

# 5 Essential Business Strategy Tools

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## Preface

This eBook describes five contemporary business strategy tools. You can use these tools to help you understand and contribute to the strategy development process. It describes the following tools and models:

- MOST Analysis
- Resource Audit
- The McKinsey 7-S Model
- The Four-View Model
- Balanced Business Scorecard

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## Introduction

This eBook describes five essential business strategy tools that are used by organizations to align their activities, resources, relationships and processes to ensure their future strategy is profitable. These tools will help your decision-making and involvement in the business strategy process.

### 1. MOST Analysis

The MOST Analysis used to keep the alignment of day-to-day activities and the organization's long-term vision on track. By reviewing each of its components – Mission, Objectives, Strategy and Tactics – from the top down gaining more detail as it progresses activities can be allocated so that they support the long-term goals. The MOST Analysis tool allows management a better understanding of how to ensure daily activities drive the organization towards its desired goal.

### 2. Resource Audit

Every organization wants to maximize their opportunities and conducting a resources audit allows management to make effective choices when allocating its resources. It will be unique to your organization and requires up-to-date figures on all the resources at its disposal. As an aid to decision making it is invaluable and well worth investing the time needed to perform a resource audit.

### 3. The McKinsey 7-S Model

The McKinsey 7-S Model is tool designed specifically to aid organizations in how they align its different aspects and identify areas of potential improvement. As the model name suggests it consists of seven areas. These are split into what it refers to hard

elements - strategy, structure and systems – and soft elements - shared values, skills, style, and staff.

The purpose of this investigation is to assess how well each of these seven elements works with the others. When they all work in harmony performance is able to meet stakeholder expectations.

#### 4. The Four View Model

This model uses different viewpoints to give management insight into how well an organization is performing both now and in the future. By considering business operations from several views management open up their minds to other possibilities and opportunities. The four views of this model are the Logical, Process, Development and Physical View

#### 5. Balanced Business Scorecard

This method of making sure activities are aligned to organizational goals is one of the most popular tools. The Balanced Business Scorecard enables you to gain a top-level view of everything that occurs within the organization. Its findings allow management to make decisions that improve operations and performance. It has four sections - Financial, Customer, Internal Processes, and Learning and Growth. Each must be allocated sufficient time and attention to ensure it is fully understood and utilized.

## Contributing to Organizational Success

The most successful organizations are continually reviewing their strategic and operational processes to ensure they stay top of their field. This includes deciding how its resources are used to produce their end products or services.

Each of the tools discussed in this eBook serve to provide the data and information managers require as part of the business strategy decision-making process.

Many of these decisions will be discussed in terms of their merit in aiding the organization to achieve its long-term strategic goals. Business strategy can be described as:

*'Strategy is the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences' Johnson et al. (2008).*

Management plays a key role in providing the background information and impact potential alterations in both operations and strategy. As a manager it is essential that you understand the best way to assess how effective each business process is in terms of its use of resources.

Working relationships both internal and external play a significant role in how such resources are allocated and used. They may also have implications on the actual business process because of how their own procedures impact your own processes. For example,

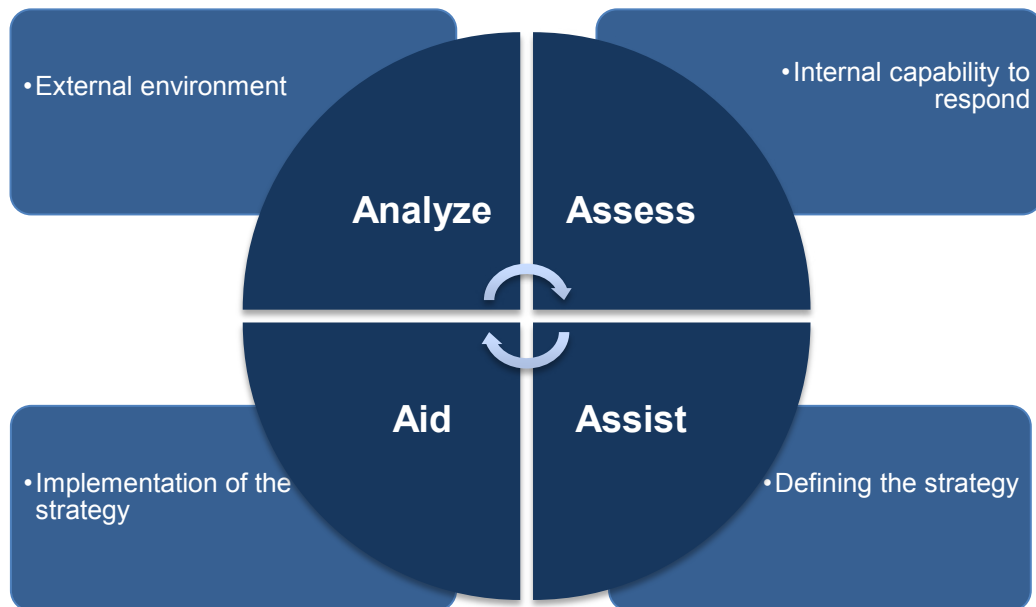
*A manager of a user department is unable to sign off the purchase of an essential resource because it exceeds his or her approved limit. The purchase requires their boss's signature. Without the purchase of this item the product is delayed and potential sales lost as a result.*

*By raising the managers purchase limit for this item this delay can be removed.*

Typical scenarios where you could be asked to provide information and data for your organization's strategic decision making include:

- Analyzing the organization's external environment.
- Assessing the organization's internal capabilities and how well it can respond to external forces.
- Assisting with the definition of the organization's strategy.

Aiding in the implementation of the organization's strategy.



