

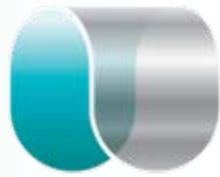
Do Your Commitments Match Your Conviction?

Nimble Knowledge Series
Hotel Serena – Nairobi
November 2007

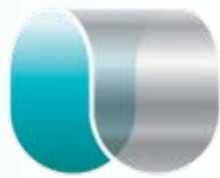


Facilitating Growth Through Processes

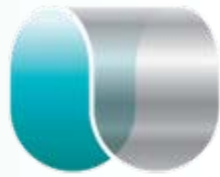
Conviction- Man Can Reach Moon



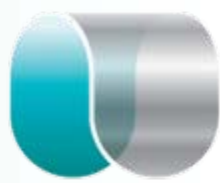
Conviction – Mount Everest Can Be Climbed



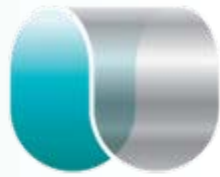
Conviction – Man Can Fly



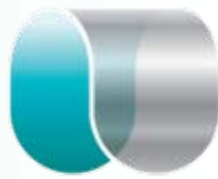
Conviction – Man Can Fly At The Speed of Sound



Conviction – World Without Polio



Conviction – “Made In Japan” Can Be The Best

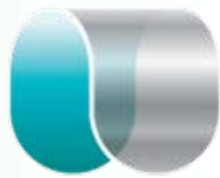


SONY



Mr. Akio Morita

Conviction – Organizing Information For People Is a Good Business



Larry Page & Sergey Brin

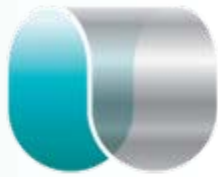
All Enterprise Starts With A Conviction

This Is The Vision Of The Starters
Of Business



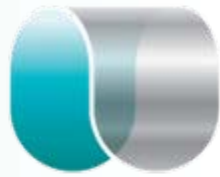
Facilitating Growth Through Processes

VISION



**Envisioning
Your Future**

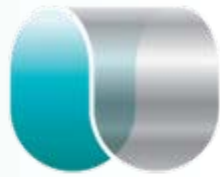
What is Vision?



Where are we, as an organisation, going?

What sort of future do we want to create?

Typical Vision Statements



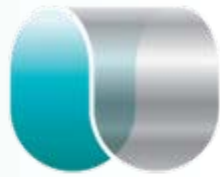
to experience the joy of advancing and applying technology for the benefit of the public.

To solve unsolved problems innovatively

Give ordinary folks the chance to buy the same thing as rich people

Make people happy

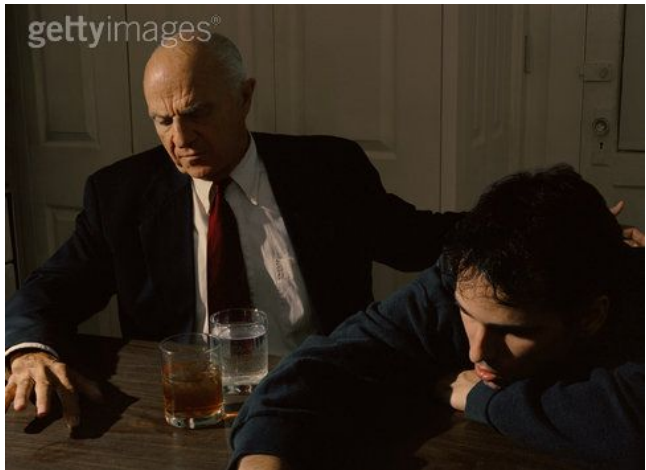
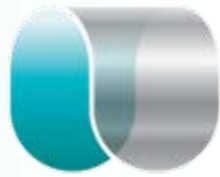
Vision For Every One



It is just as important for a leader in a large organisation to have a clearly articulated vision, as it is for the leader of a smaller workgroup.



Family Business



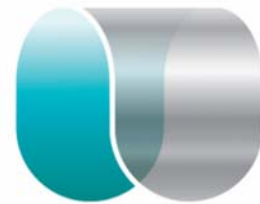
My Son Is Not Interested In Joining My Business !!



My Son Shares My Conviction !!

