



University of St.Gallen

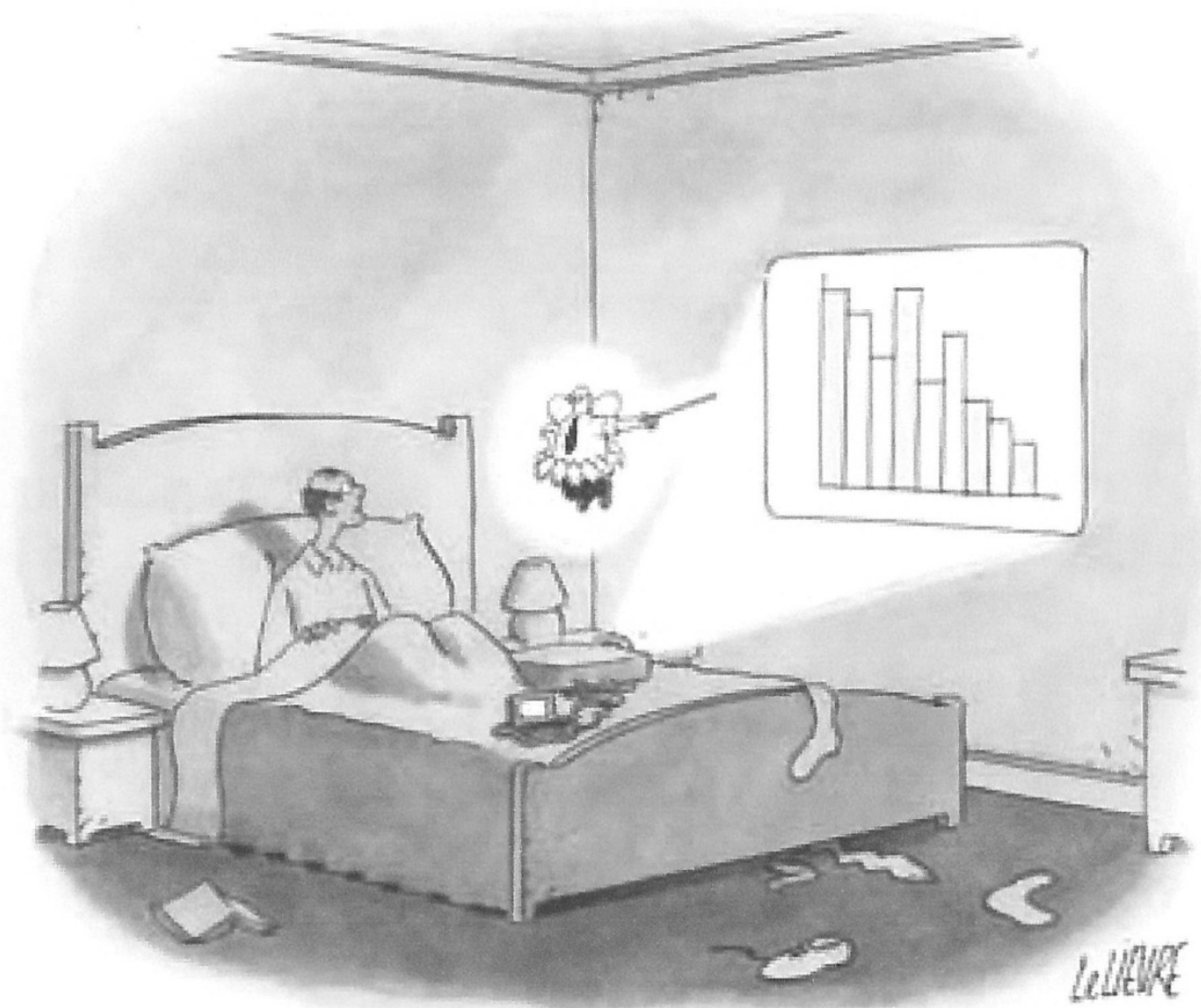


Strategy Making for Social Enterprises

Prof. Dr. Günter Müller-Stewens

Water & Light

September 4, 2012



The night before the big meeting I received a visit from the power point fairy.

Need for modified tools

- ☀ There is widespread agreement that it is important that also social enterprises have to operate in a "businesslike" way.
- ☀ With more and more enterprise programs being added to the non profit program agenda, tools and methods borrowed from the private sector have become increasingly familiar to nonprofit managers.
- ☀ But standard business tools are often not readily translated for use in the nonprofit context. In fact, business terminology and a focus on the single (financial) bottom line often blocking nonprofit professionals from utilizing the resources available in the private sector.
- ☀ Social enterprises need a modified tool that takes into account the specific sense making context.

Need for a lean way of strategizing

- ☀ Social enterprises need a modified tool that takes into account the specific context.
- ☀ Strategy making in the private sector is often time consuming, complex, one dimensional (financial performance), mechanistic, hierarchical and bureaucratic.
- ☀ For social enterprises we need probably exactly the opposite:
 - > **pragmatic**: unbureaucratic, quick
 - > **multi-dimensional**: tripple bottom line in focus
 - > **participative**: high involvement to create commitment

Is setting strategy for not-for-profit organizations different to for-profit companies?

"The critical distinction is not between business (for-profit and social), but between great and good. We need to reject the naive imposition of the "language of business" on the social sectors, and instead jointly embrace a language of greatness"

Jim Collins, "Good to Great in the Social Sector"

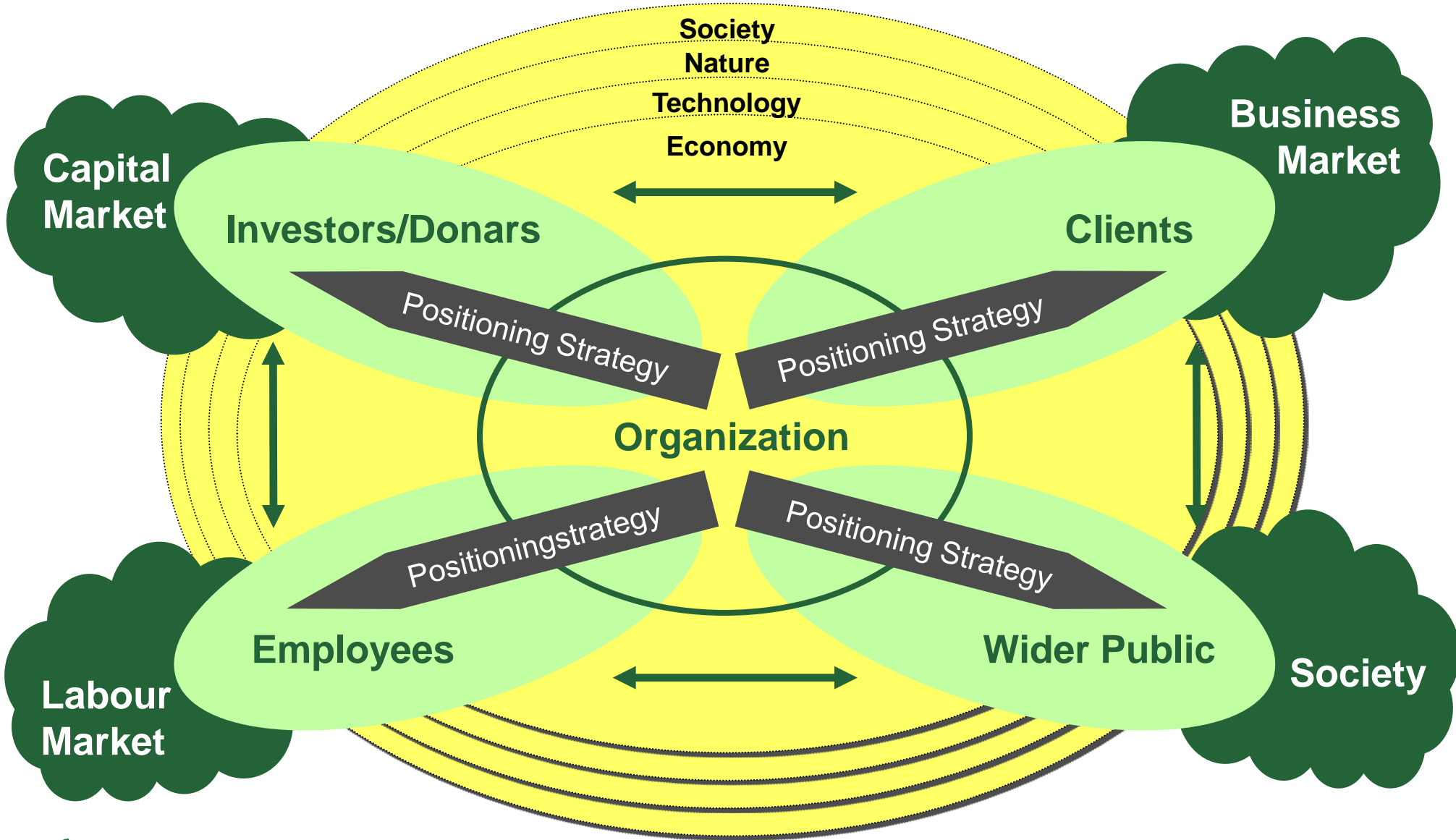
Drivers of effectiveness may be different.

But basically the ultimate aim of our strategy is to build a great organization.

