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A Lesson from Elementary School Solves a Business Problem

By Michael Lobraico

-The following is based on one of Michael Lobraico's clients, Jungston Foods. All of the names and telling details have been changed to preserve client privacy.

For several years, Jungston Foods experienced what seemed like a never-ending growth surge, but then last year they turned in unexpectedly poor results, and nobody at the company had a clear understanding of why. Unless they could pinpoint the problem and solve it, their good days would be behind them.

Shortly after the results came in, I received a call from Lara Newton, who had been hired the year before to form and head up the HR department. Lara knew me from several years earlier when she worked as a junior HR rep at a company where I had helped improve growth by implementing a communications strategy. She thought Jungston Foods could use a similar solution.

When we met for coffee Lara told me that for its first forty years, Jungston Foods was a small family business supplying prepared and semi-prepared foods to local restaurants. At its past peak it had employed sixteen people, then ten years ago, the eldest daughter of the owners envisioned the business as a large specialist in health foods for the restaurant and catering industry. Her timing was perfect and the growth spurt began. They went from being a small, local business to an enterprise servicing a large swath of the province, but, as Lara put it, "Everybody was running around like maniacs and hardly anyone knew what anyone else was doing."

When I asked Lara to give me an example of poor communication hurting the company, she explained that sales were way down in one of the regions because Amy, the person who managed that region, quit a few months earlier to go work for a competitor, and she had been one

of their best employees. Amy had quit because Bryn, her manager, had refused to give Amy the full annual bonus she had been expecting.

"Are you saying it's a communication issue because Amy wasn't told beforehand she wouldn't receive her annual bonus?"

Lara nodded. "According to Bryn, Amy should have

known she wasn't getting her full bonus, because her sales increase was down to 5% from her usual 20%. But I don't think Bryn ever actually explained it to her."

I suspected a deeper problem than just communication.

"What was Amy's role?"

"She was one of our food consultants."

"Is that a fancy term for food salesperson?"

Lara laughed. "Sales is part of the job, but there's a lot more involved."

"Like what?"

"Service, for one."

"Can you show me a role description?"

She handed me a short role description that included servicing existing restaurants, broadening product line sales, keeping service issues to a minimum and growing the client base.

"Do you have a document that shows me what constitutes excellent performance in each of these tasks?"

She shook her head.

"Why do you say that Amy was one of your best consultants if her sales were down?"

Lara explained that Amy had told her that her sales were low because a large chain restaurant had closed

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down in her region. If it weren't for that, she would have had her best year. As well, Amy had had the best product proliferation of any consultant and in her three years had never lost a single client.

"Sounds like you have an idea of how to define an excellent consultant for Jungston Foods, but I'm guessing Bryn has a different idea."

"Bryn was hired around the same time I was. She was one of the top sales managers at Mallet Furniture, so she has a strong sales bias."

After we talked some more, I said, "Lara, I agree with you that lack of communication is a contributor, but I think the root of the problem is a lack of things to communicate. You have an idea of how a top consultant should perform, Bryn has a different idea, and Amy, I'm sure, had her own unique concept. That makes it impossible to run a successful team. Losing key employees and poor performance are inevitable symptoms."

Lara agreed and said she knew of several other employees who were on the brink of quitting. When she asked me what we should do, I suggested we take a lesson from elementary school. I explained that when I was in school, our teacher used something called rubrics for a big science project. Before giving us the assignment, she handed out a chart which broke down the project into various categories, such as research, demonstration, visual qualities, etc. And for each category she described what an A, B, C and D grade entailed for that category. For example, to obtain an A in the research category, we needed to include more than 6 sources, for a B we needed 4-6, a C required 2-3, and a D 1 or less. Each category had fully fleshed-out descriptions and examples that took the mystery out of grading the projects. Every student could easily guess what mark they were going to get the moment they handed their project in.

"Lara," I said, "I incorporate that same rubric system into many of my clients' management practices. Imagine if Bryn and Amy were working from an established rubric. Amy would never have been shocked to learn whether she was getting her bonus or not."

"But Bryn's rubric would have had a total sales focus."

"Clearly that's what Bryn's used to, but the food consultant's role needs to fit within the larger corporate strategy. So it's up to the corporate leaders to establish a rubric for the role that sets expectations for all the role's

tasks. A rubric makes it easy for all parties to see if an employee is on target or not. If the rubric calls for ninety-five percent client retention and the employee's retention is tracking at eighty percent, we know there's a problem. And this knowledge empowers people to develop a remedy before it's too late. Perhaps the employee needs training on a certain system, or access to resources to help support service. The point is, performance is measurable and trackable. And bonuses or any rewards tied to performance are easily measured against the rubric."

"If there had been a rubric for Amy," Lara said, "certainly part of it would have included sales targets, in which case she never would have deserved her full bonus."

"Not necessarily. The rubric is a living document. It needs to be revisited periodically. It might establish yearly measures, but even so, the manager and employee should review it every quarter. The closure of the big chain restaurant is the kind of thing that can be taken into account by a rubric. Sales targets shouldn't be blind guesses, they should be based on realities, especially changing realities. I don't know all the factors, but it's possible that given the circumstances, Amy's five-percent sales increase might have been worth an A. By making the rubric a living document that evolves over time, you can address the changing environment and establish reasonable expectations for the role. On the flip side, imagine that instead of a big chain closing, a big chain is about to move in. In that case, twenty-percent growth might only be worth a B, whereas it's reasonable to expect a top performer to achieve thirty percent."

Lara liked my approach, and over the ensuing weeks I worked with her and Jungston's management team to develop and incorporate the rubric system. A year later, Lara told me that the system had not only helped clear up many of the company's communication issues, but had also allowed them to retain the rest of the consultants. Furthermore, the company's recent results showed that the old growth curve was back.

Michael Lobraico is the founder of NCI Solutions, a company specializing in helping family businesses maximize their potential. For further information, visit his Web site at www.nci-solutions.com.

2880 Queen Street East, Suite 122
Brampton, ON L6S 6H4

T: 905-846-8162 F: 905-846-1895

E: mlobraico@nci-solutions.com

www.nci-solutions.com



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