


**LOGIC**  
**CONSULTING**

**LSI**  
LOGIC SUSTAINABILITY INDEX



# SUSTAINABILITY



## Sustainability at the heart of its mission

The turn of the century arrived with massive changes to the world, bringing endless opportunities and challenges to businesses everywhere.

LOGIC Consulting was born at that era and with sustainability at the heart of its mission and a vision to help businesses achieve it. Sustainability quickly became not only part of the business daily dialect but also a valid concern in all sectors. With real challenges to the economy and the global resources, how do we reach sustainability?

Business Sustainability is often defined as managing the organization's bottom line, a process by which companies manage their financial, social and environmental risks, obligations and opportunities. It also means that organizations are required to meet the present business requirements without compromising the ability for continuity or growth.

Have you ever wondered if your business is sustainable or not? or if you possess the necessary tools to measure its sustainability? or if your business is capable of achieving its ambitious goals with its current systems, processes, policies and decision-making mechanisms?

While there are many profitable businesses, it is however important to realize that not all of them are necessarily sustainable and able to endure in times of crises and aggressive market challenges.

LOGIC Sustainability Index (LSI) measures the sustainability of organizations for different businesses in different industries. The LSI is a diagnostic tool that identifies the organization's areas of strengths and areas of improvement on foundational elements, such as, processes, activities, systems and practices.



## LSI tool measures the sustainability of organizations

# THE LSI STRUCTURE

**The tool covers the 6 most critical management pillars for any organization, starting with “Corporate Governance”, “Strategy & Organization”, “Business Planning & Budgeting”, “Support Functions”, “Commercial Functions” and “Operations”**

Each pillar comprehensively addresses a number of areas that covers its full spectrum in terms of; existing processes, activities, means/tools for monitoring progress, reports generated etc. Furthermore, the LSI is designed to generate statistical analyses that are supported by insights and commentaries, which eventually help the Consultants along with the relevant stakeholders identify action plans for improvement. The effective implementation of those actions, help organizations achieve institutionalization across the different pillars and ultimately achieve business sustainability. The tool, however, does not assess the quality of the existing inputs or outputs to any of the assessed areas, it rather evaluates their existence and the approach by which they are applied.



# THE SIX MANAGEMENT PILLARS



## CORPORATE GOVERNANCE

This pillar aims at maximizing shareholders' value through governing the relations between shareholders, board, executives and external stakeholders. It also addresses the following; board composition, dynamics, committees, controls, compliance, risk, succession planning and transparency.



## STRATEGY & ORGANIZATION

This pillar aims at identifying the extent to which the strategy is clear to all stakeholders, documented, and clearly articulated, communicated, cascaded and monitored. This pillar also addresses the extent to which the documented organization structure reflects present reality and the extent to which it is aligned with the company's strategy.



## BUSINESS PLANNING & BUDGETING

This pillar aims at evaluating the process that govern the Budgeting and Business Planning activities, such as; the applied approach for their development, the process, the monitoring tools, stakeholders' responsibilities, time of issuance, the controls imposed to apply changes and others.



## SUPPORT FUNCTIONS

This pillar addresses the three critical support functions in any organization: Finance, HR & IT. It evaluates their structure, reporting lines, the existence of their compulsory activities, the issuance of periodical performance reports, documented policies & procedures and to which extent they are implemented in the organization.



## COMMERCIAL FUNCTIONS

This pillar addresses the four critical commercial functions in any organization: Marketing, Sales, Export & Customer Service. It evaluates their structure, reporting lines, the existence of their compulsory activities, documented strategies and plans and the monitoring tools that report on the progress of their approved plans.



## OPERATIONS




This pillar addresses the core operations in any organization, and evaluates their structure, reporting lines, the existence of their compulsory activities, documented processes & procedures, quality programs and the monitoring tools that report on the progress of their approved plans, in respect of the requirement of different industries.

