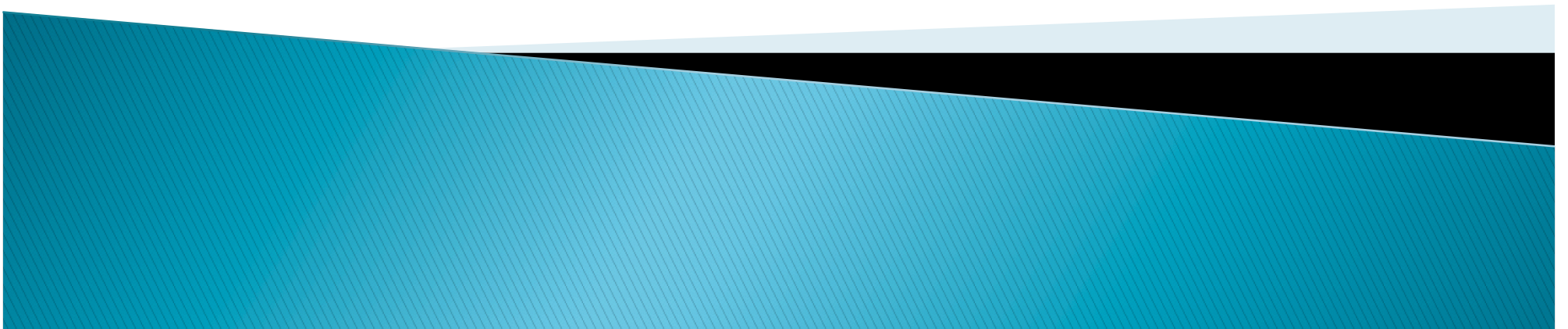# Management by Competencies

Process management

Previously on MbC

(C) J. Plamínek
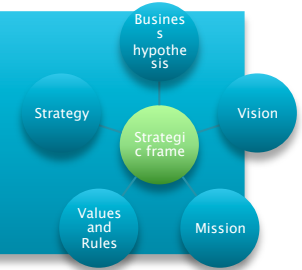
Agenda

- Performance Indicators
- Change Vector
- Balance Scorecard
- Processes and Projects
- Case study: Mycroft Mind

