

Ponencia presentada en el 8° Congreso Nacional de Bibliotecología y Ciencias de la Información: "Bibliotecas y Educación en el Marco de la Globalización", organizado por la Asociación Colombiana de Bibliotecólogos y Documentalistas – ASCOLBI. Cartagena de Indias, Mayo 31 a Junio 2 de 2006.

Building Library Success Using the Balanced Scorecard

EBSCO Publishing

By Stratton Lloyd, Director of Customer Satisfaction

TABLE OF CONTENTS

INTRODUCTION

I THE NEED FOR PERFORMANCE METRICS IN LIBRARIES

II CHALLENGES IN DEPLOYING PERFORMANCE METRICS

III SELECTION OF THE BALANCED SCORECARD

IV SAMPLE METHODOLOGY AND ACTION PLAN

V KEY SUCCESS FACTORS

VII APPENDIX 1: BALANCED SCORECARD EXAMPLES

VIII APPENDIX 2: WHAT IS THE BALANCED SCORECARD?

**IX. APPENDIX 3: EXAMPLE ELECTRONIC DATABASE USAGE
ANALYSIS FROM EBSCO PUBLISHING'S EBSCO*host* PRODUCT**

X APPENDIX 4: SOURCES

INTRODUCTION

This paper is the result of over seven years of research on measuring and managing non-profit organizations, government agencies and libraries as well as shared learnings from the many EBSCO Publishing customers. The conclusions are the result of consulting work completed by the author with non-profit and government agencies as well as comprehensive literature research and interviews with experts, both academics and general practitioners, about how different organizations linked their activities to the desired results. The conclusion of this research is that an effective approach to measure and monitor the health of libraries is to use the Balanced Scorecard (BSC) to ensure strategic success. Using the BSC will assist libraries to more effectively manage resources, focus energies, motivate staff, and attract funders.

I. THE NEED FOR PERFORMANCE METRICS IN LIBRARIES

How do you measure your library's success? Is it circulation numbers? Is it the number of patrons? Or the number of searches on your electronic databases? In a recent customer survey, EBSCO Publishing found that over 60% of its customers had no "formal" way of quantifiably tracking organizational success and that over 50% of public and academic libraries used informal customer feedback as their primary metric of success. This difficulty of defining and clarifying success can affect the library as a whole, the community it serves, and the individual employees. While most libraries can communicate their mission and clearly articulate its overall goals, often there are no defined means or metrics that link these goals to the library's activities. Because there are no defined metrics there is no ability to assess success (or failure) of any activity or outlay of resources.

"What you measure is what you get." Managers leading a for-profit, non-profit, or a government agency understand that their organization's measurement system affects the behavior of their employees and the effectiveness of their strategy.¹ As Robert Kaplan, a member of the Harvard Business School Faculty and an expert on performance management, states, "By quantifying and measuring the strategy, organizations reduce and eliminate ambiguity and confusion about objectives and methods. They gain coherence and focus in pursuit of their mission."² Quite simply - first the strategy needs to be clear; then the strategy needs to be linked to key measurable results that apply to the various groups within the organization. And, finally, the data needed for the "measurable results" must exist.³

¹ R. S. Kaplan and D. P. Norton, *The Balanced Scorecard- Measures That Drive Performance*.

² Robert S. Kaplan, *Strategic Performance Measurement and Management in Non Profit Organizations*.

³ Stratton Lloyd, Hannah Wu, Karen Weigert, *Bringing Strategy to Life Through the Balanced Scorecard*.

Without clearly defined metrics there is no way to determine relative effectiveness in achieving the library's mission. This inability can have tremendous impact on many key operations, such as:

- The allocation of funds among programs and resources is difficult: there are no clear guidelines on how to spend money and data does not exist to show that one way is more effective than another.
- The communication of a library's impact on its constituency and community is intangible: a library is unable to communicate to its staff or its constituents that it is effective in achieving its goals and that usage of its resources is efficient. This inability results in an increased difficulty in securing funding and marketing itself.
- The management of staff can be ambiguous and reactive versus proactive: staff roles and the goals are not clearly tied to the strategy, so groups do not know with any clarity whether or not they are performing well and how best to manage their time.

Implementing clearly defined metrics allows a library to directly address its critical challenges, motivate its employees and increase its value and transparency to its constituency. It is important to note that these challenges are not unique to libraries but are common among many non profit and government agencies that suffer from similar operational challenges.

II. CHALLENGES IN DEPLOYING PERFORMANCE METRICS

The impediments to implementing a performance management system in a library, Non-Government Organization (NGO), or government agency are many and very real.

General implementation challenges. Impediments faced by any organization attempting to undergo such dramatic change include the following:

- Organizational change under any circumstance is a long and difficult undertaking. Even in the most change-ready of organizations the implementation of a new system of accountability and a new mindset of quantifiable results takes time (years in most cases).
- An organization's success is often linked to the performance of other organizations. Libraries interact and depend on school boards, faculty, and student groups. Negative actions by any of these groups can impede a library's success.

Library specific challenges. There are also circumstances specific to library environments that make the implementation of performance metrics particularly difficult:

- Gathering and collecting data can be difficult. Only a select set of library tools, such as EBSCOhost Online Databases, offer robust reporting and statistical tools to measure usage and effectiveness. (See Appendix 3 for an example of Usage and Statistics reports).

