



Building A Balanced Scorecard

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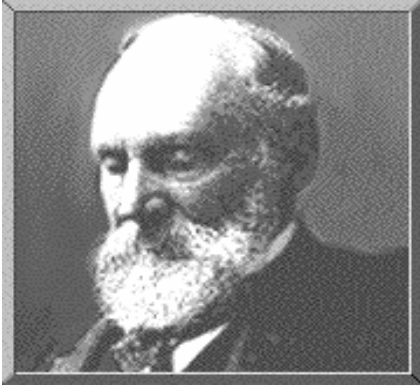
MIT



“What gets measured and rewarded gets done.”

*On the folly of rewarding A, while hoping for B,
Academy of Management Executive, 1996, Kerr,
Steve*





“When you can measure what you are speaking about, and express it in numbers, you know something about it; but when you cannot measure it, when you cannot express it in numbers, your knowledge is of a meager and unsatisfactory kind”

Lord Kelvin, 1824-1907

“Not everything that can be counted counts, and not everything that counts can be counted”

Albert Einstein



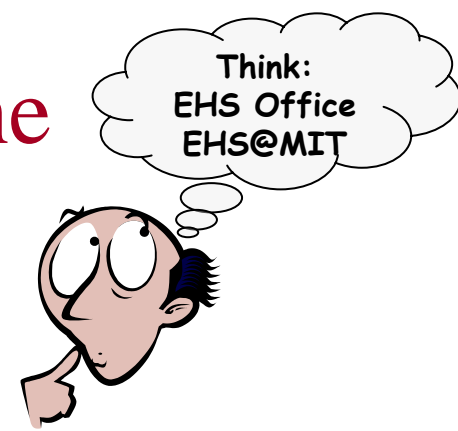
What is the Balanced Scorecard?

Performance management tool used to:

1. Translate strategy to operational terms
 - MIT EHS Policy
2. Link and align EHS Office around strategies
3. Make strategy everyone's job
4. Make strategy a continuous process
 - Communicate change agenda
 - EHS-MS, EHS organizational refinements...



Balanced Scorecard and the Strategy Map



- **Balanced Scorecard:**

- measures EHS performance from four perspectives

- Learning and Growth

Knowledge, skills and abilities needed to

- Internal Processes

build capabilities and efficiencies to

- Financial

cost effectively deliver needed services

- Client

to clients

- **The Strategy Map:**

- shows how EHS will convert assets to desired outcomes
- depicts EHS objectives within the four perspectives in visual framework
- illustrate how roles are linked to EHS objectives
- show cause-and-effect links
- serves as tool for communicating strategy



Terminology

- Mission – defines purpose of EHS Office
- Vision – describes what EHS Office would like to accomplish or become in the future
- Policy – states high-level overall general goals
- Guiding Principles – provide direction to achieving goals
- Values – beliefs that guide an organization
- Strategy – the integrated approach to developing and using resources to achieve vision, mission and goals



Terminology

- Strategic Planning – developing a structural theme or method for effectively achieving a specific goal or objective
- Operations – performance of practical work
- Tactic – an activity for accomplishing an end



Operational vs. Strategic Activities

Operational: *Mission focused*

- Respond to Requests
- Provide Training
- Pick-up waste
- Make Measurements
- Conduct Inspection
- Implement corrective actions

Strategic: *Vision focused*

- Anticipate future needs
- Develop new training
- Improve waste management
- Forecast needs
- Respond to trends
- Implement preventive actions



Terminology

- Objectives - action statements that clarify how the strategy will be implemented
- Initiative – tasks and activities undertaken to achieve objective; a project.
 - Multiple initiatives (projects) may be undertaken to achieve an objective
- Measures - allow for assessing progress in achieving objective
- Targets - used to set and communicate expected performance level



Initiative

- Is a specific project to achieve strategic objectives
 - Not operational
- Accountability at leadership level
- Clearly defined start, milestone and end dates
- Clearly defined deliverable, budget and resources commitment
 - Multiple initiatives (projects) may be undertaken to achieve an objective



Measures

- Repeatabable and reliable
- Quantifiable – useful in benchmarking MIT against others
- Type – absolute numbers, ratios, percentages, ratings
 - Lag measures – outcomes; % waste recycled
 - Lead measures – drivers; amount of products purchased
- Frequency of update – monthly, quarterly, annual



Targets

- Purpose

- To set and communicate expected level of performance
- Use to motivate – not control/constrain
- Focus on improvement

- Provide linkage to personal goals

- Set long term targets - 3 years

- Focus on long term w/ intermediate goals to keep momentum
- Set stretch targets



EHS Office Strategy Map

Draft
September, 2004

Values

Trusted Professionals, Collaborate to Achieve Excellence

Vision

Proactive, Integral, and Effective Part of MIT Community

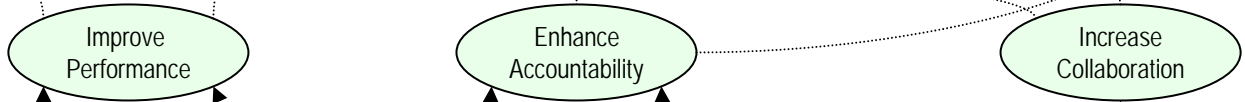
Mission

Provide Services and Partnership to Continually Improve EHS Performance

Policy



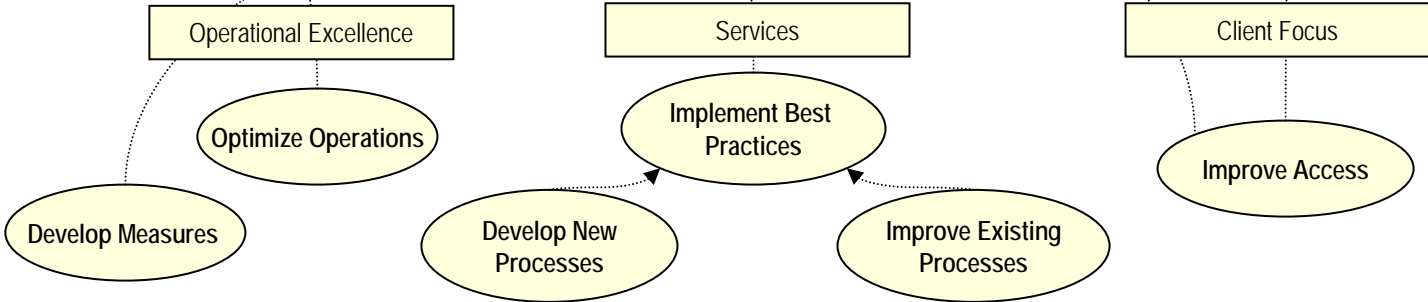
Client - Stakeholder



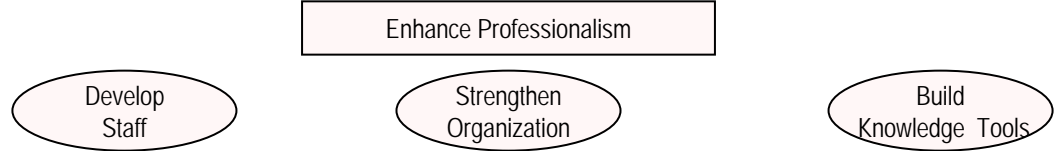
Financial



Internal Processes



Learning & Growth



Draft

#	Initiative	Draft														
		Objectives	Improve Performance	Enhance Accountability	Increase Collaboration	Manage to Budget	Increase Value of Services	Develop Measures	Optimize Operators	Implement Best Practices	Develop New Processes	Improve Existing Processes	Improve Access	Develop Staff	Strengthen Organization	Build Knowledge Tools
		Client-Stakeholder		Financial		Internal Processes						Learning & Growth				
1 (a)	Develop Waste Measures															
1 (b)	Develop Ergo Measures															
1 (c)	Develop Injury & Illness Measures															
1 (d)	Develop Training Measures															
1 (e)	Develop Inspection Measures, Level II															
2	Optimize Waste Review															
3	Improve BSP Review Protocol															
4	Improve RPP Authorization Review															
5	Improve Reactor Data Access															
6	Implement EHS Request Tracker															
7	Enhance skills															
8	Develop Web Courses															
9	Implement Inspection Process, Level III															
10	Implement Awareness Plan															
11	CP30															
12	Improve Construction Design Review															
13	Apply MS-Project															
14	Implement Customer Survey															
15	Budget Management Process															
16	Organizational Refinement															
17	Pollution Prevention															

Key:
 Green is primary Objective of initiative
 Red is other Objectives also met



Objective:

Initiative:

Start:

End:

Goal:

Approach / Tasks:

Description:

Success Criteria / Deliverables:

Benefits:

Risks/Issues:

Resource Needs:

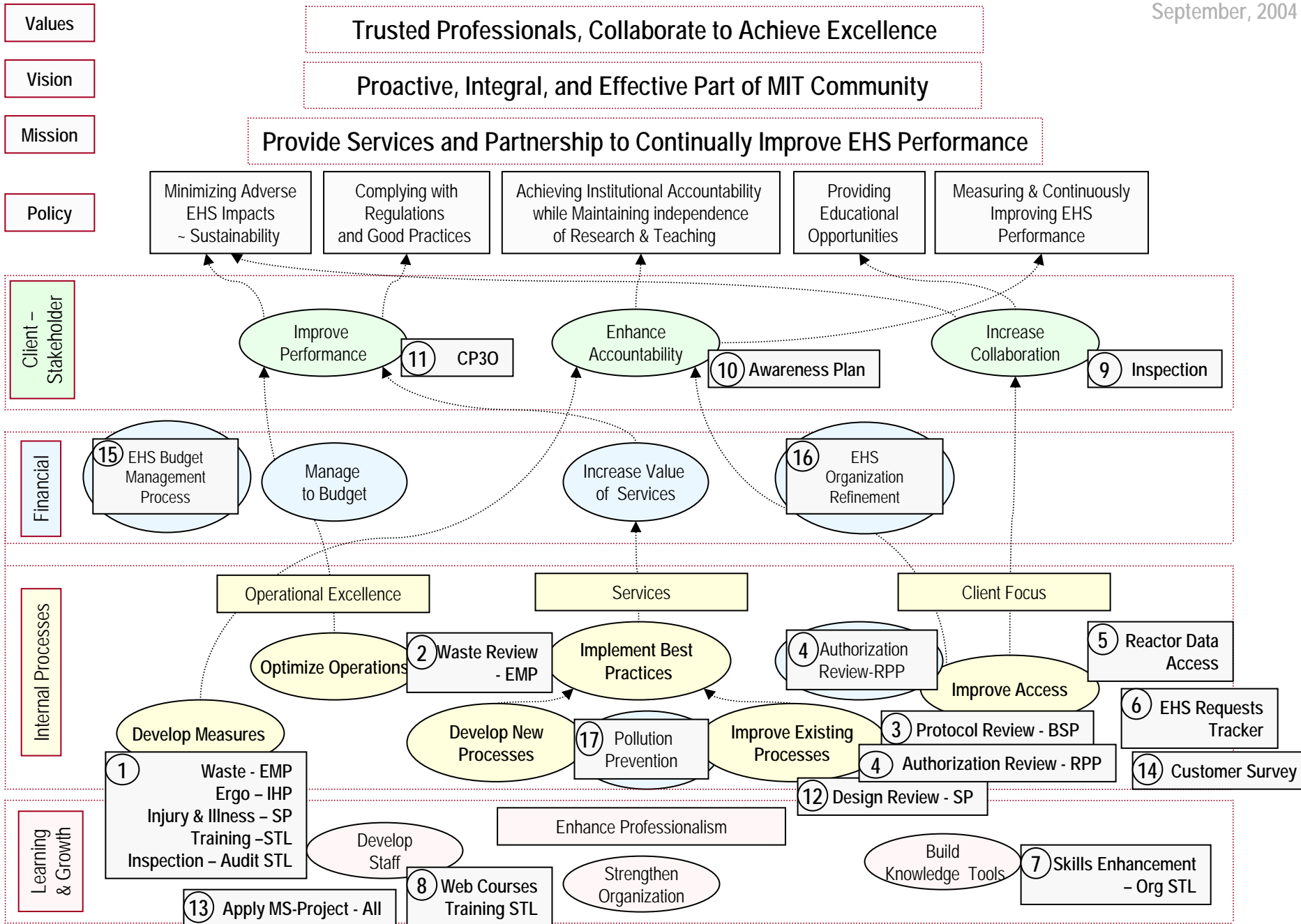
Responsibilities:

Initiative



EHS Office Strategy Map

Draft
September, 2004



Balanced Scorecard Roll Out Plan

- Develop “Talking Points” on the BSC
- Develop FAQ’s on the BSC
- Finalize BSC and Strategy Map
- Prepare Resources Site
- DD’s, STL’s, and Director in Alignment
- Lou to Present to All Staff on 9/15/04
- Lou to meet with All Program Staff



Balanced Scorecard Roll Out Plan cont'd

- Each DD & STL to discuss with their programs and Service Teams and clarify questions or collect questions and potential barriers
- Lou to present high level overview at Coordinators/Lead Contact meeting on 9/22/04
- DD's and STL's to re-enforce at regularly scheduled meetings with staff or team members
- Bi-monthly reports to be submitted to Director on the status of the initiatives and "adjustments" needed
- BSC to be an agenda item at all All Staff Meeting



EHS Office Balanced Scorecard

	Strategic Objective	Initiative	Measure	Target	Status
Client Perspective	Improved Performance	Coordinated and Consolidated Contingency Planning and Operations (C3PO)			
	Enhanced Accountability	Awareness Plan			
Financial	Increase Value of EHS Services	EHS Organization Refinement			
Internal Processes	Develop Measures	Waste Ergonomics ...			
	Improve Access	Customer Survey			
	Improve Existing Processes	RPP Authorization Review			
Learning & Growth	Build Knowledge Tools	Skills Enhancement			
	Develop Staff	Web-based Training			



Lou DiBerardinis ('75) and Roy Deitchman ('75) involved in lobbying California Occupational health agency director in 1976. They were unsuccessful and personal protection from various environmental insults (e.g. sun rays) still requires Disney employees to wear full “protective” costumes.

