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# Strategy Maps and Balanced Scorecards

## Using Business Tools to Align Strategies and Communicate Value

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## Measurement and Communication

‘Strategy maps and Balanced Scorecards constitute the **measurement technology** for managing in a knowledge-based economy.

‘By translating their strategy into the logical architecture of a strategy map and Balanced Scorecard, organizations create a **common understandable point of reference** for all their units and employees.’

(Kaplan & Norton, 2001: 11)



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# The Balanced Business Scorecard

A strategic performance measurement framework,  
providing a comprehensive view of business performance  
and relating measurement to strategy, vision and mission  
– invented by Kaplan & Norton (1992, 1996).



# Balanced Business Scorecard

- A strategic performance measurement system enabling broader assessment of organisational performance than traditional indicators
- Helps managers look beyond financial metrics and physical assets to **customer measures** and **intellectual capital** (e.g. innovation and learning)
- Combines 20-30 measures from **4 perspectives** to give a fast but comprehensive and balanced view of how an organisation is performing

(Kaplan & Norton, 1992)

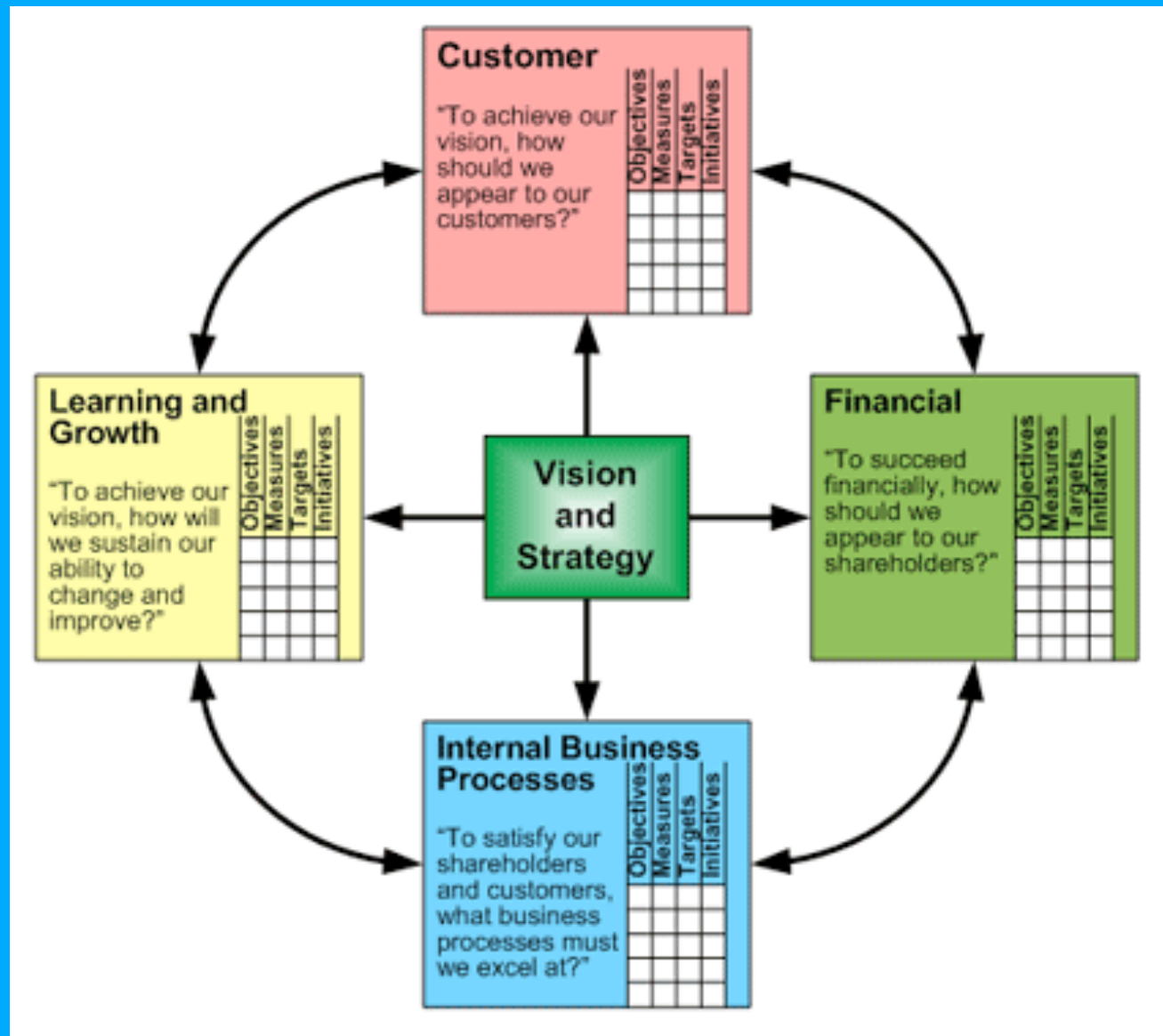


# The Balanced Business Scorecard

## 4 Perspectives on performance

- **Financial** or shareholder
- **Customer** or service
- **Internal** process
- **Innovation** and learning

(Kaplan & Norton, 1992, 1996)





# Benefits of the Balanced Scorecard

- Not only provides a fast comprehensive view of business performance, but also connects measurement with **strategy** and **vision**
- In addition, the customer focus encourages organisations to direct management attention towards critical **processes** (rather than functions)
- The balanced approach has made the system popular with organisations in the **public sector** and with academic, national and public **libraries**



