

# Management Ideas



FOR STILL BETTER

RESULTS

RELATIONS

REPUTATION

a monthly newsletter to key executive-leaders  
on practices, possibilities and ideas generally  
for stepped up performance

edited by

N. H. ATTHREYA MA PhD

author, educator & consultant

on problem-solving and creative ideas

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A

P.R. IDEA:

*The Annual Report will be under preparation. Mostly, the Report gives details as required by law.*

*We suggest you add two or more pages "appendix" giving salient facts under the following headings:*

- 1. How we care for the shareholders*
- 2. How we care for the customers*
- 3. How we care for the employees*
- 4. How we care for the community*
- 5. How we care for the government*
- 6. How we care for larger causes.*

*We are doing many thoughtful and heartwarming things for all concerned. Because we do not communicate regularly and factually, we do not get the credit we richly deserve.*

*Let us make a beginning this year.*

*The editor will welcome a copy of your "amended" Annual Report.*

In your Editor's estimation, the most original management thinker of India is Dr. H.N. Nanjundiah of Bangalore. A close associate of Dr. Peter F. Drucker a consultant to a number of Chief Executives, a concerned citizen who thinks, feels and acts, Dr. Nanjundiah has been putting his thinking to writing as few have done. He has kindly agreed to let us publish some of his writings in these pages.

3556  
DR. H. N.  
NANJUNDIAH:

Recently, Garland Publishing Co. U.S.A published a 550 page book with the title "Mission Statements": A Guide to the corporate and nonprofit sectors. The editors have painstakingly collected the complete texts of 622 mission statements from organizations in the U.S.A and Canada (the cost is \$90.00)

Dr. Nanjundiah has prepared typical mission statements which are nearer to our context.

01. THE MISSION OF LIFE: To live a full life of voluntary simplicity, with reasoned desires; in the process of making a living; through preparing oneself to face the facts of life; with willpower, courage of conviction (both physical and moral), flexibility of mind and concern for the innate human needs of caring for, sharing with, and nurturing talents in each person one associates with; without loss of understanding, compassion and sensitivity to their feelings; with focus on performance and results.

02. THE MISSION OF MANAGING: To make ever-rising human performance possible, also highly probable and worthwhile too; both individually and severally by optimal value addition; in the tangible institutional goals of quality, quantity, economy, efficiency and human effectiveness as final results; in a sustained manner; using the power of organisation; with a balanced blend of freedom and discipline; offered to persons in joint human effort situations; in disciplined work planning and review style.

03. THE MISSION OF MARKETING: Meeting customer needs and satisfactions; with built-in competitive advantage; in an ever-changing free market environment; both local and global; by avoiding the need to compete; through acceptable quality, affordable prices and timely deliveries of products and services; and prompt customer support services; without loss of focus on the overall growth and profitability of institutional operations; in the strategic perspective; backed by genuine innovations; by thinking global and acting local to begin with.

04. THE MISSION OF FINANCE: To mobilise, allocate and make available the reasoned demands of funds; both in the present for working capital and for new capital investments in the strategic perspective; at the least possible cost of capital; with focus on a judicious blend of capital mix & structure on the one hand and the changing and growing needs of progressively modern assets mix and structure on the other;

through making the role of financial planning & control clearly understood by everyone in the organisation; from the standpoint of assured high capital productivity; with an eye on impeccable financial discipline; seen as the surest possible means of enhancing shareholder value and polishing the organisational image; through focusing on the future prospects & well-being of the company.

05. THE MISSION OF A BUSINESS ENTERPRISE: To conceive business operations in the visionary entrepreneurial perspective; of fulfilling the national purpose of creating new job opportunities; meeting the as-yet-unmet needs of people; using all forms of available physical and human resources; and creating wealth by continuously exploiting new diversification and expansion possibilities; in the strategic perspective; to fill the demand gaps in local markets; and the highly-sought after goods and services of the nation in global markets; for assured enhancement of shareholder value; and generation of "seed money;" for future long term growth and betterment goals in business operations; in perpetuity; by becoming and being "centers of techno-commercial excellence".

