
BALANCED SCORECARD IN THE PUBLIC SECTOR

“My experience and the emerging landscape”

John Skinner

1) WHO AM I?

- John Skinner
- “Silver Surfer”
- 17 Years Cabinet Office and DTI
- Variety of internal management consultancy roles
- The application of “common sense”

2) TODAY

- My BSC experience:
 - 2003-2005 – The journey and learning
 - 2006-2007 – The application of learning!!

- The emerging public sector landscape
 - Some general observations
 - Window of opportunity

3) 2003-2005 - THE PROBLEM

- The DTI business support transformation programme
 - £500m “business support” schemes
 - The problems, in particular:
 - ▶ Lack of corporate approach
 - ▶ Lack of strategic management
 - ▶ Governance
 - ▶ Lack of useful understanding – the virtuous circle and the intelligence gap

4) 2003-2005 – THE INITIAL APPROACH

- BSC – strategic focus & management
- IT – Heavyweight performance management solution
- Management information boost
- Corporate restructuring
- Complexity and coverage
- Plugging the information gap
- Governance/boards

5) 2003-2005 - OBSERVATIONS

- Management happy acting in a lack of knowledge
- Things always appear worse than you think
- Difficulty of embedding
- Metrics focus
- Usefulness of logic models and other tools
- Tendency to focus on IT
- Pace of change
- Behaviour of consultants, boards etc

6) 2003-2005 - LEARNING

- The difficulty in achieving, but the effectiveness of, simplicity
- Don't wait for perfection: evolve through learning and doing
- BSC actually can liberate and focus leadership ...
- ... and this in turn can give managers the freedom to manage
- ... and the potential to encourage joined up corporate services/thinking
- Important to get management behaviour right
- Professionalism – amateur practitioners

7) 2006-2007 - APPLICATION

- Constant strive for simplification
 - What really matters?
 - Move CofG away from IT – get the thinking about IT right
 - The power of stepping back and of mentoring help
- Raise level of discussion at boards – empower management
- Communication/visibility
- Blame culture
- Metrics defocus
- Unfortunately – people dependency wasn't solved

8) SOME GENERAL OBSERVATIONS

- Applicability of BSC to public sector organisations and operations
- Govt encouraged metrics focus – dangers, blame culture
- BSC is applied without being understood
 - Have not seen one truly effective BSC implementation in the public sector
- Board discussions – “doing the rights things rather than doing things right”
- IT Projects:
 - Difficulty of coping with pace of change
 - Positioning or over focus on IT being “the solution”
 - Wasted money
- Strategy – confusion and communicability

9) WINDOW OF OPPORTUNITY

- Capability reviews
 - Strategic performance management
 - Leadership
 - Strategy (note, executing a strategy)
 - Governance
 - The focus now provides a window of opportunity
- Growing scepticism about metrics/targets
- Maturity of BSC concepts now
- Turbulent times – need a firm hand on the rudder
- Appetite for simplification
- Concern over information gap

10) SOME THOUGHTS TO TAKE AWAY

- Simplification and common sense
- Thinking about IT
- Empowering leaders and managers
- Get boards to think and act strategically
- Embedding
- Professionalism – amateur practitioners
- Potential to waste money – value of help that is about making SPM really work, and the lack of consultancy provision in this area