SELECTING STRATEGIC INITIATIVES

There is nothing so useless as doing efficiently that which should not be done at all.

Peter F. Drucker (writer and management consultant)
1909–2005

INTRODUCTION

The Advanced Performance Institute’s (API) research report: “Strategic Performance Management in Government and Public Sector Organizations,”¹ found that “align other organizational activities with the strategic aims outlined in the performance management system,” was one of the ten principles of good performance management, as exhibited by those public sector bodies that demonstrated superior performance (see Chapter 1 for an overview of the principles and findings).

The research, which was based on a survey of more than 1100 organizations from across the globe, noted that: “When organizations lose sight of what they should be managing and why, they waste a great deal of time and resources producing something which is of little value internally, while potentially de-motivating staff. With this in mind, a Strategic Performance Management system should be used to guide and align other organizational processes – such as budgeting, performance reporting, the management of projects and programs and the management of risks.” The report continued to say that: “All too often, however, Government and public sector organizations are found to be running their reporting, risk management, project management and budgeting processes in parallel – as though these are completely unrelated activities.”
As we can see from Figure 6.1 although 73% have aligned their performance reporting with strategic aims, less than half have aligned their budgeting and project and program management, and just 14% risk management. A primary message of this book is that everything that an organization does should be connected to the strategy and the objectives that are housed within a Balanced Scorecard Strategy Map (see Chapter 4). In other parts of the book, we explain how other organizational activities should be aligned to the strategy, such as in Chapter 7 where we explain how to make sure that financial management, especially the budgeting process, is hardwired to strategic goals. In this chapter we are concerned with the alignment of strategic initiatives, or the projects or programs that the organization launches as part of the Balanced Scorecard system. It is clear from the API research that in most public sector organizations, the process for managing initiatives is not aligned to the strategic management system, which significantly lessens the likelihood of successful strategy execution.

THE ROLE OF STRATEGIC INITIATIVES

As a quick overview of where initiatives sit within a Balanced Scorecard system viewed sequentially the Strategy Map describes the logic of the strategy, delineating the critical objectives/themes that create value (be that shareholder in a commercial setting or stakeholder for a public sector organization). The second “component” of the system identifies the appropriate metrics and targets for each...