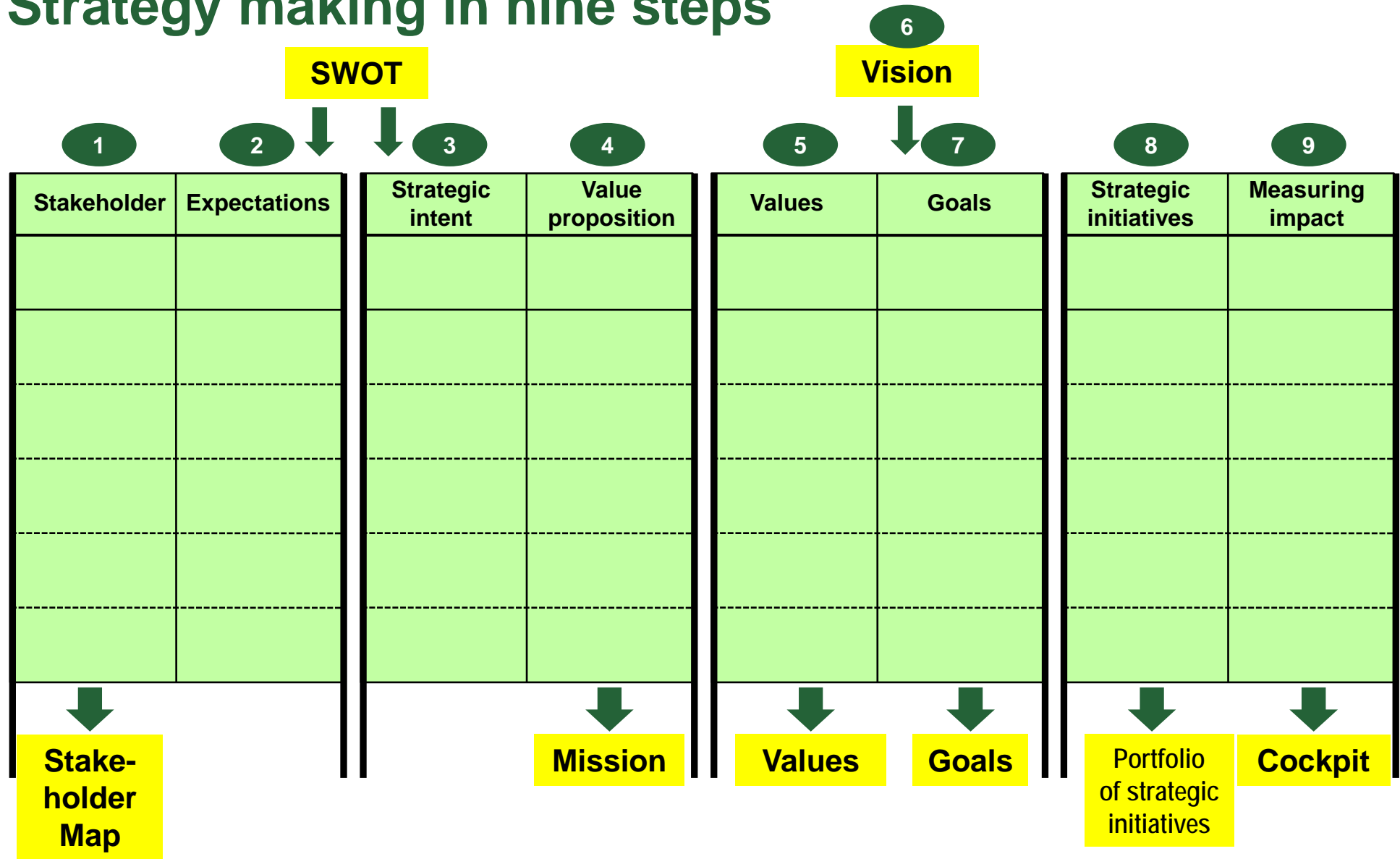




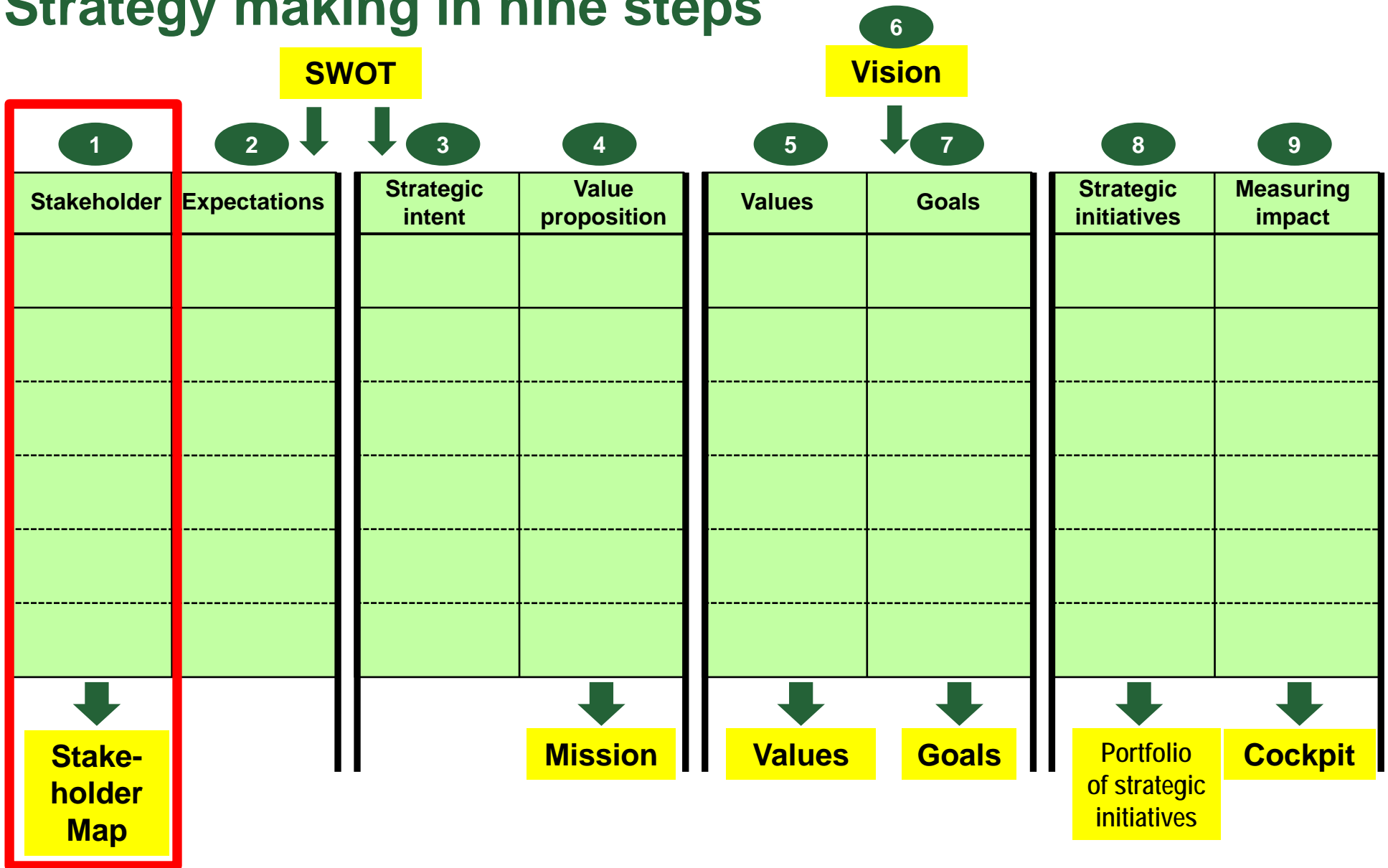
Strategy making as positioning (exemplary)



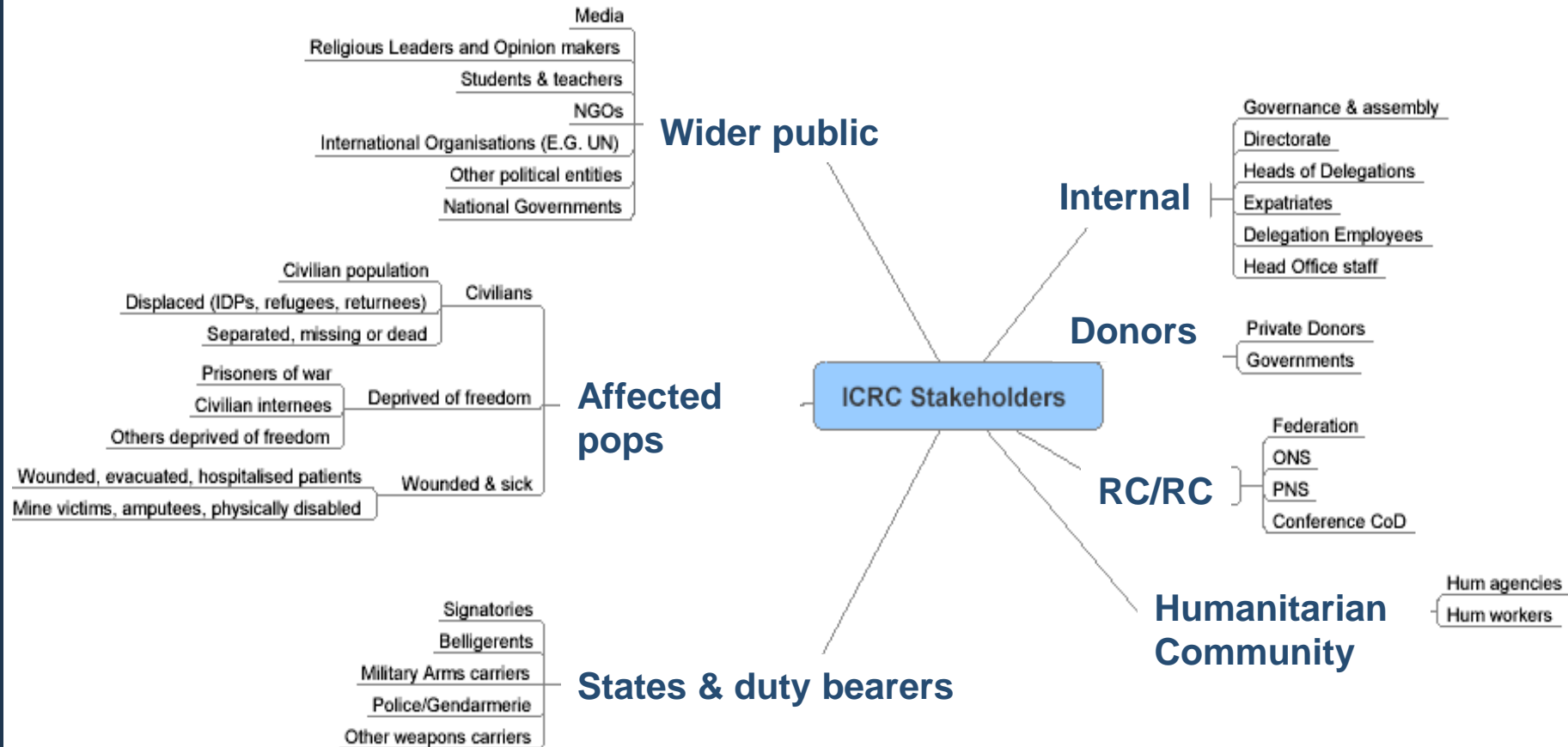
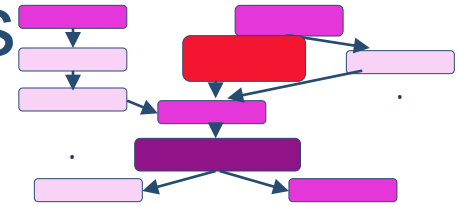
Strategy making in nine steps



Strategy making in nine steps

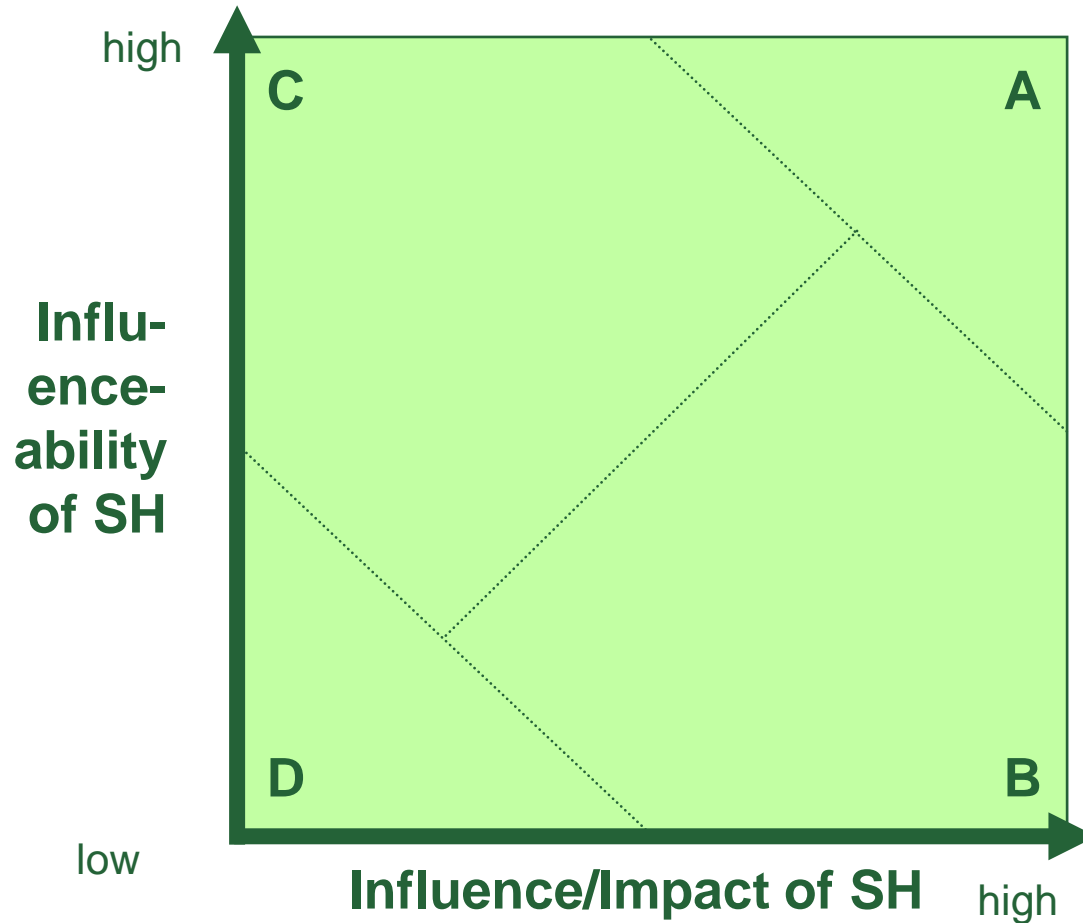


Stakeholder expectations analysis



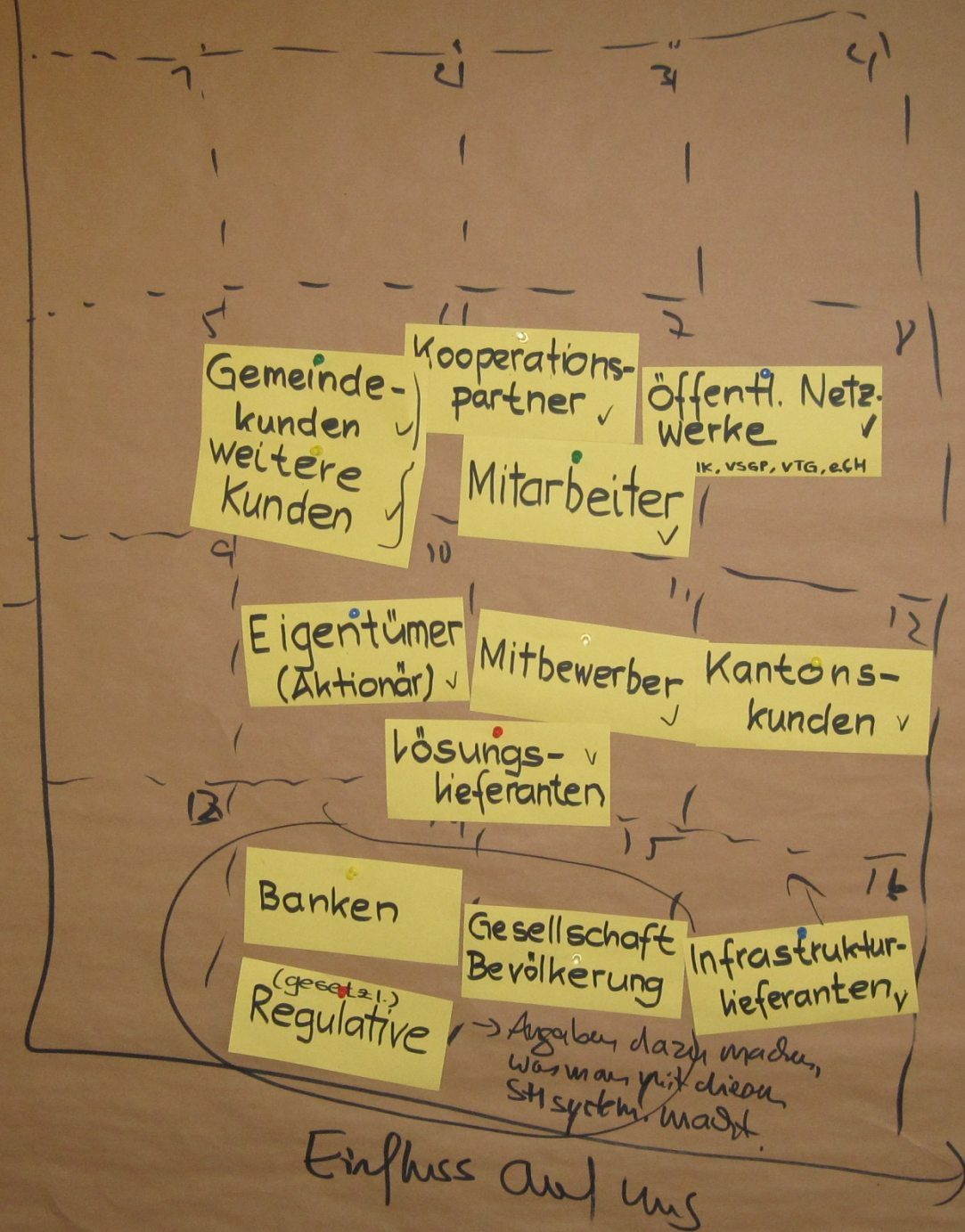
Stakeholder Map

Step 1



"There are many different groups of people involved in or interested in somehow in my organization. All these stakeholders seem to want different things. How do I prioritise them?"

Unser
Ein-
fluss



7
5
Gemeinde-kunden
weitere Kunden ✓

8
Kooperations-partner ✓

9
öffentl. Netzwerke ✓
IK, VS6P, VTG, eGH

10
Mitarbeiter ✓

11
Eigentümer (Aktionär) ✓

11
Mitbewerber ✓

12
Kantons-kunden ✓

12
Lösungs-lieferanten ✓

13
Banken ✓

(gesetzl.)
Regulative ✓

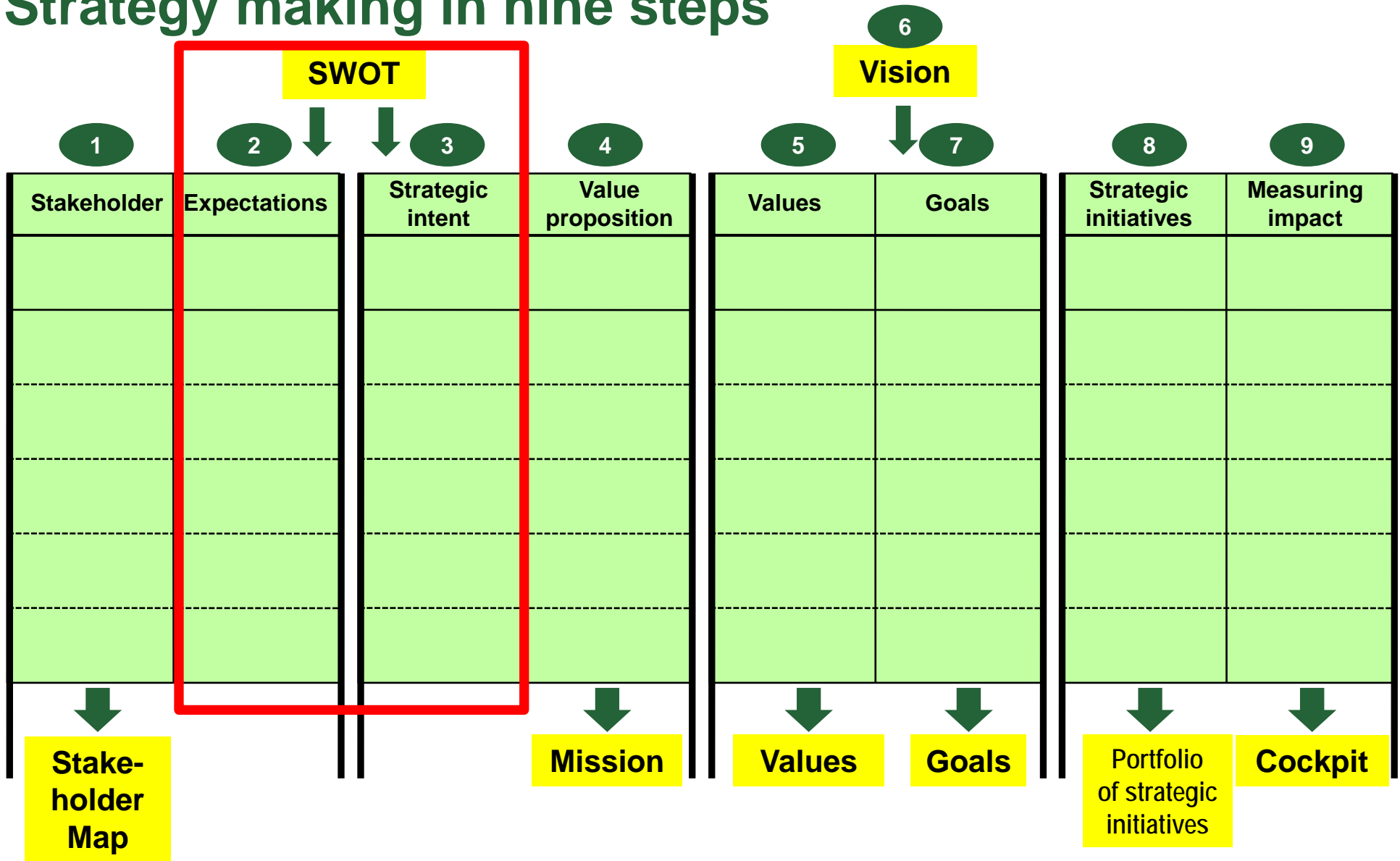
14
Gesellschaft Bevölkerung ✓

16
Infrastruktur-lieferanten ✓

→ Angaben dazu machen, was man mit diesem St system macht.

Einfluss auf uns

Strategy making in nine steps



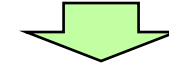
Assessing expectations

Employees	Income, job security, status, social relationships, sense, identity, self-realization
Management	Control/power, income/shares, turnover growth/profit, job security, job design, status
Administration	Control/power, delegation of tasks, competencies, responsibility, information, results, loyalty, relationships
Investors/ Shareholders	Control/power, information, value increase, investment, tax rate, dividends, share price increase, loyalty
Customers	Consumer power, product quality, price worthiness, sale conditions, image, guaranteed delivery, flexibility
Suppliers	Power, guaranteed purchase, image
Banks	Bonita, power, calculable risk
Public	Jobs, donations, environmental protection, code of ethics
Government	Taxes, task relief, lawfulness, prosperity of private sector

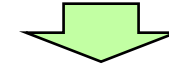
SWOT-Analysis

Can be done for each
Stakeholder separately

General environments
PESTEL, Trend Analysis, Szenarios

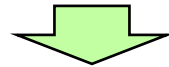


Stakeholder environments



External Analysis

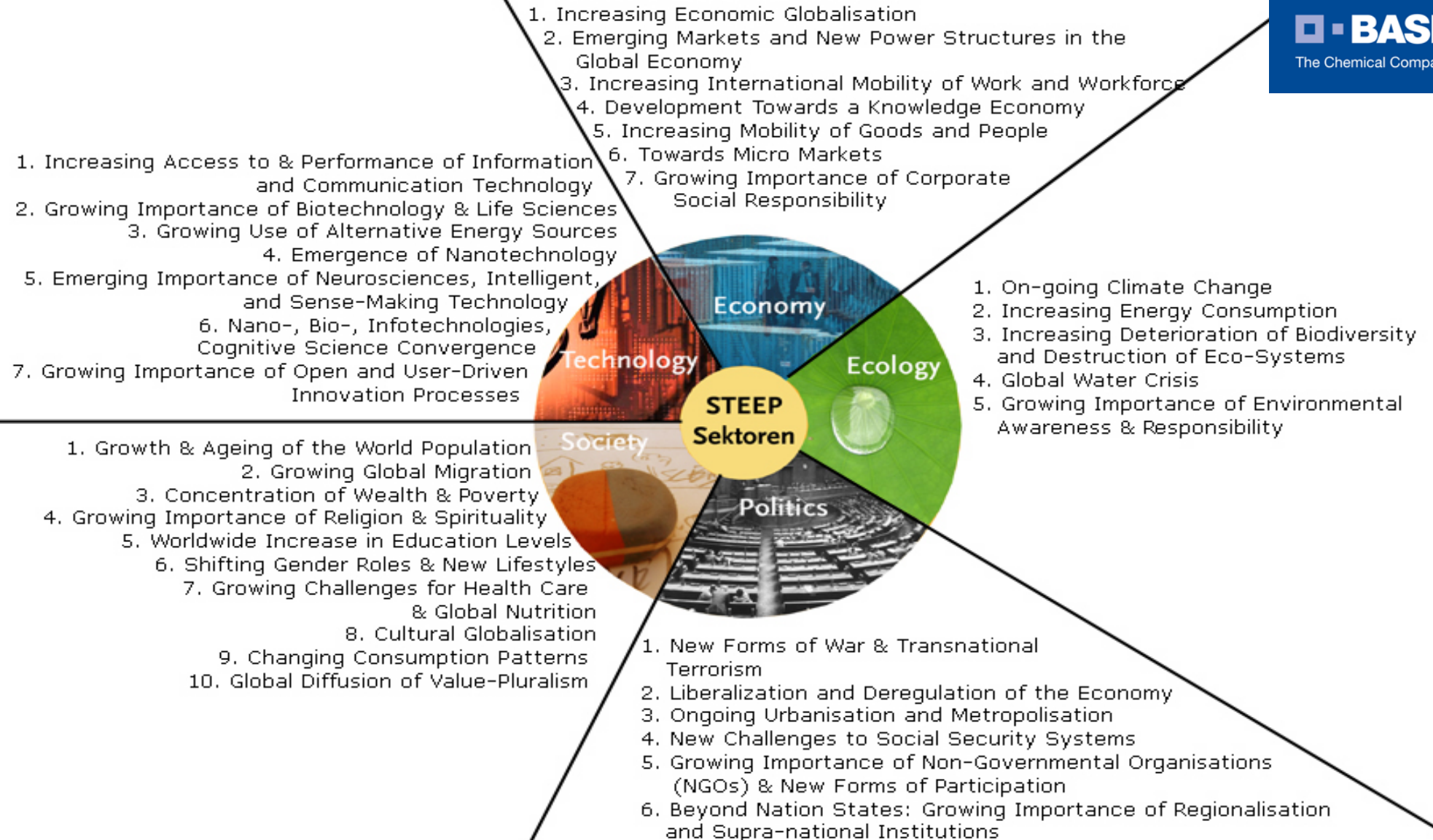
Strengths
Core Competencies
Capabilities
Ressources
Weaknesses



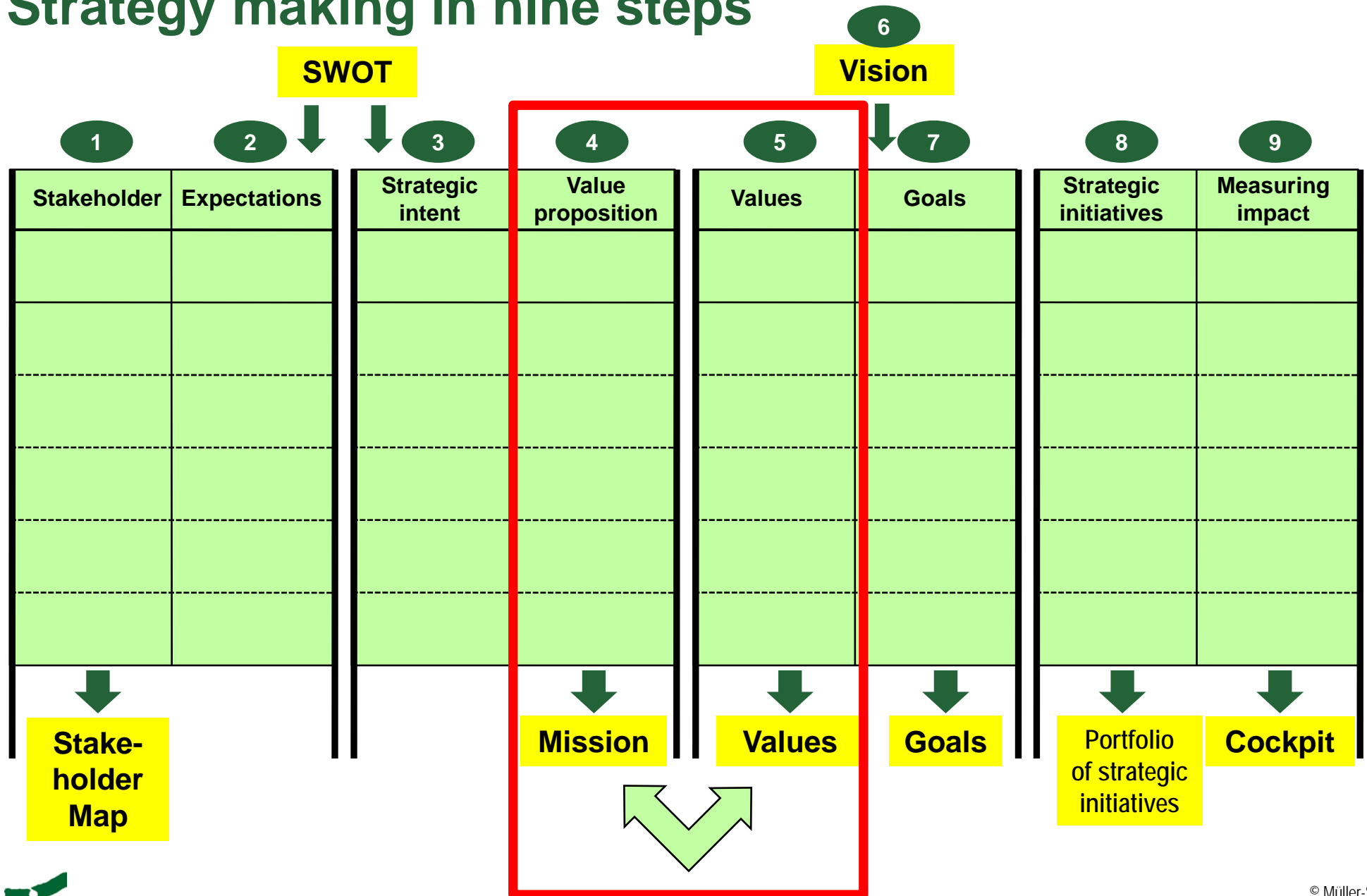
**Internal
Analysis**

	Opportunities	Threats
Strengths	Chances	
	Strategic Issues	
Weaknesses		Risiks

PESTEL-Analysis



Strategy making in nine steps





ICRC STRATEGY 2011-2014

**ACHIEVING SIGNIFICANT RESULTS
FOR PEOPLE IN NEED**

The content



ICRC



ICRC

REFERENCE

ICRC Mission

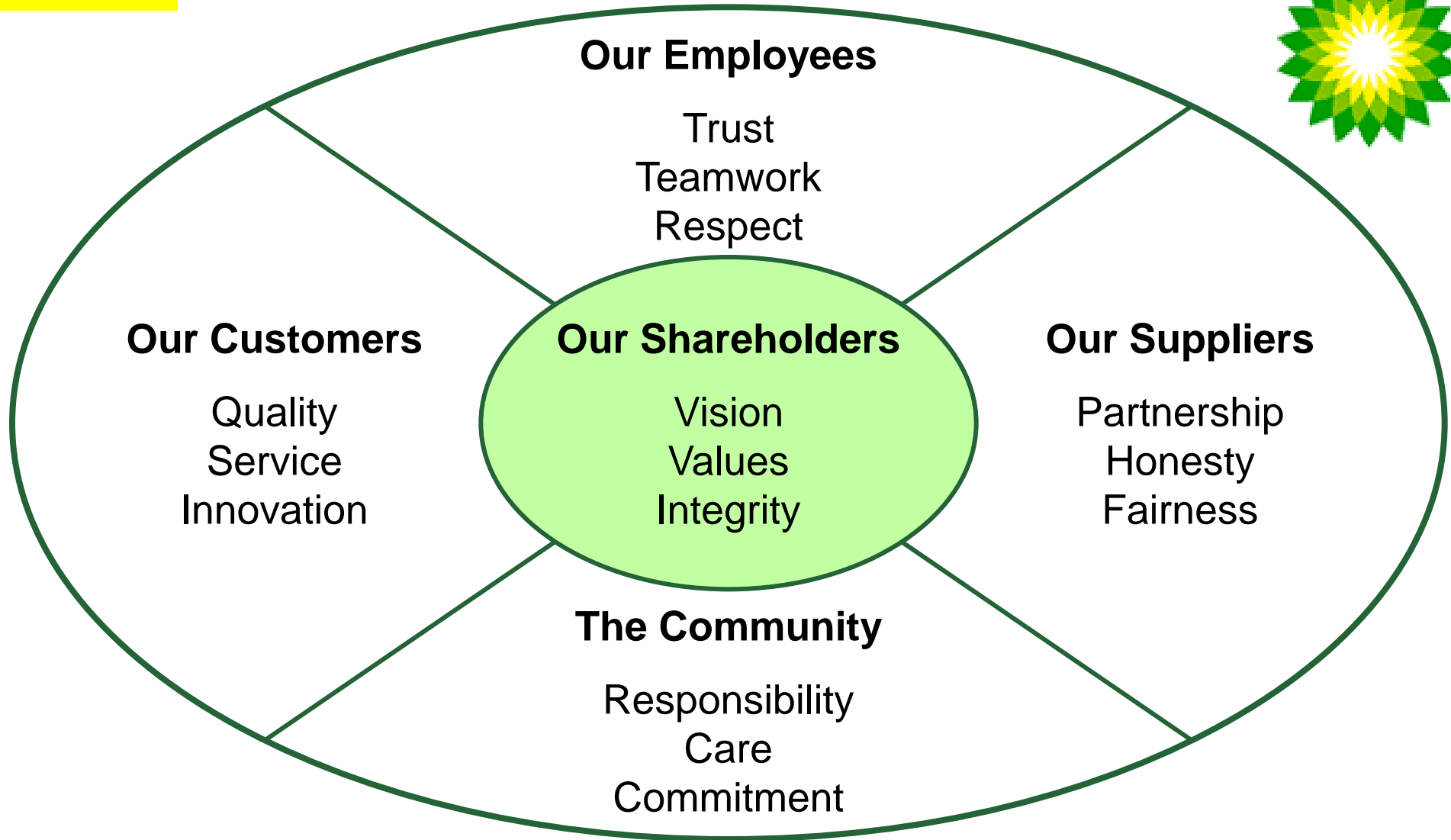
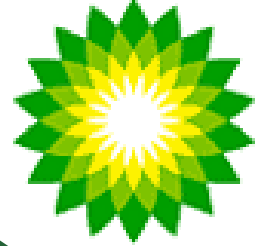
- ▶ The ICRC is an impartial, neutral and independent organization whose exclusively humanitarian mission is **to protect the lives and dignity of victims of armed conflict and other situations of violence and to provide them with assistance.**
- ▶ The ICRC also endeavours to prevent suffering by **promoting and strengthening humanitarian law and universal humanitarian principles.**



BP Values

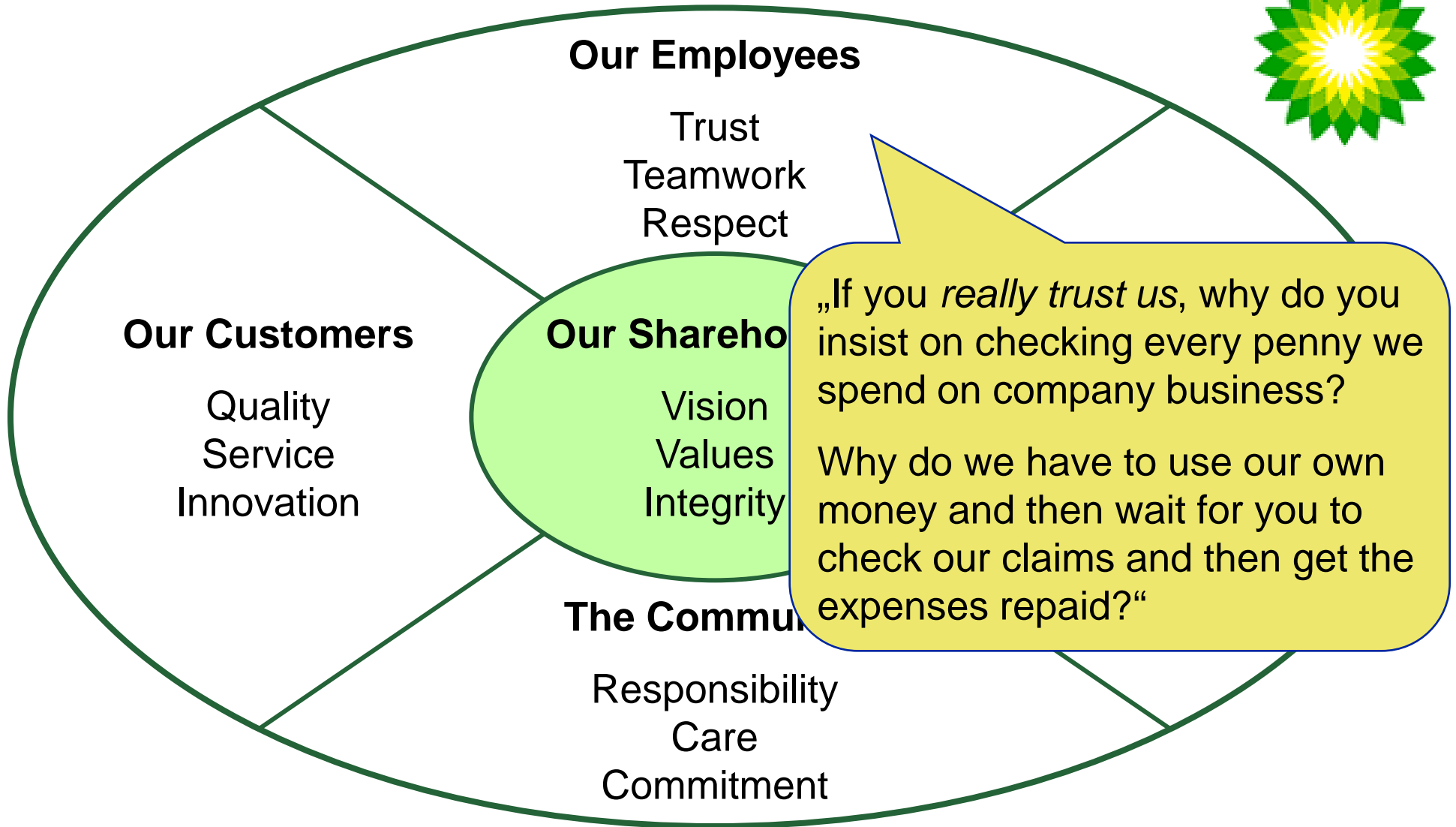
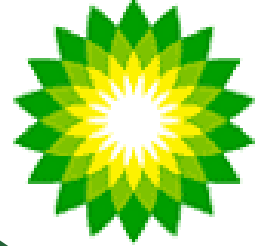
Schritt 5

bp



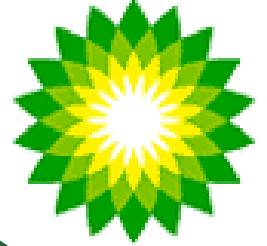
Values check by stakeholder consultation (I)

bp



Values check by stakeholder consultation (II)

bp



„If BP believes in environmental leadership why do you deny oil companies contribute to global warming and treat us (NGOs) as the enemy?

If you believe in ethical practices why do your managers deal with oppressive regimes and corrupt officials/politicians?“

Our Employees

Trust
Teamwork
Respect

Shareholders

Vision
Values
Integrity

Our Suppliers

Partnership
Honesty
Fairness

The Community

Responsibility
Care
Commitment



Mission Statement

bp



Our Employees:

For every employee our values mean a trusting, equal opportunity, non-discriminatory working environment. We will seek to recognise both individual contribution and collective teamwork. We encourage our employees to strike a balance between their responsibilities to BP and to their home life.

Our Customers:

We are committed at all times to integrity and fairness; to quality products and services which give our customers good value. We seek to achieve customer satisfaction and to build long-lasting beneficial partnerships with them.

The Shareholders:

It is only by achieving these values that our shareholders will benefit from a more productive and competitive BP which, in comparison with our competitors, will yield an attractive return in terms of dividend and long-term growth

Our Suppliers:

We seek mutually beneficial relationships with suppliers, contractors and service industries. We offer to treat them as we wish to be treated by our customers.

