The Media Balanced Scorecard

Reinhard Kunz, Johannes Siebert, Joschka Mütterlein

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Abstract

The Media Balanced Scorecard

Since its introduction by Kaplan & Norton in 1992, the Balanced Scorecard has been remarkably successful. The design of a Balanced Scorecard is determined by a company’s individual requirements. The challenge is to find strategy-specific objectives and performance measures. However, with regard to media companies, Kaplan & Norton’s standard model does not reflect important characteristics of the media market. Thus, we develop a media-specific Balanced Scorecard to provide media decision-makers with a model that takes characteristics of media management into account and that helps to manage their company successfully. Using a scientifically sound approach that is based on value-focused thinking (Keeney, 1992), we interview the publisher, the CEO, nine management representatives, and ten key employees of a German medium-sized local newspaper company. Overall, 698 distinct objectives and 1,009 relationships are identified. By concentrating on the most important objectives, we derive a Balanced Scorecard with 33 objectives and 65 relationships, which are organized in seven perspectives. Among others, they consider the dual customer market, the conflict between economic and journalistic aims, and the important role of employees and technology. We provide performance measures for all scorecard objectives. Since the conceptual structure is derived from literature and the strategic objectives are validated in a second case study on a Czech national media group, the resulting media-specific Balanced Scorecard can be used as a reference model for other media companies as well. In addition, the underlying network of objectives provides valuable insights on media companies’ objectives and their structure.

Keywords: Media-Specific Objectives, Strategic Media Management, Balanced Scorecard, Value-Focused Thinking, Case Study
1. Introduction: Challenges of Strategic Media Management and Research Aim

After 80 years of publishing tradition, the US print magazine “Newsweek” was sold twice in the past five years. Although it had once been the second-largest weekly news magazine in the USA, the “Newsweek” publishers abruptly stopped producing the print product in 2012 due to decreasing revenues. Yet, “Newsweek” restarted publishing in print in 2014 (Kaufman & Cohen, 2014). As this chaotic example demonstrates, the “management of continuous change becomes a key challenge for strategy development” (Järventie-Thesleff et al., 2014) in today’s dynamic media business landscape.

Monitoring whether a strategy is implemented correctly and whether it has the effects it should have is an important part of change management (Higgins, 2005). For this purpose, the Balanced Scorecard is the instrument of choice. It has been hugely successful since its introduction by Kaplan & Norton in 1992. It is one of the five management tools used most often and has been implemented by nearly 40 percent of all companies all over the world according to a 2012 survey by the management consulting firm Bain & Company (Rigby & Bilodeau, 2013, pp. 9-11). The main reason for the Balanced Scorecard’s success is its clarity. By translating strategy into objectives and performance measures, it enables managers to focus on important business areas, tasks, and processes and reveals the impact of strategic decisions (Kaplan & Norton, 1992).

Since each company pursues its own strategy, the Balanced Scorecard has to be adapted to a company’s individual requirements. Strategy-specific objectives and performance measures have to be identified. This is a challenging endeavor. Kaplan & Norton’s standard model provides some useful guidance, but it is primarily tailored to the requirements of companies in the industrial and not the service sector. However, media companies possess individual characteristics, such as the duality of the customer market (Chan-Olmsted, 2008, p. 258). As previous research shows, these characteristics imply specific objectives (e.g. Demers, 1998; Eisenbeis, 2007). Consequently, the standard model of the Balanced Scorecard does not meet media companies’ requirements. A media-specific Balanced Scorecard is required (Eisenbeis, 2007, p. 215).

This study aims at developing such a media-specific Balanced Scorecard to serve as a foundation for successful management of media companies. For this purpose, relevant media-specific strategic objectives and performance measures are identified, structured, and presented using a Balanced Scorecard. Therefore, an extensive literature review is conducted.
and an empirical case study analyzing a German print media company is highlighted. The research questions are as follows: (RQ1) What are the most important objectives of media companies under consideration of the industry’s characteristics? (RQ2) How are these objectives related and how can they be structured logically? (RQ3) What are the key business areas that media companies’ decision-makers need to monitor? (RQ4) What performance measures are appropriate to measure and control achievements in these key business areas?

