Participant Guide
The Management Challenge™

Chapter 1: Please read this carefully before you begin

Goal of the game

Welcome to The Management Challenge. You are about to lead a virtual organization, make decisions that really matter, and discover what integral management means in practice. The game challenges you and your team to make strategic choices and experience the consequences directly.

During the game, you learn how management decisions affect all layers of an organization. You experience the complex dynamics between different interests, the need for good communication and collaboration, and the importance of consistency in your approach. Above all, you discover that learning and reflecting are at least as valuable as winning.

Care for the organization, then the organization will take care of the results.

Brief introduction

The Management Challenge is played by teams competing against each other. You play against the best-performing organizations in Europe, which means mediocrity is not enough.

You are tasked with defining a strategy for your virtual organization and actually implementing that strategy. To guide the organization, you have a wide range of measures at your disposal. Setbacks and unexpected events may occur and require a thoughtful response.

Only by using your time and energy wisely can you excel. The right combination of measures determines the difference between success and mediocrity.

The course of the game

The simulation covers one to five consecutive financial years. The game supervisor indicates in which financial year you start. When starting in year 1, you start with a new organization. When starting in year 2 or 3, you take over an existing organization whose previous management has been dismissed. In both cases, you decide what the virtual organisation does and pursues.

Your team forms the newly appointed management team, tasked with setting and achieving ambitious objectives. Each virtual quarter, you put together a set of measures that fits your strategy and matches the needs of the organisation.

Measures

The simulation has over a hundred different measures, each with its own effect on the organisation. Rapid growth in production and sales can increase turnover, but also put pressure on resources. Investing in renewal stimulates innovation, but can disrupt existing collaboration. When certain aspects of the organisation are neglected, performance drops.

Not only individual measures, but also their combination determines what improves or deteriorates. Each measure requires an investment of time, energy, and money. As these resources are limited, a balanced effort is essential.

Management dashboard

Every quarter you receive detailed feedback, including delay effects, because organisational change simply takes time. As the organisation matures, the depth of the reports also grows.

Learning is already a form of winning

At the end of the game, when all quarters are completed and the final reports are available, the Board of Directors decides which team emerges as the winner. The criteria are not only economic; the organisation's remaining potential and the consistency of the policies pursued also count. But actually, every team wins: the more challenges you have overcome, the more you have learned.

Ready for a true learning expedition?

Chapter 2: Essential preparations

Before you get started, there are a few things that deserve your attention. Take a moment to prepare yourself properly.

1. Know your manual

This manual has been kept deliberately concise. All information is relevant, so make sure you know where to find the most important things. Don't read everything word for word if you're short on time, but do know where to look.

2. Form your team

Look around you. What do you need to perform well as a team? Now is the time to discuss this briefly. The way you work together will help determine your success.

3. Access to the simulation

You will be working with the online simulation environment at **play.managementchallenge.eu**. The game facilitator will invite one of your team members to manage the team in this environment. Make sure you have a laptop or tablet at hand to enter decisions and view quarterly reports. A phone is not recommended due to the small screen.

Chapter 3: Preparing your presentation

Define your virtual organization and enter its characteristics into the simulation environment. Then prepare a brief presentation in which your team introduces itself to the other teams and the Board of Directors.

Be creative, but take the following framework into account: your organization provides products and services, including after-sales service. The market can be both professional and consumer-oriented, and you may collaborate with partners. The organization is a subsidiary of a larger entity and is managed by a Board of Directors.

The pitch

Your presentation lasts a maximum of two minutes and must include at least:

- The core of your organization: name, proposition, mission, and vision
- The objectives for the coming period, expressed in:
  - The Integral Value (a figure between 1 and 10)
  - The Appreciation Index (a percentage, starting at 100%)
- Realistic ambitions that will earn the respect of the Board of Directors

The game facilitator will communicate the starting values.

It is allowed, and even strongly recommended, not to present your strategy. Keep it to yourself.

Once you have entered the name of your organization in the online simulation environment, you will have access to historical performance information there.

Chapter 4: Playing the management simulation

Here we go. Your main task is to provide the organization with a well-considered set of measures each quarter, chosen from the extensive catalogue later in this manual.

The effects of your measures are always visible with a one-quarter delay. Just like in a real organization, the results of this quarter will only become apparent next quarter. So, you will be making new decisions before you know the outcomes of your previous choices. The best strategy, therefore, is to... stick to your strategy.

Deadlines

The game facilitator will communicate the deadlines for implementing measures. Pay close attention to these, as being late can result in penalties, or worse: an interim manager appointed by headquarters taking over leadership.

Measures and energy

Measures affect specific parts of the organization, either positively or negatively. The overview at the back of this manual shows which domains are impacted. Each measure costs a certain number of energy points, ranging from 1 to 5. Each quarter, you have 10 energy points available.

The system allows you to use more or fewer than 10 points, but you will experience the logical consequences: using too much energy overloads the organization, while using too little leaves opportunities untapped. The description of each measure will help guide your choice, but only the feedback will reveal the true impact.

Some measures require repetition. You cannot complete a full process review in a single quarter. Decide in advance how many quarters such a measure will take and plan accordingly. Other measures, such as a one-off announcement, only need to be repeated if the message has not been received.

Emergencies

Unexpected events may occur. You are required to respond to these via specific measure options. This costs energy. Good management requires you to study the quarterly reports carefully. The better you understand the feedback, the better you can adjust your approach.

Paying no attention to an organizational domain is also an intervention. Be aware of erosion.

