Business Matters for Professionals

A Guide to support professionals in the task of business management

FIG Commission 1 Working Group 2 on Business Practices

Iain Greenway, United Kingdom

International Federation of Surveyors, FIG

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Preface

Who can argue that business doesn't matter? All of us, one way or another, are trying to ensure the success of one or more organisations. It is through our organisations that we create the resources necessary and important to us as individuals and to society. Business, however, is often seen as a pejorative form by professionals, including surveyors, whose pursuit is of higher values like accuracy, elegance and balance.

Over the last decade FIG, and in particular its Commissions 1 (Professional Standards and Practice) and 2 (Professional Education), has been working in the area of business and management, and attempting to link them more clearly to the realm of professional surveyors. This has already resulted in FIG Publications covering Ethics (No 17) and Continuing Professional Development (No 15).

Many of FIG's 250,000 individual members work in sole practices, partnerships or other small and medium enterprises. In such environments, business and management matters become particularly crucial, and the expectations of customers, society and governments continue to rise.

I am therefore pleased that FIG is able to add this Guide to its collection of publications. It is another element in FIG's ongoing work in this area, and plans are already in place to build on it. The Guide will be of use to many individuals and organisations, within and beyond the FIG community. I commend it to you, and thank all who contributed in its creation, particularly the authors Iain Greenway (Ireland), Michael Keller (Switzerland), Tom Kennie (UK), Leonie Newnham (Australia) and John Parker (Australia).

Robert W. Foster
President, FIG

Foreword

FIG Commission 1 (Professional Standards and Practice) has developed this Guide to provide advice to surveyors in running businesses. It is particularly targeted at individuals starting up in business but it will also provide a useful source of information to those already responsible for a business. Although the Guide is primarily focused on the issues facing private businesses, much of the content will be very relevant to public sector operations, particularly those operating as quasi-businesses with identifiable customers. If there is a demand, further Guides will be produced, tailored to different business sectors.

The Guide is designed to be of use around the world. It does not pretend to cover the detail of issues in every country and region: instead, the Guide highlights particular topics that a business needs to address, provides frameworks for doing so and suggests sources of additional information. The Guide also incorporates as reference material the FIG Charter for Quality and the FIG Statement of Ethical Principles and Model Code of Professional Conduct, and makes reference to some other key documents.

The Guide is structured with a brief introduction followed by two overview chapters, one covering the context of a business and the other overviewing business planning issues. Further chapters deal with particular topics, and a checklist summarises the key elements which a business should ensure that it has in place. Each of the chapters is designed to be self-standing whilst still building to a coherent overall picture.

The Guide builds on the work of a Commission 1 Working Group led by Chris Hoogsteden which produced the paper 'Management Matters' at the XX FIG International Congress held in Melbourne in 1994, and on work between 1994 and 1998 led by Ken Allred (on ethics) and John Parker (on quality).

Inevitably, the Guide will create questions as well as provide answers. An early port of call for such questions should be the relevant national professional association/ institution, which will generally have material or advice relevant to the particular country and discipline.

Checklists for the business

Chapter 2: The Business Context

- At an early stage of setting up a business, review the interests and power of primary and secondary groups which may impact on the business *(section 2.4)*

- Ensure that this analysis inputs fully to the business planning process

- Monitor changes in interests, groupings and relative power, and factor these into ongoing planning *(section 2.5)*

Chapter 3: Business Planning

- Ensure that your organisation has a structured, regular approach to strategic and operational planning which involves all staff and which delivers clear objectives *(section 3.1)*

- Ensure that the strategic planning process explicitly reviews the aspirations of each owner/ director/ senior partner with regard to the company, to ascertain that all key players wish to move in approximately the same direction at approximately the same speed *(section 3.2)*

- Place individual responsibility against the achievement of each target associated with the objectives *(sections 3.2 and 3.4)*

- Regularly monitor progress towards the targets, taking early and decisive action where necessary *(section 3.5)*

- Consider how best to link individual staff appraisal and reward systems to the successful delivery of the organisation's objectives *(section 3.4)*

Chapter 4: Quality and Customer Service

- Create an environment of quality and customer service and continuously review how to embed this in the business *(section 4.3)*

- Ensure that all staff are adequately trained *(section 4.3)*

- Document key processes and ensure that staff follow them; this will ensure consistency of activity and of output, providing assurance to customers *(section 4.5)*

- Undertake customer surveys to determine their needs and expectations so that the business can plan to meet and exceed them *(section 4.4)*

- Continually review all activity to ensure best practice, involving staff and customers in this process

Chapter 5: Professional Ethics

- Create an initial code of conduct for the firm as soon as you start to build the firm. Use frameworks available from national survey associations and other firms but tailor them to your firm and its circumstances *(section 5.3)*

- Continually test the code against situations that you are likely to encounter, and develop it as necessary. Do this thoroughly at least once a year

- As part of staff development processes, discuss ethical dilemmas to ensure the conformance of individuals with the code *(section 5.4)*

Chapter 6: Managing Information and Information Technology

- Identify the application systems of importance to the organisation and ensure that they are managed and maintained to provide ongoing business support and that they can be supported into the future

- Assess the need and potential for integration of multiple application systems so as to streamline business activity, and the possible challenges offered by technological developments; build this into business planning activity *(section 6.2)*

- Ensure that clear organisational policies and standards shape IT developments and investment, and that staff are trained in the skills necessary to make best use of the systems

- Rigorously review business drivers (i.e. identify which business objectives are driving the project) before committing *(section 6.2)*

- Assess the scope of any IT project before commencing investment, to ensure that it is appropriate to the business's aims and that the aims are deliverable *(section 6.2)*

Chapter 7.1: Governance

- Determine at an early stage the appropriate arrangements for external 'reality checking' of strategic decisions, and ensure that these conform with legal requirements

Chapter 7.2: Staff

- Set down employee development and remuneration policies that meet staff's realistic expectations and business needs

- Ensure that new recruits will match business needs and fit with the business ethos

Chapter 7.3: Legal Issues

- Investigate and monitor legal and official standards relevant to the business, calling on professional associations for guidance

Contents

1. Introduction

Technological and social changes require changes in business and in management. It is generally agreed that the rate of external change is increasing. The change impacts on surveying businesses as much as it does on other businesses. The education and training of surveyors (of every discipline), however, continues to give a good deal of time to technological developments and their impacts, but less time to the changing challenges of management. The need for all-round skills in management and business is brought into stark relief for surveyors running small companies, where they will often be unsupported by experts and where advice from professional consultants may be beyond budgetary reach.

A key change for survey businesses in recent years is that members of the public have an increasingly high expectation of professional service providers. Professionals are expected to be fully accountable for their advice and willing to tailor that advice to particular circumstances. Society is also increasingly demanding, believing that a key differentiation of professionals from others is a professional's ability and duty to consider the needs of wider society as well as of the client, and to be able to deal with this balance successfully.

Further changes in the business environment include:

- The growth of the power (and respectability) of pressure groups, adding complexity to the balance that has to be struck by professionals;

- The intertwining of different professions, in large part due to technological developments, meaning that a professional is expected to have a base knowledge of a number of professions;

- The immediacy and reach of communication tools, allowing and requiring rapid decisions by businessmen;

- An increasing globalisation, requiring managers to understand regional differences in culture, people and law; and

- An increasing intolerance by many governments of self-regulation by professionals.

These changes put additional pressures on a professional surveyor in the dual roles of expert and businessman. Neither of these roles can be ignored, and the abilities of an individual in each of them will continually be challenged. A professional surveyor will, in most cases, have a personal interest in the content of his or her work, and a passion to do it to the best of his or her ability. Business challenges, however, are also a necessary part of an increasing number of professionals' lives. Professionals will often have received limited training or experience in the business aspects of their work, and may have limited interest in them – they will often be viewed as a means to an end. This Guide is designed to assist professional surveyors to fulfil this vital part of their responsibilities.

2. The Business Context

2.1 Subject Matter

This chapter summarises the third-party interests to be taken into account in the running, and more particularly in the setting-up, of a company. A company is embedded in a network of social expectations and state regulations. These have to be appropriately factored into business decisions, if the company's long-term survival and flourishing is not to be jeopardised.

2.2 The Business

In general terms, a business strives (in the short term) to make a profit. In addition, it wants (in the long term) to ensure its ability to survive.

