

Good Management

In an increasingly globalized world, this makes more and more people, knowledge and businesses become more connected, making it increasingly important that there is good management to maximize the development of all these topics.

But how can we do this? To get this good management, first, we need to understand the goals we want to achieve. And in business, the most obvious answer is that the main goal is profit, which is not entirely correct, since profit, in practice, is just the human goal that often leads us to open a business, but that for the business itself, it acts only as a secondary objective, where the greatest interest is to generate value.

And believe me, profit and value are completely different things, so much so that many of the largest companies in the world still do not generate profit, and yet their market value is increasing more and more, examples like Uber in transport, Nubank (a Brazilian fintech that is now worth more than the second largest public bank in Brazil) in the banking sector, or even the giant Amazon, which took 6 years to start recording profits.

But then, having understood the business objectives, how did we achieve this good management? Much of the secret lies in specializing your business. It is necessary to know how to delegate functions and knowledge well, so that each member does not have to worry about every detail of the larger plan, and he can focus on what he studies more diligently and have knowledge, having greater chances of achieving the desired result, and innovating in his area of performance.

Therefore delegating, the magazine Harvard Business Review shows us that even good management tools can be harmful if not used in the right way.

A great example of that is the use of targets. In general, targets are used to incentive the employees, or sometimes even the clients, when you determine discounts if the consumer buys certain number of products. But when you create a target that in

practice induce your aimed audience to do an unexpected action, the “good management” can become a bad instrument.

If we take all the big companies in human history, we realize that they all have something in common when they reach the top: good management. At the same time, all of them when they stop being at the top, and sometimes even go bankrupt, they have the same point in common, which is bad management, or stagnant, which becomes obsolete and is overtaken by another company or more advanced business model.

In other way, almost all the firms agree with the apparently obvious idea that what ate the good management practices, like the data research and benchmarking for example, but as the HBR cites, most of the firms in various countries does not applies these practices.

Actually, it looks funny to think that firms, knowing what the best management practices are, would not use even the basic ideas of it. But it really happens a lot, and the biggest example we have today is probably the TV show “The Profit”, starring Marcus Lemonis.

On the show, entrepreneurs ask Marcus to help them improve their almost bankrupted firms. The contradiction is: when Marcus starts to see the problems of the firms and its causes, Marcus executes the business recovery he planned, but the entrepreneurs become angry and not receptable about it. The result is, the firm owners blame Marcus for trying to help, and refuses to accept Marcus’s business plan. Only in the end when they have no choice is when they become softer and accept the suggestions, which brings great results to the firms.

This brings us to another great point of good management: the marketing. If we analyze in depth, we can see that much of what we consume today did not arise because there was a clear demand from part of people, but because examples of good management created and anticipated solutions for our daily lives that before we could not even think it would be possible to exist, and today have become essential even for

good human development, such as computers, means of transport, energy innovations, among others.

Getting the Marcus Lemonis example again, we see in the “Grafton Furniture” episode that Marcus do not reinvented all the firm or did not changed the firm essence, but only changed the management of the enterprise, adopting less costs, creating a better margin, comparing with the competitors product, and attending the consumers demand.

Allied to that, with good marketing and good management, it is possible to better understand how ordinary people thinks, and even anticipating possible demands in society, whether in their local community, or even on the other side of the world, since good management has seen that a globalized world would be able to unite different peoples, cultures and economies that would be able to help each other more adequately than if we only had options close to us. That is, even if you have not necessarily created a new business model, simple good logistics management is enough to move forward infinitely in good management in various areas of activity worldwide.

So, we conclude that good management can be defined as: a way to create value, innovating the current model, and creating solutions, improvements, and models that help people and businesses to achieve their goals or make them more efficient, and in many cases, marketing can be your main ally tool.