

**SUPPLY CHAIN MANAGEMENT FOR
EFFICIENT CONSUMER RESPONSE CONFERENCE
18-19 MAY 2012**

**DASHBOARD EXPRESSION OF
MODERNISM IN SME'S**

Coman Marius
Vârforeanu Mihaela-Denisa
Valahia University of Targoviste

Agenda:

- Introduction
- What is the performance
- Performance indicators for small and medium enterprise
- Case study of performance indicators in small and medium enterprise
- Conclusion

Introduction

- SME's - important source of entrepreneurial skills, innovation and job creation
- SMEs are the driving force of economic development by creating new jobs
- SMEs operate in an environment increasingly stronger and more stable, competitive and fully under permanent pressure of globalization of financial markets

What is the performance

- Performance concept is associated with three concepts: economy, efficiency and effectiveness

Performance = Efficiency + Effectiveness

- Actions that affect performance are presented as economic and financial analysis processes business activities and relationships established between the internal and external environment or business

Performance indicators for small and medium enterprise

- Economic environment identifies two categories of managers: managers sophisticated and less sophisticated managers.
- Choosing an indicator / group of indicators showing accurate information on performance depends on full understanding and knowledge of general economic phenomena from ordinary activities and extraordinary company.

- In emerging market countries (eg. Romania) orientation is predominant in the corporate analysis - analysis refers turnover in assessing the economic performance indicators and market indicators to determine the position of the company
- In countries with developed markets, performance measurement professionals dedicated to the 30% general market and analysis of industries and only about 10% of research and analysis of performance indicators.

Instruments of the performance analyst

- Profitability indicators: indicators reflecting income or ability to generate revenue
- efficiency indicators (indicators on use of assets): indicators of spending or reflecting their stiffness - define the degree of flexibility it holds firm to allocate resources for different purposes (destinations).
- Indebtedness indicators: indicators of investment ability, of contracting debt and its structure - indicators that define the extent to which the organization attaches importance to capital spending and its ability to attract long term funding to finance investment

