

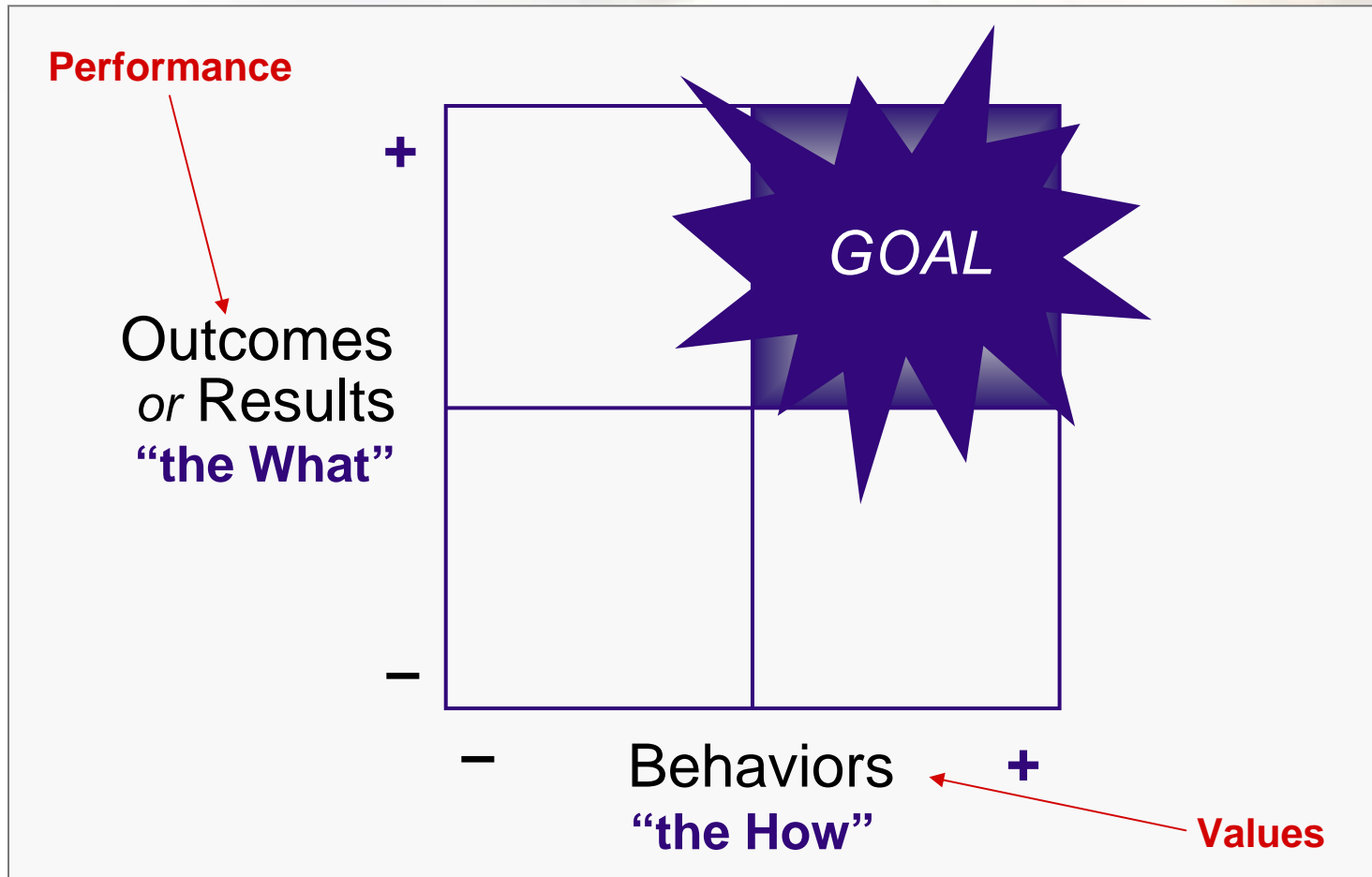
ADI: Sustaining Impact across Issues/Client Samples

