

STRATEGY MANAGEMENT GROUP
BALANCED SCORECARD INSTITUTE

Practical Strategy Development and Goal Setting – Communicating What Matters

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ANNUAL CARIBBEAN STRATEGY SUMMIT
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The slide features a central graphic of a man in a suit holding a long telescope, standing on a green hill against a blue sky with clouds. Below him is a circular diagram with 'Mission Vision' at the center, surrounded by various strategic elements like 'Objectives', 'Strategy', 'Assessment', 'Evaluation', 'Alignment', 'Performance Measures', 'Financial Statements', 'Operational Capacity', and 'Customer Satisfaction'. To the right is the Caribbean Strategy Summit logo.

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A Few Notes...

- Recording
 - We are recording this webinar and will email you the link to view the replay within 48 hours.
- Handout of the Webinar
 - We will provide a PDF copy of this webinar when we email the link for the replay.
- Questions during the webinar
 - Please use the Q&A box that is located on the bottom menu and type your question in the pop-up box. **Do not use the Chat box for questions.**
 - We will answer as many questions as time permits at the end of the webinar.

Audio Settings ^ ~~Chat~~ Raise Hand Q&A Leave Meeting

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Presentation Topics

- Strategy Development
- Goal Setting
- Communicating Strategy Clearly
- Upcoming Events



Poor Strategy... or Good Strategy With Poor Implementation?

Some common mistakes:

- An endless planning process – out of date by the time it is finally approved
- Too much emphasis on planning – too little focus on implementation
- Strategic Plans that focuses on activities, rather than outcomes and results
- Considering the strategic plan as just a set of initiatives or projects
- Limited ownership and accountability – hiding behind committees
- Poor goal setting and communication of goals below the executive level
- A Vision statement that sounds nice but is open to many different, yet plausible, interpretations, with no clear Goals
- Poor alignment between Corporate strategy and Department strategy and functions
- Too many projects – too little prioritization



“Practical” Strategy

- Common language
- Disciplined framework
- Altitude
- Measurable goals
- Actionable objectives
- Tells a value creation story --“Connect the dots”

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The Language of Strategy – Words Matter



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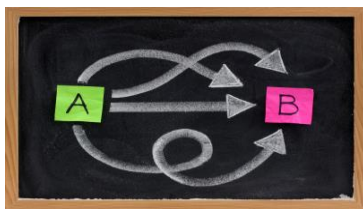
Agree on What You Mean by Strategy



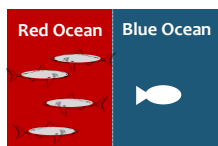
Many organizations get this wrong—they define their “strategy” as the sum of the projects and activities currently under way.



Strategy tells a story... the organization’s strategy is **a path and a plan** based on **selected choices** to move from its current state to some desired future state. The strategy ties organizational **value creation** to **resource utilization**.



