

How to improve your company's performance

John Kyriazoglou



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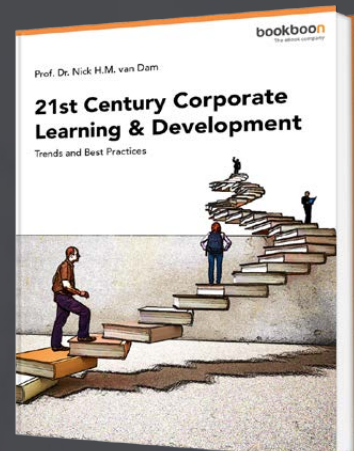


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Summary of Contents

This book, **'How to Improve the Performance of your Company'**, provides you, the business owner, board member, company director, senior manager, auditor, other stakeholder, etc., with a useful set of practical tools to assist and support you in reviewing and improving the performance of your small, medium-size or large company.

The book contains: A business model, several performance dimensions, over 190 audit questions, over 40 performance measures, an evaluation approach, improvement recommendations and implementation guidelines.

In more detail, it contains:

1. A general business model of five dimensions: 'C' for customers, 'P' for people, 'P²' for property, 'P³' for production and 'P⁴' for performance.
2. Description of several performance-related aspects, such as: Measurement Culture, Vision, Mission and Strategy, Policies and Procedures, Management Support and Commitment, Performance Measurement and Management System, Production, IT management, etc.
3. Ten business performance audit questionnaires with over 190 questions for items described in 2 above.
4. Over forty performance measures for the functions of: Finance, Sales, Production Output, Management and IT.
5. An evaluation approach with a scoring scheme on the basis of the audit replies collected in 3 above.
6. Five business performance improvement recommendations.
7. Guidelines and control processes to consider in implementing the suggested improvement recommendations.

The **objective** of this book is to provide any business owner, company director, senior manager, auditor, other stakeholder, etc., with a useful set of practical tools to assist and support them in their business performance management system audit and implementation, using the proposed or any other business performance model (EFQM, Six Sigma, etc.).

1 Introduction to Business Performance

Managing a business, small, medium or large-size is quite a difficult, complicated and strenuous task. Whether you are the owner, major shareholder, CEO, Board Director or other corporate functionary, you must understand how your company works in all its strategic and operational aspects: governance, corporate management, risk assessment, compliance, strategy, operations, etc.

You need to have a business performance model, to establish controls and comprehend, fully, their manifestations and impact, and employ the right internal control framework and its components to suit the specific aspects of the organization you lead, direct and manage.

A general business model I have used for auditing and improving the business performance of small, medium and large size companies is made up of five dimensions, and may be conceptualized as C¹P⁴ Model (C one, four Ps), 'C¹' for customers, 'P¹' for people, 'P²' for property, 'P³' for production and 'P⁴' for performance. This model is explained more next, while the audit questionnaires are targeted at the performance dimension only.

Business Model Dimension	Business Function
C¹	CUSTOMERS
P¹	PEOPLE
P²	PROPERTY
P³	PRODUCTION
P⁴	PERFORMANCE

Figure 1: Business Performance Model

Business Performance Model Dimension C¹: CUSTOMERS

This dimension includes all activities related to identifying, selling, and delivering products and services and in managing and servicing your customers in a better way.

Business Performance Model Dimension P¹: PEOPLE

This dimension includes all activities related to hiring, utilizing, managing and handling your employees in a more efficient and objective way.

Business Performance Model Dimension P²: PROPERTY

This dimension includes all activities related to managing and protecting your company assets (money, other financial assets, buildings, plants, machinery, furniture, computers, information systems, knowledge repositories, patents, etc.)

Business Performance Model Dimension P³: PRODUCTION

This dimension includes all activities related to producing high quality products and optimizing your production processes.

Business Performance Model Dimension P⁴: PERFORMANCE

All activities related to establishing a framework, measuring, monitoring and improving the controls and performance of your company.

2 Business Performance Audit Questionnaires

In the previous chapter I offered a practical general business model you may use in reviewing your own business operations and ensure that your business model related to the critical functions of such a model. Now I will deal with how you may review your business performance by the use of specific audit questionnaires.

The questionnaires (Q) presented after the next paragraph take into consideration the above proposed general business model of five dimensions: C¹P⁴ Model (C one, four Ps), 'C¹' for customers, 'P¹' for people, 'P²' for property, 'P³' for production and 'P⁴' for performance. The scoring scheme to enable and support you reach a conclusion about each business performance issue is depicted next.

Each question cited in the questionnaires below should be answered using the scale of *1 to 10* with '1' indicating that the company, for the particular question (issue), is not at all familiar, '2' indicating that the company, for the particular question (issue), has very little knowledge, etc., and '10' indicating that the company has implemented this business performance issue in all its business processes.

The audit questionnaires presented next are made up of three parts: 'relevant concepts' (where the major concepts related to the specific audit questionnaire are presented), 'audit questionnaire' (containing a set of review questions), and 'evaluation of results' (you final score from the replies to the audit questions).

These questionnaires (Q) are:

1. Q1: Business Performance Measurement Culture.
2. Q2: Business Vision, Mission and Strategy.
3. Q3: Corporate Governance Policies and Procedure.
4. Q4: Business Management Support and Commitment.
5. Q5: Business Performance Management System.
6. Q6: Business Performance Model Implementation.
7. Q7: Business Goals and Objectives Implementation.
8. Q8: Business Performance System Evaluation.
9. Q9: Production Function.
10. Q10: IT Management.

Q1 Business Performance Measurement Culture

Relevant concepts

Culture is the environment that surrounds you at work all of the time. Culture is made up of the values, beliefs, underlying assumptions, attitudes, and behaviors shared by a group of people. Culture is the behavior that results when a group arrives at a set of – generally unspoken and unwritten – rules for working together. Your company's culture is made up of all of the life experiences each employee brings to the organization. Performance culture is especially influenced by the organization's founder, board of directors, executives, and other managerial staff because of their role in decision making and strategic direction.

Performance Measurement Culture relates to whether your company wants to measure and therefore improve its business performance. Without a performance measurement culture your business performance implementation effort will not be successful.

The purpose of the following audit questionnaire is to attest whether this measurement culture exists within your own business environment.

Audit Questionnaire

The questions contained in this questionnaire examine Business Performance Measurement Culture in terms of: Scope of performance measurements, Time period, Confidentiality, Linking, Decision-making level, Rewards, Adaptation, Knowledge management, Customer perspective and Participation.

1. Scope of performance measurements: Do business performance measurements cover only financial performance or are also extended to other business corporate areas (production, customers, sales, production, human resources, IT, etc.)?

Reply (1 to 10):

2. Time period: Do business performance measurements concern short term or long term prospects?

Reply (1 to 10):

3. Confidentiality: Are business performance measurements kept confidential or disseminated and reviewed in all organizational levels?

Reply (1 to 10):

4. Linking: Are business performance measurements linked to your strategic targets or are they utilised only for audit and management issues?

Reply (1 to 10):

5. Decision-making level: Are decisions made at the organisational level on which business performance problems occur or all performance issues are forwarded to senior management levels?

Reply (1 to 10):

6. Rewards: Are business performance measurements linked to existing reward systems in all organisational levels of your company?

Reply (1 to 10):

7. Adaptation: Is there a corporate culture in your company allowing adaptation to innovative ideas, technologies, methods and practices?

Reply (1 to 10):

8. Knowledge management: Is there a knowledge management system in place linked to your company's strategy and goals?

Reply (1 to 10):

9. Customer perspective: Does your company take under consideration customer and market needs or considerations are limited to the company's internal needs?

Reply (1 to 10):



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10. Participation: Is there a perception of full participation and utilisation of business performance improvement measurements throughout all levels of your company?

