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# Coherence Profiler

Summary of Results

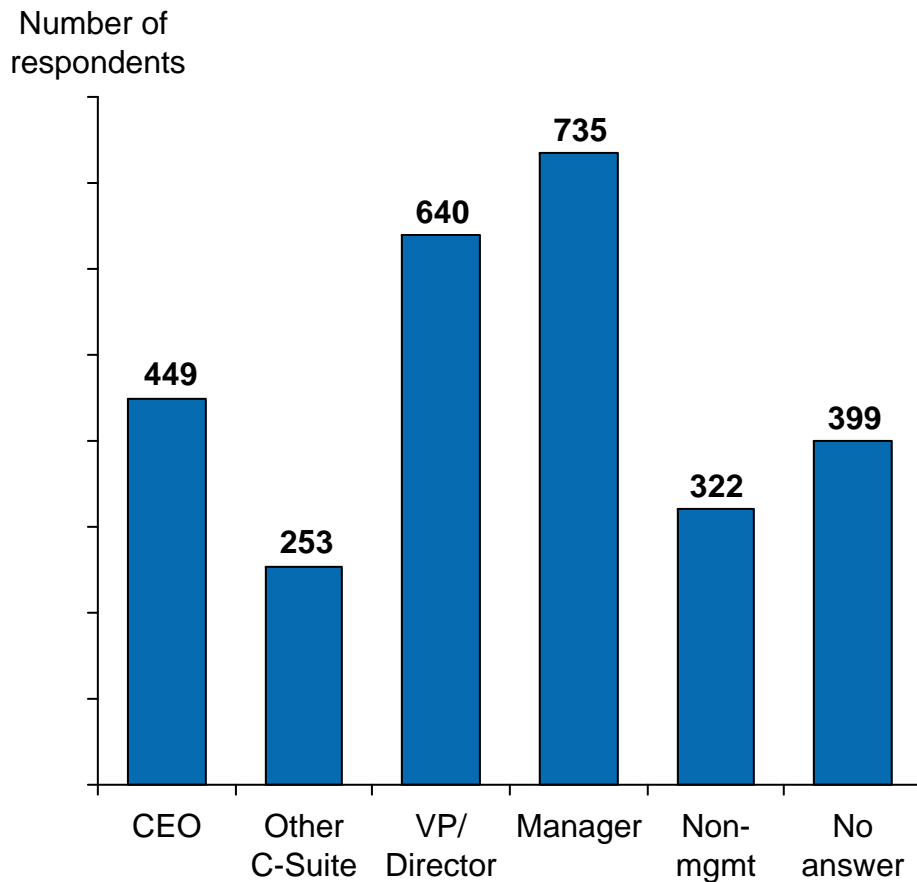
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# Survey Methodology

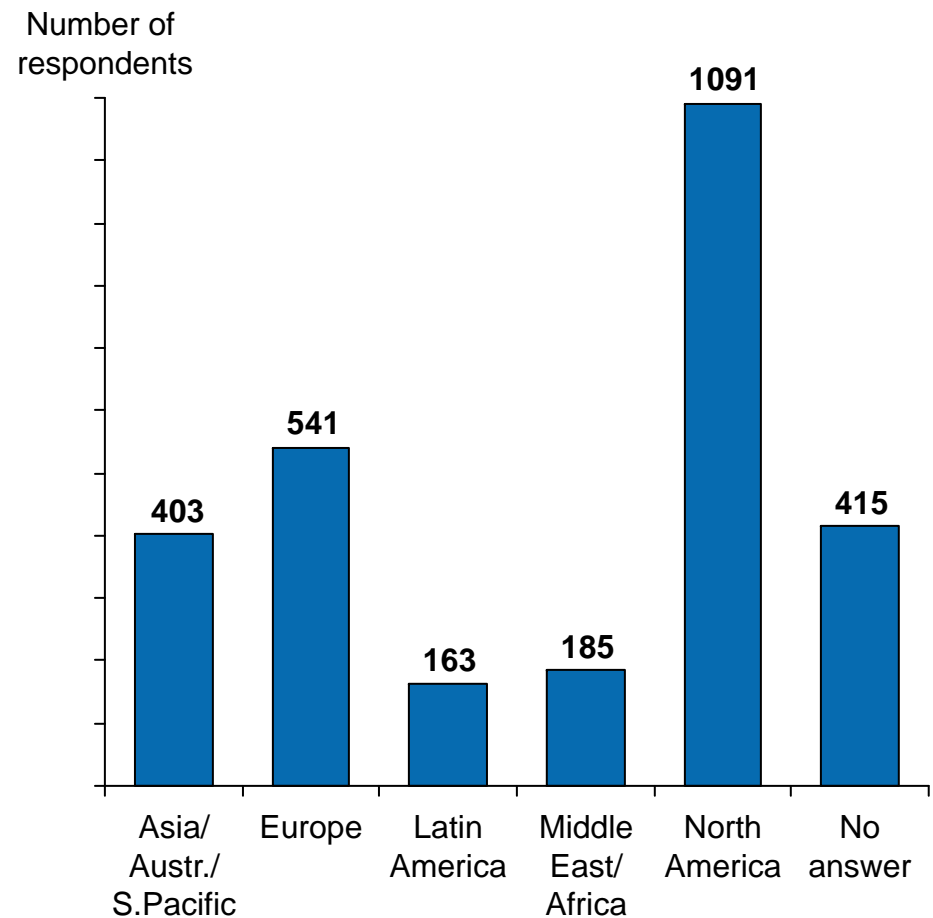
- Aim: Better understand
  - how coherent companies are
  - what the relationship between coherence and performance (profitability and revenue growth) is
- Methodology
  - Web-based survey, including 21 questions on the topics of strategy development, decision making and priority setting, capabilities, growth, and cost cutting.
  - Used the Booz & Company coherence algorithm to translate respondents' answers into a coherence score that allowed us to segment participants' companies into three clusters: coherent companies, companies that are on the journey to coherence, and incoherent companies.
  - Established a link between reported performance (based on respondents' ranking of their company's profitability and revenue growth relative to their industry) and coherence (as determined by our proprietary algorithm) as well as various coherence drivers (as probed by the survey)
- The survey can be found at [www.booz.com/coherence-profiler](http://www.booz.com/coherence-profiler).

