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ORGANIZATION AND PRODUCTIVITY

Thematic anthology | 2016 - 2025

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EDITORIAL

ORGANIZATION AND PRODUCTIVITY

Dear Reader!

Applied Insights is a specialist newsletter that has been published every two months since 2016 and now has several thousand subscribers. Each issue presents a compact overview of a current topic, relevant to all industries and all company sizes. The structure of each improve is standardized, i.e: Presentation of the topic, checklists, and a tool or general example for implementation. The authors are subject matter experts who have both the practical experience and the scientific background in their fields. The thematic anthologies combine the previous individual improve editions with the following focal points (alphabetical order):

- Digitalization and artificial intelligence
- Communication and change
- Management and effectiveness
- Marketing and customer orientation
- Organization and productivity
- Strategy and navigation

The focus of this thematic anthology is organization and productivity. It presents tried-and-tested approaches, methods and tools for managing structures, processes and costs. Contents include: Structure matrix, continuous improvement process CIP, agility, lean or cost management, systematic waste collection, meeting management and controlling interfaces.

We hope that this collection of topics will give you some ideas and suggestions for discussion, decision-making and implementation.

Yours sincerely,

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Applied Insights from the FH Kufstein Tirol

THE STRUCTURE MATRIX

Prof. (FH) Dr. Peter Dietrich

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THE STRUCTURE MATRIX

MANAGING ORGANIZATIONS STRATEGICALLY

Strategic management is often externally oriented. Organizations want to influence stakeholders such as customers, suppliers, or politicians in order to create favorable environmental conditions. However, in markets that are characterized by the activities of numerous players, a wide range of interactions arise, resulting in a dynamic that can only be controlled to a limited extent by individual players. As an alternative to the classic inside-out perspective, the outside-in perspective focuses on the control potential of the company's own organization. This approach makes it possible to align internal structures in such a way that they can react flexibly and successfully to external dynamics in the long term. The structure matrix provides a valuable basis for doing it.

By Prof. (FH) Dr. Peter Dietrich

I. ORGANIZATIONS: STRUCTURED FREEDOM THROUGH LIMITATION

Organizations are formed to achieve goals better together and to increase the effectiveness of individuals[1]. Organizations therefore make many things possible by at the same time making many things impossible. They reduce the multitude of potential options for action to a few targeted alternatives. These help them to make themselves and their customers, suppliers, partners, and other stakeholders predictable and to behave in an anticipated way. Structures are essential for the ability of organizations to act. However, they work in the background and are therefore often overlooked performance drivers. They create order, reduce complexity, enable decisions to be made, and facilitate implementation. A good structure allows organizations to react to external changes as well as to act proactively.

Decision-making premises keep organizations on course.

Structures are established through decisions that not only have a one-off effect, but also influence further decisions in the future as fundamental premises and thus keep organizations on track[2] . For example, an IT technician's decision to restart a server is not a decision premise, as it only relates to a specific problem. A real decision premise, on the other hand, is when IT management decides that server failures must be reported to management within five minutes and rectified within one hour. Such specifications act as a framework that guides action in comparable future situations.

[1] Malik, F., Führen Leisten Leben, Frankfurt 2019, p. 188.
[2] Simon, F. B., Introduction to Systemic Organization Theory, Heidelberg 2021, p. 70 ff.

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Therefore, these basic guidelines serve as a basis for subsequent decisions, they create certainty of expectations and structure procedures. They do not determine behavior, but guide it by firstly drawing attention to deviating behavior and secondly making it subject to explanation.

2. THREE STRUCTURAL FEATURES: COMMUNICATION CHANNELS, PROGRAMS, AND PERSONNEL

Organizations can be analyzed and designed on the basis of three different structural features: communication channels, programs, and personnel.

Communication channels: These include all channels, platforms, processes, and so forth, through which information flows within the organization. They determine who is allowed to communicate with whom, how information is passed on, and how decisions are made. Typical examples are hierarchical reporting channels, management processes, official meetings, and minutes. Communication channels are crucial as they determine how efficiently information is transported and how clearly decision-making is structured. A good communication structure helps to avoid misunderstandings and enables information to be passed on efficiently. The long-standing diagnosis "We live in an information age" describes precisely this importance of professionally managed communication channels.

Organizations function via
communication channels, programs, and people.

Programs: These contain all the established procedures, rules, and regulations that define how work is done and managed. Programs can be defined as simple "if-then rules". That is, input-oriented via so-called conditional programs. One example is a call center in which it is precisely defined how inquiries or complaints are to be handled. More complex target orientations can be achieved via so-called purpose programs. Here the focus is output-oriented, or geared towards a result. This is precisely the core of "management by objectives" (MbO) or "objectives and key results" (OKR). One example is the agreed goal of increasing market share in a sales region by five percent. Programs give all those involved guidance on what is expected of them. They ensure that processes are standardized and therefore repeatable, which in turn increases the productivity of an organization.

Personnel: The personnel dimension comprises the assignment of roles within the organization. At its core, it is about the definition and distribution of tasks, skills & competencies, and responsibilities. It can make a considerable difference which position is filled with which type of employee, which training and know-how. The recruitment, further development, transfer or dismissal of employees can be used to adjust personnel. In addition, roles and skills can usually be adjusted quickly depending on the situation and market environment.

3. THREE SIDES OF THE ORGANIZATION: FORMAL SIDE, INFORMAL SIDE, AND VISIBLE SIDE

In addition to the three structural dimensions described above, the differentiation of three different sides of an organization is essential for management. These are the formal side, the informal side, and the visible side of the organization.

Formal side: This concerns all officially defined and therefore binding rules and processes. At the formal level, communication channels are regulated by hierarchical structures and reporting channels that clearly define who may or must communicate with whom. Programs include all established regulations and standards that determine work and management processes. At the formal level, personnel are described by fixed roles and tasks that are subject to clear responsibilities and skills & competencies. The formal side creates stability and orientation and ensures that the organization remains predictable.

Organizations can be perceived through the formal, the informal, and the visible side.

Informal side: This comprises the informal networks, routines, and habits that develop outside of formal structures. This side is often evident in the communication channels that form and consolidate unplanned, for example through personal relationships or private conversations. Informal programs consist of tried and tested practices that prove themselves in everyday life but are not officially established. Informal hierarchies emerge at staff level, in which certain people have particular influence without a formal role. The informal side of an organization enables flexibility and adaptation. It plays an important role when formal structures are perceived as inadequate or too bureaucratic and hinder rather than support daily business.

Public face: This refers to the symbolic representation of the organization and its values, which are communicated primarily to the outside world. At the level of communication channels, for example, the organization demonstrates values such as transparency and openness through public announcements, meetings, or events. Programs are often used to emphasize the image of efficiency and professionalism, even if these standards are not always consistently implemented on a day-to-day basis. When it comes to personnel, the appearance is demonstrated by representative roles and symbolic leadership positions that embody the desired image of the organization. The appearance is decisive for the legitimacy and trust that an organization receives from its employees and the public.

Fig. 1: The nine fields of the structure matrix			
features → *Pages of the ↓*	**Communication channels**	**Programs**	**Personnel**
Formal side			
Informal side			
Display side			

4. SUMMARY AND CONCLUSION ON THE NINE FIELDS OF THE MATRIX

The combination of the three structural characteristics and the three sides of the organization results in a so-called structure matrix with nine fields (see Fig. 1). It is a comprehensive grid that makes it possible to systematically analyze and shape the complex dynamics within an organization[3]. Three levels are of interest here:

Formal communication channels, programs, and personnel provide the stability and order that an organization needs in order to act consistently and predictably. The degree of formalization ranges between the extents of "over-regulation" (rigidity) and "under-regulation" (chaos). Continuously balancing this degree of formalization is essential in order to ensure both flexibility and stability.

The **informal communication channels, programs, and personnel** ensure the flexibility and adaptability of the organization by creating space for individual modes of action and informal networks. As a rule, the informal side cannot be influenced directly, as it develops in response to the activities of the formal side. It must therefore be shaped indirectly, via the ties

The structure matrix is an instrument for organizational diagnosis and development.

The **showcase of communication channels, programs, and personnel** shows how the organization shapes its self-image and influences external perceptions, which has a direct impact on its legitimacy and trust. Especially in situations where there is an increased need for legitimacy, numerous control impulses stem from the need for showcase activities.

The nine fields of the structure matrix can be used to systematically carry out an organizational diagnosis (see Fig. 2). It is an effective tool for analyzing complex corporate dynamics and identifying strategic options for action. It allows formal, informal and external aspects to be systematically considered and weak points such as

[3] Kühl, S., Organizations: A very short introduction, Wiesbaden 2020, p. 77 ff.

a lack of standardization, communication problems, or informal power structures to be identified. At the same time, it highlights strengths such as an innovative corporate culture or flexible adaptability. In this way, mobilizable resources can be identified and specifically addressed, while immobile conditions are taken into account as stable framework conditions. The matrix creates a solid basis for sustainable organizational, personnel and cultural development.

Summary: Application and benefits

1. Holistic analysis: It presents formal, informal, and show-side aspects as well as the relevant structural dimensions in isolation and in their interactions.
2. Structure as a success factor: It focuses on structural conditions as the basis for sustainable performance.
3. Strategic design: It supports the planning and implementation of changes by highlighting correlations and scope for action.
4. Possibilities of influenceability: It shows what can be directly controlled and what cannot (such as informal cultural aspects).

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Fig. 2: Structure matrix - tool and example (industrial company)

An industrial company in the renewable energy technology sector has grown considerably in recent years. Due to "organizational growth pains", the structure matrix is used to obtain a diagnostic picture of the organization and derive targeted improvement measures.

1. Diagnosis of the structure matrix

Structural features → / *Pages of the organization↓*	**Communication channels**	**Programs**	**Personnel**
Formal side	• Clear organizational charts and responsibilities in place • Top-down decisions dominate • Strategic and operational decisions concentrated in GF • ...	• Positioning available (high quality and innovation) • Customer and department-specific process standards partly given • Few uniform programs for internal procedures exist (consequence: redundancies...) • ...	• Requirements for technical know-how for key positions partly outdated and inconsistent • Clear ideas regarding new specialists - problem: thinned-out labor market and sometimes unprofessional recruiting • ...
Informal side	• Personal networks dominant • Informal access to important information provided by long-standing employees • Increasing problem of informal knowledge • ...	• Strongly characterized by dynamic and flexible approaches • Programs influenced by founder mentality • Danger of too much of a "historical view" in the meantime • ...	• Influence of long-standing employees on informal structure present • Recognizing conflicts and misunderstandings in cooperation • Increasing orientation problems among younger employees • ...
Display side	• Presentation of a partnership-based dialog with stakeholders available • Focus on transparency and proximity • ...	• Presentations as a highly innovative, future-oriented company • High adaptability to customer expectations • ...	• Presentation as a family-oriented employer • Good salaries and benefits as retention elements • ...

