

Section 502 Strategy Mapping

The SWOT Follow-up Process

Presented by Kevin Gilson

April 13, 2010

Agenda

- Strategic Planning
 - The process quickly reviewed from Oct. 2009
- Balanced Scorecard
 - Overview of concept
- SWOT
 - Recap of what we did
- SWOT Analysis
 - An analysis of Board and Member input as an example of what to do with the information

Strategy

- Describes how an organization intends to create *value* for:
 - Shareholders or investors
 - Customers or members
 - Citizens or the external world
- Measured by the critical *few* parameters that create long-term *value*

Balanced Scorecard: Overview

- A methodology to:
 - Describe strategies on a Scorecard
 - Link management system to the Scorecard
 - Therefore, linking the management system to strategy

Balanced Scorecard: Overview

- Basic elements:
 - Financial Perspective
 - How will we look to our members?
 - Customer Perspective
 - How will look to our members if we achieve our vision?
 - Internal Process Perspective
 - What business processes must we excel at?
 - Learning and Growth Perspective
 - What must organization learn and improve?

SWOT as a Link

- Linking Vision and Mission to Strategy
 - Evaluate current situation
 - Competency - what is performed well
 - Core Competency - crucial to success
 - Distinctive Competency - competitive advantage
 - Conduct a SWOT Analysis
 - Foundation for competitive strategies

Analysis of Current State

- The SWOT Tool
 - What is SWOT?
 - Internal environment
 - S - Strengths of the organization
 - W - Weaknesses of the approach
 - External environment
 - O - Opportunities for excellence
 - T - Threats to future attainment
 - Objective: match the *External elements* with the *Internal elements* to develop competitive strategies

SWOT Guidelines

- Link to actionable strategies
 - Establish categories
 - Finance
 - Customer
 - Process
 - Technology
 - People

SWOT Guidelines

- Link to importance
 - State fact - we didn't do a good job here
 - State impact of the fact - this was better
 - Link to Category - requires facilitation
- Link to Balanced Scorecard
 - Each category is an element of the Strategy Map
 - Forms basis for Scorecard

Baltimore Section ASQ

❖ Our Vision

- **To be the Baltimore Metropolitan Area recognized resource on issues related to Quality.**

❖ Our Mission

- **To create value for our members and business professionals at large by providing opportunities for professional development, serving as a resource for managing quality in the Maryland community.**

