

Accountability tools - How to make people accountable?

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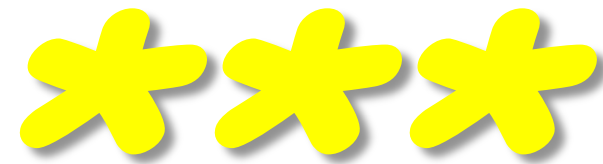
BMDA Conference

Riga - May 8, 2014



***Responsibility
Accountability
Commitment
Engagement***

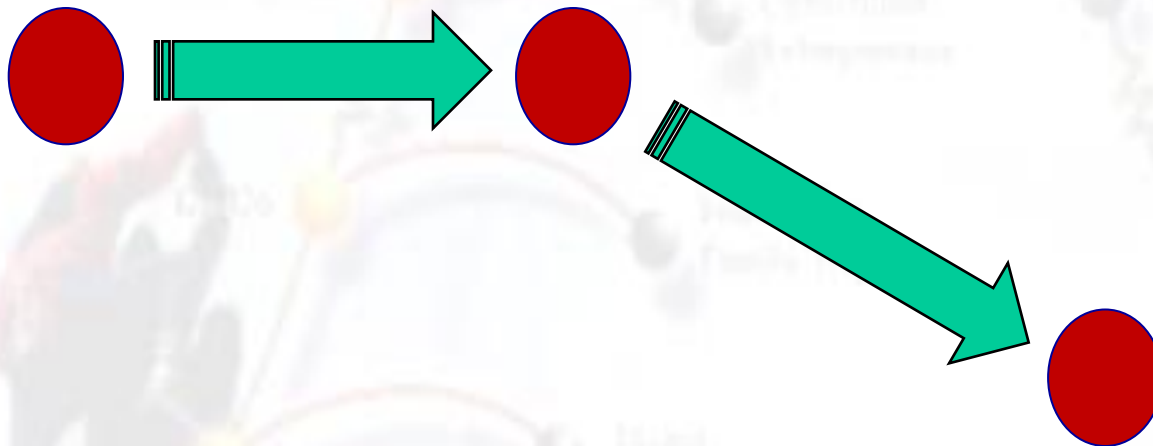
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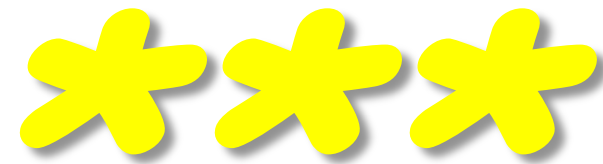


