

The SWOT Balanced Scorecard on XYZ Hospital Jakarta Strategic Plan

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Abstract:- This research aims to determine the strategic planning of the Jakarta XYZ Hospital. The research method in this research is descriptive quantitative method using SWOT Analysis and Balanced Scorecard. The Balanced Scorecard is often used for performance measurement and SWOT Analysis is development of the company's long-term plan. The resource persons in this research were 13 people consisting of 3 directors and 10 managers. The results showed that the SWOT analysis diagram is in quadrant III or in turnaround strategy, the score for Strength - Weaknesses is -2.68 and the score for Opportunity -Threats is 0.47.

Keyword:- SWOT, Balanced Scorecard, Strategic Plan.

I. INTRODUCTION

The implementation of National Health Insurance in Indonesia whom it managed by Healthcare BPJS, has an impact on hospital performance. In the JKN Era, Hospital management (RS) faced challenges in managing the hospital, one of which was the claim for healthcare BPJS patient bills using the Indonesia Case Base Groups (INA-CBGs) tariff system, which the amount was determined by the government. Under these conditions, the hospitals should be able to develop some strategies to obtain good company performance without reducing the quality of service to patients and still be able to compete with other hospitals. Companies should provide the best strategy in managing a business so as to create sustained competitive advantage.

Strategic management has focuses on integrating management, marketing, finance and accounting, production and operations. So that the determination of the right company strategy can be use the SWOT Balanced

Scorecard analysis. Currently the Balanced Scorecard can be used not only to measure company performance but also it can be used for formulate strategies and make changes (Rangkuti, 2011). The use of the SWOT Balanced Scorecard aims to realize the company's vision and mission that could make it easier to identify the company's weaknesses by measuring its performance therefore it could obtain a strategic balance between financial performance targets, customer performance, internal process performance and HR performance (Rangkuti, 2011).

Purnomo (2019) in his writings said that" not all strategies might be implemented, and not all strategies might be performed at once. Hence, to develop a logical strategy sequences, it is necessary to implement the Balanced Scorecard (BSC) method. WO and WT strategies correlate with learning and growth perspective since they could change weaknesses into new strengths. And These new strengths are then applied to SO and ST strategies to become business process perspective. The last step is to drive all these strengths to capture various opportunities (SxOx). In the initial strategies for learning and growth perspective, only few weaknesses could be improved and only some strengths could be applied to gain simple opportunities. This is Phase 1 will take one year at the most to be accomplished. Meanwhile, Phase 2 is the period to overcome other weaknesses and to exploit any other opportunities.

XYZ Hospital is one of the private hospitals in Jakarta that faces many challenges with the changing business model in JKN era. It has reported that the company's financial performance in 2015 - 2018 experienced a decline in profit, although there was an increase in revenue but it was also followed by an increase costs that its percentage increase was higher than the percentage income one.

