

Evaluating Strategy Management Software Solutions:

A Guide by the Balanced
Scorecard Institute



Introduction

Organizations need robust software solutions to effectively implement, track, and manage their strategic objectives and initiatives.. Implementing the right solution will help align strategic objectives with day-to-day operations, enhancing visibility and increasing the accuracy of organizational decision-making. Additionally, a software solution that facilitates the cascading of strategic goals throughout the organization ultimately improves accountability and ownership at all levels.

A centralized software platform that delivers interactive strategy maps, dashboards, measurement databases, and initiative management provides the foundation for strategic execution excellence. By increasing focus on key priorities and facilitating employee participation in the strategy process, these solutions enable strategic adaptation and organizational agility.

This guide outlines the essential capabilities that the Balanced Scorecard Institute, based on experience with hundreds of clients, recommends organizations consider when evaluating strategy management software solutions.

Strategy Execution and Visualization

Effective strategy visualization creates clarity and alignment throughout the organization. By visually representing the relationships between strategic objectives, measures, and initiatives, organizations can better communicate their strategy and track progress toward its achievement.

Must-Have Capabilities:

- ☐ Supports creation of customizable strategy maps that visually represent cause-and-effect relationships between objectives, KPIs, and initiatives
- ☐ Enables multi-year strategic objective tracking with the ability to cascade objectives to all organizational levels and locations
- ☐ Offers flexible, hierarchical representation of strategic plans aligned with organizational structure and branding requirements
- ☐ Includes a unified repository for all strategic data with tailored information delivery based on user roles
- ☐ Alerts appropriate stakeholders when strategic adjustments are needed
- ☐ Allows strategy maps to be connected to the scorecard(s) for seamless navigation and understanding
- ☐ Provides simple, drag and drop customization of strategy maps, dashboards, and scorecard structures/hierarchies

Scorecard-Specific Requirements

The balanced scorecard provides a framework for translating strategy into action through measurable objectives. Effective software solutions must support comprehensive scorecard implementation with flexible measurement capabilities.

Must-Have Capabilities:

- ☐ Supports balanced scorecard framework implementation at any organizational level with comprehensive KPI management capabilities
- ☐ Enables definition, measurement, and display of various KPI types (numerical, monetary, percentage) with customizable weighting
- ☐ Provides visual performance indicators (color-coding) with trending capabilities across hierarchical levels
- ☐ Supports creation of calculated KPIs with clear targets and intervention thresholds that can be linked across strategies, departments, and individuals
- ☐ Offers scoring and aggregation methods to consolidate KPI performance data to higher organizational levels
- ☐ Provides ability to roll-up and normalize scores with varying KPIs formats to compare "apples and oranges" (units, currency, percentages, text-based values)
- ☐ Includes customizable scoring and labels for different organizational contexts
- ☐ Allows roll-up trees to visualize hierarchical performance

Initiative Tracking and Management

Initiatives drive strategic improvement and must be effectively managed to ensure successful strategy execution. Strategy management software solutions should provide comprehensive initiative management capabilities to track progress and measure the impact of strategic initiatives.

Must-Have Capabilities:

- ☐ Provides Gantt chart visualization for initiatives with the ability to attach and store supporting documentation
- ☐ Enables monitoring of initiative impacts on strategic objectives with real-time progress tracking
- ☐ Displays initiative progress alongside related KPI performance metrics
- ☐ Supports assignment of ownership for initiatives, tasks, and milestones to specific individuals
- ☐ Offers a centralized view of strategic plans and initiatives across all organizational levels
- ☐ Leverages Earned Value Management (EVM) to determine and measure initiative impact
- ☐ Allows initiative KPIs to be easily added to scorecards

Dashboards, Reporting, and Alerts

Effective communication of performance data is essential for driving action. Strategy management software must provide flexible reporting and dashboard capabilities that support different stakeholder needs and communication styles.

Must-Have Capabilities:

- ☐ Generates customizable reports and dynamic dashboards that can be associated with strategic objectives
- ☐ Configures automated alerts for data input requirements and performance thresholds
- ☐ Supports multiple report formats (PDF, Excel, HTML) with scheduling capabilities for automated generation and delivery
- ☐ Enables in-system presentation development with customizable report templates for different stakeholder needs
- ☐ Implements automatic communication alerts when specific KPIs reach critical levels or when important updates occur
- ☐ Produces dynamic management presentation “briefings” allowing real-time drill-down functionality, time period flexibility, and fully automated reporting cadence—eliminating the need to develop manual PowerPoint presentations each reporting cycle
- ☐ Provides auto-aggregation of data based upon a single drop-down for desired time period in real-time

User Functionality Requirements

User adoption is critical to successful strategy management. Software solutions must provide intuitive interfaces and collaborative capabilities that engage users at all levels of the organization.

