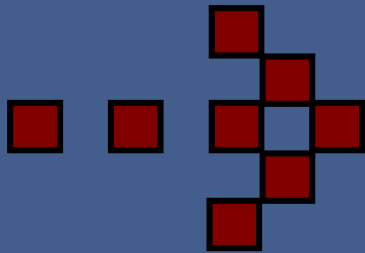


Executive Education

Executive Action Learning Seminars

Executive Seminars

Executive Courses

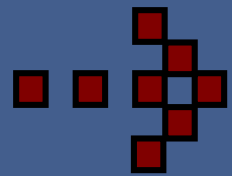


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Executive Education Courses

Chief Executive Strategy Metrics



Здравствуйте

こんにちは

سلام

Howdy

你好

नमस्ते

Ciao

Hola

您好



여보세요

Hallo

Guten Tag

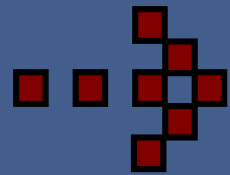
مرحباً

וּלֵה!

Salut

Obrigado

Xin chào



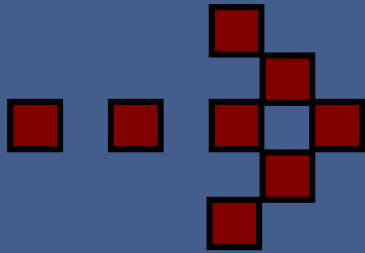
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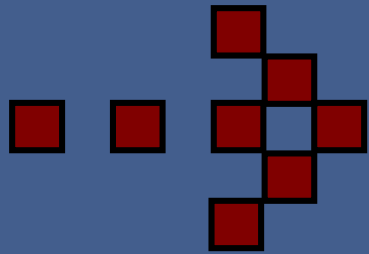
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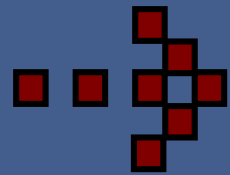
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CEO Strategy



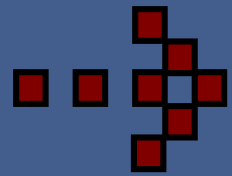
CEO Strategy Metrics



Insight 1

"When you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind"

Lord Kelvin, 19th century



Insight 2

"Not everything that can be counted counts, and not everything that counts can be counted"

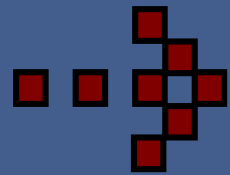
Albert Einstein



IIM Management Model

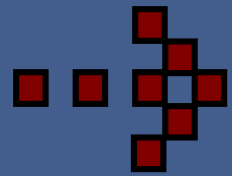
Examples





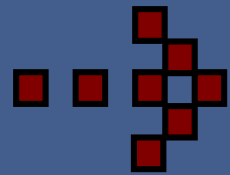
Key Performance Indicators (KPIs)

- **Lagging indicators** – e.g. financial metrics.
 - They report past performance
- **Leading indicators** – e.g. customer, innovation and growth metrics.
 - They predict future performance



Metrics

- **Why are financial measures not enough?**
 - Tangible book values represented 62% of company market values in 1982
 - In 1992 it had dropped to 38%
 - In 2004 it is estimated to be 15%



Execution Builds Premium Shareholder Value

Top 10 non-financial “Measures That Matter”:

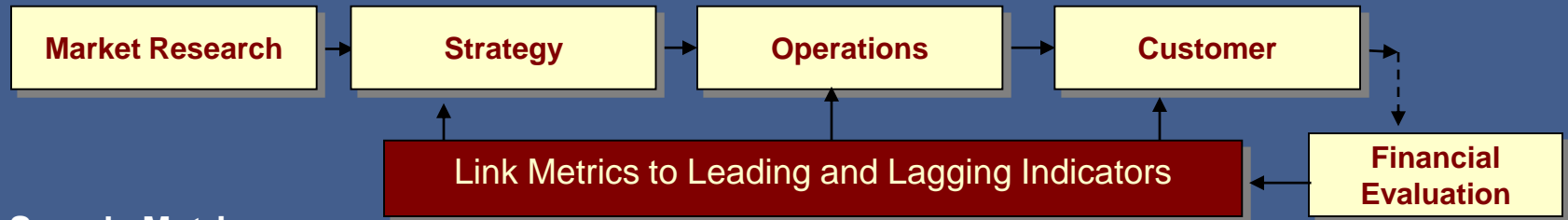
- 1) Strategy Execution
- 2) Management Credibility
- 3) Quality of Strategy
- 4) Innovativeness
- 5) Ability to Attract Talented People
- 6) Market Position
- 7) Management Experience
- 8) Quality of Executive Compensation
- 9) Quality of Major Processes
- 10) Research Leadership

- These non-financial factors can impact the organization's market value significantly
- At least 35 percent of investor's portfolio allocation decisions are made based on them

Source: Ernst & Young's Centre for Business Innovation survey

Closed-loop Performance Measurement

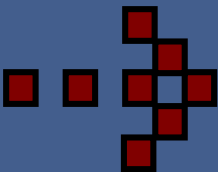
Steps of Strategy:



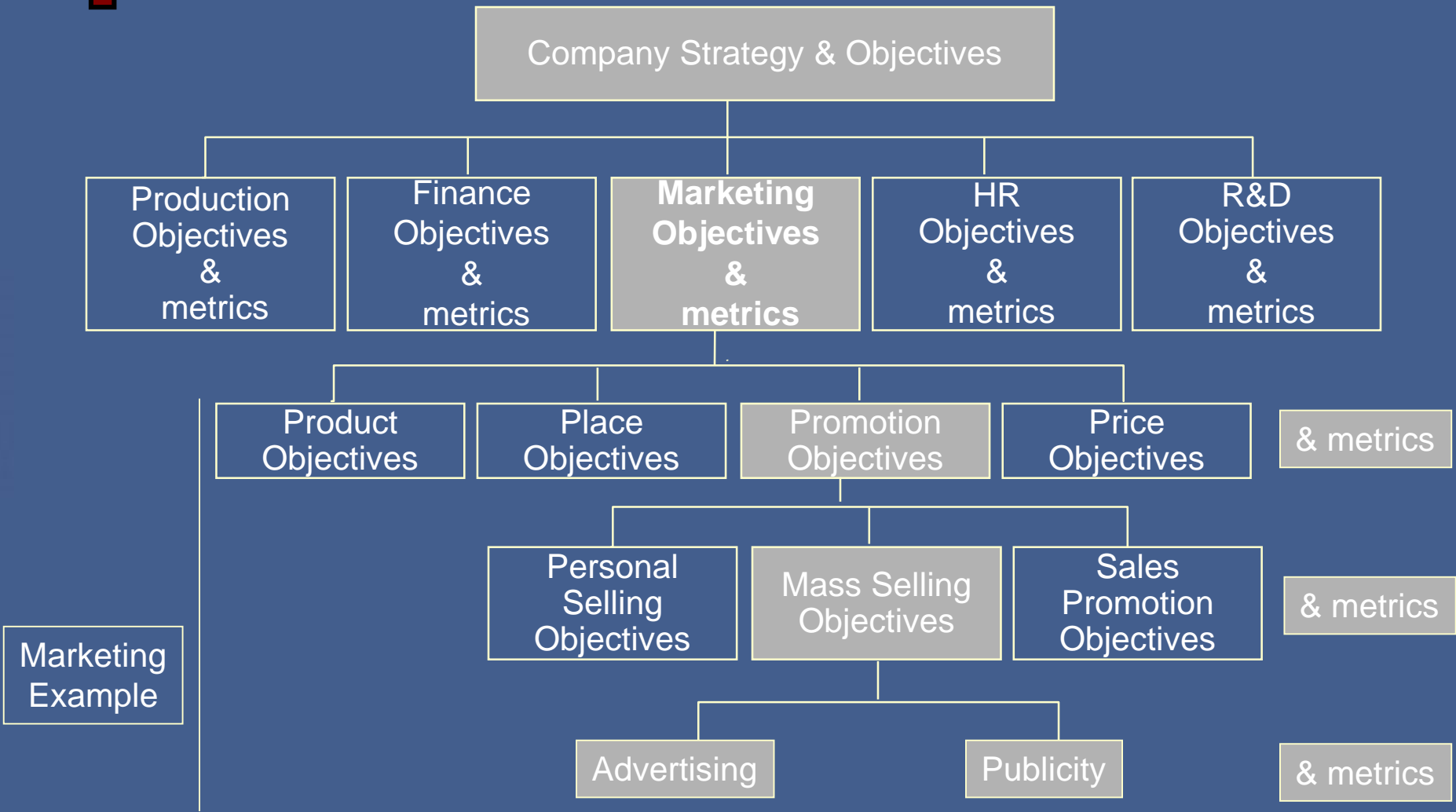
Sample Metrics

Attractiveness of target segments	SWOT Analysis	Number of staff	Brand and Awareness	Revenue
Target segments size & growth	Uniqueness of value proposition	Technology infrastructure	Sales and Service	Profit /Cost (ROI)
Competitor concentration & landscape	Attractiveness of offering	Internal organization	Customer Relationship Management (CRM)	Balance sheet
Competitor concentration & landscape	Sustainability of competitive position	Supply Chain Management	Customer satisfaction & loyalty Index	Earnings per share
	Internal Resources (\$, people, knowledge, partnerships)	Production and Quality Index	Service requests/customer	Debt to equity ratio
		Employee Loyalty Index		

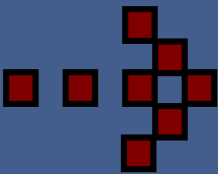
- For each metric, determine the metrics that it affects and that affect it
- Map the linked set of metrics, indicating leading and lagging indicators
- Ensure that there is a balance between leading and lagging indicators



IIM Alignment Tree



CEO's Hierarchy of Objectives

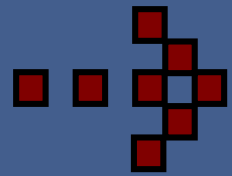


Management Metrics & Info Sources

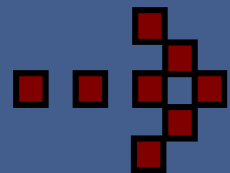
Use metrics to evaluate and communicate business goals and progress

- Collect internal and external data for benchmarking and performance tracking:

Data Type	Sample Measures	Sample Sources
Market research	Site usability Customer satisfaction Site traffic	BizRate.com Jupiter Media Metrix AC Nielsen
Analyst reports	Industry trends Company or site ratings	Forrester Aberdeen Group Frost and Sullivan IDC
Financial information	Company profiles Financials Industry and market comparative data	Hoover's Online Edgar Online DLJ Direct SEC filings



Questions?



Спасибо

Gracias

Grazie

متشكراً

ありがとう
ございます

धन्यवाद

Merci

See You Next Time!

Danke

谢谢

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Howdy

www.iim-edu.org

Thank you

謝謝

شكراً

אנא בדוק האם המלה

Cảm ơn