



**UNIVERSITAT
JAUME·I**

STRATEGIC PLANNING AND MANAGEMENT OF SMES

AUTHOR: PAU MARÍ ROMAGUERA

TUTOR: D. JUAN DAROCHA HUERTA

DEGREE IN BUSINESS ADMINISTRATION AND MANAGEMENT

AE - 1049 - FINAL DEGREE PROJECT

COURSE 2015-16

INDEX

INTRODUCTION	5
1. <u>OBJECTIVES</u>	6
<u>1.1 General objectives</u>	6
<u>1.2 Specific objectives</u>	6
<u>1.3 Justification</u>	6
2. <u>METHODOLOGY</u>	7
<u>2.1 Introduction</u>	7
<u>2.2 Strategic Planning</u>	8
<u>2.3 Balanced Scorecard (BSC)</u>	8
2.3.1 Basic elements of the BSC	9
2.3.2 Key success factors of BSC	11
3. <u>INTERNAL ANALYSIS</u>	15
<u>3.1 Business identification</u>	15
3.1.1 Business introduction	15
3.1.2 Business history	16
<u>3.2 Industrial plants</u>	17
3.2.1 Services	17
3.2.2 Pieces References	19
3.2.3 Quality control process	23
<u>3.3 Organizational structure</u>	25
3.3.1 Organization chart	25
3.3.2 Functions	26
4. EXTERNAL ANALYSIS	31
<u>4.1 Pest analysis</u>	31
4.1.1 Political and Legal factors	31
4.1.2 Economic factors	33
4.1.3 Socio-cultural factors	38
4.1.4 Technological factors	39
4.1.5 Ecological factors	39

<u>4.2 Strategic Environment Profile</u>	40
<u>4.3 Porter analysis</u>	42
4.3.1 Threat of new entrants	43
4.3.2 Threat of substitute products and services	43
4.3.3 Bargaining power of suppliers	43
4.3.4 Bargaining power of customers	44
4.3.5 Rivalry among existing customers	44
<u>5. SWOT</u>	44
<u>6. MISSION, VISION AND VALUES OF WALKER'S</u>	47
<u>6.1 Mission</u>	47
<u>6.2 Vision</u>	48
<u>6.3 Values</u>	48
<u>7. STRATEGIC OBJECTIVES</u>	48
<u>7.1 Description of the proposed objectives</u>	49
7.1.1 Financial perspective	49
7.1.2 Customer perspective	50
7.1.3 Internal Process perspective	50
7.1.4 Learning and Growth perspective	51
<u>8. STRATEGIC MAP</u>	52
<u>9. STRATEGIC INDICATORS</u>	53
<u>9.1 Indicators sheets</u>	54
9.1.1 Financial indicators sheets	54
9.1.2 Customer indicators sheets	56
9.1.3 Internal Process indicators sheets	58
9.1.4 Learning and Growth indicators sheets	59
<u>10. BALANCED SCORECARD FOR WALKERPACK MPL S.L</u>	60
<u>10.1 Balanced scorecard control</u>	61
<u>11. CONCLUSIONS AND RECOMMENDATIONS</u>	62

12. REFERENCES LIST 62

13. BIBLIOGRAPHY 64

14. IMAGES, FIGURES AND TABLES 65

INTRODUCTION

According to formless 'Portrait of the SMEs 2015', realized by the General Division of Support to the SME of the Department of Industry, Energy and Tourism, in Spain, 99 % of all enterprises are SMEs and globally is estimated that thirty percent of GDP is generated by them. Whether offering goods and services or demanding products, constitute the backbone for all developing economies and job creation.

However, due to the economic and financial situation that our country is still living, Spanish SMEs are particularly vulnerable, so their ability to be more competitive is being weakened. The crisis has been especially intense in these companies, in fact it has disappeared in net terms around 10 % of Spanish companies, according to the study 'Business demography in Spain: trends and regularities, 2015' realized by José Carlos Fariñas and Elena Huergo to Foundation of Applied Economic Studies

Thus, the Spanish SME faces a situation that must be managed properly to ensure their survival and success of its existence. Therefore, in this TFG, the Balanced Scorecard (BSC) is presented as a tool for planning and strategic control. According to Norton and Kaplan (1996) , the Balanced Scorecard fills the void that exists in most management systems - the lack of a systematic process to implement and obtain feedback about strategy. Management processes built around the scorecard enable the organization to become aligned and focused on implementing the long-term strategy. Used in this way, the Balanced Scorecard becomes the foundation for managing information age organizations

The Balanced Scorecard will be applied to the company Walkerpack mpl SL with the aim of establishing and monitoring the objectives of the company and its various departments, as it is the SMEs where I am currently conducting university practices, and which I have access to all necessary information.

1. OBJECTIVES

1.1 General Objectives.

The main objective of this project is the development of a strategic plan and management of SMEs , using the Balanced Scorecard as a business management tool to measure the evolution of the activity of the company and its results.

1.2 Specific Objectives.

Specific objectives of the use of the Balanced Scorecard are, on the one hand, the identification of the current situation where the company is located, making analysis both internal and external, to further define adequately the vision of the organization .

Moreover, establishing control over relationships with customers to ensure satisfaction and retention thereof. In addition to carrying out critical management processes such as rinsing, translate or transform the vision and strategy; communicate and link strategic objectives and indicators; plan, set goals and align strategic initiatives and enhance strategic feedback and training.

1.3 Justification.

The reason for the choice of the company which I will base the project, has to do both with the degree of ease of obtaining information, and the sector in which it operates .

As I mentioned above, I am doing university practices in the company by choice. The reason for the choice had to do with the sector to which it belongs, as it was totally unknown to me, and I liked the idea of meeting other sectors. The company belongs to the automotive sector, which also is currently on the rise in Spain. In fact, 2015 closed with figures of production and sales that exceeded expectations. And according to OICA data (World Organization of Motor Vehicle Manufacturers), our country occupied in 2015 the eighth position as a global manufacturer, surpassing Brazil .

Moreover, the carrying out of the university practices in this company, is a way of knowing how it works, what activities performed, how made, who the customers are, know the hierarchical levels, relations between them... Thus, the degree to access the information

needed to prepare the study on strategic planning and management through the Balanced Scorecard, is quite high.

Kaplan y Norton, in his article published in the Harvard Deusto Business review (2001) claimed that *"In a study of 275 portfolio managers it was said that the ability to execute a strategy was more important than the quality of the strategy itself "*. Moreover, in another survey run by the same authors indicated *" that less than 10 % of the strategies formulated correctly applied successfully."* As a solution they created the Balanced Scorecard, a business management tool that transforms the vision and strategy into objectives and indicators classified in different perspectives: financial , customer, internal processes and growth and learning. For this reason is considered to be a very useful system management companies .

2. METHODOLOGY.

2.1 Introduction.

To carry out the TFG, a strategic planning of the company Walker's will be done by the management tool Balanced Scorecard. Previously, both internal analysis and external analysis will be performed. Internal analysis assumes the introspective study of the organization, where business information is provided as the history of the company, description of services offered, organizational structure, value chain... For purposes of external analysis, two tools, PESTEL analysis and analysis of the five forces of Porter, will be used. PEST analysis will determine which environmental factors will affect the organization (political, legal, economic, social factors...) and the analysis of the five forces of Porter will analyze the intensity of competition and rivalry in the industry by defining the forces (threat of new entry, bargaining power of customers, threat of substitutes, bargaining power of suppliers and rivalry among existing competitors).

Once internal and external factors are identified, it proceeds to the identification of the strengths, weaknesses, opportunities and threats (SWOT). Following mission, vision, values and strategic objectives of the company will be defined, to finally establish indicators, goals and action plans for each strategic objective.

2.2 Strategic Planning.

In his narrative on strategic planning , Armijo (2011) defines it as a management tool that can support decision -making of organizations around the current work and the way they should go in the future to adapt to changes and demands imposed by the environment and achieving greater efficiency, effectiveness and quality of the goods and services provided. From a methodological point , strategic planning is an exercise in formulating and establishing priority objectives, whose main feature is the establishment of courses of action (strategies) to achieve those objectives .

Ayestarán et al. (2012) state that the strategic planning process consists of different steps :

1. Defining the mission, values and vision.
2. Analysis of the internal and external situation.
3. Setting goals and objectives.
4. Formulation of strategies and tactics.
5. Design plan and budget.
6. Monitoring, control and evaluation of results.

2.3 Balanced Scorecard (BSC).

The Balanced Scorecard (hereinafter BSC) is defined by Martinez & Milla (2005) as a tool to describe and communicate strategy in a coherent and clear way. It can not apply a strategy that cannot be described. The BSC methodology presents a clear link between company strategy and action, something that usually is not met in most strategic plans.

According to the above authors, the BSC has a number of benefits:

1. Aligning employees to the vision of the company.
2. Improved communication to all staff and compliance objectives.
3. Redefining the strategy according to results.
4. Translation of the vision and strategy into action.
5. Orientation towards value creation.
6. Integration of information from various business areas.
7. Improved capacity for analysis and decision making.

From the perspective developed by Kaplan and Norton teachers (2001), the BSC's main purpose is " to turn the company strategy into action and results " through alignment of the objectives of all the perspectives from which can be seen a company: financial, internal, customers and growth and learning processes.

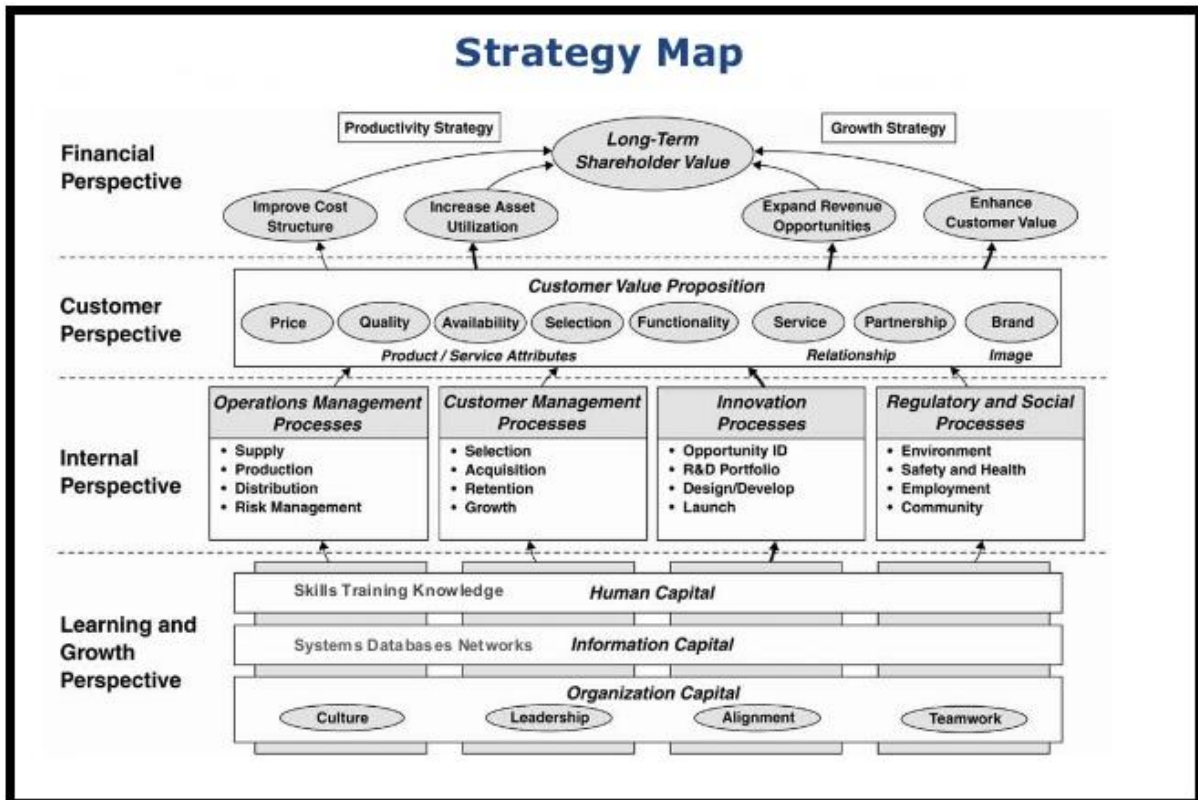
2.3.1 Basic elements of the BSC

Then the basic elements of BSC according to Martinez and Milla (2005) are as follows:

- **Vision:** that is, what is the long term goal of the company or its strategic purpose.
 - **Mission:** what business the company wants to develop, what technologies will meet and what markets or segments will operate. In short, what is its goal.
 - **Values:** what will be the guiding principles that will guide its actions, which are strongly influenced by the culture of the company and may be explicit or implied character.
 - **Strategic map:** graphical representation of the set of ordered strategic objectives in four perspectives and their cause-effect relationships, which help explain the " history of strategy" and why the company will achieve financial success and relationship with customers through his performance in the processes and strategic capabilities.
- Prospects are as follows:

1. Financial perspective
2. Customers perspective
3. Internal processes perspective
4. Learning and growth perspective

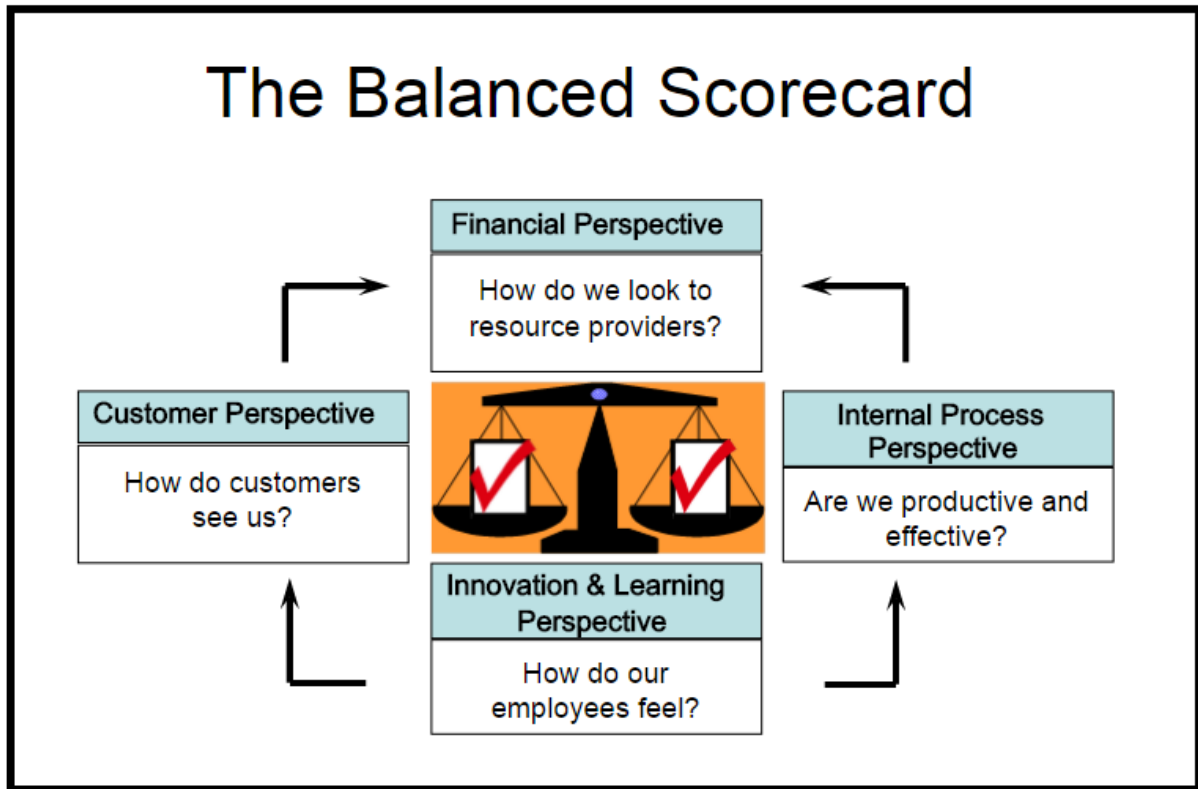
Figure 1: Strategic map model.



Source: Robert Kaplan and David Norton (2004) *Strategy Maps: Converting Intangible Assets to Tangible Outcomes*

- **Goals:** is the target value to be obtained for an indicator in a given period of time. In general, the goals should be challenging but achievable and should be set at appropriate intervals to correct deviations before it is too late.
- **Responsible:** one of the key elements of the methodology is the allocation of responsibility for each of the elements BSC different people in the organization, so personally commit to compliance with the strategy.

Figure 2 Balanced Scorecard perspectives model.



Source: Robert Kaplan and David Norton. Harvard Business School Press, 1996.

2.3.2 Key success factors BSC.

2.3.2.1 BSC perspectives.

A key success factor is a variable in which the organization has to be excellent to achieve their goals. Identifying these factors define a strategic choice of the company, not being identical key factors for two companies in the same sector. According to the model proposed by Kaplan and Norton (1996) model, key success factors are often structured around four key perspectives of a company:

The BSC retains the **financial perspective** since financial measures are valuable in summarizing the readily measurable economic consequences of actions already taken. Financial performance measures indicate whether a company's strategy, implementation, and execution are contributing to bottom-line improvement. Financial objectives typically relate to profitability -measured, for example, by operating income, return-on-capital-employed, or, more recently, economic value added.

Table 1. Example of indicators of financial perspective BSC in an industrial company.

Perspective	Key factors	Proposed indicators
Financial	Wealth generated Assets Benefits	Net profit / Equity Profit in absolute value : Sales / Active

Source: Oriol Amat Salas - Fernando Campa (2013): *Manual de Controller*.

In the **customer perspective** of the BSC, managers identify the customer and market segments in which the business unit will compete and the measures of the business unit's performance in these targeted segments. This perspective typically includes several core or generic measures of the successful outcomes from a well-formulated and - implemented strategy. The core outcome measures include customer satisfaction, customer retention, new customer acquisition, customer profitability, and market and account share in targeted segments.

Table 2. Example of indicators of customer perspective BSC in an industrial company.

Perspective	Key factors	Proposed indicators
Customer	Customer satisfaction Distributors satisfaction Favorable news Awards	% Customers who return to buy % Customers who buy recommendation from other customers Customer survey results Number of complaints Results of surveys distributors Number of favorable news media

Source: Oriol Amat Salas - Fernando Campa (2013): *Manual de Controller*.

In the **internal process perspective**, executives identify the critical internal processes in which the organization must excel. These processes enable the business unit to deliver the value propositions that will attract and retain customers in targeted market segments and satisfy shareholder expectations of excellent financial returns. The internal-business-process measures focus on the internal processes that will have the greatest impact on customer satisfaction and achieving an organization's financial objectives.

Table 3. Example of indicators of internal processes perspective BSC in an industrial company.

Perspective	Key factors	Proposed indicators
Internal process	Lead Defects Quality of service	Day term production cycle Number of failures per 1.000 units Number of reworks Delivery times

Source: Oriol Amat Salas - Fernando Campa (2013): Manual de Controller.

The fourth perspective of the BSC, **learning and growth**, identifies the infrastructure that the organization must build to create long-term growth and improvement. The customer and internal-business-process perspectives identify the factors most critical for current and future success. Businesses are unlikely to be able to meet their long-term targets for customers and internal processes using today's technologies and capabilities. Also, intense global competition requires that companies continually improve their capabilities for delivering value to customers and shareholders. Organizational learning and growth come from three principal sources: people, systems and organizational procedures.

Table 4: Example of indicators of growth and learning perspective BSC in an industrial company.

Perspective	Key factors	Proposed indicators
Learning and Growth	Selection Training Incentives	Employee surveys % Voluntary resignations

Source: Oriol Amat Salas - Fernando Campa (2013): Manual de Controller.

According to Amat and Field (2013), the BSC is based on the assumption that if it acts on the perspective of employees, this will be the engine of process improvement . This improvement in processes result in more satisfied customers who buy more, which is to generate better financial results for the company.

2.3.2.2 Keys to success of a BSC

Considering Amat and Field (2013), the implementation of a BSC may generate mistrust in the company by the usual resistance to change. Therefore, for the implementation of a BSC to be successful a number of conditions are usually necessary:

- It requires the full support and leadership of senior management of the company, in order to contribute to its development and show the rest of the team the need to develop this management tool. It is therefore advisable to include in order to clarify the stated strategic objectives.
- In the design phase it is essential to have the participation of people who will then be "controlled" through the BSC.
- That the whole organization has relevant information to measure results and analyze the causes thereof (if many measurement systems fail it is because of its almost exclusive reliance on financial indicators, leaving aside other key issues for the success of the company).
- Another aspect to consider to successfully implement the BSC is the correct identification of the key factors. It is important to analyze what aspects should care organization to ensure the achievement of the objectives set in the strategic plan.
- It must be avoided that the system is too complicated and costly. A BSC must be composed of indicators of each of the perspectives and to make it operational, at most should have 20 to 35 indicators in total, in order to facilitate analysis.
- To avoid problems of coordination, it is necessary to establish a timetable and responsible for their achievement, a role that should normally lie with the controller of the company.
- It is imperative that the achievement of the objectives is accompanied by incentives for people who have contributed to it, because otherwise it can become a little motivating or even, in extreme cases tool, demotivating .

- The communication of the implementation of the process of making the BSC and the information to be generated is fundamental. In this way, everyone in the company can become aware of the importance of the tool.

Failures in implementing a BSC usually occur when no business strategy, when top management does not support the tool, when there are changes in senior management or strategy...

3. INTERNAL ANALYSIS

3.1 Business identification

3.1.1 Business introduction

Image 1: Identifying logo.



Source: *Walkerpackmpl.com*

Name of the enterprise: WalkerPack Mpl, S.L

Type of the enterprise: Limited Corporation

Address: nº, Av. de la Foia, 20, 46440 Almussafes, Valencia

Year of constitution: 2005

Purpose of the company: To offer a wide range of services to companies located throughout the world.

CIF: B97645949

Code CNAE 2009: 5210 - Warehousing and storage

Owner: Sra. Pepa Torres from 2013, and manager right from its conception.

3.1.2 Business history

WalkerPack Mpl (hereinafter Walker's) was a British firm that served Ford Almussafes logistics. Three years ago, British firm became a Valencian company, the enterprise taken over by Pepa Torres, current owner and manager. The firm started when the former owner

had the opportunity of opening a center of screws engines to supply Ford, and Pepa Torres was member of the management team right from the start. From 2013, the company began to grow with the emergence of new projects requiring significant investment and it was then when the owners preferred to sell.

In 2013, Ford awarded the new Transit Connect production to Almussafes. This is a model with more than 350 versions of bodywork, so it is the most complex and difficult to manufacture Ford model, and as Pepa says, this situation posed an increased production and employment. In fact, the Walker's workforce increased from 38 to 250 in three months. During the same year, Ford closed its plant in Belgium, so the production of three new models arrived to Valencia, Mondeo, Smax and Galaxy. In this way, Walker continued to grow.

When Pepa took over the business in 2013, the enterprise has multiplied tenfold its billing, it has increased to 10 million euros, to become an important company of the logistics operators on the Juan Carlos I Industrial Park in Almussafes (Valencia). Since then, the company has over 400 employees in four industrial plants totalling 25.000 square meters.

Image 2: View industrial plant 3



Source: Walkerpackmpl.com

Walker's main deal is the storage of Ford parts, to sequence it to reach the necessary parts at the point of use at the right time. It also offers a quality service, where the pieces are reviewed and defective parts are removed.

3.2 Industrial plants

Walker's activity is split into four workcenters serving Ford and its suppliers. In these centers, the company sequences more than 3,500 different references. Walker currently occupies facilities of over 20,000 square meters, part of which are dedicated to sequencing and part to providing logistics services to suppliers like BRUGOLA, FAURECIA and LEAR.

3.2.1 Services

The workcenters offer a variety of services:

- **Storage and custody of material.** In all warehouses, stocks are custodied by security cameras. Customs enclosure for parts owned by Ford of Spain. Each pallet is labeled for their traceability in the warehouse and availability for receptions and deliveries carried out 24 hours a day.
- **Review and check of defective material.** Sometimes parts are received NOK, for example, due to poor condition of the packing. So in warehouses parts are classified as OK or NOK. Segregation and movement of such material to the rejections area, for later rework if it is possible for recovery of the piece.
- **Distribution of material with their own fleet.** Sequencing in real time to the production line, supplying the correct amounts at the necessary moment. All parts sent to plant with their own vans, they have a fleet of more than 15.
- **Transfer for parts.** To save on space and facilitate a safer material handling, changes in packaging are made to more durable packaging, for further protection of the parts too.
- **Inventory control.** To know the status of the workpiece, its location in the warehouse and its position in the area of sequenced at all times, Walker's team identifies the pieces upon receipt. In addition, FIFO storage system and a maximum

and minimum control is used to create alerts that do not affect the final production line.

