

The Business Board method  
Enabling companies to reach their full potential

# Business Board

## User Guide



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## Introduction

Research shows that a majority of organizations have difficulties creating (and maintaining) a sophisticated business plan that can really guide them to new horizons. And if there is an actionable plan, even more organizations struggle with the operational execution. The result is stagnation or at least less growth of the business. And if the situation of not having and/or executing a business plan continuous year after year, it can even lead to severe business continuity issues. I think we all know examples of companies that no longer exist because they had the wrong strategy or were not able to execute on their strategic goals.

Intrigued by the fact that so many companies have the same problem that can have severe impact on their business performance, but that so far nobody has been able to find a systematic and repeatable solution, we started our journey to the ultimate Business Planning approach. After years of customer feedback and adjusting and improving the concept, the Business Board Method finally met our requirements.

We are convinced that the result is an approach which has the right balance of clarity, simplicity, completeness, usability and practical applicability. The supporting Business Board tool has a structure that in a natural way guides your organization towards the creation *and* execution of the business plan.

The organizations that already use the Business Board Method tell us that our efforts paid off and that it really helped them to create and execute their business plans resulting in an improved competitor position, a substantially better employee engagement and increased financial results.

In this User Guide we will guide you through the visible and invisible dynamics of the Business Board tool to enable you to benefit from all features the Business Board offers.

A word of advice: please read the book “De Business Board Methode” before you start with using the Business Board tool. As we all know, successful businessplanning is not about filling in a tool, but it is about doing the right things, in the right order with the right people. The book “De Business Board Methode” will give you all insights you need...

# Overview

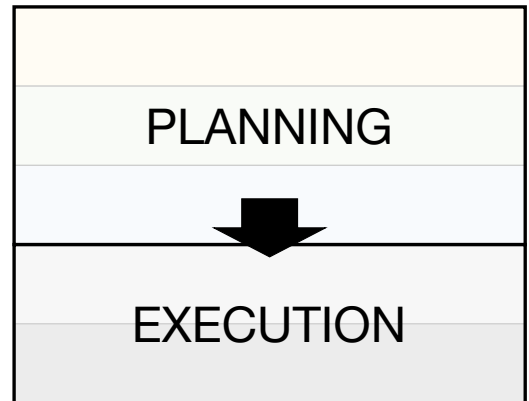
The Business Board is set-up to facilitate a natural flow that guides you through the plan ensuring the plan is complete, of high quality and consistent. In this chapter, we will give you some background on the principles behind the Business Board.

## Two parts

The Business Board consists of two parts:

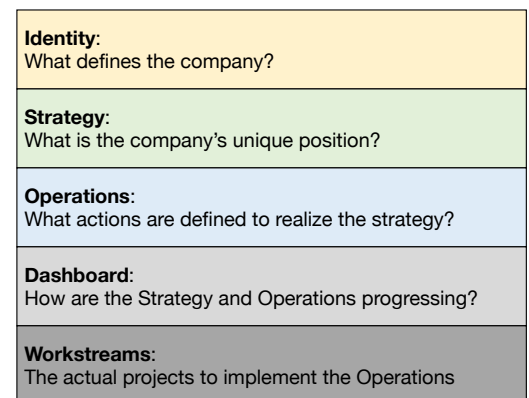
1. The upper part is the Business Plan;
2. The lower part focuses on the execution of the Business Plan.

The Business Plan and the Execution part are connected by translating (logical coherent) operational objectives from the Operations part of the Business Plan into Workstreams in the Execution part.



## Five sections

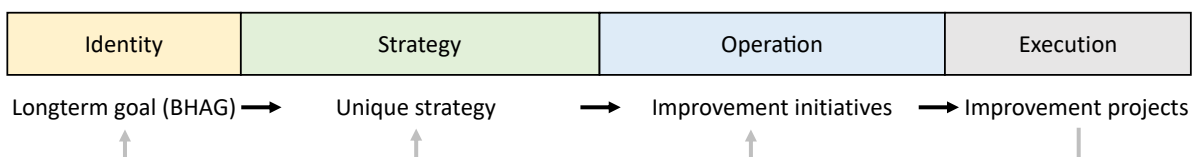
The Business Board consists of five sections: The Planning part consists of three sections focusing on WHAT needs to be done. The Execution part is divided into two sections and is all about HOW to realize the plan.



There is a natural flow between the sections: The *Identity* of the organization is translated into the (one to three year) *Strategy*, the *Strategy* is translated into *Operational* goals and improvement initiatives, and the *Operational improvement initiatives* are translated into *Workstreams* that will be managed as part of the daily operations of the company. The progress of the Business Plan is visualized in the *Dashboard*.

