

# Management by Competencies

Strategic frame

# Previously on MbC



**Leaders**

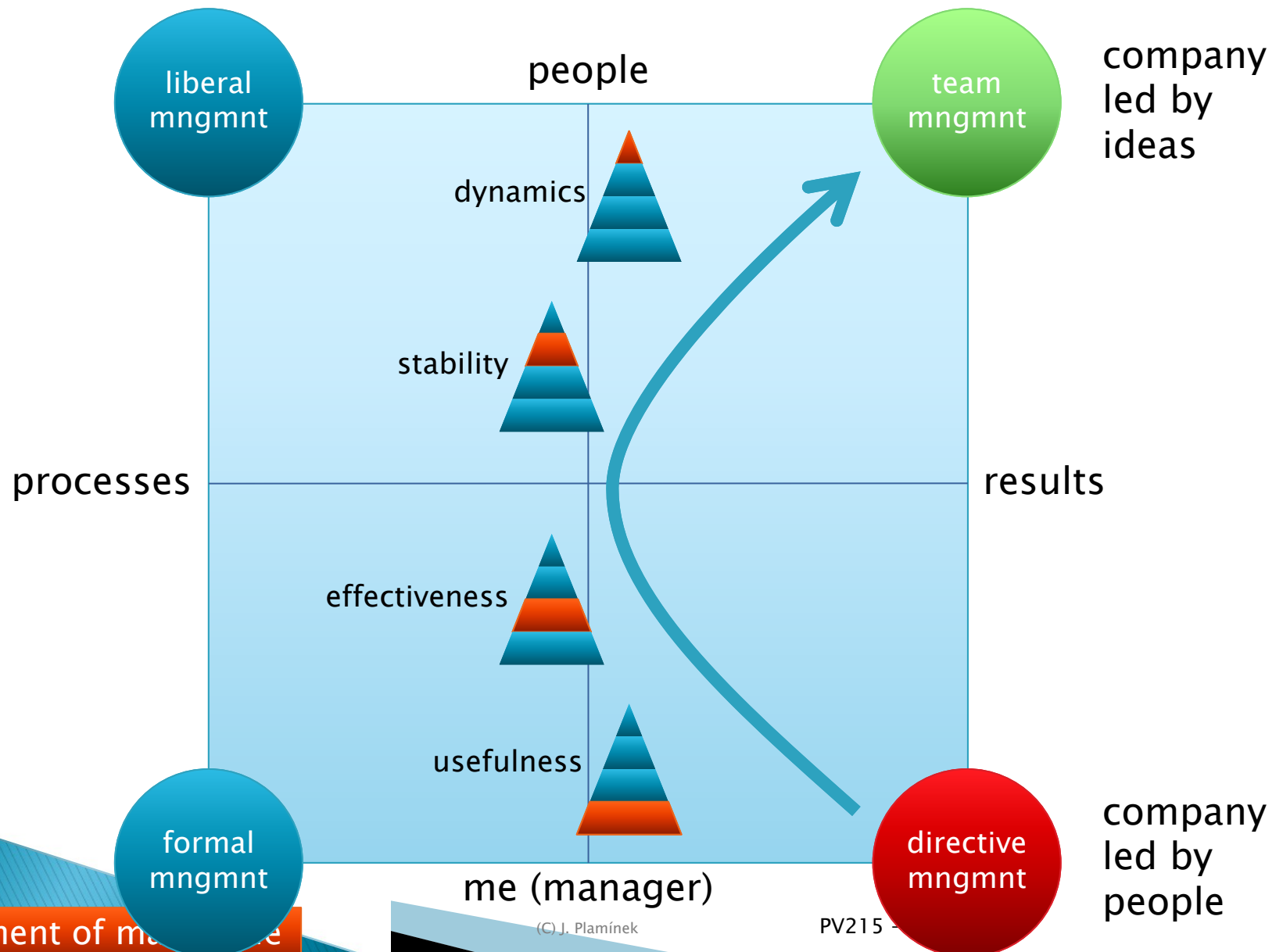


**Managers**

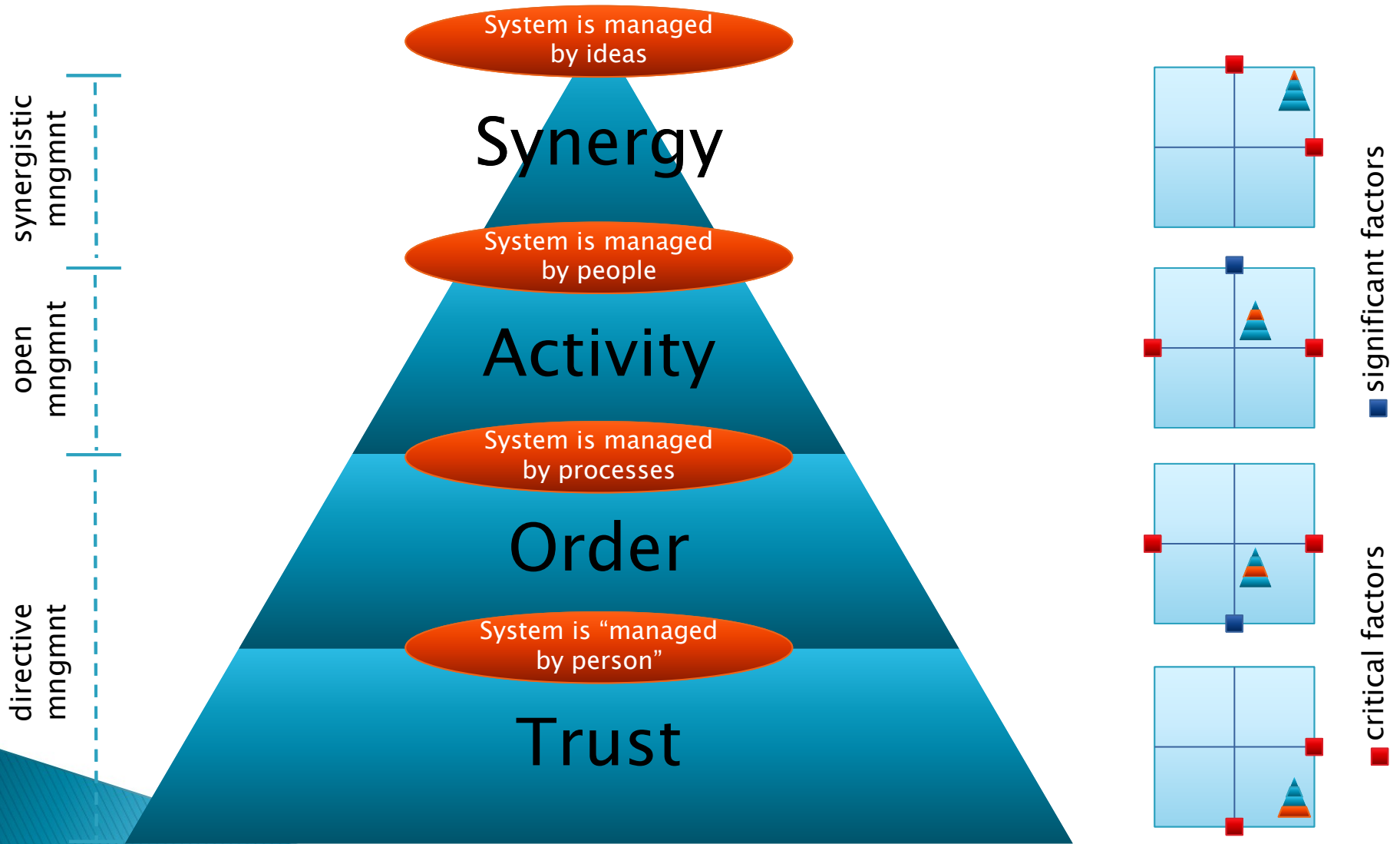


**Workers**

# Development of managerial style



# Pyramid