The answers to these research questions will not only provide practitioners with a media-specific Balanced Scorecard, but also help to advance research on media-specific objectives. Previous research mostly concentrates on relationships between few objectives (e.g. Demers, 1998). In addition, objectives are rarely identified systematically and related comprehensively. As a result, the overall structure of a media-specific network of objectives remains unclear (e.g. Wirtz & Pelz, 2006, p. 267; Eisenbeis, 2007, pp. 171-187). However, such a structure is necessary, for example to consider the impact of decisions on all relevant objectives or to identify and prioritize action alternatives (Keeney, 1994, p. 798). For media management research a statement from operations research is today as valid as ever: “There is a need for greater depth, clear structure, and a sound conceptual base in developing objectives for strategic decisions” (Keeney, 1994, p. 798). To help filling this gap, our media-specific Balanced Scorecard depicts a draft of the most important objectives of media companies and their relationships.

All in all, our research aims not only at gaining insights for academia, but also at building the bridge to using them in practice (Küng, 2010). Accordingly, we will outline our argumentation and present our findings focusing on the Balanced Scorecard as this is the common denominator covering a management tool for practice and structured objectives for research. The resulting scorecard serves as a foundation to improve strategic management and provides research with a framework to analyze media companies on a normative level. Although this scorecard is developed on the basis of a German regional newspaper publishing enterprise, the results are considered to be valid for other media companies as well, since the conceptual structure is derived from literature and the strategic objectives are identified in two subsequent case studies at one German regional and one Czech national media group. But still, the Balanced Scorecard is a management system that has to be adapted to a company’s specifics to be most effective.
2. Literature Review of the Balanced Scorecard and Media-Specific Objectives

In their 1992 article, Kaplan & Norton state that traditional financial accounting measures could give misleading signals. They suggest applying a more balanced set of measures that enables managers to judge the performance of their business comprehensively (Kaplan & Norton, 1992, p. 71). In 1993, Kaplan & Norton describe their Balanced Scorecard as “a comprehensive framework that translates a company’s strategic objectives into a coherent set of performance measures” (Kaplan & Norton, 1993, p. 134).

![Figure 1. The Balanced Scorecard perspectives with arrows indicating cause-and-effect relationships (based on Kaplan & Norton 2001a, p. 91).](image-url)
Apart from the important role of performance measures, both explanations emphasize that a Balanced Scorecard has to be comprehensive. Accordingly, Kaplan & Norton’s standard model (see Figure 1) not only contains the financial perspective but also the perspectives of customers, internal business processes, and learning and growth, which - eventually - cause financial outcomes (Kaplan & Norton, 2001, p. 90). While the financial perspective covers strategic objectives and performance measures reflecting a company’s shareholders’ point of view, the customer perspective reflects the point of view of the company’s current and potential customers. The internal business process perspective concentrates on value creation processes. Finally, the learning and growth perspective describes what a company should change to pursue its overall strategy.

A Balanced Scorecard intends to break a company’s vision and strategy down into key objectives – from different perspectives – and to provide performance measures. Relationships between objectives, often illustrated using a strategy map (Kaplan & Norton, 1996), indicate how each objective influences another objective as well as vision and strategy or vice versa. The role of vision and strategy needs to be emphasized: All objectives and measures of the different perspectives depend on what a company wants to become (i.e. vision). As this differs from company to company, each Balanced Scorecard has to be individualized in terms of perspectives, objectives, and performance measures. Kaplan & Norton’s standard model serves as a reference regarding the development of a Balanced Scorecard.

However, many companies do not adapt measures and perspectives to their requirements and objectives. Instead, they use Kaplan & Norton’s standard model and risk becoming average companies that fail to achieve their individual objectives (Ahn, 2005, p. 7). To provide companies with better guidance on the development of a Balanced Scorecard, researchers have developed specific models for different industries. They include, for example, models for the health care sector (Stewart & Bestor, 2000; Inamdar & Kaplan, 2002; Trotta et al., 2013) and manufacturing companies (Letza, 1996; Malina & Selto, 2001; Cobbold et al., 2004), which have been explored thoroughly.

Regarding research on Balanced Scorecards for media companies, only few studies more (Anding & Hess, 2001; Müller-Kalthoff, 2002; Brösel & Keuper, 2004; Reising, 2013) or less (Ayingono Moussavou, 2008; Fiege, 2012) related to the media sector exist. Although the importance of media-specific Balanced Scorecards is highlighted, previous research neither
considers characteristics of media management sufficiently, nor applies scientifically sound methods to collect data or validate results with practitioners. These approaches are neither suited to serve as a guideline for media companies to develop and apply their own specific Balanced Scorecard, nor can their results be used as a general model. Nevertheless, the authors mention some media-specific aspects that should be considered. For example, Brösel & Keuper highlight the duality of the market (2004, p. 328). Reising emphasizes the role of content, creative employees, and media policy (2013, p. 139). Müller-Kalthoff points out content (2002, p. 31) and technological objectives (2002, p. 37). Anding & Hess also underline the importance of technology (2001, p. 363). Additionally, they provide a set of performance measures for their objectives (2001, pp. 364-366).

