Abstract

Implementation depends on having the right measures in place to track the new strategy and then leveraging the measure to manage the implementation and the business.

In the last 20 years, business has dramatically improved the methodology for identifying strategic objectives and measures. Specifically, the work of Robert Kaplan and David Norton on the Balanced Scorecard has significantly moved measures forward.

At the start of an implementation, leaders can create a Strategy Map and a Balanced Scorecard. A sample approach in this article shows how to achieve this. Leaders then use strategic objectives and measures to know if they are succeeding or not and to take corrective action.

Common pitfalls can be avoided by adopting the 10 best practices.

Keywords

Measures, Balanced Scorecard, Strategy Map, Key Performance Indicators
Critical Questions for Consideration

1. Have you changed your measures to track the new strategy?
2. Are the Key Performance Indicators tracking the strategic objectives you have set?
3. Are the measures driving the right behaviors?
4. Do you have lead indicators where possible to add additional focus to a measure?
5. Are you reviewing the Balanced Scorecard frequently?
6. Are you taking corrective action where required?
When organizations change their strategy, their leaders must review and change their current measures to avoid measuring yesterday’s obsolete strategy.

Measures are one of the eight areas of excellence for execution. Without the right measures in place to guide the implementation, you don’t know if you are succeeding or not.

At the start of any implementation, it is essential to review the validity of the current measures being used in the organization against the new strategy because “what gets measured gets done.” If an organization continues to use its current measures while trying to implement a new strategy, then staff members become confused. This is because they are told one thing but measured against something else. When this occurs, they will continue, in the long run, to manage the business using the old strategy.

The simple rule to ensure you’re using the right measures is this:

**Change Your Strategy, Change Your Measures.**

After leaders develop and approve their strategy, they then select new measures to track its implementation. They do this by reviewing the current measures and adopting any new measures required to track the strategy.

During the implementation, the measures are displayed as a dashboard of indicators to inform everyone what’s working and what is not, where they need to focus and what needs to change.

**The presentation of the measures as a dashboard makes the implementation progress tangible.**

Selecting the right measures to track the implementation of a strategy is not easy to do. When done correctly, though, it ensures that the organization can:

- View the progress of the implementation at all times
- Make the necessary adjustments along the way
- Inform the everyone about what is changing
- Know that the right actions are being taken
- Know if the right outcomes are being delivered
- Communicate facts and figures on the implementation
- Reward and recognize staff members for their correct performances

Measures are not just for tracking the results; they are the means for managing the implementation and the business.

“When you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a merger and unsatisfactory kind.”

Lord Kelvin, 1850s

As Lord Kelvin pointed out more than 160 years ago, without the right measures, we are left frustrated.
Since 1992, the work of Robert Kaplan and David Norton on the Balanced Scorecard has significantly moved measures forward. Today, leaders can better create and track their organization’s measures or Key Performance Indicators (KPIs) than ever before. However, the challenge of creating and tracking the right measures is complicated and should not be underestimated.

Many organizations today are still using the wrong measures, while others who have created the Balanced Scorecard fail to take advantage of its strengths and adopt it as a management system.

In addition, many leaders who adopt the Balanced Scorecard fail to successfully integrate it into the business. This is because it requires a change in the leadership’s behaviors, discussions and attitude as well as the way they run the business.

“50% of organizations who claim to be using the Balance Scorecard are doing it wrong e.g., no executive ownership, scorecard not linked to strategy or management process.”

Kaplan and Norton

Without reservation, we recommend adopting the Balanced Scorecard because it is one of the most dependable and effective way to identify and adopt the right measures for strategy implementation.

The remainder of this article addresses what it takes to adopt scorecards successfully.

As a leader, you can follow these three steps and improve your ability to measure your implementation.

1. **Introducing Strategy Maps and the Balanced Scorecard**
2. **Identifying the Right Measures**
3. **Guiding the Implementation**

1. **Introducing Strategy Maps and the Balanced Scorecard**

   The Balanced Scorecard (BSC) has helped individuals in organizations understand the importance of strategic objectives and lead and lag indicators as well as tracking more than financials (a lag indicator of performance) to include such indicators as Customer, Process and Learning & Growth.