System of corporate ideas

Strategic Frame

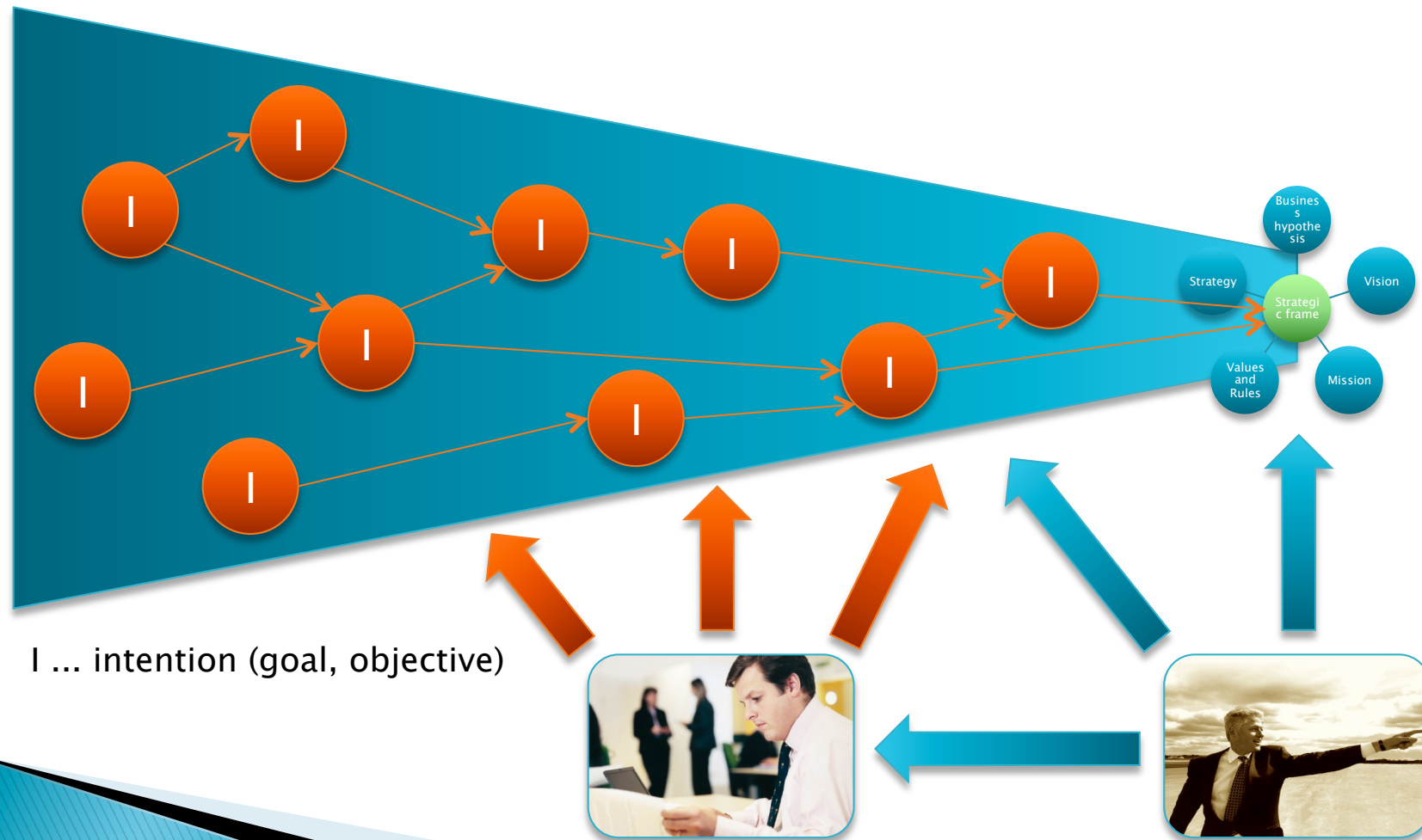Business hypothesis · Vision · Strategy · Strategic frame · Mission · Values and Rules

Goals & Objectives

Products, Services, Processes & Projects, Resources, Tasks, Competencies, Feedbacks, Feedforwards, HR development, …

Strategic Frame from the management perspective

I ... intention (goal, objective)

Definition of Performance Indicators

- To know WHAT to do is not enough
- It is important to know WHETHER and HOW we are doing
- Therefore MbC operates with system of indicators on every level of management
- In accordance with development of company and people, the target values for indicators are determined which enables continuous monitoring and management of improvement
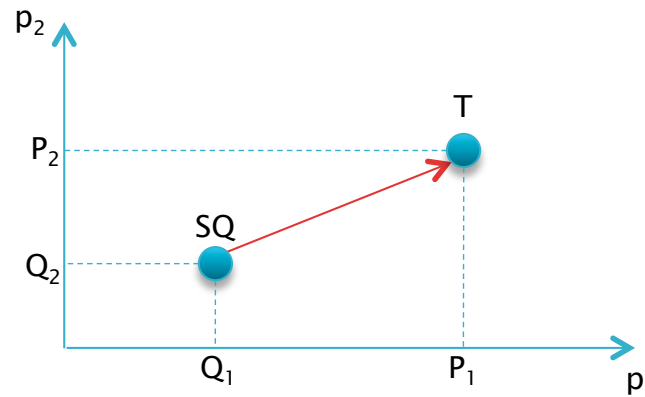
Definition of change vector
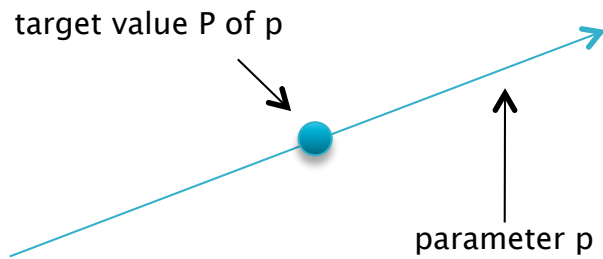
a) difference between parameter and target value
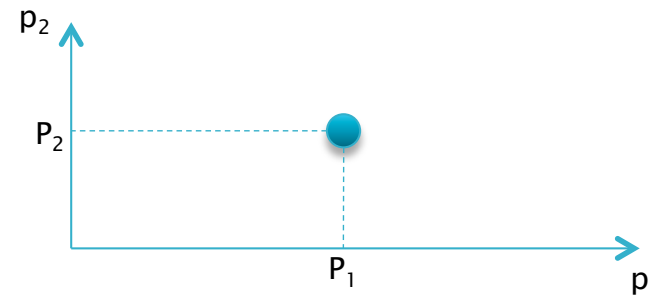
b) target definition

