



## *CONTENTS , STRUCTURE AND RESOURCES OF THE STUDENT COURSE*

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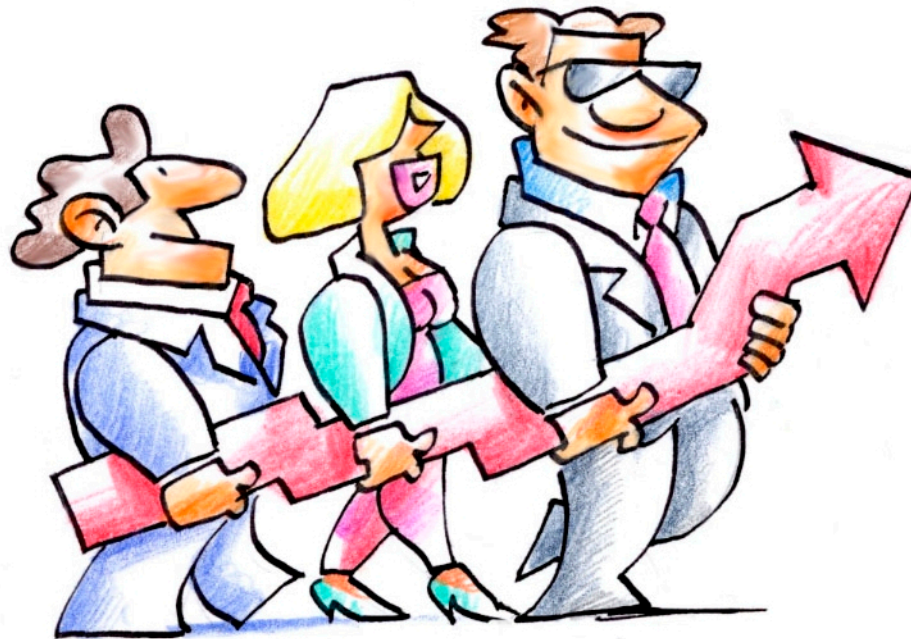
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### 3. Specific Basic Competences for Managers



# 3. Specific Basic Competences for Managers 1

## 3.1. Analytical thinking: Setting goals (long and short-term); - Setting of priorities.

**Definition:** Analytical thinking is the mental approach which is generally requested by managers in playing their role.

Setting goals is the art the good manager has – and likes, or loves – to stimulate his/her own collaborator. Amongst these ones should also included people – i.e. family members - who are not employees in the factory.

Managers often have to do with entrepreneurs, who are often instinctive” characters” in the business field.

In other words, they should be the rational side in business competition.

Then, they should be effective in analysing past times data and the future evolution perspectives, both of the market, ad of the single company they are involved in.

Giving people some objectives means

- proposing people a new way of living, just giving a new meaning to one's life.
- If people work for something they consider important, they generally feel being “ *human collaborators*”,
- instead of “*work resource*”.
- In Total Quality new philosophy, this is very important, because people would like to know for what they should be ready to give their time, beyond the salary money.

The analysis should cover at least two dimensions:

- the quality aspects (choice between two alternatives or more) and
- Quantitative data.
- They should be particularly effective in providing the family business members, and particularly the leader(s) with a clean DSS – Decision Support System – so that people who need to make decisions can be supported by rational data and not only by their intuition. ICT, today, must be a basic daily tool for managers.

It has very much to do with time use and time management. The basic secret for that seems to be “*to do first the most important things, and later the less important ones*”, without obviously forgetting the role one is running.

The will to do first the more important things however (for example planning next year's whole company steps) must be listened to, more than how to organise today's meeting with a supplier. An expert advises to write down, day by day, since the morning beginning, the list of things to do, and to cancel them while you are doing them...

Another approach is being well convinced that some things are anyway more important than others, and priorities are the most important things.

# 3. Specific Basic Competences for Managers 2

## 3.2. Public speaking.

**Definition:** First remembering that “3 people are already a public”, public speaking is sending a message to some people, in order to stimulate them to think and to undertake actions”.

When you send a message by public speaking you could adopt the following simple rules: send something really meaning for the audience *in brackets*. And approach your audience as follows: “1<sup>st</sup>, I tell them what I am going to tell them; 2<sup>nd</sup>, I tell them it; 3<sup>rd</sup>, I tell them what I have just told them”.

1. The opening bracket – the very start sentence - should come from asking yourself what is the environment general feeling in the moment (the *hic et nunc* - *here and now, in latin* – atmosphere. And say something appropriate to the moment.
2. Deal with the different specific contents as more as possible building them-up in three points. T
3. Then, finally, close the bracket, concluding by an appeal to action.

# 3. Specific Basic Competences for Managers 3

## 3.3. Conflict resolution: among owners and/or workers.

**Definition:** This very specific topic must be dealt with by a double approach:

- a. When the business is small, and the conflict can be solved by directly involving the single individuals;
- b. When the conflict needs a trade union negotiation.

Case a. In the first case (human relationship) the manager has to deal with the single parts separately, understand the reasons, and only after s/he has a clear idea of a solution. The solution to the parts should be a different one, towards the two opposite positions. It should generally be proposed at least in two steps. It is a good idea to look for somebody who has no economic interest in the discussed topic, but who has good human relations with both involved individuals.

