

WORKING SMARTER: SMART PRACTICES DATABASE

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The aim of this article is to inform readers about the publication entitled "Working Smarter", founded on the theoretical bases of contemporary and projected management. Management is undoubtedly a constantly developing phenomenon, given by changes in conditions and by increasing interests of owners in achieving planned results. It is a new approach to developing management based on application of verified procedures in innovative companies. Presentation of small practical management measures, creating smart practices cards and a continuing education programme. The solution method is founded upon researching key theoretical sources and practical knowledge and outputs gained within the framework of this project resolved through the program "Human Resource Development". Aside from theoretical considerations and research, practical experience also plays a major role. This experience is the result of concrete findings and applications, which led to a specific result that can be shared and consequently applied.

Key words: *management, competition, integrated management, knowledge management, Clever Practices.*

Introduction

The aim of management is to support development of new technologies, including information and communications technologies, biotechnologies and nanotechnologies, as well as skills and know-how in terms of their application. Each sector and activity needs to constantly initiate, elaborate and improve its products, services and processes. It is also necessary to develop the entrepreneurial capacity to risk and create new and greater enterprises, to recognize and appreciate the social benefit of those who bear the burden of risk-taking. An important aim of management is the aim on education, professional training and research, and to make this robust knowledge available to industry. Development of management is thus bound to the importance of quality and quantity of skills, upon which economic activity depends. Skills and the capability of businesses to transform this knowledge into technical and commercial applications form the basis of increasing productivity and relating challenges from competition. Through the current experiences in searching for new directions of management and methods applied therein, including reengineering, process management, BSC and knowledge management, it is necessary to find a unifying approach, which returns management to its exclusive position of unified and foremost leadership of a company in all its components and processes. The result of a unifying approach to management is integrated management, which combines individual aspects of management into a single indivisible whole founded upon the principle of permanent changes management. Today, supported by results taken straight from practice, the prevailing concept is one that prefers recommending the use of tried-and-true, successful procedures, rather than creating theories and then applying them. One of the ways is to search for so-called SMART PRACTICES. This article was created within the framework of the project Creation and Pilot Operation of a New Educational Programme for Continuing Education at Universities Entitled Working Smarter with registration number CZ.1/4/03/2/3/15.2/0207.

The publication is the result of elaboration of findings from the sphere of industry, where practical experiences and company results are presented, which are exemplary in their successful search of new approaches and procedures, leading to the removal of existing deficiencies. The presented companies expressed to be publicized, thus enabling others to learn about their experiences. Even this approach is praiseworthy. Hence, readers may become familiar with the methods of 86 different companies that set the standard in their approach. It is also a kind of textbook for practical management.

The theoretical basis is the concept of management as regards the current state and expectations for the future.

Theoretical bases

The current state of management is affected by the phenomena of the acting market economy where the management shall reach high performance, long-time welfare and full satisfaction of requirements of all participated entities (owners, employees, suppliers, etc.) as well as satisfaction of customers' needs and requirements.

Globalisation is a continuing phenomenon. In 1990, globalisation began to emerge also as political theme. Today, it is considered as one of the key factors of the change in current economic systems and

companies. Most of the world now, including China and Russia, is actively engaging in the global market economy. This opens new markets for products and services. But it also increases competition from imports, and may lead to relocation of manufacturing activities in countries with lower cost factors. Since for understandable reasons we cannot compete in the area of costs alone, knowledge and experience play the key role, helping industry deal with pressures of globalisation in all sectors, with and without technological sophistication. Fundamental in this context are support for innovation and maintenance, and preparation of highly adept human capital, if we are to keep activities with high added value and founded upon experience within our borders. In global economics, the locality paradoxically remains the basic factor for research and innovation.

Globalisation is accompanied and strengthened by technological changes, particularly in information and communication technologies, being the universal technology there. They are able to assist in increasing productivity in all industrial branches and to affect design, production, distribution and marketing of the majority of products and services. They also facilitate new forms of organization, e.g. ordering of service outsourcing as well as firm internal link between the industry and services described in the analysis above, and support optional instruments concerning the environment, incl. the environmental management systems.

