The balanced scorecard: a new challenge

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Abstract

Purpose – The purpose of this paper is to focus on one strategy known as "The Balanced Scorecard", discussing the growing importance of balanced scorecard performance systems, exploring issues that organizations face in building and implementing scorecard systems, and sharing lessons learned from Australian organizations that have taken the balanced scorecard journey.

Design/methodology/approach – The approach taken is the case study methodology to depict the real world examples of organisations that have confidence in the "Balanced scorecard performance system" so that other organisations can follow suit.

Findings – The paper concludes that the balanced scorecard approach may require some substantial changes in culture within the organization.. The balanced scorecard requires understanding, commitment and support from the very top of the business down. The balanced scorecard will evolve. As culture changes and develops to accept the new approach and members of the organisation mature within the new culture, the organisation will find new things to measure, new goals in different areas, to make the balanced scorecard even more balanced and effective in supporting a living, growing, viable organisation. Different organisations have quite different needs, market areas, people, products and services, and will end up with significantly different balanced scorecards.

Research limitations/implications – The outcomes were based on two multinational corporations and may differ with small and medium enterprises.

Practical implications – The balanced scorecard is balanced in another dimension – not just a balance of measures of essential areas of the business, but also a balance of goals versus accountability. If people do not accept accountability for achievement of the balanced measures and goals of the balanced scorecard, there is no balanced scorecard. The people of the organisation are the key to the success of the balanced scorecard system.

Originality/value – The paper specifically looks at the implementation of the "Balanced Score Card Performance Management System" in Australian corporations.

Keywords Balanced scorecard, Performance management systems, Human capital, Customers, Organizational culture, Australia

Paper type Research paper

Introduction

As we embark on the twenty-first century, managers are challenged by sweeping changes in the global arena. Add to these transitions – sweeping economic fluctuations in an economically interdependent world, and the burgeoning use of computers, and a dynamic global business environment emerges. Skilled managers face a complex business environment, full of opportunities but pitted with risks, in which they can make effective business decisions, improve interpersonal relations and meet societal obligations with the right strategy.

This paper focuses on one such strategy known as "The Balanced Scorecard". This paper discusses how to develop a balanced scorecard performance system and explores

issues that organizations face in building and implementing scorecard systems, and shares lessons learned from Australian organizations that have taken the balanced scorecard journey.

This approach to strategic evaluation was developed by Kaplan and Norton in the early 1990s, it is claimed that the scorecard with four perspectives- financial, customers, internal business processes, and innovation, learning and growth provides an excellent balanced solution for facing these challenges. The concept of the balanced scorecard enables organizations to achieve an integrated and aligned balanced focus between these four perspectives, which collectively underpin the achievement of the organization's vision.

The process by which a firm's managers evaluate the future prospects of the firm and decides on appropriate strategies to achieve long- term objectives is called strategic planning. Strategic planning is often tempered or changed at some point by a more incremental, sometimes messy, process of strategic decision making by some managers. "When a new CEO is hired, for example he or she will often call for a radical change in strategy. That is why new leaders are very carefully chosen on the basis of what they are expected to do. So while this paper discusses the rational strategic planning process here, because it is the ideal, inclusive method of determining long-term plans, we need to remember that, throughout, there are people making decisions, and their own personal judgment, experiences and motivations will shape the ultimate strategic directions" (Gautreau and Kleiner, 2001).

This paper puts forward a balanced scorecard approach to strategic management via Australian case studies. There are various important key success factors to look at whilst developing a balanced scorecard but the one most important aspect not to be forgotten are the people in the organization.

In an environment dominated by innovation, social responsibility and constant change it is argued that recruitment and retention of high quality employees must be the primary focuses of any business that wishes to succeed in the 21st century. Can the Balanced Scorecard approach work here?

