An Analysis of Prominent Performance Management Frameworks

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Introduction

Business Landscape

The business landscape today is one that is fraught with competition on a global scale. According to Statista, in 2020 there were more than 213 million companies operating across the globe. The World Wide Web has created a network in which people from all over the world can interact and to business, further one's competitive reach. Competition doesn't seem to be slowing down either, as according to Census, the US had approximately 4 million new business applications in 2020 and had over 500K in one month.

The dirge of new business opportunities sounds very optimistic on the surface, however, according to Investopedia, 90% of startups failed in 2019. According to Statista, C-suite executives had a turnover rate of 16.5% in 2019. Shareholders today are holding executives accountable for business failures, just tune in to a leading financial news network and one is likely to hear of executive's departures on a weekly basis. Why do executives, and ultimately businesses fail?

According to Margolis, companies fail for several reasons. First and foremost, companies fail in large part due leadership, where leaders don't fail for the things they do, they fail due their methods, or lack thereof. Additionally, leaders fail due to mistakes caused by a lack of judgement and understanding of the business. Next, companies fail because they rely on methods that worked in the past, a reluctance to changes in the business landscape. Finally, businesses fail when they do not gather feedback on how they're performing. While this is not an all-inclusive list of why businesses fail, it's fair to say that businesses fail early and often. This leads to a simple question, what is something a business can do to solidify its strategy, remain flexible and adaptive, and gain feedback from processes. The answer to this question is simple, implement a performance management framework. What is performance management, why should companies adopt a performance management framework, and which framework is most effective? This paper seeks to answer these questions.

Overview of Performance Management

Performance management (PM hereafter) at first glance, seems to be nothing more than a human resources tool used to manage employee performance. However, if one deep dives this idea of PM, she will quickly find that there's more than meets the eye. PM, in the context of this research concerns itself with the overall performance of the organization. PM ponders and marries the mission, vision, and goals of the organization with processes that create value for the stakeholders. Additionally, an important aspect of PM is that PM assess employee performance, processes, equipment, and other variables against predetermined objectives.

At a high level, PM assists mangers at achieving strategic objectives. Additionally, PM improves performance through goal setting and feedback. PM also highlights weaknesses and can be used to identify areas where process improvement is needed. Finally, PM's implementation process varies from framework to framework. Not all frameworks are the same, and suitability can vary from industry to industry. What then are the frameworks, and which is right for your company? This paper will provide a brief overview and analysis of five prominent frameworks, which could aid your company in selecting the PM framework that best supports your needs.

Paper Methodology

Performance Management Models

This paper, while not exhaustive or an authority on PM frameworks, should serve as a guide to assist your company in selecting a PM framework that not only matches the values and culture of your organization, but also is effective in your industry. In this study, five frameworks are presented: Quantum Performance Management Model, Tableau de Bord, Ansoff Matrix, Performance Prism, and Balanced Scorecard. Which of these five, if any, will create the most value for your organization? The analysis conducting in the pages that follow should provide are barometer in selecting the most value-added PM framework.

Analysis Methodology

In this study, we will use a SWOT analysis to determine which PM framework will produce the most value for your organization. The SWOT analysis is a time-tested analysis of a company's strengths, weaknesses, opportunities, and threats. This paper will conduct a separate SWOT analysis for each framework, then provide a recommendation as to which would create the most value.

Recommendations and Approval Sought

Creation of value varies from one company to another, and what may be of value to one company might not be of value to another. The competitive company should recognize the importance of PM and strive to adopt some variation therein. This paper will show that PM frameworks have advantages and disadvantages, and what's good for the goose isn't necessarily what's good for the gander, as frameworks are at times situational. Lastly, this work is not definitive and should be used as a guide to start the conversation around choosing the most effective PM framework for your organization.

Quantum Performance Management

Background

Quantum Performance Management (QPM hereafter) originated in the book *Vital Signs*, by Steven M. Hronec in 1994. In his book Hronec considered measures as the vital signs of the organization. As with any living organism, vital signs are a quick method of determining one's health, so to the organization. Hronec contended that PM was valuable because it provided balance in the organization by linking strategy to processes and processes to measures. It should follow then, that the linkage of processes, strategy, and measures leads to a state of Quantum Performance, where the organization has maximized value for their stakeholders.