Though each individual enterprise differs from others, the same types of internal and external forces affect the majority. The matter is to establish whether the forces will be strengthened or weakened with time and how we can profit from such development (Farell, M., 2005) has specified the globalisation line as affected by the following three kinds of factors (Fig.1.).

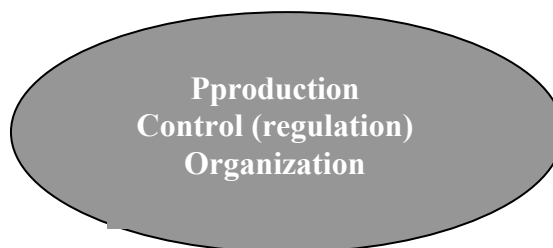


Fig. 1. **Globalisation trends of factors**

The production, control and organization forces develop with time and the full potential of globalisation for the enterprises and branches changes with geopolitical and macroeconomic environment. The international treaties have enabled quick growth in the global trade of many products and services. Drop of transportation costs has encouraged many companies to transport the products globally. The GPS technology has enabled to monitor transportation of goods and materials thoroughly.

Escalation of competition, permanent liberalization of trade and introduction of new technologies will increase pressure on globalisation of the enterprises. The enterprises, considering their status quo firm and unchanged and ignoring the possibility of emerging business opportunities, will be kept on the sidelines,

Picking new trends means that our country and its economy need to be in the first line on the way towards new knowledge. It is necessary to devote us to education, professional training and research better and more consistently and to release the knowledge for the industry. It is necessary to develop new technologies, inclusive (information and communication technologies), biotechnologies and nanotechnologies as well as the skills and know-how concerning their application. Our industry must also be more innovative. Each sector and activity needs to initiate continuously, refine and improve their products, services and processes. It is necessary to create the conditions for stimulation of rising innovations.

It is also necessary to develop the business capability to risk and to create new and larger enterprises and to acknowledge and appreciate the social contribution of all those bearing the risk.

Competition

Competition in industry depends on the policies in the following fields: economic competition, internal market, research and development, education, trade and permanently sustainable development. It is above all necessary to equalize and match these instruments from the point of their

different objectives and to consider their impacts on industry thoroughly. The industrial policy thus needs a very precisely functioning method how to maximize dynamic interactions between these policies.

The competitive advantage of the company accompanies its capability to produce and render the products or services having higher value for the customer than products of other companies. The competitive advantage arises from a special value that can be created by the company for the customers. This value is determined by how the customer appreciates the overall capability of the product to satisfy his needs.

The competition created by the global market pushes the inland producers to:

- **specialisation**, based on comparative advantages by utilizing strengths of technological product and utility values,
- **increase of quality** by utilizing knowledge of the quality of labour and product quality system control accepted by the global market,
- **increase of technical level of the national productivity** by applying the latest knowledge of the global science and research. In particular by utilizing knowledge of one's own scientific and research base, purchase of licences, lease, franchising, etc.

The nature of terms of the comparative advantage and competitive capability of the enterprise is narrowed in the advanced markets with tangible and intangible commodities to the capability of the companies to grant the products/services for the set market price. But in practice you can hardly find the markets where the competitive ability can be diagnosed at the price/cost level only. In many markets the competitive ability obtains just the non-price form, where the customers are willing to pay more for a certain product/service, though even a less expensive alternative would satisfy their needs adequately. Though many companies develop their business simultaneously in many markets with the objective to maximize the profit, they compete not only in the markets, but also in creating and launching new goods and services. The term of **innovative competition** does exist for such type of competition.

The **cost competitions** relate to the prices of the production factors, the real competition related to the capability of the companies to satisfy requirements of the global markets, and the innovative competition concerns capability of the companies to attract new global marketplaces immediately.

The primary liability for reach of the competitive ability is borne by the companies; they also contribute to priorities in the field of social care and environment by implementing the corporate liability within a larger scale. In this context the interpretation that the "competitiveness is the ability to create and utilize the permanent competitive advantage" has been adopted within the scope of the research.

The well-known researcher Porter (1985) defines that the "competitive advantage prefers the company to its competitors". It has been proposed to break down the competitive advantages into the structural competitive advantages and the functional competitive advantages. Under the structural advantages we understand the following: scope and volume of production, low costs, and differentiation of production for individual market segments, novelty of production and its innovative nature. The functional advantages include knowledge of customers' needs, scope and quality of products and services, the level of distribution, the capability to adopt the corporate economy to the market situation flexibly. Productivity, operating costs, management skills and corporate culture can be included among the factor affecting the level of these advantages.

Structural advantages are considered to be:

- scope of production, low costs,
- differentiating production for individual market segments,
- how new/fresh production is and its
- level of innovation.

Functional advantages include:

- knowledge of the needs of customers,
- extent and quality of products and services,
- level of distribution,
- capability of flexibly adjusting company economics to the market situation.

Included amongst the factors that will influence the level of these advantages are:

- productivity,
- labour costs,
- abilities of management,
- corporate culture.

Discussion

Knowledge and capability of the economy to transform the knowledge into technical and commercial applications represent the very basis for increase of productivity and relevant call for the competition. Available stock and the human capital accumulation ratio play the decisive role. The rising complexity of knowledge has led to increased specialization in industry and also plays the background of the trend of outsourcing of the services, in particular the services connected with information and communication technologies and other services based on intensive knowledge. This is the source of product innovation and differentiation and contributes to the rising productivity.

Drucker (2004) claims that the current century will be the century of knowledge. He defines the so called knowledgeable society and characterizes it as the society:

1. without any frontiers, because the knowledge are transferable easily,
2. with rising mobility of everybody, thanks to easier access to education and
3. where everybody can obtain the necessary means of production, which are not enough for the overall success.

All of this indicates the growing difficulty placed upon management's shoulders. It is a constant expectation that management is required to provide permanent prosperity and high liquidity. But with a change in conditions, these requirements force managers to search for new, effective methods. The view of management in the 21st century may express very different approaches.

Despite the experience of search of new management lines and applied methods, inclusive re-engineering, BSC and knowledge management, gathered till now, it is necessary to find a unifying approach which returns the exclusive position to the management, namely the position of a uniform and top management of the company in all parts and processes of it. Promotion of a certain part to the detriment of another one is determined rather by specific considerations of different authors than by the requested reality. The integrated management can master such task. From the very beginning, when management emerged as the scientific discipline, it is quite evident that we are speaking about the method how to cope with and manage the common work. To cope with it with continuously reducing time and costs. The methods, how to predetermine productivity (understood summarily as a high performance with reduced costs), are under search; and the staff itself is excluded from determination of its size.

Integrated management

Interpretation of the integrated management is determined by the ISO 19 000 standard focused mainly on the Integrated Management. Its objective, purpose and main function is to "satisfy the customer's needs by the environment-integrated method", by consistent audit of the managerial systems and processes of the organization. At the same time it is necessary to integrate the processes, procedures, systems and technologies ("know-how") of the historically implemented general management in favour of continuous improvement of quality, performance, efficacy, economic efficiency, environmental thrift, operability and interoperability of the managed systems. Urbanek, F. stresses that the process and value approach, standardized by the revised quality management standards ISO 9001:2000 and 9004:2000, is the integral part of the concept. The standards above now represent the formal base, methodology, procedures and "know-how" with the possibility to apply the approach in the general, process, crisis/emergency management and in the Integrated Management (as the top level) which -when applied strictly - becomes not only the source of new economic contributions in the industrially advanced countries, but also improves competitiveness, flexibility, adaptability, quality, rate of innovations and operability of companies and organizations in the new environment. The standard standardizes the processes and systems focused mainly on:

- reach of obligations of the top management of the company,
- identification of processes of the organization,
- identification of their interface with other processes,
- source support to functioning of the processes

- within the organization,
- continuous improvement of efficacy of the quality
- management system,
- monitoring of customer's satisfaction.

