

The Balanced Scorecard

Part I: A Framework for
Strategy Management
in Higher Education

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[illegible]

- Perspectives
- Strategic Objectives
- Strategy Map
- Performance Measures
- Strategic Initiatives
- Cascading

Examples

10 Common Mistakes and How to Avoid Them



Strategy

- 1) Does your university have a strategic plan? (**Yes/No**)
- 2) How many of you understand your university's strategy? (**Definitely, Somewhat, Nope**)

Enter your responses in Chat

Zoom Poll

What percent of organizations successfully execute their strategy?

10%

45%

75%

90%

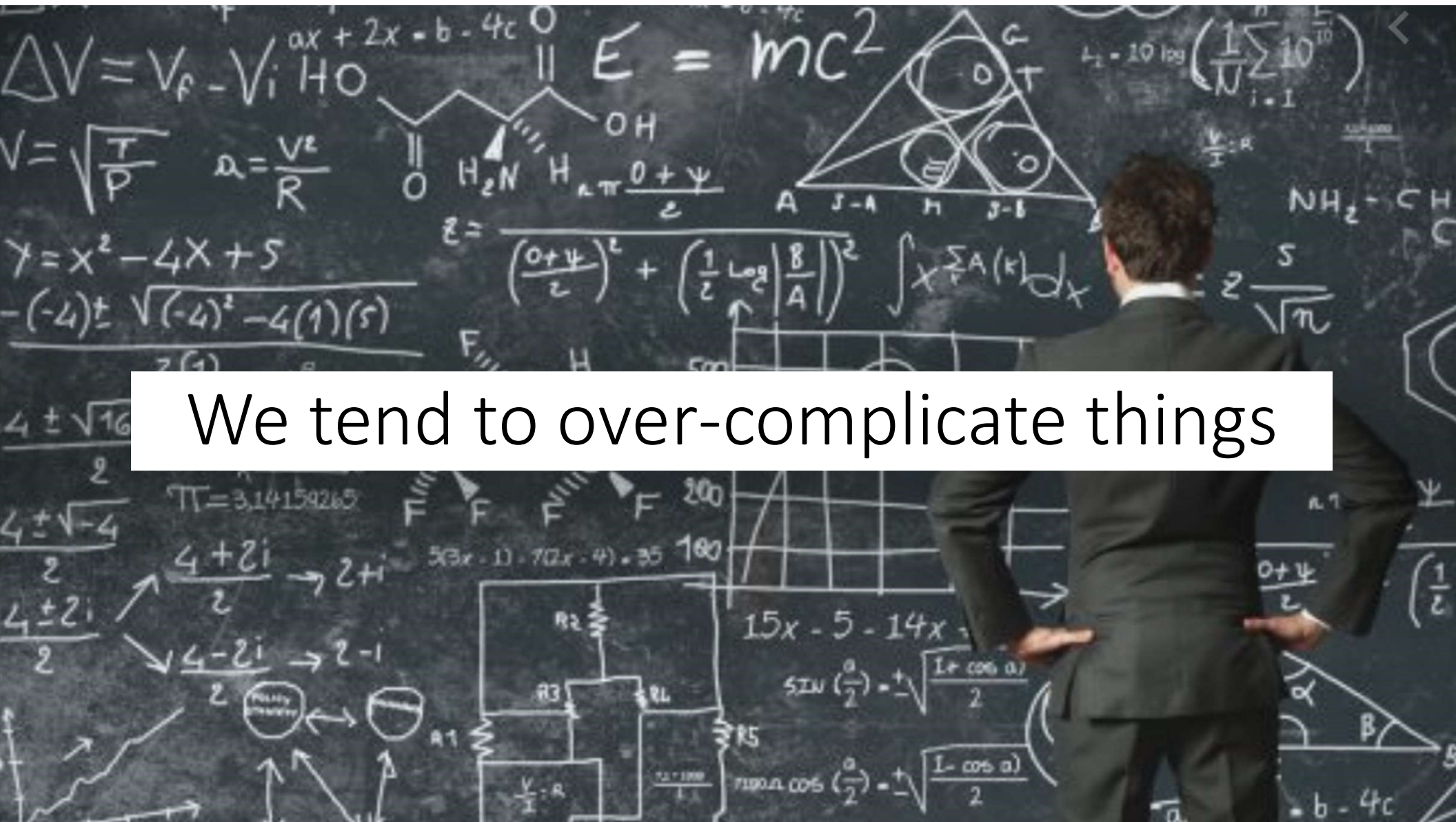
It's pretty simple (or, it should be)