2. Measures for organizational development

Element of the matrix	**Measure**	**Date**	**Responsible**
1. communication channels	Complete overhaul of the meeting structure and introduction of professional meeting management	31.03.	W. Schelling
2. programs	Introduction of functional strategies for purchasing, sales, IT... as a framework for alignment and interface management	30.09.	P. Anchor
3. personnel	Professionalization of management development and introduction of a company-wide AI training program	30.11.	...

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THE FUNCTIONAL STRATEGY

Prof. (FH) Dr. Roman Stöger

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THE FUNCTIONAL STRATEGY

CREATING ORIENTATION AND CLARITY FOR DEPARTMENTS

The term "strategy" is traditionally associated with corporate or business strategy. The focus is on products, business models, innovation, financial figures, and so on. This is correct in itself and corresponds to the principle of market and result orientation. However, for a corporate or business area strategy to be effective, it must be translated into functions, like for sales, IT, purchasing, or HR. This is precisely the purpose of a functional strategy. This is the only way to create networking, responsibility, speed, and effectiveness.

By Prof. (FH) Dr. Roman Stöger

A. FUNCTIONAL STRATEGY AS A STEPCHILD IN STRATEGIC MANAGEMENT

In strategic corporate management, the mission statement and overall strategy are usually defined first and then business areas are planned. This is a perfectly sensible sequence because it places the focus on the market. Market performance and customers are at the center and everything is aligned with the business. However, the literature and practice of strategic management often stop at this point and do not take the next step, namely the interface between strategy and structure. It is precisely this transition that has long been a "stepchild" of strategic management because this topic was perceived as too trivial or not exciting enough.

The functional strategy is the link between strategy and structure.

The quality of a strategy is not determined by its content, but only by one thing: its implementation. This does not happen by itself or through an anonymous apparatus, but through the respective functions in the organization[4]. Terms such as department, and division are synonymous with "function". But even the zeitgeisty word creations of agile organizations need clear orientation. This is the only way for holacracies, tribes, networks, and virtual structures to have a real impact. All these organizational forms or units can be overarching or specialized, networked or isolated, traditional or agile. In any case, there must be a clear program to ensure that everyone involved is effective and productive. This is precisely the purpose of the functional strategy. In practice,

[4] Martin, R. / Riel, J., Departments need a strategy, in: Harvard Business Manager 03/2020, p. 60.

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terms such as departmental strategy, departmental plan, divisional strategy, or divisional program are used synonymously.

A functional strategy links the future goals of a company with organizational units. In this sense, it is a connection between strategy and structure. There are two expressions of the functional strategy. Firstly, it can be a deepening of an individual, success-critical business area function. In this case, it is oriented towards the objectives or focal points of the corresponding strategic business unit (SBU) and is organized autonomously there. For example, a bank has a SGF "Private Customers" and a separate functional strategy for sales. This function is crucial to the success of the private customer business and every responsible business unit manager must be able to manage these functions in order to achieve the desired results.

At its core, a functional strategy is about the principle "Structure follows strategy."

A second use case of the functional strategy is a central function. In this case, the aim is to centrally combine and bundle the requirements of several business areas. A construction group, for example, has integrated the internal IT services for all business areas centrally as an IT functional strategy. The prerequisite is that there are coordinated orders from the individual business areas for such superordinate functions and that these are then realistically consolidated. This is to say, they do not represent a "concert of wishes". Both manifestations of the functional strategy show that the requirements of the company or the business areas must first be clear and only then can a functional strategy be developed. The functional strategy is subordinate to the common success, it is the consistent orientation towards the management principle "contribution to the whole".[5]

B. DESIGN AND IMPLEMENTATION OF THE FUNCTIONAL STRATEGY

The most important principle of functional strategy is that the requirements are derived from the business. This corresponds precisely to the principle of "structure follows strategy". This "outside-in" instead of "inside-out" approach avoids inward orientation and bureaucracy. Medium-sized and larger companies in particular are in constant danger of becoming self-employed, without having any impact on the market. In addition, highly centralized companies often make the mistake of thinking from the inside out and not having the actual business or the customer on their radar. A few key

[5] See Malik, F., Führen Leisten Leben, Frankfurt 2014, p. 92.

questions can help with the development of a functional strategy (see Fig. 1).

Fig. 1: Key questions for developing a functional strategy

1. **Customers**: Who are the external or internal customers of the function and what are the customer benefits?
2. **Business mission**: Is the functional strategy derived from the corporate or business area strategies?
3. **Core services**: Which are the core services of the function - and which are not?
4. **Centralized vs. Decentralized**: Which functions need to be bundled centrally - and which do not?
5. **Task, Skills, & Competencies**: Are the tasks / skills / competencies / responsibilities clearly defined?
6. **Interfaces**: Are there also clear Tasks, Skills, & Competencies for the interfaces?
7. **Billing**: How are the function and its services to be billed?
8. **Development**: What are the consequences for the development of employees and managers?
9. **Sourcing**: Can the function's services also be sourced externally or may the function also do business with its services externally on the market?

There is a proven procedure for developing and implementing the functional strategy (see Fig. 2). First, the initial situation is briefly outlined. This is recommended so that it is clear during implementation which premises were used as a starting point. In principle, the functional strategy is nothing more than a response to the challenges described in the initial situation. The mission for the function is defined based on this. This is derived from the requirements of the company or the business areas. Accordingly, the customers must also be explicitly mentioned. It may also be useful to define some organizational principles for the function, such as important committees and reporting.

A functional strategy produces overview, clarity, and effectiveness.

The focus of implementation is on the three elements: Goals - Means - Measures. The objectives are about the most important functional services and the contribution to the success of the company or the business areas. The means for the development and "operation" of the function, such as personnel resources, material resources, or financial resources, must be derived from the objectives. Finally, the most important measures for implementation must be developed. This establishes the link between the objectives, the resources, and the personal level. The measures must then be integrated into budgets or target agreements.

A functional strategy[6] is a simple method for clarifying the task, planning implementation, and for communication. It makes an important contribution to combining several similar orders, tasks, or processes into one function. Especially when introducing agile methods, reorganizations, process redesigns, or restructuring, separate strategies should be developed for the most important functions. This is the prerequisite for clarity, responsibility, speed, and results.

Summary: Functional strategy - application and benefits

1. An integral part of every business segment and corporate strategy
2. Clarity about the core services and contributions of a function and thus customer orientation of the function
3. Basis for the organization and management of a function

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[6] Stöger, R., Process Management, Stuttgart 2018, p. 177 ff.

Fig. 2: Functional strategy - tool and example (Controlling)

A retail company develops compact functional strategies for all core functions. These are derived from the corporate strategy and form the basis for management and implementation.

1. Assessment of the initial situation

- Uncoordinated distribution of tasks, skills / competencies and responsibilities across several departments
- different controlling skills / competencies at several locations
- Different and insufficiently coordinated planning cycles (half-yearly, quarterly, rolling)
- No consistent storage of relevant data in the controlling workflow (isolated solutions)
- Costs for controlling tasks too high

2. Order to the function

- Controlling ensures the development and implementation of a uniform management system.
- It therefore provides managers with significant support in the decision-making process.
- The company's key projects are reviewed centrally by Controlling.

3. Customers

- Chairmen of the Board and management of the business segments (SGF)
- All managers up to department management level
- Project managers

4. Organization and reporting

- Controlling reports to the Chairmen of the Board and is responsible to the management of SGF.
- Controlling is headed by M. Müller (deputy S. Beck).
- The controlling meeting (incl. Chairmen of the Board) takes place monthly (every first Wednesday p.m.).

5. Goals

- Development and operation of a standardized management system (integration of MIS, BSC, number generation, meeting reporting) incl. comparable planning cycles (100% use)
- Support for managers in operational and strategic planning, target/actual comparisons and other decision-making aids (20% increase in planning accuracy)
- Monitoring of the defined key projects for the company
- Reduction of divisional controlling and complete takeover of all controlling tasks (definition of tasks, skills / competencies and responsibilities)
- Reduction of fixed costs for all controlling activities by 15% (basis: expenses for divisional controlling, central controlling, controlling tasks in RW)

6. Means

Resources (p.a.)	**Costs in Euro**
1. 2 full-time employees (from 31.10.)	140,000 p.a.
2. infrastructure (from 31.10.)	120,000 one-off
3. standardization of systems incl. acquisition of software/hardware	150,000 one-off
4. training costs (for all employees concerned)	20,000 one-off

7. Measures

No.	**Task**	**Date**	**Responsible**
1	Complete personnel review of all controlling units	28.02.	Miller
2	Establishment of end-to-end functionality and use of the controlling workflow	31.05.	Beck
3	Implementation of the standardized controlling system and reports	30.06.	Miller
4	...		

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CONTINUOUS IMPROVEMENT PROCESS CIP

Prof. (FH) Dr. Roman Stöger

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CONTINUOUS IMPROVEMENT PROCESS CIP

CREATING A PERMANENT IMPROVEMENT PROGRAM FOR COMPANIES

In times of digitalization, cost pressure, and increasing market requirements for quality, companies need a methodology for continuous development. The continuous improvement process (CIP) can be used to systematically leverage potential for quality and productivity. The procedure is easy to apply in practice and makes a company fast, lean, and agile in a short space of time. It should therefore be a standard tool for every organization and every manager, especially in times of digitalization.

By Prof. (FH) Dr. Roman Stöger

THE HISTORICAL BACKGROUND - THE JAPANESE ECONOMIC MIRACLE

CIP is not an invention of the academic world, but has developed over a long period of time. A major impetus came from East Asia. After the Second World War, the Japanese economy was in the doldrums. Since opening up in the 19th century, the country had made significant progress in technical and economic terms. After defeat, however, there was a danger of being thrown back decades in terms of development. In this situation, the government and companies recalled two characteristics that have always been among the strengths of Japanese organizations: seeing everything that is done as continuous development and focusing on continuous improvement.[7]

CIP has helped an entire economy get back on its feet.

CIP is the first and most prominent example of a business-related methodology that did not come from Europe or North America. Of course, Western companies such as Siemens, Skoda, or General Electric also pursued continuous improvement in their business in earlier times, but this was more spontaneous, person-driven and not methodical. However, the procedure was perfected for the first time in Japan - both from a business and economic perspective. The aim was not to reinvent everything, but to improve existing technologies, products, service providers, and business models. Either significantly better quality was delivered at an existing cost or price level or an existing quality level was produced at significantly better costs or prices. One example is quartz technology, which was originally invented in Switzerland. However, it was not

[7] Brunner, F., Japanese Concepts for Success, Munich 2017, p. 39 ff.

until Japanese companies in the watch industry, such as Seiko, made a real business out of it. And this, in turn, resulted in the so-called "quartz crisis" of the 1970s, with the majority of the formerly proud Swiss watch manufacturers disappearing from the market or being bought up. This example shows once again that it is not the invention that is decisive, but the innovation and implementation of an idea.

