

The Competitive Fitness of Global Firms Initiative
Core Indicators of Corporate Competitive Fitness

INDICATORS OF CORPORATE COMPETITIVE FITNESS

Ranking By Level of Improvement

Improvement Ranking		2002 Average	2001 Average	Level of Improvement
1	Diversity of recruitment	70.0	61.1	8.9
2	Speed of new product development	59.2	54.1	5.1
2	Product performance information	64.3	59.3	5.0
2	Intl. input to product development	66.2	61.5	4.7
2	Price competitiveness	69.1	64.6	4.5
6	Quality of products & services	81.1	76.7	4.4
6	Operational capacity	65.6	61.5	4.1
6	Rationalizing product portfolio	73.4	69.4	4.0
6	New product development process	66.2	62.3	3.9
6	Entrepreneurial spirit of managers	62.8	58.9	3.9
6	Fit of organizational structure	61.9	58.0	3.9
6	Coordinated product management	59.1	55.3	3.8
6	Market segmentation strategies	76.0	72.2	3.8
14	Innovative drive	61.6	58.5	3.1
14	Social responsibility of firm	75.4	72.4	3.0
14	International perspective	63.1	60.2	2.9
14	Clarity of mgt evaluation process	65.4	62.5	2.9
14	Confidence in actions for improvement	72.6	69.7	2.9
14	IT for interaction	62.7	59.9	2.8
14	Understanding corporate challenges	66.6	63.8	2.8
21	Resource allocation effectiveness	58.8	56.3	2.5
21	Lost customers tracking	55.0	52.5	2.5
21	Product differentiation	60.6	58.2	2.4

INDICATORS OF CORPORATE COMPETITIVE FITNESS (CONTD.)

Ranking By Level of Improvement

Improvement Ranking		2002 Average	2001 Average	Level of Improvement
21	Cust. satisf. measures widely available	54.7	52.3	2.4
21	Firm's market influence	68.8	66.5	2.3
21	Teamwork between marketing and sales	67.0	64.7	2.3
21	Career development opportunities	57.0	54.7	2.3
21	Delivering high quality products	77.4	75.1	2.3
21	Effectiveness of recruitment process	59.8	57.6	2.2
21	Telephone operators	63.0	60.8	2.2
21	Strength of distribution	63.1	61.0	2.1
21	Quality of company image	73.2	71.1	2.1
21	Support from headquarters	52.6	50.7	1.9
21	Market effectiveness as priority	78.6	76.7	1.9
21	Common organizational language	74.4	72.7	1.7
21	Market share information available	70.9	69.2	1.7
21	Focus on key products	70.5	68.9	1.6
21	Clear firm objectives	74.0	72.4	1.6
21	International market synergies	61.0	59.5	1.5
40	Managers' international experience	55.7	54.2	1.5
40	Employees' sense of security	59.3	57.9	1.4
40	Effective information systems	57.0	55.7	1.3
40	Focus on key countries	71.9	70.6	1.3
40	Tracking of regulatory changes	74.8	73.5	1.3
40	Employees proud of products offered	76.7	75.5	1.2
40	Measuring customer satisfaction	59.8	58.6	1.2

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40	R&D and marketing coordination	59.4	58.2	1.2
40	Care of employees	68.1	67.0	1.1
40	Cost effectiveness of expenditures	59.8	58.7	1.1
40	Clear strategic direction	64.7	63.6	1.1
40	Coherence of strategy/planning budget	69.7	68.8	0.9
40	Admired by others	68.7	67.8	0.9
40	Understanding of strengths & weaknesses	59.5	58.6	0.9
40	Cost competitiveness of firm	61.8	60.9	0.9
40	Benefits linked to market performance	54.2	53.3	0.9
40	Effectiveness of purchasing	59.1	58.2	0.9
40	Benchmarking of competitive productivity	60.9	60.0	0.9
40	Regularity of employee feedback	73.9	73.1	0.8
40	Passion for work	70.8	70.1	0.7
40	Commitment to budget targets	69.9	69.2	0.7
40	Strong will to improve	79.6	78.9	0.7
40	Willingness to change	64.2	63.6	0.6
40	Speed of response to market shifts	59.2	58.6	0.6
40	Effectiveness of market research	61.1	60.5	0.6
40	Customer orientation by competitors	68.0	67.4	0.6
40	Clarity of personnel policies	64.6	64.0	0.6
40	Present competitive position	71.9	71.3	0.6
40	Lifetime customer value	48.5	47.9	0.6
40	Complaints system	67.1	66.6	0.5