# 2798 respondents have completed the coherence profiler, one third coming from companies headquartered in North America

## Position of Respondent

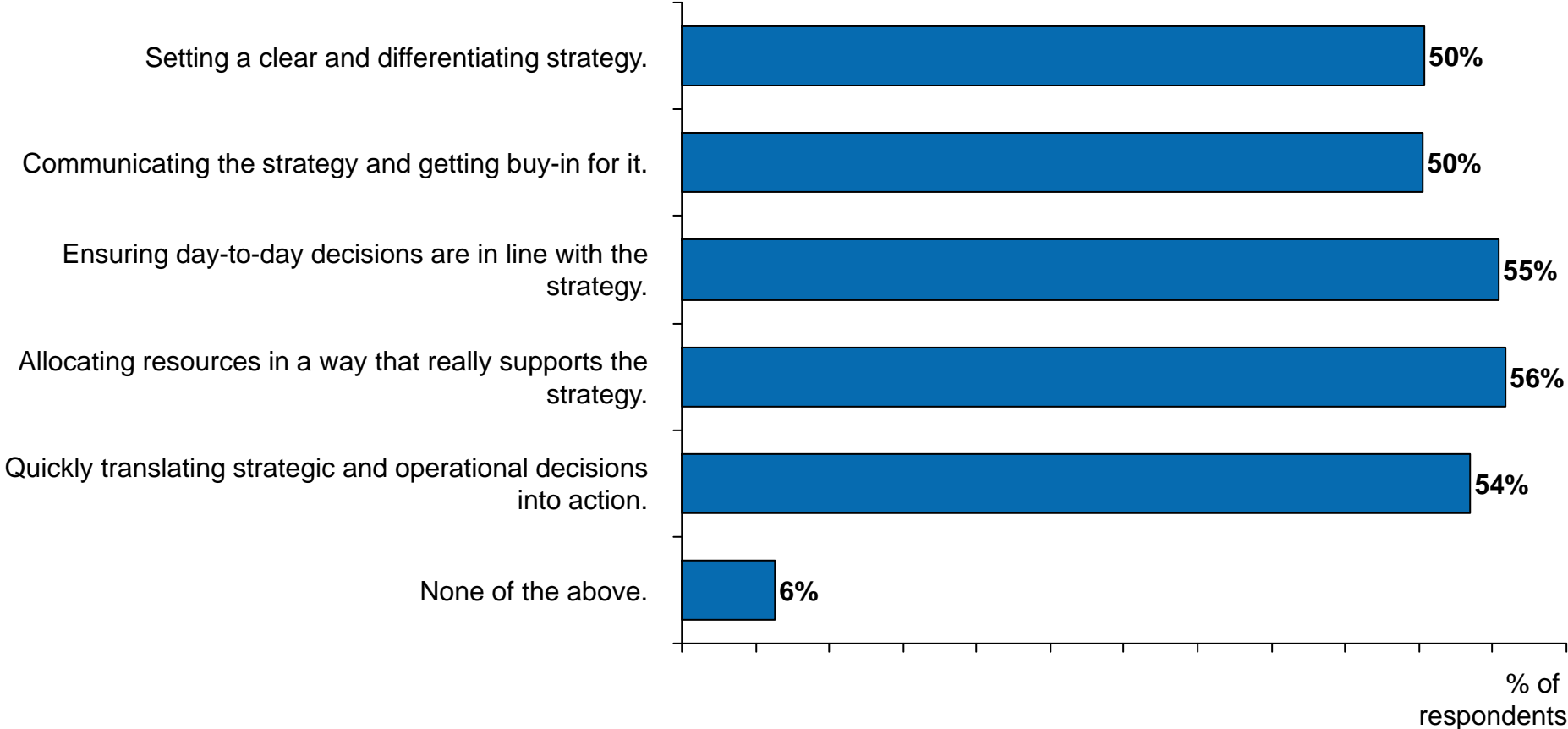


## Location of Company's Headquarter



# Respondents indicate that top executives face significant strategic challenges

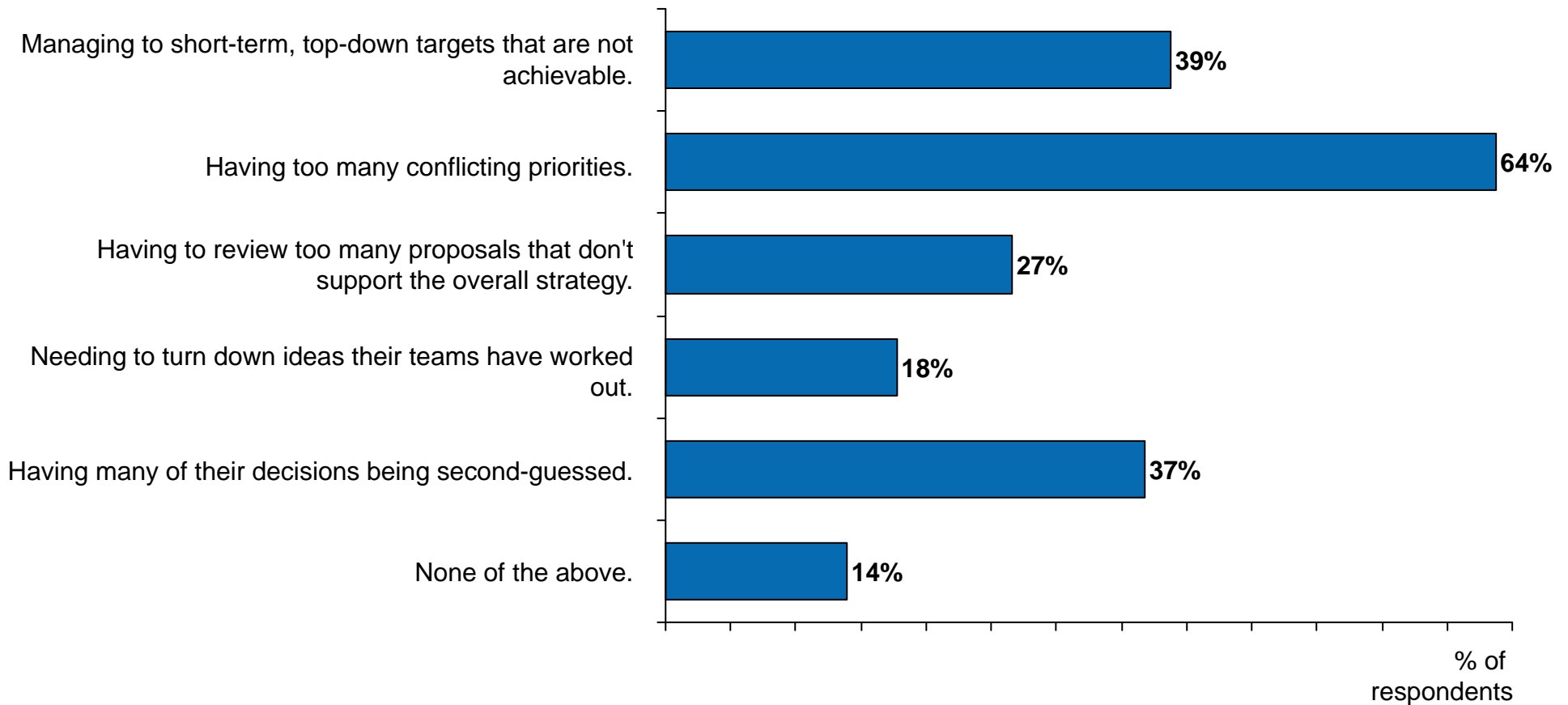