Being aware of the best tools, techniques and models enables you to take an active and productive role when providing such information.



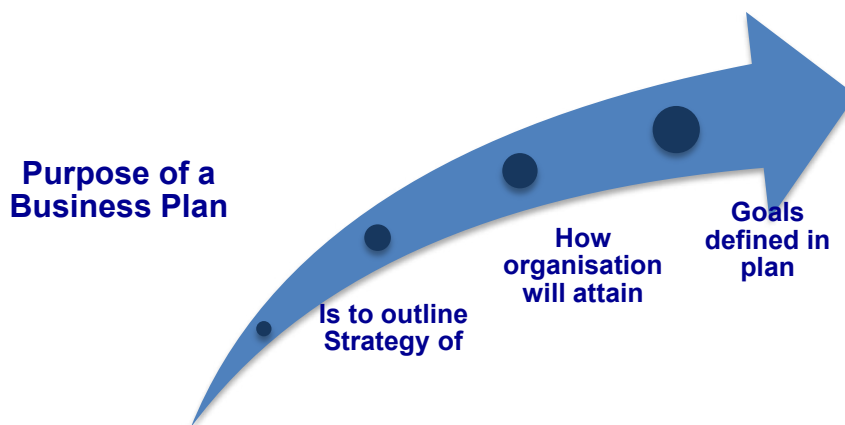
**Key Points**

- Understanding how the resources, processes and relationships fit into the effective operation of an organization is essential.
- Knowledge of the most effective technique to use to provide the data to support strategic and operational decision-making is vital for managers.
- These tools and methodologies can be used by any sized organization.

## MOST Analysis

All businesses operate under some kind of general business plan, which is intended to outline the overall goal of the business. Obviously, making money is the standard goal for a for-profit business, but the business plan needs to get into the specifics of how you are going to make that happen.

Often, the biggest difference between a company that is successful and one that falls short is the quality of the business plan they start out with right from the beginning. A good business plan can go a long way toward success down the road.



However, once the business is up and running, it is easy to lose track of that plan or purpose for the business. There is so much to do on a daily basis that it is easy to forget about the plan and get lost in the details of the daily routine. This is a dangerous mistake for any business or organization to make. When the daily activities that take up most of your time are no longer aligned with the vision that you have for the future of the business, you are going to have a hard time reaching your goals. Staying on track requires a close connection between long-term goals and short-term activities.

This is where the MOST Analysis tool comes in handy. The idea behind MOST is that it will help you to organize your activities in support of each

other so they are all heading in the same direction. Without this kind of cohesion between your activities, the future can suddenly look bleak.

MOST Analysis is made up for four elements –

- M – Mission
- O – Objectives
- S – Strategy
- T – Tactics

The tool is meant to work from the top down, with each successful point becoming a little more specific as it goes. Let's take a quick look at each of the four elements of the MOST Analysis tool to better understand how they can drive your organization forward.



## **Mission**

Basically, this is the main purpose of the business plan that we discussed above. It should be the top-level, overall reason for being in business in terms of what you want to accomplish. The more specific that you can be

when defining your mission, the more success you will have later on trying to define the remaining points within the tool.

For example,

*Imagine that you own a dry cleaning business. You could state that your mission is to be the best possible dry cleaning business that you can be and impress each customer that comes through the door.*

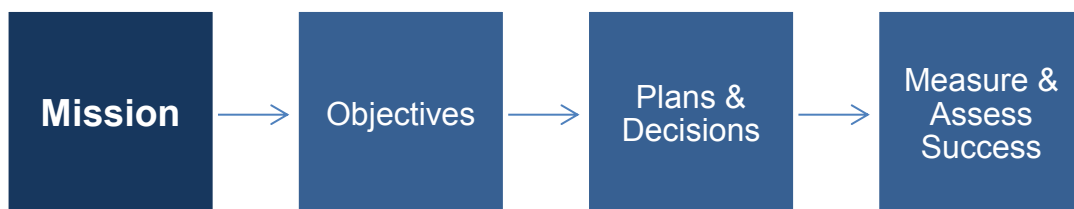
*That might sound good, but what does it mean?*

Those kinds of goals won't really give you any direction to go on. Instead, something like being the top dry cleaning business within your city is far more attainable and tangible.

If you are bringing in the most business and getting the best reviews in your city for dry cleaning companies, you will know you have reached your goal. Then, you can frame the rest of your thinking around trying to make this happen.

## Objectives

Your objectives are one step down from your mission. Think of these as a collection of individual goals that will add up to reaching your overall mission. Just like with the mission, objectives should be specific enough to guide your decision making and planning for the future. With your mission in place, it should be relatively easy to develop a list of a few objectives.



To continue the previous example, you need to highlight objectives that will outline how you can become the best dry cleaner in the city. Some possibilities might be to grow sales by 5% each month, attract 'x' number of

customers to switch from your competition, or receive a certain number of reviews online.

Your objectives should be measurable so you can evaluate the methods you used to try and reach them and determine whether you have succeeded or not.

## Strategy

These are the things you are going to do in order to reach your objectives. What actions should be taken in order to accomplish your objectives, and in turn, your mission? Keeping up with the example we have been using, the following are a few sample strategies that could be used –

- 1. Run a promotion to entice new customers to switch from your competition, such as offering to beat any rate by 10%.*
- 2. Invest in new advertising channels such as paid online advertisements or local radio*
- 3. Offer benefits to customers who take the time to leave a review about your business*

The strategies that will work for your business are going to vary wildly depending on your market and target demographic. However, the idea is the same for any organization – build a list of strategies that further your pursuit of the objectives you have already highlighted. This is not a time to be vague. Your strategies should be specific and actionable.



