Relationship between Balance Scorecard and Strategic Planning of Enterprises

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Abstract:
The Balanced Scorecard (BSC) is a management system that helps managers as well as all employees in the organization determine their organization’s vision and strategy and turn us into action. BSC provides feedback on internal operations as well as results, thereby helping all employees in the organization to continually improve to achieve the desired results. The article clues the relationship between the equilibrium points and strategic planning of the business.

Keywords: Balanced scorecard, business planning, Vietnam

1. Introduction

In the context of the increasingly fierce competition of today's business environment, every business that wants to survive and thrive needs a long-term business strategy to clearly define its vision, mission and path. Businesses in the present and in the future. Therefore, strategic business planning is an extremely important job for businesses.

Currently, there are many models used to manage business strategies of the business, in which the BSC balanced scorecard system is a model that has been applied quite successfully and brings many efficiency and equipment, comprehensively in the business administration strategy of businesses.

Balanced Score Card (BSC, hereinafter referred to as the score card or BSC) is a set of measurement tools (to evaluate the performance of work) derived from the strategy of the organization, could not be current information through a tag system is being partition to the level and fish. Performance measurement will help businesses measure, evaluate, and monitor the performance of the weak surfaces in the business, including all financial and non-financial planes, from there to Performance. High capacity for non-stop upgrading.

To limit the element on, create the effect for the kernel and the company in the company is being performance evaluation, etc., the bank needs to adopt a new tool - a more equal evaluation tool, more efficient and comprehensive. The Balanced Scorecard (BSC) system is a very suitable tool for the bank in the current period, it does not help the bank evaluate based on the measurement of key accounts it evaluates against On the measurement of non-financial factors (customer satisfaction, reliability of products and services of the product, etc.) are tools to evaluate the quality of work performance ensures for Bank operations and strategic business management upgrade. To want to use the system tags system point balance in the management battle history of the business to must be built of the best condition.

The Balanced Scorecard (BSC) has been studied and widely applied in Vietnamese enterprises in recent years. There are many researches on the establishment and application of BSC card balance points in many different fields of activity and businesses. Here are the standard symbols:

Nguyen Thi Hong Tham (2013), "Building a balanced scorecard system for Mai Linh Group South Central and Central Highlands" thesis of business administration. Research to synthesize the theory of frameworks and criteria frames and patterns in Mai Linh Group in the South Central Coast and the Central Highlands to apply the balanced scorecard system for this enterprise. The thesis is also built in the theoretical framework of the equilibrium score such as the history of the equilibrium score card, the concept, the role of the balanced scorecard application in the production and business activities of the enterprise.

http://www.ijmsbr.com

Hoang Van Doan (2014), "Application of the equilibrium point model (BSC) and performance measurement index (KPI) in employee assessment at the industrial corporation - In-Packaging Liksin", master thesis business administration manager. Research and apply model card scores and numbers (KPI) and staff assessment at Industrial Corporation - Printing - Packaging Liksin. Thesis given with indicators (KPI) to evaluate employees in enterprises and the application implemented in enterprises can be corporation - Printing - Packaging Liksin.


A number of commercial banks in Vietnam have also applied a balanced scorecard system to measure the quality and efficiency of work, pay wages and bonuses associated with the results and quality of work.

Research is increasingly going into the equilibrium scorecard method. From using BSC as a measurement and evaluation tool of business performance to developing a balanced scorecard to a strategic planning tool based on four groups of BSC criteria, following closely the operates according to that mission, vision and core values.

BSC is a new, flexible method that Vietnamese businesses should once study.

2. Literature review

2.1. Overview of strategic planning of the business

The concept of business strategy

According to Chandler, strategy is defined as “Identification of the enterprise's long-term fundamental goals, objectives and the application of a series of actions and the allocation of resources needed to achieve the goals”

According to Johnson and Scholes, “Strategy is the direction and scope of an organization in the long term to gain competitive advantage for an organization by defining its resources in a changing environment, to meet needs, market and satisfy stakeholders' expectations ”The prevailing view is:“ Business strategy is the art of coordinating activities and driving them to achieve the long-term goals of the business”. Considering the business strategy as a management process, the strategic management emerged: Strategy or not enough, but must be organized well to ensure that the strategy is feasible.

The basic characteristics of a business strategy

Although there are many different conceptions and approaches to the strategic category, the basic characteristics of the business strategy are conceptualized relatively unified. The basic features are:

Business strategy clearly defines the basic business direction to achieve in time and is fully understood in all areas of corporate governance. The direction of the strategy is to ensure continuous and solid growth of the business in a fluctuating business environment.

Business strategy only outlines the direction of the business in the long term, its operational framework in the future. It is only directional, but in practice business activities require combining strategic goals with economic ones, considering the rationality and adjusting to the business environment and conditions to ensure guaranteeing business efficiency and overcoming deviation caused by the direction of the strategy.
Business strategy is built on the basis of the competitive advantages of businesses to ensure maximum mobilization and good coordination with the exploitation and use of resources (human, tangible and intangible assets) of businesses in the present and in the future in order to promote their advantages, seize opportunities to gain dominance in competition.

Business strategy is reflected in a continuous process from developing, implementing, evaluating, examining and adjusting the strategy.

Business strategy always brings the idea of winning in competition. Business strategy is formed and implemented on the basis of detecting and taking advantage of business opportunities, corporate comparative advantages to achieve high business efficiency.

All important strategic decisions in the process of building the implementation organization, reviewing and adjusting the strategy are focused on the top management team to ensure the accuracy of long-term decisions. Confidentiality of information in competition.

2.2. Overview of the balance scorecard

The Balanced Scorecard strategic management system is a not new concept in the world, but very new to Vietnamese enterprises. So what is BSC? And if applying BSC, what should the organization (enterprise) do?


This management system has been applied to many organizations and industries with great success. In these documents, the author has given a motto "You only measure what you achieve." and the BSC system is built on this premise. Businesses often measure performance by financial indicators. But those are not enough. We recognize that not all business processes or all operations directly impact a firm's net profit or other financial measures such as return on invested capital (ROI) or earnings per share (EPS). For example, if the business aims to reduce operating costs by 5%, we could set a target to limit customer support calls to a maximum of 5 minutes - which increases efficiency and directness. Cut the cost. However, the results can reduce customer satisfaction and lead to loss of customers, a drop in sales, and more. This means that the targets are closely related, while you achieve your goal of reducing operating costs for one department can become a risk to another.

By identifying the key factors that contribute to business success, the Balanced Scorecard limits measurement to the extent of truly core problems.

So what is the core problem in the business? What part? Which group of customers? Which product? Which market? Etc., both financial and non-financial must be identified, and it may even be necessary to identify non-financial activities that have little direct impact on corporate profits.

So what is the concept of BSC: “The Balanced Score Card (BSC) method is a planning and strategic management system, used by business organizations, non-profit organizations and government. It aims to orient business operations according to the organization's vision and strategy, improve the efficiency of internal and external communications, and monitor the business performance of the business against the set target. It gives managers and senior officials in organizations a more balanced view of the organization's overall performance.

The Balanced Scorecard is a system that transforms the organization's vision and strategy into specific goals and metrics by establishing a system to measure the performance of an organization across four dimensions. finance, customers, internal business operations, learning and development.
What is the content of the BSC that can link the indicators together? Kaplan and Norton describe the BSC initiative as follows: "BSC retains traditional financial measures. But these measures only tell stories of past events, suitable for companies of the time. Industry, for investments in long-term capacities and relationships have been criticized for being unsuccessful. Financial measures are inadequate, to guide and estimate the journey that companies of the time Today's information technology must do to create future value through investments in customers, business products, workers, technology and innovation. " The BSC suggests looking at the organization from four “perspectives” and developing the measurements, collecting data and analyzing them in relation to each of those “scenarios” and with the strategic direction of the organization:

Financial Perspectives. (The Financial Perspective) Client Perspective. (The Customer Perspective)


The main aspects of the balance scorecard

The BSC model retains the traditional financial metrics because thanks to this measure, managers can measure and evaluate the implementation of indicators such as profit, return on invested capital ... Financial information is not sufficient to give a comprehensive view of the organization's operations. If strategy managers want to get an authentic picture of the organization, financial information needs to be supplemented with other performance metrics to connect existing customers, internal processes, and employees. and the system's performance with its financial successes.

