

Implementing A Scorecard Scale in a Service Company: Case of a Moroccan Service Company

Aicha Farissi^{#1}, Yeno Wora Lee Jordan^{#2}

[#] Center for studies and research in engineering and organization management, Higher School of Multimedia, Computer Science & Networks- Supemir, Casablanca

[#] Hassan II University of Casablanca, PO Box 8012, Oasis, Casablanca, Morocco

¹aichafarissil1@gmail.com

²yleejordan@gmail.com

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Abstract— This article focuses on the implementation of a Balanced Scorecard in a service company, examining its potential impact on performance improvement. Delving into the theoretical foundations of business performance management and the Balanced Scorecard, the first part of the work provides a comprehensive understanding of its implementation approach. The practical section offers insights into the company's situation through a post-implementation SWOT analysis, shedding light on the tangible outcomes of adopting a Prospective Dashboard. This exploration contributes valuable perspectives to the ongoing discourse on management practices in the face of dynamic global challenges.

Keywords— Performance, Balanced Scorecard, Moroccan Service Company.

1. Introduction

In the aftermath of the 2019 CORONAVIRUS crisis, which significantly impacted the global economy and the operations of numerous companies [1] [2] the ongoing evolution of the world's growth has underscored the imperative for managers to evaluate and enhance their management practices. The unprecedented nature of the crisis and the unforeseen consequences it brought to the forefront have continued to serve as a stark reminder to managers, urging them to adapt to the new challenges presented by this situation,

which still remains a persistent source of concern. Across various sectors, radical transformations have unfolded, ranging from the widespread adoption of teleworking to mitigate contamination risks, extensive workforce reductions, closure of numerous structures, lockdowns with curfews, declines in production across several sectors, spikes in prices of essential goods, and shortages of various products and medicines.

Amidst this dynamic landscape, the field of management, encompassing business management, stands as an ever-evolving sector. The constant evolution prompts companies to closely monitor and refine their management strategies to improve performance, optimize efficiency, and prepare for potential future challenges. It is within this context that the Balanced Scorecard emerged—a forward-looking dashboard designed to facilitate managerial decision-making and enable swift responses to identified flaws within a company. Against this backdrop, this article delves into the intricacies of implementing a Balanced Scorecard in a service company. To comprehensively explore the research theme, "The implementation of a Balanced Scorecard in a service company," the fundamental question to be addressed is: "To what extent can the implementation of a Balanced Scorecard improve performance in service companies?"

In addressing this inquiry, this work will unfold in two main parts. The first part will delve into the theoretical aspects of business performance

management, the Balanced Scorecard, and its implementation approach. The practical part will then provide insights into the company's situation through a SWOT analysis subsequent to the implementation of a Prospective Dashboard.

2. Literature Review

The level of complexity within companies, encompassing aspects such as the environment, work methods, equipment, organization, constraints, and culture, has been emphasized in studies [3]. Much less attention has been paid to the question of how service firms benefit from innovation [4]. However, experience shows that many companies have room for improvement in these areas. In the contemporary business context, service-oriented companies must consistently innovate their processes and offerings to maintain competitiveness, thereby creating value for various stakeholders such as customers, employees, business owners, alliance partners, and communities, through new and/or improved service offerings, service processes, and service business models [5].

Achieving a significant level of innovation requires, first and foremost, the maintenance of organizational performance, which plays a central role in the sustainability of a business. In business and management research, organizational performance is identified as a critical variable covering various areas such as human resources, marketing, operations management, international business, strategy, and information systems [6][7].

Decision-makers are encouraged to anticipate future performance rather than react to past issues [8]. It is essential to regularly review performance indicators, as they evolve continuously with changes in the competitive environment. Therefore, addressing the design, development, and implementation of the performance measurement system as an ongoing process, rather than a one-time activity, is crucial [9].

The term "performance" originates from the sports domain, involving a competitive environment where comparative evaluation is essential, emphasizing the need to quantify and value achievements to give them meaning. Therefore, the use of the term "performance" in other contexts is meaningful only when measured and assessed,

typically through simple and impartial measurement methods [10]. In the field of management and leadership, the definition of "performance management" remains complex due to its different dimensions, for example: the theoretical complexity linked to the roles, tasks and procedures associated with the social dimension, as well as types of methodological, analytical and technological complexity [11]. In the quest to measure performance, reliable means of measurement are indispensable. Terms such as "measures," "indicators," "criteria," "parameters," "scores,...are commonly employed in the evaluation of performance. However, a recent research underscores subtle yet significant distinctions among these terms, aiming to elucidate their terminology and refine their usage in performance evaluation. [12].

