



Process, Performance and Cost Management

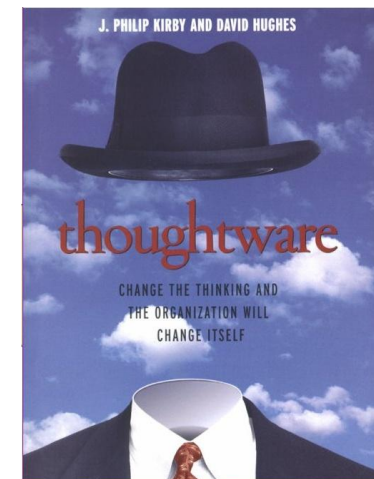
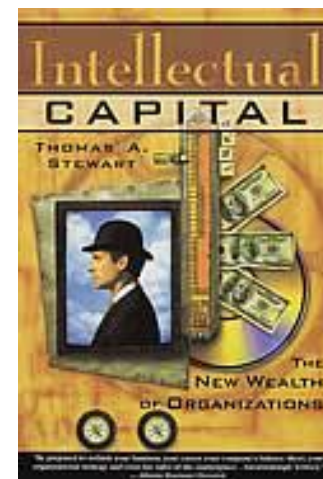
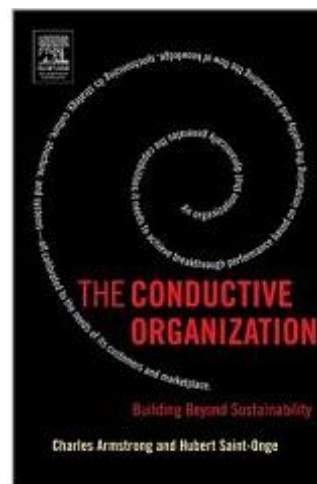
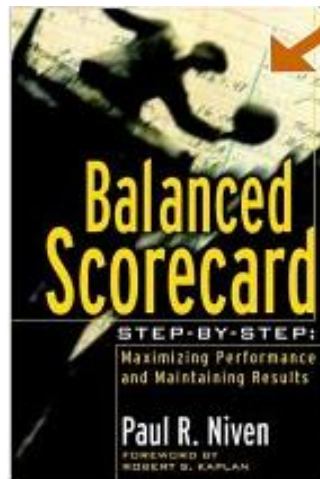
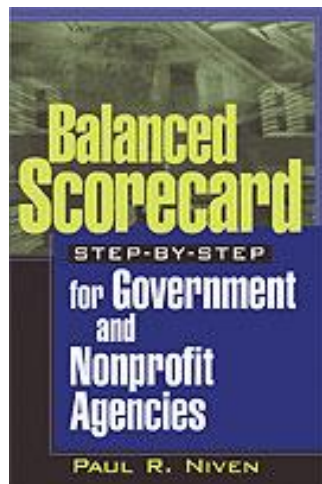
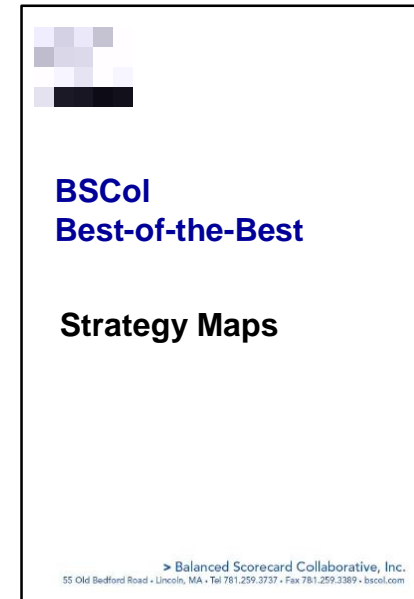
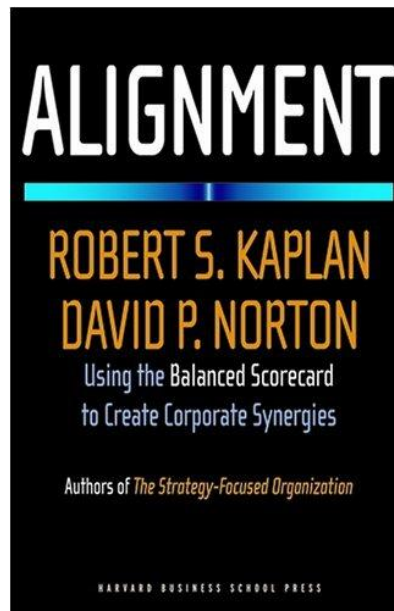
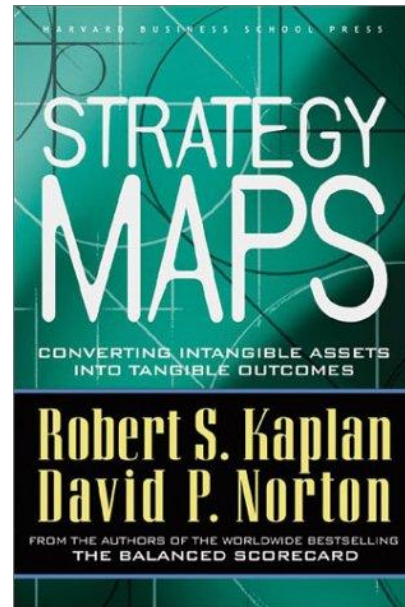
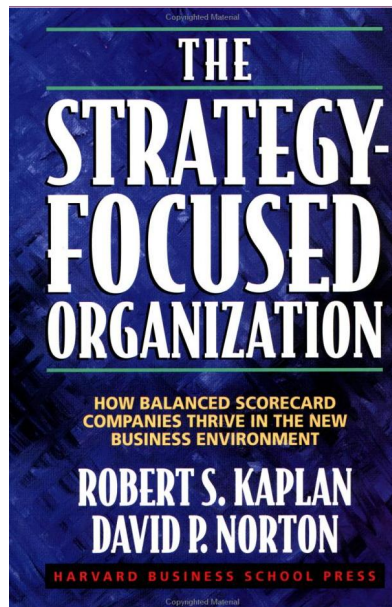


Second Annual CMA/CAM-I Summit

Performance Management Case Study
Rapid-Scorecard
an award winning approach to implementing
a Balanced Scorecard in 5 days

Derek Sandison, Partner
Performance Measurement & Management
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www.pm2.ca

Our clients have been profiled by the Thought-Leaders





Strategic Performance Management

Strategy: Your approach to the market

Performance: How well are you achieving the strategy

Management: Taking corrective action

Barriers to Strategy Execution



*The Balanced Scorecard,
Kaplan & Norton*

Translating Strategy into Action

Strategic Intent

(Strategy, Mission, Vision, Values)

