EPWESS

ECVET support to entrepreneurs

IO4 – Training guide

During the process of mapping the partnership gathered questionnaires from entrepreneurship support services aiming to detect the main training needs of these operators related to the Key Activities proposed.

As result of this research, we elaborated this output in order to support them to improve the skills and knowledge at job through the selection of those with a higher average among the countries investigated.

	Training				
	Italy	Portugal	Turkey	Spain	Average
1	4,13	3,82	4,56	4,30	4,20
2	3,75	4,36	4,56	3,70	4,09
3	3,75	2,63	4,67	4,20	3,81
4	3,63	4,27	4,67	4,90	4,37
5	2,50	3,78	4,78	3,20	3,56
6	2,38	4,18	4,67	3,50	3,68
7	4,25	4,09	4,56	3,40	4,07
8	4,13	3,91	4,67	4,00	4,18
9	4,25	4,55	4,67	4,50	4,49
10	3,88	3,67	4,67	4,40	4,15
11	3,75	3,00	4,78	3,50	3,76
12	4,38	4,00	4,78	3,90	4,26
13	2,88	4,00	4,78	3,70	3,84
14	3,13	4,09	4,89	4,10	4,05
15	3,50	3,88	4,67	4,10	4,04
16	4,25	4,09	4,78	3,70	4,20
17	4,33	3,64	4,67	3,80	4,11
18					

MODULE 1:

STRATEGIC PLANNING

INTRODUCTION

A common misconception is that strategic planning is only for large companies. But the reality is that most businesses can greatly benefit from the exercise. Strategic planning involves looking at where you want your company to be in the next 3 to 5 years and determining what you need to do to get there. So, Strategic planning is a comprehensive process for determining what a business should become and how it can best achieve those objectives or goals.

Strategic planning appraises the full potential of a business and explicitly links the business's objectives to the actions and resources required to achieve them. It offers a systematic process to ask and answer the most critical questions confronting a management team – especially large, irrevocable resource commitment questions.

Strategic planning reignites that passion for what you're doing. If you have a real plan with goals, it's very rewarding to achieve each milestone. That sense of satisfaction builds the momentum you need to push even further.

The business plan's impact in two terms:

Management	•Helping the entrepreneur learn more about managing his/her business
Efficency	•Organize the business more efficiently

PARTICIPATION

In order for strategic planning to be successful and meaningful, there must be active and enthusiastic participation from multiples levels within the firm, in order to bring the most experience to the planning process and ensure that plans are made based on the full and current information about the operational activities on the form and conditions in the market.

Active involvement of employees is also required because a company strategy is not only firm-wide goals and objectives but also a comprehensive set of tactical and operational plans that impact the activities of everyone inside the company. The recognition that planning is a collaborative exercise may require some changes in the company's management style and culture. Managers must be open to innovation, change and new ways of doing business and communicating.

WHO SHOULD BE INVOLVED?

The strategic planning process helps an organisation clarify, consolidate or establish its strategic framework. Embedded in the strategic framework are the values and vision of the organisation. Because of this, it is important to involve the whole organisation in at least part of the planning process. We suggest:

Planning	• Management team
Context	• Staff • Board members
Vision, values and mission	• Staff • Board members
SWOT	• Professionals Staff • Board members
Strategic options	• Professionals Staff • Board members
Organizational structure	• Management team

KEY ASPECTS OF THE STRATEGIC PLAN
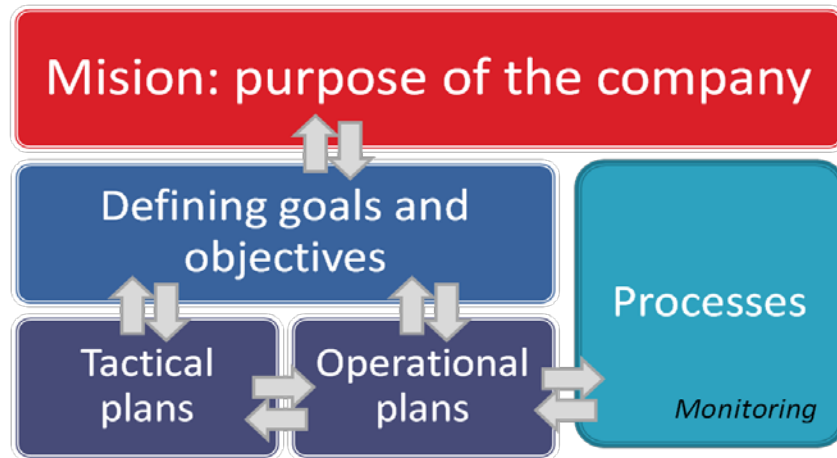
First of all we need to define the **mission** (the following parts of the document will help you). It should be clear, concise and summary, and each employee should be able to talk about it. Then we have to define **goals and objectives.** In order to do this, we can use a lot of tools which will be explained then. This goals and objectives are performance milestones that must be attained in order to verify the company advance. The **tactical and operational plans** based on the goals and objectives helps employees and managers at every level act in manner that is consistent with pursuit of the company goals and objectives. Develop processes for continuously **monitoring** the effectiveness of the plan and identifying changes in the company. Monitoring is done to ensure that the plan is being executed correctly and uncover methods for improving the planning process. Information collected from the monitoring processes should be used as valuable input for the next planning cycle.

COMPANY SIZE

Size is closely associated with formalization. In general, it is likely that larger organizations are more likely to identify and adopt formal strategic planning as a means for improving control and coordination. In contrast, smaller organizations can be expected to have less interest in formal strategic planning because 'their environments are comprehensible and their internal operations manageable by a single person or small team" and thus there is less perceived need for systematic formal scanning, extensive internal analysis or

preparation of lengthy and detailed long-range plans. Although this, there are great benefits to small companies of strategic planning.

BENEFITS

The following illustration shows the benefits of design a strategic plan:

Increase the chances of success:	•developing big-picture strategies to guide your day-to-day operations and setting goals, you're no longer flying blind
Minimizing risk:	•Another reason for entrepreneurs to make strategic planning a priority is that it reduces risk, particularly in periods of economic uncertainty. As part of the process, you'll be assessing your current situation, resources, strengths and weaknesses, competitors and the business environment. This way, you will be better equipped to make decisions and therefore to minimize risk
Involve your employees:	•Involve employees in the strategic planning exercise, particularly in smaller companies, contributes to improve the cohesion of the team. When they take ownership of the plan and help you reach your goals. This builds enthusiasm in your company and gets everybody on the same page. For example, entrepreneurs can ask employees to brainstorm about a company's strengths and weaknesses.

At a glance, Strategic planning enables you to:

Envision your company's future over the next 3 to 5 years

Define your long-term goals

Assess your current environment, as well as SWOT

Develop strategies and tactics to address any problems

Assign timelines and responsibilities (turn plan into reality)

Reduce the risk of doing business based on better decisions

Achieve your company's potential

DEFINITIONS

Mission	•An organization's mission is its primary business or purpose; it describes what an organization does, for whom, and its benefit. The mission of an organization is not a time-bound objective.
Vission	•A vision is an ideal that an organization intends to pursue. It links the organization to the future by articulating instantiations of successful execution of the mission. An organization's vision is a source of inspiration and can be broader than the organization's capabilities. It might, in fact, describe what can be achieved in a broader environment if the organization and others are successful in achieving their individual missions.
Values	•are directive statements that articulate the constraints an organization chooses to place upon the way it achieves its goals. Guiding principles embrace core values and are used to shape an organization's strategy. Guiding principles reflect long-term intentions, but are not necessarily permanent
Goals	•Goals are broad, measurable, aims that support the accomplishment of a mission
Objectives	•Objectives are specific, quantifiable, lower-level targets that indicate an accomplishment of a goal
Strategy	•A strategy is a derived approach to achieving the mission, goals, and objectives of an organization. It supports the organizational vision, takes into account organizational enablers and barriers, and upholds its guiding principles. Strategic Plan A strategic plan is a document that results from a strategic planning activity. It elaborates the organizational strategy and documents the elements that influence it.

STEPS IN STRATEGIC PLANNING

Monitoring / Evaluation

| ¹ Mission | ² Vission | ³ Objectives | ⁴ Strategy | ⁵ Planning |

Monitoring / Evaluation
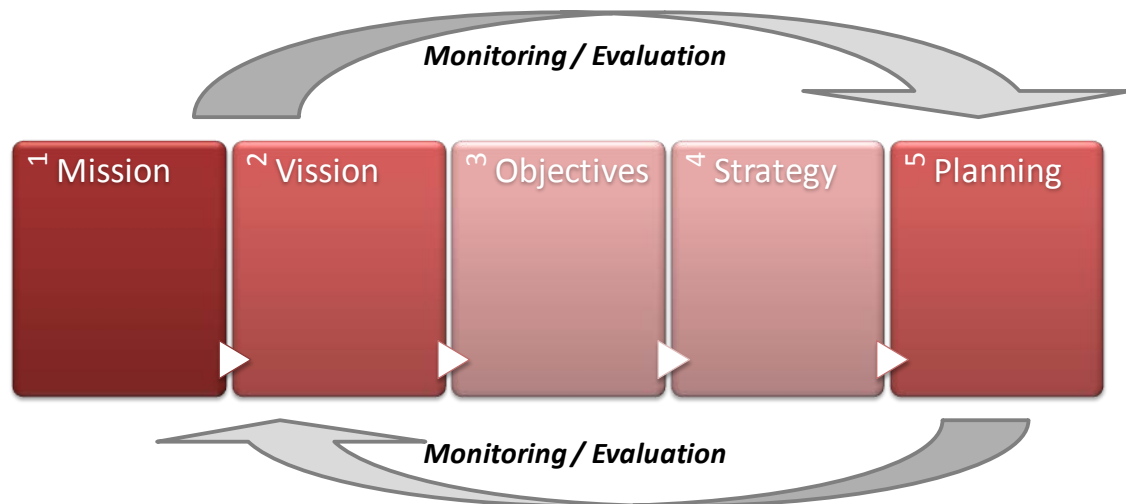
1. MISSION STATEMENT FOR THE BUSINESS

The Mission Statement of a Business is a Statement of the purpose of the business which is intended to unify the business to focus towards one common page. It is also called company mission, corporate mission, or corporate purpose.

A well worded Mission Statement will put all stakeholders (from management to employees to shareholders) "on the same page" and will get all stakeholders thinking along the same lines.

So, it is a written declaration of an organization's core purpose and focus that normally remains unchanged over time:

➢ Filters to separate what is important from what is not,

➢ State which markets will be served and how, and

➢ Communicate a sense of intended direction to the entire organization.

> *A mission is different from a vision in that the former is the cause and the latter is the effect; a mission is something to be accomplished whereas a vision is something to be pursued for that accomplishment.*

A simple way to write a mission is focus on: three important ways:

- what the company does for its customers;
- what the company does for its employees;
- what the company does for its owners.

Example:

- ➤ APPLE: "Apple designs Macs, the best personal computers in the world, along with OS X, iLife, iWork and professional software. Apple leads the digital music revolution with its iPods and iTunes online store. Apple has reinvented the mobile phone with its revolutionary iPhone and App store, and is defining the future of mobile media and computing devices with iPad."

- ➤ IKEA: "Our vision is to create a better everyday life for the [sic] many people." To its credit, it goes on to define a "rest of the mission" that could only be IKEA: "We make this possible by offering a wide range of well-designed, functional home-furnishing products at prices so low that as many people as possible will be able to afford them."

- ➤ Sweetgreen: "Founded in 2007, Sweetgreen is a destination for delicious food that's both healthy for you and aligned with your values. We source local and organic ingredients from farmers we know and partners we trust, supporting our communities and creating meaningful relationships with those around us. We exist to create experiences where passion and purpose come together."

- ➤ Rutabaga Sweets is a hospitality company dedicated to providing high-quality desserts in a comfortable atmosphere for clients who seek a fun "gourmet" experience outside restaurants. We intend to make enough profit to generate a fair return for our investors and to finance continued growth and development in quality products. We also maintain a friendly, fair, and creative work environment, which respects diversity, new ideas, and hard work.

2. VISION

A Vision is a realistic dream for the business for the future. With the Mission Statement in mind, a Vision needs to be created and all stakeholders need to "buy into" the Vision. A Vision is normally focussed on the long term and paints the picture of where a business should be heading to or what should a business look like in the long term in a near perfect environment.

According to Thompson, Strickland & Gamble, (2005), a good vision needs to be a little beyond the company's reach but progress towards the vision is what unifies the efforts of the company. On the other hand, Kotter,(1996) determines that a well worked vision statement should contain the following characteristics:

➢ Graphic: a clear picture is painted on the kind of company that the management intends to create and the market position the company strives for.

➢ Directional: it is essential to set a destination for the company, showing the kind of business and strategic changes that may be up coming.

➢ Flexible: companies operate in turbulent environment; a well stated vision must be capable of adapting to all changes that might unfold in the future.

➢ Focused: Managers should make decision based on specific guidance provided on allocating resources.

➢ Durable: the vision for a company should be set in such a way that it appeals to the long term interest of its shareholders.

➢ Easy to communicate: last but not the least; a vision should not be so complex and difficult to understand. It should be easy to explain and communicate.
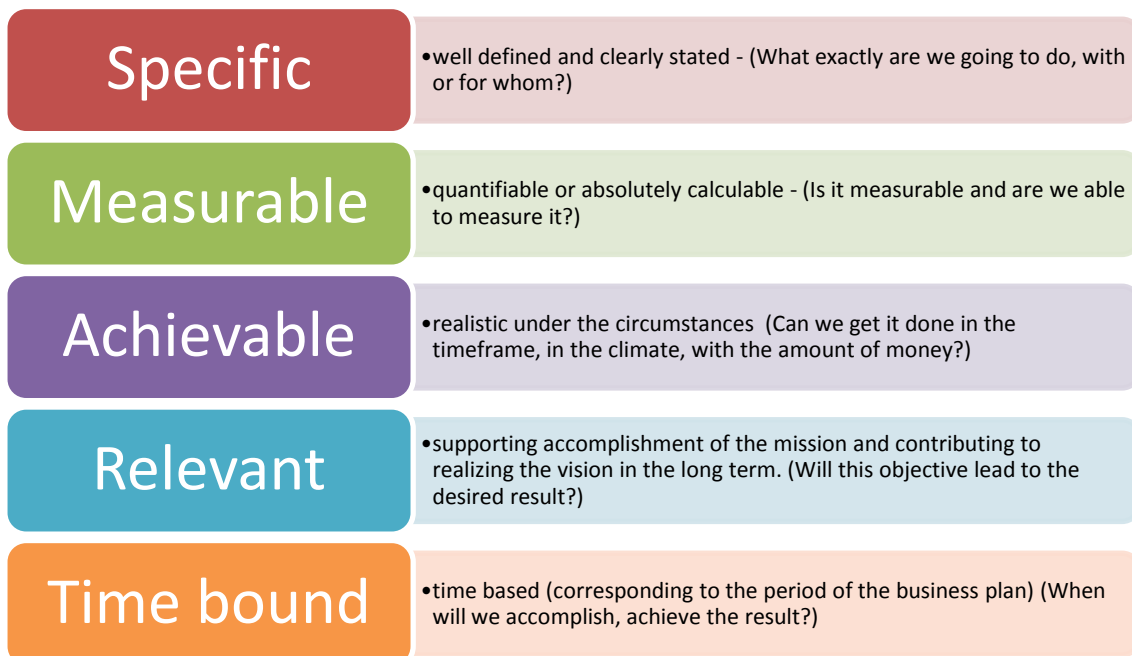
Finally, values define the set of principles, beliefs, and rules governing the management of the organization. Constitute the organizational culture and organizational support (Stephen, R. 2010).

3. TRANSLATING THE VISION INTO SHORT-TERM AND LONG-TEM OBJECTIVES

A company objective is the outcome an organization would like to achieve globally in the long run. Throw its mission and situation of its environment. The purpose of setting objectives for a company is geared towards; converting its vision in to specific performance targets and creates yardsticks to track performance. It effectively describes the actions required to accomplish a task. This can be done looking at the techniques an organization will use to achieve sales success, customer service goals, financial goals and any other measurable aspirations of the company.

We must set short-term and long-term measurable and obtainable targets that would ultimately lead the business to its Vision as set out for the business. By linking the objectives to the Vision, the business will focus on achieving the "future realistic dream" it set out for itself. For strategic objectives to be measurable and obtainable, it should be set out in a structured way, such as measuring each objective against the SMART objectives framework.

SMART objectives are:

Specific	•well defined and clearly stated - (What exactly are we going to do, with or for whom?)
Measurable	•quantifiable or absolutely calculable - (Is it measurable and are we able to measure it?)
Achievable	•realistic under the circumstances (Can we get it done in the timeframe, in the climate, with the amount of money?)
Relevant	•supporting accomplishment of the mission and contributing to realizing the vision in the long term. (Will this objective lead to the desired result?)
Time bound	•time based (corresponding to the period of the business plan) (When will we accomplish, achieve the result?)

Once objectives have been set in this way, these will be evaluated and re-evaluated on a continuous basis to establish if the business is realising the objectives on its way to its Vision.

Financial and strategic are the two main types of objectives must successful company will strive to reach.

Financial objectives are set to be measure in monetary terms in achieving the following:

- ➢ Increase in the percentage of annual revenues
- ➢ An annual percentage increase in after tax profits
- ➢ Increase in the annual earnings per share
- ➢ Annual dividend increase
- ➢ Profit margin of X %
- ➢ A percentage increase on the return of capital
- ➢ An increase in share holder value
- ➢ Strong bond and credit ratings
- ➢ Sufficient internal cash flows to fund 100% of new capital investment
- ➢ Stable earnings during periods of recession On the other hand, Strategic objectives are planned objectives that an organization plans to achieve which could include the following:
- ➢ Winning an certain percentage of market share
- ➢ Achieving lower overall costs than rivals
- ➢ Overtaking key competitors n product performance or quality or customer service
- ➢ Deriving an increase in the percentage of revenues from sale of new products in traduced in past 5 years
- ➢ Achieving technological leader ship
- ➢ Having better product selection than rivals
- ➢ Strengthening company´s brand name appeal
- ➢ Having stronger national or global sales and distribution capacities than rivals
- ➢ Consistently getting new or improved products to market ahead of rivals

In summary, the outcome for setting financial objective is focused on improving financial performance. Mean while the outcome of strategic objective focuses on improving competitive vitality and future business position.

Depending on what approach you are using, there are many different names for the different levels of goals and objectives

> Your **overall goal** which we are defining as the accumulated benefits which beneficiaries will enjoy when the development work is successful; and
> Your **immediate objective** or the project purpose which describes the specific situation which the project or organization hopes to bring about.

4. PUTTING STRATEGIES INTO PLACE TO ACHIEVE THE OBJECTIVES

At this stage various possible practical actions plans will be analyzed and decided upon to achieve the strategic objectives. Core to the decision on which action plans to be implemented are the following:

> What are the different possible plans available to achieve the objectives?
> Who will implement the plans?
> With what will the plan be implemented (what resources are needed and are the resources readily available)?
> By when will the plan be implemented?

These plans will be business and industry specific and a detailed analysis of each environment will have to be done before a decision on the course of action is taken. Once the course of action is decided upon, a budget can be drawn up. Theoretically a budget is an expression, in financial terms, of the strategic and operation plans of an organization, for a forthcoming period of time

SWOT ANALYSIS OF THE BUSINESS

Each business should be aware of its Strengths, Weaknesses (Internal Environment) and its Opportunities and Threats (External Environment) to be able to plan for its future. A SWOT analysis helps a business owner identify his or her own strengths and weaknesses, as well as any opportunities and threats that may exist in a specific business situation.

SWOT

What do you do well?	**Stregnth**
	Weaknesses — What do you need to improve?
What are your goals?	**Opportunities**
	Threats — What obstacles do you face?

The easiest way to start filling in each quadrant in the matrix above is by answering a series of questions. For strengths, you have to think about the attributes of yourself and your business that will help you achieve your objective.

Strengths

- What do you do well?
- What are your unique skills?
- What expert or specialized knowledge do you have?
- What experience do you have?
- What do you do better than your competitors?
- Where are you most profitable in your business?

For weaknesses, you have to think about the attributes of yourself and your business that could hurt your progress in achieving your objective.

Weaknesses

- In what areas do you need to improve?
- What resources do you lack?
- What parts of your business are not very profitable?
- Where do you need further education and/or experience?
- What costs you time and/or money?

For opportunities, you have to think about the external conditions that will help you achieve your objective

Opportunities

- What are the business goals you are currently working towards?
- How can you do more with your existing customers or clients?
- How can you use technology to enhance your business?
- Are there new target audiences you have the potential to reach?
- Are there related products and services that provide an opportunity for your business?

For Threats, you have to think about the external conditions that could damage your business's performance.

Threats

- What obstacles do you face?
- What are the strengths of your biggest competitors?
- What are your competitors doing that you're not?
- What's going on in the economy?
- What's going on in the industry?

T.O.W.S. Matrix is a strategic analytical and planning tool (basically, a modified S.W.O.T. analysis) which cross-references the Strengths, Weaknesses, Opportunities and Threats facing a company or organization in order to generate actionable strategies and tactics. T.O.W.S. analysis helps you get a better understanding of the strategic choices that you face. It helps you ask, and answer, the following questions:

➢ How do you make the most of your strengths?
➢ How do you circumvent your weaknesses?
➢ How do you capitalize on your opportunities?
➢ How do you mitigate and manage your threats?

This arrangement helps you to identify strategic alternatives that address the following additional questions:

➢ Strengths and Opportunities (S/O) – How can you use your internal strengths to take advantage of the existing external opportunities?
➢ Strengths and Threats (S/T) – How can you take advantage of your strengths to avoid or mitigate real and potential external threats?
➢ Weaknesses and Opportunities (W/O) – How can you use the external opportunities to overcome the internal weaknesses you are experiencing?
➢ Weaknesses and Threats (W/T) – What can you do to minimize your internal weaknesses and avoid external threats
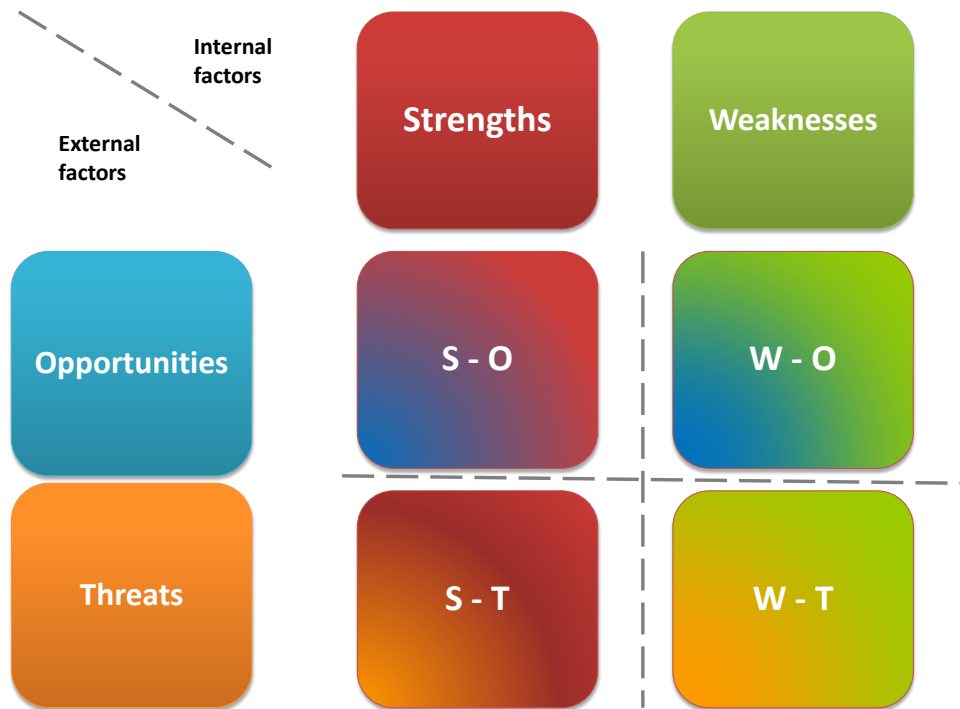
PESTEL ENVIRONMENT ANALYSIS

For Strategic Planning purposes a business needs to know the environment in which it is operating as it will directly influence the course of action. Factors to take into account are Political, Economical, Social, Technological, Environmental and Legal environmental analysis.