Reply (1 to 10):

Evaluation of Results

Note the score on each reply to the above questions, collect the grade of each reply and transfer all scores to the last section so that you can carry out the final evaluation and formulate your own opinion on the basis of these.

Q2 Business Vision, Mission and Strategy

Relevant concepts

The purpose of the vision, mission and strategy statements is to guide the organization for the future (where it wants to go), to define more specific ways to accomplish that and to set ethical standards for all parties (board, executives, management, staff, etc.) in order to carry out their daily activities and interactions.

A **vision** declarative statement defines a general goal (e.g. 'To provide the most excellent and effective financial services').

A **mission** statement is more specific (e.g. 'The mission of our company is to solve all customer problems with innovative and quality methods').

The company's **strategy**, usually included in a strategic plan, contains specific action plans, and directions of how to achieve what it is planned. Strategy, in more modern business terms, contains specific objectives, and goals, and the major policies and plans for achieving these stated in such a way as to define what business the company is in or should be and the kind of company it is or should be.

The purpose of the following questionnaire is to attest whether these (vision, mission and strategy) exist and how they operate within your own business environment.

Audit Questionnaire

The questions contained in this questionnaire examine Business Vision, Mission and Strategy in terms of: Vision, mission and strategy effectiveness, Completeness of business planning, Resources, Communication, Clarity of strategy, Quality management system alignment, Risk management system alignment and Compliance management system alignment.

1. Vision, mission and strategy effectiveness: Is there a strong business vision, an effective mission and an overall detail business strategy concerning all business performance aspects and up to which hierarchy/ management level of your company?
Reply (1 to 10):

2. Completeness of business planning: Are there complete business plans and specific targets at an operational, service, unit/ department level of your company?
Reply (1 to 10):

3. Resources: Are budgets, priorities and other resources assigned to business performance issues and up to which hierarchy/management level of your company?
Reply (1 to 10):

4. Communication: Is there a communication and awareness system in place, assisting dissemination of strategies, policies, general goals and specific objectives to all levels of your company?
Reply (1 to 10):

5. Clarity of strategy: Are business vision, mission and strategy clear to all and supported by all organizational levels of your company (Staff, Suppliers, Subcontractors, Customers, Management, Board of Directors)?
Reply (1 to 10):

6. Quality management system alignment: Is there a well-functioning quality management system in place for your company and is this linked and aligned to your vision, mission and strategy?
Reply (1 to 10):

7. Risk management system alignment: Is there an effective risk management system in full operation for your company and is this linked and aligned to your vision, mission and strategy?
Reply (1 to 10):

8. Compliance management system alignment: Is there an effective compliance management system in full operation for your company and is this linked and aligned to your vision, mission and strategy?
Reply (1 to 10):

Evaluation of Results

Note the score on each reply to the above questions, collect the grade of each reply and transfer all scores to the last section so that you can carry out the final evaluation and formulate your own opinion on the basis of these.

Q3 Corporate Governance Policies and Procedures

Relevant concepts

Corporate Governance Policies and Procedures set boundaries on opportunity-seeking by managers and staff and establish limits on acceptable behaviour for both companies and its stakeholders (board members, management, staff, shareholders, regulators, authorities, customers, citizens, auditors, etc.). Examples are: Corporate policies (financial, customer relations, fixed asset, human rights, health and safety, environment management, etc.), corporate committees (audit, benefits and personnel, IT, financial issues, business continuity, etc.), and corporate processes (performance, risk management, internal audit, etc.).

The purpose of the following questionnaire is to attest whether these (Corporate Governance Policies and Procedures) exist and how they operate within your own business environment.

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Audit Questionnaire

The questions contained in this questionnaire examine Corporate Governance Policies and Procedures in terms of: Formal establishment of governance policies, Approved performance process, Approved human resources process, Approved financial process, Approved asset management process, Approved IT management process, Approved Research and Development process, Business Reporting System, Quality Management Process, Risk Management Process, Ethics Process, Compliance Process, Corporate Social Responsibility, Fraud Process, IT steering committee, Business Continuity Committee, Audit Committee, Business Records, Recordkeeping System and Audit Trail.

1. Formal establishment of governance policies: Have corporate governance rules, guidelines, policies and procedures been formally established and communicated to all levels and functions of your company?
Reply (1 to 10):

2. Approved performance process: Is there an approved business performance policy, system and evaluation process in place for your company?
Reply (1 to 10):

3. Approved human resources process: Is there an approved human resources management policy, set of procedures, a system and an evaluation process in place for your company?
Reply (1 to 10):

4. Approved financial process: Is there an approved financial and cost management policy, and a set of related procedures in place for your company?
Reply (1 to 10):

5. Approved asset management process: Is there an approved asset management, disposition and protection system in place for your company?
Reply (1 to 10):

6. Approved IT management process: Is there an approved IT policy and a set of related procedures covering all areas, such as strategy, security, contingency planning and disaster recovery, information systems development and operation, database and data privacy protection, web services, etc. for your company?
Reply (1 to 10):

7. Approved Research and Development process: Is there an approved research and innovation system and process (policies, procedures, performance metrics) in place for your company?
Reply (1 to 10):

8. Business Reporting System: Is there a Business Management Reporting System, process, policies and procedures in place for your company?
Reply (1 to 10):

9. Quality Management Process: Is there a quality management process (system, policies, procedures, methodology, practices, organization, standards, certification, dedicated staff, etc.) in place for your company?
Reply (1 to 10):

10. Risk Management Process: Is there a risk management process (system, policies, procedures, methodology, practices, organization, standards, certification, dedicated staff, etc.) in place for your company?
Reply (1 to 10):

11. Ethics Process: Is there an approved and well-communicated ethics process (code, policy, staff, etc.) in place for your company?
Reply (1 to 10):

12. Compliance Process: Is there a compliance process (policy, program and action plan, dedicated staff, etc.) in place for your company?
Reply (1 to 10):

13. Corporate Social Responsibility: Is there a corporate social responsibility policy in place for your company and is this discharged effectively?
Reply (1 to 10):

14. Fraud Process: Is there an effective and well-functioning anti-fraud process (policy, procedures, staff, etc.) in place for your company?
Reply (1 to 10):

15. IT steering committee: Is there an IT steering committee in place for your company and is it functioning effectively?
Reply (1 to 10):

16. Business Continuity Committee: Is there a Business Continuity committee in place for your company and is it functioning effectively?
Reply (1 to 10):

17. Audit Committee: Is there an Audit Committee in place for your company and is it functioning effectively?

Reply (1 to 10):

18. Business Records: Have operational guidelines regarding business records been formally established, communicated to all levels and functions of for your company, and used in every-day work by all personnel?

Reply (1 to 10):

19. Recordkeeping System: Does the recordkeeping system (for both manual and computerized files, media and data) of your company produce complete and accurate results?

Reply (1 to 10):

20. Audit Trail: Is there an adequate documentation and effective audit trail for all transactions and activities?

Reply (1 to 10):

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Evaluation of Results

Note the score on each reply to the above questions, collect the grade of each reply and transfer all scores to the last section so that you can carry out the final evaluation and formulate your own opinion on the basis of these.

Q4 Business Management Support and Commitment

Relevant concepts

Choosing a **business management control system** to match the strategy, operations, culture, expectations and structure of an organization offers board and management a number of important challenges. Board and management must select business management controls that provide a framework to monitor, measure, and evaluate accurately whether or not it has achieved its business goals and strategic objectives. The usual financial, sales, and production (output) controls must be backed up with behavior controls (or soft controls) and organizational culture to ensure that the company is achieving its goals in the most efficient and effective way possible. In general, these controls should reinforce one another, and care must be taken to ensure that they do not result in unforeseen consequences, such as competition among functions, divisions, projects, and individuals. Many senior managers point to the difficulty of changing organizational culture when they talk about reengineering their organization so that it can pursue new strategic goals. This difficulty arises because culture is the product of the complex interaction of many factors, such as top management, organizational structure, and the organization's reward and incentive systems

The purpose of the following questionnaire is to attest whether these (Business Management Support and Commitment) exist and how they operate within your own business environment.