Case b. In this second case, the manager should pay attention to the process evolution, and try to be a facilitator, since he will generally have a limited power. However, s/he should not take a “partisan role”, since it will become no longer effective in a short time. While being a business member and representative, s/he should try to be as more objective as possible, while opposing illogical counterpart positions.

# 3. Specific Basic Competences for Managers 4

## 3.4. Negotiating Skills:

**Definition:** Information and Communication are more and more important today. A leader must be able to manage both information, which is linked to objective data, but mainly communication, which includes a personal approach. Negotiation means to be aware that one cannot always get 100% of one's goal, but must generally mediate at least a little bit. In negotiation there is the risk to get to a dead point, while things should go ahead. It is important to know that in a negotiation, or in a deal the really important things are not the ones which are openly proposed. They are generally concealed. In other words the expressed reasons are generally not the really important ones. It is necessary to get to the really important ones.

Moreover, it is important to avoid "polarization" also called "wall against wall". Things must go on. In the polarization/radicalization case, it is important to find out a third way in order to go out of the "wall against wall" trap (after M. Ghazal, UN professional negotiation office worker).

## Bibliography and tools

# 3. Specific Basic Competences for Managers 5

## 3.5. Strategic Planning and Decision making

**Definition:** This is also a very important part of the manager role. S/he should have in their mind the basic idea that a business is and stands alive when the market (clients, customers) appreciate and remunerate the services and products the business is proposing.

The market on going approval – expressed by buying the company's products – should be understood as a “magnet from the future”.

The future must be understood as the place where the company will pass its next lifetime!

To be too much concentrated on the present data should be wrong, as much as being too much concentrated on the future.

Balancing the two aspects is the basic managing art feature.

People working in the family business should be aware and feel they are in a “boat” where the captain and his officers are aware of the port and are able to keep the route safe. However, it is not in the short time that the business should be lead, but in the middle-long-term view.

**Decision making** is the engine in the manager role. After many analysis, the decision moment must come. Decision making is something between taking a partial risk and doing that on a safe baseline. However, quite always business decision must be taken in turbulent times, and with “pros and cons” options. The manager role is to propose to the entrepreneur the different alternatives,

Also suggesting his/her opinion, but finally respecting the entrepreneur vision... unless it is too crazy! This may happen when Junior leaders want to take the leadership without accepting to practice a basic experience within the company.

# 3. Specific Basic Competences for Managers 6

## 3.6. Financial and economic skills.

**Definition:** These aspects are basic needs in the manager culture, because the entrepreneur often does not master them well, since s/he is often going on by intuition. Economic skills are however basic for the entrepreneur too. The financial side is on the contrary a little bit more technical, and needs some technical more focused knowledge. In this case the manager should be the supporter who can give the basic information to the CEO.

*A famous entrepreneur, Luciano Benetton, who started his work life within a small shop, with the role of Administrative and financial control, uses to say:*

*"If I had been all the time focused on Administrative and Financial control, I would never have been able to build up the Benetton big firm. However, If I had not taken care of Administrative and Financial control, I would never have been able to build up the Benetton big firm."*



# 3. Specific Basic Competences for Managers 7

## 3.7. General business Management

**Definition:** General Business Management is a summarized definition of all what a manager should be able to do. On this platform you will find the single specific components of General Business Management.

The Total Quality Culture can be a good summarized idea of the General Management basic concept. Pillars are Vision, Mission, Values, Competitive Factors, and a particularly focused approach to interpersonal and emotional aspects.

The basic advice however is that the manager is not just focused on the daily activity, but – as the famous business author Tom Peters says – *“is able to write by hand on a not yet opened mail envelope all his/her basic business figures”*.

On a more technical definition, let us remind that the basic figures of a business should be included in an one-page-summary. And not because figures are written in a very small dimension!

**Particularly in a family business during the transfer phases** however, the General vision must **never forget the emotional aspects** involving the human relations among the business and the family members. Field experience shows that, beyond all the technical and somehow “mechanistic” aspects are finally such to determine the final evolution of the transfer process.

# 3. Specific Basic Competences for Managers 8

## 3.8. HR management:

**Definition:** *Human resources* management is probably an obsolete way of expressing the need of ***being able to lead people***. It means to lead people as individual, not just as *resources*, as if they were hard material.

*Talking about leadership should be enough to deal with the issue.*

# 3. Specific Basic Competences for Managers 9

## 3.9. Tacit knowledge

**Definition:** The human and personal side is very important in family business. Field experience shows that very often the successful business leaders are original and not at all “standard” people. This fact brings them to make original decisions and to understand in advance some economic tendencies. When the founder disappears, also some of his/her imprinting input disappear. This is often a problem for the whole company, because the Senior approach is often a “selling approach”.

How to keep alive such a kind of personalized features? One way is to analyse the Senior particular style, **in facts not just in word descriptions**, and try to let the best ones to continue, without forcing this kind of attitude. For example you could analyse the way people are recruited, selected, stimulated and fired; how suppliers are chosen and dealt with; how is the market policy dynamically changed or reinforced.... Once codified, these “virtuous qualities, attitudes and approaches” should be at least discussed by potential successors, and this will be more and more useful when the “old leader” will have a role in explaining his/her own approach.

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*ARTICLE*

<http://hbswk.hbs.edu/item/managing-the-family-business-survivals-secret-sauce>