

Generic Energy Company

Balanced Scorecard
Strategic Management System



Table of Contents



Introduction.....	3
How to Build a Balanced Scorecard – <i>Nine Steps to Success</i> ™	3
Step 1: Assessment.....	6
Generic Energy Company Planning Process.....	6
Organizational Strategic Assessment.....	7
Step 2: Strategy	9
Strategic Themes & Results	10
Perspectives	10
Step 3: Strategic Objectives.....	12
Theme Team Results.....	12
Theme: International Growth	14
Theme: Operational Excellence	15
Theme: Energy Leadership.....	16
Step 4: Strategy Map	18
Step 5: Performance Measures	19
Step 6: Strategic Initiatives.....	20
Looking Ahead – Steps 7 – 9: Performance Analysis, Alignment & Evaluation.....	21
Appendix A: Glossary of Terms	22
Appendix B: Organization-Wide Objective Commentary	23
Appendix D: Organization Scorecard & Theme Team Results	25

Introduction

Generic Energy Company has taken the first steps in a journey towards the goal of becoming a highly efficient, results-driven organization. The journey is a modern revolution for the organization, and company leaders (see participants of the Senior Leadership and Strategic Development Teams below) are using a structured framework, called the Balanced Scorecard Strategic Management System, to manage this important change. This framework was designed to align day-to-day operations with long-term strategic goals, as well as improve organizational performance with the use of clear-cut performance measures and targets. The Strategic Management System will serve another very important purpose: it will clearly tell the story of how results are achieved for customers and stakeholders.



How to Build a Balanced Scorecard – *Nine Steps to Success™*

The balanced scorecard is a strategic planning and management system designed to help everyone in an organization understand and work towards a shared vision and strategy. The components of the management system are shown in **Figure 1**. Starting at high “strategic altitude,” Mission, Vision, and Core Values are translated into desired Strategic Results. The organization’s “Pillars of Excellence,” or Strategic Themes, are selected to focus effort on the strategies that will lead to success. Strategic Objectives are the “DNA” of strategy and are used to decompose strategy into actionable components that can be monitored using Performance Measures. Measures allow the organization to track results against targets, and to celebrate success and identify potential problems early. Finally, Strategic Initiatives translate strategy into a set of high-priority projects that need to be implemented to ensure the success of strategy. Engaged leadership and interactive, two-way communication are the cornerstones of a successful management system. Once the strategic thinking and necessary actions are determined, annual program plans, projects and service level agreements can be developed and translated into budget requests.



Figure 1: The components of a Balanced Scorecard Strategic Management System

A completed scorecard system aligns the organization's shared vision with its business strategy, desired employee behaviors, and day-to-day operations. Strategic performance measures are used to better inform decision making and show progress toward desired results. The organization can then focus on the most important things that are needed to achieve its vision and satisfy customers and stakeholders, and satisfy its employees. Other benefits include the identification of more efficient processes focused on stakeholder needs, improved initiative prioritization, improved internal and external communications and improved linkage between budgeting and cost control processes and strategy.

The pages that follow are organized by the framework employed by the organization to develop the scorecard. The Balanced Scorecard Institute's framework, *Nine Steps to Success™*, is a disciplined, practical approach to developing a strategic planning and management system (see). Step One of the scorecard building process starts with an organization assessment of mission and vision, organization challenges (pains) and enablers, and organization values. Step One also includes preparing a change management plan for the organization, and conducting a focused communications workshop to identify key messages, media outlets, timing, and messengers. In Step Two, strategies, including strategic results, strategic themes, and perspectives, are developed by workshop participants to focus attention on customer needs and their value proposition. In Step Three, strategies are decomposed into strategic objectives that are linked in cause-effect relationships to produce a strategy map (Step Four) for each strategic theme. As part of Step Four, theme strategy maps are then merged into an overall organizational strategy map that shows how the organization creates value for its customers and stakeholders. In Step Five, performance measures are developed for strategic objectives, and in Step Six, strategic initiatives are developed that support the strategic objectives. To build accountability throughout the organization, performance measures and strategic initiatives are assigned to owners and documented in data definition tables.

At the conclusion of Step Six, the organization-wide balanced scorecard is built. As of this writing, these six steps were completed at the Generic Energy Company. Next steps include the definition and implementation of Performance Measures and Initiatives and the Performance Analysis, Alignment and Evaluation of the scorecard. Results of the completed steps are included in the following pages. The organization had successfully begun its strategic management journey and was evaluating its approach to implementation (Steps 7 – 9).



Figure 2: The Balanced Scorecard Institute's *Nine Steps to Success*™

Step 1: Assessment

Step One begins with the planning and launching of the balanced scorecard process (selecting the BSC teams and developing a change management plan for the organization) and ends with an organization assessment of mission, vision and values, as well an analysis of the organization’s Challenges and Enablers. This assessment builds a strong strategic foundation from which the rest of the management system will be built.

Generic Energy Company Planning Process

Generic Energy Company’s Strategic Management System was developed using a series of facilitated workshops involving teams made up of employees drawn from a various areas of the organization. The **Senior Leadership Team** led the process by articulating organization policy guidance, defining strategic elements, committing resources, establishing schedules, and approving all scorecard work. The **Strategic Development Team** developed the corporate scorecard, performance measures, and strategic initiatives. **Strategic Theme Teams** (one for each theme) developed strategic objectives and strategy maps for each strategic theme, as well as identified process improvement and other scorecard ideas such as performance measures and initiatives. A Program Champion coordinated all aspects of the process. The system development teams’ members are listed in **Figure 3**

Senior Leadership Team	Strategic Development Team
<ul style="list-style-type: none"> • Martha Maynard • Rebecca Bryant • Douglas Faber • Frances Giles • Francis Stewart • Robert Ellis • Michelle Stein • Carol Kehoe • Kevin Watson • Kirk Stone • Ceasar Ashley • Martin Roosevelt • Carson Ford • Tyler Preston 	<ul style="list-style-type: none"> • Douglas Faber • Robert Stewart • Francis Stein • Cole Macgregor • Bethany Crane • Henry Hunt • Rosalie Crick • Mark McGowan • Ciara Wilson • Shawn Sayre • James Mitchell • Lisa Womble • Helen Jones • Karen King • Dorothy Davis • Ceasar Ashley
Balanced Scorecard Co-Champions	
Sara Smith & Charles Carter	
Theme Team Members are listed in on page 14-15	

Figure 3: Generic Energy Company’s Senior and Strategic Team Members

Organizational Strategic Assessment

Vision, Mission, and Core Values

The organizational assessment step begins with the definition and articulation of the organization's Mission, Vision and Core Values. A Mission statement defines why an organization exists. A good Mission statement reflects the organization's purpose in a few sentences. A Vision statement is an organization's picture of future success; where we want to be in the future. Core Values are the organization's guiding principles. The Generic Energy Company's Vision, Mission, and Core Values are listed in **Figure 4**.

Mission Statement

To efficiently deliver the highest standard of service providing energy products and expertise to our customers.

Vision Statement

Generic Energy Company's vision is to be a world revolutionizing provider of energy products.

Core Values

- Integrity
- Commitment to Excellence
- Diversity of knowledge
- Teamwork / Collaboration
- Entrepreneurial
- Thirst for Knowledge
- "Customer" Focused
- Honesty

Figure 4: Generic Energy Company's Vision, Mission, and Core Values

Challenges & Enablers

The next step in organizational assessment is the definition of organizational Challenges and Enablers. Challenges are organizational pains, weaknesses or threats that could have a major impact on how the organization accomplishes its mission. Enablers are organizational strengths or opportunities that may make strategic change easier.

