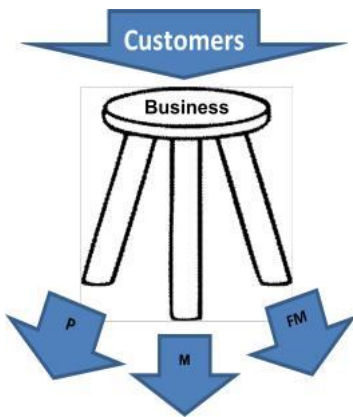


## The “Trinity of Management™” and the ‘Three Legged Stool’ metaphor

By Rainer Busch



Metaphorically speaking it can be said that every business is supported by a ‘Three Legged Stool’. Each leg of the stool represents one of the three essential elements needed to run a successful enterprise: Expertise in ‘Product/Service’; ‘Marketing’ and ‘Financial Management’. These three elements are described by Ernesto Sirotti as the Trinity of Management™. In a successful organisation the three ‘legs’ will be of equal size. However if one or two of the legs are shorter or thinner than the other the business may not even get started or it will be out of balance, risking ‘falling over”. The more the legs differ in size, the higher the chances that the business will fail. Short legs of equal length and strength make for a sturdy stool (business). This means the business may be small, but strong. An example would be a small husband and wife enterprise. However as clients demand

more the organisation will need to start growing in line with the increasing demand. The legs of the stool must grow in proportion to the increased demand/load in order to minimise the risk of business failure. At some point in time it will become vital to apply some well-engineered ‘bracing’ to the legs. This will ensure that the legs remain in place and are well supported preventing the business from getting into trouble. The ‘bracing’ in this scenario is a metaphor for suitable business systems and processes that keep the business functioning safely, effectively and efficiently. This ‘bracing’ would include management systems such as those related to product / service quality, human resources, risks management, corporate governance and occupational health and safety in the form of IT systems, policies, procedures, forms, process maps, etc. In short the ‘bracing’ relates to all the effort required to manage the documents and data necessary to run a business at an optimum level and within the relevant standards and regulations imposed by customers, governments and other external authorities (including shareholders).

The ‘bracing’ does eventually become as important to the business as the three legs and care needs to be taken to ensure that it is of the correct size and type. If the ‘bracing’ is too weak it may break under the increasing demands put on the business. However if the bracing is too strong it may mean that vital resources are wasted. In extreme circumstances systems may even act as a ‘straightjacket’, stunting required growth. It is therefore absolutely essential to keep striving for the right ‘balance’.

As consultants at Raidho Solutions we see our role as facilitators who assist entrepreneurs and business owners by bringing together the people that have the required drive and expertise to build and maintain successful organisations. Using a people centred approach we help to ensure that ‘the three legs’ are of adequate size to start off with and we help to design and implement suitable ‘bracing’ as required.

