

Strategy Maps and Balanced Scorecards Using Business Tools to Align Strategies and Communicate Value

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Strategy Maps and Balanced Scorecards

Measurement and Communication

'Strategy maps and Balanced Scorecards constitute the measurement technology for managing in a knowledge-based economy.

'By translating their strategy into the logical architecture of a strategy map and Balanced Scorecard, organizations create a common understandable point of reference for all their units and employees.'

(Kaplan & Norton, 2001: 11)



The Balanced Business Scorecard

A strategic performance measurement framework, providing a comprehensive view of business performance and relating measurement to strategy, vision and mission – invented by Kaplan & Norton (1992, 1996).



Balanced Business Scorecard

- A strategic performance measurement system enabling broader assessment of organisational performance than traditional indicators
- Helps managers look beyond financial metrics and physical assets to customer measures and intellectual capital (e.g. innovation and learning)
- Combines 20-30 measures from 4 perspectives to give a fast but comprehensive and balanced view of how an organisation is performing

(Kaplan & Norton, 1992)

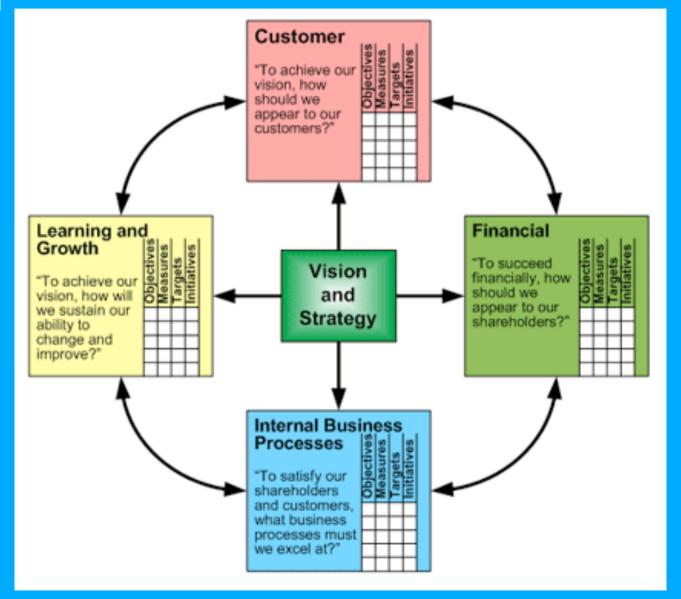


The Balanced Business Scorecard

4 Perspectives on performance

- Financial or shareholder
- Customer or service
- Internal process
- Innovation and learning

(Kaplan & Norton, 1992, 1996)



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Benefits of the Balanced Scorecard

- Not only provides a fast comprehensive view of business performance, but also connects measurement with strategy and vision
- In addition, the customer focus encourages organisations to direct management attention towards critical processes (rather than functions)
- The balanced approach has made the system popular with organisations in the public sector and with academic, national and public libraries



Mission
Why we exist

Core Values
What we believe in

Vision
What we want to be

Strategy
How we plan to get there

Balanced Scorecard

How we will know that we have arrived

Strategic Initiatives
What we need to do

Personal Objectives
What I need to do

Translating a
Mission into
Desired
Outcomes

(Kaplan & Norton, 2001: 73)



Strategic Outcomes

Satisfied Stakeholders Delighted Customers

Effective Processes

Motivated and Prepared
Workforce



The Mission

Funder Perspective

'If we succeed, how will we look to our taxpayers (or donors)?'

Customer Perspective

'To achieve our vision, how must we look to our customers?'

Balanced Scorecard for the Public Sector

Internal Perspective

'To satisfy our customers and financial donors, which business processes must we excel at?'

Learning and Growth Perspective

'To achieve our vision, how must our organization learn and improve?'

(Kaplan & Norton, 2004: 8)



Information Literacy Scorecard

Shareholder/financial perspective How do we look to our funders?

Goals

Economy

Growth

Measures

- Unit costs (e.g. marking student bibliographies)
- Income generated (e.g. IL courses delivered to local businesses and professionals)

Customer/service perspective How do we look to our clients?

Goals

Quality

Measures

- Satisfaction rating (e.g. evaluations by students of teaching)
- Penetration Participation levels (e.g. % taught units where IL embedded)

Internal/process perspective What must we excel at?

Goals

Measures

- Reliability Percentage downtime
- Efficiency Trainee hours per member of teaching staff

Innovation/learning perspective Can we continue to improve?

Goals

New modes

Expertise

Measures

- Online products (e.g. custom VLE tutorials)
- · Qualifications gained (e.g. PGCert in L&T)



Critical Success Factors

Lessons Learned from BSC Deployment

- 1. Define and communicate clearly the library mission.
- 2. Ensure strong leadership and management support.
- 3. Measure the right things, not everything.
- 4. Aggressively communicate the performance results to the library's constituency.
- 5. Align incentives creatively to the BSC metrics and find new ways of motivating staff.
- 6. Make change based on BSC analysis, and demonstrate that change is data driven.

(Lloyd, 2006)



Strategy Mapping

A strategy development and strategic management system, which uses Kaplan & Norton's (1992) four perspectives to define goals and show their cause-and effect relationships in an easy-to-read one-page summary that can be communicated throughout the organisation.



Strategy Maps

- Concept introduced by Kaplan & Norton (2000) as a framework for developing and implementing strategies based on the Balanced Scoredcard perspectives
- Strategy maps use the BSC framework to define objectives related to the four perspectives and then display their important cause-and-effect relationships
- They enable managers to capture their plans in an easyto-read one-page graphical summary and to connect vision, strategy and resources at all organisation levels
- A key feature of the model is its emphasis on communicating the strategy to the whole workforce



Mission Why we exist

Values
What's important to us

Vision
What we want to be

Strategy
Our Game Plan

Strategy Map
Translate the Strategy

Balanced Scorecard
Measure and Focus

(Kaplan & Norton, 2004: 33)

'The balanced scorecard

is a step in a continuum

that describes

what value is and

how it is created'

Targets and Initiatives
What we need to do

Personal Objectives
What I need to do



Strategic Outcomes

Satisfied Shareholders

Delighted Customers

Efficient and Effective Processes

Motivated and Prepared Workforce



Library Strategy Map Contents

'Library Strategic Plan on a Page'

- Vision and/or Mission (Purpose) statement
- Strategic (Key) Themes and Objectives grouped under the four Balanced Scorecard perspectives
 - Customer Value Proposition or Customer/User Needs
 - Financial Sustainability or Funders' Requirements
 - Internal Process or Improving Effectiveness
 - Learning and Growth or Potential (Staff Development)
- American examples have 12-13 objectives,
 British examples have 30-31 objectives



Library Strategy Map Guidelines

'Visual framework for a library's strategy'

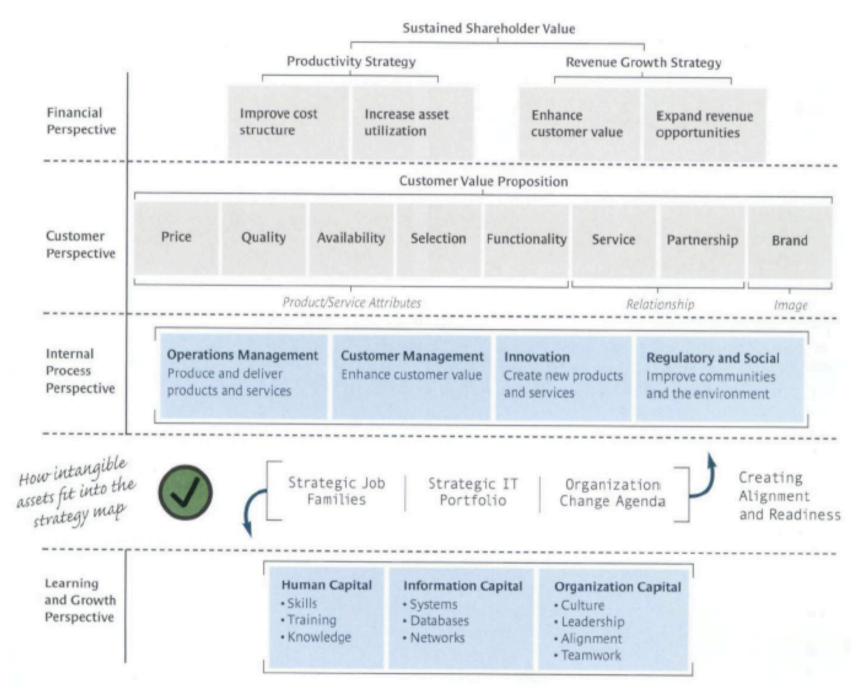
A good strategy map will link together

Organizational Readiness
Perspective

- the overall customer value proposition,
- the desired productivity goals for internal processes
- the capabilities required from the library itself (staff skills, information technology and leadership),
- the characteristics of a physical collection and electronic database provision,
- the budget and other financial resources required to deliver the library's vision

 Information Resources Perspective

Matthews, 2008: 58



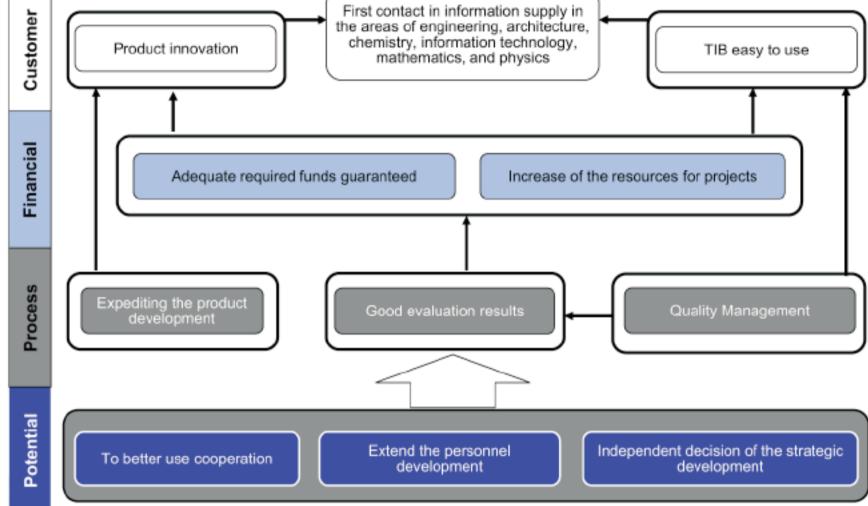
Strategy map template with intellectual capital items (Kaplan & Norton, 2004: 55)



Examples of Library Strategy Maps

German National Library of Science and Technology, Johns Hopkins University The Sheridan Libraries, Leeds University Library, McMaster University Library, University of Virginia Library, University of Warwick Library

The TIB is the nationally and internationally most successful specialist library for literature and information supply in the areas of engineering as well as architecture, chemistry, information technology, mathematics, and physics. First contact in information supply in the areas of engineering, architecture, chemistry, information technology, TIB easy to use



German National Library of Science and Technology (Düren, 2010: 162)





Mission: To advance research, teaching, learning at Johns Hopkins University by providing relevant and significant collections, services, and instruction for faculty, students, and staff. The Sheridan Libraries through the University Libraries Council partners with other Johns Hopkins Institutions libraries to maximize support for our constituents while minimizing costs.

Programs

Customer Needs

Provide productive, usercentered workspaces (virtual and physical) Ensure fast, easy access to resources and services needed for research and teaching

Financial Perspective

Minimize costs

Develop strong support base

Internal Processes

Communications

Promote resources and services

Integrate and strengthen instructional and research support services and programs

Create productive research, learning, study, and social space

Operational Efficiency

Identify and improve processes and infrastructure with greatest impact

Learning And Growth

Recruit, develop, and retain productive highly qualified staff Promote an adaptive, collaborative, diverse, engaged, innovative workplace

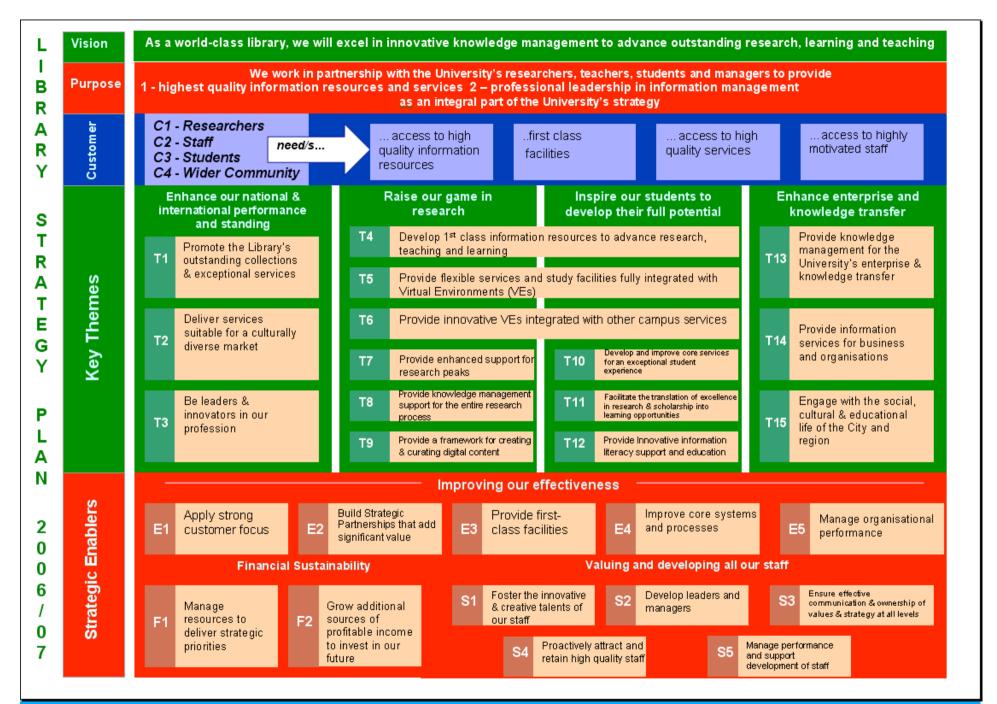
Expand and preserve

access to information

including digital library

development

Create a culture of assessment and accountability





Strategy Map

Mission: advance teaching, learning and research at McMaster by teaching students to be successful, ethical information seekers, facilitating access to information resources, providing welcoming spaces for intellectual discovery and promoting the innovative adoption of emerging learning technologies

Customer Create world-class Strive for Improve discovery of teaching & exemplary service and access to learning that is responsive scholarly resources environments to user needs Internal Processes Marketing and **Operational Effectiveness** Services Communications Enhance the Library's Promote the Library's Integrate the Library commitment to strategic role in the discovery, into the University's planning dissemination, and teaching, learning, preservation of Track efficiency and and research mission knowledge effectiveness of Library programs and services Develop highly-Learning & Growth Nurture a healthy, trained, Encourage Grow an collaborative, and technologicallyinnovation and evidence-based dvnamic fluent superlative risk taking culture organization staff Increase alternate sources of Finances revenue e.g. fundraising, Align the Library's budget grants and revenue with the University's mission generation



The intellectual crossroads where research and teaching, tradition and innovation, faculty and students all intersect.

Facilitate world-class research, teaching and learning through leadership in the creation, access, use, and preservation of information and knowledge for scholars at the University of Virginia

Customer Perspective

Easy access to superb information and resources Welcoming spaces that promote productivity and collaboration

Services and programs that add value to scholarship

Financial Perspective

Increase financial base for unrestricted funds Focus on resources & services with high ratio of value to cost

Maintain funding levels to responsibly steward the University's knowledge resources

Internal Processes

Marketing & Communications

Promote Library as intellectual crossroads

Library Services

Develop effective digital services

Align administrative, technical, and public service priorities

Operational Efficiency

Prioritize strategic programs and adjust budget and staffing accordingly

Strategic Skills / Workforce

Learning And Growth

Recruit, develop, and retain productive, highly qualified staff

Infrastructure

Implement space and technology upgrades to support cutting-edge services and initiatives

Culture

Promote culture of assessment and accountability

Develop "community" model of leadership and organization

Library Strategic Plan on a Page 2009/10 MISSION: Connecting you with information, support and your community to enhance Warwick's research, learning and teaching Strategic Theme 1: To make Warwick an undisputed world leader in research and scholarship Strategic Theme 3: Enhancing the Library environment Strategic Theme 2: To sustain an exceptional teaching and learning experience at Warwick Strategic Theme 4: Developing the University and Library infrastructure STAKEHOLDERS & PARTNERS: Our users require:-Our funders require:-Our partners require:high return support for customerproductive access to engaged catalyst support excellent focused working service for the an eaching & services & relationships levelopment excellent motivated ınvestment change university's facilities earning portfolio o staff research virtual & experiences ambitions resources A1: Develop proposals & costed plans to manage and promote the B1: Implement new staff structure, operations and staff skillsets to increase direct C1: Increase use of the Library as an institutional shared space institution's intellectual assets through WRAP and related services support for the academic enterprise (Theme 1, Theme 2, Theme 4) (Theme 3, Theme 4) (Theme 1, Theme 4) A2: Engage with IAS & Faculty Research Committees on how to B2: Plan to upgrade the remaining Floors of the main Library and the MRC seeking. C2: Support collaborative activities through the Teaching Grid, The Learning Grld and Research Exchange to develop and promote Innovative teaching and research (Theme 1, Theme 2, Theme 4) develop researcher support through the Research Exchange, Including external funding where appropriate (Theme 3) support for multi-disciplinary research (Theme 1, Theme 3, Theme 4) A3: Develop and implement a plan to increase awareness of and B3: Refine the remodelled Library configuration and user support model to promote C3: Build on the repository infrastructure to develop services to considerate use and community ownership of Library space (Theme 2, Theme 3) collect, manage and promote Institutional assets such as research support for the changing scholarly communications agenda (Theme 1. Theme 4) outputs (Theme 1, Theme 4) A4: Enhance methods of monitoring and meeting research resource B4: Develop use of and showcase the MRC as an institutional research and learning C4: Seek to develop linkages with "academic champions" in order to Increase academic engagement in Library and MRC matters (Theme 1, Theme 2, Theme 4) requirements to provide best fit with the University's developing research portfolio (Theme 1) facility, considering business and external funding opportunities where appropriate (Theme 1, Theme 4) B5: Target resource to Improve taught course support and continue existing A5: Increase stakeholder engagement with the Teaching Grid & strengthen the links with The Learning Grid (Theme 2) CS: Explore opportunities for further integration of services to Investment in research resources (Theme 1, Theme 2) support research and teaching (Theme 4) A6: Implement business process reviews of library operations (Theme B6: Employ Web 2.0-based and other technologies to enrich and personalise resource C6: Consider ways to develop infrastructural services offered by 1. Theme 2. Theme 4) discovery and delivery through a Warwick Digital Library (Theme 1, Theme 2). academic support departments A best practice and differentiated research support portfolio The means to satisfy their information requirements conveniently and effectively Collaborative approaches to developing the University's research support systems progr Sustained improvement in student barometer survey Library rankings Improved support for curriculum development and delivery improved integration of student and teacher support A 'Fit for the 21st Century' physical environment meeting learning and Flexible spaces and facilities supporting different needs at different times Effective collaboration as associates and providers in Library Innovative academic and institutional support services and policy A stair structure, operations and services configured to fit their needs Strategic lead in appropriate areas of service identification and developments to support the Institutional Information landscape development



Example of an Information Literacy Strategy Map

Based on data collected in investigating the development of information literacy strategies in a sample of institutions

	II	IFORMATION LIT	ERACY STRATEG	Y MAP	
Vision	Information Literacy is a core competence of the University enhanced by the educational partnership of Librarians, Teachers, Researchers, Students and Managers working together at the frontiers of knowledge				
Purpose	Our mission is to help all members of the University develop the ability to find, evaluate, manage and use information effectively for academic, professional and personal purposes by providing: • strategic institution-wide information leadership • world-class information literacy education • a conducive information environment				
	Financial Sustainability		Customer Value Proposition		
Stakeholder Concerns	FI Achieve required efficiency savings	F3 Grow external project funding	O1 Strengthen frontline and roving IL support	OS Develop customised IL tutorials	Cō Launoh data literacy unit
	F2 Expand income- generating activities	F4 Win learning development grants	O2 Establish student IL mentoring network	O4 Extend integration of IL in ourriculum	O6 Enhance research training program
Effective Operations					
Internal Processes	PI Exploit new learning technologies	P2 Increase reusable learning objects	P3 Formalise internal co-ordination	P4 Adopt institutional IL standards	P5 Build academic and professional teams
	A Motivated and Prepared Workforce				
Learning and Growth	L1 Promote IL knowledge sharing	L2 Define competency framework	L3 Develop assistants as learning facilitators	L4 Build workforce strategic skills	L5 Stimulate IL research and scholarship
Strategic Themes	↑ Value for Money ↑ ↑ Inclusive Community ↑ ↑ Professional Leadership ↑				



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University of California Berkeley (2010) *Library Bindery Strategy Map.* http://bas.berkeley.edu/strategy/scorecard/library_bindery_strategy_map

University of Warwick Library (2009) *Library Strategy Map 2009/10*. http://www2.warwick.ac.uk/services/library/main/basics/about/aims/



Recommended Reading

Kaplan, R.S. & Norton, D.P. (2004) 'Measuring the strategic readiness of intangible assets', *Harvard Business Review*, 82 (2), 52-63

 covers the extension of the Learning and Growth perspective to intellectual capital and its incorporation in Strategy Maps.

Kaplan, R.S. & Norton, D.P. (2008) 'Mastering the management system', *Harvard Business Review*, 86 (1), 62-77

- includes a useful resource list for strategic planning.



Information School, The University of Sheffield www.shef.ac.uk/is