In order to achieve these aims, a business will, in concrete terms:
- Pursue specific goals;
- Employ various means to achieve these goals; and
- Invoke specific procedures in doing so.

A successful business will give consideration to three key areas, namely:
- Service;
- Finance; and
- Social.

The questions to be answered by every business are outlined in Figure 1.

	Service	Finance	Social
Goals	What customer needs are to be satisfied?	How are operations to be financed? What profit needs to be achieved through operations?	How do we shape our relationship with staff? How do we shape our relationship with society?
Means	What means do we use for this?	What means do we use for this?	What means do we use for this?
Procedures	How do we proceed here?	How do we proceed here?	How do we proceed here?

Figure 1: Key Business Questions

Later chapters in this Guide address these questions further; the remainder of this chapter considers further the relationship between business and society.

2.3 Society and the State

Society is a structure of conflicting interest- and power-groups (associations, political parties, the press, trade unions, economic enterprises, etc.). These groups surround individual businesses. The need for the State as a regulating authority emerges from the conflict between group interests. The State must above all ensure three things:

- The interests of a society must be channelled and coordinated by the State: the assertion of social interests must be ensured;

- In regulating conflicting interests, the State must seek a just balance between the different needs: there must be no arbitrary choice of social interests; and

- The rules of behaviour which have been created must have a reliable chance of being asserted – compulsorily, if need be: the State must set appropriate legal norms.

Thus, the State decides:

- Which social interests are enshrined in laws and compulsorily asserted, through the power of the State if need be (Courts, compulsory execution, Police); and

- Which social interests are excluded from assertion by the State.

The next section reviews the key relationships between a business, society and the State. These relationships will differ between countries and in particular between types of economic tradition. In market economies, the State will generally only 'interfere' where there is a proven need for it to do so, whereas in centralised economies the State will take a much larger role in regulating society.

2.4 The Business, Society and the State

All enterprises and entrepreneurs strive towards goals which they hope to achieve through their entrepreneurial activity. On the one hand, these goals emerge from answering the questions in Figure 1. Usually, however, additional goals are also pursued, such as ensuring the living of the entrepreneur and his or her family, prestige, having the guts to take risks, independence, etc.

The personal interests of the entrepreneur will at times come into conflict with various social interests. All of these interests must be analysed and taken into account in business decisions. Since all entrepreneurial activity takes place within a social environment, the business is also dependent upon society. Correspondingly, society makes demands on entrepreneurial activity.

The following interests are of paramount importance for enterprises. These groups directly determine a business's short-term success or failure:

- Customers;
- Staff;
- Suppliers;
- Investors; and
- Competitors.

Suitably taking into account the interests of the following secondary groups is of crucial importance for the long-term survival of a business:

- Environmental protection associations ;
- Trade unions;
- Employers' associations;
- Press and media;
- Consumer protection associations;
- Churches;
- Military;
- Political parties;
- etc.

Both the primary and secondary group interests must be taken into account in the basic organisation of a business. No business survives in the long run if it fails to establish a harmonious relationship with these group interests, and does not bear in mind at least certain aspects of these interests when formulating its business strategy.

The secondary groups' interests may be enshrined in laws and then asserted by the State. In this case, businesses must always adhere to the relevant behavioural standards if they are not to risk State sanctions (fines, penalties, suspension of trading, etc.).

Issues relevant to various groups are:

- **Environmental protection associations:** banning of products, banning of certain production techniques, banning of certain emissions, restriction on choice of location, restrictions on construction activity.
- **Trade Unions:** adherence to minimum wages and maximum working hours, holidays, social -security, provision for sickness, accident and death, restrictions on dismissals, restriction of work allocation, monitoring of business decisions by staff and staff representatives.
- **Employers' associations:** professional rules, production and other standards, obligation to inform.
- **Press and Media:** monitoring of business activity.
- **Consumer protection associations:** obtaining trading and operating approval, rules on product safety, product liability, restrictions on advertising.
- **Churches:** tax liability, holidays.
- **Military:** controls or bans in safety-relevant areas, export bans, compulsory production.
- **Other public interests:** requirement for building and operating approval, restriction of construction activity, ban on unfair competition, ban on cartels, obligation to inform, company law regulations, social security contribution and tax liabilities, adherence to health regulations.

2.5 Consequences

In light of the above, it is vital to consider State and social interests at an early stage of business planning, since they will always limit the autonomy of a business and must therefore be taken into account by the business in a suitable way. The extent to which this is true for any group or issue depends on the relative importance of the interests: State interests must always be taken into account, but social interests need be considered only when they have a certain strength and significance.

Since State and social interests may change over the course of time, they must repeatedly be analysed and taken into account at regular intervals: State interests may disappear, and the significance of social interests may change with the passage of time.

The consideration of State and social interests is less difficult when a business limits its activities to a single country or culture group. It is then active in a familiar and homogenous environment. Careful analysis of the State and social interests should then be a relatively simple matter. When a business decides to become active in several countries

or culture groups, however, the analysis becomes a great deal more difficult. In such cases, a business has to analyse the social and State interests for each State.

2.6 Summary

Social and State interests mark out the sphere of autonomy for a business. Careful analysis for these interests and their consequences for the business is vital, particularly when a business is being set up, since mistakes in the analysis of these interests, or the omission of this analysis, is likely to have severe consequences for entrepreneurial activity. In addition, it is essential for the analysis to be carried out for each individual State or culture in which the business operates (or plans to operate). The analysis must be repeated at regular intervals as the power of different groups will alter over time. Chapter 3 provides planning frameworks which can be used to factor these interests into business decision making.

2.7 Checklist

- At an early stage of setting up a business, review the interests and power of primary and secondary groups which may impact on the business
- Ensure that this analysis inputs fully to the business planning process
- Monitor changes in interests, groupings and relative power, and factor these into ongoing planning

2.8 Bibliography

The very general topics in this chapter are covered in the initial sections of many of the texts referred to in the remaining chapters in this Guide. There are no specific detailed references for the general areas covered in this chapter.

3. Business Planning

3.1 What is business planning?

Some would consider the process of developing a strategy as a time-consuming distraction from the process of making money. For others it is of critical importance to developing a successful business. This latter group would argue that, in a business environment in which the rate of change shows no sign of diminishing, the successful business needs to review periodically its strategic direction and in light of that to develop more detailed business planning.

A professional business has within it a portfolio formed from the skills, knowledge and capabilities of its members. This mix includes not only special professional skills and formal procedures, but also intangible assets such as the business's presence and relationships in key sectors, its reputation with clients or suppliers, and its 'culture' or 'ways things are done'. The match or otherwise of that mix of capabilities to the market and the wider environment in which the business operates determines its success or failure. A business's strategy, either explicitly or implicitly, is the deployment of that capability mix in the wider environment in which the business operates. It is often a product of past successes and even the traditions established by the founder or founding partners.

Business planning, therefore, is the art and practice of examining the current fit of a business's capabilities to the environment and adapting this as necessary. Owners and managers need to ensure that adequate, shared intentions exist to keep the fit in the future. This may mean deploying existing capabilities differently, and/or developing new ones.

A multitude of models for the planning process exists; some can be found in more detail in the references at the end of this chapter. This chapter attempts to explain the process in a way that will be of relevance for surveying practices.

We can consider planning for an organisation as addressing four stages and generating four distinct outputs:

- Corporate planning;
- Strategic planning;
- Operational planning; and
- Business planning.

Business planning, although last in the sequence, is particularly important since this is the process that coordinates the resource requirements to achieve the Operating Plan. In many organisations, two plans are produced – a Strategic Plan (including the corporate planning elements) and an Operating Plan. This is the model used in this chapter. The Strategic Plan may have a life of up to three years, whereas a new Operating Plan will be needed each year.

3.2 Strategic Planning

A Strategic Plan will generally include:

- A **Mission Statement** – this statement should, in a small number of words, clearly identify why the organisation exists and is the sole criterion by which the organisation's success should be judged. The Statement should articulate the end result or outcome but not normally the means by which the outcome will be achieved – this is left to subsequent planning. The Mission statement is particularly useful in focussing the efforts of the organisation.

- **Organisational Values** – these express how the organisation will conduct business; they address such matters as ethos, culture, code of ethics, standards of behaviour, social justice, environmental issues, social responsibilities etc. They should also include staff development principles, and the approach to quality and customers.

