

Half-Year Scorecard: Don't Wait for December 31

Does it sometimes feel as if you're spinning your wheels? You set ambitious goals for the new year, and now suddenly the second half of the year is here, and those goals feel WAY out of reach. Don't panic; what you need is a half-year assessment.

Halfway through the year is an opportune time to readdress the position of the company in comparison to previously set goals. These changes can potentially be for the better (exceeding the goals) or for the worse (correcting a path causing bottlenecks, challenges or not on track to achieve goals). Not having a formal strategic plan that is regularly reviewed and adjusted is the worst situation to be in. *Failure to plan is a plan for failure.*

Financial reporting and analysis are retrospective processes, so why wait until the end of the year to assess results and drive growth? Generally, year-end results are not available until late in the first quarter of the following year – relying solely on this data does not allow the organization the opportunity to assess performance on a proactive, continuous basis. Strategic Continuous Improvement (CI) requires an accurate set of measurement/metrics and financial information – the information need not be annual, semiannual, rolling 12 months, or even quarterly.

The key is timely, accurate information from which to gauge your progress and determine where adjustments may be necessary. In my companies, we assess our strategy and how we are benchmarking against our goals on a monthly – and often weekly – basis.

Businesses that have an organizational-wide buy-in of strategic objectives are among those that thrive. A realignment of priorities to instill a collaborative understanding of performance measurements is often vital. A period of flat production as many industries experience during the summer months is an opportunistic time to shed holdouts unwilling to accept change. Clear communication of performance positively affects the organization as a whole. This, along with clearly defined benchmarks and milestones increases motivation and efficiency organization wide. Performance efficiencies attained during slow-growth periods should be accomplished during periods of expansion and increased production.

A half-year scorecard provides financial and non-financial metrics from both internal and external perspectives. Benchmarking is the yardstick for evaluating key performance measurements. Year-end analytics, even those that are prepared on a quarterly basis, do not provide the information when it is needed. Using a year-end analysis to prove that milestones were not met creates excuses and justifications rather than an opportunity to grow and innovate. A half-year scorecard provides timely information that can be utilized to produce real-time solutions.



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