Literature review

Several years ago, the Balanced Scorecard was introduced by Kaplan and Norton. At the time, we thought the Balanced Scorecard was about measurement, not about strategy. We began with the premise that an exclusive reliance on financial measures in a management system was causing organizations to do the wrong things. Financial measures are lag indicators; they report on outcomes, the consequences of past actions. Exclusive reliance on financial indicators promoted short-term behaviour that sacrificed long-term value creation for short-term performance. The Balanced Scorecard approach retained measures of financial performance, the lagging indicators, but supplemented them with measures on the drivers, the lead indicators, of future financial performance (Brown, 2000).

But what were the appropriate measures of future performance? If financial measures were causing organizations to do the wrong things, what measures would prompt them to do the right things? The answer turned out to be obvious: Measure the strategy! Thus all of the objectives and measures on a Balanced Scorecard – financial and nonfinancial – should be derived from the organization's vision and strategy.

Although we may not have appreciated the implications at the time, the Balanced Scorecard soon became a tool for managing strategy – a tool for dealing with the 90 percent failure rate (Kaplan and Norton, 2001b).

The concept of the balanced scorecard (BSC) was first presented in the early 1990s. By 2000 some surveys indicated that a majority of firms in the United States, and Scandinavia used scorecards – or at least intended to do so soon. Others, like Bain's management tools survey, indicated a slight drop in usage to 36 per cent, but with a high average satisfaction with the tool. The number of software packages for scorecard on the market was growing and exceeds 100 today. In only ten years, the idea of the balanced scorecard has certainly made its mark. (Gadenne, 2000)

What is the balanced scorecard?

Robert Kaplan and David Norton from Harvard Business School first presented the "Balanced Score Card" in an article "The Balanced Scorecard – Measures that Drive Performance", *Harvard Business Review*, January/February 1992.

There is nothing new or original about the notion of combining a number of measures in a compact description of an operation. Traditional methods of measuring performance focussed on financial indicators.

Even within the profit sector, financial statements cannot properly capture the kind of measurements that companies need today. High quality services, intellectual capital, skilled employees, prompt and reliable services, responsiveness efficient and adaptable business processes are all intangible assets which are important but their presence or absence does not show up on a balance sheet and does not alert employees, customers, shareholders and the community to the real worth of an company or enterprise. The Balanced scorecard emphasizes that financial and nonfinancial measures are all part of a system that gives information to every part of the organisation (Brewer and Speh, 2000).

They are part of a top down driven process, driven by the mission and strategy of the "Business Unit". The measures are a balance between external measures for customers and shareholders and internal measures of business processes, innovation and learning and growth. A balance must also be struck between measures of past performance and measures that drive future performance. It is possible to use the balanced scorecard as a strategic management system to manage strategy over the long run (Poll, 2001).

The process of balanced scorecard in a nutshell

- Clarify and translate vision into strategy.
- Communicate and link strategic objectives and measures.
- Plan, set targets and align strategic initiatives.
- Enhance strategic feedback and learning.

Traditionally, organisations measured their performance on short-term financial measures; however the balanced scorecard approach extends this to including measures of performance relating to customer, internal processes and learning and growth needs of their people (Latshaw and Choi, 2002).

This broader focus brings in a longer term, strategic dimension to the business, by not only looking at the short-term financial performance, but also how the organisation is going about delivering the results, and checking on the overall "strategic health" of the organisation. By also focusing on these non-financial dimensions, the organisation can assess its performance in building key capabilities, required in terms of its strategy to survive and prosper into the future. This is particularly relevant to companies seeking longer-term superior returns, embarking on new strategies or under competitive threat, where the lack of these organisational capabilities will threaten the organisation's longer-term sustainability (Hagood and Friedman, 2002).

At the highest level within an organisation the strategy will define the specific performance measures and standards required in each of these non-financial areas. This process requires the leadership to define in very specific terms the "definition of success" in each of these non-financial areas, together with their relative importance weightings, to enable employees to embrace these requirements in their day to day activities. Once this is completed for the organisation as a unit, these measures are transferred to individuals throughout the organisation, by creating individual "Balanced Scorecards":

> A key part of the Balance Scorecard approach is the feedback and learning step, where an organisation is able to quantify where it is on its strategic capability building journey, in the context of its current performance, and possible changing business environment. This information should enable the leadership to determine whether the organisation is on track, and what, if any, interventions/changes need to be made. If changes are required, these could be in the definition of the destination, the pace of the journey, or the redesign of the initiatives designed to build the capability.

