

Demonstrating and managing performance in a charity

John Roche-Kuroda and Phil Jones explain how The Diana, Princess of Wales Memorial Fund has achieved significant benefits through adopting a modern balanced scorecard approach to evaluating performance.

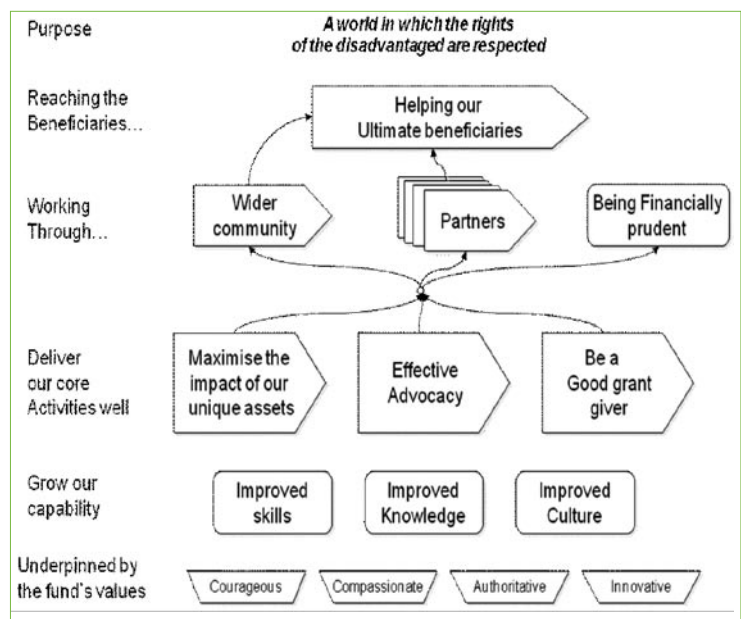
Like many charities, The Fund already had a 'balanced scorecard' – a tool that translates the organisation's mission and strategy into a comprehensive set of performance measures (see TFN xxxx for general article). However, the scorecard we were using was a collection of mainly operational measures that tended to report what had happened. The Fund decided to adopt a more subtle approach using a modern balanced scorecard that incorporated strategy maps.

The Fund's Strategic Plan 2007 - 2012 already articulated the outcomes and objectives for each of our three Initiatives (Palliative Care, Refugee and Asylum Seekers, and Partnerships) to be achieved over a five-year period. However, we wanted a clearer approach.

Strategy map

The starting point for the strategic balanced scorecard was to describe the existing strategy and plan as a strategy map. A simplified version of the resulting framework is shown on the right.

As a grant-making organisation, The Fund helps its eventual beneficiaries whose needs are represented in the 'Beneficiaries' perspective. The Fund gives grants to, and works with, selected partners, (whose needs are in the 'Partner' perspective). They have the



capacity to deliver the initiatives' desired outcomes; for example, medical and nursing schools in Sub-Saharan Africa need to train doctors and nurses in palliative care skills.

Influencing change

The Fund also influences a wider community. Some interventions are designed to bring about policy change or influence governments, the media, or the public at large. For example, The Fund is a member of the Cluster Munitions Coalition, a global network of over 250 civil society organisations which has secured an international treaty to ban the use of cluster bombs.

Like any other charity, The Fund needs to demonstrate financial prudence, efficiency and effectiveness in its operations and use of funds. These objectives

are represented in the financial perspective.

The Fund's strategy has three main themes: 'Maximising the unique assets of The Fund', 'Effective advocacy', and 'Being a good grant giver'.

Within these three themes the managers developed another level of detail that described what good practice meant for The Fund as a whole. Whilst emphasis may vary between initiatives, each is implementing part of the same overall strategy.

The Fund wants to better develop its capability to deliver its strategy. On this simplified view the capabilities are shown as improved skills, knowledge and culture, but on the full strategy map there are specific details.

The discussion around improved capabilities created opportunities to share knowledge and improved collaboration between teams.

As with any charity, The Fund's thinking, work and its strategy are underpinned by its core values: being courageous, compassionate, authoritative, and innovative.

Each initiative developed its specific strategy map from this framework. Only when they were complete did they detail the scorecard behind it. This set out the measures, targets, actions and responsibilities for each initiative's strategy. When reporting, the managers gave a judgement score for each objective, supported by evidence, as well as identifying any issues and an assessment of progress. This allowed the managers to enhance the message beyond the story told by only the measures, and so provide a richer picture. The scorecards can be viewed across initiatives to provide the whole of the Fund's picture.

Learning lessons

This process aided the team to identify points of collaboration, conversation and improvement. Initiatives also developed their strategic thinking. It helped with the most effective use of The Fund's limited resources, for example, to assess the balance between grant-making and other activities. Being focused on objectives rather than current activities made for more objective discussion and decision-making.

It took barely two months for The Fund to move from initial briefings to the development of the detailed scorecards for each initiative. This was achieved with minimal consultancy support, because the consultancy set out to build ownership – it became "my strategy and scorecard".



Olivia Dix

Mother and daughter in Malawi showing the benefits of palliative care.

Presenting to the Board of Directors

Operationally the management teams review and update their strategic balanced scorecards every month, with each of the three main initiatives reporting to the Board of Directors in detail every three months. It has helped the managers demonstrate the overall picture so the Board. Directors can see the wider picture and focus on areas that merit their attention. As the Board became more confident with the approach, they found they could access more or less detail as required.

Chief Executive Dr Astrid Bonfield has also found the approach valuable. *"When I am preparing for a Board meeting I simply go through the three strategic balanced scorecards for each part of The Fund. Once I have done this I feel I am fully briefed to answer any questions about the detail within each area. It also helps discussions with the initiative staff. This is a feeling every Chief Executive would want to have."*

Conclusions

A year after the introduction of the approach, the process has provided a framework in which to

articulate and develop strategy. It provides an overview of the strategies within the individual initiatives and how they interact across initiatives. It also helps ensure the most effective, efficient and economic use of resources.

Some managers have fallen in love with the approach. To others it is a practical tool that helps them manage better. It has found a natural level in the organisation, providing a context on the day-to-day detail, showing how the different initiatives are implementing the strategy and informing how the strategy should evolve and develop.

It is informing Board discussions, helping managers manage and making the life of the Chief Executive easier. It is contributing to The Fund's effective use of its money, thereby ultimately helping the beneficiaries of The Fund and contributing to a world where the rights of the disadvantaged are respected.

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