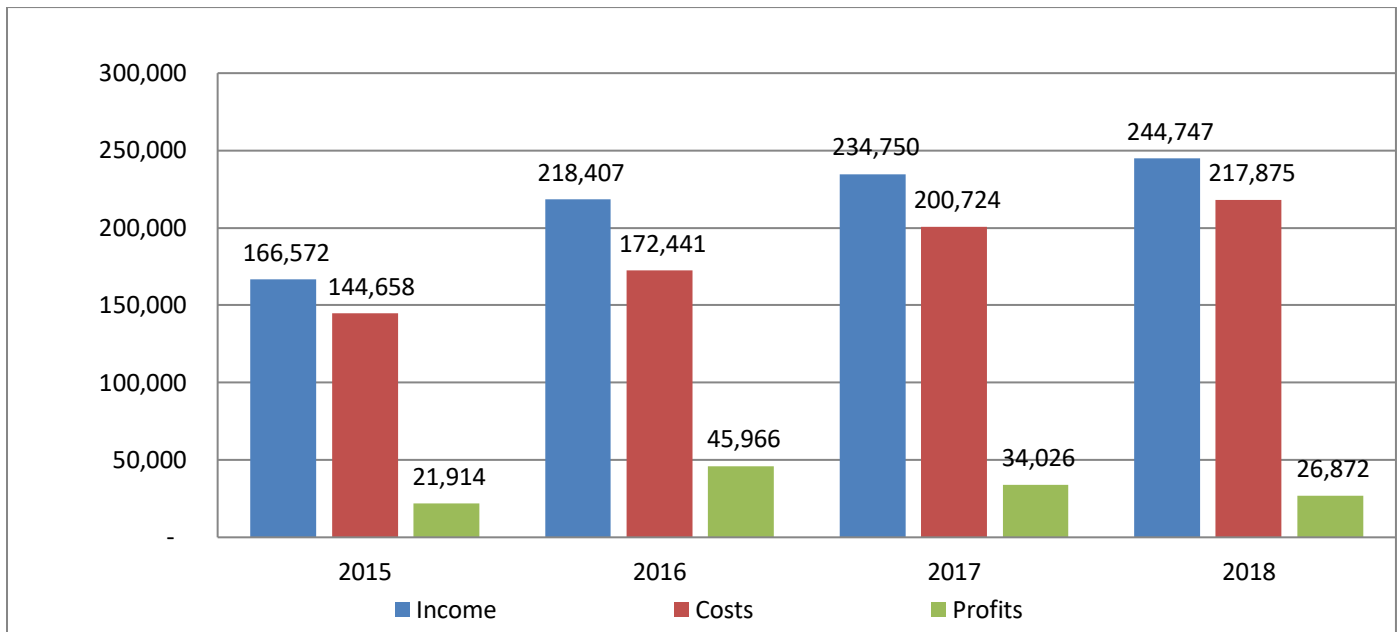


Fig 1:- Financial Performance of XYZ Hospital in 2015-2018
Source: Financial Statement

With those business phenomenon which faced by XYZ Hospital, this research is conducted to determine the right company strategy by using the SWOT Balanced Scorecard analysis.

II. THEORITICAL REVIEW

A. Strategic Plan

According to David (2015), strategy management is an art and knowledge in formulating, implementing and evaluating all cross-functional decisions in order to achieve organizational goals. Furthermore Husein (2003) said that strategic plan is a plan carried out by the leadership of the organization with focus on the vision, mission, philosophy, and organizational strategy to achieve organizational goals. Setiawannie and Rahmania (2019) in his writing explained that performance measurement is an important factor for organizations to control the implementation of strategies. The existing performance measurement system only evaluates financial performance, so a Key Performance Indicator (KPI) is proposed and measures the performance of the hospital by integrating SWOT and BSC.

B. SWOT Analysis

According to Rangkuti (2014) SWOT analysis is an effort based on logic that can maximize strengths and opportunities, while at the same time it could be minimizing weaknesses and threats. This analysis aims to systematically identify various factors to formulate a company's strategy. Meanwhile, according to Pearce and Robinson (2008), SWOT analysis is a systematic way to identify strengths, internal weaknesses of the company and opportunities and threats in the environment faced by a business.

C. Balanced Scorecard

According to Kaplan (2000) Balanced Scorecard is a strategic management system which could translated the vision and strategy of an organization into operational goals and measures which are then expressed in four perspectives namely financial perspective, customers, internal business processes, and learning and development. Then According to Mulyadi (2001), the Balanced Scorecard consists of two words namely Balanced and Scorecard. A scorecard is defined as a scorecard, meaning that scorecard will be used to plan scores that could realized in the future. Whereas Balanced means balanced, which means to measure executive performance in a balanced manner from various dimensions, namely financial and non-financial short-term and long-term, internal and external.

III. RESEARCH METHODS

This research uses descriptive qualitative method by using SWOT Analysis and Balanced Scorecard. The Balanced Scorecard is used for performance measurement and SWOT Analysis is a development of the company's long-term plan. The data collection techniques are done by using literacy, interviews and questionnaires. The resource persons in this research were 13 people consisting of 3 directors and 10 managers.

IV. RESULT AND DISCUSSION

A. Results

By integrating SWOT analysis where the opportunities, strengths, threats and weaknesses of the company are identified according to perspectives in the balanced scorecard as follows:

No	Perspective	Opportunities	Threats	Strenghts	Weaknesses
1	Financial :				
	Revenue				Revenue increases due to tariff policy
	Costs				Costs increase and not yet Efficient
	EBITDA				The Efficiency programme that has not been successful
	Cash flow				BPJS payment > 3 months
	Invesment	increase the investment funds			
2	Customer:				
	The government policy	Public is required to become a member of the healthcare BPJS	Refer back programme for BPJS patients		
	Customer satisfaction				the Decreasing in private patients sector and insurance
	Health tools				Not all have been digitalized
	Lacation	off the main road and reachable			
	Economy	Increasing the GDP			
3	Intern Business Process:				
	Information system / information technology				Information systems are not yet fully integrated
	Business Process		Competitors are way more innovative		The Patient's path has not been systematic
4	Learning and Development:				
	Human Resources	Young and potential for employees market		Full time Specialist Doctor	Human resource competence that still lacking
			human resources are more interested for becoming civil servants		
	Sort-term Education			Cooperate with educational institutions	teaching quality
					Evaluation test after course

Table 1:- SWOT analysis with the Balanced Scorecard framework

Source: Processed by the author (2019)

By combining the SWOT analysis and the balanced scorecard, it can be formulated as follows:

