You Don't Have To Be Big, To Be Balanced.
Using balanced scorecards to deliver business strategy.

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ABSTRACT

Objectives

This practitioner based paper describes the evolving use of balanced scorecards in a small group of IT businesses over the past five years. It shows how earlier mistakes were addressed to mould the scorecard ideas to better fit small organisations of between ten and fifty employees.

Prior Work

There is a significant literature on balanced scorecards generated largely by the large BSC Initiative based on the seemingly inexorable stream of books from the idea's originators. Aimed mainly at practitioners and consultants, most are based on enterprise-level big business and their application to small business is rare with Robert Craven perhaps the exception. Mainstream literature suggests balanced scorecards can work effectively in smaller organisations but there is little empirical evidence to support this.

Approach

Findings are based mainly on the experience on an informal action research project conducted with a small group of IT businesses in Eastern England. After fifteen years of struggling to clarify and communicate strategy, balanced scorecards were introduced in 2005 and have subsequently gone through a number of iterations. Attempts to replicate findings through collaborative research with i10 universities was attempted but didn't fit EEDA funding frameworks. Research validity has therefore been tested by explaining empirical findings using retroductive research methods borrowed from critical realism and complexity theory.

Results

The research has resulted in a number of important findings including the complete inversion of typical scorecards to reflect the absence of shareholders and that SMEs tend to satisfice rather than maximise financially. Renaming the 'learning and growth' perspective to 'colleague enterprise' (those studied did not regard themselves as entrepreneurs) enabled closer resonance with current literature and ensured that the enterprising behaviour of people underpinned everything they did. The cases moved from an annual business plan to quarterly business planning to better reflect the speed at which strategy had to be re-assessed. Interesting new strategic measures replaced traditional diagnostic ones and are delivered using standard Microsoft software plus many other interesting developments.

Implications

Business planning is important but frequently ignored by small businesses who often have neither the motivation nor resources to plan regularly. By adopting balanced scorecard ideas supported by low cost technologies to overcome these objections, a powerful tool can be deployed to support the creation - and more important the delivery - of simple strategic plans.

Value

The paper provides a useful contribution to the literature on how balanced scorecard tools and techniques can help small business to clarify and communicate business strategy. Crucially, it moves beyond the functional silos of finance, marketing and operations to provide simple linked strategy maps underpinned by enterprising culture.

Introduction

Strident Group is a small group of professional IT businesses based in Ipswich, England (Strident Group 2009). We have traded profitably for sixteen years and have employed between twenty and twenty-five people for most of that time. This paper explains our efforts to develop and deliver the strategies necessary to sustain our business and was written specifically for the predominantly academic audience at ISBE 2009.

From bankers to Baldrick [1], the need for a business to have 'a cunning plan' is seldom disputed and, in theory, a sound business plan provides the foundation for the successful strategic development of organisations of all kinds (Johnson and Scholes 1984). The reality is often very different. Not only do many organisations not plan at all (Gibbons and O'Connor 2005), but even when they do their ability to deliver the plan is even less likely (Scott and Bruce 1987; Carter and Jones-Evans 2000; O'Brien 2001).

The problem is particularly acute in smaller organisations. The need for formal business plans in micro business with ten or less employees is less obvious as company ambitions are easily discussed and formed verbally and simply reflect the individuals involved (Curtis 1983; Kelliher and Reinl 2007). Yet small and medium enterprises (SMEs) with more people and more complexity still seldom have the inclination let alone the resources in time and skills to map out their future in any formal way (Dhliwayo and van Vuuren 2007).

This is a shame as one of the many clichés abounding in this field is that 'failing to plan means planning to fail'. It's not always the case and there are many successful organisations who survive without them, but it is probable that even rudimentary, informal planning activities would help small organisations perform better and survive longer (Barber, Metcalfe et al. 1989; Baker, Adams et al. 1993; Bridge, O'Neill et al. 2003).

Having the dubious honour of gaining a Master in Business Administration qualification many years ago, the need for a business plan containing a whole raft of analytical devices is deeply engrained within the Strident psyche. Indeed we still have every plan from the past safely stored as a grim and silent testimony to the sometimes questionable value of this annual ritual. Even when planning proved to be a fruitful, collaborative exercise, delivery seldom happened 'to plan'. I was not sure why but fortunately I had case study companies and an enthusiastic management team with which to experiment. [2]

Balanced Scorecard Rationale

The concept of balanced scorecards was originated in the mid 1990s by two Harvard academics, Robert Kaplan and David Norton (1992), and on the back of a seemingly never-ending stream of books has since grown into a world-wide industry (Kaplan and Norton 1996; 2001; 2004). Put simply, balanced scorecards define the essential objectives and measurements needed to achieve business strategy and it is important to stress that it is a strategy *implementation* tool, not a strategy *formulation* tool.

The balanced element comes from balancing long term and short term measures, leading and lagging indicators, subjective and objective measures and the needs of all stakeholders. The last element is important and helps widen focus from the typically short term, retrospective financial measures stressed by accountants, bankers and others who advise small organisations.

