



Creating Purpose & Performance Driven Public Listed Companies (PLC)

Guidebook

1

PLC Transformation (PLCT) Programme

Towards a more responsible and high performing
Corporate Malaysia



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This Guidebook was developed based on the information collated via desktop research, subject matter expertise and feedback from selected stakeholder engagements. This Guidebook is provided for reference purposes only and is not exhaustive in its coverage. Case studies and references were sourced and selected based on relevance and the availability of information in the public domain and have been attributed accordingly. Bursa Malaysia has not received any sponsorship or benefits from any party in developing this Guidebook.

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How to use this guidebook

"In a world of constant change, the fundamentals are more important than ever"
James C. Collins

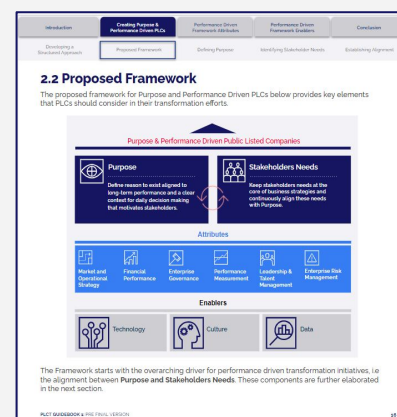
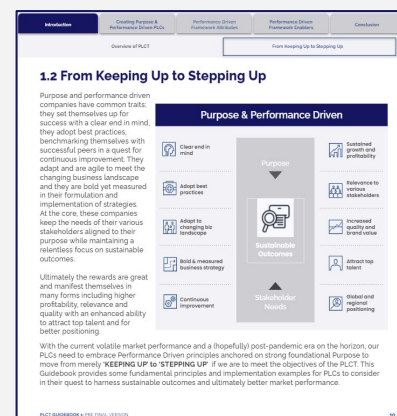
The objective of this first guidebook in a series of 5 PLCT Guidebooks is to provide PLCs with thematic perspectives on becoming purpose and performance driven companies to improve their positioning and attractiveness on Bursa Malaysia.

For this guidebook, the focus is on fundamental principles and practices so efforts have been made to provide content relevant to PLCs of all shapes and sizes and from all sectors. This therefore necessitates the guidebook to provide broad principles on critical attributes followed by a deeper dive into selected actionable areas that PLCs can adopt fairly quickly to realise high impact outcomes.

Throughout this guidebook, attempts have also been made to provide a richer experience by supplementing content with relevant implementation guidance, case studies, practice aids and weblinks or references to further resources where possible. These are detailed out in the *supplementary section on implementation considerations* to this guidebook.

By virtue of the subject matter at hand and the broad target audience, the content and supplemental areas in this guidebook are by no means exhaustive and further research and deliberation by respective PLC Boards and management is highly recommended prior to embarking on any of the proposed initiatives.

Finally, this guidebook provides suggested initiatives for PLCs to assess and adopt in each area via tailored checklists and calls to action that will hopefully help companies get quickly started, or continue on a rewarding transformation journey to become purpose and performance driven PLCs.



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INTRODUCTION



1.1 Overview of the PLCT Programme

In complementing PERKUKUH (read [here](#)), the PLC Transformation Programme aims to deliver high performance corporate Malaysia. This initiative, spearheaded by Bursa Malaysia, will focus on enhancing five pillars in our PLCs:

1

For our PLCs to be Purpose and Performance Driven

2

To grow as Sustainable, Socially Responsible and Ethical organisations

3

To enhance Investor Relations and Stakeholder Management

4

Be Digitally Enabled, and

5

Support the Nation-Building drive to advance the Malaysian economy

The PLCT Programme involves the issuance of five digital guidebooks, one for each of the pillars and these books will provide best practices and guidance with benchmarks and case studies for PLCs to spearhead their transformation journey. The guidebooks will be relevant to all PLCs regardless of size in becoming better and stronger corporations, which in turn will enhance their attractiveness to global investors.

The PLCT Programme will run from 2021 to 2025. It will see PLCs progress in numerous areas including building a stronger financial position, **uplifting performance in specific areas as well as enhancing engagements with stakeholders**, thereby better positioning PLCs to contribute to the national agenda. The monitoring of PLCs efforts and progress will be shared via a digital dashboard to promote transparency and effective achievement of the intended outcomes.

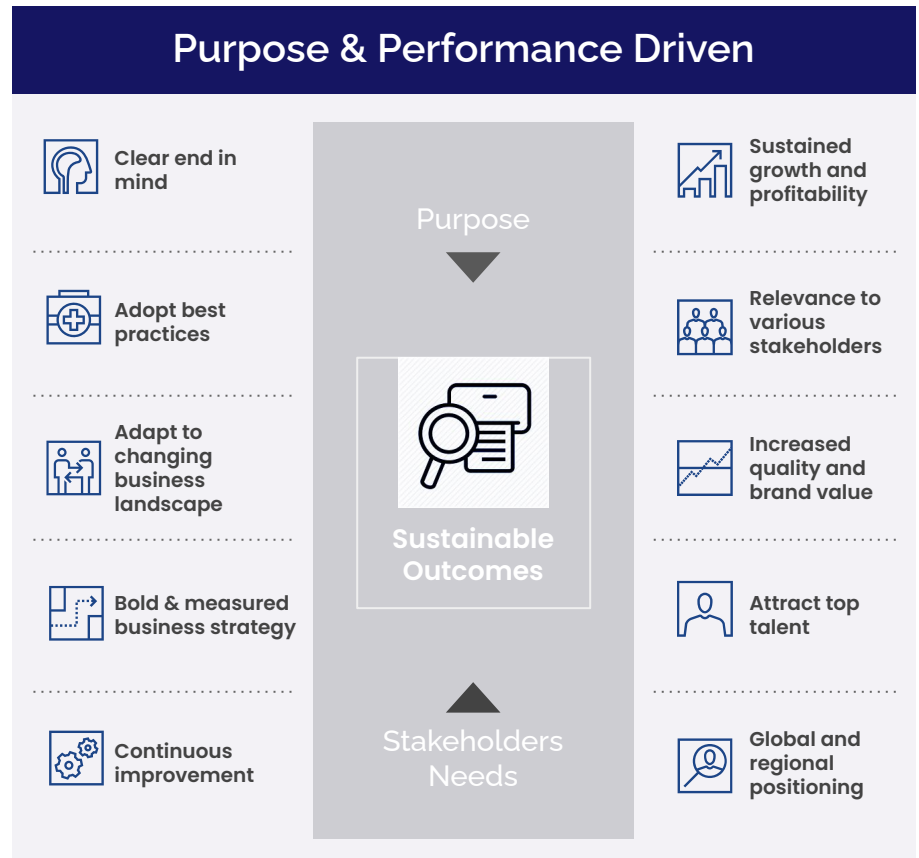
Throughout the programme, support by industry champions and corporate leaders will be vital. Therefore PLCs are urged to support this programme to improve corporate Malaysia, our capital markets and our economy. Collectively, these efforts – from PERKUKUH, the National Investment Aspirations to the PLC Transformation Programme – will ensure that the fundamentals of the Malaysian economy become stronger, while positioning the nation on the path of prosperity, inclusivity and sustainability.

1.2 From Keeping Up to Stepping Up

Purpose and performance driven companies have common traits; they set themselves up for success with a clear end in mind, they adopt best practices, benchmarking themselves with successful peers in a quest for continuous improvement. They adapt and are agile to meet the changing business landscape and they are bold yet measured in their formulation and implementation of strategies. At the core, these companies keep the needs of their various stakeholders aligned to their purpose while maintaining a relentless focus on sustainable outcomes.

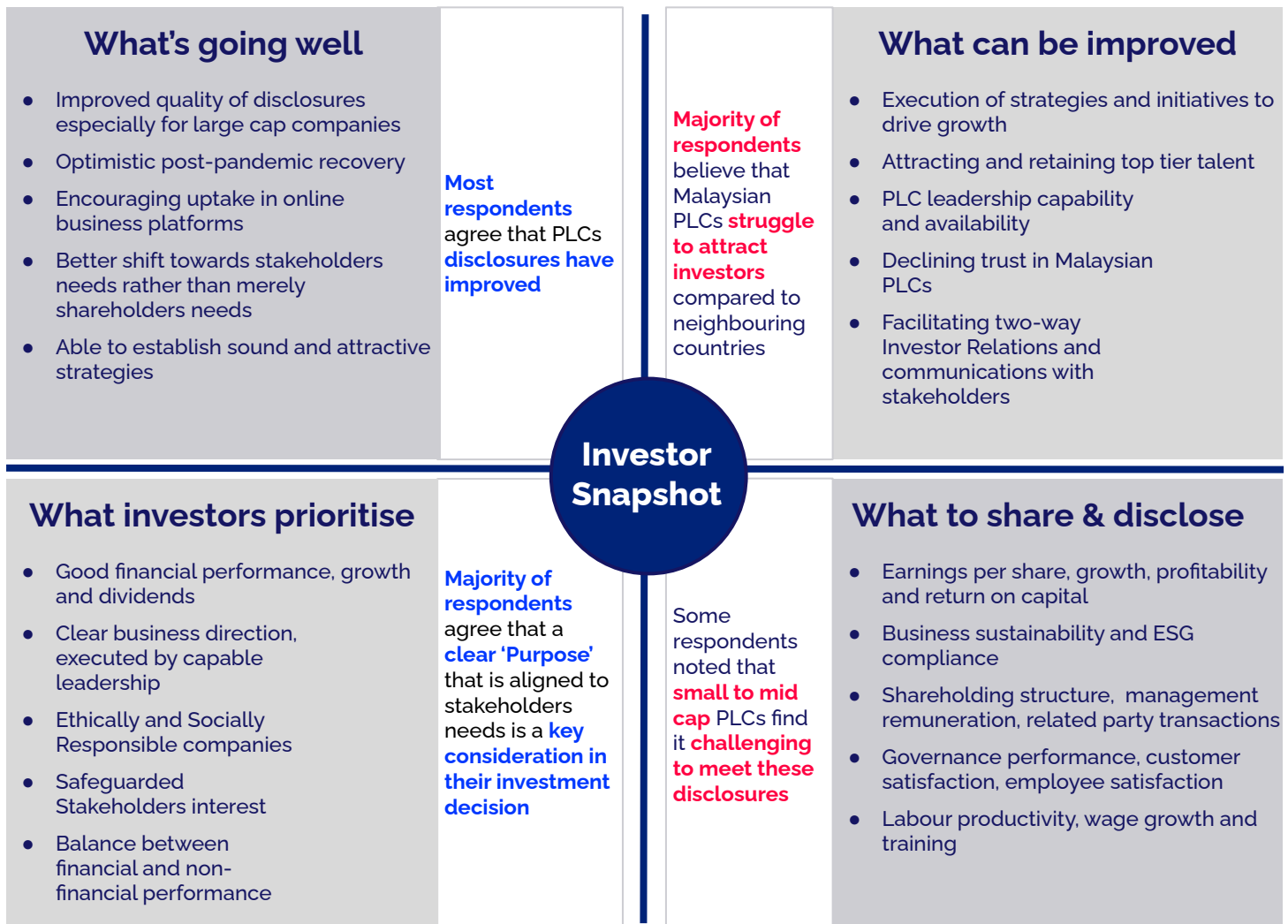
Ultimately the rewards are great and manifest themselves in many forms including higher profitability, relevance and quality with an enhanced ability to attract top talent and better positioning.

With the current volatile market performance and a post-pandemic era on the horizon, our PLCs need to embrace Performance Driven principles anchored on strong foundational Purpose to move from merely 'KEEPING UP' to 'STEPPING UP' if we are to meet the objectives of the PLCT Programme. This Guidebook provides some fundamental principles and implementation examples for PLCs to consider in their quest to harness sustainable outcomes and ultimately, better market performance.



1.3 Perspectives from Malaysian Investors

As part of the PLCT Programme, selected investors were engaged from December 2021 to January 2022 to understand their priorities and perspectives on PLCs and the capital market landscape in Malaysia via a limited survey. The insights from respondents are summarised below and provide food for thought in the journey to transform into Purpose and Performance driven PLCs:



2

CREATING PURPOSE & PERFORMANCE DRIVEN PLCS



2.1 Developing a structured approach for Purpose and Performance Driven PLCs

As PLCs embark on the journey to be purpose and performance driven companies, it is important to note that even today, companies are already experiencing increasing pressure to become more efficient and agile, while balancing the need for greater insights into their operations. The Covid-19 pandemic has created a realisation that companies need to be adaptable, innovative, technologically-driven and customer centric to thrive in the new normal. However, the adoption of performance driven principles will vary amongst companies of different sizes, industries, markets and customer segments as well as those with varying propensity to invest in transformational growth.

The following sections define a framework that PLCs can adopt and apply in their quest to enhance performance. While a structured framework for achieving purpose and performance driven PLCs will be useful to support transformation efforts, it must be noted that there is no silver bullet and there is also no one size that will fit all companies. Therefore, the **guiding principles** described below should be borne in mind as companies attempt to apply the principles and suggestions in the framework outlined in the following sections.

Guiding Principles

Adapt the framework to suit the company's position, industry or market specific needs

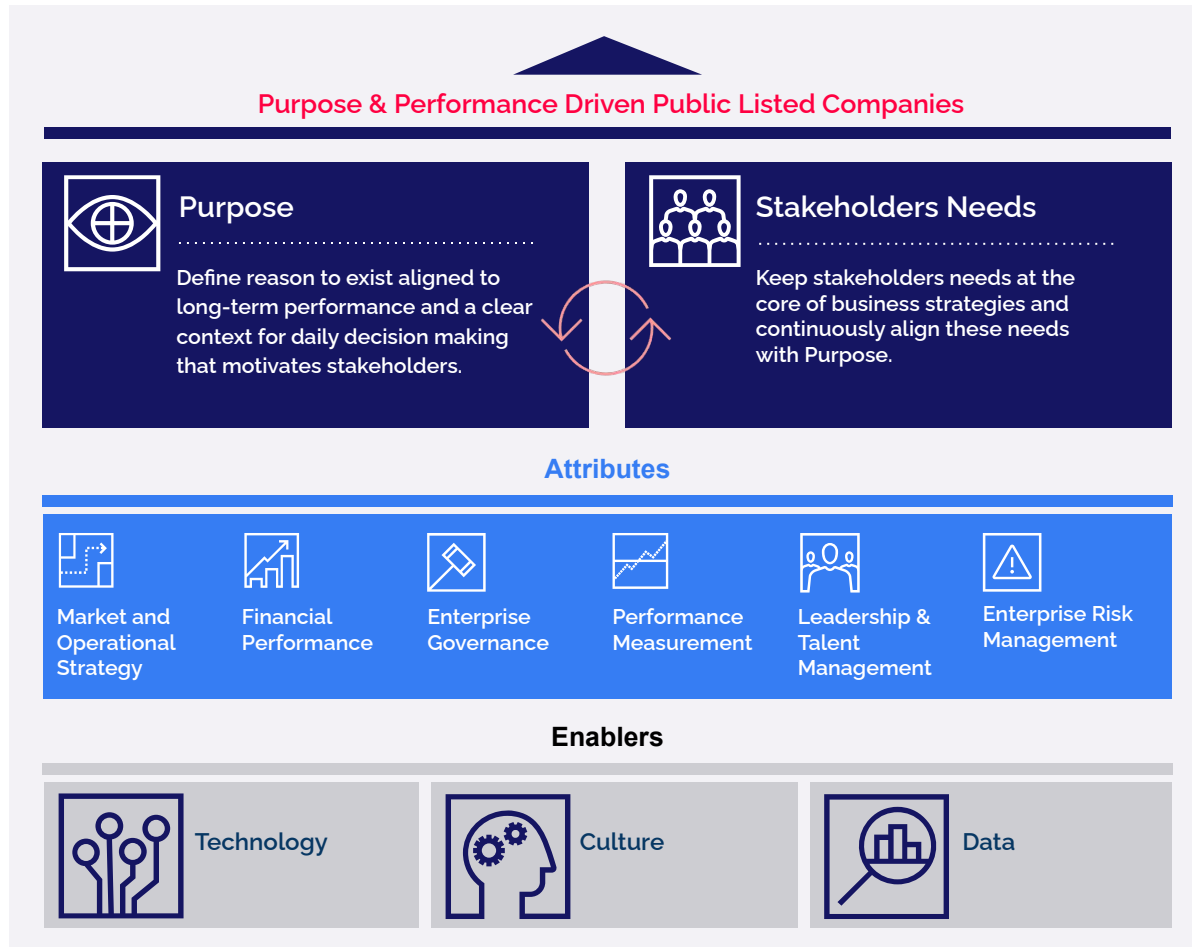
Prioritise transformation initiatives and maintain focus on ongoing business

Continuous commitment from leadership is essential

Speed is of the essence to maintain transformation momentum

2.2 Proposed Framework

The proposed framework for Purpose and Performance Driven PLCs below provides key elements that PLCs should consider in their transformation efforts.



The Framework starts with the overarching driver for performance driven transformation initiatives, i.e. the alignment between **Purpose and Stakeholders Needs**. These components are further elaborated in the next section.

2.2 Proposed Framework

Framework Attributes

The key attributes that PLCs should adopt and exhibit in their transformation into performance driven companies include:



Market and Operational Strategy

Effective market strategies clearly define product, customer and geographical orientation whereas operational strategies detail out product and service development and delivery methods, customer management approaches, supply chain management and resourcing options.



Enterprise Governance

Performance driven organisations have strong 'systems' (e.g. stewardship, policies, processes and accountability frameworks) by which its actions are directed and controlled. Enterprise governance encompasses the overarching need for strong oversight on conformance and performance.



Leadership & Talent Management

Deploying the right workforce capability and capacity will accelerate the transformation to becoming performance driven PLCs. Identifying, attracting, developing and retaining leadership and the 'workforce of the future' sits at the core of this attribute.



Financial Performance

Commendable financial performance is the hallmark of performance driven PLCs. This will include pricing and cost management initiatives that drive revenue growth, effective capital management and consistent quality of earnings.



Performance Measurement

What gets measured gets done. Having strong multidimensional performance measurement and management systems is critical for performance driven organisations to effectively share and communicate headline KPIs to stakeholders.



Enterprise Risk Management

ERM is a holistic risk management approach to identifying and mitigating events that could impede the achievement of business objectives. ERM gives PLCs a competitive advantage and when done right, drives management to action!

2.2 Proposed Framework

Framework Enablers

The framework attributes above need to be supported by high impact enablers to accelerate and sustain the transformation into performance driven PLCs. Key enablers to consider include:



Technology

Technology adoption is a critical enabler to support the overall performance driven transformation. Technological advances enable PLCs to embrace the most effective and efficient ways to achieve scale. When applied well, technology drives performance by reducing costs (e.g. through automation), accelerating production and service delivery, maintaining quality and optimising resource management. 'Best of breed' technology applications also allow PLCs to shape better processes and ways of working.



Culture

Corporate culture refers to the beliefs and behaviours that determine how a PLC's workforce interacts with, and handles its business and stakeholders. Moulding behaviours that ultimately shape a conducive culture will enable PLCs to drive transformation initiatives effectively and with sustained benefits. Culture also plays a huge part in determining an organisation's identity.



Data

Some say that data is the new currency. In today's digital economy, companies have access to more data than ever before. These vast quantities of data, when analysed and managed well, creates a foundation of intelligence for important business decisions. Data-driven organisations have the ability to make impactful and calculated maneuvers in the market and embrace predictive insights as a competitive advantage.

2.3 Defining Purpose

Purpose

Purpose is defined as “an organisation’s meaningful and enduring reason to exist that aligns with long-term financial performance, provides a clear context for daily decision-making and unifies and motivates relevant stakeholders”.^[1] Purpose directs teams and companies to pursue objectives with a strong intention to serve the wellbeing of others. Applicable to all types of businesses and organisations, Purpose is at the heart of an organisation’s strategy and identity.

Read more about purpose [here](#)

The following video^[V1] provides guidance on spotting characteristics of compelling Corporate Purpose:



A meaningful reason to exist

More than just selling a product or service, there is an expectation for companies to have a meaningful and higher objective.



Spotlight

Tenaga Nasional Berhad

TNB's purpose was to power the nation. Now that most of Malaysia has been "powered", TNB revised its purpose to "Together we brighten lives through innovative and sustainable solutions towards a better world". A great example of how purpose can evolve and stay relevant. Read more [here](#).

Purpose forms organisational identity

Purpose is connected to a company's aims, needs and desires. It helps mould the perception of the business to everyone it interacts with – from marketing to customer service.

Purpose needs profits (and vice versa)

Profits are in no way inconsistent with purpose and one of the clearest findings show that purpose and profitability go hand in hand.

A clear context for daily decision-making

Purpose provides a clear guideline on business values and objectives to all stakeholders, while allowing creative freedom and agility.

Unifying and challenging stakeholders

Purpose-driven organisations make decisions that either support or counter certain stakeholders to protect their purpose.

2.4 Identifying Stakeholders Needs

Stakeholders Needs

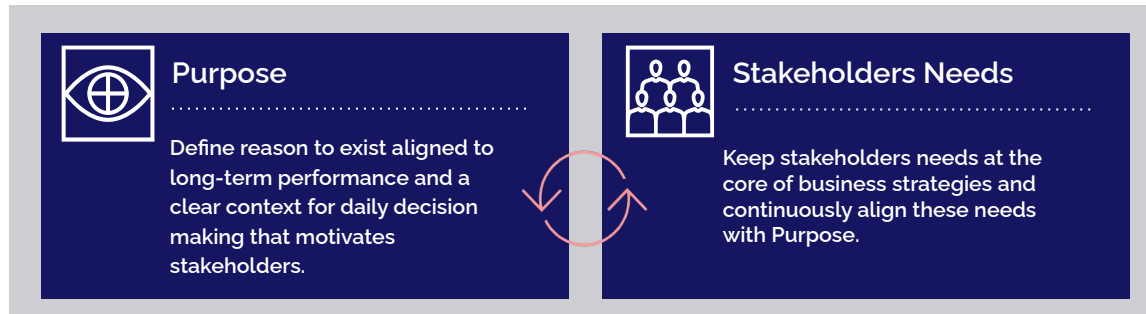
In business, a stakeholder is any individual, group, or party that has an interest in an organisation and the outcomes of its actions. Different stakeholders have different interests, and companies often face trade-offs in trying to satisfy all of their expectations.^[2]

Purpose and performance driven organisations keep stakeholders needs at the core of their business strategies and attempt to align these needs with their purpose. Certain organisations stumble in this effort with notably adverse repercussions including diminished interest from stakeholders and in more severe cases, irrelevance in the marketplace. In the quest to be successful performance driven PLCs, companies need to map out their stakeholders needs carefully.



The general needs (stakes) of various key stakeholders are further illustrated [here](#).

2.5 Establishing Alignment



The Purpose & Performance Driven PLC Framework outlined in the previous section needs to be driven by two overarching and interrelated components, i.e. Purpose and Stakeholders Needs.