Audit Questionnaire

The questions contained in this questionnaire examine **Business Management Support and Commitment** in terms of:

C-Suite Support, Employee Commitment, Middle-Management Commitment, Clear Communication, Strategy Acceptability,

Performance Resources, Performance CSFs, Performance Training for Managers and Performance Training for Board.

1. C-Suite Support: Does the Board of Directors and Senior Management of your company provide their clear support and commitment concerning business performance issues of your company?

Reply (1 to 10):

2. Employee Commitment: Do all line employees have full understanding and commitment to your business vision, mission and strategic goals, coupled with certainty of senior management and leadership support?

Reply (1 to 10):

3. Middle-Management Commitment: Do all middle-level managers have full understanding and commitment to your business vision, mission and strategic goals, coupled with certainty of senior management and leadership support?

Reply (1 to 10):

4. Clear Communication: Have your performance management system's purpose and objectives been clearly stated and communicated to all parties involved?

Reply (1 to 10):

5. Strategy Acceptability: Are your business vision, mission and strategic goals acceptable by all your staff on a participative and co-operative basis?

Reply (1 to 10):

6. Performance Resources: Are there approved and committed resources for your business performance measurement system design, maintenance, review and improvement?

Reply (1 to 10):

7. Performance CSFs: Is there an adequate understanding by management of the time and effort required, the critical success factors and the risks associated with your business performance measurement system implementation?

Reply (1 to 10):

8. Performance Training for Managers: Is there a training program for management and senior executives, comprising topics such as: Leadership skills development, Performance management, Procedures improvement, Change management, Project management, Customer satisfaction improvement, Team and individual improvement, Risk management and Compliance?

Reply (1 to 10):

9. Performance Training for Board: Is there a training program for board directors on topics such as: Leadership skills development, Performance management, Procedures improvement, Change management, Project management, Customer satisfaction improvement, Team and individual improvement, Risk management and Compliance?

Reply (1 to 10):

Evaluation of Results

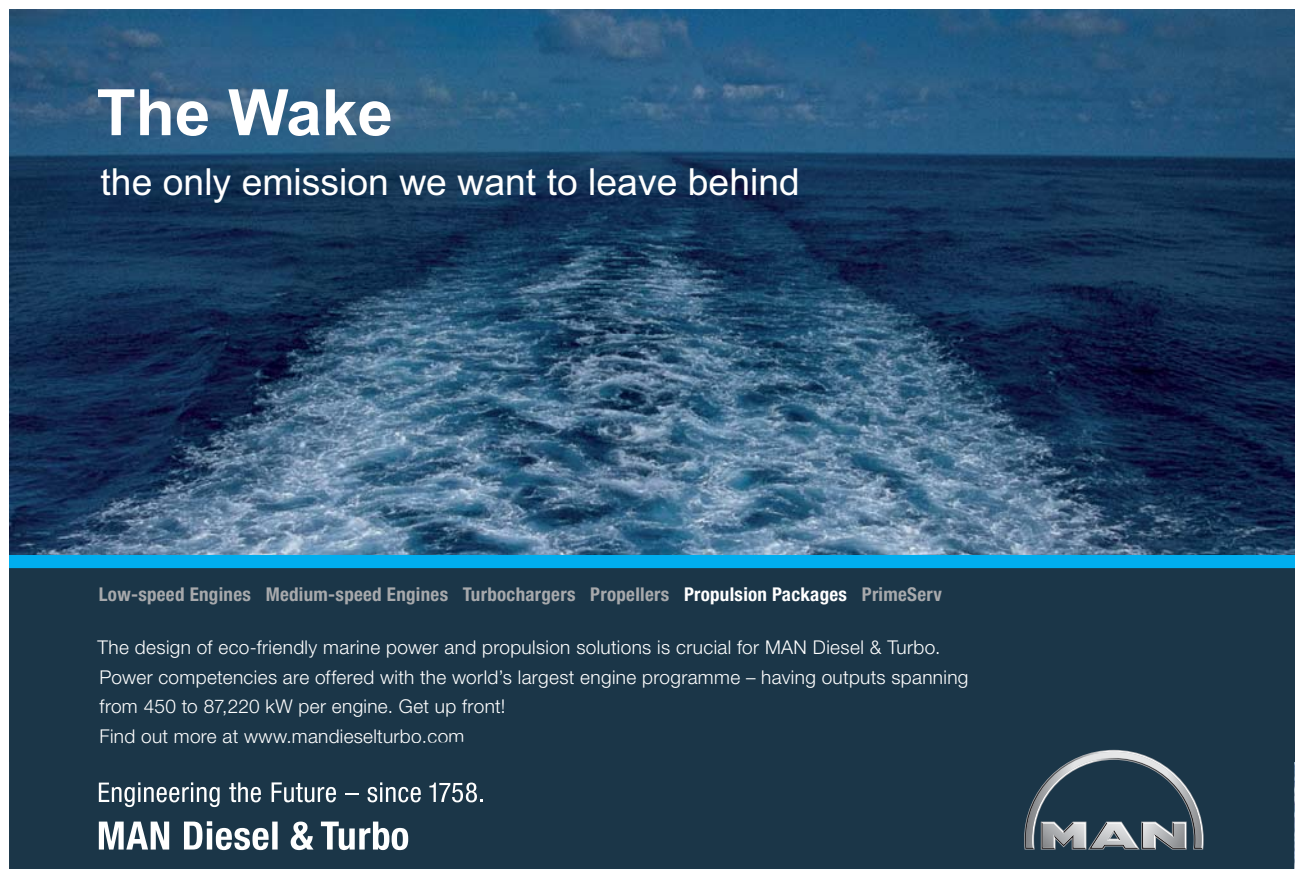
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Q5 Business Performance Management System

Relevant concepts

The business performance management system of a company describes the elements of the business performance process of the organization, usually contained in a business management performance policy, in terms of reviewing employees' performance, giving rewards to high performers, setting business goals and targets, details of the business performance review process, aspects of accountability in relation to business performance, how promotions relate to achieving targets, monitoring of business performance, training of staff on performance, etc.

The purpose of the following questionnaire is to attest whether these exist and how they operate within your own business environment.




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Audit Questionnaire

The questions contained in this questionnaire examine your **Business Performance Management System** in terms of: Board Support, Performance Model, Effectiveness of performance system, Comprehension of performance system, Fitness of performance system, Monitoring Formality, Monitoring Completeness, Management Actions, Board Actions, Reporting to Board, Reporting to Top Management, Performance Data Comparison, Performance Data Accuracy, Performance Reports Usage and Corrective Actions.

