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Diagnosis Critical to Solution

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Although 85% of the top 1000 companies in North America have downsized, studies show that from 1/2 to 2/3 of these companies still do not achieve satisfactory results. And over 90% of manufacturing and service companies have some form of quality improvement program, yet 2 out of every 3 fail to meet expectations. How come?

Poor implementation is a major reason. Many businesses have enormous difficulty breaking away from the status quo to institute better business practices or a change in direction. But I believe it's just as likely that the failure is because of inadequate problem diagnosis - the solutions weren't appropriate. I've seen extensive supervisory training programs instituted when the real problem was the lack of management skill at the executive level; expensive sales training given to already very good salespeople when the real problem was the merchandise buyer's incompetence; and forced employee terminations when the real culprit was a lack of adequate control procedures.

The real causes of business problems can range from the simple to the highly complex. And although diagnosing problems ought to be a skill required of management, often management, in particular the owner/operator, is too close to the problems to be objective, especially company-wide management problems. But some business owners, proactive by nature, tend to look for fast solutions, without due regard for adequate diagnosis, and as a result fall prey to "feel good" seminars, the latest fads, quick fixes, marketing propaganda and zealous salespeople offering peace of mind.

In themselves, these fads or panacea programs may be excellent for resolving the problems they were designed for. But prescribing generalized solutions without thoroughly understanding your true needs is dangerous. Your business is surely too complex for you to be able to take the generic, impersonal advice dispensed from trade journals, textbooks, newspapers or gurus. The ideas they contain may be enlightening, but no-one should prescribe without first diagnosing.

You'd be further ahead if you spent more of your time and money properly diagnosing your business problems and less on implementing fast solutions. If quality is inconsistent, ask why! The real cause may be simpler than you think. If there's poor teamwork, investigate the causes first, don't just make everybody climb mountains or go white water rafting. The underlying cause of poor teamwork may remain and the problem will continue.

Who diagnoses your business problems is also an important consideration. Is this person qualified and objective? Figuring out the cause of business problems is a highly skilled activity and should command an appropriate fee. Be extraordinarily cautious about free diagnostic services from a salesperson.

Many questionable sales techniques and survey tools can rationalize your need for any product or service. As in health care, seeking more than one diagnostic opinion is often prudent and can avoid unnecessary expense, trauma and irreversible damage to your business.