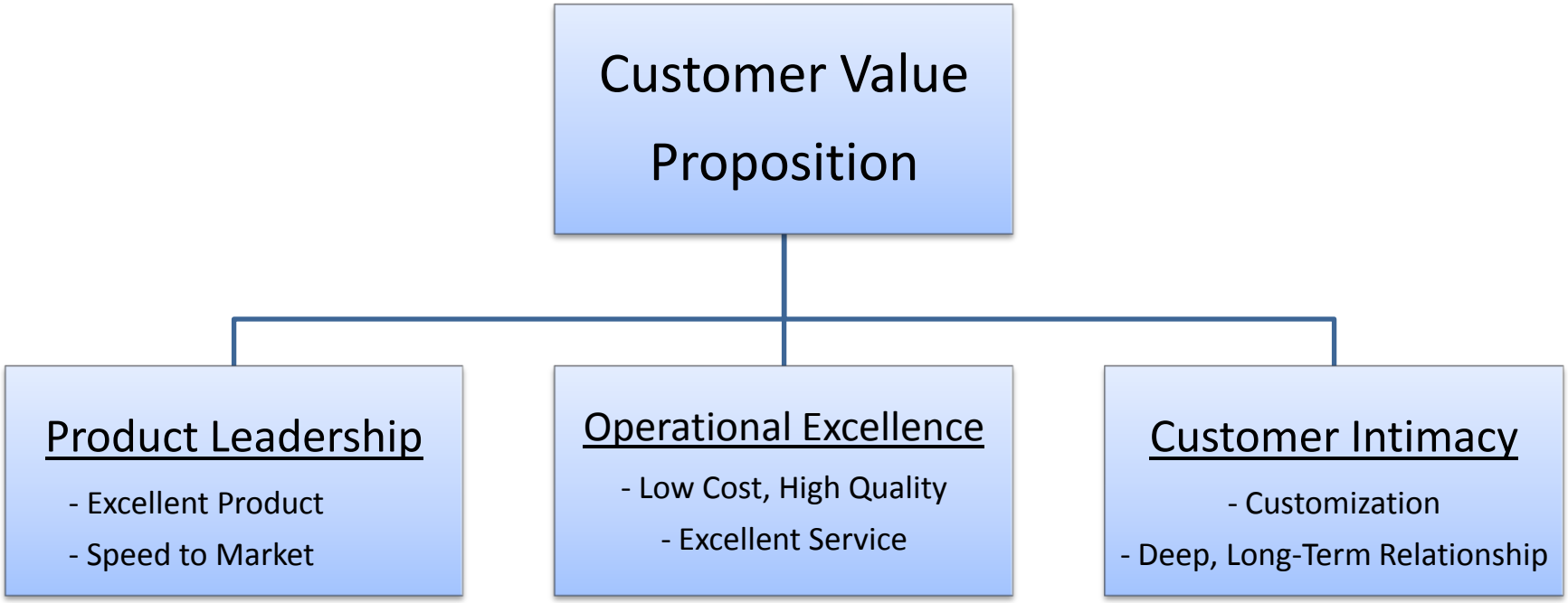
3rd Generation BSC

from scorecarding to strategy mapping to intangible asset alignment

Linking Value Proposition to Strategy

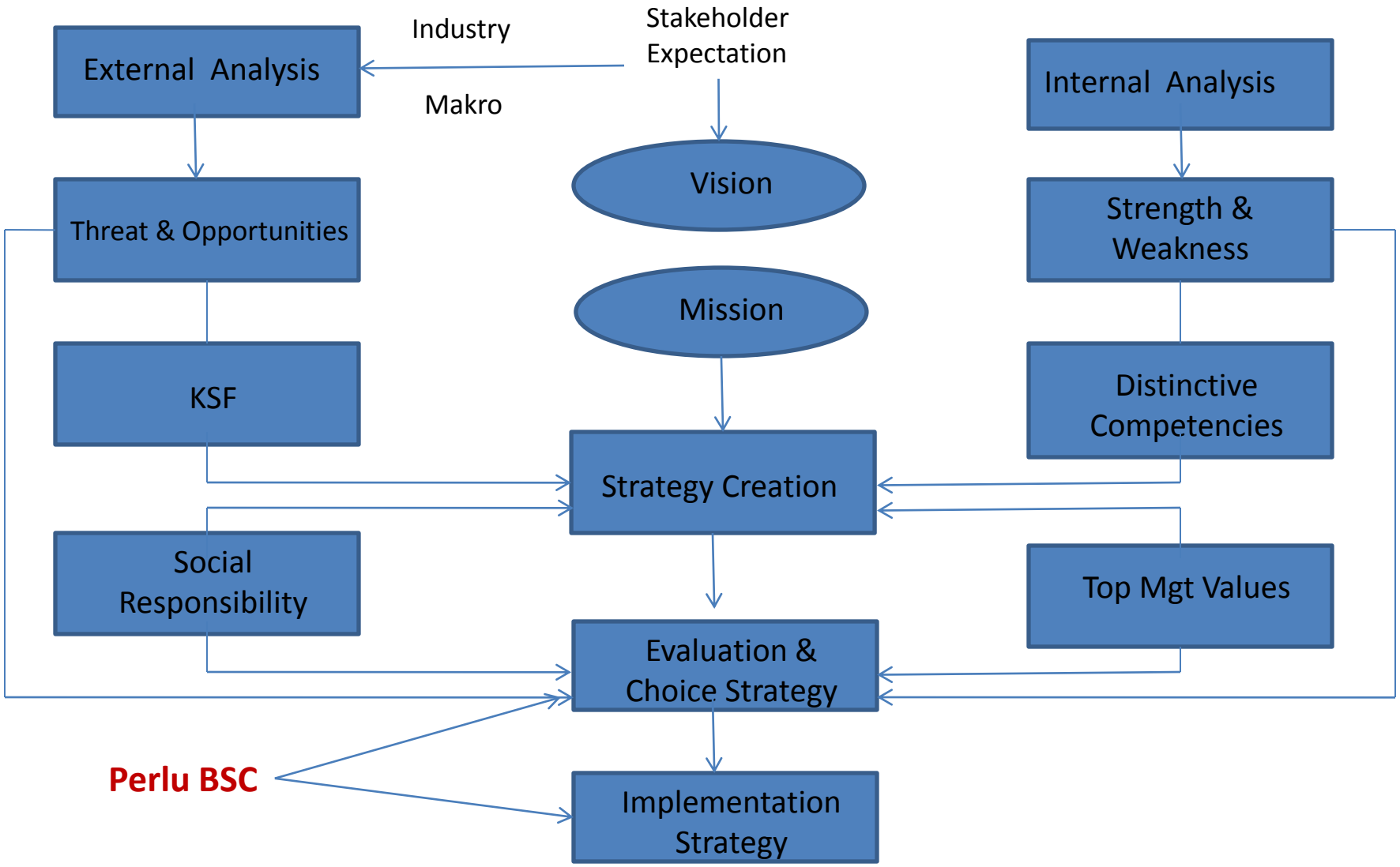


- Microsoft
- Intel
- Sony
- Nike

- Wings
- Carrefour
- Dell
- Toyota
- Postal Office

- Levi-Strauss
- DHL
- Astra Graphia

Strategy Development Model



Strategy Implementation Challenge

- Vision Barrier : Only 5% of the workforce understand the strategy
- People Barrier : Only 25% of managers have incentives linked to strategy
- Management Barrier : 85% of executive teams spend less than one hour per month discussing strategy
- Resource Barrier : 60% of Organization don’t link budgets to strategy

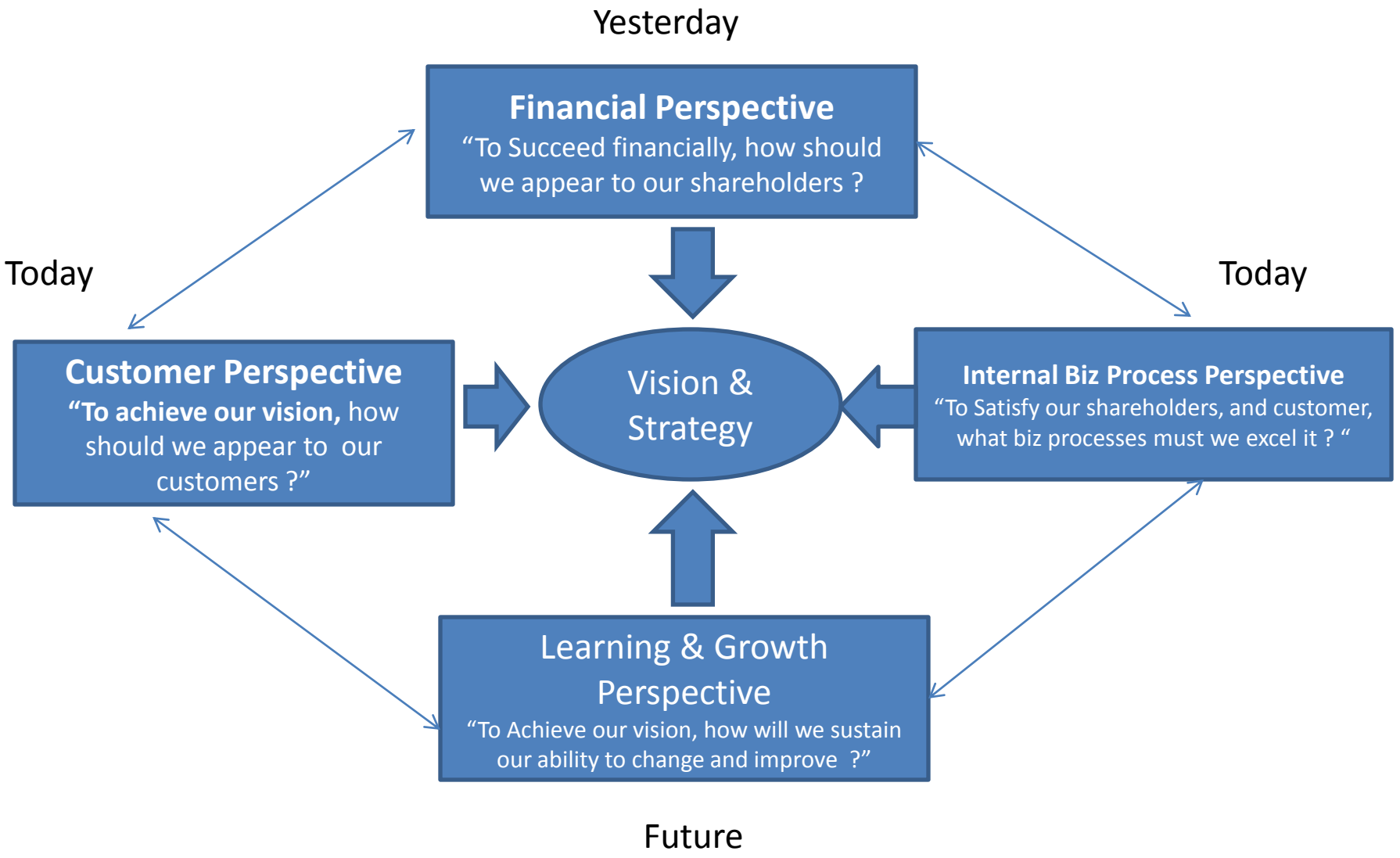


Balanced Scorecard

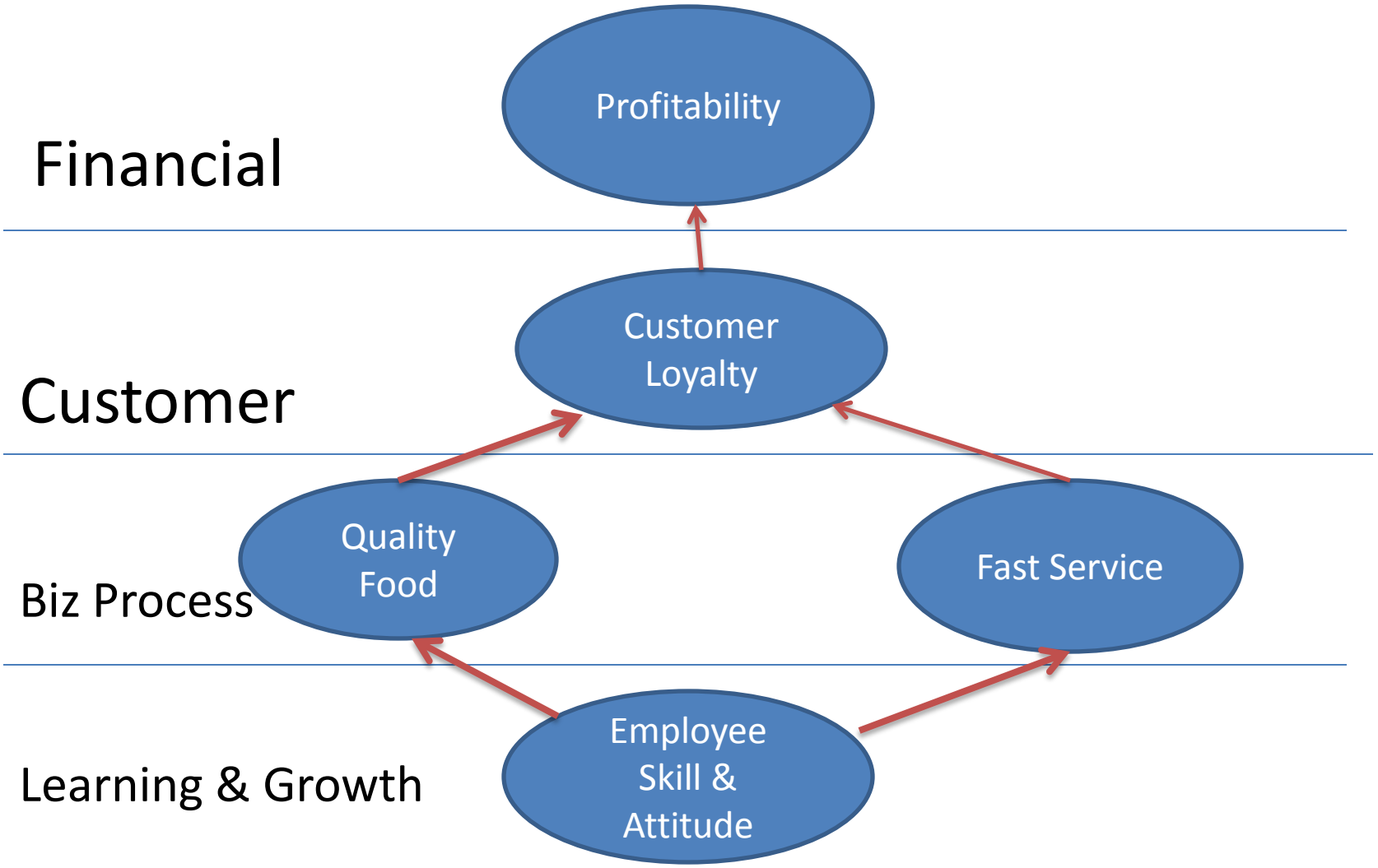
BSC Definition

- A management system that allows organization to translate its vision, mission and strategies into actions by focusing on a “dashboard” which shows balanced measured/indicators in defining the causal-effect of the company strategies, beyond mere financial measures
- It is tool to communicate strategy in operational terms to the stakeholders : management, employees, shareholders, customers and communities

BSC 4 Perspectives



Cause & Effect Relationship
Fast Food Restaurant



Understand The Terms

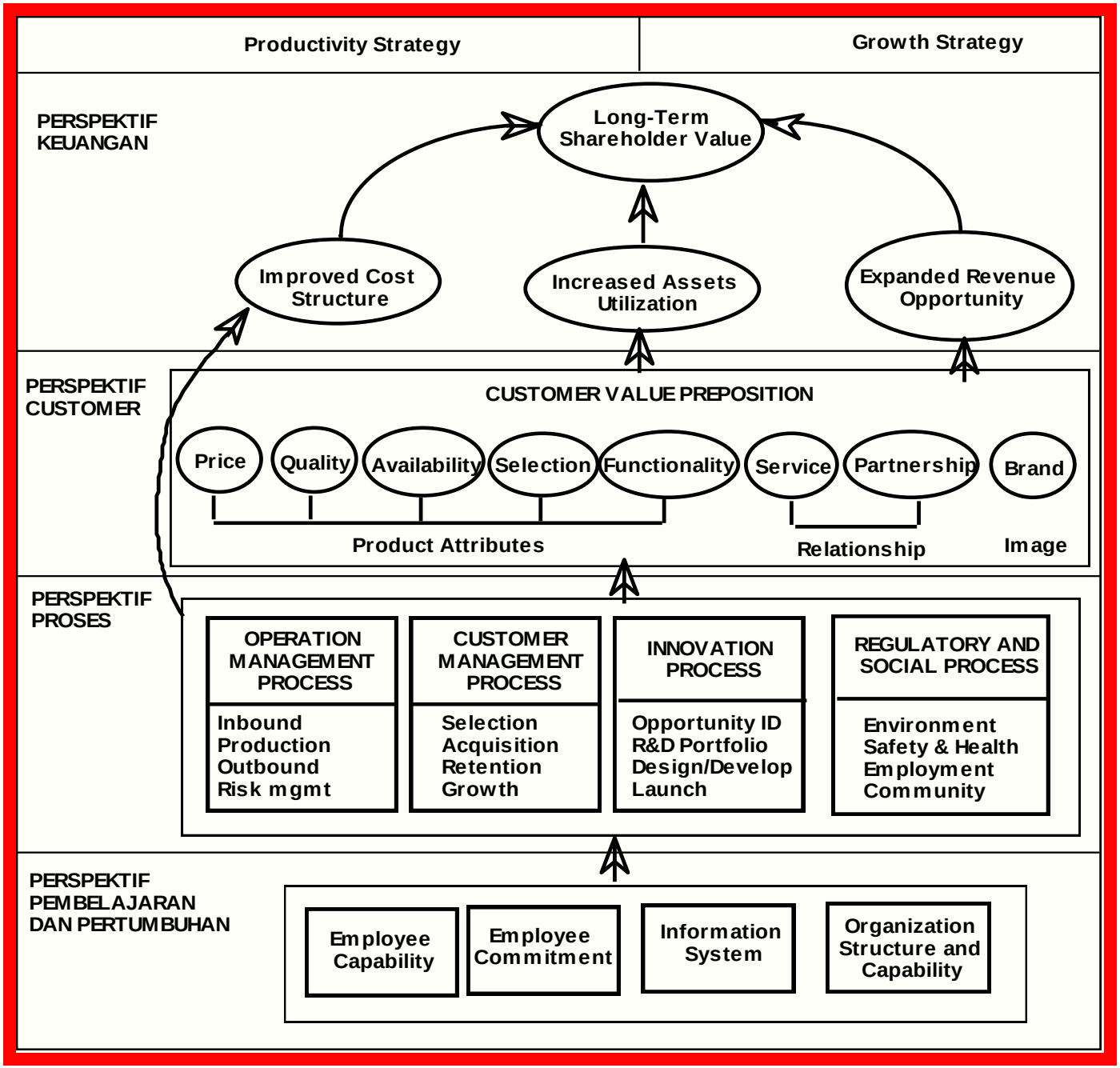
- Vision : A desired future outcome of an organization
- Mission : The reason of organization's existence, what we do today to achieve vision
- Values : Standart of belief and behaviors that guide people's actions
- Strategy : a set of activities differently from competitors, in order to deliver a unique mix of value to customer

