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Building a Strategy Implementation Framework for a Consultancy Company

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<p>The objective of this Master's thesis is to build a strategy implementation framework for the case company.</p> <p>The case company is a Finnish consultancy company that has grown significantly over the past few years, but managing strategy implementation across multiple business units and international market areas has become harder. The strategy implementation framework built in this thesis is an approach to solve this problem.</p> <p>The research approach utilized in this thesis is qualitative research. Data collection was carried out by the case company's individual stakeholder interviews. The interviewed stakeholders were selected in two categories. The first category consisted of the director level horizontally across all the case company's market areas. The second category consisted of a business leader, business manager and consultant vertically within one business unit. Gathering necessary information on feasible strategy implementation and management frameworks was based on literature review.</p> <p>Based on the analysis of the collected data and the literature review, a conceptual strategy management framework was designed. The designed conceptual framework is a combination of Balanced Scorecard by Norton and Kaplan (1996) and Objectives and Key Results by Doerr (2018). The conceptual framework also includes a yearly strategy management cycle, customized for the case company.</p> <p>To create the proposal of the strategy implementation framework, the conceptual framework was assessed and co-developed in workshops with the key stakeholders of the case company.</p> <p>In conclusion, the co-developed proposal of the framework was piloted and revised by creating the roll-out plan for the strategy implementation framework using the proposed framework itself.</p>	
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1 Introduction

1.1 Business context

Case company Nixu Corporation is a cybersecurity company, with its headquarters in Finland and offices in Sweden, the Netherlands, the US and China. Nixu is fast growing company in a fast-growing market. Current headcount is approximately 350 people across all market areas. The organization structure model is a matrix including horizontal group level management and support functions, vertical market area management and business functions.

Case company is going through a strategy refresh process and in order to fulfil its vision and to capture the desired growth targets, it needs to ensure a proper implementation of the refreshed strategy.

1.2 Business challenge

It has been identified by the researcher working in the case company, that due high growth and number of new people in the organization, there are inefficiencies and lack of coordination in the current way the strategy is being interpreted and followed throughout the organization.

For example, there is no uniform processes to guide and follow up strategy implementation across different countries and business units. Leaders and managers are intensively immersed in keep up running the day-to-day operations and the important strategic objectives that could help the company to dramatically improve the company's performance and competitive advantage are left with little or no management at all.

This generic problem is well summarized by Ken Favaro in his article in Harvard Business Review, "when business leaders conflate strategy, implementation, and execution, they usually end up with a lot of the trappings of running a modern-day company or business unit — such as goals and targets; plans and initiatives; and mission, vision, and purpose statements — but very little actual strategy, implementation, or execution." (Favaro, 2015).

The objective of the thesis is to develop strategy implementation framework for the case company including target setting, follow-up and measurement of strategy implementation progress.

The outcome of thesis will be a practical framework for implementing case company's strategy.

1.3 Outline of the thesis report on hand

The research approach utilized in this thesis is qualitative research. Data collection was carried out by the case company's individual stakeholder interviews. The interviewed stakeholders were selected in two categories. The first category consisted of the director level horizontally across all the case company's market areas. The second category consisted of a business leader, business manager and consultant vertically within one business unit. Gathering necessary information on feasible strategy implementation and management frameworks was based on literature review.

Based on the analysis of the collected data and the literature review, a conceptual strategy management framework was designed. The designed conceptual framework is a combination of Balanced Scorecard by Norton and Kaplan (1996) and Objectives and Key Results by Doerr (2018). The conceptual framework also includes a yearly strategy management cycle, customized for the case company.

To create the proposal of the strategy implementation framework, the conceptual framework was assessed and co-developed in workshops with the key stakeholders of the case company.

In conclusion, the co-developed proposal of the framework was piloted and revised by creating the roll-out plan for the strategy implementation framework using the proposed framework itself.

2 Project plan

2.1 Research design

The thesis project plan is conducted in three phases, current state analysis and literature review, building the design for the strategy implementation toolkit/framework and validating its viability in the case company.

An overview of the plan is described in Figure 1. First phase is the current state analysis, where the case company's refreshed strategy is reviewed and stakeholders are interviewed. The current state analysis is followed by a literature review, where best practices are sought out from literature. The conceptual framework is built upon the current state analysis and the literature review in the design phase. Finally, the conceptual framework is validated by using the proposed framework to build an implementation plan for the framework.

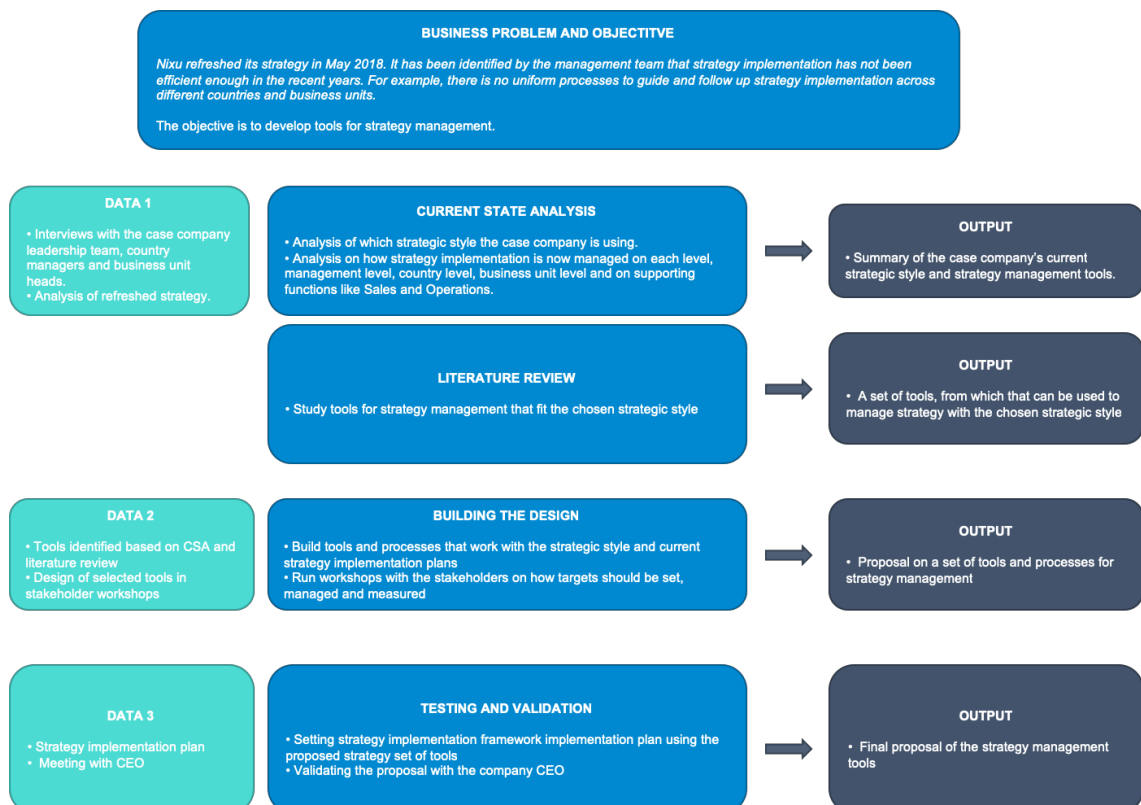


Figure 1 Overview of the thesis plan

2.2 Data plan

The data for each phase is gathered from different sources as described in Table 1. The case company's refreshed strategy is reviewed and multiple case company's stakeholders in different levels in the organization are interviewed. The conceptual framework is based on literature review and co-developed in workshops with selected stakeholders and the case company Chief Executive Officer (CEO). The validation is done together with the case company CEO.

	CONTENT	SOURCE	INFORMANT	TIMING	OUTCOME
DATA 1 CURRENT STATE ANALYSIS	<ul style="list-style-type: none"> - Review of the refreshed strategy and the current strategic style - Analysis of the current strategy management tools 	<ul style="list-style-type: none"> - Strategy review - Stakeholder interviews 	<ul style="list-style-type: none"> - Leadership team - Country leaders - Business unit heads - Business manager and consultant 	JUNE-JULY	<ul style="list-style-type: none"> - Summary of the case company's current strategic style and strategy management tools
DATA 2 BUILDING PROPOSAL	<ul style="list-style-type: none"> - Designing the strategy management tools 	<ul style="list-style-type: none"> - Stakeholder workshops - CSA and literature findings 	<ul style="list-style-type: none"> - Extended leadership team - CEO 	AUGUST-SEPTEMBER	<ul style="list-style-type: none"> - Initial proposal of the set of measurements
DATA 3 VALIDATION /FEEDBACK	<ul style="list-style-type: none"> - Setting strategic targets - Follow-ups - Improvement ideas to initial proposal 	<ul style="list-style-type: none"> - Stakeholder meeting 	<ul style="list-style-type: none"> - CEO 	OCTOBER - NOVEMBER	<ul style="list-style-type: none"> - Final proposal of the set of measurements

Table 1 Data plan

3 Analysis of case company's current strategy management tools

This section contains the description and results for the current state analysis for the case company's current strategy implementation tools.

3.1 Overview of this data stage

During the current state analysis, eleven (11) interviews were conducted. The interviewed organization roles included horizontally the group management team and market area leaders, and vertically one business unit leader, one business manager and a consultant.

Case company's strategy was also refreshed during spring 2018. The old strategy from 2014 as well as the new strategy was reviewed and analyzed, since some of the interviewed people had also been still implementing the old strategy.

The interviews included both, the implementation of the old and refreshed strategy at the point the interviews were made, during summer 2018.

The interviews consisted questions of the following topics:

- Strategy planning
- Strategy implementation
- Implementation measurement

The interviews also included an evaluation of the current strategy implementation process with a grading from one (1) to five (5), 1 being poor and 5 being excellent.

3.2 Description of current strategy and related existing target setting

Old strategy from 2014 was formulated on a strategy map. The strategy map was loosely based on the Norton & Kaplan's (1996) four strategic perspectives:

- Financial perspective
- Client perspective
- Methodology perspective
- Learning and growth perspective

All the strategic perspectives in the previous strategy included six to seven topics, which were intended to be transferred into actionable tasks for the business units and teams.

The refreshed strategy includes only four high level topics:

- Cybersecurity talent community
- Cybersecurity partner for digitalization
- Data-driven services on global platforms
- Expanding Nixu's market presence

Interviews reflected that there is no clear strategic style chosen for the case company. Yet, in the Master's thesis of Sarjakivi (2013), the case company's strategic style was analyzed to be adaptive.

3.3 Description and illustration of currently used implementation tools

The old strategy implementation process included a workshop, where business units and teams were tasked to capture one or two of the most important items for their business, and to formulate a plan how these items would be put into implementation.

Case company's Intranet included a form, where these prioritized topics were recorded and where they were intended to be followed. The follow-ups did not happen as planned and the tool was not actively used. Though from the interviews it can be conducted, that the strategy implementation has occurred organically within the business units, business support functions and individual teams, with variable success.

New strategy implementation planning has not yet happened in an organized way, and the work is still in progress to interpret the strategic items into actionable tasks within the business units and support functions.

Currently most of the strategy implementation planning happens through the bi-annual business unit and business support function reviews with the management team. Within the review meetings, the unit's or function's strategic items for the next fiscal half are reviewed, as well as the evaluation of reached targets from the past fiscal half. Long term strategic plans are not reviewed in a formalized way.

Currently the business units and business support functions are planning and implementing their strategy in silos. Reporting of plans and achievements are mainly communicated up-stream towards the management team.

3.4 Summary (pros and cons of strategy and tools)

The refreshed strategy is quite simple in its current form. There are only four strategic themes, which upon the business units and business support functions should interpret and create their strategy implementation plans.

The interviews provided the following input on the current strategy implementation planning and tools, described in Table 2.

Pros
<ul style="list-style-type: none"> + Some units have a working process of planning, executing, adjusting and follow-up + Recently there has been communication how decisions or achievements link to the strategy + Agile strategy execution allows country operations to establish also their own strategic style when needed + Autonomy and personal decision making are encouraged + Extended Leadership Team comes together twice per year, which is a good forum to focus on strategic planning and implementation planning across all functions
Cons
<ul style="list-style-type: none"> - There is no unified way in strategy implementation planning or evaluation, which leads to a situation where plans are not linked to strategy and strategic goals remain abstract - No correlation of strategic items across business units or functions - Country operations have to invent their own ways, and learning by mistakes is not the most effective way to build new business in new market - Changes to implementation are easily made without clear strategic decision - Accountability has been hard to identify within roles and targets

Table 2 Summary of findings from the stakeholder interviews

The interviewed persons (N=10, consultant level excluded) evaluated the current processes and tools from 1 to 5 (1 being weakest, 5 being best). The questions and their average scores are described in Table 3. The scores indicate that the stakeholders feel that the current strategy implementation process and tools are graded as moderate.

Question	Score
How well does the organization support strategy implementation plan formulation in regards of process?	2,2 / 5,0
How well does the organization support strategy implementation plan formulation in regards of guidelines or tools?	1,7 / 5,0
How well does the organization support strategic implementation target evaluation?	2,6 / 5,0

Table 3 Evaluation of the current case company strategy implementation planning processes and tools

The interviews and the grading from evaluation reflects that in its current form, there is no formalized process or tool to plan for strategy implementation across the case company.

The target evaluation is much based on financial target evaluation, where there are good measurements available. But the implementation of strategic items which include qualitative or non-financial targets, are not evaluated in a formalized way.

4 Good practice of strategy implementation in literature

In this section, the potential strategy implementation frameworks are identified from literature. The studied strategy implementation frameworks include planning of the implementation as well as implementing the strategic objectives as goals or targets for the organization with tools and processes that ensure effective execution of the strategy.

4.1 Overview of this data stage

The literature study included only frameworks specifically designed on strategy implementation. For example, strategy planning tools, leadership models and quality management frameworks were omitted from the study.

The following strategy management and implementation frameworks were studied in more detail:

- Balanced Scorecard
- OKRs
- Hoshin Kanri

4.2 Balanced Scorecard

As the old strategy from 2014 was based on the Kaplan and Norton's strategy map, it was easy to pick Balanced Scorecard, also by Kaplan and Norton (1996), as one of the potential strategy implementation frameworks.

Idea behind the Balanced Scorecard is to introduce company management measures that help to indicate future performance in addition to the traditional financial measures, which indicate past performance.

“The objectives and measures of the scorecard are derived from an organization’s vision and strategy. The objectives and measures view organization performance from four perspectives: financial, customer, internal business process, and learning and growth. These four perspectives provide the frameworks for the Balanced Scorecard.” (Kaplan and Norton, 1996).

The framework of Balanced Scorecard is presented in Figure 2. The organizations vision and strategy are interpreted into actionable strategic objectives using the four different perspectives.

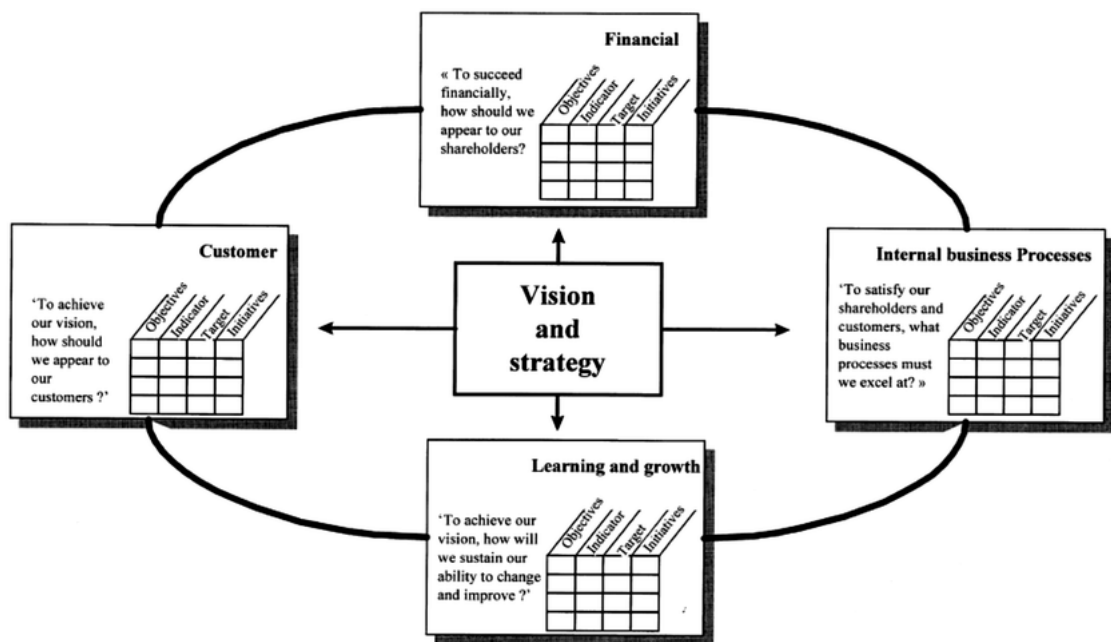


Figure 2 Balanced Scorecard (Kaplan and Norton, 1996)

4.2.1 Clarifying and translating the vision

In order for an organization to start implementing Balanced Scorecard, the top management must clearly understand and gain consensus on how the organization’s strategy and vision translates into specific strategic objectives at a business unit level.