# THE MAKING OF THE TOOL



# HOW DOES IT WORK?

## There are essentially three steps for the LSI:

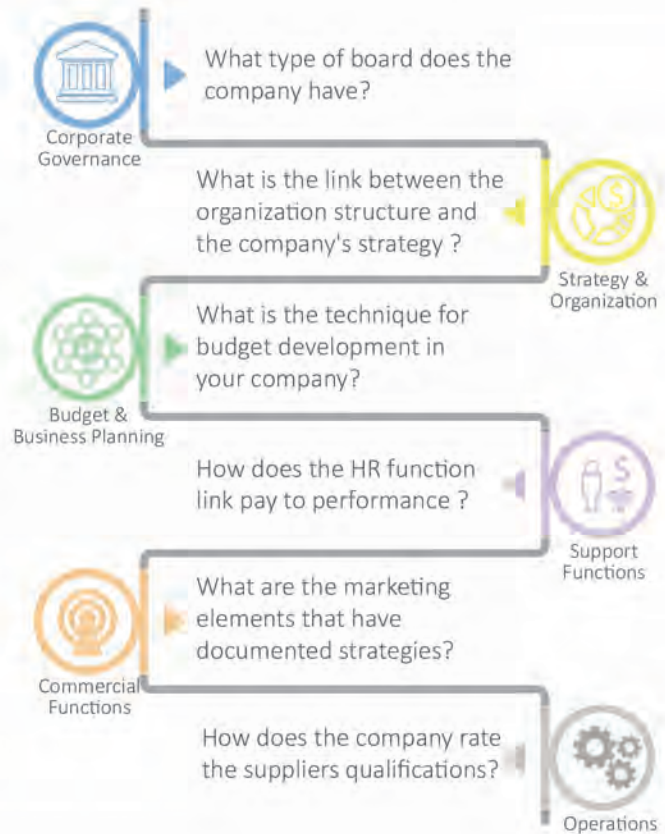
-  **The Data Gathering phase**
-  **Presentation of Findings and Results**
-  **Action plans.**

Each step is explained in full details below:



### Data Gathering Phase

The Consulting team conducts meetings with the nominated stakeholders for each management pillar, and obtain their answers on the relevant questions. Each answer maps the current state of the company versus the best practice, on a 4 level scale, where the least indicates a (0%) as the company has never attempted any activities on the subject area, a (33%) where the company has attempted few, yet incomplete activities on the subject area, a (67%) where the company has attempted some activities yet hasn't reached its optimum level on the subject area and finally (100%) where the company's current activities match with best practice of the subject area. The LSI interview is also considered an educational journey for the involved stakeholders, as it discusses the best practice fundamentals of each area.



Sample questions for each pillar

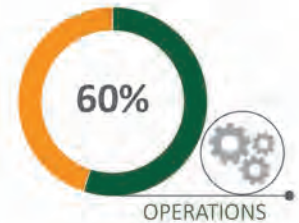
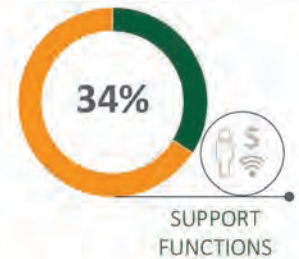
# ANALYSIS REPORT



## Presentation of Findings & Score Validation and Objectivity

The Chairman, CEO and the Management team attend the presentation of findings, where the company's sustainability index is announced and identified areas of strengths and others of improvements are presented and discussed in details under each pillar.

To avoid any uncertainty or doubt on the level of accuracy of the answers provided by the management team during the interviews (and ultimately doubt the final score), the LSI answers are validated twice. The first time is during the presentation while all attendees discuss the scores "in doubt" with the relevant owners and reach an agreement on the final score; and the second time is during the Action plan meetings that are mandatorily attended by the CEO, who further confirms the accuracy of the provided score and collaboratively with the relevant stakeholders agree on the most applicable action for each area.





