



Ensuring BD Success With Metrics-Based Management

Presented by

Vicki Griesinger, Director of Operations

16th Annual APMP Conference and Exhibits

June 9, 2005

Discussion - Poll

Enterprise metrics in use
in your firm?

- _____

- _____

- _____

- _____

Which approaches?

- _____

- _____

- _____

- _____

Presentation Overview

- ❑ **Understanding Why Enterprise Metric Systems are Important**
- ❑ **Understanding how CMM Provides an Approach to Broader Metrics**
- ❑ **Understanding Synergies between BD-CMM and Other Frameworks**
- ❑ **Building a Business Development Balanced Scorecard from the BD-CMM**

Why Enterprise Metrics are Needed

“9 out of 10
organizations fail
to execute their
strategies.”

MANAGEMENT

“You can’t manage
what you can’t
measure.”

MEASUREMENT

“You can’t
measure what you
can’t describe.”

DESCRIPTION

Purpose of Metrics

- ❑ Guide enterprise and business development improvements
- ❑ Measure performance
- ❑ Improve and develop competitive position
- ❑ Help to promote buy-in and commitment
- ❑ Provide baselines
- ❑ Assess capabilities
- ❑ Predict future cost, schedule, and/or performance
- ❑ Plot trends
- ❑ Improve operations and efficiencies

Enterprise Metrics – Strategic

- ❑ Probability of success of the pursuit
- ❑ Strategic importance
- ❑ Impact of the pursuit to the enterprise
- ❑ Benefits of the pursuit to the enterprise
- ❑ Status and effectiveness of innovations in practices and technologies
- ❑ Proposals for continuous improvement
- ❑ Ability of practices in terms of value-added benefit to the customer
- ❑ Customer satisfaction
- ❑ Effort associated with evaluating and implementing new technologies

Enterprise Metrics – Financial

- ❑ Total expected value of the pursuit
- ❑ Internal rate of return
- ❑ Net present value of the earnings resulting from the pursuit
- ❑ Expected commercialization value of the deliverable
- ❑ Time to break even
- ❑ Total cost as a percentage of total available funds

Presentation Overview

- ❑ **Defining Enterprise Metric Systems**
- ❑ **Understanding How CMM Provides an Approach to Broader Metrics**
- ❑ **Understanding Synergies between BD-CMM and Other Frameworks**
- ❑ **Building a Business Development Balanced Scorecard from the BD-CMM**

Metrics and Maturity Models

CMM emphasizes metrics throughout each Key Process Area

- ❑ **Measurement – status and effectiveness of activities performed**

Use metrics to:

- ❑ **Measure status of activities**
- ❑ **Take a process view**
- ❑ **Gauge the contribution of project management to the organization**

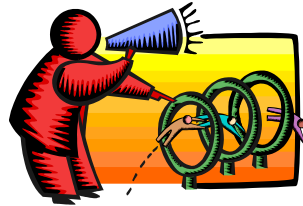
Common Features

Attributes within a Key Process Area (KPA) that indicate whether the KPA is effective, repeatable and lasting

- ❑ **Commitment to Perform**
- ❑ **Ability to Perform**
- ❑ **Activities Performed**
- ❑ **Measurement**
- ❑ **Verification**

Institutionalization

State what is expected, demonstrate commitment



Show Management Commitment

+

Give people the capability to perform the best practice



Ensure an Ability to Perform

+

Measure deployment and effectiveness



Apply Measurement to allow fact-based decision making

+

Check that the best practice is being performed



Carry out Verification

= Institutionalization

Presentation Overview

- ❑ Defining Enterprise Metric Systems
- ❑ Understanding how CMM Provides an Approach to Broader Metrics
- ❑ **Understanding Synergies between BD-CMM and Other Frameworks**
- ❑ Building a Business Development Balanced Scorecard from the BD-CMM

BD-CMM Framework Drives Multiple Approaches to Performance Management



BD-CMM



*Developed as a framework,
guide, and path for managing
and improving business
development processes*

- ❑ Provide a Framework
 - Description of key elements of business development success
- ❑ Describe a Path
 - Evolutionary business development improvement path
- ❑ Give support from a Guide
 - Key practices for measuring and managing business development performance

Total Quality Management (TQM)

- ❑ **Set of management and control initiatives to improve internal processes**
 - **Quality**
 - **Responsiveness**
 - **Efficiency**

