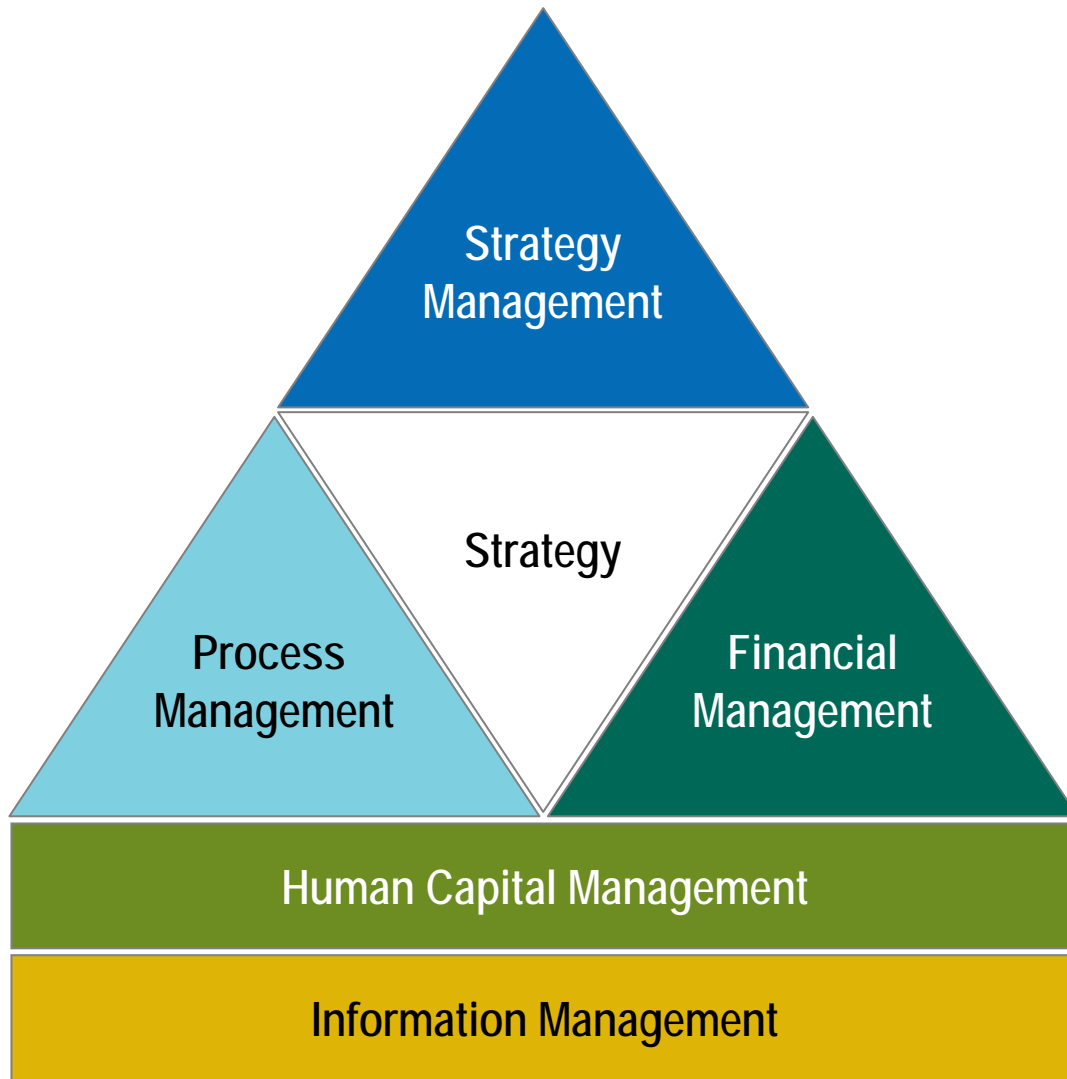


Welcome and Introduction

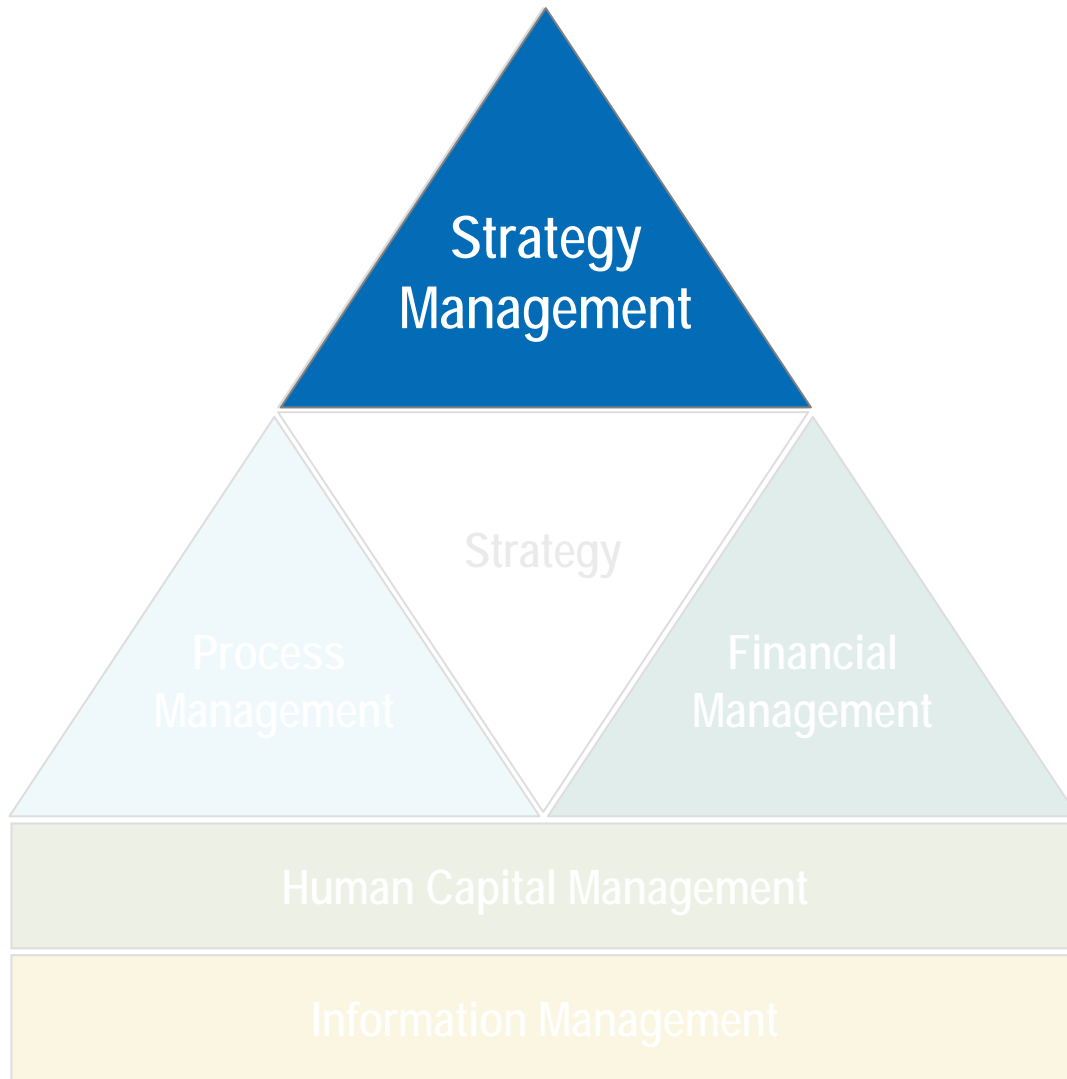
Robert L. Howie, Jr.
President
Balanced Scorecard Collaborative