Which of the following are significant challenges for top executives at your company?



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# Having too many conflicting priorities is the largest frustration factor for managers, according to survey respondents

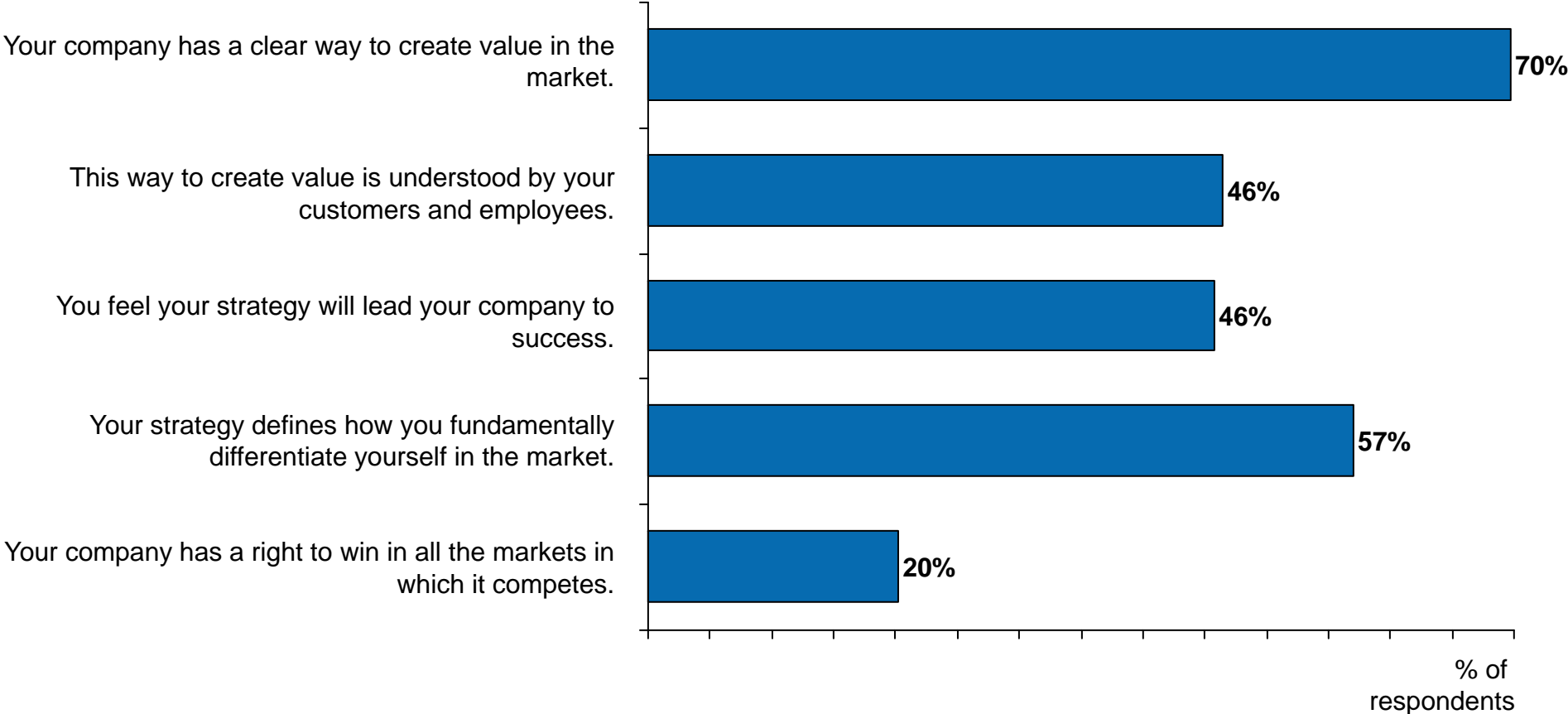
Which of the following are frustration factors for managers in your organization?



