

Strategy
Achieving our
Stratégie
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Strategy

Stratégie
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Handouts





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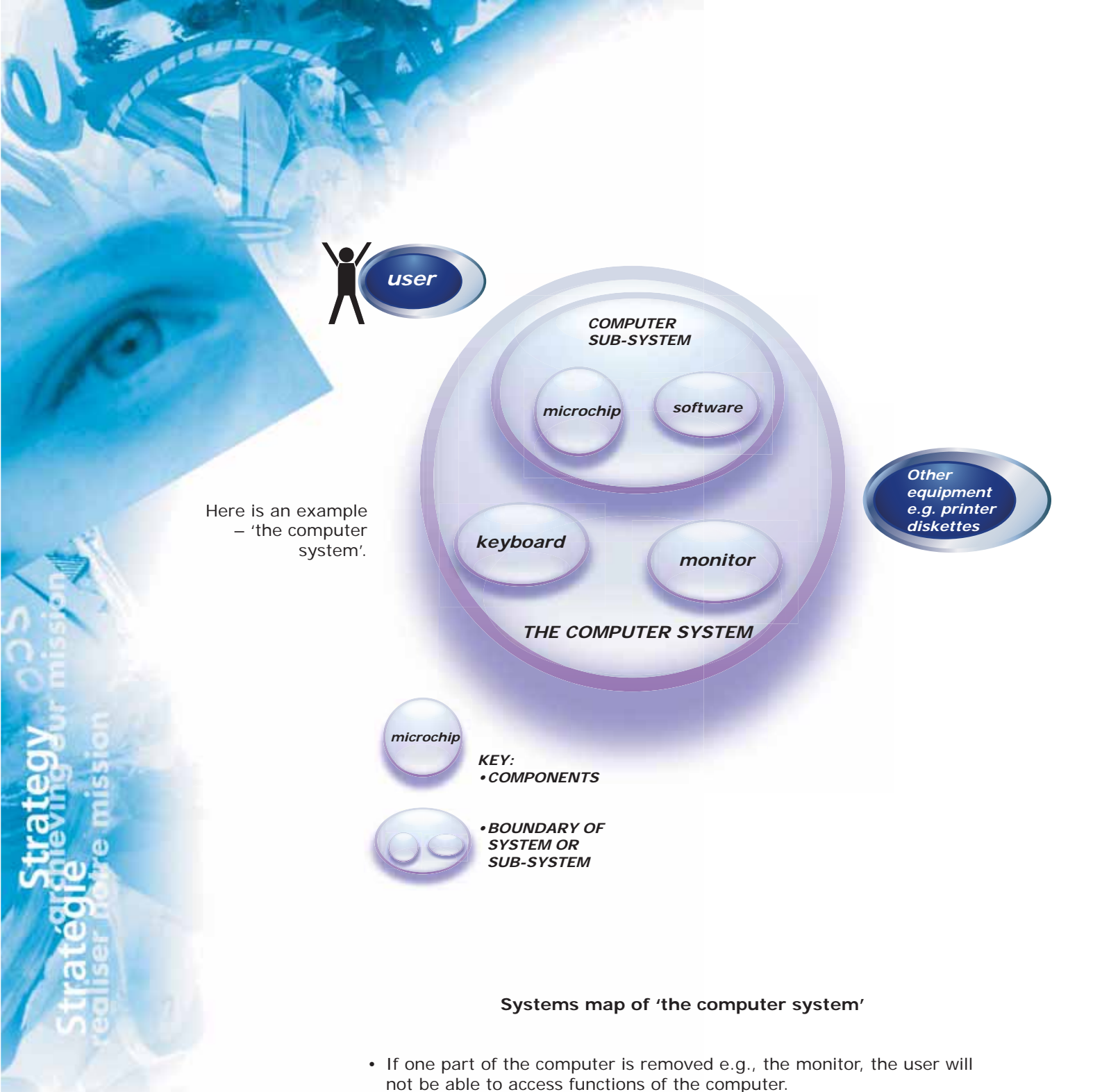


Handouts

5.1 TOPIC 1: BASIC THEORY OF STRATEGIC PLANNING CONCEPTS

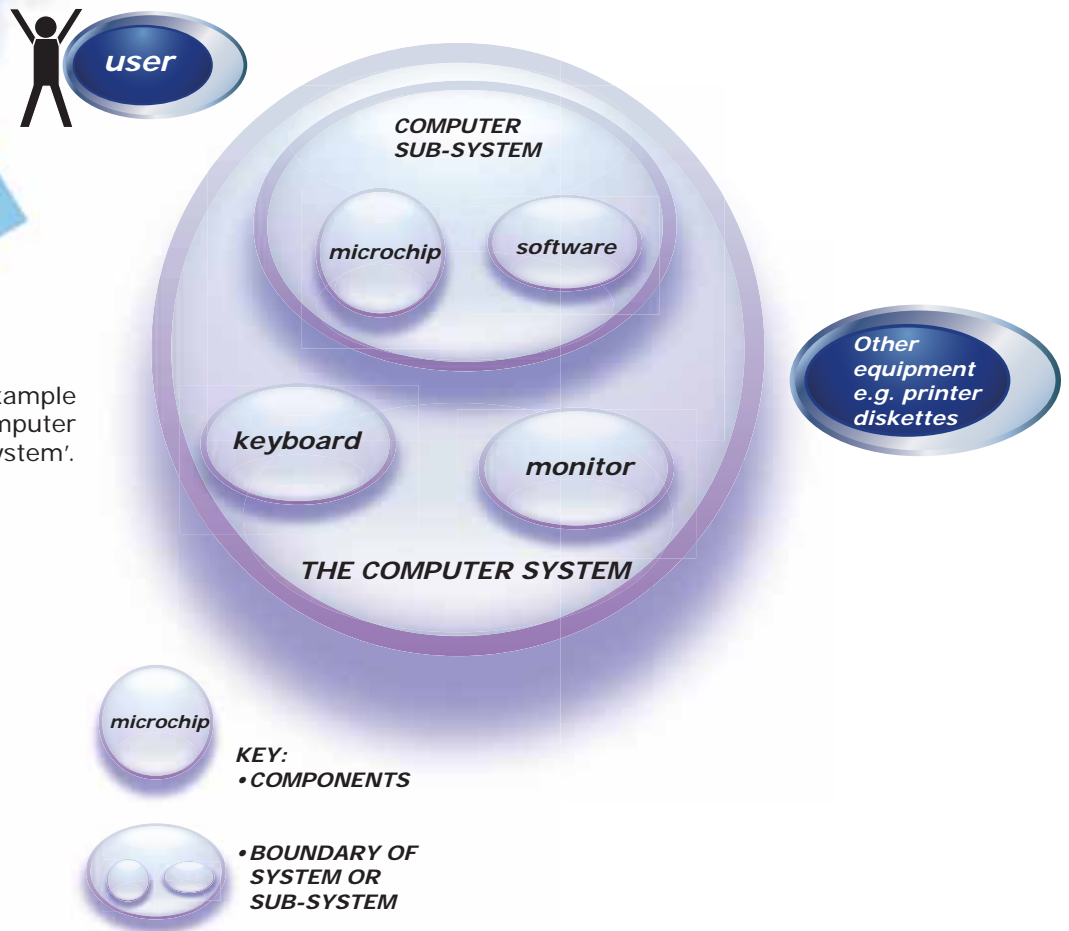
5.1.1 What is a 'system'?