October 10-12, 2006 Washington, D.C.

The Strategy Execution Model



The Strategy Execution Model



In a recent global survey by The Conference Board, *strategy execution* was the #1 or #2 most important issue to executives around the world.

\$5 Billion and Above

Relative Ranking	Top 10 Challenges	Cite challenge as being "of greatest concern"
1	Consistent execution of strategy by top management	42.3%
2 (t)	Sustained and steady top-line growth	38.8
2 (t)	Speed, flexibility, adaptability to change	38.8
4	Profit growth	33.1
5	[Product] Innovation	28.1

\$1 Billion to Less than \$5 Billion

1	Sustained and steady top-line growth	40.9%
2	Consistent execution of strategy by top management	37.8
3	Profit growth	35.5
4	Speed, flexibility, adaptability to change	28.2
5	Customer loyalty / retention	25.2

Less than \$1 Billion

1	Sustained and steady top-line growth	37.7%
2	Consistent execution of strategy by top management	36.7
3	Customer loyalty / retention	31.3
4	Profit growth	28.9
5	Speed, flexibility, adaptability to change	23.5

In a recent study by Monitor Group, *executing the strategy execution* is the single most important issue in the executive suite in North America.

"Using a 1-5 scale, please rate the level of interest / concern you have in the following business issues at present."



Source: 2006 Monitor Analysis. Survey of 354 executives; 49% of respondents are C-level and 56% are from companies with revenue greater than \$1 billion

A recent Balanced Scorecard Collaborative survey found that organizations with a formal strategy execution process dramatically outperform organizations without formal processes.

Do you have a formal strategy execution process in place?

Yes (54%)	No (46%)
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Describe your organization's current performance.

<ul style="list-style-type: none"> ...We have <u>breakthrough</u> results ...We are performing <u>better</u> than our peer group 	12%	7%	Winners
Sub-Total	<u>58%</u>	<u>20%</u>	
	70%	27%	
<ul style="list-style-type: none"> ...performing at the <u>same</u> level as our peer group. ...performing at a <u>lower</u> level than our peer group ...<u>not performing</u> at a sustainable level 	18%	30%	Losers
Sub-Total	9%	27%	
	<u>3%</u>	<u>16%</u>	
	30%	73%	

Source: BSCol Research (Survey of 143 performance management professionals, drawn from BSCol On-Line Community, March 2006)



Palladium

Executing Strategy

Balanced Scorecard Hall of Fame for Strategy Execution

Achieving Breakthrough Results



Most organizations have difficulty executing strategy.

“Less than 10% of Strategies effectively formulated are effectively executed”