American Society for Quality Scorecard										
	Trends			Current Fiscal Year			FY09 Forecast	Projections		
	2006-06	2006-07	2007-08	Mar. 06-09 Year to date		YTD Status		EOY Targets/Goals		
	EOY Actual	EOY Actual	EOY Actual	Actual	Target	Indicator (O,Y,R)		2008-09	2009-10	2010-11
Impact										
Total number of media impressions	197M	211M	620M	1B	474.3M	G	1.4B	632.8M	1.5B	1.6B
Total number of web site visits	3.1M	3.7M	4.7M	6.1M	3.6M	G	7.2M	4.8M	7.6M	8.0M
Web Visitors*	NA	0.6M	2.6M	2.4M	2.6M	Y	3.2M	3.3M	3.9M	3.6M
Web Visitor Conversion Rate*	NA	1.08%	2.66%	2.30%	2.00%	G	2%	2%	2%	2%
Community										
Total number of individual members	114,003	123,927	170,128	161,808	192,190	R	160,296	198,740	184,284	211,928
- Total number of non-dues paying members	20,288	30,098	79,303	78,890	101,290	R	74,030	107,868	97,344	128,494
- Total number of dues paying members	93,715	93,842	90,836	86,218	90,900	R	86,226	90,786	86,975	89,959
- Total number of new individual members	21,860	22,062	20,771	18,439	16,022	R	20,102	20,954	21,300	22,482
Total number organizational members	618	681	701	773	688	G	902	720	770	809
- Total number of new org members	112	217	213	213	177	G	278	219	246	287
Customer (5-4 measure)										
Percent of customers loyal to ASQ (Level 1)	NA	23.7%	NA	29.9%	29%	G	NA	29%	NA	35%
Percent of customers loyal to ASQ (transaction surveys)	NA	NA	36.7%	31.8%	36.7%	R	TBD	36.7%	TBD	TBD
Percent of customers satisfied with key products & service	48.8%	46.0%	48.0%	53.9%	49.4%	G	53.6%	49.4%	50.2%	51%
QBoK Relevance*	NA	NA	NA	NA	NA	NA	NA	NA	TBD	TBD
Total number of renewing individual members	69,636	66,961	69,376	62,924	64,246	R	67,500	69,376	63,600	67,828
Total number of renewing org members	496	493	389	372	390	R	528	539	528	561
Financial (5-4 measure)										
Total consolidated operating revenue	37.0M	35.8M	35.4M	25.3M	22M	G	36.1M	36.8M	35.8M	37.6M
Total consolidated operating surplus/deficit	0.9M	0.6M	(2.9M)	(2.4M)	(4M)	G	(0.4M)	(1.3M)	0.1M	0.18M
Liquidity*	NA	NA	NA	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Reserve Fund as a percent of operating expenses	28.9%	33.2%	36.6%	26.2%	28%	G	28%	28%	28%	28%
Process & Operations (5-9 measure)										
Customer Experience Index*	NA	NA	3.80	3.9	3.80	G	3.9	3.80	3.80	3.80
Total number of new products (BoK) launched	46	61	41	60	67	R	67	66	70	76
Percent of new products launched on time	81%	90%	78%	88%	96%	Y	92%	95%	96%	96%
Percent of revenue from new products	NA	NA	NA	10.3%	6.70%	G	6.2%	6.7%	7.0%	7.4%
Percent of MARCOM tactics executed on time	NA	80.6%	78%	84%	80%	G	83%	80%	86%	90%
Learning & Growth (5-4 measure)										
Employee Engagement	69%	73%	72%	70%	79%	R	NA	79%	79%	79%
Staff retention	81%	82%	89%	87%	88%	G	87%	86%	86%	86%
Member leader satisfaction	NA	NA	29%	41.2%	>29%	G	NA	>29%	>41.2%	>43%
Revenue per staff	197K	194K	179.6K	192K	176K	G	184.9K	176K	188K	194K
Compensation/Operational Revenue	34%	36%	36%	36%	41.9%	G	38%	41.9%	39.9%	37.6%
Average total number of staff hours spent in company-offered training	10.3	16.2	8.9	6.26	11.26	R	9.6	16	16	16

Red = behind last year and plan. Yellow = ahead of last year. Not behind plan. Green = at or above plan.

Perspective Definitions

- Financial
 - Current and future positions for viability
- Customer
 - Balance internal and external perspectives
- Process
 - What we do to deliver on customer value
- Learning and Growth
 - What the Board needs to know

