A Balanced Scorecard Approach to Strategic Planning

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Westmoreland College

Location: Youngwood, PA
- Main Campus
- 7 centers including Advanced Technology Center
- Strong online programs
- Workforce Development

Enrollment: Approximately 5,554 full- and part-time students

Programs: 64 associate degree
- 15 diploma
- 58 certificate programs
History of Strategic Planning at Westmoreland

- Long & Complicated
- No Ownership
- Too many initiatives

New President
Focus on Two Items
Enrollment
Resources

Shared Process
Clear Leadership
Focused, Big Picture
Clear Measurable goals
Agenda

- What is a balanced scorecard (BSC)?
- What is strategy and how are effective strategic priorities developed?
- What are objectives, measures, targets, and initiatives?
- What is a strategy map?
- Establishing KPIs
- How to develop a dashboard and tracking system.
A Balanced Scorecard is:

1. A framework
2. A strategic management system
3. A measurement system
4. A communication tool
Why this framework?
Four Perspectives of the Balanced Scorecard

- Customer
- Employee Learning and Growth
- Internal Business Processes
- Financial

Strategy
Some Success Stories
The Essential Foundation

Mission
Why we exist

Core Values
Our guiding principles

Vision
Word picture of our future
Mission Statement

- Simple, clear, and short
- Inspirational and inspires change
- Long-term in nature
- Easy to understand and communicate
WALLY, YOUR STATUS REPORT IS JUST A BUNCH OF BUZZWORDS STRUNG TOGETHER.

I’VE BEEN GIVING YOU THAT SAME STATUS REPORT EVERY WEEK FOR ELEVEN YEARS.

FIVE YEARS AGO YOU ADOPTED IT AS OUR MISSION STATEMENT.
Vision Statement . . .

- Is concise
- *Balances* external and internal elements
- *Appeals* to all stakeholders
- Is consistent with mission and values
- Is *inspirational*
- Paints a word picture of the *future*
Values

integrity  honesty  team

dedication  stewardship

creativity  cooperation

efficiency  teaching

accountability  learning

community  diversidad

growth  inclusion

collaboration  social
One Definition of **Strategy**:

Strategy represents the *broad priorities* adopted by an organization in recognition of its operating environment and *in pursuit of its mission*. 
The importance of strategy
How Strategy is *Translated* into Action

- Development of *objectives* on a *strategy map*
- Development of *measures and targets* on a *balanced scorecard*
- Development of *specific initiatives* to accomplish the above
Strategy Development at Westmoreland
SWOT Analysis - What is it?
SWOT Process

Target Groups Identified
- Board of Trustees
- College staff, faculty, students
- Community, advisory committees
- Educational Foundation Board
- Workforce Forum

Sessions Conducted
- 5 sessions, 163 participants
- 1,653 line items
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<thead>
<tr>
<th>Foundation Board / Tues., Dec. 6, 2016</th>
<th>Strength</th>
<th>Weakness</th>
<th>Opportunity</th>
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Typical SWOT Results (Partial)

**COMMUNITY**

**Opportunity**
0125-BT-O: Keep key leaders involved with community organizations (relationships matter)
0218-BT-O: Implement new software for data collection and analysis so we can have a massive impact on our community
0388-CT-O: 97% of Westmoreland students remain in our region
0566-CT-O: If we could capitalize on "buy-in" by everyone in the community we would not have to spend as much/many of our resources on recruiting. People in the community would want to send their kids/selves to Westmoreland for classes.
0707-CT-O: Raise awareness in the business community of the ATC
0971-CY-O: WCCC has the opportunity for promotion of the college by engaging in efforts to push in to elementary, middle, and HS and support community initiatives (ex. St. Vincent prevention projects)
1149-FY-O: People/population to become a cultural hub

**Strength**
0379-BT-S: Ability to engage advisors from our customers to offer community needs and support (???)
0422-CT-S: Key persons in the community are involved with the College
0424-CT-S: Continued support from businesses and community
0555-CT-S: Many staff members value the opportunity to serve their community's educational and cultural needs
0684-SF-S: Positive community support
0686-SF-S: Building relationships within the community
0697-CT-S: Community outreach and services through the retired senior volunteer program and the senior citizen service and employment program

**Weakness**
0323-BT-W: Level of involvement of institution in community by staff
0431-CT-W: We need to make a greater effort to promote the College within the community
0706-CT-W: Raise awareness in the business community of the College
0724-SF-W: How does the community know we are changing and moving forward?
1070-FY-W: I wonder if, while in the process of repairing our financial situation, we may be forgetting our purpose as a community college which is to serve the community
1072-FY-W: We need to make ourselves more available to the community
1074-FY-W: Business/Industry/Community -- We ignore these three areas. We need to be more involved in our community and listen to the needs of business.
Overarching *Strategic Priorities*

*For Each of the Four BSC Perspectives*

- Become more student-focused
- Improve our systems and processes to achieve operational excellence
- Change our culture by valuing all employees and providing tools needed
- Place Westmoreland College on a firm long-term financial footing
Overarching Objectives

- Collectively describe *what we must do and do well* in order to execute our strategy

- Provide more specificity than what is contained in our *strategic priorities*, but less than what is contained in the corresponding *measures*

- Should begin with *action verbs*
### Brainstorming Our Initiatives (and Measures/Targets) Organized on a Balanced Scorecard Strategy Map

**Mission Statement:**
Westmoreland College improves the quality of life of everyone in our community through education, training, and cultural enrichment.

#### Customer Perspective

**A1 – Students**
Create a positive student experience
- Student satisfaction
- Job
- Faculty
- Value
- Retention

**A2 – Stakeholders**
Improve stakeholder engagement
- Partnering
- Community
- Non-credit
- Alumni

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#### Internal Business Process Perspective

**B1 – Operations Management**
Improve and automate processes
- Process
- Scheduling
- Transfer
- Planning

**B2 – Customer Management**
Manage the student lifecycle
- Advising
- Financial aid
- Enrollment
- Job/Transfer
- Marketing
- Programs
- Retention
- Reputation
- Life-Cycle

**B3 – Innovation**
Innovate!
- Competition
- Demographics
- Non-Credit
- Technology
- Automation
- Programs
- ATC

**B4 – Regulatory & Social**
Enhance safety and compliance
- Safety
- Contracts (union)

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#### Employee Learning and Growth Perspective

**C1 – Human Capital**
Train/develop employees
- Training
- Faculty
- Talent
- Staff

**C2 – Information Capital**
Modernize our technology
- Technology
- Automation
- Wi-Fi

**C3 – Organizational Capital**
Improve climate
- Culture
- Renovations
- Leadership
- Reputation
- Brand

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#### Financial Perspective

**D1 – Revenue**
Increase revenue from fundraising and entrepreneurial opportunities
- Funding
- Programs
- Retention
- Non-credit
- Contract training
- Reputation

**D2 – Productivity**
Excel at good stewardship
- Programs
- Stewardship
- Costs
- Renovations
- Facilities
- Contracts (Vendor)

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*Bulleted items are SWOT categories. Please consult the detailed lists for each category.*

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**Red: Strategic Priorities**

A1, A2, etc: Focus Areas

**Blue: Overarching objectives**

Bullets: SWOT items
Working Sessions

- 40+ college employees invited to participate
  - Front line staff to administrators
  - All college areas represented

- Goal: use SWOT to determine initiatives, targets, and measures for each objective
Initiatives

- Tactical in nature
- Specific programs, activities, projects, or actions
- Direct linkages to objectives, measures, and targets
- Proper flow & context:
Performance Targets

- Represent the desired results of the measures
- Provide points of reference to guide all our actions, decisions, and resource allocations
- Communicate progress toward stated objectives
- Types of performance targets
  - **Long-term:** Big Hairy Audacious Goals (BHAG)
  - **Midrange:** Stretch Goals
  - **Short-term:** Incremental Targets
Selecting Performance Measures

- Linked to strategy
- Easily understood chain of cause and effect
- Frequently updated and accessible
- Quantitative (use averages with caution)
- Avoid “date-related” measures
- Avoid dysfunctional measures *that drive the wrong behavior*
Measures need to be well defined

"Our troubles are over, coach. I found us a 7-footer..."
Establishing KPIs
Benchmarks and Targets

- Establish peer comparison group
- Use institutional historical data as a guide
- Use public reporting tools to develop benchmarks and targets; may include
  - Economic modeling data
  - Forecasting
Dashboard and tracking system

DOGBERT CONSULTS

YOU NEED A DASHBOARD APPLICATION TO TRACK YOUR KEY METRICS.

THAT WAY YOU'LL HAVE MORE DATA TO IGNORE WHEN YOU MAKE YOUR DECISIONS BASED ON COMPANY POLITICS.

WILL THE DATA BE ACCURATE?

Okay, let's pretend that matters.
## Status and Trends of Benchmarks and Metrics

### Strategic Plan Goal

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<th>LTL</th>
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**Dashboard Legend**

- Green: Meets or Exceeds Goal
- Yellow: Below Goal
- Red: Far Below Goal
- Performance up
- Performance Down
- No Change in Performance

**Page/Measure No.:**

- 30/22
- 31/22
- 32/22
- 33/22

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**Footnote:**

- KF = Academic Year
- CY = Calendar Year
- FY = Fiscal Year

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Purdue University Office of Institutional Research
Strategic Planning Cycle

- **Goals**: Where do we want to go?
- **Desired Outcomes**: How do we get there?
- **Results**: How did we do?
- **Mission**: How do we measure success?
- **Measures & Targets**: How can we improve?
- **Strategies**: Where do we want to go?
References


- Frank L. Stasa (Past experience as a consultant working with for-profit and nonprofit organizations)
Questions?