

Balanced Scorecard



Balanced Scorecard is a management system that can channel the energies, abilities, and specific knowledge held by people throughout the organization toward achieving long term strategic goals.

Kaplan and Norton demonstrate how senior executives in industries such as banking, oil, insurance, and retailing are using the Balanced Scorecard both to guide current performance and to target future performance. They show how to use measures in four categories – Financial Performance, Customer Knowledge, Internal Business Processes, and Learning and Growth – to align individual, organizational, and cross departmental initiatives and to identify entirely new processes for meeting customer and shareholder objectives.

The Balanced Scorecard complements financial measures of past performance with measures of the drivers of future performance. The objectives and measures of the scorecard are derived from organization's vision and strategy. The objectives and measures view organizational performance from four perspectives.

The Balanced Scorecard expands the set of business unit objectives beyond summary financial measures. Corporate executives can now measure how their business units create value for current and future customers and how they must enhance internal capabilities and the investment in people, systems, and procedures necessary to improve future performance.

The Balanced Scorecard captures the critical value creation activities created by skilled, motivated organizational participants. While retaining, via the financial perspective, an interest in short term performance, the Balanced Scorecard reveals the value drivers for superior long term financial and competitive performance.

The Balanced Scorecard emphasizes that financial and non financial measures must be a part of the information system for employees at all levels of the organization.

The Balanced Scorecard is more than a new measurement system. Innovative companies use the scorecard as the central organizing framework for their management process. Companies can develop an initial Balanced Scorecard with fairly narrow objectives: to gain clarifications, consensus, and focus on their strategy, and then to communicate that strategy throughout the organization.

The real power of the Balanced Scorecard, however, occurs when it is transformed from a measurement system to a management system. As more and more companies work with the Balanced Scorecard, they see how it can be used to:

- Clarify and gain consensus about strategy
- Communicate strategy throughout the organization
- Align departmental and personal goals to the strategy
- Link strategic objectives to long term targets and annual budgets
- Identify and align strategic initiatives
- Perform periodic and systematic strategic reviews
- Obtain feedback to learn about and improve strategy

The Balanced Scorecard fills the void that exists in most management systems – the lack of a systematic process to implement and obtain feedback about strategy. Management processes built around the scorecard enable the organization to become aligned and focused on implementing the long term strategy. Used in this way, the Balanced Scorecard becomes the foundation for managing information age organizations.

The purpose of this workshop is to facilitate the Balance Scorecard developed by the senior team of the organization to achieve their Vision and Mission.

Balanced Scorecard is a *management system* (not only a measurement system) that enables organizations to clarify their vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results.

Benefits

Balance scorecard helps an organization to:

- Meeting Your Vision and Mission
- Enables Strong Team Commitment to Success
- Encourages Entrepreneurship
- Catches Problems Before Too Late
- Keeps You on Target to Meet Your Unit Goals
- Encourages Transparency and Growth

Program Specification

Audience: - Leaders and Senior Managers

Class Size: - 12 to 15 participants

Length: - 1 day.



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