

The Application of the Balanced Score Card System On R&D Management in KEPRI

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Abstract

This paper contains a recent experience of the application of BSC (Balanced Score Card) on R&D management as the first case in power industry, Korea. Originally the BSC was developed to remedy the inadequacies of traditional performance measurement system of enterprise firms, in USA. Up to 1990s, most of the companies have operated relying on the traditional financial performance measure which has a crucial weakness of the ability of the management for the view of customer, process, improvement and company value. The BSC lets top managers have a fast and comprehensive view of the business which were not be provided by the previous way.

KEPRI, Korea Electric Power Research Institute, has acknowledged a possibility of the application of BSC as an innovative tool for R&D management to overcome the managerial conditions. And, KEPRI is facing the issues how to satisfy the various customer, to find a new technology for sustainable growth of electric power industry, to manage complicated resources & process, and to seek an improvement of researcher's ability. Moreover KEPRI was strongly asked to align and focusing the R&D management on the corporate level's goal and strategy.

The first step of the task was to let researchers accept BSC as an agreed new measure, because of effectiveness depends on all the participants' preparedness. Usually there are passive tendency for change and innovation on the most researchers, especially on the evaluation of their performance. However a series of session were given to the research leaders including administration units, which aimed to get the consensus and more understanding of insight of BSC. Four perspectives of BSC were also accounted as the strategic target area of research performance, and hereafter following steps were executed by a typical process of BSC application way starting from the review institute's current mission and vision by all the assigned participants. Final step was to define the Key Performance Indicator (KPI) and appropriate calculation equation for all units.

We experienced BSC has a superior function to cascade the mission and management goal from the executive level to working groups, and to scope the work load even so R&D organization as well as ordinary business firms. However we frequently have confronted difficulties and argue to define the validity of goal and outcome of R&D. We are expecting at least 2 years to achieve the final goal of R&D BSC, would like to share further experience with all R&D institutes.