


A Brand Like a Friend

**Strategy Map:
Integrating Communications into the
Balanced Scorecard**

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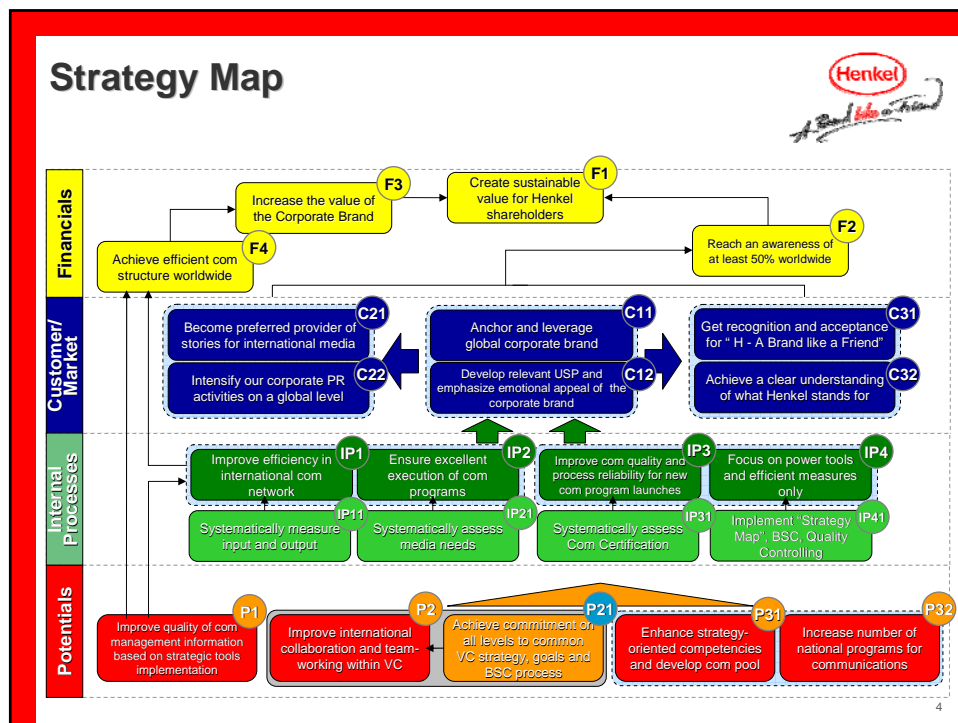
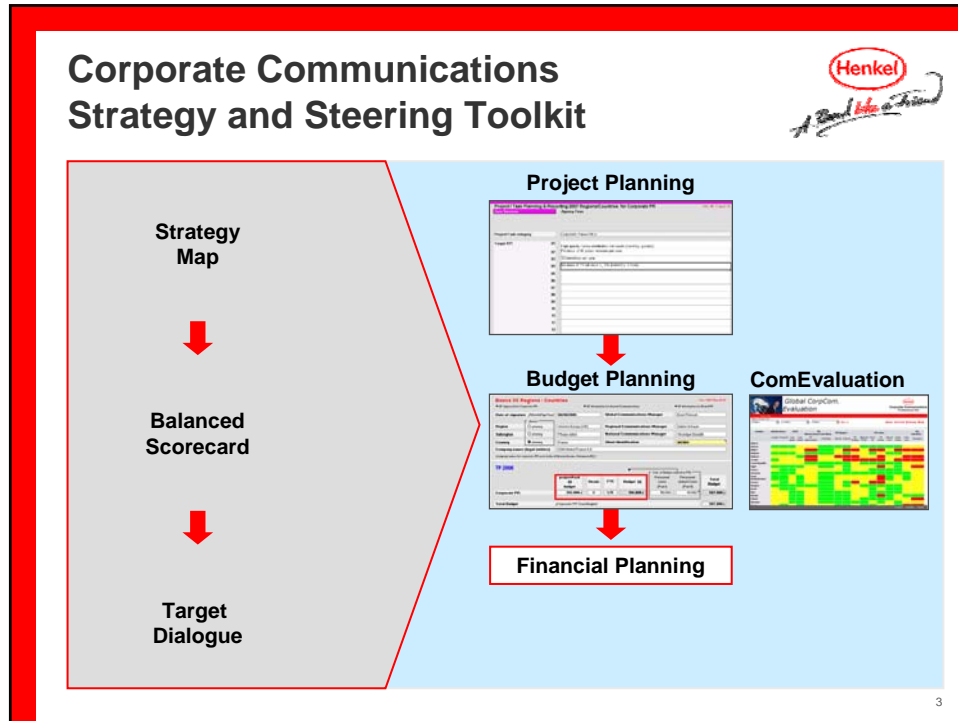
Strategy Map & BSC Cockpit

