Balanced Scorecard

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Introduction

Performance measurement contributes to monitoring the current performance of the enterprise, producing external indicators that require the development of sources. Additionally, there are incentives to enhance performance through several balanced measurement criteria that reflect the enterprise priorities:

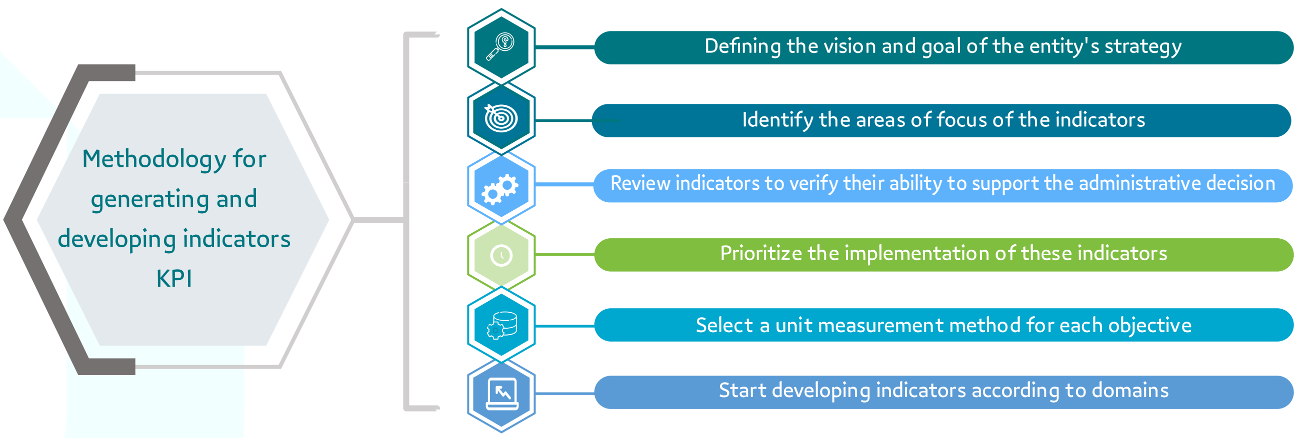
01 Financial and Non-Financial Indicators

02 Final and catalytic indicators

The competence level of employees is measured through control tools to quantify performance development and achieve Strategic and operational objectives through: (observation, comparison, analysis). Performance is measured within Institutional Organizational units as follows:

- Performance of the enterprise as a whole
- Personnel Performance
- Performance of organizational units

Some enterprises adopt a set of performance indicators as a tool to monitor the productivity of employees or departments associated with selling without paying attention to its connection with the vision and strategy of the enterprise, and to make the most of the indicators of the performance is most effective and without wasting effort, performance indicators must be linked to initiatives and strategies



Karta method for creating KPIs

The task of defining performance indicators (KPI) is a difficult task for SMEs, which has led to the development of
Karta method for building performance indicators (Methodology Karta@), so SMEs can use it easily. Performance indicators derived from the Karta method work based on the performance of the business and the extent of

The success of the enterprise's strategy with the aim of:

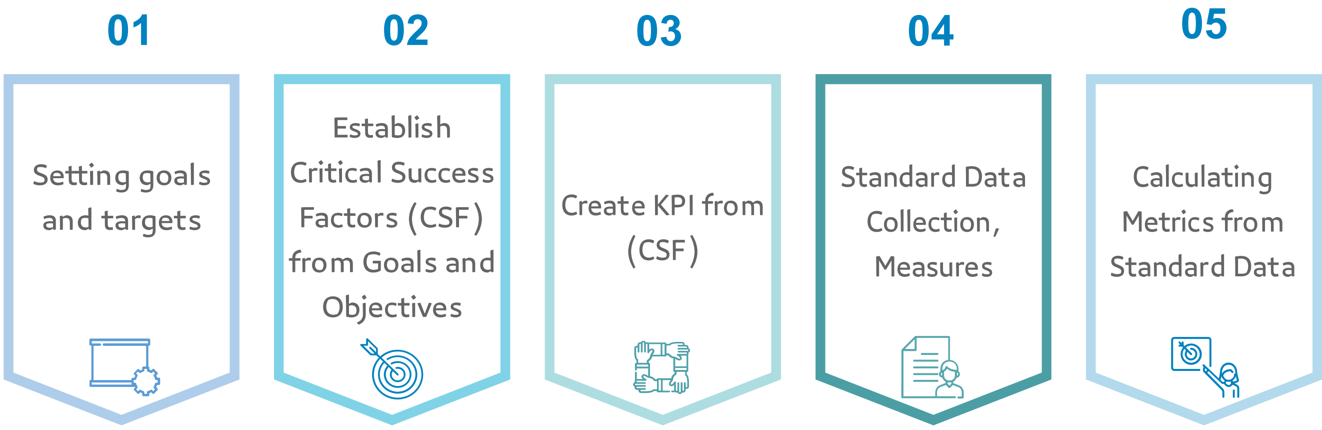
1. Making the strategy measurable
2. Select applicable metrics using the correct data
3-Differentiate between performance indicators and standard data
4. Focus and avoid over-releasing performance indicators

