



PERFORMANCE MEASUREMENT AND BUSINESS STRATEGY THROUGH BALANCE SCORECARD APPROACH AND SWOT ANALYSIS (STUDY AT PT. INTI NUSA PERMATA)

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Abstract: The purposes of this research were to determine the company's performance as measured by the Balanced Scorecard approach, as well as to make recommendations for strategy to enhance the company's performance in developing PT. Inti Nusa Permata based on SWOT analysis. The data analysis technique was carried out by SWOT analysis and the preparation of a balanced scorecard matrix which is measured into 4 perspectives, namely financial perspective, customer perspective, internal business process perspective, and growth and learning perspective. The study's findings suggest that the company is performing well in terms of customer satisfaction, internal business processes, and growth and learning. However, PT. Inti Nusa Permata's financial performance is poor, particularly in terms of short-term financial capacity. The results of the balanced scorecard approach used to assess the company's performance reveal that PT. Inti Nusa Permata has a very good performance. The company's strategy mapping demonstrates that PT. Inti Nusa Permata is in quadrant I, adopting the S-O (Strength-Opportunity) method, which aims to leverage on existing opportunities by utilizing the company's strengths.

Keywords: SWOT analysis, balanced scorecard, company performance

INTRODUCTION

A highly competitive business environment necessitates a competitive advantage as well as the ability to withstand under competitive pressure (Mehralian et al., 2017). To accomplish this, business management must be able to design and implement corporate plans based on numerous analyses of the company's internal and external environments. Furthermore, it is critical for businesses to have a performance measurement system since the performance measurement system is critical in formulating strategic plans and evaluating the achievement of organizational goals.

PT. Inti Nusa Permata is a company that focuses on traditional performance measurement by emphasizing the importance of the production and sales aspects of the company. PT. Inti Nusa

Permata is an andesite stone mining company located in Tanjung Agung Village, Katibung District, South Lampung, Lampung Province. In an industrial mineral mine, rocks are often found which are relatively hard and cannot be excavated freely. The dispersal of andesite from parent rock necessitates a blasting process that attempts to destroy the rock in order to make it easier to excavate and load it into the conveyance to the crusher machine, which reduces the size of the andesite stone. The growing andesite stone company in Lampung has made PT. Inti Nusa Permata is less able to survive the competition in the industry. Companies must be compelled to carry out or improve management programs, as well as achieve cost savings without compromising services for their clients, in order to maintain their own charm in the face of today's fierce competition.

Financial and non-financial indicators can be employed to evaluate a company's performance (Rahayu & Kusumah, 2017). The first viewpoint focuses on the financial aspect, which symbolizes the owner's financial investment when the owner anticipates an increase in the company's worth. The corporation is viewed as a socio-economic system in the second perspective, i.e. a complex network of internal and external ties that must be managed equally. According to Benková et al. (2020), the Balanced Scorecard approach is founded on the second perspective, and its main goal is to provide a strategic view in business management, which is provided by the vision, mission, and strategy, as well as measuring financial and non-financial performance. Based on the explanation above, this study will examine Performance Measurement and Business Strategy through Balanced Scorecard Approach and SWOT Analysis (Study at PT. Inti Nusa Permata).

LITERATURE REVIEW

Performance Management

According to Jyoti and Mohsin (2020), performance management is a combination of the words "performance" and "management" that depicts the relationship between employee performance and management approaches in order to fulfill individual and institutional goals. A performance management system is a methodical approach to determining employee productivity and achievement. This system acts as a process by which the organization establishes its targets, designs, goals, vision, mission, and goals using readily available resources such as labor, data, capital, and others.

Balanced Scorecard Concept

According to Kaplan and Norton, a balanced scorecard is a strategic management approach used to convey and evaluate an organization's mission and strategy (Tjiptono, 2012). The balanced scorecard is a visual representation of an organization's common vision. The balanced scorecard communicates a comprehensive model that connects individual efforts and achievements to intermediate business unit goals. According to Drury (2011), the balanced scorecard methodology fosters strategic focus by converting the organization's vision and strategy into operational goals and performance measures. The balanced scorecard reflects the need for a balance between traditional financial perspectives and various non-financial elements such as customers, internal business processes, and innovation/improvement. KPI (Key Performance Indicator) is a set of

measurements commonly used by companies to measure the company's performance in meeting the goals to be achieved. Imaroh & Soleh (2020) revealed that KPI (Key Performance Indicator) helps organizations determine and measure progress towards organizational goals.

SWOT analysis

SWOT analysis (Strengths-Weaknesses-Opportunities and Threats) is a methodology for examining companies from both internal and external perspectives in order to produce strategies that may also be modeled quantitatively in order to generate strategies (Quezada et.al, 2019). In general, the following procedures are used to conduct a SWOT analysis. First, conduct an external business environment analysis to determine the opportunities and threats that the company faces. Second, examine internal business factors to determine the company's strengths and weaknesses. Third, allocate external opportunities and threats with internal strengths and weaknesses.