On the basis of the CIP, Japanese companies were able to penetrate world markets with products that were practically one hundred percent invented in the West: Automobiles, consumer electronics, digital technology, among others. Names such as Toyota, Sony, Mitsubishi, and Yamaha stood for a development that was underestimated by the West for a long time. This is how Business Week assessed the Japanese automotive industry in 1958: "Now that we have more than 50 foreign car brands here in the US market, the Japanese car industry will certainly not be able to take a big slice of the US car market pie." What happened next is well known. Japanese car manufacturers quickly caught up and set the standards in quality and productivity in the decades that followed.

THE "MAGIC TRIANGLE": QUALITY, TIME, COSTS

The core of the approach is the principle of permanent perfection. This refers to the professional development of the business and the organization. For some years now, the term continuous improvement process (CIP) has been used for this purpose. It is a principle or methodology for the continuous optimization of quality, time, and costs. The East Asian equivalents of CIP are "Kaizen" or the "Toyota principle", while in the West the terms quality management (QM) and CIP (continuous improvement process) have become established. For example, CIP is mandatory for obtaining various DIN standards and CIP approaches are expected in many supplier-customer relationships. The main effects of CIP are the focus on customer benefit, on the company's own strengths, and on the further development of competitiveness. Of course, this also includes the permanent improvement of productivity and cost position. However, the focus is not primarily on certifications, but on the business benefits[8]. In pragmatic terms, the focus is on three factors: quality, time, and costs (see Fig. 1).

[8] See Stöger, R., Implementing digitalization, Stuttgart 2019, p. 178 ff.

Fig. 1: Key points of CIP: quality - time - costs	
1. Quality	1. Close proximity to customers and the business in general 2. Plenty of systematic feedback from the market 3. Culture of results and customer benefit 4. Basic principle of first pass yield ("right the first time") 5. Organizationally anchored ability to change and innovate 6. Reliable and compatible information systems
2. Time	1. Uncomplicated, transparent and fast processes 2. Speed of discussion, decision-making and implementation 3. Low number of reporting and approval stages 4. Few or no queries, waiting loops, search times 5. Short planning, preparation, set-up and implementation times 6. Time discipline in communication and collaboration
3. Costs	1. Knowledge and control of cost drivers 2. Professional productivity management 3. Clear tasks, skills / competencies, responsibilities 4. Incentive systems for productive work 5. Lean and business-oriented IT and planning systems 6. Regular systematic waste collection and consistent task criticism

The aim of the continuous improvement process is to eliminate complexity traps. It is about having all factors under control that waste time and costs. This begins with the analysis of waste and overproduction in processes. As banal as it sounds, the symptoms are widespread. Examples include stockpiling of services, lack of qualifications, poor meetings, unprofessional project management, bureaucracy, safety stocks, and so on. The old principle of "first pass yield" starts at this point. For each activity or process, you check how many activities and services are performed correctly the first time. Every new attempt and everything that has not yet been completed causes complexity costs and slows down the company.

CIP is essentially an entrepreneurial principle.

The CIP methodology is not particularly complicated, and this is precisely why the procedure has been able to establish itself (see Fig. 2). First, the most important business processes of a company are identified[9]. The individual procedures are then examined self-critically for potential for quality, time and costs. This concerns activities, products, service providers, resources, systems, qualifications, and forms. The decisive factor here is that only people who know the business and are responsible for its implementation are involved. The individual proposals must then be translated into concrete measures to ensure that they have an impact.

[9] For the connection between quality management and processes, see: Schmitt, R. / Pfeifer, T., Qualitätsmanagement, Munich 2015, p. 43 and 63.

SELF-CONTROL AND PERSONAL RESPONSIBILITY

The continuous improvement process is not just a business-related methodology. An important and often overlooked component of a functioning CIP is the principle of self-management. The basic idea is not to prescribe from above, but to have autonomous teams that are responsible for achieving their goals in the processes. These teams are also responsible for reviewing and monitoring the corresponding performance. Of course, this requires a clear strategy and a culture of trust, as well as managers and employees who are able and willing to deal with self-control. For example, the central offer and contract review of a mechanical engineering company was abandoned and transferred to the responsible units. This was accompanied by a bonus scheme for sales and a low complaint rate. The advantages of this approach are easy to understand. First, no higher authorities, staff units or external parties are required to initiate the improvements. This has a direct, positive cost effect. Second, the management cycle in the autonomous units is closed, resulting in self-organization. The permanent improvement of processes is the responsibility of the management of these teams. It is the productivity and quality requirements themselves that control the team and not other bodies.

CIP works best when the people involved are
Set and implement goals for members of staff or employees themselves.

Many organizations have had positive experiences with CIP. If this instrument is introduced, it must initially be driven by the managers, but should take the form of self-management as quickly as possible. If CIP can be successfully integrated into existing management processes and teams and carried out regularly in the form of small workshops, an effective lever for quality, time and costs is created. However, the even more decisive effect is something else - and in this sense a different translation of CIP: a culture of responsibility and professionalism.

Fig. 2: Concept of multisensual marketing

Step	Action	Instruments & Resources
1. Development of the establishment of visual brand elements	• Creation of an independent corporate design line (CD) • CD contains among other things: Logo, font	• Use of external experts (e.g. design agencies, freelancers or higher education institutions) • Testing using test subjects (focus group discussion for initial qualitative assessment)
2. Appealing to other senses	• Integration of one or two other senses in addition to sight • Second most important senses: hearing and smell	• Use of external experts (e.g. design agencies, freelancers or higher education institutions) • Investments in technical infrastructure (e.g. room acoustics) if necessary • Testing using test subjects (focus group discussion and survey)

3. Strategically addressing all five senses	• Extending brand communication to all five senses • Strategic planning of coherent and unobtrusive measures to appeal to the senses	• Use of external experts (e.g. design agencies, freelancers or higher education institutions) • Investments in technical infrastructure (e.g. fragrance atomizers) if necessary • Testing using test subjects (focus group discussion and surveys)

Summary: Application and benefits

1. A simple methodology for improving quality, time and costs
2. Linking the customer perspective with the process perspective
3. An important component of a "learning organization"
4. Prerequisite for a culture of performance and personal responsibility

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Fig. 2: CIP cockpit - tool and example (hotel chain)

Background: A hotel chain with integrated rehabilitation, sports and leisure facilities is developing a CIP program. Measures are developed for the individual processes along the lines of "quality-time-cost (QTC)". The corresponding implementation and effectiveness controlling takes place on a quarterly basis and is a fixed component of the management meetings.

Date	21.03.			
Controlling dates	30.06., 30.09., 31.12.			
Responsibility	L. Meyers			
Process	**QZK**	**CIP measure**	**Date**	**Responsible**
P 01. reception by leading	Quality	P 0101 Improve quality of information on reception (program, services)	31.03.	Goll
	Time	P 0102 Reduce waiting times at peak times (reallocate resources)	31.03.	Goll
		P 0103 Better timing of cab services (new framework agreements)	28.02.	Rahner
	Costs	P 0104 Product range streamlining: Magazines, books, wellness articles, welcome and farewell gifts	31.01.	Köstner
P 02. room maintenance / care	Quality	P 0201 Introduction Quality check: sockets, handles, odorless carpet cleaning	31.01.	Gerken
	Time	P 0202 New cleaning cycle incl. quality audit (checklist with signature)	31.01.	Haller
		P 0203 Process acceleration for the release of new rooms (target: 11.30)	31.03.	...
	Costs	P 0204 ...	...	...
P 03. ensure room service	...	P 0301 ...	...	...
P 04.	...	...	...	...

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Applied Insights from the FH Kufstein Tirol

AGILE AND SCRUM

Prof. (FH) Dr. Roman Stöger

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AGILE AND SCRUM

SIMPLIFY AND ACCELERATE THE ORGANIZATION

Scrum and Agile have been the subject of intense discussion in the business world for some time now. At first, the impression may arise that these are academic buzzwords. But there is more to it than that, namely the attempt to overcome bureaucratic, slow, complicated organizations and return to genuine entrepreneurial thinking and action. Many companies use Scrum as an Agile tool, for example in the development of new products, in projects, in meetings, and in collaboration in general.

By Prof. (FH) Dr. Roman Stöger

New topics are constantly being developed in economics. We live in a knowledge society and the number of publications has long exceeded what is manageable. This is especially true for entrepreneurs and managers who are not paid to study business-related literature, but to produce results. However, the all-clear can be given for many contemporary topics. Numerous publications have little to no entrepreneurial relevance. Much of it is too detached, too far removed from practice, and too incomprehensible. This is also made more difficult by the tendency to use foreign words and Anglicisms to describe everything. A critical eye is therefore always required here.

It is about overcoming complicated and bureaucratic methods.

The terms Agile and Scrum may also raise doubts at first - yet another buzzword, yet another buzzword, yet another buzzword. But there is more to it than that and many companies have introduced this approach because they want to become faster, more flexible, and more results-oriented again[10]. Hilti, Englisch Bahn, Villeroy & Boch, BMW, Sipgate, and Adobe are just a few examples. Medium-sized and large organizations in particular are realizing that they have become sluggish and are looking for other methods. They have understood that the solution is not to draw new organizational charts, but to further develop the organizational "movement apparatus".

[10] Rigby, D., et al, Agile Scale, in: Harvard Business Review 05/06 2018, p. 90 ff.

