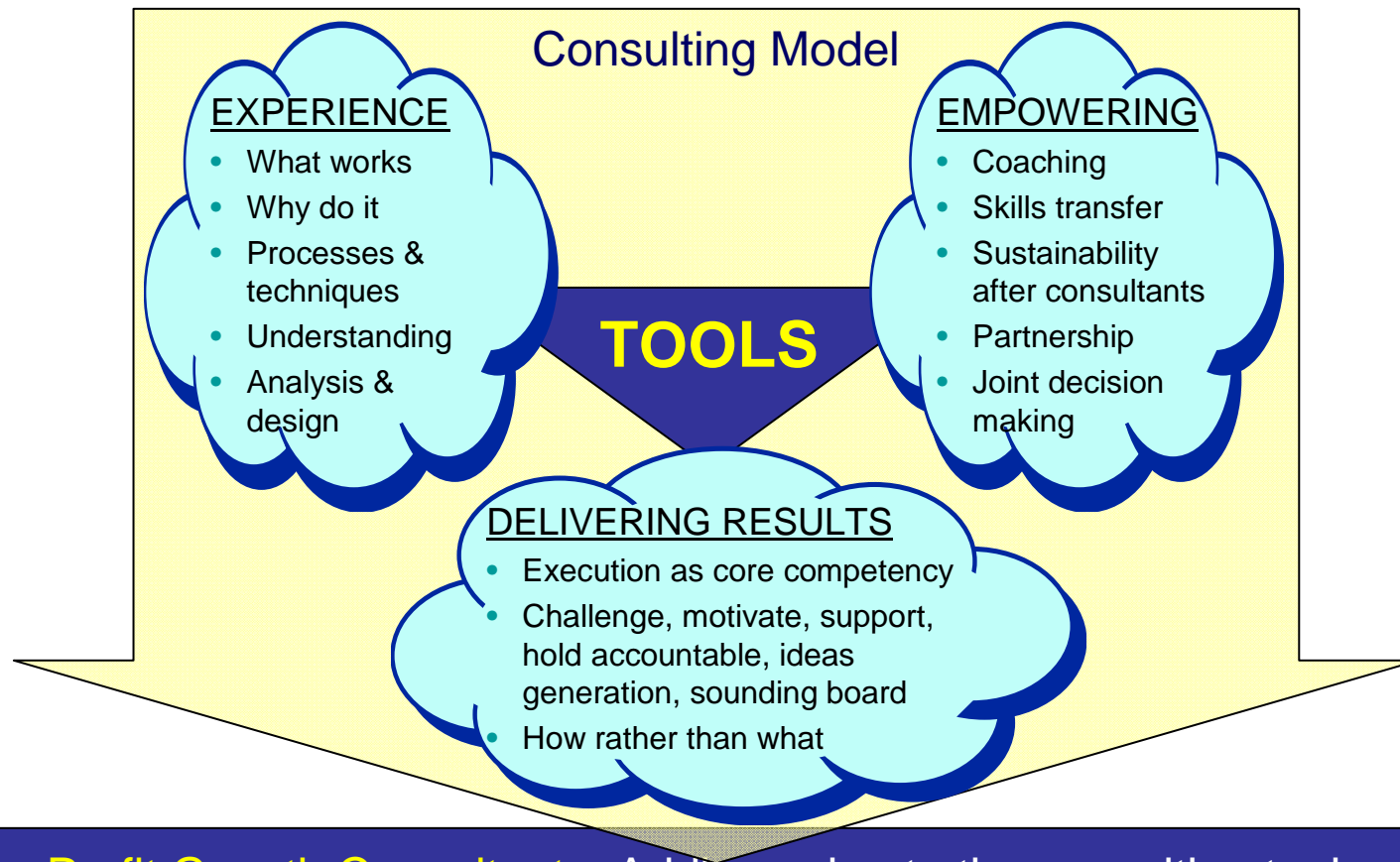


Profit Growth

**Achieving our Strategic
Goals by Implementing a
Balanced Scorecard**

Caution: Please use these free resources with care as incorrect use can be detrimental to your business



