

## **THE NO. 1 MANAGEMENT TOOL**

### **Tony Manning**

Organisations are managed conversations. If executives recognised this, and then did what they must to manage those conversations effectively, they'd see the impact in the marketplace and on their bottom line. If they worked at their "strategic conversations" rather than fiddled with the other "tools" they're suckered by, they'd get meaningful results rather than costs and frustration.

Sound too simple?

Think about it. All day long, people inside companies talk to each other – face-to-face in formal meetings and informal encounters, on the phone, or by e-mail. They share information and ideas across corporate computer networks. And they write memos, letters, and reports.

But their conversations are not just an internal activity. They talk to many outsiders too, including customers, suppliers, government, banks, pressure groups and investors. This constant flow of facts, feelings, impressions, assumptions and questions impacts directly on their firm's strategy, determines what is possible or not and moulds perceptions of their performance.

In theory, managers can decide precisely how they'll take their companies into the future. They write stirring mission and vision statements, and give detailed action plans to their troops. And from then on, barring some kind of crisis, it's plain sailing all the way to the future.

Or that's the theory. In reality, life is a dreadfully messy process. As the t-shirt slogan says, "Shit happens." Good stuff happens too. Surprises keep coming. Being able to sense them early is a huge advantage, but you can't bank on it. So the company that can't duck and flex and switch direction at light speed is in deep trouble.

Firms that that revere their past and are in love with their best practices must expect the worst. Today's core competence has a nasty way of becoming tomorrow's killer incompetence. "The way we do things around here" can sink you when things change. For all the hype about company culture, few managers recognise what a dead weight it can be.

As Jerry Porras and Jim Collins reported in their best-selling book *Built To Last*, companies that survive over many decades generally have very strong value systems. But that doesn't mean their values are cast in stone, or that they don't review and rewrite them from time to time. Anything else would be suicide.

In today's fast-changing world, companies must be open to information – and ready to respond to it in an instant. So they must be porous, letting information flow freely in and out of them and within them. And they must be able to make sense of what they see and hear – and be able to do something sensible about it fast enough for their moves to matter.

Effective strategic conversation takes care of all these things. It not only defines the communication that's needed with each of a firm's stakeholders, it also fosters the robust debate that turns raw data into valuable insights – and even more important action.

"Management by walking around" is common practice in many companies today. The fact that senior people rub shoulders regularly and casually with people who report to them does wonders for the corporate climate. And experts on innovation know that chance encounters – "passage talk" – can be a rich source of new ideas.

But valuable though they may be, and much as they should be fostered, these unplanned chats are no substitute for a more deliberate, systematic process of communication. “Strategic conversation” must be crafted and used with determination and discipline.

Every company must be clear about “the hill” it’s aiming to seize. Most vision and mission statements are so padded with fine intentions and high-flown phrases, and so totally divorced from reality, that they don’t deserve to exist. All that’s needed, instead, is a simple bullet-point statement of purpose.

The second thing that’s essential to performance is a clear, thorough explanation of *why* the company’s strategy makes sense, why particular actions matter, why the chosen goals are critical. These “whys” provide the context in which people do what it takes to reach the “company hill”.

But if strategic conversation is key to what goes on inside organisations, consider its impact outside. How does your company converse with customers, suppliers, shareholders, and others who might affect your results? What do they hear? What can they hear? And what do you hear?

Strategic conversation is brought to life in sales calls, PR messages, advertising, packaging design, sponsorships and every other promotional activity. Surprisingly, though, companies spend great fortunes on mixed or unclear messages which confuse everyone.

In too many companies, the current infatuation with customer relationship management (CRM) systems is a waste of time and money. Try to talk to them. Try to complain or ask for help. It’s you against a deaf mute. Yet if someone had simply started with the view of the system as a facilitator of a conversation – and if they had then thought through how that conversation should happen and what the parties should get from it – the whole setup and the way it is managed would be different.

Strategic conversation will be the No. 1 management tool in this new century. For all our technological wizardry, this is the age of humanity. Marketers who understand the value of relationships and the power of conversation will do best at capturing and keeping the customers of tomorrow. Those who manage their conversations with skill and consistency will own the future.

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