These international standards - with the objective to increase the customer's satisfaction by fulfilment of its requirements - support implementation of the process approach during development, application and improvement of efficacy of any quality management system. For effective operation the organization must identify and manage a number of mutually linked activities. The activity utilizing sources and managed for purpose of conversion of inputs into outputs can be considered a process. Output of one process often created a direct input into another process. Application of the system of processes within the organization, together with identification and mutual affection of these processes, even their management, can be named the "process approach". Progressive management, applied in case of chaining individual processes with the process system as well as in case of their combining and interacting, is a great advantage of the process approach. Such approach, if applied within the framework of the quality management system, stresses the importance of:

- a) understanding and satisfaction of needs,
- b) necessity to consider the processes from the point of the added value,
- c) obtaining results of the process performance and efficacy, and
- d) continuous improvement of the processes based on objective measurements.

Research – education

Today's management is undoubtedly complex, with every-increasing demands. Aside from theoretical considerations and research, practical experience also plays a major role. This experience is the result of specific findings and applications, which led to a specific result that can be shared and consequently applied.

The project Working Smarter has embraced the aim of increasing knowledge and skills of individuals in their productive years, leading them to successfully applying themselves in their jobs, to being competitive and to attaining prosperity while respecting the principles of sustainable development. The project **Working Smarter** attains its goals through creating a **smart practices database of successful companies, from which a new education programme is designed that aims at continuing education at universities**, and which expands the offer of the applicant (UTB in Zlin) and its partner (VUT in Brno) for the general public. **This project's final target group is formed of employees of machine-building, electro-technology and plastics industries**, with at least a high school education.

One of the results of the project is **an extensive database of smart practices of successful Czech and global companies**. The database is conceived as a modular and open system, which can be augmented in the process of new findings and development of new and proven practices, and can thus be updated. The smart practices database will be **fully digital**. It will combine verbal, graphic and audio elements, including sample videos of specific practices of successful companies, so that the resulting database would be both user-friendly and effectively understood and remembered. The database will also include a training segment, which enables students to more easily apply the given practice in other corporate environments. **Twelve standard courses will be formed over this database**, typical for the current needs of the Czech working public, **which will form an integral education programme** with expected two-year length of study. The courses will be specialized towards certain material and process areas based on research of the needs found amongst Czech companies. It will also be possible to **take them separately**. But fundamentally, it will be possible to form over this database an entire series of other courses, or new integral education programmes. This forms conditions for remarkably more effective creation of courses and continuing education programmes for all members of the general public. The project thus paves the way for vast opportunities for synergetic and multi-application effects. This project will include **formation of a method of creating and organizing these courses**. The twelve-course education programme, which is a part of this project, will utilise **e-learning** elements in strong measure. The formed education programme expects a combined form of study with the majority based on distance learning. **12 printed courses of study will be prepared for students**. At the conclusion of study of each course, employees will take **tests on computers** from a database of questions. The project stipulates creation of **12 database tests**

separately for each of the 12 courses. The education programme with 12 courses will enter **pilot operation in 10 Czech companies** with an expected output of **500 trained employees**. Project results will become the common property of the applicant and the project partner.

The offered education will not be accredited, which significantly influences the motivation of the future student. The graduate obtains a certificate from the university, the value of which will be in the eyes of his/her employer. To properly motivate people towards this education, it is therefore necessary to **perceive the company and its employees as customers**, and on the basis of marketing procedures, **to define their needs as to which training will be satisfactory**.

Customer:

- a) company (top management):
 - obtains a presentation in the database as a successful company,
 - will be able to draw from ideas of other successful companies, which may aid in resolving its own problems,
 - will be able free of charge to train its key employees, who will "work smarter" and will bring the company higher added value.
- b) employee
 - gains impulses for further personal development,
 - education will aid them in resolving problems at work faster and more effectively,
 - will appreciate successful course completion when assessing the employee's advancement potential and remuneration.

