

Excitant Ltd

Stimulating Strategy, People, Performance and Results...

Local Government: Balanced Scorecard

Overview of a (proper) Balanced Scorecard approach to articulating Strategy, making performance manageable and improving delivery of your results.

Extracts from a client case study

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- This pack provides a brief overview of how a “proper” Balanced Scorecard approach was applied successfully in a City Council and demonstrates now it can be applied in other public sector organisations.

Slides cover:

1. Overall picture
 2. The corporate strategy is represented as a strategy map. These describe the strategy and focus activity and resources
 3. Individual areas or departments are also detailed in strategy maps.
 4. From these measures and targets are developed on a scorecard.
 5. Programmes of work to deliver the change and individual projects are managed within this context. They focus on delivering benefits with their designated resources
 6. Quotes from the client show we addressed cultural issues as well, in order to deliver the results.
- A word of warning: As one Chief Executive put it to me,
 - *“It is not about having these strategy maps and copying them. It is about employing the thinking behind them and how they get the strategy into peoples’ heads. That is what made the difference for us.”*

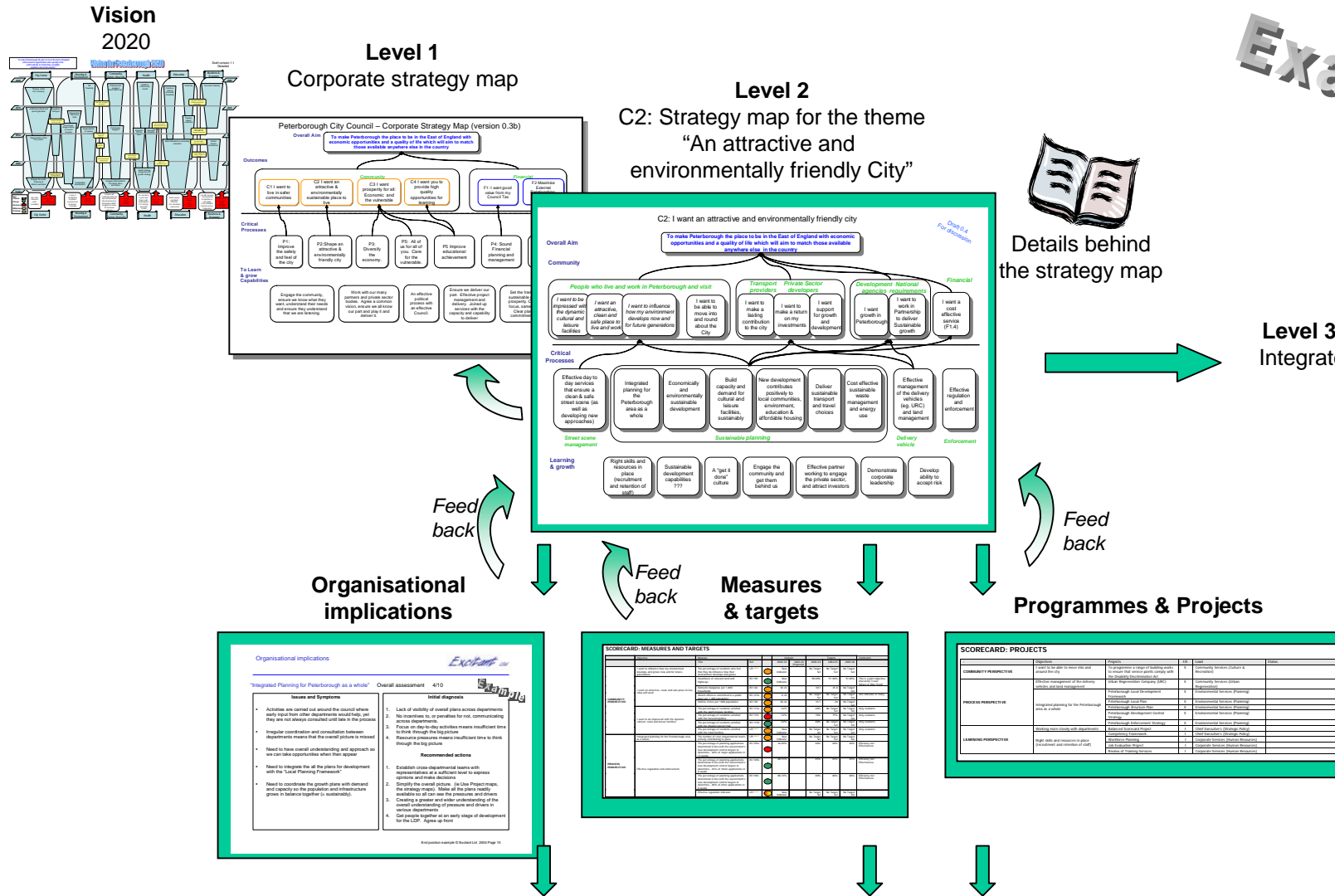
Whilst you are looking at this pack, a number of principles should be born in mind:

- **If you do not know where you are going, you are unlikely to get there:**
 - So we have an explicit picture of the future and clear objectives for people. From these the targets are developed.
- **Strategy has to be in peoples' heads to happen:**
 - So much of the value comes from the simplicity of communicating the strategy this way and ensuring people agree what the objectives are and mean
- **If you always do what you always did, you will always get what you always got.**
 - Something must cause the change to happen, so there are explicit drivers of change in this framework.
 - They include investment in projects, new capabilities, new knowledge, training, clearer objectives, better understanding of the strategy, focus on what matters, improved responsibility, improved planning and improved management processes.
- **Measures come after having the objectives.**
 - Of course you have to deliver the statutory targets and local measures.
 - However if people understand what they are trying to achieve, they will understand the measures and targets better and be able to deliver what they really mean.
- **“We”:** **Joined up working**
 - Many objectives for the community require joined up thinking and working. This approach explicitly builds in joint responsibility so it is clear what **WE** are trying to achieve, **together**.

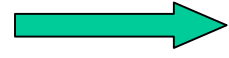
- This picture starts with the vision for the city. This sets out what will be achieved, by when, and with whom. It should of course reflect the Local Strategic Partnership plans and the LAA objectives for the areas as a whole and responsibilities. This filters down to detailed measures, targets, organisational changes and responsibilities.
- The Corporate strategy map will reflect the themes of the LAA, Strategic Partnership or the area as a whole. It reflects the financial, political and community needs as well as the underlying capabilities that are needed to deliver the strategy. The objectives may well be jointly owned at this level.
- As you move down into a specific area, the maps get more detailed. In this example the “Environmental services” strategy map shows how they will deliver their part of the overall plan. This can be broken down further to departments within the service.
- Supporting the strategy maps are the details of the measures, targets, responsibilities, projects and investments. These will include statutory measures and targets as well as local ones.
- Any organisational implications and changes that need to happen are also detailed so that the strategy is not driven by “Hope and Magic”. Rather the improvements are driven by specific activities designed to save costs (eg Gershon) or improve services.
- This whole framework improves the visibility of objectives within the council (in this case) and between partners. Subsequent pages provide more detail...

Overall picture: An integrated picture of Vision, Values, Strategy, Performance & Programme Management

Example



Details behind the strategy map



Programmes & Projects

Basis for change programme and resource allocation

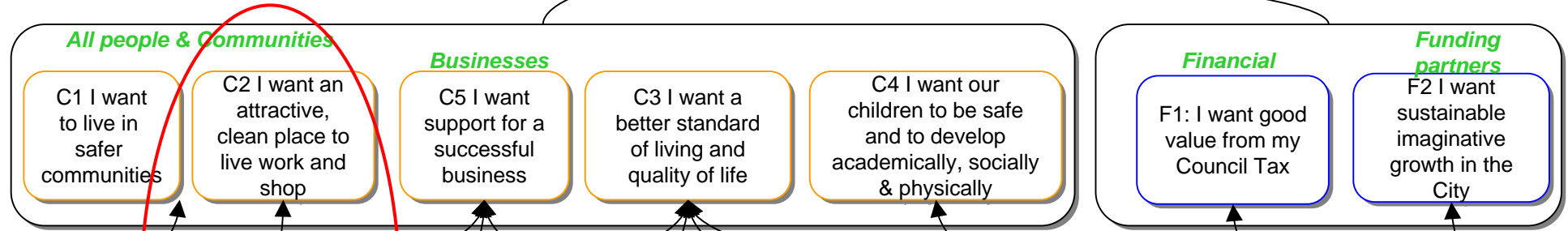
- This overall strategy map shows how the Council will address the major demands of the community, politicians, central government whilst ensuring it achieves its financial outcomes.
- Above the line are the outcomes. Below the line are what the council has to do to deliver them.
- A key aspect, not shown on this version, is that the objectives (P1, ...P8) were jointly owned. With more than one department (and Director) influencing and responsible for each of the outcomes, joint responsibility and joined-up working has been designed into the approach.
- Another key in this diagram is the “Learning and growth” components. In this case you can see clearly where the council needs to develop its capabilities and capacity as well as addressing its culture. In another council, when we drew this strategy map, we found no references to how the council was to change, yet it was going to improve its performance. We call this “Strategy by hope and magic”.
- Whilst there are measures and targets at this level, let's follow a theme down and see how they plan to deliver an attractive city.

Corporate Strategy Map

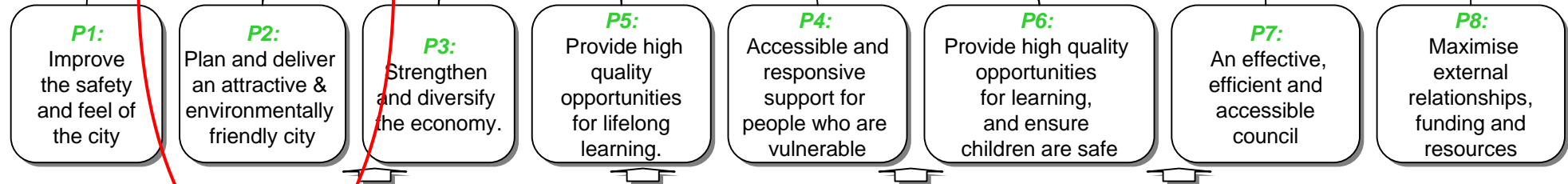
Overall Aim

To make the city the place to be with economic opportunities and a quality of life which will aim to match those available anywhere else in the country

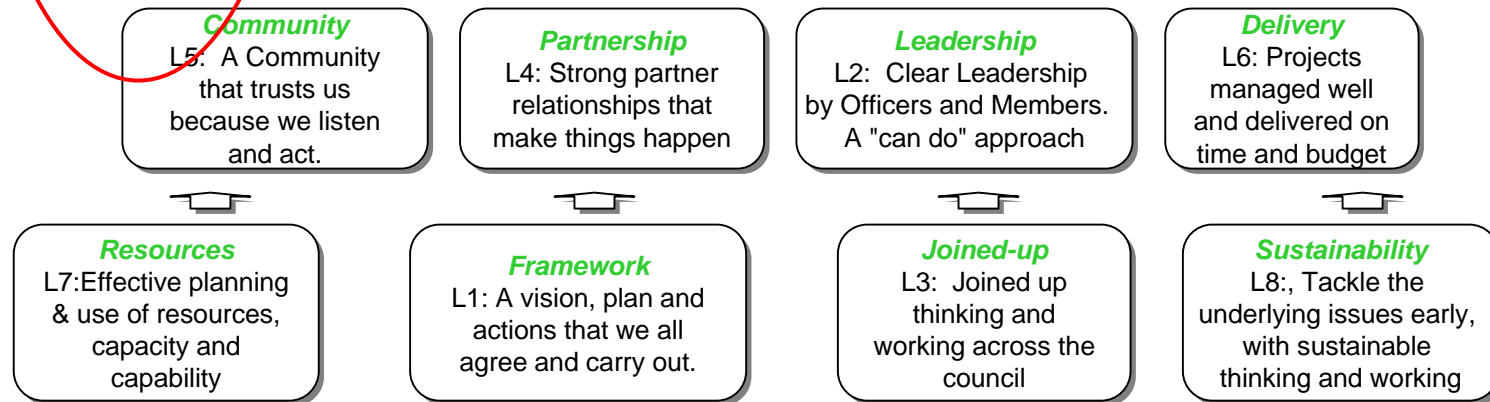
Outcomes



Critical Processes



Learning & growth



- You can see here how, at the next level down, the elements of the overall strategy are developed.
- The objectives at the higher level are broken down into more detailed objectives that expand upon how the attractive city will be developed. At this level there is more detail about the community's needs as well as how the service will be delivered.
- Yet at the same time you can see how this area of the council will implement the improved capabilities.
- In this example we take just a theme of this strategy map and show the underlying Balanced Scorecard with its measures, targets and details.
- One of these strategy maps exists for each of the major objectives. These could be arranged by service, or partnership.

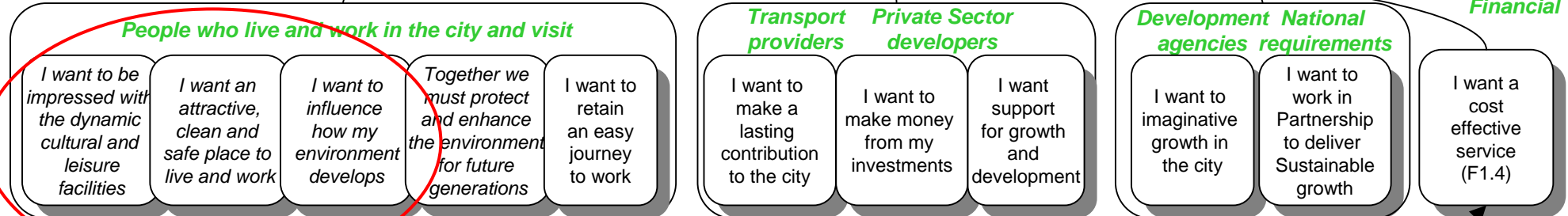
C2: I want an attractive and environmentally friendly city

Draft
For discussion

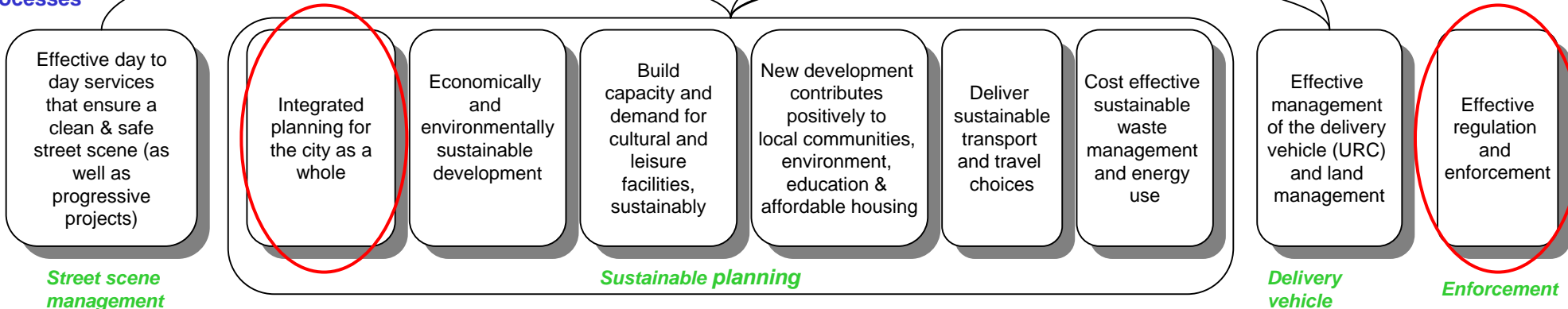
Overall Aim

To make the city the place to be with economic opportunities and a quality of life which will aim to match those available anywhere else in the country

Community



Critical Processes



Learning & growth



- This picture shows a part of the strategy map (known as a theme) and the corresponding scorecard. The scorecard shows:
 - How the objectives on the strategy map will be measured.
 - How these relate to the various statutory of local measures
 - Their targets – what do we have to achieve
 - The current state – how well they are doing
 - A commentary on why they are at this particular state.
- We usually include who is responsible and the financial objectives (omitted from this example). (Projects and risks are shown in a couple of pages)
- You will note that there are targets at each level of the strategy map. Thus, as a manager (or politician) you are able to assess how the skills and capabilities are developing as well as the process is performing and the outcomes changing. In this case, some measures are new so an initial assessment has been made whilst the measures is being put in place.
- The theme of the strategy map shows how these measures are related to each other. Thus improving the capabilities and culture should develop the processes and ultimately improve the outcomes. Thus you can see the effect of timing as the changes ripple through the organisation.
- Note that comments are included. This means that when you want to understand the status, you don't have to get on the phone all the time and ring people up. Likewise, having reported yours status, you can concentrate on delivery rather than responding to questions all the time. Communication is simpler.

The measures and targets set accountability: They now closely relate to the strategy

These are a sub-set of the measures and targets.

They relate to the objectives shown on the left.

Example

I want to be impressed with the dynamic cultural, retail and leisure facilities

I want an attractive, clean and safe place to live, shop and work

I want to influence how my environment develops and grows now and for future generations

Effective regulation and enforcement

Integrated planning for the City area as a whole

Engage the community and get them behind us

Effective partner working to engage the private sector, and attract investors

Work more closely across departments

Right skills and resources in place (recruitment and retention of staff)

SCORECARD: MEASURES AND TARGETS

	Objective	Measure Title	Ref		Outturn		Targets			Comments
					2002-03	2003-04 Projected	2003-04	2004-05	2005-06	
COMMUNITY PERSPECTIVE	I want to influence how my environment develops and grows now and for future generations	The percentage of residents who feel that they do influence how their environment develops and grows	LPI ***		New Indicator		No Target Set	No Target Set	No Target Set	
		Cleanliness of relevant land and highways	BV 199		New Indicator	90.00%	91.00%	91.00%	This is a joint objective shared by Trevor Gibson & Mike Heath	
	I want an attractive, clean and safe place to live, shop and work	Domestic burglaries per 1,000 households	BV 126		30.23	30.7	25.8	No Target Set		
		Violent offences committed in a public place per 1,000 population	BV 127b		8.29	No Target Set	No Target Set	No Target Set	One indicator of many	
		Vehicle crimes per 1000 population	BV 128		38.42	35.1	28	No Target Set		
		The percentage of residents satisfied with the sports/leisure facilities	BV 119a		64%	68%	No Target Set	No Target Set	Only residents	
	I want to be impressed with the dynamic cultural, retail and leisure facilities	The percentage of residents satisfied with the museum/gallery	BV 119c		52%	70%	75%	No Target Set	Only residents	
		The percentage of residents satisfied with the theatre/concert hall	BV 119d		62%	60%	No Target Set	No Target Set	Only residents	
		The percentage of residents satisfied with the retail facilities	LPI ***		New Indicator	No Target Set	No Target Set	No Target Set	Only residents	
		Integrated planning for the Peterborough area as a whole	The number of cross departmental teams actively contributing to plans	LPI ***		New Indicator	No Target Set	No Target Set	No Target Set	
PROCESS PERSPECTIVE	Effective regulation and enforcement	The percentage of planning applications determined in line with the Government's new development control targets to determine - 60% of major applications in 13 weeks	BV 109a		36.00%	60%	60%	60%	Efficiency not Effectiveness	
		The percentage of planning applications determined in line with the Government's new development control targets to determine - 65% of minor applications in 8 weeks	BV 109b		68.55%	65%	65%	65%	Efficiency not Effectiveness	
		The percentage of planning applications determined in line with the Government's new development control targets to determine - 80% of other applications in 8 weeks	BV 109c		88.39%	80%	80%	80%	Efficiency not Effectiveness	
	Effective regulation indicator	LPI ***		New Indicator	No Target Set	No Target Set	No Target Set			
	LEARNING PERSPECTIVE	Effective partner working to engage the private sector and attract investment	Perception of partners	LPI ***		New Indicator	No Target Set	No Target Set	No Target Set	
Right skills and resources in place (recruitment and retention)		Skills coverage versus need	LPI ***		New Indicator	No Target Set	No Target Set	No Target Set		
Working more closely across departments		The number of cross departmental teams in place as a total of all plans	LPI ***		New Indicator	No Target Set	No Target Set	No Target Set		
Engage the community and get them behind us		Perception of the community	LPI ***		New Indicator	No Target Set	No Target Set	No Target Set		

- As we have said, strategy does not happen by hope and magic. One way it comes about is through investment in change projects to improve the organisation.
- In the same way that the measures and targets support the objectives, the projects should also be designed to support the objectives.
- When check the projects against the objectives, we usually find ones that are not supporting the strategy. In one commercial organisation we found over £40m worth of projects that were not supporting the strategy. In organisations that do not have a grip on their projects, it can come as a surprise to find out what is actually being spent and going on.
- This helps massively when you are looking to introduce programme management or even good project management.
- This is a great opportunity to align responsibilities, make investment transparent and improve accountability for resources and delivery.
- We also use this approach to tease out the risks of the strategy and integrate risk management closely into the overall approach.

Having projects aligned to the strategy map ensures the programme of work addresses the strategy

“Integrated planning for the city as a whole”

Example

SCORECARD: PROJECTS

-	Objectives	Projects	I/E	Lead	Status
COMMUNITY PERSPECTIVE	I want to be able to move into and around the city	To programme a range of building works to ensure that service points comply with the Disability Discrimination Act.	E	Community Services (Culture & Recreation)	
PROCESS PERSPECTIVE	Effective management of the delivery vehicles and land management	Urban Regeneration Company (URC)	E	Community Services (Urban Regeneration)	
		Local Development Framework	E	Environmental Services (Planning)	
	Integrated planning for the City area as a whole	Local Plan	E	Environmental Services (Planning)	
		Structure Plan	E	Environmental Services (Planning)	
		Development Control Strategy	E	Environmental Services (Planning)	
		Enforcement Strategy	E	Environmental Services (Planning)	
LEARNING PERSPECTIVE	Working more closely with departments	Balanced Scorecard Project	I	Chief Executive's (Strategic Policy)	
		Competency Framework	I	Chief Executive's (Strategic Policy)	
	Right skills and resources in place (recruitment and retention of staff)	Workforce Planning	I	Corporate Services (Human Resources)	
		Job Evaluation Project	I	Corporate Services (Human Resources)	
		Review of Training Services	I	Corporate Services (Human Resources)	

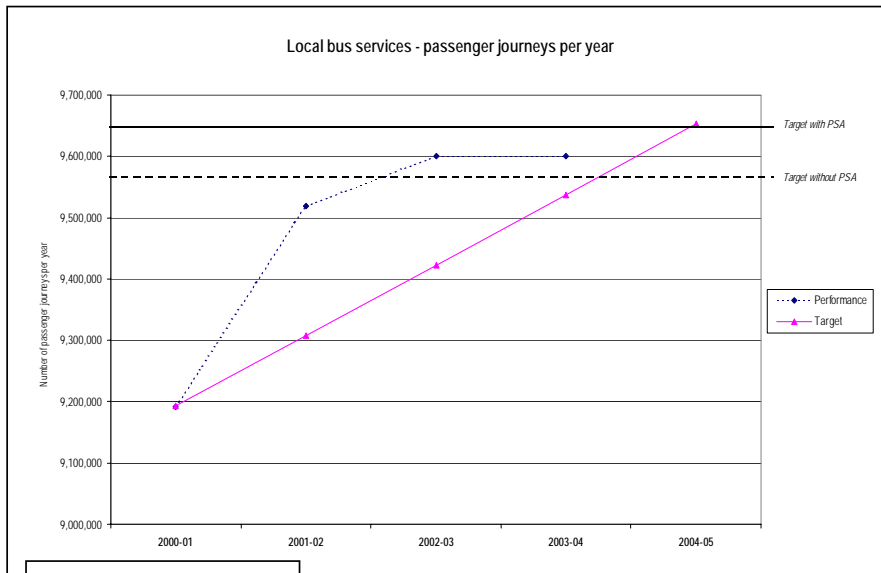
- In this example we have now drilled down to the underlying measure. This one happens to be a BVPI but it need not be.
- Notice how the Red/Amber/Green traffic lights on the extract from the strategy map also highlights how things are progressing.
- There is lots of software that is capable of implementing such an approach. Its often useful to get the approach right as well as get appropriate software. Otherwise the software can end up dictating what you what to report.
- In this case we could have drilled down through a number of mechanisms, by department, by strategic partnership, by BVPI, by responsibility, by status of the measure, by region. The choice is yours.
- Of course data could be shared across organisations and between Partners. Where you are jointly responsible with other partners, you can share the data and see how you are working as a team.

Drill down into detail if required

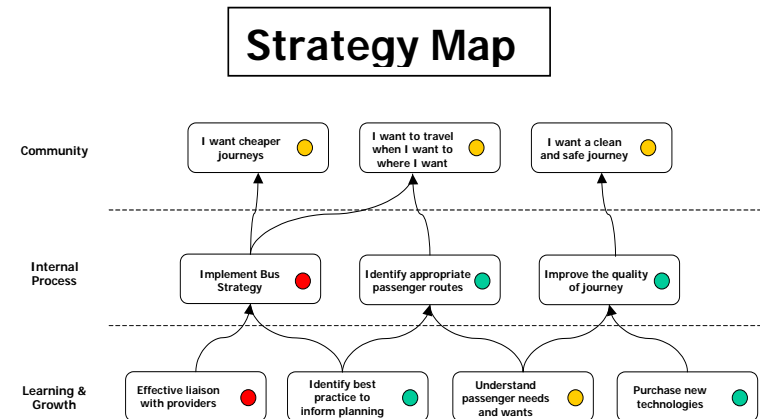
Example

Local Public Service Agreement Progress Report	
Target	6
Title	To increase the number of passengers using local bus services over the next 10 years in line with Government targets recognising the key role of local bus services in ensuring that the Council meets its traffic growth target for 2015, as set out in the LTP
Lead	Mark Stevens, Environmental Services (☎ 45-3500)

Ref.	Indicator	2000-01 Outturn	2001-02 Outturn	2002-03 Outturn	2003-04 Projected	2003-04 Target	2004-05 Target
BVPI 102	Local bus services - passenger journeys per year	9,191,717	9,519,527	9,600,000	9,600,000	9,537,591	9,652,502



ON TARGET



- We have only shown the principles of the Strategy map and scorecard. As one Chief Executive put it:

“These maps are not the important part. It’s the thinking behind them, that you help us do, that makes the real difference”

- Much of the issue is about changing culture, thinking and working.
- If you have failed to implement an effective planning or performance management system in the past, it might be because the underlying culture and behaviours got in the way. We help you identify these and address them.
- Also it is often about what people spend their time on. If they are buried in operational issues, the bigger picture often gets lost. Central to our approach is helping management teams use their meetings better, use their time between meetings better, and become even better managers.
- Finally, its about communication. Our clients find that using this approach they are far better at explaining their strategy so it is understood and happens. As you will see from the quotes on the following pages, it’s the effect on hearts and minds that makes the biggest difference.

Of course the approach has to address the underlying culture of the organisation...

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Quotes from the client

“I can’t think of another example of a project where there has been such sign-up to the approach from every directorate. We have not embedded things before in the same way”

“There has been an ingrained culture, a way of working. Its pretty impressive to be changing that in a 5 month project.”

The overall effect is to improve focus, manageability
and delivery...

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Quotes from the client

*“Using this approach has helped us focus on what really matters.
It has helped us reveal some ‘Sacred cows’”.*

*“We now focus on the outcomes
and on breaking down of the silos.”*

“The Audit Commission loved it”

*“We can engage people, get feedback
and fine tune the strategy.
At the end of the day people can say
“I have a little part of the strategy in my pocket”.*

...and it helps the management and the organisation perform better as a team.

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Quotes from the client

*“It has rekindled relationships across the organisation.
It has introduced a far wider group of people to the Directors’ Group”*

*“This is the first time that the Chief Executive
and Directors have explained their strategy effectively
(without resorting to a thick document).”*

“The level of penetration has been excellent”

*“We knew we had to focus on the big issues.
We now are better as a team addressing strategic issues,
sharing ownership of the big issues
and taking corporate responsibility.”*

To find out more and an informal discussion,
just contact

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