Communicate constantly

Re-allocate resources

Hold employees, but especially, managers accountable

Have effective measures



We tend to over-complicate things

Can I see your strategic
plan?

Why, Yes!

Um, Ok. How about
your metrics?

Thought You'd Never
Ask!



The background of the image is a dense crowd of stylized human figures. Most of the figures are dark brown or black, while one figure in the center is a lighter, greyish-brown color. This central figure has its arms raised in a 'V' shape, suggesting a gesture of triumph, leadership, or a call to action. The figures are slightly out of focus, giving a sense of depth and a large gathering. The overall tone is dark and serious, with the central figure providing a point of contrast and focus.

We can do better

VISION

MISSION

Vision

Purpose

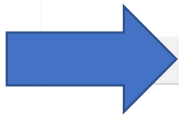
Strategic
Priorities

Strategic
Results

What are
we going
to do?

How will
we stay
on track?

VALUES



Customer Focus - Integrity - Quality - Helpfulness - Community - Efficiency




Basics - What is a Balanced Scorecard?

The Balanced Scorecard (BSC) is a holistic strategic planning and management system+

Organizations use BSCs to:

- **Communicate** what they are trying to accomplish
- **Align** the day-to-day work that everyone is doing with strategy
- **Stay focused and prioritize** projects, products, and services
- **Make data-informed decisions** by measuring and monitoring progress towards strategic targets
- **Provide line of sight** and visible connections between projects, programs, strategic objectives, mission, vision, and strategy of the organization

1) What are Balanced Scorecard Perspectives (or "views")

Financial Stewardship or Stakeholder	<ul style="list-style-type: none">• Financial performance• Effective resource use	
Customer	<ul style="list-style-type: none">• Customer-identified value• Satisfaction	
Internal Processes	<ul style="list-style-type: none">• Efficiency• Quality	
Learning and Growth	<ul style="list-style-type: none">• Staff Engagement• Infrastructure & Technology• Culture	



When in Balance ...

- Strategy is happening with staff, not to them
- Everyone can clearly tell your story
- The organization is aligned
- Staff know where they fit into the bigger picture
 - "We know where we are going"
 - "We know how we will get there"
 - "We know how we are doing"



But wait,
there's more!

☐ Happy Stakeholders

☐ Happy Employees



We should be challenging ourselves to ask: "Will what we did or decide today improve the researcher, faculty, student, or administrator experience and if not, why are we doing it? What are we doing well, what should we do differently?"

RESEARCHER

Did we help a researcher spend more time in their lab?
(i.e., rather than track down policies and fill out confusing forms)?

ADMINISTRATOR

Did we help an administrator focus on their most mission critical work (i.e., rather than getting bounced around from desk to desk to get an issue resolved)?

FACULTY MEMBER

Did we help a faculty member concentrate their efforts toward their student's learning (i.e., rather than spend hours on processing administrative paperwork)?

STUDENT

Did we enhance a student's overall experience (i.e., rather than stressing them with red tape, hoops, and waiting in lines)?



