SIX S'S ALL EXECUTIVES SHOULD KNOW
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Over the past 20 years I have worked with scores of companies, both within the cleaning industry and without. I can't say that I have discovered Aladdin's treasure trove, but I can say that I have found some S's adapted from the McKinsey, Seven S model, that all executives need to know. They include:

- Structure-how your company is organized
- Systems-the key processes which make your business hum
- Strategy-how you keep the business growing and self-sustaining
- Self Reflection-what you know about yourself, how you lead impacts everyone else
- Succession-you can't do it all yourself today, let alone tomorrow
- Shared Values-what core values do you want to perpetuate company-wide

There is a lot more to corporate STRUCTURE than neatly arranging boxes on an organization chart. The degree of interdependence among sales, operations, supplies, and billing, for example, requires backing up a two dimensional chart with clear roles, accountabilities, and performance expectations. When not spelled out, major problems may arise.

A California based company was experiencing problems around its sales, start-ups, and operations. The sales team, start-up team, and operations all reported to different people. The sales team worked on commission and they rarely would confer with the people who would clean the facilities. They would often bid jobs just to close them, not necessarily to make the required G&A. The start-up team would do the hiring and job routing, often not to the satisfaction of the operations staff, which would be stuck with "someone else's" setting up the account. The start-up team would move to another facility with little attached accountability. Operations felt like they were "at the end of the line, being stuck with the real work of the company", without much say in it.

The company, with consultant assistance, changed the STRUCTURE to a more team-based format, pairing sales, start-ups, and the operations staff who would be delivering services together into their own team. Each integrated team would be responsible for "birth to death" customer management, beginning with selling, through starting, cleaning, and servicing. This model minimized functional barriers, ruffled far fewer feathers, and made jobs increasingly profitable as all had a stake in it. The former organizational structure, for all its two dimensional wisdom, actually prevented the in-depth and selfless teamwork needed to fully service cleaning accounts.

If organization STRUCTURE is the way that companies are vertically organized, SYSTEMS (work processes) are the way that companies are horizontally organized. For example, the bid, start-up, supplies distribution, payroll, business development and various cleaning processes are the "operation's guts" and, if running smoothly, accurately, and in a timely way, absolutely delight customers. If not running fluidly, vast amounts of re-work, and cost expenditures lurk.

Jason Cox, CEO and founder of Cedar Rapids, Iowa based, Diamond Shine Cleaning, knows that better than most. Trying to ensure that the company had sound, consistent processes, he took a process improvement approach to Diamond Shine's business, and flow charted (providing a visual representation of the staff, steps, supplies…involved) all of his company's key process. He remarked, "I had a feeling that we were engaged in many redundant and inconsistent activities being spread out over a wide geographic area. I brought on a colleague who knew about work process improvement, and so we got started. It took us about a year and we flow charted our entire operation, ranging from office procedures to accounting to actual cleaning processes. When we reviewed our payroll processes, we were shocked. We had over 20 different payroll data input methods spread over our 100 sites. We had site managers delivering records to area managers, who gave it to the regional manager who turned it over to the office. When the office manager assembled the payroll data, and there were questions, she backtracked all the way through the regional manager, the area manager, concluding with the site manager. In addition, as we outsource payroll, the accounting firm had to reenter the data into their system. We had incredible duplication of effort, not to mention payroll errors and expensive accounting bills. Seeing the mess, we brainstormed alternatives and decided to have our site managers deliver payroll data electronically to the office. In addition, we developed a software patch, saving the accountant having to re-enter it. We have saved a great deal of time and money that way."

Jason continued, this time about the bathroom cleaning process. "We flowcharted and documented (in Spanish and English) the cleaning steps in proper order with the right supplies, so that all of our bathrooms, whether in Target stores or small offices, are all done the same. We have achieved consistency and higher quality doing it the same way, the Diamond Shine way, every time." Jason's experience has provided the company with the internal work process consistency needed to meet their growth objectives in the coming year.