c) change vector definition

SQ ... status quo

T ... target

Change achieving

- **Strategic frame is a call for change**
  - ◦ change vector derivation
- **Change vector is specific submission for managers**
  - ◦ if it is not specified by leaders it ought to be specified by managers
- **Managers plan and act to make the change**
  - ◦ Pyramid of vitality utilization
- **To succeed the system of appropriate indicators and its target values has to be defined, evaluated and adjusted**
  - ◦ Balanced Scorecard utilization

Revision of Vital signs in the term of change

Subjects
- Who may need us?

Needs
- What they may need?

Services Products
- How we can satisfy the needs?

Processes
- What procedures will lead to services and products?

Resources
- What resources will these procedures consume?

Structures
- How we organize keeping up these procedures and resources?

Activity
- What will exactly happen within activity?

Demands
- What exactly will one have to do?

Requirements
- What abilities and its level will one have to posses?

Person
- Who fits the demands and requirements the best?

Balanced Scorecard

TOP management

financial indicators
revenues -> profit/loss <- costs

management of sales and marketing

customer indicators
number of new customers
average size of order
new products ratio
number of loyal customers
...

internal processes indicators
average time to market
number of complaints – quality
product cost
service innovation pace
...

management of primary process, logistics, development, IT, ...

learning and growth indicators
competencies/resources
abilities   attitudes   qualities

all managers

Processes definition and management
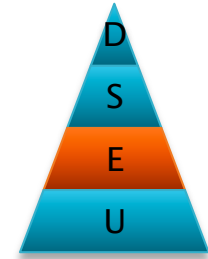
- **Processes and projects**
  - defined sets of procedures, activities or actions transforming inputs to outputs
- **Processes**
  - repeatable, easy to monitor, subject of continual improvement
  - deterministic, predictable
  - focused on outputs
- **Projects**
  - unique, have to be attentively planned and executed, continuously monitored and managed
  - uncertain
  - focused on impact, benefits and goals of its outputs

Synergy of process and project management
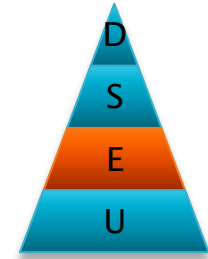
- How can projects benefit from process management?
  - projects may involve processes; for partial design of project the process design techniques may be utilized
- How can processes benefit from project management?
  - process definition may be extended to define desired impact of process outputs; then performance indicators may be defined more appropriately

Best practices in process design
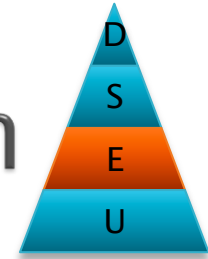
Reasonable process specification granularity

Structure as a consequence of process specification

Top-down approach

Suitable tools

Process domain reflection

Continuous improvement

Case study: Processes in Mycroft Mind

- MM executes Project Program to achieve its business goals
  - Project Program is the set of projects sharing goals and resources
  - The set of projects which share resources only is called Project Portfolio
- Projects within program are differentiated by several categories
  - each category stands for crucial aspect of MM business