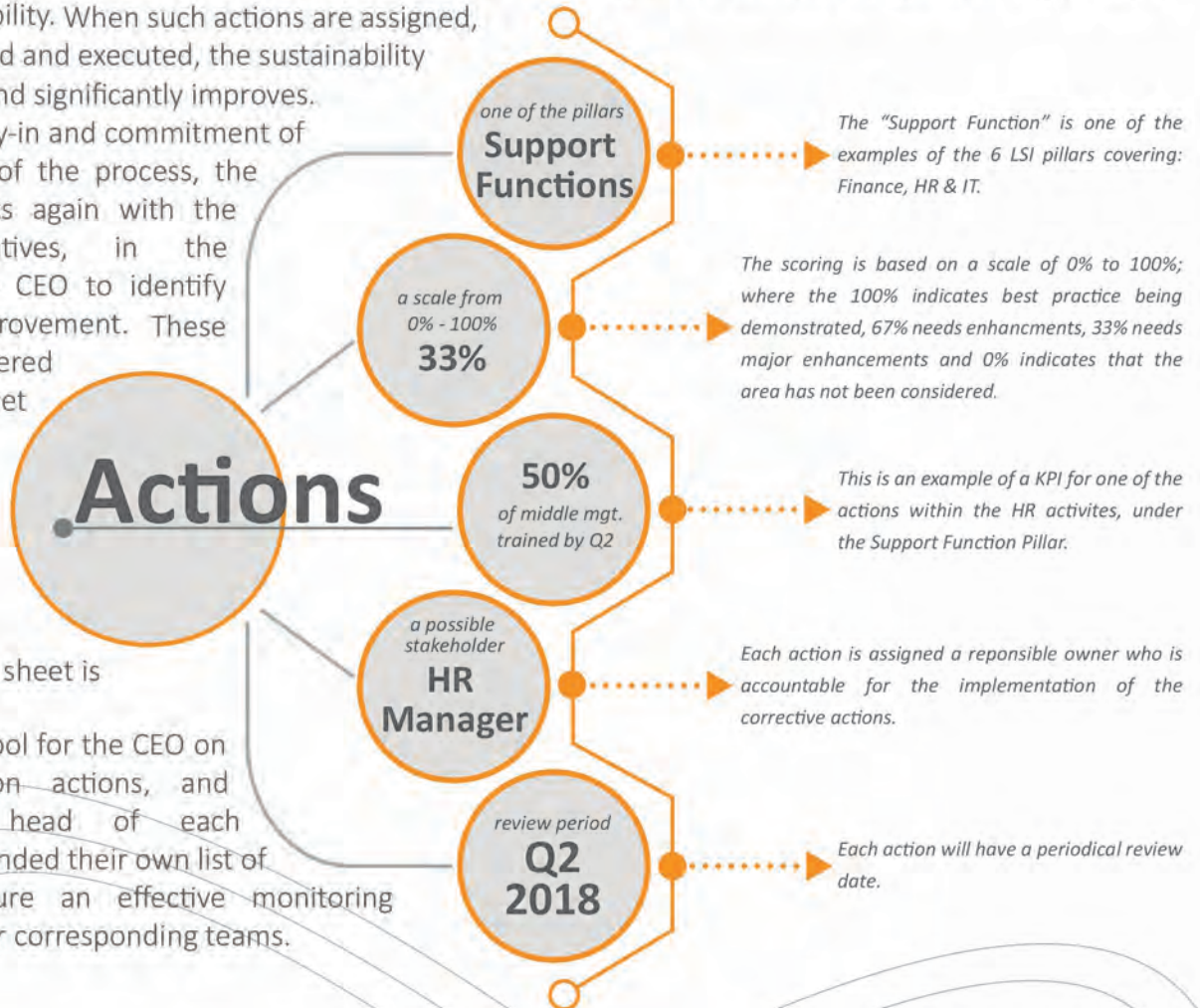
# ACTION PLANS



## *The First Steps Toward Sustainability - Action Plans*

The Action plans are considered as the first significant steps that lead to the organization's journey to sustainability. When such actions are assigned, owned, monitored and executed, the sustainability Index gradually and significantly improves.

To ensure the buy-in and commitment of all stakeholders of the process, the Consultant meets again with the relevant executives, in the presence of the CEO to identify actions for improvement. These actions are registered on a work-sheet illustrating; each area, corrective actions, KPIs, completion dates and first and secondary owners. The final sheet is considered the monitoring tool for the CEO on all agreed upon actions, and likewise, the head of each department is handed their own list of actions to ensure an effective monitoring process with their corresponding teams.



# MONITORING SUSTAINABILITY


## ***MONITORING SUSTAINABILITY PROGRESS***

Attempting sustainability initiatives, without measuring and monitoring their progress, is effort in vain. With LOGIC Consulting firm belief in the importance of Business Sustainability, the assessment exercise (LSI) is a process that is worth integrating as one of the critical processes of the company, that is conducted on annual basis to identify the progress the organization has achieved year over year, in light of the recommended actions, and to identify further gaps in line with the organization's revised annual budgets and strategies.

To further instill the concept of "Sustainability" as an integral part of the business, the Board of Directors is advised to set the "Sustainability Index" as one of the criteria upon which the CEO's performance is evaluated, and furthermore ensure that the HR function integrates the identified KPIs as an integral part of the company managers' performance evaluation.

***The Sustainability journey is not a walk in the park ...***





[www.logic-consulting.com](http://www.logic-consulting.com)  
[info@logic-consulting.com](mailto:info@logic-consulting.com)