



Systems View of Various Management Functions in Business

The tables on the following pages depict eight examples of recurring systematic functions that should occur in businesses. (Not all of the functions in businesses are included in this document.)

A consultant or leader need not be an expert in each of the functions. However, it can be very powerful to improve a function just by discussing its system with a client or employee. Go backwards through the system and ask for opinions. For example, “What do people think of the financial reports (the outputs) – are they useful?” “Are those reports evaluated on a regular basis?” “What kinds of activities produce those reports – are those activities useful?” “Are those activities developed well?” “Are they planned well?” “Do they have what they need (the inputs) to be useful?”

Not all functions fit nicely together. However, it’s the conversation about their alignment that’s as important as their actual alignment.

The examples include the following eight functions. Here’s a broad overview of how they typically are aligned with each other.

1. Boards of Directors
 - a. Governs the business corporation, including, in part, to
 - b. Drive the strategic planning process
2. Strategic planning includes, in part, clarifying the
 - a. Overall purpose and priorities of the business
 - b. Expertise needed to address the purpose and priorities
3. Business planning includes, in part, clarifying the
 - a. Needs and wants among certain groups of customers
 - b. Best products and services to meet those needs and wants
4. Management development includes, in part,
 - a. Developing the expertise to implement the Strategic Plan, products and services
5. Human Resources includes, in part,
 - a. Developing and organizing the expertise to implement the Strategic Plan, products and services
6. Financial management includes, in part,
 - a. Identifying the funds needed to obtain and development resources to implement the Plan
7. Advertising includes, in part,
 - a. Promoting the new products and services
8. Evaluation of products and services includes, in part,
 - a. Assessing the quality of the recurring activities to develop and deliver products and services
 - b. Assessing customer satisfaction with the products and services

Management System for Board of Directors					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> ▪ Past evaluation results of Board ▪ Annual calendar ▪ Mission, vision, values, goals ▪ Business plans ▪ Stockholders ▪ Laws and regulations on governance ▪ Employees ▪ Best practices on Boards 	<ul style="list-style-type: none"> ▪ Board policies and procedures ▪ Job descriptions ▪ Board organization chart ▪ Board Committee work plans 	<ul style="list-style-type: none"> ▪ Form Board Develop. Committee ▪ Recruit members ▪ Provide Board Manual ▪ Train members about Boards ▪ Orient members about the organization ▪ Organize members into committees 	<ul style="list-style-type: none"> ▪ Attend meetings ▪ Research, discussions, debates ▪ Motions, decisions ▪ Strategic planning ▪ Supervise CEO ▪ Conduct public relations ▪ Review financials ▪ Declare stock equity and dividends 	<ul style="list-style-type: none"> ▪ Meeting evaluations ▪ Quality of attendance, participation, teamwork, strategic decisions? ▪ Board self-evaluation annually ▪ Board Develop. Plan to address results of evaluations 	<ul style="list-style-type: none"> ▪ Board minutes with decisions ▪ Directions to CEO ▪ Public speeches ▪ Financial reviews ▪ Board Develop. Plan ▪ Updated Board policies and procedures

Management System for Strategic Planning					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> ▪ Past results of types of evaluations ▪ Past Strategic Plan ▪ Business plans ▪ Board and employees ▪ Researchers and experts on trends, industries, product and services ▪ Best practices on planning 	<ul style="list-style-type: none"> ▪ Clarify purposes of planning ▪ Decide time span of Strategic Plan ▪ Select planning model ▪ Select participants ▪ Identify needed outside help ▪ Identify needed materials 	<ul style="list-style-type: none"> ▪ Form Planning Committee ▪ Hire, orient facilitator ▪ Announce planning process ▪ Train on strategic planning ▪ Orient experts the organization ▪ Design research plans ▪ Schedule sessions 	<ul style="list-style-type: none"> ▪ Develop/ review mission, vision, values ▪ External analysis ▪ Internal analysis ▪ Establish strategic goals ▪ Develop action plans ▪ Develop Operating Plan ▪ Develop Budget 	<ul style="list-style-type: none"> ▪ Provide clear mission, goals, actions, budget? ▪ Satisfaction checks during planning ▪ Plan being implemented? ▪ Implementation on schedule? 	<ul style="list-style-type: none"> ▪ Strategic Plan ▪ SWOT information ▪ New/updated mission, vision, values, goals ▪ Action plans ▪ Operating Plan ▪ Budget ▪ Performance goals for Board members and employees

Table II:10 – Examples of Management Systems for Specific Functions (Cont.)

