



Australian Government

MSS405019 Develop a Balanced Scorecard

Release: 1

MSS405019 Develop a Balanced Scorecard

Modification History

Release 1. Unit code changed. Application changed. Performance Criteria changed. Foundation Skills populated. Range of Conditions removed. Assessment Requirements clarified. Supersedes and is equivalent to MSS405006 Develop a Balanced Scorecard

Application

This unit describes the skills and knowledge required 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 applies to any process or organisation that is implementing a Balanced Scorecard approach.

This unit applies to managers, technical specialists or similar roles who apply some leadership in implementing strategy, determining required performance measures and testing the validity of performance measuring and reporting processes.

No licensing or certification requirements exist at the time of publication. Relevant legislation, industry standards and codes of practice within Australia must be applied.

Competency Field

Competitive systems and practices

Elements and Performance Criteria

Elements	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 Consult with employees and customers to confirm strategic objectives address real issues and problems or amend as needed 1.4 Categorise strategic objectives into the major perspectives of financial, customer, process, innovation and learning, and growth 1.5 Add perspectives to accommodate any strategic goals and objectives

Elements	Performance Criteria
Elements describe the essential outcomes.	Performance criteria describe the performance needed to demonstrate achievement of the element.
	that do not fit major perspectives 1.6 Map strategic objectives showing cause/effect flows 1.7 Validate or amend strategy map with input from stakeholders
2. Develop KPIs	2.1 Identify possible KPIs and metrics for each strategic objective 2.2 Consult with stakeholders to evaluate impact of possible KPIs on behaviours required to meet the total performance goals and objectives 2.3 Facilitate agreement on KPIs, metrics and target KPI levels
3. Develop reporting systems	3.1 Identify strategic and operational drivers 3.2 Identify alignment of KPIs to strategic and operational drivers 3.3 Develop reporting structures which align responsibilities with reported information 3.4 Develop processes for data collection and generation and distribution of Balanced Scorecard and strategy map reports
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 language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

- Writing skills to document the Balanced Scorecard
- Oral communication skills to facilitate implementation, provide leadership and consult with stakeholders
- Numeracy skills to determine KPIs and interpret results.

Other foundation skills essential to performance are explicit in the performance criteria of this unit.

Unit Mapping Information

Release 1. Supersedes and is equivalent to MSS405006 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 MSS405019 Develop a Balanced Scorecard

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Performance Evidence

There must be evidence the candidate has completed the tasks outlined in the elements and performance criteria of this unit, and demonstrated the ability to:

- develop a new, or improve an existing, Balanced Scorecard and facilitate its use to improve operational performance for at least one organisation, department, section or equivalent.

Knowledge Evidence

There must be evidence the candidate has knowledge of:

- Balanced Scorecard principles, components, perspectives and feedback loops
- how to develop KPIs which contribute to overall optimisation compared to those that don't
- how to develop a strategy map
- metrics and reporting systems relevant to the Balanced Scorecard
- strategic issues, including vision, for the organisation
- techniques to facilitate communications and agreement across levels and areas of the organisation.

Assessment Conditions

Skills must have been demonstrated in the workplace or in a simulated environment that reflects workplace conditions and contingencies. The following conditions must be met for this unit:

- use of suitable facilities, equipment and resources, including:
 - access to relevant data
- modelling of industry operating conditions.

Assessors must satisfy the NVR/AQTF mandatory competency requirements for assessors.

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