Chapter 11

Strategy Map: Key Instrument for Organizational Performance

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ABSTRACT

Evolution happens every moment—as every single moment of the present becomes the past, and the future becomes the present. As a consequence of the process of evolution, the world presents itself to us more complexly than ever. Information value, globalization, technological revolution, acceleration of innovation, and constant change characterize the contemporary challenges that are faced by organizations in what is called the Information Age and Knowledge-Based Economy. Today, to successfully accomplish their mission, organizations need to adapt, act, and think strategically. Alvin Toffler (1985) refers to the role of strategy in an organization: “An organization without strategy is like an airplane weaving through stormy skies, hurled up and down, slammed by the wind, lost in the thunderheads. If lightning or crushing winds do not destroy it, it will simply run out of gas.” Under the body of knowledge and principles of Organizational Engineering—and other theoretical-practical knowledge—this chapter proposes a Strategy Map for the Portuguese Air Force, a tool that clarifies strategy and provides the organization with a means of communication capable of generating motivation and creating focus and alignment, key features to “move” the organization towards its vision.

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INTRODUCTION

Imagine the following situation (Person, 2009): after embarking on a modern aircraft towards your holiday destination, you ask the crew to visit the cockpit. The crew transmits you that your request has been approved by the pilot so you step into the cockpit, where, impressed by what you see, you ask:

You: Fantastic! I had never seen a cockpit like this! Only one instrument! But what does it indicates?

Pilot: Speed! On this flight I’m really focusing on speed control.

You: Well...the speed control is obviously quite important! But...what about the altitude control? Shouldn’t it be useful to have an altimeter too?

Pilot: No need. In fact in the past flights I focused a lot in altitude and I already got the hang of it. Now I will insist on speed.

You: But how can you fly the aircraft like this? How do you see the fuel for example? And how do you know if we are going in the right direction? There’s not even a compass!

Pilot: Calm down! You’re right, that is all very important but I cannot focus on so many things at the same time! On this flight I will focus on speed. If it goes well, soon I will focus on fuel, as I intend. And don’t worry about getting lost, I flew around here before and I have experience in the area. As long as we have no mechanical malfunction, no problem with the crew and there are no changes to the weather forecast, we should reach the destination without any problem!

 Skipping the part where your reaction could be discussed, let’s analyze the facts: even if the pilot did an exceptional job controlling the speed, and even if he was so familiar with the area to the point of disposing map and compass, there wouldn’t be a single person who wouldn’t be worried about the possibility of hitting the ground or losing an engine in flight due to some unpredictable event. When referring to organizations, a single indicator cannot be decisive to enact a whole strategy, but organizations must be alert and interpret different variables, in order to better adjust and work out solutions in accordance to the environment that surrounds them.

The previous metaphor had the purpose of bringing closer the role of a pilot and the role of a manager, contexts that at first glance seem quite distinct. Nowadays, given the complexity that characterizes the management of an organization, managers have, like pilots, to be able to analyze the performance of various parts of the business and process this information simultaneously (Cruz, 2005). Just like a pilot flies an aircraft, a manager “flies” an organization. To fly, the pilot acts on the flight controls after interpreting aircraft flight instruments information; likewise, a manager makes decisions based on information provided by performance indicators of the organization. As such, managing information has become of crucial importance as information pervades every aspect of an organization, including reporting, marketing, product development, and resource allocation (Hillard, 2010). But as Gago Coutinho said, knowing how to fly is not enough, how to navigate is also needed. In the same way that a pilot should be able to maneuver his aircraft and manage the flight within certain parameters in order to achieve the defined target, a manager should also be able to manage the complex system which is an organization, using available information, to achieve desired results in accordance with its “Vision.” Just as a pilot needs a “flight plan” to fly from point “A” to “B,” a manager needs Strategy.

Strategy

The term strategy is easily associated with the military field, actually, according to the Priberam Portuguese Dictionary (2010), strategy is defined
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