The Dual Perspective of Performance

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Minimum two perspectives of performance are proposed to be taken into consideration, i.e. 'enterprise' and 'customer'

Both the supportive and conflicting interactions of enterprise as well as customer would be desirable for holistic performance

The dual perspective of performance is the philosophical basis of 'strategy gamecard' and 'flowing stream strategy crystal'

The enterprise and customer perspectives may be generalized as provider's and receiver/beneficiary's perspectives respectively

The 'V' model of strategic performance synergizes the dual perspective of performance

The performance of any enterprise is traditionally accounted for purely from the enterprise perspective. Earlier, the dominant performance monitoring systems were centered on financial performance only, which later accommodated certain other areas of performance. The Balanced Scorecard was a step ahead to integrate four major perspectives, viz. financial, customer, internal business process, and learning and growth. Though it has included customer orientation to some extent, the major emphasis still remained on the view point of the enterprise on all the four perspectives.

In order to get a holistic understanding of performance of an enterprise, minimum two perspectives are proposed to be taken into consideration, i.e. 'enterprise perspective' and 'customer perspective'. This takes into consideration strategy formulation for both higher performance of the enterprise and the provision of enhanced value to its customers. Such a dual perspective of performance in terms of enterprise or provider's perspective and that of the customer or receiver/beneficiary's perspective needs to be synergized in order to get a holistic picture of performance of any system. Both enterprise and customer represent two sides of the same coin; the existence of one is meaningless without the other. A customer is central for the existence of any enterprise and effectiveness of any enterprise is beneficial for its customers in terms of better quality products/services at a competitive cost.

Though the two perspectives (enterprise and customer) are interdependent, at times, it may appear paradoxical that the improvement of one might affect the other adversely. For example, providing various products/services to the customer at low cost may adversely affect profitability of the enterprise. On the other hand, too much focus on enterprise profitability can lead to sacrificing value provision to customers. Thus, both the supportive and conflicting interactions of enterprise as well as customer would be desirable from the point of view of holistic performance.

Such a dual perspective of performance has served as the philosophical basis for the development of 'strategy gamecard' that incorporates the interactions of both the enterprise and customer perspectives. This has also acted as a base for evolving the 'flowing stream strategy crystal' that interplays the enterprise and customer factors on one plane, and the continuity and change forces on the other.

In a larger perspective, the enterprise perspective and customer perspective may be generalized as provider's perspective and receiver/beneficiary's perspective respectively. For example, in an institutional set up, the provider could be the institution and the beneficiary could be students. In a similar manner, at the macro-economic level, the provider could be government and beneficiaries are citizens. In addition to these two key stakeholders, there may be other stakeholders as well, such as regulator, society and so on. But all the stakeholders are expected to keep the interests of at least the two central stakeholders, viz. enterprise (provider) and customers (receivers/beneficiaries).

This leads to the evolution of a 'V' model of strategic performance that synergizes the dual perspective of performance keeping in view the requirements of the two key stakeholders, i.e. the providers and receivers/beneficiaries at the same time taking care of their supportive as well as conflicting interactions. Such a model of strategic performance will be applicable both at the micro (enterprise) and the macro (economy) levels. At the macro level, this will be helpful in bringing out policy directions and implementation considerations for holistic development and inclusive growth.

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