



## Assessing Library Performance Using Balanced Scorecard Framework

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## Before we start....

First, let's know each other!



To have an idea about prior BSC knowledge of the group



And to know the expectations of the participants from the course.



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## I would appreciate, if you...

keep yourself fully engaged



seek clarifications whenever you need



participate actively in Group Exercises



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**"Each organization must create and communicate performance measures that reflect its unique strategy."**

Robert S. Kaplan



**"People and their managers are working so hard to be sure things are done right, that they hardly have time to decide if they are doing the right things."**

Stephen Covey



**"One must forever strive for excellence or even perfection, in any task however small, and never be satisfied with the second best...."**

JRD Tata



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## Agenda

- Library vs. Business unit
- Library Performance Measurement
- Balanced Scorecard Concepts
- Methodology for Implementation
- Case Study of XYZ Ltd. Library
- Group Exercise
- Conclusion & Key Take Away

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## Library vs. Business Unit

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## Library vs. Business Unit

### Library Characteristics

- Library has physical assets, digital assets and services
- Library Staff
- Library user
- Financial Management
- Library Processes
- Living organism

### Business Unit Characteristics

- Business units have physical assets, digital assets and services
- Business Unit Staff
- Customer
- Financial Management
- Business Processes
- Living organism

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## Library vs. Business Unit

### Library Characteristics

- Library is classified as National, Academic, Special, Public library etc.
- Library functions are to select, acquire, collect, process, maintain and retrieve information for its users

### Business Unit Characteristics

- Business unit is classified as Private, Public, Government, Limited companies etc.
- Business unit is an economic and social entity composed of group of people who interact with each other for achieving common business goal.

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## Library vs. Business Unit

### Library Characteristics

- Traditionally, Library is viewed as cost center
- Libraries are dependent on parent organization for funds

### Business Unit Characteristics

- Business Unit is viewed as a wealth generator
- Business unit are self-sufficient and earn profit funds

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## Library vs. Business Unit

### Library Characteristics

- Library works as per the vision, mission and values of the parent organization
- Library is the place of communication, social network and meeting
- Library is an informal learning place

### Business Unit Characteristics

- Business Unit have their defined vision, mission , and values
- Business Unit is the place of actions and results
- Business unit is a place of implementation of learning for business.

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## Library Performance Measurement



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## Library Performance Measurement

### Why to measure?

- To recognize success and to learn from it
- To recognize failure and to correct it
- To implement the strategy successfully by meeting objectives
- To take performance to next level
- To drive towards desired results

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## Library Performance Measurement

### Challenges of a good library

- Keeping up with technological changes
- Competition from Internet & other sources
- Financial constraints
- To remain relevant to changing demands & expectations

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## Library Performance Measurement

### What to measure?

- Expenditure/budget
- Community size and registered users
- Collection size & its usage
- Instructions sessions & participants
- Website usage/ Kiosk usage

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## Library Performance Measurement

### Guidelines

- Measure the performance in turbulent times
- Measure only what really matters

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## Library Performance Measurement

### How to achieve objectives ?

- . Benchmarking
- . Qualitative Measures
- . Quantitative Measures
- . Performance Indicators

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## Balanced Scorecard Concepts



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## Balanced Scorecard Concepts

- Performance Measurement tool developed by Kaplan & Norton
- Measures how you are doing presently and the impact on future performance
- Translates the strategic plan into measurable actions
- Balances all the perspectives of running the library
- Timely actions to meet targets

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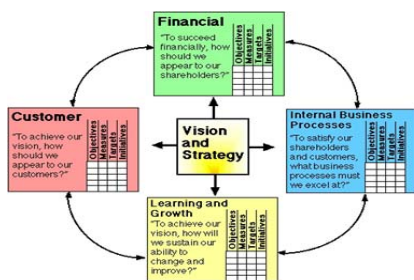
## Balanced Scorecard Concepts

- BSC framework consists of four perspectives: Customer, Internal Processes, Finance & Learning & development.
- BSC act as a communication tool, a strategic management system and a measurement system for monitoring four different perspectives

## Balanced Scorecard Concepts

- All the perspectives of BSC are interconnected and aligned to corporate vision & mission
- The goal of each perspective cascades from top to bottom
- Departments/units/individuals know the impact of contribution
- Integrates & links anything unconnected

## Balanced Scorecard Concepts



Adapted from *The Balanced Scorecard* by Kaplan & Norton

## Balanced Scorecard Concepts

- Vision, mission, values & strategy are the building blocks of BSC
- Vision is the picture of the future
- Mission explains the reasons for the existence of the organization
- Values are guiding principles of the organization

## Balanced Scorecard Concepts

- Mission statements inspire change; these are long term in nature and are easily understood and communicated e.g.
  - 3M Mission: *"To solve unresolved problems innovatively"*
  - Wal-Mart Mission: *"Give ordinary folks the chance to buy the same things as rich people"*
- Mission statement can be developed using extensive brainstorming technique

## Balanced Scorecard Concepts

**Why** to use BSC tool in library?

Need for using BSC depends on answers to the following questions:

- Are customers satisfied with the collection of library?
- Does senior management review the library performance regularly?
- Does your library take new initiatives?
- Does your library review performance measures?

## Balanced Scorecard Concepts

- Does your library provide value added services to users?
- Does your library get lot of appreciations from the users?
- Does your staff know how are they contributing to the success of the parent organization?

## Balanced Scorecard Concepts

- Does your library have defined strategy?
- Does library staff adapt with environment change?
- Is library staff aware of organization strategy, vision, mission & goals

## Balanced Scorecard Concepts

- Does library work solo or aligned to other departments?
- Does library take ad hoc decisions?
- Is there accountability as group for the agreed things?

## Methodology for Implementation



## Methodology for Implementation

- Developing Strategy Map, Objectives & Goals
- Performance Measures, Targets & Initiatives
- Cascading BSC

## Developing Strategy Map, Objectives & Goals

- Strategy has different meaning for different people and organizations
- Some feel that strategy is high level planning to lead the organization towards future
- Others argue that strategy is specific actions one takes to achieve targets
- Strategy fills the gap between vision & mission

## Developing Strategy Map, Objectives & Goals

- Strategy map is comprised of concise objectives typically beginning with short statements
- Strategy map provides clarity for success
- Strategy map studies and selects the perspectives as desired
- All the four perspectives of BSC can be studied to decide objectives for each perspective, using the strategy map.

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## Developing Strategy Map, Objectives & Goals

- Strategy map gives cause & effect relationship of the strategy among various perspectives
- Strategy map show us the road to follow
- Strategy map visually helps in communicating & describing the chosen strategies

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## Developing Strategy Map, Objectives & Goals

What are Objectives?

- Statements of intention
- Short statements of achievements desired
- Desired end results for each perspective

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## Developing Strategy Map, Objectives & Goals

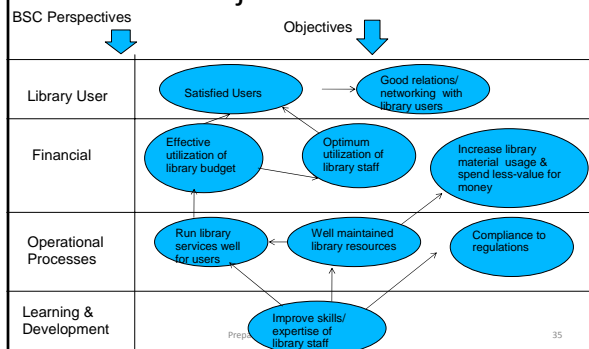
What are Goals ?

- Goals are defined for realizing the objectives within specific period of time
- Goal setting involves establishing specific, measurable & time targeted objectives
- All goals should be SMART(Specific, Measurable, Attainable, Realistic & Time-bound)

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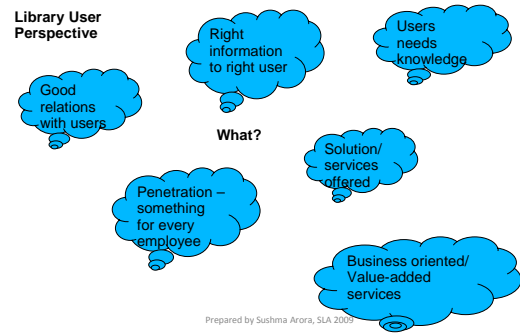
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## Developing Strategy Map, Objectives & Goals



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## Developing Strategy Map, Objectives & Goals



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## Developing Strategy Map, Objectives & Goals

Library User Perspective



Right information to right user

Good relations with users

**Goal.1** • Provide excellent service to users of the library

**Goal.2** • Educate Users to use Information resources

**Goal.3** • Develop high quality collection as per the needs of the users

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## Developing Strategy Map, Objectives & Goals


Financial Perspective



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## Developing Strategy Map, Objectives & Goals

Financial Perspective



Effective utilization of library budget

Optimum utilization of library staff

**Goal.1** • Compliance to Library Budget

**Goal.2** • Optimum utilization of library resources & services

**Goal.3** • Optimum productivity & manpower allocation

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## Developing Strategy Map, Objectives & Goals

Operational Processes Perspective



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## Developing Strategy Map, Objectives & Goals

Operational Processes Perspective



Run library operational processes well

Run user services well

**Goal.1** • Acquisition & maintenance of resources efficiently

**Goal.2** • Continuously improve & innovate the processes having impact

**Goal.3** • Ensure quality services & encourage library use

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## Developing Strategy Map, Objectives & Goals

Learning & Development Perspective



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## Developing Strategy Map, Objectives & Goals

Learning & Development Perspective



Goal.1

- Encourage innovation, cooperation among staff

Goal.2

- Recruit develop productive & qualified staff

Goal.3

- Develop infrastructure to support new initiatives & services

Improve skills & expertise of staff  
Recruitment, retention & succession planning

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## Performance Measures Targets & Initiatives

- Measures depict the extent of realization of the objectives chosen in strategy map.
- Select measures those reflect strategy
- Select combination of leading & lagging measures
- Select financial & non-financial measures

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## Performance Measures Targets & Initiatives

- Use stretched targets
- Select initiatives having impact on strategy
- Balance & focus selected measures, targets and initiatives to achieve goal

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## Performance Measures Targets & Initiatives

<p><b><u>Indirect indicators</u></b></p> <ul style="list-style-type: none"> <li>• Use of collection/ library services</li> <li>• Speed of delivering information/services</li> <li>• Accuracy of Delivery</li> </ul>	<p><b><u>Direct indicators</u></b></p> <ul style="list-style-type: none"> <li>• High Use (library visits, issues, transactions)</li> <li>• Users satisfaction index -- indicating the extent of good performance</li> </ul>
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## Performance Measures Targets & Initiatives

Financial Perspective Measures

- Financial measures focus on ROI, productivity & value of services
- Other measures used are compliance to budget, saving, discounts, availing special offers, etc.

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## Performance Measures Targets & Initiatives

Examples of Financial Measures:

- Library assets
- ROI
- Extent of inter-library loan/sharing of resources
- Budget vs. expenditure
- User service expense

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## Performance measures Targets & Initiatives

Finance				
Goals	Indicators	Actual value	Target Value	Measure
Optimum manpower allocation	Manpower Budget	xxx	xxx	Library staff per employee
Value for money	Usage of resources & services	xxx	xxx	Benchmark
Optimum investment in building collection	Budget planning	xxx	xxx	Compliance to budget

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## Performance Measures Targets & Initiatives

### Library User Perspective Measures

- Users' concerns fall in four categories; time, quality, performance and service
- Articulate goals for time, quality and performance & service
- Translate goals into specific measures
- Third party surveys time to time

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## Performance Measures Targets & Initiatives

### Examples of Library Users Measures:

- Library users' satisfaction
- Library users' complaints
- Number of library Users
- Library users' visits in Physical/ Digital library
- Library staff per employee
- Library service expense

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## Performance Measures Targets & Initiatives

Library Users				
Goals	Indicator	Actual Value	Target	Measure
Provide excellent service to users of library	Time, quality, performance, service & cost	xxx	xxx	• Overall rating • Services rating
Educate users about resources	Training sessions	xxx	xxx	Overall instructions rating
Develop high quality collection	Usage of new documents	xxx	xxx	•Usage Statistics'

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## Performance Measures Targets & Initiatives

### Learning & Development Perspective Measures

- Employee satisfaction
- Core competencies of library staff
- Personal development plan
- Measure trainings & productivity

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## Performance Measures Targets & Initiatives

### Examples of Learning & Development Measures:

- Employee participation in library professional associations
- Training investment per employee
- Employees with advanced degrees
- Training hours spent on employees
- Ethics violations incidents

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## Performance Measures Targets & Initiatives

Learning & Development				
Goals	Indicators	Actual Value	Target value	Measure
Encourage innovation, cooperation among staff	Increase empowerment & decision making	XXX	XXX	Library staff survey index
Recruit develop qualified staff	<ul style="list-style-type: none"> <li>•Performance evaluation</li> <li>•Trainings attended &amp; participation in conferences</li> </ul>	XXX	XXX	<ul style="list-style-type: none"> <li>•Performance evaluation ratings</li> <li>•No of learning days</li> </ul>
Develop Infrastructure for innovations	New Initiatives /products	xxx	xxx	Number of initiatives to improve processes/ services

## Performance Measures Targets & Initiatives

### Operational Processes Perspective

- Excellent performance derives from best processes, decisions and actions.
- Focus on critical processes having impact on users satisfaction -- response time, quality, employee skills, productivity etc.
- These measures are organization specific

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## Performance Measures Targets & Initiatives

### Examples of Operational Processes Measures:

- Service level agreements realized
- Re-shelving time
- Processing time
- New Initiatives taken for process improvements
- Number of reservations realized

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## Performance Measures Targets & Initiatives

Operational Processes				
Goals	Indicators	Actual Value	Target	Measures
Acquisition & maintenance of resources	On time service	XXX	XXX	<ul style="list-style-type: none"> <li>•Benchmark Processing time</li> <li>•Benchmark re-shelving time</li> </ul>
Improve/ Innovate the processes	Users feedbacks	XXX	XXX	Implement new process
Quality service to encourage library use	Library users feedback survey	XXX	XXX	Index value

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## Cascading BSC

- Cascading refers to the process of developing BSC at all levels of the organization
- The BSCs at all lower levels are aligned hierarchically with the highest level BSC
- Understand the highest level BSC Objectives
- Align with the selective BSC objectives at highest level

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## Cascading BSC

- Drive individual performance goals from the Library BSC
- Collective individual performance is the performance of Library unit
- Monitor & review BSC of Library regularly

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## Case Study of XYZ Ltd. Library

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## Building the Balanced Scorecard of XYZ Ltd. Library

### The need assessment for BSC in Library

- Is library satisfying the needs of its users?
- Is library finance managed optimally to achieve the vision of the organization?
- Are the library processes efficient to deliver services to its users?
- Are the skills development of library staff managed in the changing environment ?

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## Building the Balanced Scorecard of IS Ltd. Library

### Formation of team & communication

- Sponsorship of senior management was available because BSC was to be adopted at organization level
- The Head Librarian was a team member of organization level BSC
- Library staff was made aware of organization Vision, Mission & Values

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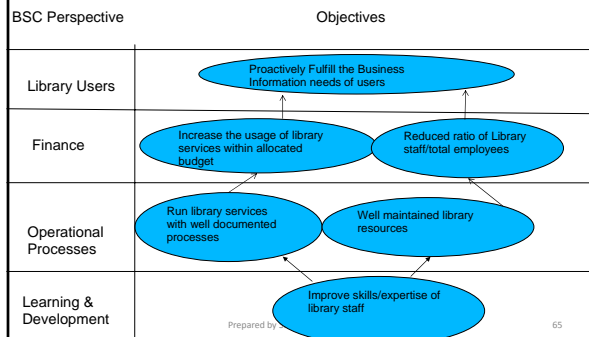
### Formation of team & communication

- Brainstorming sessions were conducted to identify the objectives of library
- Training was given to all the library staff members about the concepts, purpose and four perspectives of BSC
- Encouraged staff for any questions, doubts and anxieties about implementing BSC in the organization

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## Strategy Map of XYZ Ltd. Library



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## Illustrative Measures & Targets

- Increase Users Satisfaction Index
- Increase library appreciation from users
- Increase usage of library services by employees
- Reduce acquisition & processing time
- 5 days training & development for each library staff
- Reduce no of complaints of library users

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## Initiatives to achieve the targets

- LOB based daily Alerts
- Query based service for each LOB
- Business prospects information
- Client based information
- Collaborations with Marketing & KM Depts
- Theme based book talks, knowledge sharing sessions, book exhibitions, competitions

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## Illustrative Measures & targets for BSC: Four Perspectives

1. Is library satisfying the needs of its users?

Library Users				
Goals	Indicator	Actual Value 2008	Target Value 2009	Measure
Satisfied Users	User satisfaction survey	75.6	77	•Overall rating •Rating of Services
Educate users about library resources	Training sessions ratings	3.5	3.7	Overall instructors ratings
Develop high quality collection	Usage of new documents	60	65	• Automated Library report from the system

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Contd...68

2. Is Library finance managed optimally to achieve the vision of the organization ?

Finance				
Goals	Indicators	Actual value 2008	Target Value 2009	Measure
Lean Library staff	Manpower budget	1 Library staff/ 500 employees	1Library staff/ 600 employees	Ratio of Library staff/total employees
Increase the usage of library services	Usage of library services	60%	65%	% of unique users of the library
Optimum investment in resources	Budget planning & expenditure	70 % of Budget utilised	100%	Library expenditure report from Budget cell

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Contd...69

3. Are the library processes efficient to deliver services to its users?

Operational Processes				
Goals	Indicators	Actual Value 2008	Target Value 2009	Measures
Acquisition of resources	On time service	Within 2days of demand	Within One day of demand	Processing time
Improve/ Innovate the processes	New initiatives to improve	< 1 initiative by each section	1 initiative by each section	No. of initiatives
Availability of resources for more users	•Overdue documents •Timely renewal	>5% •85%	<5% •90%	•Ratio of overdue documents •Ratio of timely renewals

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Contd...70

4. Are the skills development of library staff managed in the changing environment ?

Learning & Development				
Goals	Indicators	Actual Value 2008	Target value 2009	Measure
Maximize Library Staff's performance	Satisfaction of library staff to their requests	75%	80%	•Work life survey index •Library training evaluation
Recruit and develop the qualified staff	Performance Evaluation rating	Between 1 to 5 on a scale of 5	Enhanced ratings	Performance Evaluation Rating

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## Cascading the XYZ Ltd. Library BSC

- The company chose a systematic cascading path by developing Corporate BSC, Business unit BSCs and Department level BSCs.
- The library BSC cascaded directly from the Corporate BSC
- The library aligned its BSC with the Company's Financial objective "Increase Profit of the company"

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Contd...72

## Cascading the XYZ Ltd. Library BSC

- Library set its objective for fulfilling the business information needs of the users proactively for achieving the company's financial objective
- Appropriate measures were identified in all BSC perspectives to track the progress
- Targets & initiatives were assigned for BSC of library

Contd...

## Cascading the XYZ Ltd. Library BSC

- Cascaded the individual goals & targets for the performance evaluation of staff
- Yearly review of the strategy map & measures to ensure that each measure contributes to the success of the company

## Group Exercise

## Group Exercise Instructions

- The Handout gives the business background of the company and its vision, mission, values and strategy.
- The Group Exercise aims at preparing the strategy map for the library aligned with the strategic objectives of the organization

Contd....

## Group Exercise Instructions

- The participants will work in two groups
- Each group will be allocated two perspectives of the BSC
- Both the groups will work for 30 minutes
- Each group will provide a 10 minutes presentation using flip charts
- The outcome will be integrated by the Instructor in a BSC Strategy Map

## Conclusion & Key Take Away

## Conclusion

- We discussed concepts of BSC framework including targets, measures & cascading
- Studied implementation of BSC
- Identified the contribution of library in the organization success through an illustrative case study.
- Learnt the hands-on methodology of BSC Strategy Mapping in Group Exercises

## Conclusion

- Understood the potential of BSC framework for providing an effective performance management system to track the progress against the plans.

## Key Take Away

- The concept of BSC framework
- The idea of application of BSC in library
- Measuring & monitoring library performance using the BSC framework

Thanks!