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Balanced Scorecard Concept in Romanian Small and Medium enterprises

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Abstract: The purpose of this paper is to explore the implementation of a performance management system using the balanced scorecard (BSC) within Romanian small and medium sized enterprises (SME). This is a casebased methodological approach. This ensured that the issues were appraised in both an operational and a strategic context. The findings of this research are that balanced scorecards can be implemented within a SME context. However, the motivations for the adoption of the scorecard were both internal and external due to the heavily regulated nature of the organization. The paper analyses the application of the Balanced Scorecard (BSC) in Romanian Small and Medium enterprises (SMEs). Actions necessary for its implementation, obstacles and BSC development trends have been presented.

Introduction

Management control is a significant component of economic and social reality through which managers have the possibility of dynamic information. Real preventive findings raise the value and quality of decisions and ensures the smooth functioning of enterprises. Management control, as part of the economic information system, is a key factor in the operation, development and enterprise development, if it's well organized at all levels and organizational structures that exist within it.

Management control, conducted in the conditions of market economy, for small and medium enterprises appears as a regulatory tool, the mechanism contributing to the integration of the company in the market economy through a complex and ongoing managerial activity.

Management control is presented as:

• knowledge as a process of economic and financial situation of the company;
• as a practice, because it is an activity carried out by competent persons who uses specific techniques and methods and an organized system of information;
• as a means of study and action for internal users;
• as a factor for both security and enterprise management authority and society

The researches conducted by The National Council of Small and Medium Sized Private Enterprises in Romania (CNIPMMR) reveals that 45.24% of all investigated companies there have achieved annual plans and policies, 11.94% of the small and medium enterprises there are developing strategies on time horizons ranging between 3 and 5 years, and 44.55% of enterprises there are not planning activities (Ionescu & Plesanu, 2010, pp. 11-22).

Methodology of the research

The data collection process method adopted an approach using a case study. This research will seek to integrate the knowledge base of the functional silos of operations management and strategic management with respect to balanced scorecard.

Management Control for small and medium enterprises

The evolution of the economic environment from the European Union is marked by profound economic transformations. The diversification of production, refining demand, increasing customer demands to offer of companies have contributions, on the background of globalization of national economies, to the increased polarization phenomenon of decision's centers. Without remains immune to these phenomena, the Romanian economy is subject to important structural transformations, and economic operators are in an accelerated process of organizational and management changes in order to redefine the position and role they

have in the market. The integration into the European economic space entails sustained efforts of local businesses to adopt and implement measures of economic policy, including policy for quality products and services used on the market of the European market. Although this phenomenon is manifested intensively at all levels of the economy, there are still many companies carrying on a predominantly stereotypical without possession of an appropriate business strategy, enabling them to obtain a high profit, that can reinvest in further diversification of production and a strengthening competitive position on market. The survival and development of small firms under conditions of tough competition, on the EU market is only possible when enough efforts have being done, including in financial field, for some products that have to meet increasing customers needs, particularly in quality sector.

Thus, the quality turned into a very important resource for companies. The companies do not produce any longer and anyway, but only those goods and services that meet higher level of requirements. A consequence of increasing interest for quality problem is the development and application of quality management system, which became part of the general management of the company. Implementation of quality management at companies level has been achieved in the context of increased expectations of products and services valued by the European Union market, where the certification in terms of quality has become the prerequisite to act in this market. So, the certification of quality works as a restriction at the entry on this market. Taking in account the experience of developed economies like the U.S. and Japan, many companies, even if they have programs for well-designed quality control, use of certifications in ISO quality system to increase the credibility they enjoy international markets (Ionita et al, 2009, pp. 215-224).