P *(Political)*	Political factors address various laws (education, copyright, and employment for example). But it also includes government stability and potential corruption. These laws can only be changed by political parties. They exist, and everyone else must work with them or pay legal consequences.
E *(Economical)*	Economic factors are straightforward. They're anything that affects the state of the economy, profits, and revenue. Consider taxes, inflation rates, stock market trends, labor costs and others
S *(Social)*	Social factors focus primarily on consumers and prospective customers. Buying trends, lifestyle choices, population rates, education level and social classes affect how consumers buy. Considering all businesses need customers, heavy amounts of focus are put in this section of the PESTLE analysis.
T *(Technological)*	Technological factors are levels and advancements in technology. Every business uses technology to sell products. It's appropriate to study access to modern technology, communication methods, technological change rates and prices. Tech-based companies pay special attention to this section.
E *(Environmental)*	Legal factors are sometimes considered similar to political factors. But it affects how companies operate costs, facilitate business, and handle product demands. For example, some firms require several patents to ensure competition don't copy their products. But this section also includes consumer laws, health and safety laws, and more.
L *(Legal)*	Environmental factors include climate (change), weather, and eco-friendliness of products. Tourism, forestry, and agriculture industries must pay extra attention to these factors. Bad weather may mean a severe lack of profits

COMPETITIVE ANALYSIS

A continuous process of comparing a business's strategies, products or processes with those of 'best-in-the-class' organizations. Such benchmarking will help a business in closing any gaps that might be existing relative to the industry leaders.

Strategic planning is a comprehensive process for determining what a business should become and how it can best achieve those objectives or goals. It should be done in a logical way with a process approach to enable a business to reach its full potential.

The financial objective of a business, to create wealth by adding value to providers of capital, lies at the core of the whole strategic planning process. All planning activities should ultimately also be weighed against this objective.

5. PLANNING THE PROCESS

Various items should be taken into account during the process as mentioned above, especially after the mission and vision have been created, preferable on a yearly basis. An analysis of these items will help in setting the measurable and obtainable objectives, as well as deciding on the correct action plans to achieve the objectives. Listed below are some items to take into account:

Current economic cycle
The economic cycle refers to the fluctuations of economic activity (business fluctuations) around its long-term growth trend. The cycle involves shifts over time between periods of relatively rapid growth of output (recovery and prosperity) and periods of relative stagnation of decline (contraction or recession).

CANVAS
Business Model Canvas is a strategic management and lean startup template for developing new or documenting existing business models with a visual chart with elements describing a firm's or product's value proposition, infrastructure, customers, and finances. It assists firms in aligning their activities by illustrating potential trade-offs.

So, as Alexander Osterwalder says, "A business model is a conceptual tool that contains a set of elements and their relationships and allows expressing a company's logic of earning money. It is a description of the value a company offers to one or several segments of customers and the architecture of the firm and its network of partners for creating, marketing and delivering this value and relationship capital, in order to generate profitable and sustainable revenue streams".

In order to complete the canvas:

Color coding:

Use different color Stattys to highlight certain aspects of your business model. For example, use different color Stattys if you have two very different customer segments in your business model with very different jobs-to-be done (e.g. advertisers and users). Then continue to use the same colors for the corresponding value propositions, channels, etc.

Visuals & words:

Combining images and words to describe business model building blocks is more powerful than just using words. Our brain processes images quicker than words. Hence, images will allow viewers of your Canvas to more rapidly grasp the big picture of your model.

Granularity:

Don't add too many Stattys when you are sketching out the strategic overview of a business model. Too many details hide the big picture. On the other hand, adding detail is appropriate when you work on the refinement of your business model, in order to test it and consider customer development.

The company must fill:

- ➢ Customer Segments An organization serves one or several Customer Segments.
- ➢ Value Propositions It seeks to solve customer problems and satisfy customer needs with value propositions.
- ➢ Channels Value propositions are delivered to customers through communication, distribution, and sales Channels.
- ➢ Customer Relationships Customer relationships are established and maintained with each Customer Segment.
- ➢ Revenue Streams Revenue streams result from value propositions successfully oΩered to customers.

- ➢ Key Resources Key resources are the assets required to o�er and deliver the previously described elements…
- ➢ Key Activities …by performing a number of Key Activities.
- ➢ Key Partnerships Some activities are outsourced and some resources are acquired outside the enterprise.
- ➢ Cost Structure The business model elements result in the cost structure.

More information could be found in:

https://assets.strategyzer.com/assets/resources/business-model-generation-book-preview-2010.pdf
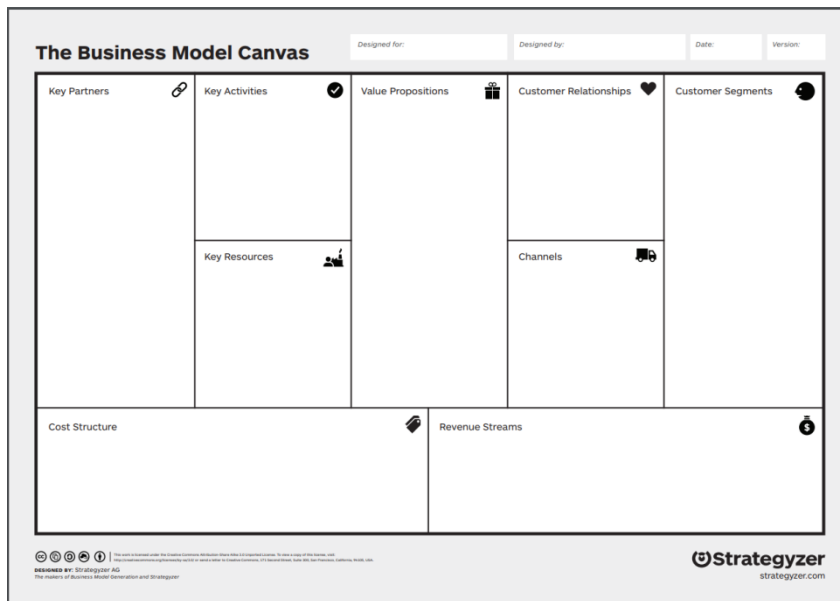
Then, the company must think about the **value propostion canvas**. It will help you to:

- ➢ Understand the patterns of value creation
- ➢ Leverage the experience and skills of your team
- ➢ Avoid wasting time with ideas that won't work
- ➢ Design, test, and deliver what customers want.

In order to complete it:

Start with customer jobs:

Start sketching out your map by describing what jobs a specific customer of yours is trying to get done. Create a Statty in the Customer Job(s) box for every major and ancillary job you intend to help your customer get done.

Add pains and gains:

Create a Statty in the Pains box for every pain your customer experiences or could experience before, during, and after getting the job done. Create a Statty in the Gains box for every benefit your customer expects, desires or would be surprised by.

Describe your products and services:

List all the products and services your value proposition is built around by creating a Statty for each element in the Products & Services box. Outline how you intend to create value: Describe how your products and services create value by either killing customer pains or creating customer gains. Create a sticky note for each element in the Pain Relievers or Gain Creators box respectively.

More information could be found in:

https://assets.strategyzer.com/assets/resources/value-proposition-design-book-preview-2014.pdf
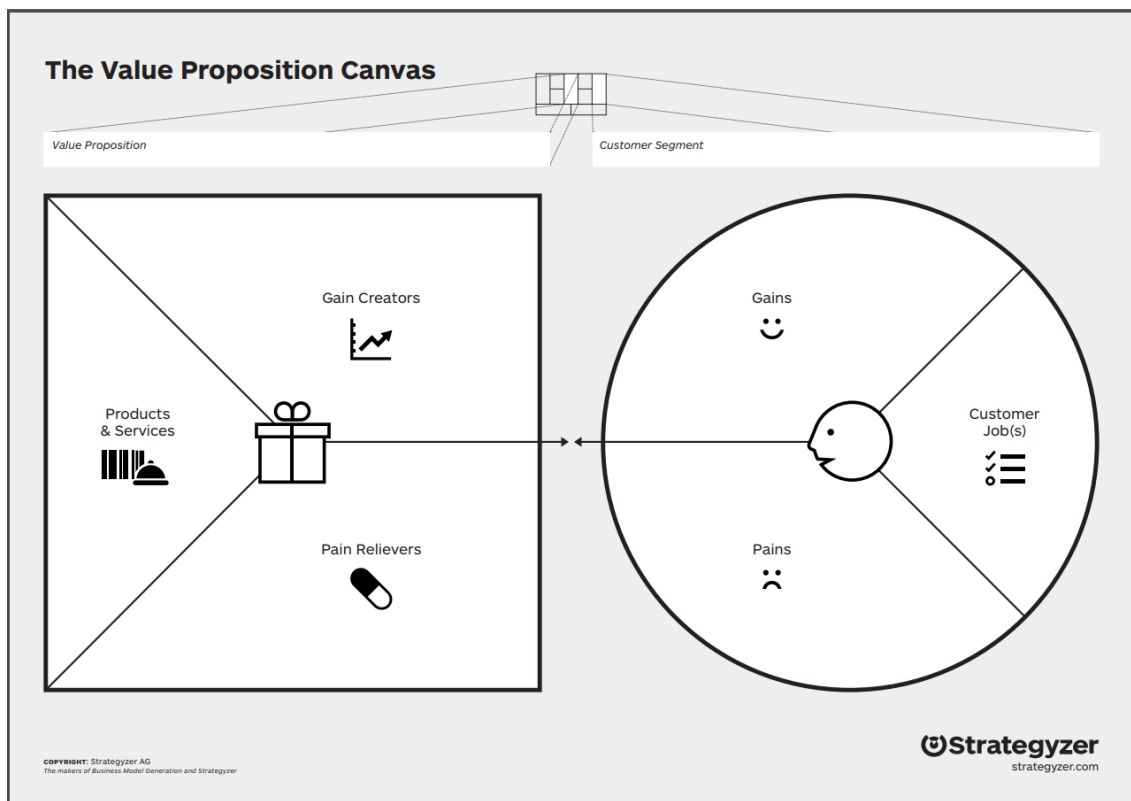
The progress Board:

This canvas allows you to capture any assumptions arising from your business strategy and to Strack your progress testing and validating these assumptions.
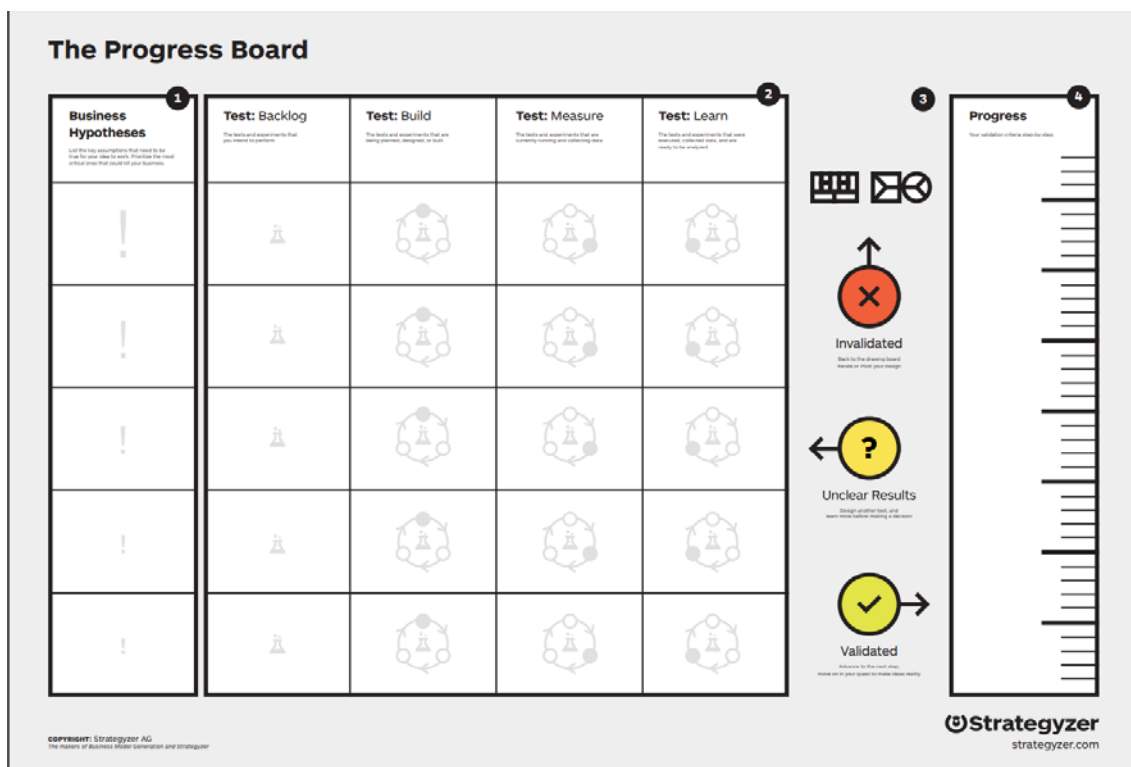
- ➢ BUSINESS HYPOTHESES: For each assumption or uncertainty you have identified, rewrite it as a hypothesis and capture it in this first column.
- ➢ TEST: BACKLOG: Design a test to (in) validate each of your hypotheses. Store them here in your backlog column until you're ready to progress them.
- ➢ TEST: BUILD: Build is the first of three stages to (in) validate your hypotheses. Depending on the test you've designed, the build stage could for example involve creating a customer survey to gain insights, a landing page to understand visitor behaviour, an A/B or multivariate email test, or conducting a research task.

- TEST: MEASURE: Once you're tests have been built, you enter the measuring phase, where you capture new data.
- TEST: LEARN: When you have sufficient data, you can begin analysis and identifying insights. There are three possible outcomes from your analysis: uncertain = test more; validated = progress; invalidated = iterate/pivot and review your hypotheses
- PROGRESS: You can use the progress column to define what progress means to you for a given project, adding indicators or metrics in the form of validation criteria.

There is no set blueprint for how to structure a strategic plan, but it is good practice to include the following elements:

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Mission -Vision

Objectives - Analyses
(SWOT)

Implementation

Resources - Planing
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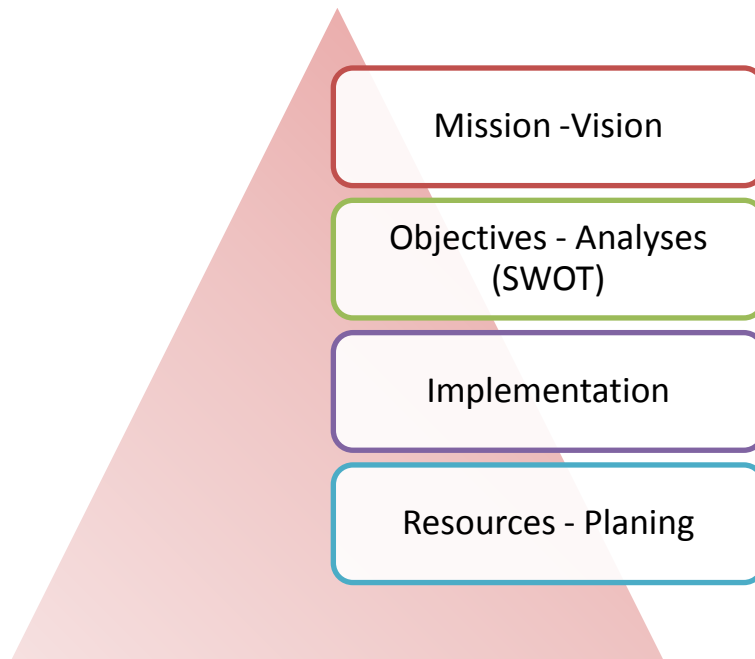
- ➢ Mission -Vision statement - a concise summary of where you see your business in five to ten years' time.
- ➢ Top-level objectives - these are the major goals that need to be achieved in order for your vision for the business to be realised. These might include attracting a new type of customer, developing new products and services, or securing new sources of finance.
  - o Analysis of internal drivers - corresponding, for example, to the strengths and weaknesses of a SWOT (strengths, weaknesses, opportunities and threats) analysis.
  - o Analysis of external drivers - this should cover factors such as market structure, demand levels and cost pressures, all of which correspond to the opportunities and threats elements of a SWOT analysis.
- ➢ Implementation - this involves setting out the key actions (with desired outcomes and deadlines) that will need to be completed to attain your top level objectives.

➤ Resourcing and planing - a summary of the implications your proposed strategy will have for the resources your business needs. This will reflect financing requirements, as well as factors such as staffing levels, premises and equipment.

The plan needs to be implemented and this implementation process requires planning.

The key to implementation of the objectives identified in the strategic plan is to assign goals and responsibilities with budgets and deadlines to responsible owners - key employees or department heads, for example.

Monitoring the progress of the implementation plan and reviewing the strategic plan against implementation will be an ongoing process. The fit between implementation and strategy may not be perfect from the outset and the implications of implementing the strategy may make it necessary to tweak the strategic plan.

Monitoring implementation is the key. Using key performance indicators (KPIs) and setting targets and deadlines is a good way of controlling the process of introducing strategic change.

Your business plan is another important tool in the implementation process. The business plan is typically a short-term and more concrete document than the strategic plan and it tends to focus more closely on operational considerations such as sales and cash flow trends. If you can ensure that your strategic plan informs your business plan, you'll go a long way to ensuring its implementation.

COMUNICATION

Getting your plan to the right stakeholders at the right time is crucial to success. First, determine who should be getting the plan and take precautions about where you send it, i.e., you don't want it in the hands of competitors. Keep in mind that you may wish to withhold certain information depending on the target audience. For example, employees might not require detailed appendices. As a rule of thumb, these stakeholders should be on your distribution list:

➤ Your board of directors should receive a copy.

➤ Provide a copy to employees to help secure their buy-in; they have to know exactly what's expected of them.

Here are a few useful pointers about developing your strategic plan communications:

➤ Hold an employee meeting or forum to present your strategic plan; face-to-face communications are always more effective.

➤ Highlight certain sections of your plan in your company newsletter to reinforce messages to employees.

➤ Make sure you allow for employee feedback on your plan and encourage discussion.

➤ Be sure to include important portions of your plan in orientation material for new employees. i.e., operational objectives.

➤ Use your strategic plan to help you develop your marketing tools, but ensure outside agencies sign a waver of confidentiality.

➤ Make sure the look of our plan and printed or web communications are consistent and reflect your company's image.

A strategic planning checklist can remind you of all the activities that are important to be implemented. This will make it easier for you to not forget things especially if you have a strict chronological process of planning strategies for the business.

Here you can find an example:

Component	Status	Comments
Vision		
Mission		
Core Values		
Commentary for above		
Stakeholders Engaged		
Assessment		
Strategic Budget		
Customer Value Proposition		
Strategic Priorities		
Perspectives		
Strategic Objectives		
Intended Results		
Strategy Map		
Measures (or KPIs)		
Targets		
Initiatives		
Strategy Plan		
Communications Plan		
Reporting Plan		
Local Plans		
Plans Signed Off		
Strategy Process Evaluation		

Component	Status	Comments
Vision	√	Complete
Mission	√	Complete
Core Values		Too many values in the existing set
Commentary for above		Commentary to the Vision/mission is poor
Stakeholders Engaged		List need to be revised, sme's required
Assessment		Assessment was completed two years ago
Strategic Budget	√	Identified but not declared
Customer Value Proposition	√	Complete, study available
Strategic Priorities		Old set needs to be thrown out
Perspectives		Needs to be revisited, not balanced
Strategic Objectives		Some are strong, time has moved on though
Intended Results		These were never fully developed
Strategy Map		Never built a strategy map, needs serious attention
Measures (or KPIs)		Many operational measures in place, no strategic
Targets		Target only in place for incentive plan
Initiatives		Initiatives not properly linked to strategy
Strategy Plan		Documented but strategic process not followed
Communications Plan		None – all ad-hoc
Reporting Plan		Some useful reports in place
Local Plans		Some local plans have been developed
Plans Signed Off		Nothing signed off this year
Strategic Process Evaluation		Strategic process evaluation never considered

MODULE 2:

TRAINING CONTENTS OF THE MARKETING AND COMMUNICATION COURSE

Marketing is the practice of increasing awareness, consideration, purchase and preference for a product or service through consumer-driven benefits, advertising, packaging, placement, pricing and promotions.

Historically, marketing was a one-way interaction but is increasingly becoming two-way through the use and influence of social media and viral marketing which is often fuelled by the company offering the good or service. Marketing in fact, was traditionally only the means by which an organization communicates to, connects with, and engages its target audience to convey the value of and ultimately sell its products and services. However, since the emergence of digital media, in particular social media and technology innovations, it has increasingly become more about companies building deeper, more meaningful and lasting relationships with the people that they want to buy their products and services.

The ever-increasingly fragmented world of media complicates marketers' ability to connect and at the same time presents incredible opportunity to forge new opportunities.

The term marketing generally refers to what a company does to create value for customers, but marketers have a major role in setting their company's strategic direction. Successful marketing requires a deep knowledge of customers, competitors, and collaborators   —and great skill in serving customers profitably.

DIFFERENT APPROACHES TO MARKETING

As sad before, it is widely accepted that the marketing concept has known a number of evolutionary stages in the developed countries and these stages are also known as marketing approaches or marketing philosophies. The marketing philosophies have undergone a thorough and gradual change that took place during the latter-half of the 18th and first-half of the 19th centuries. Some have associated such approaches with the history of the businesses and come up with a number of orientations according to the different aspects emphasized by the organisations in time: the production era, the sales era, the marketing concept era and the societal marketing era.

Production Orientation Philosophy:

This phase, that was prevalent before 1940, can be seen as an inevitable consequence of mass industrialisation. This era of the development of marketing is characterised by a continual focus upon the product. Manufacturers work on the assumption that products, when produced in sufficient quantities and at the correct price, generate consumer demand. When sales fall, the response is therefore simply to lower prices further through increased productivity. It is a simple philosophy and highly effective in situations where demand far outstrips supply.

Under this concept, production is the starting point. The product acceptability occurs after the product is produced.

So, the production orientation centres management of the marketing function around mass production of the product itself, continuous cost reduction and product innovation forming the basis of marketing strategy. Such an approach is very effective where demand far outstrips supply, but the techniques employed are easily replicated by competitors and the tactic is vulnerable to marketing myopia and problems of consumer-product "fit".

Sales Orientation Philosophy:

The adoption of a sales orientation can be seen as an intuitive reaction to the problems of the production oriented phase. If demand is falling, simply go for the "hard sell" and persuade customers to buy through aggressive promotion. It is this philosophy which leads to the common lay view of marketing as merely being "selling".

The assumptions of this philosophy are:

1. Producing the best possible product.
2. Finding the buyer for the product,
3. The management's main task is to convince the buyers through high pressure tactics, if necessary.

The problem with this approach is that it still focuses attention firmly on the product as produced, the emphasis being upon sales rather than consumer satisfaction. This is fine where a company's market affords few opportunities for repeat business. Even here, though, it can be argued that dissatisfied customers can damage a company's reputation through word of mouth. Moreover, where competition intensifies, a sales orientation

demands ever larger budgets in order to merely hold on to existing consumers. Quite simply, a company ends up spending more and more money on promotion just to stand still.

The philosophy has been prevailing since 1940. It is more prevalent in selling all kinds of insurance policies, consumer non-durables and consumer durable products, particularly the status-symbols.

Customer Orientation/ Marketing Concept Philosophy:

This philosophy was brought into play during 1950s and points out that the fundamental task of business undertaking is to study and understand the needs, wants, desires and values of potential consumers and produce the goods in the light of these findings so that consumer specifications are met totally.

The starting point is the customer rather than the product. The enterprise is to commence with the consumer and to end with the requisite product. This philosophy emphasizes the role of marketing research well before the product is made available in the market place.

The assumptions are:

1. The firm should produce only that product as desired by the consumer.
2. The management is to integrate all its activities in order to develop programmes to satisfy the consumer wants.
3. The management is to be guided by 'long-range profit goals' rather than 'quick sales.'

This approach meant two basic changes namely:

1. Move from production to market-orientation,
2. Gradual shift from age old "Caveat emptor" to "Caveat vendor".

Such a consumer focused philosophy (as opposed to the selling philosophy), adds to the approach other concepts specific to the marketing orientation, such as consumer behaviour, market segmentation, positioning, marketing mix activities: product policy, pricing policy, distribution policy and promotion policy:

- In order to satisfy the consumers, organizations have to find out first who these consumers are. Therefore concepts such as *market segmentation* are used to identify different target markets;

- Secondly the organizations have to identify what consumers need and want. The use of the concept of *consumer behaviour* and the study of the consumers' behaviour is one way to fulfil the marketing core goal. Usually the steps of the consumer buying decisional process are used to characterize consumer behaviour;

- After targeting the market segments of interest the organization decides on the *positioning* strategy, usually based on differentiation from its competitors;

- Further on, based on the information gathered through the previous activities, organizations have to produce what consumers need and want. Such products that satisfy the needs and wants of consumers are to be marketed using the basic *marketing mix* activities: product, price, distribution and promotion, also called the transactional marketing;

Social Orientation Philosophy:

This philosophy cares for not only consumer satisfaction but for consumer welfare or social welfare. Such social welfare speaks of pollution-free environment and quality of human life.

