### **i** Cascading Scorecards

#### Introduction

Cascading scorecards within the application is a relatively simple procedure. However, it will only work successfully if a considered approach is taken **before** embarking on the process.

There are several ways a cascade can take place, here are a few examples:

- Exact Match Cascade (with auto roll-up) where a master scorecard is created and an exact 'structure' replica is cascaded to teams within a department. Typical examples of this approach can be seen in call-centres when all of the team KPIs are the same as the management KPIs, or in a safety scorecard where the same scorecard is used across multiple departments. See Previous User Guide.
- **KPI/Measure Calculated Roll Up Cascade** where targets are set at departmental levels (usually financial) and the values are rolled up to the top-level scorecard. For example, a sales revenue target is set across several sales groups and the result is rolled up to a company level scorecard.
- Linked Element Scorecard Where a scorecard is created with all of the required measures and appropriate measures are linked into other scorecards. For example, an executive incentive scorecard that is distributed to a set of directors. The managing director will hold all of the measures and they will be shared across the reporting directors. They might be weighted appropriately. See Next User Guide.
- **Strategy Scorecards** where a top-level or executive scorecard is created and some objectives are cascaded exactly and others are cascaded but the names change to reflect the departmental activity. For example, Improve Customer Satisfaction at the top-level might be translated to Improve Customer Information Responses by the Marketing department. See Next User Guide.

The application can be used with all of the scenarios above (and more) but again, it must be stressed, careful consideration needs to be given to the cascade before building the scorecard.

The following provides information about KPI/Measure Calculated Roll Up Cascade.



#### **KPI/Measure Calculated Roll Up Scorecards**

There is frequently a requirement to 'roll up' actual values to a top-level scorecard. Typically this might be in a sales area where the sales teams revenue needs to be rolled up to a company level. Or this could be a customer satisfaction score across multiple customer facing departments rolled up to a total or average company score.

In these instances, rather than copying the whole scorecard, individual measures can be copied and then a calculation performed at the top-most level to aggregate the actual values from the lower-level measures.

For this example we will look at rolling up the Sales Revenue measure to the company level from three sales teams that reside in the sales department.



A company scorecard might look something like the one above. Here we can see the KPI/measure Sales Revenue. This needs to be defined in the first instance. If you have not defined measures before, go to the Getting Started Guide and create a scorecard first. These examples can be seen in our freeto-view system, user name: sam, password: smith

• <u>https://intrafocus-v3.qs.spiderstrategies.com/</u>

📋 International Limited	
Q Find	
International Limited	Select
Financial	
Marketing	
Customer Help Desk	
✓ ● Sales	
>  Private Sector	
Government	
Education	
Operations	
Information Technology	
Human Resources	
> 🔍 Safety	
Commercial	

By clicking on the Briefcase icon the organizational structure is revealed.

For this example we will be looking at the three departments in sales.

- Private Sector
- Government
- Education

These scorecards contain the source Sales Revenue measures that we want to roll up to the top level scorecard.

You will need to identify or create your source measure before the next step.

Click on one of the source measures and check it has been created properly and has some data (actual values) added. In the example below we can see the Private Sector sales team scorecard with Sales Revenue:

Private Secto	r	<	Sales Reve	enue											1	\$r	Ē• *	0	O
ersonal Q. Home	Q Find		Overview	Measur	es								Edit		Septe	mber	2017	*	< >
A Bookmarks	Private Sector Sales	۰																	
	Sales Revenue		PERFORMANCE			HISTORIC	AL PER	FORM	ANCE									-1	1 4
) Strategy Maps	O Total Number of Sales	: •: •: •	£254.0		-£323.33	£254.4K													
Dashboards	O New Acounts This Month	0.00	1234.0	/4N	-1323.33	£254.2K												Ā	
Charts & Reports			1.10		23.														0
Briefings						£254K						2						1	
TA Scorecards						£253.8K	9				1						1		
Initiatives						£253.6K				1	4			0	-0		-		
Documents			COF0 7K		COLAK	£253.4K		0-	-0	•			0				1		
			£253.7K RED	7.16 SCORE	E254K GOAL		<b>Sep</b> 2016	Oct 2016	Nov 2016	<b>Dec</b> 2016	<b>Jan</b> 2017	Feb 2017	Mar 2017	<b>Apr</b> 2017	May 2017	<b>Jun</b> 2017	<b>Jul</b> 2017	Aug 2017	<b>Sep</b> 2017
			ACTUAL AND THE	RESHOLD VAL	JES										REL	ATED IT	TEMIS	9	⊢ Add
					SCORE	AC	TUAL			RED		G	OAL					aacoot	
			<ul> <li>Septemi</li> </ul>	per 2017	7.16	£25	4.04	< .	£2	53.7	ĸ	£2	54K			No	relate	d item:	80

Check all of the other source measures.

Go back to the measure that you want the values to roll up to. For this example we are looking at International Limited > Sales Revenue:

📋 International	Limited	Sales Rev	enue												☆	B+ +	0	0
PERSONAL L Home	Q, Find	Overview	Measur	es								E	lit	Sep	tembe	er 2017	t ~	< >
2 Bookmarks	International HQ Scorecard	•																
	▲ Financial	PERFORMANCE				HISTOR	ICAL PE	RFORM	NCE								4	v ¢
3) Strategy Maps	Increase Revenue	•																
Dashboards	Actual Revenue	• Not up:	lated for th	is period														
Charts & Reports	Sales Revenue	•																
	Improve Profitability	. /																
Scorecards	Reduce Sales Overhead Cott	· / ,																
Initiatives	▲ Customer	•		$(\cdot, \cdot)$														
	Internal Processes	£761.5K	-	£762K														
	Organisational Capacity	RED	SCORE	GOAL		<b>Sep</b> 2016	Oct 2016	Nov 2016	<b>Dec</b> 2016	<b>Jan</b> 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	<b>Jun</b> 2017	<b>Jul</b> 2017	Aug 2017	Sep 2017
		ACTUAL AND TH	IRESHOLD VALU	JES								× 6	dit	REI	ATED IT	TEMS	-	⊩ Add
					SCORE	1	ACTUAL		RE	P		GOAL						
		Septen	iber 2017						£761	.5K		£762¥	8		No	relate	d items	

Notice that there are no 'actual values'. These will be 'calculated' from the previous three measures. Click on the **Edit** tab to reveal the edit measure screen and scroll to the third box called **Series**:

📋 International	l Limited	Sales Rev	/enue						0	C
PERSONAL L Home	Q. Find	Overview	Measures				Edit	September 2017	÷	< >
රු Bookmarks	+ New Scorecard Item									
PREBERTATION		MEASURE DETA	ILS							
Dashboards		Scoring Typ	e		Calendar		Data Type	1		
Charts & Reports		Goal/F	ted Flag		Monthly		③ Curre	ency		•
Briefings		Aggregation	Туре		Decimal Precision		Currency			
DATA	Sales Revenue	+ Sum			Default	Ψ.	Default			•
Scorecards										
Documents		SERIES								
Diotenterts		Actual Value	2		Red Flag		Goal			
		🗹 Manua	E.	*	🗹 Manual	*	🗹 Manı	ual		-
					761,000	£	762,000			E
						1				
		OWNERS								
		Add Owner								
		Apd Owner								

In the Series box you can see that the Goal (green) and Red Flag (red) values have been set. We now need to create the calculation for the Actual Value to sum the Private Sector, Government and Education Sales Revenues.

SERIES	
Actual Value	Red Fla
凶 Manual	- 🗹 Ma
ඦ Manual	751.00
Calculated	

Click on **Manual** under Actual Value and select **Calculated.** 

Actual Value		<b>Red Flag</b>
Calculated	•	🗹 Manı
Treat missing values as N/A	•	761,000
Set Equation		

Click on **Set Equation** to reveal the **Set Equation** dialogue box.

<ul> <li>Increase Revenue</li> <li>Actual Revenue</li> </ul>	Set Equation	
<ul> <li>Sales Revenue</li> </ul>	Actual Value allowed input: +-*/()	
Improve Profitability     Reduce Sales Overhead Com     Customer     Internal Processes	Type Measure Series Period Measure - Select a Measure Actual Value - Current - Add	Goal - Ci Manual E 762,000
<ul> <li>Organisational Capacity</li> </ul>	Cancel Done	

The box under the words **Actual Value** can be considered as a typical spreadsheet cell. For a list of operands, equations and functions that can be used in this box see the user guide: <u>Calculated Measures</u>

We are going to be 'summing' three measures so will leave the **Type** as Measure. The **Series** will remain as Actual Value and the **Period** as Current.

Click on **Select a Measure** to reveal the Select a Measure dialogue box.

Find the first measure you want to add to the equation, in our example we have selected the **Private Sector** scorecard and the **Sales Revenue** measure:



Click Done and you will see the measure appear in the Measure box:

	Set Equation	1				
Sales Revenue	Actual Value			allowed input: + - * /	0	
						Goal
	Туре	Measure	Series	Period		🗹 Manual
	Measure 👻	(1421) Sales Revenue	I Value 👻	Current - Add	2	762,000
	Cancel			Done		
	Cancel			Done		

Click on the Add button to add the measure to the Actual Value equation box, notice that the measure unique identifying number has been used:

O Sales Revenue	Actual Value			allowed	input:+-*/()		
Improve Profitability     Reduce Sales Overhead Call	M(1421)						Goal
Customer	Туре	Measure	Series	Period		•	ල් Manual
▲ Internal Processes	Measure +	(1421) Sales Revenue	Actual Value 👻	Current +	Add	£	762,000

#### intra<mark>focus</mark>

Next type in the plus (+) operand in the equation box and then find the next measure to add to the equation (repeat the steps on Cascading Roll Up page 5). Keep doing this until the equation is complete as shown below:

Sales Revenue	Actual Value			allowe	d input: + - */()	
Improve Profitability	M(1421) + M	(1426) + M(1427)				
Reduce Sales Overhead Com					1	Goal
Cüstomer	Туре	Measure	Series	Period		Manual
Internal Processes	Measure 👻	(1426) Sales Revenue	Actual Value 👻	Current +	Add	£ 762,000

Click **Done**. The Series box will now look like this:

Actual Value	Red Flag		Goal	
Calculated	🗹 Manual	•	🗹 Manual	•
Treat missing values as N/A	761	£	762,000	4
M(1421)+ M(1426) + M(1427)				
	-			

**VERY IMPORTANT** - Do not forget to click Save at this point. If you do not, your equation will be lost!

#### Click on the Overview tab and you will see the final result:



Calculated measures can be used in a variety of ways. For more information on how to build calculations into your scorecard see: <u>Calculated Measures</u>.

