

Do you look at your business as a “System” ?

Running a business is not easy. Consider this If the human body or a computer is a complex system, and if a business consists of skilled people and sophisticated computing equipment, then would it not stand to reason that a business is also a complex system? Look at the advancements in healthcare for people, and the evolving power of the computer. Both need continuous attention to stay healthy. A business is a system of systems, and it too, needs continuous work to stay healthy - so let's get started working and improving your organization!

Why define your business as a system?

I have a better question - “why do we define the human body as a system?” The answer is because it is complex and there are many aspects to it, so in order for us to understand it and improve it, we break the human body down into logical groupings (or subsystems) like the nervous system, muscular/skeletal system, circulatory system, respiratory system, etc. For a person to be “healthy”, all of these subsystems must be defined, measured and working together as an integrated system. Any one component can have deteriorating or devastating affects on a person's health.



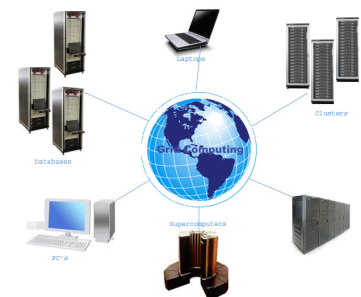
The human body is a system of systems

A business is no different. For a business to be healthy all of its subsystems must be in good working order and integrated to meet the needs of the overall enterprise. But what are the subsystems in a business?

MasterKey's Business System Framework

By analyzing a broad range of companies ranging from Small Enterprise to Fortune 100 and dozens of workshops, publications, industry and consultants reports, MasterKey has developed a business system framework consisting of the following elements:

- Functional organizations
- End to end Business Processes
- Investment Pillars

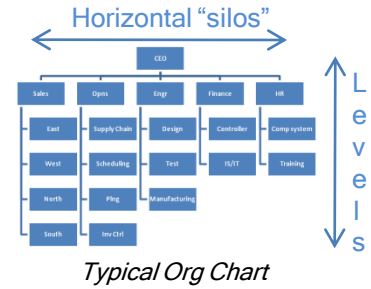


A computer network is a system of systems

Is your Business a “System” ?

Functional Organizations

The “Org chart” is probably the most recognized subsystem in any business. An Org Chart not only further defines lateral or “horizontal” responsibilities, but vertical “levels” (and implied authority) as well. One of the challenges and inherent problems with the functional organization subsystem is it tends to operate as silos, and the “levels” often result in an US and THEM culture.



Typical Org Chart

End - End Business Processes

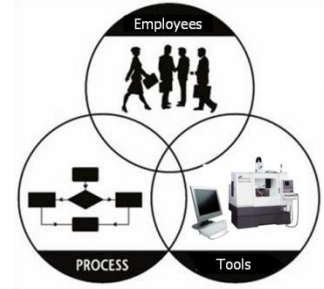
An essential and inherent subsystem in all businesses are end to end business processes. While there are 100’s and perhaps 1000’s of smaller functional or task specific processes, end to end business processes are the overarching mechanism which defines who and what the business is (strategic planning process), its products and services (new product development process), its customers and how orders are secured and maintained (order generation, fulfillment and customer service processes). End - end business processes overlay on functional organizations to create a simple 2 dimensional business system.



End - end business processes

Investment Assets

The 2 dimensional business system is an incomplete system model because it does not consider or integrate the most important subsystem - Investment Assets. What are investment assets? Quite simply, People. People who create, purchase, and integrate processes and tools which Define, Measure, Analyze, Improve, and Control (DMAIC) the enterprise. “DMAIC” is a popular acronym used in International Quality Organizations around the world and was inspired by Deming’s “Plan-Do-Check-Act” cycle.

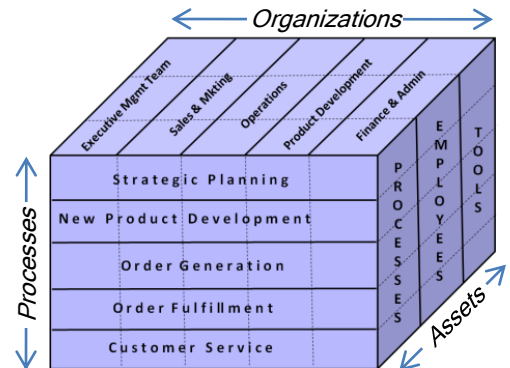


People - Processes - Tools

Powerful Business Framework

The LEAN³ Cube™ is a business management framework which helps companies better define their business as a system by incorporating and integrating functional organizations, end to end business processes and investment pillars (people, processes and tools) into a finely tuned revenue and profit generating machine.

Unlock the potential of your business by calling MasterKey at 204.918.0884 or email Murray Grant at m.grant@master-key.ca.



The LEAN³ Cube™