The Community:

In all our operations we will act as responsible corporate citizens. Wherever we operate we strive to be an industry leader in safety practices and in environmental standards. We expect to involve ourselves in and contribute to local communities and education. We will conduct our relationships with governments and statutory bodies not only within the law but also with exemplary standards of ethics.



Our Credo

Johnson & Johnson
Vision Care, Inc.

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

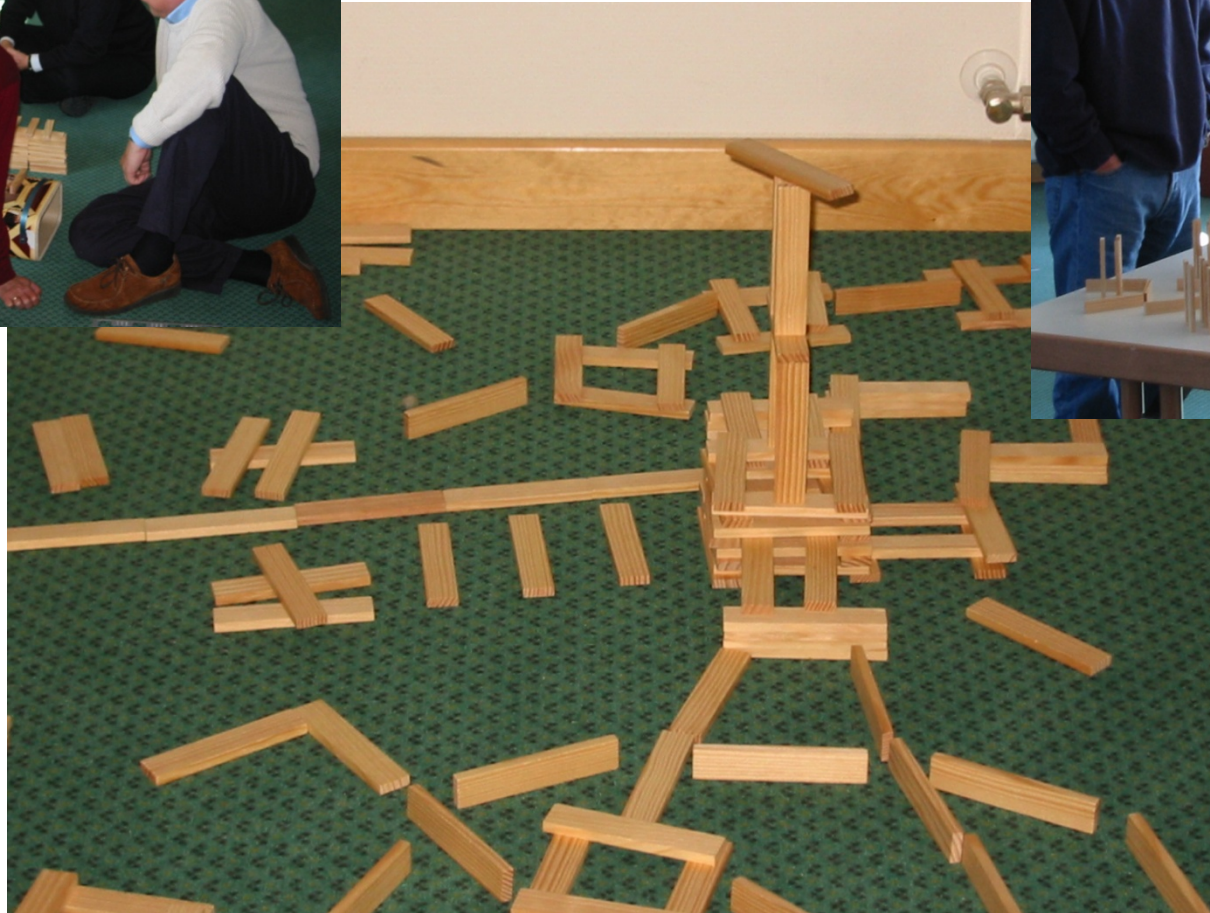
We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens - support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

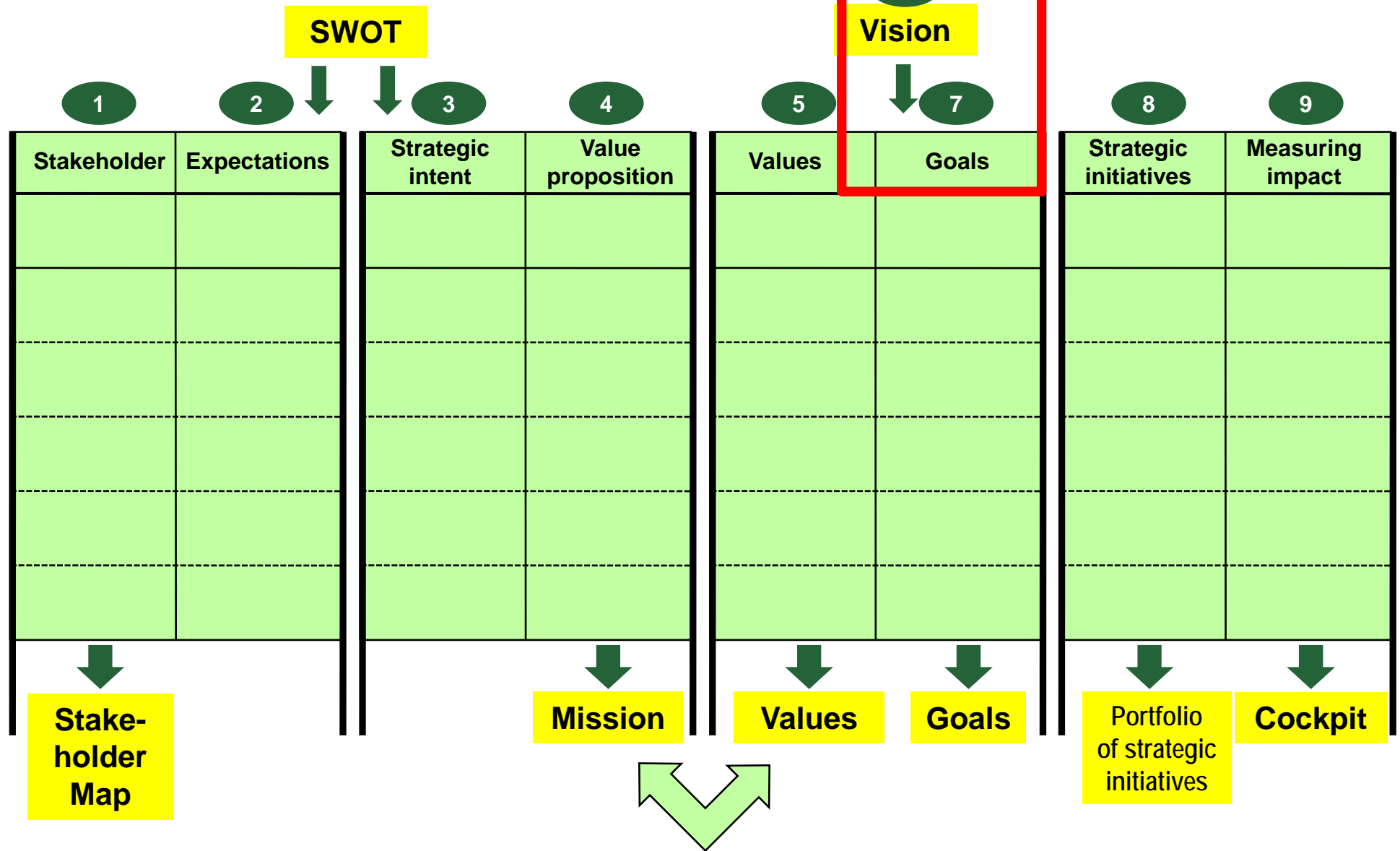
Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.



