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# BSC WITH ADOSCORE

# BSC with ADOScore (1)

## ■ Overview

1. define **strategy**
2. collect **success factors**
  - assign success factors to perspectives
3. aggregate success factors into **strategic goals**
4. define **cause and effect** relationships
5. assign **KPIs** to strategic goals
6. **measure** KPI values by integrating data sources
7. define **iniciatives** to reach goals

Modeltype:

-  Strategy model
-  Success factors model
-  Cause-and-effect model
-  Indicators model
-  Initiatives model

*following Knut Hinkelmann's slides on BSC*



# BSC with ADOScore (2)

## 1. Define **Strategy**

- ◆ Vision = state of the organisation that should be reached. Where do we want to be in the future (e.g. in 5 years)?
- ◆ Mission: what is our purpose? Why does our company exist with its products and employees at this time in this place?
- ◆ Strategy: design and implementation of an overall concept for reaching the vision (≠ tactics which looks at individual steps)

*following Knut Hinkelmann's slides on BSC*



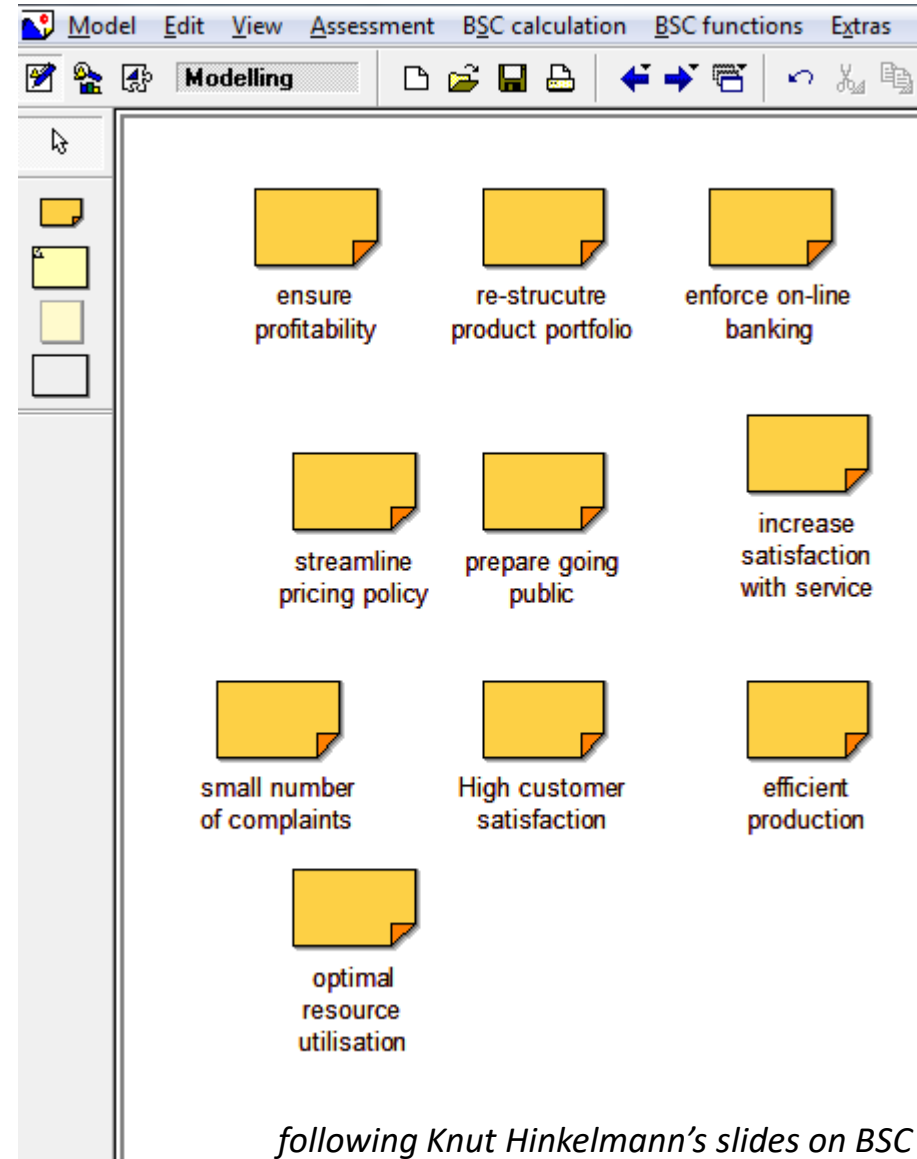
# BSC with ADOScore (2)

