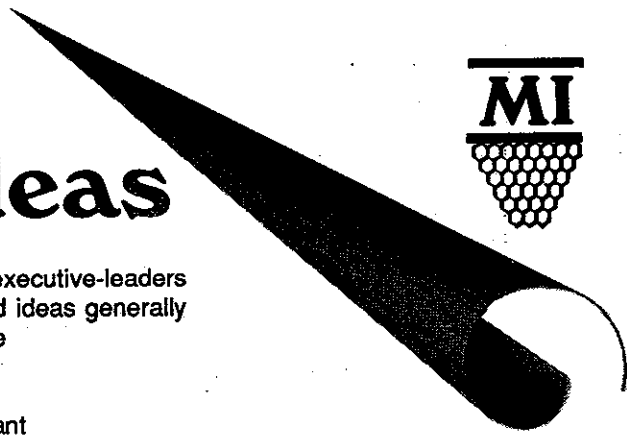


Management Ideas



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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3654 RESOLUTIONS FOR A PROSPEROUS NEW YEAR: *Normally, we make New Year resolutions for our personal life. How about for the business life, asks Rhonda A. Abrams and answers it thus:*

1. **Improve Your Skills.** This is absolutely No.1, because it's the most important - and most neglected - aspect of many businesses. Whether you work alone or have a thousand employees, you are the company's most critical asset. If you're not improving, your company can't. So at least once a year, take a training course, attend professional seminars, hire a consultant to teach you new business skills. Make yourself more valuable. Sign up now while it's fresh in your mind.
2. **Pay more attention to current customers.** Survival depends on customer service and retention. Put more of your efforts and marketing dollars into communicating with current customers,

finding what they want, and giving them incentives for referring new customers. Train staff on improving communication and service to current customers as well as sales to new ones.

3. Stay focused. The biggest problem facing small businesses (and many big ones, too) is staying focused on your core business and "core competencies." Take time to figure out the key ingredients of your success. Clearly identify your bread and butter business, and put your first attention on that. Clarify the directions that extend and expand your core competitive advantages.

4. Take a Risk. What? You take risks every day. Your whole business is a risk. And you thought I just told you to stay focused. Nevertheless, identify one area where a calculated risk has a good chance of return without distracting you from your core business. The risk might be calling on a potential customer you've been afraid of, bringing in your first employee, or adding a new product line. Don't be rash, but extend your reach.

5. Get e-mail. If you're not already on e-mail, get it and get it soon. Would you be in business without a phone? Without e-mail, many customers can't reach you conveniently. (Anyway, it will save you money, I guarantee.)

6. Use technology better. Technoholics have every gadget and software program out there, but the rest of us resist learning new technology. You can save time and money by getting up-to-speed with some of the new, easy-to-use office productivity products and the Internet. Whatever your need, there's probably a technology product that can do it for you fast and cheap.

7. Throw stuff away. Are your 10-year-old files really necessary? Can you transfer stuff from your computer onto back-up disks and remove them from your hard drive? Can you finally get a good contact manager/database and get rid of all those scraps of paper with phone numbers? Just do it!

8. Eliminate one unproductive activity. Clean out your business just like you clean out your closet. Get rid of those

activities that aren't profitable anymore. Ask yourself: does this activity bring me profits or cash flow? Does it fit the direction I'm going? Is it useful or just habit? Could I outsource this and free my time for more profitable endeavors? Don't hang onto activities that no longer fit or are out of date.

9. Increase your marketing. You have to be visible to be successful. There's more competition, so you must stay in front of your customers. Develop a plan for a yearlong marketing campaign. Spend some money. Advertise, join trade and community groups, increase your mailings. You already do these? Do more!

10. Do something nice for the people around you: Thank your employees, referral sources, and suppliers more often. Take your spouse, family member, or friend to a thank-you dinner to show you appreciate their support. Spend a special weekend with your kids as "honored guests" to recognize the sacrifices they make for your work. Don't forget what really matters.

Source: Democrat & Chronicle

50 RECOMMENDED BOOKS: *Every year it is estimated that over 3000 titles are published on one or another aspect of management. They have been described as good, bad and indifferent. What are some of the good ones? Stuart Crainer has made a selection of 50 of them. He calls them "the greatest fifty". The list and his recent article in Financial Times follow:*

The past two decades have seen an explosion of interest in business and management books. Management texts routinely feature on international bestseller lists and the latest fads and fashions instantly travel the globe: a manager in Rutland, Vermont, reads a book by a French academic filled with case studies of Swiss-Swedish conglomerates and expects answers to his or her problems.

