The measures of success

Developing a balanced scorecard to measure performance
The Accounts Commission is a statutory, independent body which, through the audit process, assists local authorities and the health service in Scotland to achieve the highest standards of financial stewardship and the economic, efficient and effective use of their resources.

The Commission has five main responsibilities:

- securing the external audit
- following up issues of concern identified through the audit, to ensure satisfactory resolutions
- reviewing the management arrangements which audited bodies have in place to achieve value for money
- carrying out national value for money studies to improve economy, efficiency and effectiveness in local government and the NHS
- issuing an annual direction to local authorities which sets out the range of performance information which they are required to publish.

The Commission secures the audit of 32 councils, 36 joint boards (including police and fire services), 15 health boards, 47 NHS trusts and five other NHS bodies. In total these organisations spend public funds worth around £12 billion a year.

This is one in a series a series of management papers being produced by the Management Studies Unit. These papers are intended to support best practice in public sector management by disseminating ideas, approaches and techniques which managers should find useful.

The Unit welcomes feedback.

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Introduction

Measuring the performance of public sector organisations has always been a difficult and contentious area. However, with continuing pressures for accountability and value for money it is one which requires increasing management attention. The Commission’s Management Arrangements audit assesses the processes and systems an audited body has in place for performance monitoring and review. The importance of appropriate performance measurement and monitoring was also recently re-emphasised in SODD Circular 16/97 on CCT and Best Value which stated that “performance information is a key element for planning, resource control, and performance review” and that “performance information is an essential element of best value”. Similarly, the Circular commented that “there is a need to co-ordinate the collection of performance information both within and across councils to ensure that relevant and meaningful information is collected to inform judgement about Best Value”.

But performance measurement cannot take place in isolation. It needs to be linked directly with the strategies and plans of each organisation, which in turn, must derive from the overall direction that has been established by elected members and by managers. Given the premise that “what gets measured is what gets done”, then an inappropriate or inadequate performance measurement system can have major adverse consequences for any organisation and for those to whom it provides services.

Exhibit 1: Aligning vision, strategies and measurement

Setting direction
What do we want to achieve?

Plans and strategies
How will we achieve what we want?

Performance monitoring
How will we know how we’re doing?

Historically, performance measurement systems provided a means of control and, as such, the focus tended to be primarily on financial measures of performance. In the private sector such measures include profit margins, return on capital employed, earnings per share. In the public sector they may include actual expenditure against budget, cost ratios, cost reductions achieved and cost comparators.

With an increasing emphasis on continuous performance improvement there is a need to ensure performance measurement systems are developed and used to help support this. However, financial measures of performance by themselves will not be adequate, since these fail to assess how the organisation is progressing in terms of its wider strategic goals and how it can further improve its overall performance.
This discussion paper outlines an approach that is designed to ensure that adequate alignment between overall direction, detailed plans and performance measurement takes place: the Balanced Scorecard. The paper describes the development of the Balanced Scorecard approach, assesses the potential applicability of the approach in the public sector and illustrates how the approach can be used. It will be of value both to managers and to elected members in helping them to determine the key performance information they require in order to monitor the success of their plans and strategies for delivering services to citizens and customers.

The Accounts Commission is currently working with a number of local authorities and other audited bodies to develop the scorecard approach on a pilot basis. The Commission will disseminate the results of this pilot work as it becomes available.
The Balanced Scorecard approach

The Balanced Scorecard was developed by Kaplan and Norton in the early 1990’s and arose from research into performance measurement approaches in a number of leading international companies.

The Scorecard is an agreed set of measures that provide managers with a comprehensive, but timely, view of an organisation’s performance. The overall purpose of the scorecard approach is to enable managers to develop a robust set of performance measures that provides a comprehensive view of the overall performance of the organisation but that is also visibly linked to the key strategies and priorities of the organisation. The approach to the scorecard, adapted by the Commission from that initially developed for application in the private sector, is illustrated in Exhibit 2.

Exhibit 2: The Balanced Scorecard

The approach starts from the organisation’s goals and priorities – what it is trying to achieve in the long-term. From there it moves to ensure that the key strategic actions required to achieve these goals have been identified and planned for. Finally, it ensures that managers develop a comprehensive view of performance in the context of these plans by establishing measures across four inter-related perspectives: that of the customer, that of internal business processes, that of continuous improvement and that of financial performance.
The customer perspective:

A public sector organisation exists to provide services which meet the needs of its customers no matter whether we define these as citizens, consumers, clients or users. It is critical that the organisation has clear strategies for meeting customer needs and, in turn, has performance measures that will help assess customer, and stakeholder, expectations, perceptions and levels of satisfaction. Such measures will assist the organisation in retaining a clear customer focus on such expectations by tracking performance in meeting them.

