Strategy Map

Many teams have a strategy on paper, but few people can explain how their daily work helps it succeed. A strategy map solves this problem by drawing the whole strategy on one page. Robert Kaplan and David Norton introduced the idea in the Harvard Business Review in 2000, and explained it fully in their 2004 book, Strategy Maps. It builds on their earlier Balanced Scorecard, and it uses the same four perspectives. The map is read from the bottom to the top: learning and growth, internal processes, customer, and financial, with arrows that show how each level supports the one above it.

1. Learning & Growth

The bottom of the map is learning and growth, the foundation of everything else. It covers the things we cannot see on a balance sheet: people's skills, the information and systems they use, and the culture of the organisation. Kaplan and Norton called these intangible assets, and they grouped them into human, information and organisation capital. These assets do not create value on their own. They create value only when they help the organisation do its key work better.

Example: a football club that invests in its youth academy is building the players it will need in five years.

At work: Hisham is the operations manager of a courier company. His strategy map starts with training the drivers and giving them a new route-planning app.

2. Internal Processes

The second level shows the few internal processes that the strategy depends on most. Kaplan and Norton described four groups: managing operations, managing customers, innovating, and meeting regulatory and social duties. A good map does not list every process in the company. It picks the handful where being excellent will make the biggest difference for customers. These processes turn skills and systems into results that customers can feel.

Example: a pizza restaurant that wants to be known for speed improves the way orders move from the phone to the oven.

At work: with the trained drivers and the new app, Hisham's team redesigns the sorting and delivery process. Parcels now leave the warehouse faster, with fewer wrong addresses.

3. Customer

The third level describes the value that the organisation promises to its customers. Kaplan and Norton called this the customer value proposition, the reason why customers choose us and not a competitor. It may be the lowest total cost, the best product, or a complete solution that

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fits the customer's needs. At this level, the map also shows results such as customer satisfaction, loyalty and market share. The customer level explains why the internal processes matter.

Example: a budget airline promises low fares and on-time flights, so its customers accept fewer extras.

At work: Hisham's company promises on-time delivery, every time. Online shops notice the change and send more of their parcels through Hisham's company.

4. Financial

The top of the map shows the financial results that the strategy should finally deliver. For a company, this usually means long-term value for the owners. The map shows two main ways to get there: growing revenue and improving productivity. Growth comes from new customers, new products or selling more to existing customers, while productivity comes from lower costs and better use of assets. For a public or non-profit organisation, the mission often sits at the top instead.

Example: a family bakery can earn more by opening a second shop or by wasting less flour every day.

At work: more parcels from loyal online shops raise Hisham's revenue. Fewer failed deliveries also cut fuel and overtime costs.

5. Cause-and-Effect Arrows

The arrows are what turn four separate lists into a real map. Each arrow says: if we improve this, then that should improve too. Together, the arrows tell the story of how the strategy creates value, from people at the bottom to financial results at the top. Because the story fits on one page, every employee can see where their own work fits. Managers can then test the story by measuring each level and checking whether the arrows really hold.

Example: a gardener knows that healthy soil leads to strong roots, strong roots lead to good fruit, and good fruit leads to good sales.

At work: Hisham prints the map on one page and puts it on the warehouse wall. Every driver can now follow the line from their training to the company's results.

Conclusion

In summary, a strategy map shows a whole strategy as one simple picture. It starts with learning and growth, moves up through internal processes and customer value, and ends with financial results. The cause-and-effect arrows link the levels and explain how the strategy creates value. The map is not only a drawing for managers; it is a tool for communication, so that everyone understands the plan. When people can see the path from their work to the goal, the strategy is much easier to carry out.

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