Challenges	Enablers
<ul style="list-style-type: none"> • Scale, Growth (people, hardware, software) • Business not scalable (Generic Energy) • Current state scale issues for Generic Energy • Lack of brand recognition • Locating good, experienced talent • Bench strength / resources • Acquisition integration • Focus (amount / frequency of change) • Potential to take on too much • Potential for greater competition <ul style="list-style-type: none"> ○ Customers ○ Employees (within industry and external) • Risk execution / products • Customer awareness of our value • Lack of willingness to change (across the business) 	<ul style="list-style-type: none"> • People • Customer Relationships • Quality Products • Market Knowledge • Proven Track Record • Reputation • Size • Market Reach • Financial Stability • Ability to Serve • Scope

Figure 5: Generic Energy Challenges & Enablers

Customers & Stakeholders

The final step in organizational assessment step is to define who the primary and secondary customers and stakeholders of the organization are and what they need from the organization. This clarification is critical in Step 2 when a strategy is developed for meeting the various needs of the primary customers. The Company’s customers and stakeholders are listed in Figure 6.

Customers	Customer Needs
<ul style="list-style-type: none"> • Commercial • Industrial • Institutional 	<ul style="list-style-type: none"> • Energy management • Storage and balancing • Risk management • Market intelligence • Expertise
Stakeholders	Stakeholder Needs
<ul style="list-style-type: none"> • Producers • Storage operators • Employees • Financial counter parties 	<ul style="list-style-type: none"> • Credit worthy counter parties • Career development • Financial compensation • Safe work environment

Figure 6: Generic Energy’s Customers & Stakeholders

Step 2: Strategy

In Step Two, a strategy is defined around a customer value proposition and strategic elements such as strategic themes, strategic results and perspectives are developed to focus attention on that proposition. Developing strategy allows the organization's vision to be decomposed into specific operational events and decisions that people can understand and support. The first step in articulating an organizational strategy is to translate the needs of the customers identified during Step one into the organizational Customer Value Proposition. The Customer Value Proposition is the unique added value an organization offers customers through their operations; the logical link between action and payoff that the organization must create to be effective. For example, one organization might focus primarily on customer intimacy while another might specialize in product-to-market excellence. Three aspects of the proposition include Product (or Service) Attributes (Performance/ Functionality considerations such as quality, timeliness or price), Image and Relationship. The Generic Energy Customer Value Proposition is listed in **Figure 7**.

Customer Value Proposition		
Product or Service Attributes	Image	Relationship
<p>The products and services that Generic Energy Company provides have the following characteristics:</p> <ul style="list-style-type: none"> • Reliability • Personal Touch / Service Customized • Safe • Accessibility • Quality 	<p>The image that Generic Energy wants to portray is</p> <ul style="list-style-type: none"> • Experts • Commitment to Excellence • Integrity (high, ethics) • Professional • Knowledgeable • “Customer” Focused • Diversity of Knowledge 	<p>The relationship that Generic Energy wants to have with its customers could be described as:</p> <ul style="list-style-type: none"> • Advisory • Trust • Personal • Partnership • Honesty • Long-term

Figure 7: Generic Energy’s Customer Value Proposition

Strategic Themes & Results

Strategic Themes are the main focus areas of the organization’s strategy; key areas in which an organization must excel in order to achieve its mission, vision and strategy. Strategic Themes are the organization's "Pillars of Excellence." For each theme, an explicit Strategic Result, or a description of the desired outcome, is articulated. Four Strategic Themes and corresponding results were chosen by the Generic Energy Company’s Strategic Leadership Team (see **Figure 8**).

Strategic Theme: International Growth

Strategic Result: The organization has dramatically increased in size and shareholder value through acquisitions, organic growth, and asset optimization.

Strategic Theme: Operational Excellence

Strategic Result: The organization executes in a timely, accurate, value-added, and cost-effective manner that exceeds stakeholder expectations

Strategic Theme: Energy Leadership

Strategic Result: The organization is widely recognized for its thought leadership and energy services expertise.

Figure 8: Generic Energy Company’s Strategic Themes & Results

Perspectives

A Perspective is a view of an organization from a specific vantage point. Four basic perspectives are traditionally used to encompass an organization's activities. The organization's business model, which encompasses mission, vision, and strategy, determine the appropriate perspectives. The perspectives for Generic Energy are shown in **Figure 9**.

Perspective	Questions Answered
Financial	How do we maximize value for shareholders?
Customer/Stakeholder	How will we increase value for customers and stakeholders?
Business Processes	To satisfy the needs of our customers, at which business processes must we excel?
Employees & Resources	To excel in our processes, what capacities must our organization have and improve?

Figure 9: Generic Energy Company’s Perspectives

The Strategic Management System ‘House’

The balanced scorecard structure graphically resembles a house. The Strategic Elements (Vision, Mission etc.) make up the “roof” of the house while the Strategic Themes make up the “pillars of excellence.” The “floors” of the house are the perspectives.

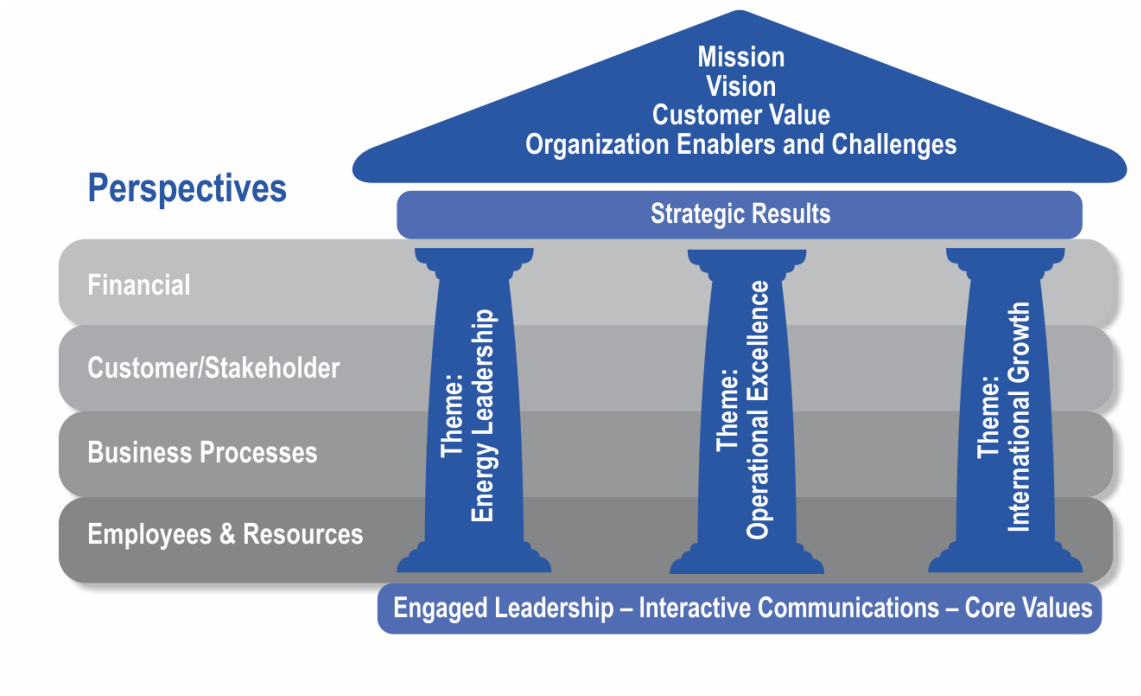


Figure 10: Generic Energy Company’s Strategic Management System "House"

Step 3: Strategic Objectives

In Step Three, strategies are decomposed into strategic objectives, which are the basic building blocks of strategy and define the organization's strategic intent. Good objectives are action-oriented statements of what must be done to be successful. They should be easy to understand, should be expressed in continuous improvement terms, and are usually not 'on-off' projects or activities. Objectives are first initiated and categorized on the strategic theme level, categorized by perspective, linked in cause-effect linkages (Strategy Maps) for each Strategic Theme, and then later merged together to produce one set of strategic objectives for the entire organization.