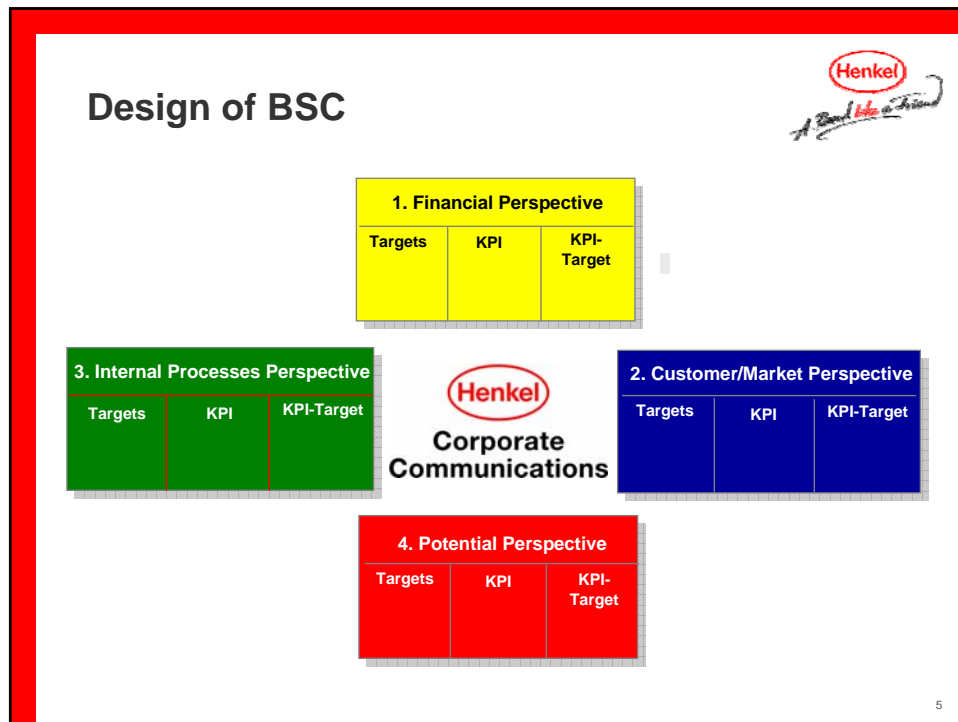

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Strategy Map & Balanced Score Card

| Financials | Customer/ Market | Internal Processes | Potentials |
|-----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------|
| 1. Financial Perspective Targets KPI KPI-Target |  <i>A Brand Like a Friend</i> The Way to Excellence | 3. Internal Processes Perspective Targets KPI KPI-Target | 4. Potential Perspective Targets KPI KPI-Target |
| 2. Customer/Market Perspective Targets KPI KPI-Target | | | |

