

Issues

- During the mid-90s, Netherlands based Royal Philips reported losses
- Due to rapid changes in the external environment and growing competition of Asian companies like LG and Samsung
- Led to the Company initiating
 - ❖ High manufacturing costs
 - ❖ Initiating job cuts
 - ❖ Selling unprofitable businesses

Why Balance Scorecard ?

- The initiative to implement the **Balanced Scorecard** came from the **top management** at its HQ in the Netherlands
- Need to shift focus from **high-volume business** to **high-value business**
- They realized they had to make operations
 - ❖ **Flexible**
 - ❖ **Innovative**