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THE USAGE OF BALANCED SCORECARD SYSTEM IN UKRAINE

В данной статье рассматривается использование системы сбалансированных показателей, описание ее основных аспектов, распространенность системы в Украине и сложности применения.

In this article is considered balanced scorecard system, description of its main aspects, prevalence of system in Ukraine and complexity with application.

Keywords: estimation, balanced scorecard, strategic planning, complexity, training of personnel, approach, mission, vision, developing.

Introduction. Nowadays, use of the widespread traditional system of estimation of the business, based on resource approach and profitability index, is being criticize because it allows to estimate business productivity just in short-run periods. The modern step in the evolution of the economy, which is characterized by dynamism and globalization, demands new approaches.

Also it is necessary to notice that modern science pays (and will pay in the future) attention on solution of problems of an estimation of efficiency of enterprise's activity. In particular T.Kouplenda, T.Kollera, D.Murri, M.V.Meyer, R.Kaplan, D.Norton, M.K.Scott, A.Damodarana, O.S.Vihansky, A.D.Sheremet devoted their works for solving this problem.

One of the most interesting approaches in definition of efficiency of activity has been offered in the beginning 1990s by David Norton and Robert Kaplan in the form of model which they named as Balanced Scorecard.

As a model basis has been chosen next statement: "Basing of a technique of an estimation of efficiency of activity of the enterprise just with the help of financial indicators doesn't provide growth of the future economic value of the organization".

As a result has been developed the model of an estimation of efficiency which is based on four basic components - financial, customer, internal business, learning& growth (Fig. 1).

Thus, the system has received the name "balanced" as was based on the complex approach to an estimation both material, and non-material actives. So this model has received the name – Balanced Scorecard.

For each of these blocks (components) company formulates the key purposes.

Usually financial purposes are at the head of a tree of the purposes of the organization, however there is a close interrelation with the purposes in the field of marketing, internal processes and organization growth.

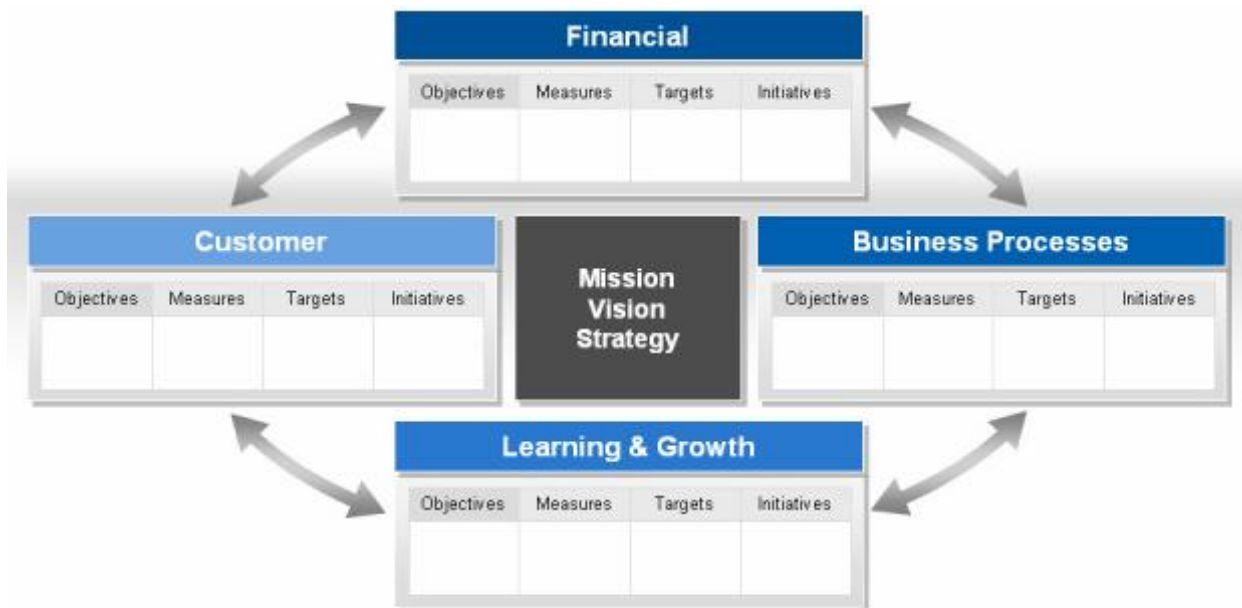


Figure 1 – Main view of BSC system

On the basis of the indicators of the efficiency developed for the concrete company, heads receive the information, allowing estimating efficiency of realization of strategy in four basic areas considered BSC.

