



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>