



IMPROVING PERFORMANCE, SCORING SUCCESS

Using Balanced Scorecards for Organizational Excellence



Community Action Partnership

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Improving Performance, Scoring Success: Using Balanced Scorecards for Organizational Excellence

This document is intended for the use of Community Action Agencies and other Eligible Entities within the Community Services Block Grant (CSBG) Network.

The “Nine Steps to Success” framework and methodology used to create this publication are the intellectual property of Balanced Scorecard Institute. Users of the Community Action Partnership Improving Performance, Scoring Success: Using Balanced Scorecards for Organizational Excellence Toolkit can make no claim to the “Nine Steps to Success” framework or related consulting and facilitation approaches, worksheets, templates, software, and techniques.

The Community Action Partnership would like to thank Barbara Mooney, Project Director, National Peer to Peer (NPtP) ROMA Training and Certification Project/Community Action Association of Pennsylvania and Fred Richmond, CEO of The Center for Applied Management Practices for their contributions to this toolkit.

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Introduction

Why Plan?

A number of forces are changing the landscape of human services, including:

- Declining government funding
- High unemployment and structural changes in the economy
- Competition from other non-profits

At the same time, new opportunities are presenting themselves:

- Innovative services enabled by technology
- New understanding of human behavior and learning based on neuroscience
- Partnering with a variety of community-based groups to deliver services

To be successful in this environment Community Action Agencies must develop the capacity to plan for results, to clearly measure the outcomes of their work, and demonstrate how programs and services contribute to these outcomes.

Purpose and Use of the Toolkit

Working with the Community Action Partnership, the Balanced Scorecard Institute has created this "do-it-yourself" planning Toolkit available free for Community Action Agencies. The Toolkit guides the user through a comprehensive planning and outcome measurement process using the five stages of the ROMA cycle: Assessment, Planning, Implementation, Achievement of Results, and Evaluation. The Toolkit is based on the Institute's *Nine Steps to Success*[™] balanced scorecard framework that combines strategic planning, change management, program and service prioritization, performance measurement and target setting into a comprehensive strategy management system.

This Toolkit was designed to help Community Action Agencies develop and manage strategic plans that address community needs and build internal capacity, while aligning with the ROMA goals and National Performance Indicators. It will serve as a "how to" guide to help you understand the overall process and for organizing and conducting workshops at each stage of that process. The Toolkit will take you through a generic example of a Community Action Agency, the "Mayberry CAA", to show how to build a strategic plan and strategy management system.

The Balanced Scorecard Institute

The Balanced Scorecard Institute provides training, certification and consulting services to commercial, government, and non-profit organizations worldwide. The Institute applies best practices gained from hundreds of consulting assignments and 5,000 trainees in balanced

scorecard, strategic performance management and measurement, strategic planning, and change management to help leaders transform their organizations into “performance excellence” organizations.

Through its popular website, the Institute provides extensive learning resources, including case studies, white papers, articles, and other information. The Institute’s award-winning *Nine Steps to Success™* methodology provides a practical, proven, step by step process for creating a strategic plan and translating it into meaningful performance measures, organizational alignment, and effective action. It is described in more detail in the appendix to this document.

[Click here to learn more about the Nine Steps to Success \(TM\)](#)

[Click here to link to balancedscorecard.org](http://balancedscorecard.org)

What is Strategic Planning?

“If you don’t know where you’re going, you’ll probably end up someplace else.” – Yogi Berra

Strategic planning is a management process by which an Agency identifies current and future community needs, and then defines and articulates its Vision, Mission, Values, Goals, Client Value Proposition and strategies to respond to these needs. It is a process of strategic thinking and conversations within the Agency, and with its key stakeholders. Strategic thinking results in the creation of a strategic plan. The plan is a written description of how the Agency intends to operate and deliver products and services to its clients and community stakeholders.

The strategic planning process is designed to build a shared vision of the future, set priorities, focus energy and resources, ensure that all are working toward common goals, strengthen operations, and assess and adjust the Agency's direction in response to a changing environment. Change management is an integral part of the process, and results from engaging Board, employees, and other selected stakeholders in the process. It is a disciplined effort that produces fundamental decisions and actions that shape and guide what the Agency is, who it serves, what it does, and why it does it, with a focus on the future.

What is a Strategic Management System?

A strategic management system puts your strategic plan document into action and enables it to evolve and grow as community needs and other circumstances change. Effective strategy management results in:

- Greater levels of collaboration and forward thinking
- Development of infrastructure based on a longer term perspective of emerging needs
- A more pro-active relationship with funders
- A budget formulation process that is informed by strategic thinking and programming
- Better alignment of the workforce around priorities
- Better use of performance measures to support program development, management decision making and improvements in service delivery and client outcomes

- Adaptation to a variety of reporting demands, including National Performance Indicators and the Pathways to Excellence program
- Greater agility to execute new programs
- Cross-program consistency, synthesis and vision

Results-Oriented Management and Accountability (ROMA)

In 1993, Congress passed the Government Performance and Results Act (GPRA). GPRA applies to all organizations receiving federal dollars, with the purpose of improving Federal program effectiveness and public accountability by promoting a new focus on results, service quality and customer satisfaction. It was the beginning of a movement that continues today, in which agencies are being asked “What happened as a result of the use of the federal dollars?”

As a result of GPRA, the Office of Community Services formed the Monitoring and Assessment Task Force (MATF). In 1994, the MATF produced a National Strategic Plan endorsing a “results-oriented” approach for CAAs, including six national goals representing the outcomes they found being reported across all CAAs.

The Six National Goals

(Representing three levels of results – Family, Community & Agency)

Goal 1 Low-income people become more self-sufficient.	Family
Goal 2 The conditions in which low-income people live are improved.	Community
Goal 3 Low-income people own a stake in their community.	Community
Goal 4 Partnerships among supporters and providers of services to low-income people are achieved.	Agency
Goal 5 Agencies increase their capacity to achieve results.	Agency
Goal 6 Low-income people, especially vulnerable populations, achieve their potential by strengthening family and other supportive systems.	Family

In 1998, the Community Services Block Grant (CSBG) Act was amended, mandating implementation of a comprehensive performance-based management system, across the entire Community Services Network. In the CSBG Act, ROMA was defined as: “a sound management practice that incorporates the use of outcomes or results into the administration, management, and operation of community action agencies.” The Results-Oriented Management and Accountability (ROMA) system is a complete management and accountability process that is focused on the results achieved as a result of your agency’s activities. Additionally, CAAs were required to begin performance reporting on October 1, 2001. ROMA certified trainers are available throughout the country to provide training and technical assistance to CAAs. We wish to acknowledge the work of Frederick Richmond, of the Center for Applied Management Practices and Barbara Mooney, of the National Peer-to-Peer ROMA Training and Certification Program in developing the ROMA training, and supporting the development of this Toolkit.

[Click here to link to the ROMA training site](#)

In 2001, the Community Services Block Grant Program clarified the requirements of ROMA in Information Memorandum 49 (IM 49). Following that, Julie Jakopic, iLead Strategies, and

Barbara Mooney, Community Action Association of Pennsylvania, created “Planning for Results” in 2006 as a guide for a results-oriented planning process. Initially for this document they developed the ROMA Cycle (Figure 1) to help contextualize the planning process within the full range of ROMA activities identified in IM 49.

The ROMA Cycle includes the following activities: Assessment, Planning, Implementation, Achievement of Results and Evaluation. The ROMA system was further developed to incorporate the six national goals as the primary results around which the CAA performance management was built.

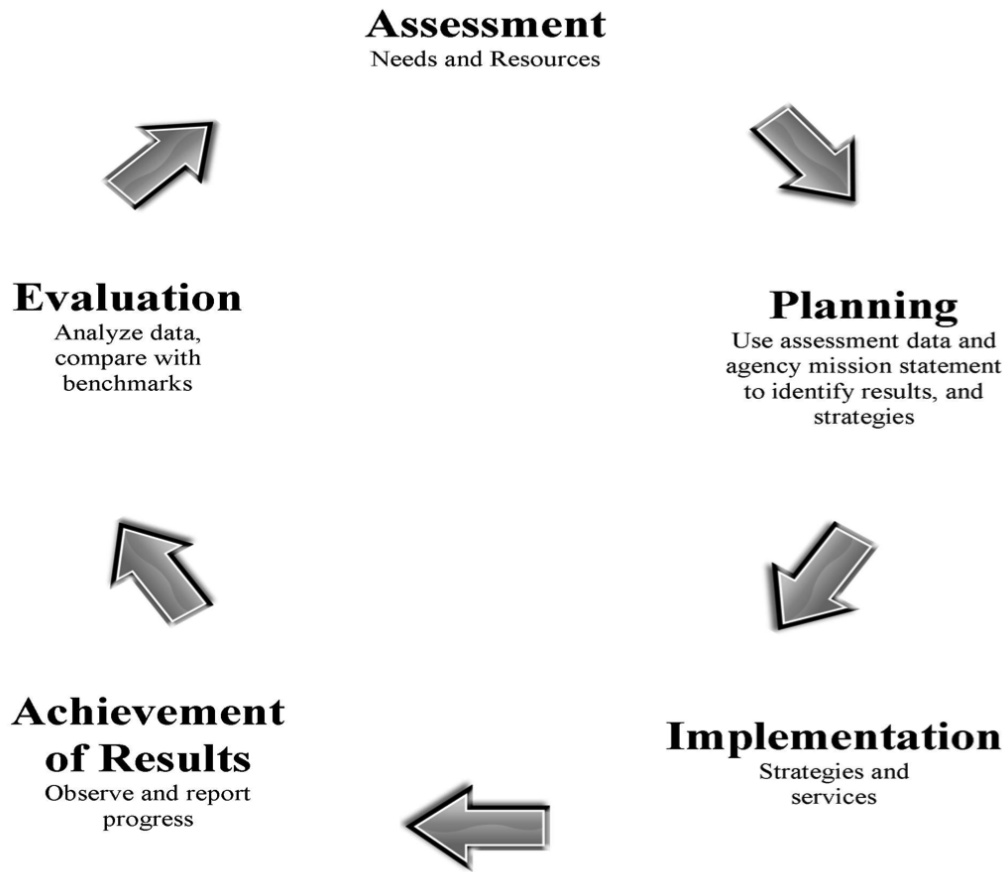


Figure 1: The ROMA Cycle

National Performance Indicators (NPI)

After the first mandatory performance reporting for 2001, the Office of Community Services (OCS) reviewed the data submitted by local CAAs and State offices. As a result of this data review, and in response to a need for a standardized system of reporting CAA results, OCS

established **National Performance Indicators** (NPIs). In 2005, the CAAs implemented the NPI Performance Report, sometimes referred to as the ROMA report because it is the “accountability” portion of the ROMA Cycle. OCS’ Monitoring and Assessment Task Force provides instructions and a comprehensive list of performance measures for each of the six national goals in their document, effective October 1, 1999.

[Click here to download National Goals and Outcome Measures](#)

CAAs are required to include in their CSBG work plans a projection (or estimate) of:

- The number of units of service they will provide
- The number of people to be served, and
- The number of results that will be achieved by these participants

The NPI Report is about results achieved in each of the Six National Goals. After the service is provided and the results documented, the CAA completes the NPI Report for the state office. (Note: Your state may call it something different but it contains the NPIs.) In the NPI report you will compare the actual performance data to what you projected in your CSBG work plan. This is a way to evaluate both an agency’s performance and also its ability to make projections about performance. The establishment of reliable measurement tools for results you are trying to achieve, and processes that enable you to observe and document the indicators are keys to easier reporting.

The Logic Model

In order to create an explicit link between community needs, services, desired outcomes, and measurement of results, Frederick Richmond of the Center for Applied Management Practices developed a logic model specifically designed for Community Action Agencies. In this Toolkit the steps in the ROMA Cycle are linked to the Logic Model according to the following “crosswalk”:

Table 1: The Logic Model

Logic Model	Problem Statement	Service or Activity	Outcome	Outcome Indicator	Actual Results	Measurement Tool	Data Source	Frequency of Data Collection and Reporting
ROMA Cycle	Assessment	Planning			Implementation	Achievement of Results/Evaluation		

The [Introduction to Results-Oriented Management and Accountability \(ROMA\)](#) training manual, written by Frederick Richmond and Barbara Mooney, and published by the Center for Applied Management Practices (www.appliedmgt.com) goes into a much more detailed explanation of the Logic Model.

Pathways to Excellence

The Pathways to Excellence program is the national Community Action Partnership's capacity building initiative. This initiative focuses on getting organizations started on their own unique journey toward excellence using the Self-Study and Comprehensive Feedback Process as diagnostic tools for setting agency improvement priorities.

The Standards of Excellence (SOE) program identifies 34 of the best practices of the best Community Action Agencies divided into seven categories of excellence. These best practices and categories of excellence are the foundation for a critical set of benchmarks and the self-study that serves as a comprehensive diagnostic tool for identifying what strengths to build on, and what areas within your organization are most critical to improve.

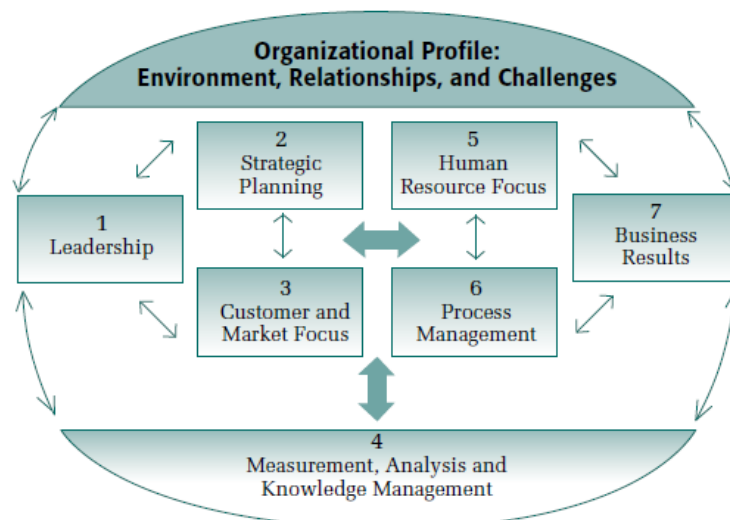


Figure 2: Categories of Excellence

Through Pathways, you can set your own pace, and conduct the self-study to assess where you are along the continuum of excellence or assess your readiness for the Award for Excellence. The Award for Excellence recognizes and rewards excellence that already exists throughout the network of over 1,000 CAAs. What you do with the feedback results will be up to you. The Standards and the Self-Study are powerful tools - they offer the power to take positive action to improve your agency and the services you offer.

The Award for Excellence process (includes the completion of the Pathways to Excellence or a thorough self-study program) identifies organizations that can demonstrate excellence in the seven categories listed above. Completing the Pathways to Excellence process is more efficient for those CAAs with well-written balanced scorecard strategic plans that incorporate both ROMA and the Standards of Excellence.

The Award process closely follows the prestigious Malcolm Baldrige National Quality Award, adapted to reflect CAAs' language and operations. Like the Baldrige Award, the Award for Excellence is both a "recognition" system, and a "learning" system for the CAA network. Every organization can and should strive to improve how they do business, serve their customers, and exceed the expectations of their community and constituency. CAAs now more than ever need to compete for diminishing resources by improving the efficiency and effectiveness of their operations. Excellence is about identifying and exceeding customer expectations, and striving

for maximum possible performance. Promoting excellence and helping others adopt proven best practices generates a commitment to excellence that is contagious and beneficial.

[Click here for more information on the Pathways and Award for Excellence Programs](#)

Introducing the Case Study and Examples

At each step of the process, we provide examples based on a hypothetical Community Action Agency – the Mayberry Community Action Agency (MCAA). Here’s some background:

Case Study

History: Established under the Economic Opportunity Act of 1964, Mayberry Community Action Agency (MCAA) is one of 1,000 agencies nationwide dedicated to assisting low-income individuals and families to become stable and self-reliant. The majority of our program participants are extremely poor, with incomes below 75% of the federal poverty threshold, or \$9,735 for the average family of three. We provide services in both urban and rural areas with a population of 300,000 people, containing approximately 37,500 low-income people.

Current Programs and Services:

Emergency Services – Homeless Shelters, Energy Assistance

Food & Nutrition – Meals on Wheels, Food Bank

Education – Head Start, Adult Basic Education

Family Development – Day Care, Counseling

Housing – Rental Assistance, Weatherization

Governance:

The Board of Directors for Mayberry CAA is a 15-member tripartite board: 5 Public Sector representatives; 5 Private Sector representatives and 5 Low-Income Sector representatives. The Board of Directors meets monthly to discuss policy issues, set the direction and provide guidance for the overall operation of the Agency. The Chief Administrative Officer reports to the Board of Directors and is tasked with carrying out the day-to-day operations of the organization with the assistance of 100 full-time equivalent employees, and an additional 500 people volunteering at the Agency each year.

Current Situation:

The current economic climate has drastically impacted the availability of funding resources for the Agency. A majority of funding comes from federal resources, including the Community Services Block Grant (CSBG), in addition to private funding and the use of volunteers to provide services. MCAA is looking at alternative funding sources and new ways to continue to deliver the programs and services that will have the biggest impact in creating self-sufficiency for those needing assistance. MCAA recently entered into a process of strategic management using the balanced scorecard. In doing so, they refined the Mission and Vision, clarified their understanding of customers’ needs and identified key enablers and challenges. Additionally they’ve learned to use the Strategic Plan as an integrated management tool to help them meet their Federal/State reporting requirements (ROMA & NPIs), budget and plan projects, and meet the national Community Action Partnership Standards of Excellence in order to more effectively survive in a competitive funding environment.

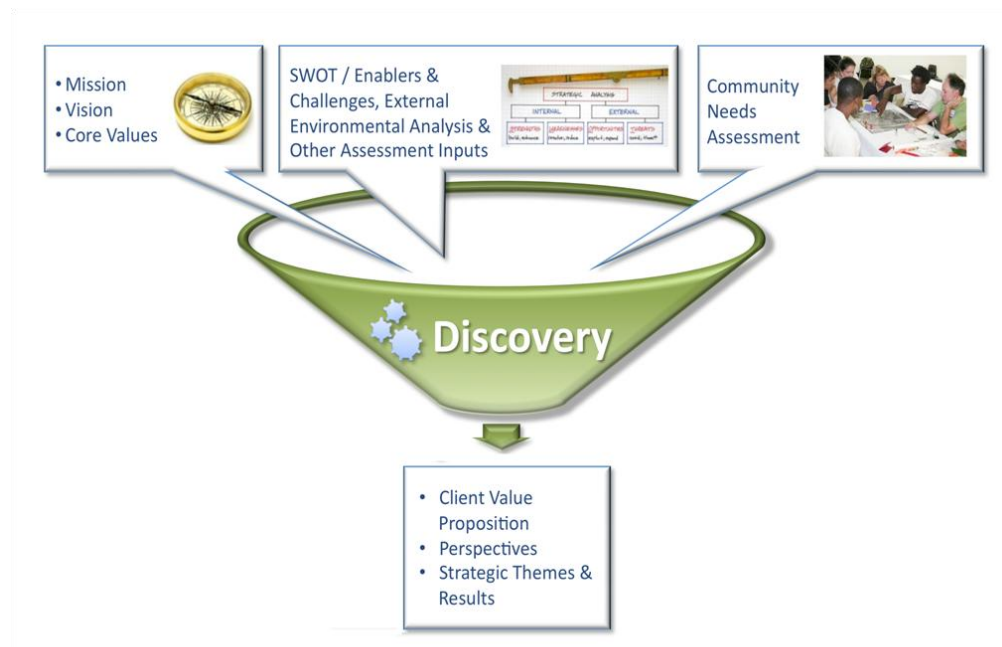
Step 1 - Assessment

Community Needs and Resources, Agency data

The purpose of the Assessment phase is to review and develop a shared understanding of:

- The capacity of the Agency to engage in the strategic planning and management process
- Current and emerging needs in the community that the Agency serves
- Other factors in the environment that impact target clients and the Agency's ability to serve them
- The Agency's internal strengths and weaknesses in addressing these needs
- The Agency's Mission, Vision and Values for the future

These elements may be explored and analyzed in greater or lesser depth, depending on the scope and nature of the project, and the availability of resources for your planning effort.



