EuroEconomica
Issue 2(34)/2015 ISSN: 1582-8859

Balanced Scorecard: Organizational performance management instrument

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Abstract. In order to have a successful strategy, a company must set clear strategic objectives, such as: the desired financial performances, a description of its customers, of the internal processes within the company, and of the employees' abilities, knowledge and competences. To outline a general image of the organizational performance evaluation, we proposed the implementation of the Balanced Scorecard model, which includes five development directions. By implementing this management model within one organization, we can test the effect of some decisions before their implementation by managing some performance and risk key indicators. All these indicators categories pursue the integrated feature through the insurance the companies' long-term success, both at global and individual level, which supposes both the vertical and horizontal integration.

Keywords: performance, customer satisfaction, employees' satisfaction, internal processes, perspectives, integrated analysis

1 Introduction

Nowadays, the business environment is affected by the fast changes and by the complexity growth of one company's operations. In order to successfully face the situation, the company has to permanently adapt to the new conditions these changes impose.

Due to the significant growth in the volume of information that lead to an enormous work, material resources and energy consumption, the need of the company is the one of perfecting the information quality by developing a single program which is needful for all departments (financial, human resources, commercial etc). The solution can be an ERP (Enterprise Resource Planning) which combines all the information in a single database.

The presentation of the informational system concept pursues the emphasizing of the advantages, disadvantages and risks, the ERP type informational systems produce in the management of one organization.

Table 1 The advantages, disadvantages and the risks of ERP implementation

Advantages	Disadvantages	Risks
✓ Consistent and correct information; ✓ The removal of unneeded information surplus; ✓ The minimization of the information and reports'	✓ Long implementation time; ✓ High costs; ✓ Modules noncompliance (non-corresponding components to the economic processes, the culture and the objectives of	✓ The lack of the executives' implication in the implementation; ✓ The risk of cost reduction implies the reduction or removal of some

Advantages	Disadvantages	Risks
transmission time; ✓ The rapid reconfiguration towards the changes in the economic procedures; ✓ Maintenance insured based on the agreement with the ERP provider; ✓ The cooperative dimension through module extensions, such as CRM or SCM; ✓ The possibility to integrate new e-business applications	the company); ✓ Modules' complexity; ✓ The need to extend and subsequently develop the system, which reduces the system's potential.	implementation stages; ✓ The non-communication risk within the project as a result of the implementation, due to the inter-department feature of the ERP system; ✓ The scarce defining of the requirements during the implementation leads to the choice of an inadequate ERP system; ✓ The lack of experience of the one who implements the system can lead to a significant decrease in the productivity and to the rejection of the implementation results; ✓ The risk of training underestimation; ✓ The risk of not paying the ERP provider; ✓ The risk of market competition for the overpassed software applications.

Source: Adaptation after Fotache, D., Hurbean, L., Dospinescu, O. & Păvăloaia, V. D., *Procese organizaţionale şi integrare informaţională. Enterprise Resource Planning.* "Alexandru Ioan Cuza" University Press, Iaşi, 2010, pp. 37 – 42, and after http://www.seniorerp.ro/resurse_utile/erp-implementarea-erp-riscurile-implementarii-erp-analiza-tipurilor-de-organizatii-motivatia-implementarii-erp/, Accessed September 19th 2015.

The ERP acronym has represented a real challenge on the integrated informational systems market which pursues to remove the borderlines between departments and the one between the company and its business partners. More applications the ERP providers include stand as witnesses to the emergence of the ERP concept which had extended in the 90's. Extensions include applications such as:

- ✓ CRM- *Customer Relationship* – Customer Relationship Management, managing the relations with customers;
- ✓ SCM – *Supply Chain Management*, managing the relations with providers;
- ✓ PLM – *Product Lifecycle Management*, managing the product's lifecycle;
- ✓ BI – *Business Intelligence*, managing the global performance of the enterprise;
- ✓ SOA – *Service Oriented Architecture*, the service distributions in different units in a network, which can be used altogether;
- ✓ APS – *Advanced Planning and Scheduling*, the optimal allocation of resources and the production capacities in order to meet the demand;
- ✓ BPM – *Business Process Management*, managing the company's performance based on the BI architecture.

As a result of high costs the implementation of an ERP supposes, companies only use the accountability module, which has limited the management need to understand performances. A solution for the optimization of the financial processes management with the other economic processes are those product software that incorporate the BI (Business Intelligence) technology, which allows the management to track, understand and manage the company performance.

We consider that if BI can support the departments in one company to understand and answer in a more accurate manner to the business partners' demands (clients, providers, employees), than the performance of the company increase. The use of BI comes to support the company by implementing scorecard, dash card type methods, and informational applications: collaborative, destined to optimized activities, the reporting within the company, financial reporting, extranet applications for the business partners, all this allow the gaining of new customers and maintaining the traditional ones, cost reductions, the optimization of the relations with the providers, productivity growth and finally the optimization of the financial performance.

2 Literature review

Performance management represents a strategic and integrated approach in order to insure the long term success in the companies' activity, by improving the performance of the company, teams and individuals.

Organizational performance has improved in years, so that from a simple performance indicators gathering and reporting and its limitation to the management stage of human resources, modern approaches have integrated all the aspects regarding the strategic management, the operational management, the human resources management, the knowledge management, risk management, projects management, dashboards, metrics and key performance indicators that correlate the financial and non-financial issues.

Enterprise performance management or CPM (Corporate Performance Management) overpasses the traditional barriers between departments in order to manage the whole lifecycle of the decision making progress in the company, by combining the strategies of the company with planning, prevision processes and financial modeling. In other words, it is mandatory to map a set of well-structured data within some predefined reports, the elaboration of alert messages, the use of dashboard type, analysis instruments, performance indicators etc., in order to monitor and improve the economic processes that are founded on the company's strategic objectives.

The growing attention given to research, development and to the application of the performance management has gradually materialized in the development of the structured performance management systems, such as the *Balanced Scorecard* system.

BSC is an approach of the strategy and the enterprise management initiated by Robert S. Kaplan and David P. Norton.

Starting from the observation that the implementation of the strategy gest mostly blocked in the moment of the action plan implementation, the authors proposed to remove this blockage by adequately measuring and monitoring the reach of the strategic objectives using a Scorecard, as well as by implementing some clear strategic initiatives, corresponding to each strategic objective, elements that are grouped in perspectives that reflect the aspects that are seen as essential for the success of the company.

A short historic tour, 20 years ago, shows the evolution of the BSC from a simple performance evaluation instrument to a complex strategic management instrument, becoming one of the most internationally used management instruments.

Table 2 Main stages of the BSC evolution

Period	Stage	Description
1992 - 1993	BSC – performance measuring instrument	- The concept was presented in 1992 in an article called “Balanced Scorecard – Measures that Drive Performance” by Kaplan and Norton as a performance measuring instrument, used to collect, alongside the financial measures, the adding value activities within one company. - in 1993, Kaplan and Norton firstly refer to the relation between the performance indicators and the strategy extended within the company, in an article called “Putting the Balanced Scorecard to Work”.
1996	BSC – performance management system	- Balanced Scorecard has been classified as a performance management system, which represented the basis of a coordination framework for the strategic processes within the enterprise, budgetary and strategic planning, resources allocation and professional training of employees. - The implementation modality was revealed in the book of the two authors, Kaplan and Norton, titled “Translating Strategy Into action – Balanced Scorecard”.
2000 - 2001	BSC – strategic management system and control system	- The second volume is titled “The Strategy – Focused Organization: How Balanced Scorecard Companies Thrive in the New Business Environment”, where the authors emphasize the use of BSC as a strategic management system and control system of the institution.
2004 - 2005	The strategic map and the Strategic Management Department	- During this period, one makes the transition from the accounting financial management to the strategic management, transition tat in confirmed by the two components Strategic Map and Strategic Management Department. These aspects are emphasized in the volume entitled “The Strategy Map”. - Reference is also represented by the two articles: “Strategy Maps: Converting Intangible Assets into Tangible Outcomes” and “How the Balanced Scorecard complements the McKinsey 7 –s model”.
2006	The conformation of the departments to the organizational strategy	- The fourth published volume, “Alignment: Using the Balanced Scorecard to Create Corporate Synergies” sets the role of the Strategic Map and the one of the Balanced Scorecard within the defining of the organizational priorities. This volume also clarifies the relation between the two concepts and defines their role and importance in the alignment of the individual objectives and of the management processes from the department level to the corporate strategy.
2008	Integration between strategy and operations	The fifth volume, “The Execution Premium: Linking Strategy to Operations for Competitive Advantage” emphasizes the integrating role of BSC, the one of aligning the strategy to the organizational strategy. BSC is displayed as a key factor in the organization of the implementation of the strategy, presented as a organizational ability for public institutions and for non-profit organizations.
2010	BSC’s fundamental concepts	In an article called “Conceptual Foundations of the Balanced Scorecard”, it provides an overview on the origins of the Balanced Scorecard concept and on the main stages of its evolution.

Nowadays, a very wide range of software solutions for the collecting, reporting and the analysis of the data in the *Balanced Scorecard* are available on the market. To help the companies to guide themselves in the selection process, Bernard Marr from the Cranfield University in Great Britain has carried out a research study on 80 companies. 25 members of some consultancy companies and more than 45 members form the software providing companies for the implementation of the *Balanced Scorecard* were interviewed.

The implementation of such a software solution produces benefits, thus ensuring: data integration and management, data analysis and visualization in time, communication and collaboration that support the management when making correct decisions that lead to performance and to the learning process in companies. It is quite difficult to choose one of these applications type, as a result of the highly diversified offer. According to the technical report made by the Cranfield University, a list of the most important software applications which implemented the *Balanced Scorecard* is displayed. The list is updated with several completions, amongst which also the Siveco Romania and Acumen Integrat managerial consultancy companies are listed, which have a great success on the Romanian market.

The existing informational solutions on the market reveal the importance of this instrument and the concerning for the correlation of the corporate strategy to the performance monitoring and evaluation, as well as the employees' contributions to the success of the company.

Romania is only in the starting stage of sustainable performance management and evaluation, which does not mean that this is a new or unknown concept, but its approaches are not sufficiently integrated in the annual financial statements. The sustainable development issues are separately monitored and reported. Through the made research we confirm the fact that there is no unique recipe for sustainable success, that is why it is necessary to make as many as possible research papers in this field.

BSC is applied both in the private and the public sectors. Good practice examples regarding the implementation of BSC are presented in the user's guide of BSC of the Ministry of Administration and Internal Affairs through the operational program "Administrative Capacity Development", and the first implementations of BSC were made starting from 2001 by the Ministry of Agriculture, Forests Environment and Waters in Austria. BSC is also successful in the public healthcare services in Great Britain and Italy, as well as in other fields, such as the air forces in Great Britain.

Now, there are Romanian private or state companies that have implemented or are now implementing the *Balanced Scorecard* concept and are displayed in Table 3:

Table 3 List of Romanian companies that have implemented the BSC concept

Private companies	Public institutions	Non-profit organizations
Eckerle România	Townhall of Sector 2 Bucharest	AIESEC Cluj
Anticoroziv S.A.	Botoșani council house	Studcard
Romil Group	Gorj County Council	
Ipsos Interactive Services	Brăila County Council	
OMRO	Timiș Institution of the Prefect	
Petrom	Giurgiu Institution of the Prefect	
ING România		
Sicomed Zentiva		
Hotel Vega Galaţi		

Companies need to understand the need to report the sustainable development as more than a simple declaration in the annual financial statements, to a more accurate analysis by evaluating the management practices, the workforce problem, the risk problem, development strategies etc. Considering all these aspects, we propose to approach a solution of usage and development of *Balanced Scorecard* in this paper.

The *Balanced Scorecard* is highly spread and accepted as an international method. In Romania, this concept has registered a lower degree of concern, being important alongside the international extension of the businesses through contracts with clients that use this modern management instrument.

The first study made in Romania regarding the BSC concept was made by the Acumen Integrat research and consultancy company in 2010. The company focuses on providing performance management solutions at a strategic, operational and individual level, and the service they provide include the implementation of performance management systems, auditing and performance, the optimization of the performance indicators use, professional training and project management. The study was carried out on 500 respondents in order to identify the understanding and usage level of BSC, where 81,5% of the interviewed individuals have a high degree of knowledge about the concept, and 76,5% were interested in growing their knowledge on BSC and see it as a positive fact that BSC would be implemented in the companies in the future.

The study was carried out based on online survey, with 403 respondents, with only 217 who finished the survey. Study results have shown that:

- ✓ At a strategic level, 60% of the answers reveal the fact that a consecrated management system is not used, and 15,8% see the BSC as an instrument that eases the strategic conformation and performance management processes. This low conformation between organizational levels makes it difficult for the implementation of a well-developed strategy;
- ✓ At an operational level, 85,6% have totally or partially documented activity plans, 89,94% claimed that operational activities are correlated to the strategic objectives of the company, and more than 50% use instruments such as Scorecard and Dashboard;
- ✓ At the individual level, 74,9% have implemented performance management systems for a better management of the employees' activity.

In conclusion, regarding the approach method of the performance management within the company, only 26,8% align the strategic level to the other level from the operational and individual perspective. Claimed impediments are the budget, the change management and the organizational culture. The time difference between the two studies shows a promising progress and the opening of companies towards the implementation of performance management instruments.

3 Data and research methodology

After the financial scandals in the last two decades, companies and investors were confused, and a problem to this extent was represented by the limits of financial information as it does not surprise all the sides of performance. For an investor to be able to measure the value of one company, he also needs non-financial information to make decisions.

The emergence of BSC is based on the insufficiency of the financial indicators to express performance, thus, this model succeeds in grouping the financial and non-financial indicators by building the enterprise performance through equilibrium and the connection of the four perspectives:

- ✓ *The financial perspective*- value creation based on the customer satisfaction;
- ✓ *The clients perspective* – by creating value for the customer satisfaction;

- ✓ *The internal processes perspective* – the efficiency of the production processes or service with impact on the customers' and shareholders' satisfaction;
- ✓ *The teaching and development perspective* – employees' abilities and aptitudes that lead to change, innovation and development of the company's progress.

In the literature, the four perspectives are considered during most speeches, but there is the possibility of enlarging their number.

What has determined our research to head for a proposal of implementing the *Balanced Scorecard* model in the analyzed company is the fact that tit and many other companies still use classic applications, which limit the informational flow and does not offer a general image of the whole company.

To shape a general image of the evaluation of the organizational performance, within CNFR X S.A., we proposed the implementation of the *Balanced Scorecard* model which comprises five development directions, each of them pursuing a set of strategic objectives, to whom key performance and risk indicators, targets and strategic initiative correspond, as following:

1. *Learning and teaching* – How do we improve the professional training of employees and how must we proceed to satisfy them, so that they would contribute to the value creation of the company?

2. *Governance, conformity and risk* - How do we improve the corporate governance practice, how do we assume the risks and how do we manage them, how do we optimize the quality, environmental, health and work security standards?

3. *The internal processes of the enterprise* – How do we contribute to the research-development activity, how do we optimize the capacities used for the riverine transport and how do we improve the relation with the providers?

4. *Relations with the clients* – How do we improve our services to satisfy the actual costumers and also to attract new ones?

5. *Financial performances* – How do we improve the financial performance to have results that would satisfy the shareholders?

Through the *Balanced Scorecard* model, as an organizational performance management, we pursued the testing of the effect of some decisions before their implementation by managing some key performance and risk indicators for each strategic objective, such as they would be adapted to the company's activity and generate the link between the cause and the effect.

For the strategic objectives to be valid and support the decision making, each indicator must represent the link in of the relations chain from the cause to the effect. These indicators must be structured on categories, in order to pursue:

- ✓ *The economic performance*, by creating value for the shareholders who aim at the asked profitableness on the stock market;
- ✓ *The financial performance*, by optimizing the profitableness regarding the financial balance, liquidity, solvability, the indebtedness degree, the maintenance of the incomes and expenditures within the tolerance limits;
- ✓ *The performance through customer satisfaction*, aims the provision of quality services to customers, attracting new clients;
- ✓ *Performance through the quality of the internal processes*' quality regarding the harmonization

with the business environment through research-development activities, the investment efficiency etc., to continuously satisfy the clients;

- ✓ *The performance by reaching the standards* of corporate governance, risk, quality, environmental protection, work protection regarding the compliance with the national and European norms and regulations;
- ✓ *The performance through employees' satisfaction*, given the high requirements regarding the professional training and the creation of value for the company.

All these indicators categories aim the integrated feature by ensuring the long term success of the company, both at the global and individual level, which supposes both the vertical and horizontal integration.

Starting from these directions, we proposed the development of the strategy using the set strategic objectives, which are displayed in the "Strategic Map" in Figure 1.

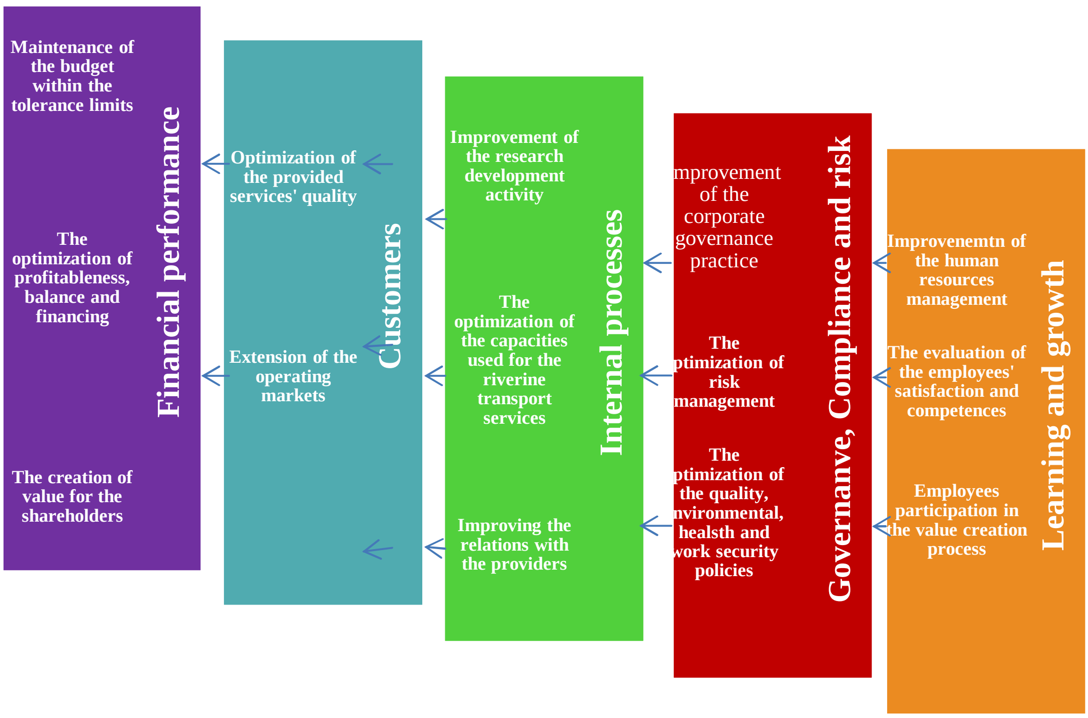

Figure 1 Strategic map of CNFR X S.A.

We consider that individual performance from the perspective of Learning and growth, as being the starting point to reach the top towards the financial perspective, the one which finally evaluates the success or failure of the whole company, as follows:

I. The Learning and growth perspective

To this extent, we propose to ensure the continuous improvement of the individual performance to create quality services. This can be made by growing the responsibility of all employees, both with executive and leading positions. This perspective can be reached by:

- ✓ The professional development of the travelling personnel through specialization courses;
- ✓ The annual evaluation of the professional and individual competences and performances (for execution, leading, TESA personnel, direct productive personnel) through knowledge and professional experience, the development of communication abilities, the fulfillment of the requirements according to the job description, the responsibility of the executed activities and the ongoing activities.

The Learning and growth (Table 4) provides a revealing answer regarding the continuous improvement of the customers' performance and satisfaction, if the following objectives are reached:

1. *The improvement of professional formation of the employees* through the evaluation of the following indicators: training streams, the number of days of streaming stages, the percentage of the medium and superior schools and the years of service within the company;

2. *The evaluation of the satisfaction and the competences of the employees*, an objective that is evaluated through the satisfaction evaluation questionnaire and through the annual evaluation regarding each individual's performance;

3. *The participation of the employees in the value creation process*, an objective that is evaluated through the mean productivity of work index.

For each of these indicators that correspond to each objective, we set target values that evaluate the fulfillment/non-fulfillment degree, and depending on the result, we established the performance level of the Learning and growth dimension.

Table 4 Strategic objectives of the Learning and growth perspective

What do we propose Objectives	How do we evaluate? Indicator	Set level			Department/ Responsible
		Reached target	Unreached target	Under the target	
The improvement of the employees' training stream	- % expenditures on employees' training	3%	1 - 2%	0	Human Resources Department/ Human Resources Leader
	- training streams number of days	7 – 14%	1 - 6	0	
	- % university classes employees	20 - 30%	10 - 20%	< 10%	
	-% employees with high school diploma	70 - 80%	60 - 70%	< 60 %	
	- % employees with more than 3 years of service in the company	100%	90 - 100%	< 90%	
The evaluation of the employees' satisfaction and competences	- employees' satisfaction evaluation questionnaire (the percentage of the employees satisfied with the working conditions)	100%	90 - 100%	< 90%	Human Resources Department/ Human Resources Leader
	- % of the salaries that received „Very good" or „Good"	100%	90 - 100%	< 90%	

What do we propose Objectives	How do we evaluate? Indicator	Set level			Department/ Responsible
		Reached target	Unreached target	Under the target	
	grades at the annual evaluation				
Employees' being part of the value creation	- % mean productivity of work (Employees/turnover)	0.15 - 0.20%	0.1 - 0.15%	< 0.1%	Financial – accounting Department/ Economic Director

II. The governance, compliance and risk perspective

In any company, either public or private, there are interests between the leading staff and its partners: shareholders, creditors, customers, employees and state institutions. Interests lead to performance, and performance depends of the government form.

This direction implies efficient resources use standards, transparency for shareholders and large public, the reduction of corruption, the improvement of risks reduction, social responsibility (safe working conditions for the employees, customer satisfaction with qualitative services and products, and the shareholders 'interests' satisfaction) and the environmental protection.

The pursued objectives within this perspective (Table 5):

1. *The improvement of the corporate practices governance*, by measuring the engagement and the compliance level with the listed companies' governance requirements, according to the "Apply or explain" declaration;

2. *Risks management optimization* according to the "Risk evaluation registry"

3. *The optimization of the quality, environment, health and work security policies*, namely the compliance with the ISO 9001 quality standards, the ISO 14001 environmental standard and OHSAS 18001 health and work security standard.

For each of these indicators, target values were set, which evaluate the fulfillment/nonfulfillment degree, and, depending on the result, the performance level of the *Governance, compliance and risk dimension is set*.

Table 5 Strategic objectives of the Governance, compliance and risk perspective

What we propose? Objectives	How do we evaluate? Indicators	Set level			Department/ Responsible
		Reached target	Unreached target	Under the target	
The improvement of the corporate governance practice	- Corporate governance index- evaluates the engagement and the level of compliance with the governance requirements of the listed companies.	100%	90 - 100%	< 90%	Executive council/ Governance responsible

What we propose? Objectives	How do we evaluate? Indicators	Set level			Department/ Responsible
		Reached target	Unreached target	Under the target	
The optimization of risk management according to the „Risk evaluation registry"	- % unevaluated risks: evaluation of the unidentified risks percentage which were recognized as threats and the possible loss they can cause and the emergence possibility of losses that were not considered	1 - 5%	5%	> 5%	Integrated management department/ Risk responsible
	- risk exposure	0 - 5%	5 – 10%	> 10%	
	- risk events: evaluate the number of positive and negative events	0 - 2	3 - 5	> 5	
The optimization of the quality, environment, health and work security policies	- ISO 9001 quality standard	100%	90 - 100%	< 90%	Integrated management department /Quality, health and work security departments responsible
	- ISO 14001 environmental standard	100%	90 - 100%	< 90%	
	- OHSAS 18001 health and work security standards	100%	90 - 100%	< 90%	

III. Internal processes perspective

To fulfill this perspective, the members of the company must focus on those processes where they should excel in, so that they could help in fulfilling the proposed duties.

In order to do so, the following strategic objectives must be studied (Table 6):

1. *The improvement of the research-development activity* through the collaboration degree with institutions that carry out research activities in the field of sea transport and through the investment volume in the total turnover;

2. *The improvement of the capacities used for the provision of riverine transport services* by evaluating the expenditures with consumables, the reduction of transport execution time, the capacity of the self- propelled transport means fleet and the reliability of the ship fleet;

3. *The improvement of the relation with the providers*, by evaluating their debts and the number of unpaid bills.

For each of these indicators corresponding to the strategic objectives, target values were established, which evaluate the fulfillment/nonfulfillment degree, and depending on the result, the performance level of the internal processes dimension is set.

Table 6 Strategic objectives in the internal processes perspective

What we propose? Objectives	How do we evaluate? Indicators	Established level			Department/ Responsible
		Reached target	Unreached target	Under the target	
Improvement of the research-development activity	- the collaboration degree with institutions that carry out research activities in the field of water transportation	90 - 100%	90%	< 90%	Fleet exploitation department/ Fleet exploitation director
	- investment volume (% in the turnover)	10 - 20%	10%	< 10%	
The improvement of the capacities used for the provision of riverine transport services	- % of the expenditures with spare parts and materials, fuel	10 - 30%	30%	> 30%	Financial-accounting department/ Economic director
	-transport execution times reduction	25 – 50%	20 - 25%	< 20%	Fleet exploitation Department/ Fleet exploitation director
	-no. of units self-propelled transport fleet means	30 – 40%	20 – 30%	< 20%	
	-% reliability of the ship fleet (total retired preservations ships/total operating ships	0 - 10%	10%	> 10%	Transport ships department/ Ship park director
The improvement of the relation with providers	- payment time towards providers (commercial debts/ Turnover * 360 days)	45 - 60	60	> 60	Financial-accounting department/ Economic director
	- no. of unpaid facture at the date of payment to providers	0	1 - 10	> 10	

IV. Clients perspective

The company is interested in the way it is seen by its customers. To satisfy the customers, a basic condition is to fulfil the first three above mentioned directions, namely: satisfy its employees, respect the governance, risk, quality, environment and work protection standards and concern on those internal processes in which it has to excel.

Proposed objective to this extent (Table 7):

1. *The improvement of the provided services' quality* can be evaluated through the number of received reclamations from the customers, new customers, the percentage of non-cashed claims, the recovery time of the claims and the reliability of the ships' services;

2. *The extension of the operating markets* evaluated through the number of agreements with external clients.

For each of these indicators, corresponding to the strategic objectives, target values that evaluate the fulfilment/non fulfilment degree were set, and, depending on the result, the performance level of the Customers dimension is set.

Table 7 Strategic objectives of the customers' perspectives

What we propose? Objectives	How do we evaluate? Indicators	Set level			Department/ Responsible
		Reached target	Unreached target	Under the target	
Improvement of the provided services' quality	- no of reclamations received from customers	< 10%	10%	> 10%	Trading department/ Trading director
	- no. of new clients	> 20%	20 %	< 20%	
	-non-cashed claims from internal customers	< 10%	10%	> 10%	Financial-accountability department/ Economic director
	- non-cashed claims from external customers	< 10%	10%	> 10%	
	-the average time of claim recovery (claims/ Turnover * 360 days)	< 60 days	60 days	> 60 days	
	- % reliability of ship services (total no. of carried out transports/ total no. of scheduled transports*100)	100%	90 - 100%	< 90%	Trading department / Trading director
Extension of the operating market	- no. of agreements with external clients	10 - 20%	10%	< 10%	Trading department / Trading director

V. Financial perspective

A needed condition for a successful strategy is the fulfillment of this dimension's objectives (Table 8):

1. *Maintaining the incomes and expenditures budget within the tolerance limits* by evaluating the variation of the budget and the treasury flow;
2. *Optimizing the profitableness, the financial balance and the financing* by evaluating the following indicators: net profit margin, profitableness rate, liquidity, solvability and financial leverage;
3. *Value creation for the shareholders* by evaluating the indicators of the added economic value and shareholders' profitableness.

For each of these indicators, corresponding to the strategic objectives, target values that evaluate the fulfillment/non fulfillment degree were set, and, depending on the result, the performance level of the financial dimension is set.

Table 8 Strategic objectives of the financial perspective

What we propose? objectives	How we evaluate ? Indicators	Set level			Department/ Responsible
		Reached target	Unreached target	Under the target	
Maintenance of the budget	- % budget variation	91 – 100%	80 - 90%	< 80%	Financial-accounting

What we propose? objectives	How we evaluate ? Indicators	Set level			Department/ Responsible
		Reached target	Unreached target	Under the target	
within the tolerance limits	- net cash flow	91 – 100%	80 – 90%	< 80%	department/ Economic director
Optimization of the profitableness, financial balance and financing	- % net profit margin (net profit / Turnover *100)	– 4%	1%	0%	Financial-accounting department/ Economic director
	- % own equity profitableness (net profit / own equity)	0.01-0.02	< 0.01	0%	
	- % consumed resources profitableness (Exploitation result/ total expenditures * 100)	5– 6%	1 – 4%	< 1%	
	- liquidity (current assets/ liabilities < 1 year)	≥ 1	< 1	0%	
	- solvability (total assets/ total liabilities)	> 1	< 1	0%	
	- total indebtedness rate/ financial leverage (total debts/ own equity)	≤0.6	> 0.6	> 0.7	
Value creation for shareholders	- added economic value (EVA – company performance over or under the level of the invested capital)	> 0	< 0	< 0	Financial-accounting department/ Economic director
	- shareholders' profitableness (TSR)	> 0	< 0	< 0	

The cause – effect relation rules the 5 perspectives that are interrelated and function as a waterfall, thus the inconsideration of one perspective's objectives attract the nonfulfillment of other perspective's objectives.

This way, by educating the employees and encouraging them, one insures the meeting of the standards that lead to the growth of the internal processes efficiency which satisfy the customers, and, finally, the expected results will be seen in the financial performance.

4 Conclusion

Expected results subsequently to the development and implementation of these strategies designed to reach the organizational performance within the riverine transportation company provide:

- ✓ ***Efficacy***, by reaching the best result for the improvement of the riverine transportation services which is to lead to the growth of the market value of the company;
- ✓ ***Efficiency***, by obtaining maximum results with as low as possible costs;
- ✓ ***Continuity***, through the continuous concern of the company of providing high quality services for both its internal and external customers and the continuous adaptation to the procedures and techniques which are in compliance with the national and European regulations;
- ✓ ***Security***, by continuously succeeding in ensuring the riverine transportation while minimizing all potential risks;
- ✓ ***Legitimacy***, by continuously knowing and applying the regulatory norms and procedures in the field of riverine transportation.

For the leading and functioning with positive effects of the analyzed company, it has to comply with the evaluation based on the *Balanced Scorecard* model and to ensure the continuous long term improvement of the organizational performance.

Reaching this strategic objective will determine the functioning of the company according to the perspectives stipulated in the *Balanced Scorecard*:

- ✓ Client orientation;
- ✓ Employees' involvement;
- ✓ Result orientation;
- ✓ Concern on internal processes;
- ✓ Continuous improvement of performance by standard meeting and risk minimization.

The implementation of a *Balanced Scorecard* model ensures an integrated analysis of the company's activity that would be useful to the management for a better administration of the available resources, which would lead to a permanent and constant improvement of the *performance – efficacy – economy – efficiency*.

We consider that our research will not stop in this point, as the Balanced Scorecard model can be improved by adding new indicators, specific to the five perspectives, which will carry out a more thorough analysis of the organizational performance.

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