

Abstract

It is imperative for every company to measure their current business performance and to set the target for the future.

Balanced Scorecard, created by Robert Kaplan and David Norton from Harvard Business School, emphasizes on the performance measurement from four perspective: financial perspective, customer perspective, internal business process perspective, and learning and growth perspective.

The Key Success Factors (KSFs) of each perspective depend on the characteristics of the industry. For the object of this research, the Key Success Factors for the financial perspective were growth in profit and growth in sales. For the customer perspective, the Key Success Factors were customer retention rate, customer acquisition rate, customer satisfaction rate, and customer profitability rate. The customer satisfaction rate was derived from the pursued value proposition. The Key Success Factors for the internal business process perspective were number of books published, product quality, defect paper, and plant's utilization level. The Key Success Factors for the learning and growth perspective were employee capabilities (employee satisfaction rate, employee retention rate, and employee productivity rate), information system capabilities, and motivation, empowerment, and alignment.

After the measurement on the current performance had been done, the target for each scorecard for the year of 2004 would be set. The real performance of 2004 and the established target of 2004 would be compared, analyzed by Chi-square test, and presented by graph in Microsoft Excel.

As stimulation for all of the stakeholders, the Balanced Scorecard program would be linked to a designed reward system.

Key words: *Balanced Scorecard, financial perspective, customer perspective, internal-business process perspective, learning and growth perspective, reward*