

## Round Table

# Strategic Management of Junior Enterprises

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# Agenda

- 1. Strategic Management**
- 2. Concept of the Balanced Scorecard**
- 3. The Balanced Scorecard in JEs**
- 4. Q&A**

**Strategie dient der Erzielung eines nachhaltigen Wettbewerbsvorteils und kann durch Spannungsfelder beschrieben werden\*, die organisationsspezifisch zu lösen sind.**

## Prozess

➤ Rationales ...	vs.	Intuitives ...	[... Denken]
➤ Planung	vs.	Inkrementalismus	[Strategieentwicklung]
➤ Revolution	vs.	Evolution	[Strategische Veränderung]

## Inhalt

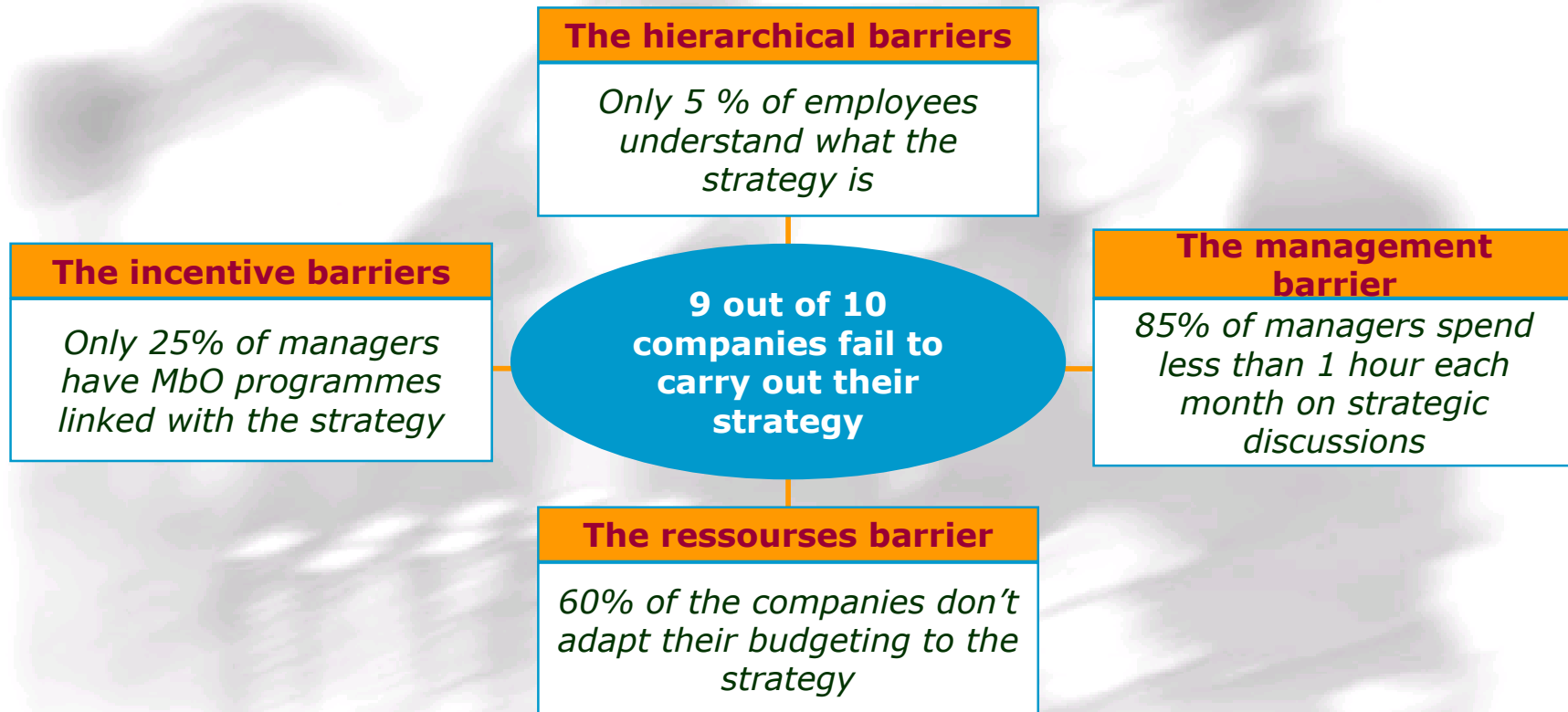
➤ Märkte („Outside-in“)	vs.	Ressourcen („Inside-out“)	[Business Level]
➤ Portfolio	vs.	Kernkompetenz	[Corporate Level]
➤ Wettbewerb	vs.	Kooperation	[Network Level]

