Innovation management in Portuguese and Cameroon micro and small companies – implementation of Balanced Scorecard management tool

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Abstract

The requirements of an increasing globalized and competitive economy lead managers to make comparison across countries in different continents in different markets which can rapidly bridge the gap of their lacking skills, knowledge and problems faced. To assert the adequate management skills and success of micro and Small and Medium Enterprises (SMEs), this study elaborates and diagnoses both micro and SMEs in Cameroon (Africa) and Portugal (Europe). It is safe to say that the micro and SMEs sector has been the engine of economic growth in many countries and not just to both the economies of Portugal and Cameroon. As a result of its ability to create jobs, generate revenue, reduce poverty and drive economic growth. The management of Micro, Small and Medium Enterprises to a large extent depends on the organizational structure and development of innovative practices. This study focuses on comparing the management structure, innovative practices and evaluating the economic-financial arm and the competitive strengths in Micro and SMEs in Portugal, Europe and Cameroon, Africa. This study was necessitated in order to make compares between Micro, Small and Medium Enterprises in two countries in two different continents. The study also looks at how the introduction and importance of innovation enhances performance and better management of SMEs. In the present work, a Balanced Scorecard (BSC) for both enterprises were successfully developed as a management control system with several indicators identified that will effectively clarify the objectives and strategic mission within both organizations. These qualitative findings may help strengthen innovation strategies of these small businesses, which could produce greater profitability and growth. Thus, after analysis, it can be proved that the performance of the enterprises and its employees can be improved by implementing the BSC model. Finally, the study concludes by proposing recommendations for future Balanced Scorecard initiative in both enterprises in order to overcome the potential barriers to ensure its beneficial use.

Keywords: Innovations, Balance Scorecard, Small and medium enterprises, Portugal, Cameroon

Resumo

As crescentes exigências de uma economia globalizada e competitiva conduzem os gestores e empresários à necessidade de realizar comparações entre diferentes mercados, para colmatar algumas lacunas de informação. Neste trabalho desenvolve-se uma análise entre duas empresas, classificadas como micro e pequenas empresas (PMEs), estando uma delas sedeada em Portugal e a outra nos Camarões. A escolha das empresas para a realização desta investigação recaiu em empresas desta dimensão, dada a sua representatividade no tecido empresarial de cada um dos mercados em análise. Efetivamente, tanto as micro como as PMEs constituem o motor do crescimento económico em muitos países, uma vez que são um veículo para a criação de emprego (muitas vezes o próprio emprego), geram receita e contribuem para a redução da pobreza. No entanto, a sua gestão e o seu sucesso dependem, em grande medida, da sua estrutura organizacional, que muitas vezes é reduzida, e do desenvolvimento e implementação de práticas de inovação. Neste sentido, este estudo concentra-se na comparação da estrutura de gestão, na avaliação económico-financeira e da competitividade (realizada na fase do diagnóstico) e nas práticas associadas à inovação, através da implementação do instrumento de gestão estratégica Balanced Scorecard (BSC), das empresas participantes, que se situam em dois continentes diferentes, e que por isso, têm caraterísticas muito distintas. Desta forma, foi desenvolvido um sistema de controlo de gestão, com a identificação de vários indicadores, devidamente alinhados com a missão, visão e estratégia das empresas, permitindo a integração e o fortalecimento de estratégias de inovação em ambas as organizações, o que se poderá traduzir num potencial de crescimento e num aumento do lucro esperado. Constata-se que o desempenho das empresas e dos seus colaboradores se encontra aprimorado com a implementação deste instrumento, uma vez passaram a existir indicadores e objetivos escritos e mensuráveis, reportados ao ano, e passíveis de serem revistos periodicamente.

Palavras-chave: Inovação, Balance Scorecard, Pequenas e Médias Empresas, Portugal, Camarões

Acknowledgements

Abbreviations and Acronyms

BSC   Balanced Scorecard

CEMAC   Economic Community of Central African States

CFA   Communauté Financière Africaine

GDP   Gross Domestic Product

R&D   Research and Development

SMBs   Small and medium-sized businesses

SMEs   Small and medium-sized enterprises

SSA   Sub-Saharan African countries

SWOT   Strength weakness opportunities and threats

VSE   Very small enterprises

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INTRODUCTION

Innovation activity in an enterprise is one of the ways to increase the volume of production, to improve the quality of goods and services, and finally survive on the market. Innovative activity became an important part of management strategic decisions. For small and medium enterprises, implementation of innovative technologies or approaches can lead the enterprise to success in business.

Although there is significant literature on innovation activities in small and medium-sized enterprises, studies that report on innovation practices in small and medium enterprises are lacking. The main objective of this Master thesis is to search for theoretical statements and validate measures of innovative activities that can be adopted in a Cameroonian and Portuguese enterprises. The choice of both enterprises where the case study was made were chosen based on their willingness to collaborate.

Traditionally, the performance evaluation of organizations was based almost exclusively in the analysis of the financial indicators, however it was concluded that this information is insufficient as the quality and efficiency of services have become of value to customers and to increase customer satisfaction and value of business.

A model was needed that did not only cover indicators because it was considered that the fact that business management is based exclusively on such indicators could hinder the growth of their future value creation. It was imperative to define a global strategy for the organization in the face of constant change and increasing market competitiveness. Thus, the Balanced Scorecard (BSC) aims to encompass, in a single document, the objectives and indicators according to four interconnected perspectives (financial, customer, internal processes and innovation and learning) to better measure and evaluate performance (Kaplan & Norton, 1996).

This work will be carried out to explore three issues: understanding of the term "innovation", innovation practice(s) and how innovation can be effectively measured.

Thus, the main tasks developed for the preparation of this thesis were as follows:

1) Consider the main problem and ways of innovative activity in enterprises;

2) Analyze the activity of Portuguese and Cameroonian enterprises and the implementation of Balanced Scorecard (BSC) as a strategic management tool in both companies;

3) Justify measures to improve the activity of both companies.

Therefore, in chapter one, detailed literature review on various definitions of "Innovation", its importance as a management tool and several types of innovation will be presented.

In chapter two, is presented the research methodology adopted as well as all the analysis of data and the information collected, related with the main subject of the Master thesis.

In chapters three and four, the two companies used as case studies will be analyzed in terms of their managerial structure, business activities, and financial results. Also, potential innovative approaches that can be adopted to increase business activities and improve on the quality of service will be analyzed. Development of a SWOT analysis, Business, Model Canvas and Balanced Scorecard was implemented and presented.

In chapter five, the recommendation of critical factors or practices for successful innovation in the two companies evaluated so far was stated.

Lastly a section describing the concluding remarks and future perspective is presented, mainly describing the key findings and future research lines that can be adopted to further contribute to this research theme.

Information's for the successful completion of this master's thesis will be obtained from bookkeeping and managerial statement of Company A, Portugal and Laundry World, open internet sources, related with financial, statistical and managerial information; libraries of IPB, research articles in peer-reviewed journals; data from governmental portals and sources related with the theme of Master Thesis.

1. Innovation and Management – Theoretical Framework

1.1. Essence, concept and types of innovation

The definition of innovation has been an area of interest both for researchers and different industries. It is considered that the way innovation is defined within an organization will further determine which activities takes place within the company. Scientists and different industries used a different approach from many perspectives regarding the definition of innovation. A theoretically, innovation is a process that provides added value and a degree of novelty to the organization, suppliers and customers, developing new procedures, solutions, products and services and new ways of marketing (Popa, Preda & Boldea, 2010).

Innovation is the actual use or implementation of a process, product or system that is novel to the organization developing the change. This term should not be confused with invention, in that the latter is a detailed design or physical manifestation that is novel when compared to the existing practices, whether the invention is actually employed in practice or not. Innovation, on the other hand includes both invention and the application of the invention (Gambatese & Hallowell, 2011). Innovation has become the synonym for the development of nations, technological progress and driver of business success. Innovation nowadays is not simply the "creation of something new" but also a solution to a broad range of problems. The term "innovation" is more and more often used - very frequently by policymakers, marketing specialists, advertising specialist and management consultants - not as a strict scientific concept but as metaphor, political promise, slogan or a buzzword (Kotsemir & Abroskin, 2013).

Innovation brings vast benefits to consumers and business owners such as decreases in cost and schedule, improvements in quality, increase in market share and a competitive advantage over

competitors, and it is vital for long-term performance of both small and medium scale enterprises. Understanding the innovation process, how innovation can be enhanced and how it can be measured are key steps to manage and enhance innovation (Gambatese & Hallowell, 2011). Innovation in management is a subject that raises the interest of academics and practitioners mainly in the field of management. Even though there are multiple tools and models that are utilized at firm levels to systematically implement innovations, very little information is available regarding their effectiveness (Albors-Garrigos, Igartua & Peiro, 2018). There is an increased demand among various small and medium scale firms for practical approaches to manage innovation, and as such, different management models have been proposed to manage growing uncertainties and increasing productivity (Albors-Garrigos et al., 2018). Today, there is a large number of the researches directions to study of innovations classification, and the Scientific Research Institute for System Studies developed innovations classification considering fields of the enterprise activity (Figure 1). On this sign, innovations are classified as management innovation, social innovation, manufacturing innovation and financial innovation (Gureva, Kirillov, Vinichenko, Melnichuk & Melnychuk, 2016).
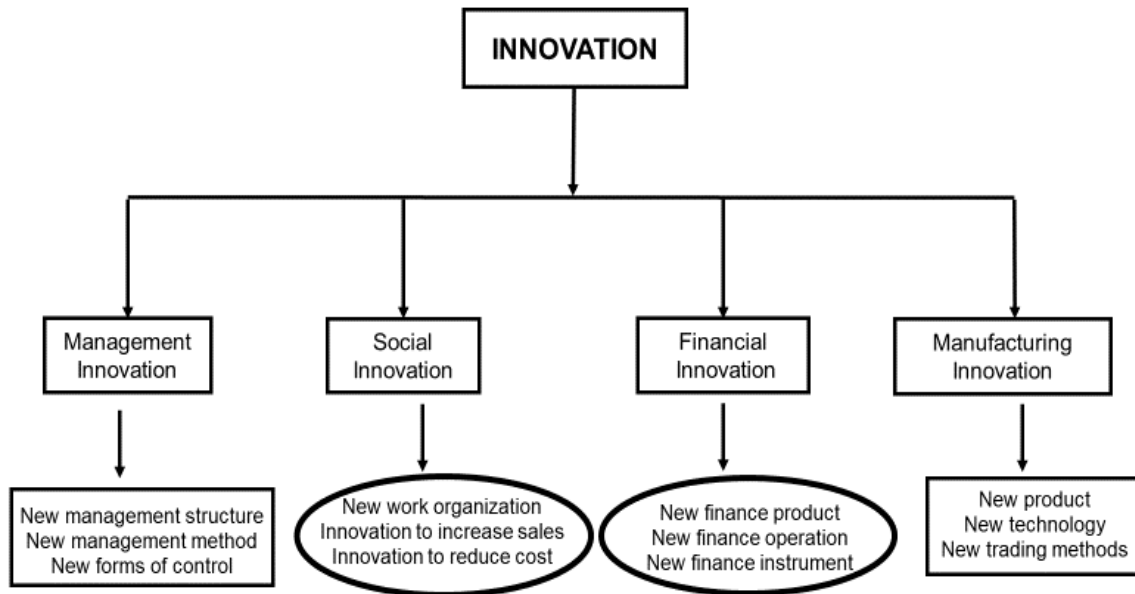
Figure 1. General structure of innovations classification

Source: Adapted from Gureva et al., (2016).

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Management innovation has gained increased popularity in research and practice because of its positive effects on organizational renewal and performance. Regardless of the growing number of studies on management innovation, there is still a lack of research that integrates and synthesizes this body of knowledge. Challenges organization's face in today's global market relate to not only offering novel products and solutions but also altering the nature of management within organization's towards improving productivity, the quality of customer service and performance (Khosravi, Newton, & Rezvani, 2019). To better understand and unpack the notion of management innovation, scholars have found a number of drivers that promote management innovation, such as leadership behaviors, organizational learning and organizational size. The management of innovation calls for a broad range of qualities and capabilities, which go beyond research and development spending. Innovation management needs a vision and a strategy, appropriate processes to implement innovation, and organizational conditions and culture that facilitate the emergence of ideas and their implementation. Along with the increase in competition, the quest for the "right" blend of process-driven and people-oriented aspects of innovation management has become one of the firms' highest priorities (Solaimani, Talab & van der Rhee, 2019).

Manufacturing Innovation is the continuous development contribution of a manufacturing department or plant for a sustainable and significant improvement of a company's market position. It comprises all aspects and measurements to encourage, plan and implement any types of innovation regarding products, productions systems and organization (Brandl, Kagerer & Reinhart, 2018). It pursues a resource-optimal coordination of projects and provides an environment that promotes innovation and change. Small and medium-sized enterprises (SMEs) play a critical role in maintaining and growing the manufacturing strengths of most economies. These companies are the "backbone" of the country's region's industrial capabilities and exist in every community where manufacturing exists (Reynolds, & Uygun, 2018).

Social innovation is a fast-growing phenomenon and more businesses are trying to understand how social innovation can help their business model. Over the last decade, the concept of social innovation has been increasingly discussed in the research and policy communities with the intending capacity to create and implement new ideas that are likely to deliver societal value (Oeij, van der Torre, Vaas & Dhondt, 2019). These forms of innovation offer novel solutions that can more effectively and efficiently solve social problems and needs and ensure social progress. Social innovations like Microfinance and Fairtrade labels have become the main engine of inclusive growth and social change (Lee, Spanjol & Sun, 2019).

Financial innovation is a unique type of innovation and unlike other types of innovation, it does not rely on patents, nor does it have a similar cost structure. Financial innovation originates from financial institutions whose purpose is principally to efficiently allocate the resources of savers to investors/spenders that will return the capital with interest and without default (Bernier & Plouffe 2019). The importance of finance and innovation on economic growth have long been established. The role of

the financial sector in economic growth, regardless of whether it serves a supply or a demand-function, is deemed necessary for economic performance. Given the active academic and policy debate on the role of financial innovation, there is a striking paucity of empirical studies of the real and financial implications of financial innovation, mainly due the lack of data (Beck, Demirgüç-Kunt & Levine, 2005).

1.2. Innovation in management and its importance

In recent years, innovation strategies have become the new drivers of new product development and have been reported to have significant impact on firm performance. Some of these innovation drivers are focused on several parameters such as product, process, strategy, and marketplace characteristics (Ernst, Kahle, Dubiel, Prabhu & Subramaniam, 2015). In fact, researchers and practitioners have found that innovation is a pre-requisite for organizations to prosper or survive in a dynamic environment and evidence have shown that innovation is essential for continued organizational success and the advancement of the industry, and thus is an important topic for research (Gambatese & Hallowell, 2011). Even though more attention has been devoted to the study of innovation managements in emerging markets in Europe and the USA, there is not enough studies on innovation in new markets such as Africa despite the recent changing dynamics of the African economy (Ernst et al., 2015).

Both academic and managerial literatures are increasingly focusing on performance measurement and the reported challenges associated with the performance measurement of innovation activities (Henttonen, Ojanen & Puumalainen, 2016). One of the most promising ways to develop market opportunities is to adopt novel innovative strategies which should be considered not only strategically but also from the perspectives of management system of enterprises carrying out these activities (Chernoivanova, 2015). From a commercial point of view, it is necessary to pay attention to two key points "materialization" of the innovation, inventions and development in the form of industrial output, objects of the labor, technologies and the organizations of production and the "commercialization" aspect which turns these innovations into income source (Gureva et al., 2016).

The strength of innovation management is indisputably a critical question in the effort to understand and an important component of value creation in businesses, which enhances their chances of being successful, is their engagement and development of strong relationships with a wide variety of stakeholders. Moreover, innovation management and its value-delivery process do not rest on the efforts of a single entrepreneur or a business. In this context, there is growing recognition of the fact that stakeholders can be important sources of innovation for businesses, and research focusing on innovation is investigating the ways firms can take advantage of this (Leonidou, Christofi, Vrontis & Thrassou, 2018).

The incessant decline in the performance of Small and medium-sized enterprises (SMEs) or small and medium-sized businesses (SMBs) has brought to fore the question of their performance management process. Studies have shown that performance management is a general phenomenon in micro and SMEs worldwide. Thus, the main key determinant for success is "effective management" (Beck, Demirgüç-Kunt, & Levine, 2005). The Balance Score Card (BSC) is regarded as one of the most influential contemporary performance management and measurement concept that aligns both short-term strategic actions and long-term strategic goals of organizations (Beck et al., 2005).

The BSC was first introduced in early of the 1990s by Kaplan and Norton to develop business performance evaluation system (Figure 2). This methodology was introduced because of some drawbacks experienced with traditional performance evaluation that overemphasizes financial parameters and tend to ignore other perspectives (Rabbani, Zamani, Yazdani-Chamzini & Zavadskas, 2014).
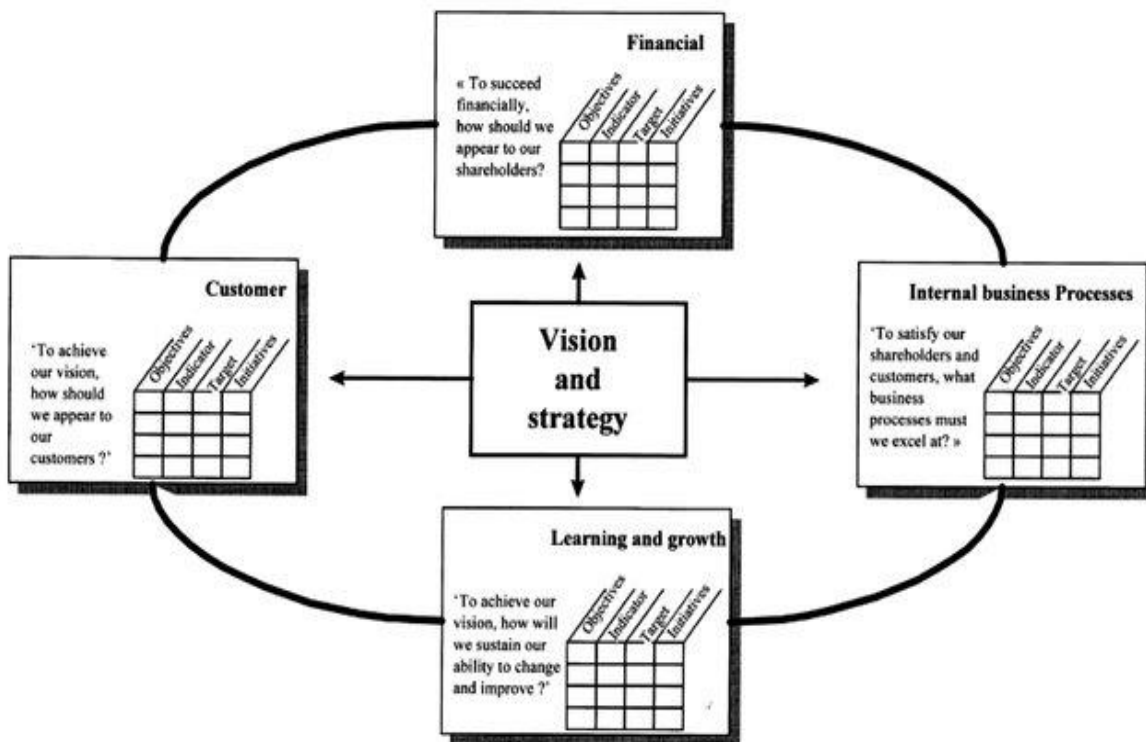
Figure 2. The Balanced Scorecard Framework.

Source: Kaplan and Norton (1996).

However, this method ignores the important aspects of sustainable development in the process of performance evaluation and as such, some studies have been conducted to develop new methodologies. In today's business environment, sustainability is a trend that allows enterprises to implicate social, economic and environmental innovations to the strategy and management of the company. Although the sustainability concept is not new, many organizations still do not know how to implement or measure their outputs. Figure 3 shows a typical structure of the sustainability BSC method. By integrating all three pillars of sustainable development, economic, social and environmental dimensions, into the business strategy, the corporate sustainability has been promoted (Rabbani et al., 2014).
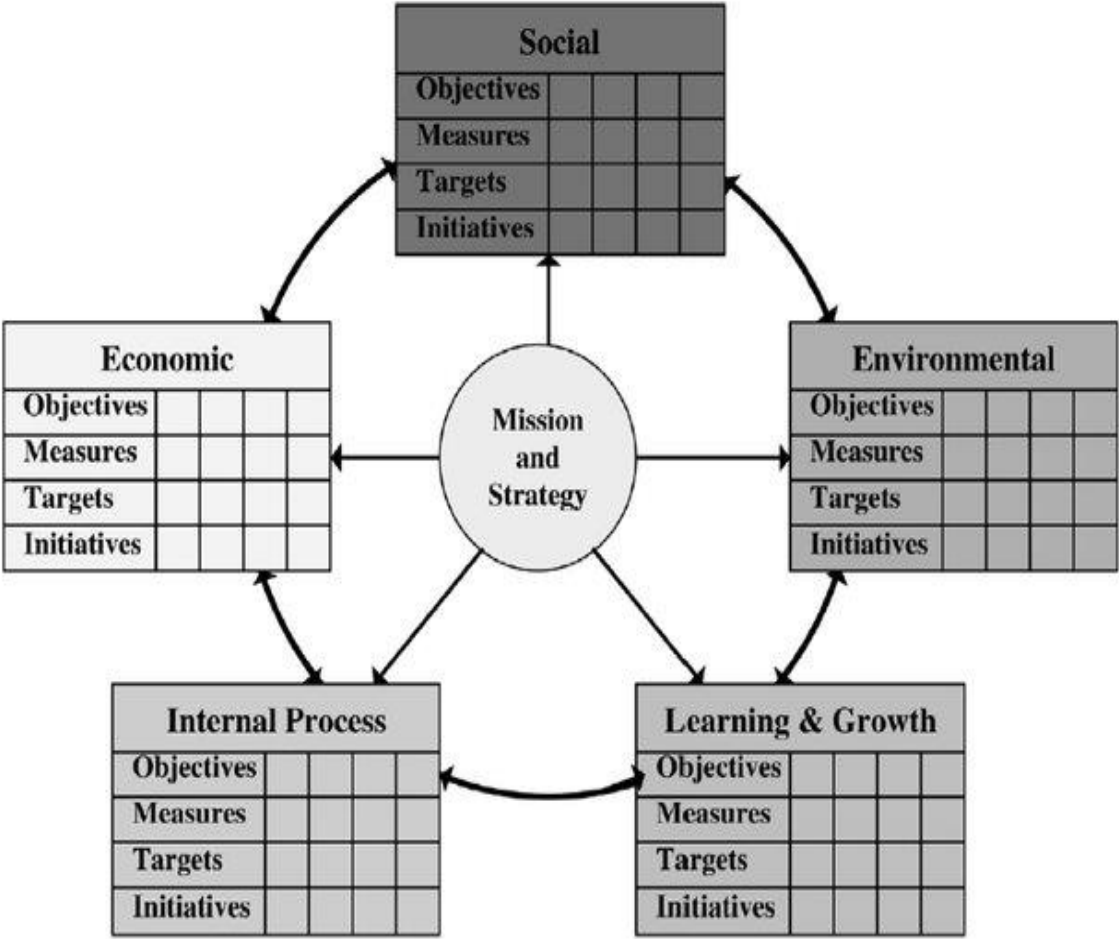
Figure 3. The general framework of Sustainable BSC.

Source: Rabbani et al. (2014), pp 7319

1.3. The importance of micro and SMEs in Portugal and Cameroon

There is no uniform definition across countries of an SME and, as the factors that set them apart are essentially qualitative and comparative, a universal definition is perhaps unnecessary. The recommendation by the European Commission no. 2003/361/CE in force since January 2005 defines the small and medium-sized enterprises as those with less than 250 employees and an annual turnover of less than 50 million euro. This recommendation was later included in Decree-Law 372/2007 of November 6, by the Portuguese Government (Trigo, Calapez & Santos, 2009). In Cameroon, a SME is "a business entity that fulfills the conditions and legal existence in compliance with the laws and regulations in force and classified as either very small enterprises (VSE), with no more than 5 employees and pre-tax turnover not more than 15 million Communauté Financière Africaine (CFA); a SME, is one with 6 – 20 employees and pre-tax turnover of more than 15 million CFA and less than 100 million CFA and a medium enterprises (ME) is an enterprise with employee between 21 to 100 and an annual pre-tax turnover of 100 million CFA, but less than 1 billion (Cameroon Investment Promotion Agency 2010).

Cameroon is amongst the most prominent economies in the Economic Community of Central African States (CEMAC) region and Sub-Saharan African countries (SSA), but still faces economic setbacks in achieving shared economic growth. In addition, it still depends heavily on the agro sector, which constitutes the largest share of the country's economy, based on employment and output (Fjose, Grünfeld & Green, 2010). According to Fjose et al. (2010), SMEs constitute over 95% of firms in SSA from different sectors, ranging from agriculture, to services and industries. It is not uncommon to find that most SMEs are located in the informal sectors of countries, regardless of the level of development. Just like in most developing countries that rely mainly on the agricultural sector and the export of raw materials which usually fetch low prices on the global market, Cameroon is no exception, hence it has been trying to shift its focus from agro led growth to a diversify economy through the promotion of SMEs.

Table 1. Share of enterprises in the economies of sub-Saharan Africa.

Category	Share of all firms (%)	Share of employment (%)
Micro	90	30
Small	8	20
Medium	1.5	10
Large	0.5	40

Source: Fjose et al. (2010).

These SMEs are potential drivers of economic growth and prosperity since they make up a significant share of employment and GDP in most sub-Saharan countries (Table 1). Some of these businesses and SME have failed due to different factors such as flexible tax system, high start-up costs, lack of tacit knowledge, lack of access to credit, inability to carry out R&D (Research and Development), hence, most of these SMEs are rarely taxed, regulated, have low paid workers, lack skilled labor and have poor customer relations. To accelerate growth and reduce poverty, the World Bank Group and other international aid agencies provide targeted assistance to small and medium size enterprises (SMEs) in developing economies. For example, the World Bank Group approved more than $10 billion in SME support programs over the period 1998 – 2002 and US $1.3 billion in 2003 (Beck et al., 2005).

Table 2. SMEs and large enterprises: number of enterprises, employment, and value added in 2016 in the EU-28 non-financial business sector.

	Micro	Small	Medium	SME	Large
Number of Enterprises					
In Thousands	22,232	1,392	225	23,849	45
In % total population enterprise	93	5.8	0.9	99.8	0.2
Number of Persons employed					
In Thousands	41,669	27.982	23.398	93,049	46,665
In % of total employment	29.8	20	16.7	66.6	33.4
Value added					
In EUR Trillion	1,482	1,260	1,288	4,030	3,065
% of total value added	20.9	17.8	18.2	56.8	43.2

Source: Eurostat 2016.

Portugal is the westernmost country of mainland Europe, located in the Iberian Peninsula. Its SMEs are very prominent in the business sector of the country. For example, in 2014, SMEs in the EU 28 accounted for 99.8% of all active firms excluding the financial sector, 66.6% of total employment and 56.8% of value added. In Portugal, there are 354.703 SMEs representing 99.7% of non-financial firms, providing 74.1% of employment and 59.3% of value added (Matias & Serrasqueiro, 2017). These statistics have shown to be fairly consistent over the years as shown in Table 2. SMEs play a critical role in the global economy, as suppliers of employment and key agents for local and regional

communities' well-being and the role of these firms ultimately depends on the flexibility, they have to undertake entrepreneurial strategies and promote innovation (Pacheco, 2016).

The statistic presented in Table 3 shows the total number of enterprises representing micro, small and medium-sized businesses in Portugal from 2009 to 2017. Micro, small and medium-sized enterprises play important roles in the non-financial business economy in Portugal and recent economic growth has helped improve their activity and investment levels since the financial crisis. Since 2011 as shown in Table 3 there is a gradual increase in the number of micro-sized businesses when compared to their small and medium-sized counterparts.

Table 3. Small and medium-sized enterprises: total and by size, Portugal.

Small- And medium-sized enterprises				
Years	**Total**	**Micros**	**Small**	**Medium**
2009	1,222,488	1,171,689	44,253	6,546
2010	1,167,168	1,117,787	42,968	6,413
2011	1,135,153	1,088,145	40,815	6,193
2012	1,085,894	1,043,003	37,118	5,773
2013	1,118,427	1,077,294	35,446	5,687
2014	1,146,119	1,104,490	35,870	5,759
2015	1,180,331	1,136,865	37,515	5,951
2016	1,213,107	1,167,993	38,866	6,248
2017	1,259,234	1,212,059	40,547	6,628

Source: PORDATA.

In terms of the geographical breakdown of the businesses by size, 32.2 % of the micro enterprises registered in Portugal in 2015 are located in the North, 29.4 % in the Lisbon region and 21.7% in the Centro region (Figure 4). In the North, 12.6% of the microenterprises are in the Greater Porto area, contrasting with other areas in the region, such as the Douro, with only 1.7% of the total number of micro enterprises. This testifies to the heterogeneity of the business fabric in this region, on the one hand, and to the fact that the North is not a single and monolithic region as far as business activity is concerned. The Greater Lisbon sub-region has the highest number of micro enterprises in 2015, with 22.8% of the total number of businesses of this size (Marques, 2017).
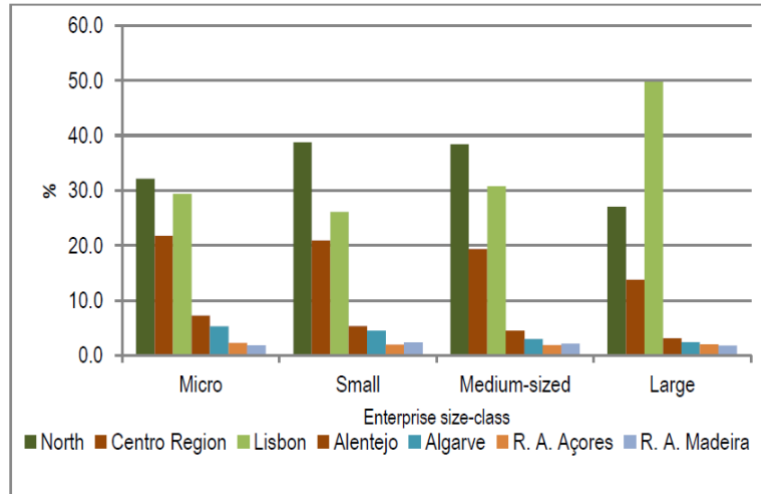
Figure 4. Breakdown of enterprise size -classes by regions in Portugal.

Source: (Marques, 2017).

Small and medium-sized enterprises are considered a core engine for future growth in Europe and, and indeed beyond. However, to fulfill this potential, SMEs need a sustained supply of long-term funding. They also need to be willing to take on this funding in order to invest in growth opportunities. SMEs, however, tend to excessively rely on internal and short-term financing sources which are not suitable for supporting SMEs in making long-term corporate investments, in sustaining their innovation programs, and in achieving consistent growth (Dowling, O'Gorman, Puncheva & Vanwalleghem, 2019). It is equally important to note that although SMEs share the same vision of economic growth, their activities and impacts vary across regions since they operate under different conditions, market environments, client orientations, and technological advancements.

SME failure which represents the end or termination of the activities of SMEs can be caused by both internal and external factors with losses to the owners of the business. Internal constraints are all problems that come from SMEs themselves such as organizational management and leadership skills, lack of marketing strategies, lack of innovation, personnel management, knowledge of accounting, and product and market analysis (Bougrain & Haudeville, 2002). While access to finance have been arguable seen as SMEs' main external constraint, other barriers to the success of SME include taxing, excessive regulations, coordination and participation gap between SMEs and agencies, weak enforcement of contracts, and lack of proper technology and infrastructural framework. Access to finance requires financial institutions to grant short- and long-term loans to SMEs but these SMEs present very poor business plans, poor financial records, and lack of collateral security, which all together tends to prevent loan approval (De la Torre, Pería & Schmukler, 2010).

2. Research Methodology

Small and medium-sized enterprises have had a high failure rate, which is very concerning considering that these small businesses create jobs and drive successful innovation that is critical for economic development. The purpose of this study is to analyze and present the findings of the critical elements and characteristics of two SMEs in Portugal and Cameroon by analyzing the impact and importance of innovative strategies, in particular, the implementation of a Balanced Scorecard strategic management tool. To do so, we employ an exploratory research methodology such as analysis of the financial reports and other reports and information from companies to be examined, several accounting documents will be consulted to allow the construction of the financial and nonfinancial indicators included in the BSC. If necessary, the construction of other instruments, such as questionnaires, training plans, or others, will also be carried out, so that the instrument can be properly developed and implemented.

In order to achieve the objective, we are proposing that, firstly, undertake a theoretical analysis of the concept of innovation, with relevance to its application to management methods. Secondly, a selection of the companies, their diagnosis will be conducted and then all necessary steps will be taken to implement the strategic management tool Balanced Scorecard (Fernandes, Raja & Whalley, 2006).

The process of implementation of BSC in the Portuguese Company, which at the request of the entrepreneur and to ensure company's anonymity, it is referred to as Company A, lasted approximately one year, while in the company of Cameroon, the implementation process and time is short, suggestions for improvement will be made as much as possible, so that the companies involved in the research can adopt new procedures that enables them to strengthen their position in an increasingly competitive market.

2.1. Objective of the study and research questions

The purpose of this study was to explore experiences regarding successful innovation strategies specifically, resulting from the implementation of BSC and other practices resulting from its application, that can be adopted in two small scale industries located in Portugal and Cameroon. Data collection occurred through interviews with owners and general managers of the companies. The results may help strengthen innovation strategies of these small businesses, which could produce greater profitability and growth.

Therefore, and in view of the above, the following research questions were defined:

- What attributes of Balanced Scorecard makes it unique to be implemented in performance measurement system of small and medium businesses?
- What are the business needs and potential opportunities that persuades the management to bring in Balanced Scorecard technique into their strategic decision-making process?

2.3. Description of data collection

This study was developed on the basis of two different case studies. Based on this study, a qualitative demonstration is shown. The Cameroon company carries out its activities mainly in the Laundry and dry-cleaning business while Company A carries out trading of different types of gas, sale of industrial machinery, tools and equipment and provide maintenance services. This study is qualitative and interpretative in nature, as it intends to analyze what will be the impacts on the enterprises after the adoption of the BSC tool.

Data was firstly collected through the extensive literature review. The scope of innovation and the potential of using several innovative tools towards improving the quality of services provided by both chosen company were reviewed.

Secondly, data was collected from financial and business activity from the companies. In the case of Company A (Portugal), data were collected from 2015-2017, and reports, such as annual financial documents statement (Balance sheet, Income Statement, experts' statements and other reports) were also cross examined. In the case of Laundry world (Cameroon), data were collected from 2017 until September 2019. The economic and financial results of the company including start-up expenses, Yearly Direct Cost and Total sales yearly was collected and analyzed.

3. Organizational Structure and Economic Evaluation of Portuguese Company

3.1. Diagnosis of the company

The Portuguese company in which BSC was implemented, despite having provided access to all accounting, financial and operational data necessary for the implementation of this strategic management instrument, whose process lasted approximately one year, requested anonymity. The Portuguese company will be designated as "Company A".

Activity and History

Company A is headquartered in the northern region of Portugal and its purpose is to trade machinery and tools for various industrial activities, applied to auto repair shops, metalwork and the like, as well as the full range of welding electrodes and wire. There is also another area of business that was chosen not to reveal itself, as it is very specific and could undo the anonymity of the company. The company was born in 1982, having made several changes to the pact and capital increase and the last change took place on January 9, 2002 with redenomination and change of management.

Mission

The company's mission is to market quality products so that customers distinguish us and take pride in owning them.

Vision

The company's vision is to be a reference for customers, not only for the products it represents, but also for the service provided.

Values

The company values are as follows:

- Respect, ethics and morals for customers;
- Satisfaction for the business made so that the customer feels he has made a great choice;
- Integrity with all people, whether clients or not;
- Economic, social and environmental sustainability;
- Safety;
- Perform tasks in a professional and appropriate manner and in order to avoid accidents for themselves and others;
- Excellence and simplicity;
- Quality and perfection are the goal to be attained, without extravagance or material, social or psychological excess.

3.2. Evaluation of financial and economic status

The Balance sheets and income statement of Company A are presented in Table 4. The analysis of balance's structure made for three accounting years: 2015 to 2017. These years were chosen because of availability information in the year 2018, which was the year the BSC was developed and implemented.

Data obtained from the bookkeeping and financial statements of Company A are also presented in Figure 5 (Year to year General financial ratios of Company A), 6 (Net worth composition for company A between 2015-2017) and 7 (Volume of business of Company A between 2015-2017).

Based on the results in Figure 5, we can see that return on equity which is a measure of financial performance calculated by dividing net income by shareholders' equity is considered good value for the company from -10.4% in 2015 to 3.3% in 2017. Net income earned at the end of each year by company A after paying taxes and the net return on turnover which are among the most important indicator also showed significant improvement from 2015 to 2017. The net return on turn over which measure company A operating profit margin also showed a significant increase from -15.8% in 2015, -14.7% in 2016 and 2.7% in 2017. Overall, the indicators shown in Table 4 has shown that Company A is effectively managing its assets and creating profits.

Table 4. Balance sheets, income statement and business activity of Company A (2015-2017).

Indicator Matrix					
Indicator	**Unit**	**Significance**	**2015**	**2016**	**2017**
Volume of business	Euros	Value of sales and services rendered	455,278.01	578,364.34	827,079.04
Liquidity	Decimal	Short-term ability to pay corporate obligations	2.02	1.69	1.87
Gross margin	Decimal	Total margin available to cover other expenses and profit generation	0.65	0.33	0.23
Inventory Rotation	Decimal	Number of times average stock runs / is sold over a period of time, usually one year	1.8	1.1	1.1
Stock Days	Days	Indicates the number of stock days the company holds	317	480	440
Average Receipt Time	Days	Average time taken by the company to receive your invoices	568	492	365
Average Payment Term	Days	Average time taken by the company to pay its invoices	442	555	751
Solvability	%	Nature of the firm's capital structure / degree of independence / ability to survive long term	102.4%	69.2%	86.7%
Operating Results	€	Results obtained by the operating company.	-53,795.39	-57,805.70	40,425.86
Financial results	€	Results obtained by the company of a financial nature.	-16,282.82	-26,557.44	-16,227.70
Current results	€	Results obtained by the current company (operating and financial).	-70,078.21	-84,363.14	24,198.16
Net Income for the Year	€	Net income (loss) earned at year end by company after paying taxes.	-72,156.88	-84,983.45	22,231.27
Financial autonomy	%	Measures the proportion of equity-financed assets	50.6%	40.9%	46.4%
Net Return on Turnover	%	Measures the company's profit (loss) for each euro sold.	-15.8%	-14.7%	2.7%
Return on Equity	%	Measures the profit (loss) of the company for each euro invested in equity.	-10.4%	-13.9%	3.3%
Return on Assets	%	Measures the profit (loss) of the company for each euro invested in assets.	-5.2%	-5.7%	1.5%

Source: Self elaboration, based on collected data and in the implementation process of BSC.
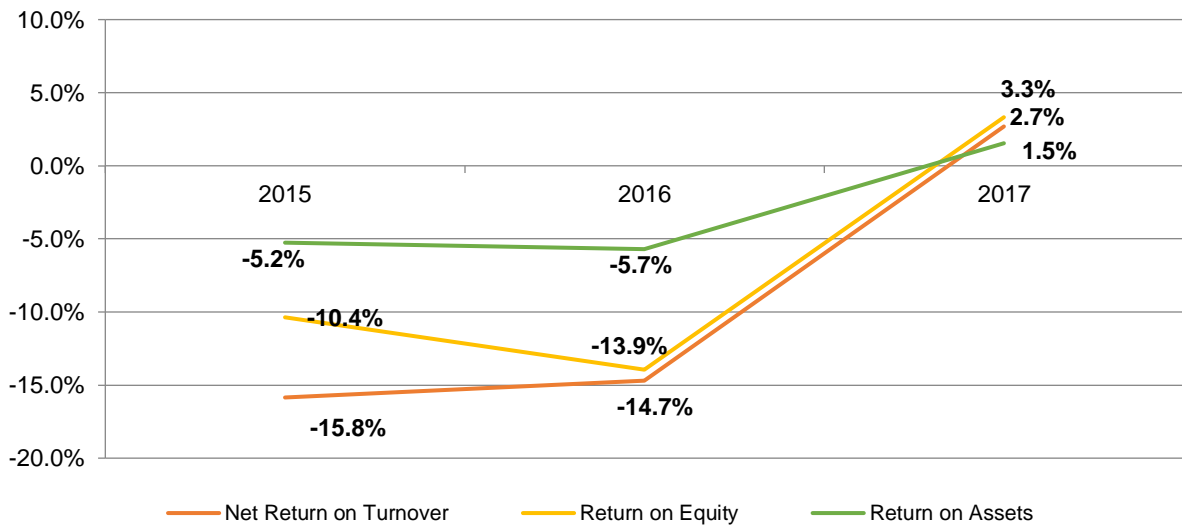
Figure 5. Year to year general financial ratios of Company A.

Source: Self elaboration, based on collected data and in the implementation process of BSC.

Analyzing the evolution of financial autonomy over time in Figure 6, the results showed a decrease from 50.6% in 2015 to 40.9% in 2016, which represents that the company was more depended on borrowed capital during those periods. However, a gradual increase up to 46.4% was observed in the following accounting year (2017) and this showed that the finances of Company A was less dependent on borrowed capital.
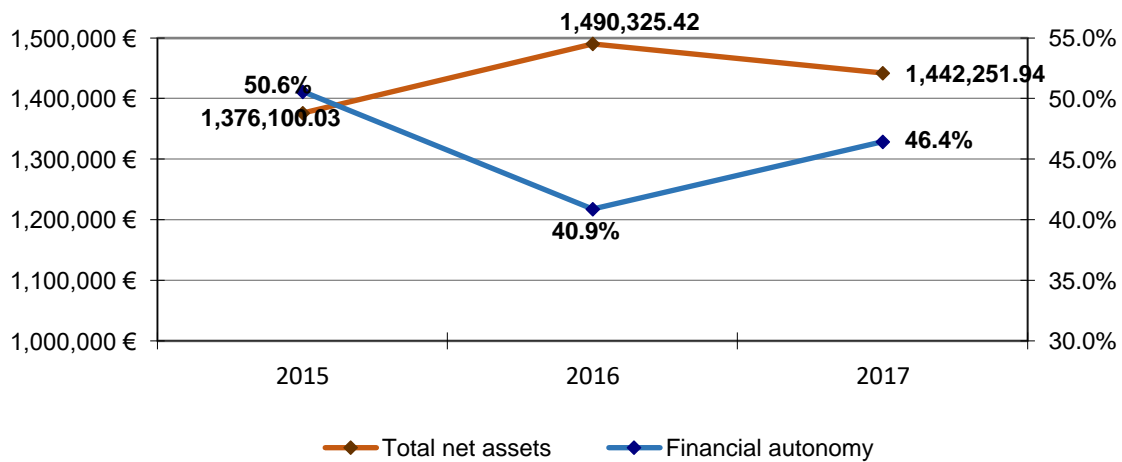
Figure 6. Net worth composition for Company A (2015-2017).

Source: Self elaboration, based on collected data and in the implementation process of BSC.
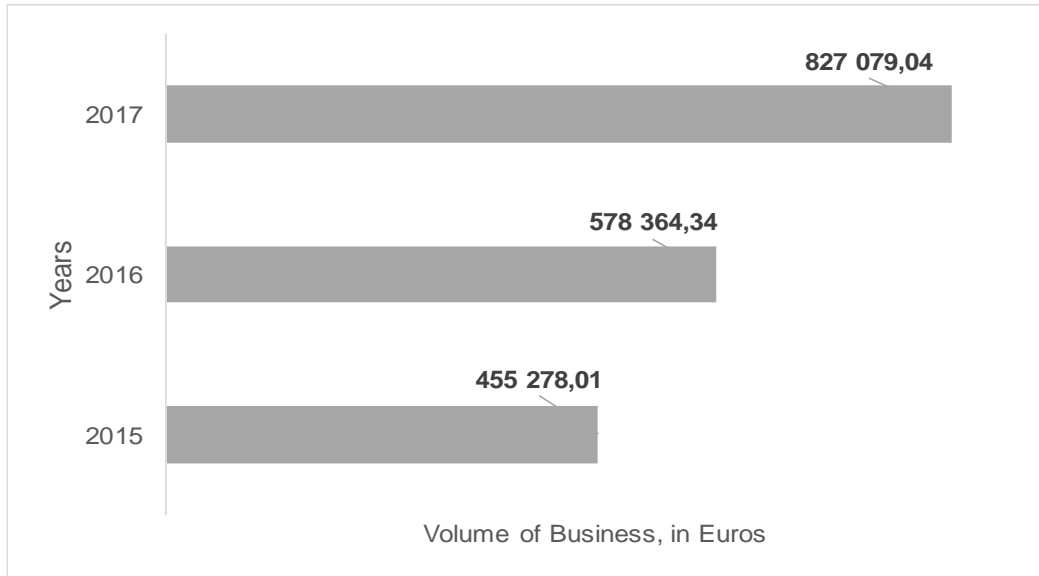
Figure 7. Volume of business of Company A (2015-2017).

Source: Self elaboration, based on collected data and in the implementation process of BSC.

As we can see from Figure 7, the volume of business both in the form of sales and loan services increase from 455,278.01 € in 2015 to 578,364.34 € in 2016 and 827,079.04 € in 2017. This represents a gradual increase in total revenue.

3.3. Evaluation of competitive advantages

As mentioned earlier, before the beginning of the BSC development and implementation process, a full company diagnosis was carried out, using various management tools and instruments. One of the tools used was the Business Model Canvas that it is also a strategic management tool through which an exercise is made to synthesize the concept of the company itself. Through this model, several aspects inherent to its operation are placed in a simple sheet, divided into nine elements, which are interrelated with each other.Therefore, the nine elements of Company A Business Model Canvas shown in Table 5 were obtained by conducting observations. These nine elements are interrelated and provide an overview of the state of Company A customer segments consist of Industrial gases customers, domestic users and Industrial customers used to power machines and tools. This company has a value proposition one of the market leaders in the different Northern region of Portugal (Vila Real, Bragança, Braga and Viana do Castelo). Company A distribution channels are mainly through direct contact or in collaboration with partners and their strong customer relationships are built through this channel. Revenue streams are derived from sales services of gas product, equipment sales and their spare parts, job services covering engineering design, service, and maintenance.

Table 5. Business Model Canvas of Company A.

Key Partnerships	Key Activities	Value offer	Relationship	Customer Segments
Electro Portugal Tesis / Iberklim Metabo Beta Tools Top Tool Telwin	Trading of different types of gas Sale of industrial machinery, tools and equipment	1. Brands represented 2. Integrated personalized follow-up service for oxygen therapy clients	1. Direct Contact 2. Partnerships with suppliers 3. Web 4. Proximity 5. Confidence	1.Industrial gases customers 2.Domestic users 3.Industrial customers (machines and tools)
	Key Resources 1. Brands represented 2. Human Resources 3. Know-how 4. Distribution vans		**Channels** Direct Contact Web Partners	**In geographical terms** Vila Real Bragança Braga Viana do Castelo
Cost Structure Staff expenses Supplies and external services Cost of goods sold, and materials consumed			**Revenue Sources** Sales and services	

Source: Self elaboration, based on collected data from Company A.

Company A has a well-defined written strategy and vision, and an important part of the strategy is to increase the market share and to grow rapidly as there is increased competition for the products and services Company A provides. By looking at Porters theories on competitive forces, we identified key areas where Company A can strengthen its leading role and strengthen its competitive advantage.

Porter's Five Forces was created to analyze an industry's attractiveness and likely profitability. The five forces that make up the competitive environment, and which can erode your profitability are:

- **Competitor Rivalry**: The number of competitors is a determining factor, as well as price and quality of service / product for market competitiveness. However, due to partnerships with suppliers, which result in some geographical representation exclusives, there is competition, but through other brands;

- **Customers Negotiating Power**: Customers do not have very strong bargaining power due to their small individual size (atomization);

- **Bargaining Power of Suppliers**: The bargaining power of suppliers is strong, but the company has well-established partnerships with them*;*

- **New Competitors Entry Threat**: The threat of entry from new competitors relates to the agents' representation of other brands;

- **Threat of Substitute Products**: There is a threat of substitute products.

The following stage after identifying Company A business model and Porter's Five Forces created to analyze the company's attractiveness and likely profitability is to conduct a SWOT analysis on the nine elements of Business Model Canvas obtained from the observations. SWOT analysis on the nine elements of Company A Business Model Canvas can be seen in Table 6. The results of SWOT analysis were matched with the internal (strengths and weaknesses) and external (opportunities and threats) factors to obtain strategic alternatives. Strategic priorities obtained from the weighting of the key resources, key activities, and key partners in Company A is utilized to create the right business model which will result in customer satisfaction and eventually creates a sense of trust and added value, which in turn increases revenue generation and profitability.

Table 6. SWOT Analysis of Company A.

INTERNAL ANALYSIS	
STRONG POINTS	**WEAK POINTS**
- Proximity relationship with customers;	- Organization of stocks, although they have been
- Good team availability for unforeseen resolution;	improving;
- Good knowledge of the regional market (Northern Region);	- Intermittent commercial aggressiveness
- Compliance with legal conditions;	(specifically,
- Good partnerships;	with the input and output of some employees -
- Image, notoriety and recognition in the regional	sellers);
market;	- Difficulties in charges;
- Technological knowledge in high precision machinery;	- Low professionalization of human
- Good knowledge throughout the product and	resources management, business strategy,
service development cycle;	marketing and financial management;
- Image of quality and technological competence in welding;	- Difficulty in imposing payment terms on
- Ability to adapt to new sectoral and geographic	customers;
markets;	- Gap in the level of management indicators
- Appetite for innovation and continuous improvement;	defined
- Strongly motivated team of employees;	in an integrated manner;
- Seniority of some HR of the company;	- Management control gap;
- Credibility;	- Lack of training (employees) in specific areas
- Confidence.	such as leadership and motivation, conflict
	management and customer communication.

EXTERNAL ANALYSIS	
OPPORTUNITIES	**THREATS**
- Possibility of growth to other geographical areas;	- Aggressive competition and unethical in the tool
- Economic growth of the region (hospitals, etc.);	market;
- Potential to enter new segments. Growth of new	- The increasing modernization of emerging
sector markets such as energy, environment	competitors (Asia) may widen competition;
and medicine (both in plastic products and in	- Entry of new agents (more competition).

special tools and high precision machined parts);

- Increasing appreciation of aspects related to comfort

and safety;

- Increasingly looking for quality and

reliable after-sales service.

3.4. Development of the company's strategic vision and critical success factors in the four BSC perspectives

VISION The company's vision is to be a reference for customers, not only for the products it represents, but also, for the service provided.			
PERSPECTIVE	**Financial**	**Clients**	**Internal Processes** / **Learning and Development**
	↓	↓	↓ / ↓

	Financial	Clients	Internal Processes	Learning and Development
STRATEGIC OBJECTIVES	Revenue Increase	Increased market shares	Raise the quality of service	Improve key skills and increase motivation
	Increasing profitability	Increase number of customers	Operational Excellence	Strengthen strategic alliances
	Financial security	Consolidate prestige and reputation	Ensure high standards of service and safety	Have the most up-to-date and evolved structures, technologies and HR
CRITICAL SUCCESS FACTORS	Volume of business	Market share	Compliance with deadlines / times	Transportation Logistics Management
	Scale economy	Competition	Safety	HR competence and motivation
	Profitability	Clients satisfaction	Accountability in acting	Good HR management
INDICATORS	Aggregated turnover and by business area	Nº of new customers / year and average value per customer	Routes, times and work schedules	Nº of training hours / year / employee
	Liquidity, gross margin and solvency	Online sales	Average Receipt Deadlines	Job Satisfaction
	Profitability	Sales by Commercial	Inventory Rotation and Stock Days	Stress at work

Figure 8. Strategic vision and critical success factors of company A

The Mission, values and vision are the BSC's pillars and the beginning of the strategic process, followed by Strategic objectives needed to achieve the vision statement. Critical success factors between the objectives and the indicators in all four BSC perspectives; and lastly indicators and initiatives – set within each perspective. The BSC strategy for Company A is presented in Figure 8 with graphical representations to visualize connections.

3.5. Elaboration of the dashboard with the strategic objectives, programs and activities

In the financial perspective, sales growth, revenue increase, increasing profitability and financial security are the main strategic objectives. With an increase in investment, there will be an increase in market share and volume of business. The critical success factors being high productivity, growth and profitability. Based on the results presented in Table 7 we can say that Company A in the end of the year 2019 after implementing the proposed BSC. Some indicators showed improvement as performance evaluation. It can be seen in Table 7 that the financial perspective showed significant improvement in some of its indicators. The financial autonomy went from 46.4% in 2017 up to 50% in 2019. There is also an escalation in the total turnover, which represents the total sales generated by a Company A from 827,079€ to 1,140,000€.

For the client's perspective, increase market share, increase number of clients, decrease the number of client complaints, diversify the goods and services on offer, minimize purchasing costs for clients and guaranteeing high quality are the strategic objectives. The strategic objectives shown in Figure 9 include increase sales for new customers per year by 10% over previous year, which is very important and critical. Other strategic objectives include increase online sales by 10% over the previous year there by increasing the company's reach and removing all geographical limitations.

Table 7. Selected indicators in each action plan and strategic objectives to prepare the BSC.

Perspectives	Indicator	Strategic Objectives	Goals 2019
Financial perspective	Total Turnover	Increase total turnover to 105.000 € / month	1,140,000.00
	Turnover - Machines & Tools	Increase Machine & Tools turnover to 30.000 € / month	240,000.00
	Turnover - Segment B	Increase turnover Segment B to 75,000 € / month	900,000.00
	Liquidity	Increase liquidity by one tenth per year	1.90
	Gross margin	Increase gross margin to 0.3 and keep that amount	0.30
	Solvability	Increase solvency by 5 pp per year	90%
	Financial autonomy	Increase financial autonomy by 5 pp per year	50%
	Net Profitability of Turnover (RLVN)	Increase NRVN by 2 pp per year	5.0%
	Return on Equity (RCP)	Increase CPR by 2 pp per year	5.0%
	Return on Assets (RA)	Increase RA by 2 pp per year	3.5%
Customers Perspective	Average value per customer / year	Increase average customer value by 10% over previous year	
	No. of new customers / year	Increase sales in new customers / year by 10% over previous year	
	Online sales	Increase online sales by 10% over the previous year	
	Sales by employee	Increase average sales (per employee) Goal of: 7500 € / month	
Internal Processes Perspective	Route Optimization	Optimize routes	
	Time management	Perform better time management	
	Work schedule management	Optimize work schedule management	
	Inventory Rotation	Improve inventory rotation value by 1 tenth per year	1.0
	Average term of receipts	Improve average receipt time by 30 days (per year)	335
	Define the communication process	Develop internal communication manual (procedure)	
	Stock Days	Decrease Number of stock days by 30 days (per year)	410
Learning and Development Perspective	No. of training hours attended per year	35 hours of training / year / employee	35 hours / employee / year
	Job Satisfaction	Increase job satisfaction by 5 pp	77%

Source: Self elaboration; BSC of Company A.

For the internal process's perspective, increase production, decrease in the operating cycle's length, guarantee innovation, decrease in the percentage of flaws and lack of quality, increase deliveries within the time limits, and increase in the quality of service to ensure operational excellence are the main strategic objectives. Based on the results presented in Table 7 we can say that Company A In the end of the year 2019 after implementing the proposed BSC, showed significant improvement in some of its indicators. The average Receipts time which is an activity indicator that measures the efficiency level with which the company is managing its client's credit. The smaller this value, the higher is the credit policy efficiency. The results showed an Improvement in the average receipt time by 30 days (per year) from 365 days in 2017 to 335 in 2019. Similarly, the inventory rotation value improved from 1.1 in 2017 to 1.0.

For the learning and development perspective, improving key skills related to job activities and increase motivation and satisfaction among employees are the most important strategic objectives. Conducting 35hrs of training / Year is very important as this will improve operational quality and efficiency, attract new customers which in turn will increase return on invested capital.

Perspetives	Strategic Objectives	1	2	3	4	5	6	7
	Comparative analysis of the impact of Activities on Strategic Objectives							
Financial Perspective	Increase total turnover to 105.000 € / month	O	O	G	G	G	O	
	Increase Machine & Tools turnover to 30.000 € / month	O	O	G	G	G		
	Increase turnover Segment B to 75,000 € / month	G	G				O	
	Increase liquidity by one tenth per year	O	G	G	G	G	G	
	Increase gross margin to 0.3 and keep that amount	O	G	G	G	G		
	Increase solvency by 5 pp per year	O	G	G	G	G		
	Increase financial autonomy by 5 pp per year	O	G	G	G	G		
	Increase NRVN by 2 pp per year	O	G	G	G	G		
	Increase CPR by 2 pp per year	O	G	G	G	G		
	Increase RA by 2 pp per year	O	G	G	G	G		
Customers Perspective	Increase average customer value by 10% over previous year	O	O		O	G	G	
	Increase sales in new customers / year by 10% over previous year	G	O		G	G		
	Increase online sales by 10% over the previous year			O				
	Increase average sales (per employee) Goal of: 7500 € / month	O	O		O	G		
Internal Processes Perspective	Optimize routes				O			
	Perform better time management				O			
	Optimize work schedule management				O			
	Improve inventory rotation value by 1 tenth per year	G	G	G	O	G		
	Improve average receipt time by 30 days (per year)	G	G		G			
	Develop internal communication manual (procedure)							
	Decrease Number of stock days by 30 days (per year)	G			G			
Learning and Development Perspective	35 hours of training / year / employee				G			O
	Increase job satisfaction by 5 pp	O	O	O	O			O

Legend:
O (orange) — Very important activity for the Strategic Objective
G (green) — Important Activity for Strategic Objective

Figure 9. Strategic planning effectiveness and impact of activities on strategic objectives.

Source: BSC of Company A.

It is important to note that most activities presented in Figure 9 may not be related to support for financial results and therefore there may be no marking in their connection with the Financial Perspective. This compares the impact and importance of each activity with each Strategic Objective. The strategic objective marked yellow represents activities that are considered very important for the strategic objective, while those marked green are important.

Table 8. Action plan and programmes budgeted for the end of 2019.

ACTION PLANS / ACTIVITIES	VALIDATION AT THE END OF 2019
1. Empower Customers	
2. Motivate the commercials	
3. Streamline the website and Facebook	
4. Set goals by employees	
5. Store Opening in Industrial Zone 2019	
6. Transport Permit	
7. Fulfill Training Plan	

Source: BSC of Company A.

After extensive evaluation of the BSC on Company A, several action plans have been identified and all in working in conjunction will strengthen the financial results. The employees are one of the essential elements of the company, and as such need to be motivated to achieve the desired results. They are responsible for gaining and maintaining competitive advantages in companies. Other action plan or programmes that have been budgeted for are shown in Table 8. Customer empowerment is the key to great retention and identifying a customer's desired outcome would customers who feel they are growing and making progress toward their goals. Motivating the commercials in ways to make them memorable, with the use of persuasive technique and making them appealing to the target audience. Also, set consistent goals for employees with similar or different responsibilities.

4. Organizational Structure and Economic Evaluation of Cameroon Company

4.1. Diagnosis of the company

History and activities

Laundry world is a private business founded in April 2017 by Karl Mokake Njomo, that provides dry cleaning and laundry services with regular home pickup and delivery services. Its main facilities as shown in Figure 10 (laundry room, administrative office) are located in Limbe, Cameroon. The city of Limbe is located along the South-West Region of Cameroon, with beautiful coastal beaches, historic monuments, a botanic garden, and a wildlife center. Laundry world, classified as a small-sized company currently employs six people (1 manager, 2 Washers, 2 pressers and 1 secretary). Some of its main activities include:

- Washing, dry-cleaning and ironing of all types of textiles (men women and children) which is performed both mechanically and manually; Collection and delivery of laundry or clothes for chemical cleaning; Cleaning carpets, blankets, blinds and curtains; Cleaning of textile floor covers and upholstered furniture;
- Dyeing of clothes and textile articles which is not connected with production.

Mission

The mission of the business is to establish a wonderful relationship with our clients by providing them with convenient, professional, efficient, effective and hygienic oriented dry cleaning and laundry services.

Vision

We aspire to be the laundry service provider of choice in Limbe and to grow the business around the other South west region of Cameroon by consistently offering excellence in the services that we provide. We also intend to further diversify the business by offering additional related services.

Values

- ✓ Customer comes first;
- ✓ Timeliness in delivery of services;
- ✓ Trustworthiness, Honesty and Integrity;
- ✓ Teamwork among colleagues towards ensuring quality and perfection;
- ✓ Professionalism and respect for customers;
- ✓ Our employees are our competitive advantage and lastly;
- ✓ Hygiene and environmental sustainability.

Figure 10. Facilities of Laundry World

Source: Self elaboration, based on collected data.

## 4.2. Evaluation of financial and economic status

Laundry world is a small business with startup expenses funded through a combination of owner's capita and a commercial loan. In addition to commercial space at a suitable location in Limbe, commercial-strength washers, dryers, installation cost, furniture, business incorporation cost, utilities, and other stationaries (soaps, detergent etc.) were acquired whose cost can be summarized in Figure 11. Operating expenses of laundry world are expenditures that are directly tied to the services it provides. Typically, it includes, administrative expenses Rent, Utilities, Office supplies, Legal costs, Sales and Marketing Payment of staffs. Considering the scale of Laundry world, the operating expenses are always kept under control without adversely affecting the company's profit margins (Figure 12).
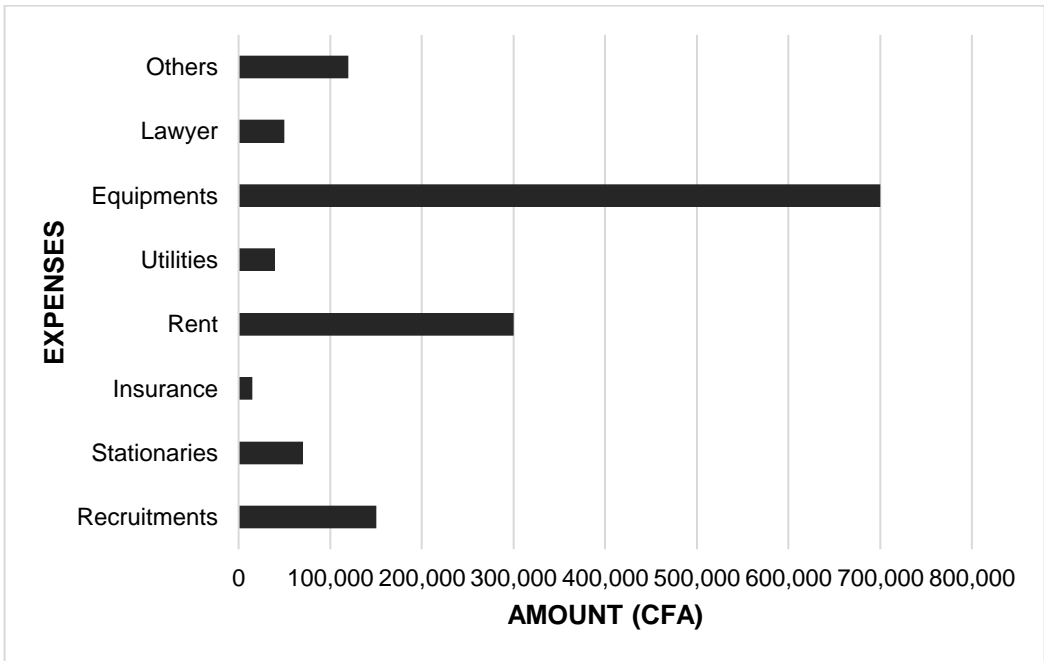
Figure 11. Graphical representation of total start-up expenses in CFA.

Source: Self elaboration, based on collected data from Laundry World.

The business is entering its 3rd year of operations and has seen improvement in sales which is mainly due to an effective marketing strategy that is in place. The outline for the total sales of laundry world in the 3 years of operation are shown in Figure 13. Even though laundry world experienced some difficulties in the first few months of operations mainly in the area of recruiting dedicated and experienced personnel. We have seen increase in the number of sales from the first year and beyond.
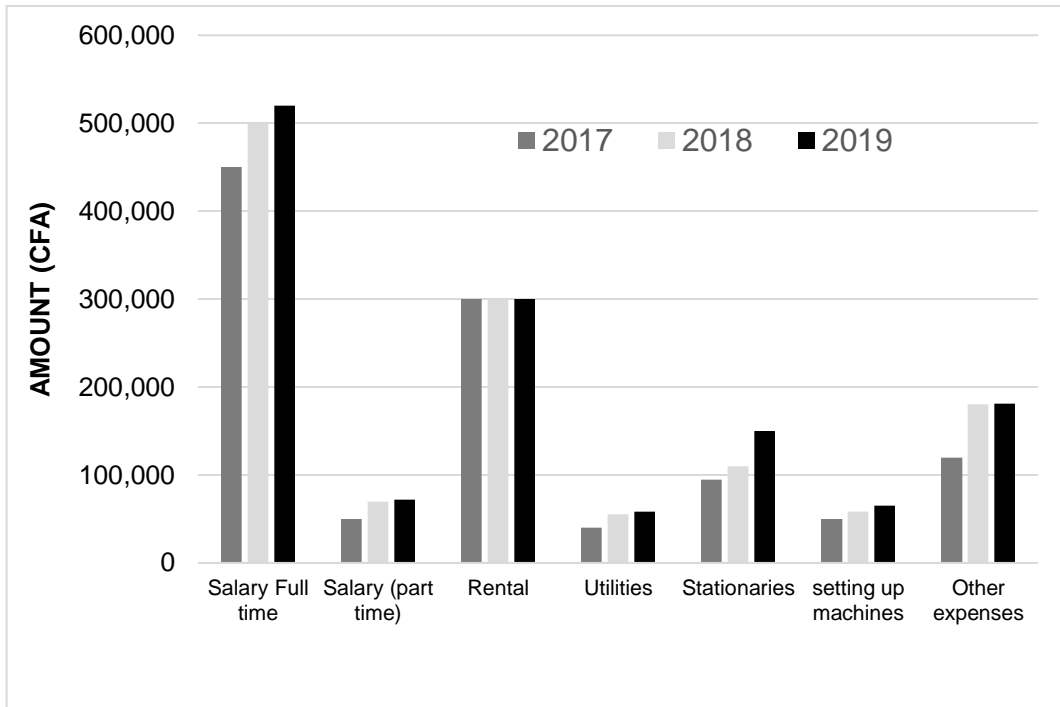
Figure 12. Yearly Direct cost of Laundry world from 2017 to 2019.

Source: Self elaboration, based on collected data from Laundry World.

As we can see from Figure 12, the total amount of salary increased from 450,000 CFA to over 500,000 CFA from 2017 to 2019. For analysis of revenues from services rendered obtained from bookkeeping statement, significant increase in total sales was also observed (Figure 13)
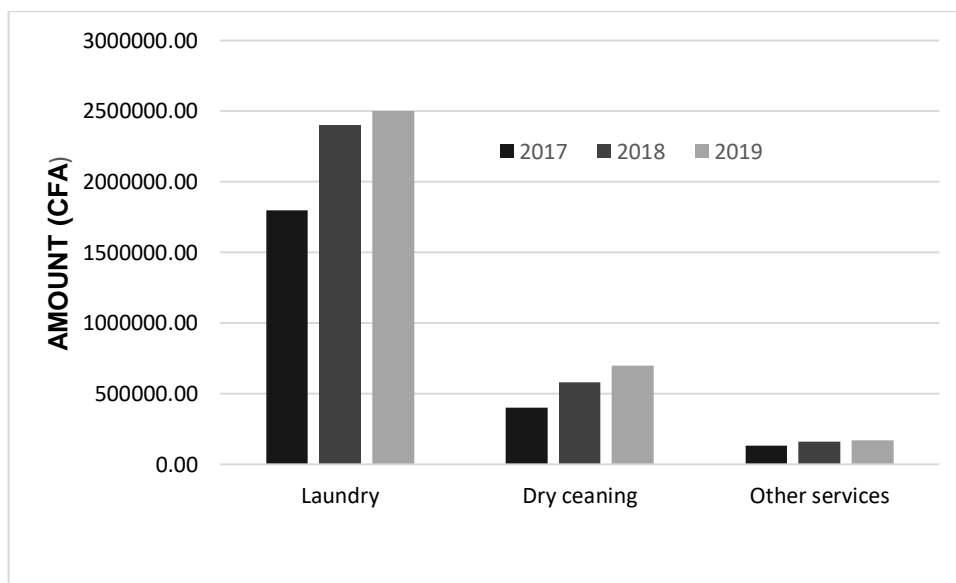
Figure 13. Total sales yearly by Laundry World.

Source: Self elaboration, based on collected data.

4.3 Evaluation of Competitive Advantage

Laundry business has become a veritable source of income to many young people in the Limbe Region and this region stands out as one of those residential areas in Cameroon where youths, have learned to be self-employed. The business structure could therefore secure their competitive advantages through forming and regular renewal of business model canvas. The business Canvas is a powerful visualization tool and Table 9 clearly shows all the nine components (customer segments, customer relationships, channels, value proposition, key resources, key activities, key partners, cost structure and revenue streams) and their interconnection in Landry world.

Table 9. Business Model Canvas of Laundry world.

Key Partnerships	Key Activities	Value offer	Customer Relationship	Customer Segments
✓ Dry cleaning and laundry businesses ✓ Pick-up and delivery persons	✓ Washing, dry-cleaning and ironing of all types of textiles ✓ Collection and delivery of laundry or clothes **Key Resources** ✓ Partnership with local laundry ✓ Pick up and delivery	✓ Scheduling pick-up and delivery	✓ Direct Contact ✓ Discount and promotional offers **Channels** ✓ Direct Contact	✓ Clients who don't visit laundry shops ✓ Hotels and Hospitality businesses **In geographical terms** ✓ Limbe ✓ Buea ✓ Tiko ✓ Kumba ✓ Mamfe
Cost Structure ✓ Salaries to staffs ✓ Payment to pick-up and delivery persons ✓ Cost of materials			**Revenue Sources** ✓ Payment from customers	

Source: Self elaboration, based on collect data from Laundry World.

A SWOT analysis is essential for identifying the strengths, weaknesses, opportunities and threats of a business. In the case of laundry world, the SWOT analysis was carried out between the owner's managers as well as other staffs in order to identify possible strategies to ensure proper functioning and maximization of the results of the company. The laundry business has experienced sporadic growth in the last few years in Cameroon and this may be contributing to the drastic fall in their output. Perhaps the earliest and most fundamental of all strategy analysis tools, the SWOT analysis shown

in Table 10 identifies laundry world existing strengths and weaknesses, followed by the associated external opportunities, and the worrisome threats facing the company.

Laundry World adopts strict values and principles that are always beneficial to the growth of the business. some of its key strength include offering quality services in form of door to door delivery, visiting offices, work place and corporate organizations with special pricing and promotions, quick and convenient service with the facilities (laundry room, administrative office) located in the heart of Limbe, which is regarded as the commercial hub of southwest Cameroon. As Laundry world is still in its early years of operation some of its weaknesses include, finding dedicated and experience personnel with high level of motivation, as the business is highly demanding. Also, there is stiff competition from already established laundry business and with limited marketing budget creating brand awareness is quite challenging. The location of Laundry World presents an excellent business opportunity because of the number on new business such as hotels, lodges motels, inns, that are being constructed and will always need dry cleaning and laundry services. Potential threats include well-established competitors. With state-of-the-art facilities, increased number of new entrants as there are relatively low barriers of entry into the laundry business, and also from local washers who go in search of clients and make the services more convenient for the clients.

Table 10. SWOT Analysis of Laundry World.

INTERNAL ANALYSIS	
STRONG POINTS	**WEAK POINTS**
Location: Laundry world is located in the heart of Limbe, Cameroon, an international tourist destination and major petroleum and agricultural hub of Cameroon accounting for the high influx of economic migrants.	**Cost**: The cost of buying and maintaining machines are expensive.
Technology: use of faster washing machines and dryers to ensure faster services.	**Wear:** Experience some wear when using washing machines and dryers, which are not desirable for the clients.
Services: convenience services such as drop-off and pick-up are available.	**Staffing**: Finding dedicated and experience staffs might not be easy because of the demands of jumping from task to task, and very busy schedules.
Networking: Laundry world reach out to local businesses, or homes, with special pricing and promotions.	**Marketing**: limited marketing budget to create brand awareness.
Ambience: Cleanliness of the facility, with routine general environmental sanitation scheduled weekly.	
Quick and convenient services: Offer a quick and convenient service in order to save a customer's time.	

EXTERNAL ANAYSIS	
OPPOTUNITIES	**THREATS**
Growth: The location of laundry world presents a great opportunity considering the number of hospitality businesses that need quick and efficient laundry services around Limbe.	**Local washers**: Generally, people know someone locally who is willing to do laundry for a small fee.
Expansion: Possibilities of growth to other geographical areas in south west Cameroon (Buea, Mamfe etc).	**Machines**: The machines are constantly in use and that means a huge investment might be needed for new machines if they become faulty.
Sustainability: successful implementation of recycled water schemes.	**Competition**: there is increased number of new laundry businesses.

Source: Self elaboration, based on collected data from Laundry World.

4.4. Development of the company's strategic vision and strategic objectives in the four BSC perspectives

BSC provides a comprehensive framework that translate a company's vision and strategy into a set cohesion of measurement. Similarly, as described for the Portuguese company, the BSC key performance indicators are split within four distinct strategic themes, the objective chains start with financial objectives and then link down to objectives of customer perspective. The chain linkage continues with objectives of internal business process and eventuates in learning and growth perspective. Each of them probably comprises its own point of view and accurate target. In order to elaborate the Balanced Scorecard, it is necessary to elaborate the strategic map.
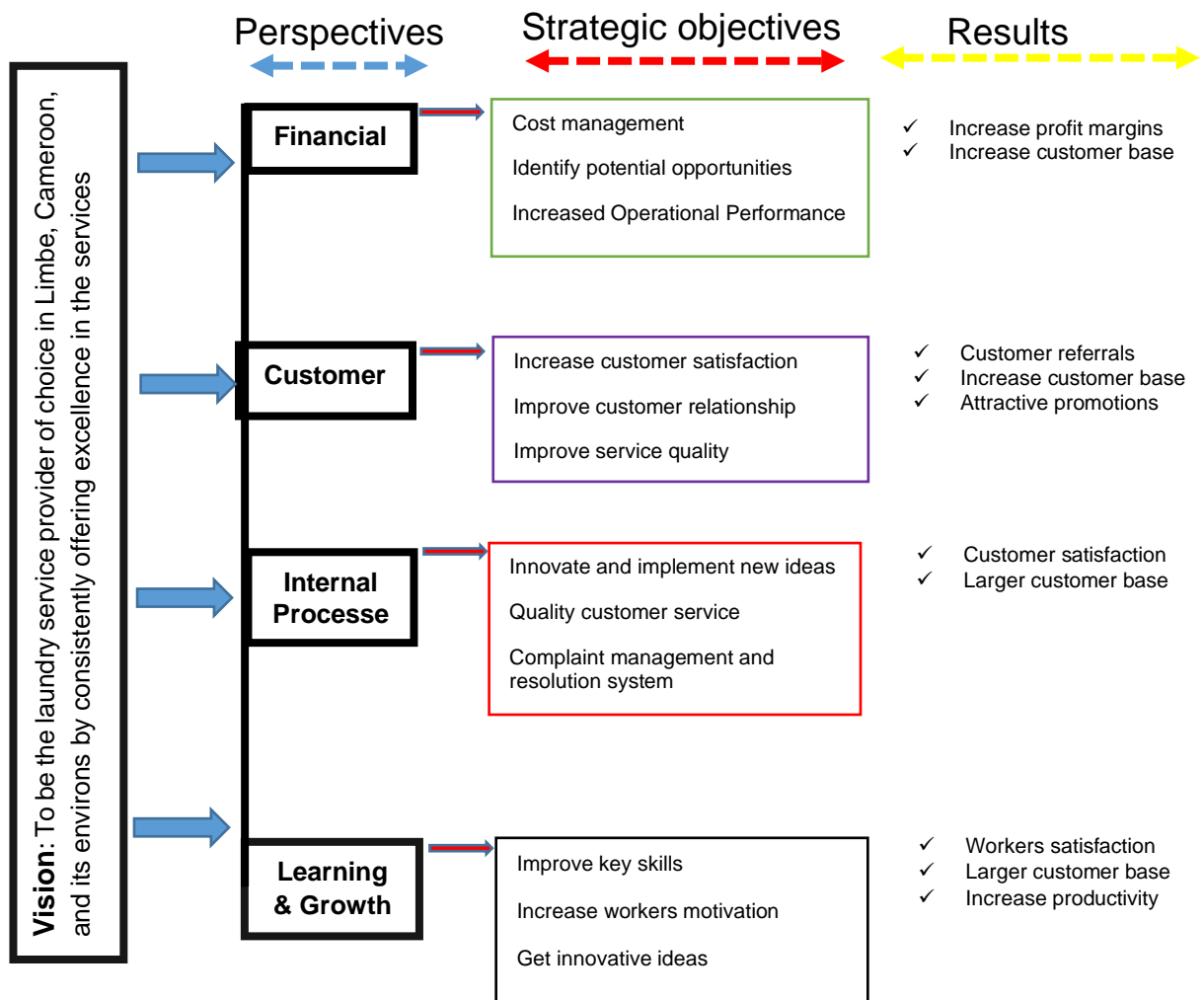

Figure 14. Strategic vision and critical success factors of Laundry world using BSC.

Source: Self elaboration, based on collected data from Laundry World.

This is the only way to consolidate strategies after a period of discussion and exchange of thoughts between the manager, staffs and some clients so as to find solutions to reach the objectives set for the proper functioning and to fully maximize the results of the company (Figure 14).

4.5.   Elaboration of the dashboard with the strategic objectives

Financial Perspective: From a financial perspective, sources of revenue are identified through sales to regular customers or arising from sales to new customers. In this way it is possible to increase revenue and increase profitability. This can be measured through the financial statements.

Customers: Customer satisfaction is one of the most important factors in an organization because high customer satisfaction translates into increased sales, which results in increase in financial statement. This satisfaction depends on several variants, such as the relationship that the organization has with customers, as well as the search for improvement of the services provided. Regular customer satisfaction survey will be put out in order to obtain valuable feedbacks.

Internal processes: They are characterized by highlighting in detail the responsibilities and expectations of each department and how Interrelationships among staffs will ensure sound management, excellent in quality of service provided and encourage innovation. Customer care surveys, social networks and review are crucial in this perspective.

Learning and Growth: This perspective is the basis for attaining the objectives of the above-mentioned perspectives. It can be referred to as the ultimate leading indicator because It evaluates the level of satisfaction/ motivation of the company's employees because only when there is motivation that increased productivity is possible. This can be measure by verifying the number of hours spent in demonstrations/training.

5. Recommendations for Improvement

5.1. Portuguese Company (Company A)

The comprehensive mode can say that a company must continue to innovate in terms of organizational structure, emphasizing the clear and unambiguous evolution of the skills of its professionals, such as its valuation, adaptation to new work methodologies and customer relationships.

Optimize some internal processes and improve company's communication with overseas by identifying and identifying them, using clear identification of products sold and services rendered, and displaying a current / renewed image that reflects their true performance and value.

The company should continue to work to achieve / improve the following results:

- Improvement of management indicators that, being defined from an integrated perspective (financial, customers, internal processes and learning and development) will enable management an integrated perspective and a holistic view of the business;
- Improving the development of management tools, which will result in an even greater adjustment to reality;
- The development of new competencies, either by management or by its team of employees, in the area of leadership and motivation, respectively;
- Ensure customer service and assistance in accordance with the principles of quality of service;
- Train workers with knowledge in the area of contact, customer service and communication with the customer.

5.2. Cameroon Company (Laundry World)

This study aims to contribute to the implementation of a strategic tool to analyse the Balanced Scorecard in a growing laundry business in Cameroon. Due to their small size, SMEs centralize decisions on administrators/business owners, who perform multiple tasks and some of these businesses tend to collapse easily, and as such, it is necessary for SMEs to act strategically to continue their activity. Laundry World management is recommended to highlight these innovative management strategies to its employees and carry out close monitoring to ensure the implementation of the adopted strategy. Implementing a performance management policy based on the above balance score card strategy should be worked on in order to improve the following results:

- The development of an innovative approach either by management or by its employees, which is the key of long-term success;
- Improve the quality of customer service is the key attracting new customers costs and retaining existing customers;
- Perform Integrated marketing (Sales and promotions) in order to approach and attract new customers.

Conclusions, Limitations and Future Research Lines

The purpose of this qualitative study was to explore successful innovation strategies of SMEs in Portugal and Cameroon. SMEs have been essential for economic growth and they have sustained the employment market for an extended period of time. These enterprises have had high rates of business failure in contrast to large companies and their ability to survive depends on adopting innovative strategies that will increase sales as well as improve services provided.

The problem addressed was a lack of knowledge of successful innovation strategies in the two companies and Balanced scorecard and SWOT analysis were designed to explore successful innovation strategies. Information were obtained from both enterprises. These SMEs have the potential to grow significantly in the coming years if some of these innovative strategies mentioned can be exploited which will be crucial to growth, competitive strategies, and improvement of the enterprises.

All the financial, customer satisfaction, internal business process perspective, and learning and growth perspective of Balanced Scorecard have been termed as either significant or more than significant motivational factors and helps in enhancing the financial aspects of company by increasing profitability, added economic value, and increase sales growth. It is our belief that the implementation of the BSC at company A will positively impact management efficiency, as it will give access to knowledge of the flaws all levels. Strategic goals and key task were derived from each perspective of the adopted BSC and for each strategic goal, several tasks were determined, being those tasks considered as critical success factors, which were the most critical issues for the enterprises competitiveness and therefore aligned with the vision and strategic objectives of Company A. SWOT analysis on the nine elements of Business Model Canvas for Laundry world identified the possibility of growth to other geographical areas and increased sales in its main business activities.

Laundry World is striving to increase the quality of services that it provides and be the number 1 laundry of choice in a very competitive market in southern Cameroon. The laundry business, like all the other business, are extremely competitive markets, especially when considering that a significant number of businesses in the Cameroon laundry business are SMEs, and each increasingly have a greater weight in the economy of Cameroon, being the main employers and drivers of the domestic market. Thus, it is necessary that the companies are competitive with each other. For this it is necessary that they adopt mechanisms of marketing and strategy and innovative strategies in order to reach set goals and objectives defined in the mission, Vision and Company Value statements.

This work was based on strategic analysis using innovative management tools and the findings confirmed the need to implement these complete management tool so as to get a broader view of the business and the way that the company should follow. As mentioned in the previous point, the

company does not foresee its implementation in a medium term, perhaps only in the long term since its priority is to capture the largest number of short-term customers. These finding make Balanced Scorecard unique to be implemented in performance measurement system of small and medium businesses and makes it possible to achieve the objectives defined in the mission, vision and company values. During the course of this research, some limitations mainly in the Cameroon company were observed in the area of data collection and analysis. Also, trying to spot important indicators and implementing an appropriate strategy was challenging and lack of which might give rice to inaccurate results. The limitation of this research is the limit of time and scale of the research done the Cameroonian company; thus, the findings of this research may not be generalized to other laundry enterprises in Cameroon. This limitation suggests the idea for further research, which is to study the impacts of the implementation of Balanced Scorecard on the financial efficiency of enterprises in a broader context. There is a growing interest on this topic and as such, several scientific and academic publications in master dissertations have been focused on the application but some of these finding still lack proper implementation of the developed BSC. Also, additional research tools can be applied to calculate the correlations between different set of variables for quantitative analysis. Research can also be further conducted to see the factual growth in the enterprises in terms of visible numbers.

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