P3 Revision notes

Strategic positions

1) PESTEL

The PESTEL framework may be used to explore the macro-environmental influences that might affect an organisation.

Political
Tax policy, Foreign trade regs, government stability, legislative programme

Economic
Interest rates, money supply, Inflation, Unemployment, disposable income

Sociocultural
Demographics, social mobility, lifestyle, education level

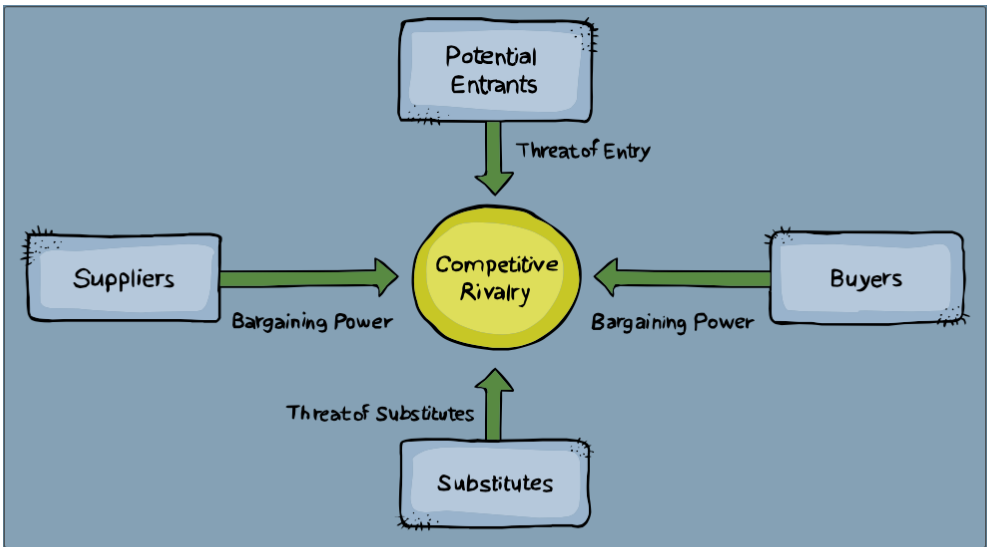
Technological
Research spending, new discoveries, obsolescence rates

Ecological
Environmental protection

Legal
Monopoly laws, employment laws

2) Porter's 5 forces (jun 2013)

a useful way of analysing the competitive environment



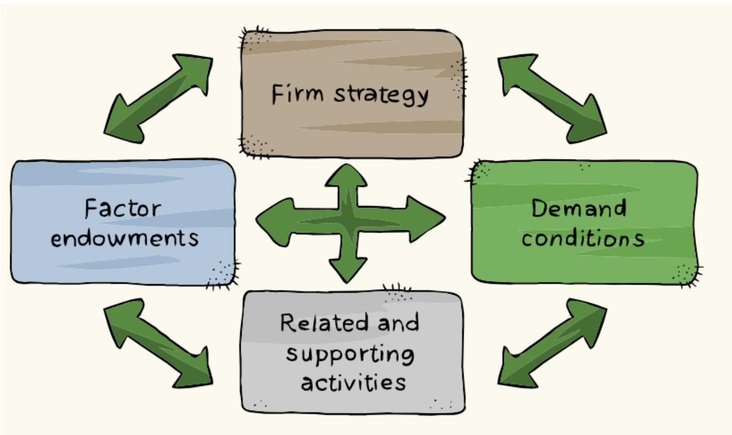
3) Porter's diamond (dec 2013)

1) Factors of production
- natural resources
- climate
- knowledge bases
- transport and communication networks

2) Related & Supporting Industry
- a successful industry leads to others (related) - Swedish furniture - local trees

3) Demand conditions
- strong local demand

4) Firm strategy
- structure and competition



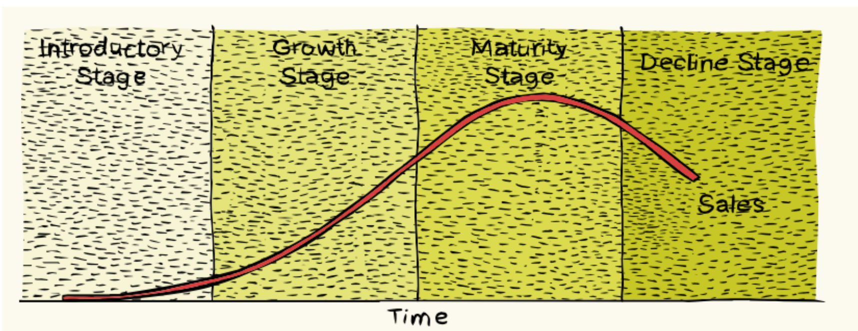
4) Lifecycle

1) At the Intro stage = Few Competitors, Marketing and Advertising Costs

2) At the Growth stage = Fight for market share is strong, Costs to increase capacity; Learning effect and Economies of Scale; Working capital increases

3) At the Maturity stage = The weakest competitors die /Price-cutting for volume then emphasis on low costs, Marketing and product enhancement

4) At the Decline stage = The exit of some competitors, Restructuring costs



5) The 4 Ps(dec 2013, Jun 14)

Promotion - Including direct sales
Product - Design & quality; Delivery & service
Place - The channel of distribution
Price - including discounts

3 more P's are sometimes added to the mix (particularly for services):
People
Processes
Physical Evidence

6) Benchmarking

Companies benchmark (compare) themselves against their industry rather than against their historical performance.

