

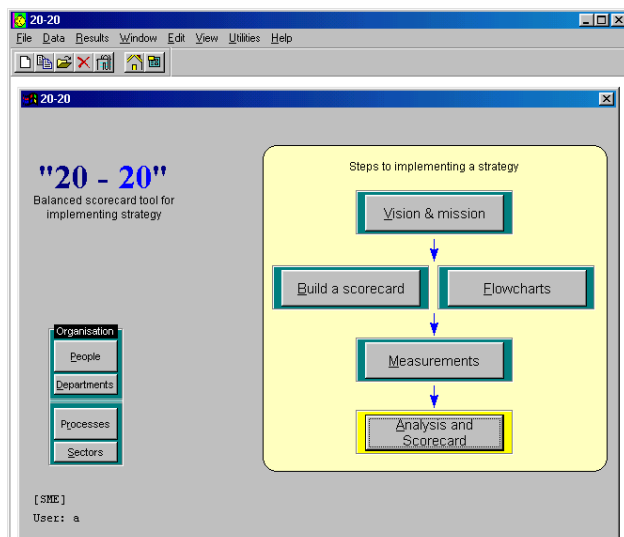
“20-20” balanced scorecard

Information kit

This information kit is designed to introduce you to “20-20”. It is a tour of the key features of the software.

“20-20” software uses balance scorecard principles to help you implement strategies for improving how the business gets things done, for finding and keeping customers, for renewing the business and for growth.

How does “20-20” work?



“20-20” classifies the components of the balanced scorecard into:

- The organization
- Vision and mission
- Flowcharts
- Build a scorecard - Strategies, Objectives and Measures
- Measurements and actions
- Performance analysis and scorecard

Together these enable the organization to develop and control strategies using the balanced scorecard technique. The main menu of “20-20” arranges these components graphically as a map to illustrate how they interrelate. Use the map shown above as a guide when using the software. It is a flowchart of the program.

Lets begin...

Organization

Organization (shown on the left of the map above) has buttons to enter the employees and their departments, processes and sectors / workgroups.

People are given responsibility for achieving the strategies. Therefore most users begin by entering the people and departments into the software.

Note: people can be entered directly into the software or, if the data is already available, can be imported via Excel, Lotus, ASCII, etc.

People

Last name: Initial:

First name: Job title:

Employee number/code:

Supervisor: (add supervisor using this form)

Billings Andrew C

Contact details: Telephone no: Fax no: Mobile/cellphone no: Home / other no:

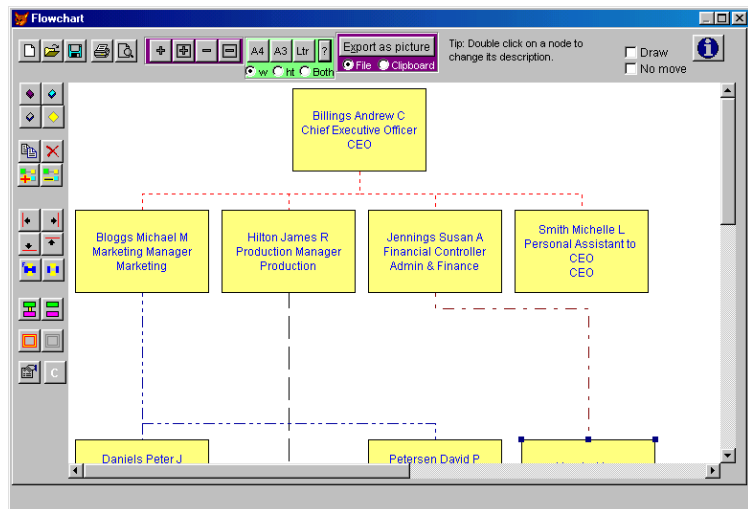
Email:

Department: (right-click menu here)

Organisation chart: by department

Use toolbar for New!

The software automatically generates an organization chart.