BASICS OF AGILE AND SCRUM

The origins of Agile and Scrum lie in software development and lean management in the 1990s. Back then, key projects were criticized for being too rigid, too planning-driven and too inflexible. Many things were too bureaucratic, took too long and hindered the effectiveness of those involved. As a result, the desired outcomes were not achieved, at far too high a cost and, above all, far too late. It was therefore called for companies to become more "agile" again. In essence, this involves five principles for an agile organization (see Fig. 1): Benefit, Networking, Trust, Speed ,and Effectiveness .[11]

Fig. 1: Principles for an Agile organization	
1. Benefit	• Consistent market and customer orientation - and not: self-employment • Creating tangibility and results - and not: concepts, analyses • Uncomplicated, direct approach - and not: rigid method fixation
2. Networking	• Implementing interdisciplinarity and cross-functionality - and not: fixation on hierarchy and silos • Ensuring a radar to the environment - and not: internal orientation • Adaptable, iterative and flexible approach. and not: strict adherence to outdated scenarios or programs
3. Trust	• Establishing a team-based, hierarchy-independent culture of dialog - and not: status-related communication • Ensuring transparency and openness - and not: selective information • Incorporation of continuous feedback - and not a one-dimensional top-down approach
4. Speed	• Ensuring a fast, agile procedure - and not: complicated methods • Implementation of rapid communication procedures - and not: lengthy discussions and meetings • Immediate, fast decision-making and implementation processes in real time - and not: cumbersome procedures
5. Effectiveness	• Reliable assumption of responsibility for implementation - and not hiding behind organizations • Ensuring as much freedom, self-organization and self-motivation as possible - and not: external control • Achieving real transformation and business results - and not: PowerPoint, ideas, concepts, visions

The best-known application of Agile is Scrum. The term comes from rugby and refers to a special game situation in which a scrum is formed to create a new game situation. Just as in sport, the course of a game cannot be predicted by planning. Instead, a team must try to shape the game through a starting line-up, roles, and targeted activities in such a way that, firstly, it can react quickly to unforeseen events and, secondly, it can take action itself. This then forms the starting point for the next move and ultimately for points and victory. Against this background, Scrum means a flexible and fast method that works in small steps and does not rely on the big plan, but on interim results, adaptation, and action.

[11] See Stöger, R., Effective project management, Stuttgart 2019, p. 2 ff.

APPLICATION OF THE METHODOLOGY

The key business question is, "What do we need to do to make the organization fast (again)?" In simple terms, this can be described as a "Scrum process". A key entrepreneurial issue is described in the form of a master plan, called a backlog. The focus is on goals and impact, but not on pages of detailed descriptions, extensive analyses, or similar. The development and implementation of the respective topic is as non-hierarchical as possible. Development and implementation then take place in small steps and above all via the principle of self-organization. At this point, the parallels to the Japanese quality philosophy become clear; self-management, small teams, concrete objectives, constant exchange of (interim) results. The analogy of Scrum as a crowd and a heap refers to the condensation or the compressed moment at which the participants, work statuses, feedback, further planning, and all other related elements come together and enter the next phase. A comparison with nature can also be used here. An anthill, likewise a "scrum", also has no defined hierarchy, there are no bosses and no departments. From the outside, there seems to be no obvious organizational principle. However, the whole thing is extremely effective, flexible and fulfills its purpose.

The most important things are a quick start and the so-called sprints, or concentrated implementation phases. These take place regularly and important findings then also lead to adjustments in the master plan (backlog). Within the sprint, a distinction is made between planning, implementation, testing, and reflection. Planning should be as simple and short as possible, while implementation is about making rapid progress. The review refers to feedback with the customers or clients of the topic. Reflection is carried out within the team, in relation to working methods and improvement steps.

Scrum means:
fast, flexible, non-hierarchical, results-oriented.

The Scrum roles are clearly defined. The person responsible for the result ("owner") specifies the goal, which can be a new product, a new service provider or a new business process. This is recorded in the master plan (backlog). The owner must be in close contact with the clients, who are internal or external customers, to ensure that the corresponding benefits are generated. The core or sprint team is responsible for implementation. It is staffed across departments or divisions and is largely self-organizing. The Scrum Master ensures that the work process works, that the rules are adhered to and that there is a level of reflection in addition to the content level. He or she is not a superior or client, but provides methodological support and acts as a sparring partner.

In itself, Scrum is nothing more than frequent, short meetings, results-oriented work, and constant reflection on whether an impact is being achieved. The time sequence varies greatly in practice. A daily Scrum, which is a short kick-off meeting in the morning, has proved successful. This is where information is exchanged, the next steps are discussed, and support is organized if necessary. At the end of the individual sprints or the overall topic, the result is approved. The (internal or external) customer decides whether the result meets the original objective and is effective. Of course, none of this has to be described in English. However, the terms Agile, Scrum and Sprint have become established in many English-speaking companies.

CONCLUSION: A DIFFERENT UNDERSTANDING OF ORGANIZATION

The basic ideas of Agile and Scrum are of course not new. This practice has been around for a long time among tradespeople. This is seen in the morning coffee together, before heading to the construction site. This is where we discuss how far everyone is, where support is needed and when something will be finished. These morning meetings also create an important relationship, even if the whole thing seems unspectacular from the outside. In our growing organizations, this direct, results-based exchange is becoming increasingly rare. Walls are being erected between the individual departments, creating organizational silos. Additionally, there are more and more people who prefer to produce concepts rather than implement something.

Agile and Scrum are essentially a different organizational philosophy.

A concrete example of agile implementation management is used to illustrate the methodology (see Fig. 2). The first step is to define the topic, benefits, and business objectives. This is written down in the master plan (backlog). It is important that the focus is on the major objectives and not on the details. The roles must then be assigned, including owner, sprint team, scrum master. It is important that the players are clear about their role in the process. The most important components of the Scrum process are then presented. Monthly sprint, weekly sprint and daily sprint are the task packages to be implemented in the sprint team. What is important here is the consistent focus on results and determining the current status. Here, brief reports on results and next steps are provided on a daily to weekly basis at most.

Agile and Scrum are a different type of approach and ultimately a different organizational philosophy[12]. It can be used for innovation, change, culture, and personnel development tasks. What fundamentally distinguishes the methodology from organizational charts is the highly networked, self-organized, and results-oriented way of working. It shakes up the prevailing understanding of organization, which was largely shaped in the 19th century - Boss dominance, departmental boundaries, internal

[12] See Nowotny, V., Agile companies, Göttingen 2016, p. 327 ff.

orientation, and so on. In large and growing organizations in particular, Agile and Scrum are important approaches for returning to a networked, results-oriented way of working and thus making the company faster.

Summary: Application and Benefits
1. More speed and focus on results for key business issues 2. Applicability to innovation, change, culture and personnel development tasks 3. Positive effect on corporate culture: stronger networking, intensive exchange, good communication 4. Overcoming the traditional understanding of organization from the 19th century

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Fig. 2: Scrum as an Agile implementation method - tool and example (industry)			
Background: An industrial company wants to overcome the previously highly segregated procedures in production. The objective is to work in a more networked and results-oriented manner. This approach is tested and implemented using the key topic of "Integrated Manufacturing 1.0".			
Key topic	**Introduction "Integrated manufacturing 1.0"**		
Master plan (Backblog)	Integrated production 1.0 / monthly concretization		
Responsible for results (owner) and customers	Responsible for the result: M. Neuberger Customers: Procurement, Logistics, Sales, GF		
Core team (sprint team)	F. Bernauer (inbound logistics), A. Cellini (pre-assembly), M. Ansötz (assembly), W. Paulsen (outbound logistics)		
Report to	Procurement, Logistics, Sales, GF, Works Council		
Scrum Master	S. Trawöger		
Procedures	**Date**	**Responsibility**	**Contents**
Monthly Sprint (monthly results)	Last Monday of the month	Owner	• Report to customers: Implementation of monthly action packages (results and impact) • Ongoing updating and specification of the master plan (backblog)
Weekly sprint (weekly results)	Short report in the Weekly Scrum (see below)	Sprint team	• Implementation of the weekly packages • Brief information in the departments on results and impact
Daily sprint (daily results)	Short report in the Daily Scrum (see below)	Sprint team	• Implementation of the daily packages • Brief information in the departments on results and effects
Scrums	• Daily Scrum: 08.00-08.15 • Weekly Scrum: Fri. 08.00-08.30	Scrum Master	• Results protocol • Results, next sprint goals and decisions

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COST MANAGEMENT

Prof. (FH) Dr. Roman Stöger

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COST MANAGEMENT

IMPLEMENTING INCREASED PRODUCTIVITY AS A PERMANENT TASK

For lasting and solid success, companies need to manage and constantly improve both the market side and the cost side. Not every company can constantly grow, but every company can constantly become better in the sense of being "more productive". This means that anyone who wants to be effective in today's world must master the basics of increasing productivity. Cost management is no longer a specialist discipline for specialists, but a fundamental tool for all employees and managers.

By Prof. (FH) Dr. Roman Stöger

"SYSTEMATIC WASTE COLLECTION" AS THE START OF INCREASING PRODUCTIVITY

Cost discussions should start with a very fundamental question: "What are we no longer doing or what are we getting rid of?" Everything that is discontinued or no longer pursued no longer needs to be made productive. To put it crudely, something that no longer exists no longer has a cost. This is precisely the basic idea behind the so-called "systematic waste disposal"[13]. The object can be products, services, projects, processes, meetings, committees, or reports. In other words, everything that takes place in a company. If, for example, an insurance company abolishes the weekly administration report, nothing needs to be optimized here. This means that before a company enters into detailed discussions about euros or percentages, a radical scrutiny in the sense of systematic waste disposal should take place in order to eliminate certain issues from the beginning.

IN-HOUSE OR EXTERNAL SERVICE?

Cost management refers to issues that are managed and controlled within the company itself. In principle, it is possible to outsource market services or processes to suppliers or business partners. An industrial company, for example, follows exactly this path with logistics in order to concentrate on its core skills. This means that logistics no longer needs to be cost-optimized. In such a case, it is not about costs, but about the right price with the business partners who take over the logistics. Cost management here is professional supplier management. Every company should ask itself from time to time where outsourcing makes sense. The goal is always to focus on your own strengths and competitive advantages and, for all other issues, at least ask yourself whether another specialist might offer a better and cheaper service.

[13] Cf. Malik, F., Führen Leisten, Leben, Frankfurt 2014, p. 365 ff.

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Cost management is about the difference between effectiveness and efficiency.

Based on the questions of systematic waste collection and in-house or external procurement, an important difference becomes clear, namely that between effectiveness and efficiency. Effectiveness concerns the question, "Are we doing the right things?". Are we focusing on the right markets, customers, products, service providers, and processes? Any form of cost management must answer this question. Anything that is not necessary and crucial to success should no longer be done. This also includes outsourcing in the sense of outsourcing important issues to suppliers. Efficiency, in turn, answers the question, "Are we doing things right?" It is about cost-effective, fast, uncomplicated solutions, also known as cost driver management.

COST DRIVER MANAGEMENT AS A TOOL FOR EFFICIENCY

Cost driver management[14] starts directly at the root of all costs, namely the factors that set costs in motion and drive them. A clear distinction must be made between a cost driver and the cost type as shown in cost accounting. When asked, "What is the biggest cost driver for you?", practically all managers answer "personnel costs!" This answer may be understandable, but it is wrong. Personnel costs are not a cost driver, but a cost type. Cost drivers are more about the question of what is responsible for the fact that the cost type "personnel costs", for example, is high. There can be many reasons for this, from poor management to wage regulations to inadequate training and development. These are precisely the cost drivers for personnel costs. Genuine cost structuring starts with these tools and not with blanket lawnmower methods to reduce costs. A cost driver does not necessarily have to be bad per se, or it may even be necessary for the business. A premium provider will always need a certain diversity of variants, although this is of course a cost driver. The challenge for such a company is to present this diversity economically, for example through modularization in systems, products, or service providers.

