The IT Balanced Scorecard (BSC) Explained

The Balanced Scorecard is a management system that clarifies the strategy and vision of an organization, translating them into action that can be tracked. In simple terms, it’s a way of understanding how well the department or entire organization is doing – an alternate, or preferred, way to measure successful strategy implementation that goes beyond financials.

Initially, the balanced scorecard (BSC) turns strategy into something tangible, so that it can be measured. But the real success of a BSC lies in its prioritization of measurements that are most meaningful to the organization. It is this prioritization that makes the BSC approach a true management system, going beyond a mere measurement system.

As organizations adopted the Balanced Scorecard in the 1990s, however, one issue emerged universally: how to measure the IT
department’s contribution to the Balanced Scorecard, and ultimately to the bottom line. Today, the BSC for IT is one of several IT frameworks you can implement.