# Translating a Mission into Desired Outcomes



(Kaplan &  
Norton,  
2001: 73)



## Strategic Outcomes

Satisfied  
Stakeholders

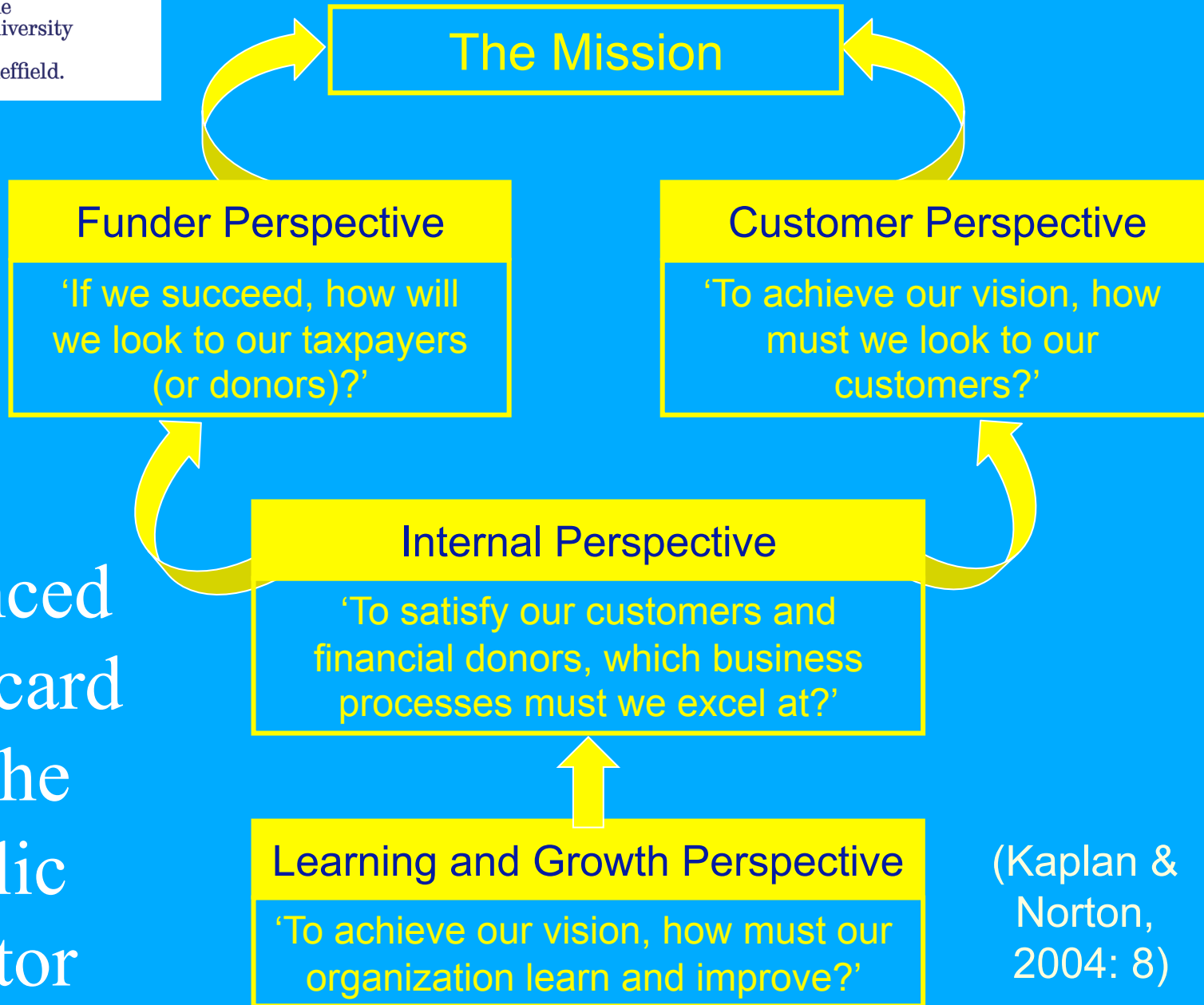
Delighted  
Customers

Effective  
Processes

Motivated and Prepared  
Workforce



# Balanced Scorecard for the Public Sector



(Kaplan & Norton, 2004: 8)





# Information Literacy Scorecard

## Shareholder/financial perspective *How do we look to our funders?*

### Goals

Economy

Growth

### Measures

- Unit costs (e.g. marking student bibliographies)
- Income generated (e.g. IL courses delivered to local businesses and professionals)

## Customer/service perspective *How do we look to our clients?*

### Goals

Quality

Penetration

### Measures

- Satisfaction rating (e.g. evaluations by students of teaching)
- Participation levels (e.g. % taught units where IL embedded)

## Internal/process perspective *What must we excel at?*

### Goals

Reliability

Efficiency

### Measures

- Percentage downtime
- Trainee hours per member of teaching staff

## Innovation/learning perspective *Can we continue to improve?*

### Goals

New modes

Expertise

### Measures

- Online products (e.g. custom VLE tutorials)
- Qualifications gained (e.g. PGCert in L&T)



# Critical Success Factors

## Lessons Learned from BSC Deployment

1. Define and communicate clearly the library mission.
2. Ensure strong leadership and management support.
3. Measure the right things, not everything.
4. Aggressively communicate the performance results to the library's constituency.
5. Align incentives creatively to the BSC metrics and find new ways of motivating staff.
6. Make change based on BSC analysis, and demonstrate that change is data driven.

