

ADOPTION AND IMPLEMENTATION OF THE BALANCED SCORECARD STRATEGIC MANAGEMENT SYSTEM IN JUSTRITE SUPERSTORES, NIGERIA

A CASE STUDY

The Situation:

Justrite Superstores is a privately owned chain of modern grocery stores in Nigeria, and one of the fastest growing stores in the grocery retail business in the country, currently with 30 stores in the Southwestern part of Nigeria. It has its head office in the heart of Ikeja the capital city of Lagos State, Nigeria.



The management led by the Chairman and the CEO, Dr. and Mrs. Aderinwale were clear of the picture of the future of Justrite but needed a practical framework that will assist them in molding the company into the big picture they see.

Balanced Scorecard West Africa (BSWA) was then contacted, and after a presentation to the management, they were convinced that the balanced scorecard performance management system was the way to go.

The Decision:

The management, having taken a decision to adopt and implement the balanced scorecard (BSC) system, contracted the assignment to BSWA. The project started with a one-day executive training workshop for 20 top executives including the CEO. The workshop laid the foundation for

the implementation of the BSC system, helping the executives to understand the basic concepts of the BSC system, so that they could play their assigned roles effectively in the implementation.

Program Launch: Sponsorship and Engaged leadership.

The Chairman Dr. A. Aderinwale and the MD/CEO Mrs. Aderinwale sponsored the engagement and were also involved at every critical stage of the system development. They were tasked with the approval of various system components developed in collaboration with other senior management members, including the Executive Director. This group, together with the Head of Strategy and Growth, Mr. Sinan Soysal, a Turkish national, made up the Strategic Management Team (SMT) membership. Mr. Soysal functioned as the program champion, coordinating with BSWA consultants, the management team, and an internal project team established to collaborate with the consultants. Mr. Soysal was able to leverage his previous experience in balanced scorecard implementation and his deep understanding of the modern grocery store business in carrying along every member of the project team.

Program Launch: Communication and change management.

The initial executive training workshop, and subsequent workshops preceding each stage of the development process of the BSC system involving heads of various cross functional units provided the needed buy-in. The senior management team's enthusiasm, drive and assertiveness created a sense of urgency in the organization that was needed for change.

As part of the communications effort, the BSWA consultants were also invited to make a presentation to the Board of Directors during one of their meetings.

Step 1: Assessment

Prior to the decision to implement the balanced scorecard as its strategic management system, Justrite already has in place a documented Strategy for 2023 – 2027. Therefore, the assessment stage started with the review of the existing strategy using a Gap Analysis tool to identify system components that needed to be redeveloped or validated and thus be able to properly scope the assignment. The key system components reviewed included high level elements like mission, vision, and core values.

The table below shows the revalidated mission and vision statement

Mission

“We are pocket-friendly one-stop retailer that provides excellent shopping experience to our customers”

Vision

“To be number 1 one-stop retailer in Nigeria”

Overarching Strategic Result Tied to Vision

No 1 in terms of footprint and market share controlling not less than 5% of the Modern Food and Grocery Retail market in Nigeria but with focus on the Southwest.

The Senior Management Team (SMT) tweaked the Core Values and re-branded it with the acronym **iCARE** and the slogan “**I care we win**” where:

I= Integrity

C= Customer centric

A= Accountability

R=Respect

E=Excellence

The Core Values are well displayed on a banner and strategically placed in positions within the company premises to further reinforce communication with all the employees



The work done by Justrite in the existing Strategy, especially the internal and external assessment and SWOT analysis, and competition analysis must be commended. The assessment stage facilitated the identification of key planning issues that Justrite Strategy needed to address.

Step 2: Strategy:

The BSWA consultants working with the in-house project team conducted customer needs analysis that led to the development of Customer Value Proposition. Following this was the development of a strategy profile and the company’s revised strategy which is defined by three main pillars. Each of the pillars has a clear strategic result as indicated in the table below:

Strategic Pillars		Strategic Results
1.	Accelerated Growth	<i>Accelerated increase in branch expansion and customer footprint through organic growth and targeted acquisitions in selected markets resulting in increased revenues, market share and shareholder value</i>
2.	Customer Centricity	<i>We offer unique customer experience in terms of right price, product range, and quality service that exceeds customer expectations, thus retaining trust and growing the customer base</i>
3.	Operational Effectiveness	<i>We have cost-effective operations and supply chains that ensure that customer requirements are met at the right price</i>