RESEARCH METHODS

This is a quantitative descriptive analysis study. Researchers use this type of quantitative descriptive analysis research to collect the necessary data and analyze it using the BSC (Balance Score Card) method and SWOT analysis, which is then interpreted to provide a fairly clear picture of the company's health and the strategies used to improve performance. The study was carried out at PT Inti Nusa Permata as the research site. The balance scorecard was measured in this study using all employees of PT. Inti Nusa Permata, a total of 40 people. The sampling method used was non-probability sampling. Data collection techniques using questionnaires and literature study.

FINDINGS AND DISCUSSION

Findings

The results of PT. Inti Nusa Permata's performance measurement based on the entire BSC perspective, which covers financial, customer, internal business process, and growth and learning perspectives, are presented in table 1 below.

Table 1. The Results of BSC Performance Measurement PT. Inti Nusa Permata

BSC Perspective	KPI Score (a)	Year 2019		Unit	Score (d)=(b/c)	Final Score (e)=(a*d)
		Realization (b)	Target (c)			
Finance	0,26	0,2197	0,26	Percent	0,845	0,2197
Customer	0,27	0,27	0,27	Percent	1,00	0,27
Internal Business Process	0,36	0,3825	0,36	Percent	1,06	0,3825
Growth and Learning	0,11	0,118	0,11	Percent	1,073	0,118
Total	0,11		0,11			0,9902

Source: Results processed by researchers, 2021

Based on the analysis of the four perspectives summarized in table 4.7, it can be concluded that PT. Inti Nusa Permata's performance can be measured by the Balanced Scorecard in the following ways:

1. The profit produced by PT. Inti Nusa Permata was 0.2197 less than the expected target of 0.26, resulting in an 84.5 percent achievement score. Because of a drop in the company's production, the financial goal was not met.
2. From the point of view of the customer, the company's goal can be met with a 100% success rate, implying that the company can provide excellent service to all customers.
3. The company's internal process perspective, which reached 100.06 percent, may be slightly higher. This indicates that employees are pleased with PT. Inti Nusa Permata's performance, implying that the internal business process is in good working order.
4. The Growth and Learning Perspective received a score of 107.3 percent. This indicates that both managers and employees were pleased with PT. Inti Nusa Permata's performance, implying that the company's growth and learning prospects are promising. The KPI weight, however, is only 0.11, indicating that it is not balanced with other perspectives (finance, customer, and internal business process), indicating that the company is not focused on growth and learning.

Discussion

A SWOT analysis of each indicator is used to formulate the company's strategy.

