Balanced Scorecard Institute ™

Understanding Balanced Scorecards and Strategy Maps

Upstate Medical University

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What is a Balanced Scorecard?

An *integrated strategic planning and performance management system* that:

- Communicates with clarity an organization’s vision, mission, and strategy to employees and other stakeholders
- Aligns day-to-day work to vision and strategy
- Provides a framework for prioritizing programs, projects, services, products and resources
- Uses strategic performance measures and targets to measure progress
OVERVIEW: WHAT IS A BALANCED SCORECARD?

A Strategic Management System Connects the Dots Between Strategy and Action

**Strategic Objectives**
Are Continuous Improvement Activities that we have to implement for success

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**Strategy Maps**
visualize strategy

**High Level Strategy Elements**
provide high level context

**Measures**
are used to track organizational performance.

**Targets**
are the desired level of performance for each measure.

**Strategic Initiates**
are projects that help you reach your targets.

**Mission/Vision/Values/Strategic Themes/Results**

**Strategy Map/ Objectives**

**Measures**

**Targets**

**Initiatives**

<table>
<thead>
<tr>
<th>Financial</th>
<th>Customer</th>
<th>Process</th>
<th>Organizational Capacity</th>
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### Overview: What is a Balanced Scorecard?

Strategic Performance Should be Monitored From Different *Perspectives*

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Key Measures</th>
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</table>
| **Financial or Stewardship** | • Financial Performance  
                              | • Effective Resource Use                          |
| **Customer & Stakeholder**   | • Customer Value  
                              | • Satisfaction and/or Retention                   |
| **Internal Process**         | • Efficiency  
                              | • Quality                                         |
| **Organizational Capacity or Learning & Growth** | • Human Capital  
                              | • Infrastructure & Technology  
                              | • Culture                                         |
**Government Strategic Planning and Management System Example**

<table>
<thead>
<tr>
<th>Vision:</th>
<th>Government Reform</th>
<th>Nurturing Children and Families</th>
<th>Public Safety</th>
<th>Economic Abundance</th>
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<tbody>
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<td>Provide effective and fiscally responsible services in a manner that promotes high standards for community life</td>
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<td>Create a safe, thriving and engaged community so families can flourish through achievement of social, mental, physical and cultural well-being.</td>
<td>Create and maintain a safe, secure community-oriented city that is clean and vibrant.</td>
<td>Offer abundant opportunity for financial stability and advancement for all socio-economic levels.</td>
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**Strategic Objectives and Strategy Map**

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<th>Increase Quality of Life</th>
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**Measures**

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<tr>
<td>Constituent/Stakeholder</td>
<td>Livability satisfaction score</td>
<td>&gt;90% this year</td>
<td>Green Space program</td>
</tr>
<tr>
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<td>Per capita service utilization</td>
<td>65% this year</td>
<td>Community engage committee</td>
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<td>Constituent/Stakeholder</td>
<td>Per capita income</td>
<td>↑3% this year</td>
<td>Partnering program</td>
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<tr>
<td>Constituent/Stakeholder</td>
<td>Tourism revenue</td>
<td>↑6% this year</td>
<td></td>
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<tr>
<td>Financial Stewardship</td>
<td>Controllable expenses</td>
<td>↓5% this year</td>
<td>Simplify tax payments</td>
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<tr>
<td>Financial Stewardship</td>
<td>Asset value</td>
<td>↑8% this year</td>
<td>Asset resale program</td>
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<tr>
<td>Financial Stewardship</td>
<td>Strategic projects on time and budget</td>
<td>95% this year</td>
<td>Energy savings program</td>
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<tr>
<td>Business Processes</td>
<td>Index of program results</td>
<td>85% this year</td>
<td></td>
</tr>
<tr>
<td>Business Processes</td>
<td>Shared systems</td>
<td>35% this period; 50% this year</td>
<td>Partner recruitment program</td>
</tr>
<tr>
<td>Business Processes</td>
<td>Response time changes</td>
<td>↑5% this period</td>
<td>City marketing program</td>
</tr>
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<td>Business Processes</td>
<td>Audit score of communication effectiveness</td>
<td>&gt;90% this period</td>
<td>Satisfaction surveys</td>
</tr>
<tr>
<td>Organizational Capacity</td>
<td>Recruitment effectiveness</td>
<td>&gt;80% this period</td>
<td>Customer service training</td>
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<td>Organizational Capacity</td>
<td>Retention effectiveness</td>
<td>92% this year</td>
<td>Individual development plans</td>
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<td>Training effectiveness</td>
<td>&gt;93% this period</td>
<td>Program evaluation process</td>
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<tr>
<td>Organizational Capacity</td>
<td>Employees use of appropriate technology</td>
<td>↑45%</td>
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- Integrity-Based Leadership
- Ethics
- Accountability
- Commitment to Excellence
- Citizen-Centered
- Mutual Respect

