



The Balanced Scorecard

A simple tool can increase the organization's productivity

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hat information is your board reviewing to strategically discuss whether things are on track or whether adjustments need to be made to meet organizational goals? One tool that gives the board such information—plus an integrated perspective—is the balanced scorecard. According to www.balancedscorecard.org, this is “a strategic planning and management system used to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organizational performance against strategic goals.”

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A scorecard is composed of indicators, and it summarizes and interprets data. These key indicators are geared toward the high-level, strategic work of the board and are essential to long-term ministry success. They condense information that is easy to interpret, use graphics extensively and present trends.

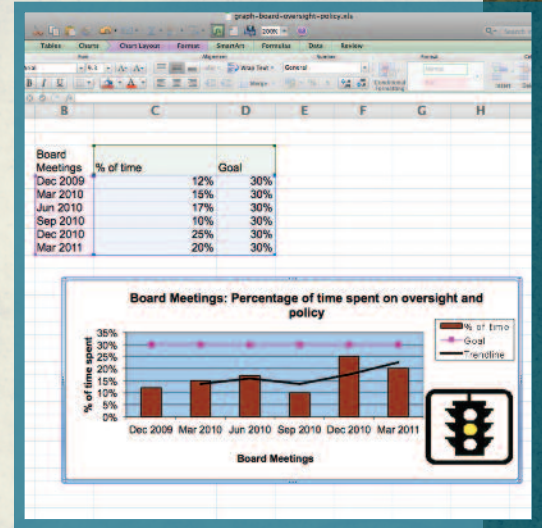
Each organization will have different indicators on its balanced scorecard since each has a different

mission and unique needs. To both prioritize and make the scorecard manageable, the board selects about a dozen total indicators within four main areas. Here are applications to camps and conference centers.

Customers: *How do we create an impact for our customers?* Ministry customers are directly linked to the mission, and they might include campers, retreat or conference center attendees and community members. Balanced scorecard examples include a 10-year bar graph with the actual number of attendees, split by type of program, the degree that lives have been changed because of the ministry in an outdoor setting, and the hospitality participants felt.

Financial: *How do we effectively manage and allocate resources to maximize our impact?* A healthy financial position is imperative for carrying out ministry. Balanced scorecard examples: revenue from new and returning campers, cash flow, board contributions, unrestricted dollars raised and money saved from implementing an energy audit.

Internal Process: *To create an impact for customers while meeting budgetary constraints, at what business processes must we excel?* Organizations might focus on increasing efficiency and other ways to create value for campers and guests. Balanced scorecard examples: faster processes in the kitchen, registration accuracy, creating feedback loops and having the board discuss oversight and policy more than operations (see graph; the



yellow in the stoplight indicates the level to which the goal has been met).

Employee Learning and Growth: *How do we align our intangible assets to improve our ability to support our strategy?* Board members, staff and key volunteers are at the heart of the organization's success and need opportunities to increase their skill sets, as well as be coached and nurtured. Balanced scorecard examples: learning new software, training supervisors how to hold others accountable, and creating one opportunity per quarter such as mentoring, visiting another camp or training.

Putting together a balanced scorecard takes time, strategic thinking and board commitment. However, once the framework is completed and an update process is developed, the tool becomes essential for communication, management and measurement that the board reviews at every meeting. ✨

Wynne Whyman, president of Lodgepole (a facility software company), has served on several nonprofit boards, developed curriculum and trained boards and nonprofits. She has 25 years of experience in the camping field.

Image courtesy of Wynne Whyman

CORRECTION: In the May/June 2011 issue, we inadvertently omitted attribution from "The Board Room" column by Wynne Whyman. The four balanced scorecard areas and questions were originally developed by these authors: Robert S. Kaplan and David P. Norton, *Using the Balanced Scorecard as a Strategic Management System* (Harvard Business Review, 2007) and Paul R. Niven *Balanced Scorecard: Step-by-Step for Government and Nonprofit Agencies*, second edition (Wiley, 2008). We apologize for the error.