

The Office of Strategy Management

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There is a disconnect in most companies between strategy formulation and strategy execution. On average, 95% of a company's employees are unaware of, or do not understand, its strategy. If employees are unaware of the strategy, they surely cannot help the organization implement it effectively.

It doesn't have to be like this. For the past 15 years, the authors have studied companies that achieved performance breakthroughs by adopting the **Balanced Scorecard** (BSC) and its associated tools to help them better communicate strategy to their employees and to guide and monitor the execution of that strategy.

Some companies, of course, have achieved better, longer lasting improvements than others. The organizations that have managed to sustain their strategic focus have typically established a new corporate-level unit to oversee all activities related to strategy: an **Office of Strategy Management** (OSM).

The OSM, in effect, acts as the CEO's chief of staff. It coordinates an array of tasks: communicating corporate strategy; ensuring that enterprise-level plans are translated into the plans of the various units and departments; executing strategic initiatives to deliver on the grand design; aligning employees' plans for competency development with strategic objectives; and testing and adapting the strategy to stay abreast of the competition.

The OSM does not do all the work, but it facilitates the processes so that strategy is executed in an integrated fashion across the enterprise. Although the companies that **Robert S Kaplan** and **David P Norton** studied use the BSC as the framework for their strategy management systems, the authors say the lessons of the OSM are applicable even to companies that do not use it.