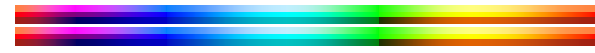**TESSERACT**
Management Systems

# Self-Assessment Model (SAM)

Prepared by:

**Mike Clargo**

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# MANAGEMENT FRAMEWORK SELF ASSESSMENT MODEL

Welcome to SAM - the Self Assessment Model for the Management Framework.

*Please note: The SAM works best when printed double sided in colour (such that the explanation and the self-assessment for each topic form a double page spread).*

## Introduction

Once the Management Framework has become established in an organisation there is a real risk that Management will assume that they have done as much as they can, and that they have their role sorted out.  This may not be explicit, and it may not even be conscious, but often people won't become aware of it until problems start to develop cracks in the approach and then, before long, the Framework needs a total overhaul.

The alternative is for Management to be continuously reviewing how they themselves can develop and improve their framework to keep in tune with their increasingly successful position in the market place.

That's where SAM comes in.  SAM provides the basis for Management to reconsider their Framework on a regular basis, and to consider their options for developing it further.  By asking Management to mark current progress against their proposed ideal SAM stimulates new thinking and an aspiration to further develop the management approach.

The model is based on the results of many years of research into how companies develop, and on the six aspects of the Management Framework.

## How to use the model

The model is grouped into six sections (the six Ps) and into thirty six sub-sections, each representing a separate principle of approach.  Within each of the subsections you will find a series of ten statements which represent different stages of adoption of the principle.

For each subsection you are asked to indicate your perception of the situation in your company at the present time (by placing a tick in the column headed 'now').
In considering where to place your mark we would propose that you read the statements starting from the top, and tick the row before the first statement that you find to be in advance of where you are now.  This avoids the risk of misinterpreting or rationalising what is actually meant by some of the later statements.  Please remember that the goal is to find new ways to make yourselves even better, and not to prove how good you are at the moment.  Improvement arises out of humility and is stifled by complacency.

The next step is to consider your current goal on the principle you are considering.  In doing this it's important that you consider where you are starting from and your current business needs.  Being at level 9 may only be the ideal for certain businesses in certain strategic situations.  You have to be clear on what <u>your</u> ideal is.

Please don't be concerned if you don't agree with the order of the statements or the nature of some of them if you can't see their value then they are almost certainly not right for you (yet?).  Use the statements you do agree with to stimulate your thoughts on where improvement should take place.

Trying to see how the statements you currently disagree with can make sense is another good way to stimulate your thinking.

You may notice some duplication as you work through the various principles. This is largely unavoidable and arises because some of the principles don't really come into their own until the later stages of progression are reached. It is not an oversight.

## Thinking through your conclusions

Once you have marked your 'now' and 'goal' positions, you should work through the questions that are listed in the bottom half of the page. These are intended for you to justify your conclusions and think through the implications of them.

At this stage the form could also be used in a group situation with people sharing their conclusions and developing a consensus view on the basis of other people's experience. Such an approach helps to build confidence in the conclusions and commitment to the actions that need to arise out of them.

Whatever the conclusions you arrive at, they need to be practical. In particular they need to be balanced in terms of the effort they require and the benefits the business will gain from them. Achieving a practical, and pragmatic, balance may require you to reconsider some of your goal statements.

The colour coding on the statement numbers may help you balance your approach. As a general principle you should endeavour to manage all of your 'statements' into the same or the next 'level' (represented by the statement number). The priorities for action are firstly those principles which are lagging behind, and secondly those principles which have the same colour as the colours of the box surrounding the next 'level' number.

## Next steps

You will need to think through a coherent strategy to close the gap, and this will need to be considered in the planning cycle (probably as part of review and audit).

Options that you might consider are:

- Project teams

- Extending the remit or objectives of a process

- Developing a new process or subprocess

- Training or workshop sessions

- Developing the appraisal process

- Developing the review and audit process

- Policy changes

- ….

# PURPOSE

## Some general thoughts...

A lot has been written on teamwork, and how important it is to successful business enterprise.  In times of stability it is possible to be efficient and effective through procedures, rules and habit.  But business is not stable, procedures continually need updating, habits need improving.  Change is too complex to be determined and addressed by one person, and so a business needs teamwork across all those involved in working with change if it is to successfully ride it.  The one factor above all others that determines effective teamwork is that the team should have a common purpose.  Only a common purpose will provide the basis for transforming a group of independent thinking individuals into a team.  And the quality and clarity of that purpose is key to harnessing creativity and industry in constructive, as opposed to conflicting, lines.  Where commonality of purpose is clear great energy exists, where it becomes grey and blurred, rules and concessions lead to diffused energy and friction.  The purpose of your business is what is in the minds of your people - definitions, rhetoric, assumptions, self interest and all.  So how clear and common is the purpose of your business?

For most companies purpose only really becomes clear and common in times of crisis.  Outside of this people accept the status quo but change is often resisted.  Successful companies have often found ways to clarify and reconcile purpose without the attendant crisis, and the trick seems to be in finding where assumptions might exist, and then placing them on a firmer foundation.  The key element of this for most companies boils down to three questions: Whey are we here?  Who do we serve?  What do they really want?

Asked who your customers are, most people can answer, ask what those customers want and the same is true - ask why and people will begin to make assumptions - they'll keep to the obvious conclusions, but most won't know for certain.  Which is a pity because within those assumptions could be a wealth of new opportunities - ways to add value to the process by which they serve their customer.

In managing "Tomorrow" understanding and reconciling purpose is key to harnessing and focusing their capabilities of the business.

Many mechanisms exist to explore the relationship and help the business focus on getting the real critical factors right.

Effective management is in determining how clear purpose needs to be, and adopting the right mechanisms to provide and reconcile that clarification.
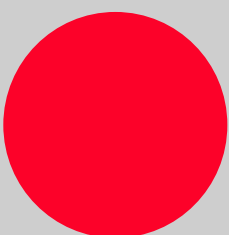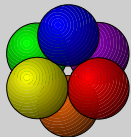
**Updated: 2nd July 2002**

# Purpose

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- 🔷 Philosophy
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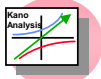- 🟪 Process
- ↩ Predict
- 🔻 Perfect

**Build Common Purpose**

**Work in Partnership**

**Focus on the Customer**

**Measure Customer Impact**

**Drive Customer Satisfaction**

**Care for the Environment**

**purpose ('pʌpÀs)** *n.* 1. the reason for which anything is done, created, or exists, 2. a fixed design or idea that is the object of an action or other effort. 3. determination: *a man of purpose*. 4. practical advantage or use: *to work to good purpose*.

*Ensure a clear understanding of Customer needs and issues, and inspire a desire to find new ways to serve them better.*

Ask somebody "who" their customers are, and most people can answer. Ask "what" those customers want, and the same is true.

Ask "why?" and people will begin to make assumptions - they'll keep to the obvious conclusions, but most won't know for certain.

Which is a pity because within those assumptions is often a wealth of new opportunities - ways to add value to the process by which they serve their customer.

In managing "Tomorrow" 'Purpose' zealots recognise that understanding and reconciling purpose is key to harnessing and focusing the capabilities of the business.

- They develop a corporate passion for understanding and delighting the customer
- They actively partner their customers in serving their customer's customer
- They strive to drive all aspects of the development of processes, products and services through a clear customer focus
- They reflect the importance of the customer in measurement, reward systems, policy and process
- They continually seek to anticipate and lead customers' expectations

# Tesseract Management Systems

**Management Framework**

# Build Common Purpose

How clear is the purpose of your organisation?

Do your people clearly share in a common purpose with your organisation, and do they actively seek to further that purpose?  Or is there a degree of confusion as to who the organisation is there to serve?

## The principle

Developing within your people a clear and consistent understanding of exactly what the company is trying to do.

This would include clarifying who the customers of the company are, what they do, and how the company provides a service to them.

It is important to avoid a purely mechanical understanding, as this will become obsolete as the customer's needs develop, and is likely to result in a task focus on the part of your people.

However, developing a service oriented understanding is more complex and time consuming, and will inevitably require close customer contact.

## The benefits

Developing a clear, common, service oriented purpose provides a number of benefits, some of which are:

– work becomes more fulfilling when people are clear on the purpose of it

– common interpretations of what is required assist teamwork and reduce the conflict that can otherwise arise

– a shared understanding of the opportunities for serving the customer enables the organisation to empower its people to provide creative solutions to customer issues

## The approach

Given the complexity and options inherent in the customer relationship, common purpose is difficult (if not impossible) to achieve through words alone.  To develop an appropriate degree of understanding often requires close contact between customer and company staff.  This helps to build real relationships and breakdown unhelpful paradigms.

Concepts that are relevant here include:

– A customer intimacy strategy for staff, including customer visits etc.

– Presentations on the customers business and issues

– Why-how charting of customer needs and the reasons for them

– Supply chain mapping, including the part your customer plays in it

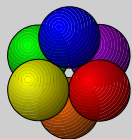– Customer involvement in workshops and planning sessions

# Build Common Purpose

| | | NOW | GOAL |
|---|---|:---:|:---:|
| 0 | Many employees are unaware of who the customers actually are, and what they do. | ☐ | ☐ |
| 1 | There has been some publicity as to the importance of the customers and who they are. | ☐ | ☐ |
| 2 | Everybody is now aware of who the customers are and their importance to the business. | ☐ | ☐ |
| 3 | There is a clear understanding of the needs of the company's chosen customer base. | ☐ | ☐ |
| 4 | Many people have had the opportunity to visit a range of customers, and see the product in use. | ☐ | ☐ |
| 5 | Most people have been trained to work with their customers and visit them as part of their job. | ☐ | ☐ |
| 6 | Everybody is part of a cross functional team, the purposes of which are to satisfy the customer. | ☐ | ☐ |
| 7 | Process teams fully understand the needs of their customer and their customer's customer. | ☐ | ☐ |
| 8 | Customer satisfaction universally seen as the basis for personal fulfilment and self actualisation | ☐ | ☐ |
| 9 | People are fulfilled by their role in the company, it adds value to society & meaning for their life | ☐ | ☐ |

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟪 Process
- ↩ Predict
- 🔻 Perfect

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What would be the practical tangible benefit to the organisation of achieving the goal you have indicated?  Why is it worth the effort?

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What is the basis of your argument for the 'now' position you have indicated?   What specific evidence can you cite in support of it?

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What specifically needs to change if the organisation is to attain the 'goal' position you have defined?  And how can this be done?

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What practical actions can you personally initiate to help this? Are you willing to do them, or should you revise your 'goal'?

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# Tesseract Management Systems

**Management Framework**

# Work in Partnership

Who are the customers of your customer? What is critical to how your customer serves them, and what is your part in that?

Is there scope for working together with your customer more closely in thinking through the way that you can jointly ensure their customer gets the best service possible?

## The principle

Seeking to work with your customers in serving their customers begins to develop a purely contractual relationship into a common focus partnership.

Without a focus on the customer's customer the objectives of the supplier and the customer become distinctly separate, and tend to centre around specifications and terms-and-conditions. These different perspectives engender a degree of distrust and make teamwork more difficult.

Seeking the common goal of serving the same end customer provides the opportunity to work together in a creative enterprise, each finding new ways and new opportunities to contribute.

## The benefits

As outlined above, the chief benefit of working in partnership is the teamwork basis that develops from working with your customer to a common purpose.

There are however other benefits, which include:

– Greater understanding of each other and the possibilities therein

– The opportunity to orientate your customer to a degree of dependence

– Foresight on the upcoming opportunities and issues before they arise

– Better focus of your own people on what is important

– A clear focus on service over product

## The approach

Essentially the approach is one of being available and seeking to be involved at the outset. But if true partnership is to develop this must not in any way be a sham or a show. Partnership is built through service. There has to be a clear willingness to invest in the relationship without any clear picture of what can be gained from it. The customer will only involve a supplier when he has built sufficient confidence in the suppliers motives - when he has developed the understanding that you 'make money to serve', and not vice versa.

The concepts that are relevant to this principle include:

– Customer workshops

– Specialist (technical) consultancy resources

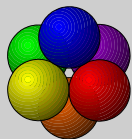– Supply chain mapping & Porter's model

# Work in Partnership

| | | NOW | GOAL |
|---|---|---|---|
| 0 | Most employees have not met the customer, and are unsure as to how well their needs are met. | ☐ | ☐ |
| 1 | Some awareness of how the business is perceived by customers is being developed. | ☐ | ☐ |
| 2 | People aware of their part in meeting customer needs, and receive regular customer feedback. | ☐ | ☐ |
| 3 | Customer supply-chain is mapped and numerical targets have been set for customer satisfaction. | ☐ | ☐ |
| 4 | All understand specifically how they need to help the next link in the chain to satisfy customers. | ☐ | ☐ |
| 5 | Transition to customer focussed teams has led to direct customer involvement in planning etc. | ☐ | ☐ |
| 6 | Customers are now seen as partners in a process of meeting the needs of their customers. | ☐ | ☐ |
| 7 | Overall process of ValueAdd mapped/managed through all partners in the external supply chain. | ☐ | ☐ |
| 8 | Focus is on anticipating and leading customer expectations, through fundamental understanding | ☐ | ☐ |
| 9 | People have adopted a "Servant" attitude, being fulfilled through enabling/stimulating others. | ☐ | ☐ |

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
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# Focus on the Customer

To what extent is your business designed to meet the needs of your customers?

To what extent is the voice of the customer used to make changes not only to product, but to all aspects of your relationship with them?

## The principle

It is a common concept to design products to meet the needs of the customer. But this principle goes beyond that, initially to the concept of designing the 'service' to meet the needs of the customer, and ultimately to designing operating processes to target current and future customer needs.

All activities that are not clearly focussed on meeting the customers current and future needs are inherently wasteful. Focusing on the customer is concerned with literally evaluating the design of your whole business against the value that it adds to your customer (both currently and potentially)

## The benefits

Competitive performance is borne out of being able to supply increased value to your customer at reduced cost to yourself. Focusing all your activities on the customer, and designing them to efficiently meet his need addresses both of these issues.

On the one hand it drives and maintains an in depth understanding of customer needs and opportunities, in order to focus the business on these.

On the other hand it challenges inefficient and wasteful activities that increase your costs to little advantage.

The result should be increased effectiveness and efficiency.

## The approach

There are many valuable tools and techniques for developing innovative and successful product solutions to customer needs and opportunities, and you probably employ or contract people who are familiar with them.

Those same tools and techniques are often just as relevant to the design of your 'service' and operational processes, but the link is often not made.

The following tools and techniques are especially relevant:

–   Quality Function Deployment (a matrix based approach for linking processes to objectives in order to assist in their evaluation and design)

–   Flowcharting (a graphical method of exploring sequences of activities)

–   Conjoint analysis (a method of understanding customer needs)

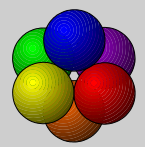–   Problem Solving Tools (Ishikawa, Brainstorming etc.)
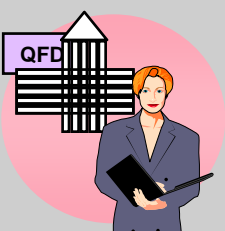
# Focus on the Customer

| | | NOW | GOAL |
|---|---|---|---|
| 0 | Focus is on selling what we make/do currently to anybody who will buy it. | ☐ | ☐ |
| 1 | Growing focus on customer needs rather than current product/service capabilities. | ☐ | ☐ |
| 2 | All customer complaints and feedback are systematically and positively addressed. | ☐ | ☐ |
| 3 | Customer requirements are actively "designed" into products, services and supporting processes. | ☐ | ☐ |
| 4 | All business areas actively seek to design their local operations around fulfilling customer reqts. | ☐ | ☐ |
| 5 | The primary organisation structure is customer focused teams, responsible for cust. satisfaction. | ☐ | ☐ |
| 6 | Quality Function Deployment is in active use for product, service and organisational design. | ☐ | ☐ |
| 7 | Customer teams evolve and innovate as custo-mer needs change. This is a common occurence. | ☐ | ☐ |
| 8 | Business has developed a flexible structure to accomodate constantly stimulated customer reqts. | ☐ | ☐ |
| 9 | An "itinerant" workforce ally and pool resources to continuously find new ways to add value. | ☐ | ☐ |

- 🔴 Purpose
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# Tesseract Management Systems

**Management Framework**

# Manage Customer Impact

Is the impact of your business on your customer actively managed?