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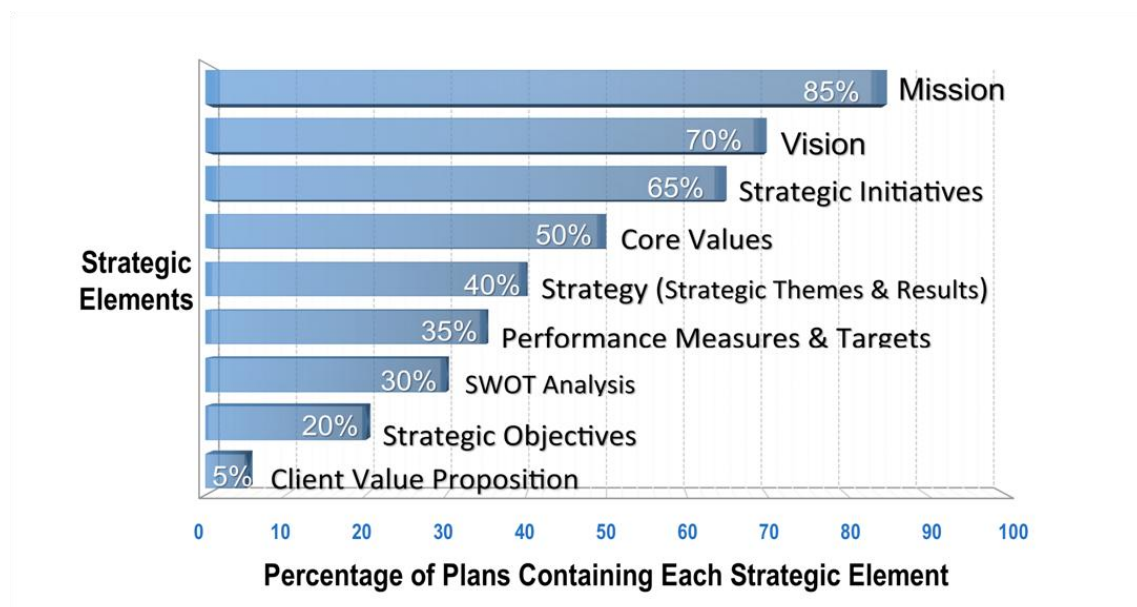
Figure 3: Assessment Process

Community Action Agencies and Strategic Planning

Strategic Plans are most effective when they provide a strong link between the needs of the community, the Agency's Mission and capacities and the programs/initiatives serving the community. The Balanced Scorecard Institute (BSI) researched a number of strategic plans

developed by Community Action Agencies across the United States. We discovered there was a wide variation in the scope of these strategic plans. Some include only the “high altitude” elements of Mission, Vision, and Values – while others are little more than a “To-Do” list of projects to be undertaken. In fact, many strategic plans made a leap from high-level elements like the Mission right into Initiatives and projects, with little “connecting tissue” in between.

Understanding the concept of strategic “altitude” is critical, because an effective plan creates a bridge between the Mission – at the highest level – and Initiatives at the lowest level. Specifically, the link between community needs and service delivery is the Client Value Proposition. This is where the Agency intentionally defines who it will serve, and how it will serve them. As you can see, only 1 out of 20 plans that BSI reviewed specifically defined and documented this element.



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Figure 4: Percentage of Plans Containing each Strategic Element

When assessing what will be required for your strategic planning efforts, begin with a review of your current planning documents. In many cases you may already have some of the strategic elements described above; for example, you may have done a SWOT analysis last year, but have not revised your Mission. Armed with this information, you can build upon what you’ve already accomplished.

Strategic Planning Teams - Roles and Responsibilities

When engaging clients, staff and internal or external stakeholders on planning and assessment teams, find the right mix of team members with functional expertise and those individuals who represent all levels of the hierarchy. While managers often have the “big picture”, people at lower levels often have more practical knowledge of how things work, what data is available, and may interact with external stakeholders on a regular basis. Having a variety of levels and

functional expertise generates much more diverse thinking, and is called a “diagonal slice” of the Agency. No matter who is on a team, individuals should be:

- Analytical – curious about how and why things work the way they do
- Visionary - “outside the box” thinker
- Change agent – a person who’s respected, with a “Can do” attitude
- Externally focused - understands the “voice of the customer”

Project Organization

MCAA put together the Project Team Worksheet below in order to determine who would be involved in the planning process, and how.

Mayberry Community Action Agency (MCAA)

Table 2: Project Team Worksheet

Team	Responsibilities	Members / Commitment	Stakeholders Represented	Members
Strategic Management Team	<ul style="list-style-type: none"> • Provide overall leadership, direction and ownership of planning process • Champion support of the project • Dedicate resources • Set Strategic Foundations • Develop corporate scorecard • One SMT team member appointed to each Strategic Theme Team 	6-12 people for 8-12 days	Senior Leadership	Andy, Ellen, Joe, Frances, Frank, Jim
Stakeholder Focus Groups	<ul style="list-style-type: none"> • Provide input to assessment process • Identify SWOT • Suggest improvements 	12-18 people for 2-3 hours each	Clients, community stakeholders, partners	TBD
Theme Teams	<ul style="list-style-type: none"> • Provide extensive subject matter expertise • Build Theme strategy maps • Provide broad organizational representation • Ensure ownership and task-oriented contribution to Review and Revision process • Support implementation 	6-12 per team for 2-3 days	Accounting, IT, HR, Program managers	TBD
Communications Team	<ul style="list-style-type: none"> • Create a “buzz” around the new system • Prepare a unified message on why the balanced scorecard and why now • Prepare a communications plan • Communicate benefits, costs, and impacts to the Agency 	4-8 people for 4-5 days	Communications staff, Employees	TBD
Objective Owner Teams	<ul style="list-style-type: none"> • Meet to refine objective commentary, performance measures and targets, and strategic initiatives for each objective on the strategy map 	4-8 per team for 3-4 days		TBD

[Click here to link to blank Project Team Worksheet](#)

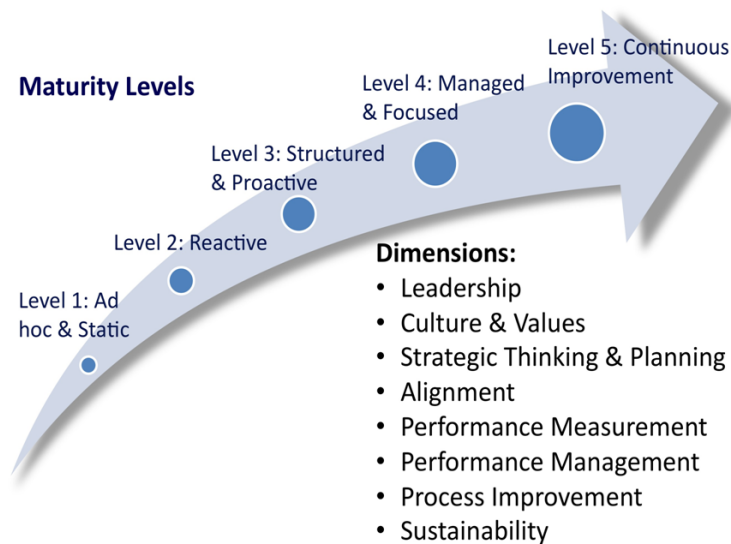
Once you've identified who will participate on what strategic planning team, you can develop a work schedule that is conducive to efficiently moving through each stage of developing, implementing and sustaining your strategic planning efforts. In the steps that follow, we'll show you how to use each team as you go through the process.

Strategic Maturity

Strategy Management means translating strategy into action in everything the organization does, including alignment, accountability, focus, project prioritization, measuring what matters, and strategic input into budget and operational planning. Strategically mature organizations have the following characteristics:

Leadership	Leaders and employees fully engage in a continuous dialogue in a team-based culture.
Culture & Values	Vision and Values are fully integrated into the organizational culture.
Strategic Thinking & Planning	Strategy drives critical organizational decisions and a continuous improvement planning process is maintained.
Alignment	All structures and systems are aligned with strategy, and organizational alignment is continuously improved.
Performance Measurement	Measurements are comprehensively used and routinely revised based on continuous improvement
Performance Management	Organizational culture is measurement and accountability focused; decisions are evidence-based.
Process Improvement	Employees are empowered and trained, and a formal process exists for improving process management.
Sustainability	Strategic thinking and management are embedded in the culture of the organization.

The Strategic Management Maturity Model™ (SMMM) is a tool for evaluating how well an organization is translating the strategic plan into action. It indicates how far the organization has gone in terms of making strategy a foundation of continuous improvement in all its operations. And, it provides a logical starting point for scoping out a strategic planning project.



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Figure 5: The Strategic Management Maturity Model™ has Five Levels and Eight Dimensions

Examples of each of the Levels 1-5, across the eight Dimensions, can be used as a discussion guide to facilitate a conversation with the planning team and other stakeholders.

	Level 1: Ad hoc & Static	Level 2: Reactive	Level 3: Structured & Proactive	Level 4: Managed & Focused	Level 5: Continuous Improvement
Leadership	Leaders dictate / command & control; otherwise disengaged	Leaders dictate but gather feedback sporadically	Leaders model desired behaviors and values but engage with direct reports only	Leaders empower many employees through on going engagement	Leaders & employees fully engage in a continuous dialog based on a team-based culture
Culture & Values	Vision & values undefined or not shared	Vision & Values published, but not lived	Vision & Values communicated & understood	Vision & Values collaboratively developed	Vision & Values fully integrated into organization culture
Strategic Thinking & Planning	No strategic planning occurs within the organization; no goals defined	Strategic planning is the responsibility of a small team and dictated to the organization	A structured and open planning process involves people throughout the organization every couple of years	Plans are developed and revised regularly by trained, cross-functional planning teams	Strategy drives critical organizational decisions and a continuous improvement planning process is maintained
Alignment	Work is narrowly focused based on organization structure, with little customer input	Customer needs and feedback start to influence more aligned decision making	Employees know their customers and align strategy to those needs	Vision, Customer Needs, Strategy, and employee reward and recognition systems are cascaded and aligned	All structures and systems are aligned with strategy, and organizational alignment is continuously improved
Performance Measurement	No data, or only ad hoc performance measures are collected	Performance data collected routinely, but are mostly operationally focused	Strategic performance measures are collected, covering most strategic objectives	Strategic measures are broadly used to improve focus & performance and inform budget decisions	Measurements comprehensively used and routinely revised based on continuous improvement
Performance Management	No emphasis on using performance as a criterion to manage the organization	Performance reviews required but not taken seriously; no accountability for performance exists	Measures are assigned owners and performance is managed at the organizational and employee level	Measurement owners are held accountable and performance is managed at all levels	Organizational culture is measurement and accountability focused; decisions are evidence-based
Process Improvement	Processes are undocumented and ad hoc with evident duplication and delays	A few key processes documented, and process improvement models (TQM, Lean Six Sigma, etc) introduced	All key processes are identified and documented, and strategy guides successful process improvement initiative and improvements	All key processes are tracked and improved on a continuous basis and new process improvement ideas are accepted	Employees are empowered and trained, and a formal process exists for improving process management
Sustainability	Lack of structure and champions lead to short-term focus on tasks	Strategy "champions" identified	Formal organization structure in place to maintain focus on strategy	Organization has an "Office of Strategy Management" or equivalent	Strategic thinking and management are embedded in the culture of the organization

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Figure 6: Organizations Can Score Their Strategic Management Maturity across Eight Dimensions

Strategic Management Maturity Model Action Plan

Once the evaluation is complete, the next step is to use the SMMM Organizational Performance Improvement Worksheet to develop ideas for improvement initiatives and actions.

Table 3: Example SMMM Action Planning Worksheet

	Current Score	Actions To Take
Leadership		
Culture & Values		
Strategic Thinking & Planning		
Alignment		
Performance Measurement		
Performance Management		
Process Improvement		
Sustainability		

[Click here for blank copy of Strategic Management Maturity Model Action Plan](#)

Identifying and Engaging Stakeholders in the Planning Process

Any time there is a significant organizational change, such as the introduction of a new policy, strategic plan, technology, process, structure, product or service, there will be an impact on one or more Stakeholder groups. Getting the right people involved is key. This involves:

- Identifying, understanding and managing the impacts of the change on the people and groups (stakeholders) that will be affected
- Involving the right stakeholders in planning for and implementing change

Identifying Stakeholders

The first task is to identify the Agency's clients and significant stakeholders.

- Clients are the primary beneficiaries of the Agency's services
- Stakeholders are individuals and groups who impact the Agency's ability to provide these services, including volunteers, members, partners, funders, referral sources, employees, and others

Mayberry Community Action Agency (MCAA)



Figure 7: Example MCAA Stakeholder Map

Assessing Stakeholder Needs

Once the key stakeholders are named, it is important to understand the two-way flow of value and performance between the Agency and each of those stakeholders – for example:

1. What does that stakeholder want or need from the Agency? What impacts does the Agency have on that stakeholder?
2. How well is the Agency satisfying the needs of that stakeholder?
3. What does the Agency want or need from that stakeholder? What impacts does the stakeholder have on the Agency?
4. How well is the stakeholder supporting the needs or desires of the Agency?

Effective change management requires involving stakeholders in the planning process. Strategic Plans created by a cross-functional representation of the Agency and its stakeholders lead to a much higher level of buy-in, ownership and commitment.

Mayberry Community Action Agency (MCAA)

Table 4: Stakeholder Assessment Grid Example

Stakeholder	What the Stakeholder wants and needs from the Agency	Stakeholder perception of Agency Performance	What the Agency wants and needs from the Stakeholder	Plan for Involvement
Partners	Quick turnaround of services	Unaware of all services and programs provided	Better communication	Involve in Assessment Focus Group
Low-Income Individuals & Families	Easy access and delivery of services	Unclear about what programs/services are available	Use programs/services to become self-sufficient	Involve in Assessment & Planning Focus Groups
Funders & Sponsors	Accountability and results reporting	Unclear as to results achieved from use of funding	Financial support	Planning Focus Groups

[Click here for blank copy of Stakeholder Assessment Grid](#)

Understanding Enablers and Challenges

Agencies can complete this critical step as a standalone analysis or as a summary based upon more in-depth research and needs assessment. More detailed assessment data may be gathered through a number of means, including:

- Gathering of statistical data about the community
- Focus groups and one-on-one interviews with representative clients, Board members and other community stakeholders
- Surveys with Stakeholders and employees

Depending on the scope of the project, and available resources, there are a number of assessment tools that may be used to develop a robust understanding of the Agency's Strengths, Weaknesses, Opportunities and Threats (SWOT). Strengths and Opportunities are the positive Enablers for the Agency's work, while Weaknesses and Threats are Challenges that must be addressed in order for the Agency to achieve its strategy.

There are a number of resources in the Community Action Network that are available to help identify community statistics and needs. Resources include the ROMA Peer-to-Peer Training Network at <http://www.roma-nptp.org/resources.html>.

For planning efforts with compressed time, limited resources, or when the other assessment tools are deemed unnecessary, the SWOT could be conducted using a single facilitated workshop, utilizing brainstorming based on the collective experience of the planning team itself.

The SWOT includes both internal (Strengths and Weaknesses) and external (Opportunities and Threats) factors.

Mayberry Community Action Agency (MCAA)

Table 5: SWOT Matrix

	Strengths	Weaknesses
Internal	<ul style="list-style-type: none"> • Positive attributes, tangible and intangible, internal to the Unit that enhance its ability to achieve its purpose • Things within the Unit’s control 	<ul style="list-style-type: none"> • Negative attributes internal to the organization that detract from its ability to achieve its purpose • Things within the Unit’s control where improvements could and should be made
External	<ul style="list-style-type: none"> • Opportunities in the environment which enable the purpose of the Unit • Attractive factors in the external environment which the Unit may benefit from in its operations 	<ul style="list-style-type: none"> • External factors, beyond the Unit’s control, that could place the Unit’s mission or operations at risk • May benefit from contingency planning

Two things are important when completing the Agency’s SWOT:

1. “Strength” can also be a “Weakness” – Long-tenured employees may be positive in that there is consistent execution, but negative in that new ideas are not being developed.
2. This is not a linear process – Some Weaknesses may only become clear once the external “Opportunities” and “Threats” have been identified.

The following questions are useful, either when reviewing the results of the previous Assessment steps, or when conducting a SWOT exercise as part of a workshop session.

Internal Strengths

- What does the Agency do especially well? What processes are especially effective?
- What valuable assets and resources does the Agency have?
- What do stakeholders and partners identify as the Agency’s strengths?

Internal Weaknesses

- What could the Agency do better? Where are the bottlenecks?
- What have stakeholders and partners complained about, or criticized the Agency for?
- Where is the Agency vulnerable? What processes or other aspects of the Agency pose risks?
- What is the Agency lacking that interferes with achieving its purpose?

External Opportunities

- What are the emerging trends on which the Agency can capitalize?
- What opportunities does the Agency know about that have not been addressed?
- What new methods and technologies may become useful for the Agency’s operations in the next few years?

External Threats

- What external roadblocks interfere with the Agency’s success?
- What emerging trends or risks could impact the Agency?

SWOT Matrix

Mayberry Community Action Agency (MCAA)

Table 6: SWOT Matrix Example

	Strengths	Weaknesses
Internal	<ul style="list-style-type: none"> • The leading Head Start program in the country • Ability to create strong partnerships • Community awareness 	<ul style="list-style-type: none"> • Outdated technology and software • Providing services to remote areas • Employee turnover, skills and knowledge
	Opportunities	Threats
External	<ul style="list-style-type: none"> • Large retail chain opening store next year • Partnership with National Homeowners program • Working with landlords with high vacancy rates 	<ul style="list-style-type: none"> • Diminishing funding resources • New face of poverty-more educated, middle-class • Need for more emergency services vs. self-sufficiency

[Click here for blank copy of SWOT Matrix](#)

The SWOT establishes the foundation upon which all subsequent sections of the plan – Client Value Proposition, Goals, Objectives, Outcomes, Outcome Indicators and Initiatives – will be built.

Develop or Revise Agency Mission, Vision and Values

Mission Statement

The Mission Statement defines the Clients/Stakeholders the Agency serves and what services it provides. It reflects the purpose of the Agency and is persistent over time. The Mission/Purpose Statement may be up to a few sentences in length, but should be no more than one paragraph.

The test of a good Mission statement is that it should make it easy for Board and Management to determine whether a particular initiative or activity is in alignment with the scope of services, or not. The Mission/Purpose Statement can be “wordsmithed” once the following questions have been answered in a facilitated session.

Mayberry Community Action Agency (MCAA)

Table 7: Mission Development Worksheet

Who are we committed to serving, no matter what?	<i>The low-income individuals and families in our community.</i>
What is our core promise to them?	<i>We care about the entire community, and are dedicated to helping people help themselves and each other.</i>
What services do we provide?	<i>Emergency Services, Food & Nutrition, Education, Family Development and Housing Assistance</i>
In what manner?	<i>Emergency Services, Food & Nutrition and Housing Assistance are delivered as quickly as possible to qualifying individuals. Education & Family Development services include classroom training and counseling services.</i>
In order to provide what outcomes?	<i>Emergency Services, Food & Nutrition and Housing Assistance are delivered in a timely manner in order to move the individual to a more stable state. Education and Family Development services are provided to pro-actively guide clients to greater independence and self-sufficiency.</i>

[Click here for blank copy of Mission Development Worksheet](#)

Using these elements as a background, Mayberry CAA wrote this Mission Statement:

“Helping people, changing lives by offering opportunities through Education, Wealth Building, Advocacy and Community Organizing that empower low-income residents to achieve self-sufficiency. “

Vision

A Vision is a vivid, compelling, picture of the future, generally 3-10 years out. It should be brief, easy to understand and communicate, create a sense of urgency and be emotionally inspiring to the people who will carry it out. While the Mission statement describes the Agency itself, a Vision ideally should focus on the people the Agency serves – reflecting a high level outcome. The Vision is written in “future present” tense – it describes a situation in the present tense that we wish to see in the future. This is based on the idea, expressed best in the late Stephen Covey’s book, *The 7 Habits of Highly Effective People*, to “begin with the end in mind.”

