



Shedding light on what sets great firms apart

Susie Gyopos

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Individuals who have been searching for a book that examines every nook and cranny in the world of corporate performance management (CPM) can now rest easy. Help is at hand in the form of a new publication by one of the biggest names in this fast-growing field. It contains copious examples and multiple methods showing how to integrate best practices in different work environments and achieve optimal results.

Five Key Principles of Corporate Performance Management essentially investigates what sets high-performing enterprises apart and provides sound advice for anyone appointed to the relatively new, but increasingly important, role of an executive specialising in CPM.

These principles range from establishing and staffing an internal CPM office to communicating an updated plan to employees. They move on to cascading and managing strategy, improving performance and, finally, managing and leveraging knowledge.

Each is closely examined by dissecting the innovative practices of several award-winning CPM executives.

Author Bob Paladino also provides what he calls proven implementation models. These have hastened breakthrough results for the likes of the Malcolm Baldrige National Quality Award, the Balanced Scorecard Hall of Fame, the Fortune 100 Best and *Forbes* award winners.

Case studies of big-name enterprises have also been woven into the text. These, though, are drawn largely from United States companies, rather than from obviously global businesses.

There are also many interesting insights from leading executives, together with a vast range of practical material. This includes process and strategy maps, balanced scorecards, comparative tables and project plans. It also extends to testimonials, charts and "screen shots" to illustrate various systems.

The book studies corporate performance management from every angle and helps to explain why firms can have perfectly good business strategies but fall short when it comes to implementing them. Strikingly, nine out of 10 US companies are considered to fail in this respect.

According to Paladino, the prime reasons include "visibility black spots", where only a fraction of the workforce understands the company's strategy, and resource barriers.

Illustrating these, he notes that 60 per cent of organisations have no clearly apparent link between their budgets and their corporate strategies.

In expanding on the five principles, the author puts organisations such as Ricoh, the Tennessee Valley Authority and the American Red Cross under the spotlight. He also includes a useful chapter on self-diagnosis and research resources, which gives valuable advice on performance improvement and ways to leverage existing knowledge for better outcomes.

For the conscientious reader, the book offers a genuine blueprint for creating an enhanced organisational

structure, with motivated and well-informed employees, which is capable of achieving better financial results.

"My hope is that you will rapidly adapt best practices to realise further success in your enterprise," Paladino writes early on.

"I am not evangelising theory but rather providing proven, real-world implementation insights."

Paladino has produced a detailed, fact-packed and educational text. As a long-time corporate performance management practitioner, he has advised many boards and senior executives, offering them integrated methodologies and speedy implementation.

As a result, he has won his fair share of major awards and consultancy contracts, had his work published in leading journals, and been invited to speak at all manner of industry events.

At almost 400 pages, the book is meticulously researched, well presented and has an abundance of charts, footnotes and inspiring quotations.

However, the sheer volume of information and the somewhat dry style make it more suitable for the dedicated student rather than the executive hoping to skim-read the text for easy inspiration or a few quick ideas.

FIVE INSIGHTS

1. **Use clock speed to implement strategy**, recommends Bob Paladino, the author of *Five Key Principles of Corporate Performance Management*. As the short form for industry rate of change, clock speed refers to the evolution of businesses and the fact that they need to change to meet new challenges or, otherwise, will die. "Strategically minded CPM executives and programmes must understand and integrate CPM processes not only to deal with today's challenges but also to help the enterprise for evolutionary changes".
2. **Don't hesitate to do all you can to establish and deploy a CPM office and officer** "The first step to establishing the CPM office is insistent sponsorship," Paladino explains. However, anyone planning to create such an office should prepare for resistance from operating units, leadership teams and employees.
3. **Commit to excellence - beginning with the implementation of visionary leadership** "Continuously raise the bar," is a mantra that originally appears in a Bronson Methodist Hospital case study, but is endorsed wholeheartedly by the author. "[This] concept has moved Bronson steadily forward in achievement of its vision to be a national leader in health care quality," he writes, with the clear message that this attitude can be applied across other industries.
4. **Never stop doing your research** "Research on CPM is a continuous process to evolve and adapt the five key principles to changing conditions and innovations," Paladino says.
5. **Refresh and communicate strategy**. "Most enterprises fail to effectively translate their strategies to operations, and communicate their strategies to employees ... Most employees are neither conversant with nor comprehend their role in driving the organisation's strategy."