Here's How to Beat the Recession:

Make Your Management Team More Effective

By John W. Myrna

With budgets under intense pressure these days, US manufacturers are challenged to find ways to do more with less. From research and work we've conducted over 15 years during up and down markets, we've learned that successful companies accomplish this by following one very important tactic: they improve the effectiveness of their senior management teams by providing them an opportunity to create – and support – razor-sharp strategic plans with clear-cut goals, accountabilities and action steps for the next 30, 60 and 90 days.

I personally started using this tactic as far back as 1986 when I took over a company that was losing $50,000 per month with only $100,000 left in the bank. Thanks to our strategic planning process and the involvement of each executive in developing and supporting the strategy, within two years we had created critical mass by raising venture capital, expanding the executive team, and securing bank financing to acquire our next largest competitor.

For the past 20 years I've been teaching other companies how to use this same tactic effectively.

It wasn't rocket science that saved my first company in 1986; it was doing the basics with intention and clarity. For example, during our two-day strategic planning meeting we answered the basic questions:

- Where are we?
- Where do we want to be?
- What do we start doing today to get there?

It may seem strange that we stopped to do strategic planning when we were about to go under but the process helped point us in the right direction to climb out of our hole.

The second important lesson we learned is that the task required the knowledge and insights of all members of senior management – not just some, but all senior management – to identify, prioritize and then commit to the strategic goals and action plans.

For many mid-size manufacturing companies, the executive team is typically a million-dollar-a-year asset or more. (Ten executives averaging over $100,000 a year in salary exceeds $1,000,000.) These executives have their fingers on every aspect of the business and therefore are in the best position to know what's possible if they are given an opportunity to participate in creating the new game plan.

Today, this model is helping many companies to redirect resources and survive the recession. In fact, this approach is saving costs in an unexpected way: it has eliminated the need for them to hire high-priced consultants to help them get into shape.

Here are some examples of companies that have achieved improved results using this model.

- A CEO of a specialty military network card manufacturer was ready to kill a system product that hadn't generated any sales in five years. The team was able to identify a different set of prospects

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and now it generates over 25 percent of the company's business.

- An automotive supplier shifted non-sales activities from the sales team to other departments effectively doubling the impact of their sales force. As a result, their sales team could focus on winning contracts from competitors who were likely to be pushed out of business by the downturn.
- A printing company won the biggest contract in its history when the customer decided to select it over its competitors because it had the best strategic plan for keeping in business during the downturn.
- A manufacturer's president who resisted interaction with his congressman developed a plan of action on how to approach the public official and gained millions in funds through congressional "plus ups."

What keeps companies from fully utilizing their executive team and finding a winning course? There are two basic reasons:

- **Lack of a forum** that forces members to truly listen to each other, to contribute, and to create action plans with deadlines and personal accountability.
- **No written, understood, reviewed and approved strategy** enabling the team to make decisions that optimize the organization not just their own areas.

Both of these obstacles can be overcome during a two-day, disciplined working session held offsite. Meeting offsite removes the senior management members from their day-to-day crises and provides them a forum for creating a consensus-built strategic game plan for the short and long terms.

There are seven steps to follow to ensure an offsite senior management meeting will generate recession-beating strategic plans and across-the-board buy-in:

1. Think holistically. Challenge executive team members to look at the organization through the eyes of the CEO and to represent the organization as a whole, not themselves, their people, department, nor function.

2. Establish a clear role for the CEO. During the offsite, the CEO needs to mainly listen and *speak last* in each discussion. CEOs who do most of the talking never know if their team truly understands them.

3. Set the ground rules. The rules should include the following points as a starter: listen, stay focused, speak up, say what needs to be said, don't worry about sacred cows, avoid cheap shots, respect differences of opinion, focus on solving problems, disallow defensive stances or placing blame, add only new information, permit one discussion at a time. Most importantly, create consensus that silence implies understanding and agreement.

4. Post rules and roles. Create two posters – one for the rules and one for the roles of the participants and CEO. Format them on legal size paper, have them enlarged at a print shop and post them in the room.

5. Use a skilled, neutral facilitator. Skilled facilitators have a rich set of tools to make meetings effective. They know how to pull knowledge out of the heads of the team and lead the group to make decisions and identify action. Decisions reached with the help of a facilitator are perceived as more authentic.

6. Solicit independent input ahead of time. A good facilitator will solicit input from attendees before the meeting. This allows the facilitator to tap into the wisdom of each individual team member while avoiding the downside of "group think."

7. Develop specific 30, 60 and 90-day action steps. Limit yourself to tactical action steps to be completed within a week, 30 days, 60 days or, at most, 90 days. Each action step should follow the W-3 approach – *what* action will be done, *when* will it be completed (not started), and *who* will be personally accountable for the completion. There needs to be one and only one person accountable for each action step. When everyone is responsible, no one is responsible.

No advisor or outside consultant has as much "skin in the game" as an executive team. CEOs of US manufacturers owe it to themselves to take advantage of their million-dollar asset – their management team – to beat this recession.

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