Approach	Description	Example
Internal	One internal unit to another	All divisions to best performing division
Operational	One operation to that in a different industry	How to process online clothes orders against Amazon
Competitive	Own performance to most successful competitor (unlike the others must not let the other party know)	McDonalds v Burger King
Customer	Against what customers expect	

7) Development methods (dec 2013)

1) Organic / Internal
Build on company's core competencies
Suits a Risk-averse culture
Easier to Control & Manage
Slow
Growth restricted by own competencies
Better for growth at home rather than abroad

2) Acquisitions & Mergers
Fast to new markets
Gains new competencies
High risk due to initial costs
Funding problems of initial costs
Problems with cultural fit

3) Strategic Alliance (JV & License agreement)
No large initial costs
No cultural fit problems
Specialise on each businesses own competencies

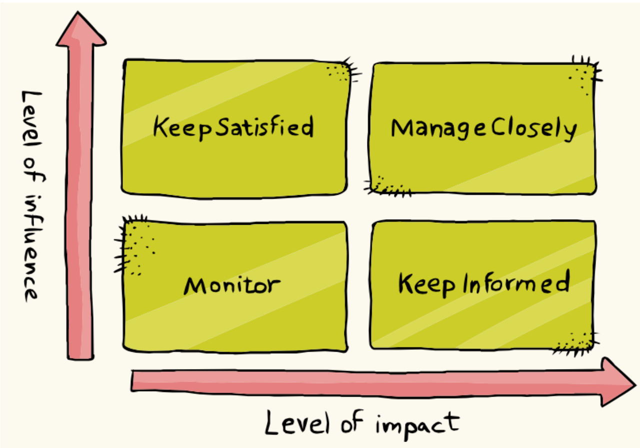
8) The Mendelow Framework

This framework is used to attempt to understand the influence that each stakeholder has over an organisation's strategy.

Power
Is the stakeholder's ability to influence objectives

Interest
is how much the stakeholders care

Influence
= Power x Interest



Mendelow Framework - explanation

Low power, low Interest - Minimal effort
These can be largely ignored, although this does not take into account any moral or ethical considerations.

High power, high interest - Key players
The question here is how many competing stakeholders reside in that quadrant of the map.
If there is only one (eg management) then there is unlikely to be any conflict in a given decision-making situation.
If there are several and they disagree on the way forward, there are likely to be difficulties in decision making and strategic direction

Low power, high interest - Keep informed
Can increase their overall influence by forming coalitions with other stakeholders in order to exert a greater pressure and thereby make themselves more powerful.

High power, low interest - Keep satisfied
All these stakeholders need to do to become influential is to re-awaken their interest.

This will move them across to the right and into the high influence sector, and so the management strategy for these stakeholders is to 'keep satisfied'.

9) Value chain

Primary Activities
Inbound - This is the receiving and storage of goods

Operations - This transforms the goods or service

Outbound - The distribution of the product to the customer

Marketing and Sales

Customer Service

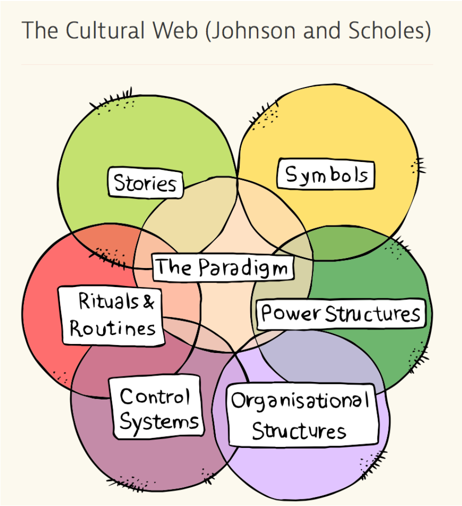
Support Activities
These support the primary activities above..

Procurement - The purchasing of goods

Human Resources - Recruitment, training and rewarding of staff

Infrastructure - Systems and routines including Quality control

Cultural Web

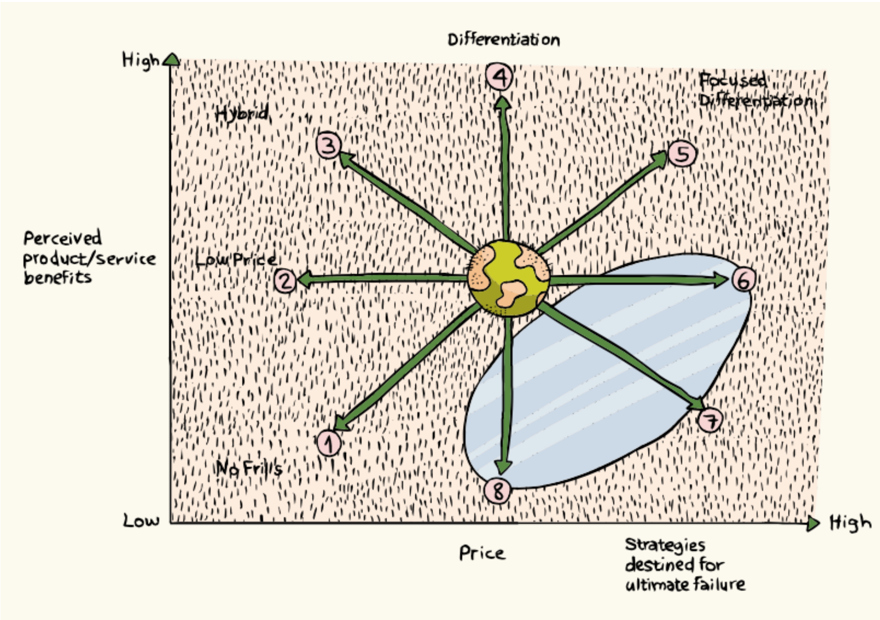


Stories	What core beliefs do they show? Do the beliefs go through all levels? Do they relate to strengths or weaknesses?
Routines & Rituals	Which are emphasised? Which would look odd if changed? What behavior do they encourage?
Organisational Structure	How organic & informal is it? How flat is it?
Control Systems	What is most closely controlled? Is the emphasis on punishment or reward?
Power	What are the core beliefs of the leaders? How strongly held are the beliefs? What prevents change?
Symbols	What jargon is used? What strategy is highlighted publicly? What status symbols are there?
Overall	What is the dominant culture? How easy is this to change?

