

Implementing Strategy: Processes & Indicators

UGRA_001144

Departments	Dept. of Operations, Innovation & Data Sciences
Teaching Languages	English
ECTS	4
Teacher responsible	Ylla Konneke Alexander Daniel - alexander.ylla@esade.edu

Course Goals

- Study the **process focus** as an organisational model that orients the firm towards clients.
- Analyse the elements that makeup **Business Process Management** and the value provided by its implementation.
- Explain **the KPI concept** and present the features of a 'good' indicator.
- Introduce the concepts of **Indicators and Performance Measurement Systems** as the tools for strategy implementation.
- Design the **causal model for strategy implementation** using a performance measurement system and study the **Balanced Scorecard** and the **Objectives and Key Results – OKRs**- as frameworks for the design and implementation of a performance measurement system.
- Develop **Strategic Indicators** from the **Strategy Map** for corporations and develop **objectives and Key Results** Methodology for startups.
- **Cascade** strategic indicators into operational indicators.
- Measuring the **innovation process** and the innovation strategy's implementation through innovation indicators.
- Make clear the importance of **metrics in the success of a startup**. Study the startup Indicators.
- Identify **resistance to change** when implementing a performance measurement system and learn how to overcome such resistance.

Prerequisites

There are no prerequisites.

Description

Short description

In today's context after the global fight against the COVID-19 pandemic, the increase of interest rates, problems related to raw material supply and international instability, a key priority for management teams is quickly adapting their business strategies to the changes taking place around them, both in terms of designing their strategies and, in particular, implementing them. Today's shifting panorama, shaped by the different measures to try to deal with all the challenges, requires companies to constantly assess different strategy design and implementation scenarios.

Organizations have to adjust their strategies flexibly and, at the same time, successfully align their companies with those strategies. When executing the latter, firms have to take into account the volatility of today's markets, an instability that the COVID-19 pandemic has exacerbated even further. This implies:

- 1) Implement the process approach in companies, which simultaneously focuses companies on customers

and reduces operating costs; 2) ensuring that companies implement their strategies flexibly, creating a dynamic performance measurement system focused on those strategies; 3) defining key performance indicators (KPIs) which predict how financial indicators will behave; and 4) investing in projects that are aligned with their strategies to turn the latter into reality. This will enable companies to reduce their costs and increase client loyalty simultaneously.

There are basically two tools for implementing strategy: **processes and indicators**. In this course, we will study the process-based approach and the design of a performance measurement system, with the aims of simultaneously cutting costs and boosting client satisfaction / experience.

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Activities

In-class discussions and debates

Starbucks: Delivering Customer Service
Zara Managing Stores for Fashion
Citibank: performance measurement
Domestic Auto Parts
Volkswagen do Brasil

Role-play exercises and simulations

Delta / Signal Corp: carryout the Harvard "Strategy Simulation: The Balanced Scorecard" in teams and prepare a report on the strategy followed and the results obtained.

Readings

Heras, M.A.: "Operations and Process Management"
McKinsey & Company (2020): "Industry 4.0: Reimagining manufacturing operations after COVID-19"
Mankins, M and Garton, E. "How Spotify Balances Employee Autonomy and Accountability", Harvard Business Review, 2017
Schrage, M. and Kiron, D. (2018). "Leading With Next – Generation Key Performance Indicators". MIT Sloan Management Review, June 2018. Cambridge, Massachusetts.
Simons, R. (2018). "Strategy Execution Module 9. Building a Balanced Scorecard". Harvard Business School Publishing. Boston, Massachusetts.
Kaplan, R. and McMillan, D. (2020). "Updating the Balanced Scorecard for Triple Bottom Line Strategies". Harvard Business School Publishing. Boston, Massachusetts.
McGinn, D. (2018). "How VC John Doerr Sets (and Achieves) Goals". Harvard Business Review.

Case study analyses

Starbucks: Delivering Customer Service
Zara Managing Stores for Fashion
Citibank: performance measurement
Domestic Auto Parts
Volkswagen do Brasil
Delta / Signal Corp.
Introduction to the Final Report on Tesla