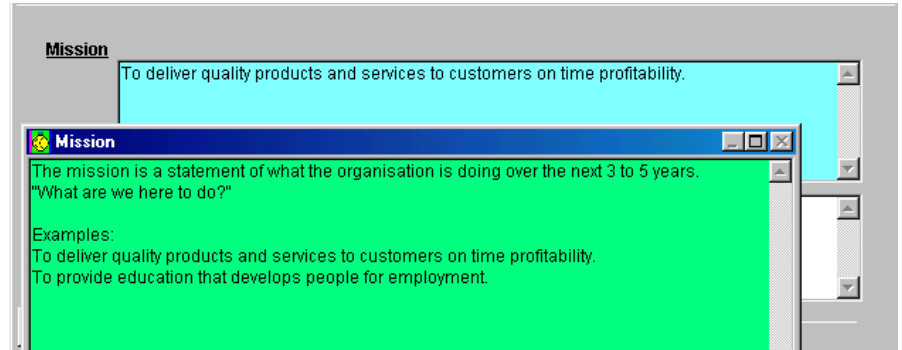


The next step is to enter strategies and assign them to the appropriate people.

Vision and mission

Before launching into the strategies, it is usually a good idea to review what the organization does and where it is headed.

An example of a mission statement is shown here, together with the on-line help for it. A feature of the software is the ability to customize the on-line help to suit your organization's terminology.



Build the scorecard: the Strategies

The strategies of the organization are usually decided upon by a small group. Ask questions like

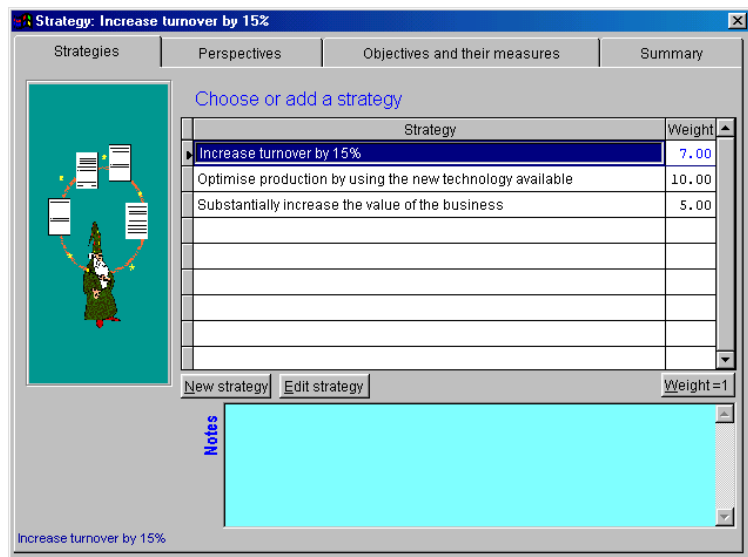
"How can we compete more effectively? Should we have a strategy to improve (whatever)?"

"Should we develop new products or services"?

"What can we do to improve (whatever)?"

"How can the organization achieve a competitive advantage?"

Enter the strategies for short term and long-term business improvement and development.

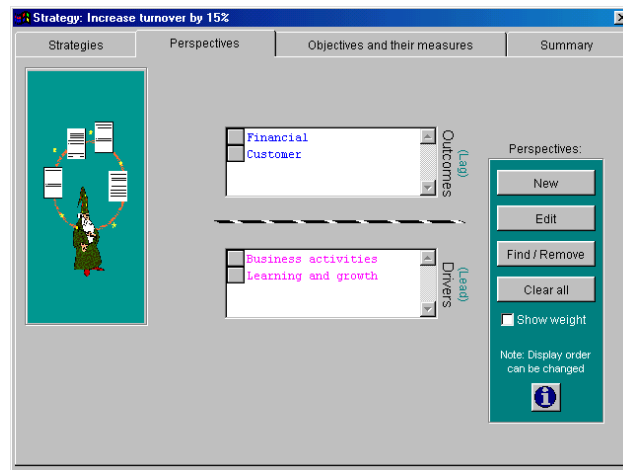


Perspectives

To turn the strategies into an action plan, it is useful to identify the key business perspectives for the organization. These are usually

Financial
Customer
Internal business processes
Innovation, which includes growth, learning, renewal and development.

Additional perspectives can be added if required or their names changed to suit the organization. For example, a university might want a *Student perspective*.



Objectives

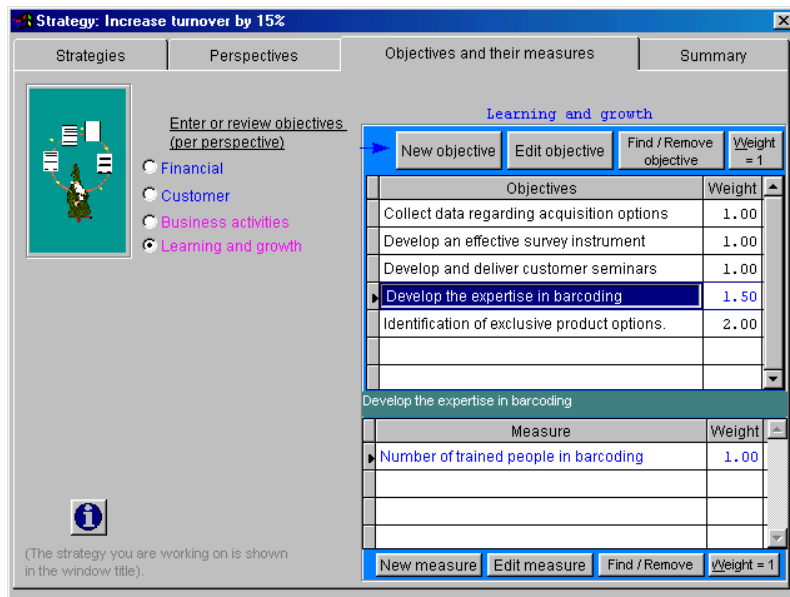
The objectives define what will be done to achieve a strategy. For each strategy, identify objectives taking into account each business perspective.

Examples of objectives:

Financial: Achieve cost savings of..., Increase stock turnover from 4 to 6, Minimize re-work to reduce costs by..., Ensure that new capital investment returns...

Customer: Increase the number of quality customers over the next ..., Deliver right the first time, Be the supplier the client considers first, Identify existing markets at risk.

Process: Reduce turnaround time, Minimize the number of product rejects or rework, Product is ready when required, Appoint a new sales consultant.



Innovation, learning and growth: Collect information on acquisition opportunities, Identify new product opportunities, Identify new technology for..., Re-engineer processes, Identify joint venture partners, strategic alliances or acquisitions that will benefit the organization.

Measures

Enter at least one measure for each objective. Some objectives may have several measures.

Examples of measures:

- % decrease of ...
- % of products released on due date
- Completion date 15 August
- Cost of rework
- Cost saving achieved
- Profitability / ROCE / EcROCE / EVA
- Finished goods turnover
- Market share
- Number of hours billed
- Number of people trained
- Number of repeat calls
- Percentage of waste reduction
- Revenue growth.

Review the weightings: a weighting of 1 gives all equal importance; 2 gives it twice as much importance.

Each measure is assigned a target range so that the level of achievement can be assessed.

Measure **Number of trained people in barcoding**

Target (in words)
Five people by October

Target as a number Number measured in
5 people

Target is a date (uncheck if number)

Notes

Target achievement levels are

Outstanding 8 High value
Above target 7
Target 5
Below target 3 Low value
 Descending order (used to report target achievement)

Perspective INNOVATION

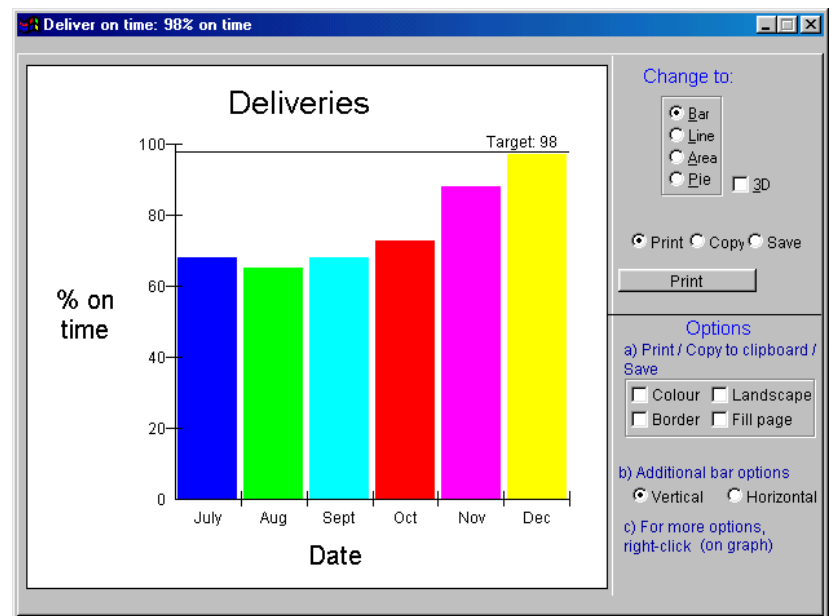
Initiatives

Delete

Develop the expertise in barcoding

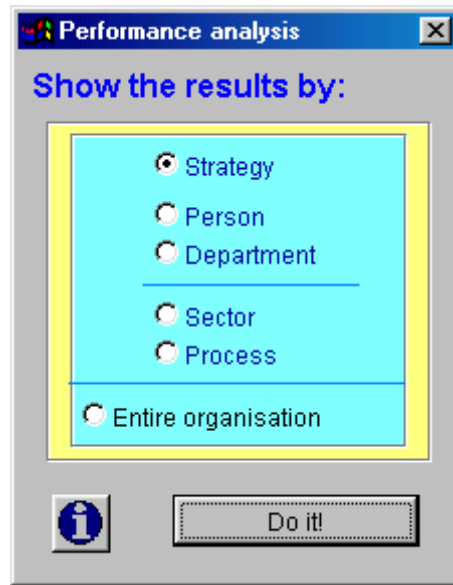
Results: Measurements

To monitor progress, measurements are taken and recorded. Graph the results of a measure over time, e.g. percentage of deliveries that were complete within the time allocated.



Analysis and scorecard

The software has the tools needed to analyze and report achievements for the entire organization or any aspect of the organization. “20-20” has a unique method of being able to report on the lowest level, as well as consolidating up automatically to department, sector, process or organization level.



Performance overview

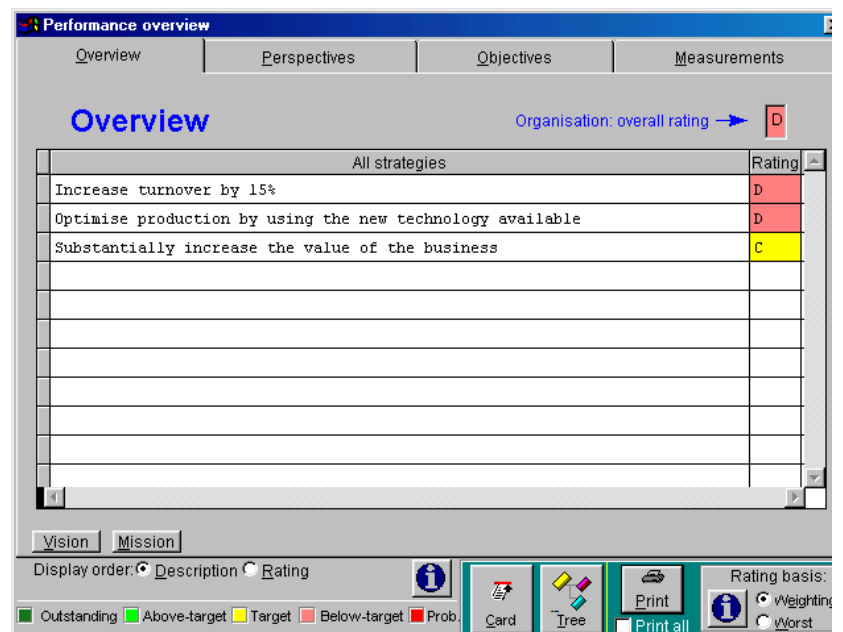
Review the overall rating of the organization and the key strategies.

- A = Outstanding
- B = Above target
- C = Target
- D = Below target
- E = problematic

On the example see the current overall rating of D for this organization.

Do you know what the rating is for your organization?

This tool will put management in control of the organization’s destination, growth and renewal.



Review performance – identify areas that need improvement or further action by looking at the results per person, per department, per sector and per process. Control and take action and to ensure that the objectives are achieved and the strategies implemented.

Perspective overview

Drill down and view the underlying perspective ratings.

A rating of “D” and “E” for the Customer and Financial perspectives is well below target. This organization cares for its customers and would be concerned to find that they have a poor rating in this key business perspective. They would certainly drill down into the objective and measurements for this perspective to identify what is happening in the business.

Performance overview - Perspectives

Perspectives for: Organisation (overview)

Perspective	Rating
Business activities	B
Customer	D
Financial	E
Learning and growth	B

Legend: Outstanding (Green), Above-target (Light Green), Target (Yellow), Below-target (Red), Prob. (Dark Red)

Measurement analysis

The actions button available in the software is used to detail the remedial action for D and E results.

Performance overview - Measurements

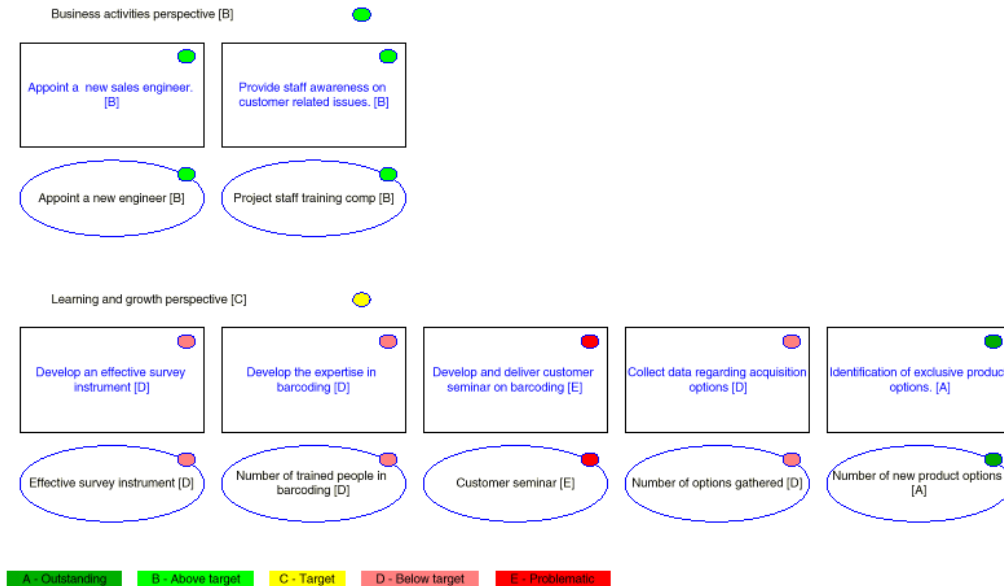
Measurements for: Organisation (overview)

Measurement	Rating
% of actual deliveries to planned	B
Appoint a new engineer	B
Benchmarking data obtained	A
Customer seminar	E
Deliver on time	D
EVA	D
ECROCE	E
Effective survey instrument	D
NOPAT	E
Number of new product options	A
Number of options gathered	D
Number of quality customers.	B

Legend: Outstanding (Green), Above-target (Light Green), Target (Yellow), Below-target (Red), Prob. (Dark Red)

Balanced scorecard

The balanced scorecard printout gives a bird's eye view of the organization across the key business perspectives. It is color coded for easy monitoring and communication. Green is good, red is bad!



The scorecard can be obtained for the organization, for each department, each person, etc.

Reports

The software includes extensive reporting, graphing and flowcharting capabilities.

Conclusion:

“20-20” is a tool for managing and communicating business strategies and performance consistently. It is an extraordinary useful tool for management and staff. If your organization wants to successfully implement the balance scorecard for long-term business improvement then “20-20” is the tool to use. It will guide you through every step from creating the organization’s strategies from scratch using balanced scorecard principles to monitoring, reporting and controlling the results.

For further information:

Email: info@cashfocus.com
Web: www.cashfocus.com