Financial aspect

In the balance scorecard, the financial goals must be connected to the company's strategy. Financial goals serve as a focal point for goals and metrics in other aspects of the scorecard and it tells us the expected financial performance of the strategy. This aspect should help answer the question "What do our shareholders expect from financial performance?"

The BSC model begins with financial goals and explains what is the financial driver of the long-term sustainable value creation process. Financial metrics are a very important element of the BSC, it tells us whether the strategy can be taken to achieve the end results. We can focus all of our efforts and capabilities on improving customer satisfaction, quality, on-time delivery or a range of other issues but otherwise point out the positive effects. to the financial index of the organization, our efforts are also diminished in value.

Financial targets in BSC can be given specific goals such as: increasing profits with a measure to achieve the goal of improving the cost structure; Increase the efficiency of assets, increase revenue by achieving the goal of increasing existing customer value, expanding revenue generation opportunities, etc. However, depending on the competitive strategy but the organization has flexible financial goals in each stage, even the organization can accept to sacrifice financial goals in exchange for success in other areas. But that is only in the short term, and in the long term, the financial goal must still be the goal in the organization's strategy.

Financial objectives need to be considered phased in, be it quarterly or annually because of changes in technology, markets and regulatory changes in government regulations.

Customer aspect

The customer aspect of BSC will clearly identify the customers and market segments the company chooses to compete with and measure the set of values the company brings to customers and target market segments. . The customer aspect is the ultimate goal of the organization for profit purpose, the customer is the basic factor for the organization to achieve its financial goals. Most organizations, especially service organizations have the view that "customer is god". This aspect will focus on solving the problem "For each financial goal, how to create value for customers?"
Today, the needs of customers are very diverse and complex. Customers not only need to use good quality products, but also require customers to have beautiful designs, often have new, strange and fashionable designs. So organizations must have a clear goal in this regard.

Customer goals are concretized from the organization's vision and strategy. These goals must be closely linked with the financial goals of the causal relationship. Each organization has its own goal, but in general, the following organizations are aimed at:

Increase in attracting new customers. Increase customer satisfaction. Try to keep existing customers. Increased market share. Increase profit from customers.

The Internal Process Aspect

The internal process aspect describes the effectiveness and efficiency of delivering value to customers. As a result, companies often develop goals and metrics for this aspect after they have formulated the goals and metrics for the customer as well as the financial aspect. In terms of internal processes, the company must identify the main processes the organization needs to take in order to constantly add value to customers and ultimately to shareholders. The company's mission is to "develop what outstanding process to satisfy customers and shareholders?", Is also to answer the question: "to achieve financial goals and satisfy customers, In what internal processes does the organization need to outperform its competitors? ". In an organization, internal business processes consist of three cycles:

Objectives of the organization in terms of internal business processes: With the improvement cycle:

+ Provide reliable information about market size, customer preferences.

With cycle of operation:

+ Shorten the time from receiving customers' orders to the time when customers' needs are satisfied.
+ Increase the quality of the SPDV.
+ Reduce operating costs.

With after-sales cycle:

Shorten the time to solve problems
+ Reduce costs for after-sales process.

All three cycles in the internal business process must be built on the relationship between the business process and the customer with the goal of customer satisfaction highest.

