

Governing Energy

Determining Value

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In our last blog posting we developed the dual construct of Cost Management and Productivity Enhancement. These are the cornerstones of any value proposition put forth in challenging market environments.

Unfortunately, those who often develop the highest organizational value are not the best adapt at communicating the value proposition of their solution. For example, the television sitcom, *The Big Bang Theory* makes light of socially awkward Brainiacs.ⁱ A similar plot to a movie series in a previous era, the *Revenge of the Nerds* movies spoke to a similar inability to communicate with the masses.ⁱⁱ

In both spoofs, the awkward prevailed. However, in real life this is often not the case. The Cost—Productivity Matrix is a four-part template; Speed & Simplification, Operational Excellence, Innovation and Internet of Things (also referred to as the Industrial Internet of Things in a commercial environment).

Each of these is a major paradigm in and of itself. Altogether, addressing their value added can be a formidable task. Yet, all must be addressed if the organization is to be prosperous today and in the future.

To be successful, those with the knowledge of how a technological solution can add value must “**Translate Technology to the Language of Business**” a tagline we have used for several years describing one of our software products (EVPM).ⁱⁱⁱ The characters in *The Revenge of the Nerds* movies demonstrated success at this, albeit in an unlikely way for most of us.

Scientist, chemists, medical personnel, computer programmers and engineers et al speak in terms of mathematics. This the common denominator with those business executives who fund investments and projects. These individuals work in mathematical terms as well, often called—finance!

Throughout this four plus year blog series and in other pieces as well, we have argued that organization culture adds demonstrable value to an organization. It is a major element of competitive advantage or differentiator from others in non-commercial entities.

We posit that mathematics is the fundamental idea. Physicists and computer programmers have advanced this for generations. So has the finance sector.

For example, derivatives can be defined as a security whose value is dependent on another asset.^{iv} Mathematically, a derivative is a way “to represent rate of change.”^v

At the fundamental level, both are the same. The underlying element is Structural Dynamics.^{vi} Those underlying latent currents that drive all change.

The mathematical culture of the technologist and the culture of the financier are not as far apart as often stereotyped. However, there is still a need of a Rosetta Stone to enable translation.

Such a Rosetta Stone exists and is readily available.^{vii} Communication and agreement between these two often thought of as different cultures has been established!

How does your Organization Communicate Value to Management?

About the Author

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End Notes

ⁱ http://www.cbs.com/shows/big_bang_theory/

ⁱⁱ https://en.wikipedia.org/wiki/Revenge_of_the_Nerds

ⁱⁱⁱ <http://www.therrinstitute.com/economic-value-proposition-matriz-%c2%ae.html>

^{iv} https://en.wikipedia.org/wiki/Derivative_%28finance%29

^v [https://simple.wikipedia.org/wiki/Derivative_\(mathematics\)](https://simple.wikipedia.org/wiki/Derivative_(mathematics))

^{vi} Shemwell, Scott M. (2015). *Structural Dynamics: Foundation of Next Generation Management Science*. Houston: RRI Publications. <http://www.amazon.com/Structural-Dynamics-Foundation-Generation-Management-ebook/dp/B00U0JKMT0>

^{vii} <http://www.therrinstitute.com/economic-value-proposition-matriz-%c2%ae.html>