



PROJECT MANAGEMENT

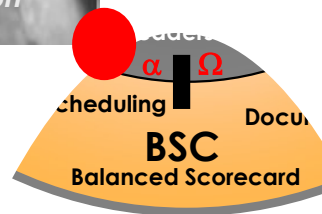
BSC: Balanced Scorecard

Bogdan Lent

80 Minutes



Project Closing



Balanced Scorecard



Project Management

IMAGINE ENTERING THE COCKPIT of a modern jet airplane and seeing only a single instrument there. How would you feel about boarding the plane after the following conversation with the pilot?

Q: I'm surprised to see you operating the plane with only a single instrument. What does it measure?

A: Airspeed. I'm really working on airspeed this flight.

Q: That's good. Airspeed certainly seems important. But what about altitude. Wouldn't an altimeter be helpful?

A: I worked on altitude for the last few flights and I've gotten pretty good on it. Now I have to concentrate on proper air speed.

Q: But I notice you don't even have a fuel gauge. Wouldn't that be useful?

A: You're right; fuel is significant, but I can't concentrate on doing too many things well at the same time. So on this flight I'm focusing on air speed. Once I get to be excellent at air speed, as well as altitude, I intend to concentrate on fuel consumption on the next set of flights.

When we miss to measure



1. Lower effectivity (time, money used)

2. Too much attention to less relevant issues

3. Missing optimisation of the processes

4. Motivation of team not steered

5. Short term planning

6. Missing feedback information



Balanced Scorecard Goal

Integral, overall evaluation
of the project process and project results
from the point of view
of the contribution to and realisation of
the strategy of the project handling organisation



BSC Concept

**It is difficult to manage something,
that cannot be measured**



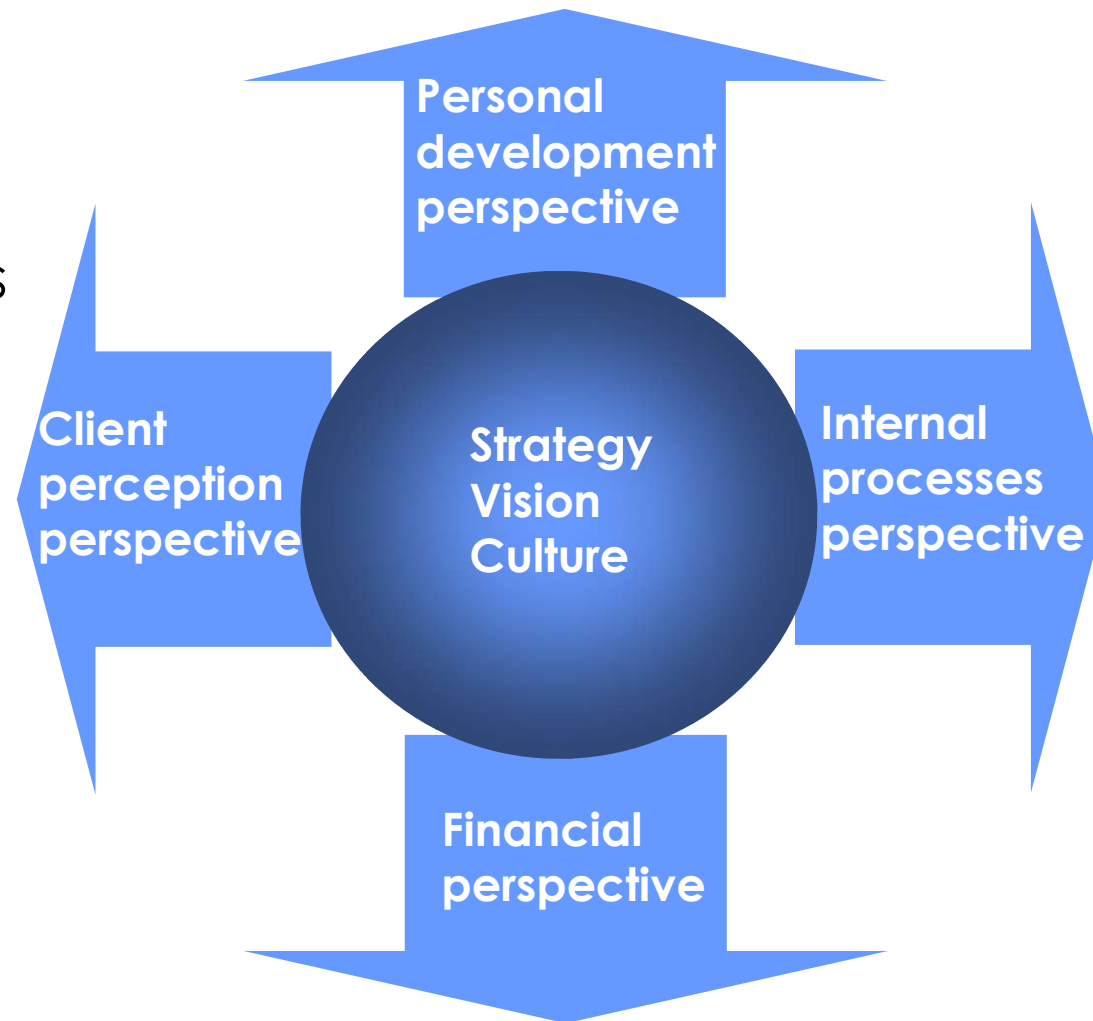
Project Management

Robert S. Kaplan (Harvard Business School)
David P. Norton (Renaissance Solution Inc.)

BSC Perspectives

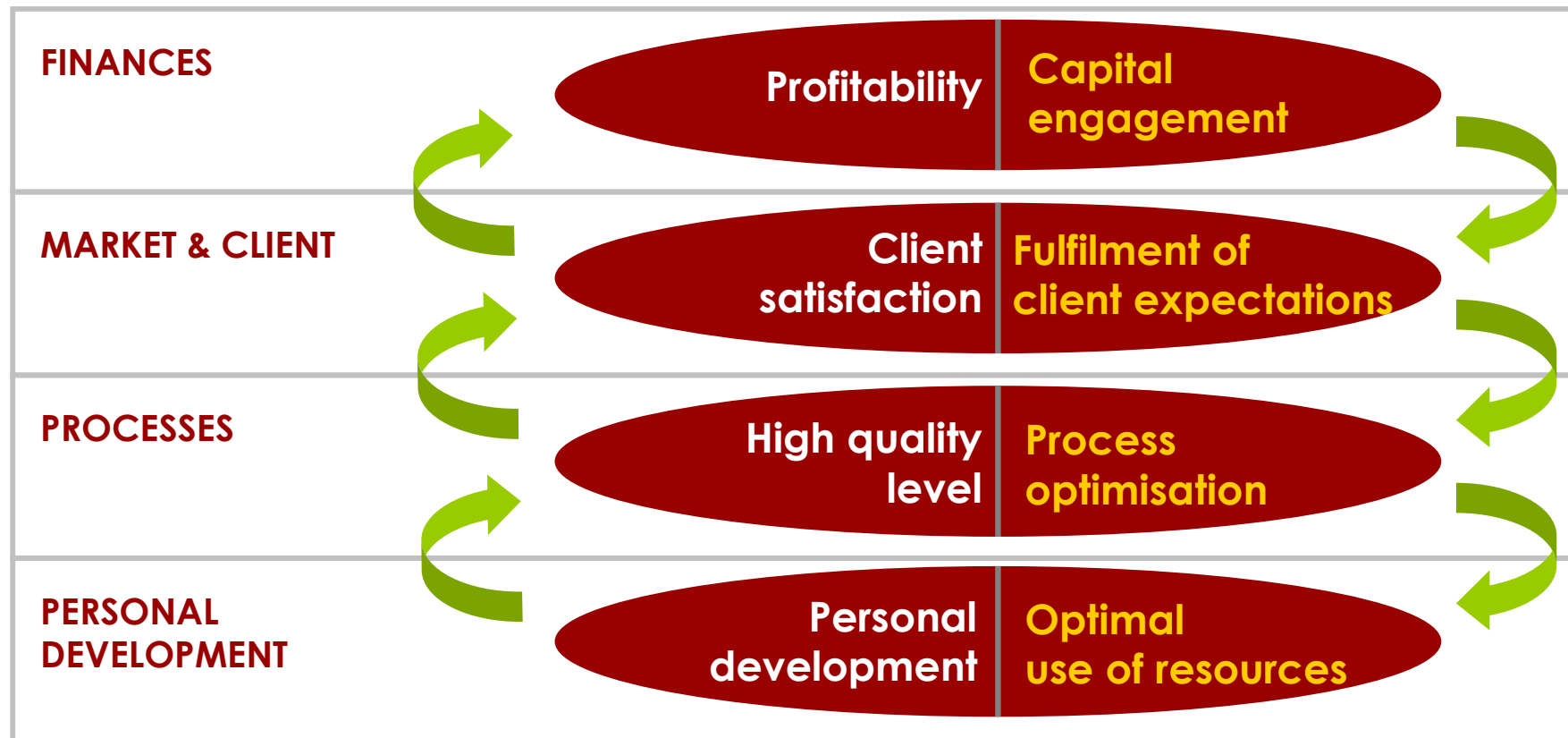
Am I contributing to
the right goals?