Chapter 5: Overview of measures by energy points

1 energy point

No.	Measure
1	Sales force variable payment
2	Extra sales bonus for 100%+ score
3	Temporary discount on big orders/top range products
4	Thunder speech in sales team
9	Open discussion with the sales force
14	Stimulating the realization of new business
22	Improved pension scheme
27	Internal sharing of success stories
28	Sharing success stories in meetings
29	Giving compliments
35	Sustainability monitoring and reporting
39	Strengthen informal ties with partners
40	Partner support
52	Societal sponsoring
53	Clear press & media strategy
57	Investigate underperforming customer accounts
58	Boost customer visits (punitively)
63	Enhance the invoicing process
64	Call after outstanding invoices
68	Improve order fulfilment
70	Hiring freeze
78	Prices reduction program
79	Employee wellbeing initiatives
83	Organize partner meetings
84	Team selling with partners
90	Reduce staff (a)
91	Reduce staff (b)
92	Reduce staff (c)
96	Improve planning and budgeting
97	Delegate resources management

No.	Measure
98	Refine policies for external spending

2 energy points

No.	Measure
5	Making clear sense of urgency in sales
10	Increase the number of partners/agents
13	Intensify customer visits to existing customer base
19	Extra marketing budget for partners
20	Intermediate performance bonus
21	Improvement of fringe benefits
30	Professional customer satisfaction survey
37	Improve customer contact quality
43	Seminars
46	Trade media advertising
47	Targeted digital advertising
48	Video & podcast marketing
49	Content marketing & SEO
50	Data analytics & dashboards
54	Frequent internal assessments
56	Improve handling of exceptions
59	Boost customer visits (sense of urgency)
60	Stimulate customer visits (encouragement)
66	Internal audit and maintenance of ISO quality system
67	Improve quality of order forecasting
72	Agile coaching & facilitation
75	Improvement of career planning
82	Train sales partners
85	Accreditation of partners
87	Narrowing the services portfolio
88	Extending the services portfolio
89	Sensible outsourcing
93	Enable hybrid work (office & home)
94	Optimize use of smartphones

No.	Measure
99	Town hall meeting: 'sense of urgency'

3 energy points

No.	Measure
6	Sales shared leadership
7	Management by walking around (sales)
8	Participation in sales meetings (regularly)
12	Organize executive visits to major customers
15	Training sales skills for the entire sales force
16	Selective sales training
17	Product training for the entire sales force
18	Selective product training
24	Participation in group discussions (regularly)
25	Discussion meeting with all personnel (multiple groups)
26	Reactivate core values
31	Follow-up customer satisfaction survey
32	Social enterprise initiatives
38	Customer responsibility chart
41	Large-scale product announcements
42	Image campaign
44	Systematic stakeholder dialogue
45	Participation in a major conference
51	Integrated promotion campaign
55	Business review meetings
62	Process improvement leads generation
69	Assess the capability-mix among all staff
80	Diversity, Equity & Inclusion program
81	Install extra partner sales channels
86	Back to core business
100	Stimulate shared ownership
103	Mission and cash flow program

4 energy points

No.	Measure
11	Personal sales coaching
23	Management by walking around (general)
33	B Corp certification pathway
36	Sustainability strategy and assessment
61	Stimulate customer visits (remove obstacles)
65	Business process re-engineering (BPR)
71	Proper balance between authority and responsibility
76	Sales strategy training for all sales
77	Selective sales strategy training
95	Optimize time and location independent working

5 energy points

No.	Measure
34	Circular economy initiative
73	Agile transformation
74	AI strategy & governance
101	Distributed leadership
102	Self organizing teams

Chapter 6: All measures

No.	Measure	EP
1	**Sales force variable payment** A quick way to get results is to stretch the relation between 'sales income' and 'success of the sales force'. You do not change the job contents, but you raise the allowance for a result that exceeds 90% of the target. At the same time, you increase percentage-wise that part of the salary that is interrelated with the results. In other words, you increase the variable part. This gives a similar amount at a 95% target score, a slightly lower amount at 90% and a higher amount at 100% of the target score. The amount will grow even faster when better results are achieved. You apply it for the duration of one quarter to see how it works. This measure can be repeated if required.	1
2	**Extra sales bonus for 100%+ score** To stimulate sales and even more the sales force, an extra pro rata bonus percentage will be applied when outperforming targets. For now, this is applied for one quarter only, but it can be repeated.	1
3	**Temporary discount on big orders/top range products** Very competitive pricing on big orders and/or top range product series, only in the upcoming three months. This hopefully will stimulate your customers to buy more (expensive) products/services. It is also possible that they speed up their purchase decision process. This measure can be repeated in the future.	1
4	**Thunder speech in sales team** Call your sales force together and make clear to them that immediate action is required. Tell them you expect them to put more effort in their job, be more productive and achieve better results fast. Having seen the bad results, there is absolutely no time to waste. You expect them to go ahead with full force and make major contributions to the business results. At the same time, certain sales processes are put under close surveillance. Also, you are going to investigate if everybody has the right attitude. In your opinion, customer visits are neglected. If necessary you will make changes in the Sales Management and if needed also in the workforce. The next two quarters will be a test case as far as you are concerned. Weak or non-performers will not be tolerated and replaced immediately. You end your speech with a call upon your sales force to put their back into it and get the job done because they are the only ones who can make things happen. In short, everyone is controlling his fate. On the one hand, you expect a panic reaction; on the other hand they should have seen this coming.	1

No.	Measure	EP
5	**Making clear sense of urgency in sales** You call your sales force in meeting and show them the results of the last half-year. The urgency for action is evident because if nothing will be undertaken the company is in great danger. You have several suggestions about measures that can be taken both in respect to the selling process and in respect to the 'drive' of your sales force. You leave some room for discussion, but you remain pretty unshaken in your perception. Furthermore, you allow them exactly one quarter to prove to you that they can improve the situation within their control. If this doesn't produce the required result, you will take corrective measures as indicated above (including a reduction of the sales force). You expect that this message is reasonable and will be understood well.	2
6	**Sales shared leadership** You call your sales force in a meeting and show them the business results of the last half-year. The urgency for action is evident to you, no action will bring the company in great danger. You check with your sales force if they are in agreement. You share with them several suggestions about possible corrective actions and invite your audience to come up with their ideas. Furthermore, you are prepared to give all their suggestion serious consideration, but you want them to be factual and demand that an estimation of the degree of improvement is also indicated. Moreover, you want their proposals to be 'Commitments'. All inputs should be handed in within one week and within two weeks you will communicate your choices and proceed with implementation.	3
7	**Management by walking around (sales)** The entire Management Team will step down from their ivory tower and go to the shop floor to listen and understand what the main problems are in the sales process. At the same time previous messages from the management will be explained then and there. The objective is an open dialogue with all sales individuals. This applies to both physical presence and digital channels. In a hybrid workplace, this also means being visible and accessible in virtual meetings, chat channels, and video calls.	3
8	**Participation in sales meetings (regularly)** To get a better grip on the sales process, it has been decided that each of the Management Team members will regularly attend a sales meeting. Through this, you want to show your engagement specifically for the ordinary day- to-day needs. This includes virtual participation via video conferencing, showing engagement regardless of physical location.	3
9	**Open discussion with the sales force** You decide to organize a discussion meeting with the total sales force. The situation is explained by you and there is ample opportunity for discussion. Your ability to listen is indispensable. Through this meeting, you should be able to evaluate/validate the average daily sales routine. Should this prove successful, then you can decide to repeat this experiment.	1

No.	Measure	EP
10	**Increase the number of partners/agents** It is your strong opinion that the poor business results are caused by the inadequate number of partners to market your products and services. Especially low added value products can be sold in more quantities this way. Your sales force protests that this will lead to over distribution, but you think the reason for this is that they are unwilling to share their market space with others. You instruct Sales Management to considerably increase the number of partners immediately.	2
11	**Personal sales coaching** The Management Team members decided that they will each coach and educate several salesmen through personal coaching. This is a lengthy process, and you will have to allocate much time for this!	4
12	**Organize executive visits to major customers** You decide to team up with the responsible salesman to pay executive visits at major customer sites. Focus will be put on the major bottlenecks in our sales and delivery processes. At the same time, there will be a search for new sales opportunities.	3
13	**Intensify customer visits to existing customer base** The Management Team requires that important (existing) accounts will be visited regularly. This is not always the case, and therefore reinforcement of this old 'sales-adagio' is necessary. To see if this is common practice, the management team regularly checks with account responsible employees about the status of customers and when they have last been visited.	2
14	**Stimulating the realization of new business** Through Sales Management, you increase the pressure to generate more new accounts and business partners. You expect that they will be able to translate this into the appropriate measures. You want to see that each sales individual gets a set of goals that includes the identification of a minimum number of new accounts. Tapping the source of the existing customer base will not be sufficient to achieve better results.	1
15	**Training sales skills for the entire sales force** You decide to work on the improvement of sales skills. There will be a mandatory training for the entire workforce. No exceptions. During the training, all aspects of the selling process will be studied.	3
16	**Selective sales training** As in 15 with the exception that the training will only be given to the less skilled.	3
17	**Product training for the entire sales force** You decide to focus on the improvement of product knowledge. You decide to have a mandatory training for all sales and pre-sales. No exceptions. During the training also, a number of marketing-processes will be closely studied.	3

No.	Measure	EP
18	**Selective product training** As in 17 with the exception that the training will only be given to the less skilled.	3
19	**Extra marketing budget for partners** Depending on the results of a given partner (based on order volume), you decide to allocate funds for Marketing purposes. You have a set of conditions worked out and incorporated in the Partner-contract. The consequence is not that your company will be less visibly present in the market, but that there will be an increase in marketing activities. You assume that this measure can be funded from the increase in profit.	2
20	**Intermediate performance bonus** To stimulate everyone to put in some extra effort, do a quality job and contribute to the overall results, a collective performance bonus is issued for this quarter. If the targets for the quarter are fully achieved, everyone (across the entire organization) will get equal bonus. If the target was exceeded by 10% the bonus will be doubled.	2
21	**Improvement of fringe benefits** The fringe benefits are not uniform nor in sink with the developments in the market. You decide to adapt to the current situation in the market, even though this requires extra funds. At the same time, you decide from now on to structurally follow the developments in the market. This measure can be repeated yearly; if not, a fallback can occur again. Fringe benefits are for example: lease cars, fixed per diem allowance, representation costs, but also: personal development, employee stock plan, employee rates for company products, funding the staff association fitness club, child care, etc.	2
22	**Improved pension scheme** The Pension scheme is adapted by the introduction of a modular system. Each individual can put together his/her pension package. By increasing the companies' part in the subscription, the conditions for the individual are more favourable. This will cost extra money. The intention is, however, to make the employer more attractive to work for. This measure can be repeated yearly to stay agreeing with or even exceed the market average.	1
23	**Management by walking around (general)** The individual Management Team members will descend from their ivory tower to the work floor and listen to what the employees indicate as the major bottlenecks in the daily operations. Earlier messages from the management will be discussed or explained on the floor. Corrective action for a smooth daily operation will be taken where needed. Duration one quarter; can be repeated. In today's hybrid work environment, 'walking around' extends to digital spaces: joining virtual team meetings, being active in collaboration tools, and maintaining visibility across both physical and digital workplaces.	4

No.	Measure	EP
24	**Participation in group discussions (regularly)** To get a better grip on the organization, it is decided that each of the board members will regularly participate in group discussions. By this, the board intends to show their interest and engagement, primarily by listening to the field/workforce and their needs. This will be done for the duration of one quarter, after which you will review whether you want to repeat it.	3
25	**Discussion meeting with all personnel (multiple groups)** You decide to have afternoon discussion meetings with all personnel in the employee restaurant. You explain the business situation, which is followed by an interactive session with the audience. Your ability to listen is indispensable. It should enable you to better understand the daily operations. If this is a success, you may decide to repeat this experiment.	3
26	**Reactivate core values** In the past period, behaviour and conduct in the marketplace and among each other have deteriorated. Reactivation of core values and exemplary behaviour is necessary. You want to address this by role model behaviour and training sessions. This measure can be repeated regularly.	3
27	**Internal sharing of success stories** You decide to make your successes more widely known. Not only the commercial successes but spectacular breakthroughs in other areas as well. You choose to use the internal magazine and intranet as an appropriate vehicle.	1
28	**Sharing success stories in meetings** Another way to make your successes known is to have them discussed in group meetings and make this a fixed item on the agenda (preferably the closing item on the agenda). Big successes may be celebrated with cake or a drink (after working hours).	1
29	**Giving compliments** Interpersonal relations can be improved by personal contact on the floor, e.g. by congratulating 'winners' with their successes.	1
30	**Professional customer satisfaction survey** You decide to call in an external Marketing organization to investigate the level of customer satisfaction. An external inquiry is necessary to map our shortcomings and opportunities. The inquiry consists of a questionnaire and a limited number of in-depth customer interviews.	2
31	**Follow-up customer satisfaction survey** After analysis of the results of the customer survey, you make sure that proper action will be taken where required. The action plan is communicated and carried out immediately.	3

No.	Measure	EP
32	**Social enterprise initiatives** Develop initiatives that create social value alongside financial value. This can range from inclusive employment (hiring people with distance to the labour market) to products and services for underserved audiences, or social return partnerships with NGOs. Measure and report social impact alongside financial results. Demonstrates purpose-driven business approach.	3
33	**B Corp certification pathway** Begin the journey toward B Corp certification. This requires completing the B Impact Assessment covering governance, workers, community, environment, and customers. Adapt company statutes to legally anchor social and environmental goals alongside financial ones. B Corp certification demonstrates to the world that the organization takes its impact seriously and is externally verified.	4
34	**Circular economy initiative** Initiate a fundamental redesign of products and processes according to circular principles. This encompasses material reduction, design for recycling, product-as-a-service business models, and take-back systems. Engage the entire value chain, including suppliers and partners. This is a transformation that affects the entire organization and requires dedicated resources and long-term commitment.	5
35	**Sustainability monitoring and reporting** Track progress on sustainability goals through periodic measurements and reports. Communicate results to employees and external stakeholders. Identify deviations from targets and adjust course where needed. Maintain ESG ratings and benchmark against industry standards. This ongoing practice ensures sustainability remains embedded in operations.	1
36	**Sustainability strategy and assessment** Conduct a thorough analysis of environmental and social impact across all business activities. Develop a sustainability strategy with concrete targets for CO_2 reduction, resource consumption, and social impact. Integrate ESG criteria into strategic decision-making. Report transparently to stakeholders according to international standards. This is foundational work that enables all other sustainability initiatives.	4
37	**Improve customer contact quality** Through research, it has become evident that the telephone/mail accessibility/availability is not up to the company's standard. It is also noticed that customer calls/messages are not dealt with adequately and are transferred from one person to another, especially in those cases where we don't know where to get support for a particular problem. A short training with tips & hints and a clear list of qualified personnel with their respective fields of expertise should help solve this problem.	2

No.	Measure	EP
38	**Customer responsibility chart** This is a simple measure. Once again, it will be clearly communicated to the organization as well as to the customers which person/department is responsible for which customer/partner. If possible, all responsible should be mentioned by name! This information will also be made available through the website.	3
39	**Strengthen informal ties with partners** Partners are also customers! You are going to organize several partner events to strengthen relationships between your sales force and your partners. The events are of an 'entertaining' nature.	1
40	**Partner support** You plan to give partners access to your information systems and/or improve the quality of the information offered. 'Easy to team' is the slogan. You plan to proceed in steps. Each time you take this measure, it enlarges the amount of information available.	1
41	**Large-scale product announcements** The new products/services for the next year will be communicated widely, both to own personnel and to the market. As a part of this program, sales people and supporting functions will be exposed to a refreshment training. There will be ample attention in the media for the announcements as well.	3
42	**Image campaign** You want to increase the branding awareness rate through targeted advertising in several selected media. Experts from your company will be requested to increase their visibility through more frequent and prominent participation in seminars, as well as through maximum use of 'free publicity' and social media opportunities. Numerous events are organized for customers and partners. Each with a specific focus but all part of an overall picture. Apply a digital-first approach with omnichannel branding that seamlessly integrates online and offline touchpoints.	3
43	**Seminars** Seminars will be held for several market segments; each time their contents will focus on a specific branch. The sales force for those particular segments is of course largely present to establish warm relations with the awakened and curious audience.	2
44	**Systematic stakeholder dialogue** Map all relevant stakeholders and develop a structured program for ongoing dialogue. Organize periodic stakeholder panels with customers, suppliers, employees, civil society organizations, and investors. Systematically integrate feedback into strategic decision-making. This ensures systematic stakeholder engagement and that the organization remains responsive to changing expectations.	3

No.	Measure	EP
45	**Participation in a major conference** It has been many years since your company participated prominently in a large conference. You decide to reinstall this, although you know that short-term results from this will be negligible. The main purpose is to increase branding awareness.	3
46	**Trade media advertising** Place advertisements in relevant trade publications and online industry media that reach your professional target audience. Combine with thought leadership content and case studies. Trade publications reach a targeted professional audience more effectively than media. Support with blog content on your website and targeted LinkedIn campaigns.	2
47	**Targeted digital advertising** Set up targeted online advertising campaigns via Google Ads, LinkedIn Ads, or other relevant platforms. Target specific audiences based on job function, industry, behaviour, and interests. Measure ROI precisely and optimize continuously based on performance data. Combine with retargeting for visitors who showed interest but did not convert.	2
48	**Video & podcast marketing** Produce video content and/or a podcast series that establishes thought leadership. This can range from short social media videos to expert interviews and customer stories. Distribute via YouTube, LinkedIn, Spotify, and owned channels. Consider sponsoring relevant existing podcasts in your industry. Video and audio content builds stronger emotional connections than text alone.	2
49	**Content marketing & SEO** Develop a content strategy to attract and engage potential customers through search engines and social media. Regularly publish valuable content including blogs, white papers, videos, and infographics that demonstrate expertise. Optimize website and content for relevant search terms. Measure results through analytics and continuously refine the approach based on data.	2
50	**Data analytics & dashboards** Implement dashboards providing real-time insight into critical KPIs at all levels. Train managers in data interpretation and evidence-based decision-making. Integrate data from different sources for a holistic view of performance. Review and improve dashboards periodically based on user feedback. This creates a foundation for data-driven management.	2
51	**Integrated promotion campaign** An integrated marketing campaign combining owned media (website, blog, email), earned media (PR, reviews, social shares), and paid media (targeted ads, sponsored content). Amplified by a coordinated social media strategy. Can be applied more than once in the same quarter.	3

No.	Measure	EP
52	**Societal sponsoring** To increase the branding awareness rate and to propagate a more social image, one cultural, one educational, and one sports events will be sponsored annually. The amount involved will be big or small (for bigger or smaller events) depending on the number of times this measure is applied. This contributes to driving sustainable value for society while enhancing brand perception among stakeholders who increasingly value corporate purpose and social responsibility.	1
53	**Clear press & media strategy** The way you react to the press and the way your company deals with the press are refined. You issue a new version of the ruling policies and add a clear strategy. This new version is widely spread in your organization, making crystal clear who is entitled to talk to the press and about what.	1
54	**Frequent internal assessments** The best way to closely monitor the business is to regularly assess the various results. This process that should be used throughout the organization has to be restored. This enables you to discover and anticipate exceptional situations and disasters in an early stage. A good forecast is an absolute requirement. Support assessments with data analytics and real-time dashboards for early warning signals and trend identification.	2
55	**Business review meetings** Each of you will participate in a selective number of business reviews. It used to be standard practice in your company that business review meetings were held regarding all large customers and market segments. You are going to participate to gain a better understanding of what is going on and to advise and guide your employees and their efforts to reach their targets. You don't consider this primarily to be a control-mechanism, but rather a fast and effective way to update and expand your knowledge about the situation in the market and the daily frustrations/needs on the work floor. Nevertheless, you have the right to intervene, and you can do this more timely and effective when you have a good insight in the situation. Ensure meetings are data-driven with real-time KPI dashboards and, where possible, predictive analytics to anticipate issues before they materialize.	3
56	**Improve handling of exceptions** You decide to establish, improve or re-install a policy to professionally deal with exceptional situations and in such a way that people other than the account responsible can do the assessments and reviews. In this way, you now can channel 'special discounts', exceptions in terms of sale, lost orders and changes in market conditions. In doing so, you attain that decisions will be taken in a more balanced and possibly more objective manner. For this purpose, you establish an escalation process in the line organization to the higher management levels. At first, all you do is make sure the process is working properly.	2

No.	Measure	EP
57	**Investigate underperforming customer accounts** It often happens that certain customers do not perform according to initial plan. You decide to call a meeting of salesmen, project managers and other account responsible to have them explain to you why the required and budgeted results are not materializing. You expect that once it is common knowledge that you closely monitor these cases, this will cause an increase in efforts.	1
58	**Boost customer visits (punitively)** Your Operations department has investigated the customer visit rate and has made a comparison with the 'best in class' competitor. The outcome is extremely disappointing (a difference of over 50%). There are of course many reasons why the customer contact frequency is in such a bad shape, but without face-to-face communication we will not be very successful. You get together the sales force and confront them with the outcome of your investigation. You stress the importance of customer visits and advise them to pay less attention to other tasks if need be. Furthermore, you do not engage in discussions about hampering factors. That leads to excuse management. Your advice is to tackle the customer visit issue first and then work out the other problems. You promise that if they solve the customer visit problem, you will definitely and truly work out the other issues. To closely monitor the progress in this field, you announce there will be another measurement in the near future.	1
59	**Boost customer visits (sense of urgency)** See 58 with the following addition: You call a meeting with your management to explain the situation and to seek their support to improve the situation. You do not pretend to know all the answers and leave it to them to take the necessary steps, but you tell them you will monitor progress by a thorough check. You advise them to share effective measures. After all, it is always better to steal a good idea than to invent a bad one. You close the meeting by stressing the absolute need for improvement and encourage them to come forward with good ideas.	2
60	**Stimulate customer visits (encouragement)** See 59 enhanced by following measure: You set up a meeting with all management (as mentioned above). Thereafter, you communicate the unfavourable comparison with our competitors to the entire sales force and underline the need for good communication. Improvements are reported widely and openly in relation to improved business results. The lessons that can be learned from this are maximized by having the champions tell their story and explain their success in great detail. You add more perspective by addressing both the subjects of quantity and quality.	2

No.	Measure	EP
61	**Stimulate customer visits (remove obstacles)** As in 60, now extended by the following measure: You ask management and sales force to list and prioritize the major obstacles to improve. Next, you discuss this list with others and define a corrective process. The main objective is to remove all obstacles or reduce their negative effects. This will cost you extra energy points, mainly because you do not want to burden your sales force more than strictly necessary.	**4**
62	**Process improvement leads generation** Leads are pointers from within or outside the company to new business opportunities. They can originate from sales personnel but also from other sources within or outside the organization. If you are alert, you can read the signals in the market. To put these leads to more effective use, a process needs to be defined or improved to get these leads to the proper places, where they can be analysed and followed up professionally.	**3**
63	**Enhance the invoicing process** There are too many disputes about invoices. It causes payments to come in too late, let alone the frustration. A quick telephone survey indicates several possible causes: the invoice is very hard to understand; the invoice has incorrect information about goods delivered and/or services rendered; the invoice is correct, but the customer has not been informed that more recent models have been delivered (with new part numbers.) You decide to drastically improve the entire process.	**1**
64	**Call after outstanding invoices** To better control your cash flow, you introduce a telephone follow-up action for outstanding invoices. In this way, you quickly get a better understanding of the underlying problems and can deal with them effectively.	**1**
65	**Business process re-engineering (BPR)** All work processes are listed to eliminate those activities that do not contribute to the core-activities of the company; optimize others; recognize and remove duplication.	**4**
66	**Internal audit and maintenance of ISO quality system** Your company holds multiple ISO certificates for various processes. These are checked regularly by external auditors (is the daily routine in sink with the policies). You decide to conduct your own internal audit to check the degree of adherence to the policies and to draw your own conclusions. If required, the quality manual will be modified.	**2**

No.	Measure	EP
67	**Improve quality of order forecasting** The forecast is a representation of expected business results in a given period based on the assessment of business opportunities by a sales person. This forecast doesn't prove to be very reliable. At the start of each quarter or year all looks fine, but towards the end, order dates tend to move past the quarterly/yearly closing dates. This creates planning problems with supporting functions and external suppliers and causes prices to go up. You decide to improve the reliability of forecasts. To start with, the timing should change. Presently, the 'forecasting' takes place at the start of a year or quarter. At the end of a period, the same business opportunity is included in the forecast one more time in the hope it will materialize merely by doing so. This has to change! Moreover, it needs to become common practice to discuss earlier forecasts and to extensively discuss deviations. Leverage AI-powered forecasting tools and historical data analysis to improve accuracy. Modern CRM systems with machine learning capabilities can identify patterns and provide probability-weighted pipeline forecasts.	**2**
68	**Improve order fulfilment** The order fulfilment rates (both internal and external) show too much room for improvement. Delivery dates have to be delayed frequently, causing much frustration on either side. An improvement task force is installed to improve the reliability of delivery commitments. Reliability comes first, delivery time is of secondary importance.	**1**
69	**Assess the capability-mix among all staff** Headed by the HR&O manager, the required and available skills by function and department will be assessed. Furthermore, the respective departmental managers will assess to what extent the necessary skills are available. Where appropriate, the skills and capabilities of the employees will be improved by additional training.	**3**
70	**Hiring freeze** To get back on track, there will be a total hiring freeze for the next quarter. There is also a stop on agency personnel, and temporary contracts are not renewed. Vacancies can only be filled through internal moves, irrespective of the level of urgency. This is to show your determination to keep your resources in control. This should put an end to the unrestrained headcount increase. Your people management ability should become positively influenced by this action. Regarding spending levels for other resources, you leave more room, provided it is well motivated afterwards. After all wages take up more than 60% of total costs, and if they are in control we have grip on the major part of our spendings.	**1**

No.	Measure	EP
71	**Proper balance between authority and responsibility** Middle management is requesting more freedom in their decisions. Your opinion is that they do not take all of their present (limited) responsibilities sufficiently serious. However, you agree to hire an external agency to investigate how you can achieve a better balance between authority and responsibilities. In that way, you do not honour their request unconditionally. Authority and responsibility are interlinked. You promise to accept the advice of the expert, and ask the managers to do so as well.	4
72	**Agile coaching & facilitation** Support teams and individuals in applying agile ways of working through dedicated coaching and facilitation. Guide retrospectives and help resolve impediments. Train new employees in the methodology. Identify and share best practices across the organization. Keep ceremonies and rituals alive and meaningful. This sustains the agile transformation over time.	2
73	**Agile transformation** Introduce agile ways of working across the entire organization. This goes beyond Scrum in IT; it represents a fundamental change in how the organization works, makes decisions, and delivers value. Restructure toward cross-functional teams. Reduce management layers. Train all employees in agile principles and practices. This is one of the most far-reaching transformations an organization can undertake.	5
74	**AI strategy & governance** Develop an organization-wide AI strategy with clear governance and ethical guidelines. Identify use cases where AI can add value to products, processes, and decision-making. Invest in AI literacy for all employees. Establish an AI ethics board to guide responsible implementation. This is a fundamental transformation that touches all aspects of the organization and requires careful management of risks and opportunities.	5
75	**Improvement of career planning** The career planning system needs to be improved both in content and in discipline. The planning needs to be done thoroughly and in time. If repeated regularly, it has a corrective effect on matters like 'succession planning' (instant replacement candidates for managerial positions), 'skill mix management' and the quality of management coaching. The employee will experience this as an opportunity for personal development.	2
76	**Sales strategy training for all sales** You introduce a mandatory training for all sales employees to increase their knowledge about the company's sales strategy and procedures. During the training, a number of sales-processes will also be reviewed. Include modules on remote selling, virtual relationship building, and digital sales tools.	4

No.	Measure	EP
77	**Selective sales strategy training** As in 76, but only for the less-skilled/knowledgeable.	4
78	**Prices reduction program** You have discovered that your prices are less competitive than those in the market. Your competitors have lowered their prices more drastically. So far, you have had good business results, but it is questionable whether this will continue in the near future. You decide to follow the market pricing trends (this measure can be repeated).	1
79	**Employee wellbeing initiatives** Implement ongoing initiatives for mental and physical employee health. This includes flexible working arrangements, mindfulness programs, ergonomic workplaces, and access to coaching or counselling. Monitor workload and stress signals proactively. Create a culture where wellbeing is openly discussed. Healthy employees are more engaged, productive, and loyal.	1
80	**Diversity, Equity & Inclusion program** Launch an organization-wide DEI program. Analyse current diversity data and set concrete goals. Train leaders in inclusive leadership practices. Create employee resource groups for underrepresented communities. Adjust recruitment and promotion processes to reduce bias. Measure progress and adapt based on results. An inclusive workplace drives innovation and attracts diverse talent.	3
81	**Install extra partner sales channels** You have decided that, in order to quicker develop new market segments, you will assign new specialized partners for these segments. This is actually supplementary to your existing partners and internal sales force. But speed is important for you.	3
82	**Train sales partners** Besides training your staff, it is also essential to train the partner staff. They as well need to know the product and company strategy. They also need to have the right selling skills. For this purpose, in particular, you have a training session designed by your staff. You invite partners to follow this training.	2
83	**Organize partner meetings** By the end of the quarter, you plan to organize several partner days. Partly meant to announce the latest information to your relations (per market segment or product group). Also, the happening has a strong social aspect.	1
84	**Team selling with partners** To optimize co-operation, you assign 'tandem-teams'. All teams consist of a representative from the partner and a sales person of your organization. Herewith you expect to accelerate business as well as a continuous exchange of information on the market strategy to follow.	1