The following diagram shows that KPIs are driven by goals and targets but are based on benchmark data.
The following are divided into:

- **Operating sector aspect to goals and objectives**, and critical success factors
- **Technology sector side to metrics**, standard data available Objectives & Goals

Karta method for creating KPIs

The Karta approach is based on the five-step approach to creating measurable and actionable KPIs:



01 Setting goals and objectives:

The goals and objectives of the enterprise and the primary purpose of the activities are set either to increase sales or to decrease

Increase sales by finding sales opportunities

Reduce customer service costs by training them

02 Establishing Critical Success Factors

Critical Success Factors (CSF) of goals and objectives are a limited number of key activities that must be focused on by the individual, department, or organization to be successful.

03 Creating a Key Performance Indicator (KPI'S)

KPIs are identified in this step as critical success factors, but are calculated in Step 5, as will be seen in the next two steps:

- There are an infinite number of metrics and measures available to consider.
- Determine not the extent and how the business performs, but the KPIs, as all KPI's are metrics, but not all metrics are KPIs.

04 Standard Data Collection Measures

Measures are raw numbers that have limited utility in themselves, but in the end, they should be
linked together to extract the most useful information possible.

Karta method for creating KPIs

05 Calculating Metrics

It is an account of standard data Measures, and it is always expressed as ratios, averages, rates, or percentages. We have a large number of scales because the standard data can be formed in many forms in many ways and the scales are calculated from the standard data.

Presenting the Balanced Scorecard as a Strategy Implementation Tool

Kaplan and Norton conducted a study on 10 companies to force the discovery of new ways of measuring performance. This study found that financial measures of performance alone are not sufficient to evaluate the performance of business organizations, so the need to use balanced scorecards as a tool to meet the challenges facing the modern enterprise as well as its role in organizing information. The Balanced Scorecard enables enterprises to translate the enterprise's vision into a consistent set of strategic objectives that help them measure and evaluate their business with a holistic view through four dimensions:

Financial Dimension

It is the destination of the accounts, and it looks at the performance of the institution through financial indicators and depends on the figures for revenues and expenses.

Beneficiaries Dimension:

Represents the marketing point of view and looks at the organization's performance through market indicators and customer management after internal actions: Represents the production point of view and looks at the organization's performance through operational and process efficiency indicators.

Education and Growth Dimension:

Represents a planning view looks at the institution's performance through growth indicators, learning curves, pivotal competencies, and by comparing competitors.

Balanced Scorecard

A set of carefully selected performance measures, guided by the enterprise's strategic plan, serves as a tool for enterprise leaders to understand how the enterprise intends to achieve its strategic objectives. We find the brief definition inadequate; instead, the Balanced Scorecard serves as a communication tool for employees to convey the current status of the enterprise internally or externally.

The Balanced Scorecard is a tool designed for measuring and monitoring performance at the enterprise and business unit levels, promoting a balance between long-term and short-term work. It also encompasses elements that contribute to the enterprise's strategy, derived from its vision, facilitating the achievement of its objectives.

Financial Dimension

The principle of Balanced Scorecard idea
Adopts the principle of balancing distant and near targets, quantitative and descriptive data. Whereas financial performance gives a copy of the performance of the enterprise in the past period and cannot provide confirmed information about the performance at the moment
Especially the future. The principle relies on what is known as the "cause-effect relationship," which provides information
(causes) present and leading to future results.

Benefits of using the Balanced Scorecard:

01 Increased focus on strategy and goals rather than tasks.

02 Implementation of plans, along with the control and monitoring of institutional growth in an easy way that brings together all strategic objectives.

