

Beyond Budgeting Round Table (BBRT) Meeting

BBRT 37

17 May 2006, London, England

Agenda

This is the first BBRT European General Member's meeting for 2006 and is sponsored by Cognos. The main focus of the BBRT meetings in 2006 is on implementing the Beyond Budgeting principles in organisations, both through case studies of successful implementations and through sharing experiences with other members. The first session of this meeting will examine how a large global manufacturing organisation manages in a radically different way to its competitors. We will then discuss the issues that come from this, relating them to the participants own experiences. Our sponsoring organisation, Cognos, will then discuss how a leading software vendor is facing up to the challenges posed by the Beyond Budgeting movement. The third session will examine how a large European organisation in the financial services sector is implementing a total transformation We will then move on to examining member's own experiences where each member will be encouraged to briefly share their plans, experiences and challenges with their own implementations.

This will be a working meeting with the emphasis on information sharing and open discussion. As always the meeting will be conducted in the spirit of the Chatham House rule and the BBRT code of conduct.

Tuesday, 16 May

19:30 Informal Dinner

On the evening before the meeting we are arranging an informal dinner for all participants. This is an excellent occasion in which to meet the other BBRT members in an informal setting and to network. The venue will be notified nearer the date, but it will be congenial and moderately priced. As is our usual practice the bill will be split equally among the participants.

Wednesday, 17 May

09:00 Welcome and Introduction - *Steve Morlidge, Unilever and Peter Bunce, BBRT*

Steve Morlidge, Unilever and BBRT Chairman, will open the meeting and welcome existing members and guests. *Peter Bunce, BBRT* will then review progress to date and review the agenda for the meeting.

09:15 The Dell business model - *Patrick Cowden, Dell*

Dell is the market leader in the PC business. They have created a cost-efficient way to market and manufacture their products by "cutting out the middleman" and selling directly to customers. *Patrick Cowden, Director and General Manager, Corporate Business, Dell Germany*, will explain Dell's business model and the components that have enabled them to take this market lead. Their business model is simple in concept, but complex in execution. However, it shares many similarities with the Beyond Budgeting model.

10:15 Break

10:35 Discussion of the Dell business model - *All*

Patrick Cowden's presentation will doubtless raise many issues with the BBRT members. This interactive session will give members the opportunity to discuss with Patrick the issues raised in his presentation. This is an excellent opportunity to "get under the skin" of a significant change in a major global business.

11:25 **The Next Brass Ring - Robin McNeill, Cognos**

A leading software vendor faces up to one of the biggest challenges posed by the Beyond Budgeting movement. "Giving up control is very difficult, but it's virtually impossible if you have no idea of what you might be getting in its place... See, the big question leaders are asking themselves is, 'What ring am I reaching out to grab as I let go of this other one? Because in between I am hanging in space'." - Peter Senge quoted in the book Beyond Budgeting.

Robin McNeill, Vice President of Portfolio Development at Cognos addresses the question: *Can we fix this problem by working in the system, or should we be working on the system?* If the next brass ring is not in view, the answer is clear. We need to design a new system that includes the next brass ring, in order that it can be seen, and grasped. This interactive session will explore views on where the BBRT sees the biggest risks and opportunities in creating and deploying that new system.

12:45 **Lunch**

13:45 **A strategy-focused planning system - Sven Edvinsson, Nordea**

Sven Edvinsson, Senior vice president and Head of Group Planning, Nordea Bank, will explain their moves to a new planning and performance management model (PPM). This has three main elements, a balanced scorecard for forward strategy, a rolling forecast covering 5 quarters and service level agreements for the central activities. Nordea Bank is a leading financial services group in the Nordic region with approximately €311 billion in assets. It was formed by the merger first of MeritaNordbanken and Unidanmark and then the takeover of the Norwegian bank Christiania Bank og Kreditkasse.

14:45 **Break**

15:00 **Discussion of the Nordea Bank case - All**

Sven Edvinsson's presentation will doubtless raise many issues with the BBRT members. This interactive session will give members the opportunity to discuss with Sven the issues raised in her presentation. This is an excellent opportunity to "get under the skin" of a significant change in a major European financial institution.

15:40 **Inside-Out or Outside-In - Robin Fraser and Franz Rösli. BBRT**

Robin Fraser and Franz Rösli will give a short presentation on the two major approaches to implementing Beyond Budgeting. These are the inside-out approach that starts with the problems of budgets and then moves on to adaptive processes, and the outside-in approach that starts with the changing world and moves on to devolved leadership. They will outline the advantages and disadvantages and the benefits and requirements.

15:55 **The implementation journey - All members**

This session provides the opportunity for a more general sharing of experiences and plans on implementing the Beyond Budgeting principles. Member organisations can give a short presentation of their plans, progress to date and challenges for the future. These presentations are expected to take about 10 minutes each and may be accompanied by slides (this is not mandatory). BBRT Member organisations are requested to come prepared to give such an outline of their activities. This kind of forum is at the heart of shared learning, one of the major benefits of BBRT membership. It will provide some valuable and practical implementation information.

16:30 **BBRT Research - Jeremy Hope, BBRT**

Jeremy Hope, BBRT, will give a brief overview of recent BBRT research developments including the new research series on tools and techniques.

16:50 **Closing remarks - Peter Bunce**

17:00 **Close of meeting**

Meeting Location:

Old Refectory
University College London (UCL)
Gower Street
London, WC1E 6BT

Meeting Sponsor:

Cognos