Theme Team Results

The process of developing strategic objectives begins with the Strategic Theme Teams. Theme Teams members are drawn from various parts of the organization who know how key processes work and can be made more efficient. Theme Teams define strategies for achieving the strategic results and then break those strategies down into specific strategic objectives. Then the cause-and-effect linkages between those objectives are developed and displayed in the form of a strategy map for each theme. These teams also “brainstorm” potential performance measures and strategic initiatives to support the achievement of the strategic objectives developed for each strategy map. The following pages contain the results developed by each of the teams.

How to Read a Strategy Map

A graphical representation called a strategy map was created for each theme team and then for the entire organization. Strategy maps tell a story of how value is created for the organization. They show a logical, step-by-step connection between strategic objectives (shown as ovals on the map) in the form of a cause-and-effect chain. Generally speaking, improving performance in the objectives found in the Employees & Resources perspective (the bottom row) enables the organization to improve its Business Processes (the next row up), which in turn enables the organization to create desirable results in the Customers/Stakeholders and Financial perspectives. ‘Reading’ the map means starting at the bottom of the map and asking the question, “Why?” For example, starting at the bottom center of the International Growth strategy map in Figure 13, WHY does Generic Energy want to *Increase Awareness as Employer of Choice*? Answer: to *Acquire Expertise in Target Markets*. Similarly, one can begin at the top of the map and read down by asking the question, “How?” For example, starting at the Financial perspective of the same strategy map, HOW will the Generic Energy Company *Increase Revenue*? Answer: by *Increasing International Sales Volume*.

Special Notes:

- Objectives grouped together in a box are not necessarily similar or related, but rather share a similar location within the chain of logic that makes up the organization’s strategy
- Large solid arrows are often used to imply that the objective or group of objectives enables everything above it

Figure 11: How to Read a Strategy Map

Theme Team Members

International Growth



Denissa Daniels	Sales
Stella Stein	Sales
John Steinbeck	Sales
Henry Thoreau	Consult
Walt Whitman	Consult
Albert Camus	Sales
Elias Mitchell	Accounting
Stephanie Atwater	Sales
Lauren Collard	Training
Bobby Plato	Sales
Erik Erikson	Consult

Operational Excellence



John Whitefied	Mktg
Barbara Williams	Consult
John Johnson	Develop
Frankie Friedman	Training
Katie Flounder	Sales
Thomas Darden	Sales
Mary Gill	Contracts
Carrie Hatch	Sales
Michael Madison	Ops
John Adams	Sales
Abe Jefferson	Ops
George Wilson	HR

Energy Leadership



Ryan Noble	Consult
Mara Howard	Training
Cody Reed	Consult
Kathy Dion	Ops
Andrew Barker	Sales
Marge Parker	Consult
Paul Cotton	Ops
Hallie Bernard	Risk Mgt
Melissa Monroe	Acctg
Jeremiah Abram	Credit
Olivia Spiniach	HR

Figure 12: Generic Energy Company's Theme Team Members

Theme: International Growth

Strategic Result: The organization has dramatically increased in size and shareholder value through acquisitions, organic growth, and asset optimization.

Strategy Map

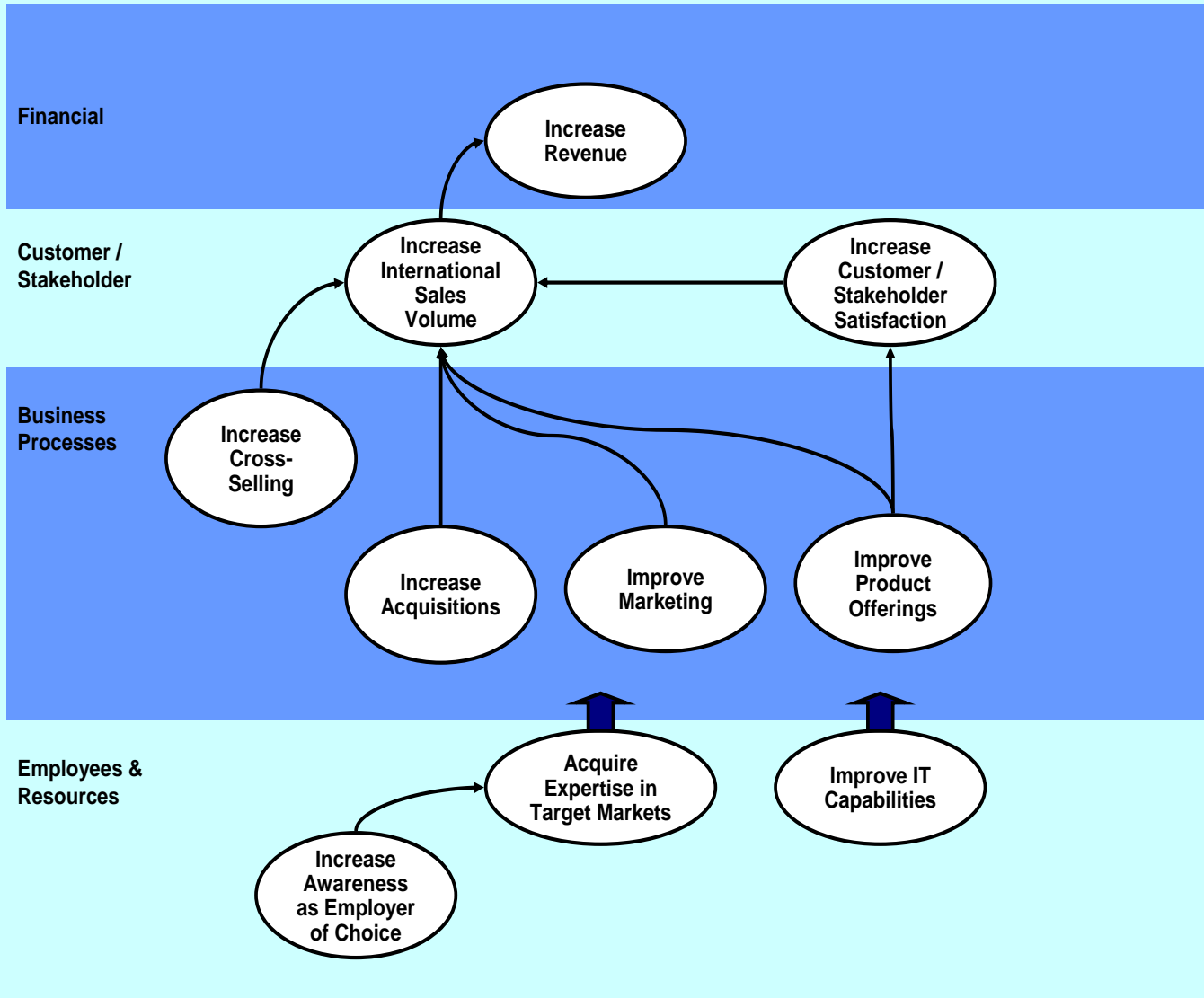


Figure 13: The International Growth Theme Team Results

Theme: Operational Excellence

Strategic Result: The organization executes in a timely, accurate, value-added, and cost-effective manner that exceeds stakeholder expectations