Management System for Business Planning					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> ▪ Mission, vision, values, goals ▪ Markets ▪ Target markets ▪ Board members and employees ▪ Experts on markets and the industry ▪ Best practices on business planning 	<ul style="list-style-type: none"> ▪ Clarify purposes of planning ▪ Plan market research ▪ Select participants in the planning ▪ Identify any needed outside help ▪ Identify any needed materials and tools 	<ul style="list-style-type: none"> ▪ Hire researchers ▪ Train on marketing analysis and business planning ▪ Orient researchers and any experts on the mission ▪ Design research plans ▪ Schedule analysis and planning sessions 	<ul style="list-style-type: none"> ▪ Market research to identify target markets ▪ Identify needs and wants of each target ▪ Specify product or service for target(s) ▪ Describe how product or service is developed and sold ▪ Compute financials 	<ul style="list-style-type: none"> ▪ Provide clear product description? ▪ Satisfaction checks during planning ▪ Plan being implemented? ▪ Implementation on schedule? 	<ul style="list-style-type: none"> ▪ Business Plan ▪ Product description ▪ Marketing plan ▪ Management plan ▪ Financials ▪ Trained employees about the product or service development and delivery

Management System for Management Development					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> ▪ Mission, values, goals ▪ Strategic Plan ▪ Action plans ▪ Operating Plan ▪ Business plans ▪ Personnel policies ▪ Current managers ▪ New managers ▪ Best practices on leadership, management 	<ul style="list-style-type: none"> ▪ Assessment of current leadership and management capacities ▪ Identify training goals (needed capacities) ▪ Update personnel policies on compensation, hiring, delegating, firing, etc. 	<ul style="list-style-type: none"> ▪ Form Board Personnel Committee? ▪ Design training methods ▪ Develop training materials (or select courses) ▪ Develop evaluation plans ▪ Integrate training goals in performance plans 	<ul style="list-style-type: none"> ▪ Organize leaders and managers into trainings ▪ Conduct in-house trainings ▪ Attend outside trainings ▪ Conduct on-the-job trainings ▪ Apply new learning to the workplace 	<ul style="list-style-type: none"> ▪ Evaluate during training activities ▪ Quality of planning, organizing, leading, controlling? ▪ Delegating? ▪ Managing conflicts? ▪ Managing meetings? ▪ Redo assessment at end of trainings 	<ul style="list-style-type: none"> ▪ Initial assessment results ▪ Training plans ▪ Applied learning from participants ▪ Updated personnel policies ▪ Final assessment results

Table II:10 – Examples of Management Systems for Specific Functions (Cont.)

Management System for Human Resource Management					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> ▪ Mission, values, goals ▪ Strategic Plan ▪ Action plans ▪ Business plans ▪ Personnel policies ▪ Board members and employees ▪ Best practices on leadership, management 	<ul style="list-style-type: none"> ▪ Update personnel policies and procedures ▪ Update job descriptions ▪ Update employee organization chart ▪ Select recruitment methods and tools 	<ul style="list-style-type: none"> ▪ Form Board Personnel Committee ▪ Recruit, hire members ▪ Provide Personnel Manual ▪ Develop training methods ▪ Orient, train, organize members ▪ Develop equipment, supplies, etc. 	<ul style="list-style-type: none"> ▪ Establish goals for employees ▪ Share feedback ▪ Administer the offices ▪ Develop and deliver products and services ▪ Marketing management ▪ Evaluations 	<ul style="list-style-type: none"> ▪ Goals achieved by employees? ▪ Low conflicts, turnover? ▪ High morale? ▪ Do annual performance reviews ▪ Reward positive performance ▪ Implement performance improvement plans 	<ul style="list-style-type: none"> ▪ Status reports ▪ Meeting minutes ▪ Project reviews ▪ Financial reviews ▪ Updated personnel policies ▪ Update job descriptions, charts, etc. ▪ Performance reviews

Management System for Financial Management					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> ▪ Laws and regulations ▪ Fiscal policies and procedures ▪ Strategic Plan ▪ Action plans ▪ Business plans ▪ Last year's budget ▪ Best practices on financial management 	<ul style="list-style-type: none"> ▪ Update fiscal policies and procedures ▪ Review plans to identify needed resources ▪ Identify costs to obtain and support resources ▪ Develop Budget 	<ul style="list-style-type: none"> ▪ Form Board Finance Committee? ▪ Train Board on how to analyze finances ▪ Obtain software to manage financial information ▪ Obtain expertise to do bookkeeping, statements 	<ul style="list-style-type: none"> ▪ Enter bookkeeping transactions ▪ Generate financial statements ▪ Analyze statements ▪ Support annual audit ▪ Implement recommendations from audit 	<ul style="list-style-type: none"> ▪ Transactions tracked fully? ▪ Financial statements reviewed? ▪ Shortage of funds? ▪ Bills paid on time? ▪ Cash crises? ▪ Issues addressed from audit? 	<ul style="list-style-type: none"> ▪ Updated fiscal policies and procedures ▪ Budget ▪ Financial statements ▪ Audit findings ▪ Invoices, receipts, checks, etc.

Table II:10 – Examples of Management Systems for Specific Functions (Cont.)

Management System for Advertising and Promotions					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> ▪ Mission, vision, values, goals ▪ Strategic Plan ▪ Business plans ▪ Target markets ▪ Employees ▪ Best practices on advertising and promotions 	<ul style="list-style-type: none"> ▪ Specify each product's benefits ▪ Clarify each product's target groups ▪ For each target, associate product's benefits with target's needs ▪ Specify preferred public image for organization 	<ul style="list-style-type: none"> ▪ Form Board Marketing Committee? ▪ Develop methods to advertise each product to its target groups (brochures, flyers, etc.) ▪ Develop methods to convey public image (logo, slogans, etc.) 	<ul style="list-style-type: none"> ▪ Use methods to convey each product's benefits to its target groups ▪ Use methods to cultivate public image with important stakeholders 	<ul style="list-style-type: none"> ▪ Implementation of advertising plan on schedule? ▪ Implementation of PR plan on schedule ▪ Increase in sales leads? ▪ Increase in customers for the product? ▪ Increased relationships with stakeholders? 	<ul style="list-style-type: none"> ▪ Advertising and Promotions Plan ▪ Flyers, brochures, testimonials, presentations, etc. ▪ Logo, slogans, web site, newsletters, etc.

Management System for Evaluations of Products and Services					
Inputs	Processes				Outputs
	Planning	Developing	Operating	Evaluating	
<ul style="list-style-type: none"> ▪ Process to develop products and services ▪ Process to sell products and services ▪ Employees ▪ Evaluation experts ▪ Best practices for evaluations 	<ul style="list-style-type: none"> ▪ Identify which product aspects to evaluate (process, outcomes, etc.) ▪ What information is needed? ▪ How get information, who and when? 	<ul style="list-style-type: none"> ▪ Form Board Products Committee? ▪ Develop information collection methods ▪ Develop Evaluation Plan ▪ Train employees to use data collection and analyses methods 	<ul style="list-style-type: none"> ▪ Collect information ▪ Analyze information ▪ Identify strengths, weaknesses, issues, progress to outcomes, etc. ▪ Generate recommendations to address findings 	<ul style="list-style-type: none"> ▪ Process strengths and weaknesses? ▪ Customer satisfaction? ▪ Adjustments to make to develop and sell products and services? 	<ul style="list-style-type: none"> ▪ Information collection methods ▪ Collected information ▪ Evaluation reports ▪ Recommendations about products and services