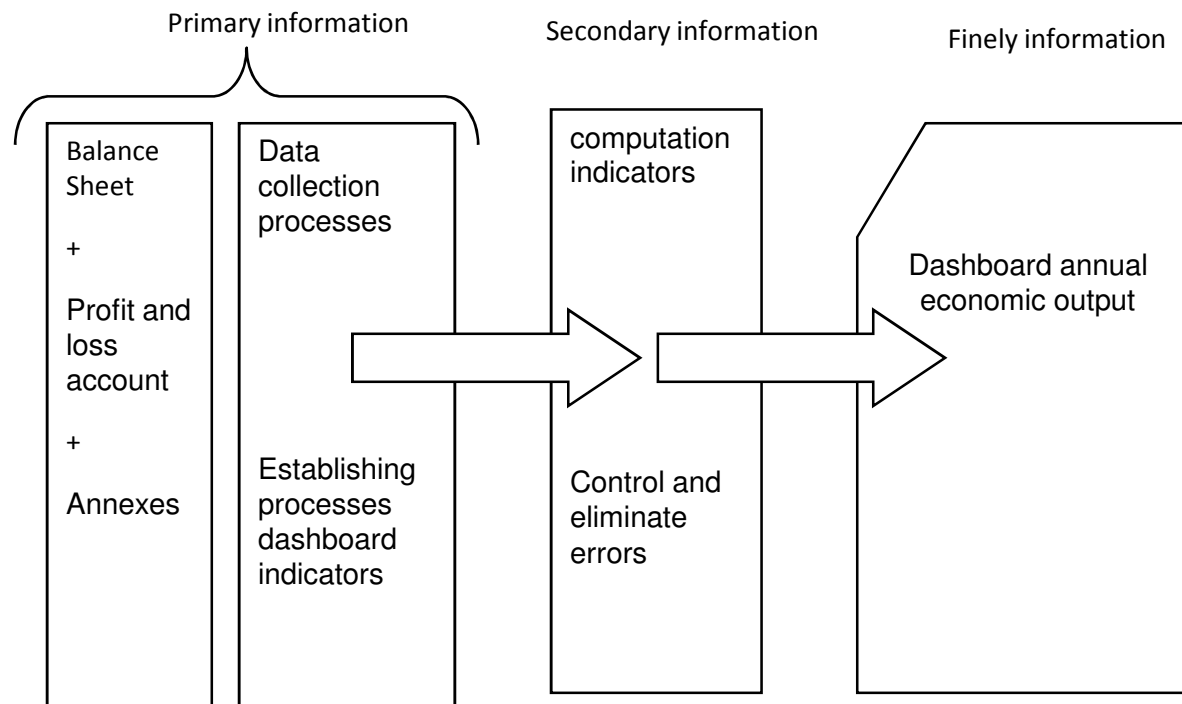
Instruments of the performance analyst

- Liquidity indicators: indicators that reflect the operating result and financial management capacity - refers to the relationship between income and expenditure and define the degree to which the organization is implementing a performance management of financial resources.
- Market valuation indicators: indicators apply to joint stock companies to quantify the operational results obtained from trading shares on the market, which reflects the manager's ability to attract capital - is reflected in a firm position on the market can handle that acts .

Instruments of the performance analyst

- In any enterprise there is a management system that defineaste main guidelines that are part of business activities and their achievement dirijeza in strict accordance between objectives and needs of society manifested by market requirements
- Scoreboard performance indicators (TB) is a tool that facilitates the management of the company listed Achieving