The translation must start from the financial and customer perspectives. Once these objectives have been established, an organization then identifies the objectives and measures for their internal processes.

Finally, there must be a linkage to the former objectives from the learning and growth objectives. These objectives reveal the investments for example on recruitment and skill development.

4.2.2 Financial perspective

“Building a Balanced Scorecard should encourage business units to link their financial objective to corporate strategy. The financial objectives serve as the focus for the objectives and measures in all the other scorecard perspectives.” (Kaplan and Norton, 1996).

All the other perspectives should link to the financial perspective. Combined the Balanced Scorecard should tell a story of the strategy and how it will deliver desired long-term performance.

Since different business units might be in different stages of their lifecycle, they should determine appropriate financial metrics fitting their strategy, but still link them to the corporate financial measures.

The typical strategical themes for the financial perspective are:

- Revenue growth and mix
- Cost reduction/productivity improvement
- Asset utilization/investment strategy

4.2.3 Customer perspective

“The customer perspective enables companies to align their core customer outcome measures –satisfaction, loyalty, retention, acquisition, and profitability – to targeted customers and market segments.” (Kaplan and Norton, 1996).

To achieve measures for the customer perspective, the business unit must understand the market and customer segments it is targeting with its products and services. After identifying the targeted segments, objectives and measurements can be set to these segments.

Kaplan and Norton (1996) have divided the measurements into Customer Core Measurement Group and into Customer Value Proposition Measurements.

Customer Core Measurement Group describes generic measures used by almost all companies:

- market share
- customer acquisition
- customer retention
- customer satisfaction
- customer profitability

These are lagging measures, which tell the outcome of actions.

The latter, Customer Value Proposition Measurements are leading measures, including three classes of attributes:

- Product and service attributes: functionality, quality and price
- Customer relationship: quality of purchasing experience and personal relationships
- Image and reputation

Attributes selected from these classes can be measured frequently and can help to adjust operations or strategy and affect the lagging indicator outcomes.

4.2.4 Internal-Business-Process perspective

“For the Internal-Business-Process perspective, managers identify the processes that are most critical for achieving customer and shareholder objectives.” (Kaplan and Norton, 1996).

Three principal business processes should be looked at in a value chain model, starting top-down:

- Innovation
- Operations
- Postsale service

Objectives and measurements can be derived from the review of the value chain.

4.2.5 Learning and growth perspective

“The objectives established in the financial, customer, and internal-business-process perspectives identify where the organization must excel to achieve breakthrough performance. The objectives in the learning and growth perspective provide the infrastructure to enable ambitious objectives and the first three scorecard perspectives.” (Kaplan and Norton, 1996).

The learning and growth perspective includes three principal categories:

- Employee capabilities
- Information system’s capabilities
- Motivation, empowerment, and alignment

The employee capabilities include three core measurements:

1. Employee satisfaction
2. Employee retention
3. Employee productivity

4.2.6 Summary of measures

Each perspective has their own core measures which are typical to all organizations and organizational units.

In addition to the core measurements, businesses have their own distinctive measures as proposed by Kaplan & Norton (2000).

When designing the measures, it should be illustrated how the specific measure can be quantified and displayed.

4.2.7 Three principles in linking the Balanced Scorecard measures into strategy

There are three main principles how the Balanced Scorecard measures can be linked back to the strategy.

- Performance drivers
- Cause-and-effect relationships
- Linkage to financials

These principles are addressed in the following paragraphs.

4.2.8 Performance drivers

Performance drivers are used to describe how the organization or organizational unit is going to achieve the targets it has indicated on the Balance Scorecard measures.

Performance drivers act as leading indicators, so they can be measured during the implementation period.

4.2.9 Cause-and-effect relationships

All the objectives and performance drivers should be created in a way that they tell a story about the organization's or organizational unit's strategy. They should build chains of if-then statements, for example "If the performance driver is executed successfully, then the measure is reached." or "If the objective is achieved, then the financial target is reached."

4.2.10 Linkage to financials

When constructing the Balanced Scorecard, the cause-and-effect relationships should be modelled across all the perspectives leading back to the financial perspective.

4.2.11 Communicating and linking

Once the organization's strategic objectives have been aligned with the strategy and vision, the scorecard with its objectives should be communicated to the entire organization. Typically, the corporate level scorecard is translated to business unit specific scorecards.

The objective for communication is to make a linking of business unit's objectives to the organization's overall strategy. This way everyone working in the business units can understand what the strategic objectives are and how an individual business unit is planning to achieve organization's strategic objectives.

The business unit specific scorecard also enables the business unit to effectively communicate across their objectives across business units as well as to the corporate level executives. Communicating the business unit specific strategic objectives ensure higher level of alignment across the whole organization.

4.2.12 Planning and target setting

Norton and Kaplan (1996) propose that the organization should include ambitious stretch targets as strategic measures. Timeline for these targets is proposed from three to five years out, including managers to forecast milestones for each measure during the next fiscal year.

"For example, if the business unit were a public company, target achievement should lead to a doubling or more of the stock price." (Kaplan and Norton, 1996).

After agreeing on the stretch targets, the customer, internal process and learning and growth measures should be set.

After setting the measures, gaps between the targets and the current measures enable managers to align resource allocation and set priorities on strategic initiatives and actions to close the gaps.

Setting stretch targets, measures and strategic initiatives must happen in alignment across the whole organization. Targets set by individual business units should be mutually reinforcing and on the other hand, lack of measures in some other business unit or support unit might block the achievement of the set targets.

Finally, the long-term strategic plan is linked to budgeting and specific milestones for the next year, which help them act on strategic initiatives and to track the progress along the way to the long-term targets. “(That is, as part of the integrated planning and budgeting process,) executives should establish short-term targets for there the expect to be, monthly or quarterly, on the outcome and performance driver measures for customer and consumers, innovation, operation processes, as well as employees, systems, and organization alignment.” (Kaplan and Norton, 1996).

4.2.13 Strategic feedback and learning

“A strategic feedback system should be designed to test, validate and modify the hypotheses embedded in the business unit strategy.” (Kaplan and Norton, 1996).

Idea of testing and validating the cause-and-effect relationships embodied in a Balanced Scorecard is to get managers to systematically to think about their strategy and promote strategic learning. Testing happens for example through correlation analysis where the hypnotized cause-and-effect relationships are examined by measuring the correlation between two or more measures. Validation can happen instead of looking at the statistical data, which might be received insufficiently late, with anecdotal reporting from the field where new strategy is being implemented.

Organizations can also use cross-organizational teams on identify strategic initiatives and test the cause-and-effect relationships in value chains. For example, a customer delivery value chain can consist team members from marketing and sales to delivery team members. They can work to identify the measures and initiatives that should be tracked on the Balanced Scorecard.

The strategy should be reviewed systematically. The review meetings should focus instead of looking at operational issues to look at the progress of the strategic measures. Review process provides the organization an opportunity to learn whether the strategy is working or not.

Operational review meetings should occur as well, and be linked with the strategy reviews. This further improves the effectiveness of the learning process.

4.3 Objectives and Key Results (OKRs)

Objectives and Key Results is a management framework created in the United States in 1968 by a psychology professor Edwin Locke. Ideology in behind the framework is to set specific hard goals that drive to higher level of output.

Simply put, an Objective is *WHAT* is wanted to be achieved. Key Result is *HOW* the Objective will be achieved.

OKRs have high emphasis on increasing the operational performance of the organization. As described by Locke and Latham (2013) high goals have been proven in field research to improve performance on individual level.

Objectives and Key Results are meant to be made public. The idea behind this is that it promotes accountability and co-operation, when people can see what others are working with and what their goals are.

4.3.1 Objectives

Objectives are something that are achieved when Key Results are reached. Objectives need to be aligned with the organization's vision and strategy. Defining the company wide Objectives starts from the top, but alignment to the top-level goals must happen on all levels of the organization. The vision and the Objectives must be communicated clearly to all levels. This ensures that all members of the organization are setting their own Objectives to help gain the whole organizations Objectives. When people start to understand how their work connects to the bigger picture, it also helps to motivate them.

Some of the Objectives are defined top-down, but some Objectives might come from the workforce level, bottom-up. This helps the organization to foster innovation, since most innovations come from the edges of the organization, not typically from the core. Doerr (2018) proposes that a good mix of top-down vs. bottom-up Objectives is considered to be around 50/50%. Objectives can be designed also to work side-ways, with cross-organizational Objectives.

Objectives can be divided into two categories, committed goals and aspirational goals:

- **Committed Objectives** are tied into the organization's metrics, mostly in the financial domain. They are supposed to be achieved in full. But is also noted by Klau (2013) that also the committed objectives should be a bit uncomfortable for their owner, i.e. push to achieve improved performance. Business-as-usual tasks should not be OKRs.
- **Aspirational Objectives** are stretched goals, where the target is something further out, associated with higher risks in achieving and connected to the bigger picture of the organization's future vision, or for example something that would make a significant impact on the organizations business.

4.3.2 Key results

Key Results are the means to get to the Objectives. They must be specific, time-bound, measurable and verifiable. Key Results should also have emphasis on quality as well as quantity, to block use of possible short-cuts to achieve the Objective.

It is better to have fewer Key Results and prioritize on the ones that help best to achieve the Objective.

When Key Results are designed to be measurable and verifiable, they can be evaluated. Doerr (2018) describes that Google uses the following evaluation criteria:

- **Key Results for Committed Objectives:**
 - Score of 1.0 (100%) is success. Everything below is considered a failure.
- **Key Results for Aspirational Objectives:**
 - 0.7 – 1.0 = green. (We delivered.)

- 0.4 – 0.6 = yellow. (We made progress, but fell short of completion.)
- 0.0 – 0.3 = red. (We failed to make real progress.)

4.3.3 Setting OKRs

OKRs are not meant to be engraved in stone, and they can be changed at any point of the journey. Some Key Results might be set even a few weeks after the Objective has been established. OKRs should be transparent and shared among the organization.

OKRs can be used on all levels, organizational, unit, team and personal levels. But, each OKR should have a single owner, in accountable of the OKR.

Some Objectives might and in most organizations should be shared between organizational units or teams. The shared Objectives should be agreed together, but this process also further ensures communication, visibility and alignment across the organization.

Typical approach for planning for an organization's top-level OKRs are before a new quarter. For Q1 planning also annual Objectives can be considered to point a direction for the whole year. Cascaded OKRs are planned in subsequence of the top-level OKRs within a few weeks after the top-level Objectives have been communicated. As stated by Doerr (2018), the typical cycle for OKRs is from three to six months.

4.3.4 Tracking OKRs

OKRs are meant to be tracked throughout their cycle. It is stated by Doerr (2018), that there are four options in mid-life OKR evaluation:

- **Continue:** If a green zone ("on track") goal isn't broken, don't fix it.
- **Update:** Modify a yellow zone ("needs attention") key result or objective to respond to changes in the workflow or external environment. What could be done differently to get the goal on track? Does it need a revised time line? Do we back-burner other initiative to free up resources for this one?
- **Start:** Launch a new OKR mid-cycle, whenever the need arises.
- **Stop:** When a red zone ("at risk") goal has outlived its usefulness, the best solution may be to drop it."

4.3.5 Evaluating OKRs

Assessment of the OKRs happens with scoring and evaluation. The goal is not to rate the employees based on the OKRs, but to help objectively to assess what went well, what went wrong and why. The OKRs give a possibility to self-assess and reflect the past cycle and to determine what could be learned and improved in the future. In order to ensure the objective point of view of OKRs is also why they should be mainly divorced from compensations.

4.4 Hoshin Kanri

Hoshin Kanri is a strategy deployment approach that is part of a larger management system, TQM (Total Quality Management). In this thesis TQM is out-scoped and the focus is only on the strategy implementation model. Fully implementing the whole Hoshin Kanri framework would also require knowledge of TQM.

Hoshin Kanri is used after the organization has established a clear vision about their business. Hoshin Kanri helps to lay out that vision in strategy planning phase into long-term and short-term strategic plans. It is also used to communicate the organization's strategy and the policies required to implement the strategy.

Hoshin Kanri cycle is an annual cycle, but it is used to implement a 3 to 5-year strategic plan, which in turn takes the organization towards the vision set from 5 to 15 years ahead.

"It is concerned with four primary tasks and the cycle is an annual one (...). First it focuses an organization's attention on corporate direction by setting, annually, a vital few strategic priorities; secondly, it aligns these with local plans and programmes; thirdly, it integrates them with daily management; and finally, it provides for a structured review of their progress.", (Zairi, M & Erskine, A.,1999)

Hoshin Kanri is top-down approach, but also considers feedback bottom-up (explained later with the term "catch ball"). It also emphasizes that when people have visibility on top-level priorities and goals, they can align their own goals towards them and figure out the ways to get there by themselves, using the Hoshin Planning, Deployment and Control

models; “There is no elaborate formulation of actions and targets for others to achieve. The approach is organic and is based on continuous improvement and breakthrough change, which is rooted in what is possible and open to discussion.”, (Zairi & Erskine,1999).

Strategy implementation planning is also facilitated using Kaizen events, which include personnel from all levels of the company as described by Chiarini (2013).

In high-level, Hoshin Kanri consists of a driver policy planning (Hoshin planning) and a four-part Plan, Do, Check, Act cycle (Hoshin Deployment and Control).

The high-level Hoshin Kanri model is described in Figure 3. The strategy modeling starts by clarifying the vision and the overall top-level strategic objectives for the long and short-term. The focus in this thesis is highlighted with a grey square, where the strategy implementation planning is done.

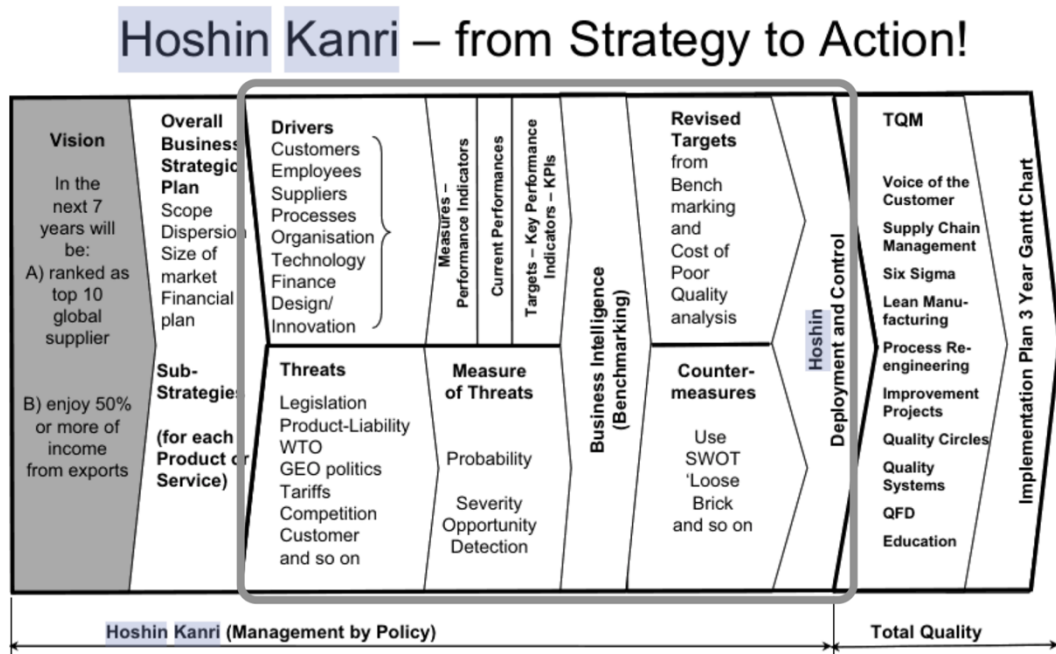


Figure 3 The Hoshin Kanri model (focus area of this thesis outlined in the gray box), (Hutchins, 2008).

