



BALANCED SCORECARD ESSENTIALS OVERVIEW

An Introduction to the *Nine-Steps to Success™* Methodology



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BSI Headquarters
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- Director of Training and Senior Consultant
- Affiliated with BSI since 2010
- Successfully Implemented and Managed BSC in a Government Organization with 3200 Employees
- Experienced International Facilitator in Government, Non-profits, Education, For-Profit and Military Organizations
- MSML – National Louis University and BS, Finance – Olivet Nazarene University
- Customer Experience Certification Program Steering Committee Member – USF MUMA School of Business
- Chairman of Financial Board for a Large Non-Profit in Florida

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Introduction and Agenda

Learning Objectives

Participants will gain a basic understanding of the topics covered in the Balanced Scorecard Essentials course.

- What a Balance Scorecard is
- Basic introduction to the Balanced Scorecard Institute's *Nine Steps to Success™* approach to developing a Balanced Strategic Plan
- Strategy Tools introduced in this course
- Who this course is designed for



"People and their managers are working so hard to be sure things are done right, that they hardly have time to decide if they are doing the right things."

Stephen R. Covey



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The Purpose of BSC Essentials Course

Balanced Scorecard Essentials is an interactive experience designed to help balanced scorecard team members contribute to their organization's strategic management and performance improvement initiatives.



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BSC Essentials Course Outline

Balanced Scorecard Overview

- Basic concepts of balanced scorecard systems
- Basic concepts of performance management and measurement
- The Balance Scorecard Institute's *Nine Steps to Success™* framework for strategic planning and management



Strategy Formulation

- Program planning and strategic assessment
- Strategic foundations
- Strategic Objectives and Strategy Mapping

Application Exercise: Developing Strategic Objectives and Strategy Map

- Performance Measures & Strategic Initiative

Application Exercise: Developing Intended Results, Performance Measures and Strategic Initiatives

Strategic Alignment

- Creating alignment through cascading scorecards

Application Exercise: Developing Department/Unit Level Objectives and Measures

Strategic Execution

- Scorecard Rollout
- Performance Analysis
- Evaluation

Summary and Next Steps

What is a Balanced Scorecard?

A strategic management system that:



Communicates mission, vision, and strategy to employees and other stakeholders



Aligns day-to-day work to vision and strategy



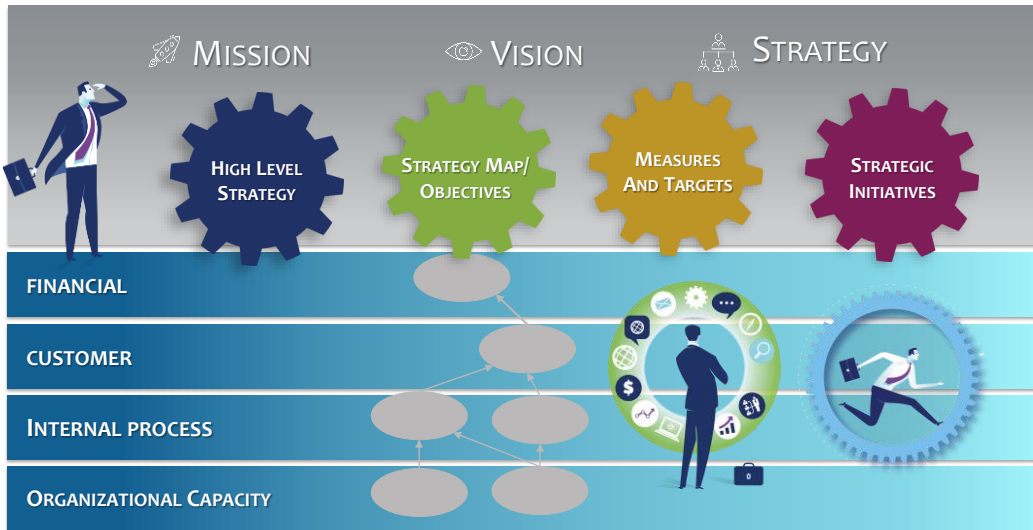
Enables prioritization of programs, projects, services, products and resources



