ABSTRACT

These days telecommunication business turns into a competition as a consequence of technology improvements, deregulations, and conversions of market demand, therefore the business in the future will be very competitive in obtaining market segments. Duopoly regulation in telecommunication within the country called for PT Telkom managements to be cautious at sensitive factors such as customer satisfaction and customer loyalty. The mission of PT Telkom is to be the dominant infocom player in the region. To achieve the vision, a well-organized planning strategy is needed; therefore an effective company performance evaluation is required. A performance evaluation system is very important for a company. Nowadays, in a dynamic business condition, a traditional system of performance evaluation that only uses financial indicators does not provide accurate and relevant information because it does not directly associated with determination of company strategies. As a consequence, objectives and goals of the company cannot be achieved.

This study will be focused on performance evaluation of a unit in PT Telkom, Delivery Order Controlling Unit (DOC), using balanced scorecard approach. The first pass is to identify strategic goals of the company in these perspectives; finance, customer, internal business processes, and learning and growing. After the strategic goals of each perspective are recognized, performance indicators needed by the company for each perspective, known as Key Performance Indicator (KPI), is identified. Based on the identified performance indicators, a design of performance evaluation system in hierarchy format is developed to facilitate visualization of the position of a KPI to another in the company performance system as a whole. The result is a preliminary design of a company performance evaluation system that has to be validated to make sure that the available indicators meet the company's need.

The designed performance evaluation system includes 21 KPIs: 5 KPIs of finance perspective, 2 KPIs of customer perspective, 9 KPIs of internal business processes, and 5 KPIs of learning and growing perspective. Analysis of performance evaluation gives an index of performance accomplishment 5.09. It is recommended that the company evaluates and plans improvements especially in KPIs that get red scores.

Key words: Balanced Scorecard, KPI, Perspective, and Score