To what extent are all the contacts between your businesses ('moments of truth') measured and consciously influenced to maximise the quality of your service to your customer?

## The principle

Many companies treat the service they provide to their customers as an 'open loop'. They assume that it has the effect on the customer that they designed and planned it to have, especially if they hear nothing to the contrary. If they hear a complaint they might well respond with a change in approach, but the net effect of this is that improvement only happens in response to a known problem, and service therefore 'bumps along the bottom'

The alternative is to ensure that there is ongoing feedback for all aspects of your service to your customers, good and bad, and that this feedback is actively used to continuously improve your service ('closed loop')

## The benefits

'Closed loop' feedback on your customer service enables you to improve good service into excellent service - to compete with the best of your competitors rather than the worst.

Also, working at this end of customer aspirations enables you to be sensitive to their future, and to begin to shape their preferred solutions well before they become expectations. In this way your chosen approach to service becomes the basis of the complaints leveled at your competitors, and not vice versa.

Finally, the discipline of seeking feedback ensures that all aspects of your business are kept on their toes, and take full responsibility for serving your customer.

## The approach

Detailed feedback on each and every transaction with each and every customer is not really an option. The burden on the customer would be far too great. But using this as an excuse to avoid seeking feedback altogether should also not be an option.

Correct use of sampling techniques, combined with innovative and sensitive ways of seeking opinion, preferably as part of an ongoing personal relationship with customer staff, should enable any business to gain an insight into how it can continue to improve its service. It is important to remember that your objective is to look for clues to learn from, and not rigorous proof of your unremitting excellence.

(Note: Kano Analysis is about classifying customer requirements according to whether they are basic, spoken, or 'delight' factors. This knowledge can be used to ensure constant stimulation and satisfaction of the customer)
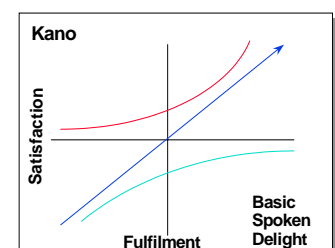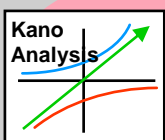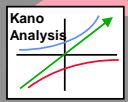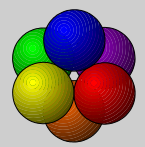
**Kano Analysis**

# Measure Customer Impact

|  | NOW | GOAL |
|---|---|---|

- **0** There is little, if any, analysis of customer complaints and satisfaction.
- **1** Complaints are being analysed and developed into rudimentary measures of (dis)satisfaction.
- **2** Customer surveys have been undertaken, and the business understands how it is perceived by them
- **3** Comprehensive system of customer satisfaction & service measures exist. Maybe Kano analysis.
- **4** Customer satisfaction is reviewed regularly and broken down into local/departmental measures.
- **5** Areas of the business work together to improve aspects of measured customer satisfaction.
- **6** Measurement of customer satisfaction is the primary driver of process team management.
- **7** Measurement of Customer Impact is automatic and integral part of all key processes.
- **8** Company employs modelling to predict effect of changes on Customer Satisfaction.
- **9** Measuring Customer Impact now extends to assessment of effect on Customer's Customer.

- Purpose
- Philosophy
- People
- Process
- Predict
- Perfect

What would be the practical tangible benefit to the organisation of achieving the goal you have indicated?  Why is it worth the effort?

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# Tesseract Management Systems

# Drive Customer Satisfaction

How does your performance in satisfying customers stack up?

How does your performance at customer satisfaction compare with your competitors, or with the best in other industries, either nationally or globally? And what are you doing about this?
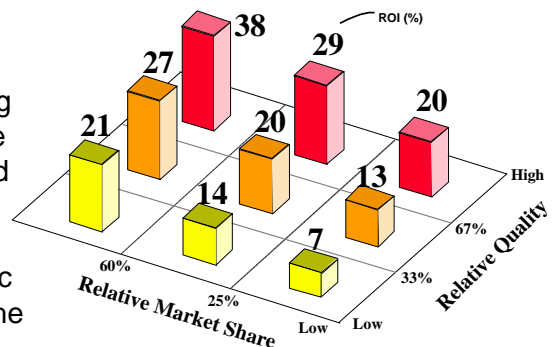
## The principle

The European Foundation for Quality Management uses a well regarded model to assess excellence in awarding its prestigious EQA prize. The model is split into nine areas, and by far the most important of these, representing 20% of the marks, is Customer Satisfaction.

The descriptions on the page opposite are a scale derived from that model, representing different thresholds of performance that the model would assess. The highest marks are reserved for those companies which represent national and global paragons of customer satisfaction.

## The benefits

The PIMS (Profit Impact of Market Strategy) database is a study of over 3000 business units. Through analysing its data it has concluded that the degree of focus on specific customer needs and the fulfillment of those needs relative to competitors - the two main factors in customer satisfaction? - have a dramatic impact on financial performance. (see the diagram on the right)



## The approach

The best approach to driving customer satisfaction is a committed (almost obsessional) focus on the four foregoing principles.

This principle is about viewing your efforts on the other four principles against the efforts that your competitors invest in the same. It is about seeing those comparisons in a local, national, and global context. And it is about seeking to be the best in all three.
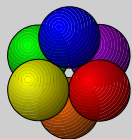
© Tesseract Management Systems

# Drive Customer Satisfaction

| | | NOW | GOAL |
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| Purpose | | | |
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| Process | | | |
| Predict | | | |
| Perfect | | | |

| | | Description | NOW | GOAL |
|---|---|---|---|---|
| 0 | | No objective understanding of levels of customer satisfaction currently exist. | ☐ | ☐ |
| 1 | | Some measurement of customer satisfaction exists but trends are unclear, or declining. | ☐ | ☐ |
| 2 | | Some measurement of customer satisfaction exists but trends are largely static. | ☐ | ☐ |
| 3 | | Improvement targets for Customer Satisfaction are set and there has been progress toward them. | ☐ | ☐ |
| 4 | | Company is meeting and beginning to exceed challenging improvement targets in many areas. | ☐ | ☐ |
| 5 | | Company exceeding most targets for Customer Satisfaction on a reliable and continuing basis. | ☐ | ☐ |
| 6 | | Company sets targets for cust. satisfaction based on Competitor performance, and meets most. | ☐ | ☐ |
| 7 | | Company is consistently exceeding competitor benchmarks in customer satisfaction. | ☐ | ☐ |
| 8 | | Company is consistently seen as best national example in most areas of Customer Satisfaction. | ☐ | ☐ |
| 9 | | Company demonstrably the best global example, long term, in all areas of Customer Satisfaction. | ☐ | ☐ |

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What would be the practical tangible benefit to the organisation of achieving the goal you have indicated?  Why is it worth the effort?

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**Dates this section was reviewed**

# Care for the Environment

What impact does your business have on the environment?

Do you actively seek to ensure that the world (in an environmental or 'green' sense) is no worse off as a result of your activities? Or do you go further than this an seek to have a net positive effect - perhaps redressing past sins?

## The principle

In the widest sense our customers are everybody our business affects. Our 'purpose' should in some way reflect the wider potential of our business, as well as the specific focus our company has chosen in the 'short' term.

'Green' issues have been very much on the agenda recently, and are likely to remain so. The earth cannot sustain indefinitely activities which only consume and pollute its resources. If we really seek to add value we have to consider whether that really is our net effect overall, and long term. And this doesn't just mean chemically - it also means socially, ethically and spiritually.

*'For evil to triumph all that is required is for good men to do nothing'*

G.K. Chesterton

## The benefits

Apart from a better legacy for generations to come, and a personal sense of having done the right thing, there are other more immediate benefits.

Certainly some of those businesses who have failed to think about these issues are now facing legal and legislative costs that are doing significant damage to their business, and this trend looks set to continue. Responsibilities that may have been though of as trivial 20 years ago are now part of multi-million pound legal battles - so, what of the decisions we are currently making that future generations may classify as negligent?

Also there is a growing trend of seeking to work with and invest in those businesses that take a responsible attitude to their surroundings.

## The approach

There are now a number of schemes for environmental assessment and control - including large computer based programmes for actively managing the risks in your business.

There is a British Standard on the subject - BS 7750

In addition there is currently a growth in organisations that look at the ethical and spiritual impacts of businesses. A number of papers have been written on the subject of business ethics, and there is even a magazine that addresses the subject, called 'Ethos'.
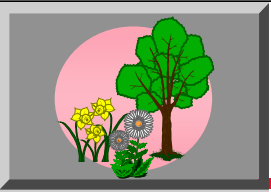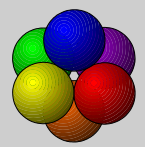
# Care for the Environment

| | | NOW | GOAL |
|---|---|---|---|
| 0 | Company has no real knowledge of the environmental impact of its products & processes. | ☐ | ☐ |
| 1 | Company is becoming aware of its impact on the environment, but only in general terms. | ☐ | ☐ |
| 2 | Major areas of polution risk have been identified, and their environmental impact determined. | ☐ | ☐ |
| 3 | Environmental impact is now measured and improvement targets have been set in key areas. | ☐ | ☐ |
| 4 | Some initiatives to improve the environmental impact of the business are currently underway. | ☐ | ☐ |
| 5 | Comprehensive system to establish and control all aspects of environmental risk currently in use. | ☐ | ☐ |
| 6 | Business and production processes continuously reviewed to reduce environmental impact. | ☐ | ☐ |
| 7 | Company begins to establish responsibility for all aspects of the life cycle of its products/service. | ☐ | ☐ |
| 8 | Company endeavours to establish a neutral balance for its net impact on the environment. | ☐ | ☐ |
| 9 | Company actively seeks and plans to establish a net positive impact on environment, society etc. | ☐ | ☐ |

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟣 Process
- ↩ Predict
- 🔻 Perfect

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What would be the practical tangible benefit to the organisation of achieving the goal you have indicated?  Why is it worth the effort?

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# PHILOSOPHY

## Some general thoughts...

Most businesses are now very familiar with setting objectives and business targets, and at the top level of the company they are well understood and fairly clear cut.

Unfortunately, as they translate down through the organisation they become increasing complex and conflictual. Personal aspirations and single mindedness lead to sub-optimisation and failure - in short the behaviours do not combine to reach the goals - what benefits a decision maker does not necessarily benefit the business and vice versa.

Peter Scott-Morgan called this "The unwritten rules of the Fame", and it was well explored in a paper by Nedler and Laher which concluded "Organisations get the behaviours they reward which are rarely those they desire".

What actual behaviours do you reward? Do you know? Plainly, breaking down objectives into sub-objectives and expecting them to build back up is not enough, and effective management processes have to develop a more comprehensive picture of what they value (standards and behaviours), why and how.

Many companies are discovering the hard way that it's not enough to say what is expected - people often can't hear it over the cacaphony of body language and hidden measures. But for efficiency it must be clear and uniform - the wasted effort from silo mentality is increasingly clear.
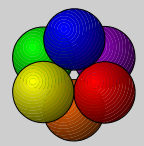
Management is, above all else, the development and harnessing of behaviours to achieve standards. An effective management process is one in which managers understand how and why it rewards certain behaviours, and works to consciously adjust the company environment so that it promotes the standards and behaviours that it needs. It does not see setting standards as simply establishing objectives and rules, but sees instead a complex interaction of management and peer responses which need to be developed through careful and pragmatic experimentation. One way to begin this is to ask at a junior level of the company "What behaviours are likely to get you promoted here? And what aren't" Honest perceptions will be of value to you in understanding your company philosophy, as will be the events that shaped those perceptions. Try it with someone you trust but don't challenge their answers - even challenges are a factor in the value set of the company!
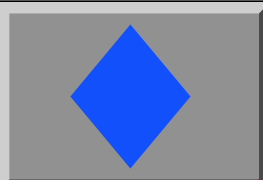
# Philosophy
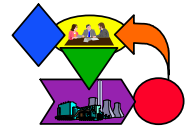
**Build Shareholder Relationships**

**Define Clear Objectives**

**Align the Business**

**Manage Culture**

**Ensure Commitment**

**Achieve Results**

**philosophy**
(f✦'l➜sÀf✦)
n., **1**. any system of beliefs, values or tenets. **2**. serenity of temper.

*Establish clear targets for improvement of performance, at both a macro and a micro level, and develop a value culture which ensures they are actively pursued*

Management is, above all else, the development and harnessing of behaviours to achieve standards.

In doing this managers need to understand how and why certain behaviours are rewarded, and to work to consciously adjust the company environment so that it promotes the standards (targets and objectives) and behaviours that it needs.

'Philosophy' zealots strive to achieve this.

- They inspire a shared vision of the future which serves to guide everybody's efforts, and deploy this into clear practical objectives and standards

- They work as a team at the top level, pursuing collective goals in preference to personal ones.

- They develop a clear value system which is consciously reflected in management behaviours

- They build commitment to challenging targets and the plans by which they are to be achieved

- They understand the real impact of management efforts and decisions on behaviours, and actively manage success through this

# Tesseract Management Systems

**Management Framework**

# Build Shareholder Relationships

Do you have an active relationship with the owners of your business?

(The following has been written with a focus on public companies, but can be interpreted by the reader to reflect the position of subsidiaries as well.)

## The principle

A lot has been written on the short-termism of the City.  But companies themselves tend to reinforce this by maintaining an arms length position from their investors.  By seeing their investors as men in grey suits, and basing the relationship on financial ratios they fail to build anything but a superficial focus.

But investors too are people of dreams and values.  They make their own choices about what is important.  What do they use the returns you give them for?  In many cases you would be write to say "to make more money?", but in some cases this is because you have given them nothing to break their paradigm.  Could you make the investors in your business clearly partners in your dreams and aspirations, and could you reinforce this by treating them as such?

## The benefits

While you are unlikely to move your investment base entirely away from the purely money focused investor, you can stack the deck to attracting more investors who have built a degree of loyalty toward your aims and plans.

The benefit of this is to make you less susceptible to the uncertainty and volatility of take-over, and to provide you with more stability and opportunity to make longer term investments in your business future.

## The approach

The first step is to break the investor paradigm.  This paradigm is one where the objective of the business is to make a profit, and all profit is for the purpose of the shareholders -it is, after all, their right.

So what is wrong with this paradigm?

If you provide a return that is worthy of the investment and the risk involved, and you build confidence in continuing to do so, then you provide a valuable service to your investors - one worthy of their investment.  Any variation, up or down, from this makes speculation a more profitable approach for the investor, and this leaves you with new investors with different expectations.