- Culture Change
- Executive Development
- Mgmt. Skill Development
- Labor-Mgmt. Resolution
- Performance Improvement
- Implement Org. Strategy
- Navigate Change (M&A)
- Enterprise Systems Impl.
- Accelerate Execution
- Risk Reduction

- NASA, M&T Bank
- DaimlerChrysler, duPont-Dow
- Duke Power, INPO
- Mayo & Medical Settings
- School Systems in various states
- NavCanada, BC-BS of AL
- Roche Pharmaceuticals
- CVX Deepwater HPO
- ARCO/BPAmoco
- PECO, BC-BS of AL
- Chevron Y2K
- Norfolk Southern Railroads



Two Critical Dimensions



The 5 Steps and the Questions Behind Them

1 PINPOINT

What do you want?
(both results and behaviors)

2 MEASURE

How will you know when it happens?

3 FEEDBACK

How will they *(performers)* know?

4 REINFORCE

**How do you create a “want-to-do”
situation that yields discretionary effort?**

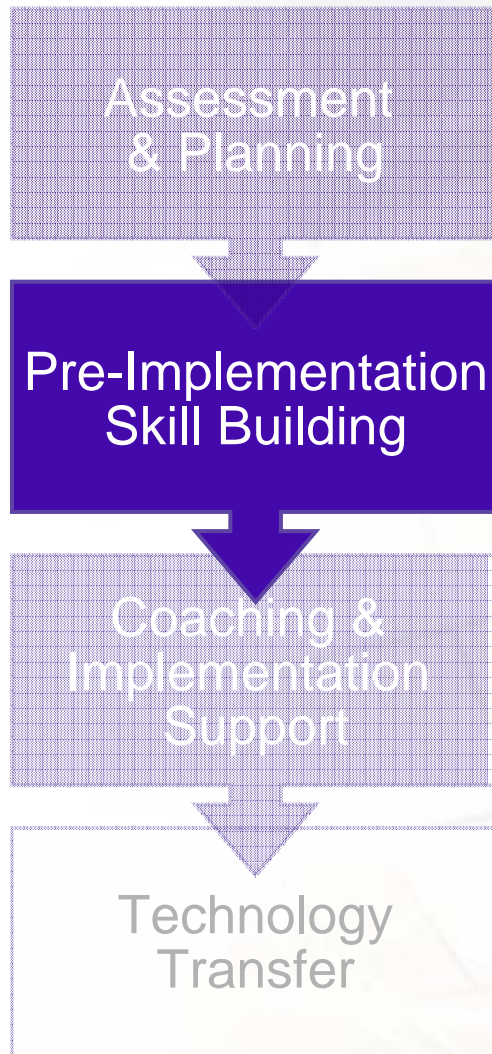
5 EVALUATE

**Did you produce the intended effect?
Are results and behaviors aligned?**



The Precision Leadership System

Pre-Implementation Skill Building

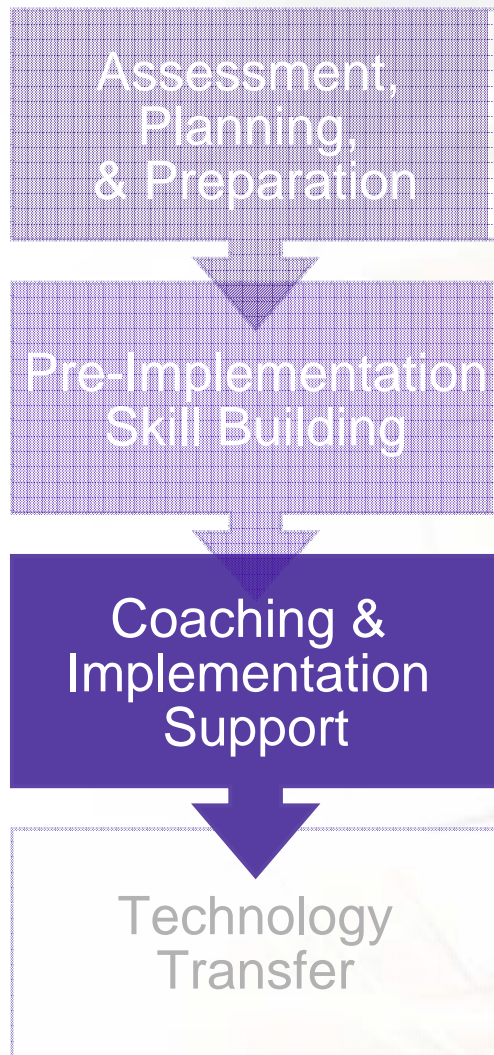


- **Leadership team:** Roadmapping and behavioral concepts overview session
- **Managers & supervisors:** Precision Leadership training prepares participants to promote Discretionary Effort through the implementation of ADI's 5-step Management Process and focused behavior action plans
