

# Turning West for News

*A Publication for Friends and Clients of M. H. West & Co., Inc.*

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## **Message from the President**

The 21st century is upon us and many businesses are anxious to reveal or provide clues to their customers and stockholders about their future. Many are building their future on carefully constructed plans that are supported through a process answering basic questions such as: Who are we? Where do we want to go? How will we get there? And when?

Plans are guides and they assist organizations in navigating many forces in their internal and external environments. Plans also offer great relief to governance, management and employees of organizations...they can serve as a mechanism for managing unanticipated growth of failures and for restoring calm when either occurs.

A plan should reflect a blending of goals that are known to underlie success, goals that hold strong prospects for growth and expansion and goals that perhaps even represent a "long shot" in their accomplishment.

At the same time, a plan should avoid overemphasizing one aspect of the business over another or at the expense of the entire business. All of us are familiar with the consequences of placing too many eggs in one basket...The imbalance becomes too noticeable and the total effort eventually fails. For example, the luster of economic development disappears when business recruitment is promoted to the detriment of business retention. The same can happen when a company emphasizes cost reduction and containment to achieve profitability instead of embracing this measure together with revenue enhancement. Yet another example is the school system that is so preoccupied with accommodating the needs of high risk children that it has less energy for the children who are the high achievers.

Plans must have quantifiable objectives to measure change that takes place from plan implementation. A plan must also be accompanied by a method for communicating change to those affected. Change must be understood before it is accepted.

As you may expect, there are some who have difficulty in accepting change. Hopefully, it has not been to the extent expressed in this excerpt from a letter written in 1829 by Martin Van Buren, then the governor of New York to the President. *"The canal system of this country is being threatened by the spread of a new form of transportation known as railroads...As you may well know, railroad carriages are pulled at the enormous speed of 15 miles per hour by engines, which in addition to endangering life and limb of passengers, roar and snort their way through the countryside. The Almighty certainly never intended that people should travel at such breakneck speed."*

**In 1997, seize the opportunity to move your business forward...Develop A Responsive Plan Or Rely More Heavily On Your Current One!**

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## **THINKING OUT OF THE BOX**

**(By Dr. John R. Rothermel)**

### **FIRE POLES AND FLEA MARKETS**

Top managers often let their personal preferences determine the shape they give their organizations. Some will prefer the fire pole model: the vertical system in which everything comes shooting down the pole from the top. Some will prefer the flea market model: the horizontal system in which apparent chaos masks the many well designed transactions of the semi-independent entrepreneurs. Arguments have been waged and will continue to be trotted forth on the merits of the two systems.

In fact, the problem is not with the systems themselves but with the managers' imposition of a system without sufficient regard to what the organization's external environment requires. It is appropriate to use fire poles in places where minimum resources must be deployed in a hurry to accomplish highly specific goals. It is appropriate to use flea markets where infusions of capital can support diversified talent responding to multiple unpredictable opportunities.

Organizational development has to begin with an appreciation of the character of the market, the limits on resources, and the talent mix of the potential workforce. So what happens to a chief executive who has a proclivity for fire poles when the environment calls for a flea market; or the converse? Employees usually are expected to adjust to the internal realities of an organization. Can a chief executive change her or his management pattern to fit a different external reality? If you have been accustomed to command-center behavior, will you be able to restrict your management to goal setting and bottom-line evaluation? If you have been used to free and easy delegation, will you be able to handle the decision-making traffic in a strict hierarchy?

Before you take on the management of another organization or massively restructure your present enterprise, you may want to answer the two questions: which structure - fire pole or flea market - does the environment require of the organization and will you be able to adapt if it is contrary to what you personally prefer?

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### **WHATEVER COMES...**

#### **OUT OF THE BOX FIRST!**

Does your governing board operate on the principal that whatever comes out of the box first gets much of its attention?

Does it have a habit of putting a large dollop of its time into talking about the first and the second items on the agenda and then accelerating its speed so that its members are rushing for the exit by the the time it reaches the last issues?

Does your governing board seem to believe that the devil is in the details of every small dollar figure presented to it while it numbly glosses over big dollar calculations?

Is there usually at least one member of your board who has adopted a posture of having a contrary view to whatever the majority of the board favors?

Do you find yourself contending with a board member who regularly re-states, often at great length, the substance of issues that you have just succinctly explained to the board?

Have you, yourself, fallen into the habit of prejudging the opinions and attitudes most of your board members will bring to the discussion of issues that are new to them?

Are you inclined to say to yourself, "Well, this is the way boards are," and dismiss an effort to change the dynamic of the board?

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**Changing your own expectations of your board's dynamic is, and should be possible.** You may need to give team-building at your board level the same attention you give team-building for your employees. If so, you probably need to ask yourself certain key questions about your relationship with your board:

Are you, in fact, prizing every board member as a valued member of the team, and have you conveyed, formally and informally, that valuation to each member?

Is it your practice to start your fiscal year with an informal goal-setting session with your board members, in the course of which the members also have a chance to know each other, as well as know each other's views?

Is it useful to have an informal session during the year--a retreat, for example--at which you can invite all board members to join with you in setting frameworks for solving certain intractable problems? Would it be possible for you at that retreat to ask the board members to appraise their board's dynamics, evaluating what their own expectations, strengths, and limitations may be vis-a-vis the board's business?

**M. H. West & Co., Inc. believes that good board work is the result of cultivation, not accident.**

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## **DID YOU KNOW THAT?**

***Persistence** is what makes the impossible possible, the possible likely and the likely definite - Robert Half, Personnel Executive*

***Courage** is not limited to the battlefield or the Indianapolis 500 or bravely catching a thief in your house. The real tests of courage are much quieter. They are the inner tests, like remaining faithful when nobody's looking, like enduring pain when the room is empty, like standing alone when you're misunderstood.*

***When you fail you shouldn't give up...success does come.***

R. H. Macy failed seven times before his store in New York caught on.

Thomas Edison was thrown out of school in the early grades when the teachers decided he could not do the work.

Harry S. Truman failed as a haberdasher.

Painter Grandma Moses didn't start painting until she was 80 years old. She completed over 1,500 paintings after that; 25 percent of those were produced when she was past 100.

Physician and Humanitarian Albert Schweitzer was still performing operations in his African Hospital at 89.  
(*The Manager's Intelligence Report*)

## WORDS OF WISDOM

The most radical revolutionary will become a conservative the day after the revolution. - Hannah Arendt

Everyone thinks of changing the world, but no one thinks of changing himself. - Tolstoy

We usually see only the things we are looking for - so much so that we sometimes see them where they are not.  
- Eric Hoffer, *A Passionate State of Mind*

Experience is never limited and it is never complete; it is an immense sensibility, a kind of huge spider-web of the finest silken threads suspended in the chamber of consciousness, and catching every airborne particle in its tissue. - Henry James, 1888

The years teach us much which the days never knew. - Ralph Waldo Emerson, 1844

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