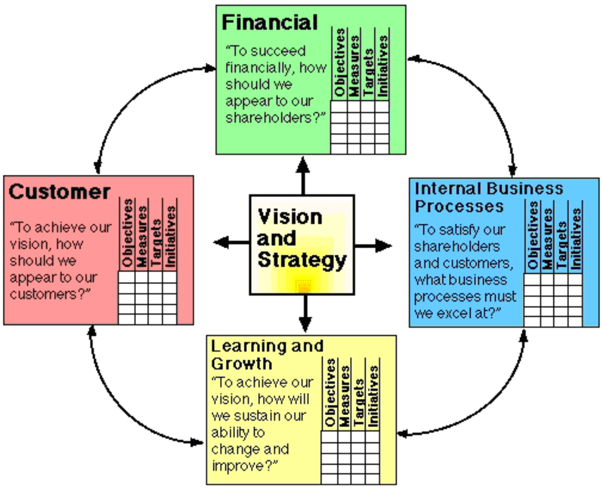


Figure 1: Balanced scorecard as a strategic framework for action (Kaplan & Norton, 1996, p11)

The balanced scorecard has evolved into much more than just a *measuring* system however, and used properly can become a *management* system that can help organisations 'clarify and translate vision and strategy, communicate strategic objectives and measures, align strategic initiatives and enhance strategic feedback and learning' (op cit, 1996). Kaplan and Norton's initial research identified four 'strategic perspectives' that organisations need to set and measure objectives in (i.e. Financial, Customer, Internal Business Processes and Learning and Growth) although these have subsequently been expanded to meet the needs of other stakeholders in charities or other not for profit organisations (Neely 2002; Niven 2002).

Early research was initially conducted on the large, complicated companies that most needed assistance with clarifying and communicating strategy. The large proportion of uptake has subsequently been with enterprise-level business and non-commercial organisations such as universities and hospitals trying to balance the needs of multiple and often conflicting stakeholders (Niven 2006). Implementation among smaller organisations has been small and little documented and what papers there are come mainly from a theoretical perspective which whilst being well argued have little if any empirical evidence to support conclusions (Chow, Haddad et al. 1997; Andersen, Cobbold et al. 2001; 2GC Limited 2003; Davig, Elbert et al. 2004; Von Bergen and Benco 2004). They rightly suggest that micro businesses (ten employees or fewer) are unlikely to need such techniques as developing and sharing vision can be done by the owner-manager alone, although Robert Craven suspects that twenty employees is a better threshold (Craven 2006).

Early Adventures (2005)

Balanced scorecards came to Strident as a result of my research activities into successful information management in small business (Parker 2008) when the 'horizontal searching' enabled by web search engines threw up the original Harvard publication. Having long struggled to deliver business strategy in our small group of companies it provided an apparent 'Eureka' moment to finally help us *measure what matters*. Long-suffering directors sighed as the latest briefing document thumped on their desks following a week away in Durham. As is often the case in a complex open system, two other events happened at almost exactly the same time which acted as tipping points for our commitment to a major balanced scorecard project.

The first such event was our adoption of some of the ideas from the business planning process prescribed by the Director Centre (Craven 2005) the culmination of which is a One Page Plan based on balanced scorecard principles. Craven has a knack of popularising academic ideas and making them memorable through acronyms and his change from balanced scorecard to FiMOL chart is no exception. This popular book and the frenetic activity of Craven and Director Centre colleagues almost certainly makes this the most popular exposure of balanced scorecard ideas to the UK small business market. The alleged download of thousands of copies of free (but weak) balanced scorecard software from an Australian supplier may have had a greater world-wide impact (StrategyMapScorecard.Com 2009).

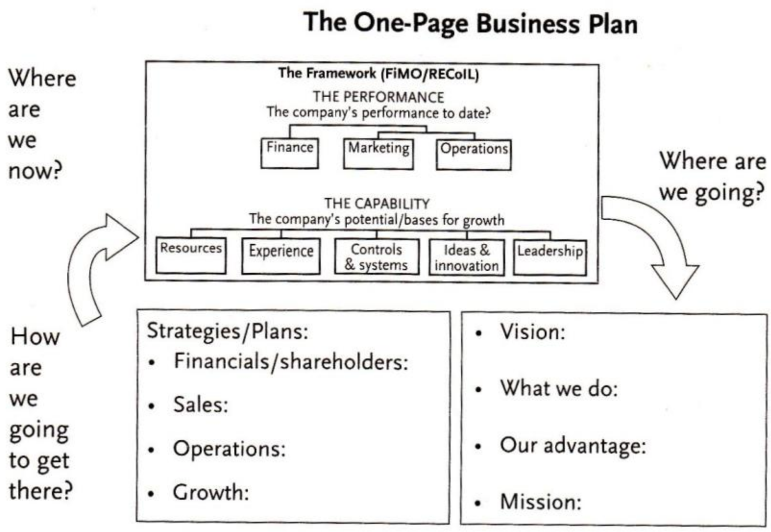
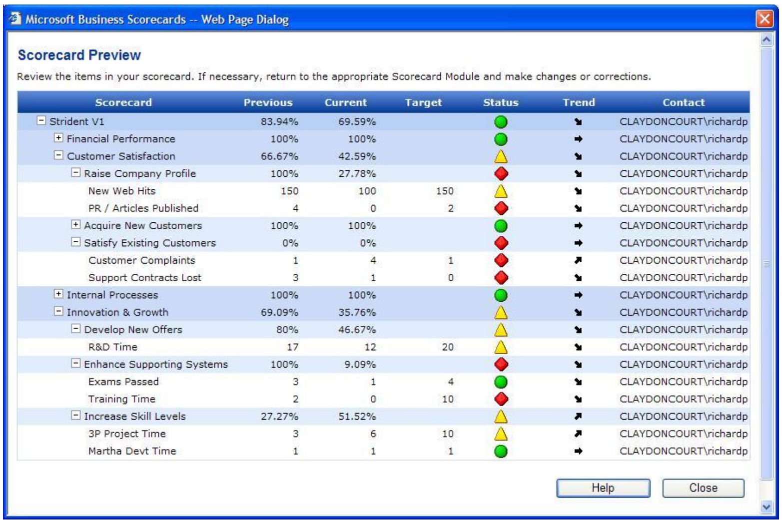


