

The Right Team is Critical to Balanced Scorecard Success

Article Highlights:

- Putting in place the right team is vital for Balanced Scorecard success.
- Your Scorecard team should be composed of senior executives who possess a deep understanding of the system, and are committed to its success.



Over the last dozen years or so, I've had the good fortune to be part of hundreds of Scorecard implementations around the globe, first as a Balanced Scorecard pioneer (I was the Scorecard champion at one of the earliest Scorecard Hall of Fame implementations) and now as a consultant and writer on the subject. A simple principle that has been my constant guide during that time is one espoused by the great inventor/artist/philosopher (he has more slashes than a horror movie), Leonardo da Vinci who described himself as a "*Discepolo della esperienza*," or disciple of experience. For me that state of mind translates to learning something new from every single engagement of which I'm fortunate enough to contribute.

The three books I've written on the Balanced Scorecard are primarily based on what I've learned from my clients, as well as my own research into the best practices of organizations committing to the tool. So, if you were to ask me today, based on my experience with the Scorecard, what is the single biggest ingredient to a successful implementation, what would I say? It's simple: putting in place the right team to execute the Scorecard system. In the paragraphs below I'll elaborate on what I mean by the 'right' team, specifically by focusing on who should make up the team, and why they have got to be committed to truly understanding the Scorecard system.

The "Suite" Spot

I'm not talking about a suite at the MGM Grand in Vegas, no the suite to which I'm referring is that occupied by the C-Level executives within your organization: your CEO, CFO, CIO, CHRO, etc. These power players make up the senior leadership team that charts your organization's course for success and navigates the path toward it.

The Balanced Scorecard is a tool exclusively designed to help you execute its unique strategy. Who better to decode that treasure map than the people who developed the strategy in the first place, and that (for your sake) should be the executive team. They have a deep knowledge of markets, competition, environmental factors, and the hundred other



About the author

Paul R. Niven is an author, management consultant, and noted speaker on the subjects of strategy formation and strategy execution with the Balanced Scorecard. He has assisted clients large and small in a wide variety of organizations, including Fortune 1000 companies, public sector agencies, and nonprofit organizations develop successful Performance Management systems. Paul's newest book is "*Roadmaps and Revelations: Finding the Road to Business Success on Route 101*," an entertaining and informative business fable on the topic of strategic planning. His other books include: "*Balanced Scorecard Step by Step: Maximizing Performance and Maintaining Results*" (second edition) which has been translated into over a dozen languages. "*Balanced Scorecard Step by Step for Government and Nonprofit Agencies*" (second edition) and "*Balanced Scorecard Diagnostics*." He may be reached at 760.789.2449 or through his website at www.senalosa.com.

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ingredients that led to the creation of your current plan. Now they must turn their intellectual horsepower to the plan’s execution through the formation of linked objectives and measures on a Balanced Scorecard.

If you’ve created a strategy that is both compelling and easy to understand, then theoretically anyone within your organization, right down to the person answering the phones at the reception desk, should be able to offer a faithful translation through measurement. That’s the power of a transparent strategy, and there’s no denying that attribute is powerful. However, I’m advocating the senior leadership team create the Scorecard not only because of their deep reservoirs of strategic knowledge, but more importantly, because the strategy execution buck ultimately starts and stops with them. The senior team has to set the tone for execution across the enterprise by living and breathing the discipline every day, and that begins with their direct involvement in creating the Balanced Scorecard.

Understanding is Critical

With this group in place you’ve got, as Jim Collins would say, the right people on the bus. In this case the bus in question is the Balanced Scorecard, and the right people are the senior executive

team of your organization. So now you wedge the big yellow door shut, slam the accelerator and fly to Scorecard success, right? Not so fast. Does your team know what they’ve got under the hood of that Scorecard bus? It’s not some clunky, sputter to the corner behemoth. On the contrary, the Scorecard engine can roar like a Ferrari; that is, if your team knows how to handle it. And sadly in my experience that is not always the case.

One of the first items on the calendar when I begin a new client engagement is a half-day Scorecard education session. It’s not uncommon for some to protest the event, claiming they know all about the tool, and the time isn’t necessary. But experience (thank you Leonardo) has taught me that there are inevitably gaps in their knowledge, and it’s my job to smooth those over with a comprehensive primer on what they’re investing in. I’ve never had a single client tell me *after* the session that the time was wasted. Of course I recommend the client invite as many employees as they can cram into the room to attend the session, but I strongly suggest it be mandatory for senior executives, since they will soon be molding the actual Scorecard product. A huge red flag for me is poor executive attendance at these education events. And that lack of participation often

manifests itself in less than stellar performance at future workshops.

I’ve seen many executives of this sort over the years in Scorecard building workshops. They march in, proudly displaying a crisp copy of my or another Scorecard book under their arm, one that has never been subjected to the actual humiliation of being cracked open, and settle in to their chair with the confidence that they can hammer this Scorecard thing out before lunch, leaving ample time for their ‘real work’ to get done.

As a facilitator, I recognize problems almost immediately when this situation arises. Executives who haven’t taken the time to really study what the Scorecard system is all about possess no context for the exercise and often use the valuable workshop time to opine or just complain about things. They may be passionate, they may be opinionated, but are they putting forth real value? Usually not. For those that have done their homework and are focused on creating a Scorecard that truly translates their strategy, the situation is frustrating because they spend valuable time explaining rudimentary Scorecard concepts to their ill-informed colleagues.

I’m intrigued by Formula 1 racing, but that doesn’t mean I’m qualified to strap on a

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helmet and hit the streets of Monaco at 175 miles per hour. There's little doubt I'd be hitting a lot more than the streets, and the results would be disastrous. Although not life and death, it's similar with the Scorecard; you've got to possess a real knowledge of what the tool is and how it works in order to gain the maximum benefits it can offer. At a minimum, those developing the Scorecard must be well versed in: why it was originally established,

how it's used to create value, and of course, the component parts that bring it to life: objectives, measures, targets, and initiatives.

The Power of Teams

A committed team, armed with knowledge and passion, can produce breathtaking works of genius, be it in the arts, science, or even commerce. I've seen it in my Scorecard journeys many times: A Strategy Map that

conveys on one page a clear and stimulating vision of the future - what hours of rhetoric and hundreds of pages of stale documents could never muster. Or a Scorecard of measures that illuminates a shining path forward, facilitating alignment from top to bottom in an organization. Follow the advice in this article and you too can create a Scorecard that electrifies your entire organization.



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i Michal J. Gelb, *How to Think Like Leonardo daVinci* (New York: Bantam Dell, 2004), 78.

ii Jim Collins, *Good to Great* (New York: Harper Business, 2001), 13.