

## **Getting back the to the basics of management operating systems**

***By David Hand***

The use of management operating systems, or MOS as it is often referred to, enables organisations to better control the flow of work and production so that outcomes improve, particularly customer service, quality and cost. Typically a management operating system has tools that forecast and plan incoming work for a process or operation, tools to carry out the work effectively and tools to tell us how well we did so that we might improve our process performance in the future. MOS is built on standards of performance so that we can measure success of the need to improve.

In this age of digital disruption, process improvement and control has largely been captured by the massive impact of big data, the cloud and the enormous reduction in people actively engaged in the production of goods and services. This can only increase as the potential of the internet and AI continues to expand exponentially. So is the role of the MOS over? It is easy to take the view that MOS principles are out of date and no longer relevant but I think that there are three points to make in response to this question.

### **1. MOS will continue to apply where people are employed.**

The sectors growing fastest in relation to human resources are healthcare, personal services and professional services, particularly with information technology and engineering. The health sector has traditionally been most resistant to any effort to make it more efficient and productive and it remains a massive area of opportunity to deliver better outcomes in patient care and service delivery. The barriers are extremely difficult to overcome, particularly in the highly politicised world we live in. When you read a screaming media headline about “cuts” in an area of health spending, you can be pretty sure that a hapless manager has tried to make a costly and inefficient process work better. As labour shifts from sector to sector over time, the disciplines of planning and efficient execution don’t disappear.

### **2. In our digital world, customer service and quality has become even more important.**

By removing people from a process, organisations are able to significantly reduce the cost to the customer. But cost is only one aspect of customer requirements, others being service delivery and quality. It’s great that we can all interact with our bank, grocery store, taxi and telco online. But it’s not so much fun when we need help that is not contained in the “Frequently asked Questions” zone and we want to speak to a real person with expertise. Organisations are grappling with these thorny issues and are making steady progress as they filter out all the really basic questions so that they have the resources to devote to the more complex problems. MOS principles, particularly short interval control and management of variance are more important than ever in this fast-changing world. At the moment, profitability enables companies on the new wave of innovation to get away with poor

customer service and delivery. This is partly because they are often seen as “equally poor” so we have no choice, such as the fees charged by banks or how long you wait to get through to your telco call centre. We may not like them but choice is limited. But organisations in this space must not be complacent. The struggle to remain competitive and also improve service delivery is unrelenting and a willingness to confront process shortfalls that drive customers away is vital.

**3. Knowledge workers benefit from MOS principles.**

Knowledge workers typically have less well defined processes and their work is less easily structured. We might know exactly how to make a pizza in a pizza store down to the last gram of cheese but what about the knowledge worker who must add a new variety to the menu? A basic structure to that process would deliver better outcomes. Committing to a deadline is the single most effective MOS behaviour for a knowledge worker. Though we are uncomfortable with this due to our fear of missing the deadline, the framework a deadline gives to carrying out knowledge work delivers huge dividends compared to the odd missed deadline.