On the other hand, it should be noted that the industrial plant 4 supplies seats by conveyor to the production line and collects all the “foam” produced in Ford-Valencia Foaming Plant. Once the “foam” has been classified, is sent in a just-in-time basis to the various providers, manufacturers of seats in the Industrial Park, as the Saarlouis plant in Germany.

Image: 3 industrial plant 1, seats



Source: Walkerpackmpl.com

The seats are manufactured in the Faurecia’s Poland plant, so Walker provided the foam just-in-time from that country.

3.2.2 Pieces references

In each warehouse there are different pieces stored and sequenced, then show some of the pieces contained in each warehouse.

3.2.2.1 Industrial Plant 1

Just as we mentioned before, these plant sequences mainly seats by conveyor to the production line and collects all the “foam” produced in Ford-Valencia Foaming Plant. There is only one family of seats with a total of two basics.

Table 5. Pieces of industrial plant 1

INDUSTRIAL PLANT 1	
Basic	Family
K600D82	Faurecia seats
K600D83	

Source: Own elaboration

3.2.2.2 References Industrial Plant 2

This plant is the biggest, so it sequences and stores more references than others. And more specifically, there are 32 families totaling more than 100 different references, for example pieces as air deflector, shocks, luggage compartment floor carpet...

The following table lists some of the pieces contained in this workplace.

Table 6. Example of pieces of industrial plant 2

INDUSTRIAL PLANT 2			
BASIC	FAMILY	BASIC	FAMILY
7K004	Shift Lever	2780	Hand Brake
7C453		13K175	Wiper Bottle
18808	Speakers	17B613	
18C957	Foam Speakers	18080	Shock
S27936	Filling Openings	18W002	
405B84		18W003	
V27936		18K077	
F27936		17B861	

R27936		17C861	Bracket Bumper
9B401		9034	Mangon

Source: Own elaboration

3.2.2.3 References Industrial Plant 3

This warehouse is responsible for sequencing all the different mirrors of KUGA, MONDEO, CONNECT, SMAX and GALAXY among other pieces.

Image 4: industrial plant 3, mirrors.



Source: Walkerpackmpl.com

These would be some of the pieces in this warehouse

Table 7. Example of pieces of industrial plant 3.

INDUSTRIAL PLANT 3	
BASIC	FAMILY
R11442	Heat Resistant
1148	
F114B04	
7Z309	
17682	Mirrors
17683	
17K746	Cover Mirror
17K747	
17D742	
17D743	

Source: Own elaboration

3.2.2.4 References Industrial Plant 4

This plant is located in Picassent, it is the only contractor to provide sequenced delivery to Ford from outside the industrial park adjacent to automaker's facility.

Image 5: industrial plant 4.



Source: Walkerpackmpl.com

Table 8: Example of pieces of industrial plant 4.

INDUSTRIAL PLANT 4	
BASIC	FAMILY
A46668	Side Carpet
A45422	
A45423	
F45422	
F45423	
N45422	
N45423	
S02216	

F02216	Cow Grille
R02216	

Source: Own elaboration

3.2.3 Quality control process.

The quality control is a procedure intended to ensure that the service rendered adheres to a defined set of quality standards. To ensure that the service is performed taking into account a number of rules, the company establishes both quality and safety standards. In fact, the company has obtained the security certificate according to OHSAS 18001 and the quality certificate ISO 9001: 2008.

3.2.3.1 Quality standards.

- Each task is specified in panels located in the work areas. The steps which need to follow are also specified.
- All processes are reviewed to eliminate errors.
- The errors are evaluated to avoid them in the future.
- Quality courses are held from time to time
- There are different containers for disposal of materials used.
- All parts received are reviewed to avoid using parts in poor condition.
- Plans improvements of production processes are performed.
- Daily monitoring of accidents is done, the causes are analyzed and discussed possible solutions to avoid in the future.
- Monthly monitoring of accidents leaves are done.

3.2.3.2 Safety standards.

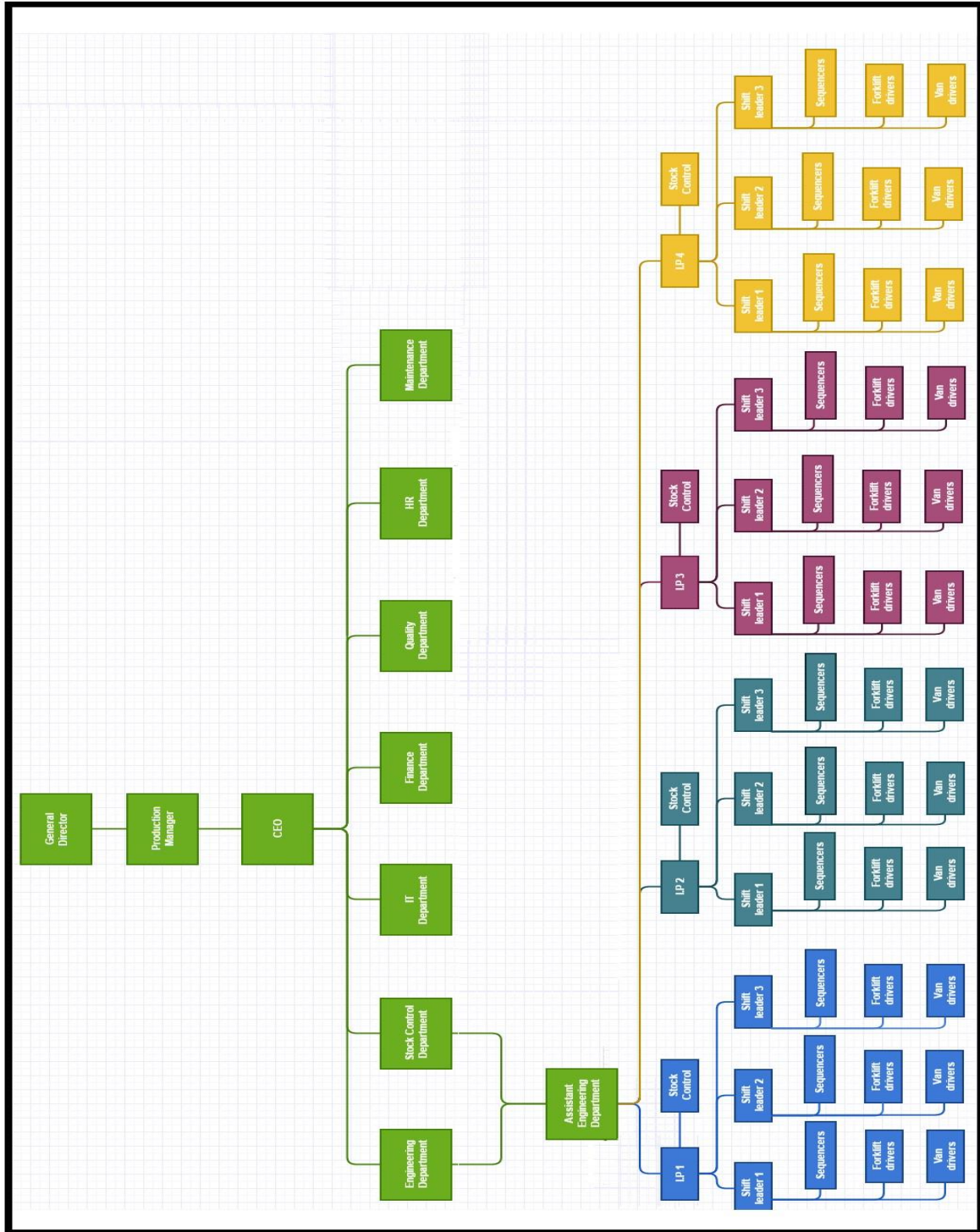
- Mandatory use of reflective jacket and safety boots to work any of the industrial buildings.
- Staff moving around the industrial plants must circulate by marked trails, and respect the signs.
- Staff should get annual medical examination.

- There are eating and smoking areas, so the staff cannot eat or smoke in the work area.
- Only authorized personnel can use forklift.
- Information leaflets are specified to determine the correct work postures.

3.3 Organizational structure

3.3.1 Organization chart

Figure 3: Walker organization chart.



Source: Own elaboration

3.3.2 Functions

3.3.2.1 General Director

- Sets goals and targets designing the strategy to follow.
- Manages and directs overall operations.
- Is the responsible for representing the company in public at events.
- Is responsible for coordinate logistical and human resources.
- Makes important decisions and directs the course of the company towards achieving the objectives.
- Evaluates the production and productivity.

3.3.2.2 Production Manager

- Plans, organizes and controls production schedules.
- Supervises the work of junior staff.
- Is responsible for the effectiveness and efficiency of internal processes.
- Is responsible for identify process improvements, that way, the Production Manager runs improvement plans.

3.3.2.3 CEO

- Defines and enhances corporate culture.
- Searches and analyzes the potential financial opportunities for the company.
- Is responsible for the formation of the equipment.
- Is responsible for spreading the mission, vision and objectives across the enterprise.

3.3.2.4 Engineering Department

- Supports management department.
- Analyzes and evaluates production processes.
- Develop manufacturing methods , labor utilization standards , and cost analysis systems to promote efficiency in staff and facility utilization .
- Design control systems to coordinate activities and production planning to ensure that products meet quality standards.

- Revises production programs, technical characteristics, process flows, to understand techniques and activities in manufacturing and services

3.3.2.5 Stock Control Department.

- Receives and validates pieces owned by Ford.
- Checks there are necessary material at all times, through a control of maximum and minimum. Cycle counts of the pieces are also made.
- Manages the loading and unloading of trucks. Make delivery notes, waybills ...
- Manages the loading and unloading of trucks. It performs delivery notes, waybills ...
- Controls the state of parts , packaging ...
- Handling complaints transport and receipt of material discrepancies.

3.3.2.6 IT Department.

- Is responsible for creating internal programs and improve it.
- Supervises, guarantees and implements information systems in all areas of the company.
- Implements technology security measures.
- Constantly evaluates the use and operation of installed systems.
- Evaluates and analyzes business processes and assists in driving continuous improvement.
- Researches new development technologies.

3.3.2.7 Finance Department.

- Controls internal costs and expenses of the company.
- Prepares budgets , investment plans , financing plans ...
- Is responsible to reflect the status of accounts.
- Tracks and performs a reconciliation of bank accounts.
- Is responsible for making payroll to pay the salary to employees.
- Receives and sends invoices credit.
- Is responsible for the administration of the economic resources of the company.

3.3.2.8 Quality Department.

- Ensures compliance with the Quality Policy indicated by the direction of the Company.
- Is responsible of finding the root cause of quality issues.
- Makes quality and safety plans to meet all required requisites.

3.3.2.9 HR Department.

- Designs the Job analysis and Job description. It involves the planning for what types of skills should employees possess.
- Recruits the best people for the organization.
- Determines the wages and salaries for different position in an organization
- Develops methods to evaluate the performance of employees.
- Offers support and answers questions from employees
- Is responsible for the training of workers.

3.3.2.10 Maintenance Department.

- Is responsible for the way equipment runs and looks and for the costs to achieve the required level of performance.
- Ensures maximum safety to avoid production stoppages.
- Ensures that equipment is properly designed and is performing effectively and efficiently.
- Sets and oversees plans for critical equipment analysis and monitoring techniques.
- Checks identified weaknesses during corrective maintenance.
- Creates standards for major maintenance repairs.

3.3.2.11 Shift Leader

- Is responsible for everything that happens in their turn.
- Reports everything that happened in his turn.
- Monitors that workers comply with the requirements established of quality , time and responsibility.
- Coordinates staff work shift.

3.3.2.12 Sequencers.

- Are responsible for preparing the right parts that Ford needs, to be transferred afterwards to the production line at the right time.
- which they are primarily responsible not to make mistakes when sequencing the pieces, these errors can cause stoppages in the production line.
- There are a range of specialized sequencers for each pieces.

3.3.2.13 Forklift drivers.

- Unload freight from trucks arriving at the industrial plant.
- Place the material in the warehouse following the FIFO method.
- Load the empty packaging in the appropriate trucks.
- Provide material to sequencers.
- Carry the sequenced parts into vans.

3.3.2.14 Van drivers.

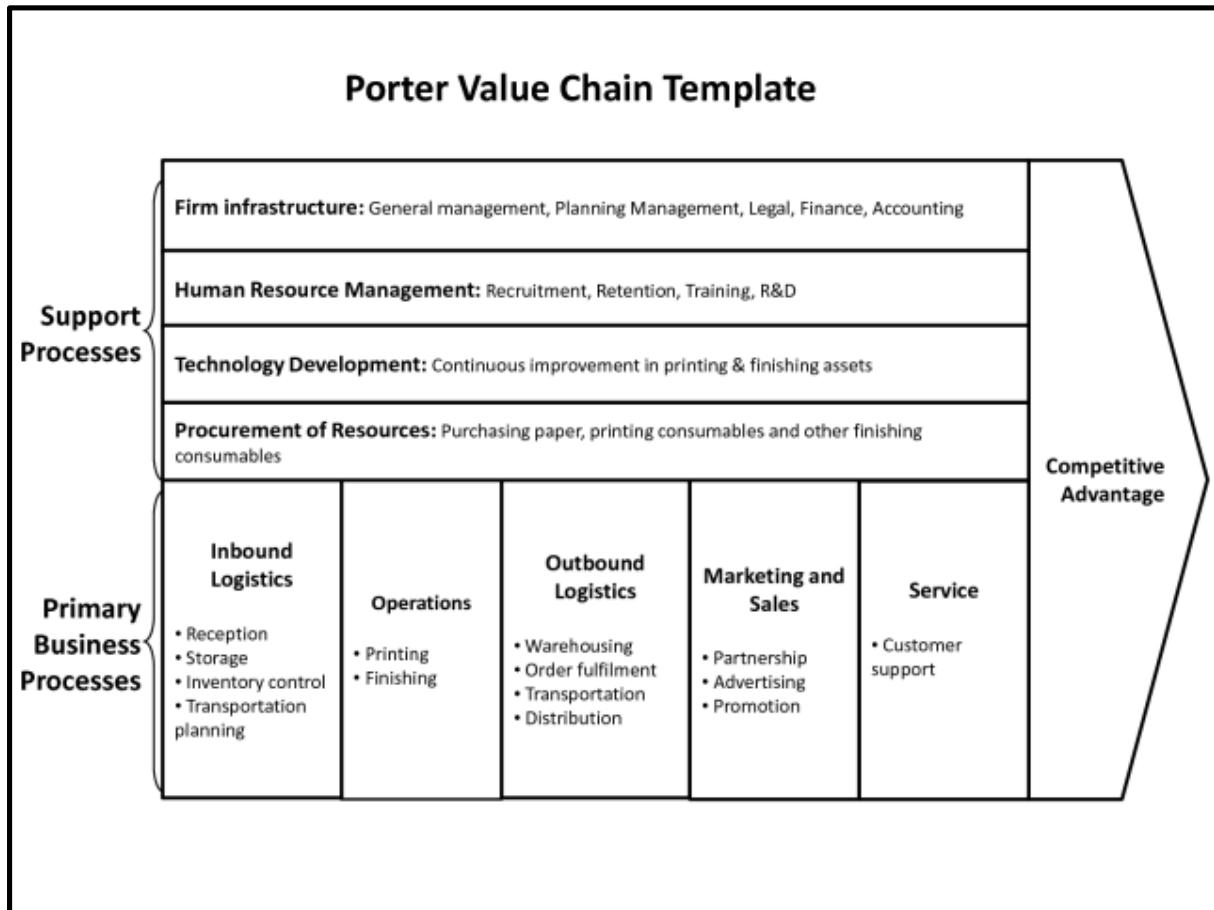
- Are responsible for transporting the sequenced parts to Ford at the right time.

3.4 Value chain analysis.

Michael Porter model of value chain analysis (1985) propose a systems view of the organization composed of stages in a transformation process with inputs and outputs to each of the distinct stages. Michael Porter defined value as "the price that a customer is prepared to pay for a offering". The purpose of value chain analysis is to measure the value delivered and the profit contributed by each link of the chain.

Porter (1985) determines a chain of activities common to all companies, and he divided them into primary and support activities, as represented in the following.

Figure 4. The value chain.



Source: Porter (1985)

Next are detailed the links of the Walker's value chain:

→ Inbound Logistics:

- Ford daily parts are received and stored using the FIFO method.
- Cyclic counts are performed daily to control inventory.

→ Operations:

- The parts that Ford needs, are sequenced by staff , and move at the right time to the production line (Just In Time).
- Review of the sequenced parts to avoid mistakes.

→ Outbound Logistics:

- In each industrial building, daily over 40 distributions of material are distributed to the Ford Production Plant.

→ Service:

- Walker is responsible for the costs of any error produced by its employees.

In relation to the Marketing link, the company does not make advertising campaigns or promotions, because Ford is based on the quality of service companies.

4. EXTERNAL ANALYSIS.

The external environment of the organization includes both general environmental factors and industry factors. Therefore, the process of external environmental analysis entails, first, the analysis of the political, economical, socio-cultural and technological factors and, second, industry competitive environment analysis which leads to determining the firm's opportunities and threats (Lynch, 2000).

For this purpose, Pestel analysis and analysis of the five competitive forces of Porter will take place.

4.1 Pest analysis.

The Pestel analysis is used to study the overall environment, that is, to identify which factors are crucial for the company and which not.

Kotler (1998) claimed that PEST analysis is a useful strategic tool for understanding market growth or decline, business position, potential and direction for operations.

4.1.1 Political and Legal factors.

The political dimension is related to government stability and general policies that carry out public administrations in areas such as taxation, foreign trade or social welfare. While the legal dimension integrates administrative factors, legal and regulators in which the company can operate. (Guerras and Navas, 2007)

WALKER'S is an automotive supplier company, so political and legal factors affecting the automotive industry, affects directly or indirectly to the company.

The Government has approved the "Plan to Promote Sustainable mobility Alternative Energy Vehicles" MOVEA, The new **Royal Decree 1071/2015** that regulates the direct granting of aid for the purchase of alternative energy vehicles in 2016. In addition, the **Royal Decree 1071/2015** establishes the procedure for the direct award of grants Incentives Program Efficient Vehicle (PIVE -8). So the Royal Decree 380/2015 is amended, maintaining the continuity of the program until July 31 of 2016 or until funds are exhausted.

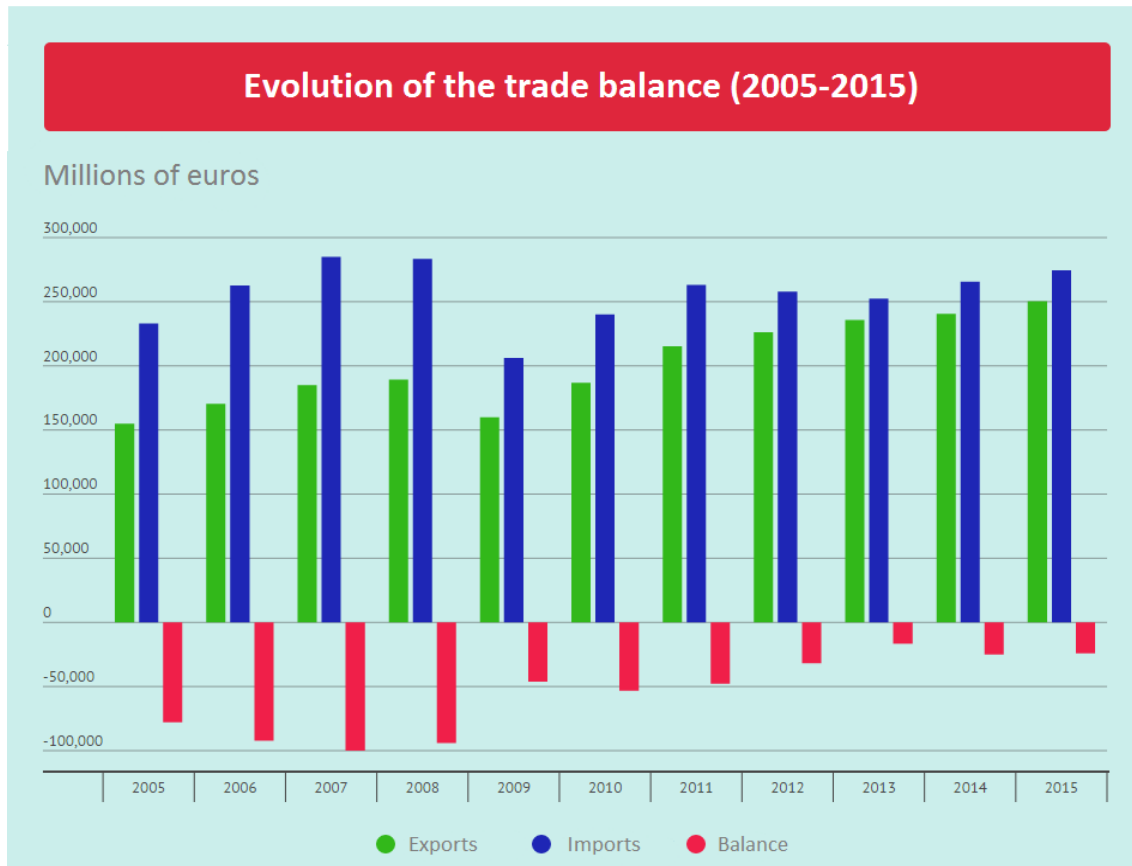
According to the BOE (2015), the implementation of these plans has enable the market to experience a continued growing, with a growth of 27.5 percent in registrations in the month of January of 2015, the largest percentage growth for a month of January for twenty years. In 2014, nearly a million registered vehicles were reached. The PIVE plans have cushioned the effects of crisis and thanks to these, the segment continues to grow.

In the other hand, commenting on Spain's fiscal policy, according to the Bank of the Spain (2016)," so far this year, the Gross Domestic Product has already declined. This slowdown is a result of the downward revision of global growth, the appreciation of the euro and falling stock markets". The Bank of Spain expresses doubts "about the future use of economic policies that could adversely affect the spending decisions of consumers and businesses, especially if the current political uncertainty is prolonged in time".

According to the general director of economics and statistics of the entity, Pablo Hernández de Cos, there are unknowns about how it will correct the deficit by 2015 and fiscal policies will have a negative impact on growth and yield downward biases. The deficit target for 2015 set by the Europe Union was 4.2%, so Spain has failed the deficit target with a deficit of 5.16 %. This may result a reduction in rates of economic growth, job creation and wage growth, an increase in prices, nominal interest rates ... This situation has a negative effect on the country's economy.

In terms of foreign trade, as table 9 demonstrates, overall exports have increased considerably over the past 10 years, 2015 is the year that recorded more exports.

Table 9: Evolution of the trade balance (2005-2015).



Source: ICEX database

Mention the exports in the automotive sector, we can say it is a fundamental sector for the economy of the country. According to the latest data published (2015) by de “Comercio Exterior”, as it accounts for 18.6% of the Spanish exports. It also accounts for 10 % of GDP on the Spanish industry, and 9 % of employment. Spain is currently the second largest manufacturer of cars in Europe. ANFAC has published that “to this year 2016 is estimated to be exported 2.3 million units, of which 85 % will go to other countries”.

4.1.2 Economic factors.

This dimension, affects the nature and the direction of the economic system where the company operates and is given by its main economic indicators. (Guerras and Navas, 2007).

