# Action meetings and other major management breakthroughs

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***By David Parmenter (davidparmenter.com)***

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Management today are ensnared by many time wasting traps. Fortunately a few enlightened organisations around the world are forging a pathway for us to observe and follow. The time wasters I want to address are:

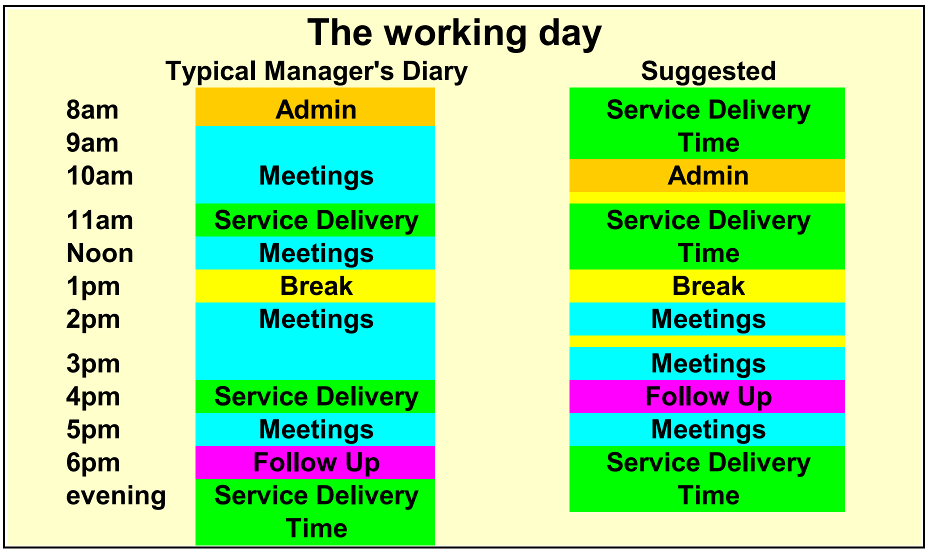
1. morning meetings
2. unproductive meetings
3. unnecessary travel
4. the annual planning process
5. rewriting Board papers
6. monthly performance reporting
7. handling emails

Let's take a look at how these time wasters can be handled.

**Morning meetings**

A good start is to avoid having meetings in your productive time e.g. the mornings. I fail to see why, for example, a CEO feels the urge to have a senior management team (SMT) meeting at 9am on a Monday morning, and why the SMT members feel the need to follow it with a debrief to their direct reports. The process well and truly stuffing-up the morning. It is so bad in some organisations that SMT members do their utmost to avoid these meetings by deliberately scheduling important client meetings at this time.

Ask anybody about their productivity and you will find frustration about how time has been taken away in non productive activities. Would it not be better to schedule meetings towards the tail end of the day and leave the morning for service delivery. Set out below is a diagram that explains how a manager's diary often looks and could look.



The main change is bigger chunks of service delivery time, delaying email duties (see below) and meeting time re-scheduled to the afternoons allowing us to be more relaxed having scored some early goals. Having rescheduled we need to make the meetings more productive.

**Unproductive meetings**

Most managers have at some time received training in managing meetings yet the level of frustration with meetings remains the same. The problem has been that the training has not looked at all the core reasons for failure. Even the legendary John Cleese "meetings bloody meetings" serves to entertain rather than tackle these issues.

Two management consultants, Mike Osborne and David McIntosh have developed a methodology that is breathtaking in its simplicity yet profound in its impact.

Action Meetings, see www.actionmeetings.com, has attacked the core of dysfunctional meetings and the common features of; unclear agendas, lack of engagement, rambling discussions, a total lack of understanding of "the space" the fellow attendees are in, worst of all poorly defined action points and follow through

There are a number of key features. I will explore some of them

- getting people properly into and out of the meeting - the introduction of a first word and last word where attendees briefly say what state they are in. The first words could range from "I am very time challenged and this is meeting last thing I need" to "keen to make progress with this assignment and to hear Bill's view on the XYZ development". The last words could include "This meeting once again promised little and delivered nothing" to "I look forward to receiving Pat's report and working with the project team'. The key to the first and last word is that attendees can say anything about how they feel at that point in time and their comment is just that and is to remain unanswered.
- an effective agenda constructed as outcomes - the introduction of precise wordings about meeting outcomes. Outcomes provide focus and the ability to easily check whether an item has in fact been completed.

  Meeting outcomes could include:
  · project XYZ progress examined and understood
  · the monthly results understood
  · the next steps for project XYZ agreed and assigned
  · this month's key initiatives agreed
  · the responsibilities on the acquisition of ABC Limited assigned

  One major benefit of establishing "meeting outcomes" worded in this way is that requested attendees can and should extract themselves from attending if they do not think they can add value or assist in achieving the outcomes.
- meetings are participant-owned not chairperson-owned - all attendees are trained in the new methodology and thus meetings are owned and policed by all the participants and so are less reliant on the capability of the chairperson.

