

# Midterm Progress Report

Group 1b. Software Evaluation

KaeBin Tan (Spokesperson)  
TakMan Wong (Secretary)  
Jihae Yoo (Technical Support)  
Syed Husain ( Team Member)

June 26<sup>th</sup> 2003

# EXECUTIVE SUMMARY

The Strategic Management System software developed in the Spring 2003 IPRO is targeted at medium-sized family businesses. Research finds that most Mid sized businesses do not have a strategic plan. (Final Report, Spring 2003) The Strategic Management System software incorporates other critical factors, such as the customer, the internal process, and the learning and growth of the business, in addition to just the financial aspect that mid-sized businesses are only concerned with.

The main area of focus of our team, the Software Evaluation group, is analyzing the competitive softwares. There will be eight different softwares including Mappware and our own SMS software. After identifying the different competitors out in the market, we will create a criteria list and a ranking system in which we will evaluate the softwares. We will then develop an example how our SMS software can be synergized with other softwares, as well as develop a super software bundles that combines all the eight softwares' strength. In addition, the information we researched on our competitors will enable us to help the System Redesign team in understanding what should be included in the SMS software to make it an even better tool.

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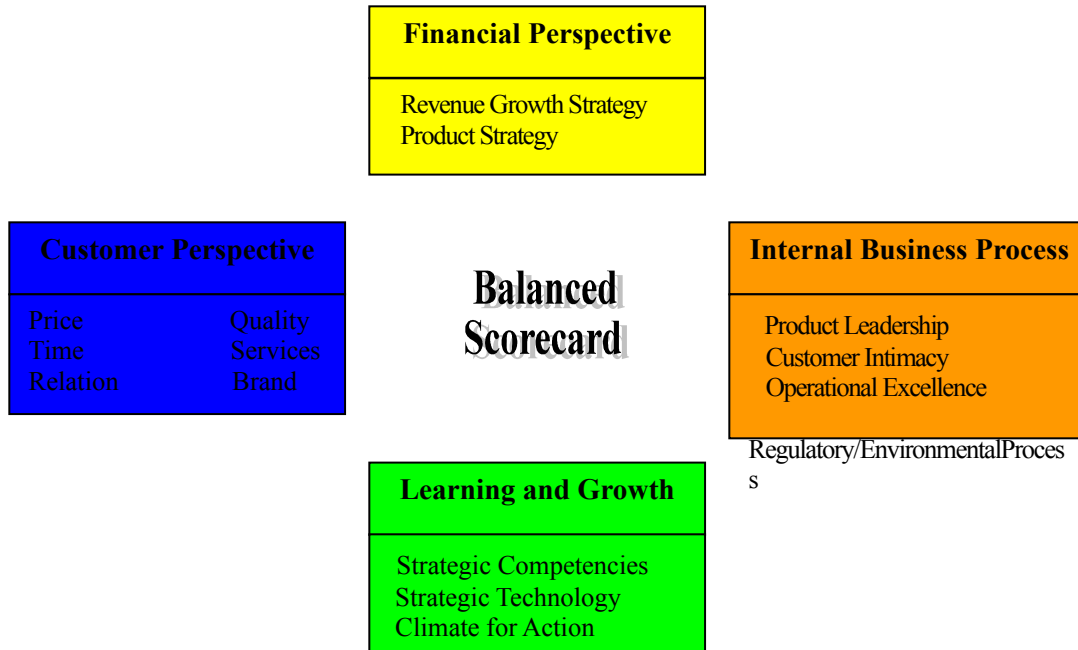
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# 1. Introduction & Background of the Project

## 1.1 Balanced Scorecard (BSC)

The Balanced Scorecard is a concept proposed by Robert Kaplan and David Norton. It is a performance measurement and management system using objectives to measure in four inter-related perspectives – financial, customer, internal process, and learning and growth. (Kaplan, Norton 1996) It enabled companies to track financial results while simultaneously monitoring progress in building the capabilities and acquiring the intangible assets they would need for future growth. The BSC is not a replacement for financial measures; it is a complement. (Kaplan, Norton 1996)