Cost types and cost drivers are two different topics.

How does the procedure work (see Fig. 1)? First, the most important processes are identified and entered in columns in a matrix. The next step is to work out the critical cost drivers, which are then documented line by line. A list of the most frequently occurring cost drivers in practice is included to help (Fig. 2). Once the cost drivers have been recorded, their impact on the processes is assessed. This is done using a simple quantification grid from "0" (no effect on process) to "3" (very strong effect on process). The respective totals per column (process) and per row (cost driver) help to prioritize

[14] Cokings, G. / Capusneanu, S., Cost Drivers. Evolution and Benefits, in: Theoretical and Applied Economics, Vol. XVII (2010), No. 8, p. 8.

the processes and cost drivers that are critical to success. This provides a company with a diagnostic tool for the key cost issues. In the final step, the effects of the most important cost drivers on the processes and corresponding measures are worked out. This provides the basis for implementation.

Cost driver management starts at the root, where costs are incurred.

The procedure clearly shows where costs can be influenced. There may be cost drivers that are predetermined, such as legal requirements. Others, such as unprofessional project management, are controllable. Cost causation must also be clarified. It makes little sense to only start where costs are incurred. Impact is created when work is done on the causal factors. For example, if the input for invoices from sales is incomplete, unproductive processes will take place in accounting because there is a constant need for queries and corrections. The cause is sales, the deterioration of the cost position occurs in accounting. In this case, the problem must be addressed in sales because the unproductive procedures start from there.

THE ORGANIZATION AS A COST DRIVER

One cost issue or driver that is relevant in practically all industries is organization. This is where it is decided whether the tasks, skills & competencies, and responsibilities are combined in such a way that benefits are created. Unclear responsibilities, too many meetings, with too many people, a lack of requirement profiles for people and processes result in an uncompetitive cost position. This makes organization an ongoing issue that needs to be worked on. This is precisely where many sources of inefficiency lie, for example when tasks are duplicated, not done at all, or done unprofessionally. Much of what later appears as excessive costs is originally caused by poor organization. Then, it is not the numbers or the people that are to blame, but structures and - at least in connection with this - management. These cost drivers are usually not reflected in our accounting and controlling systems. As a result, management is usually completely unaware of these relationships . When that happens, practically no one is aware of how much time and money a company invests in ineffective meetings. Many employees and managers complain about the ineffectiveness of many meetings, but this is not recognized as a cost driver.

CONCLUSION: COST MANAGEMENT AS AN ONGOING TASK

Cost management is a key task, and as such, is indispensable. It has proven to be a good idea to carry out a review of the cost drivers[15] once or twice a year and to link the results to management processes, such as target agreements or CIP (continuous

[15] Stöger, R., Productivity increase and profit improvement, Stuttgart 2012, p. 203.

improvement process). This ensures that productivity is worked on regularly and that an organization remains lean, fast, and competitive.

Summary: Application and benefits
1. Systematic discussion of R&D topics to ensure the future viability of the company 2. Development of future projects away from day-to-day operations 3. Targeted usage of funding for the development of the identified R&D topics 4. Establishment of a sustainable R&D network with external partners and specialists

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Fig.1: Cost management: example retail

Background: A market leader in food retailing (LEH) is implementing a cost reduction program. All processes are checked for cost drivers. Logistics is presented as an example.

Processes / Cost drivers	Procure goods	Dispose of goods	Edit goods	Delivering goods	Processing returns	....	Total
1. Delivery frequency	0	3	1	3	2	...	**11**
2. Uneven capacity utilization	0	2	3	3	0	...	**8**
3. Lack of inventory management	1	3	3	3	2		**15**
4. Previously unseen orders	0	2	2	3	1		**10**
5. Product range breadth and depth	3	2	2	1	3		**14**
6. Special requests from customers	0	2	3	3	0		**10**
7. Hesitant decisions	0	3	2	3	0		**9**
8. Operating agreements	0	0	3	3	0		**7**
9. ...	...	...				...	
Total	**4**	**19**	**22**	**25**	**9**	**14**	
Legend	0 - no cost effect on process 1 - weak cost effect on process		2 - strong cost effect on process 3 - very strong cost effect on process				

Cost drivers	Cost effect	Measures to increase productivity	Effect
1. Delivery frequency	1. Lack of order control 2. Manual inventory entry only 3. Difficult processing of complaints	Conversion of the merchandise management system to WWS-2	3 million € one-off 4 million € p.a.
2. Uneven capacity utilization	4. Complexity in management and handling 5. High inventory costs (capital commitment)	Reduction in product range from currently 1850 to 1500 items	2 million € p.a.
3. Lack of merchandise management	6. Two to three times the picking and transportation effort 7. Additional costs due to toll charge (approx. € 1.5 million per year)	Review and implementation plan: Reduction in delivery frequency (from 30 to 60 percent depending on the type of business)	
4. Unforeseen orders	8. Permanent chaos in scheduling and processing 9. Poor quality scores (punctuality...)		
5. ...			

Fig. 2: Cost drivers in practice		
1. Purchasing	• Number and diversity of suppliers • Different types of contracts • Specification effort • Defective contracts • Distance to customers • Purchase sub-items	• Urgent orders / procurements • Inadequate specification • Low modularity and standardization • Lack of coordination with development and service provision • Number of negotiations
2. Development	• Lack of market reference • "Happy engineering" / overemphasizing technical sales arguments • Rate of change • Uncontrolled creativity • Number of attempts • Flop rate	• Distance to customers • Lack of modularity • Familiarization period • Documentation effort • Documentation errors • Technology and process changes • Short life cycles for services
3. Service creation and production	• Range width and depth / variants • Number of locations • Incomplete product and project specification • Familiarization period • Fluctuations in terms of season or customer group • Lack of usage of the experience curve • Too little modularity	• Lack of standardization • Committee • Capacity too high / too low • Interruptions / conversions • Legal standards • High investment intensity • Short life cycles
4. Logistics	• Legal standards • Lack of readiness to deliver • Lack of specifications regarding time / delivery quality • low turnover • Delivery frequency • Lack of forecast	• Lack of rationalization (routes, warehouses...) • Number of articles • Error rate / defect rate / number of retrievals • Lack of on-time delivery • Poor flow of information
5. Sales and service	• Number of sales channels • Lack of standardization • Familiarization period • Returns, complaints • Diversity of customers • Complicated pricing system • Number of trading levels	• Range width / variants • Insufficient maturity of services • Short life cycles • Note inserts, improvisation • Rel. few regular customers • Unprofessional customer loyalty • Assortment changes
6. Personnel	• Legal / internal regulations • Fluctuation, absenteeism, sick leave • Job rotation • Lack of knowledge transfer • Lack of leadership	• Staff too young / too old • Too high or lack of specialization • Lack of incentives for performance • Lack of qualification and personnel development • Lack of personnel planning
7. Information systems	• Different standards for hardware and software • Different systems • Inadequate master data • Training effort for users	• Isolated solutions • Encryption, blocking • Availability of systems • Lack of compatibility • Little real-time information

8. Controlling and accounting	• Incorrect bookings, incorrect entries • Too much creativity in inventing systems • Incorrect and cumbersome RW processes • Controller with too much time	• Lack of systematics • Low automation • Number of calculations • Documentary checks (full survey)
9. Management and organization	• Unclear tasks, skills / competencies and responsibilities • Number Decision level • Double insinuations • Incorrect management margin • Management fashion waves	• Poor meeting management • Lack of working methodology • Unclear target agreements • Lack of willingness to make decisions / decision-making processes • Money and power thinking

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LEAN MANAGEMENT - LEAN PROCESSES

Prof. (FH) DI Dr. Martin Adam

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LEAN MANAGEMENT - LEAN PROCESSES

DISCOVERING AND EFFECTIVELY ELIMINATING WASTE

How often do we think we've just finished our work - and then some important information is missing or it has to be revised or sent out again for approval? Many of our processes have grown over the years, have accumulated "organizational fat", have become complicated, and take too long. The basic problem is that we lack a sense for these developments. We have a sense of touch, feel, sight, and smell - but unfortunately no direct sense for the deterioration of processes.

By Prof. (FH) DI Dr. Martin Adam

I. THE BASICS OF LEAN MANAGEMENT

There is something like a law of nature in organizations, especially if they have existed and grown for a long time. Processes, i.e. procedures and activities, automatically become unproductive if they are not actively worked against. We don't notice it because it happens gradually and sooner or later we take it for granted. We may sometimes have doubts as to whether an activity really needs to take so long and be so complicated. But then we get caught up in the day-to-day business again, postpone the thought, and hope for the new IT system that will supposedly solve all the problems.

We lack a sensory organ for perception of the deterioration of processes.

There is something else: many of our activities have become abstract. We can no longer immediately see when something is unproductive. In industrial production, we can tell immediately when a product is being sent back and forth through the halls, when it is standing around and has to wait until it can be processed further. Waste, unproductive procedures, the impact on higher costs, and delivery delays are immediately visible here. Cost, productivity, and quality management are therefore much easier with physical products than in indirect areas such as administration, IT, or accounting.
The value flow is not transparent, especially in the office. Everyone looks busy, sitting at their PCs, in meetings or having lively discussions in the coffee corner. Overflowing mail folders, unfinished work, waiting for missing information, multiple rounds of planning, all remain invisible. To put it bluntly, when a warehouse is full, there is immediate pressure to take action. Unfinished e-mails can pile up endlessly. For this

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reason, manual or industrial processes are often much leaner than administrative processes. However, against the backdrop of increased competitive pressure, "office processes" are becoming increasingly important for improving competitiveness.

Our "office processes" are becoming increasingly important for improving competitiveness.

According to a study by the Frauenhofer Institute, it is the increasing number of meetings, time-consuming ancillary work, the completion of small favors, rush jobs, and electronic distractions that disrupt the normal flow of work the most[16] . The result is poor productivity, increasing overtime, and rising workloads. More and more people are "solving" this problem by coming into the office earlier, leaving later or taking work home with them so that they can deal with the important issues undisturbed. It is the exact opposite of the saying, "work smarter - not harder".

What needs to be done to increase productivity in the processes? Essentially, there are three steps that lead to greater effectiveness and efficiency. The linchpin here is the concept of "waste".

