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Anticipating the “Anticipation” Enterprise

Part 4

By Michaël Charchaflian
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In our most recent article, we defined the Customer-Driven Enterprise (Level 4) and promised to identify solutions for managing information at this level.

At Level 4, the company is capturing perhaps 1,000 times more information than it did at Level 3. At this level, the Internet plays an essential role. Click streams and other data become available and are captured automatically.

The problem at Level 4 becomes determining which information is important. It comes down to determining the customer information, the product information and the customer perception information that's critical. The other challenge is to determine how to get the information that's critical to the right people in the organization in a way that allows them to act on it. Ironically, we're in the middle of the Information Age and companies still don't know how to make money with information. They have to work out the processes to do that. That will

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Company values – clarity and credibility before communication

By Anne H. Kreidler
Principal, Anne Kreidler Associates

At least four business issues are likely to motivate you to want to clarify and communicate your company's value system:

- Attract new employees
- Retain current employees
- Motivate performance
- Population growth

Your values – your beliefs about how you treat people and how you make decisions – are embedded in your company culture. In the simplest of terms, values result from the way you and your managers treat your employees and the work ethic you promote. You can clarify your values, and you can change them. But, to do so requires complete honesty about yourself and your company's current reality and a clear vision of your desired state.

The credibility of your message and the clarity of your intent are the first things to address. Your efforts will fall on deaf and, worse yet, cynical ears if employees don't see that your words are supported by your behaviors. Absolute honesty with yourself and a willingness to listen are imperative.

Do Your Research

Employee discussion groups led by an objective resource will help you understand the current reality of your culture. If organized effectively, they can help you discover the appropriate language and process to use in communicating.

One client engaged me to communicate what they considered to be additional values statements. I discussed these with several groups of employees in different divisions, and it became apparent that we shouldn't call all of them "values." The term confused employees, who were used to existing values statements. Our research helped us see the need for significant adjustments in language and the importance of positioning our statements as "works in progress".

Dozens of people were involved in refining the language and the communications plan. Months went by as we negotiated language nuances.

Voice of The Employee

In the end, the client used the voice of employees to communicate the values. This was accomplished through a multitude of short anecdotes explaining how a person's or a team's work exemplified one or more of the new statements. While the communications process is on-going, my client reports that the values have become embedded in the thoughts and language of senior management "as if they have always been in place."

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The Wild Wild Internet

By Rich Eichacker
Vibrance Technology Corporation

Has the Wild West returned? If so, then it's not with stagecoaches and the Pony Express, but on the Internet with viruses and rouge hackers trying to break into even the most mundane systems.

New viruses are created almost every day. For example, the "I Love You" virus spawned the "Joke" virus. Just recently, in fact, I had been alerted to two brand new viruses making their way around the net. These destructive programs come mainly as attachments and are either invoked

by running a program or opening a document or spreadsheet.

Your best line of defense is to screen email messages and open attachments only when you are positive that the author sent it. You will not hurt your system by reading the message, but if you open the attachment – watch out! The "I Love You" virus spread so quickly because people let their guard down.

To prevent virus attacks, make sure you have an anti-virus program that runs at system startup and keep the virus definitions current. Most anti-

virus packages let you update the definition files over the web. Updates would not have helped in the case of "I Love You", because the virus spread so fast, but it will protect from other, known infections.

Another, but more discreet security issue has developed with the introduction of "always-on" connections, like cable modems and DSL. In this attack, a hacker can exploit holes in the Windows networking software that allows access your hard drive and/or network.

Two types of software can limit these kinds of attacks: Intrusion detection software and personal firewalls. In the past these systems were fairly expensive and difficult to operate, but with the need to guard against these types of attacks increasing, some new packages are available that are both inexpensive and easy to setup.

Intrusion detectors, like BlackICE Defender, prevent access into your system from the Internet. The intrusion can allow a hacker to copy files from your system or leave so-called Trojan Horses that may do damage at a later time, like in the case of the denial-of-service attacks on many popular web sites like Yahoo. Firewall packages, like Norton Internet Security 2000, are more comprehensive, controlling both inbound and outbound traffic.

To test your vulnerability to these types of attacks, visit the web site Shields UP! (Gibson Research, <http://grc.com>). Running the tests may reveal some interesting information about how open you are to a hacker.

With a little due diligence, you can keep the Wild Wild Internet at bay. Remember: Backup often, update virus definitions at least once a month, open e-mail messages with caution and, if needed, secure your system from outside intrusion.

Anticipating the "Anticipation" Enterprise

Part 4

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require new skill sets, new tasks and new levels of authority.

Level 4 companies will become more common as more Internet-based ERP and CRM tools become available. Second generation CRM tools are all migrating to the Internet and will allow the company to listen more closely to the customer. Companies are moving as quickly as they can and some are using second generation software for the Internet from day one. The problem with this model, though, is that these companies can support only online functions. It's difficult to find tools to work both online and offline.

In addition, not every business is conducive to migrating completely to the Internet. If the greatest percentage of a company's revenues comes from offline business, the business may have no choice but to focus the majority of its time on offline business. No company can afford to ignore its core business.

Acting in Internet Time

But acting in Internet time is a challenge we're all learning to deal with. A business can follow two strategies. The company with a strong brand name can follow a "skunkworks" strategy, building an online site, but keeping its online presence separate from its offline presence. The second strategy is to treat the Internet as a channel and to establish a customer service center with a multimedia backbone. In this case, the same network is serving the Internet site and the offline business. For example, when Internet users type in a question, it can be funneled to customer service.

