

Balanced Scorecard Sample

PROJECTS / INITIATIVES

FINANCE	CUSTOMER
Loan Portfolio growth Deposit growth Control Expense Within Budget Increase Interest Income Increase Non Interest Income Reduce Delinquency	Introduce customer service standards Marketing & Customer Unit Create user-friendly facilities Improve communication to stakeholders New & improved products Community involvement program
PROCESS	PEOPLE
Redesign Org Structure Review procedures manuals Review loan approval limits Review process of information dissemination & implementation Risk Identification & Prioritization - Audit Implement BSC System	Departmental cross training Compensation Review (Merit) Training plan (Aligned with strategic focus) Refine Performance Management System Introduce Wellness Program

Learn more from the [balanced scorecard](#) page.

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STRATEGIC THEMES

Overall Strategy

To restructure and staff the Retail Banking Operation to improve customer service, marketing, efficiency, community outreach, and to achieve greater efficiency, financial growth and increased profitability.

Strategic Themes

- Increase Private
- Improved profitability
- Staff Development & Engagement
- Effective Marketing
- Improved Customer Service
- Improved Efficiency
- Community involvement

Key Metrics

- Increase Private Sector deposits by \$30m
- Raise new loans of \$45m
- Increase interest income by \$3.8m
- Reduce the delinquency Ratio on Retail loans to 4%
- Implement Branch Audit Rating
- Conduct customer satisfaction survey

PRODUCTS, SYSTEMS/PROCESSES & VALUES

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Given our Overall Strategy and Strategic Themes, how can we create value for our customers through our products, processes/systems. This example of a balanced scorecard can show how.

Products

- Ensure accuracy and efficiency
- Improve turnaround time
- Obtain customer feedback /customer service rating and act on such feedback
- Develop products suited to customer needs and customer benefit
- Educate customers on products/services
- Constantly monitor market rates to provide competitive rates to customers
- Provide product usage incentives to customers
- Ensure we deliver what we promise
- Expand merchant banking services
- Issue our own brand credit card

Processes / Systems

- Revise & streamline procedures
- Ensure Bank-wide standardization of procedures
- Establish clear work flowcharts
- Train staff in procedures
- Improve communication & feedback
- Ensure regulatory compliance
- Establish clear disciplinary measures for breach of procedures
- Utilize the Core System to its fullest at all delivery channels to provide fast and efficient service to customers
- Establish Branch Audit Ratings
- Establish clear guidelines for transaction approval

Core Values

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<p>Financial strength</p> <p>Continuous learning and growth</p> <p>Commitment to confidentiality</p> <p>Fairness and honesty</p> <p>Teamwork</p> <p>Quality customer service / Speed / Price</p> <p>Aggressiveness and Customer focus</p>

SWOT ANALYSIS

<p>STRENGTHS</p> <p>Technology capability – Network, Online banking</p> <p>Extensive Branch network – Service delivery</p> <p>Large network of Correspondent banking relationships – FX</p> <p>Young and re-trainable staff</p> <p>Fast Loan approval</p> <p>Progressive financial growth and institutional strengthening</p>	<p>WEAKNESSES</p> <p>Inadequate Management Structure</p> <p>Dependency on few large depositors – concentration risk</p> <p>Lack of Marketing Dept</p> <p>Inadequate implementation & training in new systems and procedures</p> <p>Low staff engagement</p> <p>Not issuing own Credit Cards</p> <p>Low compliance with policies and procedures (inefficiency, errors, loss due to fraud, legal risk)</p>
<p>OPPORTUNITIES</p> <p>Well-positioned for Govt business</p>	<p>THREATS</p> <p>Increased competition from</p>

<p>Patriotic Nationals will bank with Nation's Bank</p> <p>Expected growth in the Tourism Sector will increase business due to service delivery network</p> <p>Service network allows for increased bill collection services</p> <p>Increased need for merchant banking services</p> <p>Credit Card Company's initiative now allows the issue of own branded credit cards</p> <p>Students and Graduates – Education revolution</p> <p>Boom in construction industry</p> <p>Public Servants loan product</p>	<p>non-bank and near-bank financial institutions (Insurance Companies, Savings and Loans Banks, Money lenders)</p> <p>Increased competition from players in the wider region</p> <p>Liberalization of statutory deposit / Gov't business</p> <p>Regulatory complexity</p> <p>Financial and customer losses due to operational inefficiencies</p>
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ANNUAL OPERATING PLAN

Balanced Scorecard **Key Projects/Initiatives and Metrics**

Projects/Initiatives	Metrics	Date
1. Implement new Org Structure (Retail Banking Management)	Appoint Manager Main Branch	By Nov 08
2. Establish Marketing & Customer Service Dep't	Appoint Manager Marketing & Customer Care	By Nov 08
3. Establish Systems and Procedures Dep't	Appoint Manager Systems and Procedures Dept	By Nov 08
4. Restructure the Merchant Banking Services Unit to widen merchant banking Operation.	Appoint Manager Train staff & go full	By Nov 08 By Jul 09

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5. Develop and Implement Training Plan	Develop Training Plan Implement Training Plan	Sep 08 Oct 08
6. Install new software to improve & Expand Card operation	Install Software Train Staff	Mar 09 Mar 09
7. Issue Own brand Credit Cards	Commence Process Issue own brand cards	Oct 08 Aug 09
8. Introduce usage incentives to increase ATM card usage	Customer incentive of one laptop per Quarter	Starting Dec 08
9. Introduce usage incentives to increase Online Banking usage	One draw per quarter for a year paid internet connection	Starting Dec 08
10. Implement a physical upgrade programme	Contract consultant Complete programme	By Sep 08 By Dec 08
11. Build advertising Bus Sheds – Kingstown and Colonarie	Build bus sheds	By Mar 09
12. Install advertising boards Georgetown, Barroallie, Bequia, Canouan, Union	Install Advertising Boards	By Dec 08
13. Implement Branch Audit Rating System	Branch Audit Ratings	By Oct 08
14. Implement measure for turnaround time	Turnaround measure	By Jan 08
15. Implement work flowcharts for transactions	Work flowcharts	By Mar 09

Balanced Scorecard

FINANCE	CUSTOMER
Raise new loans of \$45m Grow deposits by \$30m Increase interest income by	Improve service facilities Issue own branded credit card Expand merchant banking service

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<p>\$3.8m Reduce delinquency to 4% Increase Credit Card Merchants by 25 Increase ATM Cards by 5,000 Increase Debit Cards by 300 Increase Online Banking Users by 1000</p>	<p>Improve service quality Reduce turnaround time Educate customers on banking services Install advertising boards in communities Build bus sheds in service communities Increase Card, merchant, online usage Implement customer service rating</p>
PROCESS	PEOPLE
<p>Establish Audit Ratings for Branch performance Revise system for recording and correcting transaction errors Implement measure for turnaround time Revise and implement clear guidelines for transaction approval Establish clear work flowcharts for various services/transactions</p>	<p>Employ Manager Marketing & Customer service Employ Manager Systems & Procedures Employ Manager Bedford Branch Employ manager Merchant Services Unit Develop and implement training plan for Dep't cross training and other training Revise procedures, communicate & Train Improve staff engagement Improve Customer service standards</p>

Learn more from the [balanced scorecard](#) page.

Balanced Scorecard Resource Requirements

Identify key additional resources (people and/or other) required for on-time delivery of the balanced scorecard projects/initiatives

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1. HR to assist with the appointment of the Manager Bedford Branch
2. HR to assist with the appointment of the Manager Marketing & Customer Care
3. HR to assist with the appointment of the Manager Systems & Procedures
4. HR to assist with the appointment of the Manager Merchant Banking Services
5. HR to assist with the appointment of three Support Staff for 2, 3 & 4 above
6. HR to assist with the development and implementation of the Training Plan
7. IT to assist with the installation of the Bevertec Software
8. \$1m for installation of the Software
9. IT to assist with the issue of own brand credit card
10. \$100 for issue of own branded credit card
11. \$20k for 4 laptops – quarterly prizes for ATM usage
12. \$6k for paid internet connection – quarterly prizes for Online Banking usage
13. \$400k for physical upgrade program
14. \$160k for construction of advertising bus sheds
15. \$50k for Agency to be contracted to conduct customer satisfaction survey
16. \$40k for installation of Advertising boards

Organizational Chart

Prepare organizational chart necessary to deliver the balanced scorecard key projects/initiatives.

Operating Expense Budget

Item	07-08 Budget	07-08 Actual	08-09 Budget

Capital Expense Budget

Item	07-08 Budget	07-08 Actual	08-09 Budget

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