

A new contribution to enterprise methodology: Performance Trees

Date of the event: 11/11/2011

Georges Garibian is the creator of the Performance Tree method, a method which helps to rigorously define and structure performance indicators.

He has decided to donate this method to the public corpus of the enterprise methodology Praxeme. The text of the joint declaration between Georges Garibian and the Praxeme Institute is published below.

Joint declaration

On the basis of their joint adherence to the ethical and practical principles outlined in the Enterprise Transformation Manifesto, Georges Garibian and the Praxeme Institute have agreed to enrich the Praxeme open method by incorporating the Performance Tree® approach.

The stakes

The Performance Tree (PT) is an intellectual construct which analyzes the workings of the enterprise and dissects the mechanisms of its performance. This results in a tree of indicators, linked by simple arithmetical relationships. The Performance Tree accounts for the contributions made by each component of the enterprise, showing how they fit into the performance.

The effects are considerable. In particular, through its neutrality and the attention paid to all performance factors, the PT enables any distortion resulting from dashboards to be corrected. Indeed, by necessity, dashboards select a very small part of the indicators which explain how the enterprise operates. They therefore tend to skew the perception of the enterprise and lead to behaviors which only reinforce their monomaniac side. Moreover, the PT enables a quantifiable analysis of the entities' performance and of their potential for improvement, within an enterprise. The Performance Tree enables one to establish the definition of pertinent objectives, adjusted according to structural factors, by integrating them into a rigorous tree covering the whole spectrum of motivation: from strategic choices to individual objectives.

Positioning

Such an approach has quite naturally found its place in the enterprise methodology. Establishing the hierarchy of the indicators expressing performance, it refers back to the elucidation of the enterprise values. It is positioned in the "political" aspect of the Praxeme method, where the objectives and values are also found. The representation techniques proposed in Praxeme enable the indicators and the variables to be positioned in the appropriate enterprise aspects, depending on whether they concern its environment, its organization, its actors or its logistics. Thus, the Performance Tree is rooted in the very substance of the enterprise. If its information system is designed following the same approach, the indicators are immediately automated and available, providing senior management with a strong visibility tool.

Agreement

Georges Garibian, creator of the Performance Tree, accepts to deposit this method in the Praxeme public corpus. The Performance Tree will benefit from the same publicity and the same protection as

the entire public corpus published by the Praxeme Institute: it will be available under the “Creative Commons” license, allowing for its reuse subject to the condition of citing its author.

In exchange for his contribution, the Praxeme Institute grants Georges Garibian the status of co-author of the Praxeme method. The Performance Tree, in its strictest meaning, will be integrated as a procedure of the open method. The other elements of the PT approach will enrich the method, this integration leading to modifications in several components of the methodology, such as the Thesaurus, the General guide and the Guide of the political aspect.

For more information

* The dedicated site: <http://arbre-de-performance.blogspot.com> (in French)

* The main page on our site: <http://www.praxeme.org/index.php?n=Modus.PerformanceTree>

* The author page: <http://www.praxeme.org/index.php?n=ActorProfiles.GeorgesGaribian>