

Co-operative Financial Services

**Balanced Scorecard Implementation and
Benefits – ‘Beyond the Numbers’**

**Steve Smith
October 2006**

Agenda

- **Background**
- **2004 – The Situation**
- **A Balanced Approach**
- **Building The Scorecard**
- **Tactical Scorecard**
- **Strategic Scorecard**
- **Presenting The News**
- **Where Are We Now?**
- **Lessons Learnt**
- **Questions**

Background

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- **Development & Delivery, IS – Performance Improvement**

2004 – The Situation

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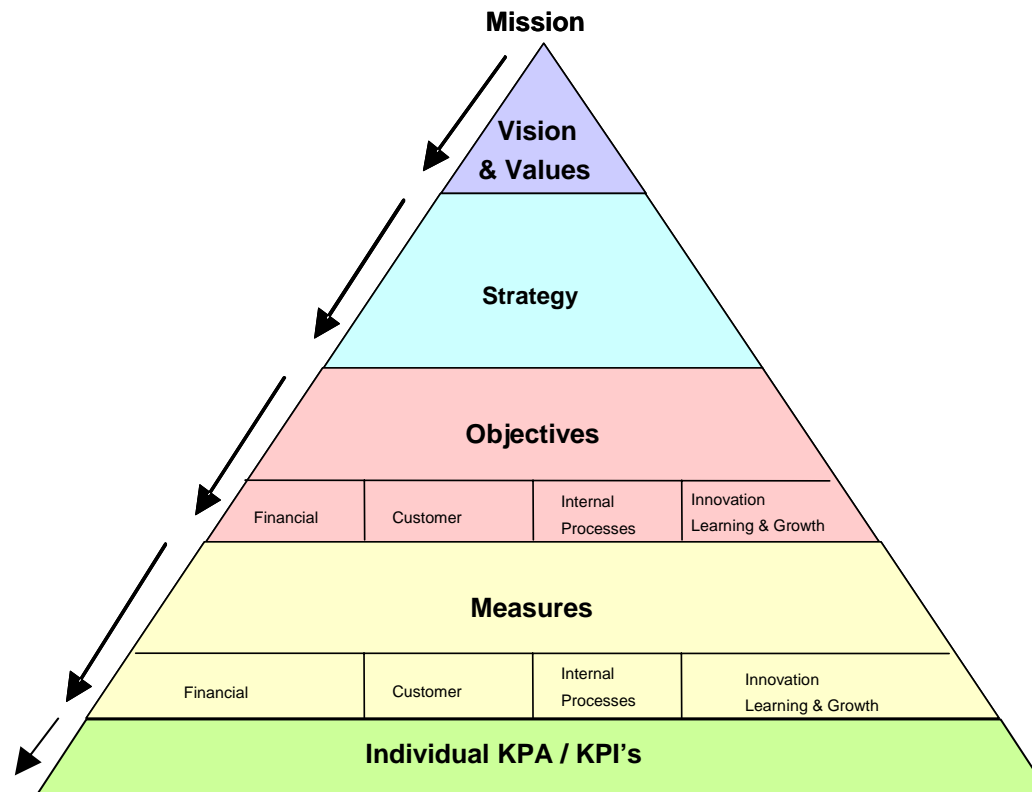
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- 4 Weekly Report
- Measures not aligned to strategy or vision
- **What next?**

