

## Systematic corporate governance management and management system development and implementation.

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### 1. introduction

It is time that the prevailing corporate governance , i.e. corporate management view with the focus on financial and cost control via an internal control system (ICS) together with the legal view of compliance with the legal and factual regulatory framework, is expanded to an organization-specific business model view in which the corporate management - and management system also the requirements, standards and guidelines, for example the integrated management systems (IMS) from an organizational point of view, the information and communication system view for process digitization, the production, planning , and control system view for order processing, the personnel management systems for employee management or the logistics system view is expanded with the fulfillment of the sustainability requirements of the supply chain. A holistic management and control system specific to the business model is required that guarantees compliance with all laws, regulations and ordinances in all business processes and also documents this through comprehensive digital verification, for example for certification or prequalification. The creation of such a business model-related holistic corporate governance management and control system with the MITO models and tools used for this is explained below.

### 2. MITO business model description

The starting point for the development of corporate governance management and management systems is the disclosure of the existing business model through a systematic description, which is already required in several reporting standards, in order to document the business activity and its effects on society and nature. The MITO business model is used here. The 7 W basic questions to be answered in the MITO business model:

#### 1. Why? 2. Who? 3. What? 4. How? 5. With what? 6. With whom? 7. Value?

in the specified control loop order for the description of the business processes is the starting point for a structured change management process . For each 7W basic question there is a large number of MITO reference portfolio matrices, which are processed systematically for each MITO segment using the MITO method tool and thus reveal the business activities.

The MITO business model with its 5 MITO model segments "Management, Input, Transformation, Output" as well as with the upstream partner and downstream customer segment and the integrated process level model is also the reference and regulatory framework for the structural specification for integrated corporate governance - management and Management system development and the introduction of a process-oriented organization that is customer-oriented (organizational transformation). At the same time, this enables output-oriented corporate management.

### **3. MITO process model and process level model with process swimlane representation**

Using the MITO process model, the company's process landscape is divided according to the specified High Level Structure (HLS) for Integrated Management Systems (IMS) into:

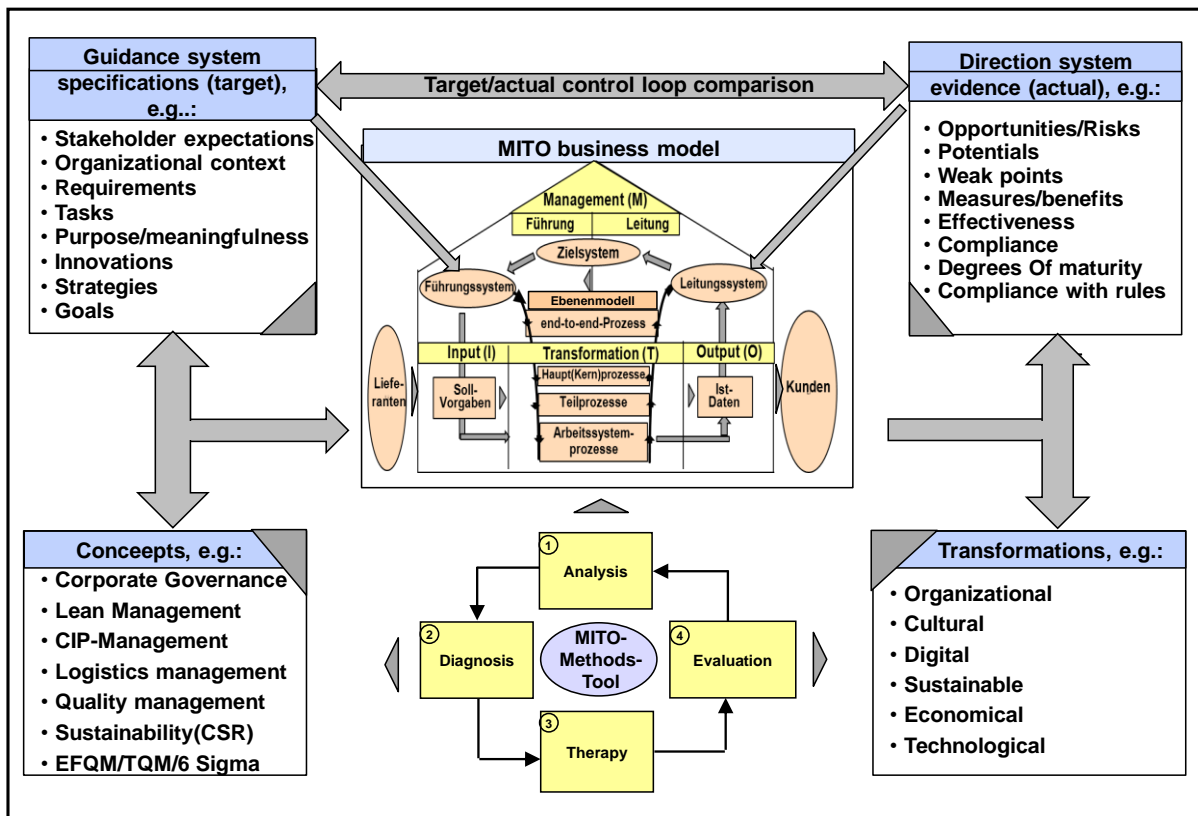
- Management processes in the MITO management segment with HLS Chapter 5, Management and 6, Management.
- Upstream support processes in the MITO input segment with HLS chapter 7, support.
- Core processes in MITO transformation segment with HLS chapter 8, operation.
- Downstream support processes with HLS Chapter 9, Evaluation of performance.
- Controlling processes in the MITO line segment with HLS chapter 10, improvement.

