



What Does Your Management Model Look Like?

By Hal Johnson

Ultimately every manager is judged by his/her results. How are those results delivered? Mostly as the product of a lot of systems. However, most managers do not understand, at a sufficient level of detail, how the underlying systems or processes in their businesses affect the overall delivery of their products and/or services. This is a huge opportunity area for most businesses. Such a profound impact is delivered by our somewhat invisible systems. Do you have a good picture of how your core business systems are performing? Most mid-market companies do not. Here are a few insights for you to ponder about the overall health of your company and its systems:

- Understanding performance requires a clear understanding of the underlying systems.
- Organization's systems adapt or die.
- An organization behaves like a system, regardless of whether it is being managed as a system
- If you pit a good performer against a bad system, the system will win almost every time.

Building your organization's management model is much like putting a puzzle together. When completed it should give you a pretty good picture of how you manage your business. Without this kind of visibility, how do you know which piece may be missing? The management model needs to be balanced and it needs to address the fundamental elements of the management process needed to deliver predictable excellence.

Ultimately, the job of management is to deliver predictable success. As managers, we generally rely on systems to give us predictability, right? Then, how about a visible schematic of the key systems that comprise your management model? Ideally, we are working vigorously as business leaders to constantly improve our delivery system, be it services or products. That is our calling as business leaders. So, consider the following schematic to help you get your head around all the systems that go into creating a high performance organization.

To accomplish this important process we use two management concepts to create a diagnostic tool. We start with the Balanced Scorecard to identify the four key performance areas for predictable success: People, Systems, Customer and Finance. We plot this along the X axis. These four perspectives help us to look at what needs to happen to optimize performance in these four areas. That means (1) *people* are trained and motivated, (2) *systems* are documented and constantly being evaluated and improved, (3) *customer* needs and expectations are being met or exceeded, and (4) *financial* goals are being met. Then down the Y axis we plot the five functions of management (Drucker): Planning, Organizing, Communication & Motivating, Measuring, and Developing People. This grid creates 20 cells in which it is profitable to identify the elements of your management system that combine to create your overall corporate system of management.



Overview – Corporate Management System Model

	Balanced Scorecard Perspectives			
Drucker's Management Functions	PEOPLE	SYSTEMS	CUSTOMER	FINANCE
Planning				
Organizing				
Communicating & Motivating				
Measuring				
Developing & Training				

Our firm specializes in business transition planning. Our purpose is to help client companies more effectively address the issues that often hamper successful business growth and development. As the old saying goes, you can't expect new results from old processes. Research shows that most business failures are based on the business outgrowing its people and systems. Therefore, we strongly subscribe to the view that regular reviews of key systems are a practice not to be neglected.

Conclusion

Being a business manager is an exciting journey and the truly prepared have the greatest opportunity to achieve what they set out to achieve. Like any journey of significance, preparation is everything. That is the core of leadership.

By the way, if you are interested in seeing the above model filled in with core best practice systems, shoot me an email and I will promptly attach one and send it back. Here's to healthy systems!

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