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Managing the management

Letting branch managers do their jobs requires balance, flexibility, and communication from the head office. **by Carolyn Heinze**

Few would deny that the nature of distribution does, at times, create adversaries between a corporate office and its branches. Some branch managers may feel as if headquarters is breathing down their necks, while others may feel like they're all alone on the front lines. So how can a corporate office manage its managers effectively while giving them the autonomy they need—and still keep things under control? "There are areas within the organization where autonomy should be allowed, and there are others where there are some guidelines that should be passed down from corporate," said Kim Wilkerson of the Wilkerson Consulting Group (wilkersonconsulting.net).

Wilkerson added that, while there are no hard-and-fast rules on what these areas should be, much of the decision depends on the geographical location of the branch and the makeup of its customers. Wilkerson also emphasized that any processes related to the law or regulations—such as those associated with OSHA and the Equal Employment Opportunity Commission—and per-

sonnel should be handled by the corporate headquarters.

"Allowing each branch to have its own definition and interpretation of a law is just a lawsuit waiting to happen," she said. "These factors need to be interpreted to the letter of the law. All training and mandates concerning compliance need to be developed and defined by executive management."

MANAGE WITH AUTHORITY

Mars Electric, headquartered in Willoughby, Ohio, has 10 branches across the country. Vice President Dan Nitowsky requires his branch managers to cultivate an entrepreneurial spirit.

"I want our branch managers to think of their branches as their own businesses," he explained. "I want to give them the authority to make decisions—as they relate not only to customers and resolving problems with customers, but also to how they manage their staffs and the operational part of their businesses."

Why? Nitowsky noted that, quite simply, corporate management can't always be there.

"They really need to manage what happens at their particular location," he said. "Even though we are not that far apart geographically, each location has unique factors that impact their decisions, such as the strength of their local market or whether or not their market is more commercial or residential." This may dictate specific changes in inventory or staffing requirements, he said, adding that while many of the operational aspects of Mars Electric's business—such as pricing—are handled by the head office, decisions associated with most customer-related issues (with the exception of extremely delicate situations) are left up to the branch manager.

One of the most significant mistakes that corporate management makes is developing new policies without considering how they can be applied at the branch level.

"Corporate may be looking at it universally over 10 branches or 100 branches, but corporate may not truly

have an understanding of how these newly defined or redesigned processes will fit in the branch," Wilkerson observed. In doing this, she added, headquarters ends up unknowingly creating inefficiencies and ineffectiveness.

Wilkerson also noted that it's necessary for corporate management to detail the reasoning behind any changes or new policy developments.

"Otherwise, they create a situation where mandates are issued with regard to what needs to be done, but there is no discussion on the value; the outcome; and how it will benefit the customer, the branch, and the organization. As a result, the branches have no appreciation for what this new process or policy might be," she said.

Another problem, in some cases, is the branch manager's reticence to communicate with the head office. "Sometimes, branch managers will avoid communicating with corporate on any needs or concerns that they might have because they don't want corporate stepping in to fix something that they feel doesn't need fixing," explained Wilkerson, noting that this adds a level of inefficiency and can contribute to legal troubles in the case of a particularly sensitive issue.

AVOID AN "US VS. THEM" MENTALITY

Stokes Electric, headquartered in Knoxville, Tenn., has 60 employees in four locations. Dave Frazer, president and CEO, has worked at distributorships of all sizes and believes that the larger the organization, the more likely it is for an "us vs. them" dynamic to exist.

"A lot of the 'us vs. them' mentality comes from the layering of management," Frazer said. "When you put a sales manager between upper management and a branch manager—and then throw in a regional operations manager

and a regional purchasing manager—things become more layered. And the more layers that are created, the more frustrated the branch manager gets.

"As president of our company, our branch managers can call me anytime," Frazer continued. "However, a branch manager in a larger company probably doesn't know the president as well and is more reluctant to pick up the phone to discuss a problem."

This is where office politics come into play, and Frazer admitted that in large organizations, office politics are

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extremely difficult to prevent. To avoid fostering an "us vs. them" mentality, Wilkerson suggested that distributors create an advisory board made up of corporate executives, department heads, and several select representatives at the branch level.

"This advisory board talks about the challenges, the opportunities, the successes, and the bottlenecks," she explained. It brings the right people to the table—and the right people aren't necessarily all corporate executives.

Regardless of how a distributor chooses to structure relationships between its headquarters and its branches, Wilkerson underlined that the "us vs. them" dynamic is largely outmoded. "It's detrimental to the mission of the organization and how they relate to their customers," she said. "Branches need to realize that corporate is doing things in their best interest, even though it might not always seem that way." ■

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