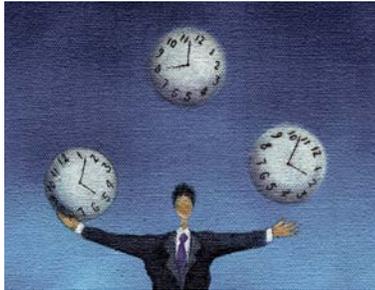


Executive matters

INSIGHTS AND INFORMATION FOR TODAY'S BUSINESS LEADERS JANUARY 2005



Setting Priorities for Success

If you are like most executives, you have more work on your desk than you can complete in a day. There is never enough time to do everything, but there is always enough time to do the most important things and to stay with them until they are done right.

Peter Drucker once said, "Efficiency is doing things right, but effectiveness is doing the right things."

Here are five tips to ensure that you set priorities correctly:

1. Be clear about your goals and objectives so that the priorities you set move you in the right direction.
2. Develop a long-term perspective by working on those things in the present that can have the greatest positive impact in the future.
3. Take the time to do the work right the first time. The fewer mistakes you make, the less time you waste going back and doing it over.
4. Remember that what counts is not the amount of time you put in overall—it's the results.
5. Understand that the most important factor in prioritization is your ability to make wise choices.

For more help in time management, check out AMA's management seminars at www.amanet.org

Are You Organized for Effective Customer Relationship Management?

Customer Relationship Management (CRM) is an enterprise-wide initiative. It requires that all areas of the organization work toward the common goal of building stronger customer relationships. Often this means changes in the organizational structure to support your CRM goals. Ask yourself the following questions to evaluate whether your company is organized to foster and support customer relationships.

1. Is senior management tasked with ensuring that the organization understands and is meeting customers' needs?
2. Is management accountable for the profit and loss of customer performance, and responsible for measuring and monitoring customer performance? CRM is difficult to implement and requires strong leadership and ongoing commitment.
3. Are customer relationship responsibilities clearly defined, assigned, and understood, and are results measured and rewarded? Classic organizational theory has taught us that individuals will focus on both what is measured and what is compensated for.
4. Are customer-centric performance standards established and monitored at all customer touch points? Acquisition and retention of profitable customers, further penetration of current customers through cross-sell efforts and reactivation of valuable customers through win-back campaigns are all meaningful measures of employee performance. The key for many organizations is the ability to consistently measure these activities across the organization.
5. Does your organization view all customer communications as important,

and manage them so they are consistently superior?

6. Are policies and procedures that are critical for managing customer relationships well-documented and consistent across your customer touch points?

7. Are customer-critical functions staffed with well-trained, motivated employees? Staff training is crucial to the success of any CRM initiative.

8. Is employee performance measured and rewarded based on meeting customer needs and on successfully serving the customer? All tasks are typically well-defined and relate to the creation, delivery and measurement of an organization's product offerings. Therefore, understanding and meeting customer needs is key to an organization's future livelihood and it deserves focus.

9. Does your organization have the sales and marketing expertise and resources to succeed in CRM?

10. Does your organization have the service resources and excellence to succeed in CRM?

To learn more about improving your customer relationships, check out the sales and marketing seminars at www.amanet.org

Succession Planning By the Numbers

58% point to lack of qualified candidates for succession planning programs.

69% of surveyed companies have formal succession planning programs.

96.4% say they adopted a formal succession process for leadership development.

Source: HR Institute, www.hrinststitute.info

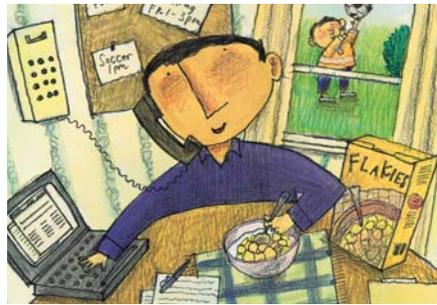
People Trends That Are Affecting Your Organization

Today's workplace is already a tapestry comprised of people from countless different backgrounds, ethnicities, age groups, religions and more. But that diversity is just the beginning of a radical shift in the makeup and requirements of tomorrow's workforce.

In her book *The New Workforce*, Harriet Hankin identifies five sweeping trends that will further change the face of today's workforce:

1. An increasingly aging yet active population. Lifestyle changes and medical advances are keeping people alive and fit into their 90s; financial pressures and personal desires are keeping them working as well. Companies that can harness the power of these experienced and skilled employees will have a competitive advantage.

2. The decline of the nuclear family and the rise of alternative households. Once considered the unshakable norm, the traditional nuclear family now represents only a small fraction of households.



Today's workforce increasingly consists of female heads of households, same-sex partners, stay-at-home dads, dual-income families, unmarried couples and other arrangements. And the benefits programs required to support and retain them are quickly evolving to make flexibility a key component.

3. Four generations working side by side—with a fifth on the way. The Silent Generation, the Baby Boomers, Generation X, the Baby Boom Echo and now the Millennium Generation—each has competing needs, values, expectations and working styles. Smart companies will

mine the wisdom and experience of their older employees and the energy and stamina of the younger ones to create a powerful multi-generational workforce.