*I know
what
to do*

*I can
do it*

*I will be
rewarded*

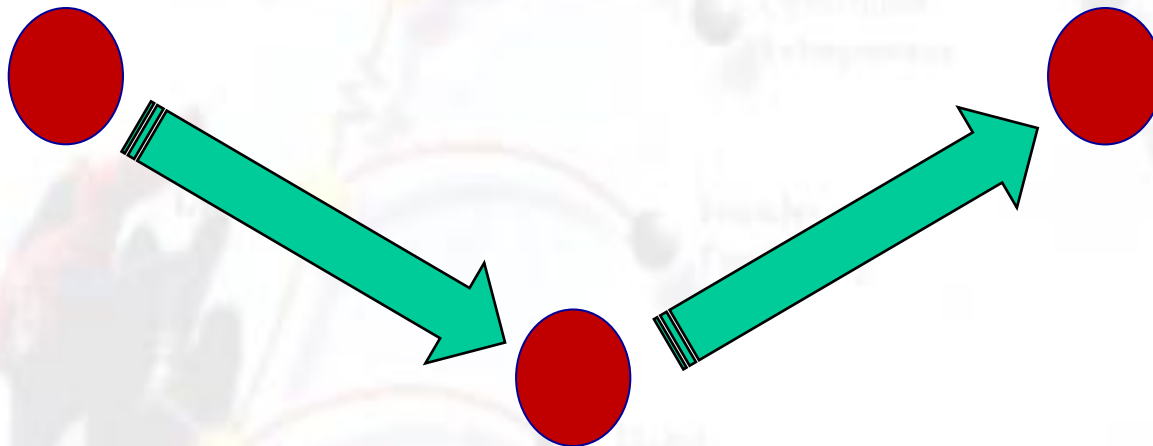


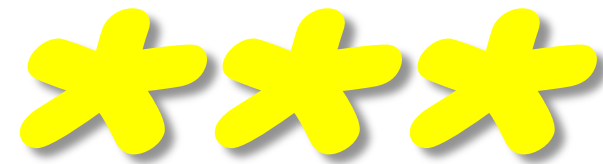


*I know
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*I can
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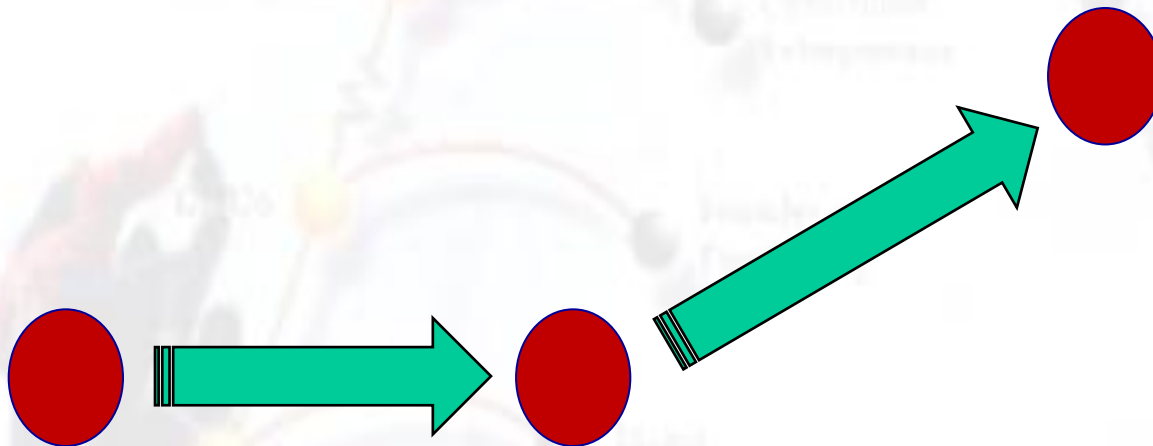


