Manage Without Them
By Matthew De George

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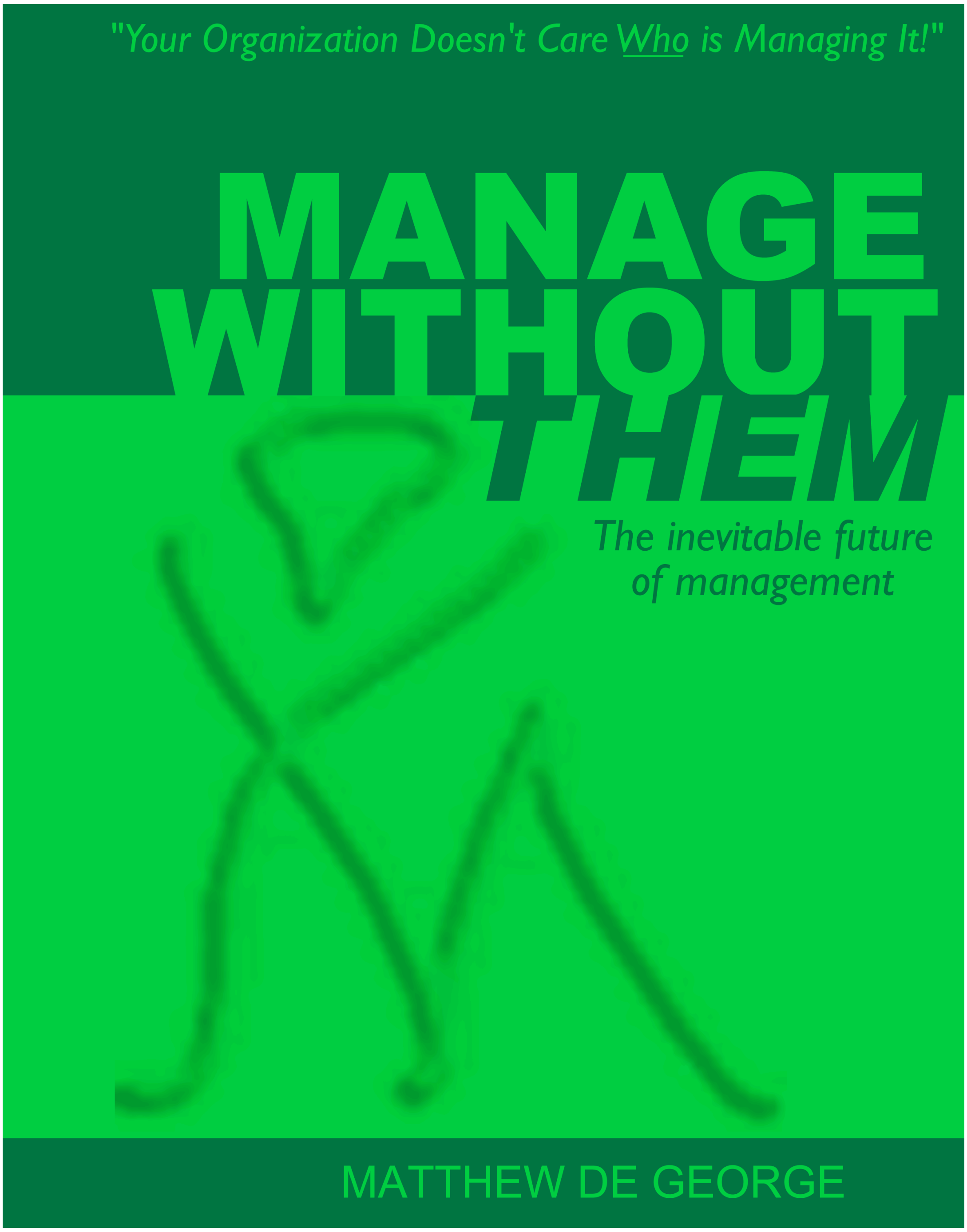
Cover Mock-up



Possible Subtitles

The inevitable future of management

or

Your organisation doesn't care <u>who</u> is managing it!

or

Creating organisations that require fewer managers

or

Creating organisations that value quality managers

or

Social networking the management function

or

Management and the market

Backcopy

What would ‘management’ look like if there were no managers?

Managers aren't going to disappear any time soon. But has the management profession been allowed to define it's own behaviors for too long? Is self-selection of the most popular fads and catch-phrases any way to coordinate our organisations?

Thousands of management books - but are they about managing organisations or managing your management career? How are we to tell the difference between a good manager and a successful manager?

Is there a political momentum behind the management profession that causes organisations to be filled with more managers than are needed? Are communications technologies and social networking concepts actually reducing the numbers of managers organisations need? Has history taught us anything about the rise and fall of elite and powerful professions?

We manage everything and we think no problem can't be solved with a little more planning, monitoring, and controlling. This process creates demand for professional managers in a process that may be useful to managers - but is it at all useful to organisations?

By re-examining what management is actually for, Manage Without Them re-defines the management process itself to re-integrate the management team with the rest of the organisation.

With lessons from economics, evolutionary biology, history, and even the entertainment industry, Manage Without Them exposes most management propaganda as a tool for career progression. It also shows how truly great management is often lost in the process.

Implementation of the management model is simplified with specific guidelines for managers and non-managers alike. Later sections of the book introduce the key responsibilities for *Collaboration Architectures*, *Technology-augmented Markets*, and *Operationalised Brands* which can be implemented to transform your team, department, or your entire organisation.

Inside front flap

What happens when management activities are subjected to the same critique as other activities within the organisation? While it's a manager's duty to judge the performance of others, managers are likely to attribute any of their own unusual behavior to their unique ‘management style’.

Why shouldn’t management be evaluated as just like any other activities? Not just managers, but management itself. How does it help the customer? Does it add value? What are its key performance indicators? We should be able to evaluate if management, as a concept, ‘meets expectations’ or if it has 'development needs'.

Managers are always trying to beat the competition. Remember Micheal Porter's 5 forces and the threat of substitutes? Well the competition is heating up, and plenty of substitutres for management already exist. With so many collaboration technologies and web-based projects delivering real products and services to real customers, managers as we traditionally see them are being driven out of the market.

It's time to forget the idea of management as planning, controlling, or even decision making. Your organisation doesn't really care who is making decisions, only that the right decisions are being made.

But this book is not anti-management, it's pro-organisation. Also, by questioning the assumptions we have about what managers should and shouldn't do we have the opportunitiy to cross the chasam that has formed between managers and those they manage. No more 'us' and 'them'. Let's Manage Without Them.

About the Author

Matthew is a consultant specialising in technology-enabled business transformation projects. He is a great manager - some say a visionary - but by many standards he is a poor leader. He has written hundreds of reports, meeting minutes, discussion papers, and executive summaries. He has written thousands of emails and exactly 3 Tweets. This is his first book. He lives in Thirroul, Australia with his wife Amanda and Desh, who is seven.

Additional material is available at www.ManageWithoutThem.com.

Manage Without Them

by Matthew De George

Dedication

To every good manager and every bad manager I've ever had; and to the endless struggle to tell them appart. And to my wife, Amanda, who has very little to do with any of this management nonsense if she can help it.

Preface

There is this thing called being so open-minded that your brains fall out

- Richard Dawkins

Biologist / Author of 'The Blind Watchmaker'

As naïve as I am today I can at least assert that I've tried to live my life in a manner which progressively improves my intellectual maturity. I conceived of this book in a time of youth, bravado, and a good many bad decisions. Some of the initial ideas were ultimately questionable – read 'wrong' – but necessary steps in my thinking and catalysts to valuable – if not always pleasant – experiences.

I'm glad my natural caution, life's distractions, romantic adventures, and – let's face it – my tenancy to procrastinate, have delayed my writing and publishing these ideas until I can honestly declare that the management transformation I propose is consistent with all of my experience. This is the case even where no specific research or examples are cited in these pages.

While I now feel I can stand by these ideas, I certainly don't consider them complete. What I'm presenting is enough of a framework for a new management model such that a commitment to the management transformation can be made. I intend to continue to develop the model as I continue to learn about organisations and my place in them. I also intend to continue to read the work of others and recommend anybody interested in the ideas presented in this book to do the same. I have come to my conclusions through a process of experimentation in the field. From what I have read on the academic literature on the use of markets in firms it is also possible to deduce similar conclusions from theoretical grounds. I urge organisations to ensure at least one senior executive – perhaps even a dedicated institutional economist within your organisation (a Chief Institutional Economist perhaps?) - who understands the most technical elements of the way markets work and create incentives. If the MWT Model is to be implemented effectively an internal commitment to developing internal market indicators aligned to the organisation's differentiated and unique corporate strategy will need to be made.

Appointment of the Chief Institutional Economist will also prepare organisations for the possibility of a future where Sarbanes-Oxley (SOX) style compliance becomes less process focused and more internal market focused (see Chapter xxxx). I see a future when the need for directors to sign off on financial statements will be supplemented or perhaps replaced by the need to sign-off on specific internal market indicators and to state that these internal markets operate freely and perhaps without associated internal 'black' markets.

Even if the over-legislation inherent in laws such as the SOX laws is eventually recognised and the laws are repelled there is a growing recognition that senior executives who focus primarily on financial reports are missing not only intangibles but also valuable information on the 'trust flows' and internal markets within organisations (see Chris Macrae in Chapter xxx).

The MWT Model is the basis for a management model which would allow non-political reporting of the real state of an organisation without needing to rely on filtered data provided by managers with a vested interest in obscuring the data, or relying on a utopian approach based on total automation and/or command-and-control based organisation (See calculation debate and lessons from economics in Chapter xxx).

Implementation of the MWT Model should be accelerated by its success. However, I believe it has been said that just as the initial spark of an idea requires an open mind, its implementation requires a steadfast single-mindedness of purpose that can only be found in the closed-minded. I'm also wary that that perhaps it should be difficult to implement or even think too deeply about bad ideas. But what I have found when implementing components of the MWT Model is that while it's results are appreciated the response to the ideas themselves can be quite hostile.

I'm always been interested in improving organisations. So at the beginning of my career, while my means were meek, I had to make do with trying to make small improvements to small parts of organisations. As I moved on I found that the improvements I wanted to make required changes in the way managers and management teams behaved. What I found difficult to understand was how hard it could be to get support for what were simple improvements in how managers should behave. The managers themselves seemed quite unreceptive. As I mentioned, I was naïve.

My vague feeling that there was something wrong with the way organisations were being managed grew stronger. But I didn't yet have the knowledge or experience to articulate what exactly was wrong. However, I was new to the workforce and thought that maybe while many of the things going on around me seemed intuitively ludicrous there was perhaps very good reasons for them.

I was wrong. They were ludicrous. And as much as I'll always stand by the power of logic and rational thinking I believe there is something about the way human beings are wired which allows them to feel in their gut when things aren't right. This feeling we all get that the organisations we work for are turning feral should not be ignored.

Five years ago [now over ten years ago], when I started researching this book and thinking critically about the organisations I was becoming part of, my bias was towards action. I took great pleasure – I still do in fact – in changing and controlling the organisations I was a part of. I enjoyed the manipulation of the organisations. I enjoyed playing within their politics and sometimes even watching them break as they were pushed to their limits.

Today I still like toying with organisations. I love opening them up and seeing what makes them tick. Unfortunately, for reasons this book explores, I've actually found much less diversity across different organisations than I would have expected. One colleague referred to this as "Same crap. Different logo." This is regrettable. I believe this lack of diversity is created by the management discipline itself and serves managers more than it does organisations (see collaboration architecture as competitive advantage in Chapter xxx).

So in addition to improved efficiency within the individual organisations, with this book and my consulting career I try to help bring diversity back into our organisations. I've always found it a shame that our organisations appear to be converging into a series of bland and indistinguishable cubicle-scapes. But I'm optimistic that forces exist which make a significant shift in the way we manage organisations almost inevitable.

This book views management itself as a technology. Like all technologies it must be used in order for any value to be gained form it. Equally, we should be cautious of applying it indiscriminately to solve the wrong problems. Also, if the technology is available to everybody (which the technology of 'management' really is) how do we manage that technology and determine who is using it more effectively. In fact, in this book I ask and answer the question of who in the organisation I think is actually doing the most management (see Chapter xxx on the relationship between the number of stakeholders and the amount of management).

If management is a technology then it is also prone to the same tendency towards obsolescence as any other technology. In fact, if the correct forces exist then the technology should always be improving and the management profession should have a number of new techniques which replace old management technologies. But unfortunately the right forces are not in place and this results in a massive proliferation of *what* needs to be managed while little progress has been made on *how* we manage (see Chapter xxx).

We have 'change management', 'customer relationship management', 'risk management', 'issue management', etc. Some or all of these are great concepts; however, as the management profession specialises and expands on these concepts and builds and fills the gaps of what is to be managed they are in effect building a technology which takes more effort to achieve the same thing. This sounds very much like the technology of management being replaced by something less effective.

It may be true that the world is becoming more complex; and such claims will be made to justify the proliferation of what managed. But Alfred Lord Whitehead's claim the 'Civilisation advances by increasing the number of things that can be done without thinking about them' raises the bar in terms of how we should measure our progress. I propose that the management process itself, when applied to management (or to anything) tends to make it less effective over time – to make it more complex and certainly more painful to think about for any length of time.

I propose that it is inherent to the management process itself that further management interventions will be required to correct the long-run effects of previous interventions (see Chapter xxx on the relationship between governance, big government and management).

When, in 1999, I first thought of 'manage without them', registered the www.managewithoutthem.com domain name, and started trying to develop an understanding on how organisations really work, I thought I was a pioneer. When I actually tried to discuss alternative ways of viewing organisations with any of my bosses or colleagues this only seemed to confirm that I was pushing boundaries.

However, what surprised me was the abundance of research papers, market trends, news items, and anecdotes that seemed to suggest that the habit of managing without them was already occurring.

It appeared that 'managing without them' was gaining popularity on two fronts. In line with my original idea, people were managing without them because that's what experienced managers had learnt to be a kind of best practice. Others were realising that many of the activities advocated as those important for managers to be spending their time on had become an in joke.

Managers, as you know, also have managers. The more enlightened of which were starting to see that the behaviors of their bosses, while infuriating and counter-productive, were disturbingly similar to the behaviours they themselves were inflicting on their subordinates. Their staff, in reciprocation, were making the same complaints that the managers had seen themselves make earlier in their career.

At first the managers congratulated themselves on their new maturity. The managers were initially pleased with themselves for no longer making such complaints to their managers. But slowly the reality crept in that this wasn’t always because the complains weren’t valid. In fact, what the maturing manager had learnt wasn't that the complains were naïve, but that they would be fruitless...

The other front on which 'managing without them' was gaining popularity was with the so-called managed. Again, this group tended to include almost everybody as increasingly there wasn’t a problem from factory floor to corporate board which apparently couldn't be solved with more ‘management’.

The managed were 'managing without them' not because they had undertaken comprehensive research on the pros and cons of intervention-based coordination versus market-based coordination. No, these people were managing without them because they had no choice. They realised the activities being performed by their managers had minimal positive impact on their ability to perform their job or collaborate with others. In extreme cases, these people didn't know what their managers were doing because their managers were increasingly physically absent. Increasing pressures to manage upwards and outwards had eaten away at their manager's time to the point where they were long longer around to manage.

I continued to look closely at the organisations I was a part of and noticed the behaviours of those people who were the most effective. I noticed some patterns emerging. I also noticed that those who were most effective where not always those who were most recognised or the most successful in their careers. In any case, in these pockets of effectiveness I also saw the diversity and enthusiastic collaboration that was so often missing from the organisations.

I started to wonder why these pockets of effectiveness and collaboration weren't growing. It always seemed that it was more common for one of these pockets to be snubbed out than it was for the group to expand and infect more of the organisation with its competence and enthusiasm.

I'd heard a lot of talk about so-called 'best practices' and yet when I found what was obviously the best practices within an organisation nobody appeared to be trying to learn from them or replicate them. I soon learnt that a 'best practice' tended to refer to something that was going on outside your organisation and learning from the best behaviours that were already occurring within your organisation didn't appear to have a name at all!

I wondered what was stopping these intriguing and inspiring behaviours from spreading. I wanted to understand not only what a good organisation looked liked, but also what the barriers where to good organisations. So I started looking at management...

Matthew De George
Sydney, Australia, 2005

Introduction

What is Management?

What isn't management?

It's a childish impulse to blame the 'they'. I've done it myself. This 'they' really means the part of you that allows particular things to happen.

- Elvis Costello, Mojo Magazine 2002

Managers ask many questions. You might be right in the middle of a complex customer call, or perhaps a tricky piece of software coding if you happen to be one of the few software engineers who is still allowed to write code, and your manager wil ask you how long it will take before you are finished. She'll ask you to then qualify the length of time it will take, breaking down the time into the specific activities you will perform, and to let her know any risks or issues you have. She'll also, if she's an experienced manager who has worked with your type before, ask you if you to contact her immediately if you think you wont meet the deadline that you just set for yourself.

If you don't warn her that you are going to miss your deadline she'll ask even more questions. She'll ask who you report to (but you wont really know for sure) and she'll threaten to 'escalate this' if it isn't finished by the end of the day. You'll tell her quite calmly - because you don't want this to become a conversation about your attitude - that it really isn't very likely to be finished by the end of the day, and that you have to meet your wife for dinner at 6 o'clock because it's your wedding anniversary.

Apparently, you must stay back until it's finished. Through a haze of presumption and disrespect she'll tell you that this would be the 'professional' thing to do. You're a professional and expected to stay back 'until the job is done'.

You start to explain the problem to her but she evidently doesn't want to be involved in all of the 'technical details'. You try to explain that you are just waiting for something to complete at the moment and that you can check if it worked from home after dinner. But she wants you 'where she can see you'. She's not staying, of course, but if she was staying this would certainly be the place where you'd need to be for her to see you. You admit you're getting annoyed now. Because suddenly it seems that after months of conspicuous absence on her part, your mere physical proximity to empty cubicles in the middle of the night will create time out of thin air and solve the hitherto unsolvable.

Your manager finally admits that she doesn't really care where you are as long as the problem is solved tonight. Again, you try to let her know, as she has asked you to, that it's really not likely this will be finished tonight. This makes her suspicious that it really wont be solved and you can feel the conversation turning back on itself.

You're annoyed now you'll admit - you know it's showing. This is exactly why do didn't think it was a good idea to remove David from the project team. This was supposed to be his job but it wasn't included in his hand-over tasks because at the time this wasn't officially in the scope of the project even though everybody know it had to get done. You think of mentioning David's departure but now isn't the time to question your manager because this really is a big project and she is under a lot of pressure. Besides it was David's inconvenient questions that had him removed from the project. Note that it turned out to be a bad thing for David. He has a contract in another division already.

But David was right. The questions should have been asked long ago. Managers ask lots of questions and demand answers. They ask 'how did we get into this mess?' when you always thought it was *their* fault. They ask 'what are you doing at the moment?' when you thought that was what they were supposed to tell you. They even ask 'why isn't anybody more proactive?' as they leave no room for minor mistakes and add continuously to the list of constraints you need to work under.

Tough managers ask the tough questions. Hands-off managers ask high-level questions and ask you to write a summary for them. Hands-on managers ask you to hand them the wrench that you were in fact already using.

This book questions management. That alone will make it seem subversive, unprofessional, and naïve to some. But this shouldn't be the first reaction. Managers will tell you it's good to ask questions, that you should be accountable for your actions, and even that it's okay to be wrong. They will tell you you're not seeing The Big Picture – even if there isn't one. They will also vague probing questions because you may well be 'being efficient' but 'are you being effective?'. These questions are good vignettes. They often contain a noble truth. There is also no question that these familiar questions provide a toolset that is helpful to managers under pressure. But are they ultimately helpful to the organisation itself?

By questioning management - what it is, why it is, what it's for, and alternatives - we open the way to improve management. We'll also start to understand the 'us' and 'them' divide that exists between the management team and the rest of the organisation.

So what exactly is management? Where did it come from? What is the purpose of management? Why are there allowed to be different 'styles' of management where in other circumstances this would be considered a wasteful and inconsistent approach? Is bad management really just a matter of style? These are the questions that this book asks of management. When an idea isn't questioned it remains untested. All too often if that idea is a management idea held by your manager to question the idea is to risk poverty.

Deeply held beliefs are difficult to change and a new branch of management – 'change management' – allows managers and the consultants they employ to tell you that you are just resisting change whenever their ideas are questioned. But some of the most change resist people I've met are managers. What managers the managers and what makes them change if nobody asks them to - if nobody asks them questions?

For all the declarations that a 'good manager can manage anything' the management profession itself appears reluctant to learn from other disciplines. Questions like 'what can management learn from economics?' and 'what can management learn from information technology and outsourcing?' and 'what can management learn from complexity theory and evolutionary biology?'.

Some of the greatest insights can be found by applying the rigour of management theory right back onto the management profession itself and asking 'what can management learn from management?'.

Why is management?

Popular management literature likes to stress the importance of 'purpose'. It's true that strong unifying and shared purpose is an effective mechanism team effectiveness. But what if we turn that question back onto management itself and ask what is the purpose of management? I think the answer is simple:

Management is the coordination of separate but related activities bought about by the division of labour.

It's that simple. If you think it's more complex than that you are probably a manager. You might want to include details of planning, or strategy, or financial control, or conflict resolution, or any number of activities and skills relating to the management profession. But strategy, for example, - just like 'purpose' - is a mechanism of management. It's not fundamental to why management exists. Rather, you need a strategy process because there remains a need for individuals to operate as though they are a single entity heading in the one direction as they go about their business.

To use Adam Smith's familiar example of the pin factory from *The Wealth of Nations*, if every endeavor - the manufacture of pin in this case - was to be performed by a single person there is no need for a separate process known as 'management' to ensure that the correct activities are performed by each of the individuals involved in making each pin.

If you want use a definition of management which doesn't reference details of it is performed, who performs it, what activities it comprises of, or how important it is, then the above definition is the best I can come up with.

In fact, the division of labour by definition has a hidden (if ineptly so) cost - an overhead - which we know as the management cost. That isn't to say that we should reverse the division of labour. If applied appropriately, the division of labour is a more efficient method of production. However, it's important to understand that it is the division of labour itself that drives efficiency through the resulting specialisation. It's also the division of labour itself that enables certain endeavours which otherwise couldn't or wouldn't be profitable to be performed. By dividing labour among multiple people the production time is also reduced from what would be possible if all activities had to be performed in a serial manner - one at a time by a single person.

So it's the division of labour that produces efficiencies - not the management process. The management process is simply a necessary overhead. That's not to say that management cannot add value to the endeavor beyond the basic coordination necessitated by the division of labour. However, it may be that this aggregation of value adding activities into the management function could be handled differently if a different understanding of management is achieved.

This secondary position of mangement as an overhead caused the division of labour is important when considering a definition of management. Most definitions of management include details of who is doing the managing, and what activities are being performed. In fact, thanks to Peter Drucker the concept of management as a separate class consisting of management ‘professionals’ is embedded into every almost every definition of management and therefore makes those definitions unhelpful for the purpose of this book.

To be fair on Drucker he had a much more subtle understanding of management than I’m suggesting; but the point is that practicing managers want to believe that the very definition of management includes their part in it and they want to believe that it is in fact primarily defined by the existence of a separate management class that they themselves are of course a part of.

To illustrate this, the dictionary on my Mac iBook has the following definition of management:

management |ˈmanijmənt|

noun

1 the process of dealing with or controlling things or people : the management of elk herds.

- the responsibility for and control of a company or similar organization : the management of a great metropolitan newspaper | a successful career in management.

- [treated as sing. or pl.] the people in charge of running a company or organization, regarded collectively : management was extremely cooperative.

- Medicine & Psychiatry the treatment or control of diseases, injuries, or disorders, or the care of patients who suffer from them : the use of combination chemotherapy in the management of breast cancer.

2 archaic trickery; deceit : if there has been any management in the business,

it has been concealed from me.

The above is the definition of management mind you - no the definition of a manager. And yet it has a strong focus on the managers themselves - people who have been given the responsibility, the people who ‘control things or people’. There is a reference to having responsibility for something - but responsibility for what?

This definition also goes beyond the scope of my definition. For example, the simple phrase 'the process with dealing with or controlling things or people' implies that things need to be dealt with or otherwise controlled. Does this mean third-party intervention and/or control is necessary for it to be called management? Even the reference to 'process' is restrictive in that a process is usually defined as a series of actions with specific outputs. Does this include adjustments to incentives which have outputs which are not the outputs of a production process?

'Responsibility for and control of a company or similar organisation' itself allows for the possibility of inaction. You can certainly be responsible for something and in turn do nothing. A manager should – under good governance – be responsible, accountable, and ensure he has control over an organisation but the responsibility itself isn't management.

The perhaps equally thorny issue of respectable definitions of ‘responsibility’ and ‘accountability’ is beyond the scope of this book but I suspect that the management literature and profession itself is responsible for muddling our minds to the definitions of such simple words. We must cut through this confusion to be able to eventually answer questions such as ‘what does it mean to be responsible and accountable for ensuring such-and-such is managed?’.

There may be some truth in that final *archaic* definition provided by my iBook. The origins of the word ‘management’ itself appear to equate any deceitful interference with an organisation with ‘management’. Could it be that originally the word ‘management’ was actually used to indicate deceitful interference with the otherwise proper or natural workings of the business? This is not a linguistic history of management - but for the purpose of this book such a provocative definition is a curious find!

Management as what collaborating individals share

My search for a definition of management in the dictionary did not give me a satisfactory result. I wanted a definition of management which was open to change and allowed for the possibility of a transformation of what managers actually do - or even allowed for the possibility that management could be performed without a separate class of managers.

So the first part of my definition of management remains:

Management is the coordination of separate but related activities that are bought about by the division of labour.

However, equally important in my definition is that management should primarily be a noun not a verb. Sure, the word management is a noun but the definitions and the way we usually think of management is in the context of the verb - managing. Management means somebody doing something.

But rather than focus on the activities being performed we should be able to ask the question 'is there management going on here?' or rather 'is this managed?' and be able to provide a specific answer which quantifies how 'managed' something is based on specific things that need to be in place for that type of endeavor. There should be a difference between 'is there a manager?' and 'is this managed?'. We should be able to ask 'what is the quality of management?' without immediately thinking in terms of the individuals in the management team.

So there is a second part of our definition of management which is almost too simple to make explicit:

Management is that which collaborating individuals share

The advantage of this simple definition is that that it retro-fits to most people's idea of management while opening the possibility for a better model. It also separates the concepts of what management is ('what collaborating individuals share') from what management does (provides 'coordination of the separate but related activities bought about by the division of labour').

What we might typically think of when we think of management fits well within this definition. As the simplest example, lets consider the basic supervisor relationship. In this case collaborating individuals share a supervisor. They also probably share the idea that it is this supervisor who is responsible for collaboration. Everybody would agree that this is a simple and incomplete approach to management but if this is all that is shared between all of the individuals collaborating then it is indeed these shared items that are effectively managing the organiation.

In the shared supervisor example it's unlikely that 'we have a supervisor' will remain the only element in the collaboration architecture for long. It's likely that the supervisor will very quickly say things like 'bring any issues to me', 'i have an open-door policy', or 'you must learn to work together and treat each other with respect'. Equally, over time those being supervised may come to understand that the supervisor has a quick temper and doesn't put anything in writing. All of these things, intentional or otherwise, make up what is shared within the group and therefore are in fact what is managing the group. Later parts of this book refer to this as the *collaboration architecture*.

To be slightly cynical, in general collaborating individuals within a typical organisation share the understanding that they have a manager, who may or may not be around very often, who has a peculiar style that must be understood in order to effectively work with them, who is the person that you should escalate issues to but who may choose to not solve those issues, who is likely to move to a totally different role or even be promoted despite your suspicions of their incompetence. None of thee may be far assessments of the situation. But if everybody believes them they are what is managing the group.

What might collaborating individuals share?

In the extreme case where the only thing collaborating individuals share is a supervisor who must be consulted for every decision this is pure *Single Point Management*. In this hypothetical extreme case all activities would be coordinated through the supervisor with no direct communication between other individuals. Process development would be strictly top-down. Less extreme versions of the *Single Point Manager* are discussed in the chapter called 'Beyond Single Point Management' in Part 5.

The extreme hypothetical case of pure *Single Point Management* is interesting because of the natural tendency for us to make qualitative judgments of this arrangement. This would clearly be 'bad management' but there are other more subtle types of collaboration architectures which might also be considered 'bad' but which appear immune to judgement of quality because they are part of normal management practice.

There is a second problem with *Single Point Management*, and that is that it can never be achieved. In reality, not all decisions can go through a single person. However, if there is ever an issue it can always be determined to have occurred - in retrospect - because the rule of 'always going through the single point manager' wasn't followed. In this way this type of rule that is only effective if it is followed perfectly, but not able to be implemented perfectly in reality, might be very useful for the manager if not for the organisation.

We already know that sharing a supervisor isn't the only possible thing that a group of collaborating individuals might share. There are any number of different possible combinations of arrangements, rules, behaviors, information, processes, etc that individuals may be sharing. By focusing on what is shared and how this becomes what managers the group it allows us to make judgements on whether the collaboration architecture is fit for purpose.

Take the following examples of what might be shared and therefore be the basis of what is actually managing the group. In each of this examples there is something which defines the tone and character of collaboration and therefore the management of the group:

- a group who share a supervisor
- a group who share a profession
- a group who share a mutual distain for one another
- a group who share a peer-to-peer communications network
- a group who share a whiteboard
- a group who share an architect's drawing
- A group who share a MS-Project plan created by one of the group
- a group who share a common vision

- a group who share a process
- A group who share a purpose
- A group who share an understanding of each other's roles and responsibilities
- a group who share everything

For each of the above cases we can probably picture a group of in our experience that were managed by the specific details of the items shared. In the case of some, such as sharing a process or a purpose, the precise details of the particular process or purpose, and the norms of how it was applied or ignored, that would manage the group.

But if we ask ourselves are these 'good' collaboration architectures we would probably say 'it depends'. And it does depend. Whereas there are some problems particularly suited to a shared whiteboard - but it doesn't have the level of precision required to form contracts or agree on engineering specifications.

Also, for all of the types of sharing listed above it could be said that they are incomplete. Regardless of the endeavor that the group is involved in, any single one of the example above might be necessary in order to collaborate; it might be well or ill-suited for a particular type of collaboration; but it is unlikely to be sufficient by itself to manage the endeavorer. It is unlikely therefore that it would be the only thing shared.

I say this because it's natural when you look at the list of potentially sharable items above to defer an assessment of whether they might be appropriate until you known more details of what it is you are actually trying to achieve. In effect you are making the intuitive and I think correct judgement that:

What management consists of depends on what it is you're actually trying to do

The Special Case of Sharing Everything

There is a special case that I've seen managers resort to often enough to address specifically. It's the case where an intigral part of the manager's explicitly defined collaboration architecture includes elements of the example above of *a group that shares everything*.

I have been in groups where the manager has required that every email be forwarded to the entire group. Thankfully, that manager was largely ignored. However, this created two problems – firstly the manager was able to confidently say – retrospectively –that any issue that came up was because group members had not followed his instruction to forward every email to the entire group. Secondly, with 'forward every email' as the overriding principle officially offered for the sharing of information, not replacement approach was made explicit when team members simply ignored the request.

As the cost of *sharing everything* has decreased with the advent of email I've increasingly seen managers request that all emails be CC'ed to the entire team. A slightly more subtle variety of the 'sharing everything' rule is cases where a manager requested that 'you let me know if there are any issues'. More subtle still is the after-the-fact 'you should have asked me before you did that'.

This idea that if everybody knows everything then collaboration will occur is a fallacy. This much should be obvious if we recall the management is only really required because of the division of labour. If everybody is to know everything then this limits the advantages or dividing the labour in the first place. While there may be some coordination occurring because of all the shared information it is likely to be at a very high cost.

When paired with the idea that we would have been better off if we know now what we didn't know before the share everything approach becomes a completely ineffective form of coordination. So why does it occur?

The reason it is used by managers is that it serves the managers themselves. - Even if it isn't particularly helpful to the organisation. This is a reoccurring theme in this book and I'll keep coming back to it. Many excepted management practices serve managers more than they do organisations. In this case if a manager has told everybody to share anything it's very likely that if anything goes wrong it was be attributed to one of:

The manager is able to resolve the issue by suggesting it wouldn't have happened if the 'share everything' rule had have been followed or if those receiving information were more diligent.

Eventually, in an ever escalating arms race of shifting blame, anybody who misses certain key information will be able to point to the huge quantities of information they are drowning in because of the 'share everything' rule.

The rule can never be applied perfectly and requires a perfect application to be effective. Also, the more diligently information is shared the more likely it will be that required information is lost in a sea of useless communication. But that doesn't matter if the manager can always say 'share more' and 'be more diligent'.

A collaboration architecture which simply says 'share all information' completely ignores the implicit division of knowledge which accompanies the division of labour .

The Special Case of Sharing a Profession

Unfortunately, in the cases where the individuals are sharing like minds in some way – such as communities of practice and other self managing groups – collaboration is based on natural similarities in the individuals' mental models.

It is tempting to think of groups such as 'communities of practice' as being an emerging replacement to transitional management approaches. However, while these are useful collaboration architectures for some specific purpose (namely, maintaining and enhancing certain types of capabilities) they are not a general management approach because they are insufficiently purposeful and tend to not assist in coordinating non-alike individuals.

Effective management must be able to coordinate the collaboration of individuals that do not think alike. Different communities of specialists are likely to have developed converging world views. It is indeed part of the specialisation process to think differently. It is perfectly acceptable for a graphic artist, for example, to have a different way of thinking to a IT support technician; or even to an architect. A community of graphic artists may enable that group to work together to achieve common goals. But that is a very low bar. If our approach to management can't coordinate non-like-minded individuals then it is not much good to us.

This is why it is not sufficient to simply rely on the self-organising development of communities of practice and other organic structures within the organisation. Equally, is not acceptable for managers to wish that everybody was a generalist or more like a manger - which is what much management speak basically amounts to (see 'The Riddle of the Stones').

It's particular important to recognise when this low bar is not met. There is a special case where a group of like-minded individuals with similar professions collaborate together. This is the case of the 'Management Team'. You should be cautious when you hear that an organisation is trying to build a strong management team. Later, in the 'Mythical Management Team' we can see where the striving for a strong management team might be seen as equally bad for the organisation.

The Special Case of Executive Collaboration

When searching for a new definition of management we can't build a definition that suffers from level of analysis problems. Management needs to work as the process of first and last resort at any level of the organisation.

One of the lessons from economics that is explored in this book is the idea that management actually provides value by allowing individuals to predict the behavior of others. Both market-based, and centrally planned coordination systems ultimately allow individuals to guess at, in a reliable way that helps them to choose how to act, what other individuals will do.

Centrally controlled economies do this - in theory at least - by the existence of a central plan that describes that people will do. Market-based coordination allow people to predict that others will act in their own self interest. The debates in this areas aren't as important as the basic idea that:

A management functional should help individuals predict the behaviors of other individuals

This bring us to the special case of executive collaboration. Throughout this book I am questioning management itself. However, at the executive level organisations are managed at all in the sense that there is a process to direct people what to it. It is the allocation of capital, management of the organisation's stake-holders, and management of organisational level incentives at the heart of executive management that protects the organisation from being managed purely by the management profession.

The managers of an organisation do little to drive the organisation. Rather they provide a predictable process by which the executive team and predict how a manager will behave if the are given a responsibility. Like any other profession managers, project managers in particular, operate in a predictable way and you can guess what they are going to do when you wind them up.

But if executives are outside the management process what can be seen to manage executives? As well as bringing us into the area of governance - which we'll look at in other chapters - let's see how out definition of 'what collaborating individuals share' scales to the executive team. I don't believe our traditional view of management scales to the executive team at all. In fact, the executive team becomes an exception to the normal behavior of management teams. While this is of necessity it may also cause some of the governance issues we frequently see in business press. An important question that we'll come back to in a later chapter is:

What managers the managers; and how is governance not just more management?

Importantly, our definition of management based on what collaborating individuals share does in fact scale to the executive team. As the executive level collaboration is around an architecture of commitments. Because the executive teams must drive the implementation of strategy they need more freedom, but equally have greater responsibility.

By the executive team collaborating around 'commitments' it is recognised that executive management is different. It's not based on constraints but rather based on possibilities.

From a governance perspective, it's important to recognise that this is not just an arbitrary set of commitments. It is an 'architecture of commitments' such that commitments are established amongst the executive team such that a set of checks and balances is put in place. It is in that constrains the behavior of the organisation and the executives themselves.

Finally, there are additional commitments - not based on the strategy of the organisation, but rather around commitments to ethical behaviors. This may be strictly externally imposed such as obeying the law; or may be based on the brand promises the organisation makes. These concepts are explored further in the governance and operationalised brand sections of this book.

The Special Case of Process-Based Management

Some organisations, which an operating model which requires standardised delivery of services across global customers, have a particular type of management in place.

Take for example, an organisation like McDonalds. Because the service experienced be customers needs to be the same for all outlets - or at least the differences need to be explicitly tailored. There is likely to be collaboration architecture of shared codified procedures.

In this case, it's not simply the fact that there are rules that manage the organisation - though this will provide some character to the management of the organsation. It is the specific rules themselves that manage the organisation. In many ways this is true of all organisations. But in the case where standardisation is required it is even more true.

Explicit and Implicit Collaboration Architectures

In order to refine management we need to acknowledge all of the elements that contribute to the dynamic of a coordinated endevour. With a definition based on shared understanding there is always an answer to the question 'what do collaborating individuals share?'. This means we can always evaluate the management of an endeavor by looking at the answer to this question. The answer also always fits into one of three categories. Either the answer is 'nothing' in which case the endeavor is unmanaged. Otherwise there are certain things that individuals share. In this case either that group of things has been planned, coordinated, and (most importantly) fits together with some integrity and reference to context. Also, somebody is accountable for the complete end-to-end shared understanding. Alternatively, the shared items 'just happened'.

In other words you don't get to decide not to have a collaboration architecture - not to have a set of items that collaborating individuals share - you just get to decide if you are going to create and manage the collaboration architecture on purpose. In other words collaboration architectures can be either implicit or explicit - or both.

You can also chose to define a command-based collaboration architecture (which is the traditional view of management) or a more market-based view of the collaboration architecture (which is the approach taken by the ManageWithoutThem model and this book). You should beware of situations were there is no shared rules that persist over many situations (see 'Lessons from Economics and the Natural Law' and 'Broken Promises' chapters).

Part 4 focuses on explicit collaboration architectures and the processes required to develop them. As the process is transformational it must consider the implicit existing collaboration architecture as the starting point even when you want to create an explicit collaboration architecture.

Clients in collaboration

It's is often said that organisations don't compete, supply chains do. With globalisation, increased outsourcing, and other joint vendors, this is more true all the time. So any definition of management needs to consider this trend.

Because supply chains involve multiple organisations the types of things that collaborating individuals share is limited. You can't share a single supervisor for example, because there is no way for a single person to have equal influence over individuals from more than one organisation. Even with tremendous leadership skills the amount of influence on performance management processes will be unequal across the organisations.

In a world of increasing freedom and innovation in business models; there is an increasing need for management to occur across organisations. Traditional management processes too often assume that managers are a proxy for owners, and therefore don't achieve successful results when applied across organisational boundaries.

Project management is a good example of a set of disciplines that are often necessary but insufficient when managing across organisational boundaries.

A project manager who attempts to simply ask people to do tasks and follow up on them, without considering the processes used to engage the organisation, is likely to be unsuccessful. Sometimes project managers and even whole organisations respond to this with excessive escalations and vendor management effort. But this approach is expensive and ultimately either erodes capabilities or increases costs.

In fact, there are important lessons to be learnt from the way that successful outsourcing engagements are currently managed. For example, the concept of supply change event management is introduced as a general management principle in the Lessons from Management sections.

