



## Read my tips

**By: Simon Brown**

London Business School (BSR)

Julian Birkinshaw, author of Reinventing Management and co-founder of MLab, names 10 books that ought to be on the bookshelf of anyone interested in management innovation.

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## Friday Rant: A Five-Step Plan

**By: Jason Busch**

spendmatters.com

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## The Secret to Ensuring Follow-Through

**By: Peter Bregman**

Harvard Business Review Blog Network

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## HR Portals

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“Listen, I would love the reorg to work. But I just can’t trust them.”

I had called Mary\* as part of my preparation for an offsite with the leaders of a fast-growing financial services firm. Mary was talking about the newly reorganized HR department.

Before, when she could trust them, Mary had a dedicated HR person — Lucinda — to address her needs. But now? Now she had to call a shared services group who were, collectively, responsible for following through on her requests.

“Why can’t you trust them?” I asked.

Mary had a hard time answering. It wasn’t that they had failed to deliver — but she was pretty sure they would. With so many different people involved, how could things not fall through the cracks?

“The more people juggling,” Mary told me, “the higher the risk of someone, somewhere, dropping a ball.”

True. But there’s another, more positive, side to group juggling: the more people juggling, the more likely someone, somewhere will be able to catch a ball that an otherwise busy, overwhelmed individual would have dropped.

“How do we keep them accountable?” Mary asked, still uncomfortable. “At least with Lucinda, responsibility was clear.”

Mary had a point. Which got me thinking: when does a ball usually get dropped? I thought of all the mishaps, mishandles, and mistakes I had witnessed in the past month and realized they could all be traced to a single point in time: the handoff. For the most part, problems didn’t arise because of incompetence, laziness, or disinterest. They arose because of poor communication. At the moment two people were discussing what needed to get done, something, somehow, went awry.

The solution can’t be as simple as one point of contact because, in a large, complex, global organization, one point of

contact is never simple. The solution has to be even simpler than that. It has to work with one point of contact or many. It has to work across the hierarchy, across departments, and across all silos.

As I finished my pre-offsite interviews, I made a single request of each leader: read *The Checklist Manifesto* by Atul Gawande.

A physician and writer, Gawande describes doctors who resist the checklist — it’s too simple, insulting even — and then shows us how hospital staff who follow a checklist save more lives than most medical “miracle drugs” or procedures. Gawande makes a strong case for why experts need checklists, especially for the most mundane of tasks. The more expert we are in something, the more we take things for granted, and, as a result, miss the obvious.

Most of us think we communicate well. Which, ironically, is why we often leave out important information (we believe others already know it). Or fail to be specific about something (we think others already understand it). Or resist clarifying (we don’t want to insult other people).

Thankfully, there’s a simple solution: create a checklist and use it during every handoff.

During the offsite, the leadership team looked at where problems happened in the past and where they were likely to happen in the future. Almost all were during handoffs.

So we developed the following mandatory “handoff checklist” — questions that the person handing off work must ask the person taking accountability for delivery:

Handoff Checklist

- What do you understand the priorities to be?
- What concerns or ideas do you have that have not already been mentioned?
- What are your key next steps, and by when do you plan to accomplish them?
- What do you need from me in order to be successful?
- Are there any key contingencies we should plan for now?
- When will we next check-in on progress/issues?
- Who else needs to know our plans, and how will we communicate them?

Time it takes to go through the checklist? One to five minutes. Time (and trust) saved by going through the checklist? Immeasurable.

We came up with this checklist because it addressed the most common reasons for dropping balls in this particular organization. Your handoff checklist may be different.

Here’s what’s compelling about an established checklist: it not only reduces mistakes, it reduces the need for courage.

Why would we need courage? Imagine you just finished explaining the priorities of a project to someone. Wouldn’t it seem a little patronizing, a little insulting to their intelligence, to ask them to tell you what they understood the priorities to be?

With an established checklist, it’s no longer offensive; it’s standard. And when they answer, often with a slight



misunderstanding of the priorities, you can correct them on the spot, saving them two weeks of misguided work and the loss of trust that goes along with it. That's the power of the checklist.

A few months after the offsite, I called Mary to ask her how it was working. Was the new HR Shared Services organization delivering? Did she miss Lucinda?

"Sure I miss Lucinda," she told me, "but I don't need her."

Then she pulled out her checklist to make sure we were both on the same page for our work going forward.