Thus, a firm manufacturing a pack of cigarettes for consumer must not only produce the best cigarettes but pollution-free cigarettes; an automobile not only fuel efficient but less pollutant one.

In other words, the firm is to discharge its social responsibilities. Thus, social welfare becomes the added dimension.

The assumptions of social-orientation philosophy are:

1. The firm is to produce only those products as are wanted by the consumers,
2. The firm is to be guided by long-term profit goals rather than quick sales.
3. The firm should discharge its social responsibilities,
4. The management is to integrate the firm's resources and activities to develop programme to meet these individual consumer and social needs.

This social oriented philosophy is the latest and is considered as an integrated concept. This philosophy, as it covers earlier long-standing concepts, is bound to rule the marketing world for pretty long time.

MARKETING PLAN

As a result of the evolution of the concept of marketing, the function of marketing becomes a complex process which can be organized in a marketing strategic plan.

The Marketing Plan is a written strategy for selling the products or services of a new business, a road map for finding and keeping customers. It is a reflection of how serious a company is in meeting the competition head on, with strategies and plans to increase market share and attract customers. By planning marketing step by step, it is possible to give to the company the best chance of success in today's competitive marketplace.

A good marketing plan will help to improve odds against more experienced competitors and newly emerging ones. The plan enables to recognize and take action on any trends and consumer preferences that other companies have overlooked, and to develop and expand selected group of loyal customers now and into the future.

The plan also shows to others that the company have carefully considered how to produce a product that is innovative, unique and marketable. It will improve chances of stable sales and profits and it will increase reasons for investors to finance the business.

For these reasons an effective marketing plan is backed by carefully collect market's, consumer's and competitor's information.

Brand analysis and definition:

The brand analysis is a process of analysing how a business presents itself to consumers and how it wants to be perceived by them. Consists on defining exactly and clearly what the target is and where the company strive to arrive.

This process is fundamental to well define the business to customers and it is also fundamental for professionals who work in the business as a result of having a clear idea on how to work and in which direction.

During the definition of the brand, it is fundamental to integrate the future marketing plan with the founding purpose and organizational commitments (mission) and with the goals and aims of what an organization would like to achieve or accomplish (vision).

 These two statements (mission and vision) are fundamental element characterizing a company, which have to be defined not only to develop a good marketing strategy but to assure a good business in general. For this reason the brand analysis and definition have to be the first thing through which starting the marketing plan development. It is important to develop or integrate the plan according to:

1. What the vision statement is: define what to achieve, core values and brand's reflection of them.
2. What the value proposition is: define what values are provided to customers that no one else can supply.
3. What the positioning statement is: how to be perceived in the marketplace.

Practical experience: Professionals will underline and emphasize the mission and the vision of the company in which working. If already present, they will try to ameliorate it. Then, they will answer the three questions 1) what is the vision statement? 2) What is the value proposition? 3) What is the positioning statement?

Consumer's identification is a very important process for small business to increase their capability to be customer-focused and innovate in the organization of the company. Understanding consumers is the key to a successful marketing strategy. Unfortunately, however, the mind of the consumer is not always easy to understand.

In this process is very significant to identify the target market, describing how the company will meet the needs of the consumer better than the competition does. It is also fundamental to list the expectations consumers have for the type of product chosen; since demands may be different, products and services will vary between competitors. Quality, price and after sales service are just some of the areas where this difference occurs.

Secondly it will be very important to identify the segment of the market that will benefit from the product and area of expertise as well as the approach to selling the product or service.

Finally, predicting the sales potential that may be realized by tapping into and holding onto the target market, and attracting others through different strategies and approaches. These different approaches can be all done at the same time or be more incremental - obtaining a core audience for the product or service first, and then expanding into the rest of the market. It is fundamental to identify the sales potential for each of target groups.

After that a good part of the planning should be dedicates to the analysis of the digital world offers which comprehends a wealth of opportunity to positively influence customers and the organisation. Using the right blend of quantitative, qualitative and psychological analysis will help deliver the benefits that this opportunity affords. The most successful organisation will be those that understand both the data and the human being behind it.

How to get data?

To successfully compete in today's marketplace, small businesses need the tools that larger companies use. Of course, small businesses don't have all the resources of an enterprise-level corporation, like data scientists, analysts and researchers. However, there

are many ways that small business can gather, analyze and make sense of the data they already have, as well as gain additional insights to help level the playing field.

A good example of a tool for data analysis for SME is Google Analytics. It is Google's free digital analytics platform and it gives small businesses the tools to analyze website data from all touch points in one place. It make possible to extract long-term data to reveal trends and other valuable information to realize data-driven decisions. For instance, by tracking and analyzing visitor behaviour, such as where traffic is coming from, how audiences engage and how long visitors stay on a website it is easier to make better decisions when striving to meet website's or online store's goals. It is also possible to analyze social media traffic to develop new social media marketing campaign based on what is and isn't working. Studying mobile visitors can help to extract information about customers browsing sites on their mobile devices as a result to provide a better mobile experience.

Another tool could be IBM's Watson Analytics, an instrument that makes advanced and predictive business analytics easily accessible to small businesses. The platform doesn't require any skills of using complex data mining and analysis systems, automating the process instead. It is a self-service analytics solution which includes a suite of data access, refinement and warehousing services; it gives to small enterprise the tools to prepare and present data in a simple and actionable way to guide decision-making.

Practical experience: Professional will make a research of a tool that could be suitable for their business and after they will develop a short consumers' analysis of the company.

Understanding of competitors

The competitors' analysis is a statement of the business strategy and how it relates to the competition. The purpose of this analysis is to determine the strengths and weaknesses of the competitors within, the proper market and strategies that will provide a distinct advantage, the barriers that can be developed in order to prevent competition from entering the new market, and any weaknesses that can be exploited within the product development cycle.

The first step in a competitor analysis is to identify the current and potential competition. There are essentially two ways to identify competitors. The first is to look at the market from the customer's viewpoint and group all competitors by the degree to which they contend for the buyer's euro. The second method is to group competitors according to their various competitive strategies to understand what motivates them.

The second step is to start analyzing competitors' strategies and identifying the areas where they are most vulnerable. This can be done through an examination of competitor's weaknesses and strengths. A competitor's strengths and weaknesses are usually based on the presence and absence of key assets and skills needed to compete in the market.

Practical exercise: Analyse the business of a possible competitor. The professional will use online searches as tools get information which are published and available for general consumption. Professional will analyze: annual reports, company profiles, product brochures, press releases and articles published in the media.

After that, they will be able to answer a series of questions about the competitor analyzed.

SPECIFIC TOOLS TO ANALYSE THE BUSINESS

There are different tools or approaches that can be used to analyse the marketing process and all brand's, consumers' and competitors' characteristics. Some of them are: the SWOT analysis, the Boston Consulting Group matrix and the General Electric matrix.

SWOT analysis

SWOT analysis is an instrument to choose the best strategy for a company and a tool by which the necessary information can be analyzed to develop competitive strategies. SWOT analysis is determined by the role of entrepreneurial skills in business success. Competitive analysis in small and medium enterprises may consider:

Strengths:

This element addresses to things that the company does especially well. Strengths are qualities that separate the enterprise from all the competitors. This could be something intangible, such as the company's brand attributes, or something more easily defined such as the unique selling proposition of a particular product line. It could also be something tangible such as intellectual propriety, capital and proprietary technologies. Sometimes important strengths are represented by the people working in the enterprise or the literal human resources (strong leadership, or a great engineering team) by the local assets and by the competitive wage.

Weaknesses:

 This element represents things that the company lacks, something that the competitors do better than the company. They are represented by obstacles to growth (problems), for example, poverty, complex regulatory procedures, inadequate infrastructure, limited access to credit etc.

Opportunities:

Opportunities are all the undeserved markets for specific products or services. They are characterized by a short number of competitors in the business area of the company and by the emerging needs of consumers for new products and new services. They could be represented by external favourable conditions, for example, technological changes which create new competitive advantages, new convention international trade and expanding markets.

In short, this element of a SWOT analysis covers everything that it's possible to do to improve sales, grow as a company, or advance the organization's mission.

Threats:

Threats are everything that poses a risk to either the company itself or its likelihood of success or growth. This could include things like emerging competitors, changes in regulatory law, financial risks, virtually everything else that could potentially jeopardize the future of your company or project, and unfavourable exogenous conditions   (closing factories and demographic changes).

STRENGTHS
- Things your company does well
- Qualities that separate you from your competitors
- Internal resources such as skilled, knowledgeable staff
- Tangible assets such as intellectual property, capital, proprietary technologies etc.

WEAKNESSES
- Things your company lacks
- Things your competitors do better than you
- Resource limitations
- Unclear unique selling proposition

OPPORTUNITIES
- Underserved markets for specific products
- Few competitors in your area
- Emerging need for your products or services
- Press/media coverage of your company

THREATS
- Emerging competitors
- Changing regulatory environment
- Negative press/ media coverage
- Changing customer attitudes toward your company

≋ WordStream

2.2.2 Boston Consulting Group model

The BCG Strategic Portfolio Model is a method of approaching and analyzing business marketing and growth, developed by the Boston Consulting Group. It is based on the observation that the company's business units (or the possible range of products/services on the market, if talking about new entrepreneurial activities) can be classified into four categories based on combinations of market growth and market share relative to the largest competitor. Market growth serves as a proxy for industry attractiveness, and relative market share serves as a proxy for competitive advantage. The matrix thus maps the business unit positions within these two important determinations of profitability and it is a system to classify business enterprises based on their potential for profits and growth.

The matrix is composed by:

Stars:

A star is a product with high growth and a high market share. To maintain or initiate the growth of their star products, a company may have to invest money to improve them and how they are distributed as well as promote them.

Cash Cows:

A cash cow is a product with low growth and a high market share. Cash cows have a large share of a shrinking market. Although they generate a lot of cash, they do not have a long-term future.

Companies with cash cows need to manage them so that they continue to generate revenue to fund star products.

Questions marks:

Questions marks represents high growth, low market share. They are usually new product category or new products or business for the organization and they have the potential, but

it is not clear which direction will the business go next. Usually they requires huge investments.

Dogs:

A dog is a product with low growth and low market share. Dogs do not make much money and do not have a promising future. Companies often get rid of dogs. However, some companies are hesitant to classify any of their products as dogs. As a result, they keep producing products and services they shouldn't or invest in dogs in hopes they'll succeed.

General Electric Matrix

The problem of resource scarcity is affecting the decisions the companies make. With limited resources, but many opportunities of using them, the businesses need to choose how to use their cash best. The question of where and how much to invest is an ever going headache.

In the 1970s, General Electric commissioned McKinsey & Company to develop a portfolio analysis matrix for screening its business units. The GE McKinsey Matrix or GE Matrix is a variant of the Boston Consulting Group portfolio analysis.

Concerning the General electric Matrix it is important to say that this approach does not consider only the development flow, but analyse a series of variables characterizing the market such as the dimensions, the intensity of the competitors, the profits, the costs and the supply.

It comprises two axes. The attractiveness of the market is represented on the y-axis and the competitiveness and competence of the business unit are plotted on the x-axis. Both axes are divided into three categories (high, medium, low) thus creating nine cells. The business unit is placed within the matrix using circles. The size of the circle represents the volume of the turnover.

The nine-box matrix plots the BUs on its nine cells that indicate whether the company should invest in a product, harvest/divest it or do a further research on the product and invest in it if there're still some resources left.

The GE matrix provides the current picture of industry attractiveness and the competitive strength of a business unit and doesn't consider how they may change in the future. Further analysis may reveal that investments into some business can considerably improve their competitive positions or that the industry may experience major growth in the future.
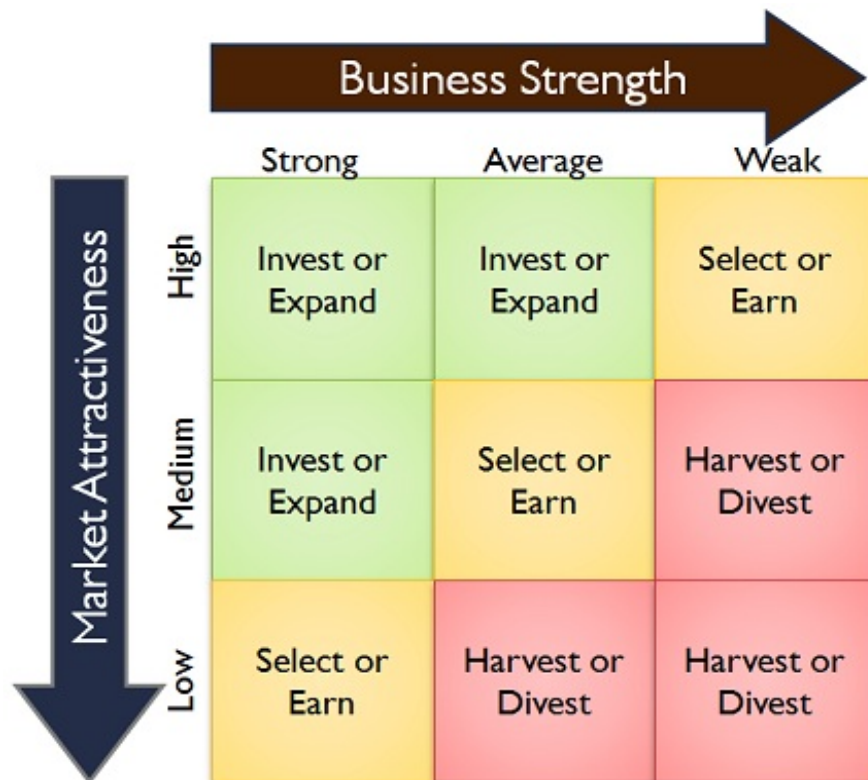
Marketing strategies refers to the systematic planning of marketing activities aimed at achieving organizational goals. The ultimate purpose of marketing strategies is to develop and deploy organization's resources to create the most value for customers and other stakeholders.

Marketing mix

To develop a particular strategy for a specific business, the first thing to focus on is the development of the activities of marketing as a comprehensive business process that includes design, development, production, and promotion. Marketing is commonly only associated with the promotion aspect of this process, but it is not; marketers should be engaged throughout all the production phases in order to refine a good marketability.

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The term <u>marketing mix strategy</u> refers to this end to end view of the production process of goods or services and refers to the concept of taking into consideration all the relevant and essential factors that are to contribute towards the success of the marketing endeavours. It is a mix of all variables that the company has to take advantage of to overcome aims and objectives of sales and to satisfy all needs of all potential customers. This way of thinking unable professionals to choose tactics that reach their target audience with little waste and that will directly help them achieve to marketing goals.

The four variables of the marketing mix are: product, price, place and promotion.

- **Product:**

A product policy envisages the offering of products and services in accordance with the consumer expectations. Part of the product policy is also branding, seen as the creation of an attractive image of an institution in the market place.

A product is an item that is built or produced to satisfy the needs of a certain group of people. It can be intangible or tangible as it can be in the form of services or goods.

It is essential to ensure to have the right type of product that is in demand for the specific market where working. So during the product development phase, the marketer must do an extensive research on the life cycle of the product that they are creating.

A product has a certain life cycle that includes the growth phase, the maturity phase, and the sales decline phase. It is important for marketers to reinvent their products to stimulate more demand once it reaches the sales decline phase.

Marketers must also create the right product mix. It may be wise to expand the current product mix by diversifying and increasing the depth of the product line.

- **Pricing:**

A pricing policy envisages the exchanges that take place for the ownership of the good or service. However, from the consumers' perspective pricing refers to the value of the perceived quality received in exchange for the paid price;

The price of the product is basically the amount that a customer pays for to enjoy it. Price is a very important component of the marketing mix definition.

It is also a very important component of a marketing plan as it determines the firm's profit and survival. Adjusting the price of the product has a big impact on the entire marketing strategy as well as greatly affecting the sales and demand of the product.

This is inherently a touchy area though. If a company is new to the market and has not made a name for them yet, it is unlikely that the target market will be willing to pay a high price.

Although they may be willing in the future to hand over large sums of money, it is inevitably harder to get them to do so during the birth of a business.

Pricing always help shape the perception of the product in consumers eyes. It is crucial to always remember that a low price usually means an inferior good in the consumer's eyes as they compare the good to a competitor.

Consequently, prices too high will make the costs outweigh the benefits in customer's eyes, and they will therefore value their money over the product. It is better to always be sure to examine competitors pricing and price accordingly.

- **Distribution:**

A distribution policy refers to the ways through which the organization makes

the product/service available to the consumers. The placement (or distribution) is a very important part of the product mix definition. It consists in positioning and distributing the product in a place that is accessible to potential buyers.

This comes with a deep understanding of the target market. It is crucial to understand them inside out to discover the most efficient positioning and distribution channels that directly speak with the business' market.

There are many distribution strategies, including:

- Intensive distribution
- Exclusive distribution
- Selective distribution
- Franchising

- **Promotion:**

A promotion policy deals with means of communications between the organization and its targeted markets.

Promotion is a very important component of marketing as it can boost brand recognition and sales. Promotion is comprised of various elements like:

- Sales Organization
- Public Relations
- Advertising
- Sales Promotion

Advertising typically covers communication methods that are paid for like television advertisements, radio commercials, print media, and internet advertisements. In contemporary times, there seems to be a shift in focus offline to the online world.

Public relations, on the other hand, are communications that are typically not paid for. This includes press releases, exhibitions, sponsorship deals, seminars, conferences, and events.

Word of mouth is also a type of product promotion. Word of mouth is an informal communication about the benefits of the product by satisfied customers and ordinary individuals. The sales staff plays a very important role in public relations and word of mouth.

It is important to not take this literally. Word of mouth can also circulate on the internet. Harnessed effectively and it has the potential to be one of the most valuable assets you have in boosting your profits online. An extremely good example of this is online social media and managing a firm's online social media presence.

 All the four variables must be considered in developing the strategy to undertake for each specific business.

After having defined the business and the market, it is important to focus on how to realize it the marketing plan and how to communicate and to promote it.

Promotion is the aspect of marketing that involves delivery of company, brand or product messages to target customers. Several tools are used by companies to aid the delivery of both paid and unpaid promotional methods. Each tool contributes a different way to reach customers and achieve communication objectives.

Marketing and communication can take place on a variety of mediums or platforms. The traditional mediums include print, radio, television, direct mail and telephone; while the online mediums include email, social media, pay per click marketing, search engine marketing, mobile's marketing and so on. There are benefits and costs to each type of marketing so it is critical to understand the objectives of each marketing campaign and utilize the medium that best facilitates them.

TRADITIONAL TOOLS:

- *Print*

Newspapers, magazines, printed telephone directories and billboards all fall within the category of print media. Although many of these media outlets have dwindles in market penetration but retain key importance with certain demographic groups. For example telephone books have become almost antiquated as the majority of the country utilizes online resources to locate contact information, yet a large number of consumers in rural communities and internet starved areas continue to depend on them.

Newspapers still retain considerable prestige and relatively high consumption rates in some areas. Many groups of consumers including older, more tradition bound consumers continue to receive their daily news in a printed, hard copy format, but there is no doubt that the trend is for printed papers to reach fewer consumers. Publishers have tried to counter this by publishing a large portion of their content online. Marketers who

wish to reach certain market segments may wish to consider utilizing this form of print and online marketing.

Many magazines have also migrated to the online format in order to reach their target audience and reduce publication costs, but many of the more established, mass market magazines continue to publish in printed format. Like newspapers, the segment of the population that consumes news and content in this format is dwindling but certain groups of consumers remain loyal to this medium.

Billboard marketing has not seen the reduction in effectiveness that other print mediums have, primarily due to their limited marketing function of creating marketing impressions on drivers. This form of marketing has been effective for some types of brand awareness and local event promotion, which should continue in spite of the rising popularity of online marketing platforms.

- *Radio*

A broadcast medium like radio can be extremely effective in reaching a key demographic. Because most radio stations are limited to a particular genre of music like pop, classical, urban or country, their listeners often possess similar characteristics. In combination with accurate marketing research, a radio marketing campaign can communicate a promotional message to a target segment with a high degree of success.

- *Television*

This is one of the most expensive marketing platforms and requires considerable preparation in researching the peak times for reaching the target consumer as well as in production of the commercial, infomercial or product placement. Television remains the most powerful form of marketing despite the advent of the internet, with most Americans spending more than four hours a day viewing TV programs. Purchasing ad time is a huge investment for many small and mid-size companies, so a well strategized marketing campaign is essential.

- *Events*

Sponsoring major events and community activities serve as promotional opportunities for companies as well. Small businesses often gain public favour by active involvement in local events. A presence at local fairs, non-profit events and school functions can all

improve the rapport and goodwill with the communities in which the company operate the business.

- *Direct Mail*

Direct mail marketing utilizes flyers, letters, and catalogs to reach a target consumer. Despite the popular impression that direct mail is widely dispersed and inefficient form of marketing, many successful direct mail marketers employ highly sophisticated marketing techniques that use detailed profiles of potential customers to improve conversion rates. Direct mail has continued in its effectiveness due to the value of tangible advertisements which are in contrast to the ephemeral nature of online promotions.

ONLINE TOOLS:

- *Website*

The website is nowadays the presentation image of the company or the business. It is the first thing that customers and, in general, all stakeholders can use to get informed about the company. It is fundamental to define how to create or update the website. To do this, it is important to dedicate lot of time to design it trying to obtain a modern, attractive and effective one. After getting an idea of the design, the focus have to be the contents elaborating what kind of contents will pass through the website and establishing who will be responsible for regularly producing and managing it.

- *Email Marketing*

Email marketing has been an essential medium for marketing strategies since the inception of online marketing. The use of ads, newsletters and other content that is directly sent to consumers who have expressed interest in the product or business remains a very successful way of generating consumer interest and maintaining a relationship with customers. Due to the narrow window of consumer responses, email conversion rates can be measured with a very high degree of accuracy, which allows marketers to develop very sophisticated metrics and strategies for this important medium.

Emailing is an inexpensive way to advertise a company and its products or services compared to many other types of marketing. It's also extremely easy to set up and track

an email marketing campaign, making it a very accessible type of marketing for small businesses.

Tips for emailing: 1) Build a personal list of customers. 2) Adhere to the rules of having a non-deceptive subject line, a method of unsubscribing, and the name and address at the end of the emails. 3) Don't just send out ads to buy all the time. Use emails to build rapport with customers by sharing expertise, giving tips and insights that customers can value. Share information that lets them know more about company.4) Stick to a schedule if doing a newsletter. Sending email on a regular day or days that can help subscribers know what to expect from the company.

- *Social media*

Social media sites like Facebook, Twitter and Linkedin have huge followings that present enormous marketing possibilities for businesses. The ability to gauge consumer interest in products, brands and social trends offers a huge amount of valuable information that marketers can utilize to create effective and narrowly targeted marketing campaigns. There are considerable costs and challenges associated with the use of these platforms, but a highly successful social media marketing campaign can produce enormous consumer interest.

Social media marketing can help with a number of goals, such as: increasing website traffic, building conversions, raising brand awareness, creating a brand identity and positive brand association, improving communication and interaction with key audiences.

The bigger and more engaged the audience is on social media networks, the easier it will be to achieve every other marketing goal.

- *Affiliate marketing*

Affiliate marketing is an advertising model where a company pays compensation to third-party publishers to generate traffic or leads to the company's products and services. The third-party publishers are referred to as affiliates and the commission fee incentivizes them to find ways to promote the company.

Affiliate marketing has increased in prominence with the internet age. Amazon popularized the practice by creating an affiliate marketing program where websites and

bloggers put links to the Amazon page for a product being reviewed or discussed in order to receive advertising fees when a purchase is made. In this sense, affiliate marketing is essentially a pay for performance marketing program where the act of selling a consumer on a product is outsourced across a potentially vast network.

- *Video marketing*

Video marketing is a new type of internet marketing and advertising in which the company create 2-5 minutes short videos about a specific topics related to the business and its promotion and summarize what could be written in a presentation or informative article in this video. The videos are then uploaded to various video sharing websites like YouTube or Social Media for distribution and exposure.

There are many types of video that can be published such as customer's testimonials, videos from live events, how-to videos, explainer videos and corporate training videos.

This tool for making marketing serves as an alternative medium for business to convey the message to a wider audience and to get more exposure.

The benefits of a video marketing are many. First of all, videos can increase the search engine ranking, click-through rates, open rate and conversions. Video are very easily accessible, in fact with a smartphone consumers can access online video anytime and anywhere. Moreover video are very effective and emotional and for this reason really powerful.

Developing a video marketing campaign is most often accomplished by conducting market research, competitive analysis and gathering target market insights. Once having this information it is easy to shape the strategy. After creating a strategy and developing a specific message, it is important to select a production company to make the vision come to life.

- *Pay per click Marketing (search engine)*

Pay per click is often associated with banner ads, pop up ads and sponsored links. It is a model of internet marketing in which advertisers pay a fee each time one of their ads is clicked. Essentially, it's a way of buying visits to a site, rather than attempting to "earn" those visits organically.

-Search engine advertising *(SEA)* is one of the most popular forms of pay per click marketing. It allows advertisers to bid for a placement in a search engine's sponsored links when someone searches on a keyword that is related to their business offering. For example, if biding on the keyword "PPC software," the show up is in the very top spot on the Google results page. This form of marketing is commonly priced upon the number of clicks upon the ad or link. Pay per click marketing remains important for its ease of use, highly measurable effectiveness and modest ROI, but his model of marketing has diminished in importance as consumers have become inured to ubiquitous use of ads and links.

-Search engine optimization *(SEO)*, is a set of rules that can be followed by website (or blog) owners to optimize websites for search engines and thus to improve search engine rankings. It is a technical, analytical and creative process to improve the visibility of a website and also to increase the quality of web sites. In others words in the process of getting traffic from the free search results on search engines. The primary function of SEO is to drive more unpaid useful traffic to a site that converts into sales.

The goal of search engine optimization is to have the search engine spiders not only find the site and pages but also specifically rank the page relevance so that it appears at the top of the search engine results. The process of optimization is not a one-time process but requires maintenance, tuning, and continuous testing and monitoring.

The process for a strategy for search engine optimization is:

1) *Target market business analysis. Consisting in website analysis, competitive analysis and keyword nomination.*
2) *Create page titles.* Keyword-based titles help establish page theme and direction for the company keywords.
3) *Place strategic search phrases on pages.* Integrate selected keywords into the website source code and existing content on designated pages. It is important to apply a suggested guideline of one to three keywords/phrases per content page and add more pages to complete the list. Ensure that related words are used as a natural inclusion of the keywords. It helps the search engines quickly determine what the page is about.
4) *Develop new sitemaps for Google and Bing.* Make it easier for search engines to index the website.

5) *Submit website to directories (limited use).* Professional search marketers don't submit the URL to the major search engines, but it's possible to do so. A better and faster way is to get links back to the site naturally. Links get your site indexed by the search engines. However, you should submit your URL to directories such as Yahoo! (paid), Business.com (paid) and DMOZ (free).

6) *Test and measure.* Analyze search engine rankings and web traffic to determine the effectiveness of the programs that has been implemented, including assessment of individual keyword performance. Test the results of changes, and keep changes tracked in an Excel spreadsheet, or whatever you're comfortable with.

7) *Maintenance.* Ongoing addition and modification of keywords and website content are necessary to continually improve search engine rankings so growth doesn't stall or decline from neglect. It is also important to review the link strategy and ensure that the inbound and outbound links are relevant to the business. A blog can provide the necessary structure and ease of content addition.

MODULE 3:

STRATEGIC PLANNING AND GOALS SETTING COURSE CONTENTS

Planning helps assure that an organization remains relevant and responsive to the needs of its community, and contributes to organizational stability and growth. It provides a basis for monitoring progress, and for assessing results and impact. It facilitates new program development. It enables an organization to look into the future in an orderly and systematic way.

Even if, for entrepreneurial activities, the board of directors is composed by few people or only one person, it is crucial to analyse the governance perspective. From this point of view, planning enables the board to set policies and goals to guide the organization, and provides a clear focus to directors and staff for program implementation and agency management.

Inside a company, both for small companies and bigger companies, it is crucial to have a view and orientation to future as a result to make desirable things happen that would not happened otherwise and preventing undesirable things from happening that would otherwise occur.

For this reason, planning is very important for successfulness and effective performance of an organisation, not only for organisations but also for individuals. It is the most basic of all the managerial functions. It involves selecting mission, vision and objectives and the actions to achieve them. Therefore every organisation gives a greater emphasis on planning.

Planning is the continuous process of making present entrepreneurial decisions systematically and with best possible knowledge their futurity, organizing systematically the efforts needed to carry out these decisions and measuring the results of these decisions against the expectation through organised systematic feedback. In other words, planning bridges the gap from where a company is and to where the company wants to go.

Strategic planning serves as a roadmap and is used to prioritize initiatives, resources, goals, and department operations and projects. It involves big-picture thinking focused on directing efforts and limited resources toward clearly defined priorities.

The process starts with a vision, evolves to strategic issues that must be addressed to achieve that vision, and then culminates with the development of long-range goals and objectives that provide decision making and budgetary direction.

To settle a concrete and efficient strategic plan there are different steps to follow.

It is firstly important to define the mission and the vision statements of the company to clarify what the company is trying to accomplish and what the organisation wants to accomplish.

After, it is crucial to define which ones are the values and which ones are the issues of the company. The values are the guidance of the company works and by clarifying them it would be easier to establish in which manner the organisation will accomplish the objectives and how to take advantage of competitive advantages. The issues represent all problems that the company has to face and which barriers have to face to accomplish the vision.

Consequently, after having analysed the situation, it is important to establish goals for the organisation and to develop an action plan of the specific objectives that address the goals.

Lastly, once the written plan will be finalized it will be the time for monitoring and reporting the progress.

The vision statement outlines where the business is headed. It is future-oriented, because it's about where the company is going. At the same time, it provides a guiding light for the day-to-day work of the business.

Step 1: What is a vision statement?

Before being able to write a vision statement, it's a good idea to know what the company is working on.

A vision statement can be between one line and several paragraphs long. It provides direction and inspiration for the company. It sets out the most important goals, but doesn't include a practical plan to achieve those goals.

It outlines how the company helps people, the value it offer to the world, and what it plans to achieve as a business.

Ideally, a vision statement should be written in ordinary, everyday language that is meaningful to the company, the customers and the employees.

A vision statement is:
- *Aspirational* in that it's about goals. Once the company achieve the vision, it will need to write a new vision statement.
- *Inspirational* in that it provides life and direction to the day-to-day work.
- *Motivational* in that it provides a reason for the work that the company is doing.

Step 2: Revisit the strategic plan

Everything needed to write the vision statement is in the strategic plan. If the company has already started work on the strategic plan, it can go back through it has done. Otherwise, it will need to work on the following:

- The elevator pitch. This outlines what a company do and how it helps people. For this exercise, to expand on the elevator pitch it important to go into more depth.

- The business values. The values can form part of the business statement, especially if the company is still moving toward a place where the business reflects the values. Even if the values don't explicitly make it into the vision statement, they should be present below the surface, informing everything.

- The business goals. Goals are a key part of a vision statement. It is important to only include the business goals that reflect the essence of the business. For the purpose of the vision statement, it's a good idea to look for patterns of the goals and combine them into a single aspiration. The down-to-earth part of how to achieve this big goal comes later, in the mission statement.

- The business strengths and opportunities. A vision statement can include maintaining the current strengths or taking advantage of new opportunities.

- The business story. The story gives the business an identity. As with the values, the story may not be explicit in the vision statement, but it should be present, supporting the vision statement.

Step 3: Make a vision board

Everything that has been collected from the strategic plan forms the *vision board*. This is the mixing pot out of which writing the vision statement.

To expand on the vision board it would be necessary to writing detailed answers to the following questions:

- Who does the business help?
- What's the purpose of the business?
- How does the company want to make the world a better place with the business?
- What problems does the business solve?
- What's the ultimate aim for the business?

Additionally, it might be helpful to collect pictures of successful businesses that serve the world in a similar way to business. Images can help to discover vibe, energy, and words before the company might not have thought of to include in the vision statement.

Step 4: Distil to the essentials

After having collated a ton of information in the vision board it is time to work through everything that has been collected and to discard anything that's not absolutely core to the

business. In this step it is crucial to remember that anything discarded can form part of the business plan.

Step 5: Write

The process of writing consists in taking the skeleton of the vision statement, and crafts it into something special.

It is crucial to:

- Use short words and sentences to keep it engaging. In general, the shorter it is the better it is for everything in the vision statement, including the vision statement itself.
- Limit to concrete language. As sad for the elevator pitch, if it is not possible to put it in a wheelbarrow, it's not concrete language.
- Focus on what the business does for others - how it helps the customers and how it inspires the employees.

Step 6: Ask for feedback

This step consists in asking others what they think. Get feedback from customers, employees and all stakeholders.

Step 7: Continually review

A vision statement has to be continually up for review. That doesn't mean the company need to think about changing it every day but it means that it is necessary to adapt it to the development of the company as the vision statement grows with the business.

HOW TO WRITE A MISSION STATEMENT

A mission statement explains what the business must do day-to-day to make the vision statement a reality. It is practical and rooted in the present. Because of its practical focus, a mission statement is easier to write than a vision statement.

Here's how to write a mission statement for the business:

Step 1: What is a mission statement?

A mission statement consists in a few short sentences or paragraphs outlining what the business does to achieve its vision statement.

Step 2: Get familiar with the vision statement

To write a mission statement, it is necessary to first create a vision statement. It is important that the two statements would be always according to each other to assure the credibility of the business.

Step 3: Write a mission statement

After having analysed and well prepare the vision statement it is important to start trying to understand how to make this vision realised. A mission statement tend to be customer-focused, so it is also important to consider what customers' needs are.

The easiest way to see how this is done is to use an example.

Let's take this vision statement:

I write awesome articles for business blogs that give their readers an "aha!" moment and keep readers coming back for more.

And see how this would become a mission statement:

I network with bloggers and business owners. I aim to brighten the day of everyone who contacts me by being a fun person to work with. I write great content that gives me an "aha!" feeling as I write it. I read a lot, online and offline, to keep my blogging ideas fresh.

In this example the mission statement doesn't cover *everything* of what the business does. There's a lot of paddling beneath the surface, bookkeeping and other admin. But it does cover most of what it, from marketing (networking and being fun to be around) to core

work (writing great articles) to giving people a glimpse of what goes on behind the scenes (reading a lot).

Step 4: Continually Review

As with the vision statement, a mission statement should be under continual review. Each time the vision statement changes, the mission statement will need to change too.

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DEFINE VALUES AND ISSUES OF THE COMPANY

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Before writing down the goals of a certain business it is very important to know which areas of the business need to be improved. To understand it, it is necessary to carry out an environmental scan which helps providing an understanding of how the organization relates to its external environment. The scan usually includes an external component, identifying and assessing opportunities and threats in the external environment, and an internal component, assessing organizational strengths and weaknesses.

This process is often referred to as "SWOT": strengths, weaknesses, opportunities, and threats but a number of different techniques can be used to determine where adjustments need to be made.

SWOT ANALYSIS

This essential technique involves a discussion of an organization's strengths, weaknesses, opportunities, and threats, commonly called SWOT analysis.

Strengths are current factors that have prompted outstanding organizational performance.

Weaknesses are organizational factors that increase costs or reduce quality.

Opportunities are significant new business initiatives available to the organization.

Threats are factors that could negatively affect organizational performance.

SWOT analysis is a gap analysis strategy used to identify the internal and external factors that affect the effectiveness and success of a product, project or person. Once these factors are determined, the company can then determine the best solution by playing to their strengths, allocating resources accordingly, while at the same time avoiding potential threats.

Therefore, SWOT analysis is an examination of an organization's internal strengths and weaknesses, its opportunities for growth and improvement, and the threats the external environment presents to its survival. It helps providing an understanding how the company relates to the external environment, what the internal capabilities are and it also serves as a baseline data for the strategic plan.

- The external component of the environmental scan should include a review of the target or service community and the broader environment in which the organization operates, to identify the opportunities and threats facing the organization. This might include the following: ...
  1. Consider forces and trends in the broader community, political, economic, social, and sometimes technological. Look at changing demographics, political trends, community values, economic trends, the implications of new or changing laws and regulations affecting the organization, communications and other technological trends; and consider their impact on the organization and the population it serves.
  2. Look carefully at the immediate target community or service area to determine its status and needs, and specifically those of current and potential clients and beneficiaries of the organization's services and advocacy. ...
  3. Consider opportunities and challenges related to resources and funders. ...
  4. Look at actual and potential collaborators and competitors, including organizations which may serve the same neighbourhood and target population or may seek funds from the same funding sources, public or private.

This process may involve something as extensive as a community needs assessment with interviews, focus groups, and fax or e-mail surveys that is conducted by a consultant, or may be limited to a small number of informal discussions with clients and other

community residents, public officials, funder representatives, and other appropriate individuals.

- The internal component of the environmental scan includes an assessment of the organization's strengths and weaknesses. This may include a number of components or approaches.

    1. It is important to assess current organizational performance in terms of financial and human resources (inputs), operating methods or strategies (processes), and results or outcomes (outputs). If the organization does not have extensive objective measures of its outcomes, performances can be partially determined through asking clients and stakeholders. It is important try to understand how key players or stakeholders in the broader community view the organization. Sometimes, brief written forms or interviews are sent to key stakeholders; interviews are best conducted by a consultant, to assure frank and honest responses. Once having this information, it is important to further analyze the reasons, in terms of inputs and processes, for perceived weaknesses in outcomes.

    2. It is often valuable to identify critical success factors for the organization. This step is not always included in strategic planning, but can be very useful. It is crucial to try to understand what factors are necessary to the future and continued success of the organization. These may be factors like relationship with target community, resources, program strategies, governance structure, and staff skills and style. Both board and staff can provide useful input to this process.

    3. The organization might want to review or formalize organizational values and operating principles. Some organizations have written values and principles which guide their decision making and their ongoing activities. These can be very helpful in "defining" the organization.

VALUES AND ISSUES

Only after having well analysed the business context it is possible to focus on what the specific values and the issues are.

As said, the values represent in which manner the company shall accomplish its vision whereas the issues are the barriers that the company must face to accomplish it.

The first step is to identify key issues, questions, and choices to be addressed as part of the strategic planning effort. This may mean specifying "strategic issues" or questions that the organization should address, and setting priorities in terms of time or importance. If there is little a disagreement about issues and priorities, it may be possible to move immediately to the organizational vision and then goals. If there is no agreement on general directions and organizational goals, it may be important to explore issue priorities and identify critical choices. This might be done in several ways.

For example:
- Board and staff might be asked to identify strategic issues from the environmental scan, with individuals identifying a specified number of issues and indicating why each is strategic, including the benefits of addressing it and the negative consequences of not addressing it. These issues might involve a wide range of program or other issues; some examples are the need for new programs to address a particular community need such as education or housing, expansion of the organization's target area from particular neighbourhoods to the entire city or county, agreement on who constitutes the organization's constituency, or a decision as to whether the organization should consider merging with another group.
- The planning group or a consultant working with the group might work to identify strategic issues emerging from the environmental scan, and then prioritize them in terms of importance, timing, and feasibility. The result should be a set of strategic issues that will be addressed as part of the strategic planning process, preferably during the retreat, and a second set that will not be addressed or will receive limited attention at the retreat.

Whatever the method used, the issues discussion should generate some level of agreement about issues or choices to be considered and decisions to be made as part of the strategic planning process.

The second step is to define or review the organization's values, community vision, and mission. It is crucial to be sure that there is consensus on why the organization exists, what goals or outcomes it seeks to achieve, what it stands for, and whom it serves. If it has specific mandates, which are things it must do or not do, then these should be clearly defined.

Organizational core values or operating principles are those beliefs or principles that guide the organization; these values are shared by board and staff, strongly held, and not easily changed.

Agreeing on values, vision, and mission is usually best accomplished as a part of a planning retreat or at a special meeting; the process will usually take several hours.

2.1 GAP ANALYSIS

A gap analysis is a method of assessing the differences in performance between a business' information systems or software applications to determine whether business requirements are being met and, if not, what steps should be taken to ensure they are met successfully. Gap refers to the space between "where we are" (the present state) and "where we want to be" (the target state). A gap analysis may also be referred to as a needs analysis, needs assessment or need-gap analysis.

While a gap analysis can be either concrete or conceptual, gap analysis templates often have in common the following fundamental components:

Identifying the current and future states

Current state:

 A gap analysis template starts off with current state, which lists the processes and characteristics an organization seeks to improve, using factual and specific terms. Areas of focus can be broad, targeting the entire business; the focus instead may be narrow,

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concentrating on a specific business process, depending on the company's outlined target objectives. The analysis of these focus areas can be either quantitative, such as looking at the number of customer calls answered within a certain time period; or qualitative, such as examining the state of diversity in the workplace.

Future state:

The gap analysis report should also include future state, which outlines the target condition that the company wants to achieve. Like the current state, this section can be drafted in concrete, quantifiable terms, such as aiming to increase the number of fielded customer calls by a certain percentage within a specific time period; or in general terms, such as working toward a more inclusive office culture.

Describing the gap

Gap description: In this step the company should first identify whether a gap exists between the company's current and future state. If so, the gap description should then outline what constitutes the gap and the factors that contribute to it. This description lists those reasons in objective, clear and specific terms. Like the state descriptions, these components can either be quantifiable, such as a lack of workplace diversity programs; or qualitative, such as the difference between the number of currently fielded calls and the target number of fielded calls.

Bridging the gap

Next steps and proposals: This final step gap analysis report should list all the possible solutions that can be implemented to fill the gap between the current and future states. These objectives must be specific, directly speak to the factors listed in the gap description above, and be put in active and compelling terms. Some examples of next steps include hiring a certain number of additional employees to field customer calls; instituting a call volume reporting system to guarantee that there are enough employees to field calls; and launching specific office diversity programs and resources.

Market analysis

To start and run a successful business it is important to know all about the potential and existing customers and the marketplace where the company operate in.

Market research is a valuable tool for all businesses. Statistics and other market research data help make informed decisions about the marketing of the business. Trough using market research, it can be easier to understand all potential customers and their needs, as well as what the competitors are doing.

Why is market research important?

Obtaining statistics and conducting market research can give a better understanding of the market, the customers and their needs; it can also be useful to have a better insight into the competitors. This greater understanding of the market can help to better focus on the marketing efforts, make informed decisions about the business and make the most of available opportunities.

How often should a market research be done?

It's important to regularly assess who the competitors are, their strengths and weaknesses, who the customers are and what they want, and whether there are any gaps in the market. This can be crucial during all stages, including starting, running or growing of the business.

It's also helpful to understand market trends to can make the most of each business opportunities. For these reasons it's crucial to always look for information in market reports, government statistics, trade publications and industry association publications to find out new developments and possibilities both in the industry and in the commercial environment.

Successful companies set goals. Without them, they have no defined purpose and nothing to strive for; consequently, they stagnate and struggle for meaningful accomplishments. Goals are steppingstones to an end result. They must be present in every business plan and become a regular part of ongoing business operations.

Transforming the vision into a series of key goals for the organization is extremely valuable.

Goals and objectives are directly derived from the unit's mission. The process of establishing goals and objectives helps to deconstruct the mission into achievable, concrete, time-bound actions that can measured in order to track progress.

It is important to emphasize that there is a difference between goals and objectives.

Goals are general statements of what to achieve. They derive directly from the mission (the overall purpose and core values) of the unit. Goals must be relevant, realistic, and achievable. They define the direction and the destination of the business and they are desired results that provide direction and guide decision-making. In other words, they represent a big picture of what the company wants to achieve.

Objectives state the specific actions that a company will take to achieve goals. Objectives must be specific, measurable, and time-bound. They are used to operationalize and measure achievement towards goals and they are essential for evaluating progress.

In other words, they are specific tactics concerning how to get to the established goals.

There is an important focus related to the setting of goals and objectives and this is business achievement. Business achievement is accomplished when challenging, yet

achievable goals are set for the business. These goals are pursued in a success-oriented, persistent, assertive and creative manner through planning, and through the efficient and effective application and management of skills and knowledge of employees and people involved in the business.

3.1 GOALS SETTING

Goal setting begins after the mission and vision statements finished.

The process consists in developing a series of goals or organizational status statements which describe the organization in a specified number of years and addressing the mission. It is also extremely valuable to transform the vision into a series of key goals for the organization, preferably in the form of status statements describing the organization.

Goals setting is a process that has to be simple and enjoyable, and has to follow the rules of "SMART" goals: simple, measurable, achievable, results oriented and time sensitive.

The most important thing, however, is to not set goals that are "too easy" or to not boost performance. It is best to challenge employees, expect them to challenge themselves with attainable goals that require considerable effort.

Goals might cover a variety of categories, for example stated as follows:

- o *Program:* "El Centro will operate an alternative high school with public school funding that will have a student body of 250"; "El Centro will provide comprehensive services to youth from pre-school through college age";
- o *Resources:* "El Centro will have a budget of $3 million and a staff of 40";
- o *Status:* "El Centro will be the largest and most respected non profit housing development corporation in Lake County";

- o ***Relationships:*** *"El Centro will be represented on major coalitions in its program areas and on the Boards of at least three major mainstream organizations";*

- o ***Institutional Development:*** *"El Centro will own its own headquarters building, which will also have space for rent to other community-based organizations"; "El Centro will have a fully computerized financial management and management information system, with all staff connected through a network".*

- o ***Governance:*** *"The El Centro Board will take an active role in resource development, taking responsibility for one major special event each year"; "The El Centro Board will establish three active working committees – Programs, Finance, and Resource Development – which will meet bimonthly and consistently have quorums."*

As in this example, there are different types of goals that can be considered and they could be group on the following categories of goals which can be the ones of the example or others such as: financial, customer service, employee-based, internal business process, image, reputation, community relations and philanthropy, sales and marketing.

These categories don't have to be strictly followed and it is not compulsory to specify the goals in each one of these areas at one time, but whichever chosen, it is crucial to be sure they reflect the corporate purpose and path.

Additionally, while none goal setting style is better than another, it is fundamental to play a special attention to it. The more closely a manager can match the employees' wishes with the goal-setting style, the better the chances for a successful outcome.

There are few tips that could be followed to set goals:

- **Assure leadership and cascading goals**

    Goals must be brought to life. Unfortunately, there is often a "disconnect" between what an executive staff understands about an organization's goals, and what the CEO believes it understands. In many cases, the staff truly don't even know what the goals are. To remedy this, it is important to set cascading goals which are goals at different levels of the company that must spill over (cascade) throughout the organization to be implemented. This creates horizontal alignment in a company. Once the vision and main categorical goals are set at the CEO and managerial level, a person has to be selected to champion the process of cascading goals. He or she will work to ensure that each department will create goals and action plans that support the goals of the company's leadership. Updating people on their progress is critical. Goals must be visible and repeated to keep the commitment alive. Besides scheduled meetings, goals may be touted in: monthly e-mail messages, company newsletters, bulletin boards, and "surprise" coffee breaks, among others.

- **Ensuring Goal Implementation**

    When everyone returns to his job after goal setting exercises, enthusiasm for the goals can be buried by the demands of day-to-day business. For this reason it doesn't have to be forgotten to develop action plans based on the goals, complete with incentives and consequences for non-performance.

- **Create accountability**

    Discussing consequences is critical in any goals-to-action plan. It is important to consider adopting a "three strikes and you're off the team"

approach. Peer pressure and the threat of humiliation create intense expectations of performance, enough to cause significant action.

- **Establish monthly management meetings**

   Once the goals and action plans are set, it could be easy to schedule monthly management meetings to monitor progress. The original planning group should meet for a 90-minute session to recap the previous month, acknowledge progress and examine shortfalls; it could also help to amend the plans if they need to be changed, and to clarify the action plan for the next 30 days.

After having set the specifics goals it is important to agree upon key strategies to reach the goals and address key issues identified through the environmental scan.

The major emphasis should be on broad strategies, including current and new program, advocacy, collaborative, or other approaches. These strategies should be related to specific goals or address several goals. The process requires looking at where the organization is in the present and where its vision and goals indicate it wants to be, and identifying strategies to get there. The board needs to provide a broad view to guide this effort, while the planning group or staff can do much of the detailed analysis.

Approaches might include the following:

• Once the key issues to be addressed and the goals have been specified, the planning group, staff, or a consultant might look back at the SWOT results of the environmental scan, and identify changes in current strategies which may be required to reach the goals and address the issues. This might mean identifying potential new strategies or suggesting

changes in emphasis or priority. These would be presented to the Board and key staff for discussion and decisions.

• The planning group might review the planning process to date, and develop and present to the Board and key staff a series of alternative approaches or scenarios – for example, should the organization focus on community organizing or national-level advocacy; should there be increased decentralization or more centralization; should field offices receive more or less attention and resources, compared to the headquarters office. Based on the decisions made using these scenarios, strategies will be determined.

Whatever the specific approach is used, specific criteria for evaluating and choosing among strategies should be agreed upon. They might include such criteria as the following:

- **Value:** Will the strategy contribute to meeting agreed-upon goals?

- **Appropriateness:** Is the strategy consistent with the organization's mission, values, and operating principles?

- **Feasibility:** Is the strategy practical, given personnel and financial resources and capacity?

