

# Managing Resources

By ANN LATHAM

**S**ome companies have none, while others have several. In both cases, your business suffers and your people suffer unless you have exactly *one* management system.

- And what is a management system? It's a strategic process, a system that governs the periodic tasks that your management team performs to:
- Confirm or adjust your direction, goals, and strategy;
- Establish priorities to provide focus and ensure cooperation;
- Assign resources to ensure accountability and attainability; and
- Monitor progress and make adjustments

How your company executes these steps is open to significant variation, but the basic steps ought to be regular and recognizable. Possible variations include participants, frequency, format, and more. For example, a small business owner may do all of these things extremely well but quietly and independently, while a large organization may have a fairly elaborate array of management team meetings ranging from weekly to annually.

## A Single Management System Is not the Norm

If you examine the practices of several companies, you will discover that some really have no management system and others have several such systems. At companies with no management system, people just do their jobs. Things change because someone decides to make a change. The company may not really know

how well they are doing or where they are falling down, and they are more likely to take sporadic small actions rather than intentional steps toward more significant improvements.

These companies are usually very small or recently expanded, and they either have no serious competition or they are destined to be short-lived. As more than one manager has been heard to say, 'We could afford to be sloppy, but then the competition caught up.'

At companies with multiple management systems, there are often as many as four or five. The one you think of first, because it is always called a 'management system,' may be the quality management system that was established when the company became ISO 9001 registered. Consider next

the financial review process, particularly for public companies that must report status to a Board of Directors. In addition, there may be one or more major improvement efforts such as lean manufacturing. Each may have its own program manager who ensures the basic management system steps are followed. Last, but not least, are the regular old management reviews or project reviews of day-to-day work.

If you recognize the characteristics of a management system in each of these, that is a good thing, because it means that the programs are being actively man-

aged. But if you listen to the way people talk about these programs, you will probably hear how completely disconnected they are. It is this separation that causes problems.

## Dueling Management Systems

The consequences of having multiple, disconnected management systems can be summed up nicely in one word: Conflict. To elaborate, such an operating environment creates:

- A lack of clarity regarding direction and strategy;
- Mixed messages relative to goals;
- Too many priorities;
- Tension between groups;
- Competition for overloaded employees and other resources;
- Inability to effectively adjust plans for success; and
- Employee cynicism

Worse still, when push comes to shove and people become overloaded, it is hard to control the results. What will they quit doing first? Things fall by the wayside, unevenly, a little here, more there, perhaps the old first, perhaps the new first, gradually or suddenly, without an intentional, informed decision. This is not a good way to run a business.

## Characteristics of a Single Management System

A single management system forces what could be dueling interests to come together and work out the conflicts so that the

organization can benefit from:

- A clear direction;
- A single set of strategic goals that address the key elements across multiple dimensions: quality, cost, delivery time, value, customer satisfaction, market trends, and competition;
- Tough choices ensuring no more than three to five priorities for any given group or individual;
- Realistic, agreed commitment of limited resources;
- Ability to monitor progress as a whole and make balanced adjustments across multiple programs; and
- Data-driven decisions, not emotional or squeaky-wheel decisions

In addition, if executed effectively, a single management system is supported by every level of the organization. All levels, right down to each individual employee, perform their own version of the management system tasks.

While there may be multiple programs and multiple levels, a single management system ensures that they all operate within the same framework defined by one vision, one set of strategic goals and one resource plan. The key is in communication, alignment, cooperation, support, and tough, balanced choices.

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