In short it is better to maintain a prudent stability in your returns, and thereby your investors, and to use this stability to build loyalty through developing their ownership of your aims and ambitions.
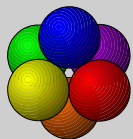
# Build Shareholder Relationships

|  | NOW | GOAL |
|---|---|---|

- Purpose
- Philosophy
- People
- Process
- Predict
- Perfect

| # | Statement | NOW | GOAL |
|---|---|---|---|
| 0 | There is little understanding or acceptance of the organisation's responsibility to its shareholders. | ☐ | ☐ |
| 1 | The business requirement to produce a return is generally understood and accepted. | ☐ | ☐ |
| 2 | Specific profit targets, and results are becoming more openly discussed within the business. | ☐ | ☐ |
| 3 | There is a general understanding of how the company's profit targets relate to industry financial performance | ☐ | ☐ |
| 4 | Financial targets are set and met which ensure the business is seen as a model within the industry | ☐ | ☐ |
| 5 | The company is consciously building a personal relationship with its shareholders | ☐ | ☐ |
| 6 | The business is actively working to develop an ownership and shareholder base that supports its vision | ☐ | ☐ |
| 7 | Shareholders have begun to see themselves as loyal partners and share the non-financial vision | ☐ | ☐ |
| 8 | The ownership of the company actively involves itself in contributing to, and pursuing the vision | ☐ | ☐ |
| 9 | The ownership of the company is clearly fulfilled by its role in the company's work. | ☐ | ☐ |

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Dates this section
was reviewed

# Define Clear Objectives

How clear are your aspirations and intentions for your business?

To what extent are the statements you may have around your walls an accurate reflection of a picture that is consistently in the minds of all your people?

## The principle

In the days of 'command and control' where people did precisely what they were told, and nothing more, an understanding of 'why' they were doing it was largely superfluous.

These days there are other Economies that compete more economically on this basis, and we have to compete through employing more of the minds and ideas of our people on a day to day basis - a system of empowerment.

If people's unplanned contributions are to be efficient they must be clearly focused in the same direction, & this direction must be clear & unambiguous.

Objectives need to be specific, measureable, agreed, realistic and timebased (SMART) and yet broad enough to allow for constructive creativity.

## The benefits

Clear and agreed objectives can provide an excellent platform for teamwork and creativity across the business. Teamwork can be helped through the removal of different agendas and interpretations that arise from ambiguous or unclear (non-existent?) objectives. And with clearer objectives, traditional practices and strictures hold less value, and can more easily give way to more creative solutions for achieving the objectives (particularly stretch ones).

Clear objectives also help add value to the quality of work-life that your people have. It is clearly more fulfilling and satisfying for an intelligent and capable individual to know why he is doing something, and to give him the opportunity to find his own way to contribute to it.

## The approach

There are a number of approaches to developing clear objectives - these vary from the unambiguous left-brain approach of SMART to more right-brain techniques such as visioning. A good approach is to ensure a balance of both and to involve your people in the process. This helps win peoples hearts and minds.

The biggest danger though, is from developing a vision and objectives that are only words on paper. Clear objectives need to be written in the hearts and minds of your people for them to be effective. Getting them involved in defining the vision may start this process, but maintaining it requires that it is an intrinsic part of management values, decision making, and day-to-day conversations.
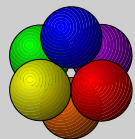
# Define Clear Objectives

|  |  | NOW | GOAL |
|---|---|:---:|:---:|
| **0** | No collective statement of what the business is striving to become ("Vision") currently exists. | ☐ | ☐ |
| **1** | Vision statement exists, but predominantly just words on paper and not a major business driver. | ☐ | ☐ |
| **2** | A clear "Vision" has been agreed by senior mgt., and communicated throughout the business | ☐ | ☐ |
| **3** | Unambiguous targets at both company & dept. level have been defined in support of the "Vision" | ☐ | ☐ |
| **4** | Most vertical business communication is now explicitly related to the vision and its achievement. | ☐ | ☐ |
| **5** | Teams have developed local visions which now drive all process improvement & management. | ☐ | ☐ |
| **6** | Process & company visions are jointly developed in a highly participative target setting process. | ☐ | ☐ |
| **7** | Process objectives explicitly deploy qualitative targets for the company's impact on the Customer. | ☐ | ☐ |
| **8** | Individuals are encouraged to articulate and reconcile their personal visions with the business. | ☐ | ☐ |
| **9** | The vision has developed into a statement which now represents the combined will of the business. | ☐ | ☐ |

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟣 Process
- ↩ Predict
- 🔻 Perfect

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**Dates this section was reviewed**

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# Tesseract Management Systems

**Management Framework**

# Align the Business

To what extent is your business harnessed in meeting its objectives?

How well do your meeting structures, decision making processes, planning work etc. support your objectives?  Do they ensure that all levels and areas of your business are harnessed in efficiently fulfilling your objectives?

## The principle

Writing your objectives clearly on the hearts of your people (see previous principle) is key to making those objectives a reality.  But if those same people are required to work in systems and structures that reflect and reinforce the paradigms of older objectives, then:

– they will clearly be less than fully efficient

– the constant reinforcement of the old model will cause them to drift back

To avoid this it is important that the operating and decision making procedures/structures of the business are amended to ensure that they are aligned with the new objectives, and in turn align other things to them.

## The benefits

The benefit of alignment will be increased efficiency and effectiveness in achieving the objectives.

But that efficiency is not only through the straightforward focus of activities on the objectives.  The alignment of the business brings more subtle efficiencies through the clarity of focus that is reinforced in your people:

– increased congruence and mental health

– reduced conflict and stress

## The approach

The approach is essentially one of planning a strategy to fulfil the objectives.

This in the first instance requires that those factors (both human and organisational) that are critical to the success of the objectives are clearly identified.  Then it is a matter of developing plans to ensure those factors are created and/or managed.

Force field analysis can provide a great insight into the human factors, and can thereby help to align policy influences with the objectives.

In the initial years however, much is likely to be missed in the plans, and a key feature in practically aligning the business is setting in place those processes which can learn from where misalignment exists, and put it right.
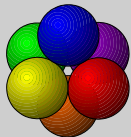
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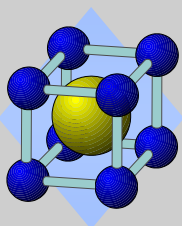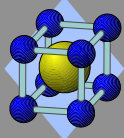
# Align the Business

|  | | NOW | GOAL |
|---|---|---|---|

- Purpose
- Philosophy
- People
- Process
- Predict
- Perfect

| 0 | Change initiatives may develop, but not as part of an integrated business improvement strategy. | ☐ | ☐ |
| 1 | Change initiatives have now been pulled together as elements of a clearly integrated strategy. | ☐ | ☐ |
| 2 | Route to achieve the Vision has been defined in outline terms. People are clear on their role in it. | ☐ | ☐ |
| 3 | Managers at all levels have explicitly adopted full responsibility for driving & supporting improv't | ☐ | ☐ |
| 4 | All decisions are now explicitly guided by and validated against the Vision and its objectives. | ☐ | ☐ |
| 5 | Objectives have been deployed to local & process teams, who have been equiped to achieve them. | ☐ | ☐ |
| 6 | Management is primarily focused on structuring, guiding and supporting organisational learning. | ☐ | ☐ |
| 7 | All routine decisions are now the responsibility of process teams, within a learning framework. | ☐ | ☐ |
| 8 | Process objectives have become more abstract to increase the scope for organisational learning. | ☐ | ☐ |
| 9 | The nature of the vision is actively developed to maximise its benefit to managing the business. | ☐ | ☐ |

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# Manage Culture

What behaviours and attitudes does your organisation reward?

How do you ensure the attitudes and behaviours that the organisation wants and needs for its future success are reinforced by the culture of your organisation?

## The principle

One excellent text on motivation* concludes: "Organisations get the behaviours they reward, which are very rarely those they desire"

An organisation is the sum of its peoples behaviours.  And the behaviours it gets are the behaviours it rewards.  The principle of getting the behaviours that you want is one of ensuring that you deliver the right 'rewards'.

While this is far from straightforward, due to the complexity of human interactions, much can be done by being totally clear and explicit on the behaviours that you want, and ensuring that your managers have an active strategy that constantly reinforces them.

*Taken from "Expectancy Theory" by Nadler & Lawler

## The benefits

Where there is a greater alignment of behaviours with the organisational objectives there is greater efficiency:

– Contributory and constructive behaviours are encouraged
– Destructive or conflictual behaviours are discouraged
– Teamwork improves through more supportive interpersonal behaviours
– Confusion and resentment are reduced through increased clarity of the fairness of the reward system

And, the organisation can feel a much more rewarding place to work in.

## The approach

People will often do what is important to their manager, irrespective of what that manager says is important to them.  Further, managers can work out what impression they create in their people about what is important.  In a recent exercise 15 managers had a 90% accuracy on identifying themselves and their colleagues from what their people said was important to them, even though it wasn't what they wanted their people to see as important.

We need to become aware of the impression we create, and the implications of that.  And then we need to set about redesigning the way we interact with and influence our people to create the right impression.

Useful tools in doing this are:

– defining a clear and explicit behavioural standard
– modifying formal and informal reward systems to reflect this standard
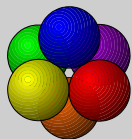– exaggerating your style to ensure the standard is adopted
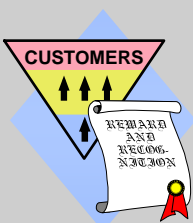
# Manage Culture

**CUSTOMERS**
REWARD AND RECOGNITION

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟪 Process
- ↩ Predict
- 🔻 Perfect

| | | NOW | GOAL |
|---|---|---|---|
| 0 | Culture is inconsistent. The management group employ quite different approaches or styles. | ☐ | ☐ |
| 1 | There is a largely consistent culture, but it is of a primarily political or defensive nature. | ☐ | ☐ |
| 2 | A clear (objective) behavioural standard has been defined, consistent with the company's vision. | ☐ | ☐ |
| 3 | A system of positively reinforcing the chosen behavioural standard is successfully established. | ☐ | ☐ |
| 4 | The behavioural standard is universally adopted (one way or another). HR policies are fully aligned | ☐ | ☐ |
| 5 | Behavioural standards have now developed to embrace (& reconcile) more subjective elements. | ☐ | ☐ |
| 6 | Culture sufficiently consistent at a subjective level to ensure no barriers exist to full empowerment | ☐ | ☐ |
| 7 | The HR "process" is now clearly designed to positively and appropriately "manage the culture" | ☐ | ☐ |
| 8 | Combination of "process" and "culture" appear to seamlessly align the business to opportunity. | ☐ | ☐ |
| 9 | Management's role has changed beyond all recognition to one of "triple-loop-learning". | ☐ | ☐ |

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# Ensure Commitment

How committed are your people to the organisation and its objectives?

What do you do to build and ensure peoples commitment to undertaking responsibility for the objectives you have set yourselves?

## The principle

It is quite rare for the objectives of an organisation, and those of the individuals working for it to precisely align themselves at the outset.

There may well be some degree of common ground, but very often even this limited hope is not the case.

Commitment is therefore built by explicitly linking the objectives of the organisation to the objectives of the individual by means of a contract - eg organisational success will be used in part to provide you personal success.

Commitment is maintained by frequent reference to the contract in the ongoing nature of business and decision making.

## The benefits

The contract allows everybody the opportunity to clarify their expectations, and their responsibilities.  While this might seem mercenary in one respect, it does not need to be so in practice.  All we are attempting to do is to be fair, and to make that fairness explicit.

The benefits of this is that it reduces the time and emotional energy that might otherwise be expended in 'looking out for number one', and it increases all round confidence in the delivery of the responsibilities.

## The approach

The main element of ensuring commitment is throug developing an explicit contract.  Such a contract may be through the appraisal process, or through some other form of personal objectives.

This contract is made easier by allowing individuals to contribute to the definition of the organisations vision, and by clearly understanding their personal objectives.  By starting in this way there is scope to find natural alignment between the organisations needs of the individual, and the individuals objectives.  Initially this scope may be small, but as the individual grows and the organisation matures in its approach, this scope will increase.

Beyond the natural alignment however there is almost always a need to consider the distribution of the benefits between the organisation and the individual.  (Note: these will not always be financial).

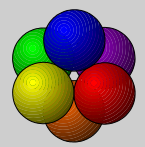All of this should be collected into the contract.
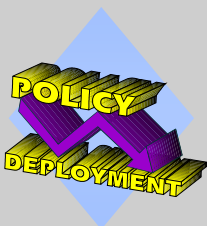
# Ensure Commitment

|  | NOW | GOAL |
|---|---|---|

- **Purpose**
- **Philosophy**
- **People**
- **Process**
- **Predict**
- **Perfect**

| | | NOW | GOAL |
|---|---|---|---|
| 0 | There is little understanding of the overall business objective. Local objectives predominate | ☐ | ☐ |
| 1 | Business level objectives are clearly understood. Local objectives can be related to them. | ☐ | ☐ |
| 2 | There is an overall business vision which has the commitment of senior management. | ☐ | ☐ |
| 3 | Local groups aware of critical success factors in the Vision, & accept responsibility for them. | ☐ | ☐ |
| 4 | Local groups have made the vision their own and have developed plans to ensure its achievement. | ☐ | ☐ |
| 5 | Management recognise importance of consensus & need to cascade real responsibility for change. | ☐ | ☐ |
| 6 | Commitment is now developed through an established process of Policy Deployment. | ☐ | ☐ |
| 7 | Policy Deployment is becoming as much a bottom-up process as a top down one. | ☐ | ☐ |
| 8 | Individuals are encouraged to develop and reconcile personal visions with business vision. | ☐ | ☐ |
| 9 | Deployment of company purpose is indiscernable from the aggregate of individual purpose. | ☐ | ☐ |

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# Tesseract Management Systems

# Achieve Results

Is all that you are doing really making a difference to your bottom line?

How do you compare in the performance of your business against your competitors; local, national and global?

## The principle

We can sometimes deceive ourselves that we are doing all the right things in the right way even if we are not. This is especially true in business.

The principles outlined in this document, applied diligently, will make dramatic differences to the performance of your business. If they aren't, then first of all you need to know this, and then you need to know why.

This principle is about benchmarking yourself against the financial performance of your competitors.

## The benefits

The benefits of this principle are largely financial. As such they can be what you want them to be, depending on what you want to invest that finance in.

But the benefits are also peace of mind. If you are comprehensively beating your competitors then you can have some degree of confidence that you are getting things right.

## The approach

The descriptions on the page opposite are a scale derived from the EFQM model, representing different thresholds of performance that the model would assess in the area of Business Results.
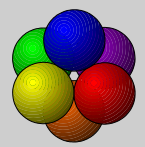
# Achieve Results

|  | | NOW | GOAL |
|---|---|---|---|

- **0** Progress is understood at the business level in purely financial and budgetary terms. ☐ ☐
- **1** Some non-financial measurements are clearly in evidence, & in common use throughout business. ☐ ☐
- **2** Non financial results are an integral part of the business report. There is some improvement. ☐ ☐
- **3** Non-financial measures are now the major part of all management reporting and decision making. ☐ ☐
- **4** Company is meeting and beginning to exceed challenging improvement targets in many areas. ☐ ☐
- **5** Company exceeding most targets for business performance on a reliable and continuing basis. ☐ ☐
- **6** Company sets targets for business performance based on Competitor results, and meets most. ☐ ☐
- **7** Company is consistently exceeding competitor benchmarks in many aspects of business perf. ☐ ☐
- **8** Company is consistently seen as best national example in nearly all areas of business results. ☐ ☐
- **9** Company demonstrably the best global example, long term, in all areas of business performance. ☐ ☐

- ● Purpose
- ◆ Philosophy
- ⬭ People
- ⬠ Process
- ↩ Predict
- ▼ Perfect

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# PEOPLE

## Some general thoughts...

People are our most important assets - so the saying goes!  So what about asset management - what are the most successful investment strategies - how can the asset be best utilised?

