

WORKSHOP WEEK 2: Balanced Scorecard

Prepare answers to the following questions and discuss results with your classmates

1.

Silver Bookwire Limited is a manufacturer of women's clothing with three product ranges; evening dresses, business suits and sportswear. The company sells its products to retail stores across Italy. In these fashion markets, the company's strategy is to enhance customer satisfaction throughout all aspects of its operations.

The company's management wishes to introduce a balanced scorecard to monitor the company's strategic position and progress. The following data for the past three financial years have been extracted from the company's systems.

	01	02	03
Sales revenue by product range (€M)			
- Evening dresses	8	15	22
- Business suits	52	48	42
- Sportswear	15	32	64
Number of customers at beginning of year	386	542	765
Average stock value for year (€ M)	5	6	14
Total women's clothing market in Scotland (€ M)	800	1.020	1.280
Number of despatches made during year	6.200	8.950	13.600
Number of employees at the beginning of the year	286	328	492
Number of new products introduced during year	160	210	290
Number of products at beginning of year	512	572	732
Number of products discontinued during year	100	50	20
Gross profit margin by product range (%):			
- Evening dresses	30	30	27
- Business suits	20	21	22
- Sportswear	5	6	5
Number of despatches made within 48 hours of receiving order	5.850	8.590	11.560
Number of garments sold	750.000	1.120.000	1.289.000
Number of garments returned	2.500	3.450	6.940
Delivery cost per despatch (€)	450	495	525
Overheads for the year (€ M)	6.40	7.30	7.80

Required:

- a) Prepare a balanced scorecard using the data available.
- b) Suggest some other performance measures that could be included in the scorecard provided the necessary data were available.
- c) Discuss the overall performance of the organization.