

# SCRAPPY GENERAL MANAGEMENT™

*Common Sense Practices to Avoid Calamities,  
Catastrophes and Lackluster Results*

FOR CORPORATIONS AND SMALL BUSINESSES



**MICHAEL HORTON**

# **“Scrappy General Management” Book Excerpt**

Common Sense Practices to Avoid  
Calamities, Catastrophes, and  
Lackluster Results

**For Corporations and Small Businesses**

**By Michael Horton**



A Happy About® series  
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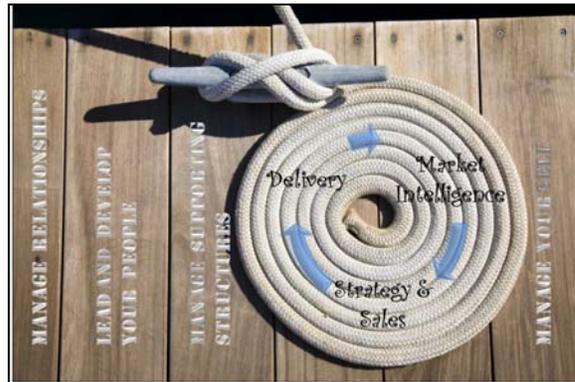
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# Introduction



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"The person who knows HOW will always have a job. The person who knows WHY will always be his boss."

– Diane Ravitch, Author, Education Historian

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## OK, You're in the Big Chair Now

You've dreamed of this, but now that your dreams have come true your hands may be feeling a little clammy. And while you don't want to admit it, you're feeling a strange mixture of excitement and... well, yes, fear. You're not the leader of a section, or the team of a particular function—you're responsible for the whole shooting match, end to end. You are the business's *general manager* and the people look to you for their livelihoods. Yes, YOU!

So you have to *strategize, sell, supply, and service*; collect the cash, provision, train, and *motivate* your people; delight your clients and, at the end of the day, return a profit to the business owners. So where the hell do you start? And how do you know that you're not neglecting any aspect that will bite you on the bum later? In the moment, that can seem like a heavy load. You may even start to suspect that your success-to-date has been an unlikely string of good luck, a characteristic of the "imposter syndrome," and you may secretly wonder, "Am I up for this?"

Don't stress. It's not all that hard, and it can be an extremely enjoyable and rewarding journey. Whether you're coping in a big company or running a small business, this book can be the ace up your sleeve and will provide you with the common sense and repeatable steps that will enable you to lead, run, and grow a business that everyone will be proud to be associated with. If you're running a small business and there are typical differences from what happens in bigger companies (which will be rare), you'll see Small Business Tips (SBTs) inserted to identify the differences. So, wipe the sweat from your forehead, dry your moist palms on your pant legs, and let's get started!

The font of all knowledge (the Internet) describes a "general manager" as: "The person of general authority who performs all reasonable tasks in conducting the usual and customary business of the principal head or owner" (Answers.com).

Pretty dry stuff, I'll admit, and doesn't give much guidance on how to do any of it. "Reasonable tasks" leaves a lot of room for interpretation, as does "usual and customary." Kind of like describing a kangaroo as a kind of mammal. On my checking around, most commonly, the term general manager (GM) refers to any executive who has overall

responsibility for managing both the revenue and cost elements of a company. This is usually referred to as having Profit & Loss (P&L) responsibility. This is the end-to-end role that oversees most, or all, of the organization's marketing and sales functions, as well as the day-to-day operation of the business. Frequently, the GM is also responsible for leading the strategic functions of the company or the division for which they are responsible.

This is the formal explanation, and it is pretty damn close to my understanding of the role, so this is the scope we'll work from for this book. It's going to take a few successes to get that fragrance of confidence surrounding you and nobody wants to follow an anxious and uncertain leader. So lock yourself in the bathroom for a few hours with this book and we'll see if we can give you a jump start to feeling confident in your role as a GM.

## **Water Skiing—While Everyone Else Is Treading Water**

Most people want to achieve success and a comfortable life. So, what is success and a comfortable life from a GM's point of view? You're responsible for the P&L, so clearly, one measure of success is having more "P" than "L." Even if you're a non-profit, that doesn't mean you are running an organization "for loss," so this applies to you, too.

The comfortable part comes from having happy and motivated people that will go out and create that "P" for you. To do that, they'll need to need understand and buy in to the strategic goals and the plan for how to get there, even while they're up to their eyeballs in day-to-day tactical challenges.

When the whole shebang is working well, it's a great feeling—and at times you'll truly feel like both you and your team are water skiing, speeding above an ocean of opportunities, leaving unsatisfied sharks snapping in your wake, while your competitors are struggling to keep their heads above water. But it doesn't happen by magic! It does take some organizing. I'm quite often asked how our management team was able to achieve the results that we've delivered. Usually it's

obvious that the person asking is expecting a "bolt of lightning" type of answer. Sorry to disappoint, but there isn't one. The truth is that there is no one thing, or even a dozen things that make the organization hum. It is *many* dozens of things that need constant attention and fine-tuning. If any one of them become out of wack, or ignored, you'll very quickly start to see the negative impact, usually in your monthly financials.

