

Management Ideas



FOR STILL BETTER

RESULTS

RELATIONS

REPUTATION

RENEWAL

a monthly newsletter to key executive-leaders on practices, possibilities and ideas generally for stepped up performance
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3704 A ROLE MODEL, A MULTIPLIER MODEL

I salute the Ahmedabad Management Association for the way it is celebrating India's Fiftieth Year of Independence. The Association has gifted the community, the nation in fact, with a world class Management Complex, with state of art facilities.

It is a model of corporate cooperation. The Association got the cooperation of over 100 organisations, in all sectors, in making this complex possible.

It is a model of working in synergistic cooperation with existing organisations

It is also a model of assembling the top talents in the community in bringing this 30000 sq.ft. architectural marvel into shape in record time. From Bhoomi puja to Inauguration, it took only ten months!

It is a multiplier model in the sense that **every city** in the country needs such a facility. AMA has shown the way. I learn a detailed case history will shortly be available. This will tell a story of win-win-win-win.

Mr. Mukesh Patel who heads the Management Committee and Mr. K.K.Nair who heads the

Administrative setup demonstrated leadership of the highest order to make this delightful cooperative achievement possible. Great credit should also go to the donor team headed by Shri Uttambhai N. Mehta of Torrent Group, Shri Sushil Handa of Core Healthcare, Shri Arvind Narottam Lalbhai of Lalbhai Group and Shri Pranlal Bhogilal of Das Group.

There are men and women in the country who can dream AND make the dream come true, who have the vision and the will to make the right thing happen.

3704 FOR YOUR BOOK SHELF:

AMERICA'S BEST by Theodore B. Kinni. This is Industry Week's Guide to World Class Manufacturing Plants In 1990, Industry Week magazine established a prestigious new competition, the America's Best Plants Award, designed to recognize and honour the top manufacturing operations in America. To date, sixty two companies - from such well-known names as Hewlett Packard, Sony Electronics, Steelcase and Xerox to smaller companies such as Zytec, John Crane Belfab and Lord Corporation - have earned the illustrious designation of being one of America's Best plants.

These award-winning plants are profiled in this book, a unique reference that takes an in-depth look at leading-edge manufacturing practices.

(The book can be had from **Select Books**, 3E1 Court Chambers, New Marine Lines Mumbai 400 020. Including registered postage, the book costs Rs.800.)

WIDE ANGLE VISION by Wayne Burkan. The sub-title reads: Beat your competition by focusing on fringe competitors, lost customers and rogue employees. (The book costs Rs.770 including registered postage.)

Conventional business wisdom says to get close to your best customers, watch your biggest competitors, and reward your model employees. This controversial book offers a contrarian viewpoint and introduces a dynamic new way to compete - by broadening your focus beyond mainstream thinking to spot the critical opportunities at the edge of your core business. *Wide Angle Vision* opens your eyes to the "edge", from "little guy" competitors preparing to take over the market to disgruntled customers and maverick employees whose complaints can lead to great ideas for change. It is filled with compelling examples from a range of industries.

SALES PROCESS ENGINEERING by Paul H. Selden. Much of the current literature relates to quality engineering and process improvement to manufacturing activities. This book shows how to apply the successful principles of process and quality engineering to improve the entire sales process - from marketing to sales to customer service - in a lively three person narrative way.

This book costs \$36.00 and is also available from **Select Books** (address as above).

3705 PLANNING FOR DISASTERS

For a variety of reasons - including to be in the eyes of the media! - disasters are increasingly caused by individuals and groups. We need to plan and provide for them in good time. The following item by Jan Barnhart is based on a painful experience.

The lights flickered, phones went dead. Then black smoke billowed into the Irvine, Calif. offices of Platinum Capital Group as the building seemed to shake from above.

The 160 employees evacuated into the 96-degree afternoon, minutes before an electrical transformer blew up. A second explosion destroyed the company's electrical panel, computer server, voice mail and phone system.

What a time for Chief Executive Officer Mark Moses to realize Platinum didn't have an emergency response plan!

Moses thinks that most other companies don't have such a plan either, and he hopes their leaders will learn from Platinum's near disaster on May 28.

Platinum, a multistate mortgage company, must have electricity, phones and computers to do business. All three shut down in the explosion, the cause of which hasn't been determined.

Moses advises business owners to pay attention to the following areas:

1. Build a list of emergency phone numbers.

Moses knew the office number for his insurance agent, but not his pager, home number or 24-hour emergency number. He didn't have the number for the building owner's insurance agent at all.