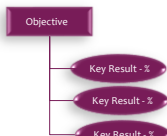
Some Common Strategy Models and Tools



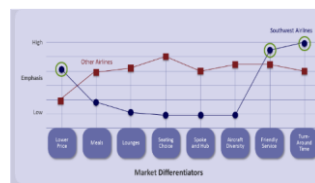
Blue Ocean
Kim and Mauborgne



Porter’s Five Forces
Michael Porter



OKR’s
Andrew Grove



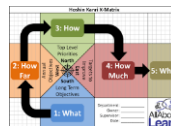
Strategy Profile
Kim and Mauborgne



Balanced Scorecard
Kaplan & Norton
Balanced Scorecard Institute



MBO’s
Peter Drucker

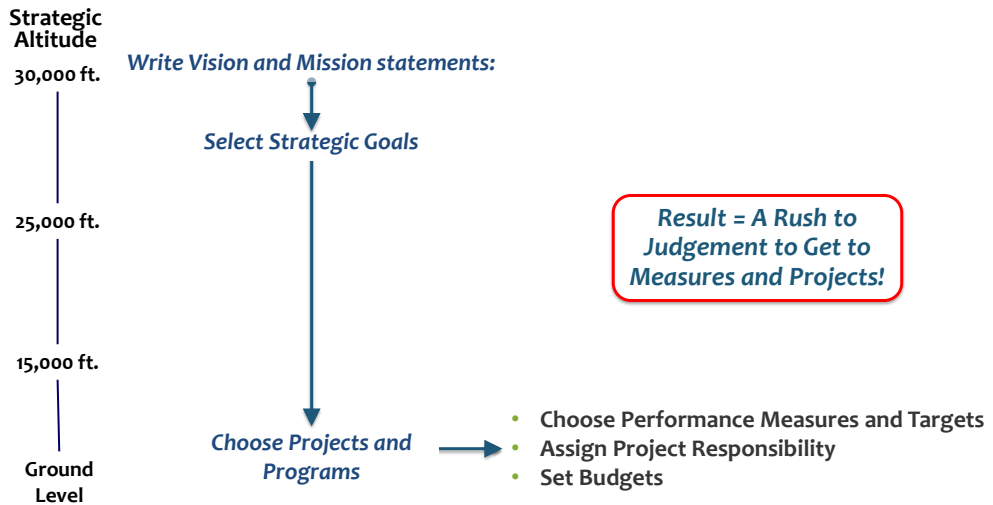


Hoshin Kanri
Yoji Akao
allaboutlean.com

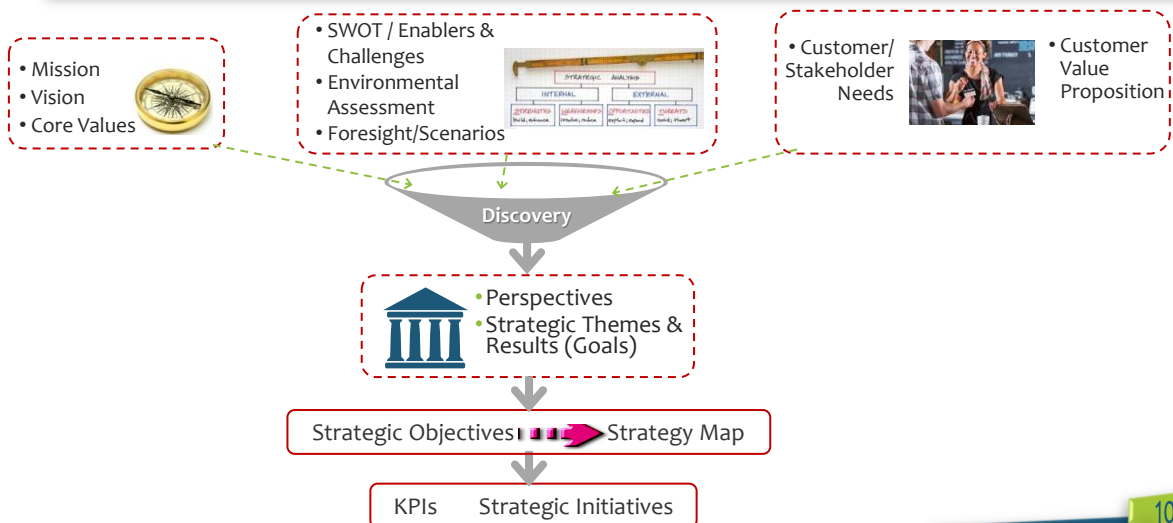


Strategic Goal Buckets

Traditional Strategic Planning Process



Practical Strategy Development Process – Disciplined, and Based on a Process of Strategic Thinking and Discovery



The Logic Of Integrated Strategic Planning and Management



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Strategic Objectives Are the “DNA” of Strategy



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Strategic Objectives – the Key to Good Strategy

- Action statements that describe what must be done to be successful over time
- Simple statements of strategic intent
- Easy to understand, and represent or imply continuous improvement – no “start/stop”
- Use “verb-object” format -- typical verbs:

- Improve
- Increase
- Reduce
- Decrease
- Strengthen
- Enhance
- Lower

Not-So-Good Examples:

- Train All Employees
- Create a marketing plan
- Develop Strategic KPIs

Good Examples:

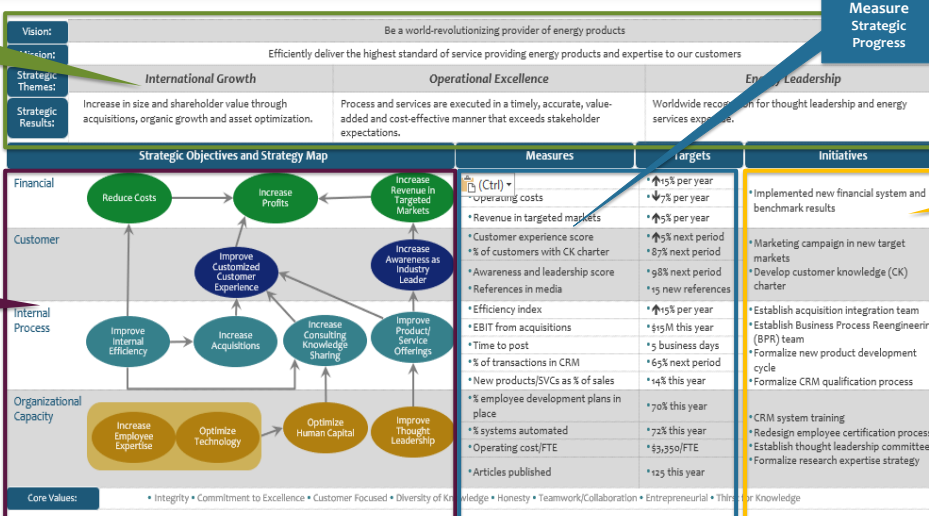
- Improve Customer Satisfaction
- Reduce Costs
- Strengthen Brand Awareness
- Improve Skills
- Reduce Emissions
- Enhance Product Quality
- Increase Access to Services
- Reduce Waste, Fraud, Abuse
- Lower Cycle Time

Better:

- Improve employee skills and knowledge
- Increase market share
- Improve strategic results

Example: A One-Page Balanced Strategic Plan Communicates Strategy and “Connects the Dots”

Communicate Strategic Context



Measure Strategic Progress

Prioritize Initiatives/Projects

Visualize Strategy

Measures	Targets	Initiatives
• Revenue in targeted markets	• +15% per year	• Implemented new financial system and benchmark results
• Customer experience score	• +5% next period	• Marketing campaign in new target markets
• Awareness and leadership score	• 87% next period	• Develop customer knowledge (CK) charter
• Efficiency Index	• +15% per year	• Establish acquisition integration team
• EBIT from acquisitions	• \$15M this year	• Establish Business Process Reengineering (BPR) team
• Time to post	• 5 business days	• Formalize new product development cycle
• % of transactions in CRM	• 65% next period	• Formalize CRM qualification process
• New products/SVCs as % of sales	• +14% this year	• CRM system training
• % employee development plans in place	• 70% this year	• Redesign employee certification process
• % systems automated	• 72% this year	• Establish thought leadership committee
• Operating cost/FTE	• \$3,350/FTE	• Formalize research expertise strategy
• Articles published	• 125 this year	

Defensible, Realistic Goals... or Unrealistic Hopes?

Some common mistakes:

- Unrealistic aspirations
- Goals not communicated well, and not understood up and down the organization
- Little or no employee buy-in
- No goal integration across business units
- “Is my goal your objective?”