## Coherence

The overall “flow” of the Business Board:



# Building the Business Board

The Business Board has to be built from top to bottom (arrows representing the most important dependencies between the areas). Overview:

BUSINESS BOARD										
Enabling companies to reach their full potential				Department: [name]		Date: [date]		Version: [version]		
IDENTITY	BHAG	Headlines: 1. Passion: [Passion] 2. Competence: [Competence] 3. Economy: [Economy]	[slogan (e.g. "Interpolis. Glashelder"; "Just do it!")]							
	IMAGE	Issues with current image: 1. [Issue 1] 2. [Issue 2] 3. [Issue 3]	[Desired image in 1-3 words]	[Desired image in 1-3 words]	[Desired image in 1-3 words]	[Desired image in 1-3 words]	[Desired image in 1-3 words]	[Desired image in 1-3 words]	[Desired image in 1-3 words]	
	VALUES	Cultural improvement areas: 1. [Issue 1] 2. [Issue 2] 3. [Issue 3]	[Core-value in 1 word]	[Core-value in 1 word]	[Core-value in 1 word]	[Core-value in 1 word]	[Core-value in 1 word]	[Core-value in 1 word]	[Core-value in 1 word]	
Element	What is the desired image and strategic goals	Target Score	Actual Score	Prob.	MARKET → STRATEGIC OBJECTIVES					
MARKET	[Short statement of market position]	Market rank	0	0	Social trends		Market trends		Product trends	
	[Short statement of competitor position]	Market size			1. [Trend 1]	1. [Trend 1]	1. [Trend 1]	2. [Trend 2]	2. [Trend 2]	1. [Trend 1]
COMPETITION	[Short statement of competitor position]	Market growth%			2. [Trend 2]	2. [Trend 2]	2. [Trend 2]	3. [Trend 3]	3. [Trend 3]	2. [Trend 2]
	[Short statement of competitor position]	Competitive pos.	0	0	3. [Trend 3]	3. [Trend 3]	3. [Trend 3]	Traditional Imitation	New entrants and Substitutes	Suppliers and Buyers
STRATEGY	[Strategy statement (i.e. (Become the best in.../ (Become the largest/ cheapest/ most innovative/ ...))	Revenue	0	0	1. [Competitor 1]	1. [Competitor 1]	1. [Competitor 1]	2. [Competitor 2]	2. [Competitor 2]	1. [Competitor 1]
	[Strategy statement (i.e. (Become the largest/ cheapest/ most innovative/ ...))	Cost			2. [Competitor 2]	2. [Competitor 2]	2. [Competitor 2]	3. [Competitor 3]	3. [Competitor 3]	2. [Competitor 2]
Element	Specific, measurable and in line with the company strategy	Target Score	Actual Score	Prob.	STABILIZE		ACCELERATE			
PEOPLE	[Highest employee satisfaction within sector/ Recruit people with competence x, decrease no of people with competence y/ ...]	Margin X	0	0	Measures/ Actions to stabilize/strengthen the organization		Measures/ Actions to accelerate the organization based on the defined strategy			
	[Highest employee satisfaction within sector/ Recruit people with competence x, decrease no of people with competence y/ ...]	Revenue			[Action 1]	[Measure]	[Action 1]	[Measure]	[Action 1]	[Measure]
CUSTOMER	[Highest customer satisfaction within sector/ Grow in market x, Deline in market y/ Increase margin per customer/ ...]	Profit	0	0	[Action 2]	[Measure]	[Action 2]	[Measure]	[Action 2]	[Measure]
	[Highest customer satisfaction within sector/ Grow in market x, Deline in market y/ Increase margin per customer/ ...]	Cost			[Action 3]	[Measure]	[Action 3]	[Measure]	[Action 3]	[Measure]
PORTFOLIO	[Highest rated products/ innovative products/ Cheapest products/ ...]	Margin	0	0	[Action 1]	[Measure]	[Action 1]	[Measure]	[Action 1]	[Measure]
	[Highest rated products/ innovative products/ Cheapest products/ ...]	Revenue			[Action 2]	[Measure]	[Action 2]	[Measure]	[Action 2]	[Measure]
ORGANIZATION	[Increase productivity with x/ Optimize <process>/ Implement <system>/ ...]	Cost	0	0	[Action 3]	[Measure]	[Action 3]	[Measure]	[Action 3]	[Measure]
	[Increase productivity with x/ Optimize <process>/ Implement <system>/ ...]	Margin			[Action 1]	[Measure]	[Action 1]	[Measure]	[Action 1]	[Measure]
STRATEGY		PEOPLE		CUSTOMER		PORTFOLIO		ORGANIZATION		
0%		0%		0%		0%		0%		
Strategy		People		Customer		Portfolio		Organization		
Red Flags: 0		Red Flags: 0		Red Flags: 0		Red Flags: 0		Red Flags: 0		
Element	WORKSTREAM	Owner	Target Date	RAG	PoC%	STATUS UPDATE		MAJOR RISKS AND ISSUES		
[Element]	[Create workstream from prioritized operational objective(s)]	[Owner]	[Date]	15%	Previous and Actual review	Next period planned activities		Roadblocks and proposed mitigation actions		
[Element]	[Create workstream from prioritized operational objective(s)]	[Owner]	[Date]	80%	1) [Update]	1) [Update]		[Summary of major risks and issues for the workstream.]		
[Element]	[Create workstream from prioritized operational objective(s)]	[Owner]	[Date]	60%	2) [Update]	2) [Update]		[Summary of major risks and issues for the workstream.]		
[Element]	[Create workstream from prioritized operational objective(s)]	[Owner]	[Date]	100%	3) [Update]	3) [Update]		[Summary of major risks and issues for the workstream.]		
[Element]	[Create workstream from prioritized operational objective(s)]	[Owner]	[Date]	0%	1) [Update]	1) [Update]		[Summary of major risks and issues for the workstream.]		
[Element]	[Create workstream from prioritized operational objective(s)]	[Owner]	[Date]	0%	2) [Update]	2) [Update]		[Summary of major risks and issues for the workstream.]		
[Element]	[Create workstream from prioritized operational objective(s)]	[Owner]	[Date]	0%	3) [Update]	3) [Update]		[Summary of major risks and issues for the workstream.]		