"We didn't talk to insurance agents or the landlord until the next day," he said. "By then we were up and running. We had to make all kinds of decisions not knowing whether it was covered by insurance".

Platinum's Irvine office gets 2,500 calls a day, but company officials didn't know for hours that they could set up an emergency voice mail box to capture those calls.

2. Keep the emergency response plan, including insurance policies, offsite.

Since the explosion, Platinum has been putting together a binder that includes a checklist of tasks, emergency phone numbers and copies of insurance policies. Copies will be kept in executives' cars and an offsite safety deposit box.

"We had our insurance policy in the fireproof safe inside the building. We couldn't get at it," Moses said.

3. Have a disaster recovery company.

Moses had never heard of such a company. But as evening neared, Mark Savinsky with public insurance adjuster Rubin, Polache &

Associates introduced himself to Moses and offered to help.

"He had all these emergency numbers and within a half hour, Tempco (a Glendale, Calif.-based disaster services firm) was here with 15 electricians," Moses said.

Tempco workers cleared the building of smoke and brought in truck-sized generators to restore electricity by 4 a.m. so the telephones could be reactivated by Platinum's 5 a.m. starting time.

4. Understand what your insurance doesn't cover. "We were told we had the Rolls Royce of insurance policies, but it still had 2 pages of exclusions," Moses said.

Platinum increased this policy for fire, theft and business interruption from \$200,000 to 300,000 when it moved to its current offices late last year. Since the accident, it has upped the coverage to \$500,000, Hill said.

Savinsky said Platinum has excellent insurance. Many companies don't have enough insurance to cover all contents.

But Platinum doesn't insure the structure because it leases the space. However, Moses never asked the landlord for proof of insurance on the building. The building insurer is claiming that damage was caused by arcing - not covered by the policy - instead of fire, which is covered.

5. Make sure you can get out of your lease if the building cannot be occupied. Platinum's insurer wanted the company to relocate until the building's electricity and air conditioning were restored. But moving 160 people, phones and computers is complicated and disruptive. Moses didn't want to do it twice.

"If we move, I don't want to have to move back," he said. "But our lease requires us to move back."

Source: Bill Barnhart in Democrat and Chronicle

3706 PLAY TO DE-STRESS:

A survey reported in the Weekend Australian has relevance atleast to those who are living in highly industrialised cities where stress is an

increasingly common phenomenon with its sad consequences. Play seems a welcome way to manage it.

SPORT has replaced holidays and drinks after work as the preferred method of relieving work-related stress.

Employers are incorporating sport into the workplace environment because it has been found that participating in sport is the best method of stress relief.

A survey conducted by human resource company Morgan & Banks showed 39 percent of employees use sport as their main form of relieving stress, with only 1 per cent turning to alcohol and 6 per cent of respondents using holidays to ease stress.

"I was pleasantly surprised that people are telling us the dominant method of relieving workplace stress is sport," John Rawlinson, director of Morgan & Banks Victoria, said.

"When you're working 12 hours a day in a job that is mentally stressful, it's essential that you get a bit of balance and actually work your body.

"People are realising sport is undoubtedly the best method of relieving stress."

Morgan & Banks Victoria has a running group and a netball team. Its Sydney office has corporate fitness and touch footy.

The reduction of stress in such industries as advertising and law was possibly a result of these organisations participating more in sport, he said.

Katrina Rathie, a partner at Mallesons Stephen Jaques who is responsible for the Sydney office social committee, said sport was the key factor for enhancing productivity.

"In a firm which prides itself on trying to look after its people, we think that sport encourages team building and also social interaction in a large office environment," she said.

The firm organises fun runs, participates in the City to Surf, Walk Against Want and inter-company netball, squash, tennis, soccer and football, as well as go-kart racing, skiing and pool competitions.

It also boasts the largest football-tipping competition in the country.

"New-age" methods of stress release such as relaxation exercises, massage and meditation were also on the increase, particularly in the construction and media industries.

Mallesons Stephen Jaques has an osteopath who conducts stress-relief exercises and massage. It is also trailing a yoga group every fortnight.

"We have been extremely surprised - we thought that maybe a few women might do yoga, but instead it's all these 40-something men that have turned up". Ms. Rathie said.

*Source: Joanne Casamento in
Weekend Australian.*

3707 HOW TO CHOOSE THE CEO:

The following 'open' letter to Apple Computer CEO Search Committee by columnist Rhonda M. Abrams has a pointer or two for every company that may have to look for a CEO.

