

The Unified Management Framework

By John Gibert - January 2006

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This article explores the need for and use of a Unified Management Framework.

The Need for a Unified Management Framework

Businesses today are run by bespoke management regimes which each operate processes and practices without consistency and without an overall framework.

For example most businesses; have budgets, manage projects as projects; have some form of methods for managing strategy and business development plans; manage services, assets, people and technology; manage objectives, performance, risks, problems and issues; and are aware of the need to manage change in some way, but many of these are not performed consistently, and not linked with one another into an overall management framework.

In many businesses whilst many of the business's operational practice may be defined, performed consistently, documented and related to one another, many of the overall management practices are not defined, are poorly documented, and are not consistent or integrated with one another across the organisation. Indeed a lot of management practice is left to the individual managers to determine with managers doing the same kind of thing in ways peculiar to them as an individual.

Again for example managers handling a request from another manager, resolving an internal problem, managing a particular risk, planning the work of their department, will each typically do it in their own way.

One could say that is why managers are managers, for them to determine the best practices to handle their situations – but if you were to say the same thing about an operational task – that each sales clerk should be able to handle orders in different ways, you would say no. When managers join a new business they spend an amount of time learning (discovering) and adjusting to managing in the new management regime..

A Bit of A Mess

So why does the business world look for a significant element of uniformity on operational tasks but not in management practice, it's all a bit of a mess?

Well, from time to time, senior business management identify that there is a need to undertake certain management tasks better and even consistently across their business. Typically this is when some publicised management method entices the senior management, in the way that TQM for continuous improvement, Balanced Score Card for objectives management, MOR for the risk management and Six Sigma for problem solving, and other management techniques have over the years. All of a sudden the business realises that some aspect of its management practice could be improved and an area of management practice is brought to task. However these are left to wane over time as new teams of management are brought in. Importantly they are never integrated with one another into an overall management best practice framework for the organisation.

Businesses tend to look to use best practice in their industry but tend to limit this to operational processes and where there are supply chain expectations and standards.

Business functions also establish operational best practice but these tend to be islands for their profession and are not integrated with the practices of the other business functions and professions.

Also clearly management want to be able to operate different methods and 'business models' to differentiate themselves from their competition and this seems to contribute to the lack of desire for consistency in overall industry and professional management practice.

Despite all of this, most businesses today need to work more closely with one another in the form of alliances, partnerships and integrated industry supply chains. To do this they need to be able to align their management practices and parts of their management regimes to act effectively in support of the overall end customer.

So clearly there are needs and benefits to establish common management methods and to have available a unifying management framework, but there are also needs for different business models to operate across the methods and within an overall management framework. So how do we move forward?

The Position of IT Management Practice

In the IT world there have been attempts at an overarching management framework but none has come into the public domain. IBM produced their Information Systems Management Architecture model (ISMA) in the mid 1980's which entered the public domain and addressed all aspects of the management of IT as a part of the business. However it was an IT management framework with the business on the outside.

Also in the IT world there is the CoBit management control framework used for assessing the adequacy of IT management methods but it is not an advisory framework of how to manage IT but an assessment framework.

Over the last twenty years, the IT industry, IT functions and IT Service Providers have supported the use of standard ways of working as the business and IT management have got fed up with the lack of quality, control and consistency in the way IT was managed. Only large organisation could afford to develop and then train their staff in their own methods and this proved to be a costly, time consuming and ineffective way of managing IT and so the IT industry embraced a number of standard methods. In 2006 some of those methods are becoming international standards for the way IT is managed, controlled and operated. The most notable methods are: ITIL for IT Service Management, PRINCE for IT and business Project Management, RUP for Applications Development, CMM for assessing IT process maturity; and CoBit for auditing IT management control practices.

Books, training, and a market of skilled staff and expert consultancy have enabled these methods to be acquired and deployed at reasonable cost and between them provide the baseline capability for effective IT management.

However the IT industry with its all of its methods is not joined up. and what that means is that whilst it has the methods mentioned above, they are operated by their dedicated professionals, with gaps, overlaps, inconsistencies and no overarching management framework for those methods to work within. Also they encourage many variant management practices for doing the same thing e.g. planning and resourcing the workload, managing requests for work, managing issues and risks, organising people and resources.

Requirements for a Better Management Framework

So what are the requirements for improving, for once and for all, the way management works?

1. Common Management Methods with best practice for doing the same thing
2. An overall Management Framework to unify the Management Methods
3. The ability to operate different business models within those Methods and the Framework

And with this a free market of advice, training, consultancy and tools, and with a pool of skilled management and staff.

The remainder of this article will suggest the outline of how we achieve this?

When we talk about process models we tend to think of models that define a specific area of business activity covering one or many related processes. The process models are built to contain the scope of the processes covered and show flows into and across the processes.

However, if we want to see the big picture- a process model that describes the management processes for the whole of a business, then we tend to be dumbfounded – where do we start, a business has so many processes: How do we create a hierarchy of them? What is the overall structure? What is the best way to present them?

In the world today there is no overall process model or management framework generic to the management of business – a gap being fulfilled by UMF.

So the real start point of this article is the management framework outlined in the ITIL Business Perspective book* called the Unified Management Framework.

The Unified Management Framework

The Unified Management Framework (UMF) is the adoption of existing defined best practices from other sources. All it does is bring them together all generic management best practice into one coherent management framework. The framework was introduced into ITIL as a framework for aligning the Business and IT but its application is in business and across businesses integrating the management processes of all business functions and trading partners.

UMF has three elements .

The first two elements are the two dimensions of the main framework which formalise matrix management. They are:

1. The UMF Governance dimension which provides the management processes for *directing, developing and delivering* the business (known as the 3Ds) across its customers, suppliers, products, services and capabilities, so that they meet the needs of customers and meet the business's financial objectives.
2. The UMF Value Chain dimension which provides a structure for business processes around the Value Streams, which through the Governance dimension, manage the lifecycle of the business's customers, suppliers, products, services and the capabilities of the business.

To support the two dimensional matrix management framework above, is a third element:

3. The UMG Common Control and Enabling processes which are the standard activities of any manager, whatever they manage and wherever they operate in a business. These ensure that common management processes are best management practices and are applied consistently across the business.

These three elements are outlined in the rest of this article.

The UMF Governance Dimension

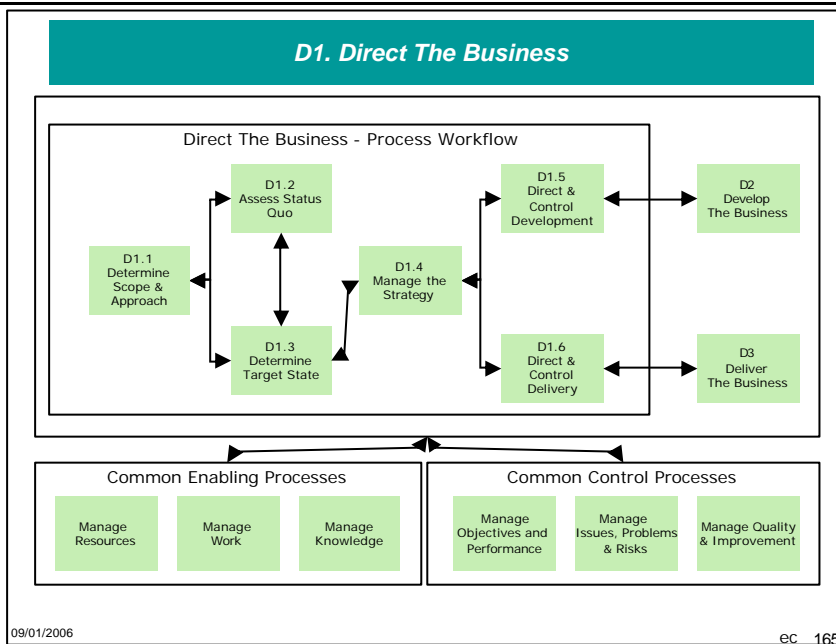
The Governance dimension is made up of three domains of management process: Direct the Business; Develop the Business; and Deliver the Business - the 3 Ds. These three high level areas of process manage the totality of the business through the Value Streams

- The Direct the business domain is made up of the long term iterative approach to Strategy, Business Planning and Business Plan Execution.

- The Develop the Business domain is made up of development portfolio management, programme, project and change management
- The Deliver the Business domain is made up of the daily cycle of the business's operational activities.

Overall control is from the first domain 'Direct the Business' which ensures that the development and delivery parts of the business plan drive the other 2 domains, and that they feedback in an iterative manner to the first domain.

The governance dimension used in UMF is similar to those used in other management frameworks including the already mentioned CoBit and ISMA.



The diagram above provides an insight into the governance dimension showing at the first level of detail of the 'Direct the Business' process workflow interfacing with the other two high level domains: 'Develop the Business' and 'Deliver (or operate) the Business'.

The diagram also shows the 'Common Enabling' and the 'Common Control' processes which are dealt with later in the article.

We will look at the 'Direct the Business' work flow in a little detail to see how it works.

The workflow above defines six work lifecycle processes which are iterated at different frequencies, typically annually for the main cycle and quarterly/ monthly for the last two direct and control processes.

In whatever way you direct a business and whatever your business model, the workflow is the generic best practice for directing a business and can be used in varying ways to support different business models.

The essence of the workflow is that the best practice for any business and business model, should be to set its sights on where it wants to be (target state), with the knowledge of where it is (status quo), and the strategy should then bridge the gap and provide direction and control to develop the business and then

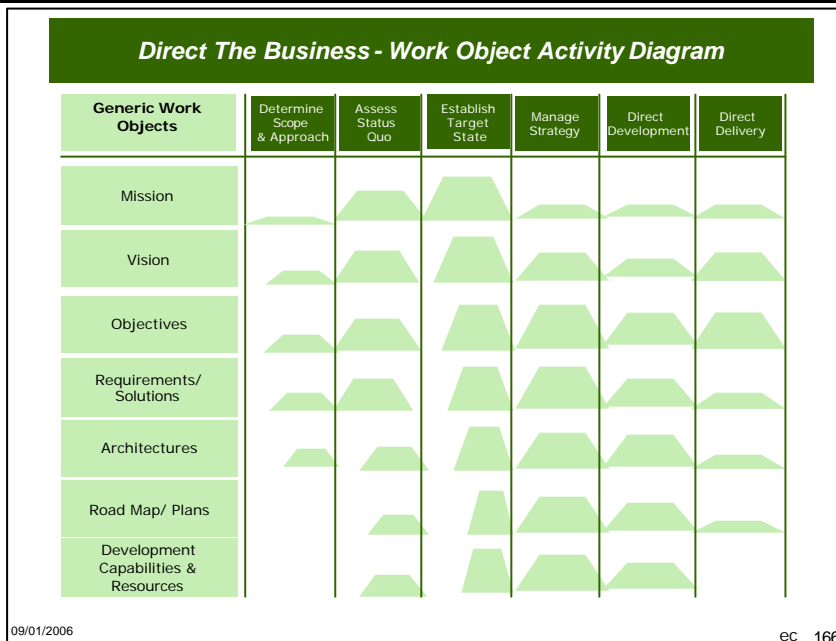
direct and control delivery from the business in line with the intentions of the strategy.

Work Objects

The governance workflow however needs to be decomposed into more detailed sub processes and in UMF this is done in a particular manner based upon the Work Objects (also known as deliverables or products) needed to be produced by the workflow to achieve the overall outcome.

This is done in subordinate 'Work Object' workflows as illustrated in the following 'Work Object Activity' diagram. The idea and presentation of the 'Work Object Activities' is derived from the Rational Unify Process (RUP), a development framework for application systems. The concept has been adopted and is applied across all processes in UMF as the way of decomposing processes into a structure around Work Objects. Each hump in the diagram indicates activity taking place for that process in the evolution of that Work Object. The height of the activity hump indicates the intensity of the activity and the start and end of the hump implies relative time basis for starting and ending that activity compared to others.

The diagram can be drawn as a conventional process flow diagram but would take many more pages to do so, and in the process it would lose the context of time and sequence achieved by the diagram which is read top down and from left to right



Let's take the first work object 'Mission'. What it is the business is and should be trying to achieve? and then walk it through the governance workflow from left to right:

1. we first consider the scope of the business under review
2. we then look at the current mission under the status quo
3. then we establish the target mission
4. then we define the strategy to take us from the current mission to the target mission
5. then we direct and monitor the development to make sure the capabilities to deliver the mission are being developed
6. and then finally we direct the delivery processes to monitor the mission is being achieved and if not or if the mission is wrong then we reiterate the whole governance process

The same logic applies to all the work objects as they are performed in sequence top down from Mission

– to what we want to achieve to Vision– what we need to do to achieve it, and so down through all the work objects.

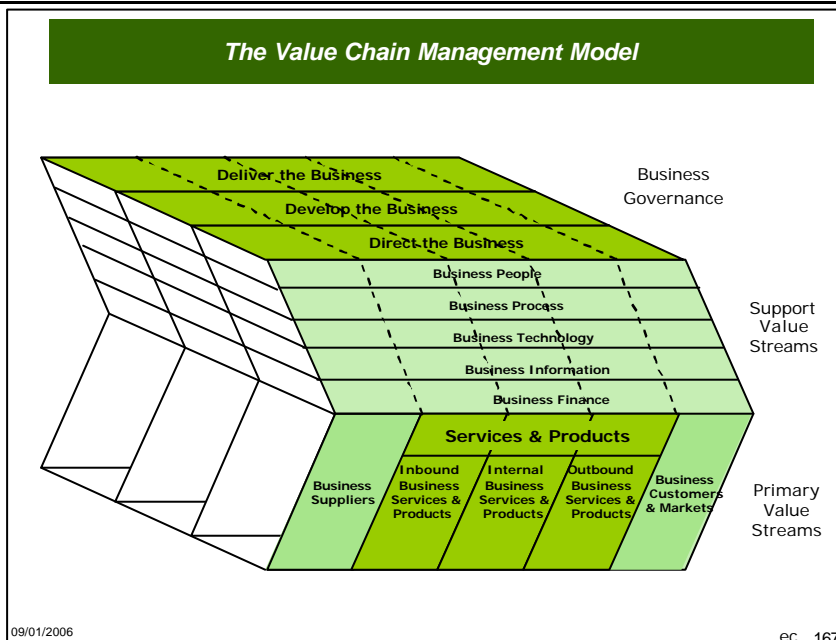
However there is a need for another layer of logic and that is dealt with by the use of the Value Chain and Value Stream layers.

The UMF Value Chain Dimension

The second dimension of UMF is called the Value Chain dimension and defines the Governance activities in relation to what are known as the Value Streams. The governance activities outlined above work across and integrate the Value Streams like markets, products, customers, services, people, suppliers, process, finance and technology

The idea of Value Streams comes from Michael Porter’s work on Value Chains which are the areas of capability and activity within a business, he called them ‘Value Activities’. He also explained the way they link together to create ‘Value Systems’ across trading partners and supply chains.

If we consider the Mission and Vision Work Objects that we have been looking at, then for them to be meaningful, complete and actionable, we need to take an additional top down approach based upon the Value Chain and its ‘Value Streams’.



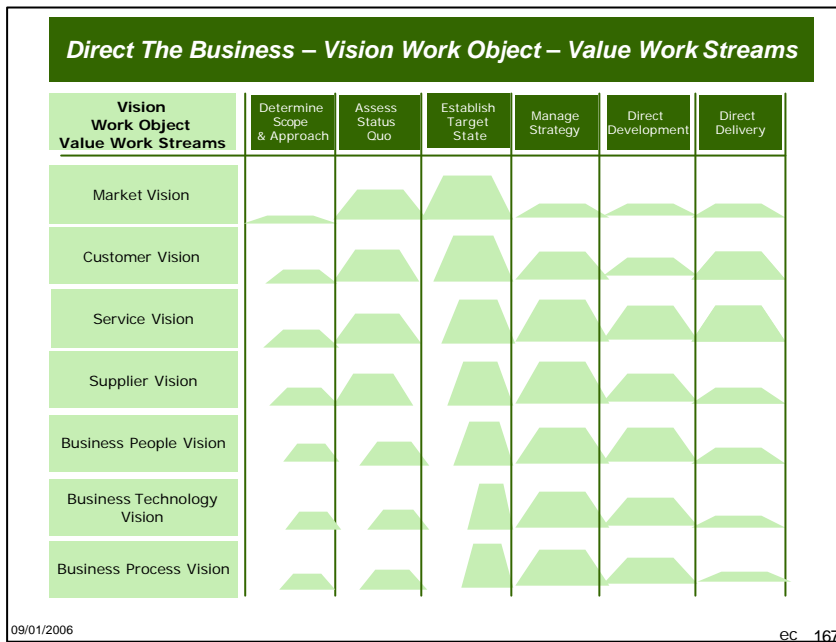
There is not space in this article to fully explain the derivation above from Porter’s Value Chain model but the key points to make in comparison are:

- The ‘Primary Value Streams’ are based upon Services and service logistics, whereas the Porter’s model was based upon Products and product logistics
- Relationships and management of markets, customers and suppliers bound the Services & Products are part of the ‘Primary Value Stream’
- The ‘Support Value Streams’ define the areas of capability of the business, people, process, technology, information and money needed in particular in the provision of services and products.
- The ‘Infrastructure’ defined by Porter is transferred into the UMF Governance dimension that we have already covered in the article.

So how does the Value Chain and the Value Streams work with the Governance framework?

If we consider Mission and Vision work objects in the 'Direct the Business' workflow, then we need to have a set of Mission and Vision Statements, not just a single one that covers all aspect of the business. We should have statements regarding: the Market Mission and Vision; the Customer Mission and Vision; the Product and Service Mission and Vision; and the Supplier Mission and Vision; all of which should be interconnected and rational together forming the statements for the Primary Value Streams.

We then can only then define the Mission and Vision Statements to the Support Value Streams – that is the vision for the supporting capabilities of the business – the People Mission and Vision, the Technology Mission and Vision, the Process and working practices Mission and Vision.



The diagram above shows the explosion of the Vision Work Object into the component Value Work Stream activities. The result is a set of interrelated statements of vision each of which drive their area of business logic from the Directional governance process through Development and into Delivery.

Similar sets of activities are driven for each of the work objects top down through the Value Streams and from left to right across the directional part of the overall Governance process.

The Common Control and Enabling Processes

The 'Common Control and Enabling' processes are the standard activities of any manager, whatever they manage and wherever they operate in a business. The high level definition of these processes was illustrated on the first diagram in this article.

They are common and so they remove the need for each manager to reinvent them many times across the Governance framework. They ensure that all managers take the same best practice approach to the same activity in whatever function they are performing.

Again there is little space in this article for a full explanation and so we will just take two areas as examples, one a common control process 'Risk Management' and the other a common enabling process 'Work Management'.

If we look at 'Risk Management' as a common control process, all managers manage risks, be they strategic risks, development/ project risks or operational risks. They should all take the same best practice approach to the management of risk. The common risk methods applies to the Prime and Support Value streams, market risks, customer risks, service risks, product risks, people, technology and supplier risks all of which benefit from common best practice in risk management.

The common method should relate risks to objectives and problems and opportunities that may impact objectives. Why do we not have a common method for risk management as standard business practice that is integrated with the other common management methods?

Let's look at 'Work Management' as a common enabling process and look at just one aspect of Work Management: and that is that all managers have to organise work around processes, procedures, and work instructions, and should do so in a consistent best practice manner. As part of that all managers should instil best practice in the way that each piece of work is 'Planned, Done, Checked and Improved' The Deming 'Plan Do Check and Act' structure of any should be a standard part of the way all managers organise their departments work, and this should enable staff to be able to work for and across managers without having to learn about the individual manager's style to work management

Hopefully these two brief illustrations of Common Control and Enabling processes should give a flavour to the power of separating them from the main governance framework and applying them consistently as best practice to all management activity. We are moving management from an art form to a repeatable engineered form.

Finally, with the huge advances in technology it is a sad reflection that similar advances in management have not taken place. The world needs to streamline and make routine management practice and the need to have a framework, to unify management processes and practices, is long overdue.

If you agree with this, then as a manager or a consultant you should do something about this and help steer the Unified Management Framework into reality.

Footnotes

The information in this article is going into a book on 'Management Best Practice' that the author is due to publish in the summer of 2006.

* The dimensions of UMF are outlined by the author of this article in the ITIL Business Perspective book ISBN 011330894-9 chapter 3 on the Value Chain Domains and chapter 4 on the Governance Framework

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