## Read my tips

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**London Business School (BSR)**

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01 The Future of Management, Gary Hamel (with Bill Breen)

Is your company stodgy? Hamel urges you to abandon a command-and-control management style. The organisations that adapt to rapid change, shed legacy management beliefs, embrace unconventional management practices and make necessary changes represent the future of management. (288 pages, Harvard Business School Press, 2007)

02 The Age of Heretics: A History of the Radical Thinkers Who Reinvented Corporate Management, Art Kleiner

Kleiner defines a 'heretic' as someone fiercely loyal to the company yet identifies truths that defy conventional wisdom. This book is a collection of fascinating stories that offer wisdom from those who sought and found new ways to lead. (432 pages, Jossey-Bass, 2008)

03 The Future of Work: How the New Order of Business Will Shape Your Organization, Your Management Style and Your Life, Thomas W. Malone

Malone's book is even more relevant today with the rise of Web 2.0 marketing tools. Since its publication, technology has allowed small firms access to outsourcing, global connections and less hierarchy. Decentralisation has unlocked energy and creativity, creating new markets and relationships. (240 pages, Harvard Business School Press, 2004)

04 Management Innovators: The People and Ideas that Have Shaped Modern Business, Daniel A. Wren and Donald G. Greenwood

This concise volume profiles more than 31 innovators, from Eli Whitney to Peter Drucker. Each person featured is placed within the business and social context of his time, thus providing a much broader context for breakthrough thinking. (272 pages, Oxford University Press, 1998)

05 Strategy and Structure: Chapters in the History of the American Industrial Enterprise, Alfred D. Chandler, Jr.

Chandler provides one of the first investigations into how 70 of the largest US companies retooled when facing rapid

expansion. He analyses how companies such as DuPont and GM became modern decentralised corporations. (480 pages, Beard Books, 2003)

06 Maverick! The Success Story Behind the World's Most Unusual Workplace, Ricardo Semler

At only 21, Semler rebuilt his father's Brazilian firm, Semco, by applying radical ideas: allowing employees to determine their own schedules, pay scales and dress codes while reducing paperwork and abolishing bureaucracy. (332 pages, Random House, 2001)

07 Birth of the Chaordic Age, Dee Hock

'Chaordic' (from 'chaos' and 'order') describes a new form of organisation. Hock believes not only that order can be born of chaos but also that the chaordic age will be the dawning of new individuality, liberty, community and ethics. (345 pages, Berrett-Koehler Publishers, 1999)

08 What's the Big Idea? Creating and Capitalising on the Best Management Thinking, Thomas H. Davenport and Laurence Prusak with Jim Wilson

It isn't enough to recognise a good idea. Idea practitioners must assess, scan and track ideas to the marketplace. To do this, they must refine the right idea for their organization, package and sell it all the way to successful implementation. (256 pages, Harvard Business School Press, 2003)

09 Enterprise 2.0: New Collaborative Tools for Your Organization's Toughest Challenges, Andrew McAfee

McAfee's case studies illustrate how leaders are using Web technologies to discover new ideas, markets and ways to make decisions. This is a must read for executives, strategic planners and information technology leaders. (240 pages, Harvard Business School Press, 2009)

10 The Wisdom of Crowds, James Surowiecki

Surowiecki believes, under the right circumstances, groups are smarter than the smartest individual. He shows how collective wisdom can succeed or fail, with practical applications for any organization. (336 pages, Abacus, 2005)

Birkinshaw is a professor of Strategic and International Management, Senior fellow of the Advanced Institute of Management Research and Deputy Dean for programmes in London Business School. His latest book is Reinventing Management: Smarter Choices for Getting Work Done

## Friday Rant: A Five-Step Plan

By: Jason Busch

**spendmatters.com**

Even though most companies would likely be better off blowing up their AP function, not paying vendors for 30 days while they slam in a partial hosted automation solution and then started anew (even requiring new vendor registration

for existing suppliers) such a drastic step could likely lead to the corporate version of a cold turkey withdrawal from dangerous substances. Bottom line: probably not worth going there, as attractive as it might sound, especially for those like me who believe AP is typically such a corporate scourge. So if you have the time to plan and transform AP correctly, why not aspire to something greater and work backwards?

One thing you might aspire to is what I'll call a "supply chain finance function." I firmly believe supply chain finance is an awful term, as few really know what it means. But if we can define supply chain finance as a means of creating new value for both suppliers (in the form of early payments based on a reasonable APR) and buyers (in many potential forms) based on specific financing and payment mechanisms, at least we have some type of common understanding about what it is. Regardless, turning AP into supply chain finance, at least as a core functional area, is not something you'll be able to do overnight. I see such a migration taking the form of five specific steps:



1. Investing in an electronic invoicing solution that addresses over 90% of your suppliers. I leave it to your organization to debate the merits of how best to avoid duplicate payments, minimize human touch points, etc. Regardless of whether your electronic invoicing program becomes a full-fledged AP automation initiative (or not), it's essential to capture invoices early enough to enable later-stage supply chain finance payment triggers, options and mechanisms.

