



## SBS Group: Fast Track to Strategy Execution

Fast-growing SBS Group, an enterprise software VAR, needed a better way to manage strategy planning and execution. As a systems provider itself (and Microsoft Master VAR), SBS knew what it needed—and why ClearPoint was just the ticket. Within weeks, SBS rolled out ClearPoint at its annual strategic planning retreat. Just weeks later, all four divisions were using ClearPoint to track quarterly performance—and every employee's initiative-related activities.

Outgrowing the spreadsheet as a performance management tool is a rite of passage for many organizations. As a company grows, spreadsheets become an increasingly unwieldy and inadequate way of tracking and reporting performance. The use of spreadsheets can actually hamper performance management and the decision making it supports. Finding a better system is a sign that a company is dead serious about putting strategy execution front and center—to sustain and build on its hard-won success.

So it was with New Jersey-based SBS Group, a value-added reseller of enterprise software, IT consultant, and Microsoft Gold Partner and Master VAR.

In 2003, Jim Bowman was brought in as CEO to expand what had been a profitable, but slowly growing, business. And grow the company he did, 20% year-over-year for four straight years. SBS (originally Signature Business Systems) quickly went from five to twenty employees, and today boasts approximately 3,000 clients, 320 associates, and 30-plus locations across its company-owned and affiliate portfolio. SBS started out selling and implementing accounting software, and evolved over time to become a Microsoft Gold Partner and Master VAR focusing on Microsoft Dynamics and other elements of the Microsoft business suite of software.

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## ClearPoint Strategy

ClearPoint helps organizations translate strategy into action by managing strategy review meetings, automating performance management dashboards, and tracking key projects. By coordinating all the little tasks you need to keep track of, ClearPoint makes it easy to manage strategy.

Early on in Bowman's tenure, SBS formalized its strategic planning and execution process, using the Balanced Scorecard framework. But the spreadsheets SBS was using couldn't keep up with the company's growth and growing complexity. SBS had not only transformed itself from a single business unit into a multiple-unit company, but it also had a unique, three-tiered business model: a direct-to-end-user business with corporate-owned offices and facilities; a master reseller business that services end users through partner-owned offices; and a wholesale division (Plumline Consulting) that provides services through other partners.

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### **IN SEARCH OF A SOLUTION**

The first automated system that Bowman considered was dismissed because it was too far-reaching; SBS wasn't keen on scrapping its existing accounting and ERP systems. So it was back to Excel, but only for a short while. What had worked passably with just one business unit and a handful of users was no longer viable for aligning four business units, four scorecards, and multiple users in a quarterly management process.

In 2013, SBS tested another commercial solution, but decided it wasn't sufficiently scalable and couldn't easily integrate metrics across multiple business units. SBS returned to Excel once again, but this time determined that Excel's days were numbered.

Now, more than ever, Bowman had a clear sense of what his company needed: a system through which SBS could construct its strategic plan, manage initiatives and measures, and cascade to the field level, while integrating with its existing accounting system. Cross-scorecard collaboration and information-sharing were critical. So was transparency. "We share a lot of financial and operating data about the business," Bowman notes, "so team members can see where it's going and understand why we make the decisions we make." That applies to everything from compensation decisions to the rationale behind an acquisition.

A new system would also have to support the employee-BSC linkage. SBS aligns the Balanced Scorecard to each individual employee's quarterly work plan, which is tied to their compensation. This bottom-up approach to strategy execution helps SBS drive strategic initiatives by aligning work activity. "It's a way to quickly discern where to place our emphasis and how to manage teams," Bowman explains.

In the fall of 2014, from a pool of six possible options, SBS zeroed in on ClearPoint Strategy. Flexibility was a major factor: SBS could set up its scorecard according to its preferences, using its own measurement categories. It had the freedom to define measures and create initiatives. "And we loved the fact that we could extend the data elements that the solution tracked by creating custom fields," which, Bowman adds, was easy to do. "We could also modify the initiatives screen easily to incorporate the tasks we track when it's cascaded to team members each quarter."

### **FROM SERIAL TO PARALLEL PROCESSING**

The trial program, begun in mid-September, clinched the decision. Bowman and two of his colleagues put their 2014 Excel-based scorecards to the test to see how readily they could be migrated into ClearPoint. Within three days, the scorecards were constructed and populated.

The team had a little more than a month in which to evaluate the system in time for the company's 2015 strategic planning retreat, which was scheduled for the first week in November. "We were determined not to create our 2015 plan in Excel."

Replacing a business performance system is generally a major undertaking. A committee is formed, and the selection, testing, and decision making involves months of back and forth. At SBS, Bowman says, the approach to any new system has always been "get it out there, test it, and evolve it in a continuous improvement process. We don't study the options to the ninth degree." As software purveyors, SBS was at an advantage. "We knew the technology questions. We just needed to concentrate on functionality, and whether we could get the outcomes we wanted."

