



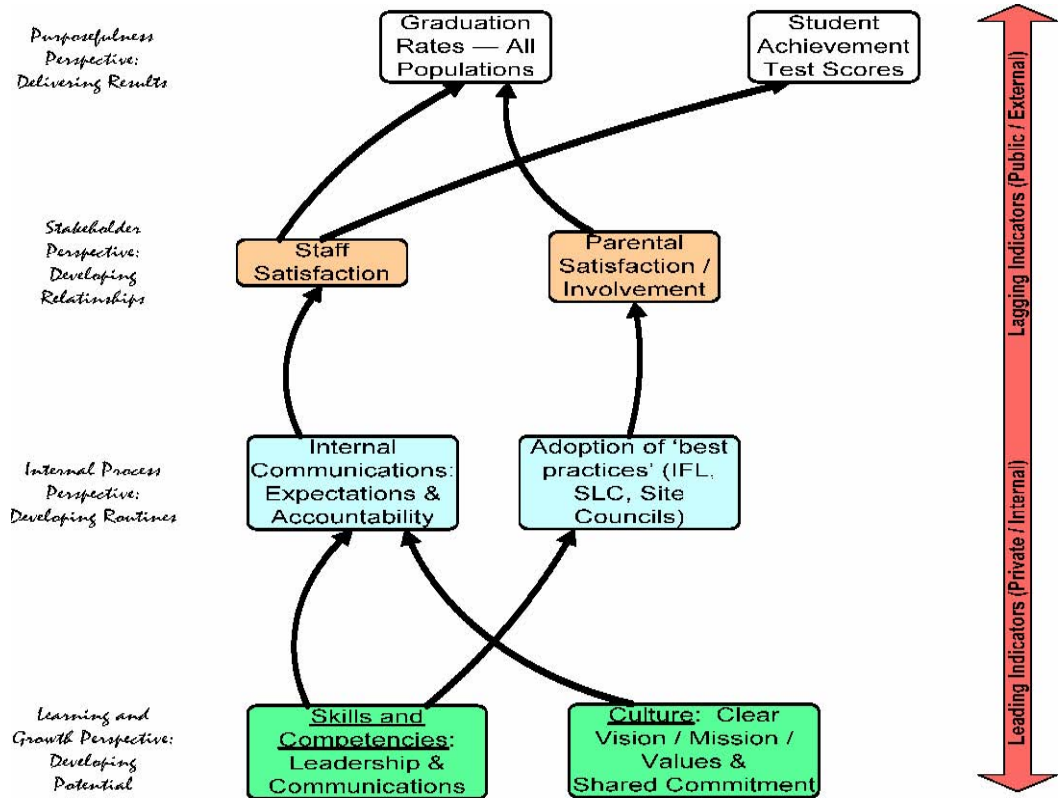
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Balanced Scorecard: Metrics that Make Sense



The metrics that get the most attention fall into the category of *lagging* indicators: the unemployment rate, last year's profit, student achievement test scores. Of course, by the time you get them, it's too late to do anything to improve them! The Balanced Scorecard encourages us to take a hard look at what *causes* significant changes in those indicators. Specifically, what can we measure *now* that we believe is linked to our eventual performance on those lagging indicators? Can we identify *leading* indicators, measure them now, and take appropriate corrective action if they fall out of bounds? With a clear sense of the organization's mission, we can create a coherent suite of metrics in four domains to inform current decisions.

"Measuring organizational performance requires such causal chains of value creation. Stand-alone measures cannot capture the means by which improvements in intangible assets and internal processes lead to increased performance in outcome measures. The linkages in strategy maps provide the recipes for such transformations and value creation." Kaplan and Norton

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