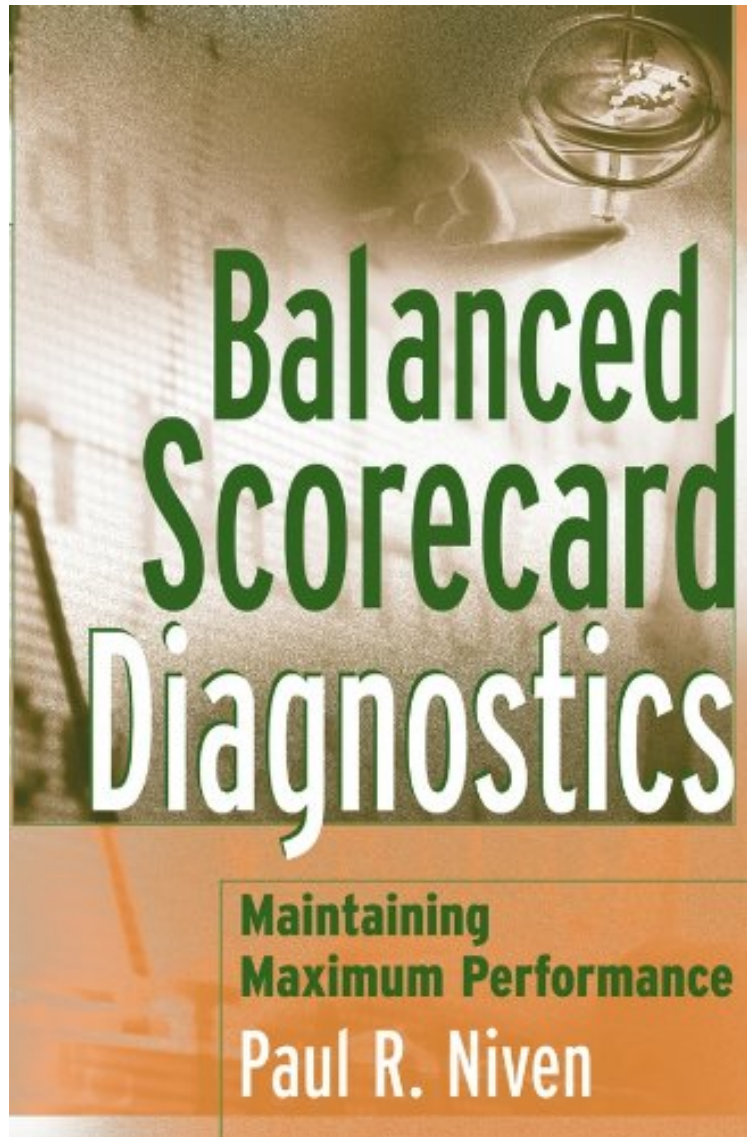


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Balanced Scorecard Diagnostics: Maintaining Maximum Performance

Paul R. Niven

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Paul R. Niven : Balanced Scorecard Diagnostics: Maintaining Maximum Performance before purchasing it in order to gauge whether or not it would be worth my time, and all praised Balanced Scorecard Diagnostics: Maintaining Maximum Performance:

2 of 2 people found the following review helpful. Don't Ignore This Valuable Book on the Balanced Scorecard By James J. Wasil As a strategist I have hundreds of Kindle books on strategy at my disposal. I frequently look at the reviews both before and after I buy a book, and I noticed that this useful book had only one review. I like to read long

and interesting reviews, but today you will have to look elsewhere, as I simply want to endorse Niven's works (he has others that you should look into also), as well as Norton and Kaplan's excellent books. I keep waiting for a book on the balanced scorecard by Art Schneiderman (who stakes his claim for being the originator and when I talked to him was very relaxed and busy working on staking up his tomatoes!). Yes, strategists want elegant solutions but strategy execution has to be in concert with the capability maturity of the organization with respect to strategy, strategic planning, and (gasp) even scenario planning. If you are involved in any kind of strategic planning effort, learn about the balanced scorecard. Get your organization to buy this and all of Niven's books, buy all of the Norton and Kaplan books, and tell your spouse you are going to be busy reading about a dozen books! And if your organization won't spend the money, buy them out of your own pocket. It's about you being smarter about strategy and strategy execution! Bottom line - don't ignore this book if you are interested in measuring your strategic efforts!

40 of 41 people found the following review helpful. Why Scorecards don't work - and how to solve it By Peter Leerskov Why do as many as half of all balanced scorecard users not achieve the results they hoped for? Doesn't the balanced scorecard work in practice? David Niven is an expert on Balanced Scorecard and his first book was an easy-to-read, well-structured manual of how to make scorecards work: "Balanced scorecard - step-by-step" (2002). It bridged the gap between practice and theory - especially for newcomers to the concept. In this new book, Niven tries to bridge another emerging gap. It is the gap between those questioning the usefulness of balanced scorecard, based on the many unsuccessful implementation attempts, and what people like Niven (and I) believe to be reality: that the scorecard framework remains sound, but must be instituted with rigor and discipline if you expect to get results. Why aren't many scorecard users happy? Niven believes that the trouble lies in the methods used to implement the Balanced Scorecard. Many firms have been lured by the seductive simplicity of the scorecard model, believing it could be easily implemented and produce results with a minimum of care and feeding. According to Niven, troubled implementations stem from many sources, e.g. - A lack of executive sponsorship to reinforce the Scorecard's value within the organization, - Tired [lagging] metrics reflecting the past with no regard to the drivers of future success, and - Management systems that continue to reward unbalanced, largely financial, performance. How do we solve it? Niven's approach is basically to put Kaplan and Norton's five principles of the "Strategy-Focused Organization" (2001) into a more practical approach. The messages, obviously, are the same. But Niven manages to make it easier to comprehend. And he challenges the reader throughout the book. The diagnostics dimension of the book is furthermore incorporated at the end of each of the nine chapters where we find self-assessment questions. This week I went to a conference in Copenhagen where Harvard-professor Robert Kaplan spoke about the balanced scorecard. Kaplan, being one of the inventors, acknowledged that too many balanced scorecards did not succeed. It is a paradox, since the balanced scorecard was invented to overcome the problem that strategies weren't properly implemented. But if the system (or scorecard) to finally make the strategy implementation work doesn't work either, then we're in real trouble. So is the concept, of course. Kaplan's suggestion to make a successful implementation of the scorecard is - like Niven's - to view it as a change project. The change programme goes thru three phases: mobilization (unfreezing), alignment (change), and sustainment (re-freezing). Kaplan specified the details as described below:

1st phase: MOBILIZATION ("the case for change")

Principle: #1 Mobilize change thru Executive leadership

Leadership objective: Achieve commitment at the top, build the executive team, and build the case for change

Core competency: The catalyst's role is to be a missionary. The action list includes to advocate, to educate, and to sell a new way of managing.

Management role: Executive education (the need for strategic execution) via conferences, in-house workshops, and readings.

2nd phase: ALIGNMENT ("early wins")

Principle: #2 translate the strategy into action, #3 align the organization.

Leadership objective: Define and clarify the strategy, specify long-term targets, and communicate to workforce

Core competency: The project team's role is as consultant and change agent. The action list includes to design strategy maps, to design scorecards/targets, to create alignment/cascade, and to overcome resistance.

Management role: Strategy maps, balanced scorecards, First Report, Link business and support groups to the strategy, and to rationalize initiatives

3rd phase: SUSTAINMENT ("irreversible momentum")

Principle: #4 Motivate the staff, #5 Govern the Organization

Leadership objective: Reinforce strategic message: Employees follow the leader, Enforce a performance-based culture: get results, and Lead the new management meeting

Core competency: The office of strategy management's role is to be the "chief of staff" (like in the military and government). The action list includes to install accountability, to shape the executive agenda, and to integrate governance.

Management role: Scorecard reporting system, HR processes aligned, Accountability and rewards aligned, and meetings focused on scorecard objectives and measures.

If you're interested in Balanced Scorecard, you should obviously read the original work by Kaplan and Norton. But I also recommend a very capable book by the Swedes Olve et al (2003) - "Making Scorecards Actionable: Balancing Strategy and Control" - that also focuses on why balanced scorecards go wrong - and what to do about it. If you're even more interested in performance measurement systems, then do also consider "Performance Prism" by Neely et al (2002) that takes performance systems to the next level. Personally, I don't believe they've designed balanced scorecard's successor, but they have many interesting perspectives on stakeholders, choice of measurements, and the relationship between cause and effect.

Peter Leerskov, MSc in International Business (Marketing Management) and Graduate Diploma in E-business

The complete guide to analyzing and maximizing a company's balanced scorecard Presenting the next step for balanced scorecard implementation, *Balanced Scorecard Diagnostics* provides a step-by-step methodology for analyzing the effectiveness of a company's balanced scorecard and the tools to reevaluate balanced scorecard measures to drive maximum performance. CEOs, CFOs, CIOs, vice presidents, department managers, and business consultants will find all the essential tools for analyzing a balanced scorecard methodology to determine if it's running at maximum performance and for seamlessly implementing changes into the scorecard. Paul R. Niven (San Marcos, CA) is President of the Senalosa Group, a consulting firm exclusively dedicated to helping businesses get best-in-class performance. He is the author of two successful books, *Balanced Scorecard Step-by-Step* (0-471-07872-7) and *Balanced Scorecard Step-by-Step for Government and Nonprofit Agencies* (0-471-42328-9), both from Wiley.

From the Inside Flap
The Balanced Scorecard system is a robust framework, capable of helping organizations successfully navigate the uncertainties of competition and changing dynamics. However, as many as half of all Balanced Scorecard users aren't achieving the results they hoped for and a significant number of users rate their performance measurement systems as "adequate." Balanced Scorecard expert Paul Niven believes that these organizations aren't reaching the full potential of the Balanced Scorecard due to inadequate methods of implementation. And this book is his remedy. *Balanced Scorecard Diagnostics* is a single-source guide to accurately analyzing the effectiveness of an organization's Balanced Scorecard, complete with the latest tools and know-how to implement corrective changes, ensuring your Balanced Scorecard is operating at maximum performance. Throughout this step-by-step guide, self-assessment questions help readers focus company discussions to critically examine their implementation efforts and propel Scorecard initiatives forward. *Balanced Scorecard Diagnostics* features real-world case studies and practical tools that help you get started right away. It also:
Examines the fundamental elements for effectively employing the Balanced Scorecard, including the executive sponsorship critical to implementing a Scorecard initiative
Offers guidelines for effectively examining your Balanced Scorecard team, training and education regimen, and communication planning
Provides advice on how to "personalize" your Strategy Map to evoke user acceptance, supplies diagnostics for reviewing the number of objectives on your map, and examines the cause and effect linkages that tell your strategic story
Features expert coverage on testing your current performance measures by questioning the number of measures comprising your Scorecard and the vital concept of using measure results to learn, as well as helpful guidance on target setting and sources of target information. It also demonstrates how initiatives may be mapped to Scorecard objectives, ensuring your human and financial resources are directed towards the execution of strategy
Provides cascading principles and tools to gauge the degree of alignment among Scorecards throughout your organization
Examines the connection between the Balanced Scorecard and budgeting, compensation, and corporate governance and offers proven techniques for effectively forging these linkages
Outlines various reporting mechanisms, including software and low-tech methods, and investigates how the Balanced Scorecard can be used as a centerpiece of your management review process
Balanced Scorecard Diagnostics is a must-read for everyone who wants to get the most out of the Balanced Scorecard in use at their organizations.
From the Back Cover
"Whether you are an existing company already reaping the significant benefits of the Balanced Scorecard as a strategic management, communication, and measurement tool; or are a company evaluating the many advantages of the Balanced Scorecard, this book offers tremendous insight and value." mdash;Bob Whip President Horizon Fitness
"In this excellent book, Paul Niven captures the most commonly cited issues derailing Balanced Scorecard implementationmdash;the pitfalls, the potential roadblocks, and the showstopping challenges. Through proven tools and techniques for areas like choosing and training the team, securing CEO buy-in, and getting the word out, he addresses the 'practical realities' of organizational change initiatives. If you want your Balanced Scorecard initiative to succeed, read this book!" mdash;Rob Fuller Director of Entrepreneurial Programs Beyster Institute Rady School of Management University of California, San Diego
"Paul Niven has developed another easy-to-read guide to the Balanced Scorecard that shares his knowledge and experience. This book will bring benefits to both the uninitiated and the initiated of this systematic measurement and communication tool. A good read that helps practitioners achieve a greater degree of success in achieving corporate goals through measurement of the right variables." mdash;Paul G. Rodier Director, Consulting Services Management Consulting CGI - NCR
"Experience has demonstrated that building a Balanced Scorecard in a public sector organization can either be a rewarding and productive experience, or a frustrating waste of time. Following the tenets laid down in Niven's latest book is very likely to produce the former and avoid the latter." mdash;Gerald Barkdoll Founder/Facilitator Balanced Scorecard Interest Group
About the Author
PAUL R. NIVEN is President of the Senalosa Group, a consulting firm exclusively dedicated to helping businesses reach breakthrough results using the Balanced Scorecard. In addition to publishing articles on performance management in *Journal of Cost Management* and *Journal of Strategic Performance Measurement*, he is the author of the highly successful books, *Balanced Scorecard Step-by-Step: Maximizing Performance and Maintaining Results* and *Balanced Scorecard Step-by-Step for Government and Nonprofit Agencies*, both published by Wiley. He may be reached through his Web site at senalosa.com.