“I’m Helping Put a
Man On the Moon”





The Balanced Scorecard Basics

- ✓ 1) The 4 Perspectives
- 2) Strategic Objectives
- 3) Strategy Map
- 4) Performance Measures
- 5) Strategic Initiatives
- 6) Cascading

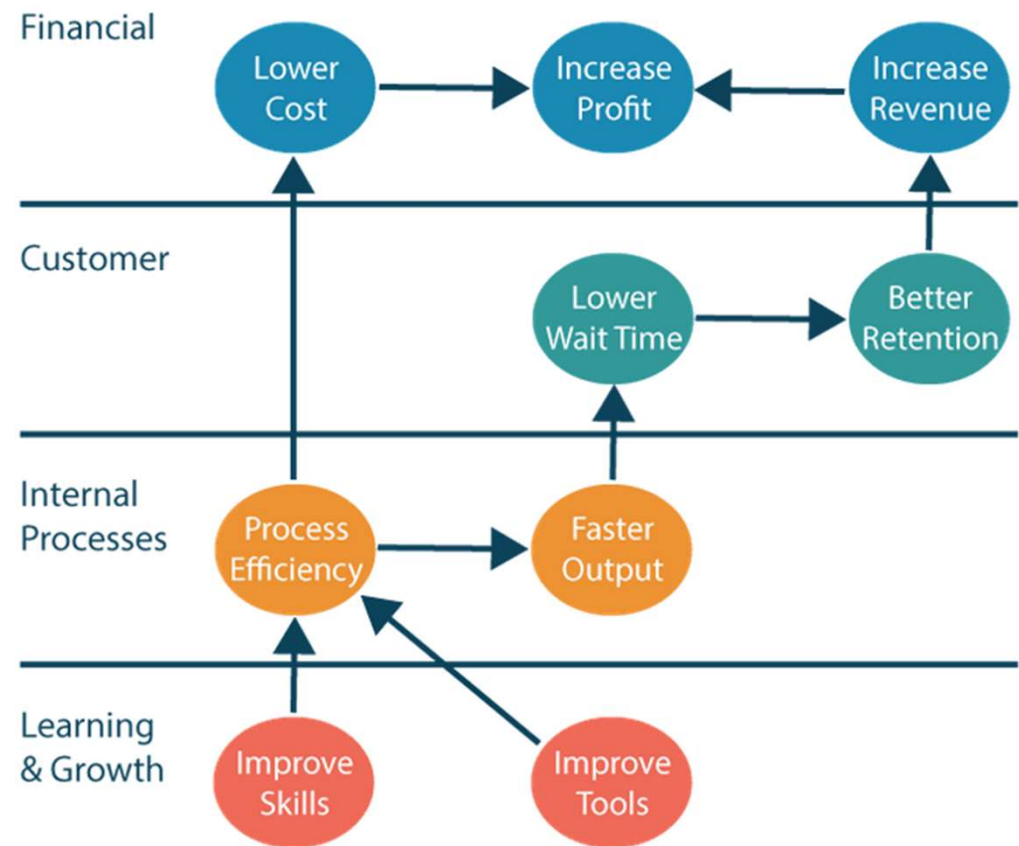
2) What are Strategic Objectives?

- Strategic Objectives are the actions you must implement in order to see improvement in your strategies
- They break down the abstract concepts like mission and vision into actionable steps



