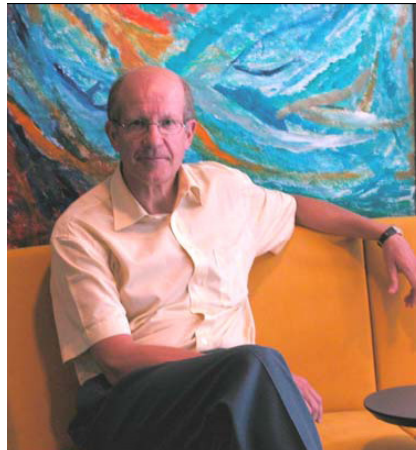


SCC Viatek Ltd, founded 40 years ago, is an independent engineering consulting company offering versatile planning and consulting services for the development and maintenance of municipal and industrial infrastructure and building construction. With the merger of RAMBOLL and Scandiaconsult, operating on domestic markets in Denmark, Sweden, Norway and Finland, a leading Nordic consulting group has been born. The Group has more than 4,200 employees at 70 offices covering the Nordic region intensively and reaching out to the rest of the world with experience from projects in more than 100 countries.

QPR ScoreCard - The Engine to Interactive Leadership in SCC Viatek

CUSTOMER CASE:



Jaakko Heikkilä, CEO, SCC Viatek

SCC Viatek

SCC Viatek is the Finnish market-leader in its main fields of operation. Outside Europe they are involved in projects in the infrastructure sector and through their subsidiary Finnconsult, in social and rural development projects. The social and rural development projects are a vital part of their operations.

As experts in soil mechanics and specialists in the rehabilitation of contaminated land work is undertaken in the most challenging conditions. They also assist clients in exceptionally demanding urban planning projects.

SCC Viatek's work has been founded on the expertise of its personnel, the most advanced technology, cooperation, and continuous research and development

In March 2003 SCC Viatek merged together with Scandiaconsults to Danish RAMBOLL when RAMBOLL acquired the whole share capital of Scandiaconsult. This merger brings new know-how and learning to SCC Viatek and strengthens the co-operation in the Group. The mission and values of these companies are very close to each other which make it smooth to continue the leadership with balanced scorecard.

The merger is a perfect match between two profitable organisations supplementing each other as regards geographic markets and fields of specialisation. RAMBOLL and Scandiaconsult are founded on a set of common values reflecting a strong commitment to human environment and to improvement of living and working conditions in their society.

With the merger of RAMBOLL and Scandiaconsult, operating on domestic markets in Denmark, Sweden,

Norway and Finland, a leading Nordic consulting Group has been born. The Group has more than 4,200 employees at 70 offices covering the Nordic region intensively and reaching out to the rest of the world with experience from projects in more than 100 countries. In the year 2002 the total revenue in RAMBØLL and Scandiaconsult was EUR 380 million. Profit before tax for the two companies was EUR 23 million

Vision and Strategy were planned and ready, but the tool for implementing the strategy was lacking

The economic situation was uncertain right after the recession in 1996. SCC Viatek needed an extensively accepted vision, strategies, actions and targets for the forthcoming years. At the time SCC Viatek was performing a follow-up method developed by CEO Heikkilä himself.

In this method, innovations, personnel and customer satisfaction and company's ability for responding to market demands and making profit were measured. Once a month the results based on this 1-5 scale were monitored. This was the very first step towards balanced scorecard –yet CEO Heikkilä was not aware of the official Balanced Scorecard. But the thinking work was well on its way. Only a proper tool for implementing, communicating and committing the whole organization was lacking. In those days, CEO Heikkilä spent many long days consulting SCC Viatek's business Unit Managers about the new, balanced thinking. Acceptance was not immediate, but the germ of the idea was sowed.

The idea got a new kick-off when CEO Heikkilä met a finish consultant who had worked closely with a Swedish representative of BSC School – Mr. Bengt Karlöf. This time it had a name: BalancedScorecard.

Perspectives and measures were already defined, but how to deploy the strategy and put it into action was the challenge. An interactive tool for the

purpose was to be found. There was a clear demand for a solution, which also comprehensively involved the personnel. At this point CEO Heikkilä found a state-of-the-art tool for implementation and putting the strategy in action – QPR ScoreCard. This time they decided to succeed in the BSC project.

Clear requirements

The requirements for the solution were straight: Common tool for the entire SCC Viatek Group. Conceptualization of the strategy, visualization and communication must be clear and easy to understand. One must be able to see the entity from “vision to measuring” and the tool needs to provide a concrete way of working.

WHY QPR ScoreCard

- SCC Viatek –Group needed an extensively accepted vision, strategies, actions and targets for the upcoming years. – a clear demand
- Perceiving the Strategy, visualization and communication needed to be as clear and easy as possible to be understood
- To show the whole entity as a one picture - from vision to measurements
- Joint tool for the whole Group
- A Concrete way of working

Information processing and navigation possibilities –key features for choosing QPR ScoreCard

During the offer process, SCC Viatek was advised by another, bigger software vendor to contact a company that is focused and committed to ScoreCard applications. This advice was given, because the customer

– SCC Viatek - needed deeper information on intangible assets and they were ready to put effort and resources to a scorecard-project. For the bigger software vendor scorecard was just a by-product. As a result QPR was cho-

sen as a committed vendor and QPR ScoreCard was chosen for information processing and navigation purposes.

SCC Viatek wanted to move away from manual systems and they valued the best-in-market product that enabled historic data to be imported from existing data sources. Deeper insight to measured data, the fastness and accuracy of processes and causality were features that SCC Viatek found essential to support their ScoreCard project. The most significant benefit was the increased interactivity and dialogue.

Implementation and Resources Required

Brainwork and planning work are the essentials of the whole project. It takes time but is worth it. The actual implementation took three months. In October 2000 QPR ScoreCard was found and in January 2001 the solution was up and running. In the beginning, substantial amount of historic data was imported so that SCC Viatek could see immediately the history graphs and trends. Today the system involves all business units.

Whole operation and functions are measured with QPR ScoreCard. Operations are formed from hundreds of projects that cluster in the financial perspective. The model is built on two layers, consisting of 26 scorecards of each profit unit, which are then consolidated to concern level. Each of the units has their own scorecard with five perspectives: R&D, Processes, Customer, Finance and Personnel.

Learning by doing

According to CEO Heikkilä, the system is a perfect tool for working with besides main duties. Quality Manager, Financial Manager, CEO and Business Unit Managers in the future are the main users and developers for the system. If the model needs to be modified to respond changing requirements, it will go through the Quality and Financial Manager who can easily make the changes accordingly.

Three people were trained to use QPR ScoreCard in the beginning. The training took one day and after that they were able to work independently. "QPR ScoreCard trains the user and one can learn it just by doing, being curious and trialing with the system" – CEO Heikkilä says.

Data gathering

QPR ScoreCard is integrated to SCC Viatek's Finance & Assets management system called Maconomy. As an expert organization SCC Viatek works through project and hour cards which include all necessary information on the project like customer information, project schedule, people involved. This project card information is exported to QPR ScoreCard from Maconomy. Offer base values are exported from Maconomy.

Personnel survey is done twice a year through intranet. Those results are counted into indexes which are entered into QPR ScoreCard. Personnel turnover, training percent and join projects are exported automatically from Maconomy.

So called "want to have projects", personnel and customer satisfaction index and quality index are input manually, because SCC Viatek wants to keep a "hands on" – touch to these issues.

QPR ScoreCard enables interactive leadership

The entry of QPR ScoreCard changed the nature of understanding. Earlier, the numeric information, obtained from various reports was the deepest information. This information did not show the intangible progress and development, which have an impact to results.

SCC Viatek runs their scorecard in their intranet. It is accessible for everyone and one can see at one glance from the traffic light view the situation in the organization and situation in each regional and business unit.

Traffic lights and trends

Each quarter CEO Heikkilä comments and checks every measure. This five hour "marathon" gives a good basis for further analysis, improvement suggestions and for Group report. SWOT analysis and tasks will be updated and improved accordingly for the next three months. In this way CEO Heikkilä can increase communication which leads to better decision making on improving actions. Strategies and action plans are reviewed once a year. Measurements are determined and improved when needed. Currently financial, customer, development and personnel measurements are found to be workable and process measures will be adjusted.

