

# Management by Actions

## Marketing Management Program at Reynolds Metals Company

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In Reynolds Metals Company, as in most companies, the men bearing the title of manager who operate in the marketing area tend to become less and less a manager and more and more an administrator. If this tendency is created because of the varying managerial responsibilities which are controlled by the level of management then it is for the most part an acceptable condition.

### Need

The rub comes, however, when this condition erodes the basic functioning of first-level management. By first level is meant the manager who is directly responsible for the supervision of a sales representative's activity. In Reynolds, his title is Division Manager. He usually has from 5 to 15 salesmen under his direction. It is this person who too frequently finds himself overconcerned with administrative details, such as order proce-

dures, credit problems, delivery problems, pricing, etc. Very little of his time is devoted to the actual managing of his salesmen's activities.

Over the years, this trend away from the basics of the job—managing people—to these other responsibilities and distractions had, in our case, grown to almost disabling proportions. There was strong need to get our management people back to performing the management function.

There is one other phase of our problem which gives meaning and understanding to the actions we took. Basically, we operate three marketing organizations. Each of these marketing groups employs the same basic managerial and sales techniques, yet their operations are of necessity quite different.

We decided that emphasis should be put on similarities of responsibility and not on differences. Furthermore we felt there would be much to gain

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from cross-pollination of managerial experiences. Therefore, our program, thoughtfully titled MAP—"Managerial Actions Program"—was limited to 20 men at a time, coming from all three major marketing groups and from each of the seven geographical areas. The program was held at our executive headquarters in Richmond, Virginia to provide maximum contact with our top executive group. Seventy-three people participated in the Division Managers MAP programs, four programs of about 18 each.

### **The Plan**

We gave much thought and consideration to the best way to get a practicing manager back on track so far as performing his "management actions" was concerned. As a result, we deliberately chose the title, Managerial Actions Program, to emphasize that we were not going to be discussing new products, competition, pricing problems, etc., but were going to devote the entire program to the areas of actions which should be the constant practice of an effective manager. Three actions areas were specifically identified:

1. Managing The Sales Function
2. Managing The Salesman
3. Management of Self

These were then summarized and sampled by a fourth phase, "Applying Managerial Actions By Role Playing."

We identified specifically each of the major management functions of planning, organizing and coordinating. Each of these, in turn, was broken down into specific actions that must be taken for plans to become realities. The second area, Managing The Salesman, was likewise broken down into motivation, training and developing, counseling, personnel policies and procedures, and problem solving. And, again, each of these was identified by

specific action sub-heads relating constantly to what a manager must DO. The third area, Management of Self, involved time management and self management. The fourth area, Applying Managerial Actions, was the climax of the six-day program. For five days the actions described were studied in depth with skill development constantly emphasized. Skill development included the employment of many audio tape recorders and a video tape recorder. Friday afternoon the men were instructed in the operation of a computerized business game to be held Saturday morning and afternoon. The group was organized into three companies and told that Friday evening should be spent in preparing for the next day's activities.

The program was concluded with an Honor Banquet on Saturday evening, at which time members of top management joined the participants and certificates of satisfactory completion were presented.

### **Personnel and Procedure**

To give a better understanding of how the program was put into action, we are furnishing a copy of the actual time schedule. We had excellent top executive participation. The President discussed Corporate Objectives. The Treasurer reviewed the areas of Return-On-Investment and Profit Goals. Effective forecasting of sales volume was led by the Vice President for Regional Sales. The Vice Presidents for each of our major marketing areas counselled on Programing for Achievement of Objectives. The head of Budget and Expense Control dealt with activities involved in those areas. The Personnel Department actually held role playing workshops on recruiting and interviewing. Ways of coordinating action with our various technical services and staff groups were ex-

plored by the heads of each of those groups.

An entire morning was devoted to putting emphasis on understanding one's self. This included completing a personal profile which generated much interest and discussion. One of the more effective areas involved a technique developed by the University of Chicago's Industrial Relations Center, whereby each manager arranged, in order of importance, 122 cards, each bearing an individual job element. By so doing, he identified his concept of his job responsibilities as he viewed them.

Besides the Honor Banquet, special luncheons were held to give participants the opportunity for informal discussions with members of top management. Each MAP group had two special speakers: one of our top field sales managers (the next level in the organization) and a Regional General Sales Manager (the top level of field management). Each talked on a subject of his own choice. These talks proved to be so excellent that they have since been reproduced and distributed to all of our management people.

### **Mechanics of the Program**

One thing that we wanted to be sure to avoid was any appearance of criticism of the men's past performance. Rather we were looking to the future and to the opportunities for improvement. We were emphasizing our pride in their performance to date but equally emphasizing their potential. It was a quality effort from start to finish.

