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The Ultimate Balanced Scorecard Sports Metaphor

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Trivia question: which was the more strategically successful American professional football franchise over the course of the 1980s, the San Francisco 49ers or the Tampa Bay Buccaneers? And more importantly, how could one turn that trivia into a metaphor to liven up an organizational strategic planning and management concept?

Despite the fact that sports metaphors are overused and tend to translate well only for certain audiences, they are useful for teaching a difficult concept by paralleling that concept with something the reader is familiar with and excited about. IT administration might sound more exciting if it is recast as the fundamental blocking that enables the winning touchdown in the big game. So this metaphor should help clarify some of the basics related to how balanced scorecard strategic planning works and maybe convince you just ***how breathtakingly exciting the world of strategic planning and management can be***.

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So your organization in this metaphor is like a professional sports team and you are using a balanced scorecard strategic planning and management system to create and manage your organizational "play book." It is critical that everyone on your team understands and can align with your organizational mission, vision and strategy because as owner or "coach," you cannot play the game for the "players." Those players make their own decisions and take actions on behalf of your team. If you and your team fail to articulate clearly a coherent strategy or communicate that strategy throughout the organization, it is likely that the team will not play in a coherent manner that is consistent with that vision and strategy.

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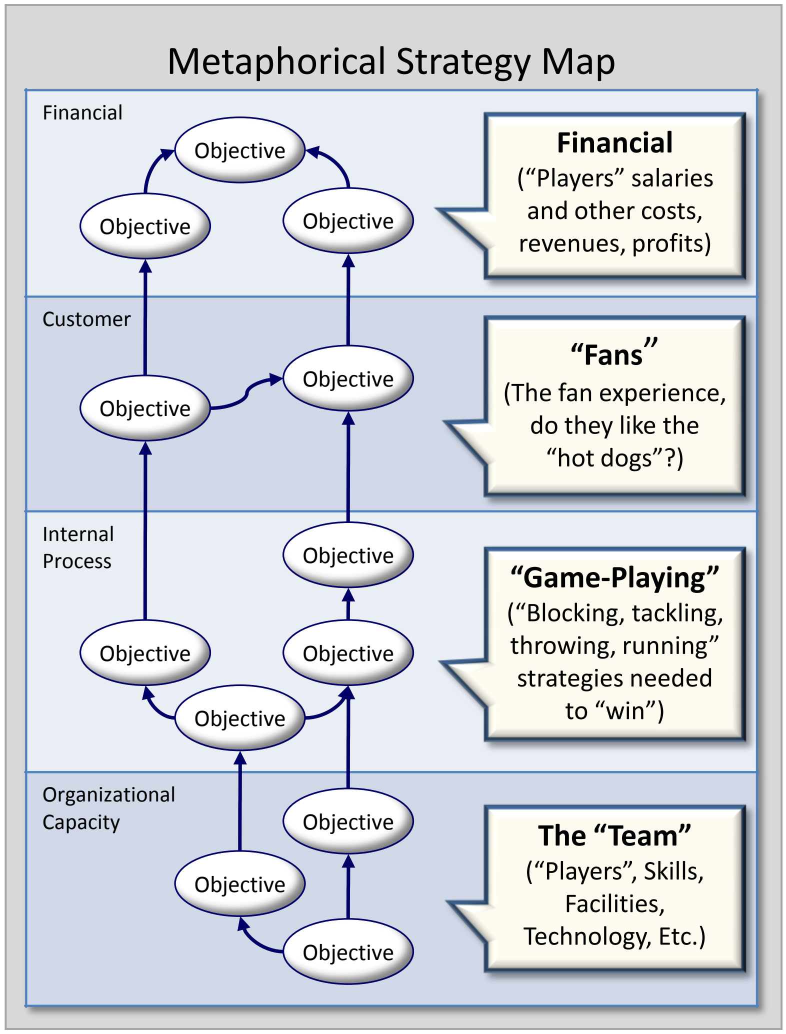
The manner in which you communicate your strategy with your team is with something called a *strategy map*. Strategy maps are communication tools used to tell a story of how an organization creates value. They show a logical, step-by-step connection between strategic objectives (shown as ovals on the map) in the form of a cause-and-effect chain laid out over four perspectives, from bottom to top: Organizational Capacity, Internal Process, Customer, and Financial. Generally speaking, improving performance in the objectives found in the Organizational Capacity perspective (the bottom row) enables the organization to improve its Internal Process perspective Objectives (the next row up), which in turn enables the organization to create desirable results in the Customer and Financial perspectives (the top two rows).



