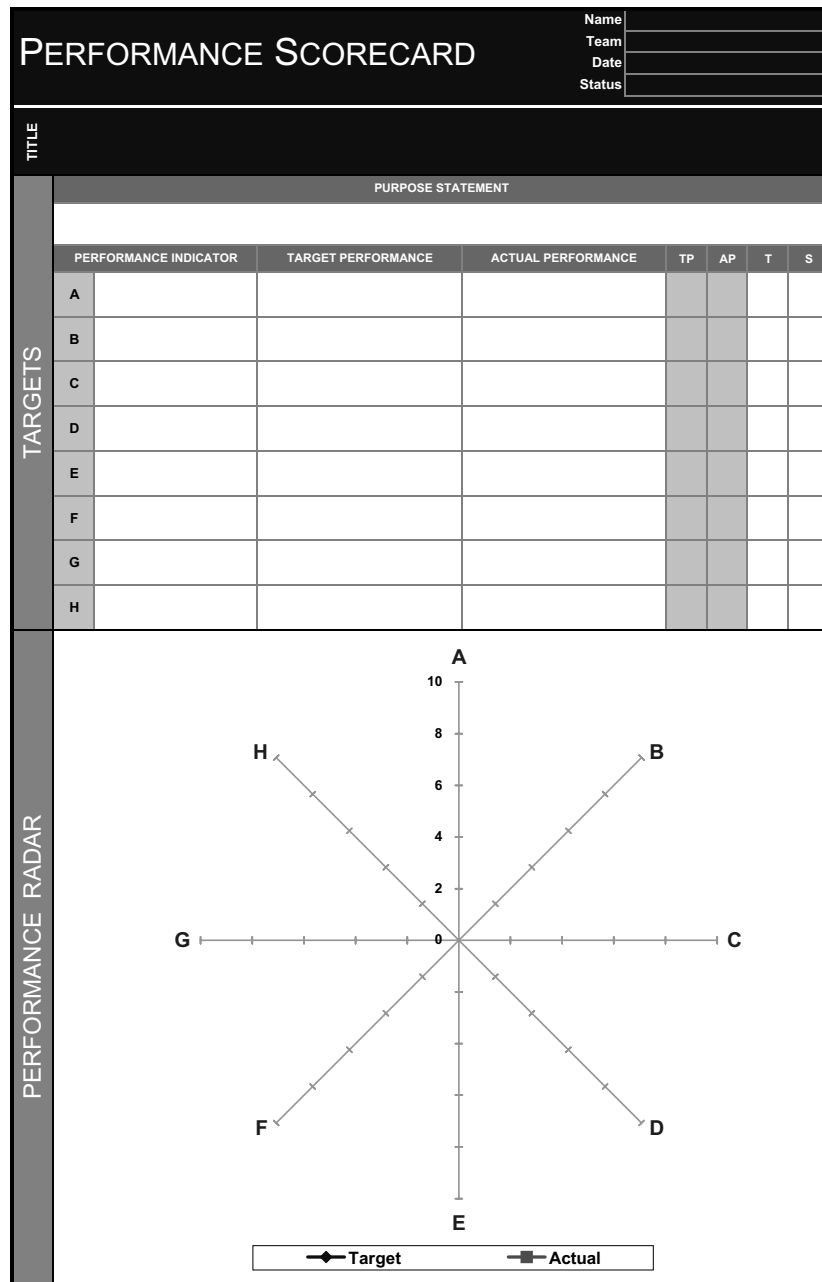


Fig. 1.3 Performance scorecard.

**Question 6** *What, from a basics point of view, is the starting point of a business and its plan?*

This is a good question with some good subsidiaries, ‘Do we really need a marketing plan?’, ‘What is a strategy?’, ‘What does customer-first mean?’ and so on. We will deal with many of these topics in some detail in answering

other questions, but thought it would be useful to give a short answer that sums up what you need to put the basics into place.

The actual basics are as follows:

- Know what/who your customer is.
- Know what products or services you are going to sell into which markets.
- Work out how you are going to handle each product/market making sure you know what differentiates it from its competitors.
- Put in place processes that implement the plan.
- Put in place a knowledge system that records where you have been, what you have done and where you might be going.
- Build the appropriate skills and capabilities into the team.

*Know who your customer is*

Whether they are internal or external you have customers. You had better know who they are because there is no other reason for you, your team or your organization to exist. Group them by whatever makes sense – small customers, individual customers or large organizations for example. This grouping simply distinguishes each type of customer so that you treat them differently and appropriately.

*Know what products or services you are going to sell into which markets*

Define these carefully into not more than about eight groups. Put in ones that are important now, and also ones that you are trying to get off the ground or that you expect your customers to want in the future.

Now build the products and markets on to an activity matrix (figure 1.4) giving you a series of cells that we will call product/markets. A product really has no value if it does not have a market, and similarly a market is a waste of time as far as you are concerned unless you have a product to take to it. So

<b>Product/market</b>	<b>Product/market 1</b>	<b>Product/market 2</b>	<b>Product/market 3</b>	<b>Product/market 4</b>	<b>Product/market 5</b>
<b>Market 1</b>					
<b>Market 2</b>					
<b>Market 3</b>					
<b>Market 4</b>					
<b>Market 5</b>					

**Fig. 1.4** The activity matrix.

think in terms of product/markets. You will quickly start to see that a similar approach to each product/market will not be entirely appropriate, so the next basic is to look at the way you will handle each product/market.

*Work out how you are going to handle each product/market*

Ask yourself why people will buy from you or indeed continue to do business with you. What will make your approach to each product/market successful? Think about how each customer within a market needs to view you and your products and services. Think how the competition is approaching each of your product/markets.

*Put in place processes that implement the plan*

This is where the chairman's role becomes key. Look at your strengths and weaknesses in approaching your product/markets and think about what you need to change. This gives you a series of change projects. Then look at all your business processes, summarize them as a chart of processes and start documenting and improving them.

*Put in place a knowledge system that records where you have been, what you have done and where you might be going*

You will have heard terms like 'learning organizations' and 'knowledge management'. There are two ways to start the process of using your experience and the experience of others to improve your performance. Either gather all the documents you can and make them as available as you can, or build a database of experience by using standard tools. This produces, over time, a huge body of knowledge that everyone can access and use. You are about to make a decision on what computers to put into your team – have a look at the standard template decision-making tools that other people, wherever they are, created when they were making a similar decision. Not only do you see what the final decision was, but also, more importantly, you see the logical process they went through to get to the decision.

*Build the appropriate skills and capabilities into the team*

Don't forget the people angle. Many a brilliantly conceived and carefully documented plan has come to grief because the team simply did not have the skills and capabilities to implement the plan. Both of us have been in the disappointing position of reviewing a team plan with the team's senior management, only to find after the team has left the room that the senior people did not think that the team was able to carry out the plan. The question has to arise, 'Why are you letting them try if they cannot succeed?'

So, these are the basics. You will get a lot more detail on how to do most of these tasks in other parts of the book.

### **The people angle**

*Human resources people are more aware than most of the individual's wish to be part of a team. Try making your team proud of the fact that they have the basics well in place by involving them in the planning activity and ensuring that good techniques, such as meeting preparation, are not optional but part of the team's unique quality.*