Six Sigma

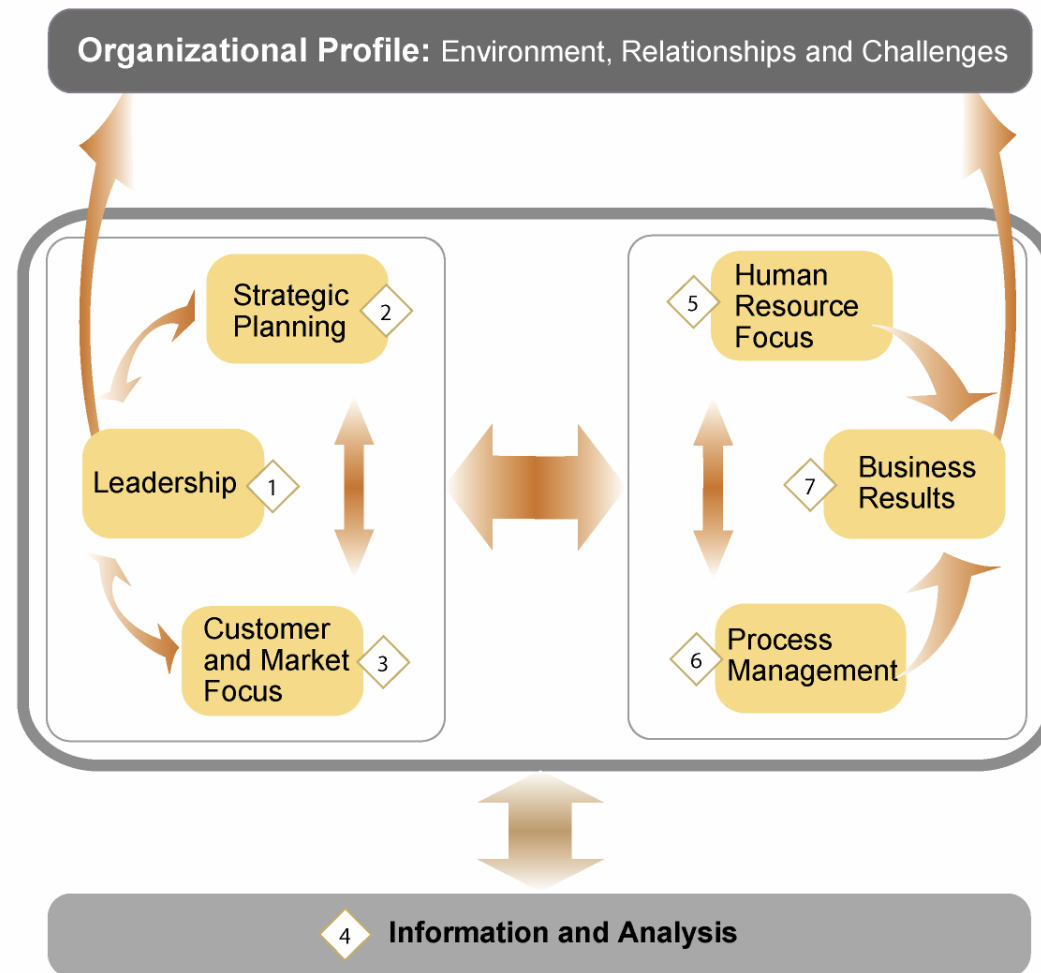
- ❑ Philosophy and approach for improving process outcomes
- ❑ Establishes acceptable levels for defects
- ❑ Modifies processes until the defect level meets defined goals



ISO

- ❑ **A standard for achieving predictability and repeatability in processes**

Baldrige Criteria for Performance Excellence Framework



Economic Value Added (EVA®)

- ❑ Financial performance measure that captures economic profit of an enterprise
- ❑ Used to measure performance, set organizational goals, value corporations, etc.

