activity within companies appear worthy of emulation. The challenge is to identify which company to use as a benchmark.

## Balanced Scorecard

Both ROI and benchmarking are lagging indicators, in that they evaluate what happened in the past. These assessment methods provide feedback on past performance, not on how to improve future performance. In contrast, as illustrated in the story of CGF, the balance scorecard technique explicitly establishes objectives, metrics, and indicators. It establishes quantitative and qualitative objectives and how they will be evaluated. The advantage of this approach is that knowledge workers and managers all know what is expected of them to reach the objectives.

The major limitation of the balanced scorecard approach is that the objectives, metrics, and indicators are defined locally and can vary significantly from one corporation or division of the company to another. The CKO or other manager in charge of establishing metrics and indicators could pick the wrong indicators, or too many indicators, or fail to define relevant metrics. For example, in assessing the corporate scorecard, an indicator might be identified as cultural change, with a metric of the number of communities of practice in the corporation. The objective might be to, say, double the number of communities of practice in the corporation within a year. However, whether the number of communities of practice is the best metric of cultural change is debatable. The metric could as easily be the number of interdepartmental e-mail messages, and the objective could be to quadruple the number of such messages per month by the end of the first year of implementation.

Perhaps the greatest value of the balanced scorecard approach to establishing corporate value is that it provides a formal mechanism for recording corporate objectives. Like the request for proposal (RFP), the objectives component of a balanced scorecard serves as a communications