A Work Project, presented as part of the Master's degree requirement

Degree in Finance – NOVA School of Business and Economics

DESIGN OF A BALANCED SCORECARD FOR A TUNISIAN COMPANY

– Ooredoo Tunisia –

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Abstract

The present Work Project (WP) designed a corporate Balanced Scorecard (BSC) for a telecommunication subsidiary in Tunisia − Ooredoo. The purpose of this study consists of a research project in partial collaboration with the company. This corporate BSC is for the governance of the company in order to achieve; in alignment, with the mother company. This tool is a suggestion that can be partially or wholly implemented within Ooredoo Tunisia to enable it to perform well and satisfy its shareholders, its customers, and its employees.

Keywords: Balanced Scorecard, Strategy Map, Telecommunications, Emerging countries

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Introduction

The telecommunication industry in Tunisia has experienced growth during the last decade and is going strong with a 124% saturation in the market. Ooredoo Tunisia, previously known as Tunisiana, is a telecommunication company operating since 2002. This company is a challenging example to design its Balanced Scorecard. The telecommunication industry operates in a challenging fast-pace changing environment. Ooredoo needs to be able to quickly adapt to disruptive technologies and to provide innovative services. The purpose of this Work Project is to provide a Balanced scorecard that enables the company to align its strategy and its parent company's strategy with customers and shareholders in order to provide greater value in the future.

Literature Review

The Balanced Scorecard (BSC) was created in 1990 by Robert S. Kaplan, a Harvard Business School Professor, and David Norton, a business consultant. It can be considered as one of the most popular performance measurement systems used by Fortune 100 companies over the last 20 years (Hoque, 2014). The BSC was the outcome of a yearlong research project covering 12 firms considered to be on the forefront of performance measurement. This newly created tool was considered to, firstly, be a performance measurement system (Perkins, Grey, & Remmers, 2014).

In fact, the BSC uses a double system of financial as well as non-financial measures to enable the organization to achieve its strategic goals. It includes and smooths the track of staff participation in achieving the ultimate organizational goal (Tayler, 2010).

This tool includes the financial perspective, the customers' perspective as well as the internal business processes and growth and learning perspectives. These four perspectives are linked through cause-and-effect relationships. This meant, that the financial perspective is dependent on the customer's satisfaction which is a result of the internal processes' efficiency and effectiveness. The latter is also a reflection on the organization's human resources, incentives for action and on information systems. This forms a defined cycle with interrelated perspectives (Lawrie & Cobbold, 2004).

The Balanced Scorecard's perspectives

The financial perspective consists of maximizing the shareholders' wealth. In fact, if improvements in customer satisfaction and quality of the products or quality does not translate into tangible financial results, they will have no value. Financial measures are often concerned

with the company's viability such as operating profit, return on investment, and growth in sales (Kaplan & Norton, 1996a).

Financial performance measures demonstrate whether the company's strategy, implementation, and execution are providing an added value to bottom-line improvements. It displays the results of the key decisions made in the alternative perspectives. By making crucial enhancements in their operations, the financial numbers will be consequently improved. In the public sector, the "financial'" point of view varies from that of the conventional private sector (Assiri, Zairi, & Eid, 2006). The latter's financial targets usually represent clear long-term targets for revenue driven organizations, working in an entirely commercial environment. Financial applications in public organizations ought to be estimated by how effectively and proficiently they address the issues of their constituencies (Yancy, 2017). Thus, in the government for instance, the financial viewpoint accentuates cost efficiency, such as its capacity to convey most value to the client (Yancy, 2017).

The customer perspective relates to the differentiated value provided by the company to the customers. By implementing their strategy, the company can create the most value to their target market, maintain it, and attract new customers. Among the numerous factors that intervene into customer satisfaction are the service quality, employee productivity, and organizational belonging (Chavan, 2009).

The company's ability to provide quality goods and services, as well as its effectiveness to deliver them and the overall customer satisfaction is captured by this perspective. Nowadays, various organizations have a mission focused on the client and how they are performing from its clients' point of view has turned into a priority for top management (Kaplan and Norton, 1992). The BSC requires managers to translate their general statement of purpose concerning customers' service into measures that specifically express the important factors to customers (Baldry, 2009).

The internal business process perspective is about the internal processes that allows the company to differentiate the provided value to customers. It reminds the prerequisites necessary to perform the work in question in order to achieve the final objectives including the financial goals and customer needs(Kaplan et al., 2011). This perspective is mainly an analysis of the company's internal processes. The latter are the instruments through which performance targets are accomplished. Although, customer based measures are important, yet they should be converted into measures of what the company must do internally to meet its clients' expectations (Zeng & Luo, 2013). It centers around the internal business outcomes leading to financial achievement and fulfilled customers' expectations. Hence, the main focus should be

directed at the crucial internal activities that help managers to fulfill customer needs (Kaplan and Norton, 1992). In order to ensure that the results will be satisfactory, the firm's key procedures are monitored and controlled. Organizations ought to decide what processes and capabilities in which they need to excel at and define measures for each. The measures ought to connect top management's judgment about key internal processes and capabilities to the operational level employees who influence the general corporate objectives. This linkage guarantees that representatives at lower levels in the firm have clear focuses for actions to be undertaken, decisions, and improve activities that will add to the company's overall mission (Baldry, 2009).

