

Is Your Board Living Up to Its Potential?

From our work with Boards of Directors, we find that effectiveness boils down to five key attributes. Assess your board against the following five attributes — and take action!

- ✓ Open and Candid Communication
- ✓ Clarity about Roles
- ✓ Unity around a Clear Strategy
- ✓ Discussing the Right Issues
- ✓ Essential Skills and Experience

Have You Hugged Your Key Players Lately?

When employers are competing for talent, and your company's success depends on the quality of its intellectual capital, it's a good time to remember that retaining your key players is a one-on-one proposition. Remember to:

- Identify the key employees you must retain. Help them see—with facts about their work and its impact on helping the company succeed—how important they are to your organization.
- Solicit their insight and suggestions. Show them that you value their expertise and experience.
- Reaffirm their short and longer-term career interests. If your company has considered establishing a formal career planning process, now's the time to get it going.
- Ask outright, "What would increase the chance that you will stay with the firm long-term, and what would reduce the chance?"
- Consider creating individual retention contracts in those cases where specialized technical or management expertise is crucial to meeting competitive goals.

Downsizing Wisdom

It's an inevitable fact of business: many companies will be faced with the need to downsize, and to do it faster than they prefer.

According to Warner B. Wims, Ph.D., of WBW & Associates, the best kind of downsizing is smart and strategic: it's based on examining areas of competitive advantage and considering alternative ways of getting the work done. Here are some ways to downsize smartly:

- Look for the low-hanging fruit: Hewlett-Packard found it could save \$10 million by simply allowing employees to log their hours online rather than on cardboard timecards. Still, don't overdo it by zapping small perks that keep morale high. In the 80's, some managers at Bank of Boston eliminated coffee, Danish, and social activities, while real costs continued unabated. Guess what that did for morale!
- Seek to enrich jobs: Unfortunately, when companies reduce staff, they often pile departing employees' workloads on existing staff. A smarter tactic is to first assess the benefits of the departing employees' work and/or how the work was being performed. Then, learn from remaining employees about their strengths and interests, and match those factors to the work requirements of departing staff. Use downsizing as an opportunity to add responsibilities, spans of control, and authority that will enrich the work of existing staff, rather than make it more burdensome.
- Streamline the decision-making process: Consider ways to gain the same amount of participation in decisions, but with fewer meetings and in a shorter period of time.
- Don't cut off your customers: Put a stake in the ground around your commitment to delighting customers, and reinforce the internal process for managing and sharing information about them. Make sure that downsizing bolsters, not jeopardizes, this crucial, life-sustaining artery.
- Consider eliminating a business: Rather than implement an across-the-board reduction that places a debilitating burden on all business units, it's often better to cut off those businesses that have lackluster current or future strategic value.
- Pinpoint where coordination is the culprit: Lack of cooperation and coordination creates tremendous hidden costs. These expenses remain hidden when accountability is unclear and costs are not tracked.
- Remember that time is money: Take a critical look at processes and procedures. Constantly ask, "How are we really spending our time?" at both the organizational and the individual level.
- Be truly innovative: Many companies pride themselves on being innovators, but focus solely on product innovation rather than on organizational or job innovation. Don't be trapped by existing paradigms. Innovate regarding how and where work is accomplished.

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Downsizing Wisdom, continued

- **Examine individual performance:** In our consultative work, we often find that companies have added management layers in order to make up for a poor performer, rather than confront the issue of the poor performer. The cost of this is tremendous.
- **Invest to save:** Although you may need to eliminate people in some areas, you may be able to reduce total costs by hiring more in other areas, to improve efficiency (e.g., to implement a new cost-saving technology, to improve account receivables, to make wiser purchases).
- **Manage the messengers:** Don't make heroes out of executives who simply cut, cut, cut in a non-strategic way. Reward innovation and strategic solutions.
- **Foster across-unit savings:** Cutting costs among a constellation of units raises issues of territoriality, especially if one unit needs to reduce more than its "fair share." Still, corporate cost-reduction is not a question of fair sharing, but of the good of the whole. Some units will need to ante up more than others.

To make downsizing work, get the facts, identify opportunities, and plan improvements. Develop a shared understanding of the situation facing the company, and enlist employees in the solution. Moreover, start on it all before you feel you need to!

Feeling Stressed-Out? Take Charge!

Stress has a powerful physiological effect. It causes your breathing to become rapid and shallow, your muscles to tense, and your heart to beat faster. So, address these symptoms first: when under stress, take a very deep breath, stretch your muscles, and concentrate on slowing your heart rate.

Stress is also mental. Be conscious of when you're under stress. Acknowledge it. One CEO we've met jots down whatever is causing him stress at the time. The act of writing it down, he says, goes a long way to reduce the stress. Sometimes he balls up the note and trashes it – symbolism that further helps him to detach from the stress.

There are an infinite number of reasons why we get stressed, and ways to reduce stress. Our coaching work with executives has shown that preparing for what you anticipate will be a stressful situation is an effective stress-reducing tactic both before and during the event. Likewise, regularly monitoring your ongoing stress factors can greatly help you understand, manage, and control your reaction to them.

Use the lists below to check off the sources of stress in your life, add any that may be missing, identify those you can change, and consider which stress relievers you can employ. When you take charge, you take a lot of the air out of stress. And that makes for a much healthier and happier work and personal life.

Stress on the job

- Too much work to handle within timeframe*
- Work that is beyond your level of expertise
- Lack of information you need to reach your objective
- Lack of clarity about expectations others have of you
- Lack of resources
- Lack of higher-level support
- Constant monitoring and evaluation
- High need to stay in control
- High need for approval from others
- Personal values out of sync with organization's values
- Difficult team members
- Dangerous conditions
- Inadequate workspace
- Noise
- Highly demanding clients/customers

Stress off the job

- Health problems, yours or those of significant others
- Money worries
- Concerns about children
- Long commute to work
- Inadequate sleep
- Lack of supportive relationships
- Relationship problems
- Uncertainty about life goals

Simple stress relievers

- Regular exercise
- Improved nutrition
- Adequate sleep, including daytime naps
- Entertainment that provides a mental "break"
- Time off, either at home or away
- Loving relationships
- Meditation
- Pets
- Hobbies
- Changing jobs or careers
- Changing the work/non-work balance

**If work overload is an issue, refer to Winter 2001 Newsletter on our website --www.wbwassociates.com.*