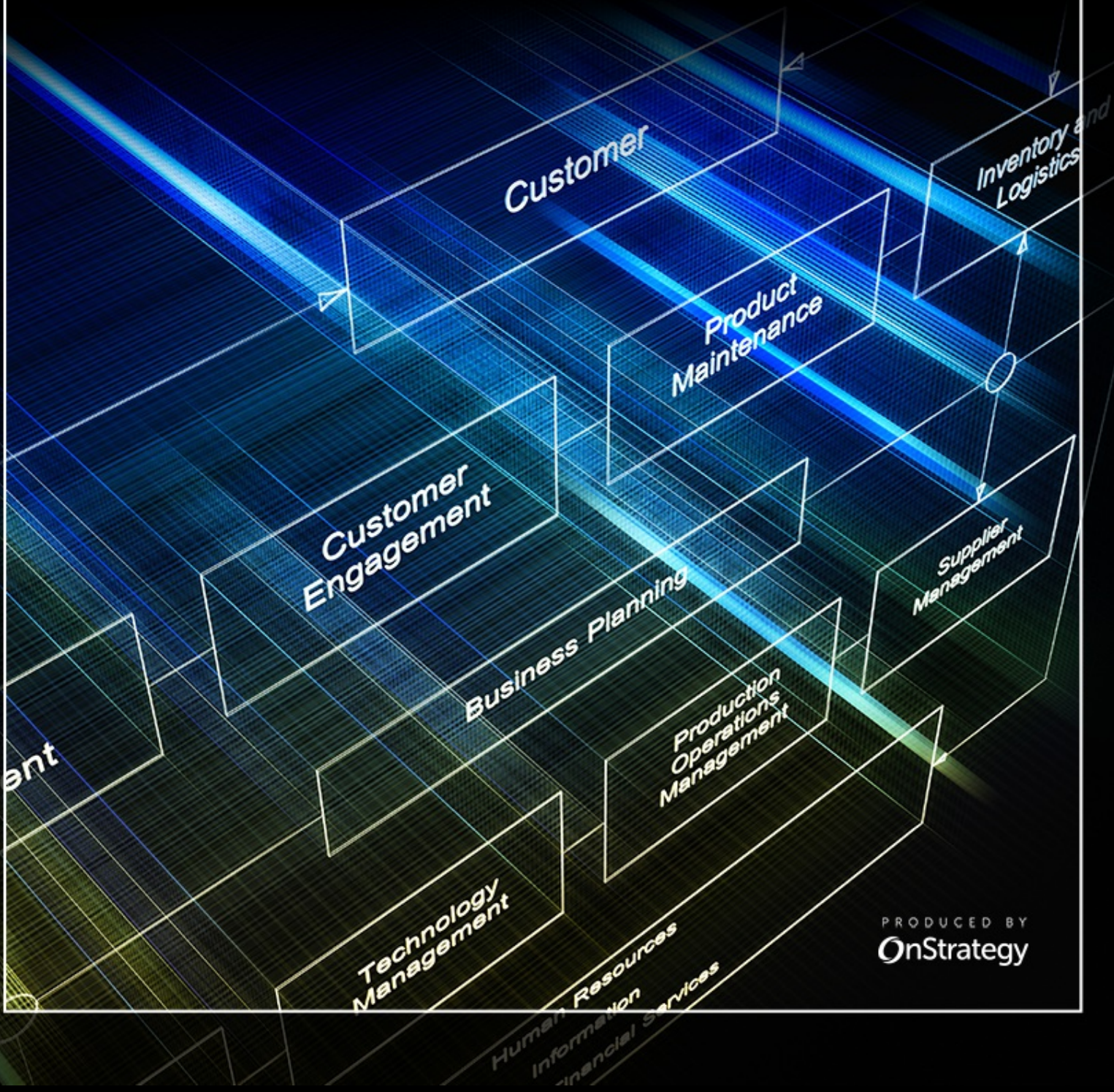


Strategic Performance Index

OnStrategy

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OnStrategy

Introduction & Purpose

The Strategic Performance Index is a leadership assessment measuring organizational success across key areas of growth, viability and sustainability. Individual strategic competencies are aggregated into a Strategic Performance Index. The index is a measurement of leadership's perspective of strategic performance across six success factors universally recognized as contributing factors essential for effective strategy design, implementation and ongoing performance management. These success factors include specific organizational competencies within: market awareness, organizational vision, financial health, customer development, process improvement and the management of human capital.