Figure 2: Balanced scorecard as part of a One-Page Business Plan (Craven, 2005, p249)

The second event was the launch of MOBSA software as a free scorecarding add-on to Microsoft Office. The need to process increasingly vast amounts of complex performance data means that technology has always been a critical factor in *enterprise-level* scorecard development. The first serious venture in the small business sector was by Microsoft which surprisingly had not ventured into any part of the scorecard market before. In

2004 it launched the somewhat unfortunately named 'Microsoft Office Business Scorecard Accelerator' or MOBSA for short. Although not a great piece of software it did have one redeeming feature – it was a free Office download. Whilst not heavily promoted, over 35,000 people downloaded MOBSA to make it Microsoft's most popular download ever at the time (Kidman 2005).



Microsoft Business Scorecards -- Web Page Dialog

Scorecard Preview

Review the items in your scorecard. If necessary, return to the appropriate Scorecard Module and make changes or corrections.

Scorecard	Previous	Current	Target	Status	Trend	Contact
Strident V1	83.94%	69.59%				CLAYDONCOURT\richardp
Financial Performance	100%	100%				CLAYDONCOURT\richardp
Customer Satisfaction	66.67%	42.59%				CLAYDONCOURT\richardp
Raise Company Profile	100%	27.78%				CLAYDONCOURT\richardp
New Web Hits	150	100	150			CLAYDONCOURT\richardp
PR / Articles Published	4	0	2			CLAYDONCOURT\richardp
Acquire New Customers	100%	100%				CLAYDONCOURT\richardp
Satisfy Existing Customers	0%	0%				CLAYDONCOURT\richardp
Customer Complaints	1	4	1			CLAYDONCOURT\richardp
Support Contracts Lost	3	1	0			CLAYDONCOURT\richardp
Internal Processes	100%	100%				CLAYDONCOURT\richardp
Innovation & Growth	69.09%	35.76%				CLAYDONCOURT\richardp
Develop New Offers	80%	46.67%				CLAYDONCOURT\richardp
R&D Time	17	12	20			CLAYDONCOURT\richardp
Enhance Supporting Systems	100%	9.09%				CLAYDONCOURT\richardp
Exams Passed	3	1	4			CLAYDONCOURT\richardp
Training Time	2	0	10			CLAYDONCOURT\richardp
Increase Skill Levels	27.27%	51.52%				CLAYDONCOURT\richardp
3P Project Time	3	6	10			CLAYDONCOURT\richardp
Martha Devt Time	1	1	1			CLAYDONCOURT\richardp

Help Close

Figure 3: Microsoft Office Business Scorecard Accelerator (MOBSA)

Although simple in comparison to much bigger scorecarding packages, MOBSA was interesting in that it came with a balanced scorecard template using Kaplan and Norton's original Finance, Customer, Internal Process and Learning & Growth perspectives. What's more, it used the programming features in Microsoft Visio to automatically create a Strategy Map from the scorecard complete with themes, initiatives, etc. Once created, scorecards and linked strategy maps could be linked to data sources (not easy as this required SQL cubes) to provide real time, visual progress indicators through 'traffic lights' and colour-coded strategy map elements. As my children would say, it was cool.

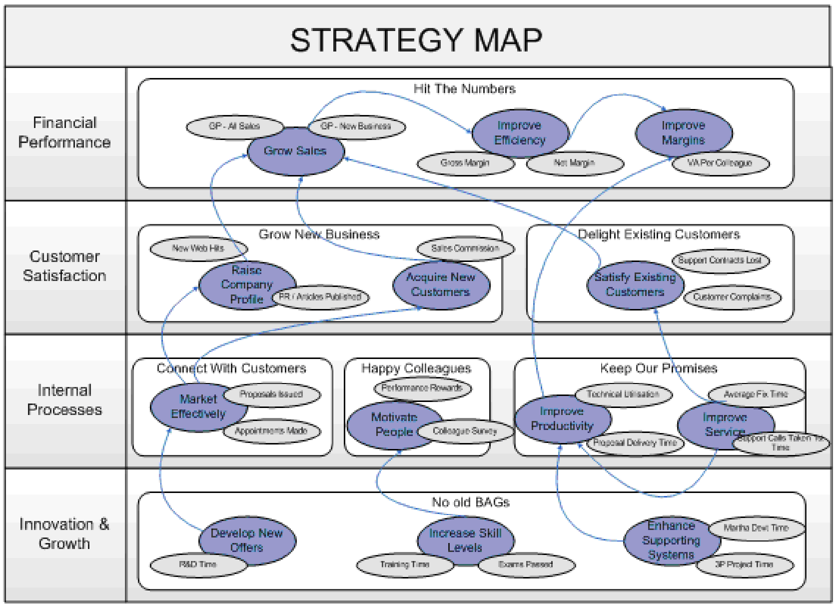


Figure 4: Strategy Map from Microsoft Office Business Scorecard Accelerator (MOBSA)

But all good things must come to an end and MOBSA was suddenly withdrawn in December 2005 and replaced with the equally un-succinct Microsoft Office Business Scorecard Manager or BSM for short. Although significantly more flexible and powerful, it lost the 'balanced' scorecard elements leaving users to build their own and any related strategy maps in Visio. It wasn't free any more either and whilst keenly priced relative to its competition, a cost of about £3,000 plus services was still a big barrier to most small businesses.

