



Unit 2

Creating a Project Vision Statement

Learning Outcomes

By the end of this unit the learner will be able to:

- ✓ Identify the components of supporting balanced scorecard plans
- ✓ Understand what processes you will need to support the balanced scorecard
- ✓ Identify the members of different balanced scorecard teams

Unit 2

Creating a Project Vision Statement

Why We're Doing What We're Doing

Once the need for a balanced scorecard has been identified, the decision makers must clearly articulate why that decision was made so that the reasoning can be communicated throughout the organization.

Some internal reasons might include:

- Stakeholders are demanding more transparency and accountability
- New leadership has a new vision and wants to communicate and implement it
- Your organization has acquired a smaller company and the two cultures need to be merged
- The composition of your workforce is changing (i.e. age, gender, ethnicity)
- Your organization now includes multiple locations that require a unifying strategy

External factors could include:

- Competition is increasing
- Marketplace is changing, so the company will have to evolve quickly
- Customers want something new/different
- Supply chain is changing
- Corporate governance rules are changing and your organization must comply

Once the decision maker(s) have identified these reasons, bring everything together into a unified statement. Let's look at an example.

Your organization's stakeholders are demanding more accountability and more precise results. As well, two competitors have opened up nearby, one of which offers a product similar to yours but with unique features. Your balanced scorecard vision statement might look like this:

"We at Acme Widgets are going to develop and implement a balanced scorecard to collect and report data that will reflect how we are meeting our strategic objectives. This scorecard will communicate this information in a clear manner to all interested parties, including employees, the leadership committee, and our stakeholders. We will use this data to develop initiatives that will solidify and increase our market position in Acmeville, USA."

Making a Statement

Identify some potential issues in your organization that could be addressed with a balanced scorecard.

- Loyalty
- Truth
- Innovation
- Responsibility

Wal-Mart, for example, has three basic values:

- Respect
- Service
- Excellence

(Source: <http://walmartstores.com/aboutus/321.aspx>)

Toyota has five basic values:

- Excellence
- Teamwork
- Welcoming new challenges
- Global perspective
- Customer first

(Source: <http://www.toyota-industries.com/corporateinfo/philosophy/>)

Do these values reflect what you know of these companies?

Mission Statements

Next, we have the mission statement. This outlines the core purpose of your organization. In other words, what makes the company tick?

Your mission statement should be:

- A long-term vision, rather than a goal to be achieved
- Something that will inspire growth and change
- Easy to understand and communicate

Wal-Mart has one of our favorite mission statements: “Saving people money so they can live better.”

(Source: <http://walmartstores.com/AboutUs/8123.aspx>)

Sony's mission statement is: "Sony is committed to developing a wide range of innovative products and multimedia services that challenge the way consumers access and enjoy digital entertainment. By ensuring synergy between businesses within the organization, Sony is constantly striving to create exciting new worlds of entertainment that can be experienced on a variety of different products."

(Source: <http://www.sony-europe.com/article/id/1178278971157>)

Which one is easier to understand?

Which one could you easily communicate to others?

Vision Statements

Your vision statement takes your organization's values and missions and creates a statement of where you want to go in the long term (the next 10 to 15 years). You want your vision statement to be:

- Something that can be accomplished
- Positive and inspiring
- Concise
- Appealing to all members of the organization (from stakeholders right down to employees)
- Consistent with the organization's values, mission statement, and reality

Sony's vision statement is: "To create exciting new digital entertainment experiences for consumers by bringing together cutting-edge products with latest generation content and services."

Would you be able to communicate their vision and mission statements to others?

What changes do you think the organization should make to these statements?

Plans and Processes to Build Balanced Scorcard

Building Core Plans

Project Plans

A balanced scorecard is a major project and must be planned as such. You might even have a dedicated project manager overseeing things.

A project management plan is typically built in a spreadsheet application (such as Microsoft Excel) or a dedicated project management application (such as Microsoft Project). It often includes:

- Tasks divided into phases (i.e. planning, training, design, set-up, implementation, and evaluation)
- Resources assigned to tasks
- Timeline of tasks and phases
- Costs and budget
- Planning diagrams like calendars, network diagrams, Gantt charts, and flow charts

Other documents that you might need to prepare include:

- Project goals
- Statement of work
- Risk inventory
- Project charter
- Progress reports

Communication Plans

To ensure your project’s success, you must include a communication plan as part of your initial project planning. This plan will help you keep everyone up-to-date with the information they need to know, and it will make sure the right people get the right information at the right time. This is a crucial part of gathering supporting for the balanced scorecard.