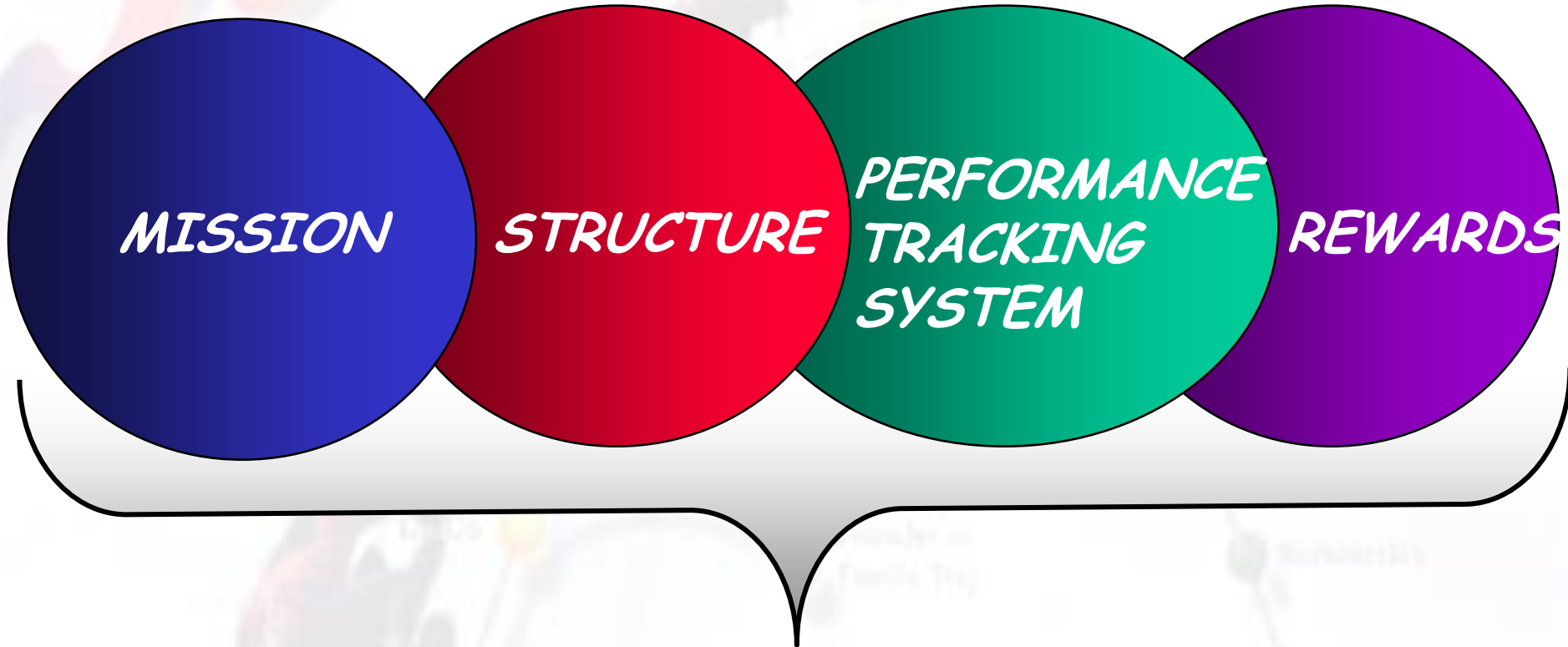


*I know
what
to do*

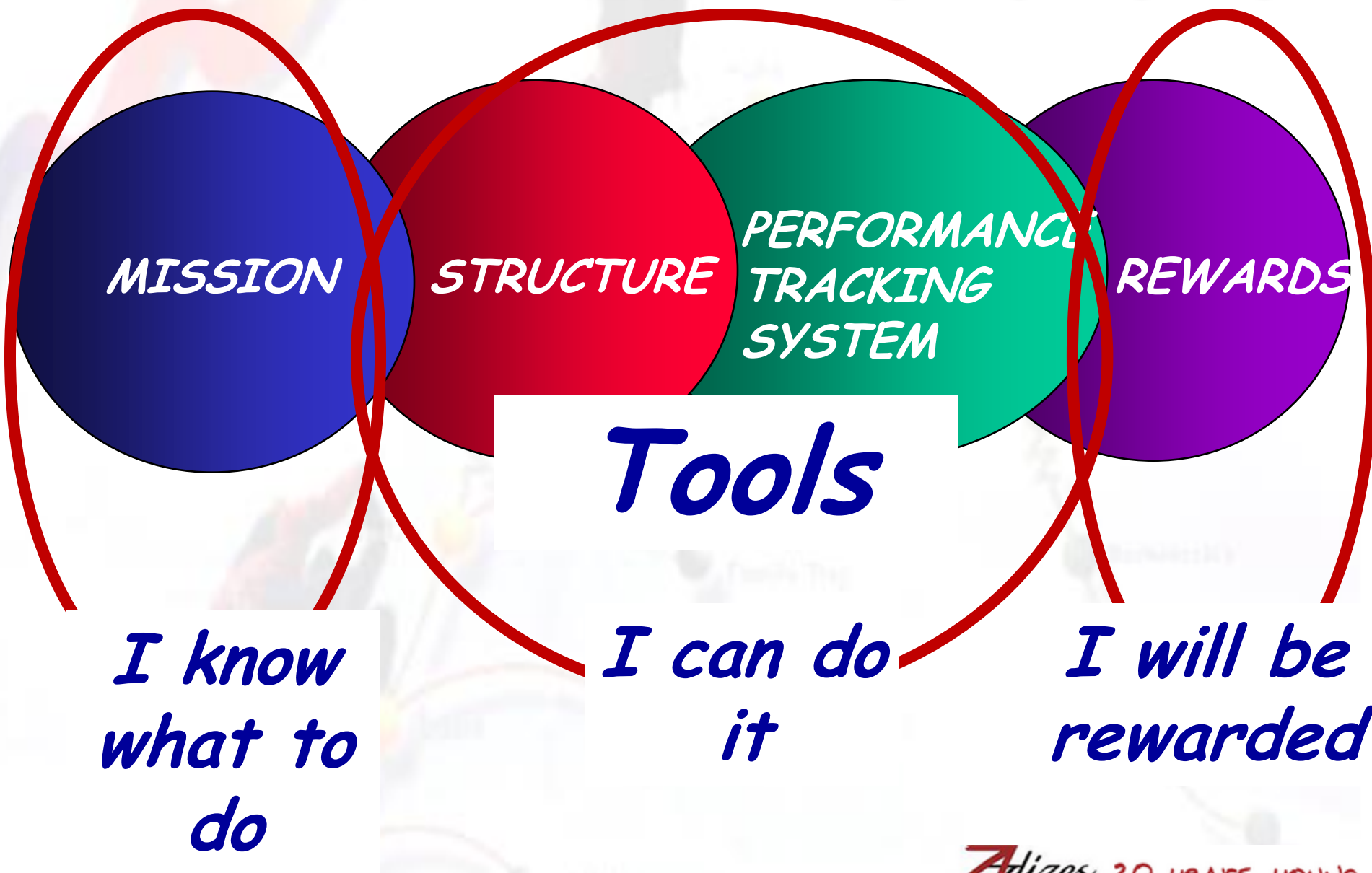
*I can
do it*

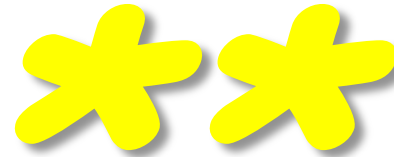
*I will be
rewarded*





ACCOUNTABILITY



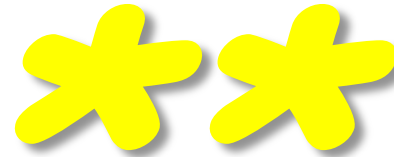


**PROFIT
CENTER**

- *Revenues from selling externally at market prices*
- *Profit and loss statement*

**INTERNAL
PROFIT
CENTER**

- *Revenues customers internal to the organization*
- *Charges for products and services at discounted market prices*



**EXCELLENCE
CENTER**

*Support services that cannot be
directly traced
That cost would exceed the
benefits
Operates to minimize expenses*

**SERVICE
CENTER**

*Serving multiple units inside
without profit motive
The units of service must be
traceable to the user
Must be a transfer price per unit*



Adizes Dashboard

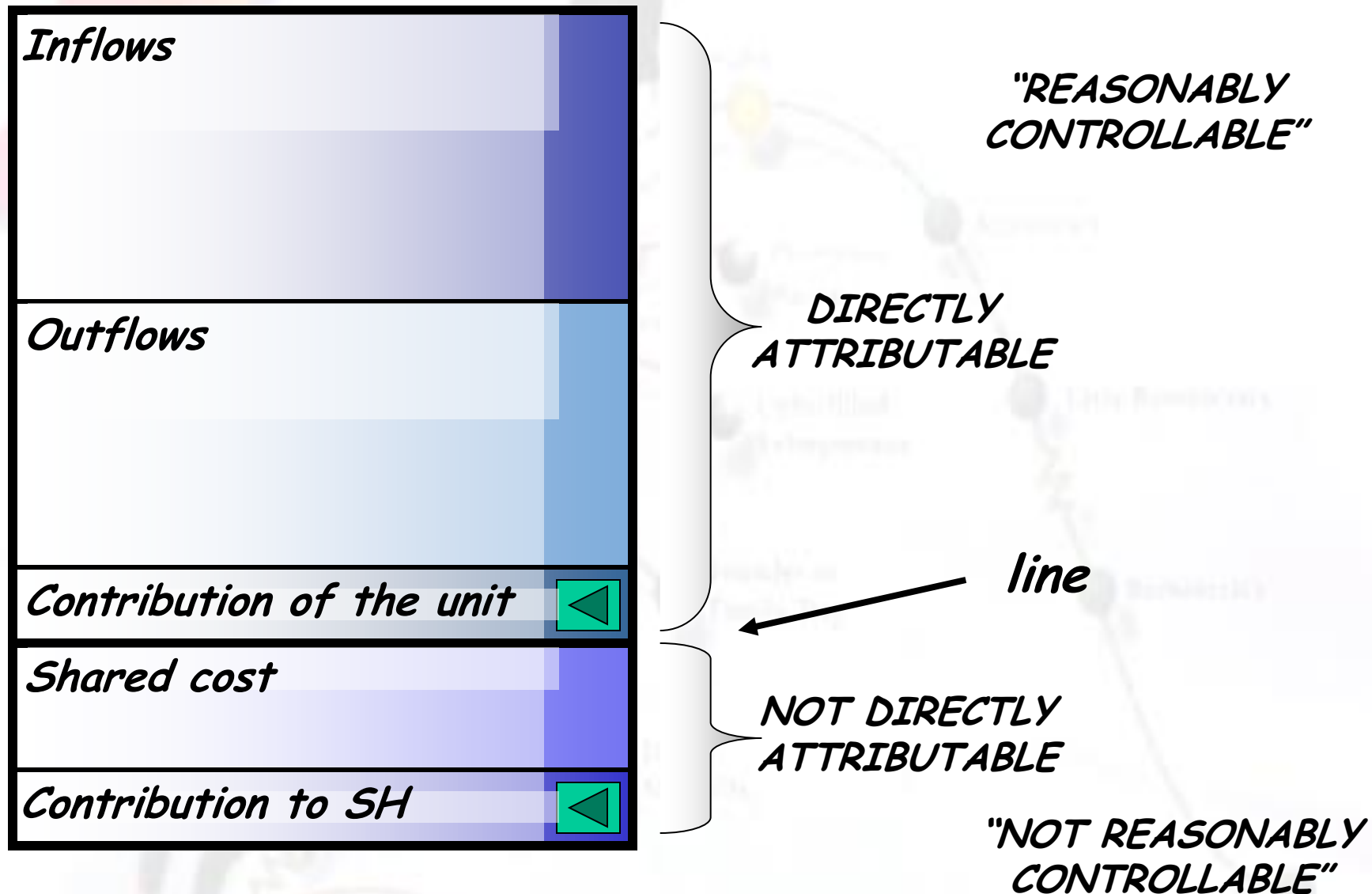
**Black book -
objectives**

**Blue book -
planning**

**Red book -
actual**

KPIs +





**Revenues -
Expenses
Contribution**

<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	
3	2	1	(4)	2

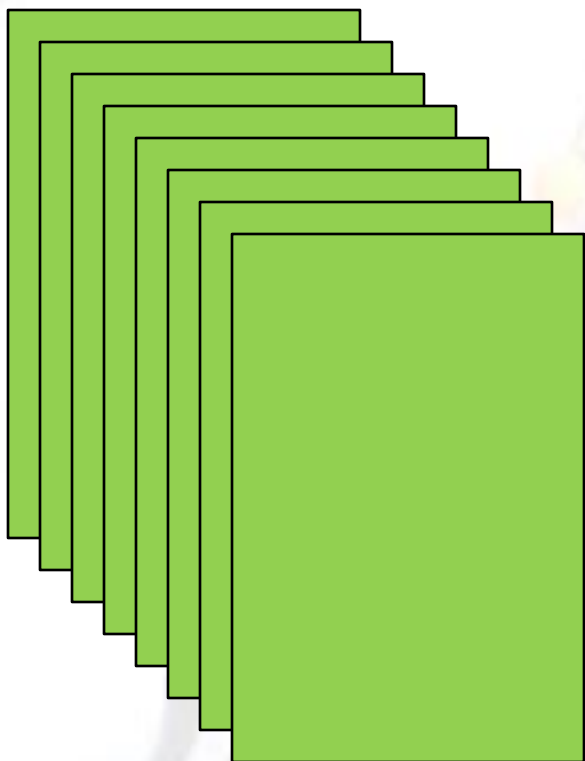
Sharing

Profit

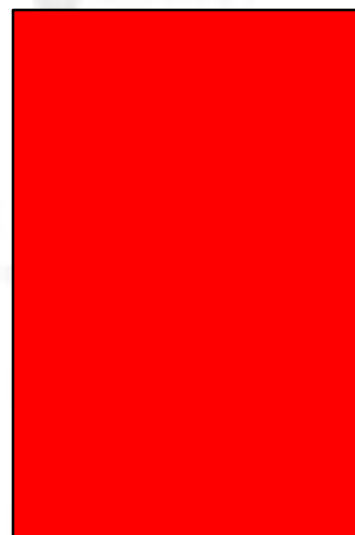
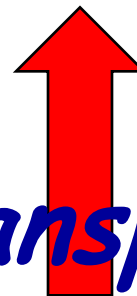
*Main game is to spend
money but somebody
else will pay for it*



Regions
- 11

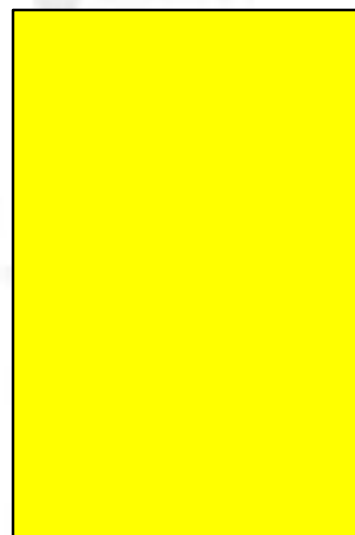
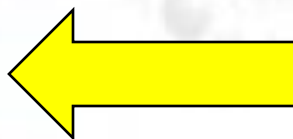
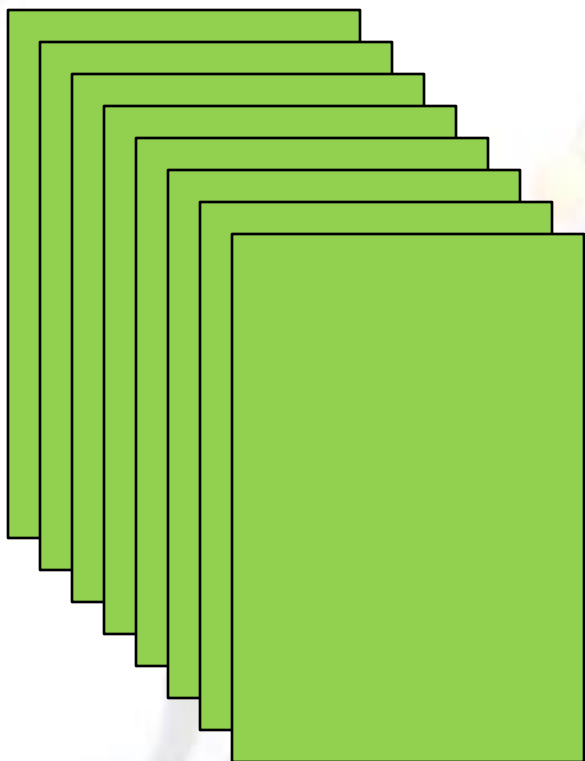


