

# How to identify a mediocre approach – Eg 2

Imagine that you use (or want to use) the following approach to strategic planning






Vision	Balanced Scorecard			
	Long-Term	Short-Term	Measures	Targets
Balanced Scorecard	Financial Growth	Increase Customers	# of Customers	% increase
		Increase Order Size	Average Sale	% increase
		Increase Frequency	Frequency of Sale	% increase
		New Revenue	New Product Revenue	% increase
	Customer	Increase Customer Satisfaction	Customer Satisfaction	% increase
		Increase Referrals	Referral Rate	% increase
		Increase Frequency	Frequency	% increase
	Quality	Reduce Cycle Time	Cycle Time	% reduction
		Reduce Defects	Parts per Million	% reduction
		Reduce Costs	Cost of Waste & Rework	% reduction
	Learning & Growth	Increase Core Skills	Training	% increase
		Increase Systems Availability	System Un-availability	% reduction
Measures				

Source: Pinterest - <https://www.pinterest.com.au/>

# How to identify a mediocre approach - Eg 2

## Diagnosis 1

Balanced Scorecard				
	Long-Term	Short-Term	Measures	Targets
Vision	Financial Growth	Increase Customers	# of Customers	% increase
		Increase Order Size	Average Sale	% increase
		Increase Frequency	Frequency of Sale	% increase
		New Revenue	New Product Revenue	% increase
Balanced Scorecard	Customer	Increase Customer Satisfaction	Customer Satisfaction	% increase
		Increase Referrals	Referral Rate	% increase
		Increase Frequency	Frequency	% increase
	Quality	Reduce Cycle Time	Cycle Time	% reduction
		Reduce Defects	Parts per Million	% reduction
		Reduce Costs	Cost of Waste & Rework	% reduction
Measures	Learning & Growth	Increase Core Skills	Training	% increase
		Increase Systems Availability	System Un-availability	% reduction

Step	Deliverable	Class	Mitigation
?	Vision	 Excellent	Singularity
Long term	Financial growth	 Excellent	A benefit
	Customer	 Mediocre	A piece of knowledge - short & long term
	Quality	 Mediocre	A benefit - short & long term
	Learning & growth	 Mediocre	Last 2 deliverables mediocre
Short term	Financial growth	Irrelevant as last deliverable was pointless	
	> # of customers		
	> Increase order size		
	> Increase frequency		
	> New revenue		
	Customer		
	> Incr cust satisfaction		
	> Incr referrals		
	> Increase frequency		
	Quality		
	> Reduce cycle time		
	> Reduce defects		
	> Reduce costs		
	Learning & growth		
> Incr core skills			
> Incr system availability			

**Conclusion: Find a better approach**

# How to identify a mediocre approach Eg 2- Explanation

Balanced Scorecard				
	Long-Term	Short-Term	Measures	Targets
Vision	Financial Growth	Increase Customers	# of Customers	% increase
		Increase Order Size	Average Sale	% increase
		Increase Frequency	Frequency of Sale	% increase
		New Revenue	New Product Revenue	% increase
Balanced Scorecard	Customer	Increase Customer Satisfaction	Customer Satisfaction	% increase
		Increase Referrals	Referral Rate	% increase
		Increase Frequency	Frequency	% increase
Measures	Quality	Reduce Cycle Time	Cycle Time	% reduction
		Reduce Defects	Parts per Million	% reduction
		Reduce Costs	Cost of Waste & Rework	% reduction
	Learning & Growth	Increase Core Skills	Training	% increase
Increase Systems Availability		System Un-availability	% reduction	

Why is it pointless?

1) Step ? – Vision statement

- 1) It may start with the best of intentions but will soon fail to deliver any explicit results as “the devil is in the detail”
- 2) The vision statement could be too implicit and may take too long to deliver
- 3) Having a model of a single artifact (the vision) is simply not good enough. You need corroborating proof. That is the purpose of the second step

2) Step 2 – Long term

- 1) Financial growth – A meaningful long term benefit
- 2) Customer – A piece of knowledge which is both long & short term. Too implicit
- 3) Quality – Although a benefit it is also needed in the a short term. Too implicit
- 4) Learning and growth – Learning is a benefit and Growth a value. Too implicit






3) Step 3 – Short term – Irrelevant step as too many mediocre previous steps

**Conclusion: Find a better approach**

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## Final Diagnosis

Balanced Scorecard				
	Long-Term	Short-Term	Measures	Targets
Vision	Financial Growth	Increase Customers	# of Customers	% increase
		Increase Order Size	Average Sale	% increase
		Increase Frequency	Frequency of Sale	% increase
		New Revenue	New Product Revenue	% increase
Customer	Customer	Increase Customer Satisfaction	Customer Satisfaction	% increase
		Increase Referrals	Referral Rate	% increase
		Increase Frequency	Frequency	% increase
Quality	Quality	Reduce Cycle Time	Cycle Time	% reduction
		Reduce Defects	Parts per Million	% reduction
		Reduce Costs	Cost of Waste & Rework	% reduction
Learning & Growth	Learning & Growth	Increase Core Skills	Training	% increase
		Increase Systems Availability	System Un-availability	% reduction

Step	Deliverable	Class	Mitigation
?	Vision	 Mediocre	Singularity
Long term	Financial growth	 Excellent	A benefit
	Customer	 Mediocre	A piece of knowledge - short & long term
	Quality	 Mediocre	A benefit - short & long term
	Learning & growth	 Terrible	Last 2 deliverables mediocre
	Short term	Financial growth > # of customers > Increase order size > Increase frequency > New revenue Customer > Incr cust satisfaction > Incr referrals > Increase frequency Quality > Reduce cycle time > Reduce defects > Reduce costs Learning & growth > Incr core skills > Incr system availability	Irrelevant as last deliverable was pointless

**Conclusion: Find a better approach**

# How to start improving a mediocre approach

Use prime numbers and 'Rule of 7' as a guide

## Prime numbers

1, 2, 3, 5, 7, 11

## Rule of 7

Read George Armitage Miller – [‘The Magical Number Seven, Plus or Minus Two’](#)

Steps:

1. Start with 1 deliverable – The purpose which should not be more than 5 sentences
2. Use 4 (1+3 or 2+2) deliverables to corroborate the purpose. If they fail then you need to either
  1. Change the purpose based on the evidence of the 4; or
  2. Need to refine the 4 until the support each other and the purpose
3. Find a maximum of 11 [ $5+5+1$  or  $(5*2)+1$  or  $1+(2+3)*2$ ] other deliverables that support and corroborate each of the 4. Why 11? Read my LinkedIn [article](#)