

Q&A: Strategic Management for State and Local Government

Using the Balanced Scorecard to Improve Performance



Strategic management is imperative as state and local governments face challenges with the emergence of the global economy, rapid technology innovation, increased stakeholder demands for services and increased input into decisions. The private sector can make operational

changes quickly to respond to these challenges, but government agencies — constrained by limited resources and public requirements — are generally slower to act. In this Q&A, **Howard Rohm, co-founder and president of the Balanced Scorecard Institute**, discusses how their modern strategic management approach provides a framework for agencies to improve performance and service.



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www.balancedscorecard.org

Q: What does “balanced scorecard” refer to and how has your organization evolved this concept?

A: The original balanced scorecard was a framework for business and industry to measure intangibles, and was driven by the need to do more long-term planning and not just rely on short-term financial results. We evolved this original idea by broadening the framework into a comprehensive methodology that combines strategic planning, alignment creation and strategy implementation with the original performance measurement ideas. We created a separate framework using the same basic scorecard principles for government agencies and ministries using the “language of government.” Government organizations in 40 countries — including several city and county governments in the U.S. — use our framework. Over 3,000 performance practitioners are certified in the framework.

Q: What makes this framework useful for state and local governments?

A: It brings discipline, applies consistent language, aligns programs and services, and supports meaningful strategic and program performance measures in government decision-making. By using performance data to better inform decision-making, the framework helps move a government agency from worrying about how many potholes to fix next month to creating a strategy to improve road safety over the next 10 years. It also helps prioritize projects, measure what matters, empower employees to think more creatively, provide strategic input into budget formulation and facilitate a consensus-building process to move the agency to a higher level of performance.

Q: How does it help engage stakeholders to influence government priorities?

A: It helps connect the dots between stakeholder input, mission and vision, program development, services and department work. With the balanced scorecard framework, government employees and other stakeholders know how they fit into the vision and mission of the government or agency. By providing a common language for planning and management, there is clearer communication among employees engaged in these processes and it's easier for constituents and other stakeholders to provide input. Performance and constituent-facing services are improved through this clearer communication and focused decision-making.