Balanced Scorecards & Business Dashboards

The Art and Science of Keeping Progress in Motion

‘The Emotional and Intellectual Process of Achieving Positive Results within a Regenerative Culture™’ - CKC

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Jeff Bezos Bans PowerPoint in Meetings – His Replacement is Brilliant

Narrative memos have replaced PowerPoint presentations at Amazon. Here are 3 reasons why:

1. Our Brains are Hardwired for Narrative.
2. Stories are Persuasive.
3. Bullet Points are the Least Effective Way of Sharing Ideas.

“Ethos (character & credibility) and Logos (logic & reason) are irrelevant in the absence of Pathos (emotion).” -Aristotle

Emotions are Often More Insightful than Data. -CKC
31 YRS 3 MOS and 12 DAYS...and I ran out of flavors!
Companies Served

- GE
- ESKCO
- Caterpillar
- John Deere
- Pepperidge Farm
- Rand McNally
- LEAHY Consulting Services
- Frigidaire
- NuTone
- Duke Energy
- Broan
- Honeywell
- Rittal
- Ingersoll Rand
- LexisNexis
- Premdor
- CAMCO
- Longaberger
- J.I. CASE
- IBM
- MODINE
- Herman Miller
- Lowes
- Maysteel
- Digital
- Thermos Brand
- Siemens
- Thermo King
- The Home Depot
- The Home Depot
- HP
- Amerimax
- Sheffer
- Donatos
- Herman Miller

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1. Balanced Scorecards
2. Process Improvement
3. Growth Strategy
4. Change Management
5. Lean Management / Lean Enterprise
6. Performance Management (Measurement)
7. Supply Chain Analysis
8. Six Sigma
9. Product Launch Strategy
10. Marketing Plan Development

Why are Balanced Scoreboards and Business Dashboards Relevant?
Does Measurement Relevance Matter?

Caution, You Are Now Entering New Cuyama, CA
“How do I get my people to do what I want?”

“If you want it done, you’re going to have to create an environment in which ‘doing it’ is more important to your people than not doing it. Where ‘doing it’ becomes a way of life for them.”

A Word of Encouragement
Focus More Time and Energy into Creating and Sustaining a Work Environment where People Willingly Contribute their Time, Talent and Energy.
The Stegman Leadership Principle

‘As a leader, it’s up to you to discover the hidden potential in people; point out their good qualities and encourage them as they grow.’ –Art Stegman 1989
Welcome to NuPulse PRO
Transforming Leaders and Business Results

FROM THE FOUNDER & CEO

My clients often seek me out when they sense there’s something holding their business back, but they can’t quite put their fingers on the problem. These talented managers find themselves bogged down by day-to-day disruptions and issues that prevent them from investing their valuable time working on the strategic needs of the business.

Sound familiar? It’s easy to fixate on the daily business issues, but the real opportunities lie with unlocking the hidden potential of your team. By working hands-on with employees across many organizations, I’ve helped clients achieve amazing business results. One manufacturing company doubled their employee bonus payments in 9 months!

To scale these benefits beyond my teaching and consulting practice, I decided to create NuPulse PRO SaaS (Software-as-a-Service) to help leaders identify their top priorities and focus on what matters most – because good process is needed to make good decisions and drive the right actions. The magic, though, isn’t in the tool itself, it’s in the people behind it. NuPulse PRO SaaS helps you tap deeper into the true talents and capabilities of your team in order to discover and unleash their true potential.

NuPulse PRO will create a vibrant new pulse in your organization to help you get the best out of your business!

**Bringing out the best in people dramatically increases HIGH-VALUE OUTCOMES.**

Believe and you’ll see...we’re here for you.

Sincerely,
Curtis K. Chocholous
Founder and CEO
A great deal has been written and published about Balanced Scorecards and Business Dashboards. As human Vital Signs are measured to ascertain human health, businesses have similar Vital Signs known as KPI (Key Performance Indicators) and metrics. This presentation is an attempt to clarify and fill at least some of the possible misunderstandings and voids related to measuring business performance in today’s competitive marketplace.

**Vital Signs** – the ESSENTIAL BODY FUNCTIONS, comprising PULSE rate, body TEMPERATURE, and RESPIRATION, used as a MEASURE of HEALTH or PHYSICAL CONDITION. -Dictionary.com
Beyond the Four Primary Human Vital Signs...

...inside the Human System there’s more-than-meets-the-eye.

This is also true of Business Operating Systems (BOS) because People are the Company.
The 80/20 Leadership™ System (a.k.a., 80/20L™)

The Art & Science of Maximizing Emotional, Intellectual and Physical Well-Being

PEOPLE POTENTIAL

Lead by Serving & Serve by Leading
(Be a Bucket Filler)

20% Time

PROCESS MASTERY

Intellect (tools) makes up 20% of the success.

PEOPLE POTENTIAL

80% is the Emotional interactive people-side of success.

Intellectual Preparation is not the same as Emotional Readiness

Ethos + Logos + Pathos = HPHPO

80% Results
Process Mastery
11 Human Body Systems

There are 11 main systems that keep our bodies functioning. Learn the primary roles of each in the diagram below.

**Endocrine**
- Regulation of body processes through hormone production

**Respiratory**
- Gas exchange between the internal and external environment

**Digestive**
- Physical and chemical breakdown of food to allow absorption of nutrients

**Reproductive**
- Production of reproductive cells that will generate offspring

**Integumentary**
- Protection against the external environment and regulation of temperature

**Muscular**
- Voluntary and involuntary movement

**Nervous**
- Processing center for sensory input, using the input to elicit appropriate responses

**Cardiovascular**
- Circulation of blood, which transports gases, nutrients, hormones, and wastes

**Lymphatic**
- Circulation of lymph, which maintains fluid balance and helps fight infection

**Urinary**
- Filtration of blood and excretion of wastes from the body

**Skeletal**
- Support and protection of many internal organs

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Business Operating System (BOS)

6 Interdependent 80/20™ Organizational Systems for Optimal Business Performance

Changing Any Single System Impacts BOS Performance

Who’s the BOS?
The 3 Types of Balanced Scorecards and Dashboards

GOOD

BAD

UGLY
A GOOD Balanced Scorecard is...

...based on the premise that measurement motivates & shapes behavior, so why measure?

1. To Make GOOD Decisions
2. To Drive GOOD Actions

- What you MEASURE is what you get.
- It’s not what you EXPECT, it’s what you INSPECT.
- If you can MEASURE it, you can MANAGE it.

“Tell me how you will measure me, and then I will tell you how I will behave. If you measure me in an illogical way, don’t complain about illogical behavior.”

Eli Goldratt – “The Goal”
Balanced Scorecard Defined

The Balanced Scorecard is a Management Tool for communicating the Strategic Plan of the organization using Financial and Non-Financial KRA Measures. –CKC

A Balanced Scorecard is NOT a Business Dashboard
“Balanced Scorecards tell you the Knowledge, Skills and Systems that your employees will need (learning and growth) to innovate and build the right strategic capabilities and efficiencies (internal processes) that deliver specific value to the market (customer) which will eventually lead to higher shareholder value (financial).”

“Having Trouble with Your Strategy? Then Map It.”
by Robert S. Kaplan and David P. Norton - Harvard Business Review

Learning, Growth, Processes, Customer and Financial Focus
GOOD Balanced Scorecards include…

...Key Result Areas (KRA), Business Objectives, Measurements, Targets & Accountabilities

<table>
<thead>
<tr>
<th>KRA</th>
<th>Business Objectives</th>
<th>Measurements</th>
<th>Targets</th>
<th>Accountabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial</strong></td>
<td>• Shareholder value</td>
<td>• % dividend growth</td>
<td>• CPI + X% annually</td>
<td>• Finance Director</td>
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<td></td>
<td>• Profit</td>
<td>• Operating Margin</td>
<td>• Top quartile</td>
<td>• CEO</td>
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<tr>
<td></td>
<td>• New revenue</td>
<td>• Revenue from new services</td>
<td>• 25% in three years</td>
<td>• Business Development Manager</td>
</tr>
<tr>
<td><strong>Customer</strong></td>
<td>• Differentiation</td>
<td>• Target market-share</td>
<td>• Number one</td>
<td>• Marketing Director</td>
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<tr>
<td></td>
<td>• Strategic alliances</td>
<td>• Profits from alliances</td>
<td>• $M in five years</td>
<td>• Business Development Manager</td>
</tr>
<tr>
<td></td>
<td>• Customer service</td>
<td>• Customer satisfaction</td>
<td>• Number one customer rating</td>
<td>• Marketing Director</td>
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<tr>
<td><strong>Internal</strong></td>
<td>• Productivity</td>
<td>• Revenue/work hour</td>
<td>• Best-in-class within five years</td>
<td>• COO</td>
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<td></td>
<td>• New product development</td>
<td>• Product development cycle time</td>
<td>• Reduced by 50% in two years</td>
<td>• Research and Development Manager</td>
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<td>• Segmentation</td>
<td>• Number of initiatives targeted at profitable segments</td>
<td>• 60% within one year</td>
<td>• Marketing Director</td>
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<td><strong>Learning</strong></td>
<td>• People policy</td>
<td>• Management control span</td>
<td>• Triple in three years</td>
<td>• Human Resources Director</td>
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<td>• Alliance management</td>
<td>• Number of “learning partnerships”</td>
<td>• 10 in five years</td>
<td>• Business Development Manager</td>
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<td>• Customer focus</td>
<td>• % management time interfacing with customers</td>
<td>• 20% in two years</td>
<td>• CEO</td>
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Clear Accountabilities Ensure Ownership

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Balanced Scorecard X-Matrix

### Cincinnati BSC Strategy Deployment 2012

<table>
<thead>
<tr>
<th>Organization &amp; Talent Development</th>
<th>Increase Inventory Turns</th>
<th>Deliver ADR Conversion Cost Productivity</th>
<th>Reduce Value Stream/Inventories/Lead Time</th>
<th>Top Tier Supply Chain</th>
<th>HOS Gold (World Class)</th>
<th>Customer Service, Delivery, Quality &amp; Cost</th>
<th>2012 Targets To Improve</th>
<th>2012 Objectives</th>
<th>3-5 Year Vision</th>
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**Vision is Directional – You Must Chart and Navigate the Course**
GOOD Dashboard Design

“An effective Dashboard tool is a visual display of the most important information needed to achieve and sustain business success; consolidated and arranged on a single board or screen so the information can be seen, monitored and understood with a brief look and limited study.” -CKC

Keep Score and Keep It Simple
GOOD Dashboard Practices

1. Choose Meaningful Metrics that Influence and Shape Productive Behavior
2. Make it Visual and Use Color
3. Make it Intuitive and Promote Public Transparency and Accountability
4. Make it Interactive to Motivate Healthy Conversation
5. Update Daily and Keep it Current
6. Make it Easy to Access and Simple to Use

Leadership Rises and Falls on Communication
If You’re Not Keeping Score, You’re... **only Practicing**

Measure, Monitor and Master Your Business
Numbers Count, but...

...the executive who thinks inspiration is a by-product of production figures and dry-as-toast metrics misses the great lessons of transformational leadership. -CKC

The Bottom Line is...Metrics are Inherently Boring!
The Psychology of Performance Measurement

The Hawthorne Effect

Western Electric’s Hawthorne Works Electric Company, IL 1920

Stay Connected to People
KPC & KPI Magnetic Whiteboard Dashboard

Be Brief, Be Bright, Be Gone!
KPA & KPI Magnetic Whiteboard Dashboard
Departmental Group Leader KPC & KPI Team Center

Congratulations TEAM for achieving a 95% Supplier Quality Score!
Main KPC SaaS Dashboard

Establish Key Performance Categories (KPC) First and then KPI (Key Performance Indicators) for Each KPC
Main KPI SaaS Dashboard

Recognition and Rewards for Key Accomplishments

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Knowing your health numbers is important for all people, but because men are less likely to visit the doctor, fewer men know what their health numbers are or should be. In honor of International Men’s Health Week (June 11-17), this could be the most important thing men read today.
Q & A