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Disaster Planning For a Renewed Sense of Control

By Sandra LeDuc, CPA, CVA
LeDuc and Sikowitz

With the events of the last few months we've learned not to take much for granted. Business owners are imagining themselves in the shoes of those in the immediate areas of the recent disasters and wondering how they and their businesses would recover. This imagining is the beginning of a plan for disaster recovery and should consider some of the following points:

1. **Data Recovery** - your computer may not run your business but it undoubtedly contains information necessary to contact customers and vendors, collect receivables, prepare insurance claims, verify vendor claims, comply with tax laws and prove tax payments, identify open orders, locate offsite inventory and so on.

Think through your current methods of backup and offsite data storage. Verify that the system is being followed. How much data would be lost if you had to restore from your offsite backup? Is it adequate?

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Creating an Empowered Organization

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

You started (bought or took over) this company. Your vision, capital, experience, knowledge, risk-taking and decision making brought you this far. You make almost all decisions, and most have been right. You've hired good people, and they've worked hard to help you succeed. Your attempts to delegate were disappointing--people weren't willing to "step up" and take responsibility. Now how do we get the company to the next level?

Know Your Current Culture

In fact, people may have learned that trying to make decisions is fruitless. If you frequently second-guess or reverse their decisions, they figure it's easier to just let you decide in the first place. "Delegating upward" is easier on everyone.

Now, you're realizing that your management style prevents you from focusing on growth and future directions. Others are probably feeling frustrated as well.

Managing Change

As a system of interrelated and interdependent parts, changing one element of organization structure and process affects all other parts. Changing your role requires that others change theirs, in complementary ways.

Your first (and most difficult) step is convincing **yourself** you can and will change your management approach, and clearly envisioning those changes. Then examine:

- Where am I most capable, interested and needed to remain closely involved?
- Establishing measurable business goals and tracking success.
- Getting needed operating information in a timely manner.
- Defining major policy and strategic-level decisions I want to retain.
- Defining **my** primary focus as I delegate more (e.g. new products or services, acquisitions new technology, other investments)?
- How to convince staff to make individual and collective decisions to achieve established business goals.
- Reward systems that encourage consistent and integrated goal-oriented efforts.
- Consciously and consistently asking myself "is this something I should decide or delegate to my management team?"
- Monitoring all the above.

Expect initial steps toward creating an "empowered" culture will be met with great skepticism. People will say they've heard all this before, and won't believe you will behave any differently this time. Can you make the case to them and yourself that this time around we "better change?"

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Ways to Improve On-Time Delivery

By Tom McBride

Partners for Creative Solutions, Inc.

Do you know how much late deliveries are costing your organization? Some of the costs are immediate and obvious, such as angry customers, premiums for airfreight, and monetary penalties. Other costs are often a direct result of late deliveries but are more difficult to quantify. Some of these are listed below.

- Loss of customers and market share
- Difficulty in obtaining new orders
- Time wasted tracking down and explaining late orders
- Problems with cash flow

- Inflated inventories
- Lowered productivity and profits

The cumulative impact can be devastating to overall performance, and some organizations have great difficulty emerging from their "rut" of delivering late. I have witnessed organizations that pay tens of thousands of dollars annually in penalties and others that have established and maintained horrendous reputations for being late.

Even though most companies do not have such dismal reputations for delivery, nearly everyone needs to

improve to some degree to remain competitive. Whether your current on-time delivery is 15%, 99%, or somewhere in between, you can make marked improvement by taking the following steps.

- Set "on-time delivery" as a top goal of your organization. Set targets for improvement, and promote your goal heavily throughout the organization at every opportunity. Emphasize that no sacrifice in quality will be tolerated.
- Align the organization. Make on-time shipments part of performance reviews, management incentives, or profit sharing. Apply this concept to all functions within the company and not just to the production department.
- Measure progress toward your goal. Appoint "shepherds" in the organization to champion key milestones on your projects, and frequently post progress. Discuss the latest results, regardless of whether the news is good or bad.
- Identify and redesign "key" processes that are preventing on-time deliveries. You may need to revamp how your organization schedules and communicates, or you may discover that bottlenecks need to be eliminated. You may even need to rethink how promises are made to customers.
- Celebrate successes and encourage those who fail while giving their best effort.

