

Rebecca Hobeika - MSBA

BUSINESS REPORTING TOOLS

Individual Assignment

Sunday October 25th, 2020

Important Note: For this assignment and since the data is available in chinook database until the 22nd of December 2013, I have considered that the ***report date is 23rd of December 2013.***

Executive Summary

It is required to provide an overview of the company situation for the new CEO based on the strategy map and the different elements of the balanced scorecard. I have decided to take a data-driven approach to highlight the strong and weak points of the company and its performance over the past few years.

You will find below is the balanced scorecard highlighting the findings of this report followed by the detailed analysis performed in order to assess the company's situation. The scorecard was built based on the strategy map provided by the CEO.

CATEGORY	OBJECTIVE	MEASURE	
Financial	Maximize shareholder value	10% growth YoY	25%
		5% growth YoY	0%
Customer	Exceed Customer Expectations	Open 1 new market in the last 3 years	0%
	Inspire Loyalty	20% of our customers purchased once in the past 3 month	200%
		20% of customers purchase on avg more than twice per year	110%
Internal Process	Maximize Operational Effectiveness	each sales person to focus on 2 markets at most	0%
	Maximize product profitability	Less than 40% of tracks haven't been sold in last 1 year	66%
		60 % of tracks available to be from top performing genres	124%
Learning & Growth	Recruit Quality Staff	20 % of employees recruited over the last 2 years	0%
		50% have been with the company for more than 10 years	100%
		60% of employees to be aged between 31-55 years	100%
		70% of employees to be from sales dept	66%
	Train Employees	At least 2 training sessions per year for sales people	NA

Company overall situation and action items

From the above scorecard we can conclude that the company is doing well on the loyalty side of customers and product profitability part. These constitute the main strength of the company

On the contrary on the financial side, the company's performance is extremely weak as we haven't achieved any of the strategy's financial goals. This is highly linked the Learning and growth pillar of the strategy on which the company is also not doing well although as a first look at the scorecard we might get a different impression. It is true that we achieved the goal of 60% of employees should be in the age range 31-55 years old and 50% of the employees should be with the company for more than 2 years, if we look at the results in details we can see that we haven't done any recruitments in the last 2 years. This explains the bad financial results of the company. We don't have any new employees bringing expertise from outside the company's and the fact that we don't have any employees aged less than 30 means that we have no employees currently being trained at the company to become efficient salesperson. Clearly the company has a lot to do on this front in terms of recruitment adding to that the fact that we have no idea if any training are being done for salespersons to increase their efficiency and productivity. The financial weakness is also linked to a weak operational

effectiveness as we have each of the salesperson operating in at least 4 markets while we have a total of 6 markets in which the company operated over the last 5 years. A better assignment of the salespersons to the markets alongside recruitment of new salespersons should be able to solve this issue.

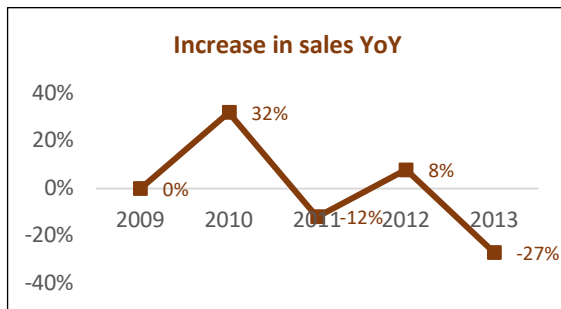
Analysis

I. FINANCIAL

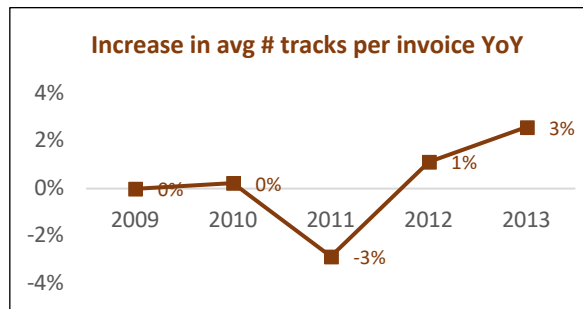
Goal: Maximise Shareholder Value

Growth of sales YoY

Growth of avg # of tracks per invoice YoY



As per the strategy map, 10% yearly growth was required. We can see that this objective was achieved in 2010. After that year there has been a decrease in the yearly sales. Specifically in 2011, the yearly sales dropped by 12%.



As per the strategy, the company is required to achieve a 5% YoY increase in the average number of tracks per invoice. This KPI was not achieved in any of the last 4 years. A maximum of 3% increase was reached this year.

II. CUSTOMER

Goal #1: Exceed Customer Expectations

Number of markets opened in the last 5 years

Market Year	Latin America	South America	India	Canada	Europe	Australia
2009	X	X	X	X	X	X
2010	X	X	X	X	X	X
2011	X	X	X	X	X	X
2012	X	X	X	X	X	X
2013	X	X	X	X	X	

As we can see in the above table, we have been operating in 5 different markets over the last 5 years. There hasn't been any new market as it was required in the strategy. On the contrary, we didn't operate in Australia this year in which we have been operating in the last 4 years.

