

What does a strategy map do?

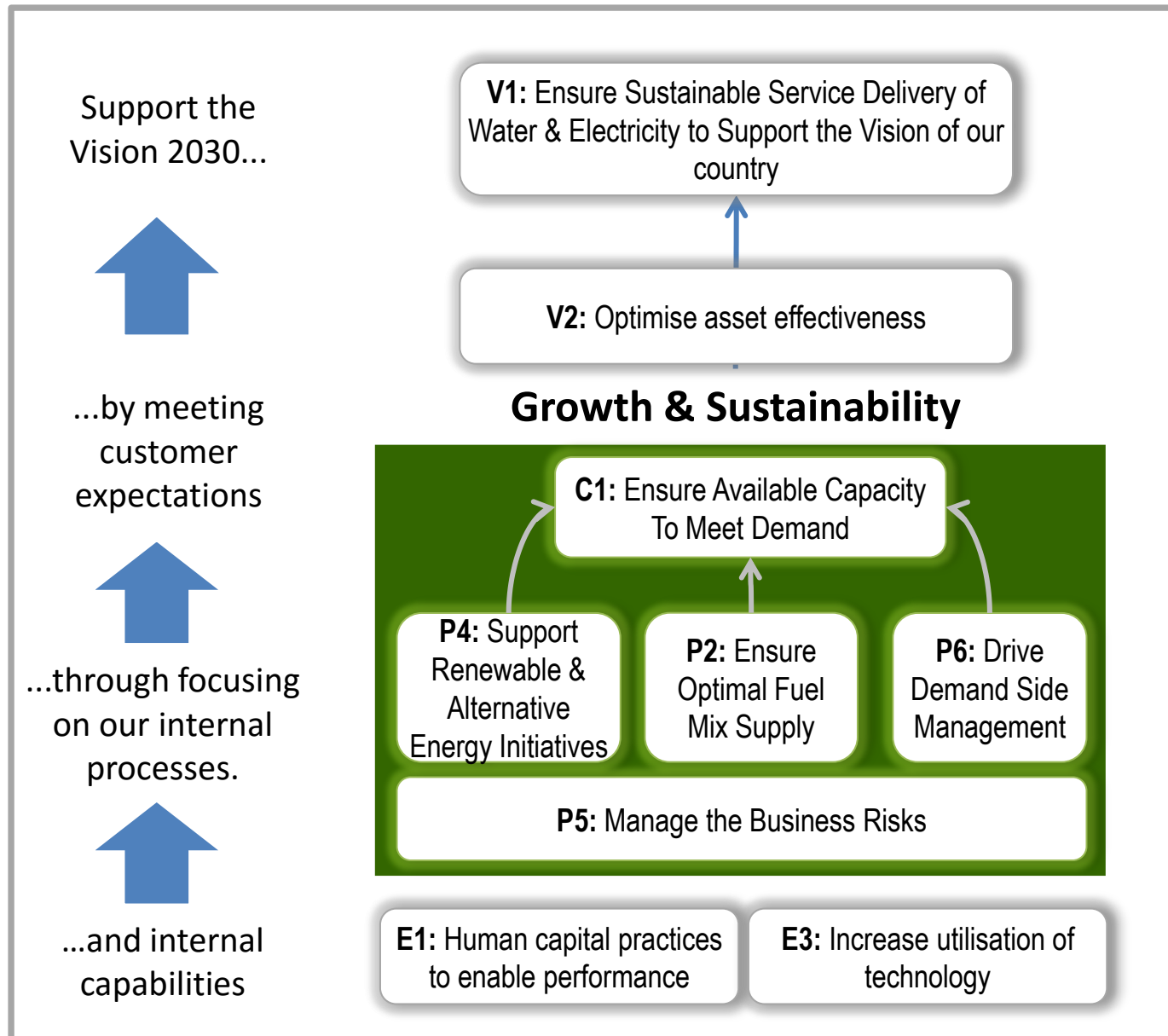
- First ... *You choose WHO your client is and decide HOW (strategic drivers) you are going to offer them unique value*
- Second... *You order your HOW (strategic drivers) into a coherent story that is easy to repeat*
- Third... *You define the success currency (measures) and define how much you want (targets)*
- Fourth... *You cluster major actions into groups (Initiatives)*
- Fifth... *You define the individual contributions that drive performance (individual objective setting)*
- ... and only then the real work starts.*

How to describe a strategic driver?