The learning and growth perspective is the company's ability to improve and innovate, which is linked to its values. According to Kaplan and Norton (2001), this perspective can be identified as the enterprise infrastructure. The customer and internal business processes perspectives' measures determine the parameters that the company considers essential for competitive achievement. The objectives for success are continuously changing and rising competition requires that companies make consistent improvements to their current products and processes. Moreover, they can present new processes with expansion capacities (Kaplan and Norton, 1992). This perspective takes into consideration such issues, which incorporates employees' ability, information systems' quality, and the impacts of organizational alignment in supporting the achievement of organizational objectives (Hepworth, 1998). The success of these processes depend on the skills and motivation of employees, as well as the timing and accuracy of the information they have. Moreover, the learning and growth perspective is important for companies experiencing radical changes. To meet changing necessities and customer demands, employees might be requested to take on new duties, and may require new skills, capacities, and technologies that were not accessible previously. Learning and growth issues empowers the company to guarantee its capacity for the long-run renewal, a crucial element for survival. The firm ought to consider what it must do to keep up and develop the know-how required for understanding and fulfilling clients' needs, as well as how it can manage the necessary effectiveness and efficiency of the processes for the clients (Baldry, 2009).

Although these aspects should be well defined, it is also ideal that there is a balance between the internal (business processes, growth and learning) and external perspectives (financial and customer) (Gumbus, 2005). By looking at these four perspectives, strategies can be translated by managers into detailed measures that can monitor the overall impact of the strategy on the firm. This framework also helps to avoid concentrating on the short term and financial results

(Banker et al., 2004). A constant process focused on the scorecard joins the four perspectives; in it the role of the scorecard is to feature what ought to be the central purposes of the company's efforts. The vision is clearly expressed, shared, and conveyed in terms of objectives and incentives. These are used for focusing the work, resource allocation, and target setting (Baldry, 2009).

Moreover, Kaplan and Norton (1996) defined the concept of leading and lagging indicators with the balanced scorecard framework. In fact, leading and lagging indicators have cause and effect relationship. In other words, the results realized by the leading metrics are lagging indicators.

The Balanced scorecard in Figure 1, demonstrates how it is organized. The center of the BSC shows the company's vision and procedure. Each perspective incorporates the accompanying segments:
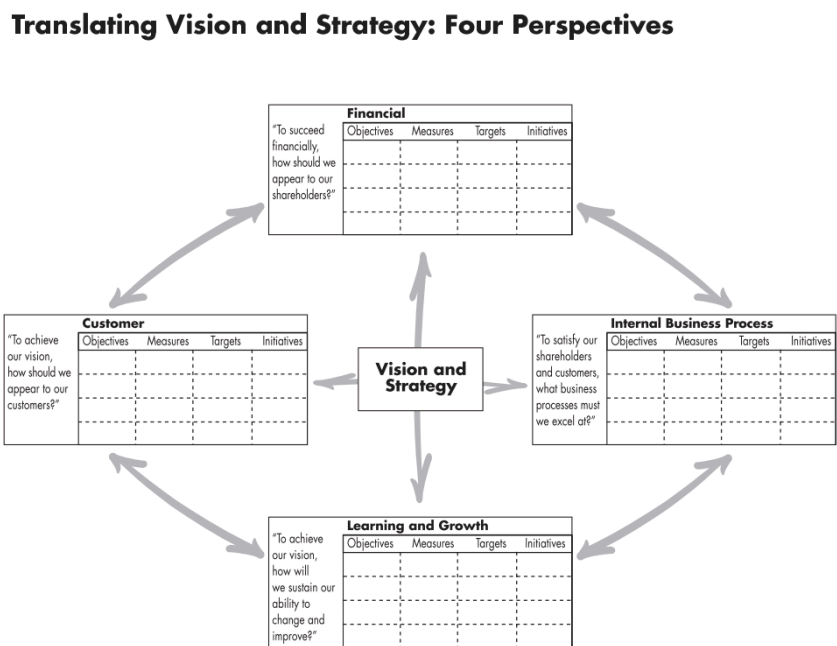
Figure 1 Balanced Scorecard as described By Kaplan and Norton Source: Putting the Balanced Scorecard to Work by Kaplan and Norton (1996)

1. *Objectives:* Niven (2005) defines objectives as the connection between the measures and the strategy. They define what activities and aspects must be performed well in order to execute the strategy. In this manner, the objectives are more detailed than the vision and the mission statements. Nonetheless, they are more conceptual than the specific measures and key performance indicators (KPIs).

2. *Measures:* Measures are the means to evaluate how the objectives are well executed (Reihaneh Pourmoradi, Javad Niknafs, & Farzaneh Abdollahian, 2016).

3. *Targets:* Targets are numbers that represent the adequacy of accomplishing the predefined objective (Reihaneh Pourmoradi et al., 2016).

4. *Initiatives:* Initiatives are strategic level programs that are introduced to accomplish the targeted objectives in the corresponding perspective (Reihaneh Pourmoradi et al., 2016).

Nowadays, it is important for organizations to align the operational processes with the strategic objectives. The BSC can be considered to be necessary in order to translate the overall strategy into action by, for instance, involving all employees in its formulation and execution. Moreover, it can help managers to efficiently allocate resources and manage daily operations (Reihaneh Pourmoradi et al., 2016).