1. Board Support: Does the Board of Directors and Senior Management of your company provide their clear support and commitment concerning your business performance measurement and management system of your company?
Reply (1 to 10):

2. Performance Model: Does your company use a standard performance framework or model (e.g., Balanced Scorecard, EFQM, EVA, etc.) and does it work effectively for your company?
Reply (1 to 10):

3. Effectiveness of performance system: Are there approved performance measurement and management policy, system and procedures in place, i.e., at your company and do they work effectively?
Reply (1 to 10):

4. Comprehension of performance system: Is your current business performance measurement and management system acceptable and understandable by all parties?
Reply (1 to 10):

5. Fitness of performance system: Is your current business performance measurement and management system efficient and effective and as per the specific purposes that it has been developed and implemented?
Reply (1 to 10):

6. Monitoring Formality: Are there approved business performance monitoring and evaluation procedures in place?
Reply (1 to 10):

7. Monitoring Completeness: Is your business performance monitored at all organization levels of your company (Board of Directors, CEO, departments, units, projects and staff)?
Reply (1 to 10):

8. Management Actions: Are corrective and improvement measures taken by senior management when business performance issues need resolution?
Reply (1 to 10):

9. Board Actions: Are corrective and improvement measures taken by the board of the company when business performance issues need resolution?
Reply (1 to 10):

10. Reporting to Board: Are business performance results (sales, financial, customer service, human resources management, production, environment protection, social responsibility, IT, etc.) reported in periodical and annual reports to the board?
Reply (1 to 10):

11. Reporting to Top Management: Are business performance results (sales, financial, customer service, human resources management, production, environment protection, social responsibility, IT, etc.) reported in periodical and annual reports to senior management?
Reply (1 to 10):

12. Performance Data Comparison: Are business performance data compared to strategic goals and operational objectives?
Reply (1 to 10):

13. Performance Data Accuracy: Are business performance data accurate, comprehensive, easily accessible on demand, analytical and connected to the specific goals of business strategy and operational objectives?
Reply (1 to 10):

14. Performance Reports Usage: Are the business performance reports used on a continuous basis (i.e. on a weekly, monthly, quarterly basis, etc.) by all directors and senior management levels?
Reply (1 to 10):

15. Corrective Actions: Are corrective actions related to business goals and operational objectives taken, following business performance data monitoring?
Reply (1 to 10):

Evaluation of Results

Note the score on each reply to the above questions, collect the grade of each reply and transfer all scores to the last section so that you can carry out the final evaluation and formulate your own opinion on the basis of these.

Q6 Business Performance Model Implementation

Relevant concepts

To capture data and monitor performance, management creates a measuring and monitoring system and establishes the performance framework, the policy and the associated procedures for assessing whether work goals at all levels in the organization are being achieved. These are achieved via the approach of a Business Performance Framework or Model (BPM). There are several frameworks for implementing performance systems for all types of organizations (private, public, etc.). The most prevalent are: BSC, TQM, EFQM, and CAF.

The most successful one is the BSC model. In this, four general perspectives have been proposed: Financial Perspective, Customer Perspective, Internal process Perspective and Innovation & Learning Perspective. The following audit questionnaire is mostly suited to BSC¹.

The advertisement features a circular logo on the left with three stylized human figures in the center, surrounded by gears and four arrows pointing clockwise. To the right, the text 'UNLEASHING CHANGE MANAGEMENT' is written in large, bold, blue capital letters. Below this, the dates 'OCTOBER 18 & 19, 2018' and the location 'DE RODE HOED AMSTERDAM' are listed. At the bottom, there is a silhouette of an Amsterdam skyline including a windmill and several buildings. In the bottom left corner, the text 'Global Executive Events' is visible. A hand cursor icon is positioned over a green oval button at the bottom right of the ad.

The purpose of the following questionnaire is to attest whether a business performance model exists and how it operates within your own business environment.

Audit Questionnaire

The questions contained in this questionnaire examine your **Business Performance Model (BPM)** in terms of: Performance Model Support, KPIs, Top Management Involvement, Top Management Knowledge, Top Management Skills, Linking Management Performance to Data, BPM Management Plan, BPM Strategy, Management Accountability, BPM Project Methodology, BPM Awareness, BPM Reporting, BPM Guidance, Corporate Performance Culture, BPM Measurement Procedures, BPM Measurement Linkage, Human Resources Comprehension and Human Resources Training.

1. Performance Model Support: Is there guidance, support, participation and involvement by the Senior Executive Management of the company in BPM (**BSC, TQM, EFQM, Six Sigma, etc.**) deployment and cascading?
Reply (1 to 10):

2. KPIs: Has Senior Executive Management set a minimum set of Key Performance Indicators (KPIs) in implementing the selected BPM?
Reply (1 to 10):

3. Top Management Involvement: Is Senior Executive Management involved in departmental, business unit and functional process performance measurement and evaluation in implementing the selected BPM?
Reply (1 to 10):

4. Top Management Knowledge: Do all Senior Management Executives fully understand the role of each corporate department, unit and process as well as its performance link to the overall organization performance measurement in implementing the selected BPM?
Reply (1 to 10):

5. Top Management Skills: Do all Senior Management Executives have adequate skills, training and dexterities in BPM related issues?
Reply (1 to 10):

6. Linking Management Performance to Data: Are business performance measurements collected during the implementation process of the BPM related to Senior Management performance conduct?
Reply (1 to 10):

7. BPM Management Plan: Is there a BPM performance measurement implementation plan comprising the following: Team Establishment, Project Management Structure, Milestones, Allocation and management of resources, Budgeting, Communication, Change and Risk Management?

Reply (1 to 10):

8. BPM Strategy: Is there a specific STRATEGY and action plan for the deployment and cascading of BPM implementation?

Reply (1 to 10):

9. Management Accountability: Is there formal performance accountability of management executives for process results that they are responsible for?

Reply (1 to 10):

10. BPM Project Methodology: Are there specific sections about change and risk management included in performance project management methodology, in particular concerning the deployment and cascading effort of BPM implementation?

Reply (1 to 10):

11. BPM Awareness: Is there continuous awareness for maintaining BSC performance measurement dynamics and by what means is it ensured (e.g. Special events, Awards, Newsletters, Self-evaluation, Evaluation from external experts, etc.)?

Reply (1 to 10):

12. BPM Reporting: Is there a progress audit and reporting system for BPM performance measurement?

Reply (1 to 10):

13. BPM Guidance: Is there guidance, participation and involvement by Management at all organization levels (corporate, divisional, operational, and individual) in BPM deployment and cascading?

Reply (1 to 10):

14. Corporate Performance Culture: Has an evaluation of corporate readiness on performance taken place (based on a specific questionnaire) before the BPM performance measurement project implementation?

Reply (1 to 10):

15. BPM Measurement Procedures: Are there effective business performance measurement procedures in operation based on the implemented BPM?

Reply (1 to 10):

16. BPM Measurement Linkage: Is there a process linking the overall corporate BPM performance measurements with the respective BPM measurements of each department, unit, process, etc.?

Reply (1 to 10):

17. Human Resources Comprehension: Do human resources of each department, project, unit or process fully understand their role and how performance measurement of the specific department, unit and procedure is linked to the overall BPM corporate performance measurement?

Reply (1 to 10):

18. Human Resources Training: Do human resources of each department, project, unit and process have adequate skills, training and attributes in BPM performance related issues?

Reply (1 to 10):

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Evaluation of Results

Note the score on each reply to the above questions, collect the grade of each reply and transfer all scores to the last section so that you can carry out the final evaluation and formulate your own opinion on the basis of these.

Q7 Business Goals and Objectives Implementation

Relevant concepts

Business leaders and managers create, inspire, motivate and encourage their people to reach common business goals (at the general level), such as bringing a new product to market in a timely fashion, and also reach specific objectives, such as improve profits by a certain percentage, by the end of a given time period. Business goals and objectives are part of a company's strategy, and are normally included in a business or strategic plan.

Business policies establish what is to be done as regards the various operations of a business. Business procedures direct employees how to execute the actions required to achieve and implement what is defined in the specific business policies. Business policies and procedures are usually contained in a Business Policies and Procedures Manual. Your business policies and procedures, whether written (formal) or unwritten (informal) enable and support you in reaching your goals and objectives.

The purpose of the following questionnaire is to attest whether these (Business Goals and Objectives Implementation) exist and how they operate within your own business environment.

Audit Questionnaire

The questions contained in this questionnaire examine your **Business Goals and Objectives Implementation** in terms of: Goals Achievement, Objectives Achievement, Deadlines, Resource Availability, Reality, Priorities, Modifications, Learning Process, Business Policies Formalization and Business Policies Improvement.

