Matrix Performance Management™
Strategic solutions to drive results in matrix organizations

Management Challenges in a Matrix Environment

Most modern organizations have some form of matrix implemented.

From every perspective, matrix structures are complex -- creating significant challenges at all levels.

Every Matrix Organization faces five critical challenges...

1. Competing Priorities
   Each organizational unit naturally pursues objectives and priorities aimed at its own success. Problems occur when two or more business units – each with their own objectives and priorities – must interact to perform a project or process. Many times, different priorities are perceived to be "competing" priorities and conflict within the organization emerges.

2. Interdependencies
   For a matrix business unit, the achievement of results is impossible without the contribution of projects and processes from other business units – usually outside the manager’s span of control. This means managers have responsibility to perform without authority over the resources that must do the actual work.

3. Ambiguous Accountability
   A common complaint in matrix organizations is, "When 4 departments participate in the same assignment, each one feels 25% responsible for results." Fragmented, or unclear accountability for results is a common problem in a matrix environment.

4. Complex Decision-Making
   Because of the exponential complexity of multiple stakeholders in every project and process, the process of decision-making is often riddled with inefficiencies. With more and more people involved in each decision, both the speed and quality of decisions suffer and unintended consequences result.

5. Black Holes
   For executives and managers in a matrix organization, it becomes difficult to monitor and manage the exponential complexity of day-to-day activities – and even more difficult to manage the execution and progress toward objectives and strategies. "Black holes" in strategy execution are common in matrix organizations, but finding them and correcting them in time is the most difficult challenge of all. How can executives and managers keep track of their strategies and know with certainty if they are, in fact, being executed as planned?
Matrix Performance Management™
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Matrix Performance Management (MPM) enables the definition, alignment, analysis and measurement of strategic performance in both traditional and matrix organizations.

MPM is a unique combination of digital tools and proven methodologies that allow the creation and execution of strategic and operational plans across the organization, facilitating collaboration at all levels, resulting in greater confidence and leverage in the execution of strategies.

Design Principles

Effectiveness
Grounds the Vision, Mission, Objectives and Strategies by applying structured approaches to explicitly align and manage "real work" through the lens of strategic priorities from every branch of the traditional and/or matrix organization chart.

Flexibility
Adapts to the requirements and structure of your organization (hierarchical and/or matrix).

Confidence
Instills confidence and trust in the decision-making process to ensure that project and process investments align with strategic priorities.

Acceleration
Speeds up the execution of the strategic plan across the organization and allows faster response to changing strategic directions.

Collaboration
Strengthens and enables collaboration across independent business units within the organization.

Communication

Common Language
Fosters shared understanding and clear articulation of Objectives, Strategies, Projects, Processes and Indicators using guidelines and syntax rules for documenting these planning elements, Participants develop the ability to define and communicate priorities based on simple structures and terminology.
Matrix Performance Management™ Model

MPM enables simultaneous planning of the organizational hierarchy and the matrix relationships. The MPM Model accommodates the collaborative planning relationships across diverse entities within an organization, crossing organizational boundaries to ensure the most efficient utilization of resources. In addition, it allows viewing of real-time execution of the plan(s) and identifies strategic implications of successful -- or failed -- objectives, projects and processes.

Across the Matrix, the model expands the planning structure, permitting the operational units to be aligned to the hierarchical objectives within their own organization as well as to diverse peer or superior organizations such as regions, product lines, special programs, etc.

Using this model, strategic organizational alignment is established, but planning, alignment and execution are not limited to the formal organization structure.

MPM Model for a four level organization
Matrix Performance Management

Definition and Management of Strategic Plan Elements

MPM allows you to systematically document your organization’s strategic plan, including Vision, Mission, Objectives, Strategies as well as concrete actions (Projects and Processes) required to execute the plan.

The MPM software provides a central repository of Strategic Plan information, enabling managers and executives to define, document, analyze, compare, communicate and improve the plan while collaborating with others across the organization.

Using digital software tools, based on the latest web technologies, the planning cycle can be significantly reduced leaving more time to execute the plans and obtain desired results. MPM tools overcome the barriers of time and space to define and execute strategic plans independently and interdependently at the same time.

Systematically Define, Document and Execute your strategic plan

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Capture all the elements of your strategic plan in a central repository for better communication and management.
Alignment tools and concepts help to ensure a set of cascading objectives, projects, processes and indicators at all levels of the organization. Misaligned elements are identified so that corrective action may be directed at specific “black holes” in the execution of strategies.

