Management Mavericks

Good managers march to the beat of a different drum.

By Pam Walsh

Good managers have secrets. Some can put their secrets into words, others can't. But make no mistake, they do some things differently from the rest of the pack.

These folks know who they are and what they want. They let their own uniqueness blossom instead of losing it in conformity. Their skill in working with people is well-developed and helps them bring out the best in others. They intuitively figure out how to navigate their company's politics, seeing politics not as a bad thing but as a neutral thing, and simply the way things get accomplished in their organization. They also act with honor.

In addition, there are other things that set good managers apart. Following are five ways to become a better manager:

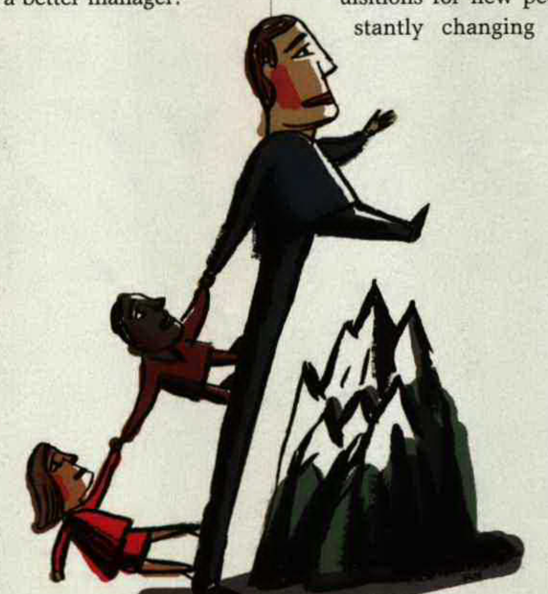
Create a razor-sharp vision, develop a metaphor for it, and communicate it often.

Managers who instinctively know where they want to take their team and believe in it deeply are the ones who inspire others to follow them. Not only do they set direction, but they understand the value of metaphor in crystallizing that vision for others, and the power of frequently communicating it.

Franklin Covey CEO Bob Whitman knows how to do this as well as anyone. Last year he took the helm of the floundering company, knowing there were enormous challenges ahead, one of which was restructuring. Many employees would need to be let go.

When announcing the layoffs, he used an analogy to reach the imaginations of employees, one that came from his heart and his own experience: mountain-climbing. Soon, the Franklin Covey grapevine was overflowing with new terms and the ability to relate them to what was ahead: fitness, the summit, hooking your rope to those you know will make it to the top, compassion and care for those who will not. Although everyone was not happy with the reality of what might be ahead for them, no one could say they did not understand the plan.

Managers who inspire a belief in something bigger than their group, something that rings true and stirs hearts, have the edge over managers who simply apply basic management tools, techniques, and goals.



Robert Neubecker

Adapt job-opening requirements to current needs.

A team is as strong as its weakest link, so hiring well is fundamental to team performance. But before any hiring even takes place, defining what the team needs today is essential. At first glance, that may sound typical and obvious — it is not.

Instead, this is what usually happens. Someone exits the department, leaving a slot open. The manager is busy and just wants to fill the slot so the work continues to get done. The manager feels relief when someone is hired and life goes on.

These days, more imagination is needed, especially when requisitions for new people can be hard to come by. The constantly changing workplace requires an evolutionary approach to staffing.

Consider this approach. As soon as a slot opens up, the team figures out what kind of position they need most. Each member writes down the things that aren't being done well. All similar complaints or suggestions are grouped together.

The group decides together whether they still need the former position as it was, or whether a variation of it would suit them better, based on their written notes. The job description is designed accordingly.

This progressive approach is like building a high-rise that is earthquake-resistant. It allows the team to bend when corporate tremors cause the floor to shift beneath their feet, because they have stayed as current as they can, as opposed to operating on the basis of how things used to be.

Make it easy for people to perform.

A good manager makes sure each team member: 1) knows what is expected of him/her; and 2) has the materials, equipment and access needed to get the job done. Poor equipment and job confusion result in frustrated employees.

Conversely, managers who provide the above in partnership with each team member, create an environment of clarity and confidence that sets people free to perform at their best.

Conquer the dread of confronting performance problems.

Problems do not magically disappear no matter how much you hope they will. The truth is, once a performance issue surfaces, it is more likely to repeat itself than to disappear.

One of the hardest things for a manager to learn is to talk with

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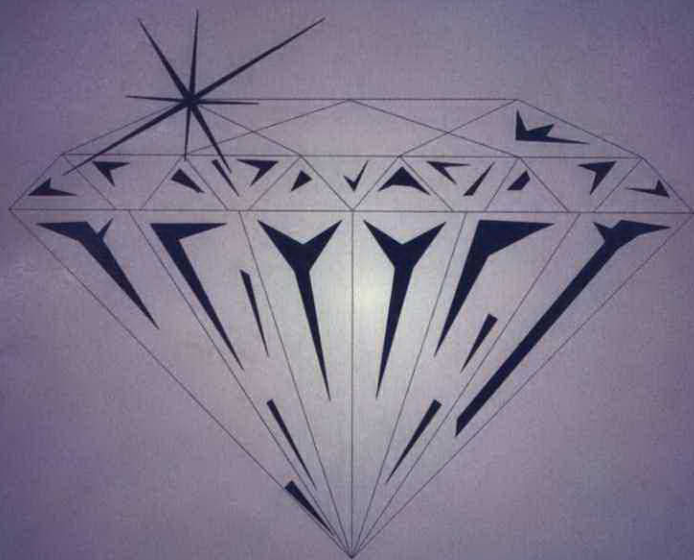

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of new initiatives. This is distinct and separate from the operational budget, which allocates funds for maintaining the existing business base. Many strategic plans fail to include the vital component of an intelligent budget.