Are my achievements
correctly balanced?



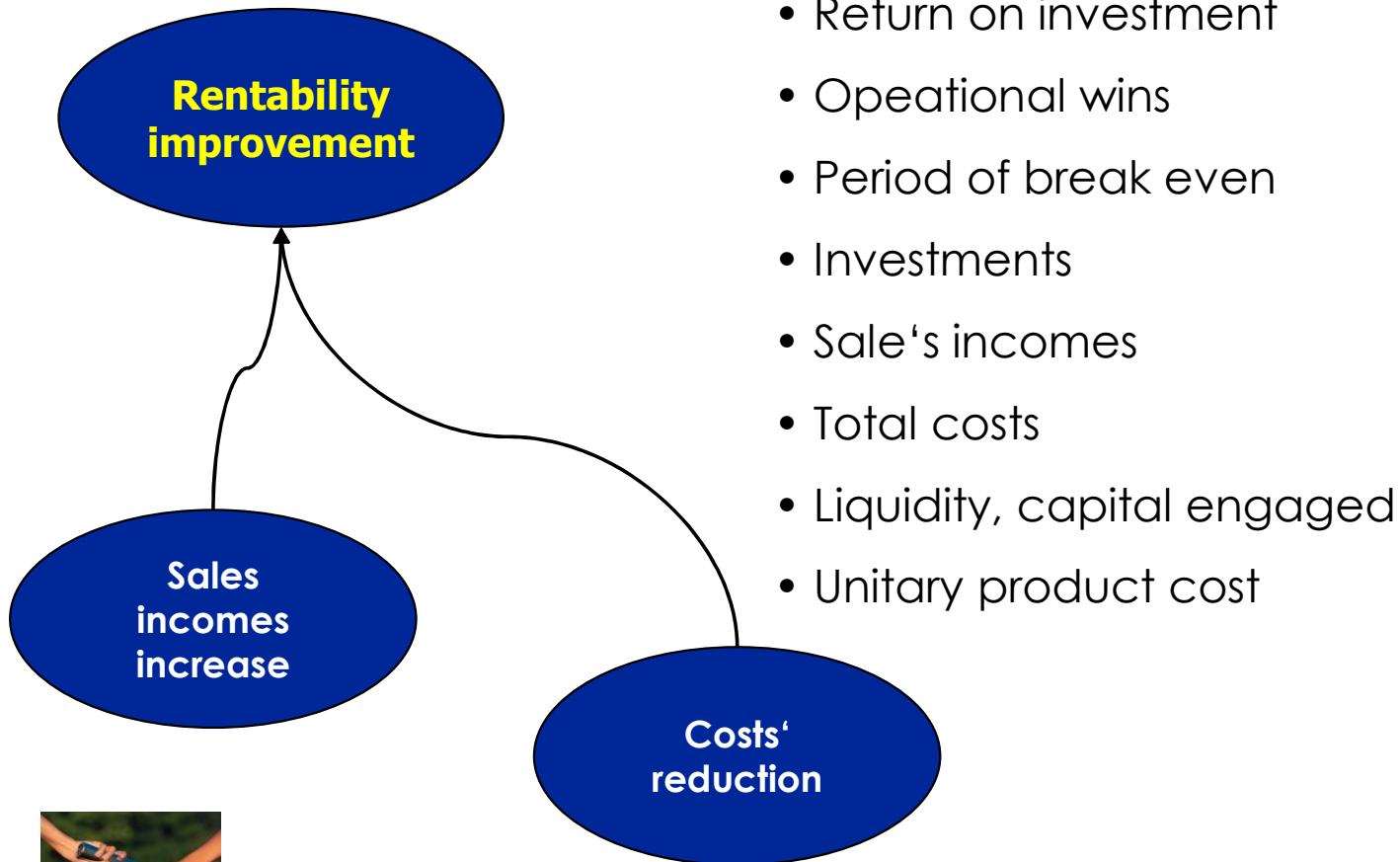
Project Management

BSC Concept



BSC Implementation

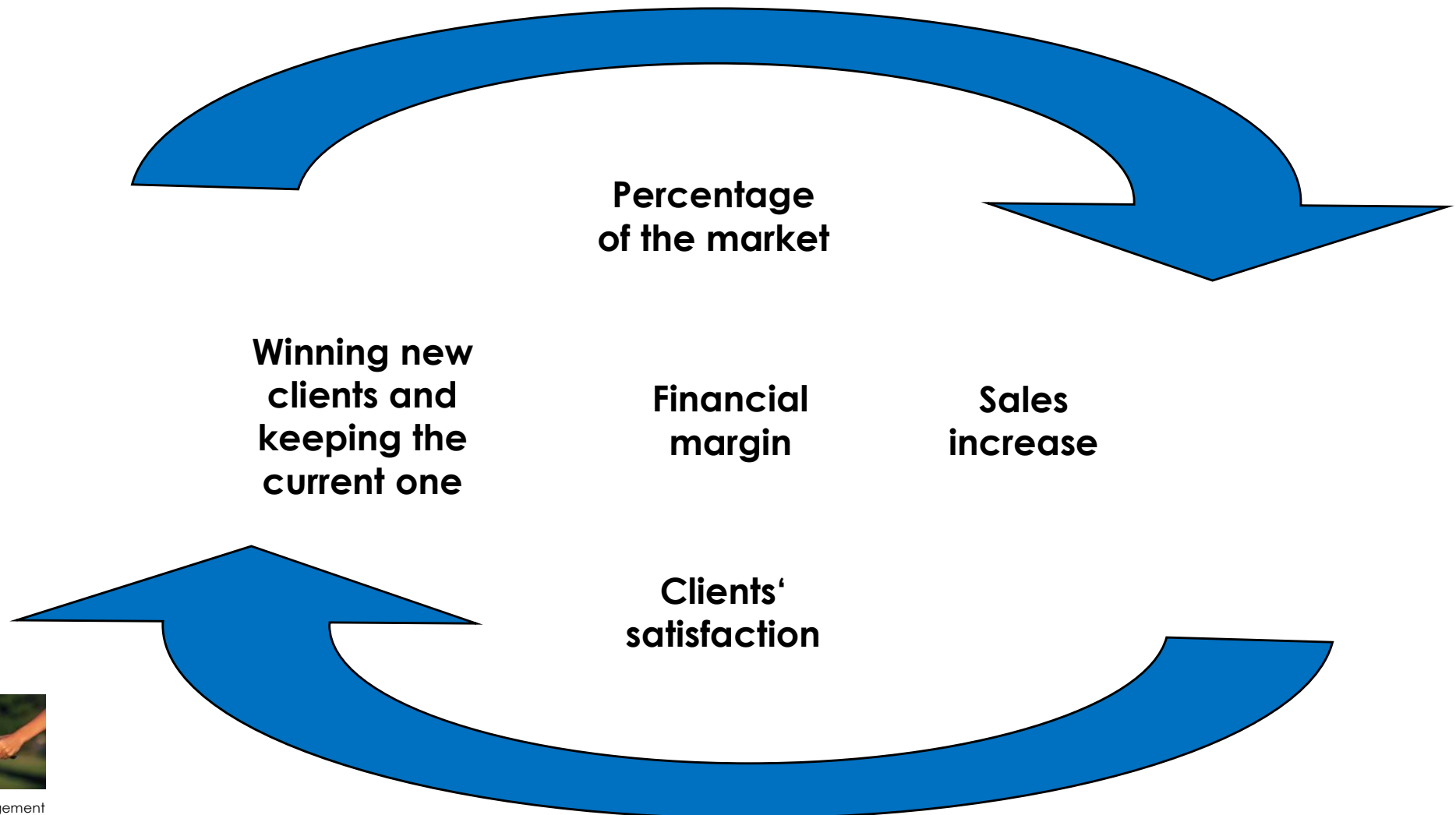
Examples of possible goals in Perspective Finances





BSC Implementation

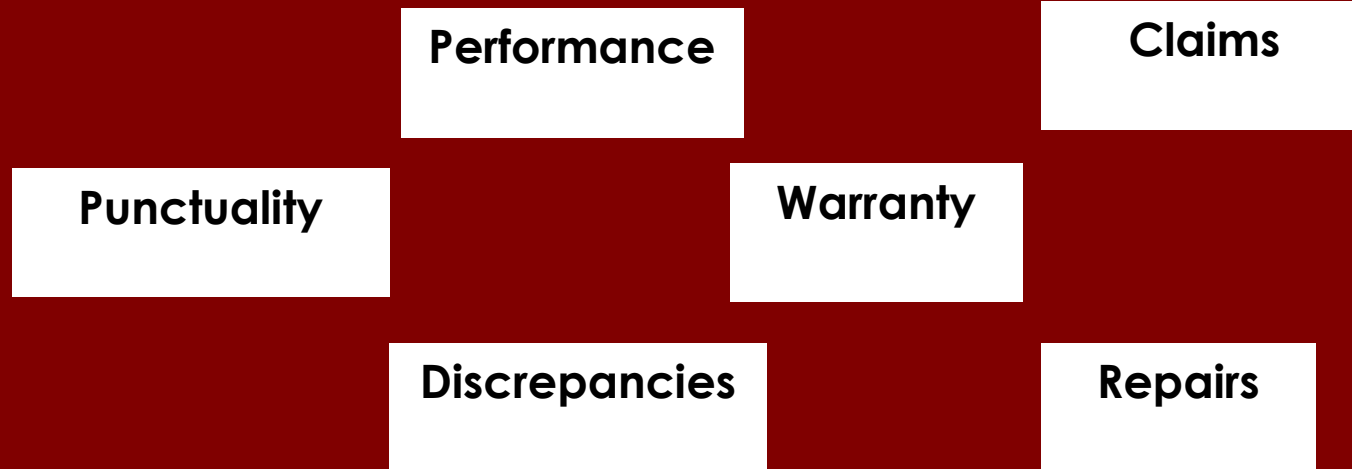
Examples of possible goals in Perspective Market & Client



BSC Implementation

Examples of possible goals in Perspective Processes

Customer relationship



BSC Implementation

Examples of possible goals in Perspective Personal Development

Measurements

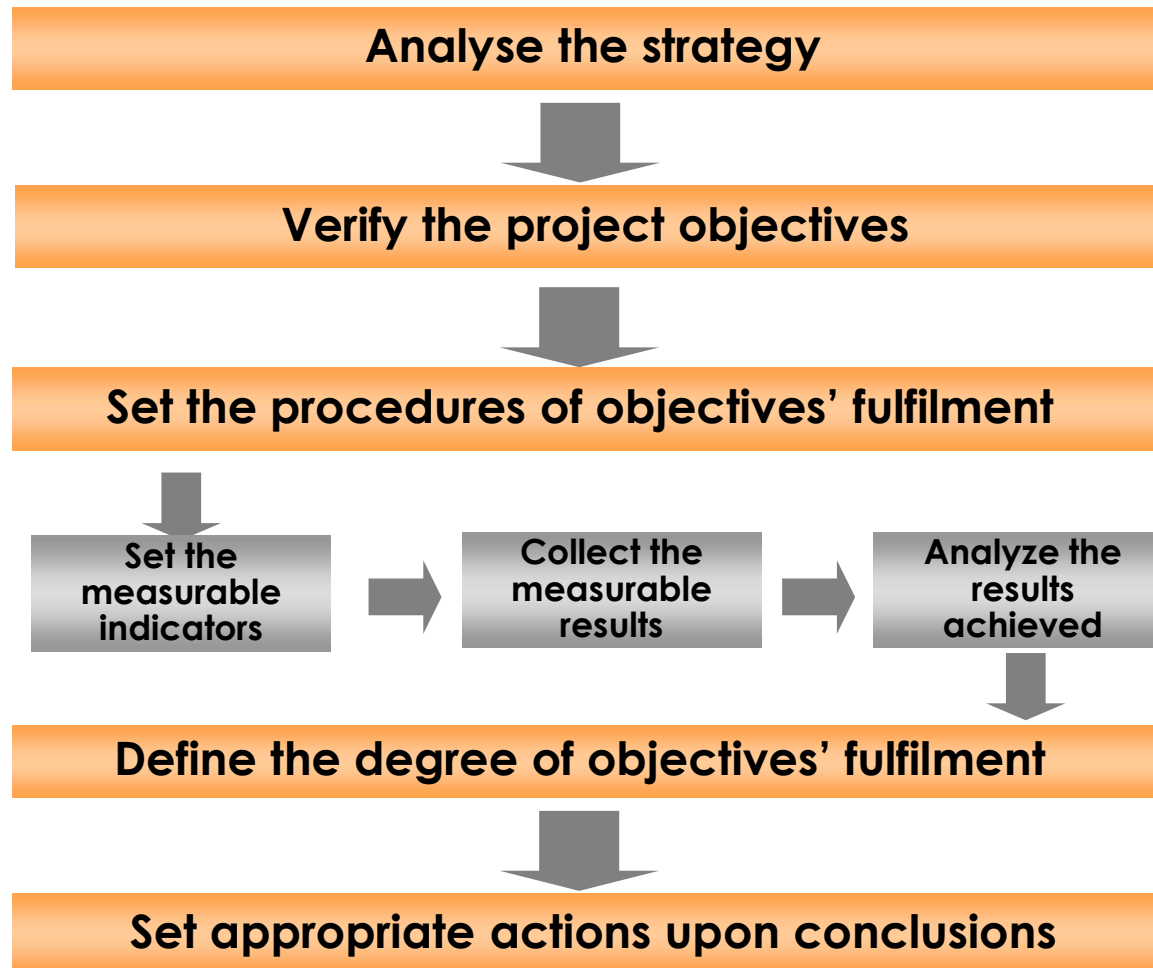
Employees

- Qualifications improvement
- Satisfaction
- Job change
- Research projects
- Investments in R&D
- Innovation

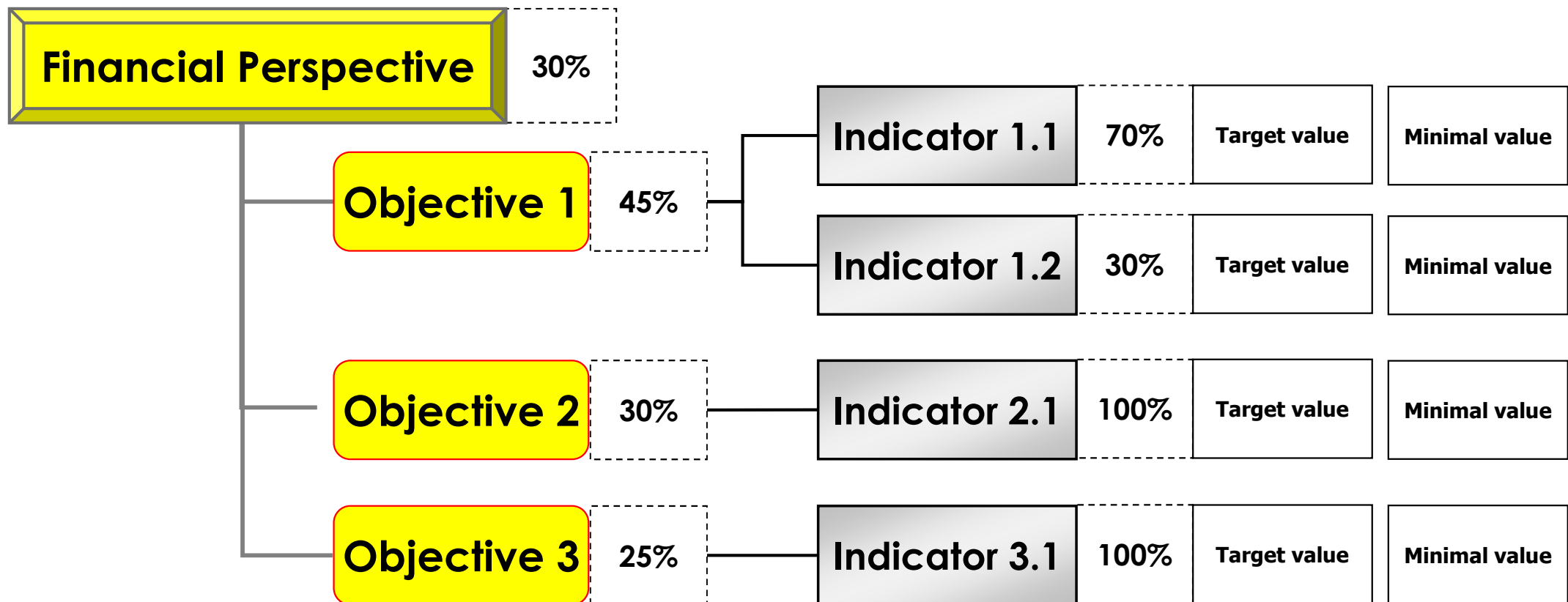


Project Management

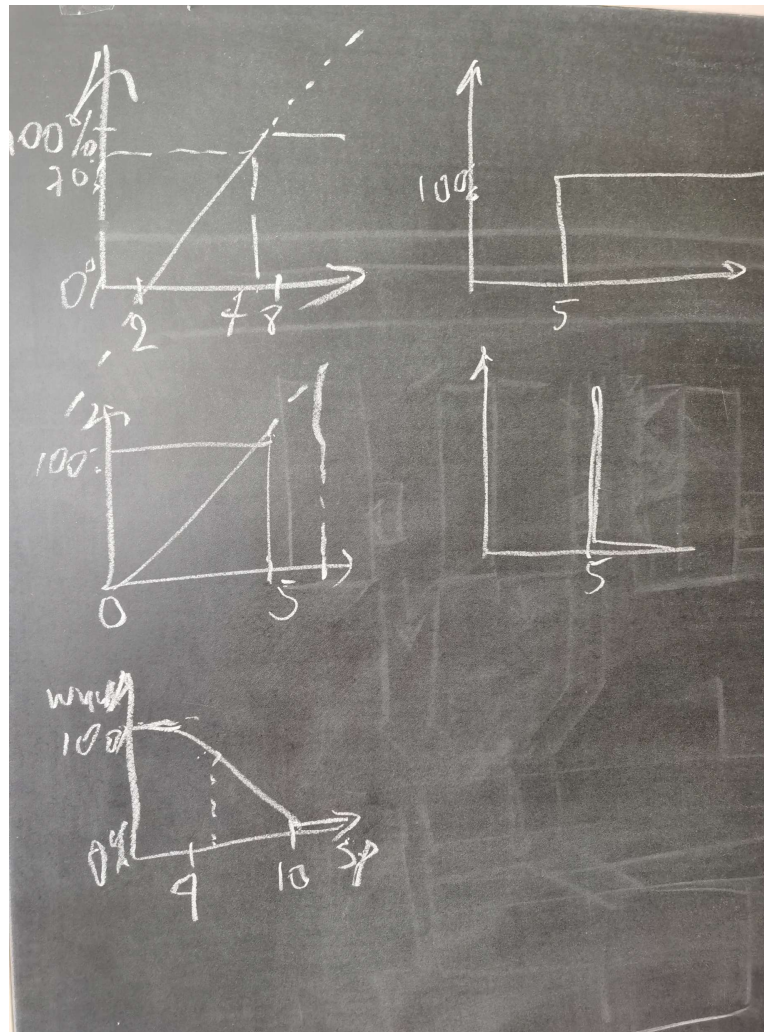
BSC Implementation



Objectives' Integration



Examples of distributions between the target and minimal values



Project Financial Perspective

Example

Kaplan & Norton BSC Pers.	of 100%	Objec- tives	of 100%	Measures	Target	Zero results	Distribu- tion	Real da-ta	Reach ed %	Total %
Finances	30%	Budget kept	80%	Deviation from budget	<10%	>15%	linear unlimit- ed	8%	$(15-8)/(15-10) \times 80\%$	33,6 0
		Cash spendings reduced	20%	500'000 US \$ less	> 500 000	< 500'00 0	upward s unlim.	450 000	0 x 20%	



Project Management

Project Customer Perspective

Example

Kaplan & Norton BSC Pers.	of 100%	Objec-tives	of 100 %	Measures	Targe t	Zero result s	Distribu-tion	Rea l da-ta	Reached %	Total %
Customer	40%	ToR fulfilled	60%	No of accept-ances at first tests	>8 of 10	< 2 of 10	linear 0-10	7	7/8 x 60%	37,80
		Changes accepted	30%	No of accepted changes	>5 of 10	0	linear 0-5 unlimited	7	7/5 x 30%	
		Satisfied with work	10%	% of positive feedbacks	> 70%	< 40%	linear 40-70 unlimited	30%	0 x 10%	



Project Process Perspective

Example

Kaplan & Norton BSC Pers.	of 100%	Objec-tives	of 100%	Measures	Targe t	Zero result s	Distribu- tion	Rea l da- ta	Reached %	Total %
Processes	10%	Changes implement ed	70%	% of implement ed within 1 week	> 90%	0%	linear limited	50%	$(50\% / (90\% - 0\%)) \times 70\%$	6,89
		Interactions reduced	30%	No of steps needed to do things	<4	>8	linear limited	3	$100\% \times 30\%$	



Project Management

Project Personal Development Perspective

Example

Kaplan & Norton BSC Perspective	of 100%	Objectives	of 100%	Measures	Target	Zero results	Distribu-tion	Real data	Reached %	Total %
Personal development	20%	Team motivated	100%	Team satisfaction	100%	<100 %	Heaviside	98%	0 x 100%	0,00



Project Management

Balanced Scorecard

Example

Kaplan & Norton BSC Perspective	% of 100%	Total %
Customer	40%	37.80%
Finanses	30%	33.60%
Proces	10%	06.89%
Nauka i rozwój	20%	00.00%
Razem	100%	78.29%



BSC: Balanced Scorecard with Ex

Bogdan Lent

90 Minutes





PROJECT MANAGEMENT