

management *insight*



⇒ VRIO Framework.....2

PROVIDING INNOVATIVE SOLUTIONS TO COMPLEX BUSINESS CHALLENGES

Intricacies of Managing the Open Source Environment

“The typical open source software product has a typical shelf life of days or weeks.” -robert majdak

There are three basic rules in the world of open source; nobody owns it, everybody uses it, and anybody can improve it. Although this rapid innovation is one of the open source benefits, it also creates an environment of rapid change making management a challenge. Adding to the rapid changes are the software variations available making selection just as challenging. In other words, what is written today is old news tomorrow.

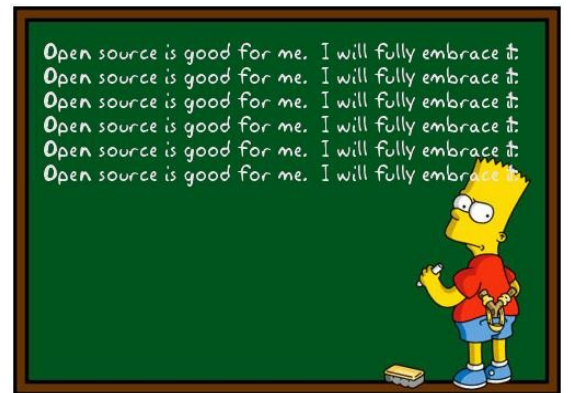
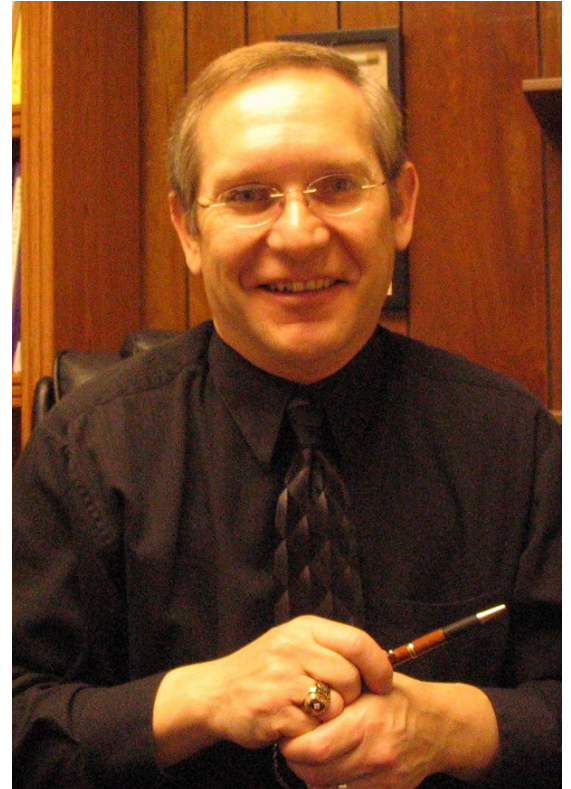
As the process of selection goes, I.T. Managers have to sift through a wide array of applications *today*, determine which ones are prime choices *today*, then figure out how to make the disparate applications work together...*today*. And if there is any non-open source integrations involved, then make the entire technology configuration work in concert...*today*.

However, the work is not over once eve-

rything works together. The typical open source software product has a shelf life of days or weeks. So as open source innovators improve the software, implementation of the new software has a chance to upset the previously *yesterdays* balance software system.

On the other hand, the stable mainstream software industry offers longer lived stability of complex integrated systems with their better orchestrated development methodologies. However, revisions take much longer to develop. This is largely because of the non-open source, proprietary nature of their products.

Organizations seeking these more stable and developmentally organized products must accept the slower revision timeframes and also must budget the higher market pricing models attached to these products.



Rebuilding the Team

Have you ever stepped into an organization and found that you inherited a team lacking cohesiveness or a group with a few non-capable mindsets that are just not organizationally focused team players? I suggest that you consider identifying who the right people are in the team and for their sake, remove the wrong people from the group. You do far more justice to the right people so they do not carry the weight of the wrong people. You also help the wrong people by getting them to move along and find an organization where they can better fit in, develop and grow. Options for them could be in a different department, regional office or yes...even some other company.

Resource Based Analysis using the VRIO Framework

“VRIO is based on four questions about a resource or capability” -robert majdak

VRIO... ↓

Four questions to evaluate a resource or a capability.

Value

Rarity

Imitability

Organization

In order to identify an organization's internal strengths and its internal weakness I will briefly discuss working an internal analysis using the VRIO framework. VRIO is based on four questions about a resource or capability in order to determine its competitive potential.

- 1) **Value.** Does a specific resource or capability give an organization the means to exploit an external opportunity or reduce or eliminate an external threat?
- 2) **Rarity.** Is a resource under the limited or exclusive control by a small number or a singular organization?
- 3) **Imitability.** Do organizations without this resource have a significant cost dis-

advantage in acquiring or developing this resource?

- 4) **Organization.** Does an organization possess the policies or procedures in such a way that it can take advantage of this valuable, rare, and costly-to-imitate resource?

What gives an organization a position of strength and sustainable distinctive competence comes down to having the possession of a resource or capability that is of high value in the businesses processes, rare among the industry competition, difficult or very costly to imitate by your closest competitor and within your organizations grasp to exploit to its maximize potential.

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