NRI Papers No.43 February 1, 2002

Using Corporate Genome Analyses in Sales Force Diagnostics and Revitalization

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NRI (Nomura Research Institute, Ltd.) makes available to its clients a Corporate Genome Analysis as one of the options in the range of consulting and management diagnostic services it offers to meet specific client needs. The Corporate Genome Analysis is a tool that is used to assess corporate management style as well as the vitality of the firm's employees. We have focused on corporate culture in conducting such analyses and have found a strong correlation between business performance and business growth—which we call the "corporate genome."

This article introduces five typical patterns that can be identified by Corporate Genome Analysis for poor sales force functioning and performance; namely: "adherence to the status quo," "an over-emphasis on planning," "the lone wolf syndrome," "a disordered organization" and "discouraged by excessive pressure." Each of these patterns requires a different solution. If adherence to the status quo is the problem, for example, CS (customer satisfaction) surveys can be effective in injecting an external stimulus. In dealing with the lone wolf syndrome, on the other hand, educating the sales force to ensure a mutual exchange and sharing of know-how among managers would be more important and effective.

I Appropriate Diagnoses and Recommendations

NRI has so far dealt with many cases of management diagnostics and consulting that have especially targeted the sales force. In the consulting business, great efforts are made to carry out precise diagnoses in recommending management innovations. Based on our extensive experience in this field, this article was prepared to introduce some typical patterns that NRI's original Corporate Genome Analysis has identified among target sales forces, as well as recommendations to treat each pattern.

II Corporate Genome Analysis

1 What is the Benefit of Focusing on Corporate Culture?

The Corporate Genome Analysis created by NRI is a tool to diagnose a company by focusing on its own culture. The purpose of utilizing this tool is to understand the issues within a company in their entirety, since merely examining systems or schemes that are employed is not sufficient for such analysis. Recently, there has been a growing trend for companies to implement various systems and schemes to emphasize scientific and/or logical approaches. For example, some companies are adopting flow systems for planning and creating strategies based on the PDC (plan, do, and check) concept, and then scaling down the overall plans and strategies initially made at the beginning of the term to mid-term and/or monthly achievement levels.

Moreover, in order to supervise the daily activities of its sales personnel, companies are creating systems: (1) to ensure the flow of information originating from the employee side by means of reporting, communicating, and/or consulting that use daily or weekly reports, etc.; and (2) to propose the required solutions for problems. In many cases, information technology has a key role in supporting such systems. Moreover, many companies are introducing personnel systems designed to enhance the motivation of individual sales personnel (primarily through merit-based promotions) as part of their evaluations.

Under these circumstances, identifying and diagnosing core problems is difficult by simply investigating whether the company has already implemented certain types of "new" systems, schemes, or information technology. Considering their main concepts and objectives, there is no doubt that these systems themselves can provide valuable insights that will contribute to successful business results. In reality, however, companies and organizations are facing quite different outcomes depending on how they manage and utilize the implemented systems. Thus, we realize that it is difficult to objectively evaluate how well the system is used.

It is worth noting that some of the companies that have implemented most of the new systems available to date are lamenting that they have not solved any of their problems—despite all their efforts to change their traditional makeup. Actually, some corporate elements are easy to change, and others are not. As shown in Figure 1, corporate culture is the most difficult to change, as it is at the very core of the corporate structure.

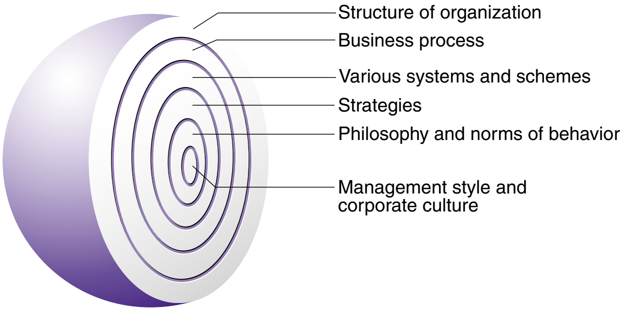
NRI considers it crucial to understand organizations in this particular concept. Our research has revealed a high correlation between corporate culture and mid-term business performance, a correlation that we call the "corporate genome" (see NRI Papers No. 35: "Success to Corporate Genome—Innovating Corporate Culture Around Trust and Creativity," November 2001). Corporate culture has some impact on the strategies to be created and disseminated, as well as new systems and schemes to be implemented or utilized. To create success, it is necessary to understand the corporate culture well enough to take advantage of it. On the other hand, the lack of an adequate understanding is likely to be an obstacle on the path to success.

