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## **Is Your Organization Working?**

Posted on January 12, 2009 by Scott Archibald

Is change always a good thing? I am generally in favor of change, but that is usually because something is broken and I believe that the change will fix things. I have learned over the years that if something is working then don't change it.

This is also true for organizational changes which begs the question of how do you know if an organization is working well. All managers of organizations should have a balanced scorecard that they can use to monitor the organization's success. Typically, a balanced scorecard will measure [key performance indicators](#) (KPI's) with regards to items like:

- **Sales**
- **Employee Turnover**
- **Budgets**
- **Plan of Record**
- **Strategic Initiatives**

If your KPI's aren't telling you what you need to know, or if you don't have any KPI's then it is time to implement something simple. Don't make the initial implementation too complex.

### **Think about what information you need to get going.**

Use a car dashboard as an example. When you are driving the only gauge you really need is a gas gauge so you don't run out of fuel. You can guess your speed based on whether you are keeping pace with other cars. Oil, engine temperature, transmission temperature, etc are nice to have but they aren't much help if you don't have a gas gauge and run out of fuel as an example. For most businesses cash is the gas so create a cash flow report first and then go from there.

After you have created a scorecard with multiple KPI's review it with your staff and employees. Use your scorecard as a communication tool to show what isn't working and what is working. And while you definitely need to praise what is working the real value in a balance scorecard is to identify and subsequently fix what isn't working.



**What scorecards are you using most effectively with your teams? Tell me why they are working so well for you.**