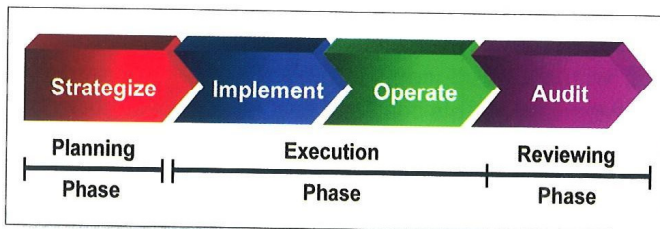


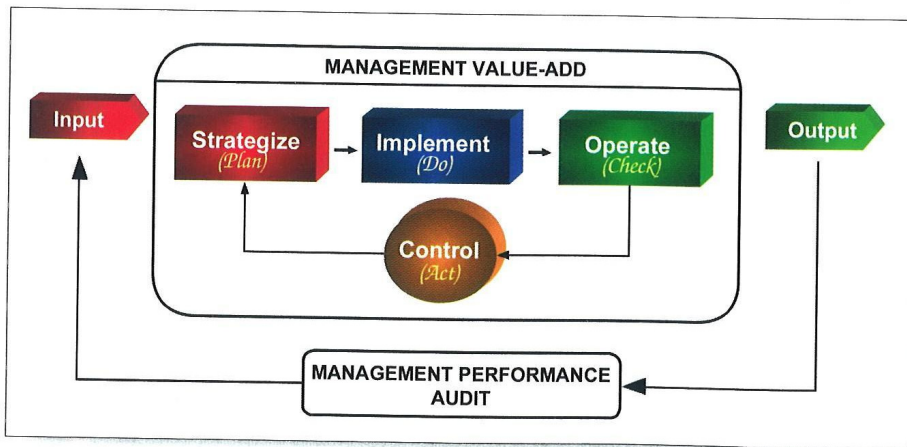
Prof. K C Chan & Dr. C M Tay

Integrated Management System for Business Results

In the Knowledge-Based Economy (KBE), we need better skills and more precise information (Knowledge Advantage) than ever before if we are going to create, develop, shape and apply strategies for successful execution (Action Advantage). The process to operationalise the strategy is depicted below:



Execution phase needs to transform strategies into projects for performance and business results; the activities and tasks to be governed by the company policies. Management involvement and commitment is crucial to ensure that an Integrated Management System (IMS) is in place to guide routine work. Thus, relying on an IMS that guides the process of People, Papers and Practices, aided by the speed of execution, will result in consistent Product and Performance outcome – including business result. The IMS model can be combined with TQM model of “Plan-Do-Check-Act” as shown:



The House of Risk-Free Performance

In the fast changing business world in a free market, many organisations are faced with the intractable problems of shorter economy, product, business and technological cycles.

On the one hand of a free market economy, there is the need to increase shareholders' wealth. On the other hand, the customer needs; have to be satisfied and delighted. Customers are the ones who pay our salaries; hence, being one of the significant contributors to customer's success become a longevity pill for business survival. A Win-Win business solution is vital.



Prof. K C Chan

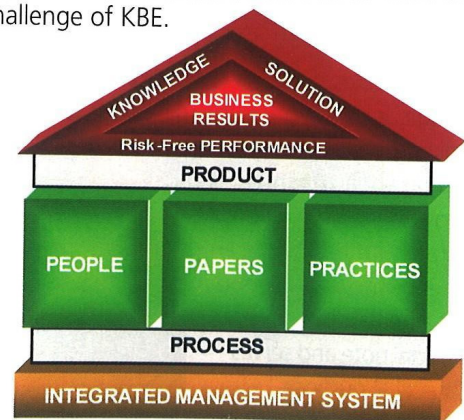


Dr. C M Tay

As described earlier, the process of People, Papers (information) and Practices are organised into planned process for Product and Performance standards, i.e. a documented risk-free management system. Performance by Execution is assured by Management. Management can, therefore, “Plan-Do-Check” in accordance with planned process of documented system, act to achieve the planned product and performance standards and review to improve the system and performance.

In essence, Execution is more than the discipline of getting things done. It is doing it with Speed (faster) to the expected Quality (better) level by management action (to a Programme) – while conforming with proven methods (Procedures) and guided directions (Policy).

The “House of Risk-Free Performance” captures key elements of the IMS to meet the challenge of KBE.