## Tactics

The final element of the MOST tool is ‘tactics. These are what you will use and do to enact your strategies. Your tactics should be the specific details that will guide your daily activities. So, if you are going to run radio ads as

mentioned in the previous example, some tactics would include writing a script, hiring a voice over artist, contacting radio stations, etc. Using your tactics to dictate your daily activities is the best way to make sure what you are doing today will guide you in the right direction toward your overall mission.

There is cohesion between each step along the MOST Analysis that is important and should be considered carefully. One step builds on the next, and that consistency is what makes this a valuable tool.

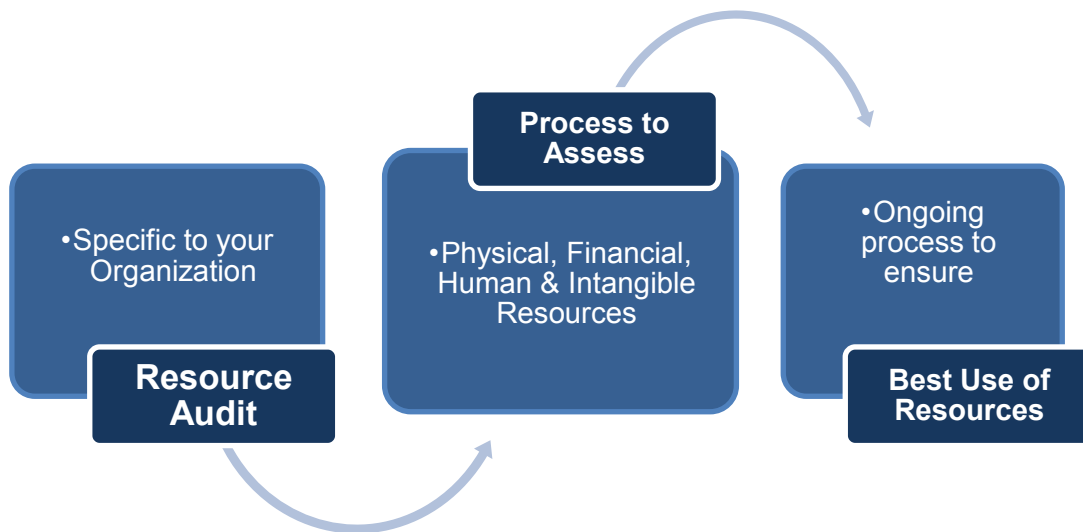
Many organizations get lost somewhere between the mission and the tactics, so do a careful review of your processes to make sure that you don't fall into that trap. As long as you are able to outline a logical progression for your business from one step to the next, the end result should keep you pointing in the right direction.

### Key Points

- MOST Analysis is a simple framework tool for analysing or planning the detail of what an organisation does.
- It helps you frame questions, starting from the high-level mission of the organisation and digging right down to the detail of individual tactics.
- MOST stands for: Mission, Objectives, Strategy and Tactics.
- The mission of an organisation should be the answer to the question 'What do you do?'
- Objectives start with the translation of the mission into overall intent that drives the strategy process.
- Strategy includes the high-level decisions that shape what is done and how.
- Tactical planning takes strategic decisions and figures out how to implement them in practice.

## Resource Audit

Understanding what you have available to you as a business owner or manager is a crucial part of the overall puzzle. If you don't know what resources you have at your disposal, you have no way to making good decisions that maximize your opportunities while minimizing your risks. That is the balancing act that every business must play, so understanding exactly what resources are at your disposal should be high on your priority list.



A resource audit is the process of going through everything that your business or organization has available to it. These resources can take on many forms, and are not limited to just obvious items like cash and inventory.

The resource audit for your organization is likely to be unique to you because it will take into consideration specific needs that your industry has for things like experience and knowledge in a particular field. While it might take some time and effort to perform a proper resource audit on your organization, the information that this process will reveal to you can be invaluable.

Let's take a look at some of the categories of resources that could relate to your business. Some of the following will be obvious to you, but some of



these items you might not have thought about as obvious resources up until this point.

### **Physical Resources**

This is probably the first thing you think about when considering the resources that you have on hand. These are things like equipment, inventory, and even buildings that allow you to do what it is you do. Most likely, you are already making the most of these resources since they are the ones that get the most time and attention.

However, it is always worth taking a fresh look at your physical resources to see if you could be getting more value from them than you currently are.

*Is some of the space in your buildings going unused, or being wasted on an unnecessary purpose?*

*Are your machines being used to their fullest capacity as frequently as possible?*

When you take the time to review everything that you do and how you use what you have, you might be surprised to notice inefficiencies where you didn't think any existed.

### **Financial Resources**

Unless your organization is hopelessly disorganized, you certainly already know what kind of financial resources you have available to you. Accurate financial records are one of the essentials for any organization, so this is an area that you hopefully have under control already.

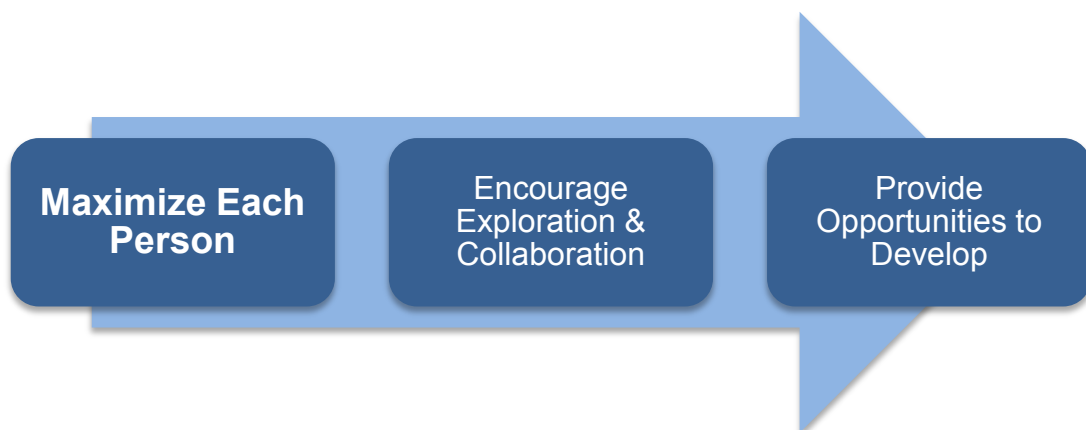
As with your physical resources, a review of financial resources is something that should be happening on an ongoing basis. You should always be finding ways to be more efficient with your money, so that the organization squeezes every last cent out of each dollar. In the competitive business environment that exists today, no company can afford to just give away money due to poor decision-making or laziness among management.