**Unnecessary travel**

Squashed in the middle seat of a Boeing 767 on a flight from Perth to Brisbane I think it is a pertinent point. Who would take this trip if technology could be used to ensure the event in Brisbane could be handled in another way. New technologies worth using include:

- Videos/ audio conferencing, the old friends of the reluctant traveller. These have been proven, by academics, to be more effective than actually being there. All staff in your organisation can have video conferencing with an investment of $250 per person for a quality headset and web cam. The application, MSN messenger is free with Microsoft windows.
- Web-based audio streaming. Where a presenter delivers the presentation from the comfort of their home or office and people around the world can link in through the World Wide Web and see the slides and hear the commentary. What is so powerful is that each participant can forward a query at any time to the presenter who can cover these during the question and

answer session. See www.bettermanagement.com for many archive presentations and the opportunity to join in one live!

**Annual planning process**

Companies in Asia, Europe, America and some in Australasia are recognising that the existing budget process cannot continue. It is now seen by many that the budget process is a hindrance to management rather than a help. There is an answer, throw the budget process out, it takes too long, is not linked to strategic outcomes or "critical success factors" and smart organisations do not do it anymore.

A survey performed in 1998 by Hackett Benchmarking & Research, a US consulting firm, on CFOs found:

- there were 25,000 person days invested in the budget process for every $1bn of revenue
- the average time for a budget process was 4 months.
- 2/3rds of CFOs stated their budget was influenced more by politics than strategy
- nearly 90% of CFOs were dissatisfied with their budget process

Jeremy Hope and Robin Fraser, the management gurus behind the "Beyond budgeting movement" have stated that not only is the budget process a time consuming, costly exercise generating little value, but also, and more importantly, a major limiting factor on how your organisation can perform. They have many examples of companies, following the philosophies they have expounded, which have broken free and achieved success well beyond their expectations. Here are three quotes which challenge the very concept of budgeting.

> ***"So long as the budget dominates business planning a self-motivated workforce is a fantasy, however many cutting-edge techniques a company embraces"***
>
> ***"Modern companies reject centralisation, inflexible planning, and command and control. So why do they cling to a process that reinforces those things?"***
>
> ***"The same companies that vow to respond quickly to market shifts cling to budgeting – a process that slows the response to market developments until it is to late."***
> *Jeremy Hope and Robin Fraser, Harvard Business Review April 2003*

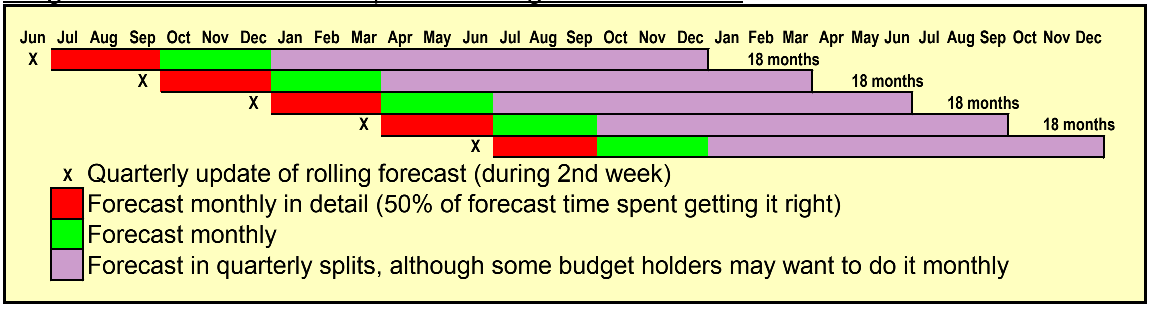
I can assure you this level of dissatisfaction is similarly among Boards, CEOs, general managers and budget holders. Hope and Fraser have found that organisations that have adopted the "beyond budgeting management model", have successfully discarded the 'spend or loose it' ethos.

There is one brilliant case study on a famous cider maker **H P Bulmer, UK** www.info-edge.com/samples/BI-3037sam.pdf**.** This case study sets out clearly the very doubts and concerns that already exist in your organisation and will give you a pathway forward. It will revolutionise your company if the eight page case study is read by the senior management team, budget holders, the finance team and the Board. I promise you.

Budgeting is now being replaced with a bottom up forecasting regime going out 6 quarters ahead. These forecasts are typically revised every quarter. To adopt this new quarterly rolling planning regime you need to acquire an appropriate planning and forecasting tool. Each quarter, before approving these estimates, management sees the bigger picture six quarters out. As you can see from the diagram below the annual plan falls out of one of these quarterly forecasts. All subsequent forecasts while firming up the short term numbers for the next 3 months also update the annual forecast.

It is not surprising that management gets really good at these forecasts as they are performed on a bottom-up basis four times a year.

