

Future Companies Innovation Programs

# Small and Medium Businesses Planning

Sixth Session

# At the end of the session we expect the following:



Complete understanding of key planning concepts

Recognize what are the balanced scorecard and the most important concepts of measuring institutional performance

Stages and steps of planning for small and medium-sized companies using BSC

Practical application

Consultation sessions to discuss project plans (graduation projects)

# Training topics



Basic concepts in planning



The balanced scorecard and its use as a planning tool



Steps and stages of planning using the balanced scorecard



practical application

Consultation sessions to discuss project plans (graduation projects)

# Participants' expectations

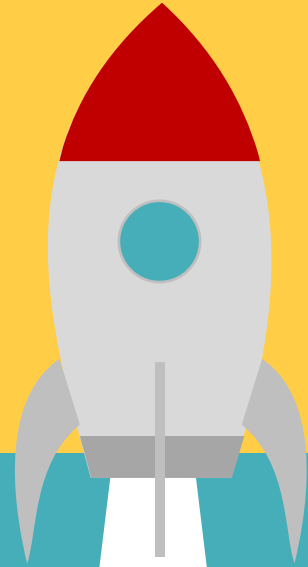


Write down expectations  
on the wallpaper



# Pr-etest





# **Basic concepts About planning**

# Planning Concept



Decisions with a future impact, and a continuous and changing process with an administrative philosophy and an integrated system, (structures + budgets + systems + executive programs + procedures...)

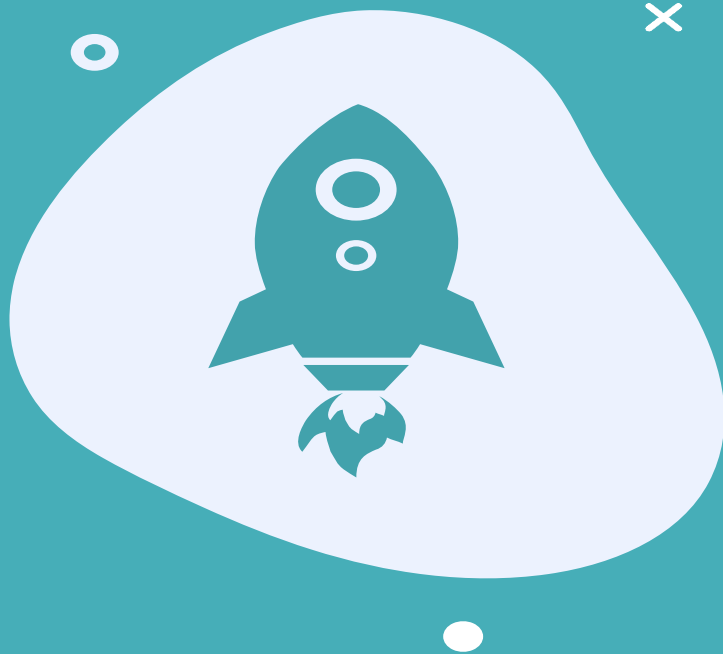
# Types of Plans



We can define the types of plans by type to:

- Strategic plans
- Phased plans
- Executive plans

# Strategic Plans



A long-term development plan that defines the organization's philosophy, the goals it seeks to achieve, and the timetable for achieving these goals.

The average duration of a strategic plan is usually 5 years

# Phased Plans



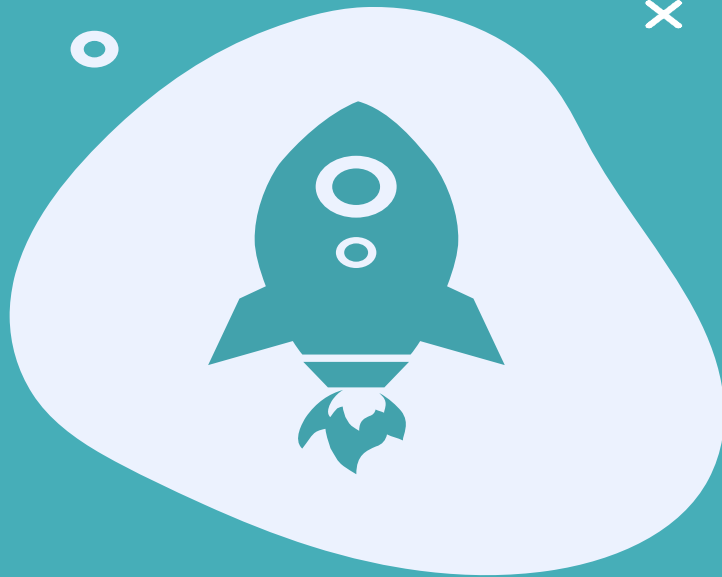
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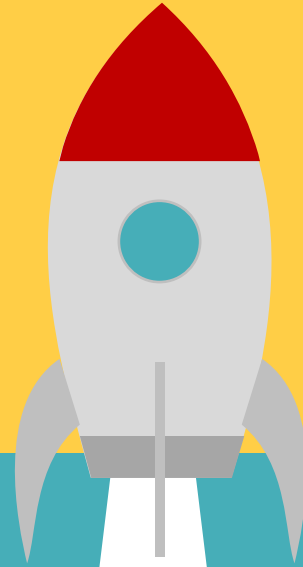
These plans are developed for the main activities in the facility in order to achieve optimal use of resources in light of the objectives, policies and strategies previously set in the strategic plan. Its duration is usually 3-2years



# Executive Plans

These plans are detailed and provide guidelines for all aspects of activity in the short term, such as plans for using human resources, balancing expenses and expenditures with resources, and annual budgets. It is usually one year long





# Balanced Scorecard



# What are balanced scorecards?

This principle was developed by scientists Robert Kaplan and David Norton in 1992 at the request of the five hundred largest companies.

The principle is based on a balance between:

- Financial and non-financial
- Long goals and short goals
- Quantitative data and descriptive data





# What are balanced scorecards?

It is a mechanism to ensure, monitor and measure the implementation of strategies across the various levels of the organization.

It includes mechanisms to measure and link the four main axes:

- After education and growth
- After internal operations
- After customers
- Financial dimension





# **After growth, learning and innovation**

How can we continue to develop our performance and create the values and energies necessary for future growth (Can we continue to create and improve value)?

This dimension focuses on building institutional capabilities, employees, corporate culture and innovation





# **Internal operations and excellence aspects**

What are the internal processes that can bring us progress and excellence if we focus on them (in what field can we excel)?





# Clients Image /or Beneficiaries

What is our image in the eyes of customers  
(how do customers see us)?



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# Why Balanced Scorecards?

Most companies and institutions succeed in setting great strategies and goals that guarantee the success of the facility...but 67 % of these goals fail when implemented.

Many companies and institutions are busy with projects and work that do not have added value in implementing the established strategic goals and do not contribute to achieving their vision, which wastes time and effort.





# Why Balanced Scorecards?

Many companies and institutions focus only on the financial aspect in measuring performance, even though the financial aspect is a result of the work carried out, which consists of several aspects (such as human resources, marketing, and other departments).





# Why Balanced Scorecards?

For all these reasons, the balanced scorecard was found as a tool that helps business organizations solve these problems and raise the performance level of business organizations in a way that achieves their strategies.





# The Foundations of Balanced Scorecards

## Balance:

Achieving results depends on the integration of four basic dimensions: the growth dimension, the learning dimension, the procedures dimension, the customer dimension, and the financial dimension



# Strategic Dimensions

The arrangement of strategic dimensions varies according to the sectors of business organizations:

- Public sector
- The private sector (service, commercial, industrial, production)
- The third sector of business organizations

There may be more than one dimension, preferably not more than 7 dimensions.

Money/Finance	
Clients/beneficiaries	
Processes	
Learning and growth	





# The Foundations of Balanced Scorecards

## Cause and effect:

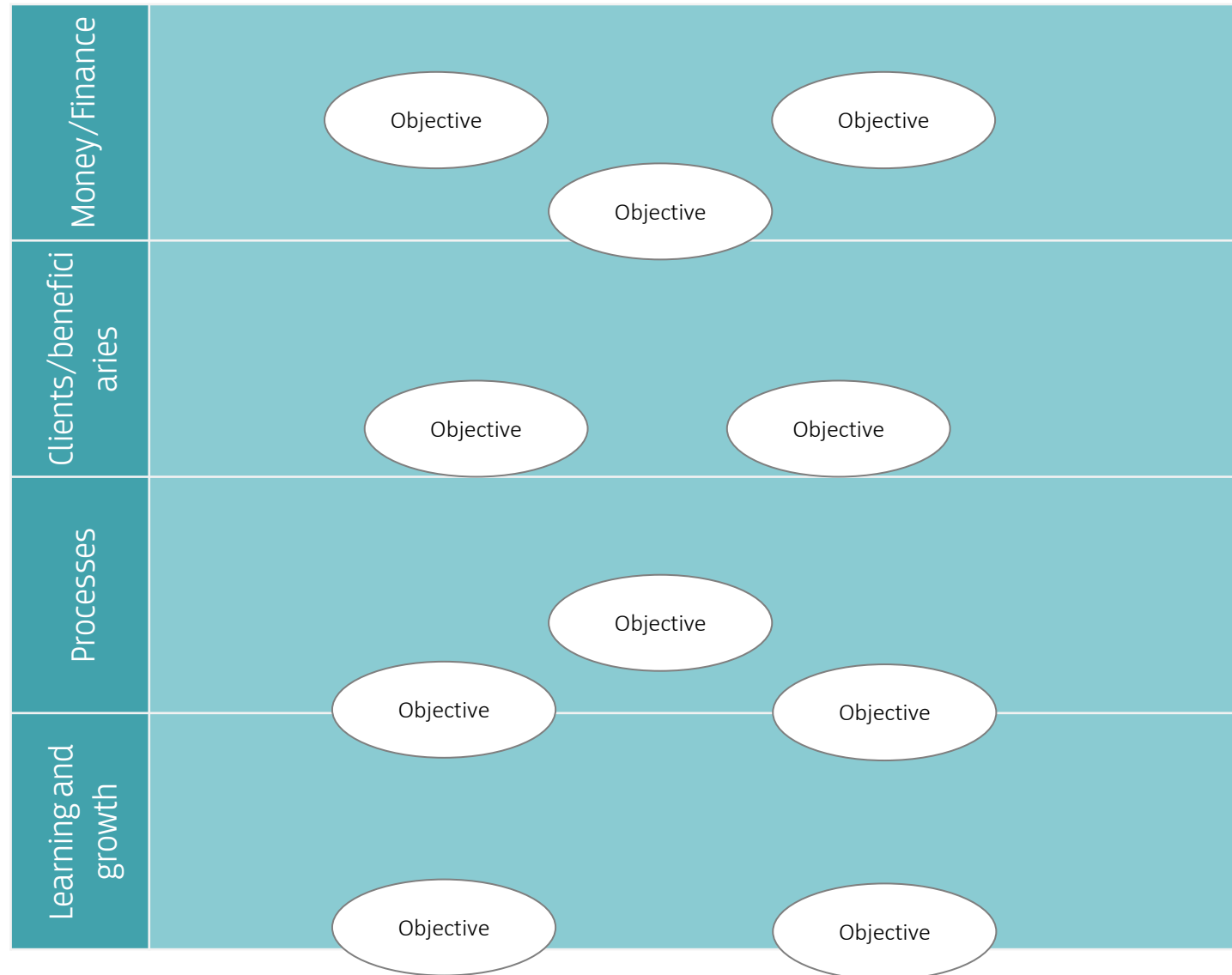
The principle relies on what is known as the “cause and effect relationship,” which provides current information (causes) leading to future results.



# Strategic Dimensions

There are three conditions for cause and effect relationships:

Temporal precedent means the cause occurs before the effect  
 The strength of the cause results in the level of the effect  
 If the cause is absent, the effect must follow





# The Foundations of Balanced Scorecards

## Connectivity

The principle relies on what is known as “linking” between goals and establishing them on the basis of cause and effect, to enhance their complementarity towards achieving future results.



# Strategic Dimensions

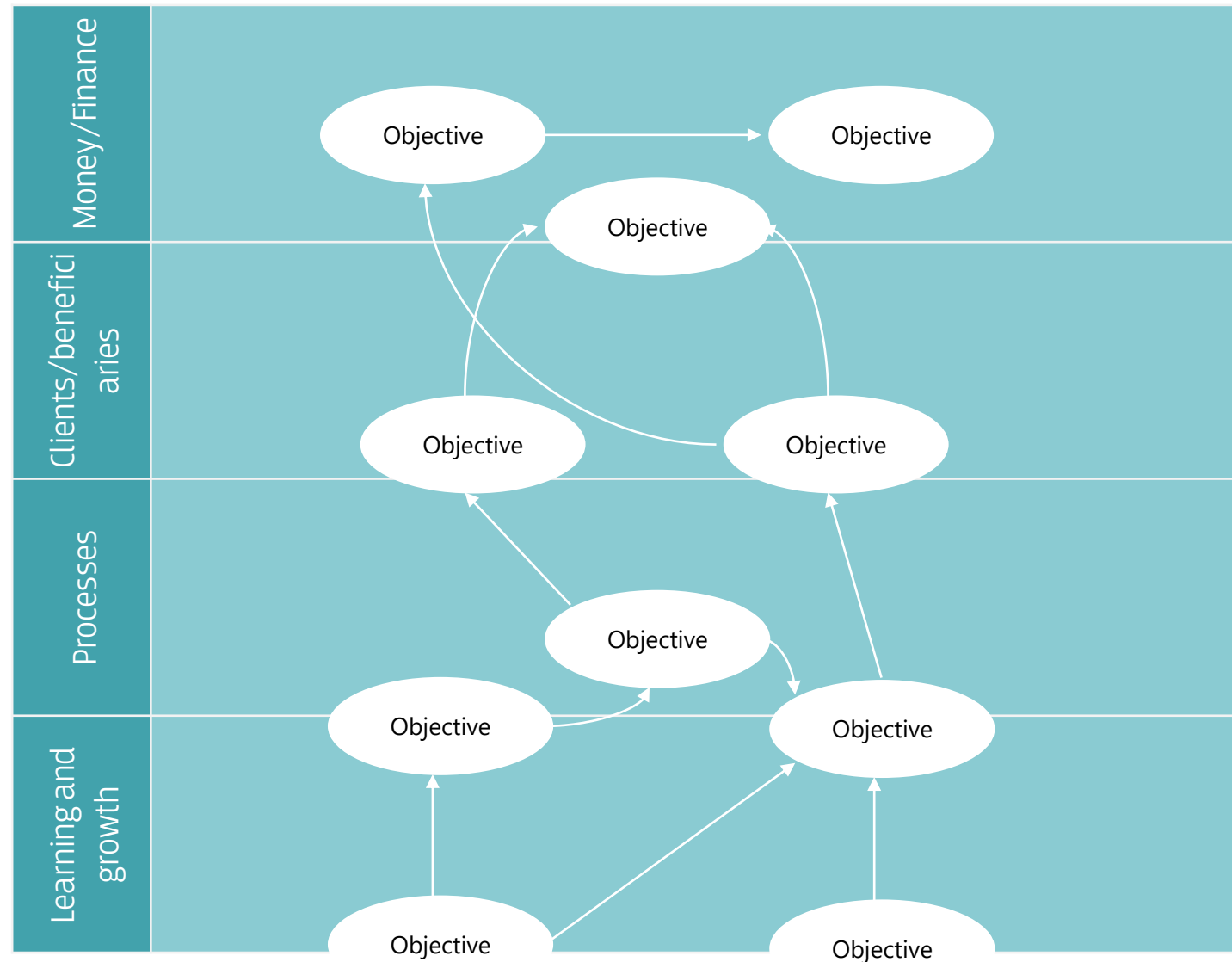
## Indicators of cause (effect)

Focuses on what we must do to achieve the desired results.

## Outcome indicators (impact)

Focuses on measuring achievement

Therefore, every goal in the four dimensions is either a cause or a result that serves as an input or a reason for achieving another result, and so on





# The Foundations of Balanced Scorecards

## Translation:

It is to transform each goal of the strategic dimensions into measurement indicators that enable us to translate and measure performance as well as make comparisons.