Goal #2: Inspire Loyalty

Percentage of customers that purchased at least once in the last 3 months	39%
---	-----

To ensure customer's loyalty, we were required to reach an objective of 20% of customers purchasing at least once in the last 3 months. This goal was overachieved as we reached a 39% of customers purchasing in the last 3 months.

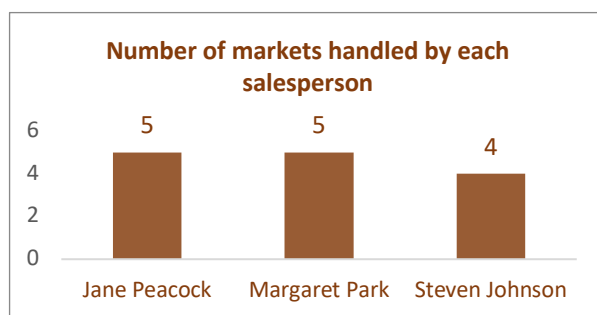
Percentage of customers that purchase at least twice per year	22%
---	-----

To ensure customer's loyalty, we were also required to reach an objective of 20% of customers purchasing at least twice per year. This goal was slightly achieved as we reached a 22% of customers purchasing at least twice per year.

III. INTERNAL PROCESS

Goal #1: Maximize Operational Effectiveness
--

Number of markets handled by each salesperson



To ensure maximum operational effectiveness the company should make sure that each sales person focuses on 2 markets at most. As we can see, all of the 3 company's salesperson handle 4 or more different markets.

Goal #2: Maximize Product Profitability
--

Percentage of tracks that haven't been sold in the last year	56%
--	-----

To achieve maximum product profitability, we are required to ensure that the numbers of tracks that haven't been sold in the last year does not exceed 40%. Unfortunately, more than half of our tracks haven't been purchased in the last year i.e. we were able to achieve 66% of our goal.

Percentage of tracks from top performing genres	74%
---	-----

To achieve maximum product profitability, we were required to make sure that 60% of our tracks are from the top performing genres that we defined as having a total sales 40% higher than the average of the total sales of all genres. The top performing genres are Rock, Latin, Metal, Alternative and Punk and they account for 74% of all tracks available. Clearly this goal was achieved.

IV. LEARNING AND GROWTH

Recruit Quality Staff

Number of recruitments done in the last 2 years	0
---	---

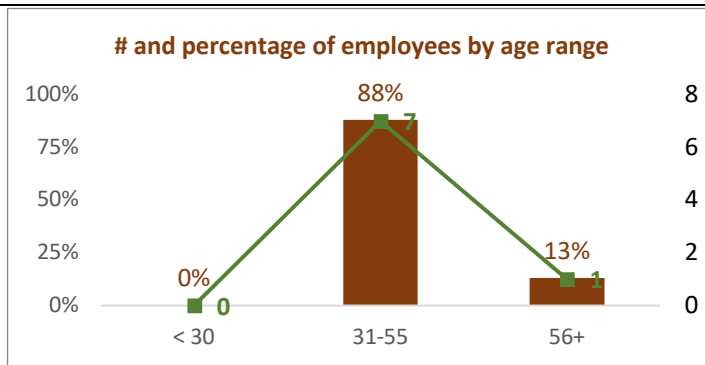
To achieve the goal of recruiting quality staff we were required to make sure to have at least 20% of our employees recruited over the last 2 years in order to ensure new external expertise in the company. Unfortunately, there hasn't been any recruitment in the last 2 years. Last recruit was hired 10 years ago.

Percentage of employees who have been in the company for > 10 years	50%
---	-----

On the other hand we were required to have a minimum of 50% of our employees having 10+ years of experience as these employees are assets for the company. This goal was 100% achieved since 50% of the employees have been working with the company for more than 10 years. It is also worth mentioning that the other 50% have been with the company for exactly 10 years.

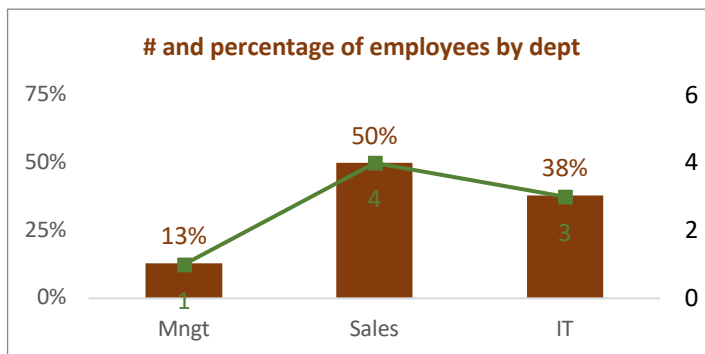
Percentage of employees in the age range 31 to 55	88%
---	-----

We were also required to ensure that 60% of our employees are in the age range 31-55 years as these are the most productive employees. This goal was highly achieved as 88% of our employees are between 31 and 55 years old.



Percentage of employees in sales department

50%



As salesperson are the main drivers of the company's revenue we were required to have 50% of our staff working in the sales department. As per the graph to the left we can see that exactly 50% of the company's employees work in sales.

Train Employees

Number of training done for salespersons per year

NA

Unfortunately no information was available to evaluate this goal.