The role of SMEs in the Romanian economy and community

Romania located in Southeastern-Central Europe covers 238,391 square kilometres (92,043 sq mi) with its 20.1 million inhabitants, it is the seventh most populous member of the European Union. Following rapid economic growth in the 2000s, Romania has an economy predominantly based on services, and is a producer and net exporter of machines and electric energy, featuring companies like Automobile Dacia and OMV Petrom. Living standards have improved, and currently, Romania is an upper-middle income country with a high Human Development Index. It has been a member of NATO since 2004, and part of the European Union since 2007.

In Romania, the development of small and medium enterprises sector known new valences in the context of instability of the national economy. Taking in account that the backbone of an economy lies, mostly, on the quality of agents who act on the market, SME policy resulted in a direct and active support from the public authorities. At European level, approaches regarding the support policy of SME sector acquired new valences, when in March 2008, European Council sustained an initiative of the European Commission entitled "Small Business Act (SBA) for Europe", which has the objective of strengthening sustainable growth and competitiveness and the set up of a coherent framework of action for this sector (Criveanu & Iacob, 2011, pp. 2-7).

The identification and applying of best practices developed at European and international level bring, in the first stage, diverse problems from methods and techniques of production, the qualification level of personnel and the projected level of production, to the qualitative dimensions of activity. The efforts do not stop here however and the experts try to define and implement, at company's level, the concept of "quality work" and to construct a specific indicator for measuring this kind of quality at European level. This indicator should accurately reflect the changes taking place at the micro level and the impact on productivity growth, leading to methods of improving the quality of professional life for employees. Germany is the first state falls into this trend, promoting the new initiative on quality of work - INQA.

According with a recent study conducted by National Agency of Small and Medium Enterprises (NASME) in 2009, regarding the main competitive advantages of SMEs, the quality of products / services offered is the essential factor that differentiate companies.

European funding opportunities for SMEs

The European Commission define SME as: „the category of micro, small and medium-sized enterprises (SMEs) … made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro" (EC, 2005). SMEs representing more than 98% of all enterprises, out of which over 92% are microenterprises' with fewer than ten employees and accounted over 67% of total employment and over 58% of gross value added of the European union economy (Ecorys, 2012).

The Structural Funds allocated by the European Commission for the member countries should help to reduce disparities in the development of regions, and to promote economic and social cohesion within the European Union.

European Union established the general framework for managing the Community funds and each member state choose its own system.In Romania, the payment and management authorities are situated within the structure of some distinct institutions, but the Finance Ministry is the payment authority for every programme (Pîrvu & Axinte, 2012, pp. 193-202).

The efficiency of the small and medium enterprises is subject to substantiation, development and implementation of some coherent and realistic strategies that take into account both their internal potential and complex developments recorded within the business environment. The researches conducted by The National Council of Small and Medium Sized Private Enterprises in Romania (CNIPMMR) reveals that 45.24% of all investigated companies there have achieved annual plans and policies, 11.94% of the small and medium enterprises there are developing strategies on time horizons ranging between 3 and 5 years, and 44.55% of enterprises there are not planning activities. Also, according to a study conducted at European Union level, only 16.66% of small and medium enterprises develop and apply strategies (Navickas & Kontautiene, 2013, pp. 62-68).

In the Romanian crisis, small and medium enterprises continue to be the main engine of economic recovery and building a new European economy. SMEs from Romanian economy, which are deeply affected by financial crisis or wage cuts. In these economic and social conditions to maintain afloat the managers must intervene and demonstrate management skills by identifying the most important indicators that help businesses achieve the objectives (Adina-Simona, 2013, pp. 319-322).

European Commission (EC) is sustaining the small businesses through its regional policy: helping them realize their growth potential, their importance in regional and global economy and creating a friendly business environment. More than 20 million companies in European Union are SMEs and they play an important role in the dynamics of the national and regional economy. The EC had designed special rules for these companies, facilitate their access to funding, help SMEs to get most out of the EU's Single Market, create an entrepreneurial environment, and adapt public policy tools to SMEs' needs.

