39 Steps for Effective Management

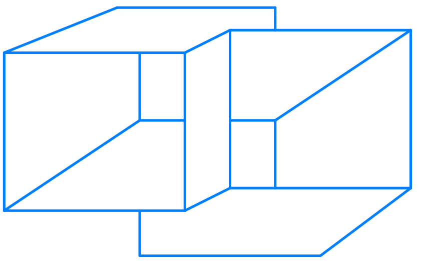
the Concise Guide for

anyone who has to get results through people;

entrepreneurs, intrapreneurs, and public servants

by

Derek J Harris



Introduction

This 39 page guide is for those who wish to be successful in management.

It is aimed at the practical fundamentalist, but may also appeal to the pure academic. It is the check list for the effective manager. It serves as an umbrella under which everything that has been learnt, and every book that has been written on the subject, can be judged for its added value.

Peter Drucker : **Efficiency is concerned with doing things right.**
Effectiveness is doing the right things.

About the author:

Derek J Harris worked for the International Business Machines Corporation for over 31 years, starting as a salesman. In 1965 he was IBM's top salesperson outside the United States and was awarded the prestigious Watson Trophy.

At the age of 35 he was appointed Director of Industry Marketing for IBM World Trade Corporation. He then spent the remainder of his career in international management positions including :
Vice President General Systems
Vice President & General Manager Northern Europe
Vice President Business Development
Vice President Information Systems Marketing
Vice President Quality
Vice President Mid Range

Apart from *doing his job*, he also had to assist in *developing the people*. This guide is a summary of his many lectures on all aspects of management given to managers within IBM, mainly at the IBM Executive Development Centre in Belgium, but also to others at courses run by, for example, Management Centre Europe, or other companies such as Philips at Eindhoven.

Contents

Section One Basics

1.1. AN ORGANISATION: ITS PURPOSE AND METHOD

The purpose of an organisation should be to maximise its return to its *stakeholders*.

It does this by :

obtaining and retaining customers
obtaining and retaining suppliers
obtaining and retaining employees
and
optimising resource and capital

A company without customers is a company without revenue. A hospital without patients is a wasted asset. A company or a hospital without suppliers will not be able to produce its product or service.

If we do not have enough available time, available energy, or skill, to do the job all on our own, then we need to employ people. We now become managers.

The organisation achieves its results through managers managing people, managing the work people do (the processes they perform), and managing the output that is produced (the products and the services).

Effective management understands these very simple basics

1.2. A QUALITY ORGANISATION

An effective manager, if he is at the top of an organisation, must be fulfilling the requirements of those who are judging him and his people. It follows, that if he is really effective, then his organisation will be a *quality organisation*.

A quality organisation is one where there exists sustained:

(satisfaction)		(as viewed by)
Customer	satisfaction	: the people it provides products or services
Employee	satisfaction	: the employees
Owner	satisfaction	: shareholders; benefactors; subscribers
Supplier	satisfaction	: the suppliers the organisation depends upon
Public	satisfaction	: governments; public organisations; society
Industry	satisfaction	: the industries the organisation works in

Listing the organisations that to your knowledge pass - or do not pass - the test for a quality organisation will sharpen the focus on what has to be done to qualify.

Some seem to stand out, and have appeared in books like "In Search of Excellence". It is also useful to learn from the mistakes. Like the company that lost its vital suppliers because it was a poor quality payer, or the very profitable company, with good products, whose employee discrimination practices were unacceptable to a minority of their employees but to a majority of society.

One of the mistakes of some centrally controlled government organisations was their complete lack of focus, or even acknowledgement, that they had customers or owners.

"A local authority, told that its bus drivers were "speeding past queues of people with a smile and a wave of the hand", replied that "it is impossible for drivers to keep to their timetables if they have to stop and pick up passengers"

It is very hard work for the management of those organisations that pass the test, but they know the criteria for a quality organisation, and knowing your problem is the major step in solving any problem.

As quality is *conformance to requirements that have a fitness for purpose,* it follows that management should think hard about the requirements of each of the *stakeholders.* They should understand and manage the conflicting expressions of requirements, and negotiate and communicate the reasons if the *right balance* differs from the request. Not an easy job! It must be continuously monitored and resolved.

Conformance means that it has to be measured. Most companies measure customer satisfaction, very few government organisations do. A lot of companies fail to measure supplier satisfaction, public satisfaction, and industry satisfaction.

Leading companies have regular surveys of employee opinions, and regular appraisal and counselling sessions with each employee.

Financial measurements:

earnings per share, earnings per employee, net before tax,
revenue growth compared to expense and cost growth,
asset turnover rates, net after tax, return on invested capital

are certainly key quality measurements, but should not be the only thing to be measured.

Sustained financial performance is vital for shareholder and owner satisfaction, but an organisation that thinks it only has to have good financial performance may set itself on the path to fail to be a quality organisation.