(Lloyd, 2006)



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# Strategy Mapping

A strategy development and strategic management system, which uses Kaplan & Norton's (1992) four perspectives to define goals and show their cause-and effect relationships in an easy-to-read one-page summary that can be communicated throughout the organisation.

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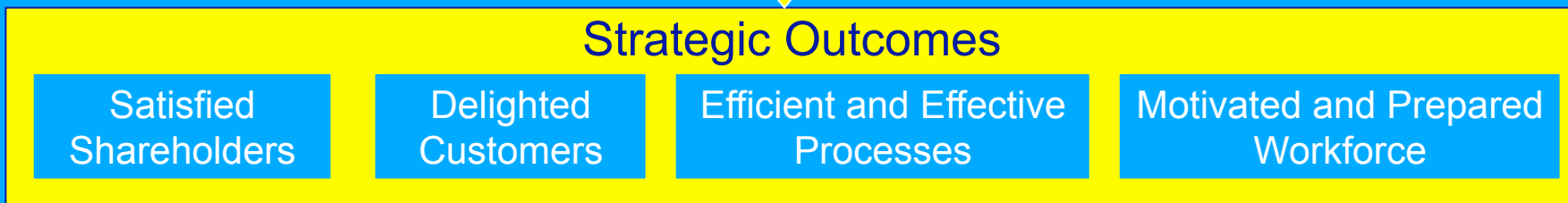
# Strategy Maps

- Concept introduced by Kaplan & Norton (2000) as a framework for developing and implementing strategies based on the Balanced Scorecard perspectives
- Strategy maps use the BSC framework to define objectives related to the four perspectives and then display their important **cause-and-effect relationships**
- They enable managers to capture their plans in an easy-to-read **one-page graphical summary** and to connect vision, strategy and resources **at all organisation levels**
- A key feature of the model is its emphasis on **communicating the strategy** to the whole workforce



'The balanced scorecard  
is a step in a continuum  
that describes  
what value is and  
how it is created'

(Kaplan &  
Norton,  
2004: 33)





# Library Strategy Map Contents

## ‘Library Strategic Plan on a Page’

- Vision and/or Mission (Purpose) statement
- Strategic (Key) Themes and Objectives grouped under the four Balanced Scorecard perspectives
  - **Customer Value Proposition** or Customer/User Needs
  - **Financial Sustainability** or Funders’ Requirements
  - Internal Process or **Improving Effectiveness**
  - Learning and Growth or **Potential** (Staff Development)
- American examples have 12-13 objectives,  
British examples have 30-31 objectives



# Library Strategy Map Guidelines

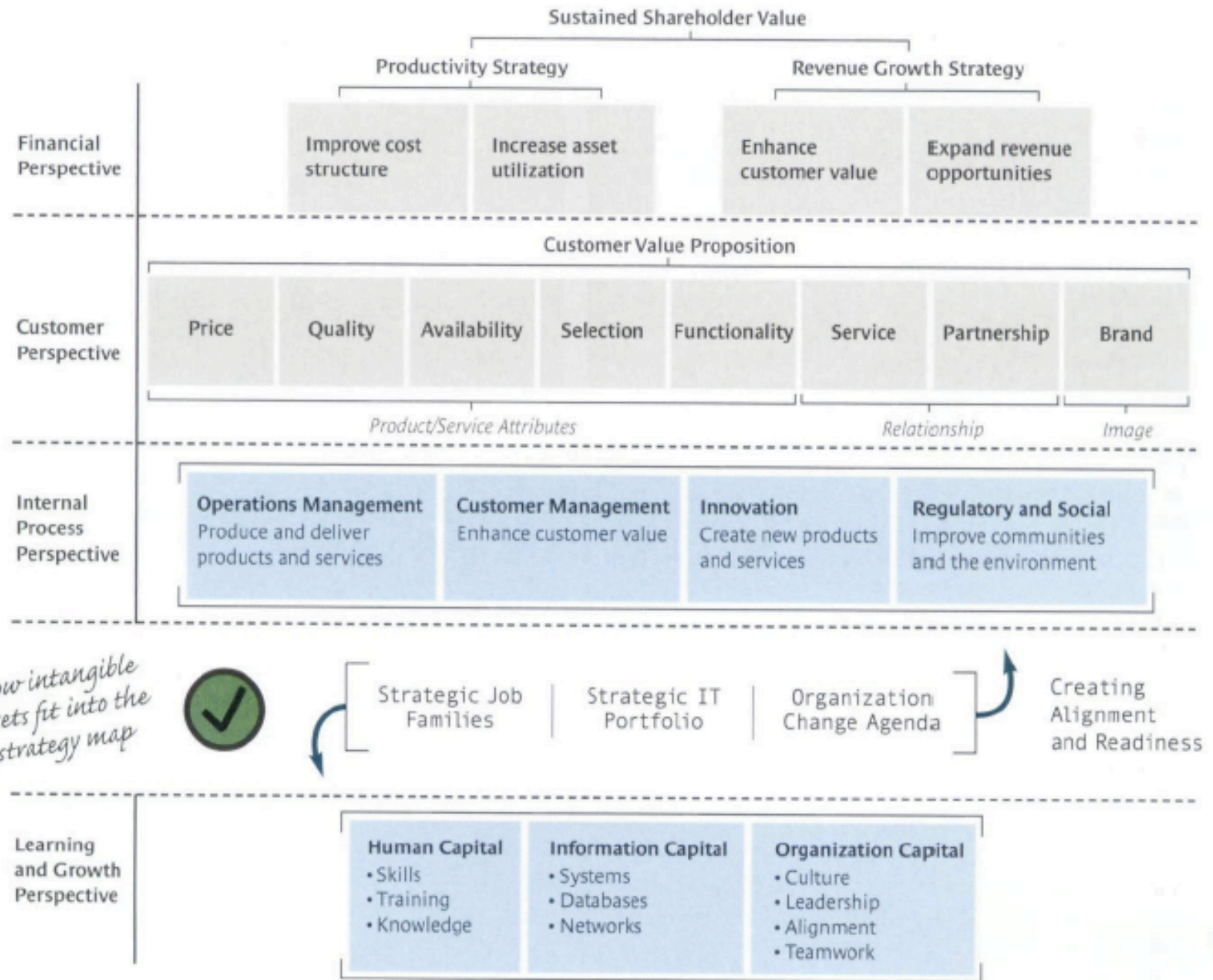
## ‘Visual framework for a library’s strategy’

A good strategy map will link together

- the overall **customer value** proposition,
- the desired **productivity goals** for internal processes
- the **capabilities required** from the library itself (staff skills, information technology and leadership),
- the characteristics of a **physical collection** and electronic **database provision**,
- the budget and other **financial resources** required to deliver the library’s vision

Organizational  
Readiness  
Perspective

Information Resources Perspective



Strategy map template with intellectual capital items (Kaplan & Norton, 2004: 55)





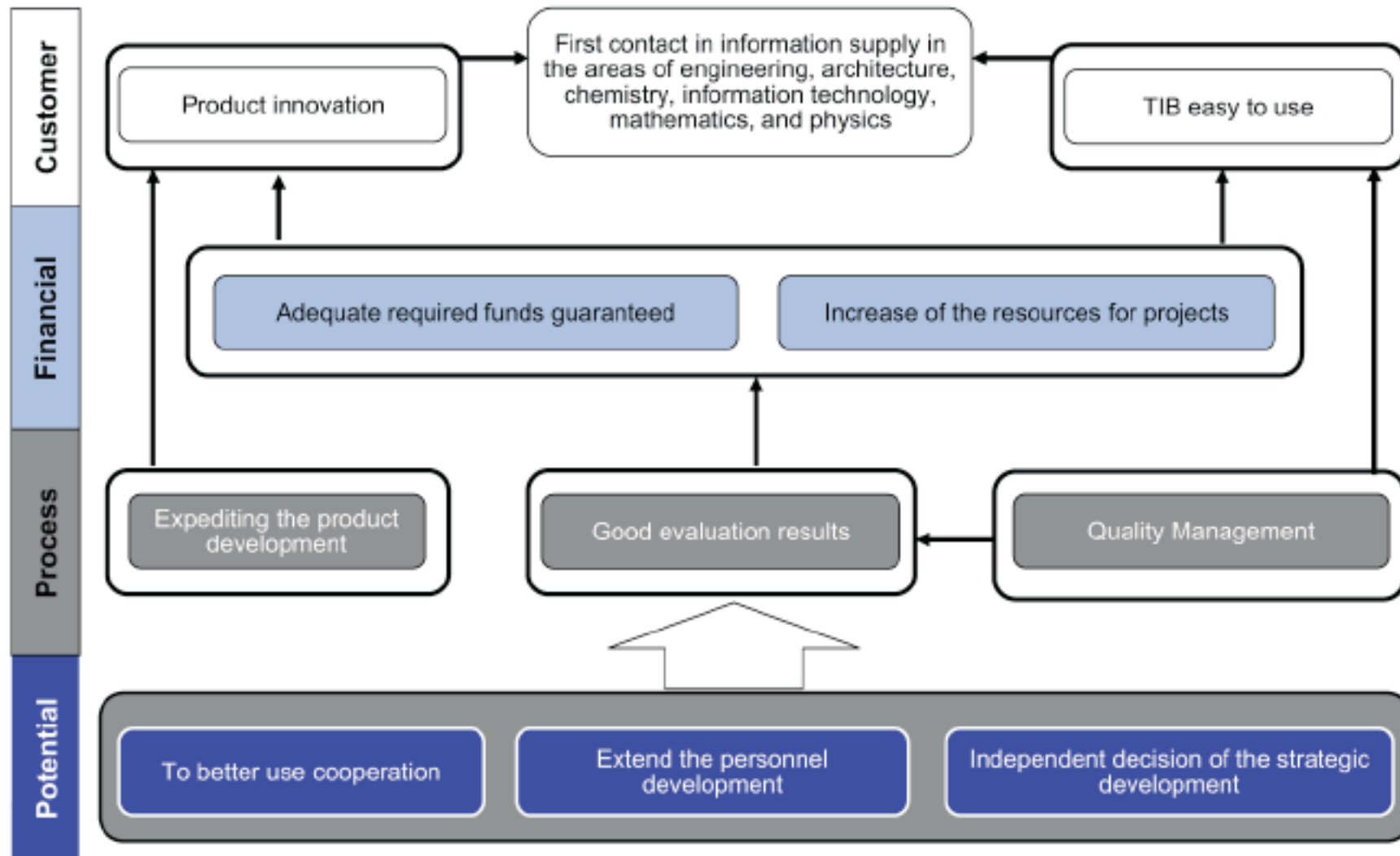
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# Examples of Library Strategy Maps

German National Library of Science and Technology,  
Johns Hopkins University The Sheridan Libraries,  
Leeds University Library, McMaster University Library,  
University of Virginia Library, University of Warwick Library

## Our vision

*The TIB is the nationally and internationally most successful specialist library for literature and information supply in the areas of engineering as well as architecture, chemistry, information technology, mathematics, and physics.*



German National Library of Science and Technology (Düren, 2010: 162)



**Mission:** To advance research, teaching, learning at Johns Hopkins University by providing relevant and significant collections, services, and instruction for faculty, students, and staff. The Sheridan Libraries through the University Libraries Council partners with other Johns Hopkins Institutions libraries to maximize support for our constituents while minimizing costs.

### Customer Needs

Provide productive, user-centered workspaces (virtual and physical)

Ensure fast, easy access to resources and services needed for research and teaching

### Financial Perspective

Minimize costs

Develop strong support base

### Internal Processes

#### Communications

Promote resources and services

Integrate and strengthen instructional and research support services and programs

#### Programs

Expand and preserve access to information including digital library development

Create productive research, learning, study, and social space

#### Operational Efficiency

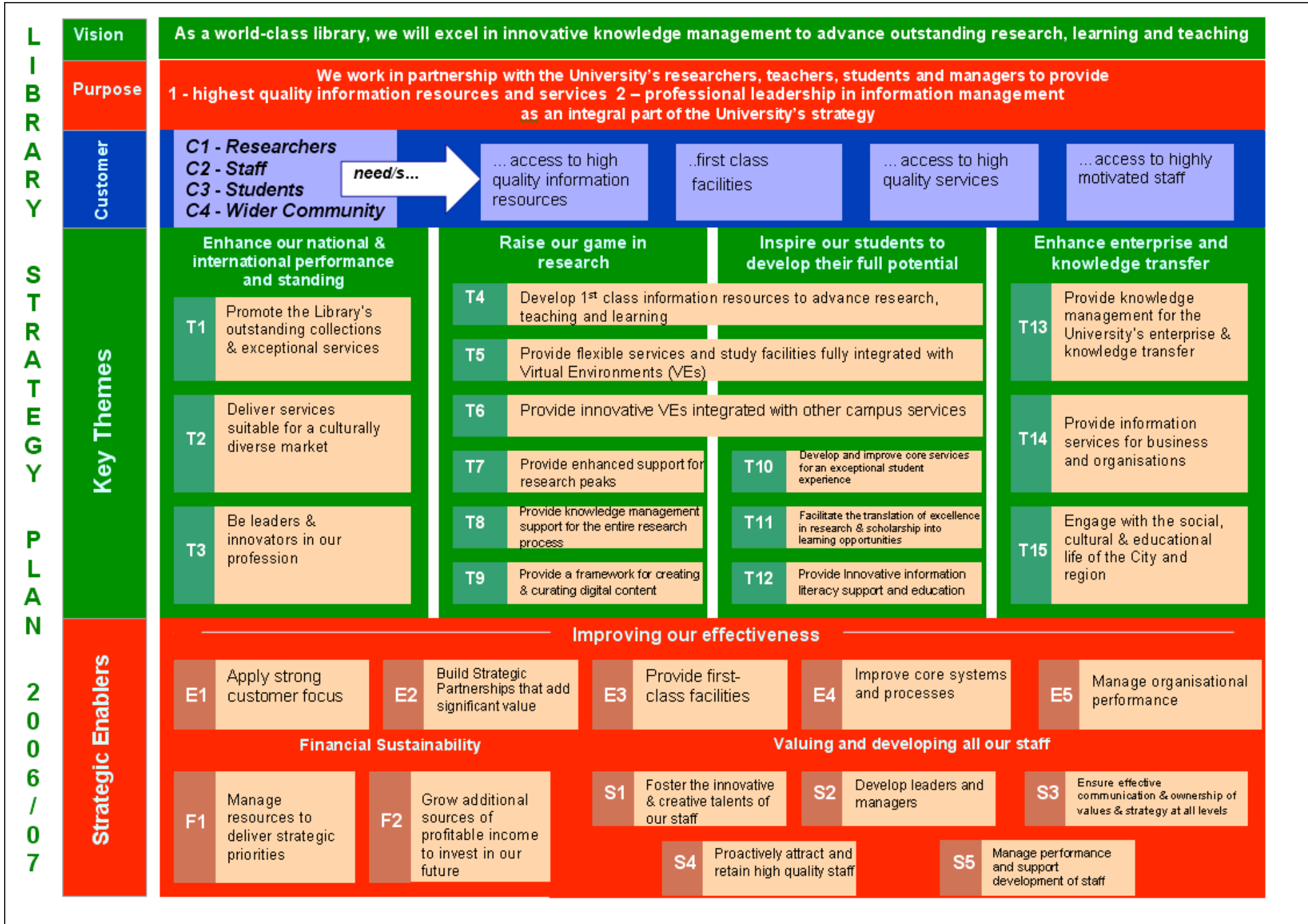
Identify and improve processes and infrastructure with greatest impact

### Learning And Growth

Recruit, develop, and retain productive highly qualified staff

Promote an adaptive, collaborative, diverse, engaged, innovative workplace

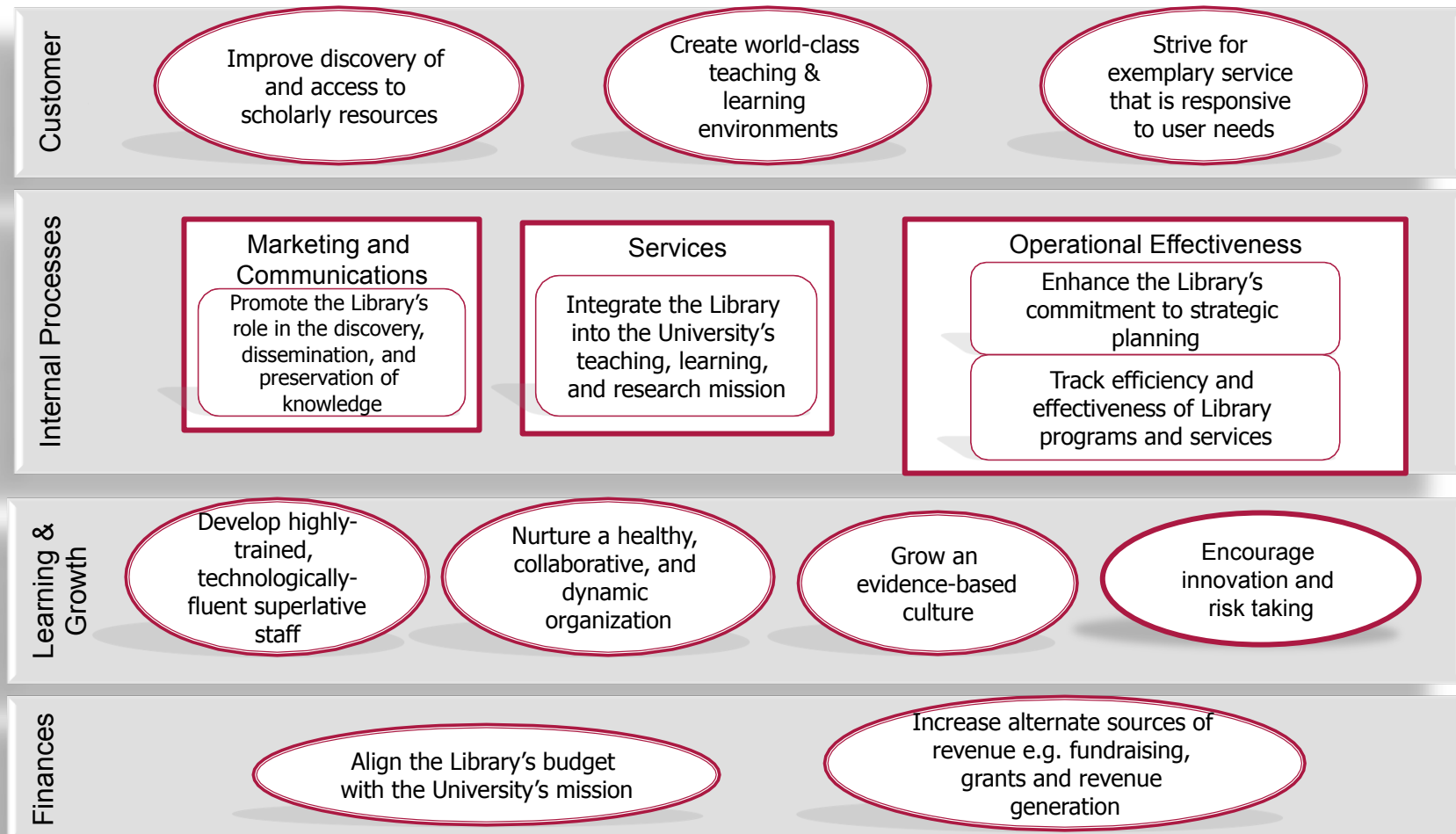
Create a culture of assessment and accountability



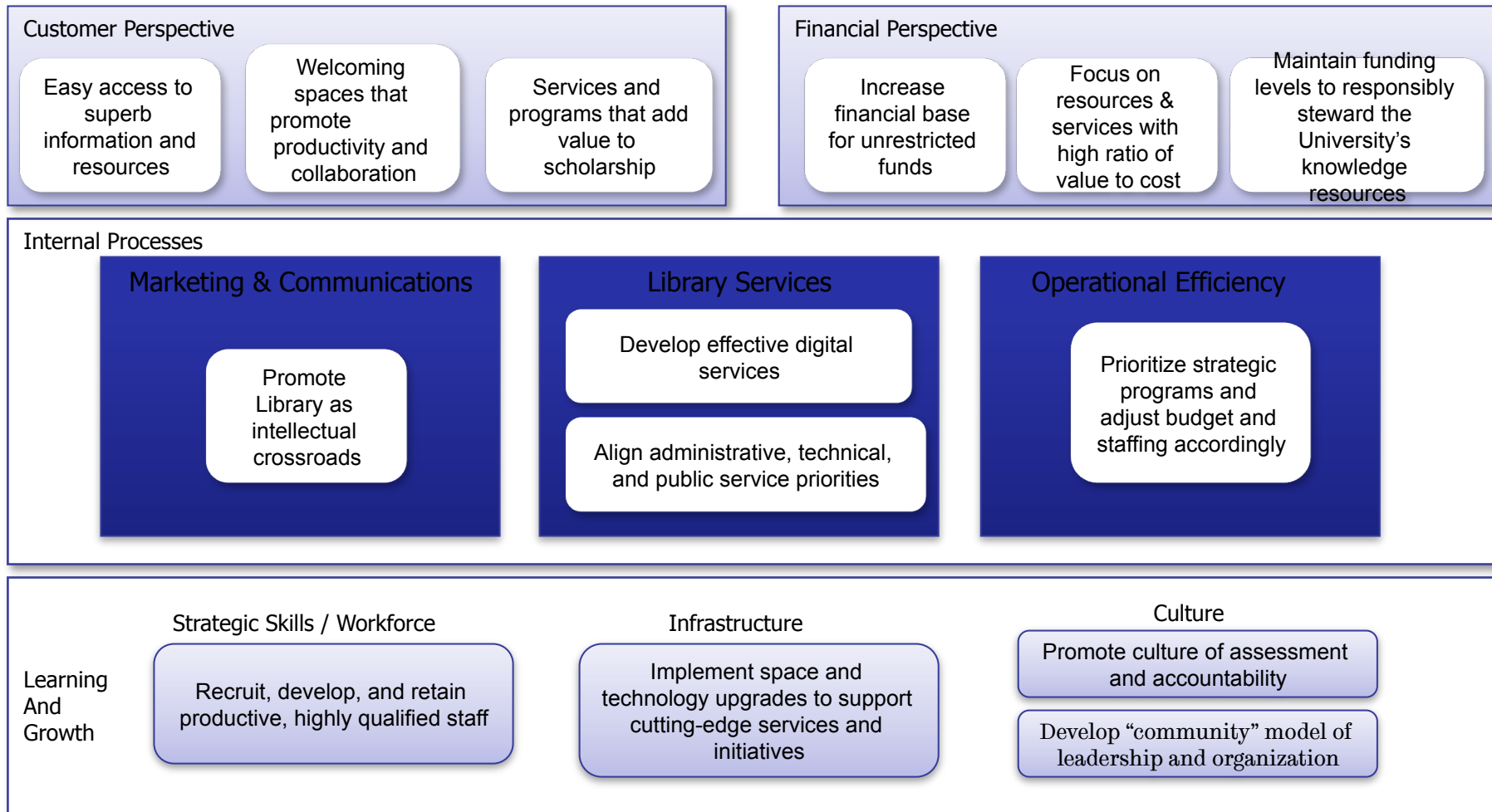
Leeds University Library Strategy Map 2006-07

# Strategy Map

Mission: advance teaching, learning and research at McMaster by teaching students to be successful, ethical information seekers, facilitating access to information resources, providing welcoming spaces for intellectual discovery and promoting the innovative adoption of emerging learning technologies



Facilitate world-class research, teaching and learning through leadership in the creation, access, use, and preservation of information and knowledge for scholars at the University of Virginia





## Library Strategic Plan on a Page 2009/10

### MISSION:

*Connecting you with information, support and your community to enhance Warwick's research, learning and teaching*

*Strategic Theme 1: To make Warwick an undisputed world leader in research and scholarship  
Strategic Theme 2: To sustain an exceptional teaching and learning experience at Warwick*

*Strategic Theme 3: Enhancing the Library environment  
Strategic Theme 4: Developing the University and Library infrastructure*

### STAKEHOLDERS & PARTNERS:

#### Our funders require:-

support for the university's research ambitions

high return on investment

support for excellent teaching & learning experiences

#### Our users require:-

access to an excellent portfolio of resources

engaged and motivated staff

customer-focused services & facilities (virtual & physical)

#### Our partners require:-

productive working relationships

collaborative service development

catalyst for change

Examples of how we will achieve this

A1: Develop proposals & costed plans to manage and promote the Institution's Intellectual assets through WRAP and related services (Theme 1, Theme 4)  
A2: Engage with IAS & Faculty Research Committees on how to develop researcher support through the Research Exchange, including support for multi-disciplinary research (Theme 1, Theme 3, Theme 4)  
A3: Develop and implement a plan to increase awareness of and support for the changing scholarly communications agenda (Theme 1, Theme 4)  
A4: Enhance methods of monitoring and meeting research resource requirements to provide best fit with the University's developing research portfolio (Theme 1)  
A5: Increase stakeholder engagement with the Teaching Grid & strengthen the links with The Learning Grid (Theme 2)  
A6: Implement business process reviews of library operations (Theme 1, Theme 2, Theme 4)

B1: Implement new staff structure, operations and staff skillsets to increase direct support for the academic enterprise (Theme 1, Theme 2, Theme 4)  
B2: Plan to upgrade the remaining Floors of the main Library and the MRC seeking external funding where appropriate (Theme 3)  
B3: Refine the remodelled Library configuration and user support model to promote considerate use and community ownership of Library space (Theme 2, Theme 3)  
B4: Develop use of and showcase the MRC as an institutional research and learning facility, considering business and external funding opportunities where appropriate (Theme 1, Theme 4)  
B5: Target resource to improve taught course support and continue existing investment in research resources (Theme 1, Theme 2)  
B6: Employ Web 2.0-based and other technologies to enrich and personalise resource discovery and delivery through a Warwick Digital Library (Theme 1, Theme 2)

C1: Increase use of the Library as an institutional shared space (Theme 3, Theme 4)  
C2: Support collaborative activities through the Teaching Grid, The Learning Grid and Research Exchange to develop and promote innovative teaching and research (Theme 1, Theme 2, Theme 4)  
C3: Build on the repository infrastructure to develop services to collect, manage and promote institutional assets such as research outputs (Theme 1, Theme 4)  
C4: Seek to develop linkages with "academic champions" in order to increase academic engagement in Library and MRC matters (Theme 1, Theme 2, Theme 4)  
C5: Explore opportunities for further integration of services to support research and teaching (Theme 4)  
C6: Consider ways to develop infrastructural services offered by academic support departments

What will progress look like?

A best practice and differentiated research support portfolio  
Sustained improvement in student barometer survey Library rankings  
A 'Fit for the 21st Century' physical environment meeting learning and research requirements  
Innovative academic and institutional support services and policy developments to support the institutional information landscape

The means to satisfy their information requirements conveniently and effectively  
Improved support for curriculum development and delivery  
Flexible spaces and facilities supporting different needs at different times  
A staff structure, operations and services configured to fit their needs

Collaborative approaches to developing the University's research support systems  
Improved integration of student and teacher support  
Effective collaboration as associates and providers in Library developments  
Strategic lead in appropriate areas of service identification and development



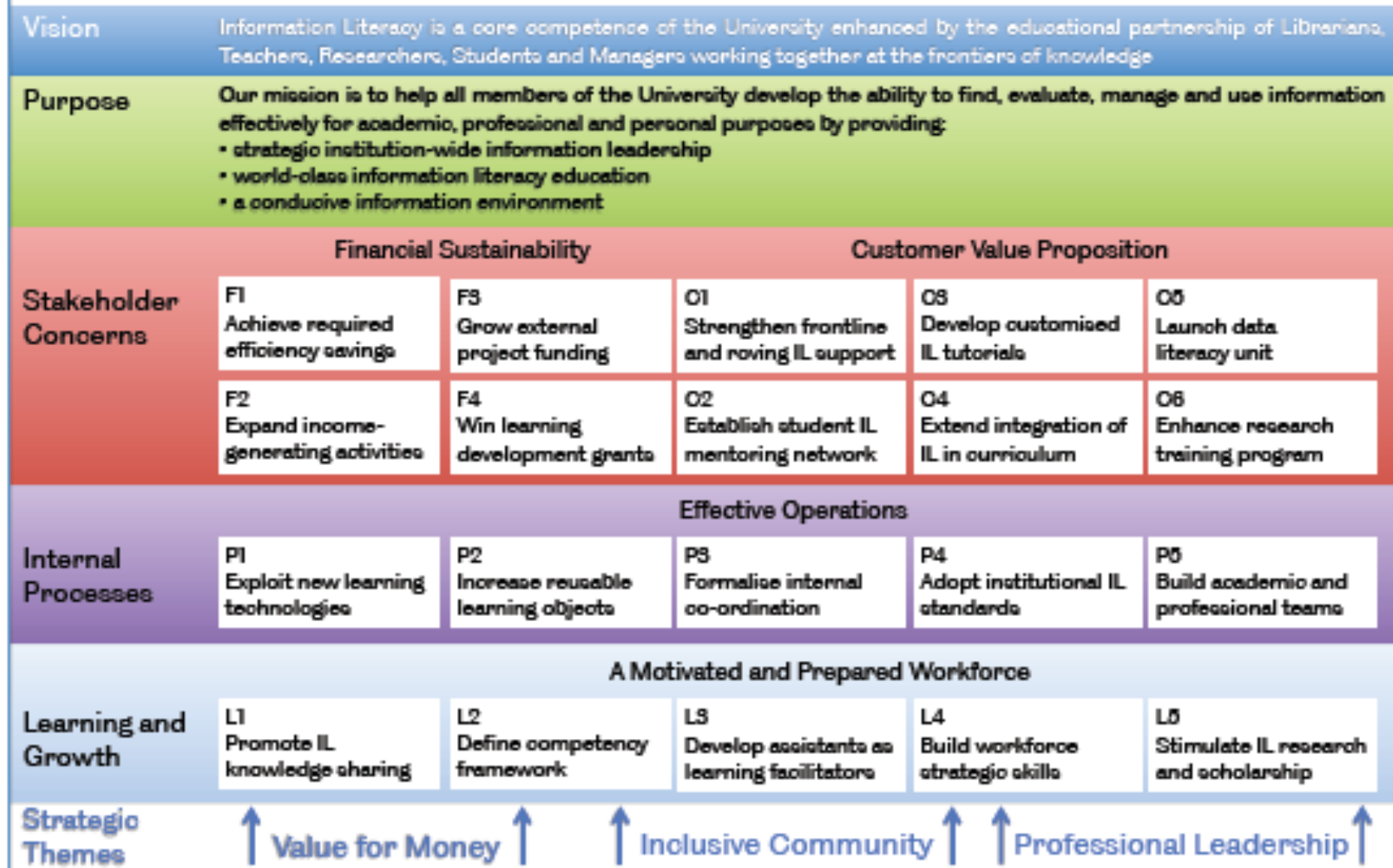
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# Example of an Information Literacy Strategy Map

Based on data collected in investigating the development of information literacy strategies in a sample of institutions



## INFORMATION LITERACY STRATEGY MAP





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# Library Balanced Scorecard Case Studies

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Matthews, J.R. (2008) *Scorecards for Results: A Guide for Developing a Library Balanced Scorecard*, Libraries Unlimited [covers both **Balanced Scorecards and Strategy Maps**].

University of California Berkeley (2010) *Library Bindery Strategy Map*.  
[http://bas.berkeley.edu/strategy/scorecard/library\\_bindery\\_strategy\\_map](http://bas.berkeley.edu/strategy/scorecard/library_bindery_strategy_map)

University of Warwick Library (2009) *Library Strategy Map 2009/10*.  
<http://www2.warwick.ac.uk/services/library/main/basics/about/aims/>



# Recommended Reading

Kaplan, R.S. & Norton, D.P. (2004) 'Measuring the strategic readiness of intangible assets', *Harvard Business Review*, 82 (2), 52-63

- covers the extension of the Learning and Growth perspective to intellectual capital and its incorporation in Strategy Maps.

Kaplan, R.S. & Norton, D.P. (2008) 'Mastering the management system', *Harvard Business Review*, 86 (1), 62-77

- includes a useful resource list for strategic planning.



# Any Questions?

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