

### Management Toolkits: Useful, but Handle with Care?

The availability of a toolkit is one thing, but knowing which tools are best used in any particular situation is another. After all, you wouldn't use a screwdriver to hammer a nail, or would you?

In recent years there has been a dramatic rise in the use of management tools on a world-wide basis and a survey of top organisations has tracked which tools are best used and how effective they have been.

What they have found is that organisations place **heaviest reliance on tried and tested 'compass-setting' tools** such as strategic planning.

The clear bias is towards growth rather than cost-cutting and this signals the belief that moving ahead, not retrenching, is seen as critical to controlling an organisation's destiny.

### Sharpen Your Strategy

The favoured approach is to choose from the toolbox a series of interventions that help sharpen strategies and prepare managers for the road ahead. Proven disciplines like strategic planning and core competencies are at the top of managers' shopping lists and they generate high satisfaction.

#### Use of Management Tools

(Percentage of organisations using management tools: Management Tools Survey, 2003)

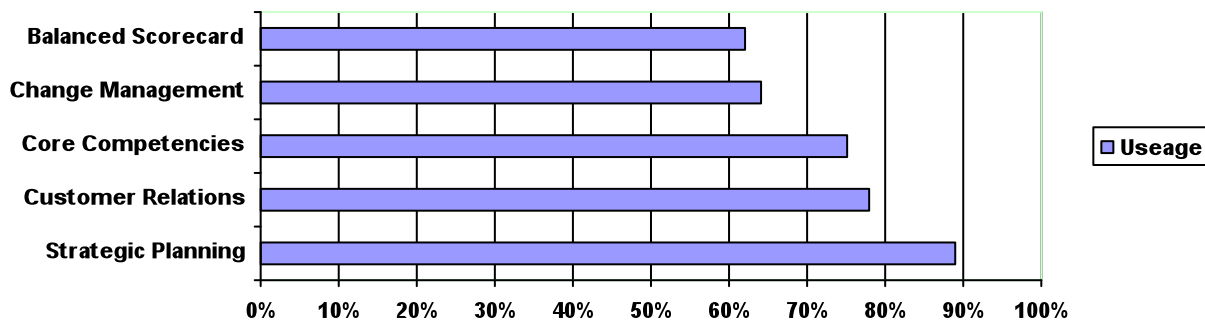


Figure 1: 'Compass-setting' tools saw highest usage

Some of the lowest ratings were for contingency planning and downsizing, perhaps a surprising result for those specialising in management tools designed to help companies cope in troubled times.

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We acknowledge that there are no easy fixes for managers. Our advice to clients is not to get wrapped up in management fads, wanting the latest model, but **pick a few tried and tested tools and apply the time and resources necessary to really make them work.**

One health sector manager told us, “There are no magic answers. It takes time, effort and commitment to get results.” We couldn’t agree more.

### Top of the Pops: Strategic Planning

The big favourite of management tools is still **strategic planning** and the focus for most organisations is to improve performance by developing core competencies through **management development programmes**. This reflects a surge of interest in setting ‘SMART’ objectives and identifying opportunities for improvement and growth. The Balanced Scorecard provides an excellent means of achieving this.

This links to the finding that innovation was singled out as the most important ingredient to growth. Almost 75% of respondents to Bain’s survey said that the ability to change is a major corporate advantage and this underlines the importance of innovation and the part it plays in growth strategies. One commercial manager we spoke to put it this way, “If you can’t innovate, you can’t charge a premium. Then you must rely on cost reduction as a strategy. In my view this is unlikely to ensure long-term viability”.

### Satisfaction with Management Tools

(Scale of 1-5 satisfaction rating with management tools: Management Tools Survey, 2003)

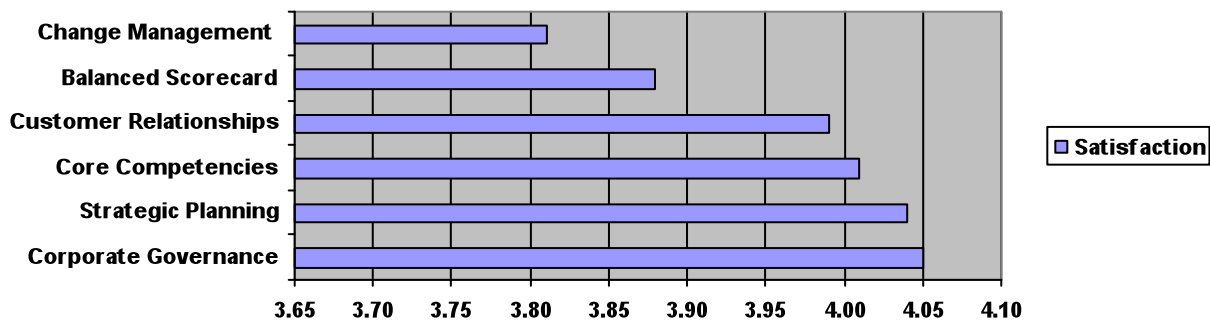


Figure 2: Corporate ‘discipline’ tools saw highest satisfaction

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In terms of satisfaction with toolkits, corporate governance is high and this reflects the growing public interest in how organisations are managed in terms of ethics and culture. High on the satisfaction ratings also are strategic planning and core competencies.

### Some Practical Tips for Managers

So what does it all mean? Our advice to clients is as follows:

**Get the facts:** every management tool has strengths and weaknesses. Talk to us, but also to people who have used the tools before. Don't expect a magic solution. A tool is only as good as the way you use it.

**Champion approaches:** when you have decided on an approach and the management tools to use, then put your weight behind it. Don't be diverted by fads.

**Choose the best tools for the job:** You wouldn't or shouldn't use a screwdriver to hammer in a nail. You need to spend time selecting, implementing and integrating management tools and techniques that are appropriate to your organisation.

**Adapt the tools and not vice versa:** On average, organisations use 16 tools. So you cannot rebuild your organisation around them. It must be the other way round. The organisation's culture, structure and management processes should dictate the way a tool is used. Management tools are useful, but handle with care: you want to see positive results.