of Management



# Agenda

- ▶ System of Corporate Ideas
- ▶ Strategic Frame
- ▶ Strategic Continuum

# System of Corporate Ideas

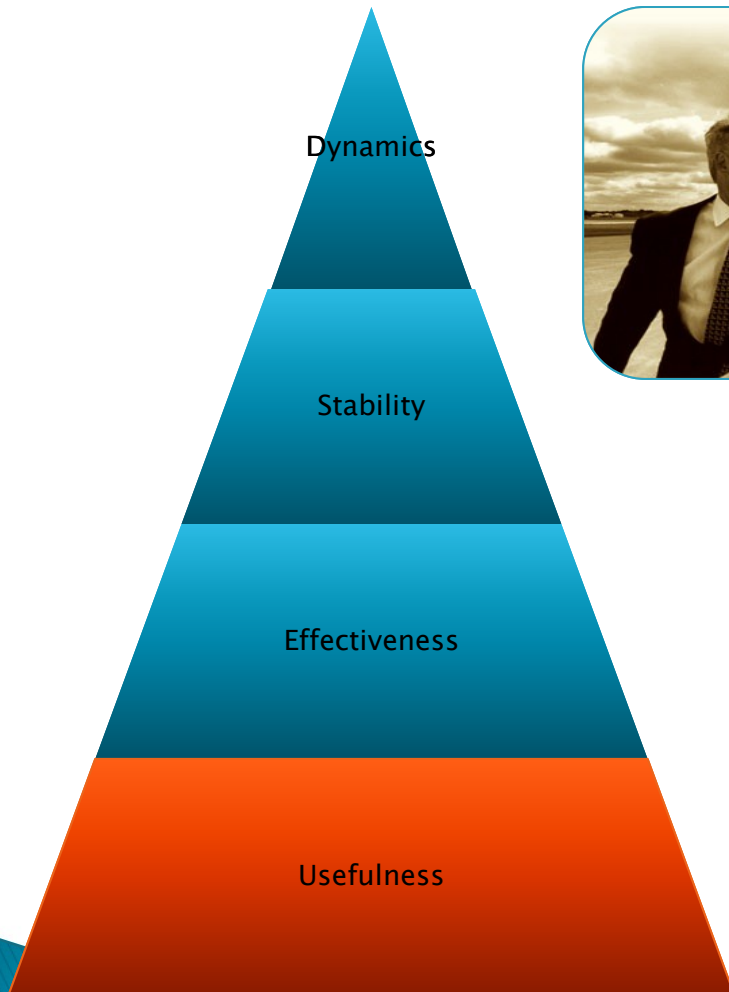
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graph TD; A[Strategic Frame] --> B[Goals & Objectives]; B --> C[Products, Services, Processes & Projects, Resources, Tasks, Competencies, Feedbacks, Feedforwards, HR development, ...];
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Strategic Frame