To develop a proper media-specific Balanced Scorecard, these aspects should be considered. Even more important is research on media companies’ strategic objectives. Any Balanced Scorecard consists of strategic objectives. To our knowledge, regarding the media industry, the most extensive study on media-related objectives is provided by Eisenbeis (2007). He discusses how media companies’ objectives are influenced by market and product characteristics (Eisenbeis, 2007, pp. 68-79), e.g. duality of market, central role of creative employees, and innovative use of technology. On the basis of these and further characteristics, Eisenbeis shows that media companies have specific objectives that companies in other sectors do not have (2007, pp. 126-129).

Besides universal objectives, such as “increase profit”, the Balanced Scorecard has to reflect these specific objectives. Research on media companies’ objectives, culture, and resources provides further insights, for example on the relationship between profit and nonprofit objectives (e.g. Demers, 1996 & 1998; Wirtz & Pelz, 2006; Arango-Kure et al., 2014), on objectives regarding content and recipients (e.g. Küng, 2000; Schein, 2003), advertisers (e.g. Küng, 2000; Lowe & Berg 2013), society (e.g. Tjernström 2002), public policy (e.g. Lowe & Berg, 2013; Tjernström 2000), staff (e.g. Küng, 2000; Achtenhagen & Raviola, 2009), growth and diversification (e.g. Kolo & Vogt, 2003), technology (e.g. Gershon & Kanayama, 2002), and business model structure (van Kranenburg & Ziggers, 2013). All these insights from previous Balanced Scorecard research and studies explicitly or implicitly dealing with media-specific objectives provide a valuable framework for evaluating and generalizing the results of our empirical study and give first clues for answering our research questions.
3. Methodology: Identifying and Structuring Objectives to Develop a Scorecard

Kaplan & Norton’s translation of strategic objectives into a coherent set of performance measures requires a consistent, scientifically sound foundation. However, this process is often not conducted systematically. By means of a systematic step-by-step guide covering the whole process from identifying objectives to defining performance measures consistently, practitioners could ensure that all relevant objectives are recognized. Such a guideline is necessary in order to answer the question what the most important objectives are (RQ1) in a scientifically sound manner. The applied guideline was developed previously using methods provided by value-focused thinking. These findings are dealt with in a different paper (Kunz et al., 2015).

Value-focused thinking was introduced by Keeney in 1992 and marks a paradigm shift in thinking about decisions. Keeney argues that, when faced with a decision, most people identify the most obvious alternatives and put a lot of effort into comparing them. However, instead of concentrating on the evaluation of alternatives, decision-makers should be aware of the values that underlie a specific decision context. These values can be expressed using objectives (Keeney, 1992, p. 3).

Value-focused thinking makes an important distinction between means objectives and fundamental objectives. The former are objectives used to achieve other objectives, the latter stand for themselves. The distinction between means and fundamental objectives depends on the decision context (Keeney, 1992, pp. 30-35). “Increase employee creativity” is a good example: In the context of “offer appealing work environment” it is a fundamental objective, whereas it is a means objective in the context of “be an innovative company”. The relationships between all means and fundamental objectives are shown in a means-end network, *i.e.* a network of objectives. Thus, it is necessary to answer the question how these objectives are related and how they can be structured logically (RQ2).

We choose value-focused thinking as the main methodological foundation for developing our Balanced Scorecard. It has already been used to guide decision-making in, for example, the energy sector (Keeney, 1996, pp. 538-542), tourism management (Kajanus et al., 2004), and regarding mobile technology (Sheng et al., 2005). When applied by a trained researcher, it is well suited to identify and structure objectives of laypersons (*e.g.* León, 1999; McDaniels & Trousdale, 1999; Selart & Johansen, 2011). However, the resulting, often complex means-end
networks have not been translated into a concise management tool, such as the Balanced Scorecard, yet. We adapt value-focused thinking and set up a six-step process (see Table 1).

Table 1. Six steps to develop a Balanced Scorecard on the basis of value-focused thinking.

1. Identifying objectives

Interviews with a company’s decision-makers and key employees by means of value-focused thinking techniques provide all the necessary information on objectives and their relationships.

2. Structuring objectives

A means-end network is created by eliminating redundant objectives and aggregating similar ones.

