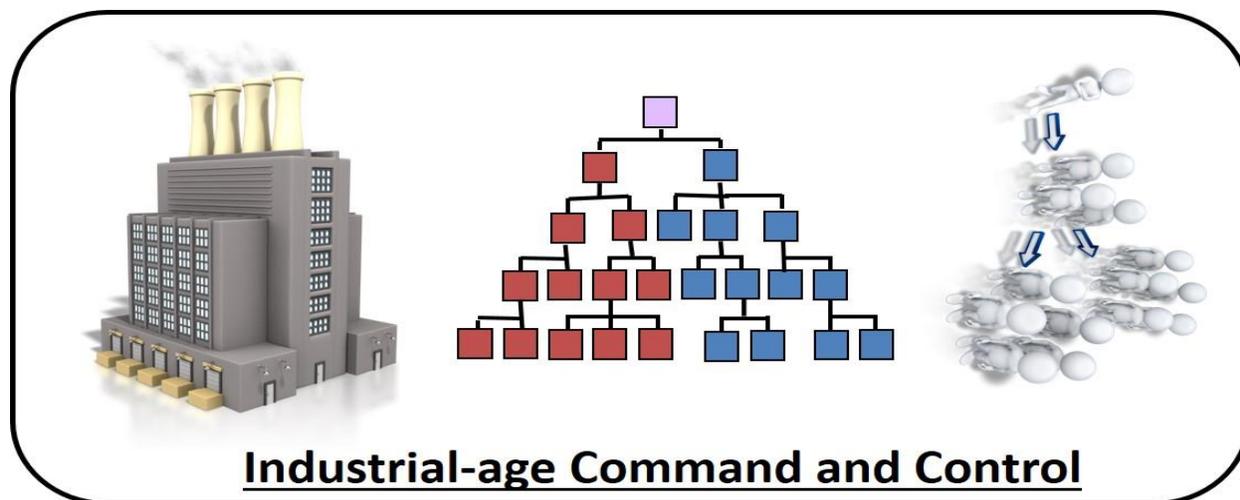


Introduction

For many years I have been teaching seminars and giving presentations at business conferences about what I believe are the unnatural managerial and technical structures in the typical organization. I believe the old managerial structure, known as command and control, and its associated hierarchical business structure, is a left over from the Industrial-age.



It produces an inefficient organization. This book is about rethinking those outdated organizational structures. I am going to propose a different view for both the old technical and managerial structures that have emerged over the history of business.

A “Natural” Customer-Focused Structure

If the typical organizational structure is an Industrial-age leftover then what would be a better structure? Well, I need to give a little bit of a foreword before answering that question.

After an organization has identified its industry niche and identified what set of customer needs that it wishes to respond to and then has implemented its corresponding responses to those needs as internal human and/or computer systems, it then waits for an outside customer “Event” in order to stimulate the appropriate systems into action.

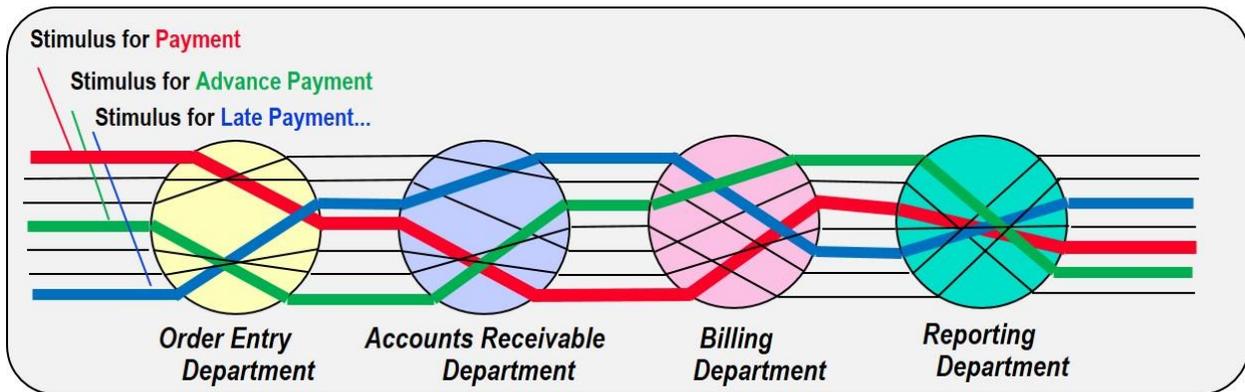
The stimulus to the organization may be its Customer wanting to buy a product resulting in a stimulus of Customer Order into the organization.

Given this stimulus from the external customer there’s a “natural” grouping of all the data, processing and controls that should be invoked to respond to this stimulus (the Customer Order). I call this grouping a **Business Event Reaction** as it’s the complete reaction taken by the organization to the Customers’ Event.