Management as Technology

We have been making a few assumptions about management. Assumptions that, due to the all-pervasive nature of management, reflect is everything we embark on in business. These assumptions, deeply ingrained in our epistemology, in our fundamental understanding of how we learn, or the nature of knowledge and organisation, have even convinced us that change will doom us; or that change itself is becoming unmanageable.

If change is really a constant – if the rate of change really is accelerating (as every generation appears to think it is) – and if we would like to continue exist in a managed environment – we must strip away the assumptions we have built up and return our thinking to the fundamental purpose of management.

What is Management?

Management itself knows the importance of 'purpose'; but what is the purpose of management?

Why does management exist? The one reason activities need to be managed if because of the division of labour. Adam Smith's insight into economic progress possible through specialisation described an increasingly specialised workforce. The factors of production, rather than being carried out by a single person, were to be carried out by a number of specialists.

Once production of a single product was split across multiple people the issue of coordination needed to be addressed. It was this need for coordination that gave rise to the need for management. In short, management is the coordination of separate, by related activities, bought about by the division of labour.

Management, therefore, at it's most fundamental purpose has allowed us to achieve feats of production and efficiency which would otherwise been impossible. Peter Drucker sings his praises of management in this respect in the introduction of his anthology The Essential Drucker.

When Drucker talks of management he speaks in terms of '………', '…………', and '……………'.

In the sense that Drucker talks of management he is talking of management as a technology. During the past few years many of us (including myself) have been guilty of thinking of technology only in term of information technology. When we read 'technology' we think of computers. To the point that when advances in biologic and genetic sciences started to become interesting we needed to augment the term to 'bio-technology' or 'genetic technology' just to remind ourselves that we weren't talking about computers this time.

Economists use the term technology is a far more general sense than we have become used to. They've also been using 'innovation' for much longer than it's been fashionable. An economic definition of technology goes something like '……………………..'.

Management meets this definition of a technology in that it is a generalised coordination mechanism. It allows us to split production factors across different individuals and still efficiently and effectively produce a single product or service (in theory at least).

The Cult of Management

Think of management as a technology like this may still feel awkward and strange. To me it feel much like thinking of such personal development courses started by Werner Erhart as technologies. Werner Erhart was a …………………… . His courses taught a philosophical framework for living. Such courses included the Est Training program and a program eventually licences to the operator / owners of the Landmark Education Centres as the Landmark Forum program.

Only Werner didn't describe the courses as a 'program'. Actually the courses itself was only seen as a delivery mechanism. Werner called his ideas; a series of slogans and cognitive tools; a 'technology'.

Werner's technologies proposed to allow the user to lead a happier life. The specifics and effectiveness of the technologies won't be considered here. However, there are some important characteristics of the technologies that bear mentioning.

<characteristics> self-replicating, charismatic leader, own specialised language, etc, etc.

These characteristics lead many, including < CULT BOOK> author <AUTHOR> to conclude that Werner's personal development programs fit into the category of a cult.

I've never taken any of the Erhart courses; but, I have friends who have, and the technology seem good. No doubt only educating yourself with Est or Landmark Forum ideas wouldn't be any more recommended than only reading about Ayn Rand's Objectivist philosophy or only reading the Christian Bible. Too much focus on one source is, by definition, too much. Too much water will kill you, however many barrel-fulls that may turn out to be.

What I'm saying is that it's certainly not as simple as Landmark is or isn't a cult. As Tom Peters has said about claims that he is a 'guru' or that he himself amounts to a cult leader, things aren't that simple. <find Tom Peters quote here>

Landmark Forum, and to a lesser extent, Tom Peters, are in the unfortunate position that the more successful they are in spreading there ideas. The more effect they have on people's ideas and lives; the more some of the population will think they resemble a cult. Part of Erharts vision (and the sincerity is not the issue here; nor is it being questioned) was to make the world a better place, one person at a time – self-replication is a essential characteristic of implementing that vision.

What is interesting, however, is how the technology of management also shares some of <CULT BOOK AUTHOR>'s criteria for classification as a cult . Namely, management has the tendencies towards a secret language, charismatic leaders, and self-replication.

There is no conspiracy that management should form it's own language. Management has become just another specialised discipline, and all specialised disciplines evolve specialised language. These shorthand expressions and vocabularies allow peers within a specialty to communicate more easily and to develop new and higher-level ideas based on established principles.

Specialists practicing the discipline of management would be expected to follow this trend of specialisation of language. However, when the specialisation of language works to preclude the understanding of those being managed how can the fundamental purpose of management be achieved? How does the coordination occur?

In the case of the charismatic leader the disassociation with managements original purpose is less obvious but still present. A charismatic leader may be an appropriate mechanism for coordinating separate but related activities bought about by the division of labour. However, is when charismatic leaders, have charismatic leaders, who have charismatic leaders… etc… you might end up with a organisation full or the glassy-eyed and awe-struck forever looking upwards 'there face towards the CEO and there arse towards the customer' .

Management's tendency towards self-replication is exposed on a number of levels. Firstly, management are the teachers and mentors. While mentoring would theoretically be best performed by peers the management discipline has hi-jacked the priniples of mentors as a passing down of knowledge. Regardless of what specialisation managers originated from, as managers, there context and discipline is that of a manager. By performing mentoring they are teaching management more so than they are teaching other specialisations. At the very least they are teaching manageability – how to be managed – as if that in itself was a worthwhile skill.

Self-replication of management is also evident in the proliferation of management roles. Originally managers were supervisors. As it become clear that this perspective was inadequate there of a flood of management positions created to try and manage the multitude of perspectives of a business: financial managers, quality managers, knowledge managers, project managers, change managers, innovation managers, value managers, etc.

Don’t get me wrong, I’m not trying to build a conspiracy theory here. The cult digression was simple an extension of the perspective of management as a technology.

The important part about technologies is that they help people do a particular thing. Technologies are a mechanism for achieving a separate aim. Over time technologies improve, different technologies can be used to achieve the same aim, technologies created for one field can be useful in another, technologies can be made obsolete, and technologies can be increasingly automated.

If management is a technology for co-ordinating activities distributed by the division of labour the problem can be stated quite clearly: is the answer is a seperate manager what co-ordinates the division between the manager and the people being managed?

It might be suggested that definition is to limited. Surely management also 'sets direction'? This is true - the existing divisions of activities which agregate in those activies that managers perform includes setting direction.

However,

add ‘correct action in context’ to ‘coordination’ based definition of management. Also describe the aggregated management value proposition thus:

- leadership, performance management, planning, mentoring, strategising, etc etc

Automation of technology.

Link to Division of Labour. If it is a technology you have to use it. Information Requirements of a Market. Learning from Economics about Coordination (command economy or market economy).

'New Economy' drivers: Supply Chain Management, Partnering, New Forms of Ownership, More Choice (more chance of doing the wrong thing with more options), more employee mobility – quick OCM required.

On the Division of Labour

Text

Management as a Cult

Also, add to the cult line of thought the concept of 'management books' being 'self-help' books more than anything. That is why they are next to each other when you 'read' a bookstore. 'Managing your position' in Asia (in particular)

Managers are given responsibilities that they don't always know how to deal with.

Limited to self-organisation

Talk about the limits of self-organising systems. Disregards competitive environment – self-organisationing system will tend to evolve into the same entity. Industry competitive needs niches. Also, site the information in that 'Chaos, Economics, and Management" book about… whatever it was…?

Management as enabling predicction of the behaviours of others

Note Body: Management itself talks of 'purpose'... but what is the purpose of management...?

Planning... increase predicability of future actions by others in

particular. This is a great purpose but not the result of much organisational planning...

Archit

Market-coordination allows you to plan and coordinate your individual actions by allowing you to predict the actions of others (i.e. They will likely want to pay less, they will value a good now more than the same good in the future, they will minimise their own risks, etc).

Management as a discipline actually doesn't meet this test because it doesn't ensure that you know what somebody else will do. Or rather, once people actually do know what the manager will do, or what the organiastion will be like, they really do alter their behaviour to align to that. Unfortunately, in most cases this means they alter their behaviour to avoid irrational feedback.

Future narative

Introduce the characters and place a little more narrative in italics throughout the book.

MWT – Future Organisation Narrative

As suggested by Wayne Turmel (and because it is good content for the MWT Book) I need to write a narrative vision for what an MWT organisation actually looks like. This is the 'future state' that I am trying to achieve.

- This section of the book can be 'practical' which will allow the rest of the book to be more theoretical
- Contains 'typical day', lots of technology being used effectively, market operating in the backgrounds with managers getting dashboard data in real time, management tricks and non-value-add managers being exposed for what they are (or perhaps reminiscing on how they left and/or changed over the years)
-

David still found it difficult to think of personal productivity tools in terms of a technology. When he couldn't quite decide on the right symbol to place on an appointment in his diary to indicate if it was 'personal' or 'work' related, or when all his appointments for the week seemed to be 'other', he didn't declare that time itself was broken. He simply stood back and tried to reassess his system. When he was young, before he understood technology integration he is often complain of having too little time or that everything was disorganised. He had spent so much time with his work colleagues complaining about management as though it was somebody else's problem that he'd failed to see it as a simple though outdated technology that he could use or improve as he wished.

The airport was empty. Nothing like the images in old movies where travelers took pride in their weekly commutes across the country. More amusing still were the science fiction movies that had imagined a future where people, already feded up with the daily commute across town, would suddenly embrace regular transcontinental travel. It has never seemed sustainable that company executives, after years of hard work to finally gain all the power they wanted, would subject themselves to a life in the sky away from their families.

The airport was empty because people were working – and you can't work in an airport. Or rather, an airport offers no advantages over your home office or even the kitchen table when it comes to reviewing reports, making plans, or communicating with off-shore outsourcing partners that you aren't physically close to even in the office.

There had been a brief period when mobile technology has advanced to the point where you could carry out business while waiting at the airport. But if that was the case, why were we waiting at the airport at all. Besides the age of cheap fuel was over; which meant the age of cheap air travel was over. This had meant the age of some airlines had tipped them over the edge when airline industry consolidation closed all but the most nimble and innovative airlines. Or rather, it closed everything that was only an airline. Air travel, as expensive as it had become, became a loss leader for all sorts of luxury add-on sales. Air travel was expensive again so anybody who was still doing presumably had a thick wallet waiting to be consumed.

Today he was flying to visit family. David's brother Desh couldn't resist the German countryside any longer had moved to a cottage on the each of the Black Forest. He kept his old job with the California Natural History Museum – who didn't mind if his research was conducted on Germany any more than they had minded when we applied for the job from Australia. Weekends were spent racing – not professionally – but with the pasion of a late hobby finally embrassed.

Desh could live anywhere – and had chosen here. It was a long way away from his family. But fast international travel – while bothersome just to attend a business meeting that could just as easily be teleconferences, was worth the expense and time for the warm embrace of his family. When you don't see your family every day you enjoy your time with them even more. Besides, it was increasingly accurate to say that any one spot was a long way a way from his family as they each choose the lifestyle that best suited themselves.

David wasn't technically on holiday. His trip to visit Desh would have an impact on his work time but he had arranged his schedule to avoid any disruptions so his employer wasn't concerned. David's time and activities were monitored – and there would be some drop in productivity – but the pressure of telent retention had forced a degree of enlightenment in corporate policies and this was seen as part of the natural ebb and flow of work life.

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A gentle vibration radiated from his tote. This was his Mac Helium - *It's Lighter Than Air* - telling him he had a new message. Rather, it was telling him he had a new message that he was likely want to read immediately. He checked his phone and saw that it was a research pack he had ordered. This was perfect as he could now read through the proposal on the flight.

He forced a sync of his laptop and felt it humming in his bag. He could wait until he got in the plane but this would save roaming charges and give him an excuse to shut off his phone during transit. There was a time when he would have enjoyed expensive Internet access on the flight at his companies expense. But this was no longer available.

In-flight Internet access had been a short and expensive experiment for the airline industry. First his company had stopped approving the expense claims. Then the airlines had to reduce the price of the service because the cost was coming out of the pockets of real people who new how to penny pinch better than any corporation. Then 5G mobile network coverage extended into the flight paths of every short and long haul route. And the airlines couldn't continue to say that it interfered with the aircrafts navigation system because it was actually used by the aircrafts navigation system.

A shortage of air traffic controllers, and increasingly sophisticated on-board navigation system which required data from any number of sources in order to minimize fuel costs, decongest airports, reduce carbon footprints, smooth travel, and keep a delicate balance of all of these factors aligned to the airlines current brand strategy and the strategies of its partners.

Once the mobile network was readily available within most flights competition bought the price of both in-flight access and altitude-based roaming right down. Eventually, after years of investment for in-flight access - something that was supposed to differentiate the airlines - all of that additional equipment wasn't worth the weight. It quite literally didn't bring as much revenue as the fuel it burnt.

So that was the story or why you still had to watch your roaming charges. The network communication companies had won in the end and put the prices back up. When the sync was complete David shut down comms and proceeded to the departure gate.

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After take-off David checked *Titon*. *Titon* was his preferred interface with his companies systems. He'd also used it in his previous jobs and it also provided an interface to the workflows he was included in the literature journal he wrote for. For the journal the process was simple; including requests for articles or research, suggestions for articles, submissions for editorial reviews. David's favorite feature was the value visualisation. *Titon* allowed you to see where you fit within any process, product, or organisation within the company. Sometimes these were simple box diagram but sometimes, particularly in the publishing world, these were design showcases with graphical representations of all processes and customer experiences with interactive preferences which could effect how your work was used by others.

In the case of his latest article he could see it had been approved without further changes and therefore had moved straight to the publishing queue. He clicked *Publishing Process* in the corner of the article and the article morphed through a comms pipe, was read by a cloud of editors and automated text analysers. This was showing the history of his article in the publishing process. It looked very similar for all articles but in this case he could see a number of editor changes being reversed in the history. He scrolled back in time and zoomed in on the edits. He could see the detail of the workflow exception: who made the edit, who rejected it. One of the automated editors had made an edit which was overridden by a senior editor. The senior editor owned the automated process which had since been shutdown. It was no good getting a bot to do your work for you if you only had to undo it.

When the visual representation ended the article appeared as it did before. In effect this was the article at the end of the publishing process so he was still looking at the visualisation of the publishing process - in real time, as he sat staring at his article not editing it. He clicked *Product View* and was presented with a visualisation of each of the publications that his article had appeared in so far. He clicked *Show Syndication* but the view remained the same - he article hadn't appeared in any other publications. He clicked *Watch*, then *2 weeks* so he could be notified when other publications took up his article.

David called up a saved chart which showed access to the journal against aggregate customer reviews against readership and reviews of his own articles in the on-line version of the journal. The most recent month was unclear but it otherwise showed a trend that indicated his articles made a positive contribution to sales. This calculation formed part of his variable pay so he was pleased to confirm it. In fact, he spent a little too much time looking at it.

With access to the chart David's performance pay was inextricably to his performance. It was adjusted according to company wide performance and general market performance in his industry. Sometimes this arrangement could be harsh but David understood why this was fair and wouldn't have it any other way - particularly as he could see that this quarter was looking good.

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When David had his first interview for a real job in a real company he'd been confused by some of the comments made by his future employer. In particular, when the HR director had spoken of the open plan office layout and flexible working hours he had wondered what to expect when he arrived on the first day.

The idea of an open plan office bought images of open space. More importantly he thought it was open in the sense that he would be able to reconfigure the layout of his work area to suit his preferences. David lived and breathed design and had a collection of design journals and theory textbooks which he kept close at hand for inspiration. He expected that in this open - configurable - office he would be able to forgo a little desk-space for some extra bookshelves.

While he was growing up David's constant moving between his parents houses had taught him to keep his life as digital as possible. This meant that he had little need for filing cabinets and general storage at home. It also meant that he know the value of a good survival kit. Rather than a conventional filing cabinet he hoped to configure a large locker where he could keep his survival kit and other essentials such as refills for his favorite mini notepad, spare batteries and chargers, deodorant, breakfast cereals, long-life chocolate milk, running shoes, spare shirts for after work, a copy of the script his favorite movie, and plenty of chocolate coated scorched almonds.

If the working hours were flexible he'd prefer to start as early as possible and then break for breakfast. And if he started late he'd need extra Scorched Almond Energy to hold back dinner. A locker would work as some of the items were precious to him and though it hadn't been mentioned in the interview he assumed he wouldn't always be in the office to defend them. After all, he had a customer facing role so presumable he would be spending some time with customers.

It wasn't under part way through his second week that David's frustrated abated sufficiently for him to realise that he's made a mistake. When they had said 'open plan' they had simply meant he would have very little privacy. The workspaces were not configurable and in fact even placing personal items on your desk was actively discouraged. As far as the concept of flexible working hours was concerned he realised that although he's understood the concept well enough it was more of a theory than a practical reality. There was some flexibility in the time he left work (i.e. He would leave late) however he was expected to arrive on time.

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David was officially working on 3 unofficial activities.

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Part 1: Why Without Them

Why embrace the trend to Manage Without Them?

It's inevitable because it's already here

Democracy, Free-Markets, and Alternative too Corporate Life

corporate governance scandles

Internet taking your job? Or your bosses' job?

Is the internet taking over your job, or your bosses?

Remember when computers were going to take away your job? Remember when each new advance in technology followed with the caveat that another human function would be automated; that these ever-efficient machines were going to make us mere humans redundant in the name of efficiency?

Then came the Internet and personal communications technologies. The dialogue still revolves around efficiency (especially after the so-called 'tech-wreck' shattered hopes that Internet technologies would provide easy revenue opportunities). However, in the wake of the Internet revolution the majority of layoffs we read about are in the technology companies themselves.

It is the fact that the Internet is fundamentally a personal communication tool that means that more then ever before this is an information technology that is a tool for us humans rather than a replacement for us.

Internet technologies are most gleefully adopted when they allow individuals (or smalls groups huddled around common interests) to communicate directly with one another in an unmediated fashion. Increasingly, companies are at their most successful when they allow individuals to operate as free agents.

These tendencies are not negated when Internet technologies are brought within the walls of the enterprise. From self-service Enterprise Resource Planning (ERP) systems to eProcurement systems that allow individuals purchases to order directly from their desktop Internet technologies within the enterprise allow individual employees to communicate directly. Directly, with other employees, other departments, and other organisations.

Internet technologies within the enterprise dis-intermediate communication. Employees using the eProcurement system are not intermediated by the Procurement department. Employees using the self-service ERP system are not intermediated through the finance department.

But this is only the beginning. The next way of business-to-business (B2B) development is touted to be ‘collaborative commerce’. This model allows employees to go beyond catalogue purchases of indirect goods such as stationary and photocopiers. Collaborative commerce would allow procurement of highly customisable products and services and facilitate sourcing or tendering across multiple suppliers.

What’s interesting about collaborative commerce is not that businesses will be doing anything that they have never done before – ‘procurement of highly customisable products and services’ and ‘sourcing or tendering across multiple suppliers’ are not new activities. What is interesting is that the technology will allow employees to perform these functions in directly collaboration with suppliers.

Collaboration is a word that keeps coming up when we talk about Internet technologies. From collaborative commerce to collaborative project management to collaborative knowledge management.

Collaboration isn’t new but it is a new way to manage businesses. Collaboration is as opposed to command-and-control management. There is no single point of management which overarches a collaboration – no intermedia finance or procurement department.

In short, Internet technologies allow more and more business functions to be carried out as collaborative endeavours. The new information technologies are not replacing the need for employees to procure; they are replacing the need to centrally manage the activity.

Resource planning, scheduling, request management, customer relationship management… create a market out of anything… collaboration…

When the cover Business Review Weekly does announce layoff in other industries, as it did in ‘Who’d Want to be a Manager?’ the story was of Westpac and other firms laying off hundreds of middle managers.

Notes:

Computers are taking away your job.

Yeah right!

Artificial Intelligence may be just around the corner (still) but it's yet to produce anything more stimulating than Eliza the psychiatrist with a one track mind. She answers everything you say with 'What does that make you feel about your mother?' And then, worse still, when you've grown tired of this game: 'I don't understand what you mean by the phrase: shut up you dumb motherfucker?'

Spell checkers, style checkers, grammars checkers,

Management, in it's form typified by Planning, Monitoring, and Controlling, allows somebody to say something – somebody to be seen as making progress – without actually knowing anything. If management is a discipline than this is a valuable tool for practicing managers. If management is a technology the tool would be better if it could show the gaps in our knowledge as early as possible.

=====

Also, think of the acting team lead at Manda's work. When she found out about leave that was already approved she says 'I would NEVER approve that'. This is really interesting because the management is in the decisions. If she would 'never' approve that leave then that is very easy to automate!!!

=====

failure of regulation

As this book was nearing completion (early 2009) the world was trying to agree on government interventions that would prevent, or at least reduce the impact of, a complete financial meltdown. The New York Times (correct?) famously declared 'We are all socialists now' on it'd March xxx cover.

For some this may have appeared to make the end of the trend towards market-based management of the economy. With this, it would be easy to assume that this also negated the argument of The Incredible Shrinking Management which suggests that the global transition to a market-based economy must eventually lead to the market-based management of organisations in order to stay competitive with the global market.

While the argument of The Incredible Shrinking Management was also based on advances in technology, it may seem that the use of technology, like all activities required increasing regulation rathe

- Not a laisse-faire firm

- Not all MWT organisation are the same

- MWT is a reflection of what is already occuring in the organisation; a management of what actual happens

- Regulations are on managers; meaning restrictions on what they can do - meaning this is a constitutional-based management approach in itself

Sarbanes-Oxley and Internal Markets

Monday, July 04, 2005

Sarbanes-Oxley and Internal Markets

Something I've never commented on in the Blog before (though it appears in the MWT Book manuscript / notes) is the relationship between Sarbanes-Oxley and the technology-enabled markets which are one of the foundation pillars of the ManageWithoutThem Model. I'm not a lawyer. So nobody should take my opinions as legal advice. In fact, anybody trying to Google for legal advice should be very careful indeed...

Sarbanes-Oxley is all about the retention of records. It started because some audit company is supposed to have shredded the audit records of one of their clients. If you look at the Mises Blog I think you will find one of the few references to the fact that the charges against the audit company have seen been dropped (Is this right? Check Mises Blog). However the ruling still exists and organisations are scurrying to comply with it.

The thing is Sarbanes-Oxley doesn't just stop at retention of records. The intension of the ruling includes both retention of records and assurances that the records are accurate. This bit is important and interesting. It means that audits are required at some regular interval to ensure that the records are accurate.

Let's take a simple example of asset records. Just as most organisations are struggling to keep simple records of the assets that they own, the Sarbanes-Oxley ruling says you have to audit the records to make sure they are accurate. So every three years you have to collect all the information about your assets again.

I have to be clear here; you can't just download the information from your asset register. The purpose of the audit is to ensure that the asset register is correct. So you need something to compare the information in the asset register to. So every three years you have to ask everybody in your organisation what assets they have - even if you think you already know. This is the only way you can make sure and prove that you already know.

While the intension is arguably good this is clearly ineffective. I also think it's not sustainable. Also, I think the risk here is that organisations can still fudge the audit. To take an extreme example, the organisation could fake all of the collected records by writing a small script which takes the asset register and turns it into emails. The script could throw in some mismatches so it looks realistic, the mismatches could be resolved, and the organisation would have compliance.

So in a way the law doesn't really guarantee real compliance. This menas that eventually one of three things will happen. The most unlikely is that the government will decide not to interfere anymore. Alternatively, the intent of the law will be made more clear and additional laws will be created to cover individual cases of fraud (the typical approach of law propagation). Or lastly, the courts might shift the focus from 'reporting requirements' (what you have to submit) to 'operating requirements' (how your organisation actually has to work).

I'm betting on the last scenario where 'operating requirements' are imposed. And this is where technology-enabled markets come in. The scenario I'm going to describe is 5 to 10 years into the future. Even though the technologies largely exist it will take that long for the law, and our transition from command-based management models to market-based management models, to catch up.

A technology-enabled market approach to enforcing impending 'operating requirements' with the same intent as Sarbanes-Oxley would look like this...

--- To be continued ---

posted by Matthew at 11:07 PM | 0 comments | Link

Remember, Management is a Technology

If management is a technology then let' compare advances in other technologies in the last 50 years with advances in management.

basically management (if it's improved at all) has gone from planning and scientific management to touting how 'unpredictable' the environment is (when planning based management is built on the premise of predictability) and touchy-feeling (management as phycology)

that is, management has basically given up

who is this technology for?

managers; let's them

talk / act when they don't know what to do

blame others

----

far from a 'workers movement' where 'workers of the world unite' MWT is about asking the question 'why are we even separated into 'workers' and management?

Phones and Clouds

I recall when working in a recently (partially) privatised

government department t...

Phones and Clouds

I recall when working in a recently (partially) privatised government department that the IT department manager's two young children come into work one day.

These were good kids, also very bright. They ran around good naturedly exploring the cubical-scape we all worked in. In the middle of the floor was a whiteboard we never used and they managed to find some whiteboard markers that worked (I have no idea how – I never could).

The picture they drew was quite simple. It was a field of telephones. All the telephones were ringing. In the top left hand corner there was an extra large telephone in a cloud. An arrow pointed into the cloud, labelled 'My dad'.

Beside each and every telephone, even Dad's, was a sad face. How would a child draw your workplace?

I'm learning from the way successful IT projects are managed. Software development and integration ...

I'm learning from the way successful IT projects are managed. Software development and integration is a complex task. The failure in IT projects a result of the complexity of the task (perhaps) and not the fact the task is being carried out by IT people.

It is fashionable to suggest that IT people are hardly people at all – that they need managers from other fields to fix how they work together. So when I start to suggest that we can actually learn management from IT people I can almost hear the minds closing around me.

Management of Intangibles

Management of Intangibles

Knowledge management, value management, change management, relationship management, etc… sure, we have changed what we manage, but have we changed how we manage.

Broken Promises

5. Brokon Promises

An extract from 'Manage Without Them' by Matthew De George

This section follows from a section entitled:

What Collaborating Individuals Share

Perhaps it makes sense to put this in the 'tempting solutions that fail' section because it is basically saying 'one solution is to make better managers...' this is basically the managing with aloha approach. It is also CMMi level 1 if you apply that process maturity model the management process itself.

Good example of broken promises is that I get asked to write a plan because 'we need a plan'. But I say 'you're the project manager shouldn't you do the plan?' yes 'but you're in a better position to do the plan'… and then 'your plan is wrong' and then if you say 'that's not what the plan say 'ah. But we have to be flexible'.

Broken Collaboration Contracts

By going back to basics and redefining management as simply 'what collaborating individuals share' you are given a new framework for assessing existing management models. Let's consider what collaborating individuals share under the conventional management model. There might be many different way of presenting the set of shared components of modern management and I'm sure my particular view isn't going to be agreed on by everybody. However, I present my list of standard management tenants that are shared among collaborating individuals to illustrate another point - so bear with me.

Within a typical organisation when anybody in that organisation talks about 'management', whether they are actually somebody who considers themselves to be a manager or not, they think of these components:

individuals will report to somebody above them who will provide strategy

activities and certain communication will need to be approved by that person

that person will have an overarching or 'big picture' view by virtue of their position

that person will have a direction and vision for the future towards which we should head

persons wishing to attain such a position should behave like the person in that position

It's important that in general both managers and those who don't consider themselves managements agree on these components for our analysis to work. I say in general because the fact that a number of people (or managers in particular because they are often in the position of most power) don't share these tenants doesn't actually detract from my point – in fact what I want to say particularly relates to the exceptions.

Now if we consider management as a technology again (see chapter ????????), for management to work all collaborating individuals need to use the technology. Those above shared components, by virtue of being what people in general expect, become the collaboration architecture of the organisation. This is important. If those components are the collaboration architecture of the organisation then they shouldn't just be considered an ideal list of components, guidelines, or an optional set of components that collaborating individuals (again, managers in particular) abide to.

If that simple list of components is taken as a collaboration architecture then they cannot be optional. The individuals collaborating have, in a sense, an obligation to abide by those tenants. To take another view, if the individuals don't abide by the tenants described above then the tenants described above are not the collaboration architecture. Something else most be the collaboration architecture.

Admittedly, I've created a straw man. The components I described in the list above might not be what everybody thinks of as the canonical shared elements of the standard management doctrine. Indeed, I have used a different set of elements (such as 'planning, monitoring, and controlling') for different discussions within this book. But the problem remains, if those aren't the standard shared elements of management then what are?

Let's look at alternative versions of each of the above elements. Some of these I've just made up but others you might recognise as accepted alternatives.

Firstly, the tenant that individuals will report to somebody above them who will provide strategy. This can be attacked on two levels. In the first instance, individuals may not report to a single person. Rather, and this is the familiar matrix organisation we all love, an individual may report to two, three, or even more administrative or functional leaders. In addition, individuals might be members of many sub-organisations, communities of practice, or task forces, etc.

The notion that the person who is reported to will provide strategy can also be altered. In fact, it is accepted in corporate strategy that much strategy is emergent. While a formal strategic planning process might exist, just ask Henry Mintzberg, and he'll tell you that this is not the creative process by which strategy is created1. It is accepted that strategy can flow up from deep within the organisation.

Moving on to the tenant that activities and certain communication need to be approved before they occur. In truth I still see the, in my opinion extremely infective and limited, doctrine of approve as deeply ingrained in the fabric of every organisation's view of management. You should see chapter ?????????? (page ????) for my thoughts on 'reviews' and their relation to the governance process. However, even to such a deeply embedded doctrine there are exceptions and alternative tenants.

At the perhaps well-intended whim of a particular manager, under the alibi of their management style, if it often said that an individual 'owns' a relationship and can therefore can communicate at will. Similarly, discretionary budgets are, at least on the surface, an invitation to perform at least some level of unapproved activities (albeit with appropriate constraints provided through ethical standards and perhaps a formal code on conduct). These would appear to be empowering, but again this is only on the surface. Often the right hand gives freedom from the need to seek approval while the left hand gives the obligation to raise issues or evaluate alternative options.

In many cases, what this actually amounts to is a situation when no objective standards on when approval is required (or when options should be considered) are actually available to the individual. That is the standards don't exist until after the fact. When an activity is performed it is retrospectively considered an unapproved activity. A quick scan of chapter ?????????? (page ???) will provide an overview of F.A. Hayek's excellent definition of 'good' laws; those worthy of inclusion in the 'rule of law'. These good laws need to be able to be evaluated before any particular incident to which they might be applied.

I wont go on to provide alternatives for the other tenants. Suffice, to say that they certainly exist and that many readers will already be able to describe alternatives born from their experience.

This section is not yet complete. Notes of how it continues appear below.

Continues:

if the tenants change the collaboration architecture changes

if only the manager changes a tenant – and not all of these can be simple a matter or management 'style'- then who is responsible for ensuring the collaboration architecture is understood by all?

If the modification of the tenants take the predictability out of the system then this goes against the purpose of management under an plan, monitor, control model (see previous chapter).

This last point is often the case in situations where managers cite the unpredictability of the environment in the absence of strategy. i.e. 'the only constant is change' rhetoric.

This also relates to the notion that 'good managers can manage anything'. This is a seesaw argument. i.e. Every couple of years somebody argues in the opposite direction. Seesaw arguments always indicate that the wrong concepts are being discussed (nod to Ayn Rand – 'check your premises'). The concepts need to be redefined before the seesaw stops. MWT, I believe, leaves no doubt that management is task-specific (but also different in other ways).

Reminders while typing (for other sections):

remember the taxonomy of strategy, objectives, approach, activities, etc doesn't (or I propose shouldn't) match the generative sequence used to create it

matrix – more management if you are not a manager – more stakeholders!

After promises are broken introduce constitution-based management....

Decision Quality

The success or failure of the organisation does not depend on who makes decisions....

Decision Quality

The success or failure of the organisation does not depend on who makes decisions. The success or failure of the organisation depends on the quality of decisions.

While the competencies individually appointed decision makers obviously contribute to the quality of decisions, many other factors also contribute:

access to and completeness information and other KM issues such as transperency

corporate policies and culture

It is tempting to use the 'I agree' or 'I resign' approach (See HBR Corp Governance book)... but the risk is the org will disintegrate into constant bids for power.

Mises Calculation Problem Metaphor

To illustrate the metaphor with the Mise arguement that a socialist, planned economy can't exist without a reference market economy, refer to:

best practices

transfer pricing (from Klein interview)

bench-marking

Also talk about the more common critisism of best practices… around the ‘everybody becomes the same’…

Just how Managed are organisations anyway?

Just how managed are organisations anyway?

Outline

Asks the question and proposes and answer based on:

Chris Macrae says that orgs balance sheet only account for 25% of value... the 75% blind organisation (see my MWT green folders for hardcopy of slides)

Alex J. talks about even at the process level that processes only implement ??% of the practices (reference alex's web site)

map the uncertainty on a matrix. Along the y (value at time, then process knowledge, then infinate work practice details) and along the x (show trangible to untangible) showing that Alex's IT figure is likely to be high than for the management of other functions.

Introduce 'separating management from measurement' for later in the book.

Continues with:

how managed do you want them to be?

Markets provide for this delineation but at a transaction, marketing, and coordination cost

markets also allow the disagreegation as required (in theory)

introduce incredible shirking management for later in the bok

introduce mises socialist calculation problem for later in book (where austrian economics is injected)

managing managers - good vs successful

The Incredible Shrinking Management

The Incredible Shrinking Management

Changing to a distributed management model requires that 'management' have a change in perspective. The nature of hierarchy-based organisational structures has meant that 'management' has come to see itself as containing the organisation rather than being an integrated part of it.

The Incredible Shrinking Management is a Core Concept of the ManageWithoutThem philosophy. We expect that further discussion and examples will appear in future articles. However, the following shrinkages are already starting to occur:

Brand... branding and marketing concepts are being continuously challenged in the so-called 'attention' or 'mind-space' economy. In terms of The Incredible Shrinking Management, the focus is on ‘personal brand’ versus 'corporate brand'.

For daily decision support it will often be just as effective to think in terms of 'how would this action help/hinder my personal brand?' than it is to think in terms of 'how would this action help/hinder the brand of the corporation I work for?'.

Tom Peters has become the de facto guru of personal branding... See his book the Brand You 50 in the Resources (Books) section.

Customer... while once the level of analysis for 'customer' might have been corporate or perhaps divisional. In a ManageWithoutThem distributed, service-based organisation each and every employee, department, process, etc will need to have a customer.

Value Chain... again, the level of analysis for 'value chain' might once have been corporate or perhaps divisional. The shrinking concepts of business, channels, and customer mean that consideration of the value chain is a day-to-day activity.

At the very least you should be able to draw a line from the work you're doing to your corporation's external customers to determine which direction the value is flowing and who your internal clients are. (remember; you don't necessarily draw the line through your manager – draw the flow of value directly)

Business... Remember ManageWithoutThem is not about creating control mechanisms, it is about creating organisms that don't die. The model for organisms that don't die (or shouldn't die) is a business. This means that every department, process, employee, or project must be analyzed in terms of it being a business.

Again Tom Peters provides the meat in this area. Check out his Professional Service Firm 50 book. It provides a framework for turning every department in your organisation into a professional service firm.

Channel... with every department (project, employee, etc) as a business you'll need to separate the channel from the process more than ever.

Sure, your department should have various processes that reduce operational risk or support change management - But, if somebody from another department requires your services they will request the services through a channel, not a process. Your (customer-focused) process must begin after the channel.

Strategy... Strategic planning, as a separate function to the daily management and operation of your organisation, is dying a slow (fast?!) death.

Strategy itself, however, is more important than ever as both an approach to market and a coordinating mechanism within the organisation. (People must collaborate -around- something - the obvious choice is Strategy)

Shrink Strategic Management and you find Strategic Thinking. Strategy Thinking is a discipline, a perspective, and a state of mind practicable by everybody in the organisation. It becomes a framework for communicating strategy as well as forming it.

The Incredible Shrinking Management represents a change in the perspective of management, not a dumbing down. In fact, much of the existing management literature will be beneficial to a ManageWithoutThem practitioner.

Bullying of managers

For evidence that they aren’t in control anymore…

Article on ‘upwards bullying’ from June 2009 MX magazine

Thesis Details

Title Upwards Bullying: An Exploratory Study of Power, Dependency and the Work Environment for Australian Managers

Author Branch, Sara

Institution Griffith University

Date 2007

http://www4.gu.edu.au:8080/adt-root/public/adt-QGU20090211.162516/index.html

Full text available at link

Part 2: Outside the Profession

Injections into the concept of management

I don't want to tell you how to do your job, but

'Injections' and 'Drivers to MWT' might be combined and otherwise rearranged to be a making the case for MWT.

A good manager an manage anything

A Good Employee Can Unmanage Anything

1.Lessons from History

Cicero and Rule by Man

This is the sub-heading text for the third chapter. It is also a quote of a summary of something.

Cerico Rome …

Rule by man to rule by law.   See brand chartering post: http://groups.yahoo.com/group/brandchartering/message/4

http://groups.yahoo.com/group/brandchartering/message/4

This is an expanded version of the web site article.

Historic Innovation

3rd August, 2001

Chris Macrae is a 'Brand Charterer' – he is the master of 'open-source branding'; brands that work from the inside out. His approach aligns every specialist within the organisation to the organisation's Unique Organising Purpose – and he does this with brand. Sounds revolutionary, but – no offence, Chris, I love your work – I think I've heard some of it before.

In Chris's précis of the management book 'Built to Last', he describes organisations that are actually managed by slogans. What's more he suggests, 'each of these slogans has a higher action authority than any employee's immediate boss or measurement instrument'.

When I read such a statement I can't help but think (after much high-five'ing) of the ancient Romans. Not because I live 2050 years ago (or in a Monty Python movie), but because I think the business world is stuck in the early maturity of organisational design.

For the Romans the challenge was to reconcile peace and freedom. I can't remember the details, but the history of pre-Cicero Rome was a history of trying to have a peaceful civilization while keeping the citizens free.

Because the civilization was ruled by an absolute ruler (ie. 'rule by man') they found that if the ruler was hard and controlling then they would have peace (in that the citizens wouldn't fight each other). But if they had a 'soft' ruler, who didn't control the citizens, the citizens would be free – but, unfortunately, they would all start fighting with each other, again.

Eventually, they found that the problem was 'rule by man' itself. The alternative was 'rule by law' or 'rule by belief'. In short, it was the shared values, rules, and beliefs that the citizens had that would actually rule the civilization.

Using this principle they started the long journey that would reconcile peace and freedom. This simple concept is the reason things like the constitution exist. Far from controlling the citizens, the constitution limits the powers of government itself.

Of course, organizations have a similar dilemma. Perhaps we are trying to reconcile innovation and profitability (as opposed to peace and freedom). Or management and freedom. Or, if the silos in your organisation are always arguing, maybe it's still peace and freedom.

In any case, it is 'the principles of the organisation that cooperating participants share' (from my web site) that rules (or manages) the organisation. Or, like Chris says (and it's not dissimilar), there are shared slogans with a 'higher action authority than any employee's immediate boss or measurement instrument'.

Thousands of years latter, in the business world, rule by man is becoming rule by belief - all over again.

Perhaps how far civilization has come from Roman times is an indication of how far we can go in terms of understanding organizations and management.

Build up to The Reformation

Martin Luther King and Refersomething

Progression through grace from Dawn to Decadence book… While the Cicero example highlights the organisational perspective the Martin Luther example highlights the personal perspective its ability to cause a revolution.

Markets as soon as we can

stock markets and information processing capacity

the incredible shrinking management

The Incredible Shrinking Economics

quote

For the first edition of this book the rather self-assured sub-title ‘the inevitable future of management’ was chosen…

example of needing enough information processing power before a stock exchange system would work... also higher levels of compliance and reporting after Enron etc which would (apparently) improve corporate governance can only be enabled through improved information processing power

management is simple going the same transformations that economics did.

In Chapter ? which discussions the contributions of Austrian Economics on the ManageWithoutThem model, we make it clear that computers are not going to entirely solve organisation management problems – just as they can't solve socalist calcualtion problems. The contribution of information technology is in enabling markets. MWT goes one step beyond this to suggest that function-specific markets should be enabled. These purpose built markets are what differentiate the organisation from the general market it is competing with.

