

The 1997 established Korea Research Institute for Vocational Education and Training (KRIVET) is one of the major government-sponsored research institutes in Korea. KRIVET has about 150 staffs, around 100 of which are fellow researchers with ph.D degrees.

Korea's Research Institute chose QPR ScoreCard for organizational process innovation

CUSTOMER CASE:



"QPR solution provides us not only the tools but also the experiences and thus, best practices of strategy management. Now most of the staffs are able to participate in the innovation process to attain the goal, with one picture of the institute and one-mindedness."

*Dr. Young Saeng Kim
KRIVET Korea*

In 2007, KRIVET developed "KISPY (KRIVET Innovation Strategy Portal)" for the purpose of raising the awareness on innovation and its performance through management of KPIs and collaboration. Even though fully launched only recently, it was highly expected that they could not only boost the strategy-consciousness, but must prepare more effectively for the various audits and evaluation from outside of the institute.

With the development of knowledge society, human resources development is becoming ever more important and the research scope of KRIVET has also expanded rapidly. And that was making change and expansion of its organization a common thing rather than exception. These changes of business environment led KRIVET to consider and finally decide to adopt Balanced Scorecard systems, in order to boost performance and innovation

through systematic management process.

End-users voted for QPR

A project was embarked on to find direction and its implementation methodologies as well as to collect various alternative candidate KPIs. After intensive internal discussions and external survey on the leading research centers to benchmark, KRIVET decided to go with QPR and its partner in Korea, ImpactLine Co., in June.

Major Government and public institutes in Korea usually prefer to have uniform system surrounding open systems like Unix for the purpose of simpler system administration. That made them inevitably somewhat reluctant to introducing Windows-based systems. But the kind of performance manage-

KRIVET's mission is to research on technical and vocational education and training policies. In view of importance of its mission, KRIVET decided to build Balanced Scorecard systems in early 2007 to streamline its strategic management process.

ment systems are usually initiated by the end-users rather than IT shop, with major selection criteria are ease of use and flexibility.

QPR ScoreCard gave 3D-based graphical interface and was very flexible in complying with various and sometimes changing needs from the end-users. Those features added to the low cost hardware platforms made possible to choose QPR ScoreCard. Also, in view of the limited resources and its plan to "start small and grow big", they decided to start with smallest system with MSDE as a database for example, while maintaining future scalability.

Focus on performance management

KRIVET was receiving audits and evaluations by the two separate government agencies: one regarding the innovation process of R&D activities, and the other regarding financial and budgeting aspects.

Once the main project began, a decision about the scope of KPIs was needed and whether or not have dual scorecards. This resulted in almost twice the number of Key Performance Indicators (KPI), each belonging to two distinct scorecard models.

QPR's solution was very convenient in that KRIVET could choose whatever they wanted: one model with all those KPIs with one basket or two separate models for each purpose, each approach having its own pro and con. What was important was to focus on the main purpose of their performance management, leaving all those implementation issues behind to the implementers and solution software.

Design of the performance model took about two months with two scorecards: BSC scorecard and Innovation Performance scorecard. Using these two models KRIVET could monitor, communicate and feedback regarding both of strategic objectives and core projects on a continual basis, through its so-called "KISPY (KRIVET Innovation Strategy Portal)".

Innovation Management Committee to establish KPIs

Major activities began with the formation of "IMC (Innovation Management Committee)" inside KRIVET with the purpose of establishing KPIs. The committee consisted of 7-9 members and began its works actively since early 2007.

In the first quarter of its activities, emphasis were laid on gathering all the major management indexes, on which external consultants were later invited for in-depth study and recommendation.

In mid-June KPIs were finalized through a series of joint-executive meetings. During the whole project, major portion of time was consumed for setting performance targets and ratios to be applied to each team and division. All the system and models finally went live in January 2008.

Own sets of KPIs for Innovation and Management Performance

KRIVET's balanced scorecard model consisted of two sets of KPIs: Innovation Model and Management Performance model.

Management Performance model was based on the general balanced scorecard theories and its methodologies. Mission, vision and core values led to core values of the organization, which helped them to set up four different perspectives and other measures such as Critical Success Factors and Key Performance Indicators. Strategy maps were drawn by the usual cause-and-effect principle. The model was covering missions and mid- to long-term development plans as well as strategy maps.

In formulating the strategies, KRIVET benchmarked 2 Research Centers, one in Korea and the other from abroad.

Innovation model had 5 categories, 15 evaluation factors and 39 performance measures, 8 of which are for KRIVET-level rather than each teams and divi-

sion. Major stress was put on raising the performance and how they could institutionalize its performance models.

Although these two sets were managed separately, around 70 % of the KPIs overlapped. Part of the reason was that KRIVET tried to maintain its consistency in utilizing the two models, with only differences on which they focus on and mobilize its organizational resources during each seasons of the year.

Conclusions

KRISPY, a BSC-based Innovation management system, is bringing a new momentum in strategic management to KRIVET.

The project clearly raised strategy awareness among its members. Management could also focus on key indexes, much simplifying and much more effective managerial attention.

"With the new systems and its improvements to come, KRIVET is expected to leverage on the power of collaboration, innovation and strategic management."