Outside influences obviously can contribute to creating these imbalances, but like a person becomes injured or ill, the healthier the organization is, the better it will cope with the knocks and the quicker it will recover.

## **Back to Basics—Keeping It Simple and Sensible (My Version of KISS)**

The key to long-term, sustainable success is keeping things simple and sensible. Simple means easily understood, easily maintained, easy to spot where the problem areas are, and easily replicated.

"Sensible" is what that little voice in your head tells you will lead to the right outcome. You may have heard the story about the quality certified concrete life jacket—made to perfect ISO specifications. What was missing? Common sense!

How many times have you heard the story about a company selling its goods or services at a price that made you think to yourself, "There is no way they could do it for that price and make a profit; it just doesn't make sense! Well, it didn't! Months, or even years later you hear that the company has gone into bankruptcy, closed down, or been sold. You were right all along—it didn't make sense, and that's why they ran into trouble. Even horrifically bad ideas can work for a while, but eventually the laws of common sense must be obeyed. The airline industry is a classic example, where 97 percent of new airlines fail to last a decade—usually due to their suicidal style of fare discounting.

There isn't a lot of gray area here. When it comes to finances, you either have enough money to invest, or you don't; you either have enough income and collateral to cover a debt, or you don't; and you're either making enough profit, or you're not. It's as simple and sensible as that. Any fancy accounting and finance tricks are just going to be hiding or delaying the inevitable bad news. Some extremely well-known examples of this in the investment industry have proven this point beautifully, with painful results for anyone with even moderate net worth. (Plenty of people in the U.S. have seen their 401k retirement accounts become a 201k as a result.)

When it comes to your staff, colleagues, and customers, you're either doing the right thing by them, or you're not. Nothing complicated here either. And it doesn't matter what YOU think about your leadership or the quality of your customers' experiences. It's what your people and your customers think that counts.

No matter what the scenario, a good test of what's simple and sensible would be to mull over the question: Could I explain this to my dear old grandma, and have her understand it and make sense of it? It might take two cups of tea and a hot buttered scone, but if you could get away with without the "oh gawd, I don't know what you're on about," then you've got a winner!

## **Want to Succeed? Grow a Backbone!**

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"Never, never, in nothing great or small, large or petty, never give in except to the convictions of honour and good sense."  
– *Winston Churchill, speech to the boys at Harrow School, October 29, 1941*

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Some organizations seem to require the removal of this bit of skeletal structure, but I think it's an essential ingredient for a Scrappy GM. The challenges you face will come from both within and beyond your organization, and in both cases you'll need to have courage and conviction to succeed.

Some of the toughest times will occur when you are battling your own organization about things that don't make sense.

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**SMALL BUSINESS TIP:** This will probably be the owners of the business, maybe even family... even trickier if it's the in-laws!

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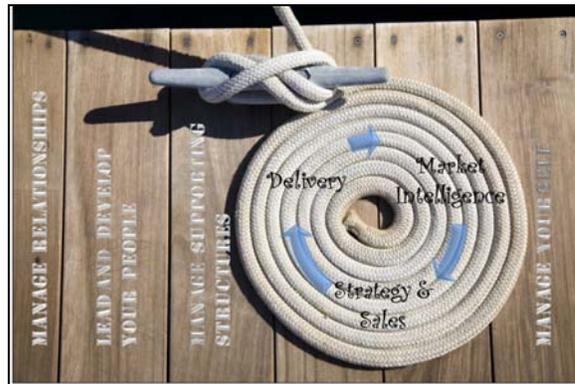
If it doesn't make sense to your own people, then it's probably not sensible! Naturally, there will be all sorts of personal agendas, oversights, and naivety that will have contributed to the scenario that you are facing. Keep in mind, only in rare cases do people come to work with the malicious aim of intentionally doing a bad job. But that doesn't prevent them from doing stupid things. Your job is to enlighten them to a more sensible approach without striking fear into their hearts, causing long-lasting bad feelings, or having them lose face. Your job is to find the win-win rework of the scenario that's causing the issues.

Externally, the same kinds of headaches will occur, particularly with competitors, suppliers, regulatory bodies, government entities, advisory councils, consultants, and any entity that wants a slice of your pie. Although these external stakeholders may just be doing their job in their own best interest, in this realm people may be maliciously trying to trip you up. Don't have too much faith in humanity when dealing with your competitors! They're out to eat your lunch at the first opportunity. When facing these challenges, we need to take Winston Churchill's advice and never give in, sticking by our ethics and doing what's sensible.

Throughout this book, we'll help you navigate through the mine field of issues that stop most managers in their tracks and have them accept failure or a lower than optimal outcome... this is not the case with a Scrappy GM! But you'll have to supply the backbone! Ready? Let's get busy.

## W r a p U p

### Wrap Up—Now It's Your Turn to Get Scrappy!



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"Act as if you have already achieved your goal-and it's yours!"

– Dr. Robert Anthony, *Self-Help Author*

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One of my favorite inspirational stories is that of Burt Munro, the New Zealander made famous by the movie, *The World's Fastest Indian*.<sup>40</sup> Burt was a man of modest means, but dreamt of breaking the world speed record for motorcycles of under 1,000cc engine capacity (Figure 16).