- **Managers & supervisors (recommended):** Fluency building in core behavioral concepts
- **Site champions:** Applications of Performance Management Technologies (APMT) builds advanced expertise and implementation experience.
- **All employees (recommended):** Introduction to the application of behavioral science including how they can help create a positive work culture.



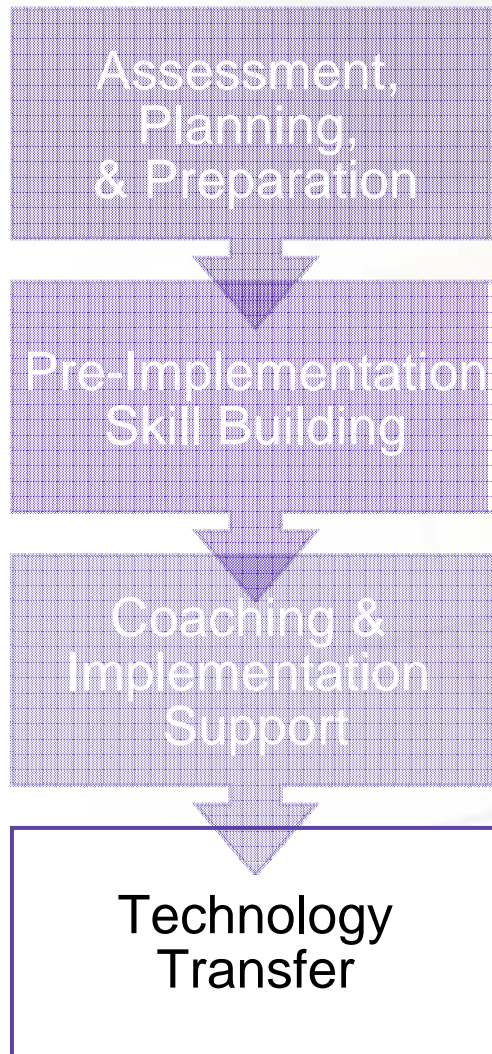
The Precision Leadership System

Coaching & Implementation Support



- **Senior leader sponsor group:** ongoing stewardship and coordination: Clarity about mission
- **Coaching for managers & supervisors:** individual and small-group coaching (on-site and phone) focusing on Leadership, Culture and Systems Analysis: follow-up, action plan implementation, and data-driven problem solving from a behavioral perspective.
- **Baseline/Follow-up Surveys/ Observations:** helps ensure accountability for change.
- **Performance measurement & feedback system (recommended):** design of aligned performance matrices or scorecards (from site or corporate to department, work team, or distinct job positions) with automated monthly feedback. Focuses behavior action plans and Discretionary Effort™ on what matters most to the organization. Can be linked to Profit-Indexed Performance Pay™.