Following these steps will no doubt improve your results over time.

Measure your success by the rate at which you reduce the "gap" between your current performance level and perfection (100%). For example, if you are 40% on time now, you could set a goal to reduce the "gap" by 50% per year. This would establish the first year's goal as 70%, the second year at 85%, the third year at 92.5%, and so on. By continuing to close the gap, you will eventually lead your industry in on-time performance.

Disaster Planning For a Renewed Sense of Control

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Contact your computer professionals to discuss more robust backup systems.

2. **Property Insurance Coverage**-disaster has probably been redefined since you negotiated your present insurance policies. Review your policies to make certain you understand what incidents are covered. Is terrorism covered? Are you insured for replacement value or, if not, do you understand how the terms depreciated or fair value are defined? Have you kept current with riders for technology, machinery and inventory increases? Has the company grown since you wrote the policy? Do you have data recovery coverage?

Consider having copies of fixed asset invoices offsite. Verify that duplicates of your financial statements, tax returns and detailed depreciation schedules are maintained at your accountant's office or elsewhere. These documents can assist you in preparing insurance claims.

3. **Business Interruption Insurance**-this coverage is meant to provide coverage of fixed expenses during recovery following an incident that significantly impacts a business's revenue stream. If you have this coverage, has your policy been adjusted for changes in your company's business model or for growth? If you haven't considered this coverage, you may find it a reasonably priced product to add some support in an unforeseen event. Again, be sure that you understand the incidents that give rise to a claim and understand the claim process. Include information necessary for the claim process in the data recovery plan.

Have your management team walk through the process of a business recovery. Assemble a list of contact information that would be essential to the process. The exercise should raise everyone's consciousness about the possibilities for loss and recovery. Did anyone ever imagine that competitors from the World Trade Center would be sharing space today? Loss recovery will never be easy but steps taken today can add an element of control early in the process.

Responding to a Crisis

By Heather C. Conover
Conover & Company
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Most companies and organizations are eager to communicate with the public when they have good news to tell, but are loath to do so during a crisis.

A crisis doesn't have to be catastrophic, but can be anything that causes an unplanned disruption, harms or could potentially harm people or property, or damages relationships. Rather than retreat from the public eye during a crisis, it's critical to maintain frequent contact and open lines of communication. By doing so, an organization can gain control of a situation that might otherwise spiral out of its control. A good message—which doesn't have to be good news—can help resolve a crisis and allay fears and concerns. In today's

world of 24/7 connection to news and information, it's important that an organization tell its story early and first, rather than allowing someone else to control the story and the "facts." Good communication can help an organization sustain and even strengthen relationships it already has with both internal and external audiences.

Communications should be directed to anyone who might have concerns and a vested interest in the organization, such as employees, customers, suppliers, vendors, investors, regulators, neighbors, and the media. These publics will be interested in information about what the organization does, including an explanation of any processes, equipment, and materials used. Any known facts about the situation should be conveyed immediately along with what is being done to resolve the situation. Similarly,

anything that is not yet known should be clearly stated, as well as the steps being taken to find out and a promise to follow up and keep the public updated as more is learned. The organization should also cooperate with any regulatory authorities and communicate that it is doing so. Finally, a company should accept blame if it is at fault and outline what is being done to prevent a repeated episode in the future.

Every organization should have a crisis management plan in place before a crisis hits. A crisis kit containing pertinent records and data, protocols, crisis team phone numbers and other information allows the crisis team to manage the actual crisis and control the message. The way a company responds to a crisis and shapes its message will dictate how the public perceives it for a long time to come.