   BSC is a management system that first translates the strategy (which is aligned to the vision) into objectives in these four quadrants: Financial, Customer, Process and Learning & Growth. Combined, they create the Strategy Map.

   The Strategy Map is a one page document that shows the strategic objectives in the four quadrants: Financial, Customer, Process and Learning & Growth (the quadrants are changeable, for example a bank might add Risk). It also shows the cause and effect between each quadrant. See the example of a Strategy Map from a Bank below.
Example of Strategy Map from a Bank

Once the Strategy Map is completed and agreed upon by the leadership team they then identify the measures that make up the Balanced Scorecard.

Within the Strategy Map, every objective has to have at least one measure to track its performance.

When adopted correctly, the BSC drives the right actions in the organization and helps bring about the right outcomes.

The Danger of Tracking Only Financials

Before the Balanced Scorecard was introduced in 1995, most organizations tracked mainly their financial measures. But the danger of an organization relying solely on financial measures while ignoring others is exemplified through Xerox’s experience in previous decades.

In the 1970s, Xerox had a virtual monopoly on plain paper copiers. It leased rather than sold the machines to customers and earned additional revenue from every copy made. Its revenue from both leasing and selling supporting items such as toner grew steadily. From a financial perspective, everything looked great.

However, things weren’t quite rosy from the customers’ perspectives, mainly because the machines kept breaking down. Rather than redesigning them to make them more reliable, Xerox saw yet another revenue opportunity.
They allowed customers to buy the machines directly instead of leasing them. Then they created an extensive field service focus as a separate profit center to repair broken machines at customer locations. Given the demand for its services, the repair division grew into a substantial contributor to Xerox's profit growth. And, because no output could come from a broken machine, their customers bought back-up machines, further increasing Xerox's sales revenue.

Thus all the financial indicators—sales, profit growth, ROI—signaled a highly successful strategy. Xerox's unhappy customers, however, wanted cost-effective machines that did not break down.

When Canon from Japan introduced a more reliable copier at a more competitive price than Xerox's, customers left Xerox in droves. That meant one of USA's most successful companies from 1955 to 1975 almost failed. Only by introducing a new CEO and focusing on quality in a new way did the company survive.

Using a range of measures to track performance is not new to those who work in health care. Routinely your personal doctor will take your temperature and blood pressure as lead indicators to your state of health. Each patient in a hospital has his or her own chart of meaningful measures.

Yet businesses are only now waking up to this idea. As a result, leaders are required to be aware of several important lessons when changing measures.

(For more information, please read “Using the Balanced Scorecard as a Strategic Management System” by Robert S. Kaplan and David P. Norton, July 2007.1)

“Measure what is measurable and make measurable what is not so.”

Galileo

2. Identifying the Right Measures

Creating a Scorecard is not simply a task of identifying the measures that will track the implementation performance. It is a powerful methodology that can unite the leadership team, create a deeper understanding of how the strategy affects the business and provide a management system.

As an example, Bridges was working with a manufacturing firm in SE Asia that had just signed off on a new five-year strategy. When we met with the leaders one-on-one to discuss the implementation, we realized that although a comprehensive understanding of the strategy and its expected influence existed, there was a lack of understanding on how it would impact the business horizontally.

Our first intervention was to bring in the Strategy Map and a Balanced Scorecard. By taking the leaders through these processes, we not only created the right measures to track the implementation and manage the business; we also set up deeper clarity on how the strategy would affect each business horizontally as well as vertically.

Initially creating the Strategy Map and the Balanced Scorecard is a three-week activity that requires the top leaders’ commitments and contributions. Adopting it takes many months after that.

Developing the Strategy Map and the Balanced Scorecard

Steps to set up the Strategy Map and the Balanced Scorecard can be managed internally if your organization has the resources; otherwise, an experienced external facilitator should be invited in.