4.4.1 Hoshin Planning: Drivers

The strategic plan should help to identify necessary Drivers for which the policies are developed.

Hutchins (2008) describes the typical drivers:

- Customer (internal and external)
- Employee
- Suppliers (internal and external)
- Processes
- Organization
- Technology
- Finance
- Design and innovation

Drivers represent the elements the organization needs to consider in order to reach their vision. Each of Drivers are broken down to areas where the organization needs to be successful, for example “record levels of customer retention”. Areas can be gathered using different methods, for example using management teams, mixed groups of people around the organization to bring up their ideas under each Driver.

4.4.2 Hoshin Planning: Driver Policies

After the ideas have been gathered, they are condensed into policy statements, for example:

We want to be the most relevant cybersecurity partner for our customers

It is our Goal to provide first-class customer experience, by having most talented people, services across all levels of cybersecurity, and to help the customers to target their cybersecurity budget cost-efficiently.

There is a problem that the policy wording can be interpreted in many ways by different readers. That is why next the policies will be added with metrics so they can be measured.

4.4.3 Hoshin Planning: Driver Measures to KPIs

Created Driver Policies are each in turn reviewed and their most important Performance Indicators are written down. The Performance Indicators are then added with concrete Measures. It is good practice to analyze the current situation using the Measures and determine a gap to desired state. Benchmarking to other industry leaders, using intelligence reports or asking the customers, can be used as tools to analyze the gap. If there are too many Performance Indicators and Measures, then it is necessary to prioritize the list in relation to the vision, for example which of them will have the most impact in least time. Changes to prioritization can also happen later, for example due to unseen market changes.

After deciding on the Performance Indicators, Measures and the gaps, the final KPIs can be derived, which will be tracked to indicate progress. Figure 4 shows the roadmap to identify KPIs. First the Drivers are identified and mapped into Performance Indicators. They are further mapped into measures and then benchmarked with other organizations. Finally, a list of prioritized KPIs are formed.

Identifying Key Performance Indicators (KPIs)

DRIVERS	Performance Indicator	MEASURE	CURRENT SITUATION	BENCHMARK SOURCE	Gap – Current Benchmark	PRIORITISE	KPI
DEVELOP THE KNOWLEDGE, SKILLS AND CREATIVITY OF OUR TEAM TO GENERATE INVOLVEMENT AND PRIDE AS WE CONTINUALLY IMPROVE OUR BUSINESS.	KNOWLEDGE	SKILL TESTING		WORLD-CLASS ORGS			
		EDUCATION PROGRAMMES		UNIVERSITIES			
		STAFF APPRAISAL		CHAMB. TRADE			
	SKILLS	MULTI-SKILLING		WORLD-CLASS ORGS			
		TRAINING BUDGET		WORLD-CLASS ORGS			
		COURSES		COLLEGES			
	CREATIVITY	SUGGESTIONS		CHAMB. TRADE			
		PROJECTS		WORLD-CLASS ORGS			
		INNOVATION		PROF. INST.			
	INVOLVEMENT	TEAM WORK		LIBRARY			
		PRESENTATIONS		CONSULTANTS			
		SELF-IMPROVEMENT		INTERNET			
		ABSENTEEISM		CHAMB. TRADE			
	PRIDE	SICKNESS		CHAMB. TRADE			
		DISPUTES		LOCAL COMPANIES			
		LABOUR TURNOVER		LOCAL COMPANIES			
		RESPONSE TO JOB ADVERTS		WORLD-CLASS ORGS			
	BUSINESS IMPROVEMENT	PERFORMANCE IMPROVEMENT		WORLD-CLASS ORGS			
		SCRAP REDUCTION		WORLD-CLASS ORGS			
		IMPROVED DELIVERY		WORLD-CLASS ORGS			
CUSTOMER COMPLAINTS			TRADE ASSOCIATIONS				
SAFETY – LOST-TIME ACCIDENTS			WORLD-CLASS ORGS AND ROSPA, ETC				

Figure 4 Identifying the KPIs, (Hutchins, 2008).

4.4.4 Hoshin Planning: X-matrix

After the vision, long-term strategic plan, short term strategic plan, activities and KPIs have been defined, they can be documented on the Hoshin X-matrix. They could be document using other tools too, for example the Balanced Scorecard. There are a few flavors of the X-matrix, but the basic idea is the same.

Hoshin X-matrix is depicted in Figure 5. The main areas of the matrix are described below:

- Results (or Long-term breakthrough objectives)
 - Describes the “What”. If the organization succeeds in implementing the strategy, what will be achieved?
- Strategies (or Annual objectives)
 - Describes the goals the organization should focus on the current year
- Tactics (or Top-Level improvement priorities)
 - Describes the “How”. How the organization is planning to achieve the prioritized goals.
- Process (or Target to improve, or KPI)
 - Includes development activities with measurable targets
- Accountability
 - Defines who is actually in responsible of the work

The crossings of the matrix are used represent both correlation between the items, and ownership, accountability and responsibility on each of the items.

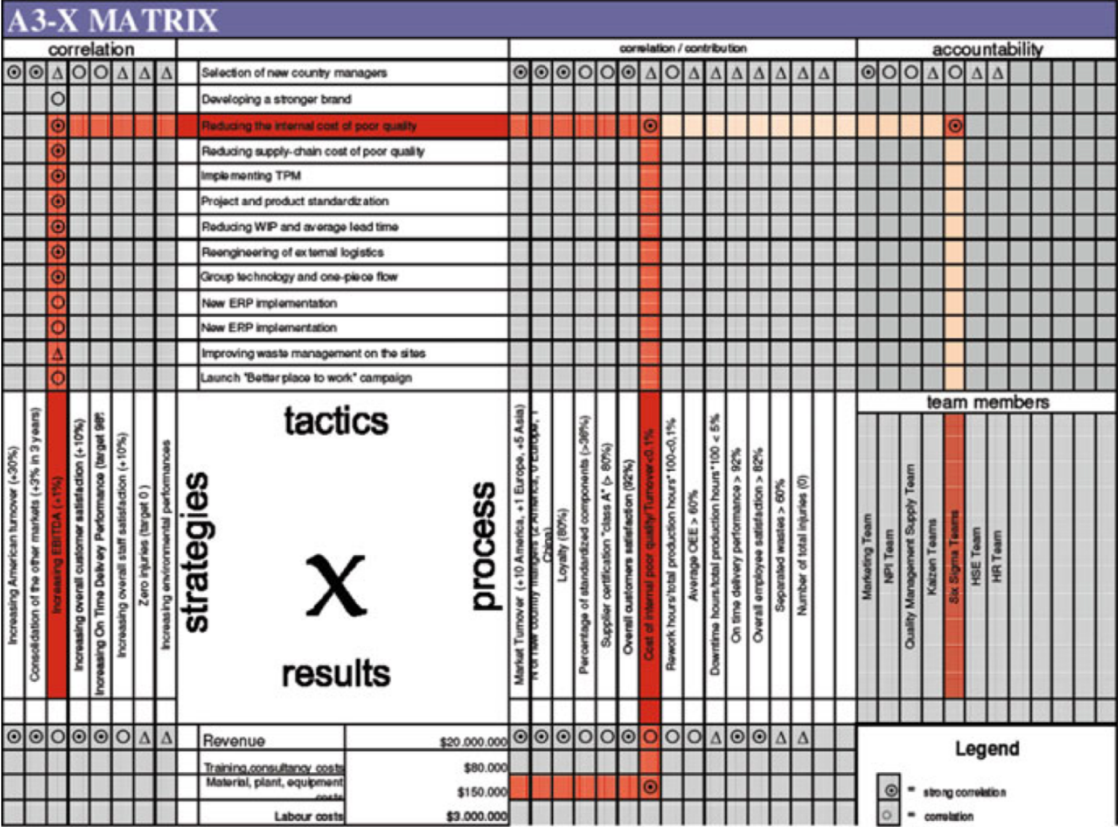


Figure 5 Hoshin X-Matrix, (Chiarini, 2013)

The Hoshin X-matrix is different for each level, unit or team in the organization. The X-matrix provides a single-view on how all the activities and KPIs are linked back to the strategy and objectives, and can be used as a tool in communicating the prioritized strategic plan.

4.4.5 Hoshin Deployment

When the top-level Drivers and KPIs have been established, they are taken downwards the organization and interpreted into organizational unit's terms and broken down to development projects, activities and sub-KPIs. This can happen using the X-matrix or some other activity and KPI tracking tools.

"This deployment process will continue downwards, layer by layer until it reaches direct supervision and the workforce, and is restated each time that it moves down. By the time that the KPIs reach the bottom layers they will have been broken down into multiple and very specific objectives. Whilst this is taking place, each layer of management will go

through a similar process to the top team to identify Departmental Vision, Drivers and their own KPIs. These will be submitted up to the top team and agreed together with the top-down issues. This is sometimes referred to as a 'catch ball' process. This may seem tedious and a lot of work but it does not actually take up a huge amount of time and the results are often surprising. Not only do people know what is expected of them, they also feel that they have had the opportunity to contribute their ideas and feel part of the organization as a community.", (Hutchins, 2008).

Cross-functional goals are also needed to be agreed, so units can align their activities and KPIs.

Lastly, the top-level management must decide of the final goals and KPIs that need to be dealt within a year.

The decided activities and KPIs are formulated into cascading KPI sheets.

4.4.6 Hoshin Control

The Control framework is based on the Plan, Do, Check, Act (PDCA) cycle. The PDCA cycle is a general model which can be applied to all work. In Hoshin Control model the idea behind it is that it can also work for continuous improvement, because learnings from the previous cycle can be used to affect the planning phase of the next cycle and to improve it.

The PDCA control model should be applied to all activities and KPI's.

The full Hoshin policy deployment model on the organizational level is mapped with the PDCA control model in Figure 6. The Policy is crafted on the top-level and cascaded down in the organization. The organizational levels implement the Policies, and they frequently report their progress and top-level can act upon the feedback received from the lower levels of the organization to adjust the Policies.

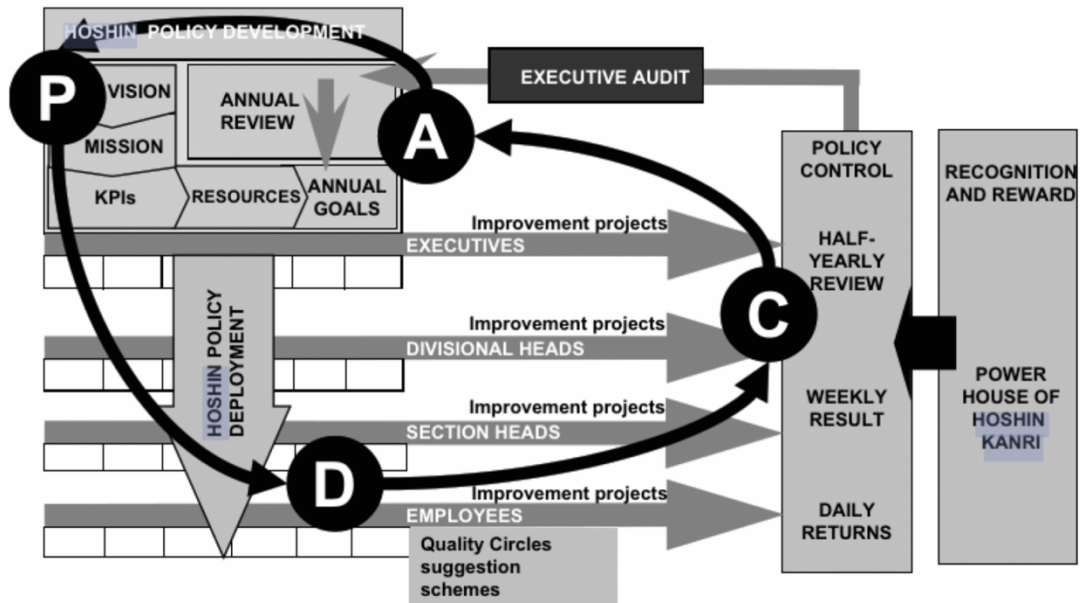


Figure 6 The full Hoshin Policy Deployment with the PDCA control model, (Hutchins, 2008)

In an ideal situation, the Control PDCA model would be functional in all levels as its own process. This would ensure autonomy also on the team and employee levels. Figure 7 shows the full Management Control PDCA model across all the organizational levels. The activities are followed up and reviewed more frequently on the operational level than on the management level. The review with the top-level management happens annually.

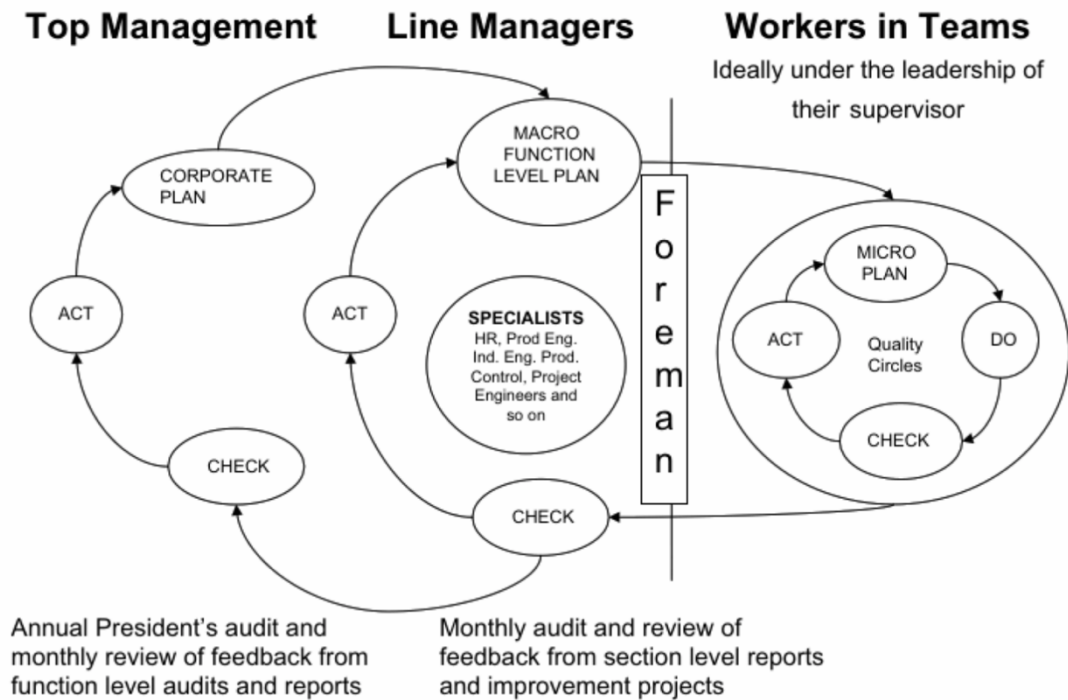


Figure 7 The full Management Control PDCA model, (Hutchins, 2008)

4.5 Summary of the reviewed frameworks

The basic ideology behind all the studied frameworks is similar, having the following high-level features:

1. Establish an agreement on top level of organization's vision and long-term goals
2. After reaching agreement, formulate short-term objectives and prioritize them
3. Communicate the objectives to organizational units and have them to create their own strategy and align their objectives towards the top-level objectives as well as with other organizational units' objectives
4. Objectives should have measurable targets (the WHAT) with linkage on how these targets are planned to be achieved (the HOW)
5. All objectives should have an accountable owner
6. Targets should be quantitative and linked back to financial performance
7. Progress is measured in frequent cycles and there is a continuous feedback loop for improvement
8. Focus and alignment are key factors in implementation

Summary of comparison between the reviewed strategy implementation framework is presented in Table 4 and each framework is evaluated in detail in the following paragraphs.

Framework	Pros	Cons
Balanced Scorecard	<p>Considers adequate perspectives of strategy implementation.</p> <p>Design approach helps to facilitate linkage to top-level objectives and financial targets.</p>	<p>Constructing the Balanced Scorecard template can be complex.</p> <p>Cascading the Balanced Scorecard in the organization can be slow.</p>
OKRs	<p>Simplistic approach to setting and evaluating targets.</p> <p>Short cycle enables strict focus.</p>	<p>Creation correct OKRs requires practice.</p> <p>Risk of setting OKRs that do not relate to the top-level objectives.</p>
Hoshin Kanri	<p>Strategy implementation planning model and process comprehensive.</p> <p>The X-matrix shows all the necessary relationships between long-term and short-term objectives and the actions and accountable people in single view.</p>	<p>The comprehensive strategy implementation planning model and process is also complex.</p> <p>Managing and communicating the X-matrix on different organizational levels can be complex.</p>

Table 4 Comparison of the reviewed strategy implementation frameworks

4.5.1 Pros and cons of Balanced Scorecard

Balanced Scorecard helps to consider all the necessary perspectives when design strategy implementation. Balance Scorecard design also puts emphasis on causal chains across all perspectives, leading back to the financial perspective. This helps in prioritizing objectives and helps to make sure that all objectives, their performance drivers and measures are aligned towards improving the financial performance.

Typical Balanced Scorecard cycle is a bi-annual or an annual implementation and review cycle.

Constructing the Balanced Scorecard using a template may be at first a daunting task, especially for a non-experienced manager. The Balanced Scorecard template is not a feasible tool for managing employee level objectives and targets.

4.5.2 Pros and cons of OKRs

OKRs provide a simplistic way to create objectives and targets. In essence, the Objectives and Key Results are similar to Balanced Scorecard's Performance Drivers and Measures.

OKRs take a different approach on the stretched targets, where it is more difficult to put a concrete financial measure behind the objective, but if achieved the objective should make a significant impact or even transform the business. Setting the stretch goal should be done in a way that is even unlikely to achieve it in full.

OKRs cycle for setting objectives and targets is considerably shorter, typically one fiscal quarter. Although some of the Objectives might be set for a longer period, but still the Key Results are set for a shorter period.

With OKRs and their shorter cycle and flexible target setting ideology, it is easier for an organization to include objectives also from bottom-up, and hence they can also act as an employee management tool.

With OKRs simple model, the risk might be that managers setting the objectives might neglect planning how the Objective's relate to the financial metrics of the company, although they would align the Objective's to the company's strategic initiatives.

4.5.3 Pros and cons of Hoshin Kanri

Hoshin Kanri framework helps unfold the long-term plan and formulate the short-term strategy. The short-term strategy is planned typically for 3-5 years, which is then used to set objectives for the annual Hoshin Kanri cycle.

Hoshin Kanri's approach in setting Driver Policies, Drivers and KPI's seems at first a complex process with different terminology with other evaluated strategy management

frameworks, but they are also quite similar concepts than in Balanced Scorecard and OKRs. Hoshin Kanri has just some more dimensions to be evaluated when creating and prioritizing the objectives. Not all of the dimensions might be applicable to consider at all levels of the organization.

The Control system in Hoshin Kanri is more elaborated than in the other frameworks, but in essence Balanced Scorecard is designed to work with frequent reviews along the implementation cycle.

Hoshin Kanri's X-matrix is similar to the Business Scorecard template, but takes a form to elaborate how the top level, long-term vision relates to the short-term strategy, objectives and measurements.

The whole Hoshin Kanri framework is quite complex to adopt fast, and would require training and discussion on aligning the understanding how the framework works and is adapted with the individual organization and organizational units.

4.6 Conceptual framework

With correctly done cherry-picking, the conceptual framework for the case company can be a mix of multiple frameworks.

Taking the best of each would look for example something like this (after having the case company agreeing on the top-level vision and longer-term strategy):

- Creation of prioritized objectives using Balanced Scorecard causal-paths design method, making sure that the objectives align with the top-level targets and that they link to the financial targets
- Choosing the most urgent priorities for next quarter
- Writing the Objectives and Key Results in an OKR format
- Create a Hoshin Kanri X-matrix based on the OKRs and assign accountable people in charge of each task
- Evaluate progress of each Key Result and adjust accordingly
- Review results at the end of the quarter and prepare the next cycle

Risk with mixing frameworks is, that their terminology and key concepts can get confused between each other, leading into uncertainty in the organization, which framework should actually be used.

Taking the aforementioned risk into account, and by assessing that the case company culture promotes simplicity over complexity and coaching over top-down management, the best conceptual framework to propose would be fully implementing the OKR framework.

In high level, implementing OKRs would mean introducing the whole organization how Objectives and Key Results need to be designed. The bi-annual Business Unit strategy review and target setting cycle would be used to facilitate choosing prioritized Objectives and reviewing Key Results. A new cycle of quarterly OKR review and setting cycle should also to be introduced.

OKRs could also help the organization to improve coaching practices so that the employees could also write their own Objectives and Key Results and coaches have better tools to track how people are progressing with their tasks and if they need assistance.

5 Co-developing strategy implementation tools for the case company

5.1 Overview of this data stage

This data state includes workshops with the selected stakeholders of the case company.

Purpose of the workshops is to summarize findings of the literature review, go through the conceptual framework and to evaluate the options for the case company's strategy implementation framework.

5.2 Creating the strategic objectives and measures

5.2.1 Using Balanced Scorecard perspectives to translate the vision into strategic objectives

The case company's vision in the refreshed strategy is *"The trusted, go-to partner for cybersecurity services in Northern Europe and the best place to work for professionals"*.

The case company's current strategy is split into four strategic themes, as described in the case company's refreshed strategy (2018).

- Cybersecurity talent community
- Cybersecurity partner for digitalization
- Data-driven services built on platforms
- Expand market presence

Following the process of building a Balanced Scorecard, these strategic themes should be translated into top-level strategic objectives using a strategy map approach. The strategy map should address the four perspectives.

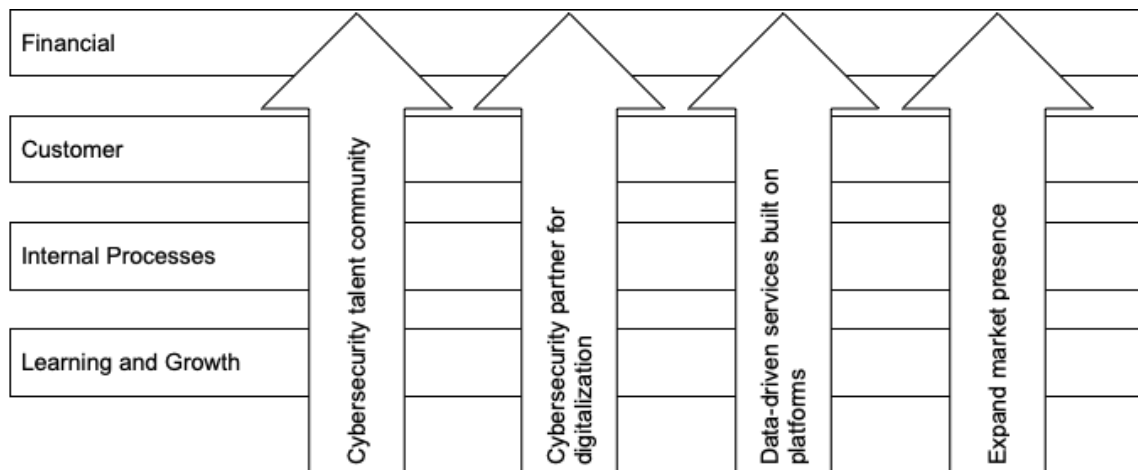


Figure 8 Strategic themes viewed through the four perspectives

Addressing each strategic theme through the different perspectives, top-level management should agree on strategic short-term and long-term objectives. For example, the strategic top-level objectives for the “Cybersecurity talent community” -theme can be chosen as presented in Figure 9. The objectives are mapped into fitting perspectives.

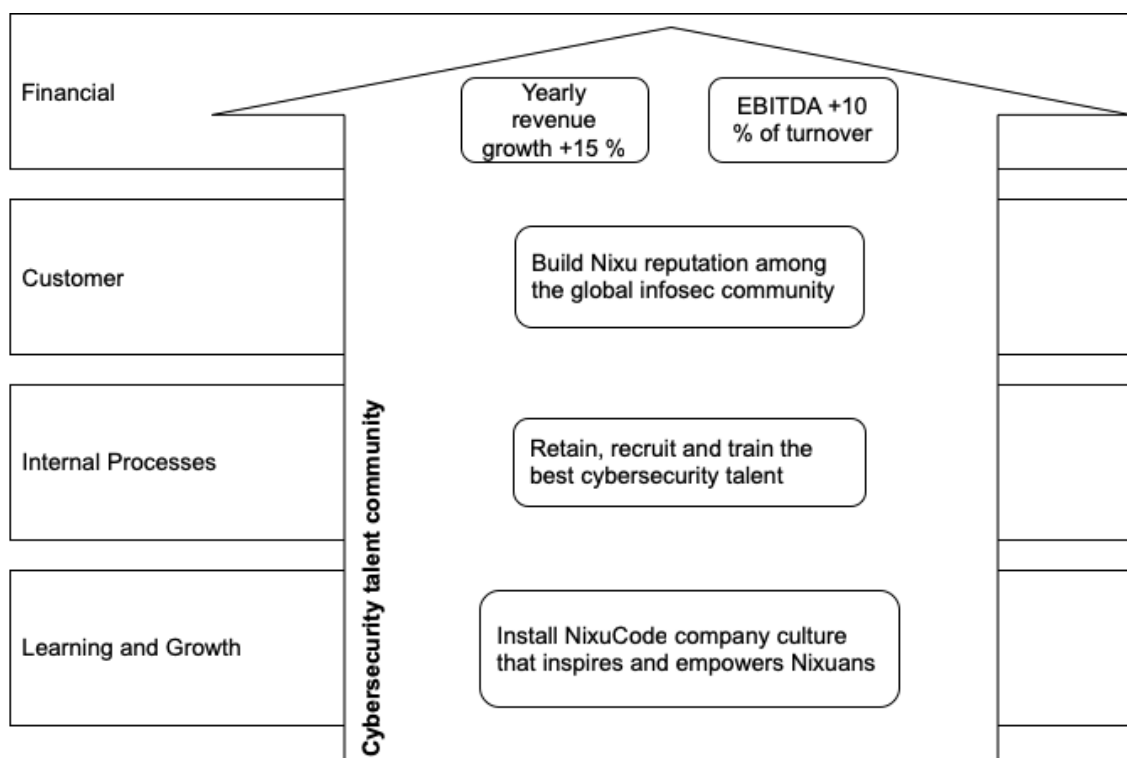


Figure 9 Defining top-level strategic objectives with the strategy map

5.2.2 Creating and validating organizational unit level strategic objectives

Organizational units should translate the top-level objectives into their business. They should create their own prioritized, detailed strategic objectives and design how the objectives across different perspectives lead up to the financial objectives. Not all of themes or high-level strategic objectives might be applicable to every organizational unit. The idea behind this thinking process is to help the leaders and managers to select the objectives that would make most impact in the current situation.

“The art of management lies in the capacity to select from the many activities of seemingly comparable significance the one or two or three that provide leverage well beyond the others and concentrate on them.” (Grove, 2015).

During the process of designing the organizational unit level strategy map the three principles identified in paragraph “4.2.7 Three principles in linking the Balanced Scorecard measures into strategy” should be addressed.

The design process should produce a description of causal paths across the organizational unit's strategic objectives, performance indicators and measures, leading up to the financial objectives. At this stage, also cross-organizational relationships between objectives should be identified.

"The cause-and-effect logic of this design constitutes the *hypotheses of the strategy*.", Kaplan and Norton, 2001.

The design process can start with high-level mapping of the cause-and-effect relationships between the organizational unit's strategic objectives. This helps the organizational unit to validate if their chosen objectives are indeed positively influencing the financial objectives. The process does not have to start from bottom-up or top-down, it can also start from the middle perspectives. Links between objectives do not either need to flow through each perspective's objectives.

An example of strategy map with causal paths is depicted in Figure 10.

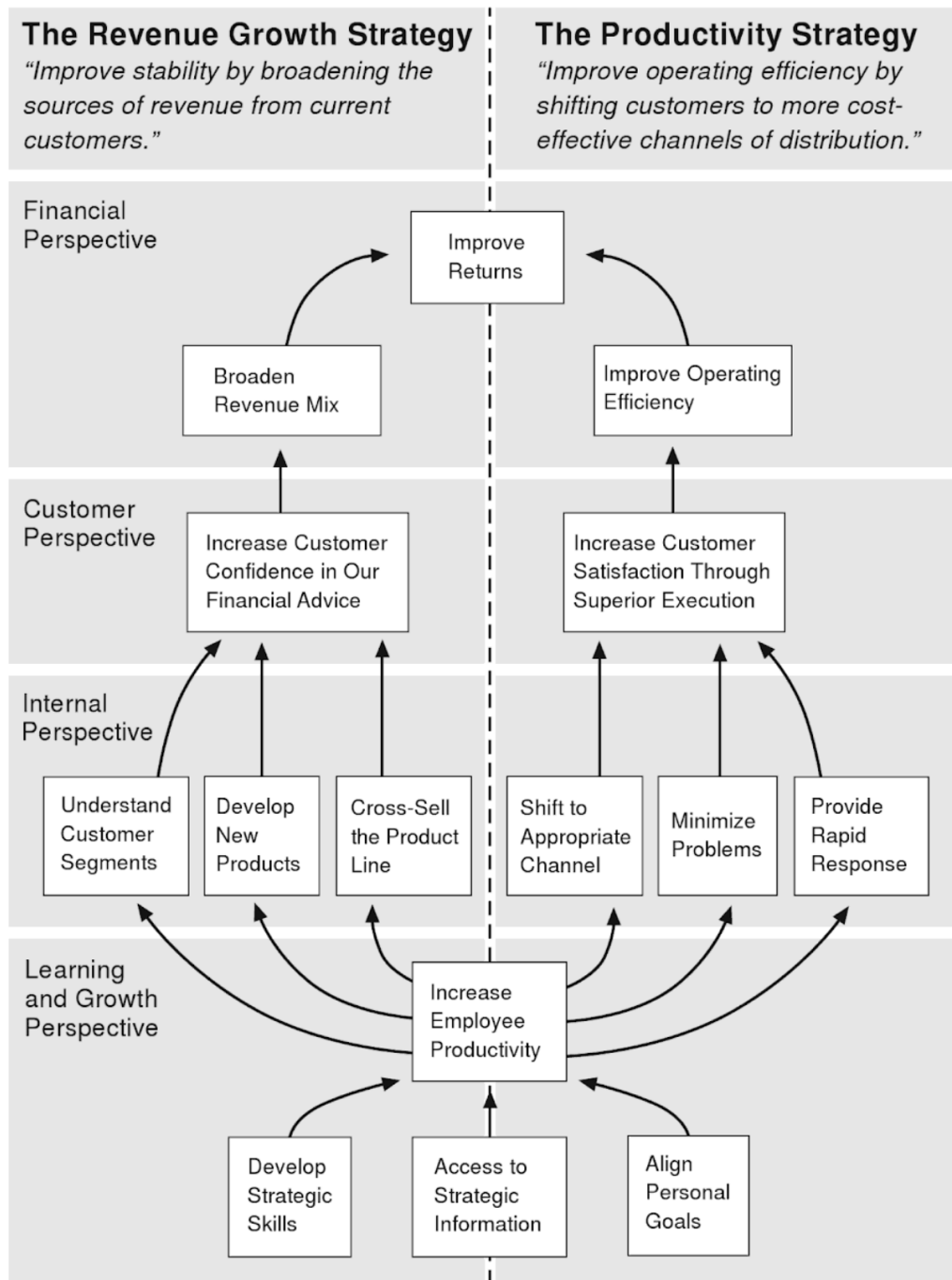


Figure 10 Causal paths of strategic objectives, Norton & Kaplan, 1996

After the prioritized objectives have been identified and validated using the cause-and-effect mapping, Performance Drivers and Measures for each objective should be created. An example description of this is shown in Figure 11. The strategic initiative (the objective) is described in more detail and its performance drivers and outcome measures are identified.

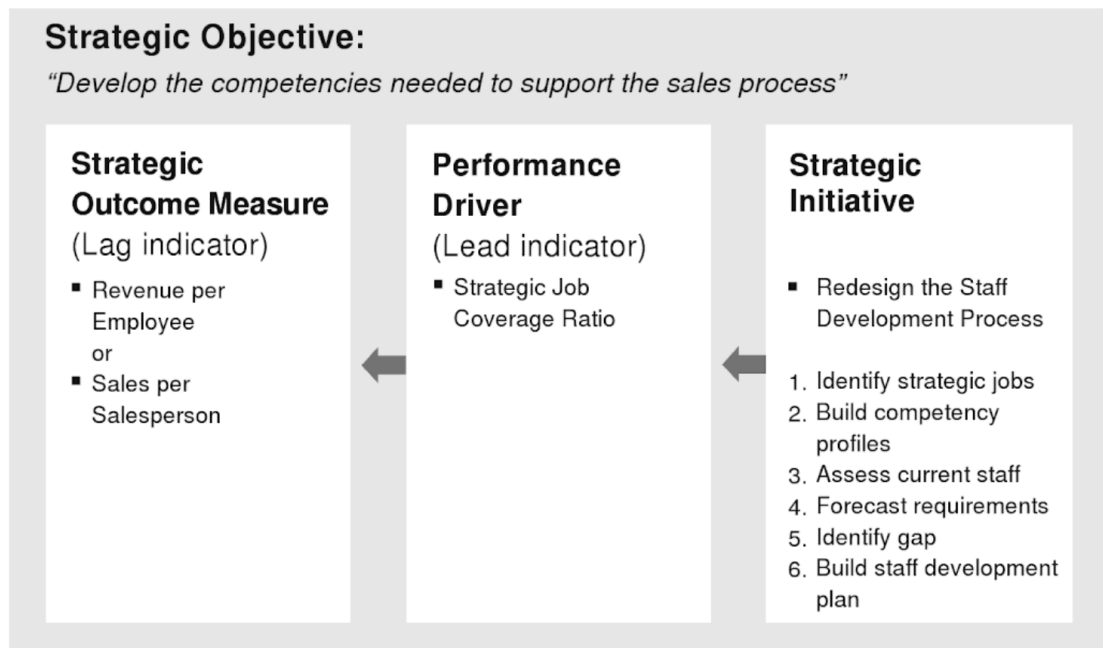


Figure 11 Mapping of the Objective to Performance Drivers and Measures, Norton & Kaplan, 1996

Finally, the organization should have a description on which strategic objectives are their short-term priorities, how they link to the financial perspective and how they can be tracked and measured. Examples of Balanced Scorecard strategic Objectives, Performance Drivers and Measures listing and the cause-and-effect relationships are described in Figure 12 and Figure 13.

Strategic Objectives	Strategic Measurements	
	Core Outcomes (Lag)	Performance Drivers (Lead)
Financial F1 - Meet Shareholder Expectations F2 - Improve Operating Performance F3 - Achieve Profitable Growth F4 - Reduce Shareholder Risk	Return-on-Equity Combined Ratio Business Mix Catastrophic Losses	
Customer C1 - Improve Agency Performance C2 - Satisfy Target Policyholders	Acquisition/Retention (vs. plan) Acquisition/Retention (by segment)	Agency Performance (vs. plan) Policyholder Satisfaction Survey
Internal I1 - Develop Target Markets I2 - Underwrite Profitably I3 - Align Claims with Business I4 - Improve Productivity	Business Mix (by segment) Loss Ratio Claims Frequency Claims Severity Expense Ratio	Business Development (vs. plan) Underwriting Quality Audit Claims Quality Audit Headcount Movement Managed Spending Movement
Learning L1 - Upgrade Staff Competencies L2 - Access to Strategic Information	Staff Productivity	Staff Development (vs. plan) Strategic I/T Availability (vs. plan)

Figure 12 Balanced Scorecard listing of Strategic Objectives and Measures (Kaplan and Norton, 1996)

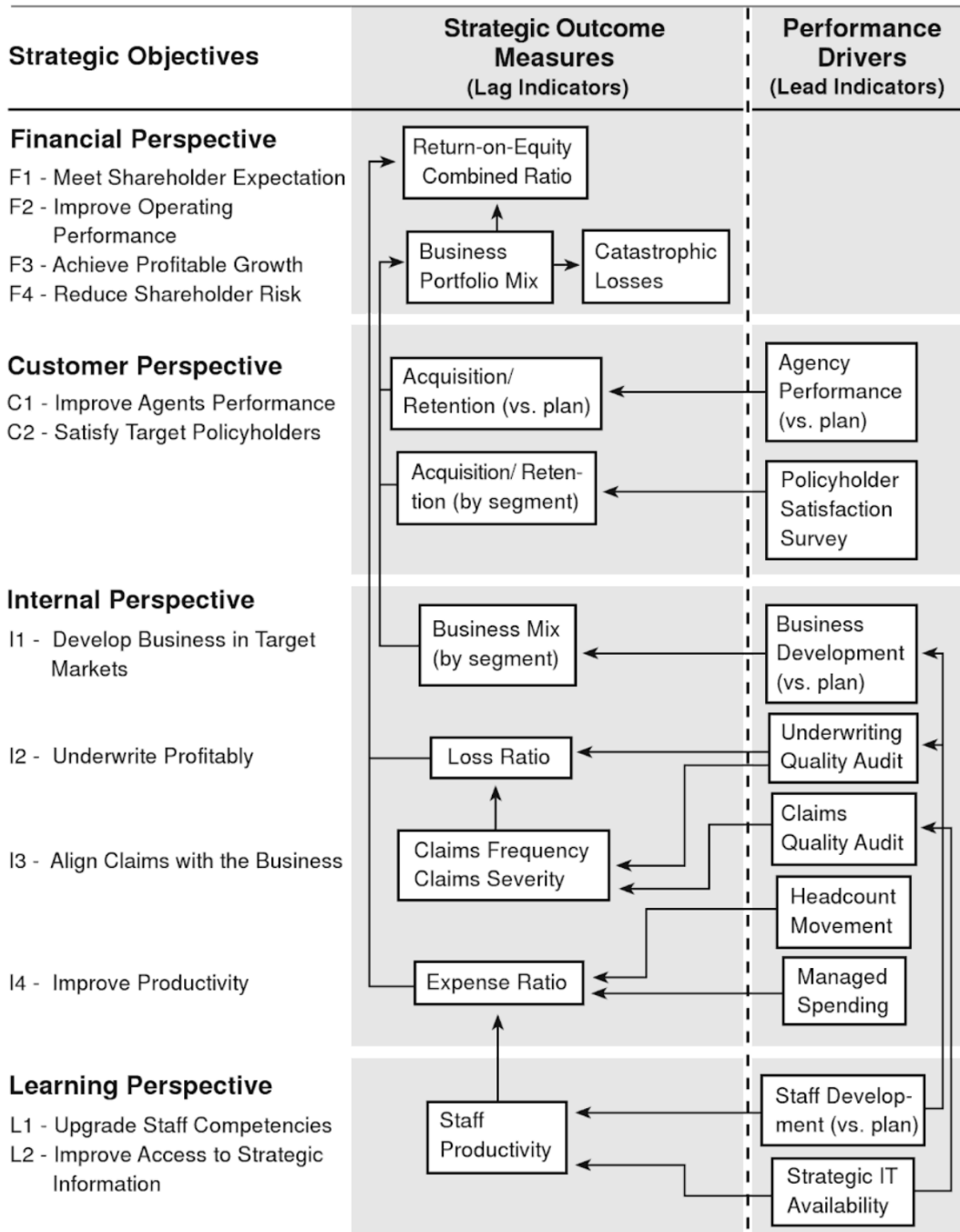


Figure 13 Cause-and-effect relationships between Strategic Objectives and Measures (Kaplan and Norton, 1996)

Creating the strategic objectives and measures this way helps the organizational unit's not only to validate, but also describe the logic behind their chosen objectives to the top-level management. The created objectives, measures and performance drivers are presented to the top-level management and if approved, the organizational units can go ahead to create their OKRs.

5.3 Setting Objectives and Key Results

When the organizational unit's strategic objectives and their measurements have been identified, they can be translated into OKRs for persons in responsible of implementing the them.

5.3.1 Setting Objectives

As described in paragraph "4.3 Objectives and Key Results (OKRs)", Objectives are the "Whats" of the strategy. Objectives should fall into two categories, committed and aspirational objectives. Each Objective must have one accountable person.

A well-written Objective should express goals and intents, be aggressive yet realistic and must be tangible and objective.

A committed Objective could be written for the case company's organizational unit as follows:

- *Committed Objective: Average utilization for the unit in H1 is 80%*

An aspirational Objective could be written for the case company as follows:

- *Aspirational Objective: By the end of 2019, the company is the go-to employer for cybersecurity professionals in Finland*

5.3.2 Setting Key Results

As described in paragraph "4.3.2 Key results", the Key Results are the "Hows" of the strategy. Key Results must be specific, time-bound, measurable and verifiable.

The Key Results describe how the specified objective is planned to be achieved, how its progress can be tracked and its completion can be measured. The performance indicators and measures from the Balanced Scorecard strategy mapping should be used for prioritization and guidance.

Using the objective examples from the previous paragraph, the examples of a committed and aspirational Key Results could be written as described in Table 5. The Objective describes what the planned to be achieved and the Key Results describe how the Objective is thought to be reached and how its progress and success can be measured.

Committed OKRs: Objectives	Key Results
Average utilization for the unit in H1 is 80%	<p>By mid-December, 75% of the organizational unit's employees have confirmed billable projects for January, that fill 100% of their allocation</p> <p>By mid-December the sales funnel has quoted proposals out that exceed the remaining capacity and that are estimated to be closed by the end of the year</p> <p>Identify and cross-train 5 people with low utilization to start working with full allocation in the support team by January</p> <p>Design a mentoring process that increases the billable utilization of new junior level recruits by 10% after their first month</p>
Aspirational OKRs: Objectives	Key Results
By the end of 2019, the company is the go-to employer for cybersecurity professionals in Finland	<p>Improve employee satisfaction by addressing reported lack of accountability by rolling out strategy implementation framework for Finland by the end of April, so they everyone can set, track and measure their targets using OKRs by the end of May</p> <p>Design concrete measurements for tracking employer attractive-ness by the end of February</p> <p>By the end of May, publish five articles in the main Finnish consumer medias to gain main stream visibility for the brand</p>

Table 5 Example of Objectives and Key Results

Each OKR must be evaluated at the end of each cycle. Table 6 describes how the OKRs should be evaluated. Committed Key Results are to be reached in full, otherwise they are deemed as failed. The Aspirational Key Results can be evaluated more loosely.

Committed Key Results	1.0 Success
	0.0 – 0.9 Failed
Aspirational Key Results	0.7 – 1.0 Success

	0.4 – 0.6 Progressed, but not completed
	0.0 – 0.3 Failed

Table 6 Evaluating OKRs

OKRs must be set on organizational level as well as on personal level and also some of the OKRs should come bottom-up.

It is proposed that every person in the organization should write their own OKRs and align them up to the higher level OKRs. This would also support the Situational Leadership and coaching management model, that the organization has trained its managers to use.

5.4 Annual strategy implementation cycle

The initial idea of a 4-month strategy implementation cycles was created during the discussion with the case company CEO during the co-development phase. It was discussed that a quarterly 3-month cycle would be too short to begin with within an organization not familiar in creating and settings strategic objectives. In contrast the annual 12-month or bi-annual 6-month cycle was seen too long, as the fast market and organizational growth are bound to create rapid changes to the business operations.

With the 4-month cycle, the planning can be aligned with the traits of the consultancy business. For example, in May the holiday absences are being finalized and the sales still have time to influence the June-August project sales, in case free capacity in the holiday season is identified. The proposed the strategy implementation cycle is depicted in Figure 14.

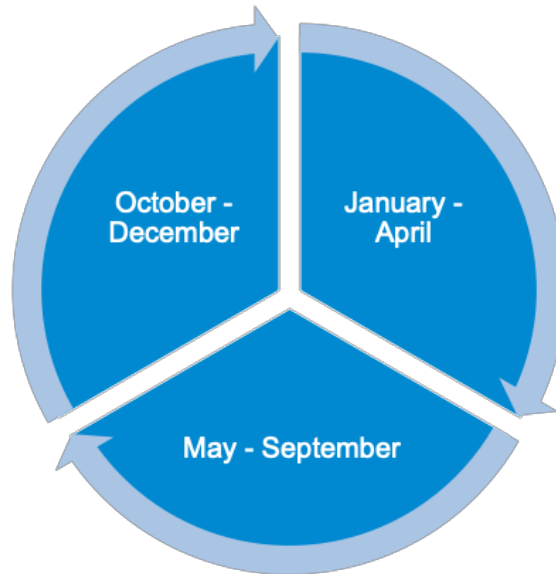


Figure 14 The proposed annual strategy implementation cycle

The proposed strategy implementation cycle includes different phases that are described in the following paragraph.

5.4.1 Creating strategic objectives, measures and OKRs

Each implementation cycle should be started with a planning phase.

In a “Planning” phase between mid-August and the end of September, the top-level strategy and objectives should be reviewed on the organizational level. Leaders and managers should pick the most important objectives from the top-level strategic themes and build the causal paths and validate the hypothesis of the prioritized objectives. In the planning phase, the organization units should also identify interfaces to the other units’ and discuss with them on their prioritized objectives that link between the units.

After the Business Units have a description of the validated, prioritized strategic objectives, they are agreed with the Leadership. This is called the “Agreement” phase.

Within a two-week “Management OKRs” phase, they design their agreed Objectives to Performance Drivers and Measures using the Balanced Scorecard design approach described earlier. Based on the design phase, Business Units, Support Units as well as the top-level management creates their own OKRs.

After writing the OKRs, they are published and communicated across the organization in the “Communication of Management OKRs” phase.

Based on the management OKRs everyone can write and agree on their own OKRs within the next two-week phase. This is called the “Company OKRs” phase.

This schedule also supports the Short-Term Estimate planning that the Business Units need to do during November – December time-frame.

The proposed process and timeline for creating objectives, measures and OKRs is depicted in Figure 15, which describes the Planning and agreement phase, typically when the annual cycle starts, but also when there are major changes in the company top-level strategy or in the organizational level’s prioritized objectives. It also described how the OKRs are first agreed on the management level and then communicated to the organization, after which the employees can write their own OKRs.

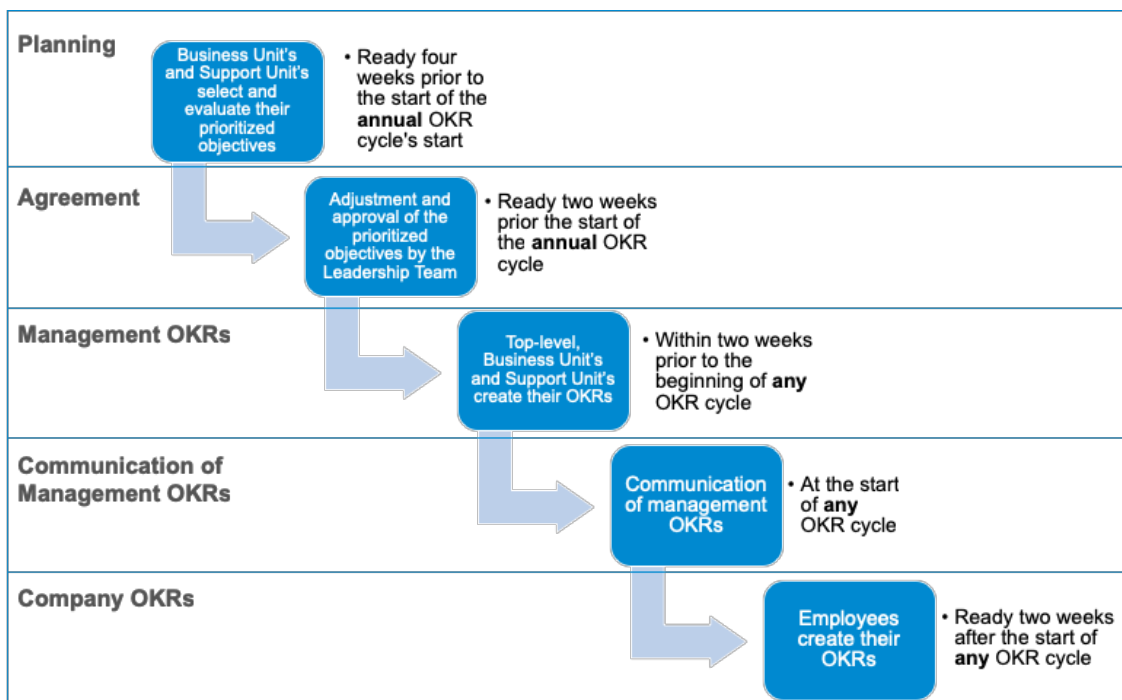


Figure 15 Process and timeline for creating objectives, measures and OKRs

5.4.2 Publishing OKRs

After the OKRs have been written and agreed, everyone publishes their own OKRs in digital format in the case company's Intranet.