There are five important principles that help strategy execute rapidly in BSC. According to the article “The Balanced Scorecard” by Kaplan and Norton, the first principle is ‘Mobilize change through executive leadership’. BSC makes the executive team recognize that they should be actively involved in the project. The second principle is ‘Translate the strategy into operational terms’. Strategic objectives are organized from four perspectives: financial, customer, internal business processes, learning and growth. The third principle is ‘Align the organization to the strategy’. BSC helps to define the strategic linkages that integrate the performance of multiple organizations. The fourth principle is ‘Make strategy everyone’s everyday job’. In order for everyone to contribute to the organization, there are three processes required: using communication and education to create awareness, aligning personal objectives with the strategy, and linking compensation to the scorecard. And lastly, the fifth principle is ‘Make strategy a continual process’. Strategy should be linked to the budgeting process. There should also be a simple management meeting to review the strategy on a timely basis.



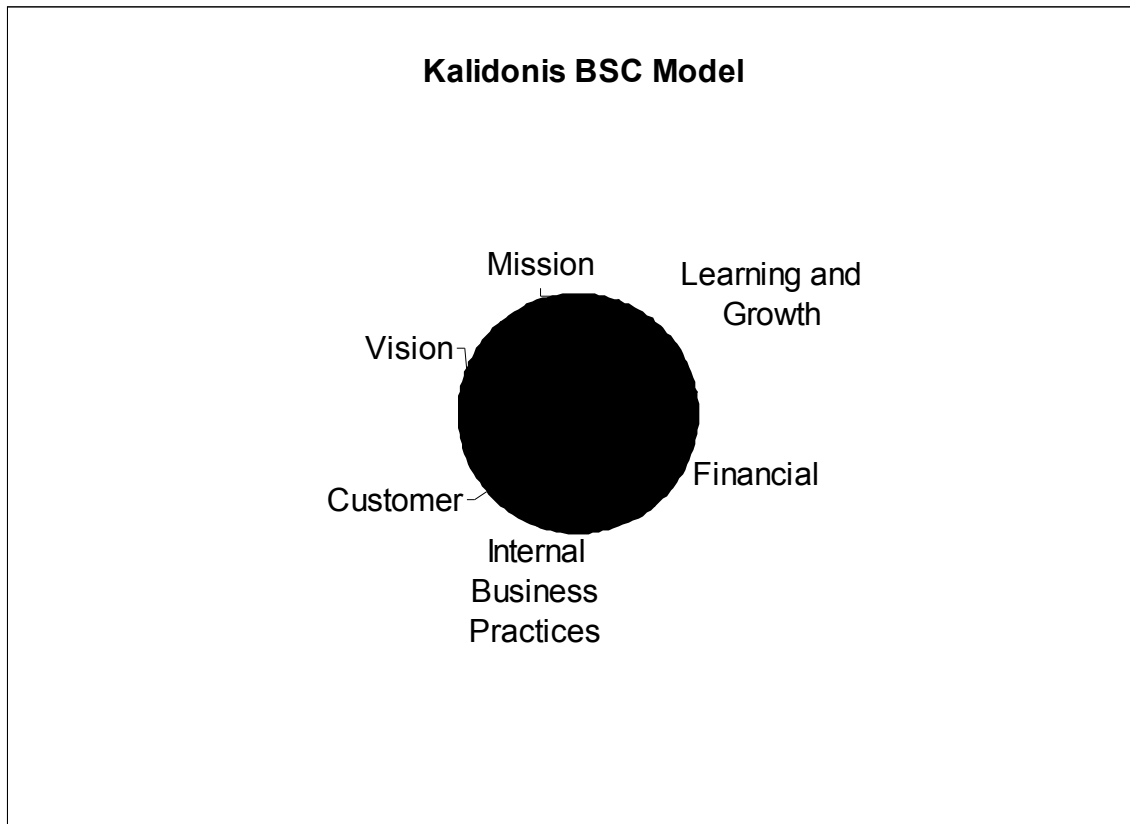
**Figure 1 Kaplan and Norton's Balanced Scorecard**

## 1.2 Strategic Management System (SMS)

Since the development of BSC by Robert Kaplan and David Norton, many strategic management softwares have implemented the BSC as part of their strategy framework. With the capabilities of the BSC as a framework for implementing and managing strategy, in addition to the Kalidonis model developed by Dr. George Kalidonis, the Strategic Management System was developed. Besides the four inter-related perspectives used by the BSC, the SMS software also includes vision and mission. Led by Dr. David Pistrui, the SMS Software aims at small to medium-sized family businesses in the Chicagoland area that have between 20 to 500 employees with value greater than \$10 million. (Final Report, Spring 2003)

The biggest advantage of the SMS is that it is free, and can be accessed anywhere with username and password as long as one can access to Internet. With its web-base capability, the management of a company can lay out their future planning even at home late at night, whenever wherever. With the newly added Spell Checking ability over the spring, and a well define glossary, help can be obtain easily.

