

Measuring Performance in a Knowledge Economy: Linking the Subjective and Objective Dimension into One System of “Vector-Based” Performance Measurement

List of Content

Abstract.....	page	1
Introduction and Problem Description	page	1
Requirements for an Alternative Concept of Performance Measurement	page	2
I. The Concept of Vector-Based Performance Measurement & Visualization	page	4
The Basics of the Concept	page	4
Vector Aggregation and Drilldown Analysis	page	7
II. Benefits of the concept.....	page	9
Helps managers to keep tabs on all relevant aspects (subjective and objective) of the decisions making process	page	9
Makes subjective and objective views comparable and communicable – independent of time and location (= increased transparency across the entire organization)	page	9
Due to its mathematical foundation, aggregations and de-aggregations are easily possible (linking the strategic overview with the operational view)	page	9
Represents an efficient and effective management information management concept / it is easy to understand from a managerial perspective	page	9
Assumptions behind decisions and the history of the decision making process become transparent	page	10
III. Practical application cases of the concept	page	10
Application in public services: How the vector-based concept for performance measurement can support the “New Public Management” in Switzerland	page	10
Application in the software industry: How the vector-based concept for performance measurement & visualization can support the management of an R&D operation.....	page	14
Other possible applications	page	16
Application in a bank.....	page	16
Application of the concept for valuing an enterprise:	page	17
IV. Implementation steps (8 steps).....	page	18
Conclusion and Outlook	page	19
References	page	20

Juergen H. Daum (lead author),
SAP AG, ERP/BSAG, Neurtstrasse 16, D-69190 Walldorf
E-Mail: juergen.daum@sap.com, Website: <http://www.juergendaum.com/>

Peter Bretscher (corresponding author)
Ing. Büro für Wirtschaftsentwicklung, Alpsteinstrasse 4, CH-9034 Eggersriet,
E-Mail: peter.bretscher@bengin.com, Website: <http://www.bengin.com/>