

NEC Soft, Ltd., established in 1975, is an information technology company, which provides consultation, system integration, software packaging, training, development of various business systems, support of system operation and development of basic software and common application packages and ASP services. NEC Soft has over 5500 employees and its sales reach 126.6 billion yen annually. NEC Soft has its headquarters in Tokyo and five subsidiaries located in Japan, China and Vietnam.

QPR ScoreCard Supports NEC Soft's Balanced Scorecard based Management Innovation

CUSTOMER CASE:

NEC NEC Soft, Ltd.



Above, 4 of the 5 members of NEC Soft's Balanced Scorecard Team.

"We use QPR ScoreCard in our monthly company conference. We project the view of QPR Portal (Briefing Booklets, etc) directly to the screen, and check the progress (i.e. strategy fulfillment status) of each division."

*Tomoya Sudoh,
Corporate Planning Division*

NEC Soft, Ltd. is one of NEC Corporation's affiliates in Japan.

By offering total, unified services with separate business domains, NEC Soft's Total Services dynamically support the value creation customers seek.

As it says in their vision statement, it is the business vision of the NEC Group to continue responding to the needs of the new society by providing solutions for the secure use of a ubiquitous environment and for the increasingly efficient and productive activities of individuals, businesses, and public agencies.

Introducing the Balanced Scorecard methodology

Since 1997, NEC Soft, Ltd. had been working on management innovation activities based on the Japan Quality Award, established by the Japan Productivity Center for Socio-Economic Development.

However, they had been experiencing some difficulties in achieving high

quality assessment due to a strong requirement of assessment skills.

Moreover, the results of the assessment pointed out two issues NEC Soft was facing: the strategy execution was weak, and the performance measurement of the corresponded strategy and measures was insufficient.

Soon NEC Soft learned that the Balanced Scorecard methodology would help them solve these issues. They started testing the Balanced Scorecard methodology in 2002, and expanded it throughout the company in 2004.

As the concept of Balanced Scorecard was introduced, all divisions and employees were able to discuss about strategy and target levels using a common language, and also to talk about strategy with breaking down to the actual action-level. As a result,

NEC Soft's management transparency increased considerably.

Implementing QPR ScoreCard

During February to March 2004, NEC Soft was concentrated on evaluating QPR ScoreCard. The evaluation meetings were held every week (5 times) with 8 members; 2 from the commodity management department, 1 from the management planning department, and 5 from the business promotion department.

The evaluation process was divided into 4 phases with the following topics:

- "How to input (gather) data"
- "How to commit and follow up"
- "How to manage the progress"
- "How to evaluate the performance"

These topics helped them realize that QPR ScoreCard was the tool that covered all their needs related to a potential Balanced Scorecard tool.

QPR ScoreCard was introduced as their Balanced Scorecard tool during the company conference held in mid April 2004. From the 1st-half of the fiscal year 2004, 5 divisions started a trial usage of QPR ScoreCard, and only afterwards it was rolled-out to all divisions in the company.

Although they had invested more manpower on end-user education & trainings, NEC Soft currently manage all BSC operations with very few manpower: one person from the information system department, another one from the BSC promotion team, and on-and-off support from the commodity management division.

Increased transparency with QPR ScoreCard

NEC Soft introduced QPR ScoreCard as a progress management tool in 2004. Nowadays, they are managing a total of 45 divisions (9 staff divisions, 35 line divisions and 1 subsidiary company) with the BSC methodology using QPR ScoreCard.

Each division creates 3 types of balanced scorecard every year:

- medium term plan
- 1-year/1st half-year plan
- 2nd half-year plan BSC

The last two are checked every month to analyze the progress and consider the need for further actions.

Since 2006, NEC Soft use QPR ScoreCard in their monthly company conference. The view of QPR Portal (Briefing Booklets, scorecards, etc) is projected directly to the screen, so that each division's progress can be checked (i.e. strategy fulfillment status) directly during the conference.

Using the Portal Action-attachment functionality to register the evidences of the performance measures' status (actual values) onto QPR ScoreCard is one of their unique usages of this tool.

Registering evidences of the actual values (in text files, Excel files, PowerPoint document etc...) allows them to increase the transparency and make information available through QPR Portal.



Moreover, NEC Soft use ITL ToolBox (add-on tool for QPR ScoreCard developed by Innovative Technology Lab. Co., Ltd., QPR Partner in Japan) as a reporting tool, to output data created with QPR ScoreCard into Excel files.

Consistent and transparent management system

With QPR ScoreCard and the reporting tool (ITL ToolBox), NEC Soft are now capable of managing the information

in a consistent and company-wide united format.

The web-based and the briefing booklet functionalities were one of the decisive factors for NEC Soft when considering QPR ScoreCard. Also, the ability to show the progress of the strategic objectives and the intuitive user interface with performance measures in colors allow users to see the current status and relevant information at-a-glance.

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Moreover, QPR ScoreCard allows NEC Soft to switch their Balanced Scorecard operation to a timely operational management tool and develop a database that accumulates past results in order to analyze them in more depth.

NEC Soft's policy regarding software products ensures that those are used in-house first in order to be able to distribute them: "The product treated by itself is first used in-house (demonstration in-house)". NEC Soft is currently a successful distributing agent of QPR ScoreCard in Japan.

Future plans

Since the implementation in a division-level within NEC Soft, Ltd. is almost complete, future plans are based on implementing QPR ScoreCard in their subsidiaries in Japan and China.