2 Framework for Corporate Genome Analysis

The framework for our Corporate Genome Analysis is presented in Figure 2. NRI created two different vitality indices to carry out a quantitative analysis of an abstract corporate culture.

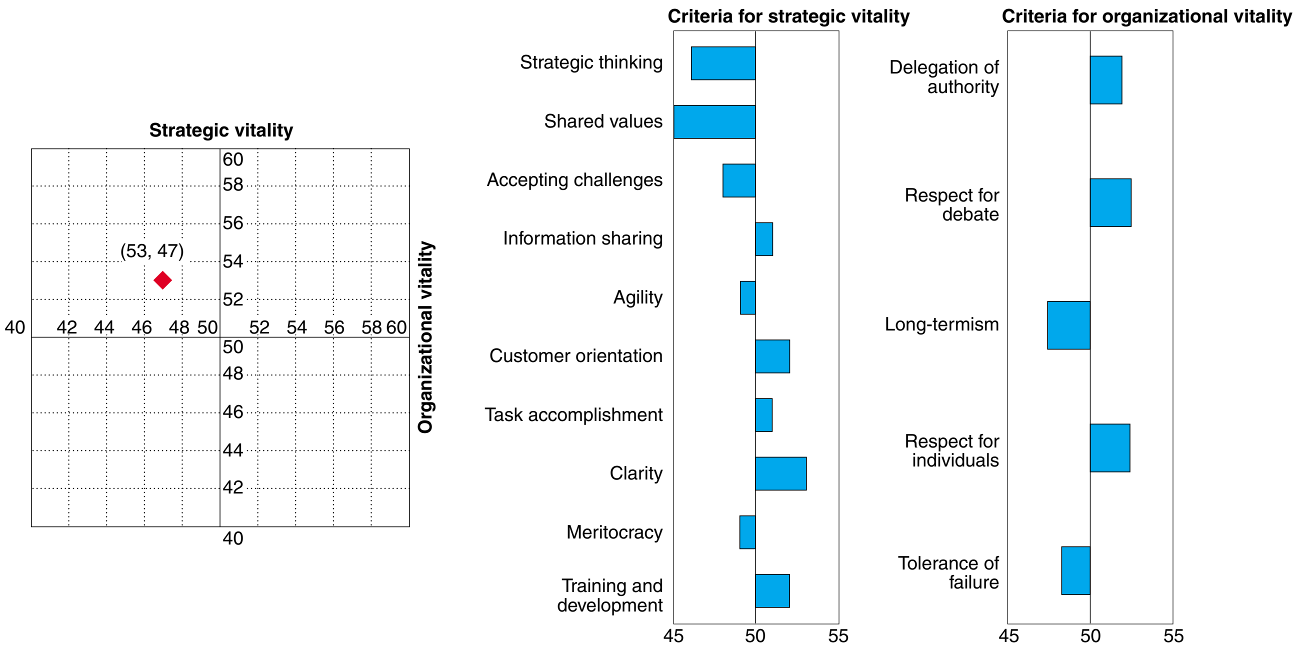
One of the indices, referred to as "strategic vitality," measures a company's competence to strategically adapt to the changes in its business environment. Another index, "organizational vitality," indicates the high motivation of employees and good workplace

Figure 1. Concept of Corporate Structure



Source: Nomura Research Institute.

Figure 2. Framework for Corporate Genome Analysis



Source: Nomura Research Institute.

conditions that allow workers to freely discuss many issues. These vitality indices are presented according to the standard deviation value based on the NRI Corporate Genome Analysis database, which records the findings collected from surveys conducted at 120 listed companies involving some 50,000 employees. The index is comprised of fifteen criteria (ten for the strategic vitality index, and five for the organizational vitality), which represent characteristics (i.e., culture) of the company as assessed by the individual employee.

III Five Patterns Identified by Analysis and Appropriate Countermeasures

As a result of comprehensive data analyses, including the findings from Corporate Genome Analyses, interview surveys and on-site research—as well as NRI's extensive knowledge and track record as consultants, our experience has revealed that there are five archetypes of poorly functioning sales forces. These five essential patterns are:

- Adherence to the status quo
- An over-emphasis on planning
- The lone wolf syndrome
- A disordered organization
- Discouraged by excessive pressure

For each of five patterns, we shall focus our discussion on three criteria: (1) characteristics recognized in a Corporate Genome Analysis; (2) characteristics evident in organizations; and (3) countermeasures. The data for Criterion 2 were collected through interviews, surveys and on-site research to reflect actual issues within companies, and Criterion 3 summarizes effective countermeasures for each pattern.