Strategy Map

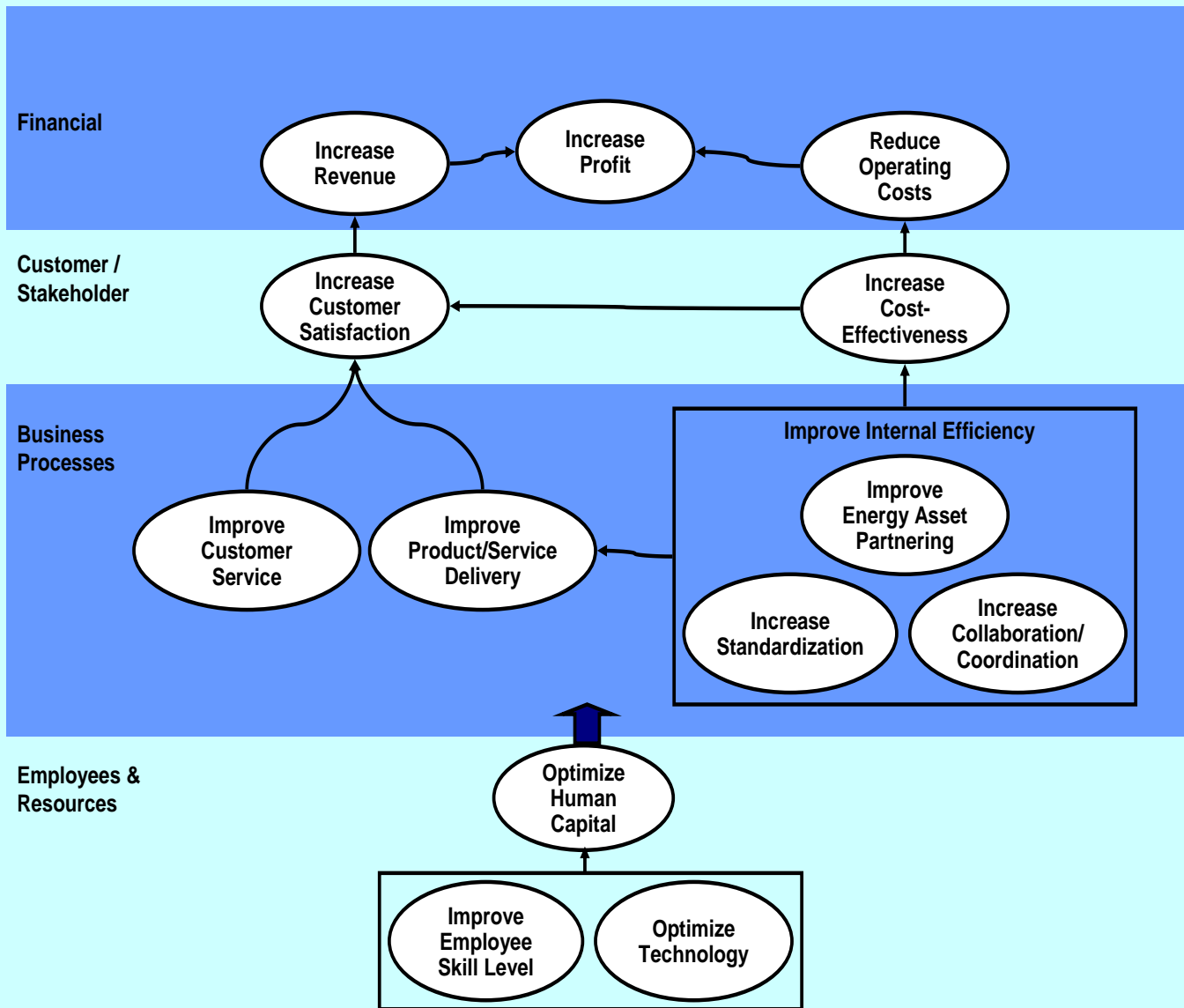


Figure 14: The Operational Excellence Theme Team Results

Theme: Energy Leadership

Strategic Result: The organization is widely recognized for its thought leadership and energy services expertise.

Strategy Map

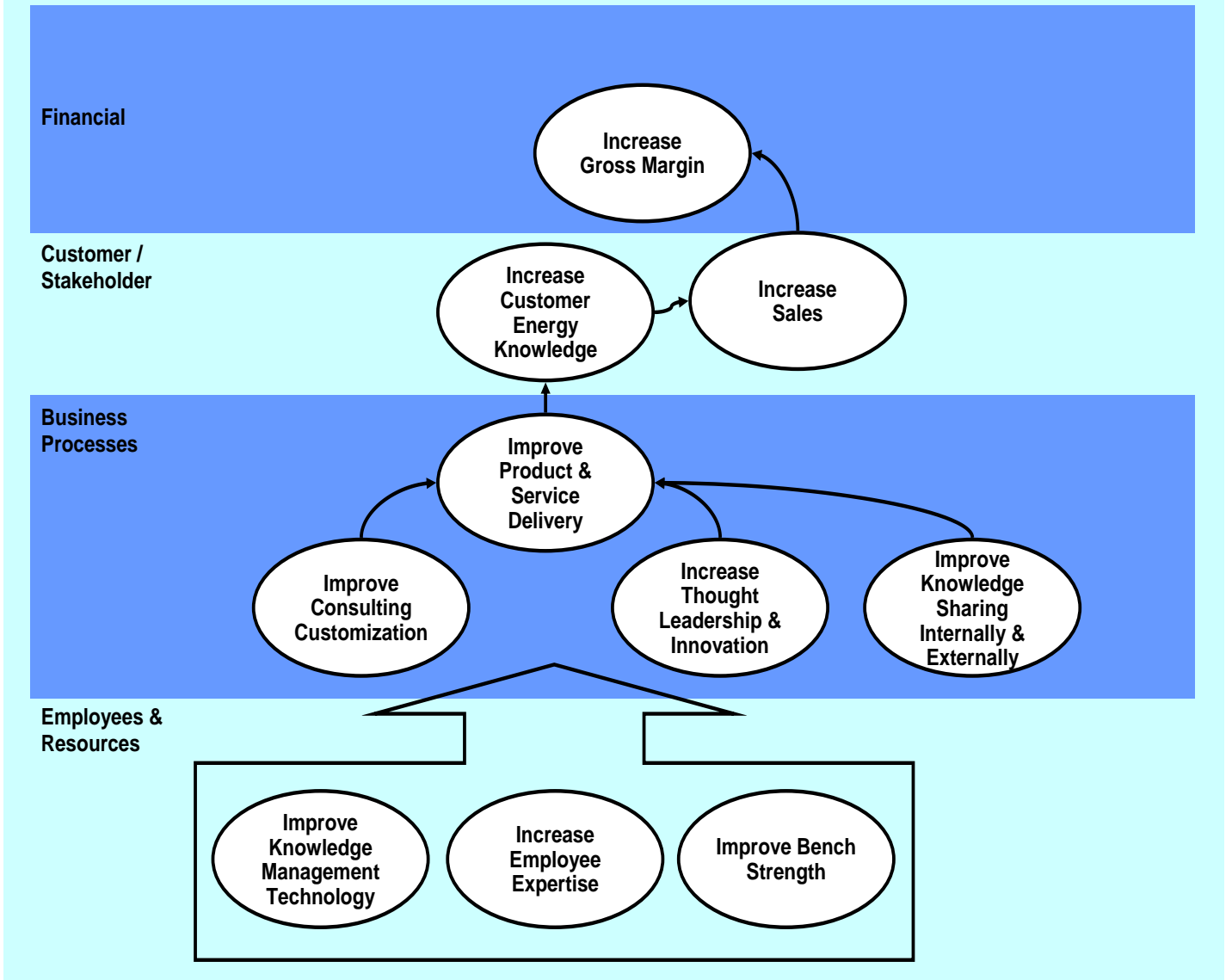


Figure 15: The Energy Leadership Theme Team Results

Enterprise-Wide Strategic Objectives

Enterprise-Wide Strategic Objectives are developed by combining and merging the Theme Team Strategic Objectives into a single list of enterprise-wide Strategic Objectives by the Strategic Leadership Team. Commentary listed in Appendix B describes specifically what was meant by each objective.