SWOT Example

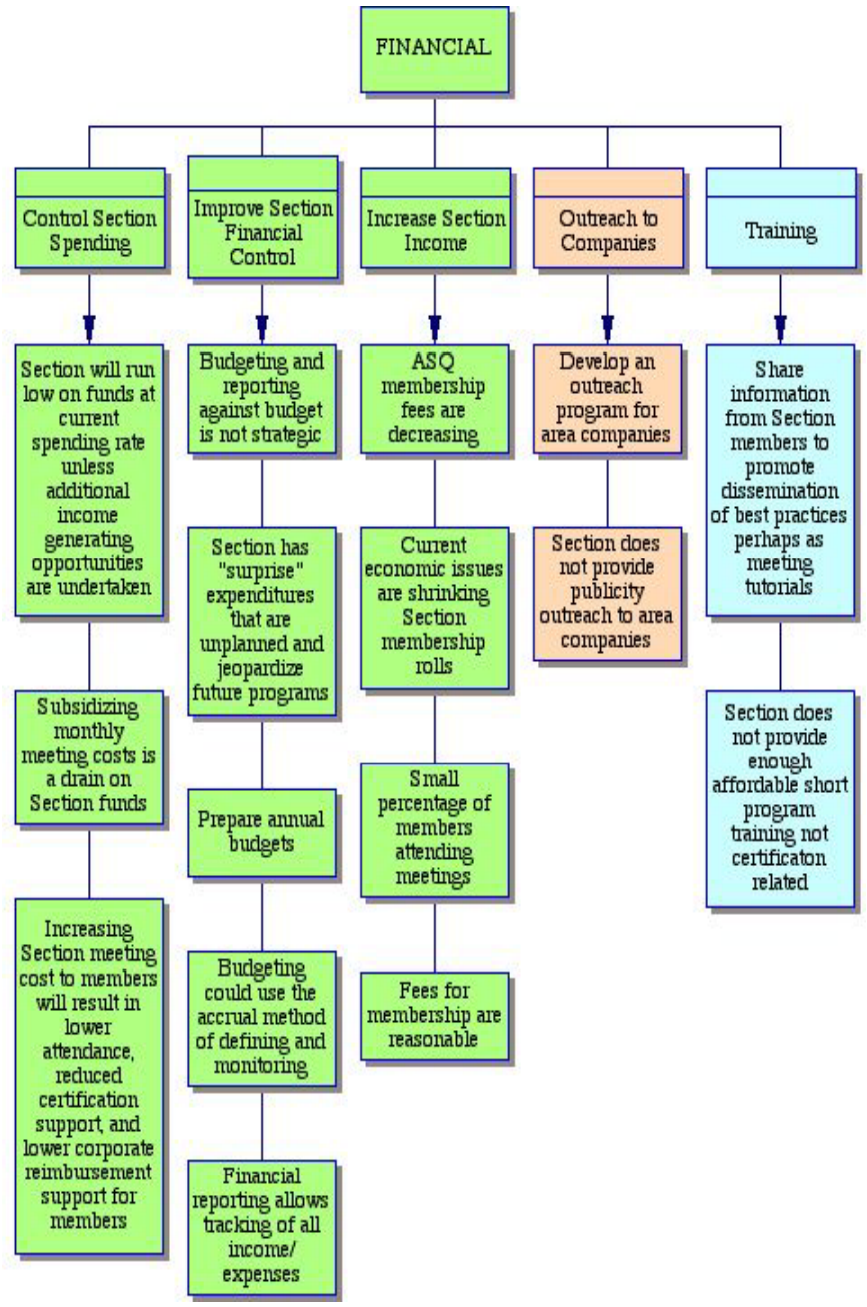
STRENGTH		
FACT	IMPACT	Comments
Board member qualification	Dedicated board members ensures that tasks that need to be done are performed	
Do what we do well; Good at what we know	Section is recognized by National for excellence in meeting ASQ goals and objectives	Does not necessarily mean that we meet member requirements, needs and objectives
Effective internal/ yahoo email communication	Board members and officers communicate between Board meetings to advance Section impact	
Meeting announcements: mailing list and format	Members know of meetings and activities and can participate as interest dictates	
We'd like to maintain cert	Credibility for attracting and maintaining customers; Makes members more employable	
To maintain cert	continue education and training; obtain certs	

Talley of SWOT Fact Statements

Customer	35
Finance	16
Process	27
Technology	22
People (Learning & Growth)	27
Total SWOT Facts	127

SWOT Analysis

- Affinitize SWOT Facts into columns
 - Disregard type of Fact (S, W, O or T)
- Create title for each Perspective column
 - Pick VERB that characterizes the action
 - Pick NOUN as subject of action
- Create Strategy Map
 - Use perspective to list Strategic Actions
 - Link Actions to reveal gaps or dependency



FINANCIAL

Control Section Spending

Section will run low on funds at current spending rate unless additional income generating opportunities are undertaken

Subsidizing monthly meeting costs is a drain on Section funds

Increasing Section meeting cost to members will result in lower attendance, reduced certification support, and lower corporate reimbursement support for members

Improve Section Financial Control

Budgeting and reporting against budget is not strategic

Section has "surprise" expenditures that are unplanned and jeopardize future programs

Prepare annual budgets

Budgeting could use the accrual method of defining and monitoring

Financial reporting allows tracking of all income/expenses

Increase Section Income

ASQ membership fees are decreasing

Current economic issues are shrinking Section membership rolls

Small percentage of members attending meetings

Fees for membership are reasonable

Outreach to Companies

Develop an outreach program for area companies

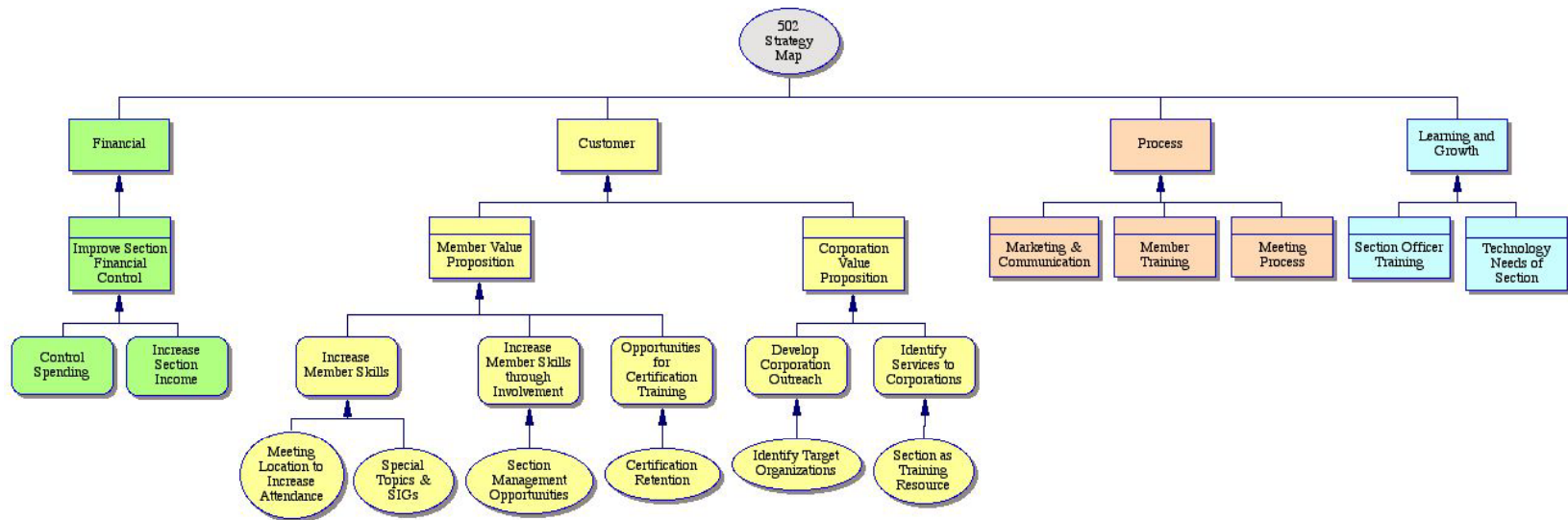
Section does not provide publicity outreach to area companies