Case study on building a dashboard for SMEs

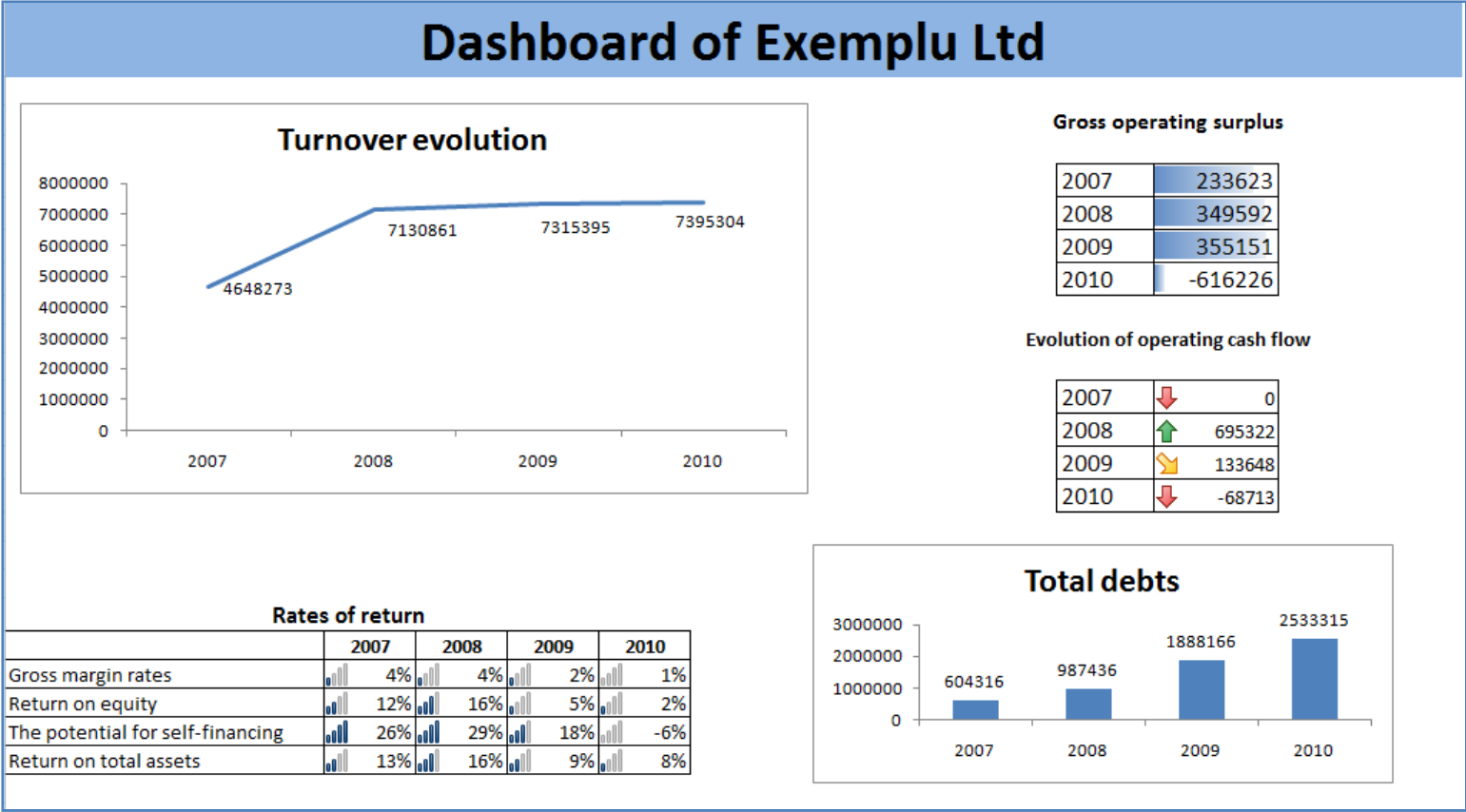


Stages of building a dashboard

Example of dashboard

Indicator	Unit of measurement	Recommended values	2007	2008	2009	2010
1. Turnover	Mii lei	increase	118239	244233	117425	150863
2. Value added rate	%	increase	41	38	26	22
3. Operating cash flow	Mii lei	increase	x	695322	133648	-68713
4. Return on assets	%	increase	10	13	7	6
5. Return on average profit	%	increase	3	4	1	0
6. Return on equity	%	increase	12	16	5	2
7. Rotation of commercial assets	number of turns	reduction	3,59	4,06	2,86	3,50

Building an electronic scoreboard



Sample Scorecard for SMEs selected for analysis

Financial				
Obiectiv	Indicator	Target	Current status	Initiatives
Turnover	CA (mii lei)	180000	150.863	Diversification of product package
Increased margins	profit margin	70%	60%	
Profit growth	lei	168,690	180000	
Market share	No of clients	Over 200 new client/year	150 new customers / year	Adjustment of supply to individual customer requirements
Client				
Obiectiv	Indicator	Target	Current status	Initiatives
Increase customer satisfaction	Notes obtained satisfaction questionnaires	8	7	Translating findings into action analysis questionnaire
Competitive prices	lei	Discounts with 10%	Reduction with 5%	Initiation of new attractive promotions
Efficient delivery	Minutes / order	30 minutes	45-60 min	
Internal process				
Obiectiv	Indicator	Target	Current status	Initiatives
Faster development of new products	No of new products/quarter	Over 3/year	2/quarter	Promoting products through various events
Improving the quality	Availability for processing complaints	12/24 (7 days)	8/24 (7 days)	Mailbox for complaints
Receiving and processing order	minutes	6-7 minutes	Over 10 minutes	Improved layout software for receiving orders
Growth and development				
Obiectiv	Indicator	Target	Current status	Initiatives
Supporting and encouraging skills	No of traininguri	Over 3/year	2/year/employee	Function change with skills
Motivating employees	% of salary bonuses based on performance achieved	Increase salary with 20%	Increase salary with 10%	Cash awards for the holidays
Improving customer relationship	No. complaints per year	Less 8/year	9-10 complaints per year	

Concluzion

- Performance measurement company is conducting fundamental historical and forecast results
- Economic diagnosis purpose financial investment or disinvestment process remains to provide information necessary to determine the intrinsic value of the enterprise

- Analysis and interpretation of performance indicators is an essential part of business success and must be accessible to any interested party according to the established level of competence.
- Quality analysis results should be judged by management
- Successful analysis and performance evaluation shall be accompanied by immediate decision on the implementation results

- Completion of TB's ongoing performance indicators premises creates opportunities to decide making effective
- Scoreboard Performance indicators need to be constituted, calculated, analyzed and interpreted

*Thank you for your
attention!!*