From Visionary Insight to Strategic Outcomes

Gail Stout Perry
Chief Strategy Officer
Balanced Scorecard Institute
Balanced Scorecard Institute

The Balanced Scorecard Institute, a Strategy Management Group, Inc. company, has been providing business and industry with strategic planning, management and balanced scorecard technical support for 15 years.

The Institute has trained over 5000 people in 60 countries, and applied its approach to organizations in the not-for-profit, government, and business and industry sectors.

Our rigorous and proven process builds *organizational transformation* and *change management* into the planning process from the beginning, by maximizing engagement and buy-in from owners, staff and key stakeholders.

We are experts at *developing meaningful performance measures*, especially outcome measures, that help align people around the results that matter.

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Gail Stout Perry

- 20+ years experience in management consulting at Accenture and other firms, focused on strategic performance improvement
- BS Industrial Engineering and MBA
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- Co-Author:

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What Keeps Leaders Up at Night?

- How do I get staff engaged and accountable for results?
- Silos – How does it all fit together to get the results I need?
- Competition*
- Regulations and Policy*
- Economic Conditions*

- I have to report results publicly
- New to my position – need quick results
- I’m out of fresh ideas

* 2014 Forbes Study
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Integrated Strategic Planning & Management

- Silos – How does it all fit together to get the results I need?
- I have to report results publicly
- New to my position – need quick results
- I’m out of fresh ideas
- How do I get staff engaged and accountable for results?
- How do I get fresh ideas?
- Competition
- Regulations and Policy
- Economic Conditions

Nine-Steps to Success™ Framework
What is Strategy?

“Positioning choices made (the path) and action taken (the plan) to move the organization from its current state to some future desirable state”

The Institute Way: Simplify Strategic Planning & Management with the Balanced Scorecard
It All Starts with Vision
The Big Question: Where is “Point B”? 

Rev. Martin Luther King Jr. is famous for his "I Have a Dream" speech, not the "I Have a Plan" speech
Trust the Process

Nine-Steps to Success™ Framework
Prior Vision Statement
Be a world famous firm known for doing the most complex and interesting projects in the world in the top five of all markets we serve.

Current Vision Statement
To create a legacy of inspiring places that enhance the environment and enrich the human spirit.
FROM
A FIRM THAT PRACTICES INTERNATIONALLY

TO
AN INTERNATIONAL FIRM
FROM
A SINGLE MODEL WITH
FIVE LARGE PRACTICES

TO
MULTIPLE PRACTICE
MODELS
FROM
STANDARDS DEVELOPMENT
TO
DIFFERENTIATOR DEVELOPMENT
FROM EXPERTS AND A PUBLISHING MODEL TO A FIRM CULTURE OF THOUGHT LEADERSHIP
FROM
“BOOMER” CORPORATE
LEADERSHIP

TO
THE NEXT GENERATION
OF LEADERS
But HOW Does Happen?

Four-Year Quest

• Strategy
• Leadership
• Innovation
• Neuroscience
• Psychology
• Business History
• Military History
The “Lost” Definition of Strategy

500 BC

1830’s

500 BC

1830’s

The ART of War
Baron De Jomini

Strategic Intuition
William Duggan

Incubate with the Right Conditions

Nine-Steps to Success™ Framework
Innovation

Combining things in new ways.

There is nothing new under the sun – Ecclesiastes 1:9
“Creativity is just connecting things. When you ask creative people how they did something, they feel a little guilty because they really didn’t do it, they just saw something. It seemed obvious to them...they were able to connect experiences they’ve had and synthesize new things.”  
*Steve Jobs*,  
*Wired Magazine, 1996*
The Right Conditions – Individual Preparation
The Right Conditions - Process

• Macro-Assessment
  (political, environmental, social,
  technological, economic,
  legal/regulatory)
• Micro-Assessment
  (industry, vendors, suppliers,
  customers, stakeholders, customers,
  special interest groups, etc.)
• Market & Customer Analysis
• Competitive Analysis
• Internal Assessment
• Visioning
• Customer Value Proposition
• Strategy Profiles
  (competitive Positioning)
• Scenario Planning
• Risk Assessment
The Right Conditions - Environment
Strategies created by a cross-functional representation of the organization are owned by...
- *the organization*

Strategies created entirely by a consultant are owned by...
- *the consultant*

Strategies created entirely by a small exclusive team are owned by...
- *the exclusive team*
You Never Know Which Brain Will Make the Connections
Mystery Solved

Nine-Steps to Success™ Framework
History Remembers Their Accomplishments

They Executed Their Vision
What’s the Secret?

- Communicate
- Disciplined Focus on Results
The Problem with Communication – It Doesn’t Stick

- 90% of middle managers believe that top leaders communicate strategy frequently enough*
- Only 55% of these same managers can name even one of their company’s top 5 priorities*

Strategy Maps: A Picture is Worth A Thousand Words

VS.