## 2. Collect **success factors**

- ◆ **Brainstorm** success factors

- strategically analyse strengths / weaknesses and opportunities / threats (SWOT):

*«what are the things that we are doing particularly well and /or that we should do better and that will help us move towards our vision?»*

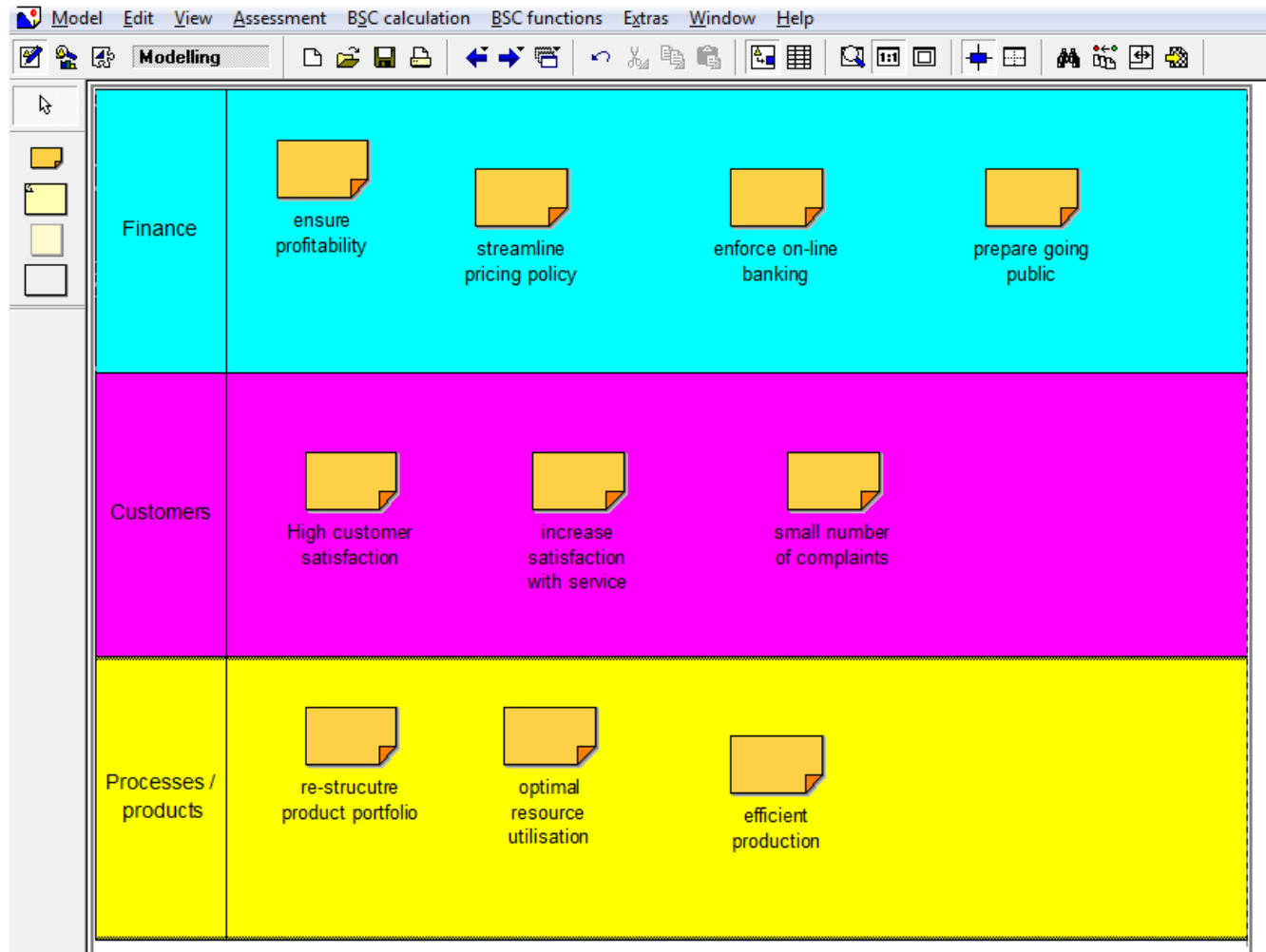


*following Knut Hinkelmann's slides on BSC*

# BSC with ADOScore (3)

## 2. Collect **success factors**

- ◆ assign success factors to perspectives



*following Knut Hinkelmann's slides on BSC*

## BSC with ADOScore (4)

### 3. Aggregate success factors into **strategic goals**

- ◆ Action orientation

  - minimise loss risk vs. loss risk*

- ◆ Concretisation

  - too general: *increase customer satisfaction* (rather: *reduce number of complaints*)

