

Monday Morning

March 31, 2008

# ONE EIGHTY

## Upcoming 2008 Events

- APQC 13<sup>th</sup> Annual Knowledge Management Conference Chicago April 28-May 2
- CAM-I Second Quarter Meeting Baltimore June 9-12
- ASMI Modeling & Forecasting Methods Arlington VA April 21-22

## People in the News

- Many thanks to C.J. McNair and the CAM-I Cost Management Integration Team for their efforts and work in creating Value Quest

## Tool Integration

Despite a century of search, no one has found the one business management tool that meets all management needs and requirements.

The elusive Silver Bullet doesn't exist. In fact, management tools are designed to be interactive and interdependent.

Take the perennial tool champion, Strategic Planning, for example. The development of a strategy and a strategic plan is information and data intensive.

Understanding the cost to serve customer segments, product/service profitability, available capacity, process cost and capability, and investment requirements are just a few of the prerequisites for developing a strategy.

Going forward, the strategic plan must have goals, objectives, and measures of performance.

Management tools like Benchmarking, Activity-Based Costing, Predictive Analytics, Six Sigma, Balanced Scorecard, Profitability Modeling,

CRM, Supply Chain Management, TQM, Customer Segmentation, and Business Process Reengineering (to name just a few) all have a role in developing and implementing strategy and achieving excellence in operations.

The power of individual management tools increases exponentially when data and information is integrated with other tools and used to make better informed decisions.

One of the drivers of tool integration is *Value Quest: Driving Profit and Performance by Integrating Strategic Management Processes*, a 469-page reference book published by CAM-I in 2000.

With *Value Quest*, CAM-I introduced the Strategic Management Process (SMP) Model, integrating the use of management tools with decision domains.

Decision domains, in order of hierarchy, are first which customer/markets to serve, then what

products/services to provide, then what process/activities to use to make and deliver the product/service, and finally what resources are required.

Most management tools touch each of the decision domains, but no one tool provides all the required data and information—the prerequisites of good decision making.

Effective management requires integrated tools that feed the decision domains and spans the multiple levels and management processes of the business.

Tool integration is a key to harnessing the power of information to maximize value creation—to transform problems to opportunities, challenges to success.

***Actions and results cannot be achieved through the use of fragmented information systems or disjointed tools and techniques. Integration is required...***

*John A. Miller*

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