



## Management Augmentation: A Quick Solution When Measurable Results are Required

There are as many reasons why companies struggle as there are consultants. When EBITDA performance is underperforming it is imperative that quick, decisive action towards a sound solution be implemented and adopted.

Research shows that 70% of revenue or executive capability challenges fail to hit their targets because of poor process implementation including failure to achieve constituency alignment at the board, management, employee, and supplier/partner levels.

Management Augmentation helps middle-market companies:

- ✓ Stem near-term operating waste;
- ✓ Address workforce, capability, resource, and capital imbalances;
- ✓ Move swiftly toward a sound solution; and
- ✓ Recover from externally and internally imposed pressures.

Management Augmentation is like a basketball game, even Shaq needs a point guard. As each player excels in their role the team reaches peak performance and the game, i.e. results, are won. Your business works much the same way.

As you address every capability area of your business and point it toward the overall goal(s) you want to achieve, the big picture – and bottom line – is aligned and productive.

solving the value equation





## ***Not sure if your firm needs Management Augmentation?***

Take this short questionnaire:

### **Management Capabilities Checklist**

- Is operational performance in the top quartile?
- Does each member of the executive team as well as all function/department heads and key managers perform at an 'A' or 'B Player' level?
- Does your organization administer and regularly achieve corporate targets based on forecasting?
- Are the business processes scalable for exponential growth (i.e. can revenue-per-employee be increased by 1.5 to 2X)?
- Does each department and/or function utilize a dashboard of eight to twelve metrics for?
- Do you have the functional support (in-house or outsourced relationships) that is needed at each position?
- Have onboarding, training, and leadership programs been implemented?
- Is the business model "branded" in your sector?
- Have exit opportunities and strategic alternatives been identified and created?

### **Tactical & Operational Checklist**

- Do you know to what effect customer satisfaction leads to referrals and cross sell opportunities?
- Does each team member from the executive team to front-line staff have a clear "definition of success"?
- Does the business have monthly, quarterly and annual corporate targets broken down to daily activity metrics for each location, department, and team member?
- Do you regularly identify classes of performers?
- Are IT/MIS and HR both contributing to the strategy and financial performance of the business?

### **Financial Engine Checklist**

- Does the capital structure motivate management and employees?
- Does the capital structure support the long-term strategy of the company? (Versus settling for "good for now")

For each checkbox checked YES above add 5 points. (Maximum score is 100 points.)

**Total Score:** \_\_\_\_\_

**Anything below an A highlights the room for improvement.**





## Management Augmentation Standard Operating Procedures (Best Practices)

1. Assess people capabilities against performance goals
2. Assess internal capabilities: process, system (software, technology, and tools),
3. Assess external opportunities and threats
4. Change management towards constituency alignment
5. Collaboratively create roadmap of action items with RRM (Roles, Responsibilities, and Measurements)

**“I’ve found that businesses almost always have a fundamental strategic issue on top of whatever operational or financial problems they have identified. Solving the underlying barriers to value creation can be a real challenge with the wrong tools.”**

–Garry Meier, Investor Webinar Fall 2007.

### Management Mistakes

- ☐ Only 1 in 5 firms measure their return on investment of marketing and sales dollars.
- ☐ 50% firms do not use budgets or forecasts to help manage their business.
- ☐ 32% do not have specific metrics in place to monitor performance on a daily or weekly basis.
- ☐ 11% regularly monitor non-financial indicators, such as customer retention or employee turnover to further evaluate business performance.
- ☐ 60% indicate employee productivity is critically important but less than 12 % have measurement and programs in place to manage.
- ☐ More than 80 percent of small businesses outsource some component of their business—from IT to payroll and tax accounting—to save time, reduce costs and improve performance.