Shareholders are also customers, suppliers, and members of society at large. So financial performance alone is not enough for shareholder satisfaction.

While the quality of the product and service is paramount, sustained high financial performance is often an important element in customer satisfaction.

Good profitability results in the ability to be able to reduce prices. At the other extreme, particularly in consumer and other capital goods, it should be remembered that *your* customer makes an investment and that *you* are part of the investment. When a company goes into liquidation the customers suffer. Customers do not want to do business with someone who will not be there tomorrow. (Suppliers also suffer! Suppliers certainly look to see whether the organisation can pay its bills).

Many factors influence employee satisfaction. From pay, facilities, to individual training and development. A company with good profits can pay more, a company with poor financial results has a difficulty to hold good people. Equally an organisation that completely disregards owner satisfaction in favour of high earnings for some or all employees should not be surprised if owners complain.

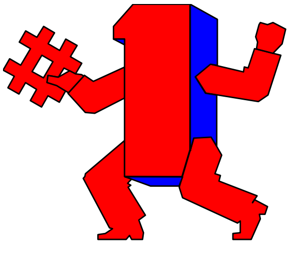
Good financial performance means payment of higher taxes, more economic activity, and the ability to subscribe to charitable causes; all these have an important influence on public satisfaction. On the other hand, high profits perceived to have been earned unfairly can be fatal to the success of an organisation: this type of dissatisfaction can cause legislation or other constraints that could dramatically affect the health of an organisation.

So financial measurements are certainly key quality measurements for any organisation, but not the only things to be measured. However, the organisation that measures the right things in the near term and responds, will find over time that a quality organisation is the one with the best long term sustained financial performance.

Management in a quality organisation looks after his owners but remembers that there are many other *stakeholders:*

The customer is vital, and never ignored.
The employee is vital and never ignored.
The supplier is vital, is a partner, and is helped and nurtured.
The public and society at large are *stakeholders*.
The industry one works in dislikes the unfair competitor, and abusing monopolist.

An effective manager understands that measurement, and what is measured, is vital for an organisation to ensure sustained satisfaction.



1.3. IMPORTANCE OF CUSTOMERS

All other objectives are meaningless if the organisation has no customers.

Peter Drucker: " there is only one valid definition of business purpose - to create a customer."

Theodore Levitt: " the central task of business is to get and keep a customer."

Adam Smith: " consumption is the sole end purpose of production; and the interests of the producer ought to be attended to, only so far as it may be necessary for promoting that of the consumer." (In modern language: *" production minus sales equals scrap."*)

A definition of Marketing:
" Converting customers and potential customers purchasing power into effective demand for a product or service and moving that product or service to the consumer to achieve the revenue and profit objective"

Who are they?

Who is the customer? the eventual consumer? or the distributor? or both?

What is their purchasing power?

What do they want? Do they want it cheaper, or better, or smaller, or bigger, or faster?

The customer is an asset, and service to the customer is paramount to the effectiveness of management.

However, the notion of the customer can be taken further. We are all suppliers to others, and others are suppliers to us. However, for a supplier to provide us with what we want, we have to supply him with our requirements. In the simplest form, if we supply the supplier with the wrong delivery address then we have not got what we want where we want it.

Customers are customers, but few think of suppliers as customers. Employees are suppliers, but they are also customers, requiring their requirements to be met by management as individuals and as a group. Shareholders are customers requiring their requirements met by management. Society at large are customers needing their requirements met. Everyone internally in an organisation has suppliers and customers.

The effective manager remembers always that we are working for customers, understands the broad notion of customer, and that meeting customer requirements is the measure of effectiveness. There are so many ways to add value when you think of everyone as a customer.

1.4. IMPORTANCE OF PEOPLE

Customers are people. Suppliers are people. So are shareholders, the public, and those in the industry we work in, manufacturing or service, public or private.

A successful organisation is one that draws its strength from the quality and commitment of its employees, its people.

Ask any manager in a really successful organisation why they are successful, and they MAY tell you:

It's the business we are in!
Sheer good luck!
Technological innovation!
Enterprising way we market our products and services!
Quality built into our products!
Our uncompromising commitment to customer service!

BUT they will tell you:

Our people are our biggest plus.

People who care greatly about what they do and why they do it. Led by management who understands that to earn this they have to continually put the human side first; respecting one another as individuals, encouraging one another to do their best, helping one another to achieve his or her potential.

People are competitive and like to succeed. The interaction of good people with good people produces even better results. The sum of the parts is greater than the whole.

The effective manager understands the importance of people, and the elements for success:

Sustained high quality recruitment
A major focus on education and training
Above average reward and recognition
Ensuring high motivation through a real sense of purpose
Having an uncompromising respect for the individual

and, of course, effectiveness in managing the processes the people are working in, and in managing what the people produce.

