

The New Rules of Management

We live in a time of social and technological transformation. Advances in technology, economic factors and demographic changes have radically altered how we work and what is expected of us in terms of output. The days of top-down management are over; today's managers need a new approach to keep teams happy and productive.

This guide provides advice and tips on the new rules of management. Use it to help you manage your employees effectively in this new era. A well-led team will make growth possible, as you provide your support staff with the tools they need to outpace the competition and take your company to new levels of success. Sections include:

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THE RULES OF MANAGEMENT HAVE CHANGED

A strong team can provide a dramatic advantage at a time when the competitive stakes are at their highest. Creating powerhouse employees will require attention, but in return they'll work diligently to move you toward your goals.

The guiding force for strong team management is having a clear vision that is effectively



AIRPARTS COMPANY INC.

Marta E. Maxwell
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communicated and shared across your company. You also need to hire people who will work well together, and then train them to be effective and motivate them to continually do their best work.

These tips can help you provide employees with the tools they need to stay motivated and perform at their best.

Your Behavior Matters

The days of different sets of rules for management and staff are over. Employees now look to the example you set, in what you say and do, for a guide as to how they should behave. If there are qualities and behaviors that you value, be sure to demonstrate them in all of your interactions. If you want your employees to be honest and open with you, then you should be the same with them. If you place a high value on treating your customers with

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BUSINESS COMMUNICATIONS SOLUTIONS

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respect, strive to communicate respect when you interact with customers and employees.

Traffic Direction Is Key

The current speed of business and the variety of demands on people's time and attention now requires you to provide focus for your team at all times. Determine which projects will most likely achieve company goals and then direct team efforts on those initiatives. Hold meetings frequently to review team priorities and workload to ensure that everyone's efforts are appropriately allocated.

Transparency Is Essential

Continually communicate with employees to ensure that your team knows you are sharing important information with them. When time is tight and decisions are happening quickly, reach out to employees to let them know they are important and you will meet with them shortly. There is power in letting employees know that your outreach to them is an important part of your planning. For very important news, hold meetings rather than relying on other modes of communication. For less important news or regular updates, email or intranet postings work well.

Build Teams with Personalities in Mind

A staff of empowered people can either support and motivate each other, or butt heads and take you off course. With an empowered workforce, you will

need to carefully put project teams together – even if it is a team of two. Consider the roles you are asking employees to play and determine if you are putting anyone at odds with another staffer. Ask your team for input when it comes to dividing up work and let their knowledge of everyone's strengths and weaknesses inform your decisions.

Customize Praise

What motivates one person will leave another unmoved. Consider this when you are striving to maintain good morale within your company since the new rules of management require a more customized approach to morale-building. As you set about to reward staff members who meet the goals you set for them, look closely at each employee and what you know about their motivators. Most people enjoy financial rewards but some people need more praise than others; some employees value time off while others value flexibility most of all. If you are not sure what makes an employee tick, ask others on the staff for insight.

Acknowledge Your Foibles

When things go wrong, be sure to take a share in the responsibility. It is difficult to admire someone who is perfect, and as a company leader you will typically share in the responsibility for a company mistake. Employees who operate under the new rules of management will expect and admire this honesty. ■



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The New Rules of Management

Use this table to assess your leadership skills in today's environment. (The information provided is intended for directional purposes only; your individual situations may vary.)

<i>Old Practice</i>	<i>New Rule</i>
<ul style="list-style-type: none"> • Share your vision at a high level, giving employees only an outline of your plans. 	<ul style="list-style-type: none"> • Share your vision complete with rationale and plans for overcoming obstacles. Stress staff contribution.
<ul style="list-style-type: none"> • Give financial rewards when employees excel; it is the greatest motivator. 	<ul style="list-style-type: none"> • Consider what motivates each employee and customize your rewards.
<ul style="list-style-type: none"> • When something goes wrong, call someone out to assign blame. 	<ul style="list-style-type: none"> • Consider your role in company missteps. Be honest about how you plan to improve.
<ul style="list-style-type: none"> • Decisions should be made without involving the whole team. 	<ul style="list-style-type: none"> • By involving team members in the decision-making process, you get a better consensus.
<ul style="list-style-type: none"> • Let employees learn by fire on new work; with the confidence that they will figure out it. 	<ul style="list-style-type: none"> • Provide support for staff when they need it. Tap outside resources when internal team cannot comfortably meet company needs.
<ul style="list-style-type: none"> • Work employees hard to get your money's worth. 	<ul style="list-style-type: none"> • Carefully guard against employee burnout by tracking workload and checking in with employees regarding job satisfaction.
<ul style="list-style-type: none"> • Provide feedback only in scheduled performance reviews. 	<ul style="list-style-type: none"> • Find opportunities to provide genuine and honest praise. Address performance concerns as they arise.
<ul style="list-style-type: none"> • Let teams sort out issues through their own dynamics. 	<ul style="list-style-type: none"> • Carefully assemble teams and define roles. Make changes if a collaboration is not productive.