2. THE IMPLEMENTATION OF LEAN MANAGEMENT

Step 1 - Make waste visible: A first step is to ask yourself whether everything really needs to be done yourself, and so laboriously at that. The aim is to make the full extent of the additional work visible. A simple table in which everything that prevents you from doing the job efficiently is entered over a certain period of time, for example a week, is very helpful. This can include unnecessary meetings, waiting for information, multiple approval steps, endless queries, reworking other people's mistakes, searching for documents, and much more. A particularly effective question is, "If I don't do this anymore, will anyone miss it?" The second question immediately follows: "And do we really have to do the remaining work so laboriously?". The "seven types of waste" by Taiichi Ohno[17] , now a classic in quality and productivity management (see Fig. 1), are an aid to diagnosing waste.

Fig. 1: Waste in "office processes" - overview
1. Transportation: Multiple entries, typing.
2. Pass: overcrowded inboxes, duplicate filing.
3. Movement: many walking routes, documents not within reach.
4. Waiting: searching for documents, unavailable colleagues.
5. Overfulfillment: multiple protection through large e-mail distribution lists.
6. Long processes: multiple approvals, wrong order of tasks.
7. Errors: incompletely completed forms, data entry errors.

[16] Cf. the publication: Wittenstein A., et. al.; Lean processes in administration; Stuttgart 2006.
[17] Taiichi O., Toyota Production System, Boca Raton 1988, p. 18ff.

Step 2 - Identify reasons for waste: Once the additional work and the frequency of faults have been recorded, a "waste audit" is developed (see Fig. 2). In this audit, the waste is systematically recorded, presented according to frequency, and the reasons for the respective waste are identified. This provides a quick overview of where the biggest annoyances are and whether something can be changed. Things get interesting when several people carry out such a survey and compare them with each other. This often results in "patterns" that are repeated and provide clear indications of productivity traps.

"Waste" is the linchpin
to increase productivity.

Step 3 - Eliminate waste: As we all know, realization is the first step towards improvement. However, recognition is not enough, in the end it is about eliminating waste and ensuring that it does not reappear. Decisions often must be made to stop doing something - even if there are always people who cling to the old, the familiar and the past in general. Once measures for optimization have been found, they need to be followed up to ensure they have an impact. The "waste audit" is therefore not just a diagnostic tool, it is a controlling tool that ensures that processes remain lean.

Example 1: One of the biggest "time wasters" in our companies are meetings. The starting point is to cancel meetings altogether or to extend the meeting cycle. In addition, colleagues should be encouraged not to attend the meeting if they are unable to contribute. It is not rude to walk out of a meeting, it is rude to expect someone to stay and waste their time. Meeting rules can also help to increase productivity.

Example 2: Another common annoyance is working behind or ironing out mistakes made by colleagues. This also needs to be addressed openly and objectively. Solution approaches include clarifying responsibilities, rules for working together, so-called "codes of conduct", or interface agreements between upstream and downstream departments.[18]

Example 3: Of course, we will also encounter efforts in the workflow that are more stubborn and cannot simply be eliminated. Difficulties arise when poor procedures are used as a template for process automation in IT systems. A classic example is an incorrect sequence of process steps and the associated ping-pong between employees with corresponding idle and waiting times. The only thing that can help here is to optimize the process organizationally before automation.

Lean management loosely translated means:
lean, fast, and uncomplicated processes.

[18] Adam M., Interface Management, Improve Letter 2017/03, p. 2.

An "organizational automatism" lies in the fact that processes become increasingly complicated over time and need to be simplified regularly. A large, often untapped potential for efficiency lies in administrative processes. Most waste in the office is not visible, but can be identified and solved using the "waste audit" tool. The streamlined procedures must become process standards that those involved must ensure are adhered to. This is essentially the approach of "lean management", or doing everything possible to ensure that procedures are lean, fast, and uncomplicated. This also creates a corporate culture of continuous improvement and professionalism.

Summary: Application and benefits

1. Usage of the "waste" approach to diagnose processes
2. Use of the "waste audit" tool to ensure long-term productive processes
3. Contribution to a corporate culture of continuous improvement and professionalism

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Waste audit - tool and example (insurance)

Background: An insurance company wants to increase productivity and is developing a waste audit. The following example comes from the sales department. An audit is prepared quarterly based on a representative week and appropriate measures are introduced.

Waste	Frequency	Reasons	Measures	Date	Responsible
1. Unnecessary meetings	23	• Was invited, unclear why • Just a lot of talk. No result	• Increasing professionalism in meetings: Preparation, taking minutes • Monthly controlling meetings instead of weekly meetings with immediate effect	30.06.	Eder
2. Unforeseeable interruptions	18	• Software updates • Long conversation with colleagues	• Productivity increase for updates (overnight updates...)	30.09.	Miller
3. Lengthy search for documents	34	• Saved in another folder • Document has been renamed	• Re-organization of the filing structure in the "Sales 01-09" folder	...	
4. Reworking the mistakes of others	27	• Form not filled out correctly • Agreement not kept	• ...		
5. Many test steps	19	• ...			
...					

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Applied Insights from the FH Kufstein Tirol

INTERFACE MANAGEMENT

Prof. (FH) DI Dr. Martin Adam

ISSUE #9| MAY 2017

INTERFACE MANAGEMENT

FROM THE SUBOPTIMAL TO A REAL OVERALL RESULT

We've all been there. A task is finally completed and the send button is pressed. What the next person does with it, whether they have time, whether something is still missing - that is no longer of interest. In time-critical processes, this can lead to the last departments involved coming under massive pressure. Overall, everyone has completed their tasks in accordance with the regulations, but the result is poor for the customer and therefore also for the company.

By Prof. (FH) DI Dr. Martin Adam

The following shows how the organizational breaks in a process are controlled so that the required process performance and a meaningful overall result can be achieved.

Division of labor has brought us progress,
At the same time, however, the overall view is lost.

The reason for the situation just described is the division of labor. If the entire process is in the hands of the same person from start to finish, there are normally no problems because one person is responsible for the result. This is the classic case of the craftsman. With industrialization came the division of labor in our organizations and with it the great opportunity to break down complex work content into small, easy-to-learn individual activities and thus quickly train unskilled employees. This led to professional specialization, which was reflected in vocational training and then led to well-known expertise. The individual parts of the process were optimized and could therefore be completed more quickly. However, this advantage of the division of labor is accompanied by a massive disadvantage. The overall, the common, the performance result is lost sight of - the suboptimal dominates the overall optimal.[19]

Metaphorically speaking, the performance process has been fragmented like a river by many dams, where the unfinished results are now piling up. In addition to monotony and a lack of meaning with a high level of routine, no one except the last point in the process has any contact with the clients of the process. To ensure that the result still meets customer requirements in such a fragmented flow, these break points must be recognized, reduced, then defined and actively controlled.

[19] Becker, J. / Kugeler, M. / Rosemann, M., Prozessmanagement, Ein Leitfaden zur prozessorientierten Organisationsgestaltung, Berlin 2012, p. 219ff.

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STEP 1: RECOGNIZE INTERFACES

Once the poor performance of a process and an inadequate interface have been identified, the first step is to find the interfaces in the process. As with tying up loose ends, the question arises as to where the process continues, and which people and departments are involved. In an industrial company, you can follow the product flow. When creating service providers, this requires intensive questioning. It is also possible to track the procedures with a log (routing slip), on which the departments involved enter the times of receipt and forward to the next department. In addition to the duration, the frequency of this communication should also be recorded to assess the intensity of this relationship. It is then important to visualize the entire process. Flowcharts in the form of columns or rows are good for this, as they show the changes between departments during the process.

It is advisable not to look at the interaction between departments in general, but to relate it to specific processes. The background is always that the performance of selected procedures is improved regarding internal or external customer requirements. The discussion and presentation of the interfaces alone raises awareness of the topic, because those involved are usually not aware of how the processes work and how the overall result is achieved. A few key questions can structure and facilitate the discussion (see Fig. 1).

Fig. 1: Key questions for interface management

1. Which people and departments are involved in the process?
2. Who are the upstream and downstream parties in the process?
3. What is transferred at the interfaces, in what form and how often?
4. Is the process step performed by the next job required? If so, can process steps be combined in one location?
5. What are the requirements of the internal process customers for the upstream process steps?
6. Are the interfaces actively managed and the cooperation assessed?

STEP 2: ELIMINATE INTERFACES

As soon as it is known who hands over what to whom during the process, the question of why arises. Is the subsequent activity needed at all and, if so, why does it have to be carried out by someone else? In other words, is a subsequent job in the process even necessary and could the number of interfaces and responsibilities be reduced? This involves increasing the scope of one's own work and concentrating responsibility on as few people as possible. Radical approaches in production involve employees ordering the required materials themselves, for example, and then manufacturing the entire product.

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These approaches are based on craftsmanship, which most closely corresponds to the idea of an "ideal process". Everything is carried out by the same person and therefore, there are no handover points. Processes usually take less time and reduce the amount of leadership required by management. These procedures work best when this person is also responsible to the (internal or external) customer and the person making the purchase approves or assesses the result. Of course, it remains to be clarified whether the employees have the skills and the inner drive to be responsible for an overall result and to think in "holistic" terms. There are also legal regulations that do not permit the merging of activities due to mandatory dual control, such as in the chemical or pharmaceutical industry.

Essentially, this means interface management, to ensure real overall responsibility again.

STEP 3: DEFINE INTERFACES

Once tasks in the process have been grouped under the same unit, the cooperation of the remaining units must be defined. The principle here is, "We are all jointly responsible for the overall result". Everyone involved in the process must have the big picture in mind. This means that everyone knows the requirements for the result of the process from the customer's point of view. At the same time, the requirements of the downstream departments must also be known. These are the internal customers and the upstream entity is the supplier. These customers have expectations of the input they receive. These requirements must be recorded, for example in process documentation, flowcharts, or interface agreements (see Fig. 2).

Only then can interfaces function, if they are controlled correctly.

STEP 4: MANAGE INTERFACES

Interfaces must be actively controlled because only then do they work. Of course, interfaces can be automated by IT systems such as ERP or other workflow systems. But even there, tasks can remain unfinished, and the process flow can be interrupted. No system can replace management, and this is precisely why the interface agreement exists. To make it binding, it must be regularly updated and further developed. This is precisely why an evaluation and measures for improvement are built in. In this context, it is also important that there are consequences for repeated non-compliance. This is the only way to create credibility and a "healthy pressure" to turn agreements into real results.[20]

[20] Von Schubert, A., Kunden Führen, Wie interne Kundenorientierung Leistung und Motivation fördert, Lübeck 2015, p. 119ff.

The "interface management" tool avoids incomplete tasks and inadequate processes. The focus is no longer on isolated individual actions, but on a "meaningful whole", including benefits for the customer and benefits for the company.