- The ability to reward performance is limited as Head Librarians may not have discretion over remuneration and little discretion for rapid promotion.
- A lack of capable resources and an inability to allocate a Project Lead to spearhead a formal measurement process is difficult in libraries that are understaffed.
- There may be a resistance to change, as all employees know that funding and goals, particularly in publicly funded libraries, can change rapidly.
- There is a prevalent culture that does not include a strong emphasis on measuring performance primarily due to lack of resources or an inability to systematically collect and synthesize the data.

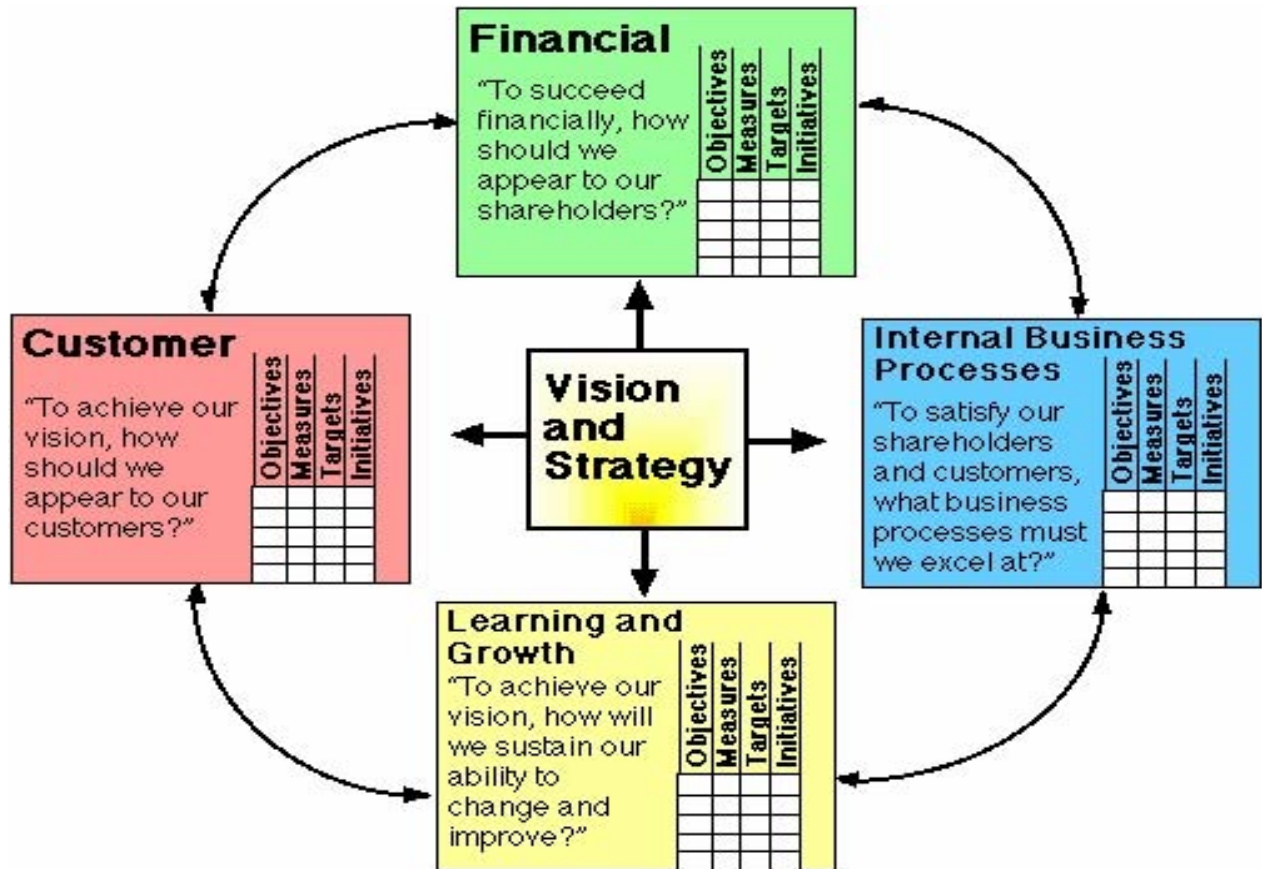
III. SELECTION OF THE BALANCED SCORECARD

Selection of the Balanced Scorecard. A holistic performance measurement system that would reinforce a Library's strategy and complement its resources is the Balanced Scorecard (BSC), developed by Robert S. Kaplan and David P. Norton. The BSC is a performance measurement framework that links the short and long term activities of an organization with the vision, mission, and strategy of the organization through the establishment of measurable, consensus-driven goals. It has been used by several NGOs, Libraries, and Government Agencies, such as, the University of Virginia Library, the United Way of Southern New England, Duke Hospital, the National Partnership for Reinventing Government, the City of Charlotte, and HUD, to assist them with their obligation to address performance management and reporting. According to the recent landmark report by National Partnership for Reinventing Government, "the Balanced Scorecard approach of performance planning, measurement and management is helping agencies achieve results citizens-- whether customers, stakeholders, employees or other -- actually care about."⁴ The BSC approach links the organization's strategic success to four different perspectives: customer, internal business, learning and growth/innovation, and financial accountability.⁵ For a full description of the four perspectives see the Appendix 2.

⁴ R. S. Kaplan and D. P. Norton, *The Balanced Scorecard: Translating Strategy into Action*.

⁵ R. S. Kaplan and D. P. Norton, *The Balanced Scorecard- Measures That Drive Performance*.