Strategy Terms

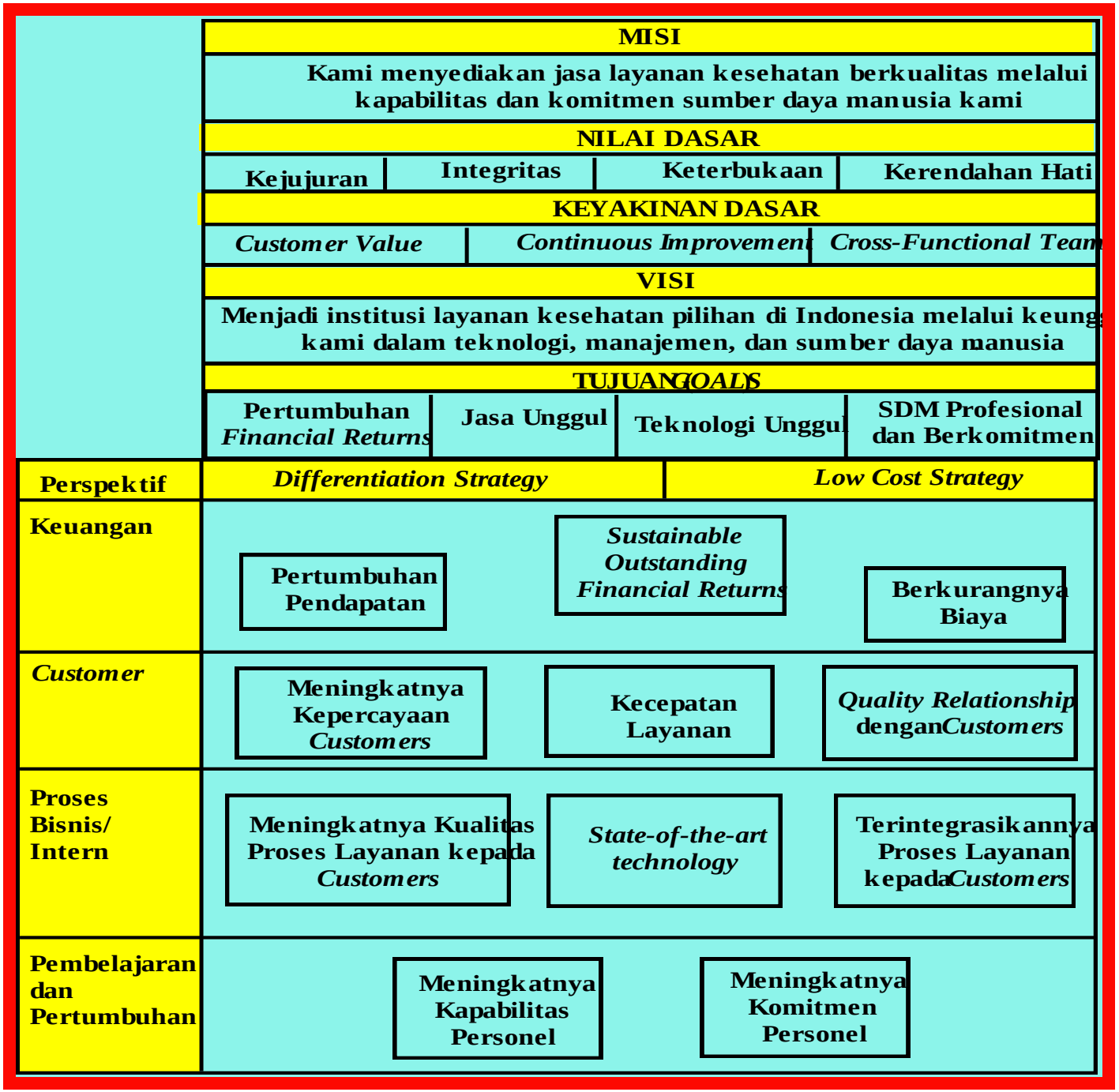
Strategy Map	• An interrelationship among strategy objectives in cause-effect format that reflects the “journey” of an organization’s strategy
Strategic Objectives	• A concise statement describing the major activities that an organization must do well in order to execute its strategy. A cause-effect mapping of SO is termed as strategy map
Strategic Initiatives/Action Plan	• Specific projects that need to be implemented in order to support the achievement of strategic objectives. A project normally has a beginning and ending points

First Generation of BSC

Financial Perspective	
Goals	**Measures**
Survive	Cash Flow
Succeed	Quarterly sales growth
	Operating Income
Prosper	Increased Market Share
	ROE
Internal Biz Process Perspective	
Goals	**Measures**
Tech Capability	Manuf. Index vs Competition
Manufacturing Excellence	Cycle Time
	Unit Cost
	Productivity
Design Productivity	Engineering efficiency
	Engineering Effectiveness
Customer Perspective	
Goals	**Measures**
New Products	% sales from new products
Responsive supply	On time delivery
Preferred supplier	Share of key acct purchases
Learning & Growth Perspective	
Goals	**Measures**
Tech Leadership	Time to develop next Generation
Product Focus	% of product sales per focus



Second Generation BSC (Using Strategy Map)



Comprehensive Strategy MAP

The Evolution

FIRST GENERATION	SECOND GENERATION
From Measurement	To Management
From Perspectives	To Strategic Linkages
From Controlling	To Strategy Communication
From Private	To Public Sectors

3 Generic Theme of BSC

- Revenue Growth & Mix
- Cost Reduction/Productivity Improvement
- Assest Utilization

LINKAGE

STRATEGY FORMULATION		STRATEGIC PLANNING AND PROGRAMMING		BUDGETING	
MARKET OVERVIEW	DEFINE THE BUSINESS AND STRATEGY	LONG-RANGE VALUE CREATING ACTIVITIES	LONG-RANGE PROJECTED FINANCIAL PERFORMANCE	SHORT-RANGE VALUE CREATING ACTIVITIES	SHORT-RANGE PROJECTED FINANCIAL PERFORMANCE
Trendwatching: Competitive environment Regulatory environment Macro-economic condition	Envisioning: * SWOT analysis * Mission * Vision * Core beliefs * Core values * Strategy	Strategic planning Strategic objectives Strategic initiatives Programming Program	Projected balanced sheet Projected income statement Projected cash flows	Budgeting Operating budget Capital budget Cash budget	Projected balanced sheet Projected income statement Projected cash flows

UKURAN PENCAPAIAN SASARAN STRATEGIK

- Ukuran hasil (*outcome measure* atau *lag indicator*) adalah ukuran untuk menunjukkan keberhasilan pencapaian sasaran strategik.
- Ukuran pemacu kinerja (*performance driver measure* atau *lead indicator*) adalah ukuran yang menunjukkan penyebab dicapainya ukuran hasil.

BEDA ANTARA LAG DAN LEAD INDICATOR

	UKURAN HASIL (*OUTCOME MEASURE OR LAG INDICATOR*)	UKURAN PEMACU KINERJA (*PERFORMANCE DRIVER MEASURE OR LEAD INDICATOR*)
Definisi	Ukuran yang menunjukkan keberhasilan pencapaian sasaran strategik	Ukuran yang menunjukkan penyebab atau pemacu ketercapaian ukuran hasil.
Contoh	Pangsa pasar (*market share*) Penjualan Kepuasan karyawan	Jam yang dikonsumsi dengan *customers* *Project proposal* yang ditulis Tingkat perputaran karyawan *(employee turnover)*
Sifat	Bersifat historis; diukur pada akhir periode waktu tertentu; umumnya mudah diidentifikasi dan dikumpulkan datanya	Umumnya berupa ukuran proses dan aktivitas antara; bersifat prediktif

SASARAN STRATEGIK DAN UKURANNYA

SASARAN STRATEGIK	OUTCOME MEASURE	PERFORMANCE DRIVER MEASURE
SHAREHOLDER VALUE		
S1 Pertumbuhan ROI	ROI	
S2 Pertumbuhan Pendapatan	Pertumbuhan Pendapatan Nonkelas	Revenue Mix
S3 Berkurangnya Biaya	Penurunan Biaya	Cycle Effectiveness
FIRM EQUITY		
F1 Meningkatnya Kepercayaan Customer	Persentase Pendapatan dari Customer Baru	Bertambahnya *Customer* Baru
F2 Kecepatan Layanan	*Throughput Time*	Berkurangnya *Non-Value-Added Time*
F3 Quality Relationship dengan Customer	*Customer Retention*	*Depth of Relationship*

SASARAN STRATEGIK DAN UKURANNYA

SASARAN STRATEGIK	OUTCOME MEASURE	PERFORMANCE DRIVER MEASURE
ORGANIZATIONAL CAPITAL		
O1 Meningkatnya Kualitas Layanan Kepada *Customer*	*Service Error Rate*	Berkurangnya *Service Error*
O2 *State-of-the Art Technology*	Perbandingan Nilai Peralatan Mutahkhir dengan Nilai Peralatan Lama	Investasi dalam Peralatan Baru
O3 Terintegrasikannya Proses Layanan Kepada *Customer*	*Respond Time*	*Cycle Effectiveness*
HUMAN CAPITAL		
H1 Meningkatnya Kapabilitas Personel	*Revenue Per Employee*	*Strategic Job Coverage Ratio*
H2 Meningkatnya Komitmen Personel	Kepuasan Personel	Survai Kepuasan Personel

TARGET

- Organisasi memerlukan *milestones* yang ditancapkan di sepanjang perjalanan untuk menandai keberhasilan pencapaian sasaran strategik
- Target ibarat *milestone* yang menandai *achievement* yang dicapai dalam perjalanan mewujudkan sasaran strategik.
- Kisaran target:
  - *Threshold*
  - *Midpoint*
  - *Stretch*

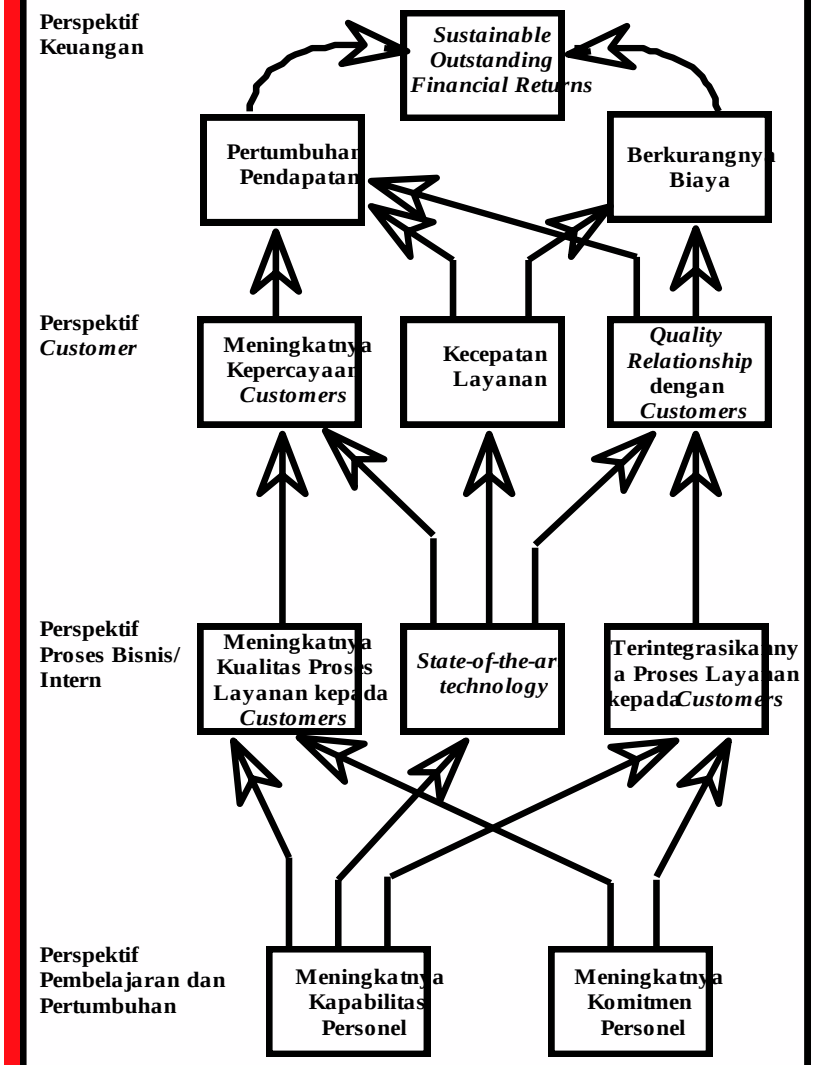
INISIATIF STRATEGIK

- Inisiatif strategik merupakan *action program* yang bersifat strategik untuk mewujudkan sasaran strategik.
- Berupa pernyataan kualitatif.
- Berupa langkah besar yang jika dijabarkan akan terdiri beberapa program dan beberapa tahun untuk menyelesaikan program-program tersebut.

Komprehensif dan Koheren

Terukur

PERSPEKTIF	STRATEGY MAP



SASARAN STRATEGIK	LAG INDICATORS	LEAD INDICATORS	TARGET	INISIATIF STRATEG
Perspektif Keuangan				
Sustainable Outstanding Financial Returns	ROI	*Revenue Mix*	Tumbuh 15%/th	
Pertumbuhan Pendapatan	Pertumbuhan Pendapatan Kelas		*Revenue* dari pendptan kelas dengan nonkelas berbanding 4:1 mulai tahun ke-3	
Berkurangnya Biaya	Penurunan Biaya	*Cycle Effectiveness*	Turun 15% pada tahun ke-3	
Perspektif *Customer*				
Meningkatnya Kepercayaan *Customers*	Persentase Pendapatan dari *Customer* Baru	Bertambahnya *Customer* Baru	15%/ tahun	Peningkatan Kualitas Data untuk Layanan *Customers*
Kecepatan Layanan	*Throughput Time*	Berkurangnya *Non-value-added Time*	15 menit mulai tahun ke-3	Peningkatan Kecepatan dan Ketepatan Layanan *Customers*
Quality Relationship dengan *Customers*	*Customer Retention*	*Depth of Relationship*	90% *customers* tetap menjadi *customers* mulai tahun ke-3	Pembangunan Kemitraan dengan *Customers*
Perspektif Proses Bisnis/Intern				
Meningkatnya Kualitas Proses Layanan kepada *Customers*	*Service Error Rate*	Berkurangnya *Service Error*	1% mulai tahun ke-3	Pembangunan *Boundaryless Organization*
State-of-the-art technology	Perbandingan Nilai Peralatan Mutakhir dengan Nilai Peralatan Lama	Investasi dalam Peralatan Baru	5 : 1	Pendesainan dan Instalasi *Digital Nervous Systems*
Terintegrasikannya Proses Layanan kepada *Customers*	*Respond Time*	*Cycle Effectiveness*	15 menit	Peremajaan Ekuipmen secara Berkelanjutan
				Business Process Reengineering
Perspektif Pembelajaran dan Pertumbuhan				
Meningkatnya Kapabilitas Personel	*Revenue per Employee*	*Strategic Job Coverage Ratio*	Rp100 juta per orang	Pendidikan dan Pelatihan *Strategic Job*
Meningkatnya Komitmen Personel	Kepuasan Personel	Survai Kepuasan Personel	Indeks 90 mulai tahun ke-3	Rekruitmen untuk Mengisi *Strategic Job*
				Peningkatan *Quality-work Life*

BUDGETING

Inisiatif Strategik / Program	Total Kebutuhan Dana (Investasi)	Tahun 20X4	20X5	20X6	20X7	20X8
Perspektif *Customer*						
Peningkatan Kualitas Data untuk Layanan *Customer*						
Program Komputerisasi Rekam Medik						
Program Pemanfaatan Data Lab untuk Diagnose						
Peningkatan Kecepatan dan Ketepatan Layanan *Customer*						
Program Standarisasi *Medical Treatments*						
Program Layanan Cepat						
Pembangunan Kemitraan dengan *Customer*						
Program Dokter Keluarga						
Program Layanan Kesehatan Kelompok						
Perspektif Proses Bisnis/Intern						
Pembangunan *Boundaryless Organization*						
Program Pembangunan Org. Lintas Fungsional						
Program Pembangunan Jejaring Organisasi						
Program Penyediaan Tempat Praktik Dokter						
Peremajaan Ekuipmen secara Berkelanjutan						
Program Peremajaan *Medical Equipment*						
Program Penyediaan Fasilitas Multimedia						
Program Pembangunan Fasilitas Perpustakaan						
Program Peningkatan Fasilitas Telekomunikasi						
Business Process Reengineering (BPR)						
Program BPR Layanan Rawat Jalan						
Program BPR Layanan Rawat Inap						
Program *Outsourcing* Fungsi Pendukung						
Program BPR Layanan Kepada Pemasok						
Perspektif Pembelajaran dan Pertumbuhan						
Pendidikan dan Pelatihan *Strategic Job*						
Program Pendidikan dan Pelatihan Dokter						
Program Pendidikan dan Pelatihan Paramedik						
Rekruitmen untuk Mengisi *Strategic Job*						
Program Pendidikan dan Pelatihan *Managerial Skills*						
Program Rekruitmen Tenaga Medik dan Paramedik Berkualitas						
Peningkatan *Quality Work Life*						
Program Pembangunan *Mindsets* Personel						
Program Pembangunan Kebanggaan Personel						
Program Penghargaan Berbasis Kinerja						
Program *Stock Option Plan*						
Program Layanan Hari Tua						

Financial Perspective : Core Measure

- Goal : Long Term Shareholder Value
- Short Term : Productivity Strategy
  - Improve Cost Structure (reduce cash expenses, eliminate defect)
  - Increase Asset Utilization (manage capacity, eliminate bottlenecks)
- Long Term : Growth Strategy
  - Expand Revenue Opportunities (new products, markets, partners)
  - Enhance Customer Value (cross selling, increase wallet share)

Customer Perspective : Core Measures

- Market Share
- Customer Acquisition
- Customer Retention
- Customer Satisfaction
- Customer Profitability

Internal Biz Proses : Core Measure

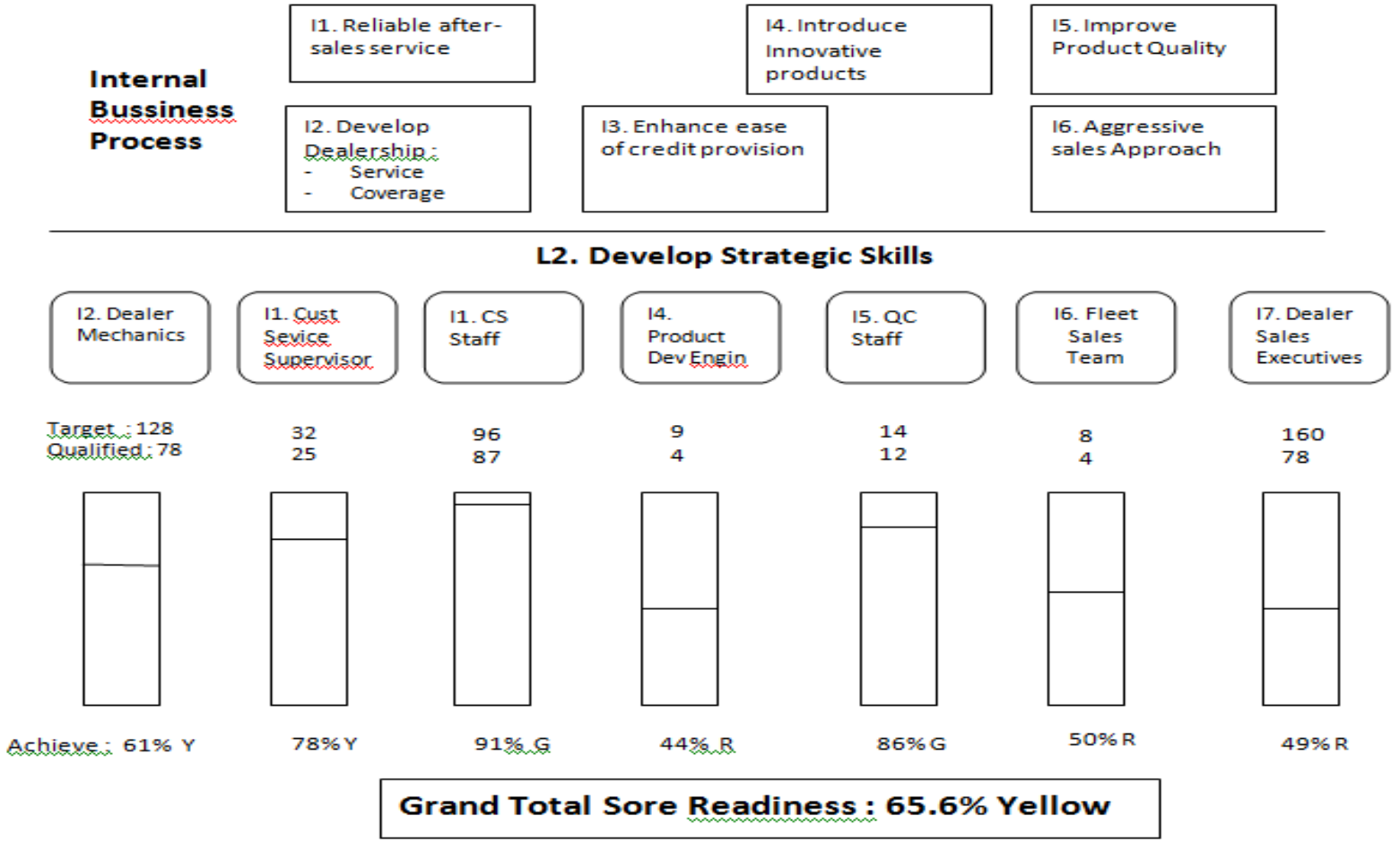
- Order Generation
- Order Fulfillment
- Developing New Products/Services
- On-going Customer Support

Learning & Growth : Core Measure

- Human Capital Readiness : skill, knowledge, values (mana yang R/Y/G)
- Information Capital Readiness : systems, databases, network (mana yang R/Y/G)
- Organizational Capital Readiness : culture, leadership, alignment, teamwork (mana yang R/Y/G)

Third Generation BSC

Tomida Human Capital Scorecard (Strategic Job Readiness)



The Evolution

From Strategy Linkages to Intangible Asset Readiness

Intangible Asset Readiness

Asset	Objective	Measure	Target	Actual
Human Capital	**HC Portfolio** : Understand and Eliminate gaps competencies	Strategic Job Readiness	75%	65% (Yellow)
Organization Capital	**Leadership** : Build leader at all levels	Leadership Gap	90%	92% (Green)
	Culture : Develop awareness & internalisasi Vision, Mission, Core Value	Cust Survey Employee Survey	80%	52% (Red)
	Alignment : Ensure alignment of goals & incentives with the strategy at all Org	Strategic Awareness & Alignment	80%	75% (Yellow)
	Teamwork : Ensure sharing of knowledge	Best Practice Sharing (KMS)	75%	80% (Green)
Information Capital	Information Capital Portfolio	Inf Portfolio Readiness	95%	70% (Yellow)