

We will start shortly! WEBINAR: CRACKING THE BALANCED SCORECARD CODE

Welcome!



Cracking the Balanced Scorecard Code!

Juliette Bastian, BSI Senior Associate & Business Development Manager

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Welcome



Juliette Bastian

BSI Senior Associate &
Business Development Manager

Certified Balanced Scorecard Master Professional,
Senior Associate and Consultant



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PROFESSIONAL**
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Balanced Scorecard is a Commonly Used Management Tool

BAIN & COMPANY

Top 10 Management Tools

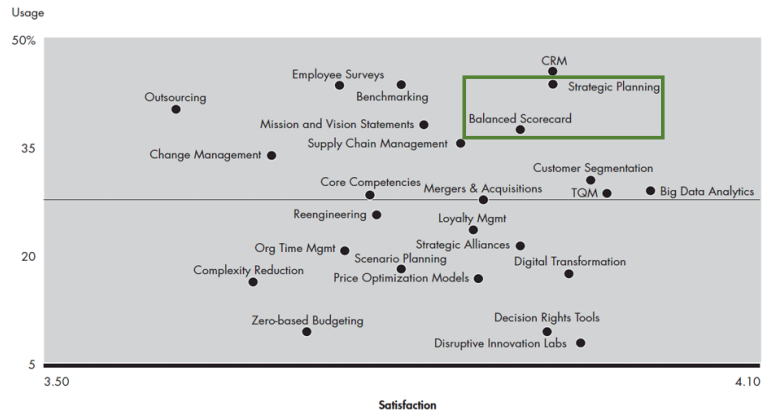
| 2000 | 2006 | 2010 | 2012 | 2014 |
|-------------------------------|-----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| 1 Strategic Planning | 1 Strategic Planning | 1 Benchmarking | 1 Strategic Planning | 1 CRM |
| 2 Mission & Vision Statements | 2 CRM | 2 Strategic Planning | 2 CRM | 2 Benchmarking |
| 3 Benchmarking | 3 Customer Segmentation | 3 Mission and Vision Statements | 3 Employee Engagement Surveys | 3 Employee Engagement Surveys |
| 4 Outsourcing | 4 Benchmarking | 4 CRM | 4 Benchmarking | 4 Strategic Planning |
| 5 Customer Satisfaction | 5 Mission and Vision Statements | 5 Outsourcing | 5 Balanced Scorecard | 5 Outsourcing |
| 6 Growth Strategies | 6 Core Competencies | 6 Balanced Scorecard | 6 Core Competencies | 6 Balanced Scorecard |
| 7 Strategic Alliances | 7 Outsourcing | 7 Change Management Programs | 7 Outsourcing | 7 Mission and Vision Statements |
| 8 Pay-for-Performance | 8 Business Process Reengineering | 8 Core Competencies | 8 Change Management | 8 Supply Chain Management |
| 9 Customer Segmentation | 9 Scenario & Contingency Planning | 9 Strategic Alliances | 9 Supply Chain Management | 9 Change Management |
| 10 Core Competencies | 10 Knowledge Management | 10 Customer Segmentation | 10 Mission and Vision Statements | 10 Customer Segmentation |

Source: Bain & Company Management Tools & Trends 2015

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Balanced Scorecard is Used By Almost 40% of Organizations Surveyed

Figure 8: 2014 usage and satisfaction



Source: Bain & Company Management Tools & Trends 2015

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CAESAR and the Balanced Scorecard?

CAESAR




Communicate Strategy



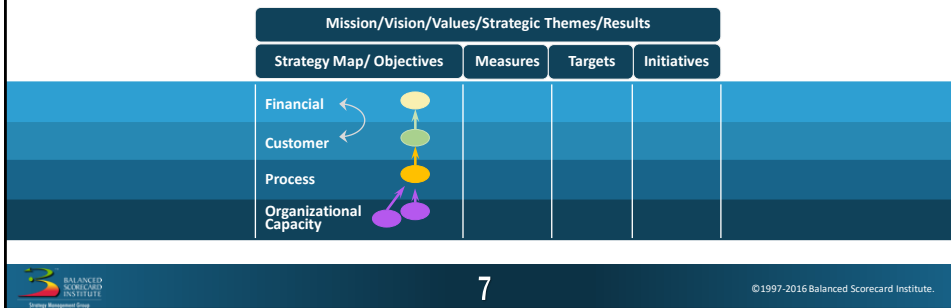
| Vision / Mission /Strategic Themes & Results | | | |
|--|----------|---------|-------------|
| | Measures | Targets | Initiatives |
| Financial | | | |
| Customer | | | |
| Processes | | | |
| Organizational Capacity | | | |

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What is a Balanced Scorecard?

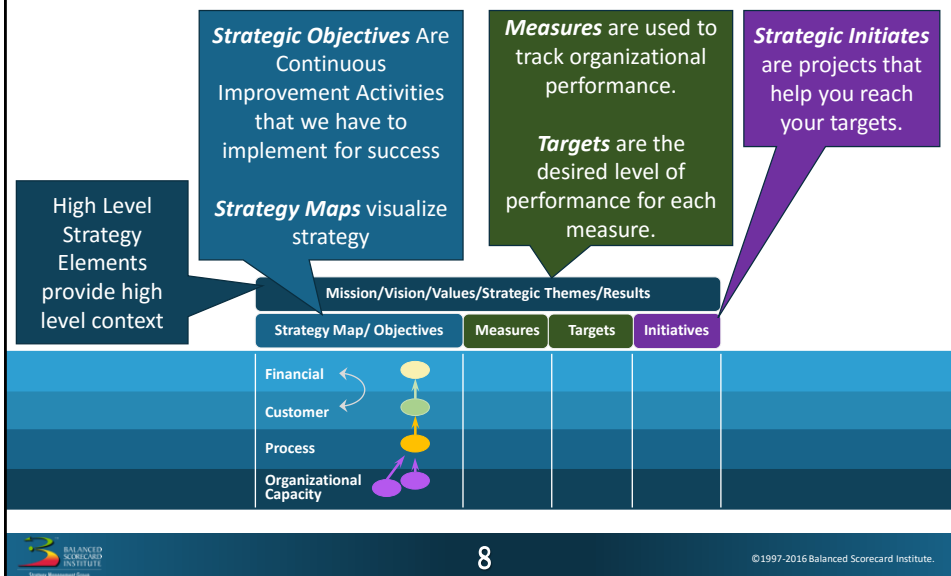
An *integrated strategic planning and performance management system* that:

- 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



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A Strategic Management System Connects the Dots Between Strategy and Action



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Align the Organization to Mission, Vision & Strategy

The diagram illustrates the flow from Vision and Mission to Strategy, Strategic Objectives, and Actions. A large blue arrow labeled 'Vision and Mission' points to a large blue gear labeled 'Strategy'. The 'Strategy' gear is connected to a green gear labeled 'Strategic Objectives', which is in turn connected to a red gear labeled 'Actions'. Curved arrows indicate a clockwise flow between the gears.

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Strategic Performance Should be Monitored From Different *Perspectives*

| | | |
|---|---|--|
| Financial or Stewardship | <ul style="list-style-type: none"> • Financial Performance • Effective Resource Use | |
| Customer & Stakeholder | <ul style="list-style-type: none"> • Customer Value • Satisfaction and/or Retention | |
| Internal Process | <ul style="list-style-type: none"> • Efficiency • Quality | |
| Organizational Capacity or Learning & Growth | <ul style="list-style-type: none"> • Human Capital • Infrastructure & Technology • Culture | |

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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: | <i>Government Reform</i> | <i>Nurturing Children and Families</i> | <i>Public Safety</i> | <i>Economic Abundance</i> |
| 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 and maintain a safe, secure community-oriented city that is clean and vibrant. | Offer abundant opportunity for financial stability and advancement for all socio-economic levels. |