Development and Training Aspects

The final aspect of the BSC model framework is the training and development aspect. This aspect not only measures and shows a sustainable investment for the future, but it is the factor that aids in achieving results in other aspects. In essence, these measurements can be considered as the foundation for the construction of the "Balance Scorecard house". As organizations identify metrics and initiatives in the customer aspect and internal processes, the organization will likely immediately see gaps between the organization's current state and the levels needed to goals and foundational factors can be achieved such as: skills of workers, information systems ...

Measurements that companies define in this respect will help fill those gaps and ensure sustainable efficiency in the future. Kaplan and Norton classified the learning aspect and developed into three groups:

Firstly, Employees' competencies: determined through the skills, qualifications, ability to think and create, how to perform internal processes of employees in key positions.
Second, Information system capability: the ability of an information system to represent solid information about customers, internal processes, infrastructure, etc., and availability. There is information provided to employees to make decisions and take action to achieve strategic objectives.

Third, Dynamism for striving, assigning responsibility and alignment: measuring innovation, empowerment and coherence it specifies the environment for employees to function with the utmost care of the organization.

Kaplan and Norton emphasize that the element of "learning" is more essential than "training"; This can be done by inviting training specialists or using in-house trainers, or by creating an environment that encourages communication between employees to enable them to learn from each other.

The goals of the learning and development aspect:
Improve staff capacity
Improving the capacity of the information system Align employees with the goals of the organization

In an organization, if there are dynamic, knowledgeable, well-communicated and knowledgeable employees who work together in the implementation of the organization's goals and strategies with the help of the system. Information and empowerment will help the organization to operate increasingly strong. Therefore, the leader of the organization needs to understand the thoughts, aspirations and needs of the employee to assess the employee's contribution to the job and empower employees to maximize their potential. function.

2.3. Linking the balance scorecard system in strategic planning of the business

In any organization, everyone wants to successfully implement their strategy, but this is not easy to do. The BSC has come up with a good method that is to transform the highly generalized vision and strategy into specific goals and metrics that allow the members of the organization to understand the strategy and implementation. actions to achieve the set goals. When building a BSC to measure the performance of the organization, there are three things to focus on:

Causality
Since the organization's strategy is a set of cause and effect relationships, the goals and metrics in the BSC need to be linked. These goals and metrics must align with the strategy and support each other. Each measure in the BSC is a factor in the chain of causality to convey the meaning of strategy in the organization.

In summary, the four aspects of a balanced scorecard allow an organization to comprehensively define and balance management aspects. It is the balance between long-term goals and short-term goals, between external criteria and internal criteria in the business, between desired results and actual results, the harmony of achieve long-term and sustainable development in an integrated economy.

Orientation of activities
The BSC metrics system must have a combination of performance metrics and performance-oriented metrics. Measuring results without an operational direction will not tell how the organization achieved these results, and what direction do they know if the strategy is being implemented successfully? Operational direction, by contrast, without performance metrics can lead to short-term performance improvements, but not whether these improvements help improve financial performance. or stick with the long-term goals of the organization or not.

Link to financial goals
Some critics argue that all financial metrics should be removed from the organization's measurement system because with today's competitive environment, customers and technology are the leading factor. has little effect on leading the organization to success. They emphasize that managers should focus on improving customer
satisfaction, product quality, cycle times, employee skills and motivations. When the organization makes fundamental improvements in performance, its financial results also improve. However, in reality, customers are very concerned about the exclusive supply of a supplier's products. Therefore, they tend to look for many other suppliers in order to avoid dependence on one supplier to reduce risks. Thus, even though the organization's SPDV is being offered with good quality and at an affordable price, it is difficult to secure its financial goals as the customer reduces the organization's SPDV consumption. And when the bad financial situation persists, this continuation of this internal process improvement and customer improvement strategy must be reconsidered as the organization could go down. That is why BSC still retains the financial metrics. Finally, the causal relationships in all BSC metrics need to be linked to financial goals.