Performance measurement system is a due for every company, but not many SMEs have one because of different obstacles, such as limited material, financial and human resources. There is a challenge for every entrepreneur in the decision regarding what to measure. Analyzing the answer of the respondents of the Romanian SMEs from V West Region that accessed EU funds we found out that development of production capacity, turnover and acquiring new equipments are the most used indicators for measuring the company performance. The answers of the managers are connected with the goals of their implemented projects. Most of them had accessed the community funds for developing their production capacity and buying new equipments, creation of new working place being a secondary indicator (Dias Jordão & Casas Novas, 2013, pp. 98-107).

In recent years, the model known as Balanced Scorecard (BSC) contributed to help organizations to establish actions aligned to a value creating strategy (Moore, 2003). In addition, BSC contributes to meet the shareholder, employee and customer expectations, as well as to the improvement of service, internal processes, learning and innovation. Norton and Kaplan (2001), based on a study including almost 300 executives, stated that the capability to strategy execution is, probably, more important than strategy quality.

Among the management authorities for the structural funds for SMEs are: Industry Ministry, Regional Development and Public Administration Ministry.

SMEs play in the national and regional environment a key role, the structural funds finance the increase of competitiveness and productivity of Romanian companies', in compliance with the principle of sustainable development, and reducing the disparities compared to the average productivity of EU. The size of every company contribution to the development of the region is influenced by its past, present and future performance. The structural funds could be accessed only by those companies that reach the performance criteria. And companies' performance indicators should have higher levels after the absorption of the unreimbursement funds. Performing like this every company will contribute to the development of the regional economical environment and to diminish the disparities between the Community regions.

A challenge in performance measurement is the decision regarding what to measure. The performance measurement should focus on most important areas of activities, of a project or an enterprise. Across the European Union SMEs play an important role and if we are watching them at a macro level, their performance is measured with three main indicators: the number of enterprises, their output via their gross value added (GVA) and the number of employees on their payroll.

Structural funds available for Romania that are oriented to small and medium sized enterprises. In this regards we performed a quantitative research grounded on questionnaire-based inquiry. The questionnaires were disseminated to enterprises located in the West Region of Romania that apply for and access European funds. Twenty-two out of 40 questionnaires distributed were returned. Compared with Management Authority, projects beneficiaries have different interest, when accessing EU funds through projects. For projects beneficiaries performance indicators should quantify: the new products or services introduced on markets, the number of new jobs created, the production surfaces constructed, rehabilitated or improved and equipped.

Performance measurement system is a due for every company, but not many SMEs have one because of different obstacles, such as limited material, financial and human resources. There is a challenge for every entrepreneur in the decision regarding what to measure. Analyzing the answer of the respondents of the Romanian SMEs from V West Region that accessed EU funds we found out that development of production capacity, turnover and acquiring new equipments are the most used indicators for measuring the company performance. The answers of the managers are connected with the goals of their implemented projects. Most of them had accessed the community funds for developing their production capacity and buying new equipments, creation of new working place being a secondary indicator, only (Adina-Simona, 2013, pp. 319-322).

Types of strategies that are applicable within the Small and Medium Enterprises

The main direction of action recommended for the small and medium companies from Romania to substantiate, elaborate and successful implement some competitive business strategies are, in essence, the following (Ionescu & Plesanu, 2010, pp. 11-22):

- the creation of adequate management systems, especially under a structural, organizational and information report;
- proactive approach of the organizational change processes;
- the production of some essence mutations in the mentality of managers, entrepreneurs and employees from the small and medium enterprises;
- training the human resources in the continuously learning process, in the context of knowledge-based economy.

The diagnostic analysis of the small and medium enterprises allows the identification of the main types of strategies that are recommended or may be promoted by the small and medium enterprises in Romania in the context of the current business environment.

- The stability strategies are recommended especially to the micro enterprises which have activity duration between 5 and 10 years, from the Bucharest and Western regions, and they are conducting business in the fields of transportation, services and construction.
- The development strategies can be adopted especially by the small and medium-sized companies from the centre of the country and from the area of North West which are working within industry and construction; regarding the age of the companies, on the first two positions we find the enterprises that are over 15 years and the companies that were established in the last 5 years.
- The defensive strategies (withdrawal, liquidation, etc.) are adequate especially to the micro enterprises which have a seniority between 10 and 15 years, from the North East region, operating in the fields of transportation and trade.
- The micro enterprises show a great tendency for promoting the stability strategies in comparison with other categories of small and medium enterprises, explicable in the present period, whereas after having reached a certain level of profitability, the limited resources at Business Strategies Promoted by the Small and Medium Enterprises from Romania.. Their disposal, especially financial ones, cannot ensure the continuation of the ascendant evolution, but it offers them the possibility to maintain their gained competitive position. It is recommended that these micro enterprises should adopt the strategy of harvest, which may capitalize the products and/or the services that have provided them achieving of that level of competitiveness. Besides financial constraints, we appreciate that an important reason of some micro enterprises' orientation towards maintaining the business on a current level and not towards its development is that the entrepreneurs and the companies' employees do not feel comfortable with the organizational changes (involving, among others, the essence of mutations in the organizational structures), and they do not have a forward-looking vision, and believing that once the company met certain economic performances, the efforts must be directed solely towards maintaining them.

- The small and medium-sized companies aim, in their great majority, to the extension of the business they run and, implicitly, it is appropriate to promote the development strategies. It is recommended that the small and medium enterprises from the industry to adopt development strategies for the product, concentration strategies and extending the market strategies. The enterprises from constructions may resort to strategies to expand the market and concentric diversification strategies (for example, widening the total of activities, for the purposes of carrying out environmental operations, housing maintenance, modernization of the interiors, etc.). The large share of small and medium companies which are aiming at the business development, as well as their presence within industry and construction represent, in our opinion, the strengths of the small and medium enterprises in Romania from the view of the European economic integration.
- Locally, the Center region is noticeable with the highest percentage of companies which may choose the development strategies. It is important to mention that in this area there are no companies that have strategic defensive guidelines. Bucharest, the most developed region in terms of the density of small and medium enterprises, is marked by the greatest share of the business strategies that can promote stability strategies; the percentage of those who have as main option the development strategy is lower in comparison with other areas of the country.

Introduction of Balanced Scorecard Concept

The present national and international business environment, in the context of the knowledge-based economy, is influenced by numerous factors such as: globalization, the increasing of competition and increased importance given to customer satisfaction. The traditional approach of excellence in business, which included quality, time and costs is in this era of increased competition, further complicated by the addition of factors such as the ability to innovate, the ability to respond in a relatively short time and effectively to the market changes, social responsibility, ethics and impact on the environment. It has also proven without doubt that financial measures cannot be the only considerations when evaluating performance in companies. Performance evaluation models must also include non-financial measures and values that are to some extent intangible. Excellence is regarded as being the successful combination of resources, the way of organization and the effectiveness of management.

The European Foundation for Quality Management, (EFQM) Excellence Model has proposed to include the following fundamental concepts :

- Results orientation;
- Customers focus;
- Leadership and continuity in objectives;
- Management by processes and facts;
- Staff development and involvement;
- Continuous training, innovation and improvement;
- Partnerships development;
- Social responsibility of the organization.

Using Balanced Scorecard at the level of small and medium enterprises Identifying strengths and weaknesses at a company level is not always a straight-forward issue. It depends on many factors and also on the size of the enterprise. Measuring the current status of a company, by means of reporting and collating correcting available data is a necessity in order for top management to appreciate the current capacities of the company and plan for the future taking into account the current and future prospects. Many managers, question the validity of the data collected and the relationship to long-term objectives and goals. Thus the establishment of certain indicators has proven beneficial to organizations in assessing the current state, both internally and externally offering an overview of measurable attributes that can depict the status of procedures and management pertinent to individual sectors of the company, as well as the enterprise as a whole. In addition Key Performance Indicators (KPIs) offer information on the organization's ability to respond to new developments in the products and services the company offers, as well as an overview of the company, resources relative to the key points which need intervention and improvement.