06. THE MISSION OF R & D AND ENGINEERING: To create or absorb and transfer technology; by designing & developing new world-class products and services; from the standpoint of manufacturability, maintainability and soonest possible commercialisation; in the strategic perspective; so as to be concurrently cost-effective; performance-efficient; and ease of serviceability; for attaining and maintaining sustained competitive advantage; without the need to really compete with anyone; in both the local and global markets; with assured profitable growth and continuous betterment in business operations; doing the best possible by way of using all readily available physical and human resources in the process of meeting the needs & satisfactions of own customers.

07. THE MISSION OF MEDICINE AND MEDICAL PRACTITIONERS: To diagnose and bring relief to the afflicted; remove the persisting causes of chronic ailments; in a cost-effective, preventive and compassionate mode; using readily available resources under given circumstances; by becoming, being and behaving professionally equal to the inviolable injunctions of the hippocratic oath; not in the least feeling empowered to extend one's naturally-endowed life period; and learning to live a full life, amidst the processes of making a living.

08. THE MISSION OF EDUCATION: To raise generations of scholars, who will have the courage of conviction (both physical and moral) to disagree with and depart from the traditional and the trodden path, with the needed sense of reasoned desires and preferred-choice decisions-based actions, in the processes of living and making a living, all through one's life; in the community of people one chooses, or is

privileged, to live with; and each educational institution becoming & being " a Center of Academic Excellence."

09. THE MISSION OF HUMAN RESOURCE MANAGEMENT (HRM): To enable each person achieve in designated institutional positions and help develop to the potential one may be endowed with; in terms of organisational performance, professional competence, personal qualities & potential; with fear or favour to none; using the WPR style of Managing the Human Resource on an one-to-one & one-to-many bases; in the belief that there is nothing like a useless person, but what we lack is managers who can see and plan to utilise the talents given persons may have; by making their strengths productive and weaknesses irrelevant to the purposes at hand; and fulfilling their basic human hankerings; with a bit of mothering, which every person needs all of one's lifetime, defined in terms of caring for, sharing with & nurturing one's talents.

10. THE MISSION OF MANUFACTURING: Producing and delivering goods and services of better than expected levels of quality, productivity, cost, maintainability, & serviceability, for both domestic and foreign markets; using all available resources, especially the Human Resource; at the best possible price people would be voluntarily willing and able to pay; with undiluted focus on innovations, continuity of physical resources in perpetuity and satisfying job and career opportunities to all persons in the organisation; using the most appropriate industrial engineering services to avoid all forms of wastes.

11. THE MISSION OF QUALITY ASSURANCE: To build and assure expected quality into the products at each stage of their manufacture and delivery per promises made to customers; with one's conscience not permitting to go out any sub-standard item below the allowable outgoing quality level (AOQL); and also not permitting the acceptance of any external supplies or internal deliveries below the allowable incoming quality level (AIQL); take steps to continuously improve and remove the causes of sub-standard quality; & taking prompt corrective actions on unsatisfactory conditions revealed in the field in the spirit of the saying: "Action first & formalities later," in collaboration with all other business functions: in the tasks of managing the total performance of the human organisation; without succumbing to the compulsions of quality parameters "at any cost!".

Innovation is critical to the growth of small companies, but where do they get their ideas? Mainly from customers.

When companies were asked to rank their sources for product innovations on a scale of zero to five, customers headed the list with a score of 3.51.

**3557  
LISTEN TO  
THE  
CUSTOMER:**

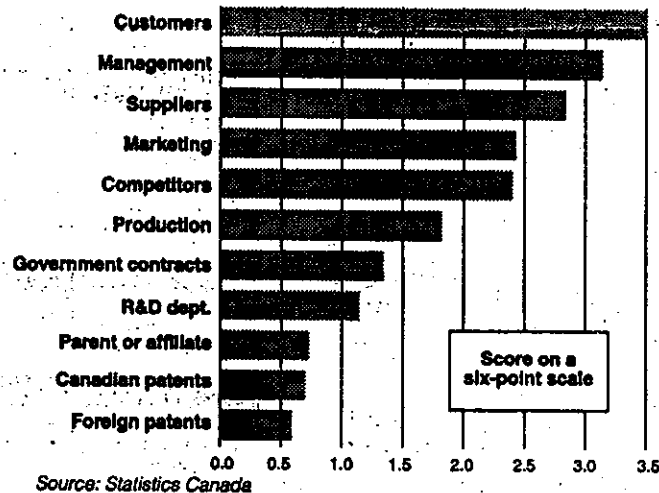
The companies' own managers came second, at 3.14, and suppliers next, at 2.84. Those were the only three whose contributions exceeded the scale's 2.5 midpoint.