Project categories

Technology
- research & development
- 1 project

Application
- application and solution development
- 5 projects

Business
- market research, marketing and sales
- 2 projects

Flow
- methodology development
- 9 projects

Organization
- leadership and management
- 1 project

Ortoprocesses

Paraprocesses

Metaprocesses

Management Process Development
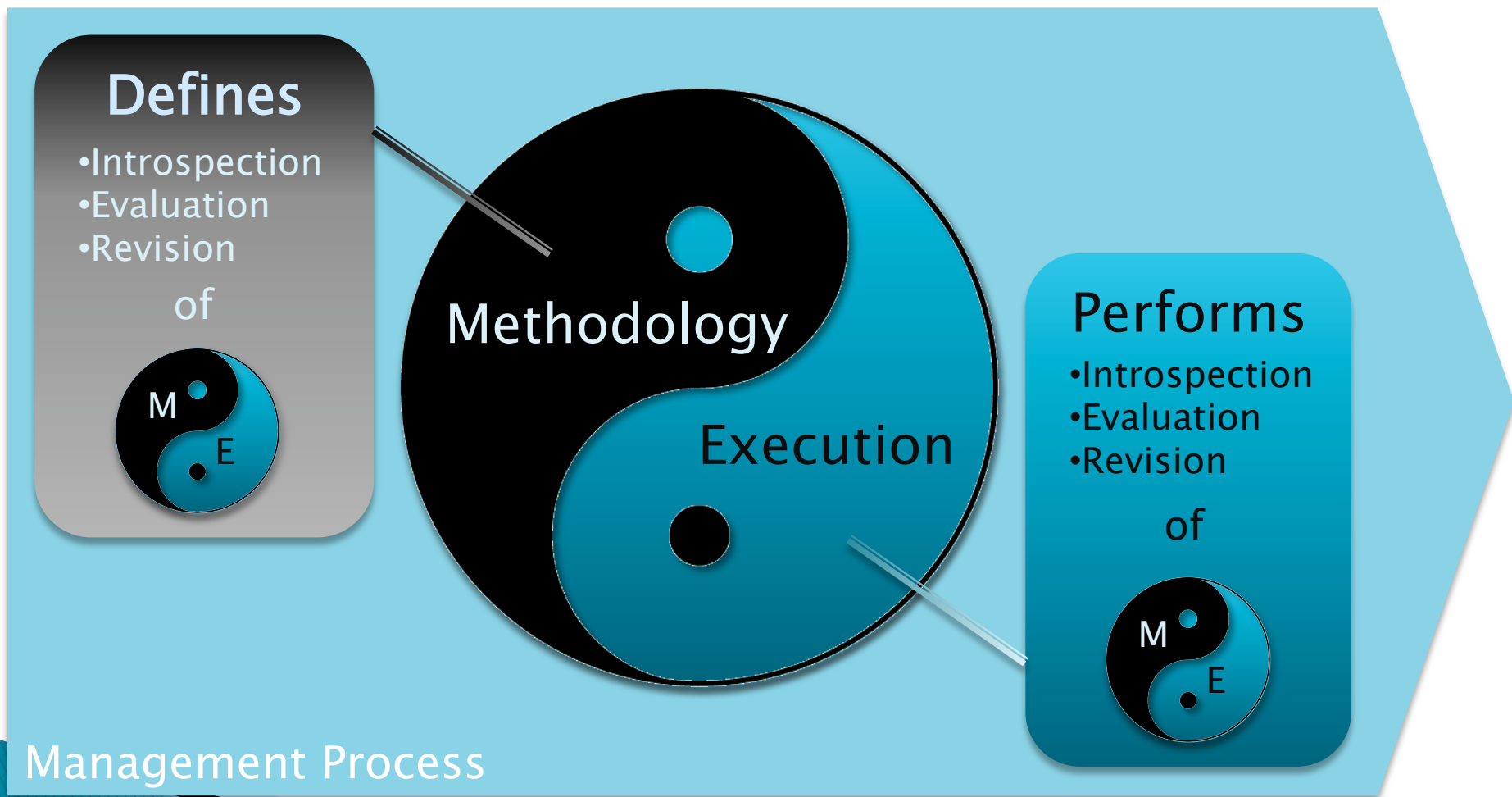
Management Process

