

What does the **Managing Director** (MD) actually do?

The key elements that make up the MD's responsibilities are: **delivery of goods or services to the customers, the management of sales and marketing to keep goods and services appropriate, controlling operations to ensure competent staff and effective delivery, and tactical/intelligent management to ensure the organisation remains competitive**

Delivery

Delivery has two main elements: an outward-facing part, ensuring the goods and services that are being sold are properly fit for purpose, delivered to time and in good order; and also an inward facing part providing customer support and effective back-up in the event of additional sales or queries to be resolved. This aspect, plus R&D are the only two activities that actually generate income – everything else is a cost

Sales & Marketing

This is a function where even the most experienced can meet significant tension between tactical selling and strategic development, it demands a very clear understanding of the organisation in its competitive context.

Sales is an outward focused activity generating the revenue to run the organisation; is generally short-term and dedicated to making the sale.

Marketing is the longer-term focus and will involve identifying the products and services that will be in demand at a later date, and usually encompasses R&D.

Operations

Operations must be able to produce to specification and within agreed price and margin parameters. There is often a need for close control of this function as it comprises many interlocking disciplines and opportunities for individuals to interpret requirements in a way that is not consistent with policy or strategy. To support management there are many systems, standards and processes to give that control, for example: ISO 9001, Kanban and Prince to name just a few.

Tactics/intelligent management

Intelligent management is about identifying potential competitive threat and having the agility (and evidence) to support the re-directing of operational resources to stave off that threat and remain competitive.

Sound tactical management normally demands experienced middle managers who have good contacts that can be contacted to efficiently overcome some business issue. The strength of these managers is that correct decisions can be made at quite low levels in the organisation, freeing the board for more strategic matters.