- Fortune

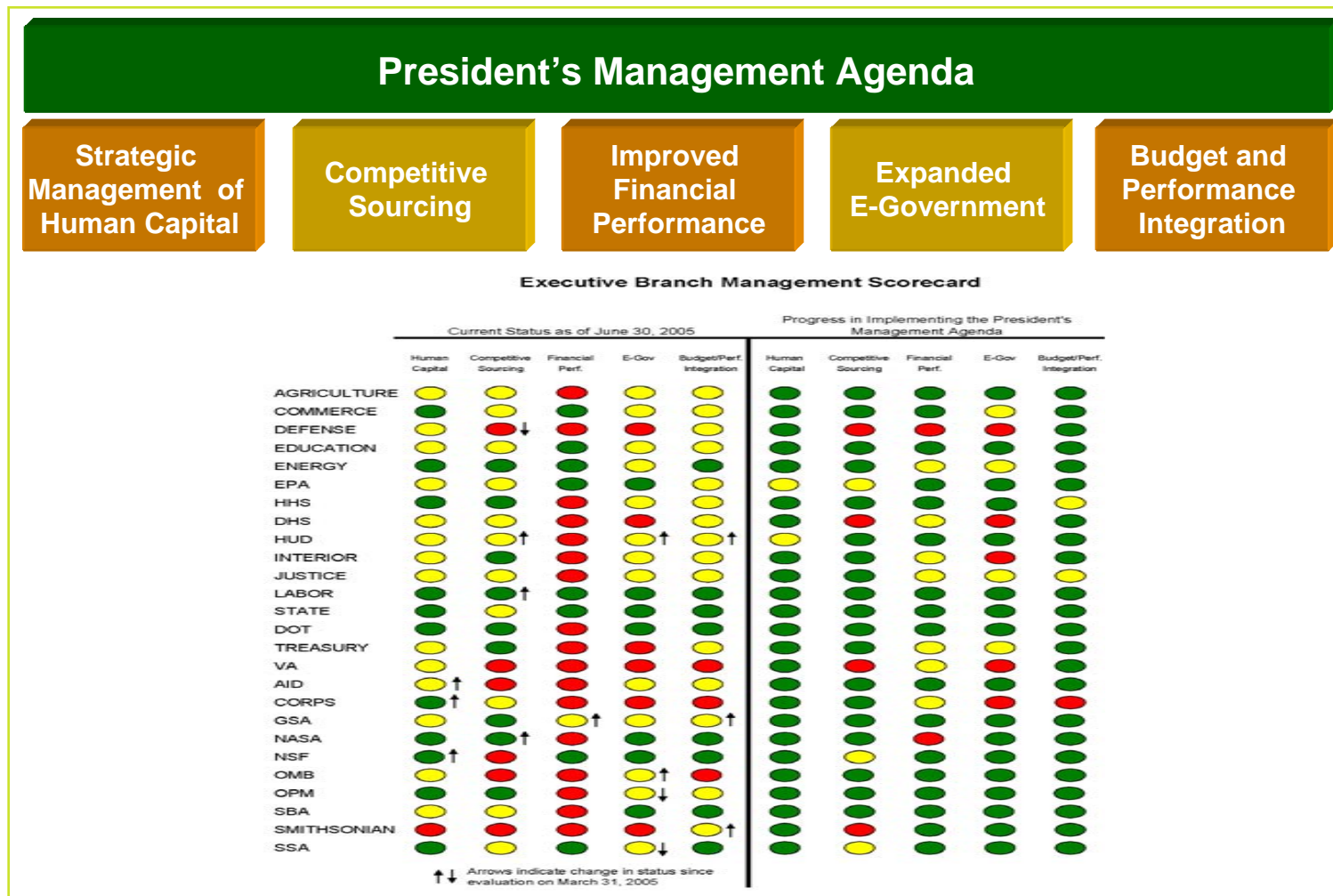
“Only 15% of the 794 (Federal Government) programs reviewed in Fiscal 2005 were rated effective.”

- Barron's

Between 1988 and 1998, only one of eight companies was able to deliver 5.5% annual real growth in revenues and earnings while covering their cost of capital