In hindsight, scorecarding software proved to be something of a 'red herring' in that it simply isn't needed in a business the size of Strident Group, or I suspect, any other small or medium sized business . Although MOBSA proved a useful – albeit brief – tool to underpin a balanced scorecard training and consultancy offer, too much emphasis on technical issues prevented us from focusing on the business fundamentals.

Re-ordering the Perspectives (2007)

The next two years saw group companies stay with Craven's FiMOL structure and used it as a simple framework to address all stakeholders as part of the annual business planning process. If nothing else, this provides a useful template for small organisations to group their thoughts – especially the Learning and Growth perspective – which in asking 'what do we have to do today, to be able to compete tomorrow?' provides the vital forward-looking strategic nudge that such organisations desperately need.

The only major change in this phase was to reverse the scorecard order. The original balanced scorecard places Finance as the top perspective and the ultimate objective of strategic mapping thus reflecting its origins in large, publically owned corporations with fickle shareholders demanding ever-growing earnings per share,. Although clearly important, the mistaken equation that business successful equals financial success is an endearing fallacy (again perpetrated by accountants, banks and government advisors) that bears little resemblance to reality in the SME sector. [3] The resulting scorecard is shown as Appendix 1.

Strident's commitment to its people and their continuous development meant that we placed Learning & Growth at the top of our scorecard, followed by Operations, Marketing and finally Finance. It was not an empty gesture but a genuine restatement of priorities to better reflect the culture of a small organisation.

Re-naming the Perspectives (2008)

Our next change also appears cosmetic but is equally fundamental. This involved renaming the perspectives to more easily clearly identify their purpose and provide a useful if perhaps inappropriate acronym: COMFi. Using our inverted scorecard format these changes are shown in Table 1.

Original	Revised
Innovation & Growth	Colleague Enterprise
Operations	Operational Excellence
Marketing	Marketing Niche
Finance	Financial Stability

Table 1: Revised perspective names

The most significant change was renaming the Learning & Growth perspective to *Colleague Enterprise*. There are several reasons for this. First it rightly puts colleagues (i.e. employees) and the contribution they make at the top of the strategic process. Encouraging an enterprising attitude, gaining colleague involvement and explicitly making everyone responsible for contributing to strategic development is the foundation of the entrepreneurial culture every small organisation needs to thrive. Our Key Performance Indicator here is 'ideas submitted' and all colleagues are required to contribute a minimum of one idea per month suggesting 'what we need to do today to complete tomorrow'. Other major developments emerging from this perspective have been the introduction of Open Book Management ideas to ensure all colleagues understand all aspects of our business (Stack 1992; Case 1995) and the substantial development of web 2.0 based internal training courses to support entrepreneurial learning to the NCGE model (Parker 2009a). Of more general use is the idea that re-naming Innovation and Growth perspective to Enterprise or Entrepreneurship may provide a useful way to bridge the separate silos of academic activity that exist in many business schools. [4]

The change from Craven's Operations / Kaplan's Internal Business Processes to *Operational Excellence* encourages us to narrow our focus and concentrate on delivering the few things we are genuinely passionate about, that we excel in, that we do well almost without thinking. Not only have these evolved as unique marketing propositions, but greatly help with recruitment to ensure we get people who share our passions. Focusing on the few things that matter is one of the key lessons learned from the forest of measures chosen in earlier scorecards.

Similar sentiments underpin the move from Marketing to *Marketing Niche*. Like any small business with minuscule marketing resources, we need to quickly find enough people who share our passion and will pay sufficiently for our services to make us profitable. Another mistake perpetrated by business schools and sundry advisors is that the 4Ps (or however many it is now) is the framework by which small organisations conduct their marketing activity. We prefer the 4I's approach (innovation, identification, interactive and information) which mirrors our approach far better (Stokes 2000). Marketing Niche themes we have successfully pursued include the movement from traditional to web based marketing to enable a much closer and personal two-way dialogue with our targeted audience of like-minded people.

Stressing *Financial Stability* in the finance perspective reflects our switch in focus from profit and loss to balance sheet as part of wider share ownership and remuneration via dividends rather than salary. The aim is to build net worth by paying ourselves what we can afford after servicing finance and other longer-term growth needs. Switch from 'start up' to 'stay up' has seen the Group introduce an innovative share transfer scheme using share tranches over a long period.

Focusing on What Matters (2008)

Another frequently stated 'golden rule' which we blithely ignored was the need to focus on strategic issues not diagnostic ones. As can be seen from Figure 5 early scorecards were far too dense and lacked focus. [5]

