Is Your Strategic Plan Static or Dynamic?

(How to “Shift” into High Gear Dynamic Strategic Planning)

Joe DeCarlo
Director of Research/Technology and Sr. Consultant

Strategists...
Start Your Engines...
Video: http://www.youtube.com/watch?v=qbLfRy5a9h0

Johnny Hates Jazz – “Shattered Dreams”

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Let’s Not Set Ourselves Up for Shattered Dreams...!!!

Strategists...
Start Your Engines...
“Shifts” into High Gear for Advanced BSC Problem Solving

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Rules of the Road

**Tips and Techniques** that should be in place to set the scorecard and strategy in motion and keep it on motion in order to generate value for the customers of the organization. In other words, the **Must-Dos!!!**

**Communications Program and Alignment Efforts Across the Entire Organization** to make sure everyone knows their required contribution to the organization’s strategic success

**Project Manage and Monitor** the implementation and execution of the scorecard and strategy

**Traps to Avoid** in the implementation and execution of the scorecard and strategy. In other words, the **Do Not Forget to Do or Ignore!!!**
What is a Balanced Scorecard?

An integrated strategic planning and performance management system that:

- **Communicates** with clarity an organization’s vision, mission, and strategy to employees and other stakeholders
- **Aligns** day-to-day work to vision and strategy
- Provides a **framework** for prioritizing programs, projects, services, products, and resources
- **Uses** strategic performance measures and targets to measure progress
The Logic of Integrated Strategic Planning & Management with a Balanced Scorecard

Strategic Altitude

30,000 ft.

25,000 ft.

15,000 ft.

Ground Level

Customer / Stakeholder / Market Needs

Mission
Purpose: “What we do”

Vision
Picture of the Future

Perspectives
Different views of organizational performance

Strategic Themes & Results
Main focus areas (“Pillars of Excellence”) driving key results

Strategic Objectives & Strategy Maps
Key strategy components connected to tell a cause-and-effect value creation story

Performance Measures & Targets
Captures whether an organization is performing at the desired level or not

Strategic Initiatives
Projects & Action Plans that drive results

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Strategic Initiatives
Projects & Action Plans that drive results
Align the Organization to Mission, Vision & Strategy

- Customer Values & Needs
- Political Priorities
- Organizational Values
- Stakeholder Considerations
- Policies & Governance

Vision
Mission

Strategic Objectives
- Strategic Objectives/Map
- Measures & Targets
- Strategic Initiatives

Strategy

- Strategic Goals / Themes
- Strategic Results

Budget & Actions

- Strategy Budget
- Operational Budget
- Capital Budget

- Programs, Products, Services
- Projects, Activities & Tasks
- Rewards, Recognition & Incentives
- Schedule, Scope, Resources, Risk
### Objectives Connect Various Elements of the Strategic Management System

<table>
<thead>
<tr>
<th>Strategic Results</th>
<th>Commentary</th>
<th>Objective Owner</th>
<th>Performance Measures</th>
<th>Targets</th>
<th>Strategic Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
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<tr>
<td>Customer</td>
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<td>Internal Process</td>
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<tr>
<td>Organizational Capacity</td>
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<tr>
<td>Corporate Strategic Objectives</td>
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<tr>
<td>What is the Intent &amp; Scope of the Objective?</td>
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<tr>
<td>How Are We Performing?</td>
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<tr>
<td>What Strategic Projects Must be Implemented?</td>
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<tr>
<td>Department Strategic Objectives</td>
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<tr>
<td>Employee Personal Objectives</td>
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</tr>
</tbody>
</table>

**Strategy Map: How Do We Create Value?**

- Mission & Vision
- Strategic Results
- Corporate Strategic Objectives
- Financial
- Customer
- Internal Process
- Organizational Capacity
- How Do We Align Departments & Individuals to Strategy?
- Department Strategic Objectives
- Employee Personal Objectives

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“Shifts” to Your Scorecard System for High Gear Strategy Execution

- **Strategy/Scorecard Pit Stops**
  - Periodic Evaluation (Monthly/Quarterly/Annually)
  - Re-Assessment of M&M Environments
  - Communication Programs

- **Strategically Align Your Organization**
  - Process to Align Corporate Scorecard Across Organization
  - Communication Programs