1. Goals Achievement: Have the general business goals of your company been achieved or not in general terms?

Reply (1 to 10):

2. Objectives Achievement: Have the business objectives been achieved according to the time targets specified in the plan of your company?

Reply (1 to 10):

3. Deadlines: Were the deadlines for completion realistic or were they changed?

Reply (1 to 10):

4. Resource Availability: Do personnel have adequate resources (money, equipment, facilities, training, IT systems, etc.) to achieve the business goals and objectives?

Reply (1 to 10):

5. Reality: Are the business goals and objectives still realistic?

Reply (1 to 10):

6. Priorities: Should priorities be changed to put more focus on achieving the business goals and objectives?

Reply (1 to 10):

7. Modifications: Should the business goals and objectives be modified for the next time period?

Reply (1 to 10):

8. Learning Process: What can be learned from monitoring and evaluation business activities in order to improve future planning activities and also to improve future monitoring and evaluation efforts?

Reply (1 to 10):

9. Business Policies Formalization: Have business policies and procedures been written, approved, and formally established?

Reply (1 to 10):

10. Business Policies Improvement: Have business policies and procedures been reviewed in the last year and improved or changes accordingly?

Reply (1 to 10):

Evaluation of Results

Note the score on each reply to the above questions, collect the grade of each reply and transfer all scores to the last section so that you can carry out the final evaluation and formulate your own opinion on the basis of these.

Q8 Business Performance System Evaluation

Relevant concepts

The usual and most crucial criteria for evaluating a business performance system are: Board communication and negotiation skills, recognition of business performance issues, performance review and improvement procedures, rewards system, comparison of performance of your company to other similar business entities, and use of external evaluator.

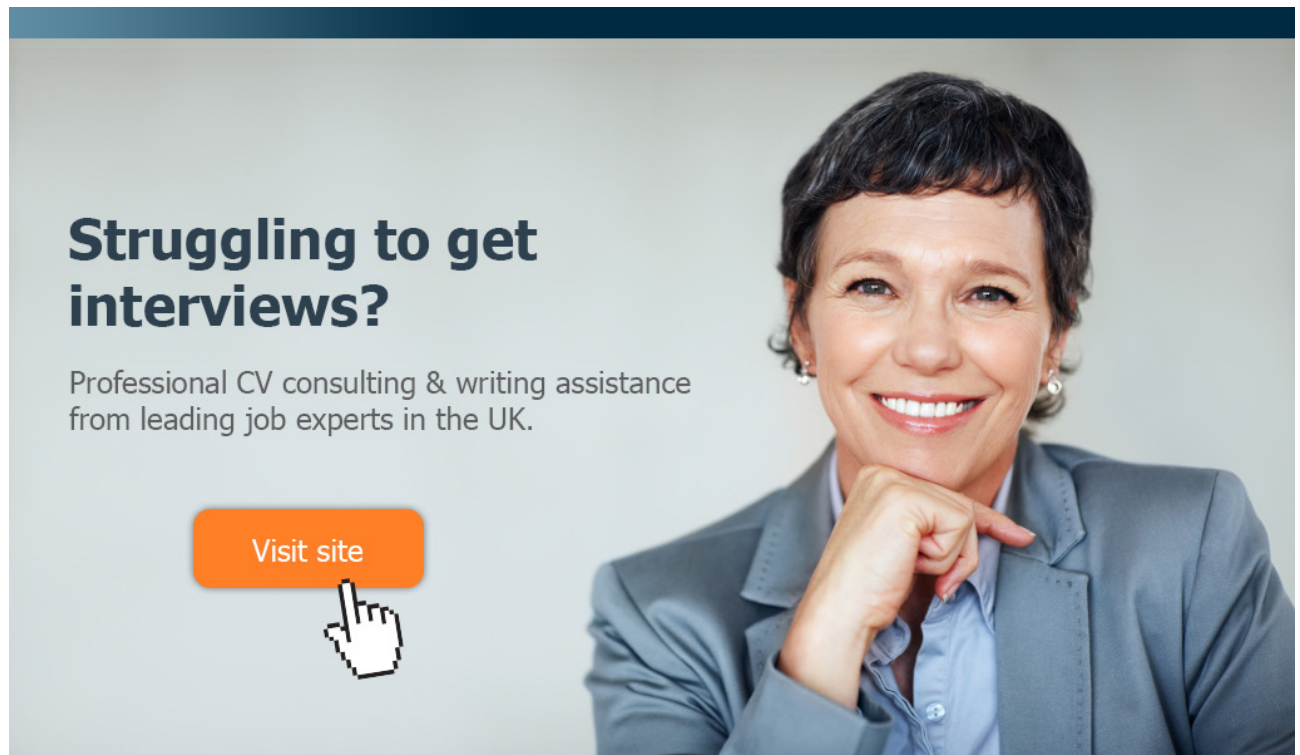
The purpose of the following questionnaire is to evaluate your **Business Performance System** within your own business environment.

Audit Questionnaire

The questions contained in this questionnaire examine your **Business Performance System Evaluation** in terms of: Board Communication Skills, Management Communication Skills, Recognition, Improvement, Rewards, Board Evaluation Skills, Board Performance Linking, Management Self-Improvement, Performance Comparisons and External Review.

1. Board Communication Skills: Have your board directors the requisite communication and negotiation skills to perform and oversee, as needed, the process of evaluating your company's business performance?

Reply (1 to 10):



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2. Management Communication Skills: Have your senior executives the necessary communication and negotiation skills to define goals and objectives and evaluate business performance at all levels?
Reply (1 to 10):
3. Recognition: Is recognition of business performance issues communicated to all organizational levels of your company?
Reply (1 to 10):
4. Improvement: Are there business performance review and improvement procedures and practices in place, in case of unacceptable or below standard (or even above standard) performance results?
Reply (1 to 10):
5. Rewards: Is business performance evaluation linked to your company's benefits, incentives and rewards system?
Reply (1 to 10):
6. Board Evaluation Skills: Have your board members the appropriate skills to evaluate strategic goals and operational objectives at an individual business unit or department level?
Reply (1 to 10):
7. Board Performance Linking: Is your Board of Directors members' performance linked to your company's business performance targets?
Reply (1 to 10):
8. Management Self-Improvement: Have your senior managers the appropriate culture and attitudes for adjustment and self-improvement according to your customer, industry, regulatory, market, economy and social needs?
Reply (1 to 10):
9. Performance Comparisons: Is your company performance compared to respective results in other similar companies?
Reply (1 to 10):
10. External Review: Is an external entity being utilised for independent evaluation of your company's business performance results?
Reply (1 to 10):

Evaluation of Results

Note the score on each reply to the above questions, collect the grade of each reply and transfer all scores to the last section so that you can carry out the final evaluation and formulate your own opinion on the basis of these.

Q9 Production Function Audit Questionnaire

Relevant concepts

The purpose of existence and mission of any bona fide business entity (private companies, public administration functions, non-profit organizations, professional societies, etc.) usually include:

1. The production of goods and services,
2. The delivery of goods and services to customers along with the required support to enable good use of what is delivered,
3. The overhead functions (corporate administration, human resource management, financial management, IT systems, security of plants, offices, data, systems, and other resources, research, quality management, risk assessment, etc.), whose aim is to support the good execution of production, and
4. The provision of benefits to both society and economy.

The purpose of the following audit questionnaire is to attest whether your production function exists effectively within your own business environment.

Audit Questionnaire

The questions contained in this questionnaire examine Business Performance Measurement Culture in terms of: Production effectiveness, Inventory management, Quality management and Production policies and procedures

Production effectiveness

1. Is your production cost-effective?
Reply (1 to 10):
2. Do you manage your Supplier/Vendor relationships adequately?
Reply (1 to 10):
3. Do you manage your inventory well?
Reply (1 to 10):

4. Are your production policies and procedures supporting your customers effectively?
Reply (1 to 10):

5. Do you monitor your production performance metrics?
Reply (1 to 10):

6. Are you training and coaching your production staff?
Reply (1 to 10):

7. Are you implementing best practices to improve customer service?
Reply (1 to 10):

8. Does your company have corporate controls to protect against fraud, waste, abuse and mismanagement in the use of all purchasing and contracting mechanisms?
Reply (1 to 10):

9. Does your company have systems that ensure compliance with all regulatory and policy requirements of both your company and the state/government?
Reply (1 to 10):



The advertisement features a central image of a smiling teacher leaning over a laptop to assist two young students, a boy and a girl. To the right, there are two smaller circular images: one showing three children looking at a tablet, and another showing children working at computers in a classroom. The background is a vibrant yellow and orange swirl design. In the top left corner, there is a logo for 'e-learning for kids' consisting of a grid of colored squares.

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10. Does your company have a positive, supportive attitude towards integrity, ethics education and training in procurement and contracts?

Reply (1 to 10):

11. Does your company monitor the reliability and confidentiality of data used in all purchasing and contracting decisions?

Reply (1 to 10):

12. Are the criteria such as objectivity, fairness, etc., known to all bidders and to the market (well publicized) and are these assured in the competitive review and selection of a contractor?

Reply (1 to 10):

13. Are checklists used to ensure that your purchasing and contract files are complete and accurate?

Reply (1 to 10):

14. Does your company have a system that integrates procurement/contracts with asset management systems and financial management?

Reply (1 to 10):

15. Does your company complete closeouts of contracts in a timely and appropriate manner?

Reply (1 to 10):

Inventory management

16. Does your company have business operating controls to protect against fraud, waste, abuse and mismanagement in the use of all inventory items?

Reply (1 to 10):

17. Does your company balance actual physical inventory to what is recorded in the computerized inventory control system (at least annually)?

Reply (1 to 10):

18. Does your company ensure that double or under counting of physical inventory items is not taking place?

Reply (1 to 10):

19. Does your company ensure that non-existent inventory is not counted?

Reply (1 to 10):

20. Are all inventory receipts (movements in) and shipments (movements out) recorded in the computerized inventory control system immediately (i.e., when they take place)?

Reply (1 to 10):

21. Are movements of inventory items monitored and reported daily by the appropriate level of your management?

Reply (1 to 10):

22. Are the storerooms locked after regular operating hours?

Reply (1 to 10):

23. Do security control procedures protect all storerooms and inventory areas in the most effective way (e.g., camera system, access control system, security guard visit after hours, etc.)?

Reply (1 to 10):

24. Are inventory suppliers adequately monitored to ensure delivery of critical raw materials, supplies and parts?

Reply (1 to 10):

Quality management

25. Does your company have quality inspection, assurance and error correction policies and procedures?

Reply (1 to 10):

26. Does the quality system have complete and accurate records for identifying errors, conducting inspections and doing corrections?

Reply (1 to 10):

27. Are the customers of your company contacted on a regular basis (every year or three, etc.) regarding the quality of goods and services provided?

Reply (1 to 10):

28. Does your company involve all staff in quality?

Reply (1 to 10):

29. Is your quality system linked to the benefits and rewards system of the organization?

Reply (1 to 10):

30. Is the quality system supported by your board and management?

Reply (1 to 10):

31. Are quality responsibilities and accountabilities assigned to all levels of your management?

Reply (1 to 10):

32. Are all your staff trained on quality issues?

Reply (1 to 10):

33. Is the quality management system linked to the performance system of your company?

Reply (1 to 10):

34. Are performance measures designed to collect detail data on the critical issues of quality?

Reply (1 to 10):

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Production policies and procedures

35. Does your Production Policies and Procedures Manual include policies and procedures related to:

1. Purchasing/Procurement?
2. Supply chain management?
3. Freight management?
4. Inventory management?
5. Business continuity and Emergency management?
6. Manufacturing of new products?
7. Standardization?
8. Quality Management?
9. Receiving and Returns?
10. Health, Safety and Environment?
11. Performance management and measurement?
12. Repairs?
13. Customer support?

Reply (1 to 10):

36. Do your Production Policies and Procedures comply with:

1. National laws and regulations?
2. International (U.N., E.U., OECD, etc.) guidelines?
3. Specific-industry codes and standards?

Reply (1 to 10):

Evaluation of Results

Note the score on each reply to the above questions, collect the grade of each reply and transfer all scores to the last section so that you can carry out the final evaluation and formulate your own opinion on the basis of these.

Q10 IT Management Audit Questionnaire**Relevant concepts**

The IT and computer technologies and related infrastructure, the information systems, the network backbone (intranet, extranet, metropolitan, Internet, etc.) and related media technologies give everyone, within a given organizational environment, direct access to what is going on: within the given organization, in the industrial sector to which it belongs, and in the general economy and market in which it operates.

All these technological components, broadly termed Information Technology (IT) and the related Information Systems (IS) which operate within its realm enable the modern private and public corporation and/or organization to accrue the following benefits (indicative only): Quicker and more effective information for decision-making at all levels; Increased competition in all services of the firm; Improved production processes and procedures; and Higher quality in products and services offered by information systems to customers (and citizens) and society in general.

Given the rate of development of the information processing and computer manufacturing technologies and processes, a rate without a precedent in the history of man-kind, it is possible now for organizations to transfer almost all of their daily business operations to be carried out by integrated information systems.

These systems are like medical drugs, either strengthening the organization, or enabling it to cure or resolve a particular problem or operating malfunction.

But, using the drug analogy, if these systems are not used in a disciplined manner, they can create havoc and many times bring about not the expected results and even catastrophe.

These integrated information systems must therefore operate within a business environment which is ruled by the rules, policies, regulations and instructions of a corporate governance framework and a related information technology governance framework.

The purpose of the following audit questionnaire is to attest whether IT is controlled well within your own business environment.

Audit Questionnaire

The questions contained in this questionnaire examine Business Performance Measurement Culture in terms of: IT Terms of Reference, IT Vision, Mission, and Values, IT Strategic Planning, IT Technology Coverage and IT Performance Assessment.

IT Terms of Reference

1. Is the CIO/IT Manager reporting to the official / organizational responsibility centre of the IT unit?

Reply (1 to 10):

2. Are the Terms of Reference detailed enough and tailored to the specific activities of each IT function/department and responsibility centre?

Reply (1 to 10):

3. Are the Board members and/or executive management of the Company/Organization familiar with these terms of reference and have they been ratified at the appropriate executive/board level?

Reply (1 to 10):

4. Are the IT department managers familiar with these terms of reference?

Reply (1 to 10):

5. Are the IT department personnel familiar with these terms of reference?

Reply (1 to 10):

6. Are the IT user managers familiar with these terms of reference?

Reply (1 to 10):

7. Are the IT users familiar with these terms of reference?

Reply (1 to 10):

8. Are these terms of reference aiding the IT managers and staff in discharging their duties?

Reply (1 to 10):



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9. Are these terms of reference known to the external stakeholders of IT (maintenance vendors, society interest groups, community groups, regulatory agencies, etc.)?

Reply (1 to 10):

10. Is the IT function structured effectively to serve the Organization and its divisions/
functions:

as a separate division, or as a part of another division?

interfacing with an outsource entity?

shared service among several departments?

a combination of above?

A separate company, with its own Board of Directors?

At the right organizational and responsibility level?

Reply (1 to 10):

IT Vision, Mission, and Values

1. Are there: overall corporate vision, mission and value statements?

Reply (1 to 10):

2. Are the IT vision, mission and value statements in alignment with the overall corporate vision, mission and value statements?