Remote Control Software

By Rich Eichacker
Vibrance Technology Corporation

Remote control software has been around for a number of years. As technology advances and high-speed internet connections proliferate, this software is evolving into an essential component of the business computing toolbox. Users now have the flexibility to work from anywhere, anytime.

A remote control package can provide the following benefits:

- Employees can work off-site, from home or while on the road and/or in the field.
- Consultants and contractors can access your system, saving billed commuting costs and eliminating distance and geographical barriers.
- Technical support consultants can remotely administer your system to solve problems, upgrade software and perform maintenance functions.

Three of the most popular remote control packages are GoToMyPC, pcAnywhere and Citrix Metaframe. Each of these varies in complexity and capability, and therefore, ease of use.

GoToMyPC is a web-based, single-user system that is very easy to use. After installing the host application, you can use any web browser to log on to your system through the GoToMyPC web site. On the site, each host PC you've configured is listed and you merely click on a link to access that machine. A file transfer function allows one file to be transferred at a time. GoToMyPC is a subscription service, costing roughly \$10/month.

pcAnywhere is also a single-user system and can use direct modem or network connections. In pcAnywhere, you can configure settings for each user that will access your system. It's Explorer-like file transfer allows multiple files to be transferred as well as a "speed" mode, which attempts to transfer only the differences

between the source and destination files. With a special cable supplied with the software, pcAnywhere can also transfer files directly between two PCs.

Citrix Metaframe is a powerful system that runs on Windows Terminal Server. It is multi-user and multi-session, allowing multiple users to access the server at once. While more complicated and expensive than GoToMyPC or pcAnywhere, it is the package you'll need to host many remote users.

Two other remote control packages worth mentioning: 1) If you've upgraded to Windows XP, it includes "Remote Desktop" which allows you to host your computer to anyone with Win95 or better. 2) VNC, or Virtual Network Computing, is a free, open-source remote control package. I don't recommend VNC for the novice user. It does not have a file transfer utility.

Please visit ProductivityReports.com for URLs.

The Part-Time Executive: Filling The Management Void

By Bob Thompson
The CFO Connection

About two months ago, Nancy was having a drink with the president of a Fortune 1000 company and came home quite upset. For two hours she had listened to tales of the great things his company was doing in the marketplace to increase product awareness. He had also carried on at length about the wonderful ways his CFO suggested of taking advantage of an inconsistent economy.

By the end of the evening she realized just how wide the gap has become between big companies that can afford to hire top-notch talent and smaller firms that can't. Resolving to find a way for her small business to get access to the type of

talent usually employed by top firms, she did some homework and found that it is possible for small companies to hire high-level executives - provided that there is a willingness to hire them on a part-time basis.

The part-time executive provides a combined continuity and expertise that is difficult to duplicate for the price being paid. Bringing skills that specifically suit the business needs, and usually with a minimal learning curve, the part-time executive works for a set period each month (usually a couple of days on-site) and is available for limitless discussions by phone or email. The individual is paid a set monthly retainer. Staff and senior management have a rare opportunity to learn from someone who has a wealth of professional

knowledge and is "out there" learning from other professionals.

So is working with a part-time executive a better way of operating than other avenues available to a business? Not necessarily. Frequently a company's senior management has the expertise to function at the high level in the marketing, financial or operations area. In that case it probably makes more sense to bring a consultant in to deal with specific issues.

The part-time executive is an idea whose time has come! Before you do without or write that next "Help Wanted" ad, consider bringing in a part-time executive instead. Like our friend Nancy, you'll find your business growing much faster than you expected and with considerably lower overhead.

Guest Column

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Heather C. Conover, founder and CEO of **Conover & Company Communications**, has over 20 years of strategic marketing communications and public relations experience and has worked with a wide array of firms ranging from start-ups to Fortune 500 companies. Through the development and implementation of marketing communications and public relations strategies, she helps companies achieve their corporate goals and reach and motivate their target audiences.

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Bob Thompson has over twenty years of experience as a CFO. Through The CFO Connection, he makes this senior level of experience available to small and medium sized companies.

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