5.4.3 Tracking OKRs

All leaders, managers and coaches who have subordinates, track and evaluate progress together with the employees at least on a monthly basis.

5.4.4 Evaluating OKRs

At the end of each cycle, preferably at the last days of the cycle all OKRs are evaluated and scored.

The emphasis in evaluating the OKRs should be in learning what went well and what could be improved in regards of execution as well setting the OKRs. The assessment of OKRs should be done by the accountable person and reviewed together with the manager or coach. An example evaluation is described in Figure 16.

OKR	Progress	Score	Self-assessment
Bring in ten new customers.	70%	0.9	Due to a slump in the market, the OKR was significantly tougher to achieve than I'd thought. Our seven new customers represented an exceptionally good effort and outcome.
Bring in ten new customers.	100%	0.7	When I reached the objective only eight weeks into the quarter, I realized I'd set the OKR too low.
Bring in ten new customers.	80%	0.6	While I signed eight new customers, it was more luck than hard work. One customer brought in five others behind her.
Bring in ten new customers.	90%	0.5	Though I managed to land nine new customers, I discovered that seven would bring in little revenue.

Figure 16 Evaluating OKRs (Doerr, 2018)

The key aspect in evaluating the OKRs is continuous improvement and learning. Hrebiniak (2013) proposes that evaluation provide controls to the provide feedback about performance, reinforce execution methods, provide a “corrective” mechanism, and facilitate organizational learning and adaptation. This control process is described in Figure 17.

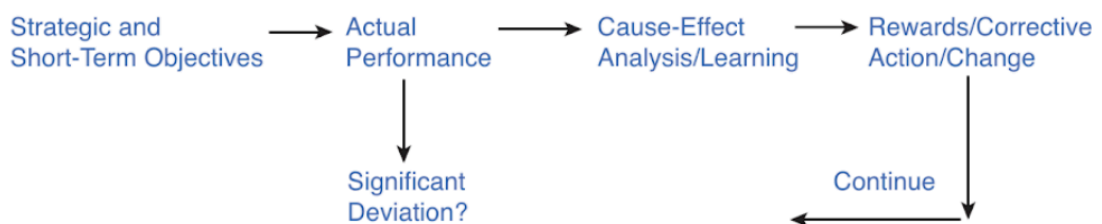


Figure 17 The control process (Hrebiniak, 2013)

Evaluation of top-level and organizational level OKRs can be included as part of the cyclic business reviews.

Evaluations and key learnings of completed OKRs are updated on the company Intranet, where they are visible to the organization. Completed OKRs are kept for one cycle, but are deleted in the beginning of the next one.

5.4.5 Separation of OKRs and the compensation model

It is proposed by Doerr (2018) that OKRs are separated from the monetary compensation. Within the case company, incentives have been based on financial targets as well as personal development targets. During the co-development workshops, most of the interviewed managers were in favor of the model where only the financial targets would remain in the incentive setting scheme, and the personal targets would be described as OKRs.

This conceptual framework proposes the approach where incentive targets are based only on financial targets or on figures that can be directly connected with financials.

5.5 Summary of the proposed strategy implementation framework

The proposed strategy implementation framework consists of three strategy implementation cycles, which include different phases. The summarized description of the strategy implementation cycle is depicted in Figure 18. For clarity, the “Management OKRs” and “Communication of Management OKRs” have been omitted from the figure. The annual strategy implementation cycle starts from the end of September. Before the start, it is proposed that the organizational level strategic objectives have been selected, validated and prioritized and also agreed with the top-level management.

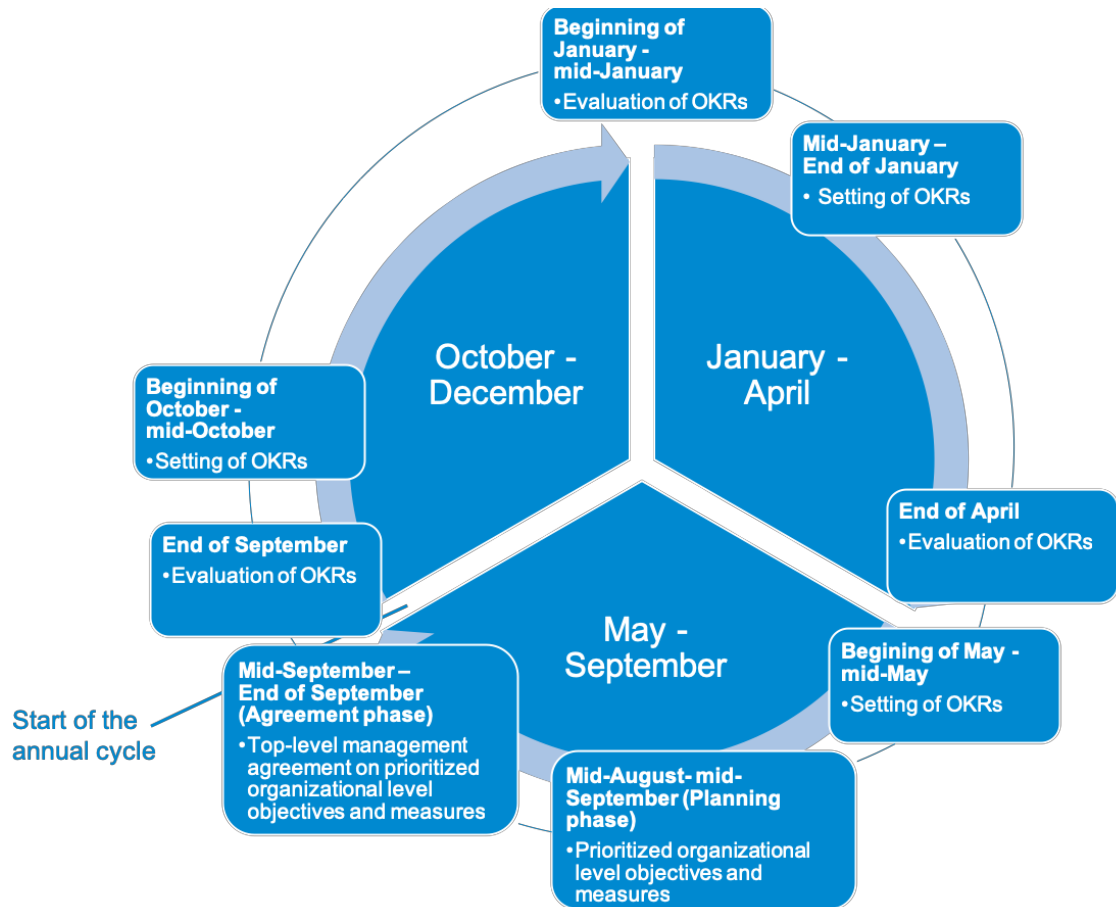


Figure 18 Summary of the proposed strategy implementation cycle

Summary of the process from the strategic objective selection to validation and running the OKR cycles is depicted in Figure 19. The process starts (1.) from the organizational level selecting, (2.) validating and prioritizing and agreeing their strategic objectives for the next cycle with the top-level management. When they have been agreed, the organizational level and employee level OKRs are written (3.). The next cycles (4.) are run by evaluating the previous cycle's OKRs and writing new OKRs for the next cycle.

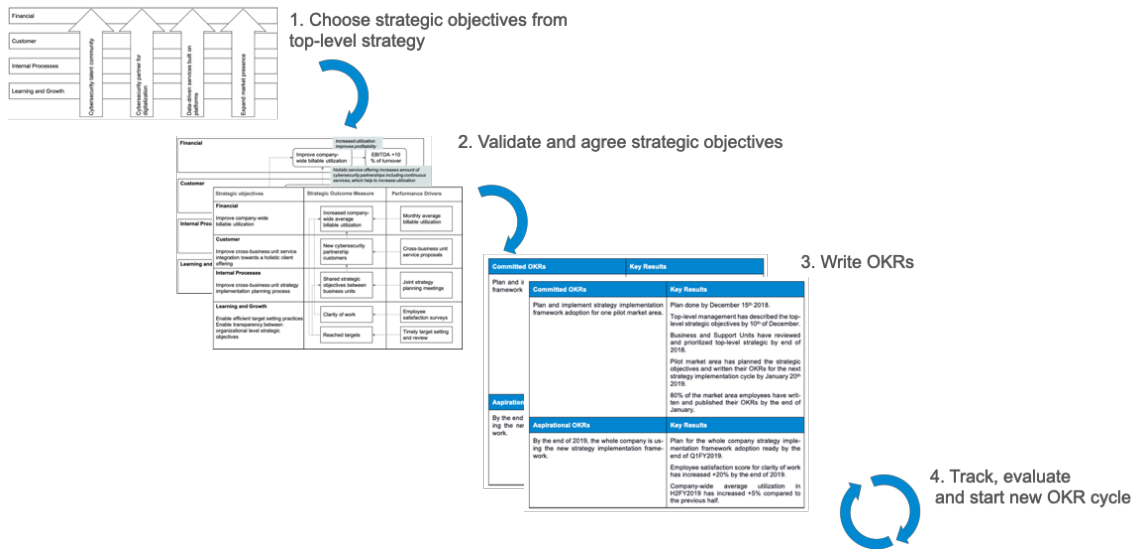


Figure 19 Process from strategic objective selection to validation and running the OKR cycles

6 Piloting the proposed framework by establishing a strategy implementation plan for the case company using the framework

6.1 Overview of this data stage

In this chapter the proposed framework is used to build a strategy implementation plan for the case company. Building the plan includes a planning using the Balanced Scorecard approach, selecting prioritized objectives for the next strategy implementation cycle and creating personal OKRs for the person accountable for the strategy implementation framework roll out.

6.2 Building the implementation plan

The implementation consists of the phases described in the previous chapters; identifying the top-level strategic objectives that are relevant to the organizational level strategy, creating the organizational level strategic Objectives, Measures and Performance Drivers using the Balanced Scorecard approach, validating them using the causal and cause-and-effect mapping and finally creating the OKRs based on the validated Objectives and Measures.

6.2.1 Identifying the relevant top-level strategic objectives

Creating the organizational level strategic objectives and measures starts by reviewing the case company's top-level strategic objectives.

The top-level objectives for the four case company's strategic themes are allocated to each Balanced Scorecard perspective in in the following figures.

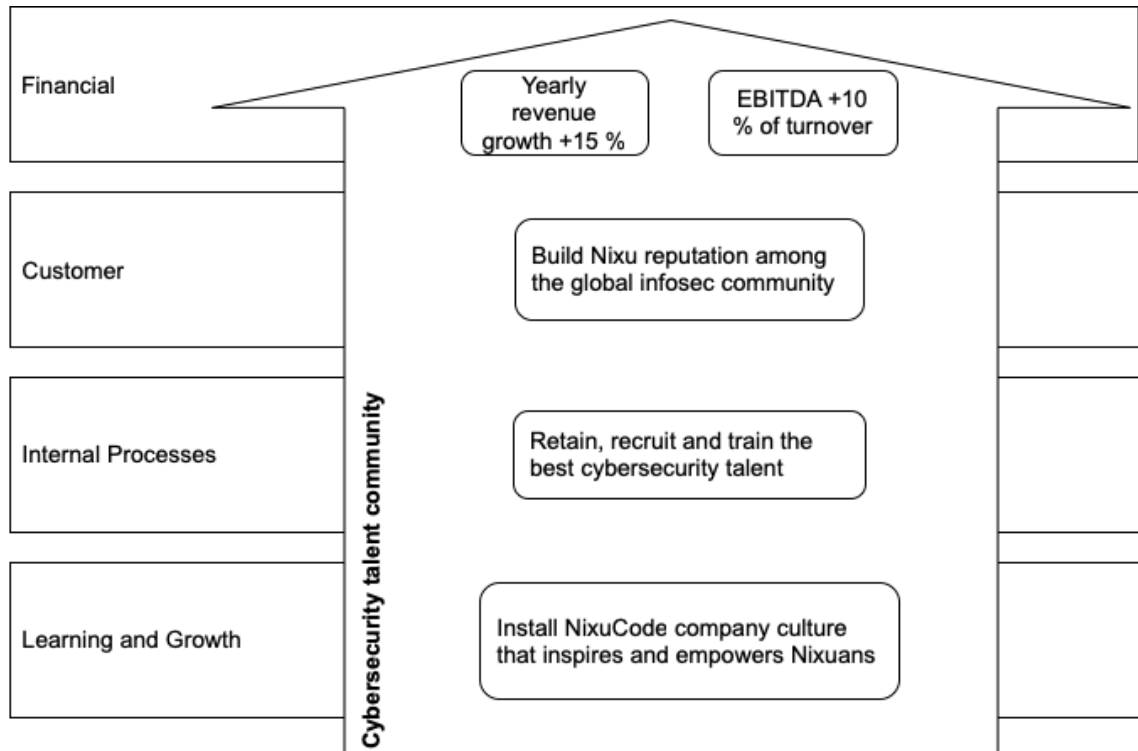


Figure 20 Strategic objectives for Cybersecurity talent community theme

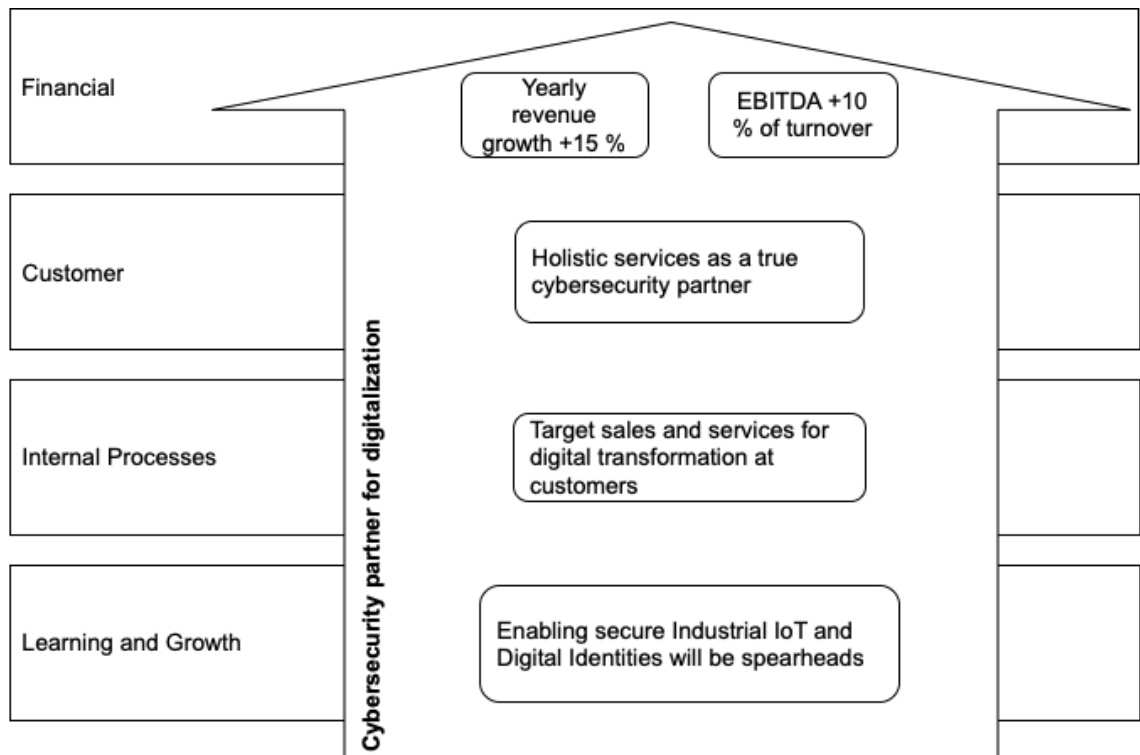


Figure 21 Strategic objectives for Cybersecurity partner for digitalization theme