The Vision Development Worksheet is a good way to lead a discussion about the elements of Vision, without necessarily turning it into a wordsmithing exercise. Once the discussion has occurred, it will be more efficient to have an individual or small team craft the actual wording of the Vision Statement. The background for creating a shared Vision is the Assessment, summarized as the Strengths, Weaknesses, Opportunities and Threats (SWOT) facing the Agency.

Mayberry Community Action Agency (MCAA)

Table 8: Vision Development Worksheet Example

What is our ideal picture of our Agency X years from now?	<i>MCAA will be the leader in providing services to low-income residents by encouraging and supporting their efforts to become self-sufficient members of our community.</i>
How will this impact our stakeholders?	<i>Reduce numbers of low-income residents seeking assistance, increased community involvement.</i>
How will this impact our employees?	<i>Opportunities for development of pro-active programs/services versus provision of emergency services.</i>
How will we define success? What will it feel like, look like, and sound like? How will it be measured?	<i>Statistics for those seeking emergency services will decrease, increased numbers of employed individuals, we will serve as a “hub” and referral source for a variety of services.</i>
What do we need to do more of?	<i>Evaluate and eliminate programs that are not effective. Focus on what we do best and enlist partners to deliver other services.</i>
What should we do less of?	<i>Programs/activities with minimal community impact.</i>
What should we do differently?	<i>Use our balanced scorecard as part of the budgeting and planning process</i>
What should we stop doing?	<i>Programs with high costs and low impact.</i>
What should we do that we’ve never done before?	<i>Enroll in the Pathways to Excellence program to benchmark our Agency with those CAAs demonstrating excellence. Use this experience to focus on building our capacity to serve.</i>

[Click here for blank copy of Vision Development Worksheet](#)

Resulting Vision:

“A thriving, self-sufficient Mayberry, powered by a community alliance delivering cost-effective, high impact services to citizens in need.”

Values

Values are ethical guidelines for behavior and decision-making. As the key components of organizational culture, core values establish the kind of Agency you want to be. They are guiding principles -- what the organization believes in. They serve as the basis for decision-making and influence actions in everyday situations.

Values are always described in behavioral terms, as opposed to just high-minded words. The Values Worksheet shown below contains examples of Mayberry CAA’s core values, with descriptions of what they mean. Explore this as part of a strategic planning workshop, discussing the following questions:

- What is the Core Value?
- Do we put it into practice? How? Encourage the group to provide real-life examples.

- What do we do if one value conflicts with another value? Encourage the group to explore possible value-conflict scenarios.

Use the Value Description Worksheet as a starting point, editing the Values and Descriptions to accurately reflect the values of your Agency.

Mayberry Community Action Agency (MCAA)

Table 9: Values Description Worksheet

Value	Description
Commitment	We have a collective responsibility to serve clients, partners, co-workers and other stakeholders.
Respect	We treat everyone with respect and dignity, listening and acknowledging different viewpoints to create positive relationships with our clients, partners, co-workers and other stakeholders.
Leadership	We seek ways to improve as professionals and as leaders, and by doing so, improve our ability to achieve our mission and vision.
Accountability	We take ownership of problems, mistakes, successes and failures. The identification of problems is important - however, the delivery of solutions is vital to our success.
Collaboration	We are better together. No one person is more important than another and no one person can do his or her job without the support of the team.

[Click here for blank copy of Values Description Worksheet](#)

Step Two: Planning

Use Agency Mission Statement and Assessment Data to Identify Results and Strategies

Planning requires developing a “game plan”, based on the Assessment and a shared Mission and Vision, and making choices about how best to achieve the Mission of your Agency based on current enablers and challenges.

The following steps should be included in order to formulate your strategy:

- Define the **Client Value Proposition** through which clients and other stakeholders will be served
- Identify the right **Perspectives** to use in the plan
- Identify 3-4 **Strategic Themes**, and vivid descriptions of **Strategic Results** that go with them
- Create **Objectives** for each theme
- Combine objectives from all the themes into an **Agency-wide Strategy Map**
- Define meaningful measures for objectives, in terms of **Outcomes, Outcome Indicators and Targets**

Client Value Proposition

The Client Value Proposition is what your Agency must deliver to develop, retain and deepen its relationship with clients and other stakeholders. It describes the critical benefits gained by clients as a result of the Agency’s activities. The Client Value Proposition is usually defined as a series of descriptors for the Attributes of the Product/Services and the Image & Relationship factors.

- Attributes of Product/Services (Function, Quality, Timeliness, and Economics) describe the objective aspects of the Agency’s product or service – the service it provides, at what speed, and at what price.
- Image & Relationship Factors describe the intangible things that attract a stakeholder to an Agency, or contribute to the satisfaction of needs. The Image factor addresses perceived brand image and reputation (e.g. “Bureaucracy versus friendly service”). The Relationship factor addresses the interactive experience stakeholders have with an organization (e.g. a helpful expert you can reach on the telephone).

The Client Value Proposition translates the Vision into more specific and measurable terms by describing what the Agency will do to satisfy various stakeholders. These stakeholders may be external or internal to a CAA.

Mayberry Community Action Agency (MCAA)

Table 10: Stakeholder Value Proposition Example

Stakeholder	Value Proposition		
	Attributes	Image	Relationship
Low-Income Individuals & Families	<ul style="list-style-type: none"> Value for Tax Dollars Eligibility rules are clear 	<ul style="list-style-type: none"> CAA is committed to helping individual achieve self-sufficiency 	<ul style="list-style-type: none"> CAA is easy to deal with Questions are answered quickly and accurately
Funders & Sponsors	<ul style="list-style-type: none"> Value for Tax Dollars 	<ul style="list-style-type: none"> High impact programs 	<ul style="list-style-type: none"> CAA reporting is timely and accurate
Employees & Volunteers	<ul style="list-style-type: none"> Appropriate Technology 	<ul style="list-style-type: none"> Cost-Efficient 	<ul style="list-style-type: none"> Customer-Centric

[Click here for blank copy of Stakeholder Value Proposition](#)

Perspectives

Perspectives are the different, complementary “lenses” through which the strategy and performance of your Agency can be viewed. The use of Perspectives is one of the major contributions of the balanced scorecard approach to strategic planning.

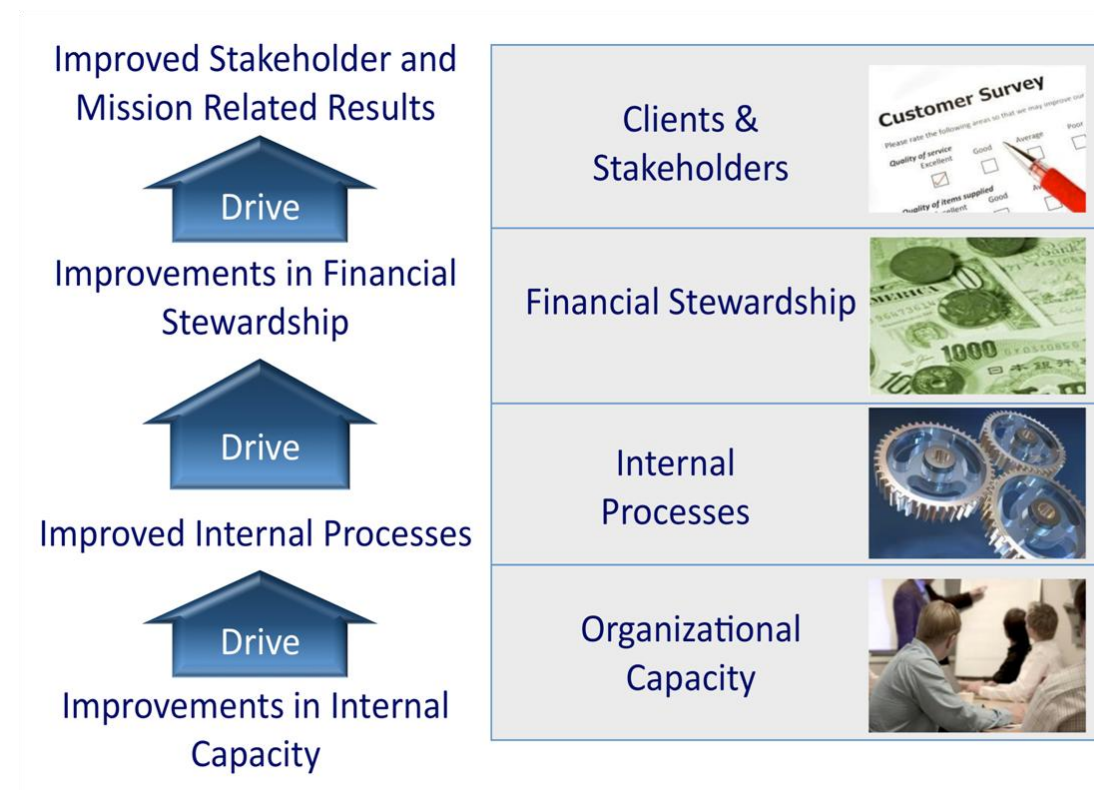
Perspectives help transform Agency Mission and Vision into actionable strategy and make it easier for people to understand the strategy. It takes all of the perspectives to understand an organization as a system. When viewed as a system, an organization is made up of elements that work together, like the gears in a clock. The elements include human capital, buildings and other infrastructure, technology, and processes that join together to create customer value, and stakeholder and employee satisfaction.

Four perspectives are used for CAA strategic plans:

- **Clients & Stakeholders** – How well are we meeting the needs of the people we serve, their families and the community?
- **Financial Stewardship** – How do we maximize Mission value and effectiveness with the resources we are given?
- **Internal Processes** – How can we improve internal processes to deliver programs and services better, faster and cheaper?
- **Organizational Capacity** – How can we support improved processes through improved knowledge and skills, tools and technologies, leadership and culture, and other capacities?

Why are Perspectives important in your Plan? Most of the National Performance Indicators have to do with Client & Stakeholder outcomes. There are very few NPIs that address what the Agency needs to do in order to create these outcomes. The Internal Process and Organizational Capacity perspectives are where you consider the capacity and activities you need to put in place in order to drive these results. Developing Objectives, Outcomes and Outcome Indicators for these perspectives is the most challenging and creative part of the planning process.

As seen below, strategy can be designed to build value starting from the “driver” perspectives and going through the “results” perspectives.



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Figure 8: How perspectives drive CAA strategic plans

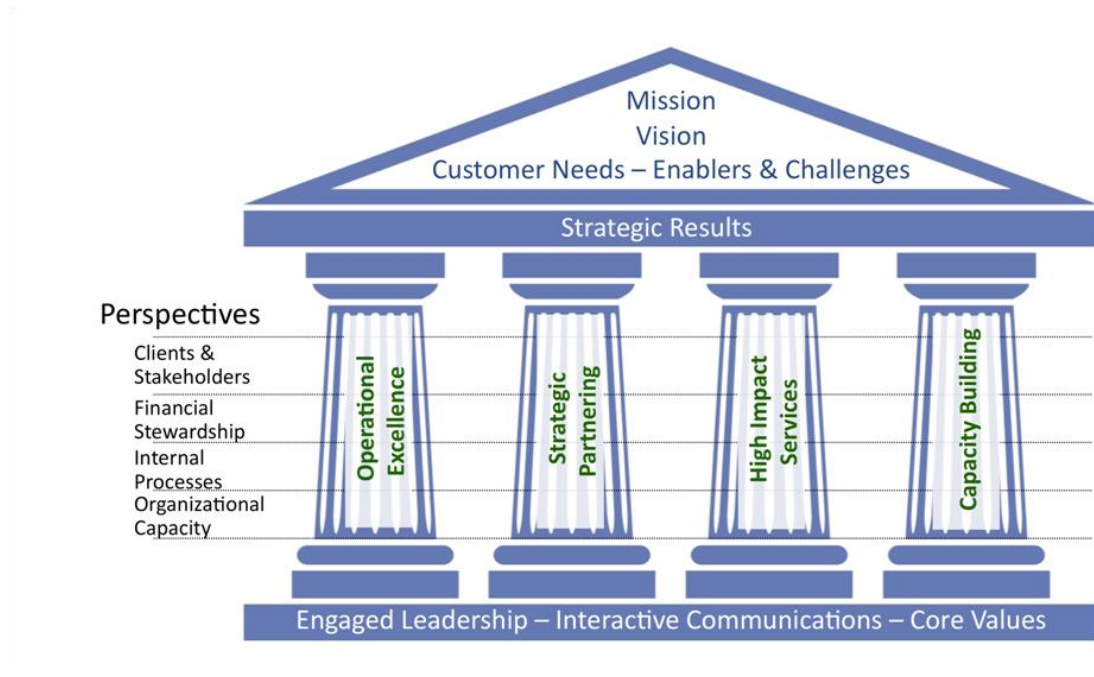
Strategic Themes and Strategic Results

Themes are an elaboration of the Vision statement, identifying key areas where improved performance is desired. Ideally, three or four high-level themes break a shared Vision into actionable focus areas. These Strategic Themes are complementary; and when taken together, the themes represent the Agency’s “Pillars of Excellence”.

Strategic Themes need to be big enough to address each of the four perspectives. For example, a theme like Operational Excellence might call for improved employee skills and streamlined business processes, resulting in cost savings and quality improvements that have a positive impact on clients.

How can a shared vision of the future be translated into a set of three or four Strategic Themes that focus the Agency on results and excellence? Instead of “business as usual”, design your strategic planning workshop and discussions by starting with the end in mind. With your Vision defined, a set of complementary Strategic Themes can be developed that help make the Vision actionable. Each Strategic Theme will have one Strategic Result. So the Vision breaks down into three to four Strategic Themes, as illustrated in the diagram below. Instead of 6 to 12 “strategic goal buckets” typically found in a strategic plan, a more manageable three to four

Strategic Themes and related Strategic Results are developed that form the basis of the Agency’s strategy. This is done *before* you discuss current programs, products, or projects. Your mantra should be “*Mission, Vision, and Strategy first – Operations and Projects second.*”



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Figure 9: The Strategy House

Strategic Themes and Results become the focal point for the remaining steps in the balanced scorecard process, and make team organization and the Agency’s scorecard development more manageable. When “cascading”, or rolling out the Agency’s scorecard to other inter-agency business units (i.e., program and service divisions), the Strategic Themes provide a logical structure that enables the alignment process to efficiently proceed.

Strategic themes are expressed as a simple noun phrase. You don’t need to be overly descriptive – that’s the purpose for writing a strategic result. The Strategic Result of each theme, like the original Vision statement, is written in “future present” tense, to give everyone a vivid sense of what success will feel like and look like.

Remember Mayberry CAA’s Vision: **“A thriving, self-sufficient Mayberry, powered by a community alliance delivering cost-effective, high impact services to citizens in need.”**

Mayberry broke this Vision down into four Themes designed to work together to achieve success in the community.

Mayberry Community Action Agency (MCAA)

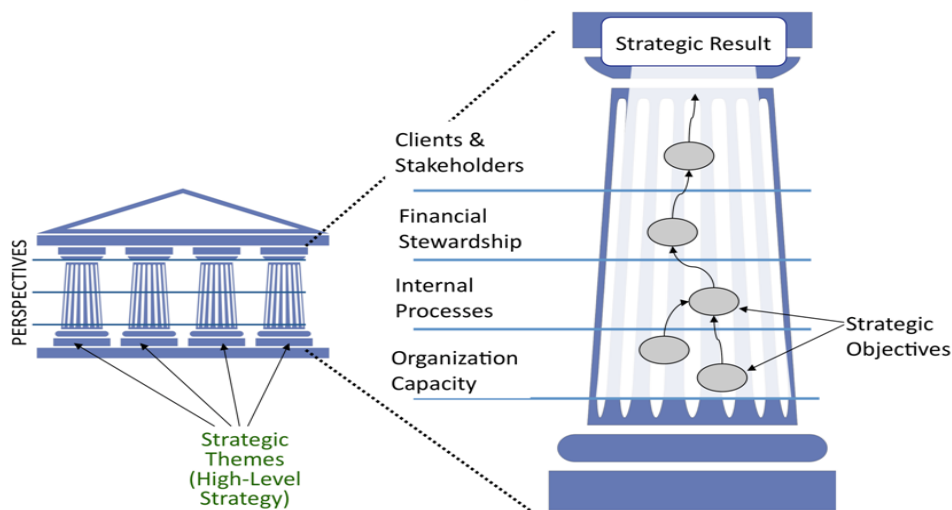
Table 11: Example Strategic Themes and Results

Strategic Theme	Strategic Result
Operational Excellence	Formal, integrated systems enable the Agency to achieve efficiency, effectiveness, and exceed customer expectations.
Strategic Partnering	Partners in the community are actively engaged with us in delivering services through win-win relationships.
High Impact Services	Programs/Services reduce poverty by moving clients from dependency to self-sufficiency.
Capacity Building	We respond to the emerging needs of our community with diverse resources, a highly skilled workforce and technology.

[Click here for blank copy of Strategic Themes and Results Worksheet](#)

Developing Objectives

Strategic Objectives answer the question, “What continuous improvements are needed to achieve the strategic Results we are after?” Objectives are the key building blocks of strategy – they are areas of continuous improvement that will be performed over the entire time horizon of the Strategic Plan. Objectives include commentary describing the desired outcomes, which are used to develop outcome indicators and strategic improvement initiatives.



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Figure 10: Creating Objectives for Each Theme

As mentioned above, people often skip right from “high altitude” strategy elements like Mission, Vision and Values directly down to Initiatives. Initiatives have a beginning and an end, specific deliverables, and they require resourcing and budgets; Objectives are “mid-altitude” continuous improvement efforts. An Objective may provide a rationale, a framework, and success measures for a number of Initiatives over the life of a strategic plan. In short, Objectives help us remember WHY we are undertaking initiatives, and provide the link back to Mission, Vision and the Client Value Proposition.

Create a “Theme Team” for each of the themes identified, i.e. Operational Excellence, Strategic Partnering, High Impact Services, Capacity Building, drawing on employees, and other stakeholders, in the Agency. Look for a mix of different levels and functional expertise. The Theme Teams will:

1. Review, and revise, if needed, the Strategic Result for the Theme
2. Brainstorm Objectives for that Theme, addressing each of the perspectives – Example: For the “Operational Excellence” theme what do we need to do on a continuous basis to improve our Organizational Capacity?
3. Settle on 12-15 objectives, and create a Theme Strategy Map

Well-worded Objectives describe the result you want to accomplish, in very simple language. They should be worded in “verb-noun” form and be no more than 4 words long, using a verb that indicates continuous improvement, such as:

Continuous Improvement Verbs

- Increase
- Improve
- Reduce
- Enhance
- Strengthen

Well Worded Objectives:

- Increase Revenue
- Improve client job skills
- Reduce delivery costs
- Enhance partnerships
- Strengthen employee skills

Often, people mistakenly substitute an Initiative for an Objective. For example, “Train employees on computer system” is not a Strategic Objective. It’s a Strategic Initiative because it’s time limited, with a beginning and an end and supports a continuous improvement objective – which might be “Improve Use of Technology”. Successful completion of the Initiative will result in a change in the Outcome Indicators that are associated with that Objective.

Objective Commentary Worksheet

Putting it all together, the Strategic Objective Worksheet captures the key components for each Objective, including Initiatives.

Table 12: Objective Commentary Worksheet

Objective Name	Objective Commentary			
	Description	Desired Outcome	Outcome Indicator	Initiatives
<i>A simple verb-noun statement of continuous improvement</i>	<i>A more detailed explanation of the scope and intent of the Objective</i>	<i>What success will look like</i>	<i>The specific measures we will use to track achievement of the outcome</i>	<i>Specific, time-limited projects or activities we will undertake in order to improve performance of the Objective, as measured by the Outcome Indicator</i>
Improve Family Outcomes	Clients become more stable & self-reliant, living conditions are improved.	<ul style="list-style-type: none"> Improved satisfaction rating Increased # of clients served Reduced poverty level 	<ul style="list-style-type: none"> # households with Increased annual earnings (NPI) # families moving from substandard to stable housing (NPI) % of overall satisfaction from Customer survey 	<ul style="list-style-type: none"> Customer/Stakeholder Satisfaction Survey Assess current programs; develop and implement high impact programs
Improve Partnerships	Increase mutually beneficial partnerships that expand resources.	<ul style="list-style-type: none"> Partners expand services Partnership network increased 	<ul style="list-style-type: none"> # partnerships established /maintained (NPI) # partners satisfied with partnership (NPI) # clients served by partners 	<ul style="list-style-type: none"> Standardized Partner MOU

[Click here for blank copy of Objective Commentary Worksheet](#)

Strategy Maps

A Strategy Map is a visual display showing the cause-effect relationships among the Strategic Objectives that make up a strategy, utilizing the four Perspectives. A good Strategy Map tells a story of how value is created by the Agency. It shows how improvements in Organizational Capacity lead to better Processes, which lead in turn to better Financial Stewardship and impacts on Stakeholders.

