

Making enterprise performance an enduring organisational capability

ENTERPRISE PERFORMANCE ESSAY #6

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From deliberate enterprise-level stewardship comes an organisation increasingly capable of improving itself

Valde defines Enterprise Performance as:

An organisation's continuing ability to create value in fulfilment of its purpose by understanding and deliberately improving the **lived system** through which performance is produced.

This definition underpins the Valde Enterprise Performance essay series. It recognises that enterprise outcomes are not simply the sum of individual functional results. They emerge from how an organisation's people, decisions, capabilities and resources interact through the reality of how work happens.

The preceding essays explore what it takes to understand and improve that system:

- Making the reality of how work happens visible.
- Connecting strategic ambition with the capability exhibited by the system of work.
- Maintaining focus on the operating model's contribution to enterprise performance.
- Developing the ability to deliberately and continuously improve value creation in fulfilment of organisational purpose.

Together, these disciplines provide the foundations for an enduring organisational capability. This final essay considers how an organisation can establish, develop and sustain it.

Connecting Contributions to Enterprise Performance

Organisations invest substantially in improving performance. They develop strategies, strengthen functional capabilities, redesign operating models, undertake transformation programmes, deploy new technologies and pursue continuous improvement. These efforts can deliver significant value and are essential to organisational success.

Yet even where these activities are well managed, their combined contribution to enterprise performance may not be fully understood. Opportunities for greater value can emerge from how their contributions interact, particularly where the reality of how work happens differs from what formal structures, plans and measures suggest.

The opportunity is to understand these interactions more deliberately, recognise where they constrain or enable enterprise value, and build upon what the organisation learns through improvement.

The Importance of Enterprise-Level Stewardship

Enterprise performance is ultimately a leadership responsibility. The CEO and executive team are accountable for the organisation as a whole, while functional leaders retain responsibility for their respective areas.

But who is responsible for deliberately developing the organisational capability to understand and improve how enterprise performance is produced?

Executive attention is necessarily divided between delivering current commitments, responding to emerging pressures and shaping the future. Functional leaders possess essential expertise, but their responsibilities and measures are often concentrated within their own domains.

Opportunities that depend on understanding and changing how functions work together may therefore lack sustained attention, even where the potential value is significant.

Much of the knowledge needed to recognise and act on these opportunities already exists within the organisation. It resides in the experience of leaders, practitioners and specialists, but may remain fragmented across functions or dependent on particular individuals. As people move on, valuable understanding of what has worked, what has not and why can be lost.

Developing Enterprise Performance requires deliberate stewardship: bringing this understanding together, connecting it to opportunities for greater enterprise value, and ensuring that what is learned becomes organisational knowledge that others can access, apply and build upon.

This responsibility may already exist. Where it does not, making it explicit is a sensible first step.

Establishing an Enterprise Performance Practice

An Enterprise Performance Practice provides a practical way to develop and sustain this capability. Its purpose is to strengthen the organisation's ability to understand how the elements of its system of work interact to produce enterprise outcomes, recognise opportunities for greater value and deliberately improve performance in fulfilment of its purpose.

Its distinctive contribution lies in bringing together disciplines that organisations may otherwise apply separately.

Understanding enterprise performance in practice.

Performance measures reveal what has happened, but do not necessarily explain how outcomes are produced. The Practice helps leaders develop visibility of the lived system of work: the activities, decisions, capabilities, dependencies and conditions that shape performance in reality, including those that formal descriptions may not reveal. This provides a stronger basis for recognising opportunities and understanding their causes. (Essay 2)

Connecting strategic ambition with the capability of the system of work.

Strategic ambition depends on what the enterprise is capable of delivering through the way its people, decisions, capabilities and resources work together. The Practice helps leaders examine that connection, recognising where the system of work must evolve to realise greater value and where the implications extend across functional boundaries. (Essay 3)

Maintaining focus on the operating model's contribution.

Operating model decisions influence how the enterprise creates value, but their contribution cannot be established through organisational change alone. The Practice helps maintain

attention on how changes to roles, accountabilities, decision-making and operating arrangements affect enterprise performance, including whether their intended contribution is being realised in practice. (Essay 4)

Developing the continuing ability to improve value creation.

Deliberate performance improvement requires more than implementing change. The Practice helps leaders make interventions transparent and examinable: what was expected to improve and why, what was changed, what outcomes followed and what can be learned. This understanding is retained and reused, while participation develops the judgement and discipline to pursue further improvement in fulfilment of organisational purpose. (Essay 5)

These are not separate functions for the Practice to own. Their value lies in how they inform one another. Understanding the lived system of work informs strategic and operating model decisions. Deliberate interventions then deepen the organisation's understanding of performance and strengthen future decisions.

Artificial intelligence can strengthen this work by helping organisations analyse complex information, recognise patterns and draw on accumulated knowledge from earlier improvement efforts. At the same time, AI is changing the system of work itself, including how activities are performed, decisions are made and expertise is applied. The Practice should help leaders understand how AI is actually being used, including outside formal initiatives, and whether its effects strengthen enterprise performance or introduce new constraints. This responsibility complements, rather than replaces, the work of operational, technology and risk specialists.

The Practice brings sustained enterprise-level attention to these connections, working through the leaders and specialists responsible for strategy, operations, organisational design and improvement.

An accountable leader, sponsored close to the CEO or COO, can establish this discipline. The leader needs the credibility and mandate to work across functions and engage operational leaders without displacing their accountabilities.

