

## **Palladium Balanced Scorecard Hall of Fame for Executing Strategy Inducts Five Performance Leaders at the 2009 Palladium Americas Summit**

*The Depository Trust & Clearing Corporation, Grupo Acir, Megasalud, Millipore Corporation, and Volkswagen do Brasil Lauded for Breakthrough Performance Results*

**SAN FRANCISCO and BOSTON, MA – November 11, 2009** – Palladium Group, Inc., the global leader in helping organizations execute their strategies by making better decisions, today named five top-performing organizations to the Palladium Balanced Scorecard Hall of Fame for Executing Strategy™: The Depository Trust & Clearing Corporation (USA), Grupo Acir (Mexico), Megasalud (Chile), Millipore Corporation (USA), and Volkswagen do Brasil (Brazil). The award recipients were honored for their breakthrough business results during today's Hall of Fame award presentation ceremony at the [2009 Palladium Americas Summit](#) in San Francisco, California.

The Hall of Fame award honors organizations that have achieved business excellence through the use of the Balanced Scorecard (BSC), the world's preeminent performance management system. The BSC is based on the simple premise that "what gets measured is what gets done." Created by Palladium Group co-founders Drs. Robert S. Kaplan and David P. Norton, the Balanced Scorecard is also a performance management philosophy and system that links strategy to operations.

The Balanced Scorecard continues to receive recognition as a strategic management tool that leads to improved shareholder returns. *Harvard Business Review* ranked the BSC among the most important business concepts in decades and Kaplan and Norton among the top management thinkers. This year, the pair's seminal *The Balanced Scorecard: Translating Strategy into Action* (Harvard Business Press, 1996) was cited as one of the 100 best business books of all time in the 2009 book of the same name.

"While the global economic environment is improving, many organizations, from private companies to government agencies, still face significant challenges," said Robert L. Howie Jr., Managing Director of Palladium and Director of the Hall of Fame program. "Organizations using the Kaplan-Norton strategy management system are well-equipped in a nascent recovery to gain the kind of insights needed to capitalize on new opportunities, mitigate risk, and improve organizational performance."

Founded in 2000, the [BSC Hall of Fame](#) program today has a roster of 128 honorees—including Best Buy, Hilton Hotels, Infosys Technologies, Motorola, Brigham and Women's Hospital, and Ricoh Corporation—that span the private and public sectors throughout more than 20 countries. Winners are selected based on the quality of their BSC implementation and the results they demonstrate over a period of at least two years.

### **The Depository Trust & Clearing Corporation**

The Depository Trust & Clearing Corporation (DTCC) provides clearance, settlement, and information services for equities, corporate and municipal bonds, government and mortgage-backed securities, money market instruments, and over-the-counter derivatives. In 2008, DTCC settled more than \$1.88 quadrillion in securities transactions across multiple asset classes. A tightly integrated strategy and operational management system is one reason why DTCC maintains a AAA credit rating. They adopted the Balanced Scorecard to monitor new sources of revenue, product development, and customer acquisition, while continuously optimizing costs. "DTCC's job, in providing the financial industry's world-class processing infrastructure, is to reduce risk, lower costs and facilitate growth for our customers, and safeguard the integrity of the financial system," says Donald F. Donahue, chairman and CEO. "The BSC helps drive and measure our efforts in these areas, and provides a roadmap to guide us and keep all employees focused on what is vital to our success." Since adopting the BSC, new-product revenue has grown more than 550%, customer satisfaction is up 25% (to 91%, four percentage points above the industry average); employee engagement is up 19%; and the cost of core operations has been reduced

5%. In 2008, during the market meltdown, DTCC completed the largest close-out in history—Lehman Brothers' \$500 billion portfolio liquidation—without any loss to DTCC customers or taxpayers. In the stormy financial environment of the past year and a half, DTCC has provided its customers with smooth sailing.

### **Grupo Acir**

Grupo Acir has been the most innovative radio broadcasting group in Mexico for nearly a half century, and one of the most important broadcasters in Latin America. Some 175 Grupo Acir radio stations and web sites reach more than 20 countries, and the company's partnership with Clear Channel Communications (the world's largest broadcasting company) has enabled it to stay on the cutting edge in programming, promotion, and technology. Once reliant on political advertising as a major (but volatile) source of revenue, the company shifted to a new business model based on high value customers. The result? In 2008 ad revenue jumped 37%, and EBITDA nearly doubled up 47%, and rate increases and market share gain delivered nearly 10% growth, five points above the industry average. Grupo Acir has adopted Balanced Scorecards throughout the enterprise, including for its board of directors and for each member of the executive management team. "In a heavily regulated and competitive industry, our strategy management system extends from the boardroom to the control room, transforming our objectives into reality," says Don Francisco Ibarra López, chairman and founder. Adds CEO Jose Antonio Ibarra Fariña, "The Balanced Scorecard has created synergies between business units and shared services, eliminating silos and placing our focus squarely on strategy execution." It has also led to better decision making. For this broadcaster, becoming a strategy-focused organization has created air waves of success.