This information and the subsequent decision to change something is critical to the strategic learning process, which should continuously modify strategies to reflect this "real time learning" (Johnsen, 2001).

The Balanced Scorecard approach extends into linking employee rewards to performance in all four areas, with suitable weightings applied reflecting the relative importance of each area. In some instances companies see the non-financial measures of such importance that a "threshold" level of performance is set for each of the non-financials. Only if an individual exceeds these threshold levels, can they qualify for performance related rewards linked to the financial performance results. This approach clearly indicates to employees the level of importance the organisation places on future capability building and strategic issues, while at the same time recognising shorter-term financial performance (Gadenne, 2000).

A Balanced Scorecard is a format for describing the activities of an organization through a number of measures for each of the four perspectives. A simplified balanced scorecard may resemble Figure 1. Business activity is described from four different perspectives, using a small number of measures for each. The description may refer to the business's current performance or to its goals for the next period (Brown and McDonnell, 1995).

Some would say that this is just another performance report, combining financial and non-financial metrics. But there is more to the scorecard than immediately meets the eye. The scorecard is made up of the following four perspectives:
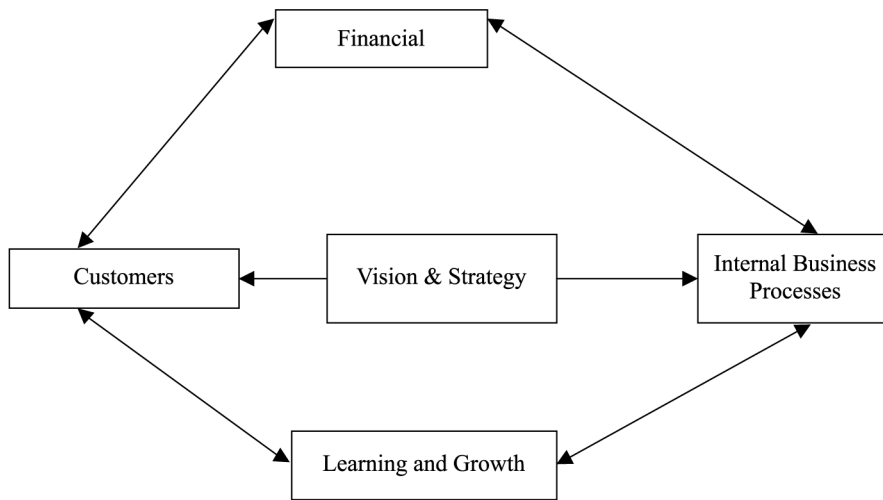
(1) Financial perspective: to succeed financially how should we appear to our shareholders?
Measures:

- return on capital;
- improved shareholder value; and
- asset utililization.

(2) Customer perspective: to achieve our vision how should we appear to our customers?
Measures:

- product/service attributes;
- customer relationships; and
- image and reputation.

*(3) Internal business processes: to satisfy our shareholders and customers, at what
business processes must we excel?*
Measures:

- develop products and services;
- deliver products and services; and
- "post-sales" services.

*(4) Learning and growth perspective: to achieve our vision, how will we sustain our
ability to change and improve?*
Measures:

- employee capabilities;
- information system capabilities;
- motivation; and
- empowerment and alignment.

The purpose of the balanced scorecard is to guide, control and challenge an entire organisation towards realising a shared conception of the future. Within the perspectives the vision is expressed as a number of more specific objectives. Measures and targets are set and the organization then puts in place action plans to meet the set targets. Will strategic planning and the balanced scorecard bring our customers true happiness? (Waal, 2003).

The scorecard is balanced: the four perspectives aim for a complete description of what you need to know about the business. First, there is a time dimension going from bottom to top. Current profitability, etc. may largely be a consequence of what was done last quarter or last year; if new skills are added now it should have consequences for next year's efficiency and finance.

The scorecard is also balanced in another way: it shows both internal and external aspects of the business. It is obvious that a "well-oiled machinery" of internal processes is important in any business, and may not always correlate with external perceptions. On the other hand, customers' views and the contacts that have been established in the market-place are obviously important too. The scorecard shows both (Arora, 2002).

Finally, the scorecard is linked through cause-and-effect assumptions. Among its most important uses is to reflect on how strong these linkages are, what time delays they involve, and how certain we can be about them in the face of external competition and change. The balanced scorecard contains a diverse set of performance measures, spanning financial performance, customer relations, internal business processes, and the organization's learning and growth activities (Kaplan and Norton, 1992). This large set of measures is designed to capture the firms' desired business strategy and to include drivers of performance in all areas importance to the firm (Kaplan and Norton, 1993, 1996a, 1996b). Use of the balanced scorecard should improve managerial decision making by aligning performance measures with the goals and strategies of the firm and the firm's business units (Lipe and Salterio, 2000).

The balanced scorecard is relatively costly to develop so the net benefits gained in adopting the balanced scorecard depends on the extent to which it improves managers' decisions. In this study, we explore how managers' cognitive limitations may prevent an organization from fully benefiting from the Balanced Scorecards information. We examine observable characteristics of the balanced scorecard (i.e. measures common to multiple units v. measures unique to particular units) that may limit managers' ability to fully exploit the information found in a diverse set of performance measures.

Each business unit in the organization develops its own balanced scorecard measures to reflect its goals and strategy. While some of these measures are likely to be common across all subsidiaries or units, other measures will be unique to each business unit (Kaplan and Norton, 2001a). Judgment and decision-making research suggests that decision makers faced with both common and unique measures may place more weight on common measures than unique measures. Therefore, managers evaluating multiple subordinated units (i.e. superior managers) may under use or even ignore the unique measures designed for each unit. Judgmental difficulties in using unique measures may be compounded when the manager who carries out a unit's performance evaluation does not actively participate in developing that unit's scorecard and, consequently, may not appreciate the significance of the unique measures. Under use of unique measures reduces the potential benefits of the balanced

scorecard because the unique measures are important in capturing the unit's business strategy (Appelbaum and Reichart, 1998).

Case 1: The Big W case – "Live Big for Less"

Faced with plans for significant business growth, Big W developed an HR strategy to help realise the company's vision.

Big W (n.d.) is the discount department store division of Woolworths. Once Woolworths' main poor performer, Big W was rated by *Business Review Weekly* (4 August 1997) as a remarkable success story. In the past ten years its annual sales have risen from $530 million to $1.8 billion – moving from a loss of $47 million to a profit of $60 million. In the six months to 11 January 1998 it posted a record Earnings before Interest and Taxes (EBIT) to Sales margin of 5.13 per cent.

Paralleling the growth in turnover and profitability has been the growth in the number of stores and staff. In 1993, Big W operated 58 stores but the last five years have seen a 41 per cent increase to 85 stores. Staffing levels at the end of March 1998 are approximately 19,500 with the majority (12,000-13,000) being front line staff. Big W plans to have a number of additional stores opened which will give it the critical mass to optimise returns to shareholders without the need for investment in additional infrastructure.

The business imperative

According to Big W's executive management, the company's growth has been driven by a simple proposition – it will not be beaten on price. Big W believes that the integrity of its brand has been, and will continue to be, built on its "everyday low prices" position and that this will play a key part in the future success of the business.

The vision for Big W is firmly grounded in the strategic positioning of the business. The vision is simply: "We Sell for Less".

Faced with plans for significant business growth, Big W's HR Executives needed to develop a Human Resource Strategy that would align with the business direction.

In 1995 the HR implications for growth were seen to be the need to recruit more external people; to promote existing staff faster than would have been planned; and to create an environment where all staff could grow with the organisation.

