

Balanced Scorecard Institute ™

Understanding Balanced Scorecards and Strategy Maps





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

Mission/Vision/Valu	nancial			
Strategy Map/ Objectives	Measures	Targets	Initiatives	
Financial ←				
Customer				
Process				
Organizational Capacity				



A Strategic Management System Connects the Dots Between Strategy and Action

Are Continuous
Improvement Activities
that we have to
implement for success

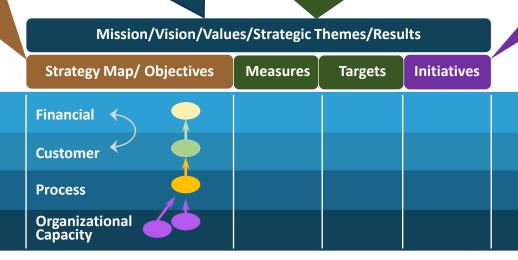
Strategy Maps visualize strategy

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.

are projects that help you reach your targets.





Strategic Performance Should be Monitored From Different *Perspectives*

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

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 Families		Public Safety		Economic Abundance		
Strategic Results:	Maintain an ethical and transparent government that engages its constituents and provides effective and efficient services.	so families can flourish through achievement of		Create and maintain a safe, secure community-oriented city that is clean and vibrant.		Offer abundant opportunity for financial stability and advancement for all socioeconomic levels.		
Strategic Objectives and Strategy Map			Measures		Targets	Initiatives		
Constituent/ Stakeholder Increase			Livability satisfaction score Program satisfaction score		• >90% this year • >85% this year	 Green Space program New business startup		
Improve Program Outcomes Quality of Life Awareness a Accessibility		reness and	• Per capita service utilization		• 65% this year	program		
		cessibility			• ↑ 3% this year	Community engage committee		
		^	Tourism revenue		• ↑ 6% this year	Partnering program		

Financial Improve Land Stewardship Reduce and Asset Waste Management **Business Processes Improve Improve** Improve city Promotion/ Efficiency and Delivery Services **Effectiveness** Marketing Organizational Capacity Improve

Utilization of

Technology

Increase Staff

Quality



[•] **¥**5% this year Controllable expenses Simplify tax payments Asset value • ↑8% this year Asset resale program Energy savings program Strategic projects on time and budget • 95% this year Index of program results 85% this year 35% this period; 50% Partner recruitment Shared systems this year program City marketing program Response time changes ↑5% this period Satisfaction surveys Audit score of communication >90% this period effectiveness Recruitment effectiveness > 80% this period Customer service training Individual development Retention effectiveness • 92% this year Training effectiveness >93% this period Porgram evaluation Employees use of appropriate technology • **↑**45% process

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

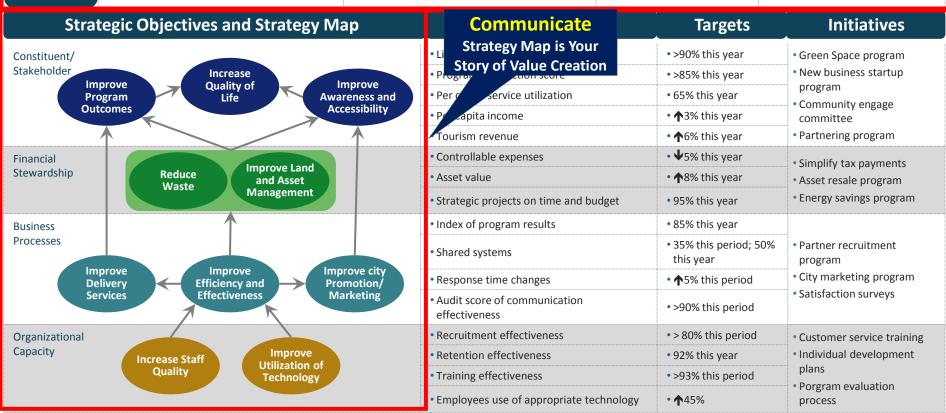
Communicate

OVERVIEW: WHAT IS A BALANCED SCORECARD?

Vision, Mission & Strategy

ent 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 **Government Reform Nurturing Children and Families Public Safety Economic Abundance** Themes: Maintain an ethical and transparent Create a safe, thriving and engaged community Create and maintain a safe, Offer abundant opportunity for Strategic government that engages its constituents so families can flourish through achievement of secure community-oriented financial stability and **Results:** and provides effective and efficient social, mental, pyshical and cultural well-being. city that is clean and vibrant. advancement for all socioservices. economic levels.