Unfortunately there is a level of irresponsibility in many companies and their approach to "their most important asset" - unless of course the view is "people is our most important asset" - because we seem to believe in managing them as a whole - the sheep dip approach.  Unfortunately the asset is a unique one, and there are no easy answers.

But people are your greatest assets.

There is a whole process to getting the best out of people - teams, rewards - it's complex and it needs managing.

The concept asset management as applied to people, has a lot to offer our thinking of our management of people.  To start with, how do you assess the value of your asset?  One way is to determine the confidence you have in the competence of your people - the terms of reference you provide them in undertaking their work.

Do you know how much the terms of reference of your people have changed over the last two years?

Terms of reference provide a good yardstick for assessing the growth of this asset.  It is, at the same time, a measure of how confident you are in the competence of your people, and the extent to which you are harnessing that competence without the inefficiency of duplicated effort.  The rest is about how you develop growth in terms of reference through processes such as situational leadership, team development, training etc.  Professional management has to cover the aspect of how the people asset is managed. Although it can seem to develop all by itself, with just the occasional slosh of training, this is rarely the most efficient or effective form of people asset management, and it often creates a fall-out all of its own.
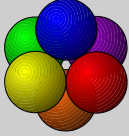
# People

**Build Capability**
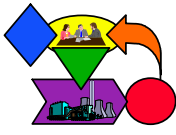
**Harness Potential**

**Empower People**

**Provide Inspiration**

**Manage the HR Process**

**Ensure People Satisfaction**

- Purpose
- Philosophy
- People
- Process
- Predict
- Perfect

**people ('p✖pᵃl)**
n. **1**. persons collectively or in general. **2**. a group of persons considered together

*Develop people's abilities and attitudes in a planned and productive manner, through a programme of challenges, experiences, team involvement, and training*

It is fairly common to hear the sentiment "People are our most important asset".

The best examples of 'People' zealots demonstrate this clearly by asset management.

They understand the most successful investment strategies and how can the assets can be best utilised?

- They take every opportunity to develop the individual and collective abilities of their people

- They enable their people to fully realise their potential through challenge and opportunity

- They inspire and motivate their people to their best performance through a true spirit of teamwork

- They design HR policies, appraisals and rewards to actively support the vision and culture

- They systematically ensure their people remain happy and fulfilled

- They build a culture of empowerment, and fully harness the potential they create in their people

# Tesseract Management Systems

**Management Framework**

# Build Capability

How capable are your people?  Do you have the means to quantify it?  And is that capability increasing or declining?

What do you do to actively manage the growth of your net capability?

## The principle

Most work provides tremendous opportunities to combine the potential of people with the potential of processes to enhance the performance of both. Management is essentially about maximising the short and longer term benefits of this flow of opportunities.

The development of process performance has for sometime been seen in this way, but the development of people is often more ad-hoc.

Building capability is about actively using the flow of work opportunities to manage a balance between today's operational performance improvements, and the improvement in the capability and potential of your people for tomorrow.

## The benefits

Building capability in this way provides a continuous and focused flow of training to your people and reduces your dependency on isolated training courses, or buying in capability through recruitment.

In addition, while the added value makes your people more interesting to the poachers among your competitors, it makes them less likely to leave since they will recognise that the benefits from working for your company are far from purely financial.

Finally, the 'process' nature of development makes your people far more flexible and the business less prone to the disruption caused by staff leaving.

## The approach

Any systematic approach to building the capability of your people has to be rooted in a clear model of your people's current capabilities.  You need to have a clear and appropriate competency model against which you can measure current capability, target growth in that capability, and plan the assignments that will enable you to reach that target.

This can be almost as onerous as the planning required to make the process improvements your require to meet target, but then the benefits are at least as great, and the two tasks can easily be combined.

Some of the capability you will seek to develop will inevitably be specialist, but there is also a great need in most organisations to develop and hone the general skills of problem solving, managing improvement, teamworking, influencing, management  etc
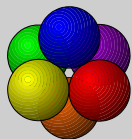
# Build Capability

|  | NOW | GOAL |
|---|---|---|

- **0** The focus within the business is about fitting people to jobs, and this is the focus of training.
- **1** There is evidence of people being trained in problem solving and process improvement.
- **2** There is an active programme of training all staff in how to improve their work.
- **3** All staff have been trained in the skills required for effective membership of improvement teams.
- **4** Clear targets exist for the ongoing development of all staff through improvement projects
- **5** Roles are designed to provide both the business need and the planned growth of individuals.
- **6** People are actively developed through coaching and the progressive delegation of authority.
- **7** The company "structure" is totally fluid, continually responding to internal and external opportunity.
- **8** People see their relationship with the business as a basis for continuous mutual development.
- **9** The business is a harmonious symbiosis of apparently unrestrained personal development .

- Purpose
- Philosophy
- People
- Process
- Predict
- Perfect

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# Tesseract Management Systems

**Management Framework**

# Harness Potential

How well are the skills and competencies of your people harnessed into adding real value for the business?

How well does your team selection and management process ensure that people are harnessed and developed to the full?

## The principle

In many peoples minds the paradigm of success being related to status, and status being related to the number of levels below you in the hierarchy is still prevalent.  This paradigm has a severely limiting effect on growing and harnessing people, because of the expectation that responsibility goes with status and a management or supervisory position.  Delayering has helped to combat this but also exacerbated the problem by reducing the scope for such 'promotions'.

Harnessing potential is about smashing the paradigm and harnessing and rewarding people in such a way that formal 'promotion' is no longer the preferred route.

## The benefits

By separating kudos from hierarchy we can do much to reward, develop and retain our star performers without promoting them to a role that they don't like and we don't benefit from.

Further it gives us a means to reward and give status to all our people without overloading the hierarchy or inspiring resentments or hidden jealousies.

But most of all it gives us the potential to get the very best out of our people on an ongoing and sustainable basis.

## The approach

A key element of the approach is to shatter the paradigm that progress is position.  Reducing it is not good enough - to succeed fully you will have to reverse it - you will have to clearly link benefits and rewards and kudos to something other than hierarchical status.  This will overcome the aspirations for structure.

The next step is to replace rigid structures with fluid teams which can flex to meet the needs of the changing markets and processes, and to harness the full potential of team members.  This can be helped ironically by introducing different forms of structure:

– clearly defined team processes and protocols

– the development of team skills and people development skills

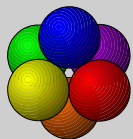– team assessment and self-management routines.

Opportunity

Teamwork

Resource

# Harness Potential

|  | | NOW | GOAL |
|---|---|---|---|
| **0** | The only recognised form of progression in the business is through a management hierachy. | ☐ | ☐ |
| **1** | Participation in improvement teams is positioned as a valid experience for personal development. | ☐ | ☐ |
| **2** | Participation in improvement teams is considered to be valid experience for personal development. | ☐ | ☐ |
| **3** | Team and problem solving experience is recognised as essential to progression. | ☐ | ☐ |
| **4** | Functional power bases have been weakened. Informality, processes & teamwork are rewarded. | ☐ | ☐ |
| **5** | Process focus has removed management layers. Team involvement is seen as the route to progress and status. | ☐ | ☐ |
| **6** | There is a clearly defined process for actively developing all staff through team involvement. | ☐ | ☐ |
| **7** | People genuinely see progress & growth only in terms of team involvement in process improvement. | ☐ | ☐ |
| **8** | People adopt whatever role the business needs. Status is accorded to value - not role or position. | ☐ | ☐ |
| **9** | People and teams develop at the maximum rate they are capable of, & this is fully utilised by the business. | ☐ | ☐ |

Side navigation:
- ● Purpose
- ◆ Philosophy
- ◯ People
- ▷ Process
- ↰ Predict
- ▽ Perfect

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# Empower People

How well does the authority you grant your people match their competence?

How do you monitorthe extent to which your people are empowered, and how do you ensure that there is continuing growth in empowerment?

## The principle

Empowerment is about pushing decision making responsibility down through the organisation, to the level where the best information exists.

Empowerment is a process which culminates in authorising individuals to make the key decisions associated with their role. But the authorisation is just the last step in the process (a point that is often missed by those who are attempting to empower).

Empowerment is a process which firstly ensures the capability of the individual, which ensures the relevant supportive structures, which sets boundaries and terms of reference, and then authorises the individual.

## The benefits

There are many benefits from empowerment, providing it is approached correctly, and is not just an abdication of authority. Good empowerment:

– makes greater use of your peoples skills and abilities

– removes bureaucracy and makes managers jobs easier

– establishes responsibilities and removes the excuses for failure

– provides for growth and development outside of a rigid hierarchy

– increases job satisfaction and motivation

– increases the flexibility and creativity of the organisation

## The approach

As has been stated previously, empowerment is a process, not merely an action. The main steps in the process are as follows:

– evaluate the scope for delegating decision making authority in each role

– understand the incumbents current capability and development needs

– agree a contract for development which will culminate in increased authority - and agree boundaries and reference points for the authority

– ensure the development is delivered through training, coaching etc.

– establish supporting structures to help the incumbent with the decisions and to make them aware of the need for them to take responsibility

– confirm that the incumbent is fully able to make the decision in the best way, and work through any necessary improvements

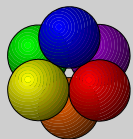– authorise (and officialise) the incumbent in their expanded role

# Empower People

| | | NOW | GOAL |
|---|---|---|---|
| 0 | Decisions are often made one or two levels removed from where the information is. | ☐ | ☐ |
| 1 | Some projects exist where the team has been empowered to make appropriate decisions. | ☐ | ☐ |
| 2 | Some improvement teams have run, and their conclusions have been adopted without question. | ☐ | ☐ |
| 3 | Teams are granted full authority to solve relevant problems, if they use the appropriate methodology. | ☐ | ☐ |
| 4 | Business development is now predominantly the responsibility of multidisciplinary teams. | ☐ | ☐ |
| 5 | All the major business processes are now the responsibility and remit of cross-functional teams. | ☐ | ☐ |
| 6 | The company has a clear process for ensuring people are developed and empowered in their role | ☐ | ☐ |
| 7 | Decisions concerning all routine business issues are now taken within & by cross-functional teams. | ☐ | ☐ |
| 8 | The authority of every individual is continually reviewed to ensure it fully employs their capability. | ☐ | ☐ |
| 9 | Everybody feels they have all the power and authority they need. | ☐ | ☐ |

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟣 Process
- ↩ Predict
- 🔻 Perfect

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# Provide Inspiration

How inspired are your people, and what by?

How do you, as leader, provide them with the inspiration to do their very best in their role, and in the challenges they face?

## The principle

Much is talked about leadership, and how managers need to become leaders. Perhaps the principles outlined in these pages encourage you to realise that there is still much we can do to improve our management, and not to abandon it. But that should not detract from the need for management to provide leadership. Sometimes a moments inspiration can be worth hours of perspiration.

Leadership is about getting your people to catch your vision. Its about inspiring them to take responsibility for making things happen. Its about building an energy and enthusiasm in them that makes things take off.

## The benefits

When your people are inspired and enthused about the right things, their energy and creativity is aligned with your plans, and the organisation can really move. You can feel part of something that is really alive.

As a result, you will need to spend less time pushing and encouraging, and picking up the pieces of half-hearted work.

And your people will work harder and longer, but feel that their work is quicker and more fun.

## The approach

Providing ispiration is essentially about lifting peoples eyes to see their own potential in the context of the opportunities of any situation, and about making them feel responsible for it.

We can begin to develop and provide inspiration by careful choice of the questions we ask people. By inviting them to explore the opportunities that their situation might have, by getting them to see their potential in that, by inspiring them to develop a vision for their future (even short term) and by building in them the confidence that they can do it, and that they want to do it.

Great orators can do this through speeches, but this is not the best option for most of us. Although it looks like a short cut to the above, we miss the bits that really inspire our people and pay for the mistake through continuing to have to supply the real energy ourselves. Questions may take us around the houses, but if we ask them well we will hit all the right buttons.
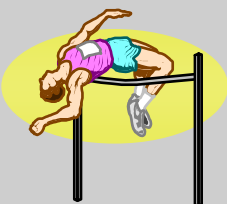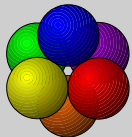
# Provide Inspiration

| | | NOW | GOAL |
|---|---|:---:|:---:|
| **0** | Employee relationships are seen as purely contractual in nature: We pay therefore You do! | ☐ | ☐ |
| **1** | It is accepted that blind obedience / unquestioning attitudes are unhealthy for the business. | ☐ | ☐ |
| **2** | The company explains clearly what it is trying to achieve & why. It encourages questions/challenge. | ☐ | ☐ |
| **3** | Explanations, joint targets & the facility to take-up challenges create new motivation at all levels. | ☐ | ☐ |
| **4** | All staff have experienced success from meeting new challenges & actively seek more of the same. | ☐ | ☐ |
| **5** | New team structures have made such challenges & motivation an everyday occurence for everybody. | ☐ | ☐ |
| **6** | People earnestly (and accurately) hold the view that they are running their own mini-businesses. | ☐ | ☐ |
| **7** | All are continually motivated by new challenges, and are developed to achieve them successfully. | ☐ | ☐ |
| **8** | Everybody now voluntarily spends more time in the business than their contract requires of them. | ☐ | ☐ |
| **9** | Everybody sees the business and their part in it as fulfilling themselves an their purpose in life. | ☐ | ☐ |

- ● Purpose
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# Tesseract Management Systems

**Management Framework**

Page 19

# Manage the HR Process

How does your HR (Human Resources) process add value to your people?

How does your HR process encourage consistency, and a flow of people for the challenges the company will face tomorrow?

## The principle

If managers are taking responsibility for the development and coaching of their people, why do we need an HR process?

An HR process should exist to look after the links between managers and the flow of development for the business as a whole. Done well an HR process will understand and use all of the development that can take place within each area of the business, and will develop an overall strategy to ensure the company as a whole has a flow of the people it needs.

It will also provide the tools, the strategy, the mechanisms and the interfaces to individual managers in their own work to develop and grow their people.

## The benefits

By having an HR process for the business as a whole the company can maximise its use of its resources and opportunities to develop its people for its future:

– It can ensure a rounded programme of development
– It can work toward consistency and a common compatible culture
– It can economically develop tools and approaches for general use
– It can provide a source of specialist support and guidance
– And it can stimulate a vision and a strategy for people development that the managers can buy into and work toward.

## The approach

The main tools available to the HR process in achieving the above are:

– Measures of growth and people satisfaction
– Policies for the development and growth of people
– Integrated fast-track programmes for certain individuals
– A vision and targets for people development
– Central training programmes and resources
– Standard procedures and processes for appraisal and development
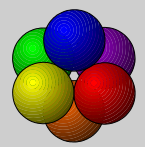– Consultancy support for individual managers

# Manage the HR Process

| | | NOW | GOAL |
|---|---|---|---|
| **0** | The business has no measures of individual growth or development. | ☐ | ☐ |
| **1** | Rudimentary HR measures exist eg.absenteeism & turnover. There is an annual appraisal system. | ☐ | ☐ |
| **2** | Appraisal data is being collated into measures of HR growth & there is some thinking on targets. | ☐ | ☐ |
| **3** | Levels of delegation and authority are monitored and there are targets for personnel development. | ☐ | ☐ |
| **4** | Targets for individual growth are routinely met. Trends in development are measured & managed. | ☐ | ☐ |
| **5** | The HR actions required to maintain growth are being developed into a distinct business process. | ☐ | ☐ |
| **6** | All people issues are treated as learning opportunities for the HR process. | ☐ | ☐ |
| **7** | The HR process delivers increasingly satisfied & effective people. It is measured and managed. | ☐ | ☐ |
| **8** | The HR process is designed to optimise both the current and long term needs of the business. | ☐ | ☐ |
| **9** | The HR process has widened its remit to ensure the "whole" person is developed, & self-actualised. | ☐ | ☐ |

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟣 Process
- ↩ Predict
- 🔻 Perfect

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# Tesseract Management Systems

# Ensure People Satisfaction

How happy are your people?