Developing strategy maps happens in two stages. First, create strategy maps for each theme. Once Theme Maps are developed, they are combined into an overall Agency-wide Map. Ideally, all the themes should be reflected in it.

Theme Maps

Here's an example of MCAA's theme map for Strategic Partnering:

Mayberry Community Action Agency (MCAA)

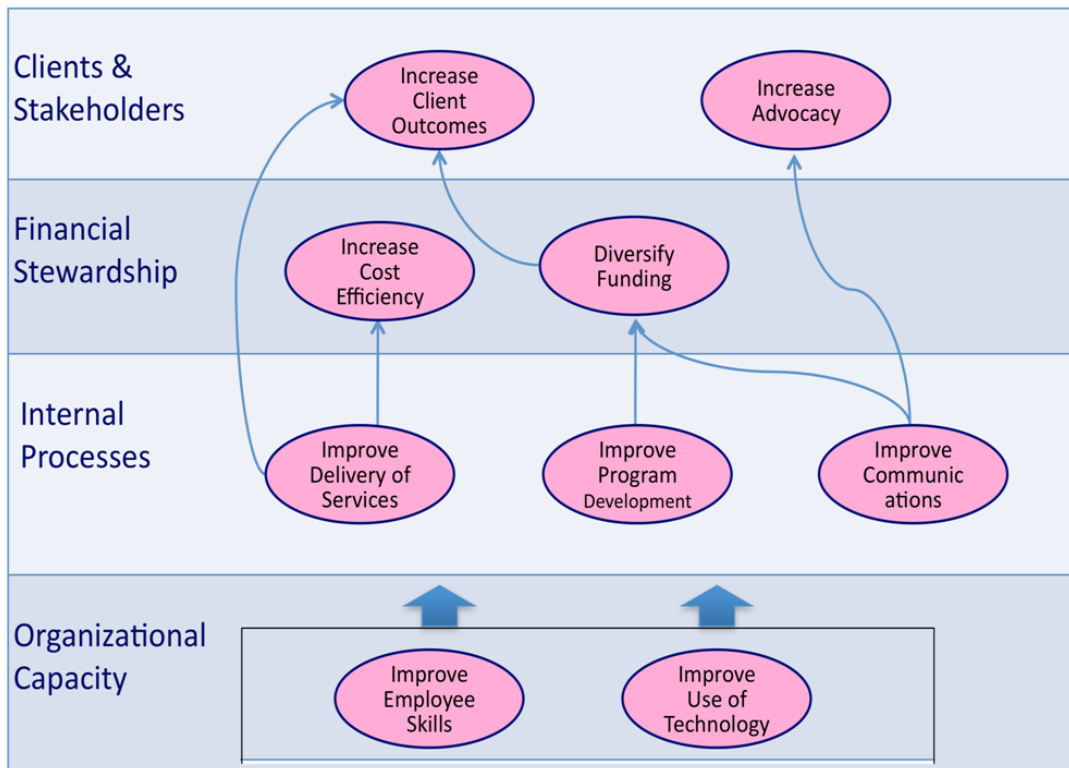


Figure 11: Example Strategy Map for Strategic Partnering Theme

Agency-wide Strategy Map and Objectives

Developing Theme Maps serves an important purpose – it allows a larger, diverse group of people to have input. This brings good ideas forward, and gives people a sense of buy in. Once Theme Maps are developed, they are combined into an overall Agency-wide Map. Ideally, all the themes should be reflected in it.

Combining Theme Maps is done through a process of affinity grouping. As you compare Objectives within the Themes, look for Objectives with similar topics. For example, there may be two or more Objectives dealing with technology that can be combined into a single, higher altitude Objective.

Here is how MCAA's four theme maps were combined into an Agency-wide map that shows the big picture, yet reflects key elements of each theme:

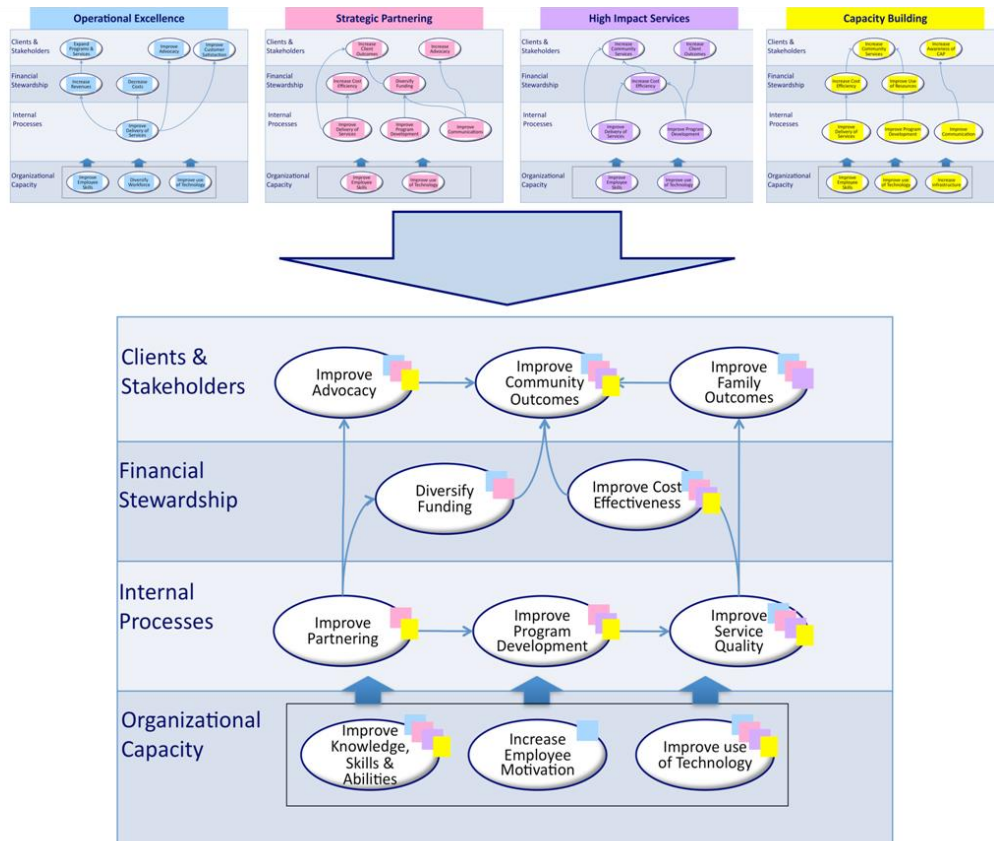


Figure 12: Creating an Agency-wide Strategy Map from Theme Maps

The Strategy Map is a graphical way to tell the story of your strategy:

“By investing in our staff’s knowledge, skills and abilities, and taking steps to remove barriers to motivation, we will be enabled to improve a number of our processes, including partnering with other community groups, working with them to create better programs, resulting in better service quality. This will also be enabled through better technology to track clients, match them with resources and measure results. As a result of better partnering, we will be able to diversify our funding. Better service quality will result in more cost-effective service provision. Better partnering will help us advocate for our clients. Finally, our ability to deliver better services will also result in better outcomes for clients, their families and the community of Mayberry as a whole.”

Here is the Agency-wide strategy map with a reference to the ROMA goals and the Standards of Excellence that each objective addresses. Rather than reacting to ROMA and NPI reporting, or Pathways to Excellence assessment, as a “stand alone” project, use of a strategy map as an overall measurement framework puts the Agency in a much more pro-active position. Reporting and evaluation becomes a by-product, rather than an end in itself.

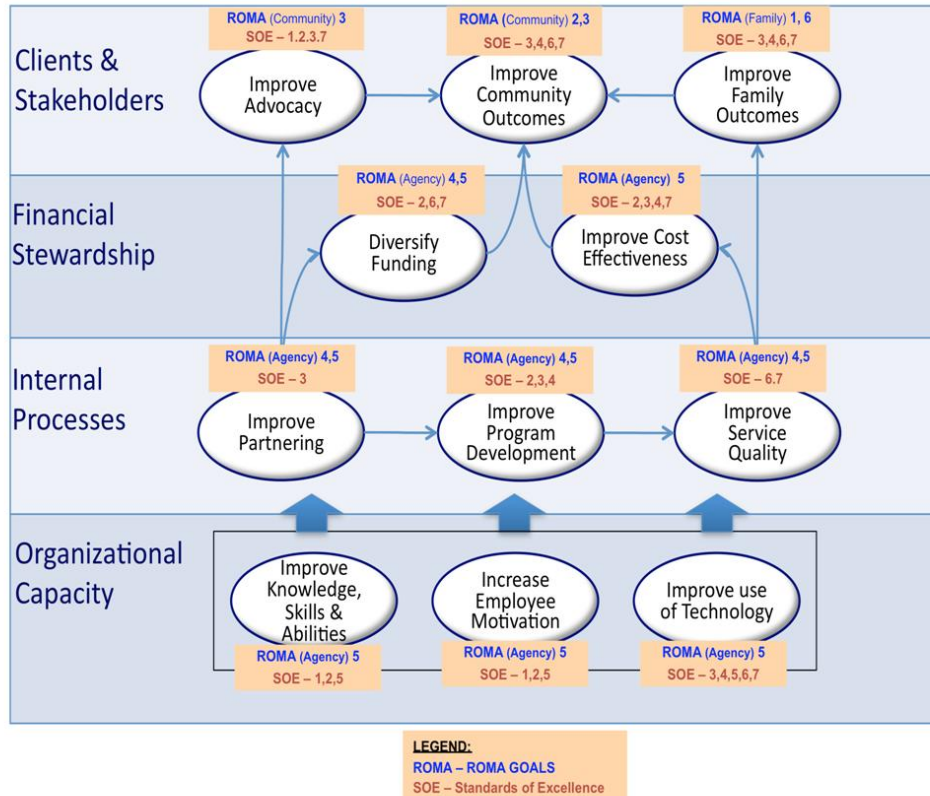


Figure 13: Mayberry CAA Strategy Map with ROMA Goals and Standards of Excellence

Getting from Strategic Objectives to Meaningful Outcome Indicators

Meaningful indicators need to be relevant to users. Relevant measures should:

- Answer key questions for users regarding the Agency’s performance towards achieving its Strategic Objectives
- Provide information needed to make better strategic decisions
- Be accepted as valid, meaning that people believe they measure what they intend
- Encourage desirable behavior on the part of employees
- Not impose an undue data collection burden
- Support funder reporting requirements

Referring back to the Objective Commentary Worksheet, the process of developing Outcome Indicators is part of a larger process involving five tasks, and NOT just “picking one from the list”:

- 1) Describe the scope and purpose of the Objective in greater detail;
- 2) Document the specific Outcomes that will result from achieving the Objective;
- 3) Describe the Indicator(s) you will use to track achievement of the Outcome;
- 4) Establish Targets for each Indicator; and
- 5) Identify current or potential Initiatives that will drive improved performance.

1) Describe the Objective

Capture the essence of the team’s discussion about strategy and strategic objectives, documenting what the objective means, what it includes and doesn’t include, why it was worded the way it was, etc. For example, the description of the Objective “Improve Partnering” might describe what kinds of partners are desirable, why we want to work with them, what we hope to gain from doing so. This is a very important step – remember that Objectives are the way we build a link between the overall strategy and the specific Outcomes, and answer the question, “Why are we doing this?”

2) Describe the desired Outcome

Clarifying the desired Outcome is key to developing meaningful indicators. Strategy tends to be written in language of high-level ideals while measurement tends to focus on something very specific. The clarification of the Outcome is the step where the team can discuss and agree on how to bridge the gap between strategy and measurement.

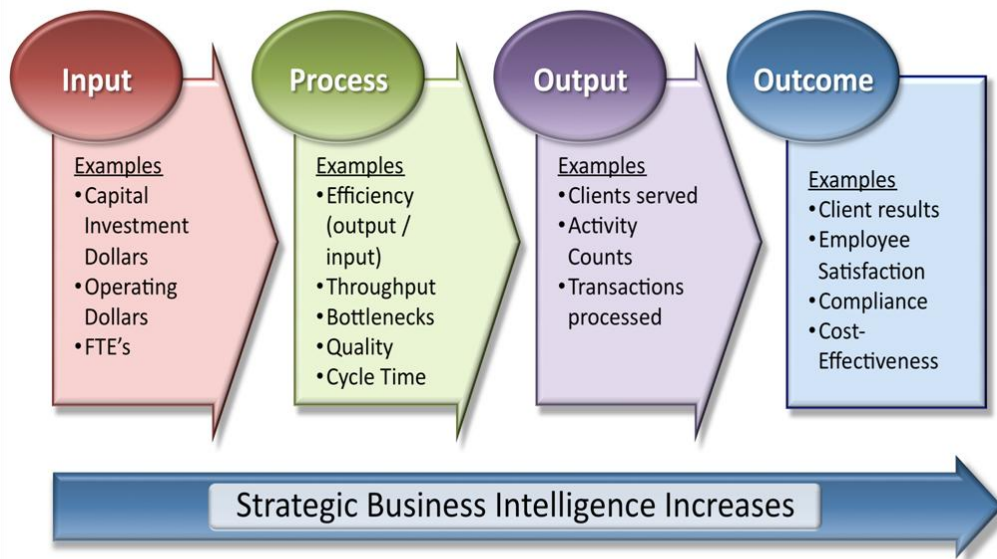
Say our team’s strategic objective is *Improve Service Quality*. To some, this might sound like an obviously concrete Objective. But further discussion will sometimes uncover unexpected confusion and disagreement. One person on the team might believe that quality means that the service is performed according to set procedures. Another person might define quality in terms of the usefulness to the client, and another might emphasize accessibility. Once the team agrees on what the Outcome is, then it can move on to defining exactly what will be measured.

3) Describe the Indicator

Considering each Outcome, the first question to ask is “Can we measure this Outcome directly and quantitatively, or indirectly and qualitatively?” Direct indicators are clear, unambiguous and usually quantitative. For example, the NPI for Employment, which might support the Improve Family Outcomes Objective, is the number and percentage of low-income participants in Community Action employment initiatives who get a job or become self-employed, according to one of four specific measures that the Agency can choose from. We can measure how many participants were in the program, and we can count how many of them obtained a job.

Indirect indicators are difficult to measure quantitatively, but equally important. For example, how do we assess performance when we “Improve Partnering?” In this case, it may be more useful to find or create an outcome scale that describes what good partnering looks like on a scale of one to five. The Strategic Management Maturity Model™, described in the previous section, is also an example of an outcome scale applied to measuring an Agency’s strategic capacity. Indirect indicators would typically be used to describe other Outcomes such as Client Satisfaction, Community Perception, Employee Motivation, or Organizational Culture, and are often based on statistically validated survey data.

Another technique for indirect measurement of Outcomes makes use of the Logic Model concept in a different way. It is always most desirable to measure Outcomes directly whenever possible, but sometimes it is not possible to obtain the data, or to obtain it frequently enough to make good use of it for decision making and improvement. For example, we may not be able to measure “Client results” directly or often enough, in which case the best proxy is an Output measure, such as the number of clients served.



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Figure 14: Logic Model for Developing Indicators

A third technique to consider is the use of an “index” made of multiple indicators. Multiple indicators are most useful when a single indicator is not meaningful or does not provide a complete picture of performance, especially for less tangible, qualitative indicators like “satisfaction.” In these cases, multiple indicators that separately address different dimensions of the desired Outcome can be grouped together. For example, if you want to measure an intangible like “Client Satisfaction”, you might measure several different things, such as an annual satisfaction survey score, a transactional survey score, # of complaints, # of referrals, a Service Level Agreement Timeliness Score and a Service Level Agreement Quality score. While none of these measures perfectly capture the essence of “satisfaction”, taken together your Agency will have a fairly balanced understanding of that Objective.

4) Targets & Thresholds

The ultimate step in interpretation of a measurement is the selection of targets and thresholds. Targets are the desired level of performance for the reporting period in question. Thresholds are the upper and lower limits of desired performance around a target value, meaning the exact point that we want an indicator to display green to indicate good performance, yellow to indicate satisfactory performance, or red to indicate poor performance.

Target and Threshold setting should not be arbitrary. Targets can be based on current baseline data, best practices (benchmarking), a required level of performance to achieve an Agency goal (i.e., client satisfaction), or other logical comparative. Targets should be reviewed periodically against actual performance and adjusted as necessary. Consider stretch targets to achieve higher levels of performance.

Further resources for developing indicators are provided through the ROMA training network at www.roma-nptp.org or www.appliedmgt.com

5) Identify current or potential Initiatives that will drive improved performance

As part of the conversation about Objectives, Outcomes, Outcome Indicators and Targets, people may bring up a number of good ideas about current or potential projects and actions that will improve performance. Without spending a lot of time getting into the details at this stage, it's important to acknowledge the ideas, write them down, as shown in Table 12, and return to the focus on Objective Commentary. Once the Planning step is finished, you can go back and review the list of suggested initiatives, along with current initiatives, and determine which ones will have the greatest strategic impact. The process for defining and prioritizing these is discussed below, in the Implementation section.

Step Three: Implementation

Services and Strategies Produce Results

Implementation includes a number of steps, including:

- Defining and Prioritizing Strategic Initiatives
- Creating a Balanced Scorecard graphic for communication purposes
- Translating Strategy into Operations and Budgets
- Change Management
- Aligning Programs and Support Departments through Cascading

Defining Initiatives to Improve Performance

A number of possible strategic Initiatives may have been developed during the Planning step. In addition, there may be a number of Initiatives already underway in the Agency. Both current and candidate Initiatives should be reviewed to ensure strategic alignment. There is a distinction between regular projects and Strategic Initiatives. Strategic Initiatives have significant Agency-wide impact, and often cross organizational boundaries, while projects may be limited to a particular work group.

Defining Initiatives

First, all the candidate initiatives should be defined in a common format. An example might include the concepts/ headings in the Table below.

Mayberry Community Action Agency (MCAA)

Table 13: Example Initiative Definition Worksheet

Initiative	Description	Strategic Objectives Supported	FTE Required	Additional direct expenses	Time to complete	Impact
Satellite Offices	Offices in remote areas where clients are under-served	<ul style="list-style-type: none">• Improve Family Outcomes• Improve Partnering• Improve Service Quality• Increase Cost Effectiveness	2.0	\$3500/mo	1 year	1500 additional clients served per year

[Click here for blank copy of Initiative Definition Worksheet](#)

Linking Initiatives to Objectives

Notice that the Initiative in Table 13 supports four different Strategic Objectives, including the Client & Stakeholder Objective “Improve Family Outcomes.” As we’ll see below, one way of

prioritizing initiatives is to determine how many Objectives each Initiative supports – the more the better. Unlike Indicators, which have a many-to-one relationship with Objectives – each Objective has one or more Indicators that belong specifically to it – a Strategic Initiative may support more than one Objective.

Mayberry Community Action Agency (MCAA)

Table 14: Example Objective-Initiative Crosswalk Worksheet

	Initiative 1	Initiative 2	Initiative 3	Initiative 4	Initiative 5	Initiative 6	Initiative 7	Initiative 8
Objective A	X			X				
Objective B		X						
Objective C		X	X			X		X
Objective D		X						
Objective E				X				
Objective F					X	X		
Objective G								

[Click here for blank copy of Objective-Initiative Crosswalk](#)

Cross-referencing Objectives to Initiatives is a helpful way to assess relative costs and impacts, and set the stage for prioritization and budgeting. Sometimes, current Initiatives cannot be linked to a strategic Objective, as in the case of Initiative 7, above. If that’s the case, either the Initiative is no longer justifiable, or a critical strategic Objective may be missing from the strategy.

