



Strategic Alignment & Performance Management

Agreeing 'where we are going', 'what we need to do to get there' and 'how we will know when we have got there'.

The Challenge – Coping with Threefold Growth

The client is a world-leading designer and manufacturer of advanced technology machines and plant for the nuclear fuel supply chain. Owned ultimately by the British, German, Dutch and French Governments, the company had recently been experiencing very significant sales growth for its products and associated services. In order to meet existing delivery contracts, the company had to treble its production capacity within the next three years. The massive growth requirement, together with the potential to capture additional sales if capacity could be expanded even further, had placed considerable operational pressures on the company. As well as ramping up manufacturing capacity three-fold, the challenges include introducing new products, installing plants in new locations remote from its existing bases, managing several major programmes simultaneously and coping with change more effectively.

In order to raise the overall performance of the company to meet these challenges, corporate strategy needed to be communicated to all employees clearly enough for them to understand their own roles in a corporate context, and to align their activities with those of their colleagues.

The Solution – Implement the Balanced Scorecard Framework

We were engaged to deploy a Balanced Scorecard framework across the 1,200-strong workforce over a twelve-month period, to help articulate the company's strategy clearly and then to promote buy-in to it by all line and support functions.

What We Delivered

Starting at the corporate level, a 'vision' was developed and agreed by the Executive Board, in the form of a concise Destination Statement. Key strategic objectives were then identified and linked to the Destination Statement through a Strategic Linkage Model. Associated measures, targets & change initiatives were defined and agreed by the Board, completing the Corporate Scorecard.

Separate Balanced Scorecards were then developed by the three line functions and, in turn, by five of the support functions, for them to develop and agree their own Destination Statement, key strategic objectives, measures, targets and change initiatives. We facilitated this 'cascading' process and helped ensure that the resulting scorecards were properly aligned with each other.

The outputs were used for:

- Communicating strategic issues to employees and selected stake-holders
- Regularly monitoring Key Performance Indicators (KPIs) at management meetings, at functional as well as at corporate levels
- Driving the Performance Management process that sets targets for individuals
- Providing input to the annual business planning and budgeting processes.

The Benefits

The extensive deployment of the Balanced Scorecard framework has achieved major benefits:

- Clearly stated and consistent Destination Statements at corporate level, and for all key line and support functions – defining 'where we are going'
- Extensive debate, understanding and commitment by senior and middle management to the strategic direction of the company, and the strategic activities and change initiatives required – clarifying 'what we need to do to get there'
- Well thought through sets of KPIs and other measures, aligned with the company's strategic direction, that enable progress to be properly monitored – understanding 'how we will know when we have got there'.