How do you assess the satisfaction of your people, the main factors that contribute to that, and the impact of that on the quality of their work?

## The principle

Your people spend at least seven hours a day physically at work.  If they are satisfied they are likely to spend the vast proportion of that time being there mentally as well.

The principle of ensuring people satisfaction is about measuring it, and then using the data to change factors which will increase their satisfaction.

## The benefits

Satisfied people work with more of their attention on the opportunities of the job.  People who enjoy their work tend to do it better, particularly where some degree of judgement or creativity is required.

In addition, higher people satisfaction means that your ability to retain your people is increased.

And satisfied people are generally less resistant to, or fearful of change.

## The approach

The approach is essentially one of undertaking a regular sampled survey, and using the results to guide your policy decisions for the future.
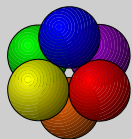
# Ensure People Satisfaction

|  | | NOW | GOAL |
|---|---|---|---|

- **0** No objective understanding of levels of employee satisfaction currently exist.
- **1** Some measurement of employee satisfaction exists but trends are unclear, or declining.
- **2** Some measurement of employee satisfaction exists but trends are largely static.
- **3** Improvement targets for Employee Satisfaction are set and there has been progress toward them.
- **4** Company is meeting and beginning to exceed challenging improvement targets in many areas.
- **5** Company exceeding most targets for Employee Satisfaction on a reliable and continuing basis.
- **6** Company sets targets for Employee satisfaction based on "Industry" performance, & meets most.
- **7** Company is consistently exceeding "Like industry" benchmarks in Employee Satisfaction.
- **8** Company is consistently seen as best national example in most areas of Employee Satisfaction.
- **9** Company demonstrably the best global example, long term, in all areas of Employee Satisfaction.

- ● Purpose
- ◆ Philosophy
- ⬭ People
- ⬠ Process
- ↩ Predict
- ▼ Perfect

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**Dates this section was reviewed**

# Tesseract Management Systems

**Management Framework**

# PROCESS

## Some general thoughts...

Like machines, the way companies undertake certain tasks, and the resulting effectiveness and efficiency with which they achieve them, is a function of:

... the mechanisms they employ

... how those mechanisms interact

... the way the whole thing is put together.

In machine design, the quality and efficiency of the output is a competitive issue - the pressure to think through the design objectively, to understand the competition, and to effectively cope with very complex relationships has led to the development of some very sophisticated and advanced tools.

However those same tools are little in evidence in companies reconsidering their operations.  Managers often claim that the situation is too complex and uncertain, although at long last businesses are beginning to see that they are an amalgam of business processes - the basic building blocks for business design.  Ironically, however, companies resort to consultancies to assist with organisational or process redesign, the consultants often embrace the very disciplines and concepts that the business mangers shun.  With the design life of a business process shortening as change increases, it can neither be economic or practical to pay for external agencies to grow familiar with your business every time a change is required.  The risk then is either that processes continue past the point when competitive advantage could be gained by that redesign, or that process redesign occurs inefficiently due to a poorer approach for undertaking it.

Management will have to develop the skills for reviewing, analysing, and redesigning processes.  Through this it can ensure the business remains competitively tuned to its purpose and philosophy, harmonising and supporting its people in their best work.  It can create a clear basis for becoming a learning organisation.

When were your business processes last redesigned, and what methods were used to do it?  Can you be sure that there wouldn't be significant business benefit in developing, redesigning or even redefining them.

Some companies have clearly got their business processes in tune, and are now looking at the processes by which these basic processes are developed.  The business is a complex machine, but in that complexity lies the ability to reinvest itself, a facility which in itself can be redesigned.

# Process

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟪 Process
- ↩ Predict
- 🔻 Perfect

**Understand the Business**

**Instrument the Business**

**Develop through Process**

**Provide Clear Roles**

**Build Responsibility**

**Ensure Long Term Health**

**process ('prɒsɛs)**
n. **1**. a series of actions which produce a change or development. **2**. a method of doing or producing something. ~*vb.* *(tr.)* **3**. to subject to a routine procedure. **4**. to treat or prepare by a special method.

*Develop and design the processes which effect performance, using methods which aid collective involvement and disciplined thinking*

In 'Process' zealots, Management have developed the skills for reviewing, analysing, and redesigning processes.

Through this they can ensure the business remains competitively tuned to its purpose and philosophy, harmonising and supporting its people in their best work. 'Process' zealots create a clear basis for becoming a learning organisation.
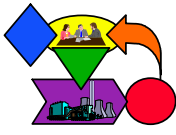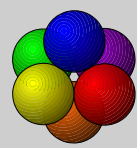
- They recognise the business as a tapestry of processes and responsibly develop it through these using appropriate tools and techniques
- They ensure all the key business processes are mapped, and that the process performance is monitored and controlled
- They actively develop the performance of all processes through a planned strategy of improvement
- They focus on systematically understanding and serving internal customers
- They build a real responsibility for considering all opportunities to improve process performance
- They build new processes which focus on developing the health and future performance of the business

# Tesseract Management Systems

**Management Framework**

# Understand the Business

What are the essential features of <u>how</u> your business adds value?

How well is the business designed in terms of those processes which add value?  Do you really understand how your business works?

## The principle

All businesses can be seen as a tapestry of interwoven processes, each doing their part to ensure customers are served, now and in the future.

Your business competes on the basis of the efficiency and effectiveness of those processes.

Some organisations have become very good at realising this, at understanding the processes and continually improving their performance through them.  To continue to compete with them their competitors will have to start doing the same.

## The benefits

The main benefit of clearly understanding the business, in terms of the processes which make it up, is to enable the business to clearly focus on those areas that are most critical to its future success.

Through understanding the processes it can do this in a way that is more systematic, and explicable to its staff and junior managers, and it can enlist more of its resources in making improvements.

And when the processes are designed properly, management will lose a lot less of its time in fighting fires.

## The approach

There is no 'one correct way' to divide your company up in terms of processes.  Understanding the business is a matter of developing a logical model of how the business works - grouping patterns of activities together in order to make sense of them.

The basis on which you group your patterns may change from year to year, and this can provide new insights into the business when the opportunities to improve through your old patterns begins to dry up.

Probably the key tool for this work is the process map.  This is the managers equivalent of the surgeon's skeleton and the engineer's schematic, and just as crucial to the quality of his work.
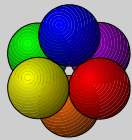
**Business QFD**

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# Understand the Business



| | | NOW | GOAL |
|---|---|---|---|
| 0 | The concept of business processes is not understood, except possibly those of production. | ☐ | ☐ |
| 1 | Some understanding of business "processes". People know who their internal customers are. | ☐ | ☐ |
| 2 | The key business processes have been identified, and their purpose clearly defined. | ☐ | ☐ |
| 3 | All the key business processes have been mapped, and performance targets have been set. | ☐ | ☐ |
| 4 | Management now focus attention on processes rather than results, and their decisions reflect this. | ☐ | ☐ |
| 5 | Company is now (re)designed as a complete set of processes, each with clear performance criteria. | ☐ | ☐ |
| 6 | Business understanding is so clear that all operat-ional responsibility rests with process teams. | ☐ | ☐ |
| 7 | The performance of all operational activities are actively improved within well defined processes. | ☐ | ☐ |
| 8 | Organisational learning is being developed as a process to drive further business development. | ☐ | ☐ |
| 9 | The business is actively & continually redesigned to meet the ever-evolving needs of its customers. | ☐ | ☐ |

Legend (left navigation):
- ● Purpose
- ◆ Philosophy
- ⬭ People
- ⬡ Process
- ↰ Predict
- ▼ Perfect

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was reviewed

# Tesseract Management Systems

**Management Framework**

# Instrument the Business

How efficiently and effectively does your business do its work?

How does the performance of your key processes compare with the competition, and how is it changing over time?

## The principle

In a design sense we can do much to automate process routine. This helps the organisation assimilate learning and efficiency, and gives our people the breathing space to focus their intelligence and creative energy at the points where it matters most. Our people's intelligence is important to the business and we need processes which conserve it and focus it where it is of most benefit - not least in fine tuning and improving the processes themselves.

To harness this intelligent effort efficiently in process improvement and fine tuning we need to ensure that it is fed with relevant and timely information on process performance. In short we need to instrument our processes to enable them to be driven and maintained properly.

## The benefits

What gets measured gets done. It is quite amazing to see how measuring and graphing the performance of a business activity naturally results in its improvement - even without any formal intervention.

However further improvement does need intervention, and instrumenting processes enables your people to see when such intervention becomes necessary, and to manage it through to a successful conclusion.

The instrumentation has a positive impact on your people also. The direct feedback on the quality of their efforts helps them to find ways to improve their own personal performance.

## The approach

Process measurement is now a very common activity and a number of tools have been developed to support its application:

– Identifying critical success factors (eg through an Ishikawa diagram) can help the team to focus their instrumentation in areas where it will be of most value in ensuring performance

– Statistical Process Control (SPC) is a well established trending technique that ensures intervention at the points when it is most valuable

– Process computers, especially management information systems, can provide performance data almost automatically.
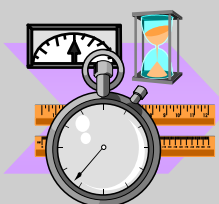
# Instrument the Business

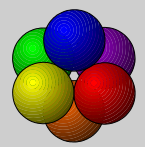|  | | NOW | GOAL |
|---|---|---|---|
| 0 | No measures of corporate or departmental performance exist, except of a financial nature. | ☐ | ☐ |
| 1 | Hidden costs are now collated, and a rudimentary system to monitor the salient factors is in place. | ☐ | ☐ |
| 2 | Company now measures some non-financials, eg. customer impact & progress toward the vision. | ☐ | ☐ |
| 3 | There are clear non-financial, customer focused, performance measures in all business areas. | ☐ | ☐ |
| 4 | There is now a comprehensive system of internal and overall performance measurement. | ☐ | ☐ |
| 5 | Departmental performance measures are being integrated into relevant process measures. | ☐ | ☐ |
| 6 | Every process in the business has a complete set of critical performance measures and targets. | ☐ | ☐ |
| 7 | SPC and SPDevelopment is now applied routinely to the management of all business processes. | ☐ | ☐ |
| 8 | Performance measurement (and management) has begun to be applied to higher level processes. | ☐ | ☐ |
| 9 | Business is now equipped with measures which monitor its potential to drive future performance. | ☐ | ☐ |

- Purpose
- Philosophy
- People
- Process
- Predict
- Perfect

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**Dates this section was reviewed**

# Develop through Process

How long do new ideas and improvements remain in place in your processes?

How much of the learning that your company has won moves on with the people?

## The principle

The 'process' is the only stable repository of organisational learning.  Storing it in other inanimate entities means it either doesn't get used or becomes bureaucratic.  Storing it in people means it moves on when the people do.

Developing through processes requires that all work is effected through the process, and all activities that deviate from the process should be discouraged even if they are successful.  The process is paramount.

This may on the surface seem draconian and counter productive, but in practice it is the only way to ensure the process is actively developed to accommodate the ideas and learning.

## The benefits

Force people to follow a path and the path will improve.  Allow them to detour and the path will deteriorate.

Developing the business through process ensures that the learning is done once for all, and that is then available to others.  It also drives the improvement to be more systematic and thought through regarding its implications - and as such it avoids improvements in one area that are problems for the next.

Finally it provides a tangible record of improvement that can be learned from and built upon.  The alternative in practice is to try and build upon shifting sand.

## The approach

The approach to developing through process is essentially five fold:

Firstly there needs to be established a clear record of what the current process is, and it needs to be in a form that is easy to understand and use.

Secondly there needs to be a clear analysis of how clearly defined the process should be - what would benefit from a tight definition and what benefits from a looser (goal focused) definition.

Thirdly there needs to be a mechanism for ensuring that people understand and follow the process to whatever degree of detail is necessary.

Fourthly there needs to be a simple system for amending the process as issues arise, and for doing so quickly.  This may require two levels - one for a quick fix and the second for following up with a more thought out solution.

And fifthly there should be a clear strategy and cycle of improvement.
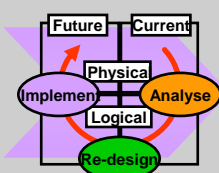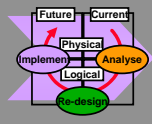
# Develop through Process

|  | | NOW | GOAL |
|---|---|---|---|
| 0 | Aclivities develop largely as the result of reacting to an obvious problem or essential change. | ☐ | ☐ |
| 1 | Investment has improved some aspects of the business but this has been largely piecemeal. | ☐ | ☐ |
| 2 | The company has realised the need for a holistic and continuous programme of improvement. | ☐ | ☐ |
| 3 | All main business areas have active programmes of improvement driven through problem solving. | ☐ | ☐ |
| 4 | Management is largely focussed on improving the performance of their area in serving other areas. | ☐ | ☐ |
| 5 | Responsible teams develop process capability and performance through a planned strategy. | ☐ | ☐ |
| 6 | The organisation is proactively and consciously designed and developed through its processes. | ☐ | ☐ |
| 7 | Everybody sees their responsibility as leaving areas more capable than they found them. | ☐ | ☐ |
| 8 | The very activities of developing the business have become managed processes. | ☐ | ☐ |
| 9 | The key business processes are now seen as those which continually redefine other processes. | ☐ | ☐ |

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- ⬡ Process
- ↩ Predict
- 🔻 Perfect

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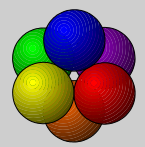.......................................................................................................................
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**Dates this section was reviewed**

# Provide Clear Roles

How well do your people understand what is expected of them?

To what extent are the definitions of your people's roles clearly focussed on the objective, yet leaving them with the scope to adapt as the situation develops?

## The principle

People do need to clearly understand what is expected of them , and this is especially true with regard to management roles.

Role definition is a complex activity.  If they are defined too tightly they are cause for task focus and a belief that when the task has been completed the job is done, irrespective of what the customer thinks.  On the other hand if you define the role too loosely you run the risk of anarchy and confusion.

Role definition also needs to accommodate individual growth and development, and to harness the benefits from that.

## The benefits

Clearly defined roles are a basis for ensuring that the organisation functions efficiently and effectively.  The role definition also provides the opportunity for explicitly reflecting all aspects of the company's contract with the individual, as such it is an excellent device for the empowerment process.

The clarity that the role definition provides should also do much to ensure that responsibility is clearly taken at the right level of the business.

## The approach

It is key to all of the above that role definition is a living and not a static thing. Role definition should be a constantly developing contract that embraces the opportunities of customer growth, training, and planned improvement.

