



Welcome to the 2018 FRPA Conference!

Learning Objectives

- Become acquainted with the principles that secure the foundation of the Balanced Scorecard.
- Be able to begin the process of developing their own scorecard for their department or agency.
- Understand the need to develop a more balanced approach to measure the success of their department or agency.





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Balanced Scorecards

Key Questions

- What exactly is a "Balanced Scorecard"?
- Why use a "Balanced Scorecard"?
- Why not just stick with something simple like "Goals and Objectives"?
- What is a "Strategy Map"?
- What is the difference between a Balanced Scorecard and a Strategy Map?
- How does one get started?

Balanced Scorecards

A word of caution...

- Like most initiatives (think Continuous Quality Improvement); this can be made to be quite complicated. There is some necessity in that – “the devil is in the details”. That said, it can also be simplified.
- What I will be trying to do in this presentation is to provide the details – mostly for reference purposes for your later use, but also provide examples to help simplify the process of the Balanced Scorecard.

Balanced Scorecards

- According to the Balanced Scorecard Institute, “The balanced scorecard (BSC) is a [strategic planning and management](#) system that organizations use to:
- Communicate what they are trying to accomplish
- Align the day-to-day work that everyone is doing with strategy
- Prioritize projects, products, and services
- Measure and monitor progress towards strategic targets”

Balanced Scorecards

But first a word about the Baldrige Excellence Framework...

It's too much to go into for this presentation. However, the *Baldrige Excellence Framework* is designed to help an organization answer three questions:

1. Is the organization doing as well as it should?
2. How does one know?
3. What and how should the organization improve or change?

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Balanced Scorecards

Furthermore,

"The system connects the dots between big picture strategy elements such as **mission** (our purpose), **vision** (what we aspire for), **core values** (what we believe in), strategic focus areas (themes, results and/or goals) and the more operational elements such as objectives (continuous improvement activities), measures (or [key performance indicators](#), or [KPIs](#), which track strategic performance), targets (our desired level of performance), and initiatives (projects that help you reach your targets)."

That's a mouthful! 😊

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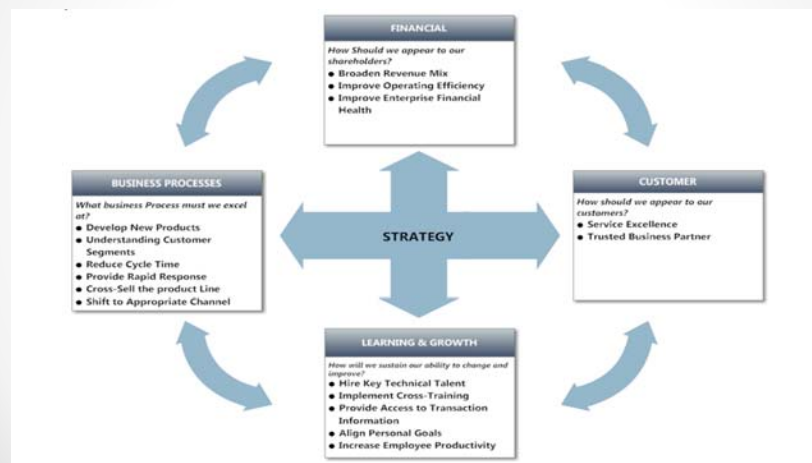
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Balanced Scorecards

Strategy Map

- A "Strategy Map", which you will see on the next slide, is often (but not always) used to provide a *visual* to communicate how value is created and can help with the establishment of the actual Balanced Scorecard. It is said to "show a logical, cause-and-effect connection between strategic objectives".

Balanced Scorecard



Balanced Scorecards



Balanced Scorecards

Financial or Stewardship	<ul style="list-style-type: none"> Financial Performance Effective Resource Use 	
Customer & Stakeholder	<ul style="list-style-type: none"> Customer Value Satisfaction and/or Retention 	
Internal Process	<ul style="list-style-type: none"> Efficiency Quality 	
Organizational Capacity or Learning & Growth	<ul style="list-style-type: none"> Human Capital Infrastructure & Technology Culture 	

Balanced Scorecards

Goals and Objectives versus a Balanced Scorecard Approach

- **Goals** are basically “where you want to go” and remember, if you don’t know where you are going, any path will get you there.
- **Objectives** define strategies or implementation steps to attain the identified **goals**. Objectives are very specific and measurable.

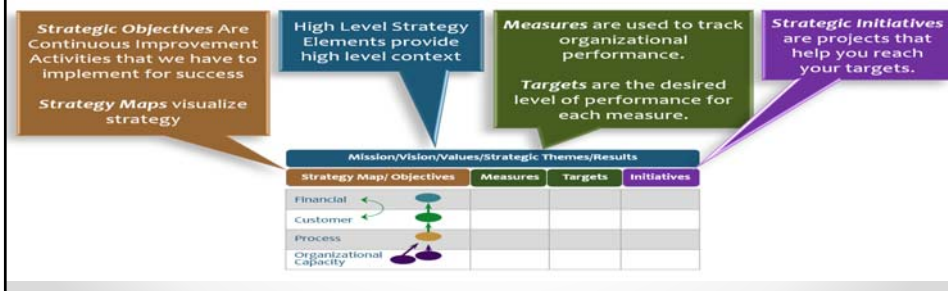
Balanced Scorecards

- Balanced Scorecards, on the other hand, helps an agency (Parks and Recreation), department, etc. *“balance” the goals and objectives* so there is a more equal focus on ALL the performance measures and not just the “bottom line”.
- In other words, equal weight is put on such measures as **human resources** (employee satisfaction), **customer service**, **finance** (the bottom line), and **safety** – just to mention a few examples.

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How do you begin the process of setting up a Balanced Scorecard? It seems complicated?

- The process can actually be quite “simple”. That said, the “devil is in the details”.
- Go back to goals and objectives and the slide, “What is a Balanced Scorecard”:



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Setting up your scorecard:

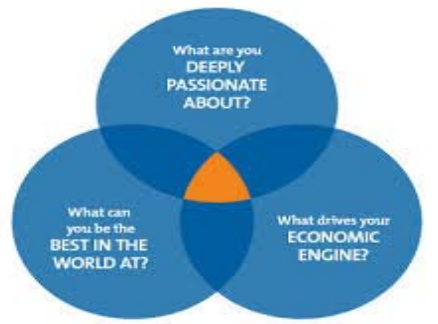
For a prize, what does this picture represent?



Balanced Scorecards

Setting up your scorecard:

The Fox is said to know many things (but still gets caught) whereas the Hedgehog knows one big thing. Hence, the Hedgehog Concept was introduced:



Balanced Scorecards

Setting up your scorecard:

The idea being that if you "know one big thing", like the Hedgehog and the Hedgehog Concept, you can start the process of the Balanced Scorecard by:

1. Determining what you are passionate about
2. What you can be the best at in your community
3. What drives your economic engine.

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Setting up your scorecard:

- After you determine your Hedgehog Concept, you can then decide on your top four (4) to five (5) key pillars (also called key elements or performance measures).
- You could, for example, begin with the FRPA Pillars and possibly combine or revise them to fit with the NRPA Pillars – depending on your community needs.

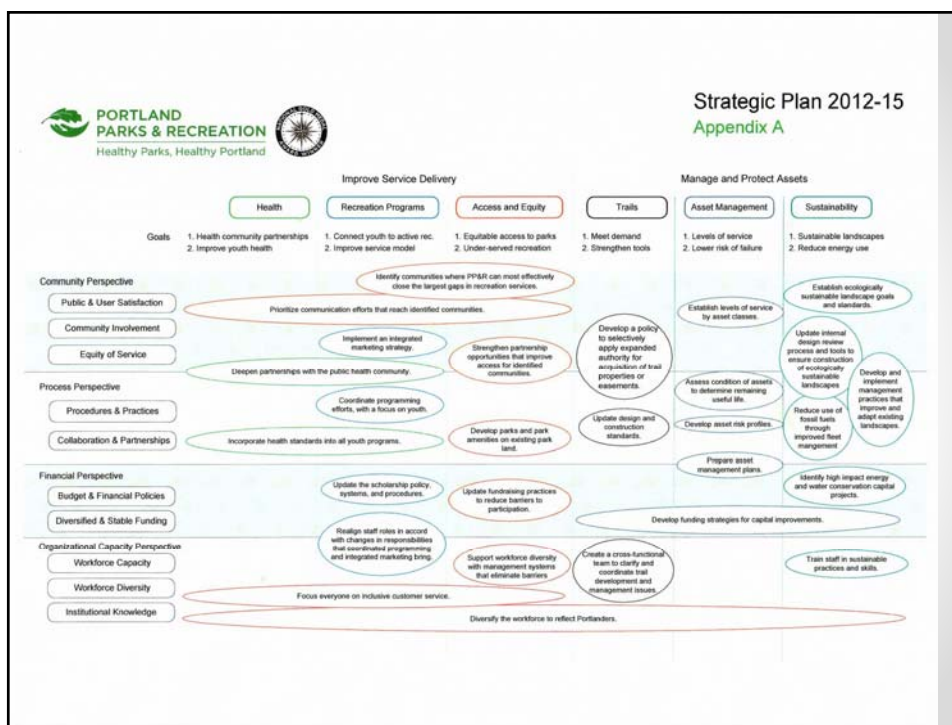
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FRPA Pillars

1. Community building
2. Health
3. Environment
4. Economic Impact

NRPA Pillars

1. Health and Wellness
2. Conservation
3. Social Equity



Unidentified Example adding FRPA and NRPA Pillars

Team

Employee satisfaction
 % Required Training
 FTE's per 10,000 residents

Community

Public satisfaction
 Service equity
 Health initiatives achieved (partnerships, education, etc.)

Finance

Revenue to Operating Expenditures
 Operating expenditures per capita

Organization

Workforce diversity
 New hire orientation

Sustainability

Acres of land/1,000 residents
 Energy use
 Water conservation

After agreeing on the **pillars**, set *objectives*, *measures*, and *initiatives* that will allow you to accomplish your goals.



Balanced Scorecards

What Makes a Balanced Scorecard Successful?

List three (3) things and win a prize

- 1.
- 2.
- 3.

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Balanced Scorecards

If your Balanced Scorecard setup is successful, what could possibly go wrong?

List at least five (5) things and win a prize

- 1.
- 2.
- 3.
- 4.
- 5.

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Balanced Scorecards

References and Resources

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