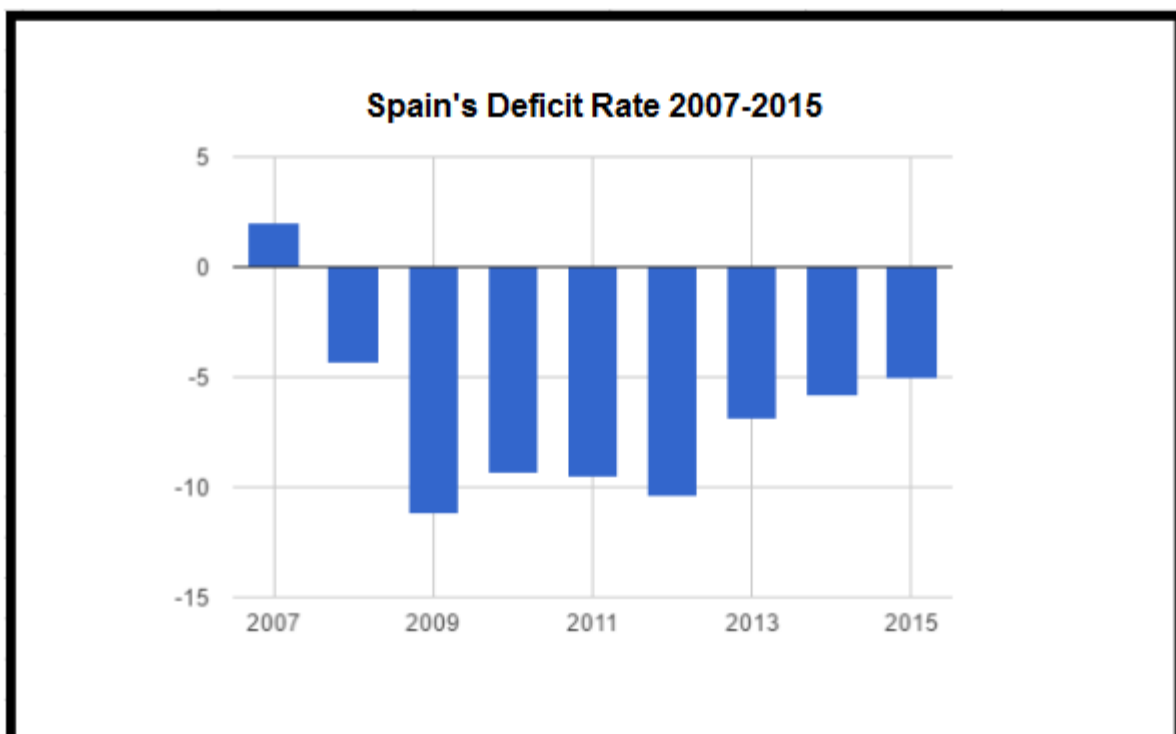
In respect of economic factors, it is important to mention the current economic crisis not only in Spain but also in Europe and around the world. The Spanish economy has experienced a

significant turnaround in recent years, also thanks to reforms undertaken in response to the crisis. The crisis began in 2008 when negative growth rates begins to appear.

The first measures taken were an increase in public spending to revive the GDP, this triggered a sovereign debt crisis because of the high public deficit. Because of this strong adjustments were made to prevent rescue. This crisis has hit the main macroeconomic indicators of the country, such as inflation, public debt, deficit, GDP, the risk premium, the unemployment rate.

As shown in table 10, during the crisis the deficit in Spain has fallen drastically, mainly highlighting the data recorded in the year 2009, achieving higher deficits of democracy with a value of 11.2%. Because of this, the Spanish Government accepted covenants and reforms in order to reduce these as negative values. These covenants and reforms have been translated in endless cuts affecting health, SMEs, education, social aid, renewable energy, research and development, public services, pensions, unions... Among others. Since 2010, a slight improvement is observed, in 2015 are recording some data of 4.55%, 8 points less than in 2009.

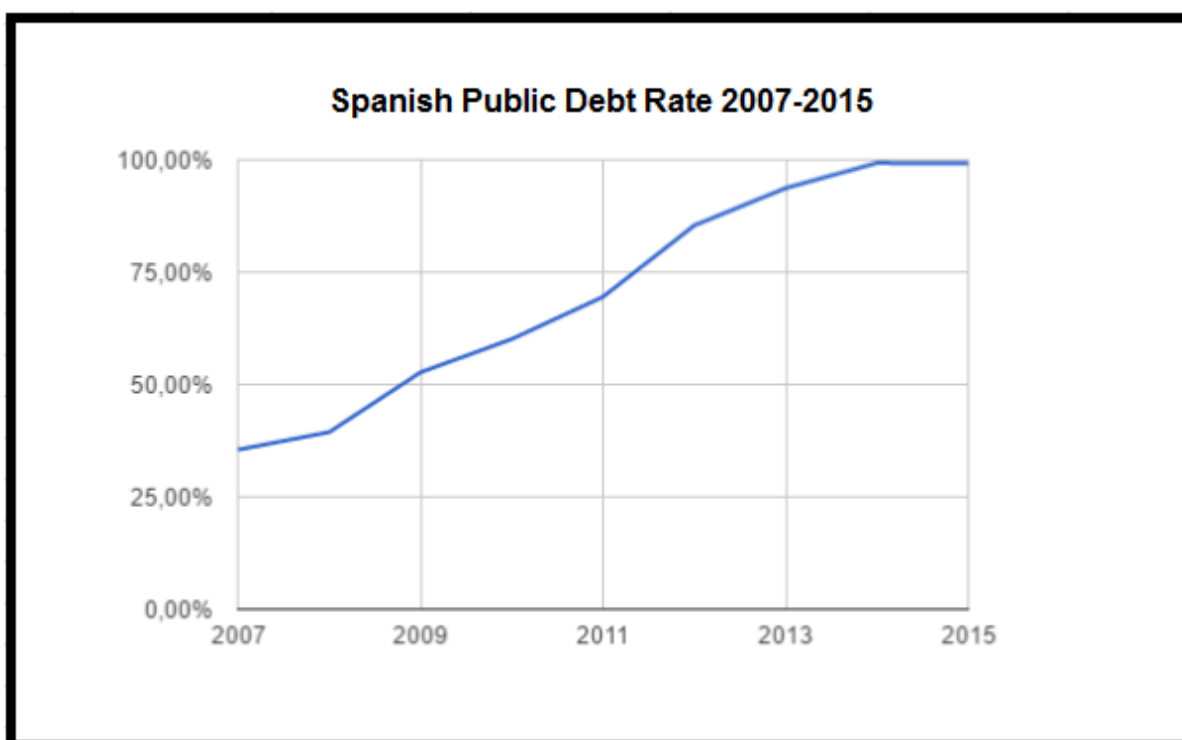
Table 10: Evolution of Spanish Deficit (2007-2015)



Source: Own elaboration from data obtained from Datosmacro.

As for public debt, during the crisis has increased more than double since the beginning of this. Last year the debt was 1.072.183 million euros with a 99.20% of GDP. For the first time in more than one century, the Spanish public debt has exceeded 100% of GDP, more than 1.08 billion euros, according to the Bank of Spain data for the month of February this year. Spain is among the countries with more debt in the world. This situation presented by the Spanish debt, is due to the increase in public spending and the decrease in revenues. Table 11 represents the evolution of the public debt in Spain since the beginning of the crisis.

Table 11: Evolution of Spanish Public Debt (2007-2015)



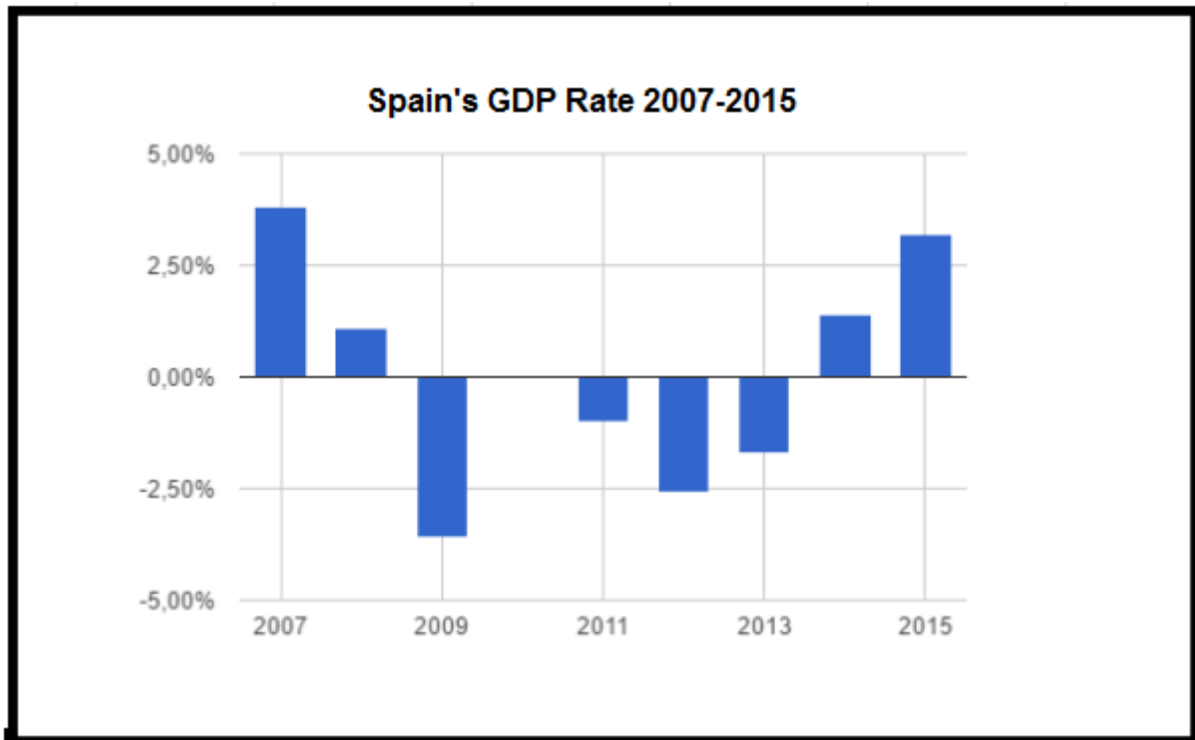
Source: Own elaboration from data obtained from Datosmacro.

The gross domestic product (GDP) is an economic indicator that reflects the total production of goods and services associated with a country for a certain period of time. It was in 2008, when the GDP of Spain declined for two consecutive quarters, so the country went into recession and therefore confirmed the economic crisis. 2007 registered a GDP of 3.8% while the year 2008 a 1.1%. As of 2010, there was a slight improvement, but finally at the end of the same year Spain turned into a second recession. This recessive phase, originated at the outbreak of the European sovereign debt crisis. In 2013, the GDP begins to evolve from -1.7% to a 3.2% in 2015, so economists place the end of the second recession in 2013.

In fact, according to the article published in the digital newspaper EL País "*The Bank of Spain observed some moderation in economic progress*", the Spanish economy grew a

0.8% in the first quarter of 2016 , the same as the two previous quarters. Table 12 shows the evolution of GDP in Spain during the economic crisis.

Table 12: Evolution of Spain GDP (2007-2015)



Source: Own elaboration from data obtained from Datosmacro

The crisis is having a strong impact on unemployment in Spain. In 2007 the rate unemployment was 8.8% through to 2012 with one three times higher rate representing 26%. From this year, we have seen a moderate improvement falling six points by 2015 (20.7%). It is still a too high rate for the Spanish economy.

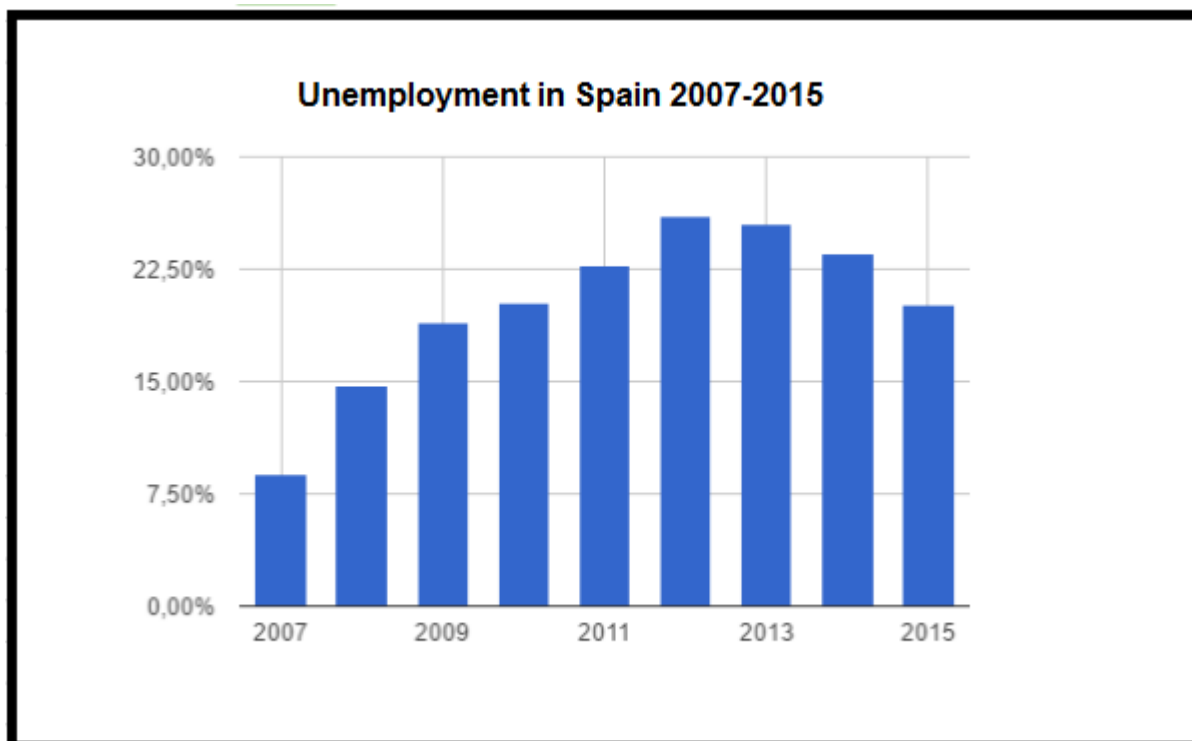
According to the Survey of People Active 2015 issued by the National Institute of statistics, "the number of employed increases in 182.200 people in the third quarter of 2015 and is located in 18.048.700." It also says that "unemployment decreased by 298.200 people in the third quarter of 2015. The total number of unemployed is located in 4.850.800, the level lower from the second quarter of 2011. In relative terms, the quarterly decline in unemployment is 5.79%." According to the same survey, the total unemployed 27.69 corresponds to people who have 3 consecutive years unemployed.