Uses strategic performance measures (KPIs) and targets to measure progress

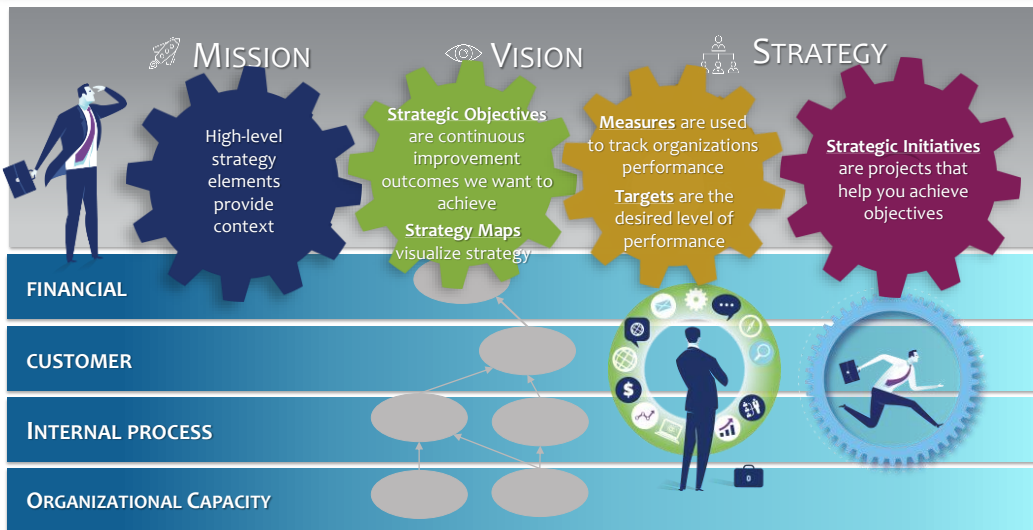


A Strategic Management System Connects the Dots Between Strategy and Action



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A Strategic Management System Connects the Dots Between Strategy and Action

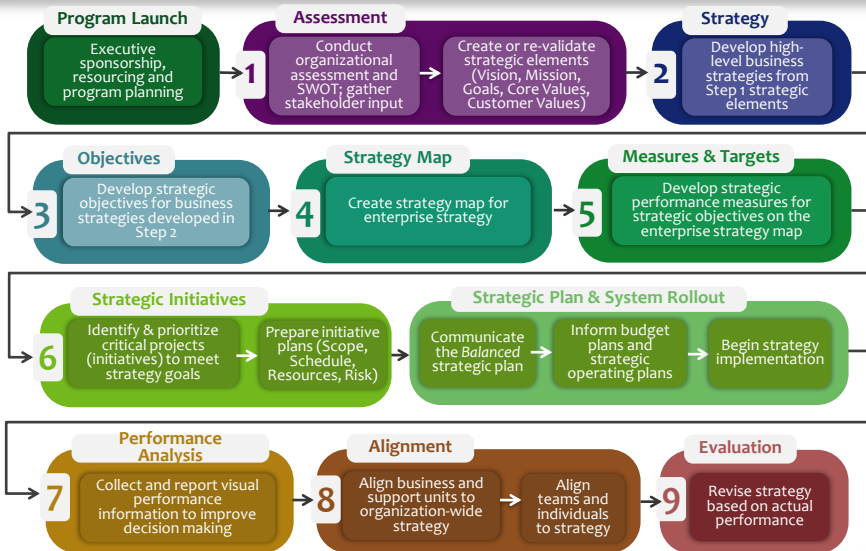


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Nine Steps To Success™ Approach to a Balanced Scorecard Management System



The Nine Steps to Success™ Framework



Why Integrated Strategic Planning & Performance Management with a Balanced Scorecard?