Simple Voting

Once initiatives have been sufficiently defined in a common format, they need to be prioritized. There are a number of ways to do this, but often the simplest and most useful method is simple voting. List each initiative on a flipchart, give each participant one or more votes (for example, using stickers) and have each person indicate which initiatives they believe are best to do.

Mayberry Community Action Agency (MCAA)

Table 15: Prioritization of Strategic Initiatives Can Be Done by Simple Voting

Strategic Initiative	Votes	Final Rank
Satellite Offices	10	4
High Impact programs	14	1
Risk Assessment Tools	5	
Enhance Financial Manual	2	
Standard Partner MOU	13	2
Marketing Plan	6	
Media Relations	2	
Improve Agency website	8	
Client database	11	3
Develop Professional Growth Plan	7	
Organize Community Days	5	

2x2 Matrix Template

Another, more sophisticated method for prioritizing initiatives is a 2x2 matrix format, illustrated below. Most commonly, a matrix will compare cost and effort on the X-axis with impact on the Y-axis, as shown below.

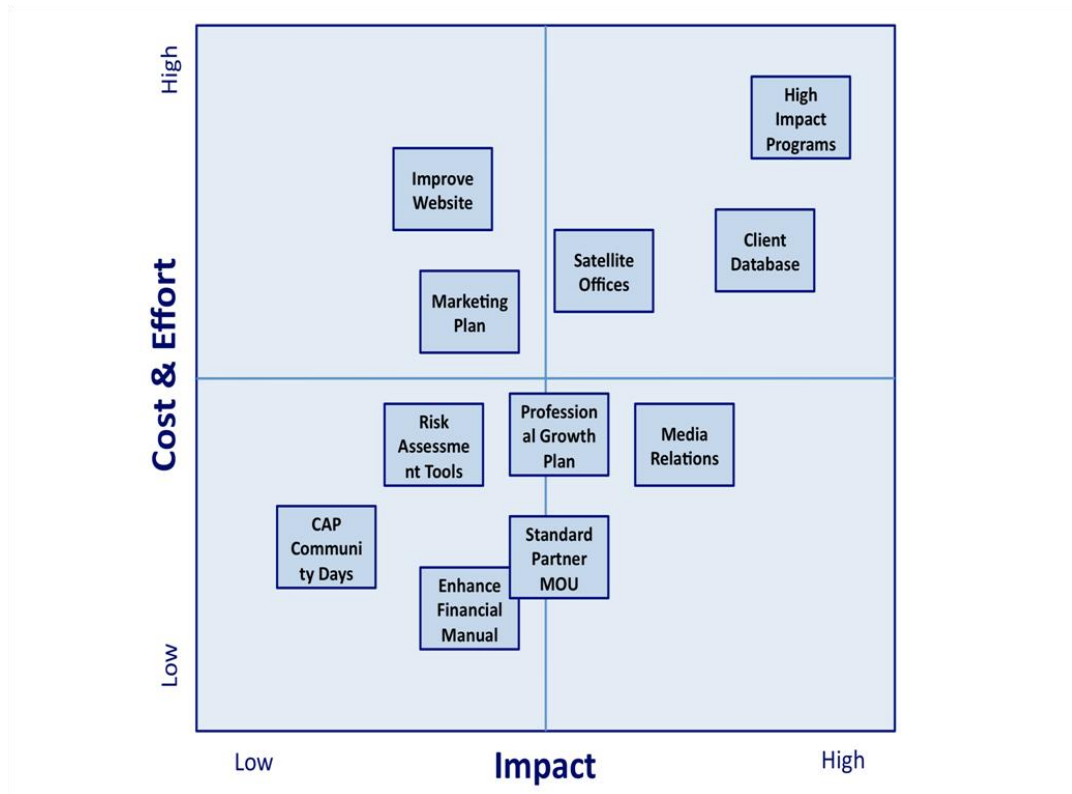


Figure 15: Example 2x2 Initiative Prioritization Matrix

Use of 2x2 matrixes, with variables chosen by the organization, is a simple way to lead a conversation about relative priority. In the end, though, a number of these factors may not be entirely quantifiable. This often involves complex tradeoffs – for example, there may be a high cost, and a high impact initiative defined, but it may be more important to focus on a “quick win” in order to build confidence and credibility for a larger effort later.

Create Strategic Plan and Scorecard Graphic

The Strategic Plan and Scorecard Graphic serve as your written and visual documentation of the Agency’s strategic plan. The written Strategic Plan is a more detailed description organized according to the steps in the strategic planning process, capturing the pertinent information and any level of detail you choose. The Scorecard Graphic is an easy to understand visual reference, containing all the key elements of your Strategic Plan on one sheet that can be posted on the Agency’s website, distributed to employees, potential funders and/or partners, or made into a poster and hung in the lunchroom. It is helpful to the Agency’s Board of Directors and

Leadership team as an initial assessment tool when considering new ideas, programs and/or services and whether to apply resources for further development.

Mayberry Community Action Agency (MCAA)

Mission: Helping people, changing lives by offering opportunities through Education, Wealth Building, Advocacy & Community Organizing that empower low-income residents to achieve self-sufficiency.

Vision: A thriving, self-sufficient Mayberry, powered by a community alliance delivering cost-effective, high impact services to citizens in need.

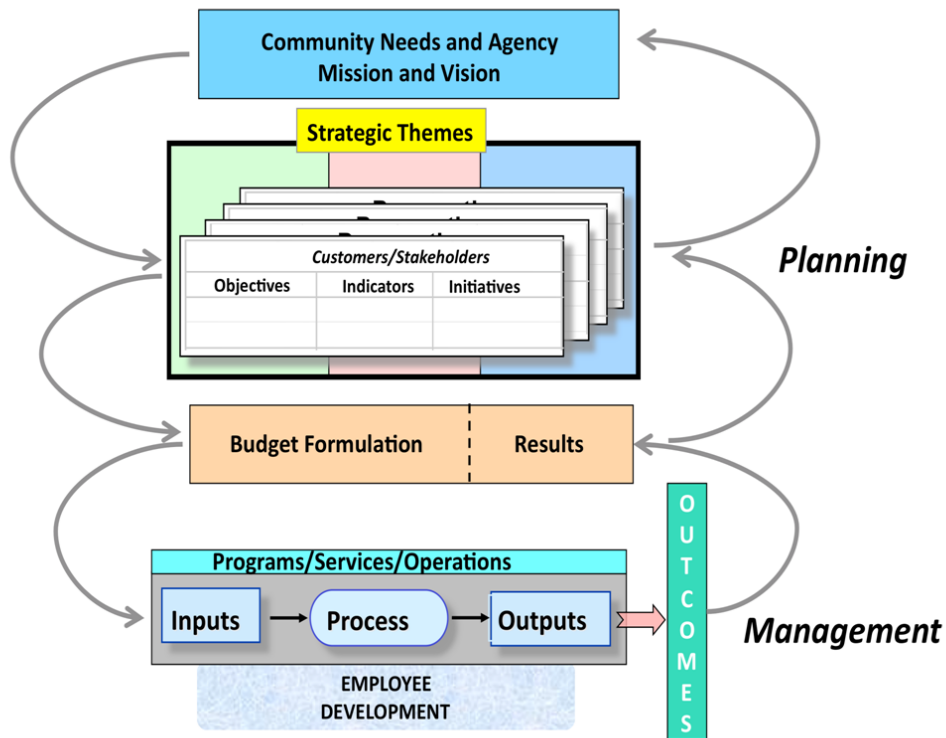
Strategic Themes: *Operational Excellence* *Strengthening Partnerships* *High Impact Services* *Capacity Building*

Strategy Map	Objectives	Indicators	Targets	Initiatives
	<ul style="list-style-type: none"> Improve Client Outcomes Improve Family Outcomes Improve Advocacy 	<ul style="list-style-type: none"> Client outcome index, including indicators of training, employment, and income (ROMA NPI 1, 6) Advocacy Activity Score (ROMA NPI 2,3) 	<ul style="list-style-type: none"> >90% (2011 level=84%) 50% 	<ul style="list-style-type: none"> Revised job training program Advocacy Program
	<ul style="list-style-type: none"> Diversify Funding Improve Cost Effectiveness 	<ul style="list-style-type: none"> Unrestricted funds, % (ROMA NPI 4 & 5) Program Benefit/Cost Index (ROMA NPI 2,4,5,6) 	<ul style="list-style-type: none"> >20% >20:1 	<ul style="list-style-type: none"> Funder Cultivation
	<ul style="list-style-type: none"> Improve Service Quality Improve Partnering Improve Program Development 	<ul style="list-style-type: none"> Client Access Score Family Development Scale (ROMA NPI 1) Community Scaling Tool (ROMA NPI 2 & 3) 	<ul style="list-style-type: none"> 85% (> 1 point increase) 90% 	<ul style="list-style-type: none"> Online Access Program Partner Outreach
	<ul style="list-style-type: none"> Improve Knowledge, Skills and Abilities Increase Employee Motivation Improve Use of Technology 	<ul style="list-style-type: none"> Employee skills assessment score Culture survey score Paper usage (ROMA NPI 5) 	<ul style="list-style-type: none"> 8 out of 10 60th Percentile Reduce 15% from last year 	<ul style="list-style-type: none"> Career Development Balanced Scorecard Initiative SmartCAP Program

Figure 16: Strategic Plan and Scorecard Graphic

Operational Planning and Budgeting

Strategic plans – which usually span 3-5 years – should be reflected in annual operating plans and budgets. While elements like the Mission, Vision, Themes, Strategic Objectives and Outcomes may stay the same, it is expected that Initiatives will be undertaken and completed in different years, and targets for the Outcome Indicators may change. Operational business planning and budgeting is typically done on an annual basis.



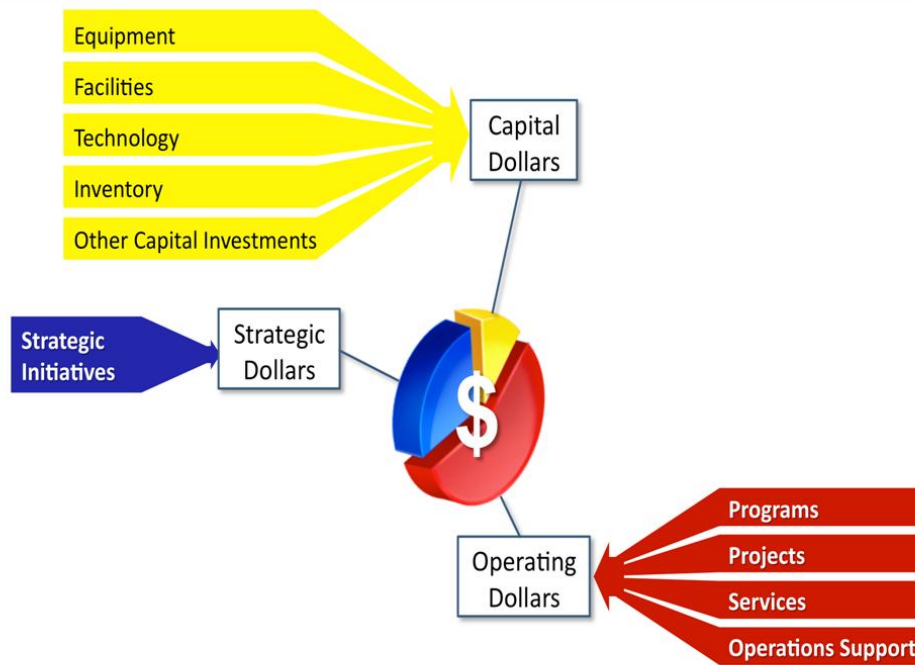
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Figure 17: Strategic Management is a "Double Loop" Process

The Challenge of Outcome-Based Budgeting

Increasingly, federal and other funders are asking for evidence that programs and services are producing measurable outcomes for clients. However, budgeting practices and systems don't readily support this. They are designed to track specific types of expenditures (line items) within cost centers, NOT to show investment in the whole organization working together to achieve client and community outcomes. It's often impractical to consider changing your budget system and budget codes. One way to do link your budget to measurable Outcomes is to develop a Strategy Budget that provides a unique vantage point for your expenditures.

The Concept of the “Strategy Budget”



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Figure 18: The Concept of the “Strategy Budget”

Budgeting systems typically make a distinction between operational spending and capital spending. The Operational Expenditure Budget (OPEX) includes money to fund current operations, pay people, and pay for other direct expenses. These expenditures support the key “business as usual” processes of the organization – in Mayberry’s case, Program Development, Service Delivery, and Partnering, along with the support services such as Finance and HR. The Capital Expenditure Budget (CAPEX) funds the infrastructure required for those processes – facilities, equipment, technology, and other relatively “fixed” assets that can be depreciated over a period of years.

The Strategic Expenditure Budget (STRATEX) consists of funds for strategic initiatives that increase the Agency’s overall capacity. In a typical budgeting system, these funds may be located in a single cost center (for convenience) or broken out into a number of line items in different cost centers, or, worse yet, just expected to “happen.” Without explicitly drawing a link between strategy and budget, good strategic ideas may get lost in the capital and operating budgets of specific cost centers, and lose their holistic impact.

STRATEX is not really a separate category of funds – it’s a lens for looking at the traditional budget in a new way that links OPEX and CAPEX into strategic outcomes. The example below is taken from the Administration for Children and Families at the federal level. The STRATEX budget is a “crosswalk” that groups a number of separate program expenditures and relates them to a specific, client-oriented outcome.

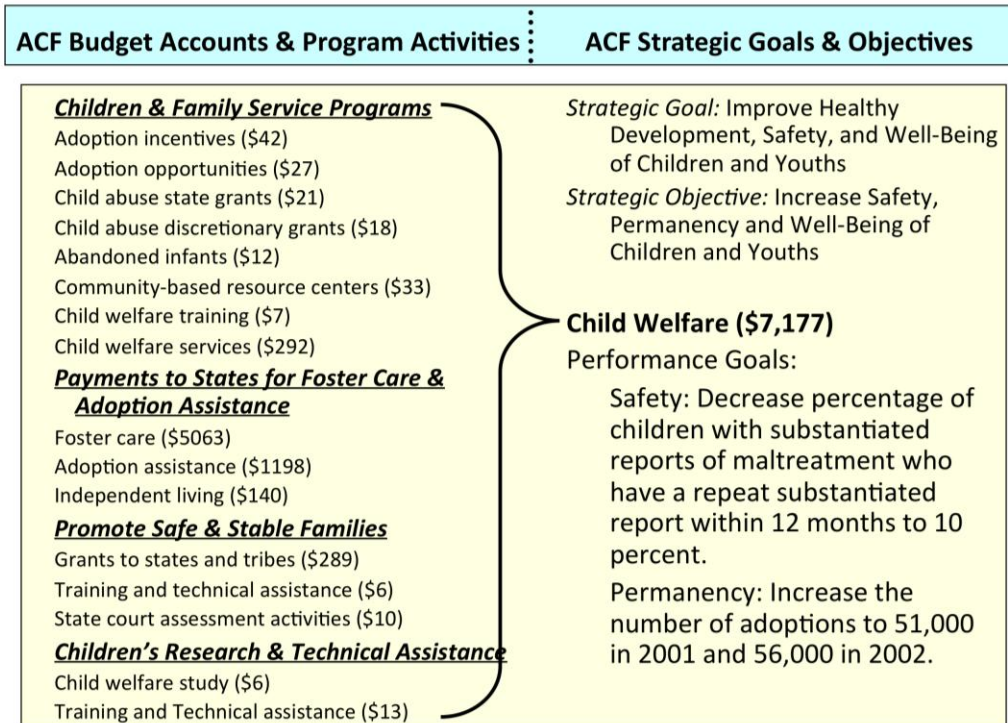


Figure 19: Example Federal Strategy Budget

In the case of the Mayberry CAA, the strategy budget is viewable on its own, but expenditures are traceable back to particular operating and capital accounts.

Table 16: STRATEX Budgeting Worksheet

Initiative Description	STRATEX Cost of Initiatives	OPEX	CAPEX
		\$1,000,000	\$500,000
Job Training Program	\$3,000	\$(3,000)	
Advocacy Program	\$15,000	\$(15,000)	
Funder Cultivator	\$10,000	\$(10,000)	
Online Access Program	\$50,000		\$(50,000)
Partner Outreach	\$5,000	\$(5,000)	
Career Development	\$3,000	\$(3,000)	
Balanced Scorecard Initiative	\$30,000	\$(30,000)	
SMART CAP Program	\$4,000		\$(4,000)
	\$120,000	\$(66,000)	\$(54,000)

[Click here for blank copy of STRATEX Budgeting Worksheet](#)

Evaluating Cost-Effectiveness

In 1983, Dr. Reginald Carter, who at the time was the Director of Evaluation for the Michigan Department of Social Services, published *The Accountable Agency*, in which he identified Seven Key Questions that any program manager should be required to answer as a condition of continued funding. This simple formula was later adapted by Frederick Richmond, CEO of The

Center for Applied Management Practices (www.appliedmgt.com) for use in measuring the cost-effectiveness of programs as part of the Results-Oriented Management and Accountability (ROMA) curriculum in 1998 and further refined as the Carter-Richmond Methodology™ in 2005 with the addition of two questions for calculating Return-On-Investment:

1. How many clients are you serving?
2. Who are they?
3. What services do you give them?
4. What does it cost?
5. What does it cost per service delivered?
6. What happens to the clients as a result of the service?
7. What does it cost per outcome?
8. What is the value of a successful outcome?
9. What is the return-on-investment?

The Center for Applied Management Practices has developed a simple formula for answering questions four, five and six:

- The cost of the program is generally the budget, including personnel, other direct costs, depreciation of any capital, and allocated overhead. (Question 4)
- The cost per service is the total cost of the program divided by the number of clients served. (Question 4 divided by Question 1)
- The cost per outcome is the total cost of the program divided by the number of outcomes achieved. (Question 4 divided by Question 6)

For example, if the Agency is spending \$100,000 on an employment program that serves 50 clients, the cost per service would be $(\$100,000 / 50) = \2000 per service. If 25 of those clients obtain employment, the cost per outcome is $(\$100,000 / 25) = \4000 per outcome. Paying attention to both the cost per service and the cost per outcome can lead to better budget forecasting and also point out areas for improvement.