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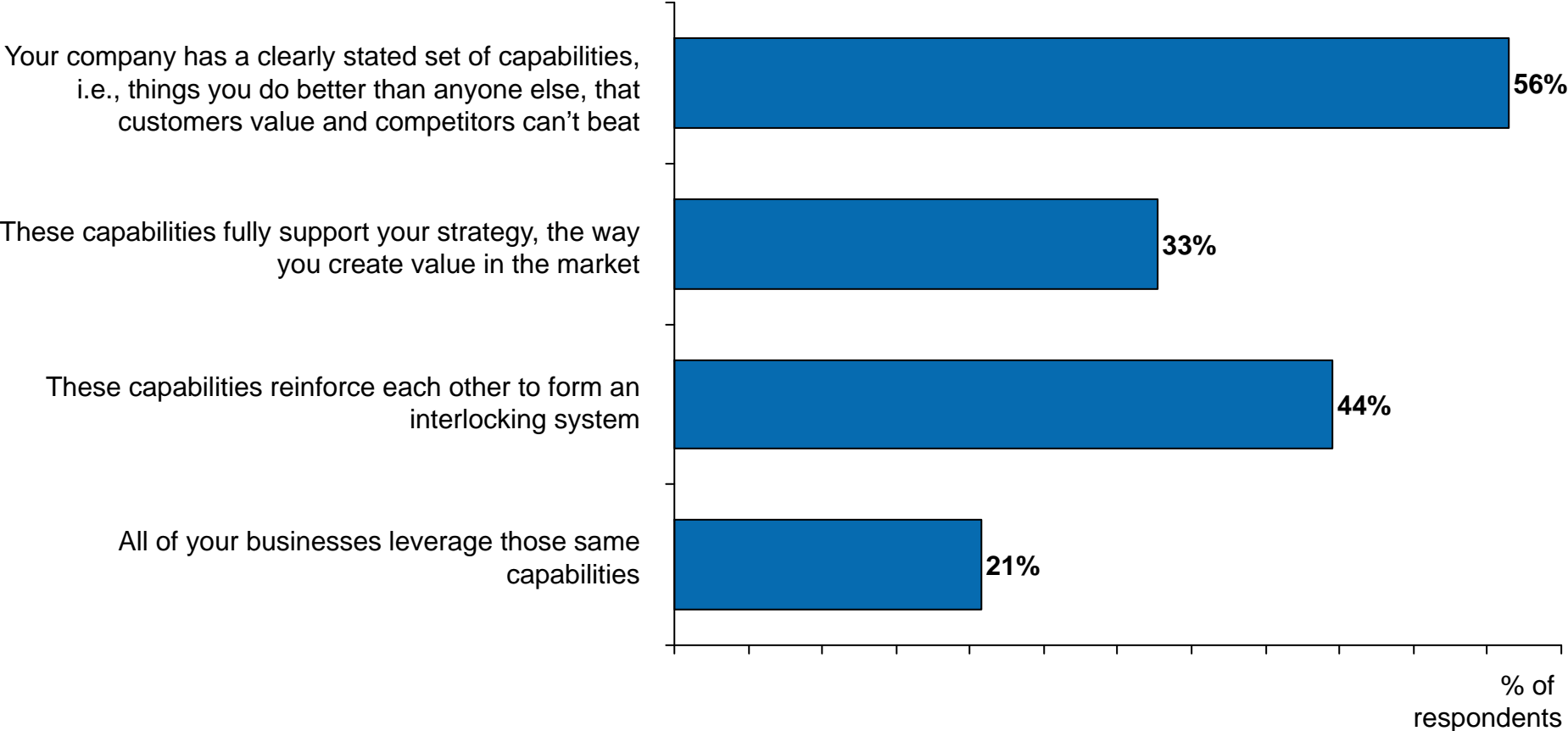
# A significant number of executives don't believe in the success of their strategy - it lacks differentiation and is not well understood

Which of the following holds true?



