

# THE MYRDDIN GROUP

## Management Weakness

By now we have seen enough of both the supplier and distributor side of this industry to offer these observations and comments about the relative management strength in the promotional products industry. These comments, while by their nature somewhat critical, are intended to point to future opportunities in this industry. Opportunities because while there are many owners out there who are getting what they want and need from their companies, the same cannot be said for the companies themselves.

Why you ask? We think there are two main reasons. The first comes under the heading of "not knowing what we don't know." When you think of it, that's a pretty dangerous place to be, sort of like the US Navy at Pearl Harbor not knowing there was an attack force on the way. If we don't know we need something, where is the motivation to acquire it going to come from?



The second is the investment required to get a part of the company's performance up to the next level. These investments can be substantial and are often an obstacle to someone who would rather sell the company instead of putting this much more capital into it. After all, why bother putting a million dollars into the company to upgrade its operating system when I can use those same dollars myself?

Whatever the reason, a common observation is one of bright, energetic, and well meaning managers and entrepreneurs who just are not leading their organizations up to their full potential. The systems they need to do this are missing to a great extent and to aggravate the situation, they will often respond with "we don't have time for that" when presented with the necessity of implementing the systems or interventions that can guide and control their organizations through the next levels of growth.

Some of us have had the opportunity to work with Japanese auto manufacturers in the past, companies that now lead the world in the sophistication of their operating systems used to produce one of the most basic high ticket consumer products, the automobile. Perhaps it is that experience that allows us to see what is missing from the promotional products industry, but whatever the reason, the contrast is sharp to anyone who has worked with both.

So what are the area's we see lacking the most often? .....  
These.

- ERP
- ISO 9000
- Lean thinking
- Six Sigma
- Talent Management
- Competency Based Staff Development
- Quality certifications such as the Malcolm Baldrige National Quality Award
- CRM and supporting systems
- Strategy development and execution

To explain these here is beyond the scope of this simple overview but we know from the work that some of us are doing in our instruction at different universities that today's students are being prepared to work with these systems. They are just not able to apply what they have learned in many if not most of our companies. What they are finding instead is frustration from managements who don't recognize the need for systematic management or, as mentioned above, "we don't have time to implement ERP, we need to fix this now!" Ah yes, the quick fix is alive and well in our industry. At least the myth of it is. So where is the answer going to come from?

It is going to come to a large part from managements that are not in this industry at present. In spite of the recent management debacle at a large and well-known supplier company, management from the outside will become more common as various investment groups buy up companies in the industry and look outside for the competencies they will need to manage these enterprises. Why outside you ask? The answer is simple. It will be by default from those already in the industry, but are not prepared. Where else will they find the leadership they need that is skilled and experienced in utilizing this systematic approach to running a business?