# Guideline for the ONLINE S3 toolbox tool/application Balanced Scorecard

ONLINE S3 – 710659 – Guidelines for the pilot experimentation phase

## Content

## Figures

## HISTORY OF CHANGES

| Version | Date | Contributing partner | Summary of changes |
|---------|------|----------------------|--------------------|
| Version 0.1 | 2016-10-07 | RIM | Structure of the document, elaboration of required information as a template for all tools |
| Version 1.0 | 2016-11-08 | IIL | Initial Draft |
| Version 1.1 | 2017-09-20 | IIL | Updated for changes of tool |
| | | | |

## DISCLAIMER

The opinion stated in this report reflects the opinion of the ONLINE S3 consortium and not the opinion of the European Commission.

## ACKNOWLEDGEMENT

## BACKGROUND AND RATIONAL

The balanced scorecard is a planning and management system that is widely used in a variety of areas. Its aim is to provide a non-financial measure to enable an organisation to improve themselves in a broader sense than just financial (such as customer satisfaction, employee training, etc.). This ideally helps the organisation to achieve their mission statement, vision, and goals.

This method would be useful to RIS3, as it would allow the effects of specific strategies to be traced, determine how they are helpful or where they are lacking, and improve on them in the future, in order to achieve a broader improvement in performance.

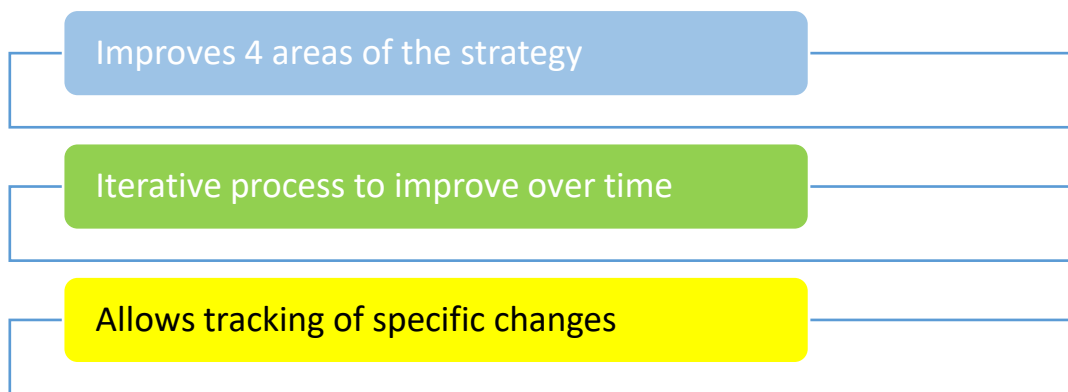Figure 1 provides the rationale behind this ONLINE S3's application.

Improves 4 areas of the strategy

Iterative process to improve over time

Allows tracking of specific changes

*Figure 1 Rational behind this ONLINE S3 application*

## DESCRIPTION OF THE APPLICATION

This is a method that is already widely used among business, industry, government, and non-profit organisations. The Balanced Scorecard is a strategic planning and management system that aims to align business activities to the "vision and strategy of the organisation". It was developed to produce a strategic performance measure that would use both non-financial measures and financial metrics to provide a more balanced view of performance.

The balanced scorecard is a tool that helps identify what needs to be done and what should be measured, based on the strategic plan of the organisation. The balanced scorecard uses four perspectives to develop metrics and collect data:

1) learning and growth perspective,
2) business process perspective,
3) customer perspective, and
4) the financial perspective.

The learning and growth perspective focuses on maintaining a current and modern knowledge of new technologies; it focuses on training workers in new areas that can help the most. The business perspective is used to produce metrics about how well the products and services that a business provides are meeting customer requirements as well as the mission and strategic vision of the business. The customer perspective focuses on customer satisfaction. The financial perspective focuses on how well the business is doing financially and analyses financial data.

Once each of the four areas has been analysed goals and objectives should be put in place to rectify any issues that may have been found. A balanced score card should result in improved processes, motivated and educated employees, monitored progress, greater customer satisfaction, and support a holistic perspective on the financial robustness of the business model as well as aid better informed investment planning. The balanced scorecard is not a one-time implementation and should act as a feedback system that is improved continuously.
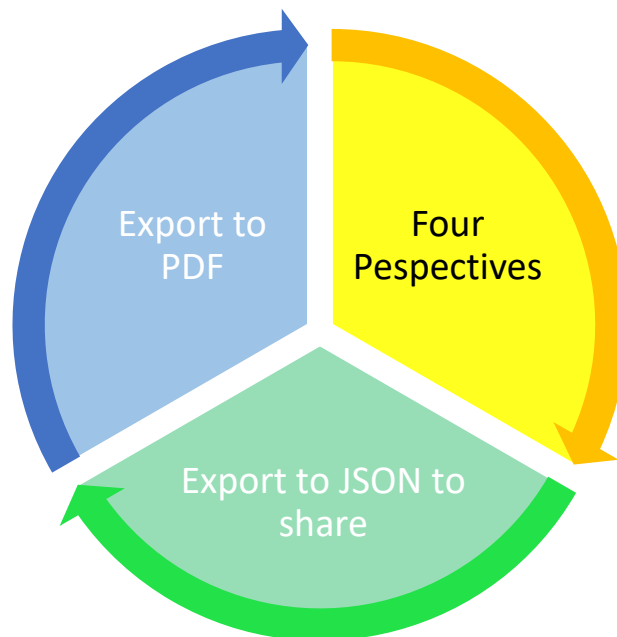


*Figure 2 Overview of this ONLINE S3 application*

## BENEFITS TO KEY ACTORS AND STAKEHOLDERS

The Balanced Scorecard is a useful application to the actors and stakeholders as it aids in easily identifying and describing goals. For each goal, the stakeholder can define a method of measuring the success of the goal and a target that they will compare against. Using a continuous process of revisiting previously defined goals and re-measuring to compare against their set targets. This allows stakeholders to track progress and adjust their methods to achieve their goals .

Furthermore, the application allows users to export their scorecards and share it with other stakeholders. This allows users to collaborate on a balanced scorecard.
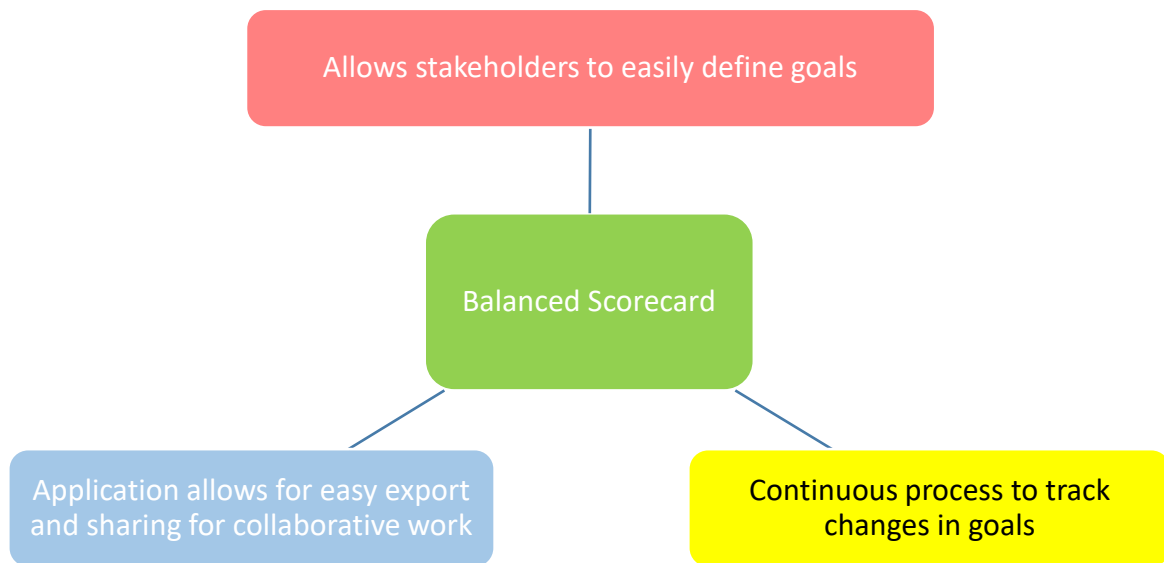
*Figure 3 Benefits to stakeholders when using this ONLINE S3 application*

## KEY ISSUES AND REQUIREMENTS

- The user must know what data they want to measure.
- The user must know how they want to measure their data.
- The user must be able to determine a method of improving their data.
- The user should repeat this process and track their changes over time to see if they have improved.
- The user should have knowledge of all four perspectives.
- If the metrics of measure are poorly defined, the balanced scorecard will not be as effective.
- If the scorecard is not updated consistently, it may be difficult to determine the effectiveness of your corrective plans.
- The trial and error nature of finding the correct metric and corrective plan, may mean many attempts before seeing improvement.
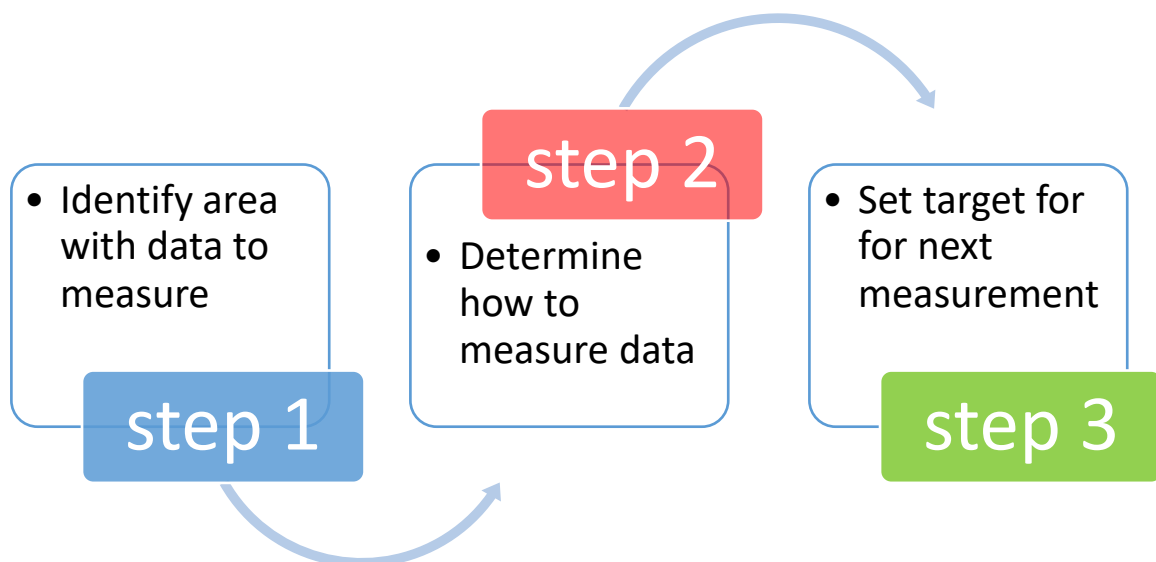- The balanced scorecard primarily focuses on internal problems and not external factors.

**step 2**

- Identify area with data to measure

**step 1**

- Determine how to measure data

- Set target for for next measurement

**step 3**

*Figure 4 Key issues when using this ONLINE S3 application*

## A STEP-BY-STEP GUIDE

Four perspectives are available in the balanced scorecard:



*Figure 5 Balanced Scorecard Perspectives*

Using the input row, data can be entered into the balanced scorecard:



*Figure 6 Data and Input Rows*

Actual data is colored dependent on whether in matches the target value:



*Figure 7 Data and Input Rows*

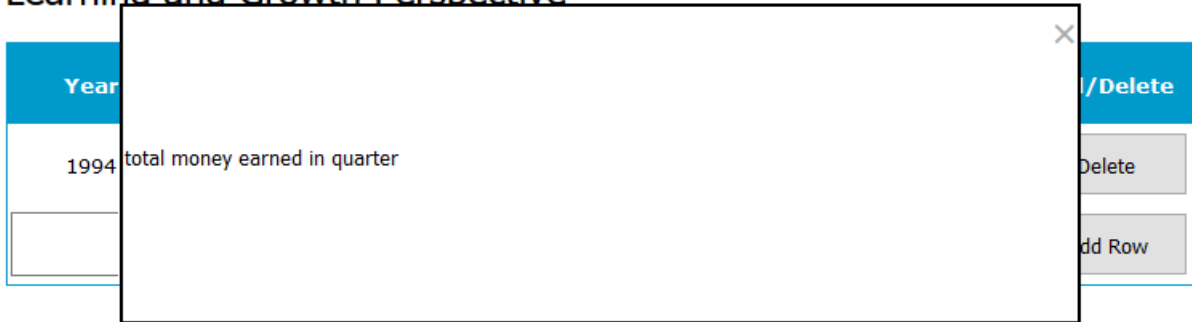Clicking on a data entry will reveal any characters that have been cut off:



*Figure 8 Modal showing hidden data*

To edit the title click the pencil icon next to the title, and then the floppy disk icon to save:



*Figure 9 Editing the balanced scorecard name*

Using the side menu, it is possible to save and load the balanced scorecard in multiple ways. It is possible to save and load from the database. It is also possible to export and import the balanced scorecard to JSON. Lastly, it is possible to export to PDF.
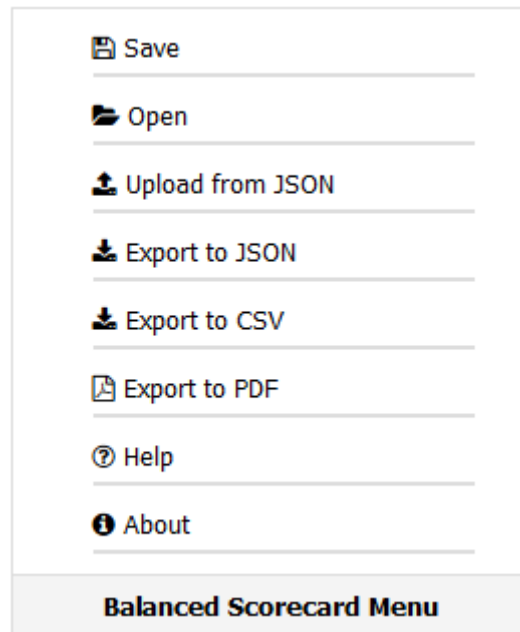


*Figure 10 Balanced Scorecard side menu*

## REFERENCES

Foray, D., Goddard, J., Goenaga Beldarrain, X., Landabaso, M., McCann, P., Morgan, K., Nauwelaers, C., Ortega-Argilés, R. Guide to Research and Innovation Strategies for Smart Specialisation (Ris 3), Smart Specialisation Platform. Regional Policy. available at http://s3platform.jrc.ec.europa.eu/s3pguide: European Commission; 2012.