



Second, Let's Kill All the Bean Counters

You may be familiar with the famous quote by William Shakespeare, "First, let's kill all the lawyers." One can only imagine why Shakespeare felt so strongly about such an occupation hundreds of years ago. When I was going through business school the thing that most excited me was the overwhelming sense of believing that people who were great marketers would ultimately be the ones who would run great companies. As a matter of fact, during that cycle of American business, it was common that marketers generally were the people who were promoted up the ranks of the organization, had positions of influence, and were often able to run the companies.

However, while I was in school, a famous book called *Reengineering the Corporation* became a bestseller, and many corporations felt that their key to increased stock price and increased shareholder value was to reengineer their companies by cutting expenses and maximizing value. It seemed to be understood that declining customer service was a natural by-product of maximizing value in companies.

Finally corporations are waking up to see the folly of this strategy. The heroes of the late eighties and early nineties, who were infamous for gutting the people and companies that they ran while making a fortune for themselves, are now being understood for the damage that was done long-term for the companies they managed.

Many times the managers who put their companies on a course of reengineering merely set them up for a long-term decline in their share prices. It seems that the best kept secret of a well-run business has been let out in the last few years. The secret is that it tends to be the mission driven company that has an unmistakable set of core values. Upon examination by many great leaders of the industry such as Jim Collins, it's been clear that these are the type of companies that in the long run will deliver the most value for their employees and shareholders.

The problem in putting too much priority on the bottom line is that it takes precedence over important considerations such as product quality, customer service and reputation. Companies that focus on restructuring versus growth generally cut back in areas such as customer service, divesting themselves of less profitable business lines and resorting to layoffs which destroy employee morale. It is virtually impossible for employees with low morale to deliver outstanding customer service and do what it takes to be competitive in today's marketplace. An organization such as this will completely lose its capacity to be competitive and grow in the aggressive marketplace we have today.

In our experience running First Protective, we have found that we were able to get our employees involved by clearly communicating our mission statement, establishing a set of core values, and giving a financial incentive for our employees paid on a monthly basis. When we had a consulting firm in our organization recently, they marveled at the loyalty of our employees and the amount of extra effort that they gladly put in on a routine basis because they feel part of that mission.

If you want to grow a world class business, focus on the relationships with your employees, communicating the core values and the mission of the organization, and giving them a

financial incentive in the profits of the organization. Also, take every opportunity to praise or encourage your employees while resisting opportunities to criticize them publicly. Then see if your business does not soar into the future as these employees take personal responsibility for seeing your business grow. Beware of the person who goes the short-term route of penny pinching and cutbacks. As history has proven, in the long-run this strategy simply does not work. Shoot for lasting longevity. Shakespeare may have been wise beyond his years. We just added an amendment:

"First, let's kill all the lawyers. Second, let's kill all the bean counters."

(Special Disclaimer: Please don't literally kill either—we use the term in jest.)

Andrew S. Martin, CLU, ChFC
P O Box 2606
Birmingham, AL 35202
800-876-3950
andymartin@firstprotective.com
www.top-producers.net

Copyright © Andrew S. Martin 2004. All rights reserved. Cannot be reproduced without prior written consent.