



## **PARTICIPATIVE MANAGEMENT**

### ***EXECUTIVE SUMMARY***

Our mission at Gephardt Group is to “Build Value in Business and in People”. Our team is passionate about helping businesses create a performance-driven ownership culture that generates growth and success for both the organization and its people.

Participative Management is, in its simplest form, the most common-sense way to run a business. It teaches employees to think and act like owners. Open-book management (the sharing of financial information) is a core principle of Participative Management. However, simply sharing information doesn’t mean employees will understand or recognize how they can affect the numbers. Participative Management creates a framework where employees have the understanding of what drives financial results, the skills to forecast financial outcomes and incentive programs that will reward their performance. Underpinning Participative Management is an open and trust-based communication process.

In today’s competitive world of constant re-engineering, downsizing, rightsizing and uni-sizing, we sometimes lose track of the one asset that makes or breaks the business – the people. What truly separates Participative Management from management fads and flavor of the month programs is its system of total employee participation, accountability and continuous improvement involving all aspects of the business for the core purpose of improving the competitiveness and financial health of the company. The end result is the creation of a business of business people and a true culture of ownership.

Participative Management is a system that takes the basic components of a game, applies those principles to the art of running a business, and allows the players (employees) to understand, participate and contribute to the performance of the business.

The Participative Management process is composed of three primary tenets:

**Know and Teach the Rules of Business** – *It’s tough to run a business and compete if you don’t know the rules. Plan the business.*

**Follow the Action and Keep Score** – *The only way to follow the action is to keep and share the score. Communicate results.*

**Provide a Stake in the Outcome** – *Providing an end reward keeps the players in the game. Reward the win.*



## EXECUTIVE SUMMARY

C O N T I N U E D

There are risks to implementing Participative Management. It is not a quick fix remedy. A 12 to 24 month process is required to develop the basics before the renewal process kicks-in. It requires thought, honest input and participation. For those organizations ready to build a true culture of ownership, educating employees about how business works is one way to break down barriers and establish trust and credibility throughout your organization.

In implementing the Participative Management methodology, employees will:

- Understand the key metrics of the business
- Learn how they can impact the metrics
- Receive rewards when their contributions improve performance

As a result of these changes, the organization will see the following outcomes:

- Improved financial performance
- Increased accountability, alignment, focus and sense of urgency from all levels within the organization
- Employee growth and development opportunities
- Increased employee satisfaction

Our clients have proven that the key ingredients to success with Participative Management are:

- Commitment of senior management
- Sincere belief in people
- Sincere belief in sharing information and wealth

Gephardt Group's methodology reflects these key ingredients, and utilizes a flexible and adaptive style that will add value to your company's specific implementation efforts. We will partner with you to provide the "know-how" that, when combined with your vision, will "Build Value in your Business and in your People."

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