



### OBM: Four Key Steps

Open-book management is a philosophy, not an instruction manual. Still, successful implementations include certain critical steps. OBM thought leaders stress the following:

1. *Get the information out.* Don't just tell employees how to do their job — tell them how their department and the company are performing. Show them financial figures and the impact their own job makes on those figures.
2. *Teach business.* With a little help, most employees can quickly understand a company's critical figures. Some instructors have students create a dummy company and guide it through the marketplace — an eye-opening lesson, to say the least.
3. *Empower employees.* Sure, it's overused — *Meetings! Teams! Self-management!* — but most “empowerment” schemes are abstractions, since they operate without financial information. One warehouse manager sees himself as a mere shepherd, keeping quiet watch, while another views herself, and her inventory forecasts, as critical elements of a high-value assembly line. Which one will make better decisions?
4. *Share risk and reward.* There's no way around the cash nexus: If you want employees to think like owners, you have to reward them accordingly. A profit-sharing bonus or stock ownership plan, however, doesn't automatically motivate employees — to do that, it has to be understood and trusted.

At an OBM company, workers know what goals they're working toward. They learn to progress toward goals like businesspeople do — by watching the numbers.