| Strategic Objectives and Strategy Map | Measures | Targets | Initiatives |
|--|---|---|---|
| <p>Constituent/Stakeholder</p> <p style="text-align: center;"> </p> | <ul style="list-style-type: none"> • Livability satisfaction score • Program satisfaction score • Per capita service utilization • Per capita income • Tourism revenue | <ul style="list-style-type: none"> • >90% this year • >85% this year • 65% this year • ↑3% this year • ↑6% this year | <ul style="list-style-type: none"> • Green Space program • New business startup program • Community engage committee • Partnering program |
| <p>Financial Stewardship</p> <p style="text-align: center;"> </p> | <ul style="list-style-type: none"> • Controllable expenses • Asset value • Strategic projects on time and budget | <ul style="list-style-type: none"> • ↓5% this year • ↑8% this year • 95% this year | <ul style="list-style-type: none"> • Simplify tax payments • Asset resale program • Energy savings program |
| <p>Business Processes</p> <p style="text-align: center;"> </p> | <ul style="list-style-type: none"> • Index of program results • Shared systems • Response time changes • Audit score of communication effectiveness | <ul style="list-style-type: none"> • 85% this year • 35% this period; 50% this year • ↑5% this period • >90% this period | <ul style="list-style-type: none"> • Partner recruitment program • City marketing program • Satisfaction surveys |
| <p>Organizational Capacity</p> <p style="text-align: center;"> </p> | <ul style="list-style-type: none"> • Recruitment effectiveness • Retention effectiveness • Training effectiveness • Employees use of appropriate technology | <ul style="list-style-type: none"> • > 80% this period • 92% this year • >93% this period • ↑45% | <ul style="list-style-type: none"> • Customer service training • Individual development plans • Program evaluation process |

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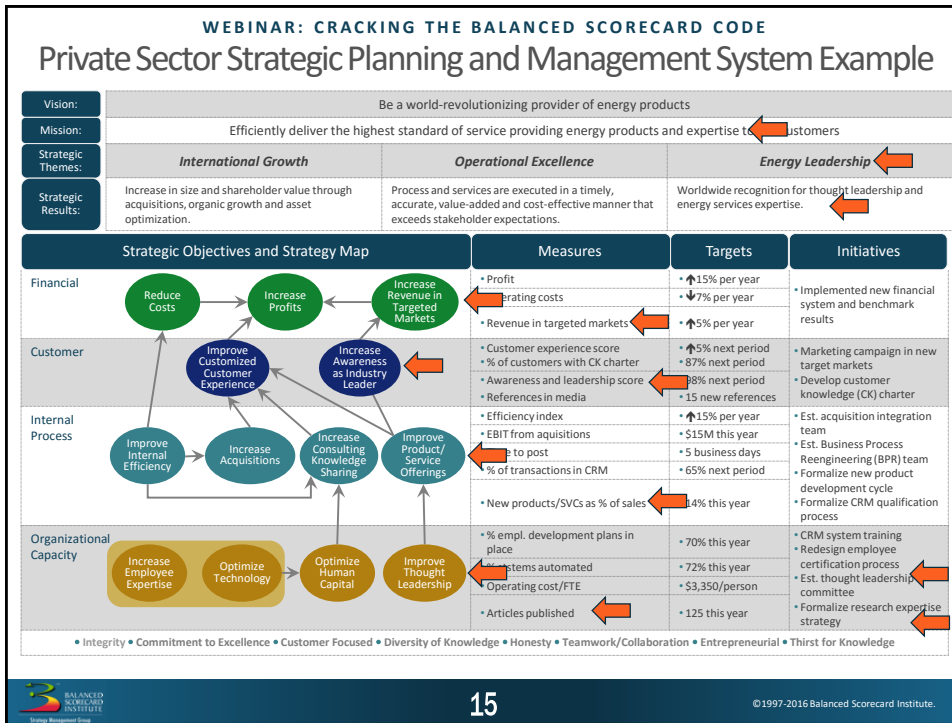
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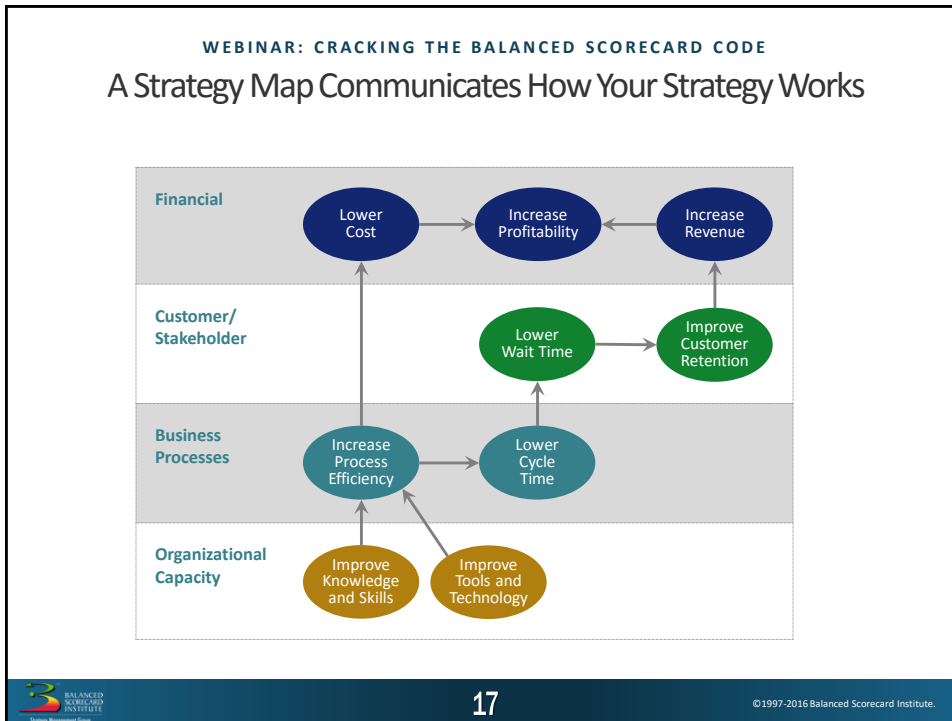
BioBridge Global Wanted a Systematic Framework

