

CALIFORNIA INSTITUTE OF TECHNOLOGY
INDUSTRIAL RELATIONS CENTER



Caltech



Drive Business Performance Through New Metrics & Incentives

A must-attend workshop for anyone responsible for improving financial and operational performance

AN EXECUTIVE COURSE

April 28-29, 2009

August 10-11, 2009

Caltech Campus, Pasadena, CA

Course Leader

Alan G. Dunn

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WWW.IRC.CALTECH.EDU

Drive Business Performance Through New Metrics & Incentives

Comments From Past Participants

"I rated the *Drive Business Performance* course 'excellent' due to the relevance of material, my ability to implement the ideas when I leave, and the quality of the instructor's delivery. The Caltech IRC is welcoming, comfortable and engaging."

Van N. Schultz

*Senior Vice President - Strategic Development & Innovation
Aera Energy LLC*

"Alan Dunn is outstanding. This is the first program I've attended that speaks specifically and clearly about how company performance can be improved and analyzed from A to Z. I will definitely use what I learned about identifying the key levers that drive company valuation as well as the majority of the tools taught in the course."

Nicholas P. Mitrakis

*Vice President, Division Controller
Siemens Transportation Systems, Inc.*

"This course provides excellent information on how to use performance measurement to evaluate attainment of enterprise economic goals. I especially found the sections on setting effective corporate goals and changing behavior very valuable."

Craig B. Young

*Executive Vice President /
Chief Financial Officer
Greer Enterprises*

Urgent Business Issues Addressed

In today's challenging economy, companies are looking everywhere to improve business performance. How do you make the right choices that drive the right business actions? The answer lies in employing new metrics and incentives closely tied to business goals for all levels in the organization.

To achieve outstanding business results, three levels of performance measurement need to be aligned:

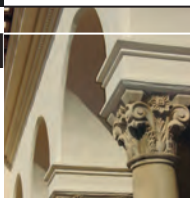
1. **Operational measurements** for shaping the daily performance of technical teams and personnel.
2. **Performance measurements** for motivating functional managers as well as those responsible for cross-functional processes. Developing an *Executive Dashboard* provides all of the information functional decision makers need to make profitable decisions... quickly and routinely.
3. **Strategic measurements** to focus collective performance measurements on increasing corporate economic value.

Key Benefits of Attending

- Get specific information to meet demanding profit and performance goals
- Keep performance measurements aligned with company strategy
- Implement a systematic approach using a template to align performance measurement systems with compensation

Unique Feature

Real-Time Case Study: Using current, publicly available corporate data, (or financial data provided in advance from participants) our instructor will model how, and how much, enterprise value can be impacted through specific improvement initiatives that can be readily measured.



Course Content

Critical Factors in Implementing Effective Performance Measurements

- How actual performance and the measurement of performance are related
- How measurement drives behavior
- How internal data integrity can impact measurements
- How performance measurements often drive undesirable behavior and damaging decisions
- How the drop in loyalty (company and employee) is driving a 'contractor mentality'
- How performance is measured across functional boundaries
- How to define aggregate, functional, process, and operational performance measurements

Aligning Performance Metrics Throughout the Organization

- Principles of performance measurements that work
- What happens when measurements are not properly aligned up and down the organization
- What happens when measurements are not aligned across the organization
- What happens when there are technical, organizational, and cultural impediments to alignment

Driving Operational Performance: Measurements for the Technical Team and Critical Support Team

- Identifying non-value adding activities
- Accurately costing activities
- Adjustments required to eliminate cost distortions at the activity center level
- Examples of operational measurements
- Linking operational performance to the functional dashboard
- Linking operational performance to economic profits

Driving Process Performance Improvement

- Identifying core business processes
- Identifying non-value adding required activities within core business processes
- Costing processes accurately
- Examples of process measurements
- Linking process performance to the operational and functional dashboards
- Linking operational performance to economic profits



On-Line Demonstration: *How ALL employees can use operational and process measurements to self-identify, self-prioritize, and remove waste within their span of influence.*

Driving Functional Performance: Measurements for Functional Leadership and Critical Support Teams ... the Executive Dashboard