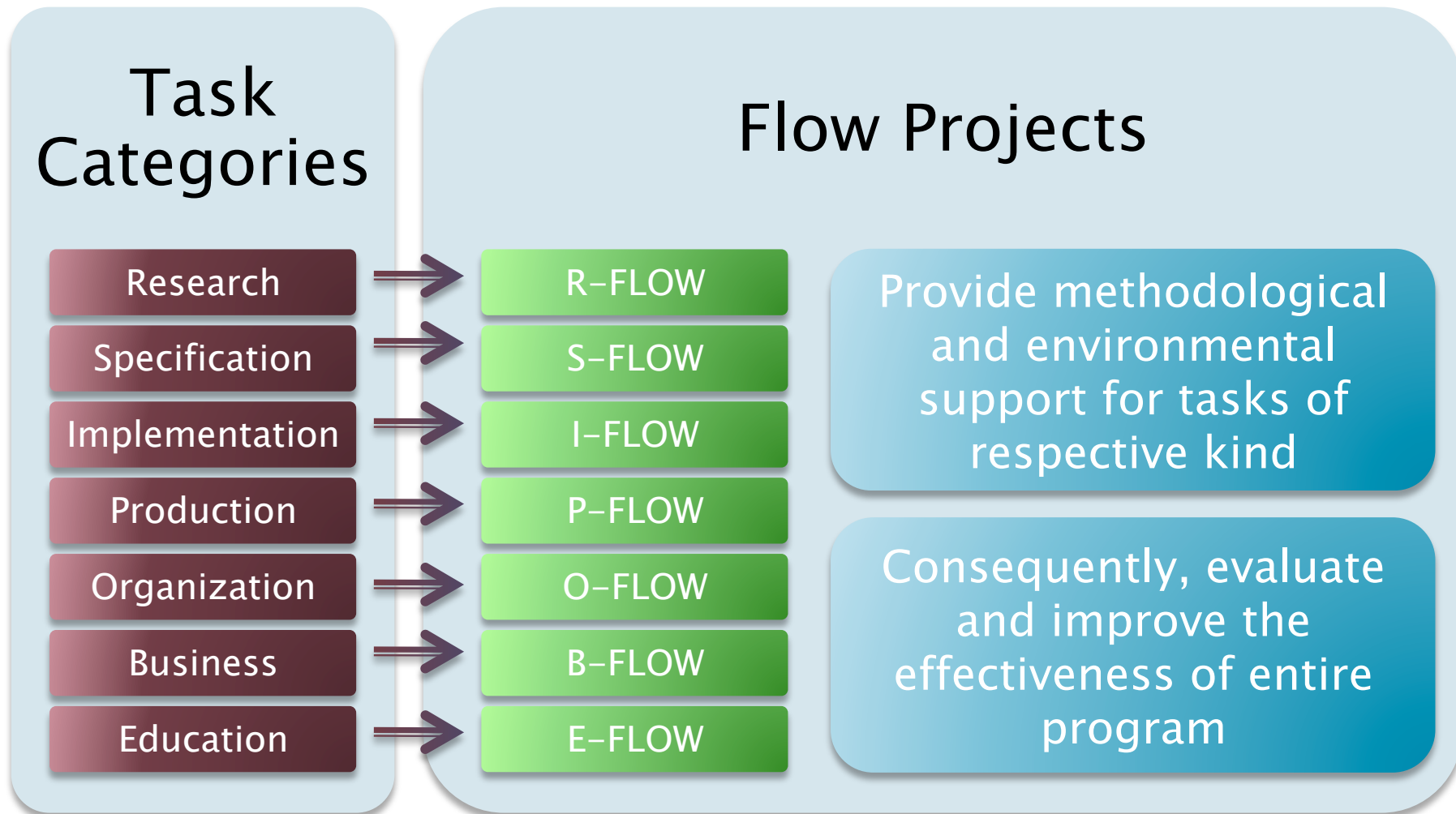| Methodology | Adapts to satisfy the needs |

