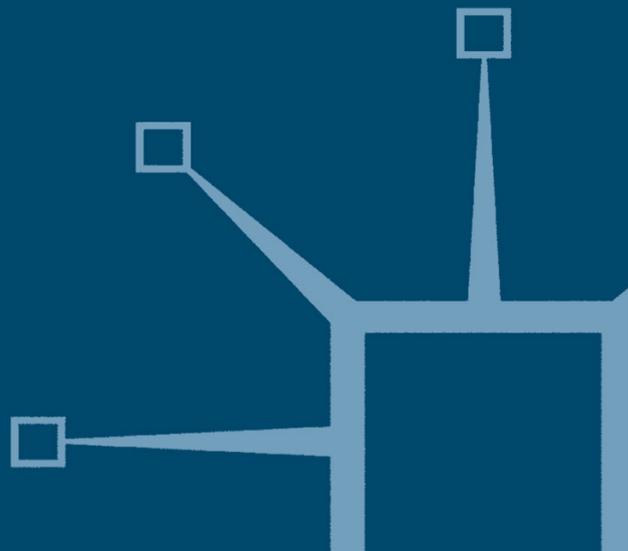


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# Successful Management

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Neville Bain



# SUCCESSFUL MANAGEMENT

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# Successful Management

Neville Bain

Foreword by Sir Adrian Cadbury



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Families provide support, perspective and rich learning experiences – mine more than most! This book is especially for **Anni**, as well as for **Sue, Peter** and **Kristina**.

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# Contents

<i>List of case studies and figures</i>	xi
<i>Foreword by Sir Adrian Cadbury</i>	xiii
<i>Preface</i>	xv
<i>Acknowledgements</i>	xviii
<b>1. Starting-point</b>	1
Background	1
Broad observations	1
First general management role	2
Most important attributes of general managers	3
How to choose potential general managers	5
Time allocation	7
Summary of survey	8
Lessons from successful companies	9
Looking forward	10
Implications for future managers	12
Future music	13
<b>2. Management or leadership?</b>	14
Management tasks	16
Leadership	16
Attributes of leadership	17
Leader, born or bred?	19
Lessons	22
Inspirational and perspirational leadership	23
Leadership – the unseen factor	25
The constituent's view	25
Trust	26
The management of change	27
Factors for the future	29
<b>3. Management development</b>	31
Talent is the differentiator	31
People, above all else	32

Continuous learning	32
Learning organisation	34
Managerial competences	35
Personnel input	35
Development of managers	38
Objective-setting	39
Appraisals	39
Career development reviews	40
Management development and succession planning	41
Finding the talent	42
Model of executive potential	43
What about the worker?	47
Personal development	50
Key messages	51
<b>4. Managing yourself</b>	<b>52</b>
Life plan	52
Avoid wishful thinking	53
Self-knowledge	57
Management of time	62
Managing your boss	65
A review	66
<b>5. The environment</b>	<b>68</b>
Managers, look out	68
Environment and the business model	69
Pause to reflect	78
Rapid change	80
Megatrends	81
Implications for business	83
Managers of the future	84
Summary	85
<b>6. Strategy</b>	<b>86</b>
A building block	86
Intuitive strategies	87
The big idea	88
The process	89
Communication of strategy	95
Addressing problems with planning	101
Observations	102

<b>7. Adding value</b>	<b>104</b>
Through strategy	104
Through sales-based growth	106
Through re-engineering business process	111
Through information technology	113
Value from the centre	117
Can the board add value?	119
Heart of management	123
<b>8. Communication</b>	<b>124</b>
Plan the programme	124
How much?	126
Ways and means	126
The role of PR	128
Improving presentation techniques	128
Shareholder communication	130
Marketing the company	131
Feedback from investors	132
Shareholder research	133
Investor relations report	134
The Annual Report	135
Communicating with the workforce	137
Summary	140
<b>9. Taking charge</b>	<b>141</b>
Stressful times	141
First appointment	141
Practical lessons	143
Change is inevitable	145
Lessons from literature	148
Leadership tips	149
Surveyed managers approach	150
Exciting time	155
<b>10. The numbers</b>	<b>156</b>
The starting-point	156
External reports	157
Different standards	158
Key external reports	159
Reports to the board	163
Financial knowledge for managers	166

Non-financial measures	170
Control of overheads	171
Activity-based costing	171
Managing value	176
Summary	178
<b>11. A sense of balance</b>	<b>179</b>
Corporate governance	179
A question of reward	183
Balance on the Board	188
Openness	188
Cultural diversity	191
The wider outlook	193
Summary	197
<b>12. A distillation</b>	<b>198</b>
Value creation	198
Core themes	199
A final thought	205
<i>Appendix I General management questionnaire</i>	206
<i>Appendix II Professionals' questionnaire</i>	210
<i>Glossary of Terms</i>	212
<i>References</i>	215
<i>Index</i>	218

# List of Case Studies and Figures

## *Case studies*

4.1	Understanding yourself	59
6.1	Confused strategy	96
7.1	Shima Seiki – value through strategy	107
9.1	On taking charge at Coats Viyella	151
10.1	Touche Ross and a capital goods manufacturer	167
10.2	Fabrics Inc. – getting the right measures in a business	172
11.1	Aspects of cultural diversity	194