Once your strategic budget has been developed, have it approved by key persons in your organization. Approval ensures the plan will actually be implemented, and not shelved.

4. Specific Action Initiatives

A specific action initiative is an action taken to meet business goals. Another vital component of strategic business planning that is often overlooked is the assignment of specific initiatives to specific managers.

No matter how good your overall strategic plan is, if you do not assign specific action initiatives to specific managers for execution, the plan will be wasted.

Specific action initiatives should actually support the broad action programs outlined during the development of your business strategy, but be shorter in duration than the life of your strategic plan.

Items to include in developing specific action initiatives are a description of the action; statements of priorities, costs and benefits; a scheduled completion date for the action; the manager responsible for executing the action; a procedure for controlling the execution; and a statement defining the performance and goals to be achieved by the manager.

5. Implementation

Once the overall strategic business plan has been completed, budgets approved, and managers assigned to their specific duties, present the plan to employees, suppliers, clients and shareholders. A viable strategic plan is very impressive when presented properly. It can provide a sense of security to key parties. Investors and shareholders will become more assured that their money is being correctly handled, while employees, suppliers and clients will gain a new sense of security and professionalism by being exposed to the plan.

6. Annual Review and Update Schedule

Since most strategic plans cover a time period longer than one year, it is essential that major reviews take place on the plan's anniversary date to ensure that even minor adjustments can be made. Regardless of the industry, annual, semi-annual or even monthly reviews should take place. Companies that do not have strategic planning departments might even enlist a third party to assist them in this vital process.

7. Navigating the Plan With Passionate Leadership

Finally, an effective strategic plan can only be successful when navigated by passionate leadership, and supported by employees' commitment. At the end of the day, it takes people to carry out the plan.

Business fads come and go, but a good, solid strategic business will help you meet your short- and long-term goals. It will ensure that your marketing plans, best practices, policies and systems — all the necessary business cards you'll need to play — will operate more effectively. The results will be a solid business, built to withstand the winds of change and sustain competitive advantages, increased revenues and profits, and higher shareholder value. UB

Mark Stromberg and Randy Hunt are the founding partners of the Stromberg Group, a Utah-based business consulting, acquisitions and venture catalyst company.

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A TALE OF TWO CEMENT COMPANIES

by Max Miller

New Tax Exemption for Manufacturers

Utah manufacturers have reason to rejoice this tax season about two new rulings allowing them to claim exemptions from sales or use taxes for purchases of machinery and equipment used in new or expanding manufacturing operations.

In *Ash Grove Cement Co. v. Division* (1999) and *Holnam Inc.* v *Division* (1999), the Utah State Tax Commission in two separate rulings held that each cement company was entitled to an exemption from sales and use taxes for their purchases of machinery and equipment used in expanding their cement manufacturing operations.

Tax Commission Changes its Tune

These cases come as a welcome relief, since prior decisions typically denied the exemption to Utah manufacturer taxpayers who tried to claim the "manufacturing exemption" for expanded operations.

Though enacted in 1985, few manufacturers have been able to take advantage of the exemption. This was because the exemption excluded (thereby taxing) normal operating replacements, which the commission and the Utah Supreme Court viewed as any purchase of machinery or equipment that was "similar in nature, character or purpose" (in the broadest sense conceivable) from the manufacturer's prior operations.

For example, the Newspaper Agency Corporation (which publishes *The Salt Lake Tribune* and *The Deseret News*) was not entitled to the exemption for its purchases of new offset presses in a $37 million expansion of its new plant. Even though the new presses performed significant tasks the old presses could not, the differences between the two were deemed insufficient to conclude they were anything but "normal operating replacements," making them ineligible for the exemption (*Newspaper Agency Corp. v. Auditing Division*, 1997).

In another case, Eaton Kenway was denied the exemption for its purchase of a machine used to manufacture automatic vehicle systems. The court said the purchase was a normal operating replacement because both the new and old machine were said to perform essentially the same tasks (*Eaton Kenway v. Utah State Tax Commission*, 1995).

These decisions seemed to read the exemption as limited to new *and* expanding, rather than new *or* expanding manufacturing operations. Unless the taxpayer totally changed operations — say a mining company that decided to manufacture diapers instead of smelt ore — the exemption would not be honored.

A New Argument

Enter Ash Grove and Holnam, two national cement companies that separately undertook multimillion dollar expansions of their Utah plants to meet increased demand for cement during Utah's construction boom. Ash Grove and Holnam made a different argument.

Yes, they admitted, the new machinery and equipment they purchased manufactured cement, just as before. And yes, although it was technically able to perform tasks the old machinery and equipment couldn't, it performed a similar function.

The old equipment was functioning perfectly well, and did not need replacing. But their manufacturing operation was expanding since production had indisputably increased.

New *or* Expanding Operations are Now Exempt

The commission agreed with Ash Grove and Holnam, saying: "[Previously] a taxpayer that replaces a state-of-the art widget maker because it can produce only 100 widgets an hour would be denied an exemption for an otherwise similar machine purchased only because it can produce 10,000 widgets an hour.

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