Financial

- Increase Profits
- Reduce Costs
- Increase Revenue in Targeted Markets

Customer/ Stakeholder

- Increase Awareness as Industry Leader
- Improve Customized customer Experience

Business Processes

- Increase Acquisitions
- Improve Consulting Knowledge Sharing
- Improve Internal Efficiency
- Improve Product/Service Offerings

Employees & Resources

- Optimize Human Capital
- Increase Employee Experience
- Optimize Technology
- Improve Thought Leadership

Step 4: Strategy Map

In Step Four, the cause and effect linkages between the enterprise-wide Strategic Objectives are formalized in an enterprise-wide Strategy Map (see **Figure 11: How to Read a Strategy Map** on page 12). Generic Energy’s strategy map is shown in Figure 16.

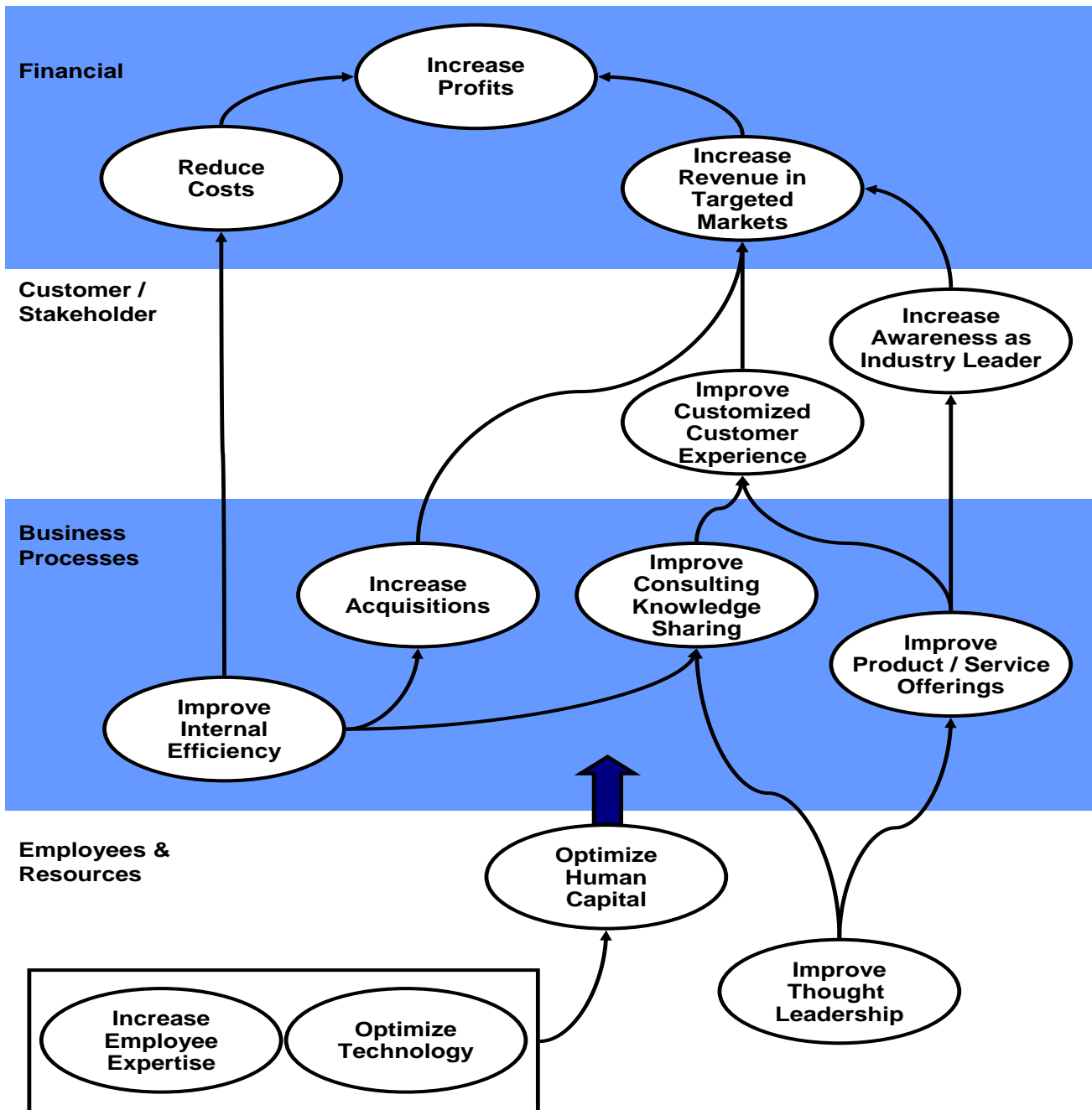


Figure 16: Generic Energy’s Strategy Map

Step 5: Performance Measures

In Step Five, Performance Measures are developed for each of the Strategic Objectives. Performance Measures are metrics used to provide an analytical basis for decision making and to focus attention on what matters most. Performance Measures answer the question, 'How are we doing at the job of meeting our Strategic Objectives?' Lagging indicators are those that show how successful we were in achieving our outcomes. Leading indicators are those that are a precursor of future success; a performance driver. Measures listed below are possible performance measures that were developed by the Strategic Leadership team.

OBJECTIVE	PERFORMANCE MEASURES (Owner)
Perspective: Financial	
Increase Profits	<ul style="list-style-type: none"> Profit (Bob B.)
Reduce Costs	<ul style="list-style-type: none"> Operating Costs (George W.)
Increase Revenue in Targeted Markets	<ul style="list-style-type: none"> Revenue in Targeted Markets (Thomas J.)
Perspective: Customer/ Stakeholder	
Increase Awareness as Industry Leader	<ul style="list-style-type: none"> Brand Awareness & Leadership Survey Score (Alex H.) # References in Targeted Media (Fred S.)
Improve Customized Customer Experience	<ul style="list-style-type: none"> Customer Survey Score (Abraham L.) % of Customers with Completed Customer Knowledge Charter
Perspective: Business Processes	
Increase Acquisitions	<ul style="list-style-type: none"> EBIT from Acquisitions (Henry A.) Acquisition Integration: Time to Integrate & Post Acquisition Survey (Paul R.)
Improve Consulting Knowledge Sharing	<ul style="list-style-type: none"> % of Customer Transactions in CRM System
Improve Internal Efficiency	<ul style="list-style-type: none"> Efficiency Index (Thomas P.)
Improve Product/ Service Offerings	<ul style="list-style-type: none"> New Product / Service \$ as a % of Total \$ (Scott F.)
Perspective: Employees & Resources	
Optimize Human Capital	<ul style="list-style-type: none"> Operating Cost / FTE (Meg C.) Employee Engagement Index (Meg C.)
Increase Employee Expertise	<ul style="list-style-type: none"> Individual Development Plan in Place (Barbara B.) # of Qualified Applicants That Meet Position Profile (Stephanie M.) Employee Expertise Score (Hillary W.)
Optimize Technology	<ul style="list-style-type: none"> % Targeted Systems/Processes Automated (John L.) IT Cost Benefit (Joe P.)
Improve Thought Leadership	<ul style="list-style-type: none"> # of Articles Published (Fred S.)