- **Monitoring and Alignment Across Organization**
  - Performance/Initiative Monitoring Corporate/Department/Teams-Individuals)
  - Dynamic Sensing Balanced Scorecards
"Shifts" to Your Scorecard System for High Gear Strategy Execution

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  - Periodic Evaluation (Monthly/Quarterly/Annually)
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- Strategically Align Your Organization
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  - Performance/Initiative Monitoring Corporate/Department/Teams - Individuals
  - Dynamic Sensing Balanced Scorecards
Strategy/Scorecard Pit Stops
Periodic Evaluation

Develop an Evaluation Plan

• Determine Roles & Responsibilities
• Determine schedule and scope

Analyze Actual Strategic Results Against Planned Results

• Review background assumptions
• Evaluate performance results against targets
• Evaluate initiative results against expectations

Make Any Necessary Changes to Strategic Elements and Scorecard System

• Revise vision, mission, values, customer value proposition
• Revise strategic themes
• Revise strategic objectives and the strategy map
• Revise performance measures and targets
• Identify new strategic initiatives
Strategic Management Maturity Model™

Maturity Levels

Level 1: Ad hoc & Static
Level 2: Reactive
Level 3: Structured & Proactive
Level 4: Managed & Focused
Level 5: Continuous Improvement

Dimensions:
- Leadership
- Culture & Values
- Strategic Thinking & Planning
- Alignment
- Performance Measurement
- Performance Management
- Process Improvement
- Sustainability

See: balancedscorecard.org
Search: SMMM
Strategy/Scorecard Pit Stops
Example: Periodic Evaluation Agenda

- **Introduction and Purpose**
- **Review and Evaluation**
  - Strategic Foundations
  - Presentations by Objective Owners
  - Strategic Management Maturity Model
- **Communication Plan**
- **General suggestions and discussion**

---

**Traps: NOT Designing Out the Evaluation Plan and Conducting Meetings!**
### Strategy/Scorecard Pit Stops
#### Example: Periodic Evaluation Plan Tiers 1, 2, 3

<table>
<thead>
<tr>
<th>Tier</th>
<th>Action Item</th>
<th>Action Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Corporate Scorecard</td>
<td>Initiate Annual Strategy Evaluation</td>
</tr>
<tr>
<td>(Row 2) 1</td>
<td>Act on Any Changes Needed</td>
<td>CEO/SMO/Strategic Objective Owners</td>
</tr>
<tr>
<td>(Row 3) 1</td>
<td>Review Performance Measures and Initiatives (update if needed)</td>
<td>CEO/SMO/Strategic Objective Owners</td>
</tr>
<tr>
<td>(Row 4) 1</td>
<td>Develop/Revise Communications Plan</td>
<td>CEO/SMO/Strategic Objective Owners/Communications Team</td>
</tr>
<tr>
<td>2</td>
<td>Department Scorecards</td>
<td>Review Tier 1 Scorecard for any Realignment Issues at Tier 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At Tier 2, Repeat Rows 2-4 (Request full copy of Potential Periodic Evaluation Plan)</td>
</tr>
<tr>
<td>3</td>
<td>Teams/Individuals Goals</td>
<td>Review Tier 2 Scorecard for any Realignment Issues at Tier 3</td>
</tr>
<tr>
<td>3</td>
<td>Review Tier 3 Teams/Individuals Goals for any Departmental Updates</td>
<td>Department Manager/SMO/HR/Team Leads/Individuals</td>
</tr>
<tr>
<td>3</td>
<td>Develop/Revise Tier 3 Communications Plan</td>
<td>Department Manager/SMO/HR/Team Leads/Individuals/Communications Team</td>
</tr>
</tbody>
</table>
Strategy/Scorecard Pit Stops
Re-Assessment of the M&M Environments

Macro Environment

- Socio-Cultural Forces
- Economic Forces
- Political / Legal Regulatory Forces
- Technological Forces
- Environmental Forces

Micro Environment

- Customers
  - Stockholders
  - Competitors
  - Employees / Labor Unions
  - Suppliers
  - Trade Associations
- The Organization
  - Governments
  - Creditors
  - Communities
  - Special Interest Groups

Source: Randy Rollinson / LBL Strategies
Strategy/Scorecard Pit Stops
Re-Assessment of M&M Environment
Strategy Profile

Emphasis & Success

High

Us - Now

Low

Competition

Function 1
Function 2
Timeliness 1
Economics 1
Quality 1
Image
Relationship

Market Differentiators

* Actual Example from a Fortune 150 client
### Example: Re-Assessment of M&M Environment

<table>
<thead>
<tr>
<th>System Component</th>
<th>Developed</th>
<th>Reviewed</th>
<th>Acceptable</th>
<th>Revision Required</th>
<th>Comments</th>
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<tbody>
<tr>
<td>1) Business and Support Processes</td>
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<tr>
<td>2) Mission</td>
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<td>3) Vision</td>
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<td>4) Values</td>
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<td>5) Communications &amp; Change Management Plan</td>
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<td>6) Enablers / Pains (SWOT Analysis)</td>
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<td>7) Customer Needs and Value Proposition</td>
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<td>8) Strategy Profile</td>
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<td>9) Strategic Themes and Results</td>
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<td>10) Perspectives</td>
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<td>11) Strategic Objectives</td>
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<td>12) Strategic Objective Commentary</td>
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<tr>
<td>13) Organization Strategy Map</td>
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<tr>
<td>14) Performance Measures and Targets</td>
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<tr>
<td>15) Performance Measures Data Definitions</td>
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<tr>
<td>16) Strategic Initiatives</td>
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<tr>
<td>17) Strategic Initiatives Commentary</td>
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<tr>
<td>18) Strategic Initiatives Data Definitions</td>
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<tr>
<td>19) Balanced Scorecard System Visual</td>
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<tr>
<td>20) Strategic Plan &amp; Story</td>
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<tr>
<td>21) Performance Analysis (Automation) Plan</td>
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<tr>
<td>22) Alignment (Cascading) Plan</td>
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<tr>
<td>23) Evaluation Plan</td>
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</tbody>
</table>
Strategy/Scorecard Pit Stops
Re-Assessment of M&M Environment

Trap: Not Planning and Not Executing on!

Trap: Not Allocating Sufficient Time!

Trap: Not Involving Entire Leadership, Management, and Strategic Objective Owner’s Teams at All Organizational Levels!
**Strategy/Scorecard Pit Stops**  
**Example: Communication Plan – Tier 1**

<table>
<thead>
<tr>
<th>Action Item</th>
<th>Action Outcomes</th>
<th>Action Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create and release baseline survey (close ended questions &amp; comment field)</td>
<td>Gauge employees’ knowledge level of mission, vision, values and strategy</td>
<td>CEO/SMO</td>
</tr>
<tr>
<td>Upgrade scorecard posters</td>
<td>Make it simple and easy to read</td>
<td>CEO/SMO/Strategic Objective Owners</td>
</tr>
<tr>
<td>Create “accordion fold cards”</td>
<td>Make it accessible. To be distributed to employees during meetings and to be included in new employees’ packets</td>
<td>CEO/SMO/Strategic Objective Owners/Communications Team</td>
</tr>
<tr>
<td>Create newsletter to present updates on the BSC strategy</td>
<td>Create a piece of communication that presents strategy updates on a very simple and direct way so employees will know what to expect</td>
<td>Department Manager/SMO/Tier 2 Strategic Objective Owners</td>
</tr>
</tbody>
</table>

*(Request copy of full potential Communication Plan - Tier 1)*
Strategy/Scorecard Pit Stops  
Communication Programs – Tiers 1 and 2

**Goal: Dialog**

*Combining methods helps to reinforce the message!*

*Younger audiences have very different responses to electronic media!*

"2 way"  
(Always Better!)

- One-to-One **Dialog**
- Small Group **Dialog**
- Large Group Discussion
- Video Conference
- Telephone Conversation
- Conference Call
- PowerPoint Presentation
- Voice Mail
- E-Mail/Text Message/Blogs
- Handwritten Letter
- Web Site
- Fax
- Personal Letter
- Mass-Produced Letter
- Newsletter
- Brochure
- News Item
- Advertisements

Source: CENTRE for STRATEGIC MANAGEMENT, adapted by C. Shaw & H. Rohm
# Strategy/Scorecard Pit Stops

## Communication Programs – Tiers 1 and 2

<table>
<thead>
<tr>
<th>Target Audience</th>
<th>Desired Behavior</th>
<th>Resistance Issues</th>
<th>Pain Solved or WIIFM</th>
<th>Key Messages</th>
<th>Medium &amp; When</th>
<th>Who’s Voice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executives</td>
<td>Examples: • “Walk the talk” • Unconditional support • Align department plans • Embrace change</td>
<td>• Too busy • My bonus could change • No resources to support this • I don’t see the benefits • I don’t want to lose power &amp; influence</td>
<td>• Alignment means less unproductive activities • Prioritization = less fire-fighting time • Larger profits = higher bonuses • Career enhancement • Easier resourcing decisions • Corporate level recognition</td>
<td>• If we don’t initiate change, our competition will • You are a key component of strategy implementation • You will be better able to focus on leadership, strategy &amp; customers • I expect you, at the minimum, to embrace this</td>
<td>• Face-to-face meetings – first a breakfast meeting (Jul10) and then a series of half hour personal meetings with leadership team members (Jul10-12)</td>
<td>CEO and COO</td>
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<tr>
<td>Directors</td>
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<tr>
<td>Managers</td>
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<tr>
<td>Other Staff</td>
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</tbody>
</table>

**Discuss and develop an answer for each column for each key Target Audience**

**Internal Communication Plan**

**Gets Employees “On Board”**

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### Eight Errors that Consistently Contribute to Failed Change Initiatives

<table>
<thead>
<tr>
<th>Error</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Understanding the power of vision”</td>
<td>Change requires vision that tells the troops where to go. Understanding the vision tells them when they’ve arrived. Vision inspires, motivates and provides a sense of direction. If people wander around without a clear sense of purpose, your transformation project will lose impetus.</td>
</tr>
<tr>
<td>“Under communicating the vision by a factor of 10 (or 100 or even 1,000)”</td>
<td>Change often calls for sacrifice. A few meetings or inter-office memos just will not do. Leaders communicate in both word and deed. Over communicate your vision and make sure your actions send the same message as your words.</td>
</tr>
</tbody>
</table>

### Eight-step Process to Implement Change

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Developing a vision and strategy”</td>
<td>Many times the guiding techniques behind transformation are “authoritarian decree” and “micromanagement.” Unfortunately, neither method motivates those who actually put new systems in place. Thus, vision is essential. A well-articulated, inspiring vision clears away distractions and aligns the resources of the organization to its ultimate goals. Change may not be in everyone’s short-term best interests, but a compelling vision helps employees understand that transformation is in their long-term best interest.</td>
</tr>
<tr>
<td>“Communicating the change vision”</td>
<td>Under communication and mixed messages are the primary culprits here. To avoid “a failure to communicate,” keep your message simple and check your MBA-speak at the door. Search for rich metaphors that are more valuable than a thousand words. Consider every possible forum and media to carry your strategic message to employees.</td>
</tr>
</tbody>
</table>


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Strategy/Scorecard Pit Stops
Communication Programs - Tier 1

- **Trap: Not Designing the Communications Plan and Not Completing the Messaging Template!**

- **Trap: Not Allocating Sufficient Time!**

- **Trap: Not Involving Entire Leadership, Management, Strategic Objective Owner’s Teams at All Levels. Not Seeking Communication Team Assistance!**
“Shifts” to Your Scorecard System for High Gear Strategy Execution

- **Scorecard Tune-up**
  - Periodic Evaluation (Monthly/Quarterly/Annually)
  - Re-assessment of Macro Environment
  - Communication Programs
  - Strategy Profile

- **Strategically Align Your Organization**
  - Process to Align Corporate Scorecard Across Organization
  - Communication Programs

- **Monitoring and Alignment Across Organization**
  - Performance/Initiative Monitoring Corporate/Department/Teams
  - Dynamic Sensing Balanced Scorecards
Align Your Organization Process to Align Corporate Scorecard Across Organization

**Tier 1: (Organization Wide)**
Mission, Vision, Core Values, etc.
Strategic Themes

<table>
<thead>
<tr>
<th>Strategy Map / Objectives</th>
<th>Measures</th>
<th>Targets</th>
<th>Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer</td>
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<tr>
<td>Financial</td>
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<tr>
<td>Process</td>
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<tr>
<td>Organizational Capacity</td>
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</tbody>
</table>

**Tier 2: (Dept., Business Units, etc.)**
Department Business Purpose
Department Programs & Products & Projects

<table>
<thead>
<tr>
<th>Strategy Map / Objectives</th>
<th>Measures</th>
<th>Targets</th>
<th>Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer</td>
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<td>Financial</td>
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<tr>
<td>Process</td>
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<tr>
<td>Organizational Capacity</td>
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</tbody>
</table>

**Tier 3: (Teams/Individuals)**
Teams (Job Description) and Individuals
Objectives/Goals, Measures and Initiatives

<table>
<thead>
<tr>
<th>Personal Objectives</th>
<th>Measures</th>
<th>Targets</th>
<th>Initiatives</th>
</tr>
</thead>
</table>

Strategic Alignment Comes From Aligning Objectives *(Tier 1 to Tier 2 to Tier 3)*
Align Your Organization Process to Align Corporate Scorecard Across Organization

- Trap: Not Completing Tier 1 Scorecard.
- Not Methodically Developing Departmental Strategic Elements!
- Trap: Not Allocating Sufficient Time!
- Trap: Not Involving Entire Departmental Leaders.
### Example: Departmental Communications Plan – Tiers 2 and 3

<table>
<thead>
<tr>
<th>Action Item</th>
<th>Action Outcomes</th>
<th>Action Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review closing Tier 1 survey with department</td>
<td>Gauge any changes in awareness concerning knowledge level of mission, vision, values and strategy</td>
<td>Department Manager/SMO/HR/Appropriate Objective Owners/Communications Team</td>
</tr>
<tr>
<td>Review and changes to departmental strategy and scorecard based on review of the Tier 1 scorecard</td>
<td>Revise department (Tier 2) scorecard if needed. Incorporate discussion into all Tier 3 goal(s) determination with department teams and individuals</td>
<td>Department Manager/SMO/HR/Appropriate Objective Owners</td>
</tr>
<tr>
<td>Upgrade departmental scorecard posters</td>
<td>Make it easy and simple to read</td>
<td>Department Manager/Objective Owners/SMO</td>
</tr>
<tr>
<td>Insert discussion at every department meeting dialog on departmental strategy and current results</td>
<td>This is an opportunity for employees to understand how to interpret the posters and other communications and ask questions</td>
<td>CEO/SMO/Strategic Objective Owners/Communications Team</td>
</tr>
<tr>
<td>Department Managers start “Managing by Wandering Around” with unscheduled “Pit Stops” to gauge strategy alignment understanding</td>
<td>Do the department employees understand the overall organization’s strategy and not just their individual department’s role?</td>
<td>Department Manager (Request copy of full Example Communication Plan - Tier 2)</td>
</tr>
</tbody>
</table>
Align Your Organization
Communication Programs – Tier 2

Trap: Not Designing the Communications Plan and Not Completing the Messaging Template!

Trap: Not Allocating Sufficient Time!

Trap: Not Involving All Departmental Leaders. Not Assigning Ownership at Departmental Level to Tier 2 Strategic Objectives! Not Seeking Communications Team Assistance!
“Shifts” to Your Scorecard System for High Gear Strategy Execution

- Scorecard Tune-up
  - Periodic Evaluation (Monthly/Quarterly/Annually)
  - Re-assessment of Macro Environment
  - Communication Programs
  - Strategy Profile

- Strategically Align Your Organization
  - Process to Align Corporate Scorecard Across Organization
  - Communication Programs

- Monitoring and Alignment Across Organization
  - Performance/Initiative Monitoring Corporate/Department/Teams-Individuals)
  - Dynamic Sensing Scorecards
Monitoring and Alignment Across Organization Performance/Initiative Monitoring

Mission: Dedicated to enhancing the quality of life for those we serve by providing safe, reliable utility services at the lowest reasonable cost.
Vision: To Be the Regional Utility Provider of Choice

Customer
- Improve Customer Value
- Expand Customer Base
- Improve Financial Performance

Financial

Internal Business Processes
- Improve & Expand Value-Added Services
- Enhance Stakeholder Relationships
- Improve Customer Communications
- Improve Efficiency and Reliability of Services

Employees & Organizational Capacity
- Improve Knowledge, Skills & Abilities
- Increase Employee Motivation
- Improve Use of Technology
Monitoring and Alignment Across Organization Performance/Initiative Monitoring
### Monitoring and Alignment Across Organization