- From a financial perspective there are opportunities from the company's external factors and weaknesses from the company's internal
- From the customer's perspective there are opportunities, threats and weaknesses
- From a business process perspective there are threats and weaknesses
- From Learning and development there are threats, strengths and weaknesses

Then the results are outlined in the External Factor Evaluation (EFE) and Internal Factor Evaluation (IFE) by giving weight to each factor as follows:

CRITICAL EXTERNAL FACTORS		WEIGHT	RATING (1-4)	WEIGHTED SCORE
Opportunities				
1	It has been registered in IPO so that it could increasing the investment funds	0.20	3	0.60
2	There has a presidential regulation regarding the publics obligation to registered their names as participant in healthcare BPJS	0.25	4	1.00
3	Off the main and reachable	0.02	2	0.04
4	Increasing the GDP	0.03	1	0.03
5	Young and Potential Employees Market	0.05	3	0.15
Total O				1.82
Threats				
1	Refer back programme for BPJS patients	0.10	3	0.30
2	Human resources are more interested for becoming civil servants	0.15	3	0.45
3	Competitors are way more innovative	0.20	3	0.60
Total T				1.35
Total O-T		1.00		0.47

Table 2:- External Factor Evaluation (EFE)

Source: Processed by the author (2019)

By using EFE where the company can take advantage of opportunities and overcome threats faced by the Company a score of 0.47 is obtained.

CRITICAL INTERNAL FACTORS		WEIGHT	RATING (1-4)	WEIGHTED SCORE
Strengths				
1	Cooperate with educational institutions	0.02	2	0.04
2	Full time specialist Doctor	0.15	4	0.60
Total S				0.64
Weaknesses				
1	Revenue increases due to tariff policy	0.20	4	0.80
2	Costs increase and not yet Efficient	0.25	4	1.00
3	The declining of EBITDA	0.20	4	0.80
4	BPJS payment > 3 Months	0.10	4	0.40
5	The decreasing in private patients sector and insurance	0.04	4	0.16
6	Inadequate information technology	0.02	4	0.08
7	The development of human resources which less innovative	0.02	4	0.08
Total W				3.32
Total S-W		1		-2.68

Table 3: Internal Factor Evaluation (IFE)

Source: Processed by the author (2019)

By using IFE, where the company optimizes the strengths and minimizes the existing weaknesses, a score were obtained is - 2.68. By using the SWOT analysis diagram, it is known that the position of the XYZ Hospital quadrant is in quadrant III (Figure 2) so the recommended strategy is the turnaround strategy.

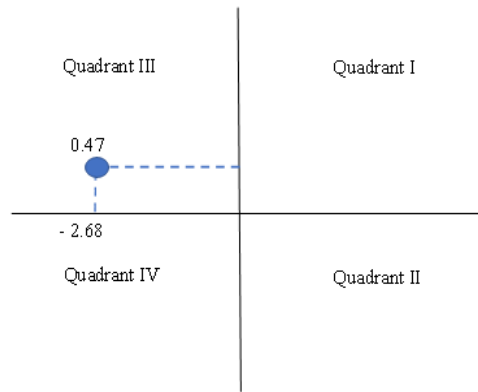


Fig. 2: SWOT Analysis Diagram
Source: Processed by the author (2019)

B. Discussion

SWOT diagram results obtained coordinates of 0.47 and -2.68, so that the position of XYZ Hospital is in quadrant III, the recommended strategy is a turnaround strategy which means that the organization is advised to change the previous strategy because the old strategy was feared difficult to be able to capture the opportunities that exist while improving organizational performance. In quadrant III the company faced enormous market opportunities but in the other hand the company faced several internal obstacles / weaknesses. The focus of this strategy is to minimize internal problems within the company so that it can seize better market opportunities (Rangkuti, 2014). The WO (Weakness-Opportunity) strategy that must be carried out by the company is to recover the company's internal weaknesses by making efficiency and savings, citing opinions (Pearce and Robinson, 2013) consisting of 2 steps, namely: decline stemming strategy, and recovery strategy.

V. CONCLUSION AND SUGGESTION

A. Conclusion

Based on observations, data processing and analysis, it can be concluded as follows:

- The XYZ Hospital Strategy could be prepared using the SWOT Balanced Scorecard method, and supported by a strategy management approach.
- The strategy produced by looking at the company's capabilities is a turnaround strategy.

B. Suggestion

The company can consider an appropriate strategy as follows:

- Strategic turnaround is focused on changing the direction of the company's strategy of positioning, alliance, and type of product in which the XYZ Hospital

in the era of National Health Insurance (JKN) in addition to accepting BPJS Health patients, companies must also optimize their personal patients, insurance which issued by the company

- Whereas operational turnarounds include employee reductions and retrenchment.

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