

# Electric Utility, Inc. – Balanced Scorecard Example

	Objectives	Measures (D=Drivers)	Targets			Initiatives
			FY01	FY02	FY03	
<b>Financial</b>	<ul style="list-style-type: none"> <li>•Maximize returns</li> <li>•Profitable growth</li> <li>•Leverage asset base</li> <li>•Manage operating costs</li> </ul>	<ul style="list-style-type: none"> <li>•ROCE</li> <li>•Revenue growth</li> <li>•Asset utilization rate</li> <li>•Operating costs / customer</li> </ul>	14% 6% 80% \$150	14.5% 8% 85% \$140	15% 12% 90% \$125	
<b>Customer</b>	<ul style="list-style-type: none"> <li>•Industry leading customer loyalty</li> </ul>	<ul style="list-style-type: none"> <li>•Customer Satisfaction Rating</li> </ul>	80%	85%	90%	<ul style="list-style-type: none"> <li>•Customer loyalty program</li> </ul>
<b>Internal Processes</b>	<p><b>Business Growth</b></p> <ul style="list-style-type: none"> <li>•Capitalize on deregulation opportunities</li> <li>•Optimize trading opportunities</li> <li>•Develop innovative services</li> <li>•Use alliances and joint ventures</li> <li>•Leverage cross-group R&amp;D</li> </ul> <p><b>Continued Public Support</b></p> <ul style="list-style-type: none"> <li>•Proactively manage relationships</li> <li>•Ensure reliable services</li> <li>•Communicate/educate customers</li> </ul> <p><b>Customer Service Excellence</b></p> <ul style="list-style-type: none"> <li>•Seamless cross-group delivery</li> <li>•Understand customer drivers</li> </ul> <ul style="list-style-type: none"> <li>•Effective customer services</li> </ul> <p><b>Optimize Core Business</b></p> <ul style="list-style-type: none"> <li>•Optimize asset utilization</li> </ul> <ul style="list-style-type: none"> <li>•Max return on resource allocation</li> </ul> <ul style="list-style-type: none"> <li>•Continued cost management</li> <li>•Enterprise-wide risk management</li> </ul>	<ul style="list-style-type: none"> <li>•% revenue from deregulated products/services</li> <li>•% trading revenue</li> <li>•Revenue from new services</li> <li>•% customers serviced through alliances/joint ventures</li> <li>•NPV product/service pipeline</li> <li>•% R&amp;D projects meeting protocol gates (D)</li> </ul> <ul style="list-style-type: none"> <li>•Customer/partner satisfaction (5 point scale)</li> <li>•Reliability index</li> <li>•% communication/education coverage</li> <li>•% communication/education plans executed (D)</li> </ul> <ul style="list-style-type: none"> <li>•Promise delivery %</li> <li>•New product uptake rate</li> <li>•On-time market projects (D)</li> </ul> <ul style="list-style-type: none"> <li>•Customer satisfaction rating C.S.D. (see above)</li> <li>•Problem resolution cycle time C.S.D. (D)</li> </ul> <ul style="list-style-type: none"> <li>•% rate capacity attained</li> </ul> <ul style="list-style-type: none"> <li>•Employee productivity improvement</li> <li>•% cost reduction</li> <li>•Cost of disruption vs. plan</li> <li>•Time to recovery (D)</li> </ul>	5% 10% \$500M 10% \$500M 90%	7% 12% \$550M 20% \$550M 95%	10% 15% \$600M 25% \$600M 100%	<ul style="list-style-type: none"> <li>•Telecom infrastructure development</li> <li>•Trading risk assessment</li> </ul> <ul style="list-style-type: none"> <li>•Research alliance program</li> </ul> <ul style="list-style-type: none"> <li>•Preventative maintenance</li> </ul> <ul style="list-style-type: none"> <li>•Community outreach</li> </ul> <ul style="list-style-type: none"> <li>•Cross-selling marketing program</li> <li>•Service dispatch automation</li> </ul> <ul style="list-style-type: none"> <li>•CIS upgrade</li> <li>•Call center software integration</li> </ul> <ul style="list-style-type: none"> <li>•Fossil maintenance benchmark</li> </ul> <ul style="list-style-type: none"> <li>•Shared service benchmark/outourcing initiative</li> </ul> <ul style="list-style-type: none"> <li>•ERP Implementation</li> </ul>
<b>L&amp;G</b>	<ul style="list-style-type: none"> <li>•Ensure market-driven skill</li> <li>•Leading employee satisfaction</li> <li>•World Class Leadership</li> </ul>	<ul style="list-style-type: none"> <li>•Strategic skill coverage ratio</li> <li>•Hours in strategic skills training (D)</li> <li>•Employee satisfaction rating (5 point scale)</li> <li>•Leadership effectiveness ratio (5 point scale)</li> </ul>	65% 10 3.0 4.0	75% 12 4.0 4.5	85% 15 4.5 4.5	<ul style="list-style-type: none"> <li>•Competency profiling</li> <li>•Performance compensation link</li> <li>•Leadership training program</li> </ul>