

The globalisation of Welsh business through the development of managerial competencies and behavioural attitudes in e-business to e-business

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Keywords

Total Quality Management, European Foundation for Quality Management, Globalization, Business development, Internet, Wales

Abstract

Looks at the relationship between the research on TQM models, such as the Japanese 5S and EFQM, and the practical delivery of TQM models into senior government/businesses managers who are struggling to take advantage of the global economy. Continues investigating the relationship and the adaptability of models to produce bottom line results or solutions, which can then increase the Welsh GDP through the upskilling of senior managers. This process has further been explored through several areas of business and this has allowed for an understanding of relationships between business processes and TQM. If implemented, these would not only impact on the business but also the local economy. In the case of e-business, the traditional models of SWOT/PESTEL only focus on the local company and political issues. Suggests that therefore they are no longer stretching enough in reality for developing senior management strategy in the global market place. A model is proposed that builds on the SWOT/PESTEL analysis models and also allows the use of Investors in People and the Excellence Model in a clear and focused manner.

Introduction

The vision of CELTEC/ELWa is to develop a high quality, job-creating, innovative and skills-based economy that results in a confident, forward-looking culture where everyone can realize their own potential. In delivering this vision CELTEC has evolved a theme of strategic partnerships built on trust and mutual respect. This has allowed CELTEC to foster a culture of entrepreneurship within the senior management team where their goal is to encourage a skilled and enterprising workforce in North Wales, thus helping small and medium enterprises achieve their business aims. Over the past two years CELTEC has conducted major research and instigated several projects and some particularly look at the indigenous business community (which in North Wales is very diverse and predominately made up of small businesses) in order to develop these aims and objectives.

Our discussions with local businesses have been dominated by the perceived and actual inflexibility/bureaucracy of local support and the problems this gives CELTEC and its partners in achieving our aims and goals. It is therefore imperative that CELTEC's main aim – to achieve the upskilling skills and knowledge base of senior business managers – is delivered in a flexible framework (see Figure 1). This will enable us not only to engage business in a constructive manner, but also to deliver key targets set by the National Assembly and the UK government in the development of the e-commerce strategy.

Development of strategic alliances and global strategy

To understand the development of an e-business competitive strategy, I have

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explored how the strategic alliances are fluid and tried to provide a clear understanding of the fluid behavior of key strategic alliances in the global marketplace.

My definition of strategic alliances therefore would be: "Enterprising inter firm co-operative arrangements involving fluid flows and linkages of information/resources from autonomous organizations for the joint accomplishment of individual goals linked into the overall goal of increasing GDP in Wales".

This has then led my research into considering that in the case of e-business, the traditional models of SWOT/PESTEL (which are concentrated on Strengths, Weaknesses, Opportunities and Threats) only focus on the local company and political issues. In my opinion, this is, in reality, no longer capable of stretching the development of senior management strategy in the global market place. In view of this, I would propose that in this age of global revolution a new model is required, one that stretches the boundaries of global strategic thinking in a company.

The model that I am proposing builds on the SWOT/PESTEL analysis models and also allows the use of Investors in People and the Excellence Model in a clear and focused manner. These can then be measured by using TQM via the 5'S.

My analysis of the TOGA model (see Figure 2) shows that CELTEC/ELWa has the capabilities within the organisation to impact on the global area of the development of e-business within Wales through the use of strategic partners/alliances, and in particular by the development of a strategic e-business model.

However there are key areas that will require attention within ELWa to maximize the impact on GDP and this business plan. They are:

- To ensure that ELWa personnel have the correct ongoing training and development and are involved in key target setting.



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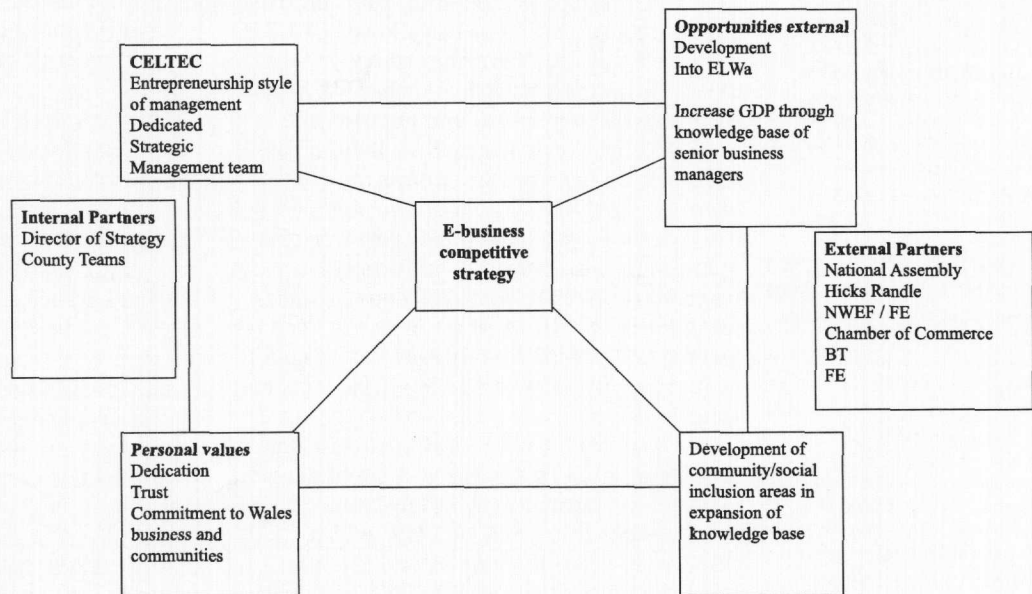
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- To ensure that the ELWa has considered the national and local business plans of all key partners and has set key targets for itself that reflect those plans
- To ensure real value for money and reduce duplication of services across Wales.
- At present the political/social climate and the current changes in Welsh economy through Objective 1 European Funding places CELTEC/ELWa in a position where they can develop a model of best practice that will also have a high long-term impact on the GDP of Wales. This will help in the development of partnerships, which will in turn reduce the impact of the North/South divide.

Strategic e-business model development

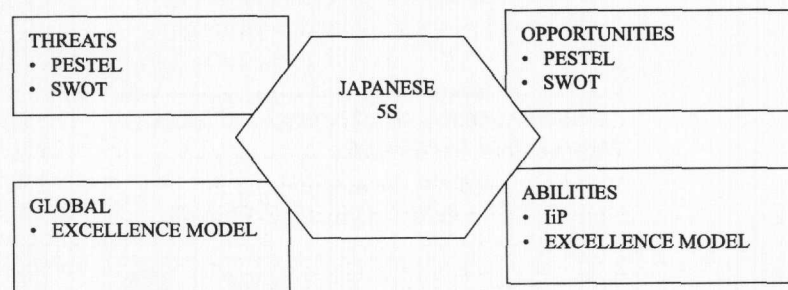
In order to deliver a global strategy and to ensure that we take into account the issues raised in the TOGA analysis, it has been necessary to develop a business model, which is based on quality methodology. This in turn should be deliverable to small businesses in a format that can be understood by the owner/manager. In addition it has also been necessary to consider the strategic plans of partners in developing a business model (see Figure 3). Research carried out shows that the "Excellence Model" provides the quality framework required by all partners and is an excellent tool for diagnosing the

Figure 1
 Competitive strategy model



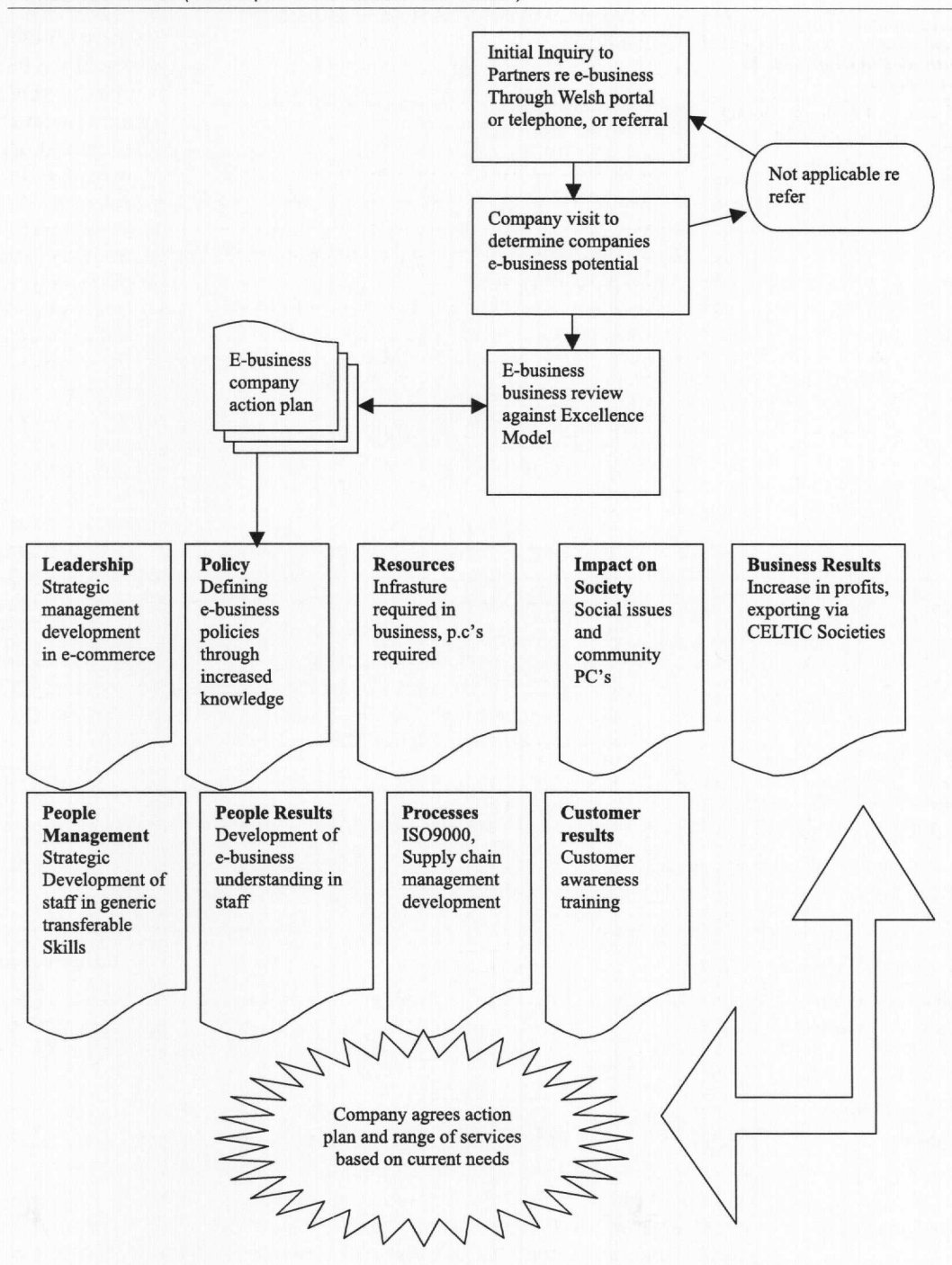
Source: Porter (1998) *Competitive Strategy*, p. xxvi

