

Good management

Strong and effective management is the key to the establishment and continued success of any business operation. The key to good management is to be able to examine the market place and its environment and create opportunities that generate growth and profit for the business. Despite the importance of management, this area is often misunderstood and poorly implemented. This is primarily because people focus on the output, rather than on the process of management.

What is management?

In the past we have defined management as involving the functions of forecasting, planning, organising, delegating, directing, controlling and evaluating the tasks and performance of the business. While this definition has not changed and is still applicable today, management has moved more into an area of what is known as shared responsibility.

While forecasting and planning are the basic functions of any good management, the manager's more critical responsibility is to forecast and anticipate the future because any planning is only as good as the forecasts they are based on. All planning falls into three basic categories:

- 1. Strategic planning:** This is the process of deciding the goals of the business. They are usually long-term and look well into the future of the business, rather than just being involved in the present. The strategic plan really sets out where the business is going.
- 2. Technical planning:** This is the process of developing short-range plans needed to achieve certain strategic goals and requires the analysis of current performance and other data. Technical plans usually have a short-term usage and their main purpose is the completion of tasks at the present time.
- 3. Operational planning:** This is the process of developing all the ways that the tactical plans can be achieved. It is responsible for getting things done.

Another part of the group involves crisis management, which involves putting in place plans to control damage that may result through any crises.

The whole planning area has one objective and that is to complete the tasks, reach the objectives and do it on time and under budget. Management, therefore, can be said to be that function that involves setting goals and making decisions based on careful planning. As a business owner you will be responsible for all aspects of the business and your management skills will be dearly needed to guide the business and to assist your staff in playing their role in the success of the operation.

What management involves

- 1. Planning** (setting the goals and strategies for the business).
- 2. Organising** (working out the tasks and how they are to be scheduled and performed).
- 3. Staffing** (hiring and training staff).
- 4. Directing** (supervising and helping staff perform their duties).
- 5. Controlling** (assessing and analysing results so that a basis for decisions can be made).



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What makes good management?

Here is the profile of an ideal management team:

- Good organisers and planners - they look ahead and can pull together whatever is needed to get there.
- Confident - they act positively and decisively with the available facts.
- Empathic - they are sensitive to the needs of others.
- Trusting and honest - they are open and honest in dealing with others.
- They delegate authority - they allow others to have control and freedom over some areas of the business.
- Gives feedback on performance - they tell people how they are doing and are very good teachers.
- Good listeners - they listen and react to what is said, as well as listen to people sincerely.
- Foster and embrace a team environment.

It is clear from this list that the expectations that people have are that management must know what they are doing (in other words, they are competent and able to get things done) and they have a feeling for staff and other people that the business deals with (that is, they are human and understand human frailties and human problems).

Six main roles of good managers

If you are a manager, you will basically have to perform six major roles. Even though you are not expected to be an expert in each role, it is important that you have some knowledge or expertise about all these areas because they will be required in the management of the business. The roles would be:

1. **Good organisers:** They have the knowledge and the experience to set up the organisational structures that enable objectives to be reached and things to be done.
2. **Good problem people:** They will have the ability to work out what the problems are in a particular situation and arrive at a solution for resolving.
3. **Good communicators:** They will be skilled in communication techniques, which include keeping employees informed of what is happening in the business and what they are trying to achieve as a team.
4. **Innovators:** They will be flexible and prepared to look at other ways of performing a particular task. They will be innovative and not hampered by keeping to the traditional methods of getting things done or the traditional ways that similar businesses have been run.
5. **Able to put out fires:** They have the ability to look at a crisis and come up with solutions, solving problems for the business and the staff along the way.
6. **Give good support:** As managers, they are able to counsel staff where necessary or provide the skills as a mentor to others.



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Poor management

If a closer post-mortem were done on some businesses, it would probably reveal a serious trail of management blunders that were responsible for the ultimate closure of the firm.

Managerial incompetence or inexperience is apparently the greatest single cause of business failure. The business owner therefore must come to grips with his or her responsibility in acting as a good manager and ensuring that the business is well managed. There are too many business owners who think that throwing in some extra cash will solve almost every business problem. Good management, as well as money, is the key to whether a business flourishes or dies.

Management concepts are not "pie in the sky" theories; they have evolved from what other business owners have learned by struggling with their mistakes in the past. There is really no sense in "reinventing the wheel" and new people who take on business ownership should learn from the trial and errors, mistakes and triumphs of others before them.

One of the best ways for the small or medium business owner to learn management skill is by studying and taking note of the mistakes that have been made by others. Management experts have identified those errors most often made by managers.

Summary

The success or failure of any small business depends on the top person. It is this individual who advances or retards the progress of a new enterprise. Whether operator, manager, or executive, the top person must be a virtuoso at practical dreaming, bold thinking, determined planning, decision-making, problem solving and leadership.

Ailing businesses are often headed by impatient managers who would rather find their own way by trial and error than accept counsel or study what others have done in the past. Rushing from crisis to crisis, they institute one crash program after another and deal repeatedly with the same urgent problems that somehow never seem to get solved.

On the other hand, healthy businesses are usually directed by people who can admit their own shortcomings, look at errors and continually strive to improve managerial skills. They avoid the most dangerous management traps by obtaining business experience and know-how, maintaining complete records, controlling cash, developing a vigorous marketing effort, building a tightly knit and highly motivated team and planning wisely for the future.

The small business owner who expects to survive and prosper in the face of swift technological and social changes needs to develop as a skilled and professional manager/owner. The task is difficult but the rewards for both the company and the manager are many. Just remember that today's successful small businesses may well be one of tomorrow's huge corporations.



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Further information

The following fact sheets provide further information on these issues:

- Business planning
- Business management tips
- Leadership – introduction
- Management pitfalls