Importance of continuous alignment between Purpose & Stakeholders Needs for PLCs

Ensures strategies & activities are always in line with Corporate Purpose

Enables changing stakeholders needs to be considered in decision making

Keeps operations, products & services relevant to stakeholders needs

Addresses potential conflicts between Purpose and Stakeholders Needs

How to establish continuous alignment between Purpose & Stakeholders Needs

- 1 Put effort into defining a real, compelling and inspiring Purpose for the company
- 2 Identify and prioritise various categories of stakeholders and their needs using established stakeholder assessment approaches
- 3 Conduct periodic stakeholder analysis to identify what their needs are via engagement, observations, research and other approaches as stakeholders needs change over time depending on circumstances
- 4 Map the company's purpose to stakeholders needs to ensure there is continuous feedback on alignment or conflicts and embark on repositioning of operations, products and services to remain relevant as required



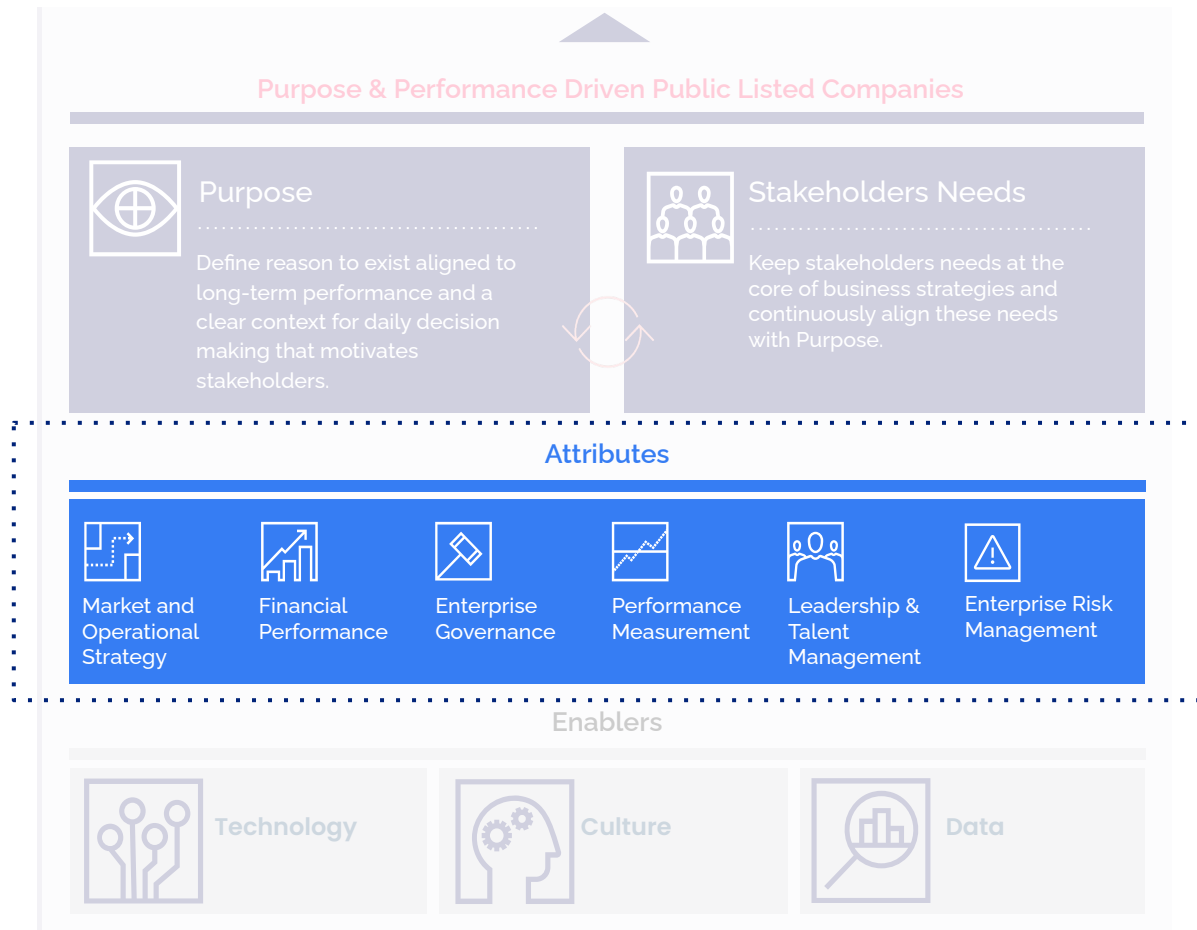
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PERFORMANCE DRIVEN
FRAMEWORK ATTRIBUTES



3.0 Purpose & Performance Driven Framework for PLCs - Attributes

This chapter elaborates on various considerations to bring the attributes of the Purpose and Performance Driven Framework for PLCs to life. Each attribute is detailed out in terms of broad principles, proposed high impact initiatives and further supported by illustrative case studies as well as practice aids or references in the *supplementary section on implementation considerations* in this guidebook. Essentially for each attribute, the **Why**, **What** and **How** are described and topped up with **indicative transformation checklists** and **calls to action** to provide a starting point and to reiterate the urgency for transformation.





A case study on Hartalega's recent purpose driven transformation - powered by People and Innovation

The COVID-19 pandemic has triggered a sharp increase in the world demand for nitrile gloves where many of the large nitrile glove manufacturers such as Hartalega are constantly being challenged on its operations and supply chain resilience to meet this surge in demand.

Following its recent first quarter FY22 announcement, where Hartalega had doubled its net profit in the preceding quarter, Hartalega has demonstrated strong resilience in a very volatile market. It certainly has not been an easy journey as Hartalega was required to navigate through many challenges. On top of managing the disruption caused by the pandemic, Hartalega, like many other companies in Malaysia, also faced challenges in boosting investors' confidence given the dynamic political landscape in Malaysia, in addition to fending off competition from neighbouring countries which boasts attractive tax incentives and better access to talent.

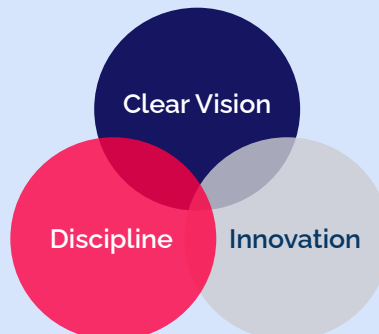
Hartalega's ability to leverage the opportunities during this turbulent economic environment has been strongly attributed to its recent Purpose driven transformation initiative where at its heart, lies three main principles:

Clarity in the vision, purpose and values

Clearly articulate the purpose and values of the organisation and with a clear focus on People. Purpose is an extremely important driver as it is critical to identify how Hartalega can bring value to its stakeholders

Consistency in maintaining manufacturing discipline

Importance of maintaining reliability, consistency and quality in production which are table stakes in the manufacturing industry though not often mastered by many



Embed innovation as a culture

Staying innovative, constantly looking forward to what more Hartalega can offer to the market, not being complacent and a relentless pursuit to differentiate

Market & Operational
StrategyFinancial
PerformanceEnterprise
GovernancePerformance
MeasurementLeadership & Talent
ManagementEnterprise Risk
Management

As part of its continuous improvement aspirations, Hartalega launched various successful imperatives which had significant impact to the productivity and overall outcome of the organisation:

Performance Driven Attributes and Enablers Demonstrated:



Continuous focus on People

Talent Management

Rolled out various People centric initiatives such as the 'Hire to Retire' programme. This focuses on managing the experience of their talent right from the onboarding process, establishing a clear career pathway and deploying the opportunities for their workforce to develop their capabilities



Leverage technology, data and AI

Invested in technology and data analytics capabilities not only to enable better visibility and automation throughout the organisation, but inculcate a technology based culture which is expected by the workforce of the new generation



Enhance oversight and improve Governance

Established a Governance, Risk and Compliance function to improve overall enterprise risk management

Performance Measurement

Enhanced its Performance Management System – where they have streamlined the Balanced Scorecards from 10 KPIs to 4 to strengthen alignment to the company's overall purpose

Adopted tools and platforms to enhance data collection and improve data gaps in various non-financial measures

“

As a reminder for us to consistently deliver sustainable value, we often ask ourselves -
“What should Hartalega celebrate in 100 years?”

”



Spotlight



A case study on MR D.I.Y.'s recent transformation - driven by clear market strategy and data analytics

MR D.I.Y. showed tremendous growth in the year 2020 despite the pandemic. Going against the general retail trend, MR D.I.Y. opened more than 100 new stores in 2021 across the country, bringing the total number of stores under the group to 841. Such aggressive strategy, backed by insights from data analytics of course, allowed it to maintain its revenue with more than 90% of stores being profitable and achieving a ROE of 50%. Although the closure of stores due to movement restrictions impacted its profitability in the short term, the longer term performance continued to show steady growth driven by the opening of new stores. Aligned with having Purpose and meeting Stakeholders Needs, MR D.I.Y. emphasised on having a strong business model that will provide the impetus for consistent and sustainable long-term growth.

Performance Attributes and Enablers Demonstrated:



Market Strategy

- Continuous review and enhancement of business model to ensure relevance to market needs
- Expanded market reach through the launch of its e-commerce platform



Technology and Data

- Leveraged data analytics at SKU level to determine product selection and promotion strategies
- Exploring further operational automation to increase productivity and efficiency



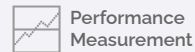
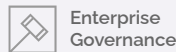
Leadership & Talent Management

- Rolled out talent evaluation programmes that focus on growth conversations and holistic talent development
- Acknowledged and recognised talent at all levels - during the IPO listing ceremony, its 14 long-service employees rang the gong at Bursa to officiate MR D.I.Y.'s addition on the nation's capital market

“

Data decides what we put in our stores, influences our management decisions as well as drives collaborations with our partners across the supply chain

”

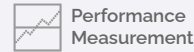
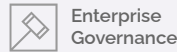


3.1 MARKET & OPERATIONAL STRATEGY

WHY MARKET AND OPERATIONAL STRATEGY IS IMPORTANT FOR ASPIRING PERFORMANCE DRIVEN PLCs

Well defined market strategies help organisations optimise their finite resources. Performance driven PLCs that wish to thrive over the long-term need to make choices and tradeoffs between offerings, markets and customers. They need to understand and make decisions on what they will do—and what they won't do—in order to create competitive advantage while optimising their resources on the best opportunities for sustainable profitable growth.

Translating strategies into effective execution is a constant challenge for many organisations. At the heart of operational strategy is the ability for organisations to achieve sustained outcomes through operational effectiveness. This will entail improvements to critical components of the organisation's operations including processes, people and infrastructure.



Growth strategies to accelerate and sustain performance

In order to achieve sustainable outcomes in a dynamic market environment, companies need to continuously consider various **market and operational strategic options** for growth. **Organic growth** can be achieved by building on current capabilities, improvements and optimisations whereas **inorganic growth** comes mainly from value chain and market expansion through mergers and acquisitions (M&A). Performance driven companies harness the benefits of organic or inorganic growth strategies, or a combination of the two as appropriate, to accelerate, achieve and maintain sustainable outcomes.

While inorganic growth through vertical and/or horizontal integration provides companies with an avenue for accelerated growth, these inorganic strategic options come with advantages, disadvantages and risks that companies need to consider carefully.

**Spotlight on
Vertical and
Horizontal Integration**



AMAZON

Amazon pioneered a dual strategy of horizontal and vertical integration, expanding into new markets and along its value chain. Read more about these integration options and how Amazon achieved its dual strategy [here](#).

Critical considerations for inorganic growth strategies

- 1. Speed & Scale:** When speed and scale are of the essence to step-up in a fast changing and highly competitive business environment, inorganic growth provides an avenue for rapid expansion along the supply chain, customer base and markets. Additionally, such M&A, when properly done, also allow for the rapid scaling up of capabilities across the organisation.
- 2. Security & Continuity:** Inorganic growth, such as supplier integration or market expansion through M&A, provides security and continuity in terms of supply of critical resources and a broader, more diversified customer base to maintain, expand and sustain performance.
- 3. Risks & Returns:** M&A may necessitate a high upfront commitment of funds with high risks on returns and payback compared to internal expansion. This could put a significant strain on maintaining and investing in current operations. Optimising funding options and strategies therefore become imperative to ensure minimal disruption to operations and outcomes.
- 4. Fit & Integration:** To harness value from inorganic growth, the expansion must fit with the company's Purpose and ability to integrate and manage the expanded operations seamlessly.

3.1.1 How PLCs can develop and implement effective market strategies

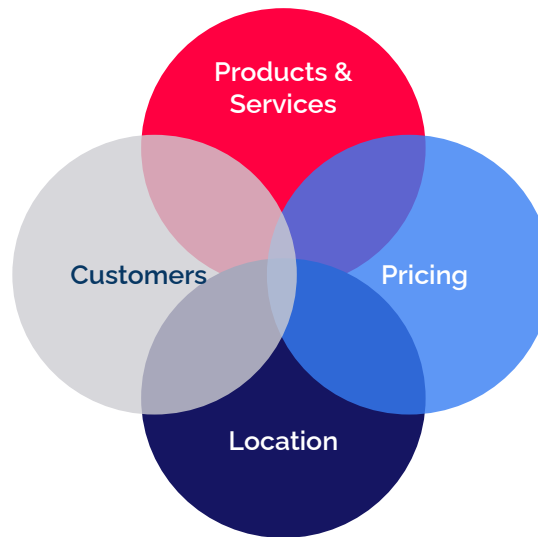
A sound market strategy typically cascades down from the company's objectives and will include the types of products or services, pricing and promotion strategy, target customer segments and the geographical location(s) to have presence in to achieve sustainable profitable growth. The chart below and the following section provide perspectives on developing and implementing effective market strategies.

How to define products or services strategies aligned to business objectives

Product strategy defines the plans for the various products or services that the Company intends to take to its customers.

How to deliver differentiated experiences to customers

Customer strategy defines the distinctive value, experiences and differentiation provided to customers.

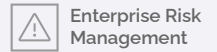
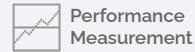
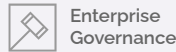


How to create value based pricing strategies to maximise profitability

Pricing strategy defines the methods companies use to appropriately price their products or services.

How to ensure location strategies are optimised for efficient supply of resources and access to customers

Location strategy involves decisions on the geographical positioning of operations relative to resources, suppliers and target customers.



Outlined below are some considerations for defining and implementing effective market strategies. These initiatives, if implemented well and expediently, will bring the perspectives highlighted in the previous page to life and accelerate outcomes. As these proposed initiatives are not exhaustive, companies should identify and explore further initiatives relevant to their specific needs and sectors.

Products & Services

- Define the market for the product or service and the specific needs it will address
- Identify the key differentiators or unique selling proposition
- Align products & services offered to Purpose & objectives

Pricing

- Track industry trends that have a direct impact on pricing
- Influence customer's willingness to pay (WTP)
- Mitigate price adjustment risks on profitability through regular review

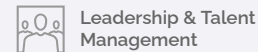
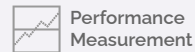
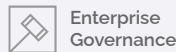
Location

- Perform demand analysis on the prospective locations
- Determine the feasibility of location and resource availability
- Ensure that logistical considerations are assessed at chosen locations

Customers

- Obtain data insights to understand customers at a granular level
- Deliver value and customer experience which are aligned to overall purpose

Click [here](#) to learn more about how these strategies and initiatives can be implemented along with supplementary reference links and case studies



3.1.2 How PLCs can maximise performance with well defined operational strategies

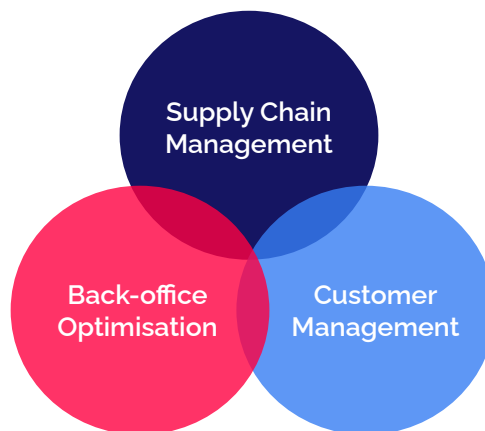
While market strategy enables high performing companies to carefully weigh their strategic choices on products or services, geographical positioning and customer segments, robust operational strategy when executed well, will enable PLCs to harness significant performance gains across the organisation. Below are some of the key components of operational strategies that performance driven companies adopt to drive sustainable growth and profitability.

How to achieve effective and efficient supply chain management (SCM)

SCM is the process by which an enterprise manages the sourcing of raw materials to create a product or service and deliver them to customers. SCM integrates a number of elements including operations management, logistics and procurement enabled by technology, and when properly managed can create significant performance gains.

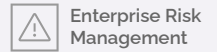
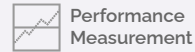
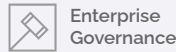
How to optimise back-office functions to minimise operational costs

High performing companies optimise their back-office functions (e.g. Finance & HR) to ensure operations are well managed and fit for growth, which provides opportunities for performance gains, cost management and profitability.



How to enhance customer management to increase brand reputation, customer experience and growth

Performance driven companies treat their ability to address their customers' needs as a key differentiator and this involves the process of managing the relationship between an organisation, its people and its customers over time.



The *supplementary section on implementation considerations* to this guidebook provides further insights on how PLCs can maximise operational performance based on the indicative initiatives outlined below. As this guidebook is intended for a broad target audience, these proposed initiatives are not exhaustive and needs to be further evaluated for suitability based on the PLC's respective industry and current business objectives.

Supply Chain Management

- Plan for demand and supply that aligns with business goals
- Ensure effective sourcing of goods and services to meet planned or actual market demand
- Deliver finished products and services in an effective manner
- Transform into a sustainable supply chain to improve operational efficiency and reduce risks

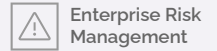
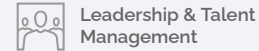
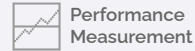
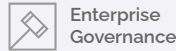
Customer Management

- Define the customer journey
- Focus on customer experience
- Enhance customer satisfaction

Back-office Optimisation

- Outsource back-office functions to focus on more value-added functions
- Insource back-office functions for better centralisation, quality and cost management
- Implement intelligent automation to improve operational efficiency

Click [here](#) to learn more about how these strategies and initiatives can be implemented along with supplementary reference links and case studies



3.1.3 Key Metrics to Consider - Market Strategy

Market strategy outcomes can be measured in the following areas:



3.1.4 Key Metrics to Consider - Operational Strategy

Operational performance is generally measured in the following areas:

Supply Chain Management

Ensuring products are delivered efficiently, on time and to quality standards

Perfect order rate

A perfect end to end order with no damage, faults, mishaps or issues with perfect documentation

Cash2Cash life cycle

Number of days it takes between paying for raw materials and getting paid for the products sold

Demand Forecasting

Estimate the amount of resources required to meet future demand

Inventory turnover

Number of times entire inventory has been sold over a certain time frame

Customer Management

How to manage customers to drive customer experience

Customer satisfaction score

Measures way to score how satisfied a customer is with the service or product - e.g. through numbers, stars, smiley faces

Customer retention rate

Measures ability to keep a customer over time

Net promoter score

Measures how likely customers are to recommend specific services or products to others

Average resolution time

Measures the average amount of time a ticket or case sits within a system before the item is closed

Operations Management

Examples of how to manage core operations effectively and efficiently

Throughput

Measures the rate of production of a machine, line, plant or business process over a time period

On Time Delivery

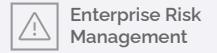
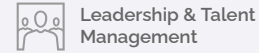
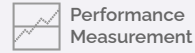
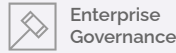
Compares how many deliveries made it on time to clients versus total number of deliveries

Machine Downtime rate

Combination of both scheduled downtime and unscheduled downtime to determine when assets require replacing

Cycle time

Tracks the average amount of time it takes to produce a product or deliver a service



Call to Action

Market Strategy

- 1 Review products and services against market trends and customer needs to determine demand.
- 2 Benchmark products and services against competitors to determine relevance in the market.
- 3 Monitor individual products and services performance to determine profitability and the need to discontinue or substitute.
- 4 Review geographical presence, locally and regionally to ensure good access to resources and customers.

Operational Strategy

- 1 Analyse the performance of supply chains to ensure resilience and efficiency.
- 2 Enforce sustainable practices in suppliers (e.g. where materials are sourced, how workforce is managed).
- 3 Analyse customer feedback to improve customer services and experience.
- 4 Review effectiveness of back office functions and identify potential outsourcing and tech enablement.

Useful Links:

[MITI: Industry4WRD](#) : Align company aspirations with national policies to transform the supply chain related services sectors and strengthen productivity and cost efficiency

[EPU: National 4IR Policy](#) : The policy outlines the key focus areas which impact the rakyat, business and government, in order to seize growth opportunities and to address potential risks arising from 4IR

[6 Strategies for a more resilient supply chain](#): Read more on how to achieve resilient supply chains by balancing cost and operational efficiency

[Strategy& Org DNA Profiler Survey](#): Take the short assessment to diagnose your organisation's DNA



Transformation Checklist - Market & Operational Strategy

The following checklist provides indicative areas for companies to consider as they embark on their performance driven transformation in Market and Operational Strategy:

- 1 Conduct market analysis to determine customer segments, demand for products/services and barriers to entry based on competitor presence

- 2 Define products/services to be introduced or expanded in the market based on demand, capabilities to produce and deliver, alignment to business goals and purpose as well as fit with company identity and branding considerations

- 3 Conduct detailed pricing analysis and forecasting to determine the appropriate pricing strategy and positioning that will achieve desired product profitability

- 4 Conduct in-depth location analysis which will cover the ideal location for products and services to be delivered whilst conforming to local regulatory requirements - determine locations that will provide optimum operational and delivery capability and presence

- 5 Define a robust operational strategy which covers cost effective approaches to production, delivery, deployment and management of the products/services

- 6 Conduct a thorough supply chain review to identify optimal supply of raw materials and resources and determine potential bottlenecks to be addressed

- 7 Embark on a detailed Spend Analysis to determine areas within the operations that could be further streamlined and managed to optimise operations efficiency

- 8 Introduce customer feedback mechanisms to keep track of customer sentiments which will enable informed decisions on variations required to products/services, pricing, branding and location



3.2 FINANCIAL PERFORMANCE

STOCK MARKET REPORT

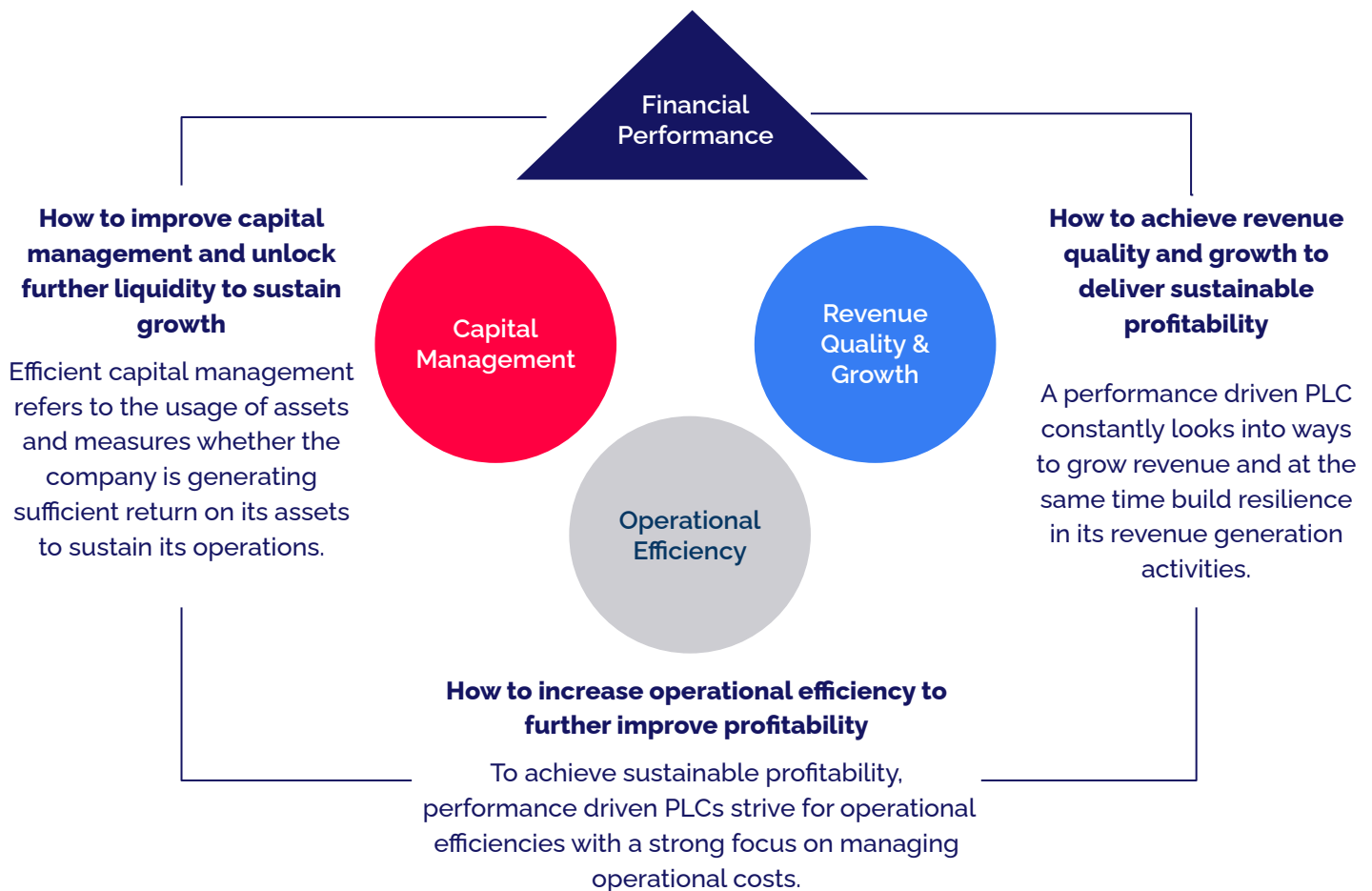
WHY FINANCIAL PERFORMANCE IS IMPORTANT FOR ASPIRING PERFORMANCE DRIVEN PLCs

Financial performance indicates the general well-being of a PLC and it is one of the first things that investors evaluate. It provides a snapshot of the economic health of companies and how well management are performing. Financial performance also gives insights into how the future could look like for a company including its value and ability to grow and achieve sustainable profit in the foreseeable future. A performance driven PLC therefore consistently delivers strong financial performance and clearly demonstrates its ability to invest for future growth.



3.2.1 How PLCs can drive strong financial performance

Strong financial performance is demonstrated through sustainable profitability and growth augmented by efficient capital management. Financial performance is reflected through economic and quantifiable measurements depicting how value is created for stakeholders. The following section provides some fundamental aspects and considerations that have significant impact on financial performance of PLCs.





