Mapping for Success

Developing and implementing a winning strategy is unquestionably
a pathway to superior results …

Yet many businesses that have worked hard to develop a strong business strategy have still underachieved against their plans. In many cases the fault is not in the strategy itself, but in failure to implement it properly, for which the implementation process is at least partly to blame.

Your strategy planning process should identify the priority initiatives necessary to achieve your vision. It should help you make resource allocation decisions and enable performance measurement. If you are not getting these benefits out of your planning process, it is time to revamp your approach. Strategy Mapping is an effective way to help you get more value from your strategic planning process.

What is strategy mapping?
A framework for translating mission and strategy into tangible, measurable objectives and initiatives.

The Balanced Scorecard approach helps focus the organization on key priorities by linking objectives and strategic initiatives around a scorecard of financial and non-financial measurements. Attainment of strategic vision requires a balanced approach that integrates four key areas: financial stability, communication, organizational efficiency, and market growth – done through development of initiatives and scorecard measures for each.

A Strategic Map is a visual picture of the organization" strategy, which is as important an innovation as the Balanced Scorecard itself. Strategy Mapping provides an effective methodology for developing and documenting initiatives.

The process of creating a Strategy Map facilitates the alignment of initiatives and resources to support the strategic vision by forgiving links between objectives and initiatives. Often the overview Strategy Map that results can be portrayed on a single page. Once completed, the Strategy Map enables all employees to readily understand and support the strategy, and aids in the measurement of progress against the mapped strategic initiatives.
Many large organizations have adopted the Balanced Scorecard and Strategy Mapping for their strategic planning process. Smaller, entrepreneurial businesses can also use this approach.

1. **Develop your strategic vision**
   Building your Strategy Map begins with the development of a strategic vision for your organization – a crisp, concise statement that provides a sense of purpose and direction, a visualization of where you want to go in the future. For entrepreneurial organizations we believe the time frame should be fairly short – three to five years. The vision should have some element of stretch, but should be achievable. Vision provides the centering frame of reference for your Strategy Map. All other elements of mapping your strategy flow from, and are linked, to the vision.

2. **Create your balanced scorecard**
   The next step is to design the Balanced Scorecard itself. The traditional scorecard has four segments: financial stability, market growth (and customer), organizational efficiency, and communication (internally and externally. We believe that each organization should tailor the segments as required to fit with its own terminology and business priorities. For example,

tailor the scorecard by changing the communication segment to include all people base initiatives and what we want to look like to our customers. These key scorecard segments should be reflective of your vision, values and culture.

Next, develop a brief statement that describes what you would like to achieve in each of the scorecard areas, given your mission. This provides a basis for establishing objectives and initiatives later on.

Ask questions such as: To achieve our vision, what do we need to achieve financially? What do we want to look like to our customers, and which markets will we focus on?

There is important logic to the order of the scorecard segments. The order helps set priorities and provides a natural flow of connected initiatives. For entrepreneurial organizations, financial results usually represent the top priority when it comes setting strategic objectives; the organization's wellbeing depends on providing a financial return and profitability. The market growth, organizational efficiency and communication segments provide elements that should contribute to the strategic vision and financial results. For a not-for-profit organization, financial results may not be the first priority.

3. Map your strategy

Begin your strategy map by establishing the financial results that you would like to achieve which express your strategic vision. For most organizations this takes the form of specific financial objectives over the planning horizon in two categories: profitability and growth.

Financial objectives are broken down into measurable outcomes that represent key strategic objectives for the organization. For example, the sales growth objective might be to double revenue in three years.

This objective is broken into specific, measurable objectives, such as sales of new services or products, entry into new markets, and enrichments of current customer transactions, You should limit yourself to a few very key financial objectives; these will be summarized on your Strategy Map. If additional financing is required to achieve your vision, the extent of those resources will become clear once the rest of the scorecard is filled in.

Next in the traditional scorecard is the market growth section. In this section of the scorecard you establish which customers and markets you wish to focus on to achieve your strategy. Ask yourself: What does the organization need to do from a customer/market perspective to achieve our vision and our growth and profitability objectives? Limit yourself to priority items and connect each financial objective with the customer or market initiatives that will support its achievement. Each section of the scorecard is connected to the other sections, which forces you to align your initiatives and focus on connected priorities.

The simplistic example below of a Strategy Map shows the connection between growth and customer based initiatives.

In the Organizational Efficiency scorecard section you will identify the process initiatives necessary to support the customer initiatives and your desired financial outcomes.

The Communication segment will require you to establish the capability development objectives and initiatives that are necessary to enable achievement of the strategic initiatives in the other segments.

As you can see, the Strategy Mapping process results in a series of interconnected priority initiatives and objectives, all linked to strategic objectives and are either dropped or reduced in priority.

4. Develop projects and initiatives
Each of the priority initiatives in your Strategy Map needs to be project-managed to determine the specifics of the projects, including timelines and assigned resources or responsibilities.

4. Establish success measures
Every strategic initiative should have a success measure that identifies the outcome if the initiative is successful. Note that these should be measures of outcomes, rather than the more traditional measures of inputs.
As part of your Strategy Mapping process, you will likely have defined some forward-looking measures that will act as performance indicators. These new measures can help to enable change by influencing behaviour and becoming a basis for assessing progress. Appropriate measures should be tied to employee compensation and incorporated in each individual's performance goals. As the old expression goes: If you can't measure it you can't manage it.

Used properly, the Strategy Map becomes a powerful tool to help you run your business. It provides an agenda for management meetings as well as a framework for performance measurement. Your initiatives are aligned so that they support each other, and are focused only on those activities that are critical to achievement of your vision.

Excerpts from The Balanced Scorecard; Translating Strategy into Action by Robert Kaplan and David Norton (1996)

Gary Millar
Tel. (780) 467-6121
Email: gary@millarcom.com

Millarcom Inc.
Communications Management
Organizational Communication Management Consultants