The Practice should remain deliberately small and selective, concentrating on material enterprise opportunities where the potential value justifies the attention required. It works with executive sponsors and operational leaders, drawing on existing expertise rather than creating competing priorities.

Its work begins by developing a shared understanding of how enterprise performance is produced in practice. This helps leaders recognise opportunities that warrant further attention. Interventions are agreed with the business and undertaken through operational leaders and their teams.

Progress and emerging effects are examined during implementation, followed by assessment of outcomes, underlying reasoning and unintended consequences. Learning informs subsequent decisions and opportunities. Each cycle should improve performance while deepening the organisation's understanding of how value is created.

Many organisations already have substantial expertise in Business Improvement, Operational Excellence, Transformation and related disciplines. An existing function may be well placed to fulfil the Enterprise Performance mandate, provided it has the necessary enterprise perspective, sponsorship and capability.

The distinction lies in the purpose and responsibility, not the organisational label or methodology. The Practice does not replace existing improvement efforts or assume operational decision-making authority. It strengthens their contribution by focusing on the interactions

through which enterprise performance is produced and developing the organisation's continuing ability to improve.

Its success depends on the enterprise value created and the capability developed throughout the organisation, not the volume of initiatives managed centrally.

From Practice to Organisational Capability

The lasting contribution of an Enterprise Performance Practice is not confined to the improvements it helps deliver. It is the development of an organisational capability that becomes stronger through experience and less dependent on any particular leader or team.

This progression depends on sharing expertise, retaining useful knowledge and embedding the disciplines of enterprise understanding and improvement into everyday leadership and management.

Establishing the discipline

Initially, the Practice must demonstrate the value of its mandate through a small number of material enterprise opportunities.

The first inquiries and interventions create a shared understanding of how performance is produced and where improvement could generate greater value. Working alongside operational leaders establishes credibility and begins developing capability beyond the Practice.

What is learned must be retained in a form that others can understand and use, rather than remaining knowledge held only by the Practice.

Developing capability across the organisation

As experience accumulates, the Practice increasingly enables others to undertake the work.

Leaders and practitioners become better equipped to examine dependencies, understand the wider consequences of decisions and pursue improvements with greater discipline.

Knowledge from earlier work is made accessible and applied to new opportunities. The organisation builds on its experience rather than repeatedly rediscovering what previous interventions revealed.

The Practice remains a source of expertise and stewardship, but capability increasingly resides throughout the enterprise.

Embedding organisational mastery

Over time, understanding and improving enterprise performance becomes embedded in the organisation's culture, shaping how leaders and practitioners think, make decisions and approach improvement.

Leaders routinely consider the wider enterprise consequences of decisions. Cross-functional dependencies are addressed through established management processes. Improvement is informed by evidence, and learning from previous experience influences plans, decisions and operating arrangements.

The organisation increasingly recognises opportunities, mobilises expertise and improves performance without depending on the Practice to initiate every intervention.

As this capability matures, dedicated central support may diminish. Some organisations may retain a small specialist function; others may distribute its responsibilities more fully. The organisational arrangement can change, but the capability and accountability must endure.

The effectiveness of this development should be evident in two ways: improved enterprise outcomes today, and an organisation increasingly capable of identifying and realising further improvements by building on accumulated knowledge and learning.

This requires looking beyond individual interventions. Are opportunities being recognised that previously went unseen? Are leaders making better-informed decisions across boundaries? Is knowledge from improvement retained and reused? Can the discipline continue as people and priorities change?

These questions belong within existing executive governance, not a separate reporting bureaucracy.

The Enduring Opportunity

An organisation can have a compelling strategy, capable leaders, effective functions and a strong record of improvement, yet still have opportunities for greater enterprise value that remain unrealised.

Across this series, we have explored why. Enterprise performance emerges from the lived system of work: how people, decisions, capabilities and resources interact to create value. Understanding that system in practice, connecting its capability to strategic ambition, maintaining focus on the operating model's contribution, and learning deliberately through improvement are mutually reinforcing disciplines.

Together, they provide the foundations for something more enduring than the success of individual initiatives: an organisational capability to understand and continually improve how value is created in fulfilment of purpose.

The opportunity is not simply to improve performance today, but to develop an organisation whose growing understanding of how value is created makes it progressively more capable of realising greater value.

ABOUT THE AUTHOR

Melanie Lisboa is an enterprise performance executive whose work focuses on how strategy, operating models, leadership, capability and execution combine to create value. Through Valde Enterprise Performance, she helps organisations develop the enduring capability to understand and deliberately improve how enterprise value is created.

If these ideas resonate with opportunities or challenges in your organisation, I welcome a conversation about how Enterprise Performance might be understood and developed in your context.

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RELATED THINKING

This final essay brings together the Valde Enterprise Performance perspective developed across the series and proposes a practical approach to making it an enduring organisational capability. The proposition reflects professional experience and has connections with established thinking in organisational learning, dynamic capabilities and strategy management.

- **Peter M. Senge (1990)** – *The Fifth Discipline: The Art and Practice of the Learning Organization*.
- **David A. Garvin (1993)** – *Building a Learning Organization*. *Harvard Business Review*, July–August.
- **David J. Teece, Gary Pisano and Amy Shuen (1997)** – *Dynamic Capabilities and Strategic Management*. *Strategic Management Journal*, 18(7), 509–533.
- **Robert S. Kaplan and David P. Norton (2005)** – *The Office of Strategy Management*. *Harvard Business Review*, October.

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