Profit Growth Consultants: Adding value to the consulting tools through experience and empowering methodologies to deliver results

Consider these tools like the steering wheel of a Ferrari (your business) on a racetrack (during change) – expect crashes from inexperienced drivers

Most organizations don't know how to execute strategy:

“Less than 10% of strategies Effectively formulated are Effectively executed.”
- *Fortune*

“In the majority of cases – we estimate 70% - the real problem Isn't bad strategy...it's Bad execution.”
- *Fortune*

WHY

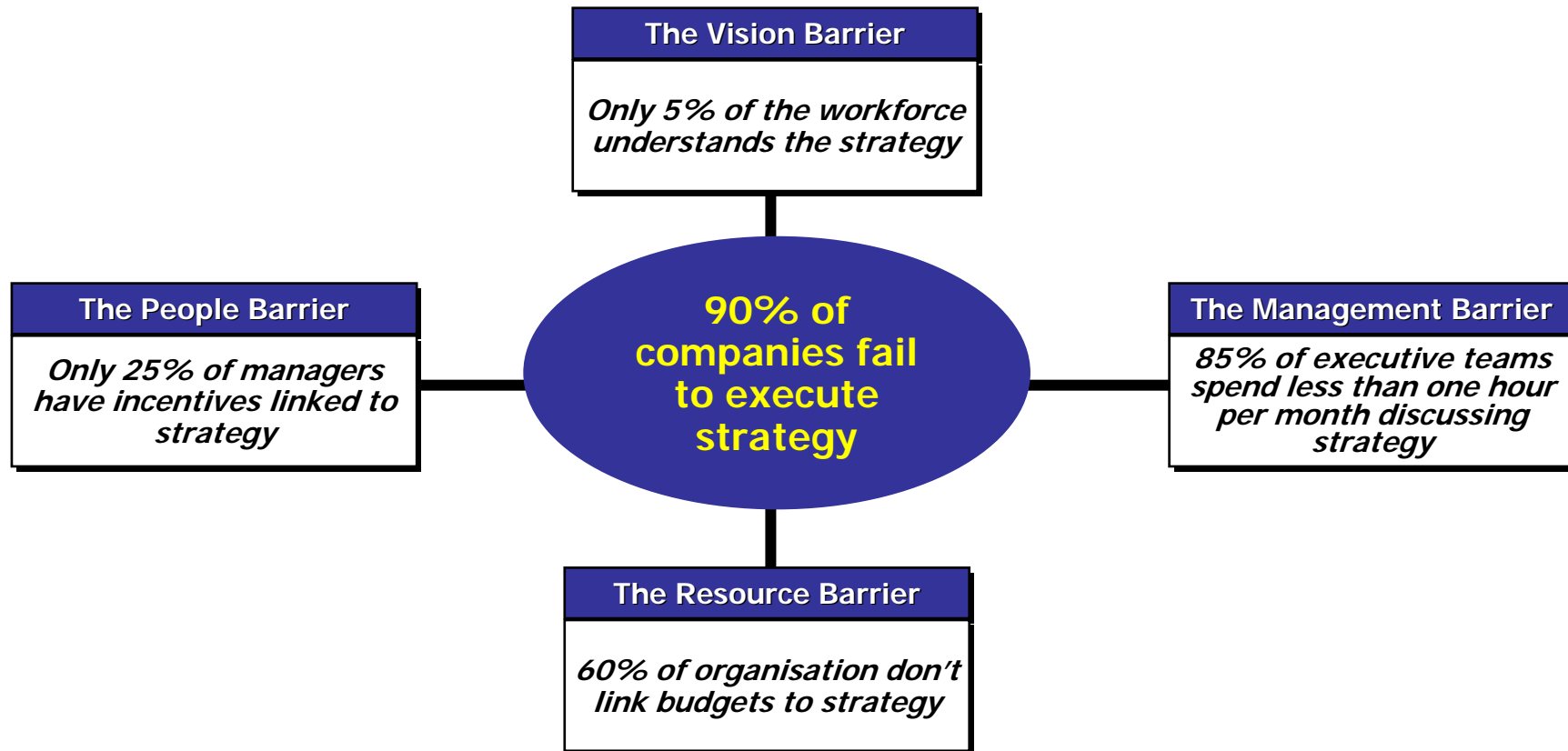
They can't
DESCRIBE
their strategy

They don't
MANAGE
their strategy

They haven't made
Strategy execution a
CORE COMPETENCY

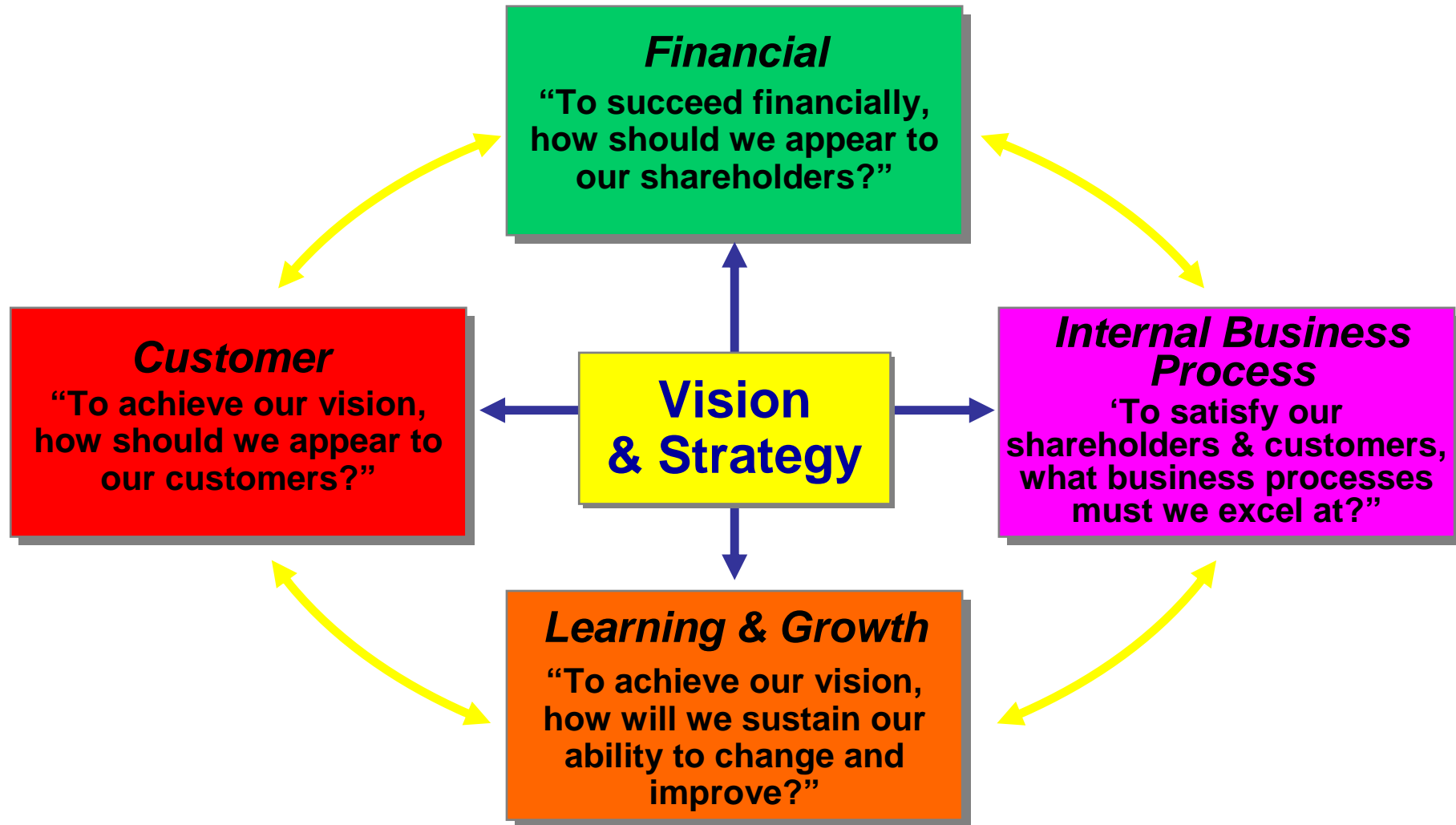
Barriers to Implement Strategy

According to Kaplan & Norton:

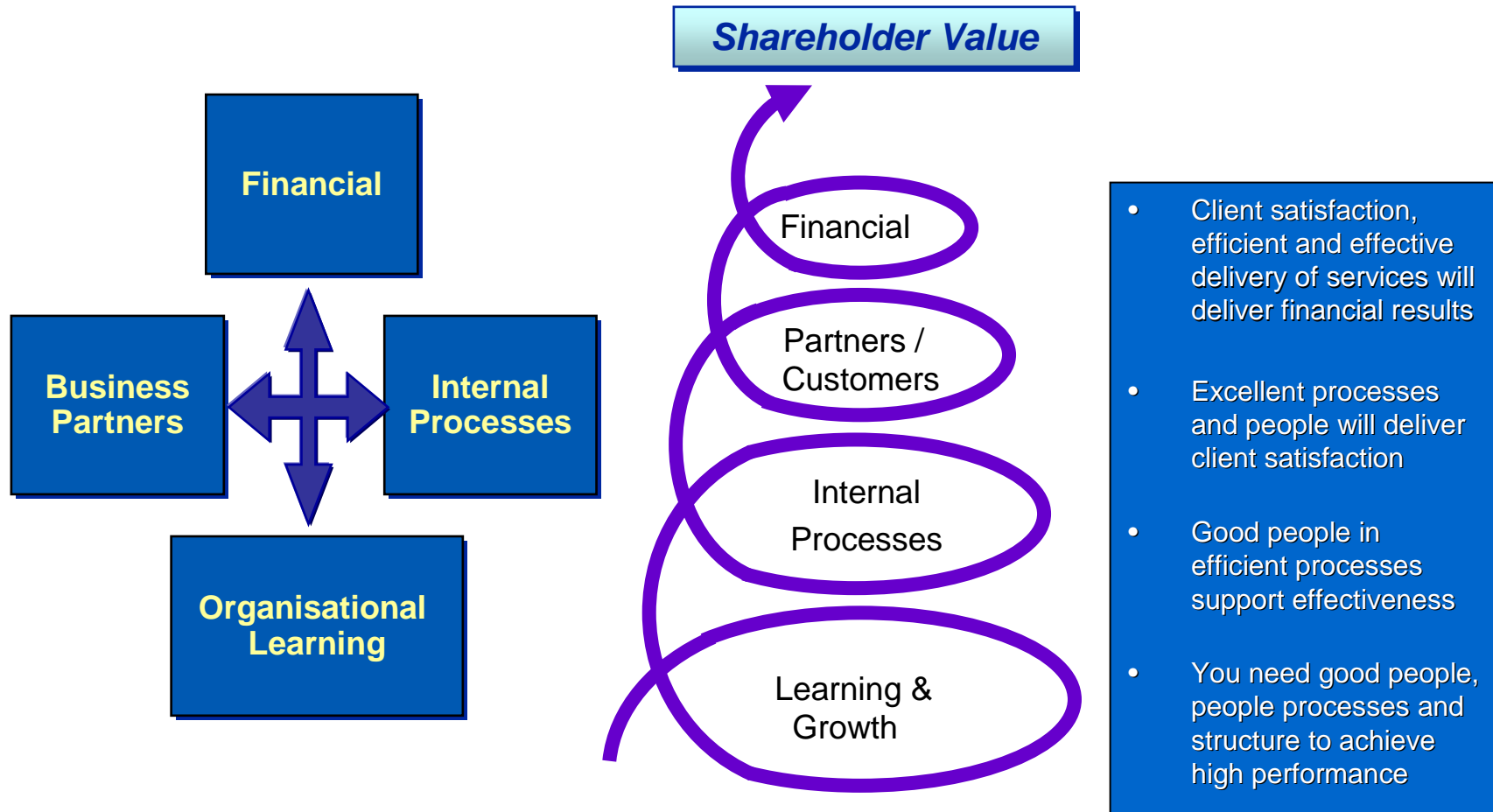


To create a strategy focused organisation.

