



Mercuri Mail

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1. Nature of Management:

Drucker is against bureaucratic management and has emphasised management with creative and innovative characteristics. The basic objective of management is to lead towards innovation. The concept of innovation is quite broad. It may include development of new ideas, combining of old and new ideas, adaptation of ideas from other fields or even to act as a catalyst and encouraging others to carry out innovation.

He has treated management as a discipline as well as a profession. As a discipline, management has its own tools, skills, techniques and approaches. However, management is more of a practice rather than a science. Thus, Drucker may be placed in the 'Empirical school of management'.

While taking up management as a profession, Drucker does not advocate to treat management as a strict profession but only a liberal profession which places more emphasis on managers to not only have skills and techniques but also the right perspective of putting things into practice. They should be good practitioners so that they can understand the social and cultural nuances of various organisations and countries.

2. Management Functions:

According to Drucker, Management is an organ of its institution. It has no functions in itself and no existence in itself. He sees management through its tasks. Accordingly, there are three basic functions of a manager, which he must perform to enable the institution to make its contribution towards:

- (i) The specific purpose and mission of the institution whether business, hospital or university;
- (ii) Making work productive, the worker an achiever; and
- (iii) Managing social impacts and social responsibilities.

All these three functions are performed simultaneously within the same managerial action. A manager has to act as an administrator where he has to improve upon what already exists and what is already known. He has to act as an entrepreneur in redirecting the resources from areas of low or diminishing results to areas of high or increasing results.

Thus, a manager has to perform several functions: setting of objectives, making plans, organizing people's efforts and motivating them. Drucker has attached great importance to the objective setting function and has specified eight areas where clear objective setting is required. These are: market standing, innovation, productivity, physical and financial resources, profitability, managerial performance and development, worker performance and attitude, and public responsibility.

3. Organisation Structure:

Drucker has decried bureaucratic structure because of its too many dysfunctional effects. Therefore, it should be replaced. He has emphasised three basic characteristics of an effective organisational structure.

These are:

- (i) Enterprise should be organised for performance;
- (ii) It should contain the least possible number of managerial levels;



Six Major Contributions By Drucker To Management

- (iii) it must make possible the training and testing of tomorrow's top managers—giving responsibility to a manager while still he is young.

He has identified three basic aspects in organizing: activity analysis, decision analysis, and relation analysis. An activity analysis shows what work has to be performed, what kind of work should be put together and what emphasis is to be given to each activity in the organisation.

Decision analysis takes into account the four aspects of a decision: the degree of futurity in the decision, the impact of the decision over other functions, number of qualitative factors that enter into it, and whether the decision is periodically recurrent or rare. Such an analysis will determine the level at which the decision can be made. Relation analysis helps in defining the structure and also to give guidance in manning the structure.

4. Federalism:

Drucker has advocated the concept of federalism. Federalism refers to centralised control in decentralised structure. Decentralised structure goes far beyond the delegation of authority. It creates a new constitution and new ordering principle. He has emphasised the close links between the decisions adopted by the top management on the one hand and by the autonomous unit on the other.

This is just like a relationship between federal government and state governments. In a federal organisation, local managements should participate in the decision within the limits of their own authority. Federalism has certain positive values over other methods of organising.

These are as follows:

- (i) It sets the top management free to devote itself to its proper functions;
- (ii) It defines the functions and responsibilities of the operating people;
- (iii) It creates a yardstick to measure their success and effectiveness in operating jobs; and
- (iv) It helps resolve the problem of continuity through giving the managers of various units, education in top management problems and functions while in an operating position.

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Our Thoughts

Vintage - Elaborates six major contributions of Drucker to Management.

Must Read - Reviews the 'The Challenger' one of the five profiles of a Sales Person.

Focus - Shows the eight Coaching Principles for Coaching Success.

5. Management by Objectives:

Management by objectives (MBO) is regarded as one of the important contributions of Drucker to the discipline of management. He introduced this concept in 1954. MBO has further been modified by Schleh which has been termed as Management by results. MBO includes method of planning, setting standards, performance appraisal, and motivation.

According to Drucker, MBO is not only a technique of management but it is a philosophy of managing. It transforms the basic assumptions of managing from exercising control to self-control. Therefore, in order to practice MBO, the organisation must change itself. MBO has become such a popular way of managing that today it is regarded as the most modern management approach. In fact, it has revolutionised the management process.

6. Organizational Changes:

Drucker has visualised rapid changes in the society because of rapid technological development. Though he is not resistant to change, he feels concerned for the rapid changes and their impact on human life. Normally, some changes can be absorbed by the organisation but not the rapid changes.

Since rapid changes are occurring in the society, human beings should develop a philosophy to face the changes and take them as challenges for making the society better. This can be done by developing dynamic organizations which are able to absorb changes much faster than static ones. Drucker's contributions have made tremendous impact on the management practices. His contributions have been recognised even by the management thinkers of Socialist Bloc.

It has long been believed that selling is all about relationships and that even in a complex sale, relationships are the underpinning of all sales success. Basing their book on a study carried out with 700 sales representatives spanning over 70 companies, Dixon and Adamson of CEB, challenge this wisdom. They posit that there are five different profiles of sales representatives: the hard worker, the challenger, the relationship builder, the lone wolf and the reactive problem solver. Among these profiles, especially for complex sales, their study shows that 40% of high sales performers primarily used the challenger style. This finding is certainly disruptive and path breaking.

The book traces the shift from product selling to solution selling and then argues that mere "discovery" of needs places two kinds of burden on the Customer: First is time and the second is timing. This leads to "solution fatigue". For a complex sale, the authors state that the challenger profile is really defined by the ability to do three things: teach for differentiation, tailor for resonance and take control by discussing money comfortably.