Sharing The Vision With The Next Generation –

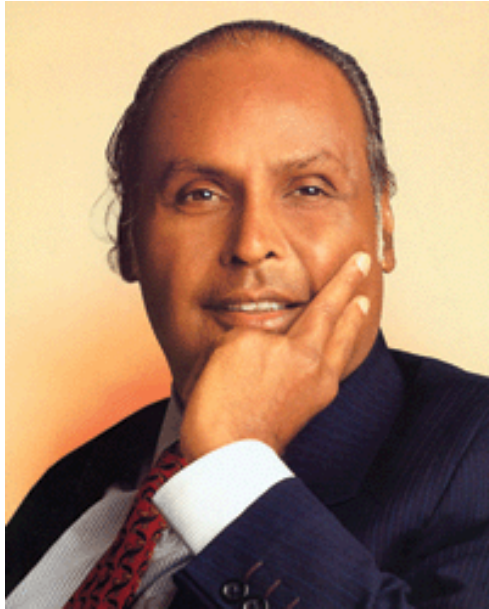
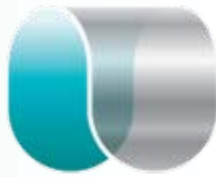
A Client Experience



nIMBLE

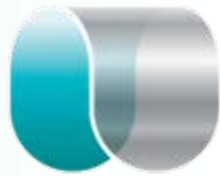
Facilitating Growth Through Processes

Story Of The Largest Indian Company



Our dreams have to be bigger. Our ambitions higher. Our commitments deeper. And our efforts greater. This is my dream

Conviction – Vision



Your ability to guide your team (family or employees) is dependent on you communicating your conviction and vision

- Clearly & Frequently



Vision

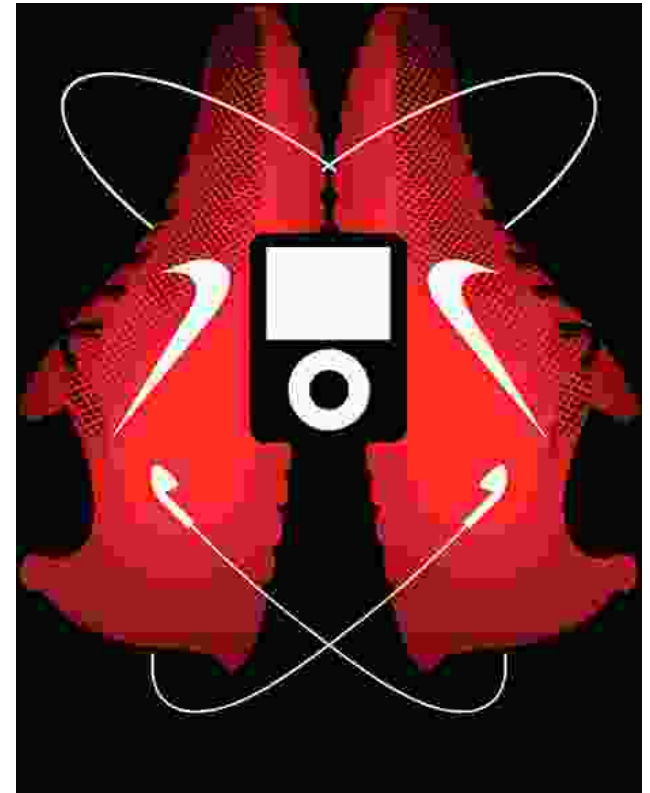
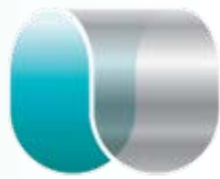
How Do You Achieve Your Vision?

What Business Are You In?

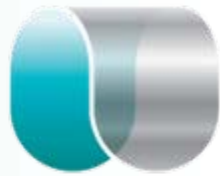


Facilitating Growth Through Processes

What Business Are They In ?

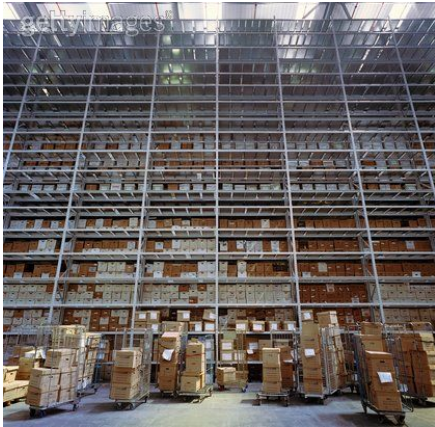
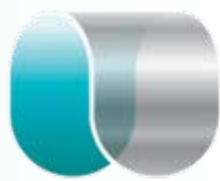


What Business Are We In ?