| Execution | Generates new needs |

Sustainability of Management Process Development

Flow projects derivation

Task Categories

Research
Specification
Implementation
Production
Organization
Business
Education

Flow Projects

R-FLOW
S-FLOW
I-FLOW
P-FLOW
O-FLOW
B-FLOW
E-FLOW

Provide methodological and environmental support for tasks of respective kind

Consequently, evaluate and improve the effectiveness of entire program

Flow projects

- Are *executed* in accordance with the *methodology*
- Change the *methodology* in accordance with the needs and requirements emerging in the execution of all projects
- Distributively performs introspection, evaluations and revision, i.e. feedbacks and feedforwards
- Example
  - OFLOW: "for every flow project there is a meeting held at least every 2 weeks"

Project Program Scheme

Management In Large Project

Technology Projects

Application Projects

Business Projects

Flow Projects
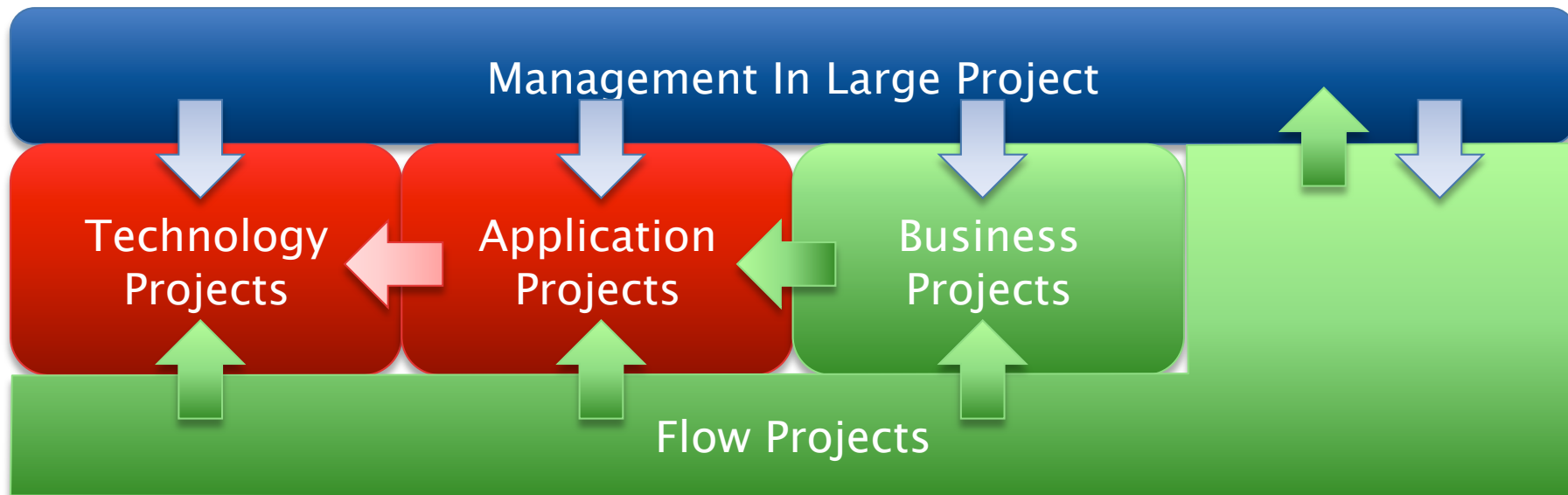
Tools (1)

Principle we have applied

- Principle of work with unknown: ICT support of business has to be done in a way it can easily support also such requirements that business owners are not aware of today

Tools we have used

- Mind Manager – flexible mind mapping editor
- Project Explorer – flexible tool for reporting and analysis

Tools (2)

Mind Maps (Mind Manager)

Tools (3)

Project Explorer (proprietary tool)
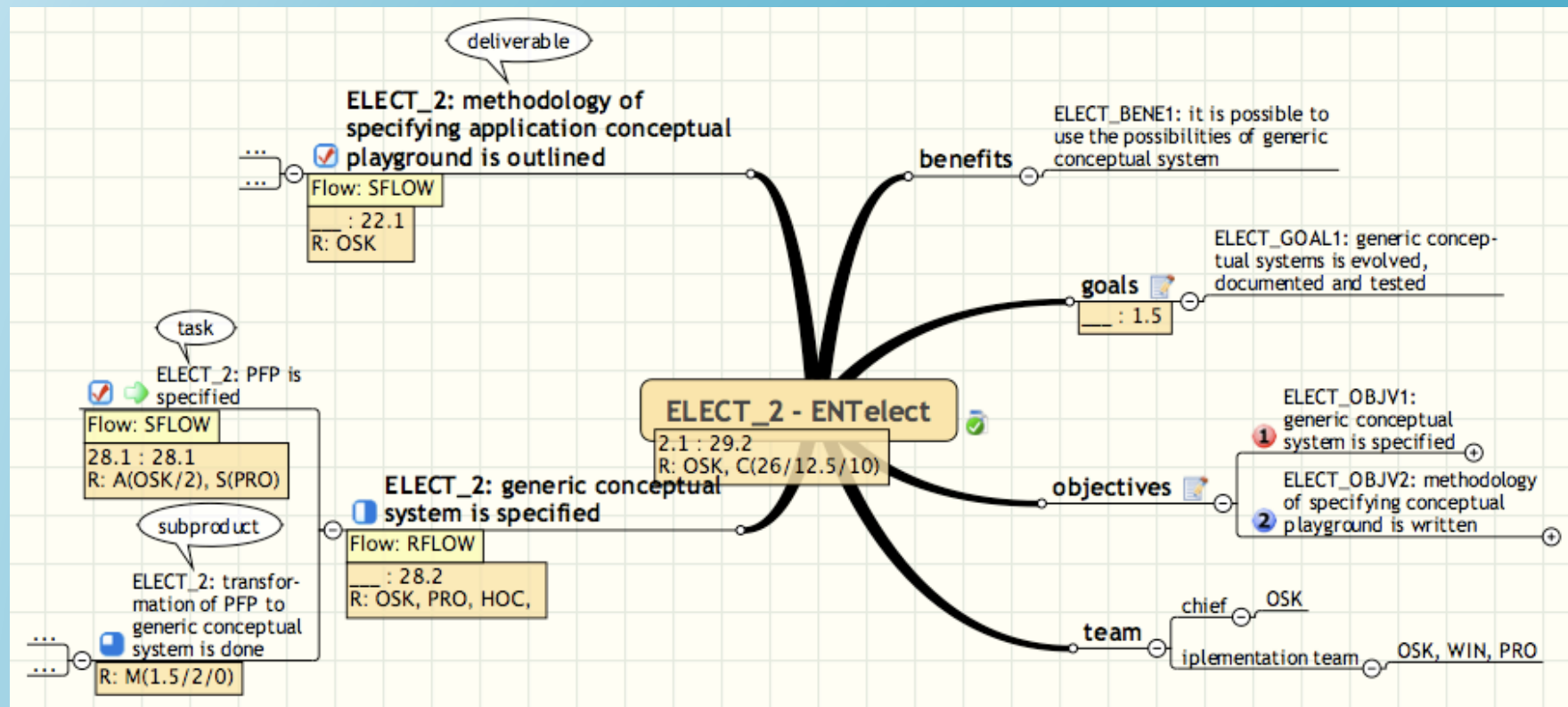
Summary

- Performance Indicators are necessary to know WHERE we are and WHERE are we going
- Balance Scorecard is an strategic performance tool working with complete set of indicators
  - financial, customer, processes, learn and growth
- Processes and projects are two kinds of what can happen in companies
- Case study
  - flow projects as a tool for sustainable development