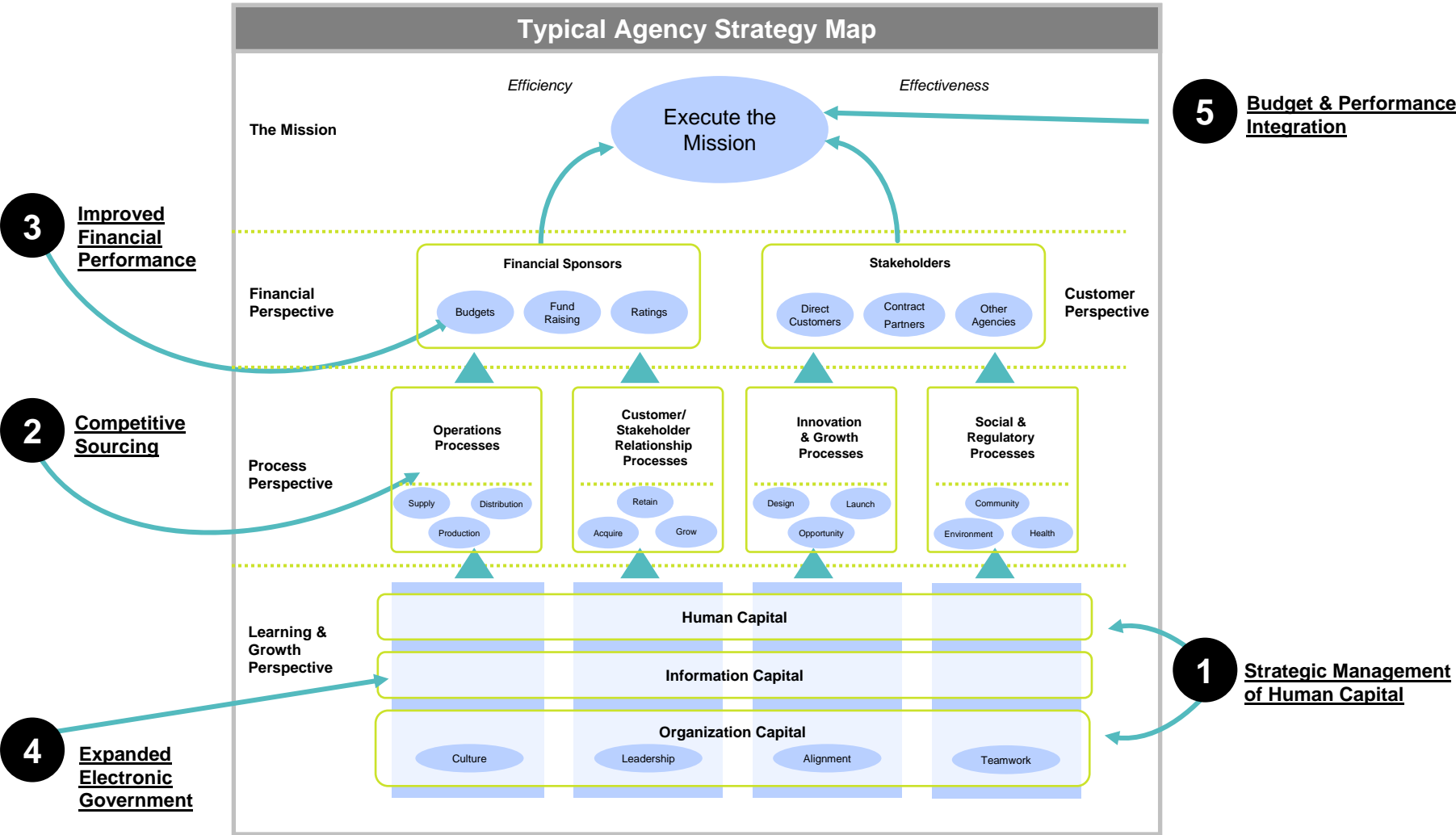
*- Chris Zook,
Profit From the Core*

The President's Management Agenda has helped define the strategic architecture for all government agencies.

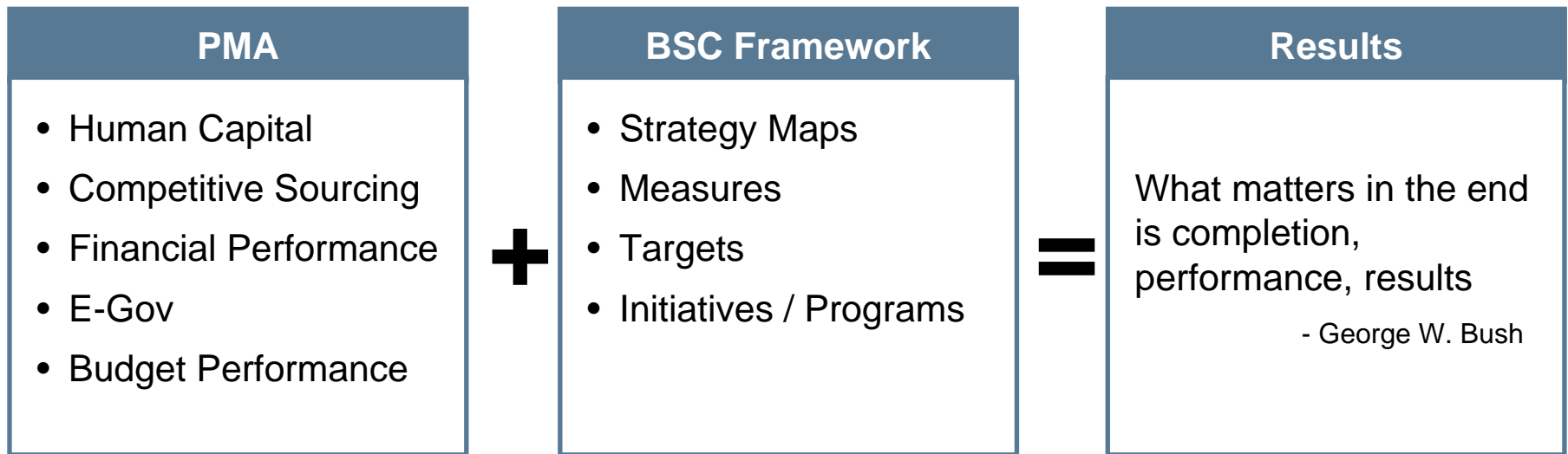


The Next Step: Getting to Green

The Strategy Map/Balanced Scorecard provides a tool to integrate and execute the PMA in every agency.



An integrated view of strategy execution will accelerate results.



The Challenge: Measuring, monitoring, and improving performance and results in government agencies.

Government likes to begin things—to declare grand new programs and causes and national objectives. But good beginnings are not the measure of success. What matters in the end is completion. Performance. Results.

- George W. Bush, The President's Management Agenda, 2001

Public praise for BSC implementation at FBI

- During a recent hearing former governor and United States attorney general, Dick Thornburgh praised the FBI's BSC effort. Mr. Thornburgh a NAPA Academy Fellow, highlighted the work of an Academy Panel, which he chairs, that is focusing on organizational change, budget and planning, human resources, and intelligence functions at the FBI

"As to strategic planning, I want to note that Director Mueller decided earlier this summer to take his FBI leadership through the balanced scorecard process in order to develop a consensus around the FBI's vision, strategy, priorities, goals and initiatives. The academy had recommended this in its long-range budgeting and planning work.