Must-Have Capabilities:

- ☐ Delivers an intuitive interface with easy navigation, filtering capabilities, and terminology aligned with Balanced Scorecard Institute standards
- ☐ Enables user comments, formula creation, and historical data analysis within a hierarchical system structure
- ☐ Offers functionality for easy creation and modification of objectives, measures, and initiatives
- ☐ Fosters collaboration through commenting, task assignment, and notification alerts
- ☐ Ensures secure web accessibility with customization options for visuals and backgrounds
- ☐ Includes a related items functionality, providing access to key documents and website URLs from within scorecards, dashboards, and briefings
- ☐ Permits custom calculations to derive insights from raw data

Data Integration and Automation

Strategy management software must integrate with existing systems and automate data collection to minimize manual effort and ensure data accuracy.

Must-Have Capabilities:

- ☐ Supports seamless data exchange through APIs, flat file imports, and various data entry formats
- ☐ Enables integration with external systems, databases, and Microsoft Office documents
- ☐ Creates a centralized repository for all performance-related data with scheduled, automated importing from various sources
- ☐ Provides for creation of customizable forms for seamless capture of qualitative data from stakeholders such as employee surveys, customer feedback, vendor/supplier input, etc.
- ☐ Minimizes manual data entry through automated data collection processes
- ☐ Provides flexible export capabilities to various file formats including Microsoft Office and PDF
- ☐ Delivers business intelligence analysis of detailed data that underpins the high-level strategy views
- ☐ Auto-updates referenced files everywhere if the main file changes

Data Governance and User Management

Effective data governance ensures data quality and data security via appropriate access controls, supporting the integrity of the strategy management process.

Must-Have Capabilities:

- ☐ Implements role-based access controls with specific view-only permissions that can be managed by non-IT administrators
- ☐ Maintains comprehensive audit trails of all system updates and edits
- ☐ Provides group permission assignments and activity logs for effective administration
- ☐ Enables personalized report delivery without recreating content for each recipient
- ☐ Supports granular permission settings for data visibility and functionality access
- ☐ Includes a 'Copy as Template' functionality for efficiently scaling scorecard structures in larger organizations
- ☐ Implements workflow options to control KPI data approval processes

System Security

Data security is paramount in strategy management software, protecting sensitive organizational information and ensuring compliance with relevant regulations.

Must-Have Capabilities:

- ☐ Supports Single Sign-On (SSO) integration with multi-level data security and encryption
- ☐ Provides recognized security certifications (ISO/IEC 27001 or SOC2-type 2)
- ☐ Ensures compliance with relevant data protection regulations and industry standards
- ☐ Guarantees data protection with contractual assurance of data deletion after subscription termination
- ☐ FedRAMP certification for US Government entities/agencies where required

Hosting Services and Options

Organizations have different hosting requirements based on their IT infrastructure, security policies, and resource constraints.

Must-Have Capabilities:

- ☐ Flexible licensing model with both SaaS (vendor-hosted) and self-hosted subscription options
- ☐ Ensures compatibility with current versions of all common browsers
- ☐ Establishes clear incident escalation processes and disaster recovery procedures
- ☐ Provides defined uptime standards with scheduled maintenance during non-business hours
- ☐ Supports database copy requests during active subscription periods

Technical Support

Responsive technical support is essential for resolving issues quickly and maintaining system effectiveness.

Must-Have Capabilities:

- ☐ Delivers multi-channel support through telephone, online portal, and help desk ticket system
- ☐ Provides full documentation with user guides available online and as downloadable PDFs
- ☐ Communicates updates and error fixes with defined release schedules
- ☐ Responds to support requests within one business day during standard business hours
- ☐ Establishes clear procedures for planned system downtime

Training and Implementation

Comprehensive training and implementation support ensures successful adoption and utilization of strategy management software.

Must-Have Capabilities:

- ☐ Offers comprehensive online training through videos, tutorials, and web-based sessions
- ☐ Provides customized training for system administrators, power users, and end-users
- ☐ Supplies complete user documentation in multiple formats
- ☐ Delivers ongoing support and guidance throughout the initial implementation phase
- ☐ Offers professional services projects for comprehensive implementations and coaches your team on best practices

Making the Right Choice for Your Organization's Future

Selecting the right strategy management software is a critical decision that impacts the success of your strategic initiatives. By evaluating potential solutions against the criteria outlined in this guide, organizations can identify software that best meets their needs for strategy visualization, performance measurement, reporting, and initiative management.

The Balanced Scorecard Institute recommends conducting a thorough evaluation process that includes demonstrations, reference checks, and trial periods to ensure the selected solution will support your organization's strategic management needs now and in the future.

Get Expert Guidance

As the original creators of this RFP framework, the Balanced Scorecard Institute offers expert consultation services to help organizations:

- **Refine** requirements based on your specific organizational needs
- **Evaluate** vendor responses with objective scoring methodologies
- **Facilitate** vendor demonstrations to ensure proper solution fit
- **Provide** implementation oversight and best practices guidance
- **Deliver** training to maximize your return on investment

With experience helping hundreds of organizations select and implement the right strategy management solution, we help you make an informed decision that aligns with your strategic objectives.

Contact Us To Get Started:

Phone: 1 (919) 460-8180

Email: info@strategymanage.com

Website: www.balancedscorecard.org