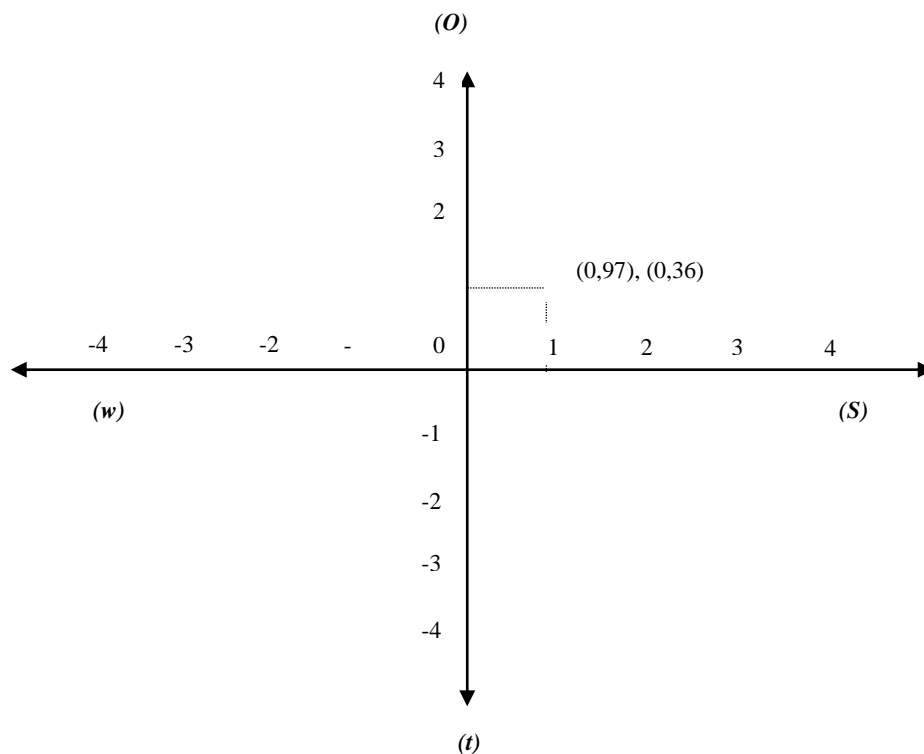


Figure 1. SWOT Analysis Diagram

Source: Results processed by researchers, 2021

According to the SWOT analysis depicted above, the alternative strategy chosen is Opportunity-Strength (SO), in which the company leverages internal strengths to pursue existing external opportunities. This is a proactive aggressive strategy that entails attacking with a variety of initiatives consistent with the company's culture, allowing the organization to be more experimental while adhering to the KPI reference and company control, and allowing for the documentation of programs and activities executed, their timing, and location to be carried out in accordance with the company's policies. The SO strategy continues to pursue external opportunities while taking into account the organization's strength, which is one of the key factors for success, and the company's strength, particularly in terms of revenue.

The SO strategy includes the following policy options:

Formulate products based on available resources.

PT. Inti Nusa Permata is a mining firm specializing in the sale of split stone products. PT. Inti Nusa Permata's business involves a variety of split stone types and sizes, including stone ash, screening, split 10-20, split 20-30, split 20-60, and macadam. To diversify its split stone sales, PT. Inti Nusa Permata can formulate split stone products with varying sizes and shapes, such as elephant stones or splits of various sizes.

Diversify products according to market demand.

To compete successfully with other similar businesses, PT. Inti Nusa Permata, as a new producer of diversified products, requires the appropriate strategy. PT. Nusa Permata Core's efforts to attract prospective buyers of its diverse products can be aided by emphasizing the company's superior quality. Thus, the fundamental assumption that consumers form is that the company provides high-quality marble and limestone.

Increase massive collaboration with a variety of stakeholders as a means of expanding market access.

PT. Inti Nusa Permata maintains a variety of relationships with a variety of stakeholders on an individual, community, and institutional level. Optimizing stakeholders' contributions to the company's product sales performance can be accomplished by tailoring an approach to the stakeholders' characteristics and problems. At the individual and community level, PT. Inti Nusa Permata can provide assistance and solutions to problems that arise, thereby fostering a positive image of PT. Nusa Permata Core among individuals and society. This is also done in an effort to resolve various conflicts that arise between the company and its individual and community stakeholders, ensuring the smooth operation of the company's operations.

Be cautious of threats

Although the Opportunity-Strength factor places the company in quadrant 1, it should not be complacent given the threat value of 3.40, which is significant enough to warrant caution, given

the nature of the company's business, which involves the utilization of natural resources, which has a significant impact on the environment in which the community resides. While the location of business activity plays a significant role in supporting the company's operations, government regulations must also be followed to ensure the company's operations run smoothly.

According to the SWOT analysis above, the company's SWOT quadrant position is in quadrant one, which indicates that the most appropriate strategy is an aggressive one that results in the company's growth. Formulating a strategy using the SWOT analysis necessitates a number of alternative strategies, including expanding the target market, maintaining and improving the quality of customer service, improving product quality, adding and training human resources, improving the management system, setting and maintaining competitive market prices, and increasing promotions. Due to the magnitude of the threat factor of 0.34 and the low rating value of 2 for community relations, the company's strategy should change, namely paying more attention to the community in the environment in which it operates, so that the surrounding community experiences positive outcomes from the company's presence in the area.

CONCLUSION AND RECOMMENDATION

- 1) According to Balanced Scorecard approach, the company performance of PT. Inti Nusa Permata is in a very good condition. However, the financial perspective has not met the target achievement, especially the liquidity and solvency financial ratios. Meanwhile, the customer perspective, internal business perspective, and growth and learning perspective have exceeded the specified target.
- 2) Strategy for improving the company's performance of PT. Inti Nusa Permata is in quadrant I, employing the S-O (Strength - Opportunity) method, which is to focus on existing possibilities by leveraging the company's strengths.
- 3) A threat factor value of 3.40 that is not monitored will have an impact on the environment, resulting in the rejection of the community surrounding the business location or going against government regulations, resulting in a decline in production.

The authors provide the following advice as a recommendation for the company's business based on the analysis's findings:

- a) PT. Inti Nusa Permata must enhance its financial performance in terms of liquidity and solvency. These enhancements can be accomplished by increasing the company's assets, both current and fixed, and by attempting to reduce the company's liabilities, both short- and long-term.
- b) Efforts to expand the company's strategy can be made by addressing the company's various shortcomings, which include increased marketing activities, product differentiation, as well as rejuvenation and modernization of the company's various equipment.
- c) In order to minimize the threat to the business, the company's business activities must be conducted in accordance with applicable environmental and government regulations.

d) Greater emphasis should be placed on interaction with the community surrounding business activities in order to support the company's operations.

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