

Governance Alignment Program

New Breakthrough in Organizational Effectiveness

With the explosion of corporate mergers, acquisitions, right sizing, and the evolution to e-business, companies must execute dynamic corporate strategies to successfully adapt and maintain their competitive advantage. The agility and speed with which a company moves into new markets often dictates market penetration that drives position and profitability.

A company's success is incumbent upon effective strategy execution although it remains elusive in most situations. Organizations invest a great deal of time and money creating strategic plans to gain market leadership, yet the best crafted strategic plans are rarely executed. Some anecdotal evidence cited by industry experts includes:

- 90% of all companies fail to execute strategy successfully
- 86% of executive teams spend one hour per month discussing strategy
- 60% of organizations don't link budgets to strategy
- 25% of managers have their incentives linked to strategy
- 5% of the workforce understands their company strategy

Strategy that is not communicated effectively and linked to the individual will fail to provide effective guidance to the business. As a result, organizations are constantly setting and resetting their business plans. With the ever-changing economic climate and competitive pressures weighing on the organization, enterprises are choosing to not only plan more often but also keep track of their performance with a growing number of Key Performance Indicators. (Figure 1)

Keeping track of this burgeoning set of performance expectations and making certain everyone in the organization is focused on only those activities, which drive successful completion of targets, is the daunting task. Thus, companies increase their frequency of planning to monitor performance and communicate improvement recommendations, which impacts productivity.

Planning Frequency	> \$100 million	\$100M to \$1B	Over \$1B
Once per Year	19%	25%	34%
Twice per year	9%	15%	21%
Once per Quarter	40%	32%	23%
once per month	27%	19%	20%
other	5%	9%	2%

Key Performance Indicators	> \$100 million	\$100M to \$1B	Over \$1B
Fewer than 5	52%	31%	31%
5 to 9	26%	29%	21%
10 to 14	10%	12%	19%
over 15	5%	18%	18%
Unknown	7%	10%	11%

Figure 1

Regularly missing from the equation is an executive decision support tool that facilitates timely communication of results to the entire organization. As an organization chooses to track its performance over greater and greater numbers of key performance indicators, as many do, real time reporting capabilities become critical.

Enterprises historically have attempted to measure, monitor and manage performance in a piecemeal fashion via a myriad of disparate business applications. Invariably, they will fail to meet their strategic goals, according to a recent Gartner Group study.

Companies have traditionally relied on legacy ERP or HRIS systems for the basics, which were not designed to support the sophisticated needs demanded by a company seeking to monitor strategy execution with their IT infrastructure. This approach has proven to be limited in effectiveness since it cannot provide the framework for organizational alignment nor linkages that inspire teamwork. In today's economic climate, businesses need to transformation into an agile enterprise able to meet changing competitive requirements. This compels the organization to abandon their "siloed" approaches of the past for the more strategic and holistic approach.

The answer to these challenges is Governance Alignment Program (GAP™). It is a holistic approach, which includes all the methodologies, metrics, processes and systems used to monitor and manage enterprise wide business performance. True GAP™ links once disparate points of an enterprise from top

to bottom, internally as well as externally, in a collaborative commerce supply chain and insures that each business unit is aligned to the enterprise's strategic corporate objectives.

Solution Requirements

As a company embarks on its mission to achieve its stated goals, it must align and manage its vast resources. The organization's key assets include:

- Employees – The very essence of the organization, its human capital upon which it relies to deliver its value proposition. Without proper management of one's employees and the development of their skills, the job cannot be completed.
- Processes – The step-by-step instructions that insure a company can successfully deliver its product or service. Processes are defined and documented for several key reasons:
 - Enable repeatable delivery of service quality
 - Enable predictable product outcomes
 - Compliance with mandated regulations
 - Insure pre-determined financial performance
- Resources – All organizational resources without exclusion. This includes; technology resources, products, brands, distribution channels, value chain components and members, partners, geographic locations, employees and processes.

Without proper identification, alignment and management of these assets, organizations limit their ability to manage all the elements within their control to achieve their goals. True competitive advantage can only be derived from utilizing all the corporate resources in a focused and effective way.

Current Solutions

All the participants currently in the market only focus on a subset of what would be a complete solution. The competitors fall into two primary categories. The first group is the traditional ERP and HRIS vendors. These systems are focused on back office transaction processing, which have limited value considering the current market demand for a holistic GAP™ solution. None of the leading vendors provide strategic organizational alignment, balanced scorecard support, performance management and process integration in one complete offering.

The other competitors are second and third tier players. They focus either on performance management or balance scorecard. These performance management products are narrowly focused. They concentrate strictly on employee performance objectives measurement and assessment functionality.

All the available alternatives focus on one or two of the four areas required for complete GAP™ support. No product on the market today provides a comprehensive approach to connect the entire organization to strategy enabling initiatives and the supporting processes as well as real time reporting mechanisms for up to the minute performance statistics at the individual, group or corporate level.