Strategic Objectives	Strategic Measures			
	Outcome Measures (Lag Indicators)	Target	Performance Measures (Lead Indicators)	Target
Financial				
F1 Transform Margins	Gross Profit Margin Net Profit Margin	? ?		
F2 Grow Sales	Invoiced GP	?	Sales Funnel GP (adj) Technical Utilisation	? ?
F3 Improve Efficiency	Value Added Per Colleague	?	Technical Utilisation	?
Customer				
C1 Develop Target Customers	GP from New Offers % of GP from New Offers Average Order Value No of New S.Point Sites No of New SBS Sites No of New MMS Sites	? ? ? ? ? ?	No of Target Prospects Value of Target Leads	? ?
C2 Harvest Non-Target Customers	GP from Non-Target Customers NP from Non-Target Customers	? ?	Value of Non-Target Leads Time Spent on Non-T Customers	? ?
C3 Satisfy Customer Needs	No of Lost Target Sites % Retention Target Sites No of Lost Non-Target Sites % Retention Non-Target Sites	? ? ? ?	'Recommend Services' Survey Martha Support Metrics % Support Calls Taken 1st Time	? ? ?
C4 Clarify Value Proposition	??? (Not Sure What Ours Is Yet)	?	??? (Not Sure What Ours Is Yet)	?
Internal				
I1 Deliver Effective Campaigns	GP per Campaign NP per Campaign	? ?	No of Prospects per Campaign Value of Leads per Campaign Cost of Delivering a Campaign	? ? ?
I2 Develop New Solutions	Amount of PR / Articles Published	?	No of PR / Articles Issued	?
I3 Improve Productivity	Technical Utilisation Average Sales Response Time	? ?	Director Time Directing / Operating % Lost Time	? ?
I4 Improve Service Delivery	Task / Contract Profitability Reactive Support Call Volume	? ?	% Tasks Fixed 'First Time' % Sites with Dial In Connection Health Check Delivery	? ? ?
Learning				
L1 Increase Skill Levels	% Faultless Implementations Campaign Results	? ?	Qualifications Achieved ?	?
L2 Provide Supporting Systems	% Of Measure Available % of Measures Available On-Line	? ?	Progress of 3P Plans	?
L3 Align Personal Goals	Colleague Retention Colleague Satisfaction Survey	? ?	PDPs Delivered	?

Figure 5: Early Strident 'forest' of strategic measures

Since 2008 we have split scorecards into two. Weekly *Diagnostic Scorecards* concentrate on short term, internal measures such as leads, sales, gross profit, and liquidity. These are largely automated, prepared without director involvement and displayed using SharePoint scorecards linked to simple Excel spreadsheets (see Figure 6). Directors meet with me weekly to discuss 'red lights' only and whilst there is an element of coaching here, delivering diagnostic targets is almost taken for granted as a condition of directorship. These KPIs are only shared with the colleagues responsible for them.

Strategic Scorecards are a different matter but we again strictly limit themes, goals and measures. Much more help is provided in choosing, measuring and sharing these with a relatively inexperienced management team. These are incorporated into our One Page Plans and shared monthly with all colleagues.

Cascading to Colleagues (2009)

An oft-quoted mistake is to start cascading scorecards to employees too quickly in order to gain their involvement in strategic implementation. This was not one made by Strident which has communicated broad strategy maps to colleagues for many years but has only recently decided to directly involve colleagues in managing scorecard KPIs. These are strictly limited to the things that colleagues can influence and include things like ideas submitted, customer service nominations, etc.

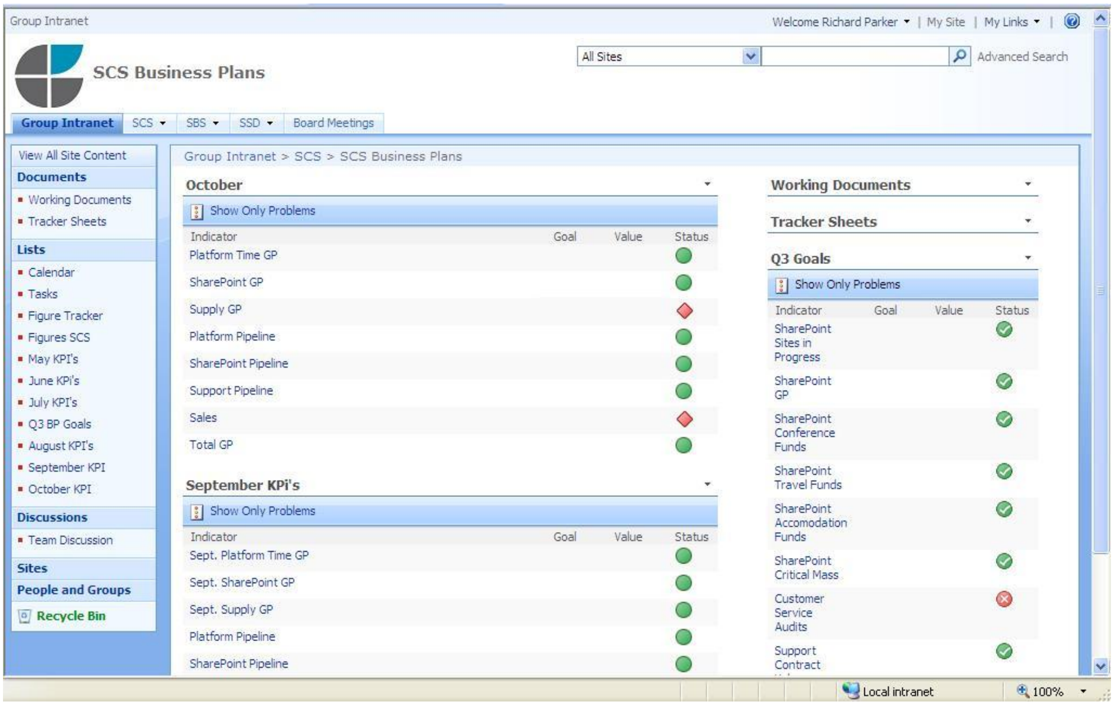


Figure 6: Sharing results and managing by exception using Diagnostic Scorecards (Source: Excel spreadsheets linked to (free!) Microsoft SharePoint)

Adding Back Strategic Themes (2009)

Once we had ruthlessly paired objectives and measure down to strategic ambitions only, it was still difficult to show how these linked between the perspectives. Without strategy map software to show this, we simply divided the perspectives into columns to show simple causal linkages. See Appendix 2 for an example.

