BSC AS A PERFORMANCE MEASURING TOOL IN ENERGY ENTERPRISE

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Annotation

Initiate article is intended to show possibilities of using a methodology Balanced Scorecard (BSC) in managing the company through balanced indicators. A short characteristic of the offered methodology is described in the second part of the article: a short characteristic of an enterprise performing its activities in the field of energetics in the third part of the article. The main contribution of the article is the fourth part, which is focused on the possibility of applying the BSC method. Moreover, this section includes short description of software applications that can be used in solving problems in managing the company.

Keywords

Balanced Scorecard (BSC), a Management Information System (MIS), Key Performance Indicators, Indicators of Financial Perspectives

1 INTRODUCTION

Simplification or repeal of regulations, that restrict market forces, has also an impact in the energy sector. The gradual removal of government control over business in the energy sector has become visible in all countries of European Union. In the paper we describe some effects of the deregulation on customer processes in the contact centers of energy companies. We analyze the possible benefits for customer service using the BSC method.

2 CHARACTERISTICS OF THE METHODOLOGY BSC

Balanced Scorecard (BSC) presents a strategic system for a company management through balanced indicators. At present, it is used not only for managing in business objects, but also in banks, insurance companies, schools, hospitals, government organizations and so on. In creating a system BSC, which is based on managing by objectives, the sequence of steps is used, including in particular: direction for strategic guidance, metrics, and indicators, sources of information, computation and report BSC will be linked with processes and activities to ensure the potential for success – growth.

Generally, the system BSC can be characterized by four perspectives: financial, customer, procedural and learning and growth. Each BSC perspective includes:

- objectives – defining the main objectives to be attained in each perspective
- gauges – indicators that measure processes to achieve objectives
- short-term targets – represents values for gauges and they can be split to relevant organizational units
- initiatives – actions needed to achieve set targets; they might indicate e.g. sale supporting methods, personnel deployment, etc.

3 SELECTED CHARACTERISTICS OF AN ENERGY ENTERPRISE

The process of the electricity market liberalizing has caused a decrease of jobs in energetics - in the sector of an operation and maintenance in original vertically organized companies, but it has brought a demand for increase in number of workers in the sector of the trade with electricity (electricity products offering, its marketing, offset variations, short-term market, purchasing products at stock market, consulting services, advisory services, legal services, etc.). In energetics, there exist several types of enterprises, which play an irreplaceable role in electricity market. The basic types include: a transmission system, a distribution system, an electricity producer, an electricity supplier, an electricity dealer, an electricity customer. All mentioned participants of the electricity market conduct their business through contracts.
4 POSSIBILITIES OF USING THE METHODOLOGY BSC

Application of BSC presumes not only selecting the key indicators but also identifying their interdependence. Thus it is necessary to define responsibly the main source of information for implementation of the BSC methodology. We consider approach where the main source of information is ERP system, and input BSC information doesn’t have to come necessarily from the information system but their source can be also different agendas kept in the company e.g. in MS Excel etc. A very effective instrument in implementing BSC approach is e.g. ARIS BSC (Business Strategy Creator) application, application of the firm QPR, but also other applications such as BSC Designer, which introduces web-oriented solution and facilitates measurement, management and administration as to improve business performance and it is available in the following versions: BSC Designer Light, BSC Designer Standard, BSC Designer PRO a BSC Designer Online. Due to conditions of the company the application program BSC Designer Standard can be applied in such sequence:

a) defining the basic orientation and vision (the main strategic objective)
b) suggestion of 1st group of indicators, which are based on supporting process and competencies, products and services
c) suggestion of 2nd group of indicators, which are characterized by the relevant attributes (objectives, scale, target value, proceeding of realization, weight) in different perspectives

Application of BSC Designer allows implementing outputs in the form of reports (the most famous is the Dashboard report) and charts (Diamond, Time, Optimization, Cake, Absolute Weight, Dial, Risk, Performance, Progress). The basis for performance measuring in an enterprise is defining the objectives. Grouping and achieving the objectives is possible from all perspectives of methodology BSC, but in practical applications e.g. in process perspective, there are identified processes and tasks which are focused also on information about customer satisfaction. Nowadays, the topic of customer processes in the contact centers of energy companies is particularly topical. In order to achieve significant progress in simplifying the customer process (end-to-end), it is needed to implement key indicators for performance monitoring (KPI) that will provide the required level of customer satisfaction. The BSC method we will use then as a system to measure and harmonize the objectives.

5 CONCLUSION

In proposition of BSC, the indicators of primal orientation of the company should be taken into consideration; in a particular case mostly those that facilitate customer processes, in the main including:

- customer satisfaction to corporate strategy and indicators implementation, which provide / express a certain level of satisfaction,
- intelligent feedback from customers, which reflects its real problems,
- intuitive user interface using information technologies for contact centers workers and customers as well.

The questionnaire survey, carried out under the grant project VEGA, showed that although companies are familiar with the BSC methodology they rather not consider its application. In cases they use this method in the company management dominate indicators of the financial perspective with emphasis on sales growth and less on long-term profit. Some companies in the energy sector, however, have indicators also in the customer perspective, internal business processes, but also in the perspective of learning and growth (e.g. indicators of process performance – coefficient of utilization and flexibility of decision-making). Thus we can conclude a good prospect for the use of BSC in business practice in Slovakia.

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6 REFERENCES