

The 6-Ss of Organization: An Updated Model for BSCs

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In the 1970s, the McKinsey & Co. consulting firm came up with the “7-S model” that all organizations must understand in order to succeed and bring about change. The seven factors – style, systems, staff, structure, strategy, shared vision and skills – must be dealt with as an integrated architecture, as changing one affects the others.

That model was on the right track, but perhaps McKinsey could be updated for the cleaning industry for 2002 and beyond with the following “6-S” model.

Structure

There is a lot more to corporate structure than neatly arranging boxes on an

organizational chart. The degree of interdependence among sales, operations, supplies and billing, for example, requires backing up a two dimensional chart with clear roles, accountabilities and performance expectations. When not spelled out, major problems may arise.

For example, a California-based BSC was experiencing problems around its sales, start-ups and operations. Each department reported to different people and didn't communicate or follow through with each other.

The company, with consultant assistance, changed the structure to a more team-based format, pairing the sales, start-up and operations staffs who would be delivering services together into their own team. Each integrated team would be responsible for customer management, beginning with selling, through starting, cleaning and servicing. This model minimized barriers, ruffled far fewer feathers, and made jobs increasingly profitable as all had a stake in it.

Systems

If organization structure is the way that companies are vertically organized, then systems (work processes) are the way that companies are horizontally organized.

For instance, trying to ensure that Cedar Rapids, Iowa-based Diamond Shine Cleaning had sound, consistent processes, CEO Jason Cox took a process improvement approach to business, and created a flow chart of his company's key process.

“I had a feeling that we were engaged in many redundant and inconsistent activities being spread out over a wide geographic area,” Cox remarks.

It took about a year for Cox to diagram his entire operation, ranging from office procedures to accounting to actual cleaning processes. When complete, the company saw redundancies and inefficiencies everywhere. Diagramming them allowed management to focus attention on areas that needed change.

Strategy

Building service contractors often miss the mark by focusing their strategy exclusively on new business development. Yet, they often forget that the company's future also includes an internal component.

In 2000, a \$10 million company in the Midwest set its 18 month growth target at revenues of \$15 million – and it reached that goal with the singular strategy of hiring two salespeople to extend geographic reach.

Yet, all was not peachy. Company administration and operations staff were overwhelmed. Billing errors, questionable cleaning and apologies ensued. The customer turnover was dramatic, with the briefly reached \$15 million dollar target shrinking to less than \$12 million within two quarters.

Any strategy must involve more than simply generating new business – it must keep the old.

Self-Reflection

Know thyself – it is a well-worn management and personal growth mantra worth revisiting. What often-times are an entrepreneur's initial strengths, frequently become that person's downfall. But people rarely take the time to reflect on that possibility and compensate for it.

For example, an owner possessing great sales skills can't devote as much time to it as the business grows, and because he once had time, no new salespeople are hired; sales ironically becomes the weak sister because the executive won't let go.

Succession

Another aspect of understanding personal limitations is recognizing that a single executive, no matter how talented, cannot run

the business alone. That concept holds for the present business as well as planning for the company's future.

Mike Diamond, president and CEO of Premier Services, Milford, Conn., knows about succession from being groomed as his father, Al's successor.

"I learned that people just don't show up ready for their next role, there needs to be a conscientious effort to grow successors for all company roles," Diamond says. "Today, there is an identified replacement for every site and area manager in Premier, coupled with a development path and associated training. We now have a pretty strong bench."

Shared Values

BSC executives should identify the core values which they want perpetuated throughout the company, and should communicate and model them consistently.

For instance, Richard Fowler, owner of Greensboro, N.C. – based Sunstates Maintenance, practices what he preaches about good customer service. He often will spend an entire day's travel to visit a remote Texas client, or a customer in rural Kansas, if they request it. Consider the message to the organization when the owner and CEO of a \$50 million company responds to a customer need so rapidly. Richard lives that value – so does his staff.

What BSCs must remember is that focusing on the six factors which can shape their business is an ongoing process, that can shift as they and their companies grow. And, while being strong in one of these areas can improve business, contractors must address all six to effectively run their companies.