Above all, Big W management needed an assurance that all staff – whether newly recruited, or existing would be able to actively contribute to the achievement of the Big W vision. This gave rise to a question, "how can people make sense of what they do, or what they are expected to do, in terms of the organisation's vision?"

To answer this question Big W needed to have in place a performance management system which would be both valid and reliable and which would be able to measure performance that could ultimately be tested against the organisation's vision. Big W recognised that it needed to translate the vision systematically and methodically into terms that would be meaningful to all staff. The company determined to develop competencies (which could be appraised) that would be intelligible in a hierarchy starting with the vision, then mission then the values to which the organisation aspired.

As one Big W human resource executive put it: "People can understand that if I learn these competencies, I can carry out these actions. If I carry out these actions I can

achieve these tasks. If I achieve these tasks I meet the objectives of the job. If I meet the objectives of the job I meet the values of the organisation which assist the achievement of the mission and vision."

Big W also recognised that such an exercise would require significant investment in terms of management effort and decided to target a key group – their 70 store managers.

The company chose to integrate new technology into its plans, installing, an integrated performance management technology that captures information relating to key performance indicators, competency identification, position profiling, recruitment, quantitative multi-source assessment, training and development and, succession planning.

This provided Big W with a tool to help in (amongst other things) introducing an appraisal system for store managers.

The first task was to identify the competencies required for the store manager position. Initially, planning was conducted with other Woolworths HR personnel to ensure that there would be some consistency within the broader context of Woolworths' operations.

Six core competencies were developed in consultation with managers and other senior staff who had responsibility for or involvement in, store operations. These were: inventory productivity, loss prevention, management leadership, merchandising, people management, and store operations.

Subordinate competencies were also developed for each core competency and these were recorded on the database of the newly installed integrated performance management technology.

Each core competency was related to one or more of Big W's Values which had been agreed as: "Pride in our people"; "Exceeding customer expectations"; "Everyday low prices"; and "Return on investment".

The values had, in turn, been derived from Big W's Mission, which was given as:

- to provide our customers with the best quality merchandise at the best possible prices every day;
- to provide our shareholders with a fair and growing return on investment; and
- to provide our Big W team with a happy and safe working environment.

For Big W, the principal early benefit provided by the system was that it satisfied a key element of Big W's business framework – it allowed the definition of competencies which "live" the values. Big W also appreciated that the integrated system was inherently flexible and could grow and change as Big W itself grew and changed.

Once competencies had been defined, Big W had the basis on which to appraise the performance of existing store managers. Initially, this was carried out conventionally by an up-line assessment. But progressively the concept of 360 degree assessment was introduced. Big W said that the biggest step it had to take was to acknowledge that the people who would give managers the best information about their performance were the people who worked nearest to the managers.

Big W introduced a variant to 360 degree feedback and did not include a peer review because store managers operated in isolation of other managers often under different

market and socio-economic conditions. Feedback was obtained from supervisors, buyers and subordinate staff.

Initially, the 360 degree feedback was provided for information only because Big W acknowledged that the process could be perceived as threatening and could founder if it was introduced too quickly. Over time, the feedback was incorporated into the regular performance review cycle with ownership of the outcomes being accepted by both the manager being reported on as well as the manager's immediate supervisor.

Defining competencies

The work completed on store manager competencies quickly saw the system also being used in three other HR processes – recruitment, training and succession planning.

Big W found that the identification of internally validated competencies ensured that prospective new employees could be selected with more certainty that their skills and knowledge would better match the organisation's values. Big W also found that reference checking was more precise because areas of both strength and weakness, as revealed by applicants' self-rating their level of competence, could be verified far more precisely.

When it came to training, Big W found that its investment could be targeted to obtain the best return by focusing on competency gaps. The company now has a twin training focus – training in the competencies and training to reflect its values.

Big W has found that planning for succession can now be carried out consistently within the organisation. A by-product of the assessment process is the production of a development plan for each manager, including the development of competencies which will position employees for new or different responsibilities. The company recognises that for succession planning, "up is not the only way". Through the assessment process employees have been given opportunities to extend their experience in areas other than that in which they are presently employed.

