



The Measures of Management

By Chanon Collins

5th in series examining re-engineering change

When you read the name Henry Ford, you probably think of automobiles. Henry Ford was not responsible for the invention of the automobile, but he did invent the processes necessary to mass-produce the vehicle that launched Ford Motor Company into its future. Henry Ford took a product that was relatively easy to replicate and developed systems for production. He manipulated one grandiose idea into multiple methods that could be managed.

Ford is just one of many examples of companies that have succeeded in business by creating systems for operations. The unique culture at Southwest Airlines is based on systematizing the processes of operation. For example, this airline set a standard of 15 minutes to turn around a plane for take-off. The engineers at Southwest visited numerous pit crews to study the processes of servicing a racecar. They adapted the pit crew processes to those needed for servicing an aircraft. Southwest identified a performance standard, developed systems for operation, and used the systems themselves to evaluate performance.

There seems to be a common thread among the successful businesses of the 20th and 21st centuries. These successful businesses - MacDonald's, Disney, Southwest Airlines, and Ritz Carlton – have developed systems of operation. These systems are carefully managed and assessed. Notice that these companies do not focus on managing their employees. These companies manage their systems. Just think of the implications of this relatively simple theory. If the organization is not managing the team members, who is? The team members are managing themselves.

While this might be a frightening thought for some, take a moment to ponder the power of that statement. Team members managing themselves provide a proactive atmosphere for success. When team members are given the power of responsibility, they are empowered with ensuring the success of the organization. The future of a company in which each team member is micro-managed is a bleak one. A company that relies on systems for production and empowers team members to manage and monitor the systems is one destined for greatness.

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This is not to say that team members are free from assessment. In companies with successful operational systems, team members are ultimately responsible for the success or failure of the systems. While having systems in place in an organization reduces the practice of placing blame on individuals, it does not delete the responsibility of the team members to succeed.

Effective managers, both in name and in function, realize that there are specific ways to manage the processes of an organization. The success or failure of a company can be measured by assessing productivity, profitability, retention, and customer satisfaction. Each of these variables can be directly linked to the systems and processes of an organization.

The productivity of team members can be measured by assessing the systems available. In most instances, productivity can be improved by improving the systems of operation. Efficient systems produce impressive profits. Team members remain with organizations that have successful systems. Customers are loyal to superior products and services. The power of systems is evident in each of these assessment tools.

Contemporary philosophers urge people to not “sweat the small stuff.” I believe that successful companies would disagree. It is the “small stuff” that can make or break an organization. Benjamin Franklin’s rule of management still holds true – “seek effectiveness in small matters rather than wait for the bolt of lightning that will probably never strike.”

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