

REPOSITION CHECKPOINT REPORT

‘Repositioning your Central Support Functions for Enhanced Performance’

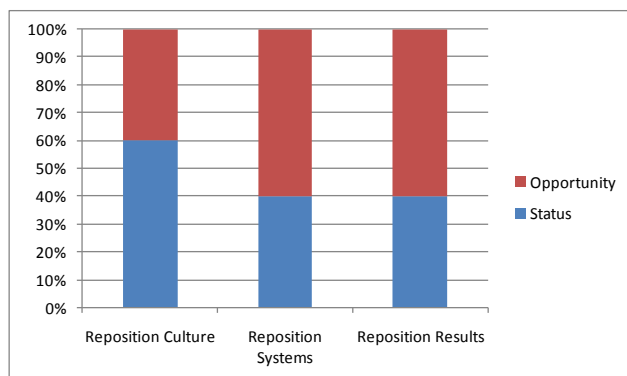
Characteristics of an Organisation with an Effective Central Support Function Capability

Reposition Culture - There is a culture of improvement and innovation. The contribution of the central functions to the business is recognised. Similarly the inter-dependence of the central functions is recognised and this leads to constructive engagement between the departments and also with sales and operations. There is a high level of interaction between operational functions and central functions, and a high level of interaction between different central functions. The specific contribution of each central function to the overall business is recognised. People are engaged and purposeful. There is a sense that the business is a sound business and that central people have meaningful work. Customers and suppliers think the company is a good company to do business with.

Reposition Systems - The central function systems are robust and well suited to the size and scale and complexities of the business. The systems are scalable and can accommodate growth. People are confident in the business controls and in the ability of the systems to ensure compliance and efficient transaction handling. Customers get billed accurately and on time, remuneration and appraisal processes are systemised and predictable, policies and procedures are well defined, and the systems are well integrated into operations. There is a general sense of good order and system efficiency. People throughout the organisation know how things work and customers also understand how to engage with the organisation.

Reposition Results focus - Both managers and employees in the central functions are accountable for impacting business performance. People understand how their department contributes to overall business performance and how each role impacts performance. Expect to find productivity indicators that link the contributions of the central functions and individual roles to results. There is a strong emphasis on efficiency. The budgeting approach links the central function cost structure to gross profit and to growth. Similarly the capex process is linked to planned growth. People who achieve planned results are recognised. Central departments that contribute to business performance and that align their capabilities with the business plan, are recognised. Overall financial and operational performance is likely to be relatively strong. There is a healthy alignment between the overall business strategy and business plan and the ongoing development of the capability of each central function.

SAMPLE REPORT - ‘Repositioning the Account Management Function for Enhanced Performance’



Reposition Status – Support Functions & Performance – DEFINING THE REPOSITION OPPORTUNITY

Reposition Culture - Status

<p>There is limited interaction between the central functions and sales / operations. The interaction tends to be reactive and directed at solving ad-hoc customer and supplier and employee complaints related to system inefficiencies. People in the central functions have an overall sense that they are able to get the job done but people are not fully engaged. Improvement and innovation happens in response to non-compliance. Continual improvement is not embedded in the central functions.</p>	1	40 to 60
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Reposition Systems – Status

<p>Although there are aspects of the central systems that are meeting the business requirement, the systems and the central function capability are not adequate for the business requirement. There is considerable rework related to correcting inaccurate reports and transactions. It is possible that there has been historic growth through acquisition with weak integration of central systems. Also possible that new business offerings have been added without due consideration as to the impact on system requirements. The situation reflects weaknesses in the historic business planning process with limited attention on capex plans for necessary central system upgrades.</p>	2	20 to 40
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Reposition Results – Status

<p>People do a job rather than deliver outcomes based on planned results. The result is an inefficient central function with great opportunities to improve performance. Goals are neither well defined nor well known which means responsibility and accountability are diminished. Individual appraisals occur but they are not linked to the issues that drive a better business. Roles and responsibilities are in job description form with limited evidence of performance metrics tied to business performance. Central departments are viewed as cost centres that compete for a portion of the cost budget.</p>	3	20 to 40
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Reposition Opportunity | Initiatives – Support Functions & Performance - DRIVING INITIATIVES

Reposition Culture – Opportunity | Initiatives

To go beyond reactive improvements and a reactive culture, implement monthly forums with central people and operational / sales people to define, implement and monitor improvements. Use all forums and various communications means to reinforce the link between customer experience / business performance and the performance of the central functions. Give further attention to redefining the role and responsibilities of each individual role with reference to the overall business drivers. Ensure regular recognition of departmental initiatives and individual initiatives that impact business performance.	1	40 to 60
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Reposition Systems – Opportunity | Initiatives

There is good cause to conduct a comprehensive internal and operational audit with a specific focus on system process fit with the business requirements, current and future. This will give direction to actions including capex decisions. It will also partially address the risk of hidden and or unknown instances of non-compliance. It is quite possible that the financial performance outlook will have to be adjusted to recognise instances of non-compliance. Important that short-term profitability concerns do not delay this intervention. Delay will increase the negative impact of central functions that are not aligned to business requirements.	2	20 to 40
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Reposition Results – Opportunity | Initiatives

Ensure each central function and each role has performance metrics that are aligned to the overall business strategy and business plan. Ensure a simple but effective performance management system that keeps these performance metrics alive. Central departments and individuals to be accountable for demonstrated efficiency improvements. Central departments to be accountable for planned long-term cost efficiencies relative to projected revenues and the organisational business plan. Similarly central functions to plan for indirect efficiencies in operations and sales through system and process enhancements.	3	20 to 40
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