

Consultant: The CEO's Friend[©]

by Philip B. Crosby

Several hundred years ago it was possible for a person to know and understand all of the knowledge that existed in the world. When someone graduated from college they could be said to be truly educated. Today the half life of the college education is about five years, and even the most devout egomaniac would not pretend to know all there is to know. They are proud just to be able to look it up.

Because of this limitation people position themselves for a career in a specific area of work, develop expertise on appropriate subjects, and join an organization. Thus they become as "types" in marketing, personnel, quality, engineering, sales, operations, catering, accounting, finance, and such. There are an endless number of functions involved in running an organization.

At the top of the endless chart is the Chief Executive, the only job that is not learned from the bottom up. CEO's are expected to spring full grown from the head of the Board of Directors.

The new CEO soon discovers that the job entails knowing everything about everything. A long line of people come bearing programs and actions each of which will result in saving or making the company tons of money. One CEO told me that he had been offered the combined opportunity, in only one week, of saving more money than was actually being spent.

As the job of actually running the organization emerges the CEO finds that the people who are well founded in each functional area are the ones who seem to cause the problems. Those responsible for inventory preside over a confused and out of date system; the quality people run a system that classifies defects rather than prevents them; personnel irritates the employees on a consistent basis; finance keeps neat records of overspending and so on.

When improvement is demanded the answer is a request for more people and resources. The CEO does not know specifically what to direct in each area because the data base is unclear, and management thinks the fault lies elsewhere. Actions taken for the purpose of taking action send a negative message and soon executives are in disagreement.

At this point the CEO needs a friend who has the knowledge necessary to understand functional situations and to ferret out the data required for clarification. This friend must be able to approach corrective action recommendations with a clear and subjective mind. There must be no bias built in to "protect turf". What happens has to be best for the company.

The consulting firm that has earned the right to be the CEO's friend is one that has proven its ability to identify root causes, offer practical solutions, and assist the company in implementing them. It must also be able to show that it is capable of assisting the company in accomplishing a long term cultural change. What was once a reactive company must become a preventative organization.