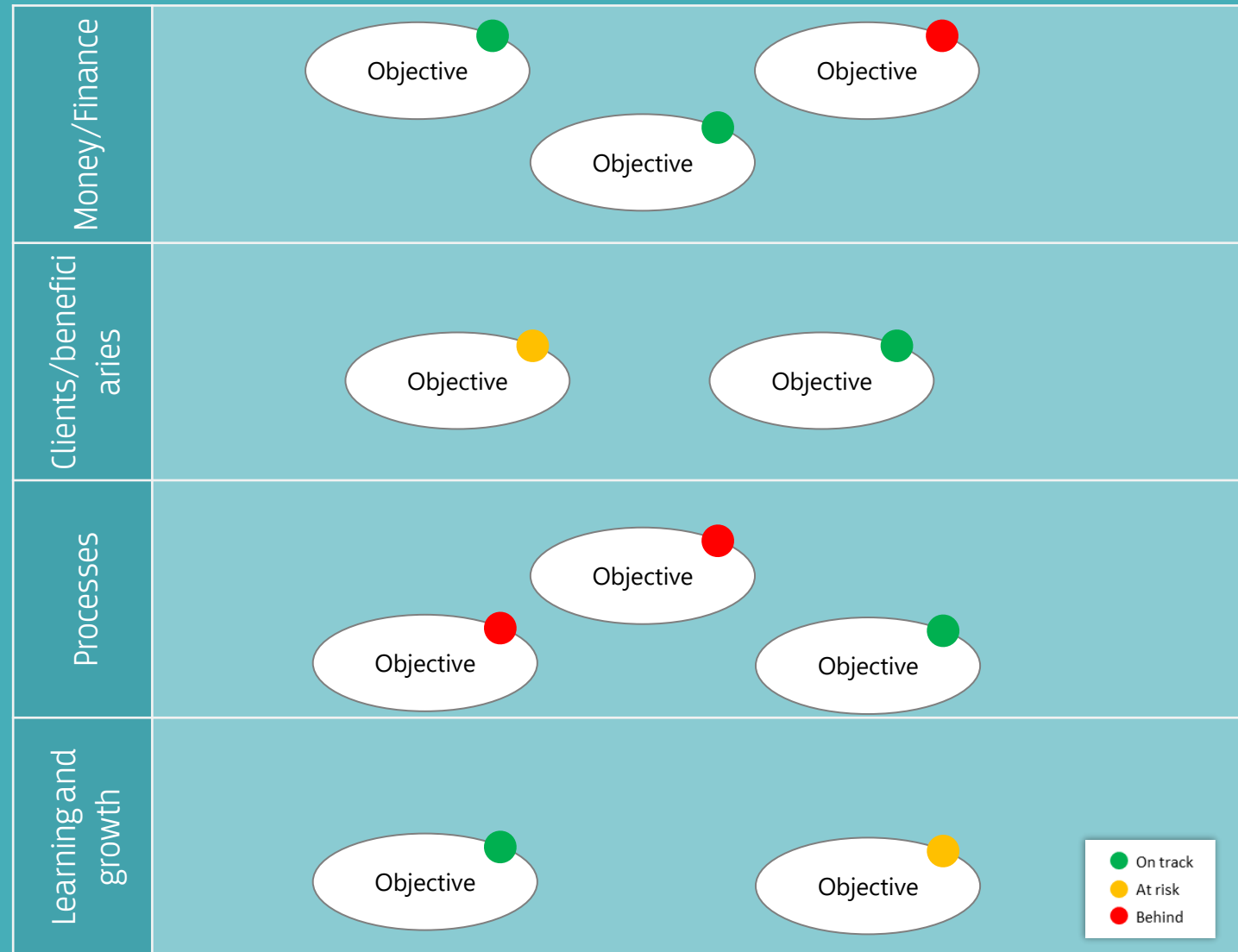


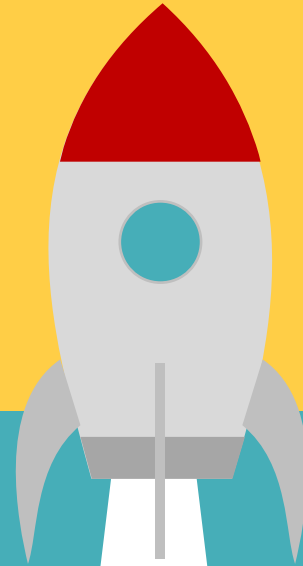
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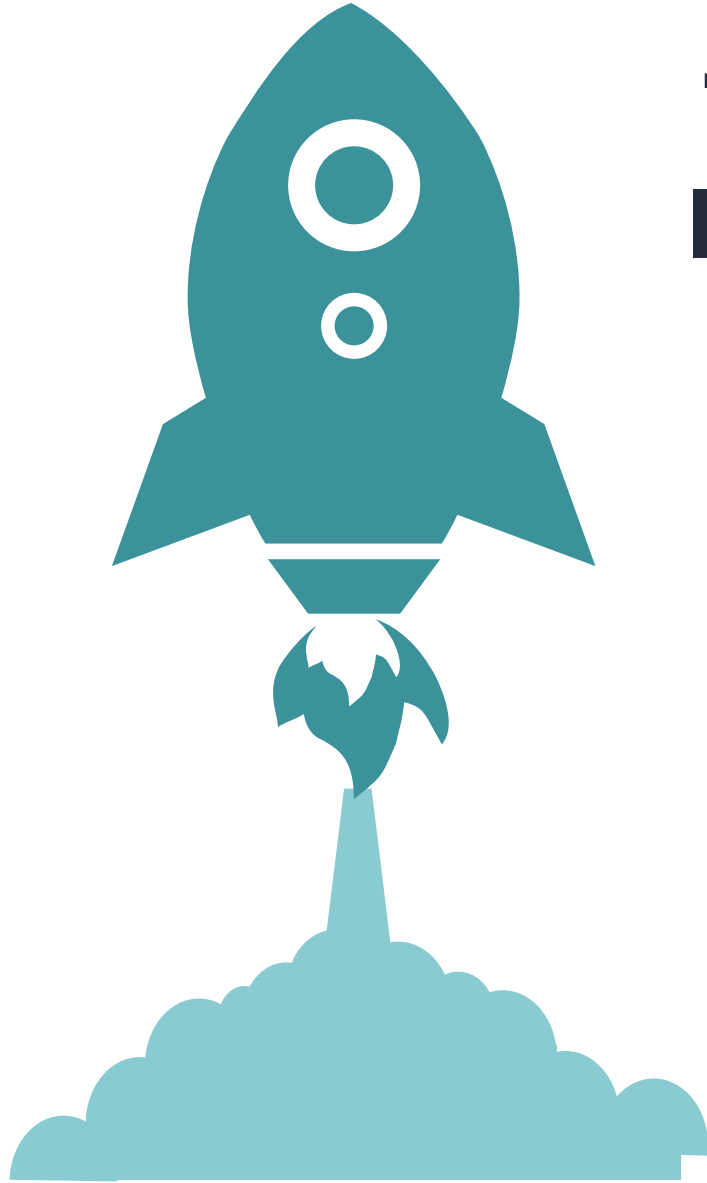
# Strategic Dimensions

- %97 of companies have a strategy
- %80 have a clear strategy
- %52 have relative success in achieving strategies
- %33 have outstanding success in implementing strategies