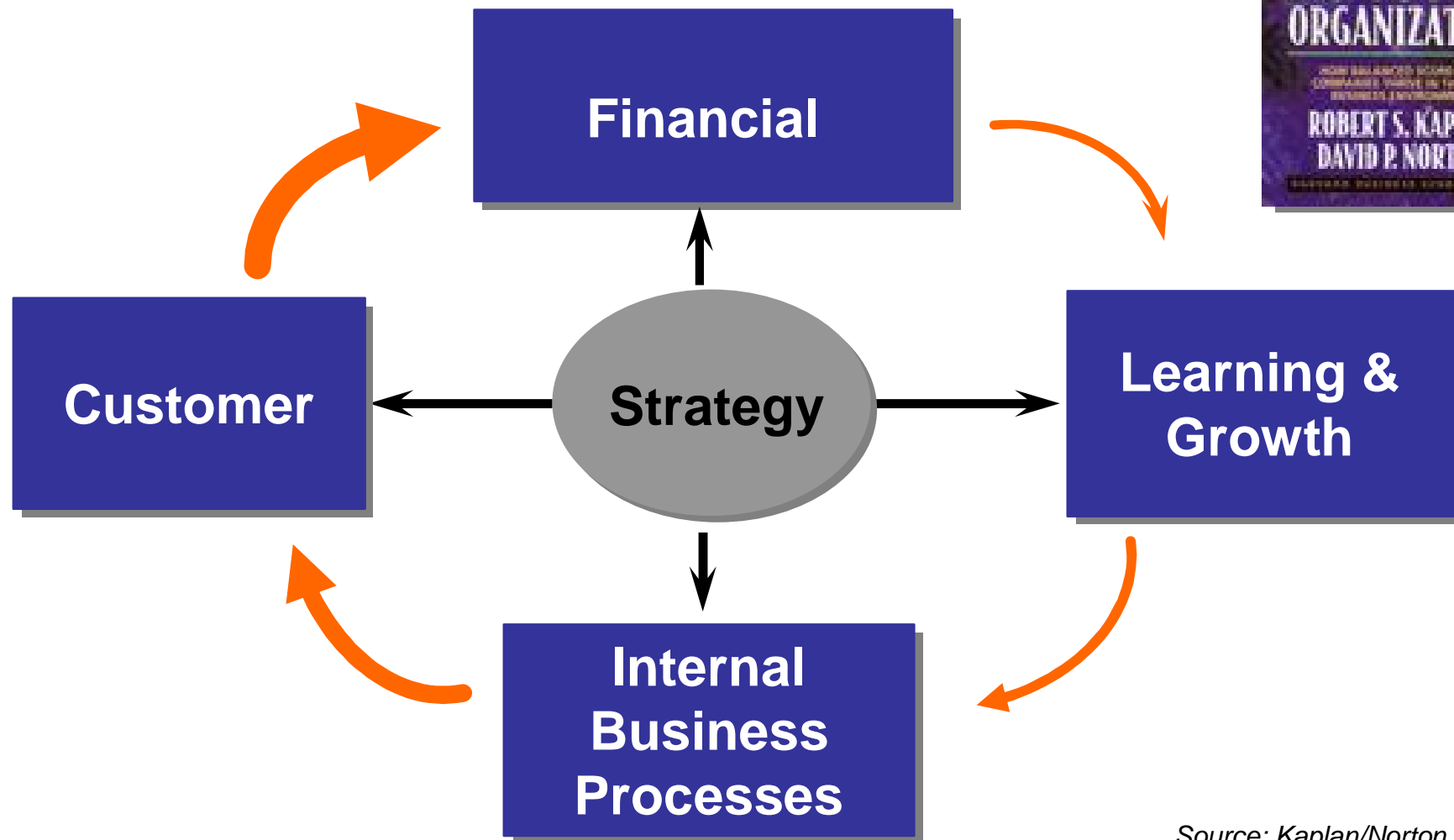
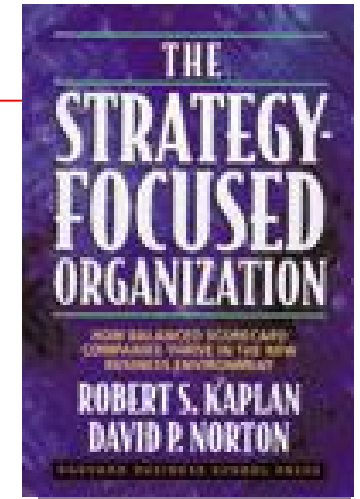
Strategic Direction

(Strategy Map, Indicators, Link to Processes & Projects)

Tactical Actions & Resources

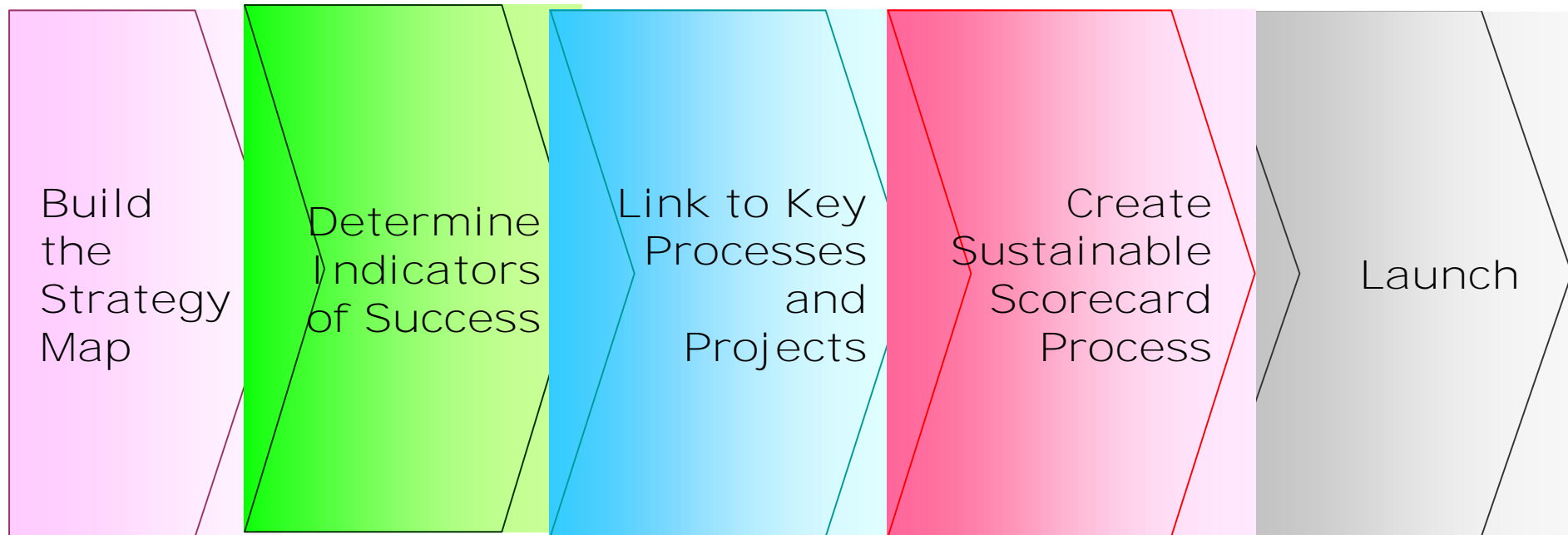
(Processes, Activities, Plans & Budgets)

