<u>Discuss</u> the design and features of strategic management technologies ('balanced scorecard' and 'the levers of control')

*Example – regional airline

- Mission is quite vague but the vision is specific.
- Need to improve turnaround time.
- Point to point lots of movements.
- Core improve internal business process
- Measurement targets and initiatives
- Missing in the vision: Financial indicator lag indicator: reduce airport costs related to on ground time
- BSC is a circular, creative and a dynamic process
- Ground crew training amount: 'training time'
 & effect 'absenteeism'; time lost and cost of absenteeism
- Cost reduce → increase profitability AND lower price and thereby increase customers;
- Reducing turn around time on time flights →
 increase customer satisfaction (specific to on time,
 online ranking)
- Customer satisfaction measures has to be specific to having on time flights. On time ranking as per customer will be crucial. Increased customers will be an excellent measure. Overall customer ranking is too general.
- Financial measures: lease cost having few planes, <u>seat revenue</u> is not what we want – we want increased capacity – want <u>revenue per plane</u> to go up?

Generic version – applies to manufacturing scenario

- Cause and effect r/ship
- Loyalty can come through on time delivery, and underpinning success
- Process quality: No machine downtime or breaks,
- Process cycle time (receive PO and send)
- Absenteeism and training
- Link to Porter's value chain too much input and output oriented, doesn't look at intangibles; value chain is too complex.

K&N: ultimate input is knowledge and growth. More easy to use. More applicable, pragmatist. Inherently

Example Balanced Scorecard: Regional Airline

Mission: Dedication to the highest quality of Customer Service delivered with a sense of warmth, friendliness, individual pride, and Company Spirit.

Vision: Continue building on our unique position -- the only short haul, low-fare, high-frequency, point-to-point carrier in America.

Theme: Operating Efficiency	Objectives	Measures	Targets	Initiatives
Financial Profitability Lower costs Increase Revenue	Profitability Fewer planes Increased revenue	Market Value Seat Revenue Plane Lease Cost	* 25% per year * 20% per year * 5% per year	Optimize routes Standardize planes
Customer More Customers fights Lowest Prices	Flight is on -time Lowest prices More Customers	FAA On Time Arnval Rating Customer Ranking No. Customers	• First in industry • 98% Satisfaction • % change	Quality management Customer loyalty program
Internal Improve Turnaround Time	Fast ground turnaround	On Ground Time On-Time Departure	* <25 Minutes * 93%	Cycle time optmization program
Align Ground Crews	Ground crew alignment	% Ground crew stockholders % Ground crew trained	yr 1 70% yr 4 90% yr 5 100%	Stock ownership plan Ground crew training

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