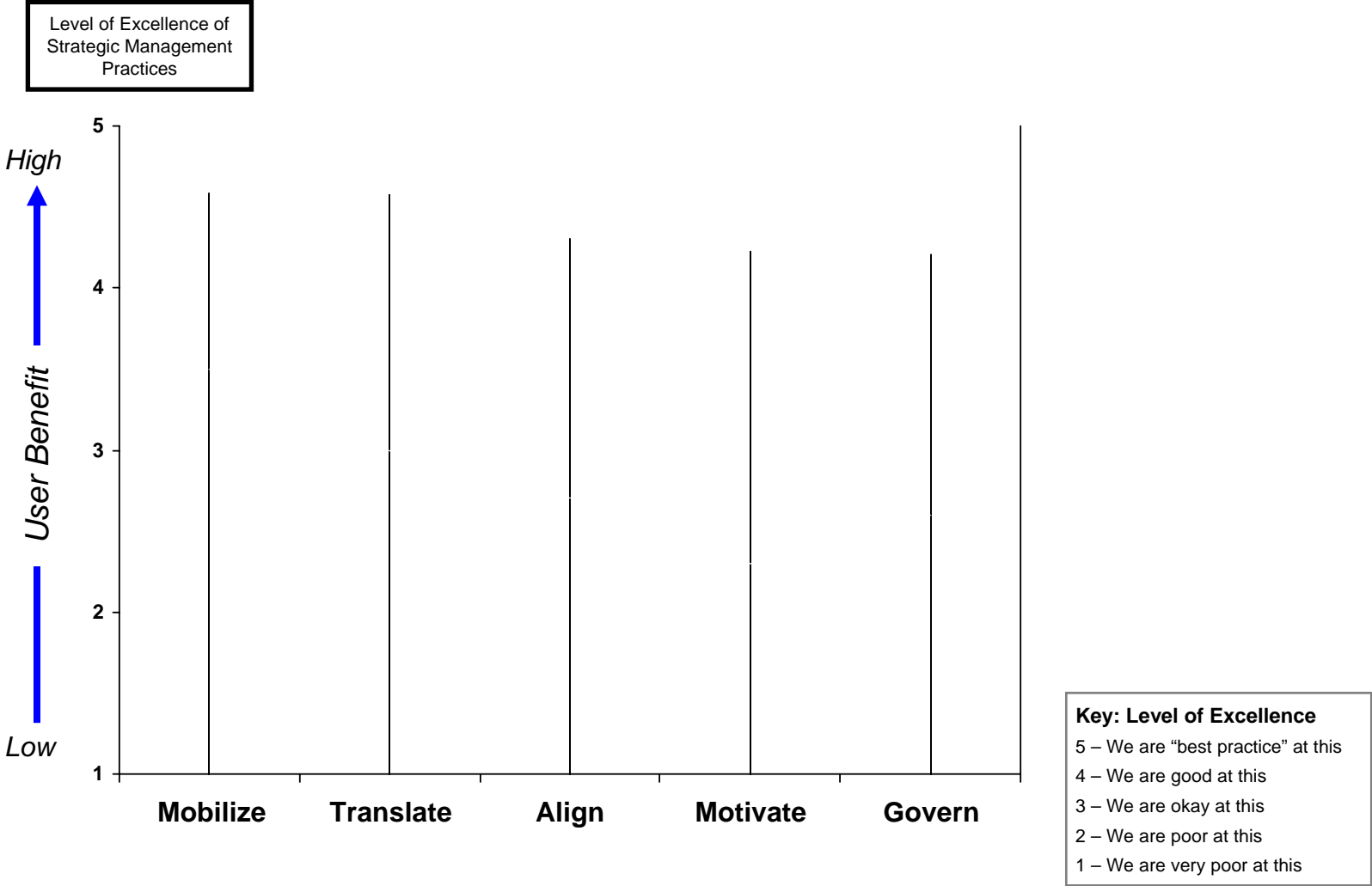
Again, I believe this process, which will extend over several months and require substantial investment of time and energy by the bureau's top officials, is a sign of their dedication to improving the FBI's capacity to carry out its mission successfully."

Dick Thornburgh
NAPA Academy Fellow
former governor and United States attorney general

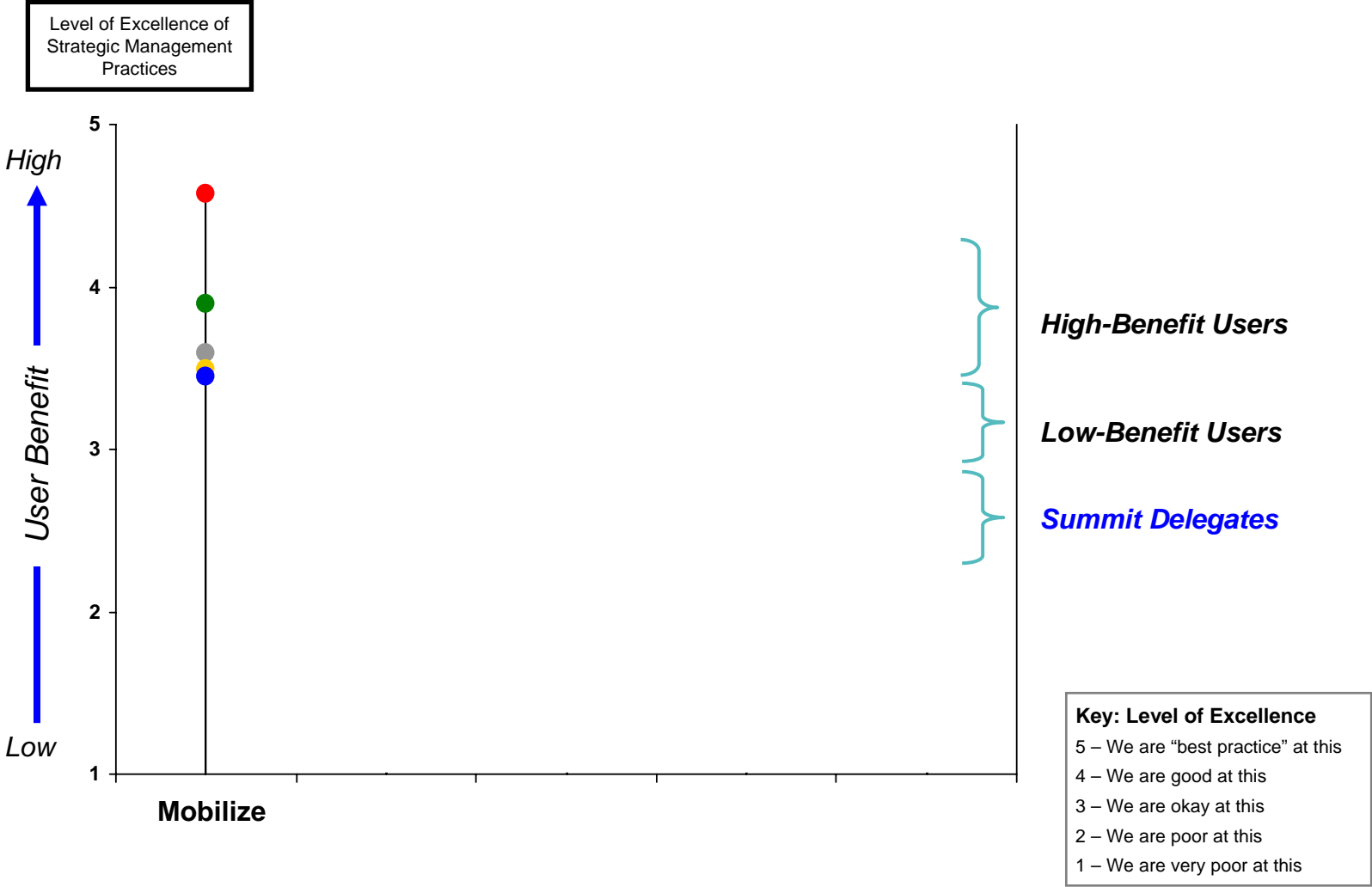
Congressional Hearing 09/14/06, , House Appropriations Subcommittee on Science, State, Justice, Commerce and Related Agencies Hearing on FBI Transformation

