



# Your Company Name Goes HERE

February 13, 2002

## *Expectation of Performance 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.

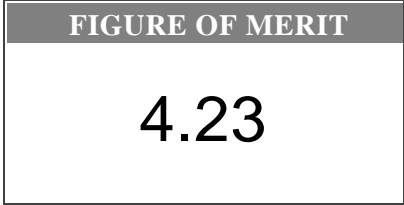
**Purpose** - Explains the intent or motivating impetus behind the initiation of a Strategic Planning survey.

**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** Dennis, Clayton  
**Purpose** fghhghfdhdf

**Type** Organization

**Status** Active



**Indicator:** Financial Indicators

**Group Weight:** 32.3%

*Financial Indicators measure the economic health of an organization.*

| <b>Factor</b>         | <b>Question</b>                           | <b>Op Measure Critical #</b> |   |
|-----------------------|---|------------------------------|---|
| Market Share          | Market Share Equals 30%                   | 3                            | 2 |
| Stock Value           | Stock Value Equals 1.15 Like Period Value | 2                            | 2 |
| <b>Weighted Avg.=</b> |   | <b>6.3</b>                   |   |

**Indicator:** Customer Related Indicators

**Group Weight:** 32.3%

*Customer related Indicators measure the reception of products or services by the using community.*

| <b>Factor</b>         | <b>Question</b>                           | <b>Op Measure Critical #</b> |   |
|-----------------------|---|------------------------------|---|
| Like Period Sales     | Sales 1.15 x previous period sales        | 4                            | 2 |
| Channel Penetration   | Channel Penetration is 40% of Sales       | 3                            | 2 |
| Product Quality       | Customer Complaints less than 2 per 1,000 | 2.5                          | 2 |
| Repeat Business       | Repeat Business is 70% of Revenues        | 3.5                          | 1 |
| Product Desirability  | Product Returns less than 0.05%           | 4                            | 3 |
| <b>Weighted Avg.=</b> |   | <b>3.5</b>                   |   |

**Indicator:** Process Related Indicators

**Group Weight:** 25.8%

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

| <b>Factor</b>         | <b>Question</b>                                   | <b>Op Measure Critical #</b> |   |
|-----------------------|---|------------------------------|---|
| Productivity          | Revenue per Compensation exceeds 3.0              | 4                            | 1 |
| Inventory Turnover    | Average Inventory turnover less than 45 days      | 4.5                          | 2 |
| Employee Satisfaction | Employee Turnover less than 10%                   | 3.2                          | 1 |
| Cost per Order        | Cost to process Orders Less than 2% of Sale       | 2                            | 1 |
| Cost of Rework        | Cost of returned products less than 0.5% of sales | 1.5                          | 3 |
| <b>Weighted Avg.=</b> |   | <b>2.8</b>                   |   |

**Indicator:** Future Value Indicators

**Group Weight:** 9.7%

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

| <b>Factor</b>               | <b>Question</b>                              | <b>Op Measure Critical #</b> |   |
|-----------------------------|--|------------------------------|---|
| Time from Concept to Market | Average Time Concept to Market 1 year        | 5                            | 1 |
| Research Investment         | Research 12% of Annual Budget                | 1.5                          | 0 |
| Status of Technology        | Technology Investment keeps waste below 1.5% | 4                            | 0 |
| Stock Performance           | Dividend per share 1.10 previous dividend    | 3                            | 1 |
| Employee Investment         | Advanced Training 8% of revenue              | 3.5                          | 1 |
| <b>Weighted Avg.=</b>       |  | <b>3.8</b>                   |   |