- **Acceptability:** Is the strategy acceptable to the Board, key staff, and other stakeholders?

- **Cost-benefit:** Is the strategy likely to lead to sufficient benefits to justify the costs in time and other resources?

- **Timing:** Can and should the organization implement this strategy at this time, given external factors and competing demands?

Based on these or other agreed-upon criteria, strategies can be evaluated and selected, or prioritized.

In agreeing upon strategies, the planning group should always consider the need to clearly define responsibilities for their implementation. There must be someone or some unit within the organization that can take responsibility for implementing this strategy.

SETTING OBJECTIVES AND DEVELOP AN ACTION PLAN

After having settled specific goals it's time to settle objectives which are defined by a beginning and end point; they go beyond the day-to-day tasks and describe a result linked to achieving a particular goal at individual. They are a clear statement of something that needs to be accomplished by a specific end date.

After having settled both goals and objectives, it is time to develop an **action plan** that addresses goals and specifies objectives and work plans on an annual basis; this will be crucial to ensure a specific work plan to begin implementation.

Strategic planning recognizes that strategies must reflect current conditions within the organization and its environment. Thus, it is rare to attempt to develop detailed annual objectives except for the first or perhaps the first and second year covered by the strategic plan. However, annual action plans are needed. Annual program objectives should be time-based and measurable. The annual plan may be a part of the strategic plan or may be an annual addendum to it.

SMART objectives

One way to develop well-written objectives is to use the SMART approach. Developing objectives requires time, orderly thinking, and a clear picture of the results expected from program activities.

S.M.A.R.T. is an acronym that is used to guide the development of measurable goals. Each objective should be:

1)   **S**pecific
2)   **M**easurable   w/Measurement
3)   **A**chievable
4)   **R**elevant
5) **T**ime-Oriented

1. Specific

Specific answers the questions "What is to be done?" "How will the company know it is done?" and describes the results (end product) of the work to be done. The description is written in such a way that anyone reading the objective will most likely interpret it the same way. To ensure that an objective is specific is to make sure that the way it is described is observable. Observable means that somebody can see or hear (physically observe) someone doing something.

2. Measurable w/Measurement

Measurable answers the question "how will the company know it meets expectations?" and defines the objective using assessable terms (quantity, quality, frequency, costs, deadlines, etc.). It refers to the extent to which something can be evaluated against some standard. An objective with a quantity measurements uses terms of amount, percentages, etc. An objective with a quality measurement would describe a requirement in terms of accuracy, format, within university guidelines.

3. Achievable

Achievable answers the questions "can the person do it?" "Can the measurable objective be achieved by the person?" "Does he/she have the experience, knowledge or capability of fulfilling the expectation?" It also answers the question "Can it be done giving the time frame, opportunity and resources?" These items should be included in the SMART objective if they will be a factor in the achievement.

4. Relevant

Relevant answers the questions, "should it be done?", "why?" and "what will be the impact?" Is the objective aligned with the implementation plan and with the strategic plan?

5. Time-oriented

Time-oriented answers the question, "when will it be done?" It refers to the fact that an objective has end points and check points built into it. Sometimes a task may only have an end point or due date. Sometimes that end point or due date is the actual end of the task, or sometimes the end point of one task is the start point of another. Sometimes a task has several milestones or check points to help you or others assess how well something is going before it is finished so that corrections or modifications can be made as needed to make sure the end result meets expectations. Other times, an employee's style is such that the due dates or milestones are there to create a sense of urgency that helps them to get something finished.

Most projects have specified annual objectives and work plans because of funder requirements, while only a strategic plan is likely to require a Board to think about its desired composition, skills, and involvement, or about organizational structure and administrative systems.

Developing objectives and annual work plans requires both Board and staff input, with staff often taking major responsibility for program-related goals and objectives once the Board has defined organizational goals, and the Board developing goals and objectives related to governance.

The Board must approve the action plan, while staff can do much of the development of the written plan. This is an area of staff expertise, since implementation of programs and other strategies based on policies set by the Board is a staff function.

Action plan

Developing an action plan can help change makers turn their visions into reality, and increase efficiency and accountability within an organization. An action plan describes the way the organization will meet its objectives through detailed action steps that describe how and when these steps will be taken.

Action planning may seem detailed and tedious compared to earlier phases of strategic planning which often seem creative in nature. Therefore, action planning is too often ignored, leaving the results of earlier stages of planning much as "castles in the air" --

useless philosophical statements with no grounding in the day-to-day realities of the organization. Meaningful stages of earlier planning become utterly useless.

The organization's commitment to strategic planning is commensurate to the extent that a) the organization completes action plans to reach each strategic goal and b) includes numerous methods for verifying and evaluating the actual extent of implementation of the action plan.

Development of an action plan:

1. Actions plans specify the actions needed to address each of the top organizational issues and to reach each of the associated goals, who will complete each action and according to what timeline.

2. The company has to develop an overall, top-level action plan that depicts how each strategic goal will be reached.

3. One action plan has to be developed for each major function in the organization, e.g., marketing, development, finance, personnel, and for each program/service, etc. These plans, in total, should depict how the overall action plan will be implemented. In each action plan, specify the relationship of the action plan to the organization's overall, top-level action plan.

4. The company has to ensure each manager (and, ideally each employee) has an action plan that contributes to the overall. These plans, in total, should depict how the action plans of the major functions will be implemented. Again, specify the relationship of these action plans to the organization's overall, top-level action plan.

5. The format of the action plan depends on the nature and needs of the organization. The plan for the organization, each major function, each manager and each employee, might specify:
   a) The goal(s) that are to be accomplished
   b) How each goal contributes to the organization's overall strategic goals
   c) What specific results (or objectives) much be accomplished that, in total, reach the goal of the organization
   d) How those results will be achieved
   e) When the results will be achieved (or timelines for each objective)

Developing Objectives and Timelines:

1. Objectives are specific, measurable results produced while implementing strategies.

2. While identifying objectives, it is important to keep asking "Are you sure you can do this?"

3. It is crucial to integrate the current year's objectives as performance criteria in each "implementer's" job description and performance review.

4. Remember that objectives and their timelines are only guidelines, not rules set in stone. They can be deviated from, but deviations should be understood and explained.

5. Consider the following example format for action your plan.

Strategic Goal	Strategy	Objective	Responsibility	Timeline
1. (Goal #1)	1.1 (first strategy to reach Goal #1)	1.1.1 (first objective to reach while implementing Strategy #1.1)	(who's going to accomplish that objective)	(when the implementer is going to accomplish that objective)

__Obstacles in Goal Setting__

When an organization fails to meet goals, many factors may be at play. Typically, one of the following common denominators is present: a CEO with no passion for the goals that have been set; the goals are not precise; the goals are at cross-purposes with the CEO's self-image; fear of failure. It is crucial to examine any and all obstacles to the organization's goals, looking particularly at any old patterns the organization has in abandoning specific goals.

It is important to be sure that the progress towards goals and objectives and use of strategies is monitored regularly, with strategies revised and annual objectives developed yearly, based on the progress made, obstacles encountered, and the changing environment. It is also crucial to have procedures for taking advantage of unexpected changes such as more sympathetic elected or appointed officials, improvements in the economy, changes in local funder priorities, or changes in the target population.

After having defines annual objectives at the start of each year it is important to look back to see what progress has been made in critical success factors. The plan has to be used as a compass, but not an inflexible blueprint for action.

The strategic management process of executing the strategic plan, and monitoring results of this work of implementing strategy, need to be embedded in a robust system for managing ongoing operations, as well as specific developmental or strategic projects.

Seeing how the strategic management process fits into the normal management process helps clarify managerial accountability for strategy implementation.

Without a robust system for strategic management, or clear strategic management process, strategic planning implementation can lead to frustration and disenchantment with the strategic planning process itself. This undermines the best efforts and intentions of managers, and may even engender cynicism about strategic planning processes in the future.

Monitoring not only permit the team to follow the progress of their strategies; and provide a mechanism for alerting them when the strategies require revision, it also tells them when to restart the entire corporate strategic planning process again - hopefully not for several years.

MONITORING AND EVALUATING

Monitoring and evaluation are connected. Monitoring may give rise to questions that will subsequently be answered by evaluation.

Evaluation may give rise to the need for monitoring of different variables.

Monitoring and evaluation can be used together to improve future strategies because they provide lessons learned and guidance to manage ongoing implementation of activities. Monitoring gathers current information, which when viewed as a time series, helps to identify trends, whether anticipated or not. Information gathered from monitoring shows what is happening but not why.

Furthermore, without analysis, raw data gathered from monitoring does not reflect programmes' and activities' relative strengths and weaknesses and so cannot alone establish their true effectiveness, efficiency, relevance or impact. Evaluation delves into the information to ascertain meaning and context.

Evaluation can answer questions about:

Desired impact, desired outcomes and strategies planning:

• Are the planning assumptions correct?

• What evidence is there of causality from outputs to outcomes to impact?

• Are the right objectives being pursued?

• Are the KPIs true measures of performance?

Activities and outputs:

• How effective are the outputs in contributing to the desired outcomes?

• How efficiently are resources being used; could the same outputs be generated with fewer resources?

• How relevant are the outputs to the needs of the target audience?

• What lessons can be learned?

• What can be improved?

• What can be done better and differently?

• What might not be worth doing again?

Very often, evaluation takes place after the event. While this is very useful for gathering lessons learned, it does nothing to ensure the programme suitability in the first place and it does not provide the practitioners with implementation management information. It is

now accepted that there are several types of evaluation that can occur at several times during the planning and implementation of activities.

Three Types of Evaluation

1) <u>Formative Evaluation</u>, also called ex-ante evaluation, can take place before the implementation begins. It is a reality check on: Are the assumptions in the theory of change reasonable? Are the objectives SMART? Is the activity plan clear and coherent and does the plan heed lessons learned and best practice? Is the rationale for the deployment of resources clear and commensurate with the requirements for achieving the desired results? Do the desired outcomes and desired impacts support a goal for the organization? This ex-ante evaluation, if required, may be a review by key stakeholders or an experienced evaluator. This handbook does not include a detailed process for ex-ante evaluation.

2) <u>Output Evaluation,</u> sometimes called implementation evaluation, takes place during the implementation of activities and focuses on outputs. For example, it may involve evaluating feedback from social media monitoring on a continuous basis, or on another basis (frequency) set out in the plan. This type of evaluation is similar to monitoring except that the measures are not just recorded and reported but focus on other aspects, such as whether: a) the resources were used efficiently in creating outputs; b) the desired outputs happened as intended; c) any unintended outputs are recognized; d) whether the activities in the plan did get implemented; e) the planned resources were not exceeded; f) the activity or programme is on track and, if not, gives a basis for implementing changes. Output evaluation adds meaning to monitoring data and can provide narrative to accompany the reporting of measures. It is best carried out by the public diplomacy practitioner with the possibility of occasional independent review.

3) <u>Impact/Outcome Evaluation</u>, sometimes called ex-post evaluation, refers to evaluating outcomes as well as impacts and can be carried out periodically as well as directly after an event. Often, long-term strategies, like digital outreach, will be evaluated while still being implemented. This kind of evaluation measures and evaluates the effect on the target audience that was intended by the outcome and impact objectives. It should be focussed on the effectiveness of the activity programme: how relevant it has been; how efficiently it has communicated the messages; and the extent to which the outcome and impact objectives have been

reached. This type of evaluation also tries to establish possible causal relationships between activities and impacts/outcomes, which, in general, becomes more difficult as the timeframe lengthens. Some significant events, such as a major conference, may benefit from an impact/outcome evaluation solely for that event. Such an evaluation could be planned and implemented by applying this framework in its entirety to evaluation planning for that event. Other ongoing strategies will be aiming for longer-term goals. Evaluations of these strategies will be periodic to show progress and make adjustments as necessary.

Monitoring will generally be planned and managed by the responsible practitioner who owns the strategy and action plan. Evaluation is sometimes planned and managed by an independent assessment team. All entities involved in monitoring and evaluation planning must coordinate with each other.

Evaluation Criteria

1) <u>Effectiveness.</u> A measure of the extent to which an activity or programme achieves its objectives. Most impact/outcome related questions are about the effectiveness of activities. These types of questions are directly posed by the planning assumptions for the outcomes that are expected from the activity or programme. Impact/outcome research questions should be asked in a form that allows a degree of flexibility in achievement and time scale.

2) <u>Efficiency.</u> A measure of the outputs in relation to the inputs (resources). Output evaluation focuses on efficiency. The questions relating to efficiency allow the practitioner to examine whether an output could have been achieved with fewer resources. This usually requires comparing alternative approaches to reaching the output

3) <u>Relevance</u>. The extent to which the messages, communication channels, and activities were appropriate to the needs and priorities of the target audience. The relevance of objectives may also be questioned if, having achieved them, they do not produce the right conditions for moving along the pathway to achieve an impact.

4) <u>Results.</u> The positive and negative changes produced by activities, directly or indirectly, intended or unintended. This kind of evaluation involves the main

outputs, outcomes, and impacts resulting from the activities on the target audience's knowledge, attitudes and behaviours.

There are three types of reporting to track progress: a dashboard, a scorecard, and an evaluation report. Each type of reporting covers a different aspect (respectively: outputs, desired outcomes and desired impacts, and results) and relates to its own timescale or reporting frequency.

1) <u>Dashboards</u>

A dashboard provides an overview of monitoring, usually of outputs. It can be used in real time with some media monitoring applications and can be used to produce regular and frequent reports. A dashboard is essentially data with little or no built-in evaluation and limited explanative narrative. A dashboard would typically be updated at least monthly. A dashboard is a commonly used business intelligence interface where the values are graphically displayed to show performance against targets. It can be thought of as the panel of instrument displays necessary to keep activities on track. The dashboard is particularly suitable for reporting of outputs

2) <u>Scorecard</u>

A scorecard is a display format for less frequent reporting as it shows progress towards the desired outcomes and desired impacts. A scorecard is essentially data with little or no built-in evaluation and limited explanative narrative. A scorecard would typically be updated quarterly or biannually. A scorecard is used to report progress towards desired outcomes and desired impacts. It should include some values but most prominence will be given to illustrating trends towards or away from targets. The scorecard is effectively a management report and therefore monitoring data needs to be interpreted and explained, including any variances between the actual results and the expectations.

3) <u>Evaluation report</u>

An Evaluation Report has the purpose of an evaluation report and to inform the relevant stakeholders about the findings and conclusions of the impact/outcome evaluation of activities in a more in-depth form than the dashboard or scorecard. If not otherwise specified or required, it is recommended that impact/outcome evaluation be carried out annually.

An evaluation report is a periodic, typically annual, evaluation of results. It presents a balanced view of all relevant results and aims to show what meaningful changes have occurred, how they might be linked to activities and judges whether the objectives have been achieved. It should contain narrative answers to the research questions and explain what has worked, what hasn't and, whenever possible, why. Evaluation reports can also be published to cover a specific event or programme.

FEEDBACK

The results obtained from monitoring and evaluation can be fed directly back into activity selection and implementation. The ongoing strategies and activities can be adjusted if the outputs do not reach their targets or expectations. This micro-level evaluation will be mostly concerned with the efficiency of activities and can be used for corrective planning of the activities. The results from outcome monitoring are reported via the scorecard and, coupled with narrative, provide valuable feedback on how progress is being made towards the outcome objectives. The evaluation of outcomes should be used to inform adaptive planning. The results from monitoring of outcomes and impacts can form the basis of the evaluation report which may also include inputs from the other research questions. It is this combined evaluation report that provides objective, ideally independent and unbiased, feedback about what has worked as planned and what has not. The feedback will be valuable when planning future strategies and activities. The evaluation report may also refer to questions about the planning assumptions used in arriving at the desired outcomes/desired impacts. Finally, the results from the evaluation will add information to the knowledge bank to improve the understanding of how the target audience responds, and it will allow the baseline to be refined for the project.

Q1-What does a mission statement is not?

1- A mission statement explains what the business must do day-to-day to make the vision statement a reality

2- A mission statement is easier to write than a vision statement because of its practical focus

3- A mission statement does cover everything of what the business does

4- A mission statement tend to be customer-focused

Q2- What do the external components of the SWOT analysis represent?

1- The external component of the environmental scan should include a review of the target or service community and the broader environment in which the organization operates

2- The external components of the SWOT analysis represent the opportunities and threats which are inside a company

3- The external components of the SWOT analysis represent which are the organisation strengths and weaknesses

4- It is important to assess current organizational performance in terms of financial and human resources, operating methods or strategies, and results or outcomes.

Q3- What does gap analysis is not?

1- A gap analysis is a method of assessing the differences in performance between a business' information systems or software applications to determine whether business requirements are being met and, if not, what steps should be taken to ensure they are met successfully

2- A gap analysis involves the comparison of actual performance with potential or desired performance

3- Gap analysis identifies gaps between the optimized allocation and integration of the inputs (resources), and the current allocation-level

4- A gap analysis is a process that helps to understand all potential customers and their needs, as well as what the competitors are doing.

Q4- Which of the followings sentences does not represent what the goals are?

1- Goals are general statements of what to achieve
2- Goals define the direction and the destination of the business and they are desired results that provide direction and guide decision-making
3- Goals state the specific actions that a company will take to realize its activities.
4- Goals represent a big picture of what the company wants to achieve

Q5- Which of the followings could not be criteria for evaluating and choosing among strategies?

1- Value
2- Cost-benefits
3- Feasibility
4- Accountability

Q6- What are cascade goals?

1- Cascade goals are goals at different levels of the company that must spill over throughout the organization to be implemented
2- Cascade goals are goals that are bigger and further away once the company starts working on them, and they become closer to be reached after the achievement of some results
3- Cascade goals are goals that are grouped from the higher to the lower goal in order of importance
4- Cascade goals are goals that are grouped from the lower to the higher in order of importance

Q7-Which of the following sentences cannot be related to the development of an Action Plan?

1- An action plan describes the way the organization will meet its objectives through detailed action steps that describe how and when these steps will be taken

2- Actions plans specify the actions needed to address each of the top organizational issues and to reach each of the associated goals, who will complete each action and according to what timeline

3- Developing an action plan can help change makers turn their visions into reality, and increase efficiency and accountability within an organization

4- An action plan is an overall program for reaching objectives and the company doesn't have to ensure to each manager or employee to have an action plan

Q8- Which of the following process is not be considered in planning of on action plan but it is still part of the process of strategic planning?

1- Objectives
2- Responsibilities
3- Feedbacks
4- Timelines

Q9- What is a formative evaluation?

1- It is a form of evaluation which adds meaning to monitoring data and can provide narrative to accompany the reporting of measures

2- It is a form of evaluation which measures and evaluates the effect on the target audience that was intended by the outcome and impact objectives

3- It is form of evaluating that could be considered an ex-ante evaluation and it can take place before the implementation begins and may be a review by key stakeholders or and experiences evaluator

4- It is a type of evaluation that is similar to monitoring except that the measures are not just recorded and reported but focus on other aspects

Q10- Which of the following is not en evaluation criteria?

1- Effectiveness
2- Results
3- Reports
4- Revelance

MODULE 4:

ABILITIES IN HUMAN

RESOURCE MANAGEMENT

The course intends to give the fundamentals of the strategy related to the management of human resources.

Human Resource Management (HRM) has become more important to strategic management, mainly as a result of its role in providing competitive advantage and the rush to competitiveness. As a matter of fact, managing people does not only mean providing them a salary, it means being aware that the human being is in continuous development and that the company will give to people the opportunity to develop and to grow up. In today's business landscape, the basis of competitive advantage has shifted from tangible and physical resources to a more focus on intangible and knowledge assets. Knowledge has become the major driver of business performance and the process whereby such valuable assets. People have always been central to organisations, but their strategic importance is growing in today's knowledge-based industries. An organisation's success increasingly depends on the knowledge, skills and abilities of employees, particularly as they help establish a set of core competencies that distinguish an organisation from its competitors.

With appropriate HR policies and practices an organisation can hire, develop and utilise best brains in the marketplace, realise its professed goals and deliver results better than others.

As consequence, human resources practice could not form the basis for sustainable competitive advantage but human capital pool has greater potential to constitute a source of sustainable competitive advantage.

CREATION OF VALUE OF HUMAN RESOURCES

The human capital is a primary and fundamental source of competitive advantage for businesses and companies. Since 2005, who follows the International Accounting Standards (IAS) has to assign a precise value to the intangible assets; for this reason financial analysts are developing methods to evaluate and enhance all human resources. Although, even if not following the IAS principals of accountability, the role of human resources in building competitive advantage is fundamental and assume a bigger meaning in the knowledge economy. As a result, to be competitive in the innovation contest of

nowadays, intangible assets have to be well managed through sustainable and practical polices and instrument; if not, the result would be only a metaphorical importance for the human resources.

Companies needs to follow a long and elaborated plan of creating value for human resources which includes the analysis and implementation of four pillar elements: the people, the relations, the performance and the enhancement/ development. This process of creating value will enable companies to innovate their assets to become less bureaucratic, less formal, more in direct contact with the operative line and generation of value.
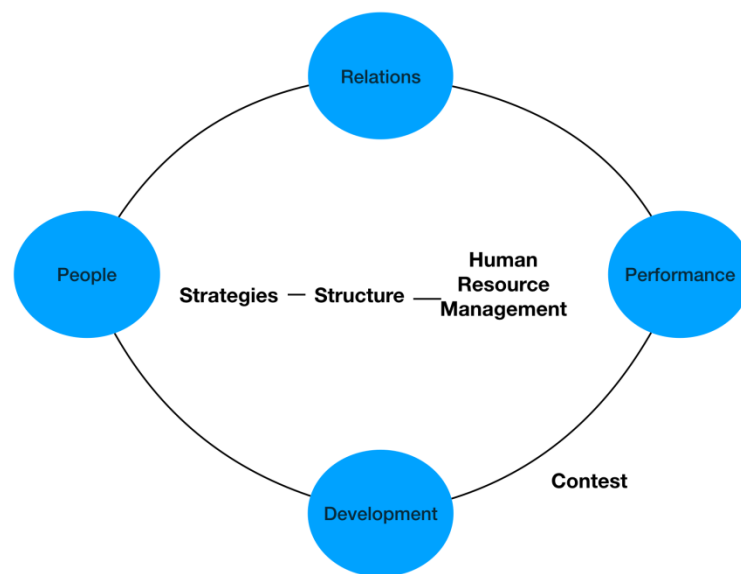
PEOPLE

People are a fundamental part of one company and the element which make the company living and surviving. It is crucial and not easy to understand how to manage people inside a company. People are all different form each others, with different characteristics, roles and needs. Initially, companies need specific instruments to understand the system of motivations and competencies of each person working inside the organisation. Secondly, they have to manage both the selection of people and the coordination of all intangible assets, which comprehend human capital, social capital and capabilities.

Motivation is defined as an internal drive within an individual to take a particular decision or action caused by both internal and external factors. Several internal and external factors lead to motivation at the work place, such as rapport with colleagues, compensation, quality of work, social and other factors are important for increasing motivation.

Analysing the motivation of human capital inside, a company can understand why people act in a certain way and which are the incentives that push them to assume some specific behaviour.

Following Maslow theories, all people are motivated to achieve certain needs and some take precedence over others. Maslow's hierarchy of needs is often portrayed in the shape of a pyramid with the largest, most fundamental needs at the bottom and the need for self-actualization and self-transcendence at the top. As a result of this hierarchy only once a lower level of need has been fully met, a worker could be motivated by the opportunity of having the next need up in the hierarchy satisfied.

Physiological needs are those needs required for human survival such as air, food, water, shelter, clothing and sleep. As a manager, you can account for physiological needs of your employees by providing comfortable working conditions, reasonable work hours and the necessary breaks to use the bathroom and eat and/or drink.

Safety needs include those needs that provide a person with a sense of security and well-being. Personal security, financial security, good health and protection from accidents, harm and their adverse affects are all included in safety needs. As a manager, you can account for the safety needs of your employees by providing safe working conditions, secure compensation (such as a salary) and job security, which is especially important in a bad economy.

Social needs, also called **love and belonging**, refer to the need to feel a sense of belonging and acceptance. Social needs are important to humans so that they do not feel alone, isolated and depressed. As a manager, you can account for the social needs of your employees by making sure each of your employees know one another, encouraging cooperative teamwork, being an accessible and kind supervisor and promoting a good work-life balance.

Esteem needs refer to the need for self-esteem and respect, with self-respect being slightly more important than gaining respect and admiration from others. As a manager, you can account for the esteem needs of your employees by offering praise and recognition when the employee does well, and offering promotions and additional responsibility to reflect your belief that they are a valued employee.

