

The Scorecard Guide



All the Measures You Need for an Effective Scorecard



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Within this document you will find a series of measures applicable to the primary business functions within most corporations.

As scorecard metrics should measure your strategic intent, and every business is different, **IT IS IMPORTANT THAT YOU BE THOUGHTFUL ABOUT WHICH ARE APPLICABLE TO YOUR BUSINESS.**

As emphasized in The Balanced Scorecard methodology, made popular by authors Kaplan and Norton of Harvard Business School, many scorecards take on different “perspectives”, such as:

Emphasis on Customers

(Customer retention, customer satisfaction, customer service business development, marketing, web and building new markets.)

Many companies look for this section to provide a snapshot of the sales pipeline and customer loyalty.

Emphasis on Financial Returns

(The quality of revenue, margins, receivables, inventory risk, etc.)

What are the variables that are predictors of future profitability?

Emphasis on Internal Process

(Manufacturing, cycle time, technology, logistics, etc.)

This section is inward looking, and focuses on operational excellence/efficiency.

Emphasis on Learning and Growth

(Development of human capital.)

This section focuses on the development of people, team culture of those activities that drive the performance of people.

Of course, the number of sections, number of measurement, etc., is different for every business, but as a general rule, try not to utilize more than 16 scorecard measures.

Some numbers are conducive to weekly measurement, or even daily measurement, while others are more effectively measured monthly. Those items that cannot be reported very often (such as employee satisfaction, for example) may not be appropriate on a scorecard.

Here are measures to consider:

Customer Perspective



CUSTOMER SERVICE

Response time

Cycle time to respond to customer request

Number of customers/customer service agent

Number of customers/employees

Number of calls/per day

Total cost per customer service interaction

Customer complaints

Time to resolve customer complaints

First call resolution rate

Percent of complaints resolved to customer's satisfaction

Net promoter score (or client satisfaction score)

Cost of customer service as a % of revenue

Average customer retention

% of repeat customers

New customer retention rate

Number of customers lost

Customer service email count

Customer service phone call count

Customer service chat count

Concern classification

of customer surveys completed



SALES

Hourly, daily, weekly, monthly, quarterly, and annual sales

Revenue from new product categories

Incremental sales

Revenue per sales representative

Revenue per employee

Revenue +/- existing clients

Growth from new products

Growth from new customers

Average order size

Product performance (of key products)

Product affinity (which products are purchased together)

Inventory levels

CRM compliance

Marketing impressions

of marketing events (newsletters, white papers, webinars, testimonials)

Return on marketing investment

Share of wallet

Penetration of key items

Market share

Market share +/- prior year

or % of new accounts

% of customers 80% of volume

% of accounts-target segment

Average transaction

Up sales

Acquisition cost per client

Selling costs as a % of revenue

Cost of goods sold

Cost per new prospect/lead

Average number of appointments

Appointments booked

Proposals written

Opportunities created

Opportunities won(# or %)

Opportunities lost (# or %)

Conversion from prospect to client

Trial account conversion

Conversion rate % sales calls to appointment

Conversion rate % appointments

Conversion rate % proposals written

Value of new business

Trailing 12 month revenue

Trailing 12 month opportunities

Pipeline revenue (future \$ based on current pipeline)

% of Sales reps meeting targets

% of Sales reps on commission

Revenue by channel

Revenue by contact method

Revenue generated by affiliates/
alternative channels

% of revenue existing accounts

Gross margin

Gross margin %

Gross margin vs. LY

Calls to opportunities

% of client facing employees

% of bonus paid vs potential

Market Share

Average sales cycle time

Price optimization

Competitive pricing

WEBSITE



Web traffic

Click through rate (web)

Search impressions

Site traffic

Unique visitors versus returning visitors

Time on site

Page views per visit

Stickiness (pages/time viewed)

Traffic source

Day part monitoring (when site visitors come)

Newsletter subscribers (opt-in)

Texting subscribers

RSS feed subscribers

Call to action downloads

Chat sessions initiated

Facebook, Twitter, or Internet followers or fans

Pay-per-click traffic volume

Blog traffic

Number and quality of product reviews

Brand or display advertising click-through rates

SEO keyword ranking

Search results

Financial Perspective



Gross profit

Profit growth

Cost reduction

Inventory turnover

Return on equity

Accounts receivable \$

Accounts receivables days

Accounts receivables past 60/90 days

Accounts receivables write-offs

Working capital

Percentage of invoices overdue when paid

Percentage of payments made late

Return on capital employed

Cash flow

Invoice match rate

Billing errors

Date of closing

Date of reporting

Debt

Credit line balance

Internal service level (accounting)

Internal Process



Cycle time
Utilization
Rejection rate
In-stock rate
On time delivery
Inventory turnover
Fill rate
Accuracy rate (perfect order rate)
Rejects
Rework
Backorder percent
Out of stocks
Inventory as a % of revenue
Total production cost per unit
Carrying costs of inventory
Capacity
Manufacturing schedule adherence
% of deliveries made on time
% of deliveries received on time
of deliveries with incorrect quantities
Reduction in purchasing cost against quoted cost
Cost of goods sold
Work-in-process value
Defects
Scrap
Fill rate
IT costs as a percent of revenue
Uptime
Number of new open tickets
Response time initial requests
Number of resolved tickets
Mean time between failure (IT)
Mean time to repair (IT)
Internal service level operations
Internal service level IT

Learning and Growth



Labor costs
Retention
Turnover rate
Training hours
Average length of staff retention
of applications to vacancies advertised
Hours of training and development provided
Successors named
Corporate social responsibility
Internal satisfaction rating
HR tools implemented
Reviews completed
Recruiting cost per employee
% of new hires 24 months service
% of managers receiving leadership training
Training hours per employee
eLearning utilization
Lost time accidents
% of employees at competency level
Average overtime hours
Cost rate of total benefits
Average income per employee hour
Training cost per employee
Accidents
Ex-mod (experience modification) rate
R&D as a % of sales
Number of employees
Number of hires
New innovations generated
R&D expense as a % of revenue

Sources:

Suite 101, Search Business Analytics, Wikipedia, Klipfolio and Shopify, Tutor2U