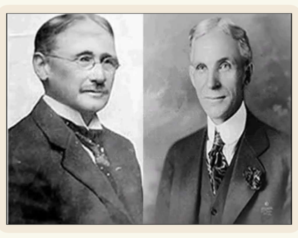
Perfoemance Managemet

Peter Drucker ......Survival

Innovate
Grow
Profit
Satisfy your customers

Management and Performance



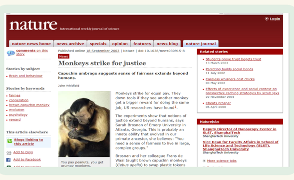
Leaders and Performance

"an army of sheep led by a lion defeating an army of lions led by a sheep"

Alan Mulally 2006 / 2014

"Who Says Elephants Can't Dance?"

Employees and Performance



What is FedEx Philosophy? Founder and CEO Frederick Smith

The People-Service-Profit philosophy (P-S-P) is based on the belief that by creating a positive working environment for employees, they will provide better service quality to customers, which would then lead to customers using FedEx products and services

Daniel Schwartz... Burger King / Tim Hortons

Carlos Goshen.Renault/Nissan

Lee Iacocca.. Chrysler

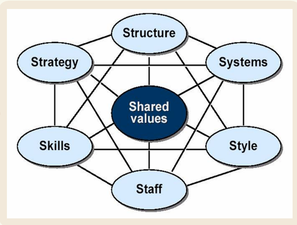
Jack Welch ...GE

Lee Kuan Yew... Singapore

Mahathir Mohamad.....Malaysia

Types of Performance

Corporate performance
Employee performance



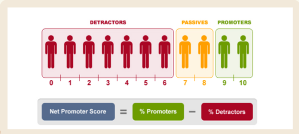
Corporate Performance

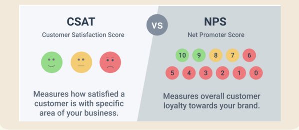
Financial indicators

Customer indicators

Supply chain indicators

Learning and growth indicators





Liquidity Ratios

Leverage Ratios

Activity Ratios

Profitability Ratios

Planning Model

Situational analysis either internal or external
Objectives SMART
Strategies growth competitive BOS entry
Tactics / actions / action plan
Resources: FR / HR/ Equipment / materials
Implementation
Evaluation KPIs

How to be a Good Planner

SOST+6 Ms

Situation
Objectives
Strategy
Tactics

Men
Money
Machines
Materials
Minutes

Measurements

Planning ....Focus

Types Of Objectives

Marketing objectives
Financial objectives
Operational objectives

What is Cascading Goals?

Cascading goals are an organizational structure that aligns a company's goals across multiple levels.
All these goals contribute to the overall strategic direction of the organization.
Typically, the main strategic goals are set at the executive level, and those touchpoints funnel down into different levels of management and individual objectives.

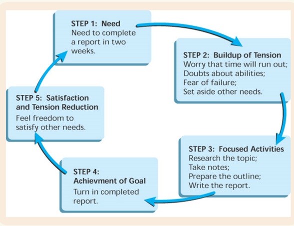
Implement Cascading Goals

When implementing cascading Goals, make the goals

Feedback

Preparation
Start with positives 4:1
Ask the employee ..... Feedback
State the negative behavior
Example by example
Negative consequences
Ask employee recommendations
Manager recommendations
Contract

Leading / Motivation



Effective Punishment

Private
Fair
Informative
Focused
Immediate
Intense
Should not be followed by a reward

Organizing

Allocating tasks to people

Main objective is to avoid duplication

Staffing

Knowledge
Skills
Attitude

Supply Chain Indicators

Learning and Growth Indicators

The choice of top executives—especially CEOs—is a critical decision with important implications for the firm's performance. Many companies use leadership screening systems to identify individuals with managerial and strategic leadership potential.
The most effective of these systems assess people within the firm and gain valuable information about the capabilities of other companies' managers, particularly their strategic leaders.

Based on the results of these assessments, training and development programs are provided for current managers in an attempt to pre-select and shape the skills of people who may become tomorrow's leaders.
The "ten-step talent" management development program at General Electric, for example, is considered one of the most effective in the world.

Jack Welch Successor

Given the phenomenal success of GE and its highly effective management development program, an insider, Jeffrey Immelt, was chosen to succeed Jack Welch.
Firms generally have succession management programs to develop managers so that one will eventually be prepared to ascend to the top.
Immelt was well prepared to take over the CEO job at GE.

Disney CEO Michael Eisner Successor

Even in the case where performance is below par, some boards still select an insider.

This is exemplified by the choice of Robert Iger to replace longtime Disney CEO Michael Eisner. There was some initial criticism of the choice, with a few analysts expressing doubts about Iger's capabilities or ability to be independent from Eisner.

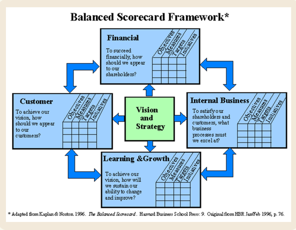
Yet, he began to establish his own course for the firm shortly after his appointment. His independence received a boost when Eisner's chief strategy officer was demoted

CEO of Sony Howard Stringer Selection

The recent selection of Sir Howard Stringer as C EO of Sony suggests changes in that firm's future.
He is not only an outsider but also a foreigner. His selection as Sony's new CEO may be a result of increasing globalization and may be a harbinger of future appointments like this one

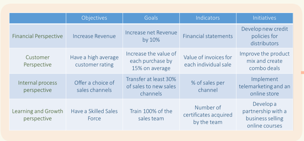
Balanced Scorecard

DuPont's Engineering Polymers Division uses the balanced scorecard to align employees, business units, and shared services around a common strategy involving productivity improvements and revenue growth



Components of Balanced Scorecard

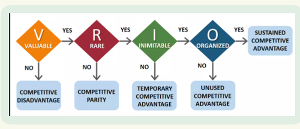
Objectives—high-level organizational goals that state what your organization is trying to accomplish strategically, broken down according to the four perspectives
Measures —key performance indicators (KPIs) that help you understand if you're accomplishing your objectives strategically.
Initiatives—key action programs developed to achieve your objectives, sometimes referred to as projects.



Employee Performance

It depends on strengths

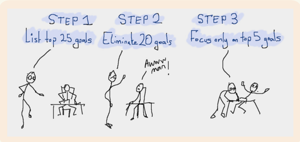
Strengths can be evaluated using VRIO model



Management Functions PLOCS and Performance

Planning
Leading
Organizing
Control
Staffing

Warren Buffett's 5/25 Strategy



Pareto ratio

20% customers	80% revenue
20% products	80% revenue
20% salespeople	80% revenue
20% regions	80% revenue
20% marketing expenses	80% revenue

Goal Setting

Goal setting can be used in every single area of your life, including financial, physical, personal development, relationships, or even spiritual.

SMART is an acronym that represents important characteristics, which goals have to comply to in order to be effective and achieve their objectives.
It stands for:

Specific
Measurable
Ambitious
Relevant
Time bound

Levels of Goals/Plans

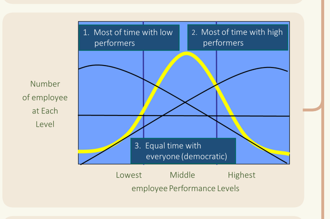
Control

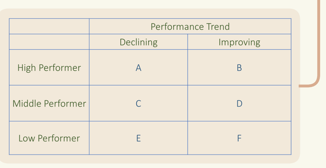
Benchmarks / KPIs

Quantitative versus qualitative KPIs

Lead versus lag KPIs

Qualities of a Good Coach





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