The Balanced Scorecard

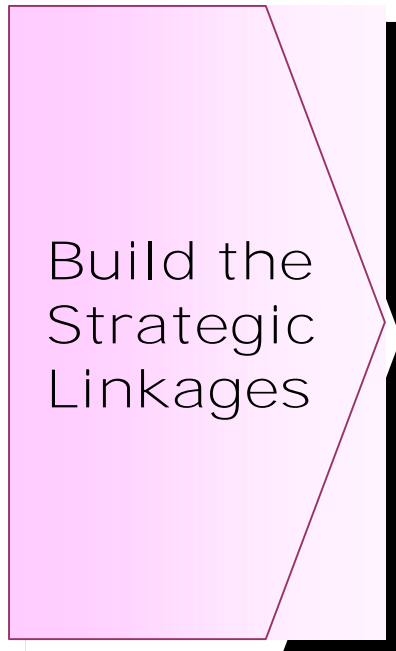
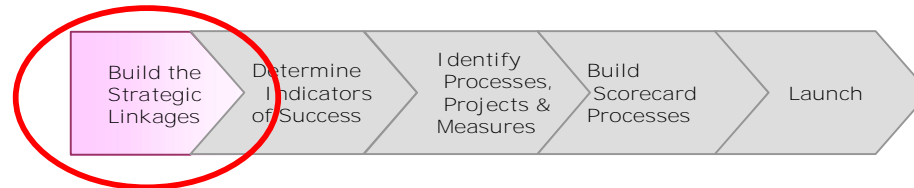


Source: Kaplan/Norton

5 Phases to Build a Rapid-Scorecard®



5 Phases to Build a Scorecard



☒ **Morning: Executive & BSC Teams**

☒ Overview & Awareness

☒ **Afternoon: Executive & BSC Teams**

☒ Build DRAFT Strategy Map

☒ Weighting

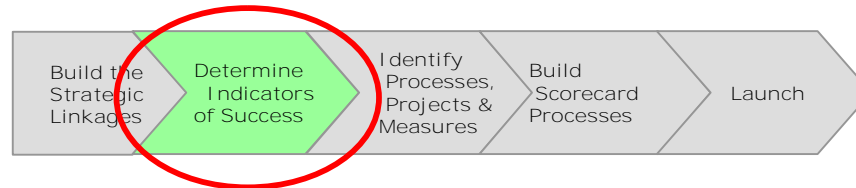
☒ **Deliverable(s)**

☒ DRAFT Strategy Map

☒ Weighting

Performance Management Case Study

5 Phases to Build a Scorecard



☐ Morning: Executive & BSC Teams

- ☐ 1 hour review of Strategy Map and Weighting

☐ Rest of Day: BSC Team

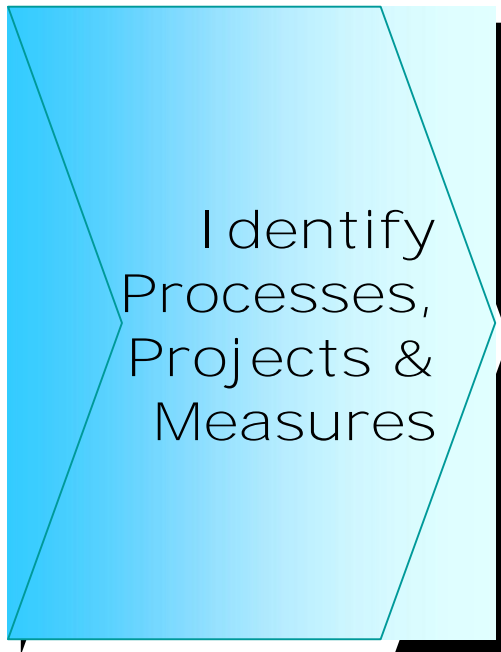
- ☐ Determine Indicators of Success
 - ☐ Overview & Awareness on Indicators
 - ☐ Determine Indicators
 - ☐ Harvest data for Indicators

☐ Deliverable(s)

- ☐ 1 Indicator per Strategic Objective
- ☐ Draft Balanced Scorecard (BSC)

Performance Management Case Study

5 Phases to Build a Scorecard



☒ **Morning: BSC Team**

- ☒ Analysis of core processes
- ☒ Link to strategic objectives

☒ **Afternoon: BSC Team**

- ☒ Analysis of key initiative and projects
- ☒ Link to strategic objectives
- ☒ Identify potential gaps for strategy execution