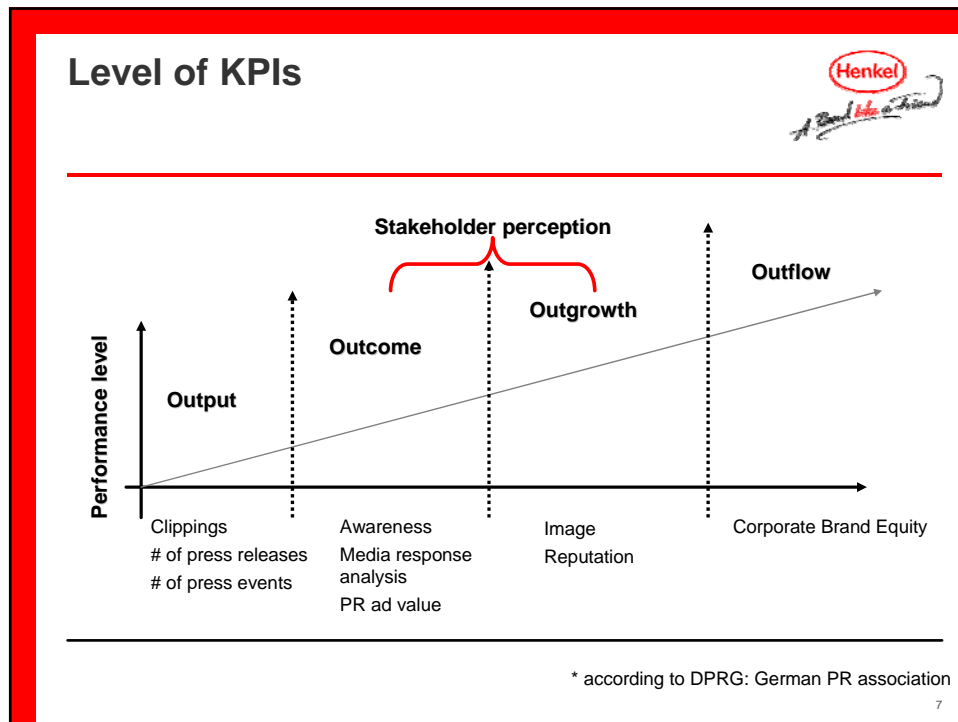
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KPIs Corporate Press Office

| 1. Corporate Press-Office | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| KPIs | KPI-Target | Evaluation |
| | Minimum standard = ALL countries High standard = Only defined countries | (Sequence/assessor/tool) |
| KPI 1.1 PR Ad Value (Evaluated Equivalent x 2,1) | Minimum standard: PR Ad value increase of >= 5% | Annual by 31.12.2008 • Audit by regional manager • Part of regional annual report to HQ • Media resonance analysis |
| KPI 1.2 Media distribution list/ database Henkel internal | Minimum standard: Media distribution list in high quality | Annual by 31.12.2008 • Audit by regional manager • Part of regional annual report to HQ |
| KPI 1.3 Press kit | Minimum standard: Press kit in localized version | Annual by 31.12.2008 • Audit by regional manager • Part of regional annual report to HQ |
| KPI 1.4 No. of press releases (incl. adapted HQ releases and the like but incl. Corporate Press releases connecting Henkel to product brand but excl. mere product brand PR press releases) | Minimum standard: No. of press releases ? 10 High standard No. of press releases ? 30 | Monthly report • Audit by regional manager • Part of regional annual report to HQ |
| [...] | | |



- ## Recommendations
- Strategy map and BSC are essential tools for steering our worldwide CorpCom network
 - ➔ Help our local/regional people to set the right priorities
 - Value added by CorpCom on local, regional and global level is more transparent
 - Budget process is linked with Strategy
 - ➔ No approval of key projects/budgets without defined KPIs
 - Strong Partnership with Finance Department from Day One (of introducing a Controlling System for CorpCom)
 - Focus on key KPIs

Lessons learned



- Implementation of Strategy Map and BSC has led to higher reporting effort
 - Potential risk of bureaucracy, (over)controlling, constraint on local flexibility and creativity
- Introduction involves a change process: Do not underestimate that people are afraid to become (too) transparent
- Educate the team on the relevance of ComControlling and live it
- Development of valid KPIs is essential
 - Focus on key KPIs which are accepted beyond Communications and able to reflect financial value added
 - Focus on KPIs which are reasonable to evaluate (e.g. ratio between PR spending and cost of evaluation)

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**Thank you
for your attention!**