The Balanced Scorecard: Four Perspectives⁶



The BSC is particularly applicable to Libraries as it:

- Clearly links the strategy to the core activities of a Library in a structured framework. Rather than focusing on just budget size or informal customer service feedback, the BSC allows Library Managers to focus on several different indicators in an organized manner.
- Has a proven record of being effective and adaptable to all types of organizations including thousands of NGOs, government agencies, libraries and business units.
- Is easily communicable to staff, partners and the public.
- Is consensus driven, relying on the input of stakeholders both internal and external to the organization.

IV. SAMPLE METHODOLOGY AND ACTION PLAN

In order to facilitate the deployment of the Balanced Scorecard a DRAFT Action Plan is detailed below. This plan is the result of best practices compiled across several library, non profit and government deployments.

⁶ Robert S. Kaplan, Strategic Performance Measurement and Management in Non Profit Organizations.

Phase I Introduction of performance metric concept to key stakeholders

The first step is to introduce the “Performance Measurement” plan and concept to key leadership within the library management team. Depending on the size of your organization this meeting may need to be performed once with Sr. Management and once with the Staff upon approval from Sr. Management. The University of Virginia Library did just this and held a “Town Meeting” for its Library Staff to explain the proposal, hear concerns and cultivate support.⁷

- The goal of this presentation is to:
 - Convey the importance of a new performance metric system for the Library staff as far as its ability to increase job fulfillment, empowerment, and library funding;
 - Communicate that these metrics will be developed collectively and are not to punish individuals but rather to improve the effectiveness of their work;
 - Illustrate that this is a two-year process and will take continuous iterations and staff involvement to create, and;
 - Gain Sr. Management and Key Staff support for the plan.
- This introductory presentation should include:
 - An explanation of the *need* for a new performance measurement system;
 - An introduction to the *BSC* and examples of how it will improve strategic effectiveness (Show case studies of Non-Profit and Library examples);
 - The proposed *implementation action steps*;
 - A DRAFT *timeline* of the project.

Phase II Confirm Library mission and strategy

“The start of any performance measurement system has to be a clear strategy statement. Otherwise, performance measures focus on local operational improvements rather than on whether the strategy is being achieved.”⁸

- Work with key leadership to review, hone or formulate the Library’s mission and strategy. This strategy will be the foundation of the Balanced Scorecard.
 - This strategy process should result in:
 - agreement on the library’s mission, and;
 - a set of strategic focuses and key tactics that are aligned with each of the BSC perspectives. See Appendix 1 for Balanced Scorecard Examples and Sample Strategic Goals.

Phase III Selection of indicators and data gathering

The metrics chosen depend on the mission, strategy and values of the organization. Defining the metrics will be a continuous and iterative process through out the life of the BSC and is one of the most difficult parts of deploying the BSC. Four to six metrics should be selected for each BSC perspective. Typically, these metrics are gathered through current data gathering means, as well as, new methods that are easily quantifiable

⁷ James Self, From Values to Metrics: implementation of the balanced scorecard at a university library.

⁸ Robert S. Kaplan, Strategic Performance Measurement and Management in Non Profit Organizations.

and can be mined in a database and through surveys to the appropriate audiences and samples. See the Balanced Scorecard Examples in Appendix 1 for examples of library specific, as well, as NGO and Government metrics used.

- Use the four areas of the Balanced Scorecard to decide on key indicators to be measured:
 - Work collaboratively with Senior Leadership in order to define and build consensus on the key performance metrics.
 - Metrics must be measurable and quantifiable. They should not include language, such as, “Get involved with...” or “Enhance...”. “Scorecard metrics must be specific and measurable so that an observer can say with certainty whether the organization was successful with a given metric- whether it met the target”.⁹
 - Ensure that the metrics are consistent with the library’s Mission and prioritized strategies defined in Phase II.
 - Determine key indicators for three different areas of organizational performance: inputs, outputs, and outcomes.
 - In order to ensure that the metrics both seek to measure the past as well as the future, metrics must include both leading (outcome) and lagging indicators (performance drivers).¹⁰
 - Define Targets for each of the key metrics.
 - Some organizations use 2 tiers of targets, a stretch target and an attainable target. For example, at the UVA Library Target 1 indicates complete success and Target 2 partial success.¹¹
- Allocate resources
 - Assign staff and define teams:
 - Select Four “Champions” to spearhead each of the four different categories.
 - Depending on the size of your organization, the Champion may oversee a small and diverse Team. If a team is developed it should consist of a cross section of organizational skills- diverse representation is a key to success.¹²
 - One “Performance Metrics Manager” responsible for managing the performance metrics process in the future.
 - The responsibility of the “Champions” will be to:
 - Manage the collection of all the data- from within the Library as well as from comparable organizations;
 - Analyze the data. The Champions should use past as well as current data in order to analyze past trends and compare internal data to data from other comparable organizations. Key findings from the data should be synthesized, highlighted, and documented. The data should be placed in a database and then graphed or charted in a user-friendly manner;

⁹ James Self, From Values to Metrics: implementation of the balanced scorecard at a university library.

¹⁰ Robert S. Kaplan, David P. Norton, BALANCED Scorecard: Translating Strategy Into Action, p. 32.

¹¹ James Self, From Values to Metrics: implementation of the balanced scorecard at a university library.

¹² James Self, From Values to Metrics: implementation of the balanced scorecard at a university library.

- Work with other “Champions” to compile BSC data into one document and into one computer storage area for future use;
- Document data gathering processes for future use;
- Transfer the data gathering process to the “Performance Metric Manager”. This person will be responsible for managing the performance metrics on a continuous basis in the future and communicating the data to key internal and external constituencies.

Phase IV Using performance data to improve decision-making

It is imperative that the data gathered is used to drive or confirm strategic thinking. One good exercise to perform prior to deploying the BSC is to develop mock scenarios of possible results and brainstorm how the organization would or would not respond to the data. If the data is not helpful, then it is time to rethink the strategy, the metrics, or the commitment to a new performance management process.

- Hone overall Library strategy.
 - Based on the data, assess if your Library is effectively achieving its strategy in the four BSC areas.
 - Challenge the staff to ask themselves if their work activities are helping the organization to achieve its strategy and serve its customers.
- Recognize and reward those staff and groups who are high performers or have made strong improvements.
 - Example non-monetary rewards are: time off, public recognition, increased independence, job flexibility, and training.
- Seek continuous improvement by linking strategic effectiveness to performance.
 - Continuously challenge the effectiveness of the BSC metrics and their alignment to the defined mission and strategy.

Phase V Communicate findings to constituencies

As the data is collected it should be packaged and communicate to key internal and external constituencies including staff, patrons, funders, and the community (school, city, and university). These communications will build awareness of library resources and programs and assist marketing and fund raising efforts.

- Publish metrics to the public and to all constituents on a periodic basis.
 - Develop an effective way to communicate the findings to the library’s patrons, staff, faculty, partners and community, i.e. the University of Virginia’s Library Balanced Scorecard Website and the City of Portland’s “City Views” publication.
 - Publish both good and bad results to share realistic assessment of current status and to build trust with your constituency.

VI. KEY SUCCESS FACTORS

The following are a list of Key Success Factors collected and synthesized across hundreds of BSC deployments and their extensive lessons learned.

1. Clearly define and communicate the mission of the library. Libraries, as well as Government and Non Profit Organizations, are organized around a general societal good and there is a danger to assuming that the mission is clear and actionable to all employees. The City of Charlotte, for example, needed to first establish a clear citywide strategy before it could attack the problem of not having a clear performance metric system.¹³ Likewise, the University of Virginia strives to ensure that the BSC goals and metrics are synchronous with the University Library’s planning and strategy document.¹⁴

2. Ensure strong leadership and management support. Consistent through out for profit and non-profit deployments of the BSC, success and failure are primarily driven by senior management’s leadership and commitment to change. Pat Plunkett, of the General Services Administration, believed that “the GSA’s principal failure with implementing the BSC was that Sr. Management was slow to see the long term applicability.”¹⁵ Sr. Leadership need not only to be “Supportive”, but must be “Involved” and “Committed” to a new way of management and planning.

3. Measure the right things- not everything. Developing the systems, processes and technology to gather and synthesize the data is extremely time intensive and costly. The BSC should not be a cost burden. Successful BSC deployments select a manageable number of metrics and attempt to leverage current metrics as much as possible. See the Balanced Scorecard Examples in Appendix 1 for detailed examples of focused metric selection.

4. Communicate the performance results to the library’s constituency. Communicating results will build awareness and assist marketing and fund raising or budget efforts. As an example, the University of Virginia Library has developed a public website (www.lib.virginia.edu/bsc/) designed to promote their BSC initiative and communicate the library’s annual results. Likewise, the City of Portland, OR, distributes two documents designed to openly communicate their performance and build a dialogue with the public. The two publications are a monthly newsprint called *The City Review* and *An Annual Report on City Government Performance*.¹⁶

5. Creatively align incentives to the BSC metrics and find new ways of motivating staff. There is an abundance of research that says people are motivated by things that are unrelated to money. In the library world, “profit” is not a key or clear incentive for employees. On the plus side, many library employees are there because of a commitment to public service. Still, managers must recognize that employees need incentives to encourage improvement. A few examples of effective incentives are recognition of an individual or team contribution through awards, additional training, vacation days, and promotions. These non-pecuniary incentives can be as powerful a reward as money.

¹³ City of Charlotte Cases (A) and (B)

¹⁴ James Self, From Values to Metrics: implementation of the balanced scorecard at a university library.

¹⁵ Stratton Lloyd, Hannah Wu, Karen Weigert, Bringing Strategy to Life Through the Balanced Scorecard.

¹⁶ Stratton Lloyd, Hannah Wu, Karen Weigert, Bringing Strategy to Life Through the Balanced Scorecard.

6. Make change based on BSC analysis and demonstrate that change is driven by data.

After the data is collected and analyzed, it is imperative that managers use this data to drive strategic change. If no action is taken, then the BSC program will lose credibility and become an exercise instead of a working tool.

VII. APPENDIX 1: BALANCED SCORECARD EXAMPLES

Below are four Balanced Scorecard Examples across a variety of non profit organizations: a Library, two Non Profit Organizations, and a Government Agency.