- Definition 1: Examples
Hardware, Electrical, Furniture, Computer, Software, Paints, Banking, Etc
- Definition 2: Examples Retail, Wholesale, Logistic, Transportation, Medical, Financial Institution Etc.
- Definition 3 : ???????? – Is There Any Other Way To Define The Vision

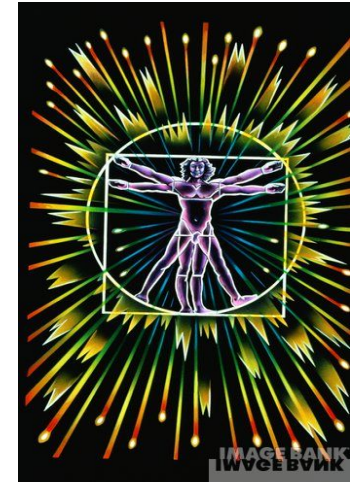
Definition 3 : You Are In The Business Of ...



Facility



Customer



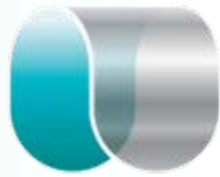
Innovation

Build, manage and
operate facilities
for high volume
repetitive activities

Identify, attract and
build relationships
with the customer

Conceive of
attractive new
products / services
and commercialize
them

Vision Statements – Revisited



3M

to experience the joy of advancing and applying technology for the benefit of the public.

Innovation

SONY

To solve unsolved problems innovatively

WALT DISNEY
Customer
Make people happy

Give ordinary folks the chance to buy the same thing as rich people

Facility
WAL★MART®

Converting Convictions To Reality...

Commitment to Conviction



Facilitating Growth Through Processes

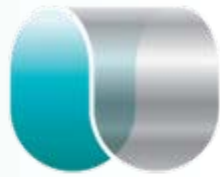
Commitment To **Strategy**

Deciding The Path For Future !!



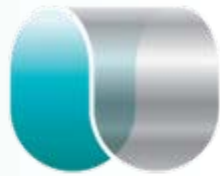
Facilitating Growth Through Processes

Business Strategy - One of Three

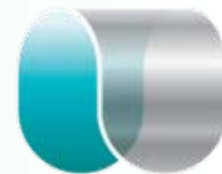


- Stakeholder Intimacy
- Operational Efficiency
- Market Leadership

Conviction – Strategy Linkage



		CONVICTION		
		Facility	Customer	Product
S T R A T E G Y	Stakeholder Intimacy			
	Operational Efficiency	Where Is Your Company?		
	Market Leadership			



Customer Contact –
scientist meet the end
user frequently

15 % of the time
spent on project
of your choice

30% of the TO
from products not
4 yrs old.

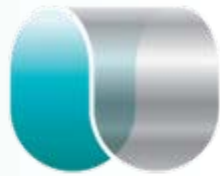
Dual career –
technocrat or
management
both equally
paying

Seed capital
upto 50000 USD
available for 90
projects in a yr.

**Tolerance to
failure –** if the
venture is not
successful old job
is available

Three tier research
-Business Unit : Now
-Sector : 3-10 yrs
-Corporate : 20 yrs

R&D spending
6-7 % of the TO
(twice that of
average
companies)



Lower Overhead

Including salaries,
travel etc.

Cheapest price

the price of the
product has to be
the cheapest

WAL★MART®

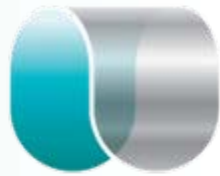
Cost Focus



Driver being to do
activities at lower
cost all the time

Technology

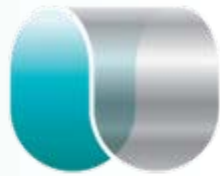
Used technology
way back in 1970
to link stores etc

Conviction – Strategy



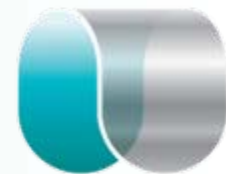
		CONVICTION		
		Facility	Customer	Product
S T R A T E G Y	Stakeholder Intimacy			
	Operational Efficiency			
	Market Leadership			

Strategy - Where Organization Go Wrong



- Low differentiation between strategy and tactics
- Strategy needs to be divided into
 - Financial strategy
 - Productivity & Growth
 - Customer strategy
 - Positioning, Managing
 - Internal strategy
 - People, Process, Technology
 - Learning strategy
 - Knowledge management
- Frequent changes to strategy

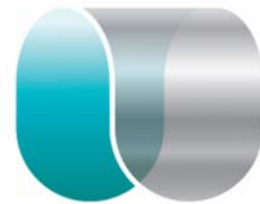
Kenyan Coffee Farm



- 1996 – 333 acres of coffee plantation
- What strategy to apply?
- Specialized Coffee?
- Diversify into French Beans?
- Problems Liquidity issues of Ksh 727,110 losses; children's US education; farmers not paid for over 3 years; prices determined by international markets
- Was it a strategy or a tactic?

Commitment To **Strategy** **Structuring**

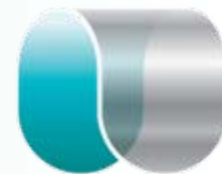
Is The Organization Structured To Deliver
The Strategy?