- **Organisational Vision** – once the Mission and Organisational Values have been decided, an Organisational Vision of where the organisation wants to be in a given time frame needs to be agreed. An appropriate time frame is of the order of five years for most organisations. The Vision needs to be in outcome terms, that is, what is to be achieved – usually addressing growth, market coverage, employee involvement, product and service development, quality of product and service, etc. The vision must be bold, setting a level of performance that will stretch and motivate the organisation.

- **Organisational Goals** – from the Vision, the Goals need to be determined, again expressed in outcome terms. Usually six goals are enough. Goals are aspirations of what the organisation wishes to achieve. Again, they must set a level of performance that will stretch and motivate.

- **Strategies** – these are means not ends, and set out (in general terms) how the goals will be achieved.

- **Objectives** – these are determined from the strategies adopted and are specific statements of the who, what and when. The objectives need to be structured so that achievement of all of the objectives will sum to the achievement of the goals. The objectives, being specific, allow the creation of clear targets to allow monitoring of organisational progress. These targets need to have individuals explicitly accountable for their achievement, to ensure clear ownership for delivery.

The list of references at the end of this chapter points to examples of these components that can be found in various texts.

Setting aside time to plan the business's strategy and development will inevitably be difficult to achieve during the normal Monday to Friday schedule. Many businesses therefore find a one-day 'retreat', preferably 'off-site', a suitable means for focusing on these key questions.

Key questions to be addressed in the strategic planning process are:

Note: organisations may choose to define 'partner' for these purposes in either the strict business sense or as a broader term embracing all of the people key to the implementation of the strategy.

(a) Are the aspirations, abilities and relationships of the existing owner(s)/ senior managers clearly understood?

- Has each partner identified their personal aspirations, and how they affect the business?
- Does each partner appreciate the contribution of their personal skills and capabilities to the business?
- Do the partners appreciate the contribution each makes to the success of the business?

(b) Is the current match of the business's capabilities to its market understood?

- Is there a clear, shared, understanding of how the business's existing capabilities serve its existing market: for example, what gives the business its distinctive edge?
- Do the partners appreciate the dependence of that edge on their, and others', skills and knowledge?
- What do the partners see as the critical success factors to delivering the current business plan? Do they appreciate what provides their current competitive advantage?
- What is the current financial situation of the business and its likely earnings and investment requirements in the next three years?
- How might the business's market position be eroded in the future by new competitors or new demands from the market?
- What does the business plan to do about any such erosion of its edge in the market?

(c) Are the external trends that might affect the business's future, identified and understood?

- Has the business considered, or researched, the likely changes in the main markets for its products and services?

- Does the business have plans to improve its services, target new markets, or change its share of existing markets? Does it have confirmation that the anticipated demand for its services will exist?

- Are the business's plans translated into goals and targets (financial or otherwise) which it aims to achieve in the next three years (or other appropriate strategic time frame)? How does it plan to review those in the light of changing business climates?

- What are the strengths and weaknesses of the business's main competitors?

- What are the strengths, weaknesses and aspirations of the business's main collaborators?

- What are the strengths and weaknesses of the business's main clients?

- What are the business's own relative strengths and weaknesses?

(d) Does the business understand which unwritten traditions, of its own, its market or its professional speciality, help it to operate and which restrict its success?

- What percentage of the business's current income is derived from its original business sectors and services?

- Has the business made an assessment of the possible changes in demand for those services over the next strategic period?

- Has the business assessed whether there is a changing demand for its services and whether there is a presumption that clients will continue to value the same expertise as they have previously done?

- Has the business evaluated the need to acquire new skills and knowledge?

3.3 Tools

Some of the tools available to assist in answering the questions in section 3.2 are:

(a) STEPE Analysis

STEPE is a formal framework for reviewing the external environment. It involves considering a range of external issues which might impact upon the business. This STEPE analysis can be used to help map the (S) Social (T) Technological (E) Economic (P) Political and (E) Environmental influences on the organisation and enables an assessment to be made of their likely impact on the business. For example, how important is each trend and independently how certain/uncertain are you about each trend? This type of analysis offers some initial views on the significance of the changes taking place at present, and for the future.

(b) SWOT Analysis

SWOT is a further analysis technique which enables the performance of the organisation to be assessed in terms of both internal factors, that is its (S) strengths and (W) weaknesses; and externally in terms of the (O) opportunities available/open to it and the (T) threats

confronting it. Again this initial assessment can be of considerable value in identifying some of the strategic choices facing the business.

(c) Portfolio Analysis

This technique can be helpful, particularly for evaluating and reviewing product and service portfolios. Such a portfolio analysis might involve a review as illustrated by Figure 2 where the different products/ services are positioned in relation to subject strength and market demand.

In addition to portfolio analysis this perspective also emphasises the importance of 'differentiation' to highlight what is distinctive about an organisation compared to rival organisations. Porter (1996) suggests that '*you can only outperform rivals if you can establish a difference that you can preserve'*. He also distinguishes between differentiation based on 'operational effectiveness' and that based on 'strategic positioning'. For Porter, 'operational effectiveness' implies performing *similar* activities *better* than rivals can perform them, whereas 'strategic positioning' means performing *different* activities from rivals or performing similar activities in *different* ways from rivals.

	Organisational Strength in the area		
Market Demand	*High*	*Medium*	*Low*
High • *emerging* • *established*	Priority for Growth Selective Growth	Selective Growth	Invest
Medium	Selective Growth	Consolidate	Restructure
Low • *and stable* • *and declining*	Consolidate Restructure	Restructure Planned withdrawal	Planned withdrawal Do not enter

Figure 2 – Portfolio Analysis (adapted from Sizer)

The references contain more information on each of these tools.

A further process which might also feature highly when using these tools would be to review the market sectors in which the organisation has developed a reputation together with a review of the key stakeholders/client groups who are of critical importance to the organisation in each sector. This analysis will assist in prioritising the different areas for investment.

The result of the strategic planning process should be a written plan encapsulating a Mission Statement and the other elements listed in section 3.2. It is vital that all owners/ managers feel ownership of the plan and its contents, and that it is regularly and widely used to inform business decisions and as the benchmark for reviewing organisational and individual performance.

3.4 Operational and Business Planning

The process of taking the creative ideas which emerge during the planning process and turning these into effective operational plans also requires careful thought, particularly to minimise any lack of integration. Broadly speaking, the parts which need linking together include;

- The statements which clarify and make explicit the overall direction, i.e. *'the strategy'* for the organisation;
- The processes and statements used to manage financial resources, i.e. *'the budget'* for the organisation;
- The processes and statements which describe specific actions to be undertaken across the organisation, i.e. the *'operating plan'* for the organisation; and
- The processes and documents which are used on a one-to-one basis to summarise the priorities and objectives for staff across the organisation i.e. the *'performance appraisal and rewards'* system.

Figure 3 illustrates the links between the first three of these elements.
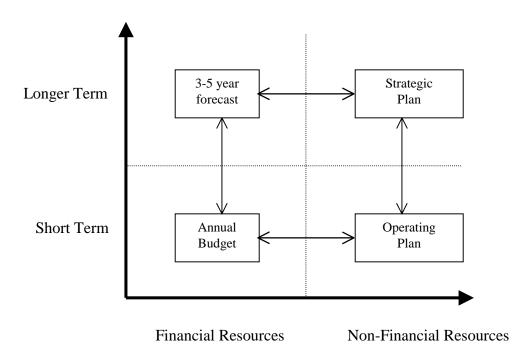

Figure 3 – Aligning Plans

A key component in the creation of an effective Operating Plan is a method of translating general statements of intent (from the Strategic Plan) into specific objectives and actions. Whether at the level of objectives for the organisation or for individuals, it is important to

ensure that clear measures of success exist, with clear lines of accountability. It can be useful to review objectives against the following SMART framework to confirm that they are:

S   Specific – Is the objective specific enough, or should we break it down into more manageable parts? Have we clearly specified who is accountable?

M   Measurable – have we considered what direct and indirect measures could be used to assess whether progress is being made?

A   Action oriented – Have we identified clear actions which need to be progressed?

R   Resourced – Have we fully considered the resource implications of the objective?

T   Timed – Have we clarified the time limits for achievement of the objective?

