

This Month's Theme: Nonprofits And A Balanced Scorecard

What Is A Balanced Scorecard?

The balanced scorecard is a strategic planning and management system that is widely applicable to organizations regardless of size or type of business. It provides a method of aligning business activities to the vision and strategy of the organization.

Scorecard's History

The first Balanced Scorecard was created by Art Schneiderman (an independent consultant on the management of processes) in 1987 at Analog Devices, a mid-sized semi-conductor company. He participated in an unrelated research study in 1990 led by Dr. Robert S. Kaplan in conjunction with US management consultancy Nolan-Norton, and during this study described his work on Balanced Scorecard. In 1996, Norton and Kaplan published the book *The Balanced Scorecard*. These articles and the first book spread knowledge of the concept of Balanced Scorecard widely.

Four Steps To Scorecard's Design

1. Translating the vision into operational goals;
2. Communicating the vision and link it to individual performance;
3. Business planning; index setting
4. Feedback and learning, and adjusting the strategy accordingly.

Benefits of Use

- Improved organization alignment
- Improved communications, both internally and externally
- Linked strategy and operations
- More emphasis on strategy and organizational results
- integrated strategic planning and management

Scorecard Simplified

At its core, the Balanced Scorecard is a simple idea – communicate, measure, and implement your strategy – but the power of it lies in its simplicity. If you can get your entire organization on one page, working toward a set of common measures and focused on a few key projects, you can rapidly and effectively execute on your mission and provide your funders and donors with transparent insight into how their funds are being invested.

Resources

"Using The Nonprofit Balanced Scorecard." Dylan Miyake.

Balanced Scorecard Institute FAQ.

Balanced Scorecard. Wikipedia

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