Canadian Mental Health Association Ontario | Association canadienne pour la santé mentale Ontario

Organizational Reporting: Building and Using a Balanced Scorecard

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Purpose and Audience

This presentation aims to provide an overview of the purpose and approach to developing a balanced scorecard and how to use it for organizational reporting and management

This presentation is directed to managers, directors and administrators who are responsible for internal and external reporting.

What can you expect?

You will get

- An overview of the purpose of a balanced scorecard
- Some guidance on how to develop a scorecard and associated reporting structure
- An opportunity to share your experience and ask questions

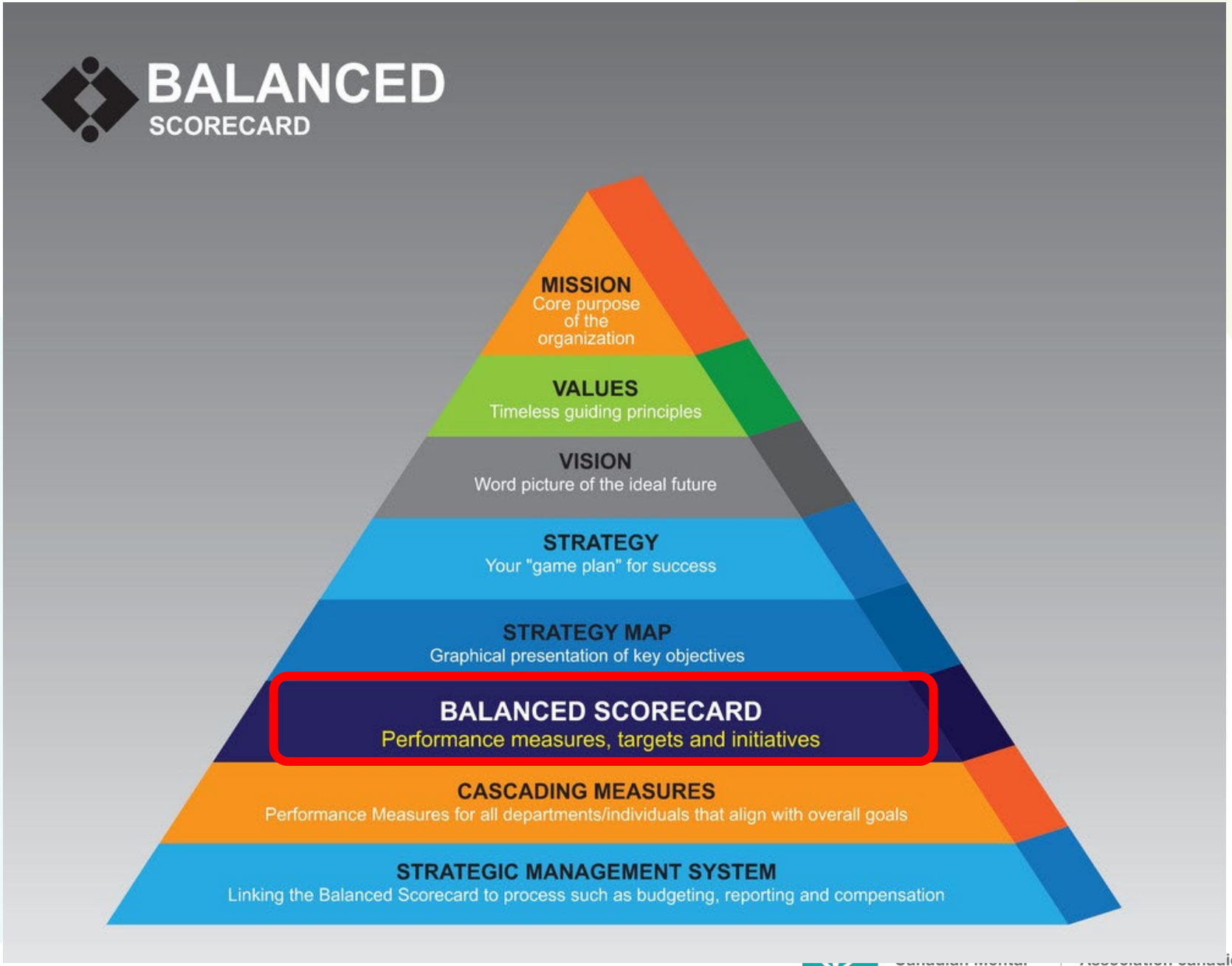
You will not get

- A template for a balanced scorecard or board reporting
- A recipe for building a system to monitor progress

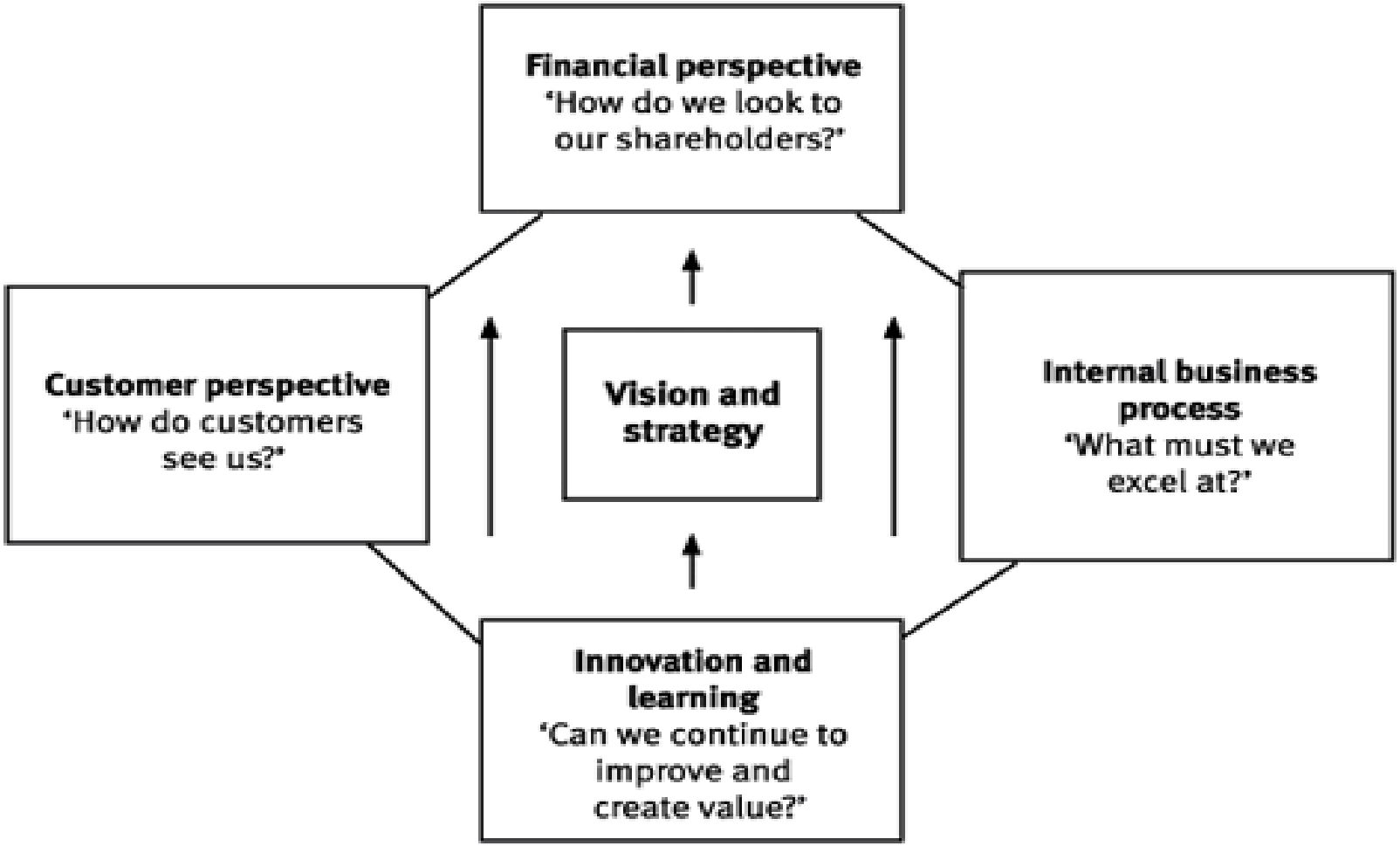
Discussion question

- What do you currently report?
  - For whom?
  - For what purpose?

- How does your organization use data and reporting to inform the work you do?


BALANCED
SCORECARD
MISSION
Core purpose of the organization
VALUES
Timeless guiding principles
VISION
Word picture of the ideal future
STRATEGY
Your "game plan" for success
STRATEGY MAP
Graphical presentation of key objectives
BALANCED SCORECARD
Performance measures, targets and initiatives
CASCADING MEASURES
Performance Measures for all departments/individuals that align with overall goals
STRATEGIC MANAGEMENT SYSTEM
Linking the Balanced Scorecard to process such as budgeting, reporting and compensation

Kaplan's Approach to the Balanced Scorecard (1996)



Robert S. Kaplan, 2001. Strategic Performance Measurement and Management in Nonprofit Organizations. Nonprofit management and leadership, vol 11(3).

Building a Balanced Scorecard

- A balanced scorecard usually will be intended for board or external reporting.
- It includes a limited set of indicators that:
  - Focus on strategic priorities as well as board responsibilities (governance, fiscal accountability, stakeholder perspective and organizational growth)
  - Strive for measures of outcomes and impact; minimize tracking of work processes
  - Explicitly define expected performance either through directionality or targets
  - Augment the board scorecard with an organizational dashboard/ senior management reporting
  - Link data collection across levels; minimize new data collection

The scorecard should evolve over time in an intentional way

The scorecard is the start of a conversation!

Considerations when selecting indicators

- How well do these measures align with program specific deliverables?
- For each measure / indicator, are we measuring reach, use, usefulness or impact?
- How easy is it to collect data and track performance?
- What are the sources of the targets? Are there any measures where you really cannot set a target? How will you determine performance in these cases?
- Are there delays in getting performance information? How far from 'real-time' are the data?
- How can the scorecard be used to inform our strategic planning for the next three years?

Setting Targets

- Specific
- Measurable
- Achievable
- Realistic
- Timely

Discussion

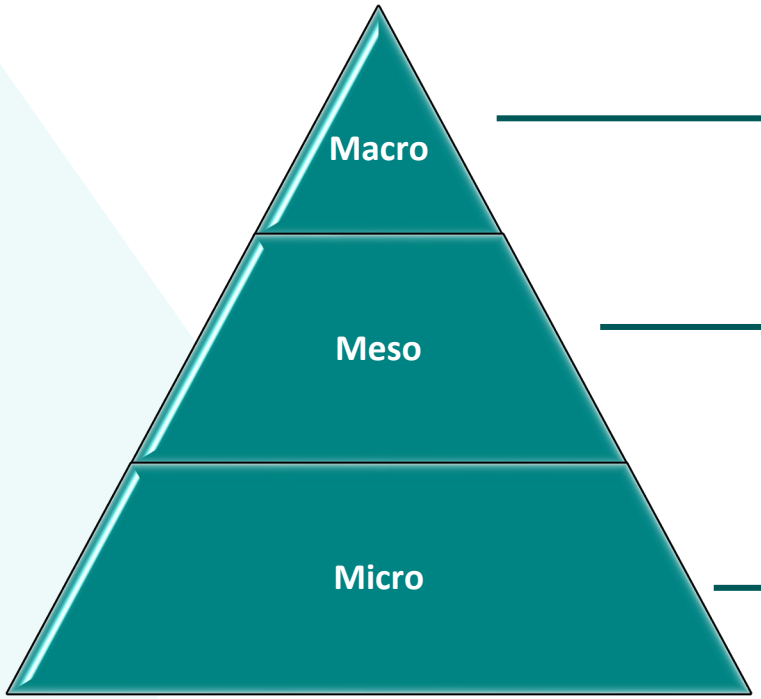
- What approach have you used to develop reporting metrics?
- What are some of the challenges you have faced in collecting data and developing reporting tools?
- What are some of the strategies that have been effective to address challenges?

Building a Performance Management System

- A Performance Management System gives management and leadership assurance of the health of operations and allows information to be rolled up and unrolled for the scorecard
- Principles for Indicator Selection were
  - Include relevant outputs and outcomes
  - Understand the direction of performance – up or down. And if possible, set targets
  - Be efficient in your data collection. Use data that are being collected – don't let the perfect be the enemy of the good. Minimize the need for new data collection
  - Where possible, use standardized tools to increase the reliability and comparability of data collection
  - Focus on organizational-level indicators across quality domains. Ensure that data can be rolled down to the program level and if possible, individual level
- The System will evolve over time in an intentional and transparent way

Design the system for transparency. So teams and managers can see performance information in a timely way AND these data can be rolled up to higher levels of reporting, including the scorecard

Performance Reporting for Management and Governance



This level of reporting is for strategic purposes. It should focus on outcomes and impacts and align with either strategic or funding goals

Reported to Executive or leadership team and is intended to provide a more detailed view of the macro indicators – for providing context and for understanding and managing risk

Monitored by programs and project teams with periodic reporting to executive sponsor/ managers. This level of reporting includes counting of activities and outputs as well as outcomes where possible. These data should be timely and easy to collect.

Data and metrics for impact

Broaden data assets

- Understand what you already collect and recognize gaps in measurement
- Build data systems that can address the gaps – *THOUGHTFULLY*
- Engage with people and communities to co-design data collection and with governance on use of data

Be aware of the parts of the system that can influence performance

- Who is accountable and can influence performance?
- What actions (QI) can be taken to improve performance?

Data and metrics for impact

Understanding population definitions

- Think through the full implications of definitions and the denominator (population)
- Get input from patients/clients and the community

Thinking in terms of distributions and comparisons

- Measuring how outcomes vary across the population
- Understand that what benefits an individual or a sub-group may not benefit the whole population - *Potential to increase or remediate disparities*

Using data, improving data

The value of data-driven decision making

- Optimise outcomes for a particular goal
- Challenge assumptions and reveal issues earlier
- Manage risk and uncertainty
- Identify opportunities to create efficiencies
- Improve transparency

Most importantly, it leads to making decisions using data rather than anecdote and instinct

As leaders, you need to Connect the Dots!

System Drivers

- Provincial and National policies
- Quality and Performance Frameworks

Regional Drivers

- Funding Agreements
- Sector or multi organization collaborations
- Regional Partnerships

Organizational Drivers

- Mission, Vision, Values
- Strategic Plan
- Operating Plan – includes Finance and HR plans
- Quality Improvement Plan

Reporting Tools

External:

- Public reporting and rankings
- Funder reporting

Internal:

- Balanced scorecard Operational dashboard Quality dashboard board reporting

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Thank you and Questions

If you would like to reach out, please contact me at ndegani@ontario.cmha.ca