Performance management is defined as a set of practices and cultural and behavioral habits that determine how we use the performance measurement system to manage organizational performance [13].

Distinguishing between performance appraisal (PA) and performance management (PM) is crucial, as these concepts have consistently garnered significant attention in both academic research and practical application. Performance appraisal, focused on the management of employee performance, can be viewed as a component within the broader framework of performance management [14]. Performance management, on the other hand, is characterized as an ongoing process that involves the continual identification, measurement, and enhancement of individual and team performance, all while ensuring alignment with the strategic objectives of the organization [15]. Throughout this period, several models and methodologies for designing and implementing performance management systems (PM) have emerged. as an example There is a study which showed that there are nine methods to evaluate supply chain performance [16]. The main objective of performance management is to seek a better combination of specific measures to manage and improve the competitiveness of organizations[13]. There is a study that identified five criteria to determine a suitable performance management framework also emphasizes that if an organization wishes to implement a performance management model, it is more practical to apply a method useful

for modeling the intended system. The useful method should cover the data collection process and the information dissemination process. The application of the useful method essentially addresses the need for practical guidelines for the proposed model [17].

The optimal action plan depends on elements of the internal and external environment, and it is only when these factors are aligned that they can lead to improved business performance [18]. According to a recent study [19], both internal and external operational performance have positive effects on business performance and it is preferable to adopt a strategy aligned with both of these organizational factors to achieve desired business benefits. This context aligns with the Balanced Scorecard model.

The Balanced Scorecard approach was proposed by authors [20]. The Balanced Scorecard is developed along four main axes (see Figure 2): financial, internal processes, customers, and organizational

Established in 2009, PROXIMITY MANAGEMENT stands as a distinguished consultancy, specializing in Socio-economic Support, advisory services, training, and personalized assistance for both public and private entities in Morocco. The genesis of Proximity Management is intricately linked to the City Without Slums (Ville Sans Bidonvilles) program initiated in 2008, which ambitiously aims to eradicate slums within the Kingdom by 2026. Stemming from the visionary concept of "Supporting Territorial Projects for Healthy Housing," the company was conceptualized in

The goal is to define strategic objectives. To achieve this, we chose to conduct surveys with the aim of gaining an overall view of the company and collecting indicator suggestions from relevant individuals. We designed two types of surveys, one for executives and a second for various departments. Unfortunately, due to a very short opportunities and threats. It provides a holistic view, guiding the company to target areas for improvement and align strategies with its environment. The strengths and weaknesses inform improvement initiatives, while opportunities and threats guide strategic decisions. Ultimately, the SWOT analysis helps choose relevant performance indicators by understanding the unique context of the business.

learning. The first part consists of a set of traditional financial elements; the other three involve non-financial performance measurement indices. A recent Study analyzes the relationship between the internal and external environment on a sample of 156 Australian manufacturing companies. It concludes that the origin of non-financial performance measures significantly influences the financial performance of an organization through the implementation of a quality-based strategy. Additionally, manufacturing companies with greater emphasis on quality strategy disclose more information on non-financial [21]. In addition, among these benefits is the ability of the Balanced Scorecard (BSC) to effectively link objectives to expectations, as demonstrated by a survey of 201 SMEs in Spain using the BSC. This approach has led to remarkable financial performance and a high level of innovation [22].

3. Case study

2009, marking its debut with a primary focus on Social Project Management.

Endorsed with ISO 9001 certification, Proximity Management aligns itself with the fundamental notion of viewing the organization as an integrated process. In light of this, PM has meticulously structured its operational framework around three overarching processes:

- The Managerial Process
- The Support Process
- The Operational Process

time frame, we were unable to receive any responses. Conducting a SWOT analysis is a crucial first step before proposing performance improvements and selecting indicators. This analysis identifies internal strengths and weaknesses, as well as external

Table.1 SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Dynamic and engaged young team • Versatility of the management team • Implementation of the Information System (procedures, processes, document management, IT) • Presence of the Management company in different regions of the kingdom • Diversification of expertise • Timely production of deliverables and billing to MOS professions • Presence on social networks • Ongoing Human Resources (GPEC) project. 	<ul style="list-style-type: none"> • Relatively young structure in terms of experience • Internal communication • Timely production of deliverables and billing for socio-economic support • Automation of existing processes
Opportunities	Threats
<ul style="list-style-type: none"> • International expansion opportunities • The 20 provinces initiative • Advanced regionalization • Development of a prospective dashboard • Exportable professions • Emphasis on digital (Covid-19) • Certification professions • ISO 29994:2021 certification 	<ul style="list-style-type: none"> • Unfavorable terms in public contracts • Implementation of laws in financing (Banks, Finea) and recovery (60 days) • Current rise in prices • Non-generalization of socio-economic support • Multitude of stakeholders in projects and not consistently shared vision • Difficulty in recovering debts with public clients

Upon completing this SWOT analysis, we gain insight internally into what constitutes the strength of Proximity Management as well as areas for improvement. Additionally, we identify opportunities presented by the external environment, allowing the company to expand or assert its dominance in the market. Lastly, we acknowledge significant threats that could adversely affect companies operating in this field.

• Indicators Proposal

While the survey remains ongoing, concurrent meetings were conducted with Department Heads. These sessions yielded diverse perspectives and generated indicator proposals from them. In addition to the dialogues with Department Managers, pertinent documents, including the Quality Objectives and Strategic Diagnosis documents of the company, were gathered. This facilitated the identification and

extraction of objectives, thus allowing for the identification of indicators.

Table.2 Proposed performance indicators

Perspectives	Indicators
Finance	<ul style="list-style-type: none"> • Revenue Improvement Rate • Budget Monitoring for Projects • Payment Delays • Percentage of Budget Overruns • Gross Profit • Gross Profit Margins • Profitability Rate
Client	<ul style="list-style-type: none"> • Net Promoter Score (NPS) • Customer Effort Score (CES) • Number of Complaints • Conversion Rate: the rate of converting prospects into customers • Rate of Order Fulfillment • Process Performance Rate
Internal Processes Indicators	<ul style="list-style-type: none"> • Process Efficiency Rate: (Management, Execution, Support) • Corrective Action Efficiency Rate • Compliance Rate with required documents by standards • Efficiency Indicators • Effectiveness Indicators • Competitiveness Indicators • Digitalization Plan Implementation Rate • Deployment Rate of Digital Applications
Innovation and appearance indicators	<ul style="list-style-type: none"> • Implementation Rate of GPEC Plan (Management of Jobs and Skills) • Implementation Rate of In-House Training Plan • Number of Employees Trained Annually • Employee Satisfaction Rate • Employee Complaint Rate • Personnel Turnover Rate

Utilizing the criteria we outlined in collaboration with my manager, we successfully conducted two meetings with the general management. The primary objective of the initial meeting was to collectively assess the challenges associated with implementing the dashboard within the company. During this session, various key points were identified, including the implementation and management of a relevant and cohesive strategy, ensuring the company's versatility and activity, controlling costs, charges, and turnover, and emphasizing the reporting orientation of the Balanced Scorecard (BSC).

The second meeting was dedicated to the detailed development of the dashboard. Working closely with

department heads, we deliberated and selected performance indicators that would be incorporated into the dashboard to facilitate the evaluation of the company's performance. Following this crucial phase, we proceeded to develop the dashboard using Excel and devised a comprehensive plan spanning a year.

4. Conclusion

In conclusion, our exploration into the implementation of a Balanced Scorecard in a service company underscores the paramount importance of dashboards as indispensable tools for organizational success. Through a meticulous process that commenced with a comprehensive SWOT analysis, followed by the formulation of strategic objectives derived from insightful meetings, we successfully established and adopted a purposeful dashboard within the company.

As we navigate the concluding steps of this journey, our focus turns towards the critical tasks of calculating indicators, refining specific axes for improvement, and orchestrating the deployment of our dashboard throughout the company. These pivotal steps not only mark the culmination of our current research endeavor but also beckon as potential starting points for new avenues of investigation.

The next steps that remain to be taken are: Calculation of indicators; Improvement of certain axes; Deployment within the company. These last steps serve as not just practical considerations for immediate implementation but also open the door for further research. The intricacies of indicator calculation, ongoing axis enhancement, and the complexities of deploying such dashboards within the organizational fabric present fertile ground for future research initiatives. In essence, our study not only sheds light on the transformative power of dashboards in service companies but also lays the foundation for continued exploration into the nuanced dimensions of their application, positioning them as dynamic tools for organizational adaptability and strategic excellence.

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