

Top ten bsc mistakes

[Business](#), [Organization](#)



Lack of focus: Too many people, too many objectives, too many metrics, and too many scorecards When it comes to scorecards, less is more. Too often, beginners start out with too many people, too many objectives, too many metrics, and too many scorecards. When an organization tries to juggle too many things, It Inevitably cannot deliver on all of them. When too many people are involved, the process slows to a crawl. Often these groups wind up with too many objectives because they cannot reach consensus on a few key ones.

This kind of confusion obscures clear lines of accountability and discourages employees. Therefore, err on the side of less at the beginning. Weed out objectives by asking yourself tough questions: can you realistically manage all the objectives on your list? Are they complementary or conflicting? What is the impact of not doing them? Do they really matter? Similarly, less is more when it comes to teams. When starting a BBS process, don't involve so many people that It becomes unwieldy or political.

Limit it to a few people who know what they're doing and who have executive support and the authority to make the appropriate changes. They should have a broad understanding of the organization and good people skills so that they can inspire there. Rather than holding big meetings, assign team members to work individually with other players or business units to tackle specific questions and then present their findings to the group. 2.

Biting off more than you can chew As we mentioned, organizations often try to do too much too fast? the classic " biting off more than you can chew" phenomenon.

They get excited about the BBS and become enamored with the idea that it can instantly address all their top priorities across the organization. If they dream too big, they will become frustrated by the reality of putting these things in motion. Instead, they should begin with small-scale projects so that they can learn the ropes and work out the inevitable bugs. For example, an organization might do a one-year pilot with its leadership team. It's impossible to know whether you have the right metrics and initiatives until you have lived with them for a while.

The pursuit of perfection? an admirable trait in many respects? can also undermine the value of the BBS. The BBS is an effort in ongoing process improvement, not some elusive end state where everything is done correctly. In order to make progress, we have to free ourselves from the onus of trying to be perfect. As Voltaire said, "The perfect is enemy of the good." Better instead try to embrace the idea of a "Zen flaw"? the tradition of some craftsmen of putting a deliberate imperfection in their work to free themselves from the burden of perfectionism. . Failing to set clear and realistic milestones Another classic mistake is failing to establish clear benchmarks of direction and making appropriate progress. Without them, it's too easy to become bogged down or lost in a new, unfamiliar process. If you're not sure what's realistic, look for external benchmarks. How can you improve your standing versus your competitors? How can you increase market share? Compare yourself to the top players in your industry and ask yourself how you might overtake them. 4.

Adopting initiatives without formal methodology for execution The odds of success are greatest when carefully chosen initiatives are matched with carefully planned execution. The gap between strategy and execution remains a formidable barrier for many companies. According to theHarvardBusiness Review, the average company realizes only 60 percent of the financial performance promised by their strategy. There are many reasons for this, including employees not understanding their roles, lack of clear accountability, and lack of empowerment to make decisions. How to close the execution gap?

In a nutshell, there are three key steps: actions should be tied to specific objectives; they must be funded and given adequate resources, and they must be monitored. Without good execution, even the best strategy remains Just an abstract idea. 5. Failing to integrate the scorecard into daily work The BBS should not be a standalone exercise. This runs contrary to its purpose? and squanders the potential benefits. The BBS must become part and parcel of the routine work of the organization. It should be a centerpiece or hub that brings together many initiatives.

If you treat it as an isolated exercise, you miss the opportunity for cross-fertilization and making other projects more successful. 6. Poor leadership andcommunicationSometimes BBS initiatives die by neglect because they lack commitment from top leadership. Without a clear mandate from the top, the balanced scorecard is unlikely to deliver its full benefits. Top leadership must empower their strategy teams. Leaders can't just delegate the BBS to a low belonging group and forget about it. The organization must see that the

top leaders have embraced the initiative and are determined to see it through.

Otherwise, people may dismiss it as just another halfhearted initiative and cling to old habits. Leaders can show support by attending strategy meetings, being seen alongside the strategy team, and making public statements of support. Another common leadership mistake is failing to effectively communicate the BBS to the organization. If people don't understand what's different or important about this initiative, they won't do the work to carry it out. Organizations should make a habit of communicating the objectives and results to employees on a regular basis.

Some organizations assume that commitment from senior executives automatically means that the entire organization is engaged. This does not happen by itself. For example, BBS lingo may sound like empty jargon to line level employees. Organizations must translate the initiatives into terms employees can understand. Leadership is important, but organizations should avoid making the BBS a top-down exercise. It's not a matter of issuing edicts and expecting employees to comply. It's a matter of exercising strong leadership and inspiring the organization to follow. 7.

Business as usual mindset When implementing the BBS for the first time, organizations must change fundamental habits? and this cannot be done with a business as usual achieved without changing the way day-to-day operations are performed. Rather, they require conscious effort because they force us to adopt new habits and new ways of working and thinking.

Changing habits is hard? that's why so many New Year's resolutions fail. Too

often, organizations try to hit new performance targets with the same business as usual attitude. Doing more of the same slightly better will not produce significantly new or better results.

New targets require new initiatives, strong leadership, and relentless execution. 8. Climate of defensiveness and mistrust Too often, BBS and performance management initiatives are portrayed as an Orwellian tool to keep tabs on employees and identify underperformed. Some organizations roll out balanced scorecards and performance management as accountability programs. As a result, employees begin to feel Judged, micromanaged, and anxious. Big Brother is watching. Accountability is important, but it shouldn't be the overarching message.

Instead, organizations should emphasize that these tools help employees and the entire organization to become more successful. Use these tools to share best practices and celebrate people who do things right. Let's say your shipping department comes up with a new best practice for dealing with the holiday rush. You can honor the innovators and share their learning's with the rest of the organization. If you see these tools solely in terms of accountability, you miss the opportunity to inform and inspire your employees. 9. Poor performance data Poor data undermines the entire purpose of the balanced scorecard.

In many respects, Kips can be one of the most difficult aspects of the BBS. In general, Kips are a good indicator of the health of your balanced scorecard infrastructure. If you have problems determining the score of more than one KIP, it might be an indication that your method of selecting them is not up to

par. Perhaps they were chosen from a library without much thought about the ground-level realities of what it takes to collect the data to determine their measurement. Organizations spend an immense amount of time putting together their scorecards.

All that work can go to waste if they don't keep good performance data. 0. Failing to adapt the BBS to the organization The BBS must be adapted to the organization. There is no universal, one-size-fits-all template. The needs of a large international manufacturing company are very different from those of a small local government agency. If your BBS approach is not tailored to your local circumstances, it will become a straitjacket that inhibits the organization. Adapting the BBS to the organization is an ongoing process. It often comes through experience. How do we get there?

As we saw above, it's a matter of focusing on a handful of key objectives, tarring small, exercising good leadership, and practicing disciplined execution. By carefully monitoring and adapting, organizations can discover a system that works in their particular circumstances. It's an iterative process of following proven principles, experimentation, and trial and error? yes, we all make mistakes. [Stephanie Busbies is an author and Group Vice President of Solution Marketing, Enterprise Performance Management and Governance Risk and Compliance with SAP. As an XP Strategic Partner, SAP is contributing thought leadership and research