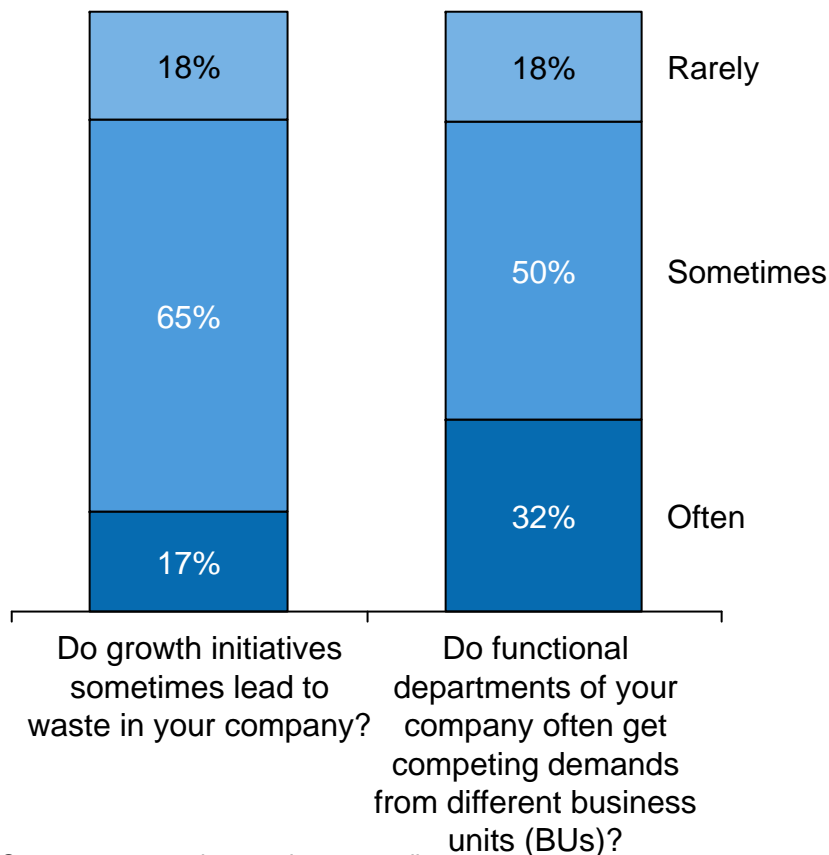
# Most respondents indicate that their company's capabilities don't support their strategy and aren't leveraged by all their businesses

Which of the following holds true?

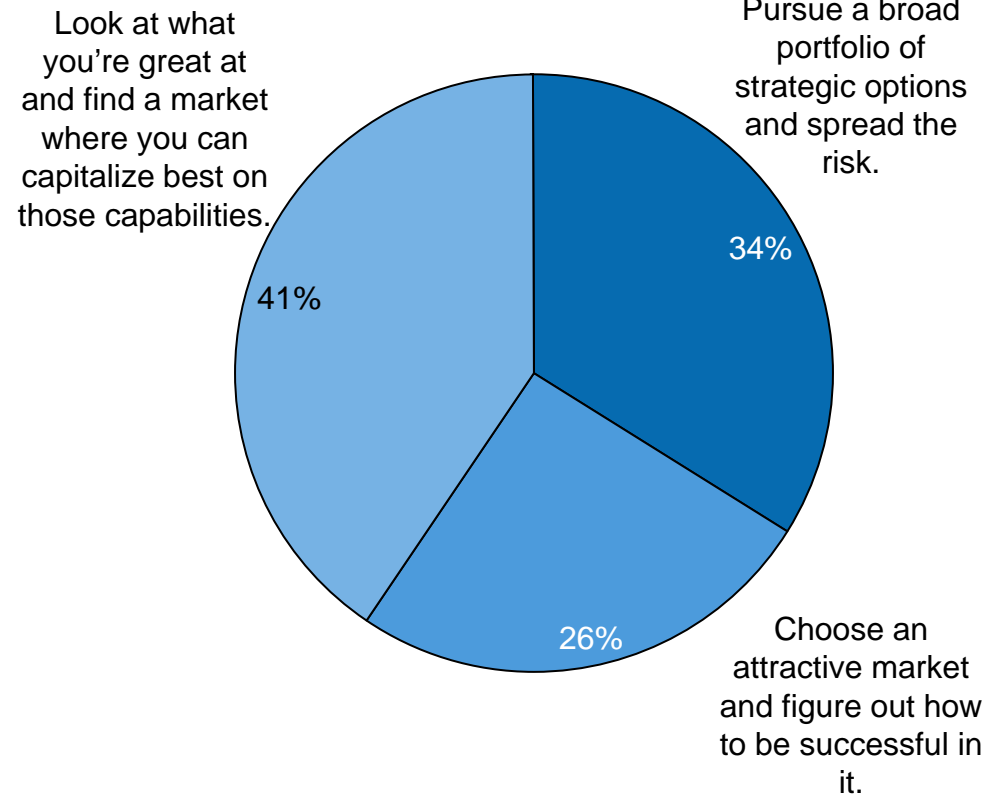


# The vast majority of participants report that growth sometimes leads to waste and functional depts. receive competing demands

How often does the following apply?



