

The Compass



MODEL-NETICS PLAYBOOK

What's the Problem?

If Model-Netics is the solution, what is the problem? The short answer is complexity - the complexity inherent in the systems we call organizations.

System Design. It is a basic axiom in designing system solutions that the complexity of the solution should match the complexity of the problem. Sorry, no simple solutions for complex problems! We believe the permutations (possible combinations) of the 151 models in Model-Netics provides the requisite solution complexity to match the complexity inherent in the problem of managing organizations as a whole.

Complex Organizations. Organizations are called "complex" when the relationships between the parts, and the relationships between the

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“This is genius, brilliant, and cannot be compared to any other experience. It allows all of us to really look at the big picture of management while giving us the tools to be able to deal with the specifics.”

**Bea Casals
President
Casals & Associates, Inc.
(on Model-Netics)**

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parts and the whole are not fully understood. In a practical sense, this means that there are few simple cause-effect problems in organizations. Every significant problem is embedded in the complexity of the organization. Since the organization is a system, the systemic nature of problems has to be understood and factored into the process of developing solutions.

Find and Fix Fallacy. The Find and Fix Fallacy is the idea that in complex organizations, it is a fallacy to assume that a problem can be solved simply on its own basis, without fully considering the impact of the solution on the environment in which the problem is embedded. The Model-Netics idea of viewing the problem in the context of the organization as a whole is in sharp contrast to the more common Find and Fix approach. This approach focuses on solving one problem without regard to the whole and often creates many more problems than it solves.

Summary. Model-Netics is a unique model-based management system designed to provide a comprehensive framework for understanding the systemic nature of how organizations work. The model-based structure facilitates broad-based problem management activities. In this context problem management is defined as the product of four interrelated activities: problem avoidance, problem identification, problem selection, and problem solving. Put another way, Model-Netics is a systemic tool to aid managers in coping with the complex challenge of effectively and efficiently managing an "organization as a whole".

HSH

Harold S. Hook is the Founder and President of Main Event Management Corporation and the creator of Model-Netics.

MODEL-NETICS and the BALANCED SCORECARD

For many years now, organizations of all types have used Model-Netics as their system of best management practices. Originally the series of 151 management models was built as a program that would provide a common language and an organizational culture foundation for businesses. It has since, however, served as the backdrop to the development of many other management improvement initiatives. One of these initiatives is the Houston Airport System's (HAS) Balanced Scorecard.



with richer and more relevant information about activities they are managing.

The Balanced Scorecard is typically made up of a collection of performance measures, clustered into groups, or perspectives, usually focused on areas concerning financial matters, customers, internal business processes and learning/growth.

"Using the principles of Model-Netics, we have developed our own management training system and quality-assurance guide," said Richard Vacar, Director of HAS.

The Balanced Scorecard is a program which embodies an approach to performance management that combines traditional financial measures with non-financial measures to provide managers

"Together, these models and the Balanced Scorecard program allow us to better manage our resources and to provide the maximum and most efficient output available."

“Objectives are not fate; they are direction. They are not commands; they are commitments. They do not determine the future; they are means to mobilize the resources and energies of the business for the making of the future.”

Peter F. Drucker
American Educator and
Management Writer
(1909-2005)

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With the Balanced Scorecard, finding a clear alignment with the common sense messages of Model-Netics has not been a difficult task. This is also the case with countless other management improvement programs, which organizations have found allow them to concentrate more intensely on issues such as team building, leadership, culture building, and personnel selection processes when they are used in conjunction with the models.

HAS, one of the largest airport systems in the world, has found that the concept and critical importance of measurement perspectives, like those of the Balanced Scorecard are consistent with the best practices suggested through the models. For example, a key message of the *Control Diamond* and a major tenet of the Balanced

Scorecard is that standards must be set and measured against in order to keep the focus on priority activities. The *Heisenberg Principle* further tells us that you "get what you inspect, not what you expect," thus heightening the importance of measurement. The Balanced Scorecard speaks to the concept that you cannot improve what you cannot measure, so standards must be developed based on the priorities of the strategic plan.

HAS has actively implemented both Model-Netics and the Balanced Scorecard in its efforts to establish a performance culture consistent with the *Northbound Train* of the organization. HAS

has formulated a Balanced Scorecard approach in line with its strategic focus by crafting a system of measurements spotlighting the following factors that help determine the success of the organization: Region, Customer, Process, Technology, Employee, and Business. Each of these perspectives lend valuable feedback to the management team of HAS that helps them to gauge how well

the organization is meeting its goals. Together these success factors and the management best practices offered through Model-Netics has helped provide HAS with guidance for continuous improvement.



September 2005 Instructor Training Program

The Model-Netics Instructor Training Program (ITP) was held in Houston, Texas on September 14-16, 2005. Ten organizations were represented by the participants. Special guests attending the graduation luncheon included: Johanna Lockhart (2402) - HISD, Dan George (2445) - Manhattan Insurance Group, and Susan Roeder (2527) - Hilcorp Energy Company.



Janet Richards, Elementary School Principal, Independence School District, Independence, Missouri, represented the Part I candidates in her address to the graduation audience.

Janet began her comments by reflecting on the meaning attached to being selected for ITP

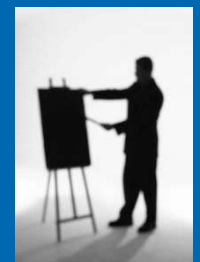
by the sponsoring organizations. She surmised, "Our individual businesses, corporations, and so on have to believe in all of us—that we have something to contribute to an organization, that we have those skills, that attitude in gaining that better way, and that knowledge in order to help them reach their objectives and their goals."

Janet advised her cohorts to put in the time and energy to study and teach the models. "This is a good deal. I hope you continue to see it through and affect positive change in whatever areas you

select." She encapsulated her feelings about the ITP training with these words: "It's a rare find in today's world to be able to invest the time and get such a rich payoff."

Beatriz Casals, President, Casals & Associates, Inc., Alexandria, Virginia spoke on behalf of the Part III graduation class.

Bea explained to the graduation audience that she had a rich history with Model-Netics, having first been exposed to it years ago while an administrator for the Salem Public Schools in Oregon. She explained that the school district was a "well-oiled machine that was practicing Model-Netics on a day-to-day basis" and added that after leaving Salem schools, a set of core models remained in her "denominator." "These [models] helped me both in my personal and my professional spheres."



Bea described the difficulties she now faces associated with running an international firm with a culturally diverse workforce and how Model-Netics can help overcome certain obstacles. "Model-Netics will improve our current operations and projected expansion by improving communication; better focusing on selection; and positioning us to make decisions and exercise control in real time, and solve problems inherent in bridging geographic, political, cultural, and economic differences."



Calendar of Events

Model-Netics Instructor Training Program

2005

December 5-7

2006

March 6-8

June 5-7

September 11-13

December 4-6

*Programs conducted in
Houston, Texas.*

Model-Netics Recertification Seminar

2005

December 8-9

2006

March 9-10

June 8-9

September 14-15

December 7-8