Before disseminating the strategy to the people assigned to make it happen—your staff members—the leadership team must ensure each person a clear and common understanding of the strategy. Even after being involved in the design of the strategy, many leaders often hold differing understandings. This can lead to conflicts among leaders, departments and business activities.

The development of the Strategy Map ensures a common understanding reaches across all businesses. The Strategy Map itself takes the form of a one-page summary that reflects the strategic objectives and how they interact over time.

How is the Strategy Map generated? Members of the leadership team meet for a two-day offsite (being out of the office minimizes distractions) and are led through a facilitated discussion to create objectives in the four key areas of the scorecard: Financial, Customer, Internal Operations and People. (Before scheduling the offsite meeting, they will have decided if these are the right four areas to include.)

During these two days, the strategy is translated into objectives that will align the different businesses, then a one-page summary of how the strategy impacts the whole business is crafted. The leadership team also reviews the cause-and-effect relationships among the strategic objectives, reflecting how they affect the relationships across departments and businesses.

The team then takes a weeklong break to reflect on the Strategy Map before identifying the measures that make up the Balance Scorecard.
The leadership team then reconvenes for another two-day offsite. This starts with a review of the Strategy Map and any adjustments, then moves to identifying at least one measure for every strategic objective.

**From this time-consuming discussion in which measures are identified, leaders gain deeper clarity on exactly what each objective means within the organization.**

A best practice when identifying the measures is to start at the bottom of the Scorecard with Learning & Growth and then build upwards through Internal Processes, Customer and Financials. This ensures the team pays attention to Learning & Growth for staff members who do the actions.

During the second day of the offsite, time is also spent reviewing the current measures in place that will support the Strategy Map that’s created.

The goal of the final one-day meeting is to complete the measures, realizing that all the information (e.g., baseline data) wasn’t available in the previous meeting. Then the team finalizes what has been discussed. A secondary goal is to discuss how to communicate the strategy throughout the organization.
The Balance Scorecard is an exceptional tool for measuring and managing strategy. Like many other business tools, however, using it must become part of the DNA of the organization.

Example of Measures

<table>
<thead>
<tr>
<th>Objective</th>
<th>KPI</th>
<th>Year 1</th>
<th>Year 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>PE4 Build and sustain a high performance merit-based performance culture that fosters knowledge and continuous learning.</td>
<td>% of people who exceed their targets</td>
<td>75%</td>
<td>82.5%</td>
</tr>
<tr>
<td></td>
<td>% of staff rewarded/recognized for their high performance</td>
<td>80%</td>
<td>88%</td>
</tr>
<tr>
<td></td>
<td>% of high potential staff promoted</td>
<td>50% of high potential staff promoted</td>
<td>55% of high potential staff promoted</td>
</tr>
</tbody>
</table>
4. Guiding the Implementation

Once the right measures are in place, they will guide leaders in managing the business.

The difference between measuring the business and managing is using measures to drive decisions that guide the implementation.

By regularly reviewing the measures that track the implementation, leaders make small changes along the way that keep it on track. During your discussions, the changes may not appear overly significant, but the value of regularly reviewing your progress and making the right adjustments cannot be stressed too much.

It’s like when NASA launches a spaceship to the moon. Every part of the journey is monitored, with astronauts constantly making minor corrections in its direction along the way. Without these corrections, NASA could miss its target by thousands of miles. Similarly, without the discipline of reviewing the measures regularly (at least every two weeks), your organization will miss its strategy targets.

12 Best Practices for Using Measures to Manage the Business

When developing and rolling out a Balanced Scorecard, be aware of these 12 best practices:

1. Translate your strategy into objectives
2. Measures Drive Behaviors
3. Address Disconnects Between What You Say and What You Measure
4. Avoid Adopting Previous Measures that are Obsolete
5. Adopt Intangible and Tangible Measures
6. Avoid Feel-Good Measures
7. Consider the Complexity of Measures
8. Adopt Lead Measures
9. Recognize that Statements are not Measures
10. Have Confidence in Numbers
11. Follow A to B Formula
12. Report the Measures

1. Translate Your Strategy into Objectives

Before you can identify the measures you must first identify the strategy objectives. Strategy objectives are the critical, must-achieve, make or break organizational, performance outcomes. It can be a short sentence e.g. “Build and Leverage Brand Strength” that fits in the box for your strategy map or it can be longer.

What is important is that the strategy objectives articulate clearly what the strategy needs to accomplish. There is also no right number of strategy objectives just as there is no right number of measures. But what is essential and critical is that there is at least one measure for each objective. There can more than one and you can use a combination of lead and lagging measures but there is always at least one measure per objective.
2. **Measures Drive Behaviors**

Selecting the right measures and implementing them is challenging. This is because focusing on specific measures impacts people’s behavior. For example, as children we adopted specific behaviors to gain more pocket money. As adults we adopt specific behaviors to gain more bonus.

**Leaders must be aware of behaviors aligned with the measures they have selected by reviewing their impact.**

The following story reveals the relationship between measures and behavior and the consequence of not reviewing their impact.

The outlet managers of a fast food chain paid only lip service to many of the management’s measures. This is because they knew the only measurement that managers rigorously checked was how much cooked chicken each outlet threw away at the end of the day—a measure they called Chicken efficiency. The outlet managers focused on keeping their bosses happy and they easily hit their chicken efficiency targets. How? They simply didn’t cook any chicken until somebody ordered it! If management, however, had measured a composite of indicators, they would have found that customers had to wait up to 20 minutes for their meals and had become so dissatisfied with the “fast” food service that they never returned. But at least the outlet managers hit their targets!

“Every organization has only a handful of measures that are truly critical to the successful implementation of its strategy.”

Robert Simons

3. **Address Disconnects Between What You Say and What You Measure**

It is important to eliminate the confusion around the implementation of a new strategy as quickly as possible. Part of the confusion happens when leaders say one thing but measure something else.

For example, the CEO of a bank had just adopted a new strategy in an emerging market. At the heart of the strategy was customer service, which was still a differentiator in the market. The strategy had been developed over two years with the support of an external consultancy, Bridges.

When we asked what measures he was using to track organization-wide customer service, he said there was not even one! Therefore, the leaders had no way of measuring the key component of their strategy: Customer Service.

Staff members are smart. They work on what leaders actually measure, not what they say. So in this bank, individuals did not focus on their customers. Instead, they focused on making targets because that’s what they were measured against.

This result showed up clear in the branches where the average wait time was two hours. The performances of branch staff members were measured against their cross-sell ratios but not measured against customer wait time. Staff members would look at the next customer in the line and if they didn’t think that customer could assist them in their cross-sell target, they’d ignore that person and wait for others who looked like they could help them reach their targets.
Leaders must ensure that the measures reinforce the strategy and the desired actions.

“Get your facts first, and then you can distort them as much as you please.”

Mark Twain

4. Avoid Adopting Previous Measures that are Obsolete

Many measures used in organizations today are the wrong ones because they haven’t been recently reviewed and changed.

Leaders are guilty of simply using the measures that were designed for the last strategy. When an organization changes its strategy it must review and change its measures so that it can track the new strategy.

5. Adopt Intangible and Tangible Measures

Most organizations are still tracking a disproportionate number of tangible to intangible measures.

Despite the importance of intangible assets and the increased ability to measure them, we are still mostly tracking tangible assets. For example, consider the expression, “People are our most important asset.” Any staff members who can read the annual report can look for People in the asset column on the right-hand side of the balance sheet. Even worse than not seeing People listed, they see that what’s valuable are the chairs staff members sit on and the computers they use! They’ll then look at the profit and loss statement and see that People are measured as an expense!

Historically, many measurement systems in organizations evolved from the agricultural period and have not been updated to reflect modern times. Baruch Lev of the Brookings Institution indicates, for example, that in 1982, 62 per cent of the market value (measured by market capitalization) of organizations could be attributed to tangible assets and only 38 per cent to intangibles. Ten years later, the Brookings analysis of S&P 500 organizations showed that the relationship had been reversed: in 1992, it was 32 per cent tangible to 68 per cent intangible. This tells us we must develop measures that are both tangible and intangible.