Step 6: Strategic Initiatives

In Step Six, possible Strategic Initiatives are developed and prioritized with the use of selection criteria. Strategic Initiatives are programs or projects that turn strategy into operational terms and actionable items, provide an analytical underpinning for decisions, and provide a structured way to prioritize projects according to strategic impact. Strategic Initiatives answer the question, ‘What strategic projects must we implement to meet our Strategic Objectives?’

Many initiatives were identified during the process of developing the scorecard. Further development and prioritization of strategic initiatives is underway.

OBJECTIVE	STRATEGIC INITIATIVES
Perspective: Financial	
Increase Profits	<ul style="list-style-type: none"> Benchmark & Implement New Financial System
Reduce Costs	
Increase Revenue in Targeted Markets	
Perspective: Customer/ Stakeholder	
Increase Awareness as Industry Leader	<ul style="list-style-type: none"> Marketing Campaign in New Target Market Develop Customer Knowledge Charter
Improve Customized Customer Experience	
Perspective: Business Processes	
Increase Acquisitions	<ul style="list-style-type: none"> Establish Acquisition Integration Strategy Team Establish Business Process Reengineering Team and Develop & Implement Recommendations Formalize New Product Development Cycle Formalize CRM Qualification Process
Improve Consulting Knowledge Sharing	
Improve Internal Efficiency	
Improve Product/ Service Offerings	
Perspective: Employees & Resources	
Optimize Human Capital	<ul style="list-style-type: none"> CRM System Implementation & Training Redesign Employee Expertise Certification Process Establish Thought Leadership Committee to Identify Target Media and Formalize Research Expertise Strategy
Increase Employee Expertise	
Optimize Technology	
Improve Thought Leadership	

Looking Ahead – Steps 7 – 9: Performance Analysis, Alignment & Evaluation

Generic Energy Company is now evaluating its approach to implementation. The implementation steps of the Nine-Step process include Step Seven: Performance Analysis, Step Eight: Alignment and Step Nine: Evaluation.

In Step Seven, the implementation process begins by applying performance management software to get the right performance information to the right people at the right time to be useful and used. This automation of the scorecard adds structure and discipline to the system; helps transform disparate corporate data into information and knowledge; and helps communicate performance information.

During Step Eight, departmental scorecards are developed to support the objectives on the corporate scorecard, and then team and individual scorecards are developed. This process of translating the corporate scorecard into divisional units is referred to as cascading. Cascading translates high-level strategy into consistent lower-level objectives, measures, and operational details and is the key to organization alignment around strategy. Performance measures are developed for all objectives at all organization levels. As the scorecard management system is cascaded down through the organization, objectives become more operational and tactical, as do the performance measures. Accountability follows the objectives and measures, as ownership is defined at each level. An emphasis on results and the strategies needed to produce results is communicated throughout the organization.

In Step Nine, an Evaluation of the completed scorecard is done. Evaluation answers the questions: 'Are our strategies working?', 'Are we measuring the right things?', 'Has our environment changed?' and 'Are we budgeting our money strategically?'

Appendix A: Glossary of Terms

Term	Definition
Customer Value Proposition:	What an organization must deliver to develop, retain, and deepen its relationship with stakeholders. In the private sector it is a description of the key benefits gained by key customers for the price (cost) charged. Usually defined as a series of descriptors describing product or service attributes, image or relationship.
Customers:	Customers are the direct beneficiaries of the organization's services or products. Sometimes it is the end user of the organization's services or product, while other times it is the stakeholder with which value is given for value received (usually money in exchange for a product or service).
Mission:	The organization's purpose described in the language of the business, including who is served and what products, programs and services are provided to customers and stakeholders.
Organization Core Values:	Core values establish the kind of organization it wants to be. They are guiding principles; what the organization believes in. They serve as the basis for decision-making and influence actions in everyday situations.
Performance Measures:	Measurement is the description, often quantification, of a property of an object, activity, process, or result that enables comparisons across items being compared, or across time. Performance measures provide objective evidence of progress towards a strategic goal and are an analytical basis for decision making.
Perspectives:	A Perspective is a view of organizational strategic performance from a specific vantage point. Four basic perspectives are traditionally used to encompass an organization's activities, although the specific names might be adapted to fit the particular vernacular of the organization. Typical perspectives include financial (or stewardship in the public sector), customer (stakeholder), internal process, and organization capacity (or learning and growth). The organization's business model, which encompasses its mission, vision, and strategy, determine the appropriate perspective names.
Stakeholders:	The universe of people, groups, and organizations that have an interest in the organization; examples include: customers, employees, vendors, regulators, directors, suppliers, and community groups.
Strategic Initiatives:	Important project that will improve performance in an objective."
Strategic Objectives:	The specific continuous improvement activities, balanced across the perspectives, which break down strategy into smaller components and make strategy actionable by involving all employees in operationalizing the organization's goals.
Strategic Result (or Goals):	End outcomes from successfully executing the organization's strategy.
Strategic Theme:	The three or four strategic focus areas the organization that define the organization's high-level business strategy, break down the vision and mission into action, and focus energy on desired strategic results (outcomes).
Strategy Map:	A graphic that shows the cause-and-effect relationships between objectives in four perspectives. Linked objectives show how value is created by the organization.
Strategy:	The positioning choices made and the actions taken, from many choices and actions that are potentially available, to move the organization from its current state to some desirable future state. How an organization intends to accomplish its vision; an approach, or "game plan."
Targets:	The desired level of performance for the reporting period in question.
Vision:	A vivid, emotionally inspiring, time-specific picture of a future to which the organization aspires.

Appendix B: Organization-Wide Objective Commentary

Organization-wide Strategic Objectives are developed by combining and merging the Theme Team Strategic Objectives into a single list of Organization-wide Strategic Objectives by the Strategic Leadership Team.

Perspective: Financial

Objective	Increase Profits (Owner: Bob B.)
Commentary	Operational Excellence: By increasing revenue and reducing operating costs, we will increase corporate profits.
Objective	Reduce Costs (Owner: George W.)
Commentary	Operational Excellence: The desired result of this objective is to have lower costs from increasing cost-effectiveness
Objective	Increase Revenue in Targeted Markets (Owner: Thomas J.)
Commentary	International Growth: The desired result of this objective is to raise revenue by increasing international sales volume. Operational Excellence: Increasing Customer Satisfaction will lead to an increase in revenue.

Perspective: Customer/ Stakeholders

Objective	Increase Awareness as Industry Leader (Owner: Alex H.)
Commentary	International Growth: Become preferred energy supplier, manager and employer by improving product and service delivery. We aim to get our name known and recognized Worldwide. Energy Leadership: With faster, better quality service and product delivery customers will have a better impression of Generic Energy Company.
Objective	Improve Customized Customer Experience (Owner: Abraham L.)
Commentary	International Growth: Improve Product Offerings for better customer satisfaction Operational Excellence: By optimizing customer service and improving product and service delivery, we aim to enhance customer experience

Generic Energy Company

Perspective: Business Processes

Objective	Increase Acquisitions (Owner: Henry A.)
Commentary	International Growth: Increase acquisitions to expand target markets.
Objective	Improve Consulting Knowledge Sharing (Owner: Henry A.)
Commentary	Energy Leadership: Improving Knowledge Management Technology, Increasing Employee Expertise and Improving Bench Strength all target improving consulting customization.
Objective	Improve Internal Efficiency (Owner: Thomas P.)
Commentary	Operational Excellence: By improving Energy Asset Partnering, Increasing Standardization and increasing Collaboration/Coordination, Generic Energy can work more effectively towards increasing profit. Energy Leadership: Increase our knowledge sharing and communications when we Improve Knowledge Management Technology.
Objective	Improve Product /Service Offerings (Owner: Scott F.)
Commentary	International Growth: Acquire Expertise in Target Markets and Improve IT Capabilities to Improve Product Offerings.

