

## How Management Systems Develop

Most businesses are started by entrepreneurs who are highly results oriented - when the organisation is formed it is small, without any non-essential procedures or controls. Systems are simple, and geared towards achieving simple results: Purchasing is geared towards buying goods, Accounts is geared towards paying bills.

As the organisation grows, other needs become important - new people do things in a different way as they take responsibility for the system, and new controls, new policies and new objectives are placed on it. It starts to take on a form of its own - none of the changes result from a detailed review of systems, but from a dissatisfaction with effectiveness or efficiency.

Ultimately, it reaches the point where no-one understands the entire system in detail, no-one "owns" it, and parts of it will be redundant, either by being duplicated elsewhere, or by achieving no real purpose (raising a form because we always have, not because we need to, or printing out a report no-one reads).

This is not a criticism of management. It is a fact of life - systems grow, and the growth is rarely planned.

The introduction of a formal management system provides the opportunity for an organisation to take a good look at itself, identify the things that are not done effectively or efficiently, and those which are unnecessary or duplicated, and resolve them.

Once introduced, the system, through a process of internal audits, keeps on looking at itself annually, to assess whether altered practices still make sense, are efficient and useful, and contribute effectively to the organisation's objectives.

**Business will be either better or worse.  
(C. Coolidge)**