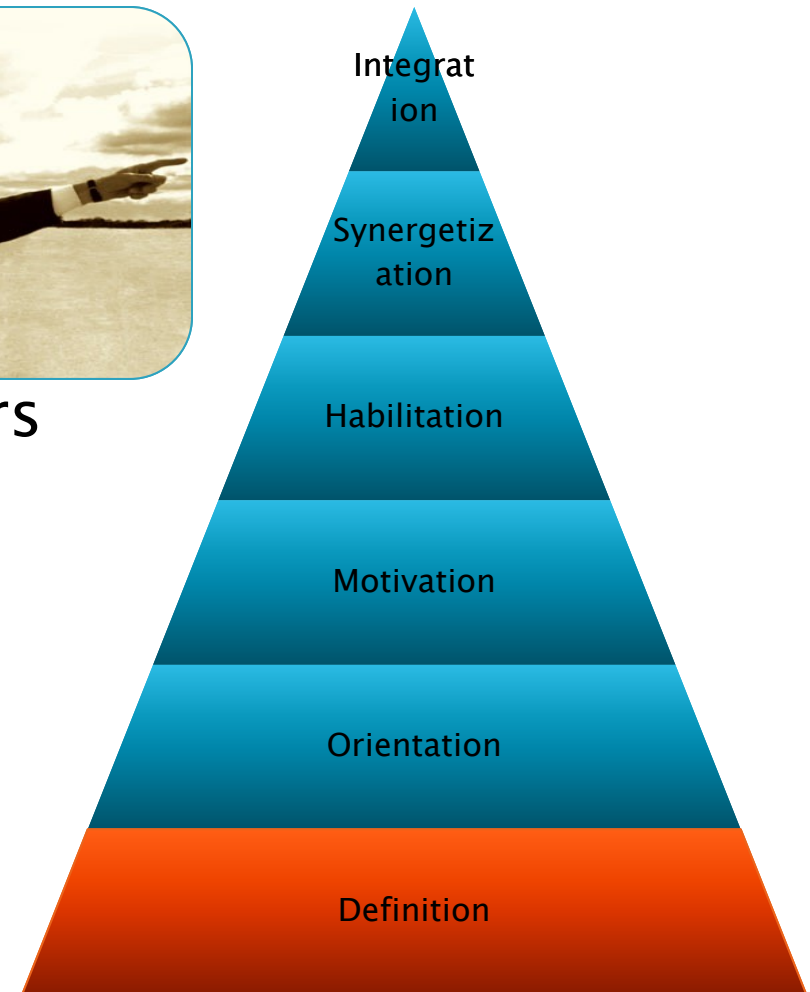
Goals & Objectives

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

# Context of Strategic Frame



Leaders



# Purpose of Strategic Frame

Defines company and its business

Instrument of strategic management

- Defines only boundary which delimits space for free activity of management
- Submission for company management

Strategic frame ought to be an eternal source of inspiration, orientation and motivation for people working for company, for suppliers, investors, ...

Strategic frame is the seed the company ideas grow from

Absence of strategic frame is often reason of chaos in companies which leads to their failure



