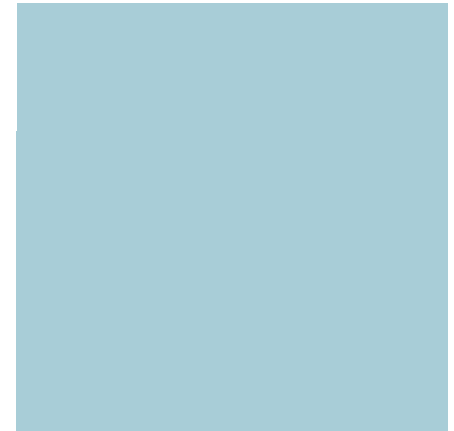




Balanced Scorecard for Strategic Management

erga



M.A.
consultants

General Awareness

Prepared by **Quality Management Dept.**

Presented by **Dean and QM HOD**

Erga Academy

TQM03 – Initiation to BSC

All tracks

2 credits



Plan



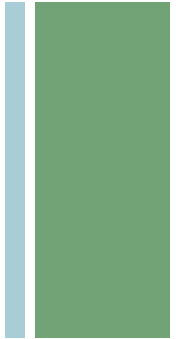
- Strategic Management
 - Strategic Planning
 - Deming Loop: PDCA
 - Creating Alignment
 - Factors affecting the Strategy
- Change Management
 - Four stages of change

- Introduction to BSC
 - What is a BSC?
 - Nine steps to success
 - Mission, Vision & Values
 - Strategic Themes
 - Strategic Objectives & KPIs
 - Strategic Initiatives
 - Cascading
 - A framework brings discipline

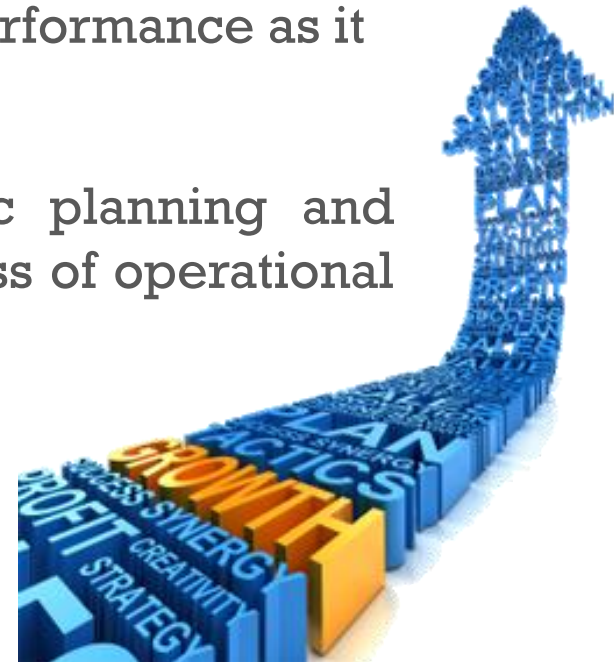


+ Strategic Management

erga



- a messy process requiring hard work and dedication from most people in the organization.
- A systems approach to identifying and making the necessary changes and measuring the organization's performance as it moves towards its vision.
- A management system that links strategic planning and decision making with the day-to-day business of operational management.