Utilizing a survey-based methodology, the Strategic Performance Index and associated Success Factors measure perception across 17 unique Strategic Competency Areas associated with the competencies required for the successful creation and execution of highly-effective organizational strategies. The associated competencies are universal. They are relevant to for-profit companies, non-profit organizations, educational and government entities.

An organization's Strategic Performance Index and measurements across the six Success Factors and underlying Strategic Competencies are used as an effective tool for measuring alignment and dispersion among the perception of an organization's leadership team.

- Is the leadership team aligned on vision, mission and values?
- Is there consensus around the organization's competitive advantages and its ability to identify, retain, and build customer relationships?

In this capacity, the Index is a vital tool for identifying areas of opportunity, alignment and consensus-building prior to initiating Strategic Planning competencies.

The Strategic Performance Index and associated measurements are also a benchmarking tool. It establishes a benchmark for comparing individual organizational performance against the performance of similar organizations defined by size, industry or trade. As a benchmarking tool, these measurements identify areas of strength and opportunity. The information is a useful starting point and should be combined with additional strategic insight prior to strategy design, including environmental analysis, customer insight, employee insight, market trends and operational considerations.

Using the Report

This report is grouped by six critical success factors required for achieving organization-wide success in effective strategy design, implementation and ongoing performance management.

Success Factor #1, Market Awareness: A deep appreciation of an organization's orientation within the markets served is essential for identifying best options for growth and sustainability. Evaluating your current market position and your target market will help you develop strategies and find clear avenues to reach target markets better and more effectively.

Associated strategic competencies include:

- Depth of environmental, competitive and market knowledge.
- Customer understanding.
- Understanding of true competitive advantage.

Success Factor #2, Organizational Vision: An organization's collective vision articulates a preferred future or an ideal state. It is a shared expression of optimism, which defines the future and the end result when the future-state is achieved.

Associated strategic competencies include:

- Sense of core purpose.
- Embedded core values.
- Crystal clear future direction.

Success Factor #3, Financial Health: Financial health is defined by your organization's ability to identify, manage and grow profitable revenue streams. An organization's financial health and sustainability is the ultimate reality check on an effective strategy and the execution of it.

Associated strategic competencies include:

- Revenue growth.
- Profitability improvement.

Success Factor #4, Customer Development: Customer development is an organization's ability to identify, build and retain relationships necessary to achieving an organization's strategic objectives and organizational goals.

Associated strategic competencies include:

- Customer acquisition.
- Customer retention.

Success Factor #5, Continuous Process Improvement: Internal process improvements are integral in measuring an organization's ability to effectively design, implement and manage ongoing performance associated with strategic initiatives. High-performing organizations invest energy to understand why things happen and apply the knowledge to eliminate, improve, or create new processes for driving organizational success.

Associated strategic competencies include:

- Innovation and operational excellence.
- Technology capabilities.
- Execution readiness.
- Organizational communication.

Success Factor #6, Human Capital Management: Human capital is an amalgamation of an organization's inherent talent, skills and knowledge required to effectively deliver against an organization's mission. Investing and nurturing an environment, which develops human capital aligned to the requirements of effective strategic management is a competitive advantage often separating those who succeed and those who don't. Ultimately, great strategy execution only happens when the right skills and capabilities are organized and aligned to the right strategic direction.

Associated strategic competencies include:

- People expertise and organization.
- Culture of learning and growth.
- Strength of leadership.

Understanding the Success Factors

Your organization's performance against each Success Factor is determined by measuring achievement of the 17 corresponding Strategic Competencies. Determining achievement of a Strategic Competency Area is measured by assessing specific competencies within each area. It is these competencies, which formulate the questions used within the survey assessment.

During the survey assessment, respondents are asked for their perception of performance associated with each activity. An analysis of survey responses by M3 Planning generates an aggregate score for each Strategic Competency. Your individual Strategic Competency score, a benchmark against similar organizations, and overall ranking is provided for quick reference to areas your organization is performing well and to those areas needing additional investment.

For each Strategic Competency, OnStrategy provides recommendations for improving organizational performance. Suggested actions are not exhaustive. Rather, they are provided as examples or a basis to discuss possible corrective actions. Tips for using OnStrategy as an organization-wide platform for strategy design, implementation and ongoing performance management are also provided.

