

Trained managers can save companies millions

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Well-trained managers are not only more confident and effective but can save their companies large amounts of money by implementing newly acquired business acumen

Training managers and equipping them with important leadership skills will not only turn them into better leaders, but can help save - or make- their companies millions of rands, says Bruce MacDonald, convenor of the Programme for Management Development at the University of Cape Town Graduate School of Business (UCT GSB).

MacDonald says participants do a post-course assignment once they are back at work to encourage them to implement what they have learned.

"In many instances, there have been spectacular returns just as a result of implementing course knowledge, either in revenue enhancement or cost savings. I have seen returns to the tune of tens of millions of rands and tens of millions of dollars," says MacDonald.

MacDonald says one of the programme's participants, a Spar Group regional manager redesigned part of the company's logistics distribution system and saved the business millions of rands.

Similarly, a Wildlife Authority general manager in a SADC country, added \$1bn to the balance sheet when he estimated the value of all wildlife species in various parks in the country, a skill he learned while on the programme.

The Programme for Management Development (PMD) is a two-week course for middle to senior level managers. It is one of the GSB's longest running short courses and is one of the most diverse management development programmes in Africa, with up to 70% of participants coming from outside South Africa.

MacDonald says a survey conducted on past participants asking them to rate the programme and its impact on their professional lives indicates a "respectable return on investment".

"The results from this study represent a very respectable return on investment (ROI) - in fact more attractive than those generally emanating from other organisational investments (like investing in new equipment, buildings, etc," he says.

MacDonald says the survey also showed that participants were very satisfied with the programme. He says 102 respondents calculated their personal improvement to be 42.4% after completing the programme, and listed their most improved quality as a 29% improvement in communication and working relationships. Over 83% of the participants said they implemented what they had learnt on the programme in their workplaces.

"Some may argue that these figures aren't accurate because people self-evaluated. But let's say everybody improved by just 10%, imagine the cost to company improvement. If someone's cost to company is R1m a year and they increase their effectiveness by 10%, that is a R100,000 per year cost to company improvement. If you bought a new truck or a new computer, it could take up to five years to make up that investment."

"The essence of the programme is not theoretical. There is not some infallible guru saying how people should be managed, which is a very presumptuous position. We look to draw on prior knowledge, on involving participants' experience," MacDonald says.

During the programme a clinical psychologist also shares human behavioural insights with participants, illustrating the value

of knowing and managing yourself before you set out to manage others.

GSB director, Professor Walter Baets says the PMD's success lies in its structure to meet manager's needs, especially in emerging market economies.

"The focus is on providing value to business leaders for their particular contexts. We need capable managers who can perform to international standards and managers who are capable of dealing with the unique opportunities and challenges that set Africa apart from the rest of the world. The PMD course does just that," Baets says.

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