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## Are You Making Best Use of Management Tools?

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If you are not making the best use of management tools, chances are you don't: know about them; don't understand their full applicability; and/or have not actually used them as they are intended. It is difficult to understand the real value of management tools. In the challenging environment of small not-for-profit organizations, with limited resources, it's tough to keep up with new management tools and improvements to existing ones.

Since the turn of the century there has been an explosion of management tools. The term "management tool" now encompasses a broad spectrum of approaches to management: simple planning software; complex organizational designs; or, revised philosophies of the business world. At times, these tools may offer conflicting advice. One tool may call for a business to keep all of its customers while another will encourage the business to focus only on those that are most profitable.

All of these management tools have one thing in common - they promise to make those who use them more successful. As many managers who have used these tools can attest, however, it is often much harder to implement these tools than those who developed them suggest. As well, many tools are simply not suitable in certain situations.

A tool required and applied by one organization may not necessarily produce the same results for other similar organizations. In fact, it is possible to have departments or programs in the same organization employing different tools.

One tool may be helpful in implementing strategy. Another tool may be helpful with the development of strategy. The key to success is to apply the right tool to the right job. No one tool is the "be all and end all" for managers. To figure out which tools should be used, managers must understand what these tools are about, how they can help their organization, and when they should be used.

Managers don't need to completely understand how all the tools work. However, understanding what's available and how these tools can help their not-for-profit organization certainly puts one at an advantage. This is, indeed, a difficult task since there are so many tools to choose from and very little objective data to help an individual determine if these tools are producing the desired results.

Figuring out which tool to use can be a manager's biggest challenge. Keeping up with these tools can be an overwhelming task. What is a manager to do? If information on a tool hits your “radar screen” through exposure in magazines, websites or conference programs, obtaining additional information to help you understand the tool would be the logical first step.

### Exploring the Tools

Managers should be aware of the following before selecting and using any management tool:

**Get the facts:** Every tool carries a set of strengths and weaknesses. Success requires an understanding of the full effects – and side effects – of each tool. Then, the right tool must be creatively employed in the right way at the right time. Research. Talk to other tool users. Don't naively accept hyperbole and simplistic solutions.

**Champion enduring strategies, not fleeting fads:** Managers who promote fleeting fads undermine the confidence of employees and their ability to create needed change. Their programs are greeted with increasing scepticism. Not-for-profit organizations would be better served by championing realistic and strategic directions, while regarding the specific tools and techniques for achieving them as expendable implements.

**Choose the best tools for the job:** Managers need a rational system for selecting, implementing, and integrating the tools and techniques appropriate for their organizations. A management tool will only improve results to the extent that it:

- Discovers unmet member needs;
- Builds distinctive capabilities;
- Exploits competitor/market vulnerabilities; and
- Develops breakthrough strategies by effectively integrating these accomplishments.

### List of Management Tools

Numerous management tools and techniques are available to managers. The following is a list of some of the tools available:

Activity Based Costing	Just In-Time	Reengineering
Activity Based Management	Knowledge Management	Risk Management
Affinity Diagrams	Life Cycle Analysis	Scenario Planning
Balanced Scorecard	Learning Organizations	Six Sigma
Benchmarking	Loyalty Management	Self-Directed Teams
Best Practices	Management by Objectives	Strategic Alliances
Customer Satisfaction Measures	Matrix Data Diagrams	Strategic Management
Customer Relationship Management	Mission and Vision Statements	Strategic Planning
Core Competencies	Nominal Group Technique	Service Guarantees
Continuous Improvement	Organizational Values	Total Quality Management
Cause-Related Diagrams	Outsourcing	Value Chain Analysis
Cycle Time Reduction	Pay-for-Performance	Virtual Teams
Customer Segmentation	Process Design Programme Chart	Visioning
Data Mining and Social Media	Quality Circles	Zero-Based Budgets

If an organization is looking to improve member/client/customer satisfaction they may use: Customer Relationship Management; Total Quality Management; Customer Segmentation; and Customer Satisfaction Measures.

To improve performance capabilities you may use: Strategic Planning; Strategic Management; Balanced Scorecard; Core Competencies and Benchmarking.

To improve financial results, effective tools include: Cycle Time Reduction; Activity Based Costing; Shared Services; and Zero-Based Budgets.

