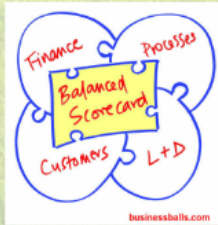


The Balanced Scorecard in China: Does it Work?

What it is the Scorecard? Thecasesolutions.com

- The **Balanced Scorecard**, first proposed in the January-February 1992 issue of HBR ("The Balanced Scorecard - Measures that Drive Performance"), provides executives with a comprehensive framework that translates a company's strategic objectives into a coherent set of performance measures.
- Much more than a measurement exercise, the **balanced scorecard** is a management system that can motivate breakthrough improvements in such critical areas as product, process, customer, and market development.



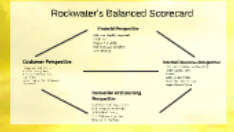
Main differences of traditional measures from scorecard Thecasesolutions.com

- Companies use measures that are and bottom up and derived from ad hoc processes. While the scorecard's measures are organized in an organization's strategic objectives and consistent demands.
- While traditional financial measures report on what happened last period, without indicating how managers can improve performance in the next, the scorecard functions as the composition of a company's current and future success.
- Moreover, the information flow for the four perspectives provides a link between external measures like operating income and internal measures like new product development.
- Finally, if the local engagement programs lack a series of objectives, the balanced scorecard can serve as the focal point for the organization's efforts, clarifying and communicating priorities to managers, employees, investors, and customers.

Rockwater:
Responding to a Changing Industry

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Step 4

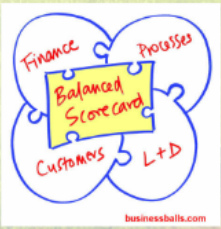
Step 4

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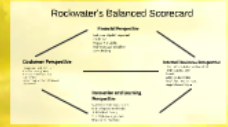
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- Moreover, the information flow for the four perspectives provides a link between external measures like operating income and internal measures like new product development.
- Finally, not all financial management programs lack a corner of integration. The balanced scorecard can serve as the focal point for the organization's efforts, clarifying and communicating priorities to managers, employees, investors, and customers.

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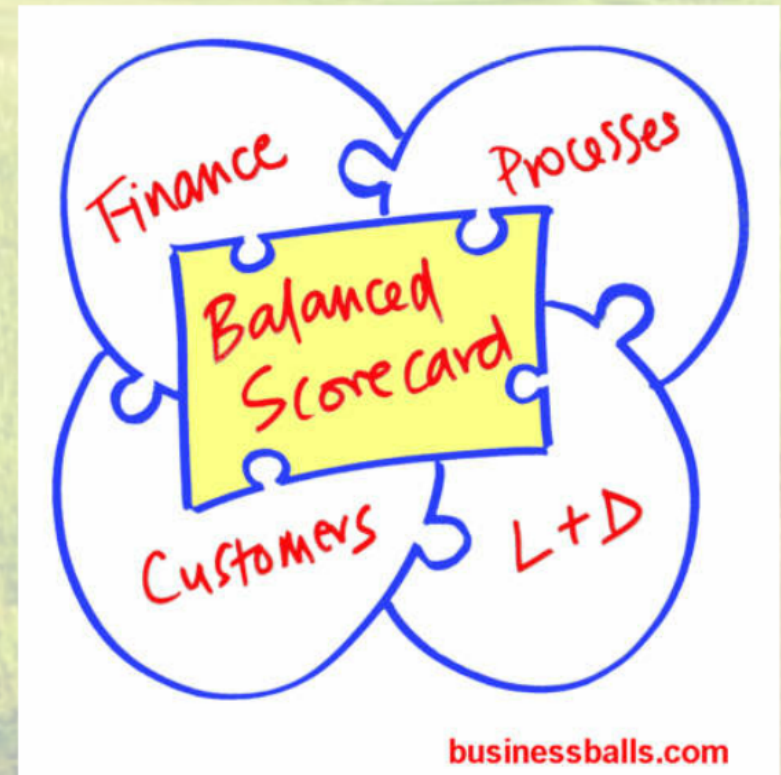
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Main differences of traditional measures from scorecard

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- Companies use measures that are top-down and derived from ad hoc processes. While the scorecard's measures are grounded in an organization's strategic objectives and competitive demands.
- While traditional financial measures report on what happened last period, without indicating how managers can improve performance in the next, the scorecard functions as the cornerstone of a company's current and future success.
- Moreover the information from the four perspectives provides balance between external measures like operating income and internal measures like new product development.
- Finally, other local improvement programs lack a sense of integration. The balanced scorecard can serve as the focal point for the organization's efforts, defining and communicating priorities to managers, employees, investors, even customers.

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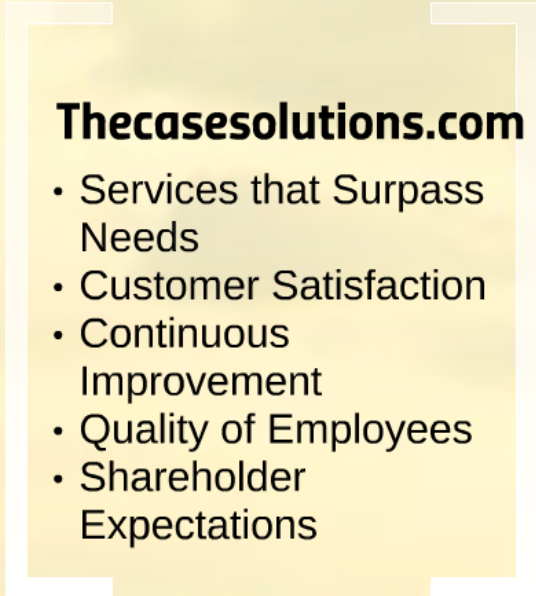
Rockwater's Strategic Objectives

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Vision



Strategy



Financial

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- Return on Capital
- Cash Flow
- Project Profitability
- Reliability of Performance

Customer

- Value for Money Tier I
- Competitive Price Tier II
- Hassle-Free Relationship
- High-Performance Professionals Innovation

Internal

- Shape Customer Requirement
- Tender Effectiveness
- Quality Service
- Safety/Loss Control
- Superior Project Management

Growth

- Continuous Improvement
- Product and Service Innovation
- Empowered Work Force

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"As our customers' preferred provider, vfe shall be the Industry leader. This is our mission."

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- Services that Surpass Needs
- Customer Satisfaction
- Continuous Improvement
- Quality of Employees
- Shareholder Expectations



Objectives

Financial

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- Return on Capital
- Cash Flow
- Project Profitability
- Reliability of Performance

Customer

- Value for Money Tier I
- Competitive Price Tier II
- Hassle-Free Relationship