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
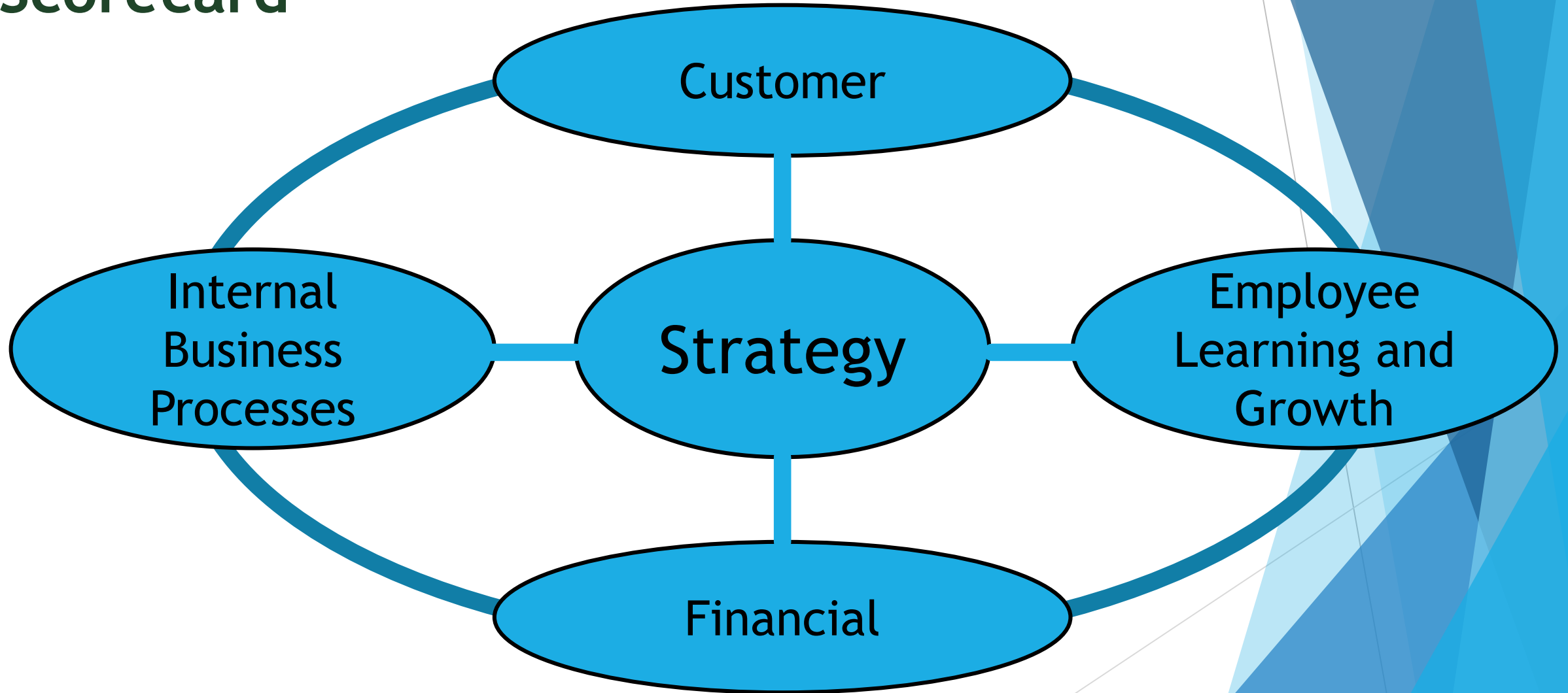- How to develop a dashboard and tracking system.

A **Balanced Scorecard** is:

1. A *framework*
2. A strategic management system
3. A measurement system
4. A communication tool

Why this framework?
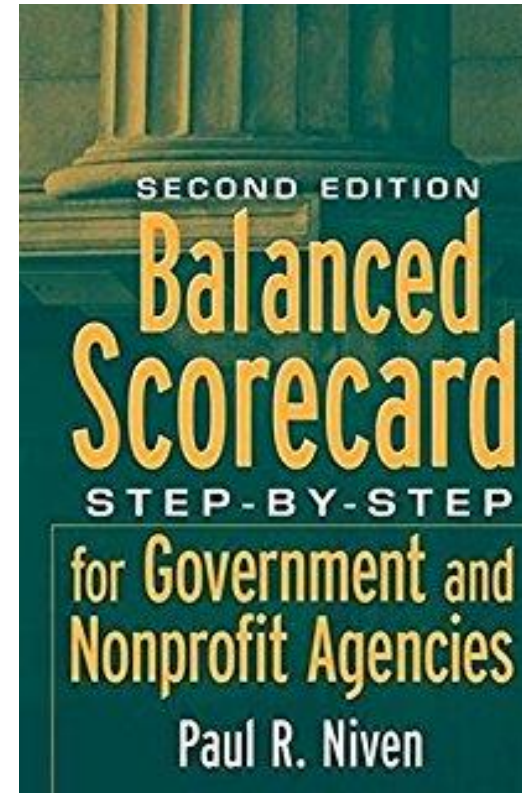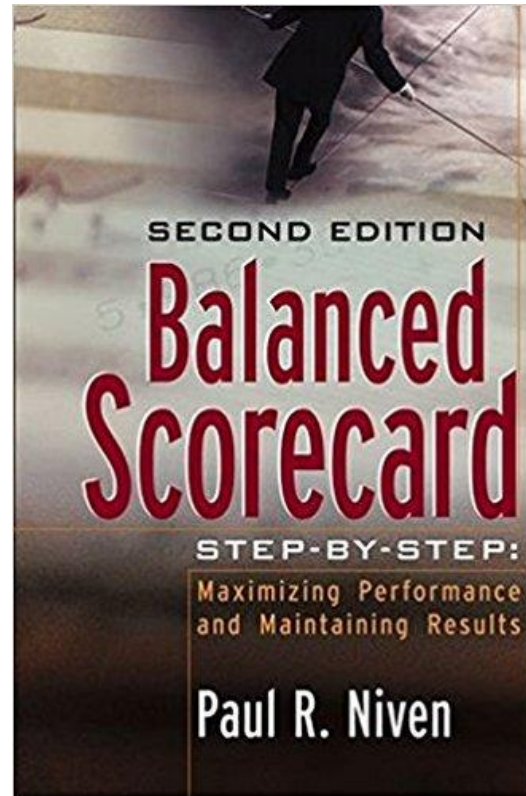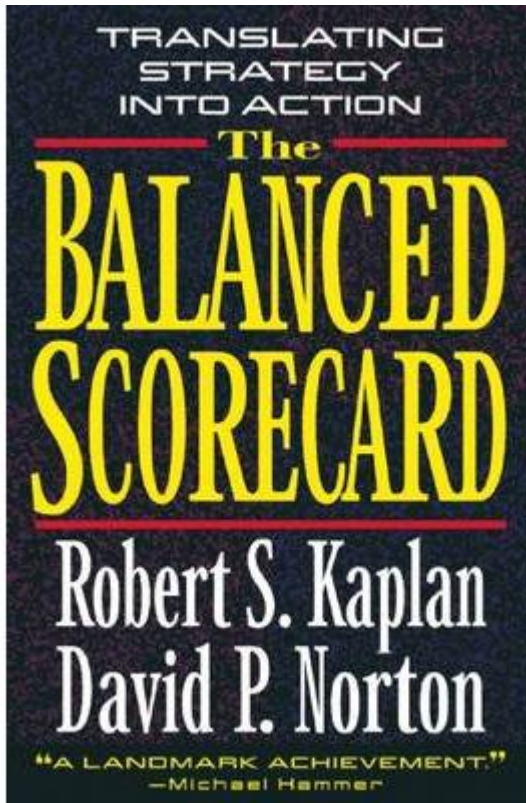
Four Perspectives of the Balanced Scorecard

Some Success Stories

Balanced Scorecard Hall of Fame for Executing Strategy

The Essential Foundation

Mission

Why we exist

Core Values

Our guiding principles

Vision

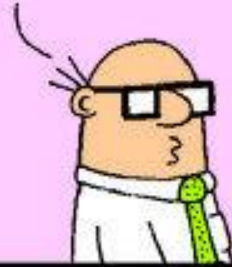Word picture of our future
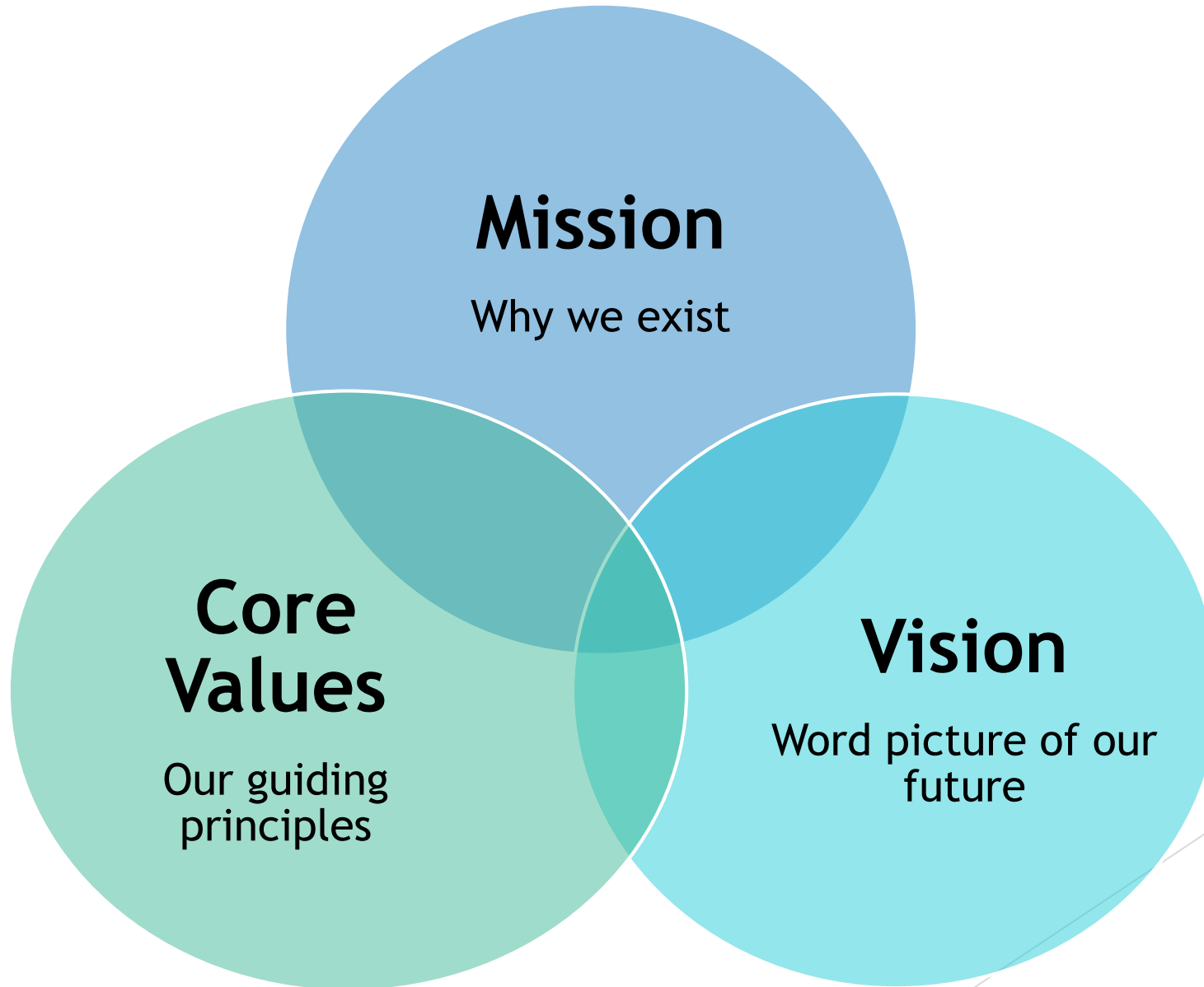
Mission Statement

- Simple, clear, and short
- Inspirational and inspires change
- Long-term in nature
- Easy to understand and communicate

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

One Definition of <u>Strategy</u>:

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?
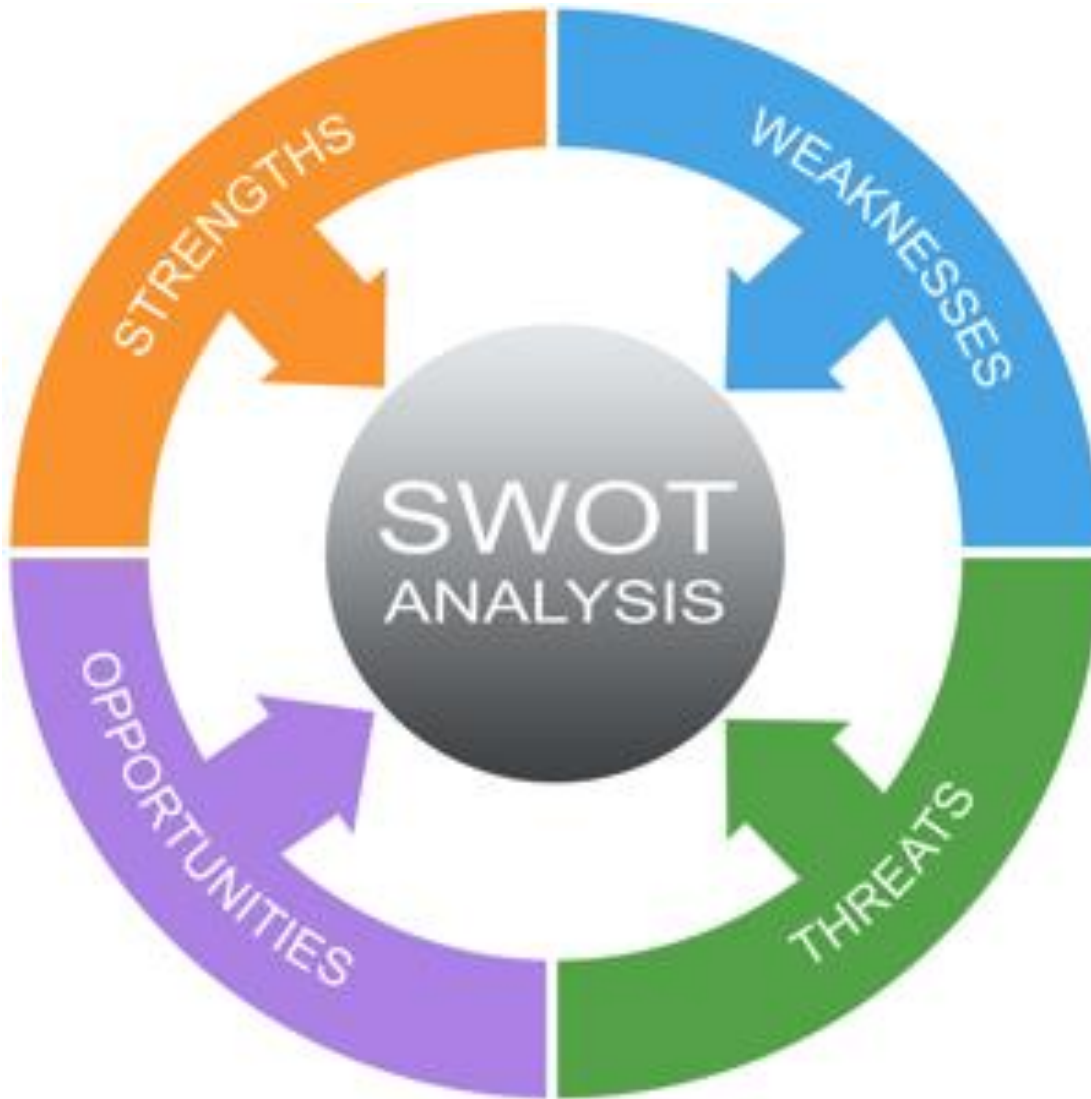
SWOT Process

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

Circle one bullet here ↓ AND one here →	• Strength	• Weakness	• Opportunity	• Threat
Foundation Board / Tues., Dec. 6, 2016 **CUSTOMER** • Students • Stakeholders **INTERNAL BUSINESS PROCESSES** • Operations Management • Customer Management • Innovation • Regulatory & Social **EMPLOYEE LEARNING & GROWTH** • Human Capital • Information Capital • Organizational Capital **FINANCIAL** • Revenue • Productivity				

If you need more space, please use the reverse side and check the box here → ☐

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 situaton, 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.

BT/Board of Trustees;

CT/Core Team;

CY/Community;

FB/Foundation Board;

FY/Faculty;

SF/Staff;

ST/Student;

WF/Workforce Forum

S/Strength;

W/Weakness;

O/Opportunity;

T/Threat
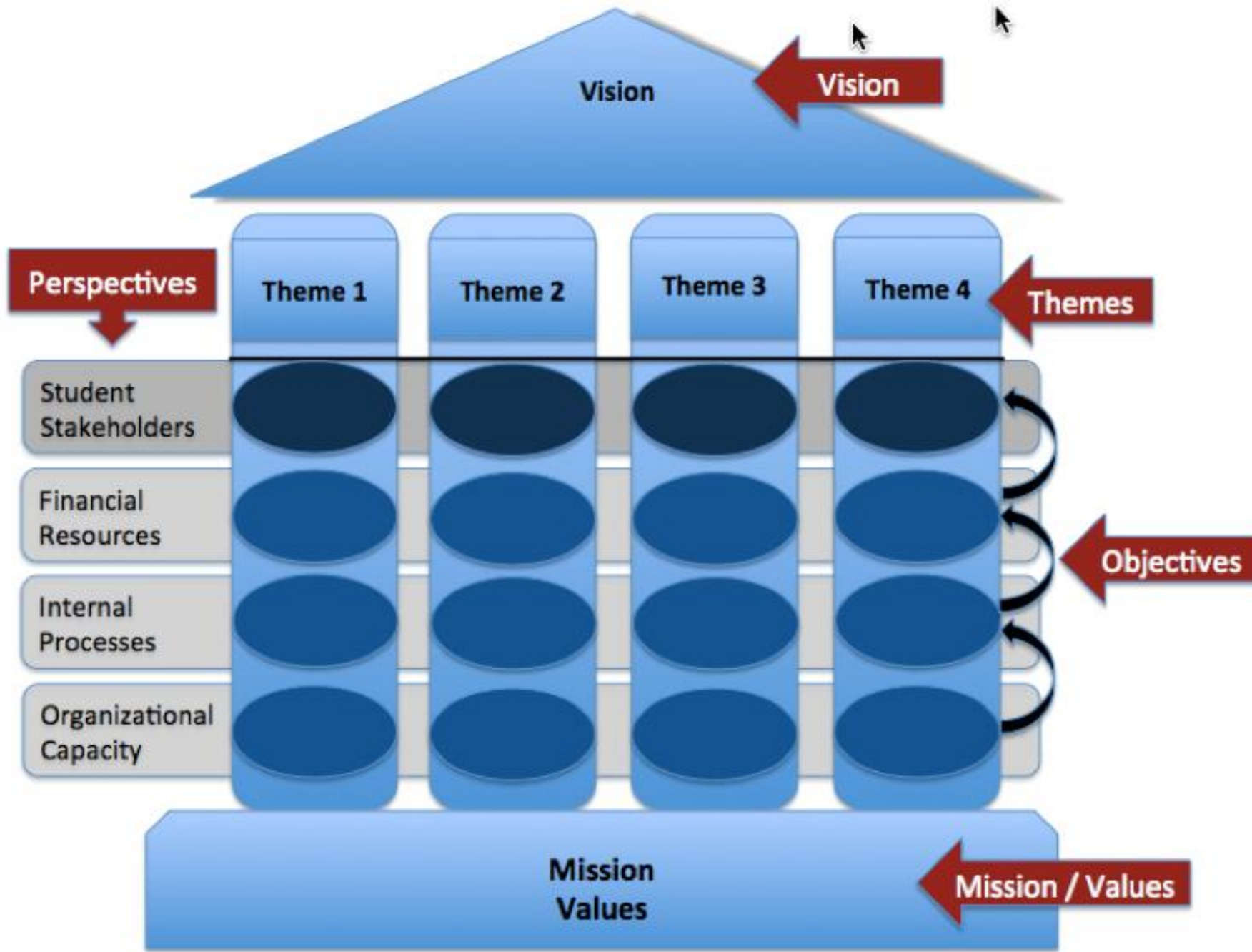
Overarching *Strategic Priorities* For Each of the Four BSC Perspectives

- 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*

SWOT Thematic Categories

Top Ten SWOT Categories

SWOT Category	Value
Culture	99
Enrollment	69
Faculty	56
Jobs	63
Marketing	56
Partnering	64
Process	83
Satisfaction	320
Technology	87
Training	66
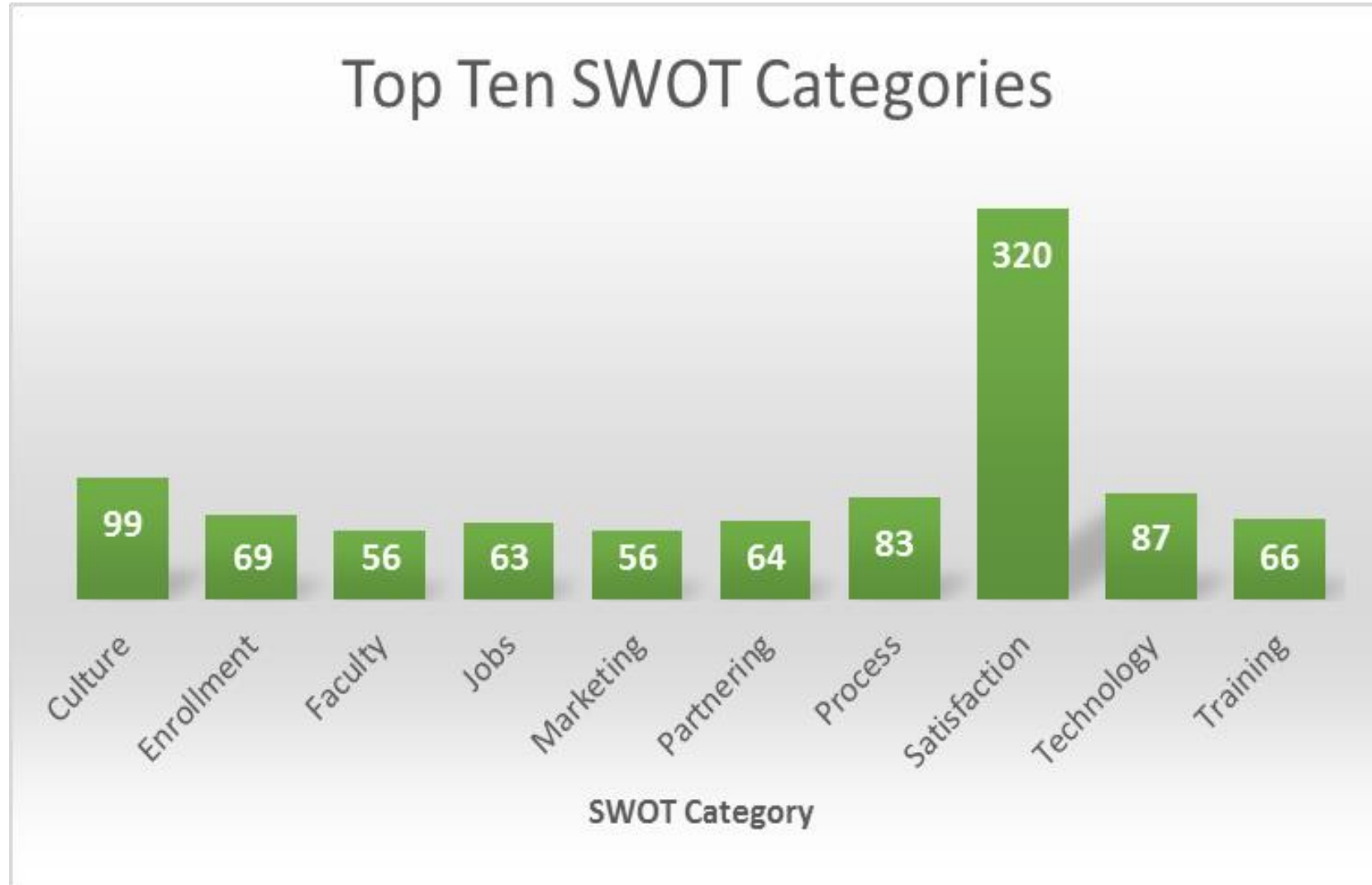
Brainstorming Our Initiatives (and Measures/Targets)
Organized on a Balanced Scorecard Strategy Map
MISSION STATEMENT
Westmoreland College improves the quality of life of everyone in our community through education, training, and cultural enrichment.

WESTMORELAND COUNTY COMMUNITY COLLEGE *Ambitious.*

CUSTOMER PERSPECTIVE
Become More Student-Focused

A1 – Students
Create a positive student experience
- Student satisfaction
- Job
- Faculty
- Value
- Retention
- Financial aid
- Staff
- Scheduling
- Transfer

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

INTERNAL BUSINESS PROCESS PERSPECTIVE
Improve Our Systems and Processes to Achieve Operational Excellence

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

B2 – Customer Management
Manage the student life-cycle
- 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)

EMPLOYEE LEARNING AND GROWTH PERSPECTIVE
Align Our Culture with Our Values by Empowering Our Employees and by Providing the Resources They Need

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

FINANCIAL PERSPECTIVE
Place Westmoreland College on a Firm Financial Footing to Deliver on the Long-term Promise of Our Mission

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)

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

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:

Mission/ Vision/ Values → Strategic Priorities → Objectives → Measures and Targets → Initiatives

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
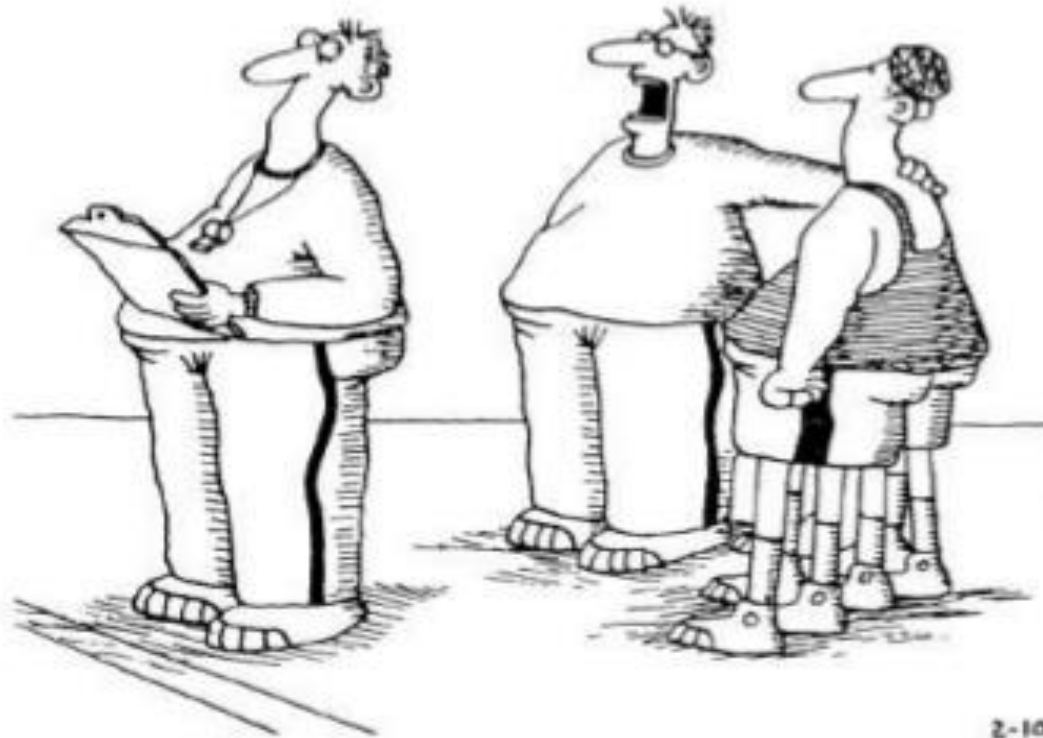
"Our troubles are over, coach. I found us a 7-footer ..."

Strategy Map

Growth Strategy

Efficiency Strategy

Increase Workforce Effectiveness

Financial Perspective:

- Expand Growth Opportunities
- Enhance Workforce Value
- Improve Cost Structure

Customer Perspective:

- Solid Partnership
- Service Delivery
- Excellent Quality
- On-Demand Delivery
- Effective Compensation

Internal Perspective:

Workforce Management
- Selection
- Development
- Staffing
- Retention

Customer/Project Management
- Segmentation
- Expansion
- Acquisition
- Satisfaction

Service Delivery Management
- Identification
- Development
- Justification
- Recurring

Cost Management
- Salaries
- Benefits
- Bonuses
- Stock Options

Learning Perspective:

- Integrity
- Motivation
- Partnership
- Knowledge
- Excellence
- Balance

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

Dashboard of Selected Benchmarks and Metrics
Purdue University
December 2010

Status and Trends of Benchmarks and Metrics

Benchmarks and Metrics	Strategic Plan Goal LTL DWDMGC	Purdue					Big Ten/Peer		Page/ Measure No.
		Year 0	Year 1	Year 2	One Yr Percent Change	Progress	Current Big Ten/ Peer Mean	Current Status	
Overall Rankings and Recognitions	☑ ☑ ☑								
US News Best Colleges Overall (2011 Edition)		66	61	56	-8%	⬆ (green)	52	⬆ (yellow)	30/ 22
US News Best Colleges Public (2011 Edition)		26	22	18	-18%	⬆ (green)	17	⬆ (yellow)	30/ 22
US News Best Colleges Peer Assessment Score (2011 Edition)		3.7	3.7	3.7	0%	= (green)	3.9	= (yellow)	30/ 22
US News Best Colleges - Undergraduate Engineering (2011 Edition)		9	9	8	-11%	⬆ (green)	19	⬆ (green)	31/ 22
US News Best Colleges - Undergraduate Business (2011 Edition)		17	21	19	-10%	⬆ (yellow)	17	⬆ (yellow)	31/ 22
US News Best Graduate Schools - Engineering (2011 Edition)		15	12	13	8%	⬇ (green)	20	⬇ (green)	32/ 22
US News Best Graduate Schools - Management (2011 Edition)		33	32	36	13%	⬇ (yellow)	28	⬇ (yellow)	32/ 22
US News Best Graduate Schools - Education (2011 Edition)		68	48	44	-8%	⬆ (green)	19	⬇ (red)	32/ 22
Shanghai Jiao Tong Univ Academic Ranking of World Univ (2010)		65	65	69	6%	⬇ (yellow)	46	⬇ (yellow)	33/ 22
The Times Higher Education (2010)		NA	NA	106	NA	NA	69	■ (yellow)	33/ 22
QS World Universities (2010)		99	87	87	0%	= (green)	113	⬆ (green)	33/ 22
Washington Monthly (2010)		46	48	83	73%	⬇ (red)	43	⬇ (red)	33/ 22

Dashboard Legend

- ■ Meets or Exceeds Goal
- ■ Below Goal
- ■ Far Below Goal
- ⬆ Performance up
- ⬇ Performance Down
- ☐ No Change in Performance

AY = Academic Year
CY = Calendar Year
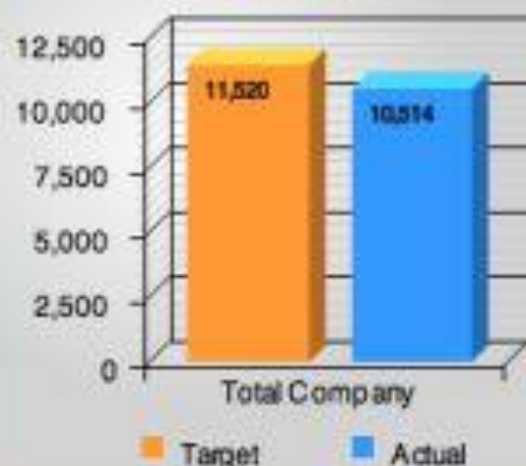FY = Fiscal Year

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Purdue University Office of Institutional Research

AVATAR HUMAN CAPITAL MANAGEMENT

Summary   Headcount   Attrition   Employee Satisfaction   Compensation Planning   Performance Management

Current Summary Data

Headcount

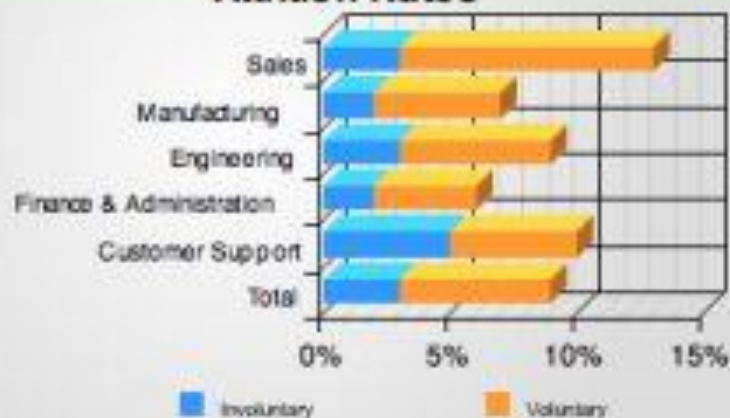|	
12,500	
10,000	11,520
7,500	10,514
5,000	
2,500	
0	

Total Company

■ Target   ■ Actual

Average Revenue per Employee

x 1000

Target

$165,000

Employee Satisfaction Survey
Alert Status   High

819

1,253

936

■ Americas   ■ EMEA
■ Asia Pacific

Headcount by Dept

Actual
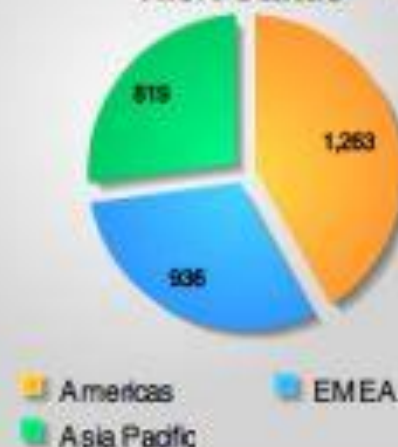
- Customer Support
- Engineering
- Finance And Administration
- Manufacturing
- Sales And Marketing

1,035
2,730
2,000
750
4,000

Attrition Rates

Sales
Manufacturing
Engineering
Finance & Administration
Customer Support
Total

0%   5%   10%   15%

■ Involuntary   ■ Voluntary

Strategic Planning Cycle

Goals

Desired Outcomes

Strategies

Measures & Targets

Results

Mission

How can we improve?

Where do we want to go?

How do we get there?

How did we do?

How do we measure success?

References

➢ Robert S. Kaplan and David P. Norton, *The Balanced Scorecard* (Boston, Harvard Business School Press, 1996)

➢ Robert S. Kaplan and David P. Norton, *Strategy Maps* (Boston, Harvard Business School Press, 2004)

➢ Robert S. Kaplan and David P. Norton, *Alignment* (Boston, Harvard Business School Press, 2006)

➢ Paul R. Niven, *Balanced Scorecard Step-by-Step for Government and Nonprofit Agencies*, 2nd ed. (Hoboken, John Wiley & Sons, 2008)

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

Questions?