Transport



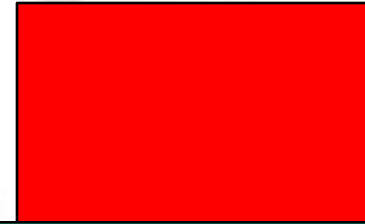
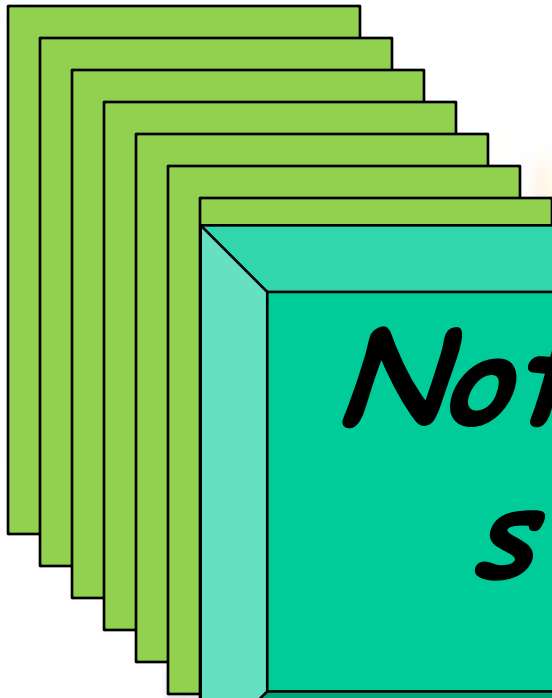
Regions - 11