**In the book "De Business Board Methode" a way more detailed approach on how to build your own Business Board is described.**

## Building the Business Plan (areas 1-5)

### 1. Identity.

- BHAG is a concept developed by Jim Collins and Jerry Porras. A BHAG (pronounced “Bee Hag,” short for “Big Hairy Audacious Goal”) is a powerful way to stimulate progress. A BHAG is clear and compelling, needing little explanation; people get it right away. BHAGs are bold, falling in the gray area where reason and prudence might say “This is unreasonable,” but the drive for progress says, “We believe we can do it nonetheless.” Think of the NASA moon mission of the 1960s. The best BHAGs require both building for the long term AND exuding a relentless sense of urgency: What do we need to do today, with monomaniacal focus, and tomorrow, and the next day, to defy the probabilities and ultimately achieve our BHAG?
- Image. What are the issues with the current image + what is the (top-3) desired image (how does the company want to be perceived by its customers)?
- Values. What are the cultural improvement areas + what are the top-3 values the company wants to live by (this is not the same as the current values that have become (part of) the culture)?

### 2. Market analysis.

- Market trends. The desired market position and the top-3 trends relevant for the company split into social, market and product trends.
- Competition. The desired competitive position and the top-3 competitors relevant for the company split into traditional, substitutes and new entrants’ type of competitors (reference: Porters five forces model).

### 3. Strategy.

Strategy. A short and clear statement about the company’s strategic goal for the next one to three years. This should be a derivative of the BHAG (3.1); if the strategy is executed successfully, the company’s BHAG has got closer to realization. Next to the strategic goal, three strategic objectives to realize the strategic goal are defined. The strategic goal and objectives should also reinforce (or at least not be in contradiction with) the company’s image and values as defined in the Identity section (3.2).

### 4. Operations | Operational goals.

The goals in the Operations section all must be derived from the company’s Strategic Goals and Objectives (3.3).

- People. Definition of the goal for the people planning of the company, aligned with the strategic goal.
- Customer. Definition of the goal for the customer base of the company, aligned with the strategic goal.
- Portfolio. Definition of the goal for the portfolio (products and/ or services) of the company, aligned with the strategic goal.
- Organization. Definition of the goal for the organization (including processes, systems, organizational chart, ...) of the company, aligned with the strategic goal.

### 5. Operations | Improvement initiatives: Objectives and Key-results.

The operational Objectives and corresponding Key-Results are defined per element and split into two different types of Objectives:

- One Objective that leverages the company’s current strengths and results in (short-term) operational improvement (“Stabilize”). The Objective should of course contribute to the realization of the Operational goal of the element.
- Two Objectives that focus on accelerating the company towards the realization of the Operational goal of the respective element (and with that, the company’s strategic goal) (“Accelerate”).