A 'system' is an assembly of parts linked together in a pattern or organised form, in such a way that the behaviour of the system is changed or affected if any part is not present. This form of organised assembly of components does something of particular interest. (Open University, 1994). It is therefore a set of elements or parts that relates to one another in an organised way for the purposes of the achieving something.



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Here is an example
– ‘the computer system’.



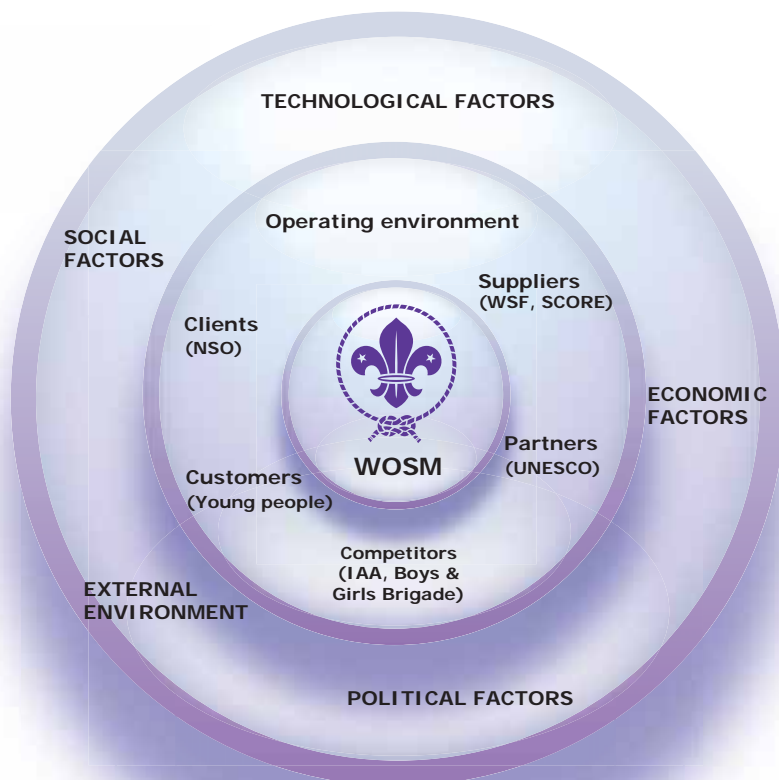
Systems map of ‘the computer system’

- If one part of the computer is removed e.g., the monitor, the user will not be able to access functions of the computer.
- Outside the computer system are other systems, which support and enhance the capability of the entire system as a whole.
- If the user is not sufficiently trained, he or she will not be able to optimise the full potential of the computer system.

5.1.2 Organisations as ‘open and social systems’

From the perspective of an ‘open system’ the organisation is viewed, not as a formal structure or as an organic entity, but as a system of interdependent activities within and outside the organisation. Some of these activities are tightly connected, while others are loosely coupled (Scott, 1992). In other words, some activities and people are tightly controlled by red tape and procedures while in other activities there is flexibility and some people may have the autonomy to make decisions.

WOSM is an organisation that operates in an open system as shown below:



A model of an organisation's environment

The factors in the external environment, namely, the social, technological, economic and the political factors affect WOSM's operations. Changes in any one of these factors will affect the operation of WOSM.

The operating environment of WOSM comprises among other things its customers, that is, the young people, **the clients** - NSOs, **partners** - UNESCO, Corporations, Kindred Organisations, etc, **competitors** - Youth Organisations, **suppliers** - World Scout Foundation, SCORE, etc. In the same way, any change in this environment will also have a bearing on the overall operation of WOSM.

Therefore, it is important to focus on the relationships between all elements within a system (i.e. the department, section, within an organisation). That is, how they work together as a whole. It is the relationships which help the organization to achieve its goals and objectives.



5.1.3 What is 'systems thinking'?

According to Senge (1990), 'systems thinking' is a framework for "seeing inter-relationships rather than linear cause-effect chains". This involves refocusing our minds to see the whole picture or situation, rather than seeing only the parts. It encourages us to view things from a 'big picture' perspective, that is, to think holistically about the whole scenario that may be affected by our actions. This is often described as systemic.

Take for example, the process of driving a car. If we are experienced drivers, we don't normally think about changing gear whilst driving. We respond systemically and unconsciously, as the outcomes are rather predictable. However if we are suddenly confronted with a significant change in the environment, such as a steep descent down a winding slope, then we have to think about the other factors coming into play such as the brakes, the horn so that we can respond to unforeseen circumstances.

This is a systemic approach as we are considering the effects of our actions on all parts of the system of which we are a part i.e. driving the car safely,

In short, a systemic approach is a form of critical thinking with the following benefits:

- It allows a clearer way to see, understand and assess what is happening in the organisation or in any system where the inter-relationships among the parts can be analysed to determine the multiple causes and effects.
- It provides the framework to think critically
- It makes complex problems easier to understand.

5.1.4 What is strategic planning?

Strategic planning is part of the study of strategic management concepts. This study of strategic management gained momentum after the Ford Foundation and the Carnegie Corporation sponsored research into the business school curriculum in the 1950's. Its popularity peaked with the contributions of Kenneth Andrews (1965) and Igor Ansof and their rational, analytical strategic planning models (1965). To date there is no universal definition of the concept (Certo and Peter (1990)).

One definition is that strategic management is a '*continuous interactive process*' aimed at keeping an organisation as a whole, appropriately matched to its environment. Let us examine this definition closer.

By a '*process*', it means that we engage in a series of steps. And, by '*interactive*', it simply indicates that the process of strategic management starts with the first step ends with the last step and then begins again with the first step. Therefore, the series of steps are repeated in a cyclical fashion.

The last part of the definition highlights the need for adaptation with the constant changing environment; to ensure that organisations stay viable, relevant and remain competitive. Since organisations operate as an 'open system' and are continuously affected by these changes in their environment, we need to be aware of all environmental factors, which could have a direct and indirect impact on the functioning of the organisation.

Strategic planning is therefore a management tool to help an organisation perform better. It is defined by Allison and Kaye, 1997, in their book "Strategic Planning for Non-Profit Organisations" as '*a systematic process through which an organisation agrees on and builds commitment among key stakeholders, to prioritize areas which are essential to its mission and be responsive to the operating environment*'. It is a process by which the guiding members of an organisation envision its future and develop the necessary procedures and operations to achieve that future (Goodstein, Nolan and Pfeiffer, 1992).