Transport



*Regional
gasoline*

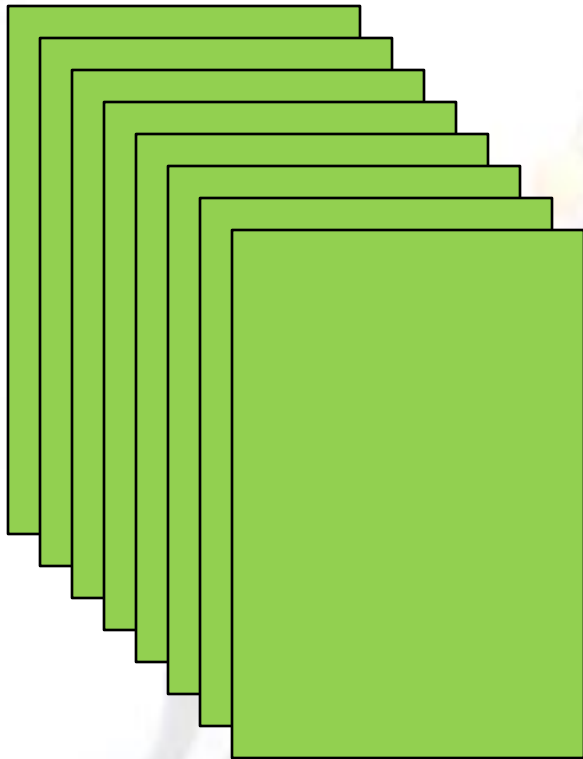
Accounting



*Not cost cutting but
stupidity cutting*



Shops



***Who
should
know or
explain
the
amount for
rent?***

Revenues *Plan* *Actual* *AD* *Who*

Lithuania



%



VK

Latvia

Poland

Expenses

Travel

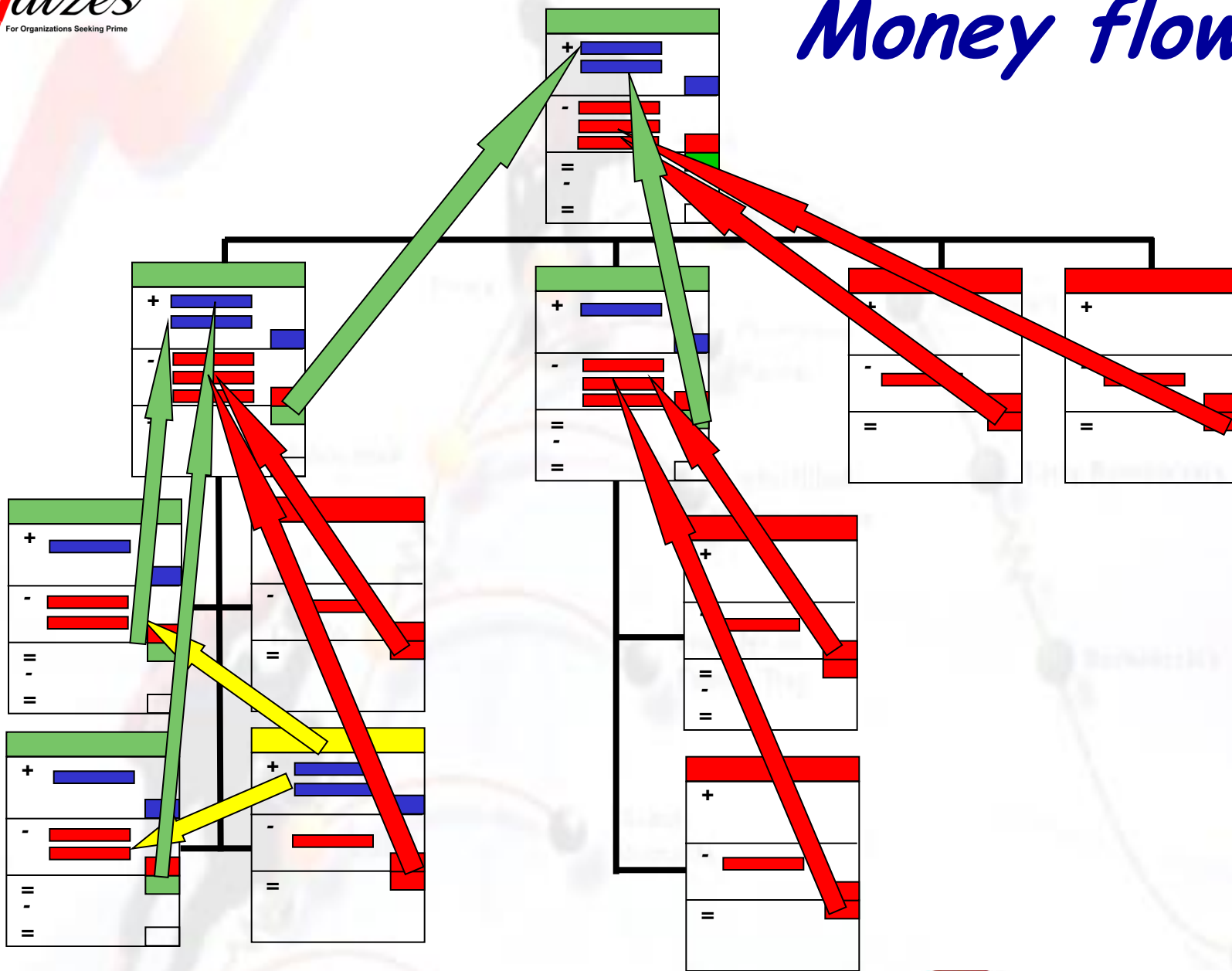
Salaries



%

VK

Money flows



Software tool

Actual Values

File Actions View Tables Tools Help

Unit: Computer Design Services Year: 2014 Currency: EUR

STRUCTURE | ACTUAL | REPORTS

Click at unit and drag to other to connect them. Hold <Ctrl> to reorder.

Zoom: 61%

Number of Units: 34

Windows taskbar: 11:13 PM 02-May-14

Software tool

Actual Values

File Actions View Tables Tools Help

Unit: Computer Design Services Year: 2014 Currency: EUR

STRUCTURE ACTUAL REPORTS

Click at unit and drag to other to connect them. Hold <Ctrl> to reorder.