„Serious Play“



Strategy making in nine steps



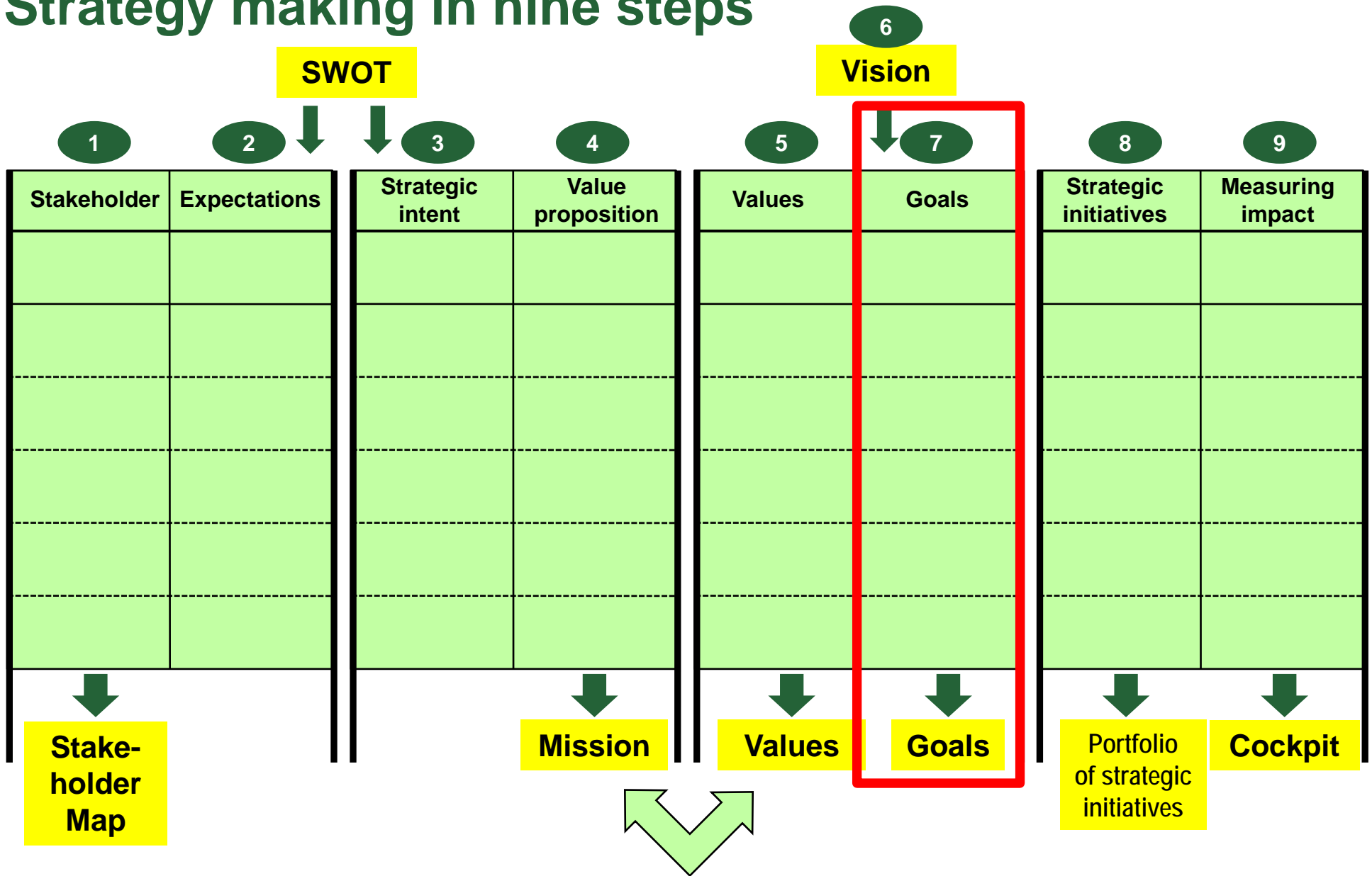


***"... a free encyclopedia
for every single person
on the planet in their
own language."***

Jimmy Wales

Jimmy Wales und Larry Sanger starteten am 15.1.2001 Wikipedia.
400 Millionen besuchen pro Monat die Non Profit Website,
um etwas zu erfahren, um ihr Wissen zu teilen, ausserhalb jedes
Klassenzimmers.

Strategy making in nine steps

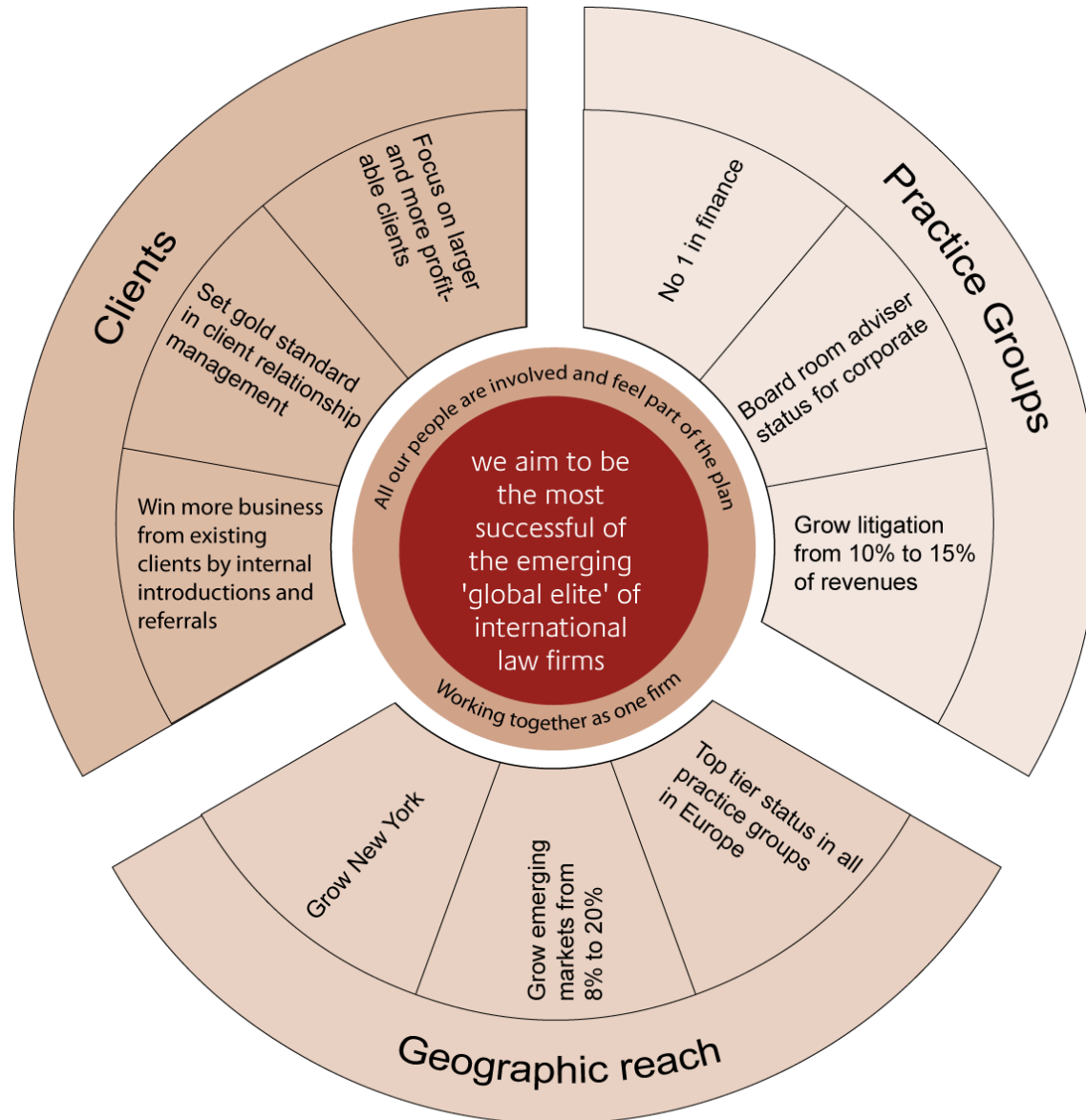


2011-2014 Strategic Orientations = Impact Goals

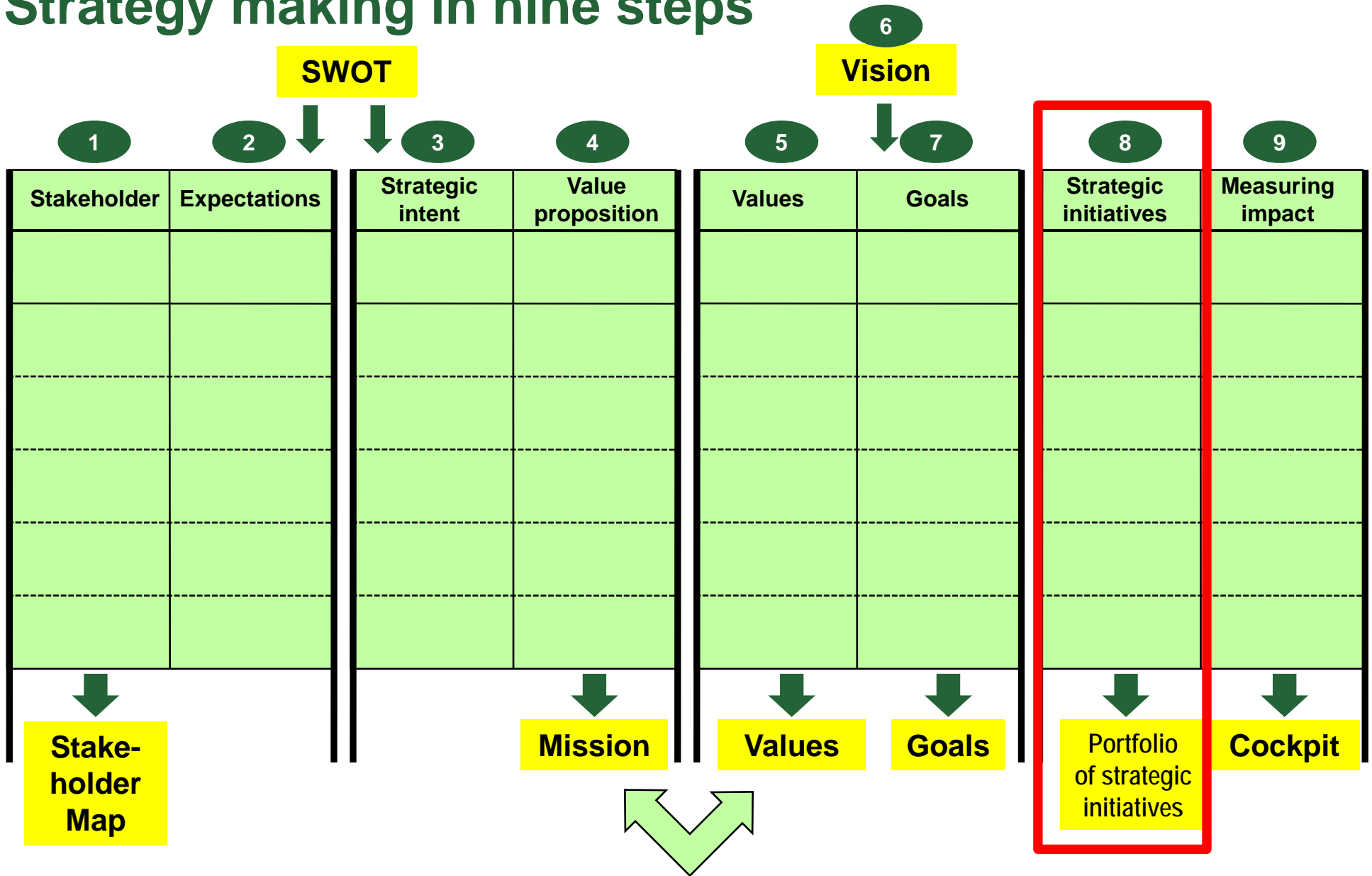
1. Reinforce the ICRC's scope of action
2. Strengthen the ICRC's contextualized, multidisciplinary approach
3. Shape the debate on legal and policy issues related to the ICRC's mission
4. Optimize the ICRC's performance