To summarize, building an outcome-based budget builds on what we've already done:

1. Create Strategic Objectives (using the Objective Description Worksheet and the Strategy Map)
2. Choose Outcomes and define Outcome Indicators for each Objective (using the Objective Description Worksheet and the Data Definition Table)
3. Identify, define and prioritize Strategic Initiatives, including CAPEX and OPEX implications (using the Initiative Definition Table and the Initiative Budgeting Worksheet)
4. Implement initiatives
5. Evaluate cost effectiveness and fold into next planning and budgeting phase

Planning for Organizational Change

Any time there is a significant organizational change – such as the introduction of a new strategic plan, or Initiatives that impact technology, processes, programs or services – there will be an impact on one or more Stakeholder groups, particularly employees. Effective change management involves:

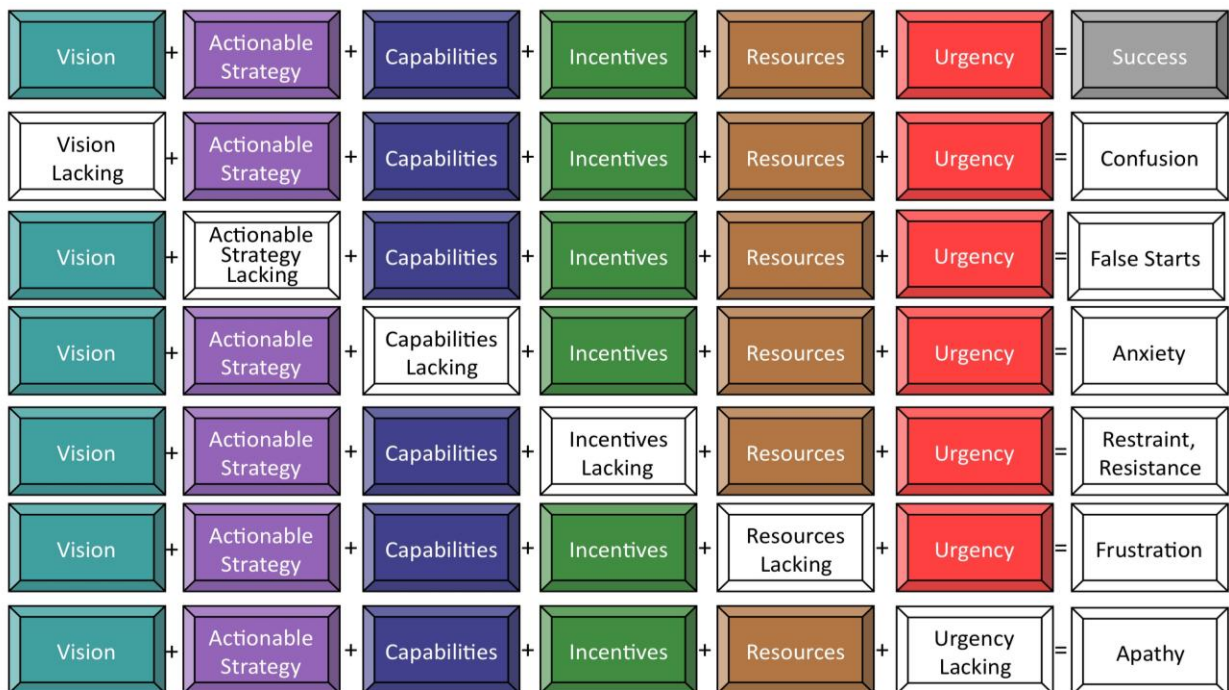
- Understanding and managing the impacts of the change on affected people and groups
- Involving the right stakeholders in planning for and implementing change
- Two-way communication with affected people and groups
- Enabling change through knowledge, capacity building and reinforcement

Six elements of change should be managed for a successful implementation:

Table 17: Elements of Change

Vision	A shared, vivid and well understood picture of the future
Actionable Strategy	A clear roadmap that shows how the organization will achieve the vision
Capabilities	Ability of the workforce to implement the roadmap
Incentives	Motivation of the workforce to implement the roadmap
Resources	Tools to do the job
Urgency	A sense that action is needed NOW

If any one of these elements is weak or missing, various problems will arise:



Source: Adapted from Performance Breakthroughs, Inc.

Figure 20: Six Elements should be managed for Change to be Successful

Change Assessment

The Change Elements Chart, above, is a useful basis for determining what you need to do to make introduction of new strategies and initiatives successful. Using the Change Assessment worksheet below, develop a 1-5 rating in each of the change elements for each person or group – which could include workgroups, external stakeholders, or other specific audiences. Assessment of the results will help you identify communications messages, incentives, tools, training or other resources needed to make the change successful.

Mayberry Community Action Agency (MCAA)

Table 18: Example Change Assessment Worksheet - Employees

Element	Definition	Evaluation	Rating
Vision	A shared, vivid and well understood picture of the future	The vision has been communicated but many people don't understand the need for change	3
Actionable Strategy	A clear roadmap that shows how the organization will achieve the vision	A strategy map has been developed and communicated broadly	4
Capabilities	Ability of the workforce to implement the roadmap	The plan requires a higher level of collaboration and partnering skill than most employees have	2
Incentives	Motivation of the workforce to implement the roadmap	Staff feel overburdened with routine work	2
Resources	Tools to do the job	A new computer system has been rolled out to support the new procedures	4
Urgency	A sense that action is needed NOW	Focus has shifted to other projects	2

[Click here for blank copy of Change Assessment Worksheet](#)

Communications Strategy

Communication to employees and other affected stakeholders is critical. The Communications Strategy Matrix is a tool to identify what needs to be communicated to each stakeholder “target audience”. Bear in mind that, whomever the audience, two-way communication, (e.g. conference calls, large group discussions, one-to-one dialogue) is always a better way to go than one-way communication such as: PowerPoint presentations, e-mails, texts, newsletters or website.

Target Audience	Objective (WHY)	Content (WHAT)	Medium (HOW)	Timing (WHEN)	Responsibility (WHO)
Executives	Can include desired behavior change, awareness, support, depending on target audience. Examples: • Desire for change • Information • New behaviors	Key messages we want to get across, along with desired input or feedback. May be one way or two way. Example: "We understand your concern. What ideas do you have to make the change more effective in your group?"	Vehicles to be used for communication. May be one way or two way. Examples: •All hands meeting •Newsletter •Individual employee discussion with supervisor •Posters	When and how often will we engage in this communication? Example: •Monthly town hall meeting •Weekly email blast •Monthly employee-supervisor meeting	Who will deliver the message or facilitate the conversation? Examples: • CEO will conduct webcast • Supervisor will meet personally with each employee
Directors					
Managers					
Other Staff					

Adapt these audiences as needed

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Figure 21: Communications Planning Matrix

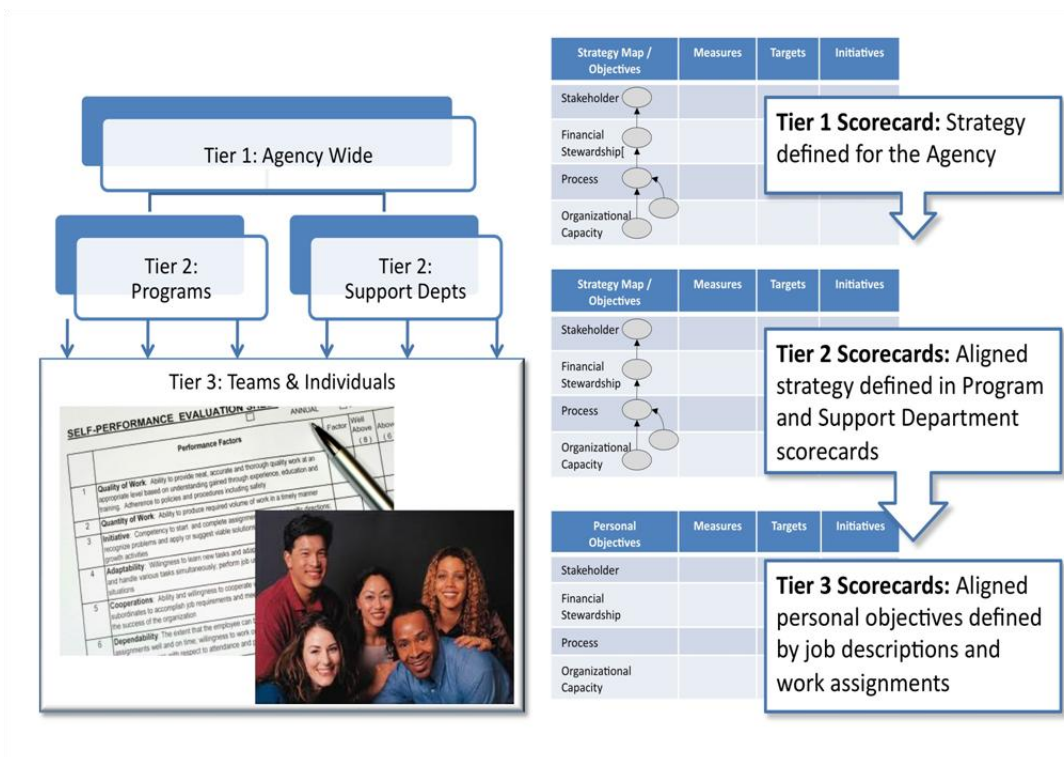
[Click here for blank copy of Communications Planning Matrix](#)

Alignment

Alignment throughout the organization is accomplished through cascading which is the process of translating the Agency-wide strategic plan (referred to as Tier 1) down to Programs and Support Departments (Tier 2) and then teams or individuals (Tier 3). The end result is a focus across all levels of the organization that is consistently aligned with the Agency strategy. An effective cascading effort is designed to achieve the following:

- Align strategic objectives for the Agency’s primary operating and support units to the Agency’s high-level vision, mission, and strategy
- Align employee objectives and the work people do on a day-to-day basis to the Agency’s operating and support unit strategy
- Focus individual effort on results and accomplishments

Cascading is most effective when organizations focus and align around Strategic Objectives rather than on activities, initiatives, or projects. By aligning around Objectives, an Agency can better focus efforts on long-term results and accomplishments, instead of just short-term milestones and task completion. The same is true for Outcome Indicators. Aligning Indicators, rather than Objectives, quickly loses strategic intent, and the effort becomes little more than a “pick a measure we can use” exercise to satisfy a measurement goal, rather than develop aligned strategic work and results.



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Figure 22: Creating Alignment through Cascading

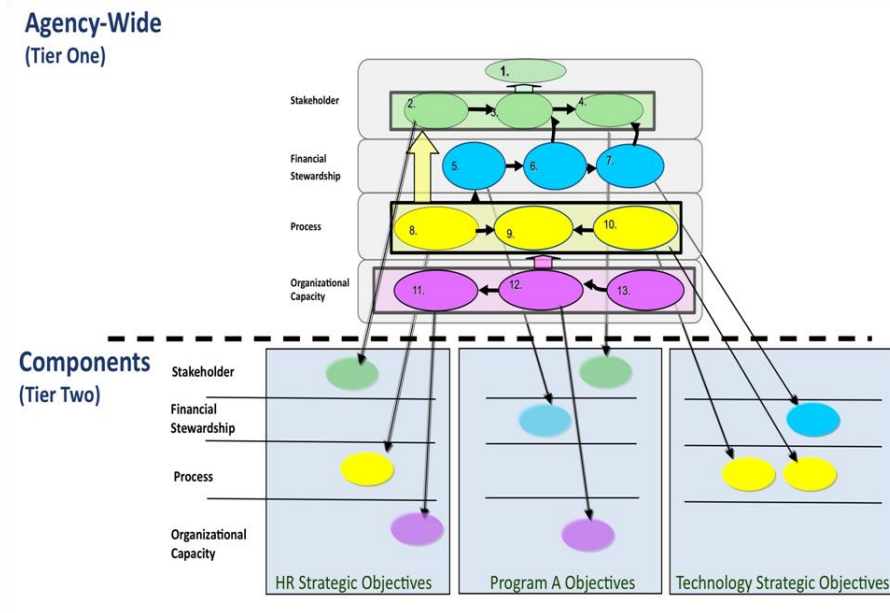
In the cascading process, Objectives are selected from the Tier 1 Strategy Map which the program/division can influence and support. In some cases, the Tier 1 Objective may be broken into two or more Tier 2 Objectives. And, the Tier 2 program/division may wish to add additional Objectives that reflect its own vision, stakeholders and operations.

Facilitate Tier 2 Alignment Workshops

Alignment workshops usually involve members of the Strategy Management Team, as well as employees and customers of the unit in question. Steps in the alignment workshop include:

1. Discuss and document the purpose of the unit
2. Identify the major work processes the unit performs
3. Identify the clients and stakeholders of the unit – these may be internal
4. Facilitate a brief SWOT analysis for the unit
5. Review the Tier 1 Strategy map and discuss each Objective
6. Identify if the unit supports the Objective or not
7. If so, decide if the wording should be the same, or should be supportive of the Objective. For example, a client-facing unit might have an identical Client Outcome objective as the Tier 1 map. On the other hand, a support department, such as HR, might support it indirectly, e.g. “Improve Staff Training” Objective.
8. Create a strategy map for the Tier 2 unit

Cascading Tier 1 Objectives to Tier 2



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Figure 23: Cascading Involves Translating Agency-Wide Objectives to Departments and Support Units

When cascading objectives into a Tier 2 program/division from the Tier 1 map, a slight variation of this worksheet is used that shows the connection between Tier 1 and Tier 2 Objectives. In the example below, the Finance Department is considering how it can contribute to the Agency Objective “Diversify Funding”.

Table 19: Tier Two Objective Cascading Worksheet

Tier 1 Objective Name	Tier 2 Objective Name	Tier 2 Objective Commentary			
		Description	Desired Outcome	Outcome Indicator	Initiatives
Diversify funding	Improve Financial Reporting	Provide financial reports that indicate funding sources	Ability to see changes in funding sources	Management use of financial reports to make strategic decisions	Revise current financial reports for Board, Management and staff

[Click here for blank copy of Tier 2 Objective Cascading Worksheet](#)

Step Four: Achievement of Results

Observe and Report Progress

Achievement of Results requires:

- Understanding the use of performance measures for decision making and organizational alignment
- Defining how you will track and report on data, including automation

The Power of Performance Measurement

Research has shown that organizations that manage through the use of meaningful strategic measures enjoy a number of benefits, including:

- More fact-based decision making – when everyone agrees on what the measures of success are, decisions can be made on a factual basis
- Alignment, cooperation and teamwork among senior management and staff
- Effective communication of strategy in a way that shows staff how they contribute to organizational success
- Willingness to take calculated risks because the “goalposts” are clear
- Higher levels of organizational learning and agility

Strategy Maps, with their Objectives and Outcome Indicators, are a “hypothesis” of how the Agency can build organizational capacity and improve processes in order to benefit clients and the community. Performance analysis, using the tools available to the Agency, can allow users to test the strength of the causal links in the Strategy Map once data has been collected for a sufficient period of time. This in turn can lead to improvements in the Map, the Objectives or the Measures as part of the periodic evaluation process.

Automating Performance Information

Effective automation of a Strategic Management System makes it easier to consolidate, analyze, present, share and report data from anywhere. There are efficiencies gained by using one system and by sharing related items (like Strategy Maps, Objectives, Indicators and Initiatives) in a way that intuitively shows them as connected. It drives better and faster decision making because it is evidence-based. Finally, access from desktops and smart phone/tablets makes strategy a real part of employees operational conversation.

Effective use of an automation solution can enable effective analysis, as most software tools can be used to:

- Display not just numbers, but pictures & stories about organizational performance
- Support Strategy Map views and navigation
- Provide a consistent view of all the activities supporting a given client
- Enable initiative and action plan management
- Provide better, more consistent tracking of time spent on initiatives, program and services

- Support reporting based on agreed-upon outcome indicators
- Enable dialogue around the data and what it means
- Provide business intelligence analysis, such as the relationship between program and service outputs and actual client outcomes
- Support multiple level drill-downs into underlying data

In effective data analysis, it is important to turn performance data into information and knowledge that will ultimately help drive improved strategic performance. There are many steps to effective performance analysis (see the Figure below). Best practices begin with how basic data collection and storage get translated into analysis. Good analysis can be lost on most audiences if it is not intelligently interpreted and then shared in a way that invites constructive dialogue. Finally, action planning should be driven by data and dialogue and everything should be open to continuous review.

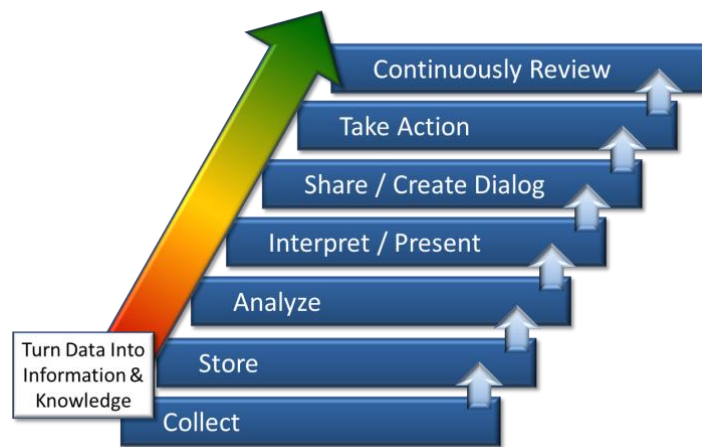


Figure 24: Steps to Turning Data into Information and Knowledge

Data Definition Table

To maintain consistency in their use, your Outcome Indicators must be defined very specifically. This can be accomplished by using a Data Definition Table worksheet for each Indicator as illustrated below:

Mayberry Community Action Agency (MCAA)

Objective	Measure Description:	Periodic survey of a sampling of the local community, who are asked to quantify an "I am satisfied"-type response on a five-point Likert scale.			
Improve Community Satisfaction					
Objective Owner	Measurement Type:	Intermediate Outcome			
Steve	Formula:	# indicating Agree or Strongly Agree / total			
Desired Result(s)	Unit of Measure:	%			
Community members tell us that they are happy with our services.	Measure Location:	Public Relations Office			
	Measure Owner:	Fred			
	Data Source:	Survey Monkey			
	Collection Frequency:	Quarterly			
Measurement	Reporting Frequency:	Quarterly			
Community Survey Score	Verified by:	Fred's IT Administrator (is data accurate?)			
	Validated by:	Fred's Boss (is measurement meaningful?)			
	Presentation:	Line graph			
	Target & Thresholds		90%		95%

Source: Performance Scorecard Toolkit™, the Balanced Scorecard Institute

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Figure 25: Data Definition Table Example

[Click here for blank copy of Data Definition Table](#)

Automation Examples

There are over 100 performance measure automation tools on the market, ranging from add-on modules for accounting and enterprise resource planning packages, to simple internet based reporting and visualization tools. In many cases, CAAs can simply create spreadsheets with a list of measures, and track their performance over time. Increasingly, however, the price is coming down for very sophisticated performance automation tools that allow multiple users to access, comment on, and report on shared data. “Software-as-a-service” tools may be a cost-effective solution for many agencies.

Here is an example taken from one such package, QuickScore from Spider Strategies (www.spiderstrategies.com). The Strategy Map was cut and pasted into a customized dashboard, then linked to real performance data. The “traffic light” indicators for each Objective are based on underlying data from the various Outcome Indicators, according to the thresholds that Mayberry CAA established. This “dashboard” provides a readily understandable picture of how the Agency is doing in implementing its strategy, based on live data that can be reviewed in greater detail as needed.