In the Organizational Capacity perspective on your organization's strategy map, you will find objectives and initiatives related to finding the "right players with the right skills to support the game winning strategy" that you want to execute. Other objectives within this perspective may be related to the right facilities and technology your "players" and "fans" might need to enable success. Metrics might track the number of players in key strategic roles that are recognized externally as "All-Pro."

The Internal Process perspective is your "game playing" perspective. When your organization is developing or delivering products or services, it is working on the quality or effectiveness of its "blocking, tackling, running and throwing" needed to "win games." As with the other perspectives, both the specific objectives and the underlying measures you would choose should highlight and reinforce behaviors that support your team's strategy for winning, such as whether you want to focus on an "aggressive passing" or a more conservative "grinding run game" offensive strategy. Ultimately, metrics that define how your organization creates value for "fans" in a game-playing sense (i.e. what does it mean for your organization to "win games" or "championships") indicate the success rate of your game-playing processes. Improvements in that perspective drive success in the two balanced scorecard perspectives above it: Customer and Financial.

Wait a minute, I can hear you saying, *the strategy map in this metaphor does not tell a story about how developing a balanced scorecard will ultimately lead to winning the big game as the ultimate strategic objective?*

...organizations have to build capacity, win games, please fans and make money all at the same time.

Sorry, but I tricked you. This isn't actually an exciting sports metaphor intended to equate the mundane organizational strategic planning world with playing football but is rather a case study intended to demonstrate that even the business of professional sports is more complicated than any single perspective or area of focus. Professional sports franchises want to win, yes, but disheartening as it may seem to the sports purist, they also want to convince fans to watch games at absurdly high levels in person or on TV so that owners can make truckloads of money. The objectives in your organization's Customer perspective would focus on the experience of your "fans" as well as their metaphorical attendance rates (do they like your metaphorical hot dogs and tee-shirts?). The Financial perspective focuses on the cost of your "player" salaries and other expenses and various forms of revenue. Ultimately, you would measure the success of your "franchise" with profitability just like most other businesses.

So the answer to the trivia question above was that in a strictly financial sense, the hapless Bucs were more successful in the eighties than the four-time Super Bowl champion 49ers. It seems that in those days before the salary cap, the 49ers paid dearly to maintain such a strong team and, oddly, teams do not often profit as much as you'd expect from playing all of those extra playoff games.[i]

So what is the moral of this balanced scorecard sports metaphor? Sometimes an organization can find itself financially successful in the short run despite areas of concern in a long-term strategic sense. Or to put it more bluntly, you can sometimes make money for a while even though you have a terrible team. The *balance* in balanced scorecard means that organizations have to build capacity, win games, please fans and make money all at the same time. When an organization only views its strategic success through a financial lense, one can come away with a very inaccurate impression of how well the organization is truly performing. By just about any other measure, the 49ers were more successful. Over the course of the decade, the Buccaneers had the worst regular season win-loss record of any National Football League team, 45-106, whereas the 49ers were 104-47 and won four Super Bowl championships.[ii] Certainly the Tampa fans were not happy with that level of performance by their team and it seems an absurd notion that Tampa's long-term strategy was to lose consistently with cheap players to make money. And while it might seem ridiculous to measure sports franchise strategic success based on only financial metrics, other businesses do it all the time. Ask yourself: what non-financial strategic results, objectives and measurements has your organization articulated and monitored on a regular basis?

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Conclusion

Of course nothing I write here will make the successful implementation of a balanced scorecard strategic planning and management system seem as exciting as Joe Montana throwing to Dwight Clark to win the big game. However, perhaps this metaphor has helped demonstrate one of the principles of how any organization can benefit from a more balanced view of its strategic success. After all, if your organization is currently articulating, managing and monitoring only strategic results, objectives, initiatives and measurements that are related to the bottom line, will there come a day that your fans will get tired of your team losing consistently with cheap players? Metaphorically speaking, of course.

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[i] http://www.associatedcontent.com/article/4020/do_nfl_teams_profit_from_the_playoffs.html

[ii] Ibid.

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