The chosen BSC perspectives are:

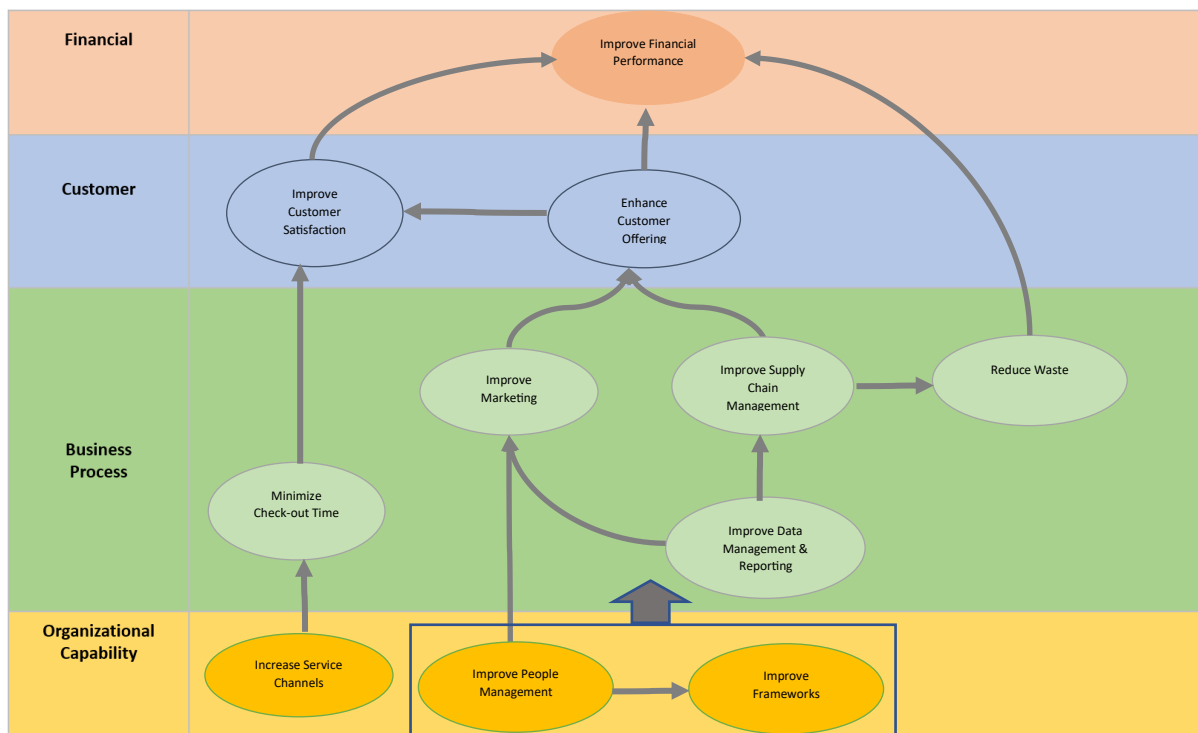
1. Financial
2. Customer
3. Business Process, and
4. Organizational Capability

Step 3: Strategic Objectives

With the vision set and the strategic pillars developed, the next stage was the decomposition of the vision and the strategic pillars into enterprise strategic objectives. This was done through brainstorming with the project team. The various objectives derived from each of the three strategic pillars were then consolidated through the process of affinity grouping to arrive at eleven enterprise objectives, with three in the Organization Capability, five in the Business Process, two in Customer and one in the Financial perspectives respectively. Each of the developed objectives was well scoped and detailed with an objective commentary that clearly defined the intended results of each objective.

Step 4: Strategy Mapping

After the objectives were developed, scoped and detailed, they were placed in relevant perspectives and through another session of brainstorming an attempt was made to develop the enterprise strategy map to visualize Justrite strategy and to tell the story of how Justrite creates value for its customers and the owners of the business. This was well documented and presented graphically as shown below:



Step 5: Performance Measures

To track and determine if the results set out for each strategic objective were being achieved, efforts were made right from the development stage to ensure the objectives were well described such that the intended results were made clear and stated unambiguously so that they could be measured directly. Every performance measure relating to each strategic objective was then defined in a measure definition table to ensure consistency of measurement such that the data sets for the measures as well as their sources were well defined.