2.4. The role of the balance scorecard in strategic planning of the business

Balanced scorecard system to help measure business strategy

Financial measurements clearly show what happened in the past, but do not measure the values of intangible assets such as employee knowledge, quality of service, network relationships. Us has brought the company like. BSC has overcome that "shortcoming" by adding more effective measures derived from the strategy, not only assessing the value of the intangible factors, but also specifying the dynamics for financial activities. Future.

Besides, BSC also creates a balance between financial and non-financial metrics. In the past, traditional management practices tended to think in numbers, with the belief that financial performance motivates everyone in the organization to be fair. That governance view is no longer relevant to the current situation. Because, people are not only motivated by money, but also influenced by other non-financial factors - factors that often lead to financial factors. By integrating new metrics in addition to financial metrics, BSC helps managers see how “achievements” perform and measure whether business leaders are achieving results. desired not.

Balanced scorecard system to help manage business strategy

The original purpose of the BSC system was to balance financial ratios with the company's future value orientation. But in the process of implementing and testing the BSC, managers have come to realize that BSC is more than a measurement system. The BSC can be used as an effective strategic management system based on the following four critical management processes:

First, Clarifying and concretizing vision and strategy: The process of building a balanced scorecard requires clarifying strategic goals and identifying the key factors driving those goals. The company's senior management team will come together to share insights and interpret the company's business strategy into specific goals, measurements, and targets embodied in each aspect of BSC. From there, create consensus and form a common operational framework for the organization.

Second, communicate and connect strategic goals and metrics: The BSC’s strategic goals and measures, after being agreed and concretized, will be communicated to all departments and divisions of the team, function by many methods. By linking each person's daily work to the organization's strategy, every level of the organization identifies their value-creating activities through the linkage between their scorecard implementation. with the targets of higher level. From there, each person will formulate specific action formulas to contribute to the achievement of the company's business goals.

Third, Plan, set goals and link strategic initiatives: When building BSC, companies not only think about common goals, metrics, specific targets for four aspects. it is also necessary to carefully review the ideas and action plans for each milestone that will serve the scorecard goals. At the same time, building human resource and financial plans in stages throughout the long-term strategic journey of the company.
Fourth, improve responsiveness and strategic learning: In the context of a competitive and volatile business environment, it is impossible to ensure that strategies are always perfect and follow the original direction. It is possible that a strategy formulated with good ideas is not suitable for actual conditions or fierce competition in the marketplace will push the strategic ship in the wrong direction, etc. The balanced scorecard helps Managers oversee and adjust the implementation of their strategy. The bottom-up feedback also helps administrators to recognize and reevaluate the actual strategy implementation to make timely adjustments or changes.

The balanced scorecard system is a tool to exchange information during the implementation of a business strategy. Not only does BSC deliver top-down one-way messages, it also receives bottom-up responses. Sharing BSC's results in the organization gives employees the opportunity to discuss strategies, learn from and learn from undesirable results, and to discuss necessary changes in the future. Therefore, the administrators also consider BSC as an effective communication tool in the organization.

Advantages and disadvantages of balanced scorecard

Advantages

The strength of BSC is to turn strategy into action. The outstanding advantage of BSC compared to other management tools is that BSC thoroughly grasp and unify the strategic goals of both superiors and subordinates, directing the entire organization to the main stages to make the breakthrough.

In addition, BSC transforms the missions, vision, values and strategies of the organization into specific actions in daily activities through:

- Link strategic goals with long-term goals and annual budgets.
- Track the key elements of the business strategy.
- Incorporate strategic objectives with resource allocation processes.
- Help make business organizational changes.
- From the scoring, the Scorecard helps to accurately evaluate the performance achieved by each level, to provide appropriate and timely remuneration and commendation policies.
- At the same time, it helps to allocate resources scientifically, balanced and timely, thereby improving productivity in a sustainable way.
- Create a scientific basis for planning and developing intangible assets such as:
  - Training strategy, knowledge development of enterprises; Exploit Values from customers. That is the foundation for financial success - a very important goal of the business.