Likening the first step of teaching to a choreography, Dixon and Adamson lucidly explain with clear logic and precise examples of what needs to be done, over six steps. After warming the Customer, they talk about reframing the Customer's perspective by providing insights, rationally drowning the Customer with numbers and also making the Customer feel that this story is their own. These insights are supplier-generated and need to reach the decision maker indirectly and not directly.

Must Read



Mathew Dixon and Brent Adamson,
"The Challenger Sale - How to take
control of the Customer conversation",
Penguin, 2011

They then say that the second step of tailoring requires a knowledge of stakeholder's value drivers and an understanding of economic drivers of the Customer's business. Benefits need to be tailored and articulated in the form of Customer outcomes. Dixon and Adamson even provide a value planning tool that provides a framework for tailoring the message.

Finally, the salesperson then needs to take control of the conversation and be able to deal with the investment discussions comfortably.

The book then goes on to lay down some advice for sales managers for building a coaching culture so that the challenger role can be institutionalized. Particularly interesting and unique in this book is about the importance of sales innovation and the distinction between coaching and sales innovation.

An extremely engaging, very structured and logical book, this book will appeal to the purist for its different approach as well as the realist for its practicality. Definitely a "Must Read" for both sales managers and sales representatives!

Happy Reading!

Ravi's Corner



Beauty

Potted plants and tender fronds
Dewdrops on flowers
Fleeting butterflies
Rain pattering against my window
Sunshine lighting my rooms
Ragas wafting in the air
The Madhubani painting hugs the wall
An old Kashmir carpet grabs the eye
Madras checks wrap my cushions
And lording over all this is my Wooden Ganesha
My simple home beckons all
Comfort and warmth is yours to savour
Come to beauty...that charms but does not overwhelm!

COACHING PRINCIPLES FOR COACHING SUCCESS

Jack Canfield and Dr Peter Chee



The Coaching Spirit

1. Believe in Human Potential for Greatness
2. Fulfilment Flows from Adding Value to Others
3. Bring Out the Best in People and Let Them Lead
4. Use Influence Rather than Position
5. Thrive on Challenges and Flexibility
6. When We Grow Others, We Grow Ourselves
7. A Coach Still Needs a Coach

Relationship and Trust

1. Maintain Authentic Rapport and Humour
2. Touch a Heart with Care and Sincerity
3. Practice Integrity and Build Trust

Asking Questions and Curiosity

1. Curiosity Ignites Your Spirit
2. Ask Questions that Empower and Create Buy-In
3. Avoid Judgmental and Advice-Oriented Questions
4. Powerful Questions Release Solutions
5. Asking Great Questions Requires Practice

Listening and Intuition

1. Listen Rather Than Tell
2. Be Present and Turn Off Your Inner Dialogue
3. Avoid Jumping to Premature Conclusions
4. Be Impartial and Non-judgmental
5. Listen Deeply, Use Observation and Intuition

Feedback and Awareness

1. Embrace Feedback to Triumph
2. Awareness and Acceptance Cultivates Transformation

Suggestions and Simplification

1. Get Consent before Giving Suggestions
2. Use the Power of Simplicity



Goals and Action Plans

1. Establish Goal Ownership and Commitment
2. Create Strategies and Action Plans for Goals
3. Keep Score of Goals and Action Steps

Accountability and Accomplishments

1. Support Goals Completion Continuously
2. Accountability Drives Accomplishments
3. Acknowledge Efforts and Progress



Notes from all over

"A manager is a title, it does not guarantee success.

Coaching is an action, not a title and actions will result in successes!"

- **Catherine Pulsifer**

"Make sure that team members know they are working with you, not for you."

- **John Wood**

"Leadership is a matter of having people look at you and gain confidence, seeing how you react. If you're in control, they're in control."

- **Tom Landry**

Coaching is 90% attitude and 10% technique."

- **Author Unknown**

Make no mistake, as you change your leadership style to one of a coach you will face challenges. There will be times when you question why am I doing this. However, you must at all times keep the long term benefits of being a coach at the forefront of your mind."

- **Byron & Catherine Pulsifer,**

from Challenges in Adopting a Coaching Style

What makes a great coach? Credibility, creativity in solving problems, effectiveness in communication, as well as "an understanding that the details create success" — that small things usually make the difference between good and great."

- **Atul Gawande - Harvard Gazette**

"The goal of coaching is the goal of good management: to make the most of an organization's valuable resources."

- **Harvard Business Review**

"In a recent study, training alone improved leadership skills by 22%.

When combined with Executive Coaching, improvement jumps to 77%."

- **Fortune**

"There is something that is much scarcer, something rarer than ability. It is the ability to recognize ability."

- **Robert Half**

"Our chief want is someone who will inspire us to be what we know we could be."

- **Ralph Waldo Emerson**

Think Simple

One of the most memorable case studies on Japanese management is the case of the empty soapbox, which happened in one of Japan's biggest cosmetics companies. The company received a complaint that a consumer had bought a soapbox that was empty. Immediately the authorities isolated the problem to the assembly line, which transported all the packaged boxes of soap to the delivery department. For some reason, one soapbox went through the assembly line empty. Management asked its engineers to solve the problem.

Post-haste, the engineers worked hard to devise an X-ray machine with high-resolution monitors manned by two people to watch all the soapboxes that passed through the line to make sure they were not empty.

No doubt, they worked hard and they worked fast but they spent a whoopee amount to do so.

But when a rank-and-file employee in a small company was posed with the same problem, he did not get into complications of X-rays, etc., but instead came out with another solution. He bought a strong industrial electric fan and pointed it at the assembly line. He switched the fan on, and as each soapbox passed the fan, it simply blew the empty boxes out of the line.



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