**(!) Setting KPI's/ Targets**

For all elements in the Strategy and Operations sections, KPI's/ Targets can be set. KPI/ Targets must:

- Reinforce the Goal for the element.
- Be challenging, but achievable.
- Be aligned with the Strategic Goal, KPI/ Targets and Objectives.
- Be a maximum of five per element, preferably less (1-3).

by and Identify	Target Score	Actual Score
#Employees	0	0
#In		
#Out		
Empl. Satisfaction		

The first KPI/ Target (the colored row) is the main/ key KPI/ Target for the element. This KPI/ Target should represent the overall progress of the element.

Operational KPI's/ Targets are typically set for one fiscal year.

**(!) Setting priorities**

When the Business Board is built, there is a brought range of Objectives and Key-results defined with a scope of one fiscal year. It is not effective to start working on all of them at the same time. Also, not all KPI's/ Targets have the same priority.

In the Business Board, KPI's/ Targets, Image items, Value items and strategic and operational objectives can be set on a High priority. A High priority can be set by putting a “1” in the cell next to the colored part of an item or in the “Prio” column of a KPI/ Target. A High priority setting can be deleted by deleting the “1”.

**Priority setting for KPI's/ Targets**

KPI's/ Targets can be put on a High priority. Putting a KPI/ Target on a High Priority gives users the possibility to highlight the KPI/ Target to focus on during implementation.

Element	OPERATIONAL GOALS <small>Specific, measurable and in line with Strategy and Identity</small>	Target (FY)	FC (FY)	Prio
PEOPLE	EPS	0	0	1
	# In			
	# Out			
	# (re-)Train			1

Putting a KPI/ Target on a High priority also influences how the progress is calculated in the Dashboard (see [The Dashboard](#)).

**Priority setting for Improvement initiatives (Objectives)**

High priorities can be set for the elements Image, Values, Strategy, People, Customer, Portfolio and Organization.

For the elements Image and Values in the Identity section, the meaning of the High priority is that the respective item needs extra attention during implementation. In most cases, the corresponding improvement initiatives will be defined in the element Customers (for the Image item with a High priority) and/ or People (for the Values item with a High priority).

[Desired image in 1-3 words]

[Short explanation of the desired image]

[Core-value in 1-3 words]

[Short explanation of the desired core-value]

[Strategic objective in 3-5 words]

[Short explanation of the strategic objective]

[Objective]

1. [Key-Result 1]
2. [Key-Result 2]
3. [Key-Result 3]

For the element Strategy in the Strategy section, the meaning of a High priority is that the respective Strategic objective has the highest priority to be implemented.

For the elements People, Customer, Portfolio and Organization in the Operations sections, High priorities can be set to highlight the improvement initiatives that have the highest priority to be implemented. Where the scope for the overall Business Board is one fiscal year, the scope for improvement initiatives with a high priority is the next quarter. The improvement initiatives with a high priority are typically the ones that are translated into separate workstreams in the Workstreams section.

## Configuring the Dashboard (area 6)

### 6. The Dashboard.

For the Dashboard to work properly, go to the Settings worksheet. There are two tables that need to be updated:

#### KPI calculation

For all of the (maximum of) 5 KPI's/ Targets per element the way the %completed is

KPI % calculation	Strategy	Operations			
	Strategy	People	Customer	Portfolio	Organization
KPI 1	Actual/Target	Actual/Target	Actual/Target	Actual/Target	Actual/Target
KPI 2	Actual/Target	Actual/Target	Actual/Target	Actual/Target	Actual/Target
KPI 3	Target/Actual	Actual/Target	Actual/Target	Actual/Target	Actual/Target
KPI 4	Actual/Target	Actual/Target	Actual/Target	Actual/Target	Actual/Target
KPI 5	Actual/Target	Actual/Target	Actual/Target	Actual/Target	Actual/Target

calculated in the Dashboard needs to be defined. Default is that the Actuals figure is divided by the Target figure. This is the correct calculation for most KPI's/ Targets, like revenue, margin but also employee satisfaction etc. For those type of KPI's/ Targets, the Target is achieved when the Actual  $\geq$  Target. For some KPI's/ Targets, like costs, the Target is achieved when the Actual is  $\leq$  Target. For this type of KPI's/ Targets, the correct calculation is the other way around: Target / Actual.

#### High priority multiplier

For KPI's/ Targets High priority multipliers can be set. These multipliers are used in the calculation of the %completed in the Dashboard. There is a distinction between Key-KPI's/ Targets (the first, colored, KPI/ Target per element) and regular KPI's/ Targets (the other KPI's/ Targets per element).

