7 Steps to Dynamic Growth

Balanced Scorecard

Episode #6 (of 7)

Lesson Notes

Welcome back to day 6 of our Values Driven Growth eCourse.

This is Curt Fowler, President of Fowler & Company and I am so excited you are back with us.

Let's Review. So far we've shown you how:

- Values driven companies with disciplined execution outperform the market by up to 15x
- How core values are the guide rails that keep your company on the right path; and how to determine the core values & core purpose for your organization, and
- We've discussed and hopefully you've found the competitive advantage for your organization
- Yesterday, we created the Big Hairy Audacious Vision for your organization

Now it's time to fill in the steps between your BHAV and where you are today.

Pull out your one page strategic plan and we are going to work our way through the center of your plan.

This is where you cascade your goals from the top levels of your organization down to the lowest levels of your organization. As we've said before, your organization should not have more than 3 top goals for any year and everyone in your organization must know their part in achieving those goals. The cascading goals framework is how you make that happen.

Let's look at an example.

You want to increase your revenues by 10% over the period of a year. In order to achieve that goal. you have to break it down into a number of areas:

Financial

- Increase revenues by 10%

Customer

- Increase % of referring clients by 10%

- Increase customer satisfaction by 5%

Operational

- Reduce product defect
- Improve store experience

People

- Train, hire, fire and empower

You can see that all of these levels work together to help achieve your overall goal of increasing your revenue over the next year. You start at the top of the chain and work your way down to determine your goals, but you implement them working from the bottom up.

Before beginning to set up goals for your organization you need to make sure that they are **SMART** goals.

S - **Specific**

M- Measurable

A- Achievable

R- Responsible

T- Time Specific

When looking back at our previous example, "...increasing revenue by 10%" we begin to test it against this acronym. That goal is specific, measurable and not a stretch goal that would be unachievable. Having a goal be achievable is very important because it can be very de-motivating to chase after an unrealistic goal. Next, responsible. Someone always has to be responsible for an outcome. They may have one hundred or a thousand people that are going to help them achieve that goal, but there is only one person responsible for making that happen. Lastly, it has to be time specific. Looking at our example, you can see that we have set the goal time for one year. We're also going to do something I call "backwards planning" which involves setting milestones to reach your goal.

Those milestones are where we break down our cascading framework even further. We set time specific short term goals within each of the areas: financial customer, operational, people. That way as you reach each milestone you know you are incrementally closer to achieving your ultimate goal within your time frame.

Now take the goals of your organization, make them SMART, have no more than 3 and know which goal is your #1. Using the One Page Strategic plan model, plan out the steps to reach those goals. Don't be concerned that all of the details of the plan will not fit into the model. The model is there to keep everyone aligned to the highest level goals of the organization. Each person that is accountable for a goal or step on the One Page Plan will have their own plans to reach the high level goals shown on the model.

In tomorrow's lesson finish up the right side of the model and send you one your way to accomplish the your biggest goals.

If you have any questions along the way, jump into my blogs at www.valuesdrivenresults.com and ask me a question. You can also reach me at questions@valuesdrivenresults.com.

Happy planning. We'll see you at the next lesson.