PLCs should embark on transformation initiatives that will drive stronger and more sustainable financial performance. The proposed initiatives outlined below, while not exhaustive, provides guidance on some high impact improvement areas and these are elaborated in the *supplementary section on implementation considerations* in this guidebook. Companies should further evaluate suitable transformation initiatives based on their respective industry and business objectives prior to implementation.

Revenue Quality & Growth

- Reduce revenue dependency through diversification
- Redirect from non-performing revenue streams
- Expand on high performing revenue streams

Operational Efficiency

- Eliminate non essential expenses that do not provide differentiation to the business
- Aim for cost optimisation
- Rethink and reconfigure cost structures

Capital Management

- Establish effective debtors management
- Improve inventory turnover
- Drive effective creditors management
- Improve funding and treasury management

Click [here](#) to learn more about how these strategies and initiatives can be implemented along with supplementary reference links and case studies

3.2.2 Key Metrics to Consider

Financial performance is generally measured in the following areas:

Revenue & Growth

Focuses on Revenue and Growth drivers that contribute to Profitability

Margin ratios

Provides insights about the ability of the business to convert sales into a profit

Revenue growth

Measures the growth or decline in revenue over defined periods

Product/service growth

Measures the increase or decrease in market penetration of products and services

Earnings per share (EPS)

Denotes a company's value based on the profits it generates per share

P/E ratio

Relates a company's share price to its earnings per share to determine if its stock is over or undervalued

Dividend payout ratio

Indicates the proportion of earnings paid out as dividends to shareholders

Dividend yield

Indicates how much a company pays out in dividends each year relative to its stock price

Operational Efficiency

Expense and Process efficiency focus

Cost of sales

Highlights total amount of expenses incurred that are directly associated with the production of products or services

SG&A costs

Selling, general and administrative (SG&A) costs measures the total amount of expenses incurred that are not directly associated with the production of products

Operating profit

Represents total amount of profit earned through the core business operations. Measures the profitability of the business after other SG&A costs

Free cash flow

Surplus cash flow that can be reinvested or used to pay dividends after deducting operating expenses and capital expenditures

Capital Management

Balance Sheet focus, asset and debt/equity performance drivers

CAPEX

Represents the capital expenditures spent to acquire or improve the core business assets

ROE

Measures a company's profits in relation to its equity, indicating how well management is using investors' capital

ROA

Determines how efficiently a company uses its assets to generate profits

ROCE

Shows how efficiently a company makes use of its available capital, measuring its profitability after factoring in the capital used to achieve that profitability

Call to Action

1

Review quality of revenue generated by the business i.e. in terms of continuity or predictability, diversity and profitability of the revenue streams and determine whether there is need to shift or diversify revenue streams.

2

Review current cost structure, reshape cost components to support business differentiation and devise transformation initiatives to achieve operational efficiencies (e.g. automation, outsourcing, process improvements).

3

Look for idle funds in the business and devise innovative and more efficient ways to fund investments and growth while maintaining an acceptable risk profile.

Useful Links:

[How to Benchmark Your Working Capital](#): Gain insights on how to evaluate and improve working capital management by benchmarking against current working capital trends

[Cost transformation](#): Learn how to forecast in the face of uncertainty and explore approaches to rethink cost management in adapting to changing market conditions

[Revenue Growth Management: Three Ways To Get Real Time With The Industry Cloud](#): Read about new methodologies in Revenue Growth Management (RGM) to improve sustainable growth and return on investment

[How to Manage Cash Flow](#): Read about the basics and tips on how to improve cash flow management



Transformation Checklist - Financial Performance

The following checklist provides indicative areas for companies to consider as they embark on their performance driven transformation in Financial Performance:

- 1 Conduct a product profitability assessment to identify which products or services are generating the desired level of sales, revenue and profitability

- 2 Devise discontinuation or substitution plans for those products or services which are continuously running behind desired targets and which are causing significant drain on overall profitability with diminished strategic purpose

- 3 Review products and services revenue cycle to reduce any revenue leakages

- 4 Conduct a multi dimensional cost assessment to identify various cost drivers (or cost pools) and benchmark against internal and external comparatives

- 5 Establish effective cost control and reduction mechanisms including improved budgeting, monitoring and cost reallocation initiatives - a cost management plan that does not impede fundamental growth strategies of the company

- 6 Develop a dynamic, rolling Short-Term Cash flow Forecast ("STCF") to manage short-term liquidity better in response to investment needs and commitments

- 7 Conduct a thorough working capital analysis to identify areas that could unlock liquidity in the company

- 8 Revisit current funding mechanisms in the company and identify options for new, innovative and appropriate sources of funds to fuel investments and growth



3.3 ENTERPRISE GOVERNANCE

WHY ENTERPRISE GOVERNANCE IS IMPORTANT FOR PERFORMANCE DRIVEN PLCS

Enterprise governance refers to the set of responsibilities and practices exercised by the Board and executive management with the goal of providing strategic direction, ensuring that objectives are achieved, ascertaining that risks are managed appropriately and verifying that the organisation's resources are used responsibly.^[3]

Effective enterprise governance therefore provides companies with a holistic oversight mechanism that strikes a balance between conformance and performance. This in turn enables companies to appeal favourably to various stakeholders by building trust and confidence whilst at the same time demonstrating effective control and oversight to drive operational effectiveness - critical hallmarks of performance driven companies.

3.3.1 How PLCs can drive effective enterprise governance

Enterprise Governance

constitutes the entire accountability framework of the organisation

Corporate Governance

Accountability, Assurance,
Level of Authority

How to build trust and demonstrate business integrity to stakeholders

Conformance

Structure of rules, practices, and processes used to direct and manage a company. A company's Board of Directors is the primary force influencing corporate governance.

Strong Corporate Governance encompasses^[4]:



A high-functioning, well-composed, independent, diverse and experienced **Board**



Structures that inform and empower shareholders and protect their rights



Appropriate **compensation** that incentivise performance over the long term



Effective and ongoing risk **oversight**

Business Governance

Value Creation, Resource Utilisation,
Processes & Controls

How to balance between operations oversight and control while driving operational efficiencies

Performance

Mechanisms that enable management to drive and control strategy execution and operational performance.

Strong Business Governance encompasses:



Well defined **policies & procedures** that provide clear guidelines for managing specific areas of the business



Fit for purpose **organisation structures** that enable clear lines of reporting and accountability



Performance Management framework and measures linking outcomes, responsibilities and rewards



Outlined below are some key areas that PLCs should consider in implementing robust enterprise governance that takes into account both the conformance and performance aspects of the business. As this guidebook is intended for a broad target audience, the proposed initiatives below are not exhaustive and need to be further evaluated based on regulations, industry norms and business objectives respectively.

Corporate Governance

- Board independence, composition & effectiveness
- Oversight
- Transparency

Business Governance

- Roles, responsibilities and ownership
- Policies and procedures
- Performance management

Click [here](#) to learn more about how these strategies and initiatives can be implemented along with supplementary reference links and case studies



3.3.2 Key Metrics to Consider

The effectiveness of Governances efforts can be measured in many ways. The following are indicative metrics to consider:

Corporate Governance

Quantify and measure effectiveness of a corporate governance system

Board member expertise

Estimation of relevant skills and characteristics needed to address emerging industry trends

Diversity of Board of Directors

In terms of background, expertise, gender, ethnicity, age, personality type etc

Compensation over performance

Link between compensation and performance results, especially financial performance

Succession planning

A succession plan to replace CEO or other Board members with the right personnel

Disclosures

Level of adherence to disclosure rules, regulations and guidelines whether regulatory or good practices

Frequency of Board meetings

The optimal amount of Board meetings that should be conducted in order to be effective and attendance by Board members

Frequency of information exchanges with managers

Communicate with managers frequently to align expectations with Board decisions on the overall company's goal or direction

Business Governance

Measuring the effectiveness of business governance

Policy & procedures effectiveness assessment

Use feedback and critique mechanisms to measure relevance of policies and to assess root causes for non compliance of procedures

Performance management benchmarking

Compare performance measures, outcomes and achievements against peer or best in class organisations or even between functional units

Compliance

Level of compliance to company policies and procedures as well as to regulatory requirements relating to operations of the business



Call to Action

1

Regularly evaluate Board effectiveness and enhance areas where corporate governance needs to be improved. This evaluation transcends the more common narrative of 'tone from the top' to encompass more overt behaviours through 'conduct' from the top.

2

Assess how often are the policies, processes and controls within the company reviewed and whether they are effective and in line with the current business environment to ensure relevance to the business.

3

Benchmark performance against suitable peer groups externally and even within the organisation to ensure that performance management frameworks and systems are driving the desired behaviours and outcomes.

Useful Links:

[Bursa CG Guide](#): Improve corporate governance practices by referring to Bursa's CG guide which has been developed in line with the principles contained in the MCCG

[Malaysian Code on Corporate Governance \(MCCG\)](#): Refer to Malaysia's code of corporate governance which reflects internationally recognised principles and practices

[A Guide to the Big Ideas and Debates in Corporate Governance](#): Read more about the general ideas surrounding the debates and management of corporate governance

[Enterprise Governance - Getting the Balance Right](#): Get to know more about enterprise governance and what must be done to ensure its effectiveness

[Time to shift to 'conduct from the top'](#): Read about a more proactive approach to addressing anti-bribery and corruption from the top



Transformation Checklist - Enterprise Governance

The following checklist provides indicative areas for companies to consider as they embark on their performance driven transformation while strengthening Enterprise Governance:

- 1 Establish clear communication channels with stakeholders including investors, to consistently align the purpose and priorities of the company with stakeholders needs

- 2 Conduct periodic reviews of the structures, policies and procedures to ensure overall operations are aligned with purpose, strategies and changing regulations

- 3 Ensure Board has access to relevant information and performance measures that provides thorough insights of the business and thereon enables informed decision making

- 4 Ensure that the company's corporate governance adherence is in accordance with the latest principles and guidelines outlined by regulators and relevant advisory bodies

- 5 Conduct periodic self assessment and independent review to evaluate Board effectiveness and enhance areas where corporate governance can be improved

- 6 Maintain appropriate and effective Board and sub-committee oversight to leverage experience of the Board members in overseeing specific issues faced by the company

- 7 Define clear roles and responsibilities of leaders and teams to establish accountability across the company and align these to the performance management framework

- 8 Assess the effectiveness of the performance management framework in the company (including performance evaluation process, KPI's setting, rewards and consequence management, etc) and assess whether this is driving the desired behaviours across the company



3.4 PERFORMANCE MEASUREMENT

WHY PERFORMANCE MEASUREMENT IS IMPORTANT FOR ASPIRING PERFORMANCE DRIVEN PLCS

Robust performance measurement in performance driven companies is in most cases, an obsession. This stems from the fact that performance driven companies thrive on monitoring measures which provide insights on areas that are meeting or even surpassing objectives, those that are falling behind and those that have been consistently underperforming. This in turn provides the necessary data points to make continuous improvements and even determinations on business exit and entry strategies. Performance measurement also provides an effective mechanism to shape, drive and align the desired behaviours within a company and this is invaluable as performance driven companies move to develop their high performing culture.



Performance measures are only as good as how they are shared

Companies are encouraged to report their objectives and Headline Key Performance Indicators (KPIs) to stakeholders. Sharing Headline KPIs which are aligned to business priorities encourages companies to set stretched yet achievable targets, which elevates stakeholders confidence in the companies' performance. These Headline KPIs vary for different industries and sectors, can be financial or non-financial in nature and also be a combination of historical and forward looking measures. Additionally, the growing demands from stakeholders to obtain in-depth insights for informed decision making necessitates an increased focus on holistic and high impact measurements and disclosures by companies.

"If you can't measure it, you can't improve it"

Peter Drucker

Spotlight on Disclosing Performance Measures



In this guidebook, indicative measures have been detailed out in every chapter. Additionally, illustrative sectoral measures that may be of relevance to companies are highlighted in the Appendix.

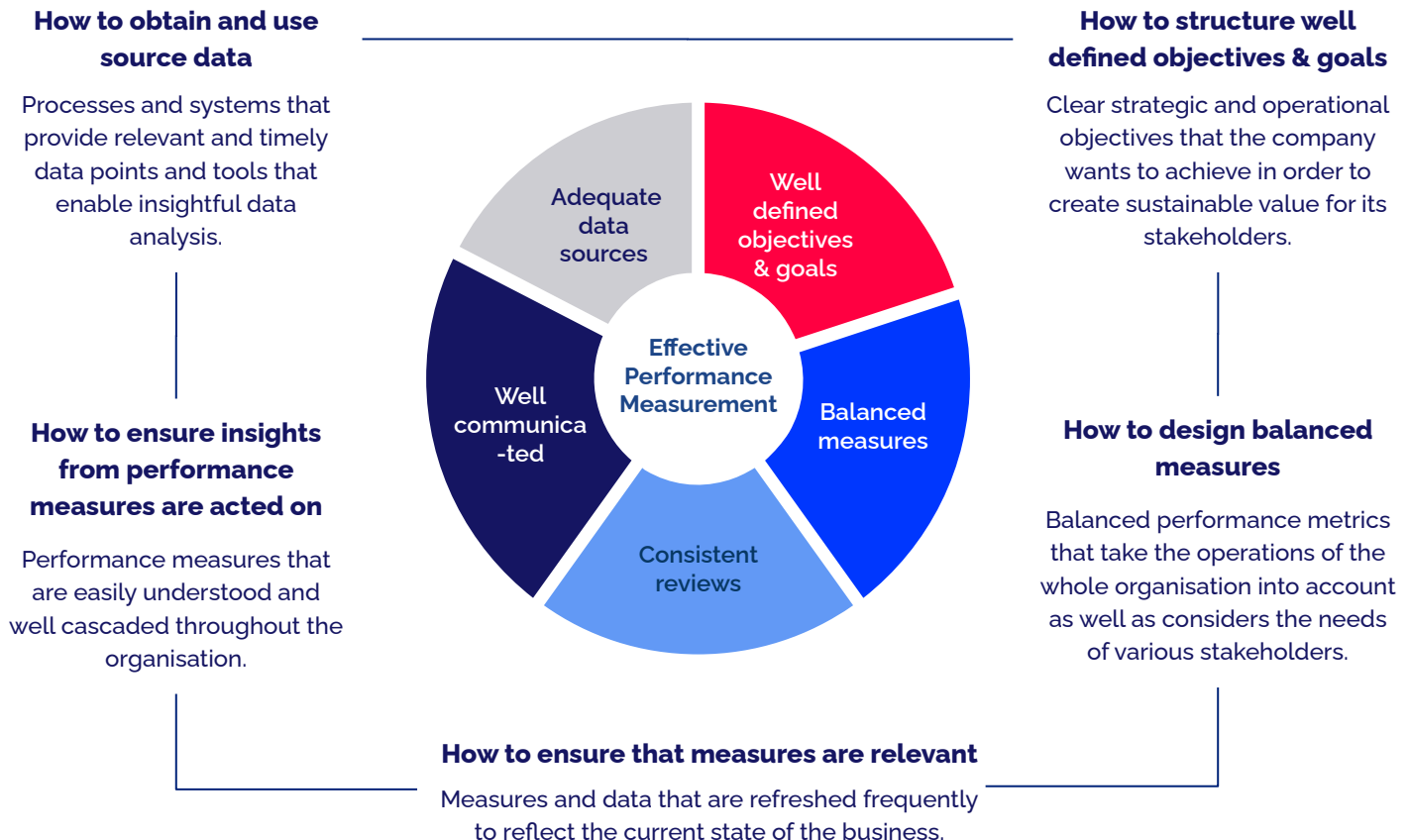
Importance of disclosing Headline KPIs and Targets

1. Enhances visibility and transparency of business performance and priorities, which will in turn make PLCs more attractive from an investor perspective
2. Increases accountability of PLCs management to stakeholders and in gaining and maintaining a high level of trust from stakeholders
3. Enables companies to clearly communicate their future aspirations, growth potential and desired outcomes in addition to historical performance
4. Illustrates and ensures that business strategies are aligned to stakeholders needs, business priorities and regulatory requirements
5. Rally all levels of employees by providing common reference points to chart progress and to additionally link rewards to performance thus driving continuous improvement



3.4.1 How PLCs can define and implement effective performance measures

Effective performance measurement utilises **multidimensional indicators** covering financial and non-financial measures as well as historical and forward looking measures to gain insights and assess relative performance of various aspects of the business. As high reliance is placed by companies and stakeholders on the insights derived from performance measures, the mechanics for defining and implementing these measures needs to be sound. The following section elaborates on critical considerations in deriving robust performance measures and effective measurement processes.





The following provides an overview of how PLCs can put in place robust performance measurement to enhance companies performance. Further details are elaborated in the *supplementary section on implementation considerations* of this guidebook. As this guidebook is intended for a broad target audience, the proposed initiatives are not exhaustive and need to be further evaluated for suitability based on the company's respective industry and current business objectives.

Well-defined objectives & goals

- Define S.M.A.R.T objectives as a foundation for setting performance measures

Balanced measures

- Multi-dimensional measures
- Perspectives across the business

Consistent reviews

- Consistent monitoring and validation of performance measures
- Review effectiveness of performance measurement process
- Benchmark the appropriateness of the measures
- Eliminate non-aligned performance measurements

Well communicated

- Communicate the measures across the organisation
- Communicate the outcomes to stakeholders

Adequate data sources

- Available and accessible data sources

Click [here](#) to learn more about how these initiatives can be implemented along with supplementary reference links and case studies



3.4.2 Illustrative Examples of Performance Measures - Financial and Non-Financial Measures

Financial Measures

Year-on-year growth

How the company is performing relative to previous years results and indicates whether the company is ahead or behind its growth aspirations

Gross profit margin

Measures the ratio of revenue after cost of providing goods or services. Enables companies to plan SG&A costs more efficiently

Debt to equity ratio

Solvency ratio that measures how much a company finances itself using equity versus debt

Cash conversion efficiency

A measure to understand the conversion of inventory into sales. A core calculation to understand cash flow

Non-Financial Measures

Governance performance

How the Board of Directors are able to meet stakeholders expectations of transparency and timely disclosures

Customer satisfaction

The level of satisfaction customers have on the goods or services provided and management of complaints and feedback

Health & safety

A measure of the effectiveness of health and safety management including number of incidents, level of training and any impact on well being of people

Employee satisfaction

A measure of how satisfied employees are with the current work environment, development and growth potential as well as compensation

Click [here](#) for illustrative examples of sectoral performance metrics

Call to Action

1

Assess, define and prioritise relevant Headline KPIs and targets for disclosure purposes to encourage better transparency, accountability and trust amongst stakeholders and adherence to regulatory disclosure requirements.

2

Institutionalise performance measures that are aligned with organisational purpose and desired targets based on objectives that are S.M.A.R.T.

3

Stay ahead of the pack - explore specific and bold performance measures that will drive the unique behaviours and operational outcomes required to stay ahead of the competition.

4

Establish robust mechanisms and processes to identify, capture and collate data points from various parts of the business and ensure integrity of data for measurement.

Useful Links:

[Sector based performance measures](#): Refer to this sector analysis report by CFA Institute and ACCA to learn more on other potential performance measurements across multiple sectors

[How to develop effective KPIs](#) : Read more about identifying and developing the right KPIs for your organisation

[Measuring what matters](#): The case for balanced scorecards in 2021: Take a fresh look at BSC as a valuable element of your planning and management toolkit in the current environment

[Non-financial performance measures](#): What Works and What Doesn't: Read about the benefits and challenges of defining and implementing non financial performance measures

[Measure your KPI alignment](#): Take an online self-assessment here to determine if your organisation is on the path towards strong KPI alignment



Transformation Checklist - Performance Measurement

The following checklist provides indicative areas for companies to consider as they embark on their performance driven transformation while enhancing Performance Measurement:

- 1 Define appropriate historical and forward looking (lagging and leading) financial, non-financial and sectoral Headline KPIs and performance measures that provide insight on historical outcomes as well as potential of the business

- 2 Ensure that the current performance measures are aligned to the company's overall purpose statement and desired performance outcomes

- 3 Gauge the level of understanding and buy-in on the performance measures across all levels of the company and identify deterrents and associated root causes

- 4 Consider appropriate disclosures of Headline KPIs and targets in order to clearly communicate the performance and direction of the business to stakeholders

- 5 Leverage technology and analytical tools to automate and simplify data collection from source and enable fast reporting of performance measures

- 6 Benchmark performance measures with peer groups to ascertain completeness and relevance of measures being instituted

- 7 Link performance measures to performance management framework to ensure the performance measures drive desired behaviours across the company

- 8 Review and assess that the current performance measures provide an adequate holistic and in-depth view on how the organisation is performing



3.5 LEADERSHIP & TALENT MANAGEMENT

WHY LEADERSHIP & TALENT MANAGEMENT ARE IMPORTANT FOR ASPIRING PERFORMANCE DRIVEN PLCS

Performance driven companies have a common trait - they have effective leaders and great talent. These attributes, while appearing to be well accepted, are probably some of the most challenging to achieve. Effective leadership sets a compelling direction for the business and architects the operations and growth strategies that create value for stakeholders. Leadership is also entrusted with effective decision making and driving the achievement of organisational goals across the company. However, without talent and relevant competencies and skills, organisational goals will not be achieved.

It is therefore clear that for companies to transition from merely keeping up to stepping up, there needs to be significant focus on developing and nurturing leadership and talent as a matter of priority.



3.5.1 How leaders at PLCs can demonstrate strong leadership

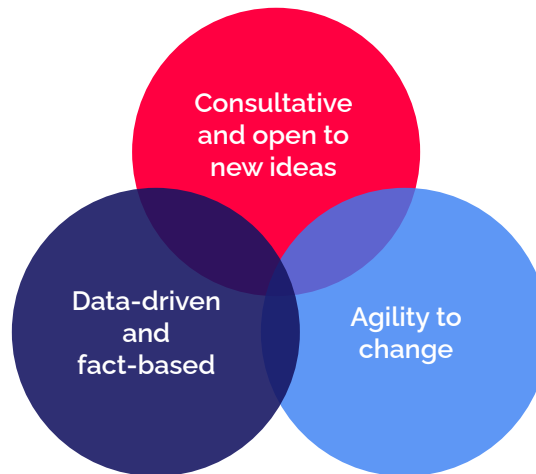
High calibre leaders of performance driven companies are needed to formulate and execute clear strategies that are aligned with the organisation's purpose. They also need to be bold problem solvers and make impactful decisions to seize opportunities or address challenges quickly, while motivating and inspiring the organisation towards a common goal.

How can leaders stay ahead of the game

Leaders of performance driven companies need to be open to ideas and consult various stakeholders to understand feedback, market trends, best practices or industry benchmarks, especially in this disrupted business environment.

How to encourage leaders to make fact-based and calculated decisions

Performance driven leaders are data-driven, able to draw insights from data and make fact-based decisions to drive performance.



How can leaders be agile and persevere in a dynamic market

It is imperative that leadership of performance driven companies are quick in making decisions, agile in anticipating and responding to changes as well as being astute in managing risks.



Leaders of PLCs should consider the following key areas that can help them create and nurture performance driven companies. The proposed initiatives and traits are not exhaustive and prior to implementation, needs to be further evaluated for suitability based on the company's performance, positioning, industry and business objectives.

Consultative and open to change

- Stay curious and keep learning
- Seek consultation
- Foster innovative thinking culture

Agility to change

- Stay up to date with megatrends
- Assess situation and pivot immediately

Data-driven and fact-based

- Create a data-driven culture across the organisation
- Supplement 'gut feel' with data-driven decision making (DDDM)

Click [here](#) to learn more about how these initiatives can be implemented along with supplementary reference links and case studies



3.5.2 How performance driven PLCs can excel at talent management

Performance driven companies are relentless in managing talent. Having top talent not only provides the well needed resources to drive strategy and operations effectively, but is also a significant competitive advantage. Leaders are therefore constantly looking at ways to attract, develop, align and retain top talent.

How to attract top talent to enhance PLC performance

Companies need to have an appealing identity and reputation tied to a compelling purpose to attract top talent. This must be made abundantly clear in everything the company does.

How to increase retention of talented employees

To retain top talent, companies need to provide a well thought through employee value proposition that demonstrates the prospects for individual development and growth.



How to keep employees motivated and engaged

High performing companies provide a unique employee experience, keeping employees motivated and maintaining employees wellbeing within a safe and dynamic environment.



The following are some of the key areas that PLCs should consider to manage talent effectively and drive performance. As this guidebook is intended for a broad target audience, the proposed initiatives are not exhaustive and may need to be further evaluated and expanded based on the respective company's nature of business, industry norms, performance and objectives.