Strategic planning is about **analysis**, breaking down a goal into steps, designing how the steps may be implemented and estimating the consequences of each step (Mintzberg, 1994). It is an **ongoing process** requiring the gathering of information, discussion of the present and future state of the organisation and determining a plan of action which includes negotiations and decision-making. When these decisions are set out in a **document**, it is the **strategic plan** of the organization.

The process of strategic planning encourages us to think about the future in creative ways, to question conventional wisdom, to raise difficult questions, to challenge basic assumptions and to think outside the box. In the words of Arie de Geus, 1988, the one time head of Royal Dutch Shell, the real purpose of planning is to change the mental models, which decision-makers carry in their heads.

So, we need to take a long-term view of our operations in order to stay relevant to the continuously changing needs of our customers, the young people, the volunteers and the various key stakeholders.

5.1.5 SWOT analysis

SWOT analysis is a management tool for analysing the organisation's overall situation. SWOT stands for Strengths, Weakness, Opportunities and Threats. This approach attempts to balance the present internal strengths and weaknesses of the organisation with the future opportunities and threats presented by the external environment. The premise of the approach is that major issues facing the organisation can be dealt with through a thorough analysis of each of the four elements. Strategies can then be formulated to address the issues which emerge from the analysis.



Various methods of analysis can be used; statistical, application of cause and effect and input/output analysis (see handout topic 3.5). A combination of methods can be used and both tangible and intangible factors should be considered.

The results of the detailed analysis should then be compiled and interpreted by people with relevant experience and presented to teams, senior volunteers or committees for further action to be agreed. Analytical approaches will cover two situations:

- (a) events which are over and the results are analysed and
- (b) ongoing work which can be analysed as it is progressing with a view to improving the performance in management terms.

The table below provides some elements of organisations, which can be considered for analysis.

Internal Analysis (Present-focus)	
Strengths	Weaknesses
<ul style="list-style-type: none"> • A distinctive competence? • Adequate financial resources? • Good competitive skills? • Technology? • Proven management? • Competitive advantages? • Access to customers? • Others 	<ul style="list-style-type: none"> • No clear strategic direction? • Lack of policies and procedures? • Poor image? • Poor track record? • Lack or obsolete equipment/facilities? • Lack of financial resources? • Ineffective structures and systems? • Others?
External Analysis (Future-focus)	
Opportunities	Threats
<ul style="list-style-type: none"> • Young people? • Public and private institutions support? • Forming strategic alliances? • New segments of society? • Complacency among competing organisations? • Faster economic growth? • Others? 	<ul style="list-style-type: none"> • Other youth organisations? • Adverse demographic changes? • Slower growth rate? • Growing competitive pressures? • Changing needs of young people? • Adverse government policies? • Poor image of Scouting? • Others?

Historical data

From an organisational point of view, a complete analysis will certainly require the following aspects to be examined:

- Historical background
- Memorandum and articles of the NSO; its study in the present context and its relevance in the expected future scenario.
- Special reference to the mission and objectives
- Organisation charts, policies etc.
- Annual reports
- Performance reports
- Present and future prospects, as seen currently.
- Relevant statistics like memberships, financial figures, etc.
- Publicity and public relations materials

When undertaking the SWOT analysis, all the important factors which influence the development, growth or decline of any organisation are considered and categorised as Strengths, Weaknesses, Opportunities or Threats. The next step is to group all the items in each category and it may be helpful to grade the importance of each item.

The results can then be viewed in the group who should consider the steps required either to maintain or further strengthen strengths and opportunities, or to minimise, if not entirely eliminate the weaknesses and threats, or to convert them into opportunities.

A SWOT analysis can be undertaken for the general situation but it can also be applied to each strategic priority.

A SWOT analysis therefore can be used to help explore internal and external environments at various levels in associations which should improved decision-making to achieve the objectives specified. This analysis provides an important input for decision-making in the strategic planning process.



5.2 TOPIC 2: THE VISIONING PROCESS – SOME METHODS

Without a vision, organisations have no chance of creating their future, they can only react to it (Collins and Porras, 1991). A “vision” is therefore a picture of a preferred, desirable future state that describes what the organisation will be like in some years from now. It is a dynamic picture of the future that answers the question “*what do we really want?*” (Scott, Jaffe and Tobe, 1993).

Scott, Jaffe and Tobe, (1993), provide the characteristics of a powerful vision statement:

‘A Vision Statement’ is a powerful statement which:

- presents where we want to go
- is easy to read and understand
- captures the desired spirit of the organisation
- is dynamically incomplete so that people can fill in the pieces
- is compact - can be used to guide decision-making
- gets people’s attention
- describes a preferred, meaningful better and future state
- can be felt/experienced and gives people goose bumps when they hear it
- gives people a better understanding of how their individual purpose could be realised in the group or organisation
- provides a motivating force, even in hard times
- is perceived as achievable
- is challenging and compelling, stretching beyond what is comfortable

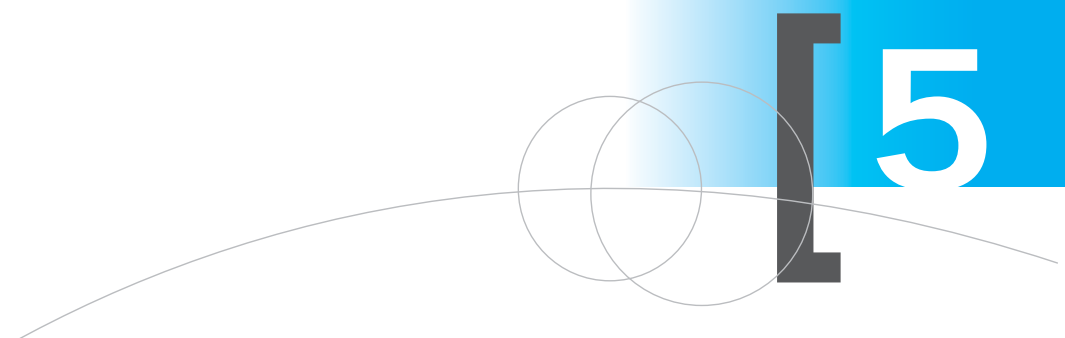
Here are three methods which can be used to create a vision.

5.2.1 Visualisation

The visualisation process starts with imagination - using sights, sounds, smells, tastes and sensations in the absence of any external stimuli.

It is a means of improving communication between the conscious and unconscious levels of the mind. Basically, it is about dreaming the future and is a powerful technique of modifying self-image (Tracy, 1993) as well as a technique for imaging how we see an organisation, like Scouting, in the future.

For example if we were applying this technique to modifying our self-image, we could visualise ourselves winning a prestigious award in 3 to 4 year times for an accomplishment that we desire. Questions to ask are: what were the accomplishments? What kind of award is received? Who presented the award? What dignitaries attending the award ceremony? It is important that you let your mind wander.



If this technique was applied to Scouting, people could be asked to 'visualise' the association in the few years time. Perhaps focussing on some event or events. They could ask themselves: What sort of event it is? How many people are present? What makes the event special for the participants? What do they remember when they return from the event? What do they do differently, how do they behave as a result of the event? The participants could then share their 'pictures' and identify what would need to be done to achieve their visions.

Remember visualisation is best achieved when people are in a relaxed state of mind (DePorter and Hernacki, 1992; Ostrander, Sheila and Lynn Schroeder, 1979; Stone, 1984, Swartz, R, 1991). It is important that the people taking part learn how to relax their minds. One way of achieving this is by sitting comfortably, closing your eyes and breathing slowly until you feel fully relax and calm. Allow nothing to distract your mind. Once fully relaxed, people can start visualising the desired and better future state.

The more we visualise a particular future event, the more impact it has on our thinking, feeling and acting. In fact the frequency with which we visualise not only tells us how much we want that future picture, but also intensifies our desire and belief that it is achievable (Tracy,1993).

5.2.2 Symbols and metaphors

"The soul never thinks without a picture." (Aristotle)

Symbols and metaphors can be used to project the pictures or images, which represent the vision. They are not logical, but they create an image that can challenge what is accepted as true, allow new links to develop and generate new ways of thinking (Gelatt,1991).

For example an animal can be used to describe an organisation. An organisation represented as a giraffe, conveys the impression that the leaders of the organisation are too concerned with seeing the far and wide but neglecting the details. It is just like seeing the forest but not the trees. People can be asked to draw a symbol or metaphor to represent the current state of their organisation. To create impact, coloured pens, flip chart paper, tape etc. should be used. This will draw out some of the issues and the challenges which the organisation faces. People can then be asked to draw a symbol or metaphor that represents the desirable future state of the organisation, once the vision is accomplished. The image and the elements of the picture drawn in terms of what they represent can be discussed.

It is important that the pictures that are created are discussed so that the reveal aspects of the current and desired future states of the organisation so that plans can be put in place to reach the desired results.

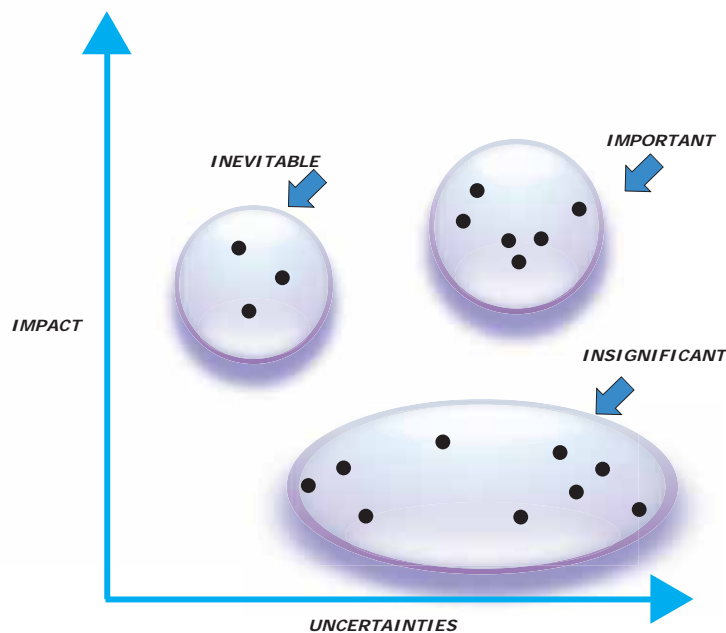


5.2.3 Scenario planning

“Scenario planning” first emerged for businesses in a company set-up for researching new forms of weapons technology in the RAND Corporation way back in 1967 (Chermack and Lynham, 2002). It is a descriptive narrative of plausible, alternative projections of a specific part of the future.

The steps to build scenarios are as follows:

- 1) Start of by looking at the forces or the drivers of change, which may possibly affect the smooth operational running of the organisation. You can look at socio-economic, political, technological and educational factors.
- 2) Analyse the impact and the likelihood of each driver or factor.
- 3) Next determine what is inevitable (the given, mandatory or non-negotiable aspects) and therefore must occur in all scenarios.
- 4) Identify the critical uncertainties and group them to understand how they may act together to split the future into different scenarios.



- 5) Check the interrelationships between the drivers of change. Consider using an influence map. See handout 3.2. Check that the scenarios are mutually exclusive and collectively exhaustive. Check that each scenario constitutes a challenging version of the future.
- 6) Develop a meaningful description of the scenarios, supported and verified by research and analysis. The higher the impact and uncertainties, the more important is the need to prepare the future for that scenario happening.

5.3 TOPIC 3: STRATEGIC PLANNING TOOLS

For the purpose of this kit, only six system tools in the form of diagrams are introduced in this section. The six system tools are: Systems maps, Influence maps, Spray diagrams, Force-field diagrams, Input-Output diagrams and Bar charts. The source of information on these system tools is the Open University (1994)

5.3.1 Systems maps

A Systems Map is essentially a “snapshot” of an organisation. It provides a picture of the internal components of the organisation and the players in the environment. Here is a systems map of a National Scout Organisation.



A system map of an NSO

Purpose

In the above diagram, the internal components or systems of an NSO are set out. The components include the National Council (NC), Volunteers, Professional staff which has its own functional departments like HR, Finance (F), Scout Shop (SS), etc., and the Scout Units.