The Balanced Scorecard provides a framework to translate business strategy into operational terms



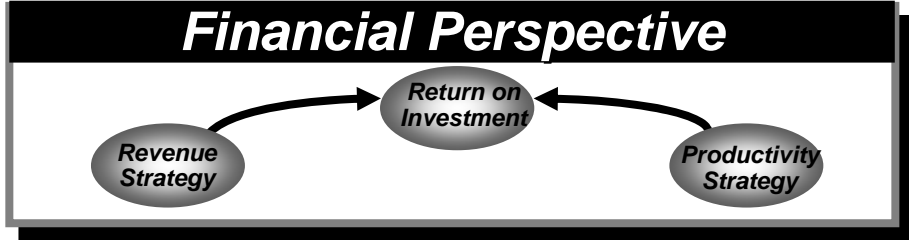
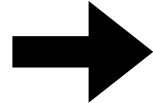
A “Balanced Scorecard” enables the organisation to communicate & implement its strategy



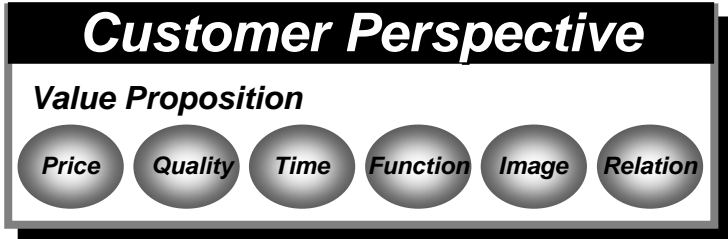
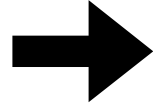
Effective measurement shapes behaviour; focuses and drives action.

The BSC is based upon several generally accepted management frameworks

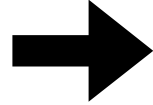
DuPont ROI Model or Shareholder Value



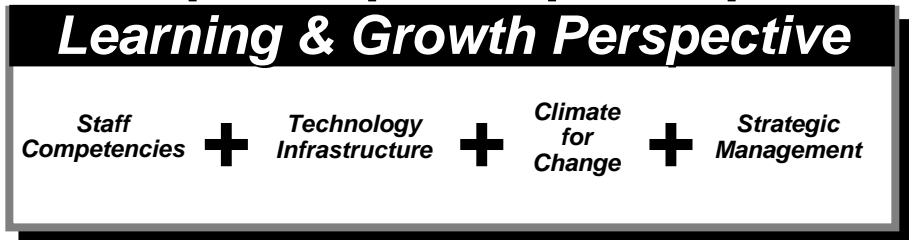
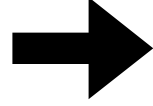
Customer Value Proposition



The Value Chain (Process Centered Perspective)



Organisation Infrastructure (People, Technology, Management)



The underlying Scorecard concepts

- The key concepts of the “Balanced Scorecard” are :
 - The Strategy is translated into operational terms.
 - The Organisation is aligned to the Strategy.
 - Strategy is made Everyone's Everyday Job.
 - Business Strategy is made a continuous process.
 - Change is mobilised through Executive Leadership.
 - The segments should be balanced such that they represent a holistic view point of the business.

The five Principles of a Strategy Focused Organisation



The Balanced Scorecard: Making strategy measurable

What is our aim?

Vision

To summit that mountain

Why do we exist?

Mission

To explore new mountains

What are our beliefs?

Core Values

Respect nature

How will we achieve our goal?

Strategy

To climb up the north side during the day

What must we achieve to meet our goals?

Objectives

Climb fast

How do we know that we are going to reach our goals?