**Overview: What is a Balanced Scorecard?**

**Government Reform**
- Maintain an ethical and transparent government that engages its constituents and provides effective and efficient services.

**Nurturing Children and Families**
- Create a safe, thriving and engaged community so families can flourish through achievement of social, mental, physical and cultural well-being.

**Public Safety**
- Create and maintain a safe, secure community-oriented city that is clean and vibrant.

**Economic Abundance**
- Offer abundant opportunity for financial stability and advancement for all socio-economic levels.

**Strategic Objectives and Strategy Map**

**Constituent/Stakeholder**
- Improve Program Outcomes
- Increase Quality of Life
- Improve Awareness and Accessibility

**Financial Stewardship**
- Reduce Waste
- Improve Land and Asset Management

**Business Processes**
- Improve Delivery Services
- Improve Efficiency and Effectiveness
- Improve city Promotion/Marketing

**Organizational Capacity**
- Increase Staff Quality
- Improve Utilization of Technology

**Communicate**

**Strategy Map is Your Story of Value Creation**

**Targets**
- Livability satisfaction score: >90% this year
- Green Space program
- New business startup program

**Initiatives**
- Sustainability program

**Values**
- Integrity-Based Leadership
- Ethics
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OVERVIEW: WHAT IS A BALANCED SCORECARD?

Government Strategic Planning and Management System Example

**Vision:**
Be a world-class model for a successful urban community

**Mission:**
Provide effective and fiscally responsible services in a manner that promotes high standards for community life

**Strategic Themes:**
- Government Reform
- Nurturing Children and Family
- Economic Abundance

**Strategic Results:**
- Maintain an ethical and transparent government that engages its constituents and provides effective and efficient services.
- Create a safe, thriving and engaged community so families can flourish through achievement of social, mental, physical and cultural well-being.
- Create a secure, community-oriented city that is clean and vibrant.
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**Organizational Capacity:**
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**Measures**
- Livability satisfaction score
- Program satisfaction score
- Per capita service utilization
- Per capita income
- Tourism revenue
- Controllable expenses
- Asset value
- Strategic projects on time and budget
- Index of program results
- Shared systems
- Response time changes
- Audit score of communication effectiveness
- Recruitment effectiveness
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- Training effectiveness
- Employees use of appropriate technology

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**Initiatives**
- Green Space program
- New business startup program
- Community engage committee
- Partnering program
- Simplify tax payments
- Asset resale program
- Energy savings program
- Partner recruitment program
- City marketing program
- Satisfaction surveys
- Customer service training
- Individual development plans
- Program evaluation process

- Integrity-Based Leadership • Ethics • Accountability • Commitment to Excellence • Citizen-Centered • Mutual Respect

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**Organizational Capacity:**
- Increase Staff Quality (Increase Staff Quality)
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Organizational Strategy Can Be Aligned By Cascading to Different Tiers

Tier 1: Organization-wide

Tier 2: Departments
Tier 2: Business Units
Tier 2: Support Units

Tier 3: Teams and Individuals

Tier 1 Scorecard: Strategy defined in a top-level strategy map and scorecard

Tier 2 Scorecards: Aligned strategy defined in business and support unit scorecards

Tier 3 Scorecard: Aligned personal objectives defined by job descriptions and work assignments

Mission/Vision/Values/Strategic Themes/Results

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