Reply (1 to 10):

3. Are all the IT staff aware of the IT vision, mission and value statements in carrying out their duties?

Reply (1 to 10):

4. Are all the IT staff aware of the corporate vision, mission and value statements in carrying out their duties?

Reply (1 to 10):

5. Are all the stakeholders and their staff aware of the entity's corporate vision, mission and value statements in carrying out their duties to the Company/Organization?

Reply (1 to 10):

6. Are all the stakeholders and their staff aware of the IT vision, mission and value statements in carrying out their duties to the entity's IT function?

Reply (1 to 10):

7. Is the IT function aligned with the corporate vision, mission and value statements, and a professional ethics code?

Reply (1 to 10):

8. Is the IT function aligned with the IT vision, mission and value statements?

Reply (1 to 10):

9. Are corporate vision, mission and value statements kept up to date and tied to the overall strategy?

Reply (1 to 10):

10. Are IT vision, mission and value statements kept up to date and tied to the overall strategy?

Reply (1 to 10):

IT Strategic Planning

1. Does the chosen planning method (PM) involve detailed examination of all activities?

Reply (1 to 10):

2. Does the chosen PM identify beneficial uses of IT?

Reply (1 to 10):

3. Has an IT Strategic Planning project (PJ) been set up (with participants from both IT and users) and is it linked to corporate goals?

Reply (1 to 10):

4. Is the PJ sponsored by the CEO and ratified by the Board?

Reply (1 to 10):

5. Were meetings held with key users?

Reply (1 to 10):

6. Were meetings held with business managers?

Reply (1 to 10):

7. Were any external consultants used?

Reply (1 to 10):

8. Are minutes kept and circulated of PJ meetings?

Reply (1 to 10):

9. Have business plans been linked to IT systems?

Reply (1 to 10):

10. Have IT benefits been identified in the organization's business plan?

Reply (1 to 10):

11. Have existing/new IT applications been identified in terms of strategic impact to the organization?

Reply (1 to 10):

12. Have new corporate data been identified?

Reply (1 to 10):

13. Have present IT systems been examined in terms of sort-falls?

Reply (1 to 10):

14. Has the hardware platform (present, future) been examined?

Reply (1 to 10):

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15. Has the application software platform (present, future) been examined?
Reply (1 to 10):
16. Has the database software (present, future) been examined?
Reply (1 to 10):
17. Are IT action plans agreed and signed of by key-users
Reply (1 to 10):
18. Are IT action plans and report (as per deliverables) reviewed and ratified by CEO/board
Reply (1 to 10):
19. Is PJ plan reviewed every six months?
Reply (1 to 10):
20. Is there a budget prepared (short-term, long-term) for all required approved acquisitions, internal developments, and enhancements?
Reply (1 to 10):

IT Technology Coverage

1. Does Technology Coverage include items and issues such as:
mainframe/mini/micro-computer hardware platforms?
operating systems and data base management technologies?
information systems?
data centre?
personal computers and office systems and applications?
electronic mail and related aspects?
electronic data interchange (EDI) and Internet?
networking (cabling, hubs, WAN/LAN/ INTRANET)?
data transmission with external parties and protocols?
voice communications?
advanced systems, knowledge systems, and competitive intelligence applications, and decision support systems?
other special systems (e.g. security , building management, embedded systems etc.)?
Reply (1 to 10):
2. Is the issue of Technology Coverage adequately covered (i.e., there are no missing items)?
Reply (1 to 10):

3. Is Technology Coverage included in the IT vision, mission and value statements?
Reply (1 to 10):
4. Does the CIO have the official responsibility for the Technology issues?
Reply (1 to 10):
5. Are all the IT staff kept up-to-date on all technological issues by training, seminars, web-based tuition, etc?
Reply (1 to 10):
6. Is the Technology Coverage issue adequately managed in the IT Re-structuring plan and/or other business process re-engineering/improvement in progress?
Reply (1 to 10):
7. Is there a short-term as well as a long-term technology plan in place for the organization?
Reply (1 to 10):
8. Is the technology plan reviewed annually, improved (according to the firm's needs and new business requirements and processes, and with the participation and commitment of all parties), and communicated to all stakeholders and relevant parties?
Reply (1 to 10):
9. Is adequate documentation maintained properly on all technological changes?
Reply (1 to 10):

IT Performance Assessment

1. IT Performance Policy: Obtain a copy of the IT performance policy and review with IT management.
Reply (1 to 10):
2. Assess validity of this policy and usage and up to what level (criteria, user satisfaction etc.).
Reply (1 to 10):
3. Operational Statistics: Obtain machine statistics for systems running in the data centre
Reply (1 to 10):

4. Performance Reporting: Assess how IT management records operational statistics on equipment and systems availability and down -time and how these processing problems (and their resolution) are communicated to end-user and Top Management.

Reply (1 to 10):

5. Carry out, if possible, a comparison cost analysis of this IT Dept. with other IT units of the Group.

Reply (1 to 10):

6. Hardware Capacity Planning: Assess computer performance and capacity planning process, especially for computer hardware upgrades.

Reply (1 to 10):

7. Review the IT Governance Framework.

Consider the following issues:

The IT Governance framework should be established and communicated to all

Examine if the IT Governance framework is aligned with a standard model such as COBIT/ ISACA, or the ITIL model.

Reply (1 to 10):

8. Review Key Performance Indicators and their effectiveness for the particular IT function audited.

Consider the following IT performance measures:

Development/maintenance activity (Functions developed worth to users, No. of lines coded/ tested/changed, Hours spent on maintenance (person, program))

Operational performance (Timely delivery of reports to users, Average response time, Average availability time, Volume of data stored, Mean time between failures, No. of lines printed, Volume of data maintained, No. of on-line transactions processed)

Financial performance (Adherence to budget, Expenditures on maintenance vs. new development, Expenditures on preventative maintenance, Ratio of administrative (staff)) costs to production (line) costs

Human resource management (Turn over ratios, Training per employee (amounts, hours), Average tenure within the company).

Reply (1 to 10):

Evaluation of Results

Note the score on each reply to the above questions, collect the grade of each reply and transfer all scores to the last section so that you can carry out the final evaluation and formulate your own opinion on the basis of these.

3 Business Performance Measures

In the previous two chapters I offered a practical general business model and several audit questionnaires you may use in reviewing your own business operations and performance.

Now I will present a set of performance measures you may use to monitor your performance in the most critical functions of your business.

The main categories of usual business performance measures that generally apply to small, medium and large size private companies are: Financial Performance Measures, Sales Performance Measures, Output Performance Measures, Management Performance Measures and IT Performance Measures.

When you are auditing or reviewing your business performance measures you may use the following lists to ensure that your company collects the performance data for each listed performance measure and that it follows its business performance in a systematic and integrated way.

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Financial Performance Measures

1. Stock price
2. Return of investment (ROI)
3. Return on assets
4. Return on Capital Employed
5. Dividends per share
6. P/E (Price/Earnings ratio)
7. Net results/revenue
8. Gross results
9. Product profit
10. Net profit
11. Product cost
12. Service cost
13. Sales cost

Sales Performance Measures

1. Total sales amount per period
2. Sales per person per period
3. Percentage of sales force achieving quota
4. Number of and amount of new orders
5. Amount of new business from existing customers

Output Performance Measures

1. Inventory on hand
2. Production cycle time controls (setup time, processing time, queue time, wait time, idle time, throughput time)
3. Basic production costs
4. % of new services/products developed
5. Quality costs (% of errors in data entry operations, appraisal costs, internal failure costs, external failure costs, etc.)

Management Performance Measures

1. Amount of training budget for Board members per year,
2. Number of procedures reviews per year,
3. Number of management report reviews per year,
4. Department morale index,
5. Number of reviews of strategic plan,
6. Hours of employee unjustified absence,

7. Hours and staff trained on the business functions.
8. 8. Number of risk assessments per time period,
9. Number of physical security violations corrected, and
10. Number of audits not executed.

