

# ENTERPRISE PULSE



## Strategy Survey Megacorporation Gender report

**Total Number of respondents: 20**

**Friday, May 16, 2003**



## Introduction

This summary report presents the organization's aggregated results of the Enterprise Pulse™-Strategy survey. Your organization's results are presented graphically in a number of ways, which reveal whether the responses were net positive or net negative on an overall basis.

This summary report also details the aggregated feedback results for each of the ten categories measured in Enterprise Pulse™- Strategy survey, and each of the individual questions that comprise the survey instrument (80 in total).

When looking at your organization's results, it is important to understand that people may have opinions or views that are relatively positive and opinions and views that are relatively negative. Both provide opportunities for better organizational performance by taking the data seriously and by acting firmly and quickly on the results.

### **In broad terms, this Summary Report contains the following:**

- An introduction to the importance of rigorously and systematically gathering people's opinions on the relative success of present organizational strategy and acting on the results (whatever they may be).
- Your organization's graphic profiles plus supporting statistical summary
- A category by category report that summarizes your organization's results in ten major strategy areas (two for each of the five key success factors).
- A report that summarizes results at individual question level
- Brief action intervention suggestions to provide ideas on what you may like to consider in action planning terms for each of the five key factors involved in improving future strategy and creating and sustaining long term organizational success.

We hope that this report will be a powerful tool in your action-planning process. Thank you for participating in the Enterprise Pulse™ -Strategy survey.

# The importance of gathering and acting upon Employee Opinions and Feedback

Every organization, however large or small it may be, will have a range of underlying opinions, attitudes, beliefs and values held by the members of the enterprise. These informal and often underlying or invisible views form what is generally seen to be the relative success of the organization.

The more that a variety of people's opinions can be collected and understood, the more the organization can take account of the feedback it receives and build this into the forward plans of the enterprise. This helps all individuals to feel more involved and committed to the finally evolved goals of the organization. Of course, the key to collecting people's views is to allow them to point out what they see to be effective and ineffective as they perceive it (and the extent to which either of these extremes may apply and why). We also need to be able to diagnose in which particular topics or subject areas about the organization's performance, most satisfaction or dissatisfaction may exist.

The importance of careful and incisive diagnosis cannot be emphasized enough. Doctors routinely make diagnostic judgments prior to prescribing a course of treatment. As the situation changes, they also recognize that the treatment may need to change also. In order to carry out their diagnosis task accurately, doctors have to use a systematic, well-ordered, rational and fully repeatable process (taking the temperature, feeling the pulse, listening to the heart etc). In exactly the same way, an organization needs a systematic, ordered, rational and fully repeatable process to take the organizational 'temperature', feel the organizational 'pulse', and listen to the organizational 'heart'. Then, and only then, can we prescribe the course of treatment to deal with any ailments and optimize future performance.

The Enterprise Pulse™-Strategy Survey is a highly systematic diagnostic process, based on several years of research in over 25 organizations in Australia, the United Kingdom, the United States and. It uses 80 questions to focus on five key factors that are seen to be critical to effective organizational performance. The survey measures each of these five major factors in two sub categories per factor (making ten sub categories in total). These five key factors and the ten sub categories are detailed overleaf.

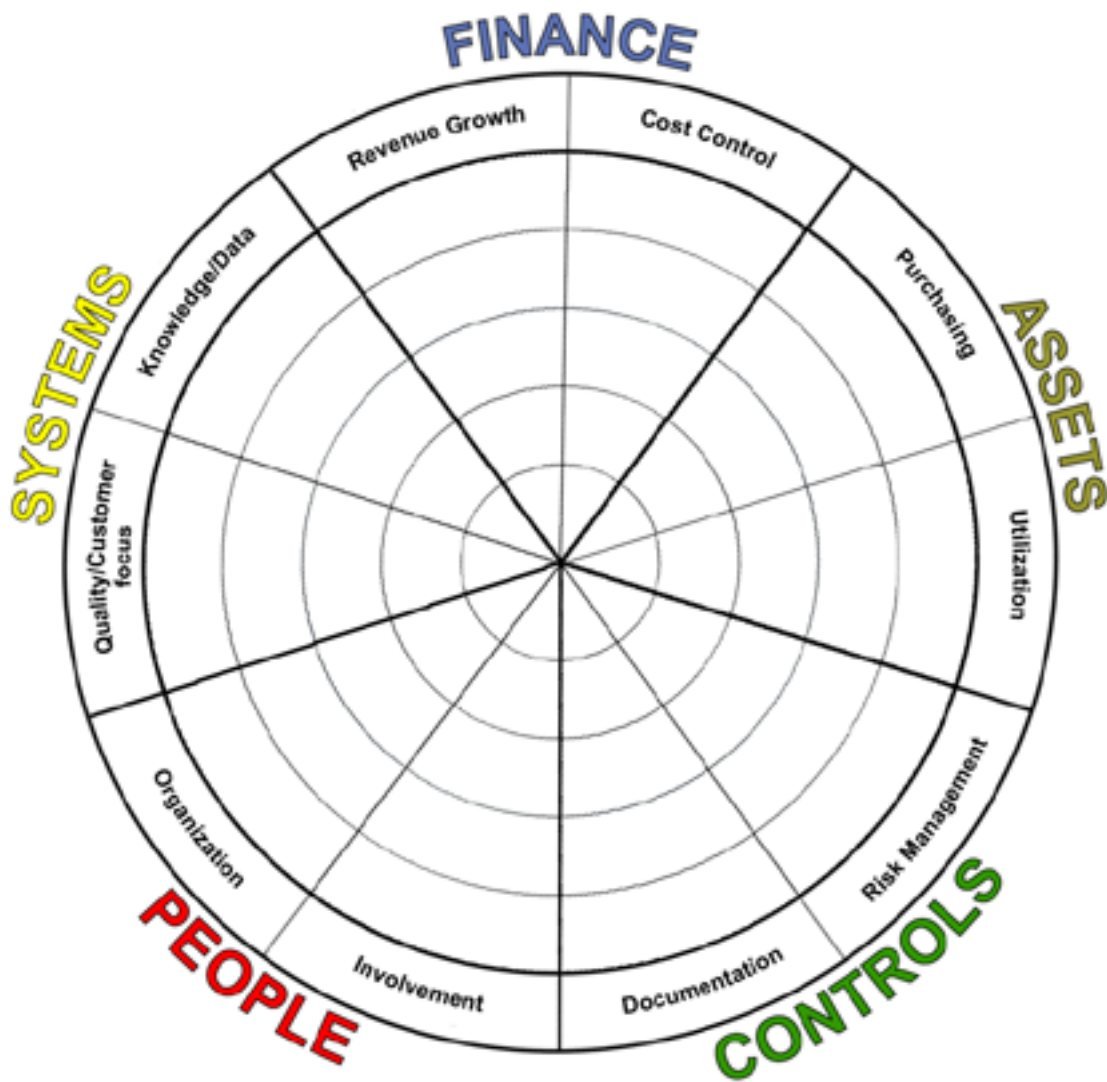
# The Strategy survey sub category definitions

Many years of progressive research have indicated that high organizational performance and success in terms of strategy are significantly based on five key factors. These are that:

- The organization's overall financial strategy for maintaining and growing income or profit and controlling costs is both well designed and well deployed.
- A plan exists to get the most out of the tangible and intangible assets of the enterprise.
- A proper 'checks and balances' system is in place to ensure that organizational processes perform efficiently and effectively in a controlled manner.
- The organization has a well-developed people strategy and a range of on-going methods to maintain individual and group commitment to the goals of the enterprise.
- Clear systems and processes are in place to utilize the knowledge of the most relevant and useful people in the organization to deliver high levels of quality and service to external customers.

# The Strategy survey sub category definitions

The five key factors are shown in the circular diagram below, together with the two individual sub-categories that comprise each factor. The Enterprise Pulse™ -Strategy survey asks questions in each of these ten sub-categories to create a rich and meaningful analysis and output report.



The Enterprise Pulse™ -Strategy survey assumes that an effective or high performance quality focused culture should be looking to create high levels of efficiency and effectiveness in all five key factors (and therefore all ten sub-categories). This means ensuring that people rate the organization positively by assessing enterprise performance to be as near to the outer layers of the above wheel as possible. We therefore need to understand these ten sub categories in greater detail.

## Finance

**An on-going and dynamic planning and resourcing process is in place to maintain and grow income (and profitability) and effectively control organizational costs**

The two sub categories of Finance are:

### **Revenue Growth**

*The extent to which specific plans are in place to maintain prevailing organizational revenue and to initiate activities or projects that are capable of creating new income (and greater profitability).*

### **Cost Control**

*The extent to which the organization has clear, well designed and widely effective systems of cost reporting and control at every level in the enterprise.*

## Assets

**A comprehensive system is in place to maximize the utilization of existing or new assets (whether they are tangible or intangible)**

The two sub categories of Assets are:

### **Purchasing**

*The extent to which the acquisition of any new assets are purchased according to appropriate needs and standards and a clear understanding exists about how they are to be deployed.*

### **Utilization**

*The extent to which time and effort is focused on making sure that people in the organization have specific plans and targets in place to optimize the utilization of all key assets in the enterprise.*

## Controls

**Well-designed and documented control methods and risk management processes are in place to ensure that the whole organization performs efficiently and effectively at all times.**

The two sub categories of Controls are:

### **Documentation**

*The extent to which the key processes of the enterprise are effectively documented to ensure that they perform consistently and to a high standard.*

### **Risk management**

*The extent to which a system is in place to assess and manage organizational risk and to audit the processes and actions of people in the enterprise in order to ensure that areas for change can be quickly and efficiently identified and dealt with.*

## People

**Well-developed and constantly evolving plans are in place to ensure that people are appropriately organized, given adequate resources to do their job and feel motivated and committed to perform to the best of their ability**

The two sub categories of People are:

### **Organization**

*The extent to which people are appropriately organized and resourced to achieve the on-going goals of the enterprise, both individually and collectively.*

### **Involvement**

*The extent to which a range of plans and programs are in place to encourage individual and collective involvement in the key goals of the enterprise and to maximize people's overall levels of motivation and commitment.*

# Systems

**Sound systems and processes are in place to ensure that the enterprise can efficiently and effectively provide the quality and service expected by its customers.**

The two sub categories of Systems are:

## **Quality/Customer focus**

*The extent to which the needs of customers, and their on-going quality requirements, are reflected in the design of the key delivery systems and processes of the whole enterprise.*

