
Exercise 9-1. Creating a financial imperatives scorecard

Directions: Complete the following steps for this exercise to finish up the work on step 6 of the financial value process: develop scorecard. If you prefer not to write in this book, go to the companion Website (www.astd.org/astd/publications) to download a PowerPoint file for this exercise.

Top of Scorecard

1. Name the intervention that you are tracking at the top of your scorecard.
2. Determine your basis in terms of monetary units (currency), intervention units (per participant, per unit, etc.), and time units (hourly, daily, weekly, monthly, quarterly, yearly).

Benefits

1. Use your financial value chains to name the benefits in column I, under Measures/Category. This will be in lines 1–3. Add more lines as needed for your intervention.
2. Estimate or measure your performance baseline for your benefits *before* your intervention was or will be introduced. Note these figures in column II (lines 2 and 3) and the date and timing for these figures in line 1.
3. Estimate or measure your performance baseline *after* your intervention was introduced. Note these figures in column III (lines 2 and 3) and the date and timing for these figures in line 1.
4. Calculate the difference between your two benefit baselines and write your calculations on lines 2–3 in column IV.
5. Total your gross benefits on line 4.
6. Write in your number of intervention units on line 5, column IV.
7. Divide your total gross benefits on line 4 by the number of intervention units on line 5 and write the result on line 6 (Benefit per Intervention Unit).

Costs

1. Note the Senior measure where your intervention costs will be assigned in column I, line 7.
2. Determine how you would like to track your costs and write the names of your cost categories in column I under Measures/Category. This is in lines 8–11. Add more lines as needed for your intervention.
3. Write in the cost per category per intervention unit in lines 8–11 in column III.
4. Multiply the cost per category per intervention unit by the number of intervention units and write the result in lines 8–11 in column IV.
5. Add the total costs for each category together (lines 8–11, column IV) and write the result in line 12, column IV.
6. Write in your number of intervention units on line 13, column IV.
7. Divide your total costs on line 12 by the number of intervention units on line 13 and write the result on line 14 (Cost per Intervention Unit).

Totals

1. Note the Senior measure for your net benefits in line 15, column I.
2. Subtract your total costs on line 12, column IV from your total gross benefit on line 4, column IV. Write the result on line 15, column IV, for total net benefits.
3. Calculate your benefit-to-cost ratio according to the formula:

$$\text{Total Gross Benefits} \div \text{Total Costs} = \text{Benefit-to-Cost Ratio}$$

Write your result in line 16, column IV.

4. Calculate your ROI according to the formula:

$$[(\text{Total Gross Benefits} - \text{Total Costs}) \div \text{Total Costs}] \times 100 = \text{ROI}$$

Write your result in line 17, column IV.

INTERVENTION:					
BASIS: (Monetary units), (Intervention units), (Time units)					
		MEASURE / CATEGORY	VALUE ADD #1		
		I	II	III	IV
BENEFITS	1	Benefits (Senior Measure)	Baseline #1 Date: Timing Note:	Baseline #2 Date: Timing Note:	Change (× number in intervention and units of time)
	2	Individual Measure (1st/Ops Measure) (Mid Measure)	\$	\$	\$
	3	Individual Measure (1st/Ops Measure) (Mid Measure)			
	4	Total Gross Benefit			\$
	5	<i>Divided by # of Intervention Unit</i>			
	6	Benefit Per Intervention Unit		\$	\$
COSTS	7	Intervention Costs (Senior Measure)		Cost (Per Intervention Unit)	Total Cost (× number in intervention)
	8	Cost Category:		\$	\$
	9	Cost Category:			
	10	Cost Category:			
	11	Cost Category:			
	12	Total Costs			\$
	13	<i>Divided by # of Intervention Units</i>			
	14	Cost Per Intervention Unit		\$	\$
VALUE SUMMARY	15	Total Net Benefit (Senior Measure)			\$
	16	Benefit-to-Cost Ratio			
	17	ROI			%