1 Adherence to the Status Quo

<Characteristics recognized in a Corporate Genome Analysis>

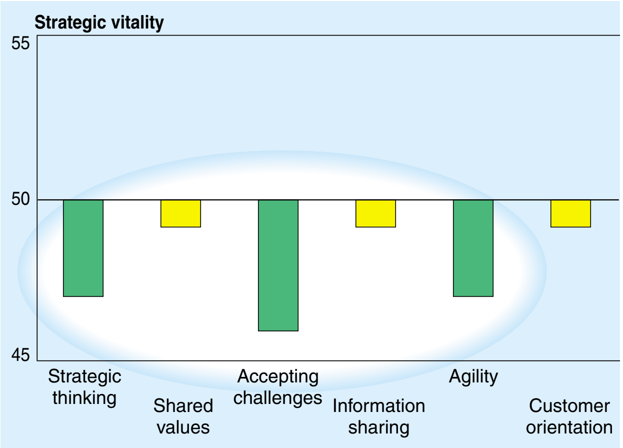
The most outstanding characteristics for this archetype are low scores in strategic thinking, accepting challenges, and agility (Figure 3). NRI's research shows that organizations demonstrating top-flight performance have high scores in these three areas. Therefore, companies that score low in these important aspects are considered poor performers.

<Characteristics evident in organizations>

Sales forces classified in this category are likely to follow a conservative approach in everything they do. Despite changes in the business environment, they manage to maintain a traditional corporate culture and atmosphere in most cases, while shying away from making innovations in attitudes toward work, business procedures, sales processes, as well as marketing and customer service.

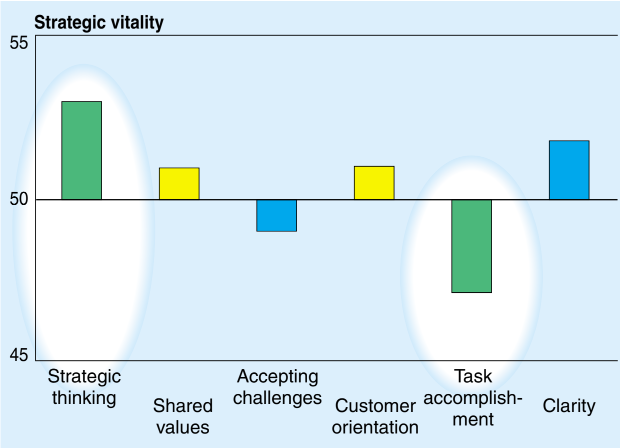
A low score in strategic thinking clearly indicates that these workers generally perform their duties in the same way as they always have, and never question, raise doubts or even ponder the purpose behind the current process. Some employees acknowledge a pressing need to break out of such a mold, but fail to actually make any drastic changes—or even any changes at all.

Figure 3. Characteristics of Adherence to the Status Quo



Source: Nomura Research Institute.

Figure 4. Characteristics of an Over-Emphasis on Planning



Source: Nomura Research Institute.

These companies, which have generally been successful in applying the same methods for a long period of time, do not provide an atmosphere that is likely to encourage any type of organizational innovations.

We often categorize heavily protected industries and large traditional companies in this group. This segment also includes many companies that used to achieve excellent performance records, or those that could afford to give relatively low priority to customer service (e.g., product monopolists whose sales were long assured) until now.

<Countermeasures>

For this type of sales force, it is necessary to re-evaluate sales activities, including its processes, approaches or proposal methods, from the market and/or customer viewpoint. Unless the company faces a crisis, however, its easy-going approach and successful history will prevent workers from creating any innovations in its culture.

Generally, the current situation should be objectively and critically assessed in order to promote innovation. In addition, the recognition of needs as well as a passion for reform is indispensable for change. In applying this theory to companies that have become bogged down in adherence to the status quo, an awareness of the need for innovation is more important than finding ways to achieve it. Therefore, in order to stimulate individual sales personnel, such companies should provide them with opportunities to review sales activities from the customer viewpoint. A CS (customer satisfaction) survey can greatly facilitate this task.

The CS survey used here is expected to serve as shock therapy for the workers, and is not part of the regular research and evaluation system. Accordingly, the company should exercise due care in providing feedback based on such CS results. At the same time, it is desirable to provide qualitative feedback, including actual customer comments, rather than quantitative results dominated by numbers to maximize the effect of such feedback.

2 An Over-Emphasis on Planning

<Characteristics recognized in a Corporate Genome Analysis>

Sales force falling into this pattern are high on strategic thinking (Figure 4), but low on task accomplishment, which indicates a weakness in taking responsibility (accountability) for achieving plans and objectives.