Different than Diamond Shine's experience, BSC's often miss the mark by focusing their STRATEGY exclusively on new business development-or by not having a strategy at all. STRATEGY is the key to business revitalization and without a coherent plan; it can clearly hurt the company. Most BSC's with a "plan" feel that that their STRATEGY is growth, either by adding service lines, expanding geographically, or consolidating/partnering with other companies. Yet they often forget that the company's future also includes an internal component. In 2000, a $10 million company in the Midwest set its 18 month growth target at revenues of $15 million. In the following two years it successfully grew to $15 million with a singular growth strategy fueled by hiring two salespersons and extending its geographic reach. The salespersons delivered results and were compensated handsomely, and the owners were delighted. Yet, all was not peachy. Company administration and operations staff were overwhelmed. The 50% revenue increase taxed about every system imaginable to include; hiring, billing, labor tracking, supply distribution, and insurance procurement and tracking. The successful expansion was done on top of the existing computer system, with outmoded servers, networks, and financial reporting software. Billing errors, questionable cleaning, and lots of apologies ensued. The customer turnover was dramatic, with the briefly reached $15 million dollar target shrinking to less than $12 million within two quarters. If you do have a STRATEGY, and it is a growth one, it must involve more than simply generating new business, while keeping the old.

Knowing thyself is a well worn management and personal growth mantra. In leadership roles, the S or SELF REFLECTION takes on a unique turn. What oftentimes are an entrepreneur's initial strengths, frequently becomes their downfall. For example, an owner possessing great sales skills can't devote as much time on it as the business grows, and because they once had time, no new salespersons are hired, hence, sales ironically becomes the weak sister. Bob Weintraub, President of Bridgeport, Connecticut based Service Management reflected on the early company years "My father, brother-in law, and I started the business, and being "natural relationship creators", we went from zero to $10 million in 15 years without ever hiring a salesperson. Over the next five years we eventually realized that we were not sufficiently attentive to sales ourselves, which was a tough admission for each of us. With our whole company and not specific sales focus, we were really hurting the business. Since that time, we have added a full sales staff, and we have grown our revenues to exceed $30 million."

Another aspect of knowing thyself is recognizing that a single executive, no matter how talented, cannot run the business alone. That concept holds for the present business as well as planning for the company's future, thus the next S, SUCCESSION. Mike Diamond, President and CEO of 600 employee, Milford, Connecticut based, Premier Services knows about succession from being groomed as his father, Al's successor, but also as a developer of his own talent. Al Diamond knew what he was doing when Mike graduated from college in the mid 80's by having him work as an area manager for a NYC competitor. Mike learned the hard way, without the protection of being a "Diamond" in the family business. Three years later, Mike joined Premier as an area manager, and later became manager of sales. In 1992, the VP of operations left, and Mike, having successfully made the line, staff, line transition from operations to support staff and back was poised to assume this key company role. Mike later bought his father out with a long term purchase agreement, and today has complete control of the business. He mused, "It was obvious that my father had a succession plan for me, yet it wasn't transparent to me at the time. I learned that people just don't show up ready for their next role, there needs to be a conscientious effort to grow successors for all company roles. Today, there is an identified replacement for every site and area manager in Premier coupled with a development path and associated training. We now have a pretty strong bench."

The sixth S, SHARED VALUES, also is a key organizational ingredient. BSC executives should identify the core values which they want perpetuated throughout the company, and first, communicate them consistently and frequently, and secondly model them for employees to observe. Richard Fowler, owner of Greensboro, North Carolina based Sunstates Maintenance not just talks about customer service; he preaches it – in every meeting, in interactions with Vice Presidents, site managers, and with Sunstates' customers. It is not a rarity that he will spend an entire day's travel to visit a remote Texas client, or a customer in rural Kansas if they request it. Consider the message to the organization when the owner and CEO of a 50 million dollar company responds to a customer need so rapidly. Richard lives that value out—so does his staff.

Another example of a company identifying and living out their values happened to me over 30 years ago. I was employed in Northern Vermont by Sanitas Services, cleaning clean rooms for an IBM microchip manufacturing plant. Sanitas ran a two shift operation and I worked the first shift. Late into the second shift, I received a call from my boss who informed me that there was a chemical spill, and additional shift assistance was needed. From 11 p.m. until 5 a.m. the next morning, a handful of first shift staff helped with the mess. Three hours later, I was back on the first shift. Sanitas paid me time and a half for my overtime efforts, but also gave me a $75 bonus, which in 1971 was more than a week's pay. Sanitas said they valued their employees. They sure demonstrated it to me.

In addition to modeling their articulated SHARED VALUES, BSC executives can increase their company's effectiveness and ultimate profitability by paying attention to the other five previously identified S's. By being savvy about roles and responsibilities, ensuring that their work processes hum, having a clear and comprehensive company strategy, having an accurate self perception of their strengths and weaknesses, developing succession plans for key company roles, and living out their company values, they can make their organization really perform.