Community Balanced Scorecards
for Strategic Performance Management

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Results That Matter Team: www.RTMteam.net
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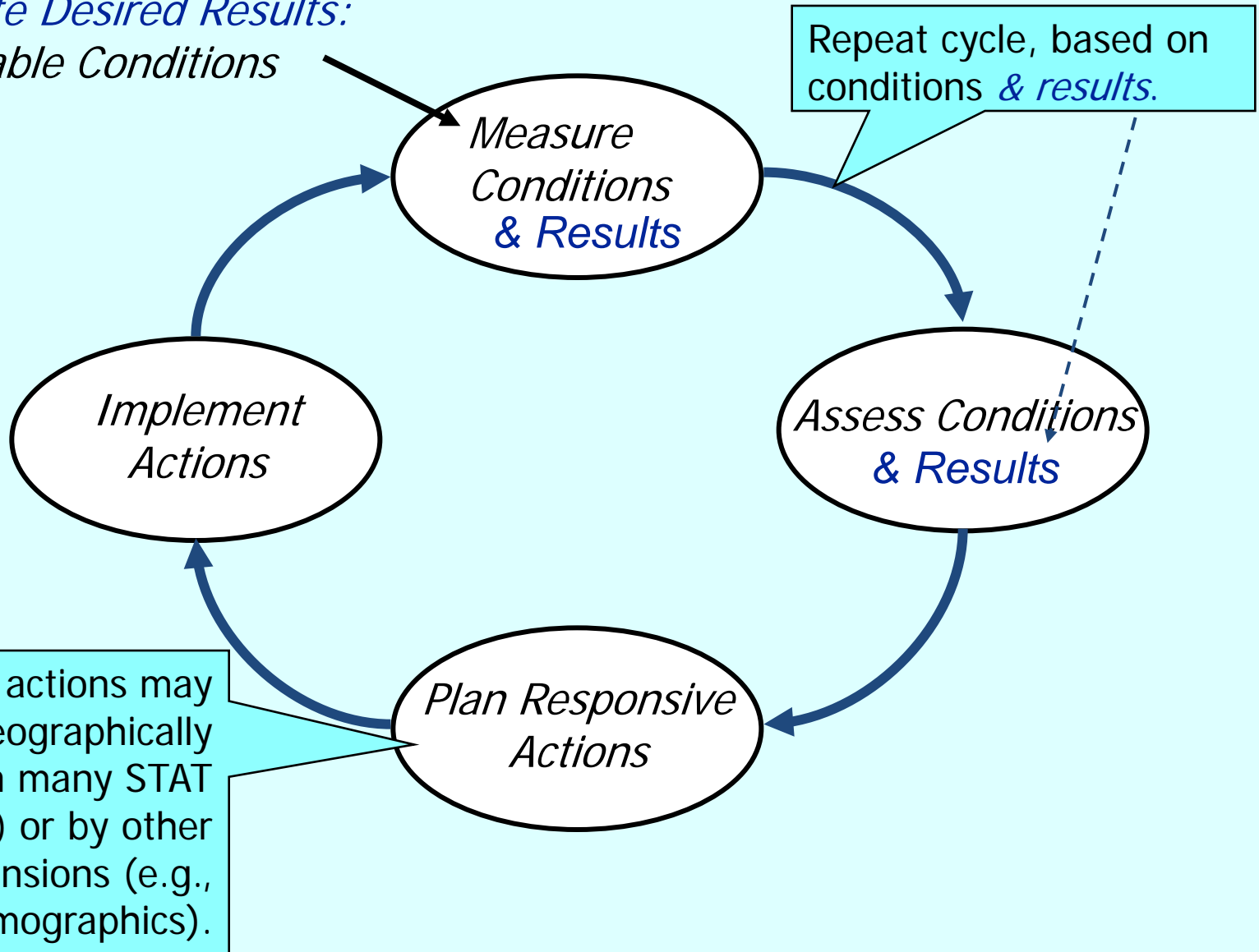# Performance Management & PM Systems

Performance Management:

Using performance information to help make better decisions.

Performance Management System:

Use of performance information on a regular basis as part of ***a continually repeated cycle*** of performance monitoring, analysis, and improvement, in which measured results are fed back into decision making to improve future performance.

A Simple Managing for Results Cycle, e.g., STAT Systems

Articulate Desired Results:
Measurable Conditions

Repeat cycle, based on conditions *& results.*

Measure Conditions & Results

Implement Actions

Assess Conditions & Results

Planned actions may differ geographically (as in many STAT systems) or by other dimensions (e.g., demographics).

Plan Responsive Actions

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Comprehensive Performance Management Systems *to "Manage for Results"*

- *Use performance information to link multiple governance and management systems of an organization, usually including:*
    - Strategic or Long-term Planning
    - Annual Business or Service Planning
    - Budgeting
    - Performance Monitoring & Reporting

    Could include more, e.g., staff evaluation & compensation, performance auditing

- *The linkages should create a "line of sight" of performance expectations and efforts to fulfill them across all systems, and across the organization.*

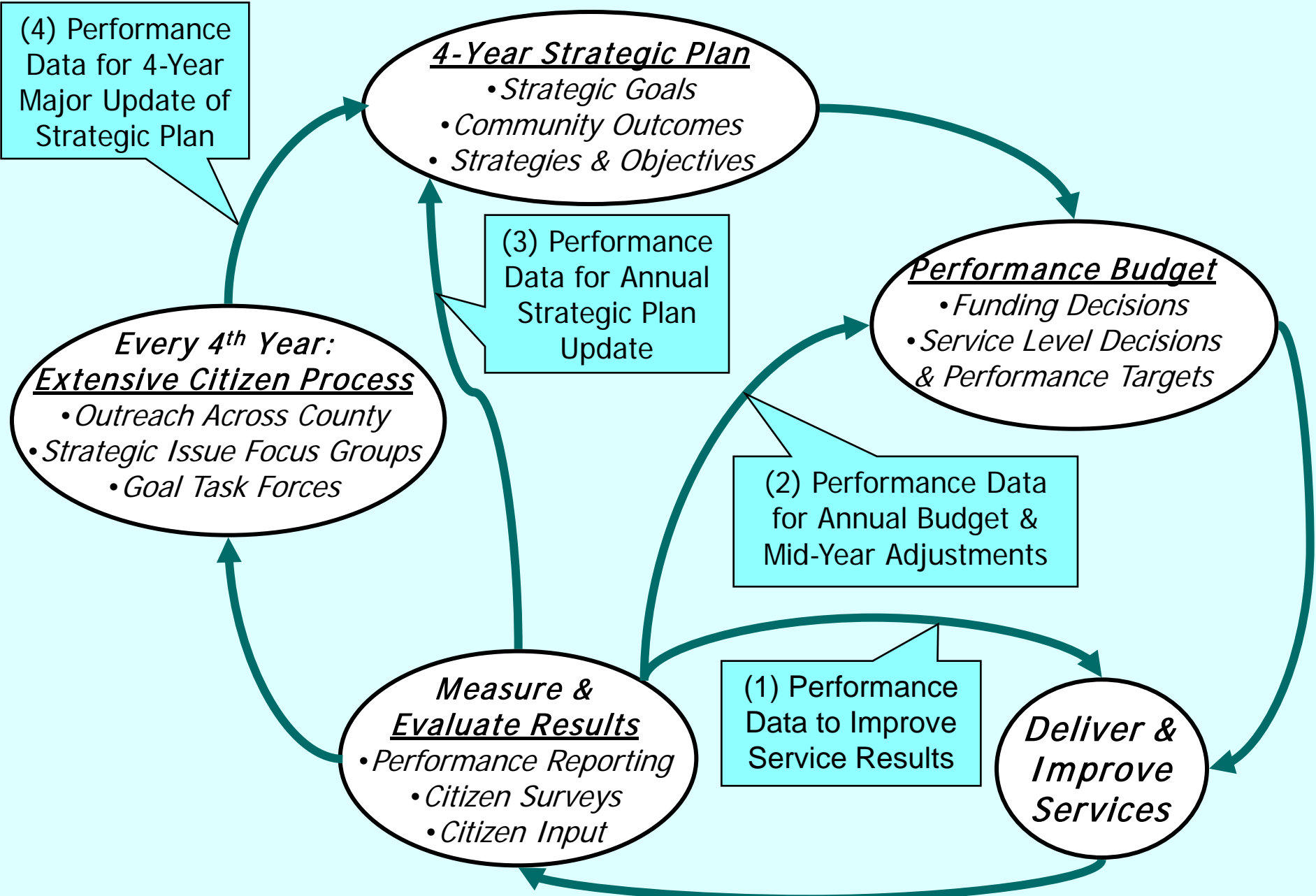# Many "Managing for Results" Models Are Available

