



Your Company Name Goes HERE

March 19, 2002

Critical / Non-Critical Summary Report

Mission Statement

To achieve client goals by providing intuitive Human Resource and Project Management solutions using an integrated database approach. Our goal is to assist organizations at large to grow and prosper.

Interpretation of Data

The focus of this tool is the development of metrics for measuring performance against expectation. It is not possible to establish one tool that work companies and industries. The focus of this strategic planning tool is to identify the most frequent categories that intimately tie strategic planning to successful operational outcomes in an organization.

Figure of Merit - a figure of merit determines how well strategic planning is reflected at that operational level within the organization. A value indicates that overall the measures were met. A value might fall below 3, but get offset by a much higher value in one of the other areas. Value 3 indicate the measures were exceeded, while values below 3 indicate that the overall targets were not met.

Operational Measure - Each quantifiable measure is rated along a five-point scale. These scores in turn are added and averaged to establish effectively strategic planning shapes operational performance in each category. The meaning of the five-point scale is as follows:

- A score of 5 indicates that a measure was exceeded by more than 20%
- A score of 4 indicates that the measure was exceeded by at least 10 % and not more than 20%
- A score of 3 means that the sub measure was met.
- A score of 2 indicates that the measure was missed by at least 10 % and not more than 20%
- A score of 1 indicates that the measure was missed by more than 20%

Weight - A means for weighting the relative importance of each category to the overall rating of the effectiveness, of strategic planning, in the results of the subunit of the company being evaluated. The sum of the four ratings for the categories should be one hundred (100) percent. For example, in a production unit, a rating of 25, 25, 25 and 25 respectively for these four categories would indicate that each category is of equal importance in measuring the impact of strategic planning at the level of the unit being assessed. A rating of 20, 30, 40, 10 respectively would indicate that Financial Indicators are twice as important as the Future Value Indicators for that subunit, whereas the Future Value Indicators would be considered twice as important as the Financial Indicators.

Factor /Question (for Operational Measure) - The five areas of measurement in each category that are quantifiable and tie the metric to the underlying objectives and strategies that define a company.

Purpose - Explains the intent or motivating impetus behind the initiation of a Strategic Planning survey.

Critical # - In the Critical and Non-critical choices segment of this tool, you are prodded to indicate whether a measure is important for your company in that category. Critical measures you will keep, whereas non-critical measures you may decide to replace or just eliminate. In this you can tailor the instrument to the needs of your company, department or subunit of interest. The Critical # indicates the total count of Critical responses received for a measure and is used to calculate the relative importance of an Indicator as perceived by the participants of the Strategic Planning survey.

Author Deininger, Mike

Type Organization

Status Active

Purpose Helping People

Indicator Group: Financial Indicators*Financial Indicators measure the economic health of an organization.*

Factor	Indicator Question	Critical %
Product Line Revenues	Product Revenue 3.0 x Manufacturing Cost	0.0%
Liquidity	Convertible Investments Equal 20 %Gross Revenue	100.0%
Market Share	Market Share Equals 30%	100.0%
Profit	Profit Equals 10% Gross Revenues	100.0%
Stock Value	Stock Value Equals 1.15 Like Period Value	100.0%

Indicator Group: Customer Related Indicators*Customer related Indicators measure the reception of products or services by the using community.*

Factor	Indicator Question	Critical %
Product Desirability	Product Returns less than 0.05%	100.0%
Channel Penetration	Channel Penetration is 40% of Sales	100.0%
Product Quality	Customer Complaints less than 2 per 1,000	100.0%
Repeat Business	Repeat Business is 70% of Revenues	100.0%
Like Period Sales	Sales 1.15 x previous period sales	100.0%

Indicator Group: Process Related Indicators*Process Related Indicators measure the organization's efficiency in creating and delivering its products on time, within budget without compromising quality.*

Factor	Indicator Question	Critical %
Productivity	Revenue per Compensation exceeds 3.0	100.0%
Inventory Turnover	Average Inventory turnover less than 45 days	100.0%
Employee Satisfaction	Employee Turnover less than 10%	0.0%
Cost per Order	Cost to process Orders Less than 2% of Sale	0.0%
Cost of Rework	Cost of returned products less than 0.5% of sales	100.0%

Indicator Group: Future Value Indicators*Future Value Indicators measure the organization's competitive health and potential for long-term relevance.*

Factor	Indicator Question	Critical %
Time from Concept to Market	Average Time Concept to Market 1 year	100.0%
Stock Performance	Dividend per share 1.10 previous dividend	100.0%
Research Investment	Research 12% of Annual Budget	100.0%
Status of Technology	Technology Investment keeps waste below 1.5%	0.0%
Employee Investment	Advanced Training 8% of revenue	100.0%