See full testimony at <http://www.napawash.org/>

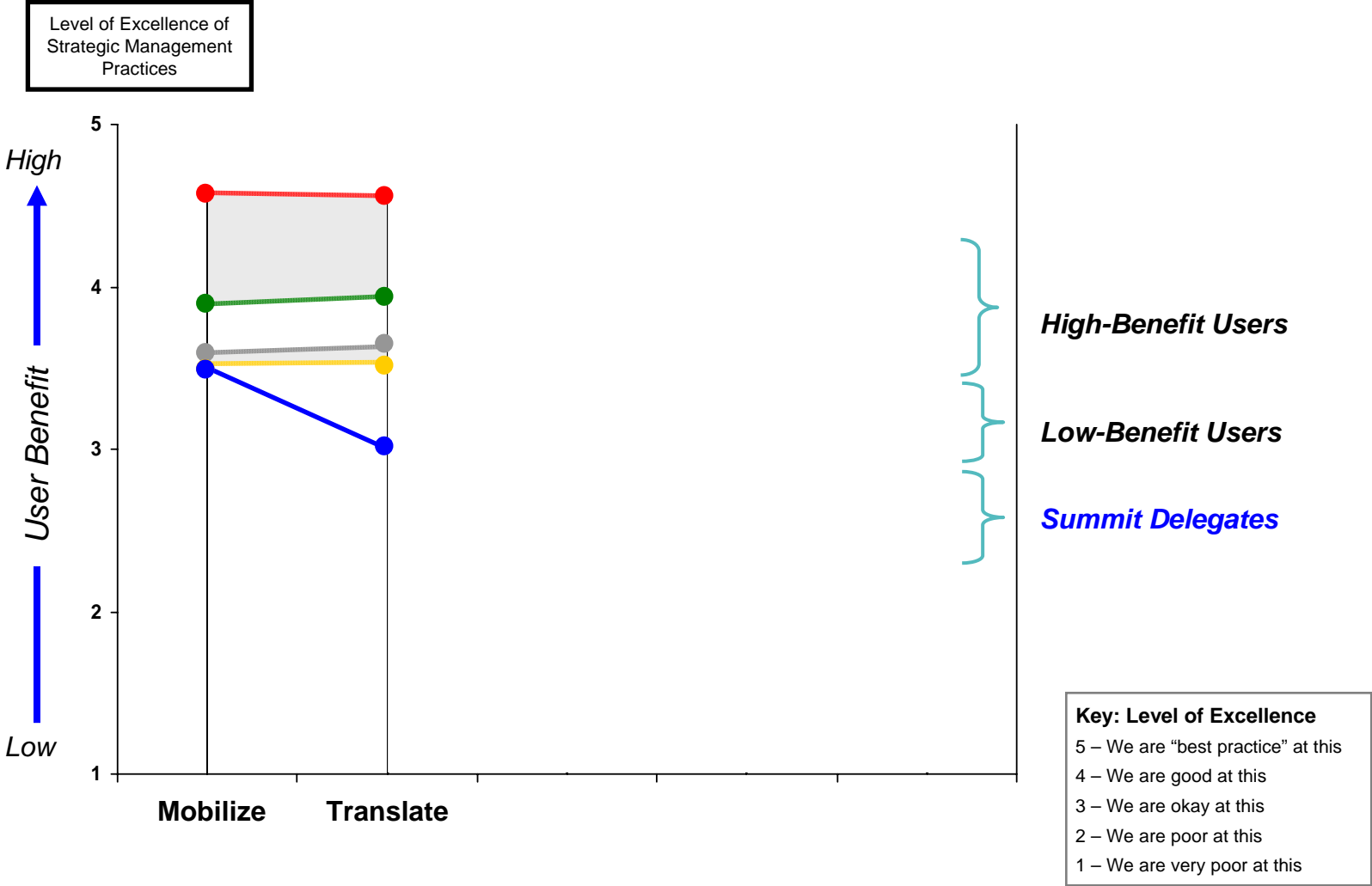
Profile of Your Strategic Readiness



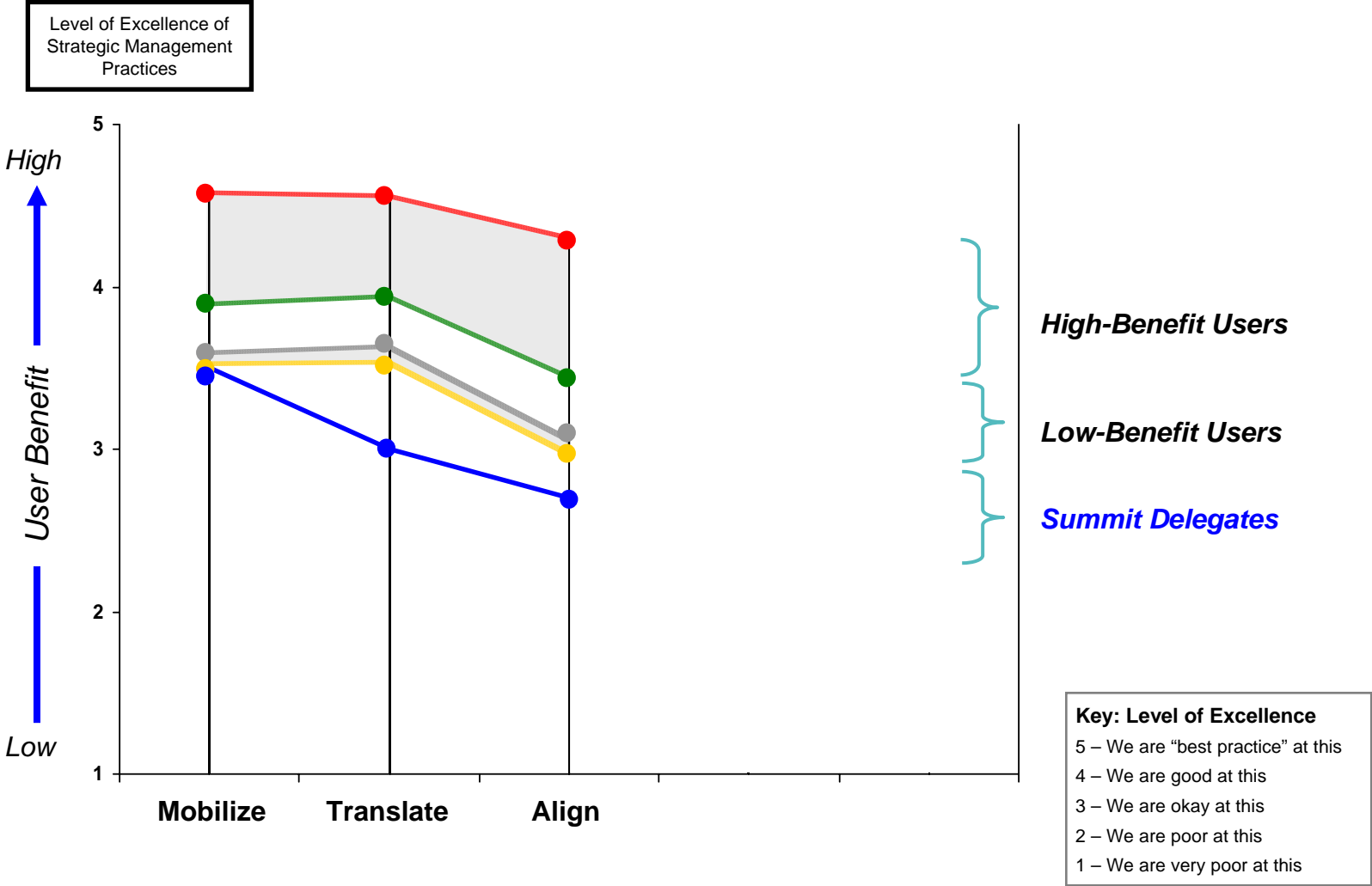
Profile of Your Strategic Readiness



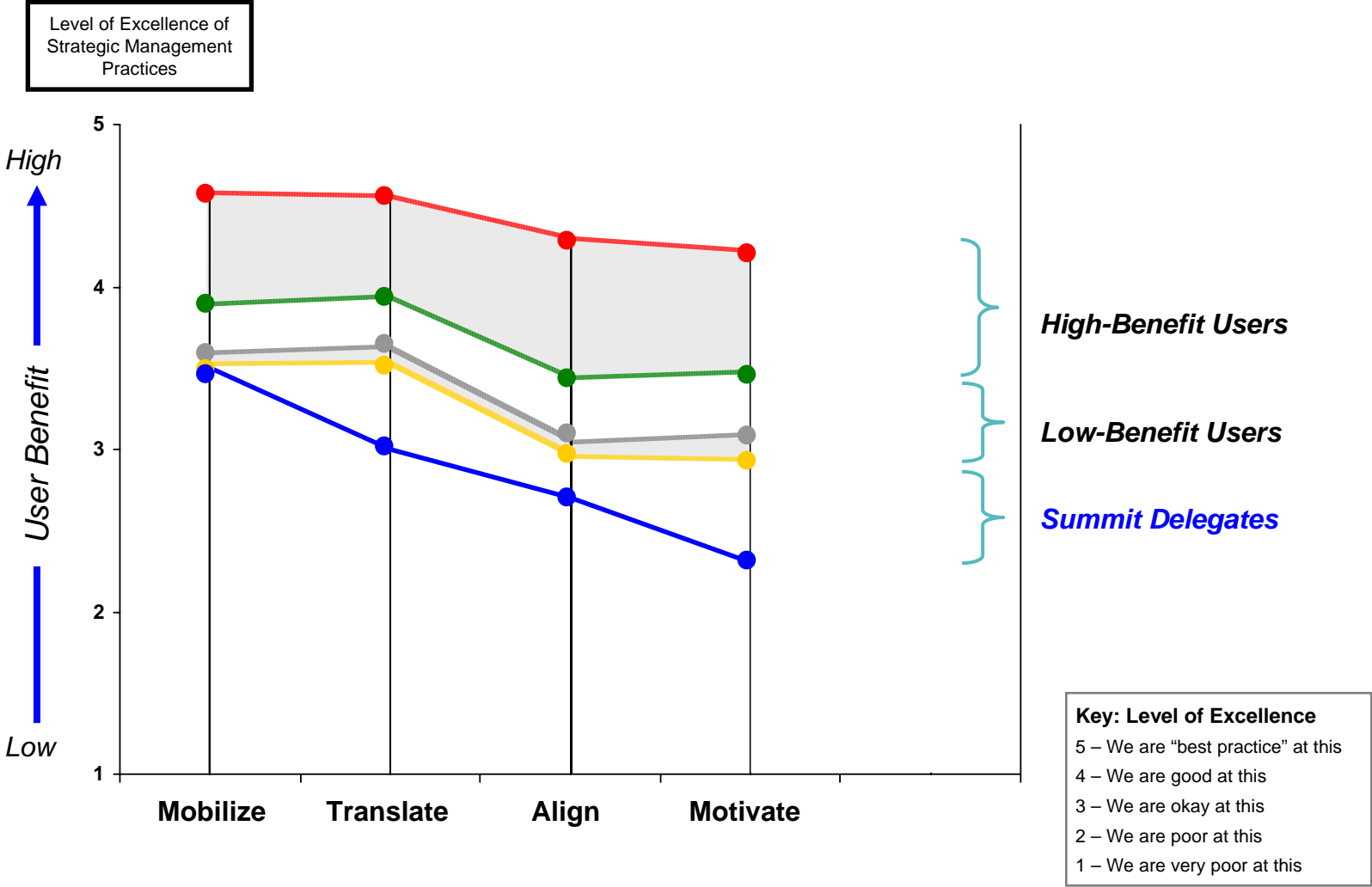
