The ARL Balanced Scorecard Initiative Meets the ARL 2030 Scenarios

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"As research library leaders confront turbulent times, they sorely need new tools to facilitate thinking about the future of the institution and to foster dialogue within the community."[1]

ARL has a strong commitment to both assessment and strategic planning, fostered over many years. This commitment extends to the Association's own planning activities as well as the programs and services it offers to the ARL membership. This commitment to planning is also prevalent among ARL member libraries and most are engaged in planning activities, with many using tools made available by the Association.[2]

The current ARL Strategic Plan 2010–2012 highlights the importance of planning and assessment. The goal to "[a]rticulate visions for the 21st-century research library and define elements for describing their value and contributions in support of research and scholarship"[3] led ARL to embark on two major planning activities: balanced scorecard (BSC) and scenario planning.

Two libraries, McMaster University and Johns Hopkins University, are using the BSC and the ARL 2030 Scenarios in their planning efforts.

Balanced Scorecard

In 2009, the ARL Library Scorecard Pilot was launched to test the use of the balanced scorecard (BSC) in research libraries. The BSC is a strategic planning and performance management system created by Harvard Business School colleagues Robert Kaplan and David Norton.[4] Martha Kyrillidou, Senior Director of ARL's Statistics and Assessment program, engaged the Ascendant Strategy Management Group to train and facilitate the use of the scorecard. Four libraries—Johns Hopkins University, McMaster University, University of Virginia, and University of Washington—volunteered to learn about and implement this planning tool.[5] The perspectives shared by these participants have encouraged other ARL members to undertake this planning methodology. Ten ARL libraries are now participating in a second cohort for BSC implementation and some ARL libraries have independently utilized the balanced scorecard technique.[6]

The balanced scorecard implementations at the four pilot sites have been tremendously successful. As reported at recent conferences, the tool has given these research libraries a framework for **implementing** and **managing** strategy as well as a vehicle for **communicating** consistently about strategy within the organization and externally with other stakeholders. The scorecard, as originally conceived, is a tool for

measuring performance with metrics that are tied to strategic objectives, thereby enabling assessment itself to be more strategic.[7]

Even with a robust scorecard framework, organizations may still struggle with getting (and keeping) the "strategy" in their planning activities. Strategy, according to Michael Porter, also of the Harvard Business School, "means deliberately choosing a different set of activities to deliver a unique mix of value."[8] Forecasting or projecting the future in which specific activities will be of value was simpler in more stable times. Today we are faced with a greater number of uncertainties as we try to imagine the future and as we attempt to develop strategy. Effective organizations may find themselves using multiple tools to set and test their strategic directions. Alternative tools provide opportunities for new conversations and new lenses with which to view the organization.

Using BSC and Scenario Planning Together

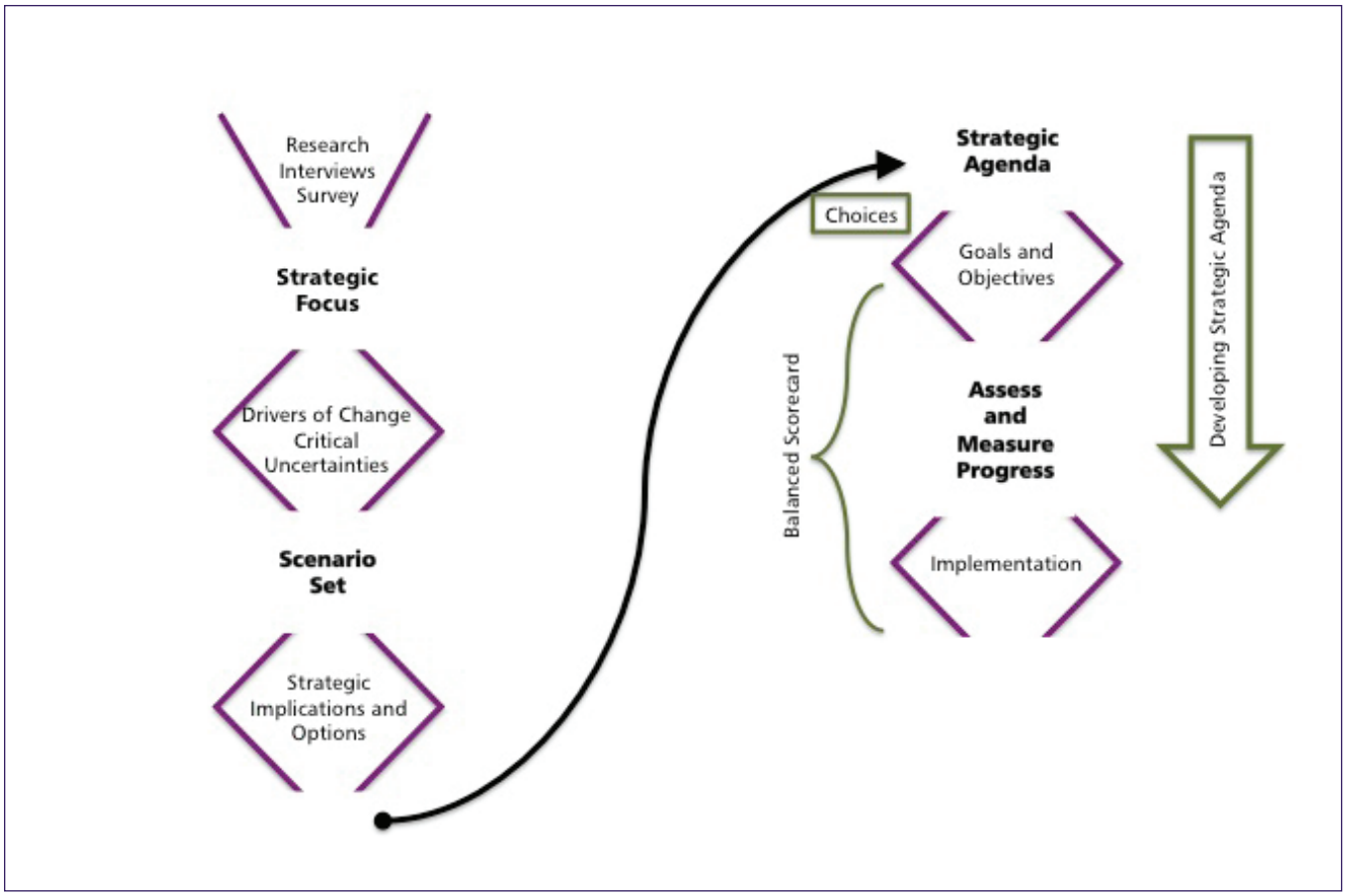
The tool of scenario planning enables an organization to **focus on uncertainty and change**, to **perceive multiple possible futures** as the context for developing strategy, and to **adapt over time to the changing environment**. Diane Scearce and colleagues of the Global Business Network (GBN) stress that scenarios—a set of stories—are "hypotheses, not predictions…that capture a range of future possibilities, good and bad, expected and surprising…designed to stretch our thinking about the opportunities and threats that the future might hold, and to weigh those opportunities and threats carefully when making both short-term and long-term strategic decisions."[9]

Scenarios are most commonly used as a tool in setting strategic direction, typically as part of strategic planning. As such, they are typically used in the early stages of an organization's planning process or as part of a mid-course review. Scenarios are developed around a single focus, possibly a single strategic question, which is examined in light of the critical uncertainties in the external environment. The stories that result are then used by the organization to consider the strategic implications of these potential futures and to elicit strategic options for the organization that will work in each scenario. For a robust strategic-action agenda, an organization would invest in high-return/low-risk strategies that would work in multiple scenarios. The balanced scorecard can be used to articulate chosen strategic objectives, associated measures and targets, and to elicit ongoing initiatives. BSC is most commonly used as a tool for managing strategy. The complementary use of the two tools in strategic planning is illustrated in Figure 1.

In the case of the ARL libraries that have developed balanced scorecards, their strategic objectives are already established. These libraries find that the ARL 2030 Scenarios strengthen the planning process by creating a platform for an ongoing strategic conversation, by developing strategic-thinking capacity within the organization, and by ensuring that the library remains responsive to the changing environment. ARL's BSC libraries use the 2030 Scenarios to:

- Monitor and scan the broader environment for early indicators—signals of change—and increase understanding of external forces.
- Surface assumptions about the future and develop insights into factors in the external environment to pay attention to in strategic decision making.
- Explore and discuss the implications for the organization or a specific topic in order to create advantage from uncertainty.

Figure 1: Strategic Planning through Scenarios and Balanced Scorecard (Learning Cycle)



Source: Susan Stickley, "Planning with the ARL 2030 Scenarios," slides presented at ARL Scenarios Workshop, Atlanta, 2011

McMaster: Using Scenarios to Test Current Strategic Plan

At McMaster University Library, a scenario exercise was used in summer 2011 as part of a mid-course refresh of the strategic plan, which is managed using the balanced scorecard.[10] The exercise was presented as a one-day retreat for all staff in the Organizational Development division of the library. Participating staff were from Accounts, Administrative Support, Development, Human Resources, and Marketing, and represented all staff categories, i.e., librarians, management, and support staff. The scenario exercise was led by the Associate University Librarian for Organizational Development (now the Acting University Librarian) and the Director of Assessment and Accountability, who had both attended the ARL workshop on planning with scenarios in March 2011. The goal of the exercise was two-fold: to test the library's current strategic plan against the scenarios and to gather feedback on the use of scenarios as a strategic planning tool within our own organization.

The daylong exercise was presented as a compressed version of the two-day workshop developed by ARL to test an existing strategic plan or agenda.[11] Staff received the four scenarios in advance and were encouraged to review them prior to the retreat. As recommended by ARL, the workshop took place "off site," at the DeGroote School of Business, on the Burlington campus. The agenda for the day was ambitious and is outlined in Figure 2.

Figure 2. Agenda for McMaster University Library Planning Retreat, Summer 2011

10:00–10:20 a.m.	**Welcome, Opening Remarks** • **Agenda** • **Desired outcomes** • **Review current strategic plan**
10:20–11:00 a.m.	**Introduction to Scenario Planning** • **Theory, background** • **Overview of ARL 2030 scenarios** • **Brief look at each scenario** • **Early indicators**
11:00 a.m.–noon	**Scenario Deep-Dive** • **What are the strategic implications for research libraries?** • **How does our current strategic plan (i.e., strategic initiatives) hold up?**
Noon–1:00 p.m.	**Lunch**
1:00–2:00 p.m.	**Scenario Deep-Dive (cont'd)**
2:00–3:00 p.m.	**Summarize key takeaways from deep-dive exercise with focus on strategic initiatives**
3:00–3:15 p.m.	**Break**
3:15–4:00 p.m.	**Debrief** • **Implications for Organizational Development unit** • **Feedback on the use of scenarios as a strategic planning tool**

Staff found the scenarios challenging, which was understandable given their brief introduction to scenario-based planning, the short amount of time they had to familiarize themselves with the four ARL scenarios, and the wide spectrum of experience they brought with them to the table. Some of the scenarios resonated more with staff than others. For example, they could see the early indicators of the "Research Entrepreneurs" scenario already in play, and could envision what the library might look like if that scenario actually came to pass. Other scenarios did not translate so well. Participants struggled to envision what role the library would play if the "Disciplines" assumed center stage. And in each scenario it was important to remind staff that the research environment had been the strategic focus of the development of the scenario set. Staff were keen to envision the implications of each scenario for the library's other major roles, e.g., teaching and learning. Overall, the discussions were lively and staff were intrigued by the concept of early indicators and took great delight in finding examples for each scenario. Although the workshop was compressed and fast-paced, the impact was long-lasting. For weeks after the session, staff were still identifying new indicators of the four scenarios that they encountered during their workday.

Valuable feedback on the library's existing strategic plan was received and used to modify the slate of initiatives for 2011–12. Exploring the widely different views of the future portrayed in the ARL scenario set put a new lens on the library's existing slate of strategic initiatives (e.g., digitization, marketing, assessment, and training plans). The activity put other initiatives into a larger perspective and, as a result, they were downgraded to operational projects and removed from the strategic plan. In addition, the exercise prompted suggestions for new initiatives, one of which was incorporated into the strategic plan. The new initiative, Good Ideas Incubator, hopes to capture staff ideas about new services, productivity, cost-savings measures, or revenue generation with a process for review and implementation.

The McMaster University Library intends to conduct a larger-scale scenarios exercise as part of its next strategic plan cycle. The library's current plan is scheduled to expire in 2013.

Johns Hopkins: Using the ARL Scenarios to Enhance the Planning Process

At Johns Hopkins, the Sheridan Libraries have gone through three cycles of strategic planning using the balanced scorecard. Through each cycle, changes were made trying to maintain focus on what is strategic versus what is tactical. The number of objectives and initiatives were reduced to a more manageable number for the size of the organization. However, we felt that the types of objectives and initiatives that we developed were still often more of the same old thing. After participating in the ARL scenarios workshop in March 2011, we returned to the library with a renewed enthusiasm and tools for helping our colleagues think more creatively and strategically.

With the support of Dean Winston Tabb, in September 2011 we ran our Strategic Planning Steering Committee (SPSC) through the "early indicators" exercise, followed by a deep-dive that submitted three of our BSC objectives to the rigors of each of the scenarios. The objectives were fairly broad:

- Provide and sustain the content, services, and spaces required by patrons.
- Provide responsive, effective, and integrated instructional services.
- Improve financial and IT infrastructure.

The deep-dive resulted in two robust strategies: customization and ubiquitous access. These worked across all three of the objectives. Content, services, spaces; instruction; and IT access should all have some level of customization to meet users' needs, and access to whatever we provide—instruction sessions, content, IT services—should be location agnostic.

We followed up with an all-staff scenarios exercise, which provided us with staff-driven input into the strategic agenda. We asked staff to do two exercises: (1) an early-indicator exercise where staff had to find examples of the scenarios playing out already and (2) a deep-dive into one of our current strategic objectives where staff had to determine the possible implications across each of the scenarios of one of our current objectives. Like the SPSC, staff identified a need for "boutique services," and added another robust strategy: flexibility.

The robust strategies identified through the scenarios—customization, ubiquitous access, and flexibility—are reflected in portions of our current strategic plan, most notably an initiative that focuses

on decreasing users' frustration with access to known items. We continue to learn how to best use the scenarios and scorecard to help our organization make better decisions about the activities we pursue.

The ARL 2030 Scenarios are assisting research libraries in crafting or refining a truly strategic agenda for the future; when paired with the balanced scorecard as a strategic management system, research libraries have two powerful tools to utilize in transforming their organizations.

1 "Envisioning Research Library Futures: A Scenario Thinking Project," ARL, accessed July 25, 2012, http://www.arl.org/rtl/plan/scenarios/.

2 Raynna Bowlby, "Are We There Yet? Aligning Planning and Metrics, Strategically," slides presented at the Library Assessment Conference, Baltimore, Maryland, October 24–27, 2010, http://libraryassessment.org/bm~doc/bowlby_raynna-2.pdf.

3 Charles B. Lowry, "Themes within the ARL Strategic Plan 2010–2012," *Research Library Issues*, no. 268 (Feb. 2010): 8, http://publications.arl.org/rli268/.

4 Robert S. Kaplan and David P. Norton, *The Balanced Scorecard: Translating Strategy into Action* (Boston: Harvard Business School Press, 1996).

5 Martha Kyrillidou, "The ARL Library Scorecard Pilot: Using the Balanced Scorecard in Research Libraries," *Research Library Issues: A Bimonthly Report from ARL, CNI, and SPARC*, no. 271 (August 2010): 33–35, http://publications.arl.org/rli271/35.

6 The 10 university libraries participating in this second BSC cohort are: University at Buffalo, SUNY; University of Calgary; Case Western Reserve University; Emory University; Florida State University; James Madison University; New York University; University of North Texas; University of Notre Dame; and Texas Tech University. Ohio University and the University of Texas at Austin libraries developed scorecards in 2011; the University of Arizona and the University of Connecticut use a modified BSC methodology in their strategic plans.

7 Vivian Lewis, Steve Hiller, Elizabeth Mengel, and Donna Tolson, "Building Scorecards in Academic Research Libraries: Organizational Issues and Measuring Performance," in *Proceedings of the 2010 Library Assessment Conference: Building Effective, Sustainable, Practical Assessment, October 24–27, 2010, Baltimore, Maryland*, eds. Steve Hiller, Kristina Justh, Martha Kyrillidou, Jim Self (Washington, DC: ARL, 2011), 345–358, http://libraryassessment.org/bm~doc/proceedings-lac-2010.pdf.

8 Michael E. Porter, "What is Strategy?" *Harvard Business Review* 74, no. 6 (Nov.–Dec. 1996): 61–78.

9 Diana Scearce, Katherine Fulton, and the Global Business Network community, *What If? The Art of Scenario Thinking for Nonprofits* (Emeryville, CA: Global Business Network, 2004), http://www.gbn.com/articles/pdfs/GBN_What%20If.pdf.

10 "Library Scorecard: Strategic Objectives, Measures & Initiatives 2011/2012," McMaster University Library, revised April 23, 2012, http://library.mcmaster.ca/library-scorecard.

11 Association of Research Libraries and Stratus, Inc., *The ARL 2030 Scenarios: A User's Guide for Research Libraries* (Washington, DC: ARL, 2010), 65–70, http://www.arl.org/bm~doc/arl-2030-scenarios-users-guide.pdf.

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