

Market-Based Management

Bring the transformational power of markets to the management of your critical customer, operational, and technology initiatives.

Internet technologies, social media, mobile, micro-payments, eCommerce, digital channels, collaboration tools, integrated supply chains, and agile all have one thing in common. They lower transaction costs.

Either they lower the cost of communicating, or they lower the cost of negotiating and transacting with partners, employees, and customers. They also capture detailed information about each transaction at no additional cost – the informational component of the transaction.

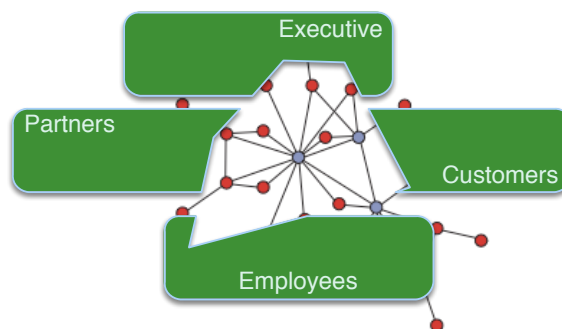
When the informational component of each of these transactions is aggregated it forms a network of relationships, value, and demand. When this network opens up it becomes a *market*.

Economics tells us that there are two types of coordination: planned or market-based coordination. Successful organisations today understand how to incorporate market-based coordination into how they manage their resources - across employees, customers, and partners.

Market-based Management Trends

We provide a range of solutions that cover trends in market-based management.

- **Optimise Collaboration Platforms** to get the most value from the implementation of your collaboration tools. Take a structured approach to the implementation of Yammer, BaseCamp, Office365, LiquidPlanner, or other collaboration tools to ensure they deliver business value
- Ensure your **Pricing & Yield Management** solutions are implemented as business transformation initiatives with appropriate benefits management, organisational change, and links to revenue assurance
- Make your customer journeys real through the implementation of automated **Customer Experience Campaigns** that mentor the end-to-end customer journey
- Understand **Next Generation Knowledge Management** approaches to balance curation, discovery, and automation of knowledge work



Implementing market-based coordination

- Introduce **Gamification** techniques to optimise the performance of your teams and enhance your engagement with your customers
- Build a **Peer Production** capability to allow your customers to participate in product support, product extension, or even product development processes
- Implement **Open Data Strategies** to enable supply chain innovation, lower the cost of cross-region collaboration, and meet obligations under government policy
- Understand the economics of **Customer Information Exchange** for your industry to determine what personal information customers are willing to exchange for what benefits
- Take the next step in **Activity-based Work & Workforce Transformation** to create work environments that balance individual work styles with operational performance
- Make the most effective use of technology by treating all technology project as **Technology-enabled Business Transformation** initiatives with defined business benefits and Agile delivery approaches

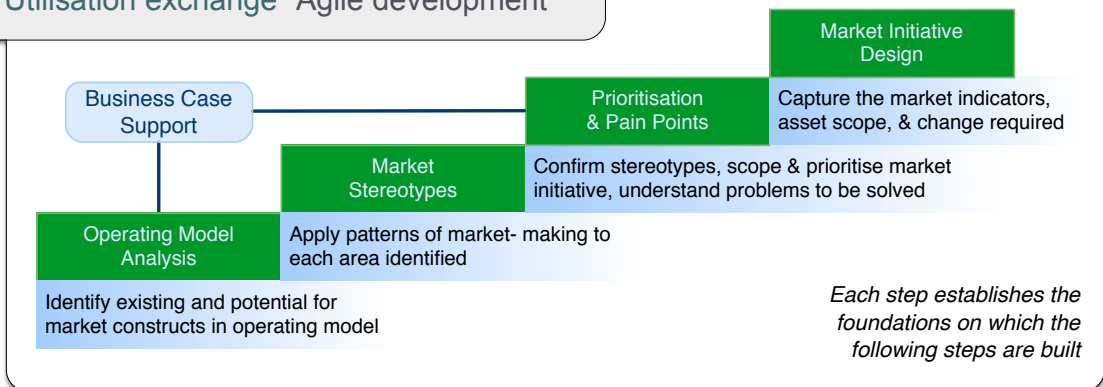
We take a strategic approach to market-based management by beginning with a review of your operating model to determine where market-like constructs will have the most impact.

Market Stereotypes

Discovery & scoring

App store analogy Redundant production
Interface versus interpretability Competitive game
Idea factory Unwanted feedback Cooperative game
Separate management from measurement
Utilisation exchange Agile development

Operating Model Review



Identifying Market Stereotypes

Our approach to operating model review identifies where market-based coordination will have the most impact on your operating model.

During a structured, 4-week process, we identify and prioritise *market stereotypes* that can be implemented. Examples include:

- Opportunities in asset-heavy organisations where planning processes can be enhanced by collaborative games and integrations of futures markets in predictive analysis
- Opportunities where the performance of specialised teams can be enhanced through cooperative or competitive leader boards
- Opportunities where collaboration with internal or external customers can be enhanced through additional information sharing and agile techniques
- Opportunities where customer data can be used to provide enhanced service or new products

Recommended initiatives are structured to reduce risk and manage uncertainly.

For further information contact your account director or the head of Market-based Management:

Matthew De George
0411 275 237