In either case, it is important to remember that speed is of utmost importance. To succeed, the Customer-Driven Enterprise must identify its customers and meet their needs more quickly than its competitors.

Is Your Accounting System Delivering?

By Sandra LeDuc, CPA, CVA

Does your accounting system provide the timely, comprehensive information your managers need to make decisions? If the answer to this question is "no" it may be time to assess the existing accounting and information systems. Current, accurate information is one of the must-have tools for managers in today's competitive business environment.

Consider Your Needs

Take time to work through the strengths and weaknesses of your systems. What information do you wish you had that just never seems to emerge from any of the reports? Is information stale by the time you get it? Are you overburdened with detail when exception or summary reporting is what you really need?

Assess Your Current System

If your existing accounting system was installed within the last few years,

revisit your original goals and determine whether they've been met. If they haven't been, ascertain whether the system is fully implemented and utilized.

If it is fully implemented, verify that you're using the most recent version. If there are no upgrades to solve your problems, it's possible that utilizing other systems that will integrate with the current systems may work for you. It is also possible that the reporting function is not understood and requires training.

You've Outgrown the Current System

If you know you've outgrown the current system and you've been putting off the selection and installation of a new system, it's time to roll up your collective sleeves and get to work. The competition has never been as informed and connected as it is today.

Use your earlier determination of critical information to write your

specifications. Imagine the accounting system sharing information with other systems such as production, project management or a contact management system. Be expansive in defining your expectations.

Your accounting professionals should be able to identify commonly used packages in your price range as well as customizations of those packages for your industry or your specific needs.

Don't overlook e-solutions in the form of Internet application service providers renting access to software packages that you might consider outside your price range. They could offer other advantages as well.

Be certain that your team is accountable for meeting the goals. Regular review following completion will also be necessary to keep accounting advised of changing needs and expectations.

Successful Succession: Increasing the Odds

By John A. Haas, Ph.D.
Management Strategies Group

We've heard the statistics: 90% of US businesses are family-owned; 60% don't make it to the second generation; 75% don't make it to the third. While there are many possible reasons, succession planning is something families can control to increase the odds.

What Goes Wrong

Some common symptoms of poor succession planning are:

- Unwillingness to face the problem in time to plan.
- Failure to identify future family roles.
- Failure to assure future family executives have needed knowledge, skills and abilities.
- Not enough experienced non-family executives in influential roles.
- Failure of next generation to earn respect of non-family employees, customers, vendors, etc.

- Older generation unwilling or unable to step aside; second-guesses or overrules "junior."
- Different values between generations.
- Mixing family with business matters to the detriment of both.

Getting It Right

Unless the business is sold or disbanded, succession must eventually happen. It can be well or poorly planned. A useful first step might be for the founder/owner to write an "emergency management transition" (EMT) plan to offer guidance to surviving family members in the event (s)he is suddenly disabled or dies. That jolt of reality should get the thought process flowing!

A successful transition plan should include at least the following:

- Create a board of advisors or directors to include a number of pros with credible outside

- experience and exposure in addition to family members. Succession planning should be part of their strategic agenda.
- Require that any family member planning to manage in the business have a relevant educational background and some years of outside experience.
- Only accept such family managers if there is a clear business need to fill a position for which he/she is objectively qualified.
- Require that family managers rotate around the company to gain sufficient exposure to all products/services, technology, processes, employees, customers, etc.
- Communicate the succession plan as appropriate to key stakeholders within and outside the company. Shape the culture toward embracing the succession plan.

Succession is always difficult, especially with a long-entrenched management and employee workforce. Yet, succession and new energy are essential for a family business to survive and thrive.

Five Financial Reports Yield Marketing Gold

By Beth Tracy Gamble
Tucker Street Associates

Marketing and finance may seem like opposite ends of business, but used together they produce dramatically better marketing results. Good marketing reports let you identify successes, trends, and problems to develop a stronger marketing strategy and implementation plan.

The five reports outlined will track the kind of information you need to make good marketing decisions.

Each report gives percentages of total revenue for the month and year-to-date by five different categories and should be updated monthly to show trends. You can then act to take advantage of a market need or beef up promotion for a product that's faltering.

Client/Customer Analysis – the percentage of total revenue represented by each client

This report can often be the most remarkable of the five. When we first do this report, many of my clients are surprised at where customers fall.

Use this information to help you focus on the customers who produce high revenue for you – but also make sure they are profitable.

Product/Services Analysis – the percentage of total revenue represented by each product/service

This report lets you analyze how each of your products and services is performing. Using more categories

gives you better information so break down large services into smaller components and separate products from service contracts.

Look for trends in this report – if the percentage of a particular product is moving up, it may make sense to do some promotional activity around it.

Demographic Analysis

What you measure will depend on the kind of business you have. It may be geography, size of business, income, or education level. You need to be able to find prospects and this reports helps you identify how to find new groups.

Source of Business Analysis – the percentage of revenue produced by each referral or marketing source.

Whether it's individuals or postcards, telemarketing, or other customers, track as finitely as you can who or what produces business. Future marketing activities should focus on what brings the best results.

New Business Analysis

Repeat business versus new business. This key indicator can tell you quickly if you're in potential trouble. Repeat business is good because it's more profitable, but every business needs to bring in new customers. Figure out what the right percentage is for your business.

While setting up the reports may take some time, your return on investment is a stronger marketing strategy and more successful promotional implementation.

Guest Column

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Through the development and implementation of integrated employee communication strategies and programs, **aka** helps companies align employees with the needs of the business. High-impact specialties include culture change, management, and restructuring communication.

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