# IT Applications Readiness using Balanced Score cards measurement

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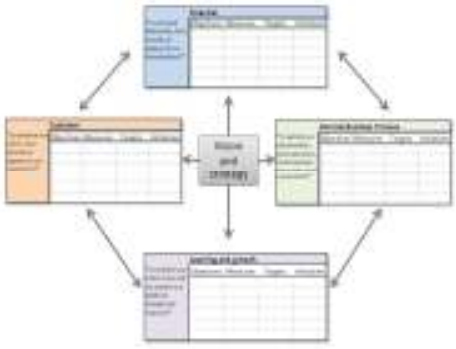
**Abstract:**

Information Technology is one of the most important things used in our daily lives where most organizations are dependent on the system to facilitate the tasks of work, Balanced Scorecard is one of the most successful means to measure the performance of the organization and achieve the strategic goals, Readiness in IT should be aligned to prevent gaps that are created as a result of ineffective configuration between the IT deployed and the business requirements. To bridge this gap, organizations implement IT as well as business strategies at the same time (top-down planning) ignoring other factors necessary for IT readiness.

**Keywords:** Readiness Measurement, IT Readiness, Technology Readiness Level, Prioritizing IT readiness.

## 1. Introduction Balanced Scorecard:

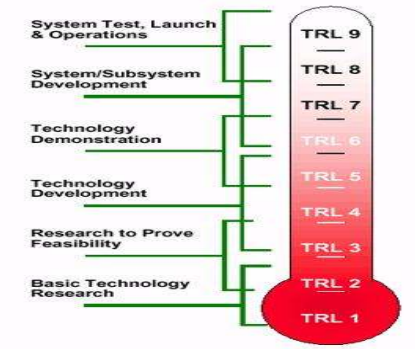
The balanced scorecard (BSC) is a special tool that is designed for managing strategy performance. This strategy is widely being used by managers for keeping a track of the activities carried out by the staff. The characteristic of the balanced scorecard is the arrangement of a combination of financial and non-financial processes which is used for evaluating to an intended value within a particular concise statement. The final statement which is produced with balanced scorecard (BSC) is not considered to be a substitute as compared to the conventional financial reports (tandfonline, 2012).



1996 BSC model by Norton and Kaplan

## 2. Technology Readiness Level:

Technology Readiness Level (TRL) is an assessment tool designed for evaluating the maturity of developed or new technologies prior to integrating that technology into a particular system or process. Whenever any new technology is designed or invented it is not immediately applied to real life situations for application. First such technologies or tools are required to undergo experimental procedures and pass specific scenarios. This whole course of action allows originator to bring in any refinement if required, after completing the testing phase. Once the technology is adequately proven, it can be included into a system/subsystem. Same is the case with all Information Technology (IT) related applications, which are then referred as IT readiness applications (Aircraft, 1989).




NASA Technology Readiness Levels

**3. Materials and Methods Design:**

The ultimate design which makes balanced scorecard more useful and practical is its identification of every detail related to financial or non-financial measures. Once all these objects are collected, next step involves connecting specific targets to each object which make processes each for reviewing. This allows manager to track initial performance and calculate whether it is meeting expectations or not. The key element which is hidden in this whole activity is that it allows managers to hit target areas where they feel performance is deviating as compared to the expectations. BSC allows management to focus their attention completely on weak areas and devise proper strategies for improving performance of their division which they are leading (Kaplan, 1996).

**3.1 Development:**

Earlier balanced scorecards were used simply as framework for performance measurement but now with the passage of time it has developed into complete strategic planning and management system. The new version of BSC is modernized to include organizations or business strategic plans from inactive document into practical and demonstrated orders for the organization on daily basis. Hence this practical framework is not only equipped with performance measurements but it also assist and lead planners in identifying and planning what measures must be taken or attaining desired objectives. It facilitates executives to strictly implement their proposed strategies (Kyriazoglou, 2010).

**3.2 Prioritizing IT readiness application in Balanced Scorecard:**

The procedure, which must be adopted in order to incorporate IT readiness applications in balanced scorecard, involves a conceptual framework. In this paper the scenario that will be referred is IT strategy that is required by the management to be implemented using balanced scorecard (BSC) approach. The supporting elements which will be incorporated on BSC include technical considerations, economics of IT and performance aspects concerning counter measures. More explicitly, this paper will provide a structure for designing and implementing tools for information performance management (Niven, 2010).

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**4. Project Priorities:**

Infrastructure in common, like many other Information Technology sharing with insubstantial benefits, the firm's work and operation mechanisms to increase the significance in ways that are not confined by conventional performance measures methods. Such obstacles give emphasis to traditional valuation procedures, which do not calculate the complete value or advantage of information. Consequently, performance measurement tools and

procedures are required for integrating both customary quantitative metrics and more theoretical qualitative performance measures (Khosrow, 2006).

**5. Readiness Perspective of BSC IT Readiness:**

Readiness Perspective of BSC IT readiness, one most important things to increase effort employees by understanding what his job and how he can effect to achieve the strategic. Which are probable to affect systems and endeavour to develop counter measures? Therefore, a balanced scorecard for information includes a mixture of measures in these four categories, which includes inputs, activities, outputs and outcomes (Herath, 2010).

**6. Discussion and Targets:**

The BSC representation includes planning and control operations. Organizations position targets for performance measurement in the planning process, which are evaluated to real results in the control process. In reality, in our research organizations should design targets in a top-down manner with application weights are always assigned to the BSC performance measures and targets for performance evaluation purposes (Abramson, 2003). The inference for such framework is that a balanced scorecard for information application readiness should have a combination of widespread and unique measures. The benefit of using common measures allows incorporating information high-tech knowledge. External benchmark statistics from specialized organizations, consultants and vendors can also be included into the target attaining process while many organizations are using such common measures.

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**8. Conclusion:**

The balanced scorecard model is extensively being used by business and non-business organizations. This paper has proposed a theoretical framework for strategic execution of IT readiness using a balanced scorecard. This complete process includes four perceptions: business value, stakeholder direction, internal processes outlook and readiness perspective. BSC performance methods will revolutionize over time and tracking the combination based on the extent of subjectivity, purpose, or kind of measure provides perception. Since a key BSC concept is to use performance measures that exclusively model the strategy, Information Technology Readiness measures as a key element to the success of the implementation of the strategic plans should have a mix of common and exclusive performance measures.

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