NIMBLE

Facilitating Growth Through Processes

OC - Client Conviction – Stakeholder Intimacy Strategy



CEO

GM

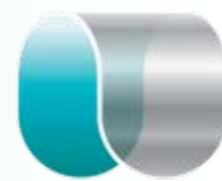
FC

Head BD

Accountants Credit Controller

Tour Head Travel Head Administration Head

OC - Client Conviction – Stakeholder Intimacy Strategy



WRONG WAY

Board Of Directors

CEO

GM

FC

Head BD

Adminstration Head

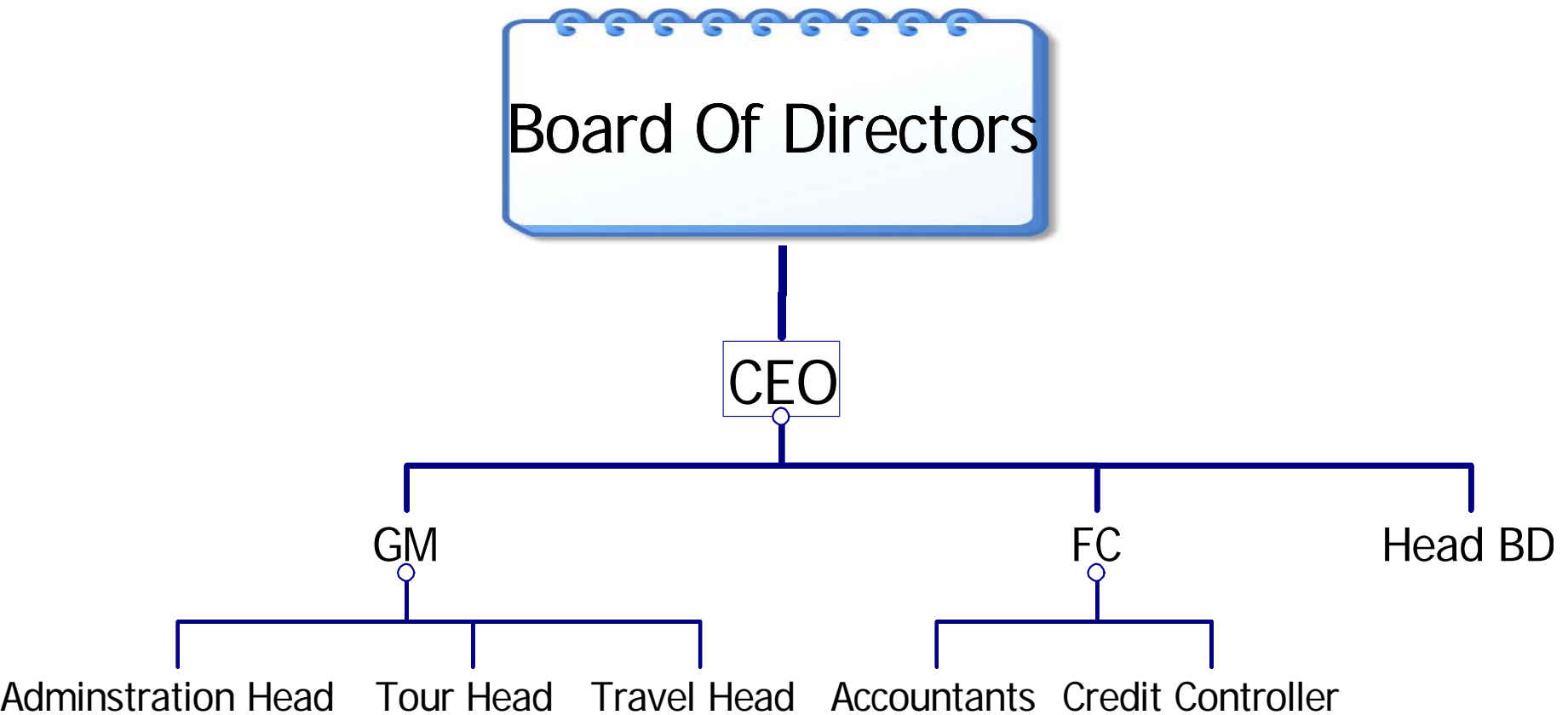
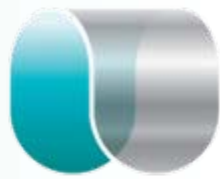
Tour Head

