



Tricks & Tools OF THE TRADE

Kraig Kramers on the nuts and bolts
of corporate success

BY SCOTT MESSENGER

Kraig Kramers, 64, insists the information in his book, *CEO Tools: The Nuts-n-Bolts of Business for Every Manager's Success*, are not trade secrets. They are simply lessons learned from 43 successful years as manager, senior executive or CEO of company after company. In 1992, one year after Kramers took over Snapper Inc. and its

\$54-million loss, the lawnmower-making company turned in a \$13.7-million profit. When he was CEO of Graphic Arts Centre in Portland, Oregon, from 1986 to 1990, the company made \$120-million in four years. These days the Atlanta-based consultant teaches his techniques to CEOs and managers across North America.

Open Mind: In the book, you refer to a “state of we” where anything that can be dreamed of can be accomplished. How do businesses get there?

Kraig Kramers: To get to “we” you need meaningful goals, communication and recognition. The meaningful goal is where the employee sees the value in it for them, not just for the company. You get buy-in by getting them to participate in setting the goals. Then you communicate repetitively about it. The third thing is recognition, where you support them along the way. You need all three.

OM: Should companies set what you call “big, audacious goals” right from the start?

KK: There is danger in dreaming too big, but here’s how you do it. First, set reasonable but reachable goals. Employees buy into them because they know they can do them, and because they’re participating in setting them. But now let’s reach up to these bigger, more audacious goals. The most important thing in setting these goals and going for them is knowing it’s okay to fail. If we shoot at this big, audacious goal as the upper limit, you’re going to do better than your reasonable but reachable goal.

OM: Communication seems simple, but it still presents a challenge when managing a company. What gets in the way?

KK: Managers don’t communicate; they only think they do. They communicate mostly verbally, and about 60 per cent of North Americans are on a visual wavelength at any point in time. Most communications are not visual, so they don’t take. And then managers say something once and expect it to happen. The CEO’s monthly newsletter is one of the better communication tools.

OM: What about the business environment presents the greatest obstacle to success?

KK: I can tell you what one of the obstacles is; when you ask a room full of CEOs what is important in a business, and customers are

not number one. What is their first answer? Profits. Profits can’t be first. CEOs are either numbers-oriented or operations-oriented. In general, businesses are dealing more summarily with customers, trying to get them gone, sell the next one, and doing it in a way that is beginning to offend ordinary people.

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OM: How would managers begin to apply your tools to their own businesses?

KK: Align what you’re doing as a business so it satisfies customers, employees and suppliers. Then the communication, recognition, and meaningful goals fall right into place. It wouldn’t work any other way.

OM: What are the most common mistakes managers make when they are heading large construction projects, and how do you avoid them?

KK: The biggest mistake is making the assumption that this client will behave the same way, that the project is so similar to one you’ve done before, or that with a new client that they’ll act “normally” because you’ve gotten to know them. Always a big mistake! At every turn, challenge yourself to ask what can go wrong.

OM: How do you inspire workers to keep going hard during a labour shortage? What’s your advice on avoiding delays and inefficiencies?

KK: Here’s how to inspire workers to work hard when they know they can get a job anywhere: If you have hired the right workers with the right superintendents, you’re about 90 per cent of the way there. When you bring new workers on, educate them as they start. Don’t wait for them to get the wrong attitude or make those expeditious mistakes. Give them incentives once they are working for you, and recognize and reward them with others.

OM: When you add the rising costs to a labour shortage, with unprecedented economic growth, what pitfalls do you foresee for Albertan corporations?

How, as a CEO, would you avoid them?

KK: Obviously your labour costs will rise, perhaps in an uncontrolled manner, if you let them. So don’t! Having a tight handle on expenses versus sales is important. Also, understanding how fast sales are growing and how fast expenses are growing ahead of time is extremely helpful. You will be caught occasionally with seriously underbid situations where you don’t

see making any money on a project you just started. Climb all over opportunities to recoup and find a way to avoid getting these kinds of jobs. As a CEO, I would coach all of my people on these areas. Even more, I would ask them the same question I’m answering here, and guess what? They will have much better answers than I do! ☑

Living to the Maxim

Everyone has heard the expression “what gets measured gets done,” Kramers says. The goal is to equip managers with the tools for bringing this maxim to life.

- 1) Set meaningful goals with your people, not for them
- 2) Communicate continually about goals and progress while building trust within the organization
- 3) Track or measure the right things in the right increments (key indicators) and then redirect the company’s course with everyone’s involvement. Sometimes this last step simply means telling the story to customers in such a way that they give you more business.



Source: www.ceotools.com



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