- Developing a purpose for an executive dashboard
- Constructing executive dashboard basic rules
- Determining the dashboard 'gauges,' their priority and relative value
- Developing routine methods for gathering and reporting information
- Making adjustments to eliminate cost distortions at the functional level
- Linking functional measurements back to economic profits

Driving Corporate Economic Performance: Measures for Executive Leadership

- Characterizing economic measurement formulas and determining when to appropriately use them
- Using new measurements to discover new performance leverage points
- Understanding the difference between economic profit measures and conventional profit measures
- Adjustments required to calculate economic profits and eliminate cost distortions
- Connecting economic profit measurements to strategy formulation
- Connecting economic profits to tactical plans and measurements

On-Line Demonstration: *A method for determining the economic impact any strategic or tactical initiative will have on cash flow, profits, and enterprise valuation.*

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Bring This Course To **Your** Company

Overcoming Implementation Obstacles and Challenges

- Why there is so much resistance to changing performance measurements
- Technical, organizational, and cultural implementation obstacles
- Keeping measurements aligned
- Aligning existing reward systems with new measurements
- Institutionalizing the use of the new measurements
- Understanding disclosure and compliance requirements

Using Incentive Compensation to Accelerate Performance

- Getting employees to act like owners
- Moving towards leveraged pay at all levels
- Compensation implications of the 'contractor mentality'
- Using tools to tie performance metrics to compensation policy
- Assessing the importance of evaluation instruments
- Appropriately compensating top leaders, functional leaders, and employees
- Cautions about changing compensation systems

Bonus Benefit ... *at the close of this program, participants will be provided an electronic copy of Mr. Dunn's Integrated Performance Measurement System (IPMS) model... a model for shaping economically consistent behaviors at all levels through the proper mix of economic aggregate, functional, and operational performance metrics tied to appropriate leveraged compensation. Many companies have utilized this model to supercharge consistent performance at all levels.*

Earn up to 15 CPE's



The California Institute of Technology Industrial Relations Center is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of

CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be addressed to the National Registry of CPE Sponsors, 150 Fourth Avenue North, Suite 700, Nashville, TN, 37219-2417. Web site: www.nasba.org

Photos courtesy of Caltech

All courses offered by the Caltech Industrial Relations Center can be customized to meet the specific needs of your organization and offered at significant cost savings at your facility.

Customized courses address important company issues in a confidential environment, build a team with a common language, and save travel time and costs for participants.

Among the wide selection of courses which can be customized to your company's requirements, are the following:

- **Drive Business Performance Through New Metrics & Incentives**
- **Accelerating Cost Reductions**
- **Successful Global Business Operations**
- **Activity Based Costing**

For complete details regarding customized courses, please call 626.395.4042 or email cstprg@caltech.edu.

Who Should Attend

All persons responsible for improving financial and operational performance, including CFO's, presidents, vice presidents, and operational/functional managers.

Special Feature

Dinner at The Athenaeum, Caltech's faculty club, is held at the conclusion of the first day of the course. This event provides an opportunity for participants and the instructor to share information and insights.



**EXECUTIVE
EDUCATION
LEADER**



Register Online

See this course and others at our website:
www.irc.caltech.edu

Course Leader

Alan G. Dunn is president of GDI and chairman of GDI's business investment firm. He specializes in manufacturing management, cost management, and business finance. Previously, Mr. Dunn was a partner at Coopers & Lybrand and a vice president at Gemini Consulting.

Mr. Dunn has worked with: AlliedSignal, American Cyanamid, Amgen, AT&T, Ballard Power Systems, Baxter, Boeing, General Instrument, General Motors, Intel, Johnson & Johnson, Lockheed Martin, Loral, MonierLifetile, Phelps Dodge, Sony Corporation, Sybron Dental Specialties, Technicolor, Toshiba Corporation, United Technologies, U.S. Borax, the U.S. Department of Energy, and Warner Bros.

Mr. Dunn speaks internationally on finance and manufacturing topics. He has addressed the American Production and Inventory Control Society (APICS), the Council of Logistics Management (CLM), the Product Development Management Association (PDMA), the Society of Manufacturing Engineers (SME), the National Association of Accountants (NAA), and the Young President's Organization (YPO).

Mr. Dunn is the recipient of the National Association of Corporate Directors' 2007 Director of the Year Award and actively participates in this association. Mr. Dunn has served on the boards of directors of both public and privately held international companies. His articles have been published in several trade journals. Mr. Dunn has a degree in business management.