## Kontext

➤ Org. „Leadership“	vs.	Org. Dynamik	[Organisationaler Kontext]
➤ Industrieevolution	vs.	Industriekreation	[Industriekontext]
➤ Globale Konvergenz	vs.	Nationale Diversität	[Internationaler Kontext]
➤ „Shareholder Value“	vs.	„Stakeholder Value“	[Leitbild der Organisation]



# Strategy roll out fails because of...



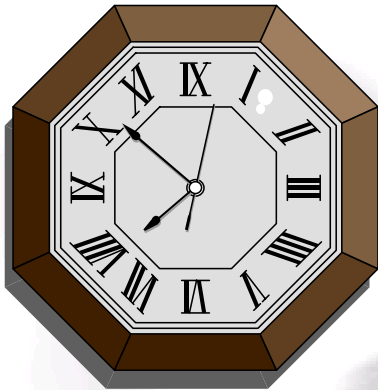
## **How it always used to be...**

- **Often changing team members**
- **Variety and ever changing opinions on strategy**
- **Lack of linkage between everyday business and agreed strategy**

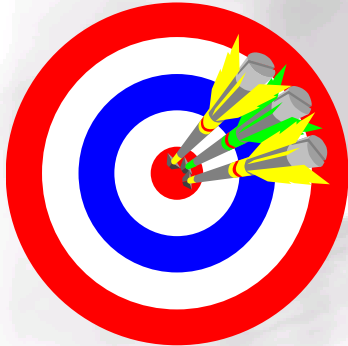
## **That's why JEs need a reporting tool...**

- **Coordination effort increases the more team members are in a JE**
- **Less overview of the big picture**
- **Information is not manageable and not up to date → no reporting**

# What are the basic requirements?



- **Tool to roll out the strategy**
- **Getting a better picture of the interaction between different goals**



- **Permanent status overview of measures**



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# **An idea to solve the problem...**

- **The Balanced Score Card**
- **Robert S. Kaplan und David P. Norton developed concept in the early 90ies**

# **The basics of the tool...**

- **Strategy Implementation**
- **Reporting („... If you can't measure it, you can't manage it!")**
- **It's not only financial measures that count**

# BSC as a strategic management tool



# The BSC - a Management tool



## Financial Perspective



How do we have to set our strategic goals in order to meet the expectations of our shareholders?

## Internal Processes



In which processes do we have to excel in order to meet our customer expectations?

## Customer Perspective



Which strategic goals do we have to pursue to satisfy our customers' needs?

