

## **Integrated Performance Management System a Conceptual Design for PT. XYZ**

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**Abstract :** PT. XYZ is a family business (private company) in Indonesia that provide an educational program and consultation services. Since its establishment in 2011, the company has run without any strategic management system implemented. Though the company could survive until now. The management of PT. XYZ sees the business opportunity for such product is huge, even though the targeted market is very specific (niche), the volume is large (due to large population of Indonesia) and numbers of competitors are low (now). It can be said if the product life cycle is in between 'Introduction stage' and 'growth' stage. It is observed that nowadays the new entrants (competitors) are increasing, thus PT. XYZ consider reacting in facing the intense business rivalry by conducting the business in an appropriate manner. A Performance Management System is important to be implemented in accordance with the business sustainability and growth. The framework of Performance Management System chosen is Integrated Performance Management System (IPMS). IPMS framework has the advantages of its simplicity, linkage between its business variables and indicators where the company can see the connections between all factors measured. IPMS framework consists of perspectives: (1) Business Result, (2) Internal Processes, (3) Resource Availability. Variables and indicators were examined through deep analysis of the business external and internal environments, Strength-Weakness-Opportunity-Threat (SWOT) analysis, Porter's five forces analysis. Analytical Hierarchy Process (AHP) analysis was then used to quantify the weight of each variable/indicators. AHP is needed since in this study, PT. XYZ, the data of existing performance indicator was not available. Later, where the IPMS is implemented, the real data measured can be examined to determine the weight factor of each indicators using correlation analysis (or other methods). In this study of IPMS design for PT. XYZ, the analysis shows that with current company goals, along with the AHP methodology, the critical indicators for each perspective are: (1) Business results: Customer satisfaction and Employee satisfaction, (2) Internal process: Marketing performance, Supplier quality, Production quality, Continues improvement; (3) Resources Availability: Leadership and company culture & value, Personal Competences, Productivity. Company and/or organization require performance management system to help them in achieving their vision and mission. Company strategy will be effectively defined and addressed by using performance management system. Integrated Performance Management System (IPMS) framework and AHP analysis help us in quantifying the factors which influence the business output expected.

**Keywords :** analytical hierarchy process, business strategy, differentiation strategy, integrated performance management system

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