

# Balanced scorecard on domino case study

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



A balanced score card is a strategic management and planning tool that is presently used extensively in business, governments, nongovernmental organization and other forms of businesses in order to align the activities of the business with the vision, mission, strategy and goals of the organization. The balanced score card is also concerned about the improvement of companies internal and external communication and the monitoring of an organizations performance against the strategic goals (Kaplan & Norton, 2004).

Developed by Drs Robert Kaplan and David Norton of the Harvard business school, the balanced score card adds to the traditional financial metrics in the assessment of the company's performance and gives a managers and leaders a more balanced view of the organization unlike financial analysis which is concerned majorly of the financial part. The balanced score card ensures that the company strategic plan is not just that, but it not only provides performance measurements but also helps managers and planners to identify what should be done and how it should be measured (Kaplan & Norton, 2004).

It has four elements which are financial, Customer, internal business process, learning and growth. These four elements have each a number of objectives, measures, targets and initiative. To clearly understand this concept, we shall develop the balanced scorecard for Dominos Pizza Company (Kaplan & Norton, 2004).

Domino's pizza is a world leading pizza Delivery Company incorporated in the UK and Ireland. It's a whole owned subsidiary of the Domino pizza group which is a quoted company of the London Stock Exchange. The group is the

leading delivery company and holds a master franchise that allows it to own and operate pizza stores in these markets. The company opened its doors in the UK in 1985 while the Irish market started in 1991. 2011 saw the company get exclusive rights to operate stores in Germany, while 2012. The franchise extended to Switzerland, Liechtenstein and Luxembourg. Presently, The Company employs close to 22000 members of staff in the UK and Ireland alone.

### **A balanced score card for Dominos will therefore have a couple of elements.**

Adapted from (Kaplan & Norton, 2004)

Using the above diagram that was developed by Kaplan as a guide, we can now formulate the balanced score card as follows

#### **Financial:**

Objectives

Measures

Accuracy of financial data

Timeliness of the financial data

Cost effectiveness of reporting

Targets

Financial statements error margin of less than 5% of net profit, and 5 percent of balance sheet totals

Financial data to be availed on a bimonthly basis

The cost of reporting not to exceed \$10, 000 including auditor's fees

Initiatives

The financial manager to undergo training on recent changes and

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developments in financial reporting to enhance accuracy on financials

Investment in a financial reporting system that has capabilities to meet the above objectives

Customers

Objectives

Measures

Level of customer satisfaction

Positive feedback from clients

Targets

Initiatives

Learning and growth

Objectives

Measures

Staff qualifications and competitiveness in the market

Staff morale and staff turnover

Staff knowledge of the company's services and products

Targets

Initiatives

Internal business process

Objectives

Measures

Customer knowledge of the business internal procedures

Staff knowledge of internal businesses

Business understanding of the production process

Targets

### Initiatives

The company will train its entire staff on internal businesses process

The company will also ensure that the businesses of the day

### References

Kaplan, R. S., & Norton, D. P. (2004). Strategy maps: Converting intangible assets into tangible outcomes. Boston: Harvard Business School Press

Norreklit H. (2000), The balance on the Balanced Scorecard - a critical analysis of some of its assumptions, Management Accounting Research, 11, pp. 65-88