European Foundation for Quality Management (EFQM)

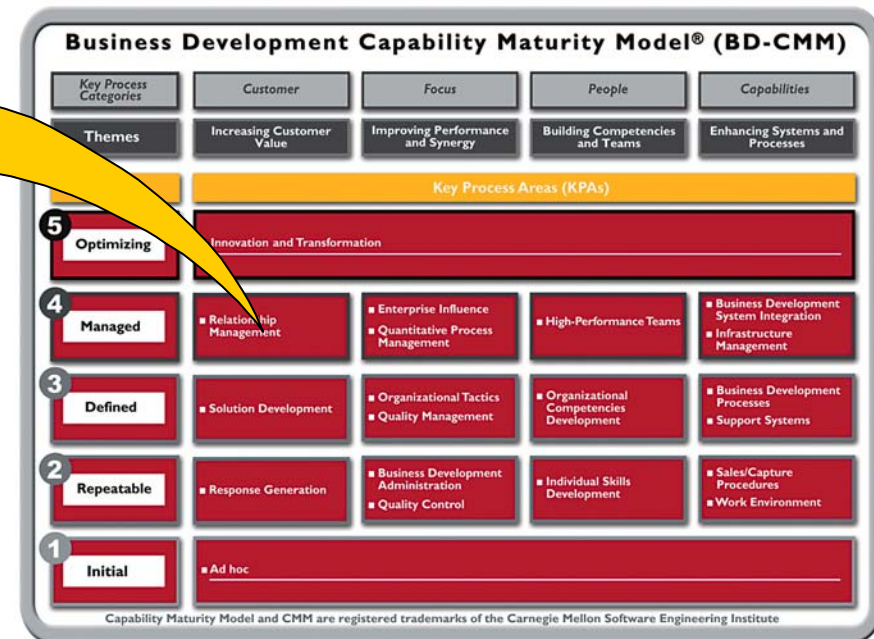
- ❑ Framework that focuses on Performance, Customers, People, and Society
- ❑ Results achieved through Leadership driving Policy and Strategy
- ❑ Results delivered through People Partnerships and Resources, and Processes

Balanced Scorecard (BSC)

- ❑ Developed by Kaplan and Norton in 1992
- ❑ Framework that helps organizations translate strategy into operational objectives that drive both behavior and performance
- ❑ Encompasses not only financial but also customer, internal process, and learning and growth

BD-CMM Synergies

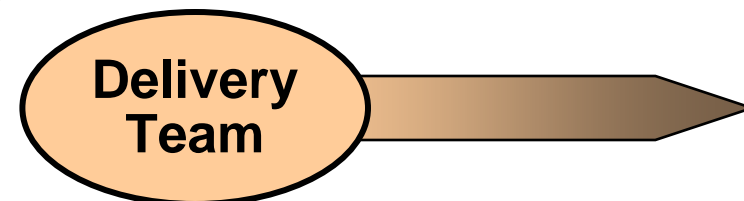
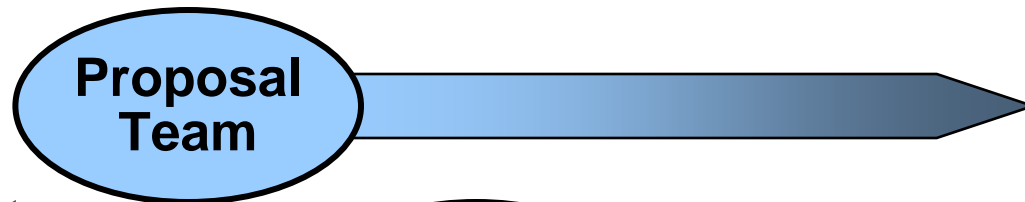
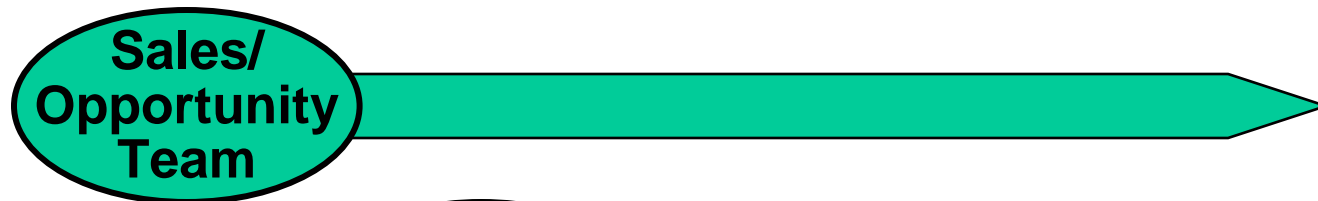
- ❑ Total Quality Management
- ❑ Six Sigma
- ❑ ISO
- ❑ Baldrige
- ❑ Earned Value Added
- ❑ European Foundation for Quality Management
- ❑ Balanced Scorecard