Dear Apple Computer CEO Search Committee:

Here you go again. Since 1985, you've hired three Apple CEOs and you still haven't got it right. Each time you filch a honcho from a Fortune 500 company. But Apple, the company that made the single greatest contribution to the growth of small business, doesn't need a big business guy with a corporate jet and multimillion-dollar salary. You need a small business entrepreneur.

One of the business truths as we head into the 21st century is that corporate management style has turned upside down. Small companies used to imitate big business to succeed. Now, many big companies must imitate small business to survive. Look around, some of the healthiest large companies have split business units into small, empowered teams acting as independent entrepreneurial companies.

Apple would be wise to see how the best small companies succeed and imitate them. Here are some essential strategies of small business success:

1. Have a Vision. Most small companies start with a dream. A vision gives a company an anchor, and the best corporate visions motivate workers.

Apple had a great vision; when Steve Jobs

and Steve Wozniak founded Apple in 1976, they knew they were creating a revolution - bringing computing power to real people, not just big corporations. This vision spawned million of small businesses - you no longer needed a room-size IBM mainframe to run a company.

2. Get a Niche. Small companies must have a unique strategic position to differentiate than from the competition. Trying to knock off the big guys is futile; even though Apple eventually ended IBM's computer dominance, Jobs and Wozniak didn't try to steal market share from IBM. Trying to compete head-on with Microsoft is also folly.

The key to finding a niche is to exploit something you do well, find an area where the big boys aren't really dominant, and build customer loyalty.

Apple is well-positioned to do this with graphics, multimedia and online publishing.

3. Focus! Focus! Focus. Big businesses think they can be everything to everybody. Small companies know they have to limit their scope. Staying focused is more than just having a niche. Have faith in your vision.

4. Don't take customers for granted. Apple certainly has the most loyal, ardent, even fanatic, user-base, but Apple often ignores them. My brother, who runs a college computer lab, has bought more than \$100,000 of Apple equipment, but he's never received a call from Apple. At a recent convention, he approached the Apple booth - telling them he has \$90,000 to equip a new lab. They never took his name or number, nor did they have a name for him to contact. Imagine a small business person ignoring a \$90,000 order!

5. Don't compete on price alone. Big companies can afford to lose money a lot longer than you, so choose another battleground. Often, small companies are well-advised to offer a premium product with premium service and premium pricing. In recent years, Apple has tried to position itself as both a Geo and a Mercedes-Benz.

Stick to being the Mercedes of computers.

6. Live with Risk. The past couple years, the only people at risk with Apple were the stockholders. The CEO had a multimillion dollar package whether Apple succeeded or failed.

In Silicon Valley, computer programmers are so precious, Apple employees never worry about losing their jobs. The Search Committee should find a CEO who is hungry - who only succeeds if Apple succeeds, and employees should get a big pay-off if they help pull Apple up.

7. Forget Wall Street. Owners of small companies look at the bottom line, not the stock ticker. Wall Street rewards short-term focus, and Apple-like all small companies - needs to worry about three things: whether they can pay the bills, whether they're keeping customers happy, and whether they're going to be able to survive for the longrun.

So, to you, the members of Apple's Search Committee, I give one final piece of advice. Forget the executive, go for the entrepreneur.

*Source: Rhonda M. Abrams in
Democrat & Chronicle*

3708 QUIET ROOM ENSURES TOP EFFICIENCY:

That is a newspaper headline. As newspaper headlines go, it serves its purpose - to arrest your attention. This one tells a verifiable story as well.

The voice on the answering machine calmly explains: "Sorry, we can't take your call at present, we're meditating."

An everyday occurrence for early morning phone callers to the Gawler Foundation, which believes 20 minutes' meditation is the way to make the workplace more profitable.

The South Melbourne-based foundation even advocates the creation of "quiet rooms" by companies where workers can relax without interruption for brief periods.

The quiet room in its South Melbourne base is fitted with armchairs, cushions, flowers and candles.

The 10 employees who work at the organisation meet in the quiet room at 9 a.m. before the day's work begins.

For 20 minutes all phones are disconnected and only one person is rostered to answer phone calls.

"It is a matter of pride for us to say 'we cannot take your call at present, we are meditating'. For us it's like being at the gym — it shows we like to keep our minds in peak condition," said therapeutic director Ian Gawler.

He believes meditation and relaxation at the beginning of a working day help employees to maintain their focus and counter debilitating stress. This reduces stress-related compensation claims.

"A quiet room would not only help prevent such claims, but workers would emerge revitalised, relaxed and better able to take on the day's tasks," Mr. Gawler said.