A Balanced Approach

- Requirement for a robust performance measurement system

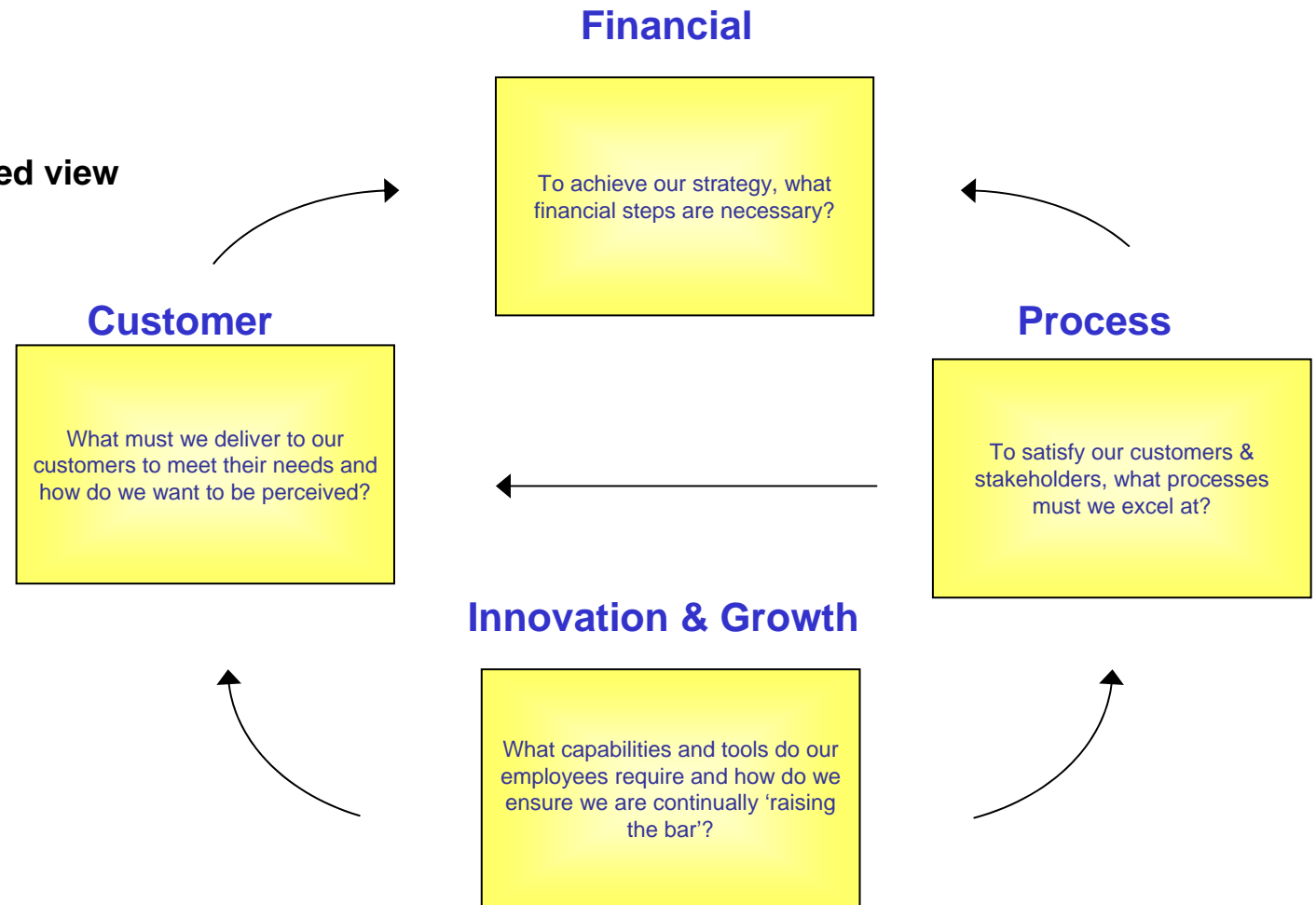
A Balanced Approach

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A Balanced Approach

- Requirement for a robust performance measurement system
- Anchored to strategy
- Link objectives for a balanced view



A Balanced Approach

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- **Support and commitment**

Building The Scorecard

Building The Scorecard

- **Identify performance objectives**

FINANCIAL

Achieve Resource Utilisation
Maximise Productivity
Minimise Ongoing IT Support
Manage Data Within Budgets

CUSTOMER

Maximise Customer Satisfaction
Quality of Service Delivery
Quality of Project Delivery
Preferred Supplier of IT Services

PROCESS

Accurate Project Portfolios
Optimised IT Delivery Process
Optimised Project Mgt Capability
Effective Delivery of Current Projects
Effective Mgt of Current Suppliers

INNOVATION & GROWTH

Optimise Skills/Capability of Staff
High Staff Morale
Optimised Learning & Development
Open & Honest Communication
Innovation

Building The Scorecard

- Identify performance objectives
- Define the metrics

	DESCRIPTION & MEASURES		
FINANCIAL			
Achieve Resource Utilisation / Chargeability Targets	Optimise the current and forecast utilisation levels of D&D resources – maximising time spent on chargeable activities whilst balancing the need for internal investment, staff development, and resource flexibility.		
	M1	Productive Chargeable Utilisation	Time booked to customer projects as a percentage of the overall time recorded across D&D within a given period
	M2	Productive Non Chargeable Utilisation	Time booked to productive non chargeable activities (e.g. training, secondments, internal projects and bench) as a percentage of the overall time recorded across D&D within a given period.
	M3	Non Productive Non Chargeable Utilisation	Time booked to non-productive non-chargeable activities within a given period (i.e. holidays, sickness)
	M4	Committed Order Book	Percentage of the current demand that is based on committed work, e.g. PAF approved, by end of 2005.
	Percentage of the pipeline demand that is based on committed work, e.g. PAF approved, by end of 2005.		

Building The Scorecard

- Identify performance objectives
- Define the metrics
- **Set the targets**

Achieve Resource Utilisation / Chargeability Targets	Optimise the current and forecast utilisation levels of D&D resources – maximising time spent on chargeable activities whilst balancing the need for internal investment, staff development, and resource flexibility.			
	M1	Productive Chargeable Utilisation	Time booked to customer projects as a percentage of the overall time recorded across D&D within a given period	green >= 65%, red <63%
	M2	Productive Non Chargeable Utilisation	Time booked to productive non chargeable activities (e.g. training, secondments, internal projects and bench) as a percentage of the overall time recorded across D&D within a given period.	green <20%, red >22%
	M3	Non Productive Non Chargeable Utilisation	Time booked to non-productive non-chargeable activities within a given period (i.e. holidays, sickness)	green < 15%, red >17%
	M4	Committed Order Book	Percentage of the current demand that is based on committed work, e.g. PAF approved, by end of 2005.	green >= 95%, red <90%
Percentage of the pipeline demand that is based on committed work, e.g. PAF approved, by end of 2005.			green >= 50%, red <45%	

Tactical Scorecard

Tactical Scorecard

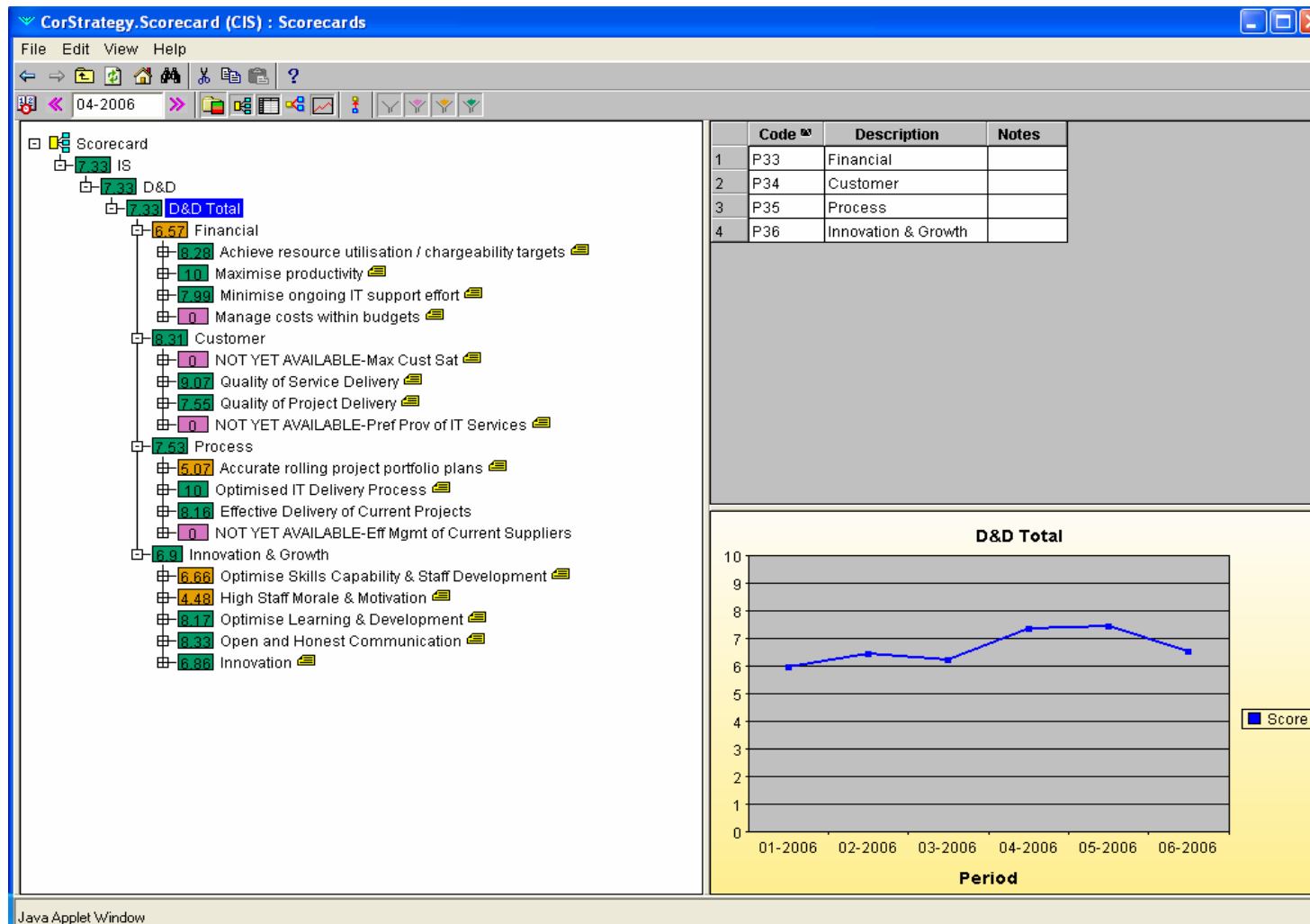
- Part of Tactical Scorecard

ICT DEVELOPMENT & DELIVERY - CUSTOMER PERFORMANCE											
CUSTOMER OBJECTIVES	OWNER	DESCRIPTION & MEASURES			TARGET	ACTUAL	STATUS	CHANGE	COMMENT	ACTIONS/INITIATIVES/FORWARD VIEW	
C2	Quality of Service Delivery	SR	Maximise service delivery quality – resolving incidents escalated to Production Systems within SLA.								
			M1	Incidents Resolved in SLA	Measured as the number of Incidents being resolved within SLA within a given period for production (post Gate 2) systems.	70% increasing to 75% at end of Q1	79.80%	GREEN	➔	607 resolved incidents met their SLA target.	Effort to ensure SLA targets are met will be maintained.
			M2	Open Incidents	Measured as the number of currently open Incidents for production systems at the end of a given period.	150 reducing to 100 @ end Q1	126 (+1 post imp incident)	GREEN	➔	Number of open incidents fell by 16% in P1. There was only one outstanding post implementation support incident. Two outstanding pre-harmonisation incidents exist.	The two pre-harmonisation incidents will be closed by end of Q1 2005

Strategic Scorecard

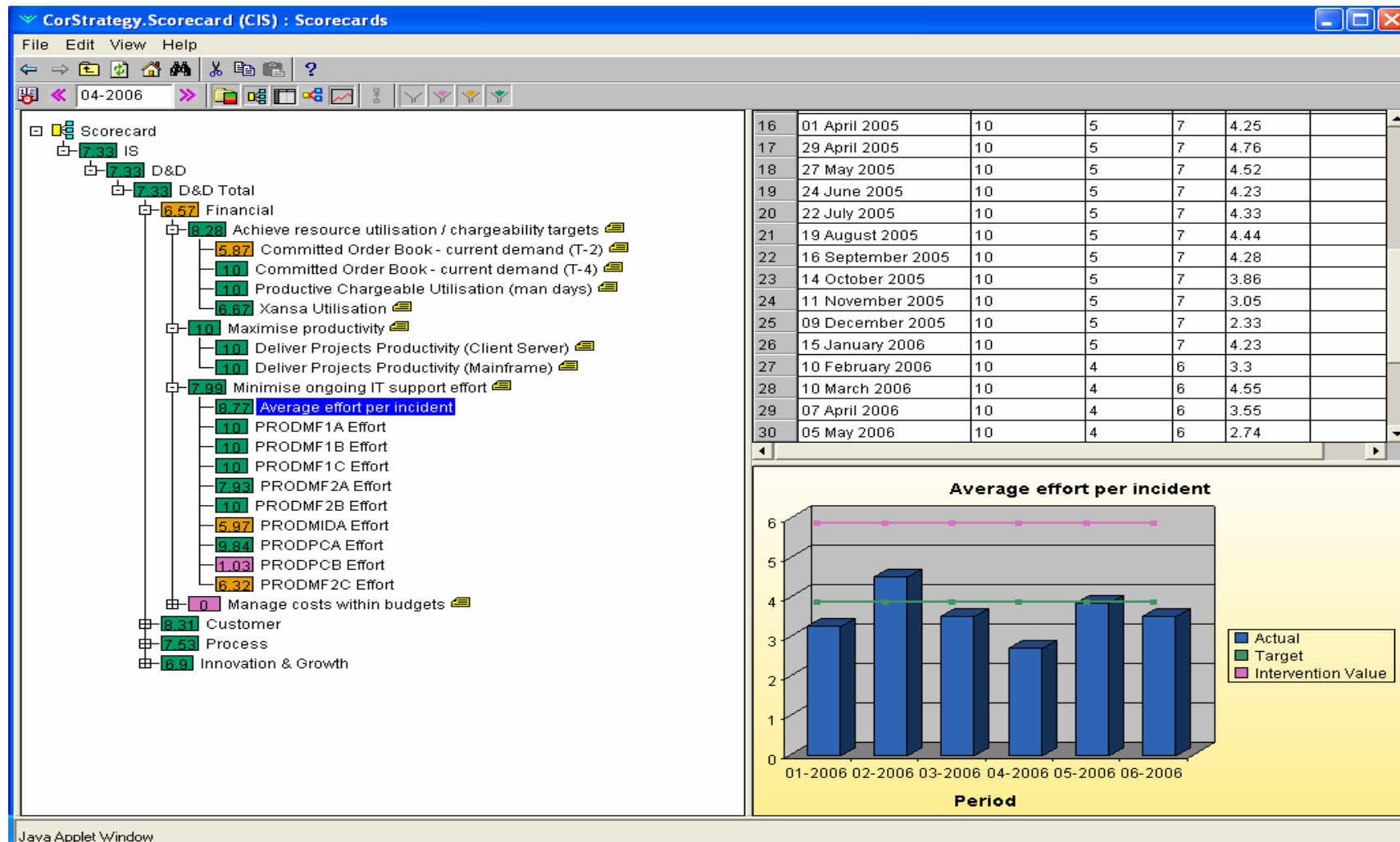
Strategic Scorecard

Scorecard Overview Example



Strategic Scorecard

Perspective Breakdown Example



Strategic Scorecard

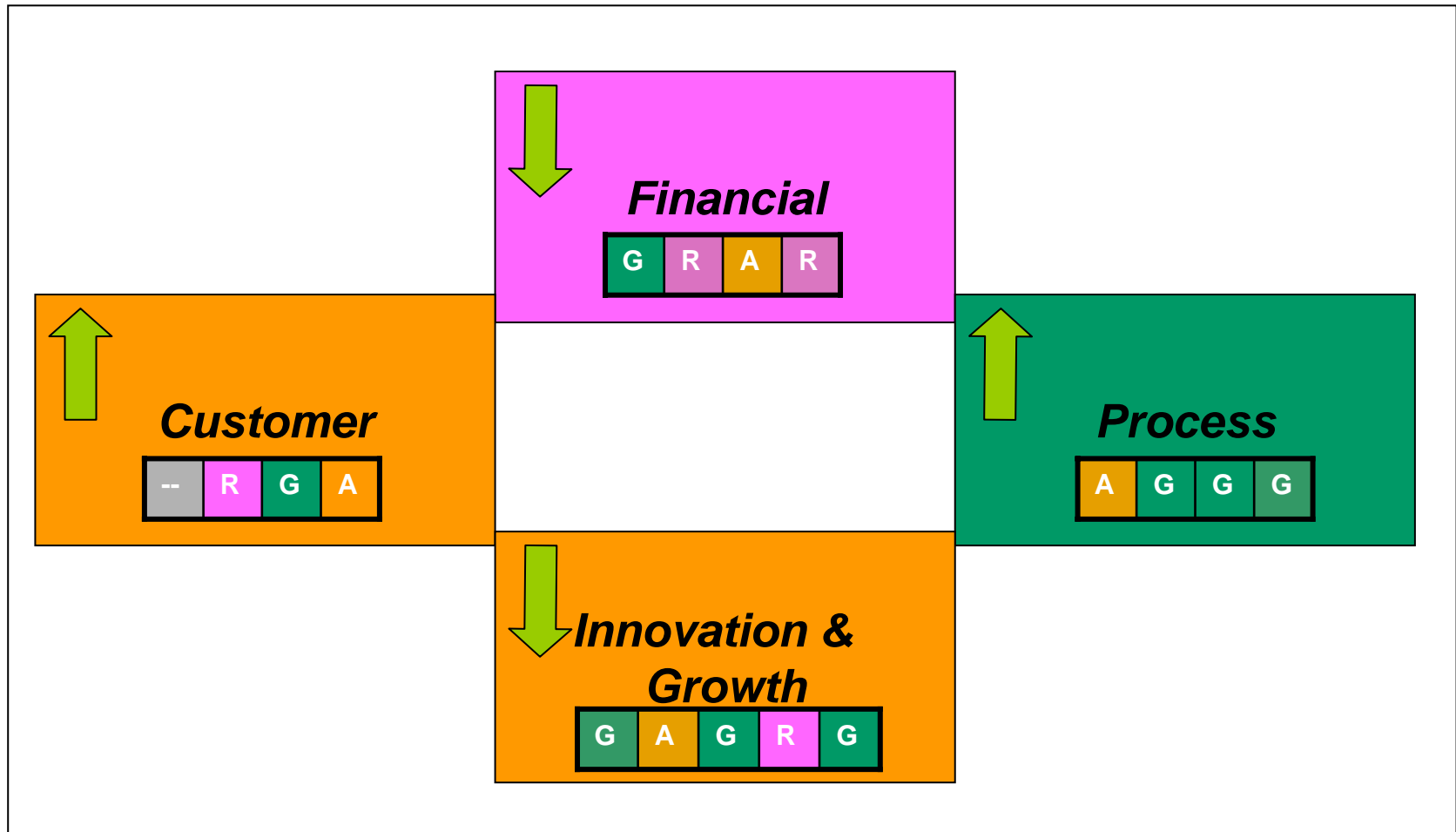
Trend Analysis Example

	2005				2006								
	Period 10	Period 11	Period 12	Period 13	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9
FINANCIAL	A	G	G	A	A	A	A	G	A	A	A	A	A
Achieve Resource Utilisation / Chargeability Targets	G	G	G	A	G	G	G	G	G	G	G	G	G
Maximise Productivity	G	G	G	G	G	G	G	G	G	A	A	A	A
Minimise Ongoing IT Support Effort	G	G	G	G	G	A	G	G	A	A	A	G	A
Manage Costs within Budgets	R	R	R	R	R	R	A	G	G	A	A	R	R
CUSTOMER	A	A	A	R	R	R	R	R	R	A	A	A	G
Maximise Customer Satisfaction	N/A	N/A	N/A	N/A	n/a	n/a	n/a	n/a	n/a	A	A	A	G
Quality of Service Delivery	R	A	R	R	G	G	A	A	G	G	A	A	G
Quality of Project Delivery	G	G	G	A	R	R	R	R	R	A	G	G	G
Preferred Provider of IT Services	N/A	N/A	N/A	N/A	R	R	R	R	R	R	A	A	G
PROCESS	R	A	A	A	A	A	A	R	R	A	A	G	G
Accurate Rolling Project Portfolio Plans	R	A	A	R	A	A	A	R	R	A	A	A	A
Optimised IT Delivery Process	N/A	G	G	G	R	A	A	G	G	G	G	G	G
Effective Delivery of Current Projects	N/A	N/A	N/A	N/A	n/a	n/a	n/a	G	A	A	G	G	G
Effective Management of Current Suppliers	N/A	N/A	N/A	N/A	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
INNOVATION & GROWTH	A	A	A	A	R	R	R	A	A	A	R	A	G
Optimise Skills, Capability & Staff Development	A	A	A	A	A	A	A	A	A	A	A	A	G
High Staff Morale & Motivation	A	R	R	A	R	R	R	A	A	A	A	A	A
Optimise Learning & Development	A	A	A	A	A	A	A	A	A	A	G	G	G
Open, Honest, and Appropriate Communication	G	G	G	G	G	G	G	G	G	G	R	G	G
Innovation	A	A	A	A	A	A	G	G	A	G	G	G	G

Presenting The News

Presenting The News

- Summary Scorecard Highlights



Presenting The News

- **Example of a page from the Scorecard Summary document**

Financial Summary

- **F3 (SR) Minimise Ongoing IT Support Effort**

Issue:

- **The incident workload is considerably higher than a year ago. This is primarily in areas which have seen most change.**

Impact:

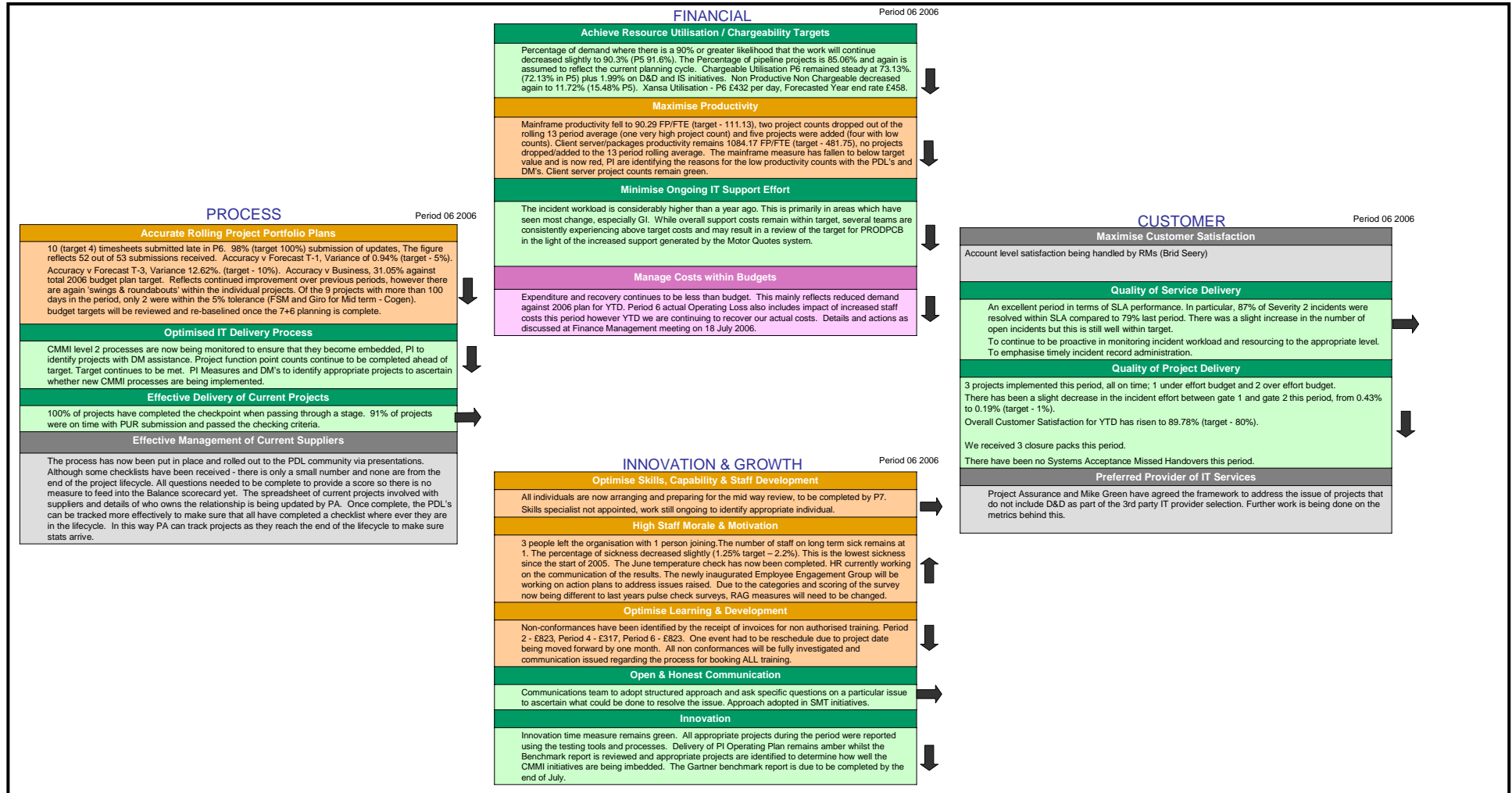
- **The increasingly demanding targets for minimising support costs are becoming more difficult to manage.**

Action:

- **Monitor the workload.**

Presenting The News

Wallboard Example



Where Are We Now?

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- **Recognised metrics gathering and reporting process**
- **Raised scorecard profile within IS**
- **Driven visible improvements within D&D**
- **Increased user base**

Lessons Learnt

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- **Link individual Performance Measurement activities to the scorecard**

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- **Define the behaviours you want to enforce**

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- Need to improve visibility of the scorecard
- Define the behaviours you want to enforce
- **Appropriate measures for appropriate owners**

Questions