These processes are to be described transparently in accordance with the IMS standard requirements in order to give the process owners and process employees clear, role-based specifications for the implementation of the individual work steps with the associated process and work instructions.

process level model integrated in the MITO business model is consistently structured over 4 process hierarchy levels. "end - to -end process, core process, sub-processes, work system process" the target, management and control system to be implemented for the cultural transformation with the associated management and controlling instruments (e.g. key figure management). The processes themselves are role-based in each process level according to the globally valid process visualization standard BPMN 2.0 in the swimlane representation and documented with a standardized process description.

### **4. MITO method tool use**

The MITO method tool with digital verification is used to assess and evaluate the effectiveness of the integrated management and control system. The MITO method tool explained below provides the methods of linked management, CIP, QM and creativity methods required by the standards for the overarching problem-solving cycle "Analysis, Diagnosis, Therapy, Evaluation" in order to work with the support of specified portfolio Checklists for the individual design topics and implementation concepts within the business model segments to carry out a wide range of design tasks with the subsequent effectiveness test required by the standard and thus, as Figure 1 shows, to implement the holistic MITO business model transformation in a targeted and controlled manner.



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Figure 1: Systematic use of the MITO method tool

The holistic MITO business model design approach ensures that the results developed within the 7 MITO business model segments are consistently linked to each other synergistically in the company control loop. The MITO method tool offers the necessary specialist and methodological expertise for this.

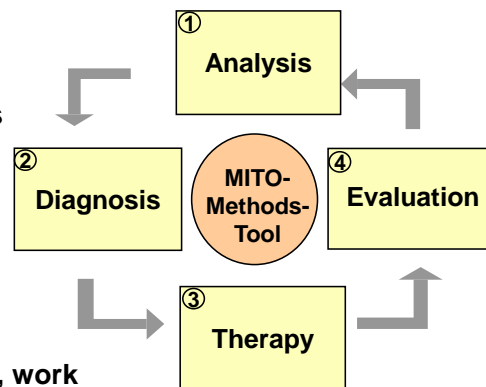
The given MITO business model structures, together with the models explained above, are the basis for the combined application of many well-known organizational design principles such as B. Simplify, increase transparency, create trust, knowledge building and learning, increase efficiency, integration, leveling of claims or the recognition of conflicting goals and contradictions.

## 5. Digital corporate governance verification

The diverse management activities with the implementation assessments and effectiveness tests mentioned in the standard require a holistic, consistent design and assessment approach, which is also explicitly required in all integrated management systems (IMS), such as quality management, environmental management, energy efficiency management, sustainability management or health management. For all subject areas there are various concept proposals for the implementation of these necessary tasks from the respective professional associations, consulting companies or from universities and colleges. However, these usually do not contain detailed assistance with detailed method descriptions. The organizations are overwhelmed when they are asked to specify procedures that are intended to enable them to meet the various requirements and recommendations for action and to assess the extent to which these requirements have actually been implemented. In the last ten years, the Professor Binner Academy (PBAKA) has developed a method-based solution under the name: "MITO-Methods-Tool", which is a standardized assessment procedure with a uniform approach in a comprehensive problem-solving cycle consisting of "Analysis, Diagnosis, Therapy and evaluation". Figure 2 shows the solution approach.