Figure 2
 Threats and opportunities that affect global abilities – (TOGA)



Source: Martin (2000)

Figure 3
 E-business model (developed from excellence model)



company's business needs, delivering them in a clear format for the managers to understand and agree. It is also a framework that the various agencies in Wales can agree upon. This will assist first, when auditing funding, and second, ensuring that support agencies clearly understand the issues faced by the business. This should enable better understanding and removal of nugatory competition.

Quality in excellence for global solutions

In developing a global strategy for CELTEC/ELWa, it necessary to consider how we measure quality in the global marketplace and ensure that at the same time we measure our customers' satisfaction when delivering the business plan.

Therefore I have explored how quality measures are the key to true customer

satisfaction and then business results, and how these can be demonstrated via the development of the quality in excellence model (Table I).

Overall summary

This business plan has highlighted a number of key issues that need to be considered internally and externally, in order for Welsh management to achieve its goal to compete in a global market place.

This business plan has raised a number of key issues that the ELWa and the NAW will have to consider in its implementation of the Objective 1 Funding to ensure that the increase of GDP is achieved.

My key recommendations for consideration therefore are as follows:

1 *Partners:*

- The development of key strategic alliances that allow the development of integrated business systems, which feed fluidly from and into the strategic business planning processes of Wales.
- The development of integrated marketing of services by strategic alliances, looking at local, national and global requirements of SMES.

2 *Staff:*

- The development of staff in key business skills that add real and added

value to the strategic alliances, through the achievement and adoption of best practice quality models within the ELWa.

- Development of methods to reduce change barriers within the ELWa, by agreeing a change agenda and timetable with key decision makers with the National Assembly.
 - Adoption of quality business tools and their principles, for example IIP and the Excellence Model, in development of the staff and the business.
 - Development of a recruitment policy within ELWa, which takes into account the conflict between recruitment and long-term staff development.
- 3 *Equal opportunity.* Development of a fully implemented, culturally acceptable policy taking into account the needs of all areas of the local community.
- 4 *Management systems.* The development of fully integrated management systems within strategic partners, to allow for fluid information flows.
- 5 *Managing resources.* The development of the amortization of employees within the accounting/reporting structure, to ensure that the ELWa value to the Welsh GDP is expressed as showing the added value of employees as a cash or percentage return on assets employed.

Table I

Quality in excellence model – adapted from excellence model and Japanese model 5S model

Customer satisfaction	Structure	Systems	Sanitise	Standardisation	Self-discipline
Measurement of service performance	System developed in ELWa	Processes to measure: competitiveness, provisions, complaints	Put in place management systems to review outputs and feedback	Review all processes against national standards	Feedback monthly to partnership group and ELWa exec results
Measurement of trends	System developed in ELWa	Processes to measure: product life cycle	Put in place management systems to review outputs and feedback	Review all processes against national standards	Feedback monthly to partnership group and ELWa exec results
Loyalty measures	System developed in ELWa	Processes to measure: complaints and accolades	Put in place management systems to review outputs and feedback	Review all processes against national standards	Feedback monthly to partnership group and ELWa exec results
Analysis of market share	System developed in ELWa	Processes to measure: market penetration	Put in place management systems to review outputs and feedback	Review all processes against national standards	Feedback monthly to partnership group and ELWa exec results
Analysis of marketing activity	System developed in ELWa	Processes to measure: customer retention, lifetime value, new business	Put in place management systems to review outputs and feedback	Review all processes against national standards	Feedback monthly to partnership group and ELWa exec results

Source: British Quality Foundation (1999, p. 22/23) and Ho (1999)

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Overall my key recommendation is the adoption of the above recommendations and the implementation of this business plan within the ELWa to ensure that the potential for increasing GDP is realized.

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