1.5. IMPORTANCE OF A SALESPERSON

Customers are people. People hate to be sold, but they love to buy. Selling is giving people what they want. A quality salesperson understands this requirement, and continually thinks about:

What does this customer want? and why? and how? and where? and when?

While *" production minus sales equals scrap"* , it is worth remembering that even very valuable ideas finish on the scrap heap if they are not sold.

Not much happens in the world unless someone sells something. While salesmen and saleswomen are not all successful, all really effective managers are salespersons.

Suggested Reading

The One Minute $ales Person

by Spencer Johnson, MD. & Larry Wilson

1.6. IMPORTANCE OF INFORMATION

Organisations and people within them need information. Many people work only with information. Information is vital for the running of any business, and expands rapidly as an organisation grows.

Let us take the case of the self employed baker who has no staff. His need for information is limited. He buys his flour, makes the dough, bakes the bread, sells the bread, and banks the money. He knows how much bread to bake, how much flour to buy, and how much money to bank, because he sells the bread and knows the demand cycle. The information is in his head.

Then he expands and finds it more efficient to use a specialist who is more effective than him in purchasing flour, another at baking, another in running the shop, and an accountant to keep his books. Now his need for information is vital. Information needed between the specialists: the person purchasing needs information on the demand pattern, the person baking needs a daily demand forecast, the accountant needs information on purchases and cash flows.

Our baker has become a manager, and if he has no information strategy and no implementation plan he will soon be in trouble. The failure to realise the importance of information may well be the most dominant cause for failure of many small businesses.

In too many organisations managers give limited attention to the importance of information. This disregard results in waste of time, of assets, and in lost market opportunities.

Every manager needs an information strategy for his area of responsibility. Information is so vital it cannot be delegated to the head of Information Systems, even though he is the source of expertise in the tools, techniques, logistics, and economics of information gathering and requirements. The really effective manager knows his needs and requirements, and how vital information is for his effectiveness.

Step One	*: Identify the major information products for the organisation e.g. Producing an invoice, Paying an employee*
Step Two	*: Identify departments (specialist groups) involved with each*
Step Three	*: Identify information items passed between groups*
Step Four	*: Identify executors and their tasks.*
Step Five	*: Identify the information logistic elements*

Information logistic elements are the ways and means of handling information, and are basic information handling activities. There are seven types of logistic elements:

1. *Creating new information*
2. *Recording new events*
3. *Interpretative processing*
4. *Retrieving information*
5. *Processing to established rules*
6. *Transferring information*
7. *Storing information*

The choice of method to handle a particular element can be very wide. For example, *transferring information* can be effected by: letter, telephone call, fax, E-mail, a meeting, a formal course, the Internet, and so on.

Many methods have been chosen arbitrarily on such bases as *" we have always done it this way", "it seems the cheapest", "we don't have the other facility".* Such arbitrary choices are often the main cause of ineffective and inefficient information processes. The symptoms are known as *bureaucracy*, the results are less well known as *high cost of failure* which is not perceptible through normal business measurements.

Machines should work and people should think. Any system that depends on human reliability is unreliable. Of the *seven* logistic elements listed above, usually people are best for *one* to *three*, and machines best for *four* to *seven.* And even with *one, two* and *three*, personal computers and workstations should be used to bring more and more support to the executors in their tasks.

Information is an asset. It is an asset always in need of improvement. Data once created in an organisation should never need to be created again if the information processes are correct.

The really effective manager understands the importance of information, and that the efficiency and effectiveness of the information processes are vital in achieving the goals.

1.7. ROLE OF MANAGEMENT

Manage the activities of: *Research*
Design
Make or manufacture
Market
Service
Administer

Recommended reading: "Managerial Breakthrough" by Dr. J. M. Juran where he defines the role of management as:

Setting	*the objectives*
Establishing	*the policies*
Doing	*the planning*
	the manning
	the organising
	the motivating
	the controlling

clearly define the objectives
gather and review all the relevant information
plan how to achieve the objectives using that information
implement the plan
measure and review

Recommended reading: " In Search of Excellence" by Thomas J Peters and Robert H Waterman where they describe the McKinsey 7 S's, and the Role of Management as ensuring that there is:

The right	*Strategy*
With appropriate level of	*Staff*
With correct	*Skills*
In the right	*Structure*
Supported by the right	*Systems*
The appropriate	*Style*
Everyone having	*Shared values*

1.8. SCOPE OF MANAGEMENT

The scope of management, whether working in a function, or in a cross-functional responsibility, covers:

Strategic management - (change)

Control management - (supervisory)

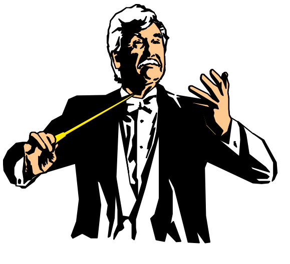
Operational management - (hands-on, typically first-line)

People management

Education and communication management

Across the entire SCOPE, effective management will be endeavouring to improve both the quality of the activities and the quality of the output. This can be highlighted by the importance of effective management of primary support processes for an organisation now referred to as

Logistics which the army called "the art of moving and quartering troops and supplies". Since "The Bridge too Far" there have been many examples, in government and in business, where the logical planning, designing, and management of logistical processes has been weak. Process management is critical, using the tools of quality management, professional skills and leadership, with a full understanding of the scope and role of management..