# **Performance measurement concepts**



# The concept of Measuring Institutional Performance

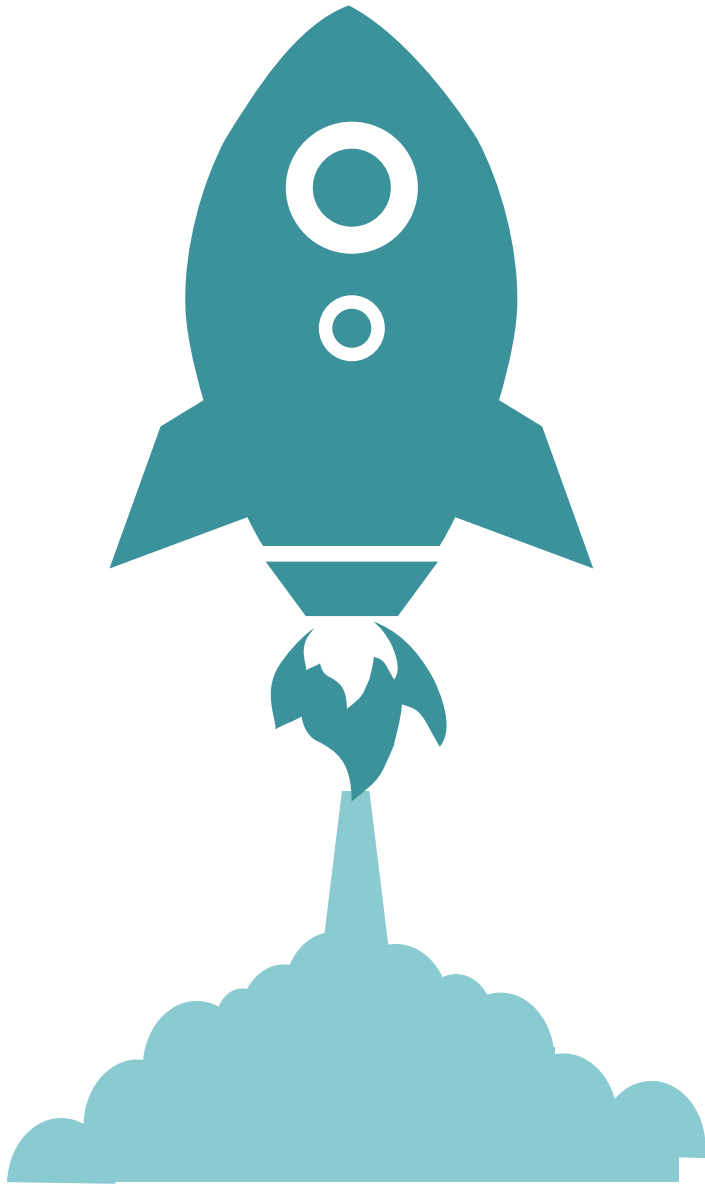
An administrative process that aims to develop the institution and achieve its specific vision and objectives within its general policy and strategic plans, by setting clear goals and indicators. Measuring actual performance, determining the extent to which it achieves goals, and comparing it to best practices and benchmarks that are chosen in a way that suits the nature of the organization's work.



# The Objective

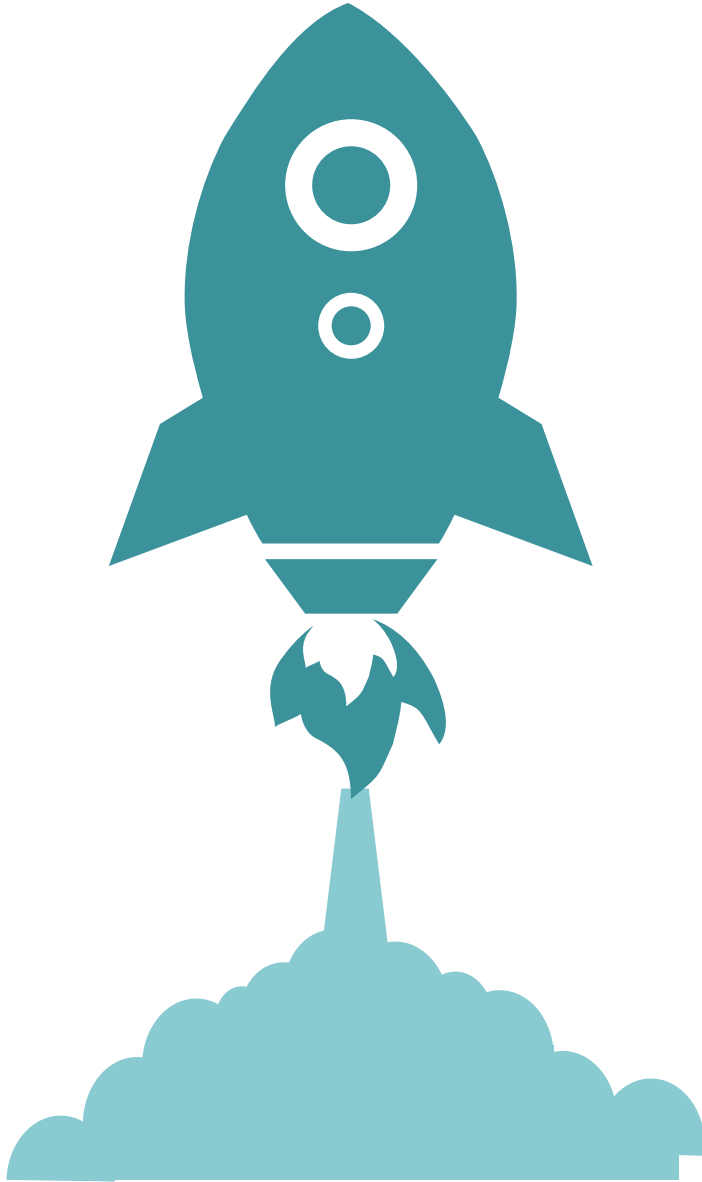
A specific goal expected to be achieved by the department for its operations and services. (The goal concept is usually considered to be a statement of the expected result within agreed-upon criteria and in a specific time), and these criteria are expressed in abbreviated letters. SMART Which refers to

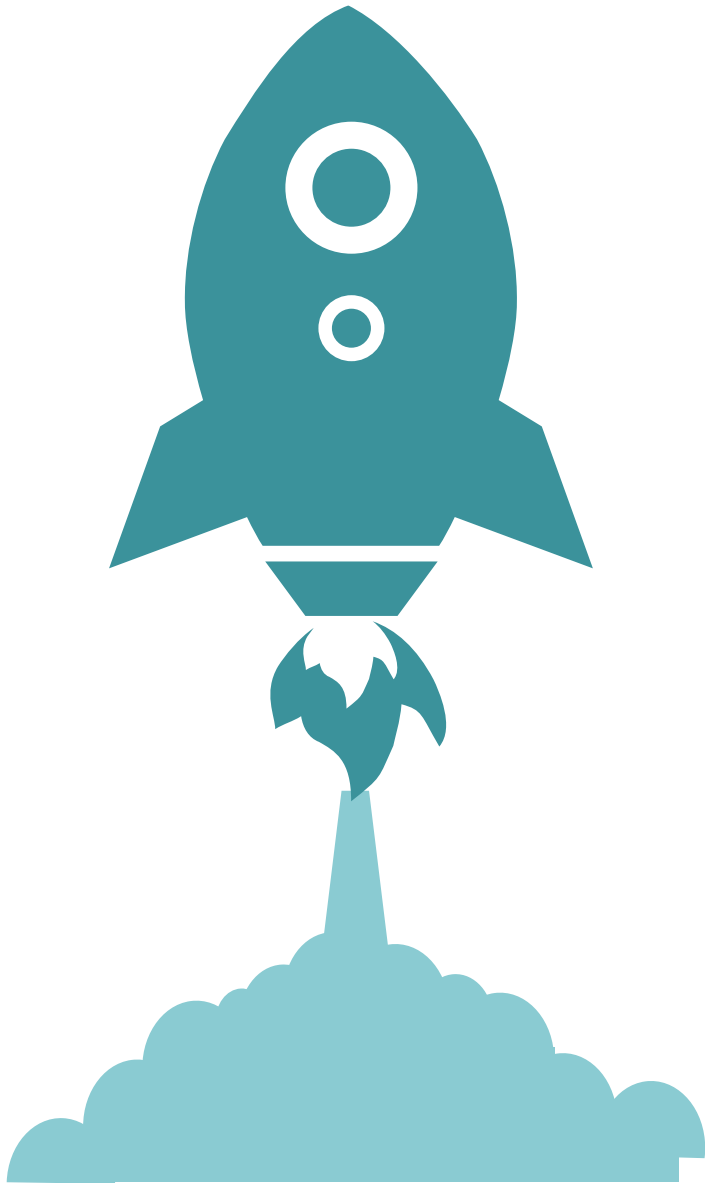
**M**easy **A**chievable **R**ealistic **T**imed **S**pecific



# Performance Indicator

Quantitative value quantified or a distinctive and specific characteristic used to measure outputs or results or to determine the extent to which the company has achieved its goals.