Leading in Challenging Times

Interview with American Express OPEN's Marcy Shinder



Marcy Shinder, Vice President of Marketing at American Express OPEN, oversees marketing for OPEN's Charge products, leading programs designed to educate business owners in Card usage and benefits. She was named one of *BtoB Magazine's* 2009 Best Marketers of the Year for steering American Express OPEN's commitment to small business customers.

In this interview, Shinder discusses leadership in challenging times.

How have the changes in the economy in the past two years affected managers?

The economy has taught us about what it takes to be resilient, and that spans several areas — from learning to use resources more efficiently to developing the vision and plans that will prepare your business for the recovery. One of the most difficult challenges for managers, though, is overcoming that initial mental hurdle set by the anxiety that bad economic news creates. You have to be able to set aside the emotional reaction to the economy, intellectualize the business challenges it created and then start working on the solution.

What are the key qualifications of a good leader?

A good leader has to be able to keep the team looking and moving forward. A common reaction to a crisis is to look backward, getting caught up in what could or should have been done differently. As a leader, though, you need to first overcome this tendency yourself and then coach your team through it.

How do you keep morale and productivity up during a slow economy?

Try to find simple, inexpensive activities that can bring your team together and build morale. For example, I held an employee "awards" ceremony, where I created an individualized award for each member of my team. I think it's important to create fun memories for the team. It not only boosts morale, but also helps to foster a more collaborative work environment.

What has been your biggest personal learning of the past year or two?

Inspiration is something to be shared. I've always found entrepreneurs' stories to be so inspirational to me personally, but it wasn't until this past year that I realized how much I could get back from sharing those stories with others. I started my blog (www.openforum.com/marcyshinder) because I wanted to share stories of business owners like OPEN Cardmember Rebecca Cenni, Founder and CEO of Atrium Staffing. She had told me that with the recession, she realized she could either put her head in the sand and wait for things to pass or she could address her clients' evolving needs and change her staffing model. She did the latter and basically doubled the size of her business — and revolutionized her industry.

I was so inspired by Rebecca that I just felt very deeply that others would be, too. I blogged her story and was then so moved by the positive response that I invited others to contact me. We're constantly looking to them as examples of how to manage through a crisis and look for opportunities where others don't see them. ■

Cardmember Profile: Jennifer Walzer, Backup My Info!

Change Management in Small Businesses



Jennifer Walzer realized she needed to change her managing style when she noticed she was contributing to a slowdown in her employees' work. She was getting caught up in details instead of leading. Her New York City-based data backup company was growing quickly, and Walzer needed to grow, too.

"I was becoming a bottleneck and holding everyone else back," says Walzer, CEO of Backup My Info!® "I had to learn to be more of a leader and visionary and put systems in place so others could do the work with me guiding them."

Here are the four steps Walzer took:

1. Implement Mechanisms for Feedback

To improve communications with her nine employees, Walzer introduced:

- **A daily huddle.** Every morning, the staff meets for up to 10 minutes. "We talk about what is going on for that day to get everyone on the same page."
- **A weekly lunch.** Walzer brings lunch every Friday so everyone can sit at the same table and talk about what happened that week and what's coming up.
- **Quarterly reviews.** During the quarterly review, employees complete a two-page form that describes what they accomplished in the previous quarter and what they want to accomplish. "Then, we go out of the office for lunch, one-on-one. It's usually a two-hour meeting, totally confidential. It really helps me get a pulse of what's going on in their world and in the company."