  - too concrete: already an initiative or operative goal

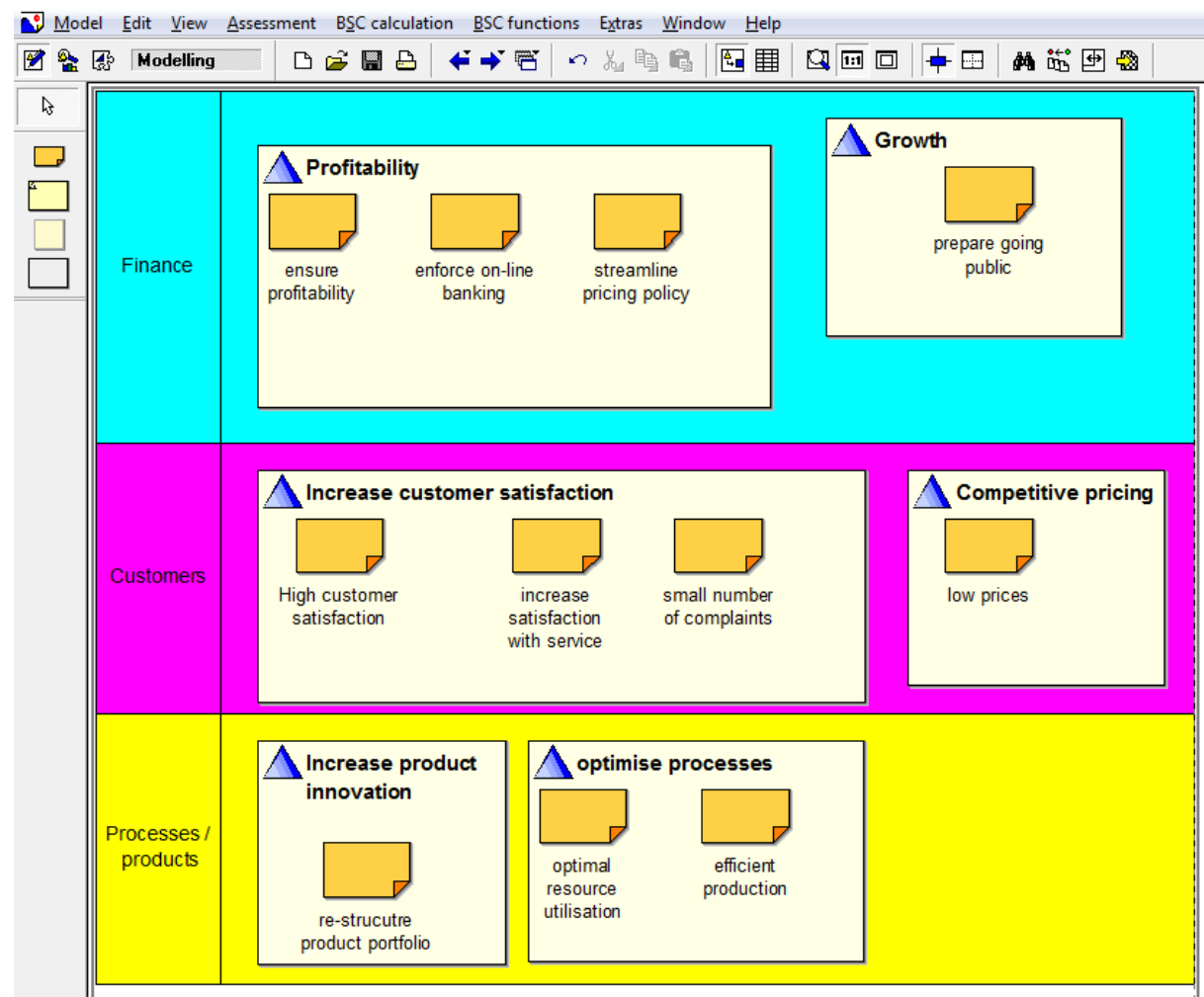
- ◆ Result orientation

*following Knut Hinkelmann's slides on BSC*



# BSC with ADOScore (5)

3. Aggregate success factors into **strategic goals**



## BSC with ADOScore (6)

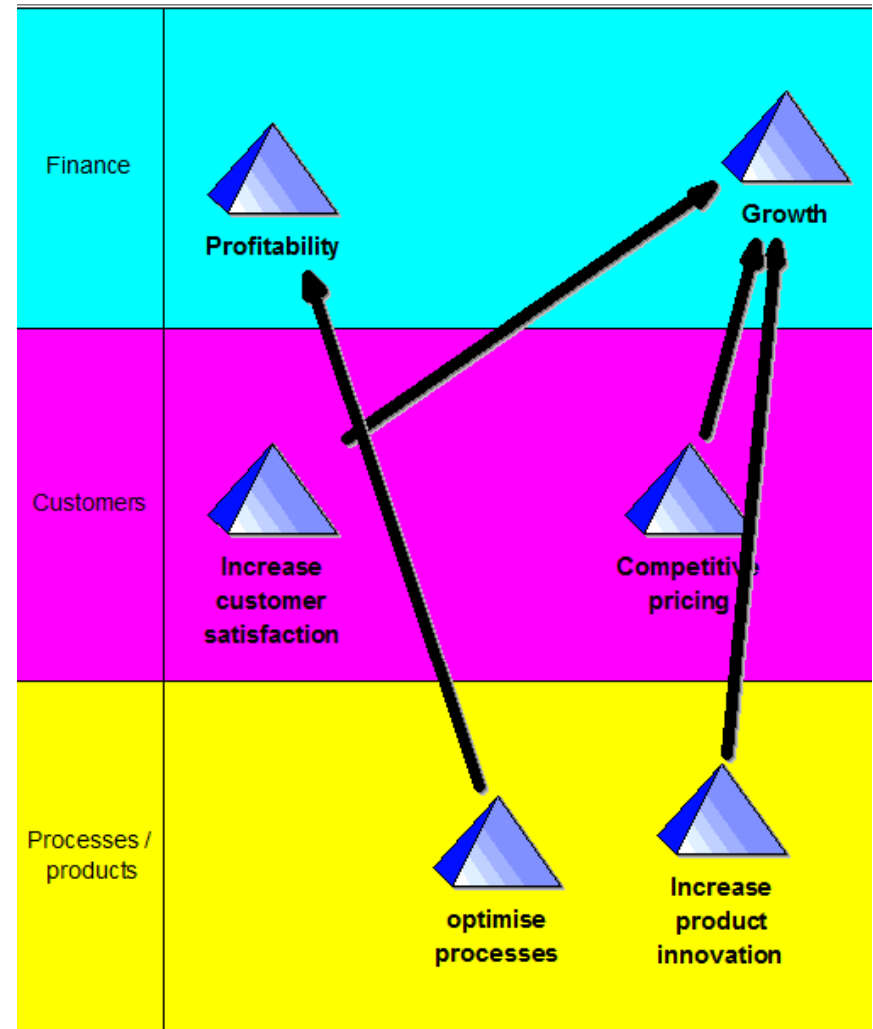
- Examples of strategic goals:
  - ◆ S1: grow through intensified sales / marketing
  - ◆ S2: increase revenue through full-service contracts
  - ◆ S3: reduce production cost
  
- **Strategic goals** give direction and define a market position
  
- **Operative goals** have to be reached to master day-to-day business
  - ◆ operative goals only become part of strategic planning when they fail to be reached in a way that endangers competitiveness



# BSC with ADOScore (7)

## 4. define **cause and effect** relationships

- ◆ always start with the «target goal»: by which other goals is goal X being influenced?
  - *Not: on which other goals does X have an effect?*
- ◆ Usually starts with top perspective (financial)
  - effect should normally point upwards
  - degree of influence can be specified



## BSC with ADOScore (8)

### 5. assign **KPIs** to strategic goals

- ◆ Choose KPIs in a way that
  - motivates behaviour that supports the strategic direction
  - it is possible to see if goals have been reached
- ◆ **Example:**
  - Growth through intensified sales / marketing
    - *KPI: number of new customers*
  - S2: increase revenue through full-service contracts
    - *KPI: number of full-service contracts as compared to last year*
  - S3: reduce production cost
    - *KPI: personnel cost, material cost*

## BSC with ADOScore (9)

### 5. assign **KPIs** to strategic goals

- ◆ Values visualised with colors red-yellow-green
- ◆ For the transitions green/yellow and yellow/red, thresholds have to be defined
- ◆ Thresholds
  - lower (minimalum value to be reached)
    - e.g. revenue, #customers
  - upper (maximum value),
    - e.g. cost, time
  - both lower and upper limits
    - e.g. #employees, #hierarchy levels

cost per employee (Performance indicator)