The STAIR test (Grundy, 1995) can also be a useful means of cross-checking that the objectives are appropriate:

S   Simplistic – Is this objective sufficiently demanding?

T   Tactical – Is this objective tactically relevant and we have considered how it fits in with other tactically similar objectives?

A   Active resistance – Have we fully considered the impact of this objective on others?

I   Impractical – Have we fully considered the practicalities of implementing this objective (within the allocated time)?

R   Risk – Have we fully explored all of the potential risk factors?

The result of this discussion and testing will be a list of specific, operational objectives, with responsibility for each one assigned to an individual, named manager. These form one heart of the Operating Plan. The second heart is the annual budget, appropriately subdivided to work areas, which allocates the resource needed for completion of the objectives. Iteration will be needed to ensure compatibility between targets and finances, both prior to the start of the plan period and also during the year. The two elements must be altered in a coherent and coordinated manner if the business if to achieve the maximum possible level of success with the resources available to it.

Once again, the references at the end of this chapter provide further information in this area.

3.5 Measuring performance

The time and effort required to monitor performance against plans is probably the area where most planning processes have the greatest difficulty. All too often, those responsible for planning fail to recognise the amount of time and energy which is required to establish processes and procedures to monitor and review plans on a regular basis. How often does the plan become a filed document which is rarely examined again until the next planning period? To avoid this, it is vital that well-established processes are documented and time set aside to review, learn from and update the plans.

It is often said that 'what gets measured gets done' and 'if you can't measure it, you can't plan it'. Clear measures are essential in monitoring progress against the plan. Targets, however, also have the potential to confuse – it is therefore essential to have a manageable number of clear, concise targets which are regularly monitored. Two frameworks which will be useful in this area are outlined below.

(a) The Balanced Scorecard

The concept of a 'balanced scorecard' (Kaplan and Norton, 1996) of performance measures is one which has become fashionable in recent years. This framework has emerged to emphasise the need in the business environment to ensure that adequate attention is given to factors beyond purely financial measures. To balance financial measures, it is also necessary to have measures which focus on people, systems and the market.

The challenge is usually to select those performance measures which are of most significance, and for which robust data collection and analysis techniques exist to enable them to be monitored on a regular basis. In so many cases, the measures selected are not linked to the overall strategy of the organisation and often suffer because of a lack of comparative data.

The contents of the scorecard must truly reflect the strategic vision of the organisation.

(b) Business Excellence Model

A further formal, analytical framework is the 'Business Excellence' model developed by the European Foundation for Quality Management (EFQM). The purpose of this model is to enable a consistent measurement methodology to be utilised across organisations. It therefore enables comparative benchmarking.

The model (see Figure 4) sets out the areas which must be addressed by planning targets; the percentages are the weightings generally given to these areas in quality awards. Further information on the model is available from the EFQM web site at www.efqm.org, which includes clear definitions of each of the elements.
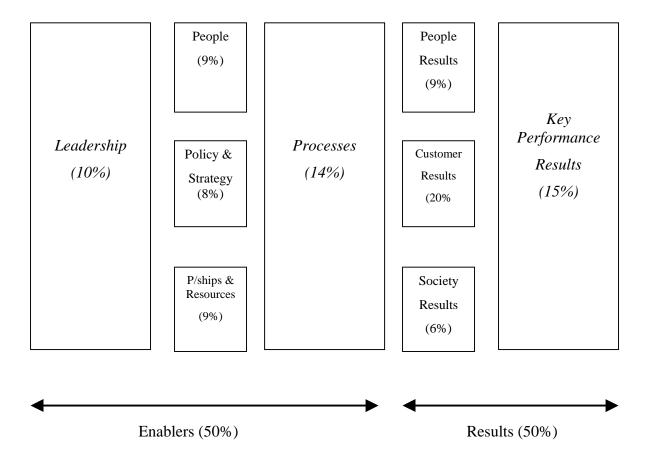
Enablers (50%)   **Results (50%)**

Leadership (10%)	People (9%)	*Processes (14%)*	People Results (9%)	*Key Performance Results (15%)*
	Policy & Strategy (8%)		Customer Results (20%	
	P/ships & Resources (9%)		Society Results (6%)	

Figure 4 – The Business Excellence Model

In addition to monitoring progress against objectives (and adjusting business activity accordingly), the business will need robust accounting systems and procedures to provide both the financial accounts required by auditors etc, and the management accounts needed within the business.

3.6 Summary

The sections above have suggested various techniques to facilitate business planning, something which is vital for sustained business success. In successful planning and monitoring, however, systems alone cannot deliver high performance. They need to be embedded in the culture of the organisation and to involve everyone. Leaders must be responsible for setting the high level, bold aspiration for the organisation and relentlessly communicating it to staff. Managers at all levels must be involved in regular and rigorous review of performance against expectations. Staff must be rewarded in relation to the contribution they make to achieving the organisation's objectives. And customer consultation and feedback provides a vital 'reality check' on whether the organisation is delivering the services that matter to them, to a standard that they expect. Only with such embedding will a business properly be linked to the expectations on it, and properly focus its efforts on what is important.

3.7 Checklist

- Ensure that your organisation has a structured, regular approach to strategic and operational planning which involves all staff and which delivers clear objectives

- Ensure that the strategic planning process explicitly reviews the aspirations of each owner/ director/ senior partner with regard to the company, to ascertain that all key players wish to move in approximately the same direction at approximately the same speed

- Place individual responsibility against the achievement of each target associated with the objectives

- Regularly monitor progress towards the targets, taking early and decisive action where necessary

- Consider how best to link individual staff appraisal and reward systems to the successful delivery of the organisation's objectives

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4. Quality and Customer Service

As has been mentioned several times in chapters 2 and 3, customers are of paramount importance to businesses. The quality of the products and services produced by the business and its suppliers determines whether a customer is happy or not.

4.1 What is quality?

Quality can be defined as:

- Degree of excellence
- Conformance to requirements
- Fitness for purpose
- Meeting agreed client requirements and avoiding problems and errors while doing so
- Doing right things right.

The development of a total quality culture throughout the business must be actively encouraged, to drive the principles of best practice and customer service. In simple terms, there is a need to 'get it right first time, every time' if the business is to prosper.

The successful business gives priority to its customers. The concept of 'customers first', whether they be internal or external customers, is an ideal goal for all firms. Businesses must always bear in mind that quality is in the eye of the beholder (the customer). A quality service is therefore one that satisfies customers' needs.

4.2 The cost of quality

It is not uncommon in service industries like surveying for the cost of achieving quality to be more than 30% of total revenue of a business. The cost of quality includes the costs of prevention, of inspection and of failure. Figure 5 on the following page (with acknowledgement to ODI) provides more information on this breakdown.
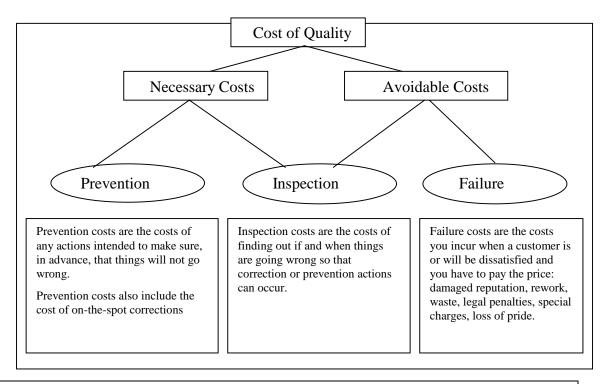
Figure 5 – Elements of the Cost of Quality

The first step in reducing a business's cost of quality is to understand that quality costs are *not* created equal. Rather, they can be divided into three distinct categories:

- Prevention Costs – these can be regarded as an investment because preventing (as opposed to correcting) quality problems makes the firm much stronger over time.
- Inspection/Correction Costs – inspecting and checking other people's work is a role which virtually all managers and supervisors must fulfil each day. This is despite the fact that neither the inspector nor the inspected finds this aspect of his or her job gratifying.
- Failure Costs – mistakes due to lack of quality that turn up outside the firm, after a service is delivered to the customer, are costs that must be avoided. The firm is cast in the worst possible light when it fails to meet the customers' valid requirements.

In hard monetary terms, failure is by far the most costly quality problem. The cost of recalling or 'making good' on a service delivered unsatisfactorily is extraordinarily high.

