



Preparation of Balanced Scorecard as Performance Measurement Instrument In PP. Kecap Maja Menjangan

Arie Wibowo Irawan^{1*}, Nur Amalina Mohamad Zaki²

¹Management Study Program, Faculty of Economics and Business,
Pakuan University, Bogor City, 16129 West Java, INDONESIA

²Faculty of Business, Economics, and Social Development,
Universiti Malaysia Terengganu, 21300 Kuala Terengganu, MALAYSIA

*Corresponding Author

DOI: <https://doi.org/10.30880/jstard.2022.04.01.010>

Received 13 May 2022; Accepted 18 May 2022; Available online 20 June 2022

Abstract: This study aims to (1) formulate and describe the BSC strategy map under the company's vision, mission, and strategy, (2) formulate the design of performance measurement system based on the BSC concept (3) measure the performance that has been achieved with BSC approach and analyze the results. The lag of indicators used by PP. Kecap Maja Menjangan is a net profit/loss margin and sales growth rate and a level of customer satisfaction index regarding the quality, price, and reputation of the product from the customer perspective. The internal business process is measured through revenue per cost (R/C) growth and the proportion of new product revenue to TR, while the level of employee satisfaction is measured through initiatives, risk tolerance, direction, integration, supervision, identity and motivation, and reward system as the lag indicator for learning and growth. The final score of 72,91 percent indicates the good overall performance of the company (although not optimal). The company performed well on all three non-financial perspectives marked by achievements above 75 percent. While the achievement of a financial perspective that showed below average results in this research period indicates the influence of external factors outside the analysis (such as the increase in the price of raw materials and fuel) that indirectly affect financial performance. Implementation of BSC plan on PP. Kecap Maja Menjangan could be done with the following stages: (1) Review of BSC design, (2) communicate the design and setting individual objectives, (3) strengthen the annual plan and budget, and (4) conduct monthly evaluations. The failure and success of BSC implementation should be viewed positively because this approach requires continuous improvement as a process towards learning organization.

Keywords: Balanced scorecard, customer perspective, financial perspective, internal business process perspective, learning and growth perspective

1. Introduction

Indonesia is a large island nation located in tropical areas and consists of more than 17,000 islands, 6,000 of which are inhabited by residents. The total area of Indonesia is about 9,8 million km² with complex geology and topology resulting in a variety of soil types and plantations. This variety makes Indonesia a *mega biodiversity country* that has the potential to produce superior agricultural products. The agricultural sector in Indonesia can be used as a basic sector and a leading sector that serves as a provider of food, medicine, fiber, energy, and some of the raw materials industry (Khairiyakh et al, 2015).

The agricultural sector in addition to providing basic human needs and industrial raw materials also plays a role in absorbing sizable labor across skill levels. The agricultural sector in this case agribusiness is a sector that absorbs more than 75 percent of the national workforce including 21,3 million small-scale business units in the form of agricultural household businesses.

In general, Indonesian farmers only produce output in the form of commodities without going through further processing, so that what is produced in the garden or rice fields will be the same as that is received by end consumers. This is the cause of output in the form of commodities failing to compete in the market since consumers as decision-makers will consider the added value that reflects the level of satisfaction of a product. This is role of the company is critical in the food processing industry as a value-added instrument in agricultural commodities (Reza et.al., 2014).

Currently, companies in the processing industry have not contributed optimally indicated by the low levels of productivity. Similar obstacles are also faced by the small soy sauce industry that utilizes soybeans as the raw material for its production. Soy sauce as an alternative to processed soybeans is a food ingredient that has long been widely consumed by the people of Indonesia (Zainuri, et.al., 2018). The soy sauce industry is very important to be developed because it can provide added value to soybean commodities that are seasonal and perishable.

To be able to market its products optimally, soy sauce companies continue to compete to produce products with different sizes, flavors, and packaging in meeting diverse consumer needs. Consumer preferences lead to products that have differentiating factors (*distinction*) from the competition as a result of strategic advantages. The implementation of the right strategic steps will allow the company to adapt to the competitive landscape and eventually thrive in the competition.

One of the strategic steps that determine success is the consistent and continuous improvement of the company's performance. A performance improvement requires a balanced and comprehensive measurement so that it can be a relevant improvement benchmark and able to influence all components of the company to achieve the target set. Balanced performance measurement will enable companies to evaluate the results that have been achieved and recommend corrective measures more easily.

Most companies in the soy sauce industry and other industries still use financial measures to assess the success of its performance. One of the reasons underlying the use of this measure is the ease of understanding factors quantitatively through financial ratios. Financial measures are generally only used to increase the profits written on financial statements and map the company's current position, so they cannot be used as a guide in determining the company's strategy and performance improvement in the long term (Kaplan and Norton, 2000).

The need of performance companies measurements systems that include non-financial aspects is increasingly urgent, especially in the transformation period from the industrial to the information technology era as it is today. During the industrial era, the success of companies is driven by new technologies and financial control systems to monitor the allocation of financial and physical capital. The onset of the information technology era has made the basic assumptions of the industrial century no longer relevant.

Referring to these conditions, the company requires a comprehensive performance measurement system that covers financial and non-financial aspects. This performance system is expected to be able to align vision, mission, and strategy into a program that can be done effectively and can know the success rate of the company reviewed from various perspectives. To accommodate these needs, a *Balanced Scorecard* (BSC) measurement system covers four perspectives, namely finance, customers, internal business processes, and learning and growth processes. These four perspectives allow companies to record financial performance results while monitoring progress in acquiring intangible assets for future growth (Mulyadi, 2001). Therefore, this study aims to (1) formulate and describe the BSC strategy map by the company's vision, mission, and strategy, (2) formulate the design of performance measurement system based on the BSC concept (3) measure the performance that has been achieved with BSC approach and analyze the results.

2. Literature Studies

2.1 Performance Measurement

Performance measurement is the periodic determination of the operational effectiveness of an organization based on the standards, objectives, and criteria that have been set by the organization (Villazón, 2020). Performance measurement

is in the implementation stage, while the measurement results are in the monitoring stage, which is then communicated to provide feedback in decision making. Performance measurement is related to the determination of strategies and steps to be taken by the company so if the measurement basis used is not strong, the decision-making strategy will cause various errors and losses. Although it looks important, there will still be many companies that do not take advantage of it.

Effective measurement should be part of the overall management process so that every aspect of the company can be identified and linked so as not to clash with each other. Without performance measurement, action in decision-making will not be effective (Villazón, 2020). The company's performance should be a measurable result and describe the empirical conditions of a company from the agreed size share. To find out the performance achieved, a performance assessment is carried out (Fitria & Ardiansyah, 2019). Performance assessment a business organization unit applies the perspective of the balanced scorecard which is only profit-oriented (private sector).

2.2 Balance Scorecard and Performance Measurement

The balanced scorecard as a performance measurement tool gives a balanced emphasis on financial and non-financial aspects of four aspects, namely: financial aspects, customers, internal business processes, and aspects of the learning and growth process. In this context, the balanced scorecard functions as a critical performance indicator, which is a measurement that indicates the company's performance on critical success factors. The balanced scorecard through the established measures forms a direction to the expected condition (Sundari, 2012). With the Balanced Scorecard, the goals of a company are not only stated in financial measures but are expressed in terms of how the company creates value for current and future customers. Also, how the company must improve its internal capabilities including investment in people, systems, and services and procedures needed to obtain better performance in the future (Benkova et al., 2020).

The balanced scorecard consists of two words, the scorecard and balanced (balance). A scorecard is a card used to record a person's performance score. A scorecard can also be used to plan a score that someone wants to realize in the future. Through the scorecard, the score to be realized in the future is compared with the actual performance result. Kaplan and Norton (2006) initiated the concept of a balanced scorecard with four perspectives, namely the learning & growth perspective, the internal process perspective, the customer perspective, and the financial perspective. Each of these perspectives must be related to each other so that the realization is a series. If this series can be explained, a strategy map will be obtained that clearly shows how the vision and mission are translated into operational parts, namely goals and strategies to achieve these goals. The balanced scorecard is not only a performance measurement tool but becomes part of the strategy because it provides feedback and correction of the results obtained (Wibowo, 2017).

Financial and non-financial measures are not mutually exclusive relationships but are reciprocal relationships that influence each other. Financial performance measures indicate whether the strategy and its implementation are capable of providing added value and generating profits for the company as well as increasing shareholder value. The financial aspect is then influenced by non-financial aspects, as well as the financial side non-financial influenced by the financial side. Indicators measured in this perspective include increased revenue, cost efficiency, ROI. From the customer's perspective, a good relationship with consumers indicates the level of consumer loyalty to the company's products, loyalty increases when the level of satisfaction is high, consumer trust is triggered by increased services provided by the company to consumers. Companies must select superior processes and competencies and determine measures to assess process performance and these competencies. The internal business process performance measurement system is fully defined as a value chain that starts from the innovation process, continues with production time (throughput), and ends with after-sales service. From the perspective of growth and learning, the company's ability in an ever-changing business environment is determined by the competence and commitment of human resources and the availability of adequate facilities, infrastructure, and technology. Competence and commitment of personnel are determined by the quality of the organization in organizing human resources.

2.3 Characteristics of Soy Sauce Products in Indonesia

Soy sauce is one of the fermented products that is used as a flavoring product, especially in Asian countries which is the oldest condiment product in China for more than 3000 years (Xie et al., 2020). One of the characteristics that distinguish Indonesian soy sauce from other countries is sweet soy sauce. Based on food category, sweet soy sauce is a liquid product obtained from fermented soybeans (*Glycine max* L.) and sugar, brown sugar, with or without caramelization process with or without the addition of other ingredients, with the basic characteristics of total sugar not less than 40%.

The soy sauce industry is one of the important agro-industries to be developed because it can provide added value for perishable soybean commodities, increase soybean demand which will ultimately increase farmers' income, absorb labor, and increase foreign exchange through the use of export opportunities (Roessali et al., 2017). The problem that is often faced by the soy sauce industry is the increasingly expensive price of soybean raw materials and the length of the soy sauce-making process which can last for months. This has made some entrepreneurs replace soybean raw materials with other cheaper ingredients such as water mixed with soy sauce flavorings and dyes. As a result, the quality of soy sauce tends to decrease or be runny while the quantity of production increases. Meanwhile, the development of the soy sauce

industry in Indonesia is growing along with the increase in the consumption of soy sauce in the community (Malik & Nainggolan, 2020).

3. Study Method

This research was conducted with a case study approach on PP. Kecap Maja Menjangan located at Suha Street No. 209, Majalengka, West Java. Soy sauce as an alternative to processed soybeans is a food ingredient that has long been widely consumed by the people of Indonesia. The soy sauce industry is very important to develop because it can provide added value for soybean commodities that are seasonal and perishable. The types of data used in this study include primary and secondary data, both qualitative and quantitative data. The primary data needed include, among others, customer satisfaction data, and in-depth information related to the company's business processes. Primary data was obtained by distributing questionnaires to soy sauce consumers and employees at the manager and staff level as well as through in-depth interviews. Secondary data is needed in the form of financial reports and information related to the company's vision, mission, and strategic plans obtained by the company's management.

The customer satisfaction questionnaire contains 20 questions consisting of 5 questions regarding respondent characteristics and 15 questions regarding consumer behavior in purchasing soy sauce related to the reasons for product selection, number of purchases, product introduction, product evaluation, and product quality. The employee satisfaction questionnaire contains 28 questions consisting of 4 questions regarding respondent characteristics and 24 questions regarding the individual initiative, risk tolerance, direction, and integration. In-depth interviews were conducted with company owners and employees at the manager level to obtain information regarding target setting, goal weighting, and strategic measures in the BSC design.

The research population is all customers and employees of PP. Kecap Maja Menjangan. The research sample was selected using a purposive sampling method, namely for selected customers who have made repeated purchases (more than once). For employees, no sampling was carried out, but all employees were the research sample with a total of 13 employees.

4. Data Management and Analysis Methods

The steps in data analysis are as follows. First, measure financial-based performance measurement indicators that have been used by companies and identify existing weaknesses. Second, describe the vision, mission, and strategy of the company to develop a strategic map BSC yang consists of strategic objectives from each perspective. Third, determining the strategic size (*lag* and *lead indicators*), targets as well as strategic initiatives on each strategic reference perspective of BSC. Forth, give weight to goals and *lag indicators* in every perspective, then continue by measuring the success rate of performance achievement against the set targets.

The following are explained performance measurement procedures used in all four perspectives based on the BSC concept. Financial Perspective is financial themes that can encourage strategy determination, namely: (1) revenue growth, (2) cost savings and increased productivity, and (3) utilization of assets or investment strategy. Customer Perspective is the level of customer satisfaction by using a descriptive tabulation analysis. This analysis is used to process the results of a survey that contains data on the identity and behavior of respondents in the purchase of Soy Sauce (kecap Maja Menjangan). The behavior of respondents assessed included need identification, information search, alternative evaluation, purchase and results of quality, price, as well as product reputation variable. Internal Business Process Perspective uses descriptive evaluative analysis which is a method of analysis that aims to obtain an in-depth and objective description of the object of research. Learning perspectives and growth that the steps taken in processing the results of employee satisfaction surveys are as follows. First, Assign a value to each respondent's answer (employee) namely $a = 3$, $b = 2$, and $c = 1$. Second, move questionnaire assessment results to the tabulation sheet. Third, determine the median of each variable studied. Fourth, move the sorted data to a worksheet to be weighted according to the importance level and then analyzed.

The final result of BSC is the design of a performance measurement system on all four perspectives, calculated through the following steps: (1) achievement of targets for lag indicators = results achieved in a certain period in the target for lag indicators in that period, (2) score for lag indicators = achievement of target lag indicators multiplied by the weight of lag indicators, (3) score for each perspective = summation of lag indicators score contained in that perspective, (4) achievement of each perspective's target = perspective score divided by perspective weight, (5) BSC score = summation of the score throughout the BSC perspective.

5. Results and Discussion

5.1 Balanced Scorecard Strategy Map

PP. Kecap Maja Menjangan Strategy needs to be reformulated by referring to the existing vision and mission. The company's strategy serves as a policy direction in operational activities to achieve long-term goals. The strategy

formulation in the following table is based on the results of interviews and research questionnaires. The formulated strategy is adjusted to the internal and external conditions faced by the company.

Table 1 - Internal and External Factor Analysis PP. Kecap Maja Menjangan

Swot	BSC			
	Finance	Customer	Internal Business Processes	Learning & Growth
Strength	Heritage of Majalengka soy sauce products	Loyal customers	Natural soy sauce without preservatives	High employee loyalty
Weakness	Limited working capital	Soy Sauce (Kecap Maja Menjangan) price is relatively high	Lack of product innovation	Insufficient knowledge by employees
Opportunity	Demand for soy sauce is high and stable	The marketing area is still large	<i>Natural</i> and healthy product trends	Job training by local government
Threat	New competitors	The decreased purchasing power of consumers	Increase in production input price	The increase in living cost

Based on these internal and external factors, in general, the company is faced with two main problems, namely as follows. The competition in the soy sauce industry is increasingly competitive, which is marked by the entry of new competitors and the expansion of existing companies. In addition, the increase in operating expenses that are beyond the company's control (the price of production inputs and fuel) as well as inefficiencies in other expenses that cause losses. Responding to existing problems, PP. Kecap Maja Menjangan formulated a strategy, namely the creation of financial stability through profitability growth.

The strategy formulated by PP. Kecap Maja Menjangan is translated into strategic objectives that describe a causal relationship in the four BSC perspectives. Profitability growth and market development through sales from a financial perspective. Increased customer satisfaction with the quality, price, and image or reputation of the product from the customer's perspective. Improvement of production effectiveness and efficiency as well as new product growth from the perspective of internal business processes. Increased employee satisfaction in terms of initiative, tolerance for risk, direction, integration, supervision, identity, and motivation, as well as a reward system from a learning and growth perspective.

Vision

"Action-oriented family companies. Leaders who are committed to continuously improving the quality and relationships that benefit stakeholders (owners, customers, employees, suppliers, governments, and people) to focus on value-adding activities. PP. Kecap Maja Menjangan envisions to become a reference standard for other businesses to measure their work performance"

Mission

1. Conducting business effectively, efficiently, and responsibly to achieve financial returns proportional to long-term growth, as well as benefiting the owners of the company;
2. We believe our first responsibility is to consumers and customers who consume our products;
3. Develop, manufacture, and market the best natural soy sauce through a cost-effective process;
4. Accepting, developing, motivating, rewarding, and retaining employees who have the outstanding ability, character, and dedication by providing good working conditions and superior leadership,

Strategy

"Creating financial stability through profitability growth"

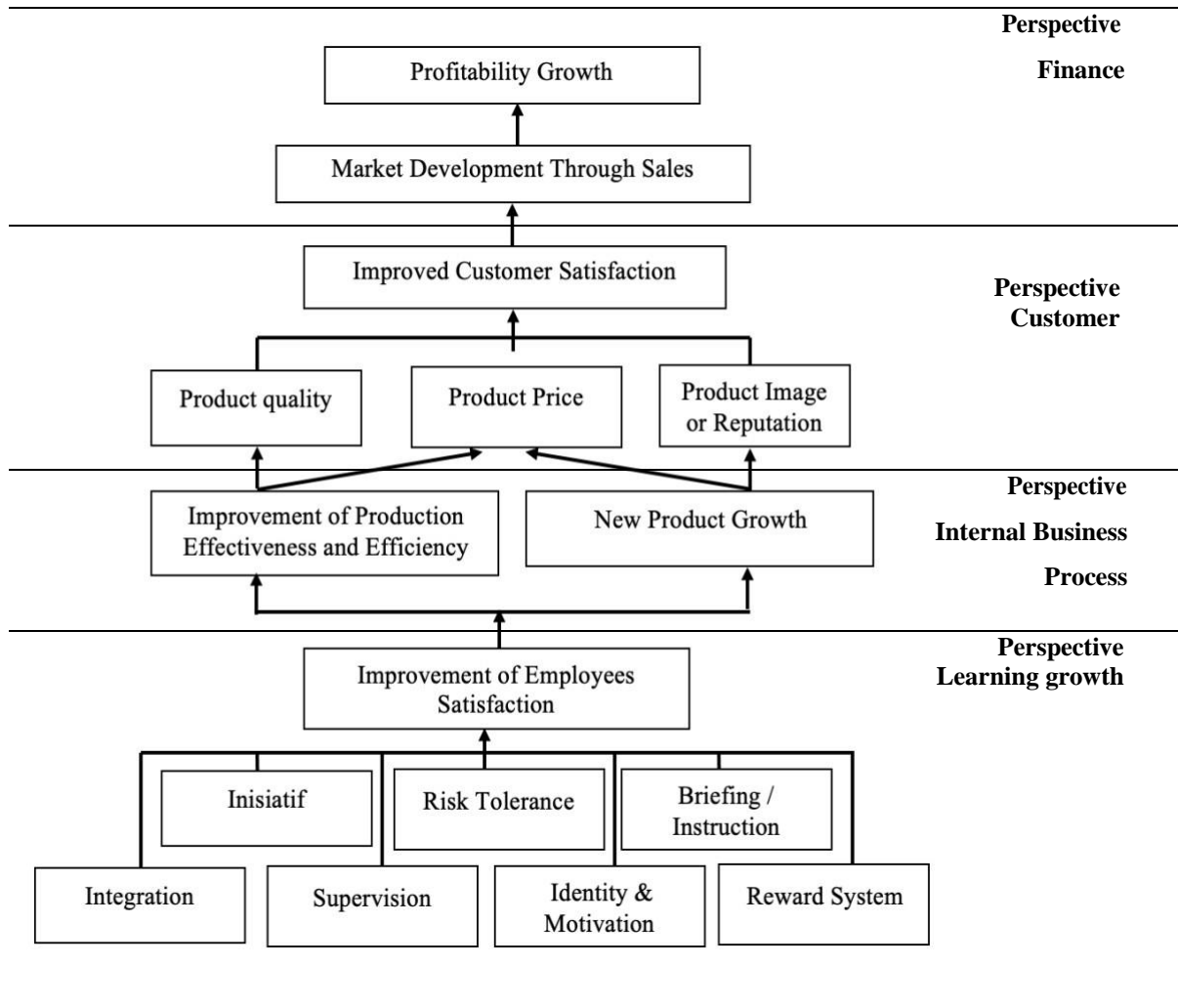


Fig. 2 - BSC Strategy Map PP. Kecap Maja Menjangan

5.1 BSC Measurement System Design

5.2 Finance Measurement

Products produced by PP. Kecap Maja Menjangan soy sauce is at a survival stage in the product cycle. This can be seen from the growth in market share revenue which is small and tends to be constant. On the other hand, the percentage of revenue from new products also has growth opportunities.

Referring to the mission, product position in the cycle and the company's strategy directed at creating financial stability, the strategic objectives from a financial perspective are profitability growth and market development through sales. Strategically, this shows that PP. Kecap Maja Menjangan will focus on existing customers and try to expand the market to potential new customers.

5.3 Customer Perspective

Efforts to establish corporate value based on consumer perceptions are implemented by determining customer satisfaction as a strategic goal in this perspective. This strategic goal setting is also in line with the company's mission which states that "we believe our first responsibility is to the customers who consume our products." Customer satisfaction which is included in the main measurement group includes elements of value proportions in the form of product attributes (quality and price) as well as product image or reputation.

5.4 Internal Business Process

Two cross-business processes defined by PP. Kecap Maja Menjangan is the improvement of the effectiveness and efficiency of production as well as the growth of new products. Setting strategic goals in this perspective is also very relevant to the company's mission.

The first strategic objective is focused on improving the effectiveness and efficiency of production. This is related to the company's efforts to reduce expenses that are classified as large and inefficient. The second strategic objective in

the internal business process is the growth of new products that have characteristics that are more watery than MM soy sauce. The growth of new products is carried out together with improvements in production effectiveness and efficiency, which will ultimately lead the company to market development and long-term profitability growth.

5.5 Learning and Growth Perspective

The ability to learn and grow in the BSC perspective identifies the need for human resource development as a central driving function that can be achieved through the strategic goal of increasing employee satisfaction. The level of satisfaction, in this case, reflects the expectations of employees who are met compared to the perception of what has been obtained from the company. The achievement of strategic objectives in this perspective is in line with the company's mission of "accepting, developing, motivating, rewarding, and retaining employees of outstanding ability, character, and dedication by providing good working conditions and superior leadership."

The following is the design of the BSC measurement system in PP. Kecap Maja Menjangan contains strategic measures (lag and lead indicators), targets, and strategic incentives.

Table 2 - BSC Draft of PP. Kecap Maja Menjangan

Strategic Objectives	Strategic Size		Target	Strategic Initiatives
	Lag Indicator	Lead Indicator		
Finance				
(F1) Growth profitability	- Net profit/loss margin	- Gain/loss - Sales results	12,48% (BEP)	-
(F2) Development market through sales	- A sales growth rate	- Selling price of the product - Number of sales product	20% (BEP)	-
Customer (C1) Increase customer satisfaction	- The level of customer satisfaction with: a. Product quality b. Product prices c. The product image or reputation	- Satisfaction survey customer	100% 100% 100%	- Repair quality through additional distribution - Assignment the price Competitive - Consistency products without Preservatives
Internal Business Processes				
(B1) Improve Effectiveness and efficiency production	- Revenue per cost (R/C)	- Total revenue - Total cost	0,11 (BEP)	- Salary efficiency employee and other expenses
(B2) Growth new products	- Proportion of new product revenue to TR	- Revenue of products new - Total revenue	5% (BEP)	- Innovation products and market research

Learning and Growth

(P1) Increased Satisfaction employee	- Employee satisfaction level in: a. Initiative b. Risk Tolerance c. Briefing d. Integration e. Supervision f. Identity & motivation g. Recognition system	- Satisfaction survey employee	3	- Upgrade remuneration and reward for employees - Provide complementary medical treatments - Enforce disciplinary punishment
--------------------------------------	---	--------------------------------	---	--

5.6 BSC Performance Measurement

The following table is a summary of the results of the performance appraisal based on the four perspectives of the BSC. Each performance appraisal is compared with the targets set by the company. The weighting process refers to the design of a performance measurement system with a total weight of 100 percent. The more important a perspective and outcome measure are to the company, the greater the weight given. The amount of weighting value will determine the final score of performance measurement in the company because the weighting results will be multiplied by the achievement of performance in that period.

Table 3 - Performance Measurement Results PP. Kecap Maja Menjangan (2005-2006)

Strategic Objectives	Strategic Size Main Result (<i>LagIndicator</i>)	2005	target	Target Achievement	Weight (%)	Score (%)
Finance (20%)						
F1. Profitability Growth (10%)	- Net profit/loss margin (10%)	10,71%	12,48%	85,82	10,00	8,58
F2. Market development through sales (10%)	- Sales growth rate (10%)	-2,51%	20%	-12,55	10,00	-1,25
				36,65	20,00	7,33
Customer (25%)						
C2. Improved customer satisfaction (25%)	- The level of customer satisfaction with:					
	a. Product quality (10%)	98%	100%	98	10,00	9,80
	b. Product price (10%)	82%	100%	82	10,00	8,20
	c. Product image or reputation (10%)	89%	100%	89	5,00	4,45
				89,80	25,00	22,45
Internal Business Processes (30%) :						
B1. Improvement of production effectiveness & efficiency (18%)	- Revenue per <i>cost</i> (R/C) (18%)	0,09	0,11	81,82	18,00	14,73
B2. Growth of new products (12%)	- Proportion of new product <i>revenue</i> to TR (12%)	3,5%	5%	70,00	12,00	8,40
				77,10	30,00	23,13
Learning & Growth (25%)						
P2. Improved employee satisfaction (25%)	- Employee satisfaction rate (25%) in the case of:					
	a. Initiatives (3%)	3	3	100,00	3,00	3,00
	b. Risk Tolerance (3%)	2	3	66,67	3,00	2,00
	c. Briefing (3%)	3	3	100,00	3,00	3,00
	d. Integration (3%)	3	3	100,00	3,00	3,00
	e. Surveillance (3%)	3	3	100,00	3,00	3,00
	f. Identity & motivation (4%)	3	3	100,00	4,00	4,00
	g. Award system (6%)	1	3	33,33	6,00	2,00
				80,00	25,00	20,00
						72,91

Overall, the company's performance in all four BSC perspectives is quite good (although not optimal), as seen from the final score of 72,91 percent (from table 3). The achievement of this final result is mainly influenced by the performance of the financial perspective which is well below the target. The performance of the financial perspective was in the below-average category with a final score of 36.65 percent. The increase in net profit/loss margin did not have a considerable impact on financial performance, as market development through the traditional market did not go as planned.

The final score of 89.80 percent in the customer's perspective shows good performance, although not optimal. The level of satisfaction with the quality, price, image, and reputation of the product is in a good category but in the long run, the company should strive to increase satisfaction on these three indicators. The company's performance is also considered good (although not optimal) from the perspective of internal business processes as evidenced by the quantification of performance achievement of 77.10 percent. Improved effectiveness and efficiency of products and development of new products have begun to show improvements in a positive direction in contributing as expected by the company. The final score of the learning perspective & 80 percent growth showed good performance (although not optimal). Overall, only the parameters of the reward system are still well below the target, while the risk tolerance parameter is only slightly below the company's target.

6. Conclusions and Recommendations

6.1 Conclusion

Measurement of financial-based performance conducted by PP. Kecap Maja Menjangan refers to sales indicators (sales amount, sales results, total transactions, and average spending) and indicators of profitability of operating expenses, percentage of operating expenses to sales, as well as net profit/loss, showing unsatisfactory results. Profitability growth and market development through sales is a strategic objective from a financial perspective taking into account the position of the product at the 'maintain' stage. To achieve this, it is necessary to increase customer satisfaction with the quality, price, product reputation from the customer perspective; improvement of production effectiveness and efficiency as well as the growth of new products from the perspective of internal business processes; then increase employee satisfaction on the perspective of learning & growth.

Referring to the BSC strategic map, *the lag indicators* used in PP Kecap Maja Menjangan are net profit/loss margin and sales growth rate on a financial perspective; customer satisfaction level to quality, price, image or product reputation for customer perspective; *revenue per cost* (R/C) growth and proportion of new product *revenue* to TR for Internal Business Process perspective; level of employee satisfaction in terms of initiative, risk tolerance, briefing, integration, supervision, identity and motivation, and reward system for learning & growth perspective.

The final score of achieving the target indicates the performance of the PP. Kecap Maja Menjangan overall is quite good (although not optimal). The company performed well on all three non-financial perspectives, judging by achievements that were above 75 percent. In other words, the company already has a strong enough fundamental to support the success of the financial perspective as the final goal. Achieving results on a poor financial perspective does not necessarily reflect the decrease in performance in this research period (2005-2006), but it should also be compared to the previous period (2004-2005) to obtain more objective and comprehensive results. The comparison of results achieved over the last 2 years, shows improved performance reflected in the decrease in the financial losses.

Short-term and fluctuating financial performance in each period indicates the influence of external factors beyond the content of this study, such as the increase in the price of raw materials and fuel that directly affects financial performance. The process of integrating BSC into the strategic management system is carried out through several stages, namely: a review of BSC design, communicating plans and setting individual objectives, strengthening annual plans and budgets, and conducting monthly evaluations.

6.2 Recommendations

The results of performance measurement in PP Kecap Maja Menjangan should be used as the first step in integrating the BSC concept into the company's strategic management system. The implementation of this integration process can refer to the stages that have been prepared before or by adding activities that are considered important (modifications) to be more implementable and suitable to address on-the-ground needs. The process of integrating BSC into the company's management system requires complete data or information as a strategic measure, therefore, PP. Kecap Maja Menjangan is advised to improve the bookkeeping mechanism by including the company's cash flow and balance sheet statements.

In supporting and accelerating the realization of the company's strategy in the form of financial stability creation through profitability growth, the company should add distribution channels through the establishment of partnership patterns with selling agents/stores outside the Majalengka region. PP. Kecap Maja Menjangan should create a system of incentivizing more proportional to the needs of employees, this is urgent to do because the results of

employee satisfaction surveys through the parameters of the award system show poor results. As a form of improvement of BSC performance measurement on PP. Kecap Maja Menjangan, further research can be focused on the process of integrating the BSC concept into the company's strategic management system.

References

- Benkova, E., Gallo, P., Balogova, B., & Nemeč, J. (2020). Factors Affecting the Use of Balanced Scorecard in Measuring Company Performance. *Sustainability*, 12(3), 1178
- Kaplan, R.S. Dan D.P. Norton. (2000). *Balanced Scorecard: Putting Strategy into Action (Translation)*. Erlangga, Jakarta.
- Khairiyakh, R., Irham, Mulyo, J. H. (2015). Contribution of Agricultural Sector and Sub Sectors on Indonesian Economy. *Ilmu Pertanian*, 18(3), 150 - 159
- Malik, A., & Nainggolan, S. (2020). Factors Affecting The Import Of Soybean In Indonesia. *Jurnal Perspektif Pembiayaan dan Pembangunan Daerah*, 8(5), 523-530.
- Mulyadi. (2001). *Balanced Scorecard: Contemporary Management Tool To Multiply Corporate Financial Performance*. Salemba Four: Jakarta.
- Reza, M. A., Firdaus, M., & Novianti, T. (2014). Analysis Of Food Price Stabilization In Indonesia. *ASEAN Journal Of Economics, Management, And Accounting*, 2(1&2), 48-63.
- Roessali, W., Ekowati, T., Prasetyo, E., & Mukson. (2017). Supply Response Of The Soybean In Indonesia. *Presented at The 6th Indonesian Regional Science Association (IRSA) International Institute*.
- Villazón, C. C., et al. Identification of Key Performance Indicators in Project-Based Organisations through the Lean Approach. *Sustainability*, 12(5977), 1-18
- Wibowo, E. W. (2017). Performance Analysis Study of Micro, Small, and Medium Enterprises (MSMEs) Using the Balanced Scorecard Method. *Jurnal Lentera Bisnis*, 6(2), 25 – 43.
- Widjaja, R. P. A. (2018). Purchase Division Performance Management System Design with Balance Score Card Framework and Strategy MAP (Case Study of X Maternity Hospital in Pacitan). *Business and Finance Journal*, 3(2), 127 – 138.
- Xie, M., An, F., Zhao, Y., Wu, R., Wu, J. (2020). Metagenomic Analysis Of Bacterial Community Structure And Functions During The Fermentation Of Da-Jiang, A Chinese Traditional Fermented Food. *LWT-Food Science and Technology*, 129, 109450
- Zainuri, Saleh, M., Hisamudin, N., & Mahardiyanto, A. (2018). Financing And Institutional Models Of Soy Products. 2nd International Seminar Series On Regional Dynamic (Issrd).