The background of the slide is a photograph of a man in a dark shirt standing on a stage during a presentation. To his right is a large projection screen displaying a slide with the title "The Hidden Cost of Hiring in Industrial Inspection" and the name "Christopher Bentley, Co-founder & CEO, Bentley, Inc.". The screen also shows the "SUBERAND" logo in the top left corner. The audience is visible in the foreground, and the stage is lit with warm tones. A large, stylized graphic of overlapping red, yellow, and black curved bands is overlaid on the right side of the image.

Implementing a Balanced Scorecard to Measure Process Performance

02/10/2022

John Cristman
Strategic Planning / Balanced Scorecard

Bio Slide



- John Cristman
- Innovated Quality Systems (IQS)
- President (Co Owner), Focused on Operations, Marketing, Growth, and Customer Satisfaction.
- 35 Years in the Aerospace & Automotive Industries
- Field of Expertise: Quality Systems, Strategic Planning, Process Performance Measures, Balanced Scorecard Development
- Industry Involvement: NDTMA Member, ASQ Senior Member

Strategic Planning Tools



1. SWOT Analysis (Strengths, Weakness, Opportunities, Threats)
2. Organizations Vision - aspirational statement made by your organization that articulates what they would like to achieve
3. Organizations Mission - action-based statement that states the purpose of your organization and how you serve your customers.
4. Lessons Learned from Previous Year(s)
5. Key Initiatives by Department (Examples)
 - Safety
 - Quality
 - Continuous Improvement
 - Cost Management (Capital Expenses)
 - Financial Performance & Cash Management
 - Strategic Growth
 - IT Requirements
6. Strategic Pillars
7. Hedgehog (Good to Great – Jim Collins)
8. Market Position
9. Previous Year Successes

Strategic Planning - Pillars



Long Term Strategic Planning Strategic Pillars (Examples)

1. Known as #1 in NDT & Services (Brand Name)
2. Quality System
 - Procedures / Compliance
 - Certifications
 - Customer Approvals
3. Technology Provider “Solutions & Partner”
4. Business Processes (Performance “Operational” Excellence)



Strategic Pillars (Examples)

1. Growth
2. Innovation
3. Customer Focus
4. Change Management
5. Lean
6. Reputation
7. Risk Management

Hedgehog Methodology Strategic Planning



Circle #1: What You Are Deeply Passionate About

Good-to-great companies focused on the activities that ignite their passion. The idea here is not to stimulate passion but to discover what makes you passionate. You can't manufacture passion or "motivate" people to feel passionate. You can only identify what you and your team are already passionate about doing.

Circle #2: What You Can Be The Best In The World At

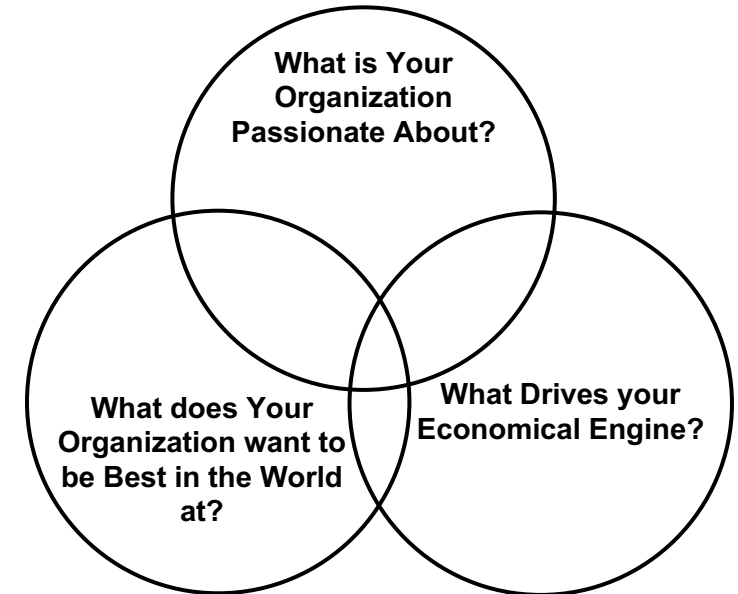
Every company would like to be the best at something, but few understand with total clarity what they have the potential to be best at. It's not about producing a goal to be the best, a strategy to be the best, or an intention to be the best. It's about identifying something that your business can truly become the best at doing.

Circle #3: What Drives Your Economic Engine

Every organization must understand how to generate sustained cash flow. One way to gain insight into the drivers of your economic engine is to ask yourself: "If you could pick one and only one metric to systematically increase over time, which one would have the greatest and most sustainable impact on your economic engine?"

Potential answers might include profit per customer, profit per employee, profit per retail location, profit per square foot, profit per geographic region, or profit per product.

The Hedgehog Concept is a tool for identifying your own Organizations simple, transparent concept. It's based on developing a deep understanding of three circles.



Implementing a Balanced Scorecard

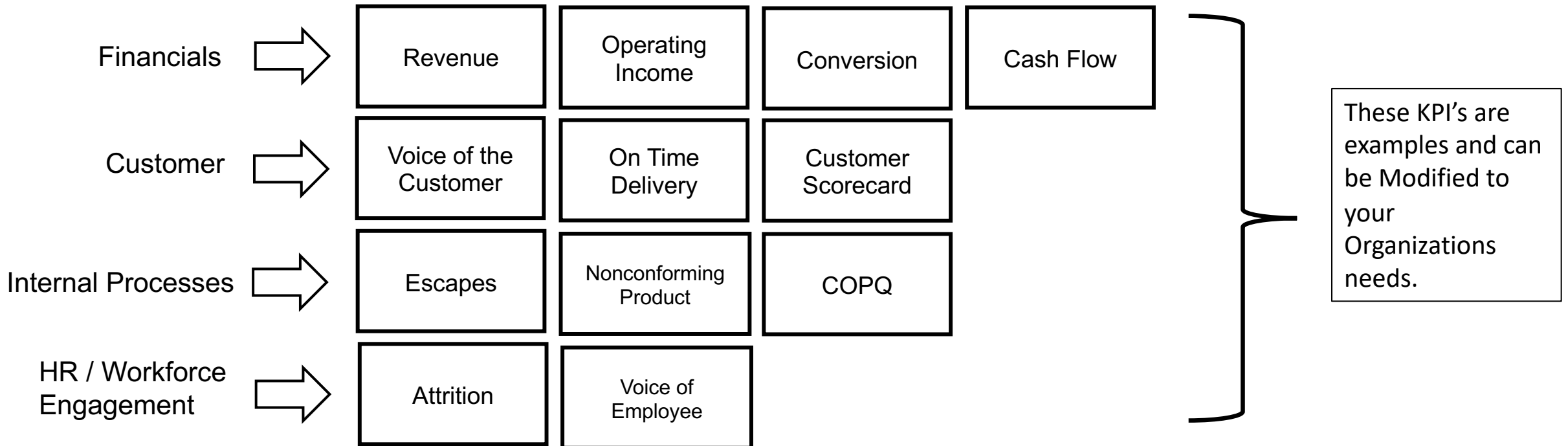


1. A Balanced Scorecard involves measuring four main aspects of the Business:
 - Learning and Growth
 - Internal Processes
 - Customer Performance
 - Financials.
2. A Balanced Scorecard is a performance metric used to identify, improve, and control an Organizations functions and resulting outcomes.
3. The concept of BSCs was first introduced in 1992 by David Norton and Robert Kaplan, who took previous metric performance measures and adapted them to include nonfinancial information.
4. BSCs allow companies to gather information in a single report, to provide information into service and quality in addition to financial performance, and to help improve process performance.

Implementing a Balanced Scorecard

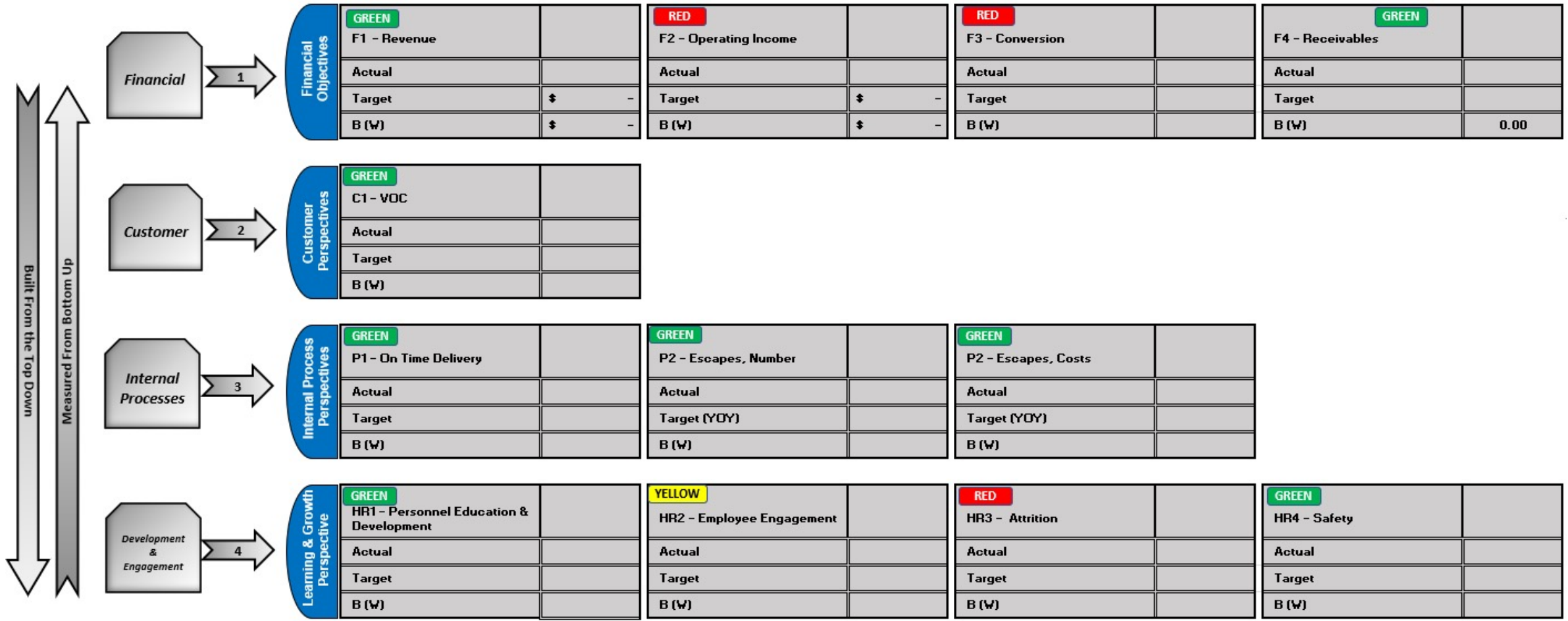


A Balanced Scorecard is Built from the Top Down and measured from the Bottom Up.



The Balanced Scorecard is implemented by translating the vision and strategy into a comprehensive set of objectives and performance measures in four categories.

Example of a Balanced Scorecard



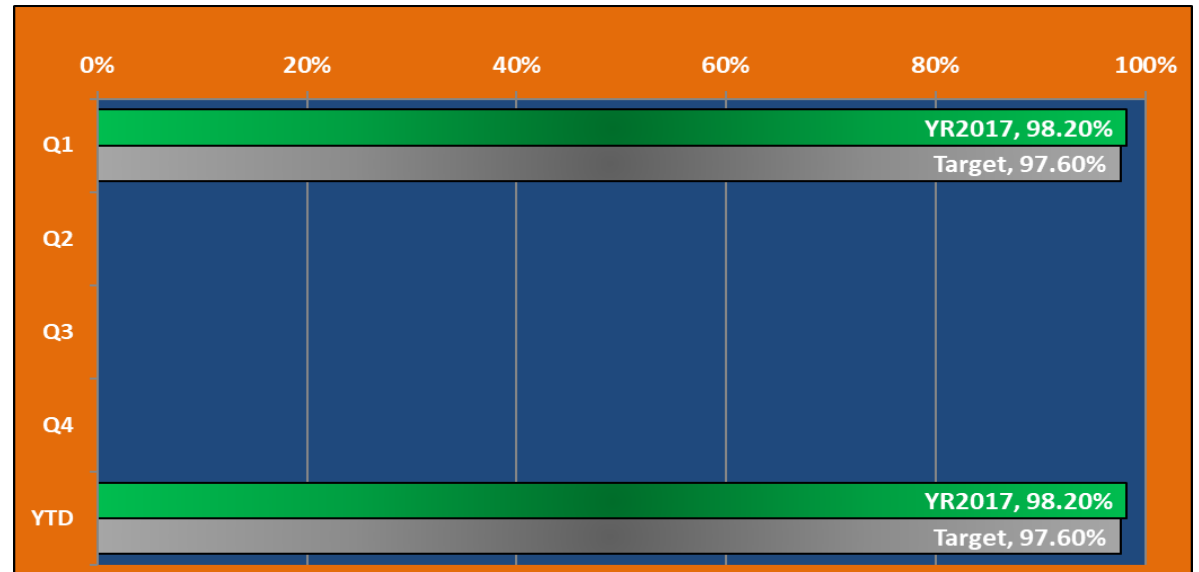
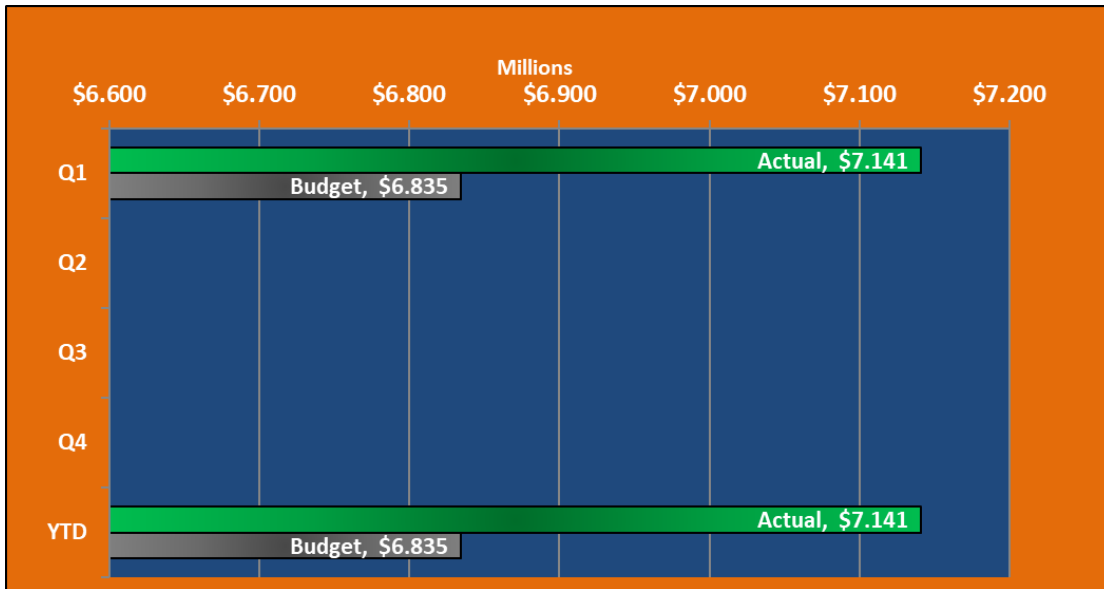
Data Collection to Feed Scorecard

Note: The Numbers shown are Fictions are for demonstration purposes only.



F1 Revenue	Jan	Feb	Mar	Q1
YR2016	\$ 1,680,366	\$ 1,839,985	\$ 1,969,447	\$ 5,489,798
YR2016 BUA	\$ 2,045,401	\$ 2,203,296	\$ 2,336,882	\$ 6,513,303
YR2017	\$ 1,983,008	\$ 1,908,504	\$ 2,275,752	\$ 6,167,264
YR2017, Budget	\$ 1,839,260	\$ 1,956,502	\$ 2,138,006	\$ 5,933,768
YR2017, BUA	\$ 2,319,126	\$ 2,211,302	\$ 2,610,366	\$ 7,140,794
YR2017, BUA, Budget	\$ 2,110,860	\$ 2,271,202	\$ 2,452,506	\$ 6,834,568

P1 -On Time Delivery	Jan	Feb	Mar	Q1
YR2014	98.38%	98.31%	98.03%	98.24%
YR2015	98.74%	96.93%	96.70%	97.46%
YR2016	98.68%	98.67%	98.79%	98.71%
YR2017	98.88%	98.33%	97.38%	98.20%
Target	97.60%	97.60%	97.60%	97.60%



Data Collection to Feed Scorecard

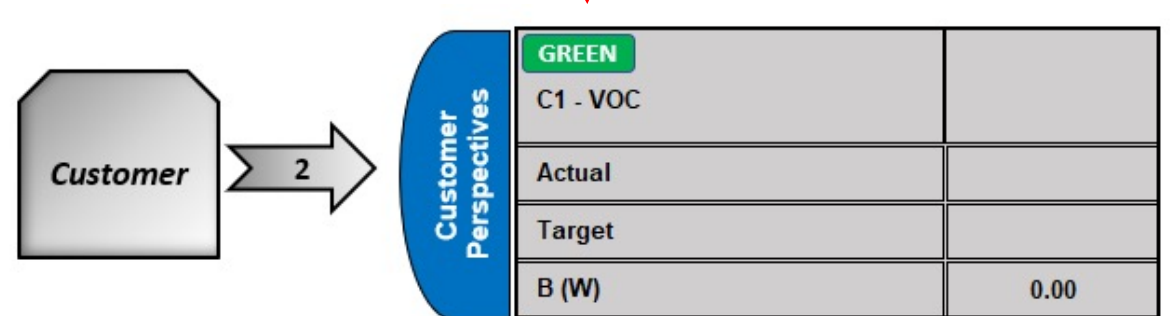
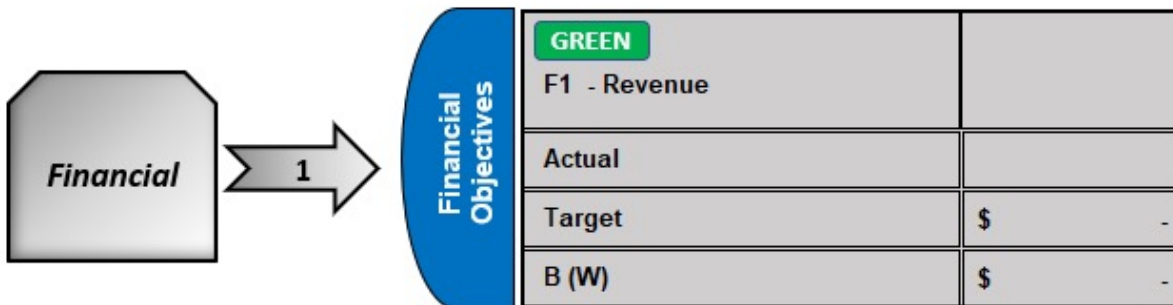
Note: The Numbers shown are Fictions are for demonstration purposes only.



F1 Revenue	Jan	Feb	Mar	Q1
YR2016	\$ 1,680,366	\$ 1,839,985	\$ 1,969,447	\$ 5,489,798
YR2016 BUA	\$ 2,045,401	\$ 2,203,296	\$ 2,336,882	\$ 6,513,303
YR2017	\$ 1,983,008	\$ 1,908,504	\$ 2,275,752	\$ 6,167,264
YR2017, Budget	\$ 1,839,260	\$ 1,956,502	\$ 2,138,006	\$ 5,933,768
YR2017, BUA	\$ 2,319,126	\$ 2,211,302	\$ 2,610,366	\$ 7,140,794
YR2017, BUA, Budget	\$ 2,110,860	\$ 2,271,202	\$ 2,452,506	\$ 6,834,568

P1 On Time Delivery	Jan	Feb	Mar	Q1
YR2014	98.38%	98.31%	98.03%	98.24%
YR2015	98.74%	96.93%	96.70%	97.46%
YR2016	98.68%	98.67%	98.79%	98.71%
YR2017	98.88%	98.33%	97.38%	98.20%
Target	97.60%	97.60%	97.60%	97.60%

All data from your organizations data Collection Source Automatically feeds your Balanced Scorecard "Dashboard".



THANK YOU



John Cristman

248-939-0996

john.cristman@innoqs.com

<https://innoqs.com>

