How to talk about IBCS to different groups of stakeholders?

The main goal for this session was to develop a set of arguments for IBCS concept useful during meetings with different IBCS stakeholders.

Such steps are necessary to achieve this goal:

1. IBCS stakeholders mapping to The Power Interest Matrix to unify attitude
2. Creating a list of Frequent Asked Questions and answers
3. Creating a list of important questions to ask different groups of stakeholders
4. Collecting arguments for IBCS concept accordingly to each group of stakeholders

* Thanks to Heinz Steiner and Xavier Subirats for help for the Breakout Session preparation
Mapping IBCS stakeholders enables to build successful relationship and to convince stakeholders about the validity of the concept.

General usage of the Matrix of IBCS stakeholders

Mendelow’s power / interest matrix helps to map stakeholders and to understand what attitude to take during IBCS meetings.

<table>
<thead>
<tr>
<th>Level of Interest</th>
<th>Power</th>
<th>Keep satisfied</th>
<th>Engage key players</th>
<th>Put minimal effort</th>
<th>Keep informed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>High</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>High</td>
<td>Low</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
</tbody>
</table>

*Engage key players:* stakeholders with high level of interest and power are the major drivers of change. They could stop management plans if not satisfied. Their participation in the planning IBCS project is vital. IBCS Certified Consultant, therefore, needs to communicate plans to them and then discuss implementation issues. Frequent face-to-face meetings are recommended.

*Keep informed:* stakeholders are interested in the IBCS but lack the power to do anything. Management needs to convince opponents to the IBCS that plans are justified. Otherwise they will try to gain power by joining with parties with high power but low interest. Communication via public Q&A sessions is possible.

*Put minimal effort:* lack of interest and power makes these stakeholders open to influence. They are most likely than others to accept what they are told about IBCS and follow IBCS instructions. Communication via public Q&A sessions is possible.

*Keep satisfied:* the key here is to keep such stakeholders satisfied to avoid them gaining interest and moving to the “key players” box. This could involve reassuring them of the outcomes of the IBCS project well in advance. Frequent face-to-face meetings are recommended.
General mapping of IBCS stakeholders is complicated by the fact that individuals may be part of different stakeholder group at different companies and at specific point in time.

First mapping of IBCS stakeholders into groups*

<table>
<thead>
<tr>
<th>Power</th>
<th>Level of Interest</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Keep satisfied</td>
<td>Engage key players</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Company Owners / Investors</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Members of the Management Board</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Board of Directors</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Business Controller</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Financial Controller</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>Put minimal effort</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>IT Infrastructure Team</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Business specialist</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Financial Analyst</td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>Keep informed</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Done and discussed by participants during the Breakout Session

List of IBCS stakeholders*

- Company Owners / Investors
- Members of the Management Board:
  - CFO
  - CEO
  - CIO
  - CXO
- Board of Directors:
  - Sales Director
  - Production Director
  - Logistic/Supply Chain Director
  - Head of IT
  - Head of Controlling
  - Head of HR
  - … Director
- Business managers
- Business specialist
- Business Controller
- Financial Controller
- Financial Analyst
- Developer of reports
- Data scientist
- Team of Data Warehouse Maintenance
- IT Infrastructure Team
- IT Architects
- Tool developer
- Regulators
- Advisors (internal / external consultants)
- Stock Exchange Analyst
- Specialist of Investor Relations
- Specialist of Public Relations
- Academies
- IBCS Association
- End external IBCS reports users
Keep satisfied

Management Board
CEO, CFO, CIO, Business and Financial Controllers/FP&A

Owners: Board of Directors, Investors
Sales Director, Production Manager, Logistics, SC, Head of IT, Head of HR, ...