Big W has not only built competencies into each step of its performance management system but has now incorporated competencies in all position descriptions for store managers and buyers.

The company was committed to ensuring that, in a period of significant growth, its core values would be retained and reinforced. It set about systematically documenting the competencies for one of its key employment categories and integrating these competencies throughout its main HR processes.

Has the balanced scorecard worked for Big W? It sure has as can be seen in the current changes. In 2006, Woolworths along with Big W rolled out new Retalix point of sale systems running on IBM POS hardware with LCD touch screens throughout all its stores.

In October 2007, Woolworths announced a $1 billion makeover of Big W, including a new store format, logo and slogan. The first store with the new format is located in the Rouse Hill Town Centre in New South Wales, which first opened on March 6, 2008. The new logo started appearing in advertisements, store dockets, and a redesigned Big W web site on October 24, 2007. The former tagline "We sell for less" was replaced with "Live big for less".

Currently, Big W has over 140 stores with 25,000 employees and is growing rapidly plans to revamp more than half its stores and develop new stores. In 2009 the development of the Hallett Cove, South Australia Big W, spanning 35,000 sq.m will be completed as part of the Hallett Cove Mall renovation. Another store is planned for opening in 2011 as part of the Castle Towers redevelopment, which is awaiting approval.

Case 2: Standards Australia – managing performance into the twenty-first century

Standards Australia is a not-for-profit organization that employs in excess of 600 people and is Australia's leading standards and technical information provider. Standards Australia have also pioneered the move to internationally aligned Standards and related services and is the Australian representative on the two major international Standardizing bodies, the International Standards Organization(ISO) and the International Electro-technical Commission (IEC). It also coordinates the attendance of Australian experts at international meetings.

Change management imperative

Since Standards Australia was founded 75 years ago the role of management in Australia has undergone considerable change. Mike Conway, Director of Corporate Development and Strategy, recently headed up a change management team responsible for preparing management and staff to provide internal higher quality standards at lower production costs.

To prepare the way the Standards Change Team took an "X-ray" of the organization that subsequently pinpointed areas for attention.

The investigation focused on:

- objectives of the individual business units with the overall key result areas of the organization;
- standards and priority of departmental activities;
- skills of the individual with the objectives of the business;
- improving key processes;
- organizational efforts on the change initiative;
- the priority process for improvement;
- success of actions taken;
- generate a rigorous single minded focus with the organization that would result in a continuous improvement routine;
- organization had to seek the mantle of leadership so as to meet the performance expectations of the wider community; and
- improvement would only occur with an integrated approach.

Integrated technology

The ultimate success of the change strategy greatly depended on how the change was to be introduced and implemented rather than the merit of the strategy itself. In order to harness the complete potential of the Standards Australia workforce and to ensure

integration, ownership, and empowerment were the results of their initiatives, a fully integrated performance management technology, (from Integrated Performance Strategies) was implemented.

This allowed management to set goals for the individual, team and the whole organization, build performance criteria, assess competencies, identify strengths and weaknesses and provide feedback. Barriers and information gaps that stood between the individual business managers, the team and the organization were identified. This approach efficiently linked individual business outputs to competencies on an integrated HR platform that changed the way people thought about their role at Standards Australia.

Management involvement and endorsement

Mike Conway, General Manager, Standards Australia, says, "The true opportunity for Standards Australia was to get every manager and team member to do ordinary things in an extraordinary way whilst maintaining mutual understanding and acceptance for the need for change and the direction of change". Mike Conway also says, "Without the full personal support and endorsement of the senior executive team, the transition to a true performance empowerment culture, would not have been possible."

The preparatory work identified the jobs that had high value in relation to Standards' strategies and structure. By reviewing the business plans, interviewing management and staff and creating an organisational directory of relevant position profiles that incorporated Key Result Areas, Competencies and Performance Criteria, the management team has been able to introduce and continuously monitor a process of superior performance.