In Chapter ?? on corporate governance I predict that increased demand for transperency will actually evolve into legislation that not only demands reports describing that corporations internal finances, but will specify that the report must be generated without manipulation. That is, it will specify that a specific and integrated market will need to exist within the organisation and the reporting requirements will be directly available from that market.

History

Cerico Rome ...

Rule by man to rule by law. See brand chartering post: http://groups.yahoo.c...

History

Cerico Rome ...

Rule by man to rule by law. See brand chartering post: http://groups.yahoo.com/group/brandchartering/message/4

http://groups.yahoo.com/group/brandchartering/message/4

rule by men, law, belief

A History of Knowledge

p76-77 'men' -) 'laws' -) 'belief'

before then, under tyrany, could work out how to have 'freedom' and 'peace'

For MWT ... Code of Conduct, process, etc starts this process for organisations but fails to remove the tyrany (ie. Hierarcy).

In MWT rather than trading freedom and peace we are reconciling innovation with control and responsibility.

(... Then the dark ages ? ...)

Rule by Law

BIG SECTION ON BRAND!!?!?!? – Taylor… This is the practical future state alternative! Rule by man -> Rule by law -> Rule by Brand!

BIG section on technology.

The the Digital Value Chain perspective: data is the real value… it is of most value is it is a reflect of reality (then you can sell vertical services from it, like in the Don Tapscot model)… software systems therefore have the single purpose of making the data align with reality.

3. Lessons from the movies

Epic Collaboration

This is an expanded version of the web site article. Includes: Hans Zimmer, Focus Pull, Collaborating on a novel (can't just say you do these pages by this time – need to go one layer removed to talk about characters and plot etc), etc.

Breakout on Martin Luther, etc.

Epic Collaboration

7th July 2001

Management could learn a lot about collaboration from the film industry. A bonus interview with Hans Zimmer, Musical Director for the film Gladiator, is contained on the DVD version of the film and contains some valuable insights.

Moviemaking is a world of big projects, big budgets, the coordination of hundreds (or thousands) of specialists, and whole companies created for a single project.

It is a world where the production company's logo appears first, but in the end the talent sells the show. In moviemaking, talent is recognized from directors, to actors, to focus pulls. In moviemaking, the creation itself rules, and you're only as good as your last project.

Making a movie may be an extraordinarily complex logistical exercise; but this does not stop the end result appearing as a purely creative product made entirely of brand.

Sure, directors and actors get most of the limelight; but during production, if you try to tell an assistant from the props department how to do their job they are just as likely tell you where to go.

Lessons from Hollywood's project and talent focus are often cited, but the real lesson may come from the way the best in Hollywood manage creative collaboration in this environment.

The Special Edition of the Gladiator DVD contains a bonus interview entitled

'Composing Gladiator'. Hans Zimmer, Musical Director for the film, discusses how collaboration occurred during production.

Zimmer describes the process as 'very collaborative' as opposed to a situation where 'everybody is stuck away in a corner somewhere'.

Most managers would suggest that their business operates the same way - but could they match Zimmer's eloquent elaboration? - It's worth quoting in full:

'We'd all be working together. Ridley [director Ridley Scott] would be sitting in this room, Lisa [Lisa Gerrard from Dead Can Dance] would be singing... We'd do one take and we'd turn around to Ridley and go 'What do you think?'...

*'**We never use the language of music**. He never says 'can you do this?' and 'can we do that?'.*

We talk about the theme, we talk about the characters, we talk about the light, we talk about what we are trying to accomplish.

We're talking about, 'if I do this here, how will it effect something... twenty minutes later?'...

How can we set up tone... we're talking about aesthetics, we're talking about books we read, we're talking about other peoples movies.

***Anything not to talk about the specifics of music, 'cause there's no point**.'*

- Hans Zimmer, Composing Gladiator (emphasis added)

As Hans suggests, the architecture of collaboration, in this case, is not music. One reoccurring theme of the ManageWithoutThem model is to separate the architecture from the content. For the Gladiator project, Hans is clearly responsible for the musical score. When he is working with the director, they are collaborating around other things (light, purpose, tone, aesthetics, etc.).

This style of collaboration shows the film industry's maturity in terms of creative collaboration. If business is to reap the benefits of a diverse and necessarily specialised workforce it will need to follow this model.

Effective management will need to facilitate the collaborating around an architecture approach. This will allow specialists to add their own unique value (be they information technology specialists, graphic artists, procurement specialists, etc).

I recommend the Hans Zimmer interview. Hans shows himself as a real and rare artist with a passion to live his 'one life' doing what he loves and doing it well.

Collaboration in writing

Follows hans zimmer piece - or perhaps put this in Collaboration Architectures section?

It's important to Hans Zimmer that when collaborating they talk about anything but music. He knows music - that's his specality - so he doesn't need to talk about it. This could be compared with multiple authors collaboring on a book. If you wanted multiple authors If collaborating on a book what do you do? You certainly can't just split up the book into pages and give a handful of pages to each author to fill in.

Even though the end product is a set of bound pages which, if it were being written by a single author, might be able to written from start to finish just by filling in the pages with typed text, it can't be writen this way once the exercise is divided across mutliple people.

In fact there a number ways multiple people might collaborate to write a book…

[expand these]

1) original method of dividing up the pages and telling people to write

2) you could have one person write the book and another person review it after the fact

3) one might use strategy management as a model. You could analyst what type of book the market wants through various segmentation, then would be development objectives, a strategy, an approach, and work breakdown structure, and track the plan to completion. Now this might work except it doesn't really answer any question. For example, what is the approach? It this managmement model (a familiar model) says that they must be an apporach but doesn't really assist in determining the quality of the approach. Also, the work breakdown structure is like to allocation to each author 'Write', 'Send for Review', and Rewrite'. In other words - this turns out to be the same as the first method!!!

4) develop language outside the actual flow of the words to be writen which will guide the authors and assist in the allocation of work. This can be pre-existing - as it is with book - plot, story archs, characterisations, character transformations, scenes, settings, acts, etc, etc... This collaboration architecture provide a frame work for work allocation like 'You write the descriptions of characters and I'll focus on the story' or 'It's important that the character confronts his own hypocracy in this act'.

As you can see, when it comes to true collaboration the optimate mode of collabation is through a separate collaboration architecture. Other varients all have drawbacks. Either they stiffle diversity in personal work practices unnessisarily, or they don't actually solve the problem or collaboration at all.

1.Lessons from... well, Management!

Event-Based Management

For the purposes of supply chain management information technology solutions it is often continent to place components supply chain management into 4 categories: Supply Chain Planning (SCP), Supply Chain Management (SCM), and Supply Chain Event Management (SCEM).

Supply Chain Planning refers to the strategic processes required to set up the supply chain. It refers to the sourcing of new suppliers, the establishing of new supply chains, etc. It's not really important to get into the details here.

Supply Chain Management tends to refer to the traditional management functions. Supply Chain Management is the basic monitoring and controlling of the supply chain. It also includes the establishing of operational relationships with suppliers – both business relationship and technical relationships.

Finally (in our rather simplified view) there is Supply Chain Event Management. Supply Chain Event Management is the monitoring of the supply chain in real time. Supply Chain Event Management covers the cases where something goes wrong in the establish supply chain. Simply, pre-definable issues like failure to deliver, stock and inventory mismatches, etc.

Supply Chain Event Management is basically Issue and Risk management for the supply chain. Because these issues can be pre-defines it is possible to establish workflow or other automatic responses to the issue.

I'm not suggesting for a second that the solution to management problems is more Event Management. Quite the opposition: the implementation of Supply Chain Event Management is only possible once Supply Chain Planning and Supply Chain Management systems are established.

It is the Supply Chain Planning and Supply Chain Management systems which provide the structure which really manage the supply chain. Effective event management is, in many ways, a last resort which accepts that the business and technical relationships that exist within a supply chain will not be perfect.

The analogy with management in general is that all to often the only management that is performed is Event Management. All to often management become the management of issues and risks as they occur

without the framework of a defined value chain or shared strategy.

1. Lessons from management – plans and quality reviews

A future example of the value and quality of deliverables being reduced the moment they are incorporated into the management process can be found in the production of plans themselves. For much of the MWT Model the very idea of top-down planning is rejected. However, the paradox to be resolved here is that there is actually nothing more helpful than a good quality plan.

In order to resolve this apparent paradox - that MWT Model rejects planning as the primary focus of the management process and yet there is nothing more useful than a good plan - we again need only look to the word *good*. What example makes a good plan? Does the MWT Model, by rejecting planning as the primary pat of the management, actually devalue good quality plans as such, or does it simply mean that making the plan primary in the process wont positively effect the quality of the plan?

Let's perform the self-injection which has become common to our analysis. If a project plan (or other type of plan) wasn't a *management* deliverable but rather just another project deliverable, what quality processes and reviews would it have to pass *without defects* in order to be considered a *good* plan?

Also, if we example the effect of the power relationships and politics inherent in the accepted management model, what will occur when a plan is treated as good when it is in really not *good* by any acceptable quality criteria. Let as also considered the effects of management-as-a-profession. As management evolves as a profession have further management behaviors evolved around the planning process to protect the planning deliverables from any reasonable evaluation of it's quality?

In the case of the side effects of management-as-profession it's clear that common managements such as 'it's a living plan', 'we can't plan for everything', and 'this is just a high-level plan we need to drill into the details' are all designed to reduce evaluation of the plan. *Designed* here is used as it would be in evolutionary theory to mean *evolved*.

If behaviors are evolving to stifle evaluation and defect finding in the plan it is natural to conclude that the quality of plans is at risk. Good deliverables have certain quality criteria. Good *management* deliverables must extend that criteria in line with the purpose of management itself and the relationship between management deliverables.

To talk a 'high-level plan' as opposed to a 'detailed plan' does not sufficiently respond to *any* defect that might be raised during inspection of the plan. To response sufficiently to a defect solely on the basis of detail avoids answering the question of what the *correct* level of detail for the plan actually is. And the correct level of detail can only be determined by considering the intended audience, the plans relationship to other management deliverables - including who is responsible for providing the *detail* that the response has now raised the expectation will be produced.

Furthermore, if the *detail* will be produced by the same manager who produced the high-level plan than the process governing the production of the detail is not strictly speaking a management process (because it doesn't cross more than one resource / person). Also, if the detail is to be produced by somebody other than the person who produced the high-level plan than the response to the defect must include reference to elements of the plan or related management deliverables which provide the necessary context to be able to effectively create the detail. In either case, 'this is only a high-level plan' is not a sufficent response to *any* defect raised on a plan.

2. My colleages

Leon Bray

You can't solve systemic problems by being beligerant.

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try applying risk management to the various responsibilites of managers … see The New MWT Hierarchy

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great place to work - everybody is a manager

A Great Place to Work

Robert Levering

State Library of NSW

331.20973 / 2

How management gets in the way:

Psychological manager (Elton Mayo)

-

p169 'If everybody is a manager, if follows that nobody is a manager'. Like the observation that making everything high priority is the same as making everything low priority.

MWT suggests that everyone is a manager in that everybody thinks and makes decisions. It does not, however, hold that everybody becomes part of the management class.

In an organisation such as People Express (which Levering discusses as 'the role model that crashed) what was acturally managing the org was the employees (owner/managers as they were) single edged deliniation line that expected direction and high-level management expectation that employees would 'self-manage'.

This is just another for of command-based management. Or rather un-architected relationships where a managing class, seperate from 'the work', has a bundled value proposition that is never made explicit.

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If ‘everybody is a manager’ that just means management is defined wrong!

Disintermediation of management

too much adding of what to manage and not enough optimisation of how to manage....

Interestingly my definition doesn't appear to include things like risk management – and yet I think risk management is of vital importance to the management process. However, I don't think asking people what the risks are and writing them done is particularly valuable. And the moment you ask somebody else you are dividing labour – and they requires management so it can't be management.

Where does politics come from? The more I think about it the more I don't understand why there is a government at all!

Co-ordination of Manages with The Managed

[Put in 'What is Management?']

if management is required to co-ordinate different specialisations the more the management discipline specalises the more we are faced with a problem, problem of co-ordinating specialist managers with other specialists, corporate governance.

Management which encompasses management

draw a diagram which shows management as encompassing the managers. In a sense this is what they mean by Governance. But looking at the HBS Corporate Governance review they seem to think that the best way to do corporate governance better is to manage it more – in the traditional sense. And I don't think that will work.

Management as Technology

Text

Automation

Text

Internet and Your Job

Text

Information Processing and Market Making

Text

Include the need to be able to predict what other people will do. Again, this is a clue from Economics.

Theory R

Text on Theory X and Theory Y and Types of Managers. No such thing as a type of management. People have types and that is respected; but management either works or it doesn't… Theory Reality.

Purpose of management… if management, as a technology, is supposed to combine different specialists then it needs to be able to combine the activities of different cultures. A group of artists and a group of construction workers are likely to have different cultures. The technology of management ensures that the separate but related activities of these groups can combine. In fact, it happens every day as an artist designs a building and then it is constructed. In this case this is managed by architecture.

Progression from coordinator to function/profession and separation from the managed

More stakeholders equals more management

More stakeholders equals more management

Add the following...

Follows 'non-managers manage more because they have more stakeholders'

matrix management (also a tempting solution that fails as the management cartel optimises for themselves but not the organisation)

I admit that I have a slight chip on my shoulder about this; but this is only because of where my experience and research for this book has lead my thinking. My conclusion is that this brokering of information from all of the employees natural stakeholders has only three effects and none of them benefit the employee.

Firstly, the employee is getting second hand, lower quality, information. In theory the manager can add value as they broker the information. In theory the manager is taking the information and re-contextualizing it for their staff. Traditionally, by brokering the information efficiencies are gain as the manager reorders and edits the information in order to make it more relevant. In the case of information regarding corporate strategic direction the manager may, for example, provide additional information on how a change in corporate strategy effects the department's procedures or initiatives. However, like I said before the sheer volume of data – a problem that managers themselves will attest to – means that often the information is simply forwarded throw the department's mailing list,

Second – manager learns more...

Third -

Managing At, Within, or Without

Managing At, Within, or Without

The ManageWithoutThem philosophy derives much of its power from radically distributed management. However, its premise is beyond that: ManageWithoutThem recognises that even without encouragement, people 'manage'. If your employees are not 'managing without them', what are they doing?

People have goals; they plan, they act, they make decisions, they learn what it takes to succeed or survive in their environment.

Perhaps they don't want to maximize success; perhaps they want to minimize frustration. Either way, in the sense that all individuals in the organisation act or make decisions (at some level), all individuals in the organisation manage.

At the most basic level all employees choose what emails they read and when they do or don't raise an issue to their supervisor. These small decisions, multiplied, can significantly effect the outcomes of the entire organisation.

Even without the context of an explicitly ManageWithoutThem organisation it is a fallacy to think that within your organisation some people manage and some people don't.

If your employees are managing without you, that is, they are following the ManageWithoutThem model, they:

Manage themselves as their own business with its own value chains, intellectual capital, brand, clients, suppliers, partners, etc.

Always judge the value that they contribute and their competencies in the context of their clients (internal or external), and their position in the value chain and their global organisation.

Utilise technology and shared services within the organisation to economise and promote growth

Understand the organisation's operational brand architecture and align with both the highest-level organisational brand and that of their business unit

Most organisational leaders would agree that these are admirable goals, however, some may still be reluctant to let employees 'manage without them'. Perhaps they should consider the alternatives:

Not Managing... Employees who are Not Managing are not thinking (and increasingly not performing as you business environment becomes more complex). They are relying on others to make their decisions for them. Not Managing is in many ways the antithesis of ManageWithoutThem.

Not Managing supposes that thinking can be separated from doing and that the metaphor of an organisation is an all thinking head with an all acting body. This is clearly not the case...

Many employees who are now Not Managing have probably been encouraged to adopt this approach because of problems in the organisation's culture and values.

As frightening as Not Managing sounds, perhaps this alternative is less common than you think. Perhaps the other alternatives are more common.

Managing At You... As a leader, you will have a particular style of work. Employees will learn your idiosyncrasies from experience and from discussions with other members of your staff.

Over time an equilibrium develops. Your staff know what you want to hear, how to minimise frustration, how to maximise success.

This reminds me of a recent article on TechRepublic advising on how to ensure budget requests are successful (i.e. approved). Not that they are aligned to the strategy of the organisation, simply that they are 'successful'.

The direct consequences of 'managing at you' may be inaction and change resistance. In the long term this approach could hamper innovation. It will also significantly reduce the organisation’s ability to work with other leaders, other cultures, other partners, etc...

Staff who are managing at you are probably your intended managers of the future. Is this really the type of leadership your organisation wants?

Managing Within You... Not everybody is managing at you. That would be a rather cynical view of the workforce. However, managing within you can also occur when your staff see their leaders as the be-all and end-all of their context.

Staff who are managing within you don’t have customers, they are not part of a value chain, and they aren’t trying to improve there own competencies. That is unless you tell them to. They only have a boss. You are their leader, they will do everything that you say – but only what you say – nothing more.

Managing To Fool You... Not everybody want to progress their career, or impress their boss. This group certainly isn’t after a promotion into your job. This folks simply want to get you off their back...

Managing To Survive... These people don't even want to get you off their back. You can annoy them all day if you want; as long as they still have a job at the end of the day. They just want to survive another day in your miserable company... (as they probably see it)

Managing Against You... There is a rare breed that is independently forming a successful sub-organisation, a successful sub-business.

But are they building the business you want? You may never know. These group may well be having a positive effect on your bottom line; until they leave and go work somewhere else.

Perhaps you should change your organisations strategy to match theirs – perhaps you shouldn't – where are they, again?

Finally... (okay, so this list is certainly incomplete)...

Managing Without You... this is self-management specifically for the purpose of getting the work done. This is self-management with a complete context of customers, your global organisation, and value chains.

Optimise you organisation - that is, increase its organisational usability - for the people managing without you. They are a mini-business, operating within a collaborative environment to service your organisation's market. These people utilise the other individual businesses within your organisation as their preferred partners.

Need to talk about the Harvard Business Review guide to governance. The definition is very dull. Basically, it says that governance is just more management. It talks about planning the board selection process, performance management of board members, etc (need to check book for this). The MWT definition of governance is simpler:

Governance is what managers the managers.

< use diagram > In short, if management is the coordination of separate by related activities bought about by the division of labour this begs an important question. What managers the division of labour between the manager and the managed?

In my experience within organisations one of the most common things I see if a huge gulf between the management team and the rest of the organisation. It is the inability of the management profession itself that causes this.

Good for the goose

Management theories (empowerment, etc) work for everybody except managers. If you empower one m...

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Management theories (empowerment, etc) work for everybody except managers. If you empower one manager you are potentially taking power away from each and every person who works from them.

Responsibility doesn't work like that in a hierarchy; and that's a good thing.

More successful vs better

Without proper governance it's impossible to tell the difference between a better manager and a more successful manager

Managing with Aloha

Aloha! What's in a name?

This is a quickly typed response to Rosa’s comments on my comments about the ChangeThis manifesto which accompanies her book ‘Managing with Aloha’. In my comments I might have accidentally kinda sorta let slip that I didn’t like her title. Actually, I think close to half of my comments were either ‘I haven’t read it all’ or ‘I don’t like the title’. Oh, and then I went on to talk about me and what I think... Oops :-)

From what I’ve read ‘Managing with Aloha’ sounds like a great way to manage. There is nothing I don’t like about it yet (Mind you I still haven’t finished reading even the ChangeThis manifesto. And don’t yet own the book.). I think if a manager learns its lessons and genuinely adopts the principles they will become a better manager - simply because the principles represent a better way to manage. I hope the book is very successful (perhaps it already is).

So what don’t I like about the title? Fact is, I don’t dislike the title quite as much now I’ve (almost) read the manifesto. And the reasons are touched on about a third of the way through the manifesto. I didn’t know the real meaning of ‘aloha’. So when I read the title of the book I think I subconsciously read it as ‘Managing with jolly and mindless enthusiasm’. Now I’m all for enthusiasm; but when I read the title it sounded like another quick fix. So I’m glad I read further because it’s made me realise something.

What it made me realise is that there is a place for quality management books for people who genuinely want to be better managers. Books for people who aren’t just interested in being ‘more successful’ managers. What I realised is that I probably under-estimate the number of people who genuinely want to become better managers just for the love of management - and that's unfair of me. I tend to be very hard on managers (though some would say I'm a little 'soft' on people who actually report to me - unless they are managers).

My focus in my research for my book (and the way I tend to read organisations) is only partially about looking at what managers are individually doing. Like I said in the original post about the Aloha manifesto, my thinking is part technology, part economics, and part values. So when I think of a management model I think of not only of what individual managers are doing but also what mechanisms (or 'institutions') exist in the organisation to ensure that the best management behaviours are the ones that are rewarded and encouraged. In other words, my definition of management actually touches on governance - that is, what managers the managers?

When I read the title 'Managing with Aloha' I immediately thought it was going to be a shallow effort with little to offer management science. Something similar the Fish! philosophy (sorry Pike Place Market). That is, harmless enough but adding little to the science of management or the theory of what makes organisations effective. But the content in 'Aloha' doesn't appear to be like that. 'Managing with Aloha' really does sound like the mentor-in-a-book it claims to be - directed at people who have decided to personally become better managers. And why not stop there? My problem is that I want to change the world - and I'm sure Rosa does too. I'd hate to see a poor manager faking the 'Managing with Aloha' messages. Hopefully I can contribute in a way that means managers who are 'Managing with Aloha', 'Managing Without Them', and similarly-styled managers are the ones that get the resources.

So perhaps I would have been more interested in the book if it was called 'Managing with unconditional love'. I at least would have understood the book more intuitively from that title. But I probably still wouldn't have bought it! Or at least I would have had to buy it with a copy of 'Business Leadership the Marine Corps Way' just to keep my street credibility (And this is me talking. The only Australia who doesn't love sport and who owns two Jewel albums).

Lastly, I don't think I'm the only one who has misread the title. Take a look at the first comment at the bottom of Slacker Manager Bren's post on the manifesto:

Updated: I have the manifesto open in front of me now and would also like to say I agree entirely that the 'premature and faulty condescension' Rosa sights around the whole leadership versus management issue is disturbing. For the same reasons but also a different one. I agree that we need both leaders and managers and they are different skills. However, this is also related to the expanded scope I apply to 'management'. I say 'What's so special about leadership?' as we are still left with the same problem: What mechanisms decide who are the genuine leaders? Without the right levels of transparency within the organisation the criteria isn't always effectiveness...

posted by Matthew at 7:27 AM | 3 comments | Link

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7. Disagreegating Management

Tips from the disagreegation of industry

All this talk about business-to-business (B2B) has been unashamedly 'firm' focused. Don Tapscott and his Digital4Sight (.com) consulting company have been doing a heap of great work on what they call B-Webs. A B-Web is an ecosystem of complementary organisations that create value via constructs that are somewhat more organic than a traditional, single firm might be.

But this book is not about B2B or B-Webs; it's about changing how we manage. And when we are taking about management we can't afford the level-of-analysis problems that might come with viewing a B-Web as a collection of firms.

Tapscott admits that a B-Web could equally be a collection of departments within the same company, but what's really interesting about a B-Web is that it represents a whole new way of performing the activities of management itself.

If a B-Web were simply a collection of organisations then it would be no different to a company that partners with a bunch of other companies. What is it about this 'Eco-system' approach which must necessitate a fundamentally different form of management?

A B-Web is as opposed to an acquisition - it is as opposed to ownership. In traditional management thinking, creating a group of companies that would work together to deliver a particular value proposition would have meant mergers, acquisitions, or tightly controlled partnerships. It would have meant aggregation of the value proposition and then pragmatically rolling out the structure. But the B-Web is a way of working with other companies despite the fact that you don't own or control them. How do you rollout a structure across and a large organisational unit like a B-Web when nobody is reading your emails and everybody is on a different Intranet?

But a B-Web is defined by more than just its lack of ownership or a lack of control. If a B-web can be a group of departments within the same company then how is that different than that same group of departments within that same company before they were called a B-Web?

Perhaps a B-Web, or the new style of management that it implies, can be layered over the top of a single department. Why must the level of analysis be a collection of firms, or a collection of departments? Perhaps a single department could suddenly be referred to as a B-Web - what changes in the department would that imply?

Clues may exist in the natural size and limits of organisation. From a CEO perspective we are taught that organisations have limits to their size. That an organisation with more than, say, 1000 people, will become bureaucratic unless it is split into stand-alone, strategic business units. But we're talking about management here; we can't get trapped in these level-of-analysis assumptions. There are general limits to organisation that will depend on the task, on the people, on the other members of the B-Web.

One difference between a single department and a single department operating as a B-Web may be in the recognition of the limits to organisation within the department as well as the corporation. But doesn't that mean splitting the department up in to smaller groups? Won't that lead to the same silo problems that you get when you split up a division?

There are even more problems. How do we determine the size of these new groups within the department? Department managers are busy enough as it is, do we really expect them to learn the intricacies of the department at a sufficient level of detailed so that they can issue a structure chart for the department that recognizes these groups? The world changes, business changes, new projects are formed. Won't the groups change too often to update the structure chart?

You might say 'Come on? Aren't we supposed to be making our organisations more informal?' Yes, that's true. But the groups exist regardless of whether or not we identify them. We've just switched on our traditional management thinking and assumed that something is being managed better if somebody organizes, and manages, and forms abstractions, and quantifies, and coordinates it for the benefit of the rest group.

Economics 101 tells us a little about coordination. Right off the bat economics is willing to admit that there are two ways of coordinating the economy. But we're talking about management; we can't afford these petty level-of-analysis problems. So we're going to say that there are two ways of coordinating in general: command-based coordination and market-based coordination.

The difference between a single department and a department turned B-Web may well be a switch a market-based coordination mechanism. Management itself exists within firms only as a mechanism for coordinating separate but related activities formed by the division of labor. The term management should never had implied a 'who', only coordination.

So is it as simple a command-and-control becomes market-based coordination? I don't think so. Where we ever really controlling anything fully? We were only ever controlling the edges so that it looks like everything was being controlled. The market always existed, and the edges are disappearing. And both trends are unfolding more rapidly than ever - you can thank the Internet and other communication technologies for that.

But if the market always existed why does recognizing it change anything? Perhaps it doesn't. Perhaps an organisation that recognizes that it is a market will behave just like any other organisation. After all, knowing exactly what is going on in the system doesn't necessarily make it better - that's old style management thinking.

But what is your organisation a market of? Perhaps a B-Web changes that? Or perhaps it's deeper than that, perhaps a B-Web changes the rules of the market - the underlining politics of the market. Perhaps the rules change from a communist politics to a free-market or liberal politics?

And what of comparisons with statist and liberal politics? Can management learn from politics? We can certainly learn from economics. The maturity of both politics and economics as a discipline is far greater than the maturity of the discipline of management. But perhaps the discipline of management is as old as life itself?

Perhaps deeper still than a change in politics, perhaps the 'values' of a B-Web market are also different? Not just economic value (though that must surely figure in an organisational market) but the 'values'. What the organisation beliefs and holds dear to its heart.

But 'values' are almost in the realm of traditional management, right? Your company has a list of values already, right? Perhaps there is already a grand plan to turn your whole organisation into connected B-Webs and your CEO's talk of 'values' is the hint?

But you look around and you can't find the values on the Intranet site, and when you do they don't make sense. Who's values are these? What has happened is that your organisation knows values are important so it has started managing them. But 'values' can't be managed in that traditional way - no more than 'knowledge' or 'innovation' or 'value' can be managed that way.

Perhaps we've changed what we manage but are reluctant to change how we manage?

I'll stop saying B-Web now and just talk of the type of management that it might necessitate. And that's what we'll do for the rest of the book. I'll go one chapter after the other, building on ideas in the previous chapters. I'll make sure this book is well managed… but if we're are talking about management - we can't afford those pesky level-of-analysis assumptions… perhaps we'll do this book differently…

Managing management value-add

All of the things added to management (find old response to David W.) need to be disagreegated so we can manage the application of them.

Aggregation of Management

Business Development, Mentoring, Planning, etc are all good. But they are beyond management. These must be shared services.

Use a Tascott disaggregation re-aggregation. Basically, applying the same methodology used at the level of industries to within the firm.

When we are managing without them we are replacing the basic planning/monitoring/controlling cycle with distributed management and then disaggregating all the rest (mentoring, strategic planning, performance management (on some levels), etc, etc).

Once the basic MWT model is in place other traditional management activities can still be performed – but they will be feedback –they will need a value proposition.

Disaagreegation of Management

Disaggregation of the management value proposition. Too much which is beyond coordination. Which is okay but Strategist must share strategy, Leader must be align to strategy. This is about management task not requiring a value proposition.

quote author

quote source

Measurement of the effectiveness of leadership is simply one example of a reoccurring problem of the measurement and optimisation of management activities.

Management has become one large aggregated value proposition. Management, while it might have originally been simply supervision, as the environment became more complicated expanded. Now the bundled management package includes: leadership, mentoring, planning, strategy making, performance evaluation, etc. Also, new things are being defined that need to be managed: customer relationships, knowledge, value, supply chains. And in all cases management evolves claiming authority and then overlaying a basic planning, monitoring, and controlling process of the activity.

More importantly, this aggregated value proposition has no mechanism by which is it tested. It is assumed that each of the management functions, and any new functions that are added to the aggregation should be accepted without question as adding value – simple because they are part of the management function.

Don Tapscott, in his Digital4Sight and related programs advocates the dis-aggregation of industries as part of the strategic planning process for dealing with the effects of Internet technologies of industries. His level of analysis tends to be an industry. The process recognises that reduced transaction costs allow for the separation of, say, a xxxx business into it's component parts: xxxxx, xxxxxx, xxxxxxx. These separate specialist organisations operate as separate businesses providing separate services to the consumer or re-agreegating as a B-web as required to provide custom arrangements to consumers. (or something like that).

The process also recognising some other quirks of Internet technologies and how they might effect industries. For instance the ability for consumers to create content. Or more generally, for consumers to be part of the production process.

If we apply the dis-aggregation and re-aggregation process to the bundled management proposition we split management up into it's component parts:

<diagram showing: coordination, steering, mentoring, performance management, leadership, planning, monitoring, controlling, strategy making, etc, etc>

Some work would be required to include management aimed as changing the organisation (project management, change management, etc) and management aimed at keeping the organisation the same (operation management, etc). (something like the ChrisFox picture).

Also, the bundle would have to include such characteristics as the ability of employees to 'provide content'. This may be through emergent strategy or as part of the give-and-take process of effective change management.

In the Tapscott model the disaggregated components of the industry are re-aggregated as required through the B-web. The B-web appears to be a non-linier supply chain process with some quirks. The interconnected, networked nature of the B-web infrastructure manages the relationship between the parties.

In a disaggregated management model the dis-aggregated components of management must be managed by a market or transactions, ideas, and axioms beyond the managers themselves.

Industry Disaggregation

Text

Management Disaggregation

Put components into something like the Chris Fox model.

Management Re-Aggregation

Text

The Baby and the Bathwater

This is all about what has happened as management progresses as a discipl...

The Baby and the Bathwater

This is all about what has happened as management progresses as a discipline instead of a technology. Separation of processes, jargon, cult. Aggregation -> Disaggregation -> Re-Aggregation. Perennial Organisations… (which aren't necessarily bad. of course)

Manageers provide predictability

PMs always manage scope, for better or worse

19. Built Environment Architecture

Christopher Alexander.

Built Architecture and IT

In his EEEI address Christopher Alexander calls for IT professionals to assists his profession in creating the generative processes which would allow him to complete his vision of a better built environment. This is interesting because the IT industry is still struggling to catch up to the way the construction industry managers projects.

Bear in mind that Christopher is talking to IT professions, not IT managers….

Learning From and Teaching To Built Architecture

This is the Christopher Alexander connection. Part...

Learning From and Teaching To Built Architecture

This is the Christopher Alexander connection. Particularly, this is the "IT teaching architects of the built environment" that CA mentions in EEEI talk.

Notes from CoTL

Other links related to Christopher Alexander

a topic started by Dan Cornett on 28 Jun 05

Regarding "The Nature of Order" by Nikos A. Salingaros.

Christopher Alexander: An Introduction for Object-Oriented Designers by Doug Lea, SUNY Oswego / NY CASE Center

A site focused on 'changing the world' through Pattern Language (with bio and other links related to Christopher, since Pattern Language is one of Christopher's innovations).

Review of Alexander's Nature of Order in DDJ (Dan Cornett, kz5jwt, 7 Jul 05 2:59am)

The August 2005 Dr. Dobbs Journal has a review of the four volume "The Nature of Order" (pg 85). This is not (currently) a link because the online content is not available (nor will it be unless you have a DDJ subscription).

The review is by Jacek Sokulski; the author note indicates he is working on adaptation of Alexander's theory to software development. mailto:jackar@epf.pl

In particular, Sokulski thinks the second book ("The Process of Creating Life...") is of most interest to developers.

"... generative processes are not currently used in software development to any great extent. It is worth noting that practically all successful complex systems are the result of generative processes, and complexity is one of the greatest challenges in software development. Features of generative processes include:

* Generative processes always operate on the whole, [...] where the system is not composed from parts, but the whole unfolds from the very beginning.

* This unfolding is through a sequence of transformations, which Alexander calls 'structure-preserving transformations'. Such transformation acts and elaborates on existing wholeness, preserving its structure, similar to what we see in software with refactoring, where transformation of the code preserves the function (but not the structure). Another example of a structure-preserving transformation is proper use of patterns.

* Generative processes are highly adaptive. At each step, there is maximal adaptation to inner and outer forces."

Subjective reality vs subjective measurement

In a surprising experiment performed by Christopher Alexander he asked people to example pieces of art and answer a seemingly subjective question. When comparing two pieces art participants were asked to identify which of the items contained the greater degree of life. Which piece had the great degree of *wholeness*.[1]

These questions are on the face of it highly subjective. The question 'Which object to your seems to have the greater sense of wholeness?' would be declared deeply ambiguous in and of itself by anybody trained in logic, objective thought, or even communication! The answers to such a question would be expected to tell you something about the observer but very little (objectively) about the objects themselves.

What caused Christopher Alexander to continue thinking deeply about these questions was partially the surprising answers he got back. While the question itself seemed vague, if he persisted and pushed people to simply answer the question the best they could, a majority of people gave the same answer then presented with two objects to compare.

Further research of this type revealed that when left to study the objects - perhaps even to reexamine their answers based on the answers of others - the responses further converged to identify the object with the greater *wholeness*.

Rather than this being the result of peer group pressure, or the objects simply being mored liked or fashionable, Alexander has found that the objects which specifically had the greater *wholeness* were not always the objects that people immediately liked the most. Fashionable items were often in negative correlation with those containing greater wholeness in the final analysis.

In fact, Alexander identifies certain properties or patterns that are more or less present and interacting in correlation with objects with contain a greater degree of wholeness[2]. In related work we find evidence of a positive relationship between what is beautiful and what is actually functional - which leads to the potential of simple tests which can be performed to determine good design and ultimately to a new way of performing the design and building process[3].

Ultimately, the written works of Christopher Alexander have a lot to teach anybody embracing the ideas in this current book. Some of Alexander's earlier works were indeed embraced by the information technology industry [4]. However, there is one particularly important lessons from these experiments with enduring value to organisational development.

By identifying that correlation between responses in the original question relating to *wholeness*, Alexander has shown that the quality exists. Between finding correlation between beauty and function Alexander has identified that there value in making judgement on the beautiful or *wholeness* of all sorts of designed objects.

Designed objects can include business process, forms, evaluation criteria, or whole organisations. While the observer may be making what many would think of as a subjective assessment of a business process, correlation in the assessment of other seems to suggest that the qualities being observed really do exist - they are real.

This is the difference between subjective measurement and subjective reality. Alexander has identified that the human mind, used more acutely and perhaps intuitively in the measurement process - to make a subjective measurement - is sometimes uniquely suited to measuring some real properties which actual exist in the world.

The fact that it takes subjective forms of measurement to measure these properties doesn't mean that reality itself is subjective. If all of these is a little too theoretical I tend to agree. But this reasoning is required to justify what many off us intuitively identify. Sometimes we should trust our instincts then it comes to our evaluations of organisational design.

Much of the disengagement of the workforce can be traced to an on-going process of employees learning not to trust their own instinct of when something is wrong. When a new business process is communicated which doesn't feel right it quite often isn't right. The fact that a separate and independent class of management thinking has involved in an intellectual arms race does not change your independent judgement.

Managerialism means that managers are often charged with implementing policies that they don't agree with. However, they will be judged on how well they are implemented. So much of what is considered organisational change management is to allow things to be implemented without resistance.

Imaging a meeting where a new process is described. One of the participants says "This doesn't make any sense. It will mean more work." The management profession has evolved answer to this. "Change is hard", "Eventually you'll accept the change", or "Nobody likes change" are likely responses.

These responses are effectively management tools because they work even if the change is actually bad for the organisation. In fact, the are effective in the sense that they are effective for the manager - in reality they are ineffectively and detrimental to the organisation to the degree that the proposed change is detrimental to the organisation. They smulder valid objections as well as invalid objections.

A core principle of our management model can be started as "Say this sucks is the first step to good management - take the next step". Our subjective measuring systems are very good at identifying poor design. Be are also very good at identifying ugly design. If beautiful has any functional value - or even if it just premotes engagement - our genuine responses to organisationals have value.

Evolutionary Stable Systems - no conspiracy

This is about natural law, evolutionary stable systems (Richard Dawkins), one step removed from genes, Formative, Normative, and Integrative Systems, etc

From Evolution

Text

From Science

Quantum and Particle Physics, 12th March, 2001

The difference between leading a ManageWithoutThem organisation and managing a traditional organisation is like the difference between particle physics and quantum physics.

In particle physics apples fall from trees, matter is made of atoms with a comprehendible structure, objects either exist or they don't, and a defined set of forces will produce a defined result. Things behave sequentially.

But in quantum physics objects have a probability of existing, matter is a messy cloud, and observation effects reality. (more on quantum physics can be found on this site)

The 'quantum foam' of quantum physics; the unexpectedly dynamic and complex mess that quantum physicists consider matter to be made up of, is like the ManageWithoutThem internal market.

Most of your particle physics, which were once quite adequate for modelling how your organisation worked, will have to be reconsidered. May of the tools you once used to describe your particle physics organisation; your process charts and organisational hierarchies, simply won't work to describe a ManageWithoutThem organisation.

To describe a ManageWithoutThem organisation will be difficult for a particle physicist. Each time a document is written, or a new procedure, or a job description, you will be writing like a particle physicist. And you may be the very best particle physicist around; but you're trying to write about quantum physics. Not only that, but people will expect you to write about particle physics.

So it's going to be more difficult. But don't despair. The fact is the quantum physics is quite simply a more accurate way of viewing the way the universe works. Not only that but in quantum physics things that have been proved to be impossible in particle physics are suddenly possible.

From Systems Theory

Text

From History

Text

Genes and Evolution

text…

Genes and Evolution

text…

process, kM, and genes

Basic KM

processes absorb knowledge

or

assist coordination/collaboration

only

also,

Dawkins : EVOLUTION sees only the effects of REPRODUCTION not the genes themselves.

Shoot the Messenger

Point-to-Point Connection. If you are a messenger you are not necessarily addin...

Shoot the Messenger

Point-to-Point Connection. If you are a messenger you are not necessarily adding value… Analogy of the Greek (?) messenger runners. Distance conquered by physical stamina. Now the problem isn't distance it is information overload… Runners become bringer of structure and clarify… But wasn't it that the Greek runners were often killed at the end of a run?

Runner refs:

http://www.marathonguide.com/history/olympicmarathons/prologue.cfm

http://www.needham.k12.ma.us/pollard/media_center/greece.html

I can speak personally of this. Project engagement. Project is a mess. Tidy it up. They shoot the messenger…. :-)

Tuesday, April 22, 2003

So; Why am I so interested in architecting?

This is covering some familiar ground but I was recently asked why I get excited by 'architect' roles?

Basically, it's because I think the whole concept of 'architecting' is missing from management theory (and therefore most organisations). I think architecting is basically creating a delineated shared understanding of how a bunch of people collaborate.

I see architecting as an alternative (more mature) collaborative model to the manager/managed relationship. We talk a lot about moving away from command-and-control organisations but it's darn near impossible to change an organisation by just saying what you're not allowed to do. You have to provide an alternative behaviour.

Economics tells us that the alternative to 'command' is 'market' but I don't think it helps organisations to go to a strict laissez-faire market model. I think the middle-ground is to build something I'd call a 'collaboration architecture' which structures the 'market' of ideas (and of activities). Such a collaboration architecture conceptually comes before the usual planning, monitoring, controlling steps of management. So you find that even the project manager starts to collaborate with the team (!) in terms of the collaboration architecture.

In a way this is just accelerating that normal storming, forming, and norming of team dynamics; but in a way which provides something tangible (and therefore reusable!).

I have a particular interest in the IT Services industry where these sort of roles are called 'systems architects' or 'enterprise architects'. While there might be lots of people in the industry with the right skills, what is always missing is the acknowledgement of the role itself (and how it differs from something you might call high-level solution 'design').

People with the appropriate skills need to think deeply enough about those skills so that they can be scaled to any sized endeavour.

So, think deeply!

posted by Matthew at 5:01 AM | 0 comments | Link

MORE BLOG-arch

No wrong way to slice the pie? (and do you even know?)

Posted in Collaboration Architectures, Enterprise Architecture, General MWT, IT Management, Multisourcing by admin on the May 7th, 2009 Edit This

Management, as a discipline, has a problem it can"t solve. It needs to coordinate separate but related activities caused by the division of labour. And it needs to be able to do this regardless of how labour is divided.

Project management, in particular, has this problem. I've said before that project management is a perfectly reasonable discipline as long as it doesn't try to cross organisational boundaries. This is why project management is necessary but not sufficient in managing outsourcing.

Likewise, program management – which the discipline likes to define as the management of multiple related projects – isn't really a separate discipline because of the scale of the work or the number of projects, it's a separate discipline because multiple projects have multiple project managers.

Unfortunately, the accepted tenets of management simply do not scale. Multiple managers causes more problems than they solve – and therefore situations which require multiple managers need other practices to govern them.

The root of this problem is that ultimately, the discipline of management doesn't in itself offer any useful advice on how to divide labour. It takes it as a given that labour is divided and then attempts to coordinate that.

Equally, managers – when you switch them on and give them responsibilities – tend to manage to those responsibilities. Good so far, but if the division of responsibilities isn't right there is a problem. The problem might even get bigger if the managers are better.

But there are right and wrong ways to divide labour. Some activities are autonomous and some aren't. Dividing management responsibilities and activities has its own additional challenges.

Only 'architecture' (which I define in this context as deliniated shared understanding) can offer any help in the actual division of labour. However, architecture must be domain specific. In order to determine correct/incorrect or efficient/inefficient divisions of labour it must take into account the domain and the required outcome.

(by the way, if you think a 'strong management team' solves this problem check out my article on 'Management Teams as Cartels')

0 Comments

Thought of the day

Posted in Austrian Economics, Current Events, Thought of the day by admin on the May 6th, 2009 Edit This

Mainstream economics is not the cause of the current financial crisis – rather, the cause of the current financial crisis and the cause of mainstream economics being mainstream are the same.

(article to follow)

0 Comments

Bounded Rationality

Bounded Rationality and Decisions:- i.e. decisions, made at any level, are still...

Bounded Rationality

Bounded Rationality and Decisions:- i.e. decisions, made at any level, are still subject to bounded rationality. A person, in being disignated the title of management, is suddenly not immune to this.

Lessons from Enterprise Architecture

Lessons from Enterprise Architecture

Management, at its worst, can become the art of complaining that nobody is seeing the big picture - even when there isn't one.

If there is one industry that struggles to see it's value to organisations, and society as a whole it's the IT industry. Sure, there has been period of hype regarding the promise of technology; but, there is also an overarching opinion that technology is somehow inferior to business and that it must somehow serve the greater purpose of business.

But as we have seen, every time we use a standard set of language, or a common set of processes or behaviors we are effectively using a 'technology' in the broad sense. By asking technology to answer to 'business' in this general sense you are really only asking technology to answer to the standard mechanisms of measuring value. But all of this tools are themselves technologies.

The process of determining a return on investment is the application of a portfolio planning technology. If this tool doesn't improve the value generated from the portfolio then the process itself is at least partially to blame.

Because of the IT industries on-going challenge to show that it is delivering value to the organisation it has over time developed some sophisticated 'technologies' to plan and communicate value creation through technology spend.

One of the key tools that IT uses to attempt to align to business value is the idea of the enterprise architecture. There a many conflicting definitions of what an enterprise architecture is but for this discussion I define the enterprise architecture as the architecture of the enterprise. That is the overall delineated shared understanding of the enterprise. Show the overall value creation components of the organisation and the value streams within the organisation.

The enterprise architecture (sometimes called the enterprise business architecture) is literally a big picture of the organisation. It will highlight different features of the organisation depending on the operation and business model of the organisation. It will show key operational processes that consume capital or utilise assets, as well a key business processes which optimise return on operational processes. It will also show components that deliver value through service delivery. These themselves could be differentiating services which are key to the organisations business strategy, or they may be non-differentiating services which may be outsourced.

What is the ROI of an Enterprise Architecture?

Given that the enterprise architecture is quite literally a big picture of the enterprise I think it's unfortunate when we are asked for an ROI for developing a EA practice. But this is a constraint question that enterprise architecture groups must answer.

This is like asking for the ROI of having a project manager. It's probably a good question, and I've asked it myself, but some things need to be sacred so we can just get on with the job.

I'd never ask for the ROI to set up an EA practice - to me this is sacred - because I'm sold on the idea already, as long as it's small. I think we need to sell EA more so less people ask for an ROI. But I also think that means changing slightly how we currently define EA. It also means we need a response when people ask for an ROI...

This is why I'm so interested in how we define what EA actually is. I think we should define EA solely as what some on this group might call Enterprise Business Architecture (EBA). The other deliverables, work products, initiates, etc should be traced to that EBA but we shouldn't call that the EA. We also shouldn't say the EA is complete only when all of the IT components properly align to it. We should simple do the EBA - showing value streams, key customers, service strategies for the enterprise, etc - and trace to the minimum asset types required to get calculate baseline alignment to the EA.

The reason I say this is because you can't define a return on investment for developing an EA practice except in terms of improving decision making relating to IT investment. You are looking to improve alignment to the EBA over time, but you can't do that from the EA practice itself. You can only do that by influencing IT investment decisions. Unfortunately, a more general tool already exists for improving decision making relating to investments. And that's the ROI calculation.

The problem is nobody ever asks 'What is the ROI of determining the ROI?', nobody ever asks the question 'What is the quality of the ROI calculation?', and nobody ever asks 'How is the ROI process performing?'. There is a bunch of IT effort being spent which roles up into the ROI calculation and unless you think your IT systems couldn't be any better at this point in time, it's not working.

Whether it's formal or informal, organisations already think they are making decisions to maximize return on investment. The problem is, in the area of IT investment there is no formal method of determing the inputs which go into the calculation of return on investment. Also, the inputs must take into account the value streams of the business, IT costs, changes in IT cost structure, and changes in business cost structure. IT initiatives move costs into IT while creating activities/costs to be performed by users outside IT. As such, IT can't determine ROI itself because the initiatives transform more than just the IT organisation.

An EA practice should formalise that process of determining the inputs into ROI calculations. It should also allow the performance of that process to be managed over time. By the way, within the phase 'IT initiatives' I am also including that particular type of project I like which is technology-enabled business transformation.

Other initiatives - business initiatives - simply need to include the costs of IT in their ROI calculation. IT cannot, by itself, commit to all 'returns' which are outcomes of IT initiatives. This doesn't mean IT can't run business transformation programmes. It simply means that any initative of this type requires communication, traceability, and modeling across multiple disiplines. And it needs this even to calculate the ROI.

EA, in the strict sense of Enterprise Business Architecture, is the basis for not only IT strategy, but also for IT investment decisions. EA, in this sense, is the baseline level of knowledge and process required to make ROI calculations for other IT initiatives. So asking for an ROI for and EA practice which analyses the value streams of an enterprise and traces these to technical and organisational components is like asking for the ROI of developing high quality ROI calculations.

By the way, it's possible that a particular CIO doesn't have the responsibility for delivering value from IT investments. In some instances the IT function doesn't technically run even IT projects. Instead these projects are 'business projects' relying on IT only to deliver a defined set of IT services. However, this is a dangerous position for a CIO to be in. It also just means that the EA practice should be sponsored by somebody else who does have that responsibility. It doesn't mean that (a small) EA practice shouldn't exist.

Quotes

"Under capitalism, man oppresses man. Under communism, it's the other way around." - from http://cafehayek.typepad.com/hayek/2006/05/chaos.html

Lessons from Hayek

20. Rule of Law

Essay on Law in Palm iSilo.

Also, The Law by Bastiat – rules for 'good' laws

Hayek and Rule by Law – rules for 'good' laws

'Rule by Law' to 'Rule by Brand'

Also add the ‘good law’ discussion about not knowing until after the law is applied to specific set of circumstances how the law applies to.

Natural Law and Order

Sunday, July 10, 2005

Naturual Law and Order

Hans-Hermann Hoppe is always interesting. Sit back and listen to a great introduction to natural law, property and easements, and the evolution of natural law into the order provided by feudalism. It's a facinating trip through history. Unfortunately he runs out of time before he finishes the lecture.

Even if you don't enjoy the content you could make a drinking game out of he number of times he says 'So to speak' :-)

Found in Mises media.

http://www.mises.org/multimedia/mp3/hoppe/6.mp3

http://www.mises.org/Media/Default.aspx

posted by Matthew at 3:54 AM | 0 comments | Link

What about the environment

Following from using Austrian Economics…

Personal social responsibility vs systematic social responsibility.doc

Some may argue that while using Austrian Economics as a basis for internal corporate management may be defendable on the basis that corporation, if not economies in general, really do exist to create money; but most are likely to raise objections. These objections are like to come in the form of 'corporations have a social responsibility; including a responsibility to protect the environment'.

Before addressing this issue first I'd like to reframe it. While I think that social responsibilities such as that to protect the environment are important I think imposing a direct obligation on corporations is an ineffective way of ensuring such protection and consideration of the environment actually occurs.

I am a big believer in the power of transparency to improve corporations…. <reference to 'Everybody Knows' by Leonard Cohen>… I think that such transparency will, if in the interests of the population of customers and consumers, will improve way corporation consider the environment.

Returning to the issue of using Austrian Economics as a basis for corporate management I think the important thing to remember is that's it's not a CEO's intensions that effect the environment but the corporations actions. The management of an organisation is responsible for determining how an organisations acts. By management, I mean the overall, integrated operational governance which is the theme of this book. It is not enough that the CEO intends to protect the environment. It needs to be that the systems within the organisation actually lead to only environmentally conscious activities. The increased transparency, and more importantly, standards of governance, use of technology, and a new way of thinking about management – all of which help align what is being reported from the corporation to what is actually occurring – will ultimately force corporations to behave in a manner which the public is willing to accept.

The cynical among you may suggest that corporation need to act better than what the public is willing to accept. This may well be so; but if it is the case it should trigger alarm bells beyond the scope of corporate management… <add more here?>

Acts such as Sarbanes-Oxley have already started to increase the amount of information corporation must make transparent. I fully expect, however, that future acts will attempt to standardise not only what is reported but also the markets and systems within the corporation that collect the required information. I expected that the kind of separations describes on page ?????? under 'Of Management and Measurement' will start to occur as the corporation level with legislation attempting to control both.

class based economics - class basd organisations

Must re-assess simple observation about analysis of economies in classes. Look at The Road to Selfdom, p166 (about there). Problem with my original statements is that socialism calls for a classless society. We are only condeming the analysis for being class-based; not the system.

By suggesting there is only a 'production process' and not a seperate 'distribution process' we could be read as suggesting a class-less organisation. We are however talking about management, not organisiational strucuture. Like the capitialistic system we are recognising that we are not born equal. By addressing management we are address how the classes are formed. (I.e. It's only if we decide that some people do certain things better than others - as logn as we get it right)

Requirements Ridicle

Wednesday, June 29, 2005

Requirements Ridicle - the other requirements denial

There is another type of requirements denial. I've noticed this in the past but I didn't know how common the phenomenon was. I think I'll call it Requirements Ridicule. It's probably an indication of more substantial communication issues between the client and the vendor but Requirements Ridicule is a symptom that is easy to spot.

Requirements Ridicule is when the client requests a requirement and the vendor, rather than try to under the drivers for the requirements and work through any communication issues, immediately interprets the requirement as the most ridiculous nonsensical self-contradicting statement that the client could have possible meant. The vendor then immediately says the requirement doesn't make sense.

For most IT projects, where the client isn't an expert in requirements analysis or software development, this practice is entirely inappropriate. The client will still want the requirement to be met; but it's likely that it's either not the true requirement or has been misinterpreted by the vendor. As the vendor isn't trying to determine the real requirement what is actually implemented will most likely be ridiculous.

Not only is the implementation of the requirement likely to be ridiculous but the vendor will be out to prove that the requirement is ridiculous. Developers will decide they are not responsible for implementing this requirement with any degree of quality because it is inherently ridiculous. In fact the long suffering developer (who in large projects isn't to blame because they didn't collect the requirements) will tell their manager that the requirement is probably not what the client really wants but the manager tell them to develop it anyway.

In the end, developers wont consider that deadlines apply to the implementation of this requirement because it is so inherently ridiculous that of course it's going to take a long time to implement! I'm not blaming developers here, by the way. I rarely condemn developers as they have already been condemned to a life of confusion and frustration working for bad IT managers.

posted by Matthew at 5:42 PM | 1 comments | Link

Tuesday, June 28, 2005

A business transformation checklist

From an unlikely source perhaps (the 'Army Enterprise Integration Oversite Office') we see an interesting high-level checklist for business transformation. The fact that it is in a circle doesn't really add any value but it's pretty. And it's a good starting point for planning a business transformation programme in a government organisation...

It also provides an interesting quote about where the risks might be for enterprise resource planning (ERP) implementations:

In a survey of CEOs who had recently implemented ERPs, 73% identified cultural and organization factors as the risks (high or very high risk), compared to 41% identifying business and process factors as carrying an equivalent risk, and 27% identifying the same level of risk for technology and system factors 22. These results reveal the importance of investing budget and resources for transformation management services for all phases of an ERP or CBPI program. An effective transformation management program increases the likelihood that a project will be completed successfully and anticipated benefits are delivered.

http://www.army.mil/aeioo/tm/guide_overview.htm

http://www.army.mil/aeioo/info/hqda_ref.htm

posted by Matthew at 6:38 AM | 2 comments | Link

Requirements Denial

Thursday, June 23, 2005

"Requirements Denial"

"Because no-one takes an independent view of whether the user requirements have been correctly stated, and whether the project [as] built is going to satisfy them, many projects contain a huge but undefined and unrecognized element of risk. This doesn’t mean that they will all fail, but when they do, the results can be spectacular... This failure is known as 'requirements denial'"

http://www.top-consultant.com/Australia/news/Article_Display.asp?ID=2172

Top-Consultant.com - Global Opportunities in Consulting

posted by Matthew at 10:05 PM | 0 comments | Link

MWT Pilots

Maybe the comradeship of pilots is at least partially attributable to the method used to educate pilots (or my god!!! this is the same method a scientology!). The standardised body of knowledge means that all pilots have at least some shared experience - making it easy to work together. The approach may also create an environment of friendly competition as because their is a [perceived] standardised knowledge transfer during training the art of competing more purely represents the skill of the participants.

All this would have to be confirmed - do pilots actually get along?

Within the management profession you can see the same standardisation of knowledge in such areas as project management (concider the PMBOK and other project management certifiactions). This does indeed make it easy for project managers to work together. It also contributes to the specialisation of language which destroys collaboration-based management (discussed in the Management as a Cult section). Also, like the pilots PMs can be competitive and need to compete for resources.

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also there is a kind of seperation of management and measurement in the pilot vs ATC seperation. also a use of a technology-enabed market in the use of the radar, plane transmitter thing, etc.

Lessons from Outsourcing

Describe the outsourcing value proposition.

Then describe how these levels allow innovation and control.

Well managed outsourcing is hell. But then the task of management wasn't up to the challenge of managing outsourcing. The value of outsourcing requires a different way of managing the specialised skillset required is what we can learn from to apply to the general management disipline.

Knowledge management IS management

Tuesday, September 10, 2002

Knowledge Management Equals Management?

Knowledge Management is often (I think mistakenly) seen as a subset of Management. Or worse still, knowledge is seen as just something else which needs to be managed.

I think Knowledge Management should be considered a super-set of management. What is traditionally thought of as management information (plans, strategies, tasks, resource and capability information) is just one particular type of information which needs to be managed.

Of course, if follows from the argument in my previous post to say that if the division of labour = the division of knowledge, then the management of knowledge = the management of labour.

More importantly, if you look at how you manage knowledge you will get clues as to how you might manage in general.

At the moment how you manage knowledge is through taxonomies, information architectures, certain semantic web constructs, etc. - detailed commentary of which you can find at:

Andrew Newman's MoreNews

morenews.blogspot.com

Look out for a convergence between the language used to describe the management of knowledge and the language used to describe management in general.

posted by Matthew at 3:22 AM | 0 comments | Link

Part 3: Tempting Solutions, That Fail

Why management cannot fix itself

Tempting solutions intro

riday, July 08, 2005

Why are programmers supposed to know everything?

Interesting rant called Programmers Need To Learn Statistics Or I Will Kill Them All (http://www.zedshaw.com/blog/programming/programmer_stats.html). My immediate reaction was to see this as just another example of people being upset that programmers don't know everything.

To wish that programmers knew everything is generally a waste of time (how could they?). But I think this guy is onto something - I just don't yet know what it is. There is certainly something wrong with the way many IT people think the world works which comes out when they try to manage.

posted by Matthew at 9:55 PM | 2 comments | Link

Software devt vs programming

David Crow: Why software development is not only programming

There is a void between programming and software development. In the absence of good software development management the struggles of that void are taken up by the programmers. Unfortunately, when that struggle becomes too much of a burden for the programme to bare the programmer is taken to be incompetent when in reality it is the unmanaged void that was too blame... David Crow: Why software development is not only programming: "Successful software development is so much more than programming (**http://davidcrow.ca/2005/06/03/why_software_development_is_not_only_programming.html**). Or maybe better put programming is so much more than being able to write code."

posted by Matthew at 9:48 PM | 0 comments | Link

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notes 12343

Notes

You're not losing control...

You're realising that there never really was control

Your Environment

...the companies values, goals, processes and stratagies are part of that... ... competing with others... ... organisational usability ...

You'd be surprised how much documentation MWT people produce!

Plot on a graph…. one axis 'the power to drive coordination of the organisation' and on the other 'the power to drive in the right direction'. Then plot points on the graph for cynicism, 'a manager', fear, core values, apathy, malaise, … etc…

Building Team… as apposed to 'team building'. Difference in that you don't have to climb any ladders.

Beating people up. If you question the 'beat people up' approach I am immediately confronted with a comment such as 'I'm not a touchy-feelly manager'. This is not a response. The opposite of 'beating people up' is not being a touchy feelly manager. It is recognising that there is no conspiracy. People act with the information they have – the context they are given. The feedback the organisational useability gives them. For example; I once overhead a project manager complaining that even though he had explained to a particular person that they needed information quickly when he got the information it was wrong and they had to 'stuff around' to fix it. They had to waste time fixing up wrong information when they had made it clear they hadn't the time to waste – they needed it quickly. Now the key here was that they wanted it quickly – and that was the only attribute they discribed. Didn't give the person any context (they were not part of the project team) just the amount of time they had to do it. A competent leader sees the duration of the entire activity, not just how long it takes to ask. She sees the irony of the old say 'there is never enough time to do it right, but always enough time to do it again'.

Besides, I would never talk about management styles right. People have difference styles, where they are managers or specialists in some other field. There is no such thing as a management style – management is a technology.

p14 The Economic Nature of the Firm - Organisations are seen in the Coasion approach as 'spheres of planning'. Market-economies are there for, in reality, composite economies of both market and planned coordination with the market (ie. competition) determining the level of each by determining the size, specialisations and boundaries of firms.

In Coarse's explainations of the firm it is explicit that firms will be control-based in their coordination. p16, footnote 20 – "'vertical integration' envolving as it does the supersession of the price mechanism"

The model does not consider the ownership of intangibles such as 'brand' (market-facing). It is said that organisations don't compete, supply chains do. Therefore, a a brand may well be considered to cover a supply chain (or, more generically, a value chain). In such a situation, does it really mater if the coordination of the factors of production is market-based or control-based?

p15 ib id – '...*Paul Milgrom and John Roberts explain the cost of expandedbureaucratic or hierarchical control with an aurgument that is applicable even when there is only one layer of management.*'

When talking about incentives you have to also take into the account the lessons of evolution (Dawkins). When I suggest that, for example, people being managed have an incentive to provide information to managers that would advance their career (at the expense of it being accurate) it should be considered like a selfish gene problem. It does not suggest that all workers would behave in this manner, it just means (in this particular case) that the hierarchy would be made up those who acted in this manner.

Why Mises (ie. Austrian economics)? Add 'important of the consumer. ie. Classical economics suggests that the value of a good is a factor of the production process. Austrian realised that the consumer determines value and that value is pushed backwards into the production process. Also, this allowed exchange to be benificial for both parties. Also, no separate distribution process.

Outline

Why?

Back to Basics for Management

Management as Technology

In Defence of the Rational

Organisational Useability

Uncommon Pairings (about how is we want to bring strange combinations of people together, if we want to break down walls between companies, we are lossing a lot of coordinating mechanisms that we take for granted… like purchasing processes… like vendors providing content but not customers…. this mixing up is good… but how do you coordinate it…?)

How?

Management by Ideology

Rule by Man, Rule by Law, Rule by Brand

First cut of some ‘core concepts’ – some of these might been anti-managers – this is normal – like the constitution is primarily about taking freedoms aways from government a set of principles will likely remove certain assumed freedoms from governance.

Delineate to Integrate

A priori ; wrong def; what I mean is that they must exist in context…– Project, Team, Organisation, the value proposition

=====

A tempting solution is more general management…… but if all you are managing are people in a general way everything becomes a people issue…. Need to link this with the concept of managing capabilities in the MWT hierarchy.

You're a Consultant! You're a manager!

Hmmm... "Matt, you are a professional Consultant" (like this...

You're a Consultant! You're a manager!

Hmmm... "Matt, you are a professional Consultant" (like this was a bad thing).... "John, you are a professional Manager. Do you really want to argue with me?" (much laughing by the rest of the team) Much loss of face..... Oh dear. Poor John. And now I am doomed.

If you can't use a specialised consultant then you aren't really managing. Managing is integration of multiple disiplines. Anti-consultant is in a way anti-intellectual.

generalists are easier to mange - so waht

Economics

Generalists may be easier to manage… but specialists are part of fundamental economic process…

The market is a hard mistress… Competence is entirely a mater of context… you are competent if you can perform your specialist function in the context of suppliers, partners, and customers…

The outcome is not the plan

An important lesson from managing testing is that it is possible, in most organisations, to complete testing simply by planning to do no testing, documenting this in a test plan, and then doing no testing. From a management perspective the system was tested according to the plan.

Equally, I have heard project managers say that the project is complete when all of the activities in the plan are complete. This may be a helpful approach for the project manager to take - but it's not a standard of completeness.

In fact, more importantly it assumes that the plan is correct. Rather than ensuring an objective assessment of completeness the plan in elevated to infallible and used as the standard of completeness.

In defence of the rational

Mintzberg, Peters, Locke… all appear to be against 'rational'… economic definition of rational is better… not something you impose upon somebody else… any actions is by definition rational…

in defence of rationality

In Defence of Rationality

This article is not yet complete. It will introduce the economic definition of 'rational'.

The economic definition of 'rational', as opposed to the type of rationality that the likes of Henry Mintzberg, Tom Peters, and

Christopher Locke (rightly) criticise, is not a rationality that is enforced upon others.

In economics, an action is rational by virtue of it being that action taken by an individual consistent with their values,

competence, and context.

For a definition from the Ludwig von Mises economics site, click here.

(Please be patient; the real 'In Defence of Rationality' article is coming soon)

management books as self-help for managers

Make sure I reference Chris Locke when talking about reading book stores and the management books being near the self-help books....

http://highwater.blogspot.com/2002_06_01_archive.html#78265891%2378265891

" I do this thing I call reading bookstores. I can spend 4 or 5 hours in a Barnes and Noble. And I'm not reading the books. I'm reading the backs of the books, the blurbs. I'm getting stuff on titles, publishers, what's hot, what are collections and new groupings of things emerging. I'm going to write about this one day. I've been talking about it for 10 years. I do the same kind of thing on the Net. You get a sense of what's going on and drifts and trends and attitudes but it is not necessarily localized. I think that is very powerful. I think people are getting a new kind of sense, very potently, by the kind of e-mail they are getting. The kind of attitude that is expressed in e-mails. Free wheeling opinions that don't have to be foot-noted academic treatises -- they wouldn't fly if they were. But seeing sites that represent a new kind of thinking. Seeing Weblogs, blogs linking to each other. Man, this is like not going away. It hasn't been in the least stopped by the dotcom implosion. If anything it has been increased by people who know what they are doing having more time on their hands. And it's powerful in ways that have not really been thoroughly surfaced, especially to the corporate crowd because they keep looking at this thing as television. And you can show them all this, but they go, it's too micro to market to. And that's my point: here is a methodology that does make logical, rational sense, that you can create micromarket relationships in a way that will be far more effective for you than continuing to do either mass marketing or the kind of demographic segmentation or targeting that you've been doing, because the foundation and the ground rationale isn't here in this medium and the world is moving into this medium at light speed. So QED, check it out man.

"

zero defects / get it right the first time

Discribing the characteristics of an endevour rather than the approach that will be take. Imagine the number of time you have be told by managers or authors of the need to be 'customer focused', to 'put the customer first', to be 'agile', or 'innovative'. Compare this to the actual approaches describes or employed.

Working with a large consulting firm I was recently told of the need to prepare a document quickly and that we had to 'get it right the first time', and the we wanted to minimise re-work.

These are all admirable characteristics. However these characteristics were passed off as an approach. With our knowledge of these characteristics we were all told to go off and do our pieces of work.

<refer back to a discussion on the Rational integration omplete and risk curves (a priori of risk - actual risk and known risk) >

I, and a collegue whom I'd previously worked with and who shares my approach repeatedly tried to initiate to deliniation approch as a first step to managing the process. Our conceptual diagrams were concidered independant tasks of the endevour - 'very nice' but not something the whole group needed to be aware of.

When we tried to assertain what the whole group needed to be aware of we were again greeted with characteristics; in particular that we needed to complete this task quickly and get it right and 'therefore' didn't have time to do whatever it was my collegue and I were trying to do.

As the old saying goes, 'there is never enough time to do it right, but there is always enough time to do it again'.

Eventually, our conceptual drawings were concidered important. As it was understood that they showed an overall picture of what we were proposing, placed components in context and helped build a shared vocabulary.

However, while the importance of the activity gathered increasing importance (rising from Section F to Section B) it was still treated as a task and not a management tool.

Again, management, as a seperate 'distribution' process without need for explaination....

Furthermore, as the natural effects of hierarchy

This sort of end-rather than process approach just stops the defects being managed - it doesn’t stop them happening. It also means the only thing you can do to improve something it say ‘know what you know now early’ be wary of this as an improvelemt strategy. Easy for the management - but useless.

Good vs Successful

It's the common wisdom that giving employees more autonomy will improve their performance. This sort of wisdom is often bundled up with talk of empowerment and out-of-the-box thinking. Even breaking the rules is encouraged if it gets results.

I'm not against any of those things. But this rhetoric is applied more liberally than any other doctrine and very rarely gets results. More importantly, unless that person is a manager there is somebody to measure performance.

I suspect that if you apply those some rules and behaviors to manager they just equal bad governance. Because of the Mythical Management Team nobody is measuring the performance.

Without good governance there is no way to tell the difference between a good manager and a successful manager.

Found on web site "governance is a function of ownership, not of management" this means that managers, in order to be governed must own something… this is most often a risk and expressed in direct proportion to their success… such that a poor manager will get less money and therefore be less successfuly, right? Not true… managers manager, but what do they manage - in this case they will just manager the behaviour that will get the reward. The really 'management' of the organisation occurs in the relationship between the risk owner by the manager and all impacts of the behaviour that that ownership encourages.

Tuesday, March 01, 2005

Slacker manager talks about the license to manage

Referring to 'Slacker Manager's discussion of a HBR article on the possibility of making management a licensed profession. I'd argue for other advances in corporate governance before I argued for a 'license to manage'.

Other real professions such as accountants, lawyers, and doctors successfully use systems like licensing because they generally operate small firms or practices. Managers proper, and in particular those at the executive level, face greater resource coordination and allocation challenges than those professionals running a practice.

Executives take responsibility for large pools of resources which they often don't directly control. This is a challenge - and I would suggest that the issue of the best way to do this hasn't yet been solved. In fact, I would argue that the way we look at management is all wrong. I prefer to think of management as a 'technology' and not a 'profession' at all.

As discussed in the original HBR article, the idea of a management license relies on a 'Common body of knowledge resting on well-developed, widely accepted theoretical base'. I've long argued that the management 'profession' doesn't yet have this body of knowledge. For one, I've argued that the time for firms to be seen as an isolated command economy within the the greater market economy is well and truly over. That organisations continue to operate as command economies internally, when all around us the failures of such a system at the level of the nation has been exposed, is a blunder of cosmic proportions.

What's more, the specific failings of command economies are also interesting. Hayek's 'Road to Serfdom' illustrates well that in such a system 'the worst rise to the top'. Now I have nothing against successful people. In fact, I have a great respect for those that reach success through creating value and serving customer desires - that is, through perfectly legitimate means. But the driver for managerial licenses appears to be the rise of the worst. Where this has been the case it is more a reflection of failures in corporate governance than poor individual management. What were these people on top? is a more important question than Why did they behave how they did once they got there? Though both are interesting.

Part of this is the confusion between the success of an individual manager with their effectiveness. In the absence of good corporate governance an effective manager is equated with a successful manager.

One of the implied benefits of a management license is the ability for the license to improve the actions and behaviors of individual managers. This benefit logically can't be realised if the position of power implied by the very concept of management means that behaviors aren't effected.

posted by Matthew at 7:25 AM | 2 comments | Link

MORE BLOG - tc

Technocracy and Politicisation

Posted in General MWT, IT Management, Personal by admin on the June 3rd, 2009 Edit This

I've mentioned one of my theories before:

I have a theory that whenever a single specialisation becomes the dominate or controlling specialisation it turns the coordination into a technocracy. I might be using technocracy in the wrong sense but I'm using it to mean that a single specialisation (i.e. a single branch of technical knowledge) becomes dominate.

It is in this sense that I believe organisations are largely technocratic if they are run by technical specialists called 'managers'. In another example, I think this is part of the process that has occured to create the current 'crisis' in the financial services industry:

In this case, rather than financial knowledge acting as just one input into decision making, and as just one service available to individuals, financial knowledge became the single dominate knowledge used in decision making. This in itself was a problem because it interfered with true and proper determination of ‘value’. But it would also have the effect or corrupting the body of knowledge itself (perhaps not in the textbooks, but ‘in use’).

Eventually, the knowledge of finance not only supersedes all other knowledge, but the finance knowledge actually disappears as it is replaced with what is convenient or beneficial to those in finance. This process could be a simple as people entering financial jobs even though they have no passion or knowledge of such things because that is where the money is (literally in this case, but it doesn’t have to be that way).

There are two sides to this coin that should be understood. The fact that control by specialists is the dominant coordinating mechanism in a society (or an organisation) is bad for the society itself. This is basic technocracy. On the other side of the coin – this control by a particular specialisation is bad for the specialisation.

It’s not that the people who are part of the elite and elevated specialisation don’t have any power. They do have power, and they can have certain privledges. However, the actual specialisation itself is hurt. The knowledge in that specialisation is corrupted.

Not only is the knowledge in the specialisation corrupted, but the group of specialists is itself politicised. I don’t just mean it becomes a ‘hot topic’ but that it becomes focused on power relationships. Now I’m not saying anything new if I’m just say that management is political. Everybody knows this. But there are deeper, but related impacts of this politicisation process.

In addition to the corruption of knowledge, the politicisation of a group effects the way the group is entered or exited, the amount of diversity tolerated in the group, and ultimately the ability to make non-incremental impovements in performance.

If you understand that open systems (i.e. low political / legal barriers to entry and exit) are good over time, and that diversity is good (again, over time), and that operational innovation is good (if you can even tell when it's occuring!) then you can see that politicisation is bad for the group and the organisation it supports.

Example from software testing

To use an example that not simply about general management – let's look at testing. I've spent some time over the years setting up testing capabilities – either for individual projects or across organisations. I've also watched others do the same. One of the mistakes that is often made during this process is to not hold the testing team to the same standards as developers.

As background, a testing capability provides an independant verification of the software that has been developed, often also ensuring it works with other software developed by other groups. The purpose of this process is to find issues with the software, but more fundamentally to manage the completeness of the project.

Fundamentally, test management isn't so-much about finding defects as it is about continuously asking 'Are we finished?' and then 'If we don't know if we're finished how can we find out?' and then 'Are we finished finding out?' and then 'Are we finished?'…

In order control this process there are a number of rules the testing organisation needs to place on developers. These rules ensure the software doesn't change in an uncontrolled manner while it's being tested. For example:

* developers should check their own software first, then we'll check it

* once the testing team is checking your code, you can't change it

* the testing team will tell you if you have to change your code, and we'll say it was a defect

* once you fix the defect, you have to check your code again before we check it

These are good rules. And they work together to provide an element of control and governenace over the software development process. They provide a gatekeeping mechanism at the end of a project that, if used effectively, will reduce issues with live production systems. Though the process itself is very expensive (but that's a different issue).

The problem occurs when the testing team doesn't hold itself to the same rules. Examples of this include the case where a defect is raised in error because the test being perform was itself incorrect. This is still a defect – in this case a defect in the test itself – but the testing team doesn't like to see it that way.

A more subtle version of this is that the defect is never raised but rather the test is changed without a defect being raised. In this more subtle example the testing team is not holding themselves to the same stardards they hold the development team because they are changing something without a defect.

The testing team sees these decision as 'saving time'. But the governance issue is that the testing team are not being 'tested'. These means that the testing team have no objective criteria for performance management. They have been elevated above the rules.

By elevating the testing team such that they have special privledges – i.e. that they don't have to follow the rules – the group becomes politicised. People who want the special prevlidges enter the group, the knowledge of testing becomes corrupted, and operational innovation is restricted as the group uses its power to focus on changing others and not themselves.

All of these 'problems' are not problems if you are in the group. However, the testing group will be different group then had it not be politicised, the performance of the group may not be as it would have been, and the overall performance of the organisation that the group is a part of may also suffer.

This is melodramatic in many ways. Because these things will only occur over time, and only if all others things are equal. In reality other groups and specialisations will compete for power and the dance continues…

0 Comments

MORE BLOG- tc2

Money for nothing, tough at the top

Posted in Current Events by admin on the February 9th, 2009 Edit This

I only just found this article from December 2008's Portfolio.com. It's by Michael Lewis (the Liar's Poker guy). It more or less supports my vague theory that this financial crisis thing is little more than a skimming off the top of value that never really existed.

Even my wife, who's never claimed any knowledge nor sympathy for capitalism, basically said this morning that the job of banks was to decide the best place for money to go – and that they weren't doing a good job of it.

This seems to me a good description of the problem. But if that is the problem – then giving banks money is not the solution. Lewis too, through the story of Steve Eisman, is basically saying that Wall Street wasn't doing its job:

"I put a sell rating on the thing because it was a piece of shit," Eisman says. "I didn't know that you weren't supposed to put a sell rating on companies. I thought there were three boxes – buy, hold, sell – and you could pick the one you thought you should."

And again:

Eisman says in his defense, "I did subprime first. I lived with the worst first. These guys lied to infinity. What I learned from that experience was that Wall Street didn't give a shit what it sold."

via The End of Wall Street's Boom – Portfolio.com

Now I have full sympathy for everyday people who have somehow been effected by this 'crisis' through job loss or loss of retirement funds (in the case where they weren't making silly decisions to risk everything to the whim of a margin call). But I can't understand government bailout of companies. Surely, the assets of the company would still be able to be redistributed to others who know how to manage them better? And if there are no assets, what exactly is the government investing in?

It appears that there's a structural change in the economy which people who know more than I do about these things think is long overdue. I think it may be as simple as some sort of dis-intermediation of capital management. I'm not sure how these things work now, or ever worked, so I shouldn't really speculate.

But I will speculate. I think that the specialisation of the 'banker', or the 'money guy', or the 'financial analyst' might be broken. It might be that just like the specialisation of 'management' which I'm so interested in, this type of specialisation in financial knowledge – or rather the elevation of the specialisation of financial knowledge which has effectively turned democracy into a technocracy – has collapsed.

I have a theory that whenever a single specialisation becomes the dominate or controlling specialisation it turns the coordination into a technocracy. I might be using technocracy in the wrong sense but I'm using it to mean that a single specialisation (i.e. a single branch of technical knowledge) becomes dominate.

In this case, rather than financial knowledge acting as just one input into decision making, and as just one service available to individuals, financial knowledge became the single dominate knowledge used in decision making. This in itself was a problem because it interfered with true and proper determination of 'value'. But it would also have the effect or corrupting the body of knowledge itself (perhaps not in the textbooks, but 'in use').

Eventually, the knowledge of finance not only supersedes all other knowledge, but the finance knowledge actually disappears as it is replaced with what is convenient or beneficial to those in finance. This process could be a simple as people entering financial jobs even though they have no passion or knowledge of such things because that is where the money is (literally in this case, but it doesn't have to be that way).

This is basically the theory that caused me to develop the outline of the MWT

Model 9 years ago. But I think it's also helps explain the reason for the structural changes in the economy which will come – if not, unfortunately, there ultimate shape.

The question is, will the structural change fundamentally stop any one discipline being elevated to the top (i.e. solve the root cause of the problem) or will some other discipline simply be elevated to the top?

2 Comments

The Big Picture

Assorted MWT notes on management

At its worst management can be the art of telling people to peddle faster as you take away their bicycle. You should always peddle slow while you are building the bicycle. There is an on-going debate (more conceptual sea-saw thinking) about whether fast or slow is better. Yet again, the way to resolve the sea-saw is to introduce another concept. When people are arguing if fast is better or slow is better they are only arguing about how fast your should peddle your bicycle. To resolve the sea-saw you need to introduce the concept of the bicycle. Once you recognise that the is a bicycle (or the absence of a bicycle) nobody would disagree that you should peddle faster while you are building the bicycle.

Easy....

Management is the act of saying 'you're not seeing the big picture' when there isn't one

Tempting solutions notes

8. Tempting solutions that fail notes

What are they?

Problems with information management in general

Problems with basic economics; doing one thing is not doing another & if one person is getting more customer time than another isn't

There is a sense in which the concept of a manager itself is a tempting solution that I beleive has ultimately failed. While the idea of a hierarchy of responsibility is still an important component of the MWT Model the idea this contruct alone will develop effective management practices and behaviours is flawed. In fact, given just a hierarchy of control it's like that the behaviours which are encouraged are not optimal at all.

Under the arrangement of the hierachy of contrl non-optimal behaviours are likely to be encourged for both managers and non-managers. Non-optimal behaviours for managers include, but are not limited to, unethical behaviour. For non-managers (other rather everybody) non-optimal behaviours will include reducing the personal responsibility employees feel for outcomes.