Travel Head

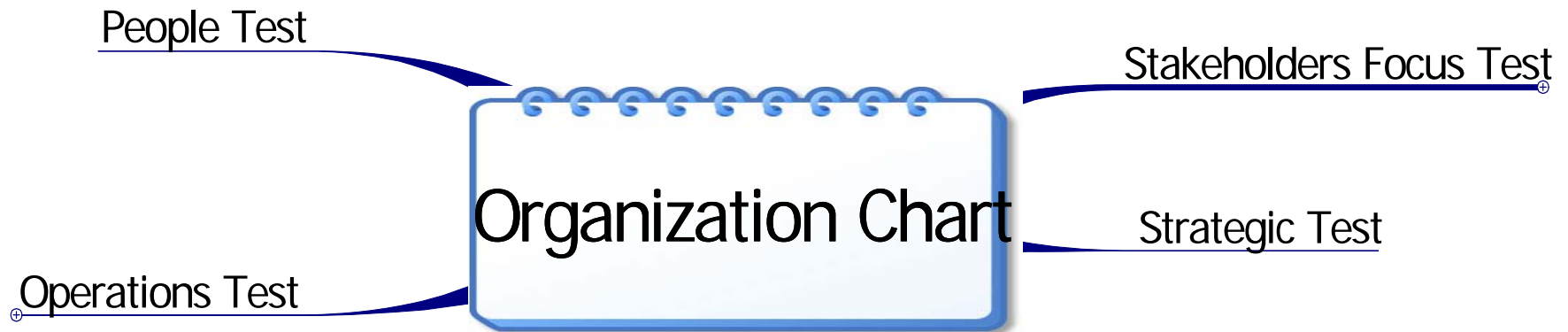
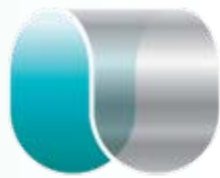
Accountants

Credit Controller

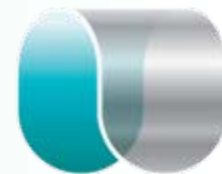
OC - Client Conviction –Operational Efficiency Strategy



Organization Structure – Should Have

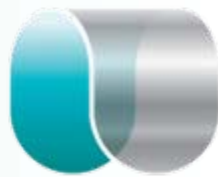


Conviction – Strategy – Structure

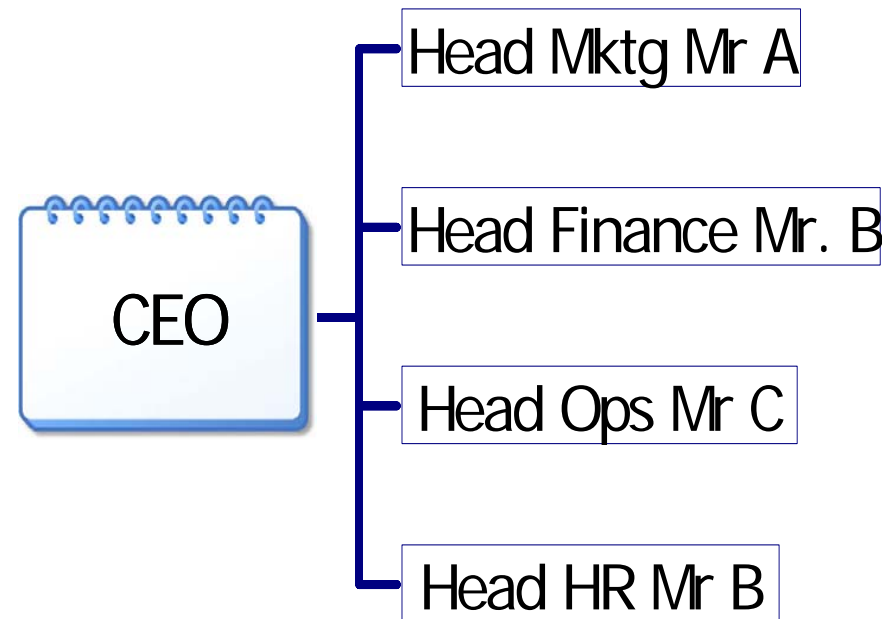
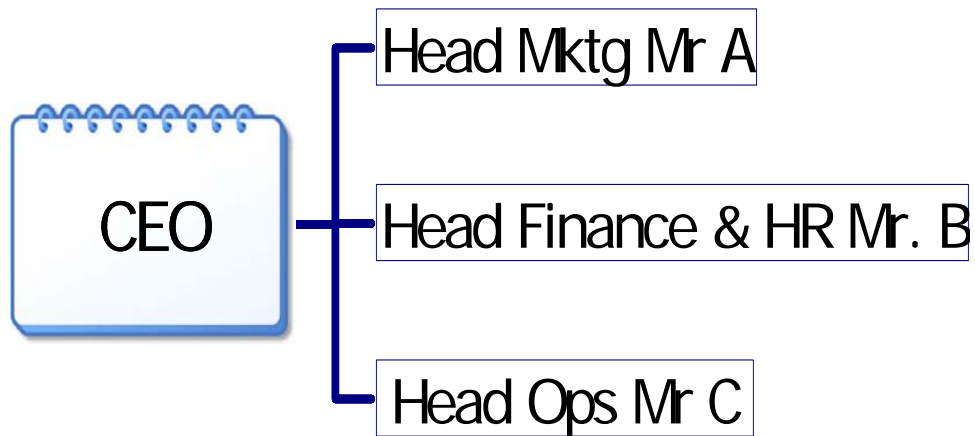