☒ **Afternoon: Executive & BSC Team**

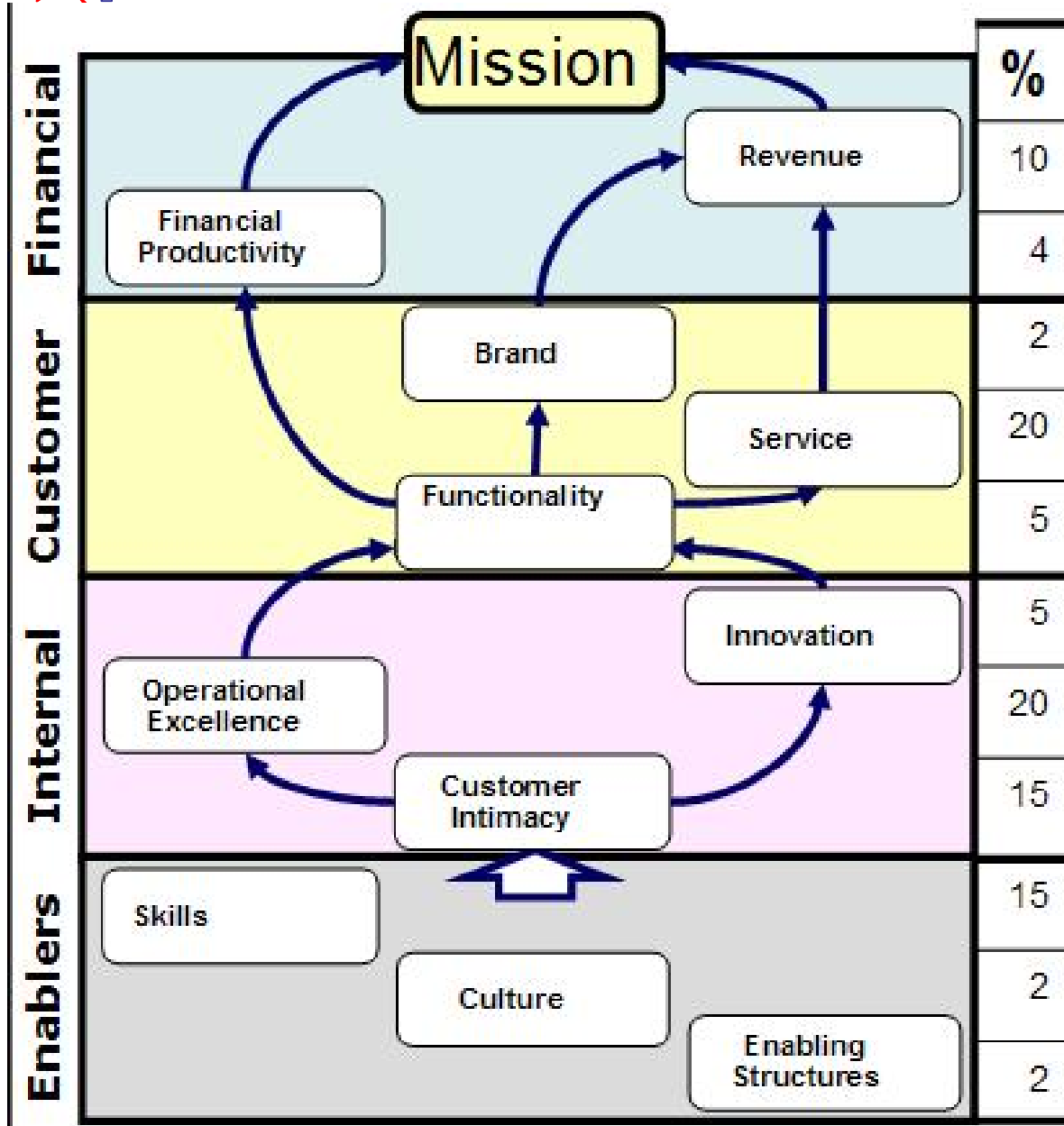
- ☒ Report-Out

☒ **Deliverable(s)**

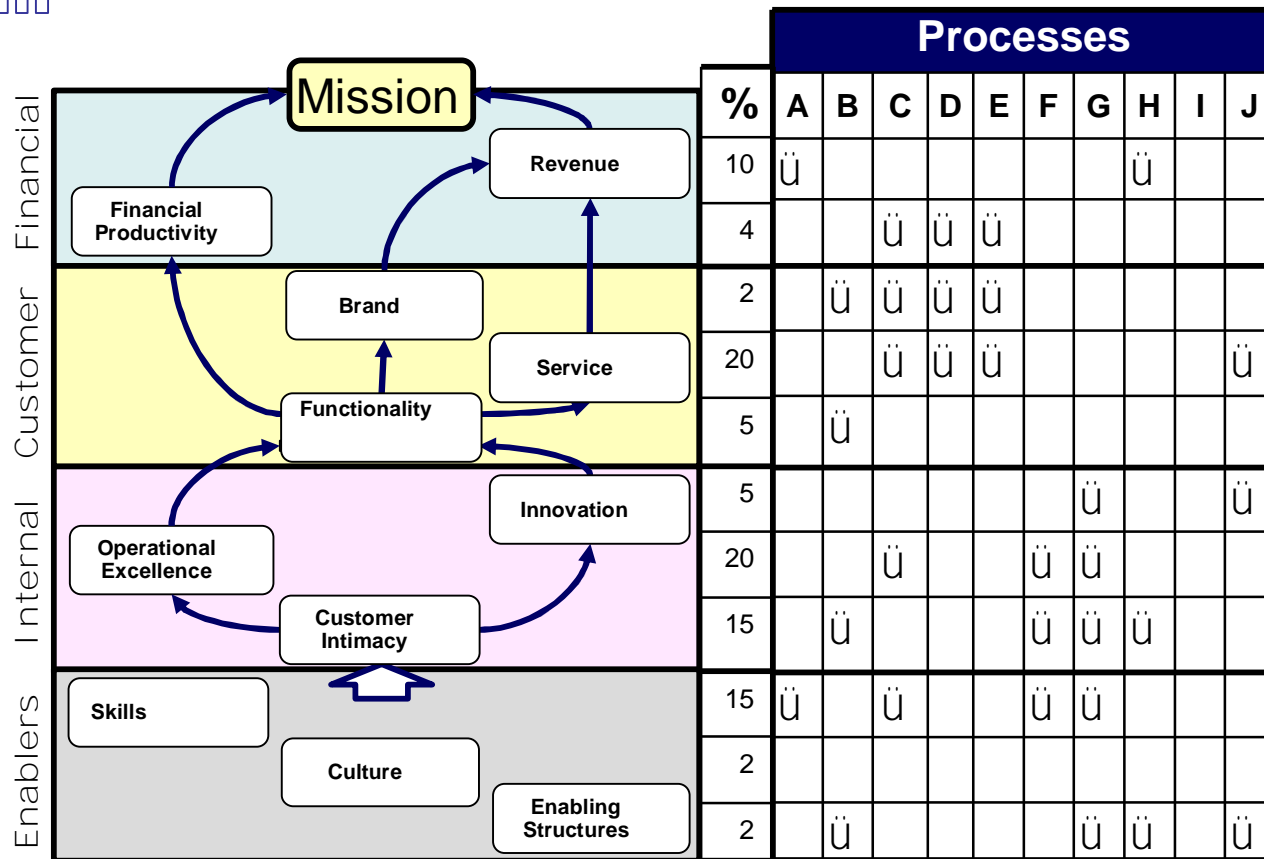
- ☒ Processes and Projects linked to Scorecard
- ☒ Gap Analysis

Everything begins with strategy...