IMS for Integrated Management Solution

IMS is developed as the foundation for any organisation’s operations. In the Execution phase, Management takes leadership in the “Plan-Do-Check” cycle and “ Act” to achieve the planned performance standards.

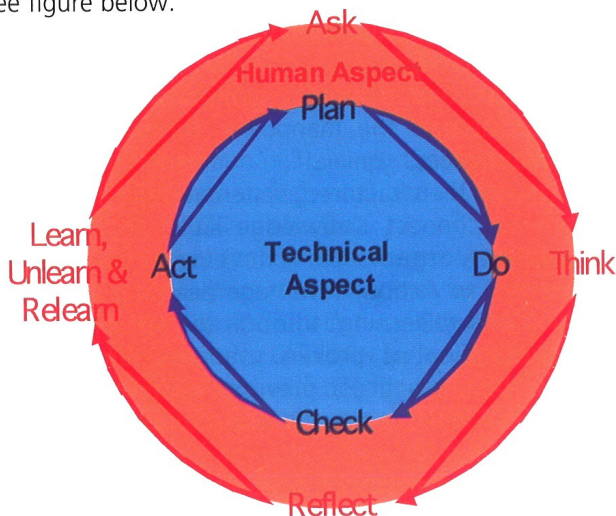
Management should plan the leadership initiative to stretch from the Planning phase right through the Execution phase – because 90% of strategies failed during execution, as reported by Kaplan of the Harvard Business School.

Therefore, Management adds value during the Execution phase to ensure that it is implemented systematically. Management should “Plan-Do-Check” to conform, “Act” to perform and “Review” to improve. Management should be able to show business results (Action Advantage) and relearn (Knowledge Management) backed by record (Evidence), supported by the performance audit – that further adds value to the business by highlighting the glaring areas for improvements or, to reduce the variations in the performance.

Since we can only improve on what can be measured, the performance standards for achievement will be the “Risk-Free Policy-Objectives-Targets” and linked to the Key Performance Indicators (KPI) of the business, focusing on enhanced customer satisfaction (or interested party satisfaction).

Ultimately, for any organization to thrive in the turbulent business climate, the Integrated Management Solution must be driven for continual improvement in the quest for doing it faster, better, cheaper, fresher, safer and healthier, with competitive advantages to enhance satisfaction of all Interested Parties. It delivers better result by performance, knowledge and solution.

The simplicity of the IMS concept, which is aligned to the proven TQM concept for ease of implementation, is a pragmatic model for sustainable business development. IMS is unique because it takes into consideration both the Human and Technical Aspects of a risk-free performance endeavor. See figure below.



The Technical and Human Aspects of IMS

For Interested Party Satisfaction (IPS), it is imperative to provide a coherent integrated management solution through IMS. IMS organises, formalises, simplifies and standardises across the three phases of excellence:

- **SYSTEM Excellence**
 - clear documentation of guided direction (Policy), proven methods (Procedures), timeline and risk- free level of performance (Programme);
- **MANAGEMENT Excellence**
 - management discipline in execution or action for performance standards;
- **PERFORMANCE Excellence**
 - management assurance in risk-free performance to meet intended strategies and company policies.

For breakthrough in System, Management and Performance excellence, a self-assessment Management Value-Add (MVA) audit checklist is developed for managing transition during the three phases.

The technical aspect of IMS is to ensure corporate performance in relation to various risks, such as Environmental, Occupational Health and Safety, Product Safety and Quality. This is stringently stipulated by the various ISO Standards. These International Standards, as a common language for risk-free performance, pave the way to foster mutual trust and enhance business confidence. The human aspect of IMS is the Olympic Spirit of continuous learning, coaching and teaching for risk-free performance culture in managing transition for effective change. The Olympic Spirit of “learning – unlearning – relearning” entails asking (before planning), thinking (before doing), reflecting (before checking) and learning (before acting). This is the essence of Action Learning, i.e., questioning insight (why this way?) and reflection (what went wrong?), which connects knowledge with action. See “The Olympic Spirit of IMS” diagram.

