

The difficulties of strategy implementation – can the balanced scorecard be a helpful tool in ‘new economy’ – firms?

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During the past decades, much of scientific literature focused on different sorts of analyses in order to find the right strategies for businesses. As difficult as strategy formulation may be, researchers as well as executives suggest that the implementation and execution of these strategies are the actual difficulty.

Based on the literature, this paper suggests the use of the Balanced Scorecard approach for strategy implementation by introducing the framework and applying it to a ‘new economy’ company, namely Takeaway.com. With its main operations online, the thesis provides an insight, into the company’s internal environment on the basis of qualitative interviews and introduces strategic objectives and initiatives for the future.

This thesis proposes that the basic Balanced Scorecard (BSC) framework can be a helpful tool in performance measurement next to giving an aid for strategy implementation within ‘new economy’ businesses and introduces suggestions for the BSC as a management system.

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1. INTRODUCTION

‘The reason why firms succeed or fail is perhaps the central question in strategy. It has preoccupied the strategy field since its inception four decades ago’ (Porter, 1991, p. 95). This is how one of the most recognized scholars in this field - Michael E. Porter - started one of his many famous papers on strategy. In order to answer this central question, many tools for analysis have been developed; among these, there are Porter’s Five Forces Model (Porter, 1979), the SWOT-analysis (Humphrey, 2005) or the PESTEL framework (Johnson, Scholes, & Whittington, 2008). Although, all of these frameworks provided good insights for businesses and their competitive environments in the past and still do now, as well as present the basis of strategy development, there have been troubles to bringing theory into action (Alexander, 1985; Lawrence G. Hrebiniak, 2006; Okumus, 2003; Pryor, Anderson, Toombs, & Humphreys, 2007; Wernham, 1984).

In fact, research suggests that only about 10 to 30% of formulated strategies are actually put into action (Raps, 2005). In the past, different methods of tackling this problem, most commonly short lists or tables with implications for management have been suggested by the literature for the sake of finding the universal solution for strategy implementation. However, due to the individuality of different businesses among industries, a general formula or model has not been found yet. The literature (Atkinson, 2006; Mooraj, Oyon, & Hostettler, 1999; Raps, 2005) also suggests that there might be a helpful tool, namely the Balanced Scorecard (BSC) as a strategic management system using strategy maps as a communication tool in order to find the proper way of translating and executing strategies based on its creators Robert S. Kaplan and David P. Norton (1992-2008).

While much of existing literature is focused on using the BSC in established firms (e.g. Ahn, 2001; Malmi, 2001; Speckbacher, Bischof, & Pfeiffer, 2003), there is a lack of research regarding so-called ‘new economy’ businesses where the main business is done on the internet. There has been some research on companies operating in ‘new economy’ environment with the application of the BSC, but the focus is more on how established companies shifted their attention to online markets next to and in alignment with their existing business activities. Furthermore, the BSC has only been suggested as a mere performance measurement system in these studies (see for example, Bose & Thomas, 2007; Gumbus & Lussier, 2006). Next to that, there has been research on BSCs for IT-businesses, which however, also puts the focus on the performance measurement approach rather than using it for successful strategy implementation (see Györy, Brenner, & Uebernickel, 2012; Saull, 2000; Van Grembergen, 2000).

For the purpose of this paper, only one researcher has been found to actually develop general BSCs and strategy maps for ‘new economy’ – businesses or ‘virtual organizations’, but it is yet again, a general approach, rather than applied to an actual company (Walters & Buchanan, 2001). This thesis is therefore aiming at actually applying the BSC approach to a ‘virtual organization’ as the different environment and background of such a firm makes it interesting to apply an established model to a younger company to see if it might be feasible and helpful in a more dynamic and flexible setting as well. Furthermore, it also takes the developments of the BSC approach from a performance measurement tool to a management system into account, seeing as most of the papers on applying the BSC are only concerned with Kaplan and Norton’s papers until the year 1996.

The central research question, the thesis wants to reflect on is therefore whether the BSC system can be a helpful tool in strategy implementation with focus on ‘new economy’-businesses. For this, the example of the startup Takeaway.com will be used to apply the framework on the basis of interviews with managers and employees from different levels of the organisation. Resulting from a recent acquisition of a competitor, the company has faced some changes, especially within the German branch; the BSC is proposed to help cope with these changes and give a direction for strategy implementation and communication.

In order to give an overview of the topics, the thesis will first give a short introduction of the term ‘new economy’ and continue with the definition of strategy implementation and the issues managers might have in the process. It will then introduce the balanced scorecard concept with the main facets described by Kaplan and Norton during the last decades followed by pointing out criticism among researchers as well as suggesting improvements. Afterwards, the company Takeaway.com will be introduced and a summary of the interviews given. With the gathered information, the BSC will be applied to the German branch. The results will then be discussed followed by a conclusion to determine whether the BSC can be a helpful tool in strategy implementation in new economy environments as well as in this particular company.

2. THEORETICAL FRAMEWORK

2.1 The ‘New Economy’

The so-called ‘New Economy’ has started by the end of the 1990s and is seen to be a result of globalization and the developments in information and communication technologies (ICT) (Pohjola, 2002). On the basis of this development is the Internet, which offers a ‘widespread information infrastructure’ and thus an ‘increase in network computing’ (Pohjola, 2002, p. 135). New Economy is regarded as an ‘umbrella term for changes in economic life and business but its definition will always be indeterminate and changing’ (Gummeson, 2002, p. 38). Gummeson (2002, p. 38) adds that it ‘embraces such phenomena as the network society, a focus on services, new customer roles, information technology (IT), globalization, deregulation of financial systems, and mega-alliances between countries’.

Many existing businesses identified the need for change due to the development to a new economy environment, for example putting the focus on becoming either network, virtual, horizontal or project based and to adapt their organisational attempts to a rather flat, more flexible and intelligent form (Whittington, Pettigrew, & Ruigrok, 2000). On the one side, the new economy is therefore characterized by existing companies, using a different platform for sales and marketing, which is more commonly done online. On the other side, it is characterized by many new entrants, often virtual organizations, or so-called ‘dot.com’-businesses, where either all, or the main activities are based on the web (Pohjola, 2002; Walters & Buchanan, 2001).

2.2 Strategy Implementation

In today’s literature, strategy implementation can be found with different definitions. Some authors claim, that implementation stands for planning (Lawrence G Hrebiniak & Joyce, 1984) or deciding how a strategy should be operationalized (Stonich, 1982). A similar definition can be found by Chakravarthy et al. (2003, p. 2): ‘while the emphasis in the formulation phase is on

decision-making, the implementation phase deals with how to convert these decisions into actions and thus achieve a predefined goal.'

According to Eccles (1994, p.10), '... strategy implementation is the action that moves the organization along its choice of route towards its goals – the fulfilment of its mission, the achievement of its vision'; it is thus 'the realization of intentions' (Eccles, 1994, p. 13).

Strategy implementation or execution is therefore rather a process than a single action, or as Hrebiniak (2005, p. 3) states, it 'represents a disciplined process or logical set of connected activities that enables an organization to take a strategy and make it work'.

In simple terms, strategy implementation is the execution of a new strategy, translating it into actions within the different departments of an organisation and putting it to work.

Miller, Wilson and Hickson (2004) provided an overview of the managerial activities necessary for implementation. Companies and organizations have to assess their objectives, specify the tasks, organize resources, gain acceptability as well as structure their actions throughout the organization and prioritize.

The importance of successful implementation is obvious as without it, 'even the most superior strategy is useless' (Aaltonen & Ikävalko, 2002, p. 415) and nothing 'but a fantasy' (Hambrick & Cannella, 1989, p. 278). Strategy implementation is thus 'a critical cornerstone and ally in the building of a capable organization' (Crittenden & Crittenden, 2008, p. 302).

2.2.1 *The difficulties in strategy implementation*

In their research, Bartlett and Ghoshal (1987, p. 12) note that companies were basically aware of what they had to do, however, 'their difficulties lay in how to achieve the necessary changes'. According to the general findings in the literature, strategy implementation fails because of numerous reasons:

The first and most frequently mentioned topics are that of communication and coordination. The literature suggests that in most cases there is too little and just poor communication between the different levels of an organization. Lower level managers and employees are often only instructed with unclear definitions and vague objectives while provided with ineffective coordination and blurry instructions based on poorly formulated objectives, strategies and implementation plans. Another obstacle to successful implementation might also be that employees are simply not skilled enough or that their training was not adequate (Aaltonen & Ikävalko, 2002; Alexander, 1985; Beer & Eisenstat, 2000; Giles, 1991; Hax & Majluf, 1984; Heide, Grønhaug, & Johannessen, 2002; Lawrence G. Hrebiniak, 2006; Kaplan & Norton, 2008).

With regards to personnel, research found that often there are too many managers within the different levels of organizations, having unclear responsibilities and lack of routines. Furthermore it is criticized that the people planning new strategies are often not involved in day-to-day business activities – explaining some of the communication and coordination problems – while the people involved in the business activities are not involved in the planning phase (Aaltonen & Ikävalko, 2002; Alexander, 1985; Beer & Eisenstat, 2000; Giles, 1991; Heide, et al., 2002; Lawrence G. Hrebiniak, 2006). Other research adds that ineffective leadership also plays an important role in failure (Beer & Eisenstat, 2000; Lawrence G. Hrebiniak, 2006). Especially with regard to organizational culture, it is suggested that there might also be resistance throughout the organization as changes in routines, procedures, culture and power structures may not be welcome or there is no clear instruction on how to change these

(Aaltonen & Ikävalko, 2002; Heide, et al., 2002; Lawrence G. Hrebiniak, 2006; Wernham, 1984). Other authors go as far as to describe internal political games as obstacles to implementation (Heide, et al., 2002).

Strategy implementation might also be hindered by a lack of resources in terms of money and time. Unfortunately the time factor is often underestimated, especially since the objectives of the new strategy or the strategic change are generally focused on the long-term, the results only present themselves over time (Aaltonen & Ikävalko, 2002; Alexander, 1985; Heide, et al., 2002; Wernham, 1984). Taking this into account, it is also suggested that in some companies implementation processes might consume too much of the budget (Wernham, 1984).

The last factors described by the literature are of external nature. Alexander (1985) notes, that some companies have poor risk identification measures regarding uncontrollable factors. Those factors can stem from the competitive environment or from economic or governmental changes. Examples for this might be uncertainties in a new market or newly introduced laws and regulations (Aaltonen & Ikävalko, 2002; Alexander, 1985; Wernham, 1984).

2.3 **The Balanced Scorecard**

The balanced scorecard (BSC) was developed by Kaplan and Norton in 1992 after a research project involving 12 different companies in which the need of a performance measurement tool that not only focused on financial but also on operational measures was discovered. The main criticism here was that too much emphasis has been put on financial measures, which only represent performance and results from the past which according to the researchers was not thorough enough with regard to the beginning of the information age (Kaplan & Norton, 1996a).

In order to give managers an overview of the financial and operational perspectives of their business, the main perspectives such as the customer, internal business as well as the innovation and learning aspects were introduced as the most critical operational measures as a complementation to the financial perspective (Kaplan & Norton, 1992).

The aim of the BSC is the translation of a company's mission and vision into a framework of performance measures so that a firm's main targets and the drivers that help in accomplishing these can be identified (Kaplan & Norton, 1992, 1996b, 2001, 2005). Kaplan and Norton (2008) define the mission as the purpose of a company, the reason of its existence and what it offers; the vision is defined as the desired future position and goal. The balance of the scorecard is presented across the different aspects: between financial and non-financial measures, short- and long-term goals, internal and external performance factors as well as lagging (results from the past) and leading (drivers for future performance) indicators (Hepworth, 1998; Striteska & Spickova, 2012). Since the early nineties, the concept has continually been developed by the two scholars, from a performance measurement framework into a strategic management system (Kaplan & Norton, 1996a, 1996b, 1996c, 2001, 2005, 2006, 2008).

In the following, the different elements of the concept will be outlined in the way, that they have been developed by Kaplan & Norton during the past decades. Starting with the framework to measure performance with the combination of financial and non-financial measures, while then explaining strategy maps and its cause-and-effect relationships just to arrive at the strategic management system as described by the researchers. However, for clearer division, the different 'generations' of the

BSCs will be described based on the classification into different types, or rather: types I-III, based on Speckbacher et al. (2003).

2.3.1 BSC Type I: The Balanced Scorecard framework

As stated above, the BSC was introduced as a comprehensive performance measurement system and focuses on four main perspectives in order to organize the strategic objectives as a translation of the mission and vision of a company. These perspectives or dimensions are a set of financial and non-financial measures and are presented in the following. For each perspective, companies have to develop sets of performance measures individually that fit to and materialize the vision (Kaplan & Norton, 1993). The basic framework can be seen in Figure 1; note that Kaplan and Norton (1996a) explain, that there is no strict rule about the perspectives that are being chosen, the researchers identified these as the most common among organizations. Companies could thus adapt their most important perspectives in their BSCs and even add another one for example.

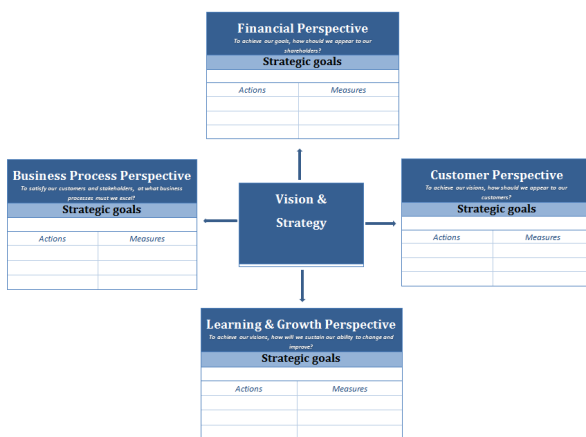


Figure 1. The Balanced Scorecard framework, based on Kaplan & Norton (1996c)

2.3.1.1 Financial perspective

‘How do we look to shareholders?’ (Kaplan & Norton, 1992, p. 77) is the main question regarding the financial performance of a company. With the general goal being to survive, succeed and to prosper, Kaplan and Norton (1996b) also take into account that the strategies depend on the different types of businesses as well as which stage of the life cycle they have reached. The researchers identified the rapid growth, sustain and harvest stages going from new to mature businesses. Furthermore, they identified three main financial themes in businesses: the revenue growth and mix, the cost reduction/ productivity improvement and the asset utilization/ investment strategy (Kaplan & Norton, 1996b). These themes are related to the two main strategies identified by the researchers: revenue growth, by e.g. creating revenue in new markets and/or increasing sales to existing customers, and productivity, by for example improving the cost structure and asset utilization (Kaplan & Norton, 1996a, 2000).

In summary, the financial perspective defines the performance that is expected from the strategy as well as the goals that all of the other aspects of the BSC have set as their objectives and measures all while giving insight to the value, revenue and growth for the shareholders (Kaplan & Norton, 2000).

2.3.1.2 Customer perspective

The main question Kaplan & Norton (1992, p. 73) ask is ‘How do customers see us?’ According to the researchers this perspective has become a major priority for companies and it is also helpful for defining the market segment as a whole. Managers should thus align their mission to customer service with regard to the main factors of their customer’s concerns, such as time, quality, performance, service and cost (Kaplan & Norton, 1992). These factors should be translated into different goals according to the products and services companies provide while also regarding the means to measure these, for example through customer surveys as well as benchmarking techniques on basis of the competitor’s performance (Kaplan & Norton, 1992). Kaplan and Norton (1996b) suggest the outcome measures of customer acquisition, retention, satisfaction and profitability while considering the market and account share of these. The perspective thus translates the strategy in so far as to create value and differentiation for the customer (Kaplan & Norton, 1996a).

2.3.1.3 Internal business perspective

The internal business or business process perspective is concerned with the question ‘What must we excel at?’ (Kaplan & Norton, 1992, p. 74). It focuses on improving internal processes in order to achieve customer satisfaction while at the same time reaching the financial objectives with regard to the shareholders (Kaplan & Norton, 1992, 1996b). Companies must therefore focus on their core competencies to ensure short- and long-term value creation for customers by improving their existing operations (short-term) and the innovation process for long-term success (Kaplan & Norton, 1992, 1996b).

Kaplan and Norton (1992) also point out that good information systems within the company are crucial for the flow of communication within the company as well as for measuring the targets and to identify points of improvement in a timelier manner.

2.3.1.4 Innovation and learning perspective

Based on the question ‘Can we continue to improve and create value?’ (Kaplan & Norton, 1992, p. 75) this perspective focuses on the company’s ability to improve continuously, to innovate and expand its knowledge base, as well as the skills and performance of its employees. Thus, enhancing the capabilities of people, systems and organizational procedures for the sake of reaching the critical success factors which are based on the findings from the customer and internal business perspectives (Kaplan & Norton, 1992, 1996b).

Regarding the people factor the suggested measures are looking at employee satisfaction, retention training and skills, while the improvement and development of information systems for timely and accurate information stands in the center of the system factor. With respect to the organizational procedures, these would be based on employee incentives and the improvements derived from the basis of the internal business perspective (Kaplan & Norton, 1996b).

2.3.2 BSC Type II: Strategy Maps

The balanced scorecard framework is said to help in important management processes but due to implementation problems, Kaplan and Norton saw the need to develop the basic scorecard further. The researchers (Kaplan & Norton, 1996b, 1996c) therefore first suggested four management processes that are necessary for its implementation.

The first factor is the *translation of the vision* into a tangible set of targets and measures. During this process, different aspects

of the vision can actually be clarified and defined while also and especially the objectives for shareholders and customers can be established more thoroughly (Kaplan & Norton, 1996a, 1996c). The results have to be *communicated and linked* throughout the organization in the second step. Here, the main targets can be translated into smaller strategic objectives for each group, business unit or even individual. In the third step, *business planning*, the most important drivers for implementing strategy are identified and financial budgets are put in line with regard to supporting the strategic objectives. The last step contains *feedback and learning*. The company can then evaluate the theories developed in the balanced scorecard and if necessary, adapt these accordingly (Kaplan & Norton, 1996a, 1996c).

The authors further introduced strategy maps which are described as tools to help communicating the strategies throughout the organization and therefore making their implementation easier (Kaplan & Norton, 2000). The maps are a vertical depiction of the BSC framework (as in figure 1) with the learning perspective on the bottom, followed by internal business processes, then the customer perspective and the financial perspective on the top. These perspectives are linked in cause and effect relationships throughout the map. The basic linkage happens thus from the bottom to the top: the knowledge and skills of the employees as well as the general systems (learning and growth perspective) lead to the identification and building of strategic capabilities (internal business processes) in order to deliver value for the customers (customer perspective) so that the financial targets can be reached and shareholder value increased (financial perspective). The financial measures therefore need to be at the top with financial gain being the goal of every company (Kaplan & Norton, 1996c, 2000, 2004).

However, the researchers are only really able to give basic characteristics and common factors that might be important in strategy maps, the cause-and-effect linkages vary from company to company just like the mission and vision that is to be translated. The basic aspects of a strategy map can be seen in Figure 2 (Kaplan & Norton, 1996a).

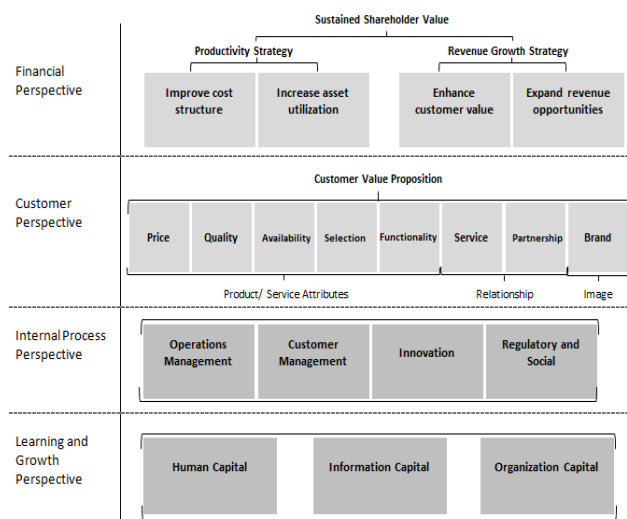


Figure 2. Basic Strategy Map, based on Kaplan & Norton (2004)

2.3.3 BSC Type III: Management system

In their continuous research on strategy implementation and execution, Kaplan and Norton (2008) took a step forward and

created a closed-loop management system since they discovered that still too often there is a gap between strategy and actual operations in an organisation. The management system consists of five different stages and will be presented in the following.

2.3.3.1 1. Develop the strategy

In the first stage of the closed-loop management system, managers must first *define the business* they are operating in and agree on the mission and vision as well as the core values, which describe the character of the organisation. When these factors are established, managers can *focus on the key issues* that they face in their business environment. Here, the researchers suggest internal and external methods of strategic analysis: Porter's Five Forces and PESTEL analyses to determine the external setting, while the SWOT analysis is an example to find the internal capabilities and shortcomings. On the basis of the findings, management can then proceed to the actual *formulation of the strategy*. Important factors to include in the process are the definitions of target market/customers and value proposition and the identification of the human capital capabilities as well as technology and organizational enablers. Depending on the situation and goals of the company as well as the results from the preceding analyses, different frameworks on how to find their individual strategies have been suggested (Kaplan & Norton, 2008). For companies who stay in their markets and want to achieve more with the capabilities they already have, Michael Porter's competitive advantage framework (Porter, 1980) and resource based theories (Wernerfelt, 1984) are proposed. Companies that want to attack or create new markets (and market positions) could use the help of Blue Ocean (Mauborgne & Kim, 2005) and disruptive (Christensen & Raynor, 2013) strategy literature (Kaplan & Norton, 2008).

2.3.3.2 2. Translate the strategy

In the second stage, the strategic objectives have to be defined and measures and targets need to be selected. To give an overview, the development of a *strategic map* is suggested with the addition of using different strategic themes to make the illustration clearer. After that, the map should be linked to the *BSC* and its metrics to find performance measures for the strategic objectives. Managers then have to identify and authorize the resources that are needed to achieve the strategy's objectives (Kaplan & Norton, 2008).

2.3.3.3 3. Plan operations

The next step is to identify and organize the actions that are necessary in order to actually execute the previously developed strategy (or strategies). On the basis of this, most companies have to find *process improvements*. Managers must find a way to 'align near-term process improvements with long-term strategic priorities' (Kaplan & Norton, 2008, p. 7). Furthermore, management has to create a *sales plan* in which the actual sales target is broken down into sub-targets, which can be based on previous achievements in terms of target numbers (e.g. sales forecasts). The next step would be to build a *resource capacity plan* after collecting and creating the data in the two preceding steps for the determination of the kind of resources needed to actually execute the strategic goals. Kaplan and Norton (2008, p.10) suggest a time-driven activity-based costing model (TDABC) which 'is a set of equations, based on historical experience, that describe how various transactions and demands consume the capacity of resources such as people, equipment, and facilities.' On the basis of this the company reached the step of *dynamic operating and capital budgets*, meaning that it basically needs to calculate what all the operation activities may cost and approve budgets (Kaplan & Norton, 2008).

2.3.3.4 4. Monitor and learn

As the strategy is put into action, Kaplan and Norton (2008) focus on the need for managers to have regular review meetings regarding two subjects: operations and strategy. The authors are of the opinion that these should be held separately from another so that the focus will not drift from either subject during the meetings. During the *operational review meetings*, the performance of the operations should be reviewed, in order to find and solve issues that might have been hindering factors. Good information systems within the company are said to be crucial for timely identification and response to these issues. *Strategic review meetings* should determine whether strategy execution is still on track, thus if there is still a common consensus about the goals of the company. At this stage, also the performance of the BSC measures should be reviewed (Kaplan & Norton, 2008).

2.3.3.5 5. Test and adapt the strategy

The last stage of the closed-loop management system becomes necessary, when management identifies flaws in their strategy's assumptions as well as when external events or new strategic opportunities force the company to change course. Managers then have to decide whether to keep the current strategy or to further develop or transform it. For a review of the strategy a company should look at *cost and profitability reports* so that the performance of their product lines, customer and market segments, channels and regions can be assessed. Through that successes and failures of the current strategy can be identified. *Statistical analyses* can help in finding correlations within the results of the strategic performance measures through different departments based on their strategy map and BSC metrics. This gives managers also an opportunity to validate the cause-and-effect relationships that have been assumed during the strategy translation stage. Another factor that might come in at this stage is that of *emergent strategies*, thus feedback and ideas coming from within the organisation. At this point management has to decide whether the ideas can be integrated into the existing strategy, further analysis of internal and external data can support with the decision process (Kaplan & Norton, 2008).

Whether the strategy is going to be altered or a completely new approach will be taken, the closed-loop cycle will then start again. This might be a demanding and exhausting process but as Kaplan and Norton (2008, p16) state: 'a company can have the best strategy in the world, but it will get nowhere if managers cannot translate that strategy into operational plans and then execute the plans and achieve the performance targets.'

2.4 Criticism on the BSC

As with most models, systems or frameworks in research, scholars try to test and challenge the suggested theories. One of the most cited critics of the BSC is Danish researcher Hanne Nørreklit (Lueg & Carvalho e Silva, 2013). The factor that received most of Nørreklit's criticism (Nørreklit, 2000) is the assumption of the cause-and-effect relationships within the BSC framework. According to the researcher, these generic causal relationships are invalid and the BSC consists only of logical relationships, making the framework thus no different or better than other performance measurement tools. In addition, she criticizes the gap between internal and external measures, meaning that the external environment of an organization is not taken into account when using the BSC approach (Nørreklit, 2000). In addition, it is criticized that suppliers are not included in the BSC framework (Ahn, 2001).

Nørreklit also mentions the time lag between cause and effect which is not mentioned in the BSC approaches. She questions

the measurability of certain performance indicators since some strategic action may take longer to create an effect than others and it cannot specifically be determined when it actually occurs. Identifying the actual cause of a financial effect (whether positive or negative) is almost impossible (Nørreklit, 2000; Nørreklit, Jacobsen, & Mitchell, 2008).

Furthermore, common mistakes are that the chosen performance targets are set unnecessarily unrealistic and the actual performance measurement is done incorrectly (Ittner & Larcker, 2003; Nørreklit, et al., 2008).

Another downfall, Nørreklit et al. (2008) describe, is that the BSC approach is supposed to be created top-down, but managers, especially the larger a company becomes, often do not really have a connection to daily business operations on the lower level and might not be able to identify the strategic targets and the according measures anymore. In addition, she expresses her concerns that measures and performance might be manipulated (Nørreklit, et al., 2008).

In general, she challenges the popularity of the BSC by analyzing speech patterns. In her opinion, the methodology of the framework as described in Kaplan & Norton (1996a) is not based on logical developments but are rather build on the scholars' need for self-presentation and thus more persuading than convincing (Nørreklit, 2003). According to Nørreklit (2003), arguments are missing and real examples are not given. The author even declares Kaplan and Norton's book 1996a) as a sort of propaganda which is only underlined by a missing self-critical perspective towards their limitations.

Other researchers found that even when companies use the BSC approach or a version of it, managers often forget linkages – on the one hand the cause-and-effect linkages and on the other hand the measures are often not linked to strategy at all (Ittner & Larcker, 2003; Malmi, 2001). Further, the cause-and-effect linkages between measures and perspective are missing proper explanation and thus often seem weak (Malmi, 2001; Reilly & Reilly, 2000). Another point of criticism is that the BSC is actually unbalanced and suggest a performance measurement tool that puts more focus on stakeholder value (Reilly & Reilly, 2000).

All in all, there only has been some research on the actual implementation of the Balanced Scorecard, especially regarding the newest approach as a strategic management system. On the basis of articles about BSC in practice there were only a few mentioning the use of the 3rd BSC type which is why Lueg et al. (2013) suggest that the success of the BSC might only be a placebo effect.

However, all of the criticism mainly puts the focus on the basic framework and the strategy maps, which are the most commonly researched among Kaplan and Norton's findings. The BSC and strategy map as sole frameworks are dated before Kaplan and Norton introduced the closed-loop management system in which many of the mentioned downfalls in the BSC framework are actually addressed. Examples for this are the missing external factors which are included in the Definition Phase and the time lag to some extent as the scholars mention the useful life of a strategy being 3-5 years. Furthermore, the criticism of the cause-and-effect relationships by Nørreklit can be resolved by arguing that the researchers did not explicitly describe them as generic but that they rather suggest that such linkages might exist in companies. Companies are given the opportunity for easier assumption of these relationships in order to build their strategies and they can always adjust their strategy maps and BSCs if an assumption might prove wrong (Bukh & Malmi, 2005).

3. METHOD

In this paper, the main topic of strategy implementation and its difficulties as well as the basic framework of the Balanced Scorecard and its application as a management system are purely derived from literature. The latter is mainly based on the research of its creators Robert S. Kaplan and David P. Norton. In order to answer the research questions as to what the difficulties in strategy implementation are, and if the BCS can be a helpful tool, especially with regard to 'new economy' businesses, qualitative interviews with employees in different levels of the company Takeaway.com have been conducted. Most of the chosen interviewees are working for the German branch, as it is the focus of this thesis due to the recent acquisition of the company's German competitor and the size of the firm.

The interviewees from the top levels were Takeaway's chief executive officer (CEO) and founder Jitse Groen as well as current chief of operations (COO) and one of Lieferando's founders Jörg Gerbig both to give insight in decision-making and general strategies and their implementation within the company. On the middle management level, the interviews were conducted with the customer service manager (CSM) overseeing the customer and partner service for the whole German branch (including Austria and Switzerland) and its two offices in Berlin and Enschede; and a supervisor of the service center (CSS) who is overseeing the operational level and the day-to-day activities in the customer service. These employees were chosen as on the one hand the CSM is the link between the base in Utrecht and the German branch, as well as between the two offices that belong to the latter. The CSS was selected since this person is the direct link between middle management and the operational level in the service center. In addition, two customer service agents (CSA) were chosen to provide information about the operational level, both have been working in the company for several years and experienced its development. One of these CSAs is also responsible for the training of new employees and working on feedback and refreshment trainings for current co-workers, this senior customer service agent is a direct link between the supervisors and the agents.

During all of the interviews the past and present situation of the company was discussed. The management executives were asked about the companies' strategies from the past and after the acquisition and explicitly what difficulties they have encountered. Furthermore it was discussed who took part in the planning as well as how strategic changes are being communicated throughout the organization. In the end, a future outlook was provided. The middle managers were asked in how far they are included in the strategic processes of the company as well as how these are communicated to them. On the operational level, training and motivation as well as information flow and in general were part of the interviews. Furthermore within the last four interviews, the general communication within the company and especially between the two 'German' offices has been assessed the changes since the acquisition and general problems were described as well as suggestions for improvements made.

Before providing a summary of the findings from the interviews, the company will shortly be introduced.

4. ANALYSIS

4.1 Takeaway.com

Takeaway.com was founded by Jitse Groen, who developed the idea to launch a food ordering website during a family

celebration, in the Netherlands in 1999 (Groen, 2014; Takeaway.com, n.d.). The website was launched in 2000 but made the first significant successes in 2003 when broadband internet was introduced and people got more acquainted with the internet. Since then, the company has experienced immense growth. In the position of the market leader in the Netherlands, the company introduced the website in other European countries in 2007, namely in Germany, Austria, Switzerland, the United Kingdom, Belgium, Denmark and France. In 2009, the international name of Takeaway.com was announced (corporate.takeaway.com, n.d. ; Groen, 2014).

While the launch in Belgium was quite successful, in some of the other countries, the competition was already having a large market share. Unexpectedly, Lieferservice.at in Austria also grew very fast. In Germany, one of the biggest markets the company has entered, the branch Lieferservice.de only ranked 4th regarding market share in the last years (Groen, 2014). That is why Takeaway.com looked out to buy one of the competitors – Lieferando. Until 2012 the company only operated on its own capital, but in January of that year, a Dutch venture capital firm invested €13 million (corporate.takeaway.com, n.d. ; Hackmann, 2014). The money was used to expand in existing markets but also to take a step in the Asian market by the acquisition of Vietnammm.com – as the name suggests, a branch in Vietnam. In 2014, Takeaway.com had another investment round in which €74 million were raised, so that in April of the same year, the company acquired Lieferando, including its Polish branch Pyszne.nl making it one of the largest food delivery website in continental Europe (corporate.takeaway.com, n.d.).

The company has its headquarters in Utrecht, including the UK service center, and offices in Brussels for the French, Luxembourgian and Belgian websites, in Ho Chi Minh for Vietnammm.com, in Wroclaw for the Polish branch, in Enschede for the Dutch website as well as for the Austrian, Swiss and German service and in Berlin where also a part of the German service center is located (Groen, 2014).

4.2 Interviews

Within this chapter, the contents and findings of the interviews will be presented and divided into sections for a better overview.

4.2.1 Start-up and growth

Within the start-up phase of their businesses the CEO and COO agree that during the time when it is starting to grow, it is too busy to stop and use business models and theories in order to shape your organization and guide its actions (Gerbig, 2015; Groen, 2014). Regarding the strategy formulation and implementation as a start-up, Groen (2014) states, that he set small and achievable targets for the company – one of the first being to get the actual order of the restaurant to the restaurant automatically. Gerbig (2015) is of the opinion that it depends on a company's age. As a young organization, there are lots of ideas and taking too much time to plan everything through, especially when the whole environment can change the within a short period – it is thus better to be flexible.

During the growth phase when more and more people had to be employed, the structures of the companies have been developed and basically stayed that way, also after the acquisition (Gerbig, 2015; Groen, 2014). While Lieferando took the approach to build different departments that were concerned with specific parts of the service the company provides (e.g. marketing, a product-team, partner and customer service) (Gerbig, 2015), Takeaway.com took a more centralized approach regarding departments, with management, marketing and HR for example

sitting at headquarters in Utrecht ('We do like the fact that a couple of tasks are centralized because it's the same in every country', Groen, 2014). Most of the other interviewees have also experienced the development stating that due to the smaller work load, there less responsibilities, no supervision and a relaxed atmosphere with a lot of freedom for the workforce (CSA, 2015; CSM, 2015; SCSA, 2015). In addition, the CEO was in office regularly and gave updates on the situation and performance of the company (SCSA, 2015).

Takeaway.com has always been rather spontaneous regarding strategies and planning. First of all, the company has always invested all of their money in different business activities and through that it could achieve growth. The firm is always looking for good opportunities, for example when entering new markets. 'Due to the little competition we started a fishing expedition' in different markets across Europe where the established Dutch model was simply translated for the other countries (Groen, 2014). When exploring different markets, Lieferando took the same approach when entering Austria, France and Poland, but decided to focus operations on the home market. In Poland they were lucky to buy a start-up that could profit from Lieferando's experience and system (Gerbig, 2015).

4.2.2 Acquisition and integration

The acquisition of Lieferando was a strategic decision for Takeaway.com, on the one hand, because they were worried that the competitor Lieferheld (who then acquired the largest competitor pizza.de) would buy the company. On the other hand, although, Lieferservice.de was growing, it was operating too far behind the competition and 'if we would not have bought them, we would have a huge problem in Germany [...] would have even had to close Lieferservice' (Groen, 2014). However, for almost all of the lower level employees, it was taken as a surprise and perceived as chaotic and poorly planned and especially the operational level was only provided little information (CSA, 2015; CSS, 2015; SCSA, 2015).

The struggle now is still the integration of both companies, in particular the mix of the best aspects from the systems each company uses as well as to create a mix of the two corporate cultures. While the first is still in progress – a new system is being built at the moment – the latter is already showing a development into a mix with some German and some Dutch traits (CSM, 2015; Gerbig, 2015; Groen, 2014). For the other employees, two worlds with different corporate cultures (Dutch vs. German – meaning rather relaxed vs. formal) and different strategies (partner vs customer orientation) collided during the integration (CSA, 2015; CSM, 2015; SCSA, 2015) with the goal being now to put more focus on customer orientation (CSM, 2015). At the moment, there are thus two teams in two different offices doing more or less the same tasks, with the focus on customer service and orders in Enschede and partner management in Berlin, while working with three different systems (CSA, 2015; CSM, 2015; SCSA, 2015).

4.2.3 Strategy, planning and communication

In general, strategy and planning processes are done on two levels; the first level is management including Jitse Groen, Jörg Gerbig and the CFO Brent Wissink. The second level includes the board of directors with eight people and an external board (Gerbig, 2015). The COO is of the opinion that planning and strategy activities depend on the size of an organization; in general he thinks that the not enough time is put into these activities in many companies and suggests that, 'strategies and future goals have to be communicated well within the organisation [...] and] employee involvement might be helpful' (Gerbig, 2015). The general information flow inside the company is described as top-down, going through different

levels until it reaches the operational level (CSA, 2015; CSM, 2015; CSS, 2015; SCSA, 2015). The CSM (2015) describes it as follows: management releases the information to the customer service director (CSD), who, depending on which branch it is meant for, either gives it to the CSM from a specific branch or it will be discussed during the monthly CSM-meetings with all CSMs from the different branches. The CSM can then give feedback and suggestions to the CSD who will discuss it with management. The supervisors receive their information almost exclusively from the CSM, where in some cases, decisions can be discussed and suggestions for improvement made (CSS, 2015) The supervisor and agents however, criticize communication from upper management to be rather poor as the values of the company are not communicated and neither the goals and future targets. Important information for daily activities is sometimes not and often only belatedly available. Furthermore, there was disapproval that the communication between the two 'German' offices is not allowed, although it would ease many of the daily processes (CSA, 2015; CSS, 2015; SCSA, 2015).

As for the main strategy the focus for Takeaway.com was and is to provide an easy to use service and to be perceived as a friendly company – for customers and restaurants – with good customer and partner service ('happy restaurants lead to happy customers', Groen, 2014). Lieferando built on product differentiation, by offering budget systems for companies and providing a closed system where the partners are enabled to offer incentives for customers, helping with customer retention (Gerbig, 2015). Both of these strategies are still to be integrated.

4.2.4 Employee motivation

At Lieferando – or rather the Berlin office, employee motivation is very important. Next to onboarding activities, there are a few team events and a portfolio of different sports is being offered in order to create good team spirit. Furthermore, a lot of transparency is being shown by updating the workforce about performance and goals during regular team meetings. In addition, employees receive half-yearly feedback questionnaires. The latter is planned to be integrated in the whole company as well - the goal is to foster entrepreneurial thinking within the company. (Gerbig, 2015). Although, an open door policy for feedback is also promoted at Takeaway (CSM, 2015; CSS, 2015), employees however, do not get the feeling that actions are taken (CSA, 2015; SCSA, 2015).

For the general employee motivation, different events are taking place divided in company, office and team events, furthermore a ski vacation is offered and employees get monthly vouchers (CSM, 2015; CSS, 2015; SCSA, 2015). Nevertheless, agents criticize that especially in Enschede the rights of and rules for agents are different from the employees of the Dutch branch and while more freedom is taken, there are more duties to deal with, thus limiting motivation (CSA, 2015; SCSA, 2015).

4.2.5 Future plans and wishes

For the future strategy Groen (2014) explained, that there is a 'big plan' but that they could not predict where the company would be in a year, because they are always looking for new opportunities. As for now, the focus is laid on the German market because, 'at the end of the day, there is no point in being on the 3rd rank in every country you operate in, at least in your home country you have to be the number 1'. The focus is put on Lieferando in particular, to strengthen the brand name, improve marketing and Gerbig (2015) already sees an affirmation in the strategy, due to the growth rates.

The larger target in the future is to become number one in every country Takeaway.com operates in (Gerbig, 2015): 'we want to

have the most customers, [...] restaurants [...] people to perceive us as a friendly brand' (Groen, 2014).

The employees suggestions for the future in order to achieve the company's goals are mainly: more structure, more communication, improved communication systems and the new system that is already being built should be implemented soon (CSA, 2015; CSM, 2015; CSS, 2015; SCSA, 2015). The SCSA (2015) also wishes to keep the start-up culture by getting back to hiring more students as employees and suggests that there should be more communication between the different offices to support a mutual corporate culture. She further notices that it would be important to communicate the company's goals and values to the employees for better identification with it. The agents think that the same rules should apply to everyone within an office and that the operational level should be more included in decision-making (CSA, 2015; SCSA, 2015).

The wish for more transparency, more employee involvement, and room for ideas from the operational level also seems to hold in different offices based on recent feedbacks on website for employer reviews. Furthermore, the lack of communication within the company and the different departments was criticized (Glassdoor.co.in, n.d.).

4.3 Balanced Scorecard of Takeaway.com

In the following, a strategy map and a balanced scorecard for the company will be created on the basis of the conducted interviews. Due to the recent acquisition, the company is struggling with the integration within the German branch as well as with strategy implementation and communication. Therefore, the steps of the closed-loop system by Kaplan and Norton (2008) are used for the application in order to find if the BSC approach can also be a helpful tool in this company. However, this study has a lot of limitations as actual numbers either from the company itself or the market are not available. Therefore some steps and actions can only be suggested. The focus will lie in the first and second step of the closed-loop system in particular.

4.3.1 Develop the strategy

The first step is to develop the strategy. For this, the mission and vision as well as the core values of the company should be established. On the company website the following statements can be found:

'We aim to provide our customers (consumers and restaurants) a service for ordering food online that is quick, easy to use and reliable. Our website is clear and practical which allows customers to place their order with only a few clicks of the mouse. After this, the customer can sit back and relax and enjoy their meal delivered at home' (Takeaway.com, n.d.).

This statement describes the purpose and thus the mission of the company. Furthermore, the vision is said to be:

'We also stress great importance of the techniques used to communicate the orders to the restaurants. This should be fast and effective for the restaurant while being 100% reliable. We take great care in ensuring all technical aspects of this are monitored, from the online menu to the sending of the order to the restaurant with the method selected by the restaurant. We also offer each restaurant promotional material and the chance to enjoy all our advertising on TV, radio, magazine and of course online' (Takeaway.com, n.d.).

However, with regard to the literature, this is a rather poorly formulated vision statement since this kind of statement should express what the desired future state of the company is (Johnson, et al., 2008; Kaplan & Norton, 2008). Nevertheless, on the same website, the following can also be found:

'We believe that to achieve our objective of becoming one of the largest sites to order food in the world, we must pass on all our orders to the restaurant within the shortest time, with efficiency and reliability' (Takeaway.com, n.d.).

This statement describes the objective of the company and defines some of its values: fast, efficient and reliable; it describes the vision of the company more than its actual vision statement. Takeaway.com should thus already revise their mission and vision statement for the purpose of providing a clear guideline.

With regards to strategy formulation, for this purpose the current goal which is to become the number one, or in another term, market leader in Germany, is chosen.

4.3.2 Translate the strategy

With the above stated goal in mind, the translation can start with the following steps: creating a strategy map (Figure 3) and based on this, a balanced scorecard (Figure 4).

Starting at the bottom level is the *learning and growth*

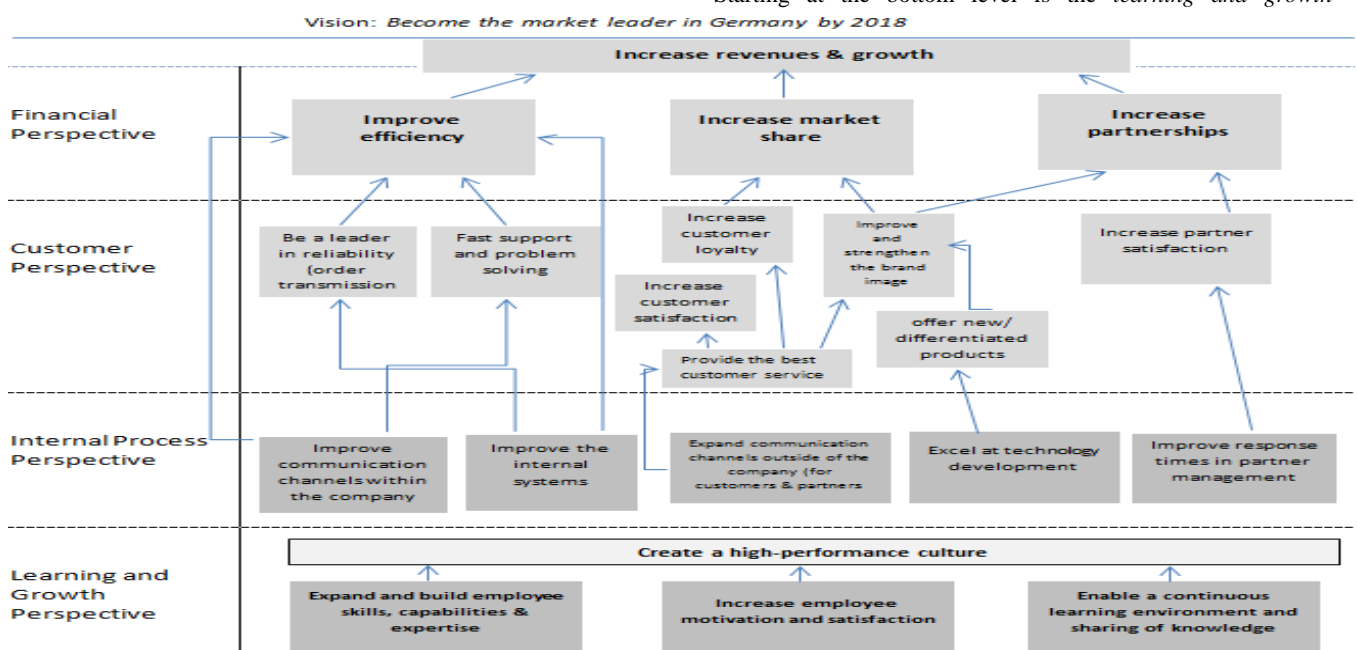


Figure 3. Strategy Map for Takeaway.com

perspective. Here, it is suggested, that the ultimate goal is to create a high-performance culture within the company. In order to do so, the following targets have been developed for this level: to expand and build employee skills, capabilities and expertise, increase their motivation and satisfaction and to enable a continuous learning environment with a knowledge-sharing philosophy. For the first target, the action to improve training and refreshment has been suggested; the effect can be measured by individual performance statistics like the quizzes that have already been developed by the training team. For increasing employee motivation and satisfaction, different actions have to be taken, since a few are already on the verge of being implemented (e.g. feedback questionnaires in the whole company, incentives for high performing employees), the target was also regarded as the action in the BSC. However, it is important to note, that more transparency and room for employee feedback (as suggested by the work force) can also lead to higher motivation and satisfaction. The proposed measurements can be the result of feedback reviews and employee turnover rates, assuming that there are more people leaving the company when they are dissatisfied and unmotivated. The last target is translated into fostering a creative and entrepreneurial environment within the whole company. Here self-assessment and employee feedback would be the measures.

On the *business process perspective*, the main goal is the improvement of communication channels and the system in general. Smaller targets are based on excelling at technology development and improvement in partner management.

For the general improvement of processes, it is suggested to integrate employee feedback, as in some cases, they know best, where the flaws in the systems are (measure: self-assessment). With regard to the system, especially the reliability and speed of order transmissions should be improved and can be measured by general performance statistics. Also the improvement of internal and external communication flows can be measured by these statistics but employee and customer feedback could be taken into account as well. Furthermore the BSC suggests improving partner management with measurement based on i.e. performance statistics as well the number of complaints.

Regarding the *customer perspective*, the main goal is to have

the best customer support (for customers and restaurants). The company should focus on improving partner service, with churn rates and actual feedback from the restaurants as an indicator. Furthermore, the brand image should be improved and strengthened, here, customer feedback and self-assessment could be used as measures. In this perspective, the main focus should nonetheless be to increase customer satisfaction, retention and acquisition. With good ideas already in place (previously mentioned closed system, but also vouchers for new customers etc.), focus should be put more on customer service quality and to also get customers who have a bad experience to return. The suggested measures are first of all direct customer feedback, then rating websites could be checked as well as an analysis within the system – e.g. customer retention rate, how successful is new customer acquisition, etc.

Within the *financial perspective*, the main strategy is revenue growth which can be analyzed based on financial reports of the company. Other targets are to increase market share (industry reports and analysis), increase the number of partners (statistical analysis in the system) and increase efficiency (performance statistics).

Of course, these measures and suggestions are just ideas based on the findings from the interviews and website as well as assumptions. The tasks for the company would now be to plan the operations and to monitor and learn as well as in the end to test and if the circumstances require, adapt the strategy.

5. DISCUSSION

In the previous section, Takeaway.com’s mission, vision and strategy have been broken down into smaller targets. On the basis of this, actions and their corresponding performance measures have been suggested for the BSC. Furthermore, the subsequent steps for the integration into the management system were shortly mentioned.

The question is now, whether this system actually is applicable in the company. Opposing to BSC implementation might be the managers’ reluctance of using models and frameworks in the past. As Groen (2014) states: ‘I have some difficulties with theoretical [models]. The issue is that I have never actually seen

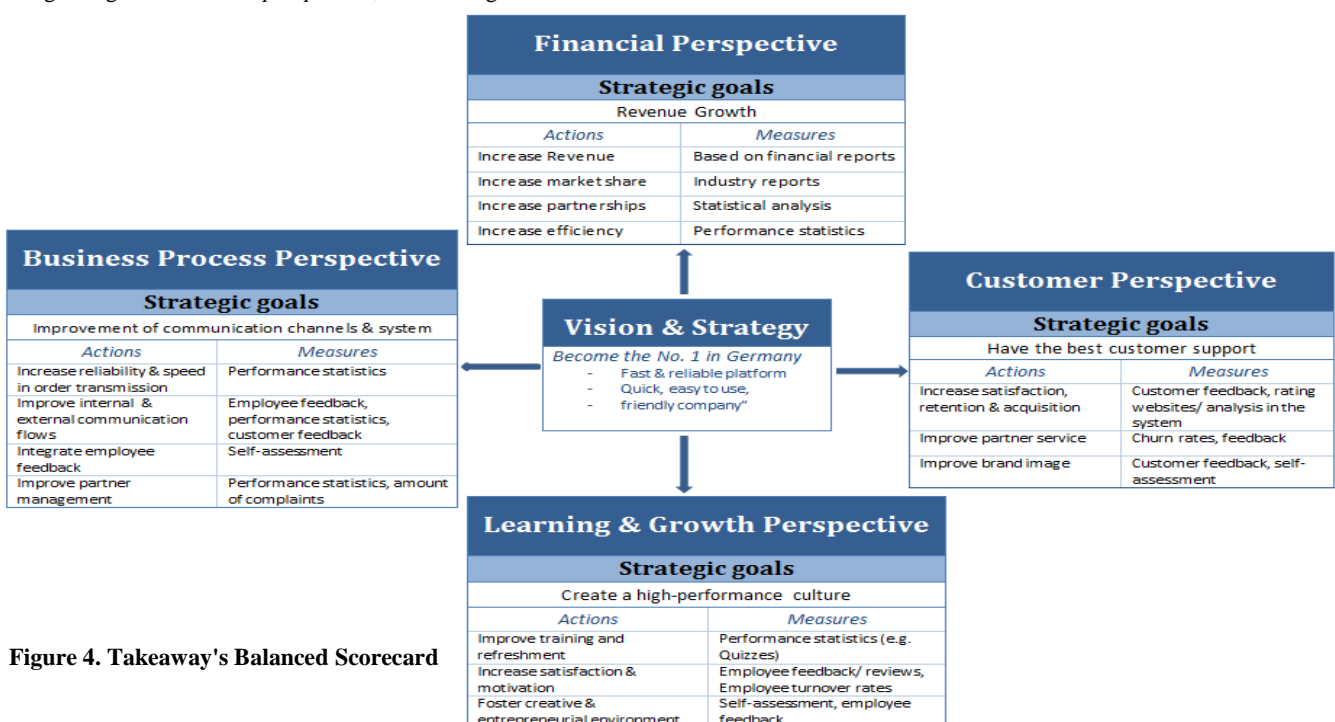


Figure 4. Takeaway's Balanced Scorecard

a company applying those theoretical exercises [...] you always see a huge gap between what is thought at universities and what is actually being done – especially on the internet. Most of those models are based on something that was built before the internet'. Maybe the model would be more interesting if it was also applicable to the other branches, which it actually is for most branches (with the common goal being to become number one in each country, it is quite easy to derive). Furthermore, as a rather young company, Takeaway.com should also focus on its start-up culture and thus keep the flexibility, spontaneity and dynamic with the company. Maybe using such a business model or rather strategic management system would hinder this kind of culture too much due to a more regulated, less flexible planning.

Nevertheless, trying to apply the BSC framework on the company was also characterized by some difficulties. As has been criticized before, the BSC approach by Kaplan and Norton lacks aids for decision making and is too general to be easily applied (Ahn, 2001). Assuming the cause-and-effect linkages and developing certain strategies and measures gave the impression of a guessing game rather than an actual strategic analysis. The generality and the missing aids were also a major obstacle in this study, but however, the generality actually makes the BSC framework applicable (with regard to the time and effort needed) in different types of business, no matter the size or environment it operates in and by also offering to change the different perspectives into what these businesses are actually focusing on (cf. Bukh & Malmi, 2005).

As of the main findings and recommendations for Takeaway.com, the analysis first of all identified the need to revise the vision statement. How can the mission and vision actually be translated and communicated to the company if the statements are not complete? After revision these statements have to be communicated through all levels of the company so that the workforce actually knows what they are working towards and what values they should stand for.

Within the *learning and growth perspective* of the BSC, the need to focus on employee satisfaction and motivation has been identified in order to reach the goal of creating a high-performance environment. In the interviews, the need for general guidelines and rules has been identified to help supporting the employees on the operational level. In general, the need for transparency is perceived as very great – employees would like to know what is actually happening in the company and how well the performance is. Since Lieferando and Takeaway.com are still in the transition phase, this is something that could be added to the mix – Lieferando's employee motivation and encouragement incentives as well as regular updates of the company's performance. The first steps toward such an approach have already been taken by planning on introducing the employee reviews through questionnaires company-wide. The step after that is, however, more important: implement the feedback. If and to what extent, employees will be involved more in business processes and planning, is of course the decision of the management. However, due to the young workforce, with often an academic background, management could actually get valuable input. Adding to this, management might in fact be too far away from the operational level, so that determining what will work best could be further from reality than if employees are actually involved.

In the *business process perspective* focus is put on the system in general and communication channels. Here, the IT department needs to finish the integrated system, and communication channels should be opened and simplified to ensure support in day-to-day activities.

The focus within the *customer perspective* is on the actual customers as well as on the restaurants or partners, with the main goal of offering the best service. In order to arrive at this, the general quality of both types of services should be reviewed and if necessary improved.

Within the *financial perspective*, Takeaway.com is not in the position of having to satisfy shareholders first with Groen holding the majority of shares. However, in order to reach the goal of becoming market leader in Germany, the company needs to grow, which is suggested within this perspective.

Regarding the BSC management system as a strategy implementation tool, there is to mention that it addresses a lot of the factors identified as obstacles for the process. On the one hand it addresses the issue of communication, focusing on breaking down the company's values and strategies to smaller targets; on the other hand it also includes the coordination to some extent. Due to the external analyses, external risk factors are also taken into account as well as the lack of resources (through earlier resource capacity and budget planning) and the organizational culture are addressed and plays a central role in the BSC system. Nevertheless, the use of the BSC framework within the closed-loop management system might be impeded due to only a little evidence of successful implementation. Although the scholars dedicated most of their work into improving the framework, there might be some issues that have not been identified yet. Management in general could be more reluctant to introduce such a system, because it takes in a lot of time and work while it is unclear whether it actually is successful. Especially in 'New economy' businesses this might pose a problem due to the rather flexible and fast changing environment.

However, stepping away from the closed-loop system and just focusing on the BSC framework and strategy maps, research has already suggested, that these might be helpful tools in performance measurement as well as in the implementation and monitoring of strategy within new economy businesses. Due to the shifting focus from tangible to intangible assets, the BSC is proposed to be useful because of its balanced focus on financial and operational measures, and within these, important but not always tangible factors such as knowledge and innovation, systems, processes, etc. are included (Bose & Thomas, 2007; Walters & Buchanan, 2001). It definitely makes sense to put the strategic objectives in order and create smaller goals in order to reach them all while being easily presented in a strategy map which can be quickly adapted if objectives change or assumptions might prove wrong.

As stated in the analysis section, this thesis has a few limitations, especially regarding access to all relevant information for proper analysis as the actual numbers and performance measures are missing and only six employees were interviewed. The closed loop system could therefore not completely be tested and steps could only be suggested. In addition, the thesis could only present the most important findings of the BSC system, due to the extensive works of the authors.

For the future, it suggests, that the general BSC framework and strategy maps could be further researched within 'new economy' environments and –businesses, especially by applying and testing the model with and in companies to provide more real-life evidence for its usefulness. Furthermore, there is a need to test the latest development in Kaplan and Norton's work (2008) since the closed-loop management system has not been properly researched.

6. CONCLUSION

This paper has provided an overview of what strategy implementation is and what obstacles there are to it. It introduced the Balanced Scorecard system from its basic framework to an actual management system and applied it to the company Takeaway.com. The thesis was able to provide Takeaway.com with interesting insights on employee wishes and general recommendations on which areas it should focus on to reach its goal to become the number one in Germany.

Coming back to the main research question whether the BSC can be a helpful tool in strategy implementation within 'new economy' businesses, the answers are yes and no. Although there has been extensive research on the general BSC framework, the newest and most complete approach has not been tested yet. It can thus not be determined whether this management system is what companies have been waiting for in order to properly implement their strategies. Nevertheless, the BSC framework has proven to be helpful in the past and might support Takeaway.com's future initiatives in thus far as to translate mission, vision and strategy into smaller targets organized in an easy to follow map. This can generally provide managers with a good overview of what actions need to be taken in the future - whether or not actual performance measurement with the framework will be used is a different question. The findings and developments in strategy can be taken into account anyway.

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9. APPENDIX

9.1 The Basic Balanced Scorecard framework based on Kaplan & Norton (1996c)



9.2 Summary of interviews – operational level

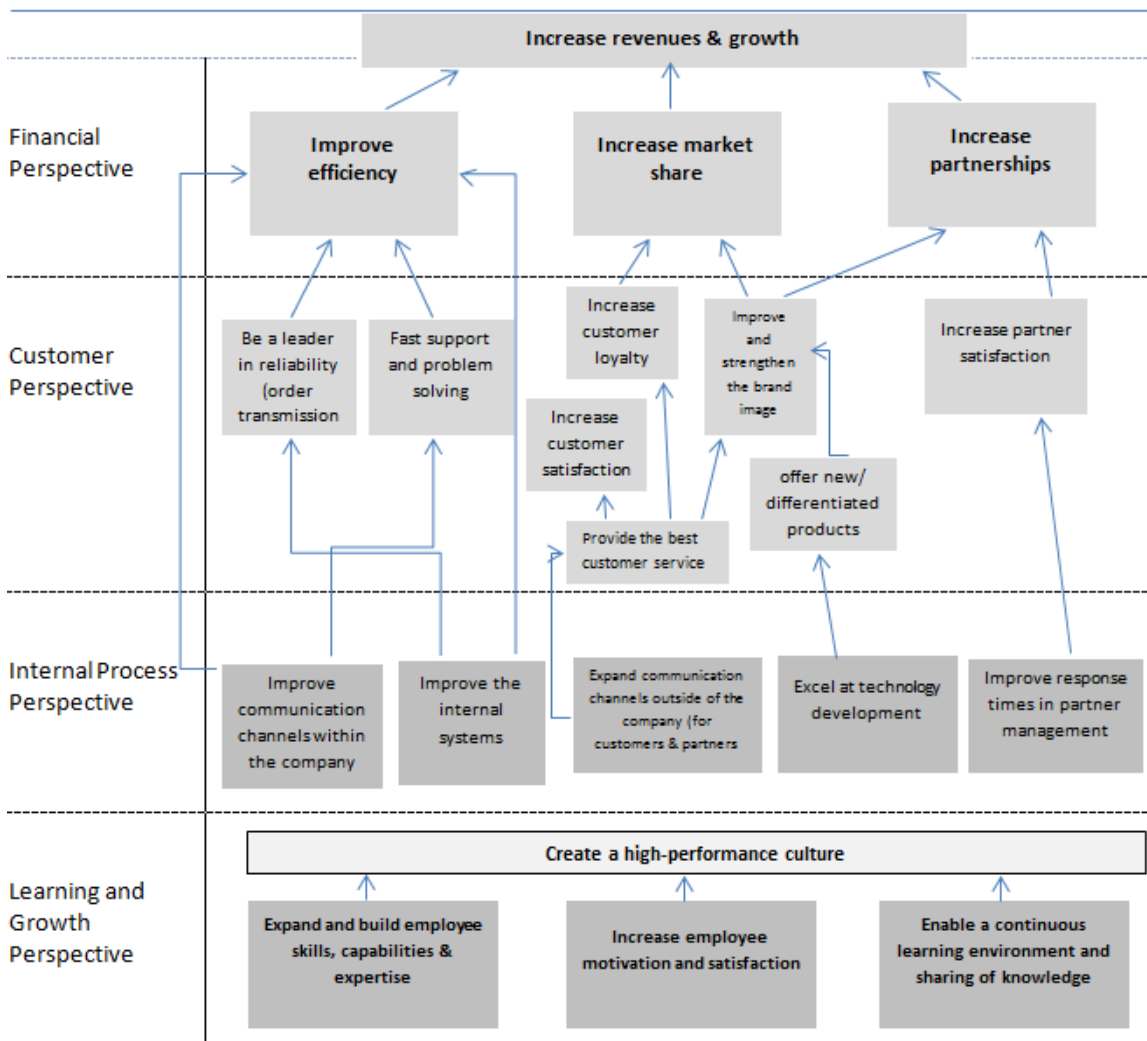
Subjects	CS Manager	CS Supervisor	Senior CS Agent	CS Agent
Development of the company	<ul style="list-style-type: none"> 4 years ago: -small office, no supervisor - enormous growth of the company E.g. 2 people on a Sunday evening*, now 20 *busiest time of the week 	--	<ul style="list-style-type: none"> - just entered the German market, 4 people were responsible for Dutch and German websites - structure had to evolve due to growing number of employees & market growth → CEO was in office regularly, gave updates 	<ul style="list-style-type: none"> - small office, less work, no supervisors, relaxed atmosphere
Fusion with Lieferando	<ul style="list-style-type: none"> - CS Manager for both offices - both offices have the same tasks - 2 cultures and strategies came together (formal vs relaxed, partner vs customer orientation) New positions were 	<ul style="list-style-type: none"> - surprise, very chaotic - wasn't planned well - especially operational level was affected 	<ul style="list-style-type: none"> - rumors about it in the company - was announced to employees at the same time as in the news - 2 teams, same tasks 	<ul style="list-style-type: none"> - during: uncertainty and fear to loose job, on operational level nobody was informed -2 worlds came together with different views (takeaway = friendly company; Lieferando = only profit-oriented) - unclear responsibilities

Information flow	<p>created:</p> <ul style="list-style-type: none"> - customer service director - project manager - top down, management → cs director → cs manager → cs supervisors → cs agents - communication between and within offices gets better - monthly cs manager meetings (from all branches) with cs director, sometimes involvement in project management - feedback, suggestions resource planning goes through cs director 	<ul style="list-style-type: none"> - top down - goes through many different levels - basically all information from CS Manager 	<ul style="list-style-type: none"> - top down through different levels - lots of flaws in operative communication channels → difficulties, missing or faulty information 	<ul style="list-style-type: none"> - main information comes from supervisors - too many information channels - does not feel informed well - information about general changes come very late
Employee involvement	<ul style="list-style-type: none"> - cs managers are involved sometimes - cs agent involvement is encouraged at operational level - feedback meetings for both sides → open door policy - recent employee feedback → still working on results 	<ul style="list-style-type: none"> - recent feedback from employees: try to realize suggestions & support agents - supervisors can give feedback & suggestions during meetings with CS Manager - open door policy for employees 	<ul style="list-style-type: none"> - if there is involvement, then only on operational level (team meetings, feedback) - suggestions probably do not leave this level and are not used in strategy development - assessment of employee satisfaction and feedback 	<ul style="list-style-type: none"> - there was a feedback questionnaire but up until now no changes - also there is an open door policy but nothing is going to change anyway
Training	<ul style="list-style-type: none"> - training needed a change → training team developed - freedom for training team - guidelines and feedback quizzes can also help other employees (see if the level is the same, suggest training + revision) → based on this team's guidelines, project management wants to develop general training program for takeaway 	<ul style="list-style-type: none"> - training team does very good job, has enough freedom - performance reviews and feedback for current agents, training is offered for those who need revision 	<ul style="list-style-type: none"> - very chaotic in the past - responsible for training team, planning of training - measure knowledge levels of employees, helps in revision trainings for current employees → help developing company-wide training basis 	<ul style="list-style-type: none"> - training was ok, there was only one system - you can get a new training if you feel insecure
Employee Motivation	<ul style="list-style-type: none"> - employee events: borrel & takeaway event (summer), Christmas party, budget for team events - full-time employees go on ski vacation once a year → new reward system for employees is in development 	<ul style="list-style-type: none"> - employee events: borrel & takeaway event (summer), Christmas party, budget for team events - monthly vouchers for employees (since May) 	<ul style="list-style-type: none"> - budget for team events, also employee events - networking among employees - 2 different branches in one office with different rights 	<ul style="list-style-type: none"> - Not much is done to motivate → some freedoms are taken, more duties - Dutch office has more rights
Criticism	<ul style="list-style-type: none"> - information flow has many flaws 	<ul style="list-style-type: none"> - direct communication with other office not allowed → unnecessarily more complicated work flow, - management does not communicate any long-term plans - instructions/ rules change constantly - not all important information is available for supervisors 	<ul style="list-style-type: none"> - no communication of goals, targets, future outlooks, actual performance of the company - no communication of what the company actually stands for - communication channels in general → when something is planned, the employees who have to deal with it, are informed last 	<ul style="list-style-type: none"> - too much focus on personal statistics, speed, more on quantity than quality - no communication about the goals and future targets of the company, with other offices, communication is forbidden with Berlin -> can lead to inefficient workflow - rules and instructions change a lot
Suggestions for the future	<ul style="list-style-type: none"> - improve communication flows - more structure - new system should come 	<ul style="list-style-type: none"> - more structure - clear instructions - general rules/ guidelines 	<ul style="list-style-type: none"> - bundle different communication/ information channels - more communication between offices, getting to 	<ul style="list-style-type: none"> - general set of rules - regular trainings to refresh old guidelines, keep everyone on the same level

Other points	<p>soon</p> <ul style="list-style-type: none"> - division of customer service in different tasks to support and relieve them (already in planning) 	<ul style="list-style-type: none"> - finish database - develop new system asap - allow communication 	<p>know each other → supports mutual corporate culture</p> <ul style="list-style-type: none"> - focus more on employee motivation - new system has to come - Keep the start-up culture, keep students in the workforce and do not rely so much on full-time employees 	<ul style="list-style-type: none"> - a valuable member of the cs center should also be included in strategy meetings as well as in application process - same rules should apply to everyone within an office
		<p>It seems as if takeaway.com does not really have a strategy – some activities seem more like spontaneous decisions → sometimes spontaneity is good, but having a general overview of the company's plans would help in daily activities</p>	<p>Management should listen to the operational level of the organization.</p>	<p>It is always said that we are 1 company and 1 team, but all the communication is forbidden. How can there be team spirit and a common culture then?</p>

9.3 Strategy Map for Takeaway.com

Vision: Become the market leader in Germany by 2018



9.4 Balanced Scorecard for Takeaway.com

