Corporate Health Report: New Business Planning Scorecard Format

Kentucky Housing Corporation
Management Innovation: Operations

HFA Staff Contact
Nathan Hall
nhall@kyhousing.org
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A meaningful, measurable, and engaging way to monitor performance, progress, and accountability is key in any organization. This is especially true for state Housing Finance Agencies (FHAs) that administer a myriad of federal and state programs serving a range of populations from homeowners, special needs populations, and the homeless across several departments. Kentucky Housing Corporation (KHC) has developed its Business Planning Scorecard to accomplish this.

Information Overload
In 2017, KHC’s executive management team, led by newly appointed Executive Director, Edwin King, asked a straightforward question: “Where can I see how the Corporation is doing, and what metrics do we use to know if we are achieving our strategies?” The response was deafeningly silent and set forth a challenge that produced the Business Planning Scorecard. The Corporation had engaged in business planning for several years prior to 2017; however, these efforts were highly qualitative in nature, and were often in-depth essays about the status of a given project or goal that took a considerable amount of time for a viewer to discern the progress and performance in scorecards. The status was sometimes unclear about the progress of project goals, and it was evident that a more comprehensible, visual tool would be needed to relay accomplishments and statuses.

At-A-Glance Information
The development of KHC’s Business Planning Scorecard transformed this qualitative reporting to a more quantitative report on defined metrics tied to the KHC’s corporate strategies. This is a tool that provides a single, uniform departmental and corporate-wide view of the Corporation’s performance and progress, as well to hold all stakeholders accountable to meet strategic goals. The Scorecard provides a quarterly snapshot to quickly assess the Corporation’s performance in a succinct manner.

Each year, departmental metrics, outcomes, and projects are created in alignment with the corporate strategies to achieve the desired outcomes and populate the Business Planning Scorecards on which each department tracks progress quarterly, throughout the year. Once each department populates their Business Planning Scorecards, these aggregate into a dashboard of key corporate metrics for executive management to view the performance and progress of the Corporation. Additionally, every quarter these scorecards are posted on KHC’s intranet for all staff to view; this has aided in creating a culture of accountability and transparency for KHC over the past year and a half, and the executive director can report out on key accomplishments to all staff and KHC’s Board of Directors.

Streamlining Processes
KHC’s business planning efforts have been streamlined significantly due to the implementation of this Scorecard. What once took two to three months of meetings with various departments to craft sometimes nebulous goals with ambiguous deadlines, that did not consider the work of other departments, is now completed in a sum of three weeks with a 45-minute meeting (if necessary) with staff populating the specific metrics, outcomes, and projects in accordance with Corporate strategies and direction for the new fiscal year.

Replicability and Outcomes
The Business Planning Scorecard is an innovative and replicable tool that can be adapted to fit any organization that strives to meaningfully engage, measure, and monitor its performance in a dynamic and visual manner. The Business Planning Scorecard is a template of color-coded, pre-populated status options that provides an at-a-glance, metric-based, visual display for viewers.

The lack of text-laden cells does not allow for expounding the complexities and intricacies of every departmental interworking, but rather provides the viewer the opportunity to arrive at a perfunctory conclusion about the state of any given department and the Corporation overall.

Just some of the results that implementing this Business Planning Scorecard has yielded for KHC include:

- 50 percent reduction in staff time spent on business planning;
- 65 percent\(^1\) increase in projects being completed on-time, and within budget, across the Corporation;
- 10 percent to 12 percent\(^2\) increase in utilization of administrative fees;
- Better alignment of the allocation and budgeting of federal and state funds; and
- Defined metrics and outcomes across the Corporation.

**Cited Sources**

\(^1\) Difference between Fiscal Year (FY) 2019 Q2 and FY 2020 metric for percentage of enterprise-wide projects in budget and on-time.

\(^2\) HCA Report FY 2016 through FY 2018

**Visual Aids**

- Business Planning Scorecard Template
- Business Planning Scorecard Dashboard
- Business Planning Scorecard Overarching Strategies
- Business Planning Scorecard Single-Family Production
- FY 2019 Corporate Strategies