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Suite 303, 168 King St. East, Toronto, Ontario M5A 4S4 CANADA Tel. 1-800-387-2165

www.new-management-network.com E-mail: fowke@netcom.ca

Goals, Tests and Operations

GTO FOR FOLLOW THROUGH

Taking cool aim on a market segment is one thing. Getting things to happen fast enough inside your company is quite another. The sense of urgency felt by the chief executive is real, compelling and overwhelming (see sidebar). Yet the essence of *strategic management* is in bringing the troops along. Bringing about a coordinated shift in direction, and doing so quickly, may be the key to competitive advantage.

Last issue of *The New Management* featured the challenge of leading the bureaucracy, of bringing about change in a bureaucratic corporate personality. The crux of that challenge is maintaining the energy for follow-through.

Follow-through. That is the difference between planning and action. And it isn't only the bureaucratic organization which falters on follow-through. Many a company hatches an elegant strategic plan, and down the road finds it has had little impact on how the business runs day-to-day. Fortunately there are some simple and powerful methods of putting plans into action. They are called GTO, for Goals, Tests and Operations.

Urgent and reliable follow-through is fundamentally a people problem. And the GTO approach is a people approach. GTO is a synthesis of proven management components pulled together to be understandable and workable by intelligent people at all organizational levels. It organizes participation; involves interdisciplinary teams; unbundles the psychology of change into its rational, emotional and power components; shapes the work to fit the time available; focuses attention on clear goals; articulates meaningful tests of their achievement; lays out the project into components; and uses process disciplines to bring it to completion on time.

Sophisticated? Yes. Complicated? Not at all. Let's look at an example.

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Spring 1990, Volume 2, Number 1

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URGENCY

Milan Nastich, AGF Management's Vice-Chairman wrote:

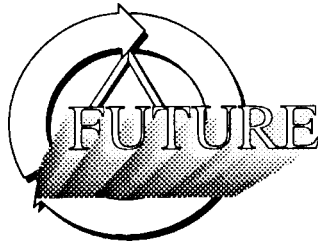
"Thank you for sending me your first issue of the *New Management*.

Your description of corporate bureaucracy is quite realistic based on my experiences [as Chairman and President of Ontario] Hydro and subsequently in the private sector. Incidentally the differences are less than I thought in companies of comparable size.

However, I do not believe that your suggested approach, while eminently rational, reflects the element of urgency. Usually, the need for change in large corporations is so urgent that the CEO is unlikely to be given the time to carry out the change process in the classic way you suggest. This sense of urgency on the part of Board members and shareholders does in many cases force the CEO to adopt processes and solutions which show short term results. Otherwise, the CEO may find he himself has been subjected to a rapid change....

Your description of the new management appeals to me since it rings so true. But unless the time element is somehow dealt with, it is unlikely that the new manager will succeed."

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NEW MANAGEMENT INSIGHTS

Future issues will feature:

THE PERFORMANCE CORPORATE PERSONALITY

What to do with the company that believes in its own image? Attention is so focused on performance that there is no room for failure, only incomplete successes. That's ok when the going is good, but watch out for disintegration in the clutch.

THE POWER CORPORATE PERSONALITY

Is it possible to humanize a culture that pays attention only to control? Where rationality reigns supreme, it's tough to unleash the energy of emotional commitment — the stuff In Search of Excellence was talking about.

GESTALT PROTOCOLS FOR IMPROVED GROUP DYNAMICS

Ideas about how to harness the power of Gestalt Practice to improve decision-making, overcome resistance, and get things completed.

HOW DOES YOUR CORPORATE PERSONALITY PAY ATTENTION TO INCENTIVES?

Does your incentive pay plan take account of what your employees pay attention to? If you don't know the answer to that, chances are the plan doesn't get the results you expected.

MICHAEL PORTER ON TAPE

A new training series to put your people into the competitive strategy picture.

GTO, from page 1

"...The supervisor is the key to the energy for putting quality first, and he is motivated by production numbers."

In a manufacturing firm, a market niche strategy relies on consistent product quality. Unfortunately, quality has not been seen as a top priority in the plant, and there is a formidable gap between the executive decision to enhance quality and the company's ability to deliver it. This is where GTO comes in.

GTO starts with the people side of implementation. Using the issue assessment format of Worksheet #1, GTO zeroes in on the

emotional energy that will move implementation forward and focuses attention on the gut issues that threaten to block progress. In the example, a quality-first strategy faces the issue that, "Our people don't understand quality compared to production numbers." Rationally, we can see some things that need fixing.

WORKSHEET #1

GTO Issue Assessment: Stakeholder Analysis

Issue: Our people don't understand quality compared to numbers

Stakeholder	Management 1	Supervisors 2	Employees 3	Suppliers 4	
HEAD Technical/ Rational			- System for quality incentives does not work - Pre-enamel disregards post - No customer feedback	- Receiving Inspection Inadequate - Specifications are loose	LOGIC
HEART Charismatic/ Emotional		- Motivated on numbers	- Belief that poor quality easier to make		ENERGY
GUT Political/ Instinctive	- Lack of management resolve on quality	- Reluctance to confront issues - Won't make numbers			POWER

But the analysis indicates the supervisor is the key to the energy for putting quality first, and he is motivated by production numbers. Management's lack of resolve and the supervisor's reluctance to confront issues are power blocks to bringing about the desired change.

