

## Workshop 4: Strategic Management Accounting Case

### Blue Hose Mfg - Solution Notes

#### Customer Perspective

	Basis	Current period	Previous period	Two periods prior	Three periods prior
Market share	"40" / "41"	6.9%	8.0%	8.0%	8.5%
Accounts lost	"1" / "2"	5.6%	4.1%	2.9%	2.9%
Complaints per 100 customers	$100 * ("7" / "2")$	16.9	10.9	10.0	8.8
Complaints to inquiries	"7" / "8"	50%	35%	32%	25%
Customer satisfaction	$100 - "7" / "2"$	83.1%	89.1%	90.0%	91.2%
Lost sales	"39" / "40"	12.3%	12.0%	12.0%	11.2%

#### Financial Perspective

	Basis	Current period	Previous period	Two periods prior	Three periods prior
Revenue growth		7.8%	8.0%	-7.0%	N/A
Gross profit	$("40" - "4") / "40"$	30.0%	32.0%	31.0%	33.0%
Stock turnover	"4" / "16"	10.2	8.2	8.6	9.0
Asset turnover	"40" / "3"	3.67	3.00	3.11	3.36
Return on assets	"26" / "3"	1.10%	2.10%	4.04%	4.37%
Debt ratio	"10" / "3"	32%	25%	24%	22%
Net profit	"26" / "40"	0.30%	0.70%	1.30%	1.30%

### Internal Business Perspective

	Basis	Current period	Previous period	Two periods prior	Three periods prior
Orders on time	"34" / "32"	722%	74.2%	77.4%	67.9%
Orders shipped complete	"33" / "32"	100.0%	100.0%	96.8%	7.1%
Machine downtime	"19" / "21"	17.0%	19.2%	12.0%	10.0%
Inspection tail rate	"17" / "18"	6.7%	6.0%	4.0%	3.1%
New product sales rate	"38" / "40"	12%	11%	10%	10%
Detectives per 1000 yards	"49" 1 ("50"/1000)	30	50	60	90
Orders cycled on time	"28" / "27"	81%	73%	84%	60%
Yarn usage over standard	"12" / "13"	105.0%	104.6%	104.2%	104.0%
Off-quality production to COS	"5" / "4"	7.5%	5.8%	5.2%	3.2%
Average set-up time - minutes	"20" / "42"	240	224	200	180

### Innovation & learning Perspective

	Basis	Current period	Previous period	Two periods prior	Three periods prior
Training costs per employee	"46" / "24"	\$601	\$732	\$871	\$845
Training costs to total costs	"46"/"6"	3.0%	3.6%	4.2%	3.8%
New sales to total	"38" / "40"	12%	11%	10%	10%
Employee growth		8.7%	5.8%	0.0%	N/A
Average set-up time - minutes	"20" / "42"	240	224	200	180