+ Strategic Management

Strategic Planning

erga



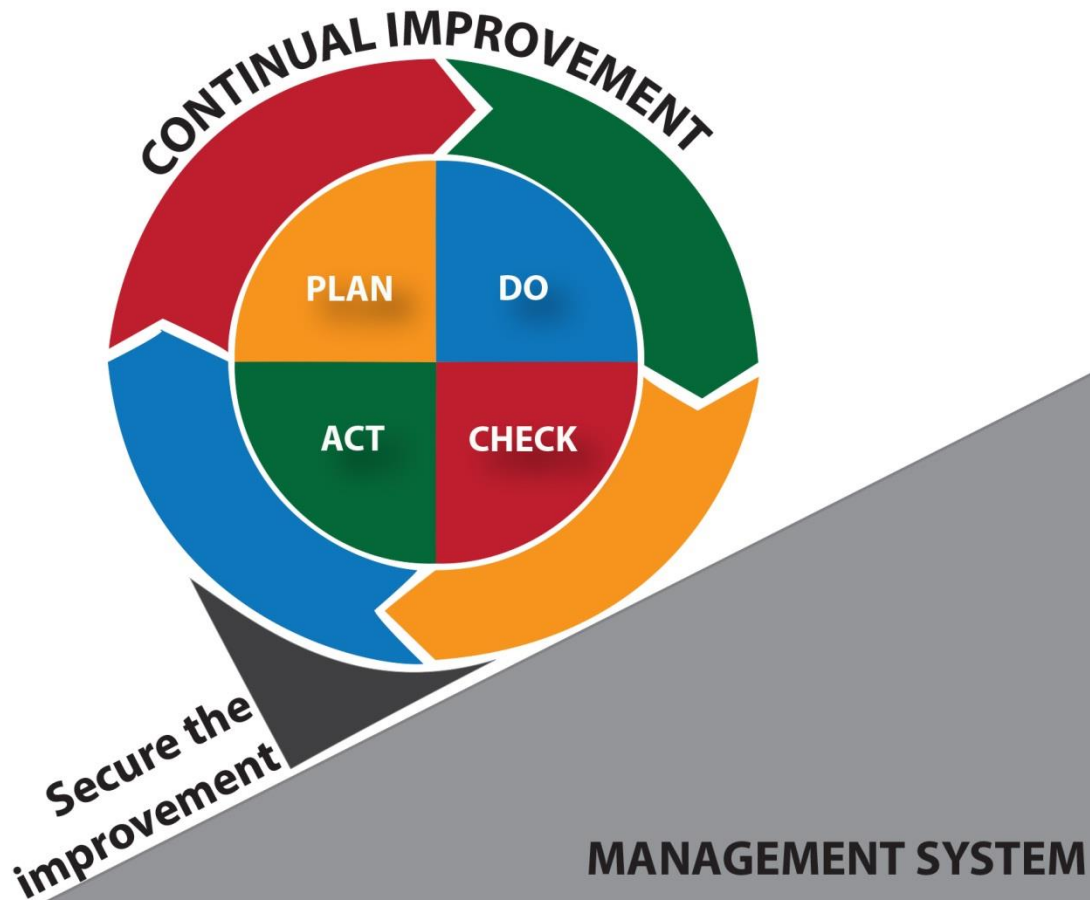
- Requires senior leaders of the organization to set its strategic direction.
- Is a process by which guiding members of an organization envision its future and develop the necessary procedures and operations to achieve that future.
- Is the **prelude** (introduction) of strategic management.
- Is **insufficient** if not followed by the **deployment** and **implementation** of the plan, the **evaluation** of the plan in action and its **continual improvement**.



