

Welcome back...

...to *TSI Info Source*. This is our third issue this year as we continue to provide useful information that can help you improve the effectiveness of your organization. In this issue, our newest partner, Dennis DeCock, with over 27 years of business experience, jumps across the desk and puts the use of consultants in a different perspective. His “*A General Manager’s (GM’s) Perspective – The View from Your Side of the Desk*” will hopefully strike a familiar chord with many of you. In his role as a division general manager and vice president of operations for the last 22 years, he was confronted with many situations where the use of consultants was considered as an option. “While a little skeptical of the consulting industry, I was intrigued by the approach and expertise of TSI - so I joined them.” notes DeCock. He has described here many of the problems a general manager typically might face on a daily basis, which of these are solved more expeditiously with the help of consultants (and how best to use consultants), and which of these are best solved internally. With business changing at an ever-increasing speed these days, it is even more important for us to be constantly vigilant for newer, more efficient, more effective ways to manage our organizations.

As always, we welcome your feedback and promise to consider your needs as we continue to evolve this newsletter and our services. If you would like to share your thoughts or have any questions, feel free to send us an email at info@transforming.com.

A GM’s Perspective – The View from Your Side of the Desk (Or, Should You or Should You Not Use Consultants?)

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Have you ever received a cold call from a consultant, asking if he or she can have just 15 minutes of your time? We all have, and our first reaction is always “I don’t have time, just please send me some information, and I’ll get back to you if I need you.” In my 22+ years of general management and operations management experience, I turned away many eager consultants. Sometimes, however, I actually did have a need for outside help.

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In many cases, consultants can help provide a resource that we do not have (or fill a skill gap) and need immediately, bring specific industry or subject area expertise to bear, provide us with an objective outside opinion, or help us weave our way through the office political jungle.

As a starting point, let's look at some of the typical problems a general manager has to deal with on a daily basis:

- What are our daily revenues and is business coming in as expected?
- Do we have the right number of people to handle all the work? Are they in the right places?
- Are our people motivated to excel at what they are doing?
- Is our cash flow positive?
- Do we have paperwork bottlenecks?
- Are expenses under control?
- Are we doing all we can to keep our customers satisfied?
- What should we be outsourcing to be more profitable?
- Are accounts receivable in good shape?
- Are inventory balances in sync with the sales volume estimates? Do we have excess inventories in certain product lines?
- Do our tactics support our strategies?



A general manager needs to be like a choir director- it is his job to get everyone singing off the same sheet of music, and in tune! Using consultants, at the right time and in the right way, can make the music sound harmonious.

When to use consultants...

Consultants can be very helpful when you:

- Are having a difficult time linking your day-to-day operations with your strategic direction. How can you connect strategy and process?
- Know some of your activities are not as efficient or effective as you would like. Where is the best place to begin (should it be looking at all your processes or just a few)? How can you get started? Who should be involved?
- Need to deliver more value-added services to your customers in a more cost-effective manner. How do you determine what's most important to your customers? How can you provide those answers as part of your solution?

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- Have just gone through a significant organizational change (e.g., rapid growth, merger, divestiture, downsizing). How can you make sure your processes continue to work or, better yet, work more efficiently and effectively?
- Have a few critical meetings/work sessions that need to occur. How valuable would it be to have an experienced facilitator who can help guide the meetings and help you achieve your objectives in an unbiased and collaborative manner?

How to use consultants...

If you decide to engage consultants, make sure you:

- Clearly define the scope, duration, objectives, fee structure and deliverables of the project *BEFORE* the project begins;
- Obtain quotes from at least two (preferably three) competitive firms that do the type of work you need – think beyond the large, traditional consulting firms and research the stability of the firm you choose;
- Manage the consultants (stay involved in the project, be active in the decision-making and approval process, monitor adherence to project timelines, fees, etc.) throughout the project – don't let them manage you;
- Tie fee payment to performance and promised results, if possible;
- Avoid scope creep – it generally costs you more money than you'd think and want. Seriously consider any changes to scope after the project begins unless there are economies of scale involved;
- Insure that there is a good “culture match” between your organization and the consultants.

When not to use consultants...

Consultants can be helpful, but they shouldn't be used to:

- *Completely* plan your strategic direction. Getting input and an outside perspective is OK but you, as the business leader, need to develop the strategy and muster the appropriate resources to make it happen. You'll be the one held accountable, not the consultants.
- Be the only ones to institute change. You have to lead your people into new areas, new opportunities, new ground. An old axiom is never more true today: “You can't steal second base with your foot on first.”
- Run the business, run a department, or act as an internal outsource provider. You need to be in charge of making the business function on a day-to-day

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- basis. Don't abdicate this to consultants. If you do need to outsource a function or process, do it with a qualified outsource provider.
- Help with process improvement initiatives if you haven't completely defined strategically where your business is going, who your customers should be, what products you should offer, etc..
 - Assist you with solving business issues if you're not ready for the answers the consultants will give you.

Where to go from here....

So, the next time you field a consultant's cold call, make sure you decide whether or not you have business problems that may require their help before you send them packing. If any of the business issues cited above sound familiar, they are probably present in your organization. In any case, whether you decide to engage a consultant to assist in solving problems or not, the key is to do something! Even if it's the wrong move, taking the initiative to solve problems is far better than not making any moves.

Business today is moving at light speed (even with the dot.com blip), and successful organizations are those that quickly recognize change and adapt to it. Make sure your organization is moving at that speed and in the right direction, whether or not you use consultants to help you achieve your objectives.

Dennis DeCock (ddecock@transforming.com) is a partner with TSI (Transforming Solutions, Inc.), a process improvement consulting and training firm in Chicago and Denver. Before recently joining TSI, Denny spent the last 22+ years of his career as a Division VP/General Manager and VP Operations with Rand McNally. He now helps organizations improve their service-driven performance. Visit us at our website (www.transforming.com).

HOT LINKS (or, more places we like to surf)

The Standard - <http://www.thestandard.com> - the leading source for critical and timely Internet economy news and metrics.

CFO.com - www.cfo.com - the definitive resource for news and information on the best business practices from financial experts.

Peter F. Drucker Foundation - <http://www.pfdf.com> - the "Leader to Leader" journal section has numerous excellent full-length business management articles.

Inc.com - <http://www.inc.com> - Primarily targeted at start up businesses, but also has a variety of articles applicable to any size business covering topics such as customer service, E-Commerce, finance, human resources, information technology, Internet in business, leadership & strategy, marketing, etc.



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