Balanced Scorecard can be defined as a management system based on performances, which offer the enterprises the possibility to follow their strategies based on and tracking .

Being small is not always equivalent with being unimportant, especially when we talk about European companies. The SMEs are an important generator of employment and growth and measurements was recognized as the backbone to any economy. European Commission (EC) is sustaining the small businesses

through its regional policy: helping them realize their growth potential, their importance in regional and global economy and creating a friendlier business environment. More than 20 million companies in European Union are SMEs and they play an important role in the dynamics of the national and regional economy.

Generaly, the people that works in small and medium enterprises have a high level of knowledge about the Balanced Scorecard concept. 81,5 % from this persons have heard about this concept. From this 81,5 %, 34,1 percent dosen`t know details about the concept and 18,5 % doesn`t even heard about Balanced Scorecard.

Romanian enterprises that use Balanced Scorecard

In a recent case study, the 170 interviewed persons mentioned a total of 63 companies that are using Balanced Scorecard, in various industries.

The Balanced Scorecard`s limited national use is reconfirmed by the lower percent of the respondents of this case study that are working in organisations that use the concept (17,3%).

Domains of use of Balanced Scorecard concept were following:

- Production (12,7 %);
- Financial institutions(11,1 %);
- IT (9,5 %);
- FMCG (Fast moving consumer goods) (7,9 %);
- Petrochimical industry (7,9 %);
- Telecomunications (7,9 %);
- Consultancy and training (7,9 %).

Among the companies mentioned are founded the following: AIESEC, Coca-Cola, ING Bank, Opportunity Microcredit Romania, P&G, Petrom, Phillip Morris, Rompetrol and Velux. Other industries represented by this organisations are public institutions, web design, delivering, farmaceutic industry, hotels industry, consultancy and training, automotive industry, market research, tobaco industry and non-gouvernmental sector.

Reasons of implementing Balanced Scorecard

The enterprises often mentioned reason for implementing BalancedScorecard is measuring, monitoring and upgrading organisation`s performance. This is also the reason for recommending the concept.

The other frequent mentioned reasons are strategy development, clarification, comunication and implementation of strategy, facilitation of study at organization level , allocation of resources and selection of the projects according to strategy, facilitating the granting of bonuses based on the results/ recorded performance.

Concepts related to the Balanced Scorecard usage

The list of performance indicators grouped into perspectives is the most often used concept in conjunction with the Balanced Scorecard.

Other concepts are :

- Periodical meetings regarding the evaluation of strategy implementation;
- The Strategy Map (the map including objectives linked to cause-effect relations type);
- Mission and Vision;
- The Organizational Destination;
- Software system for generating the BSC reports (Excel or special application Business Intelligence type);
- List of strategical initiatives.

The obstacles encountered when using Balanced Scorecard

The most frequent obstacle encountered when using Balanced Scorecard is represented by the organization`s members lack of knowledge in this domain. This shows also a lack of organizational culture oriented to

performance and adjustment to changes , fact that explains the dificulty of utilisation and dissemination of Balanced Scorecard inside the companies that applyes it.
Other obstacles encountered when using the Balanced Scorecard :

- Articulation, understanding and realising of benefits;
- The needs of time allocated using is too high;
- The big volume of needed resources (peoples, financial incestment, etc);
- Integration using other instruments/ systems;
- Tehnological support / tehnological integration.