Defect

BSC is a tool with many advantages in governance, but it also reveals the following disadvantages:

According to Mohan Nair: “BSC is based on a pretty solid stance, but it is a weak, inflexible measuring tool. BSC's metrics are broad, and include too many specific organizational factors. Therefore, the measurement results can be fragmented and distracting”

Kaplan and Norton - the father of BSC also agreed that the success of BSC depends on the "equilibrium approach" where a wide range and interrelated factors are used to evaluate real processes. Currently, it's not just measuring financial factors (Robert S. Kaplan - David P. Norton, 2004). Recognizing the weaknesses of the BSC will help us to have a more complete view of the public. This tool and applies better to the organization.
2.5. The process of applying the balanced scorecard in strategic planning of the business

Consider the company's vision, mission and core values

The BSC is not an isolated management tool, but it is designed to help managers assess a company's overall business performance as well as effectiveness of business strategy execution. Therefore, the first important thing shown on the scorecard is the interpretation of the company's mission, values, vision and strategy into core metrics and goals in each aspect of the score card.

Scorecards interpret vision to reality through verbal vision. Once a vision has been identified and the values to be achieved in the future, a company needs to identify strategies for its execution and delivery to that vision. Typically, a company will have 3 to 5 medium-term strategies (2-4 years) to be able to realize the things stated in its vision and mission.

Strategy review and operational strategy execution

The strategies after being identified and consensus in the senior management team of the business will be communicated to each department, every employee in the business. The messages of the strategy will be concretized into specific goals. These goals will be reviewed under the four dimensions of the balance scorecard: Finance, Customer, Internal Process and Training - Development. Each employee will feel and understand about the BSC through sharing knowledge and interpreting the organization's strategy into goals, metrics, targets and initiatives in each aspect of the scorecard. The linkage of scorecards with corporate strategy must be based on 3 principles:

Causal - result relationships
+ The instructors
+ Relationship with finance

Develop a strategic map for the business

We can understand a strategy map as a schematic representation on a page of what a company must do well in each aspect to successfully execute its strategy. Financially, for example, a company may have goals such as "Increase returns on investments". In terms of staff training - development, there can be goals such as "Narrow skills gaps" ... Therefore, strategy maps are like a lens that converts strategy into clear goals. Specifically.

After gathering enough background information, we can conduct interviews with the company management. Interviewing will help us learn more or remove unnecessary targets, and at the same time help us find a link between them and link them in the strategy map. To ensure focus on important, non-dispersed, spread-out goals should be limited to a maximum of about 25 targets assigned to four dimensions on the strategy map.

Development of Key Performance Indicators (KPIs)

Core metrics

Core metrics are tools for measuring and evaluating work performance expressed through data, ratios, and quantitative indicators, to reflect the performance of organizations or functional departments, personal.

Financial metrics:

Financial metrics are a very important component of BSC, especially in the world of for-profit business. The metrics and objectives in this regard will tell us whether the strategy's implementation leads to improvement in critical outcomes. If the business focuses all of its efforts and capabilities on improving customer satisfaction, quality, on-time delivery or a host of other issues, but it doesn't have an effective impact. The company's financial profit edge will not satisfy shareholders. Some commonly used financial metrics are: Return on
investment (ROI), Return on assets (ROA), Return on revenue (ROS) Return on Equity (ROE), Residual Profit (surplus) RI, Economic Value Added (EVA - Economic Value Added) ...

Index measuring the Customer aspect:

When choosing metrics for the Scorecard Customer aspect, businesses must answer three important questions: Who are our target customers? What is our value proposition in customer service? And what do customers expect or ask of us? It sounds simple enough, but each of these questions poses many challenges for organizations. The metrics will be reflected in value statements such as performance excellence, product lead, customer friendliness. Here are some of the most commonly used customer dimension metrics:

- Customer satisfaction
- Customer loyalty
- Market share
- Response time on each customer request
- Rate of returned goods
- Customer loss rate
- The percentage of customers increased
- % of income from new customers
- % of marketing expenses on sales
- The percentage of exhibitors attending

