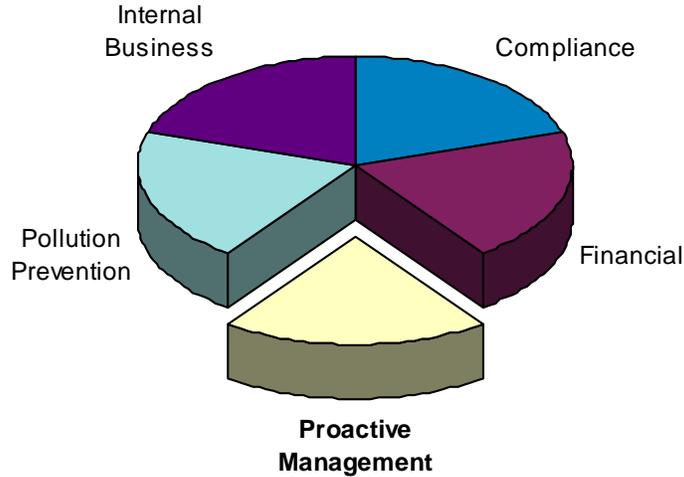


# ENVIRONMENTAL PERFORMANCE BALANCED SCORECARD

---

## PROACTIVE MANAGEMENT PERSPECTIVE



### INTRODUCTION

The Proactive Management Perspective of the Environmental Performance (EP) Balanced Scorecard provides the basis for determining if the environmental program is being managed proactively.

### PURPOSE

The proactive management metrics are needed to help change our way of thinking about environmental management and improve our management system. We now recognize that, although extremely important, environmental compliance is not the only measure of a healthy environmental program. In a highly competitive climate, the Environmental Manager must improve economic performance by employing increasingly effective and efficient systems. This continual improvement should result in increasing the customer (external community) and stakeholder (internal community) satisfaction. The “*Proactive Environmental Manager*” will apply resources to ensure progress across all aspects of our Environmental Balanced Scorecard. Thus, equally important to environmental success are the implementation of Best Management Practices, i.e. Class III projects, good relationships with the community and regulators, and the ability to generate and implement good ideas, i.e., innovate.

*“If you continue to think like you’ve always thought, you will continue to get what you’ve always gotten.”*

Albert Einstein

This perspective contains three (3) different, but important components:

- *Best Management Practices*
- *Community Trust*
- *Innovation*

*Best Management Practices*

By applying a Balanced Scorecard to our Performance Measures, we are boldly stating that Environmental Program success does not hinge solely on compliance. Although important, compliance is not the only key environmental success factor. Looking for, developing and implementing Best Management Practices is key to success and necessary for improvement. In fact, the act of developing, testing and deploying the NAVSEA Environmental Metrics is a Best Management Practice. Class 0, I, and II environmental projects and activities were defined in the Financial Perspective using an excerpt from the DODINST 4715.6 Environmental Quality Manual. This instruction defines these 3 classes as activities that are required by Federal, State, local laws, regulations, Executive Orders (E.O.), DOD policies and overseas Final Governing Standards (FGS's). It defines Class III projects and activities as those "that are not explicitly required by law, but are needed to address overall environmental goals and objectives". The OPNAVINST 5090.1B further defines Class III projects as:

"those needed to meet DOD, Assistant Secretary of the Navy (Installations and Environment) CNO and or claimant goals related to environmental protection, pollution prevention, cost effectiveness, environmental quality, or enhancement initiatives. These requirements are not mandated by law, but demonstrate Federal leadership and goodwill."

We will, for this perspective equate Class III projects and activities with Best Management Practices. They can be separated into two categories.

- Requirements outlined in OPNAVINST 5090 that are not required by law, E.O., or FGS's and do not appear in DOD instructions.
- Internally generated projects or activities that will improve environmental program performance.

### ***Community Trust***

*Community Trust* is necessary to secure a reputation as an environmental steward. To gain the trust of neighbors and regulators, commands should engage in regular and frequent environmental outreach and involvement activities. Base commanders are responsible to the community and must ensure good community relations. Environmental outreach and involvement activities can enhance their efforts. Some community relations efforts are already required as part of the National Environmental Policy Act (NEPA) and the Navy's Installation Restoration Program. Thus, many organizations already have active and outstanding environmental *Community Trust* programs that have gone unnoticed. This metric will help gain well deserved recognition for those who already have ongoing Community Trust activities. The Navy's Environmental and Natural Resources Program Manual, OPNAVINST 5090.1B CH-1 states:

*The Chief of Naval Operations has defined the Navy's environmental vision to be, "Navy recognized as an environmental leader while effectively executing naval operations."*

If the Navy is to be recognized for its environmental leadership, then each organization must not only **be** an environmental compliance and protection leader. Each organization must also **show** this by developing and implementing a range of community outreach and involvement activities. The *Community Trust* Metric is a list of possible activities that can help commands practice and demonstrate environmental leadership in their neighborhoods and regulatory communities. This metric is predicated on the fact that "every little bit helps" toward protecting the environment and demonstrating leadership. Participating in many of these activities can help give the community and regulators a sense that the base commander takes environmental and community responsibilities seriously, and also a sense that the command has a healthy environmental program. A positive "*Community Trust*" image can help tremendously during compliance negotiations, should the need arise.

“Even the smallest projects can go a long way toward showing the community how protecting national security AND the environment go hand-in-hand.”

1998 Earth Day Memorandum  
Sherri W. Goodman,  
Deputy Under Secretary of Defense (Environmental Security)

**Innovation**

*Innovation* is the generation and implementation of creative ideas.

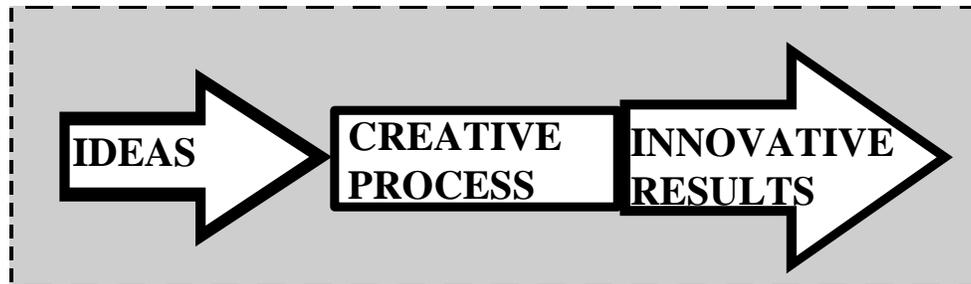
IDEAS  
+  
CREATIVITY  
+  
IMPLEMENTATION  
INNOVATION

*Innovation* is necessary for change and improvement across the Balanced Scorecard. We tend to leave *innovation* to chance even though common sense tells us, that without ideas there can be no real progress.

- How could you raise your Business Perspective score without implementing ideas?
- How could pollution be prevented without implementing ideas?
- Isn't a Best Management Practice the result of an implemented and successful idea?
- How can you increase efficiency and effectiveness without implementing ideas?

The *Innovation Metric* is designed to encourage *different thinking* and help commands/activities develop an *innovation* process to ensure continuous improvement. *Innovation should be a primary and mainstream activity, not a collateral duty. It shouldn't be left to chance!*

This *Innovation Metric* provides some criteria to help assess an organization's *innovation* process and its "innovation success rate".



*Innovation Process*

*Innovation* brings about change. Change is necessary for the growth and health of an organization. There are seven levels of change that can be achieved with the implementation of ideas. The goal of any *innovation* process should be to achieve a good balance between continuous improvement change and breakthrough change. Because both are needed to meet the organizations mission and vision, an *innovation* process should yield and implement ideas at each of the seven levels.

### Seven Levels of Change

1. *Doing the right things. Effectiveness*
2. *Doing the right things right. Efficiency*
3. *Doing things better. Improving*
4. *Doing away with things. Cutting*
5. *Doing things that others are doing. Copying*
6. *Doing things that haven't been done. Different*
7. *Doing things that can't be done. Impossible*

The “Suggestion Box” and an “*Innovation Cell*” are two examples of an ***Innovation Process*** that represent the extremes in sophistication. A “result” or “the implementation of an idea”, can come from either. However, we are likely to obtain better and more consistent results from a dedicated, highly visible, organized and continual process such as the “*Innovation Cell*”.

The “Suggestion Box” is a rudimentary process to collect ideas. A “Suggestion Box” could be very simple to complex, unsophisticated to sophisticated, ineffective to effective. The answers to the following questions may indicate the complexity and effectiveness of a “Suggestion Box” innovation process.

- ◆ How many suggestion boxes do you have?
- ◆ Where are they?
- ◆ Are there signs or publications promoting them?
- ◆ Are they easily spotted?
- ◆ Are they in busy locations?
- ◆ Do you advertise them?
- ◆ Do people use them?
- ◆ How do you evaluate the ideas?
- ◆ How frequently do you check the boxes?
- ◆ Are the ideas clearly understood or do they need clarification?
- ◆ Are they anonymous?
- ◆ How do you decide which ideas to implement?
- ◆ What is the process for implementing the ideas?
- ◆ Is there top level support for implementing the ideas?
- ◆ Is there a timeline for implementing ideas?
- ◆ Do you do a cost benefit analysis?
- ◆ Is there a process to track implementation?

The “*Innovation Cell*” or “Think Tank” is a group of people chartered to generate and implement ideas. These are some of the possible elements:

- ◆ Individuals would be educated in creative and problem solving processes.
- ◆ The group would be trained to perform as a team to enhance the creative process.
- ◆ The primary mission would be to generate and implement ideas.
- ◆ The group would have a funding line to test and implement ideas.
- ◆ The group would conduct market research and benchmark to find ideas.
- ◆ The group would have a highly defined process for capturing, evaluating and implementing ideas.
- ◆ The group would have the management support.
- ◆ The group would have a high degree of autonomy to avoid stifling creativity.
- ◆ The group would educate the rest of the corporation to increase the flow of ideas.
- ◆ The group would develop, implement and oversee a continual process to draw and ideas from the rest of the corporation.

- ◆ The group would have means, such as monetary rewards, to help incentivize the rest of the corporation to generate and implement ideas.

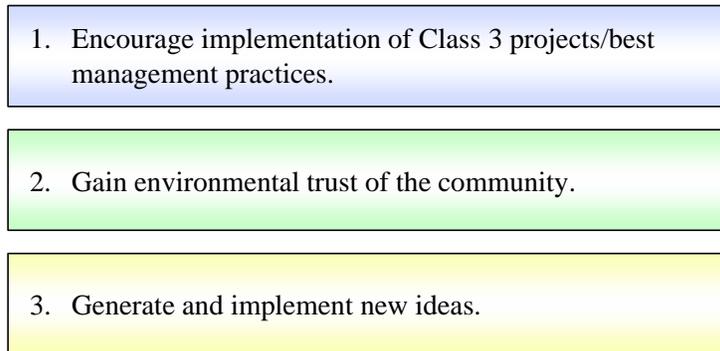
The above discussion of the “Suggestion Box” and “Innovation Cell” is intended to introduce some of the concepts of *innovation*, attributes of an effective “*Innovation Process*” and to promote more *innovative* thinking. These are examples only. The “*Innovation Metric*” expects results, i.e. implementation of creative ideas. It does not impose any specific process to achieve these results. There are, however, some key concepts and requirements necessary to achieve results:

- ◆ “*Ideas*” have no value unless they are implemented.
- ◆ “*Ideas*” are necessary to the “*Innovation Process*”.
- ◆ An “*Innovation Process*” is necessary for “*Innovative Results*”.
- ◆ “*Innovative Results*” require that we:
  - ◆ **GENERATE ideas!**
  - ◆ **COLLECT ideas!**
  - ◆ **EVALUATE ideas!**
  - ◆ **IMPLEMENT ideas!**

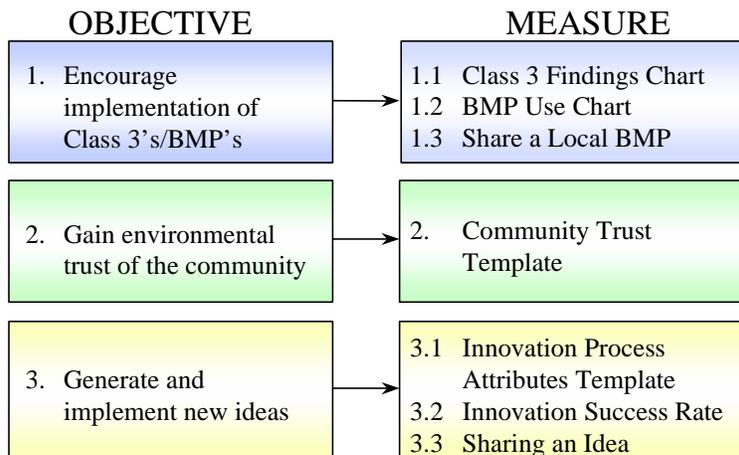
**OBJECTIVES**

Three objectives have been selected to analyze the Proactive Management Perspective of environmental programs.

**OBJECTIVES**



Each objective has been translated into specific measures.



Proper monitoring and management of these measures will result in improved environmental programs.

How these measurements add up to a red/yellow/green Proactive Management Perspective score is discussed below. The construction of each measurement, from the component formulas, is also presented.

**SCORECARD MODEL**

	1.1 Class 3 Findings Chart	(50 pts.)
	1.2 BMP Use Chart	(45 pts.)
	1.3 Share a local BMP	(50 pts.)
+	2. Community Trust Template	(200 pts.)
+	3.1 Innovation Process Attributes Template	(90 pts.)
	3.2 Innovation Success Rate	(27 pts.)
	3.3 Sharing an Idea	(30 pts.)

---

 **SCORE AT LEAST 400**  
 **300 < SCORE < 400**  
 **275 < SCORE < 300**  
 **SCORE < 275**

*Objective 1 Encourage Implementation of BMP's/Class 3's.*

1. This measure asks whether or not you have implemented the most common and accepted environmental Best Management Practices.

**Class 3 Findings Chart**

Open Class 3 Findings (List)	Is there POA&M? Y/N	Is there Value?	If not, have you shared your concern w/the community?
1.			
2.			
3.			

Scoring:

- If you do not track class 3 findings, you get 0 points.
- For each class 3 you do track, you get 25 points.
- For each class 3 you track and have a POA&M for, you get 50 points.
- For each class 3 you track and have found no value to and shared this with the community, you get 50 points.

Final score for this section:

$$0$$

or

$$\frac{\text{Points}}{\# \text{ of findings}} = 25 \text{ or } 50$$

1.2 This measure asks whether you have a viable system for discovering and implementing best management practices.

**Best Management Practices Chart**

	<b>Many</b>	<b>Few</b>	<b>None</b>
1. Have you developed local best management practices?	15	10	0
2. Do you track implementation?	15	10	0
3. Do you monitor for adherence to best management practices?	15	10	0

Scoring: Choose appropriate answer and assign corresponding points.

Below is a list of Class 3 requirements and Best Management Practices. Use it as a checklist and for inspiration, however; it is not scored.

	<b>Yes</b>	<b>No</b>
1. Does the Commanding Officer review and sign all permit applications?		
2. Do you have an active Environmental Management/Compliance/Protection Board?		
3. Do you have current Host-Tenant Agreements that address environmental responsibilities?		
4. Do you regularly coordinate and/or confer with the Safety Office where there are areas of overlap or functional similarities?		
5. Do you notify the REC and NAVSEA of potentially precedent setting issues?		
6. Do you consult with the Command counsel and the REC on fee/tax issues?		
7. Do you have a NEPA Review Board?		
8. Is your NEPA process “before the fact”; are environmental impacts and considerations factored into all planning and decision making?		
9. Do you conduct general Environmental Awareness Training annually for all hands?		
10. Do you conduct general Environmental Awareness Training for new employees?		
11. Do you provide specific “Billet-specific Environmental Training” as required in the OPNAVINST 5090, chapter 25?		
12. Do you report NON’s/NOV’s as required by the OPNAVINST 5090?		
13. Do you report spills as required in OPNAVINST 5090 and in a timely manner?		
14. Do you have a current (updated annually) and comprehensive spill response mechanism in place?		
15. Do you have trained and prepared spill response personnel and resources to conduct an adequate response?		
16. Do you have an Integrated Spill Prevention and Response Plan?		
17. Do you have site/area-specific spill plans; conduct spill drills; evaluate drills and actual responses to identify areas for improvement?		
18. Do you have a Water Conservation Program?		
19. Do you have a Cross-Connection Control Program?		
20. Do you have a potable water-testing program as outlined in OPNAVINST 5090?		
21. Do you have an O&M plan for the base potable water system?		
22. Do you conduct vulnerability assessments (wellhead protection assessments) on its potable water system?		
23. Do you have a current Industrial Wastewater Management Plan?		
24. Do you have Wastewater and Stormwater Programs that seek to identify and implement projects to eliminate or reduce volume and pollutants at the source?		
25. Do your Wastewater, Stormwater, and Natural Resources Program Managers share knowledge and coordinate to reduce or prevent water pollution for any land disturbing activities?		
26. Have you appointed a Natural Resource Program Manager in writing?		
27. Do you ensure that natural resource management principles, and cultural resource management principles are integrated with environmental compliance and protection programs?		
28. Have you identified, evaluated and inventoried Cultural Resources and if warranted designated a trained staff Cultural Resources Coordinator?		
29. Do you have a current Hazardous Material Control and Management Plan?		
30. Have you implemented the P2 Practices outlined in Chapter 3 of the OPNAVINST 5090?		
31. Do you have a CHRIMP program?		
32. Do you routinely work with the Safety and Industrial Hygiene Offices regarding hazardous material substitutions, pollution prevention initiatives?		
33. Do you collaborate with the Safety Office in developing a single comprehensive AUL?		
34. Do you have a current Hazardous Waste Management Plan?		
35. Do you have a current Solid Waste Management Plan?		
36. Do you have a current Resource Recovery Plan?		

37. Do you have a Used Oil Recycling Program?		
38. Do you have a current PCB Elimination Plan?		
39. Do you have a current Tank Management Plan that includes Aboveground Tanks?		
40. Do you annually survey air emission sources to identify potential reduction opportunities?		
41. Do you have a current ODS Elimination Plan?		
42. Do you have a current Pest Management Plan?		
43. Do you have an Energy Conservation Program?		
44. Do you have a QA/QC Program for Navy and/or contractor environmental laboratory(s)?		
45. Have you implemented the NAVRAMP program as required in Chapter 26 of the OPNAVINST 5090?		

1.3. Describe in one page or less (process diagrams and graphics would be helpful) an Environmental Best Management Practice that you have implemented at your Command that (1) does not appear on the chart; (2) although tailored to your Command and/or Environmental Program, could be adapted for other Commands; and (3) is ongoing. This is an opportunity to share BMP's and your innovative results, and get constructive feedback within the environmental community. These BMP's may come from any aspect of the Environmental Balanced Scorecard. Note that a BMP must have been implemented for at least one year and have demonstrated success. (50 points max)

<b>Local BMP Score (50 points maximum):</b>	
<b>BMP Title:</b>	
<b>Narrative:</b>	

*Objective 2 Gain “Environmental Trust” of the Community.*

The Community Trust Template measures the responsiveness to external customers (e.g. community and regulators). It determines whether we are truly working to establish a rapport and a reputation as a Good Neighbor with the community and the regulators, how attuned we are to the needs of customers, and if we seek and receive recognition for our achievements in these areas.

<b>Community Trust</b>	<b>Yes</b>	<b>Partially</b>	<b>No</b>
	20	10	0
Does the Command promote Best Management Practices through partnerships with other military commands, private industries and the surrounding community where appropriate?			
Has the environmental organization identified its internal and external customers?			
Does the Command have processes in place to involve and communicate with their external customers, such as the community and regulators, in order to create or maintain a good working relationship and a positive image for the Command?			
Does the environmental organization publicize Command successes?			
Does the environmental organization provide appropriate customer access to information and a process to voice complaints regarding environmental issues and requirements? When a complaint is received there is a process in place to resolve the problem effectively and promptly.			
Is there a process in place within the environmental organization to			

<b>Community Trust</b>	<b>Yes</b>	<b>Partially</b>	<b>No</b>
enhance/build stronger relationships with its customers?			
Does the Command include risk management in determining resource allocation?			
Does the Command have a systematic, proactive approach in place to ensure that all levels of management and all employees receive the commensurate level of initial training regarding their day to day duties and responsibilities and appropriate follow-on and/or additional training when new processes or materials are introduced in the workplace or the individual(s) are assigned new duties and responsibilities?			
Does the Command apply for and receive Navy, DoD, Federal or Community Awards Recognition?			
Does the Command participate in the regulatory rulemaking process, participate in regulatory agency workshops, have the CO initiate courtesy communications with the regulatory community, attend regular meetings (ie., scheduled at some frequency) with regulatory community, participate with regulators on integrated project teams and is there Command level participation in "inbriefs/outbriefs" before and following regulatory inspections?			

*Objective 3 Generate and implement ideas.*

3.1 The *Innovation Process Attributes Template* lists some of the attitudes, behaviors, and actions necessary for the generation and implementation of ideas. The template measures how well you understand and put into practice these attributes, tools and techniques. The Template recognizes the necessary steps in the Innovation Process and outlines attributes for each step. It determines if you have created a working environment that Encourages Idea Generation and an Ongoing Implementation Process to Capture, Evaluate and Implement ideas as they are generated.

Complete the *Innovation Process Attributes Template* by answering Yes or No to each of the 30 questions. Each Yes answer is worth 3 points. There are a total of 90 points.

<b>Encouraging Ideas</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>
1. Is there a formal system in place to recognize and/or reward those who generate improvement ideas?			
2. Is there a formal system in place for employees who attend conferences/courses to share information and new ideas with their peers e.g. trip reports distributed, presentations at staff meetings?			
3. Is idea generation, implementing ideas, continuous improvement, innovation, benchmarking in their respective areas included as individual employee performance elements, performance objectives and/or position description?			
4. Is idea generation and sharing ideas included in employee performance elements, performance objectives and/or position descriptions			
5. Is there an ongoing process such as regular staff meetings, email exchange, weekly status reports to give employees opportunities to widely share: new information; lessons learned; good news; new ideas, and even failures with fellow employees?			
6. Do you routinely allow time during meetings to develop ideas?			
7. Do you use tools and techniques to tap into the ideas of ALL your workforce?			
8. Is training available to help develop creativity and introduce tools and techniques for successful innovation processes?			
<b>Capturing Ideas</b>			
9. Do members of your organization often contact or are contacted by peers from other organizations to share information, best management practices, lessons learned, etc.?			
10. Do you benchmark?			
11. Do you have an Environmental "suggestion box" or a permanent Environmental "innovation team"?			
12. Do you keep a record of your ideas; your staff's ideas; other's ideas?			
13. Do you have a formal process to solicit and record ideas; suggestions from persons outside the Environmental Office?			
14. Do you use periodic or regular staff meetings or hold special meetings to get fresh ideas?			
15. Do you conduct brainstorming sessions?			

<b>Evaluating Ideas</b>			
16.	Do you empower/enable your staff to exercise judgement in completing tasks and/or improving practices?		
17.	Do you listen with an open mind and "seek to understand" other's ideas and encourage your staff to do likewise?		
18.	Do you have a formal system in place to evaluate ideas, e.g. a list of criteria, idea review panel, or customer feedback?		
19.	Do you routinely analyze total value added using factors such as economics/cost benefit, requirements vs. risk, environmental sustainability, investment opportunity, and mission support?		
20.	Do you look for affinity in ideas, attempt to link ideas, give opportunities to build on the "first idea"?		
21.	Do you resist judging and discarding ideas too early recognizing that "crazy ideas" could be breakthrough ideas?		
<b>Implementing Ideas</b>			
22.	Do you have an ongoing process to fully implement "good ideas"?		
23.	Do you reward/recognize/celebrate each milestone?		
24.	Do you document and publicize successes?		
25.	Do you reward/recognize incremental improvements equally with major breakthroughs?		
<b>Ongoing Implementation Process</b>			
26.	Does your environmental organization have a written and published vision?		
27.	Do staff members understand their individual roles in reaching the vision?		
28.	Do you have a short and long term plan to reach this vision?		
29.	Do you recognize the need for setting "stretch goals" as well as incremental improvement goals when planning?		
30.	Does the staff know that B+ results are more acceptable than "paralysis by analysis" and how and when to use the "Pareto Principle"/80/20 rule?		
<b>TOTAL # YES</b>			

3.2 This is a more objective measure of the success of your Implementation Process and thus encourages you to develop a process to capture ideas and track their life cycle. How many of the generated ideas are actually implemented? If you have a sophisticated Innovation Process that tracks ideas from generation to implementation, you can get make a very accurate determination of your *Innovation Success Rate*. If you don't currently have a process to track ideas, you can "guess" or make a "subjective determination. However, without an established Innovation Process, many good ideas are never implemented and many chances for "good news" are missed because ideas that are implemented go unnoticed. Count the number of "environmental" ideas generated at your Command during the last year. Now count the number of those same ideas that have actually been implemented. The ratio of ideas implemented to ideas generated is your *Innovation Success Rate*.

***Innovation Success Rate (%) = Ideas implemented/Ideas generated X 100*** (during the last year)

- Innovation success rate of >80% = 27 points
- Innovation success rate of >60% = 21 points
- Innovation success rate of >40% = 15 points
- Innovation success rate of >20% = 9 points
- Innovation success rate of >10% = 3 point

3.3. Describe in one page or less (process diagrams and graphics would be helpful), of any idea/s that have been implemented or will be implemented. This is an opportunity to share ideas, innovative results, and get constructive feedback within the environmental community. These can be ideas that have been implemented, now considered "Best Management Practices" (please don't repeat your BMP discussed in Proactive Management Measure 1.2) because they have met the test of time, OR proposed or recently implemented ideas that could become Best Management Practices. Ideas could come from any aspect of the Environmental Balanced Scorecard. (5 points)

<b>Ideas implemented (30 points maximum):</b>	
<b>Idea Title:</b>	

**Narrative:**