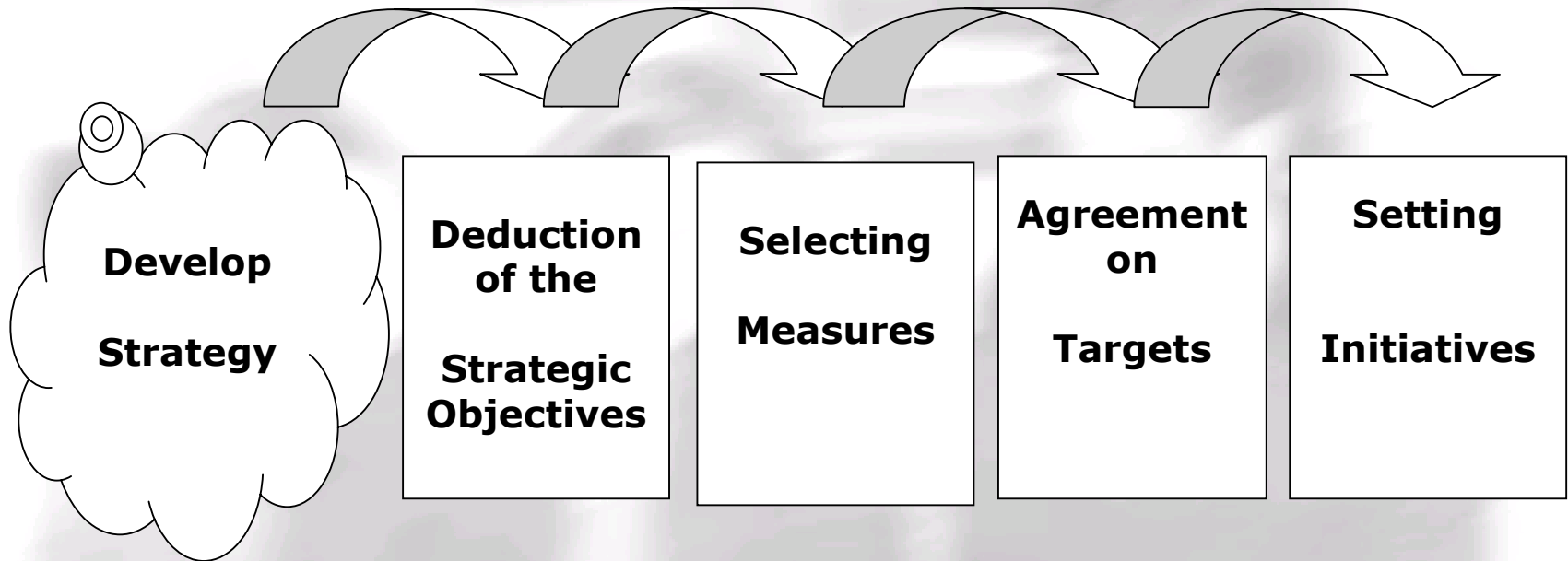
# Vision & Strategy

## Learning & Development



Which strategic goals do we have to set in order to innovative and future minded?

# How does the BSC work?

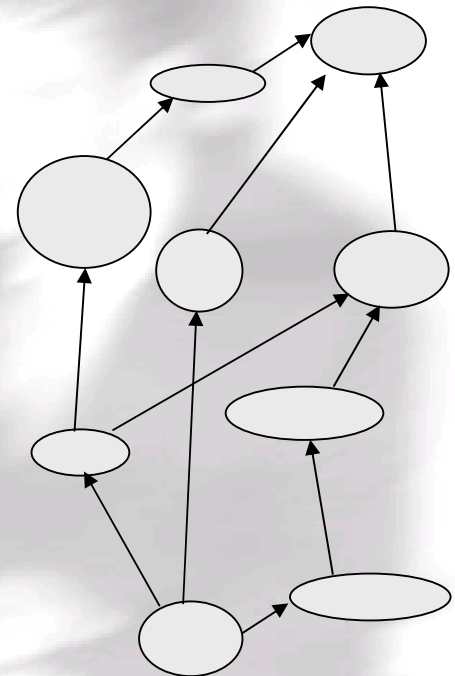


	Strategic Objectives	Measure	Targets	Strategic Initiatives	Cause-Effect Relationships
<b>Finance</b>					
<b>Customers</b>					
<b>Internal Processes</b>					
<b>Learning and Development</b>					