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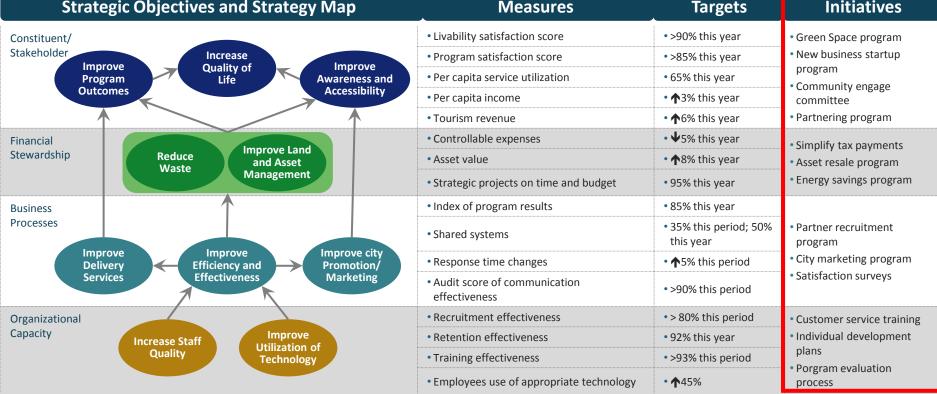
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Vision:	Be a world-class model for a successful urban community								
Mission:	Provide effective and fi	scally responsible services in a mani Measur			asure	re ds for community life			
Strategic Themes:	Government Reform	Nurturin	Jurturing Children and Far Strategic Prog		_	y	Economic Abundance		
Strategic Results:	Maintain an ethical and transparent government that engages its constituents and provides effective and efficient services.	so families ca	ate a safe, thriving and engaged community amilies can flourish through achievement of secure and initial secure and initial secure are also achievement.		ate a sur itain a ure a sur inity-or	iented ⁄ibrant.	Offer abundant opportunity for financial stability and advancement for all socioeconomic levels.		
Strat	tegic Objectives and Strategy M	lap	Measu	ires	Та	rgets	Initiatives		
Constituent/			 Livability satisfaction sc 	ore	•>90% th	is year	Green Space program		
Stakeholder Improve Quality of Life Awareness and			Program satisfaction scorePer capita service utilizationPer capita income		•>85% th	is year	• New business startup		
					• 65% thi	s year	program		
Outcomes		• ↑ 3% th			is year	 Community engage committee 			
		Tourism revenue		• ↑ 6% th	is year	Partnering program			
Financial Stewardship Reduce Waste Improve Land and Asset Management		Controllable expenses Asset value Strategic projects on time and budget		• ↓ 5% th	is year	Simplify tax payments			
				• ↑ 8% th	is year	Asset resale program			
				• 95% thi	s year	 Energy savings program 			
Business			• Index of program result	S	• 85% thi	s year	·········		
Processes			Shared systems		• 35% this this yea	s period; 50 r	Partner recruitment program		
Delivery Efficiency and Promo		prove city omotion/			• ↑ 5% th	is period	City marketing program		
		Audit score of commune effectiveness		ication	• >90% this peri		Satisfaction surveys		
Organizational			Recruitment effectiveness		•>80% t	his period	Customer service training		
Capacity	Increase Staff Utilization of		Retention effectiveness		• 92% thi	s year	• Individual development		
	Quality Technology		Training effectiveness	fectiveness		is period	plans • Porgram evaluation		
				 Employees use of appropriate technology 			process		

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

Government Strategic Planning and Management System Example

Vision: Mission:	Be a world-class model for a successful urban community Provide effective and fiscally responsible services in a manner that promotes high standards for com					on	Prioritize Initiatives/Projects	
Strategic Themes:	Government Reform	Nurturing Children and Families		Public Safety		1	Economic Abu ce	
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, pyshical and cultural well-being.		Create and maintain a safe, secure community-oriented city that is clean and vibrant.		Offer abundant opporting y for financial stability and advancement for all seconomic levels.		
Strat	tegic Objectives and Strategy M	ар	Measures		Targets		Initiatives	
/		Improve	Livability satisfaction score Program satisfaction score Per capita service utilization		• >90% this year • >85% this year		 Green Space program New business startup program	



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Organizational Strategy Can Be Aligned By Cascading to Different Tiers