Attract top talent

- Make purpose and identity appealing to prospective talent
- Make the recruitment process broader and more efficient

Employee experience

- Define unique employee experiences
- Understand specific employee needs
- Create a collaborative and appreciative workplace

Development and growth

- Define a clear Employee Value Proposition (EVP)
- Provide professional development and upskilling opportunities
- Provide unique career advancement opportunities

Click [here](#) to learn more about how these strategies and initiatives can be implemented along with supplementary reference links and case studies



3.5.3 Key Metrics to Consider

Leadership and Talent Management is generally measured in the following areas:

Leadership

Measuring Leadership performance directly and indirectly

Upward & 360 feedback scores

Provides feedback to leaders on their quality of leadership and engagement against predefined criteria or values

Headline KPI achievement

Measures the performance of leaders in terms of achieving critical organisational goals and metrics

Employee productivity

Tracks how leaders are driving employee effectiveness and efficiency in carrying out and completing their work

Team health index

Gauges how leaders are enabling a conducive environment for team well being and success

Talent Management

Measures how well talent are engaged and managed

Employee satisfaction score

Measures how satisfied employees are with the organisation and whether they will promote the organisation to others

Workforce diversity

Measures diversity, equity and inclusion across pay, recruitment, retention, advancement and representation

Team goal progress

Measures the achievement of personal and team goals

Career path ratio

Measures internal movement into lateral or higher positions in the company

Time to hire

Measures the lead time between the identification of talent to the moment the offer has been accepted

Attrition rate

Tracks the number of employees leaving a company over a period of time



Call to Action

1

Improve leadership decision making by leveraging off data-driven decision-making tools and processes to drive fact-based decision making and create a data-driven culture.

2

Espouse the company's purpose to the market and embed the actions taken to bring this purpose to life in efforts to attract top talent.

3

Define a compelling Employee Value Proposition that will facilitate better attraction, development, alignment and retention of top talent.

Useful Links:

[Stay Ahead of The Talent Trends and Build Your Workforce:](#) Learn more on how talent trends have changed tremendously since the onset of the pandemic

[What it means to be an Agile leader:](#) Discover what it means to be an Agile leader and how to lead an organisation through unprecedented crises like the Covid-19 pandemic

[The four Fs of employee experience:](#) Learn more about the four principles that can help leaders deliver optimum employee experience and help their people perform to their fullest potential

[Data-Driven Leadership:](#) Learn more from these 5 steps of utilising data to become a data-driven leader

[Are You A Great Leader? How To Assess Your Leadership Skills:](#) Read about perspectives on how to examine leadership skills to become a great leader



Transformation Checklist - Leadership and Talent Management

The following checklist provides indicative areas for companies to consider as they embark on their performance driven transformation while elevating Leadership and Talent Management:

- 1 Build capacity and upskill to enable current workforce to be future-ready and equipped to deliver the organisation's aspirations

- 2 Identify any challenges in retaining and attracting the right talent and deploy the necessary mitigation plans to address these issues

- 3 Craft and continuously implement a compelling employee value proposition to enable the workforce to align their personal development goals to the organisations' aspirations

- 4 Gauge whether the company has the right talent to deliver on the organisations purpose and value proposition from short, medium and long term perspectives

- 5 Enhance current policies and initiatives to improve on how the organisation recognises and develops its talent pool

- 6 Explore how key management decisions can be better driven by data and analytics to supplement the experience of leaders

- 7 Actively engage the workforce to create the right level of energy and motivation to deliver on the organisations purpose

- 8 Ensure leaders of the organisation are abreast with current megatrends and are capable to harness the associated opportunities and manage risks



3.6 ENTERPRISE RISK MANAGEMENT

WHY ENTERPRISE RISK MANAGEMENT IS IMPORTANT FOR ASPIRING PERFORMANCE DRIVEN PLCs

Effective Enterprise Risk Management (ERM) enables companies to better stave off threats and manage uncertainties while providing avenues to harness opportunities in our fast changing business landscape. Performance driven companies are faced with various risks in their day-to-day operations and it is imperative that robust mechanisms are established to mitigate these risks to ensure sustainable performance.

Companies that have effective ERM processes in place are more resilient to their changing business landscape, are more agile in maneuvering through challenging times and are better placed to address uncertainties that could impede the achievement of objectives. However, for ERM to be effective, the process should be embedded in the day-to-day operations and augmented by strong risk culture and risk measures.



3.6.1 How PLCs can achieve robust Enterprise Risk Management (ERM)

ERM takes a **holistic approach to managing risk strategically across the company**. As risk influences and aligns strategy as well as performance across all departments and functions, it is important to consider risk in strategic planning and embedding it throughout the organisation. By embedding risk management processes into day-to-day operations, companies are better equipped to identify events affecting its goals and to manage risks in ways that are consistent with its risk appetite.

COSO's ERM framework has gained broad acceptance by organisations in their efforts to manage risk. Refer to link below:

[COSO ERM-Integrating with Strategy and Performance](#)

COSO has developed a Framework for ERM with a set of principles organised into the following interrelated components:

Components of effective ERM

Governance & Culture

Strategy & Objective-Setting

Performance

Review & Revision

Information, Communication & Reporting

The Benefits of ERM

Realise greater value

Resilient to market disruptions

Effective scarce resources allocation

Manage cost and potential losses

Click [here](#) to explore relevant case studies and learn more about how PLCs can institutionalise effective ERM to drive performance



3.6.2 Key Metrics to Consider

Risk Management is generally measured in the following areas:

Enterprise Risk Management

Measuring the effectiveness of risk management

Number of systemic risks identified

Detects dependencies across all levels and business areas of an organisation that would benefit from centralised controls

Percentage of process areas involved in risk assessments

Enables a collection of more forward-looking and accurate information as more process owners are involved in risk assessments

Predicted vs actual risk severity

Shows expected risk severity against the actual severity to evaluate the effectiveness of risk mitigation plan

Percentage of key risks areas (KRAs) monitored

KRAs are identified as potential high impact risks to core delivery of products and services. Identification and monitoring of these KRAs will improve readiness for and effectiveness of risk mitigation

Percentage of key risks mitigated

Provides an understanding of organisation's key risks coverage, enabling prioritisation of resources and reduction of inefficiencies in resource allocation to mitigate risks

Value at risk

A statistic that provides quantified possible financial loss within an organisation or to a portfolio over a specific time frame and enables firmwide measurement of risk exposure





Call to Action

1

Establish an effective ERM framework that will provide a holistic view of risks across the company and drive management to action.

2

Put in place the function(s), people, processes, technology and common language that will bring ERM to life and enable proactive mitigation of risks.

3

Align risks to strategies and business objectives and continuously measure, monitor and re-assess risks severity and responses against changing strategies and objectives.

4

Create a risk culture that embraces risk management as part of day-to-day operations, turning risks from uncertainty and threats to opportunity.

Useful Links:

[Statement on Risk Management & Internal Control](#): Refer to Bursa's guide on how to maintain a sound internal control and risk management system, and the process that should be considered in reviewing its effectiveness

[COSO Guidance on ERM](#): Learn more about the importance of considering risk in both strategy-setting and driving performance of organisations

[PwC's Global Crisis Survey 2021](#): Find out how organisations have managed during the Covid-19 pandemic and take the Global Crisis Survey to receive a personalised benchmark report



Transformation Checklist - Enterprise Risk Management

The following checklist provides indicative areas for companies to consider as they embark on their performance driven transformation while embracing ERM in their day-to-day operations:

- 1 Ensure there is an enterprise-wide view of all current and emerging risks to enable the organisation to swiftly deploy necessary mitigation plans

- 2 Establish a dedicated ERM function with the required people, processes and infrastructure to drive the adoption of ERM across all aspects of the business

- 3 Periodically review risk management frameworks, practices and risk appetite thresholds to ensure they are relevant in the current market landscape

- 4 Ensure risk information is of high quality, based on credible data and analysis, and flows freely to facilitate agile and effective decision making

- 5 Ensure clear identification of risk owners in order to have clarity on the lines of accountability and responsibility for risks and outcomes

- 6 Build a risk-aware culture across the organisation where a strong appreciation of risk management aspects facilitates effective identification and management of risks throughout the organisation

- 7 Encourage continuous data collection and monitoring of enterprise risk to build a continuous improvement culture in managing emerging risk

- 8 Link risk management to performance management framework and KPIs to ensure risk management is embedded in day-to-day operations



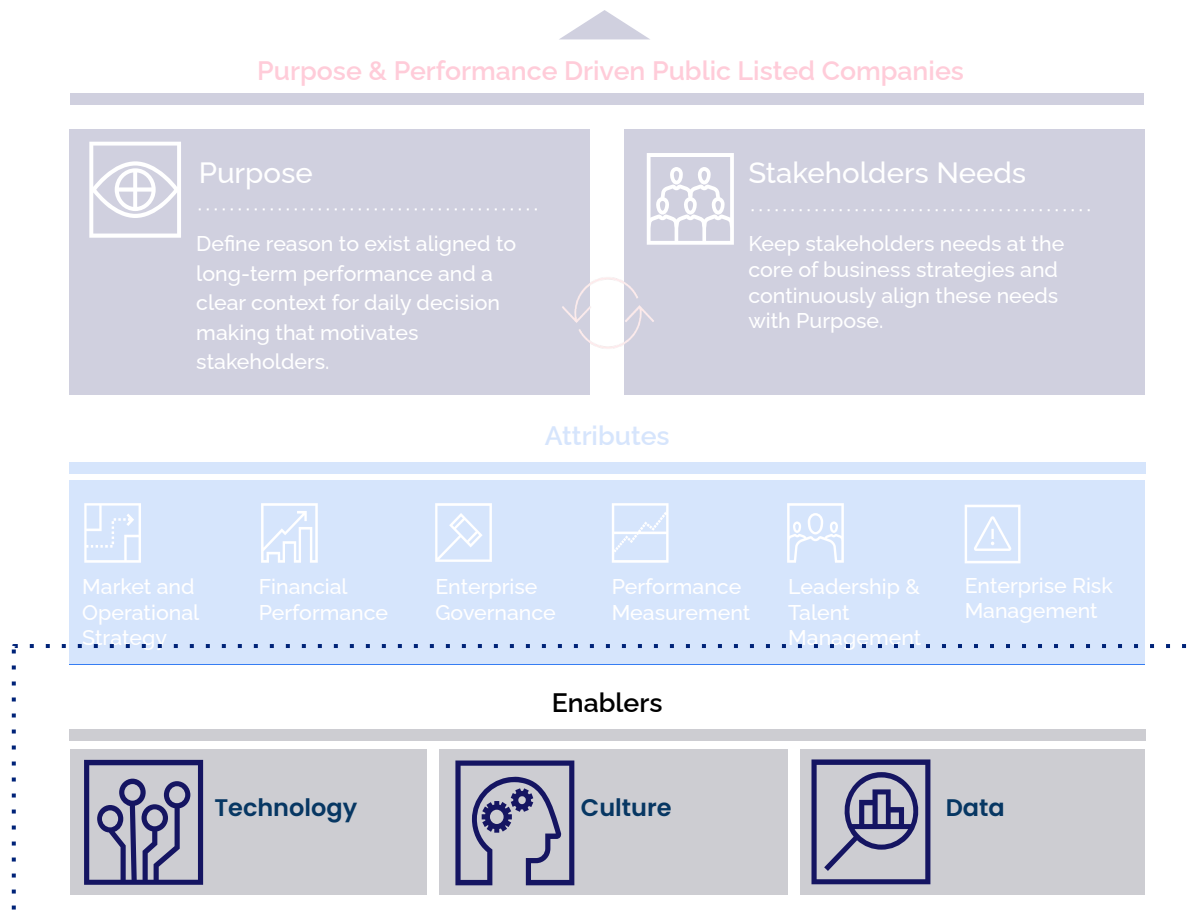
4

PERFORMANCE DRIVEN
FRAMEWORK ENABLERS



4.0 Purpose & Performance Driven Framework for PLCs - Enablers

This chapter highlights the key enablers under the Purpose & Performance Driven Framework for PLCs. These enablers - Technology, Culture and Data - are critical elements and are essential to supporting the various attributes in the framework. These enablers should be applied across the organisation in order to catalyse the performance driven transformation.





4.1 TECHNOLOGY

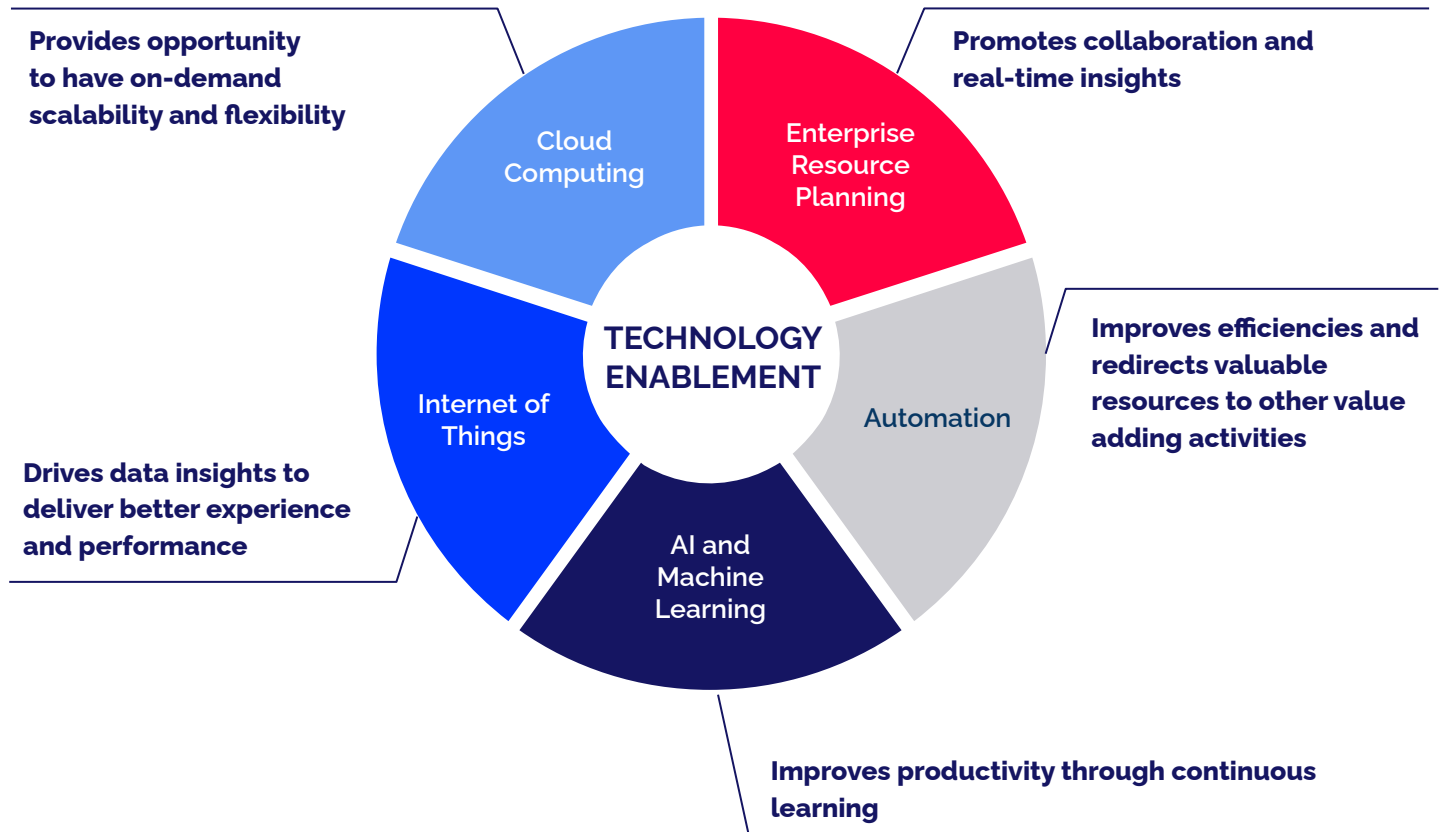
LEVERAGING CURRENT AND EMERGING TECHNOLOGY AS A KEY ENABLER

Technology is playing a pivotal role in enabling major business transformation. Performance driven PLCs have been stepping up and leading the pack in adopting new and emerging technologies to drive performance in all aspects of their business (e.g. operations, compliance, analytics and automation). With the onset of the COVID-19 pandemic, many organisations have accelerated their technology adoption and for some companies, this has proven to be invaluable in keeping a semblance of operations running, while others have leveraged off technology to create new and thriving business models in these unprecedented times. It is evident that technology is and will continue to be a critical enabler for businesses and now more than ever, even a 'shaper' of new and more relevant business models. Companies therefore need to view technology as an enabling imperative to their survival, growth and profitability.



4.1.1 How technology enables and supports performance

There are numerous technological advances that have and will continue to influence the shape and operations of businesses. In order to be performance driven, companies need to invest in relevant technologies that will drive operational effectiveness and efficiencies. The following are a few of the more common technologies today that have proven to lead to notable performance improvement.



Click [here](#) to read more on how technology supports performance and explore relevant case studies and other references



Technology



Culture



Data

Call to Action

1

Identify areas in the organisation that would be good candidates for new or improved technology adoption.

2

Benchmark to peers or other progressive companies that have achieved outstanding performance from technology adoption.

3

Integrate technology as part of day-to-day business workflow and upskill the organisation with a digital mindset and the necessary skills.

4

Create an urgency within the organisation to transition to more technology driven operations and find effective ways to fund investments in technology.

Petrosea



Case study

Petrosea, an integrated mining company, was the only ASEAN-owned company to be featured in World Economic Forum's Global Lighthouse Network. The company **successfully integrated 4IR technologies** and **transformed a challenging project into one of the most profitable operations by increasing 30% of its production within 6 months**. Read more [here](#) on how Petrosea **achieved 15% increase in truck productivity, over 90% average equipment availability and other improvements**.

Useful Links:

[Driving the Digital Industrial Revolution](#): Read here to find out more on the series of initiatives available to assist companies with their digital transformation journey

[Gartner: C-suite guide to accelerating digital business](#): This guide aims to assist C-suites with their digital acceleration initiatives by prioritising what to accelerate and where to invest

[PwC: Industry 4.0 Self Assessment](#): Assess how well-prepared your organisation is to digitalise your operations as part of the 4th Industrial Revolution

[Five Reasons More Businesses Are Choosing Cloud](#): Learn more about how cloud computing enhances business performance



Transformation Checklist - Technology as an enabler

The following checklist provides indicative areas for companies to consider as they embark on their performance driven transformation while embracing Technology as an enabler:

- 1 Conduct an assessment of how technology is being used to drive business operations and performance in your industry and/or peer group of companies and create a technology roadmap for your company aligned to overall strategy

- 2 Identify operational areas that are not performing to expectations and ascertain whether these areas are candidates for specific technology enablement to drive efficiency, growth and reduce business complexity

- 3 Conduct a Return on Investment (ROI) assessment of adopting a specific technology enablement by comparing cost of investment for that technology against incremental benefits to be derived over time

- 4 Critically assess technology implementation considerations and risks - conduct proper due diligence on functionality, security, future support, governance and implementers' credentials

- 5 Ensure that there is adequate skills in the company to fully utilise the new technology - conduct a skills gap assessment, upskilling initiatives and monitor adoption rates

- 6 Ensure change management is considered prior to, during and after technology adoption to ensure new ways of working 'stick' and benefits are realised

- 7 Review effectiveness of technology adoption periodically by analysing quality of outcomes and ROI and embark on interventions or course corrections to increase adoption of technology where required

- 8 Reorganise processes and structures around best of breed systems where applicable, to gain the most benefits from enterprise technology solutions and reference models which could yield significant performance gains over a short period of time



4.2 CULTURE

WHY CULTURE IS AN IMPORTANT ENABLER

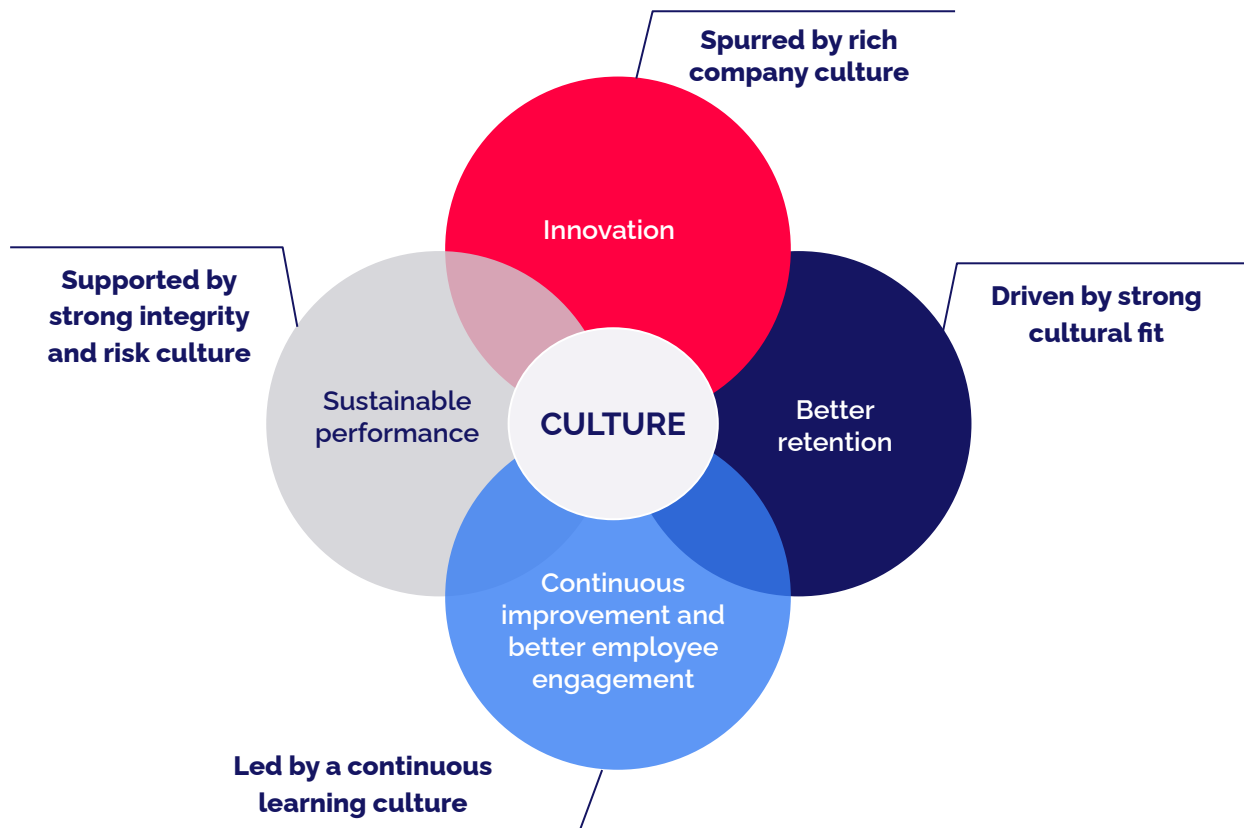
Culture is an essential enabler in any transformation to becoming purpose and performance driven organisations. A company's culture and values uniquely defines the organisation and its people and is a powerful force that can drive business performance, productivity, achievement of goals and act as differentiator for competitive advantage. Conversely, an undesirable culture has led to downfall of many prominent organisations.

Creating a conducive and desirable culture takes time and some studies suggest that organisations should focus on changing or shaping behaviours in the medium term that will lead to longer term culture change instead. What remains clear is that harnessing the power of people and culture and leveraging off the ability to mould desired behaviours will go a long way in accelerating the transformation into Purpose and Performance driven PLCs.



4.2.1 How culture can drive performance

An organisation's culture is the collective values, expectations and practices that guide how employees and management interact. With the right behaviour and culture that is aligned with the company's purpose, vision and goals, companies can accelerate its efforts to improve overall performance.



Click [here](#) to read more on how culture can drive performance and explore relevant case studies and other references



Technology



Culture



Data

Call to Action

1

Perform a culture assessment to ascertain the key attributes of the company's culture.

2

Identify desired attributes and behaviours to be demonstrated in the organisation and define the end outcomes.

3

Reinforce the desired behaviours via tone and conduct from the top as well as performance management.

4

Develop a plan to cultivate the desired culture for the organisation and closely monitor how these attributes are driving performance.

Google



Case Study

Google's unique culture is a result of its clear and direct Purpose. Its **culture embraces trust among employees which breeds creativity and innovation, better performance and job satisfaction**. This culture enabled Google to attract talent who are always looking for growth and improvement for themselves and the company. Read more [here](#) on why Google has a unique company culture.