Despite these moderate improvements that are going, according to the ranking of unemployment in European countries (2015) by the newspaper "La Vanguardia", Spain

continue to be the second country with more unemployment in Europe. Some of the factors that have led to this situation are the decline in consumption with the consequent decrease of production, the lack of funding by banks to SMEs, the fall of public spending...

As we can see in table 13, five and a half years have passed with a rate of unemployment above 20%.

Table 13: Evolution of Unemployment in Spain (2007-2015)



Source: Own elaboration from data obtained from Datosmacro.

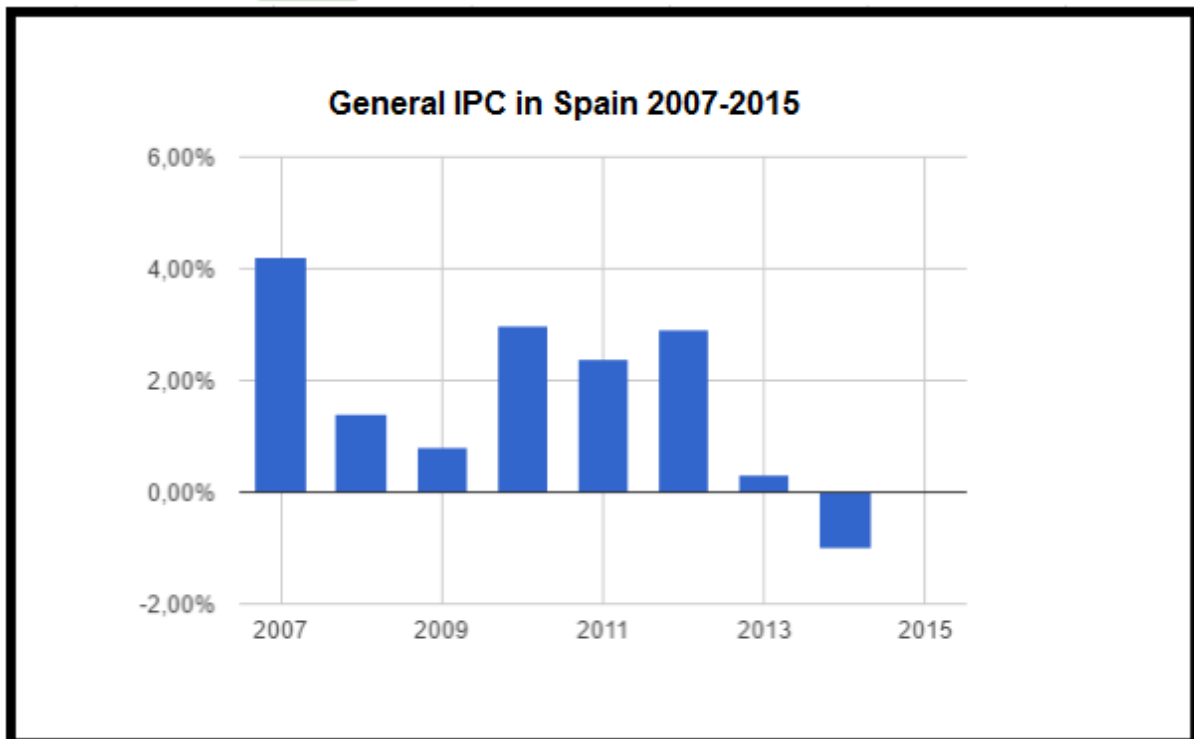
Another economic factor affected by the crisis, is inflation, which measures the evolution of the set of prices of goods and services consumed by the population living in family homes in Spain. As shown in table 14, the general CPI soared in 2007 from 4.2% to 1.4 in 2008, almost four points lower. In 2009 inflation continues to decrease until an increase occurs in 2010. This increase is maintained for two years until in 2014, he recorded a value of - 1%. In 2015 get break the downward trend, registering a CPI of 0%.

Inflation with a value of 0% brings benefits for some and disadvantages for others. Consumers are the ones who are benefiting, so this situation means that the prices of goods and services are at low levels and are therefore easier to obtain. Against, the companies are adversely affected since they have to reduce the prices of their products, which leads them

to get very low profit margins and to hinder investment in improvements since then may not sell your product or service at competitive prices.

The following table shows the evolution of the inflation rate during the economic crisis

Table 14: Evolution of General IPC in Spain (2007-2015)



Source: Own elaboration from data obtained from Datosmacro.

4.1.3 Socio-cultural factors.

This dimension includes both the beliefs, values, attitudes and ways of life of the people who are part of the society in which the company is framed as the cultural, ecological, demographic, religious, educational and ethnic conditions of the social system as a whole. (Guerras and Navas, 2007).

Nowadays, the Internet has become a new way to buy any product or service. In the automotive world in particular, still not used this practice, though consumers use this way to search information, compare prices, see photos of the vehicle... In fact more than 80% of consumers surfing the internet previously between the websites of advertisers, websites of cars, dealers, etc.

As car brands is concerned, Spanish buyers are the most unfaithful buyer profile because the buyer increasingly more research on your own. Therefore, car manufacturers have to be able to perform actions that enhance fidelity.

On the other hand, the economic situation faced by the Spaniards because of the crisis, is an important factor when buying a new car. According to the latest monthly Cetelem Observatory on consumption habits of the Spaniards in the purchase of a car, an 81.8% of the consumers appreciate mainly the price, a 60.6% of fuel consumption and 23.8 percent of respondents gives importance of environmental impact. In addition, this study points out that the average budget that the Spaniards would be willing to spend if you buy a new car, would be around 16,000 euros.

4.1.4 Technological factors.

The scientific and technological framework that caractice the State of a system is the content of the technological dimension. (Guerras and Navas, 2007)

Technology and innovation are important factors for any company, whether to reduce costs and improve operating processes, products and systems as for new machine tools and equipment to ensure a product or service quality and thus gain a competitive advantage for the company.

According to index Altran of potential innovative 2015, Spain fell for the third consecutive year, its investment in R&D down to the 1.24% of GDP, which keeps the country much more than the average in the EU, in the 2.01%. Spain still ranked 16th in investment in R&D. These data place Spain as the European country that has slashed budgets for R&D investments.

4.1.5 Ecological factors.

The ecological dimension, which has taken great importance in recent times, refers to the policy of prevention of environmental management authorities. (Guerras and Navas, 2007).

Pollution is an issue that affects our country more and more, "Air pollution is responsible for more than 30,000 premature deaths per year in Spain, 25,000 by inhalation of particles and 6,000 caused by nitrogen dioxide," concludes environmental coordinator.

The quality control station of Trubia, last January, reached levels of pollution that multiplied by twelve values recommended by the World Health Organization for the PM10 particles, often more are those derived from industrial activity.

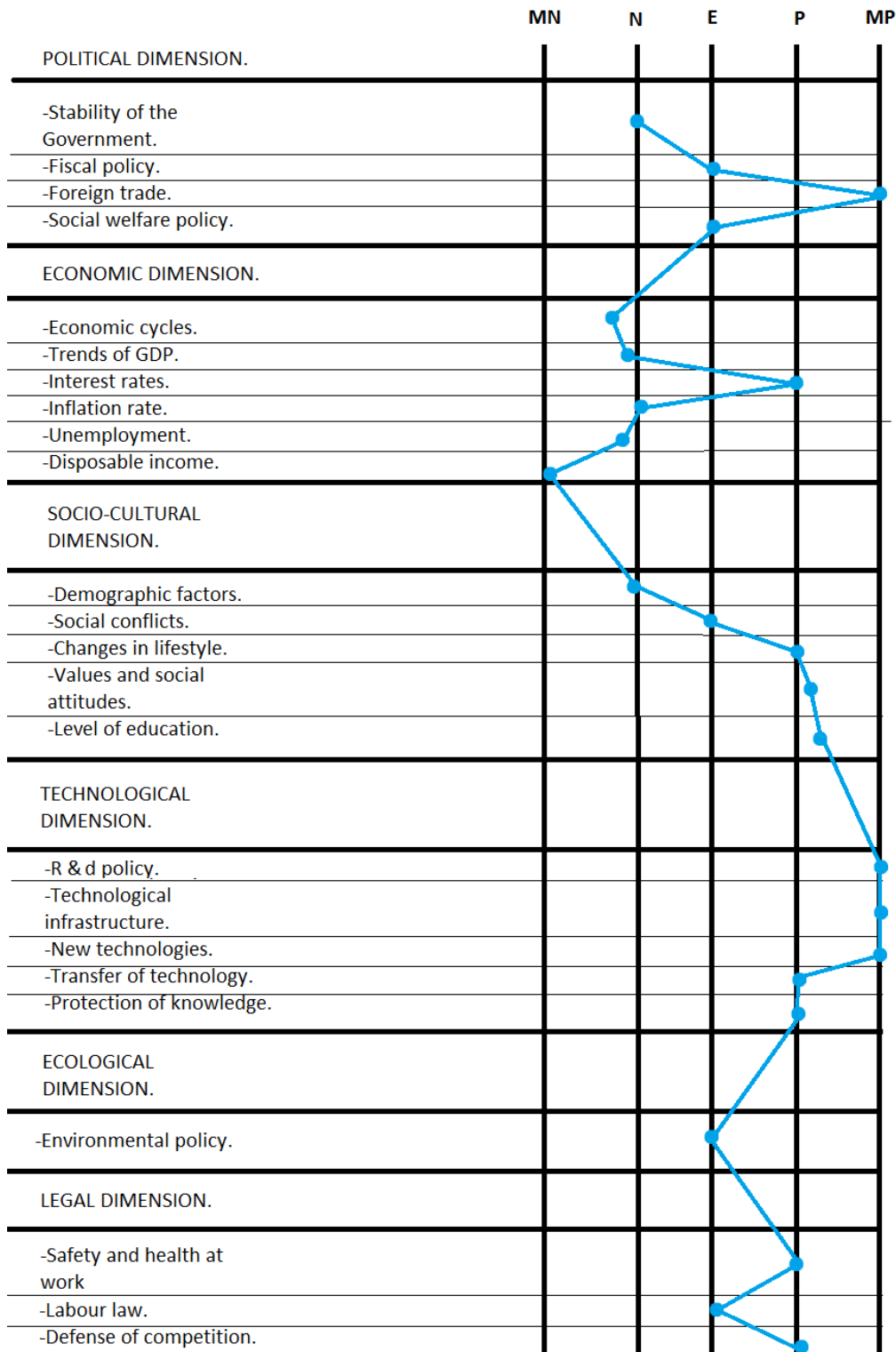
In order to combat pollution, in Spain, there is a law of environmental responsibility directed to all types of businesses, Law 26/2007, of October 23, this standard regulates the responsibility of the operators to prevent, avoid and repair environmental damage.

4.2 Strategic Environment Profile.

According to Guerras and Navas (2007), strategic profile of the environment is a tool very simple and easy to interpret that it shows influences the overall environment offered to the company's performance.

Once studied the factors affecting the general environment of the company, we will proceed to the realization of this profile. This strategic environmental profile will identify the variables with the greatest impact on business activity and to assess the impact of each variable on its profitability or growth process and take appropriate measures to ensure that this effect is favorable.

Figure 5: Strategic Environment Profile

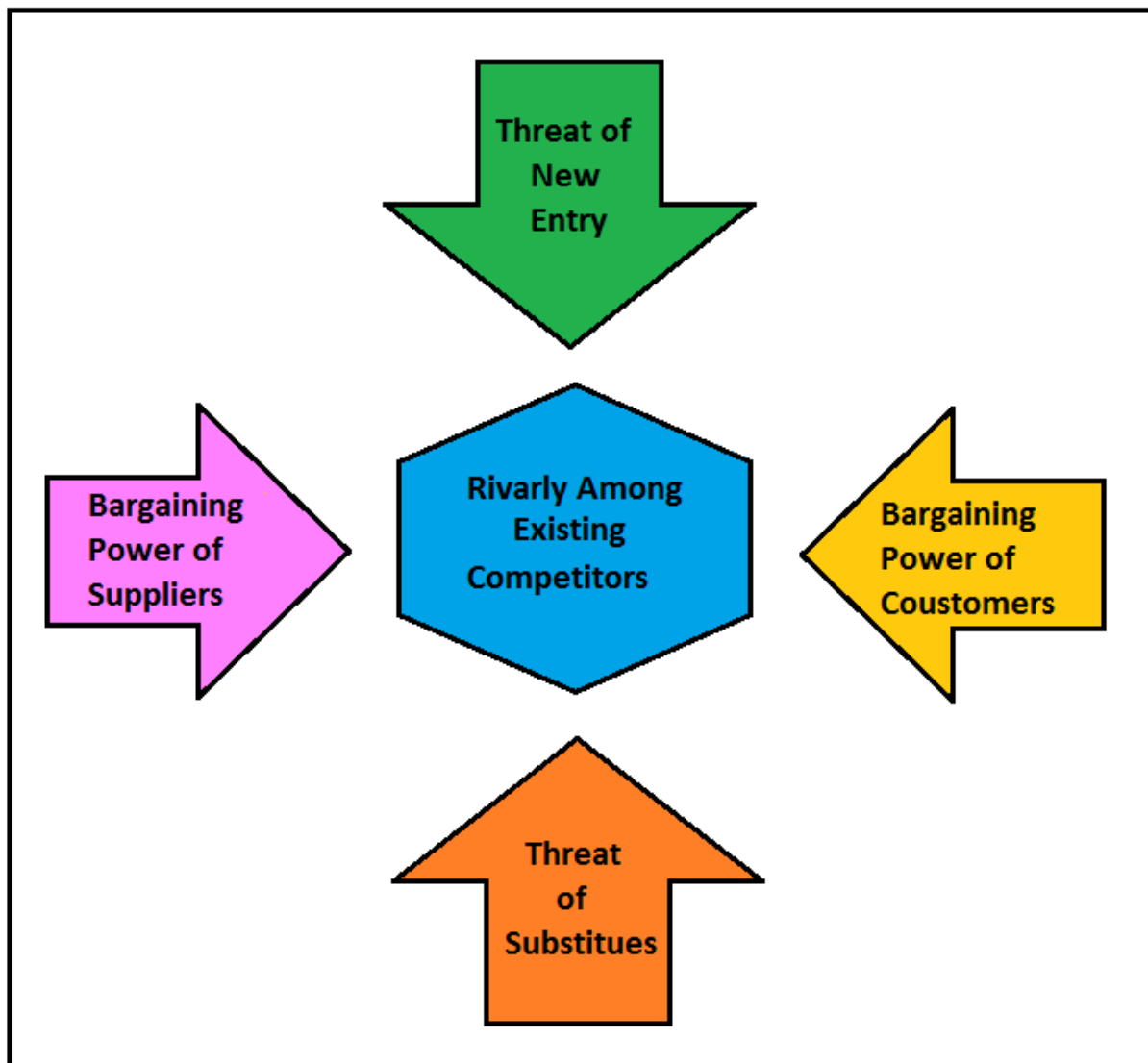


Source: Own elaboration from methodology of Norton and Kaplan (2007)

4.3 Porter analysis.

Diamond Porter (1990) highlights the existence of intrinsic factors to a country or an industry that explain why some countries or some industries are more competitive than others. The competitive advantages of a global society will be determined, among other factors, by the conditions of the country where the company is located. The country has some basic factors that are based organizations to grow and achieve this competitive edge. (Martínez D. and Milla A., 2005)

Figure 6: Five forces model of Porter



Source: Porter, M. (2009). *Ser competitivo*. Ediciones Deusto. Barcelona

Next are detailed the five forces.

4.3.1 Threat of new entrants.

Entry of new competitors increases the productive capacity of the sector and can have serious effects on profits. The degree of threat will depend on the difficulties that new companies find to be implanted in the market, ie the barriers to entry. (Dalmau Porta, J. I. , 2005).

There are high barriers to entry for new competitors in the auxiliary automotive sector, to access this sector is necessary strong initial investments in equipment, facilities, personnel ... Moreover, banks are reluctant to credit arrangements required. Another barrier is economies of scale, because the already installed competitors have benefits in terms of reducing unit costs as production volume increases, and this makes more complicated the entry of new competitors. And finally, new competitors need to have experience and working knowledge of the automotive industry in general.

4.3.2 Threat of substitute products and services.

Substitute products are those products which meet the same needs of the customers as others products of the industry. In a first approximation, these products would come from existing variety in the industry. However, a more comprehensive approach must be seen as substitutes all those which perform the same functions from the point of view of customers, irrespective of the industry. (Guerras and Navas , 2007)

Analyzing the company on which we are conducting the study, its main activity is the warehouse management, sequencing of parts and production of seats for the same customer, Ford. Therefore, in this case, Ford is the one which dictates and establishes how the service should be performed. It is the customer who determines the service. Consequently, the entry of substitute products or services is rather limited.

4.3.3 Bargaining power of suppliers.

The bargaining power of suppliers or customers is the ability to impose conditions on their transactions with companies in the industry. These conditions can take very different forms, such as achieving discounts, deferrals, quality requirements, delivery, returns, complaints, etc., which capture of the added value generated in the industry and therefore make

decreasing profitability. Therefore, as the bargaining power of suppliers and customers is greater, the attractiveness of the industry decreases. (Guerras and Navas, 2007).

In the auto ancillary sector, the bargaining power of suppliers is low, because they depend mostly on large manufacturers. Suppliers must adapt to the demands and fulfill manufacturing contracts and prices.

4.3.4 Bargaining power of customers.

Auxiliary industry depends largely on the dominant undertaking. In the case of Walker, virtually all activity is aimed at Ford, which is responsible for fixing the terms of service, payments, delivery, quality requirements ...

4.3.5 Rivalry among existing competitors.

In this sector there are few competitors that perform the same service, there is no rivalry between prices because as explained above is Ford who sets the conditions, being in these cases the main customer of these companies. The rivalry is between the quality of service, such as who provides the service without production errors that can stop the production line at Ford.

Moreover, other companies belonging to the auxiliary automotive sector that do not compete directly with Walker as their activities are different, such as manufacturers of automobile components.

5. SWOT

Matrix or SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis is a summary of all, both internal and external, introducing together the main conclusions derived from the same strategic analysis. (Guerras and Navas, 2007).

According to these authors, a suitable matrix design should allow to draw conclusions about how the company strategy can build on the strengths and opportunities of the environment

and the urgency posed to the company to correct its weaknesses and protect against external threats.

Then follows an analysis of the strengths and weaknesses are there in the organization as well as the opportunities and threats that the company faces in the environment

STRENGTHS

- 25 % of employees are disabled.
- It is currently the largest supplier in sequence to the Ford factory in Almussafes .The company has certifications of quality standard ISO 9001: 2008 and safety standard OHSAS 18001. The latter reflects compliance with the requirements reception activities, pre - assembly, sequencing and supply to the point of use in line production of the Ford factory.
- Production strategy Just in Time, Walker properly implemented this system allowing you the effective reduction of storage costs and stocks.
- Qualified staff. Walker has a group of experts from six different nationalities.

WEAKNESSES

- Bargaining power of customers in Walkerpack mpl is high because the sector to which it belongs is an auxiliary sector where prices, production characteristics, volumes... are established by the major automakers.
- High degree of dependence, almost all company functions are related to Ford.
- Nonexistent diversification into other sectors or to other customers. Walker only works for the automotive and Ford Motor Company and suppliers also work for Ford.
- Lack of motivation to employees .
- Lack of good internal communication.

- High degree of centralization.

OPPORTUNITIES

- The enormous growth of the Ford plant in Almussafes is a great opportunity for the company to increase production and employment.
- Investments in R&D, as Spanish production plants are among the most automated in Europe.
- Spain is the 2nd largest automaker in Europe and 8th worldwide, which represents a great opportunity to expand both nationally and internationally.
- It is a profitable market for the industry.

THREATS

- Rising oil prices may decrease demand for vehicles
- The current economic crisis causes a decrease in consumption.
- Continuing need for qualified personnel and technological upgrading in the sector.

Table 15. SWOT Matrix of Walker's.

	Helpful	Harmful
Internal	<p>Strengths</p> <ul style="list-style-type: none"> ·High bargaining power of customers. ·High degree of dependence, almost all company functions are related to Ford. ·Nonexistent diversification into other sectors or to other customers. ·Lack of motivation to employees . ·Lack of good internal communication. ·High degree of centralization. 	<p>Weaknesses</p> <ul style="list-style-type: none"> · 25 % of employees are disabled. · The largest supplier in sequence to the Ford factory in Almussafes. · Certifications of quality · Production strategy Just in Time. · Qualified staff.
External	<p>Opportunities</p> <ul style="list-style-type: none"> · Growth of the Ford plant in Almussafes is a opportunity to increase production and employment. · Investments in R&D. · Expand both nationally and internationally. · It is a profitable market for the industry. 	<p>Threats</p> <ul style="list-style-type: none"> · Rising oil prices may decrease demand for vehicles · The current economic crisis causes a decrease in consumption. · Continuing need for qualified personnel and technological upgrading in the sector.

Source: Own elaboration.

6. MISSION, VISION AND VALUES OF WALKER'S

Having identified the strengths, weaknesses, opportunities and threats of the company, mission, vision and values are defined.

6.1 Mission

The formulation of the mission must collect the *raison d'etre* of the company and therefore justified its existence, forming something like a declaration of principles by which the company presents to society. It provides the company and its members a valid reference for its own identity, so it is important to be known by all members of the organization, as it serves as an element of identification with the company philosophy and cohesion between all participants. (Guerras and Navas, 2007).

Walker's mission is to become leaders in cost, quality, delivery and customer satisfaction through continuous improvement of people and processes, with the application of the principles of Lean Manufacturing in a safe and committed work with the environment.

6.2. Vision.

The vision reflects the mental image of the trajectory of the company in its operation, therefore it refers to the current perception of will or should be the company in the future and establishes the criteria that the organization has to use even fix the road to follow. (Guerras and Navas, 2007).

Walker's vision is to be a point of reference of logistics services concerning low cost, high quality and innovation producing safe and sustainable manner by applying the principles of the circular economy.

6.3. Values.

- Quality of service.
- Business excellence.
- Teamwork.
- Commitment.
- Innovation.

7. STRATEGIC OBJECTIVES.

Taking into consideration the mission and vision of the company, the different strategic objectives of each perspective are described below, considering the methodology of BSC.

Table 16: Strategic objectives proposed for WALKER

FINANCIAL PERSPECTIVE	CUSTOMER PERSPECTIVE
<ul style="list-style-type: none"> • To increase profitability • To reduce costs • Long -term sustainability 	<ul style="list-style-type: none"> • To increase market share • To acquire new customers • Customer profitability • Customer satisfaction
INTERNAL PROCESS PERSPECTIVE	LEARNING & GROWTH PERSPECTIVE
<ul style="list-style-type: none"> • To improve production processes • To improve service quality • To increase productivity 	<ul style="list-style-type: none"> • To ensure that staff feel part of the company • To increase employee satisfaction • To increase staff performance

Source: Own elaboration.

7.1 Description of the proposed objectives.

7.1.1 Financial perspective.

- **To increase profitability:** This implies a good level of sales, good asset management, proper management of the equity of the company, etc.
- **To reduce indirect costs:** to improve the cost structure of the entire organization , both the direct costs of services and indirect costs through Lean Manufacturing tool.

