

# Performance Management For Social Enterprises

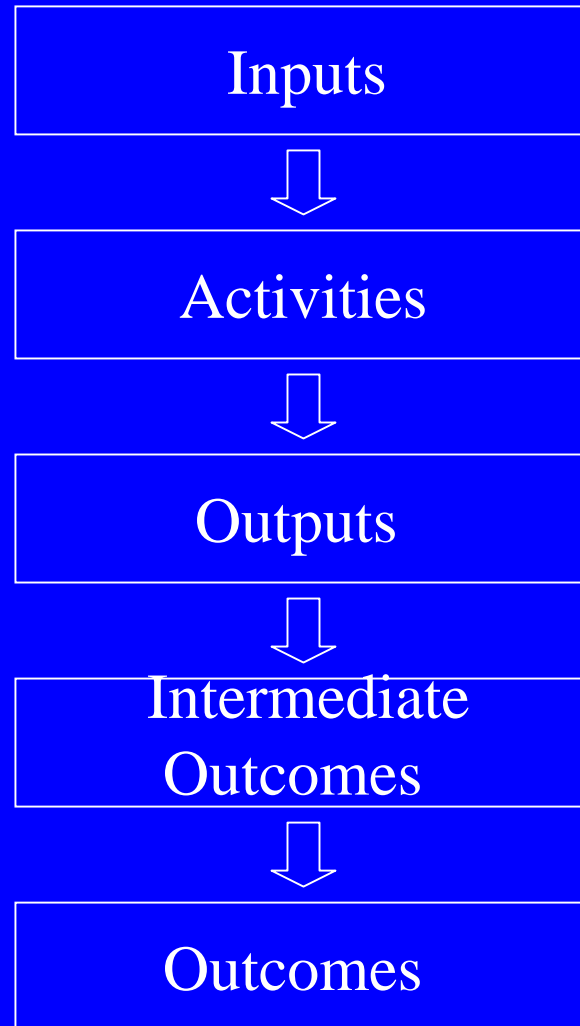
Herman B. “Dutch” Leonard  
Baker Professor of Public Management  
John F. Kennedy School of Government  
Visiting Professor  
Harvard Business School  
Harvard University  
February 2004



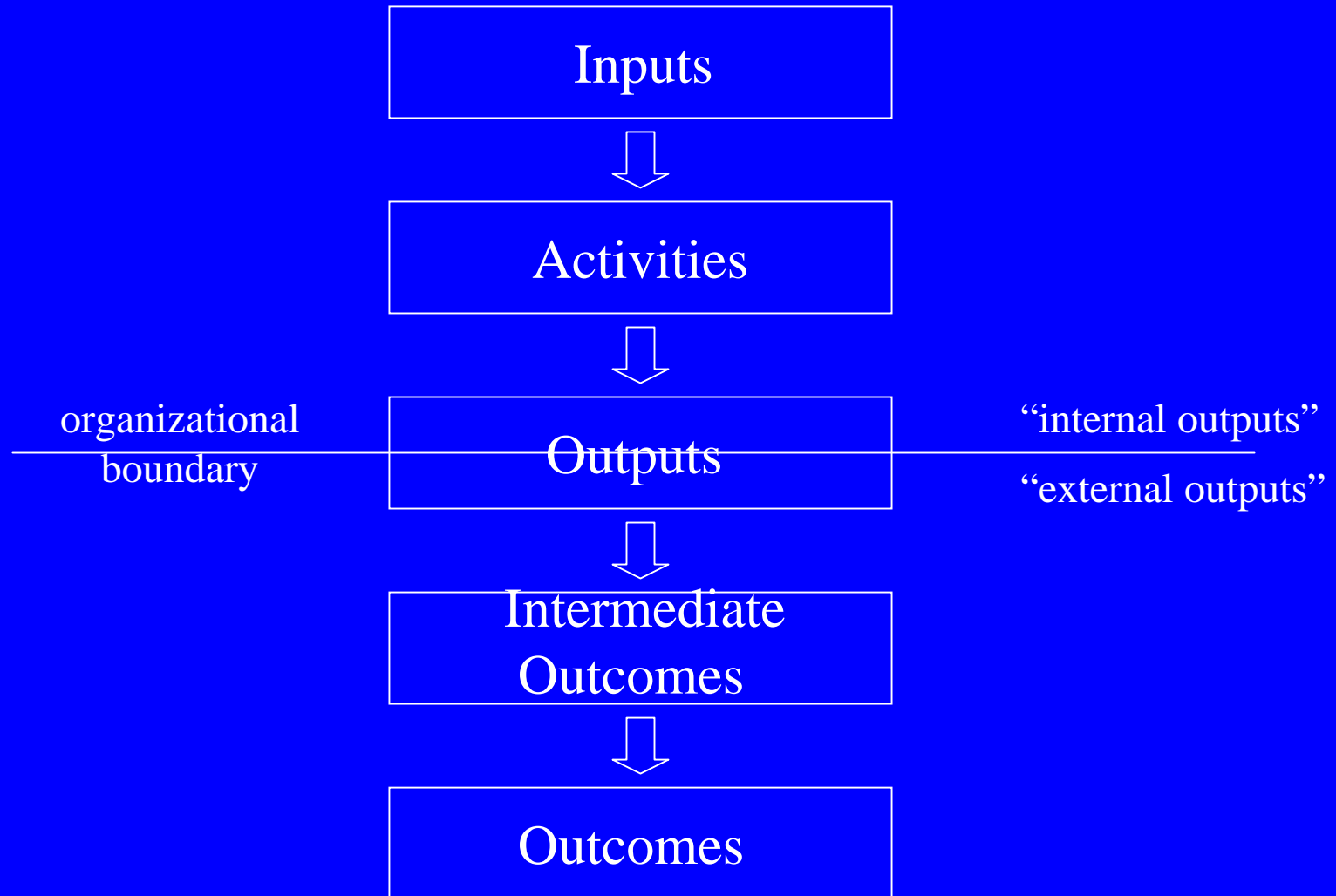
# The Value Proposition

- Your “Theory of Value”
- Links activities to outputs to outcomes
- Done well:
  - combines sound logic, strong theory, and data
- Beyond the “data horizon:”
  - data drops off; theory takes over
  - “Domain of Cherished Theory”

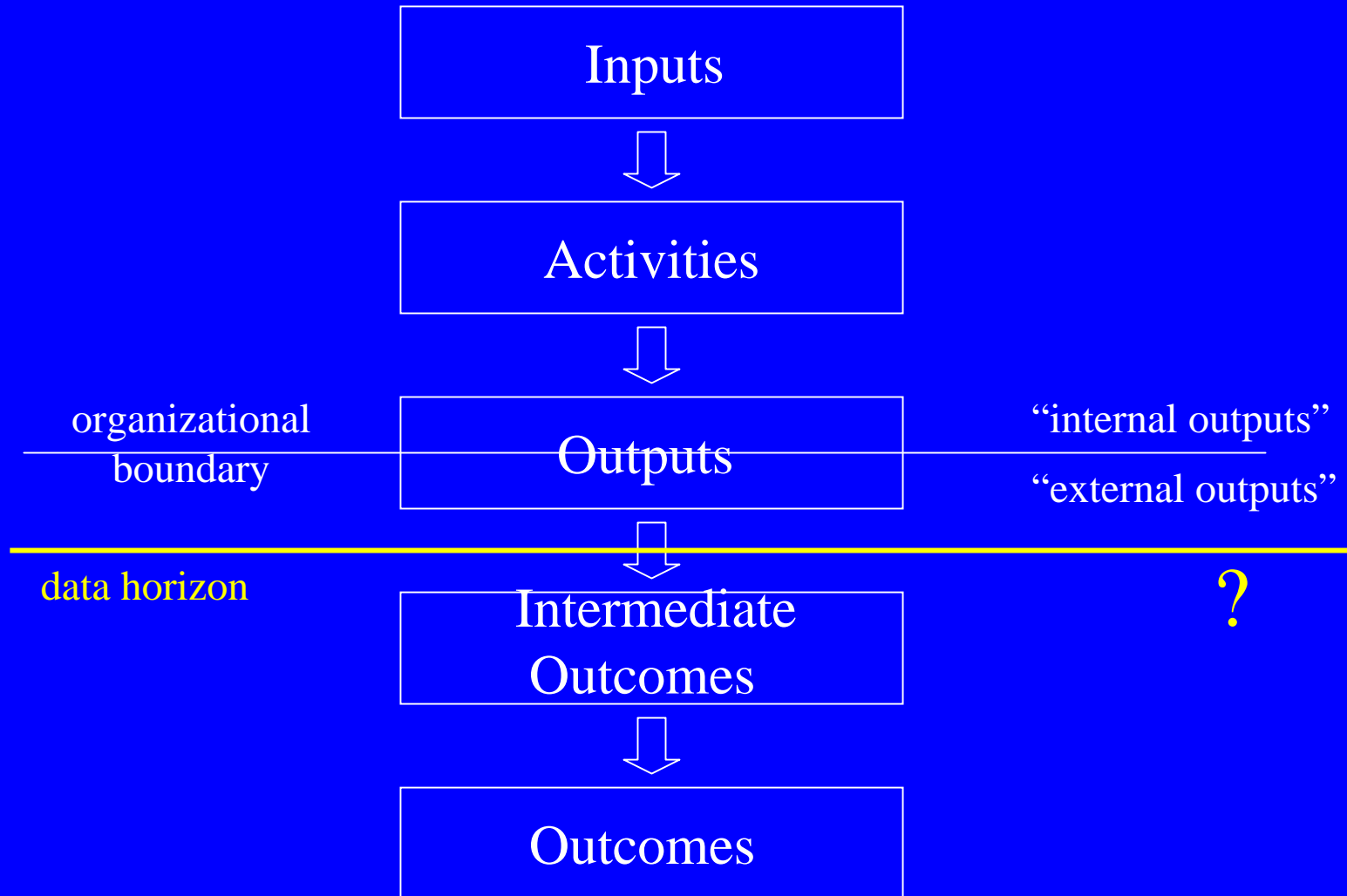
# The Value Chain



# The Value Chain



# Where is the Data Horizon?



Inputs



Activities



Outputs



Intermediate Outcomes



Outcomes

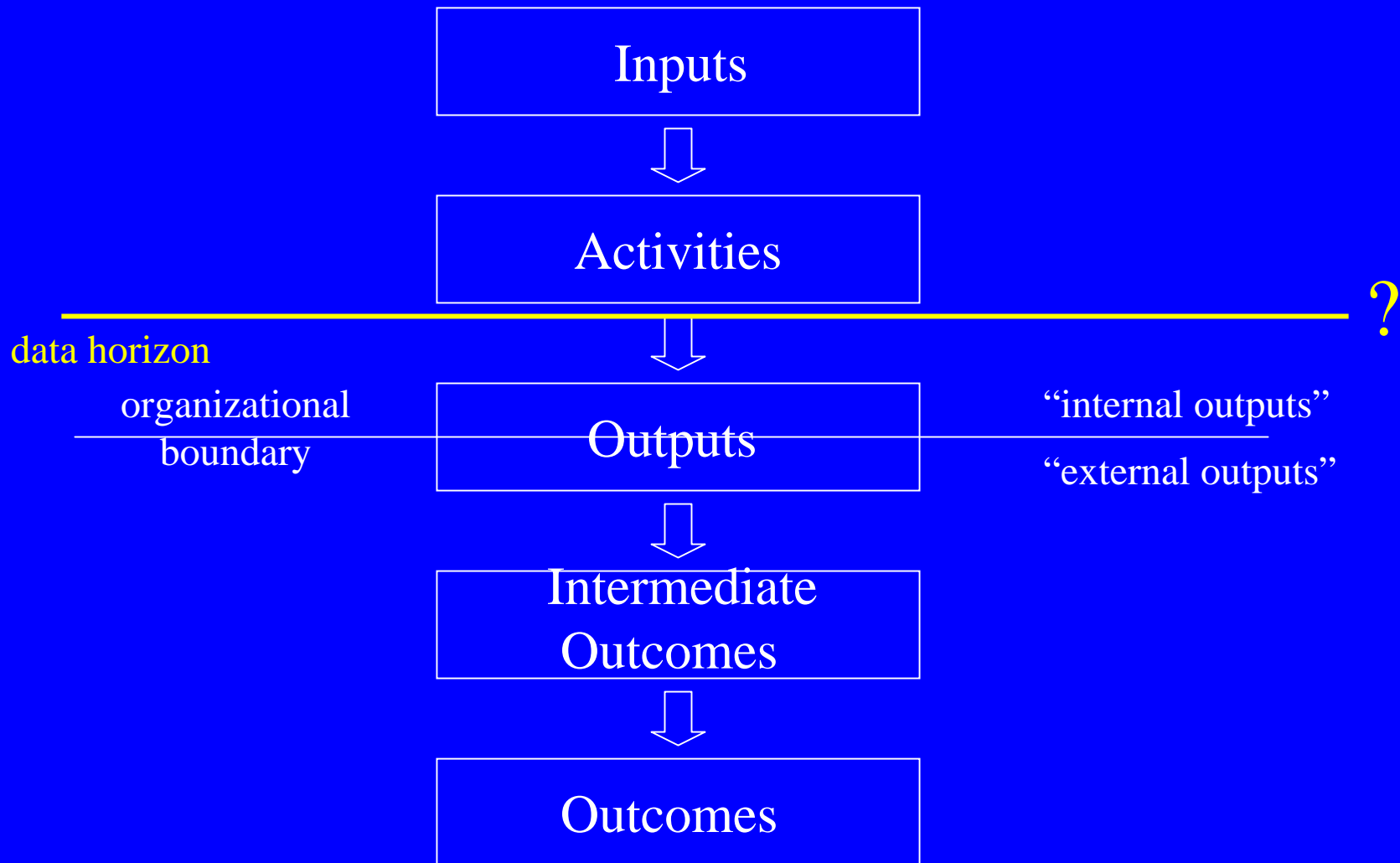
data horizon

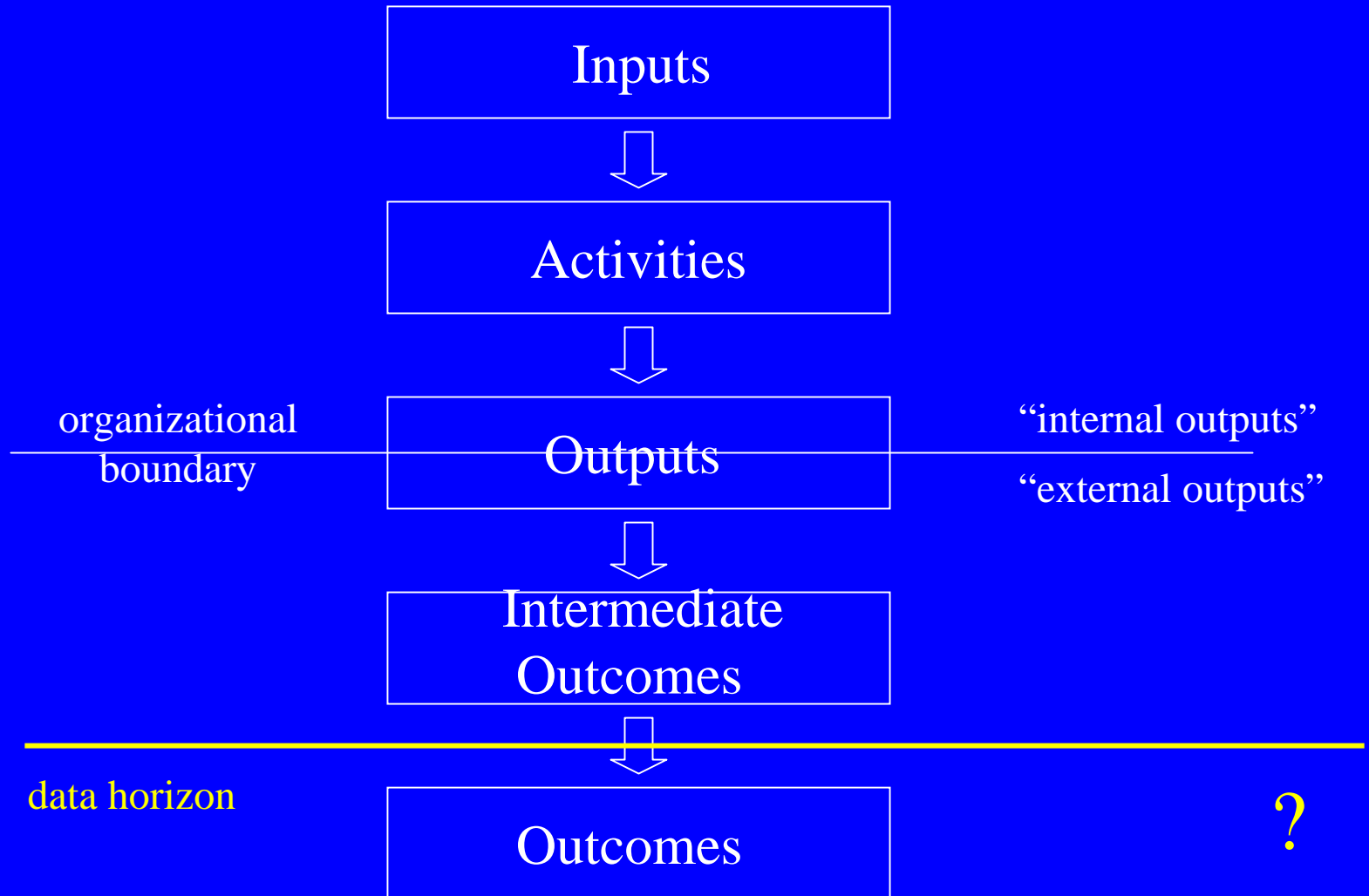
organizational  
boundary

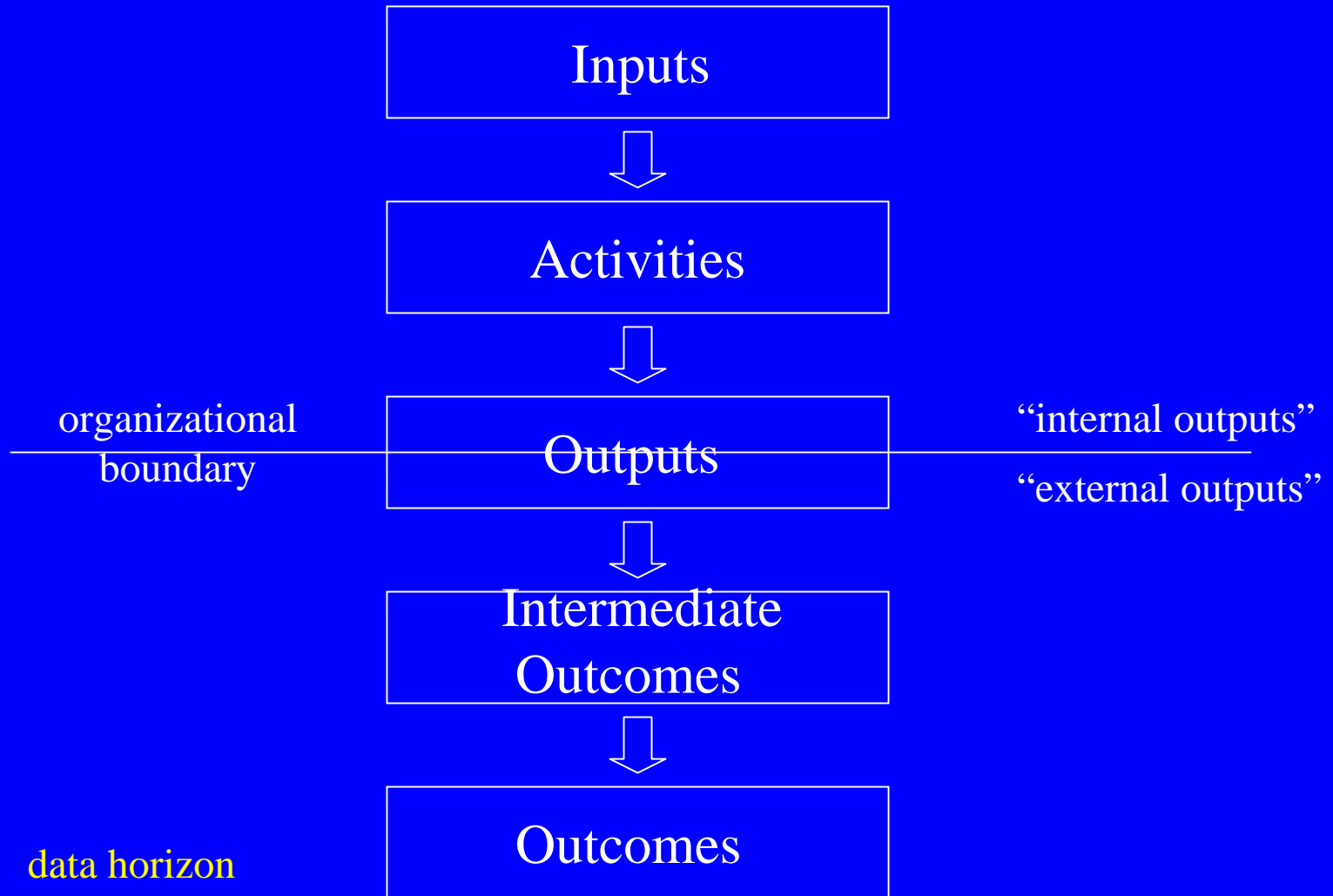
“internal outputs”

“external outputs”

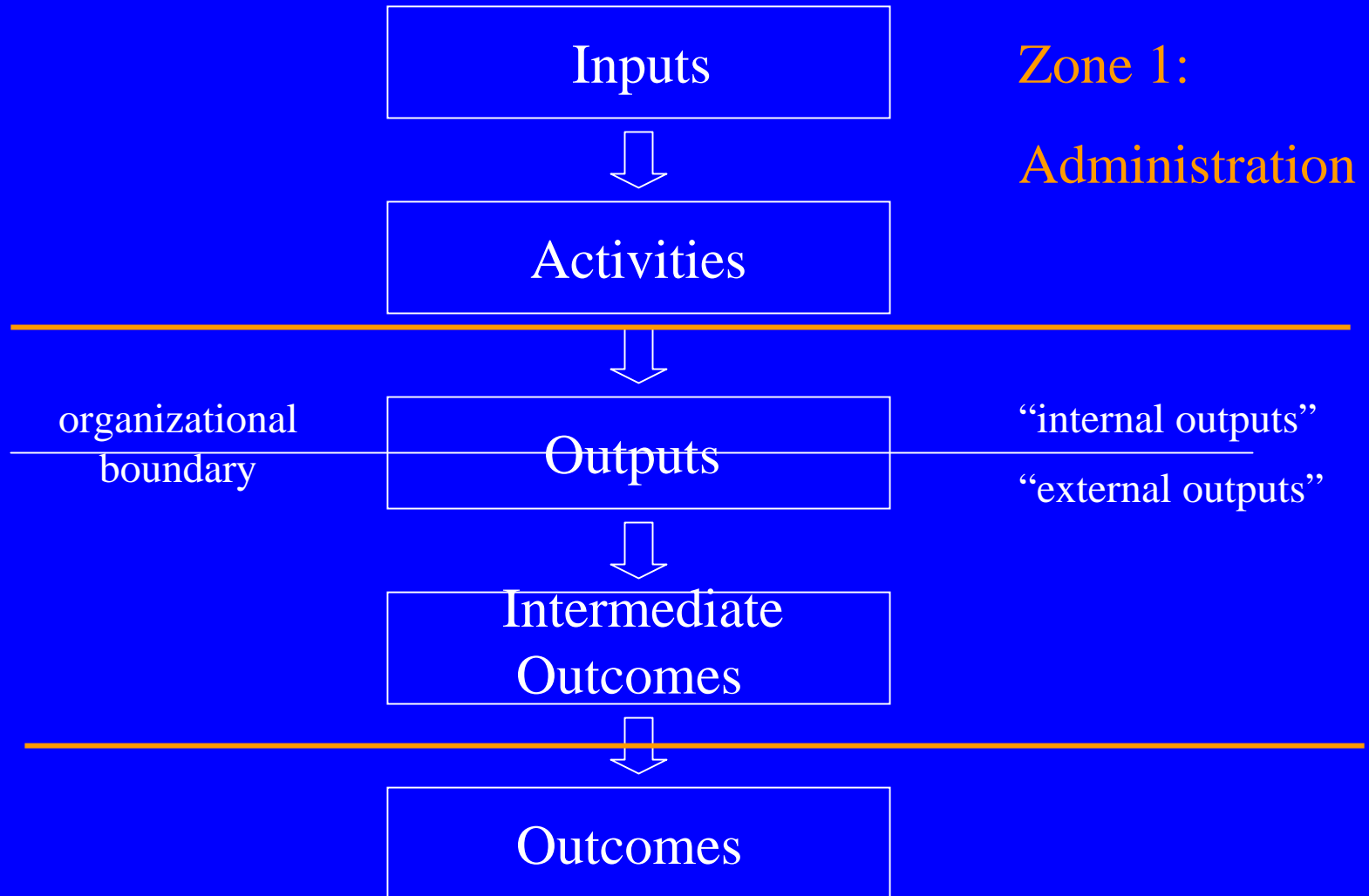
?

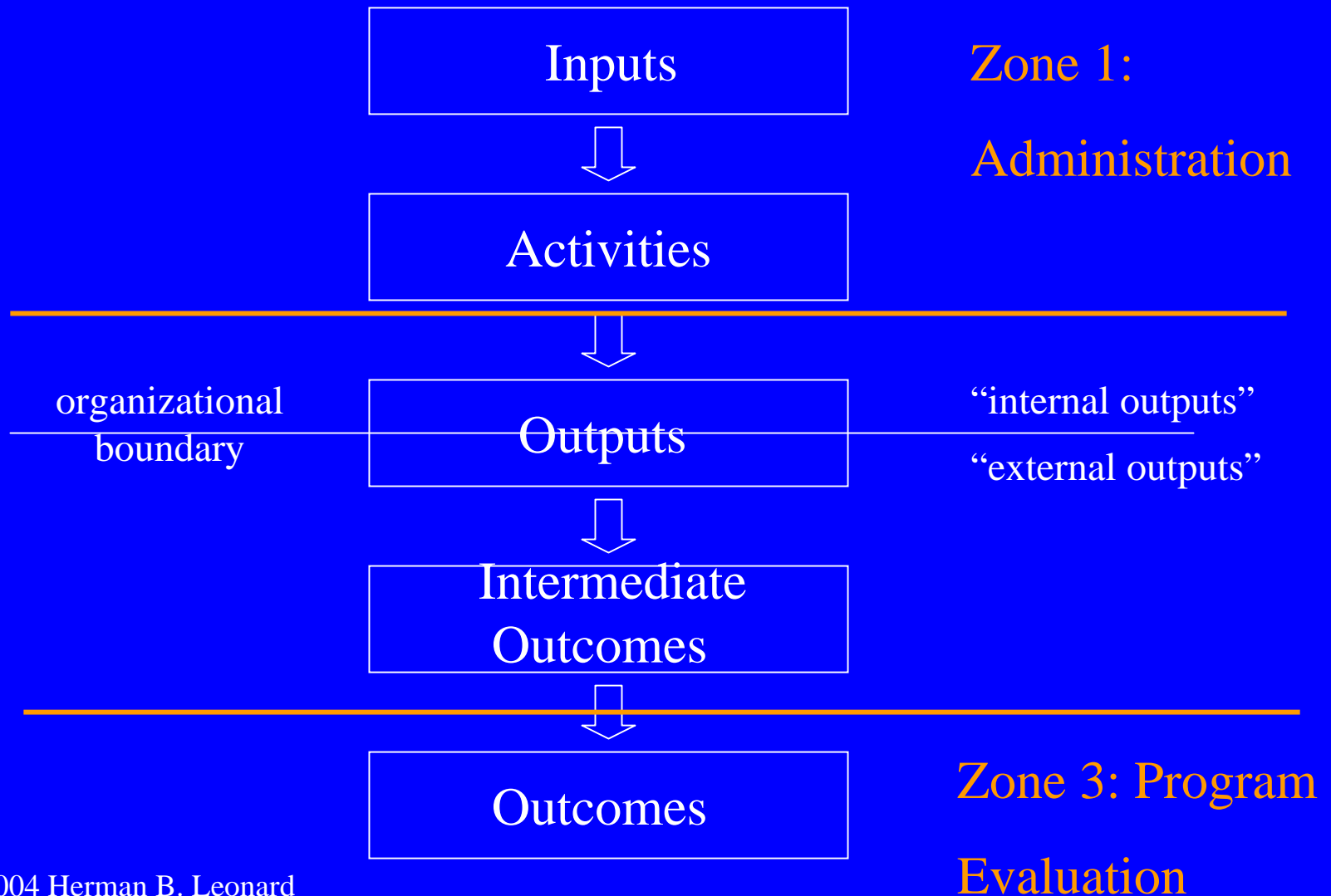




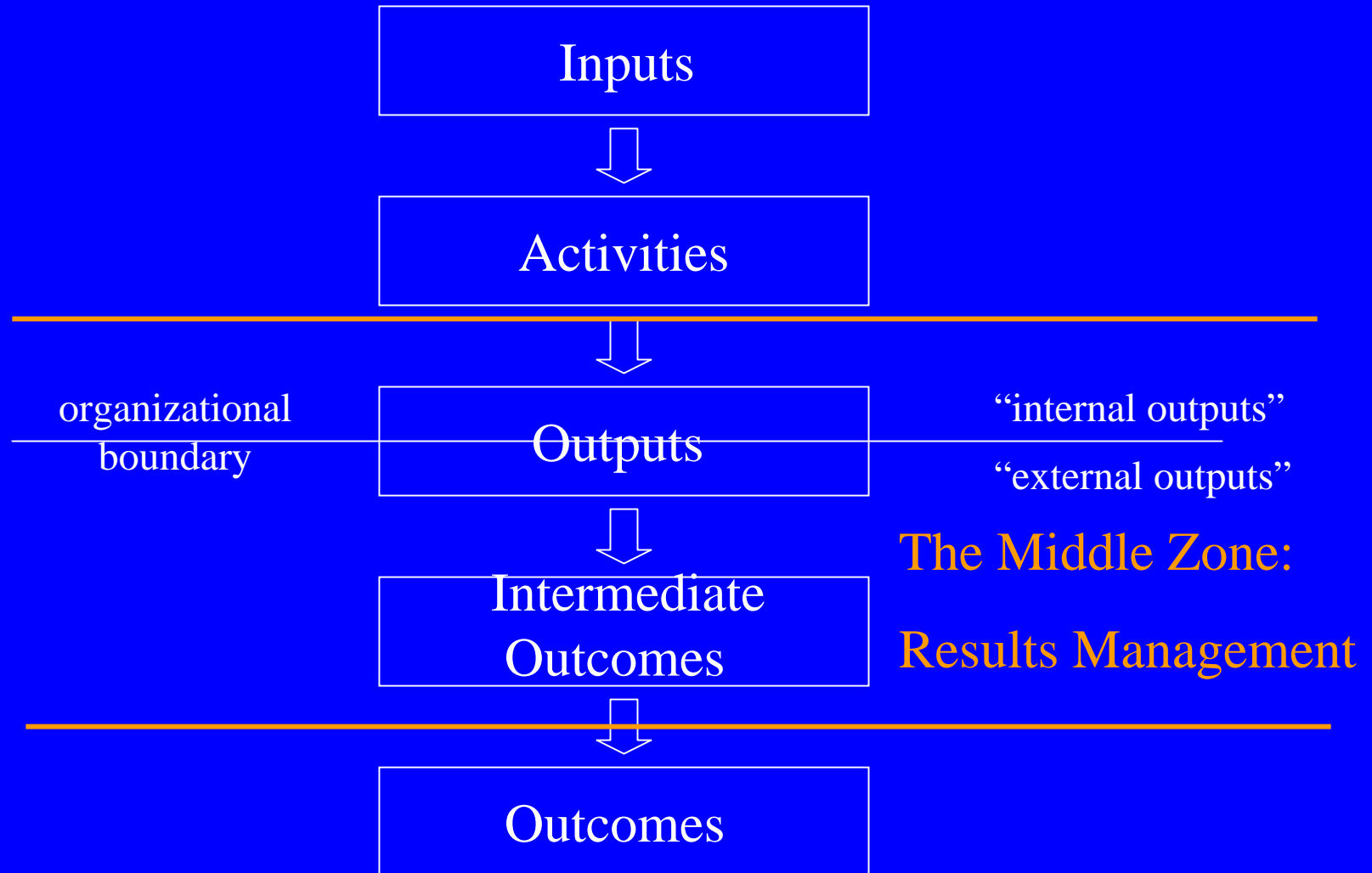


# The Three Zones of Management





# The Middle Zone



# Obstacles to Building Effective Performance Management

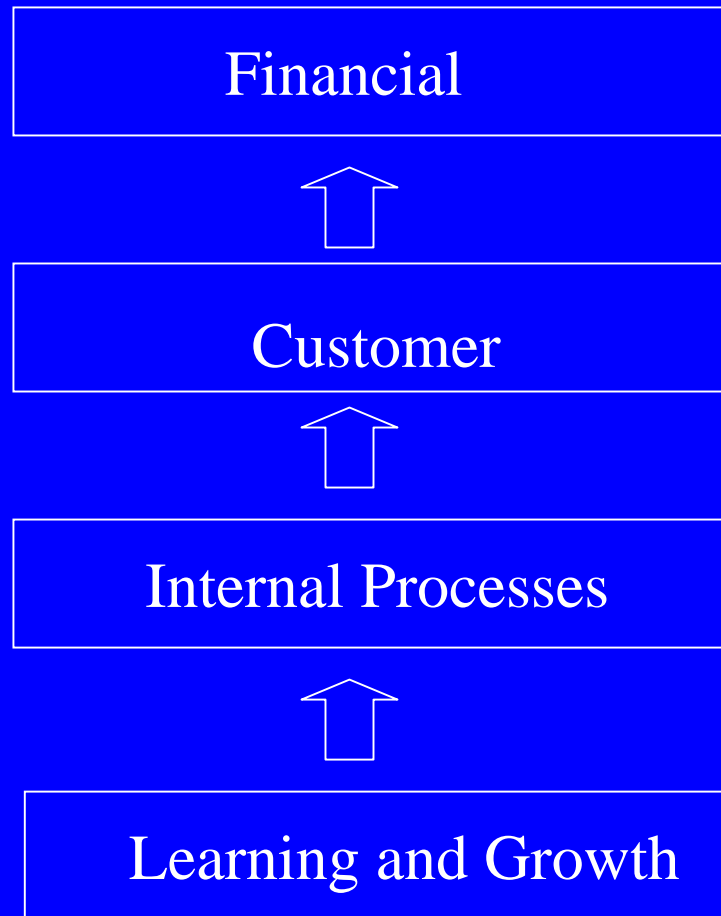
- Confusion about “mission statement”
- Disincentives to evaluate performance
- Internal resistance
- Cherished articles of faith
- Motivation vs Learning
- Lack of tools for learning

# The Balanced Scorecard

- A method for integrating strategy and execution
- Central idea: “start with the end in mind” (Steven Covey)

## Reverse Planning

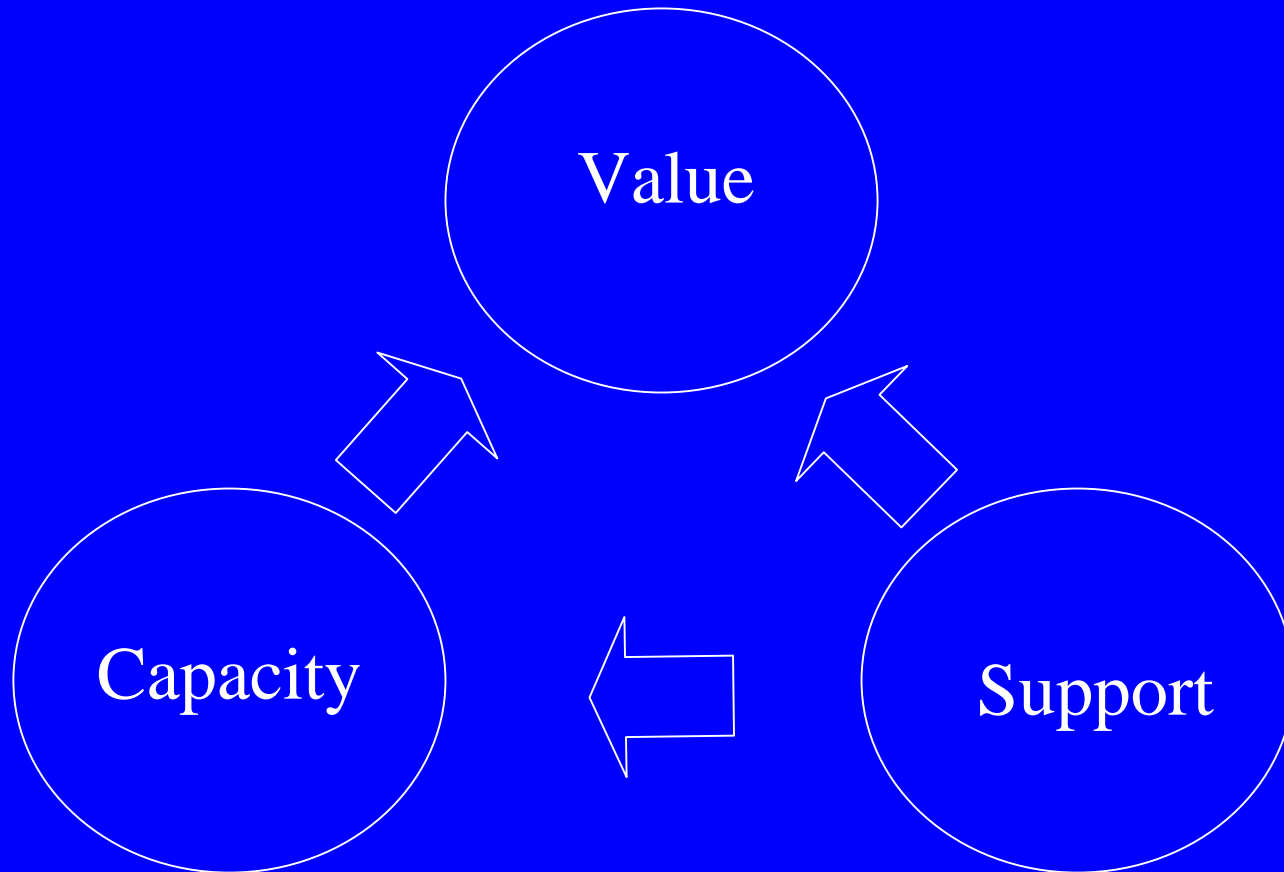
# The Balanced Scorecard: The Four Perspectives



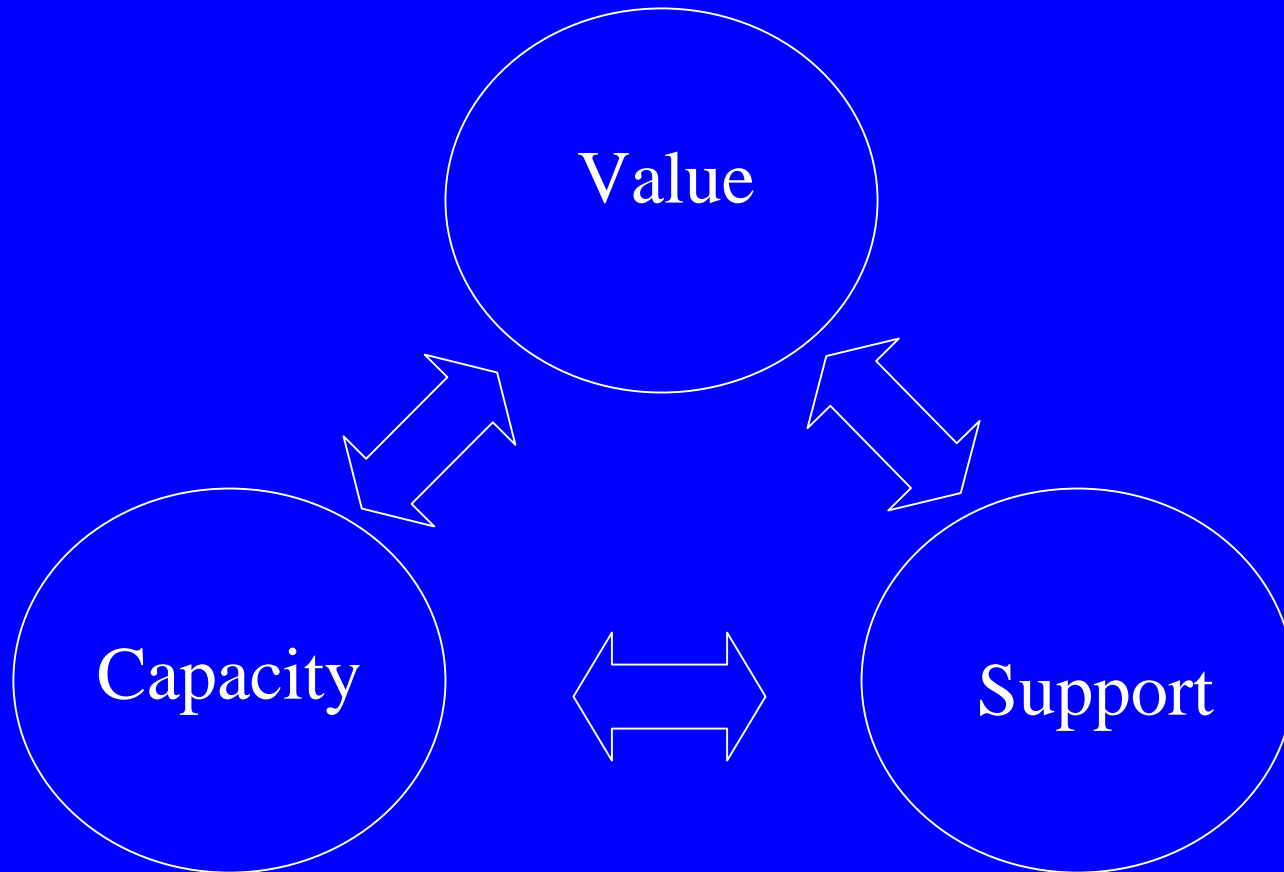
# A Balanced Scorecard for the Social Sector

- In the social sector, the principal goal is not financial
- Goal is to create public value
- Reverse plan from Value, Capacity, and Support

# The Balanced Scorecard & Value, Capacity, and Support



# The Balanced Scorecard & Value, Capacity, and Support



# The Balanced Scorecard & Value, Capacity, and Support

