

Palladium Balanced Scorecard Hall of Fame for Executing Strategy Inducts Five Performance Leaders at the 2010 Palladium EMEA Summit in Madrid

Abu Dhabi Government, AKSA Acrylic Chemical Inc., Barcelona City Council, Folkhälsan, and TNT Express Services UK and Ireland Lauded for Breakthrough Performance Results

MADRID and BOSTON, MA – 19 MAY 2010 – Palladium Group, Inc., the global leader in helping organizations execute their strategies, today named five top-performing organizations to the Palladium Balanced Scorecard Hall of Fame for Executing Strategy®: Abu Dhabi Government, AKSA Acrylic Chemical Inc., Barcelona City Council, Folkhälsan, and TNT Express Services UK and Ireland. The award recipients were honored for their breakthrough business results during today's Hall of Fame award presentation ceremony at the [2010 Palladium EMEA Summit](#) in Madrid, Spain.

The Hall of Fame award honors organizations that have achieved execution excellence through the use of the Balanced Scorecard (BSC), the world's preeminent strategy and 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 links strategy to operations to drive business outcomes. A recent study published in the journal *Advances in Accounting* found that organizations "that adopt the BSC significantly outperform those that do not...over a three year period beginning with the year of adoption. These results provide strong evidence that the BSC is an effective strategic management tool that leads to improved shareholder returns."

The Balanced Scorecard is equally effective in driving results in government and not-for-profit organizations. A focus on performance is critical for any organization, especially during an economic downturn. "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 approach are well-equipped to gain the kind of insights needed to capitalize on new opportunities, mitigate risk, and improve organizational performance."

Founded in 2000, the [Palladium BSC Hall of Fame](#) program today has a roster of 133 honorees—including Hilton Hotels, Infosys Technologies, Metro de Madrid, Motorola, Ricoh Corporation, and Volkswagen do Brasil—that span the private and public sectors in 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.

Abu Dhabi Government

Abu Dhabi is the largest of the seven emirates that comprise the United Arab Emirates (UAE), as well as its rapidly growing capital city. The emirate is ruled by the UAE president. Abu Dhabi's Vision 2030 is to create a confident, secure society; build a sustainable, open, and globally competitive economy; and to become one of the five top governments in the world. A unified strategy execution framework for the whole of government was chosen to translate the vision into action and outcomes. Investments are rationalized and prioritized on the basis of their ability to deliver results in social and environmental sustainability, a knowledge-based

economy, human capital, infrastructure, and government excellence. Agency performance contracts help ensure a focus on strategic objectives. Within two years, GDP increased 30%, growth accelerated 74%, trade surged 156%, customer satisfaction increased 33%, and the number of emirati women in the workforce grew 35%. “Based on the adoption of the BSC and our achievements, we have become a strategy-focused government,” says His Excellency Mohammed Ahmad Al Bowardi, Secretary-General of the Executive Council. “The structured framework of the Kaplan-Norton approach has established the basis for cross-government alignment, transparency, and accountability.” For Abu Dhabi, the road ahead is paved with success.

AKSA Acrylic Chemical Inc.

AKSA Acrylic Chemical, a public company headquartered in Turkey, is the world’s leading producer of acrylic fibers, used in textile manufacturing. In an increasingly commoditized market, AKSA adopted a radical shift in strategy from operational excellence to one of R&D-driven innovation and product leadership. This required overhauling internal management processes, while simultaneously shifting focus from process management to strategy management, competing on value vs. cost, and moving from a regional producer to a global provider. With strong leadership, they adopted best practices in creating an Office of Strategy Management, scenario-based planning, customer product co-creation, and linking strategic objectives, measures, and targets to individual performance. In three years, and amid an economic downturn, sales increased 29%; profits, 450%; market share grew 50%, customer satisfaction increased 13%, and employee turnover dropped 50%. This change management effort was led by human resources. “One of the most important steps in strategic management is to ensure the deployment and ownership of strategy throughout the organization,” says Mustafa Yilmaz, board member and general manager at AKSA. “The Kaplan-Norton framework enables the linkage between strategy and process, accountability, and the mapping processes to strategic objectives.” For AKSA, a fiber-rich diet has delivered growth and strength.