A rule of thumb for comparing the relative costs of the three categories in the firm is the "1-10-100 Rule". For every dollar or hour the firm might spend on preventing a quality problem, it will spend 10 to inspect and correct the mistake after it occurs. If the failure goes unchecked or unnoticed until after the customer has received the service, the cost of rectifying the failure will probably be 100 times the cost that would have been incurred to *prevent* it from happening at all.

The secret to reducing Cost of Quality is clear: *invest in prevention* and ensure that everyone in the firm understands the true cost of quality. In addition, give people the practical tools they need to make the 1-10-100 work for, not against, the firm. Ultimately, the key goal of the firm and each of its members must be to do *"right things right"*.

4.3 The customer and quality

Quality can only be determined by the customer; ensuring the regular achievement of quality is therefore about finding out what the customer wants and the cost that both the customer and supplier can be satisfied with. The quality of the service that ultimately goes to the external customer is dependent on how well the internal customer/supplier chain is managed. It is important for everyone in a firm to identify who their customers are and how to keep them satisfied. For example, a simple job being processed through a typical surveying business will contain a number of steps after instructions are received from the client (external customer). The steps can range from ensuring all relevant information is obtained from the client, to searching for information, to collating the information, to undertaking a survey, to drafting plans and field notes, to checking and writing correspondence. Each of these steps can be undertaken by a different person (internal customer).

A number of people from within the organisation and beyond have some input into the final product. The quality of the final product or service is only as good as the weakest link. If, for example, the obtaining of a piece of vital information was overlooked then the survey may be incorrect. This may result in complete failure of the job at a later stage or even repetition of some work, costing the organisation (or the client) an added amount. This type of failure may occur at any step in the processing of the job through the organisation. It is better to invest in preventing such a failure from occurring (for instance through training) than incurring the cost of failure when there is a breakdown in the process. A key to overcoming this is for everyone in the organisation to know where they stand in the process. When a problem is identified that may affect quality then every employee, no matter where they stand in the organisation, must act to ensure that the chance of failure at a later stage is minimised or removed.

FIG has adopted a Charter for Quality in which its members recognise and agree to undertake:

- *"To commit our respective organisations and member associations to quality, service and client/customer satisfaction;*
- *To develop a total quality culture through management commitment and leadership within our organisations;*
- *To develop a continuous improvement approach to all our activities;*
- *To work towards achieving recognition of our respective organisations to internationally recognised standards for quality systems;*
- *To encourage the suppliers of products and services to surveyors to embrace the principles of the quality movement;*
- *To train surveyors through a total quality approach; and*
- *To share and participate in benchmarking and performance measurement."*

4.4 Customer Service Charter

It is important for staff within a firm to make a commitment to customer service. An ideal way is to develop a customer service charter which incorporates services objectives and service commitment, followed by service goals, strategies and standards.

An example of such a charter is at Figure 6. Goals, strategies and service standards will vary from firm to firm and in different parts of the world. Very simple mechanisms can be extremely effective, for instance a visitors' book with space for comments, or a simple questionnaire to be included with invoices.

CUSTOMERS FIRST

As a firm and as individuals, we will continually strive to improve our customer service.

OUR OBJECTIVES

In every area of service we will;

- aim to "get it right first time, every time"
- meet customer needs and exceed their expectations
- accept ownership of customer concerns
- seek continuous improvement
- actively negotiate solutions
- work in partnership with our customers

OUR SERVICE COMMITMENT

In every area of service our customers can expect:

- timely, accurate and professional service
- innovative, flexible and practical solutions
- honesty and integrity
- open and effective communication

SERVICE GOALS

Customer Interaction/Communication:

Service Goals	**Strategies/ Standards:**

(detail firm's goals for customer interaction/communication)

Personnel:

Service Goals	**Strategies/ Standards:**

(detail goals etc for personnel)

Administration:

Service Goals	**Strategies/ Standards**

Correspondence:

Service Goals	**Strategies/ Standards**

Feedback/Complaints:

Service Goals	**Strategies/ Standards**

Figure 6: A sample Customer Service Charter

4.5 Quality Assurance

A key element of customer service is providing the customer with assurances as to the quality of the products and services supplied. The International Organisation for Standardisation (ISO) has developed a series of standards (ISO 9000 series) which contain guidelines to allow the development of an appropriate quality management system which can do this.

The latest ISO 9001 (2000 version) addresses a number of inadequacies in the way quality assurance has been seen in the past. Properly understood, ISO 9001 asks firms to address a number of basic management issues in a manner that is appropriate to the nature of the firm in question. The issues themselves are virtually indisputable in terms of ensuring good service to clients and the ongoing health of the firm.

ISO 9001 (2000 version) is very relevant from a surveying business's point of view because, as a technical profession, surveyors' weaknesses have tended to arise in relation to broader management controls. Successful organisations have a focus on business planning, communication and the image they project to the community.

In a typical surveying practice, ISO 9001 suggests that management should:

- Communicate well with clients and record their requirements;
- Actively manage staff and resources to ensure that deadlines are met;
- Make sure that staff understand their roles and responsibilities within the firm;
- Plan work processes to ensure clients' technical requirements are satisfied;
- Check and authorise all work prior to release;
- Ensure that staff are adequately trained;
- Confirm that measuring equipment is working within specifications;
- Ensure that subcontractors work to equivalent standards;
- Review procedures to ensure that they are being followed by staff (and are cost effective); and
- Have a well organised and secure records system (including computerised records).

ISO 9001 therefore provides an ideal framework for considering, implementing and monitoring the important management issues of any business, but it does require time and resources to make it happen. It is a most useful tool to use as a framework for a critical evaluation of a firm's organisational processes.

4.6 Summary

The implementation of quality customer service as part of the road to continuous business improvement can be considered in three stages.

Stage 1:   *Creating the Environment for Quality*

(creating a controlled and systematic way of doing business with quality aware and committed people).

Stage 2:   *Quality Improvement*

(seeking out ways to improve existing processes and reduce the cost of problems).

Stage 3:   *Continuous Business Improvement*
             (achieving sustainable, continuous improvement of all processes, products
             and services through the creative involvement of all people).

In a competitive market place, it is rarely wise to stand still and give competitors the opportunity to race past you. Hence, it is worth remembering that quality is a journey not a destination, and that it is an ongoing process that should never end.

Using ISO 9001:2000 and having a Customer Service Charter provides an ideal framework to demonstrate to customers that the firm does value its customers and wants to provide the best service possible.

4.7 Checklist

- Create an environment of quality and customer service and continuously review how to embed this in the business
- Ensure that all staff are adequately trained
- Document key processes and ensure that staff follow them; this will ensure consistency of activity and of output, providing assurance to customers
- Undertake customer surveys to determine their needs and expectations so that the business can plan to meet and exceed them
- Continually review all activity to ensure best practice, involving staff and customers in this process

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5. Professional Ethics

5.1 What are ethics and why are they important?

We should try to attempt, before going any further, to define what ethics are. The following are from sources as diverse as the Oxford English Dictionary, the New Zealand government and a business ethics textbook:

- 'What ought to be; the ideals of what is just, good and proper'
- 'In essence, ethics is concerned with clarifying what constitutes human welfare and the kind of conduct necessary to promote it'
- 'The department of study concerned with the principles of human dignity'
- 'Giving of one's best to ensure that clients' interests are properly cared for, but that in so doing the wider public interest is also recognised and respected.'

Why are ethics important to a surveying firm? At the most fundamental level, perhaps, they are important because companies (and individuals) with clear values, and who apply those values consistently, will be more successful than companies without such clarity. This is because they will not put themselves in positions which later become compromising and need time and effort to resolve. This assertion is supported by a number of studies. In short, principled decision making is compatible with profitable decision making.

That this should be so is perhaps clear from the issues referred to in earlier chapters of this Guide – the public and society have expectations of professionals and are proving more and more willing to demand remedial action where unethical decision-making seems to be taking place. A professional is expected to balance the needs of a client and of society at large, thus placing an additional dimension on the decision-making process.

The profile of many decisions by surveying firms may be higher than those of other professionals because of the large number of survey decisions which impact directly on the environment, an issue surrounded by public concern and protected by high profile pressure groups.

