

# Exercise

## Balanced Scorecard for SwissBikes

SwissBikes is a company that produces high quality bicycles. A description of the company is available on the course Wiki.

### Strategy

In a workshop we create a Balanced Scorecard for SwissBikes using ADOscore. Starting point is the strategy of the company:

#### ***Vision***

Market Leader for manufacturing high-end and middle-class bikes in the Swiss and German market.

#### ***Mission***

Our mission is to be producer and vendor of well-designed and innovative, high-quality bikes; our highly skilled employees should contribute their outstanding know-how in the design process and be able satisfy individual customer needs.

#### ***Corporate concept***

Top-motivated and highly-skilled employees with private interest in biking collaborate in a creative work environment, keeping close contact with customer

#### ***Strategy***

- guarantee product innovation and modern technology, recognize trends
- keep high employee motivation
- grow by 5% each year
- strategic partnership for opening European market
- refinement of third-party bicycle frames



## Brainstorming: Potential Goals

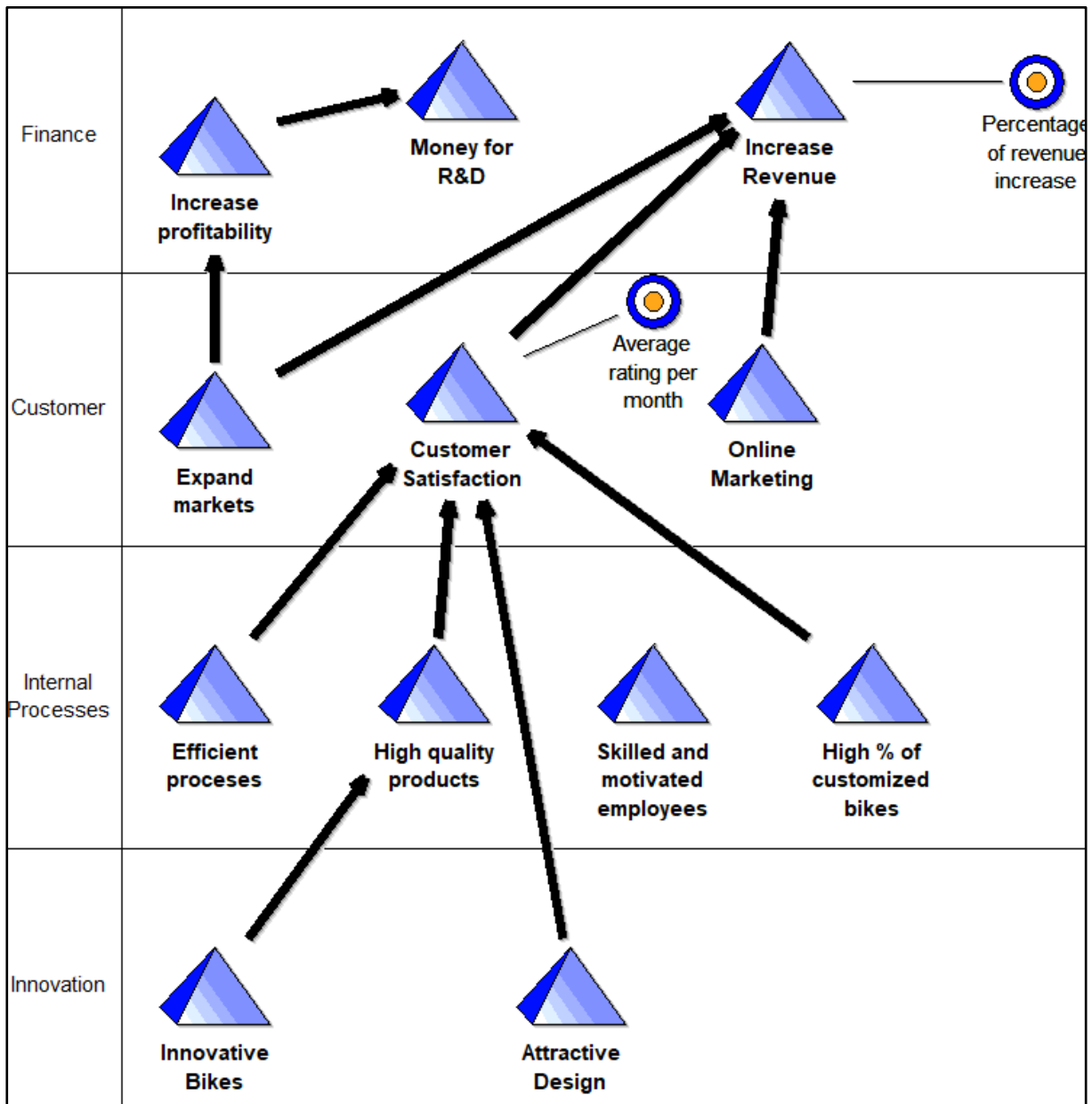
In a brainstorming session we collected potential goals, which we then assigned to the 4 perspectives and then consolidated to a strategic goals. This is the result of this step:

Finance	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; width: 30%;"> <p><b>▲ Increase Revenue</b></p> <p>increase revenue</p> </div> <div style="border: 1px solid black; padding: 5px; width: 30%;"> <p><b>▲ Money for R&amp;D</b></p> <p>raise money for R&amp;D</p> </div> <div style="border: 1px solid black; padding: 5px; width: 30%;"> <p><b>▲ Increase profitability</b></p> <p>Increase ROI    Increase profitability index</p> </div> </div>
Customer	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; width: 30%;"> <p><b>▲ Expand markets</b></p> <p>Expand the market</p> </div> <div style="border: 1px solid black; padding: 5px; width: 30%;"> <p><b>▲ Online Marketing</b></p> <p>new marketing channels</p> </div> </div>
Internal Processes	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; width: 25%;"> <p><b>▲ Efficient processes</b></p> <p>Short delivery time    Decrease production costs</p> </div> <div style="border: 1px solid black; padding: 5px; width: 25%;"> <p><b>▲ High % of customized</b></p> <p>High percentage of customized bikes</p> </div> <div style="border: 1px solid black; padding: 5px; width: 25%;"> <p><b>▲ High quality products</b></p> <p>High quality</p> </div> <div style="border: 1px solid black; padding: 5px; width: 25%;"> <p><b>▲ Skilled and motivated employees</b></p> <p>Increase employee motivation    recruit skilled employees</p> </div> </div>
Innovation	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 5px; width: 30%;"> <p><b>▲ Attractive Design</b></p> <p>well-designed bikes</p> </div> <div style="border: 1px solid black; padding: 5px; width: 30%;"> <p><b>▲ Innovative Bikes</b></p> <p>Have innovative bikes    patents</p> </div> </div>



## Balanced Scorecard

From this we created the Balanced Scorecard with cause-effect relationships and a few sample KPIs.



For all goals at least one KPI should be created.



## Target Values for KPIs

For the KPIs we specified the target values:

Average rating per month:

Periodicity
<input type="radio"/> Year
<input type="radio"/> Half-year
<input type="radio"/> Quarter
<input checked="" type="radio"/> Month
Unit:
Limit type:
More is better
Threshold green/yellow:
4.00
Threshold yellow/red:
3.00

Percentage of revenue increase:

Periodicity
<input checked="" type="radio"/> Year
<input type="radio"/> Half-year
<input type="radio"/> Quarter
<input type="radio"/> Month
Unit:
percentage
Limit type:
More is better
Threshold green/yellow:
4.00
Threshold yellow/red:
0.00



## Definition of KPIs

In the end we looked at the KPIs in more detailed. KPIs can either be directly retrieved from a database, an excel sheet or handed in manually. It is also possible to define formulas for calculation a KPI. In the example, we assume that the average ratings from a customer survey are retrieved from a database (the alpha value). The average per month is calculated by dividing the average by 12.