Barcelona City Council

Barcelona—steeped in history, capital of the Catalan, architectural showcase, gateway to the Mediterranean—ranks as the best European city in quality of life. Not content with resting on its laurels, Barcelona is on the move with a major transformation to remake itself into a model of good governance, and an even stronger economic growth engine for Spain. It is rethinking public management models in a world where leading cities compete across every dimension of life. The Balanced Scorecard is fundamental to that transformation, to creating a culture of performance across all levels of government, and to creating agency alignment. In two years the number of new businesses increased 55%, occupational training, 76%; subsidized housing construction, 88%; elderly care, 15%; tourism, 21%; and online citizen service delivery increased 34%. The number of municipal employees trained in the discipline of strategy management and reporting is up 62%. “Implementing a robust, comprehensive performance management system to support our new management framework—from objectives to alignment to decision-making—sharpens our strategic focus,” observes Andreu Puig Sarbanes, Barcelona City Manager. “We are the pioneers of strategic management in government in Spain, starting with making Barcelona a better city.” From Olympic glory to management by objective, Barcelona is achieving an execution premium.

Folkhälsan

Folkhälsan is a non-governmental organization providing social welfare and healthcare services in the Swedish-language regions of Finland. This NGO has 1,500 employees, 17,000 members around Finland, and is serving 0.5 million people through outpatient clinics, day care centers, rehabilitation units, and elderly care facilities. Known for the quality of its care, it has leading

programs in preventive medicine and genetics research. Increasing competition from lower cost providers, however, caused Folkhälsan to reassess how they could continue to provide competence, commitment, and care at levels their members had come to expect. They needed a new way to manage, and in 2004 adopted the BSC to clarify strategy, drive performance, and optimize data. They have learned to excel at reporting, which has improved their ability to make timely decisions. Membership growth is up 10%, revenues have increased 20%, and great-place-to-work rankings and employee trust scores have improved four basis points. “Our growth has not been achieved at the expense of quality,” says Stefan Mutanen, Folkhälsan CEO. “Our management system helps us pay attention to what’s really important, align our business lines and operating units, and—with the help of the strategy map and BSC compass, identify and improve the critical steps and processes necessary to achieve our vision.” As a result, Folkhälsan is two steps ahead.

TNT Express Services UK and Ireland

TNT Express Services UK and Ireland—part of Amsterdam-based giant TNT—is a \$1.2 billion provider of on-demand delivery of parcels and freight. Rate and margin pressures, flat customer satisfaction rates, and the need to improve workforce skills led to the adoption of the BSC in 2007 and an Office of Strategy Management to make execution a core competency. Since adopting the BSC, and in the face of a significant economic downturn, market share has grown 14%, and customer loyalty, 34%. Return on sales were up 5.8% in 2009, compared with 3.88% for FedEx and .32% for UPS (2008). Revenue per parcel was \$8.15 vs. a market average of \$6.36. Customers’ technology interface use has grown 24%; employee retention, 66%. And on-time delivery, already high, increased 5%. “Our strategy map articulates the journey to become a strategy-focused organization, and has become part of the way that we work, telling us what we need to do, how we need to do it, and by when,” says Stuart Stobie, TNT divisional managing director. “Theme team owners are accountable for each part of the strategy, enabling collaboration across the whole business, and ensuring that our business strategies are aligned to an ever changing market.” From delivering packages to delivering results, TNT delivers.

About Palladium Group, Inc.

Palladium Group is the global leader in helping organizations execute their strategies. Our expertise in strategy management, performance management, and business intelligence helps our clients achieve an execution premium. Our services include consulting, technology, conferences, communities, and certification. The Palladium Balanced Scorecard Hall of Fame for Executing Strategy® recognizes organizations that have achieved an outstanding execution premium. Visit www.thepalladiumgroup.com.

Media Contacts:

Jennifer McPhilimy
Palladium Group, Inc. (North America)
781.402.1256
jmcpilimy@thepalladiumgroup.com

Matthew Tice
Palladium Group Asia Pacific
+ 61.2.9994.8106
mtice@thepalladiumgroup.com

Victor Sevillano
Palladium Group Europe/Middle East/Africa
+34 (630) 927.900
vsevillano@thepalladiumgroup.com