The Precision Leadership System Technology Transfer

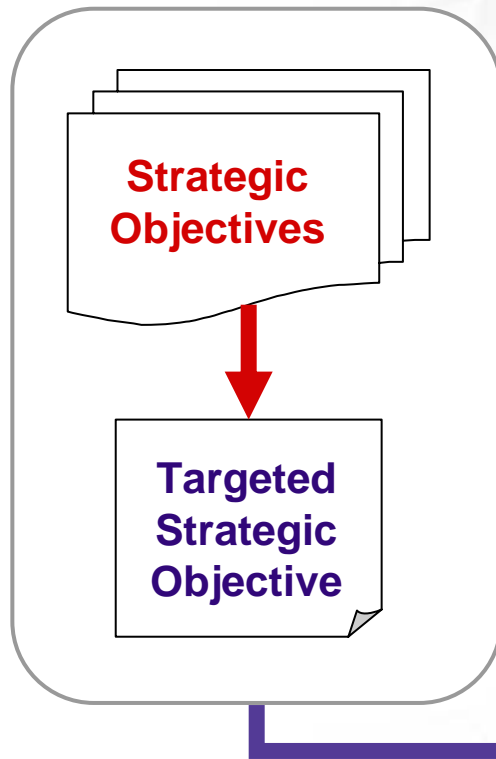


- **Ongoing Consequence Management:** Measures of effect of change; spoken and unspoken rules of conduct. Owned by senior leadership to ensure congruence with desired state.
- **Site champion development:** Ongoing coaching of the site champions as they support the application and generalization of a behavioral approach. Includes use of scorecard data when ADI's performance measurement and feedback system is implemented. Demonstrate fluency.
- **Trainer certification:** Internal staff to train others in behavior-based approach Demonstrate fluency.
- **Coach certification:** Certify internal staff to provide ongoing coaching on the application and generalization of the behavioral approach. Demonstrate fluency.

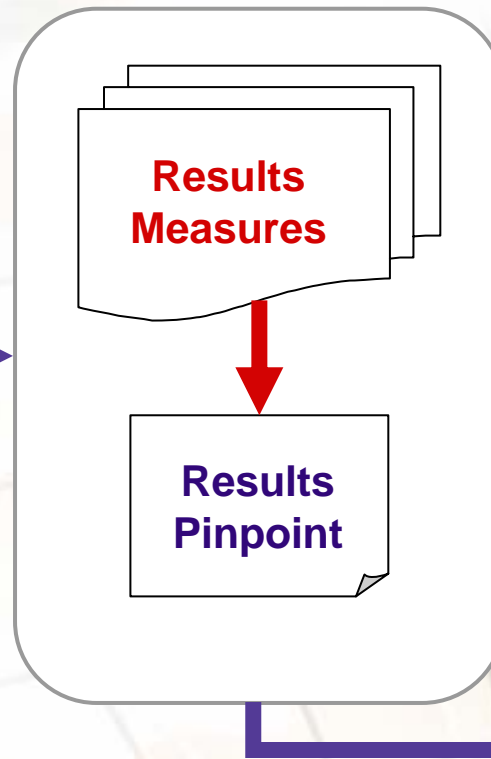


Alignment of Strategic Objectives & Pinpoints to Achieve Discretionary Effort/Impact

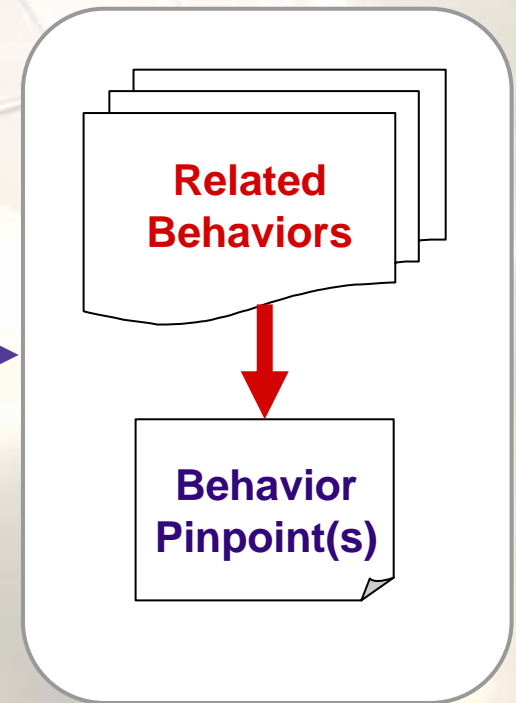
Strategic Objectives



Results Pinpoints



Behavior Pinpoints



Designing a Performance Matrix System

Employee Drivers of Organizational Success



Performance Matrix

Team / Individual Performance Scorecard

PERFORMANCE DATABASE SYSTEM

Sample Company

Period: 2002 12

Record: 1

Run Date: 04/08/03

Run Time: 10:54:49

| | | |
|---------------|-----------------|---------------------|
| Unit: 1000 | Sample Division | Employee: Joe Smith |
| Position: 100 | Sample Job | Employee #: 1000100 |