LIBRARY EXAMPLE: University of Virginia Library. (www.lib.virginia.edu/bsc/metrics-all-2003-04.html)¹⁷

Focus	Strategic Objectives	Measures
Customers & Users	<p>Provide excellent service to users of the University of Virginia library. Educate users in the skills necessary to fulfill their information needs. Select, build, maintain, and preserve high quality collections that reflect the needs of the library's users and support the university's mission. Provide convenient and timely access to the library's collections.</p>	<ul style="list-style-type: none"> -Student, Faculty Overall Satisfaction and Service Quality Satisfaction - Instruction Satisfaction -Circulation of new monographs - Use of Special Collections - Turnaround time on requests - # of recalls placed per Yr
Financial	<p>Increase the financial base through private donations, other external support, and increased institutional support. Provide resources and services that have a high ratio of value to cost.</p>	<ul style="list-style-type: none"> -% of Non-Institutional monies -Library expenses as a % of Univ. -Amount of unrestricted development receipts -Unit cost of electronic serials, online databases, and ILL transactions
Internal Business Processes	<p>Acquire, create, organize, preserve and deliver information resources in a timely, efficient, and accurate manner. Operate in the most innovative, efficient, and effective way possible.* Continuously identify, review, and improve the processes that have the greatest impact. Provide facilities that promote staff productivity, encourage library use and ensure top quality services.</p>	<ul style="list-style-type: none"> -Processing time for routine cases -Turnaround time for re-shelving -Internal communication rating -Usability ratings on websites* -Process improvement -Internal service Rating by Staff -Reliability of Servers & Equipment -Renovation of major areas
Learning & Growth	<p>Foster learning among its employees to encourage creativity, cooperation, and innovation. Recruit, develop, and retain productive, highly qualified staff. Develop an innovative and effective infrastructure to support library services and various initiatives. Develop and maintain within the library a culture of assessment.</p>	<ul style="list-style-type: none"> -Impact of training -Job Satisfaction of employees -Retention Rate of Employees -Salary Comparables to Peers -Diversity of Staff -E electronic materials expenditures -ARL Index Ranking -Funding from R&D Central Repository development -Implementation of library initiatives -Culture of assessment success

***See Appendix 3: Sample Usage and Session Reports for EBSCO Publishing Online Databases. These reports are good examples of how libraries can easily track, measure and communicate usage success of electronic resources.**

¹⁷ University of Virginia Library: General Information Balanced Scorecard Public Web Site. (<http://www.lib.virginia.edu/bsc/>)

New Profit, Inc. Balanced Scorecard. New Profit is a nonprofit venture philanthropy firm. Their goal is to affect large-scale social change by applying venture capital practices to philanthropy.¹⁸

Focus	Strategic Objectives	Measures
Financial Investors	<p>Fund Capitalization - secure \$4m in fund commitments from Investors using pyramid strategy Operating Revenues - secure 500k operating funds from foundations and friends for FY99 & FY00 Sustainability - manage cash flow to maintain an operating surplus with 3 months cash on hand Efficiency - maintain ratio of 1:4 staff \$/pro bono \$, optimize pro bono and volunteer resources</p>	<p>-Raise \$4.5 million -Maintain operating cash flow with 3 months surplus</p>
Customer: Investors	<p>Build Investor Community - close target investors and engage them in key aspects of NPI network through events, formal roles etc., develop reports to inform investors of performance Investor Satisfaction - use satisfaction survey and one-on-one interviews to solicit feedback Focused Investor Strategy - develop investor segmentation, profiles and marketing strategy to optimize size and scope of funding base</p>	<p>-Close 3 founding and 3 lead investors -Achieve 80% satisfaction</p>
Internal Processes: Portfolio Performance	<p>Growth – set and reach specific growth targets (e.g., increased revenue, expansion to new sites) with portfolio organizations for the life of fund (5 years) Social Impact – set & reach specific targets for increasing the scope of portfolio organization’s social impact (e.g., # of customers/ clients served) for the life of fund (5 years) Balanced Scorecard Performance - build and implement first scorecards for each portfolio organization Satisfaction with Fund Services - solicit satisfaction and feedback from portfolio organizations regarding NPI and Monitor resources; use survey on fund launch; implement feedback Best Practices – share best practices across portfolio organizations</p>	<p>-Create four scorecards with specific targets -Achieve a minimum of 80% performance for portfolio organizations - # shared learning and collaboration events between portfolio organizations</p>
Internal Business Processes: Operations	<p>Portfolio Management - Q3: set terms with portfolio organizations, implement performance management system, Q4: deploy Monitor and NPI resources, continue pipeline development, and develop reporting infrastructure Define Leadership Position - Q3: establish collaborative relationships with intellectual partners (e.g. secure Fidelity relationship, orient key players and larger Monitor community), establish marketing and external community relations; launch public relations, positioning strategy, market research and focus groups; Q4: establish best practices for performance based funding, become policy spokesperson on philanthropic issues (e.g. # of conferences invited to attend, # of press hits, invitations to speak) Board & Governance - Q3: define role of Board, Q4: expand and develop national Board & develop Academic Board Plan NPI Institute - Q4: plan for Institute; determine resources (human and capital) necessary for introduction; formalize leadership position and learning focus</p>	<p>-Finalize terms process with portfolio organizations -Meet targets for press hits and invitations to speak -Secure relationships with 100% of potential intellectual partners</p>
Learning & Growth	<p>Fill Strategic Positions - hire fundraiser, design strategy for attracting and retaining talented staff Technology - Q3: identify technology needs and plan for procurement Knowledge Management - Q4: develop limited but targeted system for improvement and learning related to key processes (due diligence, terms setting, BSC); develop template for process improvement. Alignment - ensure that open lines of communication exist between investors NPI and portfolio organizations through culture building, events, reporting, and focus groups</p>	<p>-Fill 100% of necessary strategic positions -Finalize HR strategies for attracting and retaining staff</p>

¹⁸ Robert S. Kaplan, (Boston: Harvard Business School Press, 1999, Case Study: New Profit Inc.: Governing the Non-Profit Enterprise)

Jumpstart, Inc. Balanced Scorecard (Preliminary): FY99. *Jumpstart* is a non-profit organization whose mission is to engage young people in service to work toward the day when every child in America enters school prepared to succeed.¹⁹

Focus	Strategic Objectives	Measures
Customers	<p>University Satisfaction - attract and satisfy University partners, develop reports and surveys to inform partners and measure satisfaction levels with performance</p> <p>Child and Family Satisfaction with Services - solicit satisfaction and feedback from parents & kids, ___% success measured against Family Involvement Progress</p> <p>Funders Satisfaction - meet the requirements of specific funders (e.g., Americorps minimum guidelines for funding)</p>	<p>-# new sites</p> <p>-# & value of new partners</p> <p>-attain 80% satisfaction</p>
Financial	<p>Diversify Revenue base - increase its sources of funding and secure \$___ in overall revenues</p> <p>Increase Operating Revenues - by ___% for 1999</p> <p>Sustainability - manage cash flow to maintain an operating surplus with 3 months cash on hand</p> <p>Efficiency – cost benefit analysis, (use measure like) maintain net margin of ___%, or staff CM ration etc.</p>	<p>-Increase revenue by \$___</p> <p>-Secure X amount of new funders</p>
Internal Business Processes	<p>Growth - # of new university partnerships launched, # of new sites opened, cost benefit analysis per site</p> <p>Increase Social Impact - improve test (e.g., literacy) scores for program enrollees</p> <p>Corps Member Management - # corps members recruited, retention rates, train and develop corps members most likely to meet program requirement, standard operating procedures for sites</p> <p>Excellence in Curriculum Development - redesign, improvement process for curriculum, assess effectiveness (cost and impact) of delivery</p> <p>Enterprise management - management, communications and control systems to enable delivery system, initiatives and surveys to attract And satisfy new program partners</p> <p>Board & Governance - continue expansion of national Board, Does role of Board need to be evolved?</p>	<p>-# new clients served</p> <p>-Attain 80% performance rate</p> <p>-# core members recruited</p> <p>-Meet turnover rate targets</p> <p>-Establish feedback and communication loops</p>
Learning & Growth	<p>Attract and Retain Staff - build staff capacity and become more competitive at attracting, training and retaining talented staff</p> <p>Staff Development - # targeted training opportunities, build staff skill base to meet growth needs, set performance levels, requirements for staff</p> <p>Technology – formalize technology needs to support learning, track progress, staff and operations.</p> <p>Focused Strategy to Attract Enterprise Partners - develop profile of preferred university partners and marketing strategy to diversify and expand funding base</p> <p>Focused Strategy to Attract Corporate Partners & Funders - develop profile of preferred corporate and funding partners and expand network</p>	<p>-Strategic job coverage</p> <p>-Continuous evolvement of strategic plan</p> <p>-Undertake study to evaluate technology needs of organization</p>

¹⁹ Robert S. Kaplan, (Boston: Harvard Business School Press, 1999, Case Study: New Profit Inc.: Governing the Non-Profit Enterprise)

Government Economic Development Agency. This city agency focused on supporting and promoting small and medium sized business development in its region.²⁰

Perspectives	Goals	Inputs	Outputs	Outcomes
Customer	<ul style="list-style-type: none"> • Relevant services (financing, technical assistance, design assistance) • Improved quality of life • Responsiveness • Accessible services • Customer service ethic 	<ul style="list-style-type: none"> • Actual customer mix 	<ul style="list-style-type: none"> • Total # of customer served, i.e., Loans/Grants made, storefronts renovated, technical assistance provided, Hot-Line • Customer feedback 	<ul style="list-style-type: none"> • Real estate property values • Commercial/residential vacancy rates • Increased locally generated revenues
Internal Business (Service Delivery)	<ul style="list-style-type: none"> • Efficient service delivery • Continuous improvement • Reduced duplication of efforts • Low cost services 	<ul style="list-style-type: none"> • Solvency of individual business served 	<ul style="list-style-type: none"> • Cycle time of customers served for each service • NBM: # of calls made, # of board seats in locale 	<ul style="list-style-type: none"> • Businesses/jobs maintained or created
Innovation and Learning	<ul style="list-style-type: none"> • Relevant employee training and technical resources • Training/hiring to close skill gaps • Correct skill-set for staff interfacing with clients (finance, business manager, coordination) 	<ul style="list-style-type: none"> • Level of staff education • Quality/availability of staff training programs 	<ul style="list-style-type: none"> • Best practice sharing effectiveness • Training 	<ul style="list-style-type: none"> • Improved service delivery time and responsiveness • Increased number of business started • Employee Retention
Financial Accountability	<ul style="list-style-type: none"> • Eliminate marginal activities and services • Outsource service where possible • Loan performance improvements • Incentives for efficient allocation of budgetary resources 	<ul style="list-style-type: none"> • Cost of services • Existence of partnerships 	<ul style="list-style-type: none"> • Internal control and management of loan portfolio • Customer feedback on partnerships 	<ul style="list-style-type: none"> • Increased revenues of companies served vs. avg. growth in region • Loan performance

²⁰ Lloyd, S., Weigert, K., Wu, H., Harvard Business School Social Enterprise Research, 1999.

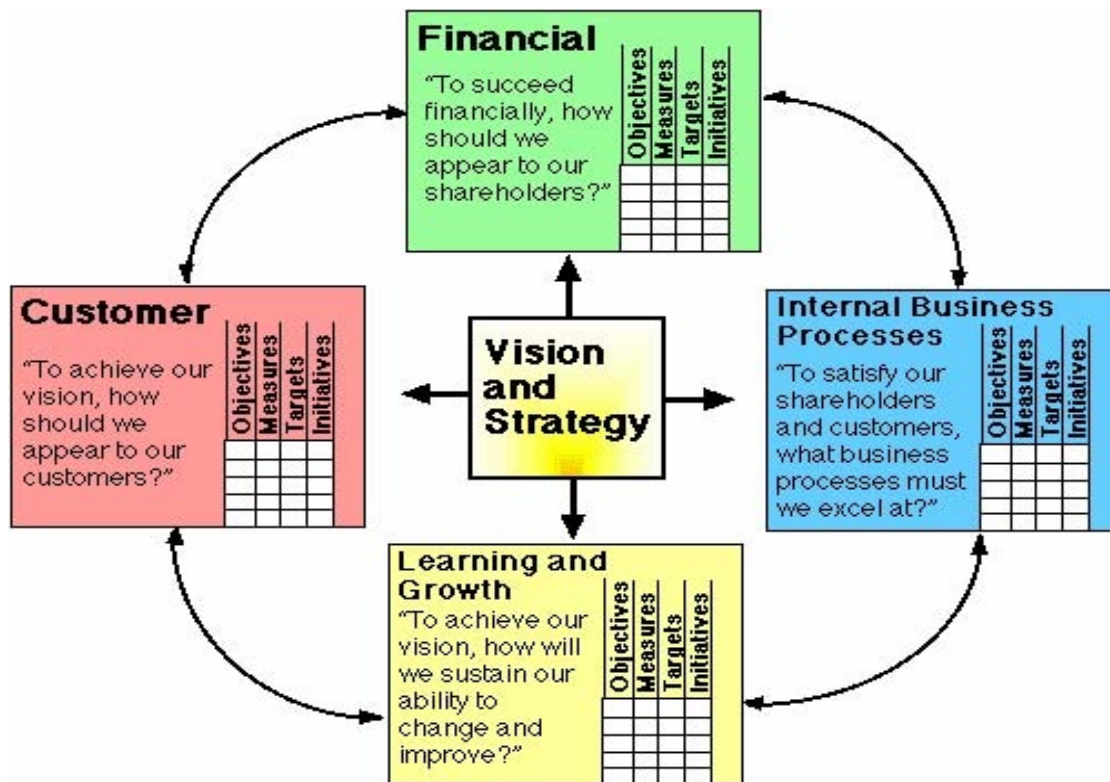
VIII. APPENDIX 2: WHAT IS THE BALANCED SCORECARD?²¹

Below is an overview of the Balanced Scorecard from Paul Arveson of the Balanced Scorecard Institute. This overview was found at www.balancedscorecard.org.

Overview

The balanced scorecard is a *management system* (not only a measurement system) that enables organizations to clarify their vision and strategy and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results. When fully deployed, the balanced scorecard transforms strategic planning from an academic exercise into the nerve center of an enterprise.

The balanced scorecard suggests that we view the organization from four perspectives, and to develop metrics, collect data and analyze it relative to each of these perspectives:



Customer Perspective

Recent management philosophy has shown an increasing realization of the importance of customer focus and customer satisfaction in any business. These are leading indicators: if customers are not satisfied, they will eventually find other suppliers that will meet their

²¹ Arveson, Paul, What is the Balanced Scorecard?, <http://www.balancedscorecard.org/basics/bsc1.html>, 1998.

needs. Poor performance from this perspective is thus a leading indicator of future decline, even though the current financial picture may look good.

In developing metrics for satisfaction, customers should be analyzed in terms of kinds of customers and the kinds of processes for which we are providing a product or service to those customer groups.

Learning and Growth Perspective

This perspective includes employee training and corporate cultural attitudes related to both individual and corporate self-improvement. In a knowledge-worker organization, *people* -- the only repository of knowledge -- are the main resource. In the current climate of rapid technological change, it is becoming necessary for knowledge workers to be in a continuous learning mode. Government agencies often find themselves unable to hire new technical workers, and at the same time there is a decline in training of existing employees. This is a leading indicator of 'brain drain' that must be reversed. Metrics can be put into place to guide managers in focusing training funds where they can help the most. In any case, *learning and growth constitute the essential foundation for success of any knowledge-worker organization.*

Kaplan and Norton emphasize that 'learning' is more than 'training'; it also includes things like mentors and tutors within the organization, as well as that ease of communication among workers that allows them to readily get help on a problem when it is needed. It also includes technological tools; what the Baldrige criteria call "high performance work systems." One of these, the Intranet, will be examined in detail later in this document.

Financial Perspective

Kaplan and Norton do not disregard the traditional need for financial data. Timely and accurate funding data will always be a priority, and managers will do whatever necessary to provide it. In fact, often there is more than enough handling and processing of financial data. With the implementation of a corporate database, it is hoped that more of the processing can be centralized and automated. But the point is that the current emphasis on financials leads to the "unbalanced" situation with regard to other perspectives.

There is perhaps a need to include additional financial-related data, such as risk assessment and cost-benefit data, in this category.

Business Process Perspective

This perspective refers to internal business processes. Metrics based on this perspective allow the managers to know how well their business is running, and whether its products and services conform to customer requirements (the mission). These metrics have to be carefully designed by those who know these processes most intimately; with our unique missions these are not something that can be developed by outside consultants.

In addition to the strategic management process, two kinds of business processes may be identified: a) mission-oriented processes, and b) support processes. Mission-oriented

processes are the special functions of government offices, and many unique problems are encountered in these processes. The support processes are more repetitive in nature, and hence easier to measure and benchmark using generic metrics.

IX. APPENDIX 3: EXAMPLE ELECTRONIC DATABASE USAGE ANALYSIS FROM EBSCO PUBLISHING'S EBSCOhost PRODUCT

EBSCOhost Example Analysis: Database Usage by Sessions (visits), Searches, Full Text accessed and other parameters.

Database Usage Report Detail Level: Database Period: September 2004 - September 2005

Database Name	Sessions	Searches	Requests					
			Total Full Text	PDF Full Text	HTML Full Text	Smart Link	Custom Link	Abstract
Academic Search Premier	279703	358188	580990	243664	337326	5231	31547	252429
PsycINFO	79662	260622	7471	0	7471	35363	54641	302604
ERIC	23059	75282	2946	0	2946	6583	7050	56816
MLA International Bibliography	18370	51996	4626	0	4626	5632	9608	56433
Education Abstracts	10680	37107	664	0	664	4185	2647	18047
ATLA Religion Database with ATLASerials	12253	35709	3946	0	3946	5004	4539	31275
Inspec	5378	14329	65	0	65	573	1507	15344
MasterFILE Premier	4109	6711	8673	2399	6274	45	149	3178
Scientific American Archive Online	1991	4617	4968	4968	0	0	0	1566
Military & Government Collection	2742	4381	15842	621	15221	4	72	867
MLA Directory of Periodicals	987	3797	0	0	0	0	53	469
Alt HealthWatch	2387	3760	6637	904	5733	8	31	2146
Primary Search	761	3653	179	12	167	1	3	73
MagillOnLiterature Plus	1665	3599	4123	0	4123	0	0	693
Environmental Issues & Policy Index	1432	3550	118	0	118	733	708	3580
ATLA Religion Database	609	2518	64	0	64	159	226	1045
NTIS	401	1570	42	0	42	0	0	1389

EBSCOhost Example Usage Analysis: Total Database Usage by Customer.

Session Usage Report Detail Level: Site Period: September 2004 - September 2005

Site	Sessions			Searches	Requests					
	Count	Average Length			Total Full Text	PDF Full Text	Image/Video	Smart Link	Custom Link	Abstract
Example Customer	504247	98		887967	643355	253195	250	65135	113226	765465

Close Page 1 of 1

[Top of Page](#)

© 2005 EBSCO Publishing. [Privacy Policy](#) - [Terms of Use](#)

X. APPENDIX 4: SOURCES

Secondary research

“City Within a City: Neighborhood Quality of Life Index” and “City Within a City: Neighborhood Quality of Life Index: Technical Report.” Prepared by the UNC Charlotte and the Urban Institute; May 30, 1997.

Barkdoll, Jane and Kamensky, John, “*Key Factors that make a Balanced Scorecard Successful*”, Washington DC, PA Times, July 2005, p.1.

DiIulio, Jr., John “The Church and the ‘Civil Society.’” *The Bookings Review*, Washington; Fall 1997; Vol. 15, Iss. 4.

Kaplan, Robert S. “City of Charlotte (A)” and “City of Charlotte (B)” Cases of the Harvard Business School, 1998.

R. Kaplan, *Strategic Performance Measurement in Non Profit and Governmental Organizations* (Boston, 1998)

R. Kaplan and D. Norton, *The Balanced Scorecard- Measures That Drive Performance* (Boston: Harvard Business Review, 1992)

R. Kaplan and D. Norton, *The Balanced Scorecard: Translating Strategy into Action* (Boston: Harvard Business School Publishing, 1996)

Katz, Bruce “Give Community Institutions a Fighting Chance.” *The Brookings Review*, Washington; Fall 1997; Vol. 15, Iss. 4.

McGowan, Robert and Dennis Wittmer “Gaining a Competitive Edge: Economic Development Strategies for State and Local Governments.” *Public Administration Quarterly*, Randallstown; Fall 1998; Vol. 22, Iss. 3.

Poll, Roswitha, “Performance, processes, and costs: Managing Service Quality with the Balanced Scorecard”, *Library Trends*, Illinois, Spring 2001, Vol. 49, Issue 4.

Self, James “From Values to Metrics: Implementation of the balanced scorecard at a university library”, *Performance Measurement and Metrics*, United Kingdom, Volume 4, Number 2, 2003, pp. 57-63.

Sherman, Hugh and David S. Chappell “Methodological Challenges in Evaluating Business Incubator Outcomes.” *Economic Development Quarterly*, Thousand Oaks; Nov. 1998; Vol. 12, Iss. 4.

R. Simmons, “Control in the Age of Empowerment”, (Boston: Harvard Business Review, 1995)

Hannah Wu, Karen Weigert, and Stratton Lloyd, “Bringing Strategy to Life Through the Balanced Scorecard”, 1999).

Websites

The Balanced Scorecard Institute

University of Virginia Library

Alliance for Nonprofit Management

Canadian Centre for Philanthropy

Innovations in American Government

Nonprofit Online News

Peter F. Drucker Foundation

National Partnership for Reinventing Government