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NEW DYNAMIC APPROACHES TO MANAGEMENT DEVELOPMENT

by

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This paper is on the one hand a plea for new dialogue among this group and other industry bodies to deal with this important issue and on the other hand to stimulate some possible directions we might pursue.

The title of this presentation is appropriate for two reasons; 1) the food industry needs to develop and use new dynamic approaches to Management Development, and 2) we at C.M.I. have been exploring five key areas of management development in the last two years. There are several reasons why we have persued these areas.

The seventies are more than another decade for the food industry. They mark a transition point in nearly every strata of our business, at which new demands are imposed and new opportunities are created. We must prepare food industry management for these new demands and opportunities.

Phillip Marvin writes in his book "Multiplying Management Effectiveness", "Times change and managers must change with the times. New technology introduces new ways of coping with business problems but rarely replace the basics that have always been important to managers." We in the food industry have not helped many of our management people understand these basics, let alone the new technologies.

The book, "Things to Come" by Kahn and Briggs deals with an issue that calls for a major thrust from the food industry in management development. "They describe the growing problem of educated incapacity, an acquired or learned ability to see a problem, much less a solution.... when a problem lies outside the accepted framework." As we look at things to come, we cannot afford this incapacity and the industry must have sharp problem solvers and sensitive people managers.

A third reason for new dynamic approaches to management development has been expressed by Gordon Lippitt in his book, "Organization Renewal", "At a time when many of man's organizations are faced with dissensions, stress, turnover, strikes, and conflict....the organization that will remain viable, creative, and relevant must engage in the process of search that the renewal effort involves." It's time for our industry to make an honest critique of our people development.

These three major dimensions in today's changing environment, coupled with a careful analysis of the work force in our industry from manufacturer to supermarket, demanded that we take a fresh look for new approaches to management development. We must make

greater commitments to the execution of sound, realistic management development programs.

We need to take into consideration the management sophistication that is and will be demanded of food industry management with the influx of more and more management information.

As we analyze the education and professional dimensions of a cross section of our industry, we find a number of knowledge and skill gaps. Our industry is at the organization development stage when we must be more sensitive to the performance gaps that are due to lack of training and development.

We at C.M.I. have identified five major need areas in the food industry where we are placing new priorities in the design and development of management training programs. These five areas are: manufacturer, product group and brand managers; a second group is the sales and marketing forces of manufacturers, or their broker representatives; another group, where responsibility and authority is often given with little preparation is the store supervisor, or retail counselor, or zone manager; the group within our industry that is receiving increased attention for their development, as stores have grown larger, is store managers; the fifth group where, in our research, a great many deficiencies were revealed was in the buyers of most organizations.

We can detail the specific management development need areas in each of these five areas of our industry, if time permits. Let me show one specific example of how we approach a project.

The C.M.I. staff works with clients at the manufacturing dimension of our

business, as well as the distribution center and supermarket. A major food manufacturer came to us and said, "We have brand and product group managers who do not understand our industry." After their explanation of the needs, we felt it important that more research would be helpful in identifying the real need.

In this project we interviewed a cross-section of the company, from Vice President to Assistant Brand Managers. We discovered three things; a) a complete lack of knowledge in several areas, b) some misinformation in certain areas; and c) good information in other areas.

In cooperation with the consulting committee of the company, we established our objectives based on the needs identified. The objective centered around six topic areas:

1. The distribution center, buying/merchandising process.
2. The advertising/promotional decision process.
3. The merchandising/pricing decision process.
4. The role played by the retail counselor/supervisor in the food distribution process.
5. The supermarket manager buying and merchandising decision process.
6. To examine the marketing strategy implications of these processes and relationships for the food manufacturer-processor and related organizations.

Before designing the program we visited 27 chain, voluntary, coop., and independent companies to determine

their programs, policies and procedures in each of these areas. From this research we were able to determine many differences and similarities.

People learn best, usually, in the real world. It would be impossible for the managers to spend the necessary time in these areas to gain understanding, so the decision was made to simulate the "real world." In a condensed version, each of the six areas were simulated in four to five hour modules.

To create the simulation, real-life video tapes were made of actual situations. Nothing was staged. Video tapes were made in organizations for each of the six areas.

Other resources used to simulate were written case studies, audio tapes, in-baskets, role play, team and individual exercises, and decisions were made in a competitive environment.

Since we were involving brand managers who understood and fought daily for share of market, each group began the four-day session with a share of market that would change six times during the four days, based upon their individual and team decisions, along with their rational.

Our experiences over the last eighteen months have affirmed our approach to create simulated environments for learning. The results have been measured.

1. New information acquired.
2. New experiences gained.
3. Aware of new dimensions of business where communication would enhance the success of new items and promotions that come from the company.

4. Materials for the trade are now being designed differently to maximize the results.

The ten minutes will not permit my explaining the store manager development program, nor the new store manager training program, nor the other three dimensions of our industry that have received our priorities. If you want more information on what we are doing in the other areas, we will be pleased to share them.

In conclusion, the words of William Faulkner seem appropriate, "What's wrong with the world is - it's not finished yet. It is not completed to the point where man can put his signature to the job and say, 'It is finished, we made it, and it works'."

We are saying we have only begun to explore the ways and methods to new dynamic approaches to management development. Explore we must. People who work in our industry have too much at stake for us not to make continuous progress in developing new concepts to management development.

We can find them...we can make them work...but, we are a long way from being finished.