This upcoming semester, the SMS software is going to be more conducive to customers. Therefore, users without any technical background or business background will find this software easy to use. The future looks promising for this newly developed software.



**Figure 2 Kalidonis BSC model**

## **2. Team Goals**

The following are the major goals that have been set for the Software Evaluation group

- Identify, organize and evaluate a series of different software systems.
- Analyze and create a rating system to benchmark and rank product/service offerings

- Develop and present examples of how different software systems can be integrated and applied to practice.

On further examination the following sub goals were identified to help the team complete the primary goals listed above.

- What are the primary and secondary concerns of the user of a management system, and how do we evaluate such a system from the users' view.
- Compile a list of our competitors in this area.
- Make a ranking system and use it to rank the strength and weaknesses of our competitors, preferably using a matrix and visually depict these aspects.
- Create an outline of a software comprised of the strengths of identified strengths of the competitive softwares
- Do a SWOT (strength, weakness, opportunity and threat) analysis of the competing software systems.
- Help Mappware in identifying its target market.

### **3. Business Plan**

The business plan we hope to develop will be based of our market research and the development of a super software template. The steps involved in the preparation of this plan will give rise to a series of initiative that will contribute to its content. After we have analyzed our competitors and done a SWOT analysis we will be able to identify our strengths and weaknesses and where our market share would be. We already know that we want to pursue medium sized family owned companies but can we get more specific then that? Do we want to focus in on a particular industry that would suit our strengths? Thus making our software more attractive to such a customer then any thing the competition has to offer.

## 4. Project Progress

### 4.1 Activity Schedule

<b>Date</b>	<b>Activities</b>	<b>Output &amp; Deliverables</b>	<b>Hours Spent</b>
6/2/03	Introduction/Overview Introduction to BSC & SMS software	Course Syllabus, Evaluation, Guidelines, Reading, Demo	3 hrs
6/4/03	Assignment 1 Discussion Project Plan development	1-2 page write up of readings, Establish teams, Captains, and Spokesperson, student SMS demos	3 hrs
6/9/03	Mappware.com presentation Project Plan development Problem Statement/Research Questions	Meet with Mappware Project management team, draft Project Plan outlines, Q&A	3 hrs
6/11/03	LACC presentation Project Plan development Primary Objective/Sub Objectives	Meet with LACC consultants, finalize Project Plans due 6/13	3hrs
6/12/03	Pick up Mappware Documents at Stuart Business School Read documents	Summary for each software due 6/16 include: 1) Strength 2) Target Market 3) Questions/Comments	5 hrs
6/16/03	Meet 10pm to discuss about Project Plan & come up with a Criteria List to which the softwares will be analyzed Assign sections of the Project Plan report, as well as which softwares to analyze for each member (2 softwares each)	Criteria List with rating scale, Project Plan sections due 6/19, software evaluations due 6/22	3 hrs
6/18/03	Meeting with System Redesign in class to share information/insights Evaluate Mappware	Draft Mappware evaluation	2 hrs
6/19/03	Meet 12 noon to combine sections of the Project Plan	Final Draft of Project Plan Draft SMS evaluation	5 hrs



	Redefine the Criteria List Evaluate SMS		
6/22/03	Meet 9pm to work on Power Point presentation Review & discuss software evaluations	Draft Power Point presentation	3 hrs
6/23/03	Short Power Point presentation and Q&A session	Power Point presentation	3hrs
6/24/03	Meet 3pm to work on revised Final Project Plan, Power Point presentation, & Mid Term Progress Report	Revised Final Project Plan, Power Point presentation	5 hrs
6/25/03	Power Point presentation	Power Point presentation	3hrs
6/26/03	Meet 3pm to work on Mid Term Progress Report	Mid Term Progress Report	6hrs