3-step approach Example

- | | |
|-----------------------|--------------|
| 1. <i>Action</i> | Drive |
| 2. <i>Description</i> | Process |
| 3. <i>Result</i> | Optimisation |

An example

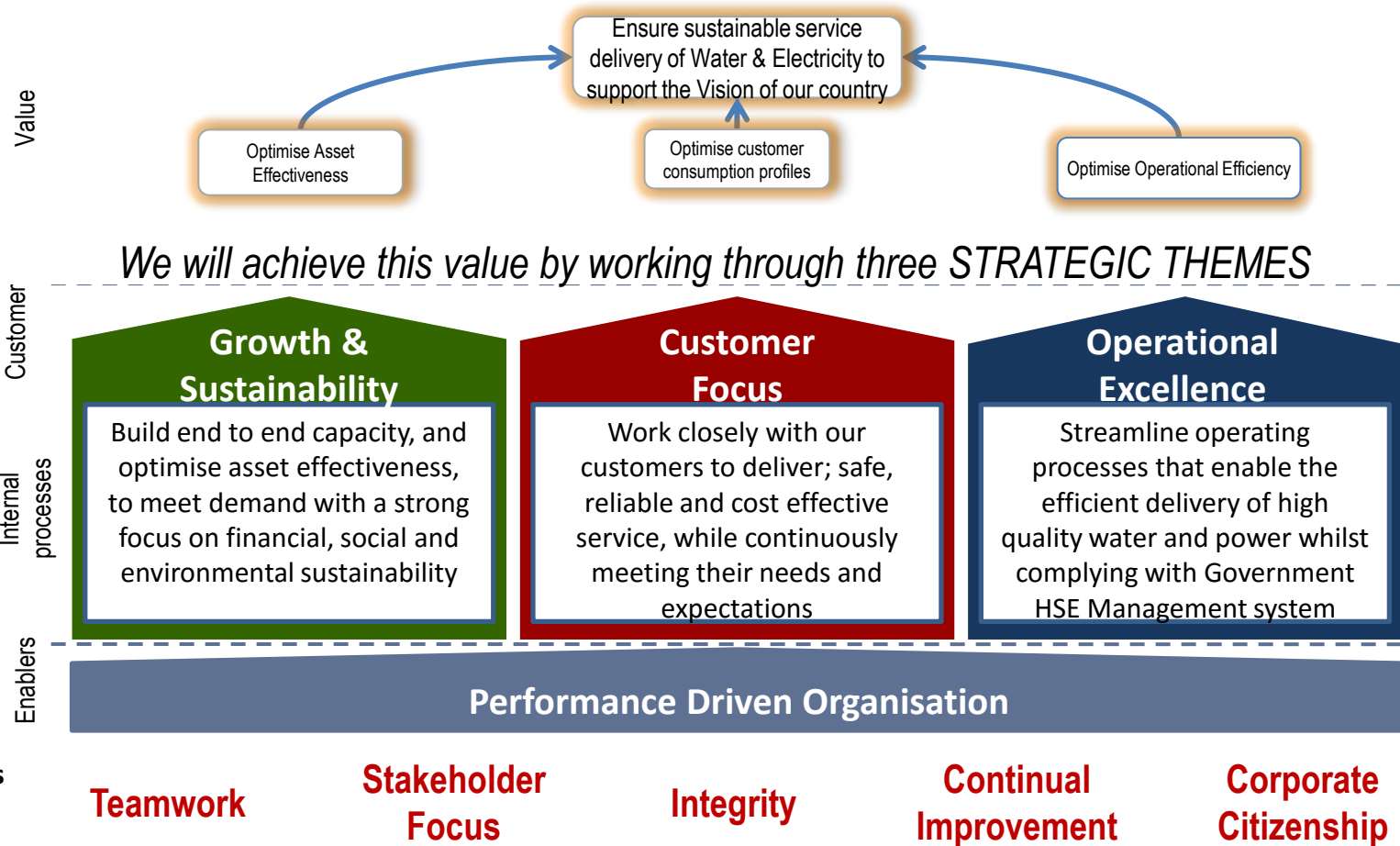


An example

Ensure the sustainable supply of water and electricity to support the vision of the Government

Our Vision

Our company will be amongst the top quartile performers worldwide in water & electricity utilities by 2020