3. Identifying clusters of objectives

By shortening paths between objectives, clusters of objectives form and indicate important areas as well as objectives that have to be considered in a scorecard.

4. Formulating mission, vision, and strategy

By selecting the most important objectives of each cluster and the whole means-end network, mission, vision, and strategy can be derived.

5. Designing the scorecard

The clusters serve as scorecard perspectives. Performance measures that are in accordance with the most important objectives are selected to assess whether the strategy is successful.

6. Monitoring and adapting to change

A regular evaluation of the company’s situation and performance may make it necessary to include new objectives in the means-end network.
In this process, value-focused thinking is applied to guide the interview questions in order to identify objectives and structure them in a means-end network (Keeney, 1994, pp. 798-800). By means of this network of objectives, key business areas can be identified (RQ3) and specific perspectives of the Balanced Scorecard as well as appropriate performance measures can be derived (RQ4).

The whole procedure marks a paradigm shift in the development of a Balanced Scorecard. Normally, mission, vision, and strategy are defined before deriving scorecard objectives (Kaplan & Norton, 2008). Our approach ensures consistency between objectives, mission, vision, strategy, scorecard, and performance measures. As this article aims at identifying objectives and creating the final Balanced Scorecard, step 4 is not discussed.

4. Case Study: Medium-Sized Newspaper Company

Our main object of investigation is the Nordbayerischer Kurier, a medium-sized print media company with headquarters in southern Germany. More than 200 permanent employees and around 500 freelance journalists produce a daily regional newspaper, which – in its heyday – was delivered to up to 42,000 households. Today, circulation is 35,000 and continues to decrease. In addition to newspapers, the company produces and distributes further print products and services. To identify objectives and develop the scorecard, we interviewed the company’s management as well as certain staff members, all being decision makers. In April 2013, we held the first eleven interviews with one of the two publishers, the CEO, eight managers, and one employee, all of them coming from different company divisions. After consolidating the results, we held another ten interviews with key members of the staff in June 2013.

We applied a group model building approach (Vennix, 1996) using the described methodology, which is based on value-focused thinking as it is specified in its basic form by Keeney (1992). To facilitate the consolidation of the different participants’ statements, we followed the same semi-structured interview guideline (see Appendix 1) in each conversation. All interviews were conducted by three interviewers. One of the three researchers involved, the head interviewer, asked a certain set of questions (based on Keeney, 1994, p. 798), while the other two recorded the answers in writing. Additionally, all interviews were recorded on tape. If necessary, the researchers delved into a subject without predefined questions. On
average, the first eleven interviews lasted 72:27 minutes (min: 47:06, max: 100:23), the other ten only 37:57 minutes (min: 22:20, max: 53:53) due to a stronger focus and gradually repeating answers.

During the first round of interviews, interviewees named an average of 78.6 objectives and identified 48.8 relationships between them. While the average number of objectives decreased to 41.8 in the second round of interviews, the average number of relationships remained almost stable at 49.6. This is due to the interviews changed focus: While the first round of interviews helped to identify most of the objectives and basic relationships, the second round of interviews provided only few new objectives, but a lot of information on the structure of the means-end network.

A few days after the interviews, each interviewee received a list of the objectives and relationships they had named for validation and completion purposes. In total, 1,283 objectives and 905 relationships were confirmed. Data preparation revealed that some statements were redundant, while others overlapped and therefore had to be deleted. The remaining and partially aggregated objectives and relationships were put into a highly detailed and comprehensive means-ends network. At first, objectives were roughly arranged according to insights gained from literature. After that, each objective’s relationship to other objectives was analyzed individually. Under consideration of these relationships, the means-ends network was gradually built top-down. In the course of this, clusters of objectives formed. These clusters consist of objectives related to a specific topic, for example “editorial tasks”. However, in order to understand the network as a whole, it was necessary to add five objectives that had not been stated during the interviews and were derived from literature (“recipient profitability”, “business customer profitability”) or constructed by summarizing less important objectives to make the scorecard consistent (“number of business customers”, “satisfy distribution customers”, “provide required infrastructure”). In addition, another 226 relationships were required to logically create means-end relationships (Keeney, 1996: 543f.) between isolated objectives because interviewees had not named relationships explicitly.