Content

#	Topic
1	The Process Concept and Analyzing Processes. Introduction to Business Process Management The value created by processes. Processes and customer experience. Defining the process. 'Macro' analysis and detailed analysis using flowcharts. The Top Level Process Map. Selected reading: Heras, M.A.: "Operations and Process Management"
2	Process and client experience How processes impact on customer experience Teamwork 1: Teamwork on the Starbucks case. Case study: Starbucks: Delivering Customer Service – The case has to be read BEFORE the session, taking into account the questions that have been provided. NO report BEFORE the session has to be prepared / sent.
3	Process Indicators. Process Improvement. Capacity, bottlenecks, throughput time and cycle time of a process. Process Improvement. Elements of Industry 4.0. Teamwork 2: Teamwork on the Zara case. Case study (questions 1 & 2): Zara Managing Stores for Fashion – The case has to be read BEFORE the session, taking into account the questions that have been provided. NO report BEFORE the session has to be prepared / sent. Selected reading: McKinsey & Company (2020): "Industry 4.0: Reimagining manufacturing operations after COVID-19"
4	Implementing Business Process Management Business Process Management concept. The role of the process owner. Stages in the implementation of Business Process Management. Companies examples. Teamwork 3: Teamwork on the Zara Managing Stores for Fashion case. Case study (question 3): Zara Managing Stores for Fashion – The case has to be read BEFORE the session, taking into account the questions that have been provided. NO report BEFORE the session has to be prepared / sent.. Selected reading: Mankins, M and Garton, E. "How Spotify Balances Employee Autonomy and Accountability", Harvard Business Review, 2017
5	Indicators and Performance Measurement Systems The indicator concept. Indicators in different business sectors. Early warning indicators and Key Performance Indicators (KPIs). Strategic and Operational Indicators. Selected reading: Schrage, M. and Kiron, D. (2018). "Leading With Next – Generation Key Performance Indicators". MIT Sloan Management Review, June 2018. Cambridge, Massachusetts.
6	Strategy Implementation: Design of a Performance Measurement System The "Funnel Model". The Balanced Scorecard Model. Teamwork 4: Teamwork on the Citibank case Case study: Citibank - The case has to be read BEFORE the session, taking into account the questions that have been provided. NO report BEFORE the session has to be prepared / sent. Selected reading: Simons, R. (2018). "Strategy Execution Module 9. Building a Balanced Scorecard". Harvard Business School Publishing. Boston, Massachusetts.
7	Strategy Implementation: The Strategy Map Concept of Strategy Map. Discussion of Strategy Maps examples. Design of a Strategy Map. Teamwork 5: Teamwork on the Domestic Auto Parts case Case study: Domestic Auto Parts – The case has to be read BEFORE the session, taking into account the questions that have been provided. NO report BEFORE the session has to be prepared / sent. Selected reading: Kaplan, R. and McMillan, D. (2020). "Updating the Balanced Scorecard for Triple Bottom Line Strategies". Harvard Business School Publishing. Boston, Massachusetts.
8	Strategy implementation: Indicators cascade Cascade of Indicators through processes. Cascading of Strategy Maps. The new profile of management team meetings after Balanced Scorecard Implementation. Business Intelligence Solutions. Lessons learned. Teamwork 6: Teamwork on the Volkswagen do Brasil case. Case study: Volkswagen do Brasil - The case has to be read BEFORE the session, taking into account the questions that have been provided. NO report BEFORE the session has to be prepared / sent.
9	Strategy Implementation based on Initiatives or Projects aligned with the Strategy Teamwork 7: Carryout the Harvard "Strategy Simulation: The Balanced Scorecard" in teams and prepare a report on the strategy followed and the results obtained. Case study: Delta/Signal Corp. - The case has to be read BEFORE the session, taking into account the questions that have been provided. NO report BEFORE the session has to be prepared / sent.
10	Measuring Innovation. Startup Strategy Implementation. Final conclusions The Balanced Scorecard as a Managerial Innovation Model. Indicators to measure Innovation. Innovation Strategy Maps. The Startup concept. Lean Startups. Minimum Viable Product and Pivoting. Causal Model "Objectives and Key Results" to execute the Startups Strategy. Indicators for Startups. Startup decisions based on metrics analysis. Selected reading: McGinn, D. (2018). "How VC John Doerr Sets (and Achieves) Goals". Harvard Business Review. Introduction to the Final Report on Tesla

Assessment

Tool	Assessment tool	Category	Weight %
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Tool	Assessment tool	Category	Weight %
In-class analysis and discussion of issues	Class participation	Ordinary round	20.00%
Group project	Case study reports and practical exercises completed in class	Ordinary round	30.00%
Peer evaluation	Peer to peer evaluation (teamwork)	Ordinary round	20.00%
Individual or team exercises	Final report on the Tesla Case	Ordinary round	30.00%
Quizzes/tests	Retake	Retake	100.00%

PROGRAMS

B13-Exchange Program Bachelor of Business Administration (BBA) (Undergraduates: Business)
B13 Year 1 (Optative)

B13S-Exchange Program Bachelor of Business Administration (BBA) (Undergraduates: Business)
B13S Year 1 (Optative)

BBA15-Bachelor of Business Administration (BBA) (Undergraduates: Business)
BBA15 Year 3 (Optative)
BBA15 Year 4 (Optative)

BBA20-Bachelor of Business Administration (BBA) (Undergraduates: Business)
BBA20 Year 4 (Optative)
BBA20 Year 3 (Optative)

BBE15-Bachelor of Business Administration (BBA) (Undergraduates: Business)
BBE15 Year 4 (Optative)
BBE15 Year 3 (Optative)

BBE20-Bachelor of Business Administration (BBA) (Undergraduates: Business)
BBE20 Year 3 (Optative)
BBE20 Year 4 (Optative)

BITLASI22-Bachelor in Transformational Leadership and Social Impact (Undergraduates: Business)
BITLASI22 Year 4 (Optative)