Characteristics

QPM can be describe as a matrix in the literal sense, a cross-sectional display of three measures on the X-axis, and people, processes, and organizations on the Y-axis. The measures are of three general types: cost, time, quality (Hronec 1994). The three cost measures are combined with people, processes, and organization to form a nine cell, cross-sectional matrix as follows.

1. Cost and organization address financial, operational, and strategic measures.
2. Quality and organization focus on empathy, productivity, and reliability.
3. Time and organization consider velocity, flexibility, and responsiveness.
4. Process and costs join to provide measures of inputs and activities.
5. Quality and process join to ensure conformance and productivity.
6. Time and process address velocity and flexibility in the context processes
7. Cost and people address compensation, development, motivation costs, things such as team building exercises.
8. Quality and people deal with issues such as reliability, competence, and credibility.
9. Finally, people and time address responsiveness and resilience.

Assumptions

When applying the QPM framework, the user should understand that the QPM matrix serves to balance the nine relationships therein. Next, managers should set goals that exceed industry standards for competitive advantage. Finally, the pre-determined measures should support company strategy and incorporate cost, quality, and time.

Values

An important value-added aspect of QPM, and other PM frameworks for that matter, is that it encourages companies to align strategies with objectives and initiatives. Aligning strategies with objectives and initiatives is at the very heart of PM and should be a minimum. Next, by measuring critical processes, managers can identify areas for improvement that are critical to the survival of the company. Finally, the QPM matrix is a visual tool that can be used to communicate strategy and objectives to stakeholders, and to simplify processes.

Non-Values

QPM does have some complexity, therefore it is imperative that the company maintains a consistent understanding of how they are applying the model. For instance, accounting and marketing must have the same understanding of the cost and organization cell. Next, as cost measures account for three cells of the matrix, it increases the likelihood of tunnel vision on financial measures at the expense of the other cells in the matrix. The practitioner must be wary and guard against allowing an inverse relationship between cells where increasing focus on one cell, decreases focus on a related cell, thus limiting the overall value-added. Finally, the matrix cells are the intersection between various aspects of the company and thus requires cross-sectional coordination. The cross-sectional nature of the matrix would require leadership and team development to avoid so called turf wars or pride of ownership where sections protect their interests at the expense of whole.

Tableau de Bord

Background

Tableau de Bord's (TdB hereafter) origins can be traced back as early as 1932, and as the name would imply, was developed in France. The name Tableau de Bord quite literally translates to the English word dashboard. The name dashboard today implies a visual that depicts standard day to day metrics and not much more. However, TdB is a more than simply a dashboard and has lasted decades in France. TdB indeed has numerous variations and implementations, and experienced changes in the 1950's, 80's, and 90's. TdB's inception came to fruition because of accounting measures lack of value in decision making. Accounting, as any good business student ought to know, is rear-looking, it reports what happened in the past and is not the most effective for decisions that impact future operations. Thus, the characteristics of TdB could create more value than simply reviewing the balance sheet or statement of cash flows.

Characteristics

TdB can be used to quickly gain a high-level view of operations and the operating environment. This framework seeks to causally link action plans, action variables, and objectives, where action variables are linked to objectives. Top management forms the objectives and action variables for their level, then cascades to the next level down. The next level down then creates objectives and action variables, and the exercise continues to the lowest level of management. The essence of this exercise is that objectives from the previous level become action variables for the current level. Next, the practitioner must consider the relationship between the organization's objectives and actions to prevent the occurrence of competing objectives. Each objective then, will be linked to an accompanying performance measure, which should be baselined or benchmarked. The combination of objectives, actions, and measures should have coherent and clear relationships and might include areas such as production, quality, customer service, and processes.