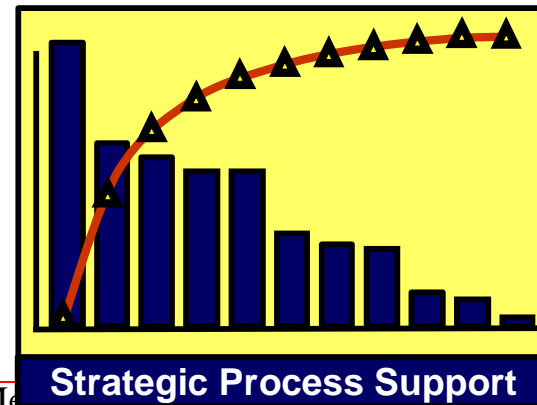
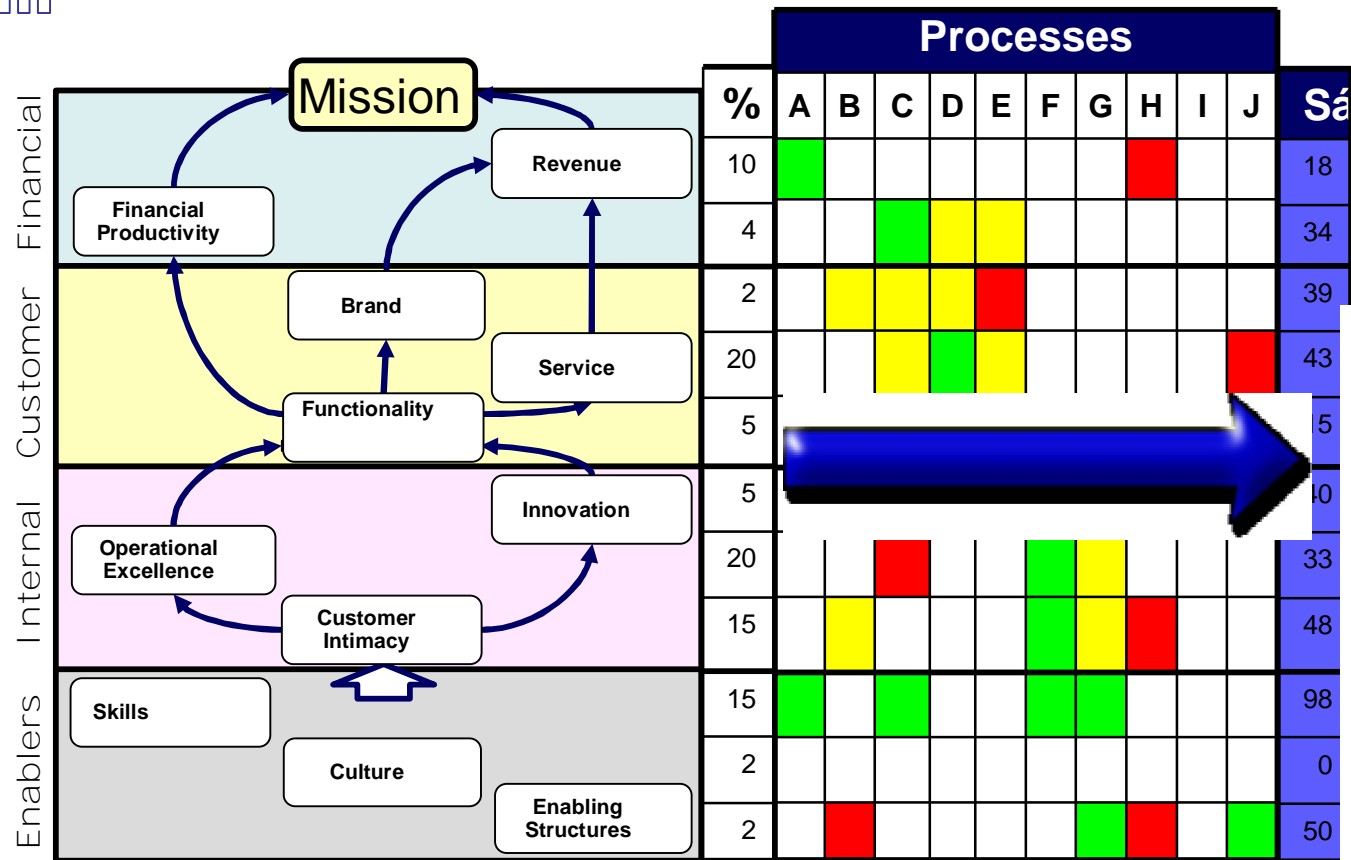
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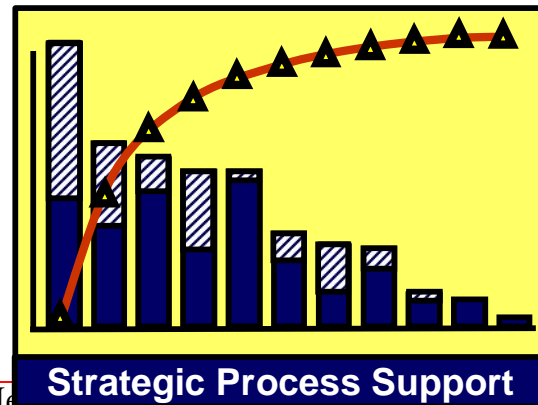
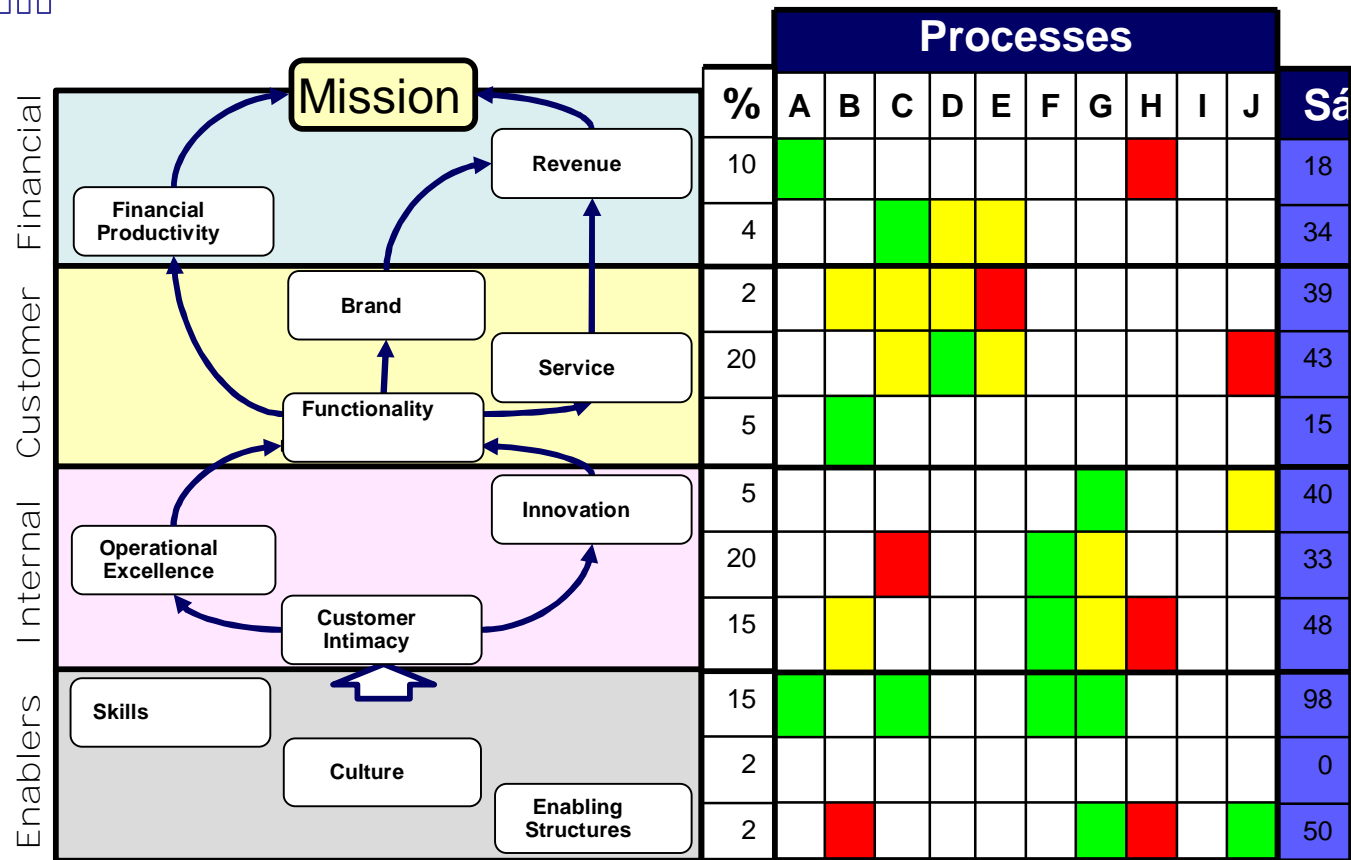
Process Strategic Linkage



Objective Process Support Analysis

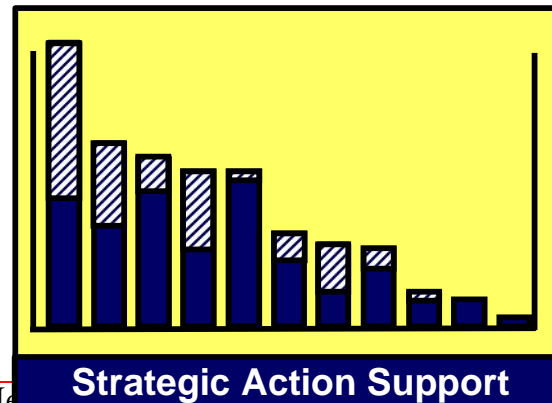


Objective Process Strategic Gap Analysis



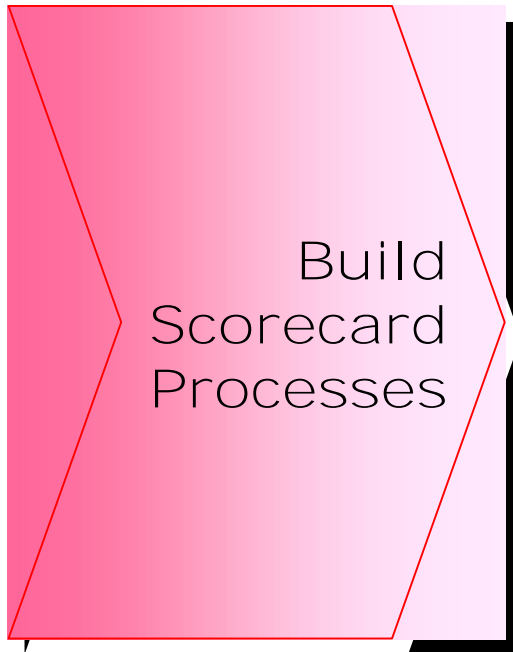
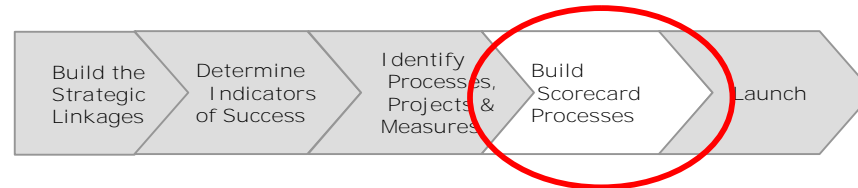
Project Strategic Impact Analysis

