# P-Glossary

## Balanced Scorecard

The Balanced Scorecard (BSC) is an approach to performance measurement that was introduced by Dr. Robert Kaplan and Dr. David Norton of Havard Business School in 1992. The approach combines traditional financial measures with non-financial measures that drive business outcomes, so that organizations focus on the future and act in their long-term best interest. This way managers are provided with better and more relevant information about the activities they are managing, increasing the likelihood of organisational objectives and vision and mission being achieved. The BSC approach also involve a strategic management system which enables managers to focus on the important performance metrics that drive success, and balances the financial perspective with customer, process, and employee perspectives. Measures are often indicators of future performance. The BSC was intended to help overcome some of the weaknesses of previous management approaches, and provide clear prescription as to what companies should measure in order to link individual, department, and overall performance to company's strategy.

Kaplan and Norton suggest that we view the organization from fourperspectives, and to develop metrics, collect data and analyze it relative to each of these perspectives. The four perspectives of the BSC can be seen below: