

BUSINESS ORGANIZATION

Know how to diversify from competitors:
Plan, Organize, Choose and Monitor

Marketing & Innovation

- Peter Drucker wrote: *"Business has only two fundamental functions: Marketing and Innovation. Marketing and Innovation produce results; everything else represents costs"*.
- The **only true source of competitive, sustainable and lasting advantage is the ability to innovate and differentiate.**
- Innovating **does not only mean creating new products**, but also **creating new services, improving systems and introducing new business concepts**. Several companies have already invented new ways of managing old industries, making substantial profits.
- Not by chance, "Business has only two fundamental functions: Marketing and Innovation. Marketing and Innovation produce results; everything else represents costs".
- To this end, it is essential to plan and live a market orientation, shared by all levels of the organization.
- In other words, it is necessary to coordinate and direct all the efforts of the organization towards the goal of creating value for the Customer.
- Against this objective, the support of **organizational change** actions takes the form of a search for specific solutions to **improve vertical and horizontal integration between company processes, so that the "machine-company" becomes a unitary**, capable "body". to react promptly to stimulate coming from the market, adapting to them.

Design business processes

- An obligatory step, to achieve real integration, is **the re-reading of the organizational structure, no longer in terms of hierarchical functions**, but in terms of processes that cross the structure and involve different functions.
- Only the understanding of these processes, in fact, makes it possible to **improve the efficiency and effectiveness of the organization**, as well as to make everyone aware of their role: the existence, within the company, of "clients" who are "downstream of its function."
- The orientation towards the satisfaction of "internal customers" becomes a premise for the generalized orientation towards the satisfaction of the needs of "external customers".
- **If you want to take this topic, read our presentation: See Our presentation "Change Management"**

More business culture, to overcome challenges

- **Leadership styles, human resources, intangible capital and the corporate climate** are factors that are increasingly able to distinguish competitive companies, capable of reacting to the new problems of a rapidly changing market.
- The myth of leadership describes a charismatic leader "of nature" who manages to influence others, to capture collaboration.
- And this has meant that the successes achieved in the "easy" years have created illusions, stifling the need to grow culturally.
- But today the **need for leadership that learns and adapts emerges in a disruptive way**: a leadership that can be learned.
- **If you want to take this topic, read our presentation: See Our presentation "THE ORGANIZATIONAL CLIMATE"**

Organization: what is it?

- The organization of a company is always complex, since it is composed of **multiple factors, all "intangible", that is non-material.**
- The organization is made up of:
 - **People**
 - each bearer of expectations and objectives that do not always coincide with those of the company and that, therefore, must be addressed and governed.
 - Furthermore, each person is the bearer of specific skills that must be identified in order to be **exploited.**
 - Finally, each person has limits that must be known, to avoid giving them roles and responsibilities that cannot be supported.

Structures

- Structures which define membership in the different departments, roles and responsibilities of individuals, as well as relations of hierarchical dependence. The **organizational structure** is described by the organization chart and the role of the individual is defined by the respective job description.
- **Organization chart and job descriptions** are the fundamental tools for starting to shed light on the organization.
- In the artisan company, functions and tasks can be defined **informally**. In fact, the constant presence of the entrepreneur and communication, facilitated by the small number of people, allow the company to be managed and controlled.
- When the company grows, communication becomes more complicated and the entrepreneur can no longer manage every level of decision (from the strategic to the merely operational one). Inevitably, therefore, **it is essential to structure the company, defining the roles of the collaborators and delegating responsibilities to them.**

Procedures and workflows

- That express the way in which information, documents and materials must "change hands" between the various company departments, according to predefined schemes.
- Organizing the work flow means searching for the **optimization of the complete process**, with the aim of satisfying the needs of the end customer of the company. Very often, however, the individual departments / company functions lose sight of this final goal: each function / department tries to optimize its result, limiting itself to looking after its own "small garden".
- **To ensure that the workflow is fluid, effective and productive**, there are two fundamental principles that are the basis of any Quality system:
 - ❖ **"doing things right, from the beginning"**, or "preventing, rather than correcting later";
 - ❖ **look at the "internal customer"**.
- This means that every company collaborator - because he is part of a workflow - must be aware of his role as an "internal supplier" who, downstream of his activity, has an "internal customer" to satisfy.
- Doing things well, the first time, means facilitating the work of one's "internal customer" and, only in this way, it is possible to optimize the satisfaction of "external" customers as well

Delegation, Leadership and Incentives

The following aspects always play a fundamental role in the organization's functioning:

❑ **The use of delegation, understood as the attribution of responsibility to people**

The ability of the entrepreneur to delegate is fundamental and must be accompanied by the growth of the company. Otherwise, by centralizing each decision, the entrepreneur himself risks jeopardizing the possibility of further growth of the company. To effectively delegate, the following principles must be followed:

- Assign precise responsibilities to the right people;
- Who delegates must avoid the mistake of "by-passing" the collaborators to whom the delegation has been entrusted
- A clear delegation does not exclude the control of the superior, but must admit the possibility of error on the part of the subordinate.

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