Presentation Overview

- ❑ Defining Enterprise Metric Systems
- ❑ Understanding how CMM Provides an Approach to Broader Metrics
- ❑ Understanding Synergies between BD-CMM and Other Frameworks
- ❑ **Building a Business Development Balanced Scorecard from the BD-CMM**

Business Development Process



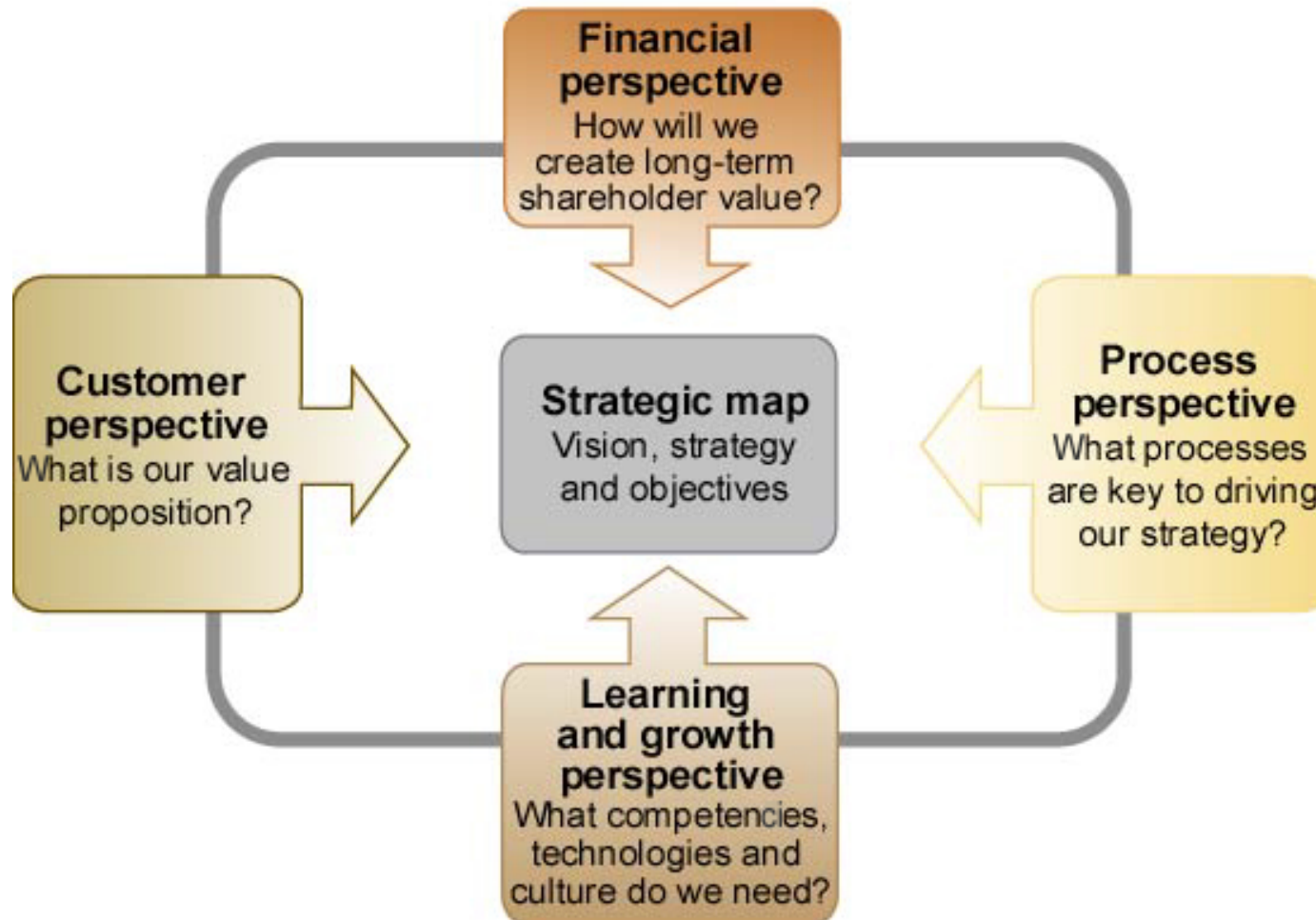
- ❑ Includes traditional sales and marketing
- ❑ Acknowledges different benchmarks applicable based on process goals
- ❑ Seeks common best practices