Such as the classic

Plan-Do-Check-Act

system used by the City of Austin:

A "single cycle" MFR system raised to the enterprise level.

Multi-cycle systems are also used ...

4-Year Strategic Plan
- Strategic Goals
- Community Outcomes
- Strategies & Objectives

Performance Budget
- Funding Decisions
- Service Level Decisions & Performance Targets

Every 4th Year:
Extensive Citizen Process
- Outreach Across County
- Strategic Issue Focus Groups
- Goal Task Forces

Measure & Evaluate Results
- Performance Reporting
- Citizen Surveys
- Citizen Input

Deliver & Improve Services

(4) Performance Data for 4-Year Major Update of Strategic Plan

(3) Performance Data for Annual Strategic Plan Update

(2) Performance Data for Annual Budget & Mid-Year Adjustments

(1) Performance Data to Improve Service Results

Governing for Results Cycles in Prince William County, VA

Value of Recognizing *Separate* "Strategic" and "Operations" Cycles

If you try to review operations and strategy in the same meeting, operations will always drive out strategy.
-- Robert Kaplan, Harvard Business School

But strategy and operational improvement still should be linked in a *strategic* performance management system.

Strategy Management and Operations Improvement

- ***Strategy Management:*** Planning and managing to achieve a future vision or desired outcome.
  - The **Balanced Scorecard** is one way to achieve this: It ***is a strategy management system***.

- ***Operations Improvement:*** Improving processes to make current services better, often striving for efficiency, quality, & consistency, e.g.:
  - Benchmarking
  - Quality Improvement Techniques (e.g., Six Sigma)

Combining Strategy Management with Operations Improvement

The Balanced Scorecard is a telescope.

Six sigma is a microscope.

We use the telescope to tell us where to focus the microscope.

-- Chief Medical Director, Duke Children's Hospital

How do you know if a strategic plan is "strategic"?

- Does it include or justify everything the organization is already doing?

- Do the goals, objectives, and actions read like a "laundry list," with little relationship to each other?

- Is it based on a credible "theory of change" or "cause & effect model" that clarifies how plans will lead to a desired future?

  Is there *focus?*

- Do different parts of the plan build upon each other?
  Is there *synergy?*

  Is there *alignment?*

The Balanced Scorecard (BSC) …

- Is an integrated ***strategic planning and management system*** traditionally focused on one organization

- ***Communicates*** vision, mission, and strategy to stakeholders and employees. ***(Focus)***

- ***Aligns*** day-to-day work to the strategy.

- ***Maps strategies*** based on ***cause & effect assumptions*** across ***different perspectives*** or "views." ***(Focus & synergy)***

- Provides a disciplined framework for ***measuring strategic performance*** as viewed from those different perspectives. ***(Strategic Performance Management)***

Community Balanced Scorecard (CBSC)

- Combines the community building power of effective collaborations with the strategy alignment of balanced scorecards

  - Pulls the community together around common outcomes

  - Leverages assets from all sectors

  - Aligns key community collaborators behind a common strategy for faster, measurable results

  - Creates mutual accountability for results

- ***Intended for the many important issues in communities and regions that cannot be resolved by one organization or sector.***

Community Balanced Scorecard Components

Community Priorities →

Community Vision, Overall or by Issue or "Theme"

Perspectives

Strategic Objectives → ***Strategy Map***

Performance Measures, Targets, & Initiatives

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Balanced Scorecards

- Perspectives can vary by organization, especially outside the business sector.

Traditional Business Perspectives:

- Financial Performance
- Customer
- Internal Business Process
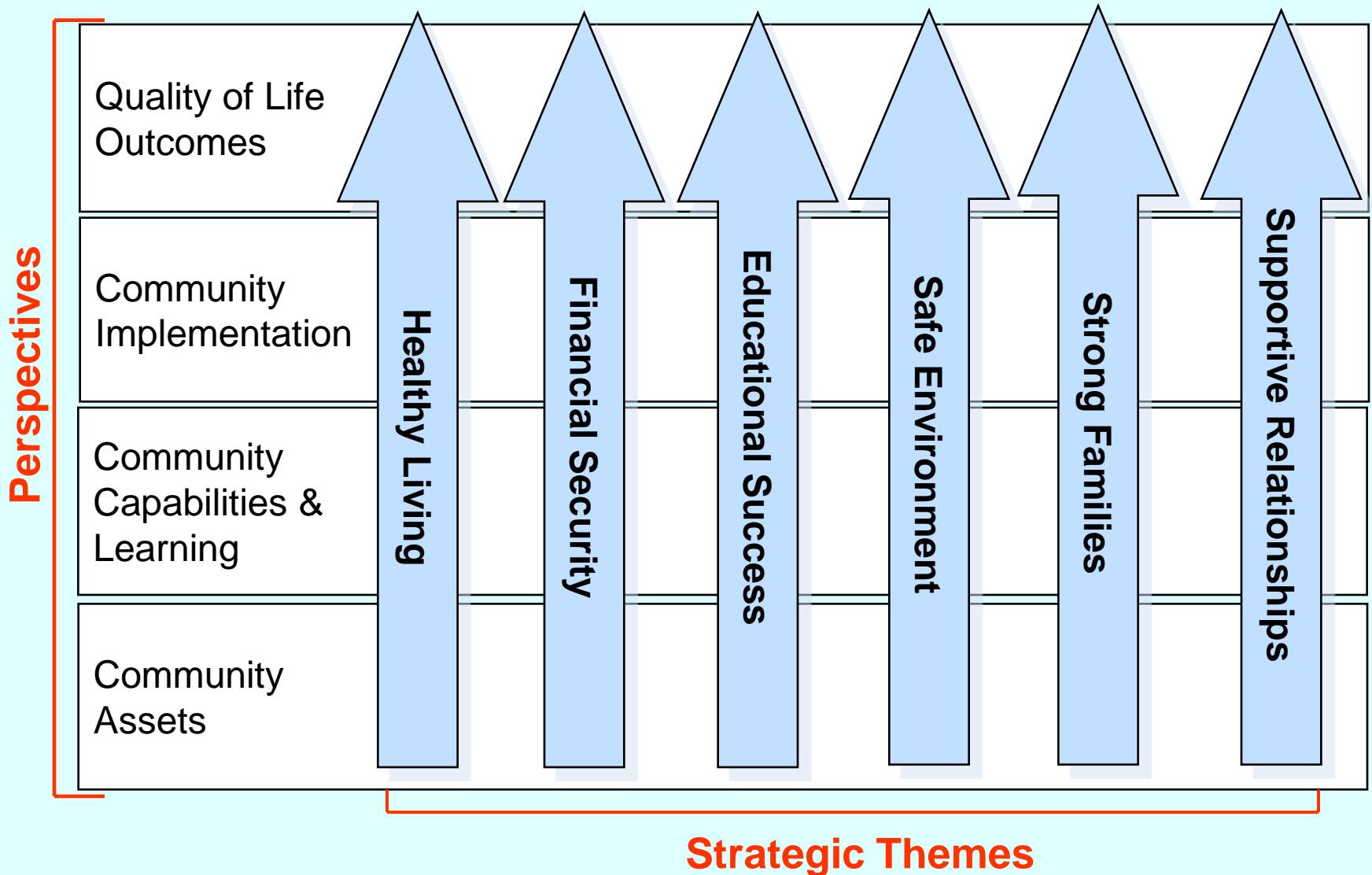- Learning & Growth

City of Charlotte, North Carolina:

- Serve the Customer
- Run the Business
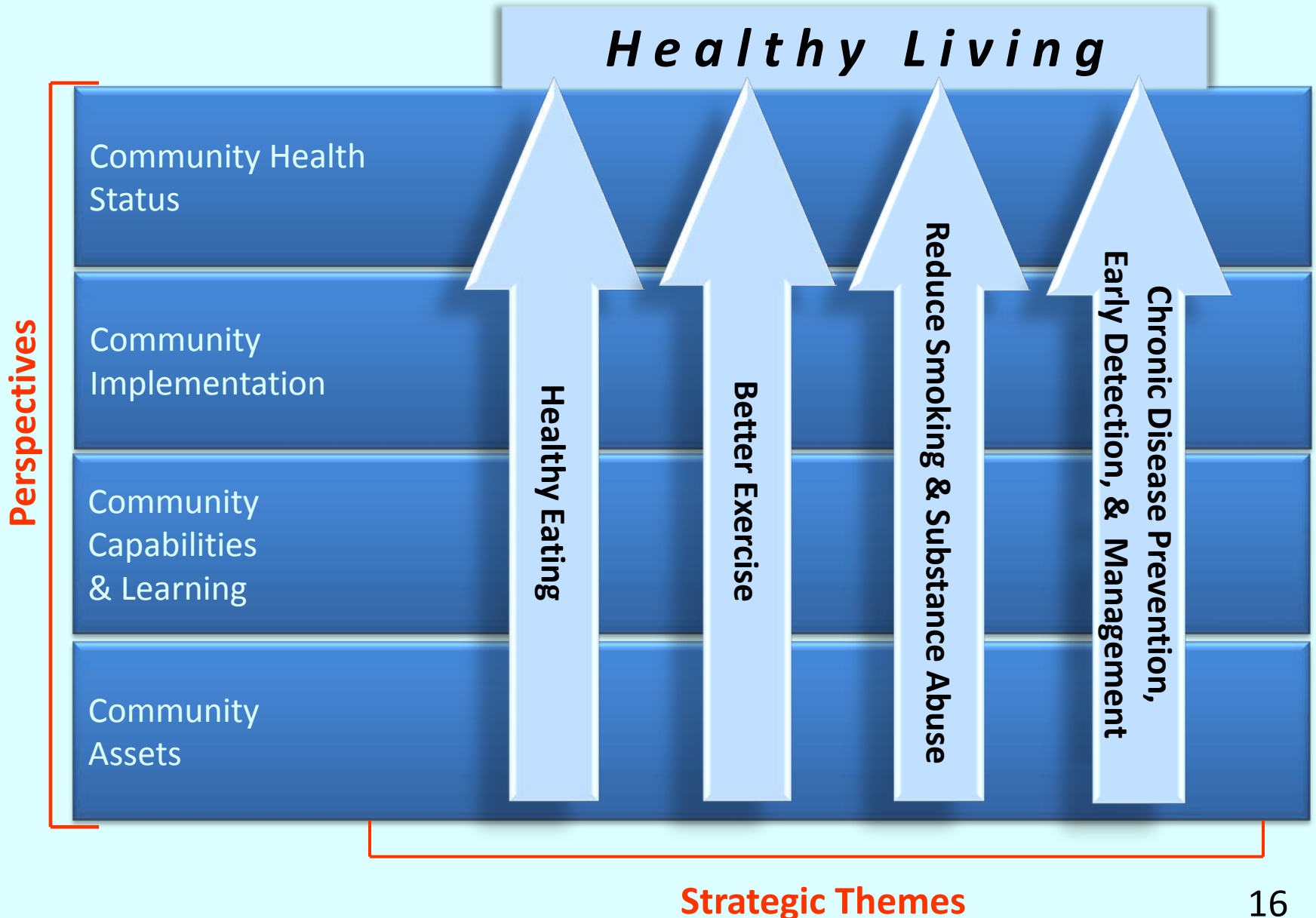- Manage Resources
- Develop Employees

Hartford Public Library:

- End Results
- Processes & Practices
- Learning and Growth
- Leadership and Development

Relationship of themes to perspectives:

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"Healthy Living" Themes from Communities of HOPE

Healthy Living

Perspectives

- Community Health Status
- Community Implementation
- Community Capabilities & Learning
- Community Assets

Strategic Themes

- Healthy Eating
- Better Exercise
- Reduce Smoking & Substance Abuse
- Early Detection, & Management Chronic Disease Prevention,

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Sample Strategy Map for Theme "Engage & Retain Youth"

Vision: *Youth experience a satisfying quality of life, find economic opportunity, & see a bright enough future to stay in town & raise families as young adults.*

