



Australian Government

MSS405006 Develop a Balanced Scorecard

Release: 1

MSS405006 Develop a Balanced Scorecard

Modification History

Release 1. Supersedes and is equivalent to MSS405006A Develop a Balanced Scorecard

Application

This unit of competency covers the skills and knowledge needed to develop or improve a Balanced Scorecard and facilitate its use for reporting and improving operational performance in an organisation. The unit covers the development of key performance indicators (KPIs) and type of metrics for a Balanced Scorecard but does not include the technical skills for related information technology (IT) skills.

This unit has a strong emphasis on providing leadership in implementation, determining required performance measures and requires an ability to test the validity of performance measuring and reporting processes.

No licensing, legislative or certification requirements apply to this unit at the time of publication.

Pre-requisite Unit

Nil

Competency Field

Competitive systems and practices

Unit Sector

Not applicable

Elements and Performance Criteria

Elements describe the essential outcomes.

Performance criteria describe the performance needed to demonstrate achievement of the element.

1	Develop strategy map for Balanced Scorecard operation	1.1	Develop strategic objectives of an organisation in consultation with stakeholders.
		1.2	Check strategic goals and objectives include those which make the organisation unique.
		1.3	Check with employees and customers that strategic objectives address real issues and problems.
		1.4	Categorise strategic objectives into the major

- perspectives of financial, customer, process, innovation and learning, and growth.
- 1.5 Add additional required perspectives and associated strategic goals and objectives.
 - 1.6 Map strategic objectives showing cause/effect flows.
 - 1.7 Validate strategy map with stakeholders.
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- 2 **Develop KPIs**
 - 2.1 Identify possible KPIs for each strategic objective.
 - 2.2 Identify/develop appropriate metrics for each KPI.
 - 2.3 Agree target KPI levels.
 - 2.4 Check measures and KPIs encourage the behaviours required to meet the total performance goals and objectives.
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- 3 **Develop reporting systems**
 - 3.1 Identify strategic and operational drivers.
 - 3.2 Align KPIs to strategic and operational drivers.
 - 3.3 Develop reporting structures which align responsibilities with reported information.
 - 3.4 Arrange for data to be collected and Balanced Scorecard reports to be generated and distributed.
 - 3.5 Arrange for reporting against strategy map.
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- 4 **Implement a Balanced Scorecard strategy**
 - 4.1 Analyse pattern of performance as revealed by strategy map.
 - 4.2 Determine causes of poor performance as displayed by the Balanced Scorecard.
 - 4.3 Take action to improve total performance.

Foundation Skills

This section describes those required skills (language, literacy and numeracy) that are essential to performance.

Foundation skills essential to performance are explicit in the performance criteria of this unit of competency.

Range of Conditions

This field allows for different work environments and conditions that may affect performance. Essential operating conditions that may be present (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) are included.

Competitive systems and practices include one or more of:

- lean operations
- agile operations
- preventative and predictive maintenance approaches
- statistical process control systems, including six sigma and three sigma
- Just in Time (JIT), kanban and other pull-related operations control systems
- supply, value, and demand chain monitoring and analysis
- 5S
- continuous improvement (kaizen)
- breakthrough improvement (kaizen blitz)
- cause/effect diagrams
- overall equipment effectiveness (OEE)
- takt time
- process mapping
- problem solving
- run charts
- standard procedures
- current reality tree.

Organisation includes one or more of:

- a whole organisation
- a discrete subsidiary, plant or division.

Additional required perspectives include consideration of all of:

- workforce
- environment
- work health and safety (WHS).

Unit Mapping Information

Release 1. Supersedes and is equivalent to MSS405006A Develop a Balanced Scorecard

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=5b04f318-804f-4dc0-9463-c3fb9a3fe998>

Assessment Requirements for MSS405006 Develop a Balanced Scorecard

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Performance Evidence

Evidence required to demonstrate competence in this unit must be relevant to and satisfy the requirements of the elements and performance criteria and include the ability to develop (new or improved) Balanced Scorecard for one (1) or more organisations/ departments/sections and facilitate its use to improve operational performance and to:

- develop a strategy map for the Balanced Scorecard
- develop key performance indicators (KPIs) which align to the Balanced Scorecard
- develop reporting systems against KPIs, Balanced Scorecard and strategy
- implement the Balanced Scorecard strategy.

Knowledge Evidence

Must provide evidence that demonstrates sufficient knowledge to interact with relevant personnel and be able to develop and use a Balanced Scorecard, including knowledge of:

- Balanced Scorecard principles, components, perspectives and feedback loops
- development of KPIs which contribute to overall optimisation compared to those that don't
- development of a strategy map
- metrics and reporting systems relevant to the Balanced Scorecard
- strategic issues, including vision, for the organisation.

Assessment Conditions

- The unit should be assessed holistically and the judgement of competence shall be based on a holistic assessment of the evidence.
- The collection of performance evidence is best done from a report and/or folio of evidence drawn from:
 - a single project which provides sufficient evidence of the requirements of all the elements and performance criteria
 - multiple smaller projects which together provide sufficient evidence of the requirements of all the elements and performance criteria.
- A third-party report, or similar, may be needed to testify to the work done by the individual, particularly when the project has been done as part of a project team.
- Assessment should use a real Balanced Scorecard development and implementation project for an operational workplace.

- Knowledge evidence may be collected concurrently with performance evidence or through an independent process such as workbooks, written assessments or interviews (provided a record is kept).
- Assessment processes and techniques must be appropriate to the language, literacy and numeracy requirements of the work being performed and the needs of the candidate.
- Conditions for assessment must include access to all tools, equipment, materials and documentation required, including relevant workplace procedures, product and manufacturing specifications associated with this unit.
- Foundation skills are integral to competent performance of the unit and should not be assessed separately.
- Assessors must satisfy the assessor competency requirements that are in place at the time of the assessment as set by the VET regulator.
- The assessor must demonstrate both technical competency and currency.
- Technical competence can be demonstrated through:
 - relevant VET or other qualification/Statement of Attainment AND/OR
 - relevant workplace experience
- Currency can be demonstrated through:
 - performing the competency being assessed as part of current employment OR
 - having consulted with an organisation providing relevant environmental monitoring, management or technology services about performing the competency being assessed within the last twelve months.

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