Balanced Scorecard Implementation in Romanian Enterprises

The main steps in BSC implementation were:
1. Enterprise's assessment.
2. Development of enterprise's strategy.
3. Setting up a BSC mainframe to co-ordinate company's efforts in achieving the objectives of adopted strategy Apart from the basic indicators already used by companies (such as productivity, turnover, ratios for liquidity, profitability, activity, leverage), the tools used in the preliminary assessment were:

- Person-to-person interviews;
- The Financial Times Value Added Index (comprehensive indicator that enables benchmarking);
- The Baldrige self-assessment check list;
- The UNIDO triple-bottom-line questionnaire;
- The SWOT matrix.

The conclusions of the preliminary assessment were as following:
- In the first instance, person-to-person live interviews proved a total failure. The only result was a collection of slogans with no relevance for the case. The situation completely changed when managers were asked to give their answers and comments to the questionnaire or fill in the SWOT table in written form, in sealed, unmarked envelopes. Honest remarks and new ideas were literally pouring in. This was a pertinent signal for what executives should do to improve the situation.
- Top managers have little ideas, general accepted, about what their enterprise is, should be and what to do about it. The ideas remain limited to the social contract between the enterprise and its employees, with no reference about customers, market, stockholders.
- The participants believe there is a strategy of the enterprise but defers a more detailed answer to the executives, as they know nothing about it. Asked directly, top executives could not define a strategy that goes beyond their concern for raw materials needed in the next days or getting back money from their customers as soon as possible.
- Many answers of: “It is beyond my competence" in opposition with the core idea that a modern company strategy is shared by every employee.
- The main concern is the unstable and uncertain enterprise future.
- There are no ideas about what should be done to overcome present difficulties. No suggestions. Though difficult - even impossible to quantify, it is believed that the information gathering in these confidential interviews was the most important for the future stages of the BSC implementation.

Developing a stustainable balanced Scorecard

Instead of adding a new perspective for the classical BSC, the present paper suggests to evaluate each of the four existing perspectives along the three themes of sustainable development. Once the organization vision, mission and strategy are approved, a "destination statement" for the futurre of the enterprise and the objectives attached to the strategy can be devised.

Table 1. Best Romanian enterprise by 2010 according to strategic perspectives

Perspectives	Economical	Social	Environmental
Financial	Increase shareholder value	Extra income sources	Better record, easier access to funding
Stakeholders	Confidence Going pro-active	Transparency	Green Organization
Internal Processes	BAT	Better work conditions	Decoupling development from resources.
Learning & Growth	Continual training Gaining IT edge	Corporate culture	Awareness

Source: own work.

Perhaps the most important feature of the BSC stands in developing "strategy" or "cause-and-effect" maps, simple and obvious for every stakeholder. Strategic objectives are organized along the four perspectives and three strategic themes. The objectives in the figure can be inter-connected with arrows, showing the place and relevance of each objective on the way to fulfill the destination statement. These strategy maps are powerful communication tools that convey the strategic ideas to all employees, involving them in to the process, requesting their contribution and motivating them by showing what exactly happens if they do/don't their job efficiently. The managers must fill in every cell in the table with realistic objectives, relevant for their enterprise since void cells will subsequently tell everyone the value managers attach to sustainability. The next step consists in adopting a measurement system. Progress in each objective should be assessed by a straightforward system of key performance indicators (KPI) and specific targets needs to be set for each KPI. A KPI system should include: - lagging KPI – evaluated at the end of a time-period (profit, productivity, etc.); - leading KPI – challenging targets as "zero wastes", "BAT applied", etc. Both tangible (profit, ROI, etc) and intangible (creativity, good-citizenship, "green" brands) KPI must be considered. The objectives and corresponding KPI should be kept to a minimum, subjected to permanent analysis by the strategic management in order to check if they are the right ones. For each objective an action plan will be developed, allocating resources, setting deadlines and nominating responsible persons. Monthly strategy meetings (15-20 min) will ensure that the feedback is working and that all the action plans go smoothly, fining tuning the strategy, if need be. Strategic objectives are subsequently used by lower level managers to develop their own BSC, in a cascading procedure that can go down to each strategic business unit, subsidiary, branch, department, workshop, task group in the enterprise. Specific objectives, KPI and action plans take into consideration much more detailed aspects than the enterprise-level BSC. Top management involvement is essential for success but they have to listen openly and honestly to their employees and push them to generate ideas for change. This was really hard to achieve, since CEO's are not familiar to a round-table reunion gathering their subordinates that dare to speak about enterprise's future and fate. Our experience was that turning it in a kind of "what-if game" proved successful. Subordinates spoke out knowing that their oppinions could be only taken as a brainstorming exercise. As top managers should dedicate their energy on real strategic matters, concern about day-byday work is relegated to lower management – this is a subject that Romanian top managers are only starting to understand (Beţianu & Briciu, 2011, pp. 19-27).