Minimal effort

Data Warehouse Team

Keep informed

IT Infrastructure Team
Business Specialists

Financial Analyst
<table>
<thead>
<tr>
<th></th>
<th>Information Systems (IS)</th>
<th>Controlling</th>
<th>Management</th>
<th>Board of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Develop <strong>systems</strong> and</td>
<td>Analyze <strong>data</strong> &amp; create <strong>messages</strong></td>
<td>Evaluate the <strong>messages</strong> and take decisions</td>
<td>Overseeing <strong>decisions</strong> &amp; Govern effectively</td>
</tr>
<tr>
<td>Quality Improvement</td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Reaction Time reduction</td>
<td></td>
<td>5</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Cost Reduction</td>
<td></td>
<td>9</td>
<td>10</td>
<td>11</td>
</tr>
</tbody>
</table>

Calculate the cost of your meetings:

https://hbr.org/2016/01/estimate-the-cost-of-a-meeting-with-this-calculator
Reports and presentations convey a message, whereas statistics don't

- Reports, presentations, and statistics in the process to support decision making and overseeing decisions. From IT to the Board of Directors.

(*) Board Book Basic (IBCS compliant)+
ESG+
TPC+
Strategy Brief (3pages as in K Palepu)

Govern effectively

Overseeing decisions

Make decisions

Evaluate messages

Create messages

Analyze data

Provide data

Develop systems

Reports and presentations

Management

Analysts

Statistics and interactive analytic applications

IS

Board of Directors

Board book Extended (*):

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### The R+A+A+R Model:

**Roles+Agenda+Reporting Model:** Aligning Roles, Agenda, Analysis & Reporting for the Board of Directors

#### ROLES

<table>
<thead>
<tr>
<th>Strategy: Board Functions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Strategy</strong></td>
</tr>
<tr>
<td>Initiatives, Execution, Monitoring</td>
</tr>
<tr>
<td><strong>2. Results</strong></td>
</tr>
<tr>
<td>(Performance Reports)</td>
</tr>
<tr>
<td><strong>3. Compliance &amp; ERM</strong></td>
</tr>
<tr>
<td><strong>4. Evaluation</strong></td>
</tr>
</tbody>
</table>

#### AGENDA

**Annual Board Agenda**

<table>
<thead>
<tr>
<th>Strategy Meeting</th>
<th>Strategy</th>
<th>Strategy</th>
<th>Strategy</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Initiatives, Execution, Monitoring</td>
<td>Initiatives, Execution, Monitoring</td>
<td>Initiatives, Execution, Monitoring</td>
<td>Initiatives, Execution, Monitoring</td>
</tr>
<tr>
<td><strong>T+P+C (Training+ Processes+ Cust.Value)</strong></td>
<td>T+P+C</td>
<td>T+P+C</td>
<td>T+P+C</td>
<td>Planning</td>
</tr>
<tr>
<td><strong>Results</strong></td>
<td>Results</td>
<td>Results</td>
<td>Results</td>
<td>Results</td>
</tr>
<tr>
<td><strong>Annual Accounts</strong></td>
<td>Audit Report</td>
<td>AGM Preparation</td>
<td>Pre-closing</td>
<td>Interim Audit</td>
</tr>
<tr>
<td><strong>Board Training</strong></td>
<td>CEO Succession</td>
<td>Managing team development</td>
<td>Board Training</td>
<td></td>
</tr>
<tr>
<td><strong>Board Evaluation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### ANALYSIS

- From Strategy to Profits
  - Strategy
  - Capabilities + Processes
  - Customer Value
  - Financial Results

#### REPORTING DOCUMENTS DELIVERABLES

**BBE:** Board Book Extended

- **Strategic Information Brief (3 pag) (BSI)**
- **BSC T+P+C**
- **Board Book Basic BBB (Perf Report)**

**When:**
- Annually (Str.Retreat)+
- e.g. Monthly or Bimonthly

**Source:** Palepu, Krishna. *A variation of the Balance Score Card framework (BSC) by Robert Kaplan & David Norton*
**List of FAQ to discuss and develop**

**Q: Is IBCS completely new concept?**

**A:** No, 200 years ago people started to work on that. It is just collected by IBCS society. IBCS worked on structuring all these together.

**Q: I prefer tables and IBCS is mostly about charts, isn’t it?**

**A:** IBCS has standards for tables too. Tables and charts are types of objects. IBCS concept says: use appropriate object types. Tables do not compete with charts. Use tables when looking up data. They are clear, honest and they have a high information density. Tables do not want to highlight, typically they do not want to visually convey a certain message. Tables do not compete with charts but charts cannot be replaced by tables.

**Q: Tableau/SAP/… has its own visual standards. We have Tableau/SAP/… so we have standards.**

**A:** For music reading we also have different software. And writing by hand, using standard music notes, music will always sound the same. The architects of BI have to know standards for information communication.

**Things meaning the same should look the same.**

**Things not looking the same cannot mean the same.**

**Q: Our software is not doing your IBCS concept.**

**A:** Ok, IBCS is for visualization, for semantic rules. There is a portfolio of technical tools suitable to different software that are certified by IBCS.

**Q: We have our dashboards. We have our BI. Do we really need IBCS?**

**A:** Dashboard is not a report. There is no message in the dashboard. And report without a message is just statistics. The dashboard is just a map for reporting and presenting. And IBCS is for reporting and presenting.

**Q: Isn’t it difficult to see data and variances on charts starting scale always in zero?**

**A:** When you start scales not in 0, then your eyes do not see the truth.

**Q: Why not pie charts? Why pie charts are forbidden?**

**A:** They are not forbidden but there are arguments for better charts than pie charts.

They seem to be ok for MS but when you close your charts you don’t remember.

+ Very difficult to compare i.e. PY and AC. And management information is mostly built on comparisons.

Pie charts show just detection of Market Share. And only detection is boring. When you compare detection, this become more interesting. And it is more interesting if you explain. The most interesting is when you suggest. It is not possible to suggest anything based on pie charts.

Use pie charts only if you show part of whole. If this is your message (i.e. regions on the geographic map as part of whole) then use pie charts.

**Q: Isn’t it easier to understand not condensed information?**

**A:** Present it step by step!

**Q: Why not to use bullet points in presentations?**

**A:** Avoid all forms of text slides in presentations. Texts should either be recited or written in a handout. A few exceptions to this rule are specific texts being discussed such as definitions, quotes, etc. In general, all forms of lists (bullet points) should appear only in the written handout, not projected on the screen. True, if someone sees and hears something simultaneously, he remembers it better than when he just hears it, but bear in mind texts are not considered something merely to be seen – they must be read and understood.

**Q: IBCS charts are so simple. This kills controllers’ creativity.**

**A:** Controllers should use their energy to create new ideas for business development, for better decision making, and not for creating colourful reports. Reporting is only for decision making.

**Q: Do exist any other standards for reporting?**

**A:** …

**Q: …?**

**A:** …
Key Performance Questions (KPQ) asked to different groups of stakeholders can be very strong arguments for IBCS concept.

First proposal of list of IBCS KPQ

+ Do you spend a lot of time on business review meeting? Who takes part in such meetings?
+ Is it difficult to find free time at CEO calendar and his/her attention during the meeting?
+ Have you already got any book, any manual for your reports standardization?
+ „Mirror, after all, who has the most beautiful dashboard in the world?”
+ What are the differences between the internal and the external reporting?
+ Should the annual report also follow the IBCS notation?
+ What are the main obstacles regarding the annual report? (The auditors prefer actual year left, prior year right. And this is a mess if you use diagrams).
+ …
+ …

for future development and discussion
4 Use different properly selected arguments while talking to different groups of IBCS stakeholders. IBCS society needs this for building IBCS value all around the world.

Template for IBCS set of arguments, for future development and discussion in IBCS society

<table>
<thead>
<tr>
<th>Power</th>
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<th>Keep satisfied</th>
<th>Engage key players</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Low</td>
<td>Time -&gt; look at the benefits matrix of notation standards</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>…</td>
<td>Q: IBCS charts are so simple. This kills controllers' creativity.</td>
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<tr>
<td></td>
<td></td>
<td>…</td>
<td>…</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Power</th>
<th>Level of Interest</th>
<th>Put minimal effort</th>
<th>Keep informed</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Low</td>
<td>Look at IBCS notation manual</td>
<td>Time -&gt; look at the benefits matrix of notation standards</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Time -&gt; look at the benefits matrix of notation standards</td>
<td>Q: We have our dashboards. We have our BI. Do we really need IBCS?</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Follow International Business Communication Standards 1.1. Look at IBCS poster</td>
<td>A: Dashboard is not a report. There is no message in the dashboard. And report without a message is just statistics. The dashboard is just a map for reporting and presenting. And IBCS is for reporting and presenting.</td>
</tr>
<tr>
<td></td>
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<td>…</td>
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<td>…</td>
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</tbody>
</table>