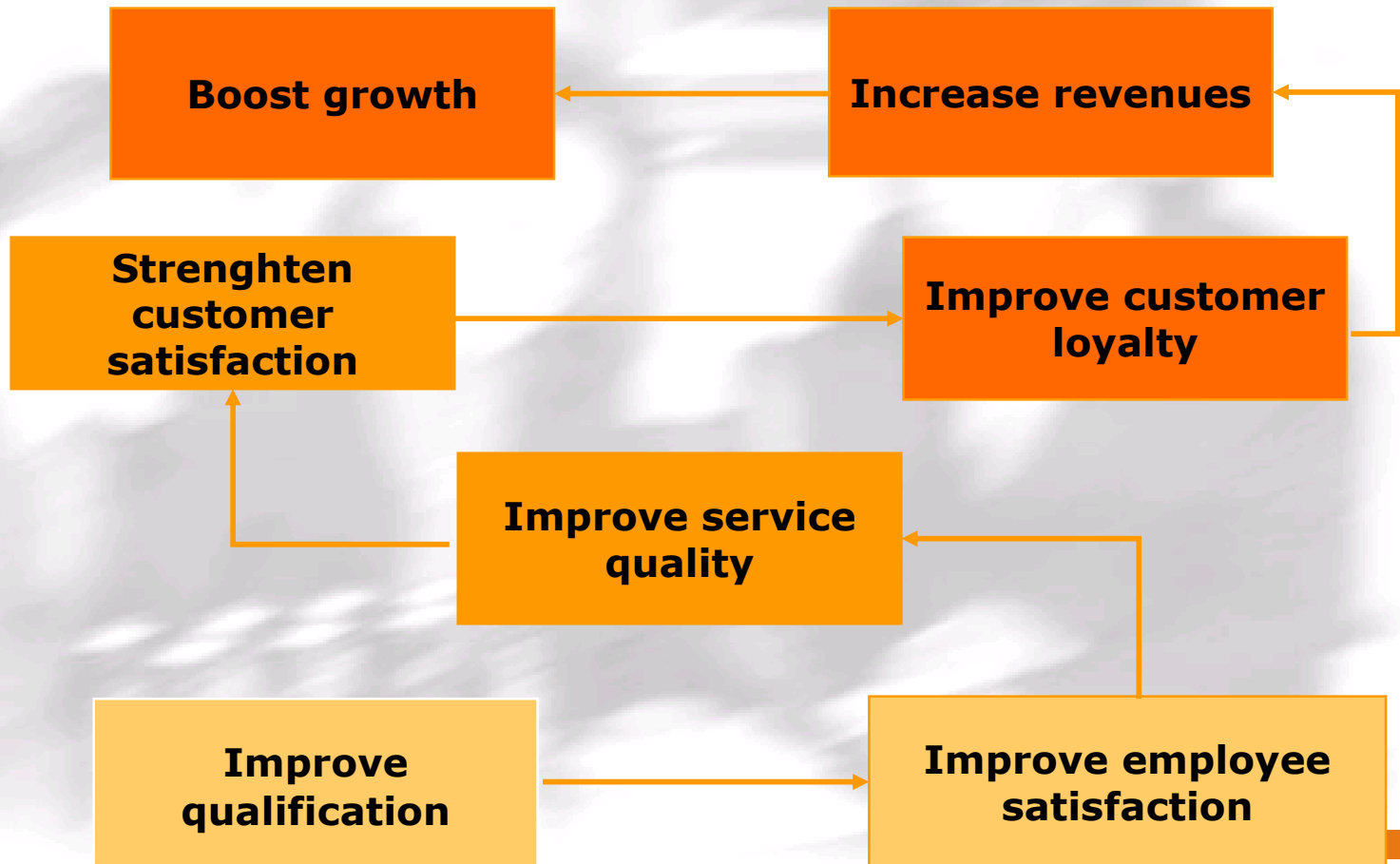


# Cause-effect-relationships

- **3-5 strategic objectives are attributed to one perspective**
- **These strategic objectives are connected by cause-effect-relationships**