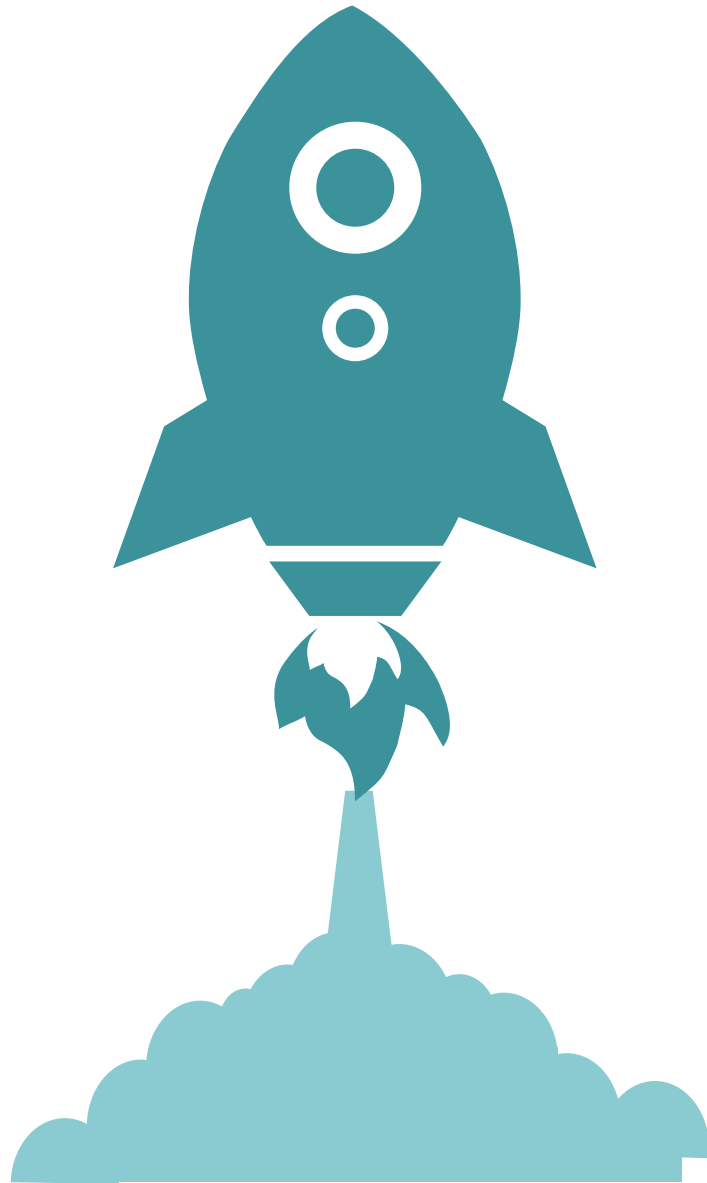




# The Target

The desired end result for each goal and performance indicator, usually within a specific time frame. Perhaps we can consider that the standard limit Target It is the quantitative image of the goal as long as that goal is characterized by its being SMART





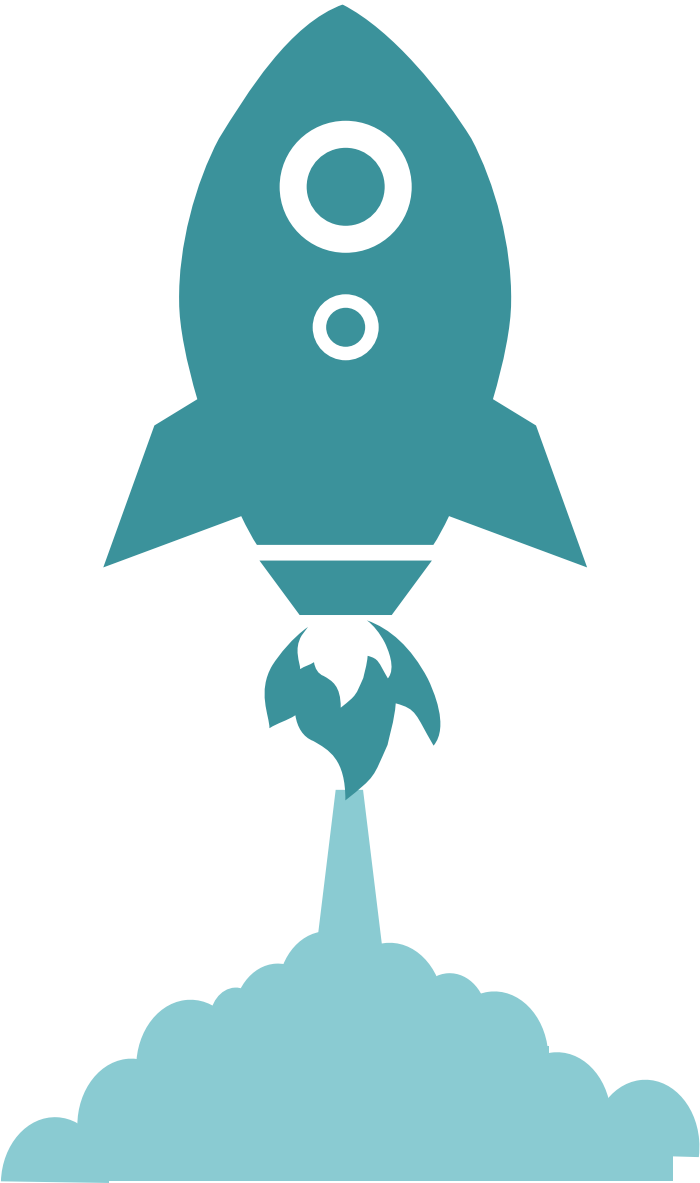
# Benchmark

A standard or reference level used to compare performance with the best practices of other internal or external parties, in order to achieve continuous improvement in performance.



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# Effectiveness

It measures the extent or percentage of achievement or performance achieved compared to what was planned or expected. Or in short:  
the degree of achieving goals.