Strategy maps

The BSC had two fundamental purposes: giving managers a richer arrangement of measures for performance assessment and helping them execute the strategy. Ittner et al. (2003) defined these two capacities as enabling measurement diversity and enhancing the alignment with the company's strategy. As Speckbacher et al. (2003) contended, the second function ought to be split into two sub-parts: one portraying the strategy and the other helping managers to execute it. The strategy description is related with the idea of the strategy map. Kaplan and Norton (2001) unequivocally attributed this function to the BSC. As represented in Figure 2 below, they focused on the way that the BSC makes a unique contribution by portraying the strategy.
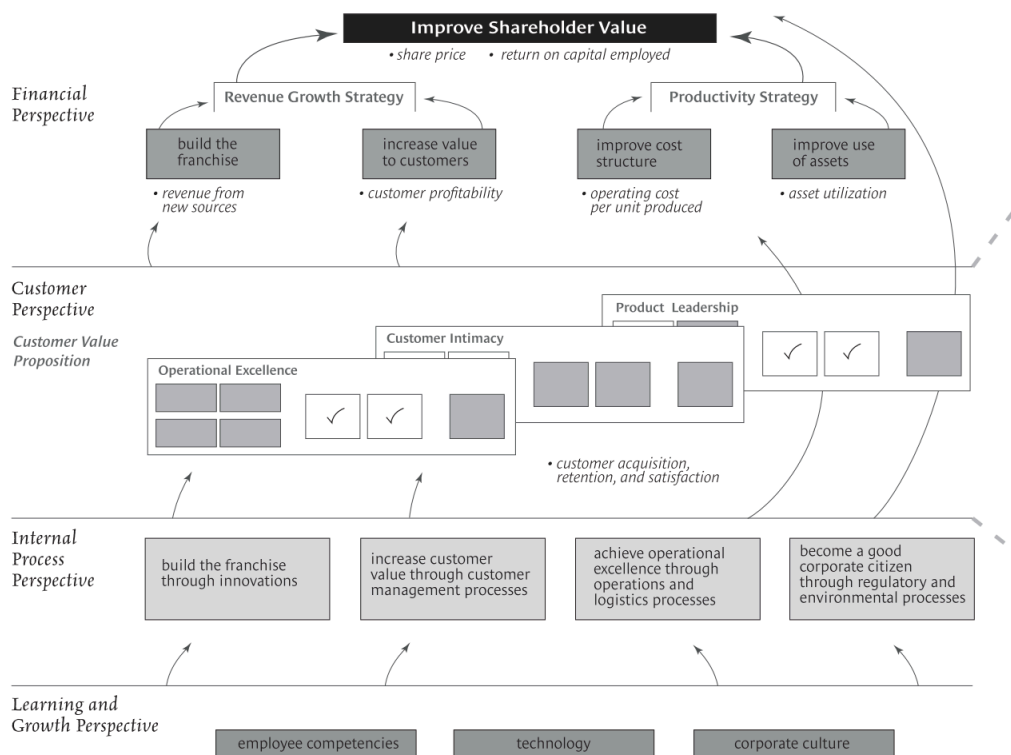

Figure 2 Strategy Map example Source: Having Trouble with Your Strategy? Then Map It by Kaplan and Norton (2000)

They defined it as a cause and effect model, prompting the idea of a "strategy map". Throughout time and thorough applications, the Balanced Scorecard advanced into the second sub-part; that of a strategy execution enabler. Nowadays, the BSC is in this manner not just an assortment of pertinent performance measures (at strategic and operational levels), but a managerial instrument and process that assumes a role in improving organizational performance through its reinforcement to the strategy implementation. Kaplan and Norton (2001) further argued that the Balanced Scorecard ought to turn into the centerpiece of a strategic control framework that incorporates all the key management procedures, for example, budgeting, planning, and controlling. Hence, the BSC should be attached to action plans, incentives and most importantly communication and not just tied to performance indicators (Kaplan & Norton, 2001). Speckbacker et al. (2003, p. 363) characterized three types of BSC identified with these three functions:

1. Type I BSC: a particular multidimensional system for strategic performance estimation that joins financial related and non-financial key measures;
2. Type II BSC: it is Type I BSC that moreover portrays the strategy by utilizing cause-and-effect connections;
3. Type III BSC: it is Type II BSC that likewise carries out strategy by characterizing goals, action plans, results and incentives with the BSC.

As indicated by this typology, only the third type of BSC satisfies the objective Kaplan and Norton credited to their managerial tool (De Geuser, Mooraj, & Oyon, 2009; Speckbacher, Bischof, & Pfeiffer, 2003).

Due to the success of this tool, the concept of strategy maps was introduced by the two founders. Its main goal is to allow the strategy to be communicated throughout the organization and to show the contribution of each objective for the achievement of the overall strategy. In other words, the strategy map is a qualitative method modeling cause and effect relationship between the various metrics. The concept of leading and lagging indicators is better assimilated by the managers. The strategy map is described as a strategy depiction tool by Kaplan and Norton (Chopra, Gupta, & Chhabra, 2017). Nowadays, this tool is used as a fundamental component in the Balanced Scorecard implementation process.

However, the Balanced Scorecard is considered to be costly to develop (Lipe & Salterio, 2000). As a consequence, the net benefits obtained in adopting it rely upon the degree to which it enhances managers' decisions. In a study conducted by Lipe and Salteiro (2000), managers' cognitive limitations have been explored. As a finding, these limitations may keep an organization from fully profiting from the BSC's information. The authors evaluate observable

attributes of the BSC, such as measures common to numerous business units or measures specific to business units, that can possibly restrict managers' ability to fully use the data found in an assorted set of performance measures. Each business unit in the firm can implement its specific Balanced Scorecard measures to reflect its objectives and strategy. While some of these measures can be common over all units, other measures will be specific to the business unit (Kaplan & Norton 1996b). It has been suggested by decision-making researches that decision makers facing both types of measures tend to focus and put more emphasis on common measures than on the specific ones. Therefore, managers assessing various subordinate units may underutilize or disregard the specific measures intended for each business unit. When the manager, who evaluates a unit's performance assessment, does not effectively take part in developing that unit's scorecard and, thus, may not appreciate the importance of the specific measures. In this case, the judgmental difficulties may be aggravated. The underuse of unique or specific measures diminishes the potential advantages of the Balanced Scorecard since the specific measures are important in implementing the unit's business strategy (Lipe & Salterio, 2000).

On the other hand, the most critical advantage of using the BSC as an instrument to build and implement the company's strategy is mapping the organization's strategic targets with environmental challenges in order to evaluate the impact of achievement of these goals (Ling Sim & Chye Koh, 2001). Measurements of the Balanced Scorecard include corporate targets which have been framed after identifying the strategic challenges. Mapping the challenges and the targets against each other can guarantee that each metric indicator underlines the correct measures to gauge the effect of the concerned objective accomplishment (Chavan, 2009).

Strategic Processes of the Balanced Scorecard

Kaplan and Norton (2001) proposed four processes linking long-term strategic objectives with short-term actions:

(i) *Vision clarity and translation* is the first process that enables managers to agree and be clear about the company's vision and strategy. To follow up on the statements about the vision and the company's strategy, these statements must be communicated as an integrated arrangement of targets and measures, settled upon by the firm's executives. To set financial objectives, managers must consider whether to focus on revenue and market growth, profitability or generate sufficient cash flows. For the customer perspective, managers must be very clear about the customer and market fragments in which it needs to compete. The Balanced Scorecard emphasizes these processes that are important for accomplishing breakthrough

performance for customers and investors. At last, the linkage to learning and growth goals delineates the basis for critical investments such as in re-skilling employees and information technology. These investments produce significant development and improvement for internal business processes, customers, and investors.

(ii) *Communicating and linking strategic goals and indicators* are the second strategic process consisting in empowering managers to communicate their strategy up and down the organization and connect it to departmental and individual goals. The Balanced Scorecard gives managers an approach to guarantee that all organizational levels comprehend the long term strategy and that both departmental and individual goals are lined up with it (Kaplan and Norton, 1996d). Kaplan and Norton (1996c) argued that the key goals and measures of Balanced Scorecard are communicated through the company utilizing the firm's newsletters, bulletin boards, recordings and even electronic media, for example, groupware and personal computers' network. The Balanced Scorecard additionally energizes a conversation between business units, corporate officials and board members, with respect to short-term financial targets, as well as the formulation and execution of a strategy.

(iii) The third process, which is *business planning, setting targets and aligning strategic activities*, encourages organizations to coordinate their business and budgetary plans. Managers perceive it as hard to coordinate various initiatives to accomplish strategic objectives, which regularly bring about continuous disappointments. Kaplan and Norton (1996d) prompted managers to use ambitious objectives for Balanced Scorecard measures as the premise for allocating assets and setting priorities. This permits undertaking and planning just those activities that pushes them toward the long term strategic objectives. To meet financial targets, managers need to define stretch goals for their customers, internal business process and learning and growth objectives. When targets for the three different perspectives are set up, managers can adjust their strategic quality, reaction time and reengineering activities to achieve the breakthrough targets. The objectives for the strategic activities are obtained from Balanced Scorecard measures, for example, significant time decrease in order fulfillment cycles, shorter time-to-market in product improvement processes, and improved employee capacities.

(iv) Lastly, reinforcing *Strategic feedback and learning* is thought to be the most innovative part of the Balanced Scorecard structure. It offers organizations the ability for strategic learning. The implemented feedback and review processes rely upon whether the business, its business units or its employees have met their planned financial objectives. Kaplan and Norton (1996c) noted that with the assistance of Balanced Scorecard, a company can control short-

term outcomes of customers, internal business processes, and learning and growth alongside assessing the strategy based on recent execution (Kaplan & Norton, 1996b).

The initial three strategic procedures for the BSC are key for executing the strategy, however, not adequate in an unpredictable environment. The processes form together an essential single-loop learning process, where the goal stays the same and any deviation from the arranged course of action is considered as a mistake to be remedied. This single-loop process does not include the reevaluation of the strategy nor the used methods. Numerous companies perform in an uncertain environment with complex methodologies, which lose their legitimacy with changes in the business conditions. Kaplan and Norton (1992a) proposed that organizations must be prepared to do double-loop learning that delivers an adjustment in people's assumptions and speculations about cause-and-effect relationships (Reihaneh Pourmoradi et al., 2016).

The Downside of the Balanced Scorecard

A study, conducted by Antonsen (2013), has explored the research inquiries of how using the BSC impacts employees' degree in the contribution of new ideas with fundamentally reflective work conduct, and of how utilizing the BSC impacts line managers and advisors' dedication in the company. Hypotheses about learning, reflection, and responsibility contend that workers would have liked to take more responsibility regarding tasks and learning, and that management ought to encourage this for the firm's advantage.

