

# Management by competencies

How we know what to do?

# From last lesson

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

# SWOT


	Positive	Negative
Internal	Strengths	Weaknesses
External	Opportunities	Threatens

- SWOT analysis
- Collects all important factors together
- Very popular in Internet business
- Can be used in any case that needs to be analyzed
  - New product
  - New project
  - New service
  - Analyze new workflow

# Strengths

- ▶ Where is our advantage
- ▶ What is unique in our company
- ▶ Why we lead?
- ▶ Examples
  - Experienced management
  - Special know-how
  - IT services or IS

# Weaknesses

- ▶ What do we do wrong?
  - ▶ Where we lost money or good-will because of our own mistake?
  - ▶ What was our last big inner problem?
  - ▶ Examples
    - Old technical equipment
    - Bad behavior of employees
    - Bad quality of IT services
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# Opportunities

- ▶ What can be a new impulse for the company?
- ▶ Where we can find a new sources?
- ▶ How we can improve our company?
- ▶ Examples
  - Lower taxes
  - Donations (EU/government/other organizations)
  - New technologies

# Threatens

- ▶ What can be dangerous for our improvement?
- ▶ What kind of pressure we must cope with?
- ▶ What do our competitors plan?
- ▶ Examples
  - Higher taxes
  - Structure of unemployment
  - Entrance of the new competitor

# SWOT strategies

SWOT - analysis		Internal	
		Strengths	Weaknesses
E x t e r n a l	Opportunities	<i>S-O-Strategy.</i> Developing the new methods, suitable for improving the strengths of the company	<i>W-O-Strategy.</i> Removing the weaknesses to found the new opportunities
	Threatens	<i>S-T-Strategy.</i> Using the strengths to eliminate the threatens	<i>W-T-Strategy.</i> Developing strategies to eliminate the threatens, endangering our weaknesses.



# S – O Strategy (maxi – maxi)

- ▶ Developing the new methods, suitable for improving the strengths of the company
- ▶ How we can use the opportunities to make our strengths stronger
- ▶ Examples:
  - Using donations from Czechinvest to teach the members of management
  - Using favorable (low) interest rate to develop new methods from our know-how

# S – T Strategy (maxi – mini)

- ▶ Using the strengths to eliminate the threatens
- ▶ How we can cope with the dangers from outside by our own?
- ▶ Examples
  - Use our management experiences to optimize our processes and save money to face the higher taxes.
  - Use IS with easy user interface to eliminate the number of training days for the new employees

# W – O Strategy (mini – maxi)

- ▶ Removing the weaknesses to found the new opportunities
- ▶ How we can use opportunities to remove our weaknesses?
- ▶ Examples:
  - Using donations from EU to buy / upgrade information system (if it is weak)
  - Using favorable (low) interest rate to take bank loan to buy new machines (if they are too old)

# W – T Strategy (mini – mini)

- ▶ Developing strategies to eliminate the threats, endangering our weaknesses.
- ▶ The hardest part of SWOT
- ▶ How we can eliminate our weaknesses in the way to not be endangered by threats?
- ▶ How we can use our threats as our benefit?
- ▶ Examples
  - Use the higher unemployment to motivate our employees to behave in a better way
  - Use the fact of the new competitor's entrance to increase the pressure on quality of our IT services

# When to use SWOT

- ▶ Every time you need:
  - To analyze situation
  - To make important decision
  - To build the strategy
- ▶ SWOT can be use to make decision
  - In a company
  - In a project
  - In a private life

# Conclusion

## Management

- Tasks
- Principles
- Role of information

## Analytics tools

- STEPE
- 6C
- SWOT

# Management



Management

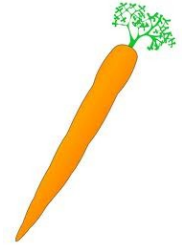
- is a process of achieving desired or given goals and objectives by means of other people

is

Contextual

- human activities can be managed in many contexts
  - projects by project managers
  - abilities and knowledge development by human resources managers
  - companies by company leaders
  - their lives by themselves

# MbC Motivation



## Successful company

- company that achieve its business goals

## Sustainably successful company ~ Vital company

- company where attaining of current goals does not diminish the chance to achieve its goals in the future

**MbC is designed to help companies to achieve vitality!**



# MbC Presumptions and Principles

## Human responsibility

- Every success or failure of any company corresponds to the competencies of people responsible for company performance

## Competence focus

- Problems are analyzed to reveal unsatisfactory or completely missing competencies

In achieving vitality of company, people are the only critical aspect!

# MbC Essence



Problems arise when performance requirements exceeds the possibilities

- MbC interconnects world of requirements and world of possibilities to keep them in harmony

Performance assessment is based on results

- however, MbC focuses on the source of performance, i.e. competencies of people

MbC deals with problems causes, not consequences!