Matching people and jobs

One of the first steps in developing position profiles has been to identify the criteria or measures that define superior or effective performance on the job. These have, in the main been developed as "hard" outcome measures such as sales and profit data for line managers. In addition ratings by management and staff have also been sought so as to identify effective performance.

The hard criteria and ratings gathered have been invaluable in identifying good performance. The framework established has enabled Standards Australia to create future job profiles linked to the strategic plan and recruit to those profiles. Selection is the process of matching people and jobs, either people outside the organisation (recruiting and new hire selection) or inside (placement and promotion). The better the fit between the requirements of a job and competencies of the jobholder, the higher performance and job satisfaction achieved.

Outcomes

The outcomes for Standards Australia from the project have been as follows:

- They are now able to provide leadership and a context for employees to determine improvement initiatives that align organizational effort to key outcomes.
- They are now able to identify and take responsibility for their own performance issues whilst being linked to the key strategies of their own workgroup and team.

- They are now able to monitor employee progress against defined competencies at regular intervals with a view to assist low performers and design career plans for high performers.
- The appointment of external candidates is now based on more accurate position profiles and performance criteria. Comparing internal successors with incumbents on a best to least fit basis can be done effectively and audited.
- Workgroups and teams have now achieved ownership of and commitment to using key result areas linked to competencies and performance criteria that achieve significant performance improvement both to internal people and external clients.

Ongoing ownership

The technology has played an important role in achieving the end result and continues to provide an integrated approach to the implementation of change in a way all stakeholders develop ownership in the performance process.

A cooperative partnership has been established that allows management to provide leadership or the need for change and the direction for that change on an ongoing basis.

A final word from Mike Conway, "Integration and ownership are generated by the ongoing interactions between leadership and empowerment. This has been achieved in Standards Australia by creating and maintaining an organizational culture where significant authority and decision making is shared with employees."

Conclusion

Based on business principles and corporate objectives, the balanced scorecard is tailored for each part of the organisation to allow each to contribute in a holistic way to the corporate objectives. Downward alignment of vision and direction allows each business unit to tailor its own objectives to contribute effectively to the company's objectives. Business unit scorecards turn further into individuals' personal scorecards, which become the subject of regular dialogues (known in another dialect as "performance appraisals".

The process of creating the balanced scorecard is a fairly involved process which requires a lot of understanding and commitment, and for some business unit leaders, a lot of facilitation (help). The business unit also has to focus on those aspects of corporate objectives to which it can realistically contribute.

Translating the corporate scorecard into a business unit scorecard, and indeed a personal scorecard, requires one to "think customer". Ask – "what are the customers' expectations?"

When considering external customers, one has to think of the customers' expectations as well as corporate expectations with respect to those customers.

How do you find out what the customers' expectations are? Ask them!

The Balanced Scorecard is balanced in another dimension – not just a balance of measures of essential areas of the business, but also a balance of goals versus accountability. If people do not accept accountability for achievement of the balanced measures and goals of the balanced scorecard, there is no balanced scorecard.

The balanced scorecard approach may require some substantial changes in culture within the business. The balanced scorecard requires understanding, commitment and support from the very top of the business down.

The balanced scorecard will evolve. As culture changes and develops to accept the new approach and members of the organisation mature within the new culture, the organisation will find new things to measure, new goals in different areas, to make the balanced scorecard even more balanced and effective in supporting a living, growing, viable organisation.

Different organisations have quite different needs, market areas, people, products and services, and will end up with significantly different balanced scorecards than Siemens or Big W above if they are successful in implementing such a scorecard.

Business models are often made to appear easy to adopt, probably with the aim of selling them to a company. The balanced scorecard model described

Here seems to be hard to implement. It seems to take a lot of work and effort and time to achieve a result that, and constantly evolving, will help the business grow.

We can conclude that if we want to use a balanced scorecard or any other business model we have to be prepared for some difficult learning, substantial culture change, and a lot of hard work, especially for those who champion such a change.

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Further reading

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