Periodicity i

Year  
 Half-year  
 Quarter  
 Month

Unit i

CHF

Limit type: i

Less is better

Threshold green/yellow: i

60000.00

Threshold yellow/red: i

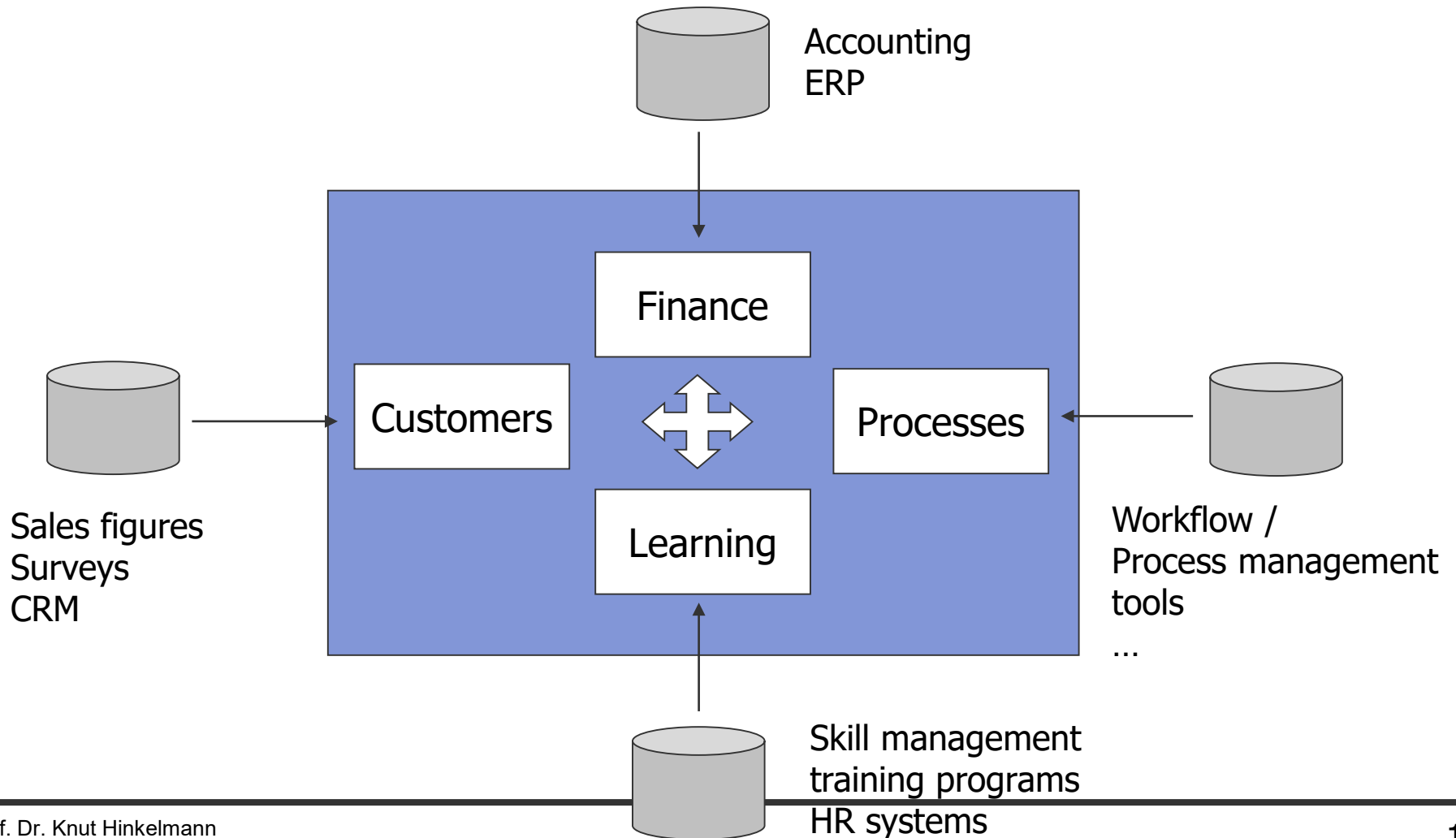
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Threshold type i

Absolute  
 Relative  
 No thresholds

# BSC with ADOScore (10)

## 6. **measure** KPI values by integrating data sources



# BSC with ADOScore (11)

- ADOScore cockpit: visualisation



# BSC with ADOScore (12)

## 7. define **initiatives** to reach goals

- ◆ Projects
  - ◆ Programmes
  - ◆ Initiatives
  - ◆ ...
- 
- ◆ align ongoing projects with BSC goals in order to check their contribution to strategy implementation