The most frequently used tool in not-for profits is strategic planning. The policy deployment tool helps organizations remain true to their purpose and focus strategic planning processes on the building of resources and capabilities. This doesn't mean that organizations can abandon setting goals and objectives, or linking their strategy to performance measures. What it does mean is they have to change the basis of their goals, objectives and measures. The focus would move toward measuring activities and capabilities and away from simply measuring outcomes.

Management tools such as strategic planning will help to minimize cost, increase revenues, improve productivity, increase member satisfaction, improve morale, increase voice and improve an organization's image and awareness.

**Some of the barriers to using management tools are:**

- Staff without a business background or education may lack knowledge as to what management tools should be used for what situation.
- Staff with a business background or business education may have not kept up-to-date on the development of management tools.
- Basic training may not be provided to all key stakeholders involved in using a specific management tool.
- Volunteer leaders may be involved in micro-managing. They may have limited knowledge about management tools and may try to apply tools that are not appropriate for the situation.
- Tools may not be used as intended, and ongoing improvements may not be made (i.e. strategic planning sessions should not be facilitated by the Chair of the Board or the Chief Staff Officer).
- Staff and volunteers may think that management tools are only for the private sector and are not applicable or adaptable to charities and other not-for-profits.
- There may be a Founder's Syndrome where efforts occur to prevent changes beyond the original model which is perceived as successful from a historical perspective.
- Staff may have the knowledge but the Chief Staff Officer may not understand or see the value.
- Some volunteers and staff may assume they know what everyone is thinking and may see the use of management tools as a waste of time
- It may be difficult to find the time to develop competencies related to specific tools and a one-time implementation.
- Boards may understand the value of management tools but may not provide the policy direction to improve the use of tools.
- Workloads increase with success and making improvements may be difficult to achieve when the organization is succeeding.

None of these barriers are insurmountable. They do, however, require extensive work and time to overcome. Some of the barriers can be overcome by:

- Providing education for staff and board members;
- Recruiting staff and board members with understanding and experience in the use of key management tools required by the organization;
- Developing a policy for strategic planning or an overall strategic management model to support the use of a planning tool. The planning tool will lead to the use of other tools;

- Using benchmarking to help overcome disbelief and understanding of why tools need to be used;
- Using progress reports, including flow charts, to increase accountability and focus on performance indicators. This helps to track and identify opportunities for change/improvement;
- Using technology to engage in virtual activities;
- Arranging for resources;
- Establishing priorities and blocking time to make improvements;
- Outsourcing to obtain the competencies to help implement and develop;
- Linking staff performance reviews to the use of management tools;
- Adding one tool at a time and quickly demonstrating its effectiveness, rather than trying to implement a lot of tools at one time.

Some of the practices that are considered to be effective in developing and maintaining the use of management tools are:

- Developing and growing a culture of continuous improvement;
- Staff buy-in;
- Staff leadership;
- Linking the various tools to the decision-making process used by the organization and providing related board and staff orientation on how decisions are made on a regular basis.

Not-for-profits have to adapt and determine which management tools will help them grow and improve their organizational effectiveness. If they do not, they will most likely move backward rather than forward.

The Certified Association Executive Program provides insight into a variety of management tools. It also provides participants with an opportunity to engage in the practical application of several tools. Participants in the program report that that the tools they utilized most are Strategic Planning, Strategic Alliances, Benchmarking, Best Practices, Risk Management and Customer Relationship Management. Interest is developing in Strategic Management, Knowledge Management, Shared Services and the use of quality related diagrams and charts. It is not unusual to read a posting in the program discussion area about how participants plan to engage in continuing education activities to obtain an in-depth understanding and application of additional management tools once they become Certified Association Executives.

What tools are being used in your organization? What tools are required? What is feasible in terms of expanding your organization's toolkit and its performance? These are important questions that may lead to renewal of your organization.

*This column features innovation and practical solutions applied to challenges, trends, issue and opportunities for the association community. Column editor Jim Pealow, MBA, CPA, CMA, CAE, CMC is a consultant and has served as the Lead Author/Instructor/Coach for the Canadian Society of Association Executives Certified Association Executive (CAE) Program for seventeen years. He can be reached at [jim@amces.com](mailto:jim@amces.com).*