- Get everyone using the same language
- 'Connect-the-dots' between activities and strategy & vision
- Manage strategy
 - Strategy formulation and planning
 - Execution
 - Measurement
 - Follow through and evaluation

MARK GAGER
VP, STRATEGY MGMT OFFICE - BIOBRIDGE GLOBAL

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Fluor Used BSC to Communicate Strategy

- Communicate Strategy
- Align project work to strategy
- Track organizational performance against targets



FLUOR MATT MCSORLEY
PRESIDENT OF POWER - FLUOR CORP



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Organizational Strategy Can Be Aligned
By Cascading to Different Tiers

Tier 1:
Organization-wide

Tier 2:
Departments Business Units 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

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When Strategy is Not Everyone's Job

***"This is not in my Job Description...
I draw lines; I don't remove trees"***

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National Marrow Donor Program® / Be the Match® Used BSC to Cascade Strategy, Prioritize, and Focus

- Prioritized based on expected strategic impact
- Measured only what matters
- Focused on the right initiatives and projects
- Evaluated whether or not they were making a difference



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Using BSC Produces Results



- **Federal Ministry of Health in Ethiopia (Bill & Melinda Gates Foundation)** used BSC to:
 - Transition 74% of their existing hospitals to meet reform standards,
 - Reduce in-patient mortality from 5.8% to 4%,
 - Reduce waiting time from 140 minutes to 75 minutes, and more



- **AMEDD Center & School** used BSC to:
 - Improve alignment, focus, and data-driven decision making
 - Use performance data to identify root causes of poor academic performance
 - Save the Army \$26M by reducing training attrition from 34% to below 20%



- **Veolia Water NA** used BSI's framework to drive significant improvements in:
 - Operating Cash Flow
 - Backlog of Industrial Business Portfolio
 - Revenue of Bids Submitted
 - # of Preventable Environmental Excursions, and more

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Critical Success Factors For Long-Term Sustainability

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How to Implement: Get BSP Certified

College of Professional Studies
THE GEORGE WASHINGTON UNIVERSITY

Los Angeles, CA
Atlanta, GA

Oct. 17 – 21, 2016
Nov. 14 – 18, 2016

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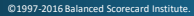
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Balanced Scorecard Institute International



A world map with blue stars indicating the locations of Balanced Scorecard Institute International offices. The stars are located in North America (USA, Canada), Europe, Africa, Asia, and Australia.


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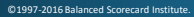
How to Implement: Get BSI Consulting Help

BSI consulting services are tailored to your needs, such as:

- Implementing a system from scratch
- Assessing and improving existing systems
- Ensuring cascaded scorecards are aligned to enable corporate strategy
- Helping develop and implement meaningful KPIs
- Designing dashboards and reports to enable data-driven decision making
- Ensuring programs/projects are prioritized and aligned to strategy



For more, visit <http://balancedscorecard.org/Consulting/Consulting-Overview>

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Any Questions?

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