Section Two   Leadership in Management

The effective manager is a leader.

There are dominant types of leadership:

Charismatic	*- Napoleon, Churchill*
Priestly	*- do it because I am here above you in the hierarchy*
Experienced	*- follow me, I've done it before*
Missionary	*- strongly believes in the cause or purpose*
Altruistic	*- gets results by putting others forward and self behind*

but the styles are not mutually exclusive, and because one characteristic is not there does not mean the person is not a very effective leader. Often one sees all or most of the types fused in different mixes in different leaders.

And sometimes we must remember Lord Acton: *"All power corrupts and absolute power corrupts absolutely"*

A leader has a very positive personality, has the necessary knowledge to do the job well, the drive to make things happen, has creativity, operates with style, and is effective in getting things done through people.

Section Two   Leadership in Management

2.1. PERSONALITY

Honesty, industry, imagination, taste, common-sense, loyalty, and compassion are essential personality characteristics of a leader.

Would you knowingly hire anyone to lead who was dishonest, lazy, lacked imagination, had no taste, or common sense, was disloyal, and hated people? Of course not, those are the characteristics of a very negative personality.

2.2. KNOWLEDGE - where leadership is strongly influenced by personal action

2.2.1. Learning Skills

Rudyard Kipling: " I keep six honest men,
they taught me all I know,
their names are *what* and *why* and *when*,
and *how* and *where* and *who*."

We learn every day. We need the knowledge of what to learn, why to learn, when to learn, how to learn, where to learn, and who to learn from. Learning skills are the first essential for knowledge.

2.2.2. Analytical Skills

Whatever the activity we need analytical skills. From basic mathematics to advanced statistics. From logic to lateral thinking.

2.2.3. Professional Skills

The leader in management needs professional skills:
accountancy, finance, law, economics, marketing, engineering, manufacturing, administration, information technology, design, electronics, electrical engineering, mechanical engineering, merchandising, purchasing, distribution, retailing, construction, transportation, metallurgy, chemical engineering, and so the list goes on.

The degree of knowledge required in a given subject is never ending in a changing world. For many, the majority of the time studying for an M.B.A. needs to be spent in improving essential professional skills, particularly in finance. While not denying the value of professional skills, the effective manager understands that the other subjects covered by this guide are vital for success, and make the *difference*.

2.2.4. Psychological Skills

I'm OK, you're OK. Dealing with people as individuals or as groups. Games people play. The leader has psychological understanding, and knows when to seek professional advice in this area. Stress, ego, ego ideal, are terms the leader understands. As with other knowledge it can be taught. But as the doctor takes second opinions, so the leader knows enough to know what he does not know.

2.2.5. Teaching Skills

Every manager has to be able to coach his people.

A effective manager has effective teaching skills. This has to be learnt. To assume that to be effective is only to teach oneself is to ignore one of the basics of management: getting results through people.

The leader gets results and develops his people.

The ultimate test of a successful chief executive officer is what happens when he departs. Results will not continue if he has chosen the wrong successor or failed to train him.

The leader makes himself dispensable.

2.2.6. Communication Skills

To communicate is part of teaching. As with all other knowledge it can be learnt.

The leader has to do more than teach. He has to persuade; he has to encourage; he has to initiate change; he has to communicate horizontally, upward, and downward; he has to communicate inside his organisation, and outside his organisation.

He has to be a public speaker, a good writer, use video and film, and interview well.

He has to understand the advantages of silence and the advantages of initiative in communications. He has to understand the media which best serves the need for communications at hand.

2.3 DRIVE

The leader, our really effective manager, will often find himself on his own.

All good ideas elicit three responses in the course of time.

Stage One : *Stupid idea! Impractical! Impossible!*

Stage Two : Possible, but...either: "It will cost too much". or: "It's not worth doing!"

Stage Three : Good idea! I thought of it first!

The leader has the drive to make things happen:

faith, courage, tenacity, willpower, initiative and a bit of unreasonableness

George Bernard Shaw:

A pessimist is the victim of the environment he lives in

An optimist tries to change the environment he lives in

A reasonable person puts up with the environment

An unreasonable person tries to change the environment

Therefore all progress depends on the unreasonable person

2.4. CREATIVITY

Fun is central to *humour*;
Humour is central to *lateral thinking*;
Lateral thinking is central to *vision*;
Vision is central to *change*;
Change is central to *leadership*
and - if you change things before anyone else - that is *creativity*.