## *Figures*

1.1	Selection criteria for general managers	5
1.2	Comparison of time allocation	8
2.1	Management/leadership comparison	15
2.2	Five dimensions of leadership	18
3.1	Reality gap	34
3.2	Managerial competences	36
3.3	Linking business and personnel processes	39
3.4	Management development: succession planning process	42
3.5	Executive potential	43
3.6	General Electric's leadership assessment	45
4.1	Life plan	54
4.2	Personal career planning	56
4.3	Manager's self-assessment	57
4.4	Four stages of management	61
5.1	Model for business	70
5.2	Futures for 2020	72
5.3	Schwab's observations	79
5.3	Finding megatrends	82
5.4	Identifying the impact of megatrends	83
5.5	Trends and implications	84
6.1	Porter's five competitive forces	90

6.2	Seven elements of the strategy process	91
8.1	Personal communication plan	124
8.2	Alpha earnings growth	136
8.3	Alpha: total return to shareholders	136
8.4	Assessment of annual reports	138
10.1	Accounting controls checklist	160
10.2	Cash flow	163
10.3	Company performance	165
10.4	Value-based management	177
11.1	'The Cadbury code'	181
11.2	Statement of values	184
12.1	Company XYZ Plc: financial criteria	199
12.2	Key messages for managers	203

# Foreword

Neville Bain's book fills an unquestioned gap in management literature and that is a rare accolade! His guide to successful management is grounded in experience, practical in its approach and blessedly free from jargon.

Having worked closely with Neville, it will come as no surprise that I wholeheartedly support his analysis and conclusions. His advice on how to get the best out of consultants, on the power of teams and on the need for a sense of balance will prove invaluable to those taking up their first major post as a general manager.

I particularly appreciated the strategic theme which, along with the theme of change, runs through the book. Neville stresses the need to establish a clear strategy from the outset; clear not only to its author – 'strategy is the creature of the business leader' – but to everyone on whose efforts its successful implementation depends. *Successful Management* contains as helpful an account as I have read of how to formulate a strategy which can adapt to rapid changes in the competitive environment.

Turning strategy into action depends on leadership and on the calibre and commitment of those who make up the enterprise. I entirely agree with Neville's comment that 'Managers continue to underestimate the intelligence and latent ability of the workforce to contribute to strategy execution.' As he goes on to say, 'The workforce remains a significant source of untapped value.' It is one which is drawn on to gain a competitive advantage by the best of our overseas competitors.

It follows that I fully endorse Neville's emphasis on the necessity for managers and directors to devote time to their own training and development. We expect it of those for whom we are responsible and they have every right to expect it of us. The way to bring about a positive attitude to training is to ensure that those managers who train and bring on their successors are seen to be rewarded for so doing. Who gains in the pay and promotion stakes is an indication of where the priorities of a company really lie. On appointments, I like his advice to promote, if anything, a shade too soon; this is the safest kind of risk to take.

The lesson I draw from reading this authoritative work is that there can be no let up for any of us in the drive to become more professional and more effective as managers. 'But then', as Neville says, 'Whoever wanted a quiet life?'

SIR ADRIAN CADBURY

# Preface

The aim of this book is to provide managers with a practical guide that will help them to be more successful. Far too often, preparation is left to chance and a new incumbent is left to his or her own devices to settle into a new management position. Today, a number of management candidates will have had the advantage of a business school education which will provide a practical base of methodology. However, many of the business schools rely heavily on systematic techniques which certainly clarify the mind but all too frequently seem to be difficult to apply in the real world. There is, I believe, scope for a very practical guide of approaches which have worked well in practice and can be examined for relevance in the particular setting of the reader. Within this framework, references are made to appropriate literature to provide a richer range of views on the chosen topics.

This book does not try to replicate the scope of an MBA programme. However, it will provide helpful, additional insights to the MBA and other business and management students on MBA, post-experience and executive courses. The approach is to demonstrate practically how theory in action can lead to successful management. I hope a wide audience from business will be attracted to this work because of the broad scope covered. Managers in today's and tomorrow's business setting will increasingly need to have a broader grasp of general management principles. Those entering management for the first time should find this book helpful, practical and topical.

Every manager operating in a commercial environment needs to remember that their prime role is to create wealth for the shareholders. They need to understand clearly the fundamental links with shareholder value as measured by the capital market and the financial and strategic performance of the company and its component parts. This means that managers need to set the right objectives for the company in which they have that responsibility. They certainly need clear objectives for themselves. To set priorities, managers must first have clearly understood the nature of the task of value creation. A general manager must develop new strategies that are relevant to the environment and are based on the core competences of the corporation. These strategies will need to yield a long-term competitive advantage so that they significantly increase the value of the company over time. This, then, is the most

basic framework or the central proposition. This message is therefore repeated in different forms through the book. While strategy creation is the primary responsibility of the general manager, the wider group of management will have participated in the process and will certainly be responsible for a part of the execution. It is therefore of wide interest to the total management population.