5.2 Ethical principles

If ethical decision-making is compatible with business success, and such decision-making requires consistent application of a defensible set of values, it is evident that every survey firm requires a clear set of values and procedures that ensure consistent application of them by every individual in the firm. Unsurprisingly, therefore, this area has been the subject of a variety of work by professional bodies such as FIG and national survey associations. Most survey associations will have model guidelines for firms, which pay particular regard to national priorities and laws. The FIG work had the aim of providing a framework for national and individual work. FIG Publication No 17 (Statement of ethical principles and model code of professional conduct) sets down four ethical principles:

- Integrity;
- Independence;
- Care and competence; and
- Duty.

The text of the publication is reproduced for easy reference in the Appendix to this Guide.

These principles will need to be considered in relation to a number of roles of the surveyor:

- As an employer;
- As a supplier;
- As a professional adviser;
- As a member of a professional body;
- As a business practitioner; and
- As a manager of a range of resources.

FIG Publication No 17 outlines the key areas within each role, and provides guidance on each of them. As with issues covered earlier in this Guide, it is vital that the owners and senior managers of the organisation all espouse similar priorities in this area, if a clear lead is to be given to staff and a clear message to customers and other interest groups.

5.3 A code of conduct for the business

The need for every firm to have procedures for applying its values can be summed up as follows: 'imagine yourself in a jungle. A guide is essential, whereas a map is useless as you don't know where you are starting from'.

There are, however, some pitfalls to be avoided when setting down a code:

- The emphasis must remain on providing frameworks which can guide actions – any attempt to provide a comprehensive list of do's and don'ts, covering every conceivable situation, will fail as a situation not covered will arise!;
- Actions are much more significant in determining ethical culture than any code. The codes will not gain ownership unless the owners and directors of a business are seen to be living by them; and
- The codes must be carefully thought-out, with employees being involved in their development, rather than knee-jerk reactions to particular crises. The need for wide involvement is particularly important in partnerships (a common business form for professionals), as partners have greater freedom of action (and expectation of input) than employees generally do.

Successful codes will, therefore, contain text such as 'we must maintain in good order the property that we are privileged to use, protecting the environment and natural resources' (from Johnson and Johnson's Credo) and 'surveyors [must] avoid any appearance of professional impropriety' (from the FIG Model Code).

What should be in a firm's ethical code? Section 5.2 above suggests the general principles and roles that should be covered. Trying to be more specific, the RICS Guidance Notes on Professional Ethics suggest that clear guidelines need to be provided on the following topics:

- Gifts, hospitality, bribes and inducements;
- Health and safety;
- Equal opportunity, discrimination and sexual harassment;
- Conflicts of interest;
- Insider dealing;
- Money laundering;
- Disclosure of confidential company information;
- Financial transactions;
- Fair competition;
- Alcohol and drug abuse;
- Whistle blowing;
- Non-executive directors;
- Copyright and ownership of files;
- Standards in advertising;
- Protection of the environment;
- Relations with local communities; and
- Political and social behaviour.

This should perhaps be regarded as a 'long list' of topics that should be considered – not all subjects will be relevant for all firms, and the profile and priority of the different items will differ between countries and firms. Always bear in mind, however, the need to have guidelines in place *before* an issue faces the firm, not to react when something occurs.

We can consider the application of a code by an individual member of staff in a particular set of circumstances as a filtering process – the code is more likely to tell the individual how not to act than it is to define how to act. There will be a number of filters at work. The relative importance of these filters is likely to vary around the world – organisational culture is, for instance, likely to be strong in the east, and personal values strong in the west. It is therefore important that firms take full account, when drawing up a code, of the likely issues in the different regions in which they are likely to operate – bribery will be a far more real issue in some countries than others, for instance.

An individual will, in a particular set of circumstances, use the different filters to determine his or her course of action. The relative priority of the filters becomes crucial when the answers from the different filters conflict. In almost all cases (although less heavily in eastern countries), personal values will be the strongest filter. Given that many decisions

will have to be taken by an individual without reference to colleagues (and, indeed, without access to the text of the firm's ethical code), the owners and directors of a firm need to have confidence in how the individual will react. In an extreme case, if organisational and individual values are too greatly in conflict, the continued employment of the individual by the firm becomes a real issue, so this is an area which needs to be covered when recruiting staff: the firm will generally be (rightly) held to account for the actions of an individual member of staff.

5.4 Preparing the firm and staff

It is, of course, a dangerous policy to leave the testing of a code's application until the moment when it is necessary 'for real' – knee jerk responses are likely to be a dangerous way of creating policy and reputation.

A helpful way of testing the clarity of a code, and cross-checking it against an individual's decision-making process, is to discuss the issues in advance. A useful technique, to ensure that the discussion is grounded in reality rather than vague principles, is to use examples as the basis for the discussion. A variety of examples have been created for this purpose; they should, for best effect, be tailored to the circumstances of the firm and the individuals in it, drawing on real experiences that people in the firm have encountered. The FIG Working Group on Business Practices created three dilemmas as part of its work; they produced a range of responses from professional surveyors around the world. They are reproduced here as a starting point in a firm's creation of such dilemmas:

- Whilst undertaking a site survey for a private sector client, it becomes apparent to you that the client intends to ignore potentially serious environmental impacts of the development of the site. You reflect on your obligations to your client and to the community. What do you do?

- As a partner in a firm of surveyors, you have successfully won a tender for some work in a country where bribes are considered a normal part of doing business,. In your own country, bribes are illegal (or, at the very least, not accepted practice). Will you use bribes to get the project completed successfully?

- You have successfully tendered for a survey. Other work means that you cannot complete the work by the required date, so you subcontract the work to another surveyor who only charges you a small fraction of the fee you have agreed with the client. What do you charge the client?

Such dilemmas have proved to be a valuable tool in the development of a firm's code of ethics, and in the ongoing development of the code and of employees' understanding of it. This dialogic approach is not a luxury to be taken up by a firm if individuals are interested or if time permits – it is an essential part of running a firm, as essential as the continuing professional development of individuals' technical skills and technological knowledge.

5.5 Summary

Professional ethics are becoming increasingly important. Consistent application of clear and defensible values is compatible with business success and will avoid decisions by individual members of staff which are catastrophic for the reputation of a firm: a reputation which has taken years to build can be shattered in a moment.

A code of conduct is therefore a vital part of a firm's 'handbook'. Such a code needs to be created with the involvement of staff and everyone's understanding of it needs to be continually tested – and not through real situations! The code needs to cover the principles to be applied in the full range of situations that employees of the firm are likely to encounter. An individual's values will generally predominate over the code, hence the values of an individual need to be tested during the recruitment and development process.

A variety of material is available to a surveyor starting up or taking over a survey firm. This includes the FIG Code of Ethics at the Appendix to this Guide, and guidance from national survey associations. Such guidance will provide a valuable framework for the firm's code, but it is vital that there is clear ownership of the firm's code by the firm and its staff – fully off-the shelf codes will not work.

5.6 Checklist

- Create an initial code of conduct for the firm as soon as you start to build the firm. Use frameworks available from national survey associations and other firms but tailor them to your firm and its circumstances
- Continually test the code against situations that you are likely to encounter, and develop it as necessary. Do this thoroughly at least once a year
- As part of staff development processes, discuss ethical dilemmas to ensure the conformance of individuals with the code

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6. Managing Information and Information Technology

Information is a vital part of every manager's job. For information to be useful, it must be accurate, timely, complete and relevant.

6.1 Managing Information

Information technology systems provide the hardware for managing information. They contain five basic components:

- An input medium;
- A processor;
- Storage;
- A control system; and
- An output medium.

Although the form varies, both manual and computerised information systems have these components. Many organisations now use a combination of systems software and applications software to perform key business functions, and constantly seek greater integration across these systems.

An organisation's information technology requirements are determined by four factors. Two general factors are the environment and the size of the organisation. Two specific factors are the area and level of different users and groups of users within the organisation. Each factor must be considered in planning an information system.

There are four basic kinds of information system:

- Transaction-processing systems;
- Basic management information systems;
- Decision support systems; and
- Executive information systems.

Each provides certain types of information and is most valuable for specific types of managers. Separately and together, such systems deliver business intelligence – the processes and technology necessary for today's business environment.

Managing information systems involves three basic elements:

- Deciding how to establish information systems. This involves a wide array of specific activities and steps;
- Integrating systems; and
- Ensuring that managers and staff can use the systems.