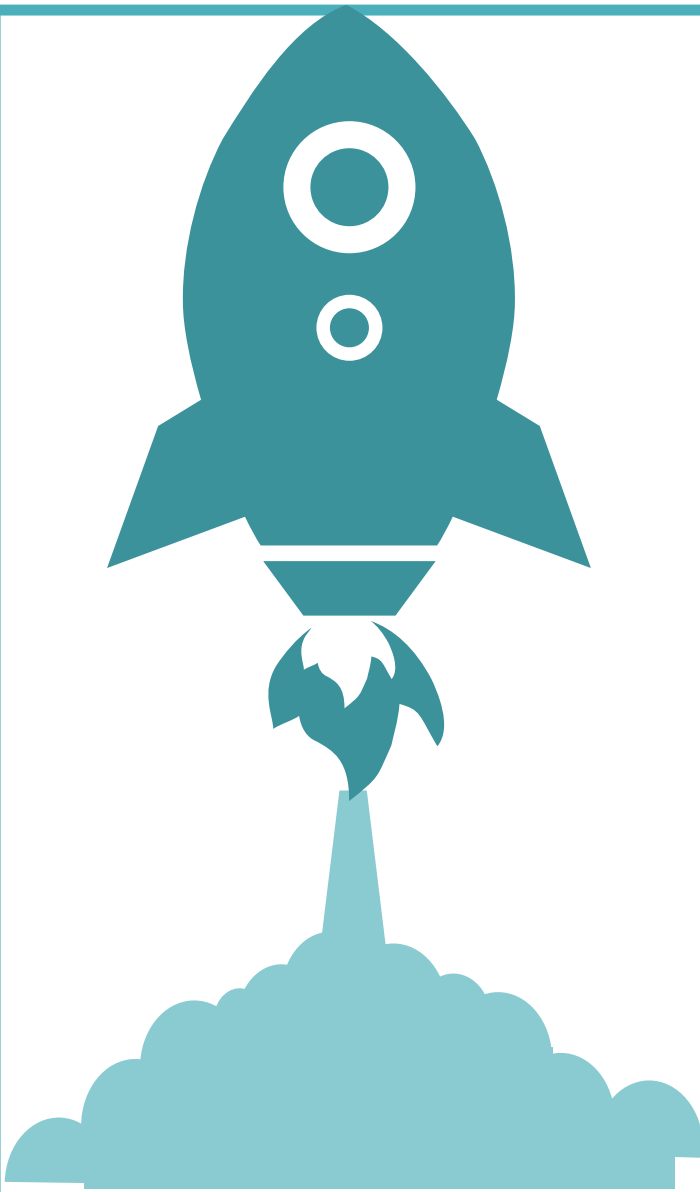


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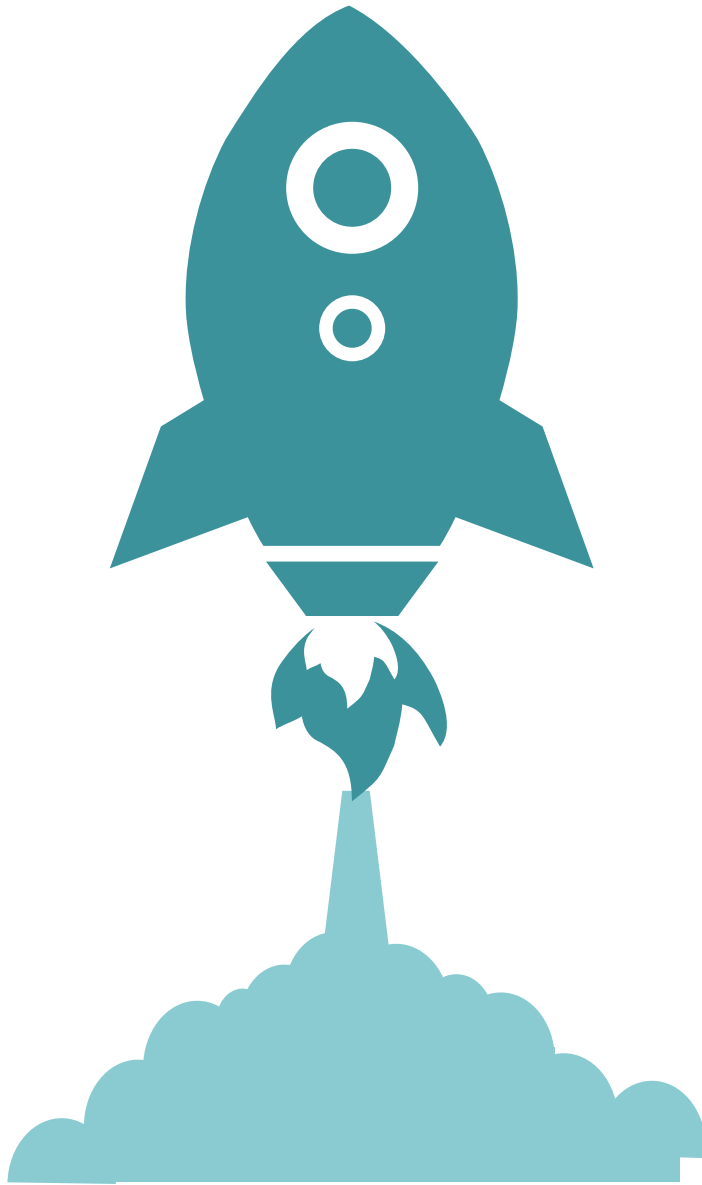
# Efficiency

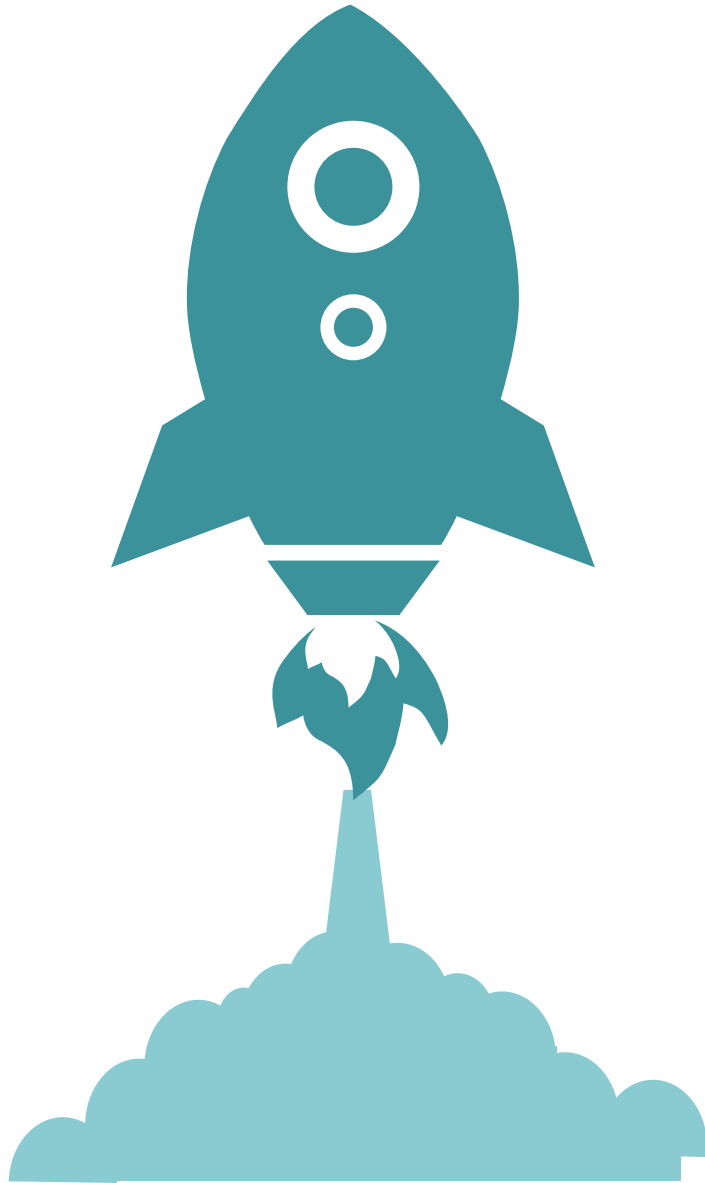
It measures the extent or percentage of resources actually used compared to the available resources used to achieve goals. Efficiency is also an element of achieving productivity, meaning that efficiency contributes to productivity.



# Productivity

It measures the ratio of outputs (outcomes) to the inputs (resources) used in its implementation and depends largely on efficiency and effectiveness.

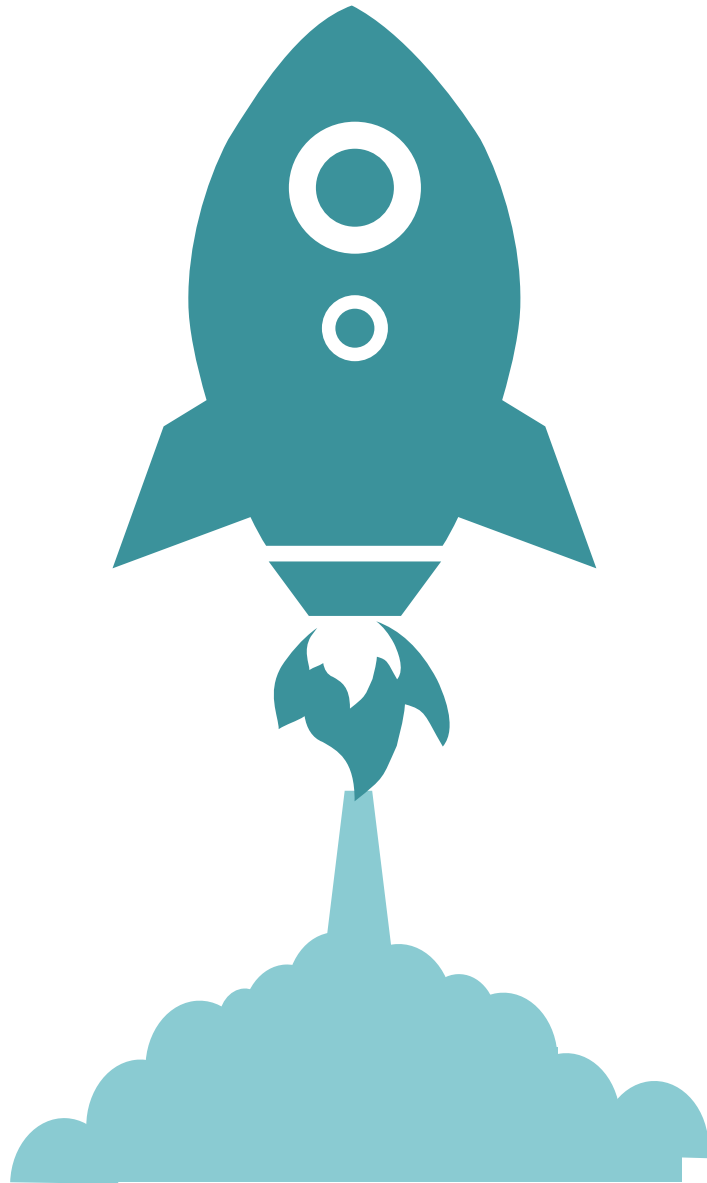




## The Quality

It usually comes in exchange for quantityQuantity,By this we mean the relative difference in the qualitative specifications of the product or service provided, coupled with pre-determined standards.





