

Application of Balanced Scorecard in Enterprise Strategic Management

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Abstract: As the modern market economy changes and competition intensifies, companies need to obtain more information if they want to remain competitive. The emergence of strategic management accounting can provide companies with more useful information. Whether or not the strategy can be achieved is not a question of the strategy itself. In most cases, it is the implementation of the strategy. The Balanced Scorecard is a new type of strategic management tool applied by modern enterprises in strategic management. This article attempts to proceed from the relationship between balanced scorecard and strategic management, and discusses the application of balanced scorecard in strategic management.

Key words: Strategic management ; Balanced Scorecard ; Competitiveness

1.Introduction

In the face of such fierce competition, whether a business organization can form a set of its own business model, and the various strategies contained in an effective implementation model become the key to the success or failure of a business. In the 1990s, Harvard Business School professor Robert Kaplan and Renaissance Global Strategy Group President David Norton concluded a balanced scorecard based on a summary of more than a dozen large enterprise performance evaluation systems. Performance evaluation management tool. After nearly 20 years of development, the Balanced Scorecard has evolved into an important tool for corporate strategic management and plays a very important role in corporate strategic planning and execution management.

2. literature Review

Jiang huiping proposed that In theory, the Balanced Scorecard adapts to the management ideology of shifting the company' s business objectives from being solely responsible for shareholders to being responsible to stakeholders, embodying the idea of humanistic management and fully expressing several forms of transformation of labor. Conceptually, the Balanced Scorecard provides a systematic approach to the implementation of the company's business strategy. It is the continuation and development of the goal management philosophy, as well as the improvement and improvement of key performance indicators.

With the advent of the information age, under the impact of the market economy environment, the competition faced by enterprises has become increasingly fierce, and the crisis and opportunities are also increasing. Zhao Guangzhou, Tao Jie proposed that enterprises must have a unique strategic vision in order to survive and develop. How to ensure the realization of corporate strategic goals, how to deal with the relationship between long-term goals and short-term goals is a problem that enterprise managers must face. The emergence of balanced scorecards is an effective strategic management tool to solve these management problems.

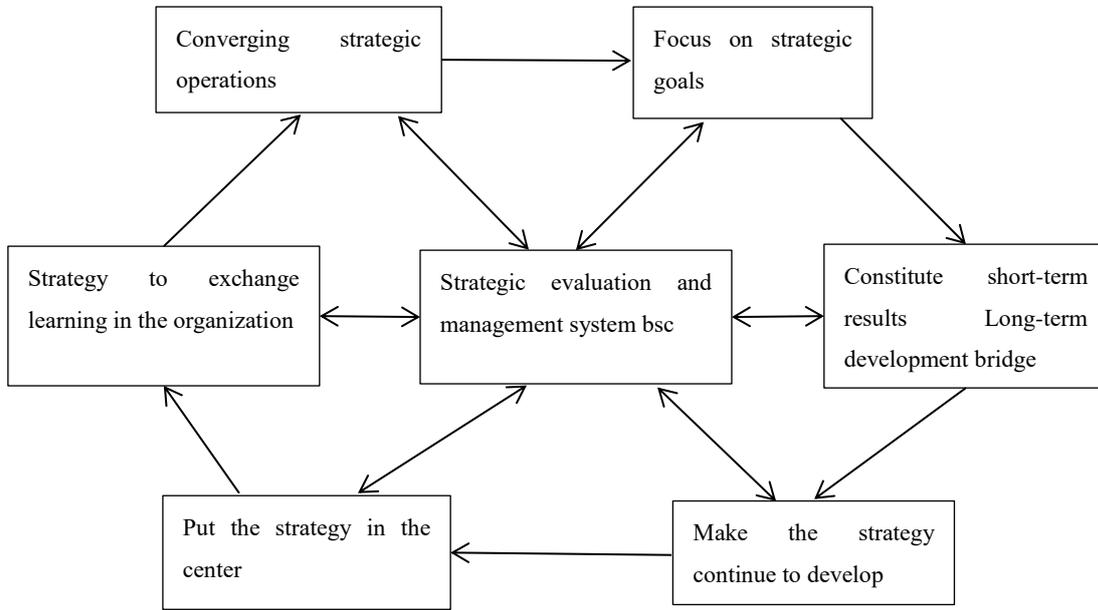
İhsan Yüksel, M Dağdeviren proposed that Balanced Scorecard (BSC), which is used as a strategic evaluation tool, is a method of determining business performance using lagging and leading indicators on the basis of vision and strategies. The method suggests that business performance should be evaluated not only by using financial indicators but also simultaneously considering non-financial indicators.

The Balanced Scorecard (BSC) is a new and multidimensional approach to performance measurement and management control that is linked specifically to organizational strategy. A Mohsen, M Saeedeh proposed that it is essential for corporations to improve internal processes and focus on strategic objectives. Hence, managers can use processes as a strategic weapon to deliver world-class performance, and optimally use BSC to achieve and sustain strategic success.

3. Application of Balanced Scorecard in Strategic Management

3.1 Balanced Scorecard and Strategic Management

Figure1 The relationship between bsc and strategic management



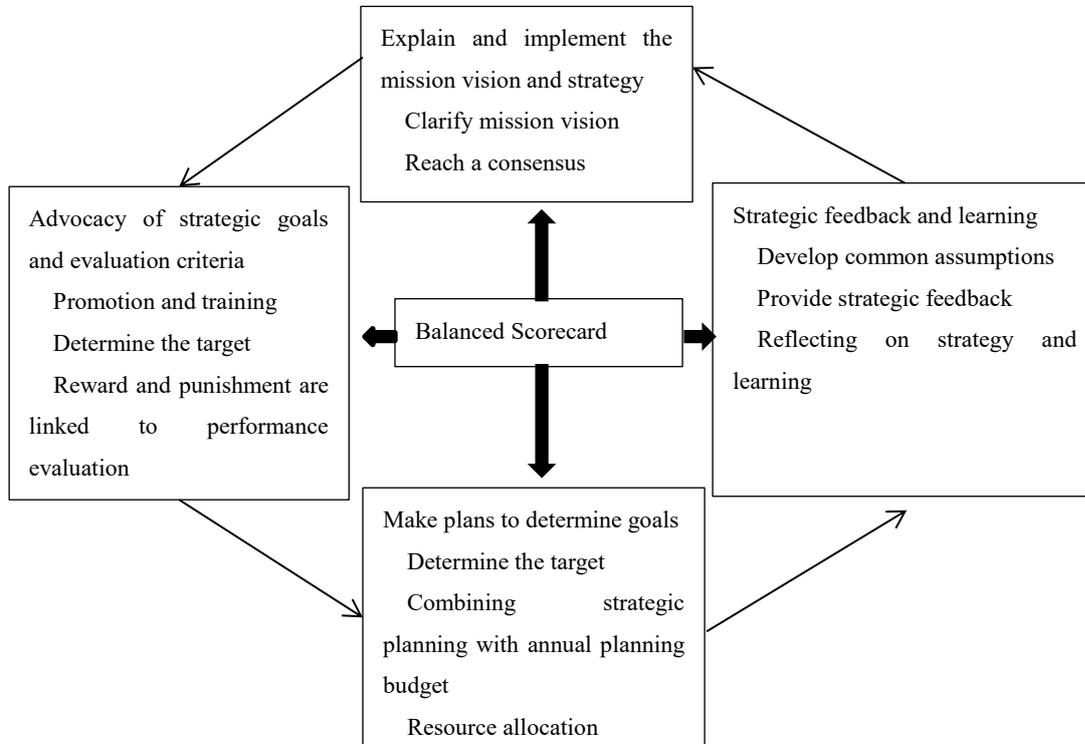
The BSC puts the strategy at the center, and the company's strategic objectives are sequentially developed in four aspects as local goals with causality and further development of corresponding evaluation indicators. It enables the strategy to communicate and learn from and to the organization, link up with the objectives of various departments and individuals, and achieves agreement on strategic operations. It also focuses on the strategic objectives and forms various reform programs; it also works through regular and uninterrupted Feedback and learning encourage employees to make recommendations on how to implement blueprints and strategies. This feedback and advice can enable employees to contribute ideas, participate in the development and implementation of strategies for the future of the company, and learn from them to modify and develop strategies. Through the analysis of the relationship between the two, we can see that BSC's management of the strategy is a cyclic process that can be continuously used to implement strategic management practices to test the effectiveness and implementation of the strategy and form a dynamic closed-loop operation management operation. Implementing strategic management is feasible and effective.

Figure2 Relationship model between strategic model and balanced scorecard

Finance	Regardless of the strategy adopted by the company, it must be highly valued	
client	Differentiated defense strategy	
	Customer Relationship Intimacy Strategy	
	Analyst strategy	
Internal Process	Business Strategy	
	Low-cost defense strategy	
Learning and growth	Product leadership strategy	Explorer strategy

3.2 Balanced Scorecard application process

Figure3 Balanced Scorecard application process



(1) Determination of corporate strategy. The corporate strategy is that the enterprise organization selects the most suitable business fields and products according to the current market environment, its own strength and resources, and relies on the core competitiveness to win competition in the differentiation. Determining the strategy of the company should start from the business thinking of the company, analyze the current situation of the company's current operations, and anticipate and judge the market to determine the strategy.