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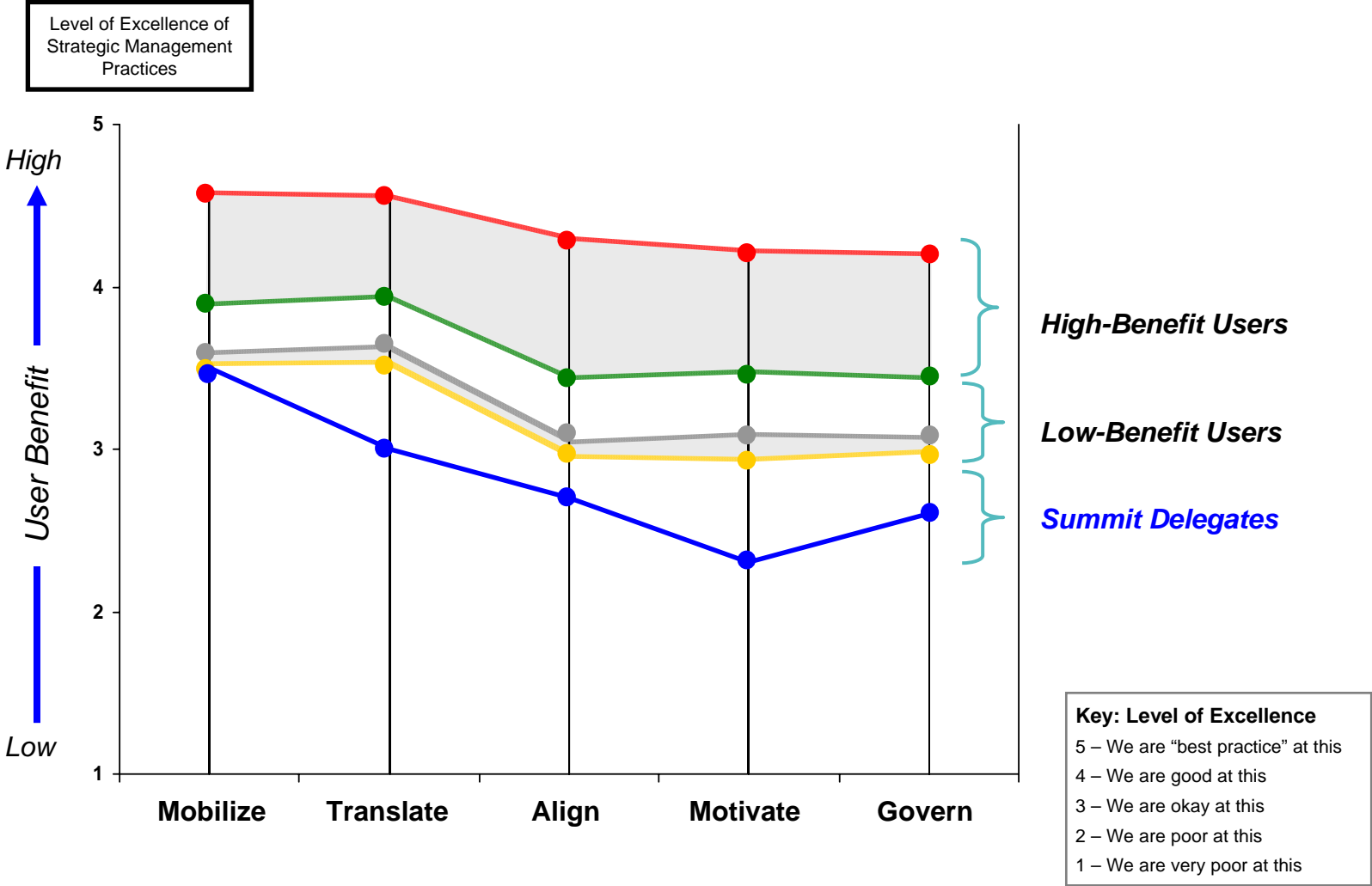
Profile of Your Strategic Readiness



Profile of Your Strategic Readiness



Profile of Your Strategic Readiness



Themes

- Driving performance through government alignment
- Developing the strategy-centered organization
- Aligning people, resources and agency mission
- Transforming the public sector with performance management
- The road ahead: managing for performance

Research & Advisory Center