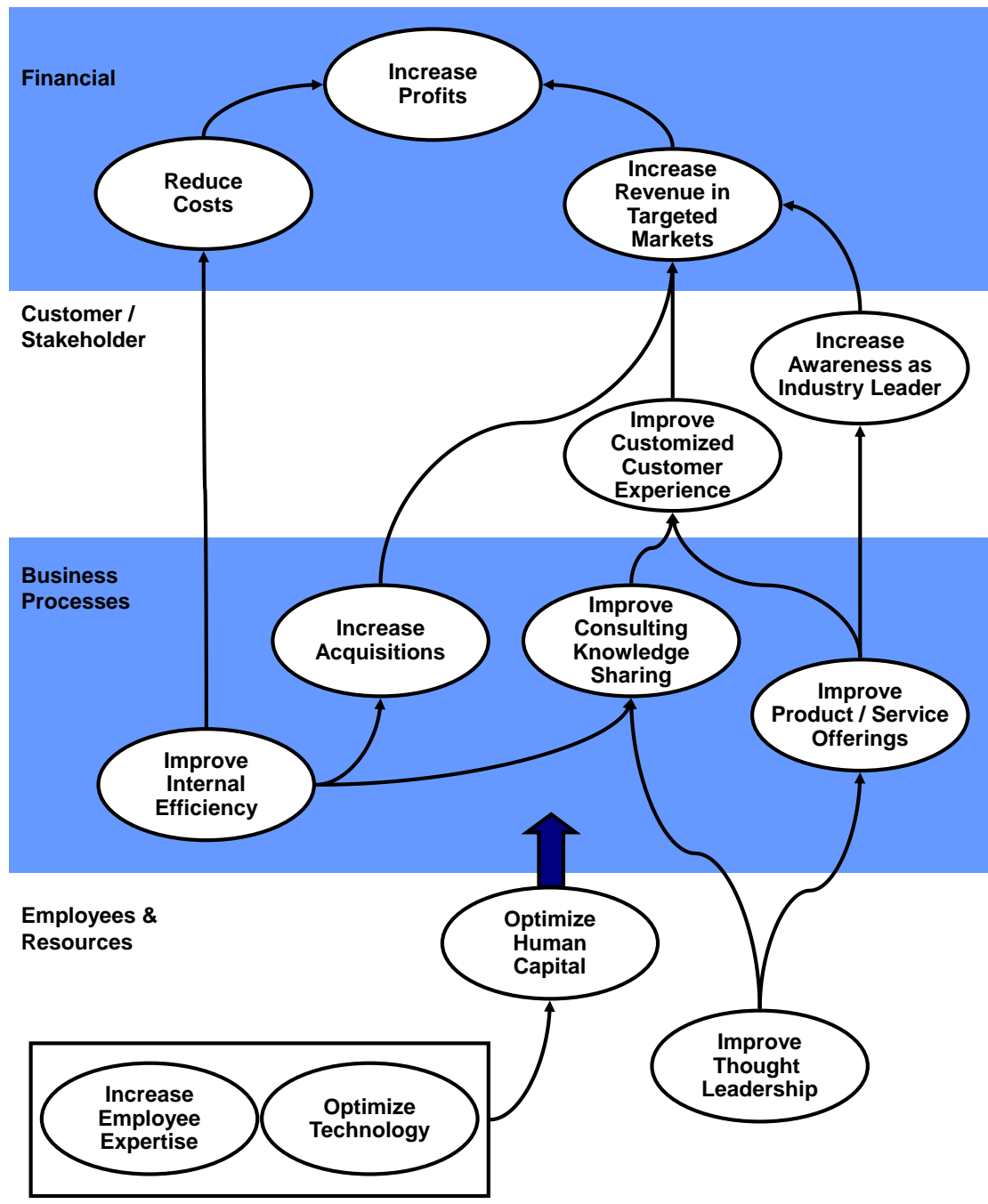
Perspective: Employees & Resources

Objective	Optimize Human Capital (Owner: Meg C.)
Commentary	Strategy Development Team: Highly skilled. Balance of employees. Operational Excellence: Optimize resources and Improve Employee Skill Level to Optimize Human Capital Energy Leadership: The desired result of this objective is to maintain a consistent level of performance within company functions.
Objective	Increase Employee Expertise (Owner: Barbara B.)
Commentary	International Growth: In order to improve acquisition integration, we need individuals who are knowledgeable of the markets we want to expand in. Operational Excellence: Improve recruiting process to employ more talented workers and become the employer of choice. Energy Leadership: Hire the finest and most intellectual
Objective	Optimize Technology (Owner: John L.)
Commentary	Strategy Development Team: Optimize Technology→ Optimize Human Capital. International Growth: Improve website access/capabilities for existing and potential customers. Other IT enhancements, such as better reports and more operational quality, are also needed. Operational Excellence: Optimize system integration. Increase technology awareness. Increase investment in technology. Be aware of what is available in market place to improve processes.
Objective	Improve Thought Leadership (Owner: Fred S.)
Commentary	Energy Leadership: Increase thought leadership in order to Improve Product & Service Delivery.

Appendix D: Organization Scorecard & Theme Team Results

The Balanced Scorecard can be graphically represented in many ways. Two such representations are attached after this page, the first displaying the completed organization-wide scorecard and the second displaying the Theme Team elements of the scorecard.