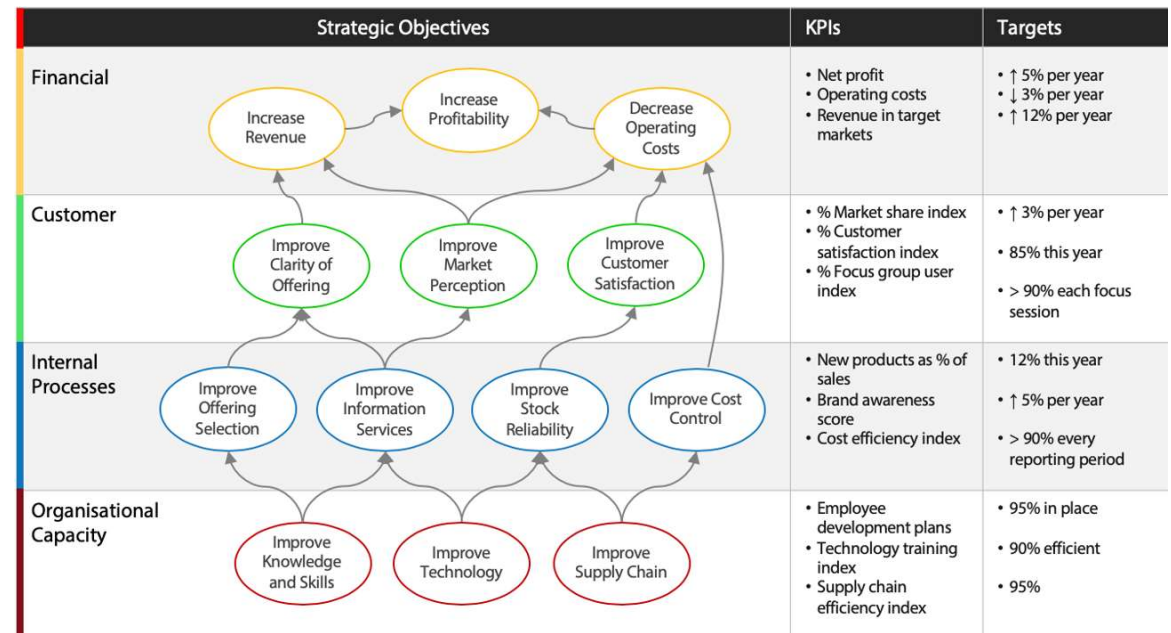
3) What is a Strategy Map?

- A strategy map is a simple graphic and can show logical cause-and-effect connections between strategic objectives (the circles on the map) and alignment to the mission
- Enables you to visualize and communicate how value is created



4) What are Performance Measures (KPIs)?

- For each objective on the strategy map, at least one measure or Key Performance Indicator (KPI) is identified and tracked over time
- KPIs ensure accountability by indicating progress toward desired outcomes



5) What are Strategic Initiatives?

- Strategic Initiatives are projects (new or existing) that help the organization achieve Strategic Objectives
- They can be short term or long term, are measurable, and managed like any other project (ie have an owner, defined scope and schedule, and measurable outcomes)



6) What is Cascading?

- One of the most powerful concepts of the Balanced Scorecard framework
- This is what **makes the strategy real** for every individual
- Cascading strategies focuses the entire organization and **creates a line-of-sight** between work people do and the high-level mission and goals
- As you cascade down through the organization, objectives become more operational and tactical (as do KPIs)
- This is critical step for an organization to be truly *strategy-focused*



