

UNDERSTANDING THE ORGANISATION

Organisation Change

As organisations grow and age they are continually evolving and changing. These changes can bring new frustrations and challenges for the management team and the staff.

As organisations change the management style may also need to alter. Changes in the culture can create different organisational demands and often the style of management required to achieve the best results needs to change. This becomes particularly relevant to owner managers as their organisation grows and they have to get things done through other managers. This can be a difficult transition to make.

Another challenge for organisations is to keep the initial energy and enthusiasm alive, often the business started as a vibrant lively place and then one day you look around and wonder where has all the enthusiasm and motivation gone? And what has happened to the high levels of performance that used to be delivered?

Michael Gerber – The nature of small businesses

Michael Gerber is a small business guru and theorist, his life cycle model is an elegant way to learn and understand the typical life-cycle stages that many small businesses pass through, from conception to successful business.

There is no pre-set timescale for this life-cycle, and many organisations do not fit this model. However the life-cycle stages described in his model provide a useful basis for understanding a fundamental perspective of organisational change, and the principle that organisational change, with all that this implies, is inevitable.

This description can happen at any time and over any time period

1. Freedom

Many small businesses are started by entrepreneurs who are good at what they do. They want to work for themselves and not for other people. They set up and run a successful small businesses.

2. Growth

The business expands and the entrepreneur takes on a few people to get more of the work done. They manage everything themselves and make sure that everything is done to their liking.

They spend all the hours on the business – they are the business.

3. Millstone

They employ more people until one day – things start happening that they do not like – customers start complaining or things are just not going right. There is more work for the business owners not less – they are bogged down in the day to day issues of making the company work.

The business becomes a millstone around their necks rather than the opportunity for freedom that they wanted.

What has happened is that they and their managers have become embroiled in working in the business and not working on the business. They are not able to work on strategic issues to move the company forward. They are still the business but the business is too big for this to work successfully.

4. Either: Downsize, End or Independent

Downsize – the business owners downsize the organisation back to a size where they can cope with the workload and it is successful. They still spend all the hours on the business – they are the business – they are not free.

End – the workload becomes too much, the business suffers, possibly their health suffers? Willingly or unwillingly the business closes.

Independent – the senior managers are able to change the way that they work and start to work on the business rather than in the business, they are able to start working on the strategic issues rather than just focusing on the day to day issues. The business runs successfully without the day to day input/interference from the business owners. The business owners are no longer the business – the business is now independent.

The need to change

In large companies – the senior managers are working on the business and not in the business at some point small companies need to make a shift.

The senior management team need to make a shift from working in the business to working on the business. This is neither an easy or a quick transition to make, particularly if the management team do not have the experience of making this change before – it requires new skills in managing staff and processes and this is where Inom can help. Contact Mark Greasley on 01892 669775.