Zoom: 100%

Number of Units: 34

Windows taskbar: 11:12 PM 02-May-14



Date: 02-May-14

Page: 1

Profit Tracking & Responsibility System

Red Book

PC 10000 Computer Design Services

Color : Green

DFS : 3

EUR

Manager : Pow ers

March, 2014

					March, 2014				
Acct#	P		A		F		I		
		AD%	AD\$	Actual	Budget	\$	Var%	Alr	Who
	Cont. from 50000 PC	4.0	688	10.2	182,933	169,583	13,350	8	<input checked="" type="checkbox"/> Paz
	Cont. from mainframe	6%	0	71.6	1,286,331	792,167	494,164	62	<input checked="" type="checkbox"/> Ropper
	Cont. from 60000 Peripheral	6.0	611	18.2	327,502	301,333	26,169	9	<input checked="" type="checkbox"/> Sharp
Total Contribution		5.8	726	100.0	1,796,766	1,263,083	533,682	42	<input checked="" type="checkbox"/> Pow ers
Total Inflows		5.8	726		1,796,766	1,263,083	533,682	42	<input checked="" type="checkbox"/> Pow ers
10010	Salaries & Wages	2.0	500	64.8	208,666	208,333	333	0	Pow ers
10011	Bonuses	5.0	500	14.6	47,004	41,667	5,337	13	<input checked="" type="checkbox"/> Pow ers
10013	Overtime	7.0	500	0.0	0	0	0		Pow ers
10014	Taxes & Fringes	4.0	500	12.5	40,298	40,000	298	1	Pow ers
10015	Temporary Help	5.0	500	0.0	0	0	0		Pow ers
10016	Other Personnel Costs	5.0	500	0.9	3,022	2,750	272	10	Pow ers
10020	Equipment Rental	6.0	500	0.2	593	583	10	2	Pow ers
10025	Depreciation	5.0	500	0.0	0	0	0		Pow ers
10027	Repair & Maintenance	10.0	500	0.0	0	0	0		Pow ers
10030	Depreciation	5.0	500	0.1	224	187	217	100	Pow ers

MY COMPANY



Date: 02-May-14

Page: 3

Profit Tracking & Responsibility System

Red Book

PC 40000 Main frame

Color : Green

DFS : 2

EUR

Manager : Ropper

					March, 2014					
A	P	A			E				I	
		AD%	AD\$	Com	Actual	Budget	var \$	var %	Alr	Responsibility
	Cont. from 41000 Defense projects	6.0	782	47.1	667,656	374,167	293,489	78	<input checked="" type="checkbox"/>	Pool
	Cont. from 42000 Educational projects	6.0	787	52.9	750,378	534,667	215,711	40	<input checked="" type="checkbox"/>	Donald
Total Contribution		6.0	785	100.0	1,418,034	908,833	509,200	56	<input checked="" type="checkbox"/>	Ropper
Total Inflows		6.0	785		1,418,034	908,833	509,200	56	<input checked="" type="checkbox"/>	Ropper
10010	Salaries & Wages	2.0	500	64.5	85,000	73,333	11,667	16	<input checked="" type="checkbox"/>	Paz
10011	Bonuses	5.0	500	5.8	7,700	7,500	200	3		Paz
10013	Overtime	7.0	500	0.0	0	0	0			Paz
10014	Taxes & Fringes	4.0	500	11.4	15,000	14,333	667	5	<input checked="" type="checkbox"/>	Paz
10015	Temporary Help	5.0	500	0.5	700	667	33	5		Paz
10016	Other Personnel Costs	5.0	500	1.0	1,255	1,250	5	0		Paz
10020	Equipment Rental	6.0	500	0.5	600	583	17	3		Paz
10025	Depreciation	5.0	500	9.5	12,500	12,500	0	0		Paz
10027	Repair & Maintenance	10.0	500	0.0	0	0	0			Paz
10030	Dues & Subscriptions	5.0	500	0.1	100	167	(67)	(40)		Paz
10012	Postage	5.0	500	0.1	100	22	17	22		Paz

UNIT NAME & #
Eastern Canada
1234

COLOR
Green

DFS
0

DATE
31-Dec-00

MANAGER: John Power
PAEI CLASSIFICATION: P

ACCT #

P

E

I

CHART OF
ACCOUNTS

INFLOWS:

REVENUES FROM:
Retail / Resellers - Window / Mac
OEM
International
Schools

1

Total Inflows

PAEI

OUTFLOWS:

Cost of Internal Labor
Cost of Advertising
Cost of Other Operating Fur
Cost of Product Marketing
Charges from - Mfg
Charges from - Distrib
Charges from - Facilit
Charges from - Tech. sup.

5

Level 1	Regional Mgr	35%	5%	40%
Level 2	Sales V.P.	20%	3%	23%
Level 3	Executive	10%	0%	10%
TOTAL SHAR. & TAX.				

NET CONTRIB TO SHAREHOLDERS (BT)

KEY PERFORMANCE INDICATORS:

Sales Volume in Units
Number of Salespersons
Capitalized Cost
Back Log in \$
Back Log in Units

AD %

COM

Projection

Stretching

Plan

100,000	10,000	110,000
20,000	2,000	22,000
5,000	2,400	17,400
1,000	200	10,200
14,600	159,600	
1,000	18,000	
500	5,500	
(500)	7,000	
500	3,000	
300	3,300	
400	4,400	
200	5,200	
(1,000)	5,000	

Power
Ace
Adams
McLendon

2

Power

Tire
Toll
Patz
Lott
Care
Free
House
Tomm

Busey
Dianza
Smith
Power

Power

Talus

Calcaneus

Tarsalometatarsal & Phalanges

15 people sleeps one hour less



Thank You

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