



# Executive Performance Contracting

The business press is full of stories about CEOs and other senior executives who lose their jobs and receive large golden parachutes.

Why?

Organizations do not seem to be able to deal effectively with non-performing senior individuals except by paying them out.

The most senior executives leverage organizational assets, both human and financial, that far exceed their compensation levels. You would not sign a contract for deals of this size without engaging a lawyer - a legal professional.

Engage us as executive performance contracting professionals for your most senior leaders. Get enforceable, concrete measures based performance contracts that clarify expectations and focus delivery on your desired results.

## A story about executive performance ...

WS was appointed CEO of Sample Corporation by the Board of the organization. Everyone is full of hope about WS's leadership. WS had been selected by the Board to bring about fundamental change. The Board wanted to see an immediate improvement in short term results, as well as an in-depth focus on revitalizing the organization for its long term future.

At the end of the first year, the Board was perturbed. Things were not going quite the way that its members had expected. By 18 months, there was serious disillusionment. At the end of 24 months, the Board reluctantly agreed that WS had to go, even though it meant paying out a large "golden parachute" settlement.



## This story is repeated all too often ...

In our work with organizations, we see this happening often, and not just at the CEO level. Enterprises have difficulties clarifying the performance required at all senior levels. Superiors expect and hope, more than they manage. We see **three core underlying reasons** for this.

1. Senior leaders do not treat the personal performance contracting process in the same way that they treat other large contracting processes. They lose sight of the fact that senior executives leverage people and dollar assets



worth tens to hundred of millions of dollars. When the same senior leaders acquire hard or intellectual property assets of far less value, they immediately involve independent lawyers to prepare and to vet the contracts.

2. Personal Performance Contracts that do not include concrete, observable measures for each of their objectives are not worth the paper on which they are written.



3. Personal performance contracting at the senior level almost never leads to concrete, observable measures for each objective unless the contracting process is led by a third party to act as facilitator / drafter / mediator. This person must have significant personal executive experience, as well as first class "honest broker" skills to succeed in this role.



## Executive Performance Contracting addresses all three ...

1. We are the independent third party. Our senior consultants have been successful executives in their own right. They are accomplished performance contracting facilitators. They create concrete performance expectation clarity for both sides.
2. We take care to understand the implicit / explicit strategic strategy of your organization as part of our work. We ensure that your strategic direction





cascades down into specific objectives in individual personal performance contracts.

3. We ensure that each objective in a personal performance contract is related to a results measure that is understood and agreed to by both parties. As a result, both sides can see where they stand on the item throughout the performance period. There are no more surprises. There is no slow build up of frustration.



4. The work that we do with a few senior executives sets an example that cascades down the rest of the organization. Effective executives implement similar approaches in the performance contracting they do with the folks who work for them. As a result, our impact is often much broader than just on the seniors leaders with whom we work directly.



The results are dramatic. Forward-looking clarity eliminates backward-looking unhappiness. Lack of delivery becomes clear to both sides throughout the performance period. Corrective pro-action replaces disgruntled reaction. Positive results displace "golden parachutes".



We deliver Executive Performance Contracting on a retained basis.

After our initial meeting with you, we will send you a letter of agreement.

Our fees for this service vary from 10% to 15% of the value of the position's annual compensation package.

Payment is invoiced in four amounts:

the first 1/3 on retainer;  
the second 1/3 when the two people involved sign the performance contract;

The third 1/6 after the completion of a six month review meeting;  
the final 1/6 at the end of the annual review meeting.

The precise fee depends on joint decisions about the number of meetings we decide we need during the initial performance contracting process.

Our fees include all our costs, except for the cost of any required travel to locations over 250 kilometers from our offices.

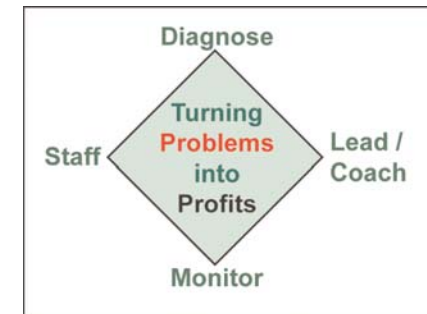
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## Transformation Partners

is part of WCI  
(Workplace Competence International Limited).

Our current focus is on Enterprise Transformation. This is the culmination of many years of executive and consulting experience.



We will work with you to:

1. Help you figure out what to do with an enterprise or program/project that is not achieving its objectives (diagnose).
2. Help you find the right person to lead the transformation (staff).
3. Lead the transformation ourselves if the situation fits the background and skill set of one of our transformation leaders and the business proposition makes sense both to you and to us (lead), or coach your internal leader during the transformation.
4. Stay in touch with an on-going transformation, so that it stays on track and accomplishes what you need to achieve (monitor).

Contact Roelf Woldring at 416-427-1567 or woldring@wcild.com for more information.

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