Strategic choice

1) Strategic clock

The different positions on the clock represent generic strategies for competitive advantage (5 succeed, the other 3 fail as shown in the diagram)



Successful Strategy	Description	Example
No frills	Low Price, Low Features Good for price conscious customers	Low Cost Airlines
Low Price	Low Price, Average Features Still needs to be least cost producer	Supermarkets own brand
Differentiation	Different through features or quality Prices slightly above average	Innocent Smoothies
Hybrid	Higher than average benefits at a lower than average cost	Richard Clarke Academy aCOWtancy.com
Focussed Differentiation	Above average benefits for above average price Needs a strong brand	Jaguar Apple Hilton Hotels

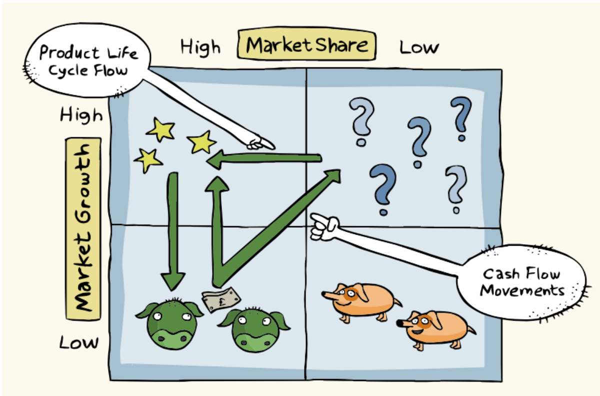
2) BCG Matrix

Question marks (problem child) - Requires big investment to increase share
Treatment - investing heavily to increase share

Star - The market leader. big investment needed
Treatment - aggressive marketing to maintain/increase market share

Cash cow - Market leader, high profit due to high economies of scale. No more competition as market is in decline.
Treatment - Defend market share, very limited innovation

Dog - unlikely to increase share. Should be closed eventually.
treatment - focus on short term future only. very risky to try and turn it around.



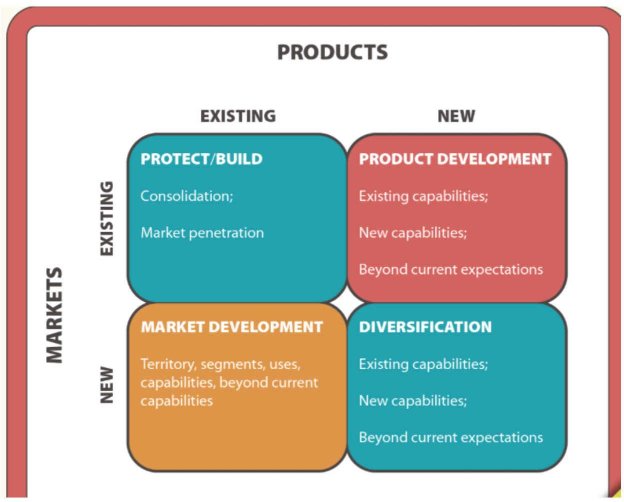
3) Ansoff Matrix

Protect/Build - cut prices, advertise, minor product improvements
Models used - Porter's Generic Strategies, Strategic clock

Develop market - Overseas, Different market segment
Models used - PESTEL, 5F

Product development - Joint ventures, Licensing, R&D
Models used - BCG, Lifecycle

Diversification - Acquiring existing companies abroad or at least entering into JVs and franchises



4) Porter's Generic Strategies

This deals with HOW to change your competitive edge and gives 3 possible options:

1) Cost leadership

This means being the cheapest across the range of products and can be achieved through:

- Cheapest suppliers
- Economies of Scale
- Technology use

2) Differentiate your Product

This can be achieved through:

- Brand building
- More features
- Less features (but great usability)
- Ease of ordering

The problem here is that companies copy and become even better very quickly

3) Focus on a niche area

This is where you concentrate on one particular market segment and focus all your activities upon them.

Parent's & SBUs

Shareholders can either own SBUs directly or Indirectly via a parent company who then owns all the SBUs.
In order for the indirect structure to be of benefit then the parent company must add value or else it is just another centre

Portfolio managers
act as an agent on behalf of financial markets and shareholders. They seek to increase the value of the companies in their portfolio more efficiently and effectively than financial markets could achieve.

They seek to acquire under-performing or under-valued companies and to improve their performance so that they can later be sold at a premium.

Portfolio managers manage businesses with a low cost centre and do not intervene significantly in the running of each business in the portfolio.

Synergy manager
Johnson, Scholes and Whittington particularly identify the sharing of resources or activities; for example, a common brand name may provide value to different products within different businesses.

Parental development
uses the competencies of the parent to add value to businesses in the portfolio. So, in this instance, the parent company is confident about its resources and capabilities and wishes to use these to enhance the value of the businesses in the portfolio.

For example, the parental developer may have a brand name that is recognisable throughout the world and is associated with value and quality.

For parental developers, achieving synergies between companies in the portfolio is not a priority.

Analyse the financial position

Gross profit margin (gross profit/revenue)
Operating profit margin (Net profit margin) (net profit before interest and tax/revenue)
Sales revenue per employee
Current ratio = Current assets/current liabilities
Acid test ratio = (Current assets – inventory)/current liabilities
Revenue/employee = Sales revenue/number of employees
Employees/route kilometre = Number of employees/route kilometres
ROCE = Net profit before interest and tax/capital employed (Share capital + reserves + long term loans)
Gearing % = long term liabilities/(share capital + reserves + long term liabilities)

Johnson & Scholes SAF Model (dec 2013)

A successful strategy needs to be:

- **Suitable** (fit)
- **Acceptable** (to stakeholders)
- **Feasible** (resources available)

M achinery - sufficient spare capacity?
M anagement - Sufficient skills?
M oney - How much needed? Cashflows likely?
M anpower - Amount and skills of employees needed?
M arkets - Current brand strong enough or new one required? What share is critical?
Materials - Quality? New suppliers needed?
M ake-up - Does the org structure need changing?

Suitable	Acceptable	Feasible
Uses Strengths	Effect on shareholder wealth	**M** - word model (see below)
Overcomes weaknesses	Cost / benefit	
Meet objectives (profit, more control etc)	Effect on gearing	

Strategy under Hypercompetition

Possible Strategies

1) **Shorter product lifecycles** (e.g. iPhones updated every 6-12m) - This gives the competition less time to catch up and imitate.