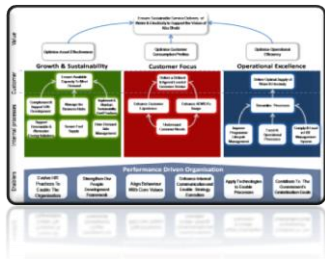
Align business and support units with strategic drivers

Strategic drivers	BU 1	BU 2	BU 3	BU 4	BU 5	BU 6	SU 1	SU 2	SU 3
1. Operational excellence	*	**		***	**	***	**	***	*
2. Enhance portfolio of products	**		***	**	**	**	***	*	**
3. Customer Management	***	***	**		*	*		**	***
4. New business design	**	**	**	**	***	*	**	**	**

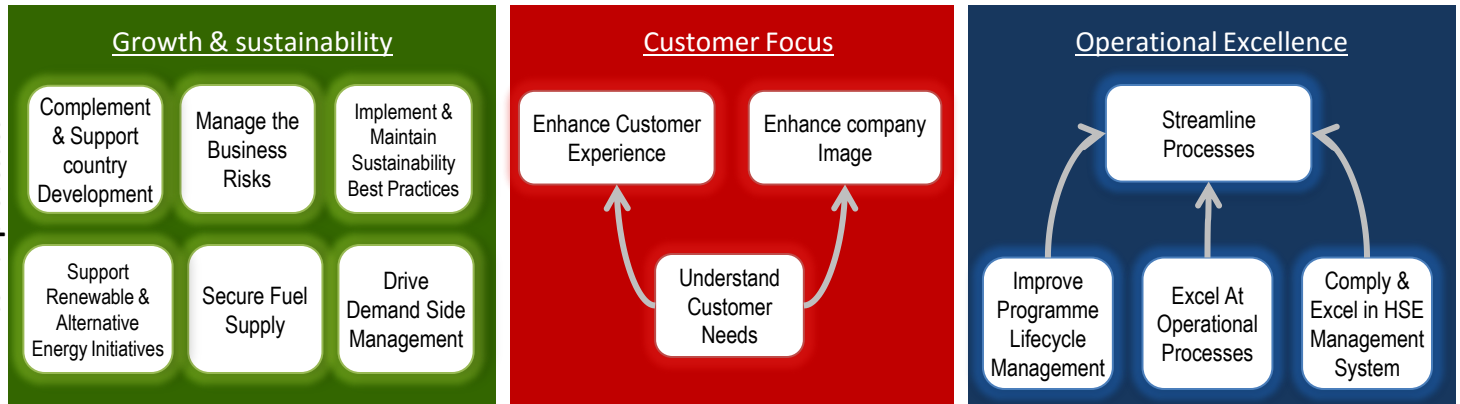
Cascading strategic drivers to ensure vertical alignment