This investigation finds that using the BSC strengthens formal control and diminishes workers' scope for contributing new ideas. Formal control reinforces adaptive learning in the type of data flowing from senior management to line managers and consultants. It also decreases the focus of line managers on critically reflective work conduct and represses the communication of new ideas to senior management. This finding reinforces the perspectives of Nørreklit (2003) and of Voelpel et al. (2006) that the BSC sees organizational improvements as an internal process controlled by the senior management. Moreover, implementing and operating the BSC may reinforce formal control in companies when employees become more educated, capable, and skilled (Nørreklit, 2000, 2003; Voelpel et al., 2006).

Furthermore, the study clarifies how senior managers use the BSC in order to reinforce formal control, which may diminish consultants' ability to adapt to their workload. In order to enhance productivity, senior managers may implement standard work processes and use indicators in the BSC. Counselors are strongly propelled to serve their customers and this inspiration

contributes to a high workload. This study underpins the fact that the BSC appears to be inappropriate for the measurement of complex work tasks (Antonsen, 2014).

Nonetheless, Nørreklit (2003) raises two main criticisms of the BSC: the cause-and-effect relationship and the control model. First, the author provides the comparison between logical relationships and cause-and-effect relationships. On the one hand, logical relationships are included in the concepts of a language, on the other hand, cause-and-effect relationships are part of the world's structure. In fact, their existence can be empirically proven while logical relationships cannot be empirically verified. Moreover, the second criticism consists in the control model's top-down hierarchal processes and the fact that it does not take into account any strategic uncertainty such as technological improvements (Nørreklit, 2003). She suggested that the control methods need to be adjusted in order for the model to be more realistic. Furthermore, the control process ought to be more interactive during the several stages of strategy formulation, the scorecard's creation, and implementation. The BSC may lead to invalid assumptions leading to faulty performance indicators. As a result, the author suggested to establish coherence between measurements meaning (Nørreklit, 2000). This can be remedied at two different levels: strategy formulation concerning the overall coherence among areas and activities of analyzing the coherence's extent between performance measures and resources in the individual groups of activities (Nørreklit, 2000).

The Balanced Scorecard in the telecommunication industry

The significant business changes affecting the field of technology and communication makes it distinct from other sectors As a response to the ongoing changes and innovations in the operating environment of this industry as well as the highly competitive environment, managers in telecommunication companies need to ensure acceptable service offers. The balanced scorecard is a widely accepted practice in telecommunication companies (Khanmohammadi, Mohammadi, & Mehdizadeh, 2015). It is used as a performance evaluation system and a strategy communication tool through the different levels of management.

Methodology

The main purpose of this thesis is to provide a suggested balanced scorecard to the Tunisian subsidiary of Ooredoo. The balanced scorecard is constructed from interviews with the planning and management control department as well as hypotheses derived from the 2017 annual report of the company. In fact, two interviews were conducted with a manager from the

planning team and a manager from the management control team. Each interview lasted on average one hour and notes were taken as well as tape recorded.

Due to strict scheduling of the company in preparation to the coming World Cup campaigns, further interviews could not be conducted. Building on both these interviews, the 2017 Annual Report of Ooredoo Group is the main support to building a suggested Balanced Scorecard for Ooredoo Tunisia.

The Group's Annual Report provides consolidated financial information and the overall vision and mission of the company as well as its subsidiaries. The suggested Balanced Scorecard is designed upon the company's vision for the next decade "Enabling the Digital Age" (Ooredoo, 2017). In fact, Ooredoo Tunisia should have and follow the same strategy as the Group's strategy in order to align all subsidiaries and achieve the same overall long-term goal.

Finally, the documentation, mainly external using the company's websites, the 2017 Annual Report, and the company's related press, were analyzed. However, the internal documentation based on the interviews provide a framework for the current application of the vision and consists of insights to the current management control system.

Empirical Study

Company Description

Ooredoo Tunisia, previously known as Tunisiana, is the one of the main telecom companies in Tunisia. It is the subsidiary of the mother company, Ooredoo Group, based in Qatar: 15% of Ooredoo Tunisia is held directly by Ooredoo Q.P.S.C.

The company can be considered as an essential player in the sector of innovative technologies and has relied on its rapid growth to develop new quality services. In fact, Ooredoo Tunisia relies on its customer service to gain the trust of its subscribers. Since its commercial launch on December 27, 2002, Ooredoo Tunisia contributed to changing the landscape of *disruptive* technologies in Tunisia by offering a range of innovative offers and services in compliance with international standards.

In July 2012, Ooredoo Tunisia launched 3G services for more than 6.6 million subscribers, covering 48% of the population. In 2014, the network expanded to nearly 90% of the population. The license issued by the State allows Ooredoo to deploy an HSPA + network on both 900Mhz and 2.100Mhz ensuring a wider coverage covering the regions of the interior and

voice quality in high definition "HD wide band AMR". The network allows speeds up to 42 Mbps to provide the best service to its subscribers.

While promoting change in continuity, the Ooredoo brand was launched on April 24, 2014. The new brand is the guarantor of all the achievements of formerly known Tunisiana while enriching it with the new vision and values of the Group.

Caring:

For support, trust, respect for others and the responsibility that Ooredoo embodies;

Connecting:

For Ooredoo's commitment to work in a collaborative spirit and by integrating perfectly the Tunisian community;

Challenging:

For the progress that Ooredoo aspires to and the continuous search for improvement and differentiation.

Ooredoo has a powerful technical network, covering nearly 90% of the Tunisian population; and a service grouping a vast network of shops spread all over the national territory.

Ooredoo engages in Tunisian society through several citizen actions, which cover sponsorship, patronage and sponsorship of various activities and sports, cultural, social, economic events.

