

The Issue of Micro Managing the Business

In 1980 when I established my consulting firm, I was an expert at modifying the IBM Manufacturing and Distribution software. One day I got a call from an IBM rep who told me, "I would like you to come with me tomorrow to meet a prospect who is the company Controller. I must warn you that he is a pain in the neck."

"I'll be happy to meet with you and your prospect," I told her, "but I would like to know what the meeting is about."

"I tried to convince him to buy the IBM server and our Manufacturing Software. He told me that I don't know what I'm talking about and asked me not to come back unless I can bring somebody who can answer his questions."

The next morning the rep and I visited the Controller. His opening statement was, "I wasted enough time with you yesterday. Unless your colleague can answer my questions it will be a short meeting."

It lasted two hours. After the meeting ended, the Controller, who was pleased, told me. "I think you are the person I need. I will buy the IBM Server and Software and expect you to have my company up and running in three month. If you don't do it within that time-line, I'll sue you."

"It's impossible to achieve what you want in that time frame," I told him. "I don't need a law suit and feel you should work with somebody else."

When we were in the street the upset rep asked me, "why did you walk out? He liked you and would have bought the Server and the Software. The sale would have made my quota for this quarter."

"I'm sorry." I told her. "I work on a hand shake and don't need a law suit."

At that time I had an answering service during the day and after 5 pm the phone calls were forwarded to my home. At 5:30 pm the phone rang and my wife was surprised to hear the Controller's voice:

"I met your husband today and I was impressed with his knowledge. He is a hot-headed person and walked out on me. Please tell him to come to my office tomorrow at 9 am. I would like to talk to him."

When I came home my wife conveyed the message and asked what had happened in the meeting. After I finished explaining she said, "He sounded like a nice man and said he liked you. You should meet him tomorrow. You never know, he might become your client."

The next morning I visited the Controller without the IBM rep, not wanting to turn it into a sales meeting. His opening statement was, "I was impressed with what you told me yesterday without trying to convince me to buy the IBM server and software as your colleague did not bother to ask me what my business requirements are. I am aware it's impossible to get my company up and running in three months. The reason why I said

that I would sue you is because you've been in business less than two years. That's how I tested your integrity. If you didn't care about having a law suit you would have closed your company and opened a new one in another name. It sounds like you have integrity."

The Controller, who taught management at Colombia University and Accounting at Brooklyn College became my client and business mentor. The relationship lasted twenty years until he retired. I often had dinner with him and discussed my various business issues.

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Unlike the Controller who was a forward thinking and open-minded person, the company owner micro-managed his business. When I gave him the invoice for my services he complained to the Controller, "why do we need a computer? It's costing us a lot of money. In the old days I wrote the invoice on the box in the warehouse and shipped it with the merchandise."

The Controller always had the same response: "Those days are over. Without the computer we would be out of business."

The owner, who micro-managed the operation, often upset his two sons-in-law who worked in the business reminding them that for 30 years he ran the operation using different methods. One of the sons-in-law oversaw the sales department and the other the purchasing department. The son-in-law who oversaw sales brought in a substantial amount of new business by finding new markets and the other son-in-law bought from the suppliers who gave him the best deal. They were both upset with the owner constantly criticizing them and complained to the Controller about it, who had to become the peace-maker trying to prevent business disruptions.

After working in the business ten years, the sons-in-law approached the owner and told him that they would like to become partners. The owner was reluctant but his daughters sided with their husbands and pressured their father to make them partners. The father agreed and put the company stocks in the daughters' names feeling it would secure their marriages.

Everybody was thrilled when the owner decided to retire in Florida but it didn't last long. He kept calling his sons-in-law to check how they were doing and then complained to the Controller. Once a month he came back to New York reminding his sons-in-law that for 30 years he conducted his business in a different way.

After the owner died, the son-in-law who managed the sales department had marital issues and they started divorce proceedings. The wife agreed to sell her share in the business to her husband in addition to receiving a lucrative alimony and child support settlement. The husband, who had no choice in the matter, agreed. The other son-in-law

who had a good relationship with his wife continued to work with him and they remained partners until today.