1. Empowerment or Abandonment

002.a Jaded empowerment letter to Cameron*14/11/06 7:06 PM*

Notes for Cameron

It's all well and good to want people to take ownership of the process.

However, sometimes you need to be a part of the management team (to have the context of the IT Strategy and other discussions) to be able to make process decisions. Not only that – but even if the management meetings aren't helpful people tend to think there is something they are missing.

It's all well and good to 'empower' people but if they don't feel empowered then you haven't empowered them. The fact is that this is a science not a psychology. For individuals to be autonomous and self-directed they need access to the same information that the people who used to make their decisions fro them used to have. And this is explicit and tacit (of course). You need the conversations as well as the official communications.

Just as importantly the original position which used to make all your decisions for you need to no longer exist! If that market of activity still exists and is still the primary touch point for all excalation – if it has a blanket authority to tell everybody what to do – then the context for the self managed resources is just that.

If the old management group still exists the context for the so-called empowered resources is 'do everything yourself but expect that arbitrary requests changes and judgements will be imposed upon your work'. If the management team is the same size as before the amount of this type of arbatarynesss is likely to be so great that it's the only context the employees are responding to. Their main input is new requests that they couldn't have predicted, changes of mind, and judgement of work by people who weren't involved in it and didn't provide any rules at the beginning! This is going to lead to jadedness.

Also, even if you have a management style which builds processes from concenses you still need a process owner / designer who can gather all of the process requirements and design the combined solution. You still need somebody to say 'this is the process, can you please review it'.

I am – and I'm not alone – increasingly feeling more and more powerless and out of the loop. This isn't just a cultural thing that needs to be fixed with soft skills. This is a lack of leadership.

There is a general lack of leadership in how the organisation fits together. Just because people admit 'we don't know everything' doesn't mean that lack of leadership isn't felt.

In fact, there are a lot of examples of catch phrases that are allowing the management team to respond to questions without providing anything decision or leadership. Not committing to dates for the new organisation to take effect is one example of this and really not acceptable.

The new structure is pretty good. But it's really not much more defined than a single person with a bit of experience in this area could have defined in one sitting.

We need people in the management team who are able to define the process, own the process, and then be able to sit in meeting and actively rollout the process. The CAB is a good example – somebody needs to just start running the meeting based on an agenda.

Escalation process! I've said this a number of times and it needs to be addressed. There needs to be a way for people to semi-formally raise issues with the organisation which can be responded too. The fact is that 'talk to your ITM' is not an escalation process!

ITMs are all very competent but in the same way as you might not have felt you were getting the value of everybody's experience in the CAB meeting I don't think we are getting the value of the ITM experience.

I've said I'd take on the temporary quality manager / delivery architect / process guy / o.c.m. Or whatever you want to call it. But it doesn't really matter who it is. Maybe the consultants have that role – but you have to start admitting if everybody is confused it's somebody in the management team's fault.

The roles and responsibilities of the management are still rubbish.

Empowerment without information

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The roles and responsibilities of the management are still rubbish.

Riddle of the stones belongs here

Competency in Context

Response to:

Australian IT Article

http://australianit.news.com.au/articles/0,...

Competency in Context

Response to:

Australian IT Article

http://australianit.news.com.au/articles/0,7204,4354175%5E15317%5E%5Enbv%5E15306,00.html

I strongly agree with this article in that there is a real lack of 'core programming skills' out there.

I believe the industry has headed in a direction which promotes this inability to specialise.

Anybody who has worked as a technical resource in a large organisation knows that to be a 'technical person' is to be treated with distain. The phrase 'I'm not a technical person' is declared with pride.

Technical resources have been told for years that they must be more 'business focused'. This is a good intension; but any time spent becoming vaguely more 'business focused' is time spent away from learning the craft.

What we need to understand is that organisations which deliver technology solutions need to be more business focused. One approach to that may indeed be to demand more from technical resources. But this approach will in turn reduce their specialised technical skills.

The other approach is for the industry to continuously re-factor new roles and develop a better understand of the entire suite of enterprise IT skills.

Beyond finding 'SQL Server' resources or 'VB programmers' the industry needs to continue to develop its understanding of all other value adding IT roles and skills; including 'core programming skills'. For example: IT/Business Alignment Roles, Business and Systems Analysis roles, design roles (unfairly dismissed in the article), architecture and planning roles (also unfairly dismissed in the article), etc.

Most importantly the industry needs an approach to the continuous improvement of the combining and management of these roles.

Value Proposition Unto Itself

Value-Proposition Unto Itself

Text

The Management Value Proposition

Management and the Value Proposition

Within the market, organisations have a value proposition, or they don't exist. Again, this is another case of the document not being the X. I don't mean that the organisation has articulated a clever run-on sentence called a value proposition. I mean that the organisation has an intrinsic quality of value that the market knows about and actually wants – can't do with – can't get from anywhere else cheaper.

In the introduction to The Essential Drucker he talks about the practice of management having unprecedented growth in the past 150 years. This growth is not unlike the growth governments experienced in counties employing central-control based government such as communism. When planning, compliance, and risk management is a separate function performed by a separate group there are always compelling reasons to expand the scope of government. There is always a compelling reason to require a new process, a new review board, a new ministry of quality, etc.

And the analogy continues. The Austrian school of economics recognised that an economic model that separates 'production' from 'distribution' is an intellectual abstraction. It is not based in reality. In the case Marxian (??? Is this right?!) economic theory the 'production' was the workers, the 'distribution' the bureaucrats in government allocating the results of there efforts.

Once managers are seen as just another factor of production they can also be managed – just like other factors. For example, at the moment a manager may spend three hours discussing which colour a diode should be on the design of a motherboard. In normal management – as a separate distribution process – you could argue that the manager 'needs to understand the issues'. This is probably true but ignores the true economics of the situation – that time spent on the diode colour issue is time taken away from other issues.

For too long the management of organisations – that is the planning, monitoring, controlling cycle – has not had its value proposition tested. It was assumed that that cycle adds value. Many of you are probably thinking at this very moment that I'm losing the plot here – 'of course you have to plan', 'of course you have to control'.

This is actually not true. You must coordination the separate activities brought about by the division of labour. You must have a strategy (which may just be a pattern of action). But can we really be should that the planning, monitoring, controlling cycle, as a separate function of the organisation, has a value proposition that should not be questioned?

In order to put the pressure of continuous improvement on the mechanisms of management itself it is necessary to identify the mistake of treating management like the 'distribution' component of the ???? economic model. That is, management activates must be grouped with the rest of the work and be considered factors of production.

Once all activities, including management activities are considered factors of production they all must have a value proposition within the internal market of the organisation.

The phase 'internal market' of the organisation is now more important than ever. If even the traditional management functions are now simple factors of production they to must be coordinated with other separate activities bought about by the division of labour. More importantly, there is no longer any separate 'management' function to perform this activity (however ineffectively it may have been performed).

When (to pick an Australian example) 400 employees, 'primarily middle-management', from banking institution Westpac where made redundant (see BRW 'Who'd be a manager?' article) did they not have a value proposition? We all know that layoff selection is not an exact science but could it be that this is a new trend?

Even if the middle-manager did have a value proposition had they lost the ability to articulate it? If so, I wonder what there relationship was with there staff? We they 'buying-in'? Were they co-ordinating with a function who value proposition was presumed - and therefore never expressed? If not, should anybody have been surprised?

quote

source

Within a market-based coordination mechanism, such as the world outside the firm, the players have a value proposition or they cease to exist.

In a market-based model a player's value proposition is not directly controlled. Whatever messages the organisation is giving to consumers or to stock market analysts the real value proposition is beyond that.

In this sense the value proposition relies heavily on its context. If an organisation goes broke it is, by definition, because it did not have a value proposition.

In the world outside the firm you cannot say 'we had a compelling value proposition but we didn't communicate it properly'. Rather, you can say such things but they only serve as a post-mortem, the market has already spoken – such is its well-documented harsh nature.

You must, in this definition, bundle the concept of your value proposition with the communication of it to the market. This is again an instance where the desired result (a well communicated value proposition) can only be achieved by actively examining the components parts (making sure you create value and you communicate it).

If we are to extend market-based management to the firm we need to replicate this do-or-die definition of the value proposition to activities within the firm.

Unfortunately, the world of management has developed into a bundled set of activities that are seen to have a value proposition unto themselves.

While it may be necessary for an employee to justify their need to attend a particular training course (i.e. what is the value proposition for the training course) the value, for example, of the strategic planning process, is rarely questioned.

More importantly, there is little in place to distinguish a good planning from bad planning. Rarely, does the market dismiss an entire industry (though it has been known to happen) but rather picks and chooses from competitors.

Like the citizens of ancient Rome, the quality of management depends to much on the particular ruler of the time.

Unlike ancient Rome, however, where is was always an advantage to be the ruler, managers may find they are rarely sufficiently compensated for the huge responsibility of absolute rule.

The difference may be that your average Roman ruler actually owned portions of what he (sorry, this was unfortunately before equal opportunity) ruled.

With all the allusions to extending the market-based model to the firm the fact remains that a company is not a state – in the political sense of the world.

For better or worse, we live in a world of publicly owned companies. A large percentage of managers do not actually own any part of what they are managing. Tom Waits may argue that 'all that you love is all that you own'? – which doesn't preclude the possibility of ownership – but I suspect still makes it the exception.

If managers did in fact own what they were managing: real estate, assets, slaves, intellectual property, etc. then even I would argue that managers can do whatever they please. Management books would be no more than self-help books on getting the most out of your resources.

As it turns out, I believe establishing a market/brand-based management model of your resources would still be the most effective way for a manager to operate a firm that they directly owned.

When we are discussing management in this book we are discussing it as the type of process/technology you would want employed in a firm that you actually own; not in a firm that you actually manage.

As I've stressed before, many of the best managers already do this. But the point of the market/brand-based management model is provide that feedback for good and bad planning, good and bad leadership, and good and bad management.

One's Own Petard

The aggregation of the management value proposition is perhaps one of the greatest barriers to improving a firms management.

There are advantages of bundling and aggregation. The market system does it all the time. The entire concept of wholesalers, manufacturers, and retailers is an example of bundling.

Consumers of products and services don't actually want to manufacture there own computers from components. They certainly don't want to know the best brand of motherboard components or power supplies.

These bundling are, however, still subject to feedback from the market. It is still possible to buy components and services from any stage in the supply chain. The persistence the bundling services of manufacturers and retails is a reflection other the value they add.

The problem with the intellectual bundling of the management process is twofold. Firstly, it is never-ending. Secondly, it often excludes the possibility of access to individual components of the management value chain.

The aggregation of the management value chian is never-ending in that, like big government always being able to find excuses for some new law or tax, management is always about to find excuses for some new policy or overhead.

While management evolved directly with the division of labour and the need to coordination separate but related activities the 'rule by man' approach quickly expanded management beyond simple coordination.

Many of the activities of management: planning, mentoring, leadership, business development, monitoring, controlling etc. are simply different specialisations of work – different division of labour – which need to be coordinated.

Because these activities are performed by the same individuals it is often difficult to engage a manager to mentor without also getting some free monitoring or controlling services.

…too short time…. recognition for building capital…

Managers lament that they are always solving a crisis, that they are always 'fighting fires'. You will also see that 'people skills' are ever increasing sighted as vital management skills. This is not because management is coordinating people. Rather this is because as a manager you'll need to 'deal with difficult employees', 'solve problems', and 'settle disputes'.

The problem with all of these so called essential management people skill is that they masks problems which are themselves created by management. What's more, 'dealing with difficult employees' implies that there is value in the skills of suppressing or soothing any employee causing a manager cognitive dissonance regardless of whether or not the difficulty is caused by a faulty attitude on the employees part, a faulty attitude on the managers part, or deeper systemic problems which might actually need dedicated time and effort to solve.

Even when Henry Mintzberg studies what managers actually do (as opposed to what they are supposed to be doing) it is revealed that much of there time is spent in short-cycle problem solving. Managers aren't actually sitting back planning and thinking strategically. They are always in crisis mode.

If you think back to The Mythical Management Team you'll recall that this so-called team creates an affinity in its members as certain skills are vital management skills simply because they solve problems that all member of the management team are facing. The Mythical Management Team acts as a self-help group for managers which the manager's emotional well-being is placed before the good of the company. As sighted in Managing Managers II ensuring the emotional well-being of employees is an important requirement of the management function in an organisation. However, this is not ensured by the emotional well-being of the management function itself.

All the good advice you get from new age management books is perfectly okay until you start applying it to managers. (reference "Is Smart Over-rated?" article).

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The Mythical Management Team

this idea of a management team is dubious at best. a management team i...

The Mythical Management Team

this idea of a management team is dubious at best. a management team is dead easy to build (in comparison to a real multi-discipline team). in a management team all are from the same discipline and have a shared context. perhaps more of a cartel then a team (i.e. check Porters assessment of cartels in Can Japan Compete?')

Management itself isn't required to make a management team. In a sense management is about multi-disiplinary collaboration.

Points:

goes against principle of one-step-removed management from measurement

if your organisation's management's highest priority on collaboration is to come together to get their stories straight something is definitely wrong

etc

Management as Brands and Markets

Management and Production

This is about the single production process.

Your management team is a cartel!

Manager veto and the management team cartel

Posted in General MWT by admin on the May 18th, 2009 Edit This

There is an interesting lesson about management intensions at the Management Skills Blog. It serves as a good example of how management teams act like cartels (if you use my analysis approach):

Noble Intentions

Thu, May 14th, 2009 by Tom Foster

In 1948, in London, Elliott began to work closely with the Glacier Metals Company, a manufacturer of precision steel ball bearings. It was a company of some size and technical complication, with different departments, a complement of engineers, a management team and a president named Wilfred Brown.

Like most companies, each week or so, a high level meeting took place, called the Management Team Meeting. It was Wilfred's intention to purposefully build his executive team by including them in on the company's largest problems to be solved and decisions to be made.

The executive team responded with enthusiasm to be included in such important activities. By harnessing all the brain power in that room, certainly, they could tackle the toughest challenge and make the best decisions.

The intentions were noble.

As time went by, however, the productivity of the group began to wear thin. In their efforts to reach consensus, to be cooperative and supportive, to be the team they intended to be, the pace began to slow. Discussions became arguments, agendas became political, quid pro quo became active.

And then, the unthinkable. The group would finally arrive at its decision and Wilfred Brown, the President, would invoke his veto.

- from Management Skills Blog 'Noble Intentions'

My comments are:

May 18th, 2009 at 4:44 amThe problem is the concept of the ‘management team’ itself.

In my analysis a management team is a cartel!

Which means that when a management team come to agreement – meaning they come to agreement on the value of certain actions and decide the most appropriate action based on their combined assessment of the value of each alternative action – then they are in fact breaking the ‘price system’.

In a real cartel this means they agree on a price, bypassing the price system, and hurting consumers.

In the ‘management team’ cartel they are agreeing on the next action, bypassing the planning process, and hurting capabilities (and consumers).

I’m interested to see how this lesson plays out at Management Skills.

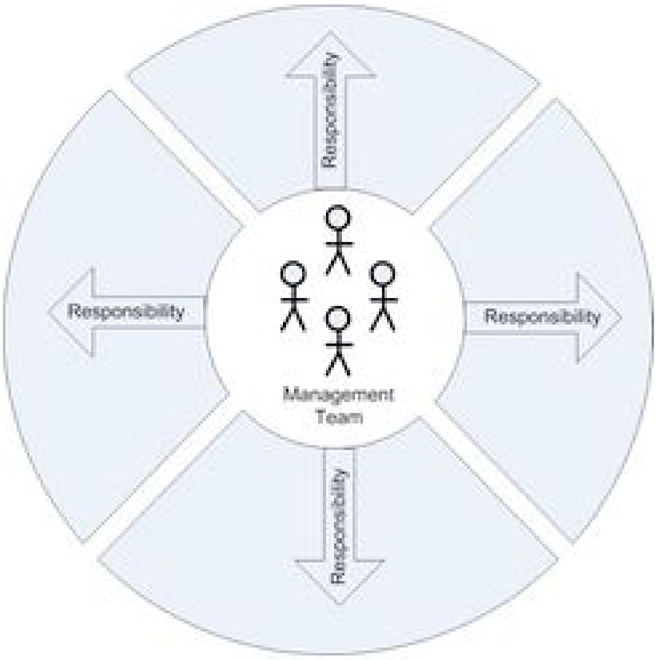
0 Comments

EVEN MORE BLOG- cartel 2

Management Teams as Cartels

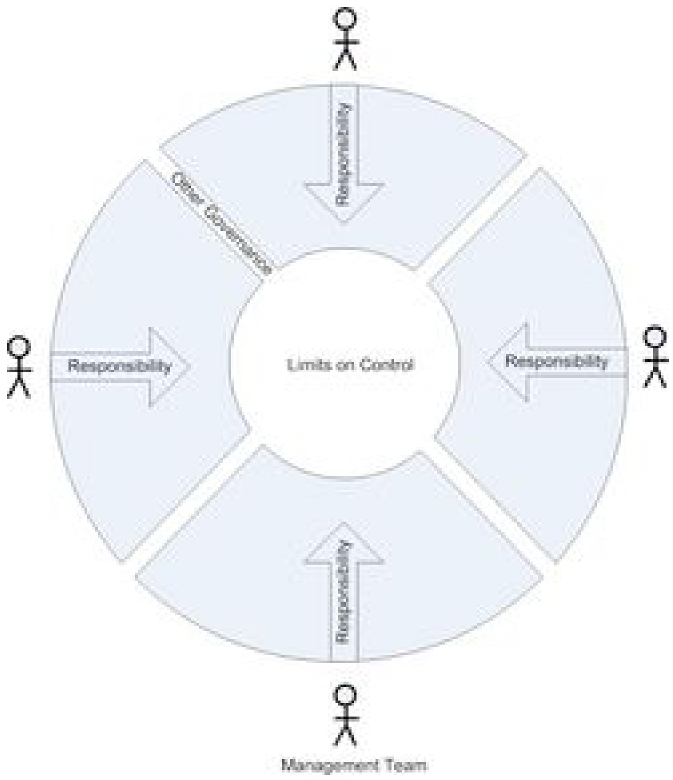
In addition to The New MWT Hierarchy I'd like to introduce the management team transformation slides. I've always had a slight problem with the idea of a 'management team'. To me the same economic analysis which applies to a cartel applies to a management team.

Before: Management Team as Cartel



Management Team as Cartel

After: Management Team with Governance



Management Team with Governance

Annotations coming soon...

posted by Matthew at 12:45 AM | 0 comments | Link

The Management Cartel in the boardroom

even at the highest level - that of the CxOs - the management team as cartel does damage. The organisation is carefully driven by a CEO in charge of 'executive' functions such as what the organisations should do, a COO in charge of 'operational' functions such as how the organisation should coordinating internally and with partners to get things done, and a CFO in charge of the financial dimension.

In theory this separation of powers should produce a perfect organisation. However then the tenants of management ruin it all by suggesting that a strong management team should be built before doing anything else. This strong management team destroys the power of the separation and effectively ensures that the broad-based responsibilities that have been established are eroded before their effects have even left the boardroom!

Where are the arguements?

A strong management team by definition doesn't argue. And yet in periods of organisational transformation there will be disagreement and negociation of roles.

If the management team isn't doing this where does it go!?!?!?!? It goes down, unmanaged….

Soft skills without systems

Soft skills without systems

The realisation that computers take over MANAGERS jobs not THE WORKERS.... but isn't management about soft skills? Should be but no time.... your soft skills would be more valued if you had a chance to use them.... also the soft-skill push was actually made under the assumption that the systems were already in place... this is increasingly not the case... a pure soft-skill organisation is actually a POLITCAL ORGANISATION!!! good for the managers perhaps but pad for the organisation....

Management as Self-help

Why are the management books near the self-help books in bookstores? Is management anything more than self-help for business and/or successful people.

Detail without context

Detail without context

I am a Systems Analyst by trade. You might be tempted to see this as a so-call 'technical' profession. However, the essence of systems analysis is to see a system in context. This is already like architects for the built environment. One of the differentiators between an architected home and a kit home is that the architected home has been designed to match its context. The home is designed specifically for the land it will be build in and the people who will occupy it.

A good systems analyst knows not to take context for granted.

If you have any respect at all for your fellow man you have to assume that seemingly obvious process improvements may not be implemented as a result of content.

Concider numerous meetings you have attended where a dozen seemingly obvious ideas are proposed which would solve organisation problems. Concider also the meetings where the same ideas are repeated. After such meetings I always ask 'if these are such good ideas - such obvious ideas - why have they not already been implemented?'

The answer to this question can be found in knowledge, architecture, and context. A lack of knowledge is less likely than you think.

Ans: context and no arch (i.e. permission to innovate)

===

I have a real problem with the concept of 'high-level' and 'detailed'. This is another example of a management idea that doesn't scale well. Just like you can always do more 'planning' you an always get more details. More importantly, the issue of when the appropriate level of detail is reached remains unmanaged and ungoverned. The structural elements (the seams) are left undefined. As we have seen it is this boundaries in information and structure which are actually what manages the organisation!

It is okay to discuss levels of detail - and these concept really do have at least a relative meaning. However, they have no absolute meaning. The organisation is only truly managed when the specific level of detail becomes part of 'what collaborating individuals share'.

Imaging a manager who asks for a more detailed plan when seeing the high-level plan. This is largely a meaningless and unhelpful request. However, if deliverables are defined such that 'a solution blueprint defines components' and 'a detailed design describes the design of a single component' or 'an integration test involves more than one component'... in these cases the definitions build on each other to define separate and unique deliverable with increasingly specific meanings and criteria for completeness.

A required to produce a 'detailed plan' does not have a defined success criteria and is therefore ineffective management. This is yet another example of management's tendency to evolve into self-help for managers rather than for the organisation! It is very easy to say 'do a more detailed plan' when you have no other idea of what to say and how to contribute value. This allows managers to keep talking regardless of their ability to add value!

Planning, Monitoring, Controlling

From the moment you start your MBA you are told that being a manag...

Planning, Monitoring, Controlling

From the moment you start your MBA you are told that being a manager is performing planning, monitoring, and controlling of the organisation. Like these things will not occur without you and that a separate manager is the only way.

Economics tells us right off the bat that there is another way. Planning and Controlling is a command economy. The alternative is a market economy.

This approach, where 'what is management?' is answered by describing the process, falls into the trap of all process-based thinking – the possibility of getting better and better at doing the wrong thing. Looking busy and failing.

Self-organisation

ManageWithoutThem is not just about self-organisation. Due to the power of proxim...

Self-organisation

ManageWithoutThem is not just about self-organisation. Due to the power of proximity, people with like ideas will tend to seak each other out. Self-organisation may be a value mechanism to organise like disiplines; however, management must be robust enough to coordinate the activities of groups that normally wouldn't self-organise.

ManageWithoutThem recognises that some effort, action, and activity really is required for effective management. Even if it is simple the effort to create a shared purpose and vaues for the group to self-organise around.

Also self-org leads to uniformity and presupposes that there is no way of makign things betters

share everything and the open office

The extend to which the practice of management has failed to rise to the challenge of complex co-ordination tasks is evident the many generally-accepted tenants of management.

No doubt you're heard – or declared yourself – that open office plans facilitate communication of a team. That is that everybody should be able to hear what is going on around them because this will mean that everybody knows what is going on.

This just shows what management isn't doing if we need a catch all like this… also; open planned offices are terrible at getting people to focus…

What do you share? Email everybody. Shar everything. I think we've covered that this doesn't work.

I find the constant 'customer is always right' and 'you wouldn't be here without customers' terribly...

I find the constant 'customer is always right' and 'you wouldn't be here without customers' terribly trite.

This is partly because some of these types of statements are not actually true. Business isn't built on mystisism or existinialism; there is and objective truth beyond what any individual believes. It's doesn't make sense to single out a particular person, or group of people, and say everything they say is true - even if it isn't.

More importantly, even if the statements are true - they simply describe the end product - not what you have to do to achieve that end product.

I'd even go so far as to say that achieving an particular end result takes actions, in some respects, entirely opposite to the description of the end result.

A great example of this is 'it should be simple'...

Management all over the place

The proliferation of the management paradigm into the government paradigm can be illustrated with a well worn example. At present, the proliferation of management technique into government is generally considered to be positive. While confidence in government could be see as at the lowest in our lifetime and real disappointment is that confidence in more government, and in particular ineffective and inefficient government based on managerial principles, as a means of solving the problems of government appears to be as strong as ever.

Rather than abolish certain government departments in favor of markets and, more importantly, freedom – which would be the Austrian approach – the proposed solution is often to maintain the departments and simply manage them 'better'. This means manage them like a corporation and using the management paradigm of a corporation. This solution is also proposed for any non-profit organisation, club, or movement. This book proposes that there are serious shortcoming of the current management model even when applied to corporations; and there is no indication that the approach should be applied to further organizational forms or causes. As Henry Mintzberg says 'anybody who needs a mission statement to run a hospital should find a job somewhere else ' (from Managerial Correctness – The Conference Board - http://www.conference-board.org/articles/atb_article.cfm?id=266).

Ultimately, the management paradigm could take partial blame for the misguided war America undertook in Iraq. Regardless, of your views on the war it ha become clear that the originally stated reasons for going to war – the weapons of mass destruction – were bad intelligence. This particular 'intelligence', which was presumably treated with the same respect as corporations treat so-called 'hard data' was distorted by a system which bares close resemblance to the management paradigm applied to government. Again, Mintzberg summaries the results of the paradigm as 'Give me a twenty-page report and I'll give you a war' (ibid.).

Mirroring the problems with 'hard data'. Milt Bearden – Former CIA station chief in Pakistan – 30 years service - said:

Going to war based on intelligence is yet another example, I think, of intelligence simply not being able by nature, by definition, to live up to that kind of requirement.

David Corn – Washington Editor of the Nation Magazine has this to say in describing the intelligence itself. Before it was effected by the management paradigm and the objectives formed by the government before the intelligence was delivered (apparently paraphrasing the internal CIA review conducted after the Iraq war):

The intelligence produced by the CIA was based on circumstantial, inferential evidence. They hadn't come up with any hard evidence since 1998 when the inspectors left. And that it all come with caveats and qualifiers.

So what happened to these caveats and qualifiers? David Albright, physicist and former weapons inspector, speaking in an interview for Robert Greenwald's 'Uncovered: The Whole Truth about the Iraq War' said this:

There were pretty robust debates amongst the various people who gathered and assessed information. But somehow as it went up higher in the chain of command, finally reaching the white house, that there was a selective use of information to make there case.

This documentary is worth watching. It goes on to reveal specific information which was ignored by George W. Bush's management team of Donald Rumsfeld, Condoleezza Rice, Dick Cheney, etc. While all the time those troublesome non-team players such as Hans Blix questioning the momentum in confusion.

info from Richard Clarke book

Interesting things to say about resource movements and the effect on capability during outsourcing (p126-127)

Architecting information requires (p127-129) . Quote on training exercise to start with a blank sheet of paper and show the information you would need to complete your analysis - THEN compare with the information you have! This is like architect the information and then categorise it

Seamlessness is bunk

11. Seemlessness is bunk!

Don't let technology vendors fool you. Want Enterprise Integration? Want to organise your company around your customers? Want to deliver customised product and service offerings? Then start building seams; delineate to integrate.

I've been threatening to do this for a while now. Threatening to expose one of my most loathed words in the world of business. That word, as you may have guessed, is 'seamless'. Seamless in the way that middleware vendors will deliver 'seamless business integration', or supply chain software will deliver 'seamless supply chain integration', or how a consulting company will allow you to work 'seamlessly with your clients'.

In my experience in the IT services industry I have specialised in systems integration projects. These are projects when you integrate two or more information systems to form an end-to-end business process. These projects are never just about technology – they are always business process projects, or they fail.

Seamlessness may be a way of viewing the end result of an integration project; but the actual implementation is about building the right seams, in the right places. Systems Integration is about finding the common ground between the systems to be integrated. Better still, it is about finding the common ground between classes of systems to be integrated, and therefore allowing components to be more easily plugged-in in or unplugged from the integrated system.

Away from information technology, let's look at dress making or making shoes. Who wants seamless dress-making? The design of a dress, its beauty, its shape, and its utility are derived primarily from its seams.

While it may be possible to construct a shoe or a dress without any seams it would take very sophisticated machinery and would result in a throw-away product. What happens when you own seamless shoes and suddenly the sole wears out? Do you have to throw the shoes out? Or do you finally concede and build a seam?

ManageWithoutThem is about distributed management and the transformation of all management systems from top-down, single-point management to operationalised brands and technology-augmented markets. More importantly, however, the ManageWithoutThem model is based on the fundamental connection between management and the division of labour.

With the division of labour comes the division of knowledge. As specialisation increases, detailed knowledge gets distributed throughout the market. Specialisation is okay – everybody specialises – even so-called 'generalists' are specialists.

In a ManageWithoutThem organisation management is primarily about brand and structure. Build the right seams (and the right mechanisms for continuous improvement) and that's what manages the organisation.

Delineate to Integrate!

Management as Structure and Delineation

management actually IS the structure and operating model and delineation of the organisation. with division of labour becomes division of knowledge… quote from Dead Economists on reducing what you have to think about and what you have to know…

all management is an improvement on the 'everybody knows everything collaboration architecture outlined in previous section.

Librarians and management as management of knowledge.

Not a technical person

12. Not a Technology Person

'Not a Technology Person'

Who isn't a technology person? More general idea of being defined by what you don't know, by what you can't do…

what if you were talking to your CEO about the detail of how the organisation sat in the marketplace and what he saw at the organisation's competitive advantages. Detailed CEO talk – the sort of stuff she discusses with other CEO, peers. What if you said 'I'm not interested in that – I'm not a technical person'. In a sense it would be understandable – you are not a CEO – why do you need to know everything your CEO knows.

If you are in the information technology industry or if you've ever worked with somebody in the information technology industry (which covers just about everybody) you have almost certainly heard the phase:

'I'm not a technology person'

You've probably even said it yourself. Unfortunately, what is invariably meant is:

'I have no idea what you are talking about.'

Don't get me wrong; I'm not about to start telling you that everybody should understand technology. To suggest that every manager should also be an IT expect is to ignore that realities of the division of labour and specialisation.

What I would like to point out is that the phase 'I'm not a technology person seems to be applied to information technology, or specifically computers at the sole discretion of those with no authority to say whether or not the issue is indeed a technology issue.

That is to say: if you are not a technology person how do you know that this is a technology issue and therefore not of your concern.

Also, as a non-technology person – is it really possible to manage a technology team without constraint?

The idea of management as technology opens the possibility of automation. By insisting that management should be a combination of technology-augmented markets and brand I'm covering both the technology side and the non-technology components.

However, many readers are going to assume my approach to be technocratic meanly because it recognised the potential for technology to improve the management process.

Never mind that the political definition of technocracy is:

A government or social system controlled by technicians, especially scientists and technical experts. - The American Heritage Dictionary of the English Language, Fourth Edition

That is to say it doesn't really have anything to do with the technologies themselves. The defining characteristic of a technocracy is giving certain individuals special powers based solely on there technical expertise.

I would argue that existing organisations are technocratic by default in that they do not have an overarching Operational Brand with a higher actionable authority than any particular manager; and they tend to select managers from the best performing technical experts.

With the absence of any other criteria I don't see a problem with selecting managers from the best performers – but without an overarching Operational Brand you are creating a technocracy – whether you admit it or not.

But to return to the issue of utilising technology to replace or improve management, my advocating of such an approach makes me no more in favour of technology than my suggestion that using a hammer is a better approach than to use my thumb.

Success with the resources you have

Succeed with the resources you have

A manager needs to succeed with the resources they have. Depending on the managers hiring or firing authority you may be able to extend this to 'succeed with the resources available'. But regardless, just like in The Riddle of the Stones - were managers want to reduce specialisation in order to make management easier - making successful management dependent on the highest quality resources misses the point.

Some organisations make a strategic decision to not use the best resources. Even off-shoring is partially a strategic decision to not use the best resources (as opposed to outsourcing which is capability focused and more about allowing organisations to focus on there strengths). When an organisation says they are going to off-shore they are saying they are not going to use the 'best' resources in the sense all others things being equal a quality employee is an even better employee if you can work with them face to face.

So the process of management must succeed without the benefit of the best resources. Also, the solution to an underperforming team may not be to hirer better resources but to improve the management process. So why do managers often lament 'I just don't have the right skills in my team'? Why does a manager get to defend the poor performance of their team with reference to the performance of individuals on the team?

Of course, this puts tremendous pressure on the manager. Perhaps the strategic decision not only means poor individual performance from the managers team but also a poor overall performance from the team. Perhaps no amount of superior management would even get the team performing to the level a local team would. The expectations of the manager and their manager must be aligned. But the reality is this alignment of expectations is an issue between the manager their manager and must be addressed at this level.

If expectations must be aligned to change what 'success' actually looks like so that you can 'succeed with the resources you have' this work needs to occur and the fundamental principles of the MWT model still apply.

MWT a process that doesn't deliver a service is a constraint!!! In other words if it's not an end-to-end process it's a constraint. evan a project management method is a contraint if it's not taylored to a particular type of project. it may provide a gating mechanism - and that is risk management within itself - but as far as the project manager is concerned that is a constraint and likely to add cost.

STRATEGY IS NOT MANAGEMENT

service vs process based organisations

Include article on service vs process based organisations her

Fad Tourism

10. Fad Tourism

The fact is that large, complex organisations are not small businesses. When we strive to turn organisations into small businesses we are ignoring reality. Large, complex organisations have more in common with large, complex economies than with small businesses.

Equally, large, complex organisations are not small towns. I recently holidayed on the beautiful Greek island of Chalki (the 'C' is silent). We tend to idealize such communities, and indeed the picture of life they produce during a week-long stay is compelling.

However, I stayed on Chalki during the leadup to an election so I was prone to consider the governance an general progression of the island.

I spite of this the locals on the island have enjoyed increased wealth of the past few years. Indeed, one of the locals known to my family remarked that when repeat visitors from the UK commented that the island had change what they disappointed by was the growing lack of poor islanders. It simply wasn't right that these people lived their quaint lifestyle AND got wealthy!

...dependance on tourism...

Just like there is an analogy to be made between Austrian economist Ludwig von Mises's assertion that socialist system can only exist with the help of external market-based systems to give an indication of the real value of goods and services, perhaps there is an analogy to be made in the island's dependance on tourism.

Organisations which follow particular management fads often gain considerable brand equity from the initiatives. Often industry and management press will report on the organisation's quaint approach to management.

Likewise, new employees beleive the press and want to work in such an 'innovative' or 'alternative' organisation. This type of attraction resonates right across the value chain, until, more often than not, they fail.

It is partially these curious tourists who drive the initial value of the fad. However, once the sights have been seen, and the small-town politics revealed the tourist may leave - perhaps to return next season.

What's so special about leadership?

14. What's So Special About Leadership?

Some may ask why I am even discussing management. Everybody knows that management isn't the answer; the answer is Leadership. The answer is to think outside the square, to innovate, and to lead.

With the limits of thinking magically expanded to 'outside the square' and increasing innovation (assuming those things actually occur) then the basic coordination of steering of organisational structures becomes even more important. The increase in thoughts and ideas, options and innovations provides greater choice for not only consumers, but workers. In short there are increasingly more things an employee can do with aren't coordinated with other activities and aren't pointed in the strategic direction of the firm. Where these activities are superior to the intended direction of the firm or not is not the issue; what is important is that the separate activities of the firm (including the strategic direction) are aligned.

But leadership cannot replace management, per se. As we established in earlier, management is more like a technology than a discipline. The technology of management coordinates and steers all of the activities of the organisation. It must be used by all participants, that is, all collaborating individuals for it to be effective.

Leadership, on the other hand, is a discipline. Leadership is an individual skill, or something that individuals have a talent for (or otherwise). Because we're trying to frame management as a technology, not a discipline, leadership can't therefore replace management. It simple becomes another recognised skill to be coordinated and aligned with other divisions of labour.

Leadership, as a skill practiced by an accomplished leader, can steer and coordinate collaborating individuals. Leadership is recognised as important skill, and one that becomes increasingly important in environments of uncertainty and where intangibles are important.

However, it should be recognised that it is possible to lead, to exhibit all the characteristics of a great leader – the vision, the confidence, the motivation to act – but not effect the organisation because the activities of the leader are not aligned with other collaborating individuals.

Worse still, a leader could be effectively steering and coordinating the collaborating individuals by influencing their direction and how they try to work together. But, the might be steered in the wrong direction (ie. not the correct direction in consideration of the organisations context – it's market) or they might be constructing mechanisms for collaboration which foster silos of operation, high transaction costs, low quality, or win-loss conditions in the organisations operating model.

It is possible to lead a group – perfectly confidently – using all the right technics. But to be leading them in the wrong direction. Getting them simple to do the wrong thing. Nobody will doubt that dot com companies were fueled by some powerful leadership. Start-up addiction is a powerful motivator. But in the end those companies were doing the wrong thing their context (i.e. the market).

One could argue that my definition of a leader here is floored. That I have simply lowered the standard of leadership below what we would consider an effective leader in order to try debunk leadership in general. This is not my purpose. Rather, I recognise that there are good and bad leaders; but with leadership bundled up in the a aggregated management proposition there is no mechanism to determine the best leaders.

At it's worst, when organisations start to institutionalise leadership they not only think that it can replace management; but, they also think that leadership itself is simply a confidence trick. In organisations with this limited understanding of leadership, the most confident person wins. Regardless of the results achieved by the leader, the evaluation process sees that the person is confident, out-spoken, well-liked, and assumes that they must be a leader, and therefore must be doing a good job. It is this form of leadership that is least able to replace management.

This looks-like-a-leader-therefore-must-be-doing-a-good-job mentality comes from a tendency to assess people on their processes. So if somebody is being confident, touch-feelly, talking in visions, then they must be a leader and they must be doing something useful. I'm not saying they aren't – but it is the job of the management of the organisation to ensure they are.

--

Hitler was a great leader; so 'a leader is somebody who has followers' doesn't really cut it.

--

Add to 'what's so special about leadership?'

a focus on leadership gets results not because leadership is any better than management but because leadership is ill-defined. this means that performance is more based on results.... somebody is a leader if somebody else is lead...

the problem is that management distroys this advantage too.... once the management profession (ecosystem including authors) starts to define leadership then leadership starts to be defined in terms of behaviours rather than results...

once leadership is defined as behaviours rather than results it is no better than management..... something that looks like leadership... such as a inclusive management style... is taken to be leadership and therefore good! this is crazy talk!

Corporate Governance as more management

6. Corporate Governance

HBR book just say governance is more management. So disappointing.

Governance is what managers the managers and is a principle which can be applied across all management layers.

======================

Towards a definition of Governance

* can't be just 'managing managers'

* equally can't be 'managing the board'

* can't just be

* go through definitions...

* define and 'what managers managers'

* conclude with comments on markets and governance (See MWT SOX Notes.odt)

======================

Sarbane's Oxley complience basically starts with directors needing to sign off on financial statements. It then leads to the need to show effective controls are in place to create the financial statements, and then that those controls have an auditable criteria, etc, etc. But the point is it starts with a law which tries to increase the accountability of directors. All of the craziness that results after that isn't intentional. It was, of course, driven from the run of so-called corporate corruption scandals including ENRON. The second driver was the issue with audit firms and whether there was conflict of interest if accounting firms who performed audits were also getting revenue from the organise for other services such as consulting.

Problem is that managerialism has a habit of turning everything into less accountability for manages or an excuss for buerocracy. This happens with SOX too. Most SOX projects are implemented as either 'rules for other people' or as 'complience at the expense of busines risk'.

These two historic drivers of SOX actually flavour the approach it takes. Taking the second first, the issue of segregation of power is an important part of SOX complience. Even as you drill down to the implication for IT system audit you will see that segreation of duties is an important part of, say, complience in testing processes. The first historic driver, that of director accounability – implemented through directors signing-off specific statements regarding the finanical statements and the systems and process by which they are generated, also flavours the complience requrements all the way down to, say, IT processes.