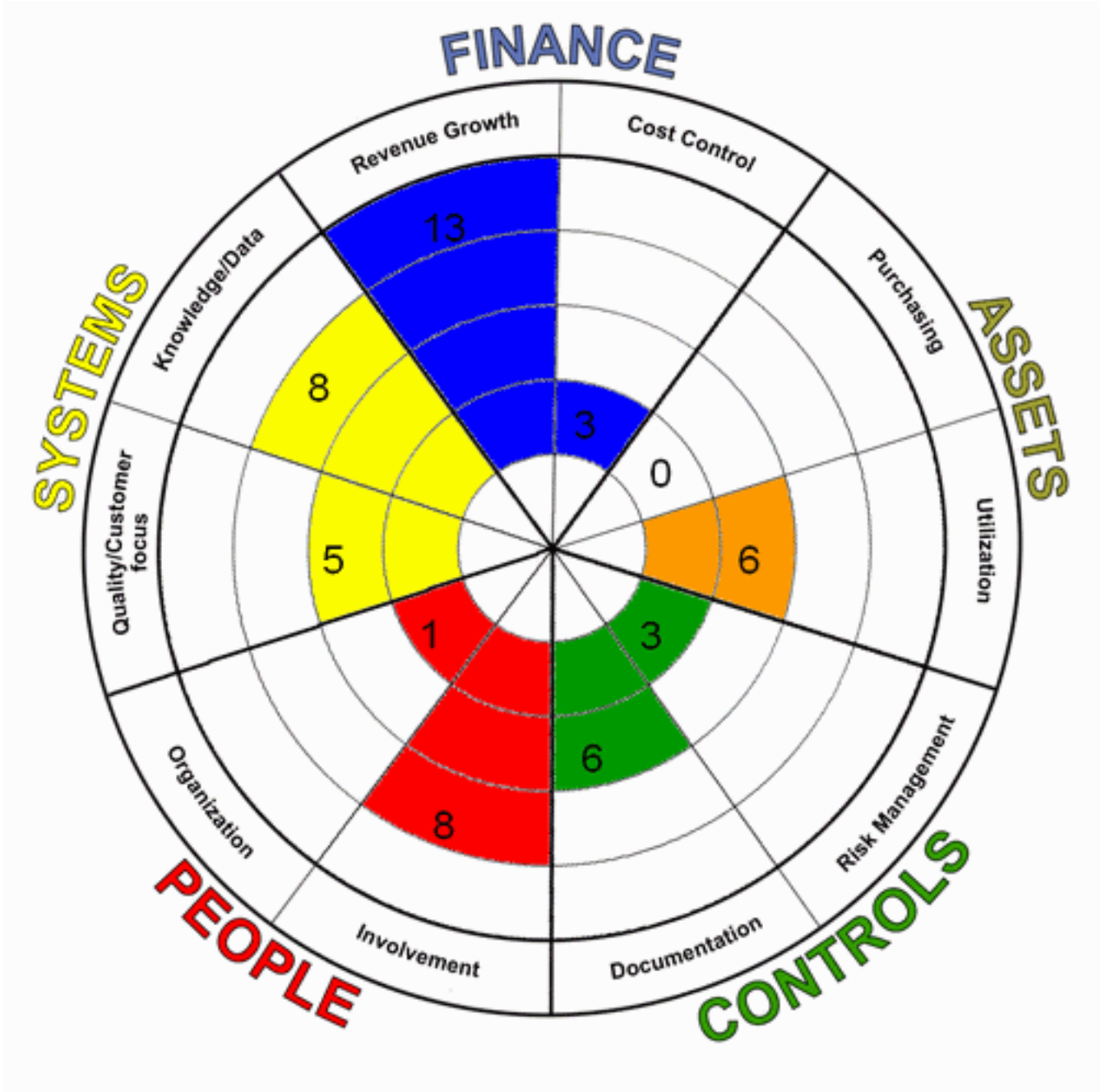
## **Knowledge/Data**

*The extent to which the enterprise actively appreciates the intrinsic knowledge of employees within the entire organization and is able to successfully protect and apply this knowledge appropriately.*

*It should always be remembered that no one key factor or one sub-category is more important than any of the others. In a high performance organization, the enterprise will seek to work on any and every appropriate area. This means building on the strengths and addressing the negatives views or weaknesses that are perceived by employees.*

*The next section of this summary report details the specific survey results of your organization in graphical form. Following this, the report ends with some suggested interventions that you may like to consider as part of your future strategic planning activities.*

# Organizational Strategy Survey Megacorporation Graph for females



May 2003  
Survey Population= 10

# Organizational Strategy Survey Megacorporation Graph for males



May 2003  
Survey Population= 10

## OVERALL SUMMARY

Negative Positive  
 -37.5% -25% -12.5% 12.5% 25% 37.5%

<b>1. Revenue Growth</b> The extent to which specific plans are in place to maintain prevailing organizational revenue and to initiate activities or projects that are capable of creating new income (and greater profitability).					0	
<b>2. Purchasing</b> The extent to which the acquisition of any new assets are purchased according to appropriate needs and standards and a clear understanding exists about how they are to be deployed.					0	
<b>3. Utilization</b> The extent to which time and effort is focused on making sure that people in the organization have specific plans and targets in place to optimize the utilization of all key assets in the enterprise.					0	
<b>4. Documentation</b> The extent to which the key processes of the enterprise are effectively documented to ensure that they perform consistently and to a high standard.					0	
<b>5. Risk management</b> The extent to which a system is in place to assess and manage organizational risk and to audit the processes and actions of people in the enterprise in order to ensure that areas for change can be quickly and efficiently identified and dealt with.					0	
<b>6. Organization</b> The extent to which people are appropriately organized and resourced to achieve the on-going goals of the enterprise, both individually and collectively.					0	
<b>7. Involvement</b> The extent to which a range of plans and programs are in place to encourage individual and collective involvement in the key goals of the enterprise and to maximize people's overall levels of motivation and commitment.					0	
<b>8. Quality/Customer focus</b> The extent to which the needs of customers, and their on-going quality requirements, are reflected in the design of the key delivery systems and processes of the whole enterprise.					0	
<b>9. Knowledge/Data</b> The extent to which the enterprise actively appreciates the intrinsic knowledge of employees within the entire organization and is able to successfully protect and apply this knowledge appropriately.					0	
<b>10. Cost control</b> The extent to which the organization has clear, well designed and widely effective systems of cost reporting and control at every level in the enterprise.					0	

■ females    ■ males

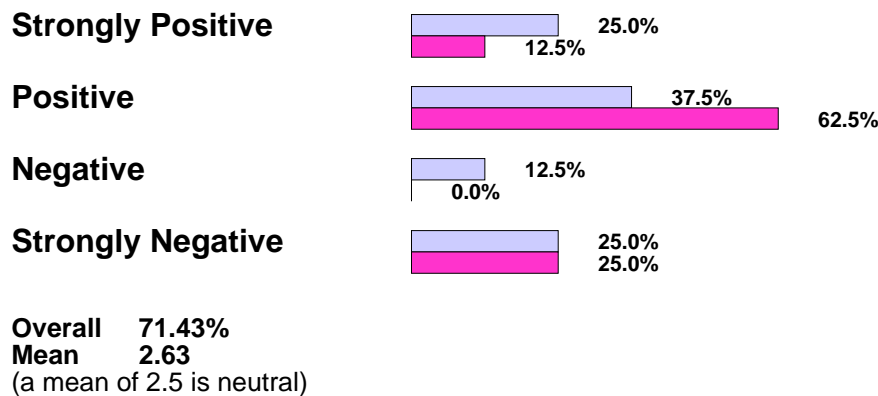
## Revenue Growth

The extent to which specific plans are in place to maintain prevailing organizational revenue and to initiate activities or projects that are capable of creating new income (and greater profitability).

The questions that make up this category:

1. Revenue from customers for existing products and services is consistent or growing each month
2. Product and/or service marketing strategies are successful
3. Product and service pricing is regularly reviewed to keep pace with the market
4. Specific marketing plans are in place to ensure that overall revenue is the same or better than the previous year
5. Employees are encouraged to identify new and different ways to create new revenue
6. Ideas for increasing revenue or net margins are actively encouraged at all levels
7. The enterprise sales organization is effective and successful
8. Overall returns on investment from the organization's efforts are better than average market returns

### Average score:



### Interpretive notes

#### Net Positive

The organization is likely to have a detailed understanding about where its income comes from and has well considered plans to both protect existing income levels and to initiate projects to generate new income on an on-going basis. This will often involve creating a culture in which every individual is encouraged to positively add value.

#### Net Negative

The organization is likely to have a limited or relatively weak understanding about its existing income streams and have correspondingly weak or inadequate plans to protect existing revenue levels. It may also be the case that some parts of the enterprise will cross-subsidize other parts (with low general knowledge about how or where this occurs).

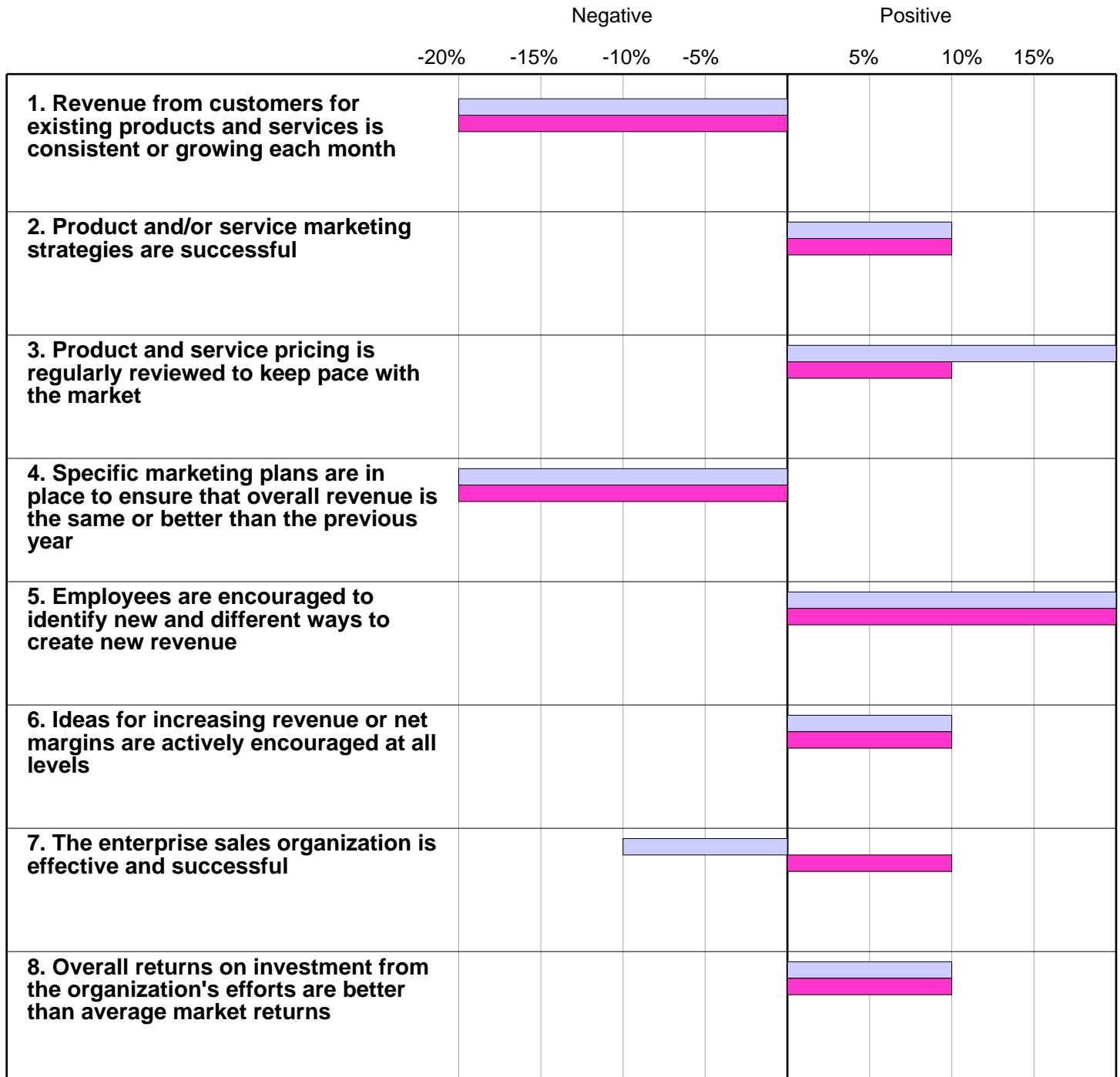
■ females ■ males

## Individual question analysis

# Revenue Growth

The extent to which specific plans are in place to maintain prevailing organizational revenue and to initiate activities or projects that are capable of creating new income (and greater profitability).