IT Performance Measures

1. % Computer Availability
2. % Network Availability
3. Number of Applications supporting critical business functions
4. Average response time
5. Number of lines printed
6. Volume of data maintained
7. Number of on-line transactions processed
8. Number of data privacy incidents
9. Number of security incidents
10. Number of Corporate Espionage attacks

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4 Summarizing and Evaluating the Audit Replies

In the previous three chapters I offered a practical general business model, several audit questionnaires and performance measures you may use in reviewing your own business operations and performance.

Now I will present an evaluation approach you may use to assess your own performance situation.

There are over 190 questions, as noted next:

- Q1. Business Performance Measurement Culture: 10 questions
- Q2. Business Vision, Mission and Strategy: 8 questions
- Q3. Corporate Governance Policies and Procedure: 20 questions
- Q4. Business Management Support and Commitment: 9 questions
- Q5. Business Performance Management System: 15 questions
- Q6. Business Performance Model Implementation: 18 questions
- Q7. Business Goals and Objectives Implementation: 10 questions
- Q8. Business Performance System Evaluation: 10 questions
- Q9. Production Function Audit: 36 questions
- Q10. IT Management: 58 questions

Evaluation of results can be made as following:

Step 1: Total number of grades in each questionnaire

Total number of grades in questionnaire 1 = S_1

Total number of grades in questionnaire 2 = S_2

Total number of grades in questionnaire 3 = S_3

Total number of grades in questionnaire 4 = S_4

Total number of grades in questionnaire 5 = S_5

Total number of grades in questionnaire 6 = S_6

Total number of grades in questionnaire 7 = S_7

Total number of grades in questionnaire 8 = S_8

Total number of grades in questionnaire 9 = S_9

Total number of grades in questionnaire 10 = S_{10}

Step 2: Sum of all S above = (S_{1-10})

Step 3: Final Mark= Division of (S_{1-10}) by 194 (194 queries)

Taking into consideration this final mark and examining the use of the business performance measures checklists (see above) you may get an indication of your company's maturity level concerning business performance issues, in a *1 to 100* scale.

Proximity to grade "100" indicates sufficient/ improved performance monitoring.

Distance of the final mark from "100" indicates respectively increased need for improvement in performance related issues.

Indicative results:

- >70 indicates that the organisation monitors performance adequately, while improvement and more systematisation is needed.
- <60 indicates a need for significant improvement in performance issues.
- <40 indicates a need for radical improvement on performance issues.



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5 Conclusion

In the previous four chapters I offered a practical general business model, several audit questionnaires and performance measures and an evaluation approach you may use to assess your own performance situation.

Now I will present my concluding remarks and offer a set of improvement recommendations for your consideration.

In conclusion, private companies and non-profit organizations exist to accomplish certain activities and offer products and services to customers, citizens, other business entities and the general public.

Management's first and most important task and duty is to ensure that those activities are achieved in the best possible way. To this purpose, it is essential that board members and management monitor the performance of their company against its stated general business goals and specific time-bound objectives. This requires that management describe the specific objectives in precise measurable terms (e.g. customers served, turnover, profit, units of output delivered, etc.) and establish a reliable and timely business performance management reporting system to keep itself and its stakeholders informed of progress against the stated objectives.

To ensure the reliability of the business performance data, it is desirable that the business performance management reporting system is linked to the financial accounting system and that all business performance data and related operational activities are audited according to a disciplined methodology.

Also management should also establish its performance expectations with respect to the outputs being measured and should carry out corrective actions if the business performance reported results deviate beyond a pre-determined limit, against the business performance expectations.

I will present next, a set of improvement recommendations for your consideration.

5.1 Make your customers your number 1 priority

To accomplish this you need to focus on identifying, attracting, increasing and maintaining your customers. The following guidelines and control processes may assist and support you in this effort.

1. Establish excellent customer sales and support function.
2. Develop and implement your customer service policy based on quality.
3. Ensure that you are selling, delivering and servicing highest-quality products and services.
4. Maintain an effective sales ledger and other support systems.

5. Monitor and review your customer sales and support strategy and operations.
6. Improve your customer sales and support performance.

5.2 Treat your people fairly

To accomplish this you need to focus on attracting, selecting and managing your employees better. The following guidelines and control processes may assist and support you in this effort.

1. Screen all personnel during your hiring process.
2. Maintain valid employment contracts and employee documentation.
3. Establish authorization controls.
4. Communicate constantly your company's ethics and values to all parties, and practice what you preach.
5. Reward all your employees on performance.
6. Respond, resolve and punish, if needed, all violators to your standards of practice.
7. Make decisions on accurate facts and data and by understanding of all your business functions and actions of individuals.

5.3 Protect your property

To accomplish this you need to focus on protecting and managing your company property better. The following guidelines and control processes may assist and support you in this effort.

1. **Money and other financial assets** can be managed and protected by establishing and implementing financial management and accounting controls, such as:
2. **Physical property** (buildings, plants, machinery, furniture, computers, etc.) can be managed and protected by establishing and implementing controls, such as: (a) Security guards and protection systems, (b) Asset Registers, and (c) Taking Inventories,
3. **Intangible assets** (information systems, knowledge repositories, patents, etc.) can be managed and protected by establishing and implementing business management controls, such as: (a) Registration of Patents, Copyrights and Trademarks, (b) IT Governance controls and (c) Business Continuity controls, and
4. **Business Records** can be protected by establishing effective policies and procedures to manage your business data. Keeping business records can be easy if they are organized well. Understand the nature of your business and then appoint people to maintain your business records.

5.4 Produce high quality products

To accomplish this you need to focus on managing and improving your company production process better. The following guidelines and control processes may assist and support you in this effort.

1. Develop, make or purchase and price properly and a competitive basis your products and services,
2. Establish effective purchasing procedures to avoid fraud and maintaining your purchase records very well.
3. Execute effective inventory procedures and maintain proper inventory records, and
4. Streamline your production process by efficient procedures, and by maintaining proper manufacturing and production files.

5.5 Monitor, review and improve your performance

You can achieve this by the following activities and control processes:

1. Craft and implement a corporate culture, vision, mission and values.
2. Devise and deploy your strategy, goals, objectives and targets.
3. Establish a business management controls framework, including governance, risk and compliance policies, procedures and practices, and performance framework.
4. Implement a performance management system by getting and deploying a Business Dashboard system or by a system suited to your purposes.
5. Establish and execute a Continuous Business Management Monitoring Plan.
6. Monitor and review your operational data such as: customer sales and support strategy and operations, financial performance, production performance, etc.
7. Improve your financial, customer sales and support, and production performance.
8. Execute effective compliance and risk programs to ensure adherence to both to internal and external regulations.
9. Ensure that a qualified auditor (usually external) examines and evaluates all your operational controls, besides your financial reports, at least annually.
10. Improve your overall performance monitoring process.

6 End Notes

1. For more details about performance frameworks, see:

(1) Kyriazoglou John, Dr. F. Nasuti and Dr. C. Kyriazoglou (2012): 'Corporate Strategic and Operational Controls', Publisher: www.theic.org

For other related books, see:

(2) 'IT Strategic and Operational Controls', Publisher: www.itgovernance.co.uk, Direct Link: <http://www.itgovernance.co.uk/products/3066>



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7 Biography of the Author

John Kyriazoglou obtained a B.A. (Honours) from the University of Toronto, Canada, also earning a Scholastic award for Academic Excellence in Computer Science. John has worked in Canada, England, Greece and other countries for over 35 years, as a Senior IT manager, Managing Director, IT auditor and consultant, in a variety of clients and projects, in both the private and the public sectors. He has published several books and articles in professional publications, has served in numerous scientific committees and is a member of several professional and cultural associations.

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