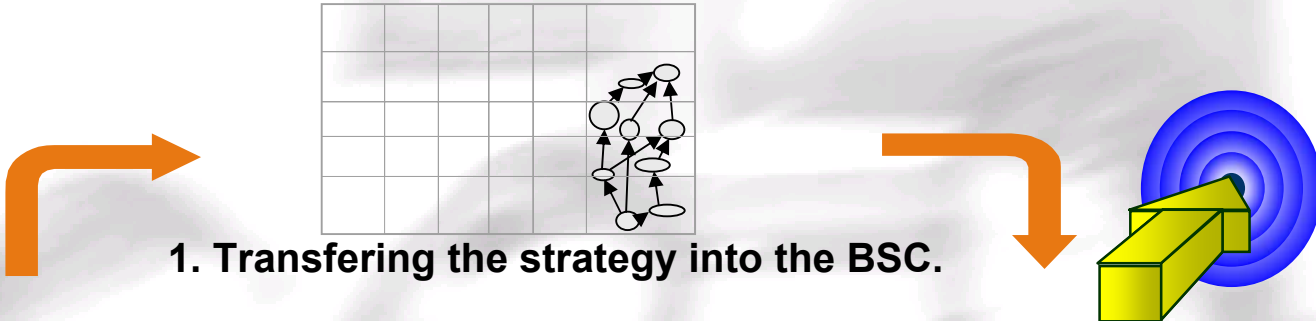


# Example of a cause-effect relationships

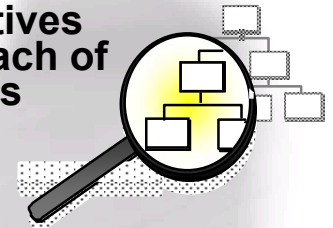


# An example of what's behind the objectives...

	Strategic Objectives	Measure	Targets	Strategic Initiatives
Customer perspective	Strengthen customer satisfaction	project evaluation sheet	average grade <2	e.g. project management Workshops, supervision of project by experienced controller,...
	Improve customer loyalty			



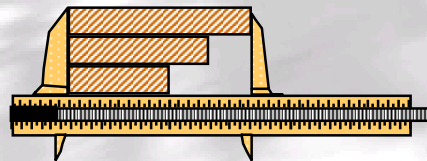
2. Setting of objectives and measures for each of the perspectives



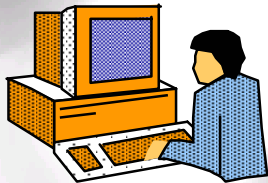
3. Setting of strategic initiatives and providing the necessary funds



4. Check regularly if strategic Initiatives have the according effect



5. Analysis of deviations and their reason



# **The great strength of the BSC...**

- **it's the perfect tool to implement your strategy**
- **It is an up-to-date reporting tool for your JE**

# **What the Balanced Scorecard can't do...**

- **Verify if the strategy is the right one**
- **Substitute a missing, non-existing strategy**

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**The most recent example...**

**how do we use the Balanced  
Scorecard at uniforce ?**



# What is uniforce about?

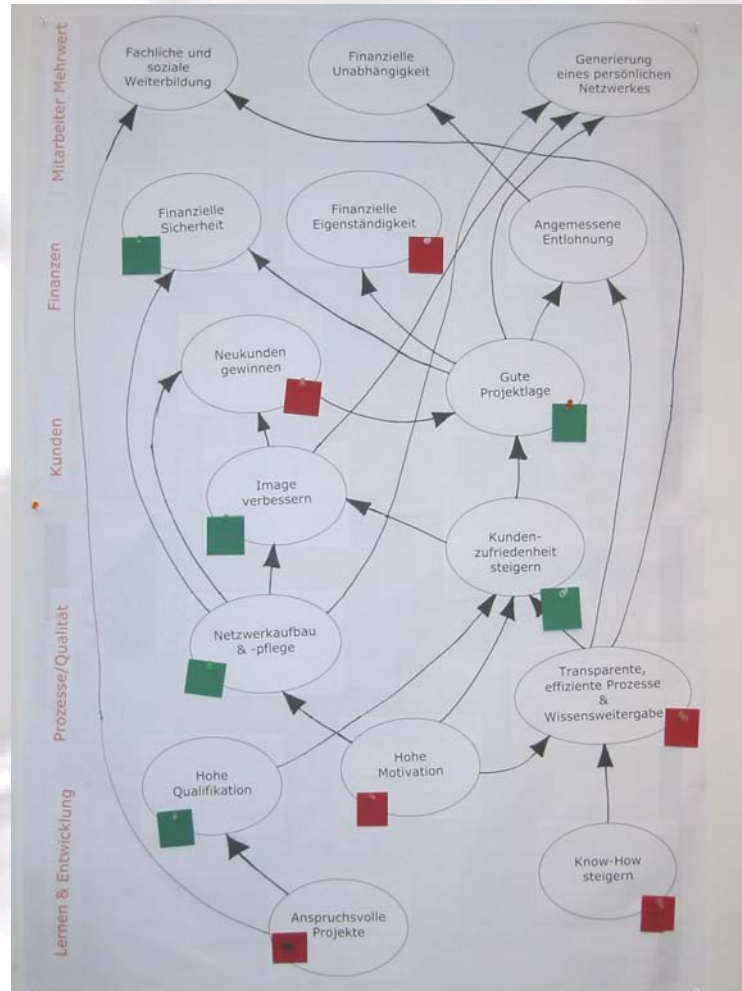
- **1. JE in Austria, founded in 1989**
- **~20 members of various faculties**
- **Main fields of business are organization analysis and marketing**
- **Unique recruitment system**
- **30% of turnover is made abroad**
- **Strong representation on international platforms**

# Project plan

- **No Illusions!**
- **No quick-and-dirty-approach!**
- **Up to 4 months**

<b>Focus phase</b> - Meet pre-requirements - check the organisational framework								
<b>Development-phase</b>  -1. Modul: Strategic objectives  -2. Modul: measurements & targets  -3. Modul: strategic initiatives  -4. Modul: come-together								
<b>Roll out</b>								

# Overview for every team member

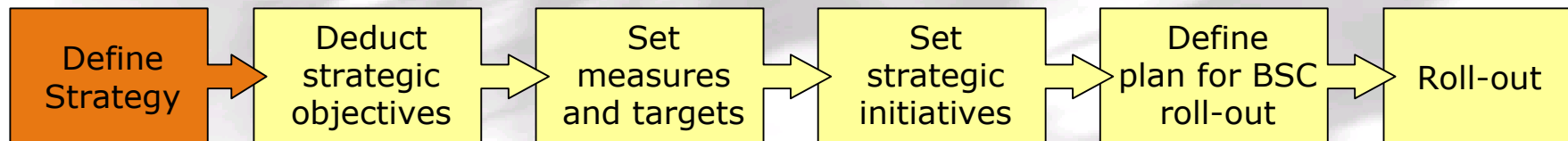


# To check the basic requirements

- **Willingness to change**
- **Straight forward strategy definition**
- **Strong support of the key players**
- **Clear and comprehensible goal**

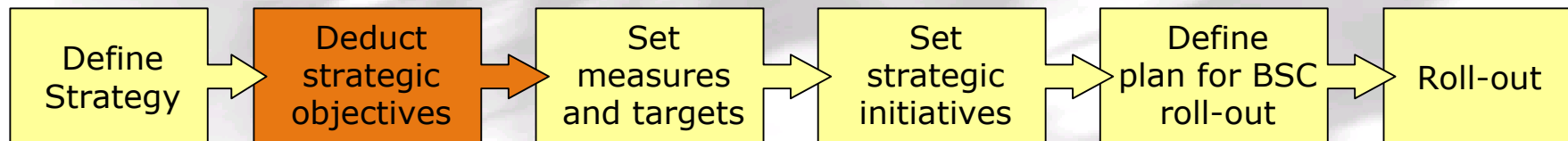
# Defining a strategy!

- **Brainstorming on the future perspective of uniforce**
- **Clustering the main points and agree upon the most significant**
- **Formulating the new strategy!**



# Deduction of strategic objectives...

- **Identify possible strategic objectives**
- **Selecting from the pool of objectives**
- **Strategically important and measurable**
- **Demonstrate Cause-Effect-Relationships**

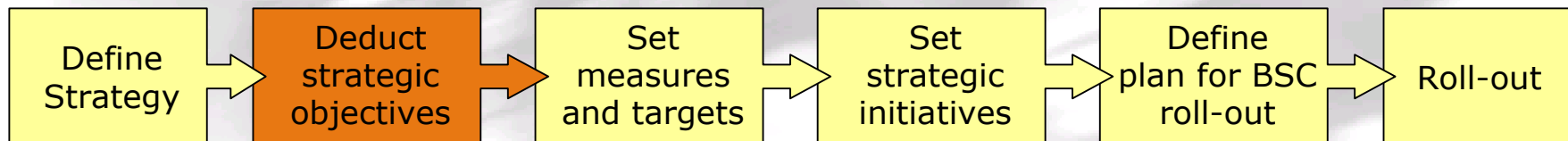


**Finance**

**Customers**

**Internal Processes**

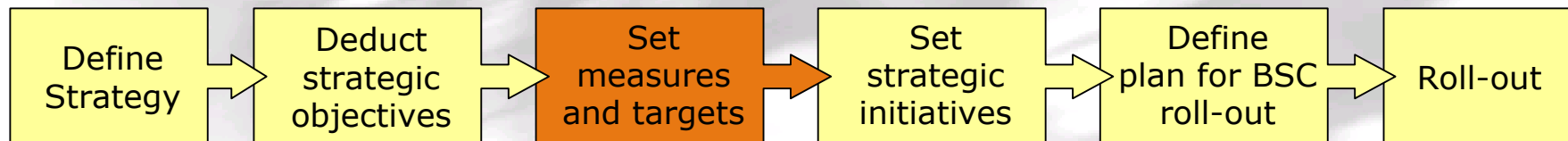
**Learning and Development**





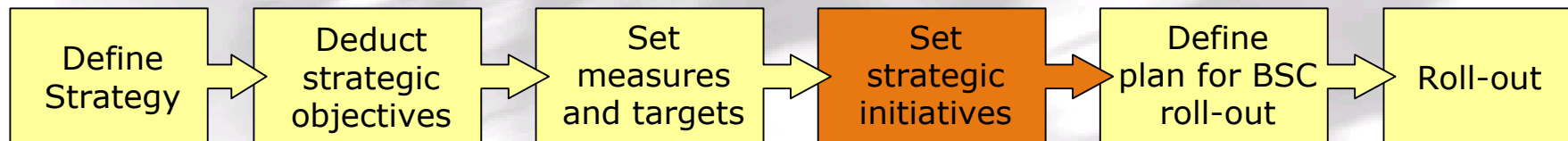
# Setting of measures and targets...

- **Every measure has to be combined with a target**
- **Set realistic long-term targets**
- **Make someone responsible and measure regularly**



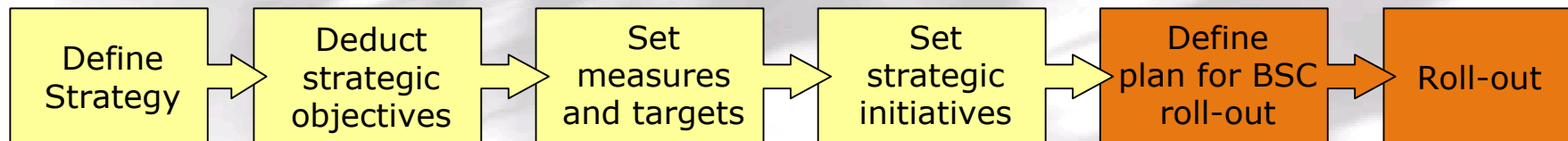
# Strategic initiatives to achieve targets...

- Find existing initiatives that can contribute to strategic objectives
- Find new initiatives where it is necessary
- Find responsible for every initiative



# The roll-out – live the BSC!

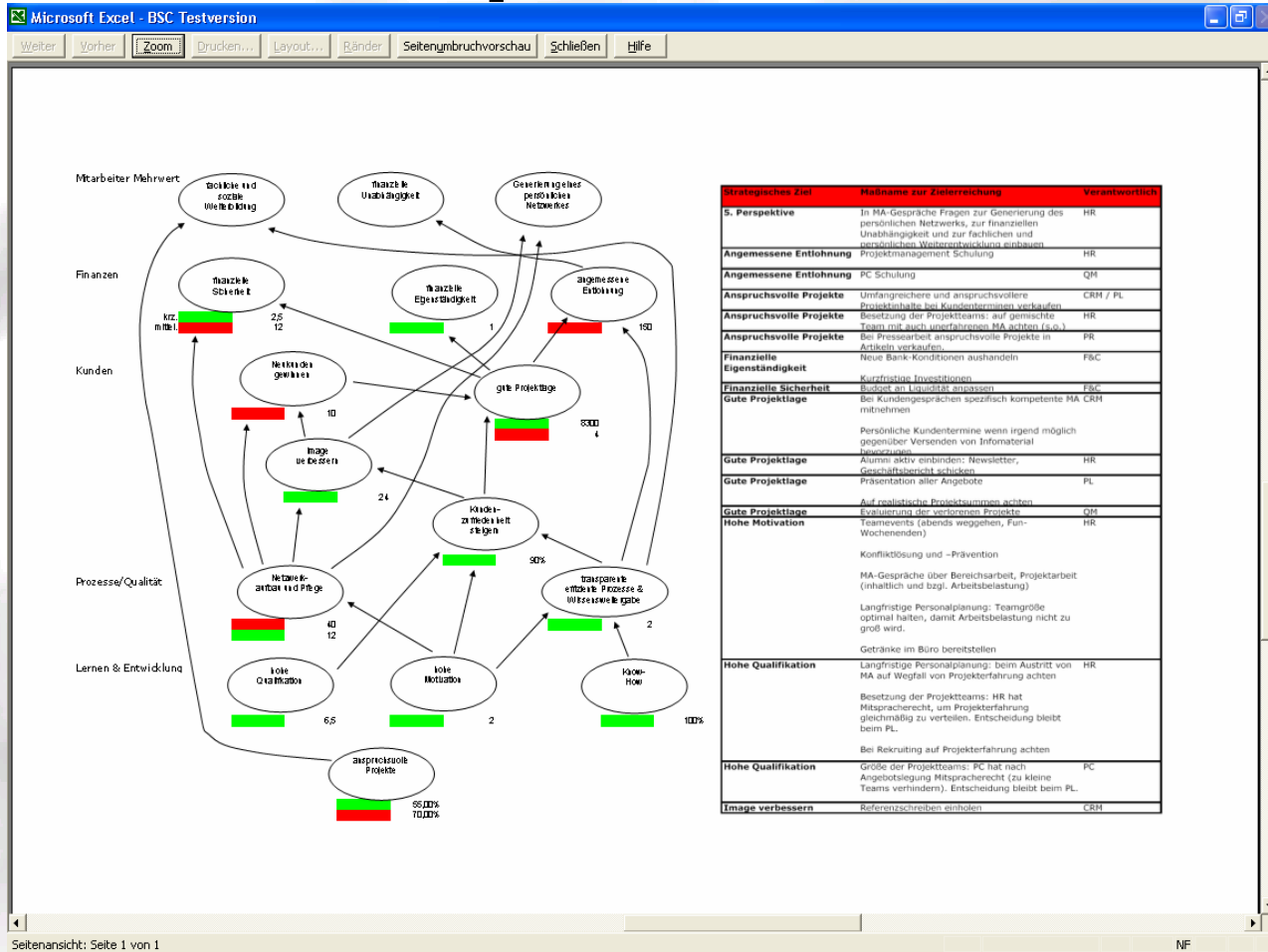
- **Integrate the BSC into planning and budgeting**
- **Active communication**
- **Permanent usage and adaptation**
- **(link to incentive system)**



# **How the BSC is used in everyday JE life...**

- **BU-meetings**
- **Quarterly reporting of board**
- **Budgeting**
- **...**

# IT-implementation



## Discussion Questions ...

- **How do the specialities of JE's influence the implementation of BSC?**
- **What are the benefits of implementing BSC in JE's?**
- **How to continue now?**

# THANK YOU !

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