+ Strategic Management

Deming Loop: PDCA

erga



+ Strategic Management

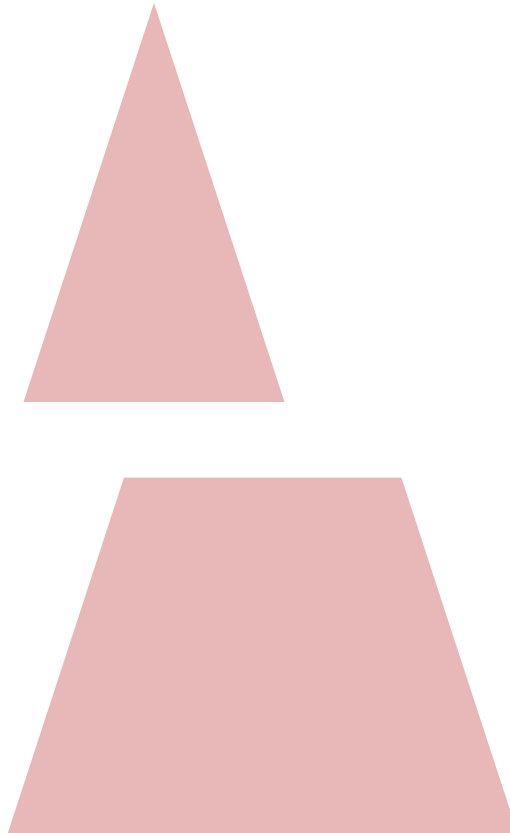
Creating Alignment

erga



Planning

Operations

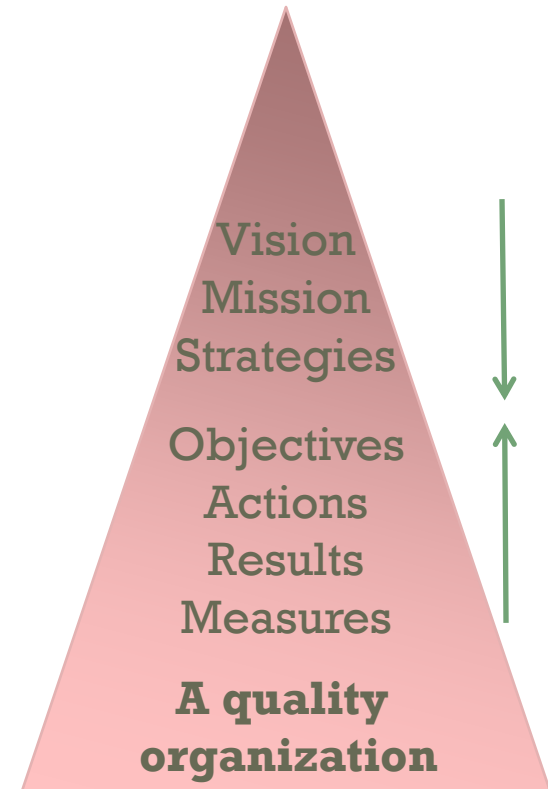


Disconnected

Vision



Reality



Vision

Mission

Strategies

Objectives

Actions

Results

Measures

**A quality
organization**

Aligned

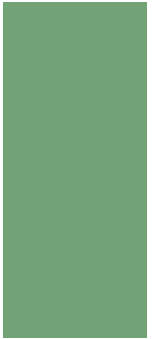
Strategic Management

Change Management

Introduction to BSC

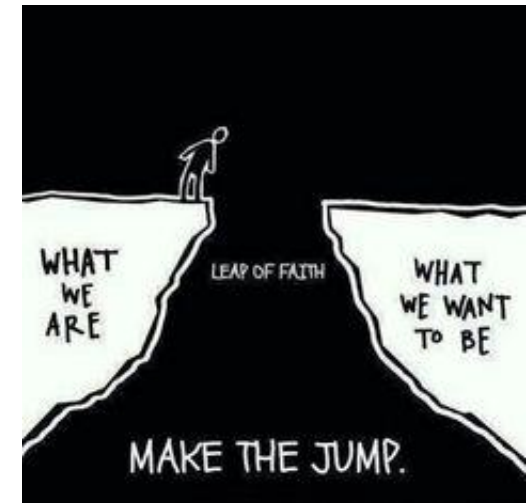
+ Strategic Management

erga



Factors affecting the Strategy

- The degree of commitment (Senior leaders, BSC champion and facilitators and QM department).
- Level of Quality Management knowledge among senior leaders.
- Level of employee involvement in plan completion.
- Deployment methodology.
- Organization's readiness for change.



+ Change Management



- Senior leaders and managers must be prepared to answer questions and face skepticism and challenges.
- Employees will realize that implementation of the strategic plan means that real change will take place.
- The old work must still be done while new work processes, methods... are being developed.



+ Change Management

Four stages of change

erga



■ Denial:

- Seniors must focus on the need for change and repeatedly provide the reasons for the change.
- Awareness meetings and campaigns are imperative.

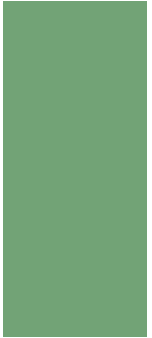
■ Resistance: Seniors need to:

- Listen, empathize and assist in setting priorities.
- Explain change and its importance.



+ Change Management

erga



Four stages of change



■ **Exploration:** Seniors:

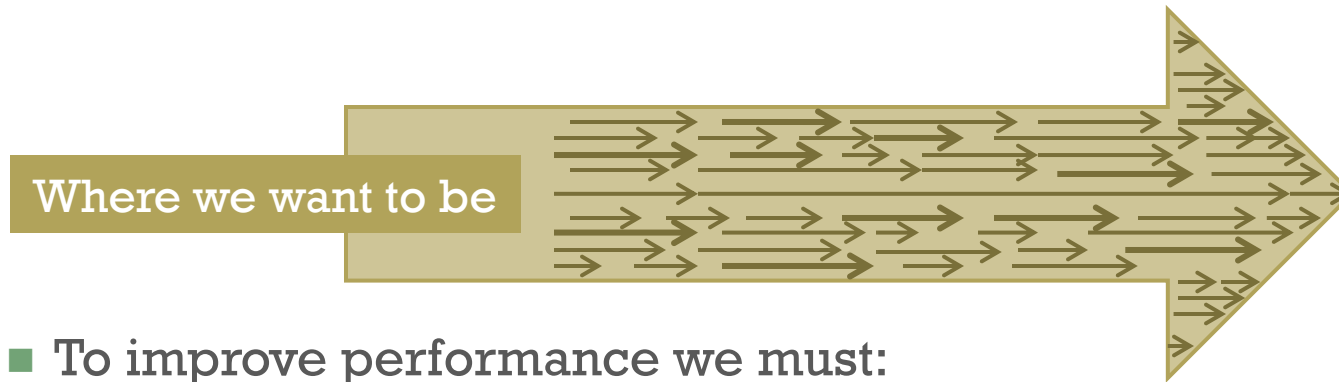
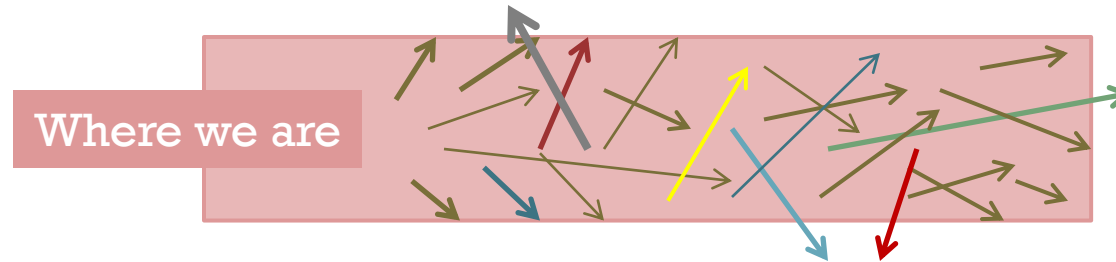
- must keep the effort energized and encourage people not to leap into action before the ideas have been fully explored.
- Need to focus people on what they can control and how they can affect change.
- Continually communicate progress, results, lessons learned, new strategic initiatives...

■ **Commitment:**

- Once obtained seniors should acknowledge and share the success.



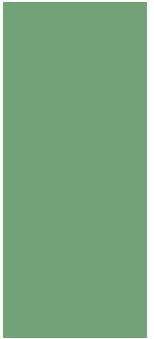
+ Introduction to BSC



- To improve performance we must:
 - Define customer needs
 - Integrate customer-facing processes efficiently
 - Prioritize projects and programs
 - Improve communication (internally and externally)
 - Align strategy with day-to-day operations.



+ Introduction to BSC



What is a Balanced Scorecard?

- A strategic management system for establishing and communicating an organization's vision, mission and strategy to stakeholders and employees and for aligning day-to-day work to the strategy.
- It provides a disciplined framework for planning and measuring strategy, as viewed from different dimensions or perspectives of organizational performance.
- It uses performance measures to monitor progress, provide guidance in budgeting and better inform strategic decision making.



+ Introduction to BSC

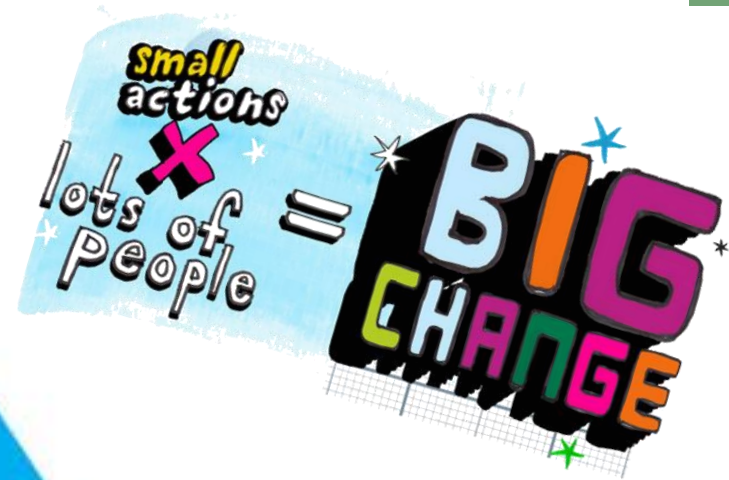
What is a Balanced Scorecard?

IS	IS NOT
A strategic management system	A performance measurement dashboard
A journey	A project
Strategic and operational	Operational
A change initiative	Business as usual
Balancing non-financial, efficiency, infrastructure and financial views of performance	Putting existing metrics into 4 perspectives
Increased accountability	Tighter individual control
Aligning vision with operations	A QM or Six sigma initiative

+ Introduction to BSC

erga

What is a Balanced Scorecard?



