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Strategic Delegation:

The Best Way to Improve Productivity and ROI Without Increasing Costs

Practice strategic delegation to grow your company with existing resources

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If your company is ready to gear up for new growth, one of the fastest and most effective ways to optimize output without increasing costs is to institute strategic delegation practices. Strategic delegation is an often-overlooked management tool that has the potential to dramatically improve productivity and employee satisfaction in most companies.

To get started, every strategic player, from the CEO on down, first assesses his or her tasks, prioritizes these activities based on their importance to the company's success, eliminates the non-essential tasks altogether and delegates to others parts of the essential tasks they are responsible for. This frees them up to work on improving the business, not just completing tasks.

Here's an example. We discovered that the sales reps at a point-of-sale display manufacturing company spent only 10 hours a week selling. How could the company increase sales when their sales reps spent the majority of their time following up on sales, filling out paperwork, making sure the plant did the job correctly, and generating reports? Instead of recruiting new sales reps, who would take months to get up to speed given the complex product line, we suggested the company first improve the current staff's output.

Once the company implemented strategic delegation, the non-sales employees were able to assume responsibility for such tasks as managing the plant and streamlining order and reporting activities. This had the immediate effect of doubling the effectiveness of the sales force, all without having to recruit and train new sales reps.

Strategic delegation works in all areas of a business. We've used this as a standard approach to resolve bottlenecks in sales, product development, and engineering – all functions requiring very specialized skills that are hard to recruit.

Another client, the president of a manufacturer of plastic liners and sealants, wanted his team to spend more time working on the business, rather than in it. We set a target of freeing up 20 hours per month for each executive. To do this, we had all team members identify five things they believed could free up 20 hours' time for each other team member — five tasks to be delegated to someone else. Each executive then took his or her combined list of suggested tasks, identified which tasks they believed could truly be delegated and save 20 hours, and worked out a plan to delegate these tasks to staff members. Within six months, each executive was spending much more time working on the business.

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What happens when companies don't delegate strategically?

- Time management becomes a problem.
- Top performers cannot handle more high-potential activities.
- Individuals attempt to accomplish too much and get burned out.
- Quality of work diminishes dramatically.
- Deadlines are missed.
- Opportunities to create meaningful and rewarding assignments for each staff member are overlooked.

Obstacles to Delegating Work

Even in companies where top executives take delegating seriously, certain attitudes prevent managers from following through. Here are five typical barriers that block strategic delegation:

1. **They don't believe that you really want them to do it.** This is largely a communication issue. Individuals need to hear on a continual basis that owners and leaders expect them to manage their priorities and delegate effectively.
2. **They don't want to do it—or more likely, they don't recognize the value of doing it.** Fear and lack of confidence may prevent some managers from delegating; they worry about being replaced with cheaper, younger resources. Others may think that they are not being paid to have others "do their job." Still others believe it will take too long to delegate as opposed to just doing the task themselves.
3. **Managers often believe that they are the only individuals who can do the job.** This, of course, becomes a self-fulfilling prophecy. Every time such managers do the job, they get even better at it, and so they remain the "best" people to do the job in the future. They may also feel superior because they hire people who are less adept than they are. If every manager on every level hires people less qualified than himself or herself, it won't take long before you have a company of imbeciles!
4. **They don't know how to do it.** Owners must realize there are some costs to strategic delegation, including training people how to delegate and how to mentor others in order to assure quality outcomes.
5. **Managers don't have a structure or path to follow.** Each company needs to develop a model for deciding which tasks to delegate and how to monitor them, based on a four-step cycle of agreement, accountability, action, and assessment. Whatever structure a company chooses, managers must delegate most of their tasks the way a hospital's chief surgeon does. The surgeon focuses on the critical aspect of the task that only he or she is competent to perform, and then hands over the rest of the critical tasks to assistants in the operating and recovery rooms.

Managers must learn that delegating their highest-value tasks — the A and B tasks — creates the best return. Delegating only your C and D tasks is a waste of time. Finishing those tasks delivers very low return on investment (ROI) – which is what makes them C and D tasks to start with.

Successful delegation is simple if you follow these guidelines:

- Hire the right people, the ones with attitude and aptitude.
- Have everyone delegate A and B priorities from their to-do lists, not the C- and D-level priorities that don't have enough ROI to justify doing them.
- Develop a structured approach for identifying specific tasks to delegate, the level of authority being delegated, and methods for mentoring and overseeing results.
- Train your key players to become architects and coaches who work on the business rather than in the business.

Finally, remember that if team members don't learn to delegate, the company can't grow. With strategic delegation, a company can boost productivity and get the most growth from its current resources.

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