If you aren't going to be smart with your financial resources, you can assume that your competitors will be.

### Human Resources

This is where it starts to get interesting from a management perspective, and where you can start to make real improvements in your organization. Each person that works within your company has a specific set of skills and experiences that is unique to them.

If you want to get the best possible performance from your business as a whole, it starts by getting the most out of each individual person that you have available to you. Wages make up a huge part of any organizations budget, so make sure you get getting the best possible return from the investment you have made in these people.



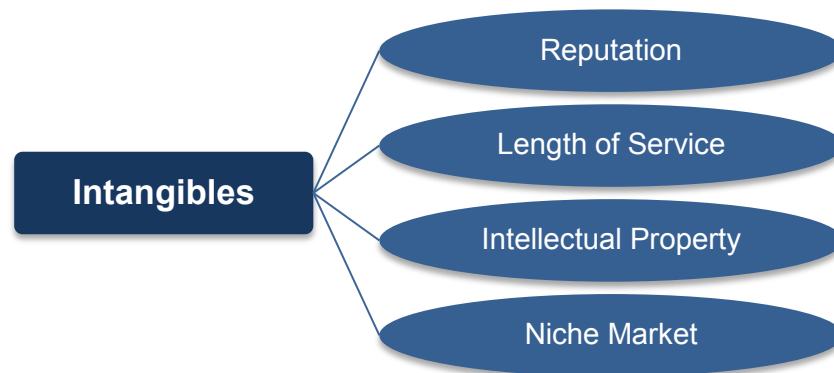
One of the most commonly made mistakes in terms of using human resources is putting people 'into a box' in terms of what they can do. Just because someone has been hired into your organization for a specific purpose doesn't mean that they don't have more to offer. Instead of trying to keep all of your employees or team members stuck in the same role that they are currently filling, encourage exploration and collaboration so you can uncover skills that you didn't know existed within the work force.

In doing this, you might find that you don't need to hire as many new people when new projects come up – because the skills and experience are

already found within your team. Give your employees the benefit of the doubt and provide them with opportunities to impress you by going outside of their usual routine.

## The Intangibles

What else does your organization have going for it beyond what you can see within the building? Intangible resources can include things like a great reputation within the community, many years in business, or a presence in a niche market that lacks significant competition.



Take a look at the advantages that you have from an intangible perspective and think about ways you can make those advantages work for you. For example, if your organization has been in business for a long time, you should leverage that point in advertising and marketing efforts to make sure potential customers understand how trustworthy you really are. It takes time to build up many of the intangibles in business, so don't waste them once you have successfully put them in place.

When you think about it, business is all about resources. Taking what you have available to you, and making it work in a way that gets you closer to your goals, is really the name of the game. The companies and organizations that play this game the best – and get the most possible

production from their resources – are usually the ones that are going to come out on top.

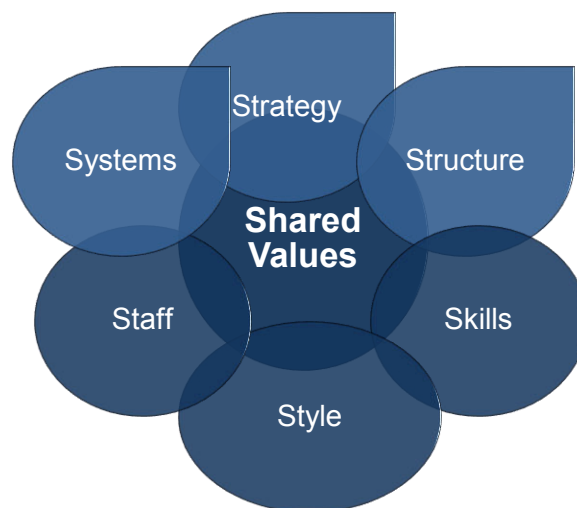
Don't take anything that you have for granted. Instead, look at each of your resources closely and try to devise new ways to gain more and more benefit from them over time. An ongoing approach to improving resource utilization is something that any successful business will embrace and make a top priority.

### **Key Points**

- The resource audit identifies the resources available to a business.
- Some of these may be owned (e.g. plant and machinery, trademarks, retail outlets) whereas others can be obtained through partnerships, joint ventures or suppliers.
- Financial resources include the organisation's financial assets including the ability to raise finance via credit.
- Physical resources include buildings and equipment, which may be either owned or leased.
- Human resources include both permanent and temporary staff.
- Reputation is a reflection of how the organization is perceived in the marketplace.
- Know-how is the intellectual property that enables the organization to function.

## The McKinsey 7-S Model

An organization can quickly and easily become a hard thing to control. Even within small companies the scope of everything that needs to get done, and all the people who need to be managed, can overwhelm the most organized of managers. In order to take your business where you want it to go, you need to make sure that all aspects of the organization are aligned and pointing the right direction. If even one or two areas of your business are not working in concert with the rest, your performance will fall short of expectations.



