

NOTE:

Bearing in mind that different companies may have differing titles for similar functions, the preceding material is meant to reflect the typical parties needed to ensure that a developed scorecard is well balanced, with considerations from different stakeholders in a company. Actual participants may vary.

SCORECARD DEVELOPMENT AND IMPLEMENTATION PROCESS: OVERVIEW

When the appropriate participants have been selected to develop a scorecard, it is helpful to review the main stages of the scorecard development and implementation process, and to be sure that you understand the tasks associated with each stage. The following list describes the stages and tasks. Detailed descriptions of each stage are in the chapters that follow.

STAGE 1. PRELIMINARIES AND PLANNING

- Create business plan
- Identify organizational objectives and scorecard role
- Determine internal versus external development and scorecard type
- Create project plan
- Identify project risks
- Identify project team and responsibilities

STAGE 2. DATA REVIEW AND PROJECT PARAMETERS

- Data availability and quality
- Data gathering for definition of project parameters
- Definition of project parameters

- Performance window and sample window
- Performance categories definition (target)
- Exclusions
- Segmentation
- Methodology
- Review of implementation plan

STAGE 3. DEVELOPMENT DATABASE CREATION

- Development sample specifications
- Sampling
- Development data collection and construction
- Adjustment for prior probabilities (factoring)

STAGE 4. SCORECARD DEVELOPMENT

- Exploring data
- Identifying missing values and outliers
- Correlation
- Initial characteristic analysis
- Preliminary scorecard
- Reject inference
- Final scorecard production
- Scorecard scaling
- Choosing a scorecard
- Validation

STAGE 5. SCORECARD MANAGEMENT REPORTS

- Gains tables
- Characteristic reports

STAGE 6. SCORECARD IMPLEMENTATION

- Preimplementation validation
- Strategy development
 - Scoring strategy
 - Setting cutoffs
 - Policy rules
 - Overrides

STAGE 7. POSTIMPLEMENTATION

- Scorecard and portfolio monitoring reports
 - Scorecard management reports
 - Portfolio performance reports