



Calling a Halt to Mindless Change A Plea for Commonsense Management

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One of the most heard messages in the business world is 'Change or die'. Author John Macdonald argues 'Enough is enough. Change is evolutionary, not revolutionary. Leave all quick fixes behind and return to the fundamentals of commonsense management'.

The revolutionary changes we encounter in our today's business environment are not revolutionary at all, even though a lot of management gurus say so. Most of the changes are slow-moving, easy to anticipate without creating big turbulences in companies.

But a lot of managers lose contact with the world outside their office (customers, markets, employees) because they are too focused on current performance, short term profit and stock price. They ignore long-term changes taking place and of course, fail to anticipate them.

But those long-term changes catch up with them 'by surprise'. Result: panic, re-engineering, down-sizing.

Examples of IBM (caught by surprise) and Marks and Spencer (often ahead) are discussed.

Commonsense management is paying attention to the basics of all good business: listening to customers, striving for continued improvement of processes.

In fact, managers tend to complicate business. Some companies are mismanaged. The most important reason for mismanagement is overcomplicating and misdirecting.

'False Gods' such as manipulating public opinion, monitoring legal liability or driving

up profit figures, which are not at all part of the core management responsibilities, lead the managers.

The manager's focus should be on the customer – defining his needs and expectations, designing products and services that delight the customer -, the company strategy and the delivery of products and services to the customer. Question to the reader: ' Look around in your company. Is your management focused on the three processes as mentioned above? Or is management worshipping 'False Gods'?'

Three major 'False Gods' are worshipped:

- ❑ The god of profit: maximizing short term profit by sacrificing tomorrow's results. If the management would focus on customers' delight and developing their people, profits will follow.
- ❑ The god of finance: finance departments, with growing power, don't like risks and are a big barrier to innovation. Numbers are more important than people.
- ❑ The god of Human resources: increasing influence of this department intrude in business decisions. HR has of course to play its role but it are the line managers who should have the power to take the final decisions because they can assess better the performance and needs.

Very often, managers see new ideas and management techniques as the perfect solution. They are going the easy way by adopting them and not adapting them. They forget to ask how the new idea or technique applies to their organization.



A great example of adapting new management practices within existing culture is the way how Japan revolutionized processes by listening and learning Western management techniques but adapted them to their traditions. 3M (adapting) and General Motors (adopting) are two other examples clarifying this point.

Re-engineering is very often pushing through a radical change program without paying attention to what is existing, without knowing what damage or change will occur.

A nice metaphor is used: You throw a big rock in the water: fish can be killed, banks are damaged, water is displaced (radical change). But if you throw in a continuous stream of pebbles: the ripples will quietly touch and influence each corner of the pool and not disrupt the great existing things.

A lot of managers exaggerate the scope and pace of changes around them. If you want to anticipate you have to pay attention to 6 evolutions : the demographic evolution, the competitive evolution, the educational evolution, the knowledge evolution, the evolution of rising expectations and the technology evolution.

The author gives 3 valuable guidelines on how to succeed in the Global Economy :

- ❑ Develop a knowledge base on how each area of operations is evolving, on new opportunities for which products or services.
- ❑ Hold competence in people, products and competition at the highest level.
- ❑ Build alliances with other companies and political and social leaders.

The evolution is technology, even if it brought dramatic changes in the 20th

Century, may not be overstated. Very often prediction on how technology will affect our lives, are very poor.

Examples: paperless office, virtual office, the future of the PC.

The author states that all inventions that really impacted the businesses date from before the 1940's: steam engine, airplane, radio, electricity, television, gasoline engine, jet engine, telephone, computer and atomic energy. Only the biotechnology is an exception.

Today's technology will create business opportunities through convergence and integration of current inventions.

Managers have to turn companies into evolutionary organizations avoiding mindless management and overreacting to change.

They should focus on the customer and processes that serve the customer. The demands of the today's customers are: being delighted and excited by the products and services.

Concentrating on the four basics (marketing, promotion, selling and after-sales service) will help you focus on your customer and bringing your processes, procedures, strategies and practices in line with his expectations.

Go from an internal focus to a customer focus. A clear sense of purpose and a set of values will guide your decisions.

To keep your customer focus a company should :

- ❑ Forge strong partnerships between management and people.
- ❑ Build open communication systems.
- ❑ Ensure that leaders are ethical and recognize their moral responsibility to take care of the organization and its people.