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Development of Flexible Strategy Game-card: A Case Study

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Abstract

Score-cards developed by companies all over the globe faced a lot of criticism, and the researchers and practitioners realized a need to look beyond scorecard. Many developments happened in which one of the attempts made to propose flexible strategy game-card which intends to support the whole cycle of strategy formulation and execution, and emphasizes the concept of game-card rather than scorecard. The present study makes an attempt to develop a flexible strategy game-card for a case company. This case study has been developed in the context of one of the Indian telecom service providing firms. The game-card has been developed and it has been attempted to draw the comparisons of game-card with the score-card which highlights how game-cards can be helpful to overcome some of the limitations of score card. The outcome of the study is to present the practical application of this evolving performance management framework, which helps to demonstrate the mechanism for development of game-card to the knowledge base related to strategic performance management.

Key words: Flexible Strategy Game-card, Indian Telecom service providing company, Strategic performance management.

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“You get what you measure. Measure the wrong thing and you get the wrong behaviors.”

- John H. Lingle

Introduction

Measurement is a mess, words from a manager during a discussion, “we measure everything that walks and moves, but nothing that matters” (Neely, 1999, p. 206). In the last two decades, performance measurement and management have received a lot many interest of researchers. The issues related to development of strategic performance management framework had been discussed in the literature in early 1990's. Balanced scorecard has been proved a dominant performance measurement framework in the literature which has been used widely all over the globe. In the last one decade, the criticism of balanced scorecard (Kaplan and Norton, 1992, 1996, 2004) had been highlighted a lot as well, and this gives a motivation to many researchers to develop performance management framework which can effectively be used by the enterprises.

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There is plethora of research work done related to performance management frameworks/models or systems in last one decade. Some researchers discussed the updates in balanced scorecard approach, as: Kanji's business scorecard (Kanji and SA, 2002), holistic scorecard (Sureshchandar and Leisten, 2005), total performance scorecard (Rampersad, 2005), system dynamics based balanced scorecard (Barnabe, 2011) etc. Other developments are, performance prism (Neely, 2001), dynamic multi-dimensional performance framework (Maltz *et al.*, 2003), performance planning value chain (Neely and Jarrar, 2004), the performance management system framework (Ferreira and Otley, 2009) etc.

In the late 2000, there is an attempt made in this area by Sushil (2010) by proposing a new performance management framework named as, flexible strategy game-card, which intends to look beyond scorecard concept and emphasizes on game-card. This evolving performance management framework intends to support the whole cycle of strategy formulation and execution and emphasizes to develop an integrated and dynamic view of enterprise performance management.

This study is an attempt to develop a flexible strategy game-card by using this evolving performance management framework in a case context. Here, the case study has been developed in the context of one of the Indian Telecom service providing firms. The main objectives of present study are:

- To describe the mechanism for development of flexible strategy game-card for an enterprise.
- To develop flexible strategy game-card for a case context.

The structure of the remainder paper is as follows: The second section of the paper describes the structural overview of this evolving performance management framework, third section discusses the mechanism for development of flexible strategy game-card in general for an enterprise, and next section demonstrates the mechanism for development of game-card in a case context. The next and last section of the paper brings out the discussions related to study and concludes with highlighting limitations and future scope related to the study.

Flexible Strategy Game-card: A Description

Before giving the description of flexible strategy game-card, it is imperative to analyze the shortcomings of existing performance management frameworks, as this framework has been evolved intended to overcome some of the major shortcomings of existing performance management frameworks. There are some aspects of BSC which are required to be balanced, these are: balance of enterprise and customer factors, balance of continuity and change forces, balance of reactive and proactive drivers, balance of internal and external actors and balance of internal and external processes (Sushil, 2009).

The structural overview of flexible strategy game-card has been exhibited in Figure 1. It tells that this framework dominantly deals with two perspectives of performance, i.e. enterprise perspective, and customer perspective. All the major stakeholders are included under the enterprise perspective and as, customers are in the centre for enterprise's strategic decisions and actions, they are taken apart as another independent perspective. The theoretical roots of this evolving framework lie in some classical approaches, as integrative approach (BSC), stakeholder perspective (stakeholder theory), duality perspective (flowing stream strategy crystal), and operational aspects (SAP-LAP framework) (Yadav *et al.*, 2011).

Enterprise perspective deals with S-A-P-P (situation-actor-process-performance) framework where situation factors are dealing with proactive and reactive measures of strategic actions and

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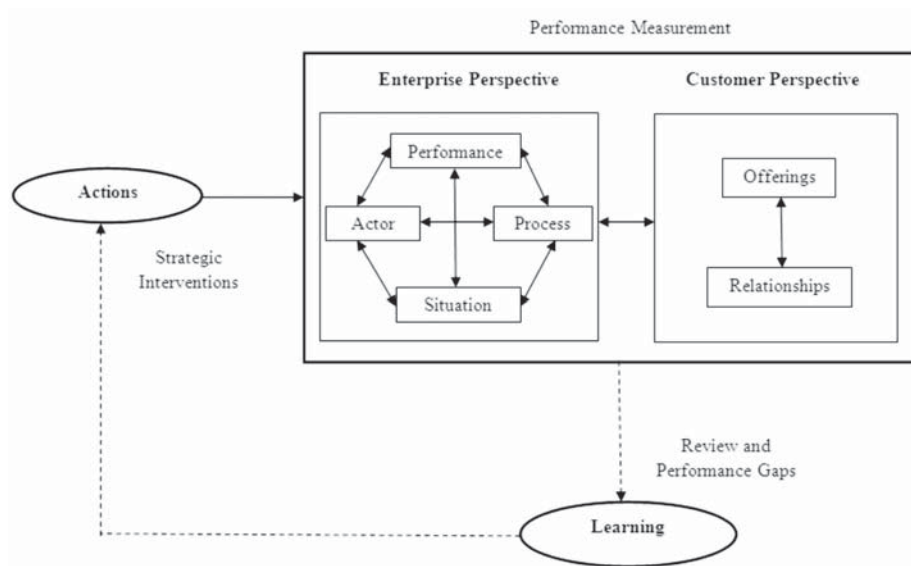


Figure 1: Flexible Strategy Game-card (Adopted from: Sushil, 2010)

comprises of external and internal situation. Actors are crucial factors for strategy formulation as well strategy execution. Actor related measures deal with internal as well as external actors. Process factors are related to strategy execution and deal with internal and external business processes. Performance factors are treated as the lag factors that represent outcomes of strategy. These can be considered as financial as well non-financial measures.

Customer factors related to game-card consider the performance of the enterprise from customer's perspective, which is linked to value in offerings and relationships to the customers.

This framework intends to support the whole cycle of strategy formulation, execution, learning and corrective actions with the game-card and thus, gives a dynamic view of the performance. The LAP (Learning-Action-Performance) framework gives it an edge over existing performance management frameworks. It helps to make strategic actions as required from getting learning from the performance measurements and reviews.

The conceptual and theoretical bases of this evolving framework has been clearly defined, but the application on the practical ground and steps for developing a game-card for any enterprise has not yet been discussed which is attempted to describe in next sections.

Development of Flexible Strategy Game-card: Mechanism

For application of any new framework, it is imperative to describe the steps or process related to development of that framework. In this light, it is imperative to discuss about the mechanism for development of flexible strategy game-card.

The important steps for developing a flexible strategy game-card for an enterprise are as follows (Sushil, 2011):

Step I: Identify the strategic factors and categorize enterprise factors as situation-actor-process-performance factors as per structure of game-card.

Step II: Identify customer related strategic factors and categorize as value in offerings and relationships.

Step III: Develop the hierarchical structures of these factors exclusively for enterprise factors and customer factors or integrated enterprise and customer factors.

Step IV: Define measures and targets of various strategic factors.

Step V: Measure existing performance, derive feedbacks, and define strategic direction.

Step VI: Identify strategic actions and align them with strategic direction.

Step VII: Review, adaptation of strategies, and corrective actions.

The steps described above are developed for any enterprise in general, but it is very important to discuss them in a case context. Here, an attempt is made to develop a flexible strategy game-card in case context, which is shown in next section.

The Case Study

For developing the flexible strategy game-card, a case study has been developed here. The case company chosen for the study is one of the Indian telecom service providing firms.

Description of Case Company

Company C1 (fictitious name) is one of the largest and leading units providing comprehensive range of telecom services in India. C1 is having a vision of being a leading telecom service provider in India with global presence and creating customer focused organization with excellence in customer care, sales and marketing. The company's mission is to generate value for all stakeholders including employees, shareholders, vendors and business associates, to offer differentiated products/services tailored to different service segments and providing reliable telecom services that are value for money.

C1 is operating in a hyper competitive environment. The government policies related to tariff rates and spectrum allocation have a major impact on the strategic decisions and overall performance. For surviving in the competitive environment, the company has launched many new services which are 3 Generation (3G) services, value added services (VAS), and broadband services. It has done partnership to provide VAS including content-based services and video calls to customers. C1 is having world class training centers and also established call centers in many parts of the country. For developing flexible strategy game-card, following steps are performed:

Step I: Identification of Strategic Factors related to Enterprise Perspective

The strategic factors related to enterprise perspective are related to situation-actor-process and performance. For identifying strategic factors, semi-structured interviews have been conducted with the experts from telecom service providing firm. The interviewers are the personnel with designation related to senior level or top management. The strategic factors are identified using thematic content analysis and summarized as follows:

Situation:

- Fierce competition
- Government policies

Actor:

- Customer satisfaction
- Employee productivity

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Process:

- Call completion rate
- New service offerings

Performance:

- Compounded annual growth rate (CAGR)
- ARPU (Average revenue per user)
- Number of subscribers

Step II: Identification of Strategic Factors related to Customer Perspective

Likewise, the strategic factors related to customer perspective have been identified. These factors are identified after talking to the customers of the case company. The discussions carried out with the customers have been analyzed and with the help of thematic content analysis, the following factors related to customer perspective are identified:

Value in offerings:

- Quality of telecom services
- Product/ service price

Value in relationships:

- Brand image of the operator

Step III: Development of Hierarchical Structure

The strategic factors related to enterprise and customer perspectives discussed in the above steps have been arranged in the hierarchical structure with the help of TISM (Total Interpretive



Figure 2: Total Interpretive Structural Model for Strategic Factors for Case Company

Structural Modeling). TISM is an extension of ISM (Interpretive Structural Modeling) which seeks the opinion of experts to develop the hierarchical relationships of the factors and demonstrates the interpretations and causes of the linkages (Sushil, 2009).

One group of experts consisting five members from the case company participated to respond to the interpretive knowledge base. The process for development of TISM had been followed and the hierarchical structure integrating both enterprise and customer factors, has been developed and it is portrayed in Figure 2. It helps to identify the driver and outcome factors related to performance of C1. The reachability matrix (with transitivity) and level matrix are shown in appendix A.

Step IV: Define Measures and Targets

The strategic factors which are identified in step II, the measures and their targets are defined with the help of company annual reports and secondary information available. The measures and targets are shown in Table 1.

The strategic factors which are discussed qualitatively are now assessed in terms of identifying surrogate measures or direct measures. There are some factors which have direct quantitative measures, as, ARPU, no. of subscribers, customer satisfaction etc. The other factors as, quality of service, brand image of operator, competition etc, their surrogate measures are identified. The existing targets are identified from the group performance management system and corporate scorecards developed by the case company, the existing targets are denoted as (As-Is).

Table 1: Measures and Targets related to Strategic Factors

Code	Strategic Factor	Measures	Targets (As-Is)
PE1	Fierce competition	Competition index	-
PE2	Govt. policies	-	-
PE3	Customer satisfaction	Customer satisfaction index	5(1-5 scale)
PE4	Employee productivity	% of call centre complaints resolved within 24 hours	70 per cent
PE5	Call completion rate	% of call completed	50 per cent
PE6	New service offerings	% of new services offered	30 percent
PE7	CAGR	Growth in revenues Y-o-Y	20 per cent
PE8	ARPU	ARPU	200
PE9	No. of Subscribers	No. of subscribers	170 million
PC1	Quality of telecom service	% of connection with good voice quality	70 per cent
PC2	Product/service price	Competitor's price	Same or below competitor's price
PC3	Brand image of mobile operator	Brand image index	7

Step V: Measurement, Feedback and Strategic Direction

The existing performance results are measured against the targets set by company. This helps the company to learn about the future and gives the direction for future targets. The aspirations of the company management where they want to go in future related to strategic factors are denoted as targets (To-Be). The existing performance results and aspiring targets are summarized in Table 2.

Table 2: Performance Results and Aspiring Targets

Code	Strategic Factor	Measures	Targets (As-Is)	Performance	Targets (To-Be)
PE1	Fierce competition	Competition index	-	-	Reduce competition
PE2	Govt. policies	-	-	-	-
PE3	Customer satisfaction	Customer satisfaction index	5(1-5 scale)	2.5	5
PE4	Employee productivity	% of call centre complaints resolved within 24 hourscent	70 per cent	35 per	70 per cent
PE5	Call completion rate	% of call completed	50 per cent	40 per cent	75 per cent
PE6	New service offerings	% of new services offered	30 per cent	20 per cent	50 per cent
PE7	CAGR	Growth in Revenues Y-o-Y	20 per cent	15 per cent	25 per cent
PE8	ARPU	ARPU	200	100	200
PE9	No. of Subscribers	No. of subscribers	170 million	100 million	170 million
PC1	Quality of telecom service	% of connection with good voice quality	70 per cent	55 per cent	70 per cent
PC2	Product/service price	Competitor's price	Same or below competitor	Same or below competitor	Same or below competitor
PC3	Brand image of mobile operator	Brand image index	7	4	7

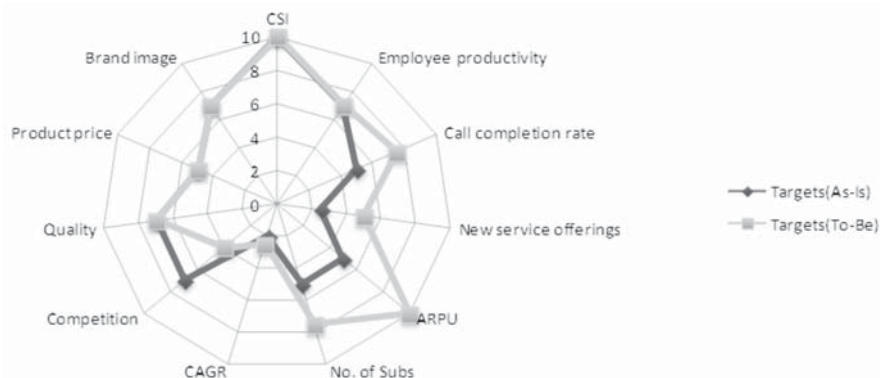


Figure 3: Strategy Landscape

Strategy landscape is a tool which can help to portray the existing targets and aspiring targets on one plane and gives an insight to decide the strategic direction for factors. The

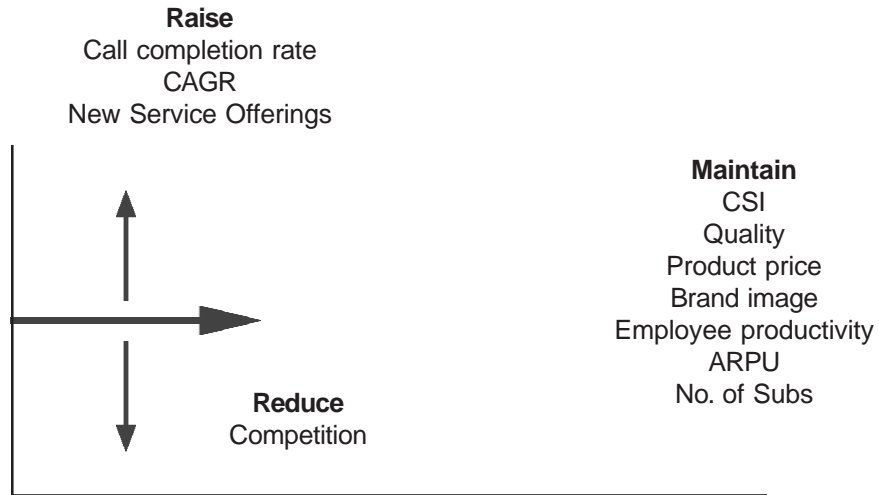


Figure 4: Strategic Direction Diagram

Table 3: Strategy Alignment Matrix

Strategic Action	Strategic Direction		
	<i>Raise</i>	<i>Maintain</i>	<i>Reduce</i>
1. VAS offerings	ARPU, CAGR		
2. Roll out of services	No. of subscribers		
3. Mergers and acquisitions			Competition
4. Investment in network towers and infrastructure	Call completion rate, CSI	Quality of service	

strategy landscape has been developed for case company, which is shown in Figure 3. It gives the direction for the strategies in terms of what to raise/improve, reduce or maintain. This is exhibited in strategic direction diagram and shown in Figure 4. The company's management has the aspiration to increase the call completion rate, number of subscribers, ARPU, CAGR and new service offerings. The company has an adequate level of customer satisfaction which it wants to maintain besides maintaining product price, quality, brand image and employee productivity. The factor which company wants to reduce is competition.

