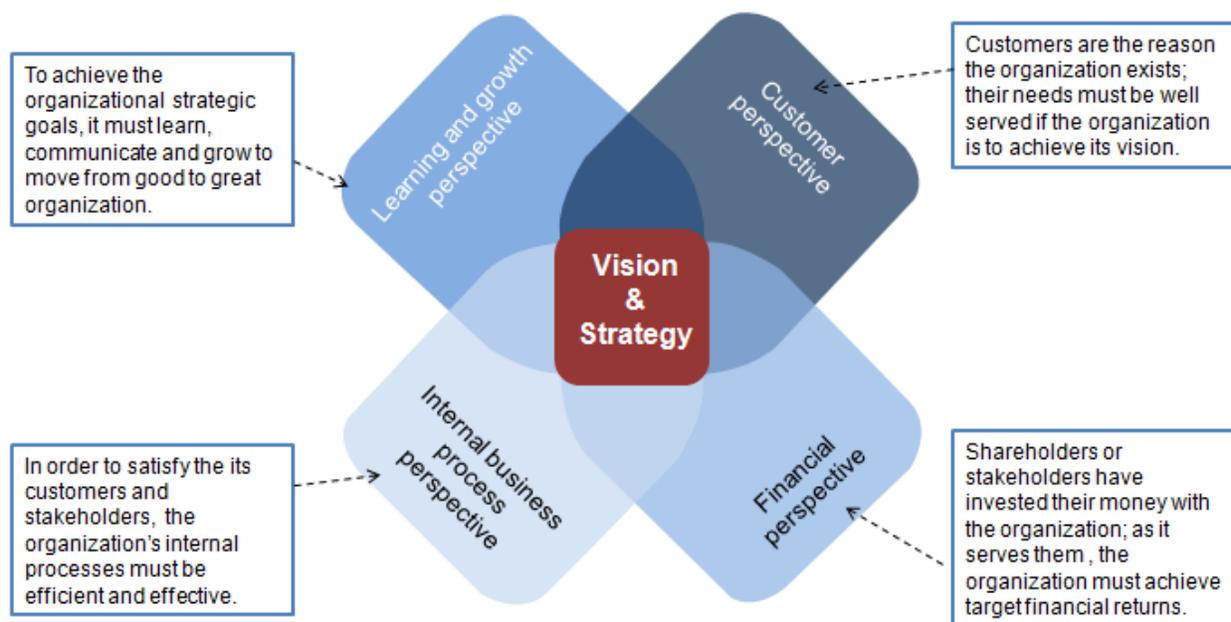


The balanced scorecard – a useful tool for strategic success

The balanced scorecard is a strategic planning and management system that is nowadays widely used in business and industry, government, and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications, and monitor organization performance against strategic goals. It was originated by Robert S. Kaplan and David P. Norton as a performance measurement framework that added strategic non-financial performance measures to traditional financial metrics to give managers and executives a more 'balanced' view of organizational performance. The organization that embraces the balanced scorecard stands to reap the following benefits from using the balanced scorecard:

- Aligns business activities to the vision and strategy of the organization. Only 1 in 10 organizations execute their strategy successfully.
- Improves internal and external communications. Only 5% of the work force understand the strategy of an organization
- Helps monitor organizational performance against strategic goals. A survey done in 2002 found that 72% of CEOs believed that executing their chosen strategy was more difficult than developing a good strategy.
- Translates strategy into action, thus making the organization strategy focused. 85% of executive teams spend less than one hour/ month discussing strategy
- Focuses on measuring performance. Only 25% of managers have incentives linked to strategy. In addition, 60% of organizations do not link budgets to strategy.



J.Samuel Richards (www.jsamuelrichards.com) has helped clients to implement a culture of the balanced scorecard and use it as a tool for strategic success – setting the vision and tracking progress.

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