

Motivation Quality and Profitability

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The purpose of this document is to quickly define motivation, quality, and profitability, and show how they integrate to form the “Big Picture”. The “Big Picture is a view of the motivation, quality and profitability relationships. Motivation is good. Quality is good. Profitability is good. But, increasing one may have negative impacts on the other two. Therefore, business decision makers must always estimate, project, plan for and measure these Big Picture entities and the impact of their relationships.

Motivation

Motivation is People and Future oriented.

We motivate people with Communication, Organization and Planning. Included in that motivation is the reward people will receive for their product or service. Rewards are agreed upon in advance as defined by the group’s Organizational and Personal Development Standards and reported from human resource (HR) type functions. Notice these four elements (Planning, Organization (Reward), Communication) are all oriented to the future and to people.

Quality

Quality is Product and Present oriented.

To understand quality requires a complete understanding of product. A product (or service) with a specific name is completely understood when it is understood from both customer and producer perspectives. In other words, quality requires a complete understanding of product from customer effectiveness to producer efficiency including the controls to balance the two.

To understand quality requires an understanding of the measurements and controls of efficiency, and the measurements and controls of effectiveness.

The effectiveness measure of quality is from the customer’s viewpoint. Product effectiveness

Quality is controlled by process output quality control measures. Process controls activity to make sure activity generates quality product from the customer’s viewpoint. At the same time Process controls activity to make sure that quality product is produced efficiently.

The measurements of efficiency are first expressed by the concept of location. From that concept we can derive other measurements like: time and distance; volume, temperature and pressure; and any other “dashboard type” activity measurements of efficiency like speed and miles per gallon.

Profitability

Profitability is Past oriented, for the sole purpose of measuring confidence for the future.

It is the idea of examining the past to develop a forecast for the future. Profitability is the simple idea of output exceeding input over the long haul. It is the idea of counting the cost to make sure the enterprise will be of value. It organizes reports of Quality, Motivation, and Profitability (from inside and outside the enterprise) by time period

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for the development of forecasting rates and factors (Analysis). Analysis is the activity of forecasting. Profitability is historical for the purpose of future planning and present control.

Orientation

These natural orientations limit the ability of functional systems work together. For example: because of a personal orientation, payroll functions are naturally separated from functional systems ordered by product or time period that measure quality and profitability. Another example would be the limitation financial systems have when trying to support forecasting. The financial functions are limited to a narrow picture of information they receive from business transactions like payroll and sales. Even when they expand those to include other transactions (like requirements, orders, completions or inventory) for help in managing cash, they are still only producing accounts (a trial balance of report line items) for some standard external and internal financial reports. These natural separations limit the ability of functional systems to forecast.

Integration

Systems supporting each of these orientations are also designed to support decision makers, but not directly. Even though their orientations limit their ability to work together, they do classify things by what we call strategic entities. At TeamsWin we use these strategic entities to transform your information into an integrated view of the relationships between your entities. In other words we create a view called your “Big Picture”.

Summary: Motivation, Quality & Profitability Integration

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