

# INPUT CONTROLS

*Who and what enters the system — hiring, training, tools, resources*

Level	Example 1	Example 2	Example 3	Example 4	Example 5
<b>Corporate</b>	<p><b>Board composition</b> Selection of directors shapes governance quality and strategic oversight.</p>	<p><b>CEO selection criteria</b> Defines the leadership capabilities that guide firm direction.</p>	<p><b>Executive succession planning</b> Ensures continuity of strategic leadership over time.</p>	<p><b>M&amp;A screening criteria</b> Filters acquisition targets based on strategic and capability fit.</p>	<p><b>Capital allocation hurdle rates</b> Sets minimum return expectations for major investments.</p>
<b>Business</b>	<p><b>Business unit leader selection</b> Aligns leadership talent with competitive strategy needs.</p>	<p><b>Capability-focused hiring (e.g., R&amp;D vs cost)</b> Builds the skills required to compete effectively.</p>	<p><b>Strategic talent allocation across units</b> Places high performers in priority businesses.</p>	<p><b>Partner and channel selection</b> Determines which external relationships support strategy.</p>	<p><b>Product team composition</b> Shapes innovation outcomes through team expertise.</p>
<b>Management</b>	<p><b>Manager hiring standards</b> Ensures managerial capability for coordination and execution.</p>	<p><b>Leadership development programs</b> Builds future leaders aligned with firm priorities.</p>	<p><b>Promotion criteria</b> Signals what behaviors and outcomes are valued.</p>	<p><b>Workforce planning systems</b> Aligns staffing levels with strategic demand.</p>	<p><b>Certification and credential requirements</b> Ensures technical and professional competence.</p>
<b>Task</b>	<p><b>Employee qualification requirements</b> Defines minimum skills for job performance.</p>	<p><b>Technical training programs</b> Builds specific skills needed for operational tasks.</p>	<p><b>Tool and system access controls</b> Limits work to those with appropriate capabilities.</p>	<p><b>Onboarding processes</b> Socializes employees into roles and expectations.</p>	<p><b>Equipment and technology standards</b> Ensures consistency and reliability in operations.</p>

*Control systems don't just monitor performance—they **shape** it.*

# BEHAVIOR CONTROLS

*How work is done — rules, procedures, processes, supervision*

Level	Example 1	Example 2	Example 3	Example 4	Example 5
<b>Corporate</b>	<p><b>Corporate governance procedures</b> Establish formal rules for oversight and decision making.</p>	<p><b>Strategic planning processes</b> Structure how strategy is formulated and reviewed.</p>	<p><b>Capital allocation procedures</b> Define how investment decisions are evaluated and approved.</p>	<p><b>Enterprise risk management frameworks</b> Guide how risks are identified and mitigated.</p>	<p><b>Investment approval protocols</b> Set formal steps for major strategic commitments.</p>
<b>Business</b>	<p><b>Pricing and positioning processes</b> Standardize how competitive decisions are made.</p>	<p><b>Product development processes</b> Guide how new offerings are created and launched.</p>	<p><b>Marketing playbooks</b> Define consistent approaches to market engagement.</p>	<p><b>Channel management rules</b> Structure how products reach customers.</p>	<p><b>Customer segmentation processes</b> Standardize how markets are analyzed and targeted.</p>
<b>Management</b>	<p><b>Budgeting procedures</b> Define how financial plans are developed and monitored.</p>	<p><b>Reporting routines</b> Establish regular communication of performance information.</p>	<p><b>Performance review processes</b> Guide evaluation and feedback cycles.</p>	<p><b>Delegation of authority rules</b> Specify who can make which decisions.</p>	<p><b>Cross-unit coordination protocols</b> Structure collaboration across departments.</p>
<b>Task</b>	<p><b>Standard operating procedures (SOPs)</b> Provide step-by-step instructions for tasks.</p>	<p><b>Work instructions</b> Detail how specific activities should be performed.</p>	<p><b>Quality control procedures</b> Ensure outputs meet defined standards.</p>	<p><b>Safety protocols</b> Govern safe execution of work activities.</p>	<p><b>Supervisory oversight</b> Direct monitoring of employee behavior.</p>

