Bayshore Management Consultants, Inc.

Bay Watch

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When you're on target, you win every time!

To the Point...

As we go to press, we just witnessed an historic election in Massachusetts. Doesn't matter what side you came down on politically, the lesson to be learned from this event, is that when you have a clear, concise message that resonates with the voters—you win!

Same goes for organizations. Effective communication is the key to success. Whether it's external communication to prospects, customers or suppliers or internal communication to your workforce, having a well-defined message that can be delivered consistently across a multitude of channels is a winning strategy.

This sounds simple enough and I'm sure most organizations think they have this one nailed, but in today's environment of instant messaging, professional and social networks, 24/7 media coverage, it's harder and harder to keep that consistency going. Just one small miscue can cost you dearly.

The first step is to make sure that your message is simple and easy to understand. That's not as easy as it sounds, especially when your talking about large, diversified organizations with numerous business lines, products and service offerings. But it's critical. The message has to be clear—and everyone needs to know what it is. It has to become part of their vocabulary.

And, when you change the message, it's important to communicate *why* if you don't want to be branded as a "flip-flopper". You may be able to get away with it once, but you soon lose credibility if the only thing you're consistently doing is changing your message.

Finally, you need to be able to live up to the message. I'm sure most of you remember Ford's "*Quality is Job One"* tag line. Great slogan, easy to understand, can be tailored to fit a multitude of media—but if that last car you bought was a "clunker" - guess what?

So, whether you're an established player or a relative unknown, it just proves, that if you stick to the point and your message is on target, you can overcome long odds and come from behind to score a big win.

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Competent—But Wrong? Don't Let It Happen to You!

Watching the news the other day, I was struck by a remark by a pundit who was commenting on recent business issues. He said, (I'm paraphrasing), *"it really doesn't do a lot of good if you're competent, but wrong."*

Wow! That speaks volumes. Think about it. You may have it all—the best talent in the world, sophisticated systems and technology, tons of data, all the right tools—but it doesn't do you any good if your objectives have missed the mark.

Whether it's not hearing what your customers are saying, letting your own goals drive your decisions, or failing to effectively communicate what's expected, no amount of *competencies* will save you if you're just plain *wrong*.

Can A "Portfolio Approach" Work in Your Organization?
How to Keep High-Value Knowledge Workers in Good Times and Bad

During the last downturn in 2003, there was a lot of talk about having a "portfolio approach" to career planning. There were many more mid– to senior-level managers out of work than there were jobs (sound familiar?). Outplacement specialists began crafting custom search strategies for their clients that combined a variety of functional roles into a "professional portfolio" instead of the traditional "position" approach. This was the era of "transferable skills".

Entrepreneurs and general managers were perfect for this model. And when you combined the two, it helped spawn a host of new business opportunities. The entrepreneurs were able to tap into seasoned execs with skills across multiple areas such as marketing, operations management and finance—either all rolled into one or on a specialist basis. And the general managers were able to gain experiences either by working with multiple ventures or by building additional skills in areas such as technology, venture funding and product development. This was a way for fledgling companies to access a wealth of knowledge that had been previously beyond their reach.

Could this approach work today in your organization? Could this be your opportunity to reinvigorate your workforce, retain high-value knowledge workers, and just maybe, introduce some needed innovation? Do you know who the would-be entrepreneurs are among your ranks that could be tapped to work on a new business opportunity? How about the seasoned general managers with experience across multiple areas of your business that would love to work on a new strategic initiative? Maybe it's time to look beyond the "jobs" and find the hidden treasures within your organization—before they get away.

Risk Management: The Story Continues...

Why is it that risk management keeps coming up every year like it's something new, something we need to address, something we need to regulate? Wasn't it just a few years ago that we went through a whole lot of work and expense to address financial risk—it was Sarbanes-Oxley, right?

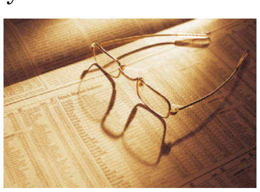
Then there was investment and operational risk. We implemented Compliance Programs, built new systems and appointed CCOs at investment firms. And didn't we have AML and KYC and a whole host of other initiatives as well?

Then it was credit...the sub-prime mortgages, the credit default swaps, the leverage, the meltdown. You would have thought that after all the focus throughout the last decade, that we would have uncovered all the risks. So, what's the next frontier in risk?

Regulatory? The risk right now on this front is ***uncertainty***. Will populist opinion result in a knee-jerk response that stifles "good" risk? Can we get agreement on a global basis on some baseline standards? And while we're working this one out, will we get hit without warning, again?

In the News...

Regulation takes center stage at Davos. It's time again for the World Economic Forum and this year the focus is on regulation. It runs the gamut from how much capital banks should have to what defines "too big to fail" to how to tie compensation to risk.



One of the biggest challenges to coming up with a regulatory framework to mitigate risk is that you first have to define the risk you want to regulate. *And there's risk in defining risk.* If you err on the side of caution, you can significantly reduce upside potential. On the other hand, if you don't go far enough, then we could go right back to where we were—same behaviors—similar outcomes. Now add in a little politics, a few egos….We're not saying that there won't be progress….but expect to see this on the agenda for the foreseeable future.

ARE YOU OR YOUR CUSTOMERS WORKING "24/7"? A Real-Life Story….

In this global outsourced virtual world we now live in, are you working "24/7" or is your customer? We've recently experienced first-hand how one of these flexible outsourced service models designed to provide "24/7" coverage *really* works. Let us share our story with you….