		CONVICTION		
		Facility	Customer	Product
S T R A T E G Y	Stakeholder Intimacy			
	Operational Efficiency			
	Market Leadership			

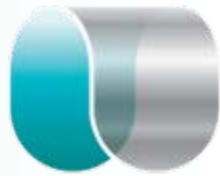
Structure – Where Organization Go Wrong



- People kept into consideration rather than the structure.

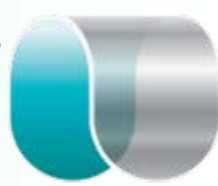


Havoc In 14 Months



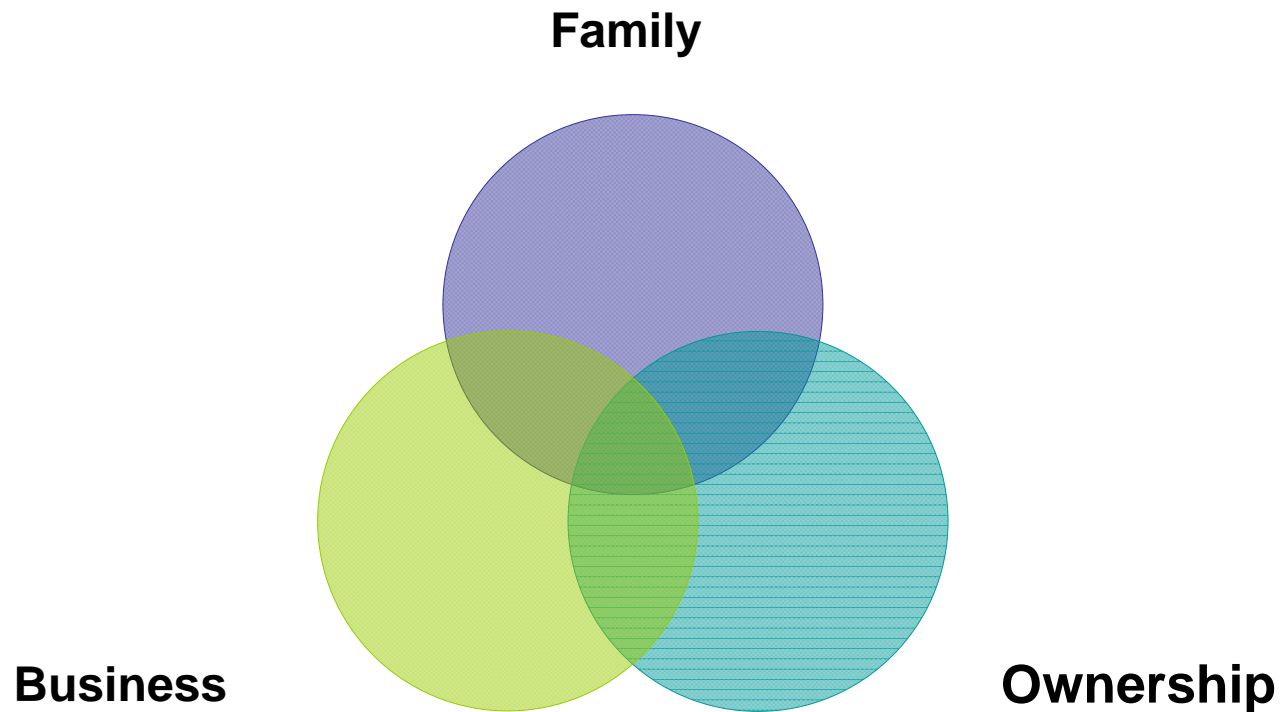
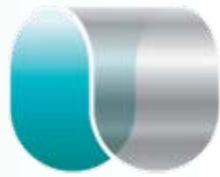
- **July '97 – Sept '98 Re-structure – goal - Operational Efficiency**
- Moved Executive offices
- Sacked 25 top executives
- Head of IT to head HR and later to Purchasing
- Merged Accounts and Marketing Depts
- Chief Millers & Specialists sacked
- MD's personal involvement at every level
- **Impact:** share value Ksh 1.20 from Ksh 14.00
total operating losses Ksh 170million
“culture of company wide deception”

Organization Chart In Family Business - Challenges



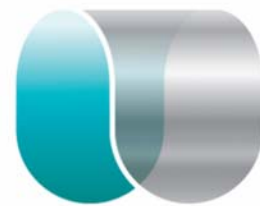
- Every body has to have a designation
- All brothers / sisters need to have equal designation
- Every body needs to know every thing
- It is every one right to give directions
- And More...

