

Sodexho (A): Creating Strategic Alignment with the Balanced Scorecard





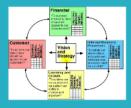
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Strategy tool created in 1987 to control and monitor activities

Regards 4 different perspectives

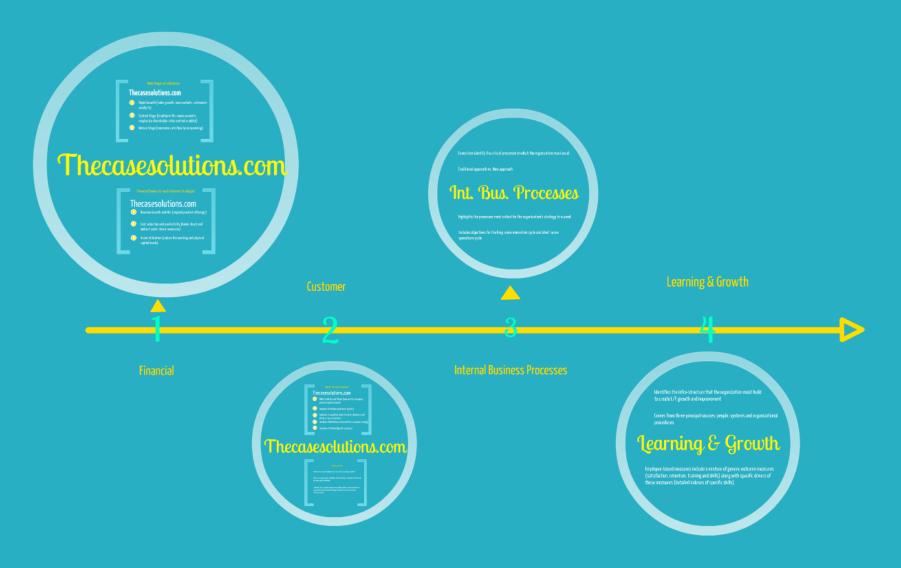
Comprises both financial and non-financial measures

These measures must provide a clear representation of the organization L/T strategy



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4 PERSPECTIVES OF THE BALANCE SCORECARD



Main Stages of a Business

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- Rapid Growth (sales growth, new markets, customers, products)
- Sustain Stage (traditional fin. measurements, emphasize shareholder value and value added)
- Mature Stage (maximize cash flow by no spending)

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Financial themes to reach business strategies

- Revenue Growth and Mix (expand product offerings)
- Cost reduction and productivity (lower direct and indirect costs, share resources)
- Asset utilization (reduce the working and physical capital levels)

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Generic Outcome Measures

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- Market and Account Share (how well is a company penetrating the market)
- Customer Retention (customer loyalty)
- Customer Acquisition (rate at which a business unit attracts new customers)
- Customer Satisfaction (how well the company is doing)
- Customer Profitability (ABC systems)

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Value Propositions

Is the key for understanding the drivers of the core measurements

There are some common attributes (product/service, customer relationship, and image and reputation)

Summary: The customer perspective enables business units managers to articulate a market-based strategy that will deliver superior future financial returns

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