

The Five “P”s of Management

By James H. Lee

Do you find yourself buried in daily details? Are you turned off by management literature that is written more for Wall Street than for you? If you answered “yes” (like most of the working world), you might find some consolation in this article, which emphasizes priorities, profit, process, people and persuasion. From the author’s experience in the aerospace industry and manufacturing (and even business school), building a management tool kit is very important, but is overlooked all too often. One of his suggestions for building a tool kit is to add the Five Ps of Management—priorities, profit, process, people and persuasion. It is not a complete manager’s guide to success, but a guide to help managers think about some of the critical issues and challenges faced in their jobs. How well these challenges are handled may determine success or failure in today’s rapidly changing business environment.

Priorities

What is your focus? Do you have a strategy? Setting appropriate goals and expectations sounds simple, but it can be very difficult. It takes an investment in time and resources, and in the hustle and bustle of running a department or operation, setting aside that time may seem a distant luxury. As an example, a company successfully started by an entrepreneur with a few individuals soon grew to four geographically separate operating divisions serving different markets. This entrepreneur still ran the entire company like a small business. Morale fell as sales suffered under a lack of interdepartmental coordination and the “not-invented-here” syndrome. He hired an outside consultant who helped him train his general managers to think more in terms of profit centers and put together business plans to start formulating strategies for the divisions and for the entire company. Once a vision became clear, everyone was aimed in

one direction. This whole process took months. But, without focus, valuable time and resources otherwise would have been squandered.

One useful method of defining effective priorities for your organization is a strengths, weaknesses, opportunities, and threats (SWOT) analysis. It starts as a brainstorming session where you write down these attributes and characteristics of your organization. The results are almost always more interesting and complete if a diverse group of individuals in your organization participate. Once that’s done, the group is asked, “Now, what do we do?” The results can become elements of your strategy and may pinpoint where focus should be placed. You might be amazed by what you learn from your group.

Profit

It’s the bottom line and there’s no denying it: money keeps your business afloat. Perhaps from some of your strategy exercises in the preceding paragraph, you might have an idea if you are trying to maximize profit or make capital investments for the future. Either way, it is important to understand (private and public companies alike) who your shareholders are and what expectations they hold.

Your shareholders are likely to be most concerned about how much return they are receiving for their investment. Banks primarily want to know if they will be paid back in time. If you only have a few shareholders or only one (perhaps just yourself), understanding their expectations may not be too difficult. Having hundreds or thousands can be more complicated, but it is still important to know what they are expecting and how to handle situations where expectations are not in line with actual performance. Just remember: cash is king!

Processes

Are your processes efficient and effective? Today, it’s not only important to get things done, but to

get them done within a reasonable time—preferably in less time than your competitors. Recognize, however, that being efficient doesn’t necessarily mean being effective. I once spoke to a customer service center that boasted same-day delivery of spare parts. Later, I discovered that many shipments contained incorrect parts or that some customers had received other customers’ orders.

Where are your bottlenecks? A bottleneck is defined as the constraining activity in a process that determines the capacity of your entire process. This is a concept usually applied to operations management, but you can find bottlenecks anywhere. Customer service call centers are great examples. The less information the customer service representative has at his or her fingertips, the more critical time is wasted chasing down the right pieces of information. Are you annoyed when you call a customer service desk and they have to call you back about something you would assume to be relatively simple? The customer service center mentioned here uses a computer system that is 18 years old and cannot communicate with modern customer service and sales database programs. As a result, most of the key information resides with a few individuals who are stretched thin everyday answering questions or responding to inquiries. These individuals may be the bottlenecks but the information system does not adequately support the process. Because of this, customer response suffers.

People

What cultures exist in your organization? People have personalities, and your organization or business also has a personality. If your business has a very supportive and team-building culture, you might find that many decisions are being made at lower levels, taking a load off your mind. If you have developed a very hierarchal, rigid culture in a fast-moving, changing business, however, you might be slowing progress. Recogniz-

ing your culture is one challenge. Using it or tailoring it to your advantage is another. The key word here is alignment. If your culture is aligned with your business, things will more than likely be great. If they aren't aligned, look for signs of low morale, burnout and disinterest.

Persuasion

Now, the focus is on you. What is your management style? If you haven't looked at yourself from a distance, you should do it, and do it often. If you don't know how your employees or coworkers perceive you, spend some time with them to understand their points of view. Your management style—whether it be nurturing, directing or integrating—should fit with your organization's culture and needs. If you tend to give orders and have a desire to control, you might be stifling a fast-moving team engaged in developing a new product. If you tend to be passive and casual, you might be putting off a department that needs some guidance.

How well do your messages stick? Do people remember what you tell them? Dr. Jay Conger of the Marshall

School of Business at the University of Southern California provides a simple but effective model (*Harvard Business Review*, May-June 1998) to move people persuasively:

1. Establish credibility in the eyes of the audience;
2. Frame the issue in a context that finds common ground;
3. Provide a vivid, illustrative example;
4. Connect emotionally. He says that how you present something is more critical than what you actually say.

The plating and finishing industry is undergoing plenty of change in today's economy. In the past year, more than 30 plating or finishing operations ceased to exist in the U.S., either through closure or mergers. More than 30 new operations appeared, however. Where will you and your business be next year? What about the year after that? If you and your organization can make sense out of all this chaos and put it all together, your potential for further success will look very, very good. *P&SF*

About the Author

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Lee previously worked at The Aerospace Corporation as a project engineer managing Global Positioning System activities in the U.S. Air Force GPS Joint Program Office, Los Angeles Air Force Base, El Segundo, CA. He is still retained by The Aerospace Corporation as a consultant. Before joining the management staff of The Aerospace Corporation, he was a technical consultant to the U.S. Air Force Space Programs in the area of structural dynamics, and performed independent engineering analyses ensuring Air Force space assets survived the rigors of launch, atmospheric flight, and staging activities in orbit.

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