In the final analysis we need to change the employees' belief that poor quality is easier to make than good quality, but the stakeholder

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GTO, from page 2

analysis clearly indicates that the focus of implementation needs to be on the supervisor level. Accordingly, an appropriate project team can be brought together which includes key supervisors, lead hands, quality assurance staff, a management information system professional and the human resources specialist who can straighten out the incentives. This interdisciplinary team needs access to the management level "champion" who can marshal the critical resolve.

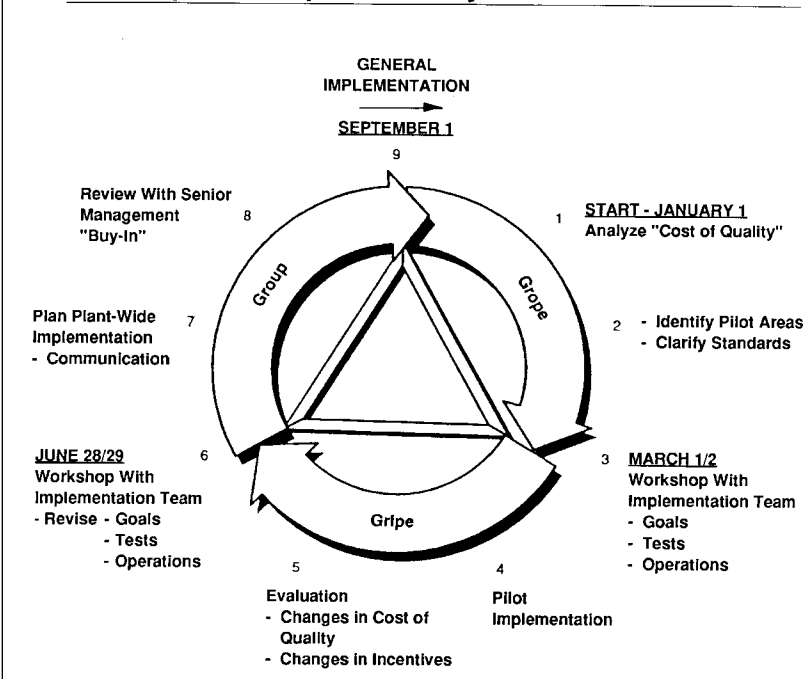
A clear project goal, the tests by which project success will be measured, and guidelines for operationalizing the project need to be clearly laid out for the project team.

"This interdisciplinary team needs access to the management level 'champion' who can marshal the critical resolve."

Completion in the available time. That is what GTO promises. GTO starts with a time-frame, breaks it up into the three essential process components, and identifies the pivot points which can bring the implementation cycle to completion. The GTO cycle is illustrated in Worksheet #2. It is a people-cycle, in the sense that it

WORKSHEET #2

GTO Project Description: Quality First



synchronizes the fact finding, struggle with alternatives, and action steps which involve the key implementers.

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**FOWKE LIMITED -
MANAGEMENT CONSULTANTS**

130 Carlton-on-the-Park, Ste.605
Toronto, Ontario CANADA
M5A 4K3

Tel: (416) 921-0906
Fax: (416) 921-5326

SERVICES

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- Strategic planning programs.
- Goals, Tests and Operations (GTO) implementation programs.

Organization _____

- Organizational Development.
- Organizational Analysis and Planning.
- Executive Team Building.

People _____

- Executive assessment and succession planning.
- Executive Enneagram.
- Executive team balancing and enhancement.
- Management conferences, executive retreats, YPO Forum Moderator Training.
- Performance Sharing Incentive Plans (PSIP).
- Management Development & Training in the Human Side of Enterprise.

FORUM...THE ESSENCE OF YPO



*YPO International Forum Chairman, John Galston, and Don Fowke discuss draft of **FORUM...the essence of YPO** in Mexico City.*



Bonnie Fowke conducting YPO Forum Moderator Training program in Washington, D.C.

Every month more than 4000 presidents and 1200 presidents' spouses sit down together in confidential groups of 12 to discuss business and personal issues. This is the Young Presidents' Organization's famous "Forum" program now in its 17th year.

Bonnie and Don Fowke bring their organizational development skills together with their own Forum experience to train YPO members and their spouses to moderate these popular Forum groups. Imparting a blend of group dynamics know-how, personality theory and good Forum practices, the Fowkes simulate Forum meetings, allowing

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FORUM, *from column 1*

participants to learn just how good it can be, and how to make it so. The moderator training programs are carried out in cities all over North America, Europe and the Far East.

Also for YPO, Bonnie and Don Fowke have authored **FORUM ...the essence of YPO**, a 118 page booklet packed with everything you need to know about Forum. Just published by the Young Presidents' Organization in Dallas, the booklet outlines benefits, keys to success, norms, Forum meeting detail, development processes, techniques for improving Forum vitality as well as historical information on Forum, spouses and 49ers.

GTO, *from page 3*

In the example, the team is given a two-month period to "grope" with the cost of quality measures, to clarify quality standards, and to define a pilot project area. A team workshop shifts the program into pilot mode where it can "gripe" with the implementation issues in a contained arena. A second workshop four months later allows consolidation of the goals, tests and operations for general implementation. The cycle is brought to completion with general implementation and communication plans, and senior management "buy-in". These actions solidify the sense of "group" resolve for implementation.

By September, this cycle of "grope", "gripe" and "group" converts the strategic objective of quality first into a plant floor pilot tested action program dedicated to making it happen.

There is a lot of powerful psychology in the GTO process, but it has handles on it for people.