2) **Imitate competitors (to remove their advantage)**
This can be done by reverse engineering, looking at their product and working back to see how they made it so well / cheaply

3) **Respond quickly to changes**
This is vital, any lagging behind and you will be perceived as being old fashioned very quickly and also competitors begin to get customers more "locked in" to their product

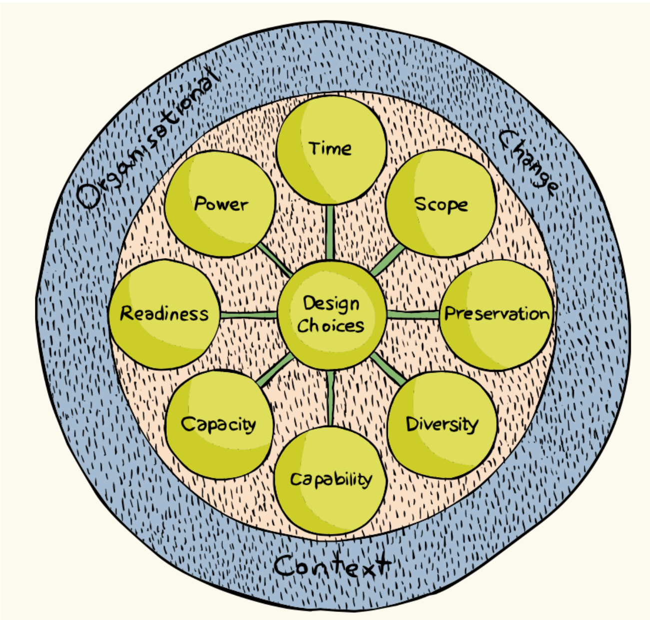
4) **Concentrate on niche areas**
This is effectively a way of getting out of the main competition. Instead you look for a small segment of the customerbase that you can adapt your product towards - and focus on

5) **Be radical and prepared to change the model**
There is a school of thought that says you should not try and aim only at market share but create an entirely new market (think of the iPad)

6) **Build alliances**
(google and its android system).. and this is the subject of the next section..

Contextual Features of Change (Jun 14)

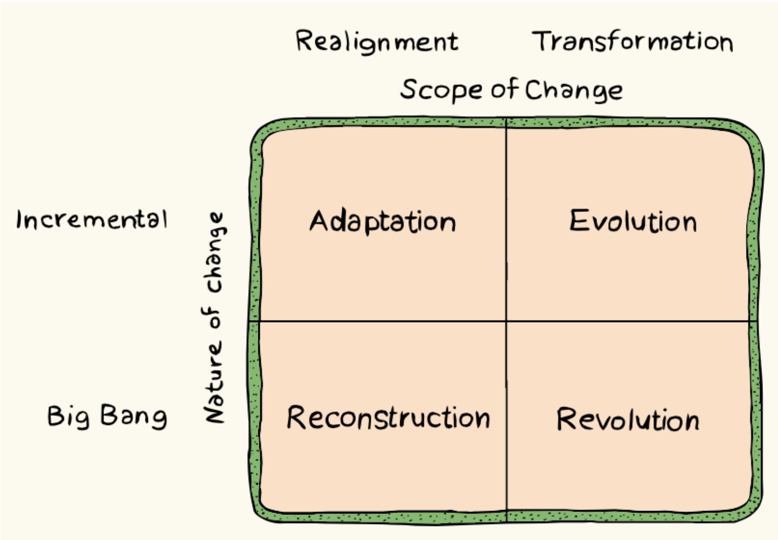
JSW use the work of Balogun and Hope Hailey to consider the contextual features that need to be taken into account in deciding how a strategic change programme should be managed



There are eight contextual factors

1) Time
This refers to the amount of time available to implement change

2) Scope of change
Is just a small realignment or a big transformation (requiring a huge cultural change) needed?
Then think of what action is needed (an incremental, evolutionary approach or a big bang one)



3) Capability
This refers to what experience there is of managing change in the organisation.
Does the organisation have managers who have successively managed change in the past?
Is the workforce used to change and have they readily accepted changes in their work practices?

4) **Readiness for change**
How ready are they?
Are staff aware of the need for change?
If they are, how willing and motivated are they towards the change?

5) Preservation - what I am going to keep?
To what extent is it essential to maintain continuity in certain practices or preserve specific assets?
Do these practices and/or assets constitute invaluable resources, or do they contribute towards a valued stability or identity within an organisation?

6) Diversity
Is the staff group concerned diverse or relatively homogeneous in terms of its values, norms and attitudes?

7) Capacity
How much cash or spare human resource is there to divert towards the change?

8) Power
Where is power vested within the organisation?
Are there many subcultures or national cultures within the group?

Organisation Structure

1) **Entrepreneurial Organisation -** Entrepreneur takes all the big decisions. No delegation. No formal management structure. Small number of product.

2) **Functional Organisation** - each function (production, marketing) has own management and staff.

3) **Divisional Organisation** - As different product-market appear, this structure may become most appropriate.
   A division is an area of operations (geography, product or customer)

4) Matrix Organisation - Where different functions need to work closely together. Encourage communication and focus on getting the job done.

Mintzberg 6 Configurations

1) **Simple Structure -** Entrepreneurial. Strategic apex gives direct control, little middle line, support staff or technostructure.
   Owner-managers often, flexible, quick to react

2) **Machine Bureaucracy** - Technostructure dominant. Control through regulations. slow to react to change.

3) **Professional Bureaucracy** - Operation Core dominant. Highly skilled professionals.

4) **Divisionalised** - Middle line dominant. Division leaders powerful and often able to restrict strategic apex influence.

5) **Adhocracy** - Complex and disordered. Extensive teamwork type work.

6) **Missionary** - All member share a common set of belief. Difficult to accept change. Only suitable for small, stable environment.

Project (jun 2013)

A project has: A beginning and an end
It also has
Goals
Cost, time and scope constraints
Resources are the money, facilities, supplies, services and people allocated to the project

Managing Project Risk

This, therefore, basically refers to the management of the 3 constraints.

1) Well Defined (at the beginning)
2) Well Understood (Particularly if the project is complex)
3) Well Measured (Particularly if the project is large)

All projects incur risks which include cost over-run, missed deadlines, poor quality, disappointed customers and business disruption.

Time Risks:
The risk of not completing the project within the deadline and/or within the time available;

Scope Risks:
The risk of not meeting the specifications and quality levels expected by the customers;

Cost Risks:
The risk of exceeding the budgeted cost of the project or of not achieving the desired value added following the completion of the project;

The elements of good project management
1. A sponsor (Len Peters) was appointed to own the project.
2. The objectives of the project were clearly defined.
3. Constraints were specified at the outset of the project.
4. An experienced full-time project manager was appointed. T
5. Potential slippage in the project and its cause was identified and dealt with relatively early in the project's life.
6. The project team formally conducted benefits realisation, reporting on the actual performance of the project.