BSC Measures

The speed that I am climbing (m/h)

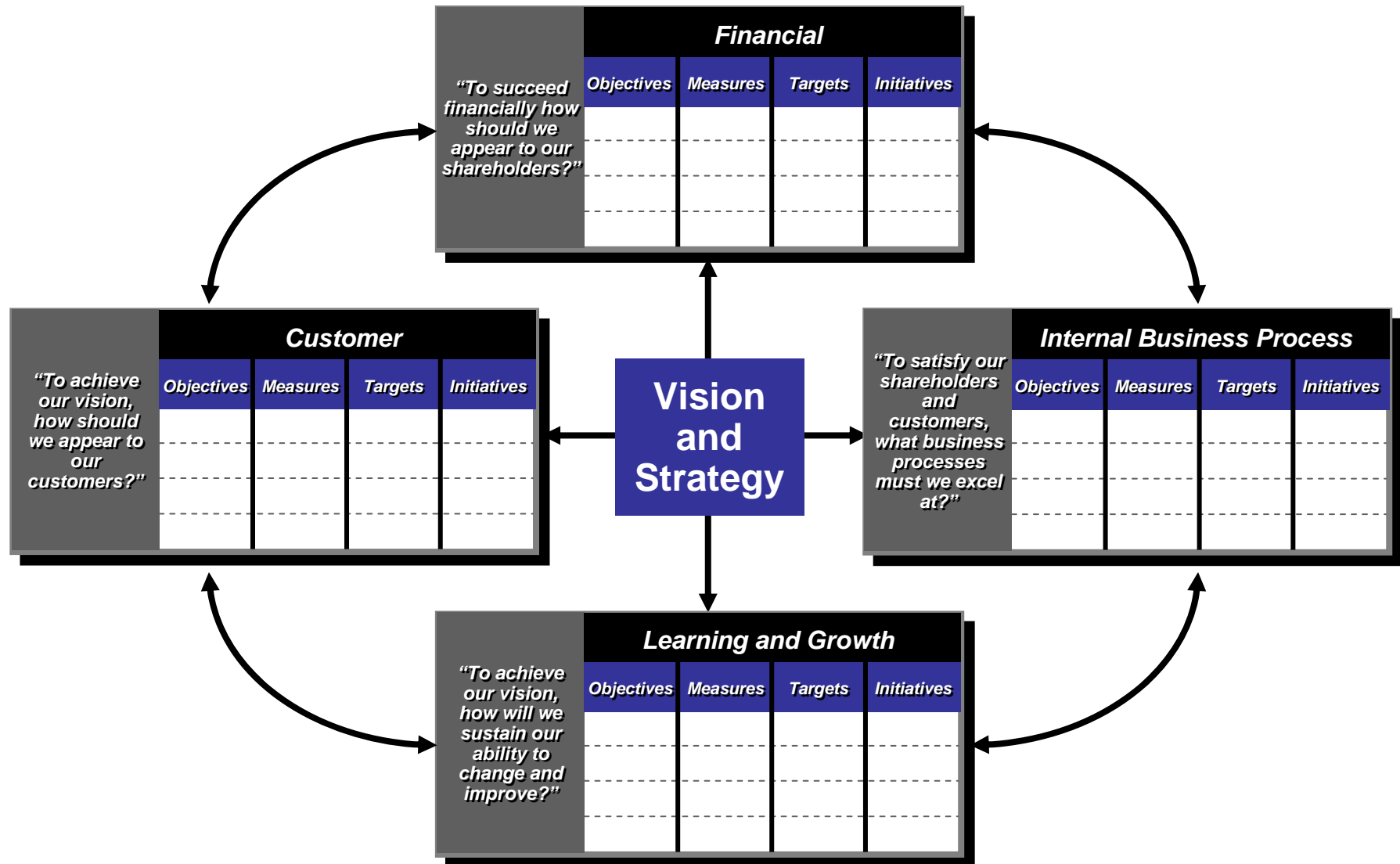
What do we need to reach our goal?