2. Create a Tracking Spreadsheet

Walzer is frequently out of the office, so she needed something to show her what was going on in the company. "When I would call the office and hear that things were going *well*, I wondered, what does that mean exactly? How do I quantify 'well'? If a month from now the team says things are *great*, is 'great' better than 'well'?"

Walzer and her team created a spreadsheet that tracks everything from current client status to how many new clients are being signed up monthly and how many support calls are being made. Each team member is responsible for a small part of the spreadsheet, so it's not overwhelming to develop. The document gives Walzer peace of mind. "It gives me a better sense of where we are on projects and shows me if there are trouble spots I need to focus on."

With this dashboard and the frequent meetings she has instituted, Walzer doesn't spend nearly as much time managing her staff as she used to. "I don't have to hold their hand and do everything. They know they can call me or come over if they need something. It frees me up to focus on the big picture."

3. Manage with Transparency

Walzer believes strongly in an open-door management policy. "I trust my team, and I want them to understand everything that's happening

so they feel comfortable.” Still, she knows where to draw the line. “In terms of sharing company information, I share as much as I think is necessary. The staff should know where we are and where we are going because they’re going to be the ones who get us to that next level. The more you share, the more respect you get, as long as you do it the right way.”

4. Hire Strategically

A year ago, Walzer had a staff of six. Now she’s up to nine, and is hiring two more people. She uses

Craigslist or referrals for most of her hiring. “We’re very specific in the type of people we hire. The person has to be unanimously ‘two thumbs up’ to be hired. We’re very detailed in the wording of our job postings. We have found that it really changes the type of people who apply. It’s about what you believe, such as ‘Do you believe in working as a team versus as an individual?’ ” ■

Connect with Jennifer Walzer through her web site, www.backupmyinfo.com, or OPEN Forum’s Connectodex, www.openforum.com/backupmyinfo.



Five Traits of a Successful Leader

Business owners have to be receptive to new ideas to thrive. Try these approaches to lead your team more effectively.

1. Trust Your Team

Trust your team members to do their jobs. They may not do the work as well as you can at the start, but their skills will grow. This will also give yourself more time to focus on critical business tasks.

2. Pay Attention

Successful leaders know what their team members are working on and understand the obstacles they face. Feedback is critical. When employees come into your office, stop typing and focus on their question or problem. Look them in the eye and give them your undivided attention.

3. Match Tasks to Interests

Assign tasks according to employees’ interests. If they’re doing something they love, it won’t seem so much like work. Find out what excites them and look for opportunities to let them do these things, even if it reaches beyond the current scope of their job.

4. Encourage Effective Brainstorming

Brainstorming can be a key tactic to promote innovation and growth, and your team’s ideas may make the difference between a good and a great business. Before your next brainstorming session, have team members develop as many ideas as they can on the topic at hand. Then have them pare down their list of ideas before everyone meets.

5. Leave Time to Think

Take time to examine your business every now and then. Look at how tasks are done and who’s doing them. Don’t stick with a certain process just because that’s how it has always been done. Making time for “aha” moments can take your leadership to the next level.



Managing Across the Generations

With the oldest of the 78 million Baby Boomers beginning to retire, companies will need to adapt to new breeds of workers. Managing this new mix of ages, faces, values and views requires flexibility and a new way of thinking. These six tips can help.

1. Set Ground Rules

Accommodating different work styles requires setting specific goals, defining success factors and decreasing bureaucracy. This approach supports Baby Boomers and Gen Xers, who typically hate being micromanaged, and gives Gen Yers (also called Millennials) the direction they crave.

2. Accommodate Differences

Make an effort to accommodate personal scheduling needs and nontraditional lifestyles, and promote work/life balance. Younger workers have come to expect this type of flexibility. You may find that Millennials have shorter attention spans than your older workers, but they're very adept at multitasking.

3. Encourage Teamwork

Teamwork generally fosters better ideas and higher quality work, but for years, employees have grumbled about teamwork because they've wanted to lead (Baby Boomers), or feel responsible for their own well-being (Gen Xers). But Millennials expect to be on teams. Applications that encourage teamwork — for instance, Teamwork™ Project Manager (www.teamworkpm.net) or Yammer (www.yammer.com) — can boost collaboration and productivity.

4. Be a Mentor

Millennials are often looking for a mentor rather than a manager. They might resent being assigned tasks without understanding the purpose behind them. Ensure they know how their work helps the team achieve its goals.