The need for directs to sign-off on the processes used to generate financial statements means that the complience at lower levers of the organisation is very much process and sign-off based. I think this is actually dangerous as it imposes a particualar approach to complience rather than simply a standard of complience. Other have commented on this I'm sure.

The alternative to a process-based view of complience is an architecture-based view of complience. This architecture-based view may be just as restictive in terms of limiting innovation – however, it is not even considered as an alternative at the moment.

The analogy here is with the standards by which we evaluate world governments and economic systems. Freedom indicators such as the ????????????? place all countries on a scale based on how free they are. They do this with architecture criteria rather than process criteria. For example, countries with a free press score higher (check this). Also, countries with both codified and common law score higher than pruely tribunial-style or other non-transparent legal systems. To evaluate countries at a process level would theoretically be possible but it wouldn't properly, in this case, show 'freedom'. For example, you could evaluate the process by which a specific country's dictator decides to execute a desentor. You could make a distinction between a dictoror that takes advice from his generals or his priests. But this would be less of an indicator of freedom than the existance of a legal system.

Within organisations a process-based view of complience means that much effort is spent in ensuring records are kept up-to-date, audits are performed, there is independence of audits, that pieces of paper are signed, etc. With an architecture-based approach it would be more important that the correct institutions and markets exist. The institutions – analogous to things like courts, a free-press, etc – would be selected to balance the organisation at a macro level, thus ensuring process integrity at the lower levels. Starting at process-level integrity is actually difficult and error prone.

I expect to see specific internal 'instituions' and markets to be specified by legislation in the future. Or rather, these wll be deemed best practice. Directors would still be able to sign off on the financial results – but more importantly, they wouldn't really need to because the numbers would be generated in real time as the organisations markets operate. Just like nobody signs off that the stock price of a particular company is accurate. It may be over-valued or under-valued buy the market but the process / institutions / architecture that generates the price is fixed.

All of this will put more presure on IT systems audit. But current SOX complience already put presure here. The benefits of architecture-based complience go beyond an improved level of complience and actually contribute to the organisation's operational effectiveness. This is something current complience efforts cannot claim.

Examples / Case Studies

EDS Sales Process Example

Describing the sales process and business developm...

Examples / Case Studies

EDS Sales Process Example

Describing the sales process and business development responsibilities for the new EDS structure. When asked 'Who is responsible for keeping the pipeline full? Who is responsible for ensuring pursuits are funded?' We got an answer allow the lines of this person is responsible for this region, that person is responsible for that account, this person is responsible if the value is greater than a certain number, etc. Also, the process says that pursuit funding has to go through a particular value review board process for certain sizes of pursuits.

Using to MWT concepts to group the statements:

DON'T NAME PEOPLE UNTIL YOU NAME IDEOLOGY

So 'this person', 'that person' can be a way to avoid the approach to ownership.

PEOPLE ARE RESPONSIBLE / NOT PROCESSES… and CAN'T TELL PEOPLE WHAT TO DO AND HOW TO DO IT.

So 'this person is responsible for this value and over' and 'you must go through a value review board for pursuits over this value' are both issues of process. They do not specify a person responsible – they make the process responsible. But who owns the process. One somebody is responsible they own the process – and can change that process – but they are responsible despite the process.

SAME CASE STUDY…

Management as an option shared service. We were in a meeting to introduce ourselves to our new boss. But the boss didn't know he own value proposition. Or reason for attending was because he was our boss. He described the organisation and the circles of excellence which we could associate ourselves with to build our capability. And he described the 'thin practise'organisation which our professional services group would provide services to. He also described the process by which resources would be assigned to projects. Why would be want waste time with his meetings. What does it add? Pure management roles must have a value proposition – and the only way to ensure they do it make them optional – give them responsibility for creating there own value proposition.

SAME CASE STUDY...

The process for sourcing resources from the professional services group from the thin practice was from a resource management tool (Evolve). Individual resources were responsible for updating there skill set. Thin practice leaders, pursuit and project leaders posted opportunities and use the system as a sourcing tool.

The technology, if used correctly (ie. Via MWT principles) would make a great delineator. It would become the share understanding and marketplace.

But it was broken. Firstly, the person responsible for supporting the application (evole) was considered the gateway. Also, the professional service group leaders (because they had little else to do) were going to broker the transactions. Even though there would be more visibility they assumed they should broker the transations – without feeling compelled to discribe their value proposition ('SHARED SERVICE WITH A VALUE POSITION – just like a real market').

Notes

You're not losing control...

You're realising that there never really was control

Your Environment

...the companies values, goals, processes and stratagies are part of that... ... competing with others... ... organisational usability ...

You'd be surprised how much documentation MWT people produce!

The Laisse-faire firm?

The Laisse-faire firm?

The Laisse-faire firm? Tendancy (from Choas and Organisation litle book) for self organising systems to form around related groups.... not non-related groups for innovation... also the purpose of management (as a technology) is to allow non-like people to colaborate.

Chaotic Self-Organisation

Chaotic systems are fine. Self organisation is fine. However self-organisation will tend to be around like groups when no shared purpose has been created. And self-organising systems tend to favour and evolve adaptability itself… (see chaos and management book I bought) not necessarily interesting. In fact, this is much like a bunch of 'free market' advocates that don't want to talk about anything except the lack of free markets... don't want to start their own business or anything etc ...

Constant elevation of a particular dicipline

- This is an example of a pendulum argument

- Then insert blog on testing not following it's own rules (example of 'broken promises')

- Then use example of EDS sales team and losing the best consultants

The managers don't manage the organisation. It's the rules that manage the organisation. The only exception to this is when the rules don't apply to everybody or are inconsistently applied, or there is confusion on who the rules apply to. In these cases these inconsistances become part of the collaboration archtiecture…

Part 4: The New Management Components

The components of the new MWT Model

Components introduction

TAM

OB

CA

It's important promote positive change - in the sense of not just telling people what not to do but also telling them what to do instead.

Intro to transformation

3. Management Transformation

< recap the injections and intended managment transformation by introducing the managment transformation diagram from MWT web site and going through components... Three major ones are the focus of this Part of the book. >

Core manager knowledge - more injections

Everybody else learn mangement (see three point plan on blog)

New MWT Hierarchy

Operationalised Brands

Collaboration Architectures

Technology-enabled Markets

why operationalised brands

Alternative title - but realised I would have to sell the idea before I actual explained the new components

Why your organisation's brand, augmented by a technology-enabled marketplace, must become its primary management mechanism if you are to survive the hyper-capitalism of the digital economy.

purpose of the core themes

the core themes listed

MWT Core Concepts / Themes

ManageWithoutThem has, at its heart, a set of core concepts or themes which bind the components of the model together and give it integrity. Management is what collaborating individuals share, and if everybody in the organisation shares these core concepts as they work through implementation of the MWT Model, management will be repositioned a a distributed process.

Your Organisation Doesn't Care Who Is Managing It... Quite simply, the efficiency and effectiveness of your organisation does not depend on who is managing it or on who is making decisions. Your organisation's effectiveness depends only on the quality of the decisions being made and the actions they invoke. Traditionally, 'management' was created to coordinate the separate, but related activities created through the division of labor. The key to management is coordination, not any particular 'who' of management.

'Management' has always been a distributed function... Always remember that the original purpose of management was to coordinate separate but related activities which resulted from the division of labor. Management must therefore be integrated with those separate activities. Good managers provide value-added services above and beyond this simple coordination. However, these value-added management services need to be structured as (possibly optional) shared services. There should be no risk that shared services reduce individual responsibility and accountability. If any of these value-added management services are made mandatory this is analogous to a monopoly on the service.

Organisational Usability!... People create economic value, not organisations (just ask the late economist Ludwig von Mises). Your employees (or your clients directly) leverage the capabilities and resources of your organisation to create new value. Using the analogy of web site usability your organisation's success is also dependent on its usability. Your organisation's usability is reflected in how difficult it is to do the activities that have been deemed necessary at the strategic level.

Managers and All: Make Yourself Redundant... It is the responsibility of each member of the organisation to use technology, process, innovation, and collaborative efficiencies to gain efficiencies and allow space for growth. Each member of the organisation must realize that making -yourself-redundant doesn't mean you are no longer of value to the organisation. It means you have changed the organisation. It frees you to pursue other challenges or make the same changes in other business units.

Management Portals. Management as a Service... In a ManageWithoutThem organisation most management functions are structured as optional shared services. Structuring management as optional shared services forces integration and collaboration of management functions. It also opens up the possibility the internal organisational market evolving efficiencies in management functions as well as for individual functional performers.

Market-based Coordination within the organisation (the market doesn't stop at the firm)... Why is the organisation the only entity in the economy that doesn't consider itself to be a market? With the Internet and other technologies reducing transaction costs all the time, firms can now coordinate as a market economy instead of a command economy.

Yes; it's all 'management's' fault! But, we are all 'management'... There is no 'them' to blame in distributed management. You may well blame management for the failings of the organisation but management is everybody's responsibility and there always exists options for improvement. Faced with coordination problems the answer is to offer an alternative into the internal market.

The Incredible Shrinking Management: Brand, Value, Projects, Competition, Markets... For management to become distributed it must change its perspective. No longer should it be seen to contain the rest of your organisation, rather it should again become an integrated part of the organisation. Everybody needs to understand management concepts and how they relate to their role within the organisation. Everybody has a value-chain, everybody has intellectual capital, everybody has a brand, everything is a market...

Better to be at war with your manager in the name of customer service and improved performance than it is to be at war with your customer in the name of outdated process and bureaucracy

Don't be afraid to be your customer's advocate. If you truly know your client, and if you truly know a process is not appropriate for the situation or hurting the relationship with the client - then fight the right battle.

(but don't kid yourself)

Employees as Customers... Ever increasing workforce mobility and ever increasing choices, options, and access to information for employees. This means that choice theory applies to your employees as well as your customers Leverage the Network. Not the Hierarchy The new operational shape of organisation is the network. Too many overlaps within your organisation will make rolling things up into a hierarchy an unnatural abstraction.

We are not creating control mechanisms, we are creating organisms that don't die... It is no longer enough to create a control structure or a process. In order to accommodate rapid change your structures, processes, business units, people, etc, must be adaptable. They must be alive. They must be able to adapt and improve without explicit, formal, intervention.

Disintermediation and Re-intermediation of Management... Management was originally a mechanism to coordinate separate but related activities brought about by the division of labour. Over the years management has become the ultimate middleman.

Everyone is responsible for their own Communication...

If your following up on 'This Stinks' you're already starting to self-manage...

Don't Underestimate the power of proximity... People who are physically, intellectually, or socially 'close' to you will appear much more clever than those who are 'far away'. Don't be too quick to judge - respect those you don't fully understand. On the other hand, when you are 'far away' from somebody you evaluate their results - when you are 'close' you are more likely to evaluate only their processes.

Politics and Bullsh*t are different... The 'politics' of your organisation is simply the actions required to get things done within the organisation. If those actions are purely filling out forms, nepotism, deceit, and fear, that is more specifically bad politics . Separate the good politics from the bad and name them. Perhaps some actions should be difficult to achieve as a safety check.

Avoid Level of Analysis Problems... When thinking of management avoid the temptation to only see things from one perspective. How does your approach seem when evaluated from a different perspective or level of analysis?

Architecture / Content... Self-organisation and growth require explicit focus on architecture. People need to collaborate around something. In general they will provide content for the architecture they are collaborating around. Ensure you all have a shared understanding of the architecture. The Internet has grow through massive collaboration around a shared architecture.

The Document is Not the Requirements/Design/Project... The document is not the requirements... (knowing the requirements requires a shared understanding) The document is not the design... (the design is only complete after the neurons in peoples head have been rearranged) The document is not the Project... (and it is the project that must be managed)

Away from 'Us' and 'Them' (Through 'I')

You can't tell people both 'What To Do' and 'How To Do It' (and then judge their performance)

Competence Beats Process

In a ManageWithoutThem organisation all are willing to accept that if somebody is truly competent in what they do they will do it better then somebody who simply follows a process - however perfectly.Process assumes linearity where competence must encompass more. Process, however, may assist in coordination.

Collaboration through Specialists with a Shared Architecture Beats Collaboration through Generalists

Seamlessness is bunk! (Article)

26. Collaboration Architectures

Collaboration Architectures and Flow

Talk about the need to 'zoom into' work in order to achieve 'flow' and 'deep thinking' about your task. You know how it is hard to both get into flow and annoying to be snapped out. But more interestingly you HAVE TO architecture your work in a sense if you want to get into flow – if you want to be able to isolate components and think deeply, concentrating on a particular task. The thing is this type of architecting performed by individuals is down differently for each person – by making the architecting explicit you will make it easier for the team to pull in and out of flow and to get into flow together!

Delineated Shared Understanding

Architecture as delineated shared understanding. Management as 'what collaborating individuals share'.

You'll never know what you don't know. But with this approach you are putting what you do know in context of what might be knowable – and this is the first step to knowing what you don't know.

This is a fundamental transformation of the organisation. With this transformation the base coordination mechanism for the firm is change from 'management' to 'architecture'. After this transformation the initial immediate response to an activity is no longer 'plan, monitor, control' but 'architect, transform'.

With the architecting process raised as conceptually higher than the management process it is recognised that, for example, project management is simply a number set of activities that must be performed with reference to the collaboration architecture.

The concept of a collaboration architecture can be retrofit to the existing management-based model. In this model the standard collaboration architecture is for planning, monitor, and control functions to be separated to a manager role…

Traditional Project Architectures

A good start... Necessary but not sufficent

This is the text…

Schedules and Milestones

Text about when this are finished – not if they will fit together.

Integration and Risk

Text about Rational Risk and Integration Graphs

The Gentle Cowboy

Text about reality-based risk management; risks you don't know; and the risk adverse nature of market-based management in a non-perfect world.

Collaboration Architectures theory

In Defence of Structure

Structure gets a bad name. However, structure, in the MWT environment is all management is…

The comments from Hans Zimmer re-confirm that management must be something which is separate from each of the specialisations of a particular discipline. Architecture is a mechanism for coordination which doesn't place a particular specialisation as conceptually superior. This goes for the obvious example of the management discipline but also implies that we can't solve the management problem by just selecting another discipline and placing them in charge.

At my time at EDS's consulting organisation I have seen countless yo-yo arguments which alternatively place 'sales' as the most important group in the organisation, then 'service lines', then 'delivery'. With the absence or a system or business architecture the only path to improvement was again to try to intervene and shuffle the power structures within the organisation.

EDS recognises it's problems and is applying its own enterprise architect service offering at itself. These initiatives provide a organisation taxonomy and architecture structured specifically for the task of creating client solutions.

The next step for EDS would be to trust the architectural tools they have created – tools which are in many ways taxonomy and knowledge management processes – and allow them to run the organisation. In chapter ??? I spoke about communities, knowledge sharing tools, etc being implied by organisations but un-integrated with the way the organisation is managed. The final step which needs to be taken is for the knowledge management concepts to actually be allowed to manage the organisation.

Knowledge management tools, or rather a very specific architecture-based incarnation of those tools will never be allowed to run the organisation while disciplines such as management – particularly project management – are consider ‘above’ it.

In Chapter 1 I expressed the need to form an understanding of management which encompassed what were traditionally considered managers and those being managed. If the ‘architecture’ is considered conceptually below things like general or project management the only individuals collaborating which aren’t respecting the boundaries or terminology, responsibility, discipline, and working as a team, will be the managers.

Architectural Leadership

What is Architecting?

Why Architect?

It is a fallacy that you architect to ...

Architectural Leadership

What is Architecting?

Why Architect?

It is a fallacy that you architect to ensure technical superiority. Technical superiority could simply be achieve though Technical Team Leads; and Architects are not simply super-tech leads.

The goal of architecting is therefore beyond that of ensuring a superior technical solution. The goal of architecting is to ensure a superior technical solution with a distributed workforce. That is, architecting allows multiple people to collaborate on the same problem.

Ref: 'don't place one dicipline above others' - technocracy.

Increasing complexity mean architecture must be made explicit. Can't just depend on standard roles, activies, and processes.

What to Architect?

Program Management

program don't have a sdlc!

Plotting what people share and its power

Plot on a graph…. one axis 'the power to drive coordination...

Plotting what people share and its power

Plot on a graph…. one axis 'the power to drive coordination of the organisation' and on the other 'the power to drive in the right direction'. Then plot points on the graph for cynicism, 'a manager', fear, core values, apathy, malaise, … etc…

ManageWithoutThem is two-fold: both the recognisiton of the power of technology-augmented markets, o...

ManageWithoutThem is two-fold: both the recognisiton of the power of technology-augmented markets, operationalised brands, and collaboration architectures to actually manage organisations; but also a set ofspecific principle which are right for all organisations.

ManageWithoutThem attmpts in this way to answer the questions of 'Is there a right set of values?', 'Is there a core set of technology argmented markets?', and 'What is the collaborative architecture for my purpose?'

Because of the diversity and number of collaboration architctures which will spring from this approach to management, this book will not be able to provide all of them - and doesn't attempt to - what it does do is try and set the standards for the creation of new collaboration architectures. These standards will also establish a framework for the creation of supporting tools and market-making products.

Building a team vs team building

Building Team… as apposed to 'team building'. Difference in that y...

Building a team vs team building

Building Team… as apposed to 'team building'. Difference in that you don't have to climb any ladders.

OMG

Open Modeling Group's call for a 'Case Management' standard. When trying to apply so-called business process modeling to case management - that is the types of processes where a set of outcomes for a particular person or situation need to be planned, controlled, and monitored through related activities - when they tried to apply BPM to these types of processes they didn't work because BPM wasn't able to considered the flexible nature of the process; wasn't able to consider the human element, the human decisions, the expertise of the humans.

Frankly, this is a major disappointment. The whole point of BPM should have been to coordinate people. That's what business processes do. If the BPM standards weren't able to do that they were solving the wrong problem. Instead of solving the problem of business process they were solving the problem of automation. However, they would have only been valuable in situations where automation wasn't possible.

Collaboration architectures are implicit in there goal to solve collaboration problems. They are only applicable in cases where people are involved; and they only consider a 'business process' a real business process if multiple people are involved.

Anything that could technically be done by a single person isn't a business process - rather, it is a workflow. Anything that could technically be performed by a single person, however, Is being performed by multiple people to allow specialisation or concurrent execution of certain steps isn't a business process… yet. As the time of seperating the activity across multiple people it is simply division of labour. What this division of labour needs is something to coordinate it. This something -may- be a business process. Or it may be something else.

The generate thing required it a collaboration architecture.

Note: I am tempted to also use the term 'business process' to refer to the core processes that operate at an enterprise level to create value in an organisation. However, as the intension of enterprise [business] achitecture modelling is to find the elements of the organisation that don't change (or rather only change strategically) using the term 'business process' gives the misleading impression that these core processes define how value is created rather than just the required transformations required to create value. For this reason the core processes in EBA are referred to as Value Streams (even though the notation and some off-handed references call them 'processes' or 'level-0 processes'.

24. Operationalised Brands

Because management traditionally focuses on priorities rather than system - and on making decisions rather than taking responsibility - there is a tendency to want to want to put things in order of importance. Now this an admirable thing to do. Personally, it shows great integrity to be able to list things in their order of importance to you. If you are a healthy individual you would put your own well-being and survival at the top of that list. If you're lucky enough to be in love with your wife and children they would appear next in the list.

There might be disagreement amongst individuals as to the order of such a list. For example, even my tendency to place my own needs first is controversial and a matter of philosophical debate. Equally, whereas I put my wife before my children other would reverse that order. But the point is taking a stand on any order is the right thing to do. It shows a personal integrity that is admirable and proper.

However, organisations are systems. the components of organisations must work together and not at the expense of other components. Although economics tells us that investing in one component is by definition - that doing one thing means you are not doing another - these investment decisions don't reduce the need for different components of the organisation to work together. In fact, if for example one business unit has less funding than other business unit that doesn't these two business unit don't have to collaborate. In fact, the disproportionate funding is an important part of any collaboration architecture which crosses these two business units.

Because the components of the system need to work together from a management perspective it actually doesn't make much difference which component is deemed more important. And yet I've seen organisations struggle in the kind of pendulum argument described in Chapter xxxx for years trying to decide if Sales is more important than Delivery. One year, when market share has dropped - regardless of the underlying causes for this drop, or whether any analysis of underlaying causes has even been performed - the executives of the organisation will proclaim (as though it just occurred to them) that 'This business is nothing if not for the Sales team! Sales is the most important function because without Sales why are the rest of us here, right? Huh?'.

The problem is, the very next year - or even the next quarter if the organisation is particularly 'agile' - the focus shifts to Delivery. Or maybe it shifts to Quality, or 'investing in our brands'. Any shift can be justified and usually is. We are focusing on Delivery now because 'It doesn't matter how good a job our sales team is doing if we can't deliver, right? Huh?'. In typical management style a pendulum argument never gets resolved. Because the only way to solve a pendulum argument is to add another concept or variable.

To revolve this pendulum argument we must introduce the concept that strategy is different to management.

== What is an operationalised brand? ==

Marketing is not about message

If you read Dilbert the marketing department is a responsible for selling products that don't exist and ignoring engineering principles. However, this is a symptom of managerialism more than a problem of marketing. That engineers and marketing people don't understand each other isn't a reason to thin that either don't add value. If separate but related activities bought about by the division of labour are not aligned this is a management issue (hopefully, that message is clear by this stage of the book!)

Many people mistake marketing for advertising. Even marketing people only expand this to include public relationship (i.e. Free advertising or the avoidance of negative advertising). In fact, marketing is about aligning the organisation to the market through it's products. This alignment can occur through changing any of the market, the products, or the organisation.

Traditionally marketing people are seen to change the market - by creating messages which describe the product and the products benefits and convince the market to desire it. If the relationship between marketing and product development is properly managed this alignment can also be achieved through adjustment of the products themselves or even adjustment of the organisation that creates the products.

This sort of thinking might lead you to think that marketing is the head of the organisation and somehow the *most important* part of the organisation. Though this is an example of a pendulum argument. While I was working in a consulting group within a multi-national IT outsourcing organisation their was a constant cycle of determining which the *most important* part of the organisation was. One year it was the sales organisation by the seemingly logical argument that without sales we don't have a reason to exist. The next year the most important group was delivery because how can we sell if unless we have a solid track record of delivering successful projects. The reality was that while this pendulum existed it was a indication that the relationship between sales and delivery wasn't being managed.

There are legitimate cycles, of course, and any long-term strategic planning should take into account business cycles, financial cycles, and even demographic cycles. But these types of cycle are different to the pendulum that swing endlessly while decisions are avoided or the level of analysis is too high (or too low).

Marketing isn't the *most important* part of the organisation and this sort of classification is exactly the opposite of good management. If marketing is viewed as the group responsible for aligning the organisation with he market it does indeed have considerable import. The hierarchy of responsibility weighs heavy on this function. But what marketing gains through this responsibility is looses as the level of analysis is changed for the concept of *brand*.

Brand without marketing

When most people think of *brand* they think of a logo. However, within the marketing department a deeper understanding of *brand* can be found.

In fact, the logo is only a manifestation of the brand. The brand character might has a number of different attributes: adventurous, good value, retro, or perhaps exclusive.

What's more, there isn't a single brand. An organisation or group of organisations might have a shared brand architecture which is further segmented into product groups or perhaps customer segments. The technicalities of defining a brand a intricate. But we know that management is not about definition it's about organisation.

The third pillar or the ManageWithoutThem management model is Operationalised Brands. This component moved brands up the food chain and out of the marketing department. While marketing becomes the alignment of the organisation to the market brands become part of the management of the organisation and therefore align internal groups as well as the relationship with the market.

-brand attributes which not only support this vision but actually drive people's

behaviours (e.g. these brand attributes are so well actualised across the company that

if a boss tells you to do something that conflicts with an attribute, you have a higher

right of appeal)

- Adept1.pdf ENTERPRISE ALIGNMENT By Dave Allen and Chris Macrae

- (Search for this file on laptop)

Operationalising your brand

There are 4 major steps to operationalising your brand

1. Appoint a chief brand officer (CBO)
2. Source the brand architecture from your marketing department
3. Add actionable attributes to the brand architecture
4. Assign brand champions to each business unit

5. Regularly review incidents and planned activities against brand

It's that simple.

Brand-bullie leadership

Delineate to Integrate

Lessons from systems integration projects in the IT industry.

Brand-Bullie Leadership

Lessons from market-facing branding applied to management-by-brand.

Nologoists claim that big brands force consumers to by products they don't want or devert money from product quality.

The brand analogy may provide more insights. Simply managing by brand - as a directive one way function of a seperated management - may not be enough.

25. Technology-Augmented Markets

Strategy-aligned... Not nessecarily free-markets because that would reduce differentiation and strategic positioning.

Separate management from measurement.

…

Needed to be a certain level of information processing technology before this became effective and possible. This isn't technologist. A stock-market - in particularly a global stock market - required a certain level of technology before it was feasible but then it happened. The Incredible Shrinking Management says that the forces of globilization work in terms of micro-isation too. So they will make micro changes in management just as they make macro changes in economics.

quote - everybody knows

There's going to be a meeting upon your bed that will disclose, what everybody knows.

- Leonard Cohen, Everybody Knows

‘Everybody Knows’

Internet technologies… Leonard Cohen… ‘there’s going to be a meter upon your bed t...

‘Everybody Knows’

Internet technologies… Leonard Cohen… ‘there’s going to be a meter upon your bed that will disclose – what everybody know’.

Brands with characters

There’s going to be a meeting upon your bed that will disclose, what everybody knows.

Leonard Cohe...

There’s going to be a meeting upon your bed that will disclose, what everybody knows.

Leonard Cohen, Everybody Knows

Elements of Markets

Definition, transparency of information

Elements of Markets

Definition, transparency of information

The software of internal markets

From MWT Blog

Tuesday, February 13, 2001

Thanks to my current boss at EDS I've starting to think about the Software and Services components of ManageWithoutThem again. The plan has always been to develop a combination Service Desk, People Desk, and Project Desk which would complement the ManageWithoutThem principles.

The theory is that new ways of managing will require new tools.

I want to work on the priniples first, rather than jump in and write 'best practices' software. The basic priniples of 'the desks' might be:

- distributed

- reality based - that is, if the project has an issue it should appear as a matter of course - unfiltered (at least in stats)

- entity level updates - projects, people, services

- multiple views of the same data - competencies, practice, project, program

- access anywhere - if you've got an ISP you can get to it

the unavoidable Hierarchy of Responsibility

The problem isn't hierarchy. There is little doubt that there is a natu...

Hierarchy of Responsibility

The problem isn't hierarchy. There is little doubt that there is a natural hierarchy of responsibility from individual performers right up to the board of directors (possibly even to shareholders).

The problem is that this hierarchy of responsibility says absolutely nothing about management or corporate governance itself.

Unavoidable Hierarchy of Responsibility

Hierarchies are powerful organising constructs. One of the assumptions people often make about the MWT Model is that if it is market-based it must also be against hierarchical organisation. This is not true as hierarchical organisation is an important feature of corporate governance. Without the overriding principle that the CEO and Board are ultimately responsible for the organisation's performance (and the organisation's overall impact on society) there can be no corporate governance. The unavoidable hierarchy of responsibility draws a line from each employee, through their managers, directly to the Board.

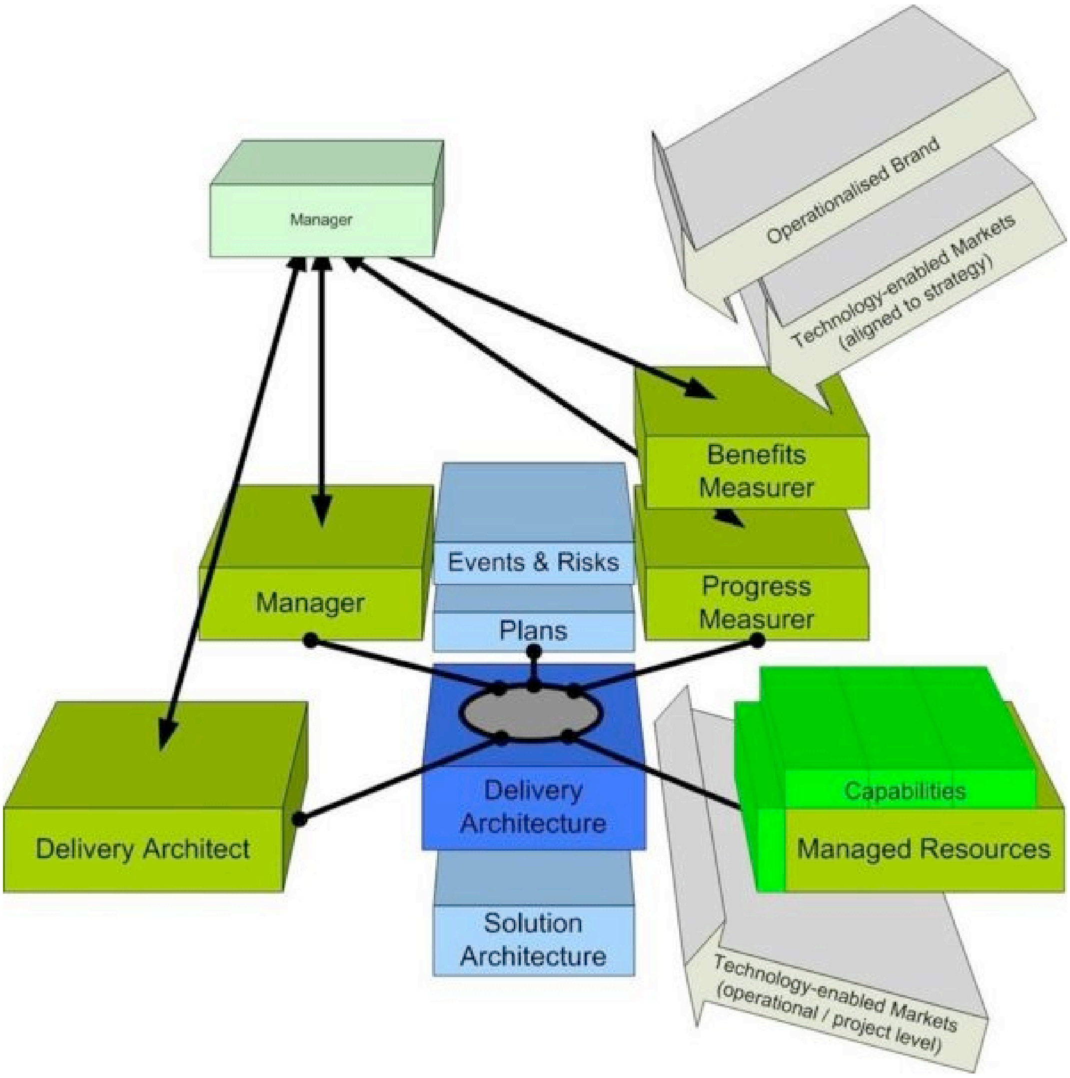
It is the unflinching burden of this hierarchy of responsibility that often causes the best-seller lists for management books to be dominated by what are essentially self-help books for people in positions of power and responsibility. Indeed, much of the management profession has been developed to push this burden of responsibility down the hierarchy. This is different to delegation. Delegation, or rather the correct distribution of decision rights, is by definition always a positive contribution to the organisation's effectiveness. Distribution of decision rights is in fact enabled through the hierarchy of responsibility. If a manager is ultimately responsible regardless of delegations then there is no point restating the managers responsibilities and calling it management. This is what subtlety occurs with Single Point Management (see Chapter xxx). In a sense, when I say 'management is the process of determining which decisions don't have to be made by consensus' I am also saying that management is the process of determining which decisions don't have to be made by the manager.

Management should always involve the organised delegation of responsibilities. You will often hear that you can delegate responsibility but not accountability (or something like that). This management truism is indeed true. What it is saying is that the manager is always accountability even though they have given the task to somebody else. The problem arrises when the one class within an organisation (in this case that class is the management class) has both the right to delegate and the right to judge capability. This violates the MWT principle to 'make management one step removed from measurement'. Too often I have seen managers attribute their failure to 'unskilled resources' and too often this is the case when those same resources have been working for the manager for months or even years. Though not always the case in well matrixed organisations and project, managers are responsible for the capabilities of their people – so blaming your resources for failure is not an option.

Market-based management partially solves this problem by providing mechanisms for people to choose their managers. However, this is not an ideal solution as it will mean that truly challenging endeavours will never be resourced. Also, as discussed in Chapter xxx, competitive differentiation and alignment to strategy would be ineffective under a strictly market-based management model. In order to resource truly difficult endeavours and maintain a strategy of differentiation, you have to strictly follow the rule that if a subordinate is responsible then the manager is also responsible.

Due credit should be given to organisations who try to solve this governance problem with such mechanisms as '360 degree' assessments and other elements of a comprehensive performance management processes. In fact, even the very existence of a human resources department is supposed to provide a mechanism for resolving problems with managers who have taken advantage of the largely political relationship between the manager and the managed which allows their own failings to be exploited and reframed as leadership. However, the problem with 360 degree assessment and reliance on a separate human resources department is that these involve interventions. As mentioned in Chapter xxx, any management model which relies on interventions cannot improve corporate governance because managers control resource allocation and therefore they control which interventions are resourced. So in effect they control which interventions occur. If those resource allocations are ineffective (from the organisations perspective) the interventions simply wont occur and the risks to effective corporate governance will not be managed.

A new view of management and hierachy



1. The New MWT Hierarchy

This is the disagreegation of the hierarchy! The other compponent of the 'disagreegation of management' transformation is the disagreegation of the functions of management -as per the email i wrote to David weinburg.

The New MWT Hierarchy reinforces the idea of an unavoidable hierarchy of responsibility. More importantly is provides a more comprehensive explanation of the forces which are already acting within the management hierarchy. The New MWT Hierarchy should be considered a management pattern (in the sense of Christopher Alexander's *A Pattern Language* as discussed in Chapter xxx). In the diagram for this pattern each of the olive green components are a different person performing a different role. It is important that these are physically different people. It is only then that the correct incentives are in place for the pattern to work.

However, some will correctly note that this is overkill for smaller organisations or projects. It is true that this pattern evolves too many people to be suitable for small organisations. However, it does more effectively represent the forces which need to be in place to govern the hierarchy. It is only because the risks are smaller in smaller organisations that roles can be combined into less resources. It may even be possible that the roles are combined into a single manager. This is of course exactly what the traditional view of a management hierarchy would suggest. But I believe that in all cases where the roles are combined a risk is introduced. It is only because management practices have developed an unquestioned value proposition unto themselves that this idea of risk management within the management model will be unintuitive to many. This is why risk management within the management model is such an important component of the MWT Model.

Note also that it is not just the size of the organisation that indicates the roles should be separated into different people. Other risks such as the combining of diverse capabilities with a new collaboration / delivery architecture also indicate that separate people in each role should be used. Also, any time when an independent project management firm is used to manage other firms the roles should be separate people (or perhaps separate firms).

It might also be the case that a strong general manager will require a separate delivery architect to supplement their general management skills with domain or task-specific skills. There is a long standing argument about whether a good manager can manage anything. The answer to this is 'it depends'. An understand of The New MWT Hierarchy allows the decision to be made by assessment of the managers skills in relation to the domains they are managing. The discussion on the relationship between the manager and delivery architect will make that clear.

The individual components of the diagram are introduced in the section below. As for all MWT collaboration architectures (as The New MWT Hierarchy is simply a generic collaboration architecture) in addition to the component descriptions a set of traversals across components will also be provided.

<--- continued --->

<--- continued --->

<insert diagram and go through components >

Plans

It's hard to argue against the inclusion of a planning component in the New MWT Hierarchy. New organisation can afford to run day-to-day operations without tracking against either a project plan or a business plan. Keeping an organisation running burns money like nobodies business. Without tracking to a plan the organisation has no idea if it is operating with a positive return on investment. On that basis along I include a planning component in the New MWT Hierarchy. By including this component I can also demonstrate who a plan needs to be integrated with other components of the hierarchy. This provide a mechanism for indicating when the plan is simply wrong – or based on incorrect assumptions. This is the type of feedback traditional management usually doesn't get until it's too late.

Events and Risks

All the components of general management which aren't a part of planning can be categorised as events and risks. This is not to belittle the value of issue, risk, and assumption management. Rather I would like to put these practices in context. Also, I'd like to show how these processes, combined with schedule management, will nessecarily result in a political organisation which doesn't make the most effective use of resources or even properly consider comparative advantage.

<reference to structure and risk blog>

So the problem with what I call event-based process is that somebody generally has to be responsible for an area (and of course have the required expertise) in order to raise the risk or issue in the first place. Also, the resolution of the risk or issue is likely to be political if the right group of people, with the right insentives, aren't involved in the resolution.

Manager and Measurer

Manager and Delivery Architect

Managed Resources and Capabilities

...

This isn't to say that it is imposible to operating an organisation without pre-existing capabilities. New capabilities are created and destroyed within hundreds of thousands of organisations every week. In fact, I like to view the entire process of project management as a form of capability engineering where you start without the capabilities to deliver the benifits of of the project as described by the business case; and progressively you development the tools, people, processes, and products, to deliver the benifits.

The important part about including capabilities in The New MWT Hierarchy is that the right people will exist to raise the risks and the right people are available to work on the risk management plan or issue resolution. Again, when the components are combined that combination, in itself, introduces a risk (in this case the risk is that the delivery architecture becomes complex and unmanagable; likely not reusabled or familiar to any of the resources being managed).

Types of capabilities:

Collection of individuals

Collection of front-end individuals supported by back-end capabilities

Collection of front-end individuals supported by leveraged back-end capabilities

Each of these capabilities will have either an explicit or tacit set of processes, tools, behaviours, and standards with make up the capability. In the case of capabilities with seperate front-end and back-end components these must be explicit or the capabilities should be regarded as just a collection of individuals.

You may wonder why I have seperated the types of capabilities in this way. It is because different types of capabiltiies must be managed differently. Rather, to use the MWT approach, these different types of capabilities will need to met different criteria in order to be evaluated as managed. Remember, in the MWT Model something is considered 'managed' if it met certain criteria when you inspect it. It is not considered 'managed' just because it has a manager. By inspecting the endevour itself you determine if it is managed and if it is managed then the manager is deemed to be a competent manager.

Applying risk management to the management hierachy

Part 5: Making the Transition

Making the transition to the MWT Model

Making the transition intro

It's a cliche to say that the journey is as important as the distination. I'll know when I see it's that it's managed - but what's managed will be unique to your organisation.

Changing what we know

Changing what managers do

Changing what non-managers do

Changing what management is

It's a childish impulse to blame the 'they'. I've done it myself. This 'they' really means the pa...

It's a childish impulse to blame the 'they'. I've done it myself. This 'they' really means the part of you that allows particular things to happen.

Elvis Costello, Mojo Magazine 2002

Personal freedom and responsibility

Part 5: Personal Freedom and Responsibility

27. The Non-Manager's Journey

17. Economics

Tips from Economics

Throughout this book I will be making layman's references to economics. This is because the introduction to any good economics book tends to make the following observation:

There are two different types of economies: a command-based economy or a market-based economy.

Except in the most interesting of articles on Institutional Economics there appears to be only one view of the firm: as a command economy.

Institutional Economist Richard Coarse even suggests that all economies consist of a combination of market-based and control-based coordination because a firm is, by definition, a control-based structure.

This book is not the first to dispute this view but I hope it to be the first in general and popular readership. I'd suggest that some organisations can try to be control-based and some can try to be market-based. All are probably a combination of both.

However, it is often said that organisations don't compete, supply chains do. In this sense, when management must deal with partners and an extended enterprise not necessarily defined by ownership, we all need to deal in market-based coordination.

'Particatory Economics' (book) as if you have a choice! You discover econimics; you only have a choice about 'management'.

The image of the virtual corporation was one with only a handful of managers coordinating a portfolio of capability partners.

This may well be the future; but if it is, what we think of as management must change.

The purpose of a schedule is not to make sure that everybody does what the manager wants. The purpose of any coordination mechanism is simple to give collaborating individuals some predictability over how other people will act.