An example

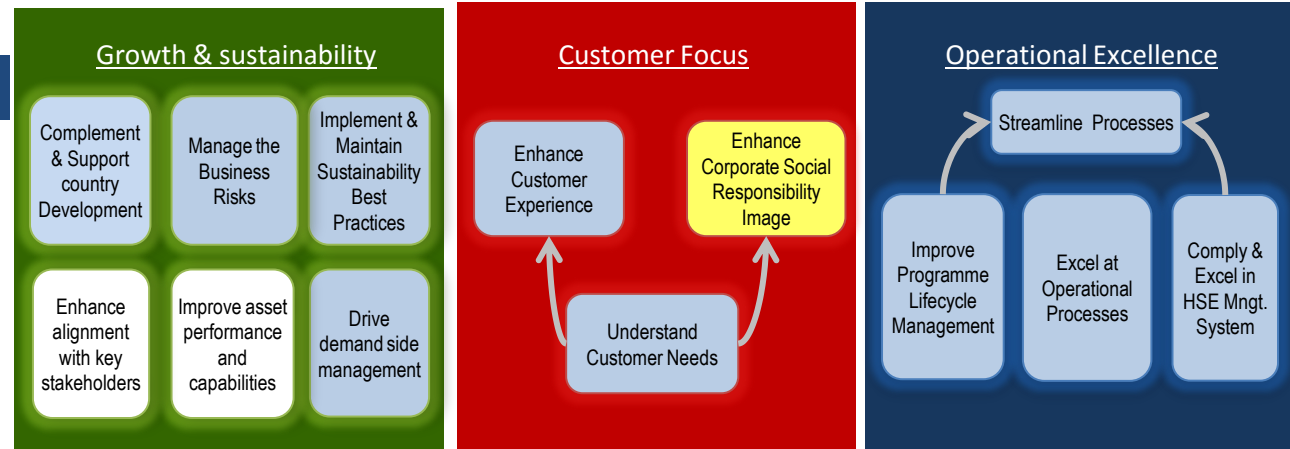
Company Strategy Map



Internal processes



Unit Strategy Map



○ Objectives that are company specific

● Contributory Objectives

○ Identical to Corporate Objectives

A suggested approach for the strategy map

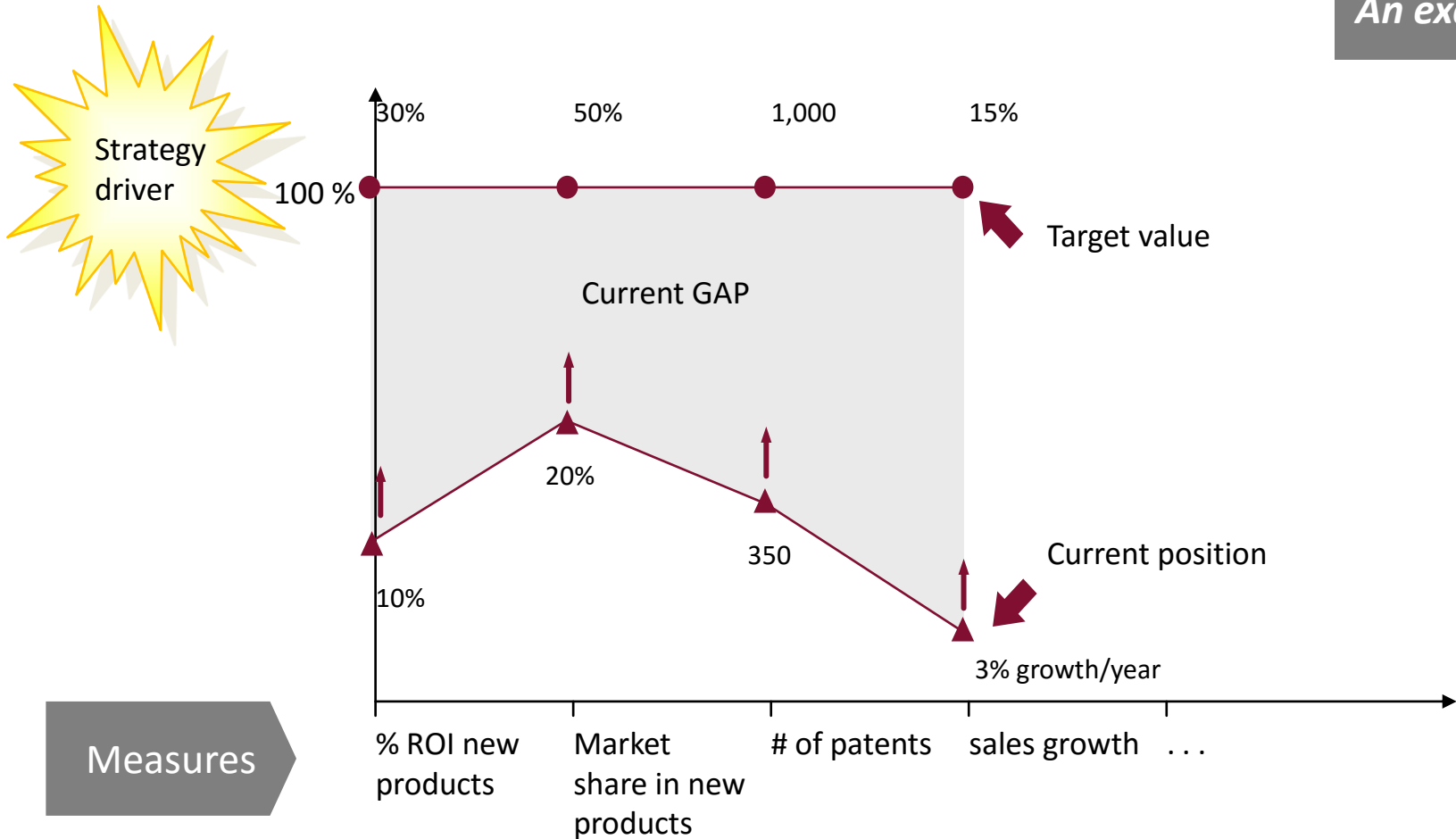
What does a strategy map do?

- | | |
|-----------|--|
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<i>... and only then the real work starts.</i> |

1. Build a draft strategy map for CNS and Immunology
2. Identify strategic questions for 5 countries
3. Discuss answers in depth during local strategy session