Diagram of how a calendar quarter rolling forecast works




Instead of comparing actual against a flawed monthly budget, you compare last months actual against the most recent forecast. Commentary is much more targeted as there is little scope for "our explain it all away" timing difference comment as forecasts are only, at worst three months old. For more information visit www.waymark.co.nz

**Rewriting Board papers**

Many boards have no idea what time is wasted, I could hardly say invested, in rewriting endless Board papers. The sheer stupidity often results in the loss of one week of management time each month.

One organisation has made a major cultural change to the extent that the CEO has committed the company to a major training programme to assist managers (including the senior team and the Board) to "coach" and to avoid rewrites at all costs. The CEO can always put a caveat on the report "whilst I concur with the recommendations the report was written by Pat Carruthers". The organisation have learnt to delegate and empower their staff so that the SMT and Board papers are being written with limited input from senior managers and are being tabled with few amendments (provided that the senior management team agree with the recommendations. This step requires trust and training.

The Board needs to understand that the report is not written in senior management team "speak". Board members are encouraged to comment directly to the writer about strengths and areas for improvement with report writing. The writers are also the presenters, where necessary. The organisation thus has a much more relaxed week leading up to the Board meeting having largely delegated the report writing and the associated stress. The rewards include, motivated and more competent staff and general managers being free to spend more time contributing to the bottom-line.

**Monthly performance reports**

Reporting to management that the 'horse has well and truly bolted' after month-end is an interesting activity in damage limitation. It has little to do with performance monitoring which lies with daily or weekly reporting routines.

Even more damming is that monthly reporting has already been made worthless by the introduction of the monthly budget, a yardstick set during the annual planning process that bears no relationship to the month in question, it has been set too long ago. These monthly reports are an exercise in story telling and often start with the words, "this is a timing differences..."

In the short term you need to direct commentary away from the monthly an on to the YTD variance. In the medium term you should migrate to quarterly rolling planning where funding and monthly targets are set a quarter ahead.

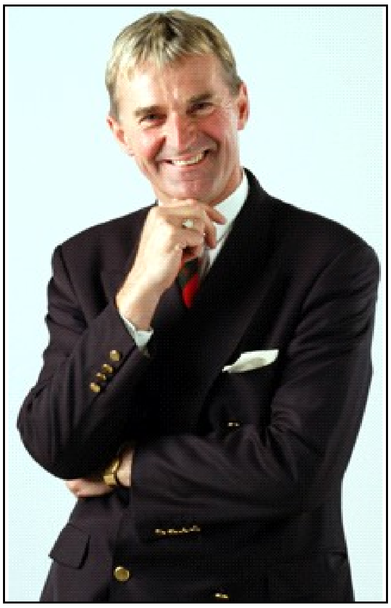
**Handling emails**

Many of us either fortunately or unfortunately are not heart or brain surgeons. Our work is not critical to life. Many things we end up doing have little or no relevance to where we or our organisations are wanting to go.

The handling of emails is a major case in point. In the good old days we would handle mail at 10.30am when finally arrived from the mail room. We thus started the day with a scoring a goal, undertaking a service delivery activity. Now the first thing we do is open up the email and suddenly one hour has evaporated. Some us even get interrupted when every email arrives.

As a therapy I suggest not opening your email until after your morning coffee and then only look at emails at two more intervals during the day. If something is very important you will bound to get a call. This technique will help you get more 1.5 hour blocks of concentrated time in your day.

## Writer's biography



David Parmenter is the CEO of waymark solutions. David specialises in assisting organisations measure, report and improve performance. waymark helps organisations streamline their: month-end reporting and annual planning processes, implement quarterly rolling forecasts, adopt the principles of beyond budgeting, develop decision based reports, and adopt performance measures that will improve performance. He has had speaking engagements in 2007 in Wellington, Auckland, Christchurch, Sydney, Melbourne, Brisbane, Canberra, Adelaide, Perth, Kuala Lumpur, Singapore, Dublin, Edinburgh, Glasgow and London.

John Wiley & Sons Inc are publishing two of his books in 2007 “Key performance indicators – developing, implementing and using winning KPIs” (January 07) and “Pareto's 80/20 Rule for the Corporate Accountant” – better practices from winning finance teams (April 07).

David has an in-depth understanding of better practices of corporate accountants across all sectors. David has also worked for Ernst & Young, BP Oil Ltd, Arthur Andersen, and Price Waterhouse. David is a fellow of the Institute of Chartered Accountants of England and Wales.

He has written over 30 articles for the accounting and management Journals in Australia, Malaysia, Ireland, England and New Zealand. His articles published include: “quarterly rolling planning - removing the barriers to success”, “Throw away the annual budget”, “Maybe its time to look at your KPIs”, “seven time wasters”, and “quick month end reporting”, “Beware corporate mergers”, “Implementing a Balanced Scorecard in 16 weeks not 16 months”, “Convert your monthly reporting to a management tool”, “Smash through the performance barrier”, “Is your board reporting process out of control?”

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