A project plan is important because:
1) Communicates roles and timings
2) Encourages forward thinking
3) Provides the measures of success
4) Identifies resources needed

Contents of a Project Plan

Part of Plan	Contents
Overview	Background, Aims, scope, outputs, stakeholder analysis (mendelow), Risk Analysis (risk map), Intellectual property rights
Resources	Details of project partners, reporting relationship, decision process
Detailed Plan	Project deliverables and reports, phasing of work and deadlines
Evaluation Plan	How the output quality should be evaluated, how success will be measured
Quality Plan	Quality assurance procedures for each deliverable
Dissemination Plan	How outcomes will be shared with stakeholders
Exit & Sustainability Plan	What will happen to knowledge etc at the end. See if any outputs may live on after profit ends

Initial Documentation = The project initiation document (PID).

This is used to develop and clarify the terms of reference for the project.

It's contents are as follows:

1) Business Justification - basically the objectives from the business case.

2) Scope of the Project - objectives and deliverables. T

3) Constraints (cost, time and scope) - as above these are vital to be fully understood at the very outset

4) Roles and responsibilities - including authorisations - it should be made clear that the project sponsor is responsible for making decisions about the project, providing resources, considering and agreeing changes.

The role of the project sponsor should be formally defined and everyone's responsibilities should be clear.

5) Risks and resources committed to the project

Business Process Redesign

A specific project can be linked to a specific process - this is then business process redesign

The steps for this would be:

1. Analyse the existing process
2. Design the new process
3. Get the resources for the new process
4. Manage the implementation

For an e-business system this would involve

1. Establish e-business plan
2. Design the system and build new website
3. Integrate the e-business into the current system
4. Test the system and monitor

A project needs a business case

Building a business case:
To obtain funding
To compete with other projects
To improve planning

To improve project Management

Contents of a Business Case

Heading	Content
Introduction	Sets the scene and explains reasons behind the project
Executive Summary	The key considerations; The options considered; Reasons behind the choice made and the key numbers
Current Situation	Strategic and operational assessment including a SWOT analysis
Options	Assessment of each and reasons why not chosen
Cost / benefit analysis	Detail in the appendices; tangible and intangible (customer satisfaction etc) items; Appraisal techniques numbers also
Impact	Impact on the cultural web
Risk Identification and management of each risk	Contingency planning
Recommendations	Justification for the chosen path
Appendices	Detailed cost/benefits and appraisal technique numbers

Project Benefits
Some benefits are more worthy than others - here's the scale
Financial (cost reductions / revenue increases)
Quantifiable (now and forecastable before the project)
Measurable (now but not forecastable until after the project)
Observable (e.g. Improvements in morale)

Project Sponsor
Normally a senior member of management, often the one with most to gain (or lose) from it
They direct and therefore allow the Project Manager to manage.

Typical problems faced by Project Managers
1) Managing people with their own department responsibilities
2) Dealing with departmental managers
3) Managing the resources
4) Dealing with specialists

Effective project management could have improved the conduct of the project in the following ways:
Detailed planning
Effective monitoring and control
No absence of key members in the meeting
Cost-benefit analysis - discounting

Project Completion

1) Post Project Review - project completed

A post-project review takes place once the project has been completed.
In fact, it can often be the last stage of the project, with the review culminating in the sign-off of the project and the formal dissolution of the project team.

The focus of the post-project review is on the conduct of the project itself , not the product it has delivered.

The aim is to identify and understand what went well and what went badly in the project and to feed lessons learned back into the project management standards with the aim of improving subsequent project management in the organisation.

This involves:
Acceptance by client
Review of outputs (against goals)
Disbanding the team
Performance review
Lessons learnt
Formal closure by the steering committee

2) Post Implementation Review

A post-implementation review focuses on the product delivered by the project.
It usually takes place a specified time after the product has been delivered.

This allows the actual users of the product an opportunity to use and experience the product or service and to feedback their observations into a formal review.
The post-implementation review will focus on the product's fitness for purpose .
The review will not only discuss strategies for fixing or addressing identified faults, but it will also make recommendations on how to avoid these faults in the future.

This involves:
Gap analysis on business case objectives
Costs / benefits v forecasts
Other benefits realised
Effectiveness of new business operations
Stakeholder satisfaction
PIRs are on-going to ensure benefits are managed and realized (PPR is a one -off with a lessons learnt goal)
PIR objective is to ensure maximum benefit is obtained from the product of the project (PPR focuses on the project itself)

3) Benefits Realisation Review

To see if the benefits claimed at evaluation stage are subsequently realised.
It is concerned with establishing whether the predicted benefits in the business case have been realised once the product or service delivered by the project has been in place for some time.

It compares actual costs and benefits with those predicted in the business case
A benefits realisation review also takes place after the product has been delivered .

It revisits the business case to see if the costs predicted at the initiation of the project were accurate and that the predicted benefits have actually accrued.
In effect, it is a review of the initial cost/benefit analysis and any subsequent updates made to this analysis during the conduct of the project.

It may be part of a post-implementation review , although the long-term nature of most benefits means that the post-implementation review is often held too soon to properly conduct benefits realisation.

In fact, it can be argued that benefits realisation is actually a series of reviews where the predicted long-term costs and benefits of the business case are monitored .
Again, one of the objectives is to identify lessons learned and in this case to feed these back into the benefits management process of the organisation.

It includes:
Seeing which benefits have been achieved (and which haven't)
Identify any unexpected benefits and weaknesses
Understand reasons for the above
Understand how to improve the management process

Project management
Ensuring the goals of the project are achieved:
on time
within budget
to the required quality

Time management
Non time-critical taks can be delayed, so special attention is paid to those time critical ones
Another problem is that all time planning is based on estimates
As mentioned above, the project manager needs to identify the inter-dependencies between certain tasks.
Which have to be done before others and which can be done in parallel
This is called critical path analysis or network analysis

Monitoring completion times: slippage
A CPA chart can be used by the project manager to:
Ensure time-critical activities are being completed on schedule
Calculate maximum delays possible for none-time crtical taks
See when slippage has occured and allocate extra resources if necessary

Cost management
The expected financial returns might be expressed in terms of net present value (NPV) and payback, or internal rate of return on investment (IRR).
However, costs need to stay within budget, for these returns to materialise
Standard costing techniques will be used to analyse the difference between budgeted and actual costs.
The difference will be caused by either:
actual spending is higher than planned
the amount of work done is more or less than budgeted.
These are expenditure variances and volume variances.

