

HOW EFFECTIVE IS YOUR STRATEGIC PERFORMANCE SYSTEM?

When you visualise your corporate performance system, do you see something similar to the picture? Are your strategic plans piled on a shelf growing dust? Do your managers only refer to the strategic documents at reporting time?

Many organisation leaders share these and many other frustrations with corporate strategic performance systems that simply don't work. Strategy has only one purpose, to be implemented. If it is not implemented, it was only a dream. The critical failures of strategic performance systems are:

- 1. The system is too complex.
- 2. It is combined and confused with other organisational systems such as risk management.
- 3. The objectives are too global, immeasurable, or are not time limited.
- 4. The system has no reporting capacity.
- 5. Implementing the objectives is not a priority.

In designing strategic performance systems, simplicity is the answer.

It does not matter what system you use as long as it is simple and the reporting process, the performance part of the system, is built into the strategy element of the system. At NSC Group, we favour the use of Balance Scorecard, originally designed by Kaplan and Norton. It is simple to follow, it leads you through the process, and performance reporting naturally flows out of the strategic process.

The key to effective implementation and achievement of the strategic plan is sharing the objectives, initiatives, metrics and timeframes with the people who had to implement them. Too many organisations treat the strategic plan as TOP SECRET and consequently there are too few people in the know to implement it.

Moreover, the bulk of the organisation does not know the strategy exists and are consequently, unwittingly taking daily actions that impede the strategy implementation.

Chaotic, complex, poorly designed processes are doomed to failure. Stick to a simple, implementable, measurable process and strategy implementation will become BAU.