Summary: Application and Benefits
1. Professional management of interfaces, i.e. clear tasks, skills & competencies and responsibilities 2. Establishing clear responsibilities for one person or one position (avoiding interfaces wherever possible) 3. Development of a culture of the process customer whose requirements are met and who provides feedback 4. Active control of the interfaces with the interface agreement

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Fig. 2: Interface agreement - example (sales)

Background: A sales department would like to optimize the event process. The following agreement regulates the cooperation between the departments involved.

Process	Comes from	Goes to	Process step	Required input	Hand over	Preparation criteria
Organize event	Sales management	Sales management assistent	Send invitation	Title and draft text, Agenda, Proposed date	e-mail	Input received at least three months before the event
Organize event	Sales management assistent	Marketing department	Publish event report	Raw report, Photo, Desired medium	e-mail	Input given seven days before publication
Performing a business trip	Employees from the	Division management	Approve business trip	Application with purpose, time, place, costs	e-mail	Application received two days before departure
Performing a business trip	All employees	RW	Check billing	Confirmation of authorized business trip, Completed billing form	e-mail	Correct cost center specified (two weeks after trip)
Ensure reporting	Division management	Assistent to the GF	Create quarterly report	Quarterly figures	e-mail	Deadline met

Optimization				
Process	**Assessment**	**Measure**	**Date**	**Responsibility**
Organize an event	Input not always received in time	Create annual planning for all events	30.06.	Miller
Carry out a business trip	Often wrong cost center for DR billing	Web form for billing with dropdown fields	30.11.	Mayer
Ensure reporting	...	...	...	...

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Applied Insights from the FH Kufstein Tirol

INCREASE PROCESS PERFORMANCE

Prof. (FH) DI Dr. Martin Adam

ISSUE #3 | JUNE 2016

INCREASE PROCESS PERFORMANCE

INCREASE TRANSPARENCY, QUALITY, AND PRODUCTIVITY

For years, studies have shown a similar picture. For two thirds of companies, process management is of very high importance, but almost half are not satisfied with their own process management approach. Goals such as gaining transparency about their own processes, meeting compliance requirements, or creating process documentation for certifications are usually well met. However, as soon as operational goals are to be achieved, such as increasing customer satisfaction, saving costs, improving quality or reducing throughput times, the results are sobering.

By Prof. (FH) DI Dr. Martin Adam

WHERE DO WE STAND? VISUALIZING THE PROCESS TOGETHER CREATES UNDERSTANDING

Everything begins with the collection and visualization of relevant processes. This is where the first mistake is made. All possible processes are documented with a huge amount of effort and in a way that is incomprehensible to the average person. Unfortunately, much of the documentation ends up being outdated before implementation has even begun. The aim should be to only document where it is necessary and, above all, when it is necessary. For example, this could be before an experienced employee leaves, as part of a certification process, or when improving a process.

All relevant participants in the process must be involved in the survey and visualization. The best way is for the participants to collect and document the process themselves under the guidance of a coach. The most suitable way to do this is a joint workshop in which the process is visualized with Post-Its on paper and thus made transparent. It is not only important to show the process steps and roles, but also the tools used, such as lists and IT systems. The second important result of such a workshop is a shared understanding of the process through discussion among the participants. It is not uncommon for those involved to see the entire process for the first time. The subsequent documentation of the process using software should be so simple and understandable that it can be adapted by the participants themselves.

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WHAT DOES THE PROCESS CUSTOMER WANT AND HOW GOOD ARE WE AT IT? IMPROVEMENT STARTS WITH THE CUSTOMER'S REQUIREMENTS

The current problems should already be documented during the as-is survey of the process. These can be made visible at the right point in the process in the form of "problem flashes", for example. Experience has shown that people immediately think about how these problems can be solved. This is where the next mistake happens. The customer of the process with his requirements in terms of time, adherence to deadlines, quality, quantity and costs is not considered. Often you don't even know what the customer wants and, just as bad, how good or bad you are at meeting these requirements. It is important to know the process objectives and to determine the current performance of the process before making improvements. This can be done using your own measurements or by evaluating data from the IT systems. In the case of administrative processes, it is often sufficient to ask those involved in the process for their assessments.

There are many reasons why process performance deviates from customer and business requirements. In administrative processes, for example, the division of work leads to organizational interfaces and thus to waiting and long throughput times. Unclear division of tasks, missing information, media breaks, and multiple approvals are other frequent causes of problems. By analyzing these interfaces, dividing them into value-adding and non-value-adding activities or the "5x why question technique", many of these causes can be found and then assessed. This questioning technique involves asking "Why are we doing this?" until the real reasons become apparent.

WHAT CAN WE DO TO CLOSE THE GAP? ONLY IMPLEMENTATION COUNTS

Especially in the administrative area, the causes behind poor performance are usually so obvious and those involved already have a wealth of ideas for solutions, so it is just a matter of implementing them quickly. To assess the solutions, a simple cost/benefit estimate and a to-do list are suitable to accompany the implementation.
And this is where another mistake is made. Not every problem should be tackled with the same solution method. Only when the so-called "low hanging fruits" have been picked and the causes behind the problems are no longer so obvious should more elaborate solution methods be used. This avoids lengthy improvement projects and complaints about the sluggishness of improvement methods. Many companies have therefore introduced gradations in their methods, starting with simple problem-solving methods through to Six Sigma projects.

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HOW CAN WE ENSURE SUSTAINABILITY? WE NEED A CARETAKER

Now we come to the final question: How can something sustainable emerge from the one-off action of documenting, analyzing, and improving? This last step alone will differentiate a company from many of its competitors. While the collection and, in some cases, improvement of processes is still widespread, the operational management of processes lies completely dormant in many companies. Indeed, there often seems to be a naïve belief that once improvements have been introduced, they will lead to lasting success.

Without a "caretaker", even the best solution will rot away. Another complicating factor in the search for a process owner is that many processes run across several departments. It is necessary to agree which department the process owner comes from, what skills & competencies they should have and how they will interact with the line organization. Unfortunately, many companies avoid these questions and delegate the "process issue" to support departments such as quality management. They don't hurt anyone there. In doing so, they make another mistake, as they have created a paper tiger to avoid having to ask the question of power. However, managing processes is an operational job. There is a simple way to manage processes leanly and effectively, via the existing steering committees. In the case of cross-divisional processes, one of the line managers can take on the role of process manager in the sense of a "primus inter pares". In the existing steering committees, process indicators are also recorded and their performance reported on. In dialog with the manager colleagues, decisions are made on measures in the event of deviations from targets and their implementation is monitored.

The process control plan (see illustration) is an extremely important tool that is, unfortunately, rarely found in practice. It combines all the information required to manage the improved process operationally on a single page. Only relevant processes are documented. This is done together with those affected to create transparency. It is also important to integrate the process customers at an early stage and not to use overly complicated tools. This ensures that process management is not just a matter of audits or certifications, but leads to real results like more speed, greater customer benefit, and higher productivity.

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Summary: Application and Benefits

1. Clarity about the key actual and target processes
2. Creating transparency and an overview
3. Integration of process customers into the methodology
4. Basis for systematic monitoring and implementation of process performance

NOTES:

N.N.; Business Process Management Study 2015; Bearing Point, BPM&O GmbH, Frankfurt

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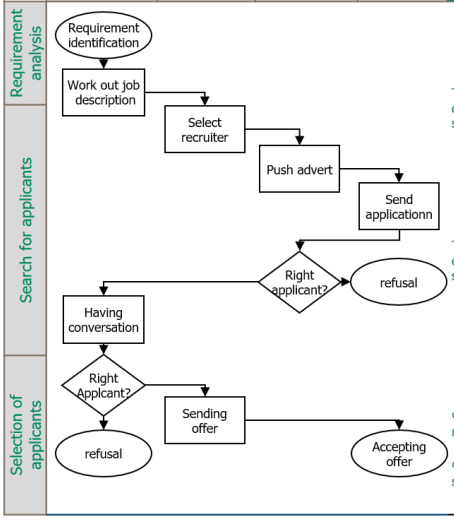
TOOL: PROCESS CONTROL PLAN

Process title: HR recruiting	Process responsibility: HR manager	Process customer: Dept. managers	Customer requirement: Recruited candidates in the right time



Process KPI	Process objectives	Check	Responsible	Actions
Time between job description until selection of recruiter	< 2 days	Per week	HR manager	Right information to recruiter
Time between selection of recruiter to first screening	< 15 days	Per week	HR manager	Finding common solutions with recruiter
% of positions being recruited too late	< 5%	Per week	HR manager	Finding reasons
% of recruitment with score < 85%	< 3%	Per week	HR manager	Revise screening test

Fig.: Process control plan based on an example in personnel recruiting

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PROFESSIONAL MEETING MANAGEMENT

Prof. (FH) Dr. Roman Stöger

ISSUE #2 | MARCH 2016

PROFESSIONAL MEETING MANAGEMENT

ACHIEVING RESULTS WITH EFFECTIVE SESSIONS

Good meetings are a decisive tool for making organizations effective. Quite rightly, however, many employees and managers complain that they spend too much time in too many ineffective meetings. Every expense in cost centers, projects, or travel is calculated, but the effectiveness of meetings is practically never questioned.

By Prof. (FH) Dr. Roman Stöger

MEETINGS DETERMINE THE PERFORMANCE OF A COMPANY

Meetings have become an ongoing issue for managers in particular. Roughly speaking, the so-called "rule of seventy" applies - seventy percent of managers say that they spend seventy percent of their time in meetings and find seventy percent of this time unproductive. This is not about the percentage, but about the message. Meetings must be managed professionally so that they produce results. They therefore determine the performance of a company.
There are many names for the meeting: workshop, meeting, discussion, conference, coordination meeting, committee, working group, project group, plus others. The terms can be different, but the common core is always the same: the meeting is the most important place of assembly, communication, information, and decision-making in a company. There are few places where the professionalism of organizations and people is so clearly evident[21]. The corporate culture is also shaped in, through, and with meetings.

The number of meetings required should be kept to a minimum. Some people tend to delegate all important issues to a collective. No one is responsible in such situation, the topics are discussed in endless loops, and people are kept from doing their work. A manageable number of meetings is a sign of professional organization and effectiveness. If only ten percent of the attention for a functioning IT system was paid to the professionalism of meetings, then many problems would not exist, including unstructured topics, fragmentation, weak decision-making, inefficient projects, and so on.

[21] Stöger, R., The toolbox for managers, Stuttgart 2016, p. 186.

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INCREASE CONNECTIVITY AND EFFECTIVENESS

In principle, there are two tools that a professional meeting chairperson must have under control: Agenda and minutes. What does daily practice look like? Inadequate preparation, unprofessional meeting chairing, inadequate time management and sprawling, poorly written minutes (which are often sent far too late). The precise design of agendas and well structured minutes increases the binding nature and, in general, the effectiveness of a meeting. The following should be included in agendas; Title of the meeting, time, duration, location, group of people invited, author of the agenda, agenda items with the intended outcome, persons responsible for the individual agenda items, and reference to the minutes. An agenda provides orientation and creates pressure for careful preparation. Good agendas concentrate on a few important points. Overloaded agendas are not only evidence of a poor meeting culture, but also a sign of procrastination.