4. Involve functional lines into discussions
5. Finalise strategy map on regional and country level

Define measures, targets & identify gaps

An example



Define intermediate targets if needed

An example

Current gap:
Distance to destination

Target value	
% ROI new products	Market share
30%	50%
# of patents	Sales growth
1,000	15%

Period ... target

Period ... target

Period one target

% ROI new products	Market share
14%	25%
# of patent	Sales growth
450	6%

Current Position

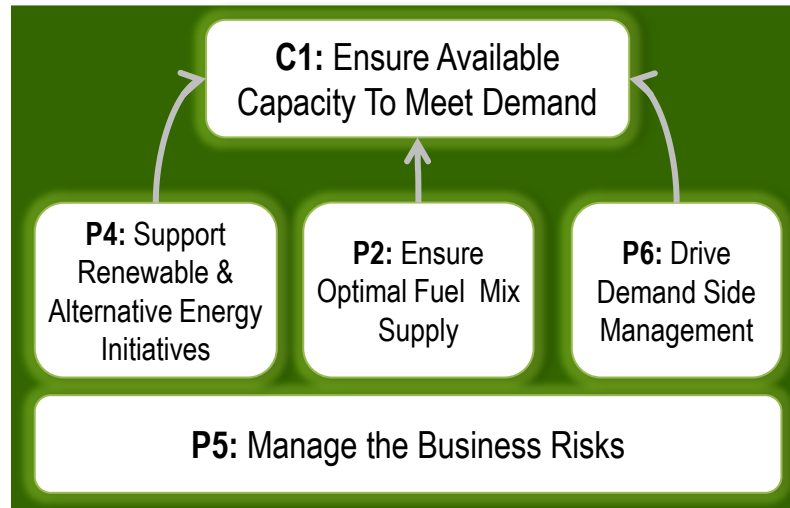
% ROI new products	Market share
10%	20%
# of patents	Sales growth
350	3%