Generic Energy Company Balanced Scorecard Strategic Management System

Strategy Map	Objectives	Performance Measures	Candidate Strategic Initiatives
 <p>The Strategy Map is a causal chain diagram showing the flow from Employees & Resources to Financial. It is divided into four horizontal layers: Financial (top), Customer / Stakeholder, Business Processes, and Employees & Resources (bottom). <ul style="list-style-type: none"> Financial Layer: Increase Profits (top level). Customer / Stakeholder Layer: Reduce Costs and Increase Revenue in Targeted Markets (middle level). Business Processes Layer: Increase Acquisitions, Improve Consulting Knowledge Sharing, and Improve Product / Service Offerings (lower middle level). Employees & Resources Layer: Optimize Human Capital and Improve Thought Leadership (bottom level). Arrows indicate causal relationships: Optimize Human Capital and Improve Thought Leadership lead to Increase Acquisitions, Improve Consulting Knowledge Sharing, and Improve Product / Service Offerings. These three lead to Improve Customized Customer Experience and Increase Awareness as Industry Leader. These two lead to Increase Revenue in Targeted Markets. Finally, Increase Revenue in Targeted Markets and Reduce Costs lead to Increase Profits. A box at the bottom left contains 'Increase Employee Expertise' and 'Optimize Technology', which lead to Optimize Human Capital.</p>	Perspective: Financial		
	Increase Profits	<ul style="list-style-type: none"> Profit (Bob B.) 	<ul style="list-style-type: none"> Benchmark & Implement New Financial System
	Reduce Costs	<ul style="list-style-type: none"> Operating Costs (George W.) 	
	Increase Revenue in Targeted Markets	<ul style="list-style-type: none"> Revenue in Targeted Markets (Thomas J.) 	
	Perspective: Customer/ Stakeholder		
	Increase Awareness as Industry Leader	<ul style="list-style-type: none"> Brand Awareness & Leadership Survey Score (Alex H.) # References in Targeted Media (Fred S.) 	<ul style="list-style-type: none"> Marketing Campaign in New Target Market Develop Customer Knowledge Charter
	Improve Customized Customer Experience	<ul style="list-style-type: none"> Customer Survey Score (Abraham L.) % of Customers with Completed Customer Knowledge Charter 	
	Perspective: Business Processes		
	Increase Acquisitions	<ul style="list-style-type: none"> EBIT from Acquisitions (Henry A.) Acquisition Integration: Time to Integrate & Post Acquisition Survey (Paul R.) 	<ul style="list-style-type: none"> Establish Acquisition Integration Strategy Team Establish Business Process Reengineering Team and Develop & Implement Recommendations Formalize New Product Development Cycle Formalize CRM Qualification Process
	Improve Consulting Knowledge Sharing	<ul style="list-style-type: none"> % of Customer Transactions in CRM System 	
	Improve Internal Efficiency	<ul style="list-style-type: none"> Efficiency Index (Thomas P.) 	
	Improve Product/ Service Offerings	<ul style="list-style-type: none"> New Product / Service \$ as a % of Total \$ (Scott F.) 	
Perspective: Employees & Resources			
Optimize Human Capital	<ul style="list-style-type: none"> Operating Cost / FTE (Meg C.) Employee Engagement Index (Meg C.) 	<ul style="list-style-type: none"> CRM System Implementation & Training Redesign Employee Expertise Certification Process Establish Thought Leadership Committee to Identify Target Media and Formalize Research Expertise Strategy 	
Increase Employee Expertise	<ul style="list-style-type: none"> Individual Development Plan in Place (Barbara B.) # of Qualified Applicants That Meet Position Profile (Stephanie M.) Employee Expertise Score (Hillary W.) 		
Optimize Technology	<ul style="list-style-type: none"> % Targeted Systems/Processes Automated (John L.) IT Cost Benefit (Joe P.) 		
Improve Thought Leadership	<ul style="list-style-type: none"> # of Articles Published (Fred S.) 		

Balanced Scorecard Strategic Management System: Theme Team Results

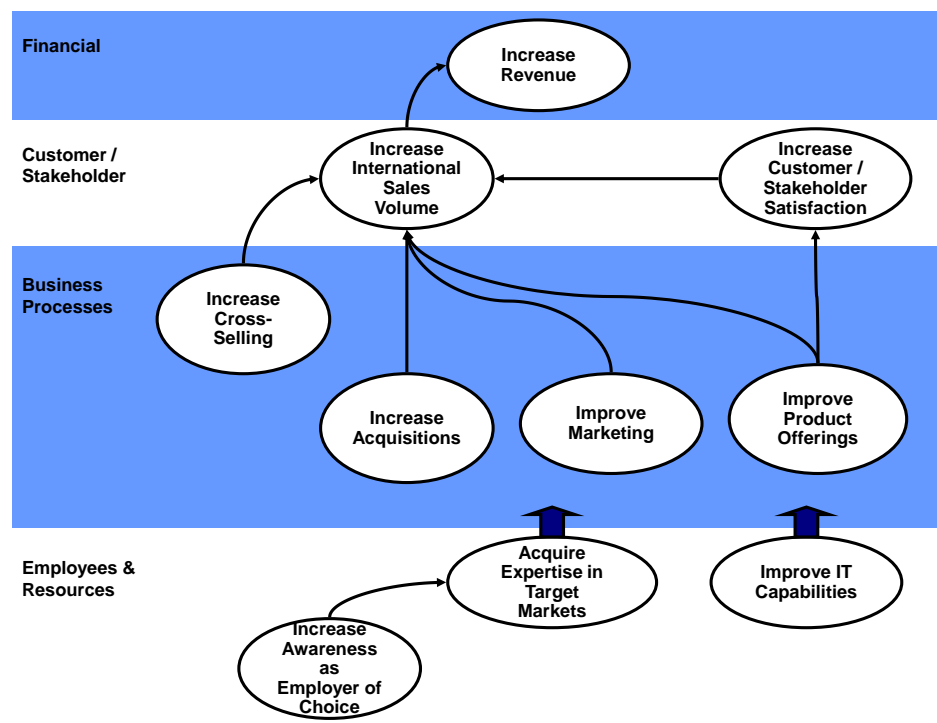
Mission & Vision

Mission: To efficiently deliver the highest standard of service providing energy products and expertise to our customers.
Vision: Generic Energy Company’s vision is to be a world revolutionizing provider of energy products.

Strategic Theme:
International Growth

Result: The organization has dramatically increased in size and shareholder value through acquisitions, organic growth, and asset optimization.

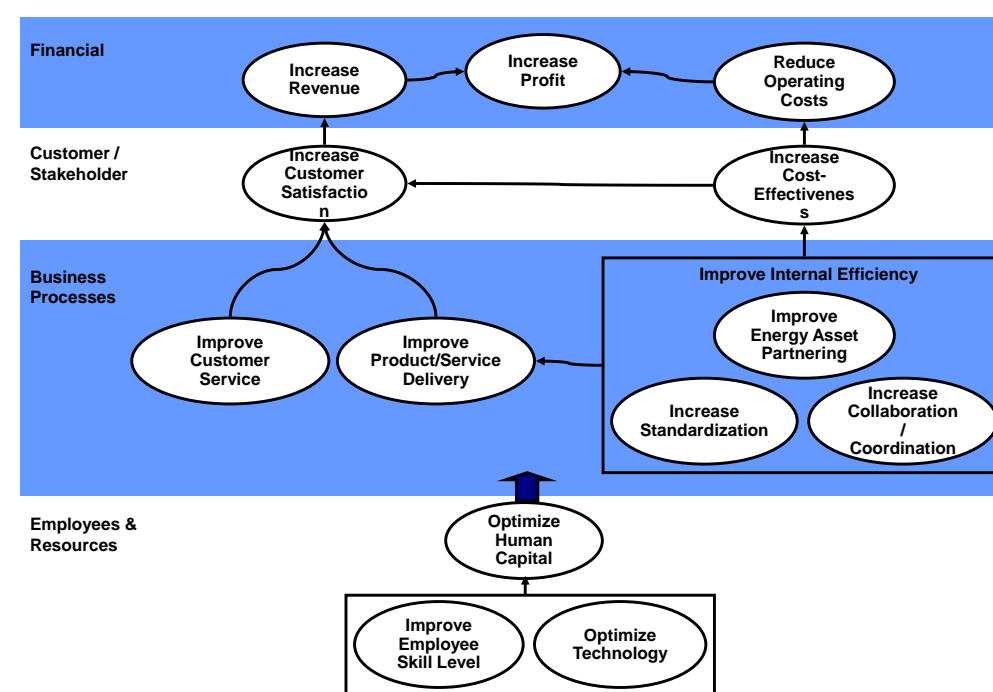
Strategy Map



Strategic Theme:
Operational Excellence

Result: The organization executes in a timely, accurate, value-added, and cost-effective manner that exceeds stakeholder expectations

Strategy Map



Strategic Theme:
Energy Leadership

Result: The organization is widely recognized for its thought leadership and energy services expertise.

Strategy Map