Leadership is about managing *change*.
The effective manager understands this aspect of leadership extremely well.

2.5 STYLE

The leader sets the example. The leader takes responsibility, the buck stops here! The leader is fair.

The leader gives everyone who works a real sense of purpose in life from their chosen occupation.

The effective manager, our leader, is open, can be talked to, will listen, and of course will learn. He is a participative manager and understands the limitations of carrot and stick.

The leader understands the importance of *self-sufficiency*, *abstract thinking*, and *ambiguity*.

Self-sufficiency within two boundaries:
to accept advice freely given, and to seek advice when needed.

Abstract thinking: to hypothesise; to look at different scenarios; to relate the seemingly unrelated to the problem at hand.

Ambiguity: understanding that life is ambiguous, that management has to deal with ambiguity daily, hourly, and by the minute. Many managers only feel comfortable with *black and white* (there has to be one answer only), but the really effective manager is ***comfortable*** with Ambiguity.

Section Three Strategic Management

3.1. ESTABLISHING BUSINESS GOALS

What broad business are we in? What do we want to be in?

Newspaper industry or the communications industry?
Railway industry or the transportation industry?
Wholesale, retail or both?
Banking or financial services?
Application software or the information industry?
Financial holding company or operational management company?
Medical accessories or the health industry?
Educational books or the education industry?
Tourism, or the leisure industry?

What products or business areas ?

Newspapers, magazines
Beer, wine, sprits
Insurance, assurance, reinsurance
Hardware and software

What geography to operate in?

120 countries? EEC? One country? One town?

What are the *critical success factors*? Critical success factors (never more than eight) are those you wake up at night thinking about. They are vital to achieve your goals.

An example for a transport, warehousing, and distribution company:

OUR BUSINESS GOALS ARE TO :

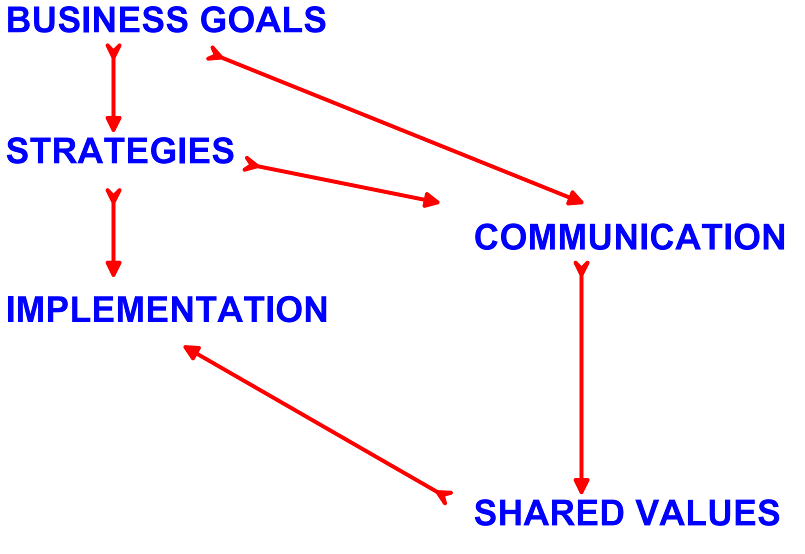
Grow our market share in the transport and distribution industry in Europe

Be recognised as the leader in service, reliability and quality

To be efficient - the low cost provider

To improve profitability as measured by return on invested capital

To develop our team and maintain their satisfaction



3.2. DEVELOPING STRATEGIC PLANS

Strategic management is concerned with:

Establishing objectives
Devising policies
Setting broad courses of action

It is a top management activity, it is normally continuous, and, by its very nature, very time consuming.

It is to do with managing change. It is focused on understanding not only the current environment, but anticipating future changes in the environment. In a large organisation it is a staff activity with top management review and decision, as opposed to a line activity. The staff proposes and the line disposes.

Strategic management is concerned with identifying opportunities and risks, and devising plans to maximise the former and minimise the latter.

The normal time horizon for strategic management is five to seven years, but in certain industries it has to be longer. For example, if it takes five years to get a plant operational from the date of starting construction, and if the site selection, design, planning, approvals, give another four year minimum lead time, then strategic planning may need to be on a ten to fifteen year horizon.

Normally the strategy is developed by product or business area, by function, and by geography.