Data come from a Statistics Canada study on growing small and medium-sized enterprises (GSMEs). Statscan surveyed almost 1,500 companies with average sales of \$6.6-million in 1989.

Outsiders -- customers, suppliers and competitors -- generally ranked higher as sources of innovation than insiders, which included managers and the marketing, production and research and development departments.

"The importance of customers and management as sources for innovations indicates that GSMEs are demand-driven and top-down firms.

### WHERE IDEAS COME FROM



3558  
REGIST-  
ERED FOR  
A CONFERE-  
NCE?

*When you phone a company, the answer used to be: The boss is in a conference. More and more, the answer is: The boss has gone out for a conference.*

*Executives attend a conference for several reasons. Whatever the reason, they would like to answer the question: What can we do so our best interests (especially marketing interests) are served.*

*Emilie Ailts shares her experiences in a Denver Business Journal article:*

**Set manageable expectations.** Discuss your goals with management before you leave. Understand the markets that you will be exposed to and those product/service messages that are of interest to them. Know whether you're attending for sales -- and how many -- or for prospects -- and how many -- or for networking contacts. The answers to each of those questions will determine

how many contacts you need to make, the amount of time you spend with them, the type of information you need to leave behind and how to followup.

**Make appointments before you leave.** If there are contacts in the conference city, contacts exhibiting at the conference or contacts attending/presenting at the conference, call them prior to the event. Let them know you will be there and that you'd like to see them. Ask for a specific meeting time. However, one word of caution: They're going for purposes similar to your own, so don't get discouraged if breakfast, lunch or dinner is out. Ask which sessions they will attend and go there, find out where and when they will make their presentation or stage their exhibit and go there. Make yourself available, get a commitment and show up.

**Go to the breakout sessions and to the exhibition hall.** Does that sound elementary? Many folks don't go. At breakout sessions you'll probably sit next to contacts with interests similar to yours. Strike up a conversation, ask why that session interested them, be interested and get a card or a full name and company name. Listen and ask questions. In the exhibition hall, you will see what your contacts are interested in and what your competitors might be saying about themselves. All of this is good marketing intelligence.

**Don't fear cold conversations.** Meetings are intimidating because we believe that we need to be something other than ourselves to be successful. Baloney. If you come armed with information about your market's characteristics, if you know your company's expectations, if you've identified contacts you want to make and have an interest in the conference topic, you'll have a reason to be speaking with any of the attendees, speakers or exhibitors. Empathize, sympathize, or just listen, and you can make meaningful conversation with those folks who could become a client or customer. Ask questions, show your understanding of the listener and his or her situation and be interested. You'll convey good things about yourself and your company.

**Get away from the telephones.** I think that there are some who measure their worth by how fast they run to the phone banks during conference breaks. Go to a conference with the intention of meeting others and cultivating relationships. Clear up pending business before you leave and arrange to pick up messages before or after the scheduled conference day. Focus your time. Use break time to review questions or comments with contacts. Arrange one-on-one sessions between meetings, at lunch and at dinner.

**Follow up.** You'll be remembered only if you build on those good impressions you made. When contacting those you met, take time to remind them of your original conversation. What was the problem solved, the question answered? What was it you laughed about?

Treat those contacts as you would any acquaintance you would like to have as a friend. Can you get together after the conference? When and where? Would they like to be introduced to someone? Do they need further helpful information? Could someone in your company provide greater assistance? How can you facilitate that? Put all of the pieces together for your contact. But also be prepared to wait and to build.

Write down everything you can remember about the contact -- you did get a card, didn't you? If you collected any written material about the contact, make a file. Put the information in your database, prospect file or tickler file and stay in touch on an appropriate schedule. Define your schedule based upon whether your contact represents a sale, a prospect or a networking opportunity as well as the signals he or she gives you directly.