So in such way director like a pilot of airplane can see behind his eyes “dashboard” and controls the system, guided by values of indicators grouped in four interconnected blocks. One of the basic ideas which are situated in the basis of Balanced Scorecard – is an idea of measurability. All factors, important for operation of business, should be anyhow measured and presented in the form of indicators. The concept motto — "If you can't measure it, you can't manage it".

Within the limits of model Balanced Scorecard four mentioned blocks communicate among themselves by a causal chain — the qualified, motivated employees with the help of developed infrastructure (information systems, the equipment, technologies), provide quality of business processes necessary for system. The debugged business processes provide satisfaction of customers and success of the company in the market. Marketing successes of the company, in turn, serve as pledge of its financial successes. The return chain of model Balanced Scorecard is untwisted in the opposite direction as follows: It is necessary to search for the reasons of unsatisfactory values of financial and economic indicators in the block «the Market\Clients», the dissatisfaction of clients means presence of problems in block "Business processes", and roots of problems with business processes are in the block «the Infrastructure\Employees».

Use in decision-making process as financial information and information about the situation in the market, the information about time, cost and quality of processes carried out in the company, the information about employees is realization of the idea of "Balance".

Improving internal business processes is largely dependent on technology, skills and experience of staff, internal climate in the group and other factors that are reflected in the BSC block Learning & Growth. Because of the possibility of quantitative and qualitative growth are projected future financial performances.

Methodology and data. All of those facts, information is common information about BSC. Speaking about BSC in Ukraine, it is necessary to say that BSC is used as in methodological as in practical sense. BSC can be used as in market system as in non market environment (nonprofit organizations, government authorities).

Main issue in this phenomenon is strategy, because BSC is an instrument of introduction strategy in enterprise. It is as main advantage of BSC using, as main disadvantage. Not all of Ukrainian companies are able to develop/describe their strategy. Usually, Ukrainian managers need lots of changes in their mind for right exploitation of categories of this instrument, to work in terms of business-process approach in organization of subject's interaction, to have a good IT-culture.

Despite all of this, BSC logic is perceived quickly and enjoyable. IT-consultants already take a part in promoters activity (mainly because almost all system of higher class have BSC as a component of solving part), same does management consultants and business-schools. In Ukraine we have even "clubs" for exchange of experience in this case.

But in comparison with others country's activity, our achievements are too small. Such decisions were involved just in big companies – oil, gas and telecommunications industries, banking, transport firms-monopolists. I think, there are less than 10 such companies. But why small and middle companies do not use BSC? First of all, because of low-level of manager's training, lack of massive and qualified proposals from consultant's side.

Results. Theoretically BSC in Ukraine can be used very easily. But on practice we face with some difficulties with implementing of this technology.

1) The complexity of understanding the methodology BSC by senior managers of companies.

Often companies, which decided to develop and implement strategic planning, prefer simple but already existing methods. That's why consultants sometimes confess following idea: "More simpler way might provide more rapid and effective results".

It's not effective to use BSC in first year of developing and implementing of strategic planning. Boards of enterprise should firstly get used to strategic direction, and just after it improve it. But because of such a fact, that most of Ukrainian

companies are just starting engaging strategic planning, economic specialists recommend to these companies follow next scheme: Mission developing – Vision developing – Strategic planning developing. If strategic planning will start “working”, then it’s possible to implement BSC.

2) Complexity of collection of primary information (especially of non-financing info).

Present accounting systems often don’t provide opportunity to receive qualitative information for controlling goals, and this is about as financial, as non-financial data. That’s why in first year of strategic planning such a devise is appropriate: “Achieve market share growth in most profitable products” (Customers perspective in BSC system) may consist the goal: “Implement a system of management accounting, which allows to estimate monthly profitability of each product”.

3) The level of training of personnel who must deal with the daily execution of strategic planning.

Despite that during implementing of strategic planning companies all the time train personnel, awareness on the importance and necessity of changes takes more time than wants leader of company. This means approach “From simple – to difficult”.

Demand for this technique is directly related with its application. Companies that are using system of strategic planning with BSC, may be called “advanced”. By the rule, they operate more than one year with the help of strategic planning and want to “measure” their strategy with the help of balanced indexes.

Conclusion. This article has pointed out the concepts and data management efforts that are involved in balanced scorecard deployment. It is clear that modern information technology systems can support this work. However, the big implementation problems are people problems: change of managers' perceptions, fear in the employee culture, and the limited incentives available within most governmental and nonprofit organizations to counterbalance that fear.

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