## 4.2 Market Research

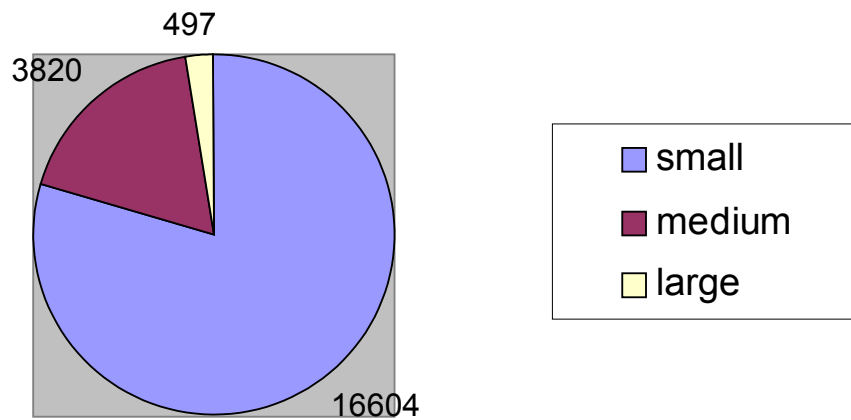
Small and medium-sized businesses are at the beginning of great expansion, according to the research of respected industry trade journals. In American Family Business Survey by Massachusetts Mutual Life Insurance Company and the Raymond Institute, the results show that the lack of strategic planning stress family businesses. Sixty percent of family businesses do not have a formal strategic plan for their business. And those that do have a strategic plan are making it useless by not communicating it effectively throughout the company. Companies that have no formal strategy plan and are on the edge of leadership change are the primary target market of the Strategic Management System software. (Final Report, Spring 2003)

## 4.3 Market Analysis

According to Small Business Administration and 1998 Business Reference Guide, the size of a company is defined by the number of employees and/or amount of businesses. It is divided as follow:

- Small: any business with 20 to 100 employees and/or priced at less than \$1 million
- Medium: any business with 101 to 500 employees and/or priced between \$1 million and \$20 million

- Large: any business with more than 500 employees and/or priced at more than \$20 million



**Figure 3 Division of target market**

The target market of this IPRO consists of family or closely held enterprises and non-profit/educational business in the Chicagoland area. And according to the Census reports of 2000, there are 3820 businesses out of 20,921 in the Chicagoland area that fit into our target market. (Final Report, Spring 2003)

Non-profit or educational businesses are hospitals, universities, schools, and chambers. The targeted market is lessened to businesses that are established and operated for more than 5 years. This will guarantee that the owners of business have business experience and understanding of the planning needs that the Strategic Management System can address.

#### 4.3.1 Current Demand

Current demand of our market is very optimistic. According to American Family Business Survey (AFBS) by Massachusetts Mutual Life Insurance Company and the Raymond Institute, about a third of the family business leadership is close to retirement age and close to 80 percent of CEOs are related to the controlling family by blood or adoption. Although 40 percent of leadership is expected to retire within the next five years, only 43 percent of these have chosen their successors, irrespective of CEO age. The AFBS said that these companies are not prepared for transition and also predicted the disruption of these companies for the reason that they fail to succeed their companies. (Final Report, Spring 2003)

#### 4.4 Competition Review

Our group, with the recommendation of Randy Rollinson from Mappware, has identified seven competing softwares: Mappware, I-think, Strategymap, iDashes,

Virtual CEO, Elevator, and Active Strategy. Up till now, we were able to identify some of the characteristics of the software based on the criteria list that is attached at the end of this report (see Appendix B). The following is a list of the strengths and weaknesses of the seven competing softwares, as well as SMS Version 2.0.

\*strengths are listed first, followed by weaknesses

**SMS** : Complete and easily assessable glossary; simple to use  
No graphical visualization

**Mappware** : Good role-base feature  
Glossary cannot be found; uninformative tutorial

**I-Think** : Good visualization  
High level of sophistication; time consuming

**StrategyMap** : Very flexible (Customer can redesign/change the software depending on their needs); provide training on how to customize the software;  
flexible server features  
Do not offer online demo

**I-Dashes** : Very good visualization; simple to use; very detail strategy mapping;  
motivate users to keep using it  
Require advanced hardware systems

**Virtual CEO** : Easy to use; not time consuming at all  
Does not support multiple users; not role-based

**Elevator** : *Cannot be determine due to lack of information*

**Active-Strategy** : Good branding  
Bad customer services

## 4.5 Competitor Comparison Guide

Below is a flowchart which shows how we analyzed each competitive softwares. For more detailed information, refer to Appendix B & C.