The Story of Christopher Wren



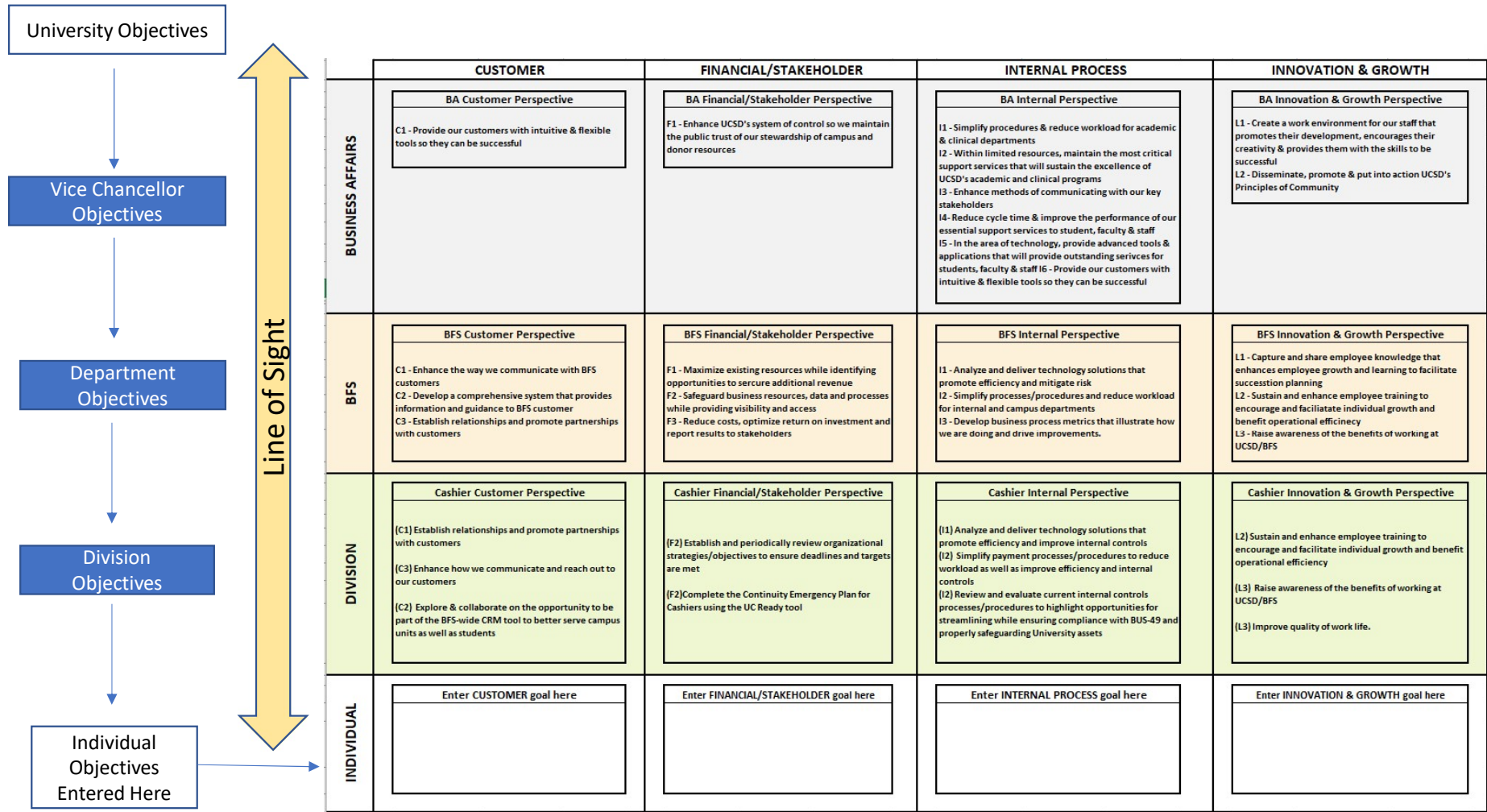
Wren: "What are you doing?"

"I am cutting a piece of stone."

*"I am earning five shillings
twopence a day."*

***"I am helping Sir
Christopher Wren build a
beautiful cathedral."***

Making the Strategy Real

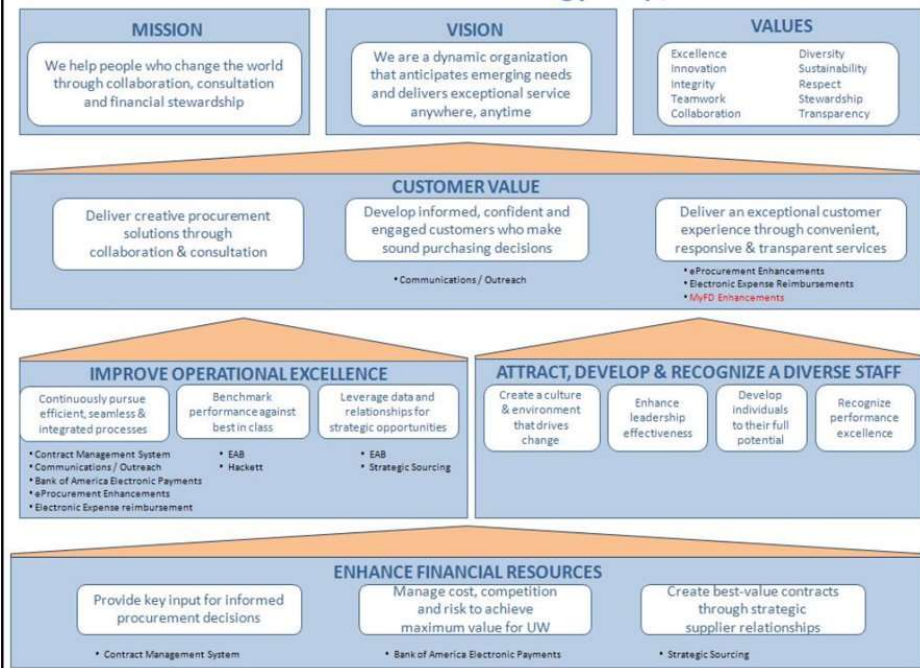


Strategy Map Examples

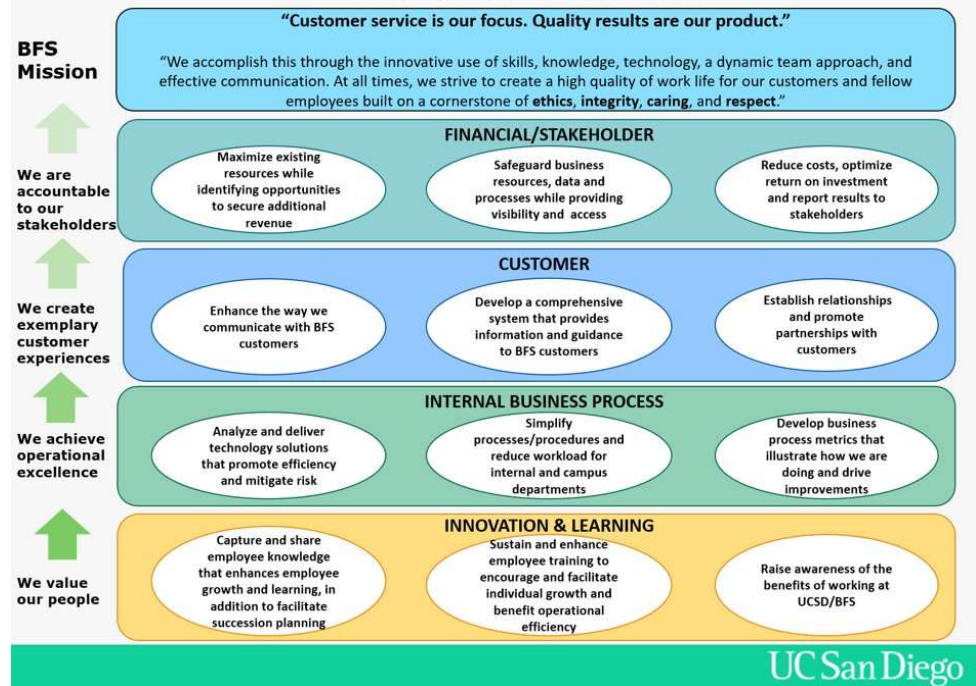
University of Washington

UC San Diego

UW Procurement Services Strategy Map, 2010-2015



BFS STRATEGY MAP

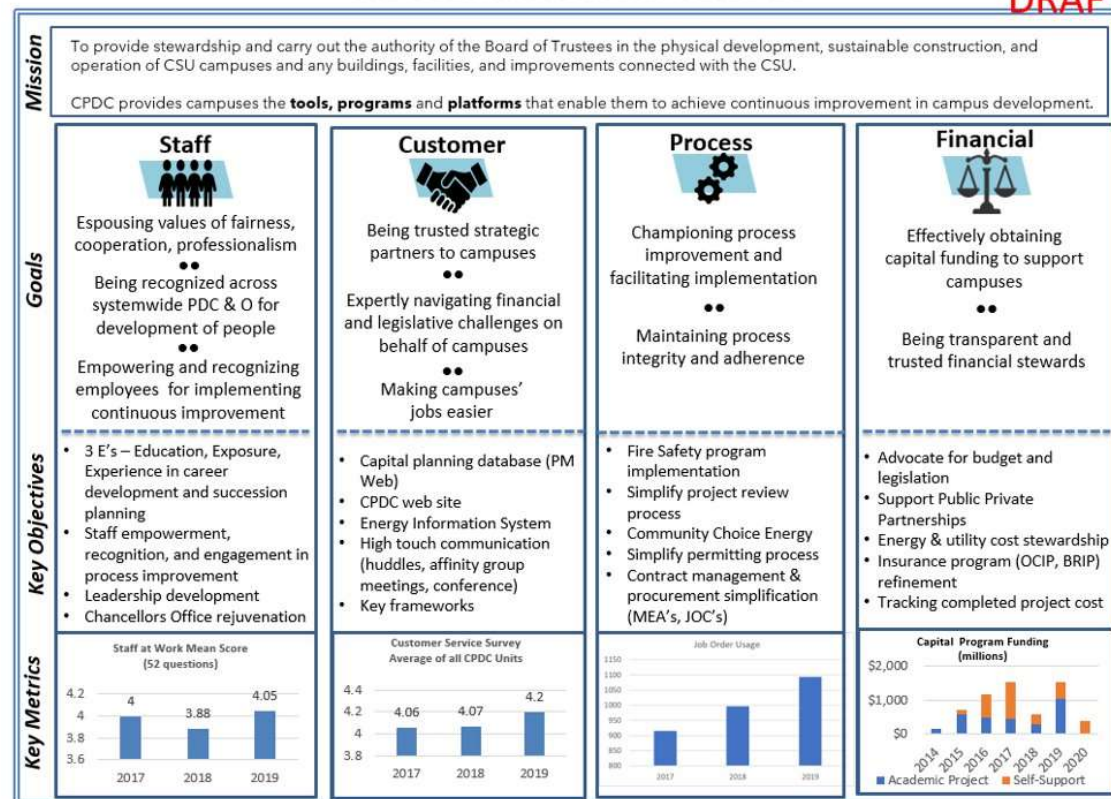


Scorecard Example

CSU System

CPDC Balanced Scorecard 2020-21

1/18/2021
DRAFT



Cascading Example

CSU System



FINANCIAL SERVICES BALANCED SCORECARD (BSC)



BUSINESS & FINANCE STRATEGY ALIGNMENT MAP

	STAFF (S)	CUSTOMER (C)	PROCESS (P)	FINANCIAL (F)
BUSINESS & FINANCE	S1 – Cultivate a climate of fairness, cooperation and professionalism in Business & Finance S2 – Promote staff development, encourage creativity and provide them with the skills to be successful S3 – Increase staff recognition and solicit ideas from staff to make Business & Finance a better workplace	C1 – Be a strategic resource and trusted partner for campuses to enhance student achievement C2 – Improve communication, increase transparency and offer guidance to campuses C3 – Provide campuses with intuitive and flexible tools, so that they can provide outstanding services for students, faculty and staff C4 – Increase the availability and use of data for campuses	P1 – Simplify policies and procedures to reduce workload for campuses P2 – Reduce cycle time and improve the performance of our essential support services	F1 – Research, advocate and secure support for investment by the State F2 – Ensure effective stewardship of resources to maintain stakeholder and public trust F3 – Reduce costs, limit risk and optimize return on investment; report results to stakeholders
SLT UNIT	S1 – Develop annual goals for Financial Services S2 – Recognition – active public recognition S2 – Training – Internal/external training opportunities (skills and leadership) S3 – Financial Services communication – all employee meetings	C1 – Better campus communication – FSAC information-sharing SharePoint C2 – Engage the Financial Officers Association to provide effective guidance regarding CSU fiscal matters C2 – Improve response times – Commit to 24-hour responses or acknowledgements C3 – Intuitive online resources – CalState and CSYou websites	P1 – Directors to choose a key procedure for improvement process mapping P2 – Begin data collection for key metrics based on mapping	F3 – Fewer Paper Disbursements – ACH/EFT/Wires/Checks F3 – Engage staff and management to identify financial measures and target levels. Collect data for these metrics
DEPARTMENT	S1 – (FS) Develop specific goals S1 – (FSA) Create FS specific on-boarding material S2 – (Gen Acct) Focus on skills training and cross-training S2 – (FS) Professional skills development opportunities for staff S2 – (FS) Leadership skills development opportunities for managers (e.g., CSU's Got Talent, other soft-skills courses) S2 – (FS) Recognize employee accomplishments	C1 – (SFSR) Tax coordinators quarterly call and Listserv C2 – (IMAPO) Responsive to campus requests for updated policies/guidelines C2 – (IMAPO) Monthly open lab sessions tracking feedback for topics and improvements C2 – (IMAPO) Refresh online training library and include some campus training modules as appropriate C2 – (SRB) Collaborate with CPDC C2 – Response times to campus questions/requests a 24 hour goal C2 – (FSA) Host CO Business Forum C3 – (SFSR) Reinvent SFSR SharePoint site for SW collaboration and knowledge sharing C3 – (IMAPO) Interunit CFS implementation	P1 – (SPA) Proposal clearance process improvement/automation P1 – (FS) Utilize technology effectively to free up time for analysis P1 – (Gen Acct) CPO process improvements P2 – (Gen Acct) Asset management process improvement P2 – (FS) Continue to deploy Promapp P2 – (SFSR) Convert CSURMA accounting software to PeopleSoft	F2 – (SFSR) Implement LeaseAccelerator F2 – (FS) Ensure effective utilization of CARES Act funds F3 – (AP) Achieve a 5% increase in AP electronic payments F3 – (Gen Acct) Financial reconciliations of Cal State Apply systemwide

In Summary: the Balanced Scorecard is a framework, a measurement system, and a communication tool (ie via a “scorecard”)





10 Common Mistakes, and How to Avoid Them



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#1 Lack of Leadership commitment

- **Best Practice:** Ensure Sr Leaders are committed to the BSC framework and convinced of its benefits before starting.

#2 Too many metrics

- **Best Practice:** Keep it simple with indicators (16 to 32 at the most). Focus on what's most important.

#3 Keeping the strategy at Executive level only

- **Best Practice:** Cascade the strategy to all levels of the organization and ensure employees are involved in the BSC creation process.

#4 Not establishing clear links between the metrics and strategic objectives

- **Best Practice:** Be transparent and communicate clearly the link between strategic objectives, measures, and initiatives.

#5 Not communicating or sharing Balanced Scorecard results

- **Best Practice:** Instill the strategy through the BSC, make the BSC a central theme of daily activities instead of being seen as an added operational thing to do.

#6 Thinking you need to roll it out all at once.

- **Best Practice:** Don't wait for perfection to begin. You can start with one or two perspectives to start.

#7 Thinking that it is a static process

- **Best Practice:** Leaders should view strategy management as continuous process to constantly test, purge and innovate the indicators. Meet as a team at least once a year to review and revise.

#8 Investing in fancy technology rather than the process.

- **Best Practice:** Don't get caught up on what tool to use to manage the BSC. The BSC is tool-agnostic.

#9 Using the Balanced Scorecard results to "punish" failures

- **Best Practice:** Build a culture that focuses on sharing, discussing, and resolving poor performance issues in an open and constructive way. And, celebrates successes.

#10 Not assigning resources for the Balanced Scorecard's continuity

- **Best Practice:** To ensure the BSC's continuity, assign roles and resources from the beginning.

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Thank you!



Questions?

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