Strategy Map

<table>
<thead>
<tr>
<th>Category</th>
<th>Nodes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial</td>
<td></td>
</tr>
<tr>
<td>Customer</td>
<td></td>
</tr>
<tr>
<td>Internal Process</td>
<td></td>
</tr>
<tr>
<td>Learning &amp; Growth</td>
<td></td>
</tr>
</tbody>
</table>
Get it out of your head: Strategy Maps Tell a Story
Strategy Maps Give *Context* for Decisions

**Financial Excellence**
- Maximize Margins
- Increase Profitability
- Increase Sales

**Customers & Suppliers**
- Retain & Expand Customer Base
  - Expand Supplier Base
  - Increase Supplier Loyalty

**Operational & Business Processes**
- Improve CRM
- Improve Operational Effectiveness
- Improve SRM

**Organizational Capacity**
- Improve Infrastructure
- Improve Employee Satisfaction
- Improve Employee Knowledge & Skills
I Know How I Fit In

To create a legacy of inspiring places that enhance the environment and enrich the human spirit.
**Disciplined Focus on Results**

**Vision:**
Be a world-revolutionizing provider of energy products

**Mission:**
Efficiently deliver the highest standard of service providing energy products and expertise to our customers

**Strategic Themes:**
- Competition*
- Economic Conditions*
- Regulations and Policy*

**Strategic Results:**
- Increase market share through acquisitions, organic growth and asset optimization.
- Process and deliver results in a timely, accurate, value-added and cost-effective manner that exceeds stakeholder expectations.
- Workforce and leadership and energy sector

### Strategic Objectives and Strategy Map

#### Financial
- **I have to report results publicly**
  - Improve Customized Customer Experience
  - Increase Profits
  - Increase Revenue in Targeted Markets

#### Customer
- **New to my position – need quick results**
  - New product Service Offerings
  - Increase Consulting Knowledge Sharing
  - Awareness as Industry Leader

#### Business Processes
- **How do I get staff engaged and accountable for results?**
  - Increase Acquisitions
  - Increase Consulting Knowledge Sharing
  - Improve Product/Service Offerings

#### Organizational Capacity
- **Disciplined Focus on Results**
  - Improve Internal Efficiency
  - Increase Acquisitions
  - Increase Consulting Knowledge Sharing
  - Improve Product/Service Offerings

### Measures

<table>
<thead>
<tr>
<th>Measures</th>
<th>Targets</th>
<th>Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit</td>
<td>+15% per year</td>
<td>I’m out of fresh ideas</td>
</tr>
<tr>
<td>Operating costs</td>
<td>+7% per year</td>
<td>- Increase focus on new target markets</td>
</tr>
<tr>
<td>Revenue in targeted markets</td>
<td>+5% per year</td>
<td>- Develop customer knowledge (CKC) charter</td>
</tr>
<tr>
<td>Customer experience survey score</td>
<td>+5% improvement in next period</td>
<td>- Establish acquisition integration team</td>
</tr>
<tr>
<td>% of customers with completed CK charter</td>
<td>87% next period</td>
<td>- Establish Business Process Reengineering (BPR) team</td>
</tr>
<tr>
<td>Awareness and leadership score</td>
<td>+98% next period</td>
<td>- Formalize new product development cycle</td>
</tr>
<tr>
<td>References in media</td>
<td>+15 new references</td>
<td>- Formalize Customer Relationship Management (CRM) qualification process</td>
</tr>
<tr>
<td>Efficiency index</td>
<td>87% next period</td>
<td>- CRM system training</td>
</tr>
<tr>
<td>EBIT from acquisitions</td>
<td>$15M this year</td>
<td>- Redesign employee certification process</td>
</tr>
<tr>
<td>Time to post a proposal</td>
<td>30 days</td>
<td>- Establish thought leadership committee</td>
</tr>
<tr>
<td>% of transactions completed</td>
<td></td>
<td>- Formalize research expertise strategy</td>
</tr>
<tr>
<td>Number of transactions completed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>% employees with plans in place</td>
<td>75% this year; 100% by year 6</td>
<td></td>
</tr>
<tr>
<td>% systems automated</td>
<td>72% this year</td>
<td></td>
</tr>
<tr>
<td>Operating cost/FTE</td>
<td>$3,350/person this year</td>
<td></td>
</tr>
<tr>
<td>Articles published</td>
<td>125 this year</td>
<td></td>
</tr>
</tbody>
</table>

**Integrates:**
- Integrity
- Commitment to Excellence
- Customer Focused
- Diversity of Knowledge
- Honesty
- Teamwork/Collaboration
- Entrepreneurial
- Thirst for Knowledge
Disciplined Focus on Results

Silos – How does it all fit together to get the results I need?
Key: Disciplined Process

Nine-Steps to Success™ Framework
Focused Discipline Produces Results

**Federal Ministry of Health in Ethiopia (Bill & Melinda Gates Foundation)** used BSC to:
- Transition 74% of their existing hospitals to meet reform standards,
- Reduce in-patient mortality from 5.8% to 4%,
- Reduce waiting time from 140 minutes to 75 minutes, and more.

**NMDP®/Be the Match®** used BSC to drive measureable improvements in:
- Global access for patients needing transplants
- Timely delivery of the right cellular therapies to the right patients
- Quality research
- Budgetary alignment around strategy
- On track to achieve vision of 10,000 transplants per year by end of 2015

**Veolia Water NA** used BSC to drive significant improvements in:
- Operating Cash Flow
- Backlog of Industrial Business Portfolio
- Revenue of Bids Submitted
- # of Preventable Environmental Excursions, and more
**Balanced Scorecard Institute**

**Focused Discipline Produces Results**

<table>
<thead>
<tr>
<th><strong>Blue Man Group</strong></th>
<th><strong>AMEDD Center &amp; School</strong></th>
<th><strong>DoD/Healthy Base Initiative</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Used BSC to:</td>
<td>Used BSC to:</td>
<td>Used BSC to:</td>
</tr>
</tbody>
</table>
| • Develop consensus and alignment around a new strategy for growing past its current line of shows | • Improve alignment, focus, and data-driven decision making  
• Use performance data to identify root causes of poor academic performance  
• Save the Army $26M by reducing training attrition from 34% to below 20% | • Develop consensus and alignment across dozens of military and healthcare stakeholders around a new strategy  
• Identify and prioritize a set of initiatives to reduce obesity of and tobacco use by military personnel.  
• Ft Sill achieving BMI reduction |
Discussion