Information systems affect organisations in a variety of ways. Major influences are on performance, on the organisation itself, and on behaviour within the organisation. There are also limitations to the effectiveness of information systems. Managers should understand these limitations so as not to have unrealistic expectations. It is also important that managers deal explicitly with the issues that changes in workplace technologies can create, and actively facilitate change.

Recent advances in information technology include breakthroughs in telecommunications, networks and expert systems. Electronic commerce is a rapidly growing area, and is the conduit for an increasing share of global business transactions. The Internet and internal company intranets are playing increasingly important roles. Clearly, such advances will continue to enhance an organisation's ability to manage information more effectively. The increasing rate of change, however, emphasises the need for organisations to keep abreast of developments, and of the opportunities and thrusts that they create, so as to make appropriate business decisions on investments.

6.2 Managing information technology strategically

Managing IT strategically in an organisation is necessary if the organisation is to be effective and efficient in the use of its IT resources. Managers, by referencing the principles set out in this chapter when making IT-related decisions, will contribute to an emerging strategic alignment that will culminate in more efficient systems and, as a result, improved service and product delivery to the organisation's customers.

This section also describes processes for review, and principles to facilitate changes as the organisation and external environments change. This orientation-based approach has been described, rather than the more traditional linear planning models, to provide decision-makers with maximum flexibility to take initiatives, while at the same time providing a workable, flexible and robust framework that will foster organisational efficiency. The value it adds to the organisation's operations lies in its articulation of principles for management decision-making. Its success will depend on the consistency with which the principles are applied.

6.2.1 Investment Principles

The following principles need to be applied when considering investments in information technology.

- An organisation invests in Information Technology to support activities that generate outputs which meet the organisation's objectives – this addresses the fundamental, underlying purpose for choosing to invest in technology. The principle makes clear that technology is not to be pursued as an end in itself. Rather, technology only exists to support the organisation in achieving its desired outcomes.

- An organisation uses consistent business case and project management processes to assess and implement all proposals – this is to confirm that established frameworks and processes are used to guide investments and to provide managers with a basis for comparing proposals and projects. Project management standards help to ensure that investments are translated into outcomes that are delivered on time and within budget.

Business cases, investment appraisal and project management frameworks and processes should be used to guide and monitor IT investment decisions. Business plans should include substantial treatment of IT matters. These plans will form the backdrop against which initiatives and proposals involving technology will emerge. In the same way that workforce, risk, financial, and other planned operating parameters are assessed and prioritised by management, technological development will grow from planning predicated on business drivers. This will ensure that IT is used as a means to an end (that end being business success).

6.2.2 Infrastructure Principles

There are five principles that can be adopted to describe the setting for an organisation's Information Technology infrastructure. These are:

- An organisation reviews and defines its systems architecture annually and creates plans for the next two generations.
- An organisation's work areas and service providers are responsible for ensuring that systems are fully compatible with the IT systems architecture.
- An organisation grows its network to meet the needs of businesses/users by:
  - Undertaking regular capacity management in consultation with all work areas; and
  - Ensuring that all areas of the business undertake regular planning that identifies emerging/predicted infrastructure requirements.
- An organisation's work areas and service providers provide resources to ensure that the IT infrastructure can support business needs.
- An organisation coordinates application acquisition and development by:
  - Acquiring off-the-shelf solutions and applying minimal customisation;
  - Outsourcing development wherever practicable; and
  - Establishing coordinated acquisition processes.

The first two principles focus on the need to establish standards for the technical operating environment. The second principle outlines the obligation of businesses and service providers to match technology development to agreed standards.

The third principle specifies the manner in which an organisation will ensure that its network will continue to meet the needs of the business and service providers. The fourth principle commits the entire organisation to ensuring that adequate resources are provided to build and maintain an infrastructure that can deliver reasonable levels of service. The fifth principle deals with the purchase and management of applications.

6.2.3 Data Principles

Most organisations invest significant resources into creating, maintaining and analysing large amounts of data. Principles applicable to data are:

- An organisation's work areas and service providers manage data assets by observing organisation-wide policies that satisfy business needs and priorities.

- An organisation's work areas and service providers manage data within an accountability framework that includes their obligation to:

  - Ensure the quality, integrity, security and reliability of data;

  - Actively work to ensure that existing data sets are not duplicated;

  - Formalise data exchange agreements;

  - Profile data to determine appropriate levels of security and access; and

  - Adhere to organisation-wide metadata standards.

The first principle mandates an adherence to organisational policies and priorities. The second principle outlines a data management accountability framework. The framework references the need to develop and adhere to data management rules and best practice standards, metadata standards and data exchange agreements.

Any organisation managing data must pay particular attention to security. This is in terms of preventing unauthorised access to information, requirements and legislation covering data protection and individuals' right to privacy, and copyright. These considerations will often place restrictions on the way that data can be used and shared, and it is vital that organisations fully investigate such issues at an early stage.

6.2.4 Organisation Principles

An organisation needs to commit itself to matching investment in technology with investment in skill development. Organisational principles are:

- An organisation expects its staff to be competent, responsible and effective in their use of Information Technology resources.

- An organisation should provide a supportive IT environment for staff by:
  - Ensuring staff have access to appropriate tools;
  - Ensuring staff are adequately trained and have attained relevant competency levels; and
  - Ensuring staff have opportunities for continuous improvement and access to support.

The first principle makes it clear that performance expectations of all staff include attaining (relevant) technical competencies. Responsible use of computing facilities is also contained within this principle. An organisation's expectation is that staff will understand and apply security, efficiency and other operating principles whenever using technical resources. The second principle outlines the elements that are to be put in place to ensure that staff can use computing facilities efficiently and effectively.

6.3 Checklist

- Identify the application systems of importance to the organisation and ensure that they are managed and maintained to provide ongoing business support and that they can be supported into the future
- Assess the need and potential for integration of multiple application systems so as to streamline business activity, and the possible challenges offered by technological developments; build this into business planning activity
- Ensure that clear organisational policies and standards shape IT developments and investment, and that staff are trained in the skills necessary to make best use of the systems
- Rigorously review business drivers (i.e. identify which business objectives are driving the project) before committing
- Assess the scope of any IT project, including:
  - Goals and objectives;
  - Description of geographic scope;
  - Organisational scope;
  - Logical scope;
  - Deliverable scope; and
  - Financial scope

  before commencing investment, to ensure that it is appropriate to the business's aims and that the aims are deliverable

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7. Other issues

This chapter highlights some other issues of importance to businesses.

7.1 Governance

Previous chapters have highlighted the need for a business to work within a social context and the need for clear statements of corporate ethics. These issues are, in many governance models, the responsibility of the Board, which often also takes overall responsibility for strategic planning and major investment decisions. Any business must consider, at an early stage, how it wants to organise high-level decision-making and guardianship. Such arrangements must not be unduly top-heavy or restrictive. A variety of studies, however, have emphasised the need for accountability within a firm, providing the healthy tensions internally rather than in the public eye. Such accountability is generally created by a separation of duties between the managers of a company and its Board, which will often contain a majority of outsiders (Non-Executive Directors) who can provide the external objectivity which can get lost in day-to-day business. Small businesses might dislike such formality, and may wish instead to have a small number of individuals who can act as a 'sounding board' and review body, providing an extra dimension to strategic decisions. The appropriate arrangements for any business are for that business and its owners to determine, within the constraints of legal requirements.

Checklist:

- Determine at an early stage the appropriate arrangements for external 'reality checking' of strategic decisions, and ensure that these conform with legal requirements

Bibliography:

Hudson, M, 1995. Managing without profit. Penguin. See particularly chapter 2 which explores various governance models, much of which is relevant beyond the not-for-profit sector.

7.2 Staff

The development and remuneration of staff has been mentioned in a number of chapters. This is an issue which can vary greatly in essence and priority between countries and cultures. It is never, however, an issue that can be ignored – staff are the most vital asset of a company, and it is their actions which create corporate reputation (good or bad). Key issues include:

- Ensuring at recruitment stage that potential employees will 'fit' with existing staff, provide the skills needed for the business to achieve its goals, and have similar ethical attitudes to those of the business;
- Providing sufficient, suitable training for each member of staff to deliver the skills needed for the tasks in hand, and to allow achievement of each individual's realistic aspirations for a career path; and

- Setting out remuneration arrangements for staff which will motivate them and will ensure visible linkages between business success and individual reward. Such rewards will be significantly wider than simply monetary payment.