Shortening of Planning Frame (2009)

'Plans are nothing**;** planning is everything**.**' (Wikipedia 2009d) and this remains true with our scorecarding activity. Initially scorecards and strategy maps were filed safely away in Business Plan ring binders (red naturally) with limited subsequent referral by directors let alone colleagues. This improved slightly when they were moved to the group intranet but converting plans into activity remained problematic.

Our problem was that annual business plans were too long a time to manage yet monthly management accounts and supporting board meetings too short. The answer was to borrow an idea from Action Coaching i.e. the Ninety Day plan. We now develop strategic themes every quarter which both reflect the annual business plan and inherited eternals such as mission and values yet successfully adapt to meet changes in our markets and other forces.

An example of a typical current plan is shown as Appendix 2.

Future Intentions: Evolving Software (2010)

Our current developments continue to address the temporal problems associated with simple, static scorecards trying to support complex, dynamic businesses. Our plan is to continue our move away from one-off plans to continuous planning - *Strat Nav* - and are going back to look at technology to help us manage the increased complexity. The software we are investigating is Microsoft Silverlight which is a 'deep zoom' capability allowing applications to manage images in three dimensions. [6]

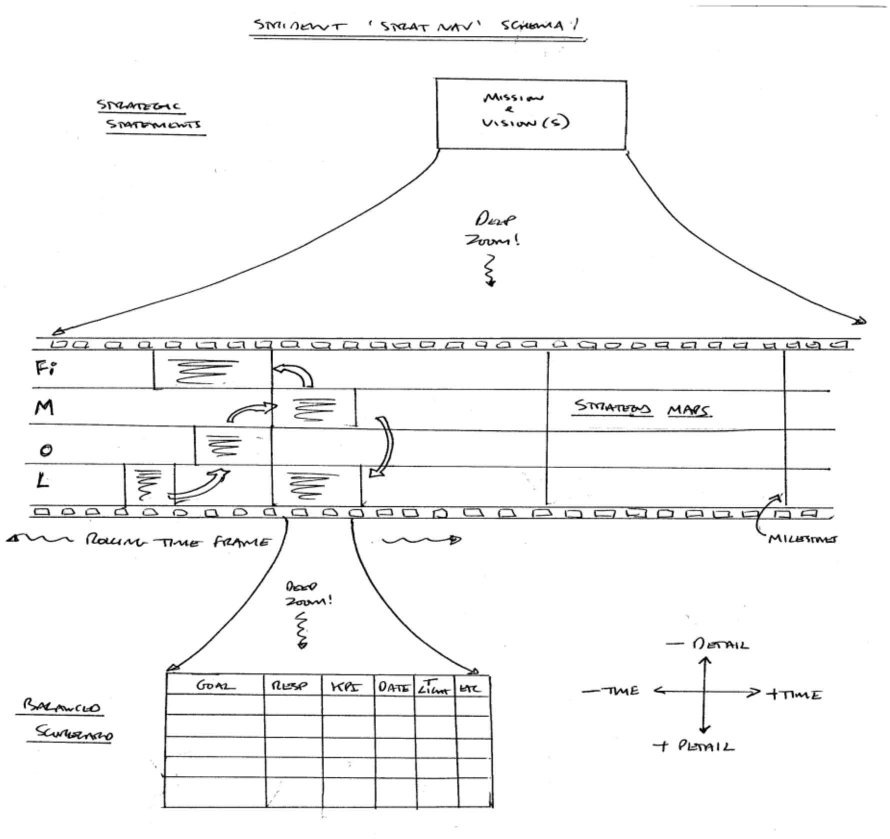


Figure 7: Original 'Fag packet' design for rolling *Strat Nav* software using Microsoft Silverlight

Our idea is to manage the planning of our present business as a roll of film (an outdated but still useful concept) which can be played forwards and backwards from the current timeline. At any point the film can be stopped and the frame magnified (deep zoom) to find increasing amounts of detailed information based around our balanced scorecard format. Greater use of images to help colleagues visualise success will be important to support the move away from dreary text. We increasingly use the 'Imaginization' ideas of Gareth Morgan (1997) such as simple pictures of success in coasters to 'bring to life' business ambitions [7].

Digging Deeper: Ideas for Future Research

The Strident adventure with balanced scorecards has been an interesting one, but attempts to *explain* events using theory not only befits an academic paper but provides an even more interesting story.

A large part of our problems with implementing balanced scorecards relates to their development in business schools which tend to have a somewhat positivist approach on these matters. [8] This means that universal rules are dictated on the assumption of closed systems with little attention to the complex voluntary actions of humans or other non-deterministic events. The word 'complex' is used deliberately as complexity theory applies here too. The ideas of large number of elements with non-linear interactions, loops, feedback and other unpredictable complications means that making balanced scorecard work is a continuous battle to maintain any kind of equilibrium (Cilliers 1998).

Byrne (1998) sees complexity theory as a scientific ontology complementary to the philosophical ontology of critical realism, and borrowing ideas from the latter can be useful in trying to explain events during the Strident experiment. To date, observations of events has simply produced concrete evidence yet Figure 8 suggests that digging into deeper domains through abstraction may enable us to identify the mechanisms and structures that are producing our empirical evidence (Sayer 1992).

