



# 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. See Previous Guide.
- **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.
- **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.

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 Linked Element Scorecard and Strategy Scorecards.



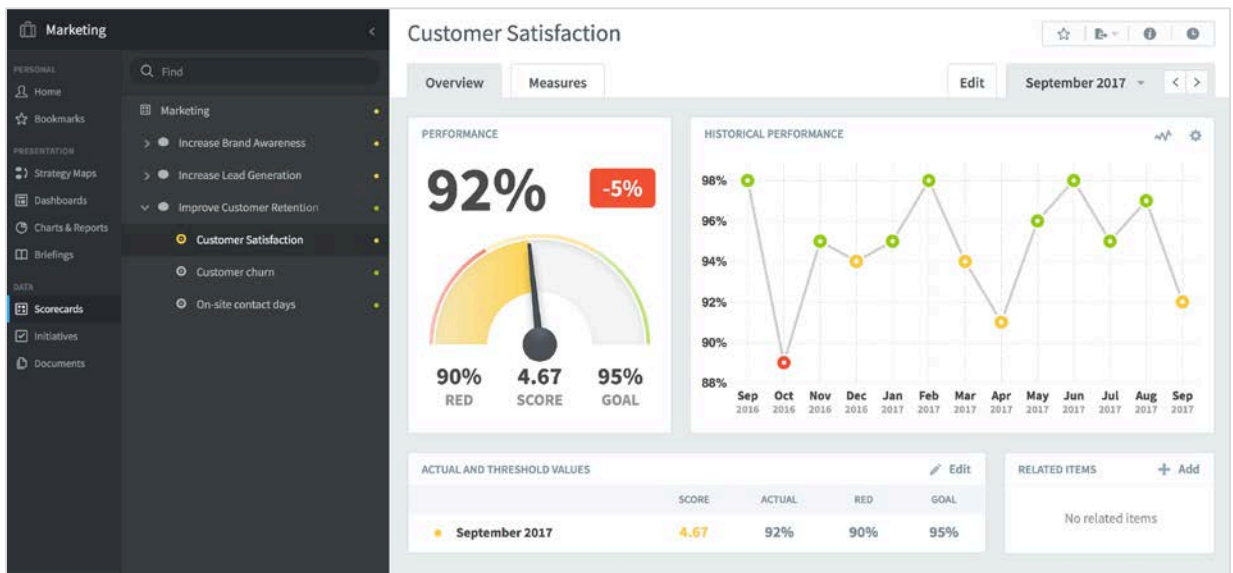
# Cascading Linked Elements - 1

## Linked Element Cascade

Of all the cascade methods, this is the easiest. Measures, Objectives, Themes, Perspectives and even whole Scorecards can be linked into each other to influence scores.

Links can go in any direction. The important thing to remember is that links only influence **Scores**, they do not roll up actual values.

In the example below we will demonstrate how to link a **Customer Satisfaction** measure owned by the Marketing Department's scorecard into the International HQ objective of **Improve Customer Satisfaction**.



Notice that the measure **Customer Satisfaction** is in the **Marketing Scorecard**. The measure you are going to link into another scorecard must exist.

Go to the area where you want to use this measure as part of its scorecard.



# Cascading Linked Elements - 2

In our example we will be linking the measure **Customer Satisfaction** into the International Limited top-level scorecard under the objective **Improve Customer Satisfaction** which is in the customer perspective.

The screenshot shows the 'Improve Customer Satisfaction' scorecard in the 'Measures' tab. The scorecard displays a gauge chart with a message 'Not updated for this period' and a historical performance line chart for the period Sep 2016 to Sep 2017. The 'DATA USED IN CALCULATIONS' and 'RELATED ITEMS' sections are empty.

Notice there is no score showing for this objective as there are no measures underneath it as this time. We will now add **Customer Satisfaction** as a **Linked Measure**. Highlight the objective **Improve Customer Satisfaction** and Click **Edit** at the bottom of the screen.

The screenshot shows the 'Improve Customer Satisfaction' scorecard in the 'Measures' tab, with the 'Edit' form open. The form includes fields for Name, Type, Description, and Weight.

Name	Type
Improve Customer Satisfaction	Objective

Description	Weight
Improve customer satisfaction across both products and training	33.33%

Click on + **New Scorecard Item**.

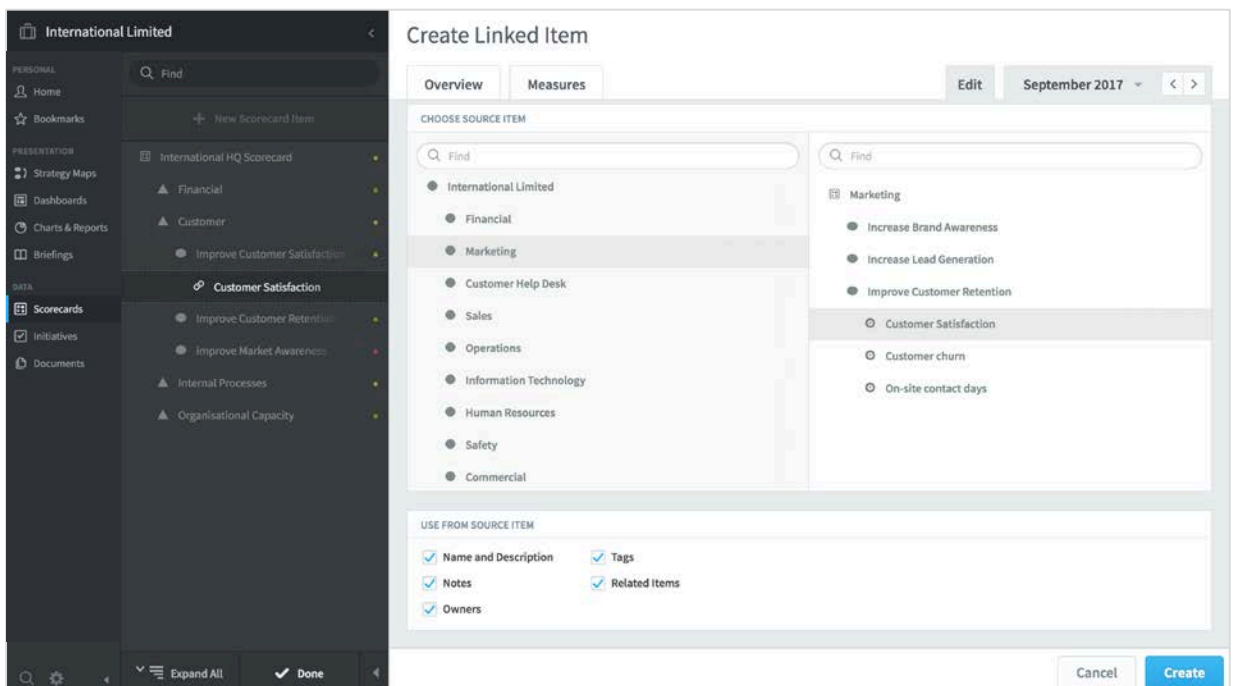


# Cascading Linked Elements - 3

The **Create Measure** dialogue will appear. Instead of creating a new measure, Under **Type** click on the drop-down and select **Linked Item**:



The **Create Linked Item** dialogue will appear with a panel called **Choose Source Item**. Select the item you want to link in. In this case we have selected **Customer Satisfaction** from the **Marketing Scorecard**. You can optionally select the data you want to pull with the item. The default is to pull everything. Click **Create**.





# Cascading Linked Elements - 4

The application will create the Linked item and go on to create a new linked item by default. Click **Done** to complete the process.

**Create Linked Item**

Overview Measures Edit September 2017

Name  Type **Linked Item**

Description  Advanced Options

CHOOSE SOURCE ITEM

Find

- International Limited
  - Financial
  - Marketing
  - Customer Help Desk
  - Sales
  - Operations
  - Information Technology
  - Human Resources

International HQ Scorecard

- Financial
- Customer
- Internal Processes
- Organisational Capacity

Cancel Create

Click on **Customer Satisfaction**, the linked measure has appeared. Note the small link icon to the left of the measure name.

**Customer Satisfaction**

Overview Measures Edit September 2017

PERFORMANCE

92% **-5%**

90% RED 4.67 SCORE 95% GOAL

HISTORICAL PERFORMANCE

Month	Score
Sep 2016	98%
Oct 2016	89%
Nov 2016	95%
Dec 2016	94%
Jan 2017	95%
Feb 2017	98%
Mar 2017	94%
Apr 2017	91%
May 2017	96%
Jun 2017	98%
Jul 2017	95%
Aug 2017	97%
Sep 2017	92%

ACTUAL AND THRESHOLD VALUES

Month	Score	Actual	Red	Goal
September 2017	4.67	92%	90%	95%

RELATED ITEMS + Add

No related items

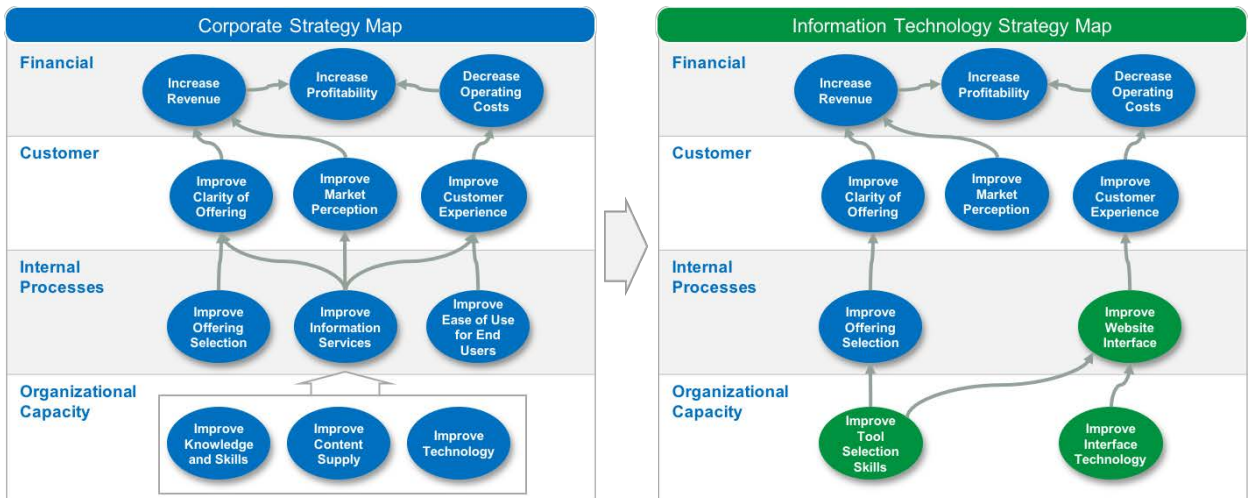


# Cascading a Strategy Scorecard

## Strategy Scorecard Cascades

Strategy scorecards usually contain a mixture of common elements and departmental elements. As with all scorecard configurations it is important to have a good view as to what the cascade will look like in advance of entering data into the application.

With a strategy scorecard, only objectives are cascaded. In some instances the departmental measures may be the same as the HQ measures, for example sales revenue, but in most instances the departmental measures will be different.



The example above uses a **Strategy Map** as the basis of a cascade. Here we can see a set of top-level corporate objectives and the corresponding strategy map for the IT department.

In this case only three objectives will be cascaded to the IT departments scorecard. The objectives, although obviously contributing to the corporate strategy are all different and will therefore have different measures. However, the IT department might be assessed on its contribution to the corporate objective, for instance, Improve Offering Selection and so that objective might be 'linked' to their scorecard.

Strategy scorecards can use all of the methods described above to reach the right result.