4. A workplace that is growing more diverse and blended. Whether it's race, ethnicity, religion, gender, age or sexual orientation, the workforce is growing more diverse at a faster rate than ever before. Truly successful companies won't just tolerate diversity—they will accept and respect their new workforce.

5. The need for a "higher purpose" in the workplace. A paycheck is not the only thing that employees want. Studies show that they also seek a spiritual component, which includes personal growth, balance and meaningful purpose. Organizations that champion trust, individual respect and ethical conduct will build committed workforces and creative thinkers.

For more information about *The New Workforce*, visit www.amanet.org/amacombooks. For more information on human resources programs, check out AMA's seminars at www.amanet.org.

Be the Best Project Leader You Can Be

A successful project leader is both a good leader and a good manager.

A successful project leader is both an effective leader, inspirational and focused, able to command followers from the team members, and a good manager, with strong meeting management and administrative skills, so the project is completed on time and within budget.

As project leader, you must bring to it: **Enthusiasm for the project.** A project leader needs to believe in the purpose of the project. The leader's enthusiasm permeates to other members of the group, making it easier to keep the team motivated and involved.

Mastery of change management. Throughout the span of a project, there will be necessary changes—in scope as well as actions toward achieving the final vision. An effective project leader is able to adapt quickly to such changes.

Tolerance toward ambiguity. Roles may change. Likewise, expectations. The project leader and members must feel comfortable within this climate and able

to complete the project despite the muddiness of roles, responsibilities and, too often, objectives.

Team building and negotiating skills. Critical to the success of the project is the ability to make the group into a team and, when necessary, cope with conflict within the team over means and ends. The leader must build coalitions among the various stakeholders in a project—from management sponsors to team members.

A customer-oriented focus. It is imperative that the leader keeps the needs of the customer or client—internal or external—foremost in the minds of the project group. After all, the ultimate measure of the project's success is the customer's satisfaction with the project.

Adherence to business issues. We're talking about adherence to the timetable and budget set early in the project's management.

For more information on project management, check AMA's management seminars at www.amanet.org

Cleaning Up After a Bad Executive

Replacing a bad executive can represent a major challenge. However, it is possible to turn around operations yet build a positive relationship with your new staff without openly criticizing your predecessor. Here are some tips

Express clear and concise goals and objectives. As important, ask each manager and employee for his or her comments and thoughts.

Listen to what your new staff members are saying, and also to what they're not saying. Question what doesn't make sense to you or seems out of context. Sensing unexpressed feelings can often clarify confusion.

Whenever possible, integrate employee suggestions into improvement plans. Credit the manager or employee for the necessary changes.

If you change directions from your predecessor, have a good reason and share it with your staff. Don't put down the earlier effort.

Six Ways to Unleash Incredible Creativity

Organizations can thrive or they can die, depending on their level of innovation.

According to Professor Richard N. Knowles, author of *The Leadership Dance: Pathways to Extraordinary Organizational Effectiveness*, here are six ways companies can open their doors to change and renewal:

1. Examine your organizational structure. Is your company so rigidly structured that ideas and input are restricted to separate levels? Or is it a fluid and flexible organization comprised of multi-level task forces and ad hoc teams?

2. Free your employees. How much flexibility do individuals have? Can people quickly take steps to adapt to changing conditions, or must they stay within strictly defined roles?

3. Develop a sensitivity to the need for change. Are key personnel trained to focus strictly on tasks at hand, or are they guided to sense the environment around them and manage disturbances and crises on their own?



4. Give employees the freedom to take action. If people in the organization feel the need to make changes, how does this process work? Does unhappiness result in mere griping and complaining, or is there a forum or means through which these issues can be addressed?

5. Encourage employees to learn. How is your company structured as it relates to learning and improving the ability to adapt? Is it designed to encourage learning from mistakes or to focus primarily on punishing mistakes?

6. Develop a culture of pro-activity. Are people in your company encouraged to imagine future scenarios and develop possible actions in response? Is the organization fundamentally pro-active or reactive?

For information on increasing creativity and innovation in your organization, check out AMA's leadership and management seminars at www.amanet.org

HOW GOOD ARE YOU AS A COACH?

If coaching members of our staff doesn't seem to be going as well as we expect, it may be due to what we are doing rather than what *they* are doing.

Here is a list of questions to ask. The more times we can say "yes," the better we are as coaches.

1. Do we have realistic goals?
2. Have we set aside sufficient time?
3. Do we listen to our staff members during the session?
4. Do we avoid trying to impose our ideas on staff members?
5. Do we end the session with specific, measurable tasks to be completed by a specific date?
6. Do we refrain from offering "advice" unless it is requested?
7. Do we summarize at the end of the session to be sure that we understand what has been said?
8. Do we take notes on key actions?
9. Do we ask staff members for feedback about the session?
10. Do we offer further support if required?

For more insights into being a coach, check out AMA's management seminars at www.amanet.org

Arriving at a Consensus Decision

Consensus decisions take time and patience but such decisions are usually superior to those made by you alone or by the brightest member of your work group. This is probably because a group can generate, and evaluate more realistically, a greater number of options.