In 2017, Ooredoo Tunisia effectively extended its range by associating its system through the Sicily Hub of Sparkle, the International Services arm of TIMGroup. Ooredoo Tunisia gained, through the agreement, another Point of Presence in Europe, and is currently ready to offer an improved data experience for individual customers and organizations. The Sicily Hub gives access to the nineteen submarine cable ecosystem interfacing Europe to Africa (Ooredoo, 2017).

Ooredoo Algeria and Ooredoo Tunisia constitute the main operators in North Africa. Their market leadership were consolidated in 2017 through their markets, thanks to the launch of 4G services in 28 new Algerian regions and the launch of a new presence point in Sicily for Ooredoo Tunisia.

Amid 2017, Ooredoo Tunisia is committed to supporting healthy ways of life, with a solid focus on sports. A four-year sponsorship agreement was signed with the Tunisian Football Federation. In fact, as part of this sponsorship signed by the company's CEO, Youssef El Masri, Ooredoo Tunisia will be serving as the national football team's official sponsor. Moreover, this company contributed to the excitement when the Tunisian national football team won its qualifying match to the 2018 World Cup. Ooredoo Tunisia collaborated with the Tunisian Red Crescent and launched its Mobile Health Clinics in Zaghouan within the

healthcare framework. These clinics provide access to needed health services for people in critical regions.

Mission and strategy

Ooredoo Tunisia is committed to provide quality services and products to its customers. It was successful in optimizing its Opex, Capex and working capital in 2016 which allowed it to finance network investments throughout the year. In fact, the successful execution of the company's strategy was the main reason behind achieving a revenue growth. This allowed an improvement in EBITDA that grew by 1,5% in local currency terms.

Ooredoo Tunisia launched "Ooredoo El Khir", an non-profit association dedicated to charity in order to be in-line with the Group's social responsibility commitment. Its objective is to support, strengthen and finance social humanitarian projects in Tunisia.

The company is focused on continuing to be an innovative telecom operator that provides high quality products and services. it is aiming on leveraging the new LTE-TDD technology and maintain its leadership in the mobile market. It is also making a transition from a mobile operator to a fully integrated communications provider.

Ooredoo Group has slowed down its massive M&A strategy to pursue a more of intermarket growth. In fact, as explained by Ooredoo Tunisia's managers, the company is aiming to optimize its value creation through its Free Cash Flows and Return On Capital Employed (ROCE). It aims to become the market leader in terms of leading network and distribution by establishing a well embedded performance culture. The latter should be aimed at broadening employees' skills and motivating them. Finally, the company is constantly willing to adapt efficient models that optimizes distribution channels and synergies. The company aims to optimize its channels by leveraging its advanced analytics and efficiencies, as well as reengineering its cost models and digitalize customer interactions.

In other words, Ooredoo's operating companies, including Ooredoo Tunisia, are expected to continue to become leaders in their markets through smart distribution and leading data networks, and the preferred digital partners of OTTs, OEMs, individual consumers and businesses in their markets. Moreover, the company aims to embed a radical culture transformation so that it become leaner and more agile. This culture ought to ensure that its employees become digitally skilled.

In 2017, Ooredoo decided to change its vision to into "enriching people's digital lives" as an aspiration to successfully satisfy customers' needs and expectations as well as for businesses and institutions across its operating markets. The Group aims to become a digitally transformed

business in order for its operating companies to be "digital enablers". In other words, it wants to offer digital services through partnerships with Information and Communication Technologies (ICT), as opposed to traditional telecom products and services. In fact, Ooredoo launched in 2017, across all its subsidiaries, a transformational program named "Get Digital". The company recently updated its LEAD strategy to include a fourth pillar, "Extend and Leverage", reflecting the company's diversification priorities.

Types of products and customers

Ooredoo Tunisia can be considered as a full service operator. It provides to two main segments: individual clients and enterprises. The company offers diverse services: mobile services, data services such as 3G and 4G, broadband services (Bein Sports example for Tunisia), and most recently data center services for storage. Ooredoo Tunisia has recently launched the Internet of Things (IoT) which is simply a large network of connected "things" including people and devices ranging from smartphones to lamps, coffee or washing machines.

Moreover, the company is responsible for a number of stores dispatched all over the country where clients can purchase all kinds of products such as smartphones and accessories.

SWOT Analysis of Ooredoo:

The SWOT analysis allows to present the company's internal analysis as well as its external analysis. It gives insights about its Strengths, Weaknesses, Opportunities, and Threats. Ooredoo Tunisia's ability to connect consumers to its diversified offerings, which are up to date with the latest innovative technologies such as 4G services, constitutes its competitive advantage.

Strengths	Weaknesses
• Strong brand value • Strong customer growth in the fixed line • Strong brand awareness and marketing	• Weak infrastructure and network that affect customer satisfaction • Political interference can be a major factor in terms of regulations and business decisions

Opportunities	Threats
• Scope to inject venture capital in order to support growing investment needs for upgrading infrastructure • The selection of the Tunisian National Football Team to play during the World Cup 2018 represents an opportunity to increase its subscribers' base as well as affirm its brand.	• Challenging political and business environment in Tunisia • Security instability increase geo-political risks which abstains the investment climate • Technology rapid changes require heavy capital investments

Although the challenging economic and political conditions since the Jasmin Revolution, Ooredoo Tunisia delivered a growth in revenue of 1% in local currency.

Balanced Scorecard design

As stated on its 2017 Annual Report, Ooredoo's vision consists in becoming digital enablers and become much more than the traditional telecom service providers. A digital enabler allows to enhance the range of digital channels for self-care and self-service available to customers. Moreover, it allows to boost employees' digital skillsets as well as to expand the number of Information and Communication Technologies (OCTs) and Over-The-Top (OTT) partnerships. Ooredoo also wants to remain active in local communities in terms of giving people access to the services and support their needs. An example of such involvement is the establishment of the mobile health clinic in Zaghouan, Tunisia last year. A Mobile health clinic is a component of the healthcare system and consists of delivering care to populations that are difficult to reach by the traditional healthcare system. It improves the access and support prevention and chronic disease management. Although Ooredoo decided to significantly reduce its expansion strategy, Ooredoo Tunisia expanded its reach across Europe through the Sparkle's Sicily Hub. The company is now enabled to offer enhanced data experience for consumers and businesses.

Ooredoo's lead strategy includes these four pillars as discussed previously: Market Leader, Performance Culture, Efficient Models, and Extend and Leverage. The main elements of these pillars are providing services that exceed customer's expectations and to enrich their digital life. In other words, to deliver a range of innovative communication services.

Ooredoo's vision and strategy can be transformed into Kaplan and Norton's balanced scorecard's four perspectives:

Financial Perspective: this perspective should include measures that are important to the shareholder. The company considers this perspective as a way to drive rapid growth of revenues and to manage operating costs. In fact, Ooredoo aims instinctively to increase revenues and decrease operating costs. The company has two types of costs: operating costs related to the network and...

Customer Perspective: Ooredoo considers its customer satisfaction as a crucial element to achieve its vision and strategies. The company has two types of customers: individual customers and businesses. Its main mission is to become their digital enabler to help them fulfill their expectations.

Internal and Business Processes: Among the company's goals in achieving the strategy is to improve and build efficient models through advanced analytics, cost models' reengineering, and leveraging its efficiencies.

Learning and Growth: Ooredoo has been putting its employees on the forefront in order to enable them in becoming digitally skilled through a radical culture transformation.

The three levers that will initiate the company's digital transformation are faster time to market, digital customer engagement, and big data and analytics. Most importantly, Ooredoo Tunisia aims to enhance its market position in Tunisia by providing high-quality services and innovative products in the mobile and fixed space (Ooredoo).

The Strategy Map

Nowadays, businesses are creating and deploying more intangible assets than in the industrial age; where the value was created through the transformation of raw materials into finished goods (Kaplan and Norton). For the case of Ooredoo, caring about customer relationships, employee skills and knowledge, as well as Information Technologies are essential for accomplishing its long-term objectives. In addition to the Balanced Scorecard, a strategy map can be suggested accordingly to the company's vision and strategy. As developed by Norton and Kaplan (1992), the desired outcomes are created through specific improvements demonstrated by cause and effect relationships. In other words, the strategy map shows the conversion process of an organization's initiatives and resources to tangible resources. (Kaplan and Norton)

Sustained Shareholder Value

Productivity strategy

Revenue Growth strategy

Maximize the use of existing assets

Understand customer's needs and differentiate

Financial perspective

Enhance Shareholder value

Increase Market share

Implement cost optimization models

Increase revenues from the fixed line

Customer perspective

Enhance customer experience

Offer additional self-services

Trusted brand image for customers

Speedy services for a minimal amount of waiting time

Internal Processes perspective

Deliver sustainable value to customers through cost-optimization models

Improve operational efficiency by adapting Big Data and Analytics

Partnerships with ICTs and OTTs to enhance the quality of the provided services

Learning and growth perspective

Adopt innovative technologies to enhance business process improvements

Enhance employees' skill set to adapt to the fast-pace technological changes, promote leadership skills

Deliver a strong impact on society through charity events and projects

Ooredoo's Strategic Objectives

The Vision

"Enriching people's digital lives" and become a digital enabler

Strategy

"Transforming our business" through four different pillars:

- Market Leader
- Performance Culture
- Efficient models
- Extend and leverage

Financial

ROCE>WACC
Growth>market
Grow revenues faster than their markets
New revenue streams in B2B, fixed and digital
Tight cost control and reduce services costs
Improve profitability and margins
CAPEX and prioritization of investments transformed to revenue growth

Customer

Increase customer base (fixed)
Enhance customer satisfaction and experience
Improve quality of services
Enhance customer loyalty and retention

Internal Business Process

ICT and OTT partnerships
Leveraging advanced analytics
Moving customer interactions from physical to digital channels
Initiation of digital transformation
Reengineering cost models

Learning and growth

Empowering teams and women
Training on digitally skilled employees
Foster a culture to become leaner and more agile
Exploring expansion opportunities

Ooredoo's Balanced Scorecard

Financial Perspective

Return on Equity
Free Cash Flow
Market Share

Customer Perspective

Churn rate
New customers in the fixed line
Customer Satisfaction Survey
Number of retained customers
Time to settle customer claim
Number of integrated services to subscribers

Internal Business Processes Perspective

Cycle time
Unit cost
Setting up the platform for digitalization
Self-care and self-service

Learning and Growth Perspective

Increase the number of trainings
Engineering efficiency

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Detailed Balanced scorecard

Perspective	Strategic Objective	Key Performance Indicator (KPI)	Detailed Explanation of the KPI	Frequency	Target for 3 years
Customer	Contribute to the well-being of society	Number of projects launched related to healthcare	Ooredoo aims to increase its social responsibility toward the population in need. The number of projects launched is closely related to the healthcare system such as the mobile Health clinic recently launched in Zaghouan, Tunisia.	Can be measured yearly	2 – 3 events
	Satisfy and meet customers' needs	Customer satisfaction survey	Customers are skeptical about the brand's image so it is important to enhance the customer experience and improve the mobile network.	Should be measured monthly	8/10
	Increase customer retention	Churn rate and customer survey	The number of customers that decided to unsubscribe from the company's services. This also helps the company understand the reasons behind the unsubscription: network, customer service, or other interesting offers.	Annually	5- 10%
	Increase the number of self-services	Number of self-services apps	The number of self-services is a way that the company empowers customers. The self-services consist in buying new services and paying bills using an online platform with the need of a third party intervention. This allows to empower customers	Yearly	1-2 apps with regular update with 1-2 new functionalities
	Increase the customer base in the fixed line	Revenues related to the fixed line	Ooredoo recently launched its fixed line services and it is a growing segment; fixed line subscriptions allow an increase in revenues	Quarterly	
Financial	Deliver strong returns	ROI ROCE WACC	In order to maintain a healthy financial situation as well as provide good financial results for shareholders, ROI, ROCE, and WACC need to be monitored.	Quarterly	
	Ensure stability and liquidity of the finances	Liquidity ratios	Ooredoo is graded A2 according to Moody's. The company wants to ensure stability and liquidity in order to prevent falling short in the investments in capital and infrastructure.	Quarterly	

	Launch more mobile financial services (MFS)	Programs of developing agreements with banks to launch MFSs	Mobile Financial Services are still not available in Tunisia. The company can agree with local banks in order to provide this service. The customer can view and make transactions using his mobile app and network	Semiannually	1 MFS
	Increase Market share	Percentage change in market share	The market share of the company in comparison to its competitors can give an overview on providing and implementing a differentiation strategy	Quarterly	
Internal Business Processes	Increase operational efficiency	Number of clients served and handling time	Big Data and Analytics is the way that telecom companies can improve their operational efficiencies. For instance, Big Data uses predictive analysis to anticipate and plan for future demand	Yearly	
Learning and growth	Develop young talents	Number of trainings and recruits aged between 20-28	Develop indigenous leadership among young talent employed in order to improve and nurture a culture of continuous changes.	Semiannually	2 – 3 trainings
	Deliver strong social impact	Events and initiatives aimed to improve local communities	Ooredoo el Khir is a volunteering initiative organized by the company's employees which has a humanitarian and social project. Creating more events such as this aligns the company with its ethics and corporate social responsibility.	Quarterly	1 - 2 events
Financial	Deliver sustainable value for customers and shareholders	Equity Turnover	This measure enables the company to check if it uses well its equity to generate revenue, which in turn can provide more value to shareholders. If the company is using its capital efficiently, the ratio is going to be high.	Quarterly	
Learning and growth	Engage employees in volunteering activities in impactful and cost effective ways	Number of events And meetings to organize these	In order to deeply nurture the culture of giving something back to society, Ooredoo encourages its employees to be part of the organization of volunteering events	Quarterly	1-2 events

Customer	Appeal to young customers	Marketing campaigns aimed at people aged from 18 to 26 years' old	Ooredoo is aiming to build on the attractiveness of the company and the connectivity of the brand to social trends and even create trends.	Quarterly	1 – 2 marketing campaigns
Financial	Increase Revenues through the increase of the fixed line	Percentage change in revenues in the fixed line revenues and digital sources	The fixed line is a new product of Ooredoo Tunisia and the company is aiming to heavily sell this product in order to increase revenues	Quarterly	
Internal Business Processes	Cost optimization initiatives	Expenses per customer	Cost optimization models are the way that the company is considering to invest in to reduce heavy capital costs.	Semiannually	
Learning and growth	Leadership development programs	Number of training aiming to empower employees	Employees need to be empowered according to the company in order to engage them into the mission and strategy and allow them as well to	Quarterly	2 trainings
	Boost the digital skillsets of employees	Number of trainings dedicated to enhancing digital skills	The fact that Ooredoo is operating in a fast pace changing industry, it needs to enhance their employees' technological skills in order to adapt quickly to newly adapted technologies	Quarterly	3 trainings
	Instituting a volunteering framework	Number of volunteering events and/or agreements	Activate employees to engage in volunteering activities in impactful, cost effective ways, and to maximize the long-term social effect.	Semiannually	2-4 meetings to organize 2- 3 events

This balanced scorecard should facilitate the application of the newly formulated vision, which is enabling customer's digital lives; to the Tunisian branch of th

telecom company. Targets are set according to the current annual report and can be adjusted accordingly by the company's managers. Other targets that are nc

filled should be completed by the management team since it requires internal information. The Horizon of this tool is set according to an average time horizo

between the short term (1-2 years) and the long term (more than 5 years) since this balanced scorecard is created mainly using the 2017 Annual Report.

Conclusion:

This Work Project designs a Balanced Scorecard for a telecommunication subsidiary in Tunisia, Ooredoo. The designed Balanced scorecard's goal is to align the company's operations with its strategy in all hierarchal levels but also to align it with the parent company in Qatar.

The presented BSC is mainly based on Ooredoo Group's 2017 Annual Report and serves as a guidance to implement it within the company.

This Balanced scorecard can be developed further for each of the company's departments in order to have a better understanding on the objective and a customized scorecard that would enable the company its overall goal.

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