KPI's and Red flags	Multiplier
Key-KPI <b>with</b> High priority	3
Key-KPI <b>without</b> High priority	2
KPI <b>with</b> High priority	2
KPI <b>without</b> High priority	1

## Executing the Business Plan (areas 7 and 8)

### 7. Workstreams | Definition.

After building the Business Plan part and setting priorities, the Business Board must be put to action by defining Workstreams. Workstreams are defined from a logical/ coherent set of Operational Objectives & Key-results and can typically be implemented within (approximately) the next quarter. For every Workstream an owner needs to be defined.

For the definition of the elements of the Workstreams (topics), the default selection consists of the four operational elements (People, Customer, Portfolio, Organization). If you want to use a different grouping/ topics, go to the VAR worksheet and adjust the items there.



8. Workstreams | Progress.

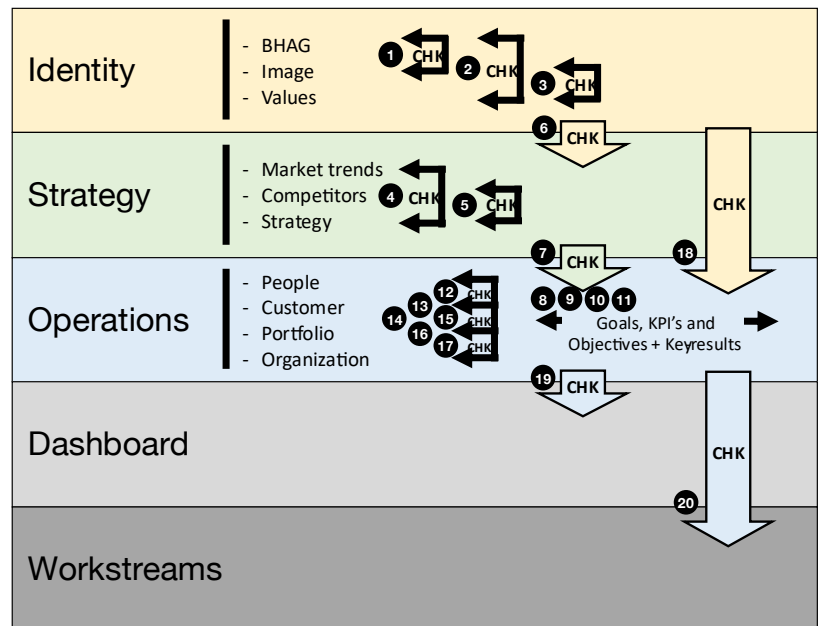
The implementation of a Workstream is the responsibility of the owner. Every month, the progress of all Workstreams must be discussed in your management team. The monthly meeting focuses on determining and eliminating roadblocks in the implementation. Also see Business Rhythm.

## The ultimate check: consistency

The Business Board is most effective if all sections, elements, Goals, KPI's/ Targets, Objectives and Key-results are coherent and reinforce each other.

To ensure overall consistency, 20 checks can be done:

1. Is the desired Image aligned with the company's BHAG?
2. Are the desired Values aligned with the company's BHAG?
3. Are the image (external view of the company) and the values aligned? If not, you will build a schizophrenic company.
4. Is the Strategy aligned with the Market trends?
5. Is the Strategy unique (enough) to beat the competition?
6. Is the Strategy aligned with the desired overall Identity?
7. Is the Strategy correctly translated into Operational Goals, KPI's/ Targets, Objectives and Key-results?
8. People: are the Goals and KPI's/ Targets correctly translated into Objectives and Key-results?
9. Customer: are the Goals and KPI's/ Targets correctly translated into Objectives and Key-results?
10. Portfolio: are the Goals and KPI's/ Targets correctly translated into Objectives and Key-results?
11. Organization: are the Goals and KPI's/ Targets correctly translated into Objectives and Key-results?
12. Are the Objectives and Key-results defined for People aligned with the Objectives and Key-results defined for Customers?
13. ...
14. ...
15. ...
16. ...
17. ...
18. Are the Operational Goals, KPI's/ Targets, Objectives and Key-results aligned with the desired overall Identity?
19. Is the %completed for the Strategy and the Operational elements representing the right status?
20. Are the Objectives and Key-results with a high priority correctly translated into Workstreams?



## Business Rhythm

To successfully implement the Business Board in your organization, the implementation needs to become an integral part of the daily business rhythm. Therefore four levels of control need to be implemented:

1. Daily management of the Workstream by the owner of the Workstreams, with team meetings at least once a week.
2. The progress of all workstreams needs to be discussed in management team meetings at least once a month.
3. Every quarter, the management team and key-personnel meet to discuss the status of the plans, to formally close successfully executed workstreams and to discuss new workstreams for the coming quarter.
4. The complete Business Board needs to be reviewed and/ or rebuild every (half) year.