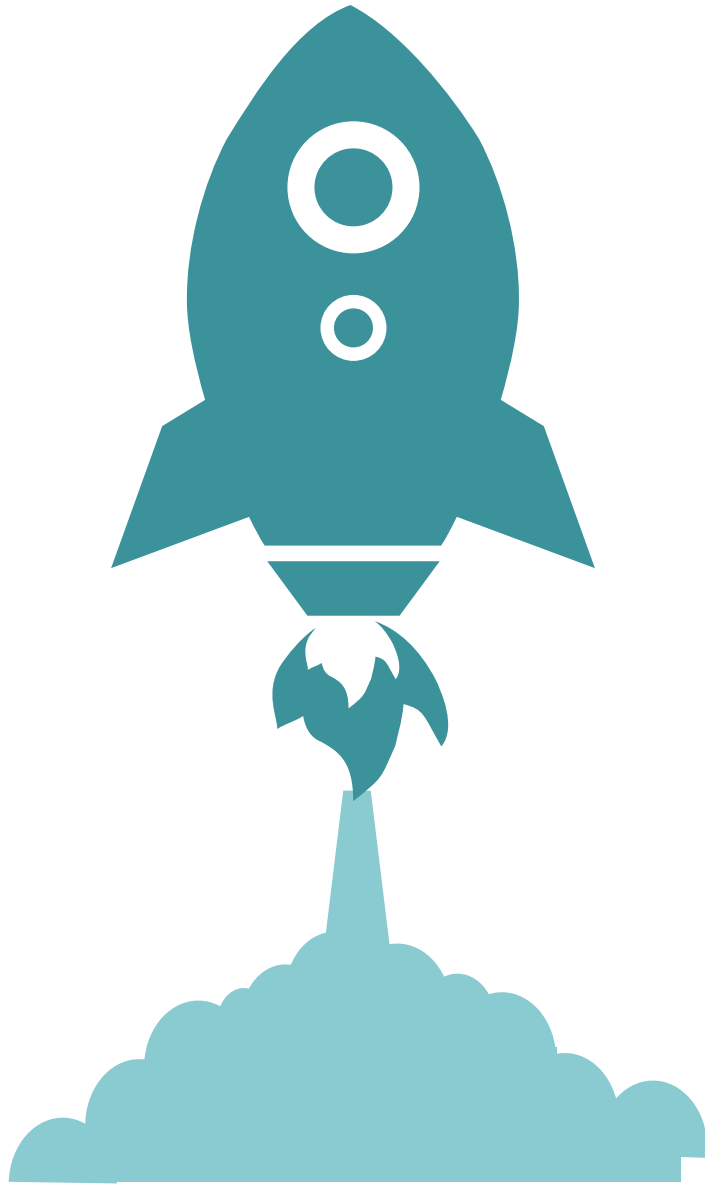
# Inputs

Resources needed to make the product or provide the service, for example:

Labor/materials/equipment.



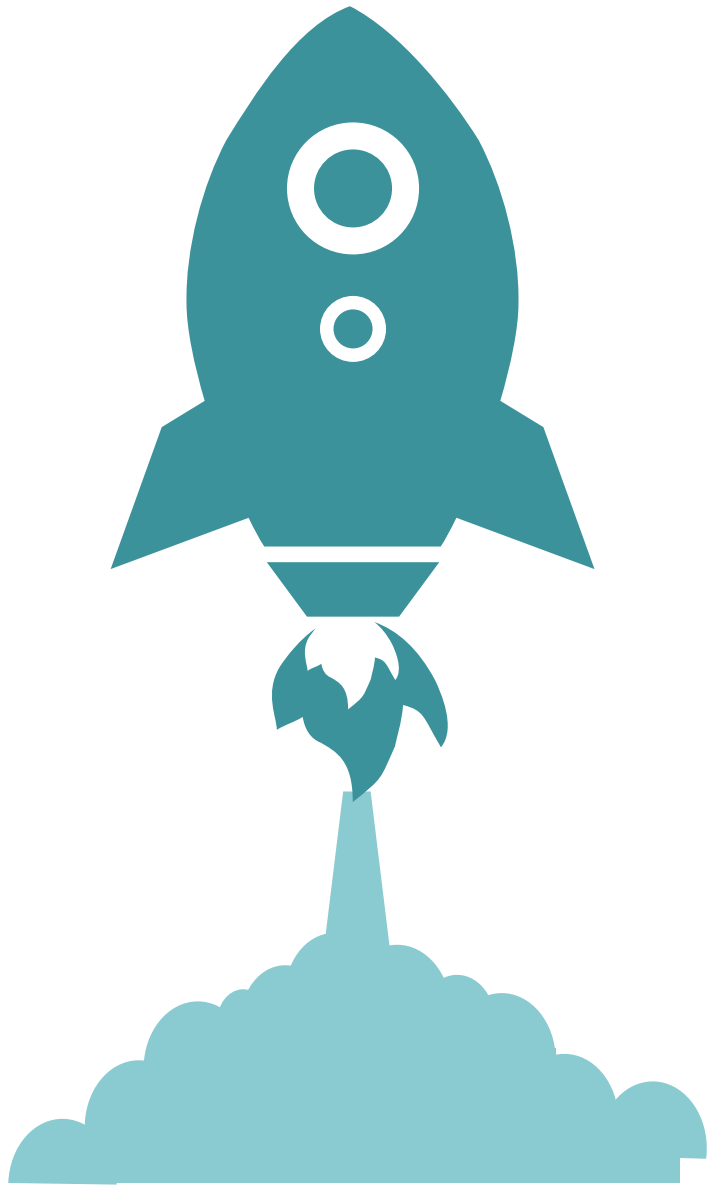
# Input Indicators



Measures a number of inputs

Labor, materials, and equipment and the degree of their availability, for example: the number of residents, the percentage of complaints, the number of customers requesting a specific service...etc. These indicators need to be the same SMART Just like with goals.





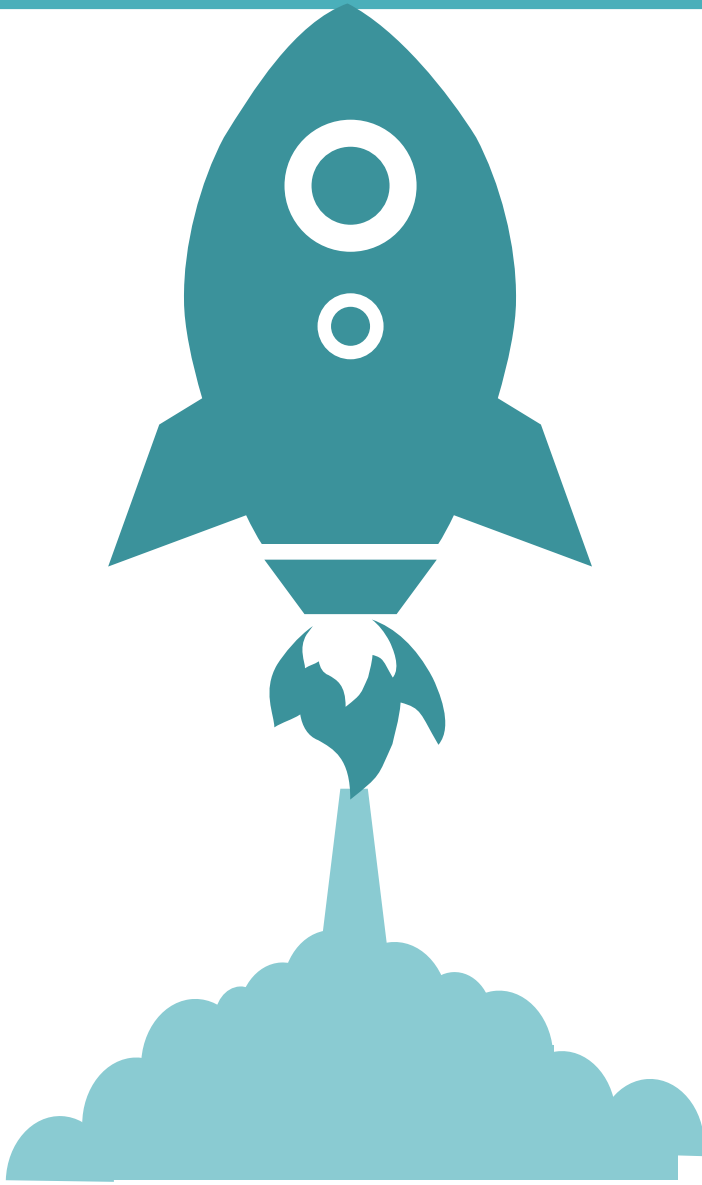
# Outputs

A product or service to be produced or performed by an individual or organization.