Three Facets Of Family In Business



Commitment To **Strategy** **Structuring** **Process**

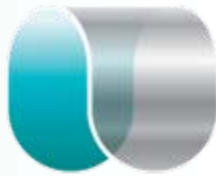
Working In A Defined Manner



NIMBLE

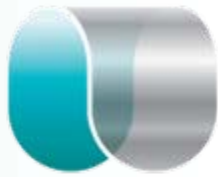
Facilitating Growth Through Processes

What Are Process



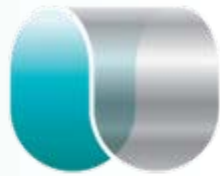
- Definition :
Set of linked activities that take an input and transform it to create an output.
- Should Define :
 - Triggers
 - Owners
 - Actors
 - Responsible
 - Participative

Process In A Company



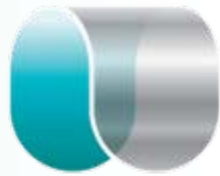
- Divided in to
 - Core Process
 - Management Process
 - Support Process

Procurement – Core & Support



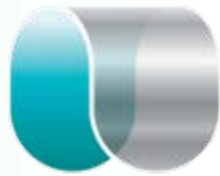
		CONVICTION		
		Facility	Customer	Product
S T R A T E G Y	Stakeholder Intimacy	Core	Support	Support
	Operational Efficiency	Core	Core	Core
	Market Leadership	Core	Support	Support

What Process Achieve



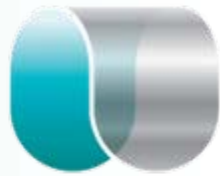
- Lower dependency on individual
- Clarity of what to do
- Clarity on who to do
- Data which needs to come out of an activity
- Governing policies for each of the activity
- First step towards quality

Process – Where Organization Goes Wrong



- Mapping of how they are working rather than how they should work
- Organization size, culture, and stage of growth to kept not consideration.
- Process champions not created – leads to implementation issues
- Process strategy linkages missing

Family Business Process Challenges- Some Examples



- Despite a procurement head any family member can buy products.
- New product introduction based on gut
- Withdrawal
- Decision to place an advertisement in a newspaper without marketing head knowing it.
- Budgeting process very difficult



Commitment To

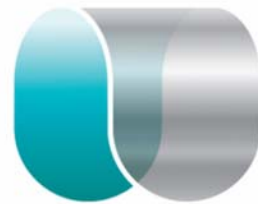
Strategy

Structuring

Process

Resources

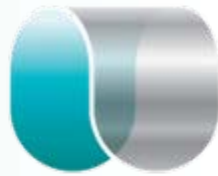
Are you geared to attract, retain and grow talent



NIMBLE

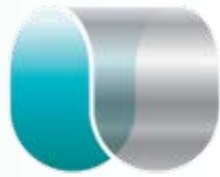
Facilitating Growth Through Processes

Attracting Talent



- What Organizations Offer
 - Fixed + Variable Remuneration
 - Money and more money
 - Promotion based on seniority
 - An employment for life
 - Institutional training
 - Job security
- What The Talent Wants
 - Total compensation
 - Recognition, appreciation and money
 - Performance based promotion
 - An environment enabling best performance
 - Individual professional growth
 - Employability

