



- Specific measures & goals
- Aims → Factors → Measures → Actions
- Business balance

“The **process** of creating the scorecard it is as valuable the **outcome** itself.”

BALANCED SCORECARD

VISION BECOMES ACTION

INTRODUCTION

A balanced scorecard enables **awareness** and **clarity** of important **measures** and **goals** to be formed from a business strategy. Valuable business **balance** comes in the perspective of financial to non-financial aspects, as well as internal to external.

APPROACH⁽¹⁾

1. Establish your companies situation: strengths, weaknesses, opportunities, and threats (**SWOT** analysis); its political, economic, technological, and social context (**PEST** analysis).
2. Establish the company **vision** and **strategy**.
3. Look at each of the **aspects** of: (i) **Financial**; (ii) **Customer**; (iii) **Business Processes**; (iv) **Business Development**, and any others which are applicable to your business.
4. Break the company vision into **sub-strategies** for each of the dimensions.
5. Break the sub-strategies into the factors that will be **critical** to the **success** of these sub-strategies.

6. Decide carefully how each factor will be **measured**.
7. Obtain organisational **approval** for the aims, factors, and measures.
8. Establish **action plans** for the entire organisation's aims include consideration of the success factors, and the measures.
9. Seek to develop **sub-scorecards** to the point that they reduce to actions that affect people's daily lives.

THE REWARDS

The process of creating a balanced scorecard at company, department, and even individual level forces valuable focus on the most important aspects of business. It helps align individuals with the company goals on both financial and non-financial levels.

REFERENCES

(1) *Balanced Scorecard: Translating Strategy into Action.* RS Kaplan & DP Norton. 1996.

VISION <i>What is our company vision for the future?</i>			
FINANCE	CUSTOMER	BUS. PROCESS	DEVELOPMENT
AIMS <i>What will support our vision?</i>			
SUCCESS FACTORS <i>What will support our aims?</i>			
MEASURES <i>How will we know if we are being successful?</i>			
ACTIONS <i>What steps do we need to take?</i>			

