

# Realizing company strategy every day

**To succeed Linde Gas Italia redirected its strategy to focus on profitable growth. Balanced Scorecard and the Prodacapo software solution were essentials to get the entire organization to focus on the new strategy.**

Linde Gas is the fifth largest gas company in the world and the second largest in Europe. In 1991, the company entered the consolidated Italian hundred-year-old gas market. Linde Gas Italia S.r.l. was set up as a local company with a staff of ten and a market share of practically zero. The company strategy was to establish market position and grow market share.

## The Linde challenge

Ten years later, Linde Gas Italia S.r.l. had grown considerably. The company employed 260 people, posted earnings of EUR 100m, and now ranks fifth in the Italian gas market. From this position, the firm's strategic focus had to shift from growing overall market share to profitable market growth in specific segments.

At this stage, the management team at Linde Gas Italia S.r.l. faced a challenge. How could they refocus the entire company on this new strategy? How could they possibly align all 260 employees? And after that, how could they make the new strategy the foundation for everyday deci-

sion-making? And last but not least: how could they measure success? These were issues facing the management team of Linde Gas Italia S.r.l. at the end of 2001.

## Selecting partner and software

The management team decided to apply the Balanced Scorecard concept to achieve a strategy-focused organization. They chose Core GmbH as their partner to move forward. Core GmbH was a corporate development firm that had previously worked with both Linde Gas and BMW.

But Balanced Scorecard required a software solution to go with it. Linde Gas Italia S.r.l. found that the Prodacapo Balanced Scorecard software solution best fit their needs. There were four key advantages that came with the Prodacapo solution:

- It provides a logical one-page scorecard overview, which was superb for communicating the purpose of the scorecard, as well as for use at management meetings.
- Ease-of-use
- Superior cost/benefit
- Possibility to later add other modules of the Prodacapo Enterprise Performance Management software suite

Moreover, Linde Gas Australia and the Austrian subsidiary already used Prodacapo Balanced Scorecard, with outstanding results.

## Changing into a strategy-focused organization

Linde implemented the Balanced Scorecard over a period of six months, split into two phases. Phase one included



**Linde Gas Italia redirected its strategy. One of the questions was how to refocus the entire company on this new strategy.**

workshops to formulate and verify strategy and the critical success factors, CSF's, for the various levels of the company.

One of the participants during the first phase commented:

"We all thought we knew company strategy. But from here, it was a long way to really align the strategy."

Everyone needed a considerable amount of discussion during phase one before they could agree on a strategy and commit themselves to it.

The implementation method used by Linde Gas Italia was critical for the success of the entire project – as was achieving this agreement and commitment.

### FACTS Linde Gas Italia

Linde Gas Italia is part of the Linde Gas Group, the fifth largest gas company in the world and the second largest in Europe. The company, headquartered in Munich, Germany, with revenues in excess of EUR 3.9bn, has 17,500 employees and operates in over fifty countries. The business is split into two divisions – industrial and medical gases. Linde Gas also provides service solutions such as gas applications, maintenance, plant operation, and plant contracting.

**Staff:** 260 employees

**Turn over:** EUR 100m

**Prodacapo product:** Prodacapo Balanced Scorecard



**“The project was very successful and we kept the time schedule”, says project manager Roberto Parola (right).**

“The top-down and bottom-up approach to establish and check the strategy and the CSF’s turned out to be perfect. Our approach led to high employee involvement and very high-quality scorecards,” says head of marketing Pierluigi Picotti.

All in all, fifty people – nearly 20 per cent of all employees – were involved in workshops during the process of establishing the Balanced Scorecard.

According to Christian Friedrich at Core GmbH, three more success factors contributed to the success of the project:

- The managing director had personally driven the project
- A high degree of involvement among top managers

**FACTS Core GmbH**

Core is a top management-consulting firm focused on corporate development. Core “scouts companies to discover their quintessence.” The company has its head office in Munich, Germany.

- Work in parallel to resolve any cultural challenges that could have had a negative impact on the relations between functional divisions

The second implementation phase included Prodacapo Balanced Scorecard system set-up – collecting data and training staff in how to use the system.

“The project was very successful. We kept the time schedule. Indeed, no changes to the time schedule were ever required,” says project manager Roberto Parola.

**Focus on strategy realization**

Linde Gas Italia S.r.l. has now the following Balanced Scorecard set-up: one corporate-level scorecard and one scorecard each for its five operating divisions. In addition, company employees make personal commitments to targets. These commitments are then linked to the targets of divisional scorecards. Monthly review meetings at both corporate and divisional levels always begin by going over Balanced Scorecards.

Every employee has access to all scorecards via the company intranet.

“The Prodacapo Balanced Scorecard software solution is very easy to use. This is of major importance for our users. People will only use a solution in their working

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RITA BUTTERI,  
HEAD OF HUMAN RESOURCES,  
LINDE GAS ITALIA

environment if it’s easy to use,” says Rita Butteri, head of human resources. “Prodacapo Balanced Scorecard enables us to communicate the plans and targets and what we specifically need to do to attain these goals. It creates focus within the organization to realize strategy.”

Concludes Joerg Michael Wilke, Managing Director of Linde Gas Italia S.r.l. “Our Balanced Scorecard, with its related tools, is a driving force in our change process to become the most profitable company in our industry, providing leadership in both service and technology. The Prodacapo Balanced Scorecard solution puts us in the driver seat to really focus on our strategy – every day,”



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