The Balanced Scorecard

What is it?
Why it’s important?
What it’s done for the public sector?
What is The Balanced Scorecard?


♦ A performance management framework that tracks the execution of strategy and performance
Why is it important?

♦ Balances both internal and external stakeholder concerns
♦ Helps identify processes for meeting citizen and stakeholder objectives
♦ Enables every employee to see their contribution to organizational results
What’s it done for the Public Sector?

♦ U. S. Coast guard – 50% drop in average number and volume of oil spills.

♦ Charlotte, N.C. – Integration of common goals across departments. Voted in Top 5 Best Cities to Live.

♦ U. S. Postal service increased on-time delivery rate to over 90 percent with 20 percent increase in customer satisfaction.
What it’s done for the Public Sector?

♦ 277 cities have instituted some form of performance management/measurement
♦ 39 counties
♦ 44 sewer districts
♦ 125 water districts
♦ 32 public utility districts
Strategy Maps visualize the big picture

<table>
<thead>
<tr>
<th>IT BALANCED SCORECARD TEMPLATE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINANCIAL</strong></td>
</tr>
<tr>
<td>Maximize Value Creation</td>
</tr>
<tr>
<td>Maximize Shareholder Returns</td>
</tr>
<tr>
<td>Manage Unit Costs of IT</td>
</tr>
<tr>
<td><strong>CUSTOMER</strong></td>
</tr>
<tr>
<td>Maximize Business Unit Productivity</td>
</tr>
<tr>
<td>Achieve Business Unit Strategies</td>
</tr>
<tr>
<td>CREDIBILITY</td>
</tr>
<tr>
<td>Demonstrate Competitive Costs</td>
</tr>
<tr>
<td>Deliver Quality Management</td>
</tr>
<tr>
<td><strong>INTERNAL BUSINESS PROCESS</strong></td>
</tr>
<tr>
<td>Solutions Leadership</td>
</tr>
<tr>
<td>Align Enabling Solutions</td>
</tr>
<tr>
<td>Understand Emerging Applications</td>
</tr>
<tr>
<td>Deliver on Schedule</td>
</tr>
<tr>
<td>Knowledge Management</td>
</tr>
<tr>
<td><strong>LEARNING/ GROWTH</strong></td>
</tr>
<tr>
<td>Attract and Retain Skills</td>
</tr>
<tr>
<td>Focus on Career Development</td>
</tr>
<tr>
<td>Promote a Culture of Innovation</td>
</tr>
<tr>
<td>Acquire Skills in Technologies</td>
</tr>
</tbody>
</table>

Enterprise Control Systems, Inc.
Why would we need a Balanced Scorecard?

♦ At a glance performance measurements and results within all departments in four categories; Financial performance, citizen knowledge, internal business processes, and cross-departmental dependencies.

♦ Effectively communicates with elected officials and the public.

♦ Achieves results in short time frame.
How to use The Balanced Scorecard?

♦ Link mission and vision to budget requests.
♦ Increase departmental coordination to eliminate waste and duplication.
♦ Demonstrate value of programs to public.
♦ Align mission, strategy, workflow and personal performance.
What are the reasons for little or no impact?

♦ Vision and strategies poorly defined, understood, and not actionable.
♦ Strategies and goals that are not linked to performance measures, drivers.
♦ Strategies not linked to resource allocation and budget.
♦ Measures set independently.
♦ Performance targets too high or too low.
♦ Lack of meaningful employee involvement.
What makes up a good Balanced Scorecard system?

♦ Senior executive buy-in to change management philosophy.
♦ Easily understood and workable “stretch goals.”
♦ Clear cause-effect relationships among strategies, objectives, measures, initiatives, and resources.
♦ Leading and lagging measures that help validate strategies and chart new directions.
♦ Good communications that enable everyone to contribute to dynamic changes to meet requirements.
Successful Implementations

“Organizations that incorporate balanced scorecards into financial statements provide stakeholders with valuable decision making information about the future direction of the organization.”

- American institute of certified public accountants
Making Balanced Scorecards Actionable

- Make use of an automated performance management system
- Measure performance from multiple sources
- Integrate it into meeting agendas
- Continuous Improvement makes it better
- Dedicate a champion at every level
Reach for the Stars

♦ Project manage the effort
♦ Utilize experienced, objective consultants
♦ Communicate on-going effort
♦ Get visual and numerical quickly
♦ Reinforce accountability but not blame

For more about how we can facilitate your Balanced Scorecard effort, email us at info@enterprise-control.biz