



ENABLING A HIGH PERFORMANCE ORGANIZATION

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Managing and improving overall corporate performance can be challenging at the best of times. In a recessionary economy, it can prove to be an insurmountable task. Revenue may be flat or shrinking while at the same time, your cost structure may be increasing. This results in pressure on your bottom line and profitability. As a key business leader, you must instill a culture of high performance and take action now! Business Intelligence is the technology enabler to support improved corporate performance. With clear sightlines to trends, history, and patterns of performance, you will be more confident making key business decisions and organizational changes.

There are a few key elements to enabling a “performance culture.” First, organizations focused on performance understand and treat information as an asset and believe that sharing this valuable information throughout the organization can be a competitive advantage. We sometimes see organizations with one or two employees who are the “information hoarders” — those who lock down key corporate data on their laptops, acting as gate-keepers to that data and not recognizing that transparency and open communication foster the development of new ideas to improve performance. If this data were shared, perhaps an analyst could spot a trend of historical data that predicts a negative trend in future performance — there would be time to course-correct. In addition, executives throughout the organization could spend more time discussing and analyzing what matters most to their business — those key indicators that truly drive performance. All because information is treated as a corporate asset and shared accordingly.

Next is accountability. High performance cannot be enabled unless every team member within an organization has a level of personal accountability towards achieving the results. A results-based company clearly identifies and communicates strategic priorities, key company targets, and goals, holding every member of the organization accountable to achieve these targets. Access to timely, accurate and trusted information will drive accountability to those responsible — there will be nowhere to hide with timely information enabled through a business intelligence environment. However, some organizations and employees are afraid of this increased accountability.

Alignment is the third element to achieving a high performing organization. Both vertically from top executives to front-line staff and horizontally between business units/divisions, all

employees must be aligned to executing corporate strategy. Why should employees perform work that is not aligned to achieving the major goals of the organization? Strategy maps are sometimes used to provide a macro view of performance, aligning company objectives with the strategic planning process (you cannot manage what you cannot measure.) The best practice alignment strategy is to start at the top with the mission of the company and its related strategic objectives. Once the key performance indicators have been identified and prioritized, they are cascaded throughout the organization. For example, the President/CEO may focus on five key metrics that drive overall corporate performance and for which he/she is responsible to the shareholders or Board of Directors. Each Vice President would be responsible for five or six key metrics that align with and support the CEO’s key indicators. As these key indicators are cascaded throughout the organization, Directors, Managers and front-line staff would all have responsibility for their own metrics. A high performing organization ensures alignment of these key indicators, both vertically and horizontally throughout the organization, to ensure laser-like focus on executing strategy.

In the absence of any (or complete) information, decisions are often based on gut feel, rule of thumb, intuition, or experience. While companies do need to leverage their experienced management team, they would be wise to balance this type of experience-based decision-making with a more structured and proven approach to evidence-based decision making, which is the fourth key element to a high performing organization. This may include understanding customer satisfaction, customer profitability, and customer retention all sliced and diced by time, location, customer type, contract, type of service/product, etc. A good decision may be defined as one that helps an organization move closer to achieving its corporate goals and objectives; measuring this progress to goal attainment is key. Business Intelligence provides the speed, confidence, and agility to improve corporate decision making processes.

With Business Intelligence, each user has the means to see how their decisions and actions impact overall company profitability, and indeed have the ability to monitor the execution of stated strategic priorities through scorecarding. The figure on the following page is an example of a dashboard that includes scorecards measuring actual performance to target, along with an indication of trends based on history. A scorecard helps “manage” performance, showing progress toward strategies,

goals, and objectives by using key performance indicators. A dashboard helps “monitor” performance, consolidating and arranging measurements and sometimes scorecards on a single screen so key information can be monitored at a glance. Dashboards may also include key reports that have drill-down capability to analyze detailed performance and enabling course-correction as needed, all in a timely and trusted manner that is aligned to strategy. In addition to directly impacting costs, revenue and ROI, an improved decision-making framework reduces the risk of key knowledge or information leaving the organization through employee turnover. Routine or recurring management decisions can be improved by using Business Intelligence in ways that capitalize on the availability of information and the ability for repeatable decision processes where appropriate. Giving staff the means to make better decisions results in an agile organization focused on driving improved performance.



Many organizations realize too late that their performance is suffering and that they will miss targets set and agreed to at the start of the year. Weeks after quarter-end, many executives are still trying to figure out where things went wrong and why. Sometimes they never know the answer. A performance management culture eliminates the guessing and provides timely access to trusted information, all enabled through Business Intelligence. Proactive organizations recognize the need to have a reporting strategy and solve business pain early before it results in negative performance. You may recognize some of these business pains:

- The need for single truth data.
- A need to reduce the manual effort in data gathering/preparation of reports.
- The need to respond faster to new business opportunities.
- Achieving Operational Excellence and process efficiency.
- Desire to have an empowered and engaged workforce.
- Need for integration and standardization of information, perhaps as a result of acquisition or organic growth.

- Lack of evidence-based decision making (too much gut-feel).

- Lack visibility to both leading and lagging performance indicators.
- Need for common definitions, calculations and business meaning for key metrics.
- IT may not be adequately meeting the information needs of the business.

Diagnosing your performance management capabilities usually begins with a Business Intelligence

Strategy. This includes assessing organizational readiness and maturity for Business Intelligence, understanding the current state decision making framework and data environment, identifying the ideal future state, recommending best practices, and developing a road map to begin the journey to improved performance.

In summary, achieving a performance culture that drives growth and profitability requires organizations to:

- Treat data as a corporate information asset.
- Ensure that every employee is results-driven and held accountable for actions and decisions.
- Ensure that clear laser-like focus and alignment exists both vertically and horizontally throughout the organization.
- Ensure that a decision-making framework that balances experience and intuition with evidence/data is part of the organizational DNA.

Only then will a culture of performance management change the behaviour in ways that deliver improved results and a competitive advantage to your organization.

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