# What is MbC?



Company management approach based on harmonical development of

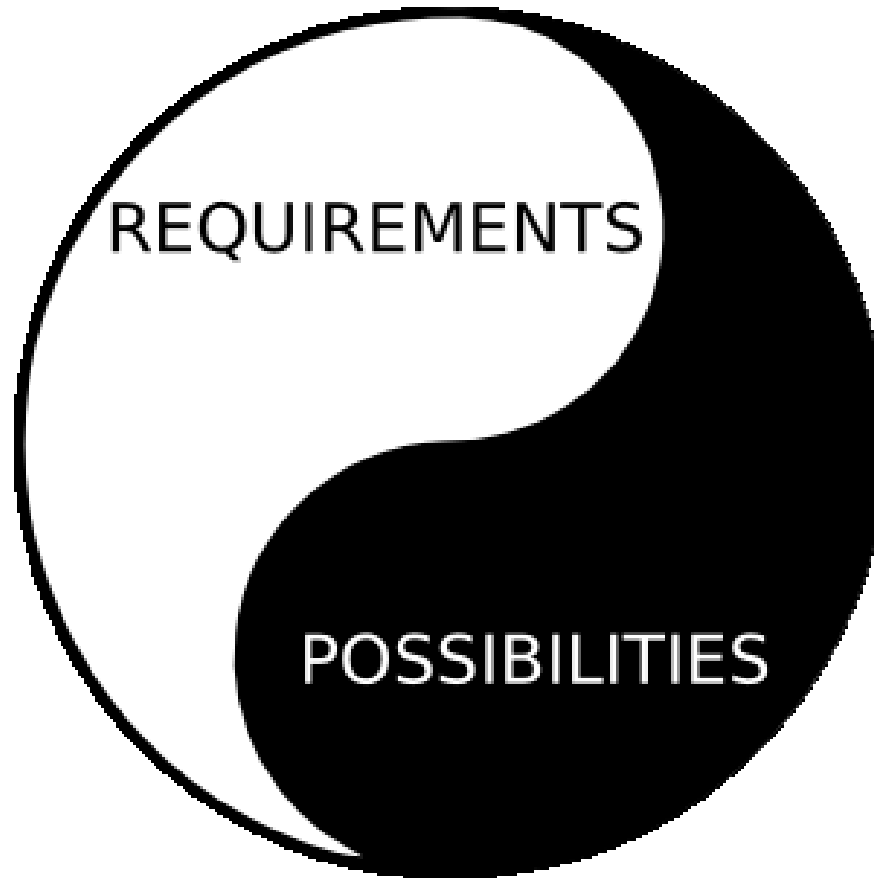
- World of **requirements** and
- World of **possibilities**

Controls and regulates duality of these worlds to achieve synergistic effect

- **Requirements** have to fit to current possibilities
- **Possibilities** have to be developed to be ready to meet requirements of the future

**Ultimate goal of MbC is to achieve vitality!**

# Two elements of Vitality



vitality = possibilities + requirements

(C) J. Plamínek

# Semaphore of Vitality



Crisis



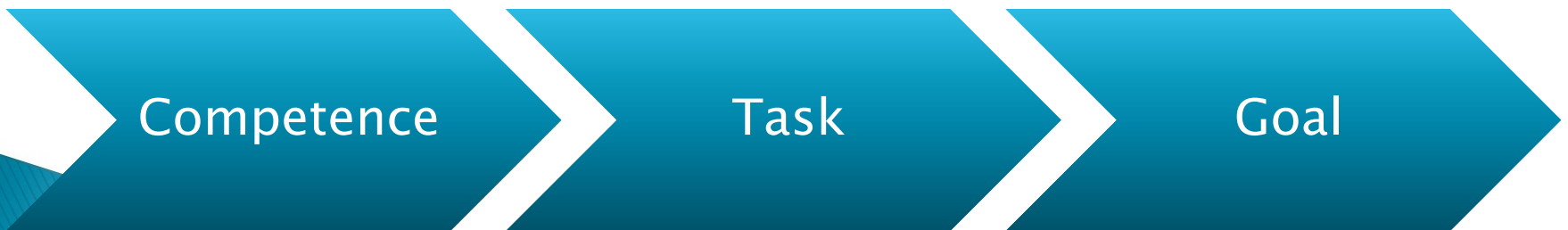
Equilibrium



Stability

# What is competence?

- ▶ **Competence** of a person is sum of
  - job performance, i.e. human labor, and
  - potential, i.e. human resources
- ▶ Competence ought to be always contemplated in the context of certain task to be performed



# Final conclusion

- ▶ SWOT analysis
  - ▶ Motivation of management by competencies
  - ▶ Vitality and its elements
  - ▶ Competence
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