Assumptions

An imperative of TdB is that it cannot be a single document applied to the entire organization. TdB must cascade to the sub-units, as each has different responsibilities and accompanying objectives. Practitioners must be wary of a hyper focus on financial measures, as these measures lagging and not always an indication future performance. Next, the TdB should be used to increase anticipation of events, thus bolstering the organization's ability to be proactive. Finally, TdB holds that measures should be few, and warns the practitioner to avoid superfluous measures.

Values

One of the strengths of TdB is its flexibility and agility. TdB can be applied in organizations of varying size and industry and resists the one-size fits all mentality. In today's business landscape, companies must be agile, flexible, and have to ability to shift strategies with little to no notice. A very relevant example is the current business landscape of hyper competition in the time of a pandemic where the landscape underwent major changes in March 2020 with just several weeks' notice. Companies that flourished through the pandemic were those that were flexible, agile, and adapted quickly, which lends itself well to TdB. Another value of TdB is that it allows each subunit to develop its own action variables, thus creating a sense of ownership and buy-in. Finally, that TdB action variables are created at the subunit spurs creativity and avoids the creation of generic measures.

Non-Values

TdB can be culture specific and may not be affective in countries other than France. One example cultural difference is that TdB lacks a system of performance rewards, which could create morale problems. Many corporations in the US offer incentives and rewards based on performance, with awards systems having a major role. The US company would need to be cautious of implementing the rewards aspect of TdB. Next, according to Epstein and Manzoni's research, while TdB warns the user of focusing on financial measures, many companies applying TdB did indeed focus on financial measures. TdB's flexibility did not prevent practitioners from focusing on financial measures. Additionally, Epstein and Manzoni found that TdB objectives were mostly internal, focused on the previous year's performance, and did not consider the customer. Finally, TdB often supports management by exception, where the subunits create action variables and top management remains hands-off until there's a failure in the organization.

Ansoff Matrix

Background

The Ansoff Matrix was first published in by H. Igor Ansoff in a 1967 Harvard Business Review article titled *Strategies for Diversification.* While "*Strategies…"* is not necessarily a performance management framework in the sense that measures will be created, Ansoff is indeed viewed as a forefather of strategic management, (Atkinson 2014). Additionally, Ansoff was one of the first strategic academics to propose that formulation of strategy should be the result of in-depth data analysis. Ansoff contended that to retain position in the market, companies must undergo continuous growth and change (Ansoff 1967). Companies that maintain the same product-market mix will not experience growth, furthermore, companies must embrace innovation and competition.

Ansoff's Matrix is founded on the idea that growth takes place at the intersection of product lines and markets. The model then places product lines and markets into a four-cell matrix that companies can use to determine their product market strategy. Ansoff's matrix has four strategies: Market Penetration, Market Development, Product Development, and Diversification (Young 2011).

Characteristics

The four strategies are time-tested, and many companies still use them today (Atkinson 2014). Ansoff's matrix for growth is such that each strategy comes with increasing risk from Market Penetration to Diversification.

The first, and least risky strategy is market penetration, where the firm seeks to maximize sales of a current product in its current market. Growth in this strategy is a result of pricing, advertising, loyalty programs, or even cannibalizing existing competition. The next strategy, which increases risk, is Market Development. This strategy revolves around the idea that the firm will take an existing product line but moving to a new market.

Market Development could increase costs if marketing needs to be localized. Additionally, this strategy may be applied to geography or demography, as either could be a new market. A final example of Market Development, and quite relevant today, could be shifting from online sales to brick and mortar, or vice versa. As the practitioner moves from Market Development to the next strategy, Product Development, she must be wary of the increase in risk and use good judgement.

Product Development is the promotion and sale of a new product in an existing market. An example of this occurred in 2020 when Popeyes Chicken introduced their new chicken sandwich to much success. However, an example of a failure in Product Development was Coca Cola's introduction of the new Coca Cola in the 1980s, which was nearly a disaster for the company. Product Development requires much research and development to create the new product, but also requires market research as to the acceptance or viability of the product.

Finally, the last and most risky of Ansoff's growth strategies is Diversification. This strategy carries with it the greatest amount of risk because the firm will promote a new product in a new market, hence the name Diversification. Diversification has so much risk because the firm does not know if the new product will be successful in the new market. Companies wishing to diversify must use extreme caution and ensure the read the market well or they could face disastrous results.

Values

Although Ansoff's matrix is an older framework, it is still relevant and in use today. The matrix can be used to determine a company's product mix and be the foundation for a marketing plan. Next, Ansoff's matrix is quite flexible as a tool in formulating the marketing strategy. A company can use the Product Development for one set of product lines, then use Market Penetration for another product line. This flexibility can act as a hedge to reduce the risks associated with Product Development and/or Diversification.

Non-Values

A major issue with the Ansoff matrix is the risks associated with Diversification. While Ansoff identified Diversification as the riskiest of the four cells of the matrix, the practitioner must use good judgement when considering Diversification. An example started in 2007 when UK retailer Tesco diversified into the US with its new stores Fresh and Easy. Tesco made at least 20 errors in judgement during its diversification into the US, and by 2012 announced they'd be closing all Fresh and Easy stores in the US. Tesco's failed diversification cost the company 2B GBP and pushed the company into bankruptcy proceedings. Next, deciding on a proper growth strategy can be a daunting task, as such, there's a risk that deciding on the proper strategy could cause analysis paralysis. Analysis paralysis is a situation where decision makers become hyper fixated on the analysis process and fail to make any decision at all.

Performance Prism

Background

The Performance Prism (PP) was developed by Andy Neely, Chris Adams and Mike Kennerley and is a second-generation PM model that aids in developing strategy and performance measures. PP is a comprehensive framework and is applicable to profit and not for profit organizations. The PP is a newer framework and was developed to address the limitations of older frameworks (Neely, et al, 2014). The first shortcoming is Neely, et al, believed that older frameworks were not well suited to modern times. Next Neely, et al, contended that older frameworks either didn't address stakeholder needs or only focused on one or two stakeholders. Additionally, Neely, et al, believed that stakeholders themselves should also contribute to the organization. Neely, et al, also contended that companies focused too much on financial measures, while tunnel vision on measures led to micromanagement of employees. These issues with previous frameworks led to Neely, et al publishing of the book *The Performance Prism: The Scorecard for Measuring Business Success*.

Characteristics

There are five facets to PP: Stakeholder Satisfaction, Stakeholder Contribution, Strategies, Processes, and Capabilities. Stakeholder Satisfaction is the first step in the PP process. Here the company creates a stakeholder mapping to identify stakeholders and then determine stakeholder importance. Once the company IDs the most important stakeholders, and what they want, the company can then measure how well they're doing at meeting the needs of the stakeholders. PP categorizes stakeholders as: Investors, Customers, Employees, Suppliers, and Regulators. With Stakeholder Satisfaction met, the practitioner can now turn to Stakeholder Contribution.

Neely recognized that in modern business its not enough for customers to have expectations of companies, but that companies should also have expectations of their customers. When building the Stakeholder Contribution portion of the prism, companies should determine what they want from their stakeholders. The PP asks customers for loyalty and profits, investors to provide capital for growth, and employees to be flexible and willing to learn and grow. Finally, PP asks that regulators to know and understand their industry and for relationships that shun bureaucracy. Once stakeholders have been addressed, the company can transition to developing strategies.

In previous frameworks placing strategy at the third level would seem counterintuitive, as all processes, objectives, initiatives are derived from the strategy. Neely, however, contended that a company can does not build a strategy if they don't know who their stakeholders are, what they need, and how to make them happy. So, in PP the strategy is derived from the stakeholder, all inclusive that is, not merely the employee and shareholders. In PP, goal setting takes place at the stakeholder levels, thus strategy seeks to define how goals are achieved. Strategy doesn't define what the company wants to achieve, but answers how the company will achieve their goals. Once strategies have been developed, the company can then develop measures to determine progress towards achieving their strategies. At this point, the company has now determined who the stakeholders are, what they want, how to keep stakeholders happy, and the strategies to achieve their goals; the company can now transition to processes.