Your communication plan will have five essential parts:

- **Who** will you be communicating with?
- **When** will you need to communicate with these various groups?
- **Why** am I communicating with these people? What am I trying to accomplish?
- **What** am I going to say to each group?
- **How** will I get my message across?

You can use a template like this:

Who	When	Why	What	How

Training Plans

Training is another essential element of any balanced scorecard process. People may need workshops on basic skills, such as:

- Communication skills
- Project management
- Facilitation
- Meeting management
- Change management
- Using particular software packages (Microsoft Excel, Project, etc.)

People may also need instruction on particular parts of the balanced scorecard process, like:

- What the balanced scorecard is
- How to build a values, vision, and mission statement; tactical action plan; strategy map; and/or balanced scorecard template
- How to report data
- How to use balanced scorecard software and/or tools
- How to review balanced scorecard data and results

You may want to build a training plan that outlines elements similar to a communication plan.

- **Who** will be receiving the training? (Group of people or a particular individual)
- **When** will they require the training by?
- **Why** do they need the training?
- **What** will the training cover?
- **How** will the training be done? (Classroom, online, hands-on, etc.)

You can use the same template that we used for the communication plan:

Who	When	Why	What	How
Department managers	By December 1	To input data into the balanced scorecard software	Using Balanced Scorecard Builder 2.0 (Foundation)	Classroom

A Checklist of Processes

Once you get your balanced scorecard up and running, there will still be work required to maintain it. You also want to ensure that it grows with your company and stays up to date. With that in mind, there are some processes that you should build in to help the balanced scorecard be successful.

Here’s a checklist of the most essential processes.

- Identify how the balanced scorecard fits into your strategic and financial management processes
- Create a timeline for data gathering, reporting, evaluating, and updating the balanced scorecard
- Assign responsibility for each of these phases of activities to a single individual; this person won’t do all the work but they will be responsible for making sure that the work gets done
- Create a template and FAQ sheet for submitting balanced scorecard data
- Integrate the balanced scorecard into all organization-critical processes, such as orientation, training, performance reviews, budgeting, etc.

How do you see the balanced scorecard fitting into your organization?

Case Study

You're having lunch with an old friend, Bill Builder. Bill runs his own construction company, which has grown over the past ten years and now employs 100 people. He mentions that he heard about the balanced scorecard at an industry conference last week.

"It sounds pretty cool," he says over a mouthful of linguine. "I think my business could really benefit from it. But I'm not sure how I'd have to change the way we already do things. And I don't know how I would keep all the information organized and keep everyone informed."

What would you say to Bill?

Building Balanced Scorecard Teams

There are a few different types of teams that will be required at different stages of development of the balanced scorecard. Let's start at the top.

Executive Team

The Executive Team gets the ball rolling. It is usually made up of six to eight of the most senior leaders in the company, plus the CEO and CFO. They start by gathering or creating the company's vision and mission statement, and by outlining its values. They will also create a strategy map and outline a vision statement for the balanced scorecard project.

They will likely attend workshops on balanced scorecards. They will then choose the *Balanced Scorecard Steering team* and outline the strategic theme teams to be chosen. They may also hire a consultant and/or a project manager.

Balanced Scorecard Steering Team

The balanced scorecard steering team is the group that gets the balanced scorecard started and keeps it going. In the beginning, it will likely have eight to ten members, including:

- Team leader
- Executive sponsor
- Consultant (optional)
- Project manager (optional but recommended)
- Representative from each business unit
- Technical advisor

Once the Executive Team has done its piece, the balanced scorecard steering team will appoint teams for each strategic theme (as discussed below). They can then consolidate each piece into a master tactical action plan (and a master scorecard if desired). They will also be in charge of communication and project management.

The steering team will also be instrumental in implementing the balanced scorecard and keeping its momentum going.