*Control systems don't just monitor performance—they **shape** it.*

# OUTPUT CONTROLS

*What results are achieved — metrics, targets, KPIs, incentives*

Level	Example 1	Example 2	Example 3	Example 4	Example 5
<b>Corporate</b>	<b>Revenue growth targets</b> Set expectations for overall expansion.	<b>Return on invested capital (ROIC)</b> Measures efficiency of capital use.	<b>Shareholder return metrics</b> Tracks value delivered to investors.	<b>Portfolio performance comparisons</b> Evaluates relative performance across businesses.	<b>Portfolio balance metrics (e.g., BCG Matrix)</b> Assesses mix of growth and cash-generating units.
<b>Business</b>	<b>Market share targets</b> Measure competitive position in the industry.	<b>Business unit profitability</b> Tracks financial performance at the unit level.	<b>Customer acquisition and retention metrics</b> Evaluate demand generation and loyalty.	<b>Product success metrics</b> Measure performance of specific offerings.	<b>Competitive positioning KPIs</b> Track differentiation or cost leadership outcomes.
<b>Management</b>	<b>Budget targets</b> Define expected financial performance.	<b>Sales quotas</b> Set revenue expectations for teams or individuals.	<b>Cost reduction goals</b> Drive efficiency improvements.	<b>Departmental KPIs</b> Measure functional performance.	<b>Project ROI targets</b> Evaluate investment effectiveness.
<b>Task</b>	<b>Production volume targets</b> Define expected output levels.	<b>Error or defect rates</b> Measure quality performance.	<b>Throughput metrics</b> Track process efficiency.	<b>Service time metrics</b> Evaluate speed of delivery.	<b>Daily performance dashboards</b> Provide real-time feedback on operations.

*Control systems don't just monitor performance—they **shape** it.*

# CLAN CONTROLS

*Culture, norms, shared values — informal social mechanisms that shape behavior*

Level	Example 1	Example 2	Example 3	Example 4	Example 5
<b>Corporate</b>	<p><b>Corporate mission and values</b> Define the organization's purpose and guiding principles.</p>	<p><b>Leadership principles</b> Shape expectations for managerial behavior.</p>	<p><b>Ethical standards and codes</b> Establish norms for acceptable conduct.</p>	<p><b>Innovation or efficiency culture</b> Signals strategic priorities through norms.</p>	<p><b>Tone at the top</b> Leadership behavior that sets cultural expectations.</p>
<b>Business</b>	<p><b>Business unit identity</b> Creates shared understanding of the unit's role.</p>	<p><b>Customer orientation norms</b> Emphasize focus on customer needs.</p>	<p><b>Competitive mindset (premium vs low cost)</b> Shapes how teams approach markets.</p>	<p><b>Innovation vs efficiency norms</b> Influence how work is approached.</p>	<p><b>Brand culture</b> Aligns internal behavior with external positioning.</p>
<b>Management</b>	<p><b>Leadership role modeling</b> Managers demonstrate expected behaviors.</p>	<p><b>Cross-functional collaboration norms</b> Encourage cooperation across units.</p>	<p><b>Recognition and reward culture</b> Reinforces desired behaviors informally.</p>	<p><b>Peer expectations among managers</b> Create informal accountability.</p>	<p><b>Mentorship practices</b> Transfer norms and knowledge across generations.</p>
<b>Task</b>	<p><b>Team norms</b> Define acceptable behavior within workgroups.</p>	<p><b>Peer pressure</b> Encourages conformity to group expectations.</p>	<p><b>Workgroup identity</b> Builds cohesion and shared purpose.</p>	<p><b>Informal coordination practices</b> Enable flexible problem solving.</p>	<p><b>Shared language and routines</b> Reinforce common understanding and behavior.</p>

*Control systems don't just monitor performance—they **shape** it.*