#### Performance/Initiative Monitoring

<table>
<thead>
<tr>
<th>Id</th>
<th>Name</th>
<th>Organization</th>
<th>Owners</th>
<th>Update</th>
<th>April 2012 Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>Revenue per Customer</td>
<td>Mayberry Utilities - Corporate Scorecard (Tier 1)</td>
<td>Joe Decarlo</td>
<td></td>
<td>$1,105</td>
</tr>
<tr>
<td>43</td>
<td>Non-residential Revenue</td>
<td>Mayberry Utilities - Corporate Scorecard (Tier 1)</td>
<td>Joe Decarlo</td>
<td></td>
<td>$9,000</td>
</tr>
<tr>
<td>27</td>
<td>Product and Service Introductions</td>
<td>Mayberry Utilities - Corporate Scorecard (Tier 1)</td>
<td>Joe Decarlo</td>
<td></td>
<td>8,000</td>
</tr>
<tr>
<td>34</td>
<td>Community Image</td>
<td>Mayberry Utilities - Corporate Scorecard (Tier 1)</td>
<td>Joe Decarlo</td>
<td></td>
<td>99.415</td>
</tr>
<tr>
<td>35</td>
<td>System Uptime</td>
<td>Mayberry Utilities - Corporate Scorecard (Tier 1)</td>
<td>Joe Decarlo</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Strategic Initiatives Report

| ID  | Task Description | Description | Related Items | Organization                     | Owner | Start Date     | Due Date          | Completion Date | Is Archived? | Notes | Administration |
|-----|------------------|-------------|---------------|-------------------|-------|----------------|------------------|------------------|--------------|-------|----------------|----------------|
| 13  | Employee engagement survey |             |               | Employee Productivity | Mayberry Utilities - Corporate Scorecard (Tier 1) | 4/4/2008 | 4/25/2008 | Add to Calendar | No      | Notes | Archive | Update | History |
| 14  | Organizational review |             |               | Employee Productivity | Mayberry Utilities - Corporate Scorecard (Tier 1) | 5/12/2008 | 7/25/2008 | Add to Calendar | No      | Notes | Archive | Update | History |
| 8   | Customer survey    |             |               | Customer Satisfaction | Mayberry Utilities - Corporate Scorecard (Tier 1) | 4/28/2008 | 10/31/2008 | Add to Calendar | No      | Notes | Archive | Update | History |
| 2   | Innovation process |             |               | Improve Financial Performance | Mayberry Utilities - Corporate Scorecard (Tier 1) | 6/16/2008 | 12/12/2008 | Add to Calendar | No      | Notes | Archive | Update | History |
Dynamic Sensing Scorecards

• How to keep the strategy and scorecards real-time?

• Strategy is formed on:
  • Facts
  • Assumptions
  • Selected strategic options

During a strategy execution cycle:

• Facts may have changed, for example, competitive factors, technology shifts, and so forth)

• Assumptions may have proven to be inaccurate or wrong, for example, customer perception of the new products, major technology shifts

• Consequently, the initial set of strategic options are no longer valid somewhere along strategy's execution.
Assumption to Knowledge

Add to that, McGrath, R. and MacMillan, I. (1999) discusses the assumption to knowledge ratio

- The greater the proportion of assumptions relative to the knowledge that you have, the more disciplined you need to be about making sure your organization is learning which assumptions are valid and which need to be changed

Difference between discovery-driven plans and conventional plans (Cooper, R. 2008)

• **Conventional Planning:** Success means delivering numbers that are close to what you thought you would deliver

• **Discovery-driven Planning:** Success means generating the maximum amount of useful learning for the minimum expenditure

Reference: R. Cooper: 2008. Technical Note: Putting Discovery-Driven Planning to Work. Published by: Kellogg School of Management, Northwestern University
Transient Competitive Advantage

That to win in volatile and uncertain environments, executives need to learn how to exploit short-lived opportunities with speed and decisiveness...