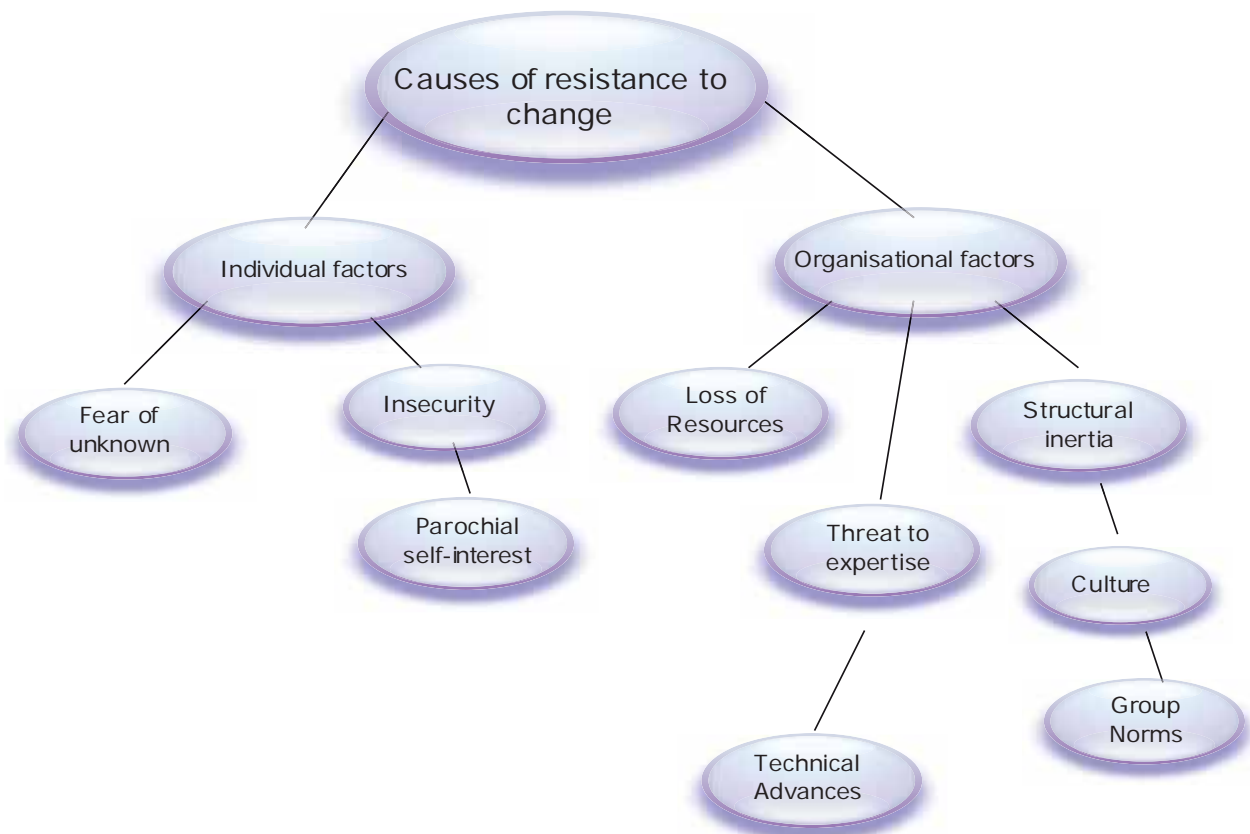
Outside the NSO are the World Scout Bureau (WSB), Government Institutions, Educational Institutions, Community bodies, etc. Thus, the map provides us, at a glance a quick picture of the NSO and the environment it is operating in.

5.3.3 Spray diagrams

Purposes

- To describe and explain the components of a system as a sub-system
- To show an overview of the various parts of a system and their interconnections

A spray diagram provides a quick overview of a given situation. In the example below, on possible causes to the resistance of change, we can easily see the possible causes at a glance. This overview can help us to pin point the root causes of the problem quickly.



For example, the individual factors of resistance to change comprise fear of the unknown, and insecurity which can be a result of parochial self-interest. This format of presentation allows us to get understanding of the cause at a glance. It resembles the fishbone diagram which is commonly used in quality control circles to identify main issues and problems. It can also be used to provide a quick overview of the various parts of a system and their components.



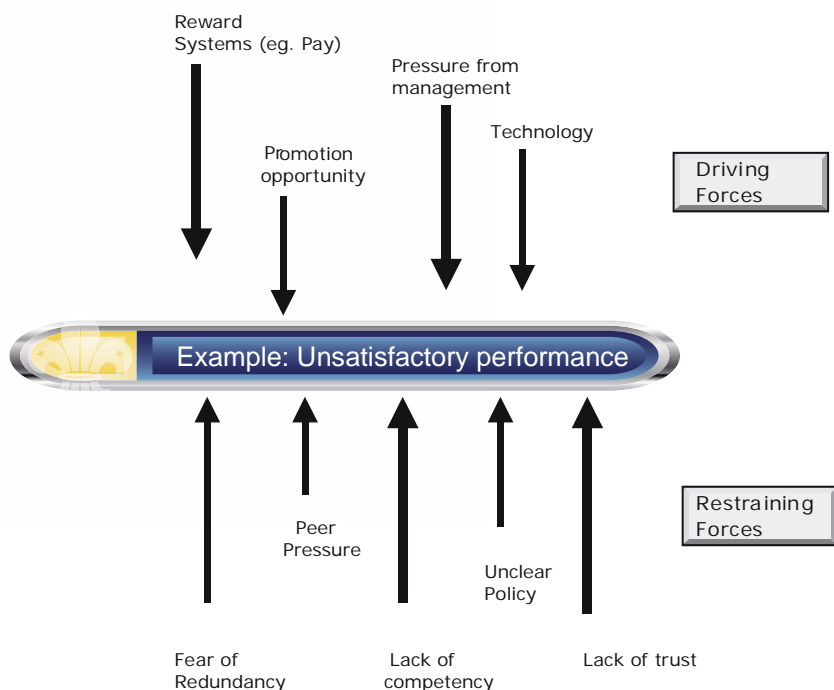
5.3.4 Force field diagrams

Purposes

- To identify the forces driving and restraining change in a given situation.
- To allow the magnitude of these forces to be represented.

The “force field” analysis, originally described by Kurt Lewin (Lewin,1951), is based on the premise that situations at any given point of time, are not static but are dynamically moving towards an equilibrium. This is as a result of two sets of interacting and opposing factors acting on the situation. The factors may be external or internal. One set of factors, referred to as the “driving forces”, are acting to move the situation away from the current state, while the other set of factors, “restraining or opposite forces”, are acting to maintain the status quo.

If the driving and restraining forces are apparently equal in strength, the present situation is not likely to change. Change will only take place if the driving force becomes stronger or the restraining force is reduced. The more effective way to make change occur is to reduce the restraining forces.



Notes:

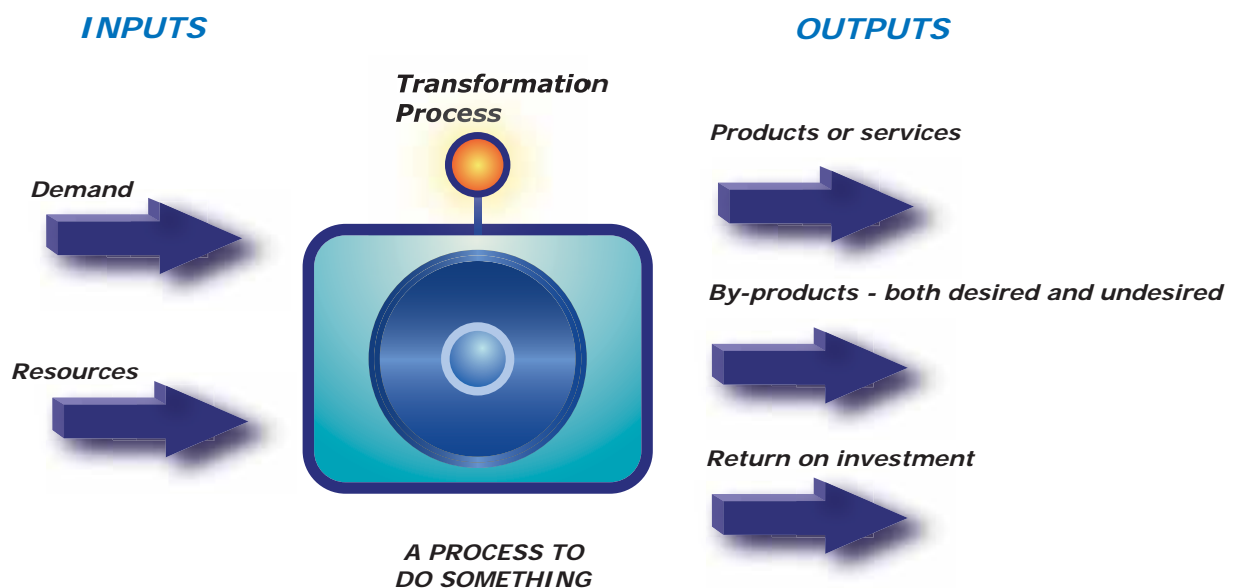
- The size and length of arrows should denote the magnitude of forces acting.
- Some forces may act in both directions, e.g. political pressures which can change rapidly.

5.3.5 Input-Output diagram

Purposes

- To define the outputs or outcomes required from a given process.
- To determine the process required to produce these outputs.
- To determine the necessary inputs to allow the process to transform them into the required outputs.

This diagram is usually used to describe and analyse situations which are developing and changing. The inputs that are required for a given process, to achieve desired outputs, are identified. So, if what we want our system to do and produce can be clearly expressed, then we can identify the inputs that are necessary to make this happen. The 'transformation process' box reflects the system that is used for a given process, for example capital equipment such as machines and computers.





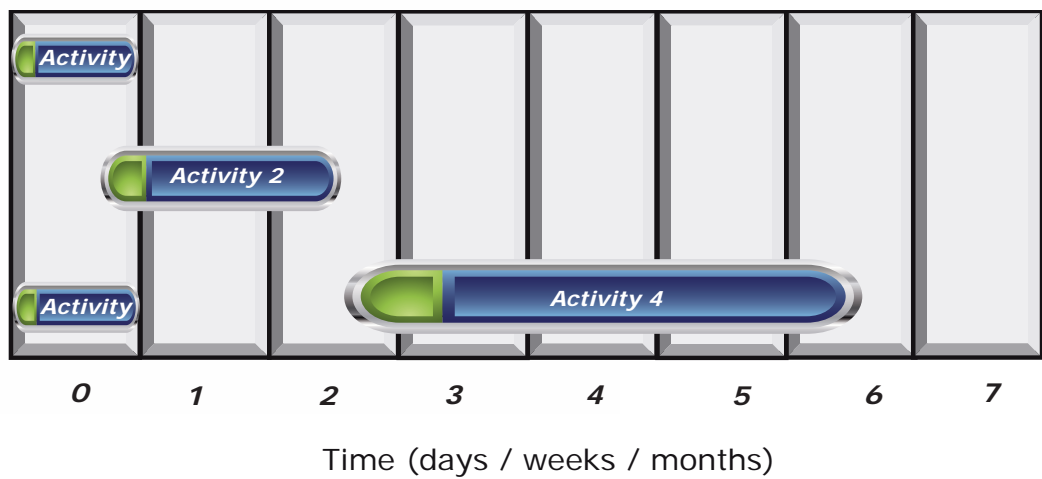
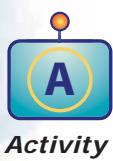
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5.3.6 Bar charts

Purposes

- To depict the sequence of activities in a process.
- To show the start time, duration and finish time on a scale.
- To indicate areas of overlapping and dependent activities in a process.

A bar chart is used primarily as a monitoring tool to track the progress of the project or activity based on the planned schedules. The chart provides a good overview of the timing and sequence of activities, together with their commencement and completion dates.



5.3.7 Application of systems maps/diagrams

The table below summarises the main uses of the systems tools.

Application	Diagram Type
Diagnosing and describing situations	Systems maps
	Input - Output diagram
Analysing situations	Influence map
	Spray diagram
	Force field diagram
	Input - Output diagram
Planning and monitoring situations	Bar Chart

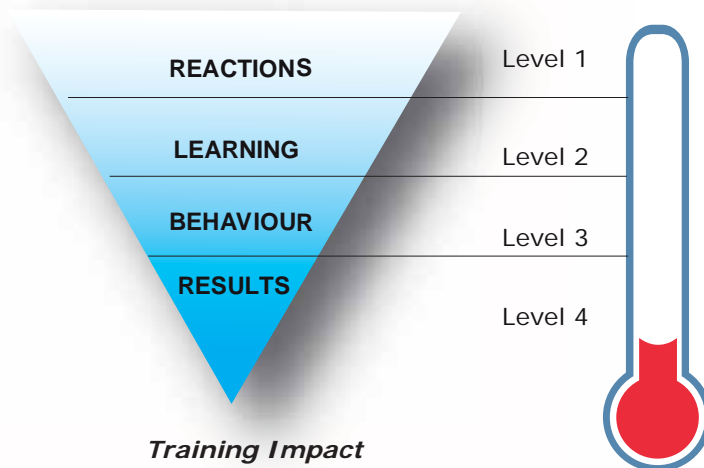


5.4 TOPIC 4: EVALUATION MODELS

5.4.1 The four level approach (Kirkpatrick's model)

Although it has been around for nearly 20 years, the Kirkpatrick Model (1979) is still the model most widely used to determine and plan different levels of evaluation. It comprises four levels which help us to determine whether we have achieved the goals and objectives which have been identified.

If, for example we consider the objective "to improve the interpersonal skills of National Commissioners by the year 2005", focussing on level 3 'Behaviour' - we can analyse whether there are changes in the way the Commissioners manage their leaders that result in improved morale and effectiveness in the leaders.



Whilst this model is useful as it stands, it can be further enhanced by the addition of a Level 0 and Level 5.

Level 0 (Pre-training) is the initial status or benchmark against which the effectiveness of the training - can be measured. An assessment of the pre-training knowledge, skill and attitudes are invaluable in providing a point for comparison with level 2 and level 3 data.

Level 1 (Reactions) is concerned with the measurement of people's immediate attitudes to the training provided:

- Was it useful and relevant?
- Did they feel comfortable with it?
- Did it cover what was planned?

'Happy sheets' i.e. feedback obtained during the training and assessments by the trainer of the materials used are the most common methods used at this level.

Level 2 (Learning) is concerned with measuring the learning achieved as a result of the training or the planned change.

- What can participants do that they could not do previously?
- What do participants know that they did not know previously?
- What perception or understanding have participants gained that they did not have previously?