### **Megasalud**

Megasalud is Chile's largest medical and dental outpatient clinic system. Its vision is to be the medical and dental healthcare provider of preference, distinguished for delivering the highest technical standards of quality and service in a secure and stable working environment. Some 3,555 employees provide clinical and diagnostic services through some 32 networked centers throughout the country. Megasalud's clinical management model has made a significant impact on Chile's public and private insurance systems, and therefore in the lives of Chilean citizens. In the four years since adopting the BSC, return on equity more than doubled, patient satisfaction increased 45%, and average patient waiting time was reduced 53%. "Ours was a company with a lot of problems in 2003, including financial losses," observes General Manager Marcelo Maira. "The Balanced Scorecard helped turn us around. The strategy map provided a powerful tool to communicate an entirely new strategy, align the organization, establish a common language to manage and measure performance, and to share what works across a geographically far-flung network. The approach has clearly impacted our results." Megasalud has proved that an ounce of prevention is worth a pound of cure, and for the citizens of Chile, healthy smiles.

### **Millipore Corporation**

Millipore Corporation (\$1.56 billion in 2008 revenues) is a leader in the life sciences industry, providing cutting-edge technologies, tools, and services for bioscience research and biopharmaceutical manufacturing. Millipore employs 6,000 professionals in 30 countries. In 2005, as its growth lagged the market, the company began mapping an entirely new strategy based on innovation. In adopting the Kaplan Norton strategy management system that year, Millipore pioneered the integration of the BSC with driver-based rolling forecasts, dynamic resource allocation, and peer-based external benchmarks for goal-setting and incentive management. An Office of Strategy Management was established to make strategy execution a core competency, and to create a new culture focused on execution, performance, accountability, and growth. In four years, the company's revenue grew 82%, and its stock performance, up 41%, became the second best in its peer group. "Today, everyone in this company can answer the question, 'What does the strategy mean in terms I can act on?'" says Dr. Martin D. Madaus, Millipore chairman and CEO. "Our strategy maps and BSCs ensure that our people understand our direction and their individual and team contributions. As a result, we're on track to double our value by the end of 2009." In advancing life science, Millipore has transformed itself into a lifetime winner.

## **Volkswagen do Brasil**

Volkswagen do Brasil (VWB) is the largest Volkswagen operation in the Americas, with four plants, 22,000 employees, and revenues of more than \$10 billion in 2008—one of the highest profitability rates in the VW Group. One of Brazil's biggest exporters, VWB manufactures the country's best-selling car. It wasn't always this way, however. In 2006, following years of currency devaluation, a sluggish domestic economy, new sources of competition, and market share loss, VWB attempted its first approach to a turnaround. A second attempt was made in 2007, this time with the automaker adopting the BSC to help implement the new strategy. It's "Act to Win" program, a comprehensive strategy transformation effort from setting objectives, measures, targets, and initiatives to aligning dealers and suppliers as well as employees, became a model of strategic clarity, communication, and employee engagement. In two years, revenue increased from \$6 billion to \$10 billion, ROI increased 900%, employee engagement more than doubled, and suppliers meeting VWB standards grew 25%. "Implementing the Kaplan-Norton strategy management system was one of the best decisions we've ever made," says Thomas Schmall, president and CEO. "The board and officers saw the BSC as a management philosophy—perhaps the only one of its kind—that could effectively integrate everything requiring improvement—finance, market, product, quality, process, and culture. The BSC integrated intangible assets with their tangible counterparts in a simple way, allowing us to be more flexible and adaptable. During 2009, we grew three times the average for Brazil's auto industry, returning to the no. 1 spot despite the economic crisis." For Volkswagen do Brasil, it's a fast road ahead.

## **About Palladium Group, Inc.**

Palladium Group is the global leader in helping organizations execute their strategies by making better decisions. Our expertise in strategy, risk, corporate performance management, and business intelligence helps clients achieve an execution premium. Our services include consulting, conferences, communities, training, and technology. Palladium's Balanced Scorecard Hall of Fame for Executing Strategy™, with a growing roster of more than 125 members, recognizes organizations worldwide that have achieved outstanding execution premiums. Visit [www.thepalladiumgroup.com](http://www.thepalladiumgroup.com).

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