(2) Draw a strategic map of the company. After the strategy is established, the strategy map can be formulated according to the strategy, which is also the framework of the corporate strategy. The close link between the strategic theme and the four dimensions of the Balanced Scorecard makes it logically causal. After the completion of the strategic map, it needs to be submitted to the top management of the company to confirm whether it is in line with the strategy and direction of the company's development.

(3) Confirm metrics, metrics. After the company's strategic goals and strategic maps are drawn, it is necessary to split the big framework into specific measurement indicators. Each strategic goal must have measurement indicators, and the measurement indicators are also feedbacks on the strategic goals. The metric is to set a relative value for each metric. This value is based on the level of the company's past operations and the current trend of corporate development and the integration of the market environment.

(4) Develop a corporate strategy implementation plan. Companies should develop the simplest and most direct concrete action plans that can achieve the strategic goals based on the strategic goals. Senior managers choose the best plan for the company's strategic objectives, and then allocate resources to support the plan so that the external configuration to achieve the strategic goals is optimal.

(5) Strategic feedback and adjustments. Corporate management needs to monitor each metric on a regular and irregular basis to observe its operations. The Balanced Scorecard can analyze whether another index that has a causal relationship with the index is unqualified according to whether a certain index is unqualified, and from the analyzed results to judge some problems that may be overlooked in the company's strategic plan, and promptly propose Modify and adjust the program.

4. Balanced Scorecard Issues in Enterprise Strategic Management

Companies should tailor their own balanced scorecards. Different companies have different strategic orientations. The strategically derived balanced scorecard is also completely different. Each company must first carry out long-range planning and strategic analysis, and design a balanced scorecard that reflects its own strategic characteristics based on its own mission, vision, and strategy.

Pay attention to communication. Balanced scorecards are web-based rather than flat. In the implementation process, regular and effective communication within the enterprise is crucial. When communicating corporate strategic objectives, management must be able to clarify the company's business strategy and obtain employee recognition; before formulating a performance plan and carrying out specific work, management must first discuss with employees and reach consensus. After reaching a certain level of communication up and down, the enterprise strategy can be effectively expressed through the Balanced Scorecard.

Pay attention to information feedback. In the process of implementing the Balanced Scorecard, attention should be paid to all aspects of information feedback, and the strategy and predetermined indicators should be adjusted in time to effectively adapt to changes. Changes in the environment will change the original harmony between the company's strategy and the environment, and bring pressure for the company to re-strategize the strategy. Changes in related policies will also affect the determination of certain indicators in the balanced scorecard. Therefore, it is necessary to adjust and improve the Balanced Scorecard at any time so that it can better reflect the implementation of the corporate strategy.

5. Conclusion

Although the Balanced Scorecard has many successful cases after its introduction into China, the effectiveness of the majority of enterprises is not significant. Through the collection and research of data, it is found that there are certain problems in the implementation of strategic score management in China's corporate strategic management. In order to promote the smooth application of the Balanced Scorecard in the strategic management of the enterprise, it is recommended that enterprises should do the following when applying the Balanced Scorecard:

Formulate a clear long-term strategic plan. The corporate strategy is the basis for the implementation of the Balanced Scorecard. The successful introduction of the Balanced Scorecard requires a clear corporate strategy and vision. It also requires a reasonable decomposition of the corporate strategy to transform it into a goal for each department and even for each position. Therefore, the successful introduction of the Balanced Scorecard requires a clear corporate strategy, goals and vision. The Balanced Scorecard is also a performance evaluation system that mobilizes all managers and employees to successfully implement a corporate strategy, linking strategy to a set of financial and non-financial assessments. Before a company implements a balanced scorecard, it must understand where its business objectives are and what it should do to achieve its goals. Only companies with clear long-term strategic goals have the prerequisites for implementing a balanced scorecard.

Senior management's strong support and the recognition of all employees. The Balanced Scorecard should be personally grasped and developed by the top management of the enterprise. Since the Balanced Scorecard is to be effective, it must reflect the strategic thinking of top management. Only with the full support of senior management and strong determination and determination can the full participation of the company be promoted, organizational reforms can be carried out, and operational strategies can be implemented. At the same time, companies must obtain the unanimous approval of all employees if they want to successfully implement a balanced scorecard. When the Balanced Scorecard is introduced, full and complete communication should be conducted with the employees so that the employees can fully participate in the formulation and implementation of the company's strategy, ensuring that the BSC-related knowledge and skills are completely transferred to all levels of the company, and Effective implementation.

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