| | | Processes | | | | | | | | | | Projects | | | | | | |
|-----------|------------------------|-----------|---|---|---|---|---|---|---|---|---|----------|-----|---|---|---|---|-----|
| | | % | A | B | C | D | E | F | G | H | I | J | Sál | 1 | 2 | 4 | 6 | Sál |
| Financial | Mission | 10 | ■ | | | | | | | ■ | | | 18 | | | | | 0 |
| | Financial Productivity | 4 | | | ■ | ■ | ■ | | | | | | 34 | | ■ | | | 30 |
| Customer | Brand | 2 | | ■ | ■ | ■ | ■ | | | | | | 39 | | | | | 0 |
| | Service | 20 | | | ■ | ■ | ■ | | | | | ■ | 43 | | | | | 0 |
| Internal | Functionality | 5 | | ■ | | | | | | | | | 15 | | ■ | | | 30 |
| | Innovation | 5 | | | | | | | ■ | | | ■ | 40 | | ■ | | | 45 |
| | Operational Excellence | 20 | | | ■ | | | ■ | ■ | | | | 33 | | ■ | | ■ | 33 |
| | Customer Intimacy | 15 | | ■ | | | | ■ | ■ | ■ | | | 48 | | ■ | | | 30 |
| Enablers | Skills | 15 | ■ | | ■ | | | ■ | ■ | | | | 98 | | | ■ | | 40 |
| | Culture | 2 | | | | | | | | | | | 0 | | ■ | | | 60 |
| | Enabling Structures | 2 | | ■ | | | | | ■ | ■ | | ■ | 50 | | | | | 0 |



Performance Management Case Study

5 Phases to Build a Scorecard



☞ Morning: BSC Team

- ☞ Design processes to
 - ☞ harvest, input and validate data,
 - ☞ Input expert commentary
 - ☞ Create functional and executive review processes

☞ Afternoon: BSC Team

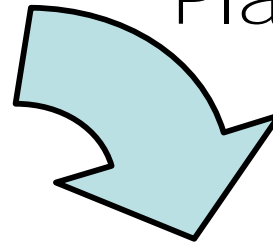
- ☞ Design BSC linkage with existing processes (personal performance planning, compensation, project chartering, etc.)

☞ Deliverable(s)

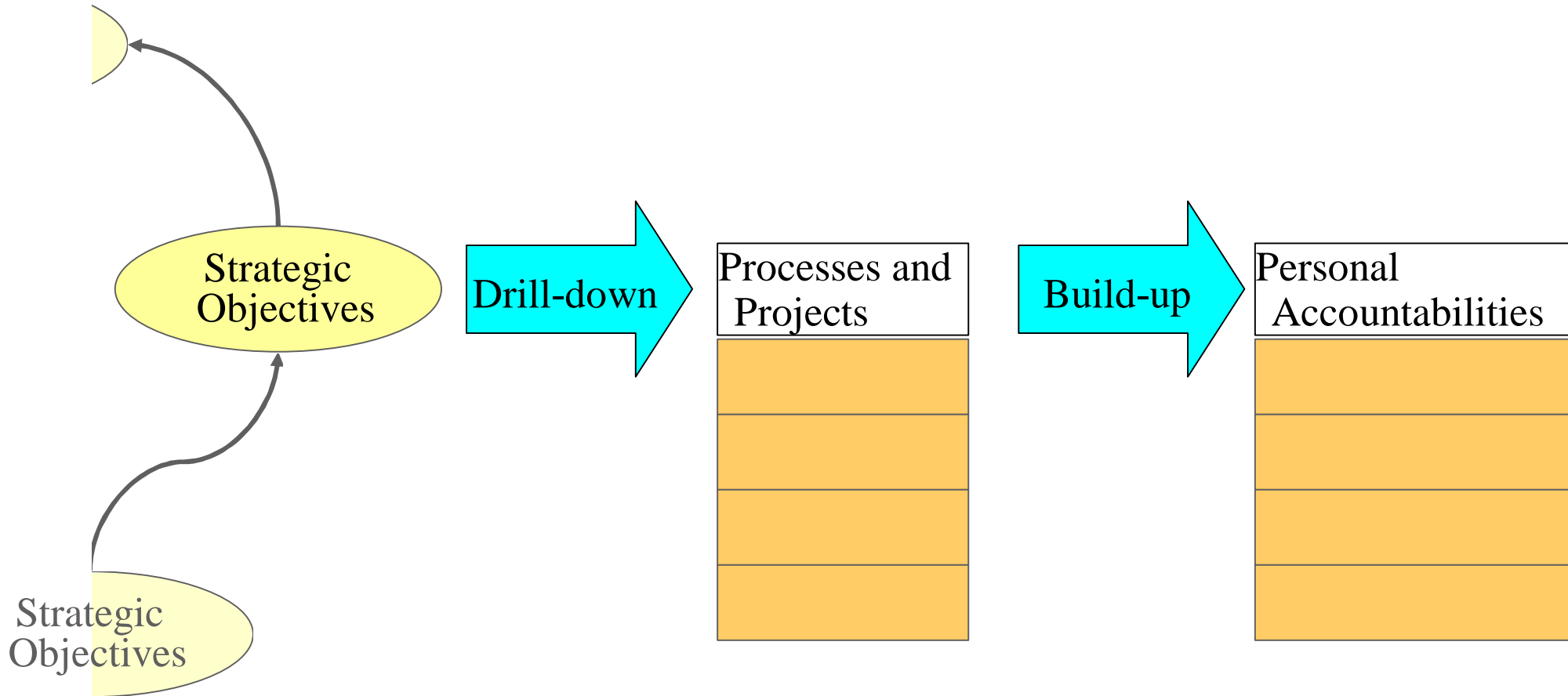
- ☞ BSC management process.
- ☞ Integration plan for BSC with existing processes

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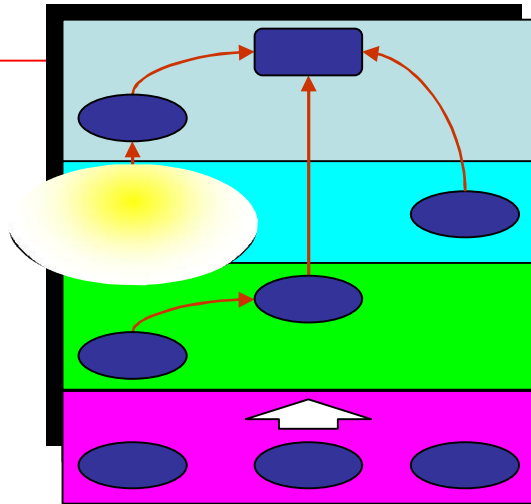
Changes in the Strategy Map over the year will cause the Business and Financial Plans to Flex.