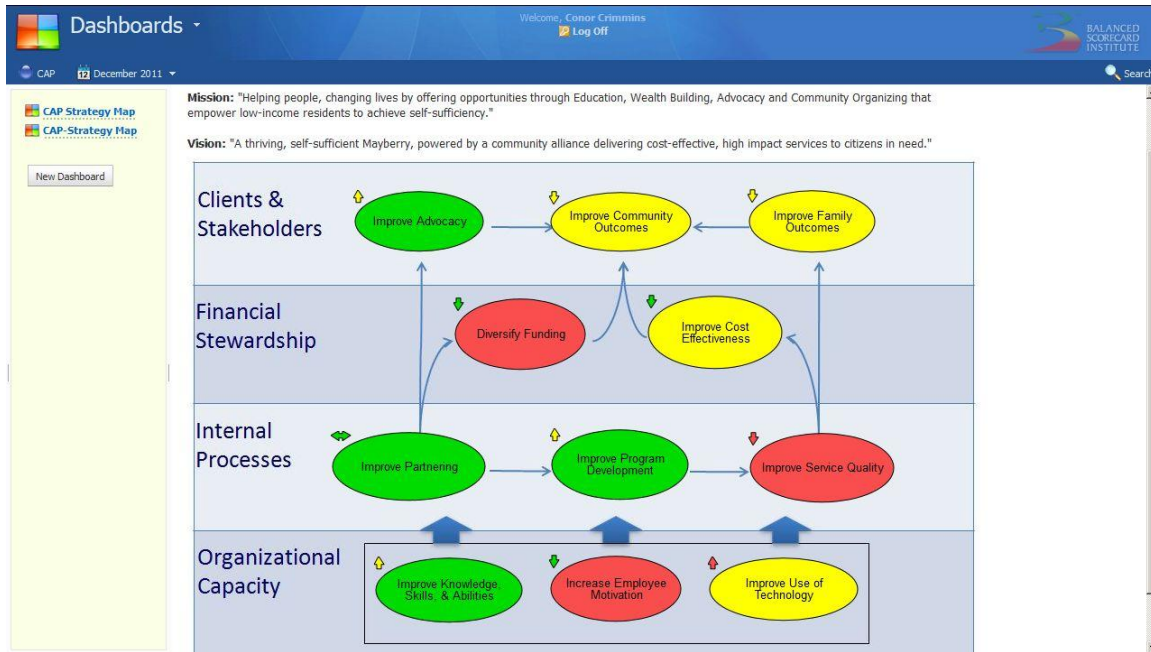


Figure 26: Automated Strategy Map with Performance Indicators

The software can “drill down” on the underlying measures to help you understand why the Objectives are performing the way they are. For example, one of the Outcome Indicators for the Objective “Improve Family Outcomes” is the percentage of program participants achieving living wage employment:

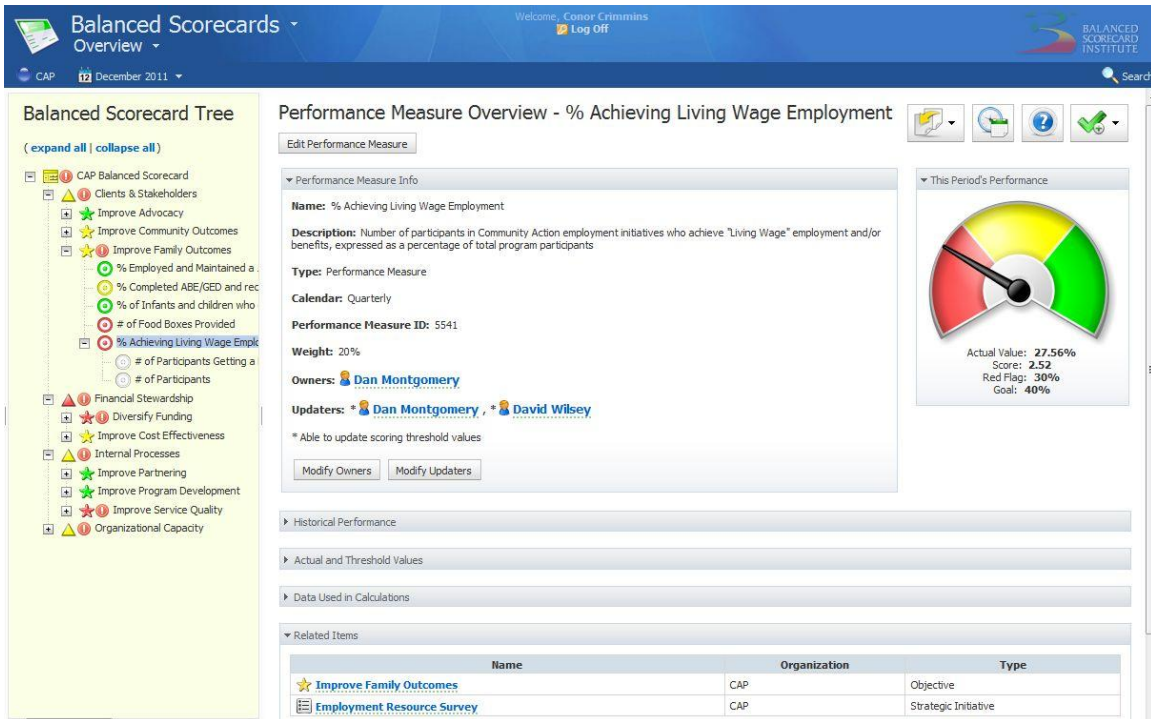


Figure 27: Outcome Indicator Detail

The software allows you to track the trend in this Indicator over time:

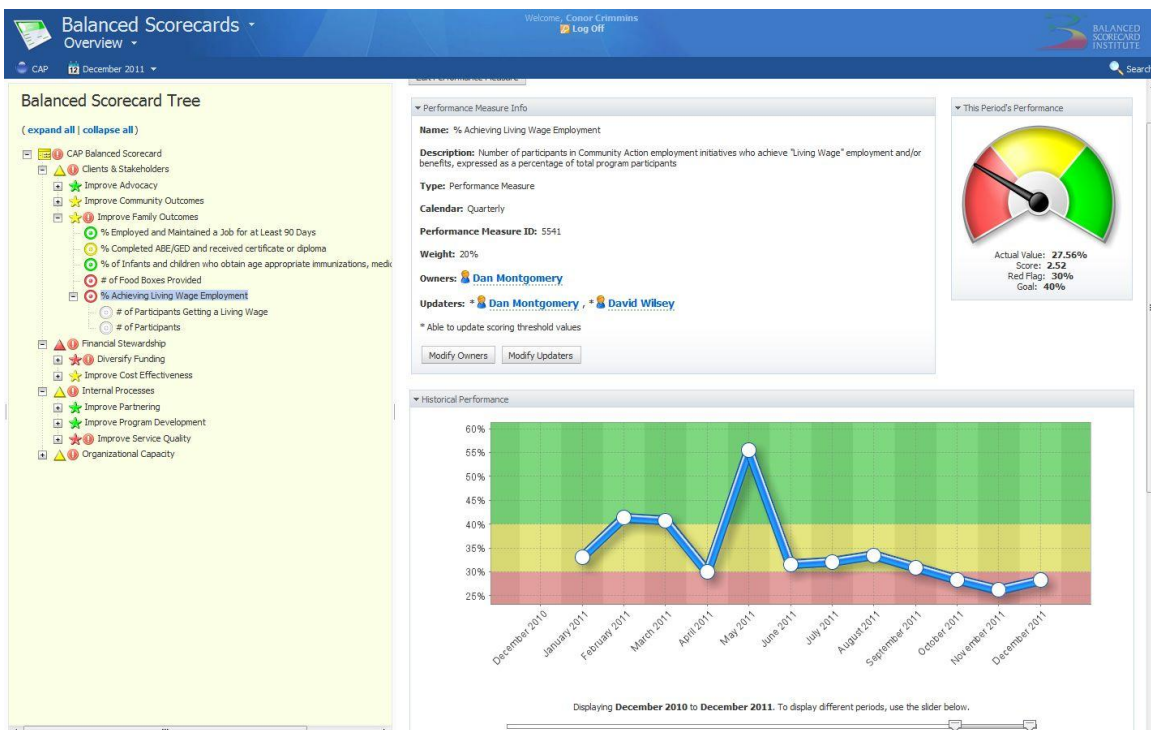


Figure 28: Trends in Employment Outcomes Over Time

Finally, the system allows you to track the Initiatives that are impacting the Outcomes, and show their relationship to the Strategic Objectives in your Strategy Map:

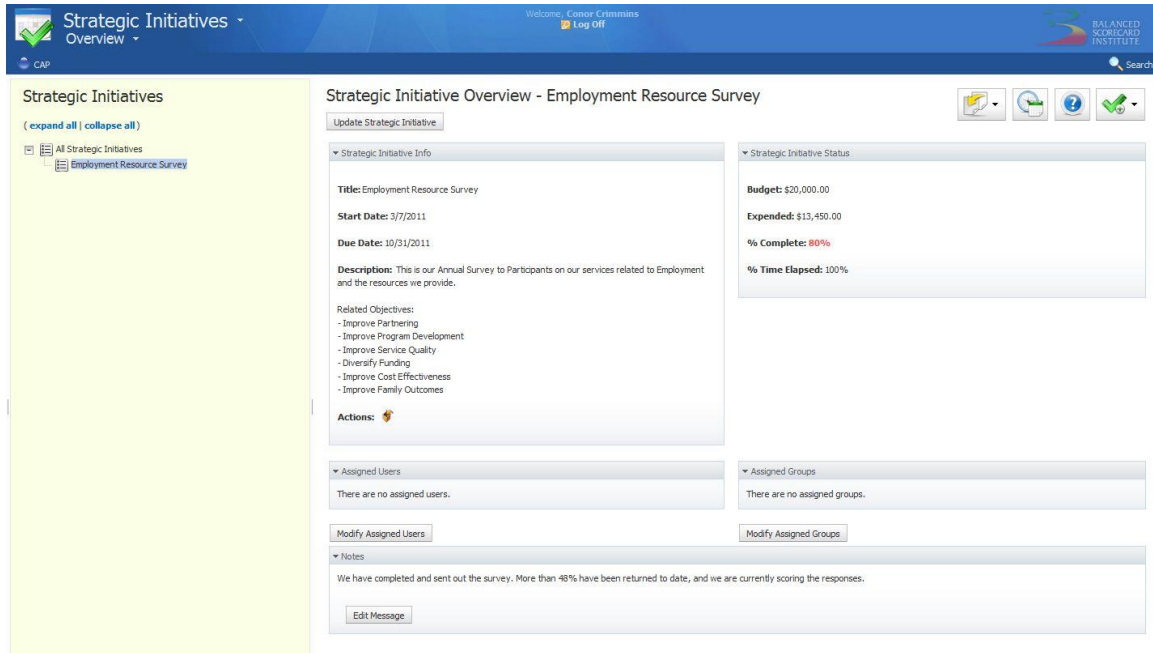


Figure 29: Strategic Initiative Summary

Tools for Selecting Balanced Scorecard Software

How do you pick the right system, implement it efficiently and get people using it?? There are three steps to take:

Know what you need – the biggest mistake organizations make is to commit to a technology solution before they’ve been through the process of building the plan. Without talking through how the balanced scorecard will be used, you won’t be clear what your functional requirements are.

Table 20: Questions to ask before selecting software

Interview/Assessment Question	Insights Sought/Comments
What performance information is needed?	The users have to be able to determine what information/data they need to measure and assess performance
What types of reports are needed?	Many times users will know what types of reports are the easiest for them to understand and use to interpret the data
How many and what types of users are required?	Often, multiple users must participate in the assessment of performance data
What is your plan for scalability (full enterprise or start small and grow)?	Does the current performance measurement system serve a small population and will the new system need to scale to more users?
How do you want to control user access? Do you need training? (i.e. how many and to what level).	Users may be located in the office, remotely connected, or using mobile devices to receive the reports

How technically savvy are your employees? Will they need training?	Use of a performance measurement system may require new levels technology skill in order for users to fully understand and use the system.
Are the trainees geographically dispersed?	Users could be accessing the system from different time zones thus driving the need to understand system up time and maintenance times.
Do you need historical period comparative analysis capability?	Users often need to have a snapshot of historical data in order to understand the changes in current period performance date reporting.
Will employee evaluation (Tier 3) be automated with this tool?	If the performance measurement system is deployed to the team/individual performance measurement level (Tier 3), often a user interface to the human resource system has to be developed such that the team/individual has access.
How do you query and report data currently?	Users, typically, are comfortable with their current report formats. Introducing new formats or research and query capabilities will require time with users to determine their requirements.
Do you need to maintain those reports?	Users may want to maintain the reports they have responsibility for or let the system conduct maintenance
Where is the data now?	Many users have their own data repositories and methods to collect and analyze performance data. System implementations will have to consider migrating or importing current user data formats/repositories.

[Click here for blank copy of User Considerations Interview Form](#)

Know what your options are – take the time to review the various packages that are available. Just googling “balanced scorecard software” will give you plenty of options to review. Seeing what’s available will help you refine the functions and features you want. Some elements to consider include:

Table 21: Questions to ask before selecting software

Interview/Assessment Question	Insights Sought/Comments
How are links to existing systems and databases accommodated?	Users can be using different databases on different systems but have the requirements to access each other’s databases – for example pulling data out of the financial system into the balanced scorecard system
Can the software accommodate changing IT environment?	IT environments often are in states of various change from desktop, to mobile application delivery, host/server-based, to Software-as-a-Service (SaaS)

Can the software accommodate measurement changes?	A feature/function analysis needs to be conducted to determine if measurement changes can be made in the future
Does the software display not just numbers, but pictures and stories about organizational performance?	Data visualization cannot be confined to just numbers but should also include graphical information and textual explanation.
Does the software enable initiative and action plan management?	The ability to track and report initiative progress is necessary
Does the software enable dialog around the data?	Numerical reports are necessary but capturing interactive conversation and commentary about those reported numbers is critical
Does the software provide business intelligence analysis (“what if” scenarios, trending, forecasts, correlation, and so forth)?	Current state numbers should be able to be the basis for future what-if scenario extrapolation.
Does the software support multiple level drill-downs into underlying data?	The ability to data mine through several levels of performance measures can reveal the source of performance problems.
Are strategy map views and navigation supported?	Viewing the Tier 1 and Tier 2 strategy maps helps the user navigate through the system and keep the “big picture.”
Does the software support performance measurement indexing (data normalization and weighting)?	Not every performance measure will be considered in the same weight
Are flexible threshold patterns supported?	The system must be able to set alerts based on thresholds such that users can understand when changes in state are cause for action.

[Click here for blank copy of Software Feature Checklist](#)

“No” surprises – understand your integral technology situation and select an approach that’s compatible. You may already have software that can easily be extended with additional performance reporting modules. Or, if you are a small Agency with limited IT support, cloud-based “software as a service” may be your best option.

Table 22: Questions to ask before selecting software

Interview/Assessment Question	Insights Sought/Comments
Do you have unusual systems / databases to access? (Oracle, SQL, Access, MySql, and so forth)	IT must understand how to connect different databases to each other or design interfaces for each user
Do you use unusual hardware or operating systems?	Disparate hardware and operating systems may not be supportable for the user requirements.
Do you have hardware capacity issues?	Many host and server systems may already be running at maximum cycle capacity and may need memory, network, and storage capacity improvements
Do you use web portal / intranet technology already that could be leveraged for this purpose?	Moving service delivery to the web can relieve the need for larger client machines on desktops
Does Software as a Service (SaaS) make sense for you?	The use of the cloud for expanding service delivery to users relieves the need for organizations to purchase and maintain hardware and software
What is the availability of IT resources (staff) to assist with implementation and maintenance?	When new systems come online, often the IT department has to play a focal role in assisting users to fully benefit from the new system capability
What security (privacy, etc.) issues do you have to consider?	Data access security must be reviewed when data inclusion may span several databases, networks, and infrastructure configurations.

[Click here for blank copy of IT Considerations Checklist](#)

Step Five: Evaluation

Analyze Data, Compare with Benchmarks

The purpose of Evaluation is to review the organization's progress toward planned Strategic Results, and to review the overall Strategic Planning and Management System to determine how it can be improved. Evaluation results can lead to modifications in Strategic Assumptions (as reviewed in the Assessment step); or Strategy, Objectives, Measures and Targets (as developed in the Planning step).

Develop an Evaluation Plan

Steps in the evaluation process include:

- Identify the scope and purpose of the evaluation effort – What issues do we need to address?
 - Do we have the right Strategy?
 - Did we get the results we expected?
 - Are we executing the Strategy effectively?
 - Do we have the right Objectives?
 - Do we have the right Measures?
 - Are we implementing the best Initiatives to achieve the Strategy?
- Identify the audience for the evaluation results
 - Leaders within the organization or Agency?
 - External stakeholders?
 - Employees of the organization or Agency?
- Identify the key questions (using the Evaluation Discussion Guide shown below)
 - Why did we get the results we did?
 - How do people in the organization feel about the relevance and timeliness of performance information?
 - Where can the usefulness of information be improved?
 - What Objectives, Strategy Map linkages, Performance Measures and Targets, and Strategic Initiatives should be modified, added, or deleted?
- Lay out a schedule and Evaluation Team assignments

Evaluation Discussion Guide

Table 23: Evaluation Discussion Guide Worksheet Example

Issue	Key Questions	Possible Actions
Program, Service and Project Results	Did we get the results we expected?	Review each of the questions below
Leadership	Are leaders at all levels engaged?	Revisit change management and communications strategy
Strategic Environment	Has the strategic environment changed?	Redo Assessment step
Organization Capacity	Are we learning and evolving as an organization?	Assess workplace culture, particularly the uses of performance information
Alignment	Is our organization aligned around outcomes and accomplishments?	Assess staff motivation and culture
Performance Measures and Targets	Are the measures effective? Are they being used to deliver actionable business intelligence? Are targets realistic?	Review guidelines for measure development with Objective Owners and Teams; revise measures and targets
Strategic Initiatives	Did we get the results we wanted from our initiatives?	Conduct project review
Workflow & Processes	Are they efficient, and are customer-facing processes working as planned?	Consider employing TQM or lean management approaches to process improvement
Employee Engagement	Are we building buy-in to new directions?	Increase employee engagement in the Assessment & Planning steps
Incentives & Rewards	Are we getting the behavior changes needed?	Engage employees for feedback and ideas
Budget Influencing	Are strategies “budget influencing”	Analyze cost-effectiveness of services, programs and initiatives

[Click here for blank copy of Evaluation Discussion Guide](#)

Evaluation Scoring Form

A more formal approach to Evaluation involves surveying selected stakeholders, inside or outside the organization, and assigning a score of 1-5 on each of a number of categories. The score for each category is comprised of a number of questions. The complete survey form, including these questions, is provided in the Appendix.

Table 24: Evaluation Scoring Form

Evaluation Category	Score	Comments	Recommendations
Organization Leadership			
Balanced Scorecard Management			
Enterprise Scorecard Elements and Implementation			
Business Unit/ Division Elements and Implementation			
Teams & Individual Elements and Implementation			
Results			
Communications			
Automation and Reporting			
Sustainment			
Strategic Management Maturity			

[Click here for blank copy of Evaluation Form](#)

Conclusion – Leading and Sustaining Change

Now, more than ever, Community Action Agencies must continuously prove, and improve, the value of their presence and role in the communities they serve. This Toolkit has focused on a set of practical action steps and tools to:

- Understand community needs
- Assess Agency capacity
- Clarify Agency Mission, Vision and Values
- Select strategies that best leverage Agency capabilities in relation to needs
- Detail these strategies through development of Themes, Objectives, Outcomes and Initiatives
- Identify key Outcome Indicators, and develop means to track and report on these
- Prioritize Strategic Initiatives that will build Agency capacity and meet community needs
- Develop a strategic approach to budgeting
- Measure program cost-effectiveness
- Evaluate and communicate progress

Sustained leadership focus is critical throughout this process, and beyond. Creating the right plan and the right measures in the context of your community is an ongoing effort, not a one-off project. It involves development of a “performance culture” in your organization, and development of a healthy network of commitments and accountabilities within the community. Sustainable change is based on getting the right people engaged from the beginning, and keeping them involved.

“Rohm’s Rules” are a set of leadership and change management guidelines developed over many years of practice in the art of strategic planning and management by Howard Rohm, the Balanced Scorecard Institute’s Founder and CEO.

Rule No. 1: Enable the Effort Right -- Right From the Start

- Get the right people on the bus, before the first “stop”
- Create a “guiding coalition of the willing”
- Adequately resource the strategic plan as a change initiative, and remove barriers to success
- Use one “sheet of music” – words (definitions) matter
- Use cross-functional teams -- none of us is smarter than all of us
- Get your plan 80% right in a month and start using it -- getting it 85% right in a year is not as effective
- Celebrate short-term successes

Rule No. 2: Lead by Engaging

- Inclusivity and transparency trumps “command and control”
- Establish a shared vision of the future, and align strategy to vision and mission
- Create a climate of trust with the workforce at all levels of the organization
- Walk more and talk less; know and understand your organization’s “voices”

- Model the desired behaviors you want from everybody else; set the standard for excellence
- Focus on the few things that matter a lot, and recognize and reward positive results and efforts

Rule No. 3: Communicate with Clarity

- Communicate what needs to change, why change is necessary, who will be affected, and how they will be affected
- People who work for you probably don't "get it" like you think they do; assume they don't
- Two-way dialogue is key ... E-mail, PowerPoint, Web sites, Twitter, Facebook, and newsletters isn't
- See things through the eyes of your clients, stakeholders, and employees
- Be authentic, speak the truth, and use plain language – it's a system that includes people
- Coordinate the message, the media, the timing, and the messenger, so you and others speak with a consistent voice
- Sustain your management system by focusing on telling and explaining your strategic story with clarity

Rule No. 4: You Have to Change Hearts and Minds to Transform the Organization

- Adequately explain the need for change, both internally and externally; understand and deal openly with resistance
- Incentivize desired behaviors with rewards, recognition, or monetarily, to institutionalize needed changes
- Create a culture of high performance and accountability – individually and collectively
- Continue to build and maintain momentum for change; remember that changing hearts and minds takes time

Rule No. 5: Vision (Strategic Thinking) Drives Strategy and Strategy Drives Action

- Use a phased approach to "connect the dots", from strategy to operations:
- Phase I: Understand the business you are in (Mission), then create a shared picture of organization future success (Vision), then develop high-level strategies (Strategic Themes and Results) to get from where you are currently to where you want to be
- Phase II: Develop continuous improvement Strategic Objectives to make strategy actionable to everyone, and then map your strategy (Strategy Map)
- Phase III: Measure what matters (Strategic Outcome Indicators and Targets), then select Strategic Initiatives to reduce strategy performance gaps
- Phase IV: Formulate a strategic budget after actionable strategy has been developed, then decide on programs, services, and projects that support the strategy, then develop the operating budget and annual plan

Rule No. 6: Measure What Matters

- Focus efforts on developing strategic (outcome) performance measures and targets ... most organizations have too many operational performance measures and only count the easy stuff, like outputs, activities and schedules
- You get what you measure; watch for indicators that drive the wrong behaviors (e.g., measuring pothole repair vs. safe streets)
- Effective performance measurement is not an Executive Information System for the management team – use performance information to better inform decision making throughout the organization
- Measurement systems should measure: how much work we do, how well (efficiently) we do the work, how much benefit our clients got from the work, how satisfied our clients are with the work the organization does, and how well programs, services, and projects are managed
- Performance measures are means, not ends – performance measurement and management is a strategic thinking process
- Indicators that are easy to obtain (e.g., simple counts such as \$'s, people trained, no. of computers installed) are usually the most uninformed and the least useful. The goal is to get to business intelligence – performance data that is transformed into performance information, then transformed into business intelligence
- Watch out for the Measurement Traps:
 - Indicators that are out of balance and at the wrong strategic altitude (e.g., measure vision or mission, then jump to operations)
 - Indicators that are too late (e.g., client satisfaction survey once a year, rather than point-of-service), or too far removed from the event that is being measured – limited value
 - Missing external environment measures (e.g., policies, regulations, governance, economy) – hard to forecast
 - Missing precise data definitions (e.g., units of measure, frequency, data source and location, formula, ownership, verification, validation) and inconsistent treatment of indicators across the organization
 - Indicators that are “gamed” (e.g., developed by program owners to serve budget justification purposes) – limited value to help better inform decision making
 - Not measuring transformational change (e.g., knowledge, skills and abilities), and change as a result of improved tools and technologies – measure outputs only

Rule No. 7: Avoid the Common “Rushes to Judgment”

- Strategy is not the sum of all the programs, projects, and services you are currently working on
- There are over 100 automation software solutions for balanced scorecard; you can afford to wait awhile to choose the one that is right for your organization
- Discuss your current programs, projects, products, and services after you discuss your strategy
- Discuss performance indicators and targets after you discuss your strategy

Glossary

Cascading	Translating the Agency-wide strategic plan (referred to as Tier 1) down to Programs and support departments (Tier 2) and then teams or individuals (Tier 3). The end result should be focus and alignment across all levels of the agency.
Challenges	A summary of the agency's Weaknesses and Threats – which must be addressed in order to progress.
Enablers	A summary of the agency's Strengths and Opportunities – the forces propelling it forward.
Evaluation	A review of the organization's progress toward planned strategic results, and of the overall strategic planning and management system to determine how it can be improved.
Initiatives	Specific activities or actions undertaken to improve performance on one or more Objectives, including the plans and milestones. Answers the question "What projects, programs, or activities will contribute to the intended result of one or more Objectives?"
Mission	A statement defining why an organization exists and whom it serves.
Objectives	Answers the question, "What continuous improvements are needed to achieve the Strategic Results desired for the Themes?" Objectives include commentary outlining Outcomes, which are used to develop Outcome Indicators.
Outcome	A description of what improved performance on an objective would look like.
Outcome Indicator	A quantification of the performance of an Objective over time, used to provide an analytical basis for decision making and to focus attention on what matters most. Outcome Indicators answer the question, "How is the organization doing at the job of meeting its Strategic Objectives?"
Parking Lot	A method used by facilitators to save ideas that will be re-visited later, such as items that will be used in later steps in the process or issues that are not on the agenda but need to be addressed at some point.
Perspectives	Different "lenses" through which the strategy and performance of the organization can be viewed. All perspectives must be addressed in a strategic plan in order improve performance.
Stakeholder	Individuals or groups within the universe of people with an interest in the organization's products/services and/or success. Stakeholders have an impact on, or are impacted by, the organization's activities.
Client Value	What an organization must deliver to develop, retain, and deepen its

Proposition	relationship with clients; a description of the key benefits gained by clients as a result of the organization’s activities.
Strategic Result	The desired outcome for a Theme of the organization’s strategy. Each theme has a corresponding strategic result.
Strategy Elements	Previously identified strategic planning components, which may be reviewed, included, or revised in the new plan.
Strategy Map	A graphic that displays the cause-effect relationships among the Objectives making up a strategy. A good Strategy Map tells a story of how the agency creates value for clients and stakeholders.
SWOT Analysis	A summary of the Strengths, Weaknesses, Opportunities and Threats facing an organization. Strengths and Weaknesses refer to internal attributes of the organization, while Opportunities and Threats arise outside the organization, but require a reaction from it.
Targets	The desired level of performance for a given measures in a particular reporting period
Themes	An elaboration of the Vision statement, identifying key areas where improved performance is desired.
Values	Ethical guidelines for behavior and decision-making - a key component of organizational culture.
Vision	A compelling description of the desired future. It answers the questions “How would things be different if our mission were fully successful?” and “What is the organization’s picture of the future?”

Appendices

Blank Worksheets and Forms

Project Team Worksheet

Team	Responsibilities	Members / Commitment	Stakeholders Represented	Members
Strategic Management Team	<ul style="list-style-type: none"> • Provide overall leadership, direction and ownership of planning process • Champion support of the project • Dedicate resources • Set Strategic Foundations • Develop corporate scorecard • One SMT team member appointed to each Strategic Theme Team 			
Stakeholder Focus Groups	<ul style="list-style-type: none"> • Provide input to assessment process • Identify SWOT • Suggest improvements 			
Theme Teams	<ul style="list-style-type: none"> • Provide extensive subject matter expertise • Build Theme strategy maps • Provide broad organizational representation • Ensure ownership and task-oriented contribution to Review and Revision process • Support implementation 			
Communications Team	<ul style="list-style-type: none"> • Create a “buzz” around the new system • Prepare a unified message on why the balanced scorecard and why now • Prepare a communications plan • Communicate benefits, costs, and impacts to the Agency 			
Objective Owner Teams	<ul style="list-style-type: none"> • Meet to refine objective commentary, performance measures and targets, and strategic initiatives for each objective on the strategy map 			

Strategic Management Maturity Model™ Action Plan

	Current Score	Actions To Take
Leadership		
Culture & Values		
Strategic Thinking & Planning		
Alignment		
Performance Measurement		
Performance Management		
Process Improvement		
Sustainability		

Stakeholder Assessment Grid

Stakeholder	What the Stakeholder wants and needs from the Agency	Stakeholder perception of Agency Performance	What the Agency wants and needs from the Stakeholder	Plan for Involvement

SWOT Matrix

Internal	Strengths	Weaknesses
External	Opportunities	Threats

Mission Development Worksheet

Who are we committed to serving, no matter what?	
What is our core promise to them?	
What services do we provide?	
In what manner?	
In order to provide what outcomes?	

Vision Development Worksheet

What is our ideal picture of our Agency () years from now?	
How will this impact our stakeholders?	
How will this impact our employees?	
How will we define success? What will it feel like, look like, and sound like? How will it be measurable?	
What do we need to do more of?	
What should we do less of?	
What should we do differently?	
What should we stop doing?	
What should we do that we've never done before?	

Values Description Worksheet

Value	Description

Stakeholder Value Proposition

Stakeholder	Value Proposition		
	Attributes	Image	Relationship

Strategic Themes and Results Worksheet

Strategic Theme	Strategic Result

Objective Commentary Worksheet

Objective Name	Objective Commentary			
	Description	Desired Outcome	Outcome Indicator	Initiatives
A simple verb-noun statement of continuous improvement	A more detailed explanation of the scope and intent of the Objective	What success will look like	The specific measures we will use to track achievement of the outcome	Specific, time-limited projects or activities we will undertake in order to improve performance of the Objective, as measured by the Outcome Indicator
		•	•	•
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Change Assessment Worksheet

Element	Definition	Evaluation	Rating (1-5)
Vision	A shared, vivid and well understood picture of the future		
Actionable Strategy	A clear roadmap that shows how the organization will achieve the vision		
Capabilities	Ability of the workforce to implement the roadmap		
Incentives	Motivation of the workforce to implement the roadmap		
Resources	Tools to do the job		
Urgency	A sense that action is needed NOW		

Communications Planning Matrix

Target Audience	Objective (WHY)	Content (WHAT)	Medium (HOW)	Timing (WHEN)	Responsibility (WHO)

Data Definition Table

Objective	Indicator Description:			
Objective Owner	Indicator Type:			
	Formula:			
Desired Outcome(s)	Unit of Measure:			
	Indicator Location:			
	Indicator Owner:			
	Data Source:			
	Collection Frequency:			
	Reporting Frequency:			
Name of Indicator	Verified by:			
	Validated by:			
	Target:			
	Threshold Values:			
	Presentation:			

User Considerations Interview Form

What performance information is needed?	
What types of reports are needed?	
How many and what types of users are required?	
What is your plan for scalability (full enterprise or start small and grow)?	
How do you want to control user access? Do you need training? (i.e. how many and to what level)	
How technically savvy are your employees? Will they need training?	
Are the trainees geographically dispersed?	
Do you need historical period comparative analysis capability?	
Will employee evaluation (Tier 3) be automated with this tool?	
How do you query and report data currently? Do you need to maintain those reports? Where is the data now?	

Software Feature Checklist

Features	Desirable?
Links to existing systems and databases	
Can accommodate changing IT environment	
Can accommodate measurement changes	
Displays not just numbers, but pictures & stories about organizational performance	
Enables initiative and action plan management	
Enables dialog around the data	
Provides business intelligence analysis (“what if” scenarios, trending, forecasts, correlation, etc.)	
Supports multiple level drill-downs into underlying data	
Supports Strategy Map views and navigation	
Supports performance measurement indexing (data normalization & weighting)	
Supports flexible threshold patterns	

IT Considerations Checklist

Do you have unusual systems / databases to access? (Oracle, SQL, Access, etc.)	
Do you use unusual hardware or operating systems?	
Do you have hardware capacity issues?	
Do you use web portal / intranet technology already that could be leveraged for this purpose?	
Does “Software as a Service” make sense for you?	
What is the availability of IT resources (staff) to assist with implementation and maintenance?	
What security (privacy, etc.) issues do you have to consider?	

Evaluation Discussion Guide

Issue	Key Questions	Possible Actions
Program, Service and Project Results	Did we get the results we expected?	
Leadership	Are leaders at all levels engaged?	
Strategic Environment	Has the strategic environment changed?	
Organization Capacity	Are we learning and evolving as an organization?	
Alignment	Is our organization aligned around outcomes and accomplishments?	
Performance Measures and Targets	Are the measures effective? Are they being used to deliver actionable business intelligence? Are targets realistic?	
Strategic Initiatives	Did we get the results we wanted from our initiatives?	
Workflow & Processes	Are they efficient, and are customer-facing processes working as planned?	
Employee Engagement	Are we building buy-in to new directions?	
Incentives & Rewards	Are we getting the behavior changes needed?	
Budget Influencing	Are strategies “budget influencing”?	

Evaluation Form

Each question will be scored on a scale from 1 to 5 with 1 being the lowest and 5 being the highest.

Evaluation Category	Key Questions	Score	Comments	Recommendations
Organizational Leadership	To what extent are the top leaders engaged and committed?			
	Are leaders committed to using the balanced scorecard as their strategic management system?			
	To what degree does senior leadership use the balanced scorecard to guide strategic decisions?			
	To what degree does senior leadership use performance measurement information to guide decision making?			
	Is senior leadership present and leading the strategic conversations around progress and revision?			
	Do leaders model organizational core values and desired behaviors?			
Total Score – Organizational Leadership				
Balanced Scorecard Management	Is a key leader assigned responsibility to champion the BSC system?			
	Is facilitation, training and coaching provided to all entities within the organization?			
	Does the Agency conduct training or facilitate the development /refinement of performance measures?			

	Are Strategic Initiatives managed as a portfolio?			
	Are the plan and the scorecard well communicated in the organization?			
	Is there a central function to oversee performance data collection and reporting?			
Total Score - BSC Management				
Organization-Wide Scorecard	Is the mission clear, concise and accurate? Do people in the organization know it?			
	Is the vision a concise, inspirational picture of the future? Do people in the organization know it?			
	Are core values principle based, and are there an appropriate number? Are they communicated throughout the organization?			
	Does the Client Value Proposition clearly define primary customer value?			
	Are there an appropriate number of Strategic Themes, and are there appropriate Strategic Results defined?			
	Does the Strategy Map tell a clear story of the organization's strategy?			
	Are there four perspectives in the appropriate order on the Strategy Map?			
	Are the Strategic Objectives appropriately			

	written? Are there an appropriate number of them, and are they at a common level of detail?			
	Is the Objective Commentary for each objective clearly written, and described in unambiguous terms, allowing measurement of outcomes?			
	Are Outcome Indicators Meaningful and valid?			
	What portion of Indicators has been implemented, tracked and reported?			
	Are the Initiatives strategic, – prioritized, and is there an appropriate number?			
	Is satisfactory progress being made in executing Strategic Initiatives?			
	Are scorecards cascaded to the appropriate level and in accordance with guidelines within the organization?			
Total Score – Organization-Wide Scorecard				
Departmental Scorecards	Are department leaders committed and using the scorecard within the department as a management tool?			
	Do department employees understand the departmental scorecard and how they contribute to it?			
	Are the departmental Objectives aligned with the organization-wide Objectives?			

	Are the Measures meaningful, valid and balanced?			
	Are there an appropriately small number of departmental Strategic Initiatives?			
Total Score – Departmental Scorecards				
Employee Level	Is a process in place to develop Objectives and Measures for individuals that are aligned with department and organization-wide Objectives?			
	Have employees and managers been trained in the development of appropriate individual Objectives and Measures?			
	What portion of the organization’s employees and managers has been trained?			
	What is the quality of individual Objectives and Measures?			
	Are the individual Objectives and Measures aligned with department and organization-wide Objectives and with position descriptions?			
	Are individual Objectives and Measures used for performance evaluation?			
	Are individual objectives and measures used for recognition/incentives?			
	What portion of employees have individual development plans?			
	Total Score – Employee Level			

Results	Are performance measure Targets realistic and are they being met?			
	Have breakthrough results been attained? Include comments explaining these breakthroughs.			
	Are client and stakeholder expectations being met?			
	Are financial results being attained?			
	Are partner expectations being met or exceeded?			
	Are employee expectations being met?			
Total Score - Results				
Communications and Change Management	Does the organization have a quality communications plan and change management plan for the balanced scorecard?			
	Are multiple methods of communication being used internally to communicate the importance of the scorecard and its results? (organization meetings, department meetings, one-on-one conversations, email, newsletters)			
	Is there opportunity for feedback from employees and dialog about questions or issues?			
	Do people report receiving adequate and actionable information at an appropriate frequency?			
	Do employees report high confidence in knowledge of the Agency's direction and progress?			
	Do people report that external stakeholders are			

	being made aware of the balanced scorecard and its benefits to them? Are those communications of sufficient quality and frequency?			
Total Score – Communications and Change Management				
Automation & Reporting	Has balanced scorecard reporting software been implemented at the organization level?			
	Has balanced scorecard reporting software been implemented at the departmental level?			
	Are results reported at an appropriate frequency?			
	Are results available online?			
	How effective is the visualization technique used in reporting?			
	In addition to performance results is Initiative progress reported?			
	Where appropriate are results reported externally to stakeholders?			
Total Score – Automation and Reporting				
Sustainment	Are sufficient resources assigned and available to sustain the scorecard system into the future?			
	Are individuals assigned throughout the organization to be responsible for tracking and attainment of Objectives?			

	Are management meetings organized around components of the balanced scorecard (Themes, Perspectives, Objectives, etc.)?			
	Are senior management meetings held regularly to discuss strategy?			
	Is training in place for new employees?			
	Is the budgeting process influenced by the strategy and Strategic Initiatives?			
	Is the strategic planning process based on the balanced scorecard?			
Total Score - Sustainment				
Strategic Management Maturity Model (SMMM)	Leadership			
	Culture & Values			
	Strategic Thinking & Planning			
	Alignment			
	Performance Measurement			
	Performance Management			
	Process Improvement			
	Sustainability			
Total Score – SMMM				
Overall Score				

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The Balanced Scorecard Institute

The Balanced Scorecard Institute and our parent company, the Strategy Management Group, have been working in the strategic management and balanced scorecard space for 15 years. In addition to consulting, the Institute has trained over 5000 people in 60 countries, including national governments, Federal and regional governments, state and local governments, business and non-profit organizations.

The Institute's award-winning framework, *Nine Steps to Success™*, is a disciplined, practical approach to developing a strategic planning and management system based on the balanced scorecard. Training is an integral part of the framework, as is coaching, change management, and problem solving. Emphasis is placed on “teaching clients to fish, not handing them a fish”, so the scorecard system can be sustained.

A key benefit of using a disciplined framework is that it gives organizations a way to ‘connect the dots’ between the various components of strategic planning and management, meaning that there will be a visible connection between the projects and programs that people are working on, the measurements being used to track success, the strategic objectives the organization is trying to accomplish and the mission, vision and strategy of the organization.

Our projects are conducted on a highly systematic basis, using the proven *Nine Steps to Success™* model, as shown below.



Step One of the scorecard building process starts with an assessment of the organization's Mission and Vision, challenges (pains), enablers, and values. Step One also includes preparing a change management plan for the organization, and conducting a focused communications workshop to identify key messages, media outlets, timing, and messengers.

In **Step Two**, elements of the organization's strategy, including Strategic Results, Strategic Themes, and Perspectives, are developed by workshop participants to focus attention on customer needs and the organization's value proposition.

In **Step Three**, the strategic elements developed in Steps One and Two are decomposed into Strategic Objectives, which are the basic building blocks of strategy and define the organization's strategic intent. Objectives are first initiated and categorized on the Strategic Theme level, categorized by Perspective, linked in cause-effect linkages (Strategy Maps) for each Strategic Theme, and then later merged together to produce one set of Strategic Objectives for the entire organization.

In **Step Four**, the cause and effect linkages between the enterprise-wide Strategic Objectives are formalized in an enterprise-wide Strategy Map. The previously constructed theme Strategy Maps are merged into an overall enterprise-wide Strategy Map that shows how the organization creates value for its customers and stakeholders.

In **Step Five**, Performance Measures are developed for each of the enterprise-wide Strategic Objectives. Leading and lagging measures are identified, expected targets and thresholds are established, and baseline and benchmarking data is developed.

In **Step Six**, Strategic Initiatives are developed that support the Strategic Objectives. To build accountability throughout the organization, ownership of Performance Measures and Strategic Initiatives is assigned to the appropriate staff and documented in data definition tables.

In **Step Seven**, the implementation process begins by applying performance measurement software to get the right performance information to the right people at the right time. Automation adds structure and discipline to implementing the Balanced Scorecard system, helps transform disparate corporate data into information and knowledge, and helps communicate performance information. In short, automation helps people make better decisions because it offers quick access to actual performance data.

In **Step Eight**, the enterprise-level scorecard is 'cascaded' down into business and support unit scorecards, meaning the organizational level scorecard (the first Tier) is translated into business unit or support unit scorecards (the second Tier) and then later to team and individual scorecards (the third Tier). Cascading translates high-level strategy into lower-level objectives, measures, and operational details. Cascading is the key to organization alignment around strategy. Team and individual scorecards link day-to-day work with department goals and corporate vision. Cascading is the key to organization alignment around strategy. Performance measures are developed for all objectives at all organization levels. As the scorecard management system is cascaded down through the organization, objectives become more operational and tactical, as do the performance measures. Accountability follows the objectives and measures, as ownership is defined at each level. An emphasis on results and the strategies needed to produce results is communicated throughout the organization.

In **Step Nine**, an Evaluation of the completed scorecard is done. During this evaluation, the organization tries to answer questions such as, 'Are our strategies working?', 'Are we measuring the right things?', 'Has our environment changed?' and 'Are we budgeting our money strategically?'

For more information, visit the Institute on line at www.balancedscorecard.org



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