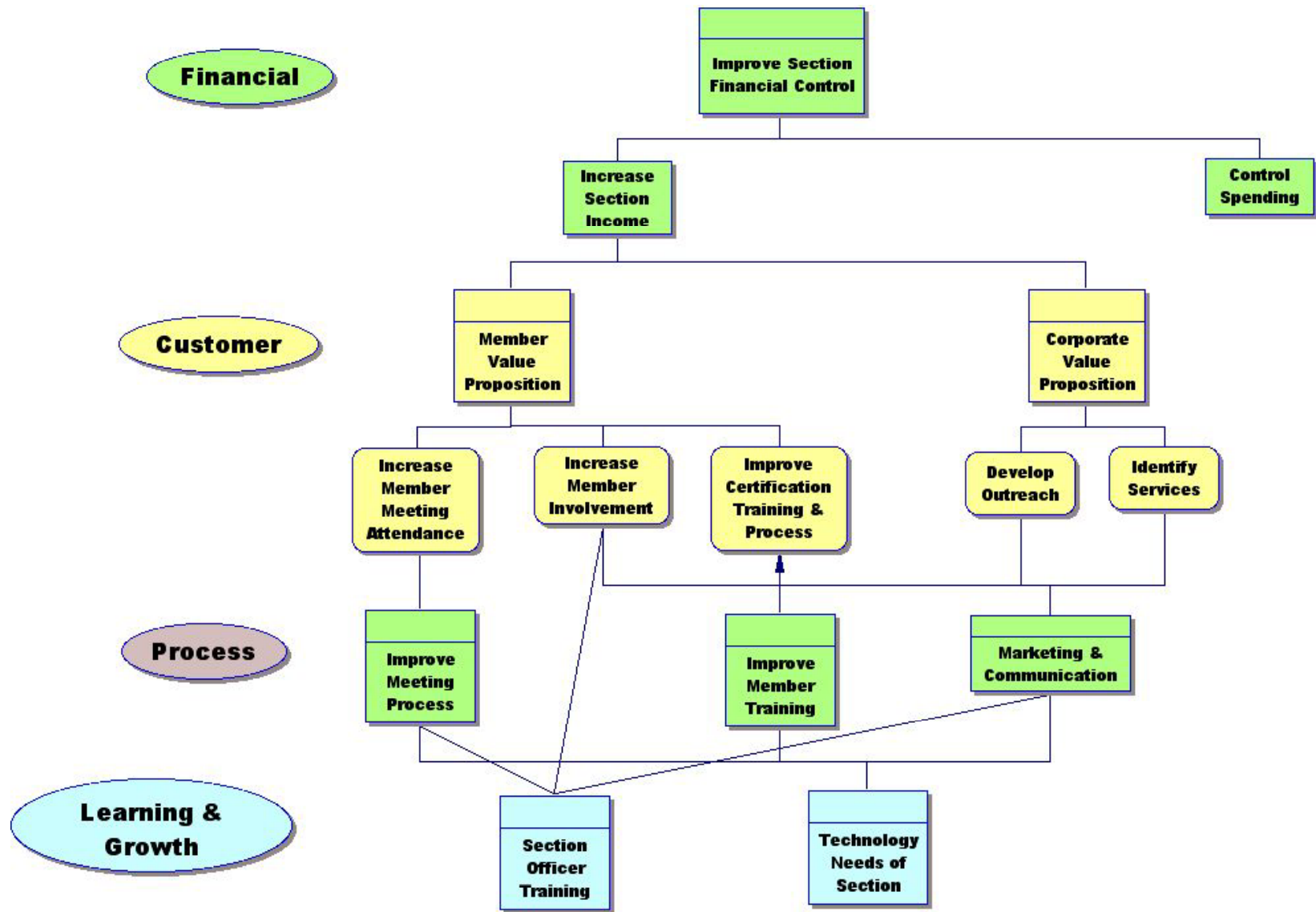
Training

Share information from Section members to promote dissemination of best practices perhaps as meeting tutorials

Section does not provide enough affordable short program training not certification related

Section 502 Strategy Map





Comparison of Scoreboards

- ASQ Scorecard
 - Impact
 - Community
 - Customer
 - Financial
 - Process & Operations
 - Learning & Growth
- 502 SWOT
 - Customer
 - Finance
 - Process
 - Technology
 - Learning & Growth

References

- Ralph Smith, *Business Process Management and the Balanced Scorecard*, Wiley, 2007
- Jim Collins, *Good to Great and the Social Sectors*, 2005
- Wallace Stettinius et al., *How to Plan and Execute Strategy*, McGraw-Hill, 2007
- Robert Kaplan & David Norton, *Strategy Maps*, Harvard Business School Press, 2004

Thank You!

Your input is valuable to the Board
in strategy making!