For example:

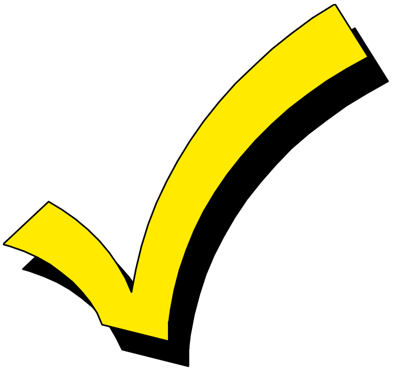
Product or business area	: small cars, large trucks government sales wholesale, retail
Function	: personnel, manufacturing, distribution information systems, administration
Geography	: France, Germany, USA, Japan, China

and all strategies will have as their common ground the contribution to the Business Goals for the organisation.

3.3. STRATEGIC PLAN CHECK LIST

Statement of the environment
- Market sizing
- Competitive outlook

Major opportunities and risks
Goals and objectives
Critical success factors
Strategies and action programs



Section Four Quality Management

4.1. THE CASE FOR QUALITY MANAGEMENT

Quality has to be managed. It will not happen on its own.

Everyone wants quality, but are not always prepared to pay the price. The investment for quality has to be made today. The cost of failure is in the future. That is why quality will not happen unless the *chief executive officer* is fully committed to quality. Fully committed means fully committed, and means he will not trade off quality for better short term results.

There is no question that quality investment is a good investment. (Remember that the investment under the definition has to have a *Fitness for Purpose*). Why then do so many organisations fail to invest? Quite simply they realise that investment for quality has to be made today, but ignore the fact that the cost of failure is in the future.

What is the ***cost of quality***? It is the sum of three components:

PREVENTION
APPRAISAL
FAILURE.

It can be shown that cost of quality represents a significant percentage of a company's revenue. Experience shows that cost of quality can be significantly reduced by increasing investment in prevention.

Failure includes scrap, credit notes, engineering changes, recalls, warranty settlements, court and out of court settlements if the product or service was not fit for purpose, and in the final resort can involve the liquidation of the company.

Appraisal is the cost of quality control, checking, and rechecking.

Prevention is up front investment in research and development including expenses involved in the study of what is required to have Quality, investment in the prevention of failure, and of great importance investment in education and training of people. Investing to train people to produce defect free products that do not need checking is a good investment. As with any other investment, the business case has to be developed and managed.

CONFORMANCE TO REQUIREMENTS THAT HAVE A FITNESS FOR PURPOSE

I KNOW IT WHEN I SEE IT

4.2. THE CASE FOR CONTINUOUS QUALITY MANAGEMENT

Quality has to be managed continuously. It will not happen on its own.

Consider :

The need continually to respond to changes in *CUSTOMERS* attitudes, requirements and characteristics.

The need continually to respond to *COMPETITION*. If you are in business you are in competition.

The need continually to respond to other changes in the *MARKETPLACE*.

The need continually to improve the effectiveness and efficiency of *INTERNAL BUSINESS PROCESSES*.

The need continually to reduce the *COST OF QUALITY*.

The need continually to improve *RESOURCE AND CAPITAL EFFECTIVENESS*.

CONFORMANCE TO REQUIREMENTS THAT HAVE A FITNESS FOR PURPOSE

I KNOW IT WHEN I SEE IT

4.3. QUALITY GOALS

CUSTOMER AND STAKEHOLDER SATISFACTION

PRODUCT AND SERVICE QUALITY GOALS

CORRECT REQUIREMENTS:

- ***FITNESS FOR PURPOSE***
- ***FUNCTION AND PERFORMANCE***
- ***RELIABILITY AND ACCURACY***
- ***COST***
- ***SCHEDULE***

PROCESS EFFECTIVENESS:

- ***DEFECT-FREE***
- ***EFFICIENCY***

PEOPLE INVOLVEMENT

ORGANISATION BUSINESS GOALS

CONFORMANCE TO REQUIREMENTS THAT HAVE A FITNESS FOR PURPOSE

I KNOW IT WHEN I SEE IT

4.4. TEN STEP IMPLEMENTATION

1. **MANAGEMENT COMMITMENT**
2. **EDUCATION**
3. **QUALITY COUNCILS**
4. **REQUIREMENTS AND MEASUREMENTS**
5. **QUALITY FOCUS IN ALL PLANS**
6. **QUALITY IMPROVEMENT PROJECTS**
7. **FULL INVOLVEMENT OF EVERYONE**
8. **COMMUNICATIONS**
9. **RECOGNITION**
10. **CONTINUOUS REVIEW**

CONFORMANCE TO REQUIREMENTS THAT HAVE A FITNESS FOR PURPOSE

I KNOW IT WHEN I SEE IT

4.4. TEN STEP IMPLEMENTATION

4.4.1. MANAGEMENT COMMITMENT

Managers at all levels can demonstrate and make effective their commitment to quality by:

Active participation in quality improvement

Issuing necessary quality directions and instructions

Allocating time to quality through quality councils. reviews, and projects

Demonstrating quality fundamentals and using statistical tools in daily decisions

Encouraging teamwork and minimising contention across functional boundaries

Giving emphasis to quality in speeches, presentations, articles in journals, and newsletters