The final means-ends network contains 698 objectives and 1,009 relationships. Data were cross-checked by the three researchers involved. Inter-coder reliability (Keaveney, 1995, p. 73), a measure that confirms the quality of this study with regards to interview and coding biases, was achieved by a high level of accordance between the researchers involved. Further criteria to ensure the quality of this study, as applicable to qualitative case studies (Yin, 2014),
were on the one hand achieved by a comprehensive and consistent documentation of the whole process using an interview guideline, written protocols, audio recordings and Excel files to be able to retrace all findings. On the other hand, we ensured external validity through data triangulation (Denzin, 1989) using insights from literature, the interviews described above, and a second smaller case study conducted at a Czech media company in 2014 that provided similar results.

Each cluster of the means-ends network can be seen as a specific context that has its own fundamental objective. For example, “offer attractive content” is a fundamental objective in the context of “have a good newspaper”. However, it is a means objective in the context of “be a successful company”. Such “relative” fundamental objectives can be regarded as “strategic objectives” following the nomenclature of Kaplan & Norton who refer to “strategic” objectives as those that are considered in a Balanced Scorecard. They are the most important part of the Balanced Scorecard. Furthermore, some means objectives should be included in the Balanced Scorecard to understand important relationships between objectives and by which means they can be achieved. One example of such an important means objective is “increase journalistic quality”, which influences the fundamental objective “offer attractive content”.

**Table 2.** Perspectives and corresponding purpose statements.

Financial perspective: “Secure financial foundation for long-term success”

Recipient’s perspective: “Be present in relevant recipient markets”

Business customer’s perspective: “Be present in relevant business customer markets”

Editor’s perspective: “Provide relevant and high-quality content”

Publisher’s perspective: “Provide relevant and high-quality products and services”

Employee’s perspective: “Create staffing conditions for a modern media house”

Technological perspective: “Create technological conditions for a modern media house”
Using the clusters, seven key business areas have been identified (RQ3), which can also serve as perspectives for the Balanced Scorecard. They are the financial, the recipient’s, the business customer’s, the editor’s, the publisher’s, the employee’s, and the technological perspectives. To summarize the meaning of a perspective, its associated objectives are expressed in purpose statements (see Table 2). All of the above exemplarily mentioned objectives belong to the editor’s perspective.

Since more than 600 means objectives have not been included in the final Balanced Scorecard, the relationships between the included objectives had to be remodeled, skipping means objectives. That involved discussing and optimizing the structure of the means-end relationships within and between perspectives. Concentration on the most important objectives and their relationships has resulted in a Balanced Scorecard with 33 objectives (RQ1) and 65 relationships (RQ2).

Performance measures for these 33 objectives have been defined (RQ4). Apart from common measures, such as return on investment, profit, turnover, or cost (financial perspective), new performance measures were obtained during the interviews or derived from the means-ends network and literature as is explained at the end of the next section. Finally, the results were presented to and discussed with the company’s managers. The decision-makers approved of the Balanced Scorecard, including the means-ends network of objectives and the performance measures, without any adaptations being required.

5. Result: Model of a Media-Specific Balanced Scorecard

The result of our study is a Balanced Scorecard for a print media company (see Figure 2). However, as the comparison with results of previous research has proven, its perspectives, most of its objectives, and its performance measures reflect characteristics of the media market, specific tasks and processes of media companies, and media products and services in general. The scorecard can be read bottom-up: Committed, skilled, and creative employees (employee’s perspective) that are equipped with appropriate technological equipment (technological perspective) are necessary to provide relevant and high-quality content (editor’s perspective), products, and services (publisher’s perspective). They have to satisfy the expectations of the audience (recipient’s perspective) and business customers, such as advertising customers (business customer’s perspective), to generate revenues, to cover
expenses, and to make profits, *i.e.*, to make the company financially successful (financial perspective).

**Figure 2.** Perspectives, objectives, and relationships of the Media Balanced Scorecard.
Figure 2 can be seen as a combination of a Balanced Scorecard and a strategy map (Kaplan & Norton, 1996). It shows the relationships between objectives and perspectives, thus providing insights into the structure of media-specific objectives previous research lacks. The resulting implications are discussed at the beginning of the next section.

As mentioned above, the media-specific Balanced Scorecard’s performance measures originate from literature, interviews, and the means-ends network (see Table 3). As to some objectives, in particular financial objectives, performance measures are obvious and “natural attributes”, i.e. attributes/performance measures that have a common interpretation, can be used (for more information on attributes see Keeney & Gregory, 2005). One example is profit, which is the attribute of “make profits”. Other objectives have to be measured with “proxy attributes”, i.e. attributes that are related to the objective under consideration, but do not measure it directly, or “constructed attributes”, which are used if the objective under consideration is supposed to be measured directly, but turns out to lack a natural scale for doing so. As to such objectives, performance measures often refer to the results of a survey of the affected stakeholders’ opinion. To define survey items and scales in order for measuring certain constructed attributes, literature provides some guidance (e.g. Hubbard, 2014). For example, employee satisfaction has been explored in depth (e.g. Brayfield & Rothe, 1951; Wanous et al., 1997, Rutherford et al., 2009).

