

# BALANCED SCORECARD PROCESS

*Balanced scorecards will differ from one organization to the next, depending on the business and its goals, but the following steps are key in any balanced-scorecard project:*

## **STEP 1: OBTAIN COMMITMENT FROM THE TOP**

The balanced scorecard is a top-down process. Therefore, in every organization, it must start with a commitment from senior management to champion and drive the process forward. The process also involves a considerable investment in executive time.

## **STEP 2: HOLD STRATEGY SESSIONS**

Usually with the help of an outside consultant, the senior-management team should conduct a series of meetings and briefing sessions that define and refine company strategy.

## **STEP 3: DEFINE METRICS**

Through the strategy sessions, senior management should develop a series of meaningful, concrete, tangible metrics the company can use to gauge the success or failure of that strategy. In a typical initiative, these sessions result in a series of metrics based on four perspectives of the organization: the financial view, the customer view, the internal view, and the organizational-health view.

## **STEP 4: COMMUNICATE**

This is probably the lengthiest part of the balanced-scorecard process. It can take as long as two years to cascade, or drive down, the message and metrics throughout the organization, depending on its size and the number of management levels it has.

## **STEP 5: CONSTANTLY REEVALUTE**

The balanced scorecard is not a one-shot deal. It is not static. The strategy as well as the metrics need to be periodically reevaluated and adjusted, as competitive needs and business circumstances require.