An example

V1: Ensure Sustainable Service Delivery of Water & Electricity to Support the Vision of our country

V2: Optimise asset effectiveness

Growth & Sustainability



- Network utilisation
- Cost per Unit

- Capacity Vs. demand in 5 years
- Risk index
- Accuracy of demand forecast
- % of backup fuels used vs. planned
- % of renewables over total
- Consumption per capita of W & E

E1: Human capital practices to enable performance

E3: Increase utilisation of technology

- Employee engagement
- % Job families with competency profile
- Utilisation of critical IT systems

	Objectives	Measures (D=Drivers)	Targets			Initiatives
			Yr 1	Yr 2	Yr 3	
Financial	<ul style="list-style-type: none"> • Maximize returns • Profitable growth • Leverage asset base • Manage operating costs 	<ul style="list-style-type: none"> • ROCE • Revenue growth • Asset utilization rate • Operating costs / customer 	14%	14.5%	15%	
	<ul style="list-style-type: none"> • Industry leading customer loyalty 	<ul style="list-style-type: none"> • Customer satisfaction rating 	80%	85%	90%	<ul style="list-style-type: none"> • Customer loyalty program
Customer	Optimize Core Business <ul style="list-style-type: none"> • Optimize core utilization • Max. return on resource allocation • Continued cost management • Enterprise-wide risk management 	<ul style="list-style-type: none"> • % revenue from deregulated products/services • % trading revenue • Revenue from new services • % customers served through alliances and joint ventures • NPV product/service pipeline • % R&D projects meeting protocol gates (D) 	5%	7%	10%	<ul style="list-style-type: none"> • Telecom infrastructure development • Trading risk assessment (work support) • Research alliance program
	Continued Public Support <ul style="list-style-type: none"> • Proactively manage relationships • Ensure reliable service • Communicate/educate customers 	<ul style="list-style-type: none"> • Customer/partner satisfaction (5 point scale) • Reliability index • Communication/education coverage (%) • % communication/education plans executed (D) 	4.0	4.5	4.5	
Internal	Customer Service Excellence <ul style="list-style-type: none"> • Seamless cross-group delivery • Understand customer drivers • Effective customer services 	<ul style="list-style-type: none"> • Promised delivery % • New product uptake rate • On-time market research projects (D) 	90%	95%	97%	<ul style="list-style-type: none"> • Cross-selling marketing program • Service dispatch automation • CIS upgrade • Call center software integration • Fossil maintenance benchmark • Shared service benchmark/outsourcing initiative • ERP implementation
	Business Growth <ul style="list-style-type: none"> • Capitalize on deregulation opportunities • Optimize trading opportunities • Develop innovative services • Use alliances and joint ventures • Leverage cross-group R&D 	<ul style="list-style-type: none"> • Customer satisfaction rating – C.S. Center (see above) • Problem resolution cycle time – Customer Service Center (D) • % rated capacity attained • Employee productivity improvement • % cost reduction • Cost of disruption vs. plan • Time to recovery (D) 	85%	89%	95%	
Learning & Growth	<ul style="list-style-type: none"> • Ensure market-driven skill • Industry leading employee satisfaction • World-class leadership effectiveness 	<ul style="list-style-type: none"> • Strategic skill coverage ratio • Hours in strategic skills training (D) • Employee satisfaction rating (5 point scale) • Leadership effectiveness rating (upward appraisal—5 point scale) 	65%	75%	85%	<ul style="list-style-type: none"> • Competency profiling • Performance compensation link • Leadership training program