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40. *The World's Fastest Indian* (Magnolia Pictures, 2005).



Photo from Wikipedia

**Figure 16: Burt and His "Munro Special"**

Burt tinkered in his shed, making continuous improvements over many decades to a 1920s Indian Scout motorcycle that had an original top speed of only 55 mph. All the changes and improvements eventually enabled Burt to capture several land speed records in the 1960s. In 1969, he achieved an unbelievable speed of 205 mph at Bonneville Speed Week on the salt flats in Utah, riding the same Indian motorcycle that he started tinkering with in 1926. So, what's some old coot and motorcycle speed records have to do with running a business? On the surface, not much. What's important, though, is the attitude and approach that Burt took which enabled him to achieve goals that initially seemed impossible and which surely attracted plenty of well-meaning advice over the decades about what a waste of time it all was.

Burt was indeed a very Scrappy fellow. If we compare the processes that old Burt went through to those that a Scrappy General Manager would use to run a business, we can find many parallels. He understood the lay of the land and clearly understood his competition. The goal theory of motivation was alive and kicking within Burt. He'd set and reset strategies to achieve his goals and took the time to track his progress against them. He demonstrated great leadership skills, being able to elicit enthusiastic and freely-given support from people who eagerly teamed up with him to help him reach his goals. *The World's Fastest Indian* also depicted a character that greatly enjoyed life, and, while at times Burt would work through the night on projects, he was able to achieve a decent amount of balance in his life. This gave him the stamina to keep working steadily towards his goals over many decades (not that a Scrappy GM would be expected to do forty

years in the job... being a GM is not a life sentence!). What struck me most about Burt's forty years of devotion and unlikely success was his attitude. This may very well be the most powerful tool in Burt's toolbox, and in the Scrappy GM's toolbox, too. While many circumstances that impact your business are largely out of your control, you and your team always have a choice of what attitude to take. If you want to be a winner like Burt, choose a positive one, and make that attitude positively infectious.

My own approach to running a business has been similar to Burt's approach to getting his motorcycle to go faster. It can always be improved, but I don't try and boil the ocean in one go, nor do I throw my bike in the bush and start again from scratch. There's constant tuning and alteration, with no part being sacred. What can't be improved can be replaced. What's not needed can be done without. Where there's failure, you've learned. Where there's success, there's something to keep and reset the baseline to continue improving from. Above all, I find there's something deeply calming and satisfying in the knowledge that you've been entrusted with running a business that so many people depend on for their livelihoods—and that you've done it well.

In keeping things running well and improving in your business, the processes described in this book will need to be repeated continually, year in and year out. It doesn't matter whether your business is large or small; these processes apply in much the same way. At the start of each chapter in this book there's a picture of rope coiled on the planks of a dock. This symbolizes the continuous cycle of gathering **market intelligence**, setting **strategy**, engaging in **sales and marketing**, and then **delivering** what was sold. The cycle is supported by the "planks" of **managing relationships**, **leading your people**, **managing yourself**, and having the required **supporting structures** in place.

When all of these processes and cycles are followed, growth and success will be possible, despite the prevailing economic conditions. Even in a shrinking market, you can still take market share away from your competitors and grow. And when the good times come along, you'll be water skiing while everyone else is treading water—or, like Burt, speeding like a rocket on a 1920s motorcycle.

Keep it Scrappy!  
– Michael



## About the Author



Michael Horton is Vice President for the Australian Chemical, Energy, and Natural Resources division of Computer Sciences Corporation (CSC), with responsibility for annual revenues of \$360 million and a matrix responsibility for 2,000 people. Michael has 28 years experience in the Information Technology Industry, 21 years of that in a management capacity and has been employed at CSC since 1994. During his time at CSC, he has held senior management positions in Western Australia, Victoria and New South Wales, Australia. Since 2000 he has also completed challenging assignments based in Singapore, Kuala Lumpur, Malaysia, Maidstone in the UK and San Diego, USA.

Michael holds an Associate Diploma in Applied Science from Edith Cowan University in Western Australia, a Master of IT Management from Charles Sturt University in New South Wales and is Project Management Institute (PMI) certified. He is married, with two teenage children and enjoys surfing, sailing and holidaying at every opportunity.

## Getting “Scrappy General Management” (<http://bit.ly/scrappygm>)<sup>41</sup>

“Scrappy General Management” can be purchased as an eBook for \$14.95 or tradebook for \$19.95 at: <http://bit.ly/scrappygm><sup>42</sup> or at other online and physical book stores.

Please contact us for quantity discounts [sales@happyabout.info](mailto:sales@happyabout.info) or to be informed about upcoming titles [bookupdate@happyabout.info](mailto:bookupdate@happyabout.info) or phone (408-257-3000).

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41. [www.happyabout.com/scrappyabout/scrappy-general-management.php](http://www.happyabout.com/scrappyabout/scrappy-general-management.php)

42. [www.happyabout.com/scrappyabout/scrappy-general-management.php](http://www.happyabout.com/scrappyabout/scrappy-general-management.php)



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