Interpreting the Data

The Strategic Performance Index is a preliminary exercise, which is helpful in identifying the unique strategic position of your organization. Benchmark scores and suggested actions should supplement additional organizational initiatives to identify, validate and act upon genuine organizational strengths and areas of opportunity.

Additional input from staff, employees, and customers or constituents should also be considered. Certain scores within the Report may suggest additional assessments should be undertaken to develop a more thorough perspective for rectifying a problem area.

OnStrategy Strategic Performance Index Summary

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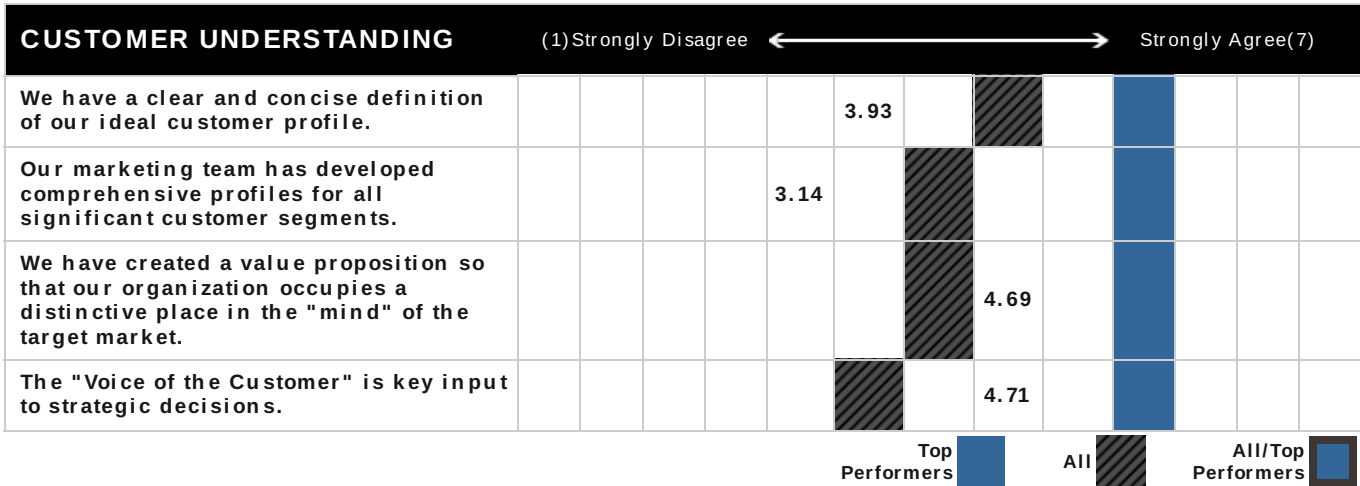
Performance Across Each of the Success Factors	YOUR SCORE	TOP PERFORMERS	DIFFERENCE
Overall Strategic Performance Index	310.83	333.2	-22.37
Market Awareness			
Depth of Environmental, Competitive and Market Knowledge	22.62	26.2	-3.58
Customer Understanding	16.47	22.8	-6.33
Understanding the Competitive Advantage	15.49	17.3	-1.81
Organizational Vision			
Sense of Core Purpose	19.14	17.3	1.84
Embedded Core Values	18.43	16.8	1.63
Crystal Clear Future Direction	15.93	15.7	0.23
Financial Health			
Revenue Growth	18.91	22.4	-3.49
Profitability Improvement	12.87	15.8	-2.93
Customer Development			
Customer Acquisition	14.64	16.3	-1.66
Customer Retention	18.07	22.6	-4.53
Continuous Process Improvement			
Innovation & Operational Excellence	23.98	28.3	-4.32
Technology Capabilities	14.42	16.4	-1.98
Execution Readiness	24.64	21.8	2.84
Organizational Communication	17.57	16.5	1.07
Human Capital Management			
People Expertise & Structure	20.22	21.4	-1.18
Culture of Learning & Growth	19.14	18.1	1.04
Strength of Leadership	18.29	17.5	0.79

Green (Top Performers): 356 and above

Yellow (Mid Performers): 191-355

Red (Bottom Performers): 190 and below

Benchmarked against similar organization's you are in the top 93.29 percent.



Your Score	16.47
All Scores	17
Top Performers	22.8

4-13 - Red

Organizations are wildly successful because they constantly exceed their customers' expectations. Before proceeding with strategy creation, seriously consider conducting a customer insights assessment to identify key needs, wants and value you are providing to your primary customer groups. If you have other red areas within Phase One, ignore them for this cycle and focus on bringing the "Voice of the Customer" into your planning process.