The book which ignited the market was *In Search of Excellence* (1982), by two McKinsey consultants, Thomas J. Peters and Robert H. Waterman. Whether it is any good or not continues to be debated. But its influence is undeniable. The book has now sold about 6m copies and Thomas J. Peters has been transformed into the folksy and friendly Tom Peters, multimillionaire and globetrotting guru.

After *In Search of Excellence* stormed into the bestseller lists, others quickly followed. Before long, business books were everywhere. Airport bookstalls banished Harold Robbins to a distant corner and filled their front shelves with the latest outpourings from the consultants, academics, journalists, retired executives, charlatans and scribblers who were all anxious to jump on the bandwagon.

Part of the reason for the boom is the inexorable "professionalisation" of management which has been going on since the 1940s - the transformation of the manager from mere supervisor and small-time dictator to highly qualified executive. Professionals they may be, but managers remain slightly reticent and ill-at-ease with their status: they feel a need to explain themselves in a way in which lawyers and doctors do not. They crave a clear set of guidelines on the skills and knowledge required to become a manager.

Too often the search resembles an indecent race to find the latest bright idea, the one-stop answer to all business problems. Managers buy the fashionable books of the moment and then within months, perhaps weeks, move on to the next fashion. All this is good news for publishers. Richard Pascale, author of *Managing on the Edge*, is a vehement critic of the enthusiasm for fads and instant solutions. He calculates that more than two dozen techniques have come and gone since the 1950s, with a dozen arriving between 1985 and 1990 alone. He believes this will continue. "I think it is a packaged-goods business. There is an unquenchable thirst."

Sceptics are right to question the practical usefulness of much that is published. Few influential books are written by practising managers, or by women. Books by real managers largely provide proof of why the individuals chose a career in business rather than in the media - they tend to be riddled with egotism and poor writing. There are a few exceptions, such as Alfred P. Sloan or, more recently, Richardo Semler, but most are written by academics from the leading US business schools.

Critics of business books would suggest that therein lies the problem. Academics and consultants are routinely condemned as being

out of touch with reality. In some cases this is undoubtedly true. But the individual experiences of a single executive in a particular organisation are unlikely to provide a rich vein of inspiration for executives in widely different situations. Even so, the canon of management literature is full of ideas which have been implemented and which have affected millions of managers. As guru Peter Drucker has observed: "All the great business builders we know of - from the Medici of Renaissance Florence and the founders of the Bank of England in the late 17th century down to IBM's (founder) Thomas Watson in our day - had a clear theory of the business which informed all their actions and decisions."

Look at the part played by W. Edwards Deming in the renaissance of Japan. Think of the impact of Michael Porter's work on the value chain which has been taken up by companies throughout the world, as well as his work on national competitiveness which has altered the economic perspectives of entire countries. Porter has been called in by countries as far apart as Portugal and Colombia to shed light on their competitiveness. Who thought customer service was a key competitive weapon before Peters and Waterman?

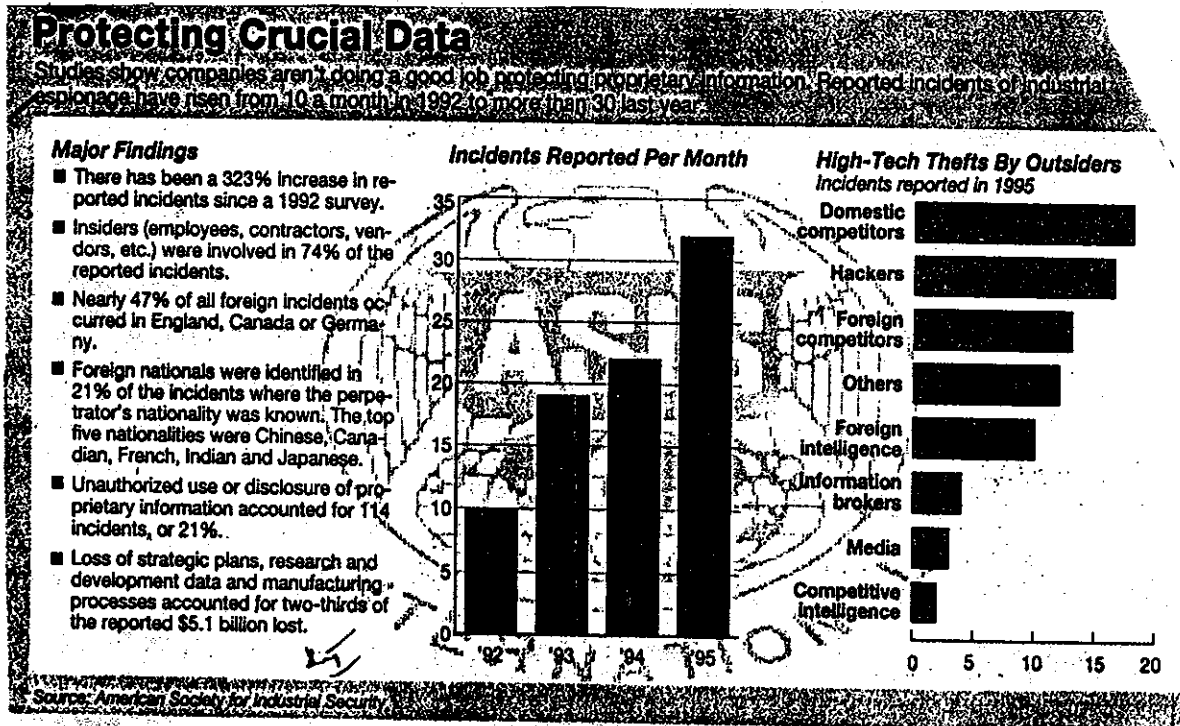
And the domain of business books is growing. The authors of *The Witch Doctors*, a tome on the management theory industry, observed the influence on politicians. On his election as leader of the House of Representatives in the US, Newt Gingrich sent this Republican colleagues an essential reading list, including works by seven management thinkers. Bill Clinton, US president, has spent his holidays holed up with motivational gurus, while Tony Blair, UK Labour party leader, sent his shadow cabinet to Templeton College, Oxford, to spend a weekend learning about management theory.