Strategic Initiatives (Project Plans)

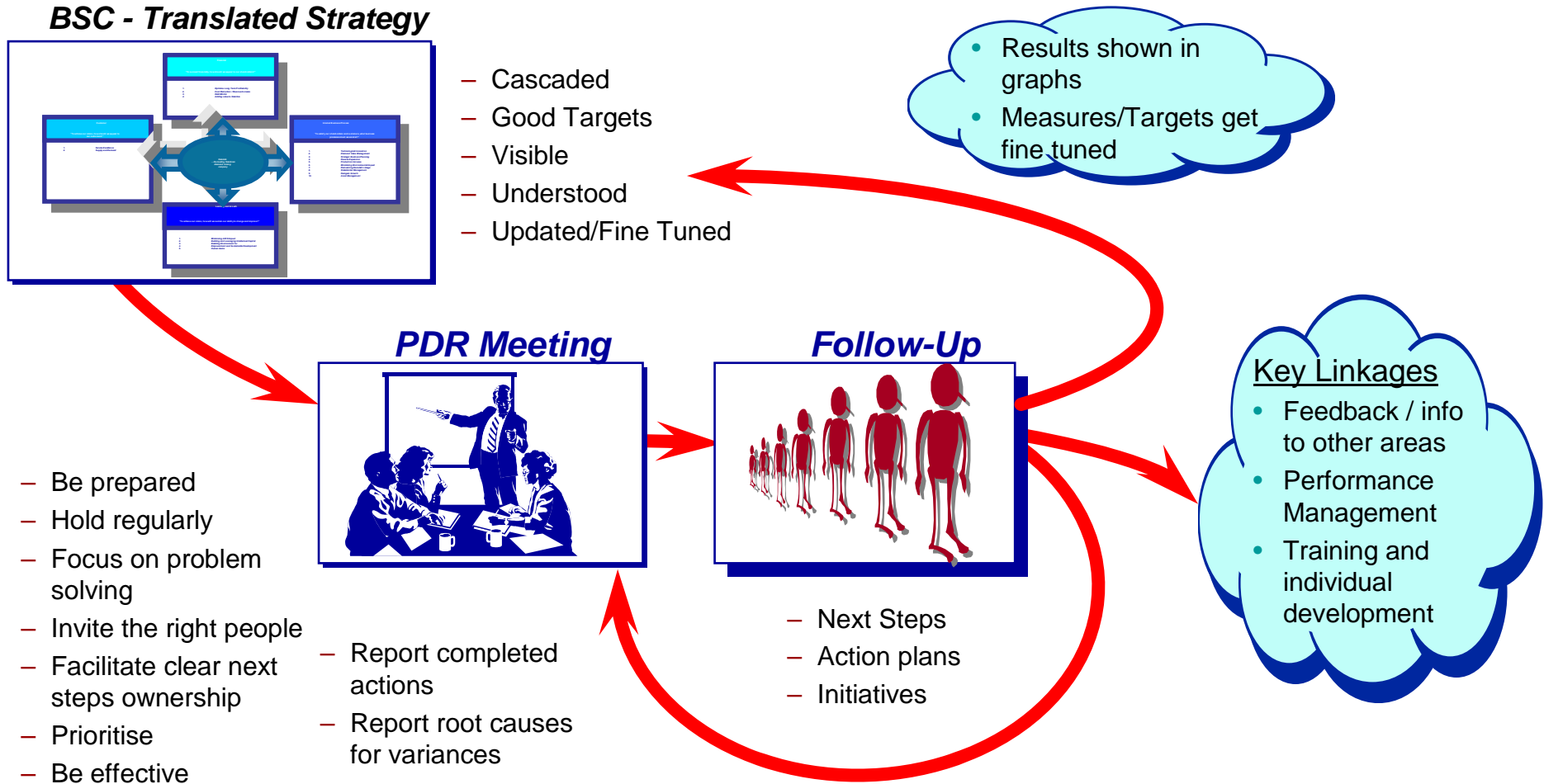
Buy ladders and ropes to allow you to climb faster