# Outcome Indicators

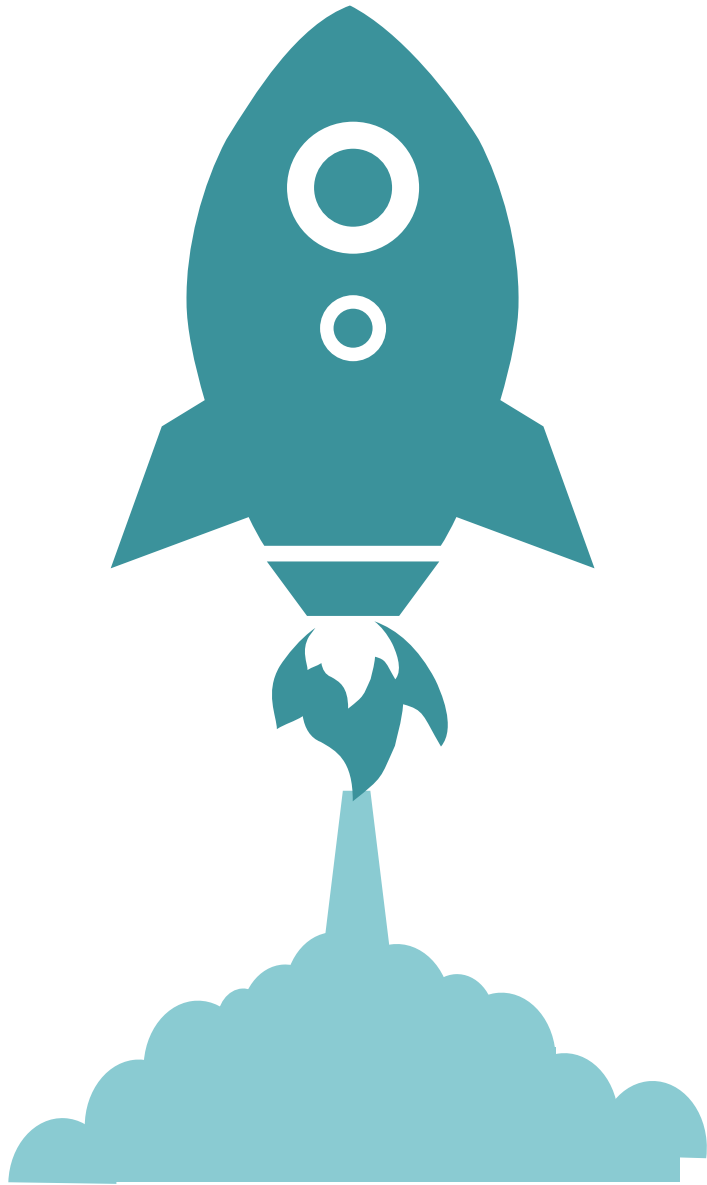
It measures the extent to which the required outputs are achieved and focuses on the level of production, for example: the lengths of roads that have been repaved, the number of approved building permit applications. These indicators must be SMART just like with goals.



## Outcome Indicators

It measures whether the services have achieved the required objectives, for example: percentage reduction in pollution, reduction in the rate of per capita waste production.

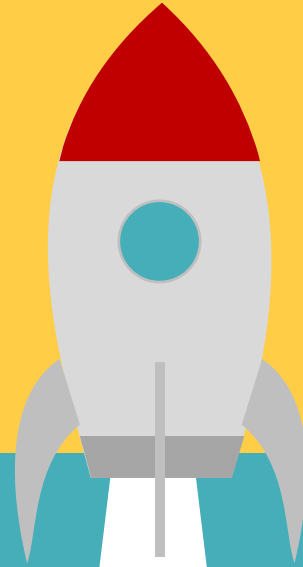




# Periodicity

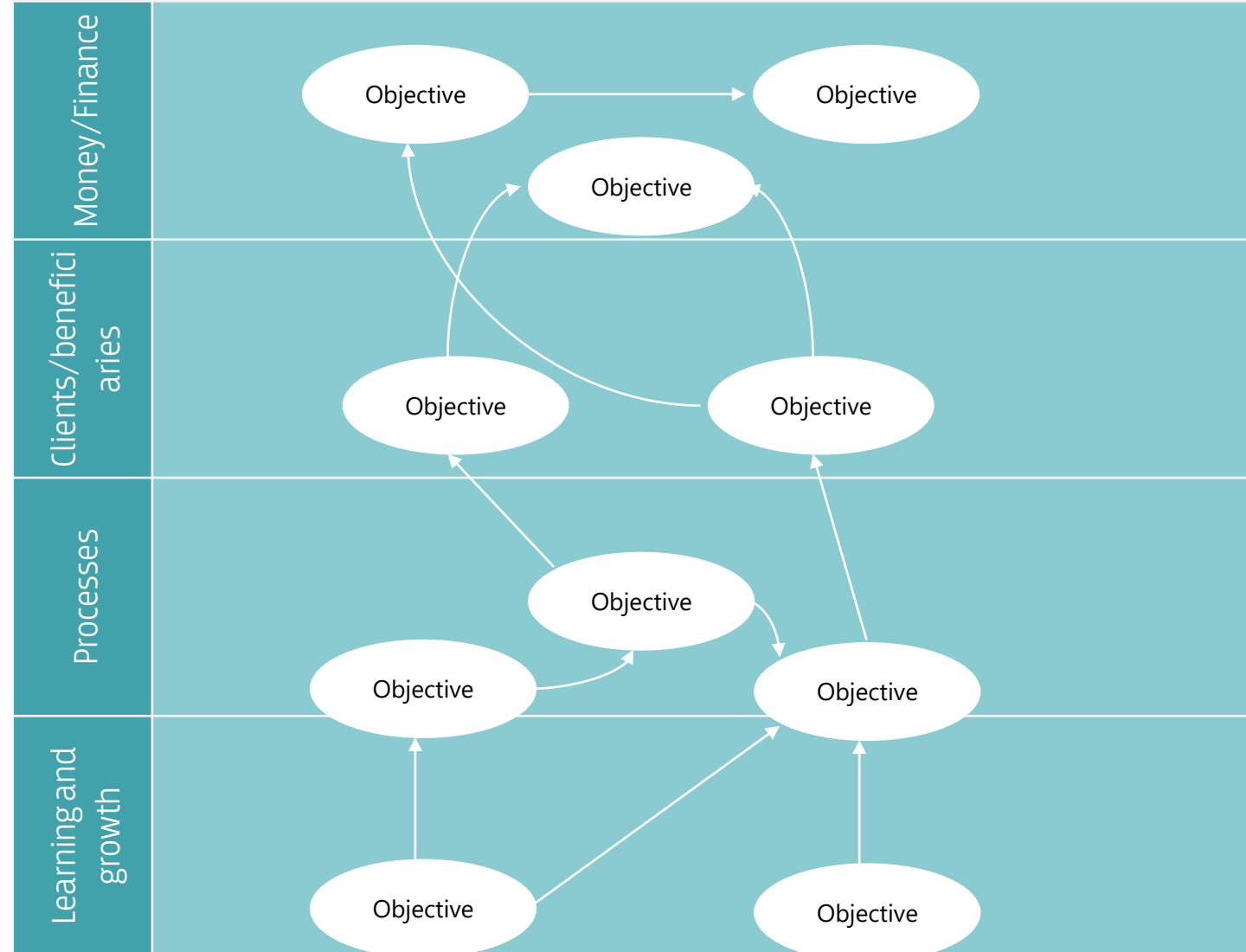
The time frame and regular periods for reporting the results of applying performance measurement, for example: monthly, quarterly, semi-annually, or annually.





# Balanced Scorecard Models

# Strategic Map Template



# Performance Dashboard Template

The strategic dimension: the strategic goal											
strategic goals		Measurement standard		measruing unit	the previous	Target	Total	The result	Initiatives	Administration	comments
Code	The goal	Code	Measurement								



# Initiatives Card Template

Initiative number		Initiative name	Profile development				
Implementation officer	Activity Manager			the support	purchase management		
starting date	01/15/2023	Expiry date	02/15/2023	Budget	140000		
The dimension	Customers						
Related strategic objectives	Improving the company's mental image						
M	Implementation steps			beginning	end	Completion rate	comments
1	Content preparation, written, video, images						
2							
3							
4							



M	Initiative number	Name of the gesture	Implementation officer	Time period																																																Budget																
				January				February				March				April				May				June				July				August				September				October				November				December																				
				1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4																					
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The End of Session



Thank you very much