"Managers and employees alike would gain huge benefits from being able to take time out for a few minutes - to meditate, to relax, to clear their minds away from pressures, conflicts and interruptions," he said.

Jen Jacobs, who has been working with the organisation for a little over a month, is a enthusiastic believer.

"I'm calmer, more efficient, more focused on my work and generally happier," she said.

Before working for the Gawler Foundation, Ms Jacobs says stress release meant "more cigarettes and more coffee".

Figures from Workcover NSW show an increase in occupational stress of 10 per cent between 1991-92 and 1994-95.

Mr. Gawler believes the stress-free zone helps educate employees on the best methods of dealing with stress and preventing long-term harm.

"The thing about meditation is that it prevents stress - exercise releases stress but it doesn't change the way you cope with stress," he said.

*Sources: Angela Kamper in
The Weekend Australian*

3709 FROM A CONSULTANT'S DIARY:

The Mentoring scheme: For a member of the organization to be efficient, effective and excellent on the job, he needs the assistance of a teacher, a trainer, a coach, and a counsellor. Such assistance provides for the needs of the job and a little beyond. If we want

the individual to go **far beyond**, he or she needs the assistance of a mentor. In the past five years, this aspect of people development has been getting great attention in the West.

There has been some kind of mentoring in every organization for ages now. More recently, companies are taking our assistance in giving this aspect of development focused, systematic and comprehensive attention.

Top Management Retreat:

Retreat is a term often used in the church circles. From time to time, members retire, take time off to sit down and reflect on their relationship to a higher power.

There is one to lead the retreat but the work is mostly done by the participants in the retreat.

A Retreat is essentially an opportunity given to oneself to do some productive thinking in relation to a higher purpose. A British poet sang: Life is too full of care; there is no time to stand and stare. He could have as well said this of the modern harassed executive.

Top management has need for such retreats more than training programmes, workshops and seminars.

It needs an opportunity to reflect on beliefs, behaviour and the like to make the needed shifts. Not information but transformation will make a difference, personally and organisationally.

We have been invited to help a few companies in such retreats.

3710 IN LIGHTER VEIN:

Challenges of the kind described in the following story are thrown up at the workplace. What happens thereafter is rarely recorded - as it happens in news stories.

Some of his colleagues will tell you Jim Nihls, manager of Chrysler's north assembly plant in Fenton, doesn't look half-bad with his head shaved. But it's not his sense of style that made him shear all his hair off. It was his workers.

Nihls told the 2,000 workers he oversees as manager of the plant that he'd shave his head if they could raise the quality of the Dodge Ram pickups they make to No.1 among the four Chrysler plants now producing the trucks.

"Watch out when you challenge an empowered work force," said Nihls, running a palm over his glossy scalp.

Just a year ago, Nihls's north plant pickups were dead last in the closely watched J.D. Powers quality survey on 1996 models. How did they leapfrog the other three plants in the very next model year? Nihls credits a management team that lets workers decide how work should be done and a work force determined never to see their plant's production cut back because of poor quality.

It all started in May of 1996, when Nihls was holding one of his weekly "town hall" meetings on the shop floor. Nihls was giving the first shift the bad news about the J.D Powers report. Because the thousands of questionnaires that the survey firm sends out ask owners to give the serial numbers of their vehicle, the results can be traced back to individual plants, and the north plant results weren't good.

The low quality ranking wasn't unexpected, since the plant had just been retooled for the Ram in 1995, but it wasn't anything to take lightly, either. While talking to the workers about the need to improve quality, Nihls decided on the spur of the moment to offer up his hair if they beat out Chrysler's other Ram plants.

He also called for volunteers from among his floor managers and found two takers: the assembly manager and paint manager offered to take the tonsure with him if the goal was achieved. Another floor manager, who had no hair to give, offered to wear a wig!

Then they set to work, with Nihl's management team searching for ways to bring the line workers into the quality process.

"We have a salaried work force that is committed to pushing decisions down to the shop floor," said Nihls.

For example, Nihls gave more power to workers to stop the assembly line by installing pull cords that would allow them to alert managers to developing problems. As soon as the cord is pulled, the line worker gets immediate help, and if the problem isn't solved by the time the truck reaches the end of that sector, production stops.

Nihls and his managers also expanded the computer system which workers use to alert

repair staff at the end of the line when fixes are needed on individual vehicles.

And the plant has been holding 50 to 70 small seminars a year on such subjects as workplace design, giving line workers a chance to make their territory an efficient place to work.

