

# Open Book Management: Cautions and Benefits

Jeff Metzger  
USA Gymnastics Business Development Partner  
President, GymClub Owners Boot Camp  
President, Kids First Sports Center

**T**he economic, fiscal and monetary mess our nation faces makes me ever more convinced of the benefits of Open Book Management. The CNN buzz word of the moment that captures the notion of opening your books is “transparency.” In my humble opinion, our government and many large corporations operate in anything but a transparent manner, which causes skepticism. For that reason and others, I pledge to do everything in my power to see that Kids First employees NEVER have reason to feel skepticism or distrust about their company or its leaders!

At Kids First, we open virtually all company data to our Department Leaders (DLs) including the officers’ salaries. The only information we do not share is the individual compensation of each DL. I realize the notion of deeply sharing data and information surprises many and scares most. It may surprise you to hear me say that such fears are valid!

Here are three cautions to sharing information as openly as we do at Kids First. (1) The necessary education must come with any information to ensure the employees have the knowledge to interpret the information accurately. Such education must be viewed as a never-ending process. (2) If the employees have ever been given a reason to distrust management in anything, they

will distrust management in everything, including data. (3) It is correct to assume that some employees lack the loyalty, integrity or discretion to use company data and information wisely and in fact may use it to gain an advantage over you or your company. To that I can only respond, “You must learn to hire well and avoid such qualities in people!” Failing to learn how to surround yourself only with people of character will make any decision to open your books a very bad one, indeed. But do not delude yourself of this: employees lacking character will find a way to undermine your business whether you open your books or not! My strong suggestion for a myriad of reasons is to learn to hire well and after that, open your books. On a final related note, a leader who has an emotional need to be seen as the best, smartest or wisest, or who has an ego need to control others should cure those diseases before opening their books! Employees tend to grow weary of working in that environment, which escalates the odds of a bad outcome from opening your books.

The logic of opening your books is captured by a quote I first heard from a friend: “Reasonable people, given the same information, will come to the same conclusion.” From this logic one can intuit three primary benefits of opening your books. (1) Equipped with the same information as you, employees tend to

evolve to understand that a profitable company is in their own best interest. As a result, they tend to do things that generate more profit and avoid things that waste it. (2) Equipped with the same information as you, employees are capable of making the same good decisions as you. You, therefore, can delegate decision-making, which frees you to work on other aspects of the company. (3) Arguably, the greatest benefit is the sense of appreciation employees feel when they are included. Over the years, Kids First DLs have made it clear that it is more meaningful to them that I include them (trust them) and value their brains than it is that I praise them. Frankly, I think they would tell you I do relatively little of that.

Finally, in addition to the company-related benefits, there is a personal benefit that trumps all the others: hiding data and holding information close to the vest takes no minor amount of energy. I love the liberation I feel running the company in an open and transparent manner. There is a sense of pride. I sleep well at night and that adds to my quality of life, which is no small thing.

FYI: I intend to offer more on this topic in this column in the months ahead. I also intend to make this topic front and center at the National and Regional Congresses this year. ✖