

A design thinking approach to creating a balanced scorecard

1. Draft a strategic objective for each quadrant

The purpose of a strategic objective is to define, for your organization, the goals and purpose of reporting on each section of the business; ultimately, why is this area of the organization important enough to earn one full quadrant of the scorecard and how this piece of the puzzle ties to the overall mission of the organization.

2. Identify each of your stakeholders and briefly, what they each care about at your organization

3. Brainstorm metrics

Similar to the process we used in the session, have your team of participants brain dump every metric you might use to evaluate the organization - then place them into the most relevant quadrant. Remember that good metrics are objective and unbiased, statistically reliable but inexpensive to collect, primarily quantitative but lead to good qualitative discussions, and robust.

4. Vote for the metrics (using 3 different screens)

Screen 1: Stakeholder - assign each person a stakeholder and have them vote for metrics through that lens

Screen 2: Ease of collectability

Screen 3: Mission-relevance

5. Rank your metrics in order based on the votes - then make any adjustments needed

You may determine that one lens of voting is more important than another, so you want to weight it more heavily. You may also consolidate metrics, add new metrics you didn't identify earlier in the process, or more carefully define each metric.

6. Define each metric, how you will report on it, and a target or acceptable range where appropriate

7. Create your first draft scorecard and share with a larger group of staff and/or the Board for feedback.

8. Revise based on feedback, implement, and continuously revisit. The scorecard is never truly "finished."

FINANCIAL	Internal Stakeholders			TOTAL
	Ease of Collecting Data	Mission Relevance		
Available cash/ Cash flow analysis	2	6	6	14
Clean audit (no findings)	5	4	2	11
Change in net assets (and/or unrestricted net assets)	2	4	2	8
Program costs versus program-specific revenue	4	4		8
Revenue growth	1	2	3	6
Average giving per donor	1	2	2	5
Reserve coverage ratio	2	1	2	5
% unrestricted revenues			5	5
Internal controls	3	1		4
Fundraising expense (as a percent of total)		1	2	3
Cash from operations	2	1		3
Financial ratios (in general)		1	1	2
Cost to raise \$1	2			2
Net income trends			2	2
Growth in donations	2			2
Receivable collections	2			2
Management and general expense ratio	2			2
Annual unrestricted surplus	1	1		2
In-kind ratio			1	1
Days cash on hand		1		1
Change in annual cash balance		1		1
Program expense ratio		1		1

IMPACT/AUDIENCE	Internal Stakeholders	Ease of Collecting Data	Mission Relevance	TOTAL
Number of new clients	2	7	4	13
Percent of clients attending financial class	2	4	5	11
Number of clients who have retained employment (3,6,9,12 months)	4	1	5	10
Contracted units delivered	2	3	2	7
Client self reporting of if they received the assistance they were seeking	2	2	1	5
Number of hours of case management	1	2	2	5
Percent of clients in case management		1	2	3

INTERNAL PROCESS	Stakeholder			Ease of Collecting Data			Mission Relevance			TOTAL			
Evaluation process of each program to determine effectiveness	3	3	6	3	3	6	3	3	6	3	3	6	12
Policies and procedures meet COA guidelines	2	4	5	2	4	5	2	4	5	2	4	5	11
Time and effectiveness study of each staff	3	7	0	3	7	0	3	7	0	3	7	0	10
Software systems	3	3	3	3	3	3	3	3	3	3	3	3	9
Customer satisfaction survey	1		7	1		7	1		7	1		7	8
Needs assessments of the community	2	3	3	2	3	3	2	3	3	2	3	3	8
Data	2	4		2	4		2	4		2	4		6
Staff turnover	1	3	1	1	3	1	1	3	1	1	3	1	5
Compliance with state, local, and federal regulations	2	2	1	2	2	1	2	2	1	2	2	1	5
Change in PQU reporting needs	1	1	1	1	1	1	1	1	1	1	1	1	3
Communication levels	1		1	1		1	1		1	1		1	2

LEARNING AND GROWTH		Internal Stakeholders	Ease of Collecting Data	Mission Relevance	TOTAL
Staff retention rate	4	6	8		18
Lawsuits	5	3	1		9
Safety statistics	6	2	1		9
Staff satisfaction survey results	2	1	6		9
Average compensation by level	2	3	2		7
Number of employees (trends)		5			5
Promotion rates	1				1