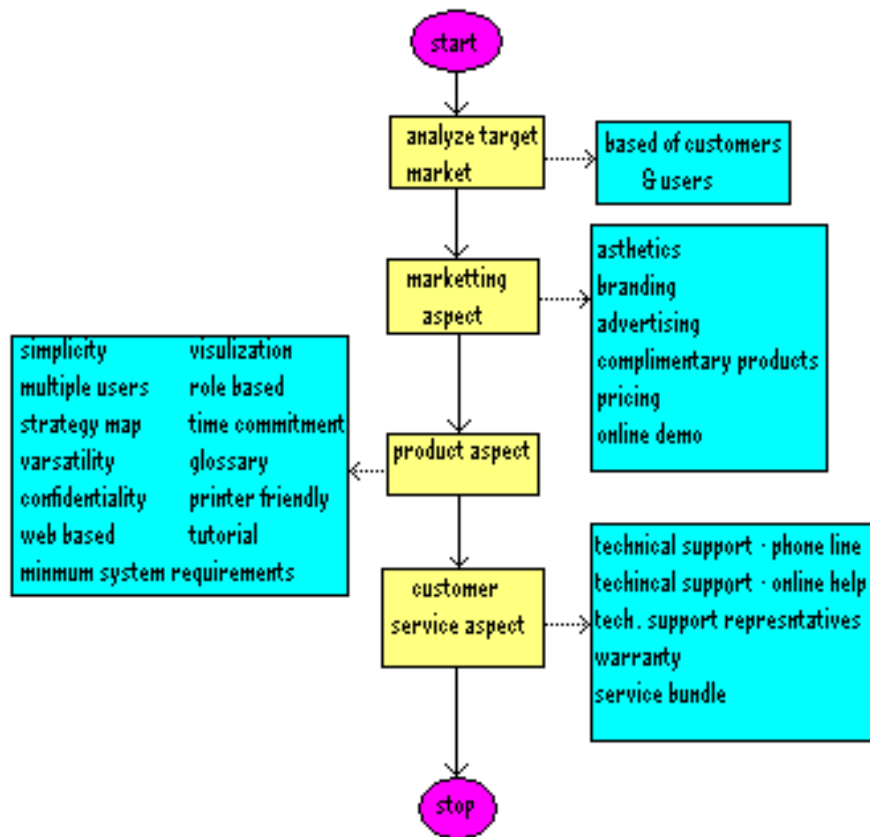


Figure 3 Evaluation process of softwares

## 5. Future Planned Progress

### 5.1 Activity Schedule

6/27/03	Meet 3pm to evaluate all the softwares in-depth as a team Develop an example of how different softwares can be integrated together into a super software Develop an example of how SMS can be synergize with other softwares	Software evaluations Example of a super software Example of how SMS can be synergize with other softwares	4 hrs
6/30/03	Review & Project Improvement Workshop	Refocused objectives, list of CSFs, outline of final deliverables including dates	3 hrs
7/2/03	Open Meeting-Development Workshop	Focused on specific team needs, draft sections of final reports	3 hrs
7/7/03	Module and Working Group Activity Update & Progress Reviews	Q&A discussion, project reviews	2.5 hrs
7/8/03	Midterm Progress Report and Project Plan revision	Finalized Midterm Progress Report and Project Plan	5 hrs
7/9/03	Open Session-Module-Group meetings Combine sections of Final Report Send Draft Final Report to be proof read	Individual meetings Draft Final Report	3 hrs*
7/11/03	Meet 3pm to work on Team Power Point presentation	Parts of the Team Power Point presentation	4 hrs*
7/14/03	Work on Team Power Point Presentation	Team Power Point presentation, cover any key issues/questions	3 hrs
7/16/03	Final Team Presentation Development of Final Presentation for IPRO day	Short Team Presentations, Draft Final Presentation	3 hrs