The customer's primary need of this education is to define the narrow places of its business (its problems), and to search for procedures and methods of its resolution. The method of comparing with the best (benchmarking) here is one of the possible and effective application methods.

The database will be publicly accessible on the Internet - the public presentation will be stimulating for companies. It will drive their interest in their own presentation in it, thereby increasing its utility value for the general public. In principle, the database may also be used by companies, which will not be participants in continuing education, but will want to find a solution to their own company issues.

E-learning education will use selected examples from the database, and compile a relevant explanation of their use from a specific viewpoint (e.g. **the course in successful communications** will include examples from the database, which resolve specific communications problems in specific conditions within a company -including foreign language training, meetings, communications within a team, effective use of e-mail communications in the company, etc. As another example, the course in **effective logistics** will include examples from companies, which have been able to resolve problems with manufacturing logistics, with logistics towards customers, supplier logistics, etc.). **E-learning courses will be provided exclusively by UTB and VUT, and will not be available for the public.**

The database is primarily conceived as PROBLEM-ORIENTED, because the customer will use it for searching for inspiration to resolving its current problems. Other criteria for structuring the database are secondary, and will mainly serve needs of e-learning education programmes.

It is possible to structure the circles of resolved company problems by function for example:

- sales,
- manufacture,
- economics,
- HR,
- technical.

As problems across the board:

1. problems with relationships *man-machine*: logistics, spatial layout of the workplace, capacity issues, Kanban system ...
2. problems with relationships *man-man*: communications within the company, communications outside the company, motivating and leading people, selecting new employee, developing qualifications and continuing education, outsourcing, competition and cooperation ...
3. quality

4. planning in the short-term and long-term horizon, changes and management, turbulence and chaos.

Original expectation of thematic orientation of the 12 e-courses:

1. Communicating Smarter
2. Work in Teams
3. Smart Purchasing and Sales
4. Smart Logistics
5. Innovate or Die
6. Smart Manufacturing Resources Management
7. Search for an Ally - Competition and Cooperation, Outsourcing
8. Organize Your Time
9. Planning Versus Chaos
10. Don't Make Needless Mistakes
11. Quality and Price
12. Complex Solutions, Synergy

For the time being the concept, rather recommending to use the time-tested and successful procedures, seems to prevail over creation of new theories with their subsequent application. One of possible ways is search for the so called CLEVER PRACTICES. If the specific management created and applied a certain procedure for resolving of a specific task, the procedure stood the test of time, had and has good results, it is advisable to recommend the procedure to others - with certain generalization.

Currently, all expectations exist for fulfilling project aims and for its permanent sustainability.

Conclusion

When assessing the requirements for the management, it follows clearly (as shown above from different aspects) that it is necessary to determine and specify a new concept of management which will be based - besides the current possible breakdown into: process and value management; management functions; management elements; subject - quality, environmental, HR; sources; time horizon - strategic, operative risk and safety management, and knowledge management, on systematic evaluation and permanent satisfaction of the customers' and owners' requirements, when applying the methods of re-engineering, BSC.

Definition of "clever practice": clever practice is defined as an idea that resolves a certain problem for the company. It may involve the use of some gadget, an improvement in organisational matters, improvement in logistic flows, removal of bottlenecks in a certain workflows, time savings achieved by alterations in an operation, an improvement in internal company communication or its external communication with clients, etc. A purchase of a machine does not in itself constitute clever practice, but it is clever practice to incorporate that machine into the company's manufacturing process in a way that maximizes the effect. Clever practice may be the way how corporate expertise or Human Resource Management (HRM) are applied in the company. Clever practice may also be an application of a larger concept or management method, but here again specific problems prior the clever practice application and a specific solution consisting, e.g., in the use of a certain method in practice (e.g. Balanced Scorecards or TQM), must be described.

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