Consensus decision making isn't easy but you can make the task less difficult by following these four steps:

Encourage all group members to have a full say. Create an atmosphere in which all team members feel free to voice even their slightest concerns and reservations. Make sure that no one gets put down or shut out.

Emphasize positives. Team members sometimes find it easier to talk about



what they dislike about an idea than what they think will work. So, from time to time, sum up what the people in the decision-making group think is good or might work.

Find out how serious the negatives are. Sometimes people value the chance to express their reservations even when they regard them as remediable. They

may also believe, in the spirit of consensus, that they have an obligation to bring up any possible negative, no matter how minor.

Keep summing up the areas of agreement. With sufficient discussion and a clear respect within the group for everyone's contributions, you can expect the areas of agreement to widen. Emphasize the movement that the group is making toward unanimity by periodically summarizing the areas on which everyone agrees.

In time, problems and disagreements will melt away. People will make a decision that is acceptable to all—one that the group can work together on.

For more information on decision making, check AMA's management seminars at www.amanet.org



Here's what you'll find on the
AMA Members-only Website www.amamember.org

SELF-ASSESSMENT

How Well Do You Delegate? Do you have trouble entrusting even simple tasks to your employees? Take this short self-assessment to find out if you need to loosen up on the reins a bit.

SALES & MARKETING

Ken Blanchard Explains Why "It's Never Too Late to Build a Customer-Focused Company." Take some advice from the author of *The One Minute Manager*—if you want your company to become the provider of choice for your customers, start by turning your employees into "Customer Maniacs."

LEADERSHIP

Maintaining Your Organization's Most Valuable Asset—Its Reputation. Check

out tips on how to establish, keep and, if need be, repair a damaged corporate reputation.

PROFESSIONAL DEVELOPMENT

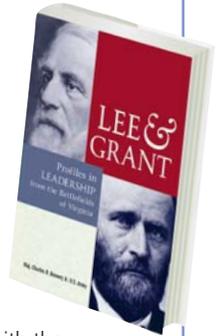
How Full Is Your Bucket? Shockingly, 65% of American workers say they received absolutely no praise on the job during the past year. This article explains why that has to change.

MANAGEMENT

Working Successfully with the "Seven Workplace Behavioral Types." Is your boss a "Commander?" Do you have a direct report who is an "Attacker?" Learn how to deal with just about any behavioral type at work, whether it's your boss or your subordinate.

Book of the Month:

Lee & Grant—Profiles in Leadership from the Battlefields of Virginia, by Major Charles R. Bowery Jr., U.S. Army (AMACOM, 2005). Generals Lee and Grant led their forces in a series of titanic clashes. In his new book, Maj. Charles R. Bowery Jr. examines Lee's and Grant's successes and failures, along with the many leadership lessons that today's managers can learn from these two great men.



For more about this book and other AMA management books, visit www.amanet.org/amacombooks

AMA Conferences/Special Events Calendar

FEB. 28-MAR. 2, NEW ORLEANS • Training Conference & Expo 2005—Discover the latest training resources at the AMA Booth, plus AMA merchandise and special show-only discounts.

APRIL 4-8, LAS VEGAS • "AMA's Course for Presidents and CEOs"—A weeklong refresher and re-energizer for senior executives. Time to refocus on core strategies and rejuvenate, in the company of peers and dynamic facilitators. AMA Members save \$500.

APRIL 27-29, RHODES, GREECE • 37th Global HR Conference "The Impact of Globalization on Human Capital"—Sponsored by Management Centre Europe. Go to www.mce.be for details.

MAY 23-27, HILTON HEAD ISLAND, SC • "AMA's Course for Presidents and CEOs"—Polish your leadership skills and hone your strategic vision at this week-long program. Return to work with new ideas and renewed enthusiasm. AMA Members save \$500.

JUNE 10, SCOTTSDALE, AZ • Current Issues Forum: Doing Business in Today's India—Experts on the political, cultural and business climate in this burgeoning world power will discuss the opportunities and the potential pitfalls. The Sanctuary. Members \$995, Nonmembers \$1,195.

SEPTEMBER 18-21, SAN DIEGO • 13th Annual Administrative Professionals Conference—Dynamic keynoters, valuable skill-building sessions and learning from peers. Manchester Grand Hyatt. Go to www.apcevent.com.

SEPTEMBER 20-21, LAS VEGAS • Sales Leadership 2005—Join other executives in an in-depth exploration of the role of leadership in building and strengthening your sales force. Call 1-800-262-9699 for details.

OCTOBER 14, LAS VEGAS • 4th Annual China Forum: Doing Business in Today's China—Intelligence professionals and business experts on the world's largest and fastest growing economy discuss the opportunities and pitfalls of doing business in, or with, China. Caesars Palace. Members \$1,095, Nonmembers \$1,295. Register by June 30, 2005, and save \$100. Call 1-800-262-9699 for additional information.

For details and to register for this event, go to www.amanet.org or call 1-800-262-9699.

Executive Matters
Member Newsletter
January 2005 Issue

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New York, NY 10019-7420

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