Self-actualization needs describe a person's need to reach his or her full potential. The need to become what one is capable of is something that is highly personal. While I might have the need to be a good parent, you might have the need to hold an executive-level position within your organization. Because this need is individualized, as a manager, you can account for this need by providing challenging work, inviting employees to participate in decision-making and giving them flexibility and autonomy in their jobs.
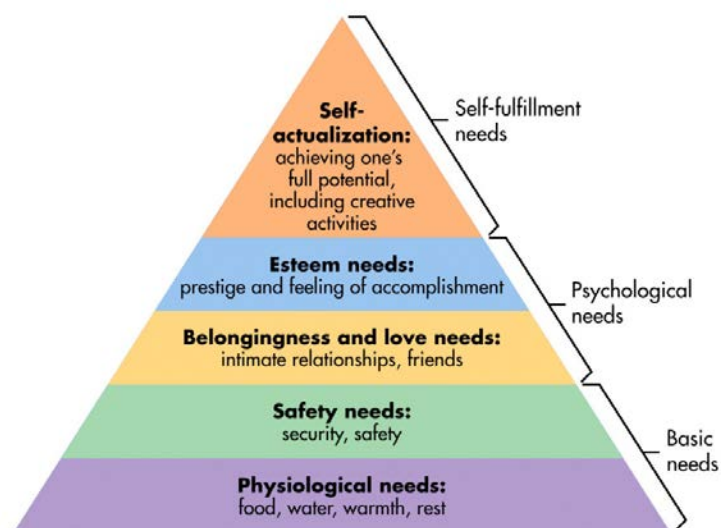
A business should therefore offer different incentives to workers in order to help them fulfil each need in turn and progress up the hierarchy. Managers should also recognise that workers are not all motivated in the same way and do not all move up the hierarchy at the same pace. They may therefore have to offer a slightly different set of incentives from worker to worker.

Following McClelland instead, motivation revolves around three important aspects, namely, achievement, power and affiliation, his theory is also known as the Acquired Needs as McClelland put forth that the specific needs of an individual are acquired and shaped over time through the experiences he has had in life. The need of achievement emphasizes the desires for success, mastering task and for attaining goals. The need for

affiliation focuses on the desire for relationship and associations with others. The need for power relates to the desires for responsibility, for control of and authority over others.

There are many others motivation theories which seek to explain why employees are motivated by and satisfied with one type of work than another. It is essential that entrepreneurs have a basic understanding of work motivation because highly motivated employees are more likely to produce a superior quality product or service than employee who lack motivation.

Competences

The fact of considering the competences of people enables to have a bigger perspective of workers than when only analysing their motivational attitude; motivations in fact, could be reconsidered inside the competences.

Human capital refers to the capabilities that employees bring to their jobs. Consisting of their individual and collective knowledge, skills, abilities, or other characteristics, these capabilities serve as the foundation for an organization's ability to meet its stated mission. In this way, human capital has economic value to the employee, the organization, and to the larger market of which the organization is a part.

In general a competence is the ability of an individual to do a job properly. A competence is a set of defined behaviours that provide a structured guide enabling the identification, evaluation and development of the behaviours in individual employees.

In practice, related to Human Resources Management and to the analysis of people working for a specific company, there are two different types of competences that have to be taken in consideration: professional competences and behavioural competences.

Competencies effectively fall in three groups:

- *Behavioural (or Life Skills) Competencies*: Life skills are problem solving behaviours used appropriately and responsibly in the management of personal affairs. They are a set of human skills acquired via teaching or direct experience that are used to handle problems and questions commonly encountered in daily human life. Examples are: Communication, Analytical Ability, Problem Solving, Initiative, etc.

- *Functional (or Technical) Competencies*: Functional Competencies relate to functions, processes, and roles within the organisation and include the knowledge of, and skill in the exercise of, practices required for successful accomplishment of a specific job or task. Examples are: Application Systems Development, Networking and Communication, Database Analysis and Design, etc.

- *Professional Competencies*: Professional competencies are competencies that allow for success in an organisational context. They are the accelerators of performance or – if lacking in sufficient strength and quality – are the reason people fail to excel in jobs. Examples are: Business Environment, Industry and Professional Standards, Negotiation, People Management, etc.

In any organisation there are some competencies that are more important than others, based on different criteria:

- *Core Competencies* - Core competencies are those competencies that any successful employee will need to rise through the organisation. These Competencies would generally relate in some way to the business of the organisation.

- *Key Competencies* - Key competencies contribute to valued outcomes of the organisation, defining the abilities of individuals to meet strategic demands, and are important not just for specialists but for all individuals.

- *Critical Competencies* - Critical competencies are competencies without which the organisation will be unable to achieve its goals and strategy.

Recruitment and selection: Who to integrate in the business?

The basic purpose of preparing manpower inventory is to find out the size and quality of personnel available within the organisation to man various positions. The assumption process has the objective to fulfil and collocate in the organisation positions the right people with the needed characteristics.

This phase begins as soon as the company requires adapting the internal organisation of the staff; it consists in **job analysis** which is a process results in collecting and recording two data sets including job description and job specification. Any job vacancy cannot be filled until and unless having analysed this two sets of data. It is necessary to define them accurately in order to fit the right person at the right place and at the right time. This

helps both employers and employees to understand what exactly need to be delivered and how.

Both job description and job specification are essential parts of job analysis information. Writing them clearly and accurately helps organization and workers cope with many challenges while onboard.

The first part of this phase is the **Job Description.**

Job description is a broad, general, and written statement of a specific job. It includes basic job-related data that is useful to advertise a specific job and attract a pool of talent. It includes information such as job title, job location, reporting to and of employees, job summary, nature and objectives of a job, tasks and duties to be performed, working conditions, machines, tools and equipments to be used by a prospective worker and hazards involved in it.

Job description usually forms the basis of job specification.

Therefore the main purpose of job description is to collect job-related data in order to advertise for a particular job. It helps in attracting, targeting, recruiting and selecting the right candidate for the right job.

It is done to determine what needs to be delivered in a particular job. It clarifies what employees are supposed to do if selected for that particular job opening.

It gives recruiting staff a clear view what kind of candidate is required by a particular department or division to perform a specific task or job.

The second part of this phase is the **Job Specification.**

Also known as employee specifications, a job specification is a written statement of educational qualifications, specific qualities, level of experience, physical, emotional, technical and communication skills required to perform a job, responsibilities involved in a job and other unusual sensory demands. It also includes general health, mental health, intelligence, aptitude, memory, judgment, leadership skills, emotional ability, adaptability, flexibility, values and ethics, manners and creativity, etc.

The main purpose of the job specification is to describe on the basis of job description, it helps candidates analyze whether are eligible to apply for a particular job vacancy or not.

It helps recruiting team of an organization understand what level of qualifications, qualities and set of characteristics should be present in a candidate to make him or her eligible for the job opening.

Job Specification gives detailed information about any job including job responsibilities, desired technical and physical skills, conversational ability and much more. It helps in selecting the most appropriate candidate for a particular job.

Job description and job specification are two integral parts of job analysis. They define a job fully and guide both employer and employee on how to go about the whole process of recruitment and selection. Both data sets are extremely relevant for creating a right fit between job and talent, evaluate performance and analyze training needs and measuring the worth of a particular job.

__Recruitment and Selection__

Recruitment is a process in which there is search for potential applicants for various open positions, whereas selection is a process in which candidates are short listed based on their potential.

Employee recruitment and selection are building block of any successful organization. In recent years, information system has played major role in driving efficiency in the process through standardization and process evolution.

Recruitment can be defined as searching for and obtaining a pool of potential candidates with the desired knowledge, skills and experience to allow an organisation to select the most appropriate people to fill job vacancies against defined position descriptions and specifications.

The purpose of the recruitment process is to find the widest pool of applicants to provide the greatest opportunity to select the best people for the required roles in an organisation. Acquiring the best applicants for a role can be a competitive advantage for an organisation whereas ineffective recruitment and selection can result in enormous disruption, reduced

productivity, interpersonal difficulties and interruptions to operations, customer service and long term costs.

Every organisation will have two major sources of supply of manpower: internal and external.

1. Internal recruitment:

Internal recruitment is the process in which a company will use internal sources of recruitment to fill a vacancy with an existing employee of the business. This type of recruitment is typically used for promotions; however horizontal position shifts can also be filled with current staff.

Advantages of internal recruitment:

1. The selection process is much easier and quicker as there is likely to be a smaller pool of high calibre candidates to choose from.
2. It's more cost efficient as the business does not have to pay recruiters' fees or to advertise the job.
3. By recruiting internally, the company already know the capabilities of the candidate and have a better idea of how they will perform in the new role.
4. Promoting staff from within the company can be motivating for the employees who will recognise that their hard work is being rewarded.

Disadvantages of internal recruitment:

1. There are no new ideas or energy coming into the business.
2. Promoting from within may create an atmosphere in which employees feel they can only be promoted when an employee in a more senior position leaves their role.
3. It limits the potential number of candidates that the company have to choose from.
4. A new vacancy will be created when the candidate takes the new role.
5. It may create resentment between employees who feel that they were overlooked for the promotion.

2. External labour supply:

External recruitment is the process in which a company will search for new candidates from outside of the business to fill a new position. This can be done using the company's HR department, hiring head-hunters, or by advertising the vacancy on an external job board.

<u>The advantages of external recruitment:</u>

1. It brings in new talent and new ideas to the business.
2. There is no limit to the number of candidates that can screen/interview.
3. The company will be exposed to a more diverse set of skills and experiences.
4. It is less likely to cause resentments with the current team.

<u>The disadvantages of external recruitment:</u>

1. Recruiting externally is typically a more expensive process with costs for advertising the job and arranging interviews.
2. External recruitment is usually a longer process.
3. It is more difficult for the company to assess the candidate.
4. It is less unknown whether or not the candidate will <u>fit in with the work culture</u> of the company.

Selection:

Once a pool of candidates has been identified through the recruitment process the most appropriate candidates are identified through a selection process interviewing, reference checking and testing. The purpose of the selection process is to ensure that the best person or people are appointed to the role or roles using effective, fair and equitable assessment activities.

This phase is composed by a screening phase and an evaluation phase.

The screening phase starts at the end of the recruitment process, it consists in a selection of only those candidates who have the threshold characteristics which are all those characteristic that are considered minimum requirement for the company. Those characteristics can be relative to demographic aspects (age, sex, familiar conditions) to the professional experience (number and quality of work experience, exchange programs abroad) and to the attitudes (expectations, ambitions, adaptability).

The evaluation process is a crucial phase on which the company control and check the candidate's characteristics. It can be done trough different tools:

- The most popular are the **interview selections** on which the candidate talk to the company to clarify is characteristic and the company analyse in depth trough questioning.

- Another tool can be the **Assessment Centre** which includes a combination of different methods for identifying competences and characteristics of individuals. With the help of independent assessors an objective assessment of managerial and social skills is given to the individuals. Assessments are devised in the form of exercises that the employees or candidates do while several assessors observe them and evaluate specific behaviours.

    The groups of participants are guided by moderators who simultaneously observe the expressed competencies. Various individual and group assessment techniques are used (simulations, work-related tasks, interviews...) the potential tasks that candidates can face during an assessment centres are: describing and presenting oneself by means of free associations, team games, problem-solving games, decision-making issues, written communication exercises.

- **Behavioural Event Interview** (BEI) is a structured interview usually used when selecting employees. It gathers information about the history of an applicant as a means of predicting future performance. The interviewer, either a member or HR staff or a manager, asks open-ended questions and map the subject's behaviour in situations where he or she had to demonstrate key competencies required for the given position.

RELATIONS

Relationships between employees and management are of substantial value in any workplace. The all process for creating values for the company is made up by creating good and stables relation inside the work environment. In general, the human relations management is the process of training employees, addressing their needs, fostering a workplace culture and resolving conflicts between different employees or between employees and management. Understanding some of the ways that human relations can

impact the costs, competitiveness and long-term economic sustainability of a business helps to underscore their importance.

Human relations in the workplace are a major part of what makes a business work. Employees must frequently work together on projects, communicate ideas and provide motivation to get things done. Without a stable and inviting workplace culture, difficult challenges can arise both in the logistics of managing employees and in the bottom line. Businesses with engaging workplaces and a well-trained workforce are more likely to retain and attract qualified employees, foster loyalty with customers and more quickly adapt to meet the needs of a changing marketplace.

There are several topics to consider the building of good relatipships in a company, many are the followings.

Psychological contract

The psychological work is defined as a tacit agreement in which the workers acted according to certain management goals and, in return, received what they perceived to be adequate income, and a greater sense of autonomy and security.

The generalized meaning of psychological contract emphasizes the organization and the individual worker cognition of their mutually fulfilling responsibilities and obligations. This cognition may come from the formal employment contract but often is hidden in multiple expectations. In a narrow perspective, psychological contract reflects the collection of employee beliefs about the responsibilities and obligations of both sides based on perception, commitment and trust in the employment relationship. This belief is employees' understanding and perception of the exchange relationship between what employee gives to the organization (competence, effort and loyalty) and what the organization gives in return (reward, promotion and satisfactory work environment). This perception is built based on the subjective understanding of organizational commitment, but the organization may not fulfil its part. Rousseau classified psychological contract into two aspects: transactional contract and relational contract. The former is based on the material benefits' satisfaction for both sides. Employees do not become the organizational members really but they are only concerned about the short term material reward and personal benefits. In contrast, relational contract is based on the satisfaction of social affection of both sides, such as organizational support and organizational loyalty.

Relational contract reflects employees' affective involvement and belief in organizations because organizations not only provide necessary material reward in return to employees, but also provide guarantees for employees' work safety, skill training and career development. Many empirical studies have supported these two dimensions of psychological contract.

Commitment

Organizational commitment implies employee determination of whether to stay or not stay in the organization and it contains three dimensions:

- Affective commitment: this type of commitment reflects employees' affective dependence, identification and involvement in organizations and it also reflects employees' willingness to stay in organization as their affection to organization. It is concerned with the extent to which the individual identifies with the organization.
- Normative commitment: this type of commitment reflects employee commitment to stay in organizations as their sense of social responsibility and obligation. It is, in some respects, similar to affective commitment. It is commitment that is influenced by societal norms about the extent to which people ought to be committed to the organization.
- Continuance commitment: this type of commitment reflects employee commitment to stay in organization based on utilitarian consideration. It is more calculative because it concerns the individual's need to continue working for the organization.

The definition clearly emphasizes that organizational commitment is the employee's psychological perception of the relationship between individuals and organizations and it reflects employee psychological status of being loyal to the organization. Hence, organizational commitment is employees' sense of identification, loyalty, involvement and willingness in organizations based on their affection to organizations, individual benefits and sense of responsibility. In this research, knowledge workers' organizational commitment has three dimensions: affective commitment, continuance commitment and normative commitment.

Identification

The definition made by organizational identification; individuals they feel loyalty to the organization, that they are covered by high interest membership organization, with high fidelity and that they have the objective of the organization against organization is referred to as process values they share with other members of the organization.

Organizational identification, helps to increase the success of the institution with the corporate action was coordinated way. It is also possible to see as a convincing mechanism for participation in the organization's activities. It becomes a source of motivation for targets of individual and organizational goals to make further efforts for the realization of these goals.

Communication

The organisation should ensure that they have effective channels of communication. One of the keys to the successful development of mutually beneficial psychological contracts is open communication. Clear and honest discussion of mutual obligations will facilitate the understanding of expectations, organisational culture, employee development, compensation and benefits. If the organisation gives adequate explanation and justification for unmet promises, it will heighten the employee's level of trust and credibility in the organisation. This, in turn, will lead to the employee being less likely to perceive an unmet promise in the first place, and they will be more likely to retain their trust and credibility in the face of an actual or perceived violation. It is imperative that the organisation gives adequate explanation and justification for unmet promises. Employees will then be more likely to retain their trust and credibility in the face of actual violations.

PERFORMANCE

The organisation must ensure that performance reviews are conducted on a regular basis. Performance reviews are important as they offer an opportunity for the employee to receive accurate feedback on what they are doing and may help dispel any false beliefs, of either party, that they have fulfilled their part of the psychological contract.

An unrealistic self-assessment by the employee will impact on the comparison process because, without accurate feedback, there is the potential for the employee to misperceive

the balance between the fulfilments of their obligations against those of the organisation. In addition, the performance review offers an opportunity for the organisation and employee to review and agree upon future opportunities for responsibility and challenge, and any prospective involvement in the management of change. Reviewing and renegotiating such aspects of the psychological contract on a regular basis will reduce psychological contract violations that are caused by incongruence or misunderstanding between both parties.

Above all, to assure good performance, it is crucial to provide the conditions for people to supply good performances.

The first step is to adapt the individual competences of each person to the needs of the company. This takes shapes through a well organized program of trainings and formations for employees based on personal needs.

The second step takes place trough the coordination and management of the work activities. This process is a complex process which needs a lot of researches about qualities, habits and needs of people who works inside the company. It gets harder to manage this process with the increase of dimensions of the company and with higher level of technology. It is crucial to create the conditions which allow the people working in a company and being well inserted in their position as a result of giving them the possibility to work in at the best way they can.

Development of Human Capital

The first important thing to analyse is the adjustment of personal competence of each individual to the specific environment of the company; this will help to develop the preparation of each individual in accordance with the trends of the organization. This process materializes through the development of educational trainings for employee.

To create a happy, productive workforce, training managers must provide opportunities for further training and growth. Unfortunately, too many employees or management dismiss training as boring or unnecessary. In fact, employee training can be boring, but only when the wrong type of training is matched up with the topic or issue tackling. Matching the types of employee training to the employee needs can ensure they receive the information they need, in the format best suited for it.

There are <u>different kinds of trainings:</u>

1. Instructor-led training
2. eLearning
3. Simulation employee training
4. Hands-on training
5. Coaching or mentoring
6. Lectures
7. Group discussion and activities
8. Role-playing
9. Management-specific activities
10. Case studies or other required reading

Instructor-led training

Instructor-led training is the traditional type of employee training that occurs in a classroom, with a teacher presenting the material. This can be a highly effective method of employee training, especially for complex topics. Instructors can answer specific employee questions or direct them to further resources. They also allow for highly-skilled instructors to match the training level and style to the employees in the room. However, instructor-led training does have some drawbacks, including cost and time to implement. It can also be unnecessary for concise topics.

E-learning

ELearning, on the other hand, relies on online videos, tests, and courses to deliver employee training. Employees can do their training at their desk or on company-provided computers. It's one of the easiest types of employee training to roll out to larger populations, especially for employees who are remote or have high-turnover rates. With interactive games, tests, videos or activities, it can also go a long way towards keeping your employees engaged with the training. Of course, eLearning also has its own challenges. Without a solid instructional design strategy behind it, the graphics and visuals that make eLearning fun can also make it gimmicky or quickly outdated.

Simulation employee training

Simulation training is most often provided through a computer or virtual reality device. Despite the initial costs for producing that software or technology, however, simulation training can be a necessary option for employees in riskier or high-stakes fields. You'll

often see simulation training for pilots or doctors, but it can be useful for other employees too. This type of employee training is also highly-effective and reliable, allowing employees to progress consistently and at their own pace.

Hands-on training

Hands-on training includes any experiential training that's focused on the individual needs of the employee. It's conducted directly on the job. Hands-on training can help employees fit perfectly into their upcoming or current role, while enhancing their current skills.

Coaching or mentoring

Coaching or mentoring can share similar qualities to hands-on training, but in this type of employee training, the focus is on the relationship between an employee and a more experienced professional, such as their supervisor, a coach, or a veteran employee.

The one-on-one mentoring style creates a relationship between employees that carries far beyond training. It also allows the employee to ask questions they may not feel comfortable asking in a classroom, instructor-led training.

For all its benefits, mentoring is costly in terms of employee hours and should be used appropriately to reduce those associated costs. Coaching, bringing in a trained professional, can sometimes provide a more time-efficient alternative, but without the relationship building that's so valuable in mentoring.

Lecture-style training

Important for getting big chunks of information to a large employee population, lecture-style training can be an invaluable resource for communicating required information quickly.

However, use this type of employee training sparingly.

Group discussions and activities

For the right group of employees, group discussions and activities can provide the perfect training option. It allows multiple employees to train at once, in an environment that better fits their current departments or groups. These discussions and activities can be instructor-led or facilitated by online prompts that are later reviewed by a supervisor.

This type of employee training is best used for challenges that require a collaborative approach to complex issues.

Role-playing

Similar to group discussions, role-playing specifically asks employees to work through one aspect of their jobs in a controlled scenario. They'll be asked to consider different points-of-view and think on their feet as they work through the role-playing activity.

Like other group activities, role-playing is highly effective but may be unnecessary for simple, straightforward topics. It also requires more employee time, potentially taking time away from an entire department while they're going through the training.

Management-specific activities

Management-specific activities are just that—employee training that's focused on the needs of managers. They may include simulations, brainstorming activities, team-building exercises, role-playing, or focused eLearning on management best practices.

While management training can include many different types of employee training, it's important to consider the additional needs of your managers separately from the rest of your employee population. This ensures they have the foundation they need to support the rest of their staff.

Case studies or other required reading

Finally, some topics are readily accessible through required readings. Case studies, in particular, can provide a quick way for employees to learn about real workplace issues. Employees can read through these at their own pace, or while working in a team-building session with other employees.

Case studies are a great option for focused topics, but more complex topics will likely require more advanced types of employee training.

Work organisation- Job Design

Job design is the division of work tasks assigned to an individual in an organization that specifies what the worker does, how, and why. Effective job design contributes to the achievement of organizational objectives, motivation, and employee satisfaction.

It is the process of organizing work as group of tasks, arranging and defining the job process and structure at the workplace depending on the job analysis performed. The job design takes into account the organizational objectives to be achieved along with trying to minimize on–the-job fatigue, stress and human error; for this reason it is a common process used to assure performances inside the company. Job Design is done specifically to reduce the mechanical aspects of the job and make sure that the employee derives job satisfaction from the assigned roles and responsibilities. Job analysis plans the job and analyses the roles and responsibilities which are core to the job but Job design makes the job better and basically updates the job so that it remains relevant.

The work organisation requires the solution of problems which can be resumed in three dimensions.

1) Technical dimension. This dimension concerns the creation of output which combines technology, knowledge and human work.
2) Economic dimension. It concerns the use of economies of specialisation to realize activities of the company; it means follow the objective of cost standards and maximize flexibility.
3) Motivational dimension. This dimension takes in account that in organizing the work activities it is important to consider the need of the single person working; this includes work contents, working environment including work place conditions and social conditions at work.

Outsourcing

The work management has become increasingly complex, some of the reasons are the ever larger dimensions of the company, the technological complexity, the market rigidity of internal work and the variability of demand. One alternative to the implementation of complex work for restructuring the internal organisation of work in a company is represented by the decentralization of production, which has create the way to avoided the rigidity of the internal labour market and access to most flexible segments in the external market. This process can be called outsourcing.

Human resources outsourcing is when businesses hire companies to manage personnel functions. That includes administration of health benefits plans, retirement plans, and workers' compensation insurance. It also includes hiring, training, and legal expertise.

HR Outsourcing is a process in which the human resource activities of an organization are outsourced so as to focus on the organization`s core competencies. Often HR functions are complex and time consuming that it will create difficulty in managing other important thrust areas. By HR outsourcing, this problem can be avoided which will enhance effectiveness by focussing on what the organization is best at. It will also improve the flexibility of the organization to the rapidly changing business needs. Usually businesses that outsource HR are typically small to midsize firms.

The process is characterized by the high commitment between the company that outsources (outsourcer) and subject that offers the service (provider).

The role of human resources professionals is fundamental in the management of outsourcing processes as it is about managing people unrelated to a work contract.

The process of choosing to which external company entrust the activities is crucial and it is determined by a calculation of affordability. Subsequently there is a phase of mutual knowledge in which the actors accumulate mutual information and verify the partner's ability to fulfil the commitments made to the requested performances; in this phase the relationship is managed by the relationship manager who is responsible for managing relations with the provider.

Teleworking and networking

Teleworking, as an important phenomenon in the age of information, has been developed along with the rapid development of technology. In addition to information and communication technologies that have made it possible to do everything at any time and place, expressed interests of various sectors of society (especially women and certain groups such as disabled people in this phenomenon and its human, economic and social consequences) has accelerated its development. In other words, teleworking is a useful and effective approach both for employees and employers and organizations.

Issues such as the need to increase productivity, reduce costs, and time of providing service, and to increase their quality in the public sector in recent years, have brought the electronic government and along with it teleworking into the attention of academicians and authorities as a tool to achieve competitive advantage and countries' development in an international level.

Networking

Professionals and knowledge workers

The overcoming of the engineering systems of job design arose from the need to organize work in order to manage knowledge. Knowledge management is conceived as a managerial activity aimed at creating and organizing the cognitive capital of the enterprise. It serves as an organizational work tools to design value creation process and interact on the corporate culture. The organisation of the work can leverage groups of individual workers (knowledge worker, professional) or activate tools for the shared creation of knowledge (team).

A knowledge worker is a worker that has some specific knowledge. This specific knowledge is fundamental to successful operation of the organization. The organization must employ a suitable knowledge worker to gain access to the specific knowledge.

The knowledge, that is fundamental to successful operation of the organization, is mainly tacit (hidden) knowledge that is stored only in the memory of workers, is not easy accessible and is created, shared and used only through interaction and communication among workers. To gain access to the knowledge, the organization must find out an efficient and effective way to find, employ and keep qualified workers that will be competent and willing to create, share and use their knowledge to perform successfully in their jobs (roles) in the organization.

DEVELOPMENT

The valorisation end the cycle of the human resources process to create value in a company and it is a complicated and delicate phase. It is the moment when the reality of the facts comes to the surface and shows the values created trough the working process. It is a complicated phase because it groups different persons with different evaluation criteria.

During the process of working, the focus is on the utility that this process generated to customers; this means that clients are the focus because their needs defined the criteria for choosing the instrument to create value for the company.

Moreover, it is crucial to consider the competences of people working in the company because they have to be linked to the necessity of the markets trends. This is explained by the connection between the supply for goods or services and the supply for employment.

Consequently, there is a connection between goods and services markets and the policies of remuneration.

As a result, considering enhancement of the activity of one company, it is crucial to manage the topics of evaluation not only as a tool to establish retributions, but also as an instrument to mange relations. Evaluate means measuring the positions in the company, the competences, the individual behaviours of each person and the results gained.

After that, it is also important to analyse retributions policies and define which ones to adopt.

Job evaluation (positions)

Job evaluation is a useful tool to determine compensation levels for employees at all levels of the organization. The same process applies whether evaluating front-line, hourly employee positions or professional-level jobs. Important considerations involve determining the critical elements of the job, the value of those job elements to the organization and the relative ranking of various jobs throughout the company.

Job evaluation is the process of analyzing and assessing various jobs systematically to ascertain their relative worth in an organization.

It develops a plan for comparing jobs in terms of those things the organization considers important determinants of job worth. This process involves a number of steps:

1. **Job Analysis.** The first step is a study of the jobs in the organization. Through job analysis, information on job content is obtained, together with an appreciation of worker requirements for successful performance of the job. This information is recorded in the precise, consistent language of a job description.

2. **Compensable Factors.** The next step is deciding what the organization "is paying for" that is what factor or factors place one job at a higher level in the job hierarchy than another. These compensable factors are the yardsticks used to determine the relative position of jobs. In a sense, choosing compensable factors is the heart of job evaluation. Not only do these factors place jobs in the organization's job hierarchy, but they also serve to inform job incumbents which contributions are rewarded.

3. **Developing the Method.** The third step in job evaluation is to select a method of appraising the organization's jobs according to the factors chosen. The method should permit consistent placement of the organization's jobs containing more of the factors higher in the job hierarchy, than those jobs lower in the hierarchy.

4. **Job Structure.** The fourth step is comparing jobs to develop a job structure. This involves choosing and assigning decision makers, reaching and recording decisions, and setting up the job hierarchy.

5. **Wage Structure.** The final step is pricing the job structure to arrive at a wage structure.

Method Hay

There are several ways of doing a job evaluation, and example of a popular and widely used one is the Hay Method.

The method groups the factors that can be used to do a job evaluation into three broad factors: Know-how, Problem Solving and Accountability. These three are common to all jobs, and which are subdivided into several elements and for any given job, there will be a relationship between the three factors. Thus the output or end results expected from the job (the Accountability), will demand a certain level of input (Know-how), and processing of this Know-how (Problem Solving) to enable delivery of the output.

The system works on an integration of all the factors. A job is evaluated by looking at the knowledge required to do the job (whether practical or intellectual), the kind of thinking required to solve the problems which the job commonly faces, the responsibilities (accountabilities) assigned, and the work environment in which the work is performed.

In each of the following factors there are a series of descriptions and variables with points assigned to each.

Thus jobs can be characterised not only by the size or level of each factor, but also by the balance between the factors which reflect the 'shape' of the job. Thus, for example, a research job is likely to be heavily loaded towards Know-how and Problem Solving, whereas for a sales representative or production manager, the balance will be shifted towards Accountability. In addition to evaluating each factor, evaluators also assess the profile of the job, which provides an important check on consistency of treatment. The ability of evaluators to discern a difference between two jobs depends not only on the absolute difference, but on how big this difference is in relation to the size of the jobs themselves. Thus the numbering patterns used in method are based upon a geometric scale, each number being a constant percentage greater than the previous one. Jobs should not be evaluated in isolation, but viewed in their organisational context, so that working relationships both vertically and horizontally throughout the organisation are taken into account. In order that the focus is on jobs, not the performance of job holders, 'standard acceptable performance' is assumed. Similarly, jobs are evaluated independently of any market-driven pay conditions which may pertain, recognising that these require addressing explicitly as pay issues, not job-size considerations.

Know-How + Problem Solving + Accountability = Total job size

- Practical/Technical Knowledge
- Planning, Organizing and Integrating (Managerial) Knowledge
- Communicating and Influencing Skills

- Thinking Environment
- Thinking Challenge

- Freedom to Act
- Nature of Impact
- Area of Impact (Magnitude)

The method has three main factors and eight dimensions as follows:

Know-how

Know How is defined as the "sum total of every kind of knowledge and skill, however, acquired, needed for acceptable job performance."

There are three dimensions in know how:

1. Practical procedures, specialised techniques and knowledge within occupational fields, commercial functions, and professional or scientific disciplines.

2. Integrating and harmonising the diverse elements involved in managerial situations. This involves, in some combination, skills in planning, organising, executing, controlling and evaluating and may be exercised consultatively as well as executively.

3. Active, practicing person-to-person skills in work with other people, within or outside the organisation.

Problem Solving

'Problem Solving' is "the amount and nature of the thinking required in the job in the form of analyzing, reasoning, evaluating, creating, using judgment, forming hypotheses, drawing inferences, arriving at conclusions, etc."

There are two dimensions in problem solving:

1. The environment in which thinking takes place;

2. The challenge presented by the thinking to be done.

Problem solving is always expressed as a percentage of know how since it directly relates to how one uses the knowledge which he or she must have in the job to solve the problems which are encountered as part of that job.

Accountability

'Accountability' is "the answerability for action and its consequences. The measured effect of the job on end results in the organization."

There are three dimensions in accountability:

1. "Freedom to Act" which is the extent of personal, procedural or systematic guidance and control on the job.

2. "Job Impact on End Results" which is the degree to which the job affects or brings about the results expected of the unit or function being considered.

3. "Magnitude" is the size of the function or unit measured in the most appropriate fashion.

A performance evaluation system is a systematic way to examine how well an employee is performing in his or her job. The word *systematic* implies the performance evaluation process should be a planned system that allows feedback to be given in a formal, as opposed to informal, sense. Performance evaluations can also be called performance appraisals, performance assessments, or employee appraisals.

There are four reasons why a systematic performance evaluation system should be implemented. First, the evaluation process should encourage positive performance and behaviour. Second, it is a way to satisfy employee curiosity as to how well they are performing in their job. It can also be used as a tool to develop employees. Lastly, it can provide a basis for pay raises, promotions, and legal disciplinary actions.

How is the process?

These processes are often administered on an annual basis. They can be administered as frequently as every 3 months (quarterly). The process is driven by documents such as job descriptions, position requirements, department goals and objectives. Performance measures such as units/costs/errors/productivity can be used for determining acceptable levels of job performance.

The process of performance management can be easily administered through the use of technology. Not just in monitoring performance, but also in keeping track of measures, goals, and objectives. Also, computers are instrumental in gathering and collating information from a variety of sources. For example, the performance process may use information from individual job descriptions as criteria, combined input from 360-degree feedback surveys, and a supervisor appraisal form. These varied sources are all computers based and the performance management System can help collate and organize that   information.
These processes can be used to determine compensation such as bonus/merit pay, variable pay, and/or pay raises. These processes can be used to reward and recognize employees for outstanding job performance.

Performance Management Process	Traditional Performance Appraisal
Incorporates Criteria from Job Descriptions	Administered by Supervisor
Includes various measures of performance	Standard Form that is common to all employees
Includes Self-Assessment	Does not require review by others
Includes feedback from Peers and Direct Reports	Conducted annually
May require review by senior leadership and/or HR	Criteria for evaluation may not match the employee's actual job duties or description
Conducted annually, quarterly, or may have components throughout the year	Criteria for evaluation may be vague and subject to interpretation and subjectivity
Uses objective measurable criteria	

In assessing an employee's performance, supervisors and managers may find it useful to consider the opinions of this person's peers and/or direct reports. Supervisors and managers could try to collect this feedback on their own by soliciting comments from others who work with this individual. It is possible, however, to incorporate the results of a 360-degree feedback survey directly into the Performance Management Process. This 360-degree feedback can include quantitative as well as text based feedback to help the supervisor get a better picture of the employee's job performance within the organization.

Remuneration

The remuneration is the compensation an employee receives in return of his or her contribution to the organization. It is the reward for employment in the form of pay, salary, or wage, including allowances, benefits (such as company car, medical plan, pension plan), bonuses, cash incentives, and monetary value of the non cash incentives.

Components of Remuneration:

An average employee in the organized sector is entitled to several benefits such as salary and wages, incentives, fringe benefits etc. following are the major components of remuneration-

- · <u>Wages and Salary.</u> Wages represent the hourly rates of pay whereas salary represents the monthly rates of pay regardless number of hours put in by an employee.
- · <u>Incentives.</u> Incentives are basically "payment by results". Incentives depend on productivity, sales, profits or cost reduction efforts. There are two types of incentives schemes: 1) Individual Incentive Scheme- Applicable to specific employee performance. 2) Group Incentive Scheme- It is applicable where a given task demands group efforts for completion.
- · <u>Fringe Benefits.</u> They include gratuity, medical care, hospitalization, accident relief, health & group insurance, canteen, uniform and recreation etc.
- · <u>Prerequisites.</u> These are allowed to executives and include company car, club membership, paid holidays, furnished house, stock option schemes etc.
- · <u>Non Monetary Benefits.</u> These include challenging job responsibilities, growth prospect, competent supervision, comfortable working conditions etc.

Theories of Remuneration

In order to understand which components of remuneration are more effective, it is important to look at theories of remuneration. There many different theories some of them are:

· Reinforcement & Expectancy Theory

Reinforce theory suggests that behaviour which has a rewarding experience is likely to be repeated. Implication of remuneration in this theory is that high employee performance followed by a will make future employee performance more likely.

Expectancy theory is link between rewards and behaviours. According to this theory, motivation is a product of valance, instrumentality and expectancy. Remuneration systems differ according to their impact on these motivation components. Pay systems differ most in their impact on instrumentality. Valance of pay outcomes remains the same under different pay system. Expectancy perceptions often have more to do with job design and training than pay system.

· Equity Theory

The equity theory emphasis in pay structure of employee remuneration. It suggests that an employee who perceives inequity in his or her rewards seeks to restore equity. When employee perceives inequity it can result in lower productivity, higher absenteeism or increase in turnover.

Remuneration systems need to meet three types of equity which directly impact motivation, commitment and performance:

1) Internal Equity- Perceived fairness of pay differentials among different jobs with organization.

2) External Equity- Employees' perception of fairness of remuneration relative to those outside organization.

3) Individual Equity- Employees' perception of pay differentials among individuals who hold identical job in the same organization.

· Agency Theory

This theory focuses on the divergent interests and goals of the organization's stakeholders and the way that employee remuneration can be used to align these interests and goals. This theory talks about two important stakeholders. employer and employee. Employer plays a role of principal whereas employee plays a role of agent. Remuneration paid to employee (agent) is called agency cost. Agent wants high agency cost whereas principals want to minimize it.

Agency theory says that principal must choose a contracting schemes that helps align the interest of agent with the principal's own interest.

Human Resources Scorecard

In conclusion, there is one important tool that is strictly related to the development of the human resources because it considered all results of a company and this is the Human Resources Scorecard.

To introduce it there is a common logic that for a business, to be considered successful, it must satisfy the requirements of three stakeholders: investors, customers, and employees. Investors require financial performance, measured in a variety of ways but focusing on economic profitability, market value, and cash flow. Customers who use products require quality and service, which can be measured through market share, customer commitment, customer retention, and other customer-focused issues. Employees of a firm want that firm to be a healthy place to work as measured by employee and organizational actions.

An HR scorecard is a visual representation of key measures of human resource department achievements, productivity and other factors important to the organization. Factors measured include costs, hiring, turnover, training, performance management and alignment with corporate goals. Most HR scorecards are tied to corporate goals or strategic plans and are designed to track and measure the efficacy of human resource activities and enable managers to make targeted investments in HR and organizational structures. Scorecards include current data and comparisons to previous time periods, such as the previous quarter or year, and historical data to show improvements toward goals.

The components of factors' measurement are:

Costs

Human resources costs that are measured and reported on through scorecards include adherence to budgets, recruiting costs to attract and hire staff and costs of benefits such as group health insurance. Tracking costs through scorecards enables managers to plan human resources goals and expenditures and control costs in specific areas and set realistic budgets.

Hiring

Hiring is tracked in human resources scorecards by numbers of employees hired by department, business unit or location. Hiring goals, position vacancies and time to fill positions are other hiring indicators tracked in scorecards. This information gives managers a way to see how well human resources fulfils the company's need for new personnel, and where HR may benefit from extra resources to increase or improve hiring practices.

Turnover

Turnover is the rate at which a company gains and losses employees and is commonly compared to the rate of industry turnover. Turnover costs companies money to recruit staff and in lost productivity and low morale amongst other employees. High employee turnover indicates employees are unhappy due to issues such as work environment, lack of opportunities, management conflict or compensation. Low employee turnover indicates employee satisfaction, making lowering turnover a significant goal.

Alignment with Corporate Goals

Businesses use human resources scorecards to measure human resources processes and effectiveness, and to align human resources with corporate goals and strategies. Human resources scorecard practices involve both financial and nonfinancial aspects, measuring actual costs as well as other areas of value such as turnover rate and what it means and performance management data. Scorecards must measure elements that are in corporate goals and strategy to be a tool for alignment. For example, if a key corporate goal is to improve customer service in the upcoming year, customer service training and customer service staffing should be part of the human resources scorecard.

While the strategic alternatives have many different dispositions and some began to be fundamental part of the all management; the HRM still doesn't have a clear approach and many different theories are adopted.

However, it is important to underline that an evolutionary path has brought to consider humans from a merely administrative function to a strategic partner of the business summit. As a result different approaches emerged, all of them are still existing and evolving and they can coexist in the same company.

Here are some of the HRM assets that could be found in different situations: 1) Bureaucratic approach; 2) Professional approach; 3) Market approach; 4) Flexible approach.

BUREAUCRATIC

The bureaucratic configuration is related to Mintzberg's machine bureaucracy. It consists of a bundle of practices acting as behaviour control mechanisms, such as rules and regulations for coordinating large groups of lower-skilled employees. Rules govern the production process and help maintain efficiency. Employees' tasks are narrowly defined and required skills are limited. As tasks and skill sets are narrowly defined employees usually do not have many opportunities for further development. Large personnel departments are responsible for developing and executing formal procedures that prescribe how to manage the workforce. Examples of this model are most likely to be found in traditional bureaucratic organizations (e.g. in the heavy industrial sector). In this configuration, recruitment and selection are formal, yet simple, procedures. Recruitment tends to be relatively easy, as the core production process primarily consists of standardized and relatively simple tasks. The personnel department is leading in the selection of employees and the use of more expensive methods of recruitment and selection (e.g. tests, outsourcing) is rare. Rather, standardized application forms and interviews are used for recruitment and selection. The standardized production process calls for a system of compulsory and formalized training with strong emphasis on

technical skills. Employees are not primarily responsible for taking initiative to update their skills and knowledge as the company takes the lead in this. Some internal training possibilities may exist, but the overall opportunities for promotion and development are limited and the organization spends little money on training and development of employees. Management development programmes aimed to increase functionally flexibility of managers are rare, as the stable market does not call for such flexibility or anticipation of change. A strongly formalized reward system is standard. Group appraisals and rewards are rare due to the fact that the production process is broken down into narrowly defined separate tasks. Performance measures are clear and performance evaluation involves the use of standardized evaluation forms. The overall HRM policy is designed in order to maximize control over the production process and compliance rather than to enhance commitment.

PROFESSIONAL

The professional configuration also has many rules and regulations, but far less emphasis is found on behaviour control mechanisms. A system of output control is more common. It is related to Mintzberg's professional bureaucracy as core production consists of complex tasks. HRM policy aims to enhance employee commitment. A large, central personnel department is responsible for setting out policy, although execution tends to be decentralized. The company usually employs highly educated professionals, whom it aims to accommodate and develop. This type of personnel management may, for instance, be found in public service organizations with a strong focus on quality within a stable market environment (e.g. hospitals, research institutions). Recruitment and selection aim to attract an exclusive group of highly skilled professionals and are mostly decentralized. The central personnel department assists units trying to hire newcomers (providing information, forms, etc.). Selection is primarily done through interviews. Psychometric tests and assessment centres may also be used as selection methods, although outsourcing to specialized firms is rare. Although the highly specialized professionals feel personally responsible for keeping their knowledge and skills up to date, the organization provides support for training and development activities. There are usually no (or very limited) compulsory training courses. The organization offers sufficient promotion opportunities and promotion from within is a common practice. Promotion and development are often

guided by formal systems of career development, such as management development programmes. Performance appraisals are done by superiors, aided by performance criteria developed by the personnel department. Team performance may be part of the appraisal process. Employees are primarily rewarded through a fixed salary tied to a formal job classification system, bonus systems are usually limited. The company may have developed a formalized HRM policy and mission statement. As the core activities of the organization call for high levels of specialized knowledge, the emphasis in the employment policy is on development of personnel. Commitment is also an important driving force for the policy as this specialized group of employees is hard and expensive to replace.

MARKET

In the market bundle, the HRM policy is hardly developed and few formal procedures with regard to HRM practices are in place. It is often the owner/founder of the business who is responsible for setting out the employment policy. High levels of direct supervision are found, combined with a limited number of explicit rules and regulations to maintain flexibility. The organization may offer its employees nothing more than a salary for their efforts. Core production calls for a lower skilled work. Employees usually do not perceive clear opportunities for further development within the firm. Informal procedures with regard to recruitment and selection are typical here. The lower skilled (and often temporary) employees are usually relatively easy to recruit and selection is done through an informal interview with 'the boss'. Application forms or formal tests are not used. There are no explicit funds for employee development. Compulsory training in order to obtain some necessary skills may be needed, but such needs are determined and dealt with on a case-to-case basis. Only few opportunities for promotion tend to be available due to the small scale of the business. Rewards are based on informal procedures and there is no formal system of job specifications or classifications. The informal nature of the reward practices may lead to a system of ad-hoc bonuses. Group performance may play a role in this. Performance appraisal is based on the manager's perception of employees' performance and is often based on whether a set of pre-determined goals or targets was met. Overall policy aims at remaining (numerically) flexible and not at enhancing commitment.

The flexibility configuration emphasizes commitment of individual employees. Few formal rules and procedures are in place. The company is in a continuous process of alignment with customer needs in a turbulent market. Tasks are broadly defined and functional flexibility of employees' is a prerequisite for success. Rather than developing specialized skills and knowledge that are of use in stable and well-defined tasks, employees will need to be broad professionals that can perform different tasks when needed. Although organizations do not offer much job security in this turbulent environment, they do aim for commitment in order to keep their well-trained and flexible employees (as long as they are needed). Creating their own job security is seen as the responsibility of individual employees, who need to keep themselves 'employable' for future jobs within or outside of the present company. The company offers opportunities for development, but employees themselves need to take the responsibility for developing in any given area. Rather than having a large personnel department, the responsibility for the execution of many HR tasks lies in the hands of line managers, who are supported by a few internal or even external HR consultants. Examples of firms that may use the flexibility model can be found in the area of advanced technology, international trade and professional services. Recruitment and selection of well-educated and able professionals is central to this bundle of HRM practices. Psychometric tests and assessment centres are often used as tools for selection. Activities in this area are often outsourced to a specialized recruitment and selection firm. There are few formal procedures. Line managers rather than the personnel department are responsible for hiring their own new staff. As jobs are very broadly and flexibly defined, there is no formal system of job classifications or task descriptions. Rewards usually entail a base salary in combination with substantial pay-for–performance plans. Both individual and group bonuses may be used. There are no standard forms and there is no formal system of sanctions. There are no compulsory training courses and employees are personally responsible for keeping up to date in their field (often the company does fund development activities at the individual's request). There is no formal management development system, but there are still ample opportunities for promotion and development (mostly at the initiative of the employee). The overall aim of the policy is commitment of employees, who are highly educated and difficult (and expensive) to replace.

Q1- Which of the followings human resources approaches is designed in order to maximize control over the production process and compliance rather than to enhance commitment? (two answer possible)

1- Bureaucratic approach
2- Market approach
3- Flexibility approach
4- Professional approach

Q2- Concerning motivation of people working inside a company and following Maslow's theories; which type of needs does a manager has to best consider on the employees?

1- Only self-fulfilment needs because they are the higher needs of the pyramid and they concern the person's need to reach his potential
2- Only physiological needs because they are the base and the most important needs
3- A manager has to recognise that workers are not all motivated in the same way and that they not all move up the hierarchy at the same pace. They may therefore have to offer a slightly different set of incentives from worker to worker.
4- A manager has to dispread belongingness and love needs because they are those which best assure a good climate inside the company

Q3-What is Job specification?

1- It is a useful tool to determine compensation levels for employees at all levels of the organization
2- It is the division of work tasks assigned to an individual in an organization that specifies what the worker does, how, and why
3- It is done to determine what needs to be delivered in a particular job. It clarifies what employees are supposed to do if selected for that particular job opening
4- It is a written statement of educational qualifications, specific qualities, level of experience, physical, emotional, technical and communication skills which are all required to perform a job

Q4- What is "Assessment Centre"?

1- It is an instrument of recruitment and consists in a process in which a company will use internal sources t fill a vacancy with an existing employee of the business

2- It is a tool which consists in assessments devised in the form of exercises that the employees or candidates do while several assessors observe them and evaluate specific behaviours

3- It is a tool used for selections which gathers information about the history of an applicant as a means of predicting future performance. The interviewer asks open-ended questions and maps the subject's behaviour in situations where he or she had to demonstrate key competencies required for the given position

4- It is an instrument for selection on which the candidate talk to the company to clarify is characteristic and the company analyse in depth trough questioning

Q5- Commitment is the psychological attachment that an employee has with the organization. In particular, what is normative commitment?

1- It is a type of commitment which reflects employees' willingness to stay in organization as their affection to organization

2- It is a type of commitment which reflects employee commitment to stay in organizations as their sense of social responsibility and obligation

3- It is a type of commitment that reflects employee commitment to stay in organization based on utilitarian consideration

4- It mostly reflects the lack of alternative job or suitable remuneration. Employees stay in the company because they have no better option

Q6 - Concerning analysis of the performance, it is crucial to adapt the individual competences of each person to the needs of the company and this is possible through a well organized program of trainings and formations for employees. There are different kinds of training activities that can take place, which one could be the best for training on focused topics?

1- Role-playing

2- eLearning

3- Coaching or mentoring

Q7- Job Design means outlining the task, duties, responsibilities, qualifications, methods and relationships required to perform the given set of a job. Which are the main dimensions that a good job designing work has to take in consideration?

1- Technical dimension, Economic dimension, Motivational dimension
2- Economic dimension and technical dimension
3- Relationship dimension, communication dimension, commitment dimension
4- Identification dimension, communication dimension, commitment dimension

Q8-Which of the following is NOT a correct definition of what knowledge workers are?

1- A knowledge worker is a worker that has some specific knowledge. This specific knowledge is fundamental to successful operation of the organization
2- The organization must employ a suitable knowledge worker to gain access to the specific knowledge
3- The knowledge worker processes and manipulates information as an end in itself which means it is the informational content of the job that defines the task, the product, and ultimately the worker
4- Knowledge workers are particular employee who need specific practical skills to work

Q9 -Which of the following sentences doe not characterize an innovative performance management process?

1- An innovative performance management process includes feedback from Peers and Direct Reports
2- An innovative performance management process is conducted annually, quarterly, or may have components throughout the year
3- An innovative performance management process does not require review by others

4- An innovative performance management process includes various measures of performance

Q10- What does the Theory of Agency says?

