FULCRUM ConsultingWorks Inc

DOES YOUR COMPANY TALK "THE TALK"? IF NOT, IT CAN COST YOU MILLIONS

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You and your business associate may both be speaking English, but chances are you aren't speaking the same language, potentially at great cost to one or both of your companies. It is common knowledge that as operations and markets increasingly include international business, businesspeople have to learn about cultures, politics and language different from their own. But many companies continue to trip over misunderstandings due to communication challenges within their own walls, with sister operations, with domestic suppliers and customers, and with the business world around them

Rebecca A. Morgan, president of Fulcrum ConsultingWorks, Inc., a Cleveland-area manufacturing consultant, often counsels her clients about ways to more effectively get their points across. An expert in making operations run smoothly, Rebecca has a diverse client list that includes Moen.

Recently, Rebecca helped Moen's management team find a forecast and demand-planning application. The company realized their language and knowledge were company-specific and they were unable to effectively open their options beyond what they already knew. Rebecca helped them overcome these hurdles and find the right application.

To help other companies deal with this type of challenge, Rebecca offers her own perspective in the following tips:

How Not to be Separated by a Common Language

1. Avoid AA ("Acronym Assumption"). Even common acronyms like "JIT" mean many different things to different people. In addition, many acronyms have multiple meanings. For example, ABC can refer to a costing system or to a prioritization system. Constantly request, "To make sure we understand one another, please tell me what you mean when you use the acronym XYZ."

2. Utilize the experience of new employees to recognize when your company terminology causes question or confusion. One way is to have the new person take minutes at meetings. Encourage them to ask for clarification of terms used to ensure accurate minutes.

3. Create a dictionary of acronyms and terms. Write out full definitions, leaving little to interpretation. This process will force agreement and encourage consistent usage within your own company. The dictionary can also be provided to key external contacts for comment. Consistency of terminology within your operation is a good start; consistency with the world around you is an important next step.

4. Ask, Ask, Ask. We've all heard that there is no such thing as a stupid question, but we often would rather assume that we understand and that we are understood than ask for verification. Ask other parties to a communication to summarize what s/he thinks was just said. Their wording may point out misunderstandings that were not recognized otherwise.

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5. Remember how much time, effort and money can be wasted on misunderstanding. Even within an industry, terms differ in their meaning. Within a company. Within a department. Within a profession. And certainly within a country or world economy. Verify two-way understanding at every key juncture before moving forward.

6. Define boundaries of a term. When a term is used, verify what is included and what is excluded by the use of the term. For example, “When I say Sales and Operations Planning, I refer to the meeting, not the process of preparing for the meeting, nor the aftermath of the meeting.”

Since 1990, Rebecca A. Morgan, President of Fulcrum ConsultingWorks, Inc. has generated bottom line improvements for her clients through development of more effective operations. Sign up for her informative newsletter at www.fulcrumcwi.com.

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