Unique Approach

GAP™ is an innovative application derived from real world, proven management principles. GAP™ product is comprised of four key interdependent modules that work seamlessly to strategically align the organization.

The key benefits contained in the offering include:

- Strategy & organizational alignment visually displays the correlation of objectives to core initiatives from top to bottom for all personnel
- Visible linkage is shown between the organizational alignment and the work effort involved in achieving key performance indicators
- Performance management establishes goals and tracks achievement of those goals in the context of the process in which they reside
- Executive scorecard outlining the KPI's provide timely communication and true decision support

GAP™ Certified Consultants has a long-term vision for the evolution of this revolutionary technology. The goal is to continue providing innovation and thought leadership through additional product enhancements scheduled within the current product release roadmap.

Consulting Support

To maximize the benefit of GAP™ in the shortest period a company must have an existing, documented strategy. Since many companies do not have their strategic plans formalized, GAP™ Certified Consultants offer consulting services that help the organization formally express and document their strategic initiatives across the organization.

This strategic planning consultation typically involves:

- An initial review of the status of the corporate strategy,
- A strategic planning workshop, and,

- A session to insure all information is ready to be populated into the software.

GAP™ offers a unique solution with interviews to define and document strategic goals. The company's organizational development experts created this unique blend of technology and consulting to accelerate the implementation process of this advanced application.

Complete Solution

Once the company's strategic goals are established, GAP™ now begins to assist executives and managers to seamlessly align, integrate, track, monitor and report on their dependent goals established at the associate, group and company level. The interdependent modules take the user through a step-by-step process. These include:

Align Resources Assign Goals Assess Performance Achieve Results

Alignment module assists in the identification of team members through the eyes of an associate, identifying roles, responsibilities, and reciprocal relationships for each team member.

Assignment module guides the user to define the Key Performance Indicators that will be measured. Weighted goal metrics are then assigned to each associate and to groups to establish goal dependency for each team member along with expected behaviours.

Assess module provides feedback in the form of notes from a manager to any associate. These can be sent on a subject, goal set, category or a specific goal to alert the associate of corrective actions or of positive reinforcement. The module also serves as a repository to assist in the review process.

Achieve module offers an executive dashboard summary and detailed trend analysis view of business metrics for the company, business unit and individual. With under performance alarmed and over performance highlighted, this real-time view gives executives a tool to monitor and drive their business.

Compelling Value Proposition

No other product offers this comprehensive feature set allowing executives to proactively manage change and drive continuous process improvement actions. GAP™ enables management teams to effectively execute strategy by monitoring and measuring the performance of the people and the business processes that impact the organization's ultimate success.

Demonstrable value is created for the enterprise, derived from the following areas:

- Rapid identification of poorly performing business operations, allows quick management intervention to remedy the operational challenges and rapidly bring the ailing function back into performance expectations
- Greater visibility into the operation and timely information delivery enables faster and more accurate decision making
- Integration of transactional data with business activity tracking and methodologies improves overall enterprise systems effectiveness
- Improved visibility of key performance data leads to long term strategic benefit and best practice sharing
- Productivity enhancements from individual goals and actions being aligned with strategic objectives and initiatives

Early enterprise adopters have experienced tangible benefits from this type of technology. They are rapidly able to respond to changing business and customer needs, leading to competitive advantage and ultimately to increased shareholder value.

Strategic Vision

GAP™ Certified Consultants envisions a robust business solution built on advanced technology that will continue to evolve to meet the needs of changing and dynamic businesses through the integration of advanced technology. Advanced technology to support task presentment and task completion notification, for example, will integrate the latest technology to insure process compliance.

Strategy/Balanced Scorecard

GAP™ Certified Consultants provide a rich set of blueprints and best practices to help clients reach their potential.

Summary

Customers seeking competitive advantage, demand a product that will enable them to execute strategy and monitor, in real time, the progress against success targets. Industry analysts are providing further reinforcement of this market demand and insist the developing leader must provide a comprehensive offering to successfully dominate the market.

With its unique architecture, GAP™ is exactly the product they are describing. It is successfully deployed leveraging a cost-effective ASP platform and is proving

its value contribution to the customers eager to embrace this visionary product. The expected returns and rapid business improvements have been remarkable in the short time the software has been in these operations.

There is not a product on the market today which provides such a comprehensive approach with tightly integrated software and services offering, that enables a company to concentrate on the critical business drivers that produce real value by aligning the entire organization around core business initiatives. The combination of these key elements provides the mission critical support to assure alignment of individual goals and real-time results reporting.

No single vendor has yet to provide a solution connecting all the individuals in the organization to both the strategy enabling initiatives and the supporting processes along with a reporting mechanism for up to the minute performance statistics at the individual, group or corporate level.

Until now.