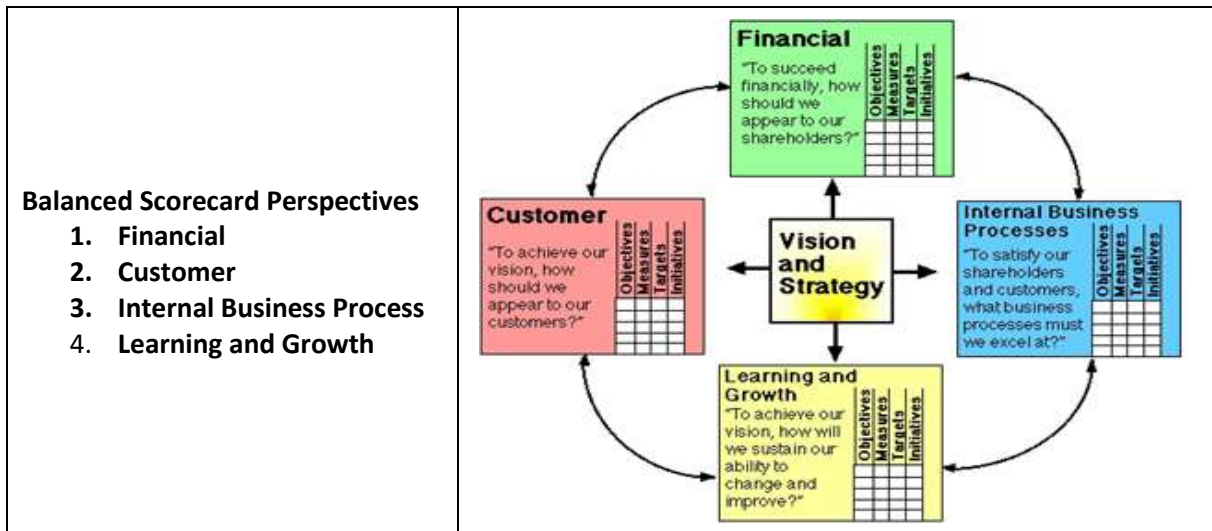


Workshop of Balanced Scorecard – introduction, planning, implementation & monitoring

The Balanced Scorecard provides managers with the instrumentation to navigate to future competitive successes. Today, organizations are competing in complex environments so that an accurate understanding of their goals and the methods for attaining those goals is vital. The Balanced Scorecard translates an organization’s Mission, Vision, Values and Strategies into a competitive set of performance measures that provides the framework for a strategic measurement and management system.

The Balanced Scorecard retains an emphasis on achieving Financial Objectives, but also includes the performance drivers of these financial objectives. The scorecard measures organizational performance across Four balanced perspectives:



The Balanced Scorecard provides the competitive tool for organizations, both manufacturing and service organizations. The ability of a company to mobilize and exploit its tangible or invisible assets has become far more decisive than investing and managing physical, tangible assets. Balanced Scorecard helps the managers to develop strategies cater to the wide area of the business and creating a positive impact on the bottom line. Some of the broader business areas that Balanced Scorecard helps the organization to cater to are

- Develop Customer Relationships that retain the loyalty of existing customers and enable new customer segments and market areas to be served effectively and efficiently
- Introduce innovative products and services desired by targeted customers segments
- Produce customized high quality products and services at low cost and with short lead times
- Mobilize employee skills and motivation for continuous improvements in process capabilities, quality and response time
- Deploy information technology, databases and systems