03 Translation of higher strategic objectives into something employees can understand and act upon in their day-to-day operations and initiatives.

04 Assisting administrators in making better decisions based on accompanying performance indicators.

05 Improvement of the level of institutional performance by measuring the matters that concern the enterprise.

06 Linking the establishment's vision, mission, strategic objectives, and overall job performance.

07 Helping to gain a clearer understanding of customers' needs and desires.

08 Enabling administrators and employees to prioritize their work and use resources and time effectively.

Balanced Scorecard contents:

For each of the dimensions mentioned above, four columns are placed in the card, which are:

Indicators: Identify performance indicators (KPIs) to measure each goal.
Target results: Target results are defined as numbers or percentages associated with a specific period of time

- Should be achievable.
- Target results are defined as numbers or percentages associated with a specific period of time.

Initiatives: A list of initiatives projects and activities to be implemented to achieve the targeted results.
Selection is made for each initiative:
(Resources needed - Expected benefits - Difficulties and risks - Timeline)
Deviation magnitude:
It is commonly used in subsequent assessment stages to

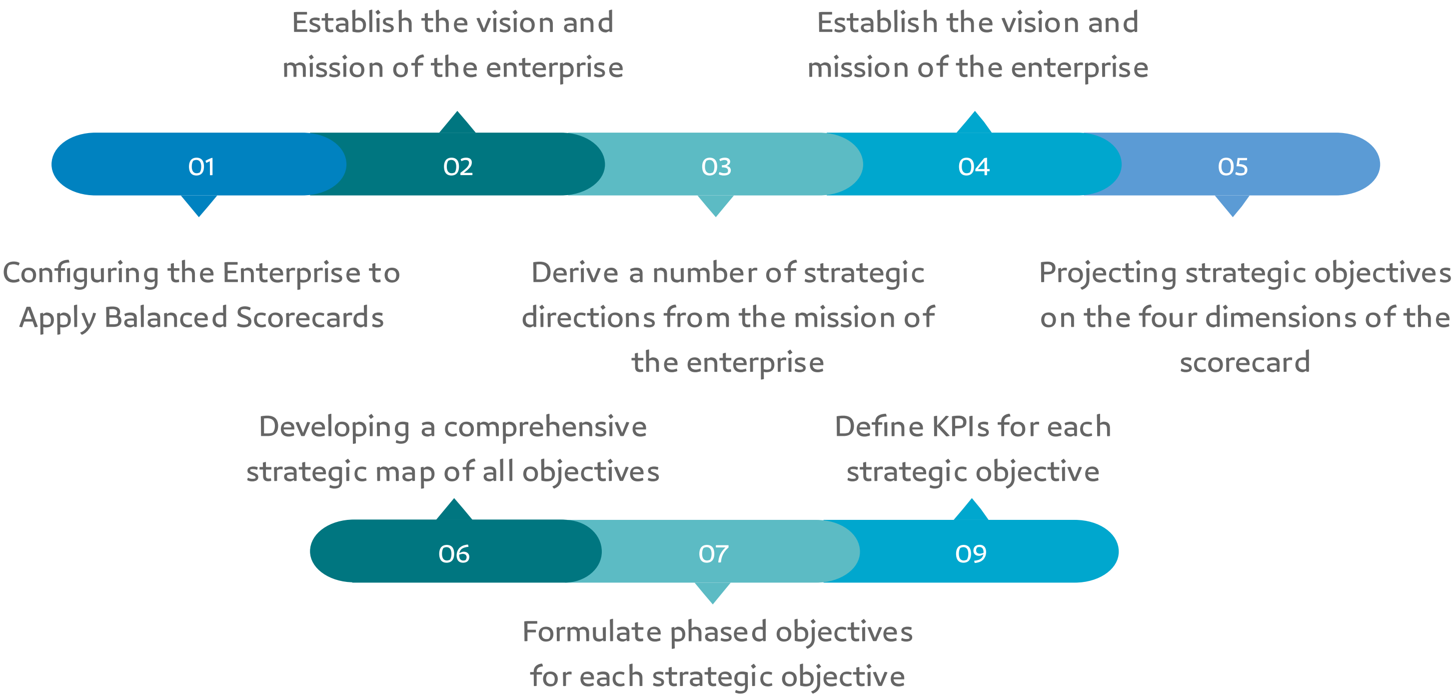
Four Dimensions	Performance indicators	Strategic Objectives	Initiatives	Deviation magnitude
Customers dimensions				
Financial dimension				
growth and education dimensions				
Internal processes dimensions				

Steps to Building a Balanced Scorecard

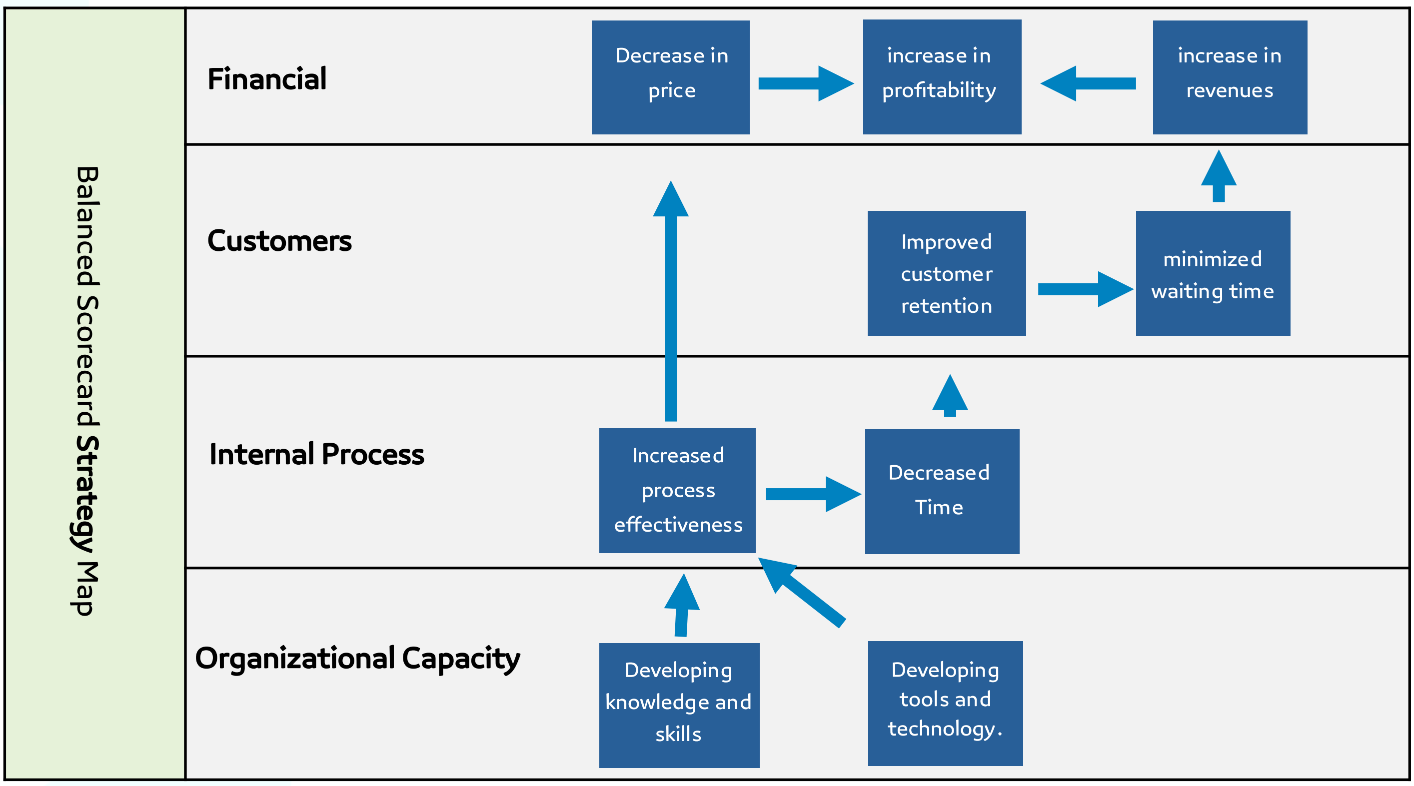
It should be noted that the procedure followed in developing the card is equally important with the content of the card itself, as it must help in:

- Unifying the directions of the top management of the organization towards a unified strategy.
- Ensure full management support during the application process.
- Build a strong system that helps the organization achieve its strategy.

Steps to Building a Balanced Scorecard



Balanced Scorecard Strategy Map:



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