14-22 – Yellow

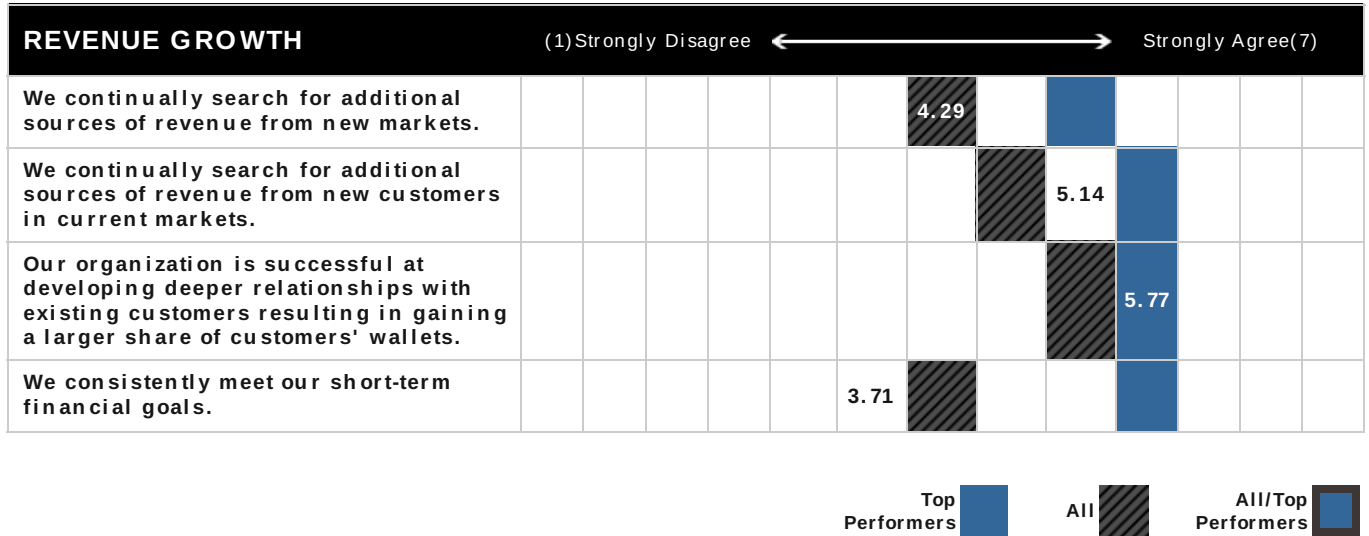
Your organization has the basis for conducting the strategic competencies in customer understanding. Here is how to improve them. If you have current customer insights, use that data to develop or refine customer profiles for your primary customers to include well-articulated value proposition for each customer segment. If you don't have current customer insights, see the suggestions under the "red" category.

23-25 – Green

Organizationally you have a strong knowledge of primary customer segments and their needs. Use your current customer insights data to identify strengths, weaknesses, opportunities and threats - populating your SWOT. Build out your customer profiles to include an identification of target market strategy - market penetration, market development, or product/service development.

Success Factor #3: Financial Health

Financial health is defined by your organization's ability to identify, manage and grow profitable revenue streams necessary to effectively build and retain customer relationships. Regardless of the industry, for profit, non-profit, government or education, the financial health of an organization is imperative in executing against strategic objectives and goals.



Your Score	18.91
All Scores	18.4
Top Performers	22.4

4-14 – Red

Revenue growth overall is a weakness in your organization. Instead of tackling all strategic alternatives for improving revenue growth, select one or two areas to focus on this year. Identify these as potential goals/objectives in this upcoming plan.

15-21 – Yellow

Revenue growth is a mixed bag of strengths and weaknesses. Identify which is which by noting those competencies that are lowest scoring as weaknesses and those highest scoring as strengths. During your goal setting process, select one or two of the lowest scoring competencies as a strategic focus in this upcoming plan. As a tip – it is easier to grow revenue from existing accounts than it is to secure new ones.

22-28 – Green

Mark down revenue growth in the strengths column of your SWOT! Likely you are not pursuing both of the new revenue growth strategies (market penetration and market expansion) with equal effort. As a leadership team, determine which one will be the strategic focus in this upcoming plan.