Giving recognition for quality improvement achievement

CONFORMANCE TO REQUIREMENTS THAT HAVE A FITNESS FOR PURPOSE

I KNOW IT WHEN I SEE IT

4.4. TEN STEP IMPLEMENTATION

4.4.2. EDUCATION

Education programs should include:

- Quality awareness for all new employees as part of induction training
- Courses for technical and professional employees tailored to needs
- Training for quality circle facilitators
- Workshops in quality improvement techniques and tools
- Quality Education for all managers, regularly updated, with special emphasis on new and first time managers

4.4.3. QUALITY COUNCILS

A *Quality Council* is chaired by a manager and consists of a number of other managers who meet regularly (say, one hour per week) to steer, direct and co-ordinate quality improvement activity. A *Quality Council* can be for a department, a function, a business area, a product, a service, or may be put in place for a cross-functional or cross-product process such as billing or accounts payable.

Functions of a *Quality Council*:

Achieve full management commitment
Establish appropriate objectives
Review plans and progress
Ensure assignment of resources
Ensure adequate education and training
Ensure adequacy of requirements and measurements
Ensure effectiveness and adequacy of quality improvement projects/circles
Achieve adequate consistent communication on quality
Ensure that recognition is given for quality improvement

CONFORMANCE TO REQUIREMENTS THAT HAVE A FITNESS FOR PURPOSE

I KNOW IT WHEN I SEE IT

4.4. TEN STEP IMPLEMENTATION

4.4.4. REQUIREMENTS AND MEASUREMENTS

Quality is conformance to requirements. A requirement is a mutually agreed quantified expression of a need by a *customer* to a *supplier* for a product, service, or any end product of work performed at any stage of any operation in any process.

Customers and *suppliers* may be internal or external to the organisation.

To establish requirements and measurements for an organisational unit, a process, or an individual involves the following steps:

4.4.4.1. Validate the mission.
The job description of the individual is the mandate for the supply of work product to *customers* and for the demand for work product from *suppliers*. So is the mission of a department or cross-functional process.

4.4.4.2. List and describe current work products.
These include all work products currently supplied to *customers* and received from *suppliers*.

4.4.2.3. Validate work product for business need.
Things change. Is this one really needed? Can it be eliminated in whole or in part? Only work products that have a viable business need should be produced and delivered.

4.4.2.4. Identify *customers* and *suppliers*
The correct identification of a *customer* needs reflection. A true *customer* may not always be the one that has traditionally been regarded as the *customer.* The design & promotions department may produce promotional material for a product or brand manager - is the latter the *customer*, or is the *customer* the sales-force or the external distributor? For internal activities, *suppliers* are generally easier to identify
.

CONFORMANCE TO REQUIREMENTS THAT HAVE A FITNESS FOR PURPOSE

I KNOW IT WHEN I SEE IT

4.4. TEN STEP IMPLEMENTATION

4.4.4. REQUIREMENTS AND MEASUREMENTS

4.4.2.5. Agree *customer* and *suppliers* requirements and measurements.
Establishing requirements is a participative process. The agreement may require negotiation, arbitration, and should be formal and documented.

Negotiation takes account of the fact that *customers* and *suppliers* have their own missions, job descriptions, priorities, resources, and management. Views may differ on fitness for purpose.

All requirements should include agreed quality measurements and standards, together with agreed methods and responsibilities for making, collecting, and analysing those measurements.

Quality measurements
May be *customers* and *suppliers* ratings of usefulness, value or satisfaction. May relate to: timeliness, regularity, duration, availability, item quantity, rate, performance, correctness, accuracy, reliability.
Quality standards
The quality standard for all work products should be *defect-free*. A numeric expression equivalent to *defect-free* should be used to express fitness for purpose. For example, answer the telephone after 3 rings.
Quality targets
To set a *defect-free* target in one step is de-motivating. Set intermediate targets and lower the target after achievement. In the example above, start at four rings.
Method of measurement
Agree with *customers* and *suppliers*. Do not set up bureaucracy. Look carefully at frequency, effectiveness, sources, methods of collection, and methods of analysis.

CONFORMANCE TO REQUIREMENTS THAT HAVE A FITNESS FOR PURPOSE

I KNOW IT WHEN I SEE IT

4.4. TEN STEP IMPLEMENTATION

4.4.5. QUALITY IN ALL PLANS

Quality should be integrated into all plans developed in the organisation.

Business Area / Product / Brand Strategies
Functional Strategies
Investment Plans
Operating and Commitment Plans
Department Plans

4.4.6. QUALITY IMPROVEMENT PROJECTS

A structured and managed project aimed at improving customer satisfaction or business effectiveness in a particular area:

Select the problem
Analyse the problem
Develop and test corrective action
Implement corrective action
Verify the change

4.4.7. FULL INVOLVEMENT OF EVERYONE

Everyone can contribute. The people normally know what is wrong. People involvement is planned, managed and effected through:

Personal commitment to *the pursuit of excellence*
Quality responsibilities in job descriptions
Performance plans
Participation in quality circles and quality improvement teams

.

