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What managers really need to know

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By now, we know pretty well what works in business and what doesn't. So why do managers waste so much time and money looking for new answers? Why do they ignore the tools that work, and mess with stuff that won't make any difference to their results?

Whatever business you run, there's a handful of things you just have to get right in order to deliver growth and profits – and to stay in business. Everything else is a distraction. Here's the critical few:

1. Define and focus on the “right” customers for you.
2. Understand their needs.
3. Offer a difference that matters to them.
4. Build an organization that delivers through thick and thin, and that can flex and adapt to new circumstances.
5. Keep driving costs down and your customers' perception of value up.

There. Not hard to understand, is it? Yet every day, new books, journals, and courses arrive promising fame and fortune, and gurus leap on stage with glib answers to problems they've never had to deal with.

Most of the “advice” you'll be offered about management adds nothing to what you really need to know. Some gives an interesting slant on an old idea, or maybe even a fresh insight or two, but that's the rare exception. It may give you more of a kick than you'd get from reading Harry Potter or going to a movie, but will it help you give your business more of a kick? Not likely.

Make no mistake: management is a very complex matter. Companies face daunting challenges. Executives have to deal with tons of stuff they're not prepared for. Every day brings new surprises, new bumps in the road.

Doing business gets harder and harder, as more competitors arrive, customer behaviour shifts, politicians interfere, laws change, economic conditions ebb and flow, activists apply pressure, and so on. But just because you have to deal with tough business conditions is no reason to make life harder for yourself.

On the contrary, there's a compelling case for making things simpler. And the starting point is those five rules of the game. They need to be the essence of your strategic conversation, the themes of every meeting, every conference, and every speech you and your colleagues make.

You need to know exactly who your “right” customers are, or “everyone” becomes the target. When that happens, you’ll blast your marketing resources all over the place and spend too much on the wrong people and too little on the ones you should be aiming for.

Then there’s the vital matter of knowing their needs. Of really understanding not just what they buy, but *why* – what problem they’re trying to solve, what “solution” they’re seeking. When you know that, you can start tailoring your offering, so you make a difference that really matters to them. Anything else is sheer waste and utter futility.

But that’s not the end of it. Smart managers might be able to do many things, but one thing they can’t do is predict the future with any accuracy. They might get it right some of the time – or even quite often – but sooner or later they’ll be caught out.

When that happens, strategy is no good to anyone. The organization has to take over. It has to roll with the punches, duck, feint, adjust, and fight back. And even while it’s doing so, it has to keep giving customers more for less.

Put this way, management sounds easy. But if it were, every firm would be a winner, every bozo manager would look like a genius. In fact, these “rules of the game” are darned hard work. They take plenty of research, analysis, deep thought, experimentation, imagination, insight, tact, courage, persistence, decisiveness, flexibility, and political skill. And a whole lot more.

Apply “the right stuff” to “the right stuff”, and you have a shot at success. But work like hell at the wrong things, and you’ll never get where you want to go.

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