

Strategy Execution

Diligent strategy execution is the “Achille’s Heel” of implementing strategy. Is your organisation able to easily track, monitor and evaluate the implementation of your strategy, through the consideration of robust and insightful reports?

Realising superior organisational performance has everything to do with ensuring that implementation of your organisation’s strategy is a management imperative.

Measurement is a critical component of any management control system. Traditionally, measures have consisted of predominantly financial indicators. These have focused organisations on past performance, which encourages a short-term view of strategy, thus failing to provide the long-term strategic management capabilities that today’s organisations need.

The Balanced Scorecard is one proven approach that utilises the notion of measurement across all of the critical operating functions and is both a highly effective and practical tool used to manage organisational strategy. The Balanced Scorecard translates vision and strategy into action utilising a set of implementation tools that help to communicate the strategic intent, thereby motivating managers to attain their goals and targets, whilst tracking performance against a set of strategic objectives derived through consensus.

In contrast to traditional, financially-based measurement systems, the Balanced Scorecard solidifies the organisation’s focus on future success by setting objectives and measuring performance from four different perspectives:


- The financial perspective measures the ultimate results that the organisation provides to its stakeholders;
- The customer perspective considers the organisation through the eyes of a customer, so that it retains a careful focus on customer needs and satisfaction,
- The internal perspective focuses attention on the performance of the key internal processes, derived from the business model ensuring that uncompromised customer value is delivered; and
- The learning and growth perspective direct attention to the basis of all future success – the organisation’s people and its knowledge assets.


The development of a Balanced Scorecard involves four steps:

1. Building consensus around strategic objectives – the strategy and vision of the organisation are translated into a set of prioritised strategic objectives upon which consensus is built;
2. Defining the measurement architecture – a good balanced scorecard will succinctly ‘tell the story’ of the organisation’s strategy, enabling the entire management teams to “sing off the same song-sheet”;
3. Selecting and designing measures to track performance – once robust objectives are outlined with clear measurable targets, performance tracking indicators (both forward and backward-looking) are defined to effectively monitor and evaluate progress to ensure that all strategic objective targets are achieved; and

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4. Developing an implementation plan to create and deliver value. The strategy should be implemented within a robust management and governance system entrenched in the organisation. Management activities such as data reporting and review, decision making, strategic learning, strategic communication, personal objective setting, planning and budgeting are all critical to an organisation's success.


The vast number of organisations that have been using the Balanced Scorecard diligently and have successfully integrated the approach into their management processes have seen significant performance improvement. By effectively utilising Balanced Scorecards to implement strategy, a strong foundation will be set to develop a strategic management system and governance system that can achieve sustainable improvements in performance.

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