The program was held in the Board of Directors room whose "sacred precincts" are seldom made available. Each participant was given an attractive portfolio imprinted with the owner's name in gold. The notebook

was plastic bound, with the pages assembled by days and sequenced within each day. There was a separate page with each speaker's name and topic. The pages were tabbed by days by indentation at the bottom. The certificate of satisfactory completion and a group photograph were mounted on a die cut mat, protected by a coating of shrink film which made a very attractive memento.

### **Results**

The first of these programs was held in February of 1966, therefore we have had ample time for a thoughtful evaluation of this management development effort. The reactions astounded us. If some of the many letters that were received by Sales Training and various home office executives were quoted it would almost look like a super-apple polishing job. The men reported that they got great value from the program; their superiors reported that the bearing and attitude of the men on their return to the field was almost indescribably better. These men evidently had been strengthened in terms of their self-respect as well as their managerial talents.

However, there was one very common complaint. Almost to a man there was an insistent suggestion that their bosses should have a similar opportunity. As a result, basically similar programs with emphasis upon managerial actions were conducted for 37 Regional Sales Managers in October and November of 1966. Here again the results were highly satisfactory. The differences in the two programs were that, with the Regional Sales Managers, we emphasized their special types of managerial actions and provided more contact with top level executives. The Regional Sales Managers participated in a job ele-

ment study too, both of their job and of the Division Manager's job. A really enthusiastic and highly competitive last day's activity occurred when the computerized business game was conducted.

### Summary

In summary, it was felt and expressed by Regional General Management, as well as home office top executives, that focusing the program on improvement in managerial actions

was sound and effective. The individual participants freely stated their feelings of growth. The recognition of their importance as a key to successful field sales operations was also frequently mentioned. Perhaps the best criteria of all were the comments of numerous salesmen who expressed themselves about their manager's enthusiasm for the program. For the results to be felt by the salesman was considered a real hallmark of accomplishment.

## Managerial Actions Program

### Actions Area No. 1—Managing The Sales Function

#### A. Planning Actions

1. Defining Objectives and Goals
  - a.) Corporate Objectives
    - (1.) Return-on-Investment and Profit Goals
    - (2.) Volume and Share of Markets Objectives
  - b.) Forecasting by the Divisional Sales Manager
2. Programming for Achievement of Objectives
  - a.) Identifying Obstacles and Defining Solutions
    - (1.) Maximizing the Effectiveness of Market Programs
      - (a.) Specialized Divisional Programs
    - (2.) Controlling the Programs
      - (a.) Evaluating
      - (b.) Alternative Action Courses
  3. Planning Your Budget and Expense Control Activities

#### B. Organizing Actions

1. Organization Charts
2. Recruiting—Sources and Methods
3. Selection
  - a.) Testing
  - b.) Physical Exam
  - c.) Employment Interview
  - d.) Security Investigation
  - e.) Reference Check

#### C. Co-ordinating for Action

1. Advertising
2. Product Group
3. Engineering Services
4. T.C.E.—Supporting Functions
  - a.) Market Research
  - b.) Sales Training
  - c.) Production
  - d.) Styling & Design
  - e.) Administrative Management

July 1968

Actions Area No. 2—Managing The Salesman

A. Motivation

1. Basic Psychology
  - a.) Identifying and Understanding Individual Needs
    - (1.) Physiological
    - (2.) Psychological
2. Compensation
  - a.) Financial
    - (1.) Salary Structure
    - (2.) Merit Increase
    - (3.) Incentive Plans
    - (4.) Benefits and Security Programs
      - (a.) Group Insurance
      - (b.) Extended Medical Coverage
      - (c.) Long Term Disability
      - (d.) Accident Insurance
      - (e.) Retirement Program
      - (f.) Vacation and Leave
      - (g.) Service Awards
      - (h.) School Tuition
      - (i.) Moving Allowances
      - (j.) Company Car
  - b.) Non-Financial

B. Training and Developing The Salesmen

1. Initial Inside Training
2. Initial Field Training
3. Continuing Development
  - a.) Curb Conference
  - b.) Sales Meetings
  - c.) Organizations and Publications
  - d.) Refresher Programs

C. Counseling

1. Listening and Questioning

D. Personnel Policies and Procedures

1. Employee Evaluation
2. Non-Discrimination Policy
3. Assignment and Training of H-139
4. Employee Transfers
  - a.) Mechanics
  - b.) Guaranteed House Pay Plan
  - c.) Moving Allowance

E. Creative Problem Solving for Managerial Actions

Actions Area No. 3—Management of Self

A. Time Management

B. Self-Development Planning

1. Knowledge
  - a.) Products
  - b.) Company
  - c.) Industry
2. Skills
3. Setting Personal Goals

Actions Area No. 4—Applying Managerial Actions

A. Computer Business Game

