



MARKETCULTURE BENCHMARK™

Making Culture Manageable

Countless studies have documented the link between organizational culture and business performance. Unfortunately, crucial elements of culture remain hidden. Now, a new tool is available for you to measure, benchmark, and strengthen your organization's culture and financial performance.

"I came to see in my time at IBM, that culture isn't just one aspect of the game— it is the game."

Lou Gerstner
Former CEO, IBM

"... Bethlehem [Steel] declined first and foremost because it was a culture wherein people focused their efforts on negotiating the nuances of an intricate social hierarchy, not on customers, competitors, or changes in the external world."

Jim Collins
Good to Great

"If you can measure that of which you speak, and can express it by a number, you know something of your subject; but if you cannot measure it, your knowledge is meager and unsatisfactory."

William Thomson, Lord Kelvin
(1824-1907) British physicist
Kelvin scale of temperature creator

An Essential Tool for Creating a Sustainable Competitive Advantage

Measure, Understand and Improve

Your business culture drives market and financial results. Successful firms focus on understanding customers, competitors, and changes in the external world, and use that understanding to create superior customer value, profitably. The MarketCulture Benchmark (MCB) allows you to measure, understand, and improve the most important elements of culture and build sustainable, competitive advantage.

The MCB is a web-based employee survey, requiring less than 15 minutes to complete, that benchmarks employee behaviors within your business. The behaviors measured have been verified in more than 100 peer-reviewed studies to be elements of a market culture and to drive business performance. Your company's performance on the MCB is highly correlated with its future business performance.

Because only the MCB has been shown to be a valid and reliable measurement of market culture and predictor of business performance, it is an essential tool to benchmark and improve your firm's culture and business performance.

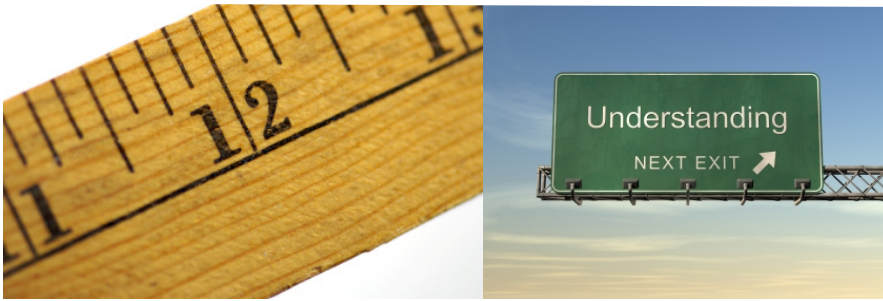
There are many elements of organizational culture. However, the MCB measures only those culture elements that are linked to creating a sustainable competitive advantage for your business. The elements fall into the following two groups:

External Drivers

1. Customer Insight—Measures behaviors related to understanding and acting on current customer needs and satisfaction
2. Customer Foresight—Measures behaviors related to understanding and attracting potential customers
3. Competitor Insight—Measures behaviors related to monitoring, understanding and responding to current competitors' strengths and weaknesses
4. Competitor Foresight—Measures behaviors related to monitoring, understanding and responding to current and potential competitors' long-term strategies
5. P.E.S.T. Intelligence—Measures behaviors related to monitoring, understanding and responding to trends in the larger business environment (Political, Economic, Social, Technological)

Internal Levers

6. Strategic Alignment—Measures behaviors related to aligning work to the firm's current and evolving strategic goals and objectives
7. Cross-Functional Collaboration—Measures behaviors related to interacting, sharing information, working with and assisting colleagues from different work groups



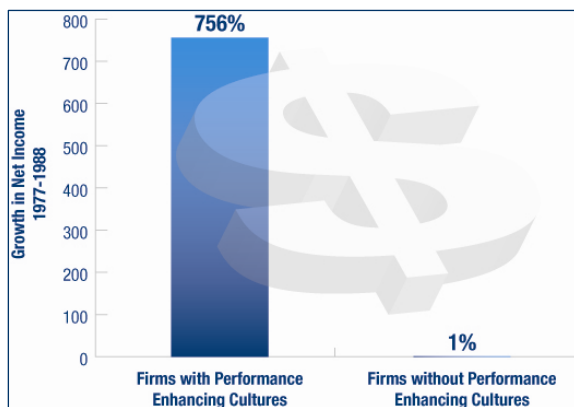
Strong research foundation

We examined more than 100 peer-reviewed studies that looked at the correlation between a firm's market orientation and its business performance. Based on this review, we selected the best elements of the published research and created a benchmarking survey that is easy to administer, intuitive to survey takers, and provides results that are understandable and actionable for executives.

Our benchmark survey validation study was designed by an Industrial/Organizational Consultant with expertise in psychometrics. Details of the validation study are available upon request.

More than 730 individuals from more than 50 companies completed the benchmark survey. Participants worked in a variety of industries, functional units, organizational roles, and in companies of different sizes.

Statistical analysis used to evaluate the data included: exploratory and confirmatory factor analysis, structural equation modeling, path analysis, multivariate analysis of variance, multivariate regression, and reliability analysis.