6. Avoid Feel-Good Measures

Classic examples of a feel-good measure are:

- Number of people attended training
- Number of Facebook Fans

Both measures are nice to report and easy to capture but aren’t meaningful measures. Just because staff member have attended training does not mean they’ve learned and adopted new competencies. Just because you have Facebook fans, it doesn’t mean they’re buying your products.

More effective measures are:

- Increase in competency level of staff members from A to B
• Number of customers who have purchased new products through Facebook promotions

You want to select measures that inspire action because they’re being tracked. Reporting that 2000 people have attended training is far less meaningful than saying, for example, that customer service competencies have increased fourfold and, as a result, the company has seen a 12 per cent increase in customer satisfaction.

7. Consider the Complexity of Measures

When identifying measures, leaders can be highly imaginative. After selecting a measure, it is important to ask, “Is there a high cost in adopting it?” One example of this is market share. In discussions, what share of the market you have sounds like an excellent measure, but in reality, it can be difficult, expensive and complex to track. When an alternative measure is named, it needs to be identified.

For example, a fashion retailer wanted to determine the conversion ratio in its stores (that is, the percentage of people who came into the store vs. those who bought something). Various complex schemes were proposed involving the use of radio frequency identification tags and various types of sensors. In the end, the organization decided on the simple concept of hiring students. Their method? Students sat outside of their stores and counted the number of people who went in and the number who came out carrying the store’s shopping bags.

The more inexpensive and convenient way you can calculate a metric, the better, so consider how often it needs to be calculated.

“Knowing what to measure and how to measure it makes a complicated world much less so. If you learn how to look at data in the right way, you can explain riddles that otherwise might have seemed impossible. Because there is nothing like the sheer power of numbers to scrub away layers of confusion and contradiction.”

Steven D. Levitt, Economist and Author

7. Adopt Lead Measures

Lead measures are adopted when it’s necessary to add focus to a measure. They are a powerful means of targeting the right implementation behavior and create greater clarity on the strategic objective.

*Lag indicators* tell you what happened.

*Lead indicators* tell you what will likely happen.

Lag indicators provide data after the result has been achieved. Lead indicators show how the business is performing along the way and if it’s on target.

Customer Service, for example, is a lead indicator of profits. If your tracking of Customer Service shows a decline, then it becomes a lead indicator that profits may go down. In contrast, when the lead indicator shows improvement, the lag indicator will likely improve, too. If the lead indicator starts to show poor performance, then the lag indicator will follow the same direction.

They should be identified when you want to place more emphasis on a strategy objective as they specially drive behaviors.
8. **Recognize that Statements are not Measures**

Some leaders use statements as measures, but statements are not measures.

For example, in reviewing its yearly planning methodology, a global pharmaceutical identified one of the problems as being leaders would put out statements as measures. They’d say, “We will sell our new product to doctors.” This is a cut-and-dried statement; you either achieve it or you don’t.

However, a statement like this doesn’t help measure performance over one year and make improvements for the next. It’s like saying you’re going to run a marathon and the measure is whether you do or not. The problem is you don’t know before the marathon how prepared you are. Better measures would be how many kilometers you run each week, how many times you work out and how many calories you eat a day. These measures indicate whether you’re making progress toward your objective of running a marathon.

To know if your strategy is being implemented requires having reliable numerical data.

**A measure is an absolute number or a percentage; it is not a statement.**

9. **Have Confidence in Numbers**

To be meaningful, you must have 100 per cent confidence in the numbers being reported. If you don’t, this fact will undermine the implementation. As technology improves, having confidence becomes easier. Current systems allow us to gather analytics directly without any human intervention. Data gathered manually increases the opportunity for errors.

Where possible, use technology systems to gather the data to help ensure the accuracy and timeliness.

10. **Adopt A to B Formula**

When identifying and reporting measures, adopt the format A (current) to B (target).

For example:

A (current revenue) $268,000,000 to B (target revenue) $350,000,000 in 12 months.