# Creation of Strategic Frame

## Environment understanding

- trends, challenges, opportunities

## Emotional perspective

- wishes, intuition, instincts
- unconsciousness

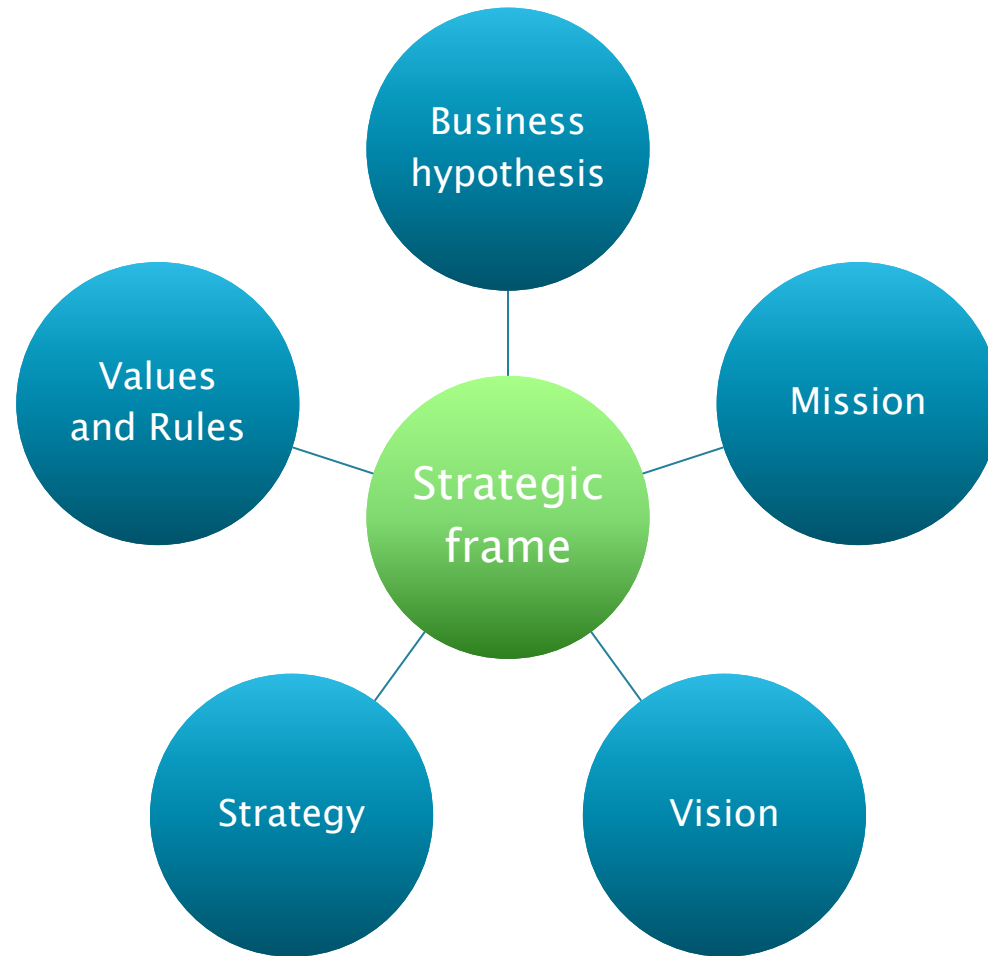
## Rational perspective

- measurable parameters
- consciousness

“The future belongs to people who see possibilities before they become obvious.”

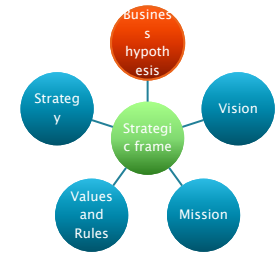
--Ted Levitt

# The Elements of Strategic Frame



(C) J. Plamínek

# Business Hypothesis



Gains trust of investors, owners, managers, workers

Identifies business opportunities in surrounding environment

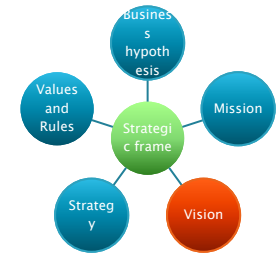
Clarifies why intended business will generate sufficient income to sustain itself in the future

Includes trend estimations of target customers behavior and other subjects considering development in environment

- business, market, political, technological, economical, ecological and social

Delimits a space where the company will operate and describes the position which company want to fill

# Vision



Answers the question: What the business and company will look like in a distant future?

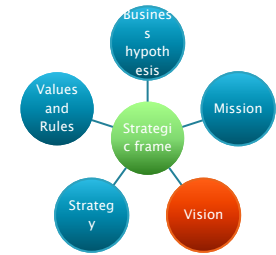
Reflects feelings and ideas of leaders

(emotional perspective)

Includes measurable parameters and its values indicating achievement of vision

(rational perspective)

# Vision Examples



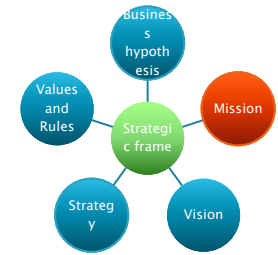
## Google

- to develop a perfect search engine.

## Kofola

- Kofola group's vision to be the preferred choice for customers, employees and shareholders. By 2012 we want to be an overall "number two" in the soft drinks market in the Czech Republic, Slovak Republic and Poland. In each of these countries, our goal is to have in the segments of cola drinks and water brands that will be 1 or 2 place in these segments. In other categories to be imaginary third place.

# Mission



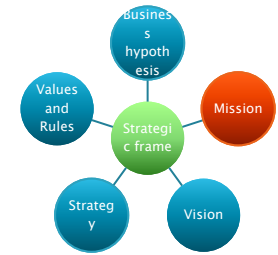
Indicates the benefits for customers, suppliers, employees

Offers products and services to satisfy needs of the subjects

Appeals to wider customer groups

Attracts attention rather than explain usefulness exactly

# Mission Examples



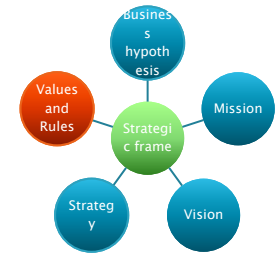
## Google

- to organize the world's information and make it universally accessible and useful.

## Kofola

- Kofola's mission is to enthusiastically create an attractive brand of beverages, which will offer consumers a functional and emotional value that they become an important part of their lives.