Processes in PP transitions from theory to practice. Planning and management of enterprises and subdividing of processes occurs here. Additionally, in Processes companies will develop products and services, execute marketing strategies by generating demand, and operations fulfill demand. Companies here must prioritize processes to determine which process to measure, and to what level of granularity.

The final facet of PP is Capabilities, which is comprised of people, policies, infrastructure, and information technology that supports processes. An important piece of Capabilities is where managers determine what capabilities are needed to complete processes. If a company builds homes, they'll likely need to identify that they need carpenters and masons. Firms could consider using industry benchmarking to ensure they have employees with the right skills in the right places.

Assumptions

PP contends that the five aspects are all members of a symbiotic relationship where stakeholders are impacted by strategies, strategies by processes, and processes by capabilities. Identifying stakeholder wants and needs is the very foundation of strategy and PP. Stakeholder granularity is the aspect of PP that differentiates from most other PM frameworks.

Values

PP is a younger framework and was designed to address the shortcoming of older frameworks (Neely, 2014). Like the Balanced Scorecard, PP addresses the stakeholder, but with more granularity. Thus, PP is an end-to-end framework that considers most aspects of the company's landscape (Namji, et al., 2011). Additionally, PP can be used as a continuous process improvement tool as seen when DHL used PP to improve their monthly business review meetings. DHL found that their monthly meetings focused discussions on financial metrics but didn't ID root causes when targets missed. After implementing PP, meeting moved beyond metrics-focused to meaningful discussions on challenges and peculiar issues facing the company. (Neely, 2014)

Non-Values

As a new and relatively young framework, PP lacks a review process that ensures effectiveness and relevance (Najmi, et al., 2011). Additionally, PP does not have a mechanism that allows the company to adjust measures to reflect current issues. Finally, as a young framework, PP is among the least studied frameworks, which could cast doubt on its effectiveness.

Balanced Scorecard and Strategy Map

Background

The Balanced Scorecard is a framework that first appeared in 1996, in the book written by Robert S. Kaplan and David P. Norton titled *The Balanced Scorecard, Translating Strategy into Action*. The Balanced Scorecard (BSC), like PP, was written to address the shortcomings of frameworks of the time. Frameworks of the day were nothing more than a recitation of financial data, which were mostly lagging indicators. Kaplan & Norton recognized that lagging indicators simply were not sufficient for driving future decision making. The BSC does not disregard financial measures but embraces as a piece of the whole. BSC is the combination of vision, strategy, objectives, and measures. Measures are used to determine how well downstream units create value for the customer. Additionally, BSC measures provide actionable insights that support process improvement and personnel development.

Characteristics

BSC is a top-down system where vision, strategy, and measures are defined and flow down to the next level. Measures are balanced between customers, shareholders, processes, and learning and growth. BSC addresses four perspectives: Customer, Internal Processes, Financial, Learning and Growth. Customer perspective is used to determine target customers, what the customer wants, and how the company is going to create value for the customer. Internal Processes perspective identifies the activities that the firm must master to create value for the customer and shareholder. Learning and Growth perspective focuses on people and information. The financial perspective is used determine if the outlined strategy is achieving financial goals. Customer and stakeholder are satisfaction are of little value if the company lacks the means to measure financial performance (Niven, 2014).

Values

The Balanced Scorecard improves communication via the use of strategy maps, which are used to transform strategy into a visual format that is easily understood. The strategy map can then be used to achieve objectives. Strategy maps create value by depicting the causal relationship between initiatives and outcomes. The BSC's measures link to initiatives, objectives, and the strategies. This allows the company to focus solely on those measures that are valuable to the company. Additionally, BSC deep-dives operations and lights up areas prime for improvement. Finally, the BSC can be used as a tool for strategic management, making connections between resource management, employee compensation, governance, and managing risk. (Niven, 2014)

