

Aligning Performance through Cascading

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Cascading is...

- Process of Developing BSC at ever lower levels of your organization
- Informed by general principles but customized to each organizations culture and situation



Flexibility is the Key

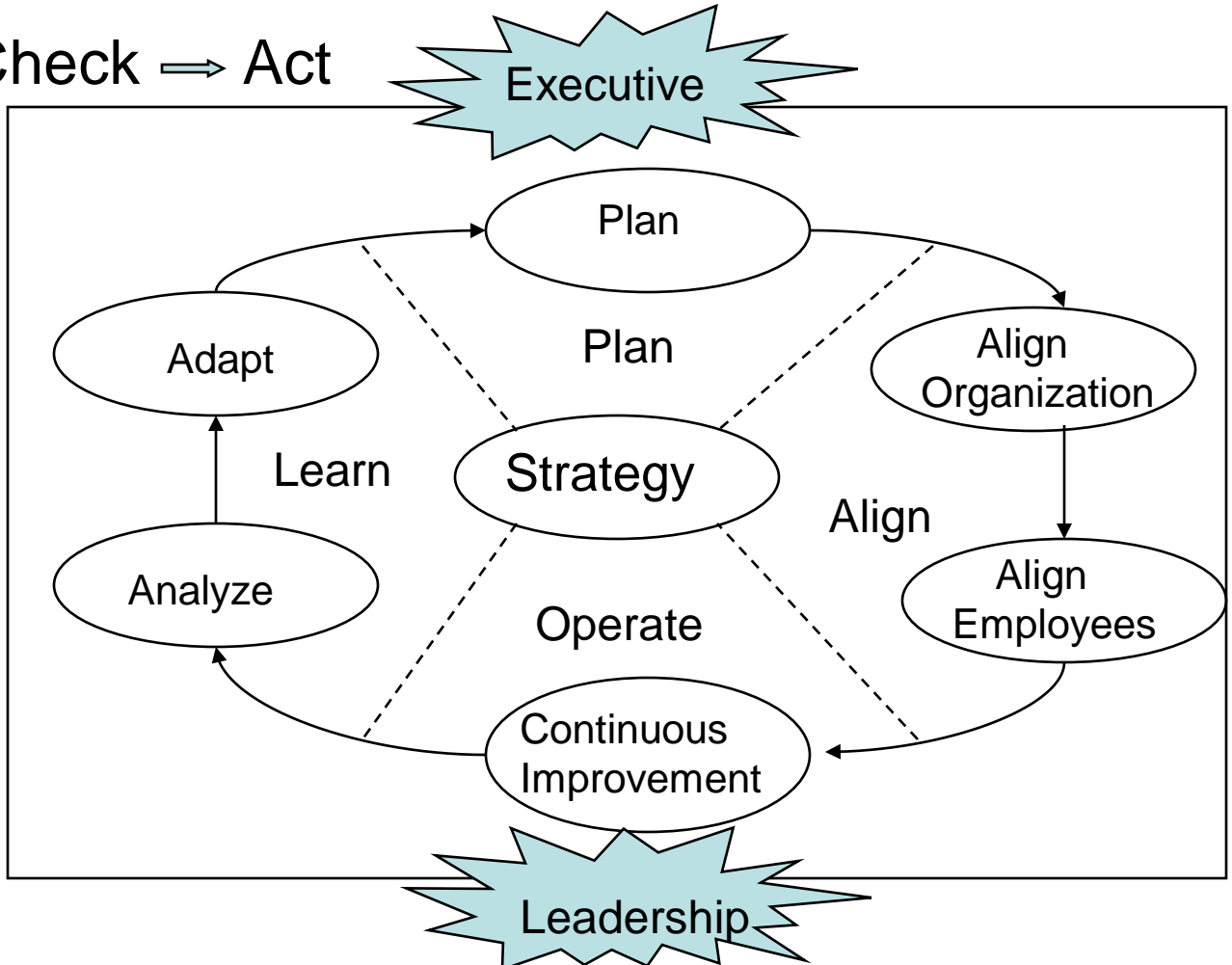
From now on it is as much art as science.



From Planning to Performance

The Deming Cycle

Plan ⇒ Do ⇒ Check ⇒ Act



Cascading

Works best with regular reporting and talking about strategy.



Cascading

“To kick start individual contribution engines people must have the ability to demonstrate how their everyday actions are making a difference and assisting the company in fulfilling its strategic objectives.”

Paul Niven *Balanced Scorecard Diagnostics*



Cascading

Some of the measures used on the division scorecard may be the same throughout the entire organization.

In most cases the (division) scorecards will include measures reflecting the specific opportunities and challenges of that (division). But---always relating back up to the organizations strategy.

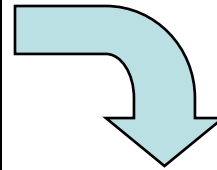


Ask Yourself

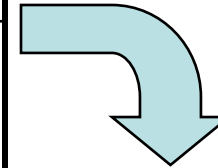
How does your division influence the objectives and measures appearing on the agency scorecard?

Cascading the Balanced Scorecard

Corporate Scorecard			
Perspective	Objective	Measure	Target
Customer	Provide safe, convenient transportation to our customers	Increase in number of passengers carried	10%



Fleet Services Scorecard			
Perspective	Objective	Measure	Target
Customer	Provide Safe, convenient transportation to our customers	Percentage of taxi fleet available	90%



Maintenance Department Scorecard			
Perspective	Objective	Measure	Target
Customer	Provide safe, convenient transportation to our customers	Percentage of vehicle repairs completed within 24 hours	75%

Exhibit 2.

Cascading the BSC in Customer Service & Marketing

In this example, the measure becomes more specific with each level of cascading. However, linkage to the overall corporate objective remains intact. Redesigning customer processes will help us reach the goal of increased customer loyalty. The IT group can contribute to this by ensuring that they provide efficient desktop support to all CS&M

Corporate Scorecard			
Perspective:	Objectives	Measure	Target
Customer	Increase Customer Loyalty: Move beyond "satisfied" to "loyal" customers.	Customer Loyalty Rating: A composite index of earned customer loyalty.	46%

Corporate level objective, measure, and target

CS&M SBU determine how they can best influence the Corporate objective and develop their objective, measure and target accordingly.

CS&M SBU Scorecard			
Perspective:	Objectives	Measure	Target
Internal Processes	Increase Customer Loyalty: Move beyond "satisfied" to "loyal" customers.	Redesigned Customer Processes: Number of redesigned customer processes and services.	5

The objective and measure are more specific to CS&M IT, and how they can influence the SBU goals.

CS&M Information Technology Scorecard			
Perspective:	Objectives	Measure	Target
Internal Processes	Effective Desktop Support: Provide effective desktop support for CS&M employees.	Service Requests: Number of desktop service requests completed.	450

Personal Scorecard for a Customer Service Representative

Employee: <u>Bob Smith</u>		Manager: <u>Sandra Donaldson</u>		
Company objective	Personal Objective	Personal Measure	Target	Weight
F1- Achieve sustainable double-digit net income growth	P1- Ensure revenue is retained from my customer group	Retention Rate	95%	15%
C1- “Understand me and give me the right information and advice:	P2- Proactively reach out to my customer group and understand their needs	% of customers achieving their financial goals	90%	25%
C3- “Appreciate me, and get things done easily, quickly, and right”	P3- Ensure my customer group’s needs are met in a timely and efficient manner	Customer satisfaction (within my customer group)	95%	25%
I3- Identify and recognize high-potential relationships	P4- Build account plans and accurate profiles for my customer base	% of customer group with account plans	95%	25%
L3- We have the information and tools we need to do our jobs	P5- Manage CRM system implementation	% of milestones completed on-time and within scope	100%	10%
Employee Signature: _____		Manager Signature: _____		

**“Measuring more is easy, measuring
better is hard.”**

- Charles Handy