Chapter 6

Roles, Goals, Workflows, Cashflows, and Controls for the Unified Management Team

WILLIAM BUILT AN INVESTMENT ADVISORY firm that was respected throughout the community. He was a polished executive who oversaw a seemingly capable staff. A large network of community leaders respected him. Few people questioned him because he served as an elder at a highly regarded church. Investors and executives at his firm placed their trust in William since he assured everyone in his books, articles, and speeches that his firm maintained high standards of integrity.

William knew that not everything was run as required by compliance standards, but he delegated to managers who were charged with fixing the problems. This seemed like a reasonable solution to William until the SEC raided his business, uncovered numerous breaches of compliance

standards, and shut down the operations. William, his family members, and fellow church elders were disgraced. What went wrong?

The above example about William is a composite of examples from several successful Christian-run investment firms that have run into serious problems. In every case, the Chief Compliance Officer (CCO) was not given adequate information or authority by the CEO. Problems came to light too slowly, and, as compliance beaches were observed, the CCO lacked authority to address the problems. The CCO told the CEO about the problems, but the CEO insisted that he had properly delegated responsibility for fixing the problems. In fact, the CEO was shirking his duties and failing to exercise adequate controls.

Section Three of this book emphasizes how the CEO oversees hierarchical leadership structures with input from a qualified board. Chapter 5 explains the role of the board in affirming a strategic plan for operationalizing the company's vision while upholding its values. After the board establishes the plan for the organization, managers in the C-Suite put in place systems to pursue the board's agenda for generating profits and enhancing the quadruple bottom line (as explained in Section 5 of this book), while seeking appropriate feedback.

In the 21st century, the C-Suite executives can have very technical roles but at the core, the roles have deep spiritual underpinnings. This is evident when studying how a successful modern business leader might apply the wisdom of Nehemiah, the ancient Jew who united a team of works around a clear vision and then operationalized the vision with clear roles, goals, workflows, cash flows, and controls.

Before studying the practical aspects of Nehemiah's leadership, we should first look at how he applied the means of grace. The book of Nehemiah has multiple references to the Torah. Nehemiah worked within the covenant community, which maintained peace and purity through the administration of the sacraments. There are nine prayers in the book of Nehemiah, beginning with the prayer in chapter one that parallels the biblical covenant model perfectly.[1] God answers his prayer in practical ways as He guides Nehemiah's leadership throughout thirteen chapters.

Roles

Historians have confirmed that Nehemiah and his team rebuilt the wall around Jerusalem in 52 days despite fierce opposition. Nehemiah started with very few workers.[2] He articulated a clear vision to his brother, who agreed to help lead the workers.[3] He recruited the leaders of the city to perform the tasks.[4] Then Nehemiah appointed staff members to administrative functions within the city. This helped repopulate Jerusalem and surrounding towns with additional workers.[5] As Nehemiah inspired the workers to work within their roles, he called the leaders together and emphasized the roles of individuals in the plan.[6]

The head of any modern organization (usually the CEO) can learn from how Nehemiah managed the myriad management, financial, production, administrative, and other functions to achieve organizational goals. While the modern CEO may have some new challenges, a 21st century business leader also has access to many resources not available in previous centuries.

The Chief Executive Officer (CEO) may oversee four or more other "Chiefs." Most common are the Chief Operations Officer (COO) and Chief Financial Officer (CFO). Increasingly, companies have a Chief Information Officer (CIO) who maintains data processing systems as well as a Chief Compliance Officer (CCO) who monitors the myriad of regulations that impose external controls on an organization. Companies may have other C-Suite executives, such as those involved with customer care or customer experiences; however, the CEO, COO, CFO, CIO, and CCO roles are most common.

Goals

Nehemiah envisioned goals while still in Persia.[7] He developed a comprehensive set of goals to rebuild the wall once he arrived in Jerusalem and analyzed the situation.[8] While the vision was fixed, the goals could be modified in response to external opportunities and threats as well as internal strengths and weaknesses.

Nehemiah communicated success in achieving the goals, such as when the wall was halfway complete.[9] Instead of just listing goals as legalistic guidelines (like too many managers), Nehemiah communicated the goals broadly and with a sense of urgency.[10]

The modern manager has additional tools to communicate goals. Ideally, goals should be depicted with graphics, text, checklists, and numbers so that management team members can "quadrulate" what the team needs.[11] Some managers, such as lawyers, prefer textual summaries of goals; others, such as investors or shareholders, may prefer graphical bar charts to show results. CPAs may prefer

specific numerical tables showing year-by-year after-tax income or growth in share value, and others, such as MBAs, may prefer checklists or project management reports. Much as Nehemiah's workers respected Nehemiah's vision, the executives working in the above roles must respect goals established and communicated by the board or the CEO.

A properly crafted strategic plan tracks achievement of goals in formats understood by shareholders, CPAs, MBAs, JDs and other members of the management team. Sample outputs are shown at the Reflecting God website.[12] Hyperlink does not work.

Workflows

Under Nehemiah's leadership, forty leaders and their crews worked shoulder-to-shoulder to rebuild the wall.[13] Some built large sections and others build smaller sections near their homes. Each worker was given tasks according his available resources.[14]

Executives must also be empowered to create and maintain uniform project management workflows that detail which staff members will complete specific tasks or projects by designed due dates. The modern company can communicate workflows much more effectively using project management software. Workers engaged in diverse endeavors can have confidence that a wise leader empowered with software will keep everyone working in unity with uniform completion dates.
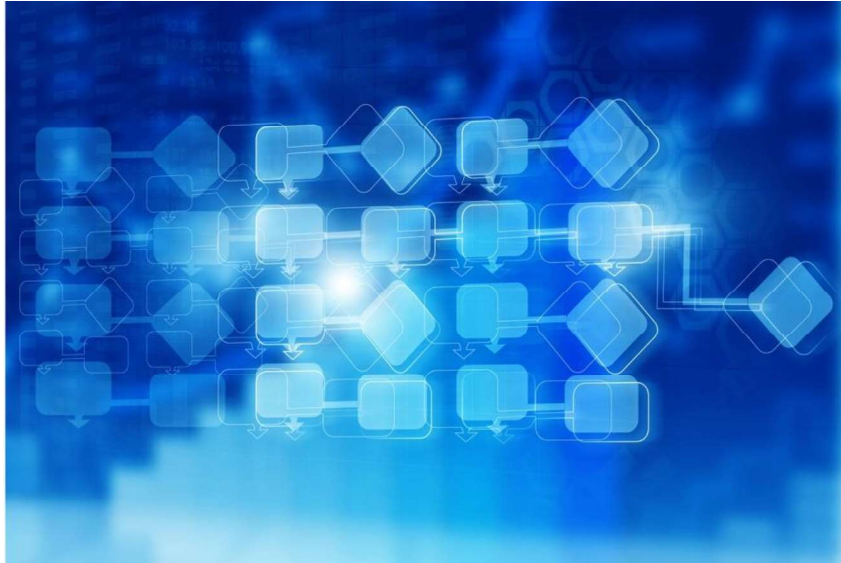
Cash flows

Perhaps Nehemiah read King Solomon's wisdom (from 500+ years earlier) in Proverbs 24:27. Solomon wrote, "Prepare your work outside; get everything ready for yourself in the field, and after that build your house." Nehemiah carefully assembled needed resources, including written authorizations, timber for building,[15] capable workers,[16] and money.[17] He had backup plans when others ran out of money.[18] He was focused on preparation for his people, not on his own personal gain.

Nehemiah understood how work flows need to be linked to cash flow management (cash flows) covering the same time periods. Today, the intuitive process used by Nehemiah can be externalized with web-based dashboards that show how work flows projects are completed and cash flows are improved. Managers and consultants can link the project management results and data to key performance

indicators (KPI) that focus all managers on realizing positive outcomes.

Analysis of comprehensive cash flows can be the best way to reveal irregular payments or deviations from desired results. Current, accurate, and fully integrated cash flow reports shine light on all financial activities. Accurate financial statements can be the sunlight in the sage's saying, "Sunlight is the best disinfectant."

Managers should meet regularly to discuss the cash flow reports and KPI graphics while clarifying what needs to be done. Plans must then be updated to reflect accurately how the team can best achieve its goals while maintaining positive cash flow. When all advisers use reliable web-based systems, adviser team members and clients can obtain a variety of timely reports. These "controls" help advisers monitor one another's performance and address problems promptly.

Controls

Controls are all about authority. Nehemiah found support from his leader, the king. Nehemiah asked that the king let him go, "to the city in Judah where my fathers are buried so that I can rebuild it."[19] Nehemiah did not Lord this authority over his people; instead, he created an atmosphere for people to speak up.[20] He put in place feedback mechanisms to solicit input about progress.[21] Nehemiah also had a contingency plan so that he could use his authority to respond to changing circumstances.[22]

Any successful business has managerial and financial controls that help managers hold team members accountable for duties and results. The accountability controls help

ensure that all workers and advisers work within their roles. The controls must help reveal if employees are accomplishing the outcomes for which they have accepted responsibility or are acting in over-lapping or undisclosed roles. The best controls are depicted graphically in reports shared with all planning team members and shareholders. Ideally, the reports should summarize the potential outcomes of the recommendations of all advisers in year-by-year after-tax cash flow summaries that integrate the cash inflows and outflows from all planning strategies.

The best adviser teams use web-based project management software to track "who will do what by when." Designated members of management teams need to track all "to dos" on Next Action Checklists that clarify due dates for all COO, CIO, CFO, CCO. This checklist should be web-enabled to keep every adviser "on the same page." If managers and advisers review the checklists and forward suggested

changes to the checklist, the checklist can be updated regularly, and the client can see clear progress toward fulfillment of all goals.

With good checklists and oversight from the person given necessary authority, management team members work together in unity, staff members focus on productivity, clients express high satisfaction, and shareholder achieve reasonable rewards. The community is strengthened when managers have clear roles and goals linked to well-defined workflows and reasonable cash flow reports. These processes work very well as long as one or more people in an organization have the necessary information and authority to address deviations from norms established in the strategic plan. A controls process is needed to spot and address problems if managers start to work outside their roles to achieve personal agendas rather than corporate goals. Moreover, controls help identify where work flows are neglected or where cash flow reports show variances from budgets.

Too often organizations fail to maintain proper controls. Then management team members fail to work together in unity, profits and productivity fall, and disunity festers. When management consultants are brought in to address the problems, they quickly observe the presenting problems related to disrespect for roles, goals, workflows and cash flow objectives. The deeper problem, however, is often more difficult to uncover.

When shareholders, staff members, customers, or member of the community see a problem in an organization, a qualified external consultant should be given the information and authority to assess and address the problem. The consultant must "peel the onion" to look behind defensive rhetoric, empty assurances, or diversionary tactics of

those who are undermining the organization. Very often a consultant needs to schedule private interviews with people surrounding the organizations problems in order to spot the core problems. At the core of an organizations dysfunctionality and disunity there are usually several of the seven deadly sins.

The seven deadly sins are more common, insidious, and damaging than most managers care to admit. Greed very often causes executives to spend less money than they should on compliance while laziness causes them to spend less time on compliance matters. Arguably, greed and laziness caused all the problems that destroyed William's business described in in the opening paragraph of this chapter. Of course, greed manifests in a myriad of other ways within an organization. It is very common, for example, for managers to inflate results or take credit for others' work in order improve personal compensation.

While greed and laziness are two of the most common organizational sins, pride may be the most damaging. C. S. Lewis and other theologians call pride the greatest sin for good reason. A manager focused on exalting himself will tear others down in nasty emails, sarcastic comments, or other disruptive behaviors that destroy dignity. A self-interested CEO will advertise about his own skills and accomplishments while failing to acknowledge the hard work of people who contributed to his success. To protect a false image of honesty and integrity, a prideful leader will blame others using false accusations while giving the falsely accused no opportunity to address the injustice.

Gluttony, anger, envy, and lust also destroy organizations. How many companies fail to pay promised bonuses while executives enjoy first class flights, posh club

memberships, over-sized executive suites, and other glut-tonous perks? How many employees have had their reputa-tions tarnished and career paths undermined because of angry outbursts or festering rage? How many managers have their success questioned or undermined by competi-tors or associates driven by too much envy? How many leaders have protected inappropriate behavior or engaged in dishonest coverups because of lustful urges spilling over into inappropriate relationships?

When the seven deadly sins are undermining produc-tivity and dignity, how should the board or CEO respond? First, leaders must be sure that the strategic plan clearly communicates roles, goals, workflows, cash flows, and con-trols. Second, executives must be empowered to achieve the purposes for which they were hired. Third, everyone within an organization must have an appropriate appeals process. Hierarchical leadership is not just "top down." That is, lead-ers must not simply impose their understanding of God's character. Instead, each leader must listen to subordinates, especially those who seek to honor God. Often it is wise to have peer review committees or corporate chaplains who have a safe way to collect data (from shareholders, staff members, customers, and the community) and then tell the CEO or board about problems that need attention. If the CEO and board fail to listen, there must be an appeals pro-cess to a qualified third party, such as the CEO's church el-ders. Healthy churches maintain peacemaking processes so that leaders at the church can address accusations that the seven deadly sins are undermining relationships.[23]

Conclusion

When planning team members work together in unity, clients achieve their goals. Unified planning begins and ends with tracking details. We must confirm that advisers are working within their roles, achieving quantified goals, and responding promptly when control systems indicate problems. We must use the control systems to help clients and adviser team members have regular access to numbers, graphics, and paragraphs of text describing next actions necessary to achieve client goals. When planning teams respect roles, goals, and controls, clients consistently enjoy success in achieving their objectives and, perhaps more important, they experience much peace of mind.

At www.ReflectingGod.info/Survey, please indicate your

My business has clear roles for each member of the C-Suite.

not true   1   2   3   4   5   very true
○ ○ ○ ○ ○

My business has clear goals for each member of the C-Suite.

not true   1   2   3   4   5   very true
○ ○ ○ ○ ○

My business has clear workflows so that all projects are completed by the right person by the right date, with details in documents that are properly named, organized, and easily accessed.

not true   1   2   3   4   5   very true
○ ○ ○ ○ ○

My business has complete cash flow statements so that managers can confirm activities are profitable.

not true   1   2   3   4   5   very true
○ ○ ○ ○ ○

My business managers and compliance consultants have clear controls to verify that work is done properly.

not true   1   2   3   4   5   very true
○ ○ ○ ○ ○

level of agreement with the following 5 statements:
* Workflows should be monitored with a web-based project management system; e.g., a virtual taskmaster

** Ideally, cash flow statements should be tracked with a web-based dashboard, such as my using QuickBooks.[24]

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[1] Then I [Nehemiah] said, "O LORD, God of heaven, the great and awesome God [Revelation] who keeps his covenant of unfailing love with those who love him and obey his commands [Transcendent Purpose], listen to my prayer! Look down and see me praying night and day for your people Israel. I confess that we have sinned against you. Yes, even my own family and I have sinned! [Hierarchy and Humble Submission] We have sinned terribly by not obeying the commands, decrees, and regulations that you gave us through your servant Moses [Ethical precepts]. Please remember what you told your servant Moses: 'If you are unfaithful to me, I will scatter you among the nations. But if you return to me and obey my commands and live by them, then even if you are exiled to the ends of the earth, I will bring you back to the place I have chosen for my name to be honored.' The people you rescued by your great power and strong hand are your servants [Outcomes]. O Lord, please hear my prayer! Listen to the prayers of those of us who delight in honoring you. Please grant me success today by making the king favorable to me.* Put it into his heart to be kind to me." In those days I was the king's cup-bearer [Succession/Inheritance] (Neh. 1:5-11).

[2] Nehemiah 7:4

[3] 7:2

[4] 2:16

[5] 7:3-5, 73

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[6] 2:16-18

[7] 1:8-11

[8] 2:11-16

[9] 4:6

[10] 2:17

[11] Whereas engineers and managers can often derive accurate calculations by looking at three points of data (triangulation), the interpolation process can theoretically be improved by looking at four types of data (quadrulation).

[12] www.ReflectingGod.info/KPIreports

[13] Nehemiah 3:1-32

[14] 7:1-4

[15] 2:7-8

[16] 3:1-32

[17] 7:70-72

[18] 5:1-6

[19] Nehemiah 2:5

[20] 2:18

[21] 4:6

[22] 4:16-18

[23] See, e.g., the Book of Church Order of the Presbyterian Church in America.

[24] See, e.g., http://vfos.com/Dashboard/