Targets and thresholds were set for each performance measure. Targets were set based on baseline performance where previous year's performance data was available and in instances where there were no baseline data, after sessions of discussion and consensus building what was considered as achievable targets were set.

Step 6: Strategic Initiatives

During the training workshop, the BSWA consultants were able to let majority of the team who had a misplaced understanding of what strategic objectives and strategic initiatives were to understand that the strategic initiatives are specific actions needed to be taken to drive the achievement of the results the objectives were meant to deliver. After a session of brainstorming, the team recommended a series of initiatives which were presented to the SMT for approval.

Step 7: Performance analysis

Justrite's Business Analysts (Strategy & Growth Department) have done wonderfully well in developing a performance information tool using their existing Microsoft office suite, where performance data are entered periodically and tracked. The performance information tool uses the standard green, yellow and red colour codes to denote performances that are on target, within acceptable range and below target, respectively. With this tool they have been able to develop a dashboard that displays performance across all the 14 departments and business

units of the company. While performance across the 14 departments and units is being tracked and reported on quarterly basis, enterprise (Tier 1) performance is not being independently tracked. This area needs improvement soon.

Step 8: Alignment

Right from the design stage of Justrite balanced scorecard system, it was made clear the company would deploy the balanced scorecard system across the entire functions of the business and to the employees. As such, immediately after the development of the enterprise scorecard, it was cascaded to the 14 departments and functional business units (Tier 2) in a week-long brainstorming session involving key members of each of the 14 Tier 2 organizations. During this session each of the departments was able to show how the department specifically would support the achievement of the enterprise objectives and thus the vision that Justrite has set for itself. The result of the cascading session was the development of 14 departmental scorecards that were technically aligned with the enterprise strategy. The Tier 2 scorecards all have the key elements of the balanced scorecard system including strategic objectives with its commentaries, intended results, performance measures, targets, and initiatives well documented.

Thereafter, line managers were taken through a training workshop on how to cascade the department scorecards to the employees (Tier 3) in each department, to ensure that everything being done on daily basis by the employees is contributing to the achievement of overall strategy of Justrite. The training was practical, involving collaboration with line managers to create Tier 3 SMART scorecard samples. Afterwards, line managers developed SMART scorecards for their reports independently. The development of the SMART scorecards for each employee has provided Justrite with an objective platform for staff appraisal.



Performance Evaluation

During quarterly senior management meetings of Justrite involving the Managing Director, Executive Director and the Heads of Departments, the Strategy and Growth Department presents the scorecards and the performance status across the entire organization using the internally developed dashboard system. The dashboard is in a simple easy to understand format, that clearly presents the performances of the various departments. The overall performance is reviewed and where necessary, adjustments were made to system components that required changes. For example, in the third and last quarter of 2024, changes were made to some

performance measures and initiatives to ensure that only the initiatives that impacted results were implemented.

Some improvements needed in the balanced scorecard implementation include reporting enterprise performance separately from departmental performance and measuring initiatives independently to assess their impact on objectives.

Sustaining and Managing the Balanced Scorecard

The quarterly senior management meeting being held regularly has provided opportunity for active participation of everyone including top management with feedback from the meeting communicated down the line. That has put everyone on their toes to ensure that results are delivered for the overall performance of the company. Creating the Strategy and Growth Department to oversee performance reporting at both enterprise and departmental levels is beneficial for providing feedback during the balanced scorecard implementation.

What has Justrite gained in the use of the BSC system

1. It has provided an easy platform to track and monitor performance
2. It has provided a platform for active participation of the top management in managing the balanced scorecard system and has led to more inclusive and objective view of the direction of the company, giving a clearer picture of the future.
3. It has helped the management to snapshot a clear picture of the whole company and identify the bottle necks.
4. It shifted the mindset of Heads of Departments to align with enterprise objectives, translating them into departmental objectives with KPIs and targets, and cascading them down to individual levels with full ownership and accountability.
5. Even though the period of implementation, which effectively started in 2024 has so far been short to assess the impact of the system on the overall performance of the company, there are indications that future outlooks are positive. There is thus an incentive to sustain the scorecard implementation momentum.
6. The implementation of the balanced scorecard has underpinned the building of performance culture among the employees in Justrite and with this the company is set on the path of consistent growth to attain and sustain its vision of being the number one retailer in Nigeria.