BD-CMM Recommendations

Key Process Categories

- ❑ **Customer** - *Increasing customer value*
- ❑ **Focus** - *Improving performance and synergy*
- ❑ **People** - *Building competencies and teams*
- ❑ **Capabilities** - *Enhancing systems and processes*

Balanced Scorecard Strategy Map



Four Business Perspectives

The Balanced Scorecard
Converts Business
Development Strategy Into an
Integrated System Defined
Across Four Business
Perspectives

The Vision


Financial

"To satisfy our shareholders, what financial objectives must we accomplish?"	Financial Perspective			
	Objectives	Measures	Targets	Initiatives
	Profitability			
	Growth			
	Shareholder Value			

Customer

"To achieve our financial objectives, what customer needs must we serve?"	Customer Perspective			
	Objectives	Measures	Targets	Initiatives
	Image			
	Service			
	Price/Cost			

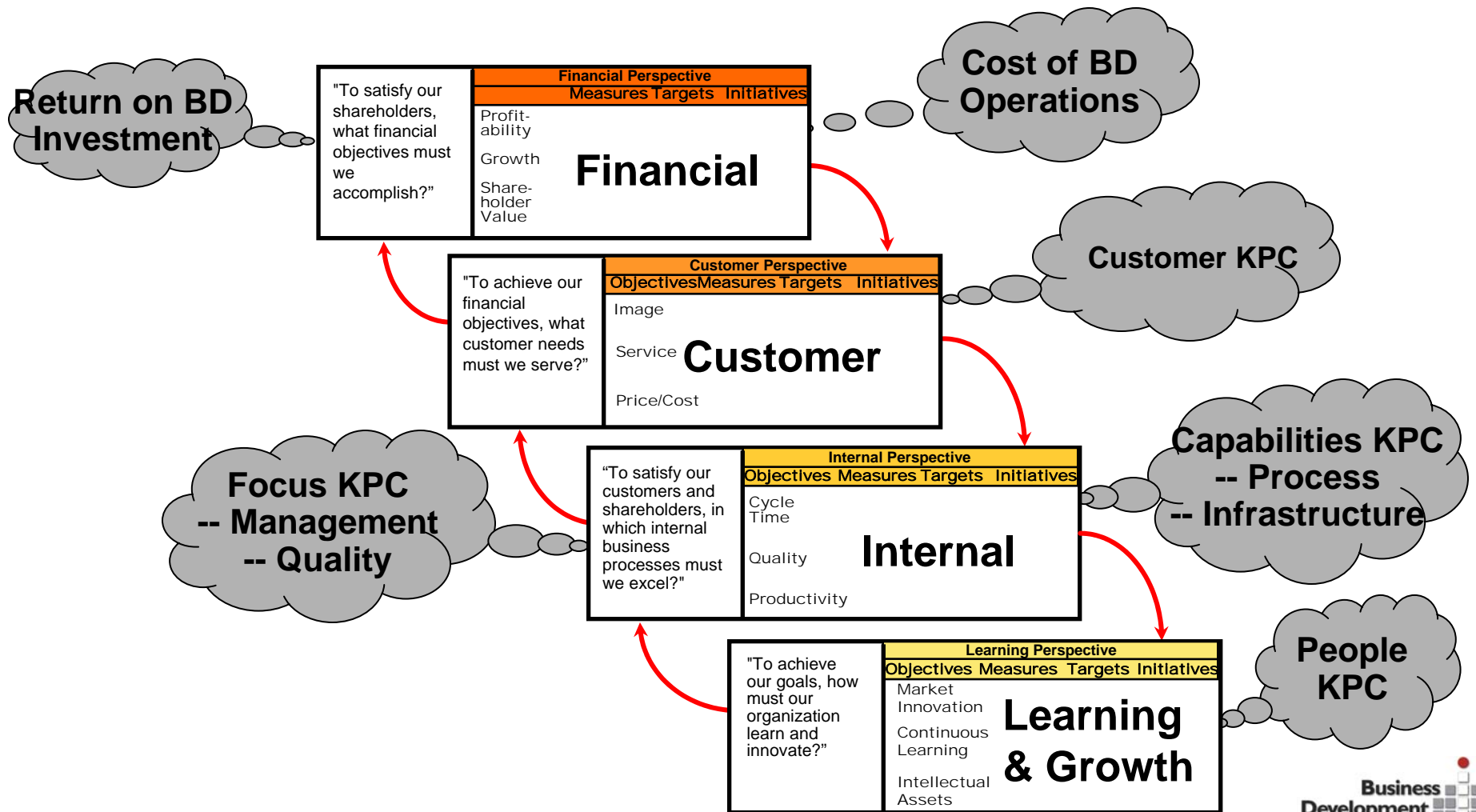
Internal

"To satisfy our customers, and shareholders, in which internal business processes must we excel?"	Internal Perspective			
	Objectives	Measures	Targets	Initiatives
	Cycle Time			
	Quality			
	Productivity			

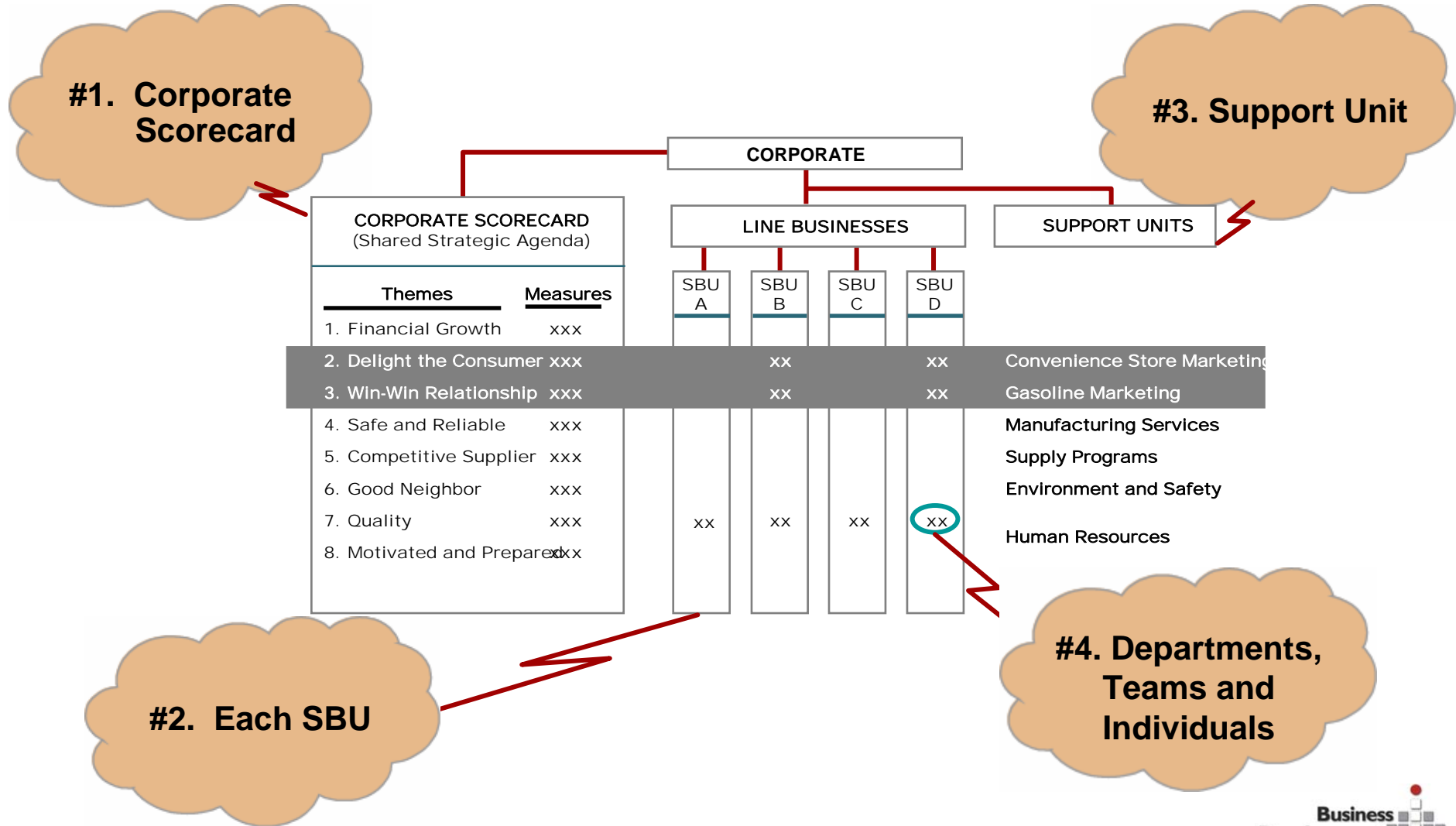
Learning & Growth

"To achieve our goals, how must our organization learn and innovate?"	Learning Perspective			
	Objectives	Measures	Targets	Initiatives
	Market Innovation			
	Continuous Learning			
	Intellectual Assets			