Project Gateways
These are review points for critical points in the project.
They ensure the business case remains valid
At each project gateway - If there are problems then control measures and corrective action will be necessary (or stop if severely off course)
Normally carried out by someone not involved in the project

A Product Breakdown Structure
This looks at the physical components of a particular product. It comes in the form of a hierarchy.
It begins with the final product at the top of the hierarchy followed by the sub-categorised elements of the product.
It reduces a complex project, or product, into manageable components.
As a result, teams can obtain a clear understanding of a product, its components, and what is required to provide those components
Threat Identification
This will obviously reduce the risk of slippage and other problems
Threat Prevention

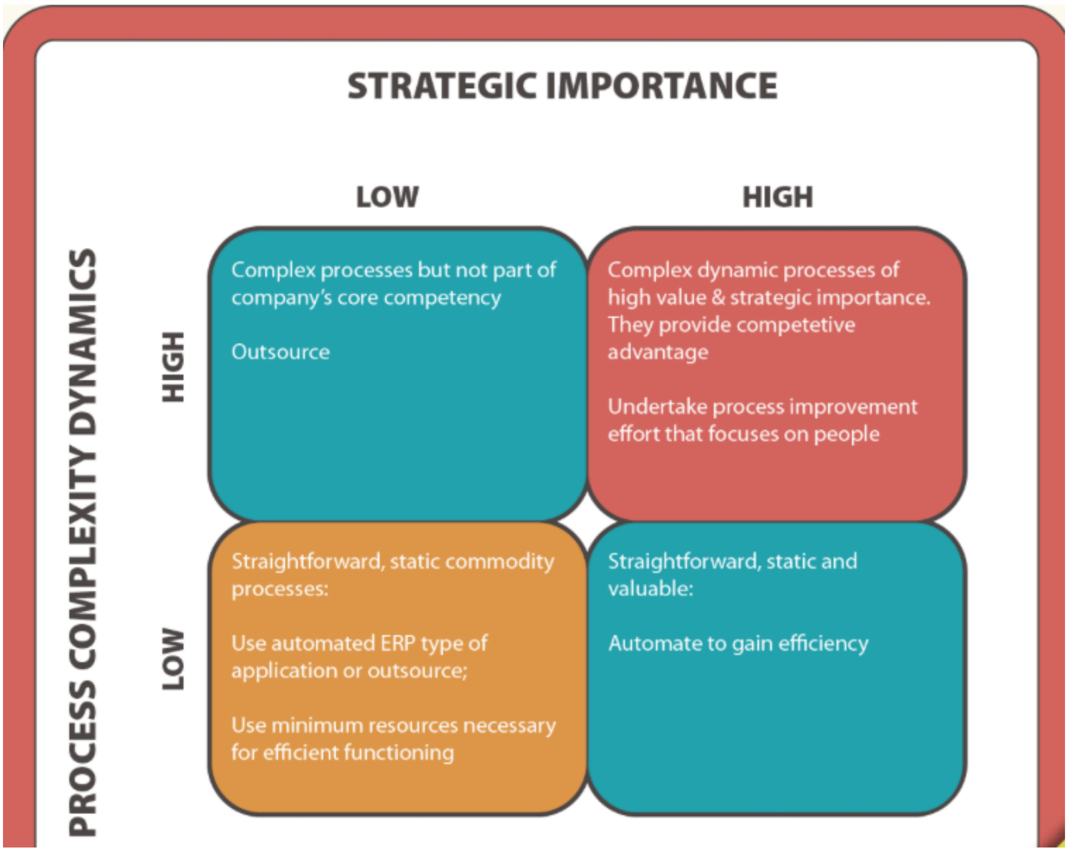
Threat	**Prevention**
Poor management or planning or controls	Training managers, no critical projects until proved themselves
Poor Planning	Use proper planning methods
Poor Controls	Set out in advance
Unrealistic deadline	Ensure no slippage and change deadlines
Insufficient budgets	Do a smaller project properly
Moving targets	Structured walkthroughs and prototyping

Corrective action examples
Fast tracking - doing some phases in parallel (instead of in sequence)
Crashing - reducing the time available on critical aspects while minimising the cost of doing so
Adding resources
Reducing scope or quality
Incentives and punishments

Processes

Harmon Process-Strategy Matrix (jun 2013)

Which processes to change and how to change them



Quadrant	Type of Process	Action Required
Bottom Left	Simple and stable; No competitive advantage from them	Automate them to be as efficient as possible. They are just a necessary evil eg. Payslips
Bottom Right	Simple and stable but Strategically important	Automation to a high standard e.g. Assembly work
Top Left	Complex and dynamic Not a core competence of ours though	Outsource e.g. Calculating tax to be paid
Top Right	Complex and dynamic A core competence	Carefully investigating and analysed Redesigned to create even more value

The process-strategy matrix has two axes. The vertical axis is concerned with process complexity and dynamics. At the base of the vertical axis are simple processes often with simple procedures while at the top are complex processes which may require negotiation, discussion and complicated design.

On the horizontal axis is the strategic value of these processes. Their importance increases from left to right with low value processes concerned with things that must be done but which add little value to products or services. On the extreme right of this axis are high value processes which are very important to success and add significant value to goods and services.

From these two axes, Harmon categorises four quadrants and makes suggestions about how processes should be tackled in each quadrant.

Low strategic importance, low process complexity and dynamics
- straightforward stable processes which add little business value.
- are processes that must be carried out by the company but add nothing to the company's value proposition.
- These processes need to be automated in the most efficient way possible.

Low strategic importance, high process complexity and dynamics
- is for relatively complex processes that need to be done but do not add significant value to the company's products or services.
- They are not at the heart of the company's core competencies.
- Harmon suggests that these should be outsourced to organisations which have them as their core business.

High strategic importance, low process complexity and dynamics
- They tend to be relatively straightforward processes which, nevertheless, have a significant role in the organisation's activities.
- They are central to what the business does. The aim is to automate these, if possible, to gain cost reduction and improve quality and efficiency.

High strategic importance, high process complexity and dynamics
- are high value, complex processes which often include human judgement and expertise and are often very difficult to automate.
- Harmon suggests that these might be the focus of major process redesign initiatives focusing on business process improvement through the improved performance of the people undertaking those processes.