Defining Roles & Responsibilities

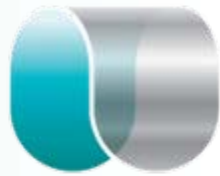


Responsible For



Participative For

Kind Of Work



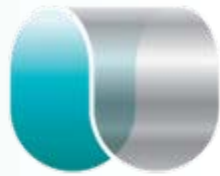
Directional

gettyimages®



Functional

Typically



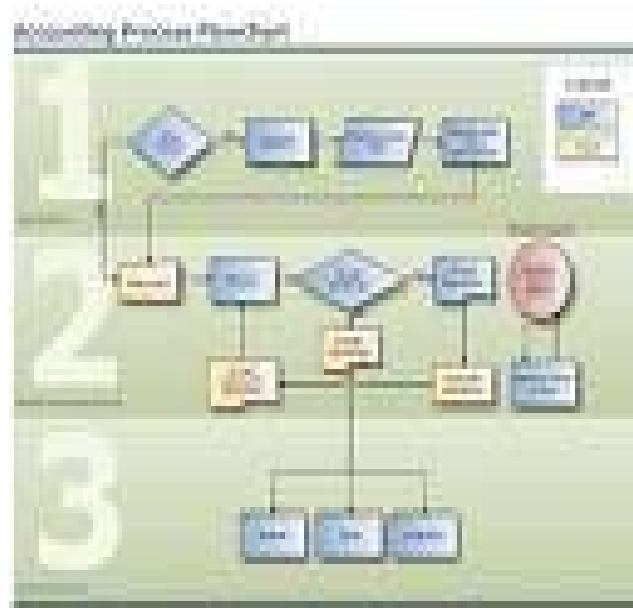
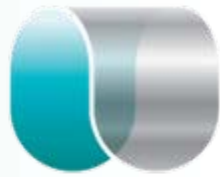
Organization Chart



R&R Document



Use Process Maps To Define R&R



Organization Chart

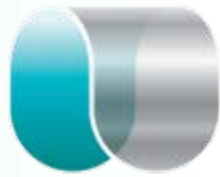


Process



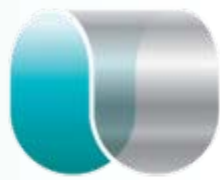
R&R Document

Retain By Provide Right Tool

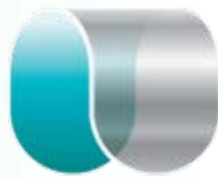


AND

Driving The Organization Through Performance

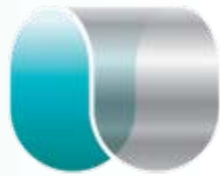


Manpower – Where Organization Go Wrong



- Culture fit
- Skill set
 - Mapping
 - Relative importance
 - Gaps
- Clarity of R&R not there
- Know how – present vs future

Family Business HR Challenges



- Merit Vs Loyalty
- Bringing family members in the business – cousins, uncles etc.
- Known Vs Unknown
- Career growth based on perception and closeness
- Previous reasons leading to lack of measurability and KPIs implementation
- Fear of “Business Secrets” being leaked

Convictions

Vision

**How Does It
All Sum Up**

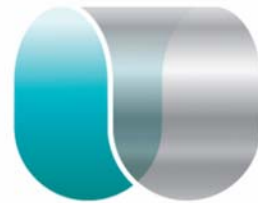
Commitment

Strategy

Structuring

Process

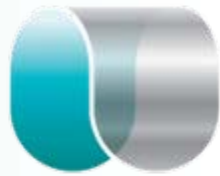
Resources



NIMBLE

Facilitating Growth Through Processes

To Sum Up



- Use your **CONVICTION** to define company's **VISION**
- **COMMUNICATE** your **VISION** over and over
- Use **VISION** to **DEFINE** your business
- Define the **STRATEGY** for organization
- Right **ORGANIZATIONAL CHART**
- Define the **PROCESS** or the way of working
- **ATTRACT** and **RETAIN RIGHT** resources through defined **ROLES & RESPONSIBILITIES**
- Measure the **PERFORMANCE** of the people and assist them to **GROW**

How Ever

What Does This Mean In Kenyan Context ?

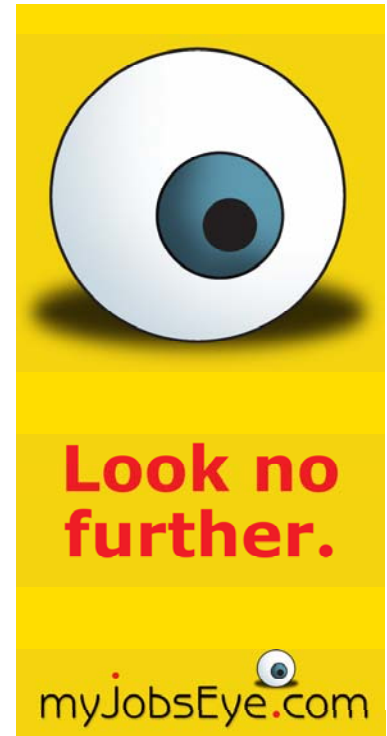
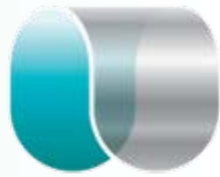


Challenges In Kenya



- Sudden opening of economy
- Second and third generation coming into business
- Largely family owned / controlled companies
- Manpool availability low
- HR Issues – more admin driven

Tackling Of These Challenges



**Consulting for structuring & growth
related issues**

**Human Resource
Development Agency**

DISCUSSIONS

Thank You



Facilitating Growth Through Processes