Three types of process; collaborative, syncronising, generative. In the average organisation this are muddled.

Laizza-Faire Firm?

The sub-title of this book is 'Why your brand, with technology-augmented marketplaces, must manage your organisation'. The inclusion of brand adds character to the markets. It is the inclusion of brand which extends the model well beyond simply laise-faire for the firm.

The Operational Brand of the organisation extends the brand definition enough to actually allow 'rule by brand' to replace 'rule by man'. At the highest level the brand establishes whether or not there is market-based coordination or command-based coordination.

However, the model does not exclude the possibility of a lazza-faire firm. For whatever reason an organisation's Operational Brand may be for complete lazza-fairism. However, very few of as would have the faith in humanity required for this approach.

--

Note that rule-by-brand alone doesn't transform. Need access to the markets.

i.e. every can add an issue log - but nobody can see it.

The management disipline has learnt to absorb all attempt to change it!

Introduction to Austrian Economics

Take a look at these quotes from Austrian Economist Ludwig von Mises:

... find quotes ...

These observations fit nicely in any 'new economy' rant or many of themanagment fads of the last 15 years.

But again, these quotes only ellude to attributes of economic systems; that they should be customer focused, agile, rational, etc.

What interested me was that these quotes are all from around the 1950s. Mises was recognising the importance of the consumer decades before the customer-comes-first banter of the 80s.

The difference is that the Austrian School is still maturing and developing. While the same customer-comes-first management fad will also have revivals, the Austrian School of economics has been considering policy implications and other requirements to meet those attributes.

It should be noted that the Austrian School of Economics is not two things. Firstly, it has nothing to do with the Austrian economy (actually, most of the the Austrian economists would appear to have made the US their home). Secondly, the school is not without its contriversal ideas and detrators.

These second point, however, might well be what life is all about.

Remember quote from 'Chaos...' book that self-organising systems such as markets tend to optimise [only] adaptability itself. No value is placed on the optimisation of other attributes.

Management as Distribution Process

Single Production Process

Karl Marx and the Workers

Text… Classless economic analysis (i.e. Austrian, praxeology)

A Single Production Process

There is an interesting Stephen Fry's The Star's Tennis Balls. The novel is an interesting study of a man who is forced to grow and develop skills and competence in order to escape undeserved entrapment. Unfortunately, he fails to realise that he is building his competence at the expense of his value system.

The book may have some important lessons for organisations which do not manage their values. More specifically, there is a discussion about 'piles'.

The main characters mentor presents a pile of pinecones on the ground and asks him what it is. The reply is, not surprisingly, 'It's a pile of pinecones.'

'That's your problem, boy! You keep seeing everything in piles.' This problem also exists in the Marx-based view which pits everything as a class struggle.

By examining only piles, or groups, or classes, you often miss the point.

The Austrian School of economics provides an interesting metaphor in its approach to the examine of the economy. While many schools of economics see the economy as a set of production processes and distribution processes the Austrian school simply sees one simple unified production process.

The Austrian School does not deny that there is distribution going on in the economy. It simply recognises that it is possible for this distribution to of resources, goods, and services to be part of a single production process coordinated by the market.

The analogy within the firm is that of a single Production process which includes the activities of both the management and the managed.

It should be noted that management activities are still work. The best project management practices, for example, recognise this by including resource time for reviews, planning, and reporting effort in project plans.

The purpose of combining management activities into a single Production process is firstly to elevate the activities of management to work – that is, to respect that many of these activities make a valuable contribution to the organisation.

Secondly, by including management activities in the single Production process of work these activities require the same value proposition in context that other work activities require.

Strategic Planning is only valuable is it performed in a context which communicates it and otherwise integrates it with other activates. Performance management is only valuable if it, directly or through its context, evaluates all elements (including culture, leadership, individual competencies, client relationships, etc) that contribute to performance.

Single Production Process

If there is a division of labour, at any level of analysis, labour split between individuals, between firms, or between countries, that division must be managed; i.e. re-integrated. In this sense management is an important function of the organisation. Without management in the definition we are building up ('that which is shard among collaborating individuals') there really doesn't exist an organisation.

If you were to suddenly take all management functions away from an organisation you would quickly find that the organisation demanded at least some of them back. This might either be because they where fundamentally required by the organisation or because the employees were simply used to having those functions available and were not willing to take on the responsibility of performing those functions themselves .

The aim here is a mechanism that allows for the optimisation and distribution of management activities across the organisation. While this optimisation should reduce much of what might be considered wasteful management activities it is not the point to arbitrarily remove the management function of the organisation.

[Short Intro: When coordination within the firm becomes explicitly market-based, this is simple the beginning of the organisational change process. On the day the organisation becomes market-based all of the same behaviours will continue to exist in the organisation.

Initially there will be only two changes in the organisation:

a) the definition of 'management' will change from a 'who' to a 'what'

b) existing 'management' functions will become part of the 'production' process

Here I concentrate on point (b). To illustrate the change I will use an analogy from Austrian Economics.]

The purpose of changing to a market-based management model within the firm is not to remove all management functions (i.e. a type of organisational larrse-faire). Rather it is to ensure that the management activities are seen with the same critical eye that other activities carried out in the firm. For clues on how this might be achieved we should look at the path the understanding of other examined organisational structures have taken.

For this purpose we will use an analogy in economics. I have chosen Austrian Economics (for reasons I will elaborate on in a separate section). Specifically I'll look at Austrian economics from a Misesian perspective, as I understand it.

Whether I actually get the details about Austrian economics right is not really the point. I am using the analogy as a tool for understanding and transforming management. Obviously, new insights into Austrian Economics could either extend the metaphor or cause me to abandon it.

Austrian Economics began with Carl Menger's Principles of Economics. It's development followed a number of branches including the work of Ludwig von Mises. Mises was latter to mentor Frederic Hayek through which the economic science was further developed (for better or for worse, depending on who you ask).

Many of the ideas in Austrian economics were formed during a period in central Europe when socialism dominated political thought. For this reason, Austrian economics often reads like a debate between capitalism and socialism where the Austrians take the side of capitalism.

In fact, the Austrians actually DO take the side of capitalism over socialism (very strongly) but this argument often overshadows the subtleties of the Austrian method and it's inherent respect for individuals.

The analogy of I would like to explore between Austrian economic theory and management is as follows:

In classical economics, primarily because of the history of its development, considers there to are two distinct processes operating in the economy. Firstly, there is the 'production' process in which factors of production are applied to produce goods and services. And then there is a 'distribution' process, which determines who gets the goods and services and how they are paid for.

The distribution process can also be seen to include the allocation of factors of production. For example, the distribution process may determine that everybody in the town of Hillsville will make balls of wool, and that the people in the nearby town of Sheepsville will raise sheep to provide wool to the residence of Hillsville. The distribution process may also determine that the people of Sheepsville will be given 6 lambs and a shearing shed to get them started.

The Austrian school of economics says that there is no separate process called distribution. In the Austrian schools model of the economy all activities are seen as factors of production. The initial allocation of lambs and a shearing shed to the people of Sheepville can be attributed to a venture capitalist contributing a factor or production (ie. capital, labour, input goods). The decision to raise sheep in the first place could be the activity of an entrepreneur. All activities are factors of production and all activities are rewarded through the price system as a percentage of the value of the balls of wool passed back from the consumer, up through, the factors of production, based on what they contribute to production, the risk they wear, etc.

The market (free or otherwise) determines the prices paid not only for the end consumable product or service, but for the individual factors of production used to produce the product or service.

With a separate distribution process analysis intervention in the economy would tend to see only the short term or direct effects of policies, and only on a particular class of people. This is because the separate distribution process was considered outside of the production process and 'free' in terms of the effort it took from production.

When distribution is considered part of the production process analysis tends to see more of the secondary effects of distribution functions. Also, there is a better understanding of or how distribution efforts effect production.

As you might have already guessed, I would like to compare the mythical separate distribution process in the economy with the separate management function with the organisation.

In the case of management, the development of strategies, the mentoring of new employees, the assignment of consultants to projects, etc, all contribute to the production process. Instead of considering them a separate distribution process, they should be considered just another factor of production.

Again, the socialism/capitalism debate is apparent as the Austrian economists (Mises in particular) determine that an economic model which separates the distribution process from the production process quickly becomes a socialist model. Namely, those responsible for distribution determine that it is their duty to overrule the price system and engage in centralised planning and control programs which allocate and distribution the work of others.

In the case of organisations, this separation of distribution (management) from production (those being managed) might not be considered a problem. Early writings on institutional economics (such as those by Coarse) considered the planning, monitoring, and controlling mechanism to be part of the definition of the firm. However, this is often cited as a critisim of the Coarse model of the firm.

If we attempt to use the analogy to suggest that organisations are managed under a socialist governance structure we also don't reach any clear conclusions. Despite, the passing of Communism as an dream (?) in the 20th century and the fall of Russia it is to some only arguably true that capitalism is a superior system.

In the minds of the Austrians (and increasingly myself) there is no doubt. Ludwig von Mises presents a famous (in the history of economics) discussion of the 'calculation problem under socialism' . Bear with me here because I have an interesting point at the end.

The calculation problem basically says that without private ownership of factors of production there can be no prices for factors of production. Therefore businessman cannot engaging in cost accounting (ie. they cannot input processes with output prices). Therefore business men, or the separate distribution process, cannot determine if resources were wasted in the process. They cannot determine if the process created any value. They cannot determine is a profit or loss of was made. (actually it's the create of value which is most important.

In terms of management our analogy could be that without feedback within the system from individuals engaged in the process we would be unable to determine what each individual contributed. Without the right of employees not to contribute in a particular engagement it would be imposible to determine what 'price' the employee put on his or her time. (this is a little vague – need to rework).

Now comes the interesting part. Mises suggested that communist counties (such as Russia at the time, this was the 1940s???) could determine prices as long as the entire world wasn't governed by some form of socialism. He suggested that the planners could look as the prices established in capitalist country via the market mechanism and price system. Those prices could then be used as input in the calculations for planning and the distribution process.

Comparisons: leads to socialist position (leads to central planning is essential position); production of work products such as plans and work breakdown structures, and strategies takes effort (effort which could be steered towards other productive activities; but there is never any benefit analysis as the management activities are not seen as part of production);

Now, back to our management analogy. I don't want to extend to distribution process / management process analogy too much because I am sure it can be faulted. But what does this looking elsewhere for guidance sound like? Could the need to look at others for confirmation of what 'price' to associate with something be analogise to looking at other organisations for Best Practices or Benchmarks. With no mechanism for ensure continuous improvement of practices through exposure to market forces are organisations looking outside to organisations are perhaps more market-based in their management already??

A single production process set the tone for examination of the firm as the complex social organism that it is. It also allows for the examination of the factors are actually managing the organisation: these factors are likely to be cultural.

In addition to the need to look for external verification in the absense of a price system (the benchmarking analogy) there are other comparisons to be made relating to leadership, the need for all power CEOs, and the idea of a 'management team'.

Follows Socialist Calculation Debate Analogy...

While Hayek looks at the problem of socialism as being largely about the availability of information Mises went further. Mises put the problems down to ‘the problem of one will acting’ to explain that the problem of socialist calculation wasn’t entirely about information. With a single will acting and owning all the factors of production there is no bidding process. This means that there is no way of generating prices. Murray Rothbard, one of Mises students expanded the analysis to say that the ‘one will’ could actually be replaced by a cartel but this still wouldn’t help.

After listening to “Joseph Salerno – The Debate on the Socialist Calculation Debate” (MP3 on Mises.org)

http://mises.org/MultiMedia/mp3/Salerno/8.mp3

Rothbard comments on cartels can be found at:

MURRAY N. ROTHBARD:

ECONOMICS, SCIENCE, AND LIBERTY

By Hans-Hermann Hoppe

From *15 Great Austrian Economists*

Edited by Randall G. Holcombe, pp. 223-241

http://www.mises.org/etexts/hhhonmnr.pdf , page 12

“In addition to these major innovations, Rothbard contributed many new theoretical insights. Two examples will have to suffice here. For one, Rothbard utilized the wellknown Misesian argument concerning the impossibility of economic calculation (costaccounting) under socialism in order to demonstrate, even more generally, the impossibility of one big cartel on the free market.21

[T]he free market placed definite limits on the size of the firm, i.e., the limits of *calculability* on the market. In order to calculate the profits and losses of each branch, a firm must be able to refer its internal operations to *external markets* for *each* of the various factors and intermediate products. When any of these external market disappears,

because all are absorbed *within* the province of a single firm, calculability disappears, and there is no way for the firm rationally to allocate factors to that specific area. The more these limits are encroached upon, the greater and greater will be the sphere of

irrationality, and the more difficult it will be to avoid losses. One big cartel would not be able rationally to allocate producers’ goods at all and hence could not avoid severe losses. Consequently, it could never really be established, and, if tried, would quickly break

asunder.22

20Rothbard, *Man, Economy, and State*, p. 585; emphasis in the original.”

… Followed by Mythical Manager Team (perhaps)

Innovation, Entrepreneurs, and Managers

Todd Buchholz, in his examination of Marxist economics, discusses what Karl Marx missed in his analysis of capitalism. Essensially, Marx uses a labour theory of value – what the price of a good is determined by the labour effort that goes into manufacturing the good. From the discussion of Mises (and perhaps even your enlighened modern common sense) we already know this is wrong. Secondly, Marx introduces the concept of 'surpluss labour' and his well-worn claims of exploitation. With this analysis Marx is seeing the difference in the labour put into producing the good and the price the good sell for, making an assumption that the capitalist adds "not one single atom" of valule to the good being produced and determining that the value of the surplus labour is proportional to the amount of exploitation.

What Marx misses (as Buchholz points out – in line with Mises' three axioms) is imagination and entrepreneurship and...

"... the willingness to take risks with investments. Why did Russians under communism beg for American-made denim jeans? Not because the Soviet Union lacked the cotton or the workers to produce high-quality clothing. But because they lacked the imagination, motivation, and disipline. These intangibles seperate successful companies and countries from others."

Buchholz goes on to sight the attributes of human capital which Marx ignores; such as management skills and knowledge. However, my interest here isn't just in the analysis of economics. I would like to see what we can learn from the a miss-step in the development of our understanding of economies outside the firm and apply that to economies within the firm.

Bookstores are filled with management books which promote innovation. These books sell because corporation both understand the importance of innovation to their success and also the lack of innovation in their products. Rather than question the quality of these books I'd just like to emphises their populaity. The grasping for innovation is important to corporation and their executives.

New Institutional Economics

Find introduction I once wrote!

Also Peter Klein article.

Duplicating the price system

market-based management works in the economy only be there exists a price system... there is no price system within and organisation (except cross-departments, profit centres)... this WILL change but in the mentime and answer is Brand Value Exchange...

Democratic management?

Some may ask why can't a manager be like a politician? What they are asking is for political democracy to replace traditional managerialism. They want managers to be elected. Ignoring, for a moment, the fact that electing the particular person who will perform the functions of management doesn't, in itself, solve the problem of determining what the right functions are, let's examine this idea futher.

Those that argue for democracy of this sort within organisations forget to consider the possibility of being in the minority. In an election for the leadership of a country it is possible for up to 50% of the population to disagree with the choice of leadership. Under some election rules an even greater percentage may in fact disagree with the ultimate winner.

What allows such a system to work is not the process of allowing the people to vote. Rather, it is the fact that the government does not have total power ? regardless of who wins. It is tools such as constitutions, which limit the power of government, that allow such a democratic system to work.

What organisations lack is not a voting system; rather these other institutions which form a democratic society. Organisations, with few exceptions, have no constitution, no free-press, no opposition party, etc. When combined with the absence of any organisational price system the absence of these components do more harm than the absence of democratically elected managers.

In fact, democratically elected managers would, in the absence of these missing components, be granted a dangerous legitimacy. They would be free to perform any function ? whether good or bad for the organisation ? on the grounds that they were elected officials.

Sound familiar?

New Institutional Economics

New Institutional Economics (NIE), not so new in that it can be traced a...

New Institutional Economics

New Institutional Economics (NIE), not so new in that it can be traced at least as far back as the works of Richard Coarse in the mid-1970s, deal with the economic nature of firms. For a long period prior to NIE economists appeared to have been more concerned with what was occurring within the market itself, and the fundamental players in the market were firms and households. It didn't matter what was going on within the firms, only what affect it had on the market.

But the market extended to all human interaction and offers valuable insights into coordination and collaboration on any level of analysis. Australia school economics, and specifically the work of Ludwig von Mises, developed marginal utility theory as a basis for a complete economic framework linking to the action of individuals. In this way NIE and Austrian-school economics touch in their ability to provide insights into examining managerial economics – the insides of firms.

With in the advent of the Internet and other communication technologies these mechanisms of analysis based on individual human action becomes increasingly applicable… and transaction costs….

Two focuses of Mises' work… 'the world is ruled by ideas' and 'the power of the consumer'. When : 1960s?… Even more relevant and familiar today.

Not a new discipline anymore but few collected sources of information. Cite some. Started with Coase. In particular, we are interested in transaction cost economics. There is a good argument to suggest that the reason all transactions aren't performed on the open market (and therefore the reason that firms exist in the first place) is because the transaction costs of performing inside the firm are lower (less cost of establishing contract, etc). The resent focus on optimising supply chains and organisation's experience in partnerships in general, and the internet, are lowing the transaction costs for dealing with the outside world. This puts more pressure on the organisation to perform.

Ever worked in an organisation where it seems easier to bring in an outside resource than follow inter-departmental process for transfers?

Managers learn evolution, chaos.

15. Innovation, Fertilisation, and Injection

Invention and innovation. Why inject?

16. Evolutionary Biology

Richard Dawkins. Evoluition. Natural selection. Evolutionary stable systems. My difference is that when other people use as a metaphore they say 'organisations should work like in evolutionary biology'... i say 'organisation DO work like in evolutionary biology'... What makes an ESS exists.

An important lesson from Dawkins' The Selfish Gene is that evolution only sees the effects of reproduction not the genes themselves. That is to say that if you attempt to read a strand of DNA you will not actually see any genes that resemble what they do. If you know what a gene for left or right-handedness looks like you can then guess what a gene for hair-colour looks like. When natural selection is working to 'improve' an organism it only see the effect of the gene as it is played out through reproduction. I use 'reproduction' in two senses here – both to describe the effect the gene will have on the body of the organism as it reproduces throughout the organism's body and has its effect on each cell; and also reproduction in the sense of the passing on of genes and mutation process when organism reproduce.

In order for a particular gene to be pysically identified within the DNA a time consuming comparisum process is required. I'm not familiar with the process in detail however it is simply important to not that you don't understand evolution simple by looking at genes. In the same way you can't understand organisations by looking just at the behaviour of individuals. Just like to have to see how the ... <what happened here?>

Characteristics of Genes and Memes

Dawkin's discusses an important characteristic of genes/memes in his unappologitically atheistic examination of religion The God Delusion (2006). In addition to the self-replication I have noted in the discussion on cults, Dawkins notes that genes must also have two additional qualities to the way they reproduce. The must reproduce extactly over indefinately periods of time with only a small number of migrations, and they are 'digital' reproductions.

A brief explaination of digital, as opposed to analogue, resproduction is required here. Analgue recordings, say an analgue cassette tape or a vinyl record have grooves or magnetic imprints which directly relate to the sound which needs to be reproduced. If the analogue signal is reproduced perfectly than the sound is reproduced perfectly.

Digial records on the other hand do not attempt to diretly represent the sound they are intended to record. Instead they encode the sound in a pre-determined format to be decoded when playback is required. However, this isn't the most interesting part about a digital signal. The most interesting part is that by freeing the recording media from the constraint of having to directly represent the sound to be recorded mechanisms for reducing the percieved deteriation and inconsistancy in the signal can be used.

The most common example of this is the use of the range of values within an analogue range to represent the basic 1s or 0s used to store most digial media. Rather than require a precise level of magnetic alignment on a tape to represent an actual frequency in the sound, an entire range of values could represent a 1 or a 0. It would take a series of 1s or 0s to actually encode the frequency of that same period of sound, however, the accuracy with which any single 1 or 0 would have to be recorded on the medium would be greatly reduced.

This means that if a tape containing a digital recording and a tape containing an analogue recording which both damaged in such a way that 30% of the magnatism in the take was reduced the two tapes would respond differently when they were played in the appropriate playback device. The analogue tape may, for example, play back at a lower pitch than it was recorded at. The digital tape, however, may sound exactly the same.

The digital tape would maintain the pitch of the original recording because the 30% deteriation in the magnetism of the tape would not (in this hyperthetical example) be enough to place any of the 1s or 0s outside the range designated to represent those numbers.

... introduce Dawkin's origami example to show use of 'digital' reproduction in evolution and the negation of the arguements against meme theory which say the reproduction isn't exact enough for natural selection to work...

One interesting characteristic of digial recording is that they tend to have an all-or-nothing tollerance to faults. In the absense of any specifically employed fault tollerace algorithms a digital single will tend to be tollerant to all sort of interference until a point. Once that point is reach the signal is likely to resemble static. So while an analogue TV signal may be obscured by ghosting, loss sound, and turn black-and-white but still be distingishable as television a digial signal is likely to be plain stati at the same level of interference. The digital signal will, however, have been perfect up until the point of completely desolving whereas the analogue signal would have had increaseing levels of deteriation.

In times of organisations their evolution would also be dependent of elements which were replecated exactly and replecated digitally. Exact replecation looks like 'policy'. Digital replecation looks like 'approval gates'. The important charactistic of approval gates is not the control around the gate but rather the space between the gate.

The Manager's Journey

29. The Manager's Journey

As communication technologies, and in particular the technology-enabled markets which you yourself will help to creatd

Failures in corporate governance which hold senior managers accountable for the actions of the organisation have meant that senior managers are becoming more and more envolved in day-to-day operational aspects of organisations. This in itself doesn't do anything for the effectiveness of corporations. I hope the messasge is clear by now that involvement of the wrong people, or enforcement of the wrong decisions will most certainly reduce the effectiveness of corporations.

To facilitate more active involvment in their organisations senior managers will require technologies, work practices, or reporting procedures to be modified such that they receive the information they require to make decisions. Afterall, conventional wisdom suggests the 'making decisions' is one of the responsibilities of managers. So if a senior manager is going to get more involved in your organisation you can expect that they will be exercising their right to make all the decisions.

In reality this isn't what actually occurs. Senior managers generally understand risk and know that it's unwise to publicly make a descision without all the right information at your fingertips. Whether they are only pretecting their reputation or honestly trying to make the best decisions for the organisation doesn't really make a difference. Either way to make a decision you need data.

I've seen the effect of senior management involvement many times working in the IT industry. This is sometimes made even more complicated by senior manager actually being part of the client organise. And this is how the scenario plays itself out.

Currently, the technology-enabled markets don't exist within organisations. The capital investment required to create them just hasn't made. I beleive this is primarily because of the high failure rate of technology-enabled business transformation programmes. While it is inevitable that this will change as a younger generation with a more intuative understanding of technology gain positions of influence at the moment we are are in a state of limbo. Senior managers want to make more decisions but they are unable to make sound decisions without the right information – and they know it.

Who do you think will collect that information for the senior managers? Who do you think will provide a 35 page daily report filled with graphs and trends and coloured status lights in Green, Red, Yellow, and Blue? Who will need to convince an already streched workforce to deligently record all the daily data requried to generate this daily report? The answer to all of these questions is of course the slightly less senior managers.

I've seen once capable managers reduced to playing catch up as they struggle to collect all of the data nessecary to produce a report for a senior manager. There are usally daily tweaks and additions to the report in order to provide a complete picture of what is being reported. And it's in everybodies interest to provide a complete picture. The reporting manager knows exactly the decisions which will be made before they present the report. After all, if a report shows that sales win rates are going down or that defects are rising they want action in those areas. Or perhaps they will want more information. Another report.

Managers who were previously making decisions are now reduced to reporting information. But at an operational level they remain responsible for the outcomes so they strive to provide a complete picture in the report so that the right decisions are still made.

This process can be quite valuable. There are insentives to create very good quality reports describing the state of the organisation. Like the broken window falicy in Henry Hazlett's Economics In One Lesson what we a missing are the reports never developed, the achievements never made, the actions never taken, because of the time spent to collect the data. Their is no question that the reports aren't valuable and used correctly they provide exactly the type of transparency which will promote organisational effectiveness. They are the operational-level equiviliant to the SOX descussion in the previous chapter (see Blog) where the 'one step removed' principle of MWT should be observed. There should be a step between management and measurement and in this case the manager has been reduced to an instrument of measurement.

What more, if you are the victum of this assignment you will still be held accountable for the performance of your organisation. The opportunity cost of creating the reports may by reduced performance but you will not be able to argue that the problem is that 20% of each day is spent on reporting because the value proposition of management is never questioned. Even if your manager's decisions are wrong they will have been based on your data. So if you want to say 'I told you so' you will have to show it in the numbers. But even if you report was simply misinterpreted you will find that you are confrounted with 'you should have made it clearer'.

This is where a hierarchy protect your and why it is an important part of any organisation. However, the managment profession has evolved over the last hundred years way of trying to reduced their accountability. Flat organisations don't help accountability they reduce the individual responsibility of managers. In the above example, in the case where a poor decision is made by the senior manager the senior manager is accountable. This is rarely in dispute. What is often forget is that if the reporting manager makes a poor decision then the reporting manager is accountable but so is their manager. This is true regardless of the individual circumstances. As we learnt from Hayek the rule of law requires that laws be developed such that the object of the law cannot be determined without looking at a particular application of the law.

<it's not actually obvious here that this is an example of a natural law – I'll have to think about this and reread Road to Serfdom >

Political Management

28. Political Management

I've spent some time working in Asia and found a good extreme case study for the effects of politically focused managment. In Hong Kong it appears that the effects of the family business that ?????????? in his book Asian Eclipse attributes to the failures of the Asian economy in the last 90s also have an effect on organisational effectiveness at the day to day level. Of course, this is the case but I can speak from the ground level of how it feels to manage in this environment.

Managrs within IT projects in Hong Kong are all 'Project Managers'. There is no concept of a functional manager such as a Testing Manager, Development Manager, Requirements Manager. These roles exist but they are subordinate to the project manager. You might say 'Of course they are subordinate to the Project Manage!' but that isn't the only problem. A large IT project will likely have a number of project managers; or rather a project manger and a number of deputy project managers. It appears that the emergence of the deputy project manager is to combat the huge workload a project manager will have in this environment of non-distributed management. Notice the focus he is on helping the project manager's personal productivity with little concern for the project organisation's effectiveness.

This means that a typical Hong Kong based IT project is organised like this:

Project Manager

Deputy Project Manager

Deputy Project Manager

Deputy Project Manager

Under this structure is the rest of the project team – perhaps 50 or 100 people. Included in this group are the Requirements Leader, Test Manager, Development Lead, etc that you would normally expect to find in an IT project. However if you ask who is responsible for Test Manger nobody knows. Perhaps one of the deputy project manager's have been given responsiblity for testing but it's more likely that a lonely voice with some experience is crying out for a testing strategy.

I joined such a project as the Requirements Lead. The project was a fixed price contract in major trouble and I was part of the remediation team. I formed a team of business analysts, created a requirements management plan (remember to focus on the collaboration archtiecture and not just the schedule), and began tracking to plan. I was in for a nasty surprise. Any one of the deputy project managers had the authority, according to the local management culture, to use resources from my team whenever they pleased. Also, this would occur without my knowledge. I would have tasks for people to acheive by a certain date but they would also be given tasks by the deputy project managers.

Eventually, we gave the deputy project mangers functional responsibility, such as test manager, in the hope that we could brign the project to a more manged state. Unfortunately this didn't help. The deputy project managers didn't have the required skills to act in functional roles. They would simply 'oversee' the roles we had given them and continue to use resources from other manager's teams (in particular my own). When the managers were tasked with developing a schedule or resource plan they would even deligate this task to more junior team members. When the plan was reviewed the review comments would be passed onto the more junior resource to make the updates.

Now you might at first think that this is an innovative approach to managment. Complete deligation could be considered the same as distributed managment, right? Wrong! It became imposible to plan or to success within the environment. Even when a plan was produce no resource plan would be included. It was as though the plan didn't need to be executed.

Then it dawned on me that as far as the manager was concerned it didn't need to be executed. This was entirely the reason why the project was in remediation. It was also the reason that every person on the project was working an average of 15 hours a day and why they there had been four resignations in as many weeks.

Beating People vs Touchy-Feely

Beating people up. If you question the 'beat people up' approach I am immediately confronted with a comment such as 'I'm not a touchy-feelly manager'. This is not a response. The opposite of 'beating people up' is not being a touchy feelly manager. It is recognising that there is no conspiracy. People act with the information they have – the context they are given. The feedback the organisational useability gives them. For example; I once overhead a project manager complaining that even though he had explained to a particular person that they needed information quickly when he got the information it was wrong and they had to 'stuff around' to fix it. They had to waste time fixing up wrong information when they had made it clear they hadn't the time to waste – they needed it quickly. Now the key here was that they wanted it quickly – and that was the only attribute they discribed. Didn't give the person any context (they were not part of the project team) just the amount of time they had to do it. A competent leader sees the duration of the entire activity, not just how long it takes to ask. She sees the irony of the old say 'there is never enough time to do it right, but always enough time to do it again'.

Besides, I would never talk about management styles right. People have difference styles, where they are managers or specialists in some other field. There is no such thing as a management style – management is a technology.

Perennial Organisations

What is wrong with the application of ‘good’ parenting?

Perennial Organisations

What is wrong with the application of ‘good’ parenting?

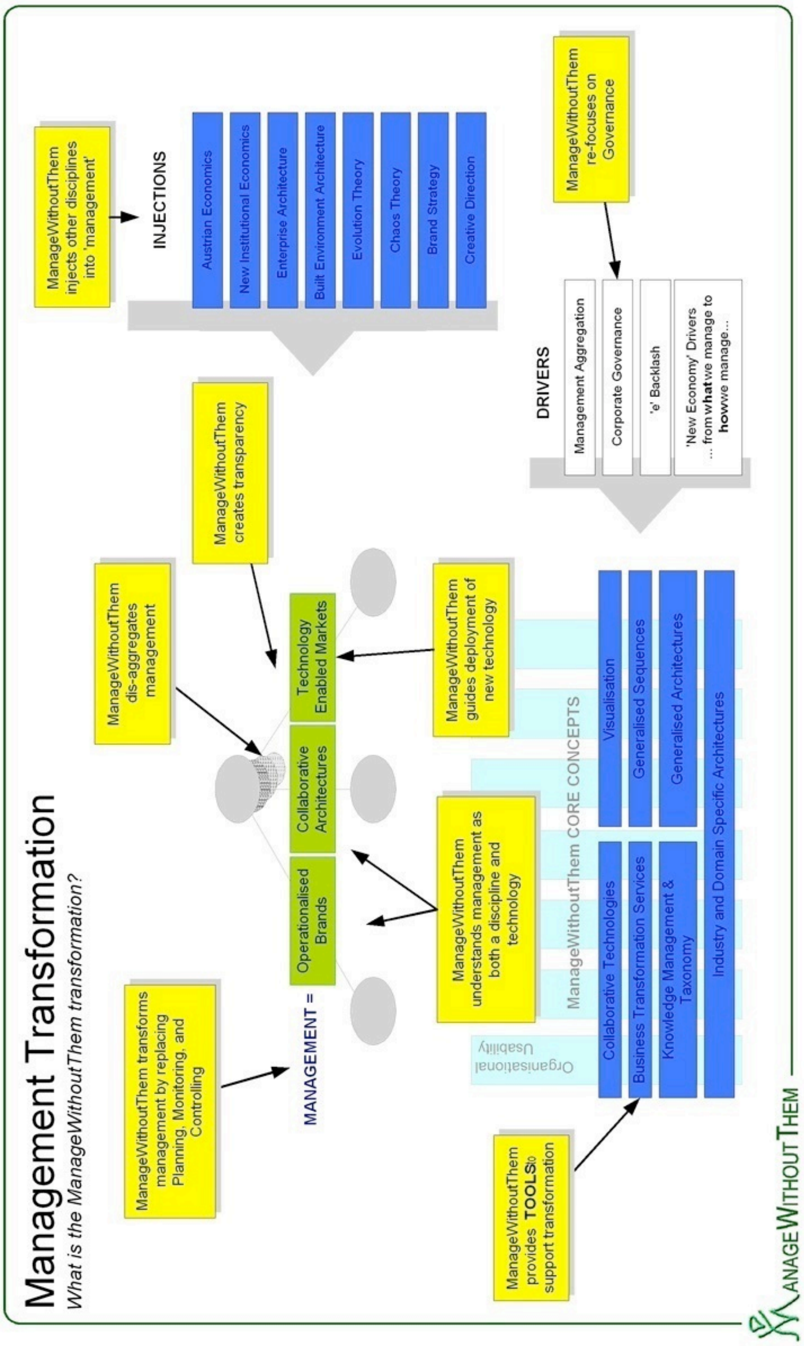
Converting Constructs

SPM -> Market, etc

Converting Constructs

SPM -> Market, etc

diagramatic view of the transition



Back to Basics for Management

Back 2 Basics for Management

3rd June, 2001

ManageWithoutThem is not a...

Back to Basics for Management

Back 2 Basics for Management

3rd June, 2001

ManageWithoutThem is not anti-management. The activities of an organisation simply must be coordinated. But if ManageWithoutThem is a new way of managing, what do we at ManageWithoutThem actually mean when we say 'management'?

The B2B world has had to re-evaluate its business plans with fundamentals in mind (the media and Ariba ex-CEO Keith Krach now call it ‘B2B – back 2 basics’).

B2B exchanges and marketplaces, while important, didn't turn out to be the miracle some people hoped for. It short - they build it, but they did not come.

ManageWithoutThem is all about fundamentals. ManageWithoutThem is actually a response to trends towards fundamentals: fundamentals of life within markets, and a (online) hyper capitalism.

However, our main focus is on fundamentals in the coordination within firms. While this will ultimately effect the coordination of the entire value chain or extended enterprise we believe it should start in the firm – in preparation for effective participation in the outside market.

Putting aside our particular approach (market-based management), what is our definition of management itself? We need a definition that doesn't presume any of the assumptions most people have about what management must be.

ManageWithoutThem considers 'management' to be the principles of the organisation that cooperating participants share.

Management, in this definition based on fundamentals, will have values, axioms, and other tenets that hold true for all perspectives and levels of analysis in the organisation. For market-based management specifically, these tenets will include the principle of trading value for value and a shared

architecture of collaboration that respects each participant's competence.

The exceptions to this fundamental defintion would be high-level executives and board members (and shareholders, of course). They have perspectives that should be considered outside the actual management of the organisation.

As ManageWithoutThem is based on radically distributed management, any definition of management that reduces to 'management is any activity that managers do' is discounted. We are, however, pleased to announce that: within a ManageWithoutThem organisation, everybody manages ('That you manage is a given! – What else do you do?'). But that doesn't help us in our quest for a definition of management itself.

Besides, any definition of management that equates to 'what managers do' separates the management of tasks from the performance of tasks. Back to fundamentals: management arises out of the division of labour and the need to coordinate the separate, but related activities that the division of labour creates.

If management is performed by one person and the tasks by another, then they simply become another set of separate but related activities. This new division of labour would necessitate more 'management' to coordinate the activities – and so on - but who would manages the coordination of the final division of labour?

Eventually, you need to rely on a set of shared values, axioms, and other tenets that hold true for all perspectives and levels of analysis in the organisation, as per our original definition above.

As for the question of 'who would manage the coordination of the final division of labour?' We suggest nobody would – it would be the shared tenets themselves – the market.

Eventually, you would need to... ManageWithoutThem.

Why do firms exist

Transaction costs: cheaper – not need for contracts; also, factors of production ...

Why do firms exist

Transaction costs: cheaper – not need for contracts; also, factors of production are combined – such that is 5 factors of production are required to make a widget that would require 5 transactions in the open market for an individual to buy a widget. The firm makes that a single transaction.

Information Requirements

Stuff in an Amazon extract about the information requirements for society. Also for a stock market. Now we have the information to make a market within the organisation.

Market-based…

Coordination… community integration… aggregation of shared services… etc… The fact is the b-webs mean you are actually managing across a market anyway! Better learn to do it right.

What collaborating individuals share

In our most basic understanding – in the pin factory – it was the build – physical location – the factory itself.

Elements of Markets

Definition, transparency of information

Leadership is a skill – is a disipline. This is why it cannot replace management as such. Leadership is simply another division of labour which must be aligned with the strategy of the organisation. After all, isn't it possible to influence people towards the attainment of the wrong goals?

(Yes).

http://faculty.ssu.edu/~whdecker/buad320/chapter12.ppt

Intermediation restricts the why value can be created. How do you intermediate a customer creating value? You can't.

Try not to think of transaction costs only as financial when thinking of firm theory and how the Internet changes it. Transaction costs are contract costs, interaction costs, coordination costs, etc…. Also, transaction costs are why you vertically integrate.

Collaboration… Lots of talk about it. Must realise that collaboration is AS OPPOSED to command-and-control or single point management.

Following the analogy of management as equivalent to distribution in economic models…. And that of management as a technology… if the functions of management are simply evaluated as factors of production then we are more likely to see that the accumulation of capital for the workers involved in managing … that is machines, technology, automation… is an economically sound investment. Like any other workings in the organisation, the replacement of managers with technology improves production.

Under a separate distribution/production model everybody espires to join the management class… or to rebel against it. More and more becomes distribution as the administration of the distribution function becomes larger. The analogy even extends to best practices. A fully socialist model it is argued (by Mises) that you can't allocate resources because there is no price system. In order to even attempt to do the calculations required to perform the distribution process socialist countries need to determine the prices. The can do this by looking at the prices in non-centrally control countries. They can look for the costs of production in other countries. In sofar as best-practices are a metric (ie. best practice in procurement is $34 per transaction) not a process (ie. best practice in procurement is discover->request->receive->pay) then best practice can be seen as the price (in resources).

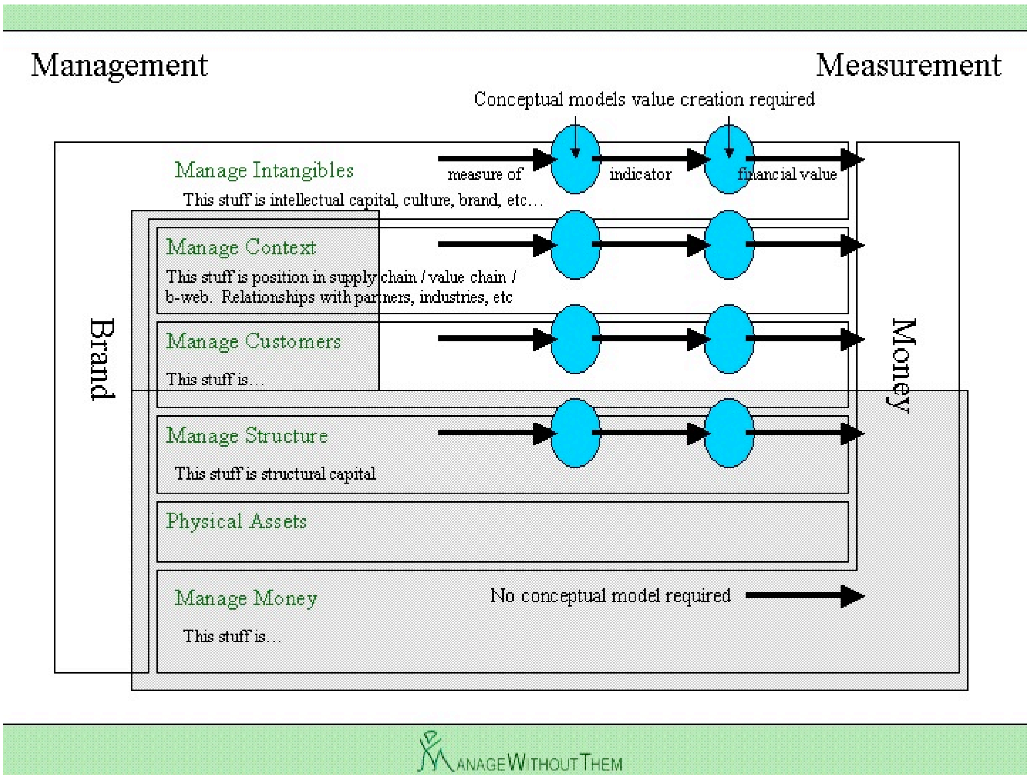
- the management process is event-based… like supply-chain event management. it ignores the issue of actually reducing the number of events.