Useful Links:

[Measuring Culture](#): Explore how cutting-edge technology can be utilised to draw meaningful insights from employee data across the business to drive a successful culture

[PwC Global Culture Survey 2021 \(Malaysia Results\)](#): Find out how the right behaviours can shape an organisation's distinct culture and be a source of competitive advantage

[10 Things Your Corporate Culture Needs to Get Right](#): Learn more about the top 10 most sought after elements of culture in an organisation



Technology



Culture



Data

Transformation Checklist - Culture as an enabler

The following checklist provides indicative areas for companies to consider as they embark on their performance driven transformation while leveraging off Culture as an enabler:

- 1 Define the desired company culture and values aligned to Purpose and strategy reflecting on learnings from past performance and identifying what is required to achieve future goals

- 2 Conduct a culture assessment to identify what attributes have worked best and what has not as well as what would be required for the future in terms of values and behaviours to achieve the company's long term goals

- 3 Leverage off a robust performance management framework in the company to define individual and team goals, targets and desired outcomes that drive the desired behaviours - rewards and consequence management should be linked to behaviours

- 4 Communicate the defined values and desired behaviours in a compelling manner to all personnel in the company - make the communication real, easily relatable to the work environment and visual wherever possible

- 5 Encourage tone from the top as well as demonstrate 'conduct' from the top which clearly espouses the desired values and behaviours - lead by example

- 6 Identify and mobilise culture champions, i.e. influential individuals who believe in the organisational culture and its impact. - to inspire, instill confidence, trust and to demonstrate the benefits of embracing the desired behaviours and values

- 7 Monitor and measure the impact of culture change over time using employee engagement and climate surveys, pulse checks, performance metrics linked to desired behaviours as well as external perceptions of the company's culture and ways of working

- 8 Develop and implement specific change initiatives to nurture unique behaviours in the company - e.g. initiatives for developing risk culture, data-driven culture, culture of continuous learning and innovation, customer centric behaviours and operational effectiveness.



4.3 DATA

WHY DATA IS AN IMPORTANT ENABLER

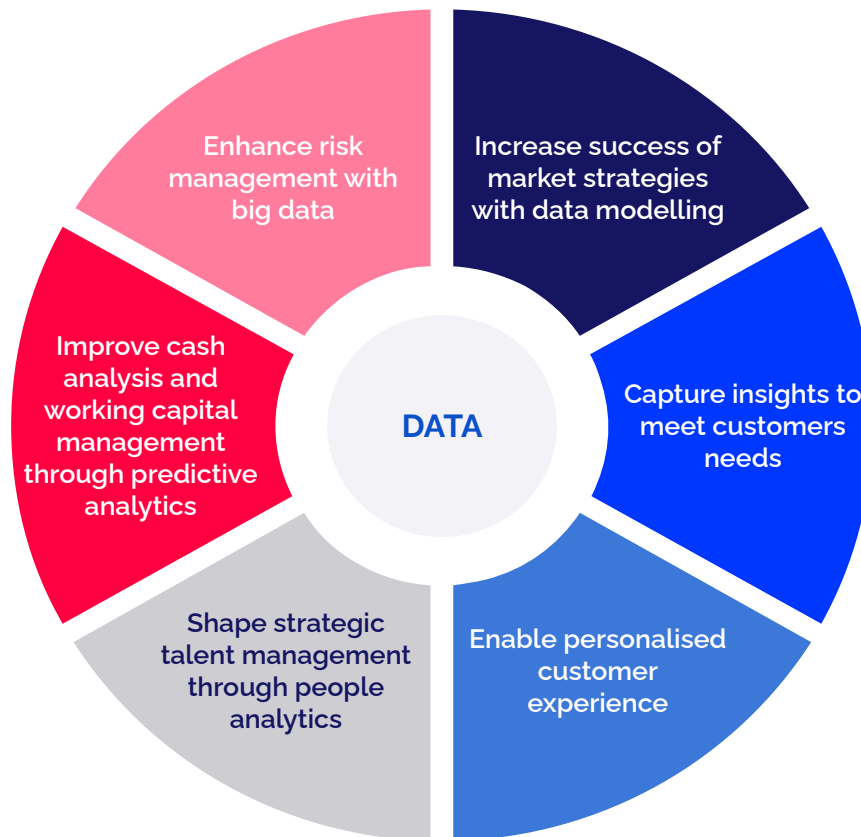
"Data is the raw material of the information age" [5]

Data is a critical enabler for companies to transform into performance driven organisations. Performance driven companies utilise data for informed decision making across the business. Effective use of data creates competitive advantage, enables greater visibility into product improvement areas and provides insights into customer and social data to better serve specific customer segments. In today's business environment, there is an abundance of data but companies face challenges with the collation and interpretation of multiple datasets or unstructured data. It is therefore important for aspiring performance driven companies to urgently elevate their data management capabilities and utilise the latest data analytics tools and approaches to get the most out of data to drive performance.



4.3.1 How data can drive performance

Companies should weave data into strategy, operations, culture and risk to develop a true data-driven organisation and drive performance. It is important to strengthen data-driven capabilities (e.g. tools and skills) to enable companies to make informed decisions based on relevant and accurate data.



Click [here](#) to read more on how data can drive performance and explore relevant case studies and other references



Call to Action

1

Embed data and analytics as a fundamental component of decision making processes.

2

Review data sources and data capture processes across the business to identify any major data management gaps.

3

Create a data-driven culture across the company.

4

Continuously review data integrity and security.

Coca Cola



Case Study

Coca Cola **uses data to drive strategic business decisions** across its value chain to stay relevant. It was able to generate **invaluable insights** through its connected 'freestyle fountain machine', which allows Coca Cola to gather data to **understand customer's preferences and trends in different regions**. This has allowed Coca Cola to **innovate and launch new products that match the ever changing customer's demands**. Read more [here](#).

Useful Links:

[What good data looks like](#): Establish data strategies to manage 'bad data' and improve data quality in order to realise your business goals

[The advantages of data-driven decision-making](#): Find out how to elevate management's capability to make fast data-driven decisions

[Forbes Insights: The Path to Personalisation](#): Read how data can help personalise customer interaction

[PwC: Data maturity Survey](#): Take this survey to help you understand how investing in data analytics may drive value for your organisation

[MDEC: Data, Analytics and AI Readiness Assessment](#): A self-assessment to identify the level of preparedness in the organisation in embracing the data-driven enterprise transformation



Transformation Checklist - Data as an enabler

The following checklist provides indicative areas for companies to consider as they embark on their performance driven transformation while adopting Data as an enabler:

- 1 Conduct a data needs assessment to identify the areas in the business that will benefit from an increase in information through better data availability and usage - detail out the benefits that will be derived from this uplift in information

- 2 Segment the data needs of the company to make it easier to group data requirements and identify sources for these data points as data points might be unique or common to certain needs

- 3 Identify the systems and processes that will generate the required data and establish mechanisms to capture this data from source

- 4 Institute periodic data integrity and security reviews to ensure quality of data being used and that data is complete, consistent, accurate and secure

- 5 Embed data-driven decision making (DDDM) when evaluating strategic options and in core business operations such as supply chain management, customer management, people management and other core operational decisions

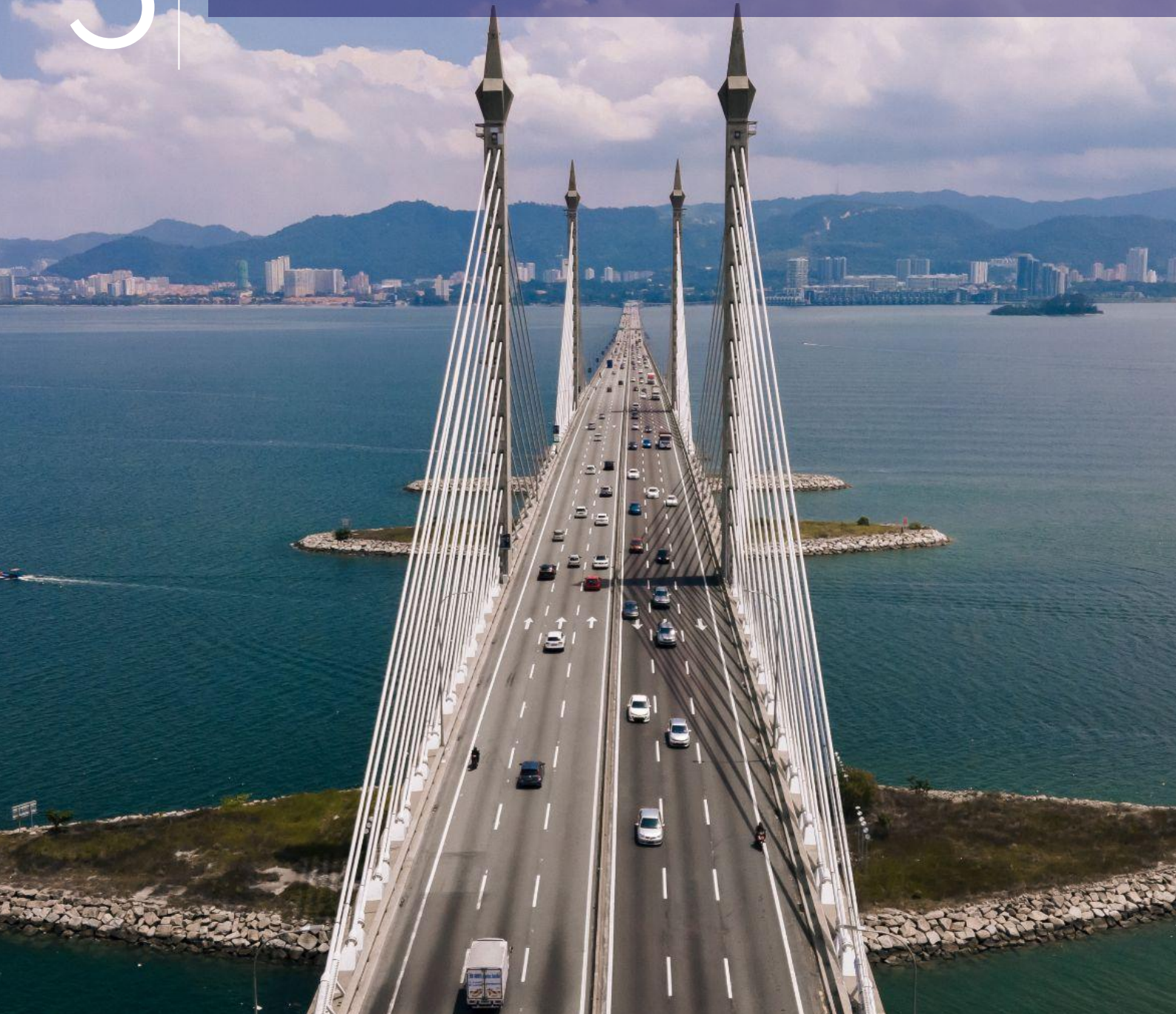
- 6 Establish data governance and data management structures and processes within the company that enable effective data collection, access, storage, availability and security

- 7 Create a data-driven culture across the company by demonstrating tone and conduct from the top, linking day-to-day data usage and data contribution to individuals performance and democratising data by treating data as an organisation wide asset

- 8 Leverage off data analytical tools that enable descriptive, predictive and prescriptive analytics of vast amounts of data, visualisation of insights and which provides on demand information for quick and informed decision making

5

CONCLUSION



Conclusion

A CALL TO ACTION

This first PLCT Guidebook on Creating Purpose and Performance Driven PLCs comes at a time when our market continues to be subdued and the global, regional and local business landscape are precariously supported by the hope of a more buoyant post pandemic era on the horizon. While hope is not the best strategy to have, the muted performance of our PLCs pre pandemic augmented by the uncertainty that our PLCs and other stakeholders had to deal with over the past few years have made a strong case for change anchored on these imperatives:

1

Companies need to adapt and transform to thrive in the new normal and elevating **Performance** sits at the core of this transformation

2

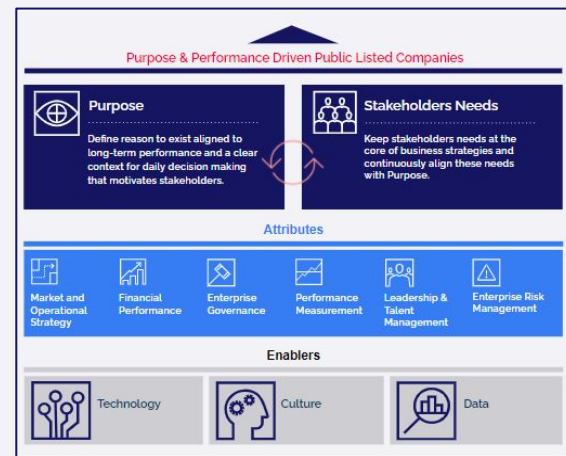
The need for companies to espouse a compelling **Purpose** has become an imperative as more and more stakeholders look for companies that have a Purpose which continuously aligns to **Stakeholders Needs**

3

Both Purpose and Stakeholders Needs drive the common attributes that lead to Performance i.e. **Market & Operational Strategies, Financial Performance, Enterprise Governance, Performance Measurement, Leadership & Culture and Enterprise Risk Management**

4

Supporting these attributes are the critical enablers - **Technology, Culture and Data**

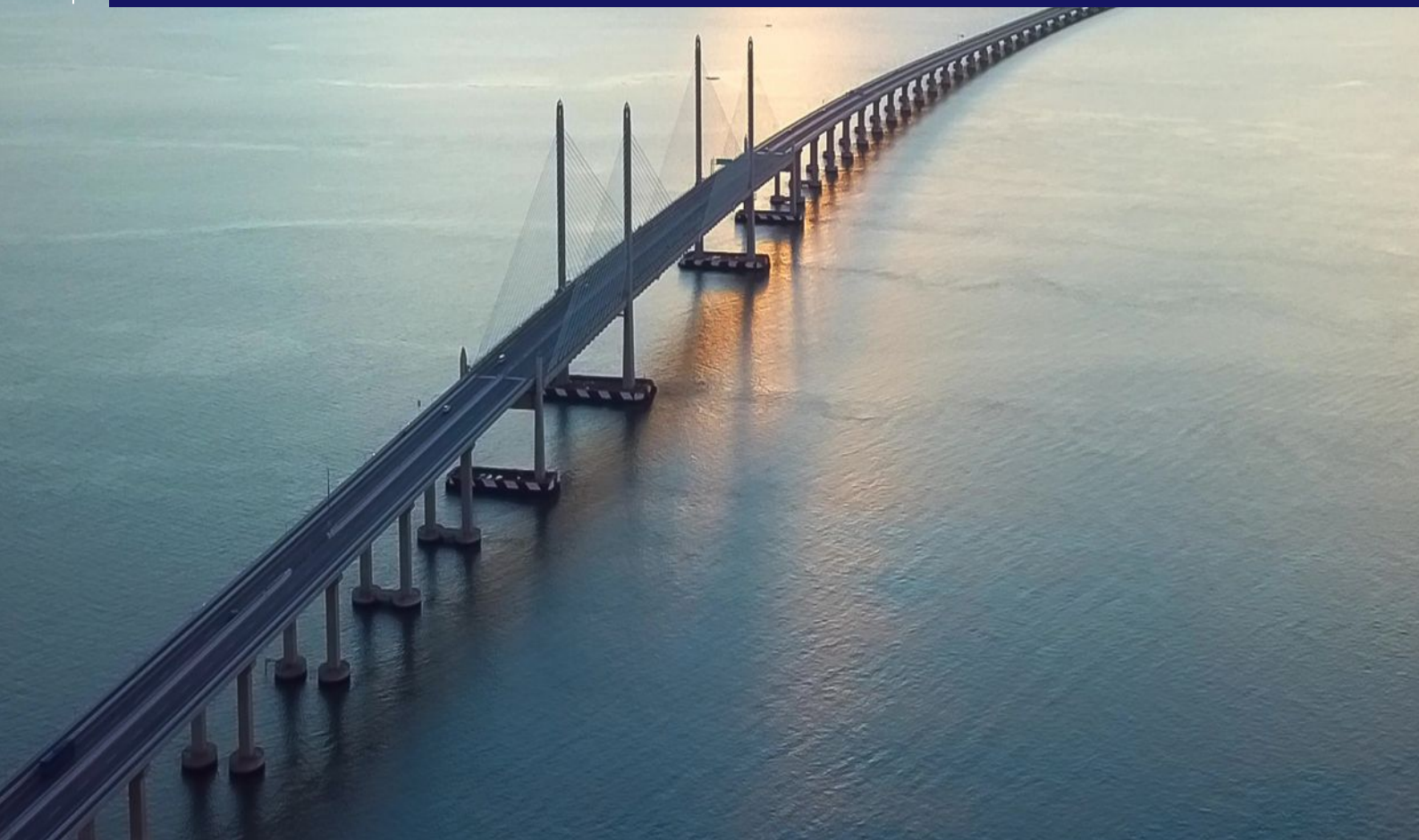


A clear **call to action** has been sounded and the time to act is now! Our PLCs need to move from merely **keeping up to stepping up** in order to elevate the attractiveness of our market and at the same time reap the benefits of sustainable outcomes from transforming into Purpose and Performance Driven companies.

Following this Guidebook, the PLCT Programme continues with upcoming releases of further Guidebooks namely: creating **Sustainable and Ethical** companies, improving **Investor Relations & Stakeholder Management** and elevating PLCs in aspects of **Digital and Nation Building**.

SUPPLEMENTARY SECTION - IMPLEMENTATION CONSIDERATIONS

How can PLCs transform into Purpose and
Performance Driven Companies

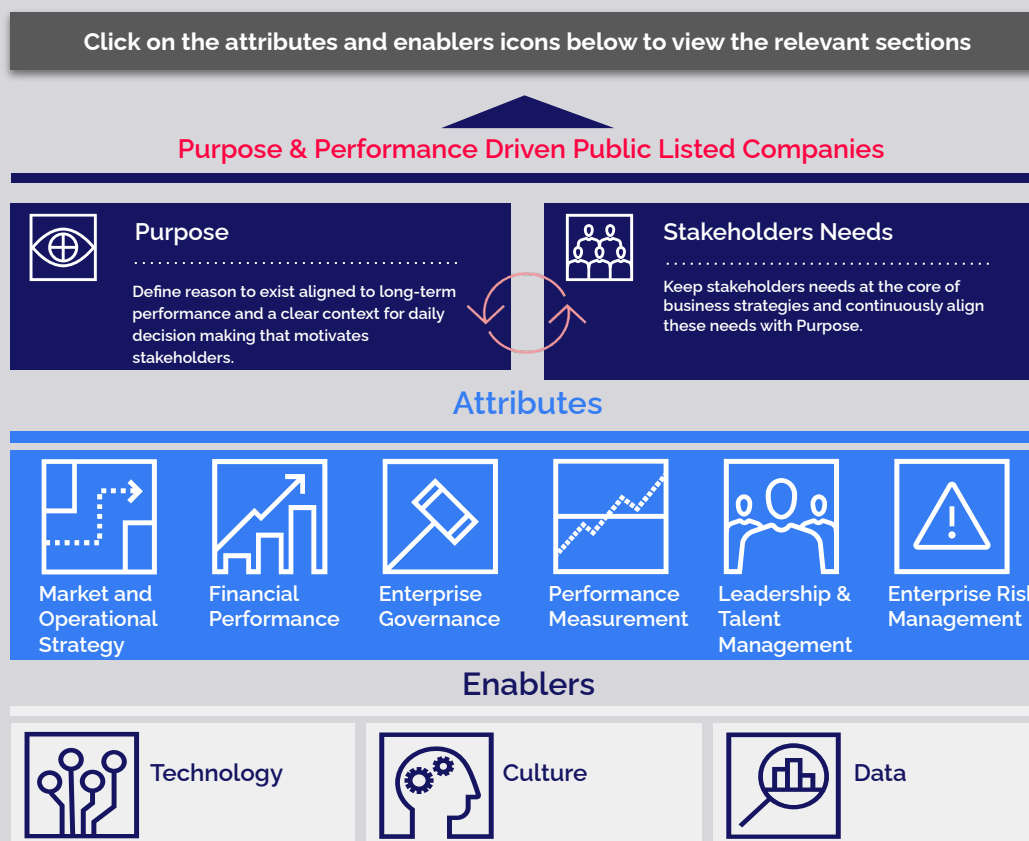


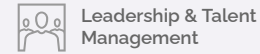
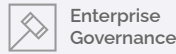
Creating Purpose and Performance Driven PLCs

Supplementary Section - Implementation Considerations

In order to provide PLCs with practical guidance for their transformation journey, this supplementary section elaborates further on the components of each Purpose and Performance Driven attribute and enabler as discussed in the main sections of PLCT Guidebook 1. The content in this supplementary section highlights key initiatives that companies can implement to achieve sustainable outcomes and these are supplemented with case studies, weblinks, practice aids and references to further resources where relevant.

By virtue of the subject matter at hand and the broad target audience, the content and supplemental areas in this section are by no means exhaustive. Further research and deliberation by respective PLC Boards and management is highly recommended prior to embarking on any of the proposed initiatives.

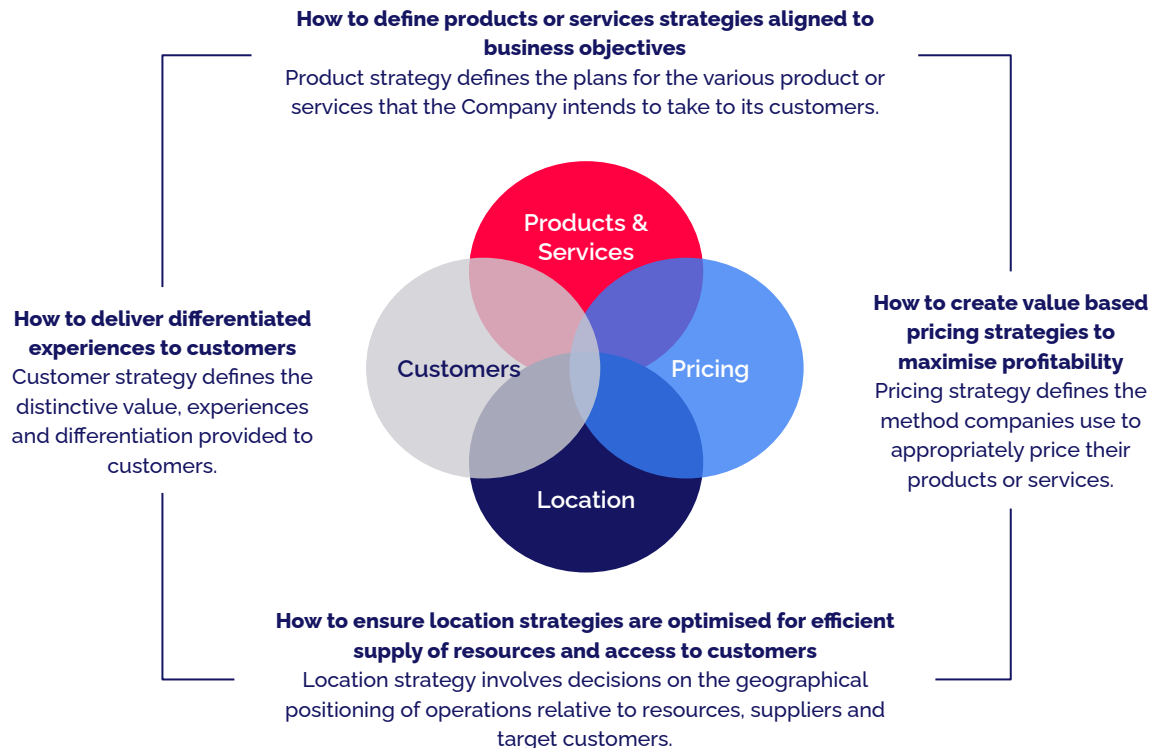




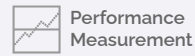
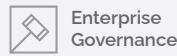
HOW CAN PLCS DEVELOP AND IMPLEMENT EFFECTIVE MARKET STRATEGIES

Performance Driven Framework Attributes

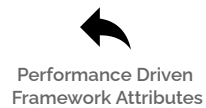
Effective market strategies play an important role in driving performance of companies. Market strategies need to be formulated at the outset but also reviewed periodically to ensure relevance to changing business landscape as demand for products and services, customer needs and geographical presence will change over time. Well defined market strategies enable the efficient and effective implementation of operational initiatives, driving business growth.



Note: Key elements of market strategy discussed in chapter 3, 3.1.1



How to define products or services strategies aligned to business objectives



Define the market for the product or service and the specific needs it will address

Define the gap in the market that the product or service will address and identify potential for introducing products or services to new markets (e.g. different customer segments, different regions) or expanding in existing markets (e.g. increase distribution channels).

