



CASCADING THE MESSAGE

How to break down goals and empower employees to achieve them

By Erik Cassano

Satish Gupta says it all starts with communication. Your company goals, the basis for your culture and core values, the wide-ranging, big picture concepts that form the template for your business operations – all of it begins with simple, face-to-face communication.

At SB International Inc. – a steel pipe and tubing producer for the oil and gas industry that posted fiscal 2007 revenue of \$195 million – face-to-face communication starts with daily management meetings. In those meetings, Gupta, the founder, president and CEO, relays the messages he wants the managers at SB International to cascade throughout the organization. He then gives his managers the authority to communicate that message.

It's a system of developing a vision, informing others about how that vision will be reached and then giving others the ability to carry it out.

"My leadership style is a lot of delegation, as much as possible, and I try to give maximum power to my key management people," Gupta says.

Smart Business spoke with Gupta about how to communicate on a small-scale level and how doing so can affect the big picture.

Make Communication personal. I really believe in face-to-face communication as the best source of communication. It tells us the other person's body language, and it also gives us better feedback. It tells our key management team that they are accessible to each other and to the top management.

Once a week, we have lunches and dinners with the key employees and the key management team, so that is one way I try to make myself accessible. The second thing is we try to have every month or two a family get-together with the key management team. We get together at a certain place, have a wonderful dinner, and that gives them accessibility to each other, and at the same time, we have some fun.

We get two things out of those dinners. We want each person in the company to feel proud of working for this company, so we try to read their body language, how they feel about it, talk about it. It also gives us a social time to meet and get to know them a little bit more.

I believe that since we are human beings, knowing each other better always improves our productivity and motivates us, and each person is better because they are part of a team.

Identify goals. First of all, we define what the company goals are, the long-term and short-term goals. Once those are defined, then I try to pick a couple of key management people with some of those goals, breaking down which one wants to be responsible for each goal.

Then I give them the power to achieve those goals. We list what it is going to take to achieve those goals and give them the power to go achieve them. If it requires purchasing a processing plant or hiring more people in that area, that power is given to them.



But before that, the key part is that when we work with people for many years, you realize that not all key people work the way you want to work. Some are good, some are bad, so you figure out which one has the chemistry that goes well with what you are doing, do they understand your vision and values.

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We try to keep those who have shown that they are aligned with our goals, have shown an ability to take on responsibility, and then empower them.

Drive goals downward. Most of the time, the top management may have a certain goal, and at the CEO or CFO level, they will understand. But beyond that, nobody understand the goals very clearly.

So you need to have the vision, values and goals, and put them in writing to the team so that there is a clear understanding of which way you want the company to go and what they are trying to achieve.

It's like a team. The whole team has to understand what the goals are. Whether it's a lower level or not, the person may not understand the totality of the goal, but he is as important as the CEO or the CFO because the company needs that person to achieve the goals. It is very important that each person understand the totality of the goal, but he is as important as the CEO or the CFO because the company needs that person to achieve the goals. It is very important that each person understands what the company goals are and what his role will be in achieving those goals.

It's very difficult for department-level employees to get the wide perspective. But what I try to do is define the goal as much as possible and then break it down in narrower department-by-department roles.

The heads of those departments are then responsible to get it down to each and every person in that department to get them to understand what their role is going to be. It's very possible that person may not understand the goal of the company, but he will understand what the goal of that particular department is.

For example, we're trying to achieve a certain increase in our sales, and we figure out how much tonnage it will take to achieve that goal, then we break down the responsibility of the operation, what that is going to be from the logistic side or the inspection side, then break down that within the department, what is it going to take to carry out that task. We'll break it down into areas so that each department understands their role and are fully aware of what we are trying to achieve.