THE BALANCED SCORECARD AS A TOOL FOR WISE DECISIONS

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Let’s set the backdrop for the rest of this presentation …

• Continued drive in public sector for accountability to citizens, politicians, “central agencies” and executive

• Guidelines and standards help shape planning and reporting, particularly for accountability purposes

• Operational and employee plans seen as important, but degree of alignment remains a challenge

• Ongoing struggle putting in place meaningful measures

• Questions remain on use of this information in decisions
What about the private sector?

- Research carried out by Kaplan and Norton has found:
  - For 67%, operational and “corporate” strategies were not aligned;
  - Human resource and information technology plans did not support these same strategies
  - That 85% of executive spend less than one hour per month discussing strategy
  - For 50% of executive, no time was spent on discussing strategy
  - For 60%, financial budgets did not link to strategic priorities

Considering the circumstances of the Fraser River Port Authority

- Witnessed a transfer of responsibilities and authorities from the Canadian federal government
- Serious financial concerns with millions in annual costs for dredging and little opportunity for revenue generation
- Imperative to create a strategic, team-based approach to managing infrastructure, contracts, operations, etc

Looked to the Balanced Scorecard as the strategic foundation for addressing these and other issues
So what is the Balanced Scorecard?

- **Financial Perspective**
  - Revenues, costs, net earnings, return on capital, etc.

- **Process Perspective**
  - Process efficiencies (e.g., cycle times), productivity, etc.

- **Customer (Client) Perspective**
  - Quality of service, loyalty and acquisition of customers

- **Learning and Growth Perspective**
  - State of, and enhancements in, the management of people, capital and technology

Can the Balanced Scorecard be adapted?

- Performance can have multiple dimensions that extend beyond the “traditional” perspectives including:
  - State of partnerships and relationships (political, community, …)
  - Level of community involvement and “trust”
  - Growth in key markets and/or infrastructure (e.g., access to land)
  - Security
  - Environmental management and impacts, etc

- Consider “audiences”, types of decisions being made, and strategic aims
Is this indicative of the “reality” in practice?
Areas of challenge and opportunity

- Ensuring use of performance information in governance
- Reinforcing key messages and maintaining momentum
- Aligning planning, risk management, monitoring and reporting practices
- Avoiding overly complex processes and systems
- Accounting for different generational cultures
- Shift from “denial” to “compliance” and then engagement
What might we consider as strategies in moving forward?

• Put in place governance principles and process
• Assign accountabilities and promote shared ownership
• Use common terms, templates and technology to foster consistency while maintaining simplicity
• Communicate using various approaches and a focus on “this is why it is valuable”, and “this is how it will be used”
• Celebrate successes, use teams and “peer-to-peer” processes, and foster communities of practice
Laying out an agenda for the future

**CULTURE**

- Plans Policies Assessments Frameworks
- Information Systems and Tools
- Processes Practices
- Results-Oriented Governance and Leadership
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