4.4.8. COMMUNICATIONS

Executive speeches, house journals, videos, posters, and all other normal communication methods should be used to give confidence, encouragement and the good example that comes from success stories and tangible results, together with management's continuous commitment to quality.

CONFORMANCE TO REQUIREMENTS THAT HAVE A FITNESS FOR PURPOSE

I KNOW IT WHEN I SEE IT

4.4. TEN STEP IMPLEMENTATION

4.4.9. RECOGNITION

Recognition for quality improvement demonstrates that it is in the mainstream of management attention, and it encourages quality directed effort and initiative throughout the organisation.

Basic recognition for quality improvement should come through performance plans, where quality improvement should have equal weight with other performance criteria. *Do the job and improve the quality.*

Recognition in the form of monetary or other awards can be given for special achievement in quality improvement, and consideration should be given to:

Presentations by *quality circles* to top management
Mention and formal recognition at employee meetings
Awards and achievements being well publicised (house journals - bulletin boards)

IF IT'S NOT RECOGNISED IT'S NOT IMPORTANT?

4.4.10. CONTINUOUS REVIEW

Quality improvement is a continuous process. Continuous review by management is necessary. Some CEO's only review quality measurements. All good quality organisations review these measurements alongside weekly and monthly reviews of revenue, cost, expense and profit.

IF IT'S NOT REVIEWED BY TOP MANAGEMENT IT'S NOT IMPORTANT ?

ACKNOWLEDGEMENTS

The author wishes to acknowledge the contribution given to his thoughts by all those he has met, or listened to, but particularly the authors of the books listed later under *suggested reading.* In the text , recognition has been given to original quotations.

The absorption of good ideas from several sources makes the identification of the source of original thought well-nigh impossible. However, the author acknowledges the following sources:-

Page Number	
5	Confederation of British Industry, 1983 - *Working with Customers* - for the bus driver story -(and a great deal of inspiration!).
10	Johnson, Spencer & Wilson Larry - *The One Minute $ales Person*
11 & 12	A. Bauwens - IBM 1984 - *Analysing Information Processes*
18	Harry Levinson - self-sufficiency, abstract thinking, and ambiguity.

SUGGESTED READING

Blanchard, Peter	Putting the One Minute Manager to Work
Confederation of British Industry	Working for Customers
Crosby, Philip B.	Quality is Free
Drucker, Peter	The Practice of Management
	The Age of Discontinuity
Getty, Paul	How to be Rich
Guaspari, John	I Know It When I See It
Ishikawa, Kaoru	What is Total Quality Control?
Johnson, Spencer & Wilson Larry	The One Minute $ales Person
Juran, J. M.	Managerial Breakthrough
	Planning for Quality
Kanter, Rosebeth Moss	The Change Masters - Innovation & Entrepreneurship
LeBoeuf, Michael	The Greatest Management Principle in the World
Levinson, Harry	Executive Stress, Learn to Overcome the Pressures
	Psychological Man
	The Exceptional Executive
	The Great Jackass Fallacy
Levitt, Theodore	Innovation in Marketing
McCormack, Mark H.	What They Don't Teach You at Harvard Business School
McGregor, Douglas	The Human Side of Enterprise
Maslow, Abraham	Motivation and Personality
Naisbitt, John & Aburdene, Patricia	Reinventing the Corporation
Peters, Laurence J. & Hull Raymond	The Peter Principle
Peters, Thomas J. & Waterman, Robert H.	In Search of Excellence
Peters, Thomas J. & Nancy Austin	A Passion for Excellence
Pinchot, Gifford	Intrapreneuring
Ries, Al & Trout, Jack	Marketing Warfare
Rodgers, Buck	The IBM Way
Townsend, Robert	Up the Organisation
Watson, Thomas J Jr.	A Business and Its Beliefs

Final Thought

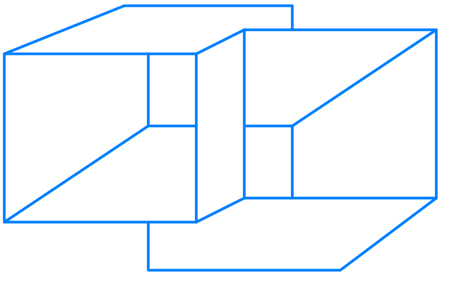
Nothing in the world can take the place of *persistence.*

Talent will not; nothing is more common than unsuccessful men with talent.

Genius will not; unrewarded genius is almost a proverb.

Education will not; the world is full of educated derelicts.

Persistence and determination alone are omnipotent.



The End.