- Aligns the organization
- Communicates with clarity organization's vision, mission, core values and strategy
- Helps leaders drive organizational transformation
- Provides a disciplined framework
- Improves performance through measurement
- Informs decision making
- Contributes to organizational growth while minimizing expenses



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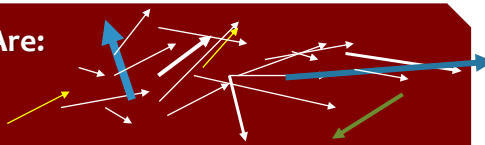
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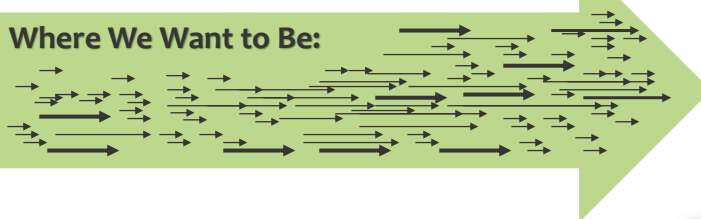
An Important Benefit of the BSC is Organizational Alignment

Align the Organization

Where We Are:



Where We Want to Be:

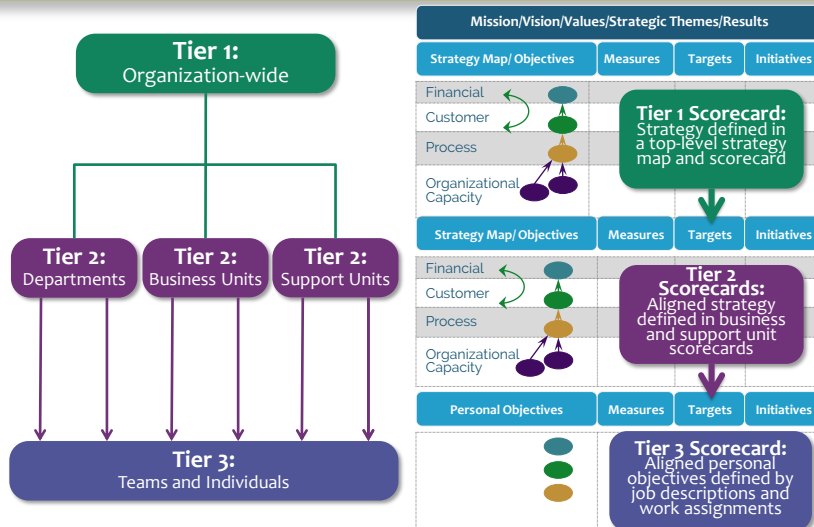


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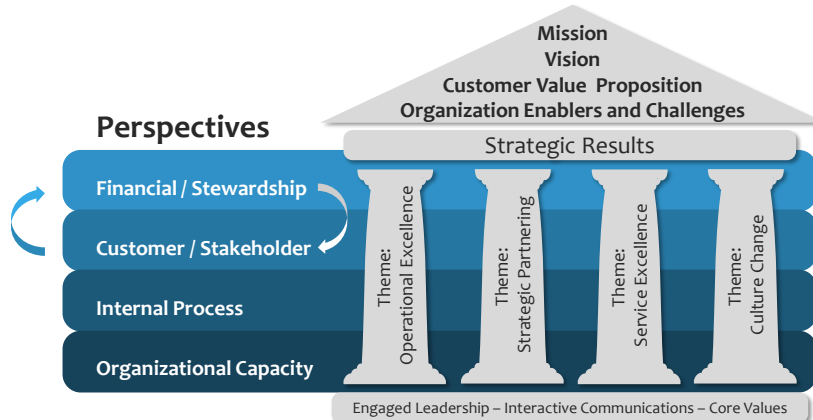
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Alignment is Accomplished by Cascading Strategy Throughout the Organization