# Values and Rules



Focus on potential ways leading to achievement of goals outlined in vision

Emotionally, it is a set of shared and felt values which company ought to obey when realizing the vision

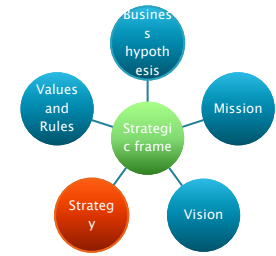
- examples: Give-Take Matrix compliance, exploit any flaw in law at all costs

Shared values are rationalized into the set of clear rules which observance is measurable

- example: every contract must be revised by XY from the perspective of Give-Take Matrix compliance



# Strategy



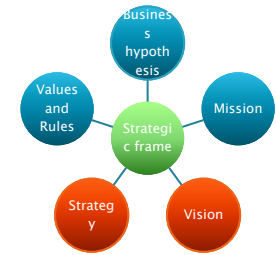
Defines specific business activities which enable to sustain success of company both in the presence and in the future

- markets to operate on, customers and clients to serve, competitive advantage to gain

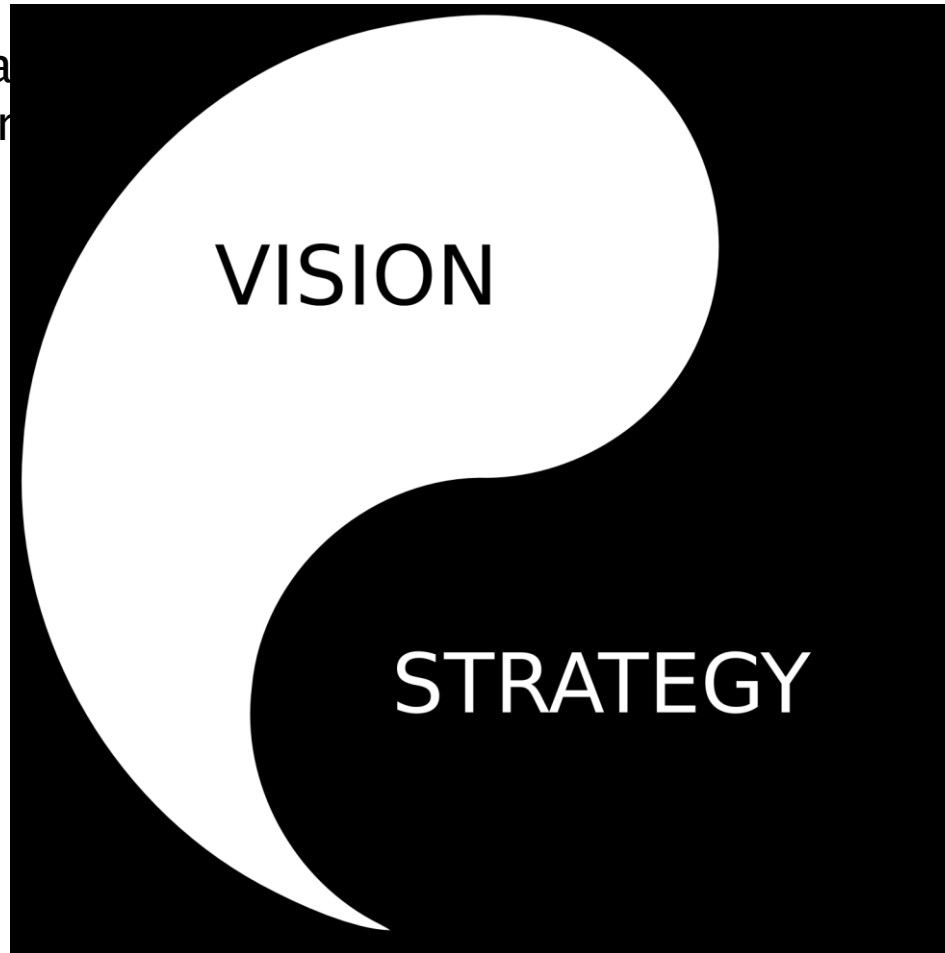
The parts of the strategy focused on the presence and on the future have to be clearly distinguished

- to avoid confusion of managers
- to prepare step changes to surprise both clients and competitors

# Vision and Strategy



A vision without a plan  
is just a dream.



A plan without a vision  
is just a drudgery.

But a vision with a plan can change the world.

# Summary

- ▶ System of Corporate Ideas
- ▶ Strategic Frame
  - business hypothesis
  - vision
  - mission
  - values and rules
  - strategy