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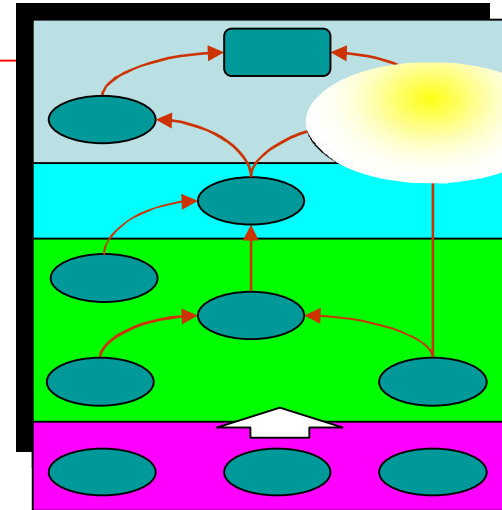
Link with Accountability





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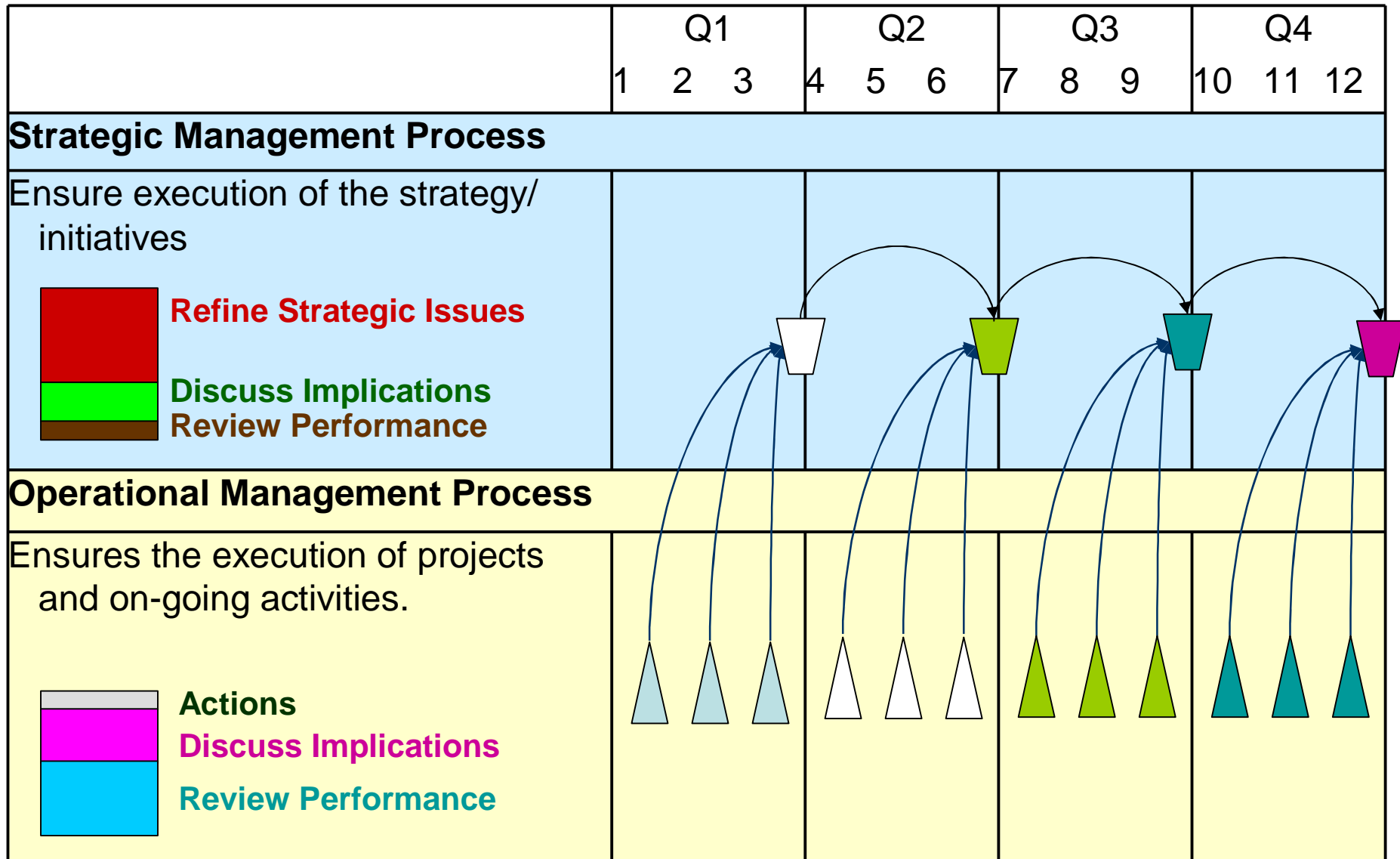
Corporate



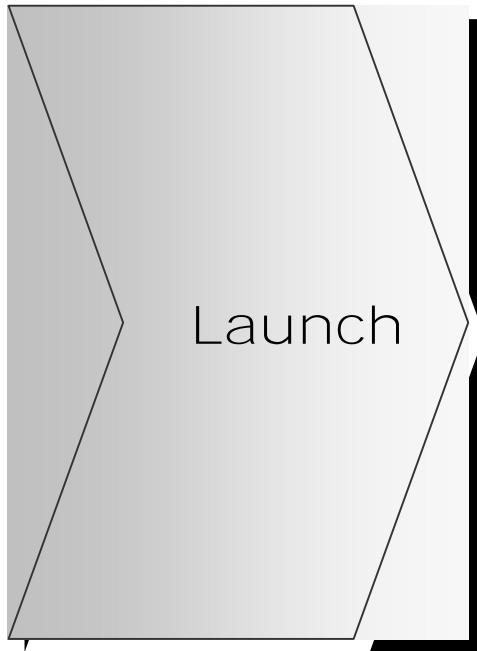
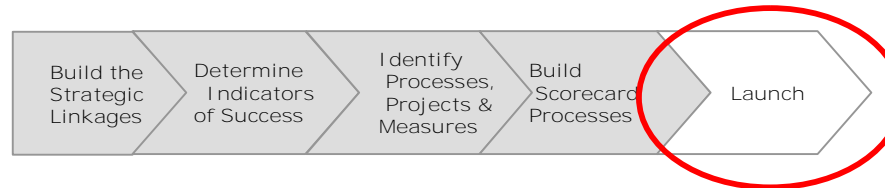
Business Unit

| Accountabilities for -----, COO Acme BU | | | | | | | | | |
|---|-----|-----------------------|---------|-------------------------------|-------------------------------|-------------------------|-------|-------------------------------|---------------------|
| PERFORMANCE | | | | ROLE CLARITY | | | | PERSONAL DEVELOPMENT | |
| Objective | Wtg | Indicator/ Measure | Target | Processes | Role | Initiative / Project | Role | Competencies | Development Plan |
|  | 75% | q ----- | v ----- | Ø ----- Ø ----- Ø ----- | o ----- o ----- o ----- | Ø ----- | o --- | § ----- § ----- § ----- | ü ----- ü ----- |
|  | 25% | q ----- | v ----- | Ø ----- Ø ----- | o ----- o ----- | Ø ----- | o --- | § ----- § ----- § ----- | ü ----- ü ----- |