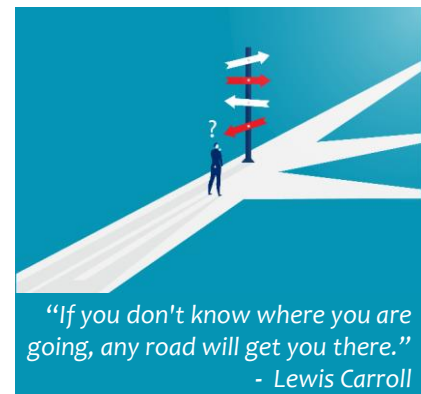
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Create a Picture of a Clear Destination

- Goals that are ambiguous or not communicated demonstrate an absence of Strategy Leadership by top management
- Goals should be SMART -- Specific, Measurable, Actionable, Realistic, Time bound
- Avoid goals that have “nice words” that sound good but are open to different interpretations -- confusion, not focus, is the unhappy consequence of unclear goals
- Unclear goals are a frequent cause of strategy execution failure



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Goal Setting

Organizational goals serve four basic functions:

- Provide guidance and direction
- Facilitate planning
- Motivate and inspire employees
- Evaluate and control performance



Strategic Goals

Deal with organization-wide desired results and accomplishments



Employee Goals

Deal with employee satisfaction, growth, and contribution



Operational Goals

Deal with efficiency, quality, timeliness of product/service creation and delivery



Social Goals

Deal with equity, societal, environmental, and sustainability



Project Goals

Deal with deliverables, resources, schedules, scope, and risk

Source: "The Management of Organizations", Barney and Ricky Griffin

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Example: "Keep the Trains Running on Time"



Strategic Goals

The right trains, going to the right locations to satisfy customers, generate revenue, and create business value.



Employee Goals

Satisfied employees with the right knowledge, abilities, and skills, in the right positions



Operational Goals

Cost control, equipment utilization, safety record, on-time trains



Social Goals

Social equity, community involvement, environmental footprint



Project Goals

Equipment purchase and maintenance schedules and resources, refurbish stations, software

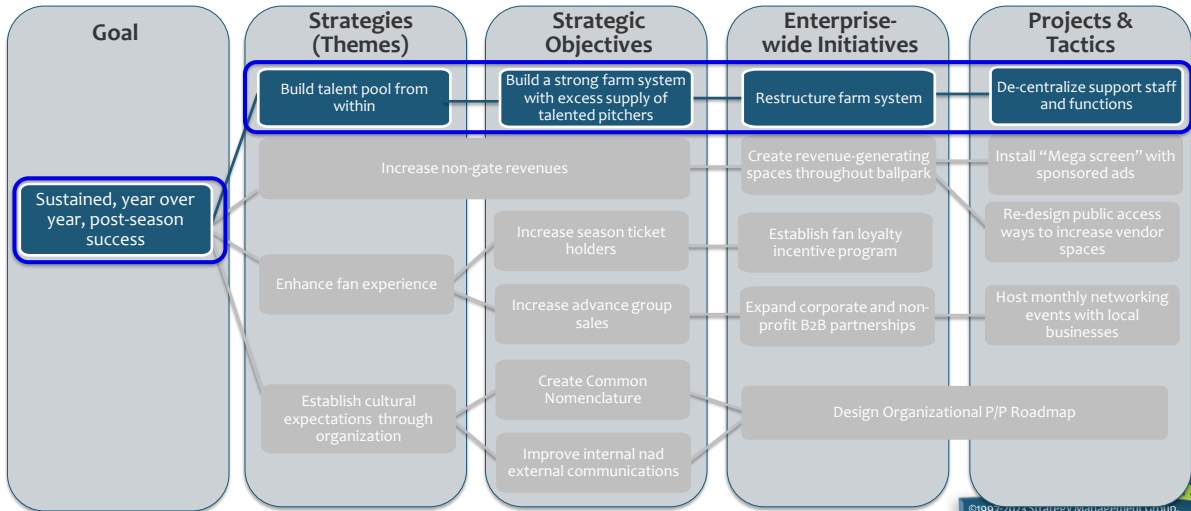
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Example: Professional Baseball Team

Strategy: Grow the franchise and create a culture of winning by building internal talent, creating an enthusiastic fan base, and focusing on sustainable post-season success



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Communicating With Clarity... or Communicating With Uncertainty?