3559  
JAPANESE  
STYLE  
MANAGE-  
MENT:

*Success invites imitation. Japanese style management has led Japan to success. Other countries would like to benefit by such a successful style. The question is: Does the style succeed any other part as well as it does in Japan?*

*Professor Lester C Thurow of MIT and President Toshiro Shimoyama of Olympus Optical Co. recently discussed whether Japanese-style management works in the rest of the world, under the auspices of Nikkei Weekly (Tokyo); We reproduce below some extracts:*

To start, what do you, Mr.Thurow see as the strengths and weaknesses of Japanese-style management?

**THUROW** One of the strengths of Japanese management is that, unlike the Western system, things don't have a tendency to operate unfairly. Capitalism in the West tends to move toward extreme inequality unless governments intervene in order to prevent wage discrepancies from widening. On the other hand, the Japanese system has a tendency to be extremely fair with regard to the distribution of income. For example, the difference between the salaries of the chief executive and the lowest paid employee in a Japanese company is much smaller than it is in a U.S. company. Accordingly, the government is rarely required to intervene to maintain equality in income distribution;.

**SHIMOYAMA** Wherever there is a different social structure, a different culture exists. So, forcing Japanese-style management on a foreign country with different social and cultural structures will pose a big problem. Japanese-style management has both merits and demerits. Though Western-style management also has strengths, it would be impossible to introduce and apply it directly in Japanese companies. One might say that both systems lack versatile applicability. My belief is that wherever a company moves to, it must adopt a management system which matches the local social structure.

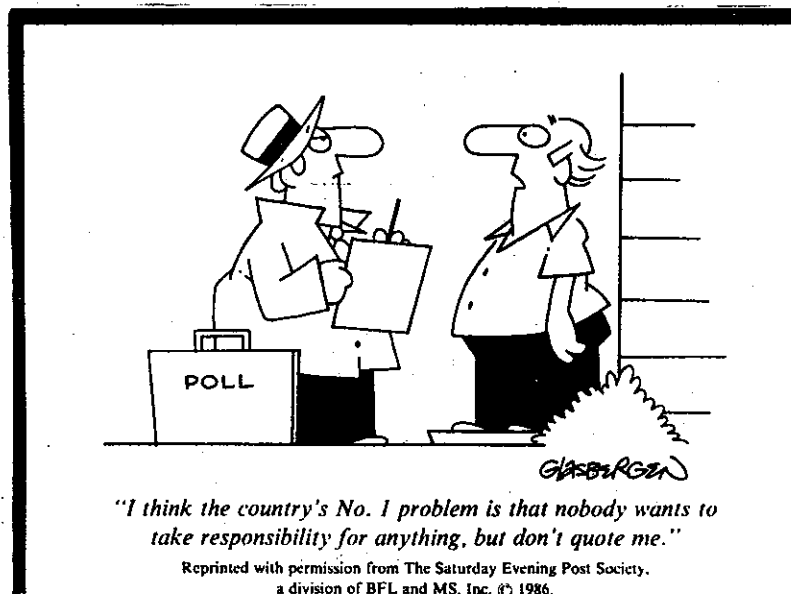
**Thurow** When appraising Japanese-style management, one must also

consider whether the management of Japanese companies is something which is unique to Japan, or is it a method of management which can be applied to non-Japanese as well. If, for example, Japanese management methods prove to be applicable to non-Japanese workers, then I see no reason to criticize these methods. Nevertheless, in order to play an active role in the global economy, it is necessary to hire people of different nationalities and give those people the chance to build a career, and as such, it must be determined whether or not Japanese management is also suitable for westerners.

**SHIMOYAMA** Chie Nakane, the well-known Tokyo University professor with whom I went to college, said "Japan is a vertically structured society, but other countries like Korea, China, Germany, and the U.S are all class societies." But it wasn't until formed my own company and started hiring workers that I really came to understand the difference. Management is extremely difficult unless one understands this fundamental difference. This is because a person's mentality, their way of thinking, and their mode of action all stem from the surrounding social structure.

Generally speaking, Europe and the U.S. are horizontal societies while Japan is vertical. Further, in Japan's vertical society, horizontal relations are not fully developed. The most distinguishing feature of Japan's vertically integrated society in the emphasis on "place", which if left, leaves Japanese with a sense of alienation. Horizontal societies are structured on individuals' qualifications. This is something which we absolutely must acknowledge.

To be continued in next issue.



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LAUGHING  
MATTER?

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