1- Agency's theory says that principal must choose a contracting schemes that helps align the interest of agent with the principal's own interest
2- Agency theory focuses on the divergent interests and goals of the organization's stakeholders and the way that employee remuneration can be used to align these interests and goals
3- Agency theory talks about two important stakeholders: employer and employee. Employer plays a role of principal whereas employee plays a role of agent. Remuneration paid to employee (agent) is called agency cost. Agent wants high agency cost whereas principals want to minimize it
4- Agency theory suggests that behaviour which has a rewarding experience is likely to be repeated

MODULE 5:

PROJECT MANAGEMENT

COMMON TERMS AND WHAT INCLUDES A PROJECT

A project is a unique activity that brings change but can include risks and issues. It is temporary, meaning that it has a start and an end.

In every project, we can define common terms: deliverables, deadlines, tasks, risks, issues, chart and stakeholders.

- Deliverables: concrete products coming from the project
- Deadlines: steps and milestones everyone agreed to respect
- Tasks: activities or actions which run the project all along
- Risks: potential issues which can lead to the failure of the project
- Issues: when risks turn in actual problems which need to be solved
- Chart: agreement between partners with every tasks, milestones and deadlines
- Stakeholders: every person or group who is concern in one way or other in the project

CHARACTERISTICS OF PROJECT

Uniqueness

A project must have a specific and unique objective. It's never been made, and it's original. It can be similar to something that already existed.

Limited duration

The project will be defined in the time with a schedule. There is a start and an end in a define space and context. Moreover, every project contents several steps, also precisely scheduled.

Newness and change

One of the main goals is to bring a change in a specific field. By this change, the project is bringing the resolution of a problem, or adding a new opportunity. It's different from what already exists.

Constraints

Unfortunately, a project contains constraints, sometimes unpredictable. This is above all because of the uniqueness of the project: we don't know to what it cans lead.

In order to manage the project, it is needed to think further and define the scope and the cost.

Project leader

The role of the project leader is also crucial in a project. It is the one who is responsible of the initiation of the project, its planning and execution, as well the monitoring and the closure of the project.

The project manager has to make sure that everything happens well: tasks, schedule, and eventual issues.
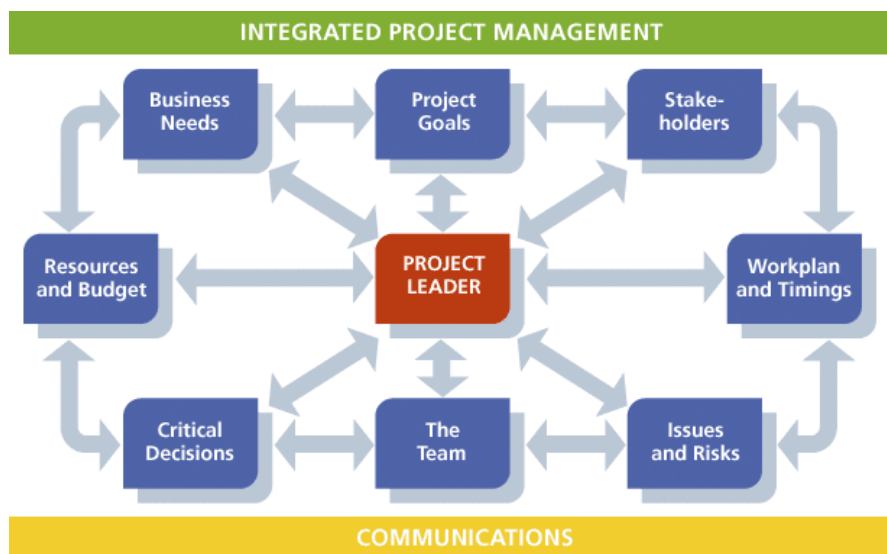
About the tasks of the project, there are various. Thanks to resources and partners, the tasks are executed.

Finally, the project has a client, a target. It is in fact the whole point of the initiation of the project: a well defined objective with specific target.

The most important phase of a project is the initiation phase. A project can succeed or fail according to the Terms of References defined. This is the part when you start the project with the definitions of objectives, costs, scope and the selection of the project team.
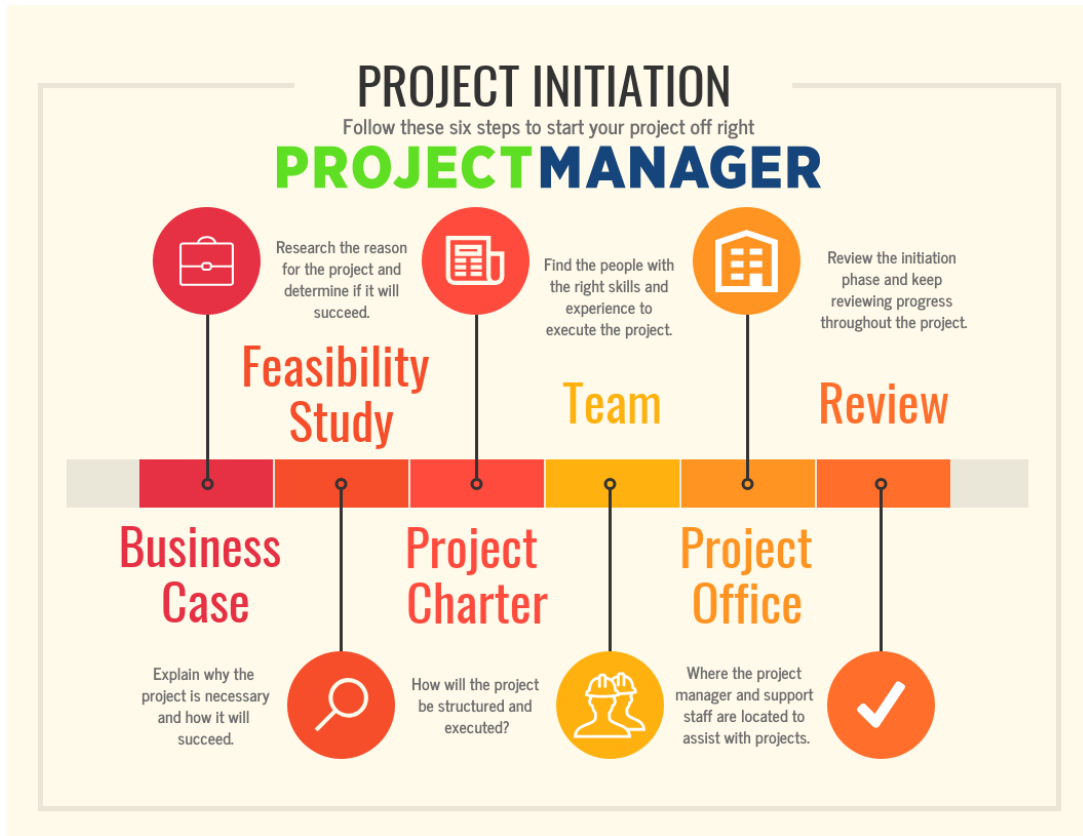
The project initiation has six steps.

The first, called **"Business Case"**, aims to explain the reasons of starting the project, and how the financial resource will be supported.

Then the **"Feasibility Study"** appears once that the Business Case has been approved. It will explain how the project can succeed, the eventual problems, and what it the best way to design the project.

The third step is the **"Project Charter"**. Thanks to this step, you will know how to structure and execute the project. This is also the moment to list the project team and the roll they have to play in the project, but also to identify the stakeholders.

The next step is assembling a **team**. It means explaining and defining the objectives and responsibilities of each. It's about establishing the role of the team. An easy way to develop this phase is listing the skills of every partner; create a chart to visualize the project.

Setting up the **Project Office** permits to have a physical space. You have to think about which kind of infrastructure you need, related the project. After that, it will be easier to define the role of each project partner in the office.

The final phase is the **review.** It is more about reviewing each step of the process by using a project life cycle. This step permits to launch the project with the most certainty possible and manage the project process.
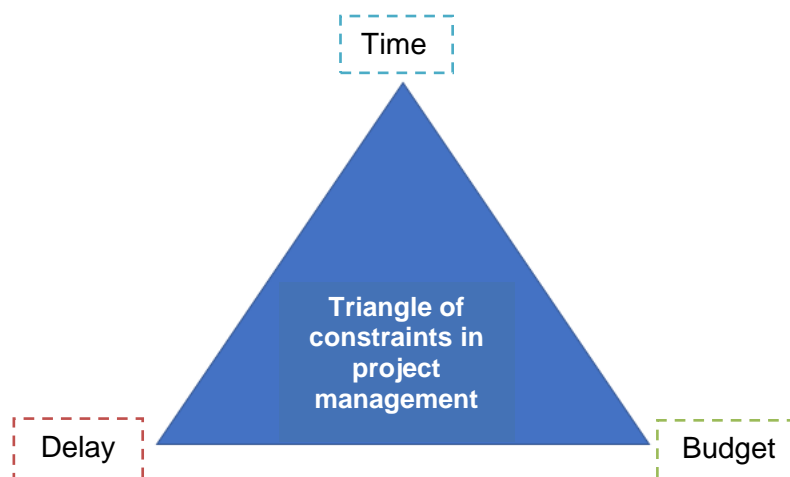
The project management follows few steps. We can define at least five steps.

INTRODUCTION TO THE STEPS: THE DEFINITION OF THE OBJECTIVES

This is the previous step before starting anything in the project. This is important to understand and be sure that the objectives are clear, in the way to avoid a "tunnel effect": start a project and launch it but get lately that there are misunderstandings.

This is the moment to clarify what are your expectations to avoid as much as possible the constraints like time and delays, money and budgets, tasks and deliverability.

```
                    Time

              Triangle of
              constraints in
              project
              management

    Delay                      Budget
```

Step 1: the definition of the tasks
This is probably the hardest step because it is the foundation of the project. In order to do it right, you should create a list of all the possible tasks which could appear (not necessary in a chronological order), and asking yourself what would you need to realise the task. This process will lead to a long list of tasks that needs to be sort and classify. The time factor is essential in this step: you should not lose time to know when you should launch the task.

Step 2: logic sequencing of the tasks

It is now the time to connect the tasks together and order them. For each task selected, you need to define the upstream work to make before realising the particular task. All along, you have to keep in mind the time constraints.

Step 3: take in consideration the deadlines, durations and external tasks

For every workload, you have a define duration to take in account, coming with deadline constraints, some more important than other. External tasks can be also constraints as you don't know how to manage them, and you can impose deadlines. In your project management, you have to write down theses considerations with all the tasks.

Step 4: the definition and attribution of resources

This is the stage where you list all the resources needed to manage the project. It is not only about human resources.

For each resource, you should once again think about the constraints that can occur. After that, every task will be connect with one or several resources.

Step 5: plan and ensure the follow-up

This is the final step, the planning of the project. This permits to compare the theory and the reality. The ensuring is all the management is about.

A project follows also a particular cycle: the design, the development, the analysis and finally the evaluation.

The better way to visualize the time and tasks of a project is through the Gantt chart. This one is use in the case of project management.
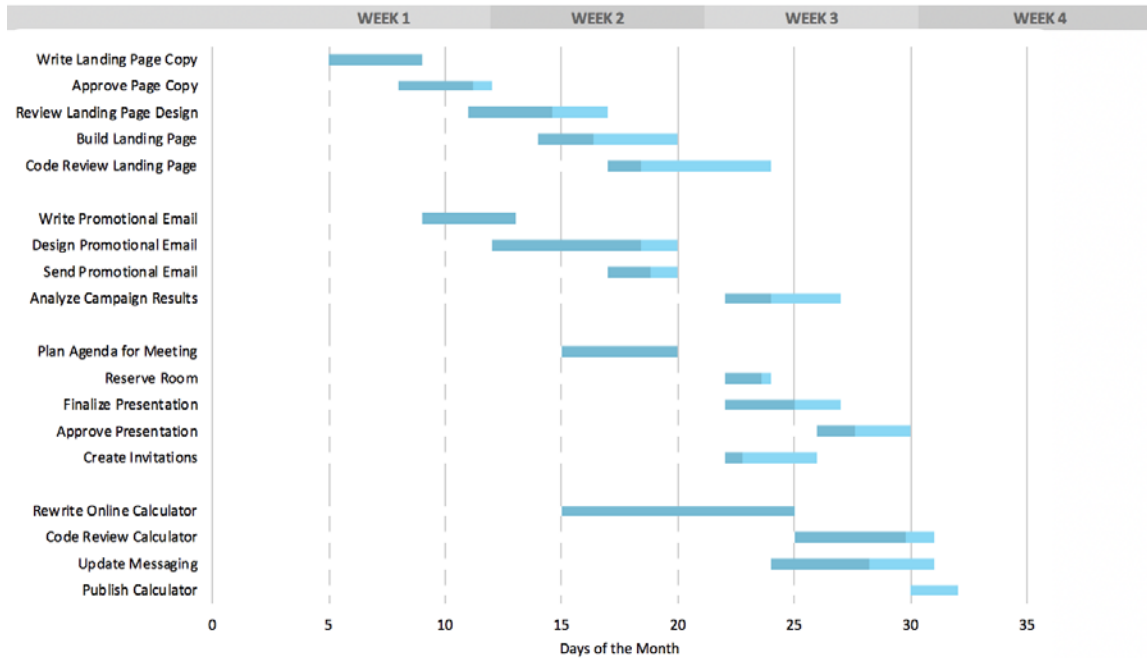
The first column lists all the tasks of the project. The rest of the chart shows the time and the duration of each in month, week and/or day. The graph can also contain the name of the people involved in the tasks.

In order to follow this process and to launch a project, the essential step is the "Work Breakdown Structure" (WBS). This is a tool used to define the project in several sections for purposes of make the tasks in a proper way. This is the decomposition of the work for the project team established by a hierarchic system. The goal of the WBS is also to manage the costs and the duration of each task. At each level of the hierarchic graph, there are others sublevels with more details on how execute the task, and so on until the ultimate level that revels the concrete task to realise. More than a visual representative, it permits to evaluate the costs, the duration, and the implication of the partners.

The WBS permits also to evaluate the risks of the project, and identify the implication of the partner for each step.

- The top level represents the final deliverable or project
- Sub-deliverables contain work packages that are assigned to a organization's department or unit
- All elements of the work breakdown structure don't need to be defined to the same level
- The work package defines the work, duration, and costs for the tasks required to produce the sub-deliverable
- Work packages should not exceed 10 days of duration
- Work packages should be independent of other work packages in the work breakdown structure
- Work packages are unique and should not be duplicated across the work breakdown structure

Source: https://www.workbreakdownstructure.com/
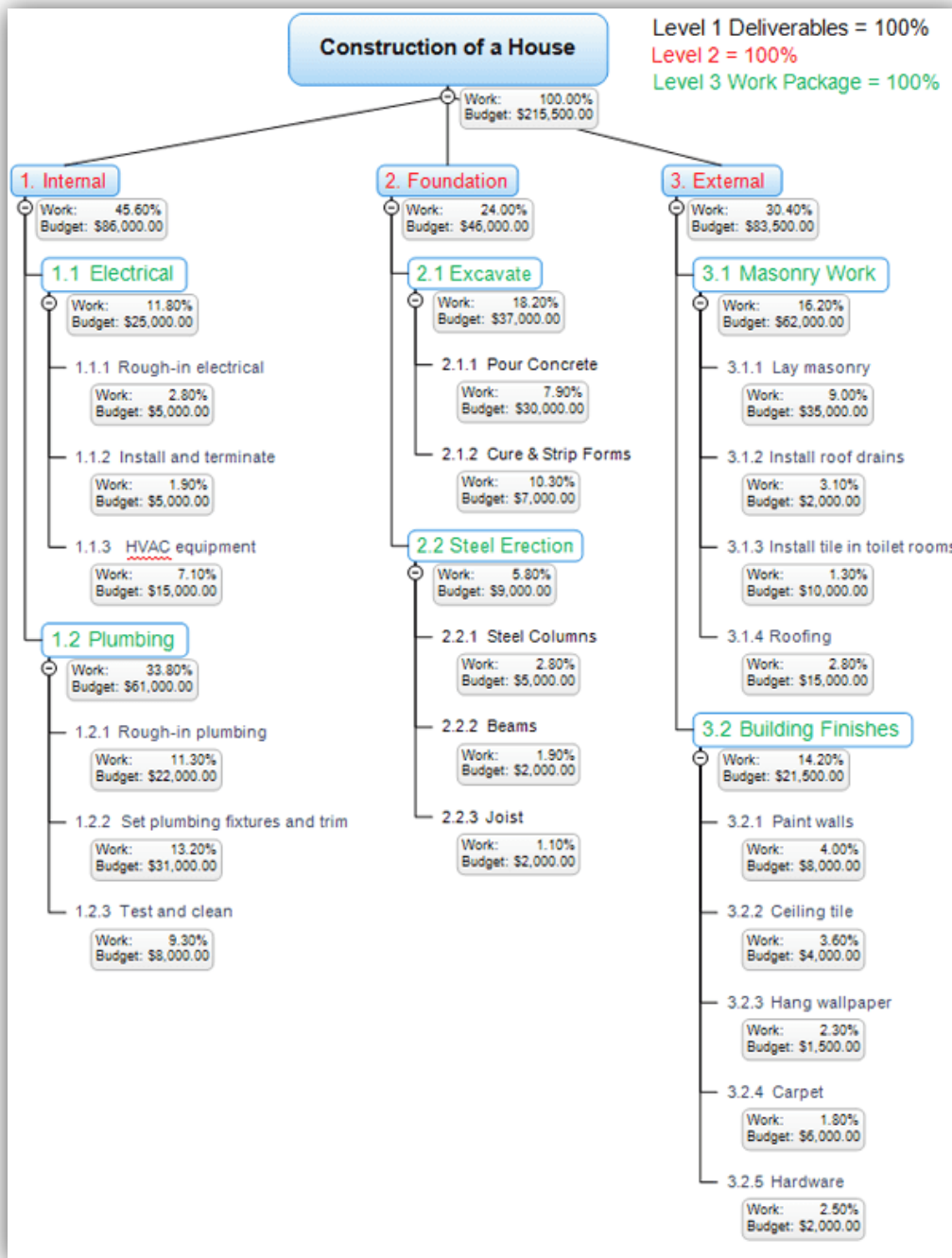
There are four main ways to measure the success of a project: the scope, the cost, the schedule and the satisfaction of the customer. If the team master those aspects, the project can be successful.

However, projects face various kinds of constraints. For each, it has to be sure that the constraint has been taken into account.

For the scope of the project, it is essential to focus on the project requirements and be sure that those have been completed. About the project's cost, it shouldn't exceed the one that has been agreed. The schedule should be realisable and complete on time and finally, check if the final target is satisfied.

In the opposite way of successes, there are failures. Those can be due to several factors which need to be monitor. Here are nine reasons:

1. Poor project and program management discipline
2. Lack of executive-level support
3. Wrong team members
4. Poor communication
5. No measures for evaluating the success of the project
6. No risk management
7. Inability to manage change
8. Poor estimate of costs, schedule or resources
9. Poor definition of the perimeter

Causes of Project Failure as Reported by Top 100 Managers
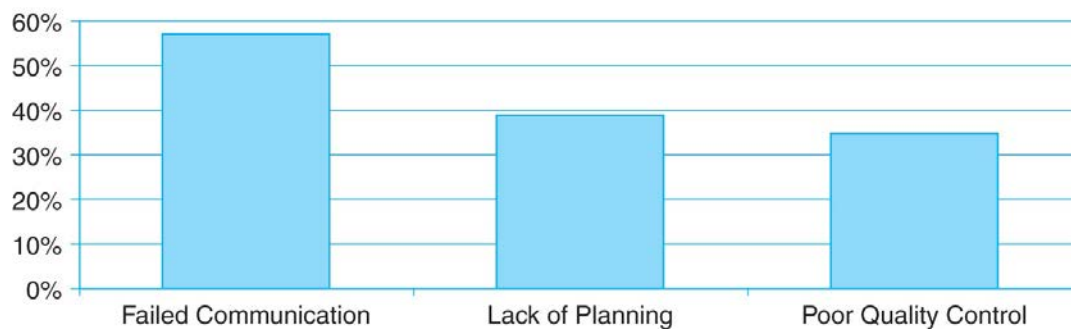
12 Golden Rules

- o **Rule nº1**: gain consensus on project outcome.
- o **Rule nº2**: build the best team possible.
- o **Rule nº3**: develop a comprehensive, viable plan and keep it up-to-date.
- o **Rule nº4**: determine how much stuff you really need to get things done.
- o **Rule nº5**: have a realistic schedule.
- o **Rule nº6**: not try to do more than can be done.
- o **Rule nº7**: remember that people count.
- o **Rule nº8**: gain the formal and ongoing support of management and stakeholders.
- o **Rule nº9**: be willing to change.
- o **Rule nº10**: keep others informed of what you're up to.
- o **Rule nº11**: be willing to try new things.
- o **Rule nº12**: become a leader.

One of the most important thing you need as a project manager is acquire useful transversal skills. Those skills are not directly related to the project. You can possess them thanks to previous work experiences.

In the field of project management, these are a few of useful transversal skills.

- *Communicate orally and written in the professional world*

The goal of this transversal skill is to be able to adapt the way it communicates to any interlocutor and in any job-related situation, but also to understand various writings related to a job or a qualification and produce adapted writings.

- *Mobilize mathematical reasoning*

The acquisition of the skill comes through the development and comparison problem-solving strategies in a variety of environments.

- *Use digital tools and computing*

Personalize computer and digital resources to serve your situation and your career is the goal of this skill.

- *Manage information and get organized in your professional activity*

It means that you can anticipate and plan ways of organization according to possible unforeseen.

- *Apply social codes inherent to the professional context*

You should be able to explain to others the frameworks of a professional environment /or training.

- *Work in group and team*

The goal of this skill is being able to participate actively in collective work by varying one's place and role in the group.

- *Learn and training throughout life*

It means not only mention new ways to carry out certain professional activities, but above all suggest some.

- *Build your professional course*

For this skill, you should determine the stage(s) of implementation for his career path.

- *Achieve its activity according to the established regulatory frameworks*

The goal is to analyze issues related to compliance with standards and regulations.

- *Adapt its action against hazards and emergency situations*

It means being able to anticipate problems that may occur in your business, changes some ways of doing things.

To be clear, the definitions of these skills are the final step in their acquisition. You may possess some of those skills, but not totally acquired.

You can encounter other transversal skills like:

Autonomy, initiative, interdisciplinarity, rigor, benchmarking, and multitasking.

Fill the questionnaire by clicking [here](#).

MODULE 6:

EVALUATION TOOL FOR TRAINERS OF ENTREPRENEURS

The EPWESS project aims to influence positively on the quality of training of professionals providing social services of support to entrepreneurs by detecting skills which those professionals have to have for providing quality support to new entrepreneurs.

The EPWESS project will identify, in relation to European Credit system for Vocational Education and Training (ECVET), these skills and define the professional profile of the personnel working in the entities for the support to entrepreneurs.

Furthermore, the EPWESS project will develop an online tool for the validation of those skills and Training Guide which will drive to a training activity during the project implementation and which will have as object the professional training of participants, deriving from entities for the support to entrepreneurs.

The EPWESS project is located in the context of Entrepreneurship Support Services (SAEs). The need for support and assistance to entrepreneurship is an area that permeates any country which bases its growth strategy in promoting the creation and consolidation of small and medium enterprises (SMEs).

The primary objective of EPWESS is to improve the professional training of the SAE's staff; through the detection of strengths and weaknesses through a massive collection of questionnaires in four countries participating in the project; by defining what the correct profile is in terms of skills of the target group, in total connection with the European Credit System for Vocational Education and Training based on the information obtained in the previous phase; through an online tool that will generate a portfolio that will contain, in turn, acquired skills in order to make them visible, transferable, comparable to Europe, through a useful training guide for SAEs.

By using the products of this project, any practitioner working in a SAEs can easily compare his/her competences and what skills he/she needs to develop the activities in any European country, thanks to the use of ECVET framework.

Transfer, no formal recognition and visualization are three key concepts that explain largely the motivation of the partners of this project to work in the proposed direction.

HOW EVALUATE PROFESSIONALS?

The professional has been followed by a trainer all along the training program. In order to evaluate the progress, the trainers need a followed-up sheet.

The operator will be evaluated according to the ECVET units:

- Reception
- General information and support
- Action plan
- Cooperation and interaction
- Evaluation of process

After a self assessment, the trainer will be able to score the progress of the operator, by put a crossing the relevant box: excellent – very good – good – fair – poor – very poor.

Then, it is indispensable to observe closer the participation of the operator. The trainer has to rate the level of participation by answering multiple choice questions. This is fully necessary in order to understand how the trainings operate on professionals.

We have to know how often the operator and the trainer met, what was the level of the operator in the beginning of the training (according to the ECVET Score after self assessment), which level the operator reach after the training, and finally if the entrepreneur needs more support after the training program.

After this evaluation, trainers will measure exactly how the training went.

QUESTIONNAIRE

Fill the questionnaire by clicking here.