Some common mistakes:

- "It may be clear to you... but I don't get it."
- One executive presentation isn't "clear communications"
- One town hall meeting isn't enough
- Think campaign... not event
- The language of the executive suite versus the language on the shop floor



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Technique: Communicating Strategy – “How to”

Every organization is different, but some Golden Rules...



“What if, and I know this sounds kooky, we communicated with the employees.”

- Ensure explicit ownership of the strategy communication process
- Ensure consistency of message
- Make strategy communication a regular process, not a one-off event, using a range of appropriate communication media and messengers (executive talk versus shop talk)
- Involve all employees to translate enterprise-level messages into local relevance
- Never forget “WIIFM” – what’s in it for me – why are you telling me this stuff?

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Example: Internal Communication Matrix Gets Employees “On Board”

Target Audience	Desired Behavior	Resistance Issues	Pain Solved or WIIFM	Key Messages	Medium & When	Who's Voice
Executives Directors Managers Other Staff	Examples: • “Walk the talk” • Unconditional support • Align department plans • Embrace change	<ul style="list-style-type: none"> • Too busy • My bonus could change • No resources to support this • I don't see the benefits • I don't want to lose power & influence 	<ul style="list-style-type: none"> • Alignment means less unproductive activities • Prioritization = less fire-fighting time • Larger profits = higher bonuses • Career enhancement • Easier resourcing decisions • Corporate level recognition 	<ul style="list-style-type: none"> • 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 & customers • I expect you, at the minimum, to embrace this 	<ul style="list-style-type: none"> • Face-to-face meetings – first a breakfast meeting and then a series of half hour personal meetings with leadership team members) 	<ul style="list-style-type: none"> • CEO and COO

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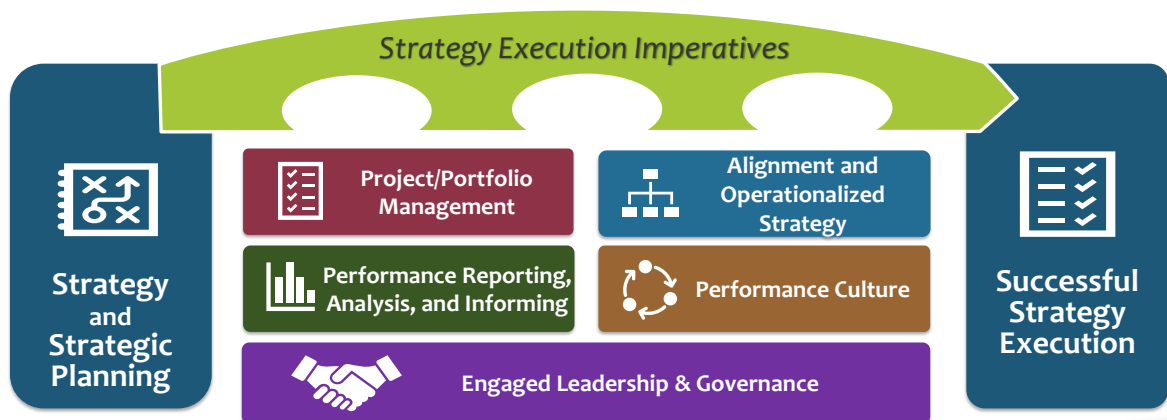
Build a Balanced Scorecard Strategic Plan and Management System



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Bridge the Gap Between Planning and Execution: The Imperatives

Strategy Execution: The systematic implementation of strategy through employee activities and processes that are aligned with the organization's mission and vision.



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New Courses!



Strategy Execution
Professional
Certification



Strategic Project
Management Professional
Certification

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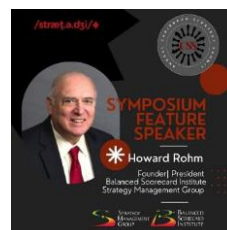
Upcoming Events



June 22, 2023
In-person and Virtual!



June 23, 2023
Key Performance Indicator
(KPI) Essentials Course



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