

Our Experience with the Balanced Scorecard Strategy Development Process

By: Arthur Omolo, CFO & Strategy Champion, Kenya Red Cross Society

We, at Kenya Red Cross have been involved in many strategic planning sessions and these sessions have always been guided by an external consultant. The way this has worked has almost become a tradition. The consultant turns up, gathers everyone around the table and asks the group to come up with a vision and mission statement of the society. Reference is then made to previous strategic plans, data from various sources on programmatic areas and after brainstorming on the SWOT analysis, the consultant retreats for a few weeks. The next thing we know, the consultant comes up with a strategic plan document and presents it to us for endorsement.

In our just concluded strategic plan process, we engaged Verve/Balanced Scorecard Eastern Africa, an affiliate of the Balanced Scorecard Institute and this revolutionized the strategic thinking at Kenya Red Cross. The facilitators from Balanced Scorecard Eastern Africa employed an engaging facilitation style that encouraged open-mindedness and full participation of all. For the first time, 'strategy' was demystified. We began to appreciate aspects of strategy development - for example that strategic objectives have to be at the right altitude - not too high to be vague and not too low to be too specific. *Strategic altitude* became a new buzz word as we tried to place the strategic objectives within the right altitudes.

A first for Kenya Red Cross was the critical examination and articulation of the value proposition to our beneficiaries as a humanitarian organization. We had previously not asked ourselves what the value offering of our organization is to our beneficiaries/stakeholders or what the summation of our promise to our beneficiaries is. Yes, we've always endeavored to be everywhere within the country and to be 'the first in' and 'last out' in our sphere of operation. Being able however to sum up that value as being



"Always There"



'always there' brought clarity on our strategic positioning within our industry. The clarity on the value we are creating for our beneficiaries made it easier to validate first our mission then our vision, unlike in the past where the usual way of going about this was to deal with the vision before mission. The new way of doing

things made lots of sense because one needs to validate the purpose of the organization first before visualizing how success will look like.

Another interesting revelation of the balanced scorecard logic was how simple strategy can be, without being simplistic. For example, strategic objectives are the continuous improvement things we need to constantly do to improve performance. We had never thought of strategic objectives in that way before. We also realized that strategic objectives can actually have performance measures and targets, and that these need not be financial measures only. We learnt that what can be measured, can be done.

Looking at the strategic objectives through the four perspectives gave more clarity to the strategic thinking and intent. We knew as an organization that we wanted to address our capacity and learning needs, our business processes, financial stewardship and ultimately our beneficiaries and stakeholder needs. By linking the strategic objectives through a cause and effect relationship, from the different perspectives, we were able to come up with a strategy map. Again for the first time, we realized that we could articulate our strategy graphically and make it visual through the strategy map.

For the longest time, we at Kenya Red Cross have run projects in different programmatic areas, but never really given much thought to their strategic importance or how they link up to the strategic objectives. With the balanced scorecard, we are now able to understand clearly how a project contributes to the achievement of a strategic objective which in turn contributes to the results of the strategic focus areas or pillars of the organization's strategy. For the first time, we understood that strategic initiatives are what we refer to as projects. With this in mind, as we developed our plans and budgets for 2011, we were conscious of the strategic importance and relevance of each project that was proposed. There was strategic alignment and purpose for each project. The balanced scorecard has helped in articulating our plans and in justifying the strategic importance of our projects.

There are so many firsts with the balanced scorecard. Kenya Red Cross for the first time has a strategy that has performance measures and targets. For the first time we can present our strategy on a single sheet of paper. The balanced scorecard has changed the conversation on strategy and increased the focus on consistent monitoring of the strategy. Previously, the strategy document was not referred to as often as our current strategy. The Balanced Scorecard guides our day to day decisions and activities.

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