5. Conquer the Digital Divide

Millennials are the first true “digital natives.” Unlike “digital immigrants” who came before them (a generation that had to make an effort to learn about new technologies), they've grown up in a world of instant access to information. Make sure your business has the technology they are comfortable with to do their jobs. Have them take on technical roles as appropriate, and have them help others who are less tech-savvy.

6. Train and Reward

Retaining valuable employees is just as important as finding customers. Provide training for your staff, whether it's one-on-one coaching or an online course. Millennials may value tuition reimbursement more than health insurance. Millennials also want to enjoy their work. Make your work environment inviting and foster camaraderie so they like being there.

Managing Across the Genders

Women-owned businesses are expected to create nearly 5.5 million new jobs in the United States by 2018.¹ That's more than half of the 9.7 million new small-business jobs anticipated by the U.S. Bureau of Labor Statistics. This increase in female business leaders is expected to transform the workplace into a more inclusive, horizontally managed environment, replacing the top-down management approach of the past several decades.

To avoid miscommunication in the workplace, it is helpful to be aware of the different ways in which men and typically women approach common situations. Some of these differences are highlighted below — but keep in mind that these are broad generalizations, and that the best management strategies take into account each team member's unique personality and work style.

- Women are more likely to talk to others, especially if they are trying to solve a problem. Men tend to address problems themselves.
- Women typically focus on building rapport by sharing experiences and asking questions. Men like to give information.
- Women are typically more receptive to input and guidance. They also tend to be better than men at empowering staff.
- Men tend to be more risk-tolerant and faster decision-makers.
- Women are often faster at transferring data between the two sides, which makes them more flexible and able to multitask.

¹Guardian Life Small Business Research Institute http://www.smallbizdom.com/features/feature_2.html





Management Resources

Are your management skills a little rusty? Here's a list of useful resources that can help you get back on track.

eWomen Network*

www.ewomennetwork.com/index.html

eWomen Network is a membership-based professional women's networking organization that helps women and their businesses achieve, succeed and thrive in the new economy.

National Association of Women Business Owners (NAWBO)*

www.nawbo.org

NAWBO represents more than 10 million women-owned businesses in the United States across all industries. The organization provides commentary on issues of importance to women business owners.

National Federation of Independent Business (NFIB)

www.nfib.com/business-resources/management-38-leadership

NFIB is a nonprofit, nonpartisan organization that represents small and independent businesses. Its management section offers help with long-term issues that small businesses face.

OPEN Forum®

www.openforum.com/managing

OPEN Forum is the online community from American Express OPEN where you'll find hundreds of articles, videos and discussions about managing a small business.

Women Impacting Public Policy (WIPP)*

www.wipp.org

WIPP is a bipartisan public policy organization that advocates for and on behalf of women and minorities.

Women Presidents' Organization® (WPO)*

www.womenpresidentsorg.com

The WPO is a nonprofit membership organization for women presidents of multimillion-dollar companies. Members take part in professionally facilitated peer advisory groups to help them take their businesses to the next level.

Women's Leadership Exchange (WLE)*

www.womensleadershipexchange.com

WLE is a social entrepreneurship organization that helps women build connections that can facilitate their success in business and in life.

**This organization is a valued Women's Business Initiative partner of American Express OPEN.*

VISIT OPEN FORUM

You can find articles on team management and a broad range of other business topics on www.openforum.com, the online community from American Express OPEN designed to give business owners information and insights that can help them build their businesses. There are articles by business experts such as:

- Guy Kawasaki of Alltop®
- John Jantsch of Duct Tape Marketing
- Anita Campbell of Small Business Trends
- Henry Blodget of The Business Insider
- Adam Ostrow of Mashable
- And more ...

In addition to these articles and discussions, Cardmembers can create a profile and connect with other business owners in the ConnectodexSM, giving them an opportunity to build exposure for their companies.

Twitter users are invited to follow @openforum for the latest headlines from OPEN Forum. You can also nominate yourself for OPEN Forum PulseSM, which brings together the Twitter feeds of some of the most-followed business owners and industry leaders, by visiting <http://pulse.openforum.com>.

SHARE YOUR STORY

Do you have a story about managing your small business? Do you have a tip that can help other entrepreneurs improve their management skills? Share it with us by sending an email to newrules@openforum.com.

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