Overall score for this category= 71.43%



■ females
 ■ males

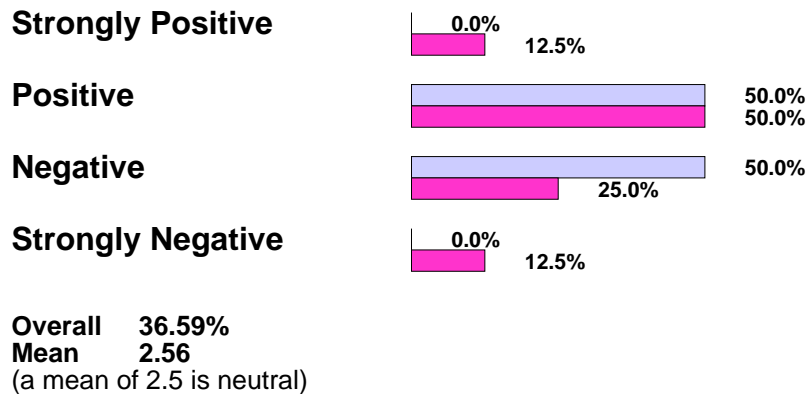
## Purchasing

The extent to which the acquisition of any new assets are purchased according to appropriate needs and standards and a clear understanding exists about how they are to be deployed.

The questions that make up this category:

1. Purchasing policies and procedures are clear, well written and easily accessible
2. Assets are generally purchased or leased at the lowest overall cost
3. Rigorous standards of quality are shared with all potential suppliers of products and services to the enterprise
4. Close partnering relationships are sought and built with the major suppliers to the enterprise
5. Bids or tenders for goods or services are always rigorously analyzed before final purchasing decisions are made
6. The full cost of ownership is calculated before every major purchasing decision is made
7. Major product or service acquisition decisions are made on several criteria (and not just cost alone)
8. Purchased goods and services are rigorously checked for quality before being accepted

Average score:



### Interpretive notes

#### Net Positive

The organization is likely to have clear and consistent purchasing policies and practices at all levels, which ensure that product or service buying decisions are made according to high service, quality, safety and other standards. Individuals that will be involved in using major new purchases are also likely to be involved in buying decisions and actively engaged in the process of getting the best from their purchases.

#### Net Negative

The organization is likely to have overly broad, vague or limited purchasing policies and therefore often experiences variable approaches in terms of buying practices across the enterprise. This may mean that in some areas, service, quality, safety and other standards may be different or lower than in other areas (even for the same goods and services). In addition, some parts of the enterprise may exclude purchase user involvement in the buying decisions or in getting the most from their purchases.

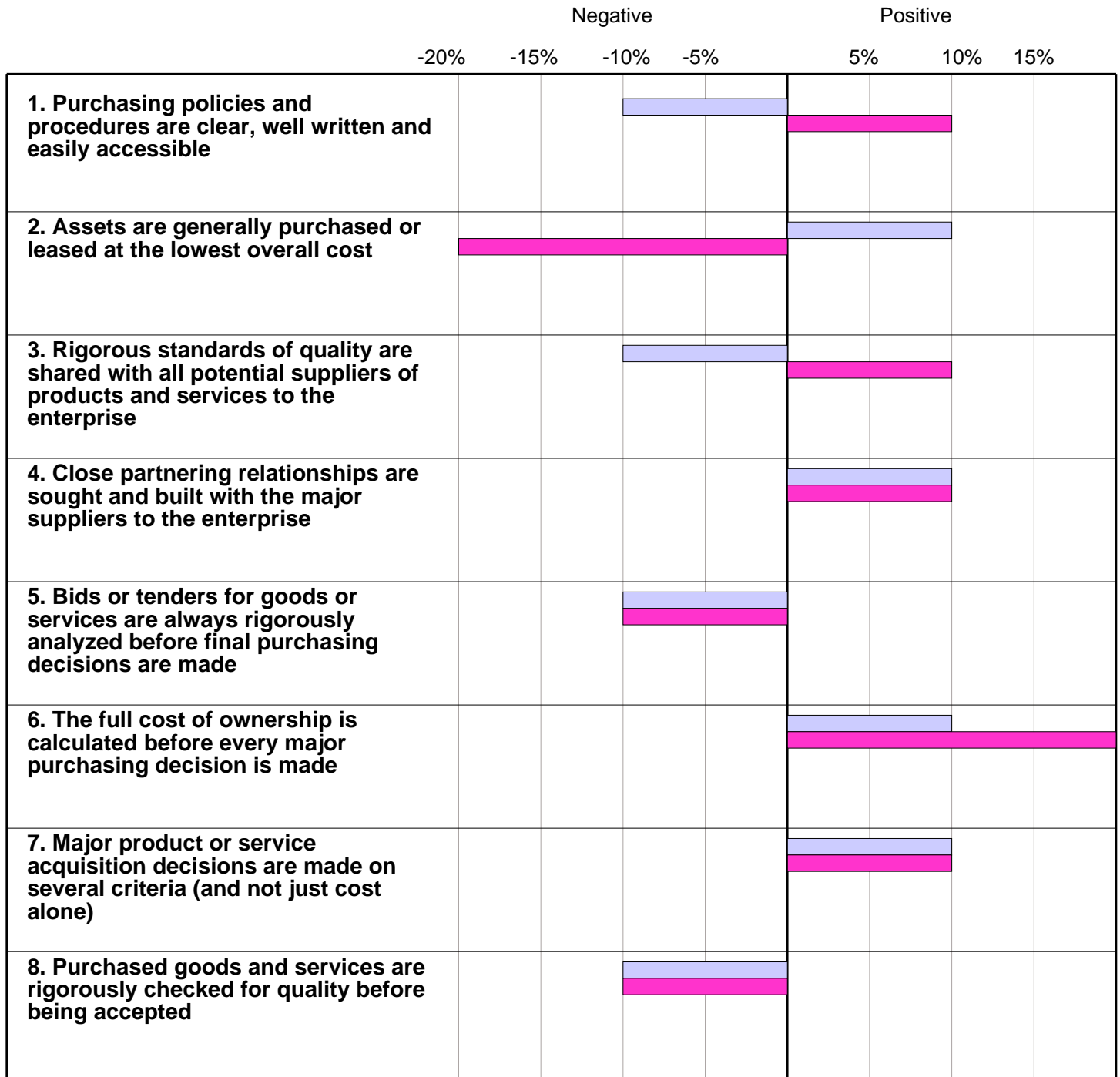
■ females ■ males

## Individual question analysis

# Purchasing

The extent to which the acquisition of any new assets are purchased according to appropriate needs and standards and a clear understanding exists about how they are to be deployed.

Overall score for this category= 36.59%



■ females
 ■ males

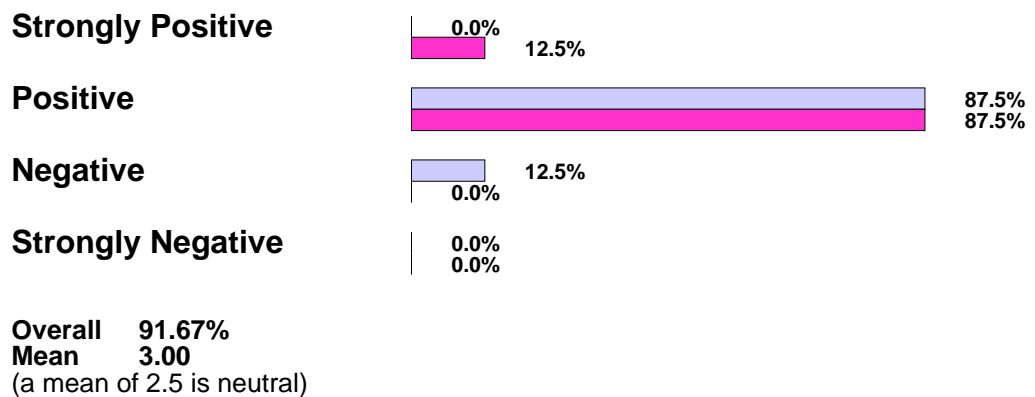
## Utilization

The extent to which time and effort is focused on making sure that people in the organization have specific plans and targets in place to optimize the utilization of all key assets in the enterprise.

The questions that make up this category:

1. The major physical and tangible assets of the enterprise are well known and appreciated in terms of the returns that are expected from them
2. The enterprise is aware of the latest new technology and takes active steps to utilize it wherever it can create real advantage to the organization
3. Specific utilization plans are in place for all the key assets within the enterprise
4. Utilization targets exist for all major assets (including significant plant and equipment)
5. "Make or buy" decisions are calculated carefully when assets need to be replaced
6. Asset life cycle costs are well understood by managers in the enterprise
7. Changes are quickly and cost effectively made when periods of low asset utilization occur
8. Process cycle time is measured frequently across the enterprise

Average score:



### Interpretive notes

#### Net Positive

The organization is likely to fully appreciate its entire key tangible and non-tangible assets and take care to ensure that utilization targets are carefully set and adjusted wherever necessary. Asset utilization discussions are also likely to focus on the overall returns to be gained from the asset over the long term and action plans will therefore be put in place to achieve the targets that have been established.

#### Net Negative

The organization is likely to have a relatively weak or limited appreciation of which of its tangible and non-tangible assets are critical to the enterprise. Utilization targets (for even key assets) are consequently not set consistently (if at all) and decisions about costs and returns to be earned may be both uninformed and/or short term in their nature.

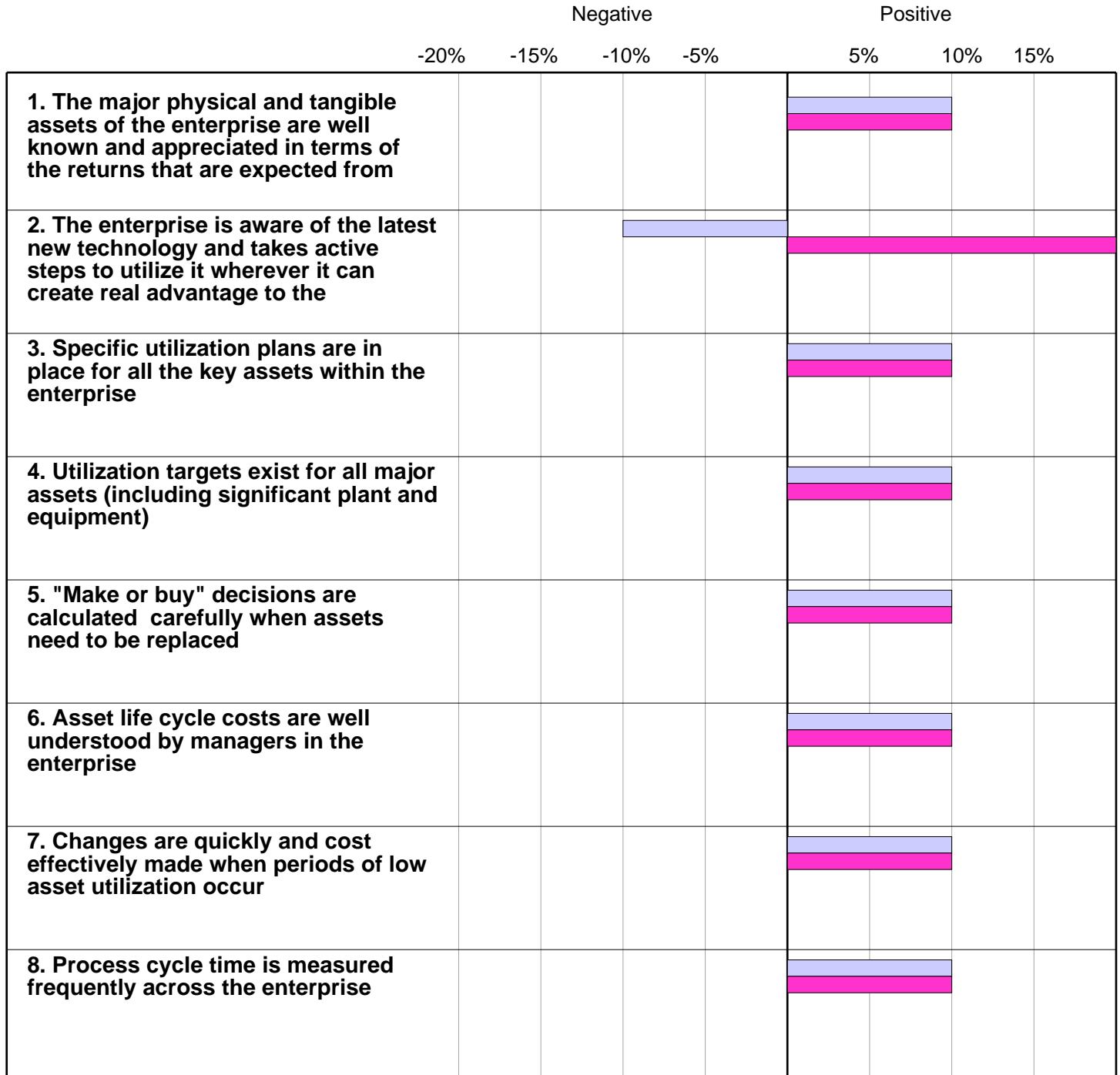
 females  males

## Individual question analysis

# Utilization

The extent to which time and effort is focused on making sure that people in the organization have specific plans and targets in place to optimize the utilization of all key assets in the enterprise.