Regulatory performance requirements can also be covered under this perspective.

The internal business process perspective:

To provide quality, and cost-effective, public services the organisation must identify the key business processes it needs to be good at and then measure its performance in undertaking those processes. This perspective encourages managers to identify what the key business processes are, in the context of overall strategy, to assess current performance in undertaking those processes and to establish targets for improving performance.

The continuous improvement perspective:

To achieve continuous improvement in delivering quality, cost-effective services a public sector organisation needs to ensure that it is able to learn and to improve from both an individual and organisational perspective. It is important to measure the organisation’s ability to learn, to cope with change and to improve through its people, its systems and its infrastructure.

The financial perspective:

Any organisation will continue to require key measures of its financial performance but, again, these need to be directly linked to the overall goals of the organisation.

Kaplan and Norton stress that the Balanced Scorecard is more than simply a collection of performance measures grouped under these four perspectives and more than the usual financial performance measures supplemented by a few others. The scorecard needs to be developed and derived directly from the organisation’s declared vision and priorities.

A Balanced Scorecard approach is thus intended to supplement – not replace – traditional financial measures of performance with measures that assess performance from these additional perspectives. Only by developing a comprehensive set of performance measures across, and between, these different perspectives will an organisation be able to monitor properly its overall strategic performance.
It is important to realise that the Balanced Scorecard needs to be developed and, where necessary, adapted for use in different organisations and at different levels in the organisation. Individual parts of the organisation require their own scorecard of performance measures, although clearly these will need to be linked to those in other parts of the organisation. The scorecard can be developed for:

- an entire organisation
- individual parts of an organisation
- individual strategic initiatives
- multi-agency initiatives.

Similarly, the four perspectives that have been outlined may also need to be adapted to meet the particular needs of an organisation. These four perspectives are not sacrosanct, but merely provide a convenient focus for performance measurement. Additional, or alternative, perspectives may be required for particular organisations. A People perspective, for example, or an Impact on Society perspective, may be appropriate. The Scorecard approach is flexible and capable of adaptation to meet an organisation's specific requirements.
Performance measurement

Who is performance measurement for?
There are a number of audiences with an interest in the performance measures produced by any public sector organisation. These include:

- local citizens (both as individuals and representative groups)
- clients, consumers, users, customers of the services provided
- elected representatives
- central government
- regulatory, inspection and audit agencies
- managers within the authority
- employees within the authority.

It is apparent that these audiences will, to some lesser or greater extent, have an interest in different aspects or dimensions of the organisation’s performance and, as such, are likely to be interested in different performance measures and for different reasons. Clearly any performance measurement system has a cost associated with it (relating to data capture, analysis, reporting) and an understandable tendency would be for an organisation to try to develop a generic set of performance measures intended to satisfy these disparate groups and their differing requirements. The danger is that such an approach produces a multitude of performance measures that satisfy no-one. What is required is a cost-effective approach that can be adapted for the differing needs of these different groups. The Balanced Scorecard is capable of addressing these issues.
What is performance measurement for?

Performance measurement is a pre-requisite for accountability, for value for money, for best value. As stated in SODD Circular 16/97 “Performance information is a key element for planning, resource control and performance review. … Performance information is an essential element of best value: if strategic and operational plans set the framework for best value then performance information is the life-blood of the system.”

The performance of an organisation is primarily a reflection of its management. There is a need for a systemic planning and review framework. Exhibit 3 shows a simplified planning process and the performance measurement and feedback elements that are required at different levels, at different stages and for different groups.

Exhibit 3: Planning, performance measurement and feedback
At the operational level, feedback on performance is required for managers and staff to allow them to link the service results achieved to the implementation of service plans, often on a day-to-day basis. Differences, or deviations, between actual results and those planned need to be identified and acted upon. These performance measures are largely required for control purposes: controlling performance and service delivery to meet standards, targets and objectives.

A feedback loop is also required to the service planning stage so that both management control and management learning can take place. Management and organisational learning links to continuous improvement, so that in the next planning cycle learning and experience from the last set of planned and achieved service results can be used to improve performance further.

The same control and learning feedback must also occur at corporate level so that progress on corporate goals can be reviewed. In addition the continuing appropriateness of these goals can be assessed and informed decisions can be made about priorities and resource allocation.
What are the wider issues in performance measurement?

There are a number of wider issues relating to effective performance measurement:

- Many performance measures tend to be historic and backward looking. They tell the organisation how it has done in the past. They do not indicate how well it has to do in future to deliver what it has set out to achieve. Effective performance measurement needs to be forward looking as well as historic.

- Performance measurements need to support organisational learning so as to contribute to the continuous improvement approach required of any organisation’s performance. Managers and staff need to be able to use performance information to help them do better next time.

- Achieving service quality is about more than performing well financially or delivering at minimum cost. There is a need for a balanced set of performance measures across all aspects of performance. Whilst the financial performance perspective is, and will continue to be, critically important, measures of customer satisfaction, service quality, and effectiveness are also required. The use of such non-financial measures is clearly not new in the public sector. What is required, however, is that collectively such measures relate to the overall strategic direction that has been set and that they provide a comprehensive view of performance.

- Managers, and stakeholders, will inevitably have to make subjective decisions about trade-offs between different aspects of performance. Improved financial performance – lower unit costs for example – may be at the expense of improved service quality. This needs to be explicitly recognised and accepted. However, such decisions should be based on reliable and appropriate measurements so that elected members, managers and stakeholders can assess to what extent improvements in one area may have been achieved at the expense of another.

- Given the potential plethora of measurements that might be collected at different levels and across different services, there is a need to focus on a ‘favoured few’. Over-detailed reports of performance measures distract managers from seeing patterns and major interrelationships.

- Managers need to be clear about what constitute meaningful performance measures before they are used. If performance measures are to help achieve, and improve, service results and delivery then such measures should relate directly to the overall goals that have been set (at corporate and service levels) and to the key initiatives or actions taken to achieve these goals. The measurement system needs to be able to track overall performance so that managers are able to gauge what progress they are making in achieving these goals. The Balanced Scorecard approach offers such a system.
Producing a Balanced Scorecard

The overall approach to developing a Balanced Scorecard is summarised in Exhibit 4 and should be seen as an iterative and inter-connected series of steps rather than a simple sequential process.

Exhibit 4: Producing a balanced scorecard

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Step 1
There needs to be a clear expression of what the organisation is trying to achieve – its vision, its values, its goals. One important consequence of developing a scorecard may be that management realises that this vision has not been properly articulated or is not robust or consistent.

Step 2
For each goal established in Step 1 the key actions needed to attain the stated goals must be identified. In short, such actions are critical to the achievement of the overall goals. Because these actions are seen as critical it is essential that performance in achieving these be measured. It is these measures, in turn, which will appear on the final scorecard. Experience of applying the scorecard has shown that in some organisations, although the overall goals may have been articulated (in Step 1), the key actions required to achieve these have not been identified in sufficient clarity. In other words, the detailed actions required to achieve the vision, or mission, have not been adequately developed. By developing a balanced scorecard, management are forced to think through the detail of how they will achieve what they have set out to achieve.

Step 3
Group these actions/initiatives into the 4 scorecard perspectives to check for balance

Step 4
For each action or initiative determine appropriate performance measures

Step 5
Monitor the measures and take action as appropriate

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Most politically generated public service mission statements are wish-driven. They are made with little reference to the organisation’s capabilities of delivering them. Jackson 1995

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Step 3

The critical actions identified in Step 2 are then grouped under the four scorecard perspectives (customer, internal business process, continuous improvement, financial). The grouping is intended to reveal whether there is a broad balance of actions (and later measures) across these perspectives. The judgement on this balance will largely be subjective and it may be necessary to revisit Step 2. Selecting and agreeing on actions for each perspective forces the organisation to decide what is strategically important (and by omission what is not).

Step 4

For each critical action an appropriate performance measure, or measures, is identified that will assist managers in assessing progress made towards achieving that action and hence the overall strategic goals. Some of these performance measures are likely to be in place already, others will need to be introduced. There is a clear need to keep the number of measures manageable and to avoid the common ‘paralysis through analysis’ problem. Experience has shown that a set of between 20-25 key performance measures in total is normally adequate to allow managers to track strategic performance using the Scorecard approach.

This is not to say that the entire organisation requires only 20-25 performance measures. Rather, inter-related sets of Balanced Scorecard measures will be needed at different levels in the organisation (as in Exhibit 3) or for different parts of the organisation. Each of these will have its own set of scorecard measures.

Step 5

These measures now form the Balanced Scorecard and are monitored over time. There is also the potential for incorporating agreed standards, or targets, into these measures and for developing specific initiatives for achieving such standards or targets. To illustrate this, consider the development of a scorecard for an Environmental Health service. One key action might be determined as:

- to carry out a food hygiene inspection at all high-risk premises over the next 6 months

Exhibit 5 shows the measure that will assess this aspect of performance, together with performance targets that have been established and the key supporting initiatives that would be required to ensure the target is achieved.

### Exhibit 5: Actions and targets

<table>
<thead>
<tr>
<th>Scorecard perspective</th>
<th>Actions</th>
<th>Performance measure</th>
<th>Target</th>
<th>Supporting initiatives to achieve targets</th>
</tr>
</thead>
</table>
| to carry out a food hygiene inspection at all high-risk premises within the next 6 months | the percentage of high risk premises actually inspected | 100% | • produce an up-to-date register of all high-risk premises  
• re-prioritise staff workloads  
• establish a monthly monitoring system to track inspections |
Illustration: Leisure Services

To illustrate how the scorecard might be applied we shall use an example of a local authority Leisure Services department.

We can assume that Step 1 is already complete and that the broad strategic goals for the department have been established as:

a) to contribute to enabling all sections of our community to fulfil their leisure aspirations

b) to operate our facilities cost-effectively

Key actions will be required to achieve these goals and it is this that Step 2 of the Scorecard approach focuses upon. Whilst these actions may already be detailed in the corresponding service plan it can also be useful to apply what Kaplan and Norton refer to as a cause-effect analysis (and others as a what-how analysis). For each goal in turn we can view the goal as being achieved through the key actions that we take. If we consider the goal as the what we want to achieve, we then need to determine the hows: how we will achieve this.

To illustrate, we shall look at the first declared goal: enabling all sections of the community to fulfil their leisure aspirations. This goal is the what we want to achieve. The question is now how do we do this? What are the key actions we must take to achieve this goal? Management might decide that in order to achieve this top-level goal the service needs to increase participation rates of local citizens in the leisure facilities provided. This how in turn becomes a what and we must now decide on the actions that will achieve this. We might, for example, decide that an increase in participation rates will require the service to attract new customers and also to increase usage rates of existing customers. This process of what-how analysis can then cascade down until we have a set of inter-linked actions all of which, directly or indirectly, contribute to the top-level goal.

Exhibit 6: Completed what-how analysis: Goal (a)
We can picture that the resulting diagram would look as Exhibit 6. The key to achieving our overall goal is to increase participation rates. We need to attract new customers and to increase usage rates of existing customer to achieve this. Three key actions underpin these two areas: improved marketing of our service and facilities; the selected upgrade of existing facilities and developing an improved customer focus and service. In turn, to achieve these we decide we require focused management training, reduced operating costs to allow re-investment and focused staff training.

As a result of this what-how analysis we have a related set of strategies designed to achieve the first goal: enabling all sections of the community to fulfil their leisure aspirations.

Exhibit 7 shows the comparable cause-effect analysis for the second top-level goal: operating cost-effectively. In this case it has been decided that the two key actions are improving operating efficiency and undertaking a price review of facility charges to assess the potential for additional income generation. Actions to improve operating efficiency have been identified as including initiatives designed to increase staff productivity; undertaking an energy audit; improving the utilisation of existing assets; benchmarking to identify further process improvements and improving overall financial management of the service. The pricing review will require actions for benchmarking and for improving financial management. Underpinning these actions we would require staff and management training and an enhanced IS/IT system.

Exhibit 7: What-how analysis: Goal (b)
The next stage is to consolidate these various actions into the 4 scorecard perspectives to ensure we have a reasonable balance of actions (and ultimately measures). The set of actions can be grouped as in Exhibit 8. Perhaps surprisingly, given the relatively complex cause-effect diagrams for the Service’s goals, these can be grouped into a small number of key aspects of performance.

Exhibit 8: Leisure Services Scorecard: key actions

<table>
<thead>
<tr>
<th>Customer</th>
<th>Internal Business Processes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase participation rates</td>
<td>Improve marketing</td>
</tr>
<tr>
<td>Attract new customers</td>
<td>Improved asset utilisation</td>
</tr>
<tr>
<td>Increase usage of existing customers</td>
<td>Improving staff productivity</td>
</tr>
<tr>
<td>Improve customer focus and service</td>
<td>Enhanced use of IS/IT</td>
</tr>
<tr>
<td>Selected upgrade of facilities</td>
<td></td>
</tr>
<tr>
<td>Continuous Improvement</td>
<td>Financial</td>
</tr>
<tr>
<td>Focused management training</td>
<td>Pricing review/income generation</td>
</tr>
<tr>
<td>Focused staff training</td>
<td>Reduce operating costs</td>
</tr>
<tr>
<td>Benchmarking</td>
<td>Increase operating efficiency</td>
</tr>
<tr>
<td></td>
<td>Improved financial management</td>
</tr>
<tr>
<td></td>
<td>Conduct energy audit</td>
</tr>
</tbody>
</table>

In the Customer perspective we require actions to increase participation rates; to attract new customers; to increase usage of facilities by existing customers; to improve customer focus and service and to upgrade selected facilities. In the Business Processes perspective the key actions are: improving marketing; improving asset utilisation; enhancing supporting IS/IT systems and improving staff productivity. In the Continuous Improvement perspective the Service requires focused management training; focused staff training; to develop effective benchmarking. Finally, in the Financial perspective there are five strategic actions: generating additional income through a pricing review; reducing operating costs; increasing overall operating efficiency; improving financial management; conducting an energy audit.

We see that we have a balance of actions across the scorecard perspectives. We also see that when we have developed suitable performance measures for this scorecard a degree of judgement will be required when assessing overall performance. The tensions that exist between different actions become clear. Reducing operating costs, for example, is one priority. This may be relatively easy to achieve in isolation, reducing opening hours for example, but this action must balance with others – for example attracting new customers. At the end of the day it will be a matter for judgement as to the balance between these actions that is deemed appropriate and the weight or importance attached to each. One of the benefits of the scorecard approach, however, is that tensions and conflicts between various parts of the overall strategy become evident.
The next stage is to identify appropriate measures of performance for each of the actions that appears on the scorecard. Looking at each of the scorecard perspectives we might derive the scorecard measures shown in Exhibit 9. What we now have is a set of performance measures specifically linked to key strategic actions which, in turn, are judged to be critical to delivering the broad strategic goals set by the service. Some of these measures are already likely to be in place, through the collection of statutory performance indicators or in-house indicators. Others may need to be established and, as such, may take some time to set up, collect and analyse and we may have to use some proxy measure instead in the short term. For example, the measure *change in resident awareness levels* would require some sort of regular resident survey on a sample basis and is unlikely to be already in place. In the short term, asking a sample of new service users how they found out about the leisure services facilities would serve as a proxy measure of marketing performance.

**Exhibit 9: Scorecard measures: Leisure Services**

<table>
<thead>
<tr>
<th>Customer</th>
<th>Actions</th>
<th>Performance measures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Increase participation rates</td>
<td>Local resident participation rates</td>
</tr>
<tr>
<td></td>
<td>Attract new customers</td>
<td>Rate of customer acquisition</td>
</tr>
<tr>
<td></td>
<td>Increase usage of existing customers</td>
<td>Rate of return usage</td>
</tr>
<tr>
<td></td>
<td>Improve customer focus and service</td>
<td>Customer satisfaction measures</td>
</tr>
<tr>
<td></td>
<td>Upgrade of selected facilities</td>
<td>Changes in costs versus additional customers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Internal Business Processes</th>
<th>Actions</th>
<th>Performance measures</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Improve marketing</td>
<td>Change in resident awareness levels</td>
</tr>
<tr>
<td></td>
<td>Improve asset utilisation</td>
<td>Asset utilisation rates</td>
</tr>
<tr>
<td></td>
<td>Increase staff productivity</td>
<td>Staff productivity measures</td>
</tr>
<tr>
<td></td>
<td>Enhanced use of IS/IT</td>
<td>User satisfaction with MIS</td>
</tr>
</tbody>
</table>

**Service goals**

a) to contribute to enabling all sections of our community to fulfil their leisure aspirations

b) to operate our facilities cost-effectively

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Equally, it is evident that some of these measures may themselves be made up of larger sets of measures. Staff productivity, for example, could consist of several related measures - some related to costs, some to outputs. Comparative performance measures for benchmarking may include a larger set of specific comparators. Before trying to decide upon appropriate detailed measures and indicators it is worth reviewing what a ‘good’ performance measure might look like.
Designing ‘good’ performance measures

The detailed scorecard measures that we eventually identify are likely to be a compromise between the measures we would like and what we can realistically and cost-effectively obtain. In addition to being properly aligned with overall strategy such indicators should be:

- relevant
- unambiguous
- cost effective
- simple.

Relevant

Indicators should be relevant. That is, they should relate directly to the strategic goals or actions that have been set. Through the Scorecard process this should already have happened. Such indicators should also be relevant to the manager who will be using the information they generate. Again, the Scorecard approach will make this relevance transparent particularly if managers have been directly involved in the design of the Scorecard.

Unambiguous

A change in the numerical value of an indicator should have a clear and unambiguous interpretation. We need to know the causal link between a change in the indicator and a change in service activities. For example, in a community safety context we may have an indicator which is the number of reported offences occurring in a given geographical area. Do we know unambiguously what will cause this indicator to go down (which would be seen as ‘better’ performance)? Clearly, the answer is ‘no’. Such an indicator could take a lower numerical value for several reasons, not all of them representing ‘better’ performance: we may be doing better at preventing crime - our strategies are working; people may be less inclined to report crime - because we failed to resolve their problem out last time and our performance is actually getting worse.

Cost effective

Whilst performance information is essential there is inevitably a trade-off with the cost of collecting, analysing and reporting that information. The right information should get to the right people at the right time and in the right format. Ideally, such information should be low cost, particularly when the frequency of reporting is high but, inevitably, there will be a trade-off between the desirable information provision and what is cost effective to provide. For example, whilst we might wish to monitor customer satisfaction with our strategies, a full survey of all local residents every month would not be cost-effective. Sampling methods are more cost-effective but may require more skill in interpretation and application.
Simple

Indicators also need to be simple. Those using such information should be able to understand readily what the indicator means, how it is measured and how their own performance can affect it.

Exhibit 10 shows a worksheet that can be used to help assess proposed performance measures against these criteria. It is unlikely that any scorecard measure will score highly against all these criteria. Judgement will again be required and compromise will be needed in terms of the measures that managers would like and what they can realistically obtain.

Exhibit 10: Performance measures

<table>
<thead>
<tr>
<th>Scorecard perspective</th>
<th>Performance measures</th>
<th>Who will use the measure?</th>
<th>Where do we get the information?</th>
<th>How often do we measure?</th>
<th>Is it relevant?</th>
<th>Is it unambiguous?</th>
<th>Is it cost effective?</th>
<th>Is it simple?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer perspective</td>
<td></td>
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<tr>
<td>Internal Process</td>
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<tr>
<td>perspective</td>
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<tr>
<td>Continuous Improvement perspective</td>
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<tr>
<td>Financial perspective</td>
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In principle, although the Scorecard approach allows each organisation to develop its own unique Scorecard it is likely that Scorecards across different providers of similar services or activities will contain similar performance measures. Clearly, strategies and priorities will differ from one authority to the next but it is likely that a common core of a scorecard performance measures could be developed to facilitate inter-organisation comparisons.
Summary

An organisation’s ability to achieve continuous improvement in its service delivery is critically dependent on its performance measurement approach. The Balanced Scorecard offers a way of ensuring that an organisation’s strategies and detailed plans have been thought through and visibly linked to wider goals.

The Scorecard also ensures that these strategies and plans in turn have appropriate performance measures designed for them so that managers can assess overall strategic performance through a manageable set of inter-related performance measures.

The approach underpinning the development of a scorecard is about more than simply measuring performance. It is about ensuring alignment between overall vision, key strategic actions, performance measures and performance management. It is a system for managing an organisation’s performance in delivering services to its customers.
References


McKevitt, D., and Lawton, A., The manager, the citizen, the politician and performance measures, Public Money and Management, Jul-Sep, 1996 pp 49-54.


SODD Circular 16/87 Best Value Scottish Office, Edinburgh.
**Management Studies Unit mission**

We aim to be a centre of excellence for encouraging continuous improvement in the management of Scottish councils.

We will achieve this through the audit of management arrangements and by promoting good practice.

We will be customer driven, innovative and work in partnership with councils, auditors and other bodies.

We aim to ensure that we have the skills and knowledge necessary to achieve this.