An “Unnatural” Organizational Structure

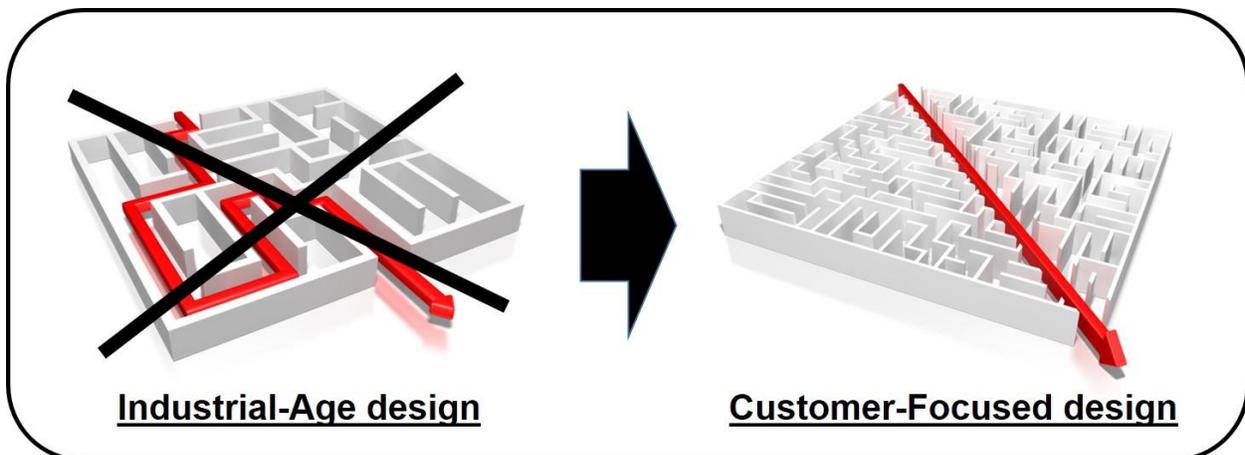
Maybe when the original business was formed the grouping of the reaction to one customer Event was performed as an efficient, cohesive unit of processing. Unfortunately this natural grouping seems to lose its “cohesiveness” as an organization grows and the reaction to the customer’s need becomes either fragmented and/or bundled to form other “unnatural” groupings that are based on internal organizational reasons. Usually poor design reasons.

These design reasons may be because of human/political and/or computer/technological reasons leading to what I believe are unnatural internal groupings/structures in place in most organizations today. I’ve tried to show examples of these typical groupings in the diagram below.



These unnatural groupings aren’t a problem if we are not concerned with efficiency and are willing to suffer some problems that come with disjoint procedures and the somewhat inevitable errors at the interfaces of these groupings and the slower response to the customer and the lack of agility to change and the... (well, you get the picture).

The biggest problem is when customers are affected by these groupings and their associated complications. It’s an even bigger problem when customers “get wise” and realize that the response from an organization can be much better and they start to expect more from the organizations with which they do business.



In this book I propose a “Customer-Focused” view of the structure of an organization and its internal human and computer systems. If we want to create a Customer-Focused organization structured on satisfying the needs of our customers then our task is to not follow the existing structures and designs of the past but to question them.

We must rethink the way that we’ve put the typical organization together. In other words we must question the old/existing designs that were put in place because of some historical reason (I’ve already stated I think it was mainly industrial-age reasons). This questioning applies to the way we design both the technical and managerial structures of an organization.

So this book focusses on how we can create a Strategic Plan to align our organization’s structure with our customer’s needs and hence create an efficient, unbeatable business.

Objectives of this Book

I have some objectives for the contents of this book that I hope match some of the reasons you are reading this book, they are:

- Objective- To satisfy the organization's mission (its reason for being) and develop a strategic plan to implement the most cost effective, efficient business in our industry.
- Objective- To produce a business that is the most responsive to its customers - satisfy customers' needs and expectations by structuring the organization to seamlessly respond to these needs.
- Objective- Achieve significant measurable improvements, in an existing organization, in the performance of the organization's operations.
- Objective- To replace old systems that may be hurting the organization today with new engineered manual and/or computer systems that will be faster and easier to install and maintain.
- Objective- To create a business that has data and process integrity - eliminate "dead" data and redundant processing and take advantage of the opportunities for re-using business data and business policy/rules.

I'll review these objectives at the conclusion of the book to see if you agree that they have been satisfied.

Notice that none of those objectives mention downsizing, outsourcing, arbitrary cutting of middle management, implementing the latest technology, or computerizing as much of the business as possible. If anything, they are more concerned with:

- Growth
- New products
- Increasing productivity
- Emphasis on customer satisfaction
- Global competitiveness for organizational longevity.

To accomplish the objectives stated above, we will need to lay out a Strategic Plan that outlines new projects to build or purchase new systems.

The Focus of this Book

This book focuses on satisfying our customers' needs by restructuring our organization to seamlessly respond to those needs. If our customers leave us because of poor service or better responsiveness by another organization, then obviously our organization eventually shuts down.

