

S6 PARTNERS™

BUSINESS ADVISORY SERVICES



Understanding Where You Are Determines How You Get Where You Want To Be



Decisions Matter¹

No Company Can Live Up To Its Full Potential Unless It Can Decide and Deliver

Decisions are to an organization what cells are to an organism: the basic building blocks. An organization's performance relative to its competitors or best-in-class performers is no more or less than the sum of the decisions it makes and executes. Better, faster decisions and

better, faster execution naturally produce better results than do poor, slow, or badly executed decisions.

The connection between decisions and results is intuitive; *it is also supported by data on decisions that Bain Consulting has gathered on over 1,000 companies around the world.*

Two points. First in every industry and country Bain has studied, *there is a high correlation between an organization's decision abilities and financial results.* Second, *there's an equally strong correlation between decision effectiveness and employees' attitudes.*

You can't consistently improve decision-making and execution in a company without looking at the entire organizational system.

High Decision Effectiveness and Great Performance

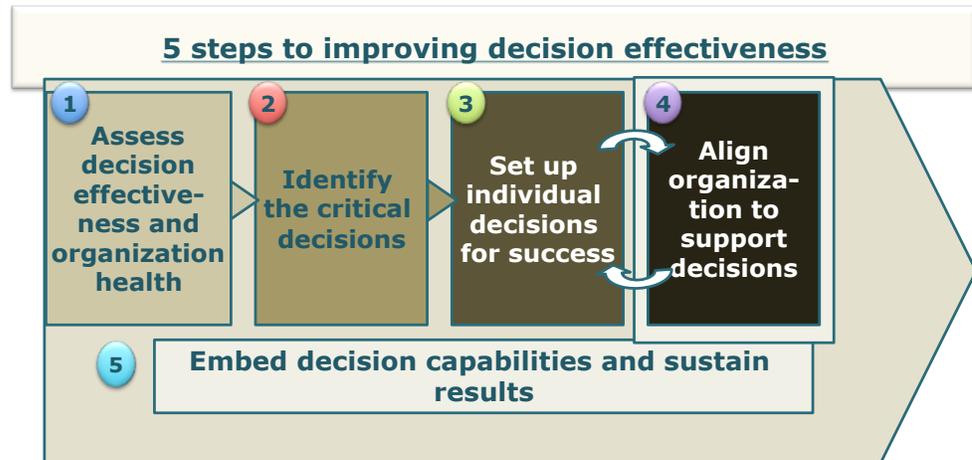
Bain has found that the correlation between decision effectiveness and performance is extraordinarily strong, holding up at a 95 percent confidence level or higher for every country, industry, and company size.

Companies with the highest scores on decision effectiveness consistently *generated higher levels of revenue growth and return on invested capital.*

Top-quintile companies on decisions produced an average *total shareholder return about 6 percentage points higher than that of other companies.*

Five Steps to Better Performance

Our process for improving decision effectiveness includes these five steps:



The Payoff

Bain has noticed that the highest-performing organizations have a distinctive look and feel about them. The person in these organizations – and it doesn't matter where they sit – know how to decide and deliver.

Decision effectiveness, in short, is a path to a better organization, one that accomplishes what it sets out to do and that liberates rather than oppresses the people who work for it. If your company understands which decisions are critical to its performance, if it can make them better and faster than the competition, if it can execute them more effectively, it will provide you a sustainable competitive edge, maximizes business value and improve employee satisfaction.