Overall score for this category= 91.67%



■ females ■ males

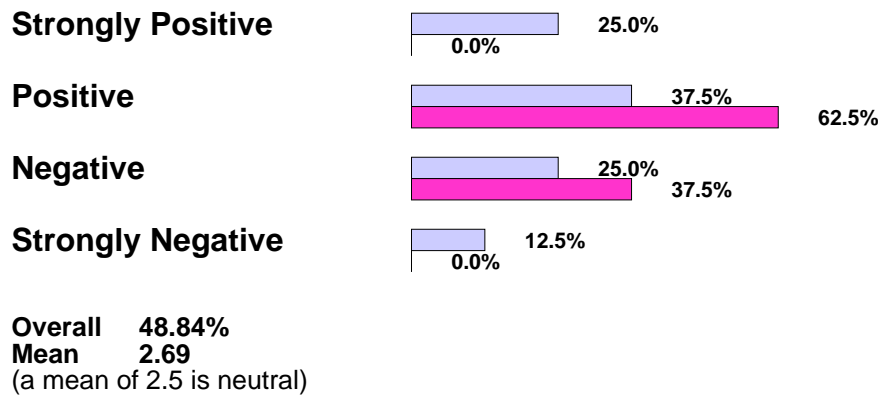
## Documentation

The extent to which the key processes of the enterprise are effectively documented to ensure that they perform consistently and to a high standard.

The questions that make up this category:

1. Major processes within the organization have been fully mapped and clearly proceduralized
2. Effective policies and procedures have been developed for all financial processes and transactions within the enterprise
3. Important areas such as service, quality and risk management are well covered by policy, procedures and standards.
4. Key organizational policies and procedures are written in plain and easy to understand language
5. Comprehensive policies and procedures exist for the optimization of the organization's human resources
6. Policies, procedures and standards are kept fully up to date for all major processes
7. Document back up systems and electronic storage processes systems are in place and work effectively
8. Key organizational policies and procedures are readily accessible

### Average score:



### Interpretive notes

#### Net Positive

The organization is likely to have a clear understanding about all the major processes that operate within the enterprise and has invested considerable effort into establishing up-to-date policies and procedures for each of these. In addition, all documentation is likely to be written in clear language and is readily accessible to every individual that needs the information.

#### Net Negative

The organization is likely to have a limited or variable understanding about the major processes that operate within the enterprise and may therefore have invested only sporadic effort into making sure that up-to-date processes are in place, wherever necessary. As a consequence, documentation may have gaps, is not always readily accessible and is even occasionally written in unclear or confusing language.

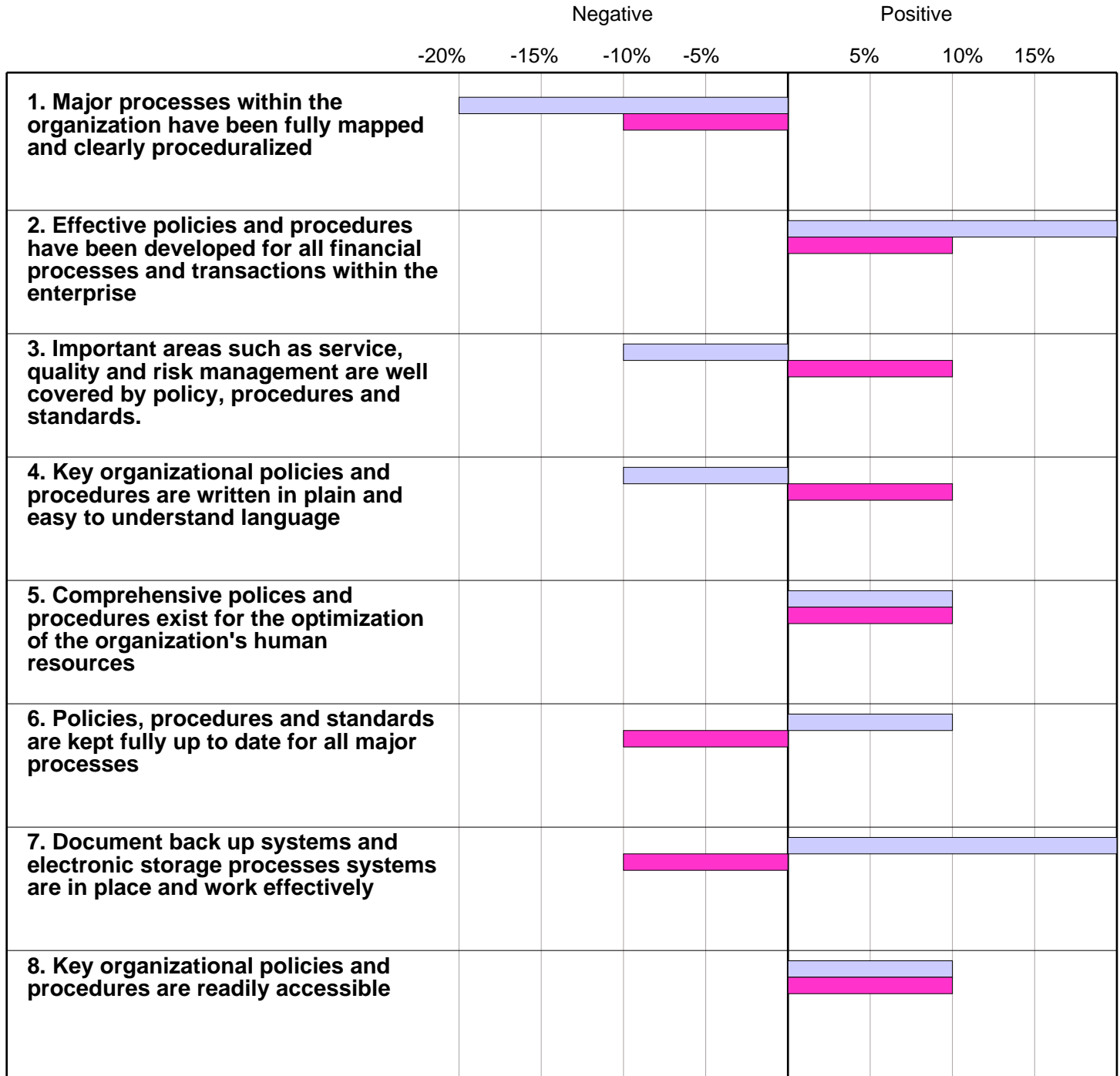
■ females ■ males

## Individual question analysis

# Documentation

The extent to which the key processes of the enterprise are effectively documented to ensure that they perform consistently and to a high standard.

Overall score for this category= 48.84%



■ females
 ■ males

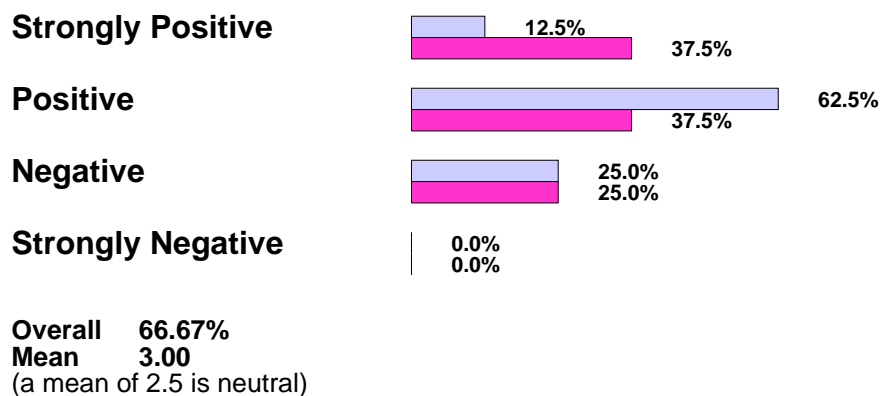
## Risk management

The extent to which a system is in place to assess and manage organizational risk and to audit the processes and actions of people in the enterprise in order to ensure that areas for change can be quickly and efficiently identified and dealt with.

The questions that make up this category:

1. The major external competitive threats to the enterprise are well understood
2. Risks and hazards are regularly assessed on a formal basis at all levels
3. Training in risk assessment methods and techniques are widely available and taken up across the enterprise
4. Risks are evaluated systematically whenever major change occurs in the organization (of any kind)
5. Internal audits are a regular part of organizational activities at all levels of the enterprise.
6. A well designed control system is in place at all levels
7. Adequate insurance is in place across the enterprise
8. The organization regularly uses external audit frameworks or standards to ensure that it maintains best practice approach

### Average score:



### Interpretive notes

#### Net Positive

The organization is likely to systematically assess risk at all levels of the enterprise on an on-going basis. This will typically be done formally (through regular internal and external audits) and informally by training individuals to recognize risks, hazards or specific threats to the enterprise that need to be dealt with. The organization will consequently use its risk assessment data gathered to take proactive management action.

#### Net Negative

The organization is likely to be more reactive than proactive in dealing with risk, hazards or threats to the enterprise of any kind. This may mean that audits (internal or external) are not encouraged (or even avoided completely) and that individuals are not expected to use their initiative in looking to identify risks (and thereby allow appropriate management action to be taken to rectify a problem).

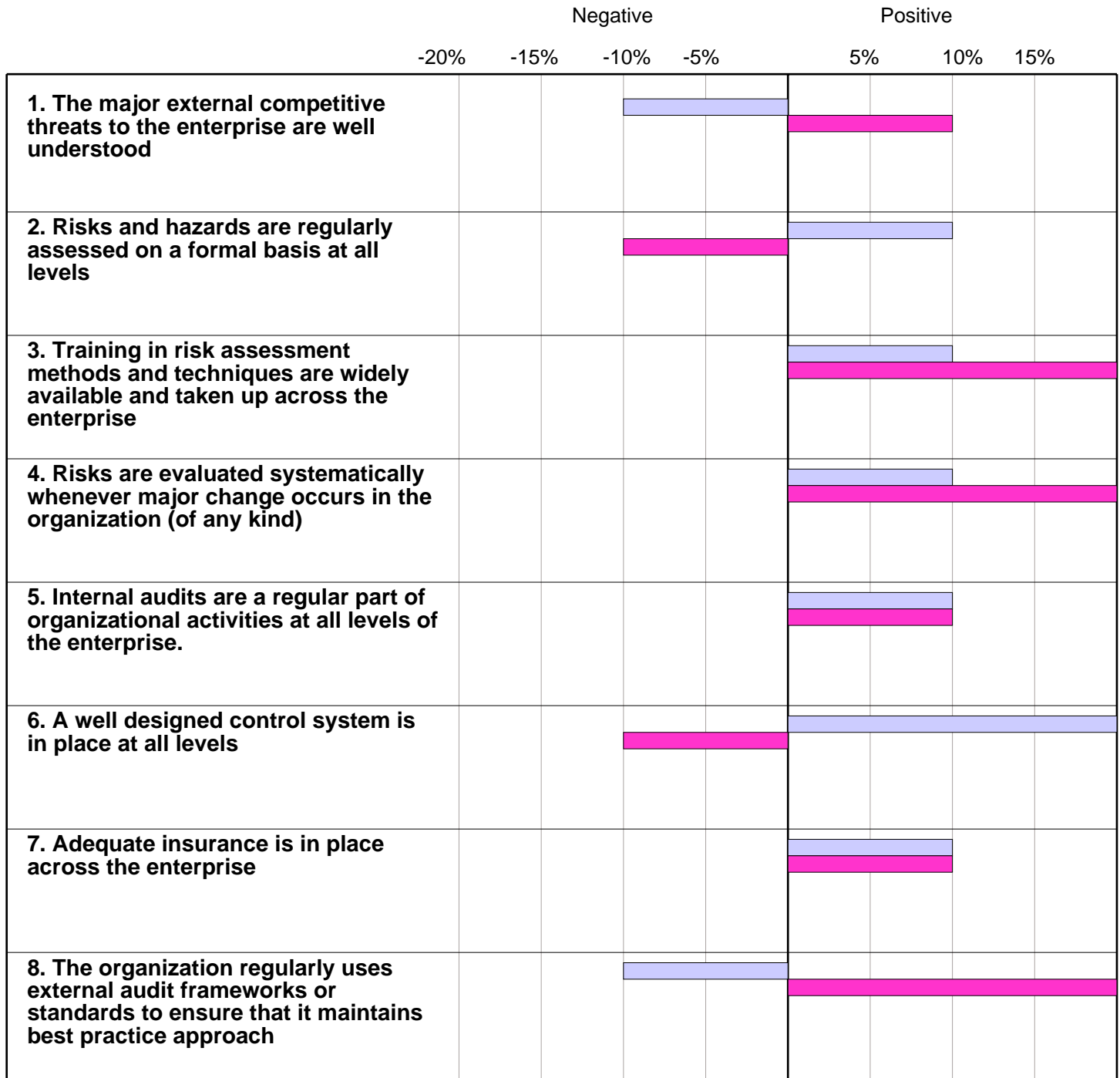
■ females ■ males

## Individual question analysis

# Risk management

The extent to which a system is in place to assess and manage organizational risk and to audit the processes and actions of people in the enterprise in order to ensure that areas for change can be quickly and efficiently identified and dealt with.

Overall score for this category= 66.67%



■ females ■ males

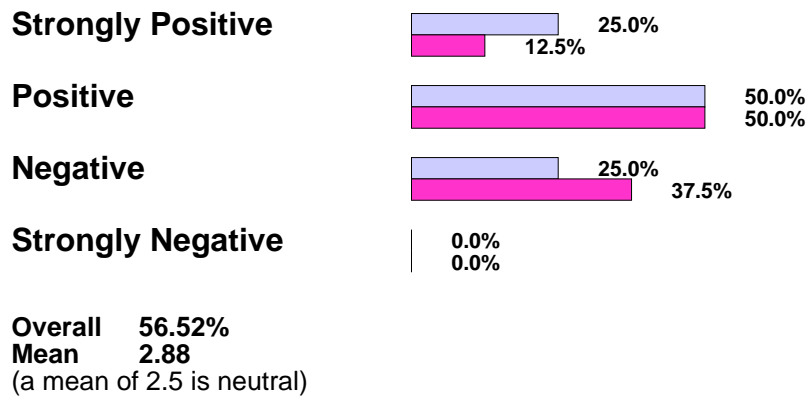
## Organization

The extent to which people are appropriately organized and resourced to achieve the on-going goals of the enterprise, both individually and collectively.

The questions that make up this category:

1. Chains of command (from top to bottom) are appropriate at all levels of the enterprise
2. The organization structure is efficient and effective
3. People are generally organized to effectively achieve the goals of the enterprise
4. Organizational 'bench-strength' (or overall talent, ability and potential) is well understood at all levels
5. An effective and efficient human resource planning system is in place and is actively utilized
6. Key position succession plans are in place for all management and other key jobs or roles in the enterprise
7. The overall performance appraisal system is well designed and deployed
8. People generally have ready access to the resources they need to do their jobs effectively

Average score:



### Interpretive notes

#### Net Positive

The organization is likely to make sure that individual people and teams are organized in the most optimal way possible to achieve the specific goals of the enterprise (short and long term). This on-going and flexible organizational design effort is also likely to fully take account of individual talent and ability and also utilize effective performance assessment systems at all levels as a means to develop individuals and lift overall employee 'bench-strength'.

#### Net Negative

The organization is likely to have a sub-optimal organizational structure to meet the specific goals of the enterprise. This may mean that parts of the organization are too layered, have key position succession gaps, have low or no recognition of employee talent and ability and even face under and over resourcing problems in places. In addition, performance assessment systems (where they exist) may not be making a useful contribution to human resource development decision-making.

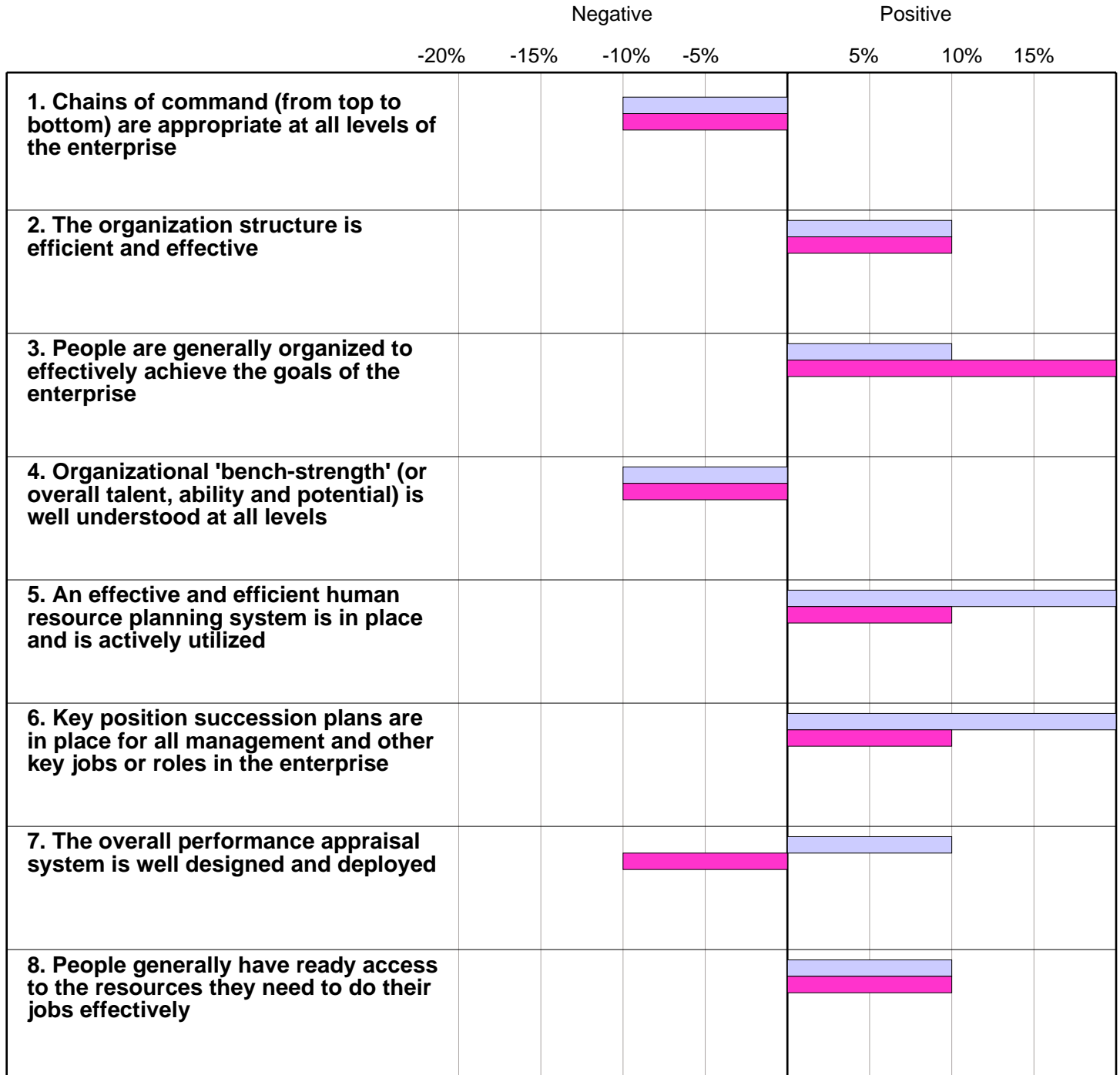
■ females ■ males

## Individual question analysis

# Organization

The extent to which people are appropriately organized and resourced to achieve the on-going goals of the enterprise, both individually and collectively.

Overall score for this category= 56.52%



■ females
 ■ males

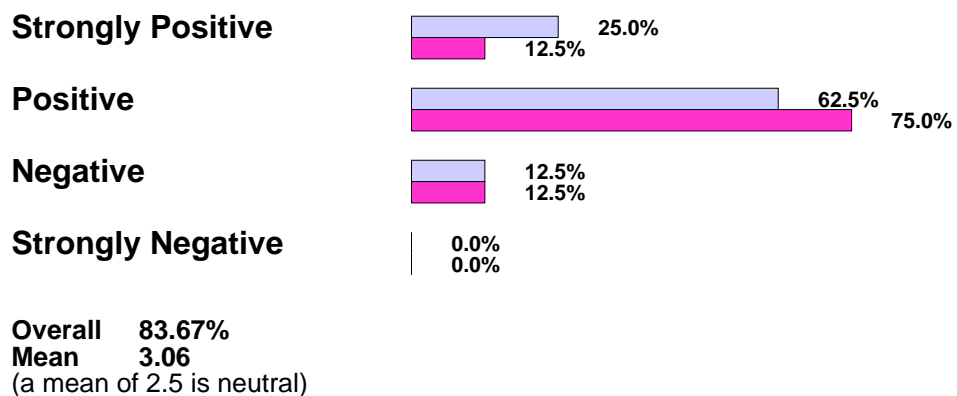
## Involvement

The extent to which a range of plans and programs are in place to encourage individual and collective involvement in the key goals of the enterprise and to maximize people's overall levels of motivation and commitment.

The questions that make up this category:

1. Individuals at all levels are sufficiently empowered to give of their best to the organization and its customers
2. Regular effort is invested by management of the enterprise to motivate and encourage employees
3. People are encouraged to reasonably use their initiative as much as they can
4. Individual and team goals are effectively and efficiently linked to overall organizational strategy
5. The organization actively encourages and promotes teambuilding and teamwork
6. Individuals are appropriately rewarded and recognized for achieving individuals and team goals
7. Employee input and ideas are positively sought and acted upon when major organizational decisions need to be made
8. Training and development opportunities are afforded to every individual in the enterprise every year

### Average score:



### Interpretive notes

#### Net Positive

The organization is likely to have invested quality time and effort into a range of plans and programs to ensure that individuals and teams are motivated and committed to achieving the goals of the enterprise. This will typically include formal methods such as flexible reward systems and training and development opportunities, and informal methods such as verbal management support for worthy initiatives or achievements and frequent teambuilding activities and projects.

#### Net Negative

The organization is likely to leave the motivation and involvement of individuals and teams in general to each supervisor or manager's judgment, with little or no formal or informal support plans or programs in place. This may mean that parts of the organization may experience high levels of teamwork and others may experience little or no teamwork or involvement (and may therefore feel low commitment to the enterprise).

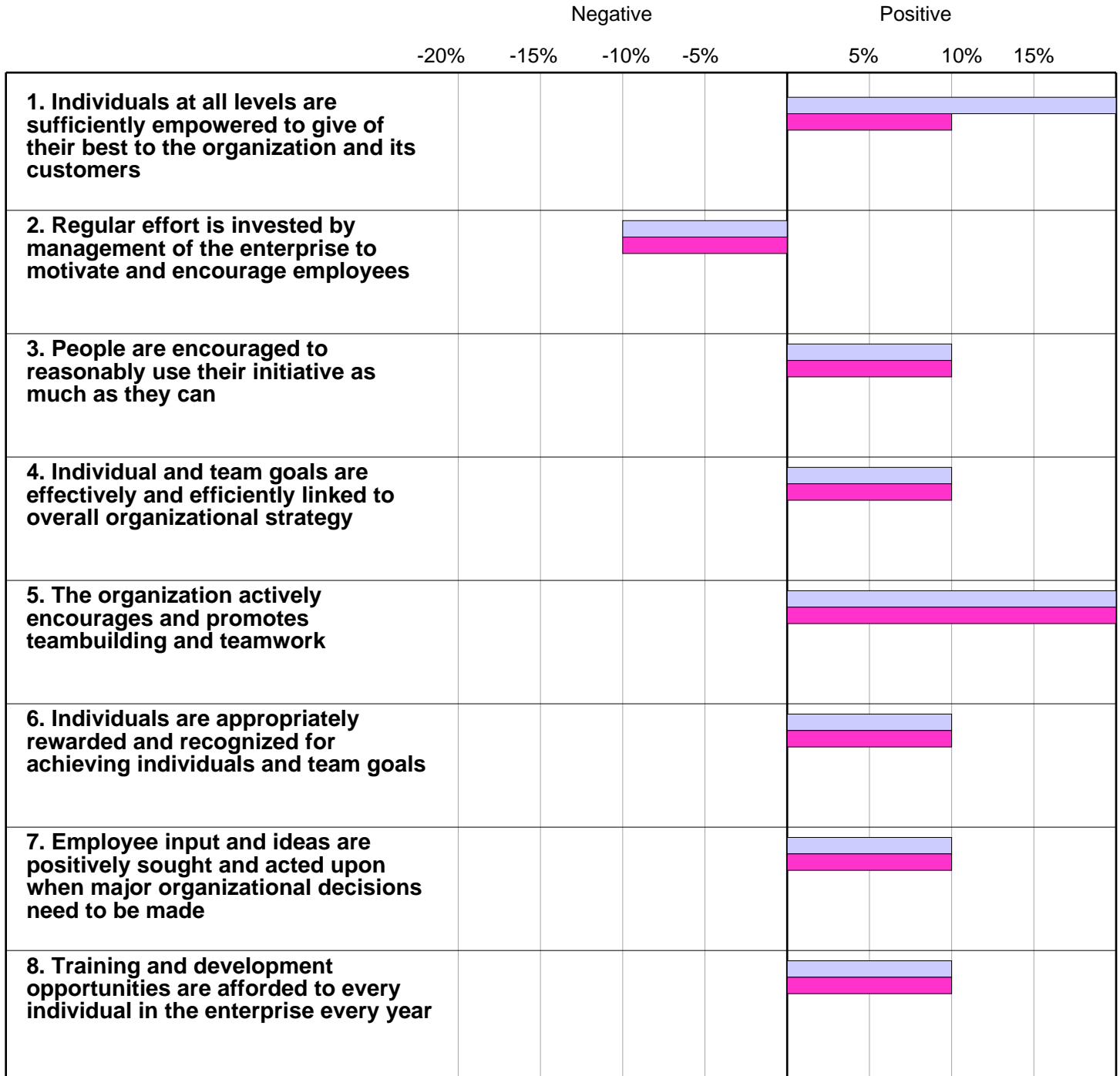
■ females ■ males

## Individual question analysis

# Involvement

The extent to which a range of plans and programs are in place to encourage individual and collective involvement in the key goals of the enterprise and to maximize people's overall levels of motivation and commitment.

Overall score for this category= 83.67%



■ females
 ■ males

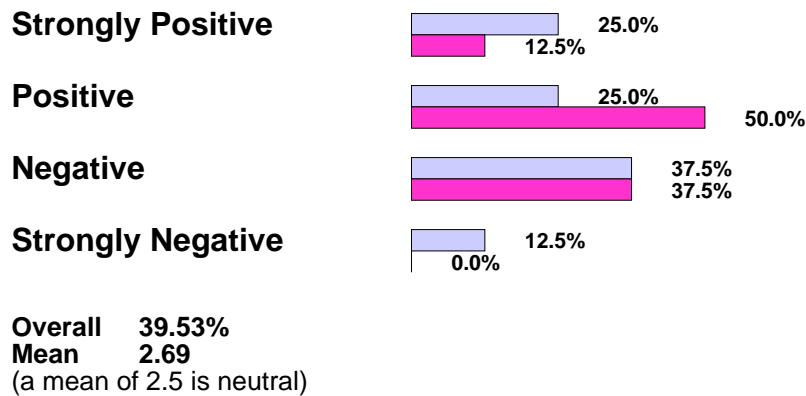
## Quality/Customer focus

The extent to which the needs of customers, and their on-going quality requirements, are reflected in the design of the key delivery systems and processes of the whole enterprise.

The questions that make up this category:

1. Customer needs and expectations are regularly surveyed
2. The quality standards expected by customers are well understood at all levels
3. Products and/or services are designed with direct customer input or comment
4. Customer comments and complaints are captured effectively and acted upon positively wherever appropriate
5. Customer input is actively solicited when medium to long term enterprise strategy or goals are developed
6. Consistent effort exists across the enterprise to minimize process waste and re-work
7. The concept of the internal customer is actively promoted or advocated
8. Process improvement activity occurs frequently across the enterprise

**Average score:**



### Interpretive notes

#### Net Positive

The organization is likely to work closely with its customers to ensure that their needs are constantly met or exceeded, but also ensuring that changing quality or service requirements/needs are built into future product or service design efforts. A range of processes to focus employee attention and awareness on customer views and comments often achieves this and helps to ensure that the customer's voice is properly heard.

#### Net Negative

The organization is likely to involve customers too infrequently to fully appreciate or understand their changing expectations of the enterprise and may not therefore take their needs into account when designing product or service offerings. In addition, the on-going views of customers (positive and negative) are not always fully captured, leading to a more crisis oriented quality and service approach than should be the case.

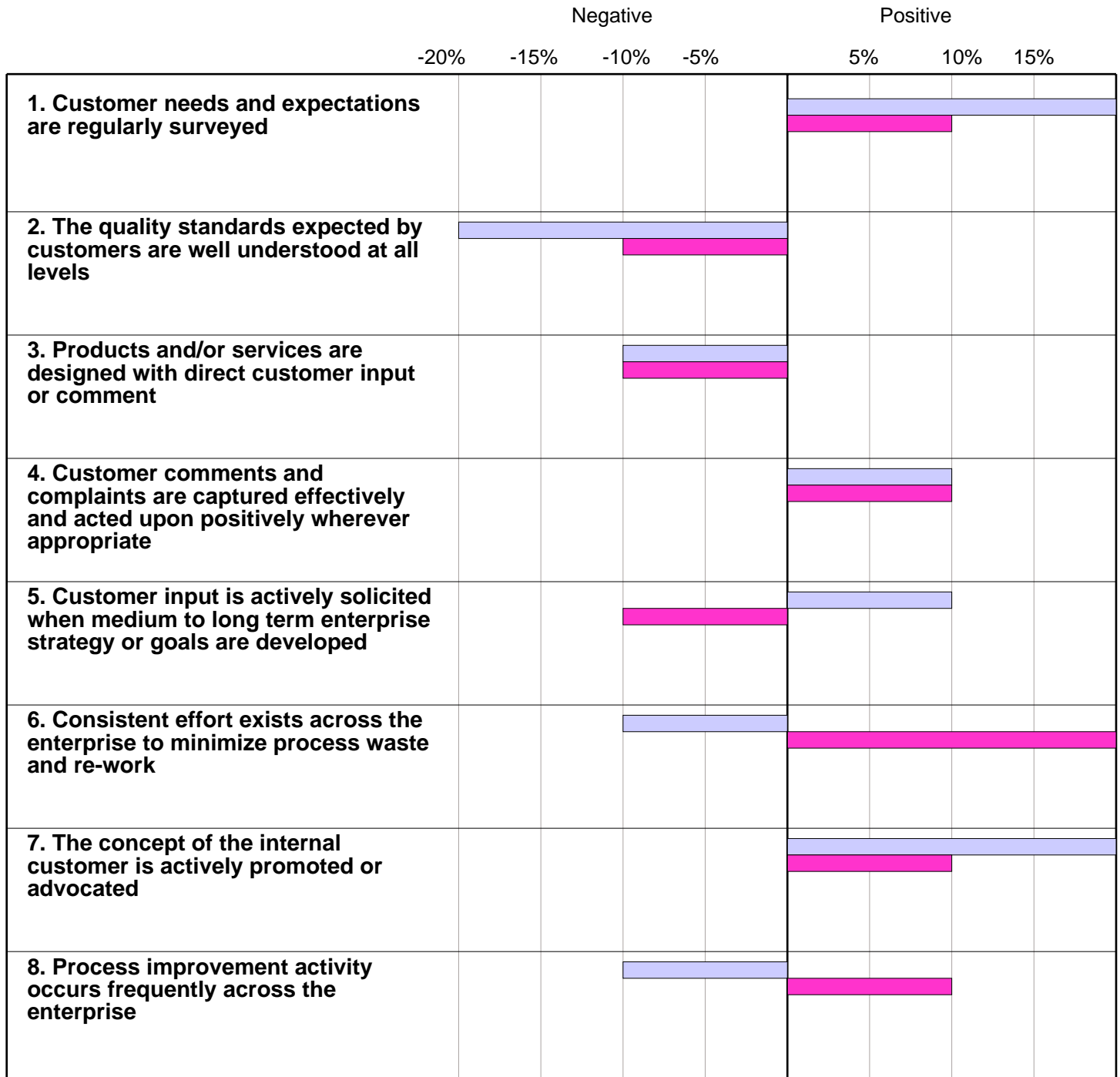
■ females ■ males

## Individual question analysis

# Quality/Customer focus

The extent to which the needs of customers, and their on-going quality requirements, are reflected in the design of the key delivery systems and processes of the whole enterprise.

Overall score for this category= 39.53%



■ females ■ males

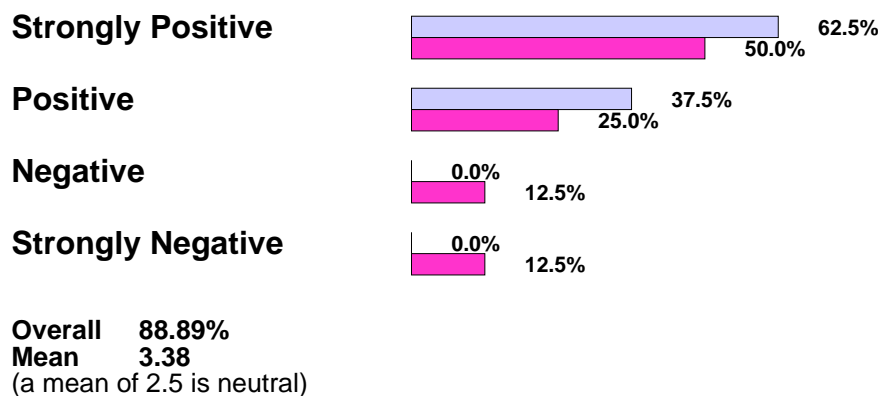
## Knowledge/Data

The extent to which the enterprise actively appreciates the intrinsic knowledge of employees within the entire organization and is able to successfully protect and apply this knowledge appropriately.

