

# Good essay about sonic technologies

[Business](#), [Company](#)



## **INTRODUCTION**

Since the time when it was first propounded by Kaplan and Norton (1992), Balanced Scorecard (BS) has come a long way. It is being adopted by a variety of companies from multiple sectors ranging from high-end manufacturing to services. Linking BS to the strategy of a firm had given good results for companies in both the rich and poor countries around the world (Kaplan and Norton, 1996). Technology companies are no exception to the adoption of BS for improving their long-term performance. The way in which BS is seen by managers and consultants too has seen a big transformation. While some people still see BS as a simple measurement system consisting of a different set of metrics, others see it as a tool for improving the overall strategic performance of the organization. Appropriate use of BS by technology companies has the potentiality to make it into a good tool for their long-term strategic development.

### **Balanced Scorecard in Technology Companies**

The importance of technology companies to the economies of major industrialized economies around the world can be gauged by their contribution to their Gross Domestic Products (GDP). For the year 2013, technology companies contributed 8 percent of the total GDP of UK (Klien, 2013). Just like any other companies, management teams of technology companies too are now being challenged by a number of problems as attracting and retaining talent, shrinking product cycles, making and communicating key decisions related to product development, understanding the changing needs and demands of customers, and

disruptive technologies that threaten the business models of technology companies. The strategies adopted by technology companies need to adapt well to these challenges. Appropriate use of the balanced scorecard as a tool for strategic planning and management framework makes it possible for technology companies to effectively deal with these issues and create value for their customers and other stakeholders.

For the purpose of building a balanced scorecard and using it as the organization's strategic planning and management framework proper understanding of the various stakeholders of the organization and their needs (Rohm and Malinoski, n. d.). Components of a balanced scorecard of a technology company include the mission, vision, core values, strategic perspectives and objectives, etc. Several high-level strategies (strategic themes) like market-driven technological excellence, strategic partnering, growth through innovation, etc. will be created for developing the strategy of the firm. Next is the development of strategic objectives (dubbed as the 'DNA' of strategy) and linking them to form a 'strategy map.' Strategy map tells the story behind the creation of value for the customers. Some of the core objectives that typically form part of the technology company's strategy are: financial perspective, customer perspective, internal business processes perspective, and organization capacity perspective.

## **Strategic Objectives of a Technology Company's Balanced Scorecard**

A key strategic objective of a technology company's financial perspective is to improve the development expense return on investment (ROI).

Technology companies incur many costs towards the development of new

innovative technologies. For this purpose, the traditional ROI calculation approaches like discounted cash flow are not suitable for the needs of technology companies with dynamic needs. Instead, a technology company should use a single financial metric for product planning and management purposes, scales easily from project to corporation level and traceable to profitability metrics should be used. Apart from ROI, increasing firm's profits and revenues of the firm should form part of the strategic objectives of the financial perspective of a company's strategy. About the customer perspective of a technology company, the key strategic objective is to strengthen customer interactions. Having strong customer interactions involves understanding the issues that the customers are facing. Employees of the organization that has direct interaction with its customers should ensure that all the customer related issues are systematically tracked, highest priority issues are allotted with the required resources, and the indicators of use model evolution are extracted from issues at hand. Another important strategic objective of the customer perspective is to accelerate new features and workflows of the company. Needs of some of the key customers of the company like demand for new features and advanced workflows need to be followed and met in an appropriate manner.

Internal business processes perspective a technology's BS consists of multiple strategic objectives. The most important of them is improving market assessment. This involves continuous assessment of the market demand for the products that it currently produces and the ones it is planning to develop. Technology companies need to continually validate their market share and penetration plan with respect to the success

thresholds set by itself. Sales of the products that a technology company is going to launch need to be forecasted properly to face any unexpected challenges. Accuracy in forecasting the sales can either support or reject plans for market penetration through the launch of new products and models. Some of the strategic objectives of the internal business processes perspective of a technology company are improving concept development and better management of the company's product lifecycle. Better management of the company's product lifecycle would help in making better decisions related to the projects that the company wants to invest in and the level to which it needs to invest. Some of the strategic objectives about the organization capacity perspective of a company's BS are: increasing the capacity for enabling technology, improve the expertise of company's project management, and improve cross-discipline teamwork.

## **CONCLUSION**

Technology companies face a different set of challenges when compared with other companies. Their chances of success improve when they can capture innovation, produce disruptive technologies, maintain good relations with the clients, and secure market share from their competitors. A strategy-based BS that is developed by keeping all the needs of the company in mind can improve the success chances of technology companies. Past research shows that companies that have used BS could improve their performance and emerge as the leading companies in their respective industries. If you want to make sure that your company's strategy is on the right path, it needs to develop an appropriate vision and mission keeping by considering

the above key strategic objectives that form part of a strategy-based balanced scorecard.

## References

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