Strategic Teams

Each strategic theme should be assigned to a smaller team that is composed of:

- An executive representative
- A manager
- Three to five team members, each with knowledge of the theme area

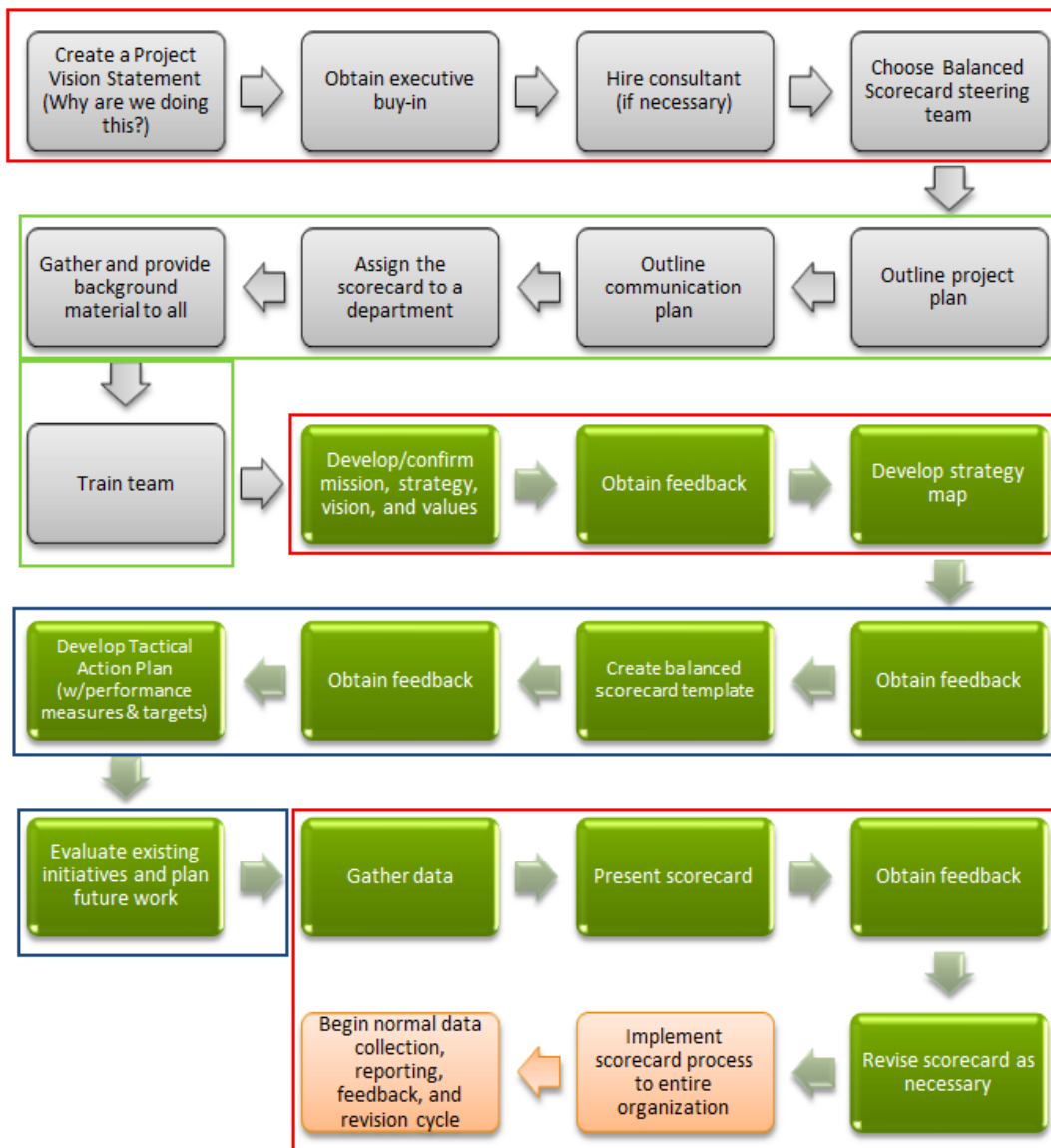
This team will do the hands-on balanced scorecard work: identifying metrics, creating a balanced scorecard template for their unit (or a portion of the master scorecard), creating a tactical action plan, and gathering feedback from their unit on the work that is being done.

They will then turn their work over to the *Balanced Scorecard Steering team*.

Overview

Here is our big-picture process from earlier today with the various tasks identified by team.

- **Red** = Executive Team
- **Green** = Balanced Scorecard Steering Team
- **Blue** = Strategic Teams



Further Reading:

- ✓ *The Balanced Scorecard. Harvard Business Press, 1996.*
- ✓ *Kaplan, Robert S., and David P. Norton. "The Balanced Scorecard: Measures that Drive Performance." Harvard Business Review, January-February 1992.*
- ✓ *The Strategy-Focused Organization. Harvard Business School, 2001.*
- ✓ *Niven, Paul R. Balanced Scorecard. John Wiley & Sons, 2006.*
- ✓ *Person, Ron. Balanced Scorecards & Operational Dashboards with Microsoft Excel. Wiley, 2009.*