BALANCED SCORECARD

FREQUENTLY ASKED QUESTIONS

What is Balanced Scorecard?
Balanced Scorecard is used as a performance management system in business, government, and non-profit organizations. It was first introduced in 1992 by Robert S. Kaplan and David P. Norton to provide a more holistic view of the business as opposed to a solely financial approach, which was popular at the time. While financial measures provide a lagging indicator of organizational success, Kaplan and Norton argued that there are leading indicators that can predict financial performance.

What are the four organizational perspectives?
- Financial: “How should we appear to our stakeholders?”
- Internal Business Process: “What business processes must we excel at?”
- Customer: “How should we appear to our customers?”
- Learning & Growth: “How will we sustain our ability to change & improve?”

What are the potential benefits of using Balanced Scorecard?
- Promotes accountability
- Clearly communicates vision and strategy to organization
- Creates a feedback loop for organizational learning
- Aligns organization vision with human and capital resources and with day-to-day operations

What metrics should be used in Balanced Scorecard?
Metrics should be created around the four organizational perspectives: financial, customer, internal business process, and learning and growth. Each organization’s metrics will be unique and tailored to their business. Creating these metrics is a strategic process and should align with the organization’s vision and goals.

What are best practices in developing a Balanced Scorecard?
- Executive level sponsorship
- Change management
- Concise and focused measures
- Participatory approach – involving staff in creation and discussion of BSC
- Valid data, realistic benchmarks

Can Balanced Scorecard be applied to higher education?
Institutes of higher education are increasingly looking to performance management systems to show accountability to both funders and customers. Balanced scorecard can provide a strategic approach that addresses business, customer, and financial performance.
# BALANCED SCORECARD

## BSC Scorecard Template

<table>
<thead>
<tr>
<th>STRATEGY No.</th>
<th>MEASURE</th>
<th>FREQUENCY</th>
<th>ACTUAL</th>
<th>TARGET</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CP1</td>
<td>Example: Student Retention</td>
<td>FY</td>
<td>99%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>CP2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CP3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FP1</td>
<td>Example: Number of Donors</td>
<td>FY</td>
<td>1500</td>
<td>1700</td>
<td></td>
</tr>
<tr>
<td>FP2</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>FP3</td>
<td></td>
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</tr>
</tbody>
</table>

### Customer Perspective

<table>
<thead>
<tr>
<th>STRATEGY No.</th>
<th>MEASURE</th>
<th>FREQUENCY</th>
<th>ACTUAL</th>
<th>TARGET</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>IP1</td>
<td>Example: Percent of processes mapped</td>
<td>FY</td>
<td>90%</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>IP2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IP3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LG1</td>
<td>Example: Employee Satisfaction</td>
<td>FY</td>
<td>3.65</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>LG2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LG3</td>
<td></td>
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</tr>
</tbody>
</table>

### Internal Process Perspective

### Learning & Growth Perspective

### Financial Perspective

**Key**

- Q = Quarterly
- FY = Annual
- BA = Bi-Annual
- Mthly = Monthly

- >= 95% target
- >= 90% target
- < 90% target

**Organizational Excellence**

University of Washington
Planning & Management