Resource savings in budgeting and routine reporting

One of the already seen benefits is a timesaving in routine work of financial administration.

"Nowadays we receive remarkably more financial information and actually quicker. The reports are reliable and are easier to produce to support our decision making." CEO Heikkilä says.

SCC Viatek has happily given up preparing budget. The set targets in QPR ScoreCard replace traditional budgeting. Usually budgeting is done by checking the results of previous year, but with scorecard SCC Viatek looks into future and moves on. "We do not need to spend resources on budgeting as such. Naturally we budget our investments. I would say that because of QPR ScoreCard we have been able to make right decisions in our investments", CEO Heikkilä states.

Increased and Improved communication results in profitable investments and in improved reaction sensitivity

Other benefits that derive straight from implementing ScoreCard are increased and improved communication

within the corporation. "Viatek spirit" has spread through the whole organization. People are more committed to targets and working processes have improved. One has learned to focus and say "NO" in right situations. Concentration has resulted in profitable investments and improved reaction sensitivity.

Value of Strategy Implementation

According to CEO Heikkilä the best benefit of QPR ScoreCard is the implementation of the strategy as such. "When I am asked what are the benefits for choosing balanced scorecard I could counter ask what the price tag for strategy implementation is? I value the fact that there is a tool for really turning strategy into line of actions. I have also learned to piece together large entities and I can easily see four perspectives for each action." CEO Heikkilä states and further comments:

"For the ones who wonder why do we use Balanced Scorecard I would like them to see the development of our results. It is ideally developing stably. I believe balanced scorecard contributes the results positively. Naturally there are also external issues we can not influence on, but scorecard helps us to be proactive. The possibilities for making profit increase remarkably, because you can set them into the targets. When right things are done in a balanced and systematic way with persistence you can not avoid success. It is inevitable. I think no-one can say balanced scorecard is unnecessary. Balanced scorecard makes the organization think from different angles. It makes the organization understand and trust to the actions what needs to be done when we want to reach our targets. Because balanced scorecard looks into future it also teaches the organization to move forward. Like in the proverb: Don't let temporary set backs bitter you."

Total Regeneration in Personnel Policy

–More Satisfied Employees and Customers

SCC Viatek's five perspectives of ScoreCard, form a permanent agenda for management group meetings. People are more involved, because they feel they can influence on issues. Also the bonuses are partly bound to scorecard system. Based on the results in work satisfaction inquiry the number of satisfied persons has increased from 2,5 to 3,5 (scale 1-5).

SCC Viatek is a very customer oriented expert organization, which understands the value of satisfied customers. With the help of ScoreCard, SCC Viatek has been able to increase the activity level among their customers. The satisfaction index is dynamic in terms of co-operation, competence and the benefit of services. ScoreCard shows also the actions that are developed unfavorably and helps SCC Viatek to take immediate action to change the direction.

Future – Continuously Learning Organization with QPR ScoreCard

In the future SCC Viatek will maintain and further develop navigation and dialog. Measures and indicators will be monitored and revised when needed. To take scorecard in use in single projects is one option and perhaps scorecard introduction to all Nordic countries will be topical in the future. Monitoring –feedback – learning trough quality and Balanced Scorecard will lead towards continuously learning organization. "Balanced Scorecard is developing the company and the other way round. So it will be never ready as it is continuous" - says Heikkilä.

Key Benefits:

- SCC Viatek has a clear direction and target
- Balanced Scorecard is a great framework for organizational development and business performance
- Everything is linked along
- Mutual understanding is increased
- The Group cohesion is improved
- Exploring new business areas is started
- Training has been increased in key areas
- Information and communication flow is strengthened
- Organization has learned to focus and concentrate
- Strategic thinking is increased in all units
- Concrete results in key areas
- Corporate Strategy is in action

According to Managing Director Mr. Jaakko Heikkilä's long-term research, the formula of success can be distilled as follows:

Formula of success, $f=cm^2$

m = personal motivation

c = competence in client activities