Amongst other things, the role definition should clearly state:

– who the incumbent is to serve and the nature of that service

– the standards by which quality will be judged

– the individuals responsibility for developing and improving the service

– the conditions under which the incumbent has authority to act, and those under which he needs to seek guidance

– the incumbents responsibility for managing the quality of the service and applying the techniques of systematic management
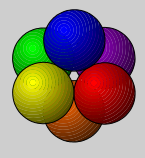
# Provide Clear Roles

|  |  | NOW | GOAL |
|---|---|---|---|
| **0** | A task focus predominates. People focus on their job as opposed to their "customer's" needs. | ☐ | ☐ |
| **1** | Some understanding of the internal customer has developed. | ☐ | ☐ |
| **2** | The internal-customer concept has developed through formal analysis of departmental purpose | ☐ | ☐ |
| **3** | Everybody is now clear that their role is to understand and serve their internal customers. | ☐ | ☐ |
| **4** | Internal service agreements & performance stds. have been defined throughout the business. | ☐ | ☐ |
| **5** | All activities are now defined as part of a process, and this has served to clarify all business roles. | ☐ | ☐ |
| **6** | All roles are now team focused. Both service and improvement dimensions are clearly defined. | ☐ | ☐ |
| **7** | There is a clear mentality of serving the customer, both outside and inside the team. | ☐ | ☐ |
| **8** | Team membership is now transient - maximising individual potential to add value to the business. | ☐ | ☐ |
| **9** | Concept of adding value on a sustainable basis is now internalised. Formal roles are not necessary. | ☐ | ☐ |

Side navigation:
- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟪 Process
- ↩ Predict
- 🔻 Perfect

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# Tesseract Management Systems

**Management Framework**

# Build Responsibility

What do your people feel they have responsibility for?

How do you develop the boundaries of their responsibility to encompass everything that they can effect or influence from their role?

## The principle

Responsibility has been defined as the 'ability to respond'.

What is the extent of this ability?  It is often far wider than people will allow for.  Many of us have blind spots.  We almost prefer to see our situation and our reactions as the result of events outside of our control, and that absolves us of the feeling that we are in some way responsible for doing something about them.

Building responsibility is about shining lights on these blind spots and encouraging people to face up to the reality that while they do not have total control, they do have the ability (and thereby the responsibility) to influence.

## The benefits

The key benefit that we are seeking through 'building responsibility' is the driving of improvement effort.  For people to take responsibility for planning their actions/influence, for undertaking the work as planned, for checking the results against initial expectations, and finally for acting to improve the planning for the next cycle (Plan, Do, Check, Act - The Deming Wheel)

From this we can expect a continuous flow of small improvements resulting in a steady upward trend in performance.

This 'responsibility' is a key feature in the effective operation of other principles on previous pages, especially 'Develop through Process'
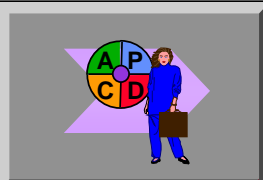
## The approach

A key tool to building responsibility is the top-box model.  This simple model should be used to explore the scope of responsibility with people, and to extend their horizons on this.

Other approaches are to use why-how charting, or to list the factors that influence the quality of service and to explore the influence the incumbent can have on each.
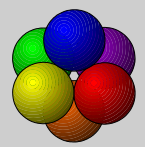
# Build Responsibility

|  | | NOW | GOAL |
|---|---|:---:|:---:|
| 0 | A focus on end results tends to drive suboptimisation and a degree of politics. Responsibility is to number one | ☐ | ☐ |
| 1 | There is general awareness of a responsibility for serving the needs of shareholders & customers. | ☐ | ☐ |
| 2 | "Professional" pride has taken the concept of responsibility on to include satisfaction & delight. | ☐ | ☐ |
| 3 | Reward systems reflect a commitment to meeting targets focussed on the needs of the customer. | ☐ | ☐ |
| 4 | People see their responsibility as not only delivery, but continual improvement of that delivery. | ☐ | ☐ |
| 5 | People understand their responsibility for driving improvement through emphasis on the process. | ☐ | ☐ |
| 6 | Teams treat processes as their own business, & are committed to improving effectiveness/efficiency | ☐ | ☐ |
| 7 | People fully adopt a responsibility to understand before they explain. | ☐ | ☐ |
| 8 | All now see their responsibility as an individual - for realising and harnessing their own potential. | ☐ | ☐ |
| 9 | People are so driven by their purpose they have a predominantly selfless attitude - a "servant" role. | ☐ | ☐ |

- ● Purpose
- ◆ Philosophy
- ⬭ People
- ⬡ Process
- ↶ Predict
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# Ensure Long Term Health

What do you currently do to contribute to the future growth in performance of your business?

How well do you manage the factors that will determine your future rates of performance improvement?

## The principle

Performance is a function of your rate of performance improvement. This rate of performance improvement; the speed at which the business can flex and respond to changes and challenges can be likened to its 'fitness'.

But the level of 'fitness' can also be developed through other 'health' factors, such as improvements to the processes that bring about improvement. Examples of this would be improvements to the design, planning and management processes, all of which could make the rate of performance improvement faster.

Ensuring long term health is about working on these processes to ensure that the rate of future performance improvement will always be on the increase.

## The benefits

The benefits are about being able to compete with world class companies.

To be able to improve your performance to a point where you represent a real competitive threat, and then to be able to adjust to meet all of the market challenges they throw at you, and ultimately to be able to out improve them and to win.

## The approach

The approach is about identifying those processes that influence future performance improvement. And then refining those processes through a disciplined approach until they are routinely capable of flexing the organisation, on a short timescale, to meet and beat new challenges.

The processes you might focus on are:

– strategic planning and target setting
– product, service and process design
– people and team development
– process improvement and problem solving

But consider that the objectives of each of these processes may need to be widened if they are to be practically effective in developing fitness.
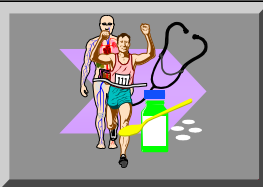
# Ensure Long Term Health

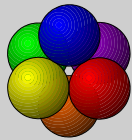|   |   | NOW | GOAL |
|---|---|:---:|:----:|
| 0 | We lurch from crisis to crisis, somehow surviving each time, but without any real degree of certainty. | ☐ | ☐ |
| 1 | The company attempts to avoid serious problems through adherence to clear procedures & rules. | ☐ | ☐ |
| 2 | A vision of the company as a "healthy" entity now exists and is being worked towards. | ☐ | ☐ |
| 3 | The health of the organistion is subject to planned improvement through clear measures and targets. | ☐ | ☐ |
| 4 | All business areas now have fitness programmes which form an ongoing aspect of their future. | ☐ | ☐ |
| 5 | Definition of business processes has provided a clear basis for fitness as a competitive concept. | ☐ | ☐ |
| 6 | All business processes have a programme of development based on competitive knowledge. | ☐ | ☐ |
| 7 | There is a clearly managed process to improve the health of the organisation. | ☐ | ☐ |
| 8 | All aspects of organisation development are now considered & managed in terms of health factors. | ☐ | ☐ |
| 9 | The "spiritual" and attitudinal aspects of long term health are now the drivers of all other aspects. | ☐ | ☐ |

- Purpose
- Philosophy
- People
- Process
- Predict
- Perfect

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What would be the practical tangible benefit to the organisation of achieving the goal you have indicated?  Why is it worth the effort?

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**Dates this section was reviewed**

# Tesseract Management Systems

# PREDICT

## Some general thoughts...

A key feature in all of the foregoing has been the need for managers to make decisions:

– to ensure that the purpose of the company is sufficiently aligned

– to ensure that the company really is promoting the standards and behaviours that it thinks it is, and that those standards and behaviours are the ones it needs

– to manage the people asset efficiently and effectively

– to redesign processes to maximise the efficiency and effectiveness of the business.

What information does the manager have to help him/her make these decisions?  Does your current information system provide you with what you need to achieve this on a regular basis?

The fifth aspect of professional management is the development of information systems and models to predict outcomes - this includes the use of trend measurement to predict future performance, the use of problem-solving disciplines to predict the effect of successful solutions, and the use of more comprehensive models to predict the implications of decision making strategies.  Information is the lifeblood of effective management.  It is difficult to dispute that some managers (very very few) successfully manage without the rigour outlined here.  Intuitive management is a reality for some, but it arises from that managers ability to feel patterns that we cannot see and which they cannot explain - and its almost impossible to teach.  Our goal is to establish competence in all our managers and that requires making those patterns more tangible through models and information systems.  It is rate to employ a truly intuitive manager, and to do so makes the company vulnerable unless it can provide the frameworks by which the rest of its management system can replicate in some way the process of the intuitive manager.  There will still be a place for the intuitive - but as the saying goes "Give a man a fish and feed him for a day, teach a man to fish and feed him for life".  Do you want your business to be dependent on one fisherman?

There can be a role for the truly intuitive manager but there are many cases where whole companies have become vulnerable to them past the point of healthy development, and have actually stunted their growth.

The intuitive provides no basis for planned improvement.  In responsible management it should be a measurable goal to achieve planned developments of the performance of your information system.
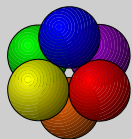
Your information system should be your objective mechanism for determining the growth of responsible management within your business.
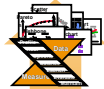
# Predict

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟣 Process
- ↩ Predict
- 🔻 Perfect

**Develop a Broader Context**
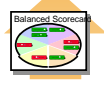
**Ensure Information Flows**

**Act on Facts**

**Promote Self Analysis**

**Seek Information Efficiency**

**Keep Score**

**predict**
**(pr✦'d✦kt)** *vb*. **1**. to state or make a declaration about in advance. **2**. foretell

*Measure performance and critical process parameters objectively, and use trends and gap analysis to drive a disciplined approach to solving performance issues*

Information is the lifeblood of effective management. It is difficult to dispute that some managers (very very few) successfully manage without the rigour outlined here. Intuitive management is a reality for some, but it arises from that managers ability to feel patterns that we cannot see and which they cannot explain - and it is almost impossible to teach. The goal of a 'Predict' zealot is to establish competence in <u>all</u> its managers and that requires making those patterns more tangible through models and information systems.

- They ensure relevant targets through a comprehensive understanding of the business context
- They focus a flow of appropriate information to the points where decisions will benefit from it
- They make complex decisions and solve difficult problems by using a rigorous decision making process
- They encourage everybody to use measurement and simple analytical tools in all aspects of their work
- They harness the potential of IT in ensuring an efficient information system
- They use measurement extensively as a basis for statistically controlling the business

# Tesseract Management Systems

**Management Framework**

# Develop a Broader Context

How well can you predict the next major change to hit your company?

What are you doing to identify the potential sources of future change, and to ready your business to benefit from them?

## The principle

In his book "The age of unreason" Charles Handy tells the story of a frog slowly heated in a pan of water, unaware of the slight but ongoing change until it is eventually boiled alive. For the frog to understand what was going on it would have had t be able to see the bigger picture - the broader context.

We all live with paradigms, some of which are outdated, but fortunately not fatally so - at least not yet. Safety (and success) lies in being able to identify these paradigms, and the broader context challenges us to do exactly that.

The broader context is about extending the horizons of our awareness through exploring global competition, technology shifts, cultural trends etc.

## The benefits

By understanding the broader context we reduce the possibility of major change creeping up on us unawares. We can see possibilities before they happen, and plan for them. We can make changes in a timescale that we can accommodate.

The broader context also gives us the opportunity to take advantages of such changes before our competitors do, and to ensure that any changes we make through the normal processes of improvement can benefit from the latest thinking on the subject.

## The approach

A number of vehicles are developing to ensure that companies have access to the broader context:

– benchmarking and best practice clubs
– organised study visits to companies (in this country and abroad)
– management press (particularly HBR)
– books written by people from industry

All of these are useful in exposing and challenging your paradigms - providing you approach them with an open mind.
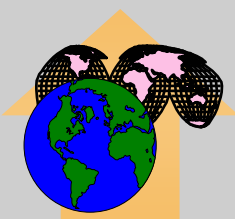
# Develop a Broader Context

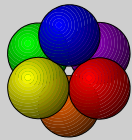|  | | NOW | GOAL |
|---|---|---|---|
| **0** | The context of the business is not widely understood except perhaps by marketing. | ☐ | ☐ |
| **1** | There is a general awareness of who the company's main customers and competitors are. | ☐ | ☐ |
| **2** | Everybody is aware of who the main customers are and how the company is perceived by them. | ☐ | ☐ |
| **3** | The business has defined its core competences and exactly how it ranks against the competition. | ☐ | ☐ |
| **4** | Progress is measured against a comprehensive set of customer and competitor targets. | ☐ | ☐ |
| **5** | Key processes have been defined through a complete analysis of the competitive situation. | ☐ | ☐ |
| **6** | All key business processes have full information on customer impact and competitor comparisons. | ☐ | ☐ |
| **7** | Process teams employ benchmarking & supplier partnerships to fully realise competitive opportunity | ☐ | ☐ |
| **8** | The business has a clear strategy to exploit it's potential to influence the global situation. | ☐ | ☐ |
| **9** | The business proactively develops global trends accurately anticipating future customer needs. | ☐ | ☐ |

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟣 Process
- ↩ Predict
- 🔻 Perfect

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**Dates this section was reviewed**

# Ensure Information Flows

To what extent are people fully equipped with the information they need to do their job?

How easy is it in your organisation for people to be able to access and apply the information they want?

## The principle

Increasingly – information and our ability to use it properly will be our sole source of strength – capital can be reproduced, labour is cheaper elsewhere – all we have is our experience and our creativity – and if our decisions don't make full and efficient use of that then we are nowhere!

Jan Carlson said that a person without information cannot take responsibility, but that a person with information cannot fail to take responsibility.

We need to ensure that we design our flow of information to accurately and successfully stimulate that responsibility, and to fully support those same people in the execution of that responsibility.

## The benefits

Clear and concise information will increase our ability to ensure that the right decisions are taken at the right times.

By tailoring our flow and format of information we can make the task of taking responsibility simpler and less time consuming.

Such information will also clarify any individual development needs, and should increase the job satisfaction of those who need the information.

And careful design of our information systems will enable us to compete with all of our knowledge available to us - and this will be a key factor as our competitors move to knowledge based systems.

## The approach

We need to be clear about the potential for every job to use information, based upon the factors that are critical to the success of that job.

We then need to tailor the flow and format of that information to make its use as efficient and effective as possible.

A key element of this will be the use of information to stimulate a top-box response to issues, such that the management of improvement becomes routine within the organisation.

Quadrant Chart

Performance    Trend

Analysis    Actions

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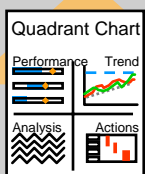
# Ensure Information Flows

|  | NOW | GOAL |
|---|---|---|

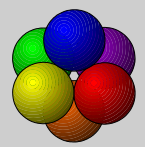| 0 | No clear breakdown of current performance is available to assist management decision making. | ☐ | ☐ |
| 1 | Regular management information is disseminated but it is primarily financially based. | ☐ | ☐ |
| 2 | The company regularly reports non-financial performance concerning progress toward its vision. | ☐ | ☐ |
| 3 | Full data on customer & operating performance is available to assist decision making at all levels. | ☐ | ☐ |
| 4 | Critical Success Factors for all business areas are identified and their performance monitored. | ☐ | ☐ |
| 5 | All processes are equiped with complete data on all aspects of their performance. | ☐ | ☐ |
| 6 | A clear process exists for meeting all information needs, particularly those concerned with risk. | ☐ | ☐ |
| 7 | All decisions are now made with the benefit of accurate and comprehensive information. | ☐ | ☐ |
| 8 | Derivative information systems have been developed to support the higher level processes. | ☐ | ☐ |
| 9 | Predicting the future through quality of information is now the company's core competitive strength. | ☐ | ☐ |

- ● Purpose
- ◆ Philosophy
- ⬭ People
- ▰ Process
- ↰ Predict
- ▼ Perfect

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# Act on Facts

To what extent are the decisions made in your organisation rooted in facts?

How does your decision making process ensure that the right data is used in the right way in coming to the correct conclusion?

## The principle

The quality of a decision is a function of the quality of the information it was based on.  Acting on facts is about setting a very clear expectation on how information is to be used in making quality decisions.

In large part it is about having a clear process for making decisions, and about creating the expectation that the process will be reviewed, and any deviations challenged.  And it is about making full use of the decision making tools that exist to support this process.