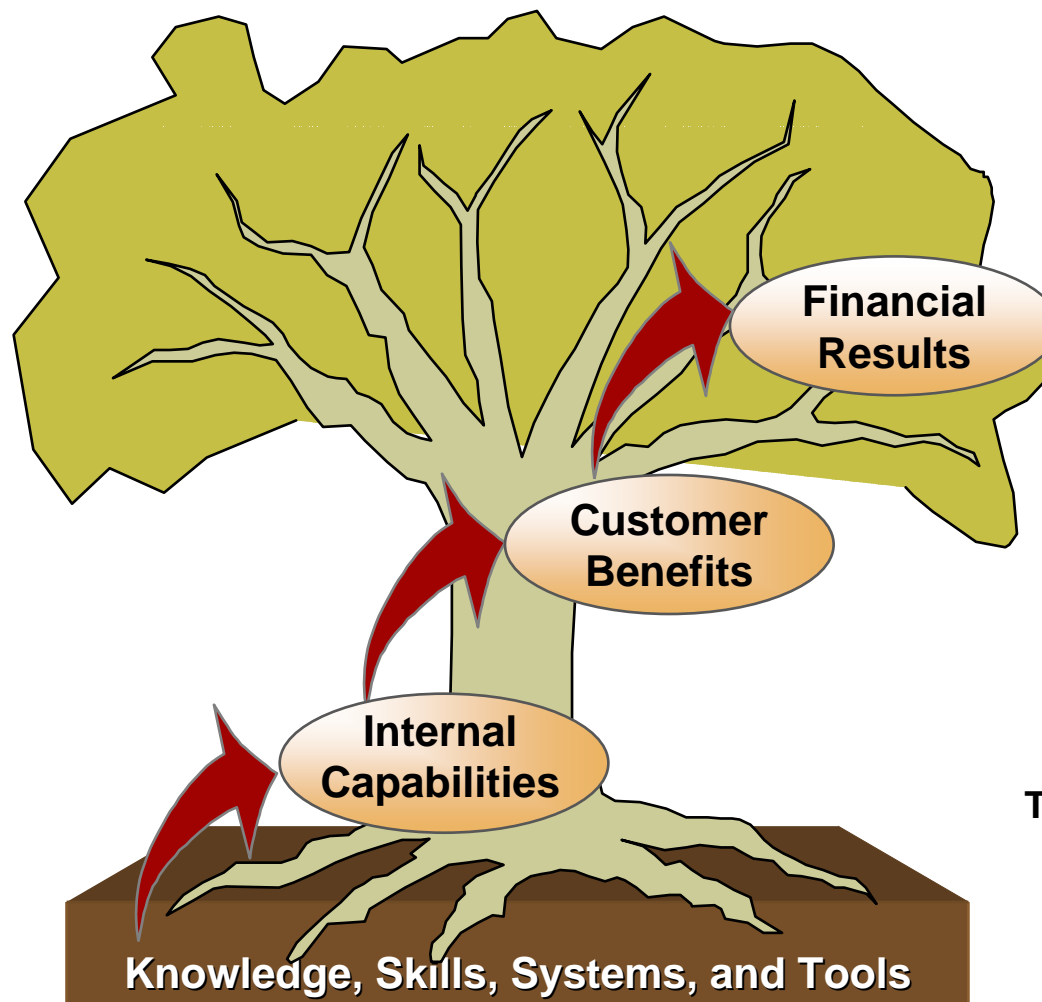
Building a BD Balanced Scorecard



Align Resources with Strategy



BD-CMM and Balanced Scorecard



Contact Information

Vicki Griesinger
Business Development Institute International
vgriesinger@bd-institute.org

Questions on Balanced Scorecard:
Randy Russell
Balanced Scorecard Collaborative
rrussell@bscol.com