

Management By Walking Around

Keep on top of your business by keeping in touch with what's happening in the office and on the factory floor.

Richard G. Ensman, Jr.

Have you ever been confronted by a thorny business problem, only to discover - belatedly - that it had been creeping up on you for months, or even years?

In today's fast-paced business world, emerging problems can easily go unnoticed for long periods of time. Managers can become so engrossed with the pressing concerns of day-to-day operations that they fail to observe the tell-tale signs of upcoming difficulties.

If you want to develop early warning signs of business problems, you have to work at it. While you may be able to keep abreast of trends through formal reports and meetings, these information systems won't tell you the whole story. To find out what's really happening in your business, you must be willing to invest a little time and effort "behind the scenes." Here's how:

Walk the beat. Once a day, take some time to walk through your place of business. Stop and talk to your employees every once in a

while. Ask them what's going on. Ask them to explain the kind of work they're doing and the problems they're encountering. And ask them about their concerns and accomplishments.

Recruit a mystery customer. Ask a friend or colleague to visit your place of business. You might ask your "mystery customer" to offer you a casual, candid reaction to the performance of your sales force or customer service people - or you might ask him to pose specific problems to your staff and observe their reactions.

Set up a simple focus group. Draw together a random group of customers, employees, or vendors and ask them to offer candid comments on your product lines, management practices, or other items of concern to you. Whatever issue you bring to this group's attention, don't forget to ask members to assess the image you and your business firm enjoy in the community.

Write a letter. Under a fictitious name and address, write a letter to your own



MANAGEMENT MATTERS

company asking for information about a product, help with a customer service problem, or a quick price quotation. Note your staff's response: How long a time before the letter is answered? How does the answer come? By letter? By telephone? What's the overall quality of the response?

Take a file test. Next time you need detailed information on some subject, keep track of how long it takes to get a response. How many hours or days elapse before someone on your staff brings you the needed information? Is the information accurate and complete? Are the records you obtain in tip-top shape?

Ask candid questions. During one of your casual

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Richard G. Ensman, Jr. is a free-lance writer from Rochester, NY. He specializes in topics for business and trade magazines.

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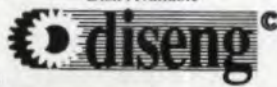
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visits to front line management, ask supervisors a few candid, but seemingly inconsequential, questions. Ask, for instance, about the work schedules of various employees; about the day-to-day responsibilities and accomplishments of the people under their supervision. You'll end up understanding how well your front line people grasp the intricacies of day-to-day operations.

Play the memo game. Want to find out how quickly you can get action on some issue? Next time you need to send out a memorandum asking for verification of some piece of information, an analysis of a problem, or a recommendation on some current issue facing the company, keep track of the response time. When - and how - does the response find its way to you?

Call your office. Some afternoon, when you're out of the office, call in. How many times does the telephone ring before the receptionist picks up the receiver? How pleasant does the receptionist's voice sound? How are you greeted? If your call is placed on "hold," how long are you kept waiting? And how helpful is the receptionist when your call is answered?

Keep an eye on the junk. In the course of one of your walk-arounds, make note of all the discards from your assembly floor or waste paper from your office. What's being discarded? How much money do you suspect is lost in waste that day? Do your people have

any suggestions for reducing waste - and improving efficiency - in the future?

Yell "help" to the computer. Ask for computer data that you know is only a few days old. Accounts receivable data from a very recent sale makes a good test, as does mailing list information that's come in over the last few days. Can your staff get you the information? If not, how far behind is your company in data entry? Why? What can your computer people or office staff do to speed up data entry and processing?

Check the money. Pose a hypothetical question to your top financial person: How much money is left over in your budget, say for the purchase of new office furniture? Or how much profit does he or she see accruing to the company in the current quarter? Can you get quick answers to these and other budgetary questions? Can the money person put his or her hands on financial records quickly and efficiently? Can he make fast and accurate financial projections?

Put yourself in the other guy's shoes. Make it a point to spend an hour or two with a single employee - selected at random - every so often. During the time, see if you can learn the essentials of his job: recording cash receipts, processing customer service problems, assembling products before distribution, or whatever. Ask as many questions as you can during these random learning sessions - and don't hesitate to follow up later on with questions

about efficiency, quality control and work procedures with supervisors.

Read. Ask one of your employees or managers to give you a random batch of outgoing correspondence - memoranda, letters, and reports - some morning. Read it, all of it. What's the overall quality of this material? Is it clear and concise? Does it appear pleasing to the eye? Do you notice any glaring typographical errors? What kind of image do you think your correspondence conveys to the public? If you could make any improvements in the correspondence, what would you do?

Be a doorstop. At the end of the day, stand near the

or colleague to make a complaint about one of your firm's products or services. How effectively and graciously is the complaint handled? How do your customer service people offer to make amends for the problem or address the issues brought to their attention? Nothing will give you better insight to your customer service capability than the comments of a complaining customer.

Formal reports, meetings and information systems all help you understand your firm's "big picture." But the time and effort you spend around the desks of your employees, the water cooler, and the copy machines will

MANAGEMENT MATTERS

Meetings and reports may convey the "big picture", but talk around the watercooler can fill in important blanks.

door. Listen to the buzz of informal conversation going on around you. Are people eager to get out of the office or plant? Do you notice some employees staying late to complete important projects? Do you hear comments indicating job satisfaction - or dissatisfaction - from your people? What does the overall tenor of the conversation tell you about the attitudes and morale of your employees?

Complain. Ask a friend

to give you the tools you need to better understand the day-to-day strengths and weaknesses of your company.

Ultimately, this time and effort will help you identify nagging problems - and solve them before they threaten the profit or stability of your business. Management by walking around may not always be enjoyable but, if it gives you insights into troubles you didn't know you had, it may well be profitable. ■



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