Even if Mises is wrong – I'm not an economist – that fact is in one point in the understanding of the economy past through that phase. The development of management is analogous to the development of economic understanding and therefore may need to go through the same levels of understanding.

There is a tendency to describe the characteristics of something and think it is an approach. I even do it as I try to write. You won't believe how many times I tried to start this article and, though every fibre in my being hated me for it, began with trite observations on 'the ever increasing rate of change' or 'ubiquitous communication networks' or how important customers are; and then I'd get stuck. Because there is nowhere to go from there.

Separation of Management and Measurement

<insert management, measurement slide>



Talk through original slide I send to Chris Macrae.

Measurement has always been an important part of the management process. Measurement has evolved from so-called lag measures of past financial performances to lead measures of an entire balanced scorecard. Whether measures are used to show past performance (lag) or to promote specific behaviours (lead) they are always maintained by managers.

Rule by Man has meant that measurement and management are intricately combined to the point where it is possible to manage purely by maintaining a tight control over the measurements.

Under a market/brand-based model there is a separation between the measurement of an organisation and the management of an organisation. In all instances measurement is at least one level removed from management.

<diagram with Financial Performance and Brand Performance>

Figure X illustrates the relationship between management and measurement more clearly. It is also useful in determining gaps in what your organisation is measuring and managing.

The first thing to notice about the diagram is the horizontal bars representing different types of capital within the organisation (Financial, Assets, Structure, Contextual, Historical, Knowledge, Brand). Within these bars you should be able to place any type of capital you can think of.

If you can't find a logical place feel free to redraw your own diagram with an additional bar. The important thing is that the bar represent the spectrum of capital from purely financial to purely intangible.

The example structure is not perfect in that it contains a number of overlaps (historical capital surely relates to knowledge capital, for example).

The diagram is not neutral in its position on the relationship between management and measurement. Each type of capital must be both managed and measured by the organisation.

The management of capital is indicated by the left-hand side of the diagram and the measurement of capital is indicated by the right-hand side of the diagram.

Looking at measurement first (the right-hand side) I have taken Financial Performance as the primary approach to measurement.

Some will argue that Financial Performance is not necessarily the end objective of an organisation. Those people should bare with me. Though Financial Performance may not be a directly measurable attribute of all elements you are managing even managing the culture of an organisation is based on the assumption that it will improve financial performance.

The exception to this approach might be non-profit organisations. In this case the concept of Financial Performance should be expanded to the more general 'improvement in standard of living. This applies the basic aim of economic development the particular group the organisation cares about.

As the primary means of measurement Financial Performance has a particular special attribute according to this model. Not only is there a Financial element to measurement but Financial Capital is one of the layers of capital which man be directly managed.

The diamonds represent conceptual models which the organisation holds to be true. These models represent what the organisation believes is the effect on the organisation's financial performance of managing the different layers of capital.

For example, on the layer of Historical Capital you might find the management of measurement of the organisation's reputation. A particular conceptual model, held by most organisations, is that a good reputation in the market leads to improved financial performance.

Financial Capital tends not to have a complete conceptual model converting the management of Financial Capital and the measurement of Financial Performance. This is, of course, because the they are very similar – money is money – and can be directly manipulated and measured.

An interesting case is that of Asset Capital. At the beginning of the e-business boom many commentators were recognising a shift in the value of certain Assets. While it had previously been assumed that all Assets improved Financial Performance people were starting to question the immutability of this conceptual model.

Rightly or wrongly, there was a change in the conceptual model connecting Asset Capital management to Financial Performance.

This diagram would be little more than Management 101 if it didn't take a unique approach to the Management side of the model.

Just like there is a special relationship between the management of Financial Capital and Financial Performance (i.e. a more direct relationship then the other layers of capital) there is also a special relationship between Brand Capital and management.

I would contest that while measurement is primarily about Financial Performance, management is primarily about Brand Performance.

While your organisations brand is a layer of capital that must be directly managed it is also the primary management mechanism of the organisation.

Who owns the conceptual models!?

In the separation of management from measurement the introduction of conceptual value models to convert intangibles (which must be managed) into value (which must be measured) inevitably means that intangibles must be converted to financial figures.

These conceptual models have a special case, and that is accounting treatments. Additionally, once the treatments are packaged these can form the basis for financial products.

(Note to financial crisis - packaging in debt an re-scoring)

Original email to Chris on Management vs Measurement

Original email to Chris Macre:

Hi Chris

I've been thinking about your value producing measurement streams today. Sorry if the tone of this is a little dogmatic; it was meant as notes to myself.

I've tried to analysis and connect your notes with my thinking in the following ways:

- If they are to be a complete set of measurement streams I need to see how they fit together to form a whole
- Is all this really immutable or do some of the measures assume particular values within the organisation (ignoring the fact the same values

might be better than others, for the moment)?

- How to I reconcile my theory that some types of management might in fact be essential only for command-based coordination; an intermediate step required only because values, structure, and exchange models are not in place?

- How do I incorporate a ‘one step removed’ approach between measurements and management that ensures feedback to management mechanisms in a market-based firm?

- How do I ensure that we can communicate that the only reason any of us spend so much time talking about measurement and management of intangibles is that we honestly believe there a real financial / standard-of-living benefits for both organisations and society?

The answer I found was that I couldn’t – at least not first try after a long day. My first attempt is attached in a gif of a PowerPoint slide – as is the tradition. I’ll try to explain it briefly:

- The left of the page is concerned with Management.

- The right of the page is concerned with Measurement.

- The horizontal bars are probably wrong in their specific headings – much refactorization is required for completeness. For example, where do I put ‘People’!!!

- Management and Measurement are at least ‘one step removed’ from one another.

- Management, or horizontal organisation, is achieved primarily through Brand (label ‘Brand’).

- Measurement, at the end of the day, is based on financial performance (labelled ‘Money’). However, not all measures are direct financial performance measures. This doesn’t mean everything is about money; just that it is a reasonable high-level measure for a business.

- In a social or general economic model 'Money' would actually be standard-of-living improvements, I guess.

Now, it gets a little more interesting:

- Money is the highest-level measure. However, money can also be managed directly. The mirrored 'L' indicates this interesting characteristic of money measures.
- Another interesting characteristic of money is that it requires no conceptual model in order to convert it to the highest-level measure – because the highest-level measure is money.

The grey box:

- The grey box represents what your average organisation might be seen to be covering in both management and measurement.
- That is:
- They have a limited understanding of brand. They are not using Brand as a management mechanism though they may be managing it as an intangible.
- They are using financial measurement as the common basis for management – not just high-level measurement.
- They do a fine job of managing physical assets and spend a lot of time managing structure (all those re-organisations)
- They are getting a feel for managing their customers, their place in supply chains, and partners. But they do not yet have good measures for these things (and arrow and circles, which I'll get to latter) and therefore can't get a feel for the financial benefits of these relationships

The arrows and circles:

- The arrows show that a particular 'measure' is thought to 'indicate' something about the state of that stream which is though to effect 'financial value'

- The 'Money' stream does not have a set of arrows and circles because you 'measure' the amount of money you have, which 'indicates' the amount of money you have, which in itself, is a 'financial value'.

- The circles represent a conceptual model. They show that a conceptual assumption has to be made which converts the arrows. For example, it is a conceptual assumption that we commit to when we say that partnering with other organisations who have different core competencies has a positive financial effect. Different organisational cultures may have different conceptual assumptions in these boxes (some may be right and some may be wrong)

- Those conceptual models are primarily management centric and therefore would be based on organising brand.

- As we change from a financial based management model to the management of intangibles primarily through brand we need to develop these conceptual models (this is evident through the number of such models sold as books)

- Note Physical Assets does not have arrows and circles. Perhaps is should. We used to assume the Physical Assets had direct financial value – just like money. One conception model presented in the last 10 years suggests that Physical Assets can have a negative effect on performance measured ultimately as financial value

- Chris 'don't lose faith in those biggest current investors who have been loyal to you' might in fact be a conceptual transformation circle. (albeit a correct one) but some organisations might have a different transformation in that circle (or none; indicating no understanding of effect on financial performance)

Next Steps:

- Re-factorise horizontal bars for completeness
- Determine examples of actual measures, indicators, financial value, conceptual transformations

OR

- Throw it away!

Economic note on valuation in dollar terms

Analysis method is partially invalidated if central banking effects the value of money. The optimisation process will still occur; however, it will no show as optimised in the model.

Separating Responsibility from Control

Back-to-Basics Corporate Governance…

Market-based Managem...

Separating Responsibility from Control

Back-to-Basics Corporate Governance…

Market-based Management for the Firm…

Managing the Managers

Corporate Governance… How do you manage the managers, except with more mangers?

Management: the god that failed

Management by inspecting, Governance by Sampling

I've just added tonight's article called 'Management by Inspecting, Governance by Sampling', which is simply an example of 'rule by law'; acknowledging that such an approach must apply to the managers and the managed. My definition of 'management' as opposed to 'governance' is also based on this.

22. *Organisational Usability*

Organisational Usability I

In the hyper-capitalism of the Internet your web site's usability can make or break it. A bunch of competitor web sites are only a click away; so if your site is too hard to use, 'click away' your visitors will. If the effectiveness of your web site depends on its usability, why not use that model for your entire company?

One of the Core Concepts of ManageWithoutThem is Organisational Usability. Organisational Usability is a broad term, created specifically for the ManageWithoutThem model. We will be revisiting Organisational Usability in future articles.

Organisational Usability uses the analogy of an Internet web site for your entire organisation. It is the advent of the Internet (and other personal communication technologies) that has made apparent the need for organisational redesign - so the analogy is a good fit.

Your organisation exists as a resource to be used by your customers and your employees. That is not to say that your organisation should be left to the whim of your employees and customers. What we mean is that as your employees are serving customers or creating new value through projects, they are leveraging the resources of your company. In this sense, your customers and employees are 'using' your organisation.

The effectiveness and efficiency in which the resources of the organisation can be leveraged is the Organisational Usability of the organisation.

And now some examples of the Web Site analogy in action...

Link to Homepage

One of the first lessons you learn in any web site usability course is that each page should have a link to the home page. This is because users of your web site might not enter the site from your homepage. Users need a way of exploring other pages of your site and other information or services you might offer.

As you gain experience with web site development you start to realise that the 'link to homepage' approach is an inadequate solution to the problem of mid-site entry into a web site. In Organisational Usability this is the equivalent of having to call the CEO to get something done!

Links to Related Services

Your organisational will have high Organisational Usability if it has a more sophisticated strategy than 'ask the CEO' whenever somebody finds itself lost within it.

Departments, particularly shared service providers, should be aware of any services that are related to their offerings. This will include relationships up and down the value chain, as well as peer relationships. This will also include relationships outside your company. Your IT department should know about the IT industry. Your Accounting department should know about the Accounting industry. Your Procurement department should know about the Procurement industry. (etc)

Pre-emptive Processes

When somebody visits your web site you have no idea how much of their purchase they have already completed. The web site user might need background information on how to start looking for products in your industry. Alternatively, the web site user might already have a part number and their credit card ready.

The importance of this to Organisational Usability is that the customers and employees of your organisation may wish to enter your processes from a point other than the beginning.

Equally as important, your employees and customers will be of varying levels of sophistication. Some may want you to manage things for them; but others (probably the best ones) will want to manage things themselves.

Still more sophisticated, might be those that want to ‘outsource’ the activity you provide for them – with very high expectations of service and quality. It is also likely that users have entered your site through a Portal of some kind.

For these reasons your customers (or employees from other departments) may not always want your Project Management services. Your customers may want to define their relationship with your process themselves.

Process in context

Your web site might have the most easy-to-use ordering system ever created, but it is not very helpful if your customers can't get to it from the product they wish to buy. For this reason, the practice of placing 'Buy Me' and 'Go to Checkout' buttons beside each item is well established.

As far as Organisational Usability is concerned it should be understood that the context of day-to-day business will never be your companies business management system (which lists all of your organisation's processes) – and you don't want it to be.

If you want employees and customers to use particular processes you should think very carefully about when they will need to use those processes. Process owners should ask themselves: What would an employee be doing at the time that they should use my process? Then, every effort should be made to make the process visible from that context.

Frames

For those that don't know, 'frames' (or 'framesets') is the term used when building web sites to describe a page made up of multiple sub pages viewed together. Frames are often seen as poor web site design because you don't know if you are viewing a page as a stand-along page or if you are viewing the page in the context of the rest of the frameset.

In terms of Organisational Usability frames represent the other things that your employee or customer knows when they use your processes. The fact is they may know more or less than you expect.

Markets: Employees and Customers Converge

There is constant reference to Employees and Customers within this article. The traditional view of organisations requires you

to view these as fundamentally different groups. Once you start viewing your organisation from the perspective of it's Organisational Usability your will see these two groups converge. After all if your company's web site really does provide useful information about your organisation your employees will also visit it regularly.

Organisational Useability 3 – follows from Organisational Usability 2

Perspectives in Usability

For an advanced perspective on the usability of web applications, which is where the real power of the organisational usability metaphore lies, you need to extend the definition of web usability beyond the generic considerations usually described in web style guides to the types of functional usability which is at the heart of designing the user experience for applications. This is really just an extension of usability in context. When considering functional usability, both for a web site an organisation you need to take into account business strategy, policy, processes, procedures, and work practices. There must be an integrity to the relationships between these and the functions being assessed for usablity.

Let's illustrate this with some examples from software development and show how they can extend the organisational usability metaphore.

Business rule implementation and [defaulting to] work product endorsement...

Part of my career has ben spent working as a business analyst. I would actually suggest that I am more of a systems analysis at heart in that I don't have a preference to any particular industry; rather I'm interested in the systems themselves (both information technology and business process). I have met very few people I would regard to be business analysts in that they know a specific industy's business entities, processes, culture, history, competitive environment, and industry structure sufficently to leverage industry-specific knowledge across multiple clients. Working in a particular industry, even with a tendancy to be an armchair analyst, doesn't in itself quality you for the title of business analyst. Part of the reasons these role are so scarce it because within a particular industry it is the differentiations between organisations which offer competitive advantage and are therefore most valuable. Secondly, a true business analyst (maybe I should be saying industry analyst?) needs to be much smarter than the average person.

This relates to my experience in that I'm not really a business analyst but I play one on television. I am able to do this because I treat business analysis like systems analysis. I also recognise when I need industry subject mater experts to allow me to make effective decisions without necesarily asking my clients for the solution to their own problems. This give me some advantages over a real business analysis in certain cercumstances. In the first instance I have an advantage in new industries where real business analysts don't yet exist. This situation is much less common than early 'new economy' pundits would have you beleive. Even when Tapscot talks about disagreegation of industries what is really happening is a slow evolution of industries as capabilities are developed, combined, and superseded within the industry. Very few people have the responsibility to disagreegate an industry as their day-job. However, in this slow evolutionary development of capabilities which may disagreegate whole industries is where I find my second advanage over real business analysts. During technology-enabled business (or industry) transformation the short-cuts enabled by a real business analysts knowledge can be a hinderance. Knowing an organisations business processes (or likely business processes) doesn't always help you build a system that meets the needs of the business case.

Let's take an example of the simplest form of TEBT – the case where an information system is being introduced into an organisation for the first time. This seemingly mundane example of TEBT is often the most difficult. It was okay when elementary information systems were being intoduced. Or even when the IT department largely dictated the information system. But now the information technology disipline has a rich history or best practices to bring to the table the problems of collaboration between IT and business unis are further increased. The demand for business-driven IT systems complicates the software engineering process for both parties if the wrong types of processes are used. When introducing a information system into the organisation for the first time the issue of system features versus business policy is bound to come up. Here the question is which business rules should be implemented in the system.

The answer is not obvious. Many business users would suggest that ALL business rules are requirements for the system. In a sense they are; all business rules must be supported by the system. However, all business rules must not nessecarily be enforced by the system. First and formosts information systems should try to match the reality of what is actually occuring in the organisation (See Chapter xxx on SOX complience and the need to audit outside the information system).

This means that if there is a business rule (or policy) for say 'all orders to be processed within 15 days' that doesn't mean that the information system shouldn't allow order to be processes 16 days after the order is receieved. More subtly, it shouldn't validation the 'Processing Date' on an Order such that only dates within 15 days of the received date should be allowed. By making the information system enforce business rules you are violating the first principle which is the make the data in the system accurate. How many times have you been on the phone to a call centre and told them your particulars only to have the call centre person tell you that they can't enter that information into the system?

While working on a major e-government initative in Asia I remembered a valuated lesson in business rules implementation. I was trying to explain to the client the concept of supporting business rules rather than enforcing those business rules. At the same time I was trying to change my addresses with various institutions so that all of my bills, bank statements, tax documents, etc would actually be shipped to Asia. Almost every time I tried to change my address using an only system I was forced to enter '1234' as the postcode (think zipcode if you are American) because the postcode field was mandatory in the web form. Either though my actual address in Asia had no postcode the system was forcing me to enter it. In this case it wasn't even a 'business rule' that statements couldn't be sent to an overseas address. When I called the same institutions they would gladly accept my postcode-free address over the phone. But when implementing information system the desire to make fields mandatory is strong. This appears to be the case where integration with backend systems system didn't required it (if it did I wouldn't have been able to add the address over the phone either) and there wasn't an associated business rule.

During requirements meetings with my government client I could see the same logic which made the postcode field mandatory appearing again and again. Even when some stakeholders (usually those who would actually use the system) understood the effect on usability often managers and executives missed the point. For example, in this particular project it was the policy of the department that a person was only allowed to exist in a single case file... Also that Person Merge should be available... Also that only the Case Worker could see the Person details... simplified but basically it.... Second example; use the case where Care Plan service must be with x days of planned start date... Some wanted to enforce it so you couldn't enter the date if it was greater than x days. The only result of this is that service levels could remain unmet but managers would never know...

Anybody who has worked in a large organisation (or on a large project; particularly in an IT organisation) will be familiar with the concept of reviewing work products. These is the strange and bizzare land where configuration, quality, and project managment collide with unpredictable consequences. The theory is quite simple. When a work product is produced (let's say it's a strategy document) this document must first be reviewed, issues and defects with the work product resolved, and then baselined. The baselining process is simply the process of saying 'we will track changes' in this work product from this point onwards. Quality management comes into the equation because it is ultimately the quality manager's responsibility that the correct people review and work product. It's also the quality managers responsibility to ensure the defects are managed. As always, project manager is concerned primarily with schedules and events.

These additional rules of conduct, imposed by the manager outside of the process, constitute a black-market of processes. Calling this a black-market should be taken to mean these are nesecarily negative practices (though in this case they are; see below). There is a black-market in communist countries precisely because the planned ecnomony exists.

Manager suceeded at the expense of the organisation.

Arms race where managers constantly adjust behaviours (in the black market) to ensure audit requirements are met; and yet projects still fail; no more rules are put in place... for example, the quality plan is required to plug the gap.

Structured address DDLB restrictions. This is the example where extra features make the system less usable. So the metaphore is less is more in organisational usability.

Organisational usability

Mises… Human Action… 'all economic value is the product of individuals'… people use the organisation as a resource… also Dick Brown's 'individuals create value, not organisations'

New definition of management: That which collaborating participants share

Brand

Value market

Purpose

Values

etc

Reality based

Start with what actually is

Escalators and Free Newspapers

Escalators and Free Newspapers

melbourne...... free newspaper called __?__... commented 'it's to get young people to start reading newspapers again'... she's in newspaper business (Manager - Publications, Australian Homepage) so she knows this stuff.

she didn't see anything she found interesting... I guess we're still 'young people'... people certianly thing I've got a lot to learn but they're always complaining about bank queues...

I'm know to suggest you need to give stuff away, but...Newspapers giving you something for free are missing the point if they want it change behavior...

the world is not Yet the web....

escalators... it used to be that escalators in multi-level appartment stores had the up/down directions set to make you walk around the floor... no long the case...

not because of the internet nessisarily but mirrors the internet as i/net works t

Beyond management as attitude

Beyond Management by Attitude

The state of management has become so muddled that there is know, apparently, so such thing as getting appropriately refusing to 'play well with others'. Surely, there are some 'others' that you shouldn't have to play with at all?

How many times have you seen an employee chastised for not doing what a client (internal or external) asks? Now I'm not talking about attitude problems here; I'm talking about one person trying to tell another person directly how to do their job.

Management needs to coordinate the division of labour across all stakeholders (including customers, technical specialisations, supply-chian partners, etc). The most important part of this process is giving each collaborating partner a sense of their responsibilities.

In a MWT organisation that collaboration architecture comes conceptually above schedule, issue, risk, event, and financial management. In this way is it managements primary function to provide the delineation of tasks such that not everybody has a say in everything. This is the inverse stabilising force too 'responsibility'. If you are responsible for something you have some say in how it's done.

Again, an organisation based entirely on soft skills is a 'political' organization! While it is vitally import that individuals have a positive attitude this shouldn't be relyed on to maintain the organization system. Remember 'ideal realised strategies'. Ideal realised strategys are those that we never perfectly implement but continuously strive for perfect so that finally the benifits of the strategy materialise.

Also - management as a confidence trick

Ensuring Corporate Governance by…

Technology effecting management…

Brands as management…

Ensuring Corporate Governance by…

Technology effecting management…

Brands as management…

Beyond single point management

13. Beyond Single Point Management

(really belongs in a section called 'The process of fixing')

In embarking on E.business initiatives and corporate re-organisations, most companies have been quick to create roles that ensure they 'manage' such intangibles as: knowledge, communication, and relationships. But while they have been quick to change what they manage, most organisations have been slow to change how they manage.

A classic management anti-pattern that the ManageWithoutThem principles attempt to re-factor a solution for is what we will call 'Single Point Management'.

Single Point Management (SPM) occurs when we try to manage things like communication, knowledge, quality, client relationships, etc. SPM roles are normally created in response to the realization that the intangible is vitally important to the success of the organisation. Yet, in the midst of a point-to-point communications revolution the only strategy we seem to be able to think of is to establish single point management of the 'resource'.

SPM is typified by statements of policy such as 'every communication must go through the Comms Department' and 'Don't talk to the client until you've asked the Client Relationship Manager' and 'All knowledge must be put in the knowledge management system and approved by the Corporate Knowledge Manager (who is at a KM conference in London)'.

The single-point (often a high-pressure role - by its own design) becomes 'responsible' for communication (or knowledge, or quality) and therefore assumes that they have to 'control' it.

The fact is that these so-called intangibles aren't the types of things that can be managed using the mechanisms we have constructed for the industrial age. We have been willing to change what we manage - but not how we manage.

Knowledge Markets and Active Analysts

To manage intangibles the traditional manager needs to think of themselves as a kind of 'active analyst'. An active analyst of knowledge would be able to analyze the networks (or markets) of knowledge that are forming within the corporation.

Such a role would also have the scope to develop a technology augmented 'knowledge market' as a shared (optional?) service. This service would have as its customers the organisation's knowledge workers. The market would be structured to also assist the active analyst in their role - but that would not be it's primary purpose.

As an active analyst, you would be expected to be able to guide and steer the knowledge market. This would be achieved through means other than direct, restrictive participation in the processes but rather by mentoring and manipulation of the market (such as feedback and reward systems). Ideally this feedback would be part of the technological augmentation of the market and would occur in real-time.

Whether We Like it or Not

ManageWithoutThem principles help even if the above approach has not been officially adopted by the organisation. The knowledge market will always exist within the organisation (though it may be less efficient or free-flowing). What will be lacking are the tools to analyze it and ensure its pervasiveness.

THE Problem with SPM is when you start trying to apply is to more intangible things… particularly client relationships. (Not that Client Relationship Executives are a bad role, see New Roles). If the only thing the organisation and the client share is a point person that is not enough to actually manage the relationship… only to manage events… issues… particular things like new engagements.

Pendulum Arguments

The problem with thinking of managementin terms of management class (or rather an...

Recognise Pendulum Arguments

The problem with thinking of managementin terms of management class (or rather another problem) is that we will tend to constantly run into pendulum thinking. Pendulum thinking is manifested in the constant stream of consultants advising first to devisify, them to specialse; first to centralise, them to decentralise, then to centralise again... etc... etc...

Management needs to recognise that these cycles themselves occur. That perhaps, for example, the centralisation-decentralisation cycle is an integral but of maturing technology. And that perhaps as thse cycles accelerate (or at least as the inner circles of the cycle are revealed as the micro-model also) the management of them as such is no longer a mater of directing butpart of the competency of each disipline.

Empire Building

having same organisational definition of what management is… or more importantly a b...

Empire Building

having same organisational definition of what management is… or more importantly a brand with higher actionable authority then any particular manager, process, structure… is that you don't get empire builders. In a 'Rule by Brand' organisation you automatically get responsibilities when you build your empire… you don't get legions…

9. *In Defence of Specialisation*

Outline:

Managements desire for 'generalists' (DONE)

Recap on the purpose of management (DONE)

Focus on diverse individuals – functional individuals

Recap on The Mythical Management team – wanting generalists is like wanting everybody to be a manager (in the traditional sense)

Focus on soft skills as a further example of this. Defining jobs only in terms of soft skills makes them all the same.

Riddle of the Stones

There is a fascination with change that has become a central theme of the management profession. The need for 'flexibility' is provided as a cure for a modern environment where 'the only constant is change itself'. Unfortunately, this is often a corrupt and fraudulent view of flexibility which often amounts to a complete disintegration of the entire traditional management proposition. To those being managed this so-called flexibility serves only to introduce more change.

All along I've suspected that it is managers themselves that are the least willing to change. Sure, managers might be willing to adopt each and every new management fad which crosses their desks – but only if it supports what they already believe, or their existing goals and objectives. They are just as likely to reject a new management fad on the ground that it will soon phase. This appears to be a contradiction until you understand that the acceptance or rejection of the fad is based on aligned to pre-existing goals and beliefs. Indeed, having access to a hefty pile of vague and contradictory management theories is the perfect tool for providing manages with the flexibility to pick and choose. This ultimately provides as much flexibility as a management might desire.

This fanatical allegiance to ones own personal goals and beliefs is management's greatest strength. But then characteristics their environment change sufficiently to warrant a transformation of management itself, this obsession might be a managers ultimate downfall. The approach is likely to produce an evolutionary stable system where the fanatical managers success – and are even seen as 'leaders'. However, if you extend the boundaries of the system – open it beyond bounders of the organizations to the market – the organizations who love these types of managers may ultimately fail.

All of this flexibility causes a problem. As flexible as a management may be able to make themselves, the organisation which they propose to serve will always respond slower than an individual can respond to change the same change. As much truth as there is in the potential for teams and indeed whole organizations to be much more than the sum of their parts, it when you try and change or steer organizations that the limitations inherent in their structure are uncovered. Indeed, for all the lip service given to managing change, the value of a good change manager is immense. Again, it is the issue of management quality, which the standard practices to little to ensure.

Given the management profession's willingness to change anybody else but reluctance to change themselves, the solution to the problems which arise from inflicting all of this 'flexibility' on organisation is to do just that. Managers must succeed using the resources they have if they are to demonstrate themselves to be of any value at all to the organisation. Though it is often heard, a manager who laments that they failed because of the quality of their resources never really understood their responsibilities in the first place.

Just what exactly to managers who value flexibility in their own actions desire from their subordinates? There are two answers to this question but they are ultimately the same. Managers desire subordinates that a either more like themselves. They want subordinates to act like managers, see 'the big picture' the from managers perspective, and 'manage their own time'. Alternatively, and again it often amounts to the same thing, managers want their subordinates to be ‘generalists’. In this case manages want subordinates to be ‘well-rounded’ or, in the case of the IT sector ‘not too technology’ focused.

In terms of aiding coordination this desire has it’s plus side. Subordinates who think like managers will be much easier for managers to communicate with. Generalists will also be easy to communicate with; and they bring additional value in terms of being able to perform a variety of ever-changing tasks. At the heart of their value, however, is reduced need for these types of people to be managed at all. In fact, you are often paying a premium price for these types of people because they required less direction.

Let’s recap on the purpose of management. The whole point of the management profession as driven from the driven from increases specalisation an the division of laour is to coordinate separate specialists. Through this coordination, management, in theory, helps reduce the total costs of an endeavor. While ‘the workers’ are gaining efficiencies through specialization the managers are facilitating coordination.

If managers want to solve management changes by 1) using more expensive premium resources or 2) using generalist resources in place of specialists then they are braking the entire management proposition. Even if these are the best solutions if they brake the management value proposition then the management value proposition must be reexamined.

It's important to make a distinction between managers who are generalists themselves and those who have specalised in management but cannot succeed without generalists. Generalists can and do make good managers. But by definition if a manager, or indeed the management process itself, requires generalists then it has failed. To be called a management process it needs to be able to coordinate specialists.

riddle of the stones - James Joyce

From MWT Blog

Wednesday, November 07, 2001

November MWT article - DRAFT

James Joyce, author or Finnegan's Wake, The Dubliners, and Ulysese, doesn't know much about people or cities; or at least not by the standards of modern organisational recruitment mentality. You see, Mr Joyce has spewed out hundreds of pages all set in Dublin. He did explore other cities in his writing - just Dublin. His curriculum vitae doesn't even contain any 'projects' in the Big 5 cities - like London, Paris, New York, San Fransisco, Vienna.

How could somebody who's spent so much time focused on the one organisation (pardon, city) know anything about cities in general? Any yet, George Bernard Shaw has said that 'you can see every city in the world in Joyce's Dublin'.

Joyce's focus on a particular city appears to have paid off. Through Dublin his is able to understand, communicate, and make grandiose the daily activities of any and every city. In this way Joyce understands a city in it's people. Had he spread his time across a large number of cities he would know no more about cities than Don Juan knows about women.

But it's not as simple as that. Because Don Juan clearly knows a lot about women. By shifting his affections with each passing day, the Don learns to see the similarities between his lovers. His knowledge of that class of things - that fairer sex - is that of the similarities between them. The constant changes allow him to discover the essence of a class of things called 'women'.

But we all know that this is where Don Juan fails. Knowledge based on the similarities is knowledge of the collective group. One it comes to intimate knowledge of a particular women Don Juan fails. When it comes to intimate knowledge of a city, of its people, Joyce knows more because he has even experiences it - based on his intimate knowledge of one.

Knowledge intellectual abstractions - groups and generalisations of people - are a knowledge of similarities. Intimate knowledge of individuals - of one individual or many - is knowledge of differences.

Don Juan knowledge of the intellectual abstraction of women had it's uses. As a pure exercise of skill he was able to woe and win many women. But in the longer term was did that do the women any good. Did it do Don Juan any good? Or the company he kept?

Joyce's intimate knowledge is more valuable, more scalable. Never did he even explore the whole of Dublin. No epic tomb of Dublin emerged in the manner of a James Mechiner Mexico, Hawie; or Kim Stanley Robinsons Mars. Strictly speaking Joyce only captured a few streets within the city of Dublin. And through those streets we become intimate with Dublin itself; and only then with 'every city'.

Fast forward to the business and management world of today. We have invented a mentality that ostracises the Joyce's while rewarding the Don Juan's who hope from company to company leaving a trail of broken hearts and promises.

As these Don Juan's build there skills they will continue to woe and win hearts. But where there bread of abstract knowledge of similarities is, in itself, good for the company they keep, is yet to be seen.

What was missing all along was the organisation's ability to utilise and leverage the more intimate and softer knowledge. The Joyce style intimate knowledge of differences is more subtle - certainly more difficult to understand - but ultimately more rewarding.

Joyce style knowledge may will be found in the stayers, in an increasingly aging workforce, and in thoses whos confidence has not been artificially inflated by the light touch of a wondering winner of hearts. If is these groups that the management of the 20 century organisation must effectively coordinate.

posted by Matthew at 7:27 PM | 0 comments | Link

Riddle of the stones - part 2

Riddle of the Stones

Management, as a profession and a practice would love it if people were more multi-skilled. Managers, and indeed management itself, has come to be the process of wishing people were more generic, more versatile, generalists, and even wishing that people were more like managers. In truth generalists are easier to manage. In a generic management model such as the MWT General Project Management Architecture, which frames management as a continuous capability engineering exercise it's easier to manager a resource that self managers their own capability development whenever they are given a task that they don't know how to do. It of course get more complicated when that same person is given a task they simple don't want to do. All sorts of confusion results when they self-manage themselves out of that work by obscuring the value that the work itself would deliver.

A management philosophy which first attempts to make all others into generalists is missing the point of management. Let's go back (again) to the question of 'who' management is for. Is the discipline of management for managers or for the organisation? If the discipline of management is for the benefits of managers then any approach that makes the job of managers easier should be considered good management. But management isn't for managers - it's for organisations!

If management is for the benefit of managers it is say that the it's a useful set of tools for coordinating conflicting personal priorities and aligning the desires of multiple, often disagreeing stakeholders. If this is the case then everybody in the organisation could benefit from the discipline of management (I in fact believe this to be true). In the modern matrix organisation employees who aren't in management positions could benefit more from the discipline of management by the simple fact that they have more stakeholders (see 'It's easier to manage 10 people than it is to be managed by 10 people').

But management isn't for managers it's for the organisation. Even more specifically the discipline of management was created to coordinating the separate but related set of activities brought about by the division of labour. And why does the division of labour (think Adam Smith's pin factory) make an economy / organisation more efficient? Division of labour enables specialisation!

So if the discipline of management was created to coordinate the seperate but related activities bought about by the divioisn of labour, and the disivion of labour provides economic efficiencies by enabling specialisation, then the entire management disipline is worthless if it depends on generalisation of all those who are managed in order to succeed!

(Note that management is more than just coordination of seperate related activities right? Doesn't it contain leadership, strategy, etc? Well it does but that's just management agreegation... and what coordinates strategy with activities.... usually nothing! management alignment is worlds biggest problem! also called 'execution'!)

Riddle of the stones - concept

Values, Context, and Competence

Values, Context, and Competence

Continuing our discussion of what, in reality, really manages an organisation; we question the conclusions born from an approach that combines the evaluation of performance with the creation of the context in which decisions and actions are made.

(be warned; this is a little vague)

If people behave rationally, based on the economic definition, then people behave based on their context, values, and competence. All too often, especially after a failed endeavour, the focus of evaluation is based on competence.

This is primarily because the same group that creates the context performs the evaluation. Also, because the evaluator takes his or her own values as a given.

Don't get me wrong. I don't necessarily have a problem with the creation of context and the evaluation being performed by the same person. There is a percentage of the population that are truly exceptional leaders. However, they tend to operate outside the framework of what management theory generally considers good management process.

What these leaders do is insure that they are performing the tasks as they are named. They understand that the evaluation process should be performed in the context of the factors that really did contribute to the success or failure of the project.

We are currently in a transitionary stage where it is seen as a competence in itself to perform tasks that you are simply not good at. I believe that this is a transitionary stage because the success of the organisation will be ensured more by the effective coordination of specialists adding value than the tendency towards the further unqualified generalisation of individuations.

What the tendency towards generalisation forgets is that any arbitrary concentration on an area not related to your specialty necessarily takes time away from learning your specialty. Of course, this takes time away from learning your specialty within the context of your clients – that is, a systems, context-based view of your specialty.

What individuals within the organisation must learn is non-arbitrary generalisation. There is a class of specialist knowledge that all employees must learn. This class of specialist knowledge is the shared knowledge that manages the organisation.

It is this shared specialist knowledge that the ManageWithoutThem philosophy designates as the 'management' of the organisation. The focus on competence evaluation born from combining the creation of context and the evaluation of performance has lead to a focus on the competence of the lower levels of the organisation and a tendency not to question our established definitions of 'management'.

More specifically, the ManageWithoutThem philosophy acknowledges that there are elements of the organisation that actually manage the organisation beyond the managers themselves.

Far from suggesting that managers don't contribute to the success of the organisation, the ManageWithoutThem philosophy proposes that the most successful managers focus their attention on the areas of values and context and create their greatest value to the organisation by manipulating these dimensions.

Crying Conspiracy

The most important thing to remember about context is that it means There is

No Conspiracy.

this is all about the fact that people act based on their context… collaboration requires the first step of realising that there is (unusually) no conspiracy…

Problems with management become perceived as problems with individual capability.

ADD THE NOTES ABOUT THE CONVERSATION WITH JUDY TO THIS!!!!

From what to manage to how to manage

21. From what to manage to how to manage (and then to Collaboration arch (i.e. what to manage))

Management of communities to management by communities

Disintegrated Communities

This section talks about the 'already happening' things. Organisations are setting up communities to manage knowledge, grassroots communication is growing, all very Cluetrain – but they are disintegrated communities – disintegrated with the actual management of the organisation. And that has to change. Also, KM talk fails to see where KM tools already exist in organisation (like the KM at EDS not knowing what a great tool the DSA was for taxonomy – because by specialising in KM they DON'T KNOW ANYTHING ABOUT THE BUSINESS – again, knowledge MANAGEMENT has a symptom of management as a discipline)

Management of knowledge to management by knowledge

Part 6: Choosing Implementation Partners

Services and Service Partner Characteristics Required for Successful Implementation

Implementation Partners notes

To assist publication I'd devote a percentage of space in the book to others...

Implementation Partners

To assist publication I'd devote a percentage of space in the book to others.

<Names and Companies Each Contribute >

What Next?

39. Programmes

40. Partners

41. Bibliography

42. References

New Roles

Responsibilities Between

One Step Removed

Change Not Management

Text…

Work Stream Manageme...

New Roles

Responsibilities Between

One Step Removed

Change Not Management

Text…

Work Stream Management

Test

In order to encourage reuse we need to develop a Work Stream Management (WSM) discipline as apposed to the Project Management discipline. Both discipline fit within the context of Programme Management but differ in very specific, definable ways.

Project's (and therefore Project Management) are driven by objectives based around organisational (at any level; be it business model, business process or technical levels). Reuse, for example, will never be a priority objective for a Project – because at the end of the day we cannot fail to met the business transformation objectives of a project then say "… sure the business objectives haven't been met but we have (or have used) a number of reusable components".

Within a layered solution architecture Projects are generally defined across layers. The way a Project come in on-time and in budget is by careful management of scope.

Work Stream's (and therefore Work Stream Management) are driven by the on-going needs of the Projects within the Programme. Work Streams provide a capability which is leveraged by multiple Projects.

Within a layered solution architecture Work Streams are generally defined within a layer. The way a Work Stream comes in on-time and in-budget is through careful management of producitivity through reuse. Reuse being firstly within the Programme itself; but secondly reuse of components outside the programme.

Implementation

IT Services

It Services. Particularly Systems/Process Integration, IT/Business Align...

Implementation

IT Services

It Services. Particularly Systems/Process Integration, IT/Business Alignment, etc

Operational Branding

Operational Branding or 'Live the Brand' organisations. Also Brand definition and strategy companies.

Network Markets

Software that created markets by removing SPM and sharing information.

Community-Lead Management

Part 7: Further Reading

Continuous Learning and Customising the Model

Economics

Human Action

Peter Klein

Architecture - Built Environment

The Nature of Order

Enterprise Architecture

Enterprise Architecture as Strategy

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[1] these questions are example of a series of questions asked in on-going experiments and surveys over 20 years. Christopher Alexander's The Nature of Order series is identified in the Further Reading section and is the basis of some of the thinking in this chapter.
[2] He also goes on to identify for fundamental properties that are the elementary units of these patterns
[3] these method have a similarity to the core ideas of so-called Agile Development within the software development community
[4] For example, Christopher Alexander is co-created with the development of 'pattern languages'. Computer programmers and designers have extended these ideas to create and document patterns in software development, design, and architecture.