Research Conclusions: A Quick Summary

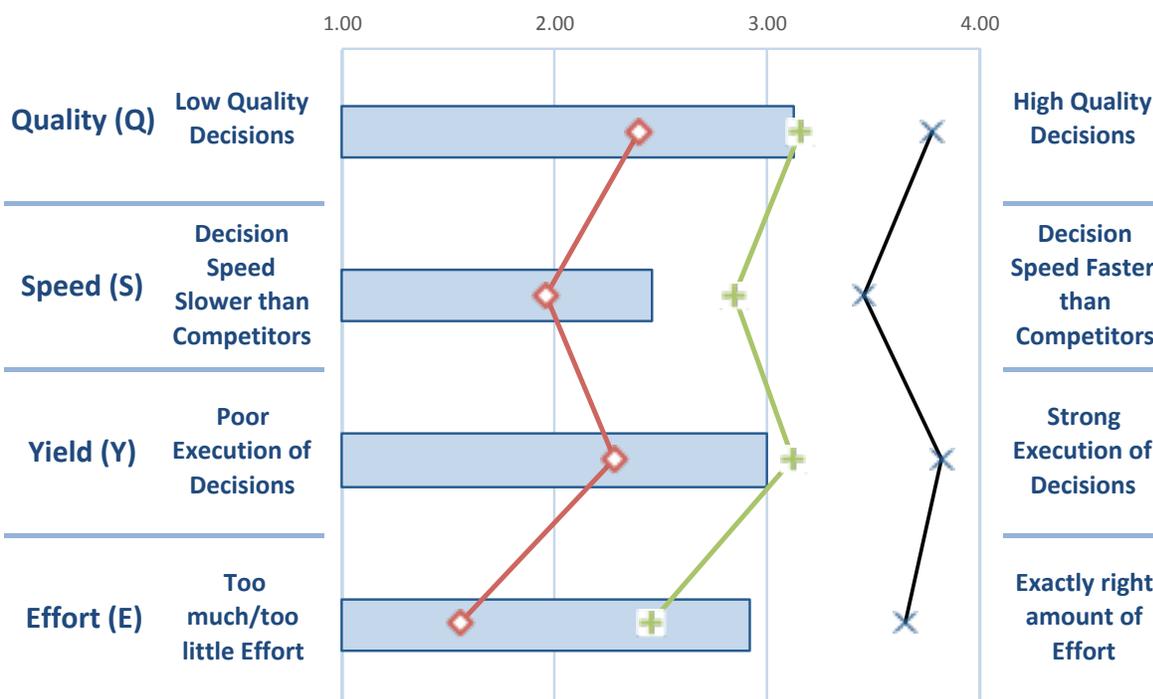
- **Decisions = Performance.** Decision effectiveness and financial results correlate at a 95 percent confidence level or higher for every country, industry, and company size. Top-quintile companies on decisions generate average total shareholder returns nearly 6 percentage points higher than those of other companies.
- **Quality, speed, and yield reinforce one another.** Each factor alone correlates with financial results. But the product of all three is much stronger predictor of financial performance than any single element.
- **Effort is a drag.** Effort levels differentiate between truly great companies and merely good ones. Of all the companies with high scores on quality, speed, and yield, for instance, nearly half report effort as too high or too low – and this group's overall decision score is only two-thirds that of the optimal-effort group.
- **Few trade-offs.** Although it's counterintuitive, high performance on quality goes along with high performance on speed and yield, and vice versa. Companies that score highest on quality are nearly eight times as likely to execute their decisions effectively as those with average or low quality scores.
- **Room for improvement.** On a decision-effectiveness scale of 0 to 100, top-quintile companies score an average of 71. All other companies average only 28. The size of the gap may be surprising,

Benchmarking decision effectiveness

Where are you on Decision Effectiveness?

Companies can benchmark each element of decision effectiveness; they can also benchmark their overall score.

Decision Scorecard Readout - Company



Company Decision Effectiveness Scores

Quality (Q)	3.12
Speed (S)	2.46
Yield (Y)	3.00
Effort (E)	2.92

—+— Mid = All Other

—◇— Low = Bottom quartile

—×— High = Top quartile

Total Score (Decisions)

17

$Q \times S \times Y \times E / 4 = \text{Total Decision Effectiveness Score}$

Top quartile > 25 You're doing great; keep it up.

