

Project Case Study Summary

Developing & Implementing Measurable Strategic Performance Management in a Medical Devices Company

△ Critical Issues

- To develop a framework to create innovative growth strategies for a business already leading in all its mature markets but exhibiting slow growth rates typical of long-term leadership
- To implement and communicate strategy effectively
- To manage and monitor strategic performance proactively

△ Problem

Strategy was difficult to communicate throughout this complex organisation with its large number of products, portfolio groups and customer segments. Innovation was sporadic rather than systemic. The overseas parent emphasised the need for clear, transparent strategy articulation, but monthly reports focused only on financial lagging-indicator measures. Significant disconnects existed between strategy and execution. The business had drafted strategy maps for each key division, but strategic objectives were unlinked, dependencies of one strategy upon another were unknown, and leading indicators were undefined, which meant strategies were difficult to manage proactively. There was no standardised approach to strategy development, articulation, innovation or creativity.

△ Project Objectives

To develop a “strategically-focussed organisational attitude” through a development process which fosters and enhances growth, creativity and innovation, based on deep analysis of a wide range of parameters within the internal and external environments; to understand the real value proposition per portfolio per segment; to use this process to review and refine strategy maps for the key sales and marketing divisions; to define the appropriate mix of leading and lagging indicators to create a robust set of Balanced Scorecards; to facilitate the monitoring of strategic indicators and strategic performance management across the Australian/New Zealand businesses; to provide an ability to cascade performance management down to individual level.

△ Solution

ASVP Consulting Pty Ltd was engaged to design and run a series of strategy development workshops for key management staff in each division to develop a rigorous but flexible approach to increase organisational capability in value definition, creative strategy development and innovation. Through the workshops, the client’s team developed a comprehensive set of fully-linked strategy maps, and analysed key business drivers to identify an appropriate mix of leading and lagging measures to manage and monitor strategic performance. The client has chosen PulseSuite®, an automated Strategic Performance Management and Monitoring platform from Primed Online, a Melbourne-based developer of Strategic Business Solutions, and plans to implement automation early 2005.

△ Results

Senior executives from the client’s Group HQ now cite the Australian and NZ business strategy as the best-articulated, most transparent and clearly-communicated in the global business. Creativity in the planning process involved significant innovation of strategic initiatives to strengthen market position and provide a springboard for new growth. Managers are free to manage by exception, and can easily identify areas that require focus, where performance gains can be maximized. The company’s revenue engine is running economically, efficiently and at full throttle. Further, significant benefits are expected to accrue quickly once the automated monitoring system is implemented in 2005.

△ More Information

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