We're in the process of establishing an account with Company A – a large multi-national conglomerate. We started off with a bang—great first interaction with our primary contact. We speak the same language (and I mean that in terms of business), our interests are aligned—it's looking like the beginning of a great relationship.

Now, due to Company A's size, many functions are centralized for greater efficiency. We understand that—after all, we help firms develop strategies to maximize efficiencies and minimize costs all the time. Our contact turns us over to their central procurement area. And that's where our journey begins.

For obvious reasons, Company A has outsourced a number of functions associated with establishing a new relationship to an off-shore subsidiary, we'll call it Sub-A. In addition, Company A and Sub-A work with other outsource providers, Companies B, C, and D, who actually establish the account and are responsible for all billing and payments. Company A informs Sub-A of the new relationship and then Sub-A reviews and selects Company B as the service provider and notifies them to initiate the paperwork to establish the new account. Company B sends us, the customer, an e-mail with attachments to complete. So far, so good.

We review the attachments and begin to gather the information we need to complete the process. In the course of our review, we have a few questions. We organize the questions into a single e-mail so that we can , hopefully, minimize the amount of re-work and back-and-forth that we will have to do to finish the paperwork. And now we wait.

A week later, we finally get a response to our questions. We mark-up the agreement based on our understanding, complete the remaining paperwork, draft a cover letter and send the package via FedEx off to our contact at Company B (no other instructions were provided—this is important—you'll see what I mean later on). And we wait.

After a week goes by, we send a follow-up e-mail to inquire the status of our account. We get a reply requesting us to submit several of the documents again – this time in electronic form. Not a problem – guess they don't scan, image, index and route.

Again, we wait and wait and wait. Must be busy season. We send another e-mail. "Out of Office" reply comes back. O.K. When we come in the office the next day, we see that we got a reply to our e-mail at 2:00 am. Our contact not only works remote—but has a *very* flexible schedule—not one that necessarily jibes with ours. Finally, a phone call from our contact at Company B telling us that they can't process our account opening yet – seems that Sub-A has a couple of loose ends that they need to complete. Oh, by the way, we find out at this point, that this person doesn't "do" FedEx packages—that explains a few things.

We go back to our primary contact at Company A to see if he can expedite the process. He goes back to Sub-A. Now, Sub-A is located half way around the world and is only available from 3:00 am – 11:00 am EST on days 2 - 5 and 6:00 am – 2:00 pm "other days" (I'm not making this up). Company A finally gets the information from Sub-A, provides it to us, we provide to Company B and, guess what? Back to square one…..by now you get my point.

A process that I'm confident was designed to be efficient, timely and cost-effective has managed to completely confuse, frustrate and exhaust me, the customer. I never know who's on first, when they'll be available, how I should best interact with them and where I am in the process. I feel like that hamster on the wheel, running in circles, trying to catch up with everyone and making no progress.

The point is, if your organization has one of these flexible, global, outsourced support models designed to provide your customers with "24/7" coverage, you may want to take it for a test ride every now and then to make sure it's you, and not your customers, who are working "24/7".

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Why Risk It?

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Why Risk It?

*We're **Bayshore Management Consultants**, a specialized consulting firm focused on helping companies in the investment industry manage the risks associated with business, legislative and regulatory changes. When it comes to executing effective strategies to maximize your potential, there's no reason to risk success when Bayshore can help.*

Whether you have specific questions regarding a potential divestiture, acquisition or merger, thoughts on how you could improve your current operation, or you'd like to discuss your organization's risk exposure, we're here to help. At Bayshore, you'll speak directly with a principal who understands your concerns—and can offer ideas, insight and expertise to guide you in the right direction.

We've moved—please note our new address—same phone, same contact information. Also, check out our updated website to learn more about us.

Are There Differences Among Consultants, Contractors and Temporary Help? You Bet.

⇒ Consultants: Consultants, or professional service firms, provide strategic or tactical advisory services. Their staff have significant depth of experience in both subject matter and in the delivery of tangible results. These firms can take you from the idea stage to final execution. They will help you define objectives, bound scope, offer alternative approaches, define the work, plan and execute. They will monitor and manage the project, making recommendations and adjusting the approach over the course of the engagement to ensure a successful outcome. They can be part of your team or can be an independent dedicated workforce wholly responsible for a project.

⇒ Contractors: Contractors are usually individuals with a specific skill set that are "contracted" to perform a pre-defined task within a project. Contractors are frequently used to augment existing staff on technology projects acting as business analysts, developers, testers and trainers. Contractors are deemed to be "independent" - meaning that they do not draw pay and/or benefits from an employer. In addition, they are not subject to management oversight or direction from any agency relationship (*even if placed by one*).

For example: Professional service firms employ standard methods and practices that all their consultants follow on engagements. In addition, the firm takes responsibility for the quality review that ensures consistency across deliverables and provides management for project staff. Contractors take direction from the client and are individually responsible for the deliverables.

⇒ Temporary Help: Temporary staffing is most commonly used to fill a gap or deal with volume spikes or cyclical demands. Unlike independent contractors, temporary staff are employed by an agency who charges an hourly rate to the client and then is responsible for pay and any benefits for their staff.

So, next time you have a project that needs outside resources, interview each firm carefully to make sure you are getting the right type of help to meet your requirements. Getting the right match can save you in time, money and results.