Average size of customers

- Revenue per channel
- Number of customers / per employee

Indicators measuring in terms of Internal Processes:

Average cost of work

- Make a transaction
- On-time delivery
- Costs for R&D activities

Environmental radiation

- Community participation
- % of defective items
- The job has been reworked
- Customer database available
- Continuity of improvement problem
- Level of waste when switching processes
Indicators measuring the aspect of Training and Development:

If we want to achieve ambitious results for our internal processes, customers and ultimately shareholders, where do we look for these achievements? The BSC's training and development goals and metrics are really the supporting factors for the other three dimensions. Indicators measuring training and development dimensions refer to human, information and organizational resources. Employee skills, employee satisfaction, and availability of information can all have a place in this respect. Below are some of the most commonly used training and development indicators:

- Number of employees who have been trained
- Number of cross-trained staff
- Staff replacement rate
- Staff satisfaction

Average number of years of service
- Rate of diversity
- Quality of the working environment
- Number of training hours
- Rate of internal communication communication
- Number of training hours
- Empowerment Index
- The plan is communicated

The percentage of employees with advanced degrees
- Percentage of employees with computers
- Staff recommendations
- Violating the rules

Criteria for the selection of core metrics

Core metrics are the core metrics of BSC and will provide the point of reference and focus for the entire organization. Therefore, the selection of the core metrics needs to be considered and calculated carefully. Below are some criteria for the evaluation and selection of metrics:

Link to strategy:
This is the most obvious and extremely important standard. The balance scorecard is a tool to interpret a successful strategy through the goals and metrics that represent that strategy. Therefore, if the selected performance indicators are not linked to the overall corporate strategy, it will lead to waste and inefficiency when employees have to devote valuable resources to the pursuit of that metric.

Accessible ability:  
The data reflecting for the core metrics should be accessed in a convenient, easy way on a computationally balanced basis between the costs and benefits of data collection.

Quantitative:  
The quantitative core metrics will objectively reflect the organization's performance. Therefore, when integrated into the BSC, they will most clearly show the goals that need to be addressed.

Easy to understand:  
The BSC’s goal is to accelerate action. This is difficult to do if the employee does not understand the significance of the selected core metrics. Therefore, the created metrics need to be clear and explain the meaning of the strategy.

Decorative:  
We should not focus on just one or a few specific core metrics, but restrict or exclude other core metrics, or prevent our competitiveness while the scorecard balances love. There is a need for balance and decisions regarding the allocation of resources. Therefore, the core metrics need to have a balance with each other and with the strategy and competitiveness of the company.

Fit:  
The core metrics that appear on the business scorecard should accurately describe the process or goal the company is trying to evaluate. Therefore, it is advisable to check whether the measurement results are achievable.

3. Conclusion  
The BSC Balanced Scorecard is an increasingly popular management tool in businesses in many different industries and sectors. However, not all businesses can successfully apply BSC. In order to effectively implement a balanced scorecard, an enterprise must meet the following conditions:

Build a specific business strategy system  
The BSC is a strategic planning and management system designed with a focus on connecting the organization's performance management process with strategy. The selection of the measurement objectives and metrics in each aspect of BSC is based on the organization's business strategy. Therefore, enterprises cannot deploy BSC without a business strategy.

The commitment and understanding of BSC of the leadership team in the business  
The commitment and determination to the end of the senior leadership team in the business is one of the prerequisites for the successful implementation of BSC. When they really know about BSC and the benefits of BSC in management, top leaders can confidently decide to implement and accelerate the implementation of BSC.

Having human resources and financial ability to implement the BSC
The BSC implementation is not simply about setting up a system of goals and indicators to manage and evaluate the performance of the organization, but also building a system of programs and plans, and allocating resources to achieve the set goals. If the enterprise does not meet the human resources and financial capacity to implement the built ambitions, the implementation of BSC only stops in theory.