+ Introduction to BSC

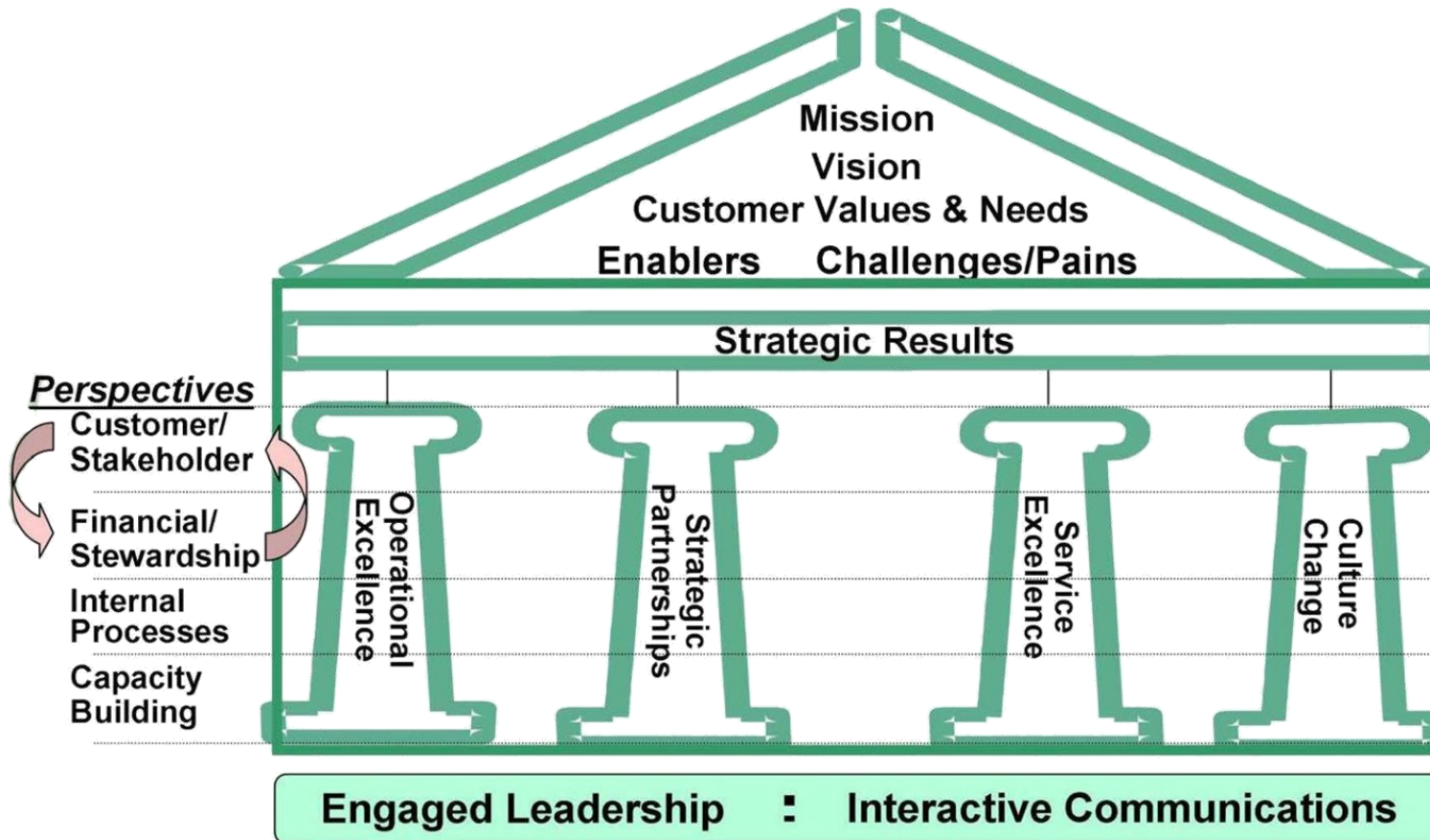
Nine Steps to Success

erga



+ Introduction to BSC

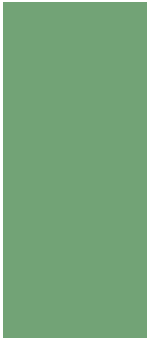
What is a Balanced Scorecard?