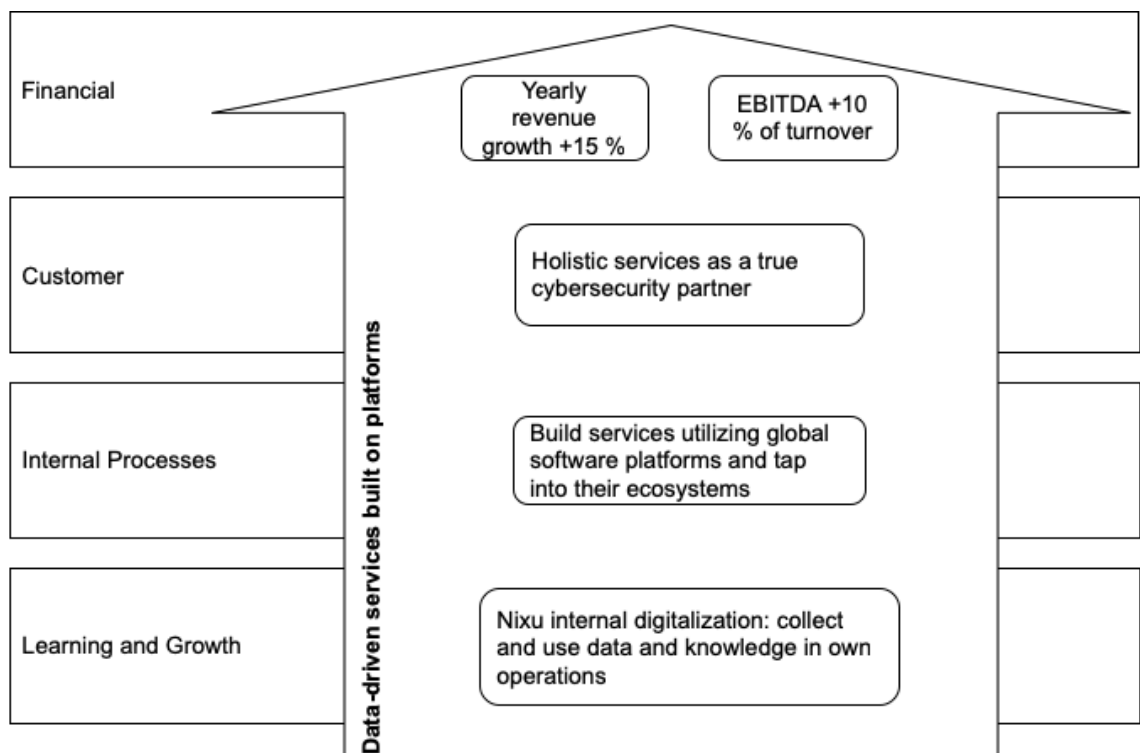


Figure 22 Strategic objectives for Data-driven services built on platforms theme

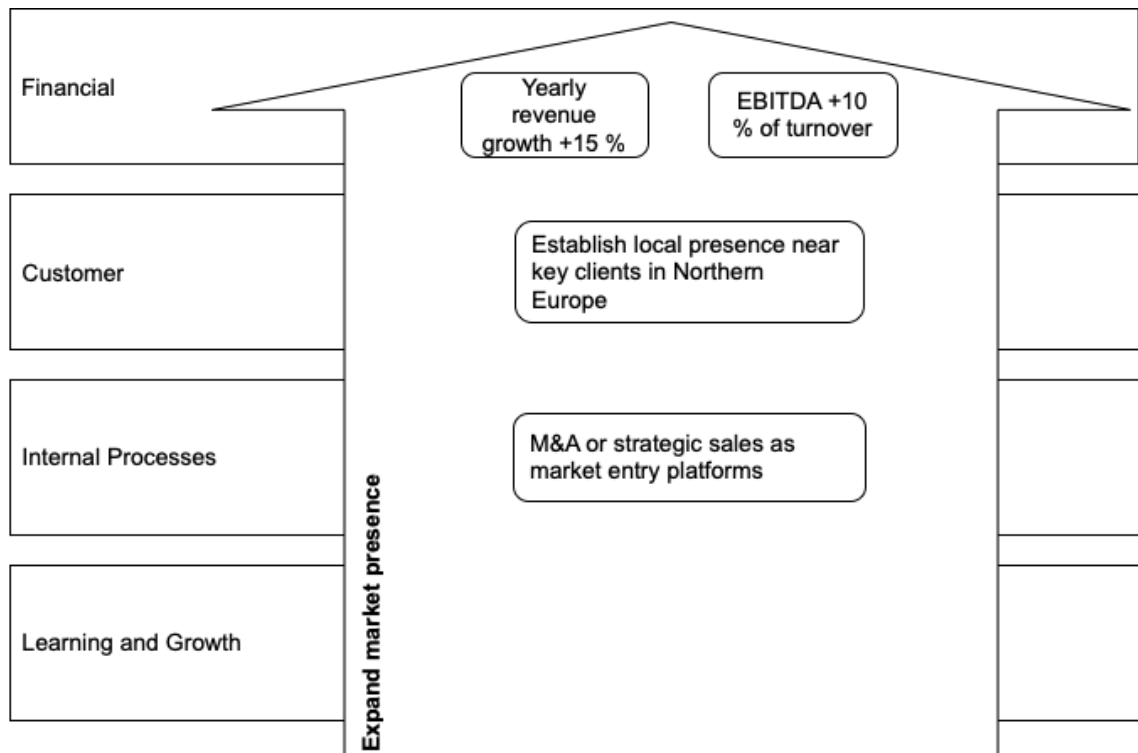


Figure 23 Strategic objectives for Expand market presence theme

From the listed top-level strategic objectives, the following were identified to be used for creating the strategy objectives to build the strategy implementation plan:

- Financial
 - EBITDA +10% of turnover
- Customer
 - Holistic services as a true cybersecurity partner
- Internal Processes
 - No clear top-level strategic objective for internal process, so the customer perspective top-level objective was used instead
- Learning and Growth
 - Install NixuCode company culture that inspires and empowers Nixuans

The objectives listed above are also depicted in Figure 24.

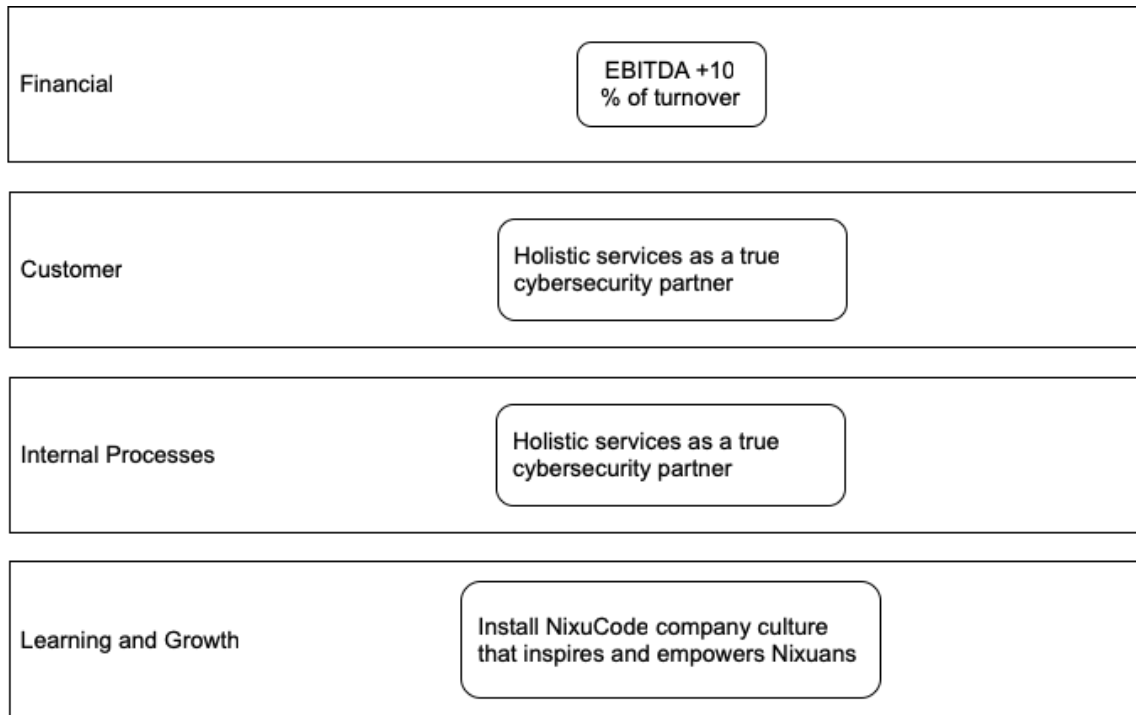


Figure 24 The identified top-level strategic objectives for strategy implementation planning

6.2.2 Creating and prioritizing strategic objectives and measures

The organizational level strategic objectives and measures were created based the identified top-level strategic objectives.

The organizational level strategic objectives and their Performance Drivers and Measures are described in Table 7. The rationale behind choosing the organizational level objectives is also described.

Top-level objective	Rationale	Organization level strategic objectives	Strategic outcome measures	Performance Drivers
Financial perspective EBITDA +10% of turnover	Improving billable utilization increases EBITDA	Improve company-wide billable utilization	Increased company-wide average billable of +5% utilization per half	Month-on-month increase of the average billable utilization

<p>Customer perspective</p> <p>Holistic service as a true cybersecurity partner</p>	<p>Improving the target setting practices will improve service delivery, which will reduce inefficiencies in work-allocation</p>	<p>Improve cross-business unit service integration towards a holistic client offering</p>	<p>Amount of new cybersecurity partnership customers per half</p>	<p>Amount of proposals with cross-business unit services per half</p>
<p>Internal processes</p> <p>Holistic service as a true cybersecurity partner</p>	<p>In order to provide holistic services, the service delivery capabilities need to be improved with aligned cross-BU objective setting.</p>	<p>Improve cross-business unit strategy implementation planning process</p>	<p>Amount of shared strategic objectives between business units per strategy implementation cycle</p>	<p>Cross-business unit strategy planning meetings executed in the beginning of the strategy implementation cycle</p>
<p>Learning and growth</p> <p>Install NixuCode company culture that inspires and empowers Nixuans</p>	<p>Improving efficient target setting practices help to bring clarity to employees every day work and enable transparency across units.</p>	<p>Enable efficient target setting practices</p> <p>Enable transparency between organizational level strategic objectives</p>	<p>Increased employee satisfaction on clarity of work per half</p> <p>Increased amount of reached measurable targets</p>	<p>Bi-annual employee satisfaction surveys</p> <p>Timely executed target setting and review meetings</p>

Table 7 Organizational level strategic Objectives, Performance Indicators and Measures for strategy implementation

6.3 Validating the identified strategic Objectives and Measures

In order to validate if the chosen Objectives and Measures link back to the Financial perspective, a causal path modelling (Figure 25) as well as cause-and-effect mapping (Figure 26) was done.

The hypothesis of the chosen strategic objectives was validated using the causal path modelling. The hypothesis is described in the grey text boxes in Figure 25.

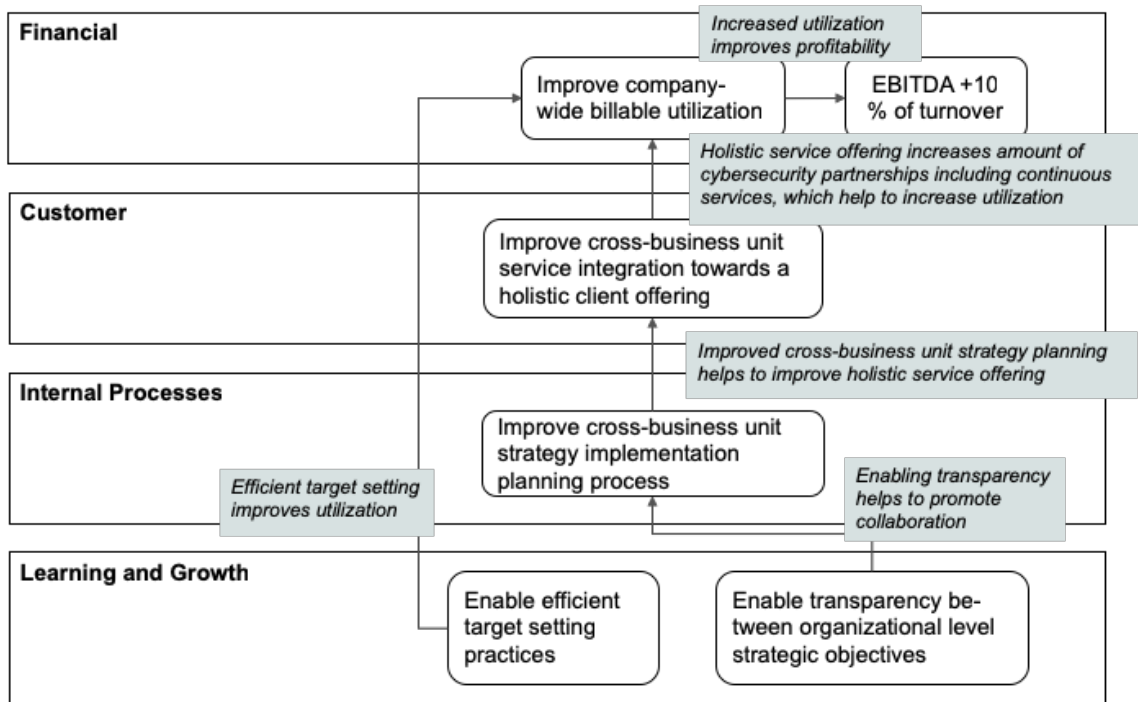


Figure 25 Causal paths of the chosen strategic objectives

The hypothesis of chosen Measures and Performance drivers were validated using the cause-and-effect mapping described in Figure 26.

Strategic objectives	Strategic Outcome Measure	Performance Drivers
Financial Improve company-wide billable utilization	Increased company-wide average billable utilization	Monthly average billable utilization
Customer Improve cross-business unit service integration towards a holistic client offering	New cybersecurity partnership customers	Cross-business unit service proposals
Internal Processes Improve cross-business unit strategy implementation planning process	Shared strategic objectives between business units	Joint strategy planning meetings
Learning and Growth Enable efficient target setting practices Enable transparency between organizational level strategic objectives	Clarity of work Reached targets	Employee satisfaction surveys Timely target setting and review

Figure 26 Cause-and-effect relationship mapping

After the validation was done, that the chosen Objectives and Measures are valid, they were prioritized. Prioritization was done based on analysis which of the strategic objectives would have the biggest impact on the financial outcome.

The prioritized list of Objectives:

1. Enable efficient target setting practices
2. Enable transparency between organizational level strategic objectives
3. Improve cross-business unit strategy implementation planning process
4. Improve cross-business unit service integration towards a holistic client offering

6.3.1 Creating OKRs

Based on the prioritized list, the OKRs for the next strategy implementation cycle were created. The committed and aspirational OKRs for the person in responsible for the strategy implementation framework are presented in Table 8.

Committed OKRs	Key Results
Plan and implement strategy implementation framework adoption for one pilot market area.	<p>Plan done by December 15th 2018.</p> <p>Top-level management has described the top-level strategic objectives by 10th of December.</p> <p>Business and Support Units have reviewed and prioritized top-level strategic by end of 2018.</p> <p>Pilot market area has planned the strategic objectives and written their OKRs for the next strategy implementation cycle by January 20th 2019.</p> <p>80% of the market area employees have written and published their OKRs by the end of January.</p>
Aspirational OKRs	Key Results
By the end of 2019, the whole company is using the new strategy implementation framework.	<p>Plan for the whole company strategy implementation framework adoption ready by the end of Q1FY2019.</p> <p>Employee satisfaction score for clarity of work has increased +20% by the end of 2019.</p> <p>Company-wide average utilization in H2FY2019 has increased +5% compared to the previous half.</p>

	Cybersecurity partner level customers' satisfaction has increased 0,5 points in the satisfaction survey.
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Table 8 OKRs for the person accountable of the strategy implementation framework roll-out

6.4 Lessons learned and feedback received on implementation planning

6.4.1 Creating strategic objectives

It requires strict focus to pick the most important strategic objectives. It is easy to pick too many, which might prove time consuming to model all the objectives using the Balanced Scorecard causal paths and cause-and-effect modelling. This needs to be emphasized both to the top-level management as well as to the Business and Support Units' leaders and managers.

Linking all the objectives back to the financial perspective helps to ensure that the chosen strategic objectives are at least thought through, though they might not still be detailed in a level that describes how for example a business unit is actually able to roll-out the individual tasks to achieve the object.

Selecting and validating strategic objectives using the proposed framework will need simple, easily understandable examples so leaders and managers can adopt them.

The proposed framework will not take tasks away from the leaders and managers. This will need clear communication and expectation management during the implementation project. For example, instead of that they need to figure out suitable models themselves, the proposed framework will bring benefits to their work they are anyway doing, in the sense of structure, efficiency and clarity.

6.4.2 Creating OKRs

With OKRs it is also easy to list too many Key Results. There needs to be clear focus on the most important tasks as well as their measurements. It is assumed that getting the OKRs set correctly will need many practice rounds.

When communicating and educating the individuals creating their OKRs, that Objectives might transfer over to the next cycle, but the Key Results change.

Like with the strategic objectives, OKRs will need many clear examples, to individuals easily adopt them in their own daily work life.

Also, as described in the proposed conceptual framework, all objectives must have a single accountable owner, even the OKR might have connections to other organizational units.

6.4.3 Tracking OKRs

OKR tracking must happen during the cycles, and this requires that the leadership practices support it. The interviews and workshops indicate that in the current operational model most of the target tracking happens only in bi-annual development discussions.

Making OKRs visible to everyone will be a very important decision, especially if the evaluations will be also visible. The benefits must be evaluated in contrast to the risks they might impose.

6.4.4 Annual cycle

The annual cycle will need a lot of guidance and communication to be adopted. Rolling out the new framework and the annual cycle can be considered as a transformation project.

One of the most important points of the annual cycle, are the evaluation points which have been lacking from the current case company's operational process at least on the strategic objectives' point of view. The evaluation process will need a strong commitment

especially on the top-level management, to arrange and demanding OKR reviews with the organizational level leaders.

6.5 Summary of the potentially revised framework

During the piloting, it was identified that it would be feasible to also add a short description of the thinking behind the chosen organizational level objectives, i.e. how they are mapped back towards the top-level strategic objectives.

Stakeholder review by the company CEO did not bring additional changes to the proposed framework.

7 Discussion and conclusions

This section contains the summary of the thesis, managerial recommendations to ensure success of the roll-out of the proposed framework and the evaluation of the study and its reliability and validity.

7.1 Summary of the thesis project

This thesis describes a customized strategy implementation for the case company. It combines two best practices and adds a customized annual cycle to fit the operative model of the case company.

The case company is a cybersecurity consulting and managed services company that operates mainly in the Northern-Europe market area.

This Thesis focuses only on the strategy implementation process, the strategy formulation process is out-scoped and but is assumed to be done before the proposed conceptual framework can be taken into use.

This thesis is based on qualitative analysis. The thesis project started with a current state analysis to verify that the stated business problem was correct and if there were any frameworks already in use for strategy implementation in some parts of the organization.

Current state analysis was conducted by stakeholder interviews horizontally and vertically in the organizational matrix.

The literature review was done by reviewing relevant literature on three identified strategy implementation frameworks.

The conceptual model was developed together with individual stakeholders based on the current state analysis. Stakeholders were picked who had either some kind of structure already in the daily work, experienced problems in strategy implementation or were in a high decision-making position and accountable of the current top-level strategy.

Lastly, the strategy implementation framework was piloted by creating the implementation plan for the roll-out of the proposed framework.

7.2 Managerial recommendation

The proposed framework will need a transformation project to have it adopted fully in the case company. To ensure success, the project must have an accountable owner to guide it through, communicate and sell the idea of its benefits to the whole organization.

It will also need strong focus and commitment from the top-level management to adopt the framework and practice of setting OKRs for themselves and effectively and timely communicate their own OKRs to the rest of the company. Running the OKR cycles will also need structured reviews and feedback loops with the organizational units.

Implementation of the framework also needs time from the organizational level management to both practice the use of the framework, as well as to guide and coach their direct reports to fulfill the required OKR setting and evaluation.

The framework should be aligned together with the leadership model that the case company has been adopting, the Situational Leadership model.

Additionally, the leaders and managers should further study effective goal setting practices.

“Strategy execution is not a matter of luck. It is the result of conscious attention, combining both leadership and management processes to describe and measure the strategy, to align internal and external organizational units with the strategy, to align employees with the strategy through intrinsic and extrinsic motivation and targeted development programs, and finally, to align existing management processes, report and review meetings with the execution, monitoring, and adapting of the strategy.” (Kaplan and Norton, 2006).

7.3 Evaluation of the trustworthiness of the project and its outcome

Shenton (2004) describes the four criteria of trustworthiness for qualitative research:

- **Credibility**
 - “One of the key criteria addressed by positivist researchers is that of internal validity, in which they seek to ensure that their study measures or tests what is actually intended.” (Shenton, 2004).
- **Transferability**
 - Transferability refers to the applicability of the research in other situations. Transferability can be demonstrated on how in terms of contextual data the research compares with other environments.
- **Dependability**
 - “The concept of confirmability is the qualitative investigator’s comparable concern to objectivity.” (Shenton, 2004).
- **Confirmability**
 - “The concept of confirmability is the qualitative investigator’s comparable concern to objectivity.” (Shenton, 2004).

The provisions of the aforementioned criteria by Shenton (2004) is described in Table 9 together with the description of applicability in this thesis.

Quality criterion

Applicability in this thesis

Credibility

Adoption of appropriate, well recognised research methods

The research for the current state analysis was done by using structured interviews. Further semi-structured workshops were used in the co-development phase.

Development of early familiarity with culture of participating organisations	The researcher as well as all the interviewed persons and selected stakeholders for the co-development phase were employed with the case organization.
Random sampling of individuals serving as informants	Not applied.
Triangulation via use of different methods, different types of informants and different sites	The interviewed persons in the current state analysis phase were from the management team, market area leaders from different countries, as well as all the different organizational level people from a single business unit. This approach brought insight from all sides and levels of the case company. In the co-development phase, a person from the management team, market area, business unit and support unit were included to provide different insight to the conceptual framework.
Tactics to help ensure honesty in informants	Trust in honesty of the informants was based on existing co-operation with the informants as well as the familiarity of the researcher in the organizational roles and operative models of the informants.
Iterative questioning in data collection dialogues	The current state questionnaire was constructed as an iterative list of questions.
Negative case analysis	Not applied.
Debriefing sessions between researcher and superiors	Informal discussions on findings of the CSA with the case company CEO. Co-development phase included a short de-briefing in the beginning with the case company CEO.
Peer scrutiny of project	The thesis was reviewed by the case company CEO before the final release.
Use of "reflective commentary"	Not applied.
Description of background, qualifications and experience of the researcher	The researcher has worked in the case company for ten years, in various positions.
Member checks of data collected and interpretations/theories formed	The current state analysis and the co-development workshop memos were distributed to then individual stakeholders for comments.
Thick description of phenomenon under scrutiny	Described in chapter 3 as well as in the literature review in chapter 4.
Examination of previous research to frame findings	A review of the best practices as described in chapter 4.

Transferability

Provision of background data to establish context of study and detailed description of phenomenon in question to allow comparisons to be made

A single organization with three country operations was participating in the research. The data collection log is presented in Appendix 1. The research took place between June and November 2018.

Dependability

Employment of “overlapping methods”

Structured interviews were used in the current state analysis. Semi-structured workshops were used in the co-development phase. Group interviews or workshops were not used.

In-depth methodological description to allow study to be repeated

The stakeholder interviews can be repeated based on the structured interview questions. The semi-structured workshops require knowledge on the organization’s annual cycles and operational models.

Confirmability

Triangulation to reduce effect of investigator bias

Interviews with different organizational roles.

Admission of researcher’s beliefs and assumptions

The initial research problem was based on the researcher own experiences, but it was confirmed by the structured interviews and the effort in building the used questionnaire without leading questions.

Recognition of shortcomings in study’s methods and their potential effects

The proposed conceptual framework consists of two best practice frameworks and is customized to the case company. It may not be applicable directly to other organizations.

In-depth methodological description to allow integrity of research results to be scrutinised

Description of the research approach is described in chapter 2.

Use of diagrams to demonstrate “audit trail”

The description of the research approach includes diagrams in chapter 2. Descriptive diagrams are also used in chapter 5 to illustrate the strategy implementation processes and validation.

Table 9 Criterion to describe the trustworthiness of the research, (Shenton, 2004)

Based on the evaluation of the trustworthiness criterion above, it can be concluded that the majority of the criterion are passed on satisfactory level. Consequently, it can be assumed that the appropriate level of trustworthiness of the thesis has been reached.

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Appendix 1. Actualized data plan

	CONTENT	SOURCE	INFORMANT
DATA 1 CURRENT STATE ANALYSIS	<ul style="list-style-type: none"> - Review of the refreshed strategy and the current strategic style - Analysis of the current strategy management tools 	<ul style="list-style-type: none"> - Strategy review - Stakeholder interviews 	<p>CEO, 25.6.2018, 1 hour CFO, 25.6.2018, 1 hour CCO, 18.6.2018, 1 hour CDO, 6.7.2018, 1 hour CCO, 18.6.2018, 1 hour</p> <p>Market Area Leader Finland, 19.6.2018, 1 hour</p> <p>Market Area Leader Benelux, 6.7.2018, 1 hour</p> <p>Market Area Leader Sweden, 4.7.2018, 1 hour</p> <p>Head of People Operations, 6.7.2018, 1 hour</p> <p>Business Unit Leader, 28.7.2018, 1 hour</p> <p>Business Manager, 4.7.2018, 1 hour Consultant, 3.7.2018, 1 hour</p>
DATA 2 BUILDING PRO- POSAL	Designing the strategy management tools	<ul style="list-style-type: none"> - Stakeholder workshops - CSA and literature findings 	<p>Head of People Operations, 5.11.2018, 1 hour</p> <p>Finnish Market Area Leader, 7.11.2018, 1 hour</p> <p>Business Unit Leader, 7.11.2018, 1 hour</p> <p>CEO, 9.11.2018, 1,5 hours</p>
DATA 3 VALIDA- TION /FEED- BACK	<ul style="list-style-type: none"> - Setting strategic targets - Follow-ups - Improvement ideas to initial proposal 	- Stakeholder meeting	CEO, 15.11.2018, comments by email

Appendix 2. Current state analysis interview questions

Strategy planning

- How have you done strategy planning for your unit, role or organization?
- Did you make the plans according to the Nixu Strategy Map?
- Have you used some strategy management frameworks in planning?
- How long plans have you done?
- Have your plans or parts of the plan been reviewed by a supervisor, leadership team, etc., before it's agreed to be put into implementation?
- Have your plans included measurable targets?
- Have your plans included measurement points during the implementation to guide the implementation?
- Have the final plans been communicated up/down the organization before starting implementation? If, how?

Strategy implementation

- From the Nixu Strategy Map 2014 presentation's slide 4, (excluding the financial perspective) pick 3 strategic items that were most important to your business, role or organization. Choose a certain period of time and describe how these prioritized items were put in practice during that period (including leadership, communication?)
- Did the implementation in practice vary from the initial plan?
- Did you make changes to the plan during the implementation? How the changes were communicated up/down the organization?
- Did you put any of the lower priority items into practice instead of the prioritized ones? If, why?

Implementation measurement

- Was your strategy implementation measured as planned? If measurements were not initially planned, did the strategy implementation measurements happen in any organized way?
- Were there challenges in measuring the targets?
- How were your chosen strategic items been measured against the financial perspective items (in slide 4 of the Nixu Strategy Map)?

Evaluation (1-5 grading)

- How well does the organization support strategic plan formulation in regards of process?
- How well does the organization support strategic plan formulation in regards of guidelines or tools?
- How well does the organization support strategic target evaluation?

Open questions

- How in your opinion the strategy implementation should be coordinated?
- What kind of strategy implementation tools have you previously used and found useful?
- What kind of information would help in your strategy planning, target setting, implementation and measurement?

Appendix 3. Conceptual framework co-development meeting notes

Head of People Operations, 5.11.2018

General comments on strategy:

- *Would be good to add clear communication from top-level if an organizational unit should pick up strategic objectives from all strategic themes? There might difficulty on seeing for example organizational units in supportive role to connect to the all themes.*
- *Some guidance would be nice to have how to prioritize which are correct the strategic objectives?*

Comments regarding the framework and the roll-out of the implementation framework:

- *Would be important to have clear examples how the strategy implementation planning and OKRs should be done*
- *BU's and managers are always busy, so how to fit the planning in their busy schedules? For example, the two-week planning phase is really intense if it would need synchronized calendar time from different leaders and managers. And if all consultants have a two-week window to review their business unit's objectives and write their own OKRs based on them, do they manage to do it?*
- *Should there be some more even more agile way to approach strategy implementation planning?*
- *End of the year is really busy, which might result that the planned schedule for top-level strategic planning cannot be done at the same time. For example, the Short Term Estimates for next half are done also in November and reviewed in December. Might be reasonable to align this better with the company financial schedule.*
- *It should be considered that monetary incentives should be updated to the HR tool, need to be careful that setting OKRs won't add double work for managers. It also needs clear communications how the OKRs are separated from monetary incentives.*

Finnish Market Area Leader, 7.11.2018

General comments on strategy:

- *"Strategy" term definition could be added.*

Comments regarding the framework and the roll-out of the implementation framework:

- *How to prevent strategy being implemented in silos? Should we use FI market area as the pilot, to ensure we also test the cross-BU communication improvement.*

- Piloting could include facilitated workshops early on with the BU's and support units to swiftly introduce the framework and to build the prioritized strategic objectives in a guided process.

- The process should involve a cycle, that the Group level first defines the prioritized top-level objectives, then market areas and the BU and support levels. When done, they would be reviewed back "upwards" with market areas and the Group level.

- Bi-annual extended leadership team meetings could be used to discuss the top-level strategy prioritization.

- Monetary incentive setting could have just the "cold" measurable targets and the OKRs should guide how the cold targets tie into the top-level strategy, as well as what steps are required for to be done in order to achieve the cold targets (and incentives). For example, with sales, the incentives might still be sales quota, but Objective might be "Selling more continuous services"

- Four-month cycle for OKR setting is better than bi-annual or annual, shorter time to react on important things and for example during June everyone is always extremely busy.

Business Unit Leader, 7.11.2018

General comments on strategy:

- How to make sure that the strategy is aligned on group level vs. in country silos?

- Strategy (Extended LT) meetings should be facilitated so that they produce concrete outcomes for strategy implementation.

Comments regarding the framework and the roll-out of the implementation framework:

- Incentives would be good to include personal development items as well, so how to make sure that there is alignment between incentive setting and the OKR setting if they happen in different cycles?

- How to ensure that important strategic objectives also come bottom-up?

- BU's should be able to reserve enough time to make proper planning, also together.

- Which would be right forums to discuss strategic objective planning together?

- Short term estimates should happen after strategy implementation planning.

- Changes to the objectives might need to happen fast due to market changes and mergers and acquisitions.

CEO, 9.11.2018

Comments regarding the framework and the roll-out of the implementation framework:

- Strategy objectives should be built directly from the high-level strategy without the top-level agreeing on specific detailed objectives for the BU's. Agreement would sought bottom-up based on the BU prioritizations.

- Should the objectives be created as projects in a task management tool like Jira, so they could be viewed better as a whole and with their connections to other's objectives

- Annual and bi-annual cycles would probably be too long and the objective setting would overlap the busiest times of year, but quarterly cycles on the other hand be a bit short, hence it would be rational to have the four-month cycles.

- BU's should have the right also to accept OKRs for teams or individuals that for example can quickly test new innovation or try out new things. Larger new innovation or service development items should go into the Development MT.

- It would a good idea to have only "cold" targets on incentives, and all personal targets would actually be OKRs.

- It should be clearly communicated that the OKR list is not a task list, but a list of most important objectives and targets per cycle, that speed up change.