Table 3. Perspectives, objectives, and corresponding performance measures/attributes.

<table>
<thead>
<tr>
<th>Financial perspective:</th>
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<tbody>
<tr>
<td>- Survive: Cash flow</td>
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<tr>
<td>- Yield interest on investment: Return on investment</td>
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<tr>
<td>- Make profits: Profit</td>
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<tr>
<td>- Increase turnover: Turnover</td>
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<td>- Reduce cost: Cost</td>
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<table>
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<tr>
<th>Recipient’s perspective:</th>
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<tbody>
<tr>
<td>- Increase circulation: Number of recipients</td>
</tr>
<tr>
<td>- Increase recipient profitability: Profit per recipient</td>
</tr>
<tr>
<td>- Satisfy recipients: Recipient satisfaction survey</td>
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<table>
<thead>
<tr>
<th>Business Customer’s perspective:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Increase business customer profitability: Profit per business customer</td>
</tr>
<tr>
<td>- Increase number of business customers: Number of business customers</td>
</tr>
<tr>
<td>- Satisfy advertising customers: Advertising customer satisfaction survey</td>
</tr>
<tr>
<td>- Satisfy distribution customers: Distribution customer satisfaction survey</td>
</tr>
<tr>
<td>- Satisfy print customers: Print customer satisfaction survey</td>
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Editor’s perspective:
- Present content credibly: *Credibility survey among recipients*
- Offer attractive content: *Content attractiveness survey among recipients*
- Deliver content channel specifically: *Content availability survey among recipients*
- Be independent: *Independence survey among recipients*
- Increase journalistic quality: *Quality survey among recipients*

Publisher’s perspective:
- Have balanced product portfolio: *Dependency on single products*
- Increase process quality: *Service and product quality as perceived by customers*
- Increase process efficiency: *Average time of product completion*
- Increase innovation capacity: *Percentage of new product usage*
- Extend beneficial cooperations: *Number of cooperative projects*
- Improve internal communication: *Communication survey among employees*

Employee’s perspective:
- Increase employee productivity: *Number of products brought to market*
- Increase employee creativity: *Number of employee suggestions*
- Improve employee commitment: *Commitment survey among employees*
- Improve employee skills: *Number of employees who completed training*
- Satisfy employees: *Employee satisfaction survey*

Technological perspective:
- Expand data bank: *Number of products using data bank*
- Provide required infrastructure: *Infrastructure survey among employees*
- Provide required hardware: *Hardware resourcing survey among employees*
- Provide required software: *Software resourcing survey among employees*

All of the results presented above were validated in 2014 in a second case study at a Czech media company that employs more than 900 people and offers print and online products. This study was conducted with a similar method as described above. Interviews were conducted with nine company representatives, all of them being managers from different areas. They confirmed that our model is indeed transferable to other media companies, especially its perspectives. Of course, many means objectives in the Czech company’s large means-ends network are specific to the company and differ from our first case study. Yet, the scorecard’s strategic objectives are similar with the exceptions of “satisfy distribution customers” and “satisfy print customers” as the company does not put emphasis on distribution or print services. In addition, the representatives added “improve company image” in order to “satisfy recipients” as a strategic objective in the customer perspective due to their current market reputation. Despite these minor differences, we decided to include the original scorecard from
our first case study in this article because our interviewees agreed that it is well suited as a point of reference to create scorecards for other media companies.

6. Implications for Media Management

By applying a means-ends network, we pioneered in providing a systematic approach to the comprehensive structuring of the strategic objectives of media companies. Our Balanced Scorecard does not only serve media practitioners, but also provides academia with a comprehensive overview of media-specific objectives and their relationships for the first time. We have identified means and fundamental objectives in an overall company context and illustrated interdependencies that provide relevant insights, for example on the status of editorial and content objectives in an objectives hierarchy. In contrast to the postulated importance of nonprofit objectives (e.g. Demers, 1998), such objectives are after all just means to keep the company alive or growing. As this example shows, using the structure of a Balanced Scorecard to display relationships between objectives provides deeper insights than the previously used lists of important objectives (e.g. Demers, 1998; Eisenbeis, 2007). The results of such lists differ greatly, but cannot answer the question of how objectives are related holistically, e.g. to identify objectives facilitating the achievement of others or conflicts between objectives. Relationships of the former kind are uncovered in the network of objectives presented in Figure 2. Considering our research questions, our study has the following implications for research and practice:

Regarding RQ1 (identifying objectives), we are able to confirm many of the most important media-specific objectives that were discussed in previous literature. Thus, when it comes to the generalization of results, our model should be a valid guideline for media companies in general, and content-driven businesses in particular. Only the two objectives “satisfy distribution customers” and “satisfy print customers” are specific to print media companies. Further objectives might be slightly adapted. For example, a company that is not in the print media business might use the objective “grow” instead of “survive”. However, as to the more detailed means objectives, our findings cannot be generalized. Those objectives mostly depend on a company’s individual issues. In addition, their sheer number and variety are overwhelming. Nevertheless, a decision-maker can use such objectives to identify action alternatives (Keeney, 1994, p. 801; Siebert & Keeney, 2013).
Regarding RQ2 (structuring objectives), such action alternatives can also be identified when relationships between objectives are looked at. For example, when trying to find revenue models for online products, media decision-makers should look at objectives directly or indirectly related to online offers. They should ask themselves: Does the company promote creativity? Do employees work with appropriate technology? If so, do they have the skills to handle that technology? If not, do the company’s processes allow employees to acquire the necessary skills? A media company has to meet these requirements to be able to produce digital products that customers are willing to pay for. Furthermore, in research and practice, the entire means-ends network with its several hundred objectives can serve as a starting point for bringing company processes in accordance with objectives, for example innovation management or quality management.

Regarding RQ3 (revealing key business areas), our scorecard reduces the entire means-ends network to the most important objectives while keeping its structure. The key business areas, represented by the scorecard’s perspectives, highlight the fact that media companies have to pay equal attention to two different customer markets in order to be financially successful. This is in accordance with Brösel & Keuper’s findings (2004, p. 328). Moreover, our scorecard helps to realize how strongly the market’s duality affects each part of a media company: All internal perspectives have means-end relationships with objectives of the two customer perspectives. As a consequence, each internal action has to be examined regarding its impact on both customer groups. Kaplan & Norton’s standard model with only one customer perspective does not provide the required information on that impact.

To emphasize the central role of employees and technology, both of them have to be given their own perspective. Together, they form the foundation for all the value a media company creates. As to that, our empirical results are in line with e.g. Reising’s (2013, p. 139) thoughts. Again, characteristics of the media industry can be found: On the one hand, creative employees are necessary to create interesting content. They need a work environment that promotes satisfaction, commitment, and qualification in order to be creative. On the other hand, an appropriate technological infrastructure and a comprehensive data bank, such as an archive, improve value creation. Yet, Kaplan & Norton’s standard model combines all employee- and technology-related resources in one perspective.

A large amount of the mentioned objectives is content-related. In total, 238 such objectives were mentioned. This underlines the importance of content, as is highlighted by Müller-
Kalthoff (2002, p. 31) and Reising (2013, p. 139), and leads to the additional editor’s perspective besides the publisher’s perspective. The latter concentrates on 448 objectives that can be valid for many other industries as well, whereas the editor’s perspective focuses on media-specific processes to provide relevant content. Thus, it represents the difference in the organizational culture we have discovered at our object of investigation: Interviewees described the editorial department as a creative island in the middle of a steady ocean, with all positive and negative aspects this metaphor implicates. Kaplan & Norton’s internal business perspective does not reveal that difference. Only the financial perspective of our model is identical to Kaplan & Norton’s standard model.

Regarding RQ4 (defining performance measures), some measures are quantitative, for example the financial measures. However, the fact whether media-specific objectives are achieved can often only be measured qualitatively (Anding & Hess, 2001, p. 364-366). This can be seen in the editor’s perspective: How can a media company control whether it provides high-quality content? The recipient’s opinion, which can be investigated by means of surveys, is the key factor. Using the means-ends network, such relations to and from an objective support in finding better measures for that objective.

7. Conclusion, Limitations and Future Research

Our research confirms that media companies not only have specific objectives, but also need a specific Balanced Scorecard (Eisenbeis, 2007, p. 215) to cope with a challenging and changing environment. Kaplan & Norton’s customer, internal business process, and learning and growth perspectives are too vague for media companies and have to be adapted to the industry’s requirements. On the basis of previous literature and the objectives identified in our case study (RQ1), we structure objectives in a means-ends network (RQ2), reveal key business areas that are divided into seven perspectives (RQ3), and define key performance indicators (RQ4). The most important objectives, key business areas, and performance measures of media companies are summarized in our model of a media-specific Balanced Scorecard. It takes important characteristics of the media market and its products into account: First, two customer perspectives indicate the duality of the market. Second, the conflict between journalistic and economic/organizational objectives is reflected by two separate internal perspectives. Finally, both employees and technology are represented by perspectives of their own due to their important role in value creation.
The perspectives, objectives, and performance measures presented in this paper provide decision-makers in media companies with a better structured picture of their company and enable them to recognize the impacts that their strategic decisions have on each of the seven perspectives of the company. For research, our findings provide insights beyond the predominant listings of important objectives and create a framework to analyze e.g. intraorganizational conflicts on a normative level. However, our Balanced Scorecard is based on the objectives of a print media company. As our results are in accordance with literature from other fields of media research and were achieved and validated on the basis of two case studies, the perspectives, most of the objectives, and the measures we have identified should be universally valid. The resulting model was also discussed with managers of other media companies who confirmed its applicability. However, even this model of a media-specific Balanced Scorecard needs to be adapted to each media company’s individual requirements.

For purposes of further confirmations our approach should be applied to media companies with different business models, such as micro-business models (Kunz & Werning, 2013). Further, the Balanced Scorecard in our case study does not include objectives referring to laws or regulations, since the interviewed decision-makers apparently did not consider them to be sufficiently important. Such objectives could be more relevant to larger media companies or companies from other areas of the media industry as Eisenbeis’ (2007, pp. 78f.) or Lowe & Berg’s (2013) research and Reising’s (2013, p. 139) thoughts on an additional media policy perspective show. Finally, the network of objectives provides various starting points for research on interdependencies or conflicts on a normative level and their effects on company processes and performance. Beyond these limitations and opportunities, the highlighted procedure of scorecard creation and our model of a Balanced Scorecard equips practitioners with a tool that meets their company’s individual requirements, helping them managing change successfully.
References


Appendix 1: Structure of the Interview Guide with Sample Questions

Opening Remarks

- Salutation.
- Introduction of interviewer and note-taker.
- Description of the project, part 1: Short explanation of scientific background of project, project aim, and most important terms, such as “Balanced Scorecard”.
- Obtain interviewee’s approval of audio recording, record statement of approval again on tape.
- Question to interviewee: Would you please describe your field of work?
- Description of the project, part 2: Explanation of project procedure, e.g. how many interviews will be conducted, that only interviewees personal opinion and experience is interesting and therefore no preparation is necessary, that anonymity is ensured, and that the interview will cover two areas: objectives the company should pursue and objectives that interviewee’s department should pursue.

Interview

- Starting question to interviewee: If you look seven to ten years into the future, what should your company have achieved by then?
- As required: speech pauses, remarks or rephrasing to give interviewee time to think.
- Further inquiries: What does that mean? Why is this important? How can this be achieved? For whom is that important? What else is important – in this context or beyond?
- Alternative questions: In ten years, what should people say about your company at best? What should they say in no event?
- Further questions: Are there objectives that are especially difficult to achieve for your company? How could your department contribute to achieving your company’s objectives? What does your department want to achieve? Which objectives are especially difficult to achieve for your department?
• Short explanation of the term “stakeholder”.
• Question to interviewee: Who are the stakeholders of your company? Who are the stakeholders of your department?
• As required: examples of stakeholders, such as shareholders, employees, or customers.
• Further questions: Which objectives should your company pursue to fulfill expectations of these stakeholders? Which objectives should your department pursue? Are there special objectives on the sourcing side (e.g. make-or-buy, personnel)? Are there special objectives on the demand side (e.g. advertisers vs. recipients)? Are there special objectives on the product side (e.g. digital vs. print offers)? Are there special objectives regarding internal processes?

• Short explanation of the past and current changes in the media landscape: digital revolution, convergence, and fragmentation.
• Questions to interviewee: Which objectives should your company pursue to cope with these changes? How should your company position itself? How can your department contribute?

• As required (by taking up previously named objectives): How are objectives A and B related? Do objectives A and B help to achieve a superior objective? Is there a direct connection between objectives A and B? When would objective A be fulfilled? How could fulfillment of objective A be measured?

Closing Remarks

• Final question: Is there anything important you would like to add but did not have the chance to do until now?
• Description of the project, part 3: Interview will now be transcribed and analyzed. Interviewee will receive analysis for correction and validation purposes.
• Exchange of business cards.
• Thank you.
• Farewell.
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