Flexible Strategy Game-card

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comprises of two broad
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*Enterprise perspective is
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process and performance*

*Situation factors act as
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*Actor factors are associated
with effectiveness of strategy
execution and are linked
both with internal and
external actors*

*Process factors are linked
with both internal and
external business processes*

*Performance factors are the
strategic outcome measures
for the strategy and are both
financial and non-financial*

Both continuity and change forces define the current reality of the organization, which acts as a basis for the strategy to be formulated in terms of key strategic factors, i.e. enterprise factors and customer factors. The balanced scorecard can be adapted to classify the four perspectives in these two categories of factors. The enterprise factors deal with financial, internal process, and learning and growth factors; and the customer factors deal with the fourth perspective linked with customers. The flexible strategy game-card, rooted into the duality of strategic performance, comprises of two broad perspectives, viz. enterprise perspective and customer perspective.

The strategy formulation can be carried out in terms of these strategic factors. These factors can be mapped on the strategy landscape both for the existing and the proposed levels. The *enterprise perspective* is related with SAPP, i.e. Situation (S), Actor (A), Process (P) and Performance (P).

The *situation* factors are vital in a volatile environment. These act as reactive drivers or diagnostic measures of the strategy and can both be internal and external. The internal situation factors act as feedback about the achievement of the 'performance factors'. These reflect both the strengths and weaknesses of the enterprise. Some important internal situation factors are: low collection rate, bad debts, poor financial health, strong technology base and declining market share. The external situation factors are linked both with the opportunities and threats in the business environment of the enterprise. Some important external situation factors are: intense competition, growing demand, globalization of market, favorable demography and volatile financial market.

The *actor* factors are crucial from the point of view of effectiveness of strategy execution. The actor factors are linked both with the internal and external actors. Some important actors in the context of a typical enterprise are: internal actors such as leadership and employees; and external actors such as customers, vendors, alliance partners, investors, shareholders and society. The important strategic factors associated with the internal actors are: leadership, capability, learning level, knowledge management and employee satisfaction. These factors are considered partially in the 'learning and growth perspective' of balanced scorecard. The linked strategic factors with the external actors are: new accounts, customer satisfaction, vendor capability, inter alliance capability, return to investors and shareholders, and corporate social responsibility.

The *process* factors are also important from the view point of strategy execution. The process factors are linked with both the internal and external business processes. Some crucial strategic factors that are associated with internal processes such as innovation, manufacturing, and knowledge management might be productivity, quality and flexibility. There are external processes beyond the organizational boundary such as supply chain, marketing, branding, managing strategic alliances, outsourcing, Mergers & Acquisitions (M&A) and so on. Some important factors associated with external processes are: inter-alliance capability, effectiveness of outsourcing and value creation by M&A.

The *performance* factors are the strategic outcome measures for the strategy. These are the Key Result Areas (KRAs) that are treated as 'lag factors' in the balanced scorecard. These are influenced by the 'lead factors' or Critical Success Factors (CSFs). The performance factors are both financial and non-financial in character. The significant financial performance factors are linked both to the top line and the bottom line, i.e. revenue growth and mix, market share, market value, profitability, risk and cost reduction. There are non-financial performance factors as well, such as cycle time, production turnover, inventory and on-time delivery.

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Under the *customer perspective*, there are generic as well as specific factors. Some generic customer factors are: product/service attributes, customer relationships, and image and reputation. Keeping in view these generic categories, some strategic factors that are offered to customers could be cost, choice, delivery, connectivity, service and speed. In addition to the generic factors, there are contextual customer factors specific to each industry/enterprise/product/service and are to be identified to define the strategy in a given context.

The *flexible strategy game-card* can be used for playing the strategy game in terms of strategy formulation as well as execution. Some important steps in implementing the game-card include: developing total interpretive strategy map, playing the strategy game in terms of factors and their targets, scoring the performance of game, and changing the strategy game during review. It takes the strategic performance management a step ahead in terms of taking both the strategy formulation and execution side by side so as to integrate all the aspects of strategic performance management rather than simply acting as a tool for performance monitoring and review.

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