

Stora Enso is an integrated forest products company producing magazine papers, newsprint, fine papers, packaging boards and wood products; areas in which the Group is a global market leader.

In 2001 Stora Enso had sales of EUR 13.5 billion and approximately 15 million tons of annual paper and cardboard production capacity. The Company employs some 43 000 persons in more than 40 countries and its shares are listed in Helsinki, New York and Stockholm.

Stora Enso Packaging Harmonizes Performance Management with QPR ScoreCard

CUSTOMER CASE:



“Balanced Scorecard provides us with transparency: Performance overview, historical trends, targets and actuals are now clearly visible to everyone in our organization.” identify Mr. Rauno Tapiola and Mr. Tapio Santakivi from Stora Enso Packaging as the main benefit of implementing QPR ScoreCard.

Several years' experience in using Balanced Scorecard at Stora Enso Packaging has highlighted simplicity and uniformity as the key success factors in communicating performance targets and actuals across international business units. Attaching scorecards to business processes brings performance measures close to every employee.

Better Communication with Balanced Scorecard

The main objective for Balanced Scorecard at Stora Enso Packaging was to support the implementation of the internationalization strategy by harmonizing the measures and the presentation of results throughout all business units. Earlier all business units used different measures and

presented their results in different ways. This made follow-up of the performance and benchmarking between the units very hard.

Balanced Scorecard expanded the performance measurement from lagging financial indicators to leading indicators such as process efficiency and learning and innovation. Four perspectives are now used also as a framework for all management team meetings making sure that all aspects of business are taken into consideration. “This reminds the management regularly to think beyond production square meters and euros.” explains Mr. Rauno Tapiola.

Stora Enso Packaging started using QPR ScoreCard in the late 1999. During this time the turnover has increased mainly due to new capacity in Baltic Sea Region and Russia. All seven

country units – Finland, Sweden, Hungary, Lithuania, Latvia, Estonia and Russia – have their own scorecard models.

Uniform Measures and Focus on the Essential

Ten key measures – 4 financials and 6 non-financials – form the core of the scorecards and remain the same in each country and each scorecard. Scorecards enable drilling down from the top-level view to the detailed root-cause measures. During budgeting process the targets for key measures are agreed. Follow-up is done in management meetings at least once a month.

“Over the time, the number of measures to be monitored has decreased. This makes it possible to use more time on analyzing and improving the performance for the key measures and focus on what is the most essential for successful business.” says Mr Rauno Tapiola.

Fully Electronic Quality System in Intranet - Processes and Scorecards Combined

Stora Enso Packaging has been the leader in Quality Management for several years. Using QPR ProcessGuide, Stora Enso Packaging is the first company in Finland to have a fully electronic, certified quality system.

Scorecards at the Finnish business unit have been aligned with process structures and measures from scorecards are directly linked to process documentation, which is published automatically in intranet to all employees. This gives access to up-to-date performance measures – excluding some confidential financial measures available only to the management – to everyone in the organization. Process maps have proved to be the easiest way to communicate the performance measures especially on team and individual employee level.

“Significant cost and time savings were made at Stora Enso Packaging by utilizing the already existing Balanced Scorecard measures for performance measurement needed in the quality system.” points out Mr Tapio Santakivi.

“Now we can check performance figures directly from QPR ScoreCard during the management meetings. This enables faster and better decision making.” Mr. Tapio Santakivi, Stora Enso Packaging

Fast to Implement and Easy to Use

First Balanced Scorecard model was built in Excel, but over the time modifying the structures and updating the measure values became too much an effort. It was time to automate the Balanced Scorecard with QPR ScoreCard. Building the Balanced Scorecard model was fast: the automated solution was up and running in the beginning of the year 2000, after only a few months from the installation date.

Almost all measures in the scorecards are automatically updated from the IT systems every night. Changes to BSC models are usually done once a year when the scorecards are prepared for the next year. No full-time people have been working on QPR ScoreCard during the implementation or the deployment phase, as implementation and maintenance have been done by a few people as a side job, giving QPR ScoreCard system a very low TCO (Total Cost of Ownership).

“When software is going to be used by hundreds of people, it needs to be simple and easy to use, just like QPR ScoreCard.” comments Mr Tapio Santakivi. “User interfaces must also be in local language in order to get all employees to use the program.” he continues.