- **Long-term sustainability:** It is based on increasing income and positioning in reference to customers, and to cut costs and increase productivity.

7.1.2 Customer perspective.

- **To increase market share:** Market share is the percentage of an industry or market's total sales that is earned by a particular company over a specified time period. Market share increases can allow a company to achieve greater scale in its operations and improve profitability.
- **To acquire new customers:** Providing a high quality service, the number of new customers will increase, while revenue will increase too.
- **Customer profitability:** It measures the net benefit of a client or a segment, after deducting the expenses necessary to keep that customer.
- **Customer satisfaction:** It is a term that measures how products or services supplied by a company meet or surpass a customer's expectation.

7.1.3 Internal process perspective.

- **To improve production processes:** Measuring the performance of the lines and know downtime and causes of downtime for each.
- **To improve service quality:** provide quality service gives satisfied customers and therefore greater loyalty.
- **To increase productivity:** Through productivity, the ability of a structure to develop the products and the level at which the use of available resources are put to the test.

7.1.4 Learning and growth perspective.

- **To ensure that the staff feel part of the company:** It is important that employees identify themselves with the organizational philosophy, thus their attitudes and

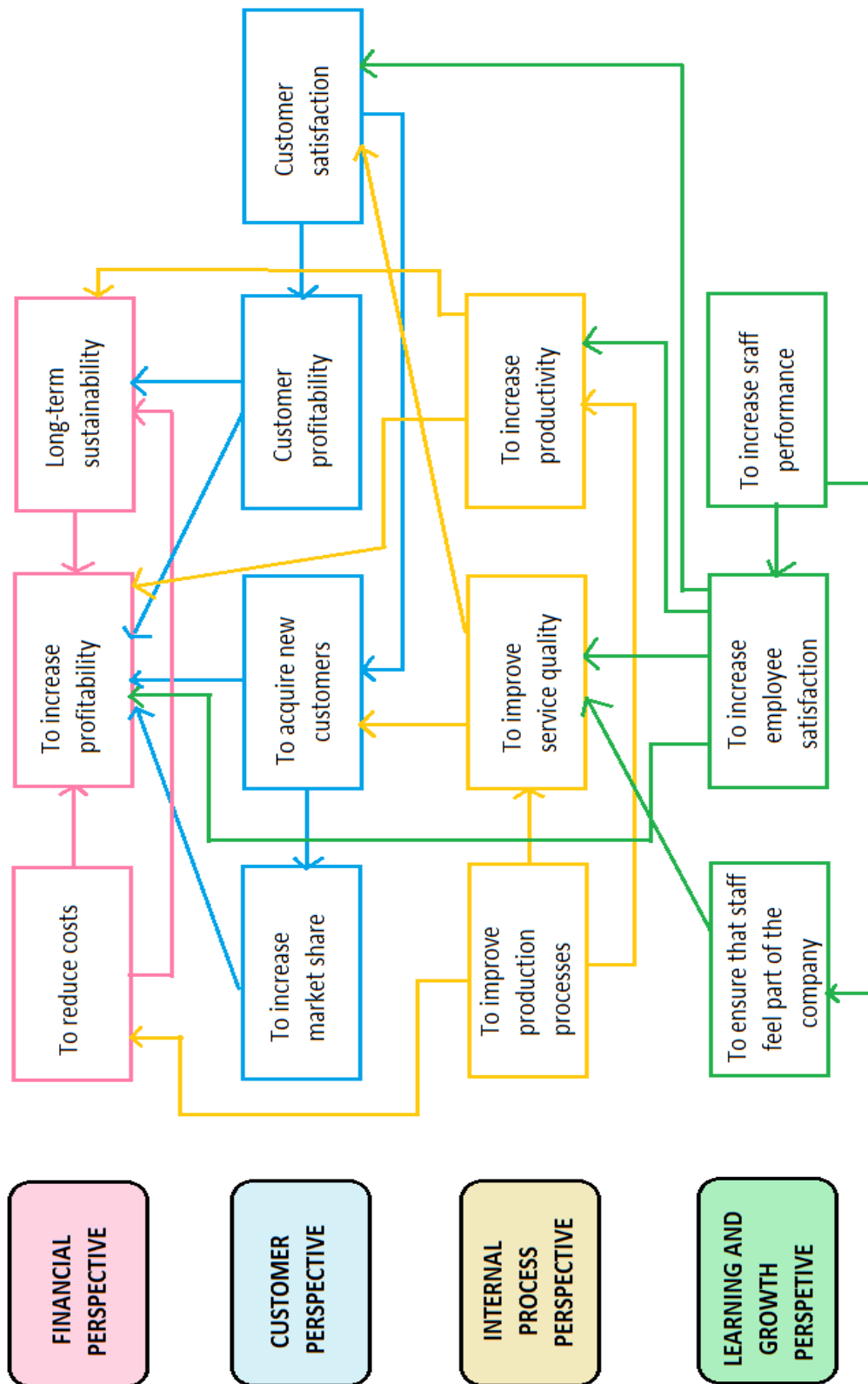
behaviors facilitate the achievement of the objectives of the company and its commitment will be higher.

- **To increase employee satisfaction:** Satisfied workers are more motivated, more committed and more productive. Satisfied workers carry satisfied customers.

- **To increase staff performance:** For good job performance is very important that workers understand what their functions or tasks , procedures to be followed , policies must be respected , the objectives to be met are ... Motivated employees properly perform their tasks.

8. STRATEGIC MAP

Table 17: Strategic map



Source: Own elaboration

9. STRATEGIC INDICATORS

Indicators are the tools we use to determine if we are meeting our goals and we are moving towards the successful implementation of our strategy. Specifically we can describe the indicators as standard measures used to assess and communicate the results compared with those expected. (Martínez, D and MILA, A., 2005).

The following table shows the indicators established for each proposed objectives.

Table 18: Strategic indicators.

PERSPECTIVE	OBJECTIVES	INDICATORS
FINANCIAL	To increase profitability	Margin
FINANCIAL	To reduce costs	Indirect manufacturing costs
FINANCIAL	Long-term sustainability	Return on assets
CUSTOMER	To increase market share	% Market share
CUSTOMER	To acquire new customers	% New customers
CUSTOMER	Customer profitability	% Revenue orders
CUSTOMER	Customer satisfaction	% Customer's complaints
INTERNAL PROCESS	To improve production process	% Production errors
INTERNAL PROCESS	To improve service quality	% Missing parts
INTERNAL PROCESS	To increase productivity	Investments in R & D
LEARNING AND GROWTH	To ensure that staff feel part of the company	Rotation employees
LEARNING AND GROWTH	To increase employee satisfaction	Overall satisfaction level
LEARNING AND GROWTH	To increase staff performance	Average uptime

Source: Own elaboration.

9.1 Indicators sheets

Once established indicators for each objective, each of them will be detailed by its corresponding tab.

9.1.1 Financial indicators sheets

Table 19: Sheet of financial indicator 1

FINANCIAL PERSPECTIVE	
STRATEGIC OBJECTIVE	To increase profitability
INDICATOR	Margin
METHOD OF CALCULATION	$(\text{Gross margin} / \text{sales}) * 100$
STATED GOAL	increase in margin of 15%
SOURCE	Financial report
FACILITATOR	WALKERPACK MPL
UPDATE	Annual
REPRESENTATION OF THE INDICATOR'S EVOLUTION	Bar chart
RESPONSIBLE SECTION	Finance department

Source: Own elaboration.

The profit margin is the difference between the selling price, less VAT, and each of the costs necessary to bring that product or service to market. It is a very useful indicator to know the profitability of the service. Companies with high profit margins operate efficiently and therefore enjoy good profitability .

Table 20: Sheet of financial indicator 2

FINANCIAL PERSPECTIVE	
STRATEGIC OBJECTIVE	To reduce costs
INDICATOR	Downtime costs
METHOD OF CALCULATION	$(\text{Loss of income} + \text{personnel costs} + \text{intangible costs})$

	caused by a system failure
STATED GOAL	reduce indirect manufacturing cost by 5%
SOURCE	Financial report
FACILITATOR	WALKERPACK MPL
UPDATE	Annual
REPRESENTATION OF THE INDICATOR'S EVOLUTION	Bar chart
RESPONSIBLE SECTION	Finance department

Source: Own elaboration.

A way to reduce the overall costs of the company is to eliminate downtime , because they cause losses of efficiency, delays in delivery of the product or service, and delays entail costs

Table 21: Sheet of financial indicator 3

FINANCIAL PERSPECTIVE	
STRATEGIC OBJECTIVE	Long-term sustainability
INDICATOR	Return on assets
METHOD OF CALCULATION	Net income / total assets
STATED GOAL	Increase return on assets by 5%
SOURCE	Financial report
FACILITATOR	WALKERPACK MPL
UPDATE	Annual
REPRESENTATION OF THE INDICATOR'S EVOLUTION	Bar chart
RESPONSIBLE SECTION	Finance department

Source: Own elaboration.

The return on assets is the result of dividing the profit before tax by average total assets , and expresses the economic sustainability owned by the company. a high level of return on assets expresses sustainable growth of the company.

9.1.2 Customer indicators sheets

Table 22: Sheet of customer indicator 1

CUSTOMER PERSPECTIVE	
STRATEGIC OBJECTIVE	To increase market share
INDICATOR	% Market share
METHOD OF CALCULATION	Sales of the company in the market / total market sales
STATED GOAL	Increase market share by 5%
SOURCE	Memory business management
FACILITATOR	WALKERPACK MPL
UPDATE	Quarterly
REPRESENTATION OF THE INDICATOR'S EVOLUTION	Bar chart
RESPONSIBLE SECTION	General director

Source: Own elaboration.

Table 23: Sheet of customer indicator 2

CUSTOMER PERSPECTIVE	
STRATEGIC OBJECTIVE	To acquire new customers
INDICATOR	% New customers
METHOD OF CALCULATION	percentage of new customers
STATED GOAL	Increase new customers by 5%
SOURCE	Memory business management
FACILITATOR	WALKERPACK MPL
UPDATE	Quarterly
REPRESENTATION OF THE INDICATOR'S EVOLUTION	Bar chart
RESPONSIBLE SECTION	General director

Source: Own elaboration.

Table 24: Sheet of customer indicator 3

CUSTOMER PERSPECTIVE	
STRATEGIC OBJECTIVE	Customer profitability
INDICATOR	% Revenue orders
METHOD OF CALCULATION	Sum (Revenue - Expenses) / Sum (Expenses)
STATED GOAL	Increase customer profitability by 20%
SOURCE	Memory business management
FACILITATOR	WALKERPACK MPL
UPDATE	Annual
REPRESENTATION OF THE INDICATOR'S EVOLUTION	Bar chart
RESPONSIBLE SECTION	General director

Source: Own elaboration.

Revenue orders are indicators that help to know costs of customers in the company and thus know the profitability of each client.

Table 25: Sheet of customer indicator 4

CUSTOMER PERSPECTIVE	
STRATEGIC OBJECTIVE	Customer satisfaction
INDICATOR	% Customer's complaints
METHOD OF CALCULATION	Percentage of the complaints in a time period
STATED GOAL	Reduce customers complaints by 50%
SOURCE	Memory business management
FACILITATOR	WALKERPACK MPL
UPDATE	Quarterly
REPRESENTATION OF THE INDICATOR'S EVOLUTION	Bar chart
RESPONSIBLE SECTION	General director

Source: Own elaboration.

9.1.3 Internal process indicators sheets

Table 26: Sheet of internal process indicator 1

INTERNAL PROCESS PERSPECTIVE	
STRATEGIC OBJECTIVE	To improve production process
INDICATOR	% Production errors
METHOD OF CALCULATION	Percentage of production errors in a time period
STATED GOAL	Reduce production errores by 100%
SOURCE	Production reports
FACILITATOR	WALKERPACK MPL
UPDATE	Annual
REPRESENTATION OF THE INDICATOR'S EVOLUTION	Bar chart
RESPONSIBLE SECTION	Production manager

Source: Own elaboration.

Errors when producing a product or providing a service, are critical in determining the quality of service is poor. In order to improve production processes will be necessary to eliminate these errors

Table 27: Sheet of internal process indicator 2

INTERNAL PROCESS PERSPECTIVE	
STRATEGIC OBJECTIVE	To improve service quality
INDICATOR	% Missing parts
METHOD OF CALCULATION	Percentage of missing parts in a time period
STATED GOAL	Reduce missing parts by 50%
SOURCