Strategic Operating System
Carver County
Group 5

What is a strategic operating system?

“The integrated set of processes and tools that a company uses to develop its strategy, translate it into operational actions, and monitor and improve the effectiveness of both.”

-Robert Kaplan & David Norton
Why is it important?

Without consistent systematic reinforcement, your strategy is easily overshadowed by day-to-day operational issues.

A closed-loop system not only provides this reinforcement, but also provides a framework to test and measure progress against your strategic goals throughout the year, and can guide you in how to adjust your strategy for the future.

Carver County’s Current State

WINS:
- Currently developing a strategy with a strong mission, vision, and values
- Strategy is being relooked at on a biannual basis

Opportunities:
- Key parts of stages 2-4 are missing from the current operating system

What it could look like in the future
KPIs/Balanced Scorecard

Managing Strategy: Four Processes

Creating the Balanced Scorecard

Translating Vision and Strategy: Four Perspectives

How Carver County can get there…

Operational Metrics – “Engine”

Strategic Metrics – “Wisdom”
Operational Metrics “The Engine”

- Property & Financial Services
  - Core Process Metrics
    - Ex: Mean appraisal time current, trend for last 5 years
  - Finance Metrics
    - Ex: Budget Update (Plan vs. Actuals), trend for last 5 years
  - Customer Satisfaction Metrics
    - Ex: Mean process time for licenses, trend for last 5 years
    - Ex: Are Carver County citizens satisfied with the amount of time it takes from applying to receiving various licenses?
  - Improvement/Innovation Metrics (Group 4)
  - Action items

Strategic/Operational Review Calendar

Periodic Review (Frequency)

- Team Meetings (5-15 mins Daily/Weekly)
  - Team closest to the operation and immediate supervisors (usu. At start of shift)
- Department Meetings (30 mins Weekly/ Biweekly)
  - Supervisors and department leadership
  - Applicable support functions
- Division Meetings (1 hour monthly)
  - Division and Department leaders
  - Applicable support functions
  - Focus on strategic initiatives
Periodic Review (Frequency Cont.)

All Employee Meetings (1 hour Quarterly/ Semi-annual)
- Involve all employees in the Division
- Good opportunity to transfer feedback from team to division leadership (e.g. idea cards, question cards)
- Leadership focus on positives

Periodic Review (Agenda)

1) Review "Top 5" KPIs/metrics (Presented by the metric owners)
   - Positive Feedback
   - Opportunities
   - What's being done to mitigate any challenges? Root cause?
2) Review Ongoing Tasks/Projects (Department/Division)
3) Announcements/Recognition

Strategy Review vs. Ops Review

<table>
<thead>
<tr>
<th>KEY DIFFERENCES</th>
<th>Series/Repeat</th>
<th>Duration</th>
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<td>Goal</td>
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Test And Adapt The Strategy

Where/When: Executive Leadership Offsite
Who: Executive Leadership/Departments/Managers
Frequency: Annually
Purpose: Reexamine original strategy and adapt it to the continuously changing economic factors. This closes the loop to the operating system.

How is this different than current strategy offsite?

• Measured progress across KPI’s and the balanced scorecard should be used to drive updates in future strategy.

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Key Recommendations

Strategic Operating System Recommendations:
• Translate the Strategy:
  – Create Strategy Map
• Plan Operations:
  – Develop KPI’s and Balanced Scorecard
• Monitor and Learn:
  – Hold Strategy Reviews
  – Hold Operational Reviews
• Test and Adapt the Strategy:
  – Conduct Annual Review
• Start again

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Final Takeaway

Bridging together the Carver County mission with the long-term vision
References

HBR July 2007 Best of HBR: Using the Balanced Scorecard as a Strategic Management System, R. Kaplan & D Norton
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