Case study on measuring the excellence of SMEs using the Balanced Scorecard tool

This case study presents the results from a questionnaire given to enterprises in the glass making field within the area of Gorj County in South West Romania. The main hypothesis was to assess the views and practices in relation to performance, strategy and goals, management options and evaluation and review. The second hypothesis was to estimate whether the BSC approach could be applied to these firms leading to new development strategies and SME improved competitiveness. The questionnaire was presented to the top manager and financial executive of the firm, in a structured personal meeting which took place at the enterprise offices. A personal meeting with top management was selected as the most efficient way to proceed with the questionnaire, since it was deemed important to include an introductory section to the

questionnaire where a brief introduction to the concept and main structure of the BSC approach was presented (Todorut et al., 2013, pp. 174-180).
The questionnaire had the following questions:
• BSC prior knowledge by the company and/or the CEO
• How does the company assess customer satisfaction
• How does the company assess internal processes
• How does the company formulate and apply growth and improvement
• How does the company assess its financial situation
• How does the company formulate its strategy
• How is strategy formulation associated to performance evaluation practices in the company
• Having explained the basic presumptions of BSC, how does top management view the benefits of BSC and the feasibility of implementation

Throughout the personal meetings with senior executive officers of the enterprises, it became obvious that clarification of issues relevant to BSC had to be done in order to obtain the correct response to the questions asked. Thus the following issues became part of the structured interview:
• Setting objectives targets;
• Defining and calculating indicators;
• Measuring the current state of the company;
• Measuring deviations from established targets;
• Setting some degrees of importance for each objective from BSC and the calculation of a performance percentage for each and every perspective;
• Setting some degrees of importance for each perspective from BSC and the calculation of an overall performance percentage in the enterprise;
• Setting future initiatives and actions for increasing the company's commercial viability.

In the conditions of increased competition, the company's management team considered it necessary to apply modern management tools to assess the current state of the company, to control and improve the performance levels and establish the future improvements correlated with the company strategies. Therefore, the objectives were established, targets and indicators corresponding to the four perspectives were defined: financial, customers, internal processes, growth and improvement.

Conclusions

With notable exceptions, Romanian managers do not accept modern management techniques. They still trust the idea of executives involved in every detail, retaining all decision power (top-down management, with little attention paid to employees' suggestions for improvement). The strategy audit went smoothly only when the external consultant guaranteed full confidentiality to interviewed personnel, before they put on the table their critics and suggestions. Sustainability concerns are commonly regarded as slogans, the main problem being for next week's salaries and for not getting redundant. Communication improved dramatically during the BSC implementation. It meant also team-building, putting managers to work together, understanding each-other. Implementing BSC in an enterprise that already had quality and environmental ISO – certifications (TQM, EMS) has proven beneficial. The enterprises are on the way to become strategy-focused, having at hand a powerful management system, fully aligned to sustainability requirements. Elements of corporate culture (that existed in Romania before WWII) integrating all the beneficial components of sustainable development are just emerging in the enterprises that adopted BSC.

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