In November, Bowman and his core team introduced ClearPoint to the broader leadership team at the strategic planning retreat. “We essentially gave them a directive: ‘You will build your 2015 BSC in ClearPoint.’” Within days, leaders had built out the four business units’ plans, four BSCs, four sets of measures, and four sets of initiatives.

The strategic planning retreat was SBS’s most successful ever. Bowman likens the “before” and “after” to the difference between serial and parallel processing. Before ClearPoint, SBS tended to deal with Business Unit A’s planning, and then move to Business Unit B’s, Unit C’s and finally Unit D’s. “Everyone had to sit through it all,” he says. “With ClearPoint, we were able to communicate the corporate objectives and the parameters, and then set the business units on their own to work in parallel on their strategic plans.” The process, he says, was faster and more constructive. Any global change didn’t require back-tracking.

There were the usual comments—“I wish the screen worked this way” or “Why’d they put this field over here?” Says Bowman, “I reminded everyone that’s what we hear when we implement applications for our customers. And that put the comments into perspective right away.” Bowman also reminded his team that with the company’s evolving approach, any feedback about ways to improve the system could be shared with the ClearPoint team at any point.

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People got on board rapidly. “Once they saw how they could link between units, collaborate and share information, and work simultaneously in real time on the system,” the enthusiasm grew. “They began to see how much better this was, both in constructing the plan and in using it on an ongoing basis.” Data elements were added, such as tracking the actual quarter in which an initiative is added, to monitor each employee’s workload. ClearPoint enables such modifications to be instantly updated into everyone’s scorecard.

ClearPoint was formally introduced to the entire company at its annual January corporate kick-off meeting, even though the leadership team had already been using and tweaking it since the retreat. By February, less than five months after discovering ClearPoint, SBS had finished integrating it with the Dynamics ERP system. In other words, the ClearPoint data loader connects with the ERP system so that measures are directly fed into the ClearPoint system; people needn’t spend time digging for data, because it is already up to date.

## MANAGING THE QUARTERLY WORK PLAN

Managing initiatives is serious business at SBS, and something the company feels strongly must be done at a granular level. The ability to link initiatives and their component activities at the individual level through ClearPoint actually helps the company assess and prioritize the initiative portfolio. For one thing, leaders can see employees’ workloads. “There’s not an executive in this country who doesn’t have many great ideas, and then starts delegating them off to teams.” The trouble is, most do not have a straightforward way to gauge people’s bandwidth. So many of those great ideas go unexecuted. Says Bowman, “Now we can easily see that Margie or Joe already has five initiatives scheduled for this quarter, and we estimate that the new ones will take X number of man-hours. They have no more room in the day to take any more on. This helps us decide: are those initiatives really the priorities?”

SBS breaks each initiative into a series of tactical actions by which it is accomplished. Tactics are assigned to the appropriate individuals and incorporated into their individual scorecard, updated each quarter. (Individuals update their tactics status monthly, so managers can see their interim progress.) For example, for a corporate organizational initiative, one of Bowman’s personal tactics is finalizing the transition of India employees to a new subsidiary. Bowman’s executive assistant, who is assigned to the initiative “Continue to Improve/Enhance Clearpoint,” must ensure that every measure in ClearPoint has a target, the right chart object, and the right name.

## BROADER USES, NEW INSIGHTS

Although still fresh, SBS's ClearPoint implementation has already had an important impact.

Beyond dramatically reshaping the strategic planning process, SBS is putting ClearPoint to work as a platform for other management reporting needs. The company's spreadsheet-based "Flash Report," a twice-monthly snapshot of key indicators (such as revenue, consulting backlog, and receivables) is being integrated into

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ClearPoint. Two teams are exploring the use of ClearPoint to manage smaller projects or to construct team-specific scorecards; the marketing group is looking at ways to incorporate web metrics into the application to create its own scorecard. Bowman expects to see more departmental scorecards over time.

SBS leaders are even toying with the idea of extending the application as a collaboration platform for the company's vendors and partners. Bowman and team are pondering ways to carry out planning with partners in ClearPoint or to set go-to-market plans with them using the application.

Implementing ClearPoint has also changed the way SBS leaders think about measures. It's easy to come up with nice measures. But when it comes time to implement, "it brings home the fact that you can only measure what you have systems to gather data on," says Bowman. "You see the warts you have in your internal systems. And as we've gone through the past month creating scorecards, we looked at some measures and asked ourselves 'What were we thinking?'"

The team is continuing to learn as they go. "For us, it's always been about executing in the field," Bowman says. "And there are very few systems that have been designed to help a company execute. ClearPoint provides that execution system for virtually any size business."