Questionnaires, quizzes and practical tests to check for any change in knowledge, skill or attitude are useful at this level.

Level 3 (Behaviour) is concerned with measuring how actual workplace performance has changed as a result of the training or planned change.

- To what extent has learning been transferred to workplace performance?
- To what extent has workplace performance improved as a result of learning?

Evaluation at this level usually requires the involvement of an immediate superior in setting post-training assignments which require and test newly acquired learning, or in observing and giving feedback about changes in day-to-day workplace performance.

Level 4 (Results) takes a longer perspective. It is concerned with measuring the extent to which the planned change has contributed to the overall organisational performance. For example, if our main purpose is to enhance the image of Scouting, we can make an analysis of one performance/outcome, say, membership growth and ascertain to what extent the growth is due to the improved image. In other words:

- Are we getting the desired result?
- Have we achieved the outcome of what we want to achieve based on the strategic plan?
- Have we realised our vision?

Measurement at this level needs to focus back to the identified contribution which the planned change would make to the performance and/or needs of the organisation as a whole. If, for example, one of the reasons or objectives for the strategic plan is to reduce operational costs, then the measurement would need to involve some comparison of pre-and post-planned change in operational costs

Level 5 (Return on investment) is also important since it provides a financial value to the organisation after implementing the planned change. We look at the cost benefit ratio, which is calculated as follows:

Return on investment (ROI) = financial value of change or effect achieved (benefits) over the cost of achieving it x 100 %. Hence, the higher the ROI, the better it is for the organisation, since it is getting more benefits out of the same amount spent.

Rationalising evaluation: a point to note.



It is important not to get 'carried away' with an evaluation effort that is disproportionately greater than the investment made or the benefit likely to be achieved. In this respect, the scope of an evaluation strategy should be carefully weighed against the following considerations:

- The resources required in terms of money, staffing, equipment and facilities
- The likelihood that the training or event will be repeated
- The criticality of the training or event to the business
- The methods used

5.4.2 The 'balanced scorecard' model (BSC)

The "balanced scorecard" is a performance measurement system, strategic management system and a communication tool (Niven, 2002). Initially described as a '4 box' approach to performance measurement (Kaplan and Norton, 1992), it combines traditional financial measures with non financial measures by focusing on four business perspectives, namely the customer, financial, learning and growth and the internal business process.

BSC provides answers to four basic questions:

- How do we look to our shareholders/trustees? (financial perspective)
- How do customers see us? (customer perspective)
- What must we excel at? (internal perspective)
- Can we continue to improve and create value? (learning and growth perspective)



The learning and growth perspective are the 'enablers' of the other perspectives, serving as a foundation for the rest (Niven, 2002). For example, motivated staff with the right mix of skills (Learning & growth perspective) equipped with the necessary tools and doing the right things (Internal process perspective), will then satisfy and delight the customers (customer perspective) resulting in more in more business, ultimately driving the financial returns (financial perspective).

Performance indicators/measures

Two types of indicators are used. The lag indicators are outcomes of action previously taken, while the lead indicators are measures that lead to or drive the outcomes/results in the lagging indicators. Percentage increase in membership, market share may all be considered 'lag indicators'. But what drives each of these indicators? For example, the numbers of programme activities organised may drive membership increase and market share may be driven by brand awareness. 'Lead indicators', sometime called performance drivers, are therefore measures that predict the performance of lag indicators.

The table below summarises the key points

	Lag Indicator	Lead Indicator
Definition	Measures focusing on results at the end of a time period.	Measures that "drive" or lead to the performance of lag measures, normally measuring intermediate processes and activities.
Examples	<ul style="list-style-type: none"> • Market share (% in membership). • Policies, documents produced, new programme introduced, etc. • Employees satisfaction. 	<ul style="list-style-type: none"> • Hours spent with customers (young people, volunteers, etc). • Number of proposals, drafts submitted, discussions held, etc. • Absenteeism rates, turnover rates, training hours per employee, etc.
Advantages	Normally easily to identify and capture.	Predictive in nature and allow adjustments to be made based on results.
Issues	Historical in nature and do not reflect current activities; lack predictive power.	May prove difficult to identify and capture; often new measures with no history at the organisation.



A good scorecard should contain a mix of lag and lead indicators (Niven, 2002, Olive, et al. 2003). Lag indicators without performance drivers fail to inform us of how we hope to achieve our results. Conversely, lead indicators may indicate key improvements throughout the organisation, but on their own they do not reveal whether these improvements are leading to improved customer and financial results (Niven, 2002).

How many measures do the balanced scorecards need? There is no thumb rule on this. The right number of performance measures should be sufficient to adequately describe the strategy across four the perspectives of the BSC (Niven, 2002).

The importance of cause and effect linkages (strategy maps)

What really separates the BSC from other performance measures is the emphasis on the cause and effect. The cause-and-effect linkages outlines the specific path to take to achieve the strategy through a series of connections, without which we are left with nothing more than a mere collection of financial and non-financial measures. These measures should link together in a chain of cause-and-effect relationships from the performance drivers in the learning and growth perspective all the way to other perspectives. The relationships are revealed through a series of **“if-then” statements**: If we increase customer loyalty, then we expect revenue to increase or if increase training, then cycle times will lower. If cycle times lower, then loyalty will increased. If loyalty increased, then revenue will increase. We are attempting to document the strategy through measurement, making the relationships between the measure explicit so that they can be monitored, managed and validated (Niven, 2002).

For example in pursuing a growth strategy, we hypothesise that loyal customers providing repeat business will result in revenue growth in the financial perspective of the BSC. We then ask series of questions as follows:

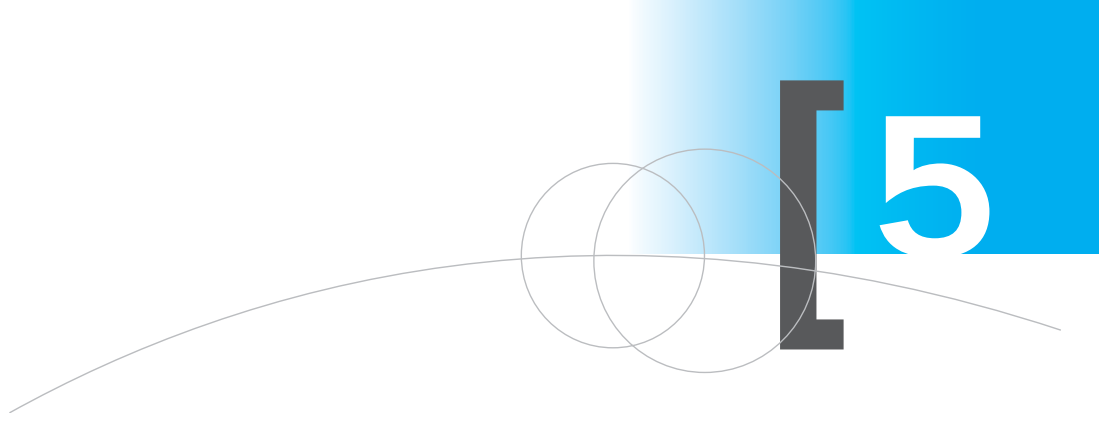
How do we achieve superior levels of customer loyalty? We believe that the internal process needs to be improved.

