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Getting Freewheeling Employees To Work Anytime, Anywhere

BY GARY M. STERN

FOR INVESTOR'S BUSINESS DAILY

Posted 10/5/2007

Don't ask James Siminoff, CEO of SimulScribe, a tech firm in New York City that turns voice mail into text, where his staff of 15 is.

He doesn't know where they are — whether they started their day at 8 a.m. or 1 p.m. — and he doesn't care.

Siminoff focuses on results, not whether employees are wearing dress shoes or e-mailing from Central Park.

Welcome to the brave new world of results-based management. It fosters entrepreneurship. It says no to micromanaging and control.

Siminoff is a 30-year-old biz whiz who graduated from the entrepreneurs program at Babson College in Wellesley, Mass.

He coined his managing style from a study he read in a newspaper article many years ago. It said that most Americans work 1.5 hours a day out of the eight hours they typically spend in the office.

"Too much time is wasted. Instead of focusing on outcomes, they spend too much time on politics. Everyone is keen on people getting to work at 9 a.m. and leaving at 5," he said.

So he lets staffers set their own hours and work from any site they please — so long they they deliver.

At other firms, Siminoff said, "There's a perception that if someone leaves at 4 p.m., they're leaving early." But if an employee goes home to spend time with his kids, and then works from 8 until 10 p.m. and gets results, the company benefits and the employee is happier, he says.

Siminoff rallies everyone at the firm in Midtown Manhattan "to be successful at goals that affect the company." He said that "when they do the work and how they do it is really their business."

Must Set Goals

Despite his laissez-faire attitude toward being in the office, he sees himself as a very demanding boss. "We set goals and expect that everyone in the company will achieve them or fail. If they fail, you try to help them," he said.

For example, if sales people aren't hitting goals, a manager will show them how to generate new sales leads.

Inspiring those at the \$1 million sales firm to act like an entrepreneur is

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another Siminoff goal. He sees this as giving employees ownership over themselves and their work. "Many companies take ownership over their employees. But people are smart enough and want to achieve on their own," he said.

His management style encourages them to maximize their results, without being stifled by management.

Tracking performance is easy for some jobs and harder for others. With sales jobs, he can set financial goals and see if goals are met. But projects that programmers get involved in often suffer delays beyond their control. "A programmer is like an artist and he can't be judged on a tight deadline," Siminoff said.

Too many firms don't trust employees and micromanage them. "If I have to micromanage them, I might as well fire them. It takes too much energy out of a company to do that," he said. He strives to hire staff that are self-starters and provide them with the resources to win.

Siminoff depends on top managers to create a culture where employees run on their own. He has the five managers who report directly to him fill staff in continually on the firm's short-term and long-term goals. But you have to set some definite goals and stick with them, rather than switching them every other day, Siminoff said.

One of his sales staff was trying to cement a deal with a law firm in which an attorney balked at being charged per message. When the salesman suggested a \$30 a month unlimited fee for its 200 attorneys, the lawyer agreed and the deal was done. Siminoff cites this as an example of an employee who makes decisions on his own.

Thomas Malone is a professor of management at the Massachusetts Institute of Technology's Sloan School of Management. He isn't familiar with SimulScribe but has written about this new management style.

Malone, author of "The Future of Work," describes what SimulScribe's doing as the "distributed or decentralized" management approach. It's decentralized in two ways: geographically and by decision-making.

When employees work where and when they want, it creates "more freedom of decision-making about when and how to work. In general, but not in every case, workers who are making decisions about what to do are often more highly motivated, more creative and able to be more flexible," Malone said.

Extreme Entrepreneurs

"I'd describe his approach as extreme entrepreneurship," explains Dennis Ceru, an adjunct professor of entrepreneurship at Babson College. "He's willing to take extraordinary risks and empower his staff to get the job done without the usual management controls and oversight," he said.

This more flexible management approach works best with employees who gravitate toward start-ups rather than to more mature firms, Ceru says. These employees "tolerate risk more than people in more stable businesses."

Not all employees thrive in this less-structured work environment. Workers who prefer autonomy will get the most out of this organization, but those who aren't good at managing themselves won't, Malone said.

Malone says the less-structured approach could work in other businesses including manufacturing. "A (maker) that adopted this strategy of giving lots of freedom to its workers might differentiate itself with a more motivated staff," Malone said.

Workers in their 20s and 30s often gel with this decentralized managing style. But it also works with others.

Siminoff says his staff of 15 includes three 50-plus baby boomers, three people in their 40s and a blend of Generation X and Y. Younger staff respond with unbridled energy while baby boomers say, "Let's think about it and determine what direction we're heading in."

Companies who adopt this decentralized tack can also sail into traps. One big minus involves "not knowing what's happening in the trenches," Ceru said. A CEO or entrepreneur needs to develop a mechanism to elicit timely feedback or risk not knowing exactly what the employee's doing.

Siminoff also tries to loosen the hierarchy that most big companies have. At a firm of 15, everyone is in it together trying to improve the product and grow the business.

"We want input from everyone," he said.

Siminoff sees this decentralized management style as a way of competing in a global economy. SimulScribe must compete with tech firms that have lower costs. If he encourages a staff member to work eight full hours, rather than 1.5 hours out of the day, SimulScribe will have lower net costs. That's a competitive edge, he says.



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