"If an employee is walking too much or bending too much or stooping too much, this is a chance for them to change that," said Nihls.

It all boils down to accommodating the people who actually make the trucks.

"I tell my managers, 'these folks don't work for us. We work for them'," Nihls said.

The result is that morale is high and Nihls has the line workers pulling for him.

"He's the best plant manager in the history of this plant," said Sam Monroe, a former line worker who started working at the plant in 1976 and is now photographer for the in-house newspaper.

"This is a winning plant," said Willistine Williams, a veteran quality trainer. "Just look at that aisle," she added, pointing out the pristine and freshly painted corridor between the manufacturing areas.

It's easy to see the high spirits in the video that in-house photographer Monroe shot during the June 19 "Commitment Day" on which Nihls ceremoniously sat for his haircut before the assembled workers.

Ahead of the ceremony, 900 tickets were raffled off at \$1 a ticket (proceeds to the March of Dimes) for the chance to be one of the six workers to put clippers to the bosses. Six worker-barbers had to be chosen because Nihls and each of his two co-managers had the staffers shave them in shifts: the first shift shaved one-half of each head, and the second shift, the other half. The losers hooted with laughter and cheered as the winners went to work with electric sheers on one after another of Nihls and his team.

One of the raffle winners was Billy Childs, a popular 33-year Chrysler veteran who sports a full head of long hair and a flowing beard. Childs, a well-known character around the plant, can be heard on the tape telling Nihls he's sure he's been set up. Nihls, trying to sit still as Childs bores in on him with the clippers, insists that's not true.

"I'm so nervous, I don't know who's shaking the most," Childs said, trying to give the clippers back to a beautician who was on hand to backstop the barbering.

In a calmer moment during a recent lunch break, Childs admitted he was nervous, but only because he was afraid he'd cut Nihls's scalp, not because Nihls is the boss. "I didn't want to hurt him. It's not that he's the boss. That's got nothing to do with it," said Childs. Nihls has created a relaxed working atmosphere and workers appreciate him, said Childs: "He can raise his voice, but he's well-respected and well-liked."

Nihls is also a fair boss who listens to his workers, said Childs, which is how it has to be if the plant is to be competitive. "We have to work together to get the trucks out the door with good quality," he said.

Nihls knows he can't take all the credit for his workers' zeal. They don't have to be told the competition is always nipping at their heels.

"They know this truck market isn't going to last forever. They know that somewhere down the line it's inevitable Chrysler is going to have to lower production, and they don't want to be the ones who see their plant close," said Nihls.

Nihls has the union behind him in the push for quality.

Said Jim Wideman, president of United Auto Workers local 136, "Our membership knows that quality means our jobs."

So, said Wideman, it's no surprise to him that Nihls had to shave his hair off: "I would have known better than to make a promise like that with these workers."

Nor, for that matter, was Nihls surprised. "I expected them to do it, I just didn't expect them to do it in a year," he said.

Will Nihls ever go back to the old look? Not right away, it seems. He had a doctor remove a large mole that showed up at the back of his head when the hair came off and plans to stay shaved for the time being, to remind his crew of the next goal: best in quality among all the big three truck makers.

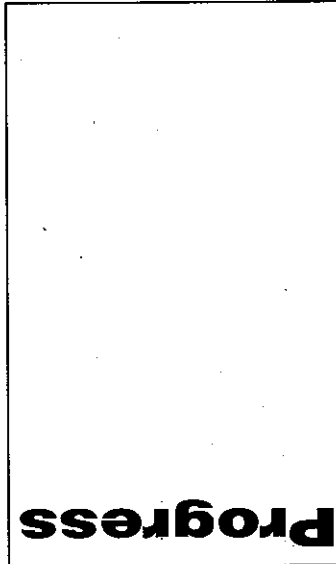
*Source: Larry Holyoke in
St. Louis Business Journal.*

3711 LAUGHING MATTER?

YOU SAID IT
by Laxman



There he is! He comes regularly every year to lay the foundation stones for new projects: hydro-electric, housing, industrial complex, etc.!



YOU SAID IT
by Laxman



In the past we used to promise to remove poverty, unemployment, sickness. Now, in addition, we will eradicate corruption, crime, lawlessness, ...

3712 WALKING THE TALK

Mother Teresa walked the talk as few did. Here are a few of her words:

"We do not do great things;
Only small things with great love."

"The fruit of love is service;
The fruit of service is peace."

"God is love and He loves you.
Love others as he loves you."

"I take one, then one, then one, then"

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