In order to successfully implement all strategies, those strategies themselves need to be understood and implemented at all levels of the organization. Disseminating and communicating a Scorecard means bringing it to all parts of the organization and giving employees the opportunity to link their daily work to common strategy. Every level of the organization will recognize activities that create value through the relationship between implementing their Scorecards and the goals of higher levels. By disseminating and communicating, a company creates a two-way flow of information. As such, individuals will develop their own BSC, which identifies their individual contribution to the group to help achieve the overall goal. Managers, instead of providing incentives and rewards for meeting short-term financial targets, now have the opportunity to give school rewards to groups and departments directly to their areas. efforts have been made. In that way, all workers can now focus on the effective direction of future economic values and make the decisions and actions needed to achieve the desired results.

Most companies have a separate strategic planning and budgeting process. Developing a Scorecard provides a very good opportunity to bring these important processes together. When creating the BSC, organizations not only think about the general goals, metrics, and specific indicators for the four scenarios, but also carefully consider the ideas and action plans that will serve you, for the purposes of the Scorecard. If we set long-term goals for our metrics, we can see progress along the way to success. The human and financial resources needed to achieve the Scorecard goals require a real foundation for building the annual budgeting process. Then, there will be no longer the professional and sales departments submitting budget estimates in a manner that takes the amount of the previous year's budget plus a certain percentage. The necessary costs associated with the specific goals of the Scorecard should be clearly stated in the documents and taken into account. In this way, the score balance sheet will help businesses overcome the barriers of resources.

With the support of a modern and efficient information technology system

Currently, information technology (IT) is present and plays an indispensable role in the management and administration of production and business activities of each enterprise. The development and application of the Internet have changed the model and way of business operations, the gradual shift of traditional transactions to electronic transactions has affected the position, role and demand needs of stakeholders (customers, suppliers, investors ...) of the business.

The IT support activities in the enterprise serve the strategic goals of the business such as supporting operational activities, assisting in making management decisions, and supporting the formulation of strategies to achieve competitive advantages, etc ... Each business needs to choose its own appropriate IT support model to promote effective business strategy activities as well as business strategy management and capacity. exploiting the enterprise's technology, thereby associating with BSC application appropriately for each type of business and each different business field.

The completion of the BSC setup and the core metrics is just the beginning of BSC implementation. In order to be able to effectively apply the BSC in evaluating the effectiveness of the organization, it is necessary to establish a system to monitor and update performance results. The support of modern information technology systems with modern application softwares will help make monitoring and evaluation convenient, accurate and timely.

Establish a system of merit-based salary and bonus
The development and implementation of a salary and bonus system based on competencies and achievements plays an important role in helping a business attract and keep good employees, boosting the team's motivation. However, the construction and implementation of the salary and bonus system must be based on the provisions of the labor law. By doing that, the business will easily achieve the strategic goals in the most sustainable and effective way.

With the clear strategic goals that businesses set out, the reasonable remuneration policies must also match the results that those strategic goals bring, at the same time, there must be a stable plan. need flexibility to make changes accordingly. Set up a system of reasonable work shifts, reasonable working hours. Then set out the following policies: focus on recruiting quality employees, pay attention to motivate employees, focus on non-financial stimulus allowances, create opportunities to improve professional qualifications, increase bonuses and effects are similar to stimulating labor, comparing wages with the outside.

An achievement-based remuneration system (salary, bonus) is an important factor for successful BSC implementation in your business. If the business has a scientific and efficient salary distribution system based on performance, it will create a good incentive to direct the efforts of the various parts of the organization and all employees into the implementation strategic objectives.

Through the study of the theory of strategic planning in Chapter 1 gives us an overview of the planning process and strategic levels of the business. Besides, Chapter 1 provides the BSC Balanced Scorecard theory to help readers know what is BSC, what is the role and construction process of BSC for businesses?

Currently in Vietnam, the application of BSC balanced scorecard in businesses is quite new and facing many difficulties. Each business has its own characteristics, size and nature, so the application of BSC cannot be stereotyped and must be built to suit each company's conditions.

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