| Measure Name | Performance Scales | | | | | | | | | | | Weight | Score |
|--------------------------------|--------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| | BASE | | | | | | | | | | GOAL | | |
| Actual | -20 | -10 | 0 | 10 | 20 | 30 | 40 | 50 | 60 | 80 | 100 | | |
| Gross Revenue 225000 | 112500 | 131250 | 150000 | 168750 | 187500 | 206250 | 225000 | 243750 | 262500 | 281250 | 300000 | 0.30 | 12.00 |
| Expenses / Revenue 0.1800 | 0.23 | 0.22 | 0.21 | 0.20 | 0.19 | 0.18 | 0.17 | 0.16 | 0.15 | 0.14 | 0.13 | 0.20 | 6.00 |
| Labor Cost /Revenue 0.2400 | 0.38 | 0.37 | 0.36 | 0.35 | 0.34 | 0.33 | 0.32 | 0.30 | 0.29 | 0.28 | 0.27 | 0.15 | 15.00 |
| Customer Satisfact'n 4.50 | 3.18 | 3.34 | 3.50 | 3.66 | 3.83 | 3.99 | 4.15 | 4.31 | 4.47 | 4.64 | 4.80 | 0.20 | 12.00 |
| Regulatory Compliance 90.00 | 75 | 78 | 80 | 83 | 85 | 88 | 90 | 93 | 95 | 98 | 100 | 0.15 | 6.00 |

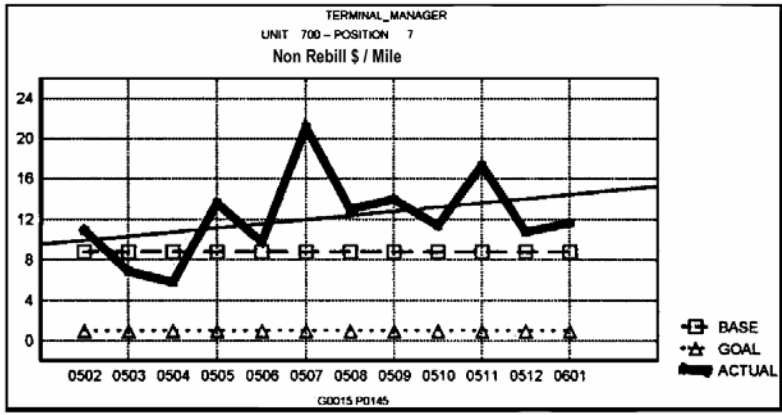
| | | | | | | | | |
|---------------|-----------------|----------------|-------------------------|---------------------|--------------------------|---------------|---------------------------|--------------|
| Payout | Base Pay | Basis % | Org'n Multiplier | Oppor-tunity | Performance Index | Payout | Performance Index: | 51.00 |
| Profit-based: | \$3,500.00 | X 10.0% | X 300.0% | = 1,050.00 | X 51.0% | = \$535.50 | | |

| | | | | | | | | | | | | | |
|---------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Period: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | YTD |
| PI: | 44.0 | 57.0 | 80.0 | 68.5 | 24.0 | 86.0 | 54.5 | 57.0 | 45.0 | 51.5 | 74.0 | 51.0 | 57.7 |

| | | | | | | | | | | | | | |
|---------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|------------|
| Period: | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | YTD |
| Budgeted: | | | | | | | | | | | | | \$ 0.00 |
| Profit-based: | 269.50 | 349.12 | 630.00 | 479.50 | 147.00 | 827.75 | 190.75 | 249.38 | 78.75 | 315.44 | 647.50 | 535.50 | \$ 4720.19 |
| Bonus: | | | | | | | | | | | | | \$ 0.00 |
| Totals: | \$ 269.50 | \$ 349.12 | \$ 630.00 | \$ 479.50 | \$ 147.00 | \$ 827.75 | \$ 190.75 | \$ 249.38 | \$ 78.75 | \$ 315.44 | \$ 647.50 | \$ 535.50 | \$ 4720.19 |