Stuart Crainer is the author of The Ultimate Business Library, a selection of the 50 greatest management books, published in the UK by Capstone Publishing.

Title	Author	Year
Corporate Strategy	Igor Ansoff	1965
Organizational Learning	Chris Argyrish	1978
The Functions of the Executive	Chester Barnard	1938
Managing Across Borders	Christopher Bartlett	1989
Management Teams	Meredith Belbin	1984
Leaders	Warren Bennis	1985

Leadership	James MacGregor Burns	1978
How to Win Friends and Influence People	Dale Carnegie	1937
Reengineering the Corporation	James Champy	1993
Strategy and Structure	Alfred Chandler	1962
Out of the Crisis	W. Edwards Deming	1982
The Practice of Management	Peter F Drucker	1954
The Age of Discontinuity	Peter F Drucker	1969
General and Industrial Management	Henri Fayol	1916
Dynamic Administration	Mary Parker Follett	1941
My Life and Work	Henry Ford	1923
Corporate-Level Strategy	Michael Goold	1994
Competing for the Future	Gary Hamel	1994
The Age of Unreason	Chartes Handy	1989
The Motivation to Work	Frederick Herzberg	1959
Planning for Quality	Joseph M Juran	1988
Change Masters	Rosabeth Moss Kanter	1983
Marketing Management	Philip Kotler	1967
Innovation Marketing	Ted Levitt	1962
The Prince	Nicolo Machiavelli	1500
The Human Side of Enterprise	Douglas McGregor	1960
Motivation and Personality	Abraham Maslow	1954
The Nature of Managerial Work	Henry Mintzberg	1973
The Rise and Fall of Strategic Planning	Henry Mintzberg	1994
The Mind of the Strategist	Kenichi Ohmae	1982
The Borderless World	Kenichi Ohmae	1990
Parkinson's Law	CN Parkinson	1958
The Art of Japanese Management	Richard Pascale	1981
Managing on the Edge	Richard Pascale	1990
In Search of Excellence	Tom Peters	1982
Liberation Management	Tom Peters	1992
Competitive Strategy	Michael Porter	1980
Maverick!	Ricardo Semler	1993
Organizational Culture and Leadership	Edgar Schein	1985
The Competitive Advantage of Nations	Michael Porter	1990
The Fifth Discipline	Peter Senge	1990
My Years with General Motors	Alfred P Sloan	1963
The Wealth of Nations	Adam Smith	1776
The Principles of Scientific Management	Frederick W Taylor	1914
The Third Wave	Alvin Toffler	1980
Up the Organization	Robert Townsend	1970
Riding the Waves of Culture	Fons Trompenaars	1963
The Art of War	Sun Tzu	500 BC
A Business and its Beliefs	Thomas Watson Jr.	1963
Theory of Social and Economic Organization	Max Weber	1947

3656 PROTECTING CRUCIAL DATA: *Protecting proprietary information is becoming more difficult. It is stated that reported incidents of industrial espionage have gone up from 10 a month to 30 a month in 4 years. The findings of a recent study are given in the following table. It is followed by extracts from a recent interview article in Investor's Business Daily. The interview was with the Chairman of the Committee on Safeguarding Proprietary Information of the American Society for Industrial Security.*



IBD: How serious is the issue of industrial espionage?

Biviano: This issue has cropped up since the end of the Cold War. In the Cold War, military intelligence was the focus. Now, corporate espionage is a problem.

Countries that can't compete militarily anymore must now compete economically. The best way for them to do so is to steal someone else's R&D. Russia's President Boris Yeltsin has reportedly held meetings during which he's literally told intelligence staff to go out and steal technology from the West.

According to the latest ASIS survey, there was a 32% increase in the number of reported incidents of industrial espionage at U.S firms since 1992. Insiders, employers, contractors and vendors were involved in 74% of the incidents. When the nationality of the

perpetrators was known, foreign nationals were involved in 21% of the crimes. Thus, the implication is that most espionage is being done by U.S. citizens.

IBD: Are companies doing enough to protect their information?

Biviano: Most companies are so big, they have no idea of what's going on with their information. In their quest to expand, they haven't consolidated internal mechanisms like security, proprietary information, etc. They know they should have them. But do they follow these policies in all places where they operate - Germany, China, etc. - and follow them at all times?

Our research shows that reported losses, due to stolen strategic plans and R&D are \$5.1 billion. And while 76% companies say they have programs to combat espionage, less than 50% have clear policies and procedures. Only 49% say they dispose of proprietary materials in an organized fashion, and just 40% identify, classify and label proprietary materials.

IBD: How do you interpret the results of the ASIS survey?

Biviano: They show most companies do not have written programs. And if they do, they may not enforce them properly. You need to educate employees, and continually upgrade, enhance and test the system to see if it's viable.

In the case of GM, if they'd had a program in place which they'd audited and tested, they could say to the courts, "The documents are in his (Lopez's) hand." The German police cooperated because it appears GM had such a system in place. When it comes to joint ventures, there are agreements that can be signed and due diligence to be done to protect company secrets.

Companies should also think twice about outside meetings. Do they involve threats to the company and its information? How secure are laptops and other materials on hand at the meetings? Recent disputes between Johnson & Johnson and Boehringer Mannheim GmbH in Germany show how competitors can go out and get a rival's sales information. But--on a positive note--our research also shows that

firms can control their proprietary information successfully.

IBD: How should firms protect their secrets?

Biviano: Firms should ascertain what gives them the competitive edge over their competitors. It does not have to be a patent or trade secret. It could be a novel manufacturing process or as simple as a customer list. The process of defining this edge should also be a mutual task involving all employees.

Management should nurture employee participation in this effort. By doing so, a company educates all employees about (security) issues and makes all employees part of the solution.

IBD: What should firms do to protect information from being taken by Top executives?

Biviano: The ASIS survey includes a list of over 20 practices to effectively protect sensitive information. It also points out that firms should conduct exit interviews of employees who are resigning or being terminated. This way, access to facilities and computers, files, sensitive information matters, and agreements such as non-disclosure and/or no-compete issues can be reviewed before a person leaves the building. It would be interesting to find out if GM conducted an exit interview with Lopez.

Traveling employees are also at risk. Airports and hotel rooms are the sites where personnel are most likely to lose or have sensitive information stolen. Most companies provide security guidelines to their employees when travelling.

IBD: How do firms limit access to proprietary information without going overboard?

Biviano: First, there should be levels of "need to know." What level of sensitive information is necessary for an individual employee to conduct the company business that he or she is assigned?

A clean desk policy should also be established and firmly supported by management so that all personnel at the close of work lock up this information. Access control to the building should be instituted with only critical employees.

3657 TEAM GIVING: Giving gives us pleasure. Great giving gives us joy. By great giving I do not refer to the quantum of giving. I refer to the quality of giving. A giving without any thought or expectation of return. By oneself, one cannot do much these days. As a team, as a group, we can. The following news item can serve as a thoughtstarter.

TEAM GIVING grows as more individuals pool funds to make donations. Much like investment clubs that pick stocks, donors are getting together to select charities, often local, to get their donations. About 550 employees of Raychem Corp., Menlo Park, Calif., last year pooled \$127,000 and made several local grants. Chicago's Young Leaders Group this year is made up of 60 people, age 25-to-40, who each give \$500. Their pool is matched by the Chicago Community Trust, which also lends its expertise, and by another trust.

"We go out and investigate" groups on their legitimacy, strategic value and other factors, says Mary O'Brien Pearlman, who joined the young donors three years ago to have a "direct say" in giving. Other donor teams have religious links. The Shefa Fund in Philadelphia makes grants and does research for Jewish donors. "This is a very grass-roots kind of giving," says President Jeffrey Dekro.

3658 LAUGHING MATTER?



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