

In this article, we will talk about a tool that revolutionized the way of understanding the results that organizations obtain and their valuation when it comes to guiding their decision-making and that is still in force, the Balanced Scorecard (BSC). The use of the BSC has resulted in a change in philosophy and way of working in many organizations.

The tool is designed to evaluate the functioning of an organization beyond what its economic ratios indicate and respond to the measure of the so-called intangible assets, which are those that produce benefits that cannot be physically materialized such as a mass of loyal customers or a personal deal with the motivated customer.

## The use of the Balanced Scorecard

This instrument is useful for solving one of the most important deficiencies in traditional management systems: the inability to link the long-term strategy of the organization with the operational indicators that provide information for daily decision-making. The implementation of a BSC in the organization requires clarification and consensus on the lines of action that will lead the organization towards its vision/strategy using four analysis perspectives.

### Vision and strategy

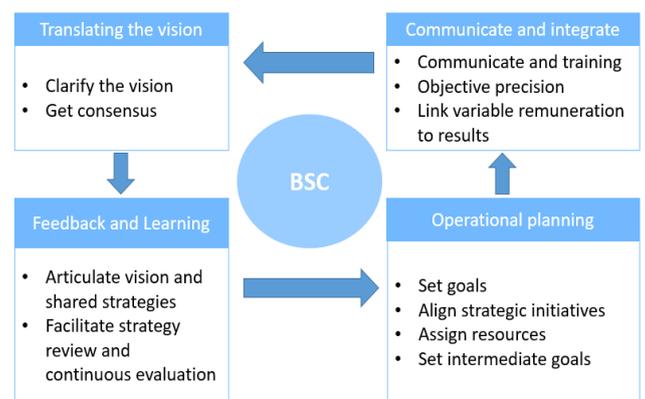
- Financial perspective
- Client perspective
- Internal business processes perspective
- Learning and development perspective

The implementation of a BSC will allow enhancing the communication flows between the different areas of the organization while linking the strategy to the objectives that have been assigned to the teams of the respective areas or even at the individual level. It will serve to analyse decisions at the operational level and to assess whether they are consistent with the strategy of the organization.

To align individual objectives and results of the people working in the organization with its objectives, the BSC will help in three ways: communication and training, operationalization of objectives and linking of variable remuneration to results according to the forecasts of the Balanced Scorecard.

## The processes linked to the BSC

The management processes related to the BSC as a translate the vision, communicate and integrate and operational planning are essential to implement the strategy, but they are insufficient in a competitive and unpredictable environment such as the sports sector. To close the circle, it will also be necessary to understand the functions of feedback and continuous learning that the BSC can provide to the organization and to the people who work.



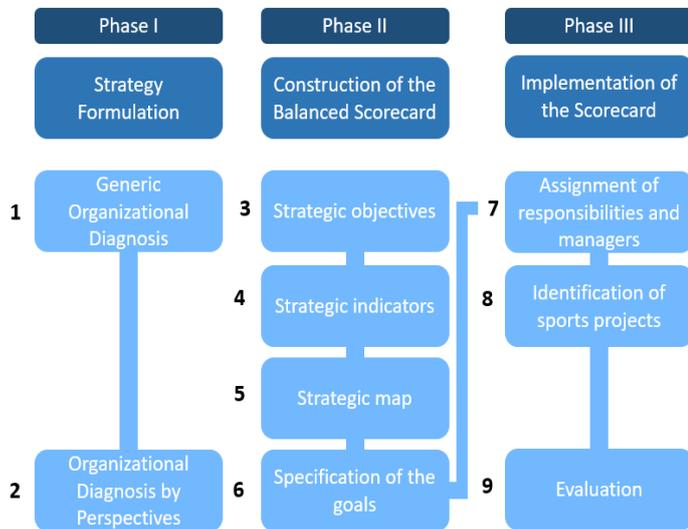
The BSC will collaborate in adapting the organization to change and in minimizing resistance to change within the organization by the affected working personnel. It will be the tool that validates and measures the achievement of the planned strategies according to the obtained results of the operational indicators.

The BSC allows acting as a hinge and integrating the operational planning of the organization (budget and plan of operations) so that the last explains and realizes the forecasts made in the budget. Regular monitoring - weekly and monthly based on the indicators - will also ensure that the economic and operational planning carried out for the current year is reviewed and evaluated. In this follow-up, not only the possible deviations of the budget items will be identified but also the indicators capable of explaining them will be analysed.

In a complex environment and in a transversal sector that is sports, strategies that may arise at a given time could lose their validity and valuation after a few months. Thus, the threats and opportunities that are constantly generated must be captured by the organization and transferred to the organization's planning.

## BSC implementation process

The first step to start the implementation of the BSC is the realization of a strategic analysis process of the organization.



### 1. Generic Organizational Diagnosis

To carry out the internal analysis, one of the most valid tools is the model of the value chain of Michael Porter. This model analyses the different processes that occur when producing a sports service, from the initial identification of the client's needs to producing a service that meets these needs.

### 2. Organizational Diagnosis by Perspectives

It consists of ordering the different ideas according to the four perspectives on which a BSC is based: financial, client, internal business processes, learning and development.

### 3. Strategic objectives

The integration in the construction of the chart of the financial objectives of the organization in the medium and long term. Subsequently, the objectives of the client perspective are identified and finally, the objectives of the two remaining perspectives are specified: that of internal processes and learning and development.

### 4. Strategic indicators

The construction of the BSC involves links between the objectives in two ways: on the one hand, it will be necessary for the indicators to guarantee an internal logic between the different perspectives and, on the other, the objectives of the different perspectives need a cause-effect relationship between them. The indicators will evaluate and measure the strategic objectives that should be clearly specified.

### 5. Strategic map

Cause-effect relationships must be established to achieve the proposed objectives of the financial and client perspectives and therefore, actions that guarantee the achievement of the objectives of the internal business processes and learning and development perspectives will be necessary.

### 6. Specification of the goals

Milestones that quantitatively identify what the organization wants to achieve must accompany the indicators. These goals should be realistic while also challenging the management team.

### 7. Assignment of responsibilities and managers

Preparation of operational planning, the realization of the material resources and people necessary to carry out the strategies and operations.

### 8. Identification of sports projects

Specification and prioritization of improvements in the processes that allow achieving the objectives set. Ensure that those key elements identified in the initial phase of analysis are measured with a frequent periodicity that guarantees the adoption of corrective measures if necessary.

### 9. Evaluation

The evaluation of the level of achievement of the strategic objectives and indicators set out in the BSC will be bi-monthly or quarterly. In addition, the evaluation of the proposed strategy itself and the adaptation of its objectives and indicators will be biannual.

The implementation of the Dashboard in an organization guarantees the alignment of the annual operational planning with the strategy as well as its communication at all levels of the organization.

## The BSC as an improvement tool

The implementation of a Balanced Scorecard in a sports organization usually generates positive effects in the organization beyond those expected from the tool itself. The knowledge of the objectives and indicators of the Table and its evolution by all the people who work in the organization will be key to the success in the implementation of this. However, once the construction process of the Table is finished, it will be necessary to use it and periodically evaluate its correct design to ensure that it maintains the connection with the operational management of the organization.

