

Power Measurement – Owner’s Strategic Entities

Owner’s Strategic Entities

Owners, the purpose of this document is to describe your strategic entities (which are your reporting entities), and show how they define your business.

Strategic Setup

Owner’s, you have set up your internal reports to support your decision making. We will use that setup to show others how you integrate all your reports (internal and external) into one big picture. Those reports define your strategic entities. Strategic planning is like making war on a map. Those reports define your map and the things we see on your war map. They define your “Big Picture”.

The Big Picture: the Strategic Objects View

In general, each of your reports defines one view of each of your entities. Your payroll indicates responsibility. Sales (with accounts receivable) and advertising reports indicate the customer (or design) view. Input and output production reports show the build and supplier requirements view. Facility reports show the facilitators view, and financial reports the financial view. Even if financial reports have information by location, department and product or service line they still only show the financial view. To make decisions you need to see the big picture. Integrated, your reports define that picture. In other words, each entity is defined by all of these views. The relationships you set up in your reports are your business rules. The big picture integrates all those business rules. To make decisions about your business entities, you need to see the total definition of each entity. Your reports define your business rules. There is a business model in your reports (and no where else in your systems) show us the relationships (or rules) you have set up between your entities to organize them. Your business rules define the objects on your map in the three ways we define objects. Those three ways include: Character, Confidence and Management.

Object Character

There are three main classes of character entities: Product, Process or Facility (or Activity). Some businesses are product oriented (building construction), some are process (control) oriented (Service or Policeman), and some are facility (activity) oriented (grocery store). But, each business has a product, process and facility description. For example: if you are a service business, your product definition (your advertising) will be more abstract than your process input and output control statistics, but you still advertise and have reports that document your advertising.

Unique Character: Least Common Detail

Of the three, only character entities are unique to your business. Therefore, your unique character entities are the least common denominators we use when pulling the model together. If the business is product oriented, the least common denominator (the entities with the most detail) will be the product types. For process oriented businesses, process types will be the denominator and for activity oriented

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facilitation businesses, the whole model is oriented by facilitation types. All we do is orient the whole model (or all the reports you use to make decisions) by the least common denominator. It always works because we are just rolling up the least common denominator into general categories. Accurate on the first cut, we build the model as we see it and the owner makes a few corrections to a couple short lists.

Owner’s Strategic Entities Summary

Owners, the purpose of this document is to describe your strategic entities (which are your reporting entities), and show how they define your business. You have set up your internal reports to support your decision making. So, you have set up your strategic objects and your business model. In general, each of your reports defines one view of each of your objects or entities. To make decisions about your business entities, you need to see the total definition of each entity. That is the owner’s strategic view of his entities. In other words, you need to see the Owner’s Strategic Entities.