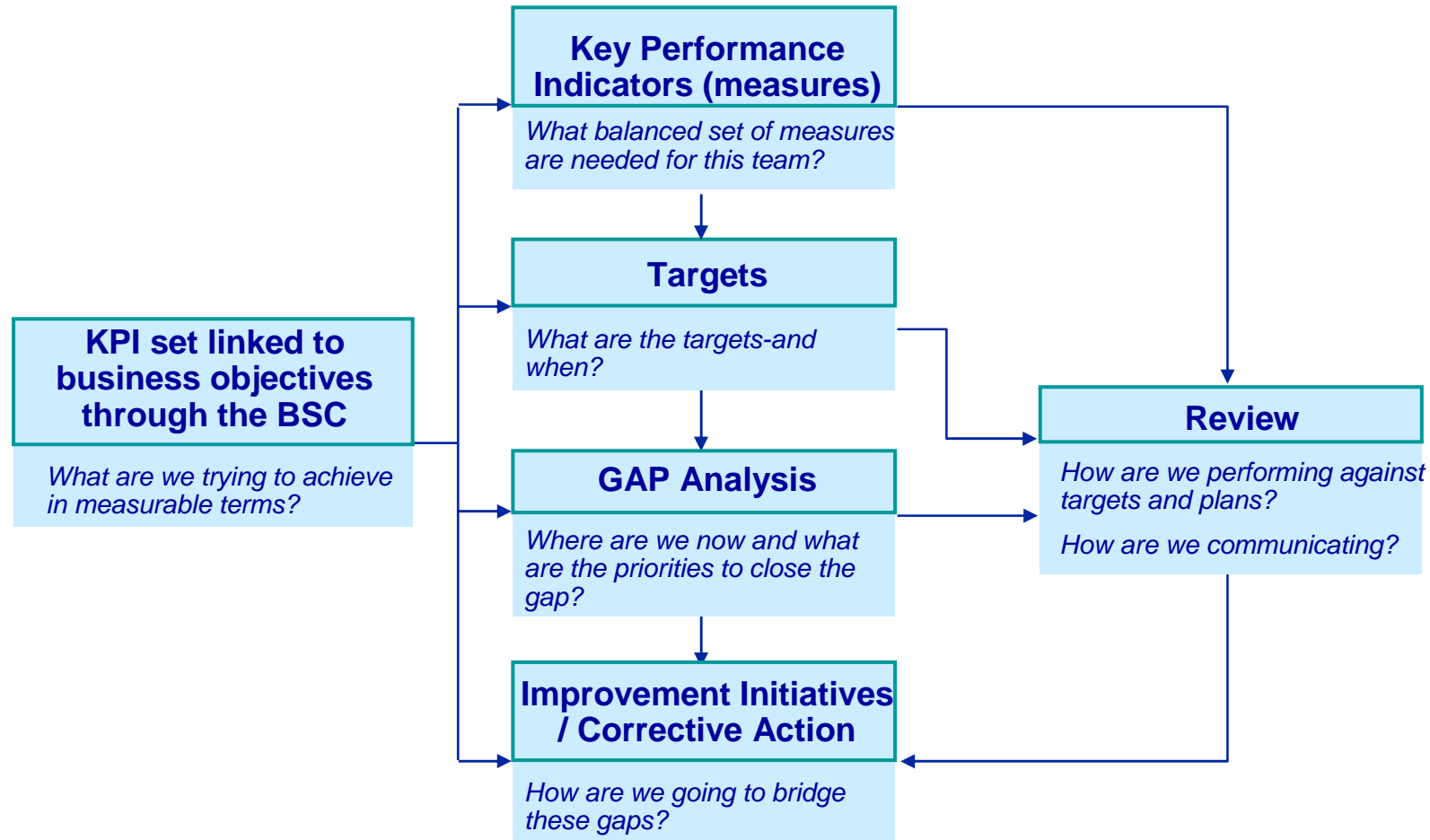
The BSC translates vision and strategy into the four perspectives



Plan-Do-Review Process prioritises action through a closed loop strategic learning process



Plan-Do-Review Process is focused on closing Performance gaps



... to turn strategy into reality

Contact us for further assistance



Dale Pudney

Principal: Profit Growth Consultants

Director: TMA SA

***Nominee: Certification Governance Board
(Standards Committee) for Certified
Turnaround Practitioner Qualification***

CEO: Glass Strengthening System

Profit Growth

Cell: 083 564 2375

Landline: 011 023 2375

Fax: 086 604 2375

Email: dale@profit-growth.co.za

Website: www.profit-growth.co.za

Profit Growth

© Profit Growth Consultants

www.profit-growth.co.za