

## EXHIBIT 3. 2

**Principle 1 Best Practice Summary**

<b>Best Practice</b>	<b>Description</b>
Executive sponsorship	CEO or direct report actively sponsors CPM Office and CPM projects for sustained period and with the right visibility to enable maturity to process state.
Organizational level and reporting relationship CPM office staff	CPM Office executive reports to the CEO or a CEO direct report. Small senior team (three to eight people) experienced in change programs, full-time role in CPM office
Leadership influence factors	Able to organize large-scale virtual teams to drive results in one or more CPM methods.
Ownership of CPM Processes and methods (principles 2 through 5)	The office owns or substantially influences the portfolio of CPM processes enterprise-wide, with each Office CPM practitioner possessing deep expertise in at least one methodology.
CPM, industry, and company knowledge	One or more team members has deep industry and company specific knowledge to help guide resolution of project issues.
Collaborative maturity	Experienced in working horizontally and vertically through the organization.
Ability to learn	Open to new ideas, methods, and approaches; able to streamline, integrate, and adapt methods; able to think concurrently.

## EXHIBIT 3.3

**Principle 2 Best Practice Summary**

<b>Best Practice</b>	<b>Description</b>
Strategic planning	Leverage the strategic planning process as either owner or partner to understand changing market conditions including competitor, supplier, rival, and potential entrants and substitutes in the marketplace.
Core and adjacent products and services	Define and determine core and adjacent products and services to focus on highest probabilities for success.
Strategic plan	Produce a comprehensive strategic plan.
Strategy mapping	Develop a strategy map containing objectives along four perspectives including financial, customer/constituent, process and people. Observe strategy map design parameters of 20 to 25 objectives.
Link strategic planning and budgeting processes	Link strategic planning to the budgeting process, partner with finance to provide for a seamless continuum. Ideally, provide a rolling forecast or a flexible, lean budget linked to strategy.
Communications plan	Communicate strategy throughout the organization using a comprehensive communications plan.

## EXHIBIT 3. 4

**Principle 3 Best Practice Summary**

<b>Best Practice</b>	<b>Description</b>
Partner with business owners	Partner with line and staff leadership team members to gain support and influence as partners to help them achieve results.
Develop Level 1 balanced scorecard (BSC)	Translate strategy into level 1 BSC measures, and measure targets at the highest organizational level.
Leverage proven BSC of comparable methods	Observe BSC or comparable design parameters, assigning one to two measures to each strategy map objective.
Cascade BSC to lower levels	Cascade and align level 1 BSC to levels 2, 3, 4, and so on, depending on organizational and accountability structure.
Align support services	Identify and define measures for all support services that align with levels 1 and below.
Align teams and individual employees	Define personal BSCs for teams and/or individuals that align with higher-level and support services Balanced Scorecards.
Link compensation	Align rewards, recognition, and compensation programs to the Balanced Scorecard.
Manage using measures	Manage BSC meetings to address the appropriate mix of strategic and operational issues; link these issues with Principle 4: Business Improvement.
Automate measurement	Implement CPM software to manage BSE program with links to other principles.

## EXHIBIT 3. 5

**Principle 4 Best Practice Summary**

<b>Best Practice</b>	<b>Description</b>
Prioritize improvement	Identify and prioritize strategic and operational initiatives to improve organization's performance along financial, customer or constituent, process, and people dimensions.
Leverage customer-facing processes	Develop and exercise customer and constituent processes to understand and recalibrate processes around changing customer needs. Gather customer and competitor intelligence using regular customer surveys, focus groups, call centers, quality function deployment, and related methods and approaches.
Leverage process improvement methods	Design and maintain an ongoing process improvement and problem-solving program based on Six Sigma. black belt or green belt, or Lean methods and tools to identify and eliminate root causes of issues.
Realize value from benchmarking processes	Leverage benchmarking and comparative methods to identify and regularly improve core and support processes. APQC has developed a process classification framework with standard process definitions and benchmarking ( <a href="http://www.apqc.org">www.apqc.org</a> ).
Create performance improvement culture	Create a virtual community of practitioners to coordinate and optimize improvement efforts enterprise wide.

## EXHIBIT 3.6

## Principle 5 Best Practice Summary

Best Practice	Description
Develop KM processes	Establish and leverage best practice identification, gathering and sharing processes, and technology solutions. (APQC has compiled an impressive list of KM best practice case studies; www.apqc.org).
Leverage technology	Partner with the information technology (IT) function to launch and maintain KM systems.
Develop expert locator systems	Design and use expert locator systems to capture employee skills inventory within the enterprise to accelerate problem solving in Principle 4 and to optimize human capital.
Link KM with improve performance process	Link best practice or knowledge management processes With Principle 4 processes to capture solutions and innovations.
Share best practices with strategic planning	Share best practices with strategic planning processes to better understand core competencies and possible strategic advantages.
Maintain a virtual KM network	Establish and maintain virtual network of KM experts throughout the enterprise to optimize knowledge and to keep processes evergreen.

## EXHIBIT 9.1

CPM Diagnostic: Principle 1:  
Establish a CPM Office and Officer

Best Practice	Description	Column 1	Column 2
		Self Scoring	Gap Analysis Points Below 5
1.1 Executive Sponsorship	CEO or direct report actively sponsors CPM projects for sustained period and with the right visibility to enable maturity to processes state	1	4
1.2 Organizational Level and Reporting Relationship	CPM Office executive reports to the CEO or a CEO direct report	4	1
CPM Office Staff	Small senior team (3-8 people) experienced in change programs, full-time role in CPM office	3	2
1.3 Leadership influence factors	Able to organize large-scale virtual teams to drive results in one of more CPM methods	5	0
1.4 Ownership of CPM processes and methods (Principles 2-5)	Office owns or substantially influences portfolio of CPM processes enterprise-wide, with each office CPM practitioner possessing deep expertise in at least one methodology	2	3
1.5 CPM, industry and company knowledge	One or more team members with deep industry and company-specific knowledge to help guide resolution of project issues	4	1
1.6 Collaborative maturity	Experienced in working horizontally and vertically through the organization	4	1
1.7 Ability to learn	Open to new ideas, methods, and approaches; ability to streamline, integrate, and adapt methods; think concurrently	3	2