In the 2 Days Balanced Scorecard workshop, the following areas will be covered

- ✓ Understanding the fundamentals of Strategic Management Process Lifecycle
- ✓ Components of Mission, Vision and Value Statements. Developing Mission, Vision and Value Statements for business cases
- ✓ Using the business analysis tools to develop a working framework for decision support in Strategy Planning. Conduct analysis of business cases using the tools.
- ✓ Balanced Scorecard – analyzing the components, phases and steps for development & implementation
- ✓ Internal & External Analysis and Competitive Analysis
- ✓ Develop Strategy Timelines
- ✓ Team formation & Roles
- ✓ Balanced Scorecard – Financial Perspective: Analysis of the Financial Perspective, Financial Measures and Scorecard and dashboards
- ✓ Balanced Scorecard – Customer Perspective: Analysis of the Financial Perspective, Financial Measures and Scorecard and dashboards
- ✓ Balanced Scorecard –Internal Business Process Perspective: Analysis of the Financial Perspective, Financial Measures and Scorecard and dashboards
- ✓ Balanced Scorecard –Learning & Growth Perspective: Analysis of the Financial Perspective, Financial Measures and Scorecard and dashboards
- ✓ Establish Strategic Goals based on the 4 Perspectives
- ✓ Develop Strategy Themes
- ✓ Develop Strategy Maps; establish Key Performance Indicators and KPI Components, Lag and Lead Indicators. Develop Score Index for Key Performance Indicators
- ✓ Develop Corporate Scorecard; Individual Scorecards and Cascading link to positions below
- ✓ Implementing Strategy into Action and Monitoring through Strategy Dashboard

The Strategic Management Process Lifecycle

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    graph TD
      A[Mission, Vision & Value Statements] --> B[Internal Environment Analysis]
      A --> C[Internal Competitive Analysis]
      B --> D{Possible?}
      C --> D
      D --> E[Desired]
      D --> F[Feedback]
      E --> G[Strategic Analysis and Choice of Strategies]
      G --> H[Long-term Objectives]
      G --> I[Generic & Grand Strategies]
      H --> J[Short-term Objectives]
      I --> K[Practical/Process Improvements]
      I --> L[Polices that engender change]
      J --> M[Reinforcing, Re-engineering and refocusing]
      K --> M
      L --> M
      M --> N[Strategic Controls and Continuous Improvement]
      N --> F
      F --> A
  
```

Strategic Alignment

The Strategy: Increase Market Share, Growth by 10%, Manage Expenses

Financial Perspective: "If we succeed, how will this look to our shareholders?"

Customer Perspective: "To achieve our vision, how must we look to our customers?"

Internal Perspective: "To satisfy our customers, at what business processes must we excel?"

Learning & Growth: "To achieve our vision, how must our organization learn and improve?"

Impacts: Product Strategy (what I offer to sell), Target Market Structure (To sell here I need to...), Distribution Channels (To sell here I need to...)

Business Processes: Training, Systems

Strategic Themes

Our success comes from...

...by building value-added relationships...

...which is all about great products and personal service...

...delivered by a motivated & prepared work force...

Corporate Scorecard - Level 1 Scorecard

Perspective	Strategic Objectives	Strategic Measures	Targets
Financial Perspective	F1 Increase earnings per share	- Net income (in \$ mil)	+1500%
	F2 Add and retain high value customers	- Revenue mix (by target segment)	25%/40/35%
	F3 Reduce cost per customer	- Revenue per customer - Cost per customer	1200 \$11
Customer Perspective	C1 Become a trusted financial advisor	- Customer satisfaction (survey) - Share of wallet	90% 55%
	C2 Provide superior service	- Target customer retention - Cross-sell ratio	95% 2.1
Internal Perspective	IM1 Understand customer segments	- Share of segment	35%
	IM2 Shift to appropriate channel	- Channel mix change	45%
	IM3 Cross-sell the product line	- Cross-sell ratio	2.1
	IM4 Develop new products	- Revenue from new products (R)	55%
Product Innovation	IP1 Monitor patents	- Patent issue rate	3%
	IP2 Provide rapid response	- Request fulfillment time	+0.5hrs
Operational Management	OM1 Build diversity reflecting community	- Diversity into various community	1.8
	OM2 Responsible Citizen	-	-
Learning & Growth Perspective	LG1 Assess readiness of strategic jobs	- Strategic job readiness	100%
	LG2 Assess availability of strategic info	- Information portfolio readiness	100%
	LG3 Create a customer-focused culture	- Customer score	100%
	LG4 Build ethics of leaders	- 360° Survey (leadership model)	100%
Information Capital	IC1 Align the organization	- Strategic alignment survey	100%
	IC2 Build practice strategy	- Personnel goals aligned to BSC (%) - 100% utilization/competency	100% 100%