

The Secrets to Successful Management



EFFECTIVE MANAGEMENT

We think that successful management involves three important business areas: strategy, finance and people. It is important to be able to manage these three aspects to ensure the growth of businesses in an increasingly challenging operating environment. As technology advances and business models become more disruptive, it is important to keep up

Why is managing successfully important?

At some point in time, we have worked with or been a part of management. But have you ever wondered what constitutes successful management? And what are the true benefits of successful management? The typical argument for successful management hovers around whether management leads versus manages. Successful management and its benefits run deeper than being an effective “leader.” Whether we are talking about an individual managing a small team or a team is managing a large-scale operation, the benefits of good management are always the same: being able to take strategic decisions for growth and prosperity, getting a grasp of the company’s financials for profitability and sustainability, and creating an environment for talent attraction, development and employee retention.

on these business areas for companies to do well. Your business strategies need to stay ahead of the new and innovative business models, your people need to cope with the advances in technologies to up productivity and efficiency, and finances need to be managed properly to advance the business.



What is successful management all about?

For successful management, you need to have passion for the business you are managing, and the core business skills to manage it well over the long term. Strategy, finance and people management equally contribute to the management success.



Strategic management is managing the organisation's resources to achieve goals and objectives. It requires skill to effectively analyse business environments, develop new and forward-thinking strategies and monitoring strategy effectiveness. It is being able to identify how a business stacks up against its competitors, how to recognize opportunities and threats. The ultimate purpose of strategic management is for companies to compete effectively in their respective business environment. Strategic management involves identifying benchmarks, realigning financial and human resources, and putting leadership in place to oversee the creation, sale and deployment of products and services.

Financial management refers to the planning and usage of a company's financial resources to return maximum value to shareholders and attain the business objectives. It involves identifying business drivers, analysing the financials, and planning budgets. Financial management involves understanding, controlling, allocating and obtaining business assets and liabilities. This management aspect requires ongoing review with goals adjustment from observed finances and trends. Without successful finance management, companies cannot grow and will struggle against their competitors. Effective financial management directly contributes to the organisation's success and growth.



People management focuses on the people within a company, unleashing people's potential, ensuring motivation and development. It is believed to be one of the most important yet difficult aspect of management. While finances and strategy can be easily analysed and manipulated, people management involves a softer approach. Teams comprise individuals that are different, respond differently to situations, have different strengths and weaknesses, and have different needs. Grasp the fundamentals to people management by establishing an effective work climate, capitalising on individuals' strengths to build effective teams. While all three management aspects are important, people management can quickly lead to the organisation's success or failure.

To align and integrate these three main aspects for successful management is ultimately to clearly define and communicate management goals. Develop solid communication strategies, provide effective training, and implement supportive structures to measure and evaluate the effectiveness of processes against the business goals set.

How to manage successfully?

With new technologies and algorithms, the ways companies can forecast financial trends, plan budgets and identify business drivers have advanced quickly. There have been huge changes in people management theories and thinking as well. The “tell them what to do and how to do it” school of people management is becoming a thing of the past. While there will always be a need to provide feedback, coach, develop and manage performance, there has been a shift from the traditional scientific management to a more collaborative approach. In fact, most organisations are putting a strong focus on employee engagement and effective leadership, with an emphasis on “facilitating” rather than “managing”.

There are some tried and tested frameworks/models for successful and effective management. Most of these tend to be industry specific, except for people management. We have identified different trends and frameworks for each management aspect.



Strategic Management

One common strategic management method is SWOT Analysis. A SWOT analysis is a useful technique for understanding the Strengths, Weaknesses, Opportunities, and Threats that your organisation may face. During a SWOT analysis, consider strengths and weaknesses in three stages: Consider strengths and weaknesses in relation to opportunities and threats created by big picture trends from external analysis, consider strengths and weaknesses in relation to the competition, and identify the opportunities you are better positioned to capture than the competition.

Monthly Feature from FNS Editorial Team



Financial Management

It is important for managers to understand the key elements in a financial management framework to produce business results. Legislation and policies are the foundations of sound financial management. Values and principles set out the ethical value statements that guide managers in fulfilling their financial management duties. Authorities and accountabilities reflect delegated authorities and financial management accountabilities. Roles and responsibilities reflect the expected financial management responsibilities of Business Managers, Senior Management, and Financial Officers. Standard operating processes (SOPs) identify financial management standards for resource allocation, revenue and expenditure management, asset and liability management, transactional procedures, and ongoing monitoring and assurance.



People Management

One popular theory in people management is the Mayo's Human Relations Motivation Theory. Based on analysing the Hawthorn Studies data, Mayo proposed that employees are not that motivated by pay and environmental factors. Instead, positive relational factors play a bigger role in productivity. In applying the theory, some useful actions for managers are: communicate regularly with your team members and give regular feedback. Get people to work as a group and encourage group cohesiveness by including an element of teamwork in giving out bonuses; have a greater involvement in each team member's life because workers respond well to increased attention which can lead to an increase in job satisfaction and productivity.



Pitfalls to avoid

The pitfalls to each aspect of management to avoid are:

Strategic Management Pitfalls

- One pitfall is getting into solution mode without thinking through the complex issues that today's organisations face. It is important to remember that many problems that businesses face require a slow fix rather than a quick one to avoid failure in the long run.
- Another pitfall of strategic planning is becoming too formal and structured in the approach that organisations neglect the creative and flexible aspects of problem solving. Out of the box thinking is important for businesses to succeed in today's ever changing and competitive operating environment.
- On the other hand, too much faith put on intuition can also cost organisations. After all, strategy needs a well thought out and detailed plan for execution.

Financial Management Pitfalls

- Not reviewing or fully grasping essential financial reports. It is important to have a full understanding of all essential financial reports, so you know what is working and what is not.
- Only reviewing financial statements monthly, quarterly or annually. It is important to review all financial statements frequently to help implement strategy, analyse positive or negative changes, and forecast for the next month, quarter or fiscal year.

- Not knowing how your performance compares to others. Without competition knowledge and analysis, it is impossible to know where you stand in the market and if your strategies are working or failing.

People Management Pitfalls

- One biggest pitfall in people management is failing to communicate effectively. You need to give your team the chance to fully understand goals, expectations, deadlines, and other important aspects that make them efficient and successful. Provide feedback, training and be a good listener to the needs, complaints and roadblocks of the people you manage.
- Another common pitfall: not making time for your team. As a manager, you have your own workload, projects and deadlines, but your people must come first. Without you being available when they need you, they do not have the support or guidance they need to meet their own objectives.
- Failing to delegate is another common pitfall of people management. Managers and leaders often feel like no-one except themselves can do the key jobs correctly. It is important to train your people well so that they can be trusted to do key tasks and the work be delegated.



The Secrets to Successful Management Why is managing successfully important?

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Conclusion

All three management areas are equally important to build success. No matter what management aspect is your focus, it is important to track, monitor, and analyse the area that you are responsible for so that you can see which practices are successful and which are not. The same goes for improving and refining your own management approach. Remember to hold yourself accountable and do not be afraid to change when methods are no longer effective.

Are you looking for ways to develop managers to better manage strategy, finance and people? FNS offers SIMDUSTRY Managing 3, a simulation that integrates the 3 crucial factors of management: strategy, finance and people. It allows managers to learn about strategy development, financial analysis and planning, and leading and developing people in an engaging manner via an interesting board game approach. For more information, please contact us at admin@fns.sg