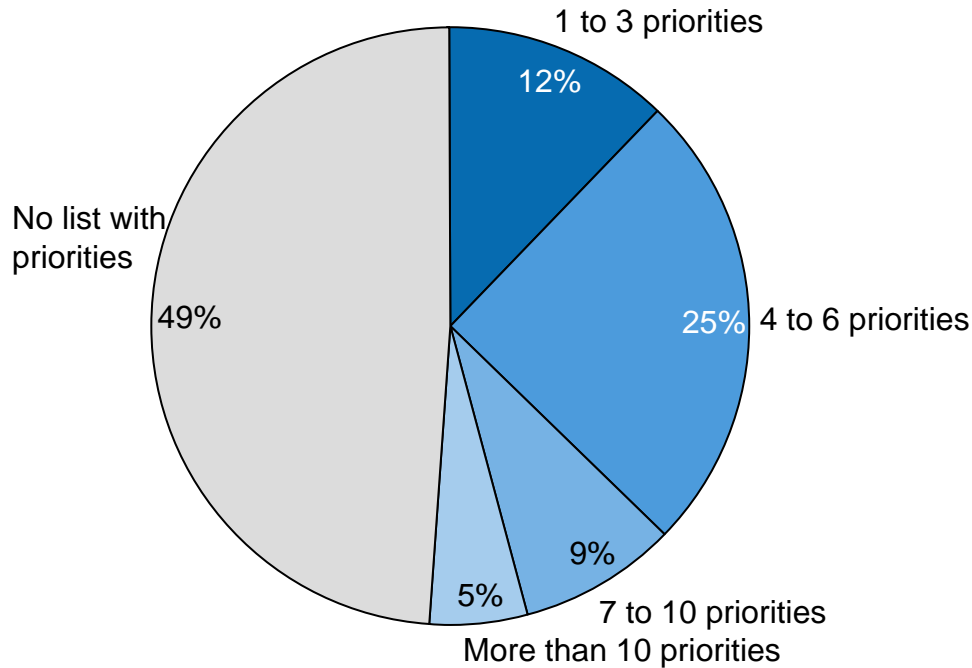
Which of these best describes your company's philosophy about strategy and strategy development?



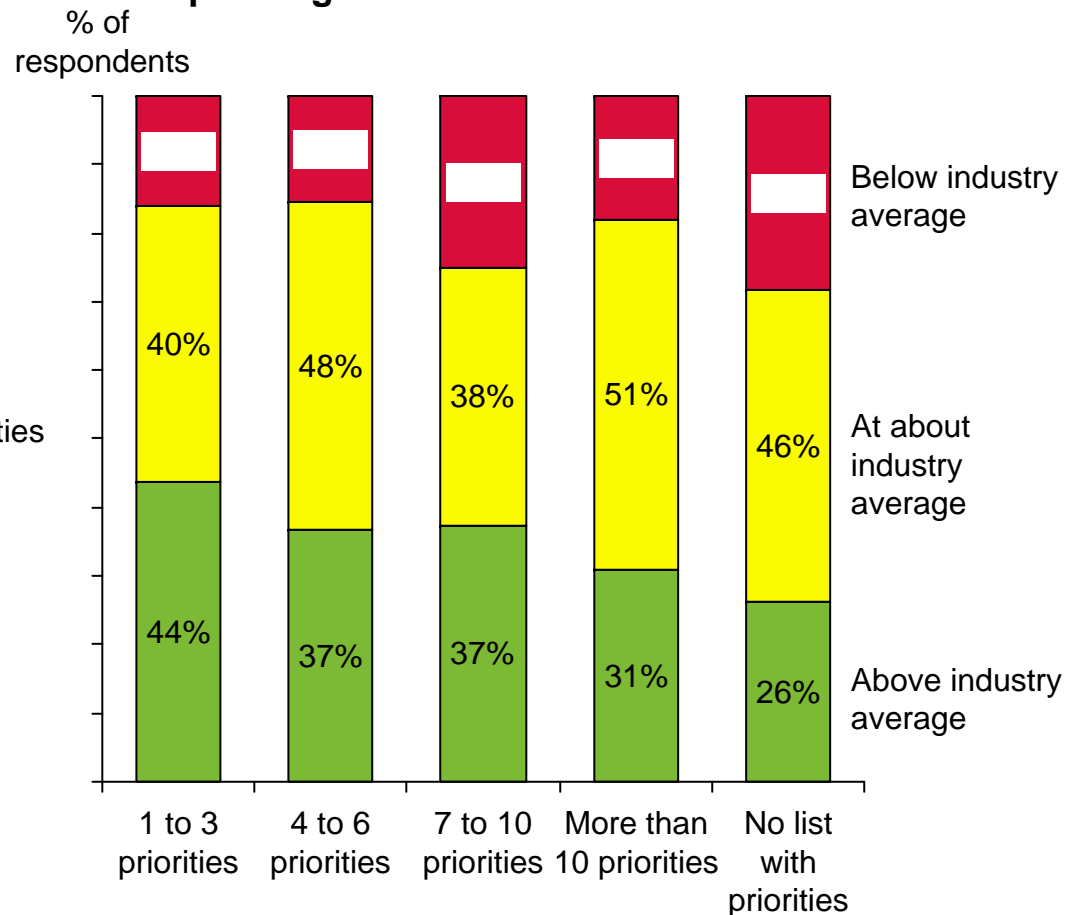
Note: Sums may not total 100% due to rounding

# Respondents from firms with fewer firm-wide strategic priorities report higher revenue growth

Does your company have a clearly stated list of firm-wide strategic priorities?  
If so, how many priorities are on that list?



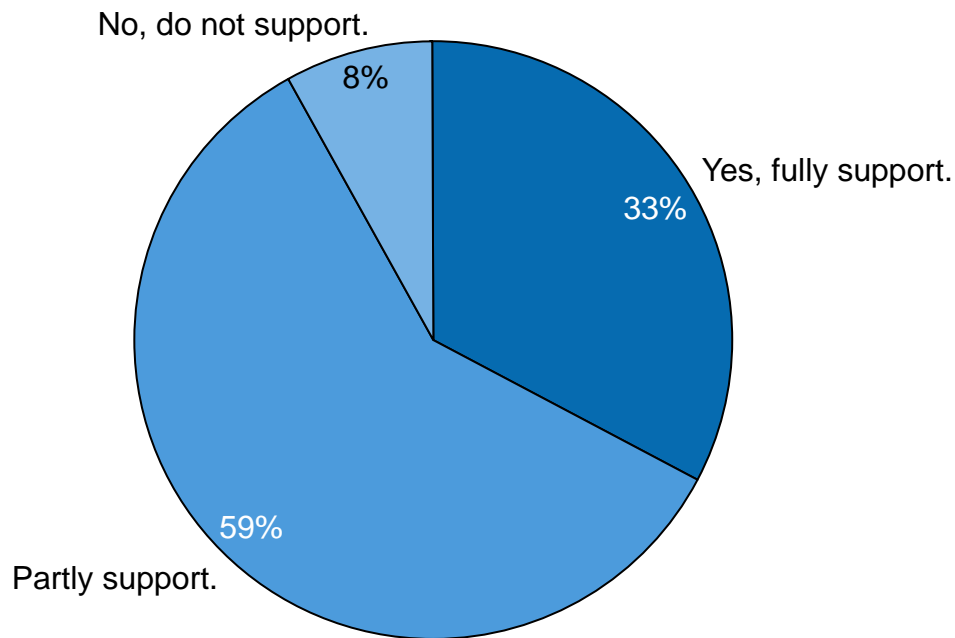
Reported revenue growth of companies, depending on number of firm-wide initiatives



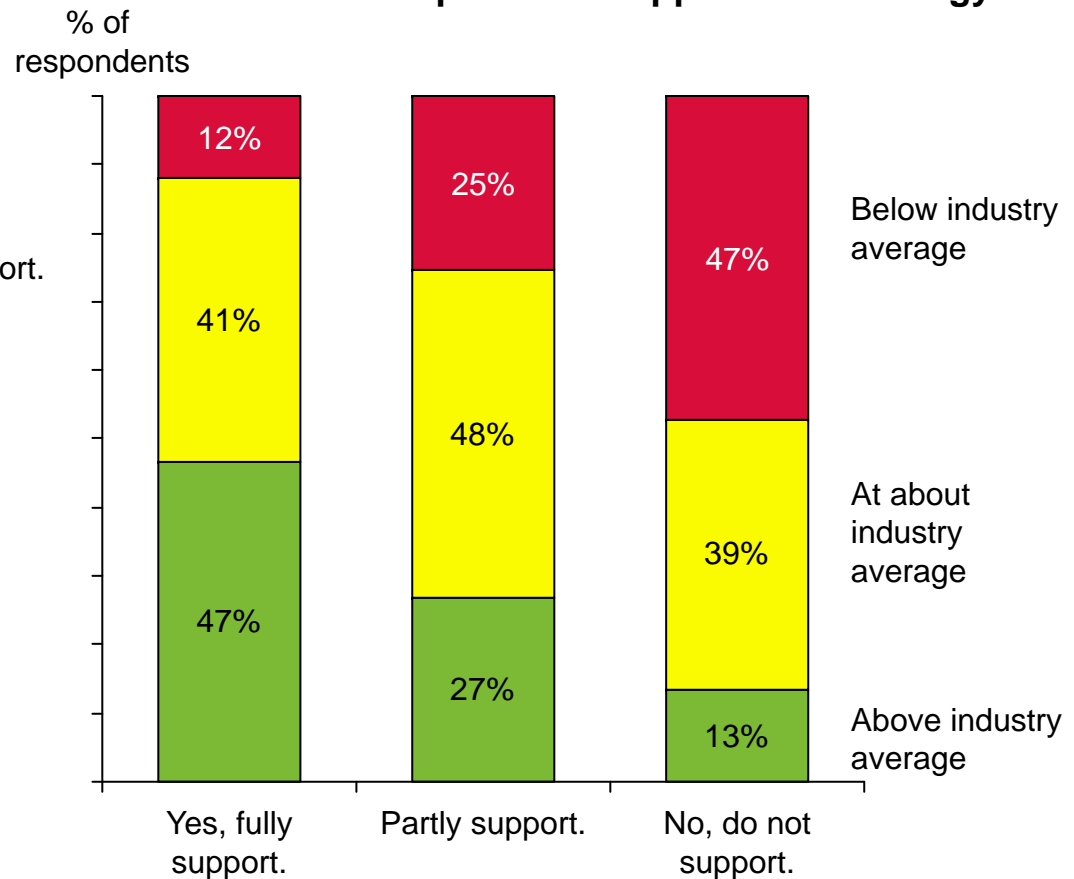
Note: Sums may not total 100% due to rounding

# Executives who say their company's capabilities support the strategy are most likely to say revenue growth is above average

Do these capabilities support your strategy, the way you create value in the market?



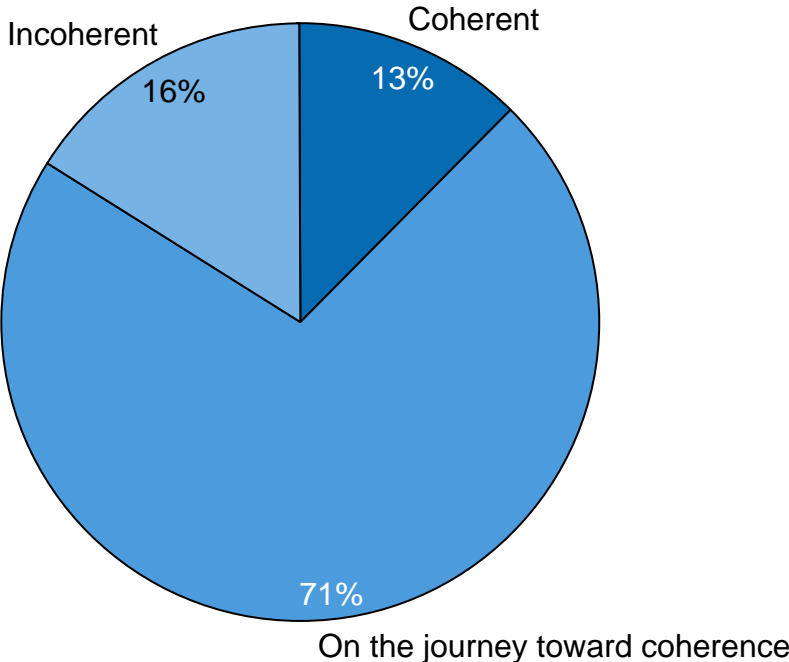
Reported revenue growth of companies, depending on whether their capabilities support their strategy



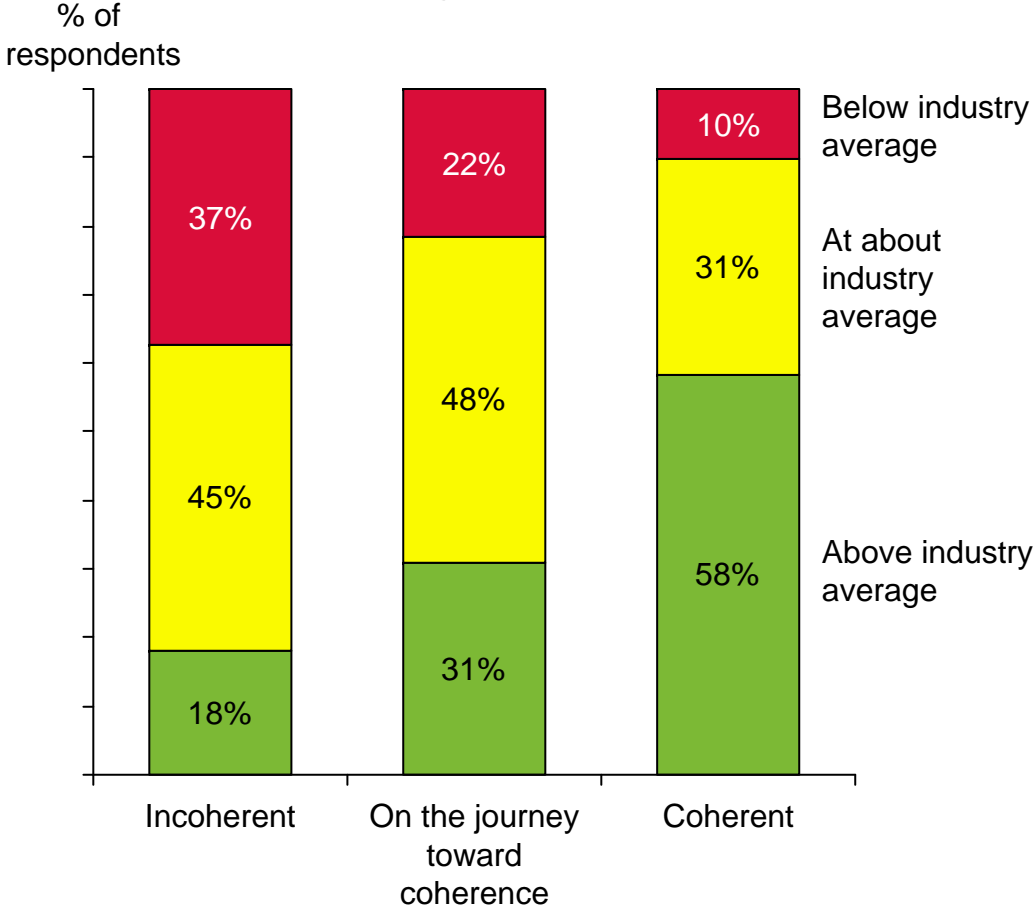
Note: Sums may not total 100% due to rounding

# Respondents from firms deemed coherent indicate much stronger revenue growth than those from incoherent ones

Coherence of companies as determined by Booz & Company algorithm



Reported revenue growth of companies, depending on their coherence



Note: Sums may not total 100% due to rounding