It is trite, but nonetheless true, that motivated staff will deliver more.

Checklist:

- Set down employee development and remuneration policies that meet staff's realistic expectations and business needs
- Ensure that new recruits will match business needs and fit with the business ethos

Bibliography:

FIG. CPD – Continuing Professional Development. FIG Publication No 15. Available from www.fig.net/figtree/pub/figpub/pubindex.htm

7.3 Legal issues

The legal issues facing a company will vary significantly from country to country. It is vital, therefore, that they are investigated fully when setting up a business so that their consequences can be properly factored into decisions, and that changes are regularly monitored. Particular aspects include:

- Health and safety;
- Record keeping;
- Data protection and privacy;
- Copyright;
- Professional indemnity insurance;
- Company structure;
- Employment matters;
- Tax regulations; and
- Liability and its limitation.

In many cases, the law will provide a 'floor' of minimum standards, with good practice being a higher level of conformance. In this regard, national and international standards (both official – from standardisation bodies such as ISO and the International Valuation

Standards Committee – and *de facto*) will provide a further guide to requirements and expectations. The use of and conformance to standards is not generally mandatory. Many contracts will, however, require such conformance – and, given that standards are designed to enshrine sensible best practice, they may provide a solid guide for a business. National professional associations will generally be able to provide information on relevant standards.

Checklist:

- Investigate and monitor legal and official standards relevant to the business, calling on professional associations for guidance

Bibliography:

As legal issues will vary so much between countries and regions, it is difficult to provide references for this topic.

Appendix

Extract from FIG Publication No 17 (Statement of Ethical Principles and Model Code of Professional Practice. Full text is available from www.fig.net/figtree/pub/figpub/pubindex.htm

BACKGROUND

1. The surveying profession is recognised globally as one that adheres to fundamental ethical principles.
2. The International Federation of Surveyors (FIG) recognises that, due to international differences of culture, language, and legal and social systems, the task of preparing a detailed code of professional conduct must rest with each member association, which also has the responsibility to implement and enforce such a code.
3. FIG also recognises that, given the global mobility of surveyors, it is important to establish common ethical principles and codes of professional conduct. As part of its role in providing guidance and encouraging the harmonisation of standards, FIG offers this model code.
4. A professional is distinguished by certain characteristics including:
   - mastery of a particular intellectual skill, acquired by education and training;
   - acceptance of duties to society in addition to duties to clients and employers;
   - an outlook that is essentially objective; and
   - the rendering of personal service to a high standard of conduct and performance.
5. Professional surveyors recognise that their ethical responsibilities extend to the public, to their clients and employers, to their peers and to their employees. Accordingly they acknowledge the need for integrity, independence, care and competence, and a sense of duty. They uphold and advance these values by:
   - supporting and participating in the continuing development of the surveying profession;
   - serving with honesty and forthrightness and within areas of their competence; and
   - using their expertise for the enhancement of society and the stewardship of resources.
6. FIG recommends that surveyors and associations of surveyors adopt the following ethical principles and model codes of professional conduct or, where appropriate, adapt them to local values and customs.

ETHICAL PRINCIPLES

Integrity
Surveyors
- maintain the highest standards of honesty and integrity towards those with whom they come into contact, either directly or indirectly; and
- accurately and conscientiously measure, record and interpret all data and offer impartial advice based thereon.

Independence

Surveyors

- diligently and faithfully execute their role according to the law; and
- maintain their objectivity and give their clients and employers unbiased advice, without prejudice or favour either towards or against other organisations or persons.

Care and competence

Surveyors

- maintain their knowledge and skills, keep abreast of developments in their fields of practice and apply their expertise for the benefit of society;
- only take on work that they reasonably believe they will be able to carry out in a professional manner; and
- exercise care in the performance of their duties.

Duty

Surveyors

- maintain confidentiality about the affairs of their current and former clients and employers unless required by law to make disclosures;
- avoid conflicts of interest;
- take environmental concerns into account in their operations and activities;
- recognise the interests of the public when providing services to their clients or employers; and
- conduct their work to the best of their ability, giving due consideration to the rights of all parties.

THE PUBLIC INTEREST

1. The first duty of surveyors is normally to their clients or employers but as professionals they also have a duty to the public. Surveyors are fact finders and providers of opinions and advice. It is important that they are diligent, competent, impartial and of unquestionable integrity in ensuring that the information they provide is true and complete and that the opinions and advice that they give are of the highest quality.

2. The work of surveyors has cumulative and long term effects on future generations. Many of the functions of surveyors, even those performed for private clients, are by their nature functions that have a lasting impact on society. Most information becomes public information at some point in time and may be used for purposes other than those for which it was initially intended. The information recorded by early surveyors and explorers has, for example, subsequently been used for the expansion of geographical knowledge and for land development. Similarly, land management systems designed for today create an environment in which future generations will live, work and play. The principles of sustainable development require surveyors to work as much for the future as for the present.

3. Clients, employers and the public must be confident that surveyors have exercised objectivity in arriving at their professional opinions. These obligations may

sometimes appear to be in conflict with the obligations that surveyors owe to their clients, their employers and their peers. Surveyors have a duty to the truth, even when it may not be in the best interest of their clients or employers.

4. All surveyors, whether they be private practitioners, employees in the private sector, public servants or educators, should discharge their professional duties and adhere to ethical principles in accordance with the following model code of professional conduct.

MODEL CODE OF PROFESSIONAL CONDUCT

FIG recommends the following code of conduct as the minimum to be expected of all professional surveyors.

1. **In general, surveyors:**
   - exercise unbiased independent professional judgement;
   - act competently and do not accept assignments that are outside the scope of their professional competence;
   - advance their knowledge and skills by participating in relevant programmes of continuing professional development;
   - ensure that they understand the fundamental principles involved when working in new areas of expertise, conducting thorough research and consulting with other experts as appropriate; and
   - do not accept assignments that are beyond their resources to complete in a reasonable time and in a professional manner.

2. **As employers, surveyors:**
   - assume responsibility for all work carried out by their professional and non-professional staff;
   - assist their employees to achieve their optimum levels of technical or professional advancement;
   - ensure that their employees have proper working conditions and equitable remuneration; and
   - cultivate in their employees integrity and an understanding of the professional obligations of surveyors to society.

3. **When dealing with clients, surveyors:**
   - avoid any appearance of professional impropriety;
   - disclose any potential conflicts of interest, affiliations or prior involvement that could affect the quality of service to be provided;
   - avoid associating with any persons or enterprises of doubtful character;
   - do not receive remuneration for one project from multiple sources without the knowledge of the parties involved;
   - preserve the confidences and regard as privileged all information about their clients' affairs; and
   - maintain confidentiality during as well as after the completion of their service.

4. **When providing professional services, surveyors:**
   - seek remuneration commensurate with the technical complexity, level of responsibility and liability for the services rendered;
   - make no fraudulent charges for services rendered;
   - provide details on the determination of remuneration at the request of their clients; and
   - do not sign certificates, reports or plans unless these were prepared and completed under their personal supervision.

5. **As members of a professional association, surveyors:**
   - do not enter into arrangements that would enable unqualified persons to practise as if they were professionally qualified;
   - report any unauthorised practice to the governing body of the profession;
   - refuse to advance the application for professional status of any person known to be unqualified by education, experience or character; and
   - promote the surveying profession to clients and the public.

6. **As business practitioners, surveyors:**
   - do not make false or misleading statements in advertising or other marketing media;
   - do not, either directly or indirectly, act to undermine the reputation or business prospects of other surveyors;
   - do not supplant other surveyors under agreement with their clients; and
   - do not establish branch offices that purport to be under the direction and management of a responsible professional surveyor unless this is actually the case.

7. **As resource managers, surveyors:**
   - approach environmental concerns with perception, diligence and integrity;
   - develop and maintain a reasonable level of understanding of environmental issues and the principles of sustainable development;
   - bring any matter of concern relating to the physical environment and sustainable development to the attention of their clients or employers;
   - employ the expertise of others when their knowledge and ability are inadequate for addressing specific environmental issues;
   - include the costs of environmental protection and remediation among the essential factors used for project evaluation;
   - ensure that environmental assessment, planning and management are integrated into projects that are likely to impact on the environment; and
   - encourage additional environmental protection when the benefits to society justify the costs.