The questions that make up this category:

1. The key intellectual property of the enterprise is actively protected
2. The organization uses effective and efficient information technology to make key knowledge available where when it is needed
3. Systems are in place to ensure that individuals can readily find the data or knowledge to perform their jobs effectively
4. Employees at all levels are encouraged to be creative or innovative in performing their work
5. Information technology systems provide individuals with useful and easy to access data
6. The organization invests strongly in product/service research and development activity
7. The organization actively supports and promotes a learning culture
8. Employee knowledge is effectively harnessed in the products, services and processes of the enterprise

Average score:



### Interpretive notes

#### Net Positive

The organization is likely to understand that both formal and informal knowledge or overall intellectual property within the enterprise is a key asset and therefore takes active and on-going steps to protect it. This is likely to involve the establishment of effective systems to capture individual knowledge, share appropriate information internally and ensuring that important data is protected as part of the organization's competitive advantage in the marketplace.

#### Net Negative

The organization is likely to see its collective knowledge or overall intellectual property in overly narrow terms and invest too little time and effort in collecting employee knowledge, sharing it efficiently (where appropriate), or protecting it properly. Organizational knowledge is therefore an 'accidental' rather than a fully known or fully understood competitive asset.

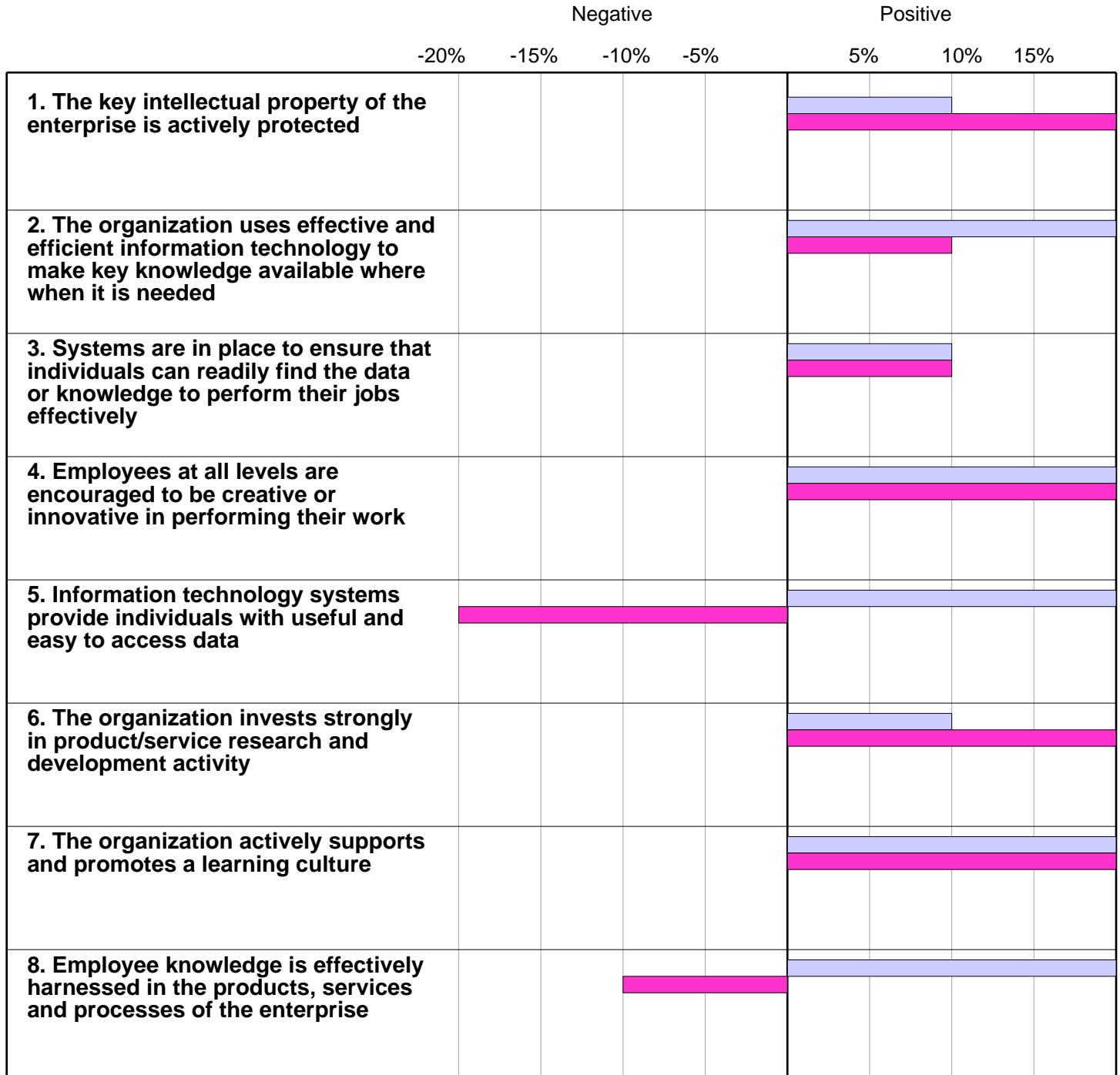
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## Individual question analysis

# Knowledge/Data

The extent to which the enterprise actively appreciates the intrinsic knowledge of employees within the entire organization and is able to successfully protect and apply this knowledge appropriately.

Overall score for this category= 88.89%



■ females
 ■ males

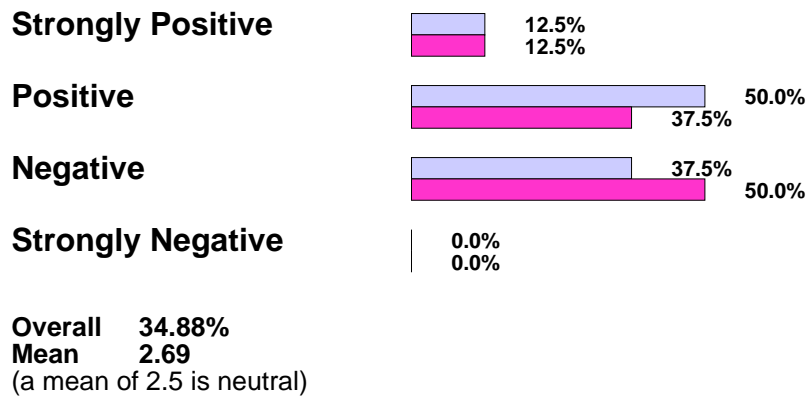
## Cost control

The extent to which the organization has clear, well designed and widely effective systems of cost reporting and control at every level in the enterprise.

The questions that make up this category:

1. Overall enterprise wide expense control targets are widely understood
2. A well-designed budget process is in place at all levels.
3. Cost cutting to improve overall productivity is carried out efficiently and intelligently when it has to occur
4. Teams and departments are encouraged to build their annual budgets from a zero base each year
5. Cost authority is delegated to ensure that there is the right balance between necessary flexibility and control
6. Cost overruns are taken seriously and dealt with effectively when they occur
7. Cost or profit center managers are actively encouraged to consider cash flow issues
8. Cost or budget reporting is carried out intelligently at all levels

### Average score:



### Interpretive notes

#### Net Positive

The organization is likely to have a well-designed financial system, within which an appropriately deployed budgeting process is a key and integral part. Cost or profit center managers are likely to see the budget system as fair, reasonable and effective, and therefore actively use it to meet expenditure guidelines and cost control targets.

#### Net Negative

The organization is likely to have a 'loose' cost or expense control framework within the enterprise, with budgets playing a less important control role than they might in some areas. Cost of profit center managers may feel that the budget process is not entirely fair or does not properly reflect the reality of their prevailing management pressures or challenges.

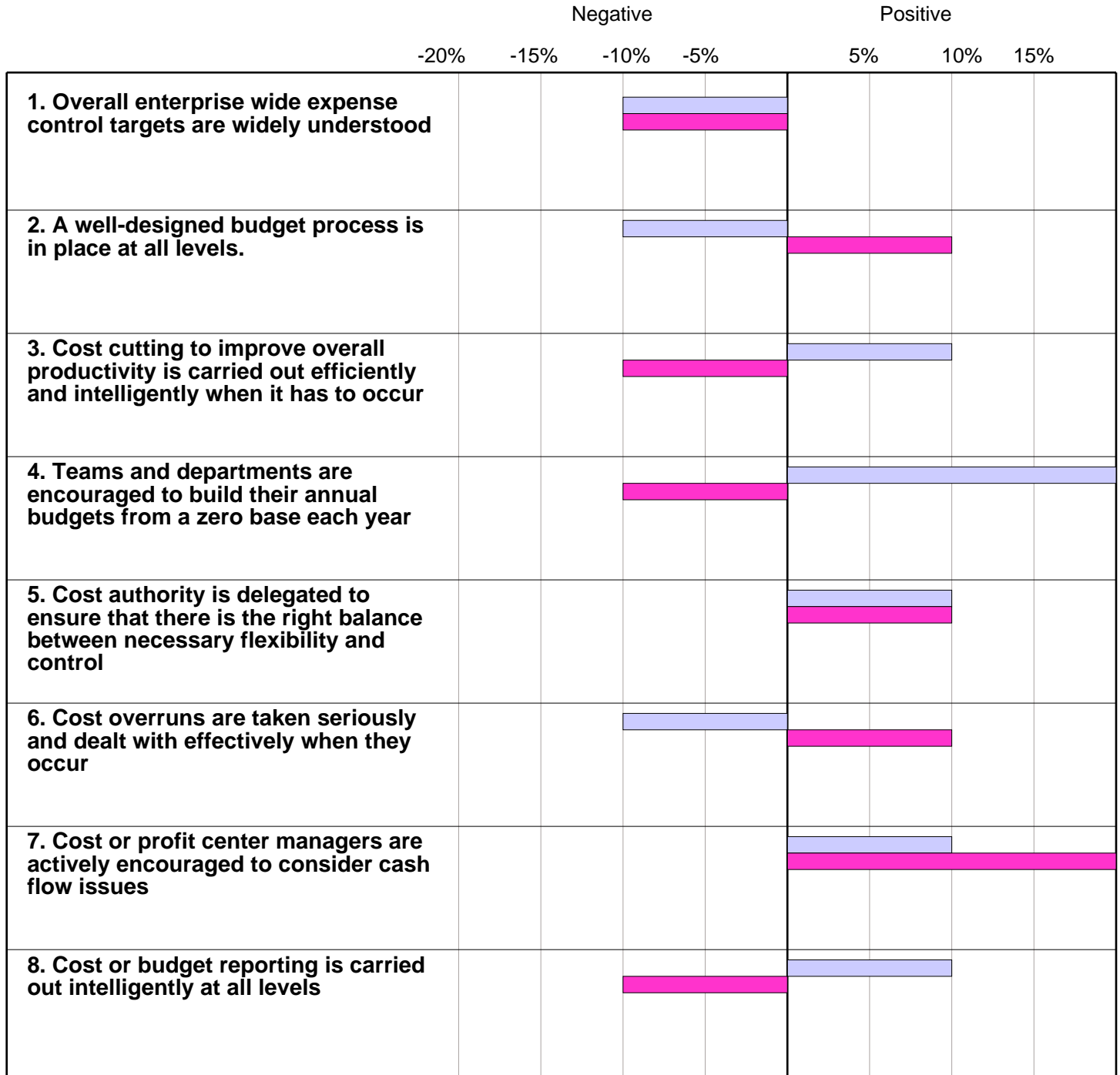
■ females ■ males

## Individual question analysis

# Cost control

The extent to which the organization has clear, well designed and widely effective systems of cost reporting and control at every level in the enterprise.

