

The importance of Balanced Scorecard in business operations

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The aim of this paper is that to explore the role and importance of applying strategic management tools known as Balanced Scorecard in a comprehensive, concise and understandable way. The subject of the research is the elaboration of the basic assumptions of Balanced Scorecard model in its essential elements and display the possibilities of its application, as well as showing the importance of methodology of Balanced Scorecard to translate company's strategy into initiatives, measures and effects. With clear indicators and measures it is possible to develop and improve the organization. The tasks and standards observe the results of the organization through four perspectives: finances, customer, internal business processes and learning and development. These four perspectives provide a framework for the Balanced Scorecard. The aim of the implementation of Balanced Scorecard is to significantly improve the business. BSC model combines financial and non-financial measures into a single system to provide managers with sufficient and relevant information about the activities they manage.

The usage of BSC method should start with a clear idea of its long-term application and with the aim of the process to learn as much as possible about how the organization should work in order to satisfy customers, stakeholders and employees.

Balanced Scorecard is extensively used in the business sector, governmental and nongovernmental organizations around the world, to synchronize operations with the vision and strategy of the company, to improve internal and external communication and monitoring of organizational performance in relation to its strategic goals.

Benefits of the Balanced Scorecard include increased financial returns, greater coordination of activities with the goals of employees, improved cooperation and continued focus on strategy.

Balanced Scorecard is a set of instruments that provides simple and concise overview of the company and provides answers to questions where it is and where it should go.

Keywords: Perspectives of BSC, the Strategic Map, Performance Measure, Implementation of BSC.