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40	Customer satisfaction top priority	67.4	66.9	0.5
71	Cooperation between Mktg. and Ops.	62.4	61.9	0.5
71	Use of market planning tools	57.3	56.9	0.4
71	Effective supplier relationships	56.8	56.5	0.3
71	Shared drive for improvement	71.0	70.7	0.3
71	Market orientation of operations	62.2	61.9	0.3
71	Marketing actions in line with strategy	70.8	70.6	0.2
71	Future financial performance	81.3	81.1	0.2
71	Quality of marketing talent	60.6	60.4	0.2
71	Use of business consultants	61.4	61.2	0.2
71	Existence of common culture	62.8	62.7	0.1
71	Recognition for marketing effectiveness	64.0	64.0	0.0
71	Quality of management training	57.8	57.8	-0.0
71	Employee commitment	72.1	72.2	-0.1
71	Exciting workplace in future	74.1	74.2	-0.1
71	Sufficient marketing resources	64.8	64.9	-0.1
71	Past performance relative to competitors	66.8	67.0	-0.2
71	Not wasting resources	57.2	57.6	-0.4
71	Availability of financial resources	76.0	76.4	-0.4
71	Scoreboard monitoring	64.7	65.1	-0.4
71	Strategic fit	65.9	66.4	-0.5
71	Cross-functional teamwork	64.8	65.3	-0.5
92	Strength of sales force	63.4	64.0	-0.6

INDICATORS OF CORPORATE COMPETITIVE FITNESS (CONTD.)

Ranking By Level of Improvement

Improvement Ranking		2002 Average	2001 Average	Level of Improvement
92	Monitoring of results relative to plans	79.3	79.9	-0.6
92	Demonstrated ability to adapt	74.7	75.3	-0.6
92	Balanced product portfolio	67.0	67.6	-0.6
92	Segment growth information available	68.2	68.9	-0.7
92	Resource allocation criteria	56.7	57.5	-0.8
92	Fairly priced products	65.5	66.5	-1.0
92	Confidence in knowing how to improve	65.8	66.8	-1.0
92	Awareness of market indicators	64.4	65.6	-1.2
92	Multi-cultural management	54.0	55.2	-1.2
92	Evaluation of opportunities	57.6	58.9	-1.3
92	Competitive spirit of employees	59.2	60.6	-1.4
92	Pro-activeness of R&D	60.6	62.0	-1.4
92	Managers' realism	66.2	67.6	-1.4
106	Service recovery	63.8	65.3	-1.5
106	Firm's agility over competition	55.7	57.3	-1.6
106	Speed of decision making	57.8	59.4	-1.6
106	Effective internal communication network	67.8	69.4	-1.6
106	Shared mission	71.5	73.2	-1.7
106	Future intensity of new product intro.	62.4	64.1	-1.7
106	Team spirit	63.8	65.6	-1.8
106	Management presence in the field	50.7	52.5	-1.8
106	Resource allocation process	58.3	60.1	-1.8
106	Awareness of customer needs	62.1	64.1	-2.0

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106	Expected future growth	72.4	74.5	-2.1
106	Clarity of structure and roles	62.2	64.5	-2.3
106	Innovative customer communication	53.3	55.7	-2.4
106	Confidence in firm's ability to improve	68.4	70.9	-2.5
120	Quality of managers	61.7	64.3	-2.6
120	Collecting customer information	67.2	69.9	-2.7
120	Open communication	66.7	69.5	-2.8
120	Environmental scanning	63.4	66.2	-2.8
120	Encourage employee contribution	64.6	67.7	-3.1
120	New employee training	57.3	60.6	-3.3
120	R&D effectiveness	59.1	62.4	-3.3
127	Effective long-term planning	65.4	69.2	-3.8
128	Targeting of profitable segments	70.6	75.2	-4.6
128	Past intensity of new product intro.	63.4	68.1	-4.7
130	Monitoring of competitive activities	65.6	71.2	-5.6
130	Present financial strength	75.0	80.8	-5.8
130	Customers' needs as priority	68.7	75.0	-6.3
133	Pursuing customer retention	65.4	72.0	-6.6
134	Practicing innovative marketing	55.0	63.0	-8.0