• In a world of transient advantages, the ability to pick up on early warnings and to get the organization to pay attention is critically important

## Transient Competitive Advantage

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assumption that existing advantages will persist</td>
<td>Assumption that existing advantages will come under pressure</td>
</tr>
<tr>
<td>Conversations that reinforce existing perspectives</td>
<td>Conversations that candidly question the status quo</td>
</tr>
<tr>
<td>Relatively few and homogenous people involved in strategy</td>
<td>Broader constituencies involved in strategy process, with diverse inputs</td>
</tr>
<tr>
<td>Precise but slow</td>
<td>Fast and roughly right</td>
</tr>
<tr>
<td>Prediction oriented</td>
<td>Discovery driven</td>
</tr>
<tr>
<td>NPV oriented</td>
<td>Options oriented</td>
</tr>
<tr>
<td>Seeking confirmation</td>
<td>Seeking disconfirmation</td>
</tr>
<tr>
<td>Internally focused on optimization</td>
<td>Aggressively focused on the external world</td>
</tr>
<tr>
<td>Talent directed to solving problems</td>
<td>Talent directed to identifying and seizing opportunities</td>
</tr>
<tr>
<td>Extending a trajectory</td>
<td>Promoting continual shifts</td>
</tr>
<tr>
<td>Accepting a failing trajectory</td>
<td>Picking oneself up fast</td>
</tr>
</tbody>
</table>

Dynamic Sensing Scorecards

Organizations

(expand all | collapse all)

- Mayberry Utilities - Corporate Scorecard (Tier 1)
- Shadow Scorecard #1

mayberryutilities

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### Dynamic Sensing Scorecards

**Organizations**
- Mayberry Utilities - Corporate Scorecard (Tier 1)
  - Shadow Scorecard #1

#### Executive View - Shadow Scorecard #1

<table>
<thead>
<tr>
<th>Name</th>
<th>Type</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shadow Scorecard #1</strong></td>
<td>Balanced</td>
<td>Root</td>
</tr>
<tr>
<td><strong>Customer</strong></td>
<td>Perspective</td>
<td></td>
</tr>
<tr>
<td>Increase Customer Intimacy</td>
<td>Objective</td>
<td></td>
</tr>
<tr>
<td>Strengthen Organization Brand</td>
<td>Objective</td>
<td></td>
</tr>
<tr>
<td><strong>Financial</strong></td>
<td>Perspective</td>
<td></td>
</tr>
<tr>
<td>Increase Customer Base and Gas Usage</td>
<td>Objective</td>
<td></td>
</tr>
<tr>
<td>Improve Financial Performance</td>
<td>Objective</td>
<td></td>
</tr>
<tr>
<td><strong>Internal Business Process</strong></td>
<td>Perspective</td>
<td></td>
</tr>
<tr>
<td>Improve Quality and Speed of Execution</td>
<td>Objective</td>
<td></td>
</tr>
<tr>
<td>Improve Quality and Speed of Decision Making</td>
<td>Objective</td>
<td></td>
</tr>
<tr>
<td>Increase Actionable Insights</td>
<td>Objective</td>
<td></td>
</tr>
<tr>
<td><strong>Employees and Organizational Capacity</strong></td>
<td>Perspective</td>
<td></td>
</tr>
<tr>
<td>Optimize Resources Through Improved Long-term Planing and Understanding of Opportunities</td>
<td>Objective</td>
<td></td>
</tr>
<tr>
<td>Create an Exceptional Workforce</td>
<td>Objective</td>
<td></td>
</tr>
<tr>
<td>Improve Workforce Safety</td>
<td>Objective</td>
<td></td>
</tr>
</tbody>
</table>
On the BSI Offerings Radar Screen

- Enhanced Spider Strategies / QuickScore V3

- SchellingPoint

- POTENTIA, LLC

Lean/Six Sigma Process Improvement
Questions?
Thank You...

Joe DeCarlo
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Mobile: +1 408 772-3903
Skype: joe.decarlo1
LinkedIn: http://www.linkedin.com/in/joendecarlo
The key to achieving results? Focus.

Organizations that align day-to-day activities with their vision and mission are the ones that achieve the most success.

The Institute Way outlines a practical step-by-step process to formulate and execute strategy in business, government and not-for-profit organizations.

The book details how to manage and adapt to reach a higher level of performance. The Institute's approach blends strategic planning, performance measurement and change management into a simple, disciplined framework that's easy to build and communicate.

For more, visit: www.balancedscorecard.org/tiw