2. Reducing AP "clerk-level" staff by 80% or reassign them to other areas (if you can't achieve this after Step 1, above, then get a new electronic invoicing platform or BPO partner). When it comes to supply chain finance, you'll want a hands-off approach that lets suppliers determine their own payment scheme. AP staff getting involved can only muck things up (unless an exception absolutely requires human intervention).

3. Either merge AP into treasury (from a functional perspective, although reporting can stay separate) or have it join forces, functionally and reporting-wise, with procurement. From a supply chain finance standpoint, every function that touches suppliers can theoretically benefit (e.g.,

the early payable of an invoice based upon a reasonable APR can play a material role in reducing business risk and helping an organization to become a customer of choice). Yet for working capital (and potentially even the ability to even book the "savings" from paying earlier as revenue) treasury should take the lead in administering programs alongside or separate from procurement.

4. Investigate all of the supply chain finance options available. I've been impressed with a wide range of very divergent offerings. From the truly bank-agnostic and ambitious (e.g., Oxygen Finance) to the market-based (e.g., Pollenware) to bank-based programs (e.g., Citi), options abound. Get smart on everything that's available. And make a decision that leaves you in control without forcing your suppliers to cut off their pinky in return for early payment.

5. Sit back and let suppliers determine their own fate (and start banking the proceeds). Supply chain finance should always be about management by exception. Just like AP used to be. Right.

Regardless of whether or not your organization ends up evaluating whether AP really should continue to consume corporate air or whether it would be better off ten feet under, I would urge you to take the time to evaluate what supply chain finance can mean for your company. Even though the concept can be somewhat nebulous and the phrase reeks of jargon, what successful programs can actually enable suggests that AP can become so much more than what it is today. And in the process, it can give itself an entirely new name -- and charter.

- Jason Busch

#### About the Editor

Jason Busch is Founder and Managing Director of Azul Partners, a boutique advisory firm. He is also Editor of the highly trafficked sourcing, trade and supply chain blog [www.spendmatters.com](http://www.spendmatters.com). Jason is regarded as one of the leading technology pundits and thought leaders in the trade, procurement and operations worlds. His current research and interest areas include the future of P2P technologies, global sourcing, risk management, performance management, and the growth of communities of interest and online social networking within the business to business environment.

## HR Portals

By: Barbara Hodge  
[ssonetwork.com](http://ssonetwork.com)

Whenever I speak with leaders of an HR services center I am impressed with just how much data they need to support. From the new graduate trainee to the CEO, you can be sure

that everyone will, at some time or other, access information regarding benefits, vacations (the number one search item, by the way), or some other “personnel”-related question.

So where is the hitch? It’s all mostly automated, right? Well, yes and no. There is no end to the steady supply of tools and technologies that simplify a given part of your process. But what about the user-experience? Isn’t the challenge to get your employees to use the system? For them to come back? And to recommend it to colleagues? Gartner lists a desirable Tier Zero (T0) resolution as 66%. How do you get there – or higher?

I just finished listening in on a webinar that talked about HR portals and making them more user-friendly. In a nutshell: if you cannot give your employees what they are looking for WITHIN TWO CLICKS (think about that: two clicks) you’ll lose them; not only that – it means they won’t come back AND they’ll move onto plan B: a phone call to HR. (Just what you are trying to get away from.)

So what makes your HR portal falter? Three reasons were offered by Enwisen’s Dave Detweiler and Roger Woehl in today’s webinar: Portals fail if they are, 1. not searchable; 2. not personalized; and 3. not on-demand. Most importantly, they say, you need to provide information in context to transactions. Make the information relevant – and they’ll come back.

Enwisen shared three tips for making your portal more effective, namely to include what they refer to as three “value-add” layers to your content:

Organize – enable intuitive navigation

Contextualize – tie to events to make information meaningful; link to transactions

Personalize – optimize by roles; configure by end user; enable widgets

The main message: Intuitive interlinks drive contextualization.

In other words: Organize the same information in different ways depending on how the user thinks of it.

If this sounds like a lot of hard work – it is. A tip: instead of building your own, consider integrating a ready knowledge base like Enwisen’s into SharePoint.

#### Editores

Rodrigo Lang  
Thaissa Lemos  
Vanessa Saavedra

#### Conselho Editorial

Caio Fiuza  
Eduardo Saggiore  
Vitor Marques

#### Diagramação

Jessica Müller

Contato: [pesquisas@institutodegestao.com.br](mailto:pesquisas@institutodegestao.com.br)