This straightforward best practice instills the discipline of showing where you currently are and what you want to achieve. It also ensures numbers or percentages are used and not statements.

This is a simple rule but a very powerful one when adopted.

11. **Report the Measures**

At the beginning of every leadership meeting, start by discussing your relevant measures for that meeting in the Balanced Scorecard and examine the progress made.
This keeps the implementation on all leaders’ radar and allows them to take action as required.

**Conclusion**

When developed and used correctly, an organization’s measures both guide the implementation and allow managers to manage the business.

Creating a Strategy Map and Balanced Scorecard is relatively straightforward, but adopting them as a means to manage the business is challenging. Most organizations fail at it, but success can be achieved with discipline from the leaders.
### VISION EXAMPLE

To regain the number 1 position in our market

<table>
<thead>
<tr>
<th>Strategy Statement</th>
<th>Objectives (must have a verb)</th>
<th>Measures (A to B)</th>
<th>Actions (achievable in 90 Days)</th>
</tr>
</thead>
</table>
| To accelerate retail growth through consumer recruitment and retention with strong push and pull strategies | • Improve market share | • A: From $25 million to  
• B: $26.5 million (revenue) | 360 campaigns for key launches/ categories one per quarter  
• Roll out new store concepts to balanced stores  
• Grow active base, recruit, retain and build a strong field team |
## 4.2 Guidelines for Developing Measures

<table>
<thead>
<tr>
<th>Guideline Questions</th>
<th>Yes/No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Does every objective have at least one measure?</td>
<td></td>
</tr>
<tr>
<td>2. Are objectives strategic and not operational?</td>
<td></td>
</tr>
<tr>
<td>3. Are selected measures based on a high level of impact on the objective?</td>
<td></td>
</tr>
<tr>
<td>4. Do the measures reinforce the desired behaviors?</td>
<td></td>
</tr>
<tr>
<td>5. Is it possible to understand how the measures will be collected?</td>
<td></td>
</tr>
<tr>
<td>6. Is each measure quantifiable?</td>
<td></td>
</tr>
<tr>
<td>7. Is each measure easily accessible?</td>
<td></td>
</tr>
<tr>
<td>8. Is each measure easy to understand?</td>
<td></td>
</tr>
<tr>
<td>9. Is each measure relevant?</td>
<td></td>
</tr>
<tr>
<td>10. Do you have the right number of measures for your strategy?</td>
<td></td>
</tr>
</tbody>
</table>
## Learning & Growth

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Strategy Objectives</th>
<th>Corporate KPIs</th>
<th>Target</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LG1</strong>: Most competent, productive staff among other banks in our country</td>
<td>% of staff who completed core competency training</td>
<td>Year 1 25% Year 2 75%</td>
<td>Current levels will be identified by July 31st and new measures will be set to increase % accordingly.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Achieve 85% customer satisfaction through surveys</td>
<td>Minimum 85% Customer Satisfaction Index (CSI). To be reviewed quarterly.</td>
<td>Customer Satisfaction Survey to be conducted by Person A. Areas of improvements will be identified as a result of action plans to be set.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Operating profit of 45K per employee</td>
<td>Operating profit of 50K per employee. To be reviewed annually.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LG2</strong>: Merit-based Recognition &amp; Rewards through Performance Management</td>
<td>3% of staff exceeding 10% of their set KPIs</td>
<td>Exceed further (5% minimum) of the revised level of 10%. To be reviewed quarterly.</td>
<td>To be completed by Dec 31st. Action plan to be set for recommendation.</td>
<td></td>
</tr>
<tr>
<td><strong>LG3</strong>: Job Satisfaction through Personal Career Development</td>
<td>Annual unplanned staff turnover 3% or less</td>
<td>To be reviewed annually</td>
<td>Action plan to be set for recommendations.</td>
<td></td>
</tr>
</tbody>
</table>
### 4.4 Sample of Scorecard for Internal Processes

