



## STRATEGY MAPPING AND BALANCED SCORECARD

### Ways to Integrate Quality, Planning and Assessment

In the last newsletter we described three planning tools that units have found particularly helpful, the Affinity Diagram, the Radar Chart and the Importance/Satisfaction Survey. This newsletter presents two related tools that will assist units in their efforts to integrate planning and assessment—Strategy Mapping and the Balanced Scorecard.

#### Strategy Mapping

Strategy mapping is a concept that has recently emerged in the business literature, and is being used in hundreds of corporations. Basically, this tool enables an organization to illustrate objectives, use appropriate measures to assess performance, and clarify the linkages between drivers and strategic outcomes. Strategy mapping is a way for an organization such as Penn State that has well-established planning routines to better link planning to the activities, responsibilities, and managerial systems of operational units. Strategy mapping is described in a Sept/Oct 2000 Harvard Business Review article, "Having Trouble with Your Strategy? Then Map It" by Robert S. Kaplan and David P. Norton. The Commonwealth College is currently piloting a strategy mapping effort. Gene Melander and Bill Curley serve as point persons for ongoing discussions of strategy mapping in the College, and invite anyone interested in the tool to contact either of them. For more information about strategy mapping, see the Planner's Network on the Center's website at <http://www.psu.edu/president/cqi/> or contact Mike Dooris at [mjd1@psu.edu](mailto:mjd1@psu.edu).

#### Balanced Scorecard

In 1992, Kaplan and Norton introduced their balanced scorecard concept; over the course of about eight years the concept evolved into the strategy mapping technique described above. The balanced scorecard is a supplement to traditional financial measures. It utilizes criteria from the same four perspectives: financial, customer, internal business process, and learning and growth.

Scorecards can be a valuable tool for developing and communicating objectives and strategies, balancing trade-offs, and linking activities to the direction of the organization. They are becoming widely used in higher education to measure performance and establish a clear direction for the organization.

The Center for Quality and Planning recommends that, when appropriate, CQI teams use the following scorecard as a guide to measure the improvements that their team achieves:



### Measuring improvement

#### FINANCIAL

- Achieving Annual Cost Savings
- Increasing Revenue/Customers
- Achieving One-Time Cost Savings
- Reducing Space Needs

#### TIME

- Implementing New Technology
- Improving Work Space
- Reducing Cycle Time
- Streamlining/Re-engineering

#### SATISFACTION

- Improving Communication and Workplace Climate
- Exceeding Customer Expectations
- Enhancing Instructional Support
- Improving Teaching and Learning
- "Doing More With Less"
- Strengthening Faculty and Staff Development

#### Balanced Scorecard Workshop

To learn more about using a balanced scorecard, consider attending "Using the Balanced Scorecard to Improve Performance" on Wednesday, April 11, from 10:00 AM – 4:00 PM in the Nittany Lion Inn Boardroom II on the University Park campus. The Center for Quality and Planning is co-sponsoring this workshop with the National Consortium for Continuous Improvement (NCCI).

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*This is a bi-monthly publication, distributed to Penn State administrators and CQI team members. If you have any comments about what you read here, or if you would like to suggest items for future newsletters, please contact Louise Sandmeyer, executive director of the Center for Quality and Planning, or Carol Everett, associate director, at 814-863-8721 or [psucq@psu.edu](mailto:psucq@psu.edu). To subscribe or to read past issues, see the Center's website at <http://www.psu.edu/president/cqi/>.*

Facilitators are **Chet Warzynski**, Director, Organizational Development & Employment Services, Cornell University; and **Ron Coley**, Associate Vice Chancellor for Business & Administrative Services, University of California-Berkeley. The luncheon speaker is **James Ryan**, Vice President for Outreach and Cooperative Extension at Penn State.

You will come away from this workshop with:

- 👉 An understanding of the Balanced Scorecard, including guidelines and templates for developing your own scorecard
- 👉 Examples of Balanced Scorecards in Business & Administrative Services and Human Resources.
- 👉 Strategies and measures for improving organizational performance
- 👉 Plans for involving staff and implementing the scorecard at your institution
- 👉 Best practices and lessons learned from other universities

The workshop cost is \$75/person, which includes lunch. To register, see the NCCI website at [www.ncci-cu.org](http://www.ncci-cu.org) or call 814-863-8721.

### Quality Expo

Don't forget to attend the 9<sup>th</sup> annual Quality Expo on April 12 from 10 AM to 2 PM in the Nittany Lion Inn. Over 40 teams from Penn State and other organizations will exhibit their progress and results. The Quality Expo will also feature sessions on "Leadership for Institutional Innovation" by **Rodney Erickson** and **Gary Schultz**, and "e-Technology as a Tool for Change and Process Improvement" by **Judy Olian** and **Nirmal Pal**. For more information, please visit the Center's web site at [www.psu.edu/president/cqi/expo2001](http://www.psu.edu/president/cqi/expo2001).

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