Overall score for this category= 34.88%



■ females ■ males



## Intervention suggestions

As we indicated at the outset, the first step in a process designed to take serious account of employee opinions as they relate to strategy in particular, is accurately diagnosing the prevailing strategic approach in the enterprise and perceived practices, and then translating the feedback we gather into firm action to improve. To assist in this process, a set of intervention suggestions has been created for each of the five key factors (Finance, Assets, Controls, People and Systems).

Because it is impossible to apply a broad set of ideas or suggestions across every enterprise, careful analysis of individual results needs to be carried out. However, the following pages of suggested interventions (one for each factor) are offered as possible strategies that may be drawn upon (in their entirety or in part) where they are deemed to be appropriate or useful.

# Finance

**An on-going and dynamic planning and resourcing process is in place to maintain and grow income (and profitability) and effectively control organizational costs**

## **Low performance**

- Revenue or profit from customers for existing products and services is not consistent or even falling
- Product and/or service marketing strategies have varying levels of success
- Employees are not encouraged to identify new and different ways to create new revenue
- The enterprise sales organization is not as effective as it could be
- Overall returns on investment from the organization's efforts are lower than average market returns
- Overall enterprise wide expense control targets are poorly understood
- Cost budgets are assembled with insufficient care and consideration across the organization
- Teams and departments do not build their annual budgets from a zero base each year
- Cost overruns are not taken seriously enough and consequently dealt with ineffectively when they occur
- Cost or budget reporting is sporadic and/or poorly done

## **Suggested interventions**

1. Carefully analyze the overall consistency of the different revenue and profit streams that occur each month, quarter or year and assess how much of this is recurrent or is created 'afresh' each period. Use the data to discuss whether different efforts or targets need to be established.
2. 'Benchmark' the marketing strategies and plans of successful organizations that operate outside your competitive sphere and seek to incorporate any ideas that are likely to work well in your enterprise.
3. Find a range of ways in which employees at all levels can identify ways in which new income can be earned, net margins increased or costs reduced.
4. Develop a number of different performance indicators to assess sales force success in terms of achieving and exceeding earnings or net margin targets.
5. Regularly assess enterprise profitability and return on investment (at group or departmental or product line level as appropriate) against competitors and market 'norms' and openly discuss change strategy or tactics wherever necessary.
6. Seek to ensure that profit and cost center managers, and other nominated individuals, have a sound understanding of managing cash flows in the most positive ways possible.
7. Invite a cross-representational group of employees to meet and discuss potential improvements to the organizational budgeting process to help make it fairer and more effective across the whole enterprise.
8. Consider running training seminars on 'zero-base' budgeting techniques for all profit and cost center managers in the organization.
9. Audit profit and cost center manager's attitudes to any cost overruns when they occur, and use the information gathered to determine whether individuals have the necessary skills and methods to address the problems that they encounter to get back quickly on track.
10. Where possible, look to standardize the methods of cost reporting that are used across the enterprise to make it easier to carry out and more helpful to everyone.

# Assets

## **A comprehensive system is in place to maximize the utilization of existing or new assets (whether they are tangible or intangible)**

### **Low performance**

- *Purchasing policies and procedures are confusing, poorly written and not easily accessible*
- *Partnering relationships with the major suppliers to the enterprise are few or non-existent*
- *Bids or tenders for goods or services are inadequately analyzed before final purchasing decisions are made*
- *Purchased goods and services are not rigorously checked for quality before being accepted*
- *The major physical and tangible assets of the enterprise are not fully appreciated*
- *Specific utilization plans do not exist for the key assets within the enterprise.*
- *"Make or buy" decisions are rarely calculated when assets need to be replaced*
- *Asset life cycle costs are not well understood by managers in the enterprise*
- *Necessary changes are rarely made when periods of low asset utilization occur*
- *Process cycle time is measured infrequently across the enterprise*

### **Suggested interventions**

1. Review all overall purchasing policies and procedures that exist within the enterprise and check to ensure that they are complete, clear and readily accessible to all those that need to use them.
2. Carefully evaluate how products or services (large or small scale) are actually purchased in different areas of the enterprise and whether there is scope for greater consistency in terms of quality of approach.
3. Identify the major suppliers with whom your enterprise does business and seek to build closer partnering relationships to help optimize the provision of goods and services (in terms of quality, delivery, price etc).
4. For significant purchase decisions, seek to develop and consistently utilize comprehensive bid or tender evaluation templates or frameworks to ensure that high quality standards are applied each and every time.
5. Develop checklists of the major criteria by which the supply of all major assets and other purchases should be judged or assessed (to help extend the focus beyond cost alone).
6. Systematically ensure that all line managers and other purchasing decision-makers understand the cost of ownership of an asset over its full life (and not just the initial cost of acquisition).
7. Review internal quality standards and targets (for delivery, service performance, safety, billing accuracy etc) to ensure that purchased goods or services meet minimum expectations on a consistent basis.
8. Educate all employees to readily understand which are the key assets (tangible and intangible) within the organization, and how much they add value on an on-going basis.
9. Develop training and awareness programs to educate all employees about asset utilization strategies and methods.
10. Create time for teams of individuals to properly measure process cycle time at frequent intervals and look for opportunities to make improvements.

# Controls

**Well-designed and documented control methods and risk management processes are in place to ensure that the whole organization performs efficiently and effectively at all times.**

## **Low performance**

- *Major processes within the organization have not been fully mapped and proceduralized*
- *Effective policies and procedures have not been fully developed for all financial processes and transactions within the enterprise*
- *Important areas such as service, quality and risk management are poorly covered by policy, procedures and standards.*
- *Policies, procedures and standards are rarely kept fully up to date for all major processes*
- *Document back up systems and electronic storage processes systems are not in place and/or working effectively*
- *The major external competitive threats to the enterprise are rarely properly understood*
- *Risks and hazards are infrequently assessed on a formal basis at all levels*
- *Internal audits are not a regular part of organizational activities*
- *A well designed control system is not in place at all levels*
- *The organization infrequently uses external audit frameworks or standards to ensure that it maintains best practice approach*

## **Suggested interventions**

1. Look to map the major processes that operate in key work areas and evaluate how efficient or effective they seem to be (in cost, administrative difficulty, cycle time etc).
2. List all the major financial processes that are critical within the enterprise (such as collecting revenue, controlling expenses, delegations of authority etc) and take steps to ensure that clear policies and procedures for each of these are written and disseminated to all profit or cost center managers and other key individuals.
3. Evaluate the existence of policies, procedures and work instructions for areas such as service, quality and risk management, and fill any gaps, or re-write existing documents where they are not clear or are confusing in some way.
4. Seek out all policy inconsistency or duplication in different parts of the enterprise and look to standardize the approach taken as much as possible.
5. Formally audit the systems that are in place to update policies and procedures when changes occur (and address any problems encountered).
6. Critically review document and data back-up processes (electronic and non-electronic) to ensure that the consequences of any loss are minimized.
7. Train managers and other selected employees in risk assessment methods and techniques.
8. Encourage hazard analysis reviews to take place in all major situations where significant change projects are being considered.
9. Actively build a positive system of internal audits to be regularly undertaken in the enterprise (auditing project performance, safety effectiveness, information systems performance, legal compliance etc).
10. Assess the value of several external audit frameworks that can help the enterprise to systematically perform more efficiently and effectively in the medium to long term.

## People

**Well-developed and constantly evolving plans are in place to ensure that people are appropriately organized, given adequate resources to do their job and feel motivated and committed to perform to the best of their ability**

### Low performance

- *The organization structure is inefficient and/or ineffective*
- *People are generally organized poorly to achieve the goals of the enterprise*
- *Organizational 'bench-strength' (or overall talent, ability and potential) is not well understood*
- *An effective and efficient human resource planning system is not in place*
- *People do not have ready access to the resources they need to do their jobs effectively*
- *Individuals at all levels are insufficiently empowered to give of their best to the organization and its customers*
- *Infrequent effort is invested by management of the enterprise to motivate employees*
- *Individual and team goals are poorly and/or inefficiently linked to overall organizational strategy*
- *The organization does not actively encourage and promote teambuilding and teamwork*
- *Individuals are inadequately rewarded and recognized for achieving individuals and team goals*

### Suggested interventions

1. Constantly assess the appropriateness of the organizational structure to ensure that spans of control are appropriate but also that people can be flexibility deployed to parts of the enterprise where the needs are greatest.
2. Set up efficient and effective on-going data gathering processes to help determine whether people have the overall talent and ability needed to perform their jobs effectively (and note where specific and common gaps or problems appear to exist).
3. Give serious consideration to designing a full human resources audit and planning system that helps to assess the on-going appropriateness of the organizational structure, overall bench-strength and key role succession needs.
4. Evaluate the existing performance management system to determine whether it is positively regarded and effective (and make whatever changes emerge to be necessary).
5. Identify specific opportunities to help to empower people to take decisions without reference to higher authority.
6. Conduct regular and rigorous needs analysis exercises to identify training gaps or shortfalls.
7. Establish a climate in which teambuilding and teamwork is highly valued and ensure that managers and supervisors are given as much training as they need to create such a climate.
8. Regularly assess the organizational reward systems and determine whether they provide real incentive to people to give of their best.
9. Consider setting up a formal suggestion scheme to invite service or quality improvement ideas from people at all levels.
10. Take the time to recruit the best people to the organization but also afford new recruits and existing employees the opportunity to experience varied training and development opportunities each year.

# Systems

**Sound systems and processes are in place to ensure that the enterprise can efficiently and effectively provide the quality and service expected by its customers.**

## **Low performance**

- *Customer needs and expectations are infrequently surveyed*
- *The quality standards expected by customers are poorly understood*
- *Customer comments and complaints are rarely captured effectively (and therefore not acted upon positively)*
- *There is inconsistent effort across the enterprise to minimize process waste and re-work*
- *Process improvement activity occurs infrequently across the enterprise*
- *The key intellectual property of the enterprise is not well protected*
- *The organization uses ineffective and inefficient information technology to make key knowledge available where when it is needed*
- *Employees at all levels are rarely encouraged to be creative or innovative in performing their work*
- *Information technology systems rarely provide individuals with useful and easy to access data*
- *Employee knowledge is not effectively harnessed in the products, services and processes of the enterprise*

## **Suggested interventions**

1. Encourage widespread debate on the topic “The customer is our number one priority” and use the experience to encourage individuals and teams to question their current focus.
2. Invest time in analyzing specific areas of known service mediocrity or poor performance and develop goals to improve substantially.
3. Invite key customers to suggest or feed back how improvements to overall organizational performance could be made.
4. Review the whole system for handling customer queries and complaints to ensure that systematic problems are identified and quickly remedied.
5. Assess major process waste and re-work in the organization and develop plans to tackle it systematically.
6. Develop a ‘knowledge management’ strategy to ensure that team and organizational knowledge is protected and can be leveraged to the greatest possible extent.
7. Look to train people in process analysis, process mapping and process improvement methods and techniques and give them time and resources to look at recurrent problems and issues within the enterprise.
8. Establish a formal process for collecting the improvement ideas of employees, suppliers and customers (and resource it fully).
9. Systematically review the knowledge, experience, data and resources that exist in teams and the across the entire organization (and determine how it is to be protected).
10. Encourage individuals to freely bring enterprise performance issues or concerns to the attention of organizational leaders so that these can be openly discussed and appropriately addressed.