Supporting this core thesis there are four recurring themes in this book:

1. *A fast-changing environment* is the regular background against which managers must manage. Change is continuous and will be more rapid as we move forward over time. The organisation must be capable of reacting to those changes and taking advantage of them yet staying within the overall framework of the agreed corporate strategy.
2. *The role of strategy* is fundamental if the people in the organisation are to be enabled to make the contribution of which they are capable. Strategy based on a good grasp of the core competences of a business is an essential precursor to achieving optimal shareholder value.
3. *Dependence on people* is key to delivering the latent capability of a business. People are the greatest source of competitive advantage which is the primary reason why we should invest in their capability.
4. While *the concept of leadership* is less easy to prescribe, it is an important attribute which must be present in all successful general managers. It is certainly not an asset one is born with, rather it is a skill that can be honed by practice.

The genesis of the book lies with the notion that most general managers with whom I spoke had very little help in preparation for general management. In most cases they were 'thrown in at the deep end', surviving or sinking depending on their intuitive reactions, and their skills were built up over time. It was this thought, coupled with the lack of a systematic approach to identifying potential general managers that prompted a survey of not only senior general managers but also of professionals expert in recruiting to gain deeper insight into factors regarded as important for success in management. While this survey dwelt particularly on the appointment for the first time to a general management role, it was clear from follow-up discussions that this same malaise was apparent at other levels of management. The simple fact that emerges is that although many senior managers understand that people can be a great source of added value, in practice too little attention is paid to skill development. Chapter 1 begins with the survey, setting down principles and questions that are addressed in more depth later.

The book is organised topically so that the reader can dip into areas of interest in whatever order preferred. However the opening chapter is best read first, because it sets the scene and makes some initial observations that can be tested in later chapters. The next two chapters, Management or Leadership and Management Development, are universally important whatever the reader's managerial role. Looking outwards is an essential characteristic of a successful general manager. It therefore follows that the chapter on the environment is important for many aspects of management and is best read early.

While there remain those who rely on instinct or hope in their management role, this minority is rapidly being replaced by those who have developed a distinct capability and who constantly brush up on techniques and learn from the experience of others. It is my hope that this book helps in a small way to raise standards through thoughtful consideration of important aspects of successful management.

NEVILLE BAIN

# Acknowledgements

I must start with a general but important acknowledgement to the many managers who have influenced this book. Throughout my work career I have been impressed with the very positive attributes of successful managers with whom I have worked or come into contact who have often had diverse backgrounds and different styles. This has provided a great deal of resource for the book as well as positively influencing my own style of management.

Then, more specifically, I appreciate the input of more than 90 managers who provided responses to the questionnaire discussed in Chapter 1 and many of whom provided follow-up information. Some colleagues and former colleagues have made valuable suggestions in specific parts of this work. Russell Walls, formerly Finance Director of Coats Viyella Plc, helped with his suggestions on numbers, while Bill Shardlow, Personnel Director of Coats Viyella Plc, provided suggestions to improve the final draft as well as commenting on a number of the personnel issues raised.

James Watt of The LEK Partnership was generous both in helpful comments and providing some material which has been included. Equally, Bob Cowell of Makinson Cowell provided charts for the chapter on Communication as well as some suggestions for improvement. Louise Charlton of Brunswick also made suggestions on the broad topic of communication which I have been pleased to incorporate. Peter Stafford of Touche Ross helpfully provided information for the case study of the Capital Goods Manufacturer in Chapter 11. Stephen Rutt of Macmillan made many helpful, practical suggestions on the layout and content. I am grateful for his contribution.

Professor David Band, Dean of the Faculty of Business at Leeds Metropolitan University and formerly Director of the Advanced Business Programme at Otago University, was generous with his time and advice, having ploughed through the three drafts in total. His encouragement, warm support and advice is greatly appreciated. Ruth Tait of Korn/Ferry Carré/Orban International also provided encouragement and very helpful suggestions following her appraisal of the second draft.

Sir Adrian Cadbury has been an outstanding role model, mentor and friend during my 27 years with Cadbury Schweppes. He has always been

warmly supportive with his encouragement to reach higher goals in business life. His thoughtful suggestions, having read the draft in detail, were greatly appreciated. He also kindly agreed to write the foreword to this book.

Lord Sheppard must have one of the busiest schedules of any businessman that I know! However, he kindly agreed to read the final draft, making numerous useful observations. I very much appreciate his time and advice.

This book has been improved as a result of wider work quoted and where permission has been obtained for inclusion and where acknowledgement is made in the body of the book. I would especially like to thank the following for their permission to use material.

- Pat and Ron Knight of People Change Organisation (PCO) for Figure 2.1.
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The production of this book would not have been possible without the substantial input of Sue McBain who typed up early roughs and retyped the many corrections and amendments. She struggled with obscure notes as well as difficult handwriting to take the work to its final stage. She was also helped by Patricia Taylor who typed a large part of the first draft.

Many people have helped, guided and encouraged but the resultant work, blemishes and all, is my responsibility. My hope is that this input will have produced a worthwhile book, helpful to a wide audience interested in successful management.

NEVILLE BAIN