Non-Values

BSC assumes that the model is suitable for any industry, however, according to Awadallah and Allam, that is not the case. Awadallah and Allam found that BSC is more suited towards an engineering firm and not necessarily a consulting firm. The consulting firm might not be concerned with internal processes, where the engineering firm would. The BSC states that all four perspectives are applicable to any industry, but are they? Next, while positive outcomes in communication, strategy, and execution have been recorded, Awadallah and Allam's research found that these improvements could not be causally linked to the BSC. Next, critics of BSC contend that it is rigid and lacks flexibility (Epstein & Manzoni, 1997). The BSC has its four perspectives that must be followed, otherwise, are you really using the BSC? Another non-value with BSC deals with strategy implementation. Firms using BSC must be very clear and concise when communicating strategy and ensure a consensus definition. Next, implementing a BSC could increase workload by creating new data or increasing inputs from managers. Leaders implementing BSC must create buy-in from lower-level managers, failure to do so could jeopardize BSC development. Furthermore, firms could face resistance from managers trying to protect their image by preventing a system that measures their performance. Finally, the firm must commit to the BSC they create and ensure adherence (Epstein & Manzoni, 1997).

Analysis

Methodology of Analysis

The method of analysis conducted in this study was a combination of a SWOT analysis and Weighted Average scoring. Research conducted pointed to various benefits and limitations regarding all the PM frameworks in this study, which enabled a smooth transition from the research to the SWOT analysis. The first step in this process was to identify aspects of each PM framework that were of value and non-value. Next, the topics of value were translated into the context of the SWOT analysis where items of value were subdivided between strengths and opportunities. Items that were of non-value were subdivided between weaknesses and threats. Once the SWOT analysis was complete, each item was assigned an impact score on a scale of 1-3. The impact score was a judgment, based on the research, as to how much impact that strength, weakness, opportunity, or threat had on the outcome of the PM's implementation. For example, if the occurrence of a particular weakness had a major impact on the outcomes, that weakness would receive an impact score of 3. A weight was assigned to each item by dividing the impact score by the total number of points available, which was then multiplied by the given impact score. Each area of the SWOT analysis, S-W-O-T, had their respective area weighted averages summed. The scores for strengths and opportunities were combine, and the scores for weaknesses and threats were combined. The total score for the PM was derived by the following formula: (strengths + opportunities) – (weaknesses + threats). Each PM framework can then be ranked according to the total weighted score.

Findings

<u>Quantum Performance Management Model</u> received a scored: strengths = 3.3, weaknesses = 3.3, opportunities = 1.67, and threats = 7.33. The total weighted score for QPM was 0.3. QPM is not the oldest framework in this study, and was originally proposed in 1993, which is a similar timeframe as BSC. Unlike BSC, QPM has little fanfare and implementation, and finding suitable research in application is nearly impossible. Unlike BSC, QPM is just too complex to implement. While researching the QPM model depiction, one might need an engineer to decipher the schematics. When viewed side-by-side with BSC, the researcher can clearly see that BSC is far simple and easy to implement.

<u>Tableau de Bord</u> received a scored: strengths = 6, weaknesses = 5.67, opportunities = 0.33, and threats = 7.33. The total weight score for QPM was -6.67. TdB is indeed the oldest of the frameworks in this study. TdB has transcended generations, but not in its original form. TdB has been invented and re-invented multiple times over the years and is quite difficult to determine what the framework is. The research found in this study suggest that TdB is not a framework in the sense that one would follow, but TdB is more of an idea or philosophy.

<u>Ansoff Matrix</u> received a scored: strengths = 7.33, weaknesses = 5.67, opportunities = 4.33, and threats = 7.33. The total weight score for QPM was -1.33. The Ansoff Matrix is an effective marketing strategy tool. Ansoff's matrix is a very powerful marketing management process whose application can be seen in our everyday products. An example of this is Proctor and Gamble, a diversified conglomerate with many product lines. However, that's where Ansoff's matrix effectiveness ends. Based on the research gathered in this study, Ansoff Matrix does not serve as a wholistic tool for PM. As a PM, Ansoff Matrix lacks a focus on strategy and measures. Additionally, as the firm moves from Market Development to Diversification, the risk of failure increases. Ansoff Matrix does not have a mechanism for market research and leaves the user to determine suitability.