IMS : Connecting Knowledge Advantage to Action Advantage

IMS manages the transition from Knowledge Advantage (Strategise) to Action Advantage (Implement and Operate) for effective change (Audit):

- **PLAN**
 1. Process Mapping & Risk Analysis – define the core processes, map processes to benchmark against proven International Standards, asses business risks, legal and work aspect for risk prevention control measures;
 2. Process Documentation & Review – document company policies, procedures and programmes for performance standards in the form of KPIs.
- **DO**
 3. Execution Preparation – by training, communication and emergency preparedness, to get commitment and involvement from management and buy-in from team members on the improved System and revised Performance

Targets during the Execution phase;

4. Process Execution & Integrated Process / Project Management – application / adoption of Quality Management Tools/Techniques focusing on management business value-add to the “Plan – Do – Check” cycle for Conformance and “Act” cycle for Revised Performance and Unlearning, and “Review or Reflect” for Improvement and Relearning. This methodology enables one function, one procedure, one mind and one voice, through multiple interests representation to all-aligned performance standards.

• CHECK

5. Integrated Process / Project Control, Performance Monitoring & Execution Audit – proactive process monitoring by inspection, supervision, audit and reactive monitoring by reject, incident, accident, emergency, complaint and fine; Conformity Audit or Performance Audit; Project Control is in the form of tracking and managing for variance in the resources, scope and schedule within pre-determined targets;

6. Integrated Performance Monitoring – proactive monitoring against policies – objectives – targets and profit-linked KPIs focusing on customer satisfaction;

7. Execution Audit – full Performance Audit on Management Value-Add, leading to business benefit including revenue growth, profitability and liquidity;

All to be complemented by observation or inquiry for Human Unlearning.

• ACT

8. Corrective Actions & Human Relearning – the process cycle of items (1) to (7) above is audited for corrective actions, capturing lessons learnt and any revisions to the System. The Human “learning – unlearning – relearning” process value-adds to the performance and business results of the company;

9. Certification & Benchmarking – the best practices and its integrated processes are endorsed and validated by an external Certification Body. Also, the performance of the company is benchmarked against the best of its class in the industry.

10. Continual Improvement – self-assessment on KPIs and management review for collective improvement is driven by the “Plan – Do – Check – Act” cycle (for Performance) or the “Plan – Do – Observe – Reflect” cycle (for Relearning). For the Olympic Spirit or the Human Aspect of IMS, the challenge is in the consistent pursuit of a breakthrough strategy to achieve Six Sigma Performance through Integrated Project Management based on the foundation of Quality Management Principles.

INSIGHTS

IMS is a practical proposition in the constant pursuit of competitive advantage (relearning) for sustainable business performance (results) backed by accurate ISO documentation

(records) in the KBE era. It is effective yet simple to execute. IMS is anchored on the twin pillars of Technical and Human Aspects of Quality Management Principles (the foundation) which is robust and proven.

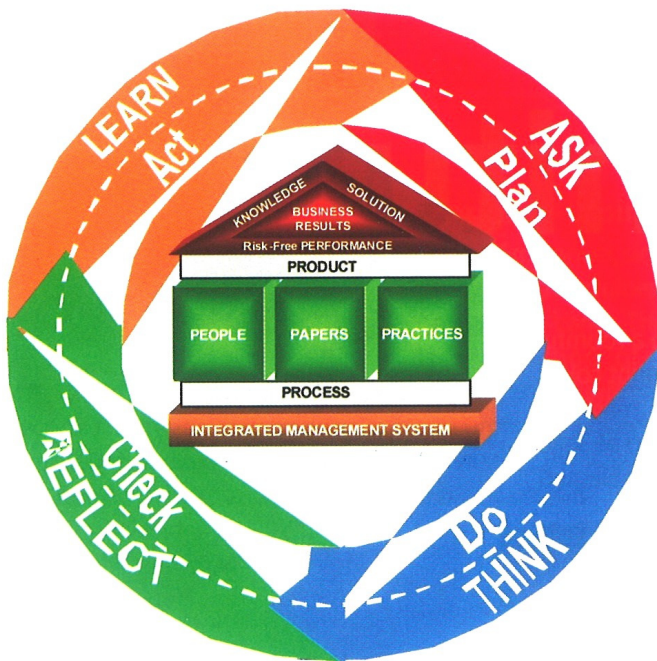
To be sure, the successful execution of IMS focusing on the Performance of the organization to attain the Business Results by Management Value-Add through consistently satisfying and/or delighting customers (Interested Parties) is the outcome of Action Advantage. The speed of execution is made possible through Integrated Project Management (IPM).