Building a Scorecard System is Like Building a Custom House

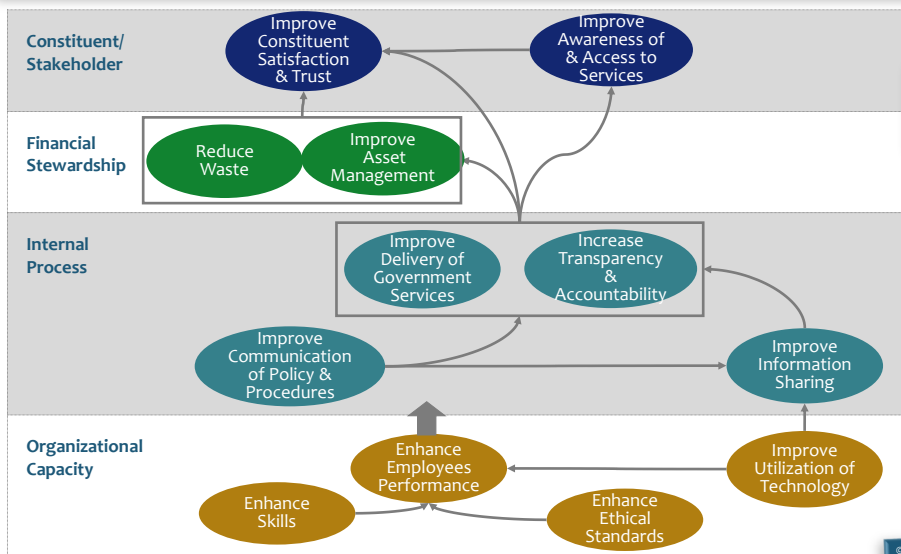


A One-Page Strategic Plan Summary is a Great Briefing Tool

Vision:	Be a world-revolutionizing provider of energy products			
Mission:	Efficiently deliver the highest standard of service providing energy products and expertise to our customers			
Strategic Themes:	International Growth	Operational Excellence	Energy Leadership	
Strategic Results:	Increase in size and shareholder value through acquisitions, organic growth and asset optimization.	Process and services are executed in a timely, accurate, value-added and cost-effective manner that exceeds stakeholder expectations.	Worldwide recognition for thought leadership and energy services expertise.	
Strategic Objectives and Strategy Map				
Financial	Reduce Costs → Increase Profits ← Increase Revenue in Targeted Markets	<ul style="list-style-type: none"> Profit Operating costs Revenue in targeted markets 	<ul style="list-style-type: none"> ↑15% per year ↓7% per year ↑5% per year 	<ul style="list-style-type: none"> Implemented new financial system and benchmark results
Customer	Improve Customized Customer Experience → Increase Acquisitions → Increase Consulting Knowledge Sharing → Improve Product/Service Offerings	<ul style="list-style-type: none"> Customer experience score % of customers with CK charter Awareness and leadership score References in media 	<ul style="list-style-type: none"> ↑5% next period 87% next period 98% next period 15 new references 	<ul style="list-style-type: none"> Marketing campaign in new target markets Develop customer knowledge (CK) charter
Internal Process	Improve Internal Efficiency → Increase Acquisitions → Increase Consulting Knowledge Sharing → Improve Product/Service Offerings	<ul style="list-style-type: none"> Efficiency index EBIT from acquisitions Time to post % of transactions in CRM New products/SVCs as % of sales 	<ul style="list-style-type: none"> ↑15% per year \$15M this year 5 business days 65% next period 14% this year 	<ul style="list-style-type: none"> Establish acquisition integration team Establish Business Process Reengineering (BPR) team Formalize new product development cycle Formalize CRM qualification process
Organizational Capacity	Increase Employee Expertise → Optimize Technology → Optimize Human Capital → Improve Thought Leadership	<ul style="list-style-type: none"> % employee development plans in place % systems automated Operating cost/FTE Articles published 	<ul style="list-style-type: none"> 70% this year 72% this year \$3,350/FTE 125 this year 	<ul style="list-style-type: none"> CRM system training Redesign employee certification process Establish thought leadership committee Formalize research expertise strategy
Core Values:	Integrity • Commitment to Excellence • Customer Focused • Diversity of Knowledge • Honesty • Teamwork/Collaboration • Entrepreneurial • Thirst for Knowledge			

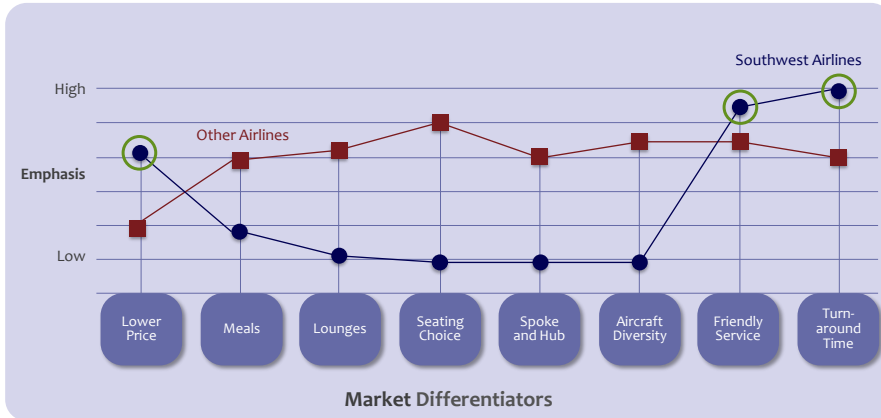
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Strategy Maps Provide a Visual Reference for Telling the Story of Your Organization's Strategy



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Strategy Profiles are Used to Drive Discussions

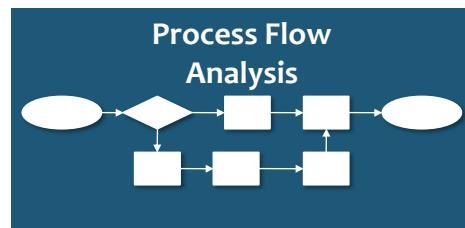
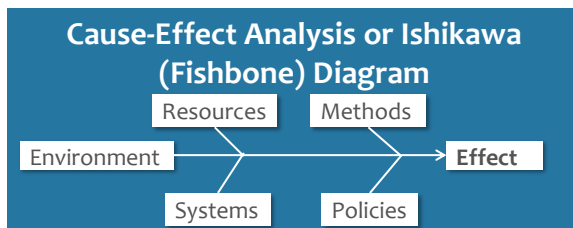
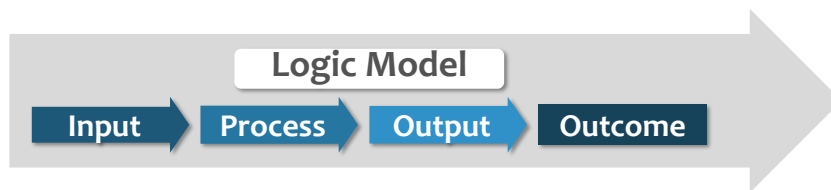


This “Strategic Performance Profile” or “Strategy Canvas” allowed Southwest to understand and build market share by focusing on *differentiators*.

Source: Adapted from *Charting Your Company's Future*, W. Chan Kim and Renée Mauborgne, HBR, June 2002.

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Understand Alternative Measures Broaden Measurement Options with Proven Tools



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Who Should Attend This Course?



Managers – Planners – Analysts – Supervisors – Theme Team Members – Objective Owners – Measure Owners

The course is for those who are seeking the best practical ideas for a successful implementation, or who need a general awareness of balanced scorecard concepts so that they can provide support for their organization's development effort.

The course is also ideal for any business professional who wants to keep abreast of the latest thinking in strategic planning, alignment, management, measurement, and execution.

Other Course Offerings

Associate Certifications – 3 Days or 6 Online Sessions

- Balanced Scorecard Associate
- Key Performance Indicator Associate



Professional Certifications – 5 Days or 10 Online Sessions (Exception: OKR Professional)

- Balanced Scorecard Professional
- Key Performance Indicator Professional
- Objectives/Key Results (OKR) Professional (3 Days or 6 Online Sessions)



Master Professional Certifications – 5 Days or 10 Online Sessions (Requires Professional Certification)

- Balanced Scorecard Master Professional



Next Steps: How Else Can BSI Help You?



Consulting & Facilitation



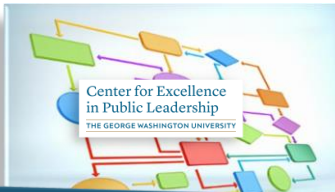
Balanced Scorecard, KPI and OKR Certifications



Executive & Team Training



SMO / PMO Establishment & Improvement



Strategy Systems Development, Management & Implementation



Strategy Execution & Process Improvement

Questions?

Visit balancedscorecard.org for more information