Identify the key differentiators or unique selling proposition

Offer products or services that uniquely differ from competition in order to drive demand and capture the market with a first mover advantage where possible. Review this differentiation periodically and continue to innovate and develop new or improved products or services to suit the changing needs of customers.^[6]

Align products & services offered to Purpose & objectives

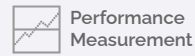
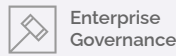
When developing new products or services, companies should ensure that its product roadmap is aligned to its Purpose and overall objectives. This alignment will encourage the relevance and success of the offerings in achieving the company's Purpose and objectives. Additionally this will also justify the channelling of scarce resources and infrastructure to drive continuous growth and innovation.^[7]

Realising that there was a **gap** in the property market for **products tailored** towards **first-time homebuyers and young families**, EcoWorld introduced Co-Home and ErgoHomes for the younger generation where co-living spaces are designed for families intending to live close together. This new **product** was successful in fulfilling the market demand with a take-up rate of 85% and 75% for projects in Penang and Selangor respectively within 6 months of launch^[8]. This also demonstrates how EcoWorld aligned its products to its mission of building homes, places and spaces for lifestyles of all generations of the community. Read more [here](#).

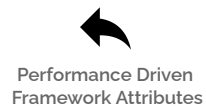
EcoWorld



Case study



How to create value based pricing strategies to maximise profitability



Track industry trends that have a direct impact on pricing

Industry pricing disruption can directly impact demand as well as profitability and must be monitored. Such disruption could come from business alliances that drive better scale, technology adoption that enables more effective production and delivery or economic uncertainties that drive prices down due to weak demand. Conversely price escalation driven by supply shortages and other constraints may also occur and needs to be acted on.

Influence customer's willingness to pay (WTP)

WTP is not a static measurement and it changes and evolves with economic, social and political influences. By using market data analysis and surveys, companies can determine product price fit in the market. The assessment of WTP will ensure that companies pricing strategies remain relevant to its various customer segments.

Mitigate price adjustment risks on profitability through regular review

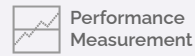
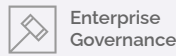
When the market for a product changes and price disruption occurs, companies can sometimes rush into price wars just to keep up, which if not checked could severely affect medium to longer term profitability. In order to reduce this risk, companies need to have deep insight into pricing and cost structures so that pricing reviews are made in an informed and expedient manner while taking a longer term view.

Starbucks

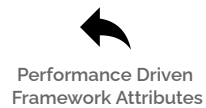


Case study

Starbucks has been **employing value based pricing** over the years **to maximise their profits**. Their beverage **prices raised by an average of 1%** in 2016 which **led to a 25% increase in net income** in the third quarter. To ensure a successful price revision, they **studied their customer base price sensitivity** in different regions by analysing customer data and formulated targeted price increases to capture the highest price consumers were **willing to pay** without turning away. Additionally, Starbucks also justified the price increase effectively and managed customer perception. Read more on Starbucks pricing approach [here](#).



How to ensure location strategies are optimised for efficient supply of resources and access to customers



Perform demand analysis on the prospective locations

Analyse if there is a necessity and significant demand for specific products and services in prospective locations or identify where such demand exists. This ensures that the products or services have good access to demand, which can be further supported by the choice of distribution channels (e.g. online or physical retail or a combination) for the identified location to gain the widest reach.

Determine the feasibility of location and resource availability

Assess and analyse the different operating costs and other factors associated with different locations. Companies must also ensure that labour criteria and needs are met at these locations including hiring costs, as well as desired education and skill levels. Additionally, access to other resources such as raw materials should not be overlooked.^[9]

Ensure that logistical considerations are assessed at chosen locations

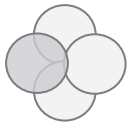
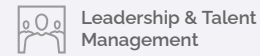
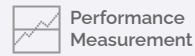
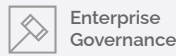
When defining location strategies, evaluate transportation options and costs to move products and services efficiently to customers from production facilities, distribution centres or resource centres/offices.^[9] Logistical considerations will influence fleet management and transport costs which could have significant bearing on overall pricing, demand and ultimately product profitability.

Given the travel restrictions due to the pandemic, MR D.I.Y. identified the change in customer's buying patterns as there was an **increasing demand to purchase products closer to homes**. Seeing this as an opportunity to provide **better access to its customers** and drive business growth, MR D.I.Y. opened 35 new stores in 7 states across Malaysia in October 2021 alone despite the challenging times. This involves opening stores at high-density locations and rural communities, stocked with everyday essentials that local communities may need. Read more [here](#).

MR D.I.Y.

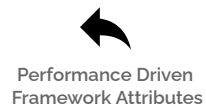


Case study



Customers

How to deliver differentiated experiences to customers



Obtain data insights to understand customers at a granular level

Performance driven companies invest in analysing customer data and translate the insights into targeted product development, launches or service improvement. With clearer understanding of customer segmentation and behaviours, companies will be able to plan better to retain and expand their profitable customer base.^[11]

Deliver value and customer experience which are aligned to overall purpose

Leading organisations have strong value propositions that extend value beyond products to experiences and emotions. Companies should therefore consider outlining how value will be created for customers in each segment aligned to its higher level purpose while delivering sustainable profitable growth.

Read more about purpose and customer strategy [here](#).

Spotlight on delivering patient experience



IHH Healthcare

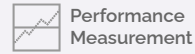
IHH Healthcare has implemented new ways to deliver better patient experience and this is aligned to its purpose of "Touching Lives, Transforming Care". At the height of the COVID-19 pandemic, IHH Healthcare rolled out its telemedicine services globally so patients can enjoy faster, better, more convenient and cost-effective care through virtual consultation to doorstep drug delivery, with the option to transfer seamlessly to the Group's brick-and-mortar hospital facilities. Its relentless pursuit of service excellence demonstrates its bold aspiration to "**Care. For Good.**" for the betterment of their patients, people, public and planet and for generations to come. Read [here](#) for more details.

To stay ahead in the market as a leading consumer digital bank in Malaysia and Indonesia, as well as preserve customer relationships at the same time, Maybank has been enhancing its **customer experience** by providing customers with simple and convenient access to its financial services. This is seen in its continuous improvements on M2u and MAE mobile applications which has shown notable success. Additionally, Maybank has **outperformed other brands in customer retention with 41%** of customers planning to stay with Maybank, (Forrester's 2021 Malaysia Customer Experience (CX) Index). Read more on how Maybank is leading digital customer experience [here](#) and how it has outperformed in customer retention [here](#).

Maybank



Case study



HOW CAN PLCS MAXIMISE PERFORMANCE WITH WELL DEFINED OPERATIONAL STRATEGIES

Performance Driven Framework Attributes

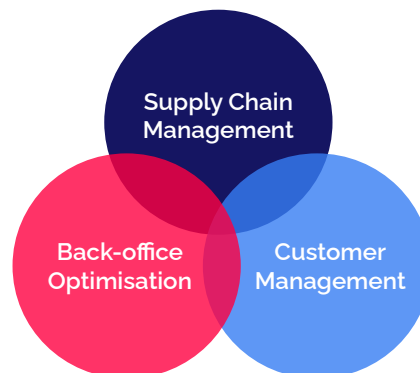
At the core of operations is the need to build efficient and resilient supply chains and production infrastructure. Additionally, there are high levels of efficiency that can be harnessed from adopting outsourcing and insourcing approaches to optimise delivery capability. Companies have also reaped significant cost benefits from streamlining back office functions and adopting technology to execute repetitive tasks. Ultimately well defined operational strategies play a critical role for companies to achieve sustainable and profitable outcomes.

How to achieve effective and efficient supply chain management (SCM)

SCM is the process by which an enterprise manages the sourcing of raw materials to create a product or service and deliver them to customers. SCM integrates a number of elements including operations management, logistics and procurement enabled by technology, and when properly managed can create significant performance gains.

How to optimise back-office functions to minimise operational costs

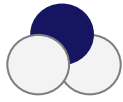
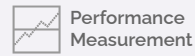
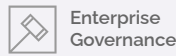
High performing companies optimise their back-office functions (e.g. Finance & HR) to ensure operations are well managed and fit for growth, which provides opportunities for performance gains, cost management and profitability.



How to enhance customer management to increase brand reputation, customer experience and growth

Performance driven companies treat their ability to address their customers' needs as a key differentiator and this involves the process of managing the relationship between an organisation, its people and its customers over time.

Note: Key elements of operational strategy discussed in chapter 3, 3.1.2



Supply Chain Management

How to achieve effective and efficient supply chain management (SCM)



Performance Driven Framework Attributes

Consider harnessing immediate benefits from supply chain optimisation using the SCOR model. Find out more about SCOR [here](#).

Plan for demand and supply that aligns with business goals

Balance aggregate demand and supply to ensure sufficient resources are available to meet customer demand. Aligning supply chain strategies with company's financial plans is also crucial to improve scenario planning as it allows companies to respond quickly to changes that affect supply and demand while also reducing overall logistics and planning costs.^[12]

Ensure effective sourcing of goods and services to meet planned or actual market demand

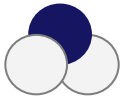
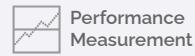
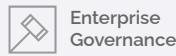
Drive better efficiency in procurement operations by enhancing visibility to the companies' procurement strategy, improving supplier relations as well as mitigating any potential risks to meet planned or actual demand. Enhancing relevant sourcing capabilities will also provide a competitive advantage in managing procurement effectively and efficiently. Understand the importance of strategic procurement [here](#). Learn how to create value via strategic sourcing [here](#).

Nestle SA established one of its global procurement hubs, [Nestrade](#) in Malaysia integrating the management of global procurement of cocoa, coffee, packaging materials and other services for better standardisation. This resulted in improved efficiency, quality, safety, availability and sustainability throughout their procurement activities. With the procurement hub, Nestle's capability in hedging its margins despite the fluctuation in raw material prices strengthened. Read the report [here](#).

Nestle



Case study



Supply Chain
Management

How to achieve effective and efficient supply chain management (SCM)

Performance Driven
Framework Attributes

Deliver finished products and services in an effective manner

Strategically design how warehouses are set up in order to move products swiftly from one stage to the next. A well planned warehouse management system can enhance inventory management by decreasing inventory levels, improving order fulfillment and reducing order cycle time^[13]. Managing transportation and distribution efficiently leads to lower logistics cost and shorter lead times which can also positively influence customers satisfaction.

Transform into a sustainable supply chain to improve operational efficiency and reduce risks

A sustainable supply chain can support business growth while reducing waste and environmental footprint. Understanding the main materials, information flows, inventory levels, locations and critical features in the supply chain enables companies to practice ethical sourcing and manage other sustainability-related risks.

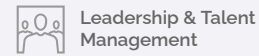
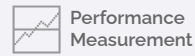
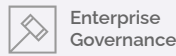
This creates better visibility across the value chain to identify and understand the related risks and opportunities throughout operations and will allow the development of relevant measures to not only manage compliance but also to harness innovation.

As one of the largest retailers in the United States, Target had partnered up with the Apparel Impact Institute's (AII) Clean by Design (CbD) as part of its sustainable supply chain initiative. This program helps suppliers increase efficiencies while reducing waste and emissions. Through the 1st cohort of the CbD program in 2018, 20 participating textile mills reduced their total water usage by more than 3.56 million tons and more than 111,000 tCO₂e greenhouse gases during the production of textiles. Through this initiative, Target not only reduced their environmental impact, but also introduced more efficient operational processes with their partners. Read [here](#) to know more initiatives by Target.

Target



Case study



Customer
Management

How to enhance customer management to increase brand reputation, customer experience and growth

Performance Driven
Framework Attributes

Define the customer journey

Map out the customer journey to get a clear understanding of the customers purchase behaviours throughout the purchase cycle, pinpointing areas that need to be improved and determining the best channels to deliver. Focusing on delivering outcomes rather than just the sale of products or services have proven to improve customer retention and repeatability.^[14]

Focus on customer experience

Prioritise customers across the business and develop customer-specific experiences. Digital enablement should also be considered to deliver personalised experiences where possible. It is also vital to utilise customer feedback to develop a deep understanding of customers needs, listen to their responses and action on their feedback. Read more about the latest customer experience trends [here](#).

86%

Of customers are
**willing to pay more for
a better experience**

Source: American Express Research

Enhance customer satisfaction

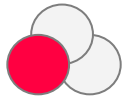
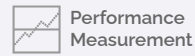
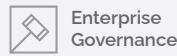
Offer multiple channels for support and optimise response times and response quality. Investments should be made to develop and enhance employees customer service skills. Consider the usage of technology solutions or outsourced service providers to enable quick customer complaints resolution. Read more [here](#) on improving Customer Experience with technology.

Malaysia Airports aimed to be a top tier service provider moving towards **leading customer centric practices** to restore confidence among travelers post pandemic. As such, it introduced a 'Host Culture Transformation' programme which led them to received a prestigious international **Customer Experience award** in 2020. The execution of the programme was supported by digital applications such as the Front Liner Behaviour Assessment Programme that assessed and guided the front liners in **delivering exceptional services to passengers**. Read more [here](#).

Malaysia Airports



Case study



Back-office
Optimisation

How to optimise back-office functions to minimise operational costs

Performance Driven
Framework Attributes

Outsource back-office functions to focus on more value-added functions

Consider outsourcing back office functions which have a high number of repetitive tasks to enable optimising and focusing in-house resources on non repetitive core business activities . While outsourcing will free up resources and may help to manage back office cost, there are also significant efficiencies that can be derived from scale driven outsourcing.^[15]

Unilever outsourced its IT service to **relieve the IT department from the administrative burden of managing the daily operations of its IT services. It was reported that Unilever saved an estimated £960m two years after its IT operations restructuring.**

Unilever continued to evolve its outsourcing and partnership model across other functions such as supply chain. Its recent tie-up with Google Cloud enabled Unilever to make informed decisions about how to improve the eco-friendliness of its operations. Among the many benefits of this collaboration Unilever strengthened its position for better growth, innovation, sustainability, process improvements, and cost optimisation. For more information, read [here](#) and [here](#).

Unilever



Case study

Insource back-office functions for better centralisation, quality and cost management

Organisations with multiple or replicated back office functions due to geographical spread or legacy issues, may consider bringing certain business functions back in-house under one umbrella (e.g. shared service centres). Insourcing could yield significant performance efficiencies in terms of centres of scale and/or centres of excellence, as well as standardisation of processes and outputs.^[16]

Implement intelligent automation to improve operations efficiency

Back office functions can often be complex multidisciplinary environments (e.g. Finance and HR functions) with massive data requirements and high volume transactional tasks leading to high operations costs. Intelligent automation solutions can shorten employee time spent on transactional tasks and increase speed of execution. See the *Technology as an enabler* section on the benefits of Robotics Process Automation (RPA).^[17]

81%

Of business decision makers agree that intelligent automation is essential for businesses to remain competitive

Source: Blue Prism Global Survey 2020



Market & Operational Strategy



Financial Performance



Enterprise Governance



Performance Measurement



Leadership & Talent Management

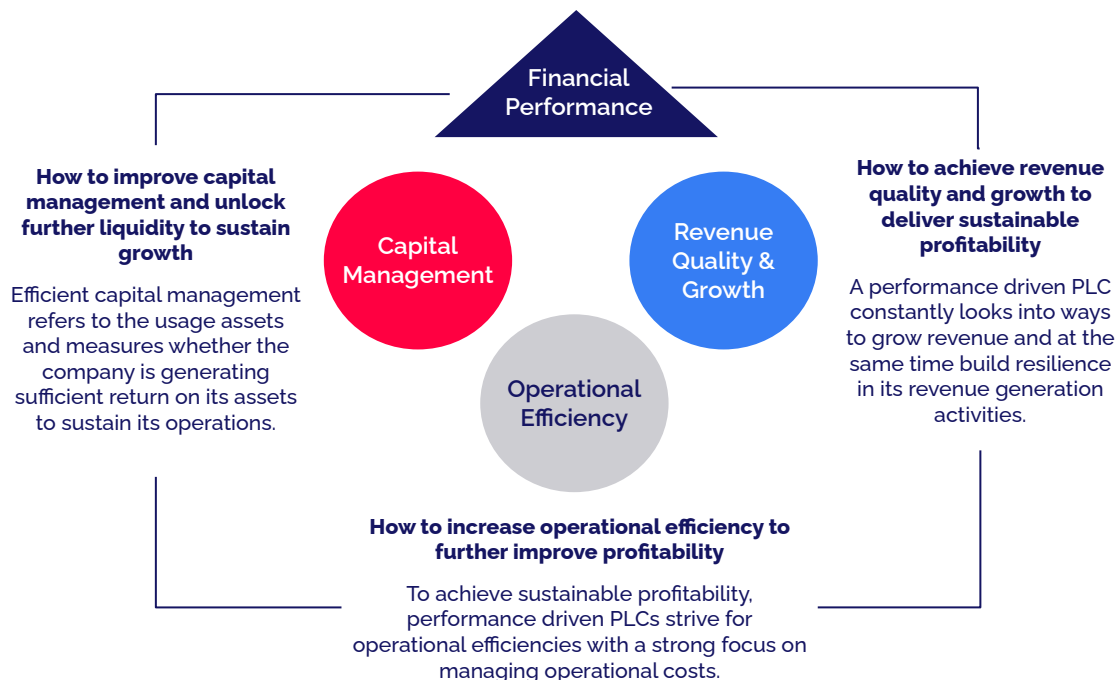


Enterprise Risk Management

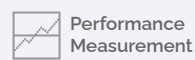
HOW COMPANIES CAN STEP UP AND IMPROVE FINANCIAL PERFORMANCE

←
Performance Driven Framework Attributes

Strong financial performance is the hallmark of performance driven companies. These companies step up by delivering profitability that is sustainable through effective revenue, operations and capital management. It is also imperative to align business strategies, revenue growth and cost structures so that the organisation is fit for growth to achieve the desired market and operational strategic outcomes. To ensure sustained profitability, capital management must also be given due attention and this can be done by identifying opportunities to optimise assets and liabilities, capex and funding while unlocking potential idle capital to fund operations effectively.



Note: Key elements of financial performance discussed in chapter 3, 3.2.1



How to achieve revenue quality and growth to deliver sustainable profitability

Performance Driven Framework Attributes

Reduce revenue dependency through diversification

Consider establishing secondary profitable revenue stream(s) to supplement revenue growth especially when primary revenue streams could be impacted. Explore opportunities to generate revenue from 'related diversification' to realise synergies between existing business and new products or services or unrelated diversification.

Redirect from non-performing revenue streams

Constantly review products or services portfolios. Redirect investments from revenue streams that are not performing or which do not fit the company's purpose, market and operational strategy to other higher performing and more relevant products or services.

Expand on high performing revenue streams

Seize the opportunity to expand and exploit high performing products and services by quickly establishing new distribution channels, capturing new customer bases and identifying cross-sell or upsell opportunities wherever possible.

“
Quality (ie: sustainability) of revenue **matters as much as quantity** (ie: growth) of revenue

High-quality revenue has three main characteristics: **predictability, profitability and diversity**

”

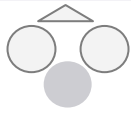
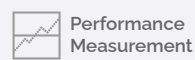
Source: Harvard Business Review

Against a backdrop of rising inflation and competing financial priorities, Mondelez is reshaping its snack portfolio to attain **stronger growth and greater profitability** in new regions and product segments. At the same time, the company is looking at **divesting** 25% of its lowest performing SKUs to fund its new market growth. A recent deal of 12.5 million share divestment in Keurig Dr Pepper stock was made to fund its \$2bn Chipita acquisition, which gives Mondelez a **stronger foothold** in the bakery segment, estimated to be worth \$65m-\$1bn globally. Read more [here](#)

Mondelez



Case study



Operational
Efficiency

How to increase operational efficiency to further improve profitability

Performance Driven
Framework Attributes

Eliminate non essential expenses that do not provide differentiation to the business

Eliminate legacy investments and activities that no longer support the company's forward looking strategy.

Aim for cost optimisation

Aim for divestment of non-core products or services and explore cost optimisation of non-core activities (e.g. back office functions). Additionally, consider potential automation opportunities, outsourcing or end-to-end process transformation to increase efficiency and reduce costs.

94%

of Malaysian CFOs are considering implementing **cost containment** measures in response to COVID-19

Source: PwC's COVID-19 CFO Pulse: Malaysia Results

Rethink and reconfigure cost structures

Be *fit for growth* - continuously monitor and reshape the company's cost structure to align with business strategy and growth plans where required. This effort should not be seen as merely about cutting costs across the board or in unproductive areas but also to redirect costs to activities that provide a competitive advantage and future differentiation. Read more on being *fit for growth* [here](#).

Pitney Bowes needed to become a more integrated company to support the growth potential in their different customer segments. The company looked into variability in its cost structure to enable resources migration across the business, **aiming for sustainable cost savings**. In their **cost transformation** initiative, the company redirected its historical investments into new platforms and new capabilities needed for growth. As a result, the company exceeded its revised target of \$300 million one year ahead of schedule. Out of the total savings, \$200 million was reinvested back into the business. Read [here](#) for the full story.

**Pitney
Bowes**



Case study



Market & Operational Strategy



Financial Performance



Enterprise Governance



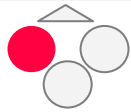
Performance Measurement



Leadership & Talent Management



Enterprise Risk Management



Capital Management

How to improve capital management and unlock further liquidity to sustain growth

Performance Driven Framework Attributes

“

More than 50% of respondents have cash reserves **limited to 6 months**, beyond which cash flow issues could impact their business

”

Source: PwC Working Capital and Cash Management Survey 2020 (Malaysia)

Establish effective debtors management

Review outstanding debtors constantly and look for innovative ways to accelerate collections including ways to incentivise debtors to pay in a timely manner.

Improve inventory turnover

Manage ageing inventory with progressive methods to increase inventory turnaround including promotions to customers or reselling back to suppliers. Establish robust inventory forecasting methods, adapting to changing customer demands and working hand-in-hand with marketing and operational strategy.

Drive effective creditors management

Constantly review list of obligations and determine if there is any room for renegotiation of better contract or payment terms. This could provide leeway for any excess capital to be utilised to fund further operations growth or investments in the medium term.

Improve funding & treasury management

Perform detailed analysis on funding and match the type of funding to the desired investment. Fundamentally, short term financing or capital should be used to fund short term investments and long term funding for longer term investments to maximise return on capital employed. Additionally, establish treasury management processes, which will enable effective collection and management of cash flow from operating, investing and financing activities of the company. This forms a key aspect of overall financial stability and requires a deep understanding of the company's cash flow cycle.



Market & Operational Strategy



Financial Performance



Enterprise Governance



Performance Measurement



Leadership & Talent Management

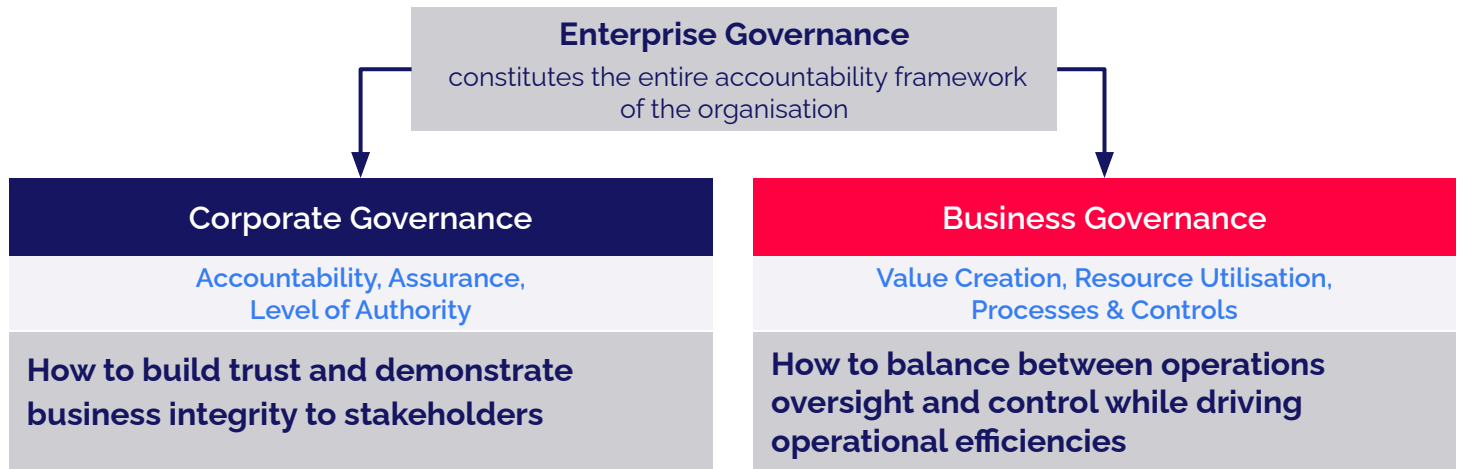


Enterprise Risk Management

HOW TO DEVELOP AND IMPLEMENT EFFECTIVE ENTERPRISE GOVERNANCE

←
Performance Driven Framework Attributes

In today's volatile economy, compounded by highly publicised corporate failures, investors and other stakeholders look to the existence of robust enterprise governance as an imperative when evaluating the attractiveness of companies and their performance. Companies should therefore adopt a holistic enterprise governance approach, which takes into account both corporate and business governance enabling it to strike a good balance between the conformance and performance aspects of the business. An effective enterprise governance framework supports the Board and management in strategic decision making while considering the company's risk appetite, its strengths and weaknesses as well as leveraging off its resources and operations in the most effective manner. This in turn drives achievement of objectives and sustainable performance while creating value for stakeholders.



Note: Key elements of enterprise governance discussed in chapter 3, 3.3.1



Market & Operational Strategy



Financial Performance



Enterprise Governance



Performance Measurement



Leadership & Talent Management



Enterprise Risk Management



Corporate Governance

How to build trust and demonstrate business integrity to stakeholders



Performance Driven Framework Attributes

For investors and other stakeholders, good corporate governance fosters trust and provides comfort that the affairs of the company are being well looked after. Research also shows a correlation between high standards of corporate governance and performance of companies. The following aspects of Corporate Governance will accelerate the transformation of companies to higher performing PLCs:

Board Independence, Composition & Effectiveness

Board independence is critical to building trust amongst stakeholders and as independence is as much behaviour driven as it is a state of mind, adherence to prescribed tenure as Board members in addition to declarations of interest should be enforced. Additionally, assessing the appropriate mix of experience and diversity within Boards as well as periodic evaluations of Board effectiveness will go a long way in ensuring that Boards remain relevant and refreshed to meet the changing needs of PLCs.

60%

of executives say reluctance of long-tenured directors to retire is hampering Board effectiveness

Source: PwC Board Effectiveness: A survey of the C-suite 2021

Oversight

Robust Board oversight structures and processes in companies provide stakeholders with comfort that critical elements of day-to-day operations are aligned to purpose and strategy and are constantly performance driven.



Lessons Learnt:

Despite having an almost perfect Board on paper and elaborate corporate governance structures, Wells Fargo still failed to prevent a major corporate scandal where their employees opened millions of accounts in customers' names without their knowledge. An **unrealistic sales culture**, a **decentralised nature of risk oversight** and an **unquestioning Board** are several factors that attributed to the governance failure. This resulted in a ban on growing their assets in 2018 by the Fed until a robust corporate governance mechanism was put in place, and more recently, the organisation **incurred a \$3 billion fine to settle criminal charges**.^[18] Read more [here](#).

Wells Fargo



Case study



Market & Operational Strategy



Financial Performance



Enterprise Governance



Performance Measurement



Leadership & Talent Management



Enterprise Risk Management



Corporate Governance

How to build trust and demonstrate business integrity to stakeholders



Performance Driven Framework Attributes

Transparency

Performance driven PLCs provide transparency on various aspects of their operations to shareholders and other stakeholders. This transparency, via regulatory or voluntary disclosures, enable companies to not only share their achievements but also creates an impetus to strive towards continuous excellence internally. Transparency in interactions between the Board and Management is also critical to create a conducive and collegial environment for growth and success

The Netflix approach to Board governance rests on two pillars: **periodic Board attendance at management meetings** and a **Board memo** highlighting business performance, industry trends, competitive developments, and other strategic and organisational issues, with open access to supporting data. These practices enable Netflix to **significantly increase transparency and information flow** between management and directors with notable outcomes, e.g. **minimising Board resistance when it came to pulling off major radical steps** that transformed the company to being the highly successful corporation it is today. Read more [here](#).

Netflix



Case study



Market & Operational Strategy



Financial Performance



Enterprise Governance



Performance Measurement



Leadership & Talent Management



Enterprise Risk Management



Business Governance

How to balance between operations oversight and control while driving operational efficiencies



Performance Driven Framework Attributes

Adopting good business governance helps Management to control, drive and monitor business operations effectively. The challenge however lies in striking a balance between operations oversight and control versus driving operational effectiveness. The following business governance elements when adopted well, can be strong catalysts for performance improvement.

Roles, Responsibilities and Ownership

Clear roles and responsibilities have proven to show increased productivity, team success and morale. Define clear organisational roles, responsibilities and ownership as a way of instilling accountability to improve performance. In defining roles and responsibilities, use a multidimensional view of experience, expertise & capabilities^[19] to ascertain fit for roles and to define appropriate responsibilities.

Policies and Procedures

Policies and procedures provide the company with a means to bring uniformity in operations and performance and also enable compliance to good practices that the organisation espouses. Policies and procedures should align well with purpose and strategy to drive performance.

Performance Management

Performance management frameworks are critical to assess, monitor, reward and correct performance and should be aligned to purpose and strategy. Performance driven companies leverage off various techniques such as agile or continuous performance management or established performance management systems/processes to drive outcomes.

Adobe

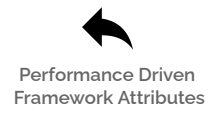


Case study

Adobe revamped their performance management strategy by eliminating their annual performance review system to replace it with **regular employee checkups** as the system was ineffective, demotivating, and time-consuming. The regular check-ins give the managers and employees the chance to discuss performance and other issues, which forms part of a broader initiative to instill stronger **accountability** throughout Adobe. It also places the onus on managers and their employees to make **regular adjustments that improve individual and team performance**. Read more [here](#).



HOW TO DEVELOP AND IMPLEMENT EFFECTIVE PERFORMANCE MEASUREMENT



Performance measures are critical for companies to meet their business goals and for continuous improvement. In order to be a performance driven PLC, companies should have performance measures that are aligned to its strategic objectives, taking into account both financial and non financial measures to gain a holistic view of performance. Companies must also regularly review, track progress, and benchmark to ensure that measures are relevant, effective and support the overall purpose and strategic objectives. Communicating the performance measures and targets to existing and prospective stakeholders is important and will have far reaching impact on the overall attractiveness and performance of the companies if done well. Finally, rich data sources are crucial for effective performance measures and companies should make all efforts to obtain these data points.

How to obtain and use source data

Processes and systems that provide relevant and timely data points and tools that enable insightful data analysis.

How to ensure insights from performance measures are acted on

Performance measures that are easily understood and well cascaded throughout the organisation.



How to structure well defined objectives & goals

Clear strategic and operational objectives that the company wants to achieve in order to create sustainable value for its stakeholders.

How to design balanced measures

Balanced performance metrics that take the operations of the whole organisation into account as well as considers the needs of various stakeholders.

How to ensure that measures are relevant

Measures and data that are refreshed frequently to reflect the current state of the business.

Note: Key elements of performance measurement discussed in chapter 3, 3.4.1



Well defined
objectives & goals

How to structure well defined objectives & goals

Performance Driven
Framework Attributes

Define S.M.A.R.T objectives as a foundation for setting performance measures

How objectives should be defined

Specific

Include the specific outcomes that the company is looking for by stating clearly the single key result to be achieved.

Measurable

Describe a pragmatic mechanism to quantify outcomes and to track changes to monitor progress.

Achievable

Demonstrate that the objectives are achievable practically and feasibly with adequate resources or capabilities made available.

Relevant

State the rationale for the objective and the positive impact on the business as well as how the objectives will be achieved.

Time-bound

Specify when the objectives are to be accomplished or completed and state deadlines and milestones to drive progress.

Coca-Cola has committed to improving water efficiency in its manufacturing operations by 25 percent by 2020 compared with its 2010 baseline. This objective incorporates S.M.A.R.T elements such as the **specific** outcomes to be achieved, the **measurement** of progress, the resources and actions to **achieve** the goal, the **rationale** for the effort to conserve water and the **timeline** on when the goal should be achieved. Read [here](#) on how Coca Cola defined this important objective.

Coca Cola



Case study



Market & Operational Strategy



Financial Performance



Enterprise Governance



Performance Measurement



Leadership & Talent Management



Enterprise Risk Management



Balanced measures

How to design balanced measures



Performance Driven Framework Attributes

Multi-dimensional measures

Include indicators that reflect financial and non financial metrics as well as quantitative and qualitative measures. In addition to historical measures, consider defining forward looking measures to enable more robust forecasting of future performance and to support better decision making.

Measuring Performance

Companies measure their success differently, depending on strategic and operational focus

Perspectives across the business

Consider indicators that take into account different perspectives of the business across functions (e.g. financial, customer, people, process), products & services, geographies and economic environment.^[20]

Click [here](#) for more information on mapping and utilising KPIs effectively

Illustration of multi-dimensional measures

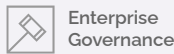
	Quantitative	Qualitative
Company	Financial performance	Market position
Business Unit	Unit margin	Product perception
Department	Revenue per customer	Employee satisfaction
Teams	Team production targets	Team dynamics
Individuals	Individual sales targets	Accountability



Market & Operational Strategy



Financial Performance



Enterprise Governance



Performance Measurement



Leadership & Talent Management



Enterprise Risk Management



Consistent reviews

How to ensure that the measures are relevant



Consistent monitoring and validation of performance measures

Set up a periodic review process to monitor and validate the relevance and effectiveness of the measures against changes in strategy and business landscape.

Review effectiveness of performance measurement process

Ascertain how performance is measured at each level of the organisation and whether the measures are reflective of performance. Determine if any revision to the measurement process should be considered.

Benchmark the appropriateness of the measures

Compare what the company is achieving based on current measures against peers and ascertain relative performance to gauge the relevance of measures being used.

Eliminate non-aligned performance measurements

Eliminate legacy and non-aligned performance measurements that do not support the organisation's strategic objectives anymore.

Apple uses a 'Balanced Scorecard' with five indicators to monitor its overall performance. Consistent **monitoring and validation** of performance measures are important in keeping Apple on track in delivering its desired outcomes. To **monitor** one of its indicators of employee commitment and alignment, Apple conducts a thorough employee survey **once every two years** to find out how every member of the company comprehends their individual strategy and to what extent they can connect this to the overall organisational strategy, to reel in success. Find out more [here](#).

Apple



Case study



Market & Operational Strategy



Financial Performance



Enterprise Governance



Performance Measurement



Leadership & Talent Management



Enterprise Risk Management

Well
communicated

How to ensure insights from performance measures are acted on

Performance Driven
Framework Attributes

Communicate the measures across the organisation

Performance measures should be cascaded throughout the organisation with clear accountability for each measure. Measures should be discussed and agreed with accountable parties and where possible the inter-linkages between measures and how these will work in day-to-day operations should also be clearly communicated.

Communicate the outcomes to stakeholders

Performance outcomes should also be clearly communicated across the organisation and consequences of achieving or missing desired targets must be well understood by the organisation as a whole. Additionally selected measures should be disclosed to stakeholders in a timely manner to build trust, provide comfort, insight and perspectives on the business and its prospects.

Adequate
data sources

How to obtain and use source data

Available and accessible data sources

Effective performance measurement across the company will only be possible if there are processes and accessibility to obtain rich data from sources across the organisation. Data is a critical enabler for performance driven PLCs and this subject is further elaborated in the enabler section on Data below.

Maybank



Case study

Maybank was named the winner of [PwC's The Building Trust Awards 2021](#). This award **acknowledges transparency and accountability** in communicating performance outcomes and outlook, including **disclosure of material risks and opportunities**. It also gained above-average trust perception in the eyes of the public and its own employees where it is seen as transparent, capable and reasonable. Recent announcement of its M25 roadmap lays down its group's strategy for the next five years up to 2025 that accelerate growth and entrenches its position among the leading financial services groups in the region. The roadmap details the long-term outcomes Maybank will achieve (e.g. an ROE of between 13-15% and cost-to-income ratio of below 45% amongst others).



Market & Operational Strategy



Financial Performance



Enterprise Governance



Performance Measurement



Leadership & Talent Management



Enterprise Risk Management

HOW TO DRIVE PERFORMANCE THROUGH EFFECTIVE LEADERSHIP

←
Performance Driven Framework Attributes

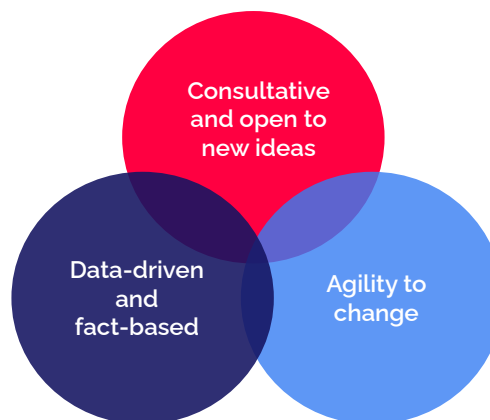
In this volatile and disrupted business environment, business leaders should embrace data-driven decision making, be quick and agile in making critical decisions while being consultative and open to ideas in order to create performance driven companies

How can leaders stay ahead of the game

Leaders of performance driven companies need to be open to ideas and consult various stakeholders to understand feedback, market trends, best practices or industry benchmarks, especially in this disrupted business environment.

How to encourage leaders to make fact-based and calculated decisions

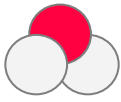
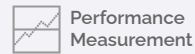
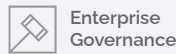
Performance driven leaders are data-driven, able to draw insights from data and make fact-based decisions to drive performance.



How can leaders be agile and persevere in a dynamic market

It is imperative that leadership of performance driven companies are quick in making decisions, agile in anticipating and responding to changes and astute in managing risks.

Note: Key elements of leadership discussed in chapter 3, 3.5.1



Consultative and open to new ideas

How can leaders stay ahead of the game



Performance Driven Framework Attributes

Stay curious and keep learning

Leaders should actively question how to do better or be the best, and how other industry players are doing or performing. Learn from past actions, look to future trends and benchmark to peers to drive performance driven growth.

Seek consultation

In this day and age of information, effective leaders do not have to know it all, but instead need to know when to consult with stakeholders. This will enable leaders to gain multiple perspectives and together with data-driven approaches, make better and relevant decisions.

Foster innovative thinking culture

Performance driven leaders encourage and support employees to be innovative and share ideas that can improve performance and deliver results. Innovation and talent management require leaders to foster the right behaviours that encourage speaking up, sharing and making mistakes while learning to excel.

As the consumer goods market becomes more competitive with the emergence of disruptors such as Amazon and Alibaba, P&G launched a series of **growth mindset initiatives** in its effort to not only remain relevant but continue to dominate the market. A key element of this initiative is that the leaders must be the fastest learners and fastest in applying new knowledge in the organisation. This initiative has enabled the leaders to turn **volatility into vision, uncertainty into understanding, complexity into clarity** and **ambiguity into agility**. P&G also attributed the success of its initiative to the ability of its leaders to **communicate effectively, collaborate** with relevant stakeholders and **build trust**. This shift in mindset has contributed towards significantly reducing the lead time to introduce new products to the market. Listen to the interview with former P&G Senior VP podcast [here](#).

Procter & Gamble



Case study



How can leaders be agile and persevere in a dynamic market



Stay up to date with megatrends

Leaders should stay ahead with megatrends that could potentially impact the business and proactively ensure that the business is not being left behind or is running the risk of becoming irrelevant to the market and stakeholders

Assess situation and pivot immediately

Leaders should assess and understand risks faced and make quick yet calculated decisions to pivot the organisation's direction where required. This agility is imperative in the fast changing new normal of today.



How to encourage leaders to make fact-based and calculated decisions

Create a data-driven culture across the organisation

In order to leverage data for effective decision making across the organisation, leaders have to create a data-driven culture to empower all employees to actively use data to enhance their daily work.

Supplement 'gut feel' with data-driven decision making (DDDM)

Leaders should use analytical methods to observe patterns between data points. They should also support all key decisions and forecasts with relevant data to enable credible fact-based scenario planning and assessment. This DDDM approach has been proven to notably improve performance based decision making in terms of confidence, cost savings and proactiveness. Read more on DDDM [here](#).

Nestle



Case study

Nestle **shifted its market focus to capture growth opportunities during MCO restrictions** through increasing digital presence and leveraging e-commerce. With the expansion of the range of products made available for online purchase and home-delivery programmes, Nestle **adapted to change in customer's behaviour** of online shopping and **in-home consumption**. The strong in-home consumption **drives overall sales**, where a 3.1% YoY increase in revenue for 4QFY20 was recorded. Read the CEO interview [here](#) and investor's analysis [here](#).



Market & Operational Strategy



Financial Performance



Enterprise Governance



Performance Measurement



Leadership & Talent Management



Enterprise Risk Management

HOW TO DRIVE PERFORMANCE THROUGH EFFECTIVE TALENT MANAGEMENT



Performance Driven Framework Attributes

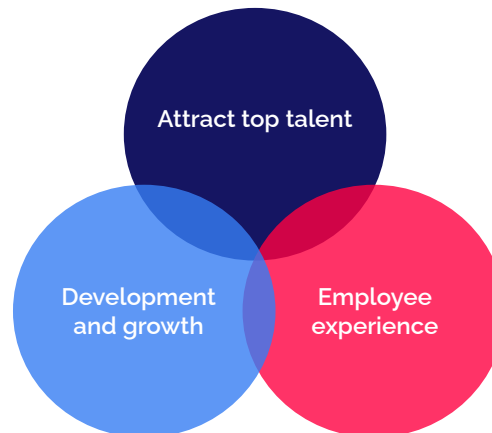
Leaders also have an important role in talent management. The need to espouse the purpose of the organisation to attract new talent is more relevant today and this should be underpinned by unique employee experiences and value propositions. As the talent war rages on, leadership and talent management become inextricably linked for performance driven PLCs.

How to attract top talent to enhance PLC performance

Companies need to have an appealing identity and reputation tied to a compelling purpose to attract top talent. This must be made abundantly clear in everything the company does.

How to increase retention of talented employees

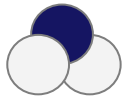
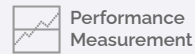
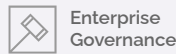
To retain top talent, companies need to provide a well thought through employee value proposition that demonstrates the prospects for individual development and growth.



How to keep employees motivated and engaged

High performing companies provide a unique employee experience, keeping employees motivated and maintaining employees wellbeing within a safe and dynamic environment.

Note: Key elements of talent management discussed in chapter 3, 3.5.2



Attract
top talent

How to attract top talent to enhance PLC performance

Performance Driven
Framework Attributes

Make purpose and identity appealing to prospective talent

Companies should promote their purpose and showcase how they have brought their purpose to life through compelling strategies and outcomes. Prospective talent see through superficial statements of vision and mission and look for evidence based on the reputation and identity of organisations.

Make the recruitment process broader and more efficient

Reach out to talent on various platforms such as social media, websites and interest groups. The mobility of talent means that there are opportunities to attract talent from across geographies also. Improve the overall recruitment and onboarding process by leveraging off technology to accelerate hiring and onboarding processes.

“

Malaysians **want**
to work for
purpose-driven
companies, but
not at any price

”

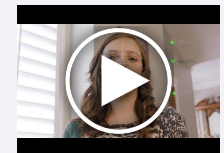
Source: PwC's Hopes and Fears Survey 2021 (Malaysia)

Unilever **broadened its reach to the talent market** by enabling candidates to **access career opportunities online** through Facebook or LinkedIn instead of recruiting on campus grounds. As such, Unilever was able to **increase the diversity of its applicants** and tripled their coverage of higher learning institutions from 840 to 2600. Unilever also leveraged on **technology and AI** to perform the first level screening of its applicants, **saving 75% of the recruiters' time**. In addition, the average time for a candidate to be hired reduced from four months to just four weeks, **saving 50,000 hours cumulatively** of candidates' time. To learn more about how Unilever enhanced their recruitment experience and journey, read [here](#) and watch this video^[V2].

Unilever



Case study





Market & Operational Strategy



Financial Performance



Enterprise Governance



Performance Measurement



Leadership & Talent Management



Enterprise Risk Management



Employee experience

How to keep employees motivated and engaged



Performance Driven Framework Attributes

Define unique employee experiences

Explore ways to create unique experiences in specific areas of the business that stand out in the market.

Understand specific employee needs

Understand what motivates top talent and attempt to reconfigure the work environment as well as ways of working (e.g. flexibility, benefits, work-life balance, digital enablement and other areas).

Create a collaborative and appreciative workplace

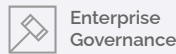
A robust and well structure performance management framework with appropriate KPIs should be leveraged off to drive collaborative behaviour and recognition.

Shell Malaysia emerged as the **Most Attractive Employer in Malaysia for 2021**. Among its attractiveness were its emphasis on safe working environment and its flexibility to work remotely. This reinforces Shell's commitment to its employees for making Shell a great place to work, putting employees first through its initiatives of implementing **work-life practices**, creating a **mood-lifting and productive work environment**, as well as adding focus on **diversity and inclusion**. This allows its employees to **grow professionally and produce better quality work** as they are empowered with a **strong sense of belonging**. Read [here](#) on how Shell Malaysia creates a differentiated employee experience.

Shell



Case study



How to increase retention of talented employees



Define a clear Employee Value Proposition (EVP)

Companies must formulate a clear EVP that genuinely attracts and engages employees as well as articulates a clear roadmap for career development.

Provide professional development and upskilling opportunities

To stay relevant, top talent are more likely to remain in the company when there is continuous development and upskilling opportunities.

Provide unique career advancement opportunities

Demonstrate a clear career path and introduce innovative career opportunities such as job transfers or special advancements catering for unique expertise .

88%

of Malaysians are ready to learn new skills or completely retrain in order to remain employable in the future

Source: PwC's Hopes and Fears Survey 2021 (Malaysia Report)

Petronas has been inducted into the Randstad Hall of Fame since 2020 after securing the top spot at the Randstad Malaysia Employer Brand Awards for the third consecutive year, 2018-2020. Petronas aspires to be the global employer of choice where it offers **broad career growth opportunities globally through its leading-edge leadership and capability development programmes**. The talent investments and programmes in place ensured that **continuous development opportunities** are provided to equip employees with different skills and experience, aligning to its shared values and evolving together with the organisation. Read [here](#) on how Petronas powers growth from within, a journey from being a **Petronas scholar to its first woman chief financial officer**.

Petronas



Case study



Market & Operational Strategy



Financial Performance



Enterprise Governance



Performance Measurement



Leadership & Talent Management



Enterprise Risk Management

HOW TO DRIVE PERFORMANCE THROUGH EFFECTIVE ENTERPRISE RISK MANAGEMENT



Performance Driven Framework Attributes

ERM drives management to action!

ERM can protect value and enhance value. It is a holistic, comprehensive and systematic approach that helps all organisations regardless of size or mission to identify events and measure, prioritise and respond to the risks challenging its most critical objectives and day-to-day operating practices.

A well adopted ERM framework will facilitate effective management of threats, uncertainties and also enable harnessing of opportunities. Companies adopting ERM in their day-to-day operations will be able to better sustain and improve performance and instill confidence in stakeholders.

Components of effective ERM

Governance & Culture

Strategy & Objective-Setting

Performance

Review & Revision

Information, Communication & Reporting

Note: Key components of ERM discussed in chapter 3, 3.6.1



Market & Operational Strategy



Financial Performance



Enterprise Governance



Performance Measurement



Leadership & Talent Management



Enterprise Risk Management

How can ERM drive performance

Organisations that view risk management strategically realise greater value

The ability to analyse and assess how different business risks affect one another provides management with a thorough understanding of risks and its implications. With such strategic view on risk management, organisations will be willing to take more calculated risks in the pursuit of riskier opportunities that can lead to higher potential profits. When an organisation manages risks better than its competitors, it can enter into riskier ventures which competitors may hesitate to participate in, thus providing a great competitive advantage.^[21]

67%

Of companies' common pain point is a fragmented or inconsistent view of risk management

Source: PwC Asia Pacific Governance Risk and Compliance Insights Survey 2021

Organisations that manage risks well can better sustain market disruptions

Economic downturns present both uncertainties and strategic opportunities. Organisations that manage risks and uncertainties well will not only survive such disruptions, but could also improve their market position during this period - an opportunity which at times might be more difficult to come by even during stable conditions. Thus, organisations with robust ERM capabilities could be more resilient in uncertain business environments.^[21]

Due to the challenging operating environment caused by the COVID-19 pandemic, Maybank is taking measures to **reorient its risk management strategies**. It saw opportunities to **pivot** the organisation to **new growth paths** such as expanding its digital banking and payment space offerings to local and key regional markets. It was the first in the region to offer real-time account opening options for SMEs to avoid having to visit physical branches. Such efforts led to an **11.7% increase in profit in 2020**. Read more [here](#).

Maybank



Case study



Market & Operational Strategy



Financial Performance



Enterprise Governance



Performance Measurement



Leadership & Talent Management



Enterprise Risk Management

How can ERM drive performance

ERM increases efficiency and effectiveness in allocating scarce resources

With ERM in place, organisations have an integrated approach to risk management by having an enterprise-wide view of all current and potential or emerging risks. As such, they can eliminate redundant processes and re-focus scarce resources to manage higher priority areas in pursuit of profitability and growth. An interdependent approach in managing risks can also help businesses stay focused on what is most important in achieving its goals.^[22] Hear more on benefits of risk function collaboration [here](#).