High-Performance Organization = Shared Vision + Bold, Well-executed Strategy
+ Interactive Communications + Efficient Processes + Motivated Staff

+ Introduction to BSC

erga



Mission, Vision and Values



+ Introduction to BSC

Strategic Themes and Results

erga



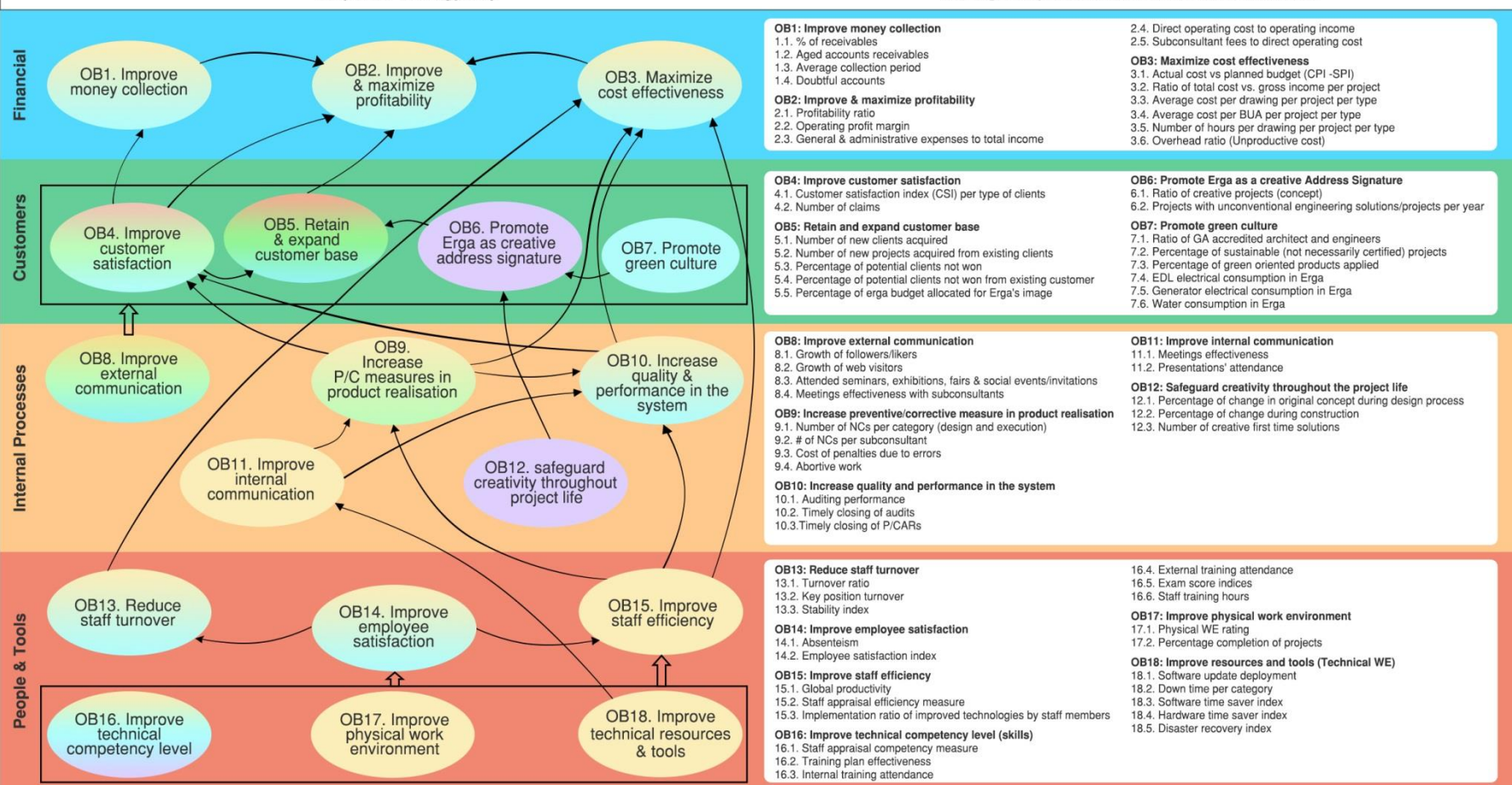
+ Introduction to BSC

Strategic Objectives and Measures

erga

Corporate Strategy Map

Strategic Objectives with Performance Measures



+ Introduction to BSC

erga



35 Strategic Initiatives Groups = 132 Initiatives

1. Software Apps' Improvement (10)
2. Budgeting System Setup (2)
3. Career Path Setup (1)
4. Collection Process Improvement (3)
5. Corporate Social Responsibility (2)
6. Customer Base Expansion (5)
7. Customer Contract Approach (2)
8. Customer Relationship (3)
9. Data Management (4)
10. Deployment of green culture (4)
11. Design Process Review (3)
12. Disaster Recovery Plan (1)
13. Employee Retention Scheme Program (1)
14. Employee Satisfaction Monitoring (2)
15. Erga Academy (16)
16. Erga Intranet (4)
17. Erga Visual Library (1)
18. Erga Website (1)

+ Introduction to BSC

erga



35 Strategic Initiatives Groups = 132 Initiatives

- | | |
|---|---|
| 19. Expenditures' Control (1) | 28. PMC Deployment (2) |
| 20. Hardware Management (4) | 29. Recruitment Process Improvement (2) |
| 21. Information Security Management (2) | 30. Re-structuring: Organizational Chart & Job Descriptions (2) |
| 22. Internal Communication Policy (3) | 31. Rewards and Recognition Program (2) |
| 23. Knowledge Base System (2) | 32. Software Management (2) |
| 24. Management System Setup (ISO) (13) | 33. Staff Competency Enhancement (4) |
| 25. Marketing (6) | 34. Staff Productivity (4) |
| 26. Meetings' Effectiveness (4) | 35. Work Environment Enhancement (12) |
| 27. New Erga Headquarters (1) | |

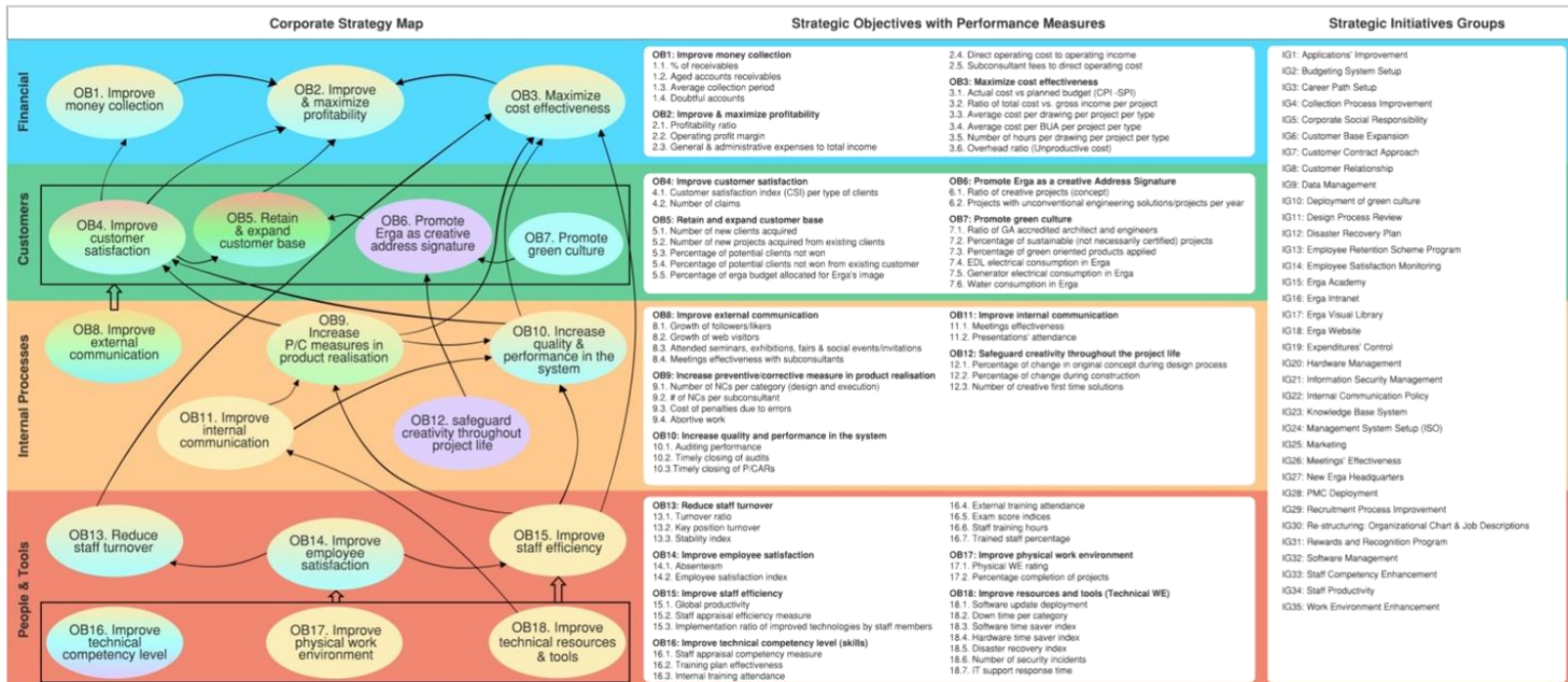
+ Introduction to BSC

erga

erga

Balanced Scorecard

Rev. 0
Release Date: 01-Apr-2014



Strategic Management

Change Management

Introduction to BSC

+ Introduction to BSC

erga

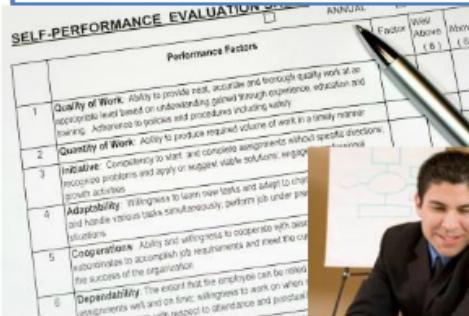
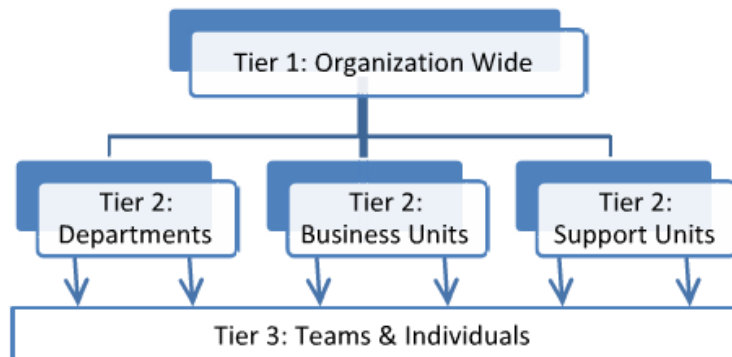
Example of Initiatives' Action Plan



INT Ref	Initiative	Starting Date	Date Due	Int. Own.	Impact Total	Obj Own.	Action Plans		Start	End	Responsible (Section, or Function)	To be reviewed
							#	Description				
IN135	Create a sample room for customers presentation	01-Apr-14	01-Sep-14	CAO	8	RGG	1	Find a suitable location for the sample room	01-Apr-14	15-Apr-14	CAO	Quarterly
							2	Prepare a study (Equipment, tools and resources needed)	10-Apr-14	30-Apr-14	CAO	
							3	Purchase needed items	25-Apr-14	30-Jun-14	OL	
							4	Provide needed human resources (Recruitment /Transfer)	30-Apr-14	01-Jul-14	HR	
							5	Identification of the room, location and assets	15-Apr-14	30-Jun-14	OL	
							6	Download needed applications	30-Jun-14	01-Jul-14	IT + SD	
							7	Train new library keeper (Visual Library , PS, ...)	01-Jul-14	08-Jul-14	Academy	
							8	Arrange samples in their places and log them in the system	08-Jul-14	01-Sep-14	Library keeper	

+ Introduction to BSC

Organizational strategy can be aligned by cascading to different Tiers



Strategy Map / Objectives	Measures	Targets	Initiatives
Customer			
Financial			
Process			
Organizational Capacity			

Top Level (Tier 1 Scorecard): Strategy defined in a top level strategy map and scorecard

Strategy Map / Objectives	Measures	Targets	Initiatives
Customer			
Financial			
Process			
Organizational Capacity			

Second Level (Tier 2 Scorecards): Aligned strategy defined in business and support unit scorecards

Personal Objectives	Measures	Targets	Initiatives
Customer			
Financial			
Process			
Organizational Capacity			

Employee Level (Tier 3 Scorecard): Aligned personal objectives defined by job descriptions and work assignments

[Link](#)

+ Introduction to BSC

A framework brings discipline

- Get everyone using the same language
- 'Connect-the-dots' between activities and strategy & vision
- Systematically align vision, strategy, program, budget & people
- Align resources with strategic objectives





Thank you

Please call us for any support