



## **BEST BOARD PRACTICES CHECKLIST: DASHBOARDS AND BALANCED SCORECARDS**

The dashboard or “balanced scorecard” has become a staple of effective governance. Charts and numerical data provide a comprehensive picture of organizational performance. Here are some questions to assess whether your board’s dashboard is as good as it could be.

### **Content**

---

1. Is the dashboard comprehensive and reflective of what’s really important to organizational success, covering not only financial results but also business volumes, customer service, clinical quality and mission effectiveness?
2. Have a limited number of key measures been selected, about 10 to 25 at most?
3. Are the performance measures high-level, or do they drill down into excessive detail?
4. Are the data current and accurate?

### **Comparisons**

---

5. What’s the philosophy for setting performance targets: to incrementally improve, or to equal benchmarks for “best-in-class” organizations?
6. Does the dashboard use recognized standards, such as Moody’s credit ratings or the Top 100 Hospitals, to establish benchmarks?

### **Format**

---

7. Do charts, tables and graphics make it easy to compare relationships among the measures, such as whether increased volumes and higher profits are coming at the expense of customer satisfaction?
8. Do the formats make it easy to see trends over time and to compare performance with industry benchmarks?
9. Is the dashboard accompanied by simple definitions of each indicator?

### **Using the Dashboard**

---

10. Is the board involved in selecting the measures?
11. Is the dashboard presented to the board at least quarterly?
12. Does the board ask probing questions to understand the root causes of trends and significant variances?
13. Does the board periodically receive more detailed reports, such as quarterly or annual reports of patient satisfaction surveys?
14. Do board committees have dashboards with additional, pertinent measures of performance for their areas of responsibility?

### **Outside Resource**

---

- *The Strategy-Focused Organization: How Balanced Scorecard Companies Thrive in the New Business Environment*, David P. Norton and Robert Kaplan