Now we ask what internal business process must we excel at in order to drive customer loyalty and ultimately increase revenue? We believe that customer loyalty is driven by our ability to continuously innovate new products and therefore decide to measure new product development cycle times in the internal business perspective.

How do we improve development cycle time? We believe that by investing in staff training on new development initiatives may eventually lower development cycle times and is then measured under the learning and growth perspective of the BSC.

Finally, we ask what skills are required and how do we provide them so that we can lower the development cycle time?

Questions to ask when building the cause-and-effect linkages (Adapted from Balanced Scorecard: Step-by-Step by Paul R. Niven, 2002).



Learning and growth

Do the employee learning and growth objectives and measures describe the skills, information infrastructure and the alignment that will enable us to excel at our internal process?

Internal process

Have we identified the key internal processes we must excel at in order to meet customer and financial expectations?

Will the achievement of these measures lead to improved customer and financial results?

Customer

Do the customer objectives and measures reflect the value proposition we will pursue to achieve our financial goals?

Financial

Do the financial objectives and measures describe how we will satisfy our stakeholder expectations?

Others

Do we have an appropriate mix of lagging and leading measures on the BSC?

To sustain improvements, the BSC should contain measures that will lead to short, intermediate and long-term value creation. Have we considered the timing of the linkages?

Does this BSC tell the whole story of our strategy?



Balance in the scorecard

The statements below provide an explanation as to why the term “balance” is emphasised in the scorecard.

- Balance between the financial and non-financial measures / indicators of success as it was primarily designed to overcome the deficiencies of a reliance on financial measures of performance by balancing them with the drivers of future performance. This remains a principal tenet of the system.
- Balance between the internal and external constituents of the organisation with the shareholders or the trustees representing the external constituents while the employees and the internal business processes representing the internal constituents. BSC recognises the importance of balancing the occasionally conflicting and contradictory needs of all these groups in effectively implementing the strategy.
- Balance between the lag and lead measures / indicators of performance. While lag indicators generally represent past performance, lead indicators represent the future drivers leading to the achievement of the lag indicators. As mentioned, earlier a well-designed scorecard should include a mix of lag and lead indicators.

5.5 TOPIC 5: MANAGING GROUP PROCESS DURING DISCUSSIONS

5.5.1 Managing discussions effectively

Here are some points on how to manage discussions effectively:

- Present the purpose of the discussion and highlight the specific tasks.
- Establish process ground rules, such as how the decision/s will be made.
- Allow members to become acquainted with each other and the topic under discussion.
- Create a supportive climate, emphasising the need to be constructive and build on other people's suggestions as opposed to criticising other people's suggestions and ideas.
- Focus on the task and not the person.
- Allow the opportunity for everyone to air his or her views, freely. Encourage participation by all members. One way is ask everyone for his or her input.
- Respect each view and opinion. Remember there is no good or bad view...it is just the different perspectives held by individuals. Disagreement should be based on facts or commonly held values. In some cases, agree to disagree.
- Discourage premature evaluation of ideas.
- Encourage people to share their experiences relevant to the topic of discussion. Use examples for clearer illustrations.
- Ask open-ended questions which require an explanation, rather than closed questions which can be simply answered with a yes or a no.
- Ask for clarification on points, which are ambiguous or unclear.
- Listen and make eye contact with those who are talking and summarise their points when they finish.
- Be aware of cultural issues; some members may be reluctant to express views contrary to the prevailing sentiment of the group, especially in the presence of high status members or formal leaders who may be dominating the discussion.
- Be aware of the body language.
- Summarise all the points or issues raised and the decisions taken before closing the discussion.
- Above all, effective leaders facilitate, rather than dominate the group discussion process.



5.5.2 Suggestions for dealing with disruptive and difficult behaviour

(Source: Adapted from *People*, 1988, p. 147-155)

Type	Behaviour	Suggested Response
Hostile	<p>"It'll never work".</p> <p>"That's a typical finance viewpoint".</p>	<p>"How do others here feel about this?"</p> <p>"You may be right, but let's view the facts and evidence".</p> <p>"It seems we have a different perspective on the details, but we can agree on the principles".</p>
Know-it all	<p>"I have worked on this project more than anyone else in this room..."</p> <p>"I have a Ph.D in...and..."</p>	<p>"Let's review the facts" (avoid theory or speculation).</p> <p>"Another noted authority on this subject has said..."</p>
Loudmouth	<p>Constantly blurts out ideas or questions.</p> <p>Tries to dominate the discussion.</p>	<p>Interrupt: "Can you summarise your main point/question for us".</p> <p>"I appreciate your comments, but we also need to hear from others".</p> <p>"Interesting point. Help us understand how it relates to our subject".</p>
Interrupter	Starts talking before others are finished.	"Wait a minute, Tom, let him finish what he is saying".
Interpreter	<p>"What Tom is trying to say is..."</p> <p>"Tom would respond to that question by saying..."</p>	<p>"Tom, how would you respond?"</p> <p>"Let Tom speak for himself, go ahead, finish with what you were saying".</p> <p>"Tom, do you think he correctly understood what you said?"</p>
Gossiper	<p>"Isn't there a regulation that you can't..."</p> <p>"I thought I heard the Chief say..."</p>	<p>"Can anyone verify this?" (Assuming no response)</p> <p>"Let's not take the time of the group until we can verify the accuracy of this information".</p>
Whisperer	Irritating side conversation going on between people.	<p>Hints:</p> <ul style="list-style-type: none"> • Stop talking and establish dead silence. • Politely ask the whisperer to wait until the discussion is over to finish his/her conversation.

Silent distractor	Reads newspaper, rolls his/her eyes, shakes his/her heads, fidgets.	Hints: Ask them to determine their level of interest, support and expertise. Try to build an alliance by drawing them into the discussion. If that doesn't work, discuss your concerns with them during a break.
Busy-busy	Ducks in and out of the meeting repeatedly, taking messages, dealing with crises.	Hints: Preventive measures include: Scheduling the meeting away from the office, checking with the common offenders before the meeting to ask if the planned time is OK for minimum interruptions.
Late- comer	Comes late and interrupts the discussion.	Hints: Announce an odd time (8:46) for the discussion to emphasise the necessity for promptness. Make it inconvenient for latecomers to find a seat, stop talking until they do. Establish a "latecomers' kitty" for refreshments. Ask them to commit
Early leaver	Announces, with regrets, that he/she must leave for another important activity.	Hints: Before starting, announce the ending time and ask if anyone has a scheduling conflict.



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