IMS emphasizes the following:

- It is built on the free market principles of competition and productivity for customer satisfaction and responsible care.
- It employs an integrated management solution approach as multiple interests are aligned to one Integrated Management System (IMS).
- It meets the International Standard requirements, for external certification and market recognition.
- It employs a common language to align the project-linked KPIs for business results.
- It bridges the gap of company policies, strategies and the ultimate assured business results through management value-add in keeping record, continual improvement and relearning for sustainable performance.
- It engages the human aspect of IMS to “Unlearn (Ask – Think) – Relearn (Reflect – Learn)” in the “Plan – Do – Observe – Reflect” cycle to cope with the radical changing business environment in order to derive at new strategies to meet new challenges/requirements/regulations, yet achieving risk-free performance consistently.
- It regulates a self-renewal system to drive management, based on the Olympic Spirit for effective change, through self-assessment and management review.
- It demands management’s commitment and involvement in preventive, corrective and improvement actions with speed of execution, supported by IPM and supplemented by performance audit.
- It is effective and efficient in prevention of repetitive mistakes, despite the manpower turnover and the economic changes.

IMS provides the structured, systematic and integrated approach to connect Knowledge Advantage (people development, organization development, change management) to Action Advantage (learning by doing, unlearning and relearning) through the self generation and accumulation of proven solutions, knowledge, processes, best practices, previous experiences, new technologies / tools. In the KBE era, though knowledge is power, speed of execution for performance and business results guarantees success – all by “Management Value-Add” (MVA) to assure result and relearning by record.

Any thing less, we are at the peril of extinction.



The Olympic Spirit of IMS

Back up

Practical Application – IBS for Operation

A typical transition process basing on IBS to change for improvement and excellence by management action for result and relearning can be as follow:

• **PLANNING**

1. Process Mapping and Risk Analysis – defining the core processes, mapping processes against the proven Models of International Standards, assessing risk from business, legal and work perspectives for preventive risk control measures.
2. Process Documentation – documentation of Policy, Procedures and Programs for Performance Standards.

• **DOING**

3. Execution Preparation – Training, Communication and Emergency Drills of management and work for SYSTEM and PERFORMANCE as planned;
4. Process Execution (Integrated Process Management) – Use of Quality Management Principles for management value-add to “Plan-Do-Check” to CONFORM, Act to PERFORM or Observe to UNLEARN and review to IMPROVE or Reflect to RELEARN – with one function, one procedure and multiple-interest representation.

• **CHECKING**

5. Integrated Process Control, Performance Monitoring and Execution Audit and Human Unlearning
 - 5.1 Process Control includes Proactive Management

Control by Inspection, Supervision, Conformity Audit, Reactive Management Control by Reject, Incident, Accident, Emergency, Complaint and Fine;

- 5.2 Integrated Performance Monitoring includes Proactive Monitoring of Policy-Objectives-Targets, profit-linked KPI and Interested-Party Satisfaction;
- 5.3 Execution Audit – A full performance Audit for real business benefits;
 - all to be complemented by Observation or Inquiry for Human Unlearning.

• **ACTING**

6. CORRECTIVE ACTION and Human Relearning – the above process control and performance monitoring by management leads to effective corrective action by Reflection and Relearning for enhanced experience and system revision.
7. CERTIFICATION and BENCHMARKING – this is a process of seeking external validation and endorsement by an external Certification Body for market recognition and, performance benchmarking to excel;
8. CONTINUAL IMPROVEMENT – self-assessment and management review for continual improvement, leading to a repeat cyclical “plan-do-check-act-review” loop. Six Sigma or Integrated Project Management (IPM) could help improvement with use of the Quality Management Principles.

MEETING INTERNATIONAL CERTIFICATION STANDARDS

International Standards for management-systems are proven and internationally-accepted management models, off-the-shelve, ready for organisation application and setting up of its company-specific system. They are well-validated and triangulated by world practitioners in many countries before adoption.

Many management-system models were proliferating in the 90’s. In 1996, there was ISO 14001 Environmental Management System, followed by OHSAS 18001 Occupational Health and Safety Management System in 1999; ISO 9001 Quality Management System in 2000 and ISO 17799 Information Security Management System in 2000, etc.

These are standards for organisations to set up organization-specific management systems to meet the various demanding interests for Quality, Public Health and Safety, Occupational Health and Safety and Information Security, to assure risk-free performance of the various interests of their Interested Parties.

Efforts are being made – by the ISO Technical Committees – to make these International Standards compatible by terminology or structure, to facilitate setting up of Integrated Management System in an organization.

Meeting International Standards will bring the world closer by using the same common language to facilitate business flow with mutual trust and confidence.