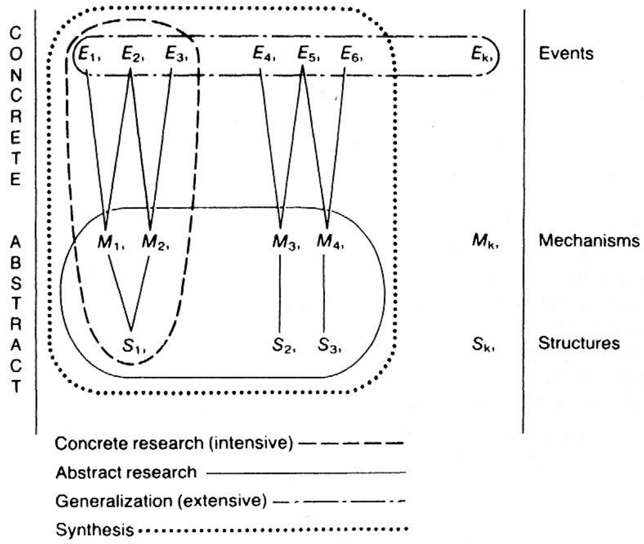


Figure 8: Types of research (Sayer, 1992, p237)

Critical realism certainly helps overcome the epistemic fallacy typified in much of the existing literature which conflate what is seen with what has actually happened. Placing our balanced scorecard within the stratified ontology suggested by Bhaskar (1978) provides a useful tool for analysis (Figure 9).

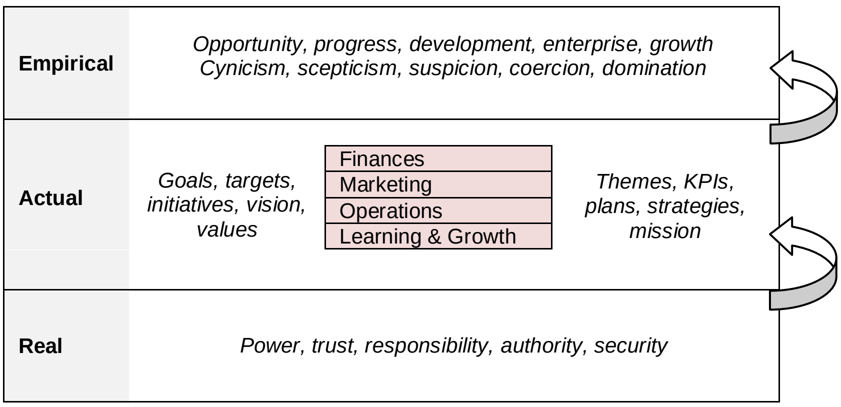


Figure 9 : Placing the balanced scorecard in a stratified reality

All we can do is work in the *actual* domain i.e. introduce balanced scorecards, implement supporting plans, themes, initiatives, indicators, etc. How these are interpreted in the *empirical* domain is another matter. Whilst I perceive them as being positive, innovative and even emancipatory, colleagues may interpret them as negative, pointless and even repressive. Sayer believes the way to explore this is to identify the internal necessary relations which are impacted on by external contingent relations using retroductive research strategies we can suggest that structures, powers and mechanisms in the real domain (op cit 1992).

The Strident experiment has provided a wealth of material to support such an investigation and this is the next research project planned – ideally with joint researcher partners should they be found. Exploring this further using realist research methods has twice been attempted with interested parties i.e. Cranfield in 2006 and a group of i10 universities in 2008. Unfortunately the flexibility needed to fund such a research project was not available and neither initiative came to fruition. This is unlikely to change so this research will probably be carried out independently again to identify ‘what works for whom and in what circumstances’ (Pawson and Tilley 1997) and may provide the source of future ISBE papers.

Conclusions

Despite all the rhetoric, balanced scorecards can be beautifully simple. By prompting people to underpin Finance, Marketing and Operations *functions* with a Learning & Growth (Enterprise & Entrepreneurship) *culture* we can create a four row table to build simple strategic themes for any business. By carefully choosing and sharing a few indicators to measure progress they can help ensure they are delivered too.

Like many things, balanced scorecards work best when you decide what to take out, rather than what to leave in. It is easy to be overwhelmed by measures and picking the few strategic ones that really matter is the biggest task facing users. The other main challenge is maintaining momentum and a ninety day planning frame (soon to backed up by rolling, image-based software) helps keep it fresh.

Balanced scorecards can also help link business goals to personal ambitions to boost motivation and participation throughout suitably enlightened organisations. As these are fortunately becoming the rule rather than the exception in a modern, knowledge based economy, there is significant potential for balanced scorecards to percolate further into the SME sector.

Words = 5,825 including references.

Appendix 1: Group Balanced Scorecard 2007-08.