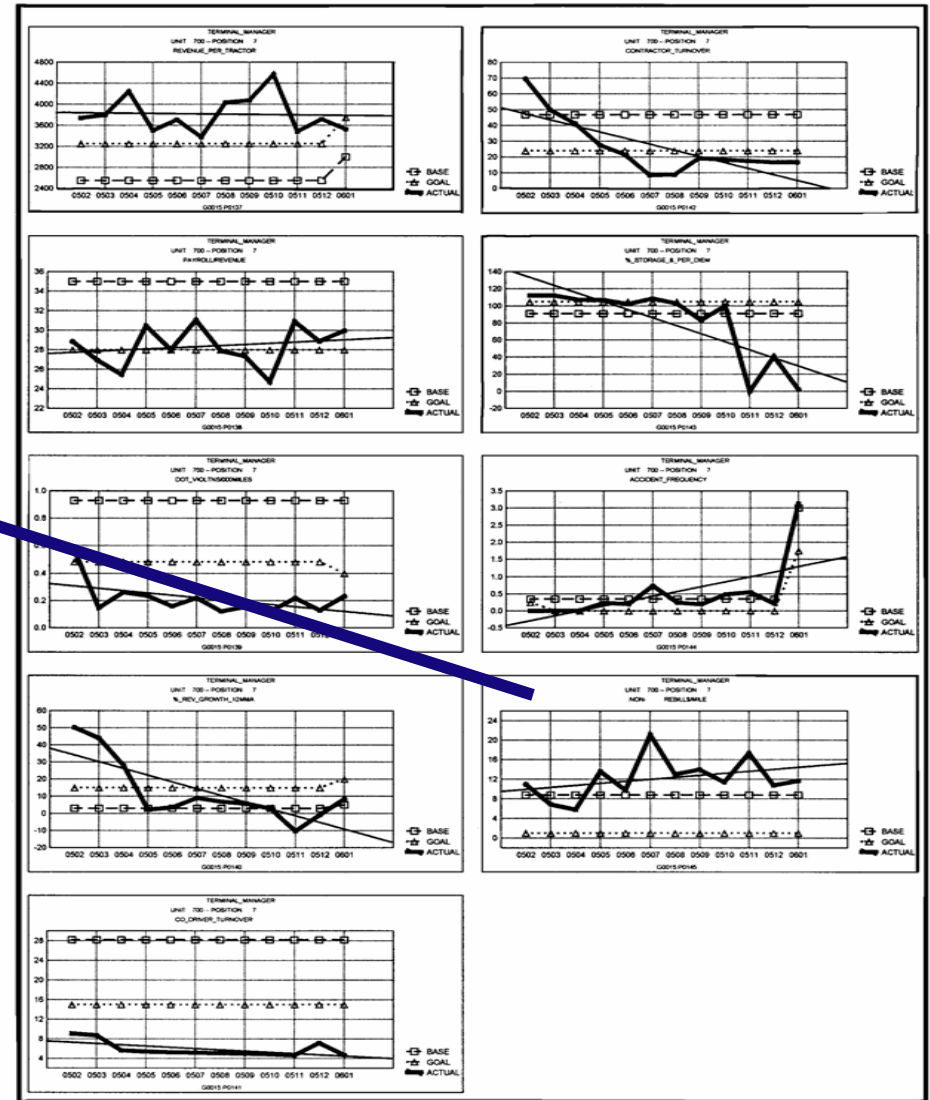


Charting pinpoint improvement opportunities



Measure: Non Rebill \$ / Mile

- Chart provided for each performance measure.
- Chart displays the measure's base & goal.
- Actual performance trend for 12 months.
- Trend line through actual performance.



Coaching Action Plan

Name:

Performer(s):

Date Plan Developed:

Pinpoint

What behavior do you want to see more of?

