



## Common Sense Management™

### **The simple, practical method for managing your business**

Common Sense Management™ is rigorously defined as the implementation of native good judgment to the management process. Simply stated, it is the effective utilization of resources to achieve business objectives.

Thousands of books and millions of articles have been written about how to successfully manage a business. Yet despite all the hoopla, the new insights, academic research, complex management theories, current business trends, or the “in vogue” management approach; the basic fact is that the management of a business is not nearly as complicated as one might think. It all boils down to Common Sense Management™.

On the surface, it appears to be an uncomplicated and completely logical approach to business management. Most people would agree, it’s so obvious, doesn’t every person in a management position apply Common Sense Management™. The answer is a resounding – NO!

### **What do we mean by Common Sense Management™?**

The application of our “inherent” common sense to the management process. Simply stated, it is effective utilization of resources! We may refer to it as common sense; however, common sense is not very common.

Dictionaries define “common sense” as:

“Sound practical judgment” ..... Webster’s New World Dictionary

“Native good judgment” .....The American Heritage Dictionary

Clearly then, common sense involves rational thought and objective decision-making.

Now let’s examine the word “management”

“The act, art or manner of managing, handling, controlling, directing, etc....

..... Webster’s New World Dictionary

“The act, manner or practice of managing, supervising or controlling .....

..... The American Heritage Dictionary

Management then involves action; directing and controlling the operation to achieve results.

When the results obtained don’t satisfy the goals, change is required!



One of the problems is that all too often management gets comfortable with doing things by the book. Basically, they have been programmed to adhere to corporate policies and regulations. This way they can't be accused of using bad judgment, the antithesis of Common Sense Management™. As a result they use no judgment at all, which is just as bad, if not worse.

Let's explore an every day **public life** example to which we can all relate. Due to circumstances beyond our control, weather and/or air traffic control delays, we find ourselves driving home from the airport at 3:00 AM.

As we approach our neighborhood, we drive up a lightly traveled side street and arrive at a deserted intersection just as the traffic light turns red. We have a very clear view of the roadway and there isn't anyone in sight in any direction – not in front of us, not to the left of us, not to the right of us, and not even behind us. We have been stopped at this intersection a million times before and realize that this is an extremely long light. It will remain red for the next several minutes.

What do we do?

Most of us will do what we have been conditioned to do. We will stop at the intersection and wait until the light turns green before we proceed. Common sense tells us that this is foolishness. It is perfectly safe to travel through the intersection.

The system of stopping on red and traveling on green has been established to insure a safe orderly flow of traffic at busy and/or congested intersections. We are required by law to rely on an electro-mechanical device rather than our own good judgment to determine if it is safe to proceed. The traffic light makes the "go" "no-go" decision for us, which certainly makes good sense during periods of high traffic volume, however, it makes no sense at all at 3:00 AM.

The consequence of adhering to the traffic light system in the middle of the night is merely that we arrive home a few minutes later than we otherwise would.

On the other hand although we might get a few minutes more sleep if we use our common sense and ignore the red light, we take the risk that a police officer may be hidden nearby. He will not only delay our arrival at home, and decrease our financial well being, he might also cause us to be forced to spend our valuable time attending a driver safety course. Although he is part of the department of public safety, he too has been conditioned by the system to abandon his common sense and to apply the rules rigidly regardless of the public safety.

Unlike the absolute rigidity of highway safety laws, used in the example above, corporate policies and regulations, are general guidelines on how we should respond in typical business situations. In business, there is no substitute for Common Sense.

Now let's explore a **business** example to which we can all relate.



Consider that you are presently employed as a Customer Service Representative for Midget-Widget Manufacturing, a company that produces a sophisticated high tech industrial product.

Midget-Widget prides itself on quality and provides a 120-day warranty. Its biggest competitor only offers a 30-day warranty and charges a fee for an extended warranty. Midget-Widget sales people promote the longer warranty as a selling feature and frequently win business as a result.

As a Customer Service Rep, you receive a variety of customer complaints and requests, such as; the Midget-Widget was damaged in shipment, they got something different than they ordered (wrong model, quantity, or color), they misplaced the products' instruction manual and need a duplicate, they spilled something on their Midget-Widget and now it operates intermittently, or a myriad of other issues. It's your responsibility to resolve these issues; amicably for the customer; and economically for the Company.

Today you receive a call from a customer who has had his Midget-Widget malfunction. He wants to send it back to Midget-Widget Manufacturing for warranty repair. You check and discover that he purchased it 135 days ago. You inform him that he can return the product for repair; however, there will be a service charge as the warranty has expired. The customer states that the product was not removed from its original packaging for 6 weeks and only then was it put in service. He expects Midget-Widget to honor their warranty.

Your supervisor is away on vacation and it's your call ..... what do you do?

Midget-Widget **corporate policies and regulations** clearly state the warranty is to be implemented as written. That means 120 days after the sale; the warranty is null and void. It would be easy for us to follow the rules and simply and firmly advise the customer that we are sorry but "policy is policy" – he has no choice but to pay the fee. How is he going to react? How is he going to feel about Midget-Widget? Where will he buy his next unit? Will he ever deal with Midget-Widget again?

Now let's consider applying **Common Sense Management™** to this situation. The customer bought his Midget-Widget 135 days ago. Midget-Widget prides itself on quality, which is why it offers a 120-day warranty. The customer says he had only used the product for 93 days before it malfunctioned. In any case, the products' performance is not indicative of the high quality standard for which Midget-Widget is known. The **Common Sense** solution is to honor the warranty, and satisfy the customer and live up to the company's' commitment to quality.

Of course the **Common Sense** solution is the right thing to do. Not only is it morally and ethically correct; it's a **good business decision**. The problem is that we have gotten comfortable with doing things by the book. We have been programmed to adhere to corporate policies and regulations, even at the expense of good business decisions.



Now that we understand what Common Sense Management™ is, and appreciate that properly applied it can be really effective, how can we learn to routinely use Common Sense Management™ techniques?

The most fundamental aspect of applying Common Sense Management™ learning to make Common Sense Management™ business decisions. The technique is a simple five stage process:

1. Define the problem – Be sure that the problem being addressed is the root problem and not just a symptom of it. Understand the real problem.
2. Establish Solution Objectives – What is the expected result of the right solution? What benefits should it provide?
3. Generate Alternative Solutions – What are all the various approaches that could be implemented to solve the problem?
4. Evaluate Alternatives and Select One – Evaluate alternatives using a systematic approach. Identify the one that best satisfies the objectives.
5. Implement, Monitor and Adjust – Implement the chosen solution and measure the actual result versus the objectives. Modify as required.

As simple as this process appears, there are two basic reasons that many managers don't apply these Common Sense Management™ techniques: emotional decision-making and resistance to change. Once these two issues are addressed, and Common Sense Management™ is routinely applied, you will be surprised at how easily you can achieve all your business objectives.

**For more information contact:**

**The Kenmarc Company**

190 Vermeer Drive • Langhorne, PA 19053

Phone 215-757-2688 • FAX 215-737-9058

Email: [ken@TheKenmarcCompany.com](mailto:ken@TheKenmarcCompany.com)

Common Sense Management™ is a trademark of the Kenmarc Company; all rights reserved.