<table>
<thead>
<tr>
<th>Strategy Objective</th>
<th>KPI</th>
<th>Year One</th>
<th>Year Two</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P1 Develop and use MIS to drive and measure business performance.</strong></td>
<td>% of KPIs measured through MIS</td>
<td>75%</td>
<td>90%</td>
</tr>
<tr>
<td><strong>P2 Excel in all processes</strong></td>
<td>Reduction in cycle time of key customer processes</td>
<td>30% for 6 core products</td>
<td>Further 20% on the same</td>
</tr>
<tr>
<td></td>
<td>Reduction in defects in key business processes</td>
<td>Zero defects</td>
<td>Zero defects</td>
</tr>
<tr>
<td></td>
<td>Reduction in cost for key business transactions (measured by cost per account)</td>
<td>33% reduction (est. cost per A/C $1,392 to $933)</td>
<td>15% reduction from cost per A/C 796</td>
</tr>
<tr>
<td><strong>P3 Revolutionize the business through technology</strong></td>
<td>No of key internal processes on paper vs. paperless</td>
<td>Automate 6 core processes</td>
<td>Further 6 core processes</td>
</tr>
</tbody>
</table>
4.5 Sample of Scorecard for Customers

<table>
<thead>
<tr>
<th>#</th>
<th>Strategy Objective</th>
<th>Current</th>
<th>Goal</th>
<th>Status</th>
<th>Trend</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td># of forms to fill in for opening savings account</td>
<td>5</td>
<td>2</td>
<td>😊</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td># of indemnity forms to fill in</td>
<td>4</td>
<td>1</td>
<td>😐</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Waiting time</td>
<td>30 mins</td>
<td>10 mins</td>
<td>😊</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Updates of new products yearly</td>
<td>2</td>
<td>6</td>
<td>😐</td>
<td></td>
</tr>
</tbody>
</table>
4.6 Sample of Scorecard for Customers

Balanced Scorecard

**Perspective**
Customer

**Short-Term Goal**
- Increase Customer Satisfaction
- Increase Referrals
- Increase Frequency

**Measures**
- Customer Satisfaction
- Referral Rate
- Frequency

**Targets**
- % increase
- % increase
- % increase
### 4.7 Sample of Scorecard for Financial

<table>
<thead>
<tr>
<th>Strategic Destination Statement</th>
<th>Perspectives</th>
<th>Strategy Objectives</th>
<th>Corporate KPIs</th>
<th>Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>We will exceed our customers’ expectations by dramatically improving our front-end competencies while upgrading systems to a world-class standard.</td>
<td>Financial</td>
<td>F1: Grow Revenue</td>
<td>• Net profit target</td>
<td>• $100 million</td>
</tr>
<tr>
<td></td>
<td></td>
<td>F2: Achieve long-term sustainable ROCI</td>
<td>• ROAE</td>
<td>• 22.07%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>F3: Assess productivity/strategic cost management</td>
<td>• ROAA</td>
<td>• 3.82%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Cost/ income ratio</td>
<td>• 30.4%</td>
</tr>
</tbody>
</table>
Quotations on Measures

“50% of organizations who claim to be using the Balance Scorecard are doing it wrong e.g., no executive ownership, scorecard not linked to strategy or management process.”

Kaplan and Norton

“The BSC is the operating system for a new strategic management process and the roadmap for creating a strategic-focused organisation.”

Kaplan and Norton

“When I see companies that don’t execute, the chances are that they don’t measure, don’t reward and don’t promote people who know how to get things done.”

Larry Bossidy and Ram Charan

“When you can measure what you are speaking about and express it in numbers you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind.”

Lord Kevin, 1850s

“Creating indicators that have real bite is one of the toughest challenges of implementing a Compstat-style accountability system.”

Rudolph Giuliani

“Measure what is measurable and make measurable what is not so.”

Galileo

“Get your facts first, and then you can distort them as much as you please.”

Mark Twain

“What you measure is what you get—what you reward is what you get. By not aligning measurement and rewards, you often get what you’re not looking for.”

Jack Welch

“The only real measure of business success is a satisfied customer; all else is a distraction.”

Hopson and Scally

“Every organization has only a handful of measures that are truly critical to the successful implementation of its strategy.”

Robert Simons