

FAQ Answer: What Balanced Scorecard software is available and what does it cost?

There are currently about twenty different software packages available that are sold specifically to support the reporting of Balanced Scorecard data. This doesn't include general-purpose software (e.g. Spreadsheets such as MS Excel, or Groupware such as Lotus Notes). Establishing what (if any) software is best for a given circumstance is difficult. This FAQ does not provide a categorical answer nor recommend a particular solution; rather it describes features and factors that should be considered, and attempts to give a broad overview of the software that is available.

Caveat Emptor

The aim of a Balanced Scorecard is to provide simple, relevant and concise reporting of the performance of an organisation. Current best practice suggests a Balanced Scorecard should have about 20 objectives, each with one or two measures. Tabulating such data is not difficult, yet a recent report found 21 specialised Balanced Scorecard software packages on general sale. This is on top of custom / in-house developments of "office" or other (e.g. EIS) software. The key differentiator between these packages is therefore largely about "what else they do". The number of additional features varies hugely, and in general the price reflects this variation – be aware that some of these packages are **very** expensive.

What else does Balanced Scorecard software do?

Usually the software is designed to also facilitate data gathering, data presentation and its subsequent communication within an organisation. Some of packages also aim to support the management processes needed to use the software on a day-to-day basis – for example by allowing "alerts" or "actions" to be attached to specific measure reports.

Most packages offer interactive database effects (such as "drilling down" to see trend or analysis data that supports or amplifies understanding of a reported measure) and provision of augmented presentation features (e.g. colourful, sometimes animated, displays that show current measure status symbolically). The more complex packages also allow for the tracking of projects associated with particular measures, or integrate reporting of multiple Balanced Scorecards through a single program.

Software from the bigger, multi-application vendors usually links into a suite of other applications (such as business modelling, data mining, CRM etc.) – the type of applications offered determined by the product catalogue of the vendor rather than any specific needs of a Balanced Scorecard user. The extent to which access to these other applications is useful needs to be assessed on a case-by-case basis, but is likely to be unrelated to the need to report of Balanced Scorecard data. In general none of these extra features are to support the use or deployment of a Balanced Scorecard.

What Balanced Scorecard software does not do

Balanced Scorecard software does not help you design a good Balanced Scorecard. In most cases it also does little to ensure that the Balanced Scorecard is subsequently used effectively. In this respect Balanced Scorecard software is no different from any other application – any more than buying hugely powerful personal organiser software will itself ensure that its user will get to more meetings on time. Overlaying software on a badly design Balanced Scorecard will simply result in an expensive tool that doesn't deliver the results that are (presumably) the goal the initiative to build it in the first place. The

Automatic Data Collecting – only half the answer?

Most packages have some ability to extract Balanced Scorecard data from existing databases "automatically". This is handy, but bear in mind that typically:

- Half the measures relate to infrequently recorded results (e.g. survey results) or are subjective scores entered manually.
- About half will be ones previously not collected / reported by the organisation. Either way "automatic" data capture features will probably only be useful for about half the data on your Balanced Scorecard.

[FAQ section](#) of the 2GC web site contains several other FAQ document that summarise the elements of good BSC design.

How to decide

There are two decisions to make: whether to use software at all, and if so, which software to choose. The first decision should be influenced by current practices, and should reflect what is right for your organisation. It is easier to take this decision once the scope and purpose of the Balanced Scorecard has been clearly established. The choice of which software should centre on consideration of what additional features beyond simple data reporting are likely to be useful. It is likely that if your organisation already has an established base of multi-function software, then adding a Balanced Scorecard “module” to this may be the most effective choice. If not, one of the simpler (and cheaper) stand-alone packages may well suffice.

Overleaf we summarise five categories of software supplier, and give examples of the products and pricing for each. The table is based on information from a business review by the Cranfield University and the Gartner Group entitled “[Weighing the Options: Balanced Scorecard Software – Sept 2000](#)”.

About 2GC

2GC is a research led consultancy expert in addressing the strategic control and performance measurement issues faced by organisations in today’s era of rapid change and intense competition. Central to much of 2GC’s work is the application of the widely acknowledged Balanced Scorecard approach to strategic implementation, strategy management and performance measurement.

Balanced Scorecard Software – Summary Table

| Type of Vendor | Sample Vendors | |
|---|------------------------------------|---|
| | Name | Price / Package Details |
| Database Vendors: Suppliers of large database products who also offer integrated Balanced Scorecard software. | Oracle Corporation | \$120/Employee min 500 employees. AM 17% of licence fee. |
| | PeopleSoft | Based on Turnover of Client. AM 18% of licence fee |
| | SAP | €10,000 (10 users) €3650 / extra user. AM 17% of licence fee |
| BSC Capability Vendors: (Business Intelligence Vendors) Vendors who provide software that has the capability to build Balanced Scorecard applications – but the software may not be specifically for this particular purpose. | Cognos | One off server licence £14,000 – £22,000. Web user licence £220. Server licence £700 (decreases on volume). AM 25% of licence fee. |
| | Comshare | Based on concurrent user ratio – ranges from \$2100 to \$37,500. 20% of licence fee. |
| | Hyperion Solutions | Server and application \$90,000 (includes 20 view only users + 5 administrators). Extra: View only \$750, Admin. \$6000. AM 18% of licence fee. |
| | SAS Solutions | Software rented not sold. A typical solution is in the region of \$50,000 for the first years licence plus a one off fee of \$50,000. AM 30-50% of first years licence. |

| Type of Vendor | Sample Vendors | |
|--|---|---|
| | Name | Price / Package Details |
| BSC Tools Vendors: Software suppliers that offer specific Balanced Scorecard packages that can operate as stand alone systems. This category of suppliers also offers additional reporting tools or supports other similar frameworks such as EFQM or ISO9000. | CorVu | Between \$1500 and \$3800 per user depending on package capabilities. AM 20% of licence fee. |
| | Gentia | Based on users 25:\$107,500 100:301,000. AM 17.5% of licence fee. |
| | IPS Sendero | \$75,000 for database - \$1000/user. AM 18% of licence fee. |
| | Panorama Business Views | Single User £3000; Network Engine £15,000 + Licences (Users <50=£400 >50=£300); Multi Location £15,000; Internet Publishing £19,000. AM 20% of licence fee. |
| Specialist BSC Software Vendors: Companies who provide well-integrated Balanced Scorecard standalone software as their main product. | QPR | The starting package is £30,000 for 5 development and 50 browser clients + training. Additional clients are extra. AM 20% of licence fee. |
| | INPHASE Software | £1,275/user (reduction on volume). AM 20% of licence fee. |
| Desktop BSC Software Vendors: These suppliers offer less sophisticated software ranging from very basic spreadsheets to software that links to common servers to support data collection. | Flex Measures | \$8,900 for an unlimited amount of users + 30 days support (Note: Also supports data collection). |
| | Dialog Software | The basic package is free – it can be downloaded from the web. There are upgrades that cost up to around \$400. |