

Besam opens the door for efficient performance management

Besam Production uses Balanced Scorecard to involve staff and manage and control its business to ensure strategy implementation. Direct involvement of company executives and the Prodacapo Balanced Scorecard solution have been key success factors.

From the early beginnings in the 1960s as a manufacturer of openers for sliding doors for healthcare organizations, Besam has turned into a world-leading supplier of automated door operators. The company's current product portfolio includes door automatics for sliding doors used at shopping centers, as well as for revolving doors for public areas such as airports. Corporate headquarters has remained in Landskrona, Sweden, throughout its growth and expansion. Besam, which has 1,400 employees, is represented in seventy countries and has subsidiaries in twenty-two of them.

"We operate with a total of three plants worldwide – in Sweden, Germany, and the US," says CFO Johan Henning, Besam Production.

In 1999 the Besam organization changed. The manufacturing organization, with its staff of 160, became a separate company – Besam Production. Until then, manufacturing had been a part of the parent company. The following year Besam Production worked out its strategy. A key direction was how to supply the sales

organizations with the appropriate products of the right quality and with the right timing.

"We had a vision for 2005 that

- How to ensure that everybody pulls in the same direction
- How to know that we progress toward our strategic objectives

"We were about to deal with everything from behavior and attitude to control and quantifiable measures," says Henning.

"The challenge was to find the right



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involved three key success measures for our strategy: product development, supply capabilities, and logistics. How well we deliver on this strategy would determine our profitability and ability to compete both short- and long-term. The key issue was how to measure and monitor to see to it that we delivered on our strategy," says Johan Henning.

Four key issues

In the carrying out of strategy Besam Production's implementation project team had to consider four key issues:

- How to communicate and implement strategy
- How to promote the right behavior

tool to link our vision and strategy to operations, while maintaining the balance between a short- and long-term focus and ensuring that everyone pulled in the same direction. We also required support to make our strategy concrete and communicative – preferably in a way that contributed to a learning organization."

Besam prides itself in ensuring that every employee can see the big picture as well as his or her own role – what they need to do in order for the company to succeed.

"The solution turned out to be Prodacapo's Balanced Scorecard system, which is a layer that couples our strategy to our company's strategic activities, as well as individual targets."

FACTS Besam Production

Besam is the world leader in the field of door automatics and has 1,400 employees. The product range consists of automatic door operators for swing doors, sliding doors, and revolving doors. The company is represented in seventy countries and has its own subsidiaries in twenty-two of them. Besam Production is the production company within Besam.

Employees: 160

Prodacapo product: Prodacapo Balanced Scorecard

From concept to implementation

"A key success factor was to translate our strategy into departmental and individual targets. Imagine a cutting procedure involving four operators with the responsibility to cut girders. If they succeed in minimizing waste the potential upside is in the range of several million Swedish kronor. But only they will know how to do it, so it's essential that they set their own targets and accept accountability for them. No process orientation or tools can replace enthusiasm and commitment," says Johan Henning.

This approach is one reason why Besam did so well in its implementation of the Balanced Scorecard.

"The most critical aspect of our Balanced Scorecard implementation was breaking down the overall scorecard into lower-level scorecards – translating strategy from company level to departmental levels."

Johan's implementation team formed four project groups of four to five people each. These project teams were tasked to develop scorecards. Each group represented different functions and departments. Prodacapo's partner Gewab Consulting helped to brief each team on the Balanced Scorecard. During this process the connection between the scorecards and the success of each and every department became clear to the groups.

As a next step Besam held a half-day internal seminar on critical success factors. Once this seminar had taken place

another half-day was spent setting measures, with the purpose of identifying dependent activities. At this point, the scorecards were established.

Participation and responsibility

The result was the involvement of a significant number of employees in the development of each scorecard. Today, company management reviews the main scorecard on a monthly basis.

"This allows us to penetrate current issues from analysis to monitoring and get early warning signals if we deviate from target, which greatly helps during priority setting for upcoming production periods."

Also, coordinators for lower-level scorecards report directly to the management team according to a rolling schedule.

"Scorecards are first and foremost tools for managing individual departments. However, routine management team presentations ensure that there is sufficient focus on implementation, correction of errors and deficiencies, and monitoring of activity plans. There is no risk that issues are overlooked," says Johan Henning.

"This goes a long way toward getting employees involved. Today, not only can they see the big picture – they can also do something about it and see the output in concrete terms."

The way that Besam Production uses the Balanced Scorecard would not be possible without the Prodacapo solution.

"Prodacapo's web-based solution makes it feasible for all employees to access the same information at the same time. This is invaluable. It facilitates continuous updates of measures from many people in our production environment and drives involvement."

What lessons has Johan Henning learned from implementing Prodacapo's Balanced Scorecard?

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JOHAN HENNING,
CFO, BESAM PRODUCTION

"Above all be sure to stimulate involvement. We also learned the importance of limiting the number of success factors and measures. There is simply no point in measuring just because you can. Instead, measure because you're going somewhere! Make sure that your objectives are concrete and follow up at relatively short intervals."

"You also need perseverance. It takes time to get activities and initiatives to work. Last but not least, opt for Prodacapo's web-based solution. Without involvement and accessibility you simply will not get there."

The next step

So what will be the next step for Besam Production?

"Right now we set weekly production targets and hold weekly review meetings. This provides more efficient monitoring and control. In a way, it makes working groups more autonomous. By leveraging the Balanced Scorecard they combine their first-hand knowledge and insight into what actions to take with strategic direction. For the future I believe that we will delegate even more measures from the main scorecard on the company level to departmental scorecards based on our positive experiences so far."

FACTS Gewab Consulting

GEWAB Consulting, a Prodacapo partner, has supported Besam Production through training, development, and implementation. GEWAB is a consulting company specializing in business improvement using methods such as the Balanced Scorecard and Activity Based Costing. GEWAB customers are active within manufacturing, as well as construction, the energy sector, and the automotive industry.



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