

# Management by competencies



How we know what to do?



# What we know?

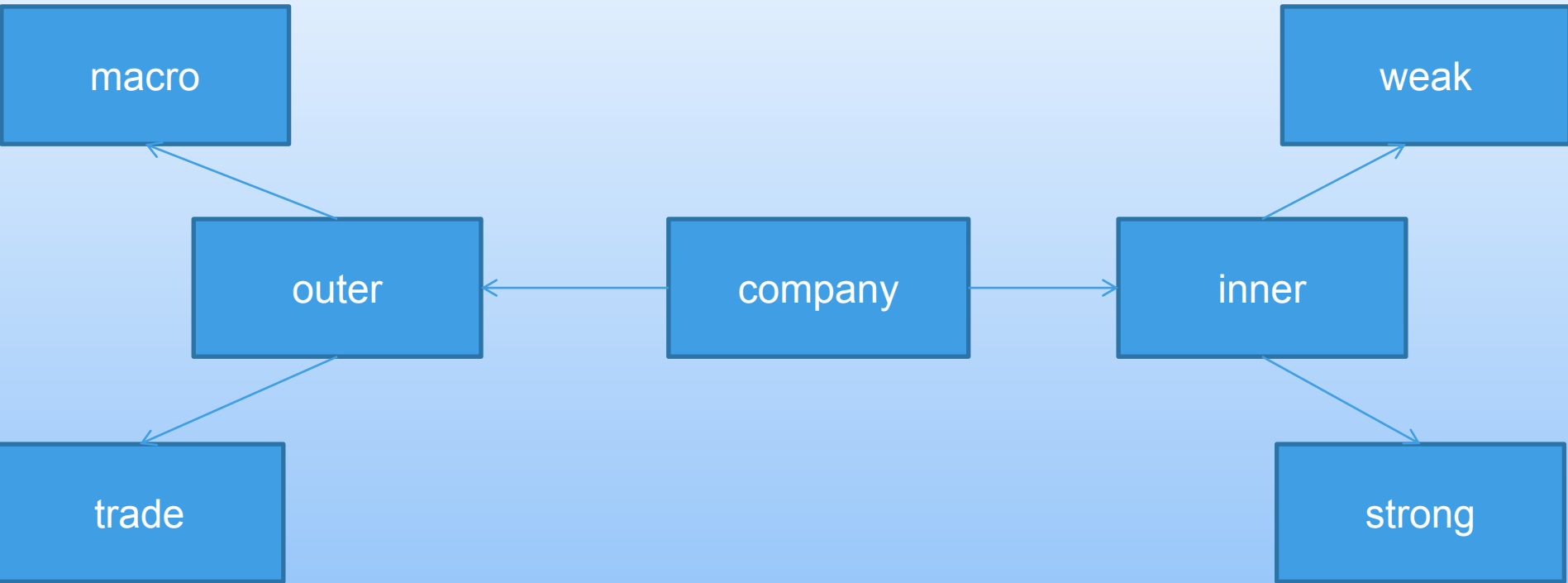
- The main goal of the management
  - To form production process in the best way
  - Main idea is maximizing of the profit
- Shareholders x Stockholders attitude
  - Different targets, same idea (maximizing the profit)
  - Motivation of the subjects
- Corporate Governance
  - Moral hazard

# The table of interests

Name of the group	Requirements	Benefits
Owners	Profit	Capital
Creditor	repayment and interest of the loan	Capital
Employees	Fair wage, motivation	Labor
Management	Reward, power, prestige	Leadership
Customers	Goods or services for the good price	Consumption
Suppliers	reliable payment obligations, long-term profitable relationships	delivery of goods and services (of the best quality)
Public	Paying taxes, law enforcement, environmental behavior	infrastructure, rule of law

# The company environment

- ▣ Outer environment
  - ▣ Macro environment
    - ▣ International
    - ▣ National
    - ▣ Regional
  - ▣ Trade environment
- ▣ Inner environment
  - ▣ Weak sides
  - ▣ Strong sides



**Company's environment**

# Outer environment – key features

- ▣ Development of information and communication ecologies
- ▣ Increasing level of customer's requests
- ▣ Increasing level of competitions
- ▣ Intensifies the market globalization and forms of business
- ▣ The influence of the government is limited
- ▣ Sectors and branches are getting closer
- ▣ The importance of ecology is growing

# Macro environment

- ▣ Part of outer environment
- ▣ Factors are based on international, national or regional environment
- ▣ Those factors touch the most of organization directly
- ▣ But to their product or services only vicariously

# STEPE (PESTE) analyses

- ▣ Social
  - ▣ The level of society, social state
- ▣ Technics and technological
  - ▣ Technological development, computer skills
- ▣ Economics
  - ▣ Tax rate, interest rate, wage level
- ▣ Political and law
  - ▣ Stability, corruption, law enforcement
- ▣ Ecological
  - ▣ Attitude to environment



# International environment

- Globalization of the business
  - National borders are not important
  - The production is moving to the low costs
  - Competition of the states is replaced by competition of the international companies
  - The number of national and business restriction is reduces
- The world population is growing

# International environment

- Special influence to Czech republic
  - Entry of international capital, founding of joint ventures companies
  - Membership of Czech republic in EU
  - International tourism
  - International mobility of manpower

# National environment

- ▣ National culture
  - ▣ Known behavior of the people
  - ▣ Shared by all members of society
  - ▣ Forming their ranking of values, life style
- ▣ Stakeholders
- ▣ Traffic, information and communication infrastructure
- ▣ Nature and resources
- ▣ Business conditions (6C)

# Business conditions (6C)

- Country
  - Taxes, specific law
- Corporations
  - Forms of business companies
- Customers
  - How much, their purchasing power
- Costs
  - What does influence costs?
- Competitors
  - How many competitors are present in the country
- Currency
  - Exchange rates, stability of the currency

# Regional environment

- ▣ Factors from the company's neighborhood
- ▣ Very important for small companies
- ▣ Local advantages or disadvantages
- ▣ Local government fees and taxes

# Trade environment

## Key actors (3C)

- ▣ Consumers
- ▣ Collaborators
- ▣ Competitors

## Key features

- ▣ Market size
- ▣ Level of the branch
- ▣ Life stadium
- ▣ Competitors in the branch
- ▣ Dependence on
  - ▣ Ecology
  - ▣ Politics
  - ▣ Law
- ▣ Profitability

# Life stadium of branch

- ▣ Implementation
  - ▣ Pioneers, adventurers
- ▣ Growing up
  - ▣ Serious companies
- ▣ Maturation
  - ▣ Stable situation
- ▣ Comedown
  - ▣ Most companies are leaving

# Inner environment

- ▣ Weak parts
  - ▣ What is our disadvantage?
  - ▣ How can we be harmed?
- ▣ Strong parts
  - ▣ Where are we unique?



# Summary

- ▣ Company environment
  - ▣ Outer
    - ▣ Macro x trade
    - ▣ Analysis – PESTE
  - ▣ Inner
    - ▣ Weak x Strong
    - ▣ Analysis – next time :o)

Thank you for your attention...