No.	Measure	EP
85	**Accreditation of partners** The assessment of whether potential partners really are the right ones, happens through a simple checklist. This process, however, is a bit 'eroded' and the criteria need to be re-assessed to reflect the latest strategy changes. Consequently, you also want that existing partners are re-checked against the new criteria to assess whether contracts should be renewed or not.	2
86	**Back to core business** To save cost and energy, you decide to stop several activities. The criterion being: 'What is our Core Business and which activities fit this core business?' All non-fitting activities and redundancies will be stopped gradually. The customers, however, will not be left alone. Commitments will be kept, but no new contracts will be signed in the affected areas.	3
87	**Narrowing the services portfolio** The same as 86; however now for services.	2
88	**Extending the services portfolio** You discovered that extending the service portfolio enables better chances in individual contracts. You expect to generate more business by extending the portfolio.	2
89	**Sensible outsourcing** To better utilize the resources, several measures from the past are re-assessed. It is therefore important to know which activities the company keeps doing and which ones could be done through third parties. In the latter case, parts of the organization will be moved out of the organization, preventing forced dismissals. In any case, the activity will be undertaken outside the company. This is not a set of cost-cutting measures. Taking out activities usually costs money in the first place. The actions/measures are more aimed at achieving a better balance of resources and shaping an organization that is better equipped for the future. Enforcement of commercial activities play a significant role here.	2
90	**Reduce staff (a)** In order to 'clean up the business' a hire freeze is active. This includes temporary personnel as well. Furthermore, a reduction of personnel is projected. You realize that this sudden action will cause strong resistance and trouble. You hope however that by showing strong leadership, the allocation of manpower to the right positions will take place. Furthermore, you use all possible actions to install good resource management. From the three possible measures to effectuate this trimming down, you choose (a), being: You as managing directors determine how many employees should be released from the company to become profitable again. You personally select the names of the employees. You care to make the operation known, but also to keep the names secret until a social plan is agreed with the appropriate partners.	1

No.	Measure	EP
91	**Reduce staff (b)** In order to 'clean up the business' a hire freeze is active. This includes temporary personnel as well. Furthermore, a reduction of personnel is projected. You realize that this sudden action will cause strong resistance and trouble. You hope however that by showing strong leadership, the allocation of manpower to the right positions will take place. Furthermore, you use all possible actions to install good resource management. From the three possible measures to effectuate this trimming down, you choose (b), being: You as managing directors determine how many employees should be released to be able to work profitably again. You define criteria for selection, but leave the actual selection to the middle management. How to communicate the decisions you leave with them as well.	1
92	**Reduce staff (c)** In order to 'clean up the business' a hire freeze is active. This includes temporary personnel as well. Furthermore, a reduction of personnel is projected. You realize that this sudden action will cause strong resistance and trouble. You hope however that by showing strong leadership, the allocation of manpower to the right positions will take place. Furthermore, you use all possible actions to install good resource management. From the three possible measures to effectuate this trimming down, you choose (c), being: You leave it to the middle management to come to a cost saving of approximately x%. They may themselves specify on how to achieve this: either by cost savings and/or by firing employees. The communication is their business as well.	1
93	**Enable hybrid work (office & home)** Enable employees to work flexibly between office and home, supported by proper technology, clear policies, and trust-based management. This includes collaboration tools, secure remote access, and guidelines for hybrid meetings. Supports employee wellbeing and work-life balance, while maintaining productivity and team cohesion.	2
94	**Optimize use of smartphones** To increase the quality of communication and information exchange, a project will be set up to advise on the best way to integrate smartphone in professional life.	2
95	**Optimize time and location independent working** This includes measures 93 and 94, however now fit in a profound policy and implemented trough proper training and support.	4
96	**Improve planning and budgeting** Resource control can be achieved through a good budgeting process. Usually in 'your' company, like in politics, a new plan is annually developed, including human and financial resources. You want this to be done more widely in the organization to finally achieve more engagement. You also indicate points of improvement and refinement.	1

No.	Measure	EP
97	**Delegate resources management** You start to cascade decision about the use or resources to a lower level in the organization. The company's annual plan, however, remains the backbone. Delegation may consist of money, personnel, office space, marketing funds etc.	**1**
98	**Refine policies for external spending** To better control the cash flow, the authorization for external spending is refined. Internal charging (one department to the other) remains at the lowest possible level.	**1**
99	**Town hall meeting: 'sense of urgency'** You call a plenary session with all personnel and show them the last half-year results. You express the need for action to be clear, as the company is in great danger. Furthermore, you present several suggestions for action and create space for discussion, but remain persistent. You give them a quarter (3 months) to take initiatives and show that improvement is possible and achievable. When this does not show results, the above-mentioned measures will be taken, including staff reduction.	**2**
100	**Stimulate shared ownership** You call a plenary session with all personnel and show them the last half-year results. You express the need for action to be clear, as the company is in great danger. Furthermore, you check whether staff shares your vision. You present several suggestions for action and allow staff to also come with possible suggestions for improvement. You want their suggestions to be serious, factual, and leading to specified improvements. Furthermore, you ask them to see the suggestions they have come up with to be commitments as well. Within a week, you will have received all suggestions and in two weeks time you make your selection regarding those suggestions you think are practicable.	**3**
101	**Distributed leadership** This measure really is far-reaching and radical. It initiates an irreversible process. Top management first, followed by all staff, will get more authority but also of course more responsibility. They will be allowed to stand up. This process will be supported through training and coaching. The organization must become self-managing and the number of control cycles will be reduced drastically. It requires an 'aged' attitude from all staff. It is an expensive and time-consuming process (it might thus need repetitions!). This aligns with modern approaches to engaging leadership and building organizational culture where authority and accountability are pushed to where the work happens, enabling faster decision-making and greater employee engagement.	**5**