Second quartile 21-25 Pretty good, but could be great.

Third quartile 16-20 Worse than 50% of companies. Time to act.

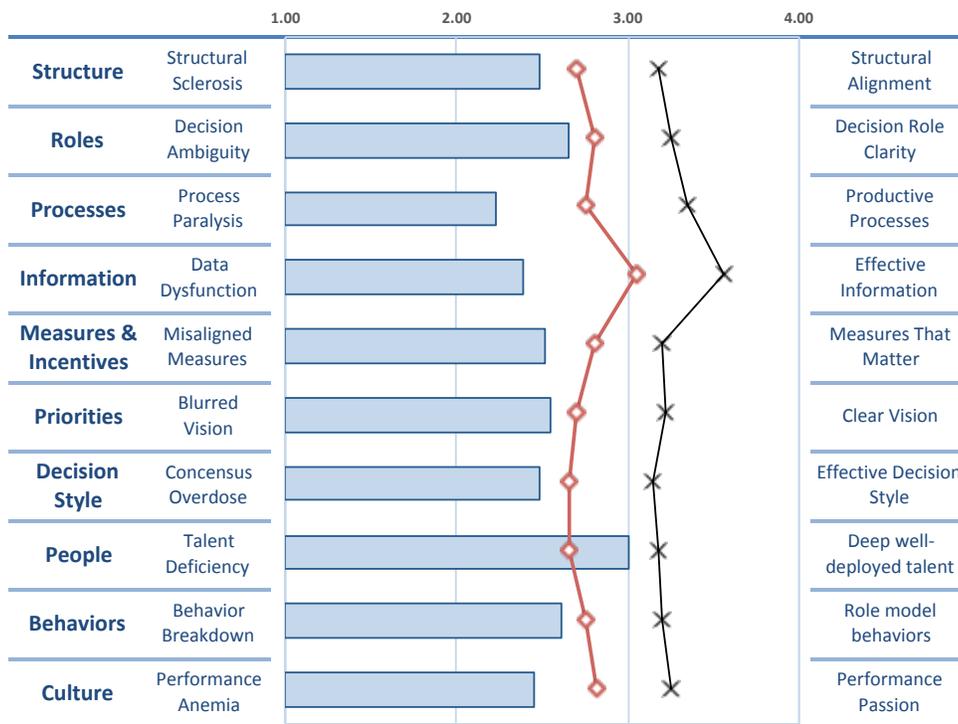
Bottom quartile < 15 Major decision reboot required.

Benchmarking Organizational Health

Where are you on Organizational Health?

By using this survey, a company can compile an organization scorecard much like the decision scorecard. Executives can find out which ailments the organization is suffering from. But this time, executives are looking at root causes, not just symptoms. The decision scorecard may indicate poor performance on, say, decision speed. The organization scorecard will reveal the reasons.

Organization Scorecard Readout - Company



—◇— Average Performer
—x— High Decision Effectiveness

Company Organization Scores

Structure	2.48	Priorities	2.55
Roles	2.65	Decision Style	2.48
Processes	2.23	People	3.00
Information	2.39	Behaviors	2.61
Measures & Incentives	2.52	Culture	2.45

Total Score (Organization) 25 *Add All Scores

Top quartile	> 35	You're doing great; keep it up.
Second quartile	31-35	Good, but room for improvement.
Third quartile	26-30	Org is serious barrier to decisions
Bottom quartile	10-25	Major org transformation required

Continued...

Complimentary Organizational Health Audit

The S6 Partners Organizational Audit Process: We will perform a very informative assessment of your company's organizational health.

S6 Partners will perform a diagnosis utilizing a time tested and proven *Decision Effectiveness, Organizational Effectiveness and Employee Evaluation* tools and processes.

You will receive a very informative readout / scorecard, which will benchmark your overall organizational health against over 1,000 major corporations worldwide.

This audit will help your business establish an *Organizational Health – Point of Departure*.



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