The minutes are the conclusion of a meeting and in this sense are the last item on the agenda. Without minutes, every meeting remains open and without result. Complete minutes include reference to the meeting (title, time, participants), decisions, measures, and next steps. The crowning glory of minutes is the statement that all meeting objectives have been achieved and that no subsequent meeting is necessary.
There is only one criterion for the effectiveness of a session, namely the results. The meeting can at most be a catalyst, but the decisive action only happens afterwards - the implementation[22]. Good session leaders ensure that an implementation list is prepared for every session. This creates the best conditions for an effective meeting. This is the only way for an organization to remain productive.

MANAGEMENT BODIES: KEEPING ORGANIZATIONS FUNCTIONAL

Today, the majority of meetings no longer take place in exceptional cases or special situations. Regular meetings are part of management processes and therefore an important organizational element. This includes management meetings, key account meetings, developer meetings, IT meetings, and project monitoring. The division of labor in today's organizations means that joint results can only be achieved through these permanent, synchronized committees. This increases the pressure to professionalize meetings. There are companies that work with meeting effectiveness clocks. They are set there: Meeting participants ***x*** time ***x*** hourly rate of managers. After the meeting, this clock quantifies the costs of the meeting. At the end, two self-critical questions need to be asked. First, "How much revenue do we need to make to pay for this session?". Second, "What would customers say if they had attended this session?"

Professional committee management is crucial for organizations to remain functional. Today, it is no longer organizational charts that dominate, but management processes

[22] Malik, F., Führen Leisten Leben, Frankfurt 2014, p. 285.

and committees. These often run counter to the official organizational structure. The first step in organizing committees is to define the committees and the respective management. This is based on the most important business requirements - from the market. In most cases, these are so-called "cross-cutting issues" that can only be dealt with horizontally by several people. The results list for committees must therefore include the meeting, chair, date, duration, results as agenda items, participants, and minute taker. This list thus becomes an integral part of every organization, management, and quality manual.

SKILLS & COMPETENCIES ARISE FROM TRAINING

Many managers play golf and practice this sport with commitment and discipline. Constantly improving their handicap is an ongoing task and cannot be achieved without hard training. However, it is also astonishing that managers work far too little on their meeting handicap.
One goal could be to permanently increase effectiveness and reduce the average meeting time by thirty percent each year. This type of "organizational meeting maturity" should apply to all managers and project managers in an organization. Every meeting member is entitled to a professional meeting.

Summary: Application & benefits

1. Significant increase in productivity in meetings
2. Improving the focus on results and implementation through meetings
3. Incorporating the "Principles of Effective Meetings" into the development of members of staff / employees and managers
4. Meeting management as an element in the assessment of members of staff / employees and managers in particular

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PRINCIPLES OF THE EFFECTIVE MEETING

1. RESULTS

There is only one criterion for the effectiveness of a meeting, namely the results. A good meeting chair ensures that decisions are made and that it is clear to everyone who has to complete which task by when after the meeting. The results of the meeting must be anticipated in their structure. This means that the result to be achieved is pre-structured by means of a working document and serves as a documentation platform.

2. CONTROL

When in doubt, meeting chairs hold back on making substantive contributions because they have to steer the meeting, including giving requests to speak, adhering to the "timetable", keeping an eye on the time and drawing up implementation lists. They delegate as much as possible because they have sufficient work to do to manage the meeting.

3. PUNCTUALITY

The meeting must start on time. This is especially true if everyone is not on time. The meeting will of course also end on time.

4. PRESSURE TO PERFORM

If a meeting is to be productive, it must be conducted with discipline. A good meeting means hard work. Before the meeting, consider how pressure to perform can be created. The meeting leader is responsible for ensuring that the meeting ends with results.

5. REQUEST TO SPEAK

The request to speak is granted by the chair of the meeting. The floor is then returned to them. Only one person may speak at a time. Frequent speakers must be stopped, and inactive members of the meeting must be invited to speak.

6. PREPARATION AND FOLLOW-UP

Often, the greatest amount of work does not occur during a meeting, but in the preparation (agenda) and follow-up work. Effective meeting leaders reserve time for preparation and follow-up.

7. LOGGING

The basic principle is that only decisions and measures are documented. Everything else is filed separately. A clear structure and highlighting ensure that the outcome of the meeting is clear within one minute. Ideally, minutes should be taken "live".

8. NO FOLLOW-UP MEETINGS

Meetings must be conducted in such a way that there are no follow-up meetings. "Multiplicative" meetings are a sign of unprofessionalism.

9. "DON`T MEET"

The best meeting is the one that doesn't have to take place. That is why an important principle in meeting management, according to the guru of management, Peter Drucker, is "don't meet". This is also a sign of quality in organizing. It means that an organization can get by with just a few meetings.

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Management bodies - example (automotive supplier)				
Meeting / Management	**Date / Duration**	**Results (at the same time agenda and protocol structure)**	**Participants**	**Protocol**
GL meeting GL spokesperson	Bi-weekly. Fri. 08-12	1. Completion of measures from the last meeting 2. Current incoming orders 3. Report on the 3-5 most important customer projects 4. Liquidity management 5. Personnel matters, if applicable 6. Protocol / next steps	GL (plus guests)	Sec. GL Spokesman
Sales meeting GL-V	weekly, MON. 08-12	1. Completion of measures from the last meeting 2. Current status of offers 3. Current incoming orders 4. Status of key projects 5. Status Key Accounts 6. Personnel matters, if applicable 7. Protocol / next steps	GL-V, VL's, KAM's, Head of key projects	Secr. GL-V
Technology session GL-T	monthly, MON 13-17	1. Completion of measures from the last meeting 2. Current development projects 3. Status of technology projects 4. Competition screening 5. Sales technology interfaces 6. Personnel matters, if applicable 7. Protocol / next steps	GL-T, GL-V, CC-L, alternating VLs, Head of key projects	Secr. GL-T
.....	.....	.....	.....	.....

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THE "SYSTEMATIC WASTE COLLECTION"

Prof. (FH) Dr. Roman Stöger

ISSUE #1 | JANUARY 2016

THE "SYSTEMATIC WASTE COLLECTION"

DEVELOPING A FITNESS PROGRAM FOR THE COMPANY

This issue presents a tool that always causes astonishment in our practical projects, but which is very simple and, above all, highly effective: Systematic waste collection.[23]

By Prof. (FH) Dr. Roman Stöger

Every company can be seen as an organism. And just like an organism, a company can also "set in", or become slow, cumbersome and sluggish. Projects take much longer than planned, costs are disproportionately high, and lists of issues explode. For this reason, systematic waste disposal is necessary because it removes what is superfluous, outdated, and has become useless.

THE COMPANY BECOMES FAST AND PRODUCTIVE AGAIN.

The key question is, "What do we need to stop or reduce in order to focus on what is new and really important?" The term "waste collection" is of course exaggerated, but it has proven itself in practice because it is the only way that radical questioning can work. This is exactly what managers are paid to do. Not to continue the past into the future, but to decide what no longer needs to be done so that there is room for something new and better.

SYSTEMATIC WASTE COLLECTION HAS A WIDE RANGE OF APPLICATIONS.

A workshop on systematic waste collection should be held once a year. This also sends a clear signal that management is capable of renewal. If strategies, innovations, or business plans are being developed, a mandatory chapter on "systematic waste disposal" is recommended to free up resources. If, for example, manufacturing companies develop a concept for Industry 4.0 or retail companies or banks develop a digitalization strategy, the question of resources for implementation immediately arises. All these topics can only be realized if old and traditional methods are not continued. In general, systematic waste disposal should become a principle in process and quality management and in personal working methods. This is the only way to create a healthy

[23] Malik, F., Führen Leisten Leben, Frankfurt 2014, p. 269.

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pressure to question the status quo. The enclosed checklist shows topics for systematic waste disposal (Fig. 1).

Fig. 1: Systematic waste collection: checklist for implementation
1. Market performance, i.e. products, service providers, business models
2. Business areas and business units
3. Customers, customer groups, industries
4. Procedures, technologies, methods, systems
5. Reports, forms, controls, regulations
6. Quality and price levels
7. Business, management and support processes
8. Meetings, committees
9. Projects, key orders, key topics
10. Investment, locations, regions, resources of all kinds

THE TOOL FOR SYSTEMATIC WASTE COLLECTION WORKS VERY SIMPLY.

The methodology is illustrated using a neutralized example (Fig. 2). First, the subject areas are identified, for example Meetings, reports, business fields, and the like. Waste collection proposals are then drawn up for each topic area and their impact roughly quantified. This does not involve lengthy discussions about decimal places, but rather plausible estimates so that it is clear where the impact lies. This list should then be provided with specific dates and responsibilities. This also provides the basis for implementation control. This is how a method creates real impact.

SYSTEMATIC WASTE COLLECTION IS A PREREQUISITE FOR IMPLEMENTATION STRENGTH.

Systematic waste collection quickly brings us back to the essence of every company: Why do we actually exist? What does the customer pay for? What do we stop doing so that we can (once again) focus on the purpose of the company? We are talking about satisfied customers, performance, productivity and profitability so that we can invest in the future.

As humans, we are creatures of habit, not just hunters, but above all we are gatherers. Systematic waste collection[24] makes room for the new. It creates space for the ability to change so that the company remains fast, lean, and strong in implementation. Or becomes so again.

[24] Drucker, P., Die ideale Führungskraft, Düsseldorf 1995, p. 111.

Summary: Application & benefits
1. as an annual "Workshop: Systematic waste collection" so that the topics are included in the target agreements 2. as a mandatory chapter in strategies, innovations or business plans to free up resources 3. as a principle in process and quality management, so that "waste disposal" is always and everywhere an issue

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Fig.2: Systematic waste collection: *example of a company*

Background: A retail company conducts a workshop on systematic waste collection before planning its annual targets. The results are then incorporated into the target agreements.

Topic	Measures & effect	Date	Responsible
1. Meetings	• Conversion of the weekly merchandise management session to monthly • Effect p.a: 1,000h	31.01.	Gutner
2. Reports	• Abolition of the monthly P&L and replacement by a simple quarterly income statement • Effect p.a: 3,000h	31.01.	Collier
3. Kiosks" business segment	• Discontinuation of the business area at the end of the year (incl. termination of current contracts) • Effect p.a.: 3,000h / task of 2 million turnover and 50,000€ result	31.01.	Farmer
4.			