Key concepts such as strategic alignment, tactical impact, focus, prioritization, contribution, project impact and performance indicators form the basis of MPM methodologies which are embedded in MPM digital tools.

**Define your Strategic Direction**

The strategic direction of an organization defines the backbone of its strategic plan. Ideally, everything the organization does – every investment project, process improvement and daily management decisions – will be aligned to focus on increased revenues, reduced costs -- or both. The age-old formula of \( P = R - C \) (Profits = Revenue – Costs) provides a simple framework for dialogue, collaboration and agreement on the basics and focus needed by the organization when executing the plan.

**Note:**
For Governments and non-profit organizations, the formula is modified as follows: \( B = SI - C \) (Benefits = Services Improvements – Costs).

**Ensure strategic and operational alignment**

MPM tools and concepts permit you to create "explicit" alignment of the key elements of your plan to optimize the use of execution resources.

**Ensure contribution at all levels of the organization**

Ultimately, an aligned plan ensures that organizational resources – financial, material and human – are invested efficiently in the areas of greatest importance that contribute to the achievement of strategic Objectives.
Matrix Performance Management

**Analysis / Diagnostics**

MPM provides diagnostic and analysis tools to identify improvement opportunities, risks and key priorities at the level of projects and processes required to execute the plan: Risk/Benefit Analysis, Impact Analysis, Project Management Index, Importance vs. Performance Diagnostics, Sponsorship Diagnostics, Projects Contribution to Objectives, and others.

**Diagnose your portfolio of strategic projects**

Use diagnostic tools to view the status and assess the risks of innovation / investment projects in your portfolio.

**Innovate and improve your processes**

By analyzing the importance and performance of your processes, you can decide whether it is necessary to improve, transform, create or eliminate process activities within your organization to drive performance and achieve your planned objectives.
Follow-up

Performance indicators allow you to track and quickly identify the status of Objectives, Projects and Processes within the plan. Best practices in project and process management are also embedded within the tools to allow easy tracking of key milestones and results at the operational level.

Define, configure, simulate and update indicators and targets

Indicators are the basic tracking mechanism for your plan. The flexibility and power of configuring and simulating results will allow you to establish and commit targets (outcome, output and activity-based) used to measure and manage organizational performance.

Note: Specific interfaces can be designed to allow automatic updates of results directly from other systems.
Reports are communication tools to keep various players (those involved in the conception, execution and follow-up of the plan) in synch with each other.

Standard reports include:

- Integrated Plan Report
- Integrated Management Report
- Indicator Progress Report
- Priorities Report
- Indicators Responsibility Report
- Grouped Indicators Performance Report
- Alignment Report
- Objectives Scope Report
- Indicators Alignment Report

Save time and increase your productivity by using standard reports or customize them to fit your specific information needs.

Every report can be generated in real time in either PDF or HTML format.
Features

**Flexibility**
Modular architecture that quickly adapts to your specific needs.

**Security**
International protection standards for digital information.

**Performance**
Dynamic construction and fast response time.

**Usability**
Focus-group tested to ensure ease of use.

**Technology**
A digital tool accessible through the Internet and developed following international software production standards.

Benefits

**Action oriented**
The MPM system focuses on change management and on the accomplishment of organization goals at every level.

**Collaborative support for matrix and hierarchical organizations**
Create a common language and enable cross-functional participation at all levels of the organization.

**Strategic and operational planning**
Equal emphasis at all levels, from high to low, to ensure that strategic priorities are transformed into real work for the whole organization.

**Explicit alignment**
Explicitly connect individual projects and processes to objectives and align results of your strategic priorities.

**Transparency**
Ensure the quality, integration and accountability of budget assignment and progress tracking.

**Iterative and dynamic process**
Web-based applications enable plan updates and maintenance while making it accessible for day-to-day decision making.

**Integrated processes, systems and tools**
Address the challenges and interdependencies of planning, programming and budgeting systems.

**Strategic performance knowledgebase**
Historical results and multi-year knowledgebase of strategic plan information help to produce better analyses and support of continuous, long-term improvements.

**Rapid deployment and adoption**
Based on organization change management design principles, MPM Programs result in rapid adoption and practical learning for key personnel -- maximizing strategic performance in the shortest time possible.
We have an extended network of experienced consultants around the world including North America, Latin America, Europe and Asia.

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