Business Process Outsourcing

Advantages of BPO
Cost savings
Improved customer care
Allows management to focus on core competencies

Problems of BPO
More outsourcing suppliers leads to fragmentation and a less cohesive business
Security problems
Managing of the outsourcers
Performance measuring problems

The ADV of outsource the purchase and maintenance

Purchasing benefits from economies of scale - cheaper prices
Predictable costs - lease payment monthly...good for budgeting
Reduced overhead costs – garage and purchasing
Freeing cash to use for other investments – from purchase to lease
Concentration on core business

Business Process redesign is also called Business process Re-engineering (BPR)

Harmon recommends a 5 stage approach to this:

1) Plan Identify goals, scope, personnel and plan
2) Analysis Document workflow, identify problems
3) Redesign Explore alternatives and choose best
4) Development Redesign of jobs, products, hiring & firing, KPIs
5) Transition Integrate, train, test, modify where needed

In the exam you may be asked to evaluate an existing process and make redesign suggestions - look out for..
Are there any steps or gaps missing?
Any duplication of work?
Any no value added activities?

Process Re-design Patterns

These are simply solutions / approaches that have worked in the past..

Pattern	What causes it?	Description
Re-engineering	Major re-organisation	Major redesign from scratch. High risk/return
Simplification	Duplication and unnecessary activities	Checking each step in the process to check they're needed. Low risk/return
Value added analysis	Non value adding activities	Check each activity for what value it adds to the customer. Moderate returns
Gaps and Disconnects	Information flows not working	Using process diagrams to see what needs to happen. Moderate returns

Process redesign and Strategy

As we have seen BPR involves improving the value chain and looks at existing processes to check they are operating according to our current strategy

This strategy, according to Norton and Kaplan's Balanced Scorecard, is formulated from four different perspectives.
1) Financial
2) Customers
3) Internal business processes
4) Innovation and learning

Using Generic Software

Advantages
Cheap
Available immediately
Few bugs
Good documentation and support
Regular updates
Previous users feedback built in

Disadvantages
Not a precise fit
Difficult to adapt
Incompatible data structures
No competitive advantage
Not a bespoke design / user interface leading to inefficiencies

Choosing a generic package

Process
Requirements listing
Select say 3 from their tender documents
Try them out or ask for a presentation
Get user input evaluation
Get technical input evaluation
Test unusual items of test data
Make recommendation (including evaluation of post sales service)

Criteria to consider
Costs
Design
Needs met
Updates
Support
Compatibility
Finances of supplier
3rd party references
Availability of demosData migration (moving from one system to another)

Changeover Techniques

1) Parallel Running
Keep both systems running for a while until trust is built up in new system

2) Direct Changeover
Old finishes at 11.59.59 New starts at 12.00.00

3) Phased
Stage by stage implementation if possible (e.g. in departments)

People

4 main generations of Leadership theory

It is important to recognize that none of the four 'generations' is mutually exclusive or totally time-bound.

- Trait theories
- Behavioural theories
- Contingency theories
- Transformational theories

Transformational Leaders are the opposite of transactional leaders

The transactional leader:

Recognises what it is that we want to get from work and tries to ensure that we get it if our performance merits it
Exchanges rewards and promises for our effort

1) The Transformational leader

Raises our level of awareness about the significance and value of designated outcomes, and ways of reaching them
Gets us to transcend our own self-interest for the sake of the team, organisation or larger polity

2) Trait Theory

A number of common traits can be found in good leaders

- Ability to solve problems creatively
- Ability to communicate and listen
- Many interests and sociability
- Self-Confidence
- Enthusiasm
- Self-Discipline
- Manners
- Emotional stability
- Positive & Sincere attitudes towards subordination

3) Behavioural Theory

Different patterns of behaviour were grouped together and labelled as styles.

The four main styles that appear are:

1) Concern for task: Here leaders emphasize the achievement of concrete objectives. They look for high levels of productivity, and ways to organize people and activities in order to meet those objectives.

2) Concern for people: In this style, leaders look upon their followers as people - their needs, interests, problems, development and so on. They are not simply units of production or means to an end.

3) Directive leadership: This style is characterised by leaders taking decisions for others - and expecting followers or subordinates to follow instructions.

4) Participative leadership: Here leaders try to share decision-making with others.

4) Contingency Theory

Three things are important here:

1) The relationship between the leaders and followers: If leaders are liked and respected they are more likely to have the support of others.

2) The structure of the task: If the task is clearly spelled out as to goals, methods and standards of performance then it is more likely that leaders will be able to exert influence.

3) Position power: If an organisation or group confers powers on the leader for the purpose of getting the job done, then this may well increase the influence of the leader

Job design helps to determine:

- What tasks are done?
- How the tasks are done?
- How many tasks are done? and
- In what order the tasks are done?

Scientific Management

This involves analysing jobs to see:

What the worker does and
What the requirements are for the job

Jobs are then divided into small segments for the worker to perform, thus focussing on one small aspect within their skills range

So he developed two principles to help this:

1) Job simplification
Which means deconstructing work into the “simplest individual components.

For example, the production of a piece of clothing could be divided into individual steps like “cutting fabric,” “sewing together,” and “adding designs.”

2) Job specialisation
Here employees perform these simple specific tasks and focus on them exclusively – hence, specialisation. One employee specialises in cutting the fabric, one employee specialises in sewing the fabric, and so on.

Job Enrichment (jun 2013)
Job enrichment is an attempt to motivate employees by giving them the opportunity to use the whole range of their abilities.
It can be contrasted to job enlargement which simply increases the number of tasks without changing the challenge.

Designing Jobs that Motivate

Hackman and Oldham identified five factors of job design that typically contribute to people's enjoyment of a job:

1) Skill Variety
Increasing the number of skills that individuals use while performing work.

2) Task Identity
Enabling people to perform a job from start to finish

3) Task Significance
Providing work that has a direct impact on the organization or its stakeholders

4) Autonomy
Increasing the degree of decision making, and the freedom to choose how and when work is done

5) Feedback
Increasing the amount of recognition for doing a job well, and communicate the results of people's work

Japanese Management
distinctive element of the Japanese management model is the greater role given to workers' knowledge.
It came about primarily as worker involvement in industrial engineering.