With the focus on satisfying our customer's needs we are going to cut out any unnecessary intermediate boundary inefficiencies. As well as being the best way to structure a start-up business I believe this will achieve dramatic and measurable improvements over the performance of the typical established organization and help form a new organizational structure that is unbeatable.

Along with strategic business management issues, this book will place a lot of emphasis on Project Management as that is where we build or select quality systems to serve our customers. The diagram below shows the role of each ‘player’ in building and running a business and the context of the area of management aimed at in this book.

<i>PLAYER</i>	<i>DELIVERABLE</i>	<i>GOAL ORIENTATION</i>	<i>METHODS/MODELS</i>
Strategic Planners/ Business Management	Mission Statement Business Direction & Policy	Strategic/Organizational	Long Range Planning/ High-level Business Models
Project Manager	Project Charter/ Customized Methodology/ Project Plan	Project	Metrics/Communication/ Organizational Methodology/ Project Management Models
Project Team	Manual & Automated System(s) (via Analysis, Design, & Implementation)	Technical	System Development Models/ Implementation Technology
Production User/ Operations	Completed Work	Production	Manual & Automated Systems/ Schedules

This book is aimed at the management roles shown in the top two rows of this matrix. Note that in this matrix one person can take on the role of multiple “players” especially in a small organization.

Some Basic Definitions

As this book is aimed at management I looked up the definition of “management”. In the Webster’s Dictionary it states:

To direct with a degree of skill

In the Encarta Dictionary it states:

The skillful handling or use of something such as resources

I didn’t feel those definitions fit the way I want to “Manage” a customer-focused business so went looking for something more applicable. I found it in the definition of the word “Facilitate”:

To help forward an act or process

I also liked its noun form “Facilitation”:

The lowering of resistance to an impulse resulting from a previous stimulation

I prefer to use the definition of facilitate and facilitation when I use the word management in this book as I believe that this is really the ultimate task of management - the facilitators of business.

I want to include here my definition of Customer-Focused Business Engineering:

The application of an engineering discipline for structuring an organization with the goal of efficiently meeting the needs and expectations of its customers.

The Structure of this Book

*As you get into the main chapters of the book, let me admit here that I rewrote the first part of the book three times; the problem I had was I could not be sure that someone reading this book, had read its companion book “**How to Analyze a Business**” which puts over the principles of Business Events etc. I finally decided that I should include a summary of at least three chapters from the companion book that are essential to the ideas presented in this book. If you’ve already read my companion book then you may want to skim the first three chapters of this book as a refresher otherwise they are important as a solid basis for the ideas in this book.*

This book provides you with the strategic planning methods to create an efficient, Customer-Focused, organization. It covers the following subjects:

- The ***Events and the Fundamental Characteristic of Systems*** chapter describes the fundamental characteristics of all systems, human or computer, even environmental. This understanding is needed as it will form the foundation of our Strategic Plan.
- ***The Essence of Every Organization*** chapter takes a “logical view” of how we can picture an organization from a customer point of view. This sets the stage for our Customer-Focused business structure.
- The ***Events and our Organization’s “Event Horizon”*** chapter shows how to identify and differentiate between the five types of external things (Events) to which every organization responds. It also shows how the differences between these Event types dictate whether to include them in the Business Model.
- The ***Strategic Planning via Business Event Reactions*** chapter is the heart of the book. It identifies and defines the six important components we must capture in response to our customers’ needs (our Business Event Reactions) and then how we use those Business Events to ask Key Strategic Planning questions. It then describes two new Organizational Structure Implementation strategies.
- The ***Introduction to Project Management*** chapter sets up the concept of the three “P”s; focusing on the three aspects of Project Management – the Project, Product and People aspects. This is needed when embarking on building, purchasing or outsourcing new systems to create an “engineered” organization.
- The ***Starting a Business Project*** chapter focuses on the need to initiate any project with a good Project Charter containing such entries as the Project, Business and System objectives. It defines these and describes how to identify where in the project they should be accomplished.
- The chapter ***A Methodology for Business Projects*** describes the different types of System Development Methodologies, which are management tools, and their benefits for guiding the project.
- The ***Project Metrics and Resource Projections*** chapter addresses the need for realistic project Metrics (statistics). It recommends a method for greatly assisting with resource projections and monitoring on a project.
- The ***Project Planning*** chapter addresses a set of planning Models that will be helpful for monitoring and adjusting the resource usage on a project.
- The ***Product Planning*** chapter addresses a set of analysis and design Models for systems that can be used to create a business library.
- The ***People Planning*** chapter addresses the human side of project and production management

by looking at human motivators and value systems.

- The *Evolving to a Customer-archy* chapter is a radical view of how we can restructure an organization away from the Industrial-age model to an Information/digital-age model. This uses the Customer-Focused, Event-Driven aspects in the implementation of an organization.
- The last chapter *Benefits and a Logical Conclusion* states the benefits to the organization and its customers of implementing “Business Engineering” concepts. It closes with a look back at the accomplished objectives of the contents of the book.