7/18/03	Meet 3pm to finalize Final Report	Final Report	5 hrs*
7/21/03	Assemble Final Report Practice Final Presentation	Hardcopy, CD-Rom, Power Point presentation	3 hrs*
7/23/03	Submit Final Deliverables, Presentation	Submit Final Report, Web page, Poster, & Practice Final Presentation	3 hrs*
7/24/03	IPRO Day Stuart Business School	Final Presentation & Poster Session Business, 4-6pm	1 hr*

\*estimated time

## 5.2 Deliverable Breakdown by Members

Date	Deliverable	Team member responsible
6/27/03	Software evaluations Example of a super software Example of how SMS can be synergize with other software's	Software evaluation: Kae Bin: I-Think, Strategy Map.com Tak Man: Virtual CEO, I-dashes.com Ji Hae : Active strategy.com, Elevator.com Syed : Mappware Examples of super Software: All group members
6/30/03	Refocused objectives, list of CSFs, outline of final deliverables including dates	List of CSFs : Syed , Kae Bin Outline of final deliverables : Tak Man, Ji Hae
7/1/03	Draft sections of Final Reports	Final Report initial draft: All group members
7/2/03	Focused on specific team needs, draft sections of final reports	Final Report 1 <sup>st</sup> draft: All group members
7/4/03	2nd Draft sections of Final Report Sections of Final Report due 7/9	Final Report 2 <sup>nd</sup> draft: All group members
7/7/03	Q&A discussion, project reviews	
7/9/03	Individual meetings Draft Final Report	All group members
7/11/03	Parts of the Team Power	Introduction& Conclusion: Kae Bin

	Point presentation	Rest of the Presentation: Tak Man, Ji Hae, Syed.
7/14/03	Team Power Point presentation, cover any key issues/questions	Redone power point : All group members
7/16/03	Short Team Presentations, Draft Final Presentation	Introduction& Conclusion: Kae Bin Rest of the Presentation: Tak Man, Ji Hae, Syed.
7/18/03	Final Report	Final Report: All group members
7/21/03	Hardcopy, CD-Rom, Power Point presentation	Hardcopy : Ji Hae CD-rom: Syed Husain Presentation : All group members.
7/23/03	Submit Final Report, Web page, Poster, & Practice Final Presentation	Final Report Submission : Tak Man Web page, Poster, & Practice Final Presentation : All group members
7/24/03	Final Presentation & Poster Session Business, 4-6pm	All group members

## 6 Bibliography/Source

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Rollinson, Randy, President of LBL Strategies, June 9, 2003.

Speese, Dwain, K., Financial Consultant of Chicago Minority Business Development Center, June 11, 2003.

Zikmund, William G., and d'Amico, Michael, "The Power of Marketing," 7<sup>th</sup> Edition, South-Western Publishing, 2001



## Appendix A - Full Contact List

### Faculty

		Phone number	School	Address
Dr. David Pistrui	pistrui@stuart.iit.edu	312.371.8190	Stuart Graduate School of Business	Suite 420 565 W. Adams St. Chicago, IL 60661

### Team Members

		Phone number	School	Address
Kae Bin Tang	tankae@iit.edu	██████████	Illinois Institute of Technology	██████████
Tak Man Wong	wongtak@iit.edu	██████████	Illinois Institute of Technology	██████████
Jihae Yoo	yoojiha@iit.edu	██████████	Illinois Institute of Technology	██████████
Syed husain	Hussye5@iit.edu	██████████	Illinois Institute of Technology	██████████

### Companies

Dwain K. Speese	dspeese@ latinamericanchamberofcommerce.com	773.252.6300	Chicago Minority Business Development Center	3512 W. Fullerton Ave., Chicago, IL 60647
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**AGREEMENT**

We the members of the Software Evaluation Team, belonging to the Technology Design and Development Module, agree to work as diligently as possible and equally distribute work among the group. We shall not place all the work on one team member and shall work together to follow our objectives, our mission and our vision to produce the deliverables by their due dates.

We hereby sign our names after having read the above agreement and understood it.

Kae Bin Tan

\_\_\_\_\_ Date \_\_\_\_\_

Tak Man Wong

\_\_\_\_\_ Date \_\_\_\_\_

Jihae Yoo

\_\_\_\_\_ Date \_\_\_\_\_

Syed Husain

\_\_\_\_\_ Date \_\_\_\_\_