**Integrated management system (IMS) standards require the organization to have systematic procedures for evaluating work, operations, processes, Products and services related to:**

- **Fulfillment of customer requirements**
- **Compliance with standard requirements**
- **Outgoing threats**
- **Risks and opportunities arising**
- **Fulfillment or deviation from the rule specifications (compliance)**
- **Integration of core sustainability issues, work safety, health protection and many more**



**develop or apply.**

**The use of the MITO method tool fulfills this IMS standard requirement in an exemplary man way, because it means a standardized procedure with a uniform Procedure is specified for the users so that they can create the required IMS certificates in digital form easily, quickly, securely, comprehensively and transparently**

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**Figure 2: MITO method tool-supported implementation of the IMS standard requirement**

A total of 48 method buttons are stored in the MITO method tool and assigned to the individual phases of the above-mentioned comprehensive problem- solving cycle. Furthermore, a whole number of help functions are also stored as buttons in the tool, which, for example, provide the method tool manual with approx. 300 pages, there are also call-up buttons for MITO guidelines, -reference checklists, -practical examples, -goals- and catalogs of measures, scaling suggestions or configuration aids, additional export and import functions.

The evaluation analyzes and diagnoses required by the organization are thus carried out multidimensionally with different evaluation variants in order to view the problem from different perspectives. The proof of activity required for certifications or prequalifications is automatically created in digital form. The users receive a high level of method competence when using the MITO method tool.

## **6. summary**

governance implementation that has received far too little attention is the integration of the integrated management system (IMS) implementation activities with the associated rule specifications, because compliance with all integrated management system standards falls within the legal framework that corporate governance has to cover. The digital representations of the results of the standard requirement fulfillment and effectiveness tests are therefore always corporate governance management system proofs at the same time.

When developing corporate governance management and management systems on the basis of the existing business model description and the enterprise architecture specification, great care must be taken to ensure that this business model represents the process model-related specification for the IMS implementation. The company-specific process model is always the reference and regulatory framework for the implementation of a standard-compliant process organization. Corporate governance management and management system implementation, business model structural specification and integrated management system (IMS) implementation build directly on each other and must therefore be considered in an integrated manner.

governance - management - and management system digitally mapped in the MITO business model is then the basis for the development of a company-specific management information system (MIS), which enables the managers and specialists via the various hierarchical levels mapped in the process model to all acting persons the right ones provide information at the right time. This, for example, in the form of periodic and event-controlled standardized reports that contain condensed and centralized information about all of a company's business activities. The MIS thus serves as a basis for decision-making and, through the use of the MITO method tool, supports many of the assessments required in the integrated management systems (IMS), such as risk, corruption or hazard assessments.

## References

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## CSR Prequalification Notice

As a notified body at Deutsche Bahn AG, Professor Binner Akademie GmbH in Hanover Hemmingen, in cooperation with the Monitoring Association for Track Construction EV from Wiesbaden, has already carried out CSR pre-qualifications for the suppliers of Deutsche Bahn AG from 2020 using the MITO tool procedure model it developed . Through a transparent presentation of results in the form of radar charts, the supplier companies are informed exactly of the need for action that has to be fulfilled when assuming social responsibility according to the requirements of the DIN ISO 26,000 sustainability guideline. PBAKA – GmbH also carries out this CSR prequalification at other medium-sized companies and in the automotive industry.

## Book reference: Springer Vieweg Verlag

**Title: Sustainable MITO business model transformation**

**Release date: spring 2022, approx. 330 pages, ISBN 978-3658-377279-8**

A holistic MITO business model sustainability design approach is presented for the integration of all sustainability issues in the organization and in the business activities, in order to take corporate social responsibility for the effects of the organization's decisions on society and the environment . CSR) to take over. A standardized procedure with a systematic approach using the MITO method tool for responsible, sustainability-oriented corporate development is ensured in accordance with the standard requirements. This is based on the specifications of DIN ISO 26000 with the core sustainability issues and recommendations for action mentioned there.

The content of the book chapter structure with the description of the method-based fulfillment of the diverse sustainability requirements and recommendations using MITO practical examples refers to the MITO business model as a common umbrella for the sustainability focus activities mentioned there within the 7 MITO business model segments.

Further information can be found at [www.pbaka.de](http://www.pbaka.de)

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