<u>Performance Prism</u> received a scored: strengths = 8.67, weaknesses = 1.67, opportunities = 1.33, and threats = 0.33. The total weight score for PP was 8.00. Based on the research and findings, PP's SWOT/Weighted Average produced the highest score. In a heads-up comparison between PP and BSC,

PP was comprised of essentially the same elements except that PP expanded the stakeholder categories. When compared to TdB, PP remained superior as TdB lack of focus on the employee reward system could pose a major problem in the US. PP's focus on the employee as a stakeholder and asking what the employee wants could include a system of rewards or other activities that improve morale. The one shortcoming that PP does have is that it's new and hasn't had much research conducted. This threat is not necessarily indicative of the framework itself but does call into question its validity.

<u>Balanced Scorecard</u> received a scored: strengths = 8.67, weaknesses = 5.67, opportunities = 4.33, and threats = 3.67. The total weight score for QPM was 3.67. The BSC is ranked number two in this study. While there have been several books written about the BSC and widespread adoption, BSC has been the subject of some criticism in the research space. One such criticism, according to Awadallah & Allam, found that Kaplan & Norton did not originally create the idea of the BSC. Their research discovered that it was a company called Analog Devices who developed the concept of the balanced scorecard. Additionally, the BSC focus on only a small set of stakeholders is a major setback for the framework. Leaders today must consider all aspects of the stakeholder groups as noted in PP. For example, in September 2017 Amazon.com announced they were expanding their headquarters operations. The announcement made headlines, and developments were closely followed. Amazon.com received bids from various cities, then announced they'd chosen NYC, NY as their H2 location. Once the details of the deal were announced, rage ensued as the deal mostly benefited Amazon.com. Citizens of NYC were enraged, arguments ensued at the City Council meeting, and the Amazon.com H2 at NYC plans were scrapped. What was Amazon.com's failure? Based on the research in this paper, they overlooked a very important group of stakeholders, the citizens of NYC. Strategies fail when companies don't consider all stakeholders, BSC does not consider all stakeholders, therefore companies are incurring risk of failure when implanting BSC without considering all stakeholders.

Proposed Recommendation

Methodology

This paper was a study conducted on five prominent performance management frameworks: Quantum Performance Management Model, Performance Prism, Balanced Scorecard, Tableau de Bord, and researcher's choice, Ansoff Matrix. The study entailed a review of the frameworks' background, characteristics, benefits, and limitations. A SWOT analysis was then conducted on each framework, with each receiving a weighted average score. The weighted averages were used to rank each PM framework.

Recommendation

The research conducted suggests that the Performance Prism not only scored the highest weighted average, but also was the most complete framework of this study. The recommendation in this paper is to implement the Performance Prism as your company's framework of choice.

Principles Used

The philosophy of the Performance Prism is very similar to the Balanced Scorecard save one very important aspect. The Balanced Scorecard fails to account for the entirety of stakeholders, while Performance Prism accounts for most stakeholders. Additionally, Balanced Scorecard's top-down, single document approach to creating strategy fails to create a sense of buy-in from downstream managers.

Motivation

Business today is changing at break-neck speeds. The prevalence of access to high-speed internet has connected markets in nearly every country in the world. The pandemic has exacerbated and increased the need for agility and flexibility. These factors combined with the nuances of a multi-generational workforce drive the need for a comprehensive framework that works for all stakeholders, not just the customer shareholders. The Performance Prism, with its customer and stakeholder first hierarchy is that framework. Performance Prism will aid your company's ability to create a strategy that works for all stakeholders, and links strategy to objectives, and objectives to measures in the meaningful way. If you're seeking a new framework, one that will make a lasting, positive impact, look no further, Performance Prism will fill that gap between where your company is, and where it wants to go.

Approval to Proceed

Request approval to proceed with the implementation of the Performance Prism framework.