Data source: Kotter, John P., and James L. Heskett. *Corporate Culture and Performance*. New York: The Free Press, 1992. Page 78

The graphic above illustrates the findings from Kotter and Heskett's examination of the financial performance of 32 publically traded firms between 1977 and 1988. Those firms with Performance-Enhancing Cultures significantly outperformed firms without Performance-Enhancing Cultures in revenue growth, employment growth, stock price growth, and net income (pictured).

Strong link to the bottom line

The validation study found the following links between the elements of market culture and performance:

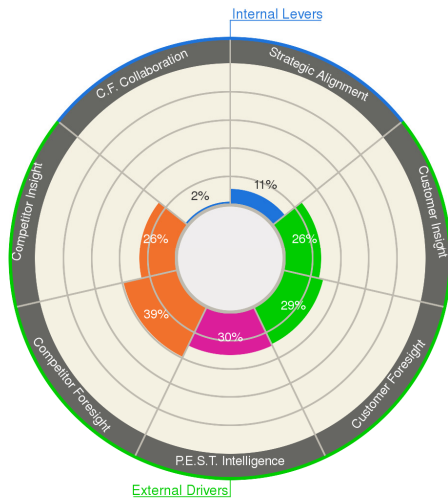
Your firm's performance on these cultural elements predicts your firm's performance on these metrics ...
Customer Insight	Customer Satisfaction
	Innovation
	New Product Success
	Overall Performance
	Sales Revenue Growth
Customer Foresight	Innovation
Competitor Insight	Overall Performance
	Profit Growth
	Profitability
	Sales Revenue Growth
Competitor Foresight	Innovation
	New Product Success
P.E.S.T. Intelligence	Innovation
Cross-Functional Collaboration	Customer Satisfaction
	Innovation
	New Product Success
	Overall Performance
	Profit Growth
	Profitability
	Sales Revenue Growth
Strategic Alignment	Customer Satisfaction
	Innovation
	New Product Success
	Overall Performance
	Profit Growth
	Profitability
	Sales Revenue Growth

"To win we had to couple the "hard" idea of being No. 1 or No. 2 in growth markets with intangible "soft" values to ... define our new culture"

Jack Welch, Former CEO of GE

Performance Examples from Real Companies

A Weak Market Culture Firm



This graphic illustrates the benchmarking results for a professional services firm. The firm's Profitability, Profit Growth, Sales Revenue Growth, New Product Success, Innovation and Overall Performance metrics, relative to their competitors, were found to be the lowest in the database.

Reporting

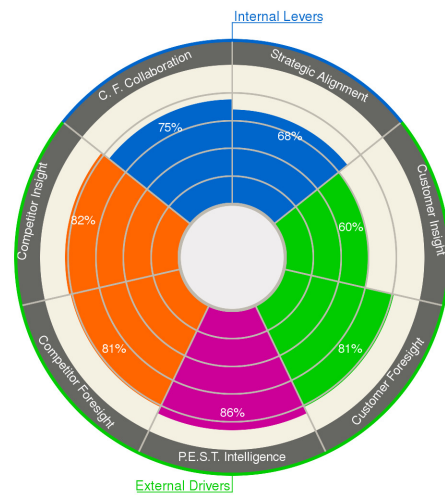
Because the MCB is a benchmarking tool, your firm's performance will be reported as a percentage relative to the companies in the database. The primary graphic we use is called a circumplex. The two examples above illustrate the relative performance of two companies that participated in the validation study. The circumplex allows you to quickly assimilate a large amount of data and identify key issues. NOTE: More color in the graph indicates higher scores.

Data is reported for all key levels of the organization and functions. Comparisons between groups in your firm are also provided if requested. In addition to the data, the results are interpreted in simple, actionable language that allows all members of your management team to understand the results and implications.

Other information is presented in gap charts and responses to open ended questions are reported verbatim with key themes summarized.

You will receive two separate reports. First, the Summary Report are key findings that are reviewed during a 75 minute executive briefing with your leadership team. Second, the Benchmark Report is a more detailed analysis of the data. It provides information to help your team understand the five External Drivers and two Internal Levers of market culture and the performance metrics the different elements influence.

A Strong Market Culture Firm



This graphic illustrates the benchmarking results for a medical technology firm. The firm's Profitability, Profit Growth, Sales Revenue Growth, New Product Success, and Overall Performance, relative to their competitors, were found to be near the top of the database.

Recommendations

The MCB reports will provide you with a clear identification of your firm's market culture strengths and weaknesses. With this information, you will be able to prioritize areas for improvement. Following the prioritization decisions, most clients examine the root causes of the weaknesses uncovered before developing an action plan. The Benchmark Report will provide you with recommendations for discovering the root causes of deficiencies and suggest reference materials.

Should you require assistance in any steps following the delivery of the Benchmark Report, you may rely on management consultants with whom you already have a relationship, or MarketCulture could provide additional advisory services. The decision is yours.

Satisfaction Guaranteed

We are so confident in the MCB's research foundation and its link to bottom line results that we will refund all engagement fees if our CEO or Board of Director client is not completely satisfied with the value of data reported. Please see our Engagement Agreement for details.

Schedule a MarketCulture Benchmark today and strengthen your company's culture and future financial performance.



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