The following are the basis of Japanese Management

- Management technology is a highly transportable technology
- Just-in-time production exposes problems otherwise hidden by excess inventories and staff.
- Quality begins with production, and requires a company-wide "habit of improvement."
- Culture is no obstacle; techniques can change behavior
- Simplify, and goods will flow like water
- Flexibility opens doors
- Travel light and make numerous trips, like the water beetle
- More self-improvement, fewer programs, less specialist intervention
- Simplicity is the natural state

Business Process Reengineering

Views employees as Assets rather than costs
Changes in one part of a job hierarchy are bound to bring about changes elsewhere.
Change maybe welcome in one group, but not in another.

However, when work can be redesigned effectively, the rewards are twofold.

1) For individuals, there is the opportunity to find personally challenging and satisfying work
2) For firms, there is the opportunity to achieve lower costs, better quality and improved productivity through a more effective match between the needs of people and the requirements of technology

Two main approaches for Human Resources Development may be readily identified:

1) Systematic Approach
Training based on needs analysis and implemented by following a clear timetable.
Each training activity is evaluated and assessed on its overall effectiveness in achieving the intended objectives.
Systematic approaches are less effective for organisations in a changing environment where objectives are less clear.

2) Integrated Approach
Potential of employees is developed incrementally through a continuous learning process.
A culture of learning is created within the organisation

Human Resource Planning

The key stages in Human Resources Planning are the following:

1) Identify Skills
Skill requirements need to be identified in line with Strategy

2) Recruit Staff
Ensure that the right mix of skills are available

3) Develop People
Gaps in skills addressed through training

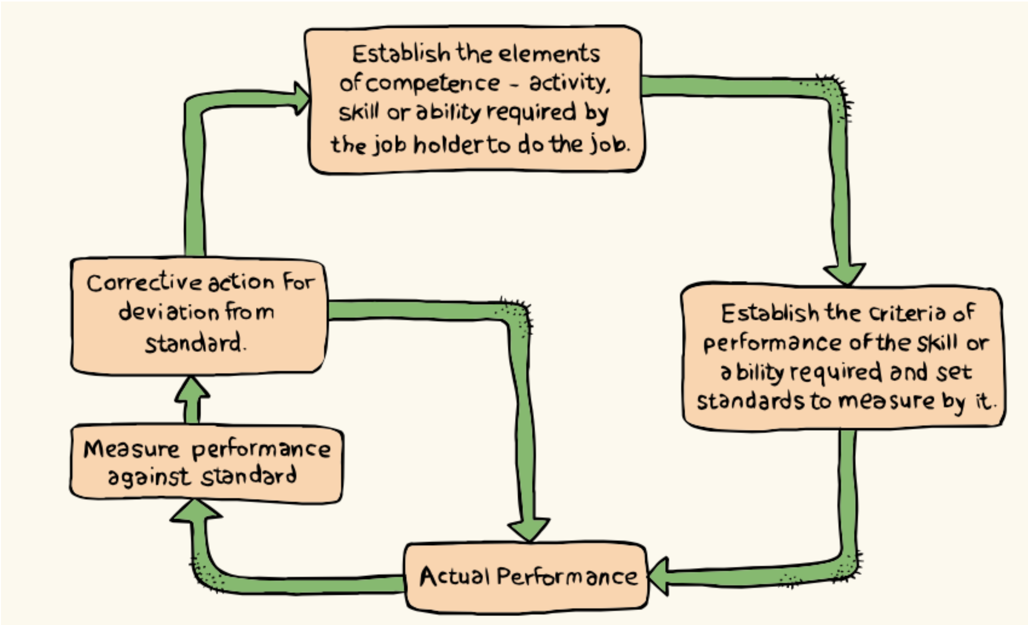
4) Retain the Best
This is even more important with increasing job mobility and training & development costs

5) Motivate
Personnel need to be properly incentivised

6) Improve Performance
Gaps between desired and actual performance may be evaluated and monitored

7)Create Culture
This is by far one of the most difficult tasks that need to be undertaken by the Human Resources Department.

Competency Framework



The 3 Lenses of Strategy (jun 2013)

Strategy as Design
This is where strategy comes about as part of a rational, logical and planned (designed) process
Suited to a hierarchical structure where strategy is delivered from the top down

Strategy as Experience
This is where strategy is said to come from the culture of an organisation, future strategies come from past experience
Here, strategies come about by adapting the current strategy.
They will be incremental and the result of compromise between managers
They will be heavily influenced by the company culture and its history, “it’s the way we have always done things and has been successful so far”

Strategy as Ideas
This is where strategy is said to come from ideas that pop up at different levels of the organisation and at different times, not in a logical or planned out manner
Many different ideas will compete with each other here. The development of these ideas should be allowed to flourish and so not too much management control is required
It is what is known as an “emergent strategy”

Elements of eMarketing (dec 2013)

eMarketing forms a critical part of downstream supply chain management systems. The key elements of eMarketing comprise the following:

1) Interactivity:

This is the extent to which the website promotes a two way communication channel between the customer and the supplier.
This comes in many forms.. forums, emails, polls, online chat, webinars etc
In the exam, you will often have to think of ways of making the site more interactive (the pull side of marketing). Think of getting communication with the customer, or getting them to trial a product, or giving feedback, or getting them to ask a question if they so wish (eBay does this for example)

2) Intelligence:

This is the extent to which customer information can be collected to form meaningful patterns & analysis; Every business can track who has been on their website, where they come from, how long they stayed etc.
Furthermore, sign up forms also give an opportunity for more information to be gathered

3) Individualisation:

This is the extent to which a web-site content is customised to the specific need of the customer; Think of personalised content only being shown, with filters being applied so you only get shown what youre interested in
Think Amazon and how they recommend books etc for you based on past purchases
This form of relevant after sales service is vital

4) Integration:

Think here of booking something on the website and it is immediately updated on the organisation's back end systems; So, think of booking a seat on a course and immediately it is reserved and confirmation emails sent out and materials ordered for you etc

5) Industry Structure:

Think of how the music industry has been transformed - artists can now sell directly to their fans, or iTunes / Spotify can be incredible middle men allowing easy and immediate downloads of music

6) Independence of Location:

Basically businesses are not restricted to their own locality anymore. It is not called the world-wide web for nothing you known