PROFITABILITY IMPROVEMENT										
	(1) Strongly Disagree ← → Strongly Agree(7)									
When confronted with an important decision, we develop a thorough cost benefit analysis of the situation.							3.62			
We have developed (and maintain) a production process for goods/services that is very cost efficient.							4.17			
We have an effective cash management system.								5.08		



Your Score	12.87
All Scores	11.9
Top Performers	15.8

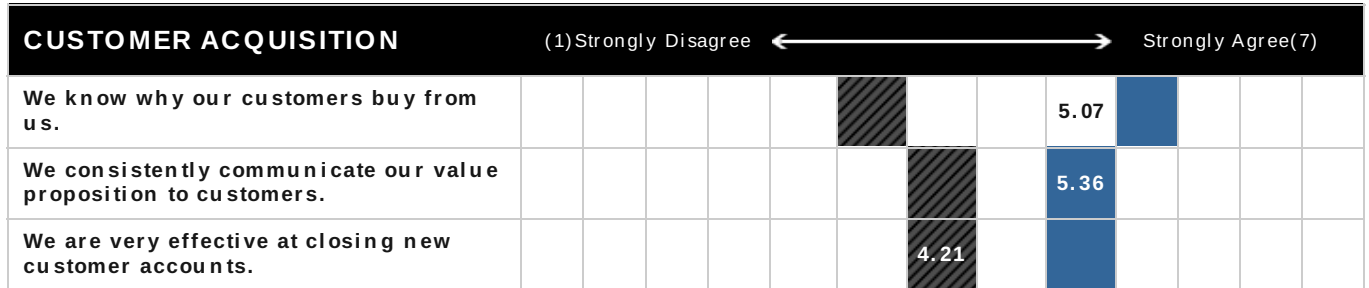
3-8 – Red
 Profitability is an area of weakness for your organization. Certainly the solutions to improving profitability can be found in the competencies listed here as well as in the “Operational Effectiveness” section below. Definitely make profitability improvement as a strategic focus in this upcoming plan by setting it as a corporate goal with clear end-of-year targets.

9-15 – Yellow
 While some of these competencies are being performed well, some could be improved resulting in an increase in profitability this coming year. Note those with high scores as strengths and those with low scores as weaknesses. Consider setting profitability improvement as a corporate goal in this upcoming plan with supporting action items in those areas that need to be improved as listed in the above grid.

16-21 – Green
 You have the right competencies in place to ensure profitability is maintained. Definitely note profitability as a strength. While you are doing all the right things, it’s likely you still want to improve profitability beyond where it is now. Depending how many other areas of focus you have identified in this assessment, consider setting profitability improvement as a corporate goal in this upcoming plan if you don’t have too many.

Success Factor #4: Customer Development

Customer development is an organization's ability to identify, build and retain relationships necessary to achieving an organization's strategic objectives and organizational goals. Success in acquiring new customers and retaining current ones is based on delivering a clear, market-based value proposition. Growth, the primary outcome of all strategic plans, comes from excelling in these strategic competencies.



Your Score	14.64
All Scores	12.2
Top Performers	16.3

3-10 – Red

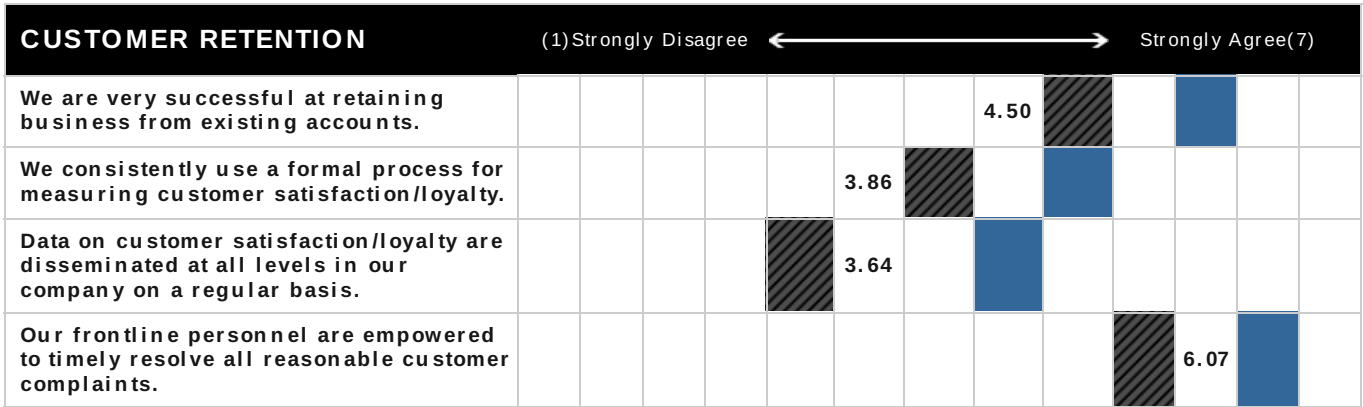
Customer acquisition is an identified weakness, which often has varied drivers that are industry and economically dependent. However, what you can prioritize this year is solidifying your value proposition to your primary customer segments as a means to turn this weakness into a strength. Set a corporate goal around new customer acquisition with a supporting and first action item to develop your value proposition for your top three customer segments.

11-15 – Yellow

For those items that you scored high, list them as strengths and those that you did not as weaknesses. Because all of these competencies are critical to effective customer acquisition, pick the one that is the lowest as a strategic focus for this upcoming year.

16-20 – Green

Customer acquisition goes in the strengths column of your SWOT! Take this to the next level by clearly identifying what your value proposition is for each primary customer segment as well as your segment specific strategy for growth – market penetration, market expansion or product/service development.



Your Score	18.07
All Scores	18.5
Top Performers	22.6

4-15 – Red

Getting close to your customer clearly needs to be a high-priority strategic area of focus for this upcoming year. Start by establishing your customer loyalty benchmark through a customer survey that includes questions about how well you are delivering on your value proposition. Push the results out to the whole organization and incite action through incentives linked to feedback from the survey. Need more information?

16-22 – Yellow

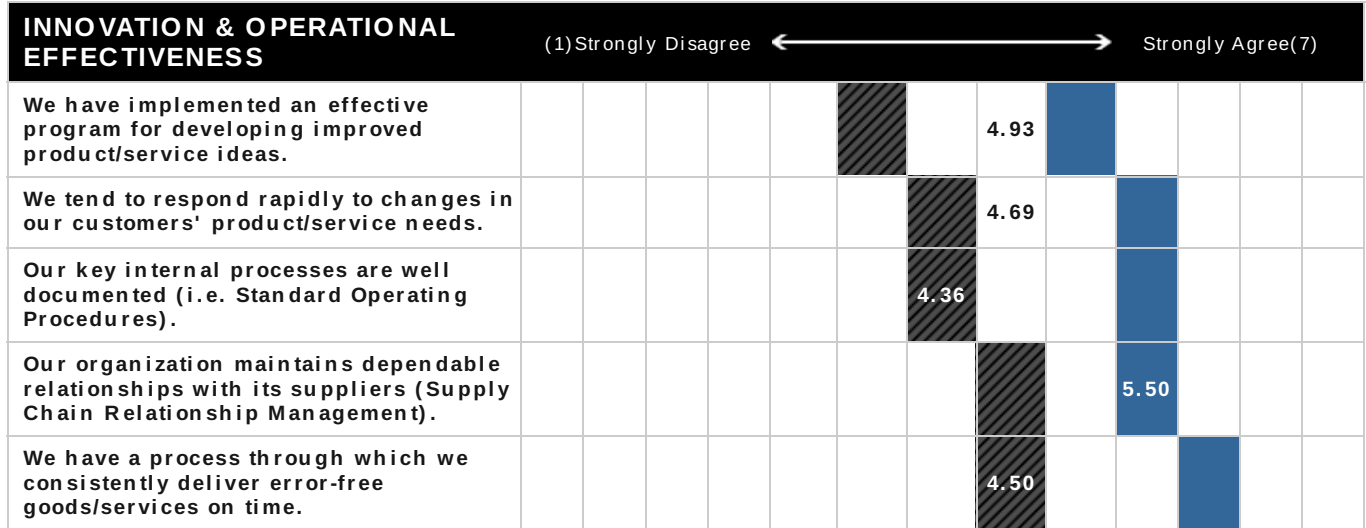
It looks like you are doing a good job at capturing the voice of the customer but not necessarily getting the results out to those who can directly and repeatedly affect change. Note customer retention as a strength and the internal process of disseminating that feedback as a weakness. Depending on the number of strategic focus areas, consider making this a corporate priority for next year.

23-28 – Green

Customer retention is a strength to be noted and celebrated! While you're doing great, there is always room for improvement when it comes to being more customer focused. Pick the lowest scoring activity as a strategic area of focus for next year's plan.

Success Factor #5: Continuous Process Improvement

Continuous process improvement is an ongoing effort to improve products, services, or processes supporting an organization's strategic objectives and goals. These efforts can seek "incremental" improvement over time or "breakthrough" improvement all at once. Delivery processes are constantly evaluated and improved in the light of their efficiency, effectiveness and flexibility.



Your Score	23.98
All Scores	22
Top Performers	28.3

5-15 – Red

In terms of innovation and operational effectiveness, both of these are weaknesses in your organization right now. While these are certainly two distinct sets of competencies, they are interrelated by way of being core to a well-run operation. Select either the innovation competencies (the first two items in the grid) or the operational effectiveness competencies to focus on in this year's upcoming plan. Set this area of focus as a corporate goal with outcomes that are leading indicators of your profitability.

16-27 – Yellow

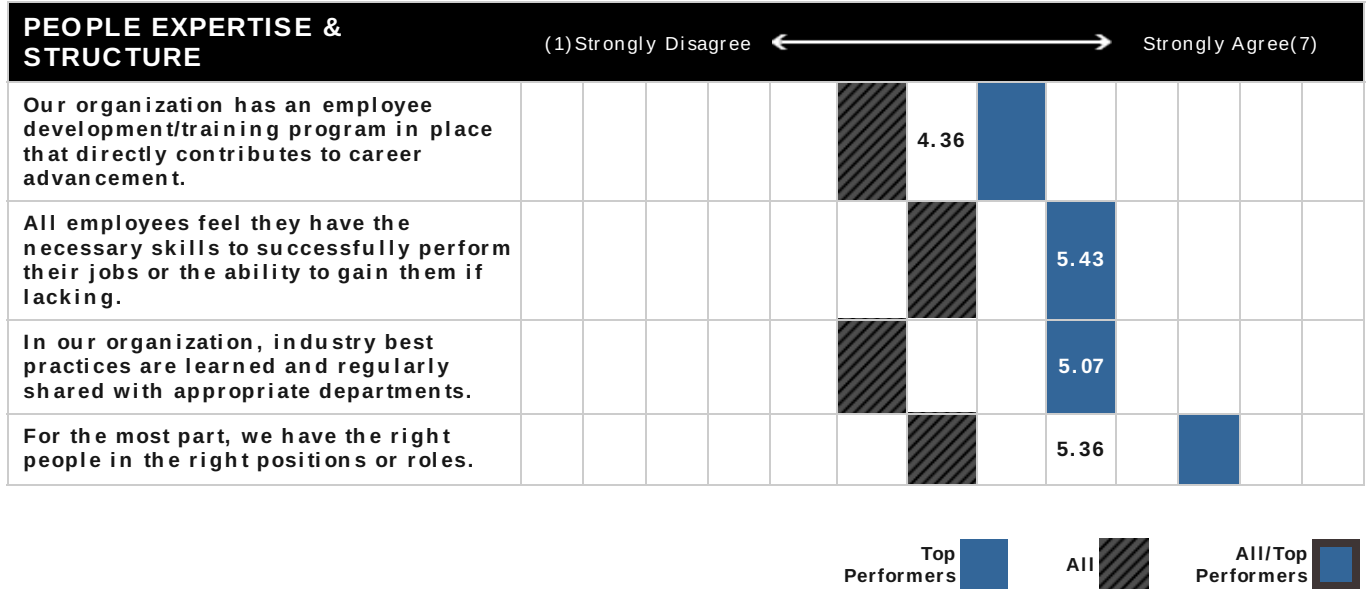
With cautionary performance in innovation and operational effectiveness, either one or both of these are weaknesses in your organization right now. Based on the scores, note which are strengths and which weaknesses to populate the appropriate competencies in your SWOT. Determine if the weaknesses identified will become a strategic area of focus after reviewing all of the possible areas to determine priority.

28-34 – Green

Great work in these two areas – note them both, innovation and operational excellence, as strengths in your SWOT. For this year, you can put these into maintenance mode allowing strategic focus to be placed in other high priority areas.

Success Factor #6: Human Capital Management

Human capital is an amalgamation of an organization's inherent talent, skills and knowledge required to effectively deliver against an organization's mission. Investing and nurturing an environment, which develops human capital aligned to the requirements of effective strategic management is a competitive advantage often separating those who succeed and those who don't.



Your Score	20.22
All Scores	15.8
Top Performers	21.4

4-12 – Red

Of all the possible areas of focus in this section, people expertise needs to be your highest priority. Low performance in these competencies is leading indicators to many of the other strategic competencies in this benchmark. Set this as a high-priority for this planning process. Select one or two of the competencies listed above to work on and establish them as corporate goals for next year's plan.

13-20 – Yellow

You're standing still in the area of people expertise – some competencies are working well and others are not. Identify those that are high scores as strengths and those with low scores as weaknesses. Turn this whole area into a strength next year by selecting the two lowest performing competencies as strategic areas of focus for next year. Does two feel overwhelming? Select one and hit it out of the park!

21-27 – Green

Your organization must be a great place to work! Congrats and note the competencies in this area as strengths. Depending on how the rest of this benchmark looks, you might consider either noting this area for maintenance or select the lowest scoring activity to improve.

PERFORMANCE METRICS	(1) Declined Substantially ← → Increased Substantially (7)									
	Our sales volume has:							4.07		
Our net profit has:						3.92				
The number of key accounts has:							4.38			
The percentage of the company's repeat customers has:								4.69		
Our operational efficiency has:							4.92			
The complaint level for our company's principal product/service has:						3.85				
The skills of our workforce that support corporate strategy have:									5.54	
Employee engagement in our company has:									5.86	

Top Performers
 All
 All/Top Performers

Your Score	37.23
All Scores	11.6
Top Performers	17.5

5-15 – Red

In terms of innovation and operational effectiveness, both of these are weaknesses in your organization right now. While these are certainly two distinct set of competencies, they are interrelated by way of being core to a well-run operation. Select either the innovation competencies (the first two items in the grid) or the operational effectiveness competencies to focus on in this year's upcoming plan. Set this area of focus as a corporate goal with outcomes that are leading indicators of your profitability.

16-29 – Yellow

With cautionary performance in innovation and operational effectiveness, either one or both of these are weaknesses in your organization right now. Based on the scores, note which are strengths and which weaknesses to populate the appropriate competencies in your SWOT. Determine if the weaknesses identified will become a strategic area of focus after reviewing all of the possible areas to determine priority.

30-34 – Green

Great work in these two areas – note them both, innovation and operational excellence, as strengths in your SWOT. For this year, you can put these into maintenance mode allowing strategic focus to be place in other high priority areas.

Respondent Demographic Information

Respondents: 15

Titles

Title	Count
Owner	2
Executive/C-Level	1
Senior Management	2
Individual Contributor	8
Other	2

Your Next Steps

Your Strategic Performance Index is a broad perspective of your organization's strategic effectiveness. Evaluate your individual score against each Strategic Competency. Consider focusing on the top two largest negative scored competencies; talk with stakeholders, determine gaps, and use this information to better design or refine your organizational strategies.

About OnStrategy

OnStrategy is the enterprise, cloud-based leader in strategy management. Our online tools and hands-on services, including our flagship platform for empowering people to create and execute strategy, connects customers, employees and stakeholders to achieve enduring success.

As a strategy process leader and management partner, we believe strategy is more than simply achieving business goals. Smarter strategy builds smarter organizations. It inspires people to work hard, incite action and make things happen. Simply architected, thoughtfully executed, strategy moves mountains.

OnStrategy Platform

OnStrategy is our cloud-based platform for empowering people to create and execute strategy. Fostering engagement, clarity, ownership and organization-wide communications, OnStrategy is used by thousands of organizations worldwide to help achieve strategic objectives.

OnStrategy Services

We're more than software developers. We're practitioners. Our hands-on services deliver strategic guidance and tactical support when needed most. Our services include:

Strategy Development • Organizational & Customer Insights • Market Analysis • Process & Performance Management • Training & Adoption • Communications

OnStrategy Education & Resources

With frequent webinars sharing strategic insight and best-practices on strategy design, implementation and performance management to videos, newsletters, books, how-to guides and social media posts, OnStrategy provides actionable advice and recommendations supporting every step of the strategic process.

Creating and Executing a Great Strategy Starts Today

Whether you're just getting started, rolling out an organizational strategy, or managing execution, OnStrategy delivers the right tools and services to get the job done. Learn more at www.OnStrategyHQ.com or simply call us at 775.747.7407.