

Article 12 – MBWA – do you do it?

I remember this particular trip very clearly. I was sitting in the back of a light plane being tossed around in the turbulence as the pilot sought to avoid the thunderstorms on a flight from Leigh Creek near the Flinders Ranges to Adelaide. I tried to suppress my mounting anxiety by reading Tom Peters' and Bob Waterman's seminal business book "In Search of Excellence".

It was in this book that I first became acquainted with the acronym MBWA – Managing By Wandering Around – the observation that a characteristic of excellent companies was that senior management kept their finger on the pulse, not by reading reports from subordinates or studying their Key Performance Indicators but by talking informally to employees and customers alike.

I was reminded of MBWA when reading an article on Janine Allis, founder of Boost Juice, the incredibly successful fresh juice franchise that has grown from one store in Adelaide in 2000 to a projected 170 stores by the end of 2004. Allis is a dedicated practitioner of MBWA. "Over the last two weeks – other than Queensland because I'm going there next month – I've met every single manager that's in my network. I sit them down and say – 'OK guys, you're the ones at the front, tell me what's good, tell me what we can fix, tell me what the customers are saying.' So it's really touching the coalface of the business. It's about making sure you're not sitting in an ivory tower and making decisions based on that. You've got to make decisions based on customers and people on the front line".

In complete contrast, the Directors of the company that I used to work for occupied the whole of the 16th floor of our 17 storey headquarters. One of the perks of office was being able to park in the basement and then take a lift exclusively reserved for them that took them directly to their offices. At lunchtime, rather than eat in the staff canteen on the 17th floor, they would remain on the 16th and at the end of the day, they would reverse the process and drive out of the basement, having successfully avoided all informal contact with 500 or so other employees. Within one week of the arrival of a new CEO, this practice was stopped and from then on one would occasionally enter a lift on the ground floor to spy a Director hiding behind a copy of the Financial Review. You knew he was a Director because you recognised his photograph from the Annual Report.

There are many well-known examples of MBWA. Sam Walton, founder of Wal-Mart used to travel with the drivers on the delivery trucks; Bob Ansett insisted that every manager spent time on the Budget counter.

But I'm not just talking about CEO's and executive managers practising MBWA. You can be just as isolated from reality on a production line as you can in an ivory tower.

Dealing with customer complaints is a classic example. Take quality. So many quality problems are not the fault of poor processes. They are the

result of poor attitudes. And how do you change people's attitudes? Get them out there to meet with the customer doing the complaining.

However, as with all management concepts, there are flip sides. Don't think that MBWA is a substitute for hard data. It isn't but it's an invaluable supplement to the information generated by the company's IT systems. It's qualitative information and as such not only tells you why the data is what it is but even more importantly, what the solution is.

The second flipside is that CEO's, particularly those who manage the company they founded, love to practice MBWA by reverting to their former role of working in the business, rather than on it. The problem is that MBWA degenerates into a crusade of telling rather than listening. "That's not right – do it this way" rather than "Tell me why you do it like that". A) – there might be a good reason, but B) - if the way described is incorrect, the CEO should raise it with the employee's supervisor or at the next management meeting.

I'll finish on another personal anecdote. Not only did our new CEO abolish the Director's lift, he also instituted a six monthly forum where Directors met staff to answer any questions that might be raised from the floor about the company's present and future. If you didn't want to ask a question in this manner, you could submit written questions prior to the meeting. Having adopted the latter procedure, I was pleasantly surprised when the new CEO answered three out of my six questions but time then ran out and the forum drew to a close. The next day, the phone rang and it was the CEO's secretary asking me if I was available that afternoon so that he could come down to our floor and answer the other three questions that I had raised.

Needless to say, I was one member of the staff who became a staunch supporter of the CEO and the value of MBWA.

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