No.	Measure	EP
102	**Self organizing teams** A start will be made with self-organizing teams in the organization. Contrary to attention to departments and specific tasks, this will put attention to teams that contain all facets of skills and capabilities to run a project and so manage activities. The teams themselves take initiatives, search for solutions and are focused on continuous improvement. Team members co-operate with one another. They, however, do not get the authority to change business procedures by themselves and will not interfere in rewarding systems. All other aspects are considered a team responsibility. This approach builds organizational agility and transformation capability, enabling the organization to respond faster to market changes while developing collective intelligence and continuous improvement culture.	5
103	**Mission and cash flow program** All members of the company's management team will be involved in the implementation of the mission and strategy of the company. They also get a personal cash flow target for the coming quarter. A specific (financial) goal will be defined regarding the costs and income they can influence. By the end of the quarter, the individual results will be made visible.	3

Chapter 7: Understanding the quarterly reports

Feedback on your measures is essential. Those who understand the reports well and respond effectively significantly increase their chances of success.

Return on Invested Energy

The combination of measures determines how effectively your energy is spent. An unfortunate combination causes energy loss; a well-considered combination can actually yield extra results. This return is a good indicator of your team's ability to make the right choices.

Progress on Main Objectives

Your task is to steer the organization towards two goals: the Integral Value and the Appreciation Index. The feedback reports show progress on both indicators.

The Integral Value is the overall score for your organization. This figure consists of the organizational side (how you work) and the results side (what you achieve) of the INK management model, each counting for 50%. Both sides are made up of underlying focus areas.

The Appreciation Index starts at 100% and reflects how external parties value your organization. Like a stock price, it can rise or fall based on what you achieve.

Depending on the maturity of the organization, you will see more or less detail in the report. What you do not see does exist; it is simply a matter of how far the management report has been developed.

Feedback on Your Measures

The report contains qualitative feedback on each measure you have taken. This feedback is reliable, but not always complete. The completeness depends on how mature the organization is.

Stakeholder Comments

Various stakeholders, such as the Board of Directors and the Works Council, give their views each quarter. Bear in mind that they are not aware of every measure. Their comments relate to their areas of focus within the organization.

Graphs

The legend may change with a new financial year. The graph serves an important purpose: it reminds you of the distinction between the organizational side and the results side.

Take care of the organization, and the organization will take care of the results.

Chapter 8: What does it take to win?

Ultimately, there is only one team that scores best on all criteria. These are the benchmarks for a strong performance:

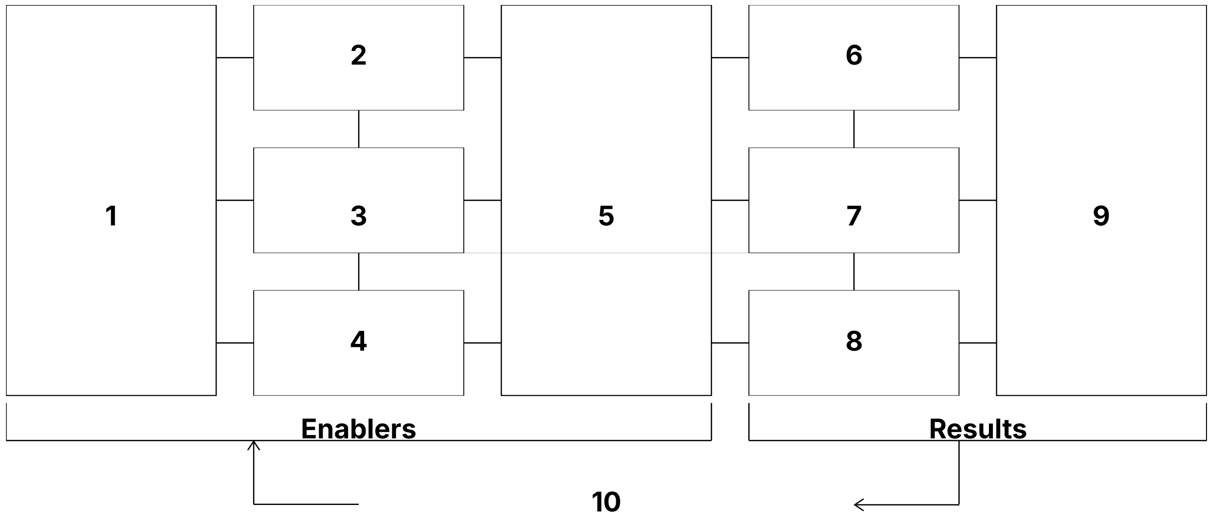
1. **Achieving objectives** — The closer you get to the set goals for Integral Value and Appreciation Index, the better.
2. **Consistency in governance** — The organization is managed in such a way that there is a steady, upward trend without major fluctuations.
3. **Future-proofing** — At the end, the organization has sufficient potential to continue developing healthily.

The last two aspects can be seen in the ratio between Organization and Results.

Chapter 9: The integrated management model

Under the bonnet of The Management Challenge runs a model based on the INK management model, the Dutch quality model for organizational excellence. At the European level, this is known as the EFQM Excellence Model.

This means that in The Management Challenge, you experience the dynamics that characterize the best-performing organizations in Europe. The parameters in the game are informed by empirical data from excellent companies and institutions.



1. Leadership
2. People
3. Strategy and policies
4. Partnerships and resources
5. Processes
6. People results
7. Customer results
8. Society results
9. Business results
10. Improve and innovate

A perfectly excellent organization would score 1000 points, or an Integral Value of 10. In practice, the very best organizations score between 800 and 900 points. The 1000 remains the holy grail.

In The Management Challenge, you will experience the reality of excellent organization.