Perspectives

Quality of Life
Outcomes

Community
Implementation

Community
Learning &
Planning

Community
Assets

Strategic Objectives

VALUE

Retain More Young Adults

Increase Youth Satisfaction

Increase Youth Employment

Improve Youth Facilities & Services

Increase Youth Job & Business Opportunities

Improve Youth Policy & Planning Advocacy

Improve Evaluation

Increase Citizen & Youth Outreach
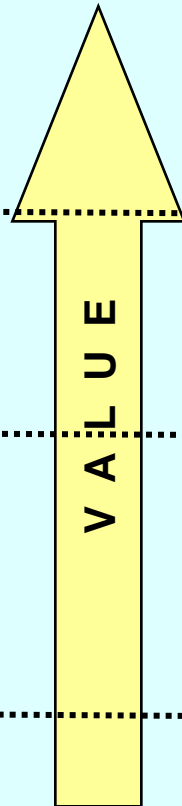
Increase Staff Skills
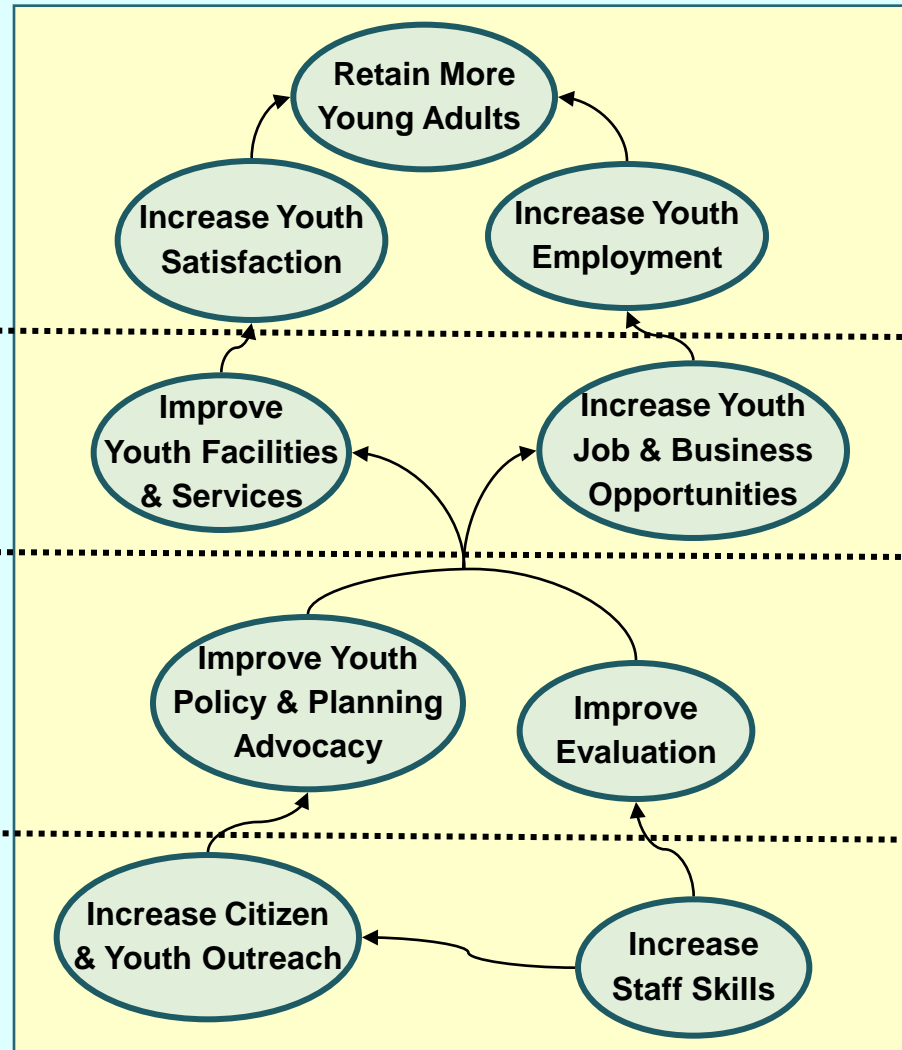
Desired Change & Initiatives: Example

Theme: **Engage and Retain Youth**

Objective: **Improve Youth Facilities & Services**

Responsible: ***Muni Gov't, Metro Youth*** (nonprofit), ***Max Entertainment***

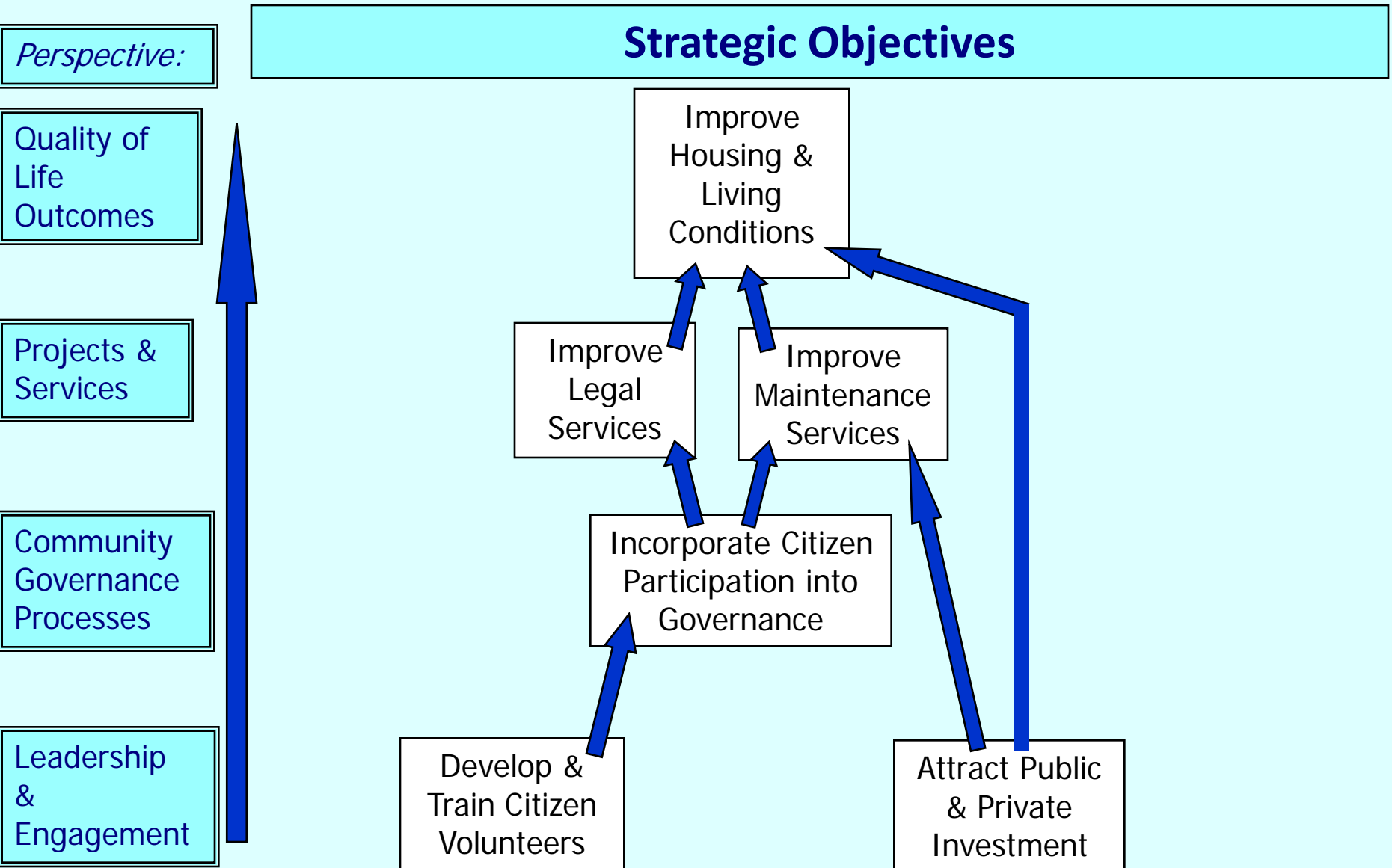| Desired Change	
From:	**To:**
Our town has no entertainment venue for youth or youth gathering space, and few organized youth recreation or learning enrichment opportunities.	We have facilities for youth to gather, regular youth-focused entertainment, and many sports and other youth-focused recreation and educational enrichment options.

Initiatives:

– Open a new town facility or re-focus an existing facility on youth committees' priority activities: ***Municipal Government***

– Renovate & re-open old cinema: ***Max Entertainment***

– Start a new sports league: ***Metro Youth***

Sample Strategy Map for the Theme "Improve Housing"

Vision: Safe, comfortable, well-maintained housing for all families & individuals.

Perspective:

Quality of Life Outcomes

Projects & Services

Community Governance Processes

Leadership & Engagement

Strategic Objectives

Improve Housing & Living Conditions

Improve Legal Services

Improve Maintenance Services

Incorporate Citizen Participation into Governance

Develop & Train Citizen Volunteers

Attract Public & Private Investment

Sample Strategy for a Whole Community, with Housing as a "Strategic Theme"

Perspective:	Strategic Objectives

Quality of Life Outcomes

Improve Safety and Security	Improve Ecology	Improve Housing & Living Conditions	Increase Income and Employment	Expand Youth Opportunities & Development

Projects & Services

Expand Cultural & Historical Opportunities	Improve Legal Services	Improve Maintenance Services	Improve Education for People of All Ages	Work with Youth

Community Governance Processes

Incorporate Citizen Participation into Governance	Use Information Effectively

Leadership & Engagement

Keep Expanding Community Outreach	Develop & Train Citizen Volunteers	Attract Public & Private Investment	Develop & Train Program Committee

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Desired Change, Measures, Initiatives

Theme: **Improve Housing**   *Objective:* **Develop & Train Citizen Volunteers**
Responsible: Northeast Neighborhood Association

Desired Change	
From:	*To:*
Residents are organized in only 3 buildings. All others seem to be waiting for maintenance companies to fix things on their own or for government to make companies fix things without citizen advocacy.	All multi-family buildings have several residents serving as volunteer leaders of resident groups, and several residents trained in systematic maintenance monitoring to aid advocacy.

Performance Measures & Targets: By the end of 2009,
Northeast Neighborhood Association will:

– Organize residents of 12 multi-family buildings to establish housing committees, and get them registered for public standing & support.
– Train 60 residents in a full program of maintenance monitoring.

Initiatives:

– Organize resident housing committees and train leaders
– Train residents to monitor building maintenance

Suggested Perspectives for Public Health Community Balanced Scorecards

Community Health Status

Community Implementation

Assumed cause & effect

Community Learning & Planning

Community Assets

Objectives Brainstorm List:
Organize into a Strategy Map

- Develop & advocate for school & family health policies, programs, & plans

- Partner with schools, parents, other stakeholders

- Improve school nutrition & fitness activities

- Improve child nutrition & reduce calories consumed

- Increase neighborhood recreational fitness services

- Increase age appropriate activity

- Minimize childhood obesity

- Promote family nutrition & fitness to parents & kids

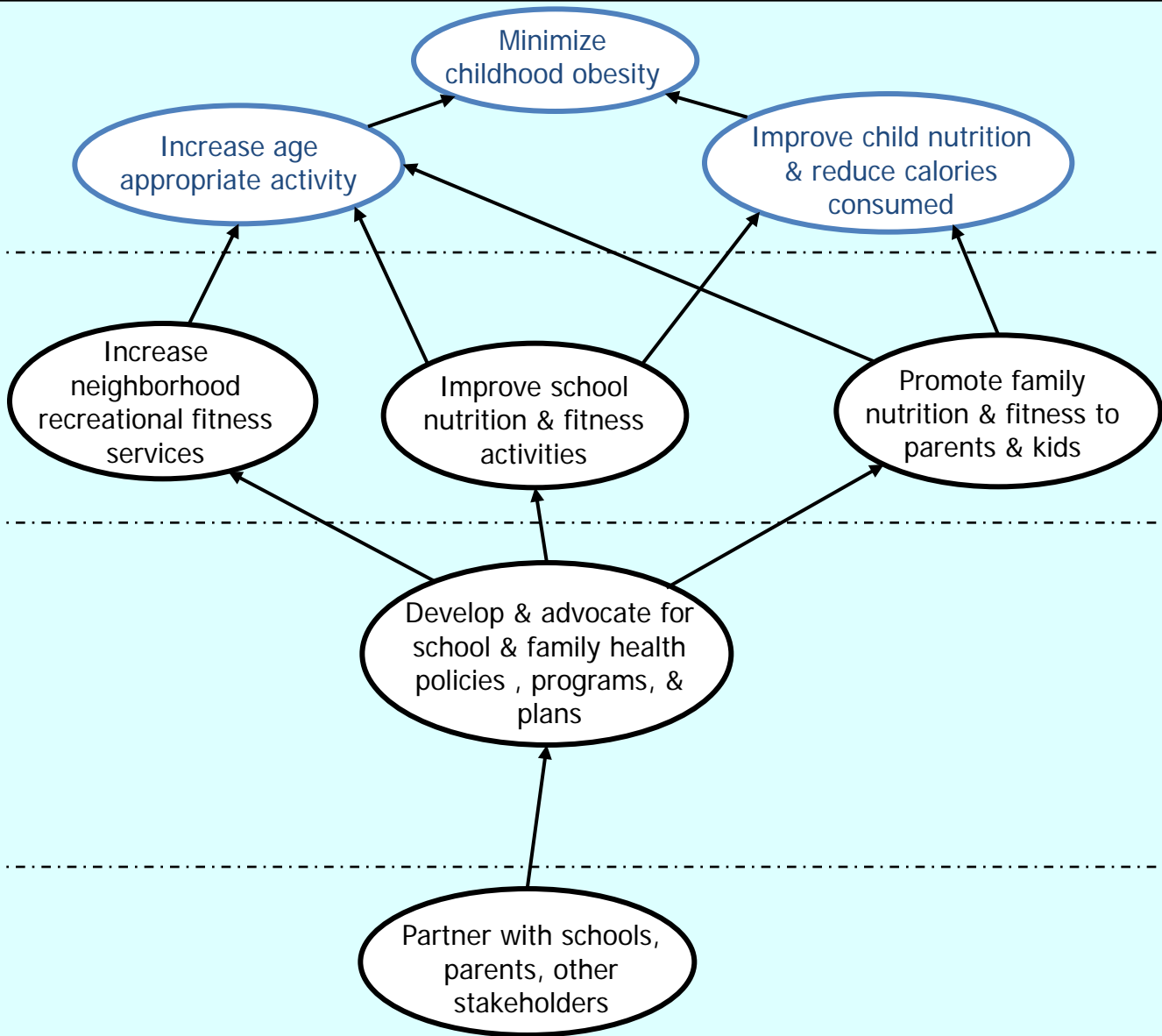# Potential Community Strategy Map to Reduce Childhood Obesity

Community Partners with Roles in Each Strategic Objective

Community Health Status

Increase age appropriate activity → Minimize childhood obesity ← Improve child nutrition & reduce calories consumed
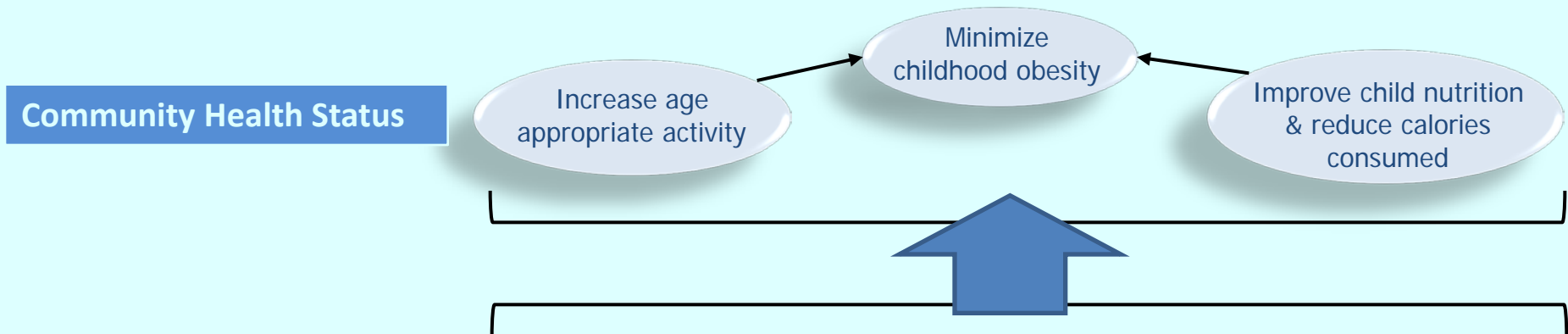
PERSPECTIVE: Objectives	Health Dept	Schools	Parent-Teacher Associations	Student Groups	Parks & Rec Dept	Communities of HOPE
COMMUNITY IMPLEMENTATION: Increase neighborhood recreational fitness services					✓	✓
Improve school nutrition & fitness activities		✓				
Promote family nutrition & fitness to parents & kids	✓	✓	✓	✓	✓	✓
COMMUNITY LEARNING & PLANNING: Develop & advocate for school & family health policies, programs, & plans	✓	✓	✓	✓	✓	✓
COMMUNITY ASSETS: Partner with schools, parents, other stakeholders	✓	✓	✓	✓	✓	✓

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Applying Operational Assessment Findings to a Strategy Map

- *A performance audit or community assessment against public health standards found major weaknesses in:*

  - **Monitoring community health status**

  - **Assuring a competent public health workforce**

What do these findings suggest for the childhood obesity strategy?

How would you change the strategy?

Potential Community Strategy Map to Reduce Childhood Obesity
Based on Selected Essential Services of Public Health

Perspectives

STRATEGIC OBJECTIVES

Community Health Status

Community Implementation

Community Learning & Planning

Community Assets

Minimize childhood obesity

Increase age appropriate activity

Improve child nutrition & reduce calories consumed

7-Increase neighborhood recreational fitness services

7-Improve school nutrition & fitness activities

3-Promote family nutrition & fitness to parents & kids

5-Develop & advocate for school & family health policies & plans

1-Increase monitoring of children's BMI, nutrition, & fitness activities

4-Partner with schools, parents, other stakeholders

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Potential Community Strategy Map to Reduce Childhood Obesity
Based on Selected Essential Services of Public Health

Perspectives

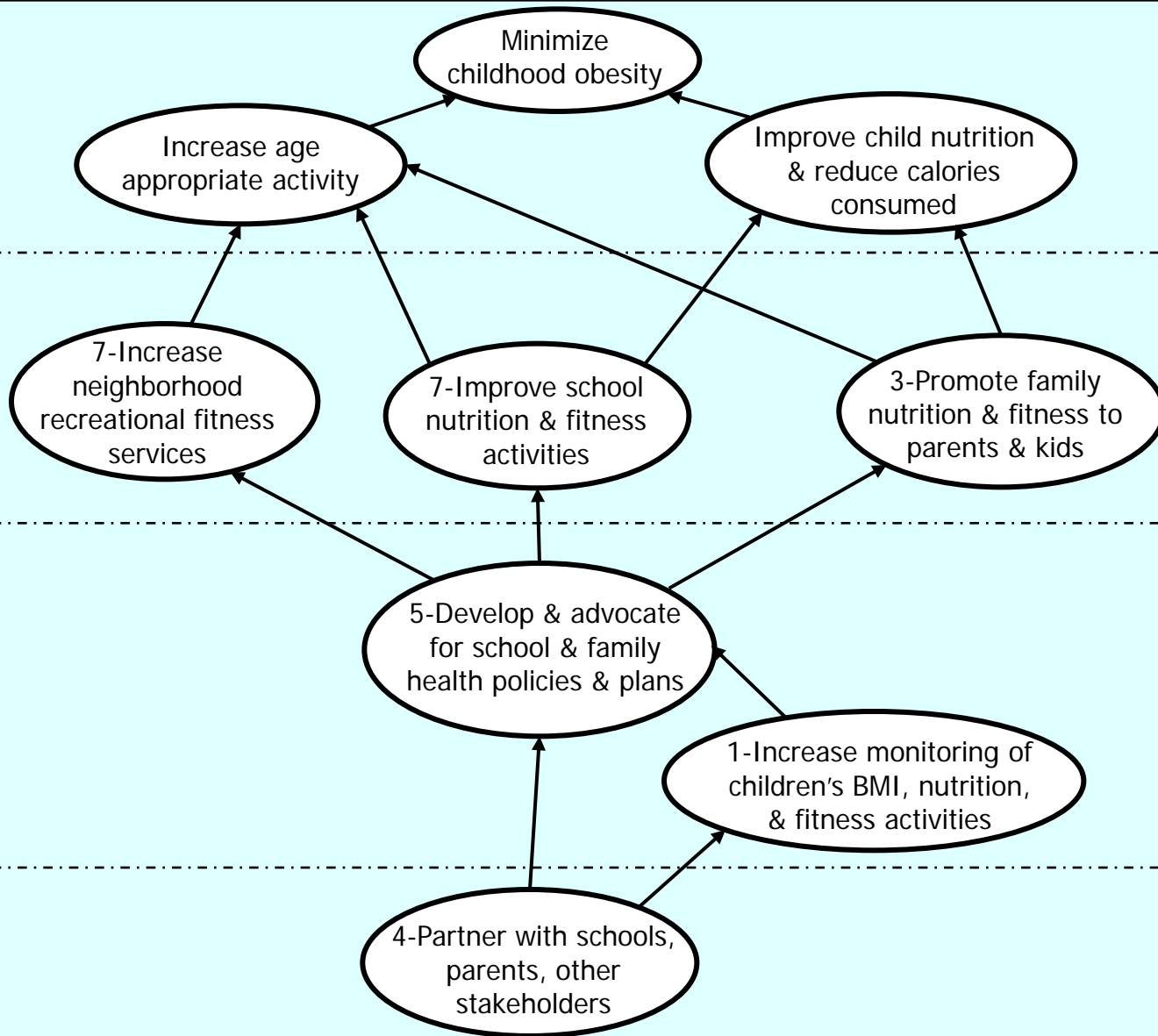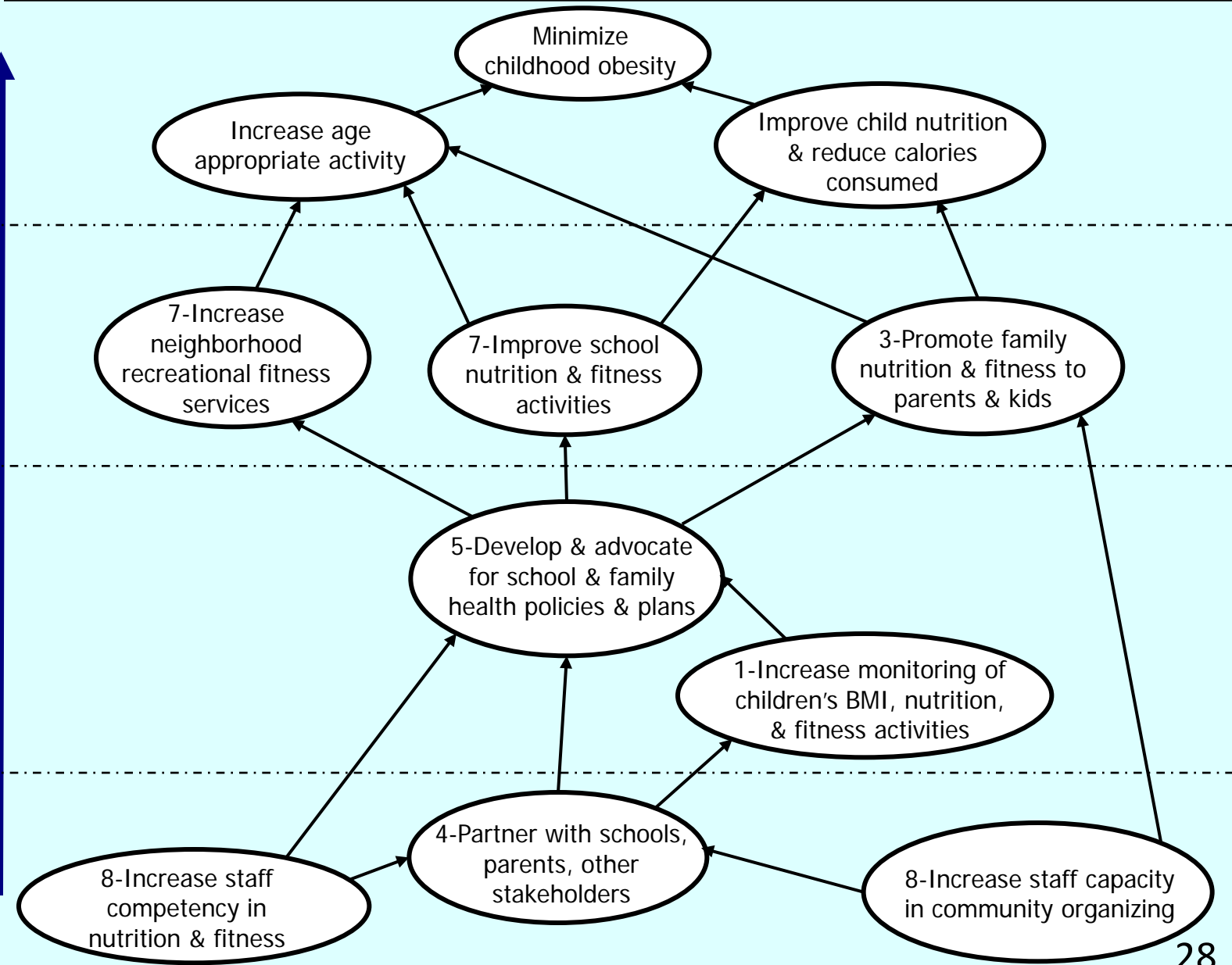**STRATEGIC OBJECTIVES**

Community Health Status

Community Implementation

Community Learning & Planning

Community Assets

Minimize childhood obesity

Increase age appropriate activity

Improve child nutrition & reduce calories consumed

7-Increase neighborhood recreational fitness services

7-Improve school nutrition & fitness activities

3-Promote family nutrition & fitness to parents & kids

5-Develop & advocate for school & family health policies & plans

1-Increase monitoring of children's BMI, nutrition, & fitness activities

8-Increase staff competency in nutrition & fitness

4-Partner with schools, parents, other stakeholders

8-Increase staff capacity in community organizing

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Use of "Outcome" &
"Driver" Performance
Measures Over Time to
Test Assumptions &
Improve the Strategy

Community Health Status:
Outcomes (Lagging Indicators)

Assumed cause & effect

Community Implementation:
Outcomes (Lagging Indicators) &
Performance Drivers (Leading Indicators)

Community Learning & Planning
Performance Drivers (Leading Indicators)

Community Assets
Performance Drivers (Leading Indicators)
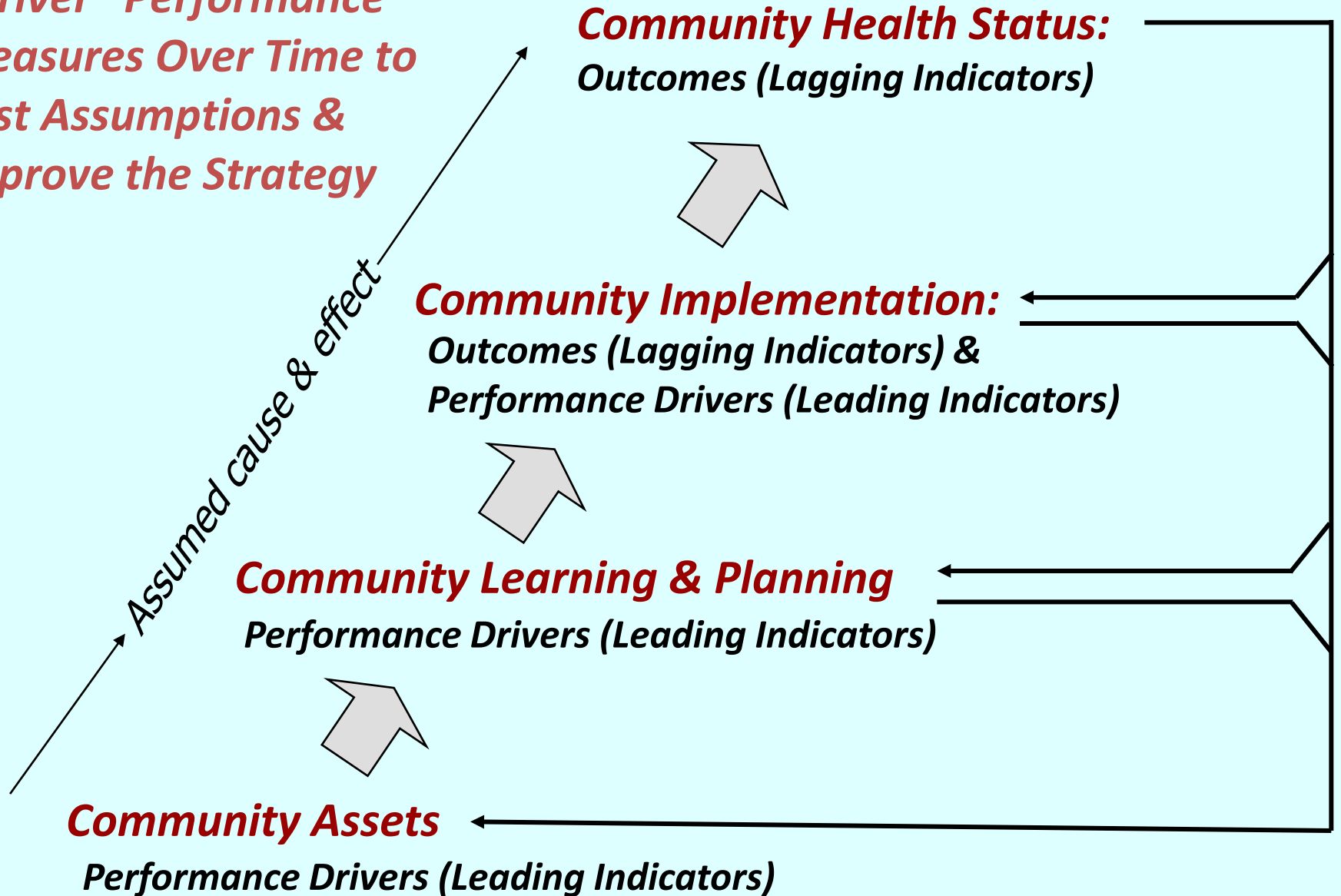
Triple Loop Learning

Performance Feedback Cycles to Keep Improving

Vision, Strategy Map; Assumptions to get Results; Resource Allocation

Redesign programs; Develop collaborative initiatives

Design Programs, Services, Collaborative Actions

Improve Program Delivery

Deliver Programs and Services

Build Performance Measurement & Learning Capability

Measure and Assess Results
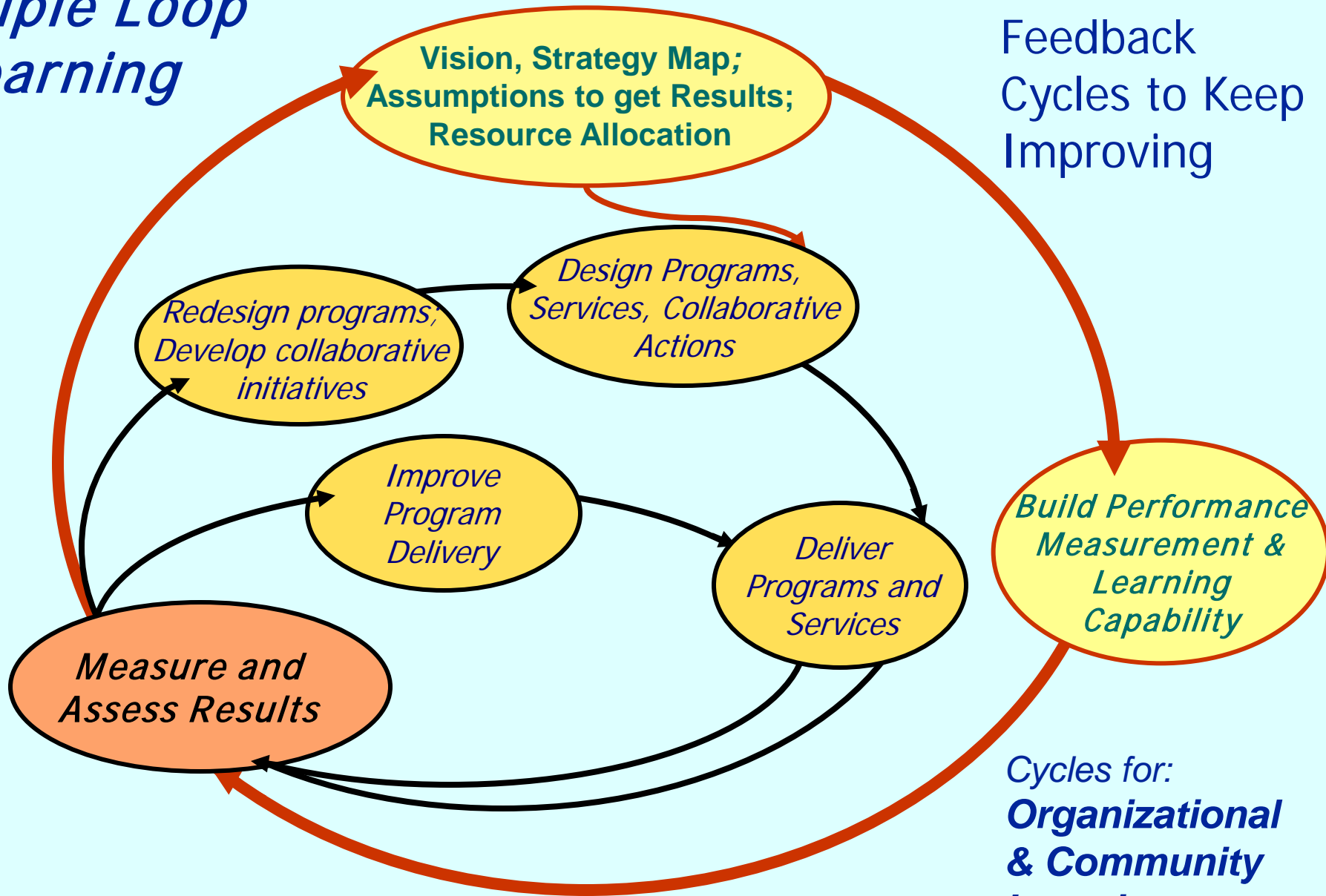
Cycles for:
Organizational & Community Learning

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