Management Cycles



5 Phases to Build a Scorecard



☒ **Morning: BSC Team**

- ☒ Build final presentation outlining BSC design, processes and linkages
- ☒ Develop roll-out strategy

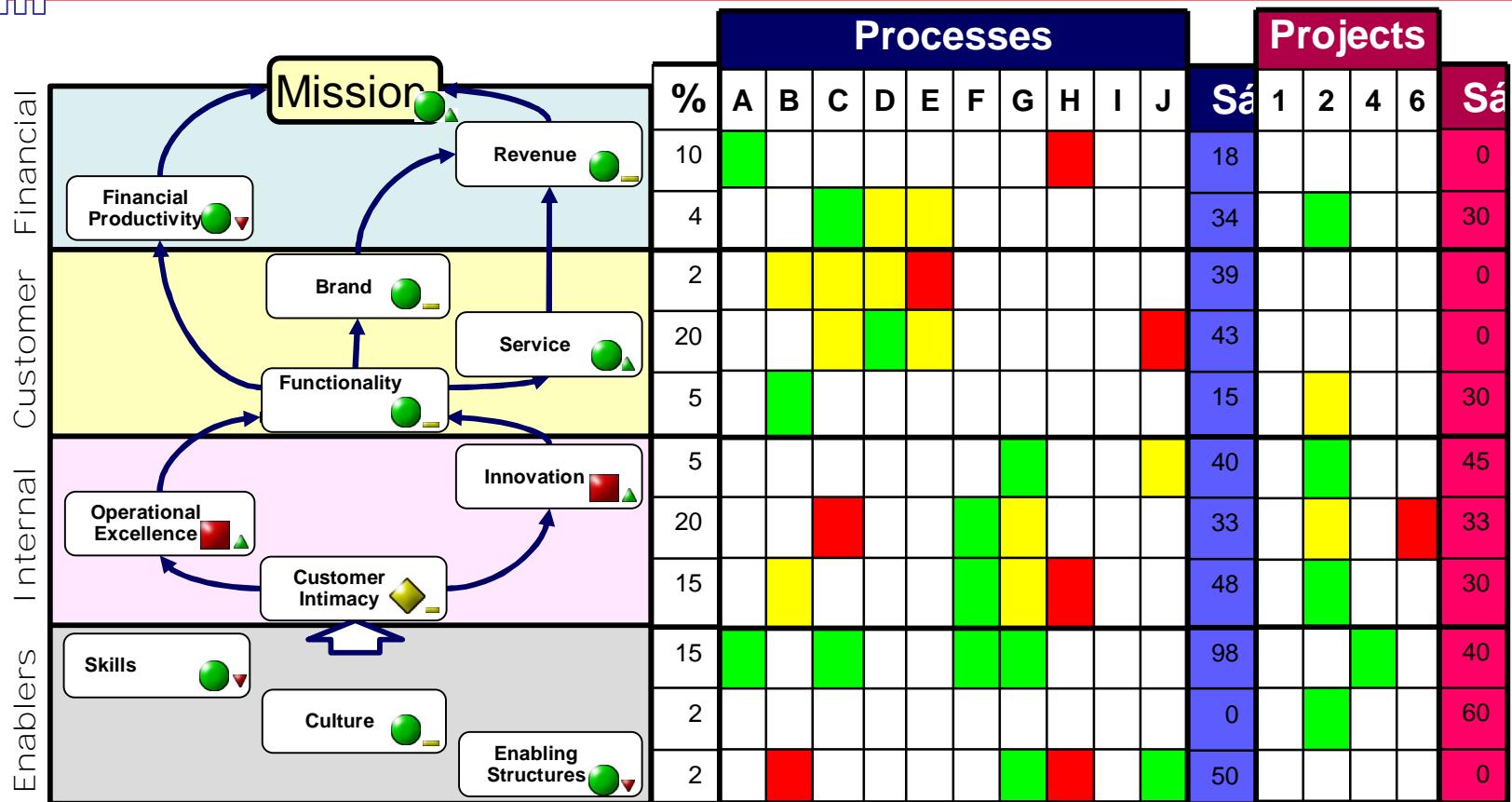
☒ **Afternoon: Executive & BSC Teams, other invitees**

- ☒ Report-out and launch

☒ **Deliverable(s)**

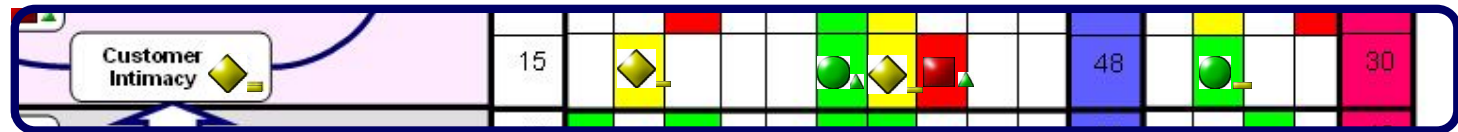
- ☒ Release of PILOT scorecard for organization ownership and improvements
- ☒ Roll-out strategy

Scorecard - Measure Success



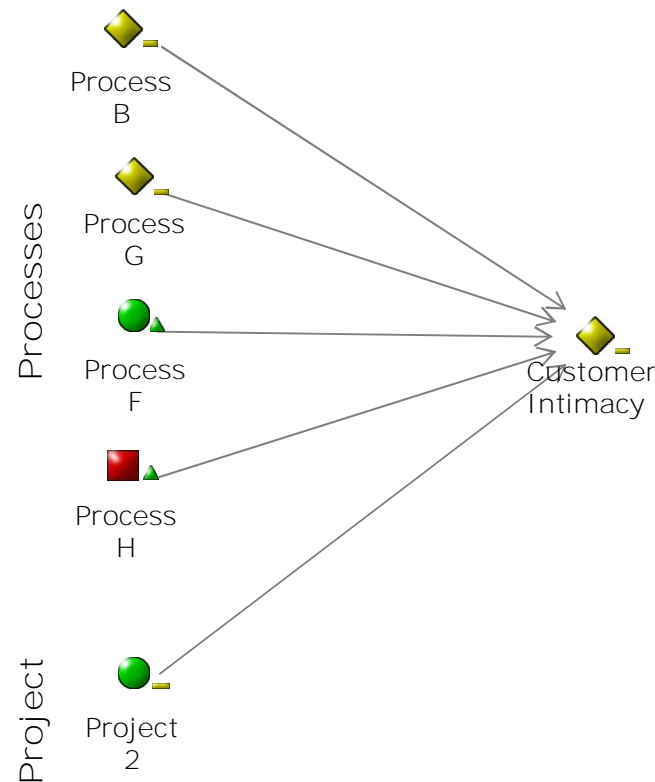
~~x~~pm² Using performance measures

Measure the effectiveness of the business processes



Using performance measures

The process measures help to understand the business impact



Performance Management Case Study



Performance Management - Rapid-Scorecard

Benefits of this approach

- È Keeps the Strategy Map simple and understandable
- È Demonstrates where processes link to strategy
- È Identifies likely gaps in ability to execute strategy
- È Provides a mechanism for measuring and managing improvement
- È Creates a path toward performance accountability
- È Facilitates the journey towards ...
the strategy focused organization

Questions?



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