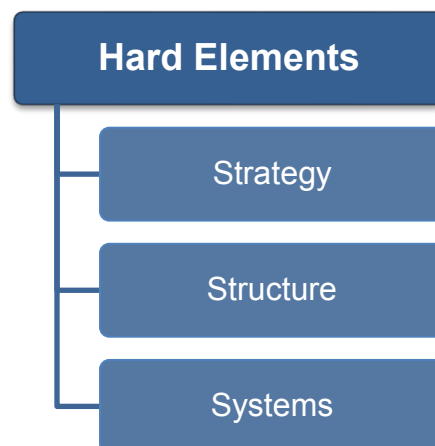
The McKinsey 7-S Model is a tool designed to help business owners and managers understand how aligned their organization is, and where it can be improved. As you might guess from the title, there are seven elements which make up this model – strategy, structure, systems, shared values, skills, style, and staff.

Each of these elements is vital to your success, yet each needs its own time and attention to function properly. Only when these separate parts of your organization are able to come together can you be confident that you are on the right path.

To help you better understand this model, it is divided into two categories – hard elements, and soft elements. Three of the factors are categorized on the hard elements side, with four on the soft elements side. Let's take a look at each of these separately to better understand how the McKinsey 7-S Model can influence your organization.

### The Hard Elements

The three factors that are considered as 'hard' elements under this model are strategy, structure, and systems. For most managers, these are going to be the elements that are easier to understand and quantify. In fact, these are probably the areas that you are currently spending most of your time, even if you don't think about them as such.



These are the classic elements of business operations and your work on a daily basis very likely relates to one or more of these areas.

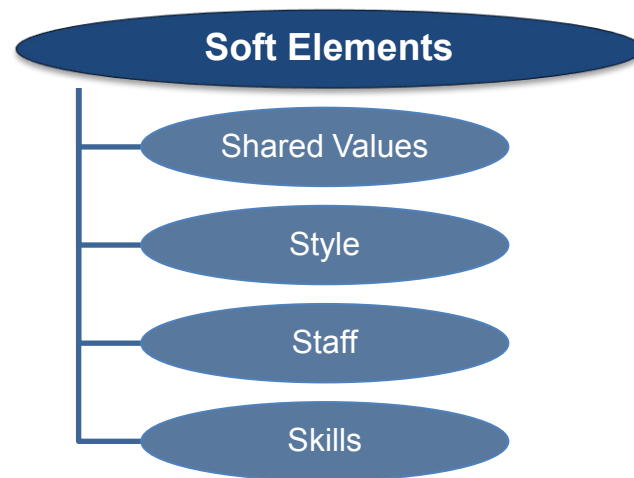
- **Strategy.** This is a high-level perspective on the business and how you plan to rise above your competitors over time. Most likely, you will be able to draw most of your strategy from the business plan that should have been drafted when you were first getting started. In some cases, your strategy could be defined by the sub-section of the business in which you work.

For example, if you are the accounting manager within a larger organization, your strategy may relate to how you can best provide the accurate data that is required by those above you – as opposed to having it relate the business operations as a whole.

- **Structure.** The structure element is another one that you probably have a handle on already. Structure is often visualized in the form of an organizational chart or other document that outlines who reports to whom. This structure could deal in terms of the whole organization, or simply a department within the company, such as the accounting department from our previous example.
- **Systems.** How the job gets done. This is the work that is taking place on a regular basis to keep the business operating and moving forward. Most likely, systems is where you spend the vast majority of your time as a manager. Making sure all of your employees are working on the right projects, and getting them done in time, is the life of a leader within any business. Without systems that function properly, none of the rest of the model will get you anywhere.

It should be pretty easy to get a handle on these hard elements of the model. However, just by thinking of them in this way and making sure each is aligned to the other, your management style could be improved or refined.

## The Soft Elements



This model are somewhat harder to define, and definitely more difficult to quantify. They are no less important, however, and the good leader will give them just as much time and attention as the previous group.

- **Shared Values.** Think of this point as the overall culture of the company, and the purpose behind everything that is done. The shared values of an organization should stretch to all employees, to create a feeling of cohesiveness and camaraderie.
- **Style.** How are you going to lead your team? The style of leadership that you use should fall in line with both the culture of the organization, and the needs of your team. There are many different leadership styles employed by managers depending on the situation, so you will need to craft your own approach to the job as you see best fit based on the circumstances around you.
- **Staff.** Understanding the strengths and weaknesses of your team is a classic leadership responsibility – but you also need to know how to then get the most from them while also developing their skills along the way. A good leader will constantly be improving their team so they are stronger tomorrow than they were today.



- **Skills.** In many ways, this point goes along with staff in terms of knowing what you can get done in-house with the skills you have available to you. You never want to ask someone on your team to do something they aren't capable of; so having a strong understanding of the skills within your staff is something that you should prioritize.

Within these seven elements is essentially everything that a good manager needs to pay attention to on a regular basis. You probably already have a good feel for many of these points, but some of them may be new to you – or you may have let them slide recently.

Organizational alignment is an important quality within any business, and following the McKinsey 7-S Model is a good way to get started working toward that goal. Take the time to review the model carefully and then apply it to the existing condition of your company.

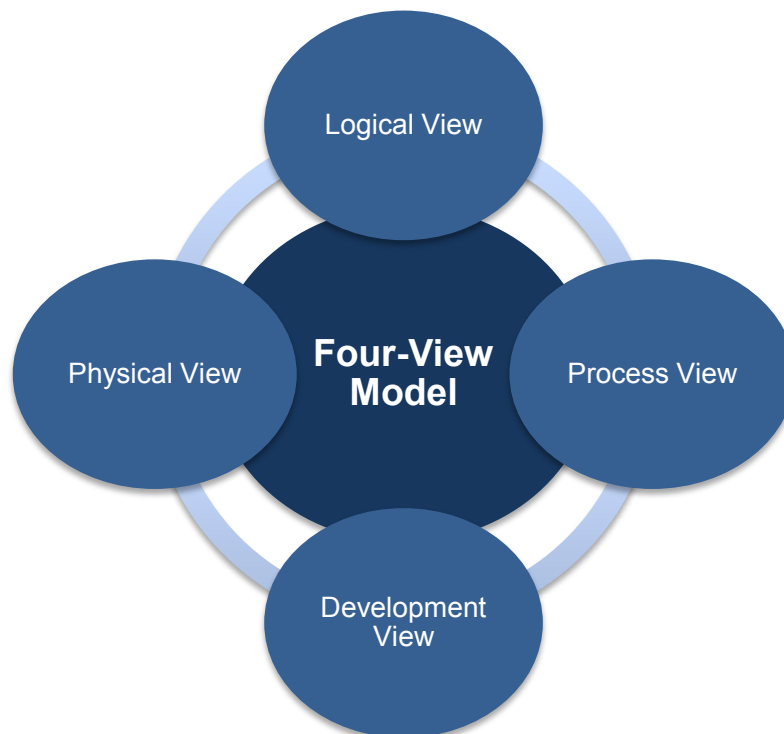
### **Key Points**

- The McKinsey 7-S Model is a tool designed to help business owners and managers understand how aligned their organization is, and where it can be approved.
- The model is most often used as an organizational analysis tool to assess and monitor changes in the internal situation of an organization.
- It is based on the theory that, for an organization to perform well, these seven elements need to be aligned and mutually reinforcing.
- The model can be used to help identify what needs to be realigned to improve performance, or to maintain performance during other types of change.

## The Four-View Model

There is an old expression that says there are two sides to every story. Additionally, there is more than one way to look at every story – different viewpoints to be taken. This is the idea behind the Four-View model – that there are many ways to look at something, each with a different perspective and insight than the other.

It is a mistake to look at something from only one view, as you are bound to miss aspects of it that you would have seen from other angles. If you are a manager or leader within your business, you owe it to yourself and to your team to take as many views as possible throughout the course of a project.



As the name gives away, there are four views that are covered in this model for you to consider. While the model is often used as a guideline for computer programmers and others in the IT world, it has applications to management and leadership as well. The four views are as follows –

- Logical View
- Process View

- Development View
- Physical View

By understanding each of these views and how they play together, you can improve your own performance as a leader and get the most out of your team. Let's take a closer look at each of these four views.

### Logical View

Taking a logical view of any system within your business is to step back and see it from a higher perspective than you normally take. The logical view can be highly beneficial to a manager who spends most of their time right in the middle of the action and rarely steps back to see how the overall picture is coming together. It is very easy to become so absorbed within the daily activities of your business that you never really think logically about what is going on.

It is also helpful, to the extent that it is possible, to put away your technical knowledge within the field and try to look at the situation from a layman's perspective.

*What would you think about the operations of the business if you had no training whatsoever?*

*How would you feel about the way the organization is being run?*

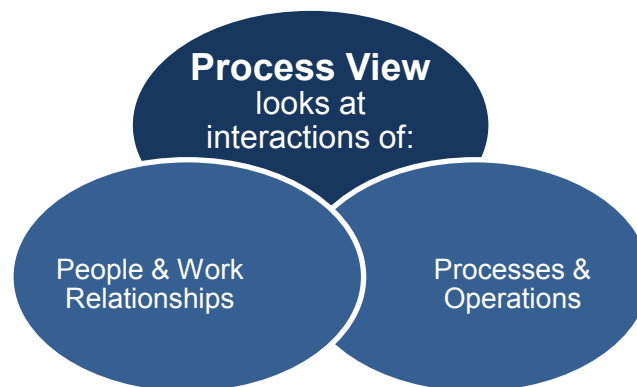
Technical knowledge is usually required for success, but it can also be a serious roadblock along the way. Try removing yourself from what you know and just think about the situation logically as if it were a field you knew nothing about. This can be a powerful perspective to take, and could lead you to making some serious changes.

### Process View

This is basically the other side of the coin from the logical view. With the process view, you want to get in 'deep' to the day-to-day operations and

think critically about how they work and if they work. What could be changed to improve performance, or is the system already running optimally?

Process view has a lot to do with how employees work together, and what those interactions say about the organization as a whole. Depending on how you choose to manage your employees, this view could be the most revealing of them all.



It is important not to take shortcuts when trying to get a clear picture of the organization through the process view. You really need to understand every last detail and how all of the various inputs connect with one another.

Knowing the daily operation of the business as closely as possible is a great advantage when it comes to decision making because you will be better able to predict problems and challenges that could arise from changes that are made.

### **Development View**

Business is all about developing new ideas and making sure that you don't become stuck in a rut doing the same old thing. Taking a developmental view of your business is helpful in order to generate new ideas and maybe shed light on old ideas that never quite made it to market.

The development of your business or organization is not going to happen on its own – you are going to need to make it happen through critical thinking and constant analysis.

Also, it likely won't be good enough to have only one or two people taking a developmental view. Rather, everyone within the organization should be tasked with thinking this way, and they should have the freedom to express new ideas and point toward opportunities.



Getting the most from your employees' means empowering them to think for themselves and offer up new ideas and directions that could potentially power the organization into the future.

### **Physical View**

It might be best to think of this view as a 'state of the union' analysis. You will want to look at the organization as a whole, as it is right now. Not in relation to future goals or opportunities that may come along – but what it is at this point in time.

This realistic view of the organization should give you a reality check in terms of what your strengths and weaknesses really are, and what you can do to improve on them or take advantage of them. Many businesses choose to not see the bad things for fear of what they might find. If you want to win over your competition, you have to be willing to look at things that might not be so pretty in order to correct them.

While the Four-View Model is more commonly referenced when it comes to software development and engineering, the principles certainly apply nicely to the operation of any organization. It is always healthy to take a fresh perspective and see what you can find out about your company when you look at it from as many different angles as possible.

Work your way through the four views on this list to make sure that you are missing threats or opportunities that might be right under your nose. Make sure that you and the rest of your team are using this model to drive the way you think about business.

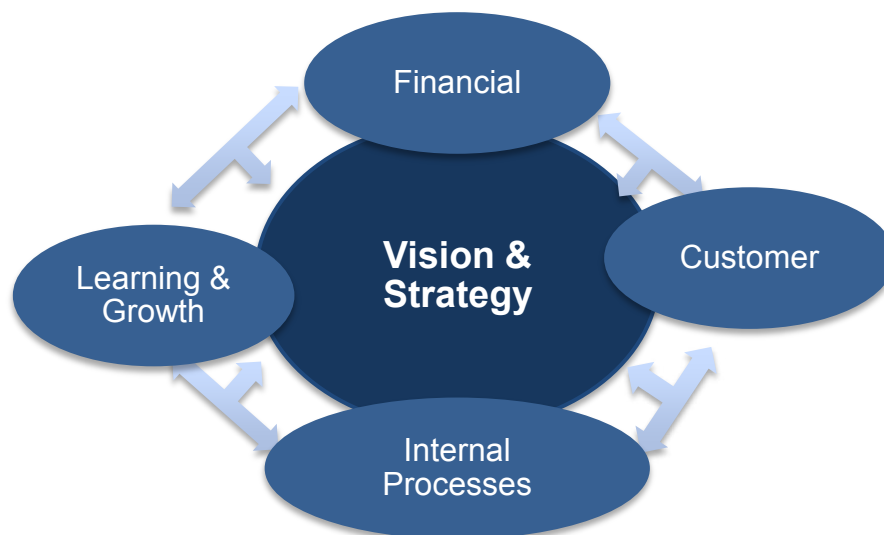
### **Key Points**

- The four-view model has its origins in software engineering but it can also be used outside of that discipline.
- The logical view is where the overall structure of the application is conveyed. Another way to characterize the logical view is to think of it as the interfaces to the environment in the most general of contexts.
- The process view is used to paint a picture describing the underlying processes and tasks, which are occurring within the system, as well as the channels of communication between them. The interrelationships amongst processes should be visible as well as the synchronization mechanisms.
- The development view provides perspective on the software's organization. The components of the system as well as their interdependencies are outlined within this view.
- The physical view is used to describe the hardware and software setup that is required by the system. In this view we gain an appreciation of how the hardware and software components are combined to form the deployed product.

## The Balanced Business Scorecard

The Balanced Business Scorecard, or the Balanced Scorecard, is a management tool used by many organizations in order to align their activities with their goals. There are a number of tools and models that seek to achieve the same result, but the Balanced Scorecard is one of the most popular and most successful.

By using this tool, you can gain a top-level view of everything that is going on within an organization so decisions can be made in terms of improving weaknesses and tightening up performance.



This scorecard diagram is divided up into four sections, each of which requires its own time and attention to understand and utilize. The four sections are Financial, Customer, Internal Processes, and Learning and Growth. Obviously, those areas cover a range of different departments and employees within any business, so you can quickly see how this scorecard is able to relate to any organization and help it be better aligned for the long run.

Let's take a moment to look a little closer at each of these four sections of the scorecard.

## Financial

*What kind of financial situation is the organization in currently?*

*What opportunities exist for better use for the financial resources available?*

*What risks are present in terms of finances?*

These are just some of the questions that can be asked in order to fill in this portion of the scorecard. Obviously, the financial condition of an organization is one of the most-important elements to review at any time. Without a solid financial base, the long-term goals of the company – whatever they may be – are unlikely to be reached.

Once the financial situation has been reviewed and considering, decisions can be made to make sure that financial management is in line with the overall target of the organization. Ideally, the choices that are made with finances are going to work directly toward helping the company as a whole hit its goals. If that isn't happening, the scorecard should be able to highlight the problem areas so improvements can be made.

## Customer

Business is all about customers. If you don't have customers, you don't have a business – plain and simple. This section of the scorecard encourages you to take a look at the business from the perspective of the customer and analyze what could be done better, and what is working well.

*Are your customers impressed with your products and your services?*

*Is there any part of your business where a customer would be better off choosing one of your competitors?*

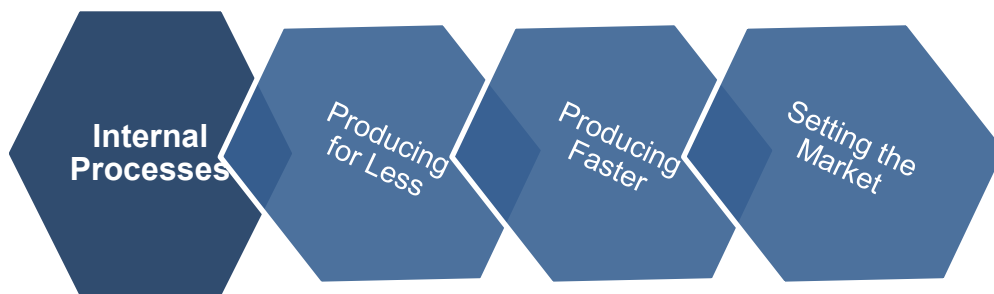
There are a number of statistics and metrics that can be used to evaluate the relationship that you have with your customers. Things like the percentage of sales which are made up of new products, and how many customers make up the majority of your sales, are good ways to analyze the



state of the business and make any adjustments that might be necessary going forward. Without a healthy and growing customer base to serve, all of your other efforts can go wasted in time. The business that learns to value their customer relationships is usually the one who will succeed in the long run.

## Internal Processes

The actual day-to-day operations of your business, or your department within a business, need to be as effective and efficient as possible to compete. You can't afford to be wasting resources along the way and still expect to win out over your competition. If you aren't doing it as well as it can be done, someone else surely will.



There are a number of ways in which you can use your internal processes to gain an advantage over your competition. Those include –

- **Producing for less.** If you can make the same product as your competition, but make it for less, you have an obvious advantage. This will allow you to sell your product for less, meaning it is easier to win the market share from your competitor, and still make the same profit margin. Controlling, and reducing, unit cost over time is a valuable skill.
- **Producing faster.** Whether you want to make sure your product is the first to the market, or just be able to fill orders as quickly as they come in, the speed of your production is another important facet of operations as a whole. Through using this scorecard to

study your processes, you may discover that time is being wasted at one point or another along the way.

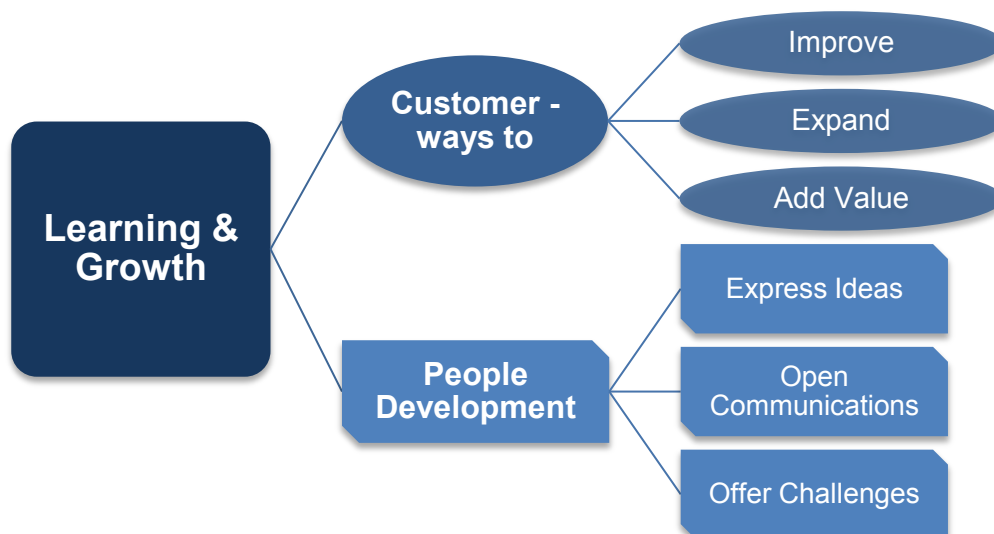
- **Setting the market.** Within your industry, if you are able to bring a new product to the market that offers a better solution to the problems of your customers, you are sure to grow your business. Setting the market is always difficult, but it is something that every organization strives to achieve.

It is easy to let your internal processes just continue to run as they have because you are so busy managing them from day to day. Stepping back, however, and reviewing what you do is vital to the growth of the company.

### Learning and Growth

Speaking of growth, this last section of the scorecard relates to just that – finding new ways to improve, expand, and add value for customers. Also included in learning and growth is the development of the employees within your organization.

When you give them power and opportunity beyond just their normal daily routine, you open up possibilities that may not have existed before. A culture of growth within an organization is one that helps people with ideas express them to those who can put them into action.



Using the Balanced Business Scorecard is a decision that countless organizations have used over the years to review how they are functioning, and where they could improve. Taking time to analyze each of the four sections of the scorecard honestly and objectively could reveal things about your business that you did not know were true.

Every organization has goals, but it is working toward those goals on a daily basis that gets tricky – using the Balanced Business Scorecard can help you work through the details and stay on track.

### **Key Points**

- The Balanced Scorecard (BSC) is a semi-standard structured report that can be used by managers to keep track of the execution of activities by the staff within their control and to monitor the consequences arising from these actions.
- It focuses on the strategic agenda of the organization, the selection of a small number of data items to monitor and a mix of financial and non-financial data items.
- Using the Balanced Business Scorecard is a decision that countless organizations have used over the years to review how they are functioning, and where they could improve.

## Other Free Resources

The Free Management eBooks website offers you over 500 free resources for your own professional development. Our eBooks, Checklists, and Templates are designed to help you with the management issues you face every day. They can be downloaded in PDF, Kindle, ePub, or Doc formats for use on your iPhone, iPad, laptop or desktop.

**eBooks** – Our free management eBooks cover everything from accounting principles to business strategy. Each one has been written to provide you with the practical skills you need to succeed as a management professional.

**Templates** – Most of the day-to-day management tasks you need to do have already been done by others many times in the past. Our management templates will save you from wasting your valuable time re-inventing the wheel.

**Checklists** – When you are working under pressure or doing a task for the first time, it is easy to overlook something or forget to ask a key question. These management checklists will help you to break down complex management tasks into small controllable steps.

**FME Newsletter** – Subscribe to our free monthly newsletter and stay up to date with the latest professional development resources we add every month.

**Social Media** - Share our free management resources with your friends and colleagues by following us on LinkedIn, Facebook, Twitter, Google+, and RSS.

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