Feedback

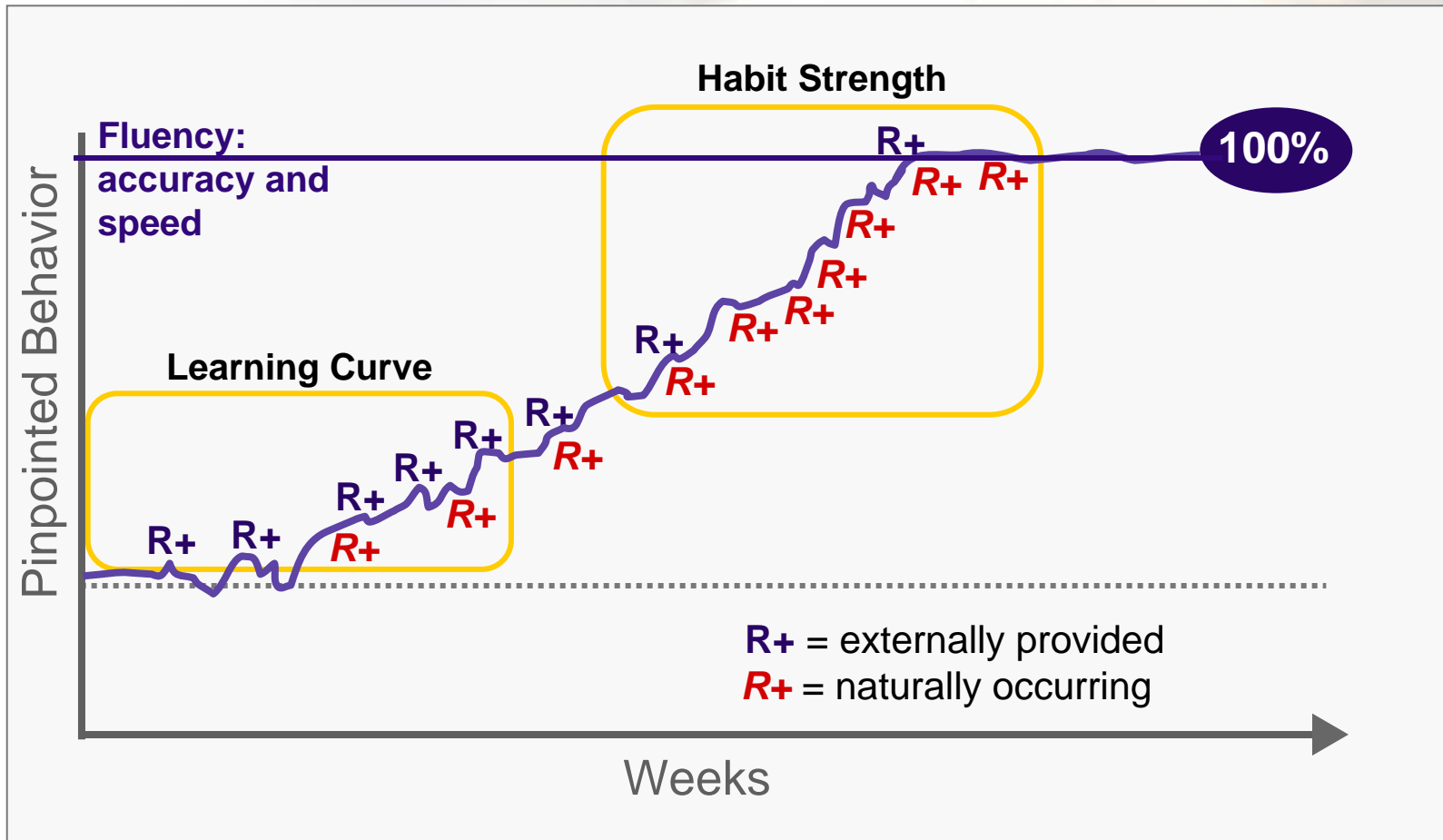
How will you provide feedback to the performer(s) when you see the behavior?

Reinforcement

What will you do to positively reinforce the behavior?



Knowing the Effect is “Sustained”



To view a few articles and tracking tools...

- Visit www.aubreydaniels.com
- For Behavior Action Planning and Change Tracking Tools . . .
 - www.myadi.net/leaderboard/
 - To login for the safety trial:
 - Username: trialrbs
 - Password: trial42
 - Company: Safety Example
 - Sample only