Earn Certificate Credit

Drive Business Performance Through New Metrics & Incentives is eligible for credit in the Engineering Management Certificate Program. See our website for details, www.irc.caltech.edu, or call us at 626.395.4043.

Caltech stands for **world leadership** in **teaching**,
research, and **technological innovation**.

REGISTER ME TODAY!

Fax: 626.795.7174
Mail: California Institute of Technology
Industrial Relations Center, 1-90
Pasadena, California 91125-9000
Phone: 626.395.4045
Email: excedu@caltech.edu
Internet: www.irc.caltech.edu

Registrants will immediately receive a fax acknowledging enrollment. Approximately one month prior to the course, participants will receive a confirmation letter containing further details regarding the course schedule, location, and directions to hotels and the Center. Attire is business casual.
Wireless Internet access is available.

Course Location: California Institute of Technology Industrial Relations Center, 383 South Hill Avenue, Pasadena, California 91106-3405

Schedule

First Day: Registration and continental breakfast 8:00 a.m.-8:30 a.m.
Course 8:30 a.m.-6:00 p.m.
Dinner 6:15 p.m.

Second Day: Continental breakfast 7:30 a.m.-8:00 a.m.
Course 8:00 a.m.-5:00 p.m.

CPE Credit Information

Field of Study: Business Management and Organization, Finance, Management Advisory Services, Specialized Knowledge and Applications

Program Level: Overview.

No prerequisites or advance preparation is required.

Instructional Method: Group-Live offering

Continuing Professional Education (CPE) credits: 15

Course hours: 16.5, Continuing Education Units (CEUs): 1.65

Customer Satisfaction Policy: For information regarding course satisfaction guarantee, please contact Gaylord Nichols, Director, at 626.395.4049.

Payment: To pay by credit card, complete this form. Please make checks payable to Caltech Industrial Relations Center, enclose the registration form, and send to the mailing address. The California Institute of Technology's tax identification number is 95-1643307.

Express Registration: www.irc.caltech.edu

See Express Registration Numbers Shown at Right →

Course Fee: The 2009 fee is \$2495. The fee includes the course, instructional materials, adjacent parking, continental breakfasts, lunches, and a dinner. The fee is due four weeks prior to the course. Each course is limited to 40 participants. If the course is not held for any reason, California Institute of Technology's liability is limited to refund of the course fee.

Transfers/Cancellations: We offer the registrant an opportunity to either:
1) send a substitute to the original course or
2) transfer **once** to a later session.

Please notify us at least 11 business days prior to the course date to receive a full refund. If a cancellation is made within 10 business days prior to the course date, one-half of the course fee will be refunded. **Refunds cannot be granted for cancellations made the day of the course or following a transfer.**

Hotel Accommodations: (Hotel rates are subject to change and availability.)

Caltech Athenaeum (Faculty Club)	626.395.8200	(\$144)
Old Pasadena Courtyard by Marriott	626.403.7600	(\$159)
Pasadena Hilton Hotel	626.577.1000	(\$165)
The Langham Huntington Hotel & Spa	626.568.3900	(\$205)
Sheraton Pasadena Hotel	626.449.4000	(\$144)
Westin Hotel	626.792.2727	(\$169)

Please request the California Institute of Technology/Caltech rate indicated. To ensure your reservation, guarantee for late arrival. Hotels listed are within 3 miles of the Industrial Relations Center.

Travel Savings: Protravel International, Gina Robles, grobles@protravelinc.com or Gloria Lopez, glopez@protravelinc.com, call 800.481.7774 or 626.796.4448. Fax 626.844.3055. Request the Caltech Industrial Relations Center participant rate.

Bring a colleague...duplicate this form for multiple registrations.

Drive Business Performance Through New Metrics & Incentives

April 28-29, 2009 Express #2780409

August 10-11, 2009 Express #2780809

Name (Mr./Ms./Dr.) _____

Title _____ Function _____

Company _____

Address _____ Mail Code _____

City _____ State _____ ZIP + 4 _____

Telephone _____ Fax _____

Email _____

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Billing Address/ZIP _____

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Cardholder's Signature _____

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