Approve/Denied

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Appendix A

SWOT Analysis and Weighted Average

QUANTUM PERFORMANCE MANAGEMENT MODEL

	Impact	weight	Total		Impact	Weight	Total
Strengths				Weakness			
•Align measures with strategy	3	1	3	•Must have consensus	3	1	3
•Focus on critical success processes	2	0.67	0.2	•Users could easily regress to focusing on financial measures	1	0.33	0.33
•Process mapping used for communication	1	0.33	0.05				
•Aids in goal setting	1	0.33	0.05				
Total			3.3	Total			3.33
Opportunities				Threats			
•Reduce complexity of model	2	0.67	1.33	•Model is quite complex and difficult to understand	3	1	3
•Needs more scholarly research of practical application	1	0.33	0.33	•Implementation introduces change, could fail to lack of acceptance	3	1	3
				•Cross-sections could cause inverse affects	2	0.67	1.33
Total			1.67				7.33

TABLEAU DE BORD

	Impact	weight	Total		Impact	Weight	Total
Strengths				Weakness			
Flexible, can be applied to different industries	1	0.33333333	0.33333	Does not reward performance	3	1	3
Builds relationship between objectives and measures	3	1	3	Many measures were internal	2	0.666667	1.333333
Avoids a generic approach to creating measures	2	0.66666667	1.33333	Did not place emphasis on the customer	2	0.666667	1.333333
Resists tunnel vision on	2	0.66666667	1.33333				
Total			6	Total			5.67
Opportunities				Threats			
Consider using benchmarks from other industries	1	0.33333333	0.33333	In practice, users did place emphasis on financials	2	0.666667	1.333333
				A much older framework, has morphed into many different versions, lacks standardization	3	1	3
				Top-down, hands-off, and promotes management by exception	3	1	3.00
Total			0.33				7.33

ANSOFF MATRIX

	Impact	weight	Total		Impact	Weight	Total
Strengths				Weakness			
Older framework, still relevant today	2	0.66666667	1.33333	Does not have a mechanism R&D or decision making	3	1	3
Excellent framework for determining marketing strategy	3	1	3	Choosing growth strategy could lead to analysis paralysis	2	0.666667	1.333333
Drives product & market exploration	3	1	3	Does not account for resources available	2	0.666667	1.333333
Total			7.33333	Total			5.67
Opportunities				Threats			
Include process that emphasizes market research	3	1	3	With each level of matrix, risk is increased	2	0.666667	1.333333
Insert focus on resources needed to achieve growth	2	0.66666667	1.33333	Does not assist with reading the market	3	1	3
				Misjudgment could be catastrophic	3	1	3.00
Total			4.33				7.33

PERFORMANCE PRISM

	Impact	weight	Total		Impact	Weight	Total
Strengths				Weakness			
Addresses older frameworks limitations	2	0.66666667	1.33333	Lacks review process to ensure effective implementation	2	0.666667	1.333333
Focuses first on stakeholders	3	1	3	Does not have mechanism to adjust target measures	1	0.333333	0.333333
Links stakeholders and strategies	3	1	3				
Can be used as process improvement tool	2	0.66666667	1.33333				
Total			8.66667	Total			1.67
Opportunities				Threats			
Conduct studies on PP's implementation and effectiveness	2	0.66666667	1.33333	Is the least studied of all frameworks	1	0.333333	0.333333
							0
							0.00
Total			1.33				0.33

BALANCED SCORECARD

	Impact	weight	Total		Impact	Weight	Total
Strengths				Weakness			
Wide use indicates model's effectiveness	2	0.66666667	1.33333	BSC introduces change, must implement change management as well	2	0.666667	1.333333
Shuns focus on financial measures	3	1	3	Increases managers' workload during preparation	2	0.666667	1.333333
Strategy map communicates and depicts causal relationships	3	1	3	Too reliant on executives to form and communicate strategy	3	1	3
Uncovers processes needing improvement	2	0.66666667	1.33333			0	0
Total			8.66667	Total			5.67
Opportunities				Threats			
Allow sub-units to assist with strategy	2	0.66666667	1.33333	Studies show not applicable to all industries	3	1	3
Expand stakeholders' perspective to include all applicable stakeholders	3	1	3	Top-down nature, single point of failure if managers leave company	3	1	3
				Top-down, centralized process could lead to micro-managment	3	1	3.00
Total			4.33				9.00