Step VI: Align Strategic Actions with Strategic Direction

Strategy alignment matrix is a tool which is used here to align strategic actions with strategic direction. The feedbacks emerged from the performance results and the To-Be targets, the strategic interventions or actions need strategic direction. Table 3 exhibits the strategic directions for selected strategic actions in the form of strategy alignment matrix.

This matrix helps the top management to review the performance by revising the strategic

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actions as well as executing new actions required. Here, the company looks to go for more mergers and acquisitions to reduce stiff competition. The company needs to provide more value added services which helps to raise the CAGR and ARPU. The other strategic action, as investment in towers and infrastructure helps to maintain the quality of the service which helps to increase the call completion rate and gives more customer satisfaction.

Step VII: Review, Adaption and Corrective Actions

The last step is related to iterative learning and feedback to make corrective actions, adapting the changes required for the better performance results as well as executing the new strategic actions required as per changing business environment and circumstances.

The company needs to develop a plan for the strategic actions to be executed, and, it will help to complete the whole cycle of strategic performance management which game-card is intended to develop. For company C1, the company can go to develop new strategies as the changes in the government regulations related to spectrum allocation. The revenues from voice based services are reducing, so there is need to develop the existing strategies related to moving from voice-based services to data-based services and value added apps and services.

Discussions and Conclusion

The present study is an attempt to develop a flexible strategy game-card for a case context which helps to understand the practical application of an evolving performance management framework. The study presents the illustration step by step for development of game-card.

The strategic interventions which have a crucial role in effective performance results is lacking in the existing performance management frameworks, which is included in this framework extensively and gives an edge to develop a dynamic and holistic performance management framework. The illustration presented here gives the practical application of flexible strategy game-card to the knowledge base and can be used by researchers.

There is very limited application of this framework available in the literature, so this needs an extensive research. The interplay of strategic actions and strategic direction can lead to develop causal loop diagrams and feedback structure. This can further lead to develop system dynamics models which can help to predict the likely behavior of the system for better performance results. This can be seen as a future direction of research related to game-card. There is a need to apply the proposed methodology in the context of service as well as manufacturing enterprises which helps to get more insights related to application of this evolving strategic performance management framework.

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Appendix A

Development of TISM

Table A1: Reachability Matrix (With Transitivity)

	PE1	PE2	PE3	PE4	PE5	PE6	PE7	PE8	PE9	PC1	PC2	PC3
PE1	1	1	1*	1*	0	1	1*	1	1*	1*	1*	0
PE2	1	1	1*	1*	0	1	1	1*	1*	1*	1	0
PE3	0	0	1	1*	0	0	1	1	1	0	0	0
PE4	0	0	1	1	0	0	1	1*	1*	0	1*	0
PE5	0	0	1	1*	1	0	1	1	1	0	1*	0
PE6	0	0	1	1	1*	1	1	1*	1*	1*	1*	1*
PE7	0	0	0	0	1*	0	1	1*	1*	1*	1*	1*
PE8	0	0	0	1*	1*	0	1	1	1*	1*	1*	1*
PE9	0	0	0	0	1*	0	1	1	1	1*	1*	1*
PC1	1*	0	1	1	1*	0	1	1	1	1	1	1
PC2	1	0	1	1*	1*	1*	1	1	1	1	1	1*
PC3	1*	0	1	1*	1*	1*	1	1	1	1*	1	1

*Transitivity

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Table A2: Level Matrix

Factor Code	Strategic Factor	Level
PE1	Fierce competition	V
PE2	Govt. policies	V
PE3	Customer satisfaction	II
PE4	Employee productivity	II
PE5	Call completion rate	III
PE6	New service offerings	IV
PE7	CAGR	V
PE8	ARPU	V
PE9	No. of subscribers	V
PC1	Quality of telecom service	III
PC2	Product/service price	III
PC3	Brand image of operator	III