Strategic Priorities

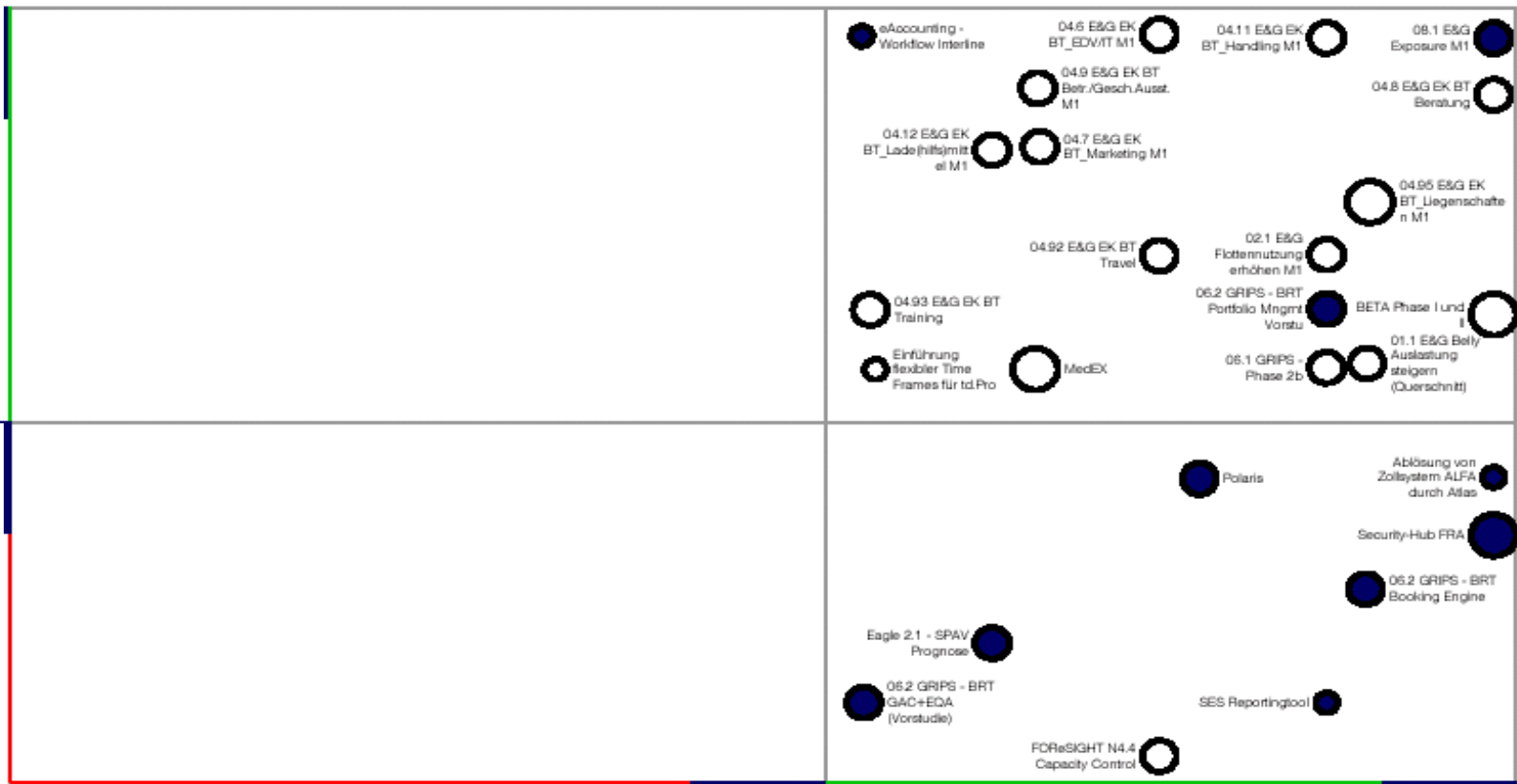


Strategy making in nine steps



In Time

Out of Time



Out of Budget

In Budget

Legende

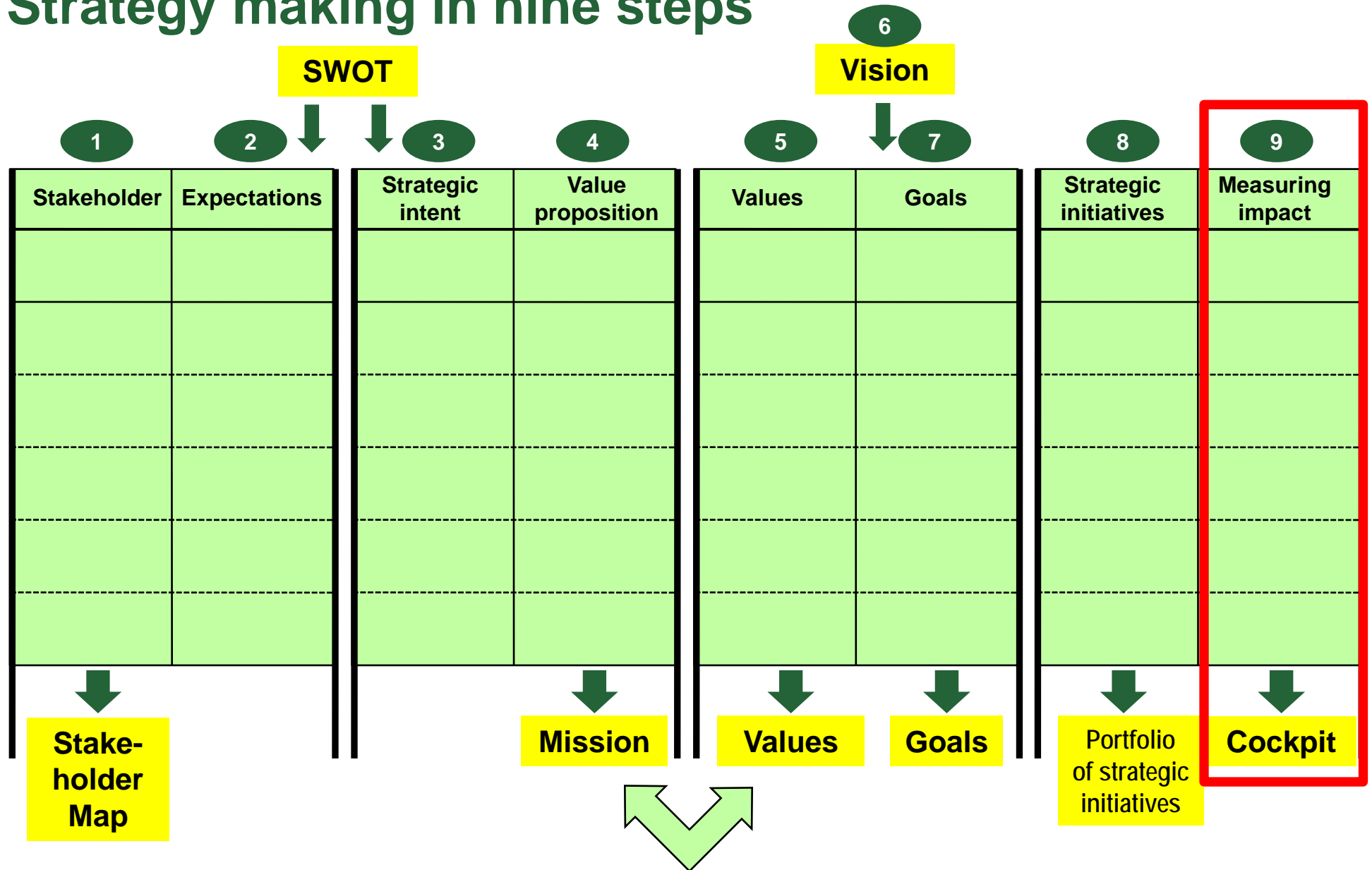
Rein Qualitative Einordnung, insbesondere innerhalb Quadrant „In Time - In Budget“ keine quantitativen Aussagen.

Justierungs Matrix		Termin	
		ja	nein
Budget	ja		
	nein		

A-Projekt B-Projekt C-Projekt



Strategy making in nine steps



What gets measured, gets valued

Value is in the eye of the stakeholders

SCORECARD 2007						
	2005	2006	2007	TREND	INFO*	
CREATING VALUE						
Customer satisfaction, rankings* Proportion of independent surveys in which Volvo was ranked in the top three car brands for customer satisfaction (%) <small>*Figures for 2005 and 2006 adjusted since previous report (new calculation method)</small>	16	20	16			
Employee satisfaction Employee Satisfaction Index (%), in prioritised areas	82	81	80		pages 30, 32	
Vehicles sold Total retail deliveries (thousands)	444	428	458		page 36	
SOCIAL RESPONSIBILITY						
Health Sickness absence as a percentage of total working hours:	6.3	5.9	5.5		page 32	
Occupational injuries No. of injuries leading to at least one day's sick-leave, per 100 man-years.	2.3	1.9	1.5		page 32	
Gender balance Percentage of women in management	17	18	18		page 33	
Diversity* Percentage of staff who consider the company is working actively to promote diversity. *The question in the staff Attitude Survey was altered in 2007. Comparable result in 2006 was 53%	59	56	65		page 33	
PROMOTING ENVIRONMENTAL SUSTAINABILITY						
Fuel efficiency Reduction achieved in average carbon dioxide emissions in all new Volvo Cars vehicles sold in year in question (%). (Monitored under the ACEA voluntary agreement to achieve a 25% reduction industry wide, from 1995 level by 2008).	14	14	16		page 14	
Vehicle emissions* Percentage of new Volvo Cars vehicles sold which comply with the Euro 4/ULEV standards. *Corresponds to low emissions vehicles as a percentage of total production.	80	99	99			
Alternative fuels Number of Volvo Bi-Fuel and Volvo Flexifuel models sold (units).	2,483	10,846	10,999		page 16	
Energy consumed in vehicle production (MWh per vehicle made)	165	163	142		page 20	
Carbon dioxide emissions from vehicle production (kg per vehicle)	335	333	311		page 20	
VOC emissions from vehicle production* (kg of Volatile Organic Compounds per vehicle) <small>*The scorecard indicator was called 'Solvent emissions from car production' in reports before 2006. VOCs correspond to solvent emissions.</small>	207	211	166			
Environmental management systems, Volvo Cars Percentage of staff working at facilities with ISO 14001 certification	98	90	90		page 20	
Environmental management systems, suppliers Percentage of production material suppliers with ISO 14001 certification	88	90	80		page 35	

*References to pages in this report where the scorecard data is explained in greater depth. For further information, including scorecard indicators and trends between 2002 and 2007, please visit our website.

WE USE A NUMBER OF COMPLEX MEASURES IN DETERMINING OUR INVESTMENT DECISIONS

STRATEGIC PLANNING



ROGER BENE



"Leadership is a potent combination of strategy and character. But if you must be without one, be without the strategy."

Norman Schwarzkopf