Group Balanced Scorecard 2007-08

strident group

	Objective	Measurement	Target	Initiatives
Learning & Growth *What do we need to do today to be able to compete tomorrow?*	**Increased Involvement**	Scorecard Rollout →	-% Colleague Contribution	1. Balanced Scorecard 2. Share Scheme
		→ Share Ownership	Min -% Director Holding	
	Continuous Development	New / Improved Offers →	Quarterly Review	3. Marketing Campaigns 4. Learning Process
		Effective Training →	Delivered to Plan	
	Lead Indicator → → Lag Indicator			
Operations *What internal processes must we excel at to compete?*	**Effective Sales**	Av Transaction Value →	Grow by -%	5. Selling System
		Freq of Purchase →	Grow by -%	
	Efficient Delivery	Colleague Realisation →	To - x Salary	6. Organisation Review 7. Quality Manual
		→ Service Quality	To Company Target	
Marketing & Sales *What do we have to do to satisfy our customers?*	**Delighted Customers**	Customer Feedback →	> -% Excellent	8. Points Mean Prizes
		→ Contract Retention	> -%	
	Attractive Offers	New Leads →	To Company Target	3. Marketing Campaigns 5. Selling System
		→ New Customers	Grow Existing Base by -% y-o-y	
Financial *What do we need to do to satisfy our shareholders?*	**Build Sales**	Sales Pipeline →	- Months Adjusted	
		→ Gross Profit	Grow to £-	
	Build Cash	Net Margin →	-% of GP	2. Share Scheme
		→ Cash Retained	Min £--- pa	
	.			

Appendix 2: Typical Group Company One Page Plan

ONE PAGE BUSINESS PLAN: 2009-10

WHERE ARE WE GOING?

MISSION *Why do we exist?*	To raise performance through technology by helping organizations work better using Sage software.
VALUES *What do we believe in?*	*Outstanding customer service*. Professional and profitable. Passionate and enthusiastic. Close affinity for small and medium business. Honest and clear value for money. Helping businesses grow and develop.
VISION *Where do we want to be?*	To become acknowledged as *the first choice* for Sage business management software solutions within the East Anglia region.
STRATEGY *How do we get there?*	1. Consolidate by increasing support contracts (no. & value) and utilisation. 2. Widen tec skills to include limited software development and better project mgt. 3. Develop new markets by targeting <> organisations and the <> sector 4. Develop new markets in <>

HOW DO WE GET THERE?

Persp / Theme	1. Contracts	2. Skills	3. Market Sectors	4. Market Geog
COLLEAGUE ENTERPRISE *What must we to do today to be able to compete tomorrow?*	• Devise really innovative & attractive support contract offer.	• Source Dev & Proj Mgt training. • Pass Dev exams	• Research <> markets • Produce report & action plan	• Research <> Market • Produce report & action plan
OPERATIONAL EXCELLENCE *What processes must we excel at to consistently delight our customers?*	• Recruit & train addn support colleagues based on attitude not skills.	• Develop on time & budget, every time. • Plan on time & budget, every time.	• Cross train in relevant products • Arrange addn support cover	• Establish physical office presence in <>?
MARKETING NICHE *How do we find and attract enough customers who like our offer?*	• Promote offer to current & new markets using digital markting.	• Find Dev Partner • Gain experience and <> case studies & promote	• Produce min <> case studies	• Promote with strategic alliance partners • <> Sage micro site
FINANCIAL STABILITY *What must we do to succeed financially in both the short and long term?*	• Increase contract to £ <> and contract # to <>	• £ GP from Dev activities this FY	• <> new sites • £ GP this FY	• <> new sites • £ GP this FY

WHEN DO WE GET THERE (QUARTERLY GOALS)?

Q1 (Apr – Jun)	❒ <> (Sorry, all company confidential!) ❒ <> ❒ <>
Q2 (Jul – Sept)	❒ <> ❒ <> ❒ <>
Q3 (Oct – Dec)	❒ <> ❒ <> ❒ <>
Q4 (Jan – Mar)	❒ <> ❒ <> ❒ <>

Notes

1. For overseas readers, Baldrick was a character in Blackadder, a popular British comedy. He always had ‘a cunning plan’ that was anything but.
2. This is not necessarily the case. Our management team frequently despair at my ideas for continuous improvement.
3. That this myth persists is a mystery. The profit maximising ideas espoused in the traditional economic theory of the firm were de-bunked decades ago by the managerial and behavioural theories of Baumol (1959), Marris (1964), Simon (1965) and Williamson (1967). This was backed up by my later research which, in attempting to define successful outcomes in IT interventions among a small sample of businesses, failed to find any evidence of any financial motivations behind IT investments (Parker 2008). The recognition that most small business owners satisfice rather than maximise financial performance receives scant attention in the literature still dominated by functionalist, neoliberal ideas.
4. Coventry University is an example were a traditional business school provided accounting, marketing and operations and HR courses but it was necessary to create an entirely separate department (Institute of Applied Entrepreneurship) to provide these services. There is no incongruity here if entrepreneurial activities are seen as a natural complement to traditional functions as part of a balanced scorecard initiative.
5. Interestingly, feedback from balanced scorecard briefings we conducted back in 2006 with Business Link for Suffolk suggested others had similar problems. The response was generally positive but tainted with confusion over diagnostic versus strategic KPIs (“we measure all this stuff already”) and aversion to ‘touchy-feely’ intangibles such as ‘vision’ and ‘values’. We suspect businesses which already think in these terms, or which are led by women who appear to be far more comfortable with such notions, will be more likely to successfully adopt scorecard techniques.
6. To gain some idea of the potential you can smoothly zoom from a thumbnail image of the entire works of Charles Dickens to a single word within a single book in seconds.
7. Organising ourselves into separate business units based on Morgan’s ‘Spider Plant ‘ metaphor also emerged from progress in this perspective and is the subject of a future paper (Morgan 1997) .
8. This is usually due to a naive realist philosophy of science. Even Warwick is finally waking up to the problem that the world is complex. (Parker 2009b).

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