

KNOWLEDGE MANAGEMENT METRICS

BALANCED SCORECARD

The Balanced Scorecard (BSC) method measures the four major dimensions such as financial dimension, internal business process dimension, customer dimension and learning and growth dimension. BSC translates the organization's strategy into the four dimensions focusing on the balance between internal and external measures, objective and subjective measures and performance results and drivers of future results.

Measures of the financial dimension

- Operating income
- Return on capital employed
- Economic value added

Measures on internal business process

- Cost
- Throughput
- Quality

Measures on customer dimension

- Customer satisfaction
- Retention
- Market share

Measures on learning and growth dimension

- Employee satisfaction
- Retention
- Skillsets

BSC Implementation

The dimensions of BSC given above can be expanded and taken for implementation. The parameters such as objectives, metrics, targets and initiatives for each of the dimensions are considered. Objectives indicate the goals to be achieved. Metrics are those parameters that will be monitored.

Targets are the specific thresholds to be met for each metric. Initiatives describe the action, projects, programs to be in place to meet the stated goals. The following table indicates the sample BSC implementation.

Sample BSC implementation

	<i>Objectives</i>	<i>Metrics</i>	<i>Targets</i>	<i>Initiatives</i>
<i>Financial</i>				
<i>Customer</i>				
<i>Internal processes</i>				
<i>Learning and growth</i>				

WEB LINK: The Balanced Scorecard - Harvard Business Review

<https://www.youtube.com/watch?v=biyGxEix5Zs>