

# The Balanced Scorecard Method

Elias Misailidis, AKMI S.A.



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## Aim and objectives

- The purpose of the presentation is to analyze the Balanced Scorecard method, how it started, how you evolved based primarily on and how it can help customer service.
- The main objective of this article is to understand the Balanced Scorecard method and logic.
- This presentation aims to understand how this method can be utilized in customer service.
- This presentation will include the analysis of the Balanced Scorecard method and, while not directly applicable to customer service, it aims to improve it.
- The main part of the presentation is The Balanced Scorecard Method and the need to apply them to museums.

At the end of this Presentation, you will be able to:

- ***LOut7:*** Analyze the level of User Support based on the needs of the organization and the client
- ***LOut8:*** Create models for the needs of museums

- **Balanced Scorecard Method**
  - This is a method invented during a research project with 12 companies. At the top of performance measurement, Kaplan and Norton devised a "balanced scorecard," a set of measures that provide top managers with a quick yet comprehensive picture of the organization.
- **Logical Usefulness of the Method**
  - The balanced scale of results includes economic measures which indicate the results of the actions already undertaken. And it complements financial measures with operational measures for customer satisfaction, internal processes and innovation and improvement activities while providing answers to many questions.

- Unit 4 <Strategic Analysis of User Support>
  - The Importance of User Support
  - Explaining the Importance of User Support
  - The Balanced Scorecard Method

# Strategic Analysis of User Support

## The Balanced Scorecard Method

This information is drawn from "The Balanced Scorecard" by Robert Kaplan and David Norton. Our goal is to describe the general theory of the result card obtained from the years of the research work completed by Kaplan and Norton. During a year of research work with 12 companies at the top of performance measurement, Kaplan and Norton devised a "Balanced Scorecard," a set of measures that give top executives a quick yet comprehensive picture of the organization.

The balanced scale of results includes economic measures which indicate the results of the actions already undertaken. It complements financial measures with operational measures for customer satisfaction, internal processes and innovation and organizational improvement activities, and operational measures that are the driving force behind future economic performance. It provides answers to four questions:



- 1. How do customers view the organization?
- 2. In what should the organization excel?
- 3. Can the organization continue to improve and create value?
- 4. Is the organization attractive to shareholders?

Providing information for managers from four different perspectives, a balanced result card minimizes information overload by limiting the number of measures used. The balanced score requires managers to focus on measures that are most critical.

By forcing senior managers to consider all major business measures together, a balanced result card allows them to see if improvement in an area can be achieved at the expense of another.

The Balanced Scorecard approach provides support for metrics that link quantitatively wider organizational performance measures to more traditional but critical financial measures. The Balanced Scorecard is based on four key processes.

- **1. Translating Vision.**

Vision and strategic thinking are linked to the operational framework.

- **2. Communication and connection.**

This provides people with a definition of how they will contribute to strategic results.

- **3. Operational Planning.**

Business planning can integrate various improvement initiatives into financial plans.

- **4. Feedback and learning.**

This provides for a reassessment of strategies in the light of real learning.

The strategic management of an organization is the process of defining, redefining and implementing its key choices about the purpose, objectives, areas, means of action, resource allocation, and institutional behavioral patterns in interacting with the environment. The strategy can be defined as the organization's response to environmental opportunities, challenges and threats, according to its capabilities and resources.

Nothing is more closely recognized by business failure than by lack of sense of direction. It puts the organization in the defense against its competitors, fighting in an area not of their choice, rather than in the reasons that best serve its interest. Understanding the strategy and its role in business development is an integral part of success.

A good Balanced Scorecard should report your strategy history. Three criteria help determine if the performance measure, in fact, tells the story of your strategy.

- **1) Relationship between cause and effect**

Any measure selected for a Balanced Scorecard should be part of a cause-and-effect relationship that represents the strategy.

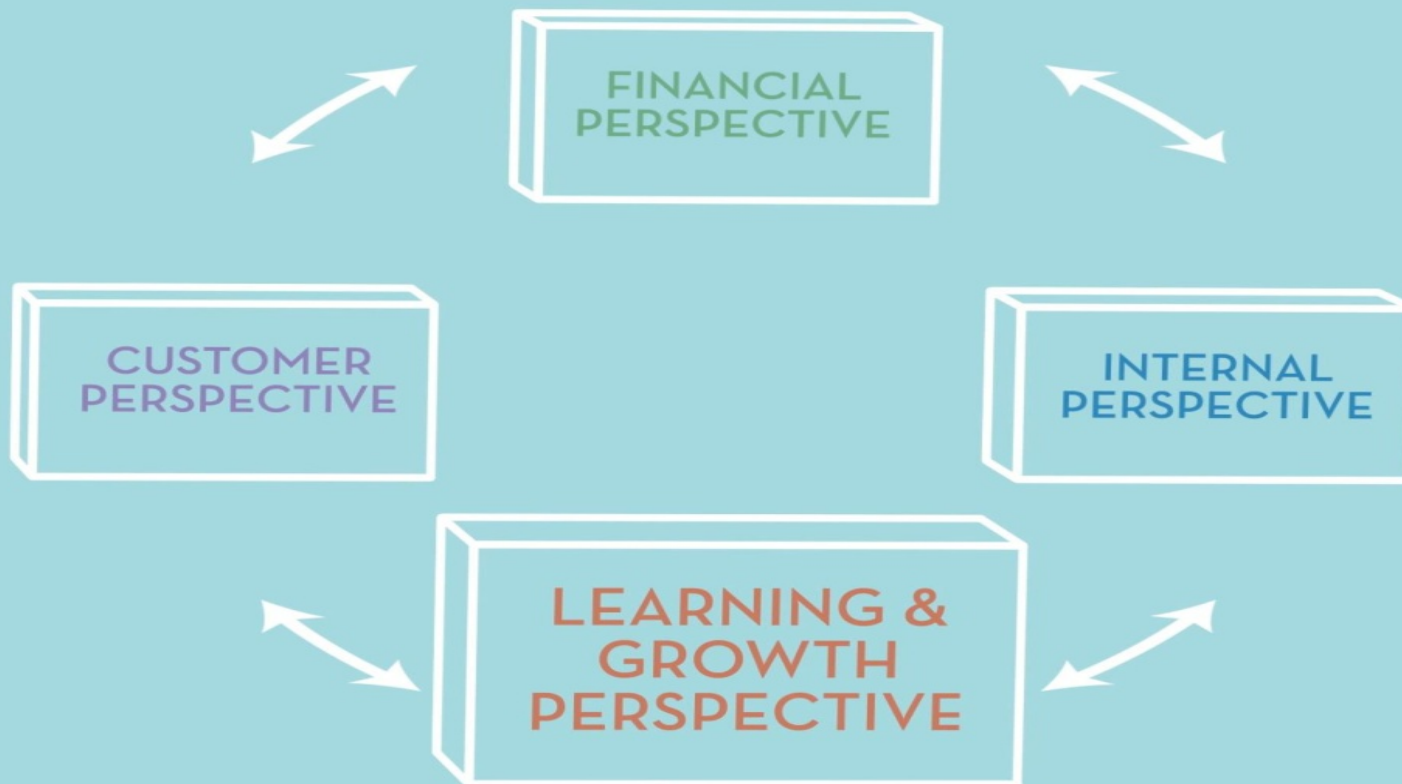
- **2) Performance drivers**

Measures common to most organizations in an industry are known to be lagging indicators. Examples include market share or customer retention.



- **3) Links to Economics**

With the proliferation of change programs in progress in most organizations today, it is easy to tackle a goal such as quality, customer satisfaction or innovation. While these objectives are often strategic, they should also be transformed into measures ultimately linked to economic indicators.



Process of Balanced Scorecard card

(Source. <https://hbr.org/video/3633937148001/the-explainer-the-balanced-scorecard> )

The Presentation we just saw included the analysis of the Balanced Scorecard method and how it is not directly applicable to customer service is to improve it.

Upon completion of this presentation, you will be able to:

- Create models with corresponding methods and templates such as those that have been explained.
- Analyze the level of User Support based on the needs of the organization and the client.

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## **Elias Misailidis**

- AKMI S.A.
- I.T Helpdesk Specialist at Ministry of National Defense
- Electronic Engineer BSc , MSc
- Computer Engineer

Graduate from the Piraeus Technical University with a degree in Electronic Engineering and a postgraduate degree in 'Electronic Systems' and 'Information Systems'.

Graduate of the Armed Forces Interactional School of Informatics and Permanent Navy Officer with the specialty of the EU / PE.

Helpdesk Officer of the Ministry of Defense Research in Computer Science and new Technologies and Professor of the Technical / Computer Department at AKMI.

## Credits

- Author: Elias Misailidis, AKMI S.A.
- Technical reviewers: Christos Pierrakeas & Panagiota Polymeropoulou, HOU
- Scientific reviewer: Rui Centeno and António Coelho, UPorto



[www.project-musa.eu](http://www.project-musa.eu)



[musa@daissy.eap.gr](mailto:musa@daissy.eap.gr)



@MuseumSectorAlliance



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