Performance Driven Framework Attributes

54%

Of respondents believe that ERM can help with better in-house coordination with risk domain owners to manage risks, thereby increasing efficiency in allocating resources

Source: Extended Enterprise Risk Management Global Survey 2020

To overcome unexpected crises that disrupts supply chain, Toyota implemented a **Business Continuity Plan** as part of its risk management strategy to **cushion the risk of scarcity and shortages** of semiconductor chips. The plan required all of its suppliers worldwide to stockpile two to six months' worth of chips. During the Covid-19 pandemic, Toyota remains as one of the automobile companies that have adequate semiconductor chips and is therefore **able to continue production**. In fact, Toyota even **increased its vehicle output** for the fiscal year in March and **raised its full-year earnings forecast by 54%**. Read more [here](#).

Toyota



Case study

Performance driven companies use ERM responses to manage cost and potential losses

As ERM provides a coordinated and holistic approach to risks and responses/controls, this enables a more streamlined compliance structure across the organisation and hence the ability to reduce cost of compliance. Additionally risk management provides for forward looking management of potential adverse events (i.e. loss management) by either transferring, mitigating, avoiding, duplicating, separating or reducing potential losses. Such risk response techniques are often used by performance driven companies to manage uncertainty and reduce financial impact resulting from disruption to operations.



Technology



Culture



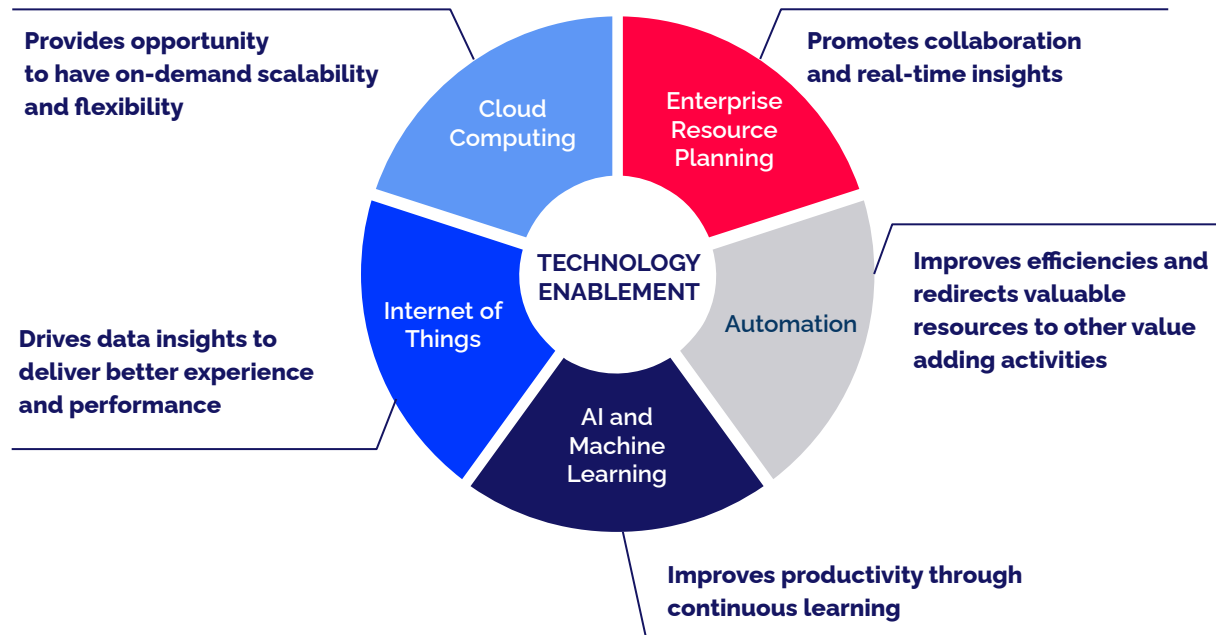
Data

HOW TECHNOLOGY ENABLES AND SUPPORTS PERFORMANCE

Performance Driven
Framework Enablers

In response to the global pandemic, the shift towards more technologically driven operations and business models has accelerated faster than expected. It is now essential for all companies to not just keep up but to step up and adopt a more tech-forward approach in day-to-day operations and in driving performance.

Performance driven companies are adopting best-of-breed technologies that enable them to shape their businesses to meet changing customer demands. Companies should therefore consider investing in flexible and scalable technologies that adapt to their business needs, provide differentiation, harness cost efficiencies and enable sustainable performance improvement.



Note: Key Technologies discussed in chapter 4, 4.1.1



Technology



Culture



Data

Performance Driven
Framework Enablers

Integrated Enterprise Resource Planning (ERP) to promote collaboration and real-time insights

ERP is a core business application which promotes collaboration and communication between various business areas, establishing a single source of truth and provides accurate and real-time reporting for better overall management of operations.

Automation improves efficiencies and redirects valuable resources to other value adding activities

Robotics and automation replaces manual execution of tasks or activities through machines or software. They enable operational efficiencies, improved accuracy and increased productivity while reducing costs in the longer term. These technologies also allow resources to be redirected to perform other value-adding activities to further drive performance.

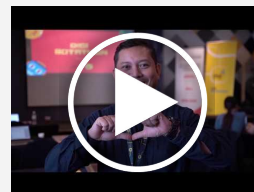
Digi has seen tremendous improvements resulting from their **RPA journey**, with **200 step activities reduced to 5 step activities**. They are looking forward to rolling out RPA to the different business areas such as HR, Marketing and Finance across the company.

Watch Digi's RPA journey in this video^[V3].

Digi



Case study



“ More than a quarter of companies are **increasing investments in technology and automation**, getting their organisations ready to produce **investor-grade data** by enhancing their **systems**, processes and internal controls ”

Source: PwC 24th Annual Global
CEO Survey



Technology



Culture



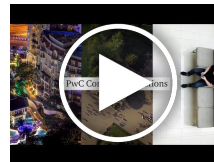
Data

Artificial Intelligence (AI) and Machine Learning (ML) improves productivity through continuous learning

AI and ML is used to perform human-like tasks and is able to learn through data. Read [here](#) to know more. Such self learning algorithms could enable more uptime and higher efficiency of operations and this in turn could increase productivity, better service levels and better overall cost management. AI provides the power to analyse significant amounts of data and generate valuable insights to improve performance.

Internet of Things (IoT) drives data insights to deliver better experience and performance

IoT refers to the network of physical objects that are embedded with software and sensors which enables the exchange of data with other devices over the internet. Watch this video^[V5] on how IoT can be applied in various business scenarios and help to deliver better experience, greater efficiency and accuracy.



Cloud Computing provides opportunities to have on-demand scalability and flexibility

Cloud computing is the delivery of on-demand services through the Internet, ranging from applications to storage and processing power. Migrating to cloud has enabled high performing PLCs to reduce CAPEX spending, improve collaboration and productivity and quick adoption to cloud integrated solutions such as advanced analytics.

Case Studies



Performance Driven Framework Enablers

Hong Leong Bank

Hong Leong Bank Berhad continues to chart significant digital milestones by introducing a **virtual assistant named HALI**, to help it **improve operations efficiency by 60%** over the course of the year.

Read the story [here](#) and watch this video^[V4] to learn more about the virtual assistant.

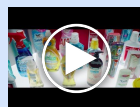


Celcom

Celcom **migrated its datacenter to public cloud**. This enabled it to obtain computing capabilities and infrastructure on demand **enhancing its readiness for future business expansion**. Read the story [here](#).

Colgate - Palmolive

Colgate- Palmolive transformed its ways of working and **enhanced collaboration for 28,000 employees worldwide** after **migrating to productivity and collaboration tool on cloud**. Read the story [here](#) and watch the video^[V6] on how Colgate strengthened its global collaboration.



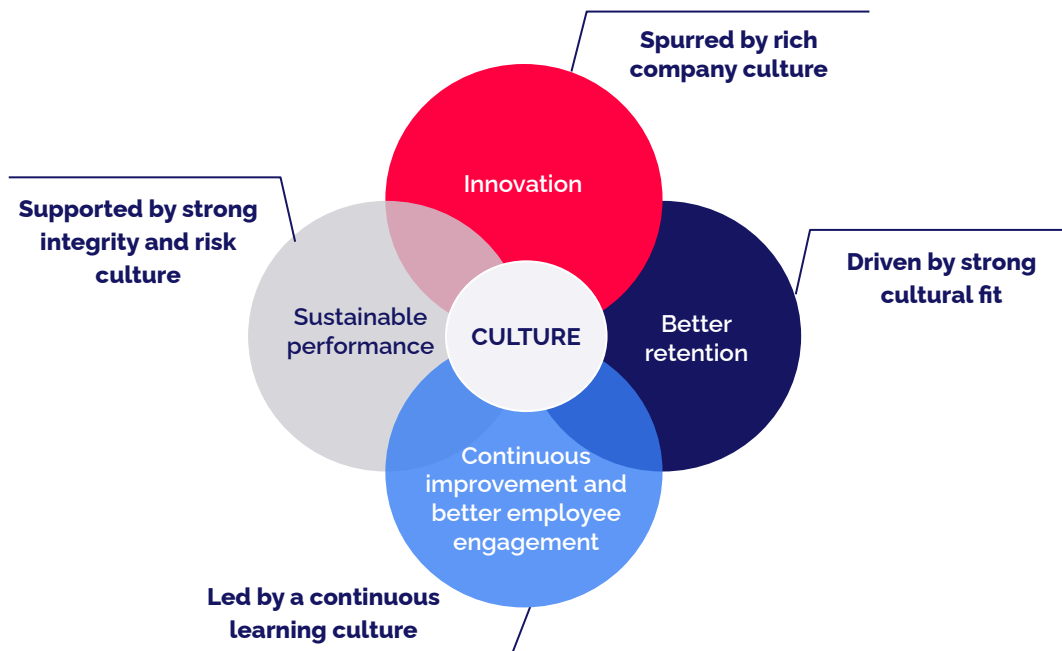


HOW CULTURE ENABLES AND DRIVES PERFORMANCE



Culture as an enabler shapes behaviours that can effectively drive organisations performance. In our current volatile business climate, a unique and strong culture gives organisations a competitive advantage, providing the resilience and ability to adapt to ever changing conditions. A culture that promotes continuous innovation, learning and integrity are the hallmarks of performance driven companies.

It is therefore imperative for aspiring performance driven companies to appreciate the importance of shaping behaviours that will lead to the desired corporate culture over time. Mechanisms need to be put in place to shape these behaviours and this must be supported by a strong performance management framework that reinforces the desired behaviours.



Note: Key benefits of strong culture discussed in chapter 4, 4.2.1



Technology



Culture



Data

Performance Driven
Framework Enablers

Rich company culture leads to innovation

Organisations that value unconventional thinking and empower employees to think outside the box will lead to a stable of professionals who can solve problems in new and innovative ways, enabling organisation to reach new heights. Innovation is an important source of competitive advantage that drives continued success.^[23]

Amazon **creates an environment** where employees are **empowered to innovate** and **dare to be creative** in bringing ideas to reality, making **innovation** as part of its **daily practice**. This is demonstrated with its **actual approach** of 'working-backwards plan' where employees submit their big ideas with product vision, theoretical press releases and envisioned customer benefits for evaluation and approval in order to receive funding for launch. This process has **enabled** Amazon to **produce its most successful products** such as Prime Now, Amazon Go and Alexa. Read on how Amazon creates a culture of innovation [here](#).

Amazon



Case study

Strong cultural fit means better retention

Quality talent is essential for organisation growth and success. Apart from compensation, a rewarding culture and the right cultural fit is also key to retain talent. Employees who feel respected and appreciated for their contributions are more likely to remain in organisations. Employees who fit well with their organisation's culture demonstrate superior job performance, gets better job satisfaction and are also more likely to progress in their career.^[24]

Netflix has created a **strong company culture** of 'freedom and responsibility' where their version of a great workplace is a dream team in pursuit of ambitious common goals.

They train their recruiters and hiring managers to be thorough in **finding the right candidate which fits the culture**, so that they will **thrive and be engaged working with same-minded talent**. Read more [here](#) on their recruitment process and watch this [video](#) on the meaning of Netflix's culture of 'freedom and responsibility'.

Netflix



Case study



Technology



Culture



Data

Performance Driven
Framework Enablers

Continuous learning culture leads to continuous improvement and better employee engagement

A culture of staying curious and asking questions enables continuous learning behaviours and a growth mindset in the organisation. Individuals who are constantly looking for ways to upskill themselves, learning latest trends and applying new learnings to their job, will perform at the next level. Having continuous learning behaviours also enables high performing talent to stay motivated and energised, as well as to do more and better in their jobs. Read [here](#) on how to create a learning culture.

Adobe's **cultural practices support relevant policies and training necessary to develop employees' skills^[1]**. This is a **key reason employees stay and continue to be engaged**, with the opportunity to drive both personal and business growth, allowing continuous innovation and delivering great solutions for customers. **Employee engagement was at all time high and recorded 15% YoY financial growth in FY20**. Read more [here](#) on how it prioritises employees' growth and [here](#) on its award-winning corporate culture.

Adobe



Case study

Strong integrity and risk culture enables sustainable performance

An organisation culture that shapes behaviours of individuals in upholding integrity, ethics and the desired attitude towards risks will enable superior enterprise governance and risk management and in turn, this will lead to sustainable performance and trust with stakeholders. Additionally, these cultural attributes and behaviours should be reflected in all business undertakings and cascade through all levels from leadership to individual employees. Read [here](#) on Gartner's insights on creating a culture of integrity.



Lessons Learnt:

Volkswagen's corporate culture came into question over the emission scandal, downplaying its diesel engine vehicles emissions compliance with the U.S. emission standards. This led to **dire consequences** for the company and its stakeholders - **depleting over \$30 billion** in financial capital, **diminished brand name and trust** as well as **damaged stakeholder relations**. Read more [here](#)

Volkswagen



Case study



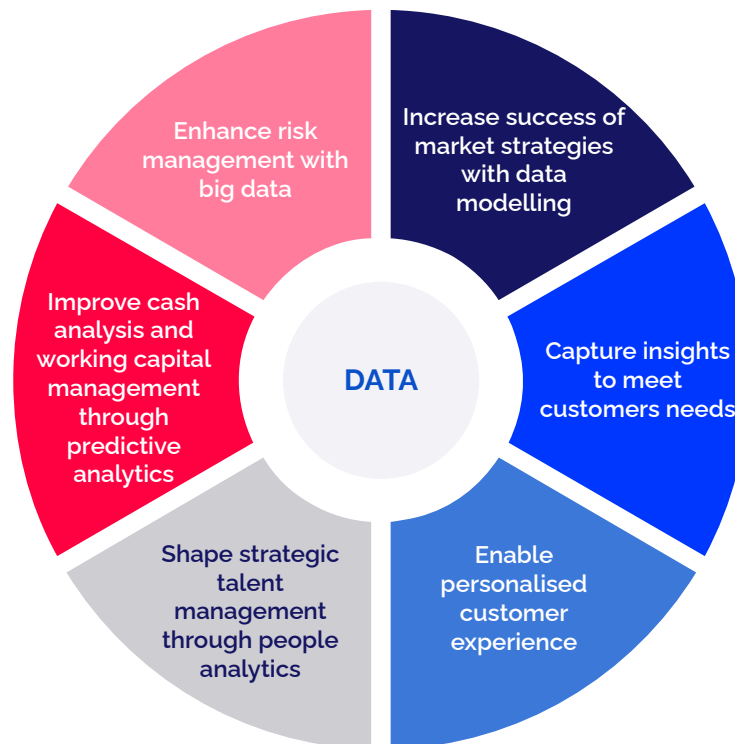
HOW CAN **DATA** ENABLE AND DRIVE PERFORMANCE



Data is a critical enabler for performance improvement and the insights derived from data analytics, when used well, will act as a catalyst to accelerate company performance.

Data-driven performance gains can be achieved through more informed decision making, focused operational efficiency initiatives and targeted customer engagements.

It is now imperative for companies to elevate their data management capabilities including the prioritisation of their data needs, identification of data sources within operations and to set up processes, tools and infrastructure to collect and collate data points in an effective manner.



Note: Key benefits of data discussed in chapter 4, 4.3.1



Technology



Culture



Data

Performance Driven
Framework Enablers

Increase success of market strategies with data modeling

Data analytics can impact how a company takes its products or services to market and maximise revenue generation. Similarly, data can also reduce the potential loss for large capital projects by providing accurate data for decision making^[25]. Click [here](#) for more insights into data-driven strategies.

Starbucks partnered with a location-analytics company to **pinpoint ideal store locations using data** such as demographics and traffic patterns. The organisation also **considers input from its regional teams** before making decisions. Starbucks **uses this data to determine the likelihood of success for a particular location** before taking on a new investment. Read more [here](#).

Starbucks



Case study

Capture insights throughout product life cycle to meet consumers needs

Embed data into product design to enable continuous flow of information relating to product improvement opportunities and customer insights^[25]. This can also enable companies to stay in 'contact' with the products once they have left the production facilities, providing a new layer of insight and support for product longevity and customer satisfaction.

As part of its growth strategy, PepsiCo used artificial intelligence (AI) and machine learning in its product development and sales & marketing processes. Leveraging this technology, the company was able to advise retail stores on the best items to stock, where to place them and what promotions to deploy. This use of data enhanced PepsiCo's ability to target a very specific market and helped drive 80% of the products' sales growth in the first 12 months upon its launch. Read more [here](#).

PepsiCo



Case study



Technology



Culture



Data

Performance Driven
Framework Enablers

Leverage customer data to personalise customer experience

Understanding customer behaviour through data analytics, enables performance driven companies to provide more personalised customer experience. Recent surveys^[26] show that personalisation is able to drive increase in revenue by 5-15 % and marketing-spend efficiency by 10-30%. Companies can personalise landing pages, email communications and promotions that are relevant to drive more purchases from customers. Read [here](#) to learn more on achieving personalisation through data and analytics.

As safety is one of the most important consideration for consumers in ride-hailing, Grab invested heavily in telemetric technology to **improve its trip monitoring capabilities, enhancing safety and providing reassurance** to customers. With this technology, notifications can be triggered on passengers' app when deviations from planned routes are detected. Additionally, the "Share My Ride" option allows passengers to share their ride details to their closed ones, further **expanding the horizon of excellent customer experience** to the indirect users. Read the story [here](#).

Grab



Case study

Shape strategic talent management through people analytics

People analytics provide a range of data insights that drive data-based decision from workforce planning up to performance management. This enables performance driven companies to efficiently and effectively manage talent identification and manage people risks. It also drives the formulation of talent development strategies to upskill teams, keeping them up to date with skills and well placed for career growth within the organisation. Read [here](#) on how getting people analytics right helps in making effective data-driven decisions.

DKSH Malaysia uses **people analytics** in managing their people. The rich employee data provides the HR team with patterns and trends that lead to **budget and labour efficiencies, better hiring outcomes and smarter decision making**. Despite the growth in the business, DKSH have improved their **turnaround time to fill vacancies within 30 days by 15%**. Read the story [here](#).

DKSH



Case study



Technology



Culture



Data

Performance Driven
Framework Enablers

Predictive analytics improves cash analysis and working capital management

Predictive analytics helps to create better cash flow forecast based on operational data (e.g. sales, customer, product, CAPEX, suppliers). It enables performance driven companies to have better clarity on their cash flow, and understand where idle cash is available which can be redirected to generate higher returns. Read [here](#) on how organisations can unlock cash in a digital age.

Microsoft has **gained daily cash flow insights which they can monitor and act upon through their cash flow analytics platform**. Predictive analytics are enabled to produce quarterly forecast on a daily basis. All these automation have **resulted in \$25 million worth of efficiency gains and an estimated \$130 million savings per year** with policy and process updates. Read more [here](#).

Microsoft



Case study

Enhancing risk management with big data to plan and mitigate risks before they occur

Risk management will benefit from embedding data analytics and advanced technologies across the entire risk management process including risk identification, risk assessment, risk mitigation and risk monitoring. Data analytics in risk management and application of predictive indicators allow companies to obtain real-time insight into their risks and to use that insight to drive their risk management strategy. Read [here](#) on tools and techniques for enhancing risk management through data.

United Overseas Bank (UOB) has **transformed the way it collects and manages data** to gain visibility of all customer and transactional data. This enables the bank to **make accurate predictions and identify patterns and anomalies** as a result of which, UOB is **able to track operational risk, fraud, money laundering and unauthorised access** effectively. Read more [here](#).

United Overseas Bank



Case study

APPENDICES

Examples of sectoral performance metrics



Examples of sectoral performance metrics

Banking Sector



Performance Driven
Framework Attributes

Financial Measures

Covers both finance and operational activities

Net interest margin

Liquidity coverage ratio

Gross impaired loans ratio

Loans/Deposit ratio

Non-interest income ratio

Cost to income ratio

Current and savings account ratio (CASA)

Capital adequacy ratio

Total loans growth

Return on Tangible Common Equity (ROTCE)

Assets under management

Common Equity Tier 1 (CET1)

Non-Financial Measures

Covers other aspects of business operations

Client survey score

New account set up error rate

Active digital users

Sustainability focused products and services

Sustainable financing and investment commitment

Number of cybersecurity incidents

Number of fraud incidents

Examples of sectoral performance metrics

Telecommunication Sector



Performance Driven
Framework Attributes

Financial Measures

Covers both finance and operational activities

CAPEX to sales ratio

Free cash flow yield

Gross debt to EBITDA

Market Revenue Share

Average revenue per user (ARPU)

Subscriber acquisition cost

Network operating cost

Cost/gigabyte

Non-Financial Measures

Covers other aspects of business operations

Post and prepaid subscribers

Active subscriptions

Subscriber growth

Call setup success rate

Number of customer complaints

Population coverage

Order fulfilment cycle time

Network speed and throughput

Capacity utilisation rate

Average downtime or connectivity disruptions

IT maintenance and upgrade

Energy consumption

Examples of sectoral performance metrics

Healthcare Sector



Performance Driven Framework Attributes

Financial Measures

Covers both finance and operational activities

Revenue per bed

Margin per bed

Capital efficiency

Inpatient cost per stay

Average treatment charge

Debt-to-capitalisation ratio

Insurance claim processing time and cost

Cash flow coverage ratio

Non-Financial Measures

Covers other aspects of business operations

Inpatient admissions

Bed occupancy rate

Types of treatments

Ratio of specialists

Medical equipment utilisation

Patient wait time

Error rate in treatments

Readmission rate

Drug recall history and implications

Track record of penalties

Digitalisation rate

Indemnity risks and foreign exchange risks

Examples of sectoral performance metrics

Plantation Sector



Performance Driven
Framework Attributes

Financial Measures

Covers both finance and operational activities

Vegetable oil prices

Short-term and long-term product pricing

Cost per ton of product produced

Non-Financial Measures

Covers other aspects of business operations

Area planted

Average tree age profile

Milling capacity

Refinery capacity

Supply chain compliance

Crop diversification

Traceability of the plants produced

Yield per hectare

Carbon emission

Water and gas consumption

Monitoring of sustainable planting

Organisational Health Index

Sustainability Policy Transparency Toolkit Evaluation

Population and consumption growth

Deforestation

Replanting plans

Examples of sectoral performance metrics

Property Sector



Performance Driven
Framework Attributes

Financial Measures

Covers both finance and operational activities

Value of project launched and take-up rates

Price-to-income

Internal rate of return

Interest coverage ratio

Net gearing ratio

Net asset per share

GDV to land cost ratio

Construction cost per square foot

Non-Financial Measures

Covers other aspects of business operations

Number of Green Building development

Landbank

Real estate demand growth

Percentage of presale sold

Energy Consumption

Carbon Emission

Number of Incidents and Accidents

Unsold inventory

Sell-through rates

Installation of EV charging station

Amount of waste generated

Project progress relative to milestones

Acknowledgements & References



Acknowledgements

Bursa Malaysia would like to thank the following organisations for their inputs into the development of parts of this Guidebook for the PLC Transformation (PLCT) Programme.

- Affin Hwang Investment Bank Berhad
- AmlInvestment Bank Berhad
- CFA Society Malaysia
- CGS-CIMB Securities Sdn Bhd
- CLSA Securities Malaysia Sdn Bhd
- Dialog Group Berhad
- Hartalega Holdings Berhad
- Hong Leong Financial Group Berhad
- Hong Leong Investment Bank Berhad
- IHH Healthcare Berhad
- Inari Amertron Berhad
- Institutional Investors Council Malaysia
- Kenanga Investment Bank Berhad
- Khazanah Nasional Berhad
- Kumpulan Wang Simpanan Pekerja (KWSP)
- Lembaga Tabung Angkatan Tentera
- Malacca Securities Sdn Bhd
- Minority Shareholders Watch Group (MSWG)
- MR D.I.Y. Group (M) Berhad
- Nomura Securities Malaysia Sdn Bhd
- Permodalan Nasional Berhad

In addition to the above, we would also like to thank the Ministry of Finance Malaysia for supporting the PLCT Programme.

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