

The Balanced Scorecard provides a strategy management method that assists your organization to overcome two fundamental problems: effective measurement of organizational performance and successful implementation of strategy. More than just a measurement system, the Balanced Scorecard provides a management system to invest in the long term – in your customers, employees, new product development and systems – rather than managing the bottom line to improve your short-term earnings.

With intangible assets like relationships, technologies and capabilities increasingly determining the prospects for the success of your organization, an exclusive focus on financial metrics is no longer sufficient for managing organizational performance and its alignment with your strategy: In order to be successful, organizations need a strategy management system that includes the intangible assets that ultimately drive long-term financial success.

Balanced Scorecard Explained

Hailed as one of the most influential performance management methodologies of the past 75 years, the Balanced Scorecard provides a proven framework for communicating and driving strategy at all levels of your organization.

By translating strategy into operational objectives, measures, targets and initiatives, organized into four perspectives – financial, customer, internal business process and learning & growth – the Balanced Scorecard allows you to measure how your business units create value for current as well as future customers. By moving away from an exclusive reliance on financial metrics, the Balanced Scorecard provides a means for signaling early indications of customer, quality or employee problems, allowing you to act quickly and appropriately.

More importantly, it provides you with an opportunity for strategic learning and assessment, guiding you in your investment choices regarding people, systems and procedures necessary to improve future performance.

In order to manage strategy effectively, organizations need a balanced approach that divides management attention appropriately across tangible and intangible assets, indicators of past and future performance, the short and the long term.

The Balanced Scorecard adds to that the ability to communicate your strategy into clearly defined objectives on departmental, team and personal level, and gain feedback on its execution and validity.

Key Benefits

Most prominently, the Balanced Scorecard method allows your organization to focus on the key objectives that it needs to achieve in order to create breakthrough performance.

Other benefits include:

Effective Strategy Implementation. With the Balanced Scorecard, strategy becomes part of every employee's everyday actions.

Increases Commitment and Motivation. By communicating strategy in terms of clear objectives and tasks, every employee gains an understanding of how his/her actions support the "big picture".

Facilitates Long-Term Performance. By balancing the traditional focus on past financial performance with perspectives that focus on the drivers of present and future performance.

Enables Fast Reaction to Changes. Identifying and measuring the drivers of future performance gives management the ability to predict future outcomes of present-day actions and act appropriately upon them.

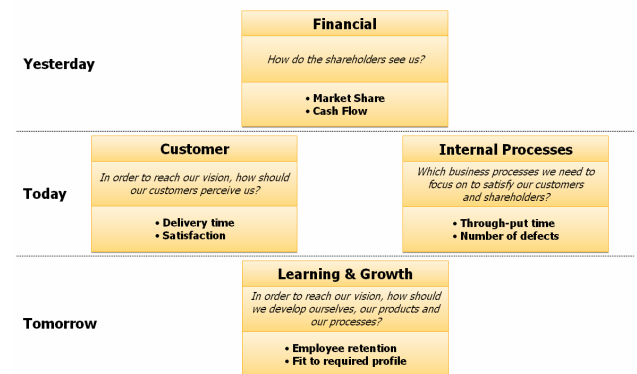


Figure: The basic four perspectives of the Balanced Scorecard

Implementing a Balanced Scorecard

Implementing a Balanced Scorecard is all about translating your strategy into action, which signifies the importance of executive sponsorship from beginning to end. It is the executive team that defines the vision for the organization and the strategy that will get it there. Reaching consensus on and translating their strategy into performance objectives is the normal starting point for a Balanced Scorecard implementation project.

Your front-line employees are usually far removed from organizational strategy. A high-level scorecard will do little to drive their daily activities. In order to communicate and align the entire organization to the defined strategy, its derived objectives and performance indicators, the Balanced Scorecard needs to be cascaded down to departmental, team and personal levels.

Communication alone, however, will not ensure the needed behavioral change in your organization. Successful Balanced Scorecard implementations acknowledge this by also aligning management practices with the defined strategy. Often this requires eliminating the mismatch between spending as outlined in the annual budget and the organizational goals as demonstrated in the strategic plan as well as linking employee incentives to performance to create commitment.

Finally, training employees in the methodology and regular reporting of results will help maintaining focus on your Balanced Scorecard implementation and its quality.

The Balanced Scorecard intends to invoke a continuous strategy management and learning process and has proven itself in leading thousands of organizations toward improved performance. Your organization will be no exception.

Role of Software Solutions

The Balanced Scorecard in itself provides only a methodology for describing the organization's vision and strategy in terms of specific objectives and measures.

Without an instrument to implement and maintain it, there is a good chance the project will not succeed.

Paper-based measurement systems do not satisfy the needs of fast-paced businesses operating in competitive markets because they are too slow, cumbersome, labor intensive and unreliable. Spreadsheet solutions have proven to provide a viable option for only limited amounts of users that access performance data on a shared drive. Due to the limitations of spreadsheets like lack of scalability, time consuming maintenance, no collaboration or communication and difficult analysis, for larger organizations there is no alternative to installing dedicated Balanced Scorecard software like QPR ScoreCard.

Where to start?

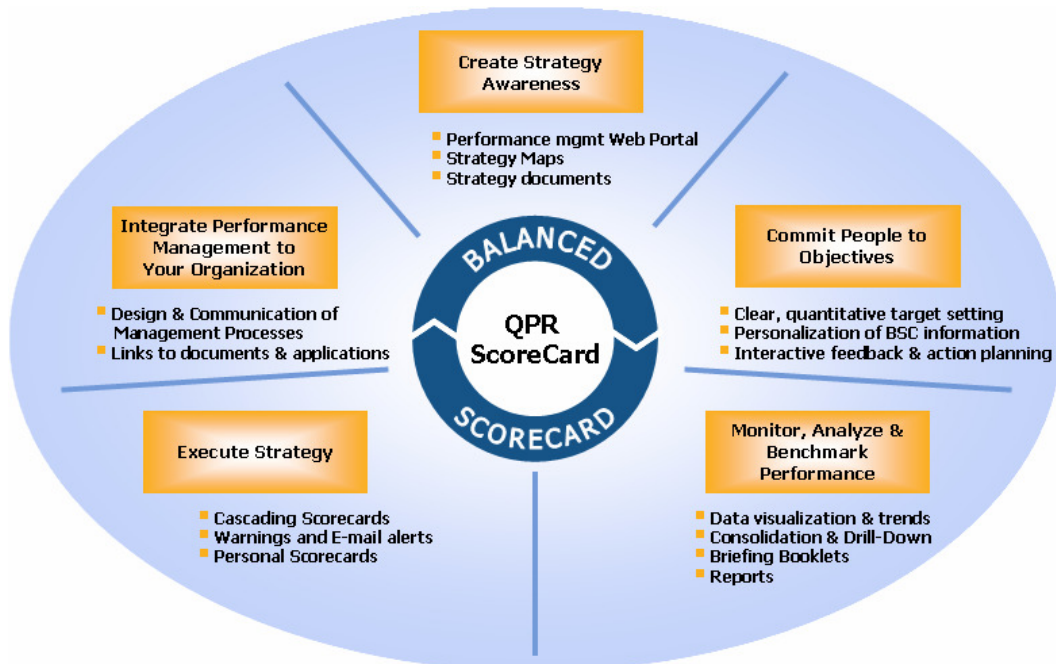
With almost two decades of experience in implementing Balanced Scorecard initiatives, QPR and its consulting partners worldwide provide you with a reliable, swift path toward breakthrough organizational performance based on the Balanced Scorecard methodology.

With QPR solutions you can execute better performing processes, get results fast and find out how QPR is easy to work with. Our applications significantly improve corporate decision-making at each organizational level.

As a leading provider of human centric performance and process management solutions, we have enabled over 1000 SME's, large organizations and multinationals in both the public and private sector to plan, implement, communicate and commit people to strategic ideas.

QPR Software Plc helps people, communities and businesses achieve their goals. With a Balanced Scorecard implementation based on QPR ScoreCard we guarantee you achieve yours.

Figure: QPR ScoreCard supports the full life-cycle of your Balanced Scorecard implementation (source: BSCol).



More information available from: customercare@qpr.com | www.qpr.com

QPR ScoreCard & Balanced Scorecard

QPR ScoreCard is a robust performance management tool, helping your organization plan, implement and communicate strategy, commit your people to it and foster a collaborative management environment that will help you lead your organization to success.

- **Fast to Implement.** QPR ScoreCard's top-down approach allows you to implement your performance management system in a matter of days and adapt it on the fly to suit your changing business environment.
- **Easy to Use.** QPR ScoreCard is focused towards the business user with an easy to understand user interface. It can have an unrestricted amount of simultaneous users in dispersed locations. Changes in a model are thus communicated to other users immediately.
- **Web-Enabled.** QPR ScoreCard is completely web-enabled software that supports information deployment via a browser, allowing you to use it as an enterprise-wide system.
- **Integrated Solution.** QPR ScoreCard enables automation of measurement information collection through file input or database queries. It can also leverage data from existing data warehouse and decision support tools.
- **Flexible.** QPR ScoreCard lets you decide on what perspectives define your business, what your desired outcomes are and what the drivers of those outcomes are. QPR ScoreCard supports all performance management methodologies, including yours.
- **Certified Solution.** QPR ScoreCard is certified by the Balanced Scorecard Collaborative (BSCol).

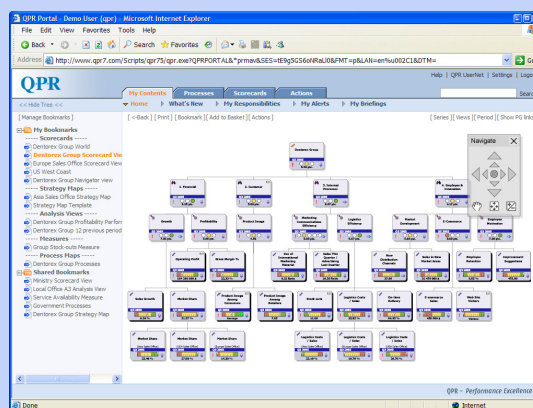


Figure: QPR ScoreCard provides a convenient, browser-based access to performance management.