Vizier Ltd
Accounting and consulting

MEASUREMENT - MANAGEMENT SCORECARD

#	Category	Descrpn	Measurement	Low	High	Score	* By	Calc
1	Plan	At the start of the new financial year, did you put together a budget that included the targeted financials for your organisation's strategic objectives for the year ahead?	Score by how true it is that your business compiled and communicated a detailed monthly budget for the year ahead, showing financial and non-financial measures, after having consulted all key stakeholders.	0	5		1	
2	Plan	Did you sensitise your forecast with variance scenarios and risk mitigation tactics, or tactics to capitalize on windfalls or surpluses?	Score according to how well you prepared for what you would do to compensate for negative performances or to capitalise on superior performances.	0	5		1	
3	Measure	Can you quantify how the implementation of your business's objectives has fared in actual financial terms and in actual outputs achieved?	Score according to how well you have tracked your firm's progress towards its strategic objectives compared to the forecast progress.	0	5		3	
4	Act	Have you implemented measures to deal with any material variances?	Score according to how effectively your business compensated for any negative variances or capitalised on positive variances.	0	5		8	
5	Measure	How much did your annual turnover increase or reduce compared to prior year turnover?	Subtract (or add) 1 point for each 5% turnover variance below (or greater than) forecast. Variances exceeding 25% count as 5 (negative or positive, respectively).	-5	5		3	
6	Measure	Did you identify material deviations in turnover compared to forecast throughout the year?	Score by how accurately you were able to detect and evaluate turnover variances that represented material, lasting variances to your forecast assumptions at the start of the year.	0	5		3	
7	Measure	Do you measure your sales variances in terms of product mix, volume, and price each month?	Score based on the regularity and rigour applied to review of monthly variance analysis by price-volume-mix variance analysis for each product category or market.	0	5		3	
8	Act	If the variance was due to volume, what was done to change this and how effective was it?	Score max of 5 for a measure implemented within a month of detecting the variance and which completely reversed the negative impact, or embedded the learnings that allowed a positive variance to be obtained; score 0 if nothing was done.	0	5		8	
9	Act	If the variance was due to price, what was done to change this and how effective was it?	Score as for 8 above.	0	5		8	
10	Plan	Did you agree the sales forecast with your sales director / sales managers?	Score 5 if a formally documented plan to achieve budget was received from the sales personnel and jointly reviewed.	0	5		1	
11	Measure	How did your gross margins compare to the forecast?	Subtract (or add) 1 point for each 2% turnover variance below (or greater than) forecast. Variances exceeding 10% count as 5 (negative or positive, respectively).	-5	5		3	
12.a	Measure	For a service business: Did margins correspond to margins of billable hours?	Score as for 11 above.	-5	5		3	
12.b	Plan / Measure	For a service business: If margins were lower, how much of this was due to time allocated but not charged and were you able to come up with a plan to rectify this?	A maximum score of 5 indicates that the variance was investigated and its source correctly identified, and a plan was originated to rectify this within the following two months.	0	5		2	
12.c	P/M	For a service business: If margins were due to a mix variance, were you able to come up with a plan to rectify this?	Score as for 12b above.	0	5		2	
12.d	Act	For a service business: Did you implement your plans, and were they effective?	Score 0 to 5 according to whether plans were implemented and completely rectified any negative variances within two months, or where they captured and embedded learning that secured positive variances going forward.	0	5		8	
13.a	Measure	For businesses trading goods: Did costs of goods vary substantially from what was anticipated at the start of the year?	Score as for 11 above.	-5	5		3	

13.b	Plan / Measure	For businesses trading goods: To the extent that it was the case, were you able to identify variances that were due to the price changes in inputs and to develop plans to deal with this?	Score 0 – 5 where 5 indicates that the variance was investigated and its source correctly identified, and a plan was originated to rectify this within the following two months.	0	5		2	
13.c	Plan / Measure	For businesses trading goods: To the extent that this was the case, were you able to allocate the variance due to waste differing from what was anticipated and to develop a plan to deal with this?	Score as for 13b above.	0	5		2	
13.d	Act	For businesses trading goods: Were you able to implement your plans, and were they effective?	Score 0 – 5 where plans were implemented and completely rectified any negative variances within two months, or where they captured and embedded learning that secured positive variances going forward.	0	5		8	
14	Measure	Did overhead operating expenses (as a percentage of turnover) vary materially from what was forecast?	Subtract (or add) 1 point for each 2% overhead variance greater than (or below) forecast. Variances exceeding 10% count as 5 (negative or positive, respectively).	-5	5		3	
15	Plan / Measure	Did you develop mitigation plans?	Score 0 – 5 where 5 indicates that the variance was investigated and its source correctly identified, and a plan was originated to rectify this within the following two months.	0	5		2	
16	Act	Were your actions successful?	0 – 5 where plans were implemented and completely rectified any negative variances within two months, or where they captured and embedded learning that secured positive variances going forward.	0	5		8	
17	Plan	Did your actual minimum cash balance vary materially from your forecast minimum cash balance?	Subtract (or add) 1 point for each 2% cash variance below (or greater than) forecast. Variances exceeding 10% count as 5 (negative or positive, respectively).	-5	5		1	
18	Plan	Did any asset purchases deliver the expected benefits (however measured e.g. increased sales, lower cost of production, etc.)	Score 0 to 5 where 5 is for asset purchased as expected and delivered as planned or better.	0	5		1	
19	Plan	Did your actual level of debt by the end of the year differ materially from what you forecast?	Score -5 to +5 where each unit is negative 2% variance (i.e. 1 is 2% less debt than forecast).	-5	5		1	
20	Plan	Did your actual staff hires vary materially from your forecast staff hires?	Score 0 to 5 where each unit is 20% of expected staff hires, and positive variances representing greater than forecast hiring due to higher than forecast business activity.	0	5		1	
21	Plan	Did actual staff churn vary materially from anticipated churn?	Score 0 – 5 where each unit is a 20% negative variance compared to forecast staff churn (e.g. score 2 if 3 people left but 5 were forecast to leave).	0	5		1	
22	Measure	How much did skills shortfalls impact on sales and on progressing strategic objectives?	Score -5 to 0 where each unit represents a 5% negative variance in actual progress compared to forecast progress.	-5	0		3	
23	Act	Did you implement measures to rectify the shortage in skills, and were they effective?	Score 0 to 5 where 5 indicates that measures were implemented within one month of a material variance arising and resolved any problem within 2 months.	0	5		8	
		TOTAL:		**-35**	**120**	**0**		**0**
		Total %: (Score after multiplying+85)/500						**0**

How to calculate a % score:

For each row, allocate a score >= Low value and <= High value.
Choose either of the Service Business (orange) of Trading Goods Business (green), but not both.
Multiply the above score by the value in the * By column (e.g. score * 1 for a Plan row or score * 3 for an Act row).
Sum your total mutiplied scores column (blue cell).
To this value add 85, then divide this total by 500 and round to the nearest integer: this is your score.