## The benefits

Business decisions are often poorly thought out in terms of their implications or in terms of making full use of the opportunities.  This is especially true of problem solving where the problem is not fully addressed or the solution creates disruption elsewhere.

Formal decision making processes help to address this, and provide a basis for improving the quality of the decision still further through planned improvement of the decision making process.

## The approach

Decision making is clearly not a one-size fits all process.  Where such a solution has been attempted bureaucracy has resulted, and the process has been abandoned or compromised beyond usefulness.

Rather best decision making practice needs to be assimilated into a number of separate guidelines, each with different levels of application:

– problem solving (for teams or individuals, quick or involved issues)
– option selection
– objective setting etc.
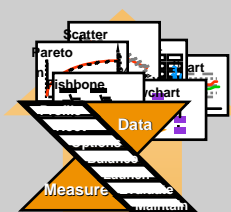
# Act on Facts

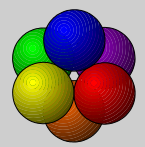| | | NOW | GOAL |
|---|---|:---:|:---:|
| 0 | Any dissatisfaction with the current situation is likely to be based largely on gut feel. | ☐ | ☐ |
| 1 | Financial information outlines problem areas, but the response is seldom considered analytically. | ☐ | ☐ |
| 2 | The use facts & data is being established through project based use of a problem solving discipline. | ☐ | ☐ |
| 3 | All major problems clearly identified by the MIS & addressed through a set & auditted methodology. | ☐ | ☐ |
| 4 | Disciplined decision making (eg. formal method) is now drawn on automatically in all situations. | ☐ | ☐ |
| 5 | Process teams maintain a strategy of perform-ance improvement, prioritised through information. | ☐ | ☐ |
| 6 | Disciplined benchmarking is used to proactively develop all aspects of process performance. | ☐ | ☐ |
| 7 | Process teams have begun to analyse & improve the "process" by which they develop their process. | ☐ | ☐ |
| 8 | Business has developed a set of self adjusting processes based on inbuilt measurement. | ☐ | ☐ |
| 9 | Personal responsibility for business & self dev't is continuously invoked through precise information. | ☐ | ☐ |

- ● Purpose
- ◆ Philosophy
- ⬭ People
- ⬗ Process
- ↰ Predict
- ▼ Perfect

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# Tesseract Management Systems

**Management Framework**

Page 32

# Promote Self Analysis

How good are your people at engineering their own development?

What does the organisation do to stimulate and support effective self development?

## The principle

We all have a lot to learn.  We just don't like having it pointed out to us. Better to identify our learning needs ourselves.

Modern appraisal systems have gone a long way to recognising this - but in large part this only takes place on an annual, or at most quarterly, basis.

We should really seek to establish processes where self analysis and learning is an ongoing thing.
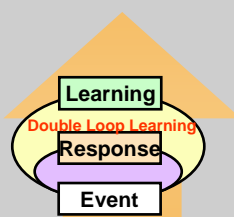
## The benefits

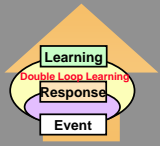The learning that can result from this will have three major benefits:
– it will ensure the ongoing performance improvement of our processes
– it will significantly enhance our performance in developing our people
– it will reduce the coaching and development burden on managers

## The approach

Promoting self-analysis is about creating the expectation that our people will regularly record and improve their own personal performance.  That they will move into their own top-box.  We should encourage this with clear processes, and questions about people's adoption of it.

We should expect to see graphs of people's performance assessments and analyses of the issues, and we should audit and appraise our people on the quality of their self improvement work.
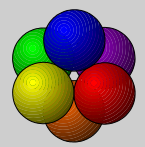
Learning

Double Loop Learning

Response

Event

# Promote Self Analysis

**Learning**
**Double Loop Learning**
**Response**
**Event**

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟣 Process
- ↩ Predict
- 🔻 Perfect

| | | NOW | GOAL |
|---|---|---|---|
| 0 | The operating performance of separate functions or sections is unlikely to be defined or measured. | ☐ | ☐ |
| 1 | Some aspects of local operating performance are regularly reported, but are predominantly financial. | ☐ | ☐ |
| 2 | Performance data for key business aspects is now displayed graphically, as are the 7 QC tools. | ☐ | ☐ |
| 3 | All business areas have agreed performance responsibility, & measure themselves against this. | ☐ | ☐ |
| 4 | Senior mgt. regularly audits approach taken to performance responsibility, & provides guidance. | ☐ | ☐ |
| 5 | The concept of measurement is now seen as an enabling force rather than as a driver of results. | ☐ | ☐ |
| 6 | All process teams have defined critical measures, and present these regularly in quadrant chart form. | ☐ | ☐ |
| 7 | All aspects of goal setting & mgt. information are demonstrably linked to promoting self analysis. | ☐ | ☐ |
| 8 | Rewards primarily based on the extent to which feedback is sought & self improvement promoted. | ☐ | ☐ |
| 9 | The business is globally recognised as a leading example of organisational learning in all respects. | ☐ | ☐ |

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**Dates this section was reviewed**

# Tesseract Management Systems

**Management Framework**

Page 33

# Seek Information Efficiency

How well do your computer systems support your use of information and learning?

What is the scope for using your computer system to make efficient use of measurement data, and for developing a successful knowledge base?

## The principle

Computers hold the key to providing us with an information source about our business that is second to none. Their data handling and storage capabilities mean that analysis and modeling can be undertaken in seconds - but as yet much of this resource lies untapped.

We need to rethink the way we use computers without falling foul of the paper based paradigms (such as e-mail overload).
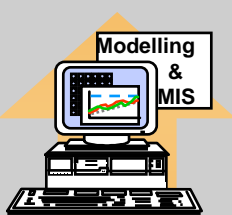
We need to develop a database approach to information, and equip our people to use and develop it effectively.

## The benefits

Computers can provide us with insights that would be impossible through wading through physical data. They can streamline data analysis and make the task of producing reports much less time consuming. They can interpret data into forms and relationships that are tailored for each individual role and they can relentlessly observe the performance of the business.

## The approach

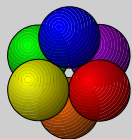Identify what could be better done by a computer, and do it.

**Modelling & MIS**

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## Seek Information Efficiency

**Modelling & MIS**

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟪 Process
- ↩ Predict
- 🔻 Perfect

| | | NOW | GOAL |
|---|---|---|---|
| 0 | Computers are seen by most people as being "part of the system" | ☐ | ☐ |
| 1 | The computer is beginning to be recognised as a useful communication tool. | ☐ | ☐ |
| 2 | The vision has implied the need for easier, more efficient access to relevant information. | ☐ | ☐ |
| 3 | Computers are regularly used by teams to assist in communicating their conclusions and approach | ☐ | ☐ |
| 4 | Systems have developed clear service standards to ensure efficient access to all performance data. | ☐ | ☐ |
| 5 | Systems now seen as a key behavioural driver & information interfaces are designed to reflect this. | ☐ | ☐ |
| 6 | Computers regularly used by teams to analyse, model and predict process performance. | ☐ | ☐ |
| 7 | Computer logging, analyses and modelling are now an integrated aspect of process management | ☐ | ☐ |
| 8 | Computers used at all levels to explore current knowledge & identify useful links or trends. | ☐ | ☐ |
| 9 | Computers are used to extrapolate known information to predict the future. | ☐ | ☐ |

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**Dates this section was reviewed**

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# Keep Score

How do you judge how well you are doing as a business?

How well does your performance measurement system reflect the determinants of your future performance, as well as those of your current performance?

## The principle

The Balanced Scorecard was a concept introduced by Kaplan in Harvard Business Review (HBR).  Since its publication many companies have adopted the principles of ensuring a balance of top-level measures to reflect both current and potential future performance.

Keeping Score is about establishing such a balanced scorecard for your business and ensuring it is supported by other scorecards within the various areas of your business.

## The benefits

On the basis of what gets measured gets done, the balanced scorecard provides a basis for maintaining a balanced focus on all of the foregoing principles.

## The approach

The first step is to determine what the balance of measures should be for your business.  The systematic approach reflected within these pages should give you a reasonable start in this regard.

The next step is to refine these into an appropriate dashboard of measures and to ensure that this dashboard is an active part of management meetings.
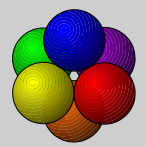
Balanced Scorecard

# Keep Score

**Balanced Scorecard**
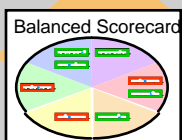
- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟣 Process
- ↩ Predict
- 🔻 Perfect

| | | NOW | GOAL |
|---|---|---|---|
| 0 | There is no systematic approach to the presentation of performance information. | ☐ | ☐ |
| 1 | Some performance information is presented in a systematic way but is predominanatly finanacial. | ☐ | ☐ |
| 2 | The business is clearly focussed on measuring and reporting current performance. | ☐ | ☐ |
| 3 | Comprehensive quantified reflection of the current situation now exists, and is updated periodically. | ☐ | ☐ |
| 4 | Company is aware of the need to extend scoring to aspects which determine future performance. | ☐ | ☐ |
| 5 | The business has begun to establish a system of measures to reflect capability and health. | ☐ | ☐ |
| 6 | Top level business measures now reflect a balan-ced view of capability and current performance | ☐ | ☐ |
| 7 | Managers treat measures of competence on par with measures of performance. | ☐ | ☐ |
| 8 | The business is beginning to develop measures of aspects which determine future competence. | ☐ | ☐ |
| 9 | The business now driven by balanced measures: reflecting performance, competence & innovation. | ☐ | ☐ |

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**Dates this section was reviewed**

# PERFECT

## Some general thoughts...

The essence of the five preceding aspects have been about introducing and cultivating a framework for a professional management approach. Unfortunately it is work that can never be finished.  There will always be scope for:

– gaining a deeper, more fundamental agreement on purpose (which will inevitably develop with time)

– refining philosophy to establish more efficient behaviours and standards, and better symbiosis of behaviours between people

– enhancing the people asset

– developing more effective, efficient aligned processes

– improving the accuracy and scope for prediction.

Fortunately, the whole thing doesn't have to take place at one.  In fact doing so would be an impossibility.  There are benefits to be gained by each improvement in each area providing they are undertaken in a measured manner at a rate which the organisation can sustain and absorb.

Perfect is the concept of developing a clear strategy of staged improvement, aligned to the business need and balanced to ensure healthy growth in the adoption of professional management.

There is also a balance to be struck between the calm, objective, measured development that is management, and the inspired creative flair that is leadership.  The former should not eliminate all scope for the latter, but the latter should provide valid material for the former and not be used as an excuse for avoiding it.  There is a balance to be struck, but at present it is entirely too one sided in most companies.

These past six pages have covered a lot of ground, a potentially daunting amount of ground, and that in itself can be a barrier to accepting and adopting the foregoing, despite the logic of it.  But seeing clearly the journey that can be taken in no way diminishes the roads already travelled.  If you accept the scope for improvement your profits won't suddenly slump, your people resign and your share price dip.  Acceptance is of the opportunity , not of the deficit.  You are where you are. Knowing where you could be is not a threat, unless you close your mind to it.  The aspects of the preceding six pages are important, and if your management process isn't developing or controlling these things, what is?
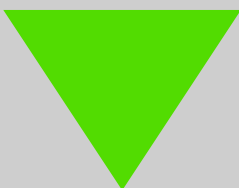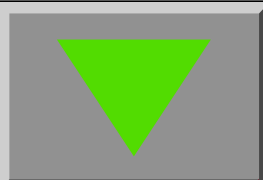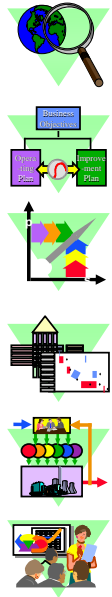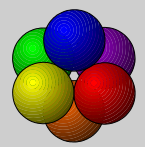
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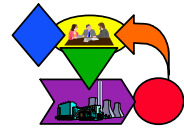
- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟣 Process
- ↩ Predict
- 🔻 Perfect

**Seek Learning**

**Budget for Improvement**

**Ensure Consistency**

**Perfect by Process**

**Promote Excellence**

**Broadcast Success**

**perfect ('pɜːfɪkt)**
*adj.* 1. having all essential elements. 2. unblemished, faultless. 3. correct or precise. 4 excellent in all respects ~*vb. (tr.)* (pə'fɛkt) 5. to make perfect; improve to one's satisfaction. 6. to make fully accomplished.

*Plan to achieve attainment of the higher levels of the SAM model, and to stimulate and harness the creative enterprise of the company in that*

'Perfect' zealots develop a clear strategy of staged improvement, aligned to the business need and balanced to ensure healthy growth in the adoption of professional management.

- They seek out best practice and emulate or improve on it

- They ensure improvement through integrating the costs and benefits of it within the budgeting process

- They ensure local improvement programmes are consistent and supportive of the overall strategy, and phased to allow progress to be sustained

- They ensure learning arising from all activities is formally reviewed and incorporated into the business

- They promote the concept of excellence and continuous improvement through word and deed

- They add value through broadcasting their success within and outside the organisation

# Tesseract Management Systems

**Management Framework**

# Seek Learning

How many new ideas do you assimilate each year?

What do you do to ensure your people are continuously challenged by the learning from other people's ideas and experience?

## The principle

Business is in many senses founded on confidence. But that confidence can be a real barrier to learning when it is manifest as "we're better than others".

Confidence is important, but it needs to be a deep confidence, borne out of successfully learning from others - a confidence that it is alright to be "behind but catching up".

Shallow confidence turns a blind eye to those things that might dent it, but deep confidence seeks to find all those areas where others have got it more right than we have, and to learn from them eagerly.

Seeking Learning is about setting up processes that keep you informed of where others may have taken a step ahead of you.

## The benefits

An active programme of 'Seeking Learning' provides a wealth of understanding and opportunities.

Where ideas fall in line with your own plan and aspirations, the learning of others can provide you with shortcuts to the solution without too much of the pain of trial and error, and it can give you the confidence to continue.

Where the ideas of others fall outside of your thinking it provides you with the opportunity to challenge your paradigms and to strengthen or renew your own ideas and thinking.

'Seeking Learning' can also ensure you keep pace, and have a realistic perspective of your position in the competitive race.

## The approach

Learning can be sought in many ways.

At the very least there should be some mechanism for sharing learning on the company's own experiences of problems and finding solutions.

However this should be augmented with learning from other businesses and the management press. Many valuable books and articles are written every year, and more and more companies are willing to share their learning with others, at only the cost of time and fellowship.

One mechanism to ensure that all this valuable information is usefully sifted and assimilated is to assign each manager an aspect of business learning that is important to your company - an area for them to study and keep abreast of by the above means, and against which they will be appraised.

In parallel to this the company can ensure that the salient features of of these areas are presented annually by establishing a programme of discussions to coincide with monthly management meetings.
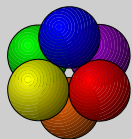
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# Seek Learning

| | | NOW | GOAL |
|---|---|---|---|
| 0 | The business makes no serious attempt to learn from its own history or other companies | ☐ | ☐ |
| 1 | The business does attempt to learn from serious problems and prevent their recurrence. | ☐ | ☐ |
| 2 | There have been some attempts to systematically address recurrent issues | ☐ | ☐ |
| 3 | Everybody has been involved in at least one attempt to systematically resolve a recurrent issue. | ☐ | ☐ |
| 4 | All deviations from planned progress and performance are analysed and learned from. | ☐ | ☐ |
| 5 | The business regularly arranges visits to other companies, to learn from their experience. | ☐ | ☐ |
| 6 | The business benchmarks all key processes to systematically learn from other businesses. | ☐ | ☐ |
| 7 | Serious benchmarking is now applied to the processes of change and learning as well. | ☐ | ☐ |
| 8 | The business has initiated a non threatening programme of individual benchmarking. | ☐ | ☐ |
| 9 | All aspects of individual influence on the business are evaluated, learned from and improved. | ☐ | ☐ |

- ● Purpose
- ◆ Philosophy
- ⬭ People
- ⬠ Process
- ↰ Predict
- ▼ Perfect

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# Tesseract Management Systems

# Budget for Improvement

How much of your investment is specifically targeted at improvement?

And how will you ensure/manage the financial benefits of those improvements as they come to fruition?

## The principle

Asked about how he was so successful, a man replied "I see what I want, I work out what it will cost, and then I pay in full".

So often we are unsuccessful as businesses, and as individuals because we don't follow those three simple steps. We are often optimistic about the last two and try to make do with what we have, rather than what we need.

Budgeting for improvement is about making a formal financial contract (budget) with those who will make the improvements: that they are clear on what they want; that the resources they need will be available to them in full; and that they will ensure the rewards and achieved and fully utilised.

## The benefits

Ensuring that all improvement effort is clearly budgeted, both in terms of resources and benefits, has a number of advantages:

– Full responsibility is clearly passed to those who want to make the improvement

– Excuses for failure are largely removed, and people are driven to think far more clearly about the costs, the benefits, and the risks

– The budgeted expectation of return ensures the project is managed to time and performance, and does much to negate the effect of Parkinson's Law

## The approach

The technique of developing contracts between operating groups and senior management for the budgeting of improvements is sometimes called Hoshin Planning or 'Catchball'

Essentially the process is one of setting top level improvement targets and getting the operating groups to say how they could meet these and what the costs and implications will be. The management group then renegotiates or contracts by means of the annual budgets. Ownership is clearly deployed.

It is important that the budgeting process clearly identifies all the costs of pursuing the improvement (physical costs, resource and support costs, management time, loss to other initiatives), and all the benefits (efficiency savings, added value, market share).

Flagplans are a useful means of monitoring and managing the returns from an early stage of the project.
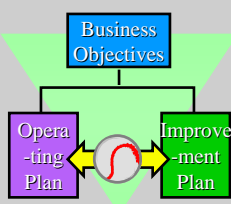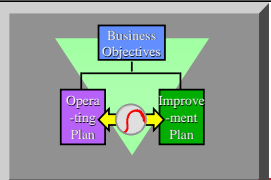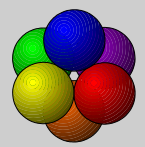
# Budget for Improvement

|  | | NOW | GOAL |
|---|---|---|---|

**Purpose**

**Philosophy**

**People**

**Process**

**Predict**

**Perfect**

| | | NOW | GOAL |
|---|---|---|---|
| 0 | The business has no formalised focus on continuous improvement. | ☐ | ☐ |
| 1 | Some improvement takes place, but largely piece-meal and not part of a clear improvement strategy. | ☐ | ☐ |
| 2 | Full extent of improvement opportunities is now understood & key areas for focus are identified. | ☐ | ☐ |
| 3 | Progress toward the vision is planned in terms of phased themes and a forecast of improvement. | ☐ | ☐ |
| 4 | Vision based improvement targets are now a fully integrated aspect of the formal budgetting process | ☐ | ☐ |
| 5 | Local teams are empowered to determine/budget their own targets, and align them with the vision. | ☐ | ☐ |
| 6 | Continuous improvement is now driven strategic-ally through the use of QFD and policy deployment. | ☐ | ☐ |
| 7 | The improvement plan is indivisible from the business plan at all levels of the business. | ☐ | ☐ |
| 8 | The company has begun to experiment with how the budgetting process influences improvement | ☐ | ☐ |
| 9 | The business now plans strategic improvements to its programmes of continuous improvement. | ☐ | ☐ |

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**Dates this section was reviewed**

# Tesseract Management Systems

**Management Framework**

Page 38

# Ensure Consistency

How well are the best approaches disseminated in your organisation?

How do you develop levels of consistency which ensure learning is easily transferable, and teams can work well with each other?

## The principle

People, particularly those who wish to maintain their independence, often confuse consistency with conformity.

Inter-dependence thrives on consistency. The principle of consistency is one of seeking to develop common practices where such practices will aid the work, and development, of the company and its people.

Consistency is about common practices, common policies, common cultures, common language; all things which break down barriers between people and groups, and help to build teamwork.

## The benefits

The value of consistency is partly outlined above. Essentially consistency can have the following benefits:

– Improved teamwork within and across teams because of common language and approach

– Improved learning and adoption of best practice, because common processes and mechanisms means that the solution is widely applicable

– Improved flexibility and development due to common training programmes and the ability to move people round easily

– Improved culture and satisfaction from a sense of fairness and one-ness

## The approach

The approach is largely one of improving communication. People will do much to become more consistent if the purpose and value is explained clearly to them. And they will adopt consistent 'best' practices if they understand them and can trust that others are understanding and adopting their own best practices.

However, consistency in practice is just one part. Consistency in management is key to the success. Common interpretation of policies is key to a feeling of fairness, and Management will be a key part of the communication explained above.
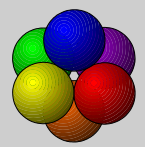
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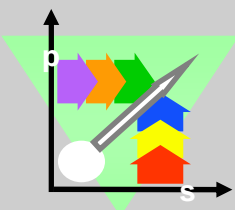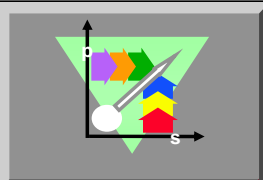
# Ensure Consistency

|  |  | NOW | GOAL |
|---|---|:---:|:---:|
| 0 | There is no real understanding of the value of consistency - it is confused with conformity. | ☐ | ☐ |
| 1 | The company accepts that consistency can be an advantage eg. with regard to teamwork & learning. | ☐ | ☐ |
| 2 | The company has begun to agree a common purpose - probably through a "vision" statement. | ☐ | ☐ |
| 3 | Consistency of approach is now further effected by improvement themes & performance standards. | ☐ | ☐ |
| 4 | The business has begun to set standards for behaviours and attitude, and to effect them. | ☐ | ☐ |
| 5 | There is a clear process to ensure local improve-ments are consistent with overall business goals. | ☐ | ☐ |
| 6 | There is an active programme to identify & under-stand all sources of variability, and to control them. | ☐ | ☐ |
| 7 | Consistency is now actively managed to optimise learning & growth, while ensuring innovation. | ☐ | ☐ |
| 8 | There is constant effort to include and reconcile all wills to the business goals, through consensus. | ☐ | ☐ |
| 9 | The business behaves like a well oiled machine: effort without resistance, creativity without conflict. | ☐ | ☐ |

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟪 Process
- ↩ Predict
- 🔻 Perfect

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# Perfect by Process

How efficient is your approach to change and improvement?

How do you identify, prioritise and address the need for change?  And can the performance of this process itself be improved?

## The principle

Often people are unclear about how improvement should/does take place.  It is often ad-hoc and reliant on personal values and dedication for its success.  'Perfect by Process' is about developing a clear mechanism for business improvement of all types, and it is about expecting that mechanism to be used.

Companies use consultants because (by and large) they are effective at making improvements.  The reason for their effectiveness is only partly that they are clever people (you have people just as clever working for you).  The biggest factor is that they have a clear process to work through, and companies that learn from this fact will get the biggest benefit.

## The benefits

Developing and using a clear process for identifying and making improvements has a number of clear benefits:

– The process of improvement can itself be refined and improved thereby ensuring that change will take place most efficiently and effectively

– People can be trusted to develop the right conclusions and effect change by themselves without having to double check their conclusions

– The business can take a greater responsibility for its own success without being dependent on outsiders (consultants).  It can also motivate and inspire its own people more by harnessing them in the process

## The approach

The first step is to define clearly the process of improvement, and to ensure each step* is clearly explained along with the options (eg for simpler application in simpler cases)

The second step is to make sure the process is used.  The best way to do this is to only sanction change (even change driven from the top) that has been developed through this process.

The third step is to improve the process based on experience and feedback, until it is a process that people actively seek to use on all occasions.

*The most common steps are: Clarify the goal; Determine the gap from current practice; Plan to close the gap; Review the learning*
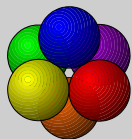
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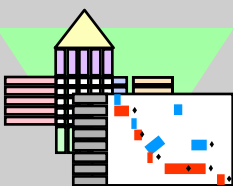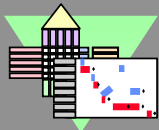
# Perfect by Process

NOW    GOAL

- Purpose
- Philosophy
- People
- Process
- Predict
- Perfect

| 0 | There is no real drive to improve things. | ☐ | ☐ |
| 1 | Improvements, where they do occur, are largely ad-hoc and inconsistent. | ☐ | ☐ |
| 2 | The business has begun to adopt a disciplined approach to selecting and making improvements. | ☐ | ☐ |
| 3 | A clearly defined methodology for problem-solving is now the preferred approach to improvement. | ☐ | ☐ |
| 4 | All change now takes place within a framework of target setting & disciplined improvement projects. | ☐ | ☐ |
| 5 | "Improvement" is beginning to develop as a clear business process with defined stages and steps. | ☐ | ☐ |
| 6 | Change is now clearly defined as a business process & is measured and managed as such. | ☐ | ☐ |
| 7 | Sources of variability within the Change process have been analysed, and many are now controlled. | ☐ | ☐ |
| 8 | The company has begun to develop a process to improve the "Improvement Process" itself. | ☐ | ☐ |
| 9 | The concept of "higher" processes which derive & improve "lower" processes is now well developed. | ☐ | ☐ |

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# Promote Excellence

What do we mean by "Excellence"?

Do our people have a common view of what the company means by "excellence", and how do we develop and promote this?

## The principle

'Promoting Excellence' is about developing a clear picture of what 'excellence' means to your company, and illustrating it clearly by means of examples.

In some ways it is a more "in your face" version of 'Seek Learning' and may be the best way of publicising and assimilating the output from that principle.

## The benefits

All too often companies fail to articulate exactly what it wants from its people, particularly on the softer sides of attitudes and behaviours.

The consequence of this is that those companies live with behaviours and attitudes that they find unhelpful. These are a major cause of inefficiency in all of the foregoing, and can cause your progress to stall in all areas.

'Promoting Excellence' gives a way of establishing clearer standards in those softer areas. Through this the situation becomes more clearly polarised, and it becomes easier to identify and address the behaviours and attitudes that the organisation does not want.

## The approach

In one sense the approach is very easy. It is simply a matter of identifying and communicating, by word and example, the standards and behaviours you want your people to work toward.

The difficult bit comes in handling the inevitable reactions to that. Because the ground you are trying to gain is subjective, cynicism has a lot to offer those who you most want to address, and you will find yourselves in a battle of propaganda where you are at the butt of other's quips.

The problem arises because we typically can see the downsides of change before we can see the upsides, and cynics exploit this easily.
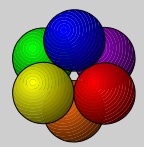
The solution to this is to weather the reactions until a new 'normality' develops, and people can see the upsides. At this point reactions become more polarised and you can 'deal' with those who are in opposition. Your confidence is key, so be very sure of your ground and take steps that you can be sure you can sustain.
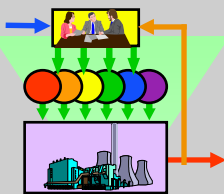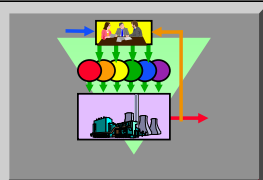
# Promote Excellence

- 🔴 Purpose
- 🔷 Philosophy
- 🟡 People
- 🟪 Process
- ↩ Predict
- 🔻 Perfect

| | | NOW | GOAL |
|---|---|---|---|
| 0 | No serious attempt to promote positive examples, the focus is on penalising poor performance. | ☐ | ☐ |
| 1 | There is a growing awareness of the need to balance criticism with positive examples & models | ☐ | ☐ |
| 2 | The business has made a serious attempt to define excellence for itself, & has shared the vision | ☐ | ☐ |
| 3 | Management have set standards of excellence for both performance, and for behaviour (role-models) | ☐ | ☐ |
| 4 | "Excellence" is now clearly defined throughout the business, and is reinforced by word and deed. | ☐ | ☐ |
| 5 | The company formally benchmarks and uses "recognition" to reinforce its drive for excellence. | ☐ | ☐ |
| 6 | Winning a major Quality Award has strengthened the company's resolve to promote excellence. | ☐ | ☐ |
| 7 | The company now sees the external promotion of excellence as part of the way it "adds value". | ☐ | ☐ |
| 8 | Individual learning is now focused on determining models of excellence, & resolving any defficiency | ☐ | ☐ |
| 9 | Company staff have begun to adopt the external promotion of excellence as a personal philosophy | ☐ | ☐ |

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**Dates this section was reviewed**

# Broadcast Success

How does success get celebrated in your organisation?

Do your people get regular opportunities to feel that they are part of a team that is winning, and will keep on winning?

## The principle

In many organisations success often gets overlooked, or worse, taken for granted.  The result of this is that success is not always seen as important - certainly not as important as putting out fires.

The alternative is to demonstrate how important success is to your organisation.  Rejoice when it occurs - make it an event and celebrate - publicise it widely and recognise those who brought it about.

## The benefits

Organisations get the behaviours they reward -and if the only people who are celebrated are firefighters…

Broadcasting success has fourfold benefits:

- The team involved feel rewarded and will be keen to repeat the experience, perhaps with even more effort & forethought
- Those who are not involved will recognise that putting real effort into improvement is a good thing for their careers
- People will be able to learn from the conclusion of the team and make practical modifications to their own work
- The organisation feels that it is 'winning'

## The approach

Celebration should come easily to us - we do it naturally in our families and in our leisure interests.

And it is this 'naturalness' that is all important.  People can detect insincerity easily and it is better not to start than to put up a sham.

Better to think through clearly exactly what there is to give thanks for, and then give them without restraint.  Lose your own cynicism and worldly ways, and take simple pleasure in what has been achieved, and then share this with others.
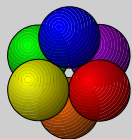
# Broadcast Success

| | | NOW | GOAL |
|---|---|---|---|

- Purpose
- Philosophy
- People
- Process
- Predict
- Perfect

**0** Improvements appear largely ignored and are quickly forgotten.

**1** Major successes arising from high-level initiatives are well publicised, but little else is.

**2** Some general form of communicating improve-ments (eg. newsletter) has now been introduced.

**3** There is a clear program to ensure all successes are communicated widely.

**4** Local areas take responsibility for ensuring success is publicised. The information is valued by all.

**5** A broadcasting-process has developed, managed through clear objectives and measurable success.

**6** Broadcast process now a key part of organisational learning, and of improvement planning/budgetting.

**7** Quality Award success requires that the company broadcasts its success to an external audience.

**8** Many staff at all levels have been involved in communicating the company's success externally.

**9** The company is a model of excellence, and sees sharing its learning as a key part of its value-set.

What would be the practical tangible benefit to the organisation of achieving the goal you have indicated? Why is it worth the effort?

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What is the basis of your argument for the 'now' position you have indicated? What specific evidence can you cite in support of it?

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What specifically needs to change if the organisation is to attain the 'goal' position you have defined? And how can this be done?

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What practical actions can you personally initiate to help this? Are you willing to do them, or should you revise your 'goal'?

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**Dates this section was reviewed**