<Characteristics evident in organizations>

This segment tends to have excessively elaborate plans and strategies. Various semi-annual reports on sales strategies are often filled with minute data based on multiple analyses, almost as if they were trying to mimic the quality that one might expect from a consulting firm. The problem is that many of these reports are essentially prepared to provide an impressive presentation, and miss their actual target and original purpose.

In some of the above cases, all the manpower at branches or departments is involved in compiling reports one month ahead of the actual planning. The key people in middle management who supervise the sales forces in the field are forced to cancel their visits to their customers for this reason. As a result, they lose chances to sell products and customer service deteriorates. To make matters worse, the preparation of such reports—a major event for everybody—tends to leave a sense of relief and exhaustion within the organization after they are finally completed. Hence, this gives rise to a paradoxical situation in which the sales force is no longer paying attention to the content of the reports.

Organizations that fall into this pattern have the problem of an inadequate placement of personnel in the planning and the sales enforcement sections. In this case, the significant communication gap between these two sections is revealed by the results of a Corporate Genome Analysis for each section: the sales planning section consists of sharp, talented leaders who can prepare sophisticated plans and strategies, while the sales force in the field lacks sufficient competency in both strategic thinking and accomplishment. Consequently, all these elaborate plans are doomed never to be implemented.

<Countermeasures>

There are two countermeasures for such organizations that are highly able to formulate elaborate plans and strategies, but seem to lack the competency to carry them out: (1) revising the strategy planning method; and (2) reinforcing a daily PDC management cycle.

In order to revise the strategy planning method, a company needs to review the information flow from the sales force in the field to the managers, and the method by which strategies created in the planning section are conveyed to the sales force in the field. In particular, more time and energy should be invested in thoroughly determining how the planned strategies can be reflected in a detailed action plan. With such efforts, the companies can provide support to sales personnel in understanding the planned strategies, while at the same time allowing the planning to better reflect the reality in the field.

It is also effective to focus on a particular worker level that requires detailed action plans while determining strategies. The results of a Corporate Genome Analysis by worker level can provide a clue for this purpose; namely, a significant perception gap between certain levels, in terms of vitality indices, suggests an unfulfilled strategy risk.

For example, a considerable divergence between directors and managers could mean that managers have not understood the plans and strategies created by directors, or only vaguely understand them without any detailed action plan. Efforts to create such detailed action plans will minimize the inherent risk of unaccomplished plans and strategies, while increasing the chance of actually implementing elaborate, well-designed programs.

Another countermeasure is the reinforcement of the daily PDC management cycle. In most companies, sales personnel are responsible to record daily or weekly reports to be checked by their managers. However, there is a significant divergence among companies as to how closely and effectively the managers are supervising the sales force. In some companies, nobody in fact reads such reports, while in others managers check these weekly reports regularly and discuss issues with their subordinates.

Ideally, sales personnel—especially those from the novice to the middle-echelon levels—should carefully review their concrete accomplishments of the week, using the issues of the previous week as a benchmark. Then based on these results, they should confirm their up-coming agenda in detail, such as “What kind of business should I engage in during the coming week?” or “By what date do I need to present a certain product to a certain customer?” By going through such a checking procedure with their sales personnel, managers can prevent situations in which sales activities are not sufficiently reviewed or in which there are no follow-ups to customer visits. As a result, the mobility of the organization is likely to improve.

For a limited period of time, the company can expect its sales personnel to visit their customers more often as a direct effect of a reinforced PDC cycle. By reviewing their action plans, sales people will make an effort not to postpone customer visits, thereby increasing business opportunities.

The issue then awaiting resolution will be to improve sales activities. This depends on the feedback that is sought by managers and sales personnel in reviewing their sales activities. Such details will be discussed in the following section.

3 The Lone Wolf Syndrome

<Characteristics recognized in a Corporate Genome Analysis>

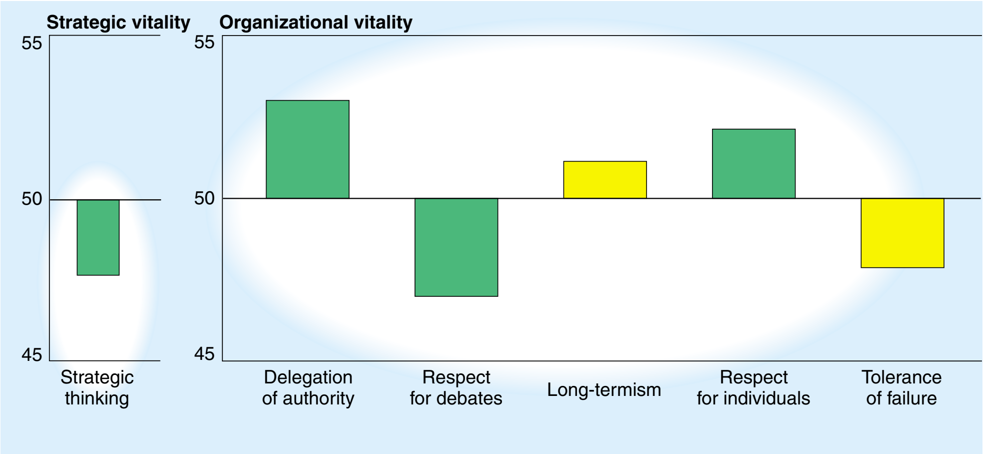
This archetype is high on delegation of authority and respect for individuals in the organizational vitality index, while lacking in overall communications (Figure 5). Additionally, the relatively high scores for accepting challenges in the strategic vitality index suggest a high level of independent activities by individual sales personnel acting like lone wolves. However, employees with low rankings in strategic thinking and task accomplishment may simply roam at large without the skills of the wolf.

<Characteristics evident in organizations>

In most cases, a sales force classified within this pattern has developed successfully, relying on the abilities of individual sales personnel. This system works as long as “good old tradition” is handed down to the next generation (by recruiting appropriate talent on a continuous basis or by developing a system to educate the next generation of sales personnel). Otherwise, the capabilities of individuals cannot be fully utilized to generate more favorable business results.

Organizations characterized by the lone wolf syndrome among sales personnel tend to have a relatively simple management style: managers just sit back and wait for the results, leaving the sales persons to decide how to conduct their own business. Under such an approach to management, measures to maximize results usually focus on punishment in case of failure more commonly than rewards in case of success. However,

Figure 5. Characteristics of the Lone Wolf Syndrome



Source: Nomura Research Institute.

this strategy to exert pressure on the sales personnel is no longer effective due to the changes in today's business environment and in people's behavior. Accordingly, management is adjusting its role to meet these changes.

Even with the improved management style aimed at providing more detailed advice to sales personnel, this has not always been useful. Advice based on past success stories frequently lacks applicability to the current environment. We often hear sales personnel complain that their boss (manager) is always bragging about his/her successes in the past, but has no idea how things are going these days. An executive with a reputation of being "legendary closer," for example, could be a liability in terms of obstructing efforts to find constructive new solutions. Ignoring changes in the environment, such executives do little more than complain about the deteriorating quality of the sales force today.

<Countermeasures>

This type of sales force organization is effective if it can distinguish changes in the business environment and (at least to a certain extent) adopt a framework to leverage the strengths of the organization. We certainly do not intend to play down the importance of individuality, but rather favor the introduction of systems that enhance the skills of both managers and sales personnel. One example is providing the occasion where issues can be fully discussed in mutual communication.

On such occasions, those managers who have little expertise in today's changing environment need to work with their sales personnel to build a scenario for effective countermeasures. This is how it works. If the sales person successfully follows the first scenario, they create another for the next stage. In case they fail at the first stage, both manager and the sales person should discuss the reasons, and revise the plan after fully understanding and gaining something from such failure.

A management style that is characterized by a flow involving scenario presentation and consideration, action, and verification should be introduced with the mutual cooperation of managers and sales personnel. Here, the management style needs to change from an instructional, command-type format to one that focuses on suggestions and advice in order to lead sales personnel to respect their own autonomy, and to provide encouragement to their strategic thinking.

In addition, the organization itself should assist managers by introducing knowledge management. For example, companies could hold meetings where groups of managers can gather together to study various cases and examples at a single venue in order to avoid the risk of being repetitive with their advice and suggestions. In addition, they can create occasions and systems where managers can regularly share their experiences by recounting actual cases along the lines of: "I presented a proposal to a large corporate customer in this way, and it worked very well. I think the reason it appealed to them is because of XYZ. Looking at the recent trends, moreover, I think XYZ will be in higher demand in the near future." Sharing stories of both successes and failures on such occasions will improve the skills of managers in guiding their sales personnel in the field by providing more examples to support their suggestions.

We cannot overemphasize the importance of extending assistance to department managers. In many industries and businesses, where managers' success stories are obsolete and no longer effective, executives are liable to make the mistake of leaving the managers to their own devices by simply instructing them to "Hold a tight rein over the sales force." Obviously such an approach does not solve any problems. To make matters worse, this tends to create excessive pressure on the sales personnel (details will be explained later), and leads to stress without being necessary or productive.

Let's take for example relationship between supervisors and store managers in the convenience store business. Regional supervisors come from all over the country to attend a monthly meeting, where success stories and examples of failures are shared to improve their skills and knowledge. As a result, the more informed supervisors can support their store managers better. In essence, by creating this type of occasion or scheme, organizations could collect successful cases in the field, and develop information synergies by allowing others to implement the same. Moreover, as sales persons in the field are required to think strategically in a proactive, autonomous environment, the lone wolf can be trained to attain more success.

4 A Disordered Organization

<Characteristics recognized in a Corporate Genome Analysis>

The sales forces falling into this archetype have overall low scores in the strategic vitality index, but are particularly low on shared values (Figure 6).

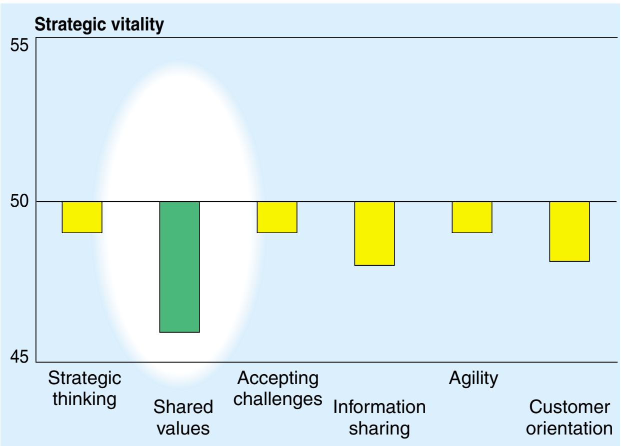
<Characteristics evident in organizations>

Sales forces with overall low scores in the strategic vitality index are considered to have a low degree of integration. In addition, a low level in shared values means little consistency in the behavior of managers and sales personnel.

Business people are often stereotyped (e.g., "People working for XXX corporation are aggressive and persistent"). The description of XXX people in this context represents the mood and impression projected by many of the employees of XXX company, which is a reflection of the corporate culture. If all the employees act similarly and convey virtually the same kind of impression, we can conclude that the company has a high level of shared values.

When a company strictly enforces customer orientation as part of its corporate philosophy, the employees sharing this value are expected to use their own discretion in acting from the customers' standpoint, whatever the circumstances may be. In other words, a high level of shared values in the organization enables individual employees to act at their own discretion, thus accelerating the process of adopting a new environment.

Figure 6. Characteristics of a Disordered Organization



Source: Nomura Research Institute.

<Countermeasures>

First of all, in enhancing shared values in organizations or companies, it is crucial to clarify what kind of additional values can be offered. In most cases, low shared values are attributed to a vague definition of values offered to customers or shareholders, and subsequently some uncertainties in the norms of behavior among employees.

Therefore, we recommend presenting clear definitions of values in the corporate philosophy. Some companies might consider this awkward, because they may feel that there are no additional values important enough for their employees to present with pride. Nonetheless, they just need to look at their business from a different angle.

Take, for example, a company that has been successful at differentiating its products in terms of technology and quality, but now finds that such competitive advantages are no longer effective as price is increasingly a key factor in the business. Even in such an unfavorable situation, a company still could find a presentable value in a different mindset, such as: "We are providing a solution for connecting separate parts or materials," rather than merely "selling screws," or "We are contributing to everyone's health," rather than simply "providing ingredients." Depending on how it defines its own business, a company should be able to clearly present its value-added services and/or products.

Secondly, it is important to make every effort to disseminate the defined values among the employees, since even those that are clearly stated are not always actually shared. Although most companies have posters or framed statements with corporate objectives or slogans in their offices, this does not mean that employees share such values. Hence, the question becomes one of how the level of shared values among employees can be enhanced.

To start with, strong and reliable leadership is important. One often hears about disordered sales forces changing significantly after gaining forceful leadership with the appointment of a new sales department director or board member in charge. The leadership of top management does have a significant impact on corporate culture. However, this is not a widely applicable solution, since suggestions only involve placing a charismatic person with strong influence at the top.

Instead, steady efforts can be made to modify values to present more concrete ideas, so that employees can understand them easily. In many cases, where the stated corporate philosophy or norms of behavior fail to permeate the organization, they are too vague for the sales personnel and managers to reinforce in their business.

Employees can act on the basis of norms of behavior only when they have an exact understanding of what such statements mean in actual situations. This is not easy, however, as we often see conflicting situations arise.

For instance, if a company has the value of being customer oriented, they should discuss the conduct expected of their employees based on actual cases; namely: (1) deciding on which to prioritize, a director's urgent requirement or a customer's request; and (2) considering whether to revise a customer proposal which seems to offer no benefit.

It is effective to provide an opportunity where employees can exchange their opinions frankly in an atmosphere similar to that of a family dinner-table conversation or debate. NRI calls such an opportunity "family training," and recommends this communication process which takes place outside the office. During such encounters, the manager as a surrogate parent talks with sales persons—equivalent to the children—in a thoroughly frank manner to bridge any gaps in opinion or mindset.

The discussion is not aimed at reaching any specific conclusion. Rather it encourages both parent and children to draw on detailed examples in exchanging opinions on topics related to values and recommended behavior within the organization. Regular discussions of this type will gradually narrow the perception gap in values between managers and sales personnel, leading to more shared values throughout the entire organization.

5 Discouraged by Excessive Pressure

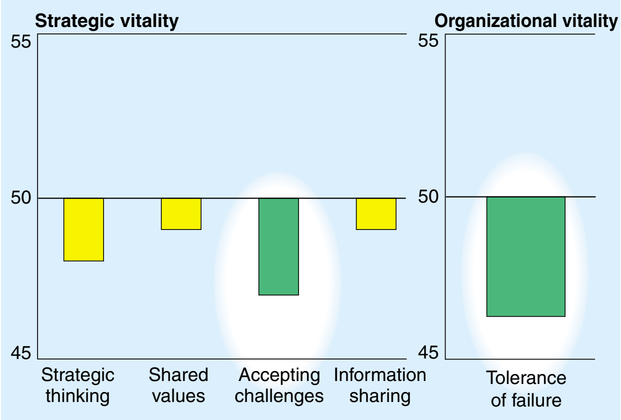
<Characteristics recognized in a Corporate Genome Analysis>

Sales force falling into this pattern have low scores for both accepting challenges in the strategic vitality index and tolerance of failure in the organizational vitality index (Figure 7). In particular, one of the clearly recognized characteristics is a considerable perception gap between managers and sales personnel.

<Characteristics evident in organizations>

The sales force is losing vitality due to excessive pressure from managers. Although these managers tend to display strong leadership, they are overwhelming the subordinates by exerting excessive pressure to achieve.

Figure 7. Characteristics of Organization Discouraged by Excessive Pressure



Source: Nomura Research Institute.

At the same time, since managers often resort to overly harsh punishments in case of failure, sales personnel are discouraged from accepting challenges and instead being turned into timid individuals who are afraid of making mistakes. In other words, they are more likely to follow set routines, rather than taking on any risks themselves for fear of being punished as a result of any spontaneous actions.

In such situations, sales persons increasingly become passive and unwilling to act in any dynamic or challenging way. Moreover, they will become overwhelmed by pressure from multiple directions, develop considerable stress, and ultimately be less loyal to the organization.

<Countermeasures>

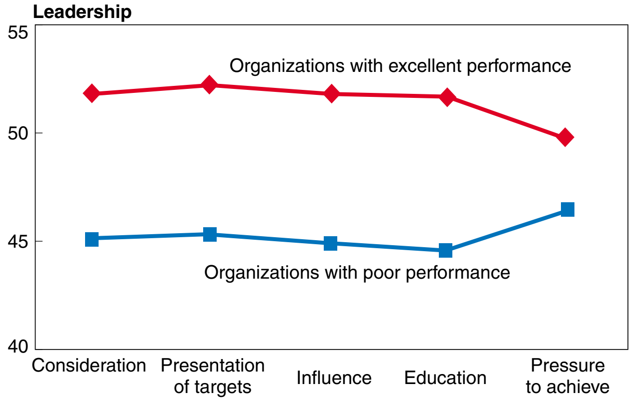
All the problems are rooted in a low tolerance of failure. In order to improve the rankings in this area, a change in management style is indispensable. The following are some suggestions based on our research.

NRI compared two different management styles based on research into corporate culture: one rewards success, which scores high on consideration, presentation of targets, influence, and education, while the other punishes failure and shows excessively high score in pressure to achieve. Our findings indicate that successful organizations are more likely to be characterized by the former management style in which managers care about their subordinates and educate them, instead of exerting excessive pressure for successful achievement (Figure 8 compares organizations with excellent performance results to those performing poorly by evaluating their leadership based on the five supplementary criteria).

Accordingly, why does a management style that relies on punishment generally lead to poor business results? The following are two plausible reasons.

First, such a management style discourages initiative and fails to motivate subordinates. Instead,

Figure 8. Leadership Characteristics in High Performance vs. Low Performance Organizations



Source: Nomura Research Institute.

subordinates are more likely to be motivated to do their part if they observe superiors proactively evaluating and opting for a certain course of action on their own to achieve the same goal. This is because subordinates who receive orders from superiors who do nothing but give orders are less likely to be sufficiently motivated to make efforts in changing their own behavior. In essence, managers need to act spontaneously and show their own involvement in order to change behavior patterns of subordinates.

Second, superiors adopting this management style sidestep any proactive support in creating success. Therefore, by utilizing the three supplmentary criteria (consideration, influence, and education), they can play an effective role in developing the skills of subordinates and thus lead to successful results. Examples for each criteria should be: (1) giving advice when subordinates face difficult decisions; (2) taking the role as mediators when making cross-sectional adjustments; and (3) instructing subordinates at the appropriate time.

It is essential to acquire empirical know-how in identifying how management can serve its organization best in improving corporate efficiency and performance. The first step, of course, is for managers to understand their own management style and to seek help for those areas that need to be improved.

According to our research, there is a significant perception gap between superiors and subordinates in terms of the "360 degree appraisal" (i.e., the gap between self-evaluation by managers and employee evaluations of managers) in those organizations with poor performance results. Conversely, organizations that perform well tend to reflect a smaller divergence in this type of evaluation.

6 Issues Not Revealed by Corporate Genome Analysis

One thing that I should emphasize is that we make no claim that the Corporate Genome Analysis described so far is a panacea that can effectively deal with all types of issues related to sales activities. Some companies diagnosed with excellent corporate cultures and showing no signs of particular problems could nonetheless suffer from sluggish sales over a long term.

In that case, we should search for the roots of the problem elsewhere. For instance, there may be a lack of attractiveness in the market itself, or an inability to serve targeted customers with the necessary competitiveness and resources. In other words, the problem is more likely to exist in strategies formulated by top management or in the company's marketing policy itself. In the case of manufacturers, there may be significant deficiencies in product development, thereby rendering the company incapable of producing the technological differentiation demanded by the market.

The Corporate Genome Analysis described in this article involves tools that are applicable to all types of work, including sales, technology, development, manufacturing, services, administration, etc. In addition, this tool enables cross-sectional comparisons to be made. Therefore, conducting such a diagnosis across the entire company will help to identify the problem areas.

IV Understanding Corporate Culture as the Starting-Point for Innovation

Do any of the archetypes remind you of your own company? These five patterns, which I have identified based on my own experience and accumulated data, merely represent typical cases for poorly functioning sales forces. In fact, many other patterns are possible—indeed, one hundred different patterns may be found at 100 different companies, or combinations of multiple patterns may be recognized and identified.

NRI considers the analysis of corporate culture to be invaluable in promoting innovation at the sales force level. People might think that corporate culture is already understood. In fact, we often receive feedback that "The results of the diagnosis verified the company's own perceptions of its corporate culture." (On the other hand, if managements obtain results that are beyond those that were imagined, they should perhaps be concerned about lacking an ability to understand reality.) Many of our customers appreciate the chance to understand their own culture in an objective and quantitative way, and where subjective feelings are replaced with management factors (i.e., criterias in Corporate Genome Analysis).

An evaluation of a company's culture is represented by its scores on fifteen criteria in the vitality indices, as well as an additional five attributes relating to leadership. More information about the company, including the background for the cultural archetype, its impact, gaps between different job ranks or types, or superior traits in comparison to other businesses, can be obtained. In essence, Corporate Genome Analyses enables management to grasp a situation that is barely visible from its own lofty perspective, and to improve its own understanding of the current circumstances through a consensus that ranges across the entire organization. In addition, it is possible to leverage all the numbers provided in such analysis in making a presentation or persuading others in the company (e.g., it should be noted that quantitative support can be very effective, particularly in Japanese companies).

In any case, understanding the characteristics of a company's own corporate genome is essential for planning and enforcing strategies, or introducing and managing systems and/or schemes in more effective and efficient ways. While the recommendations (countermeasures) in this article may not involve cutting-edge management methods. It is nonetheless more important to select an approach that fits the company and then to utilize it properly, rather than simply implementing some fashionable method in promoting organizational innovativeness.

For that purpose, it is essential to have an appropriate diagnosis of the current status of the company. In conclusion, the Corporate Genome Analysis is one of the most effective methods to reveal problems inherent in the organization and to pave the way to finding appropriate countermeasures for the future.

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