Balanced scorecard: executive summary

Balanced Scorecard By Danielle Hofer SWFOUN85B BUS/475 Facilitator: Dr. Charles A. von Urff Workshop 4 assignment Due January 10, 2012 Submitted January 10, 2012 Executive Summary As an individual deciding on marketing a new product or service the product life cycle shows the life cycle of a product or service. The product life cycle is the introduction, growth, maturity, and decline stages. Each stage is vital for the development of a product or service. The balanced scorecard enables managers to follow the progress of the product life cycle.

The use of a balanced scorecard incorporates both internal and external factors. The future of any product or service depends highly on correctly using and identifying potential problems within a company. The balanced scorecard is examined by members of the management team to keep them motivated. The management teams are then able to focus on criteria and objectives as being the most critical to the projects strategic success. The following paper will clearly define a balanced scorecard and show examples of a balanced scorecard. The balanced scorecard will be analyzed and shown as a tool that needs to be used.

Introduction The balanced scorecard is an intricate part in the production and lifecycle of a product or service. The balanced scorecard has an effect on the evaluation of a company by shareholders and creditors. The balanced scorecard is another stage to realizing the potential goals and growth of an organization. The balance scorecard communicates the realization of changes that may need to be made to improve all relations in a company. Balanced Scorecard A balanced scorecard is a performance measurement that focuses on the changes managers can make to create future shareholders.

The scorecard should include objectives, measures, and targets that must be met during the projects life cycle. The balanced scorecard should contain quantifiable measures that are associated with the product life cycle. This will allow there to be qualitative inputs for areas that need to be reexamined as lessons learned. There are four dimensions associated with a balanced scorecard. The dimensions are financial, customer, internal processes, learning and growth (Devine, Kloppenborg, K. , Timothy J. O 2010). Financial measures are critical as a determining factor whether it is reported as profits or loss.

The company must meet the expectations of the customer and exceed the expectations of the customer. The internal process examines the company as a whole and try’s to improve critical business processes. Learning and growth examine the company’s successes by showing its ability to adapt, innovate, and grow. After the measures are reviewed the balance can then be evaluated and achieved. Performance is assessed as part of a balanced set of dimensions including financial, customer, internal processes, and innovation.

Quantitative measures are the defects within the company that are balanced by qualitative measures including the results of customer satisfaction. Backward looking measures include growth in sales and finally the forward looking measures where innovation is shown. The balance scorecard if analyzed properly will ensure the success of any project (Broccardo, L.

2010). Example of Balanced Scorecard This is an example of one type of a balance scorecard. It shows exactly what an individual should include as part of the company's strategic plan.

This example is representative of the key elements that need to be defined and executed by any member of the management team. Each part of the scorecard enables a company to specifically identify the objective, measure the sustainability, target the problem and initiate the final plan. Scorecard Analysis The first measure is the financial by justifying the loss and or gains in profits the company can change to improve on profits. By identifying the financial needs of any business the team can adapt to those needs. Changing the dynamics of each project the team can show the willingness to change.

This will ensure customer satisfaction. The second measure is customer satisfaction and how to excel at knowing the customer needs. If the company does not know the needs of its customers this is unattainable. By exploring the wants and needs of the customer the company can focus on exactly what is needed to accomplish that goal. The third measure is internal and the company needs to know how to excel at what product or service they are providing. Innovating new and improved products or services can change the perception of shareholders and customers which in turn creates profits.

The fourth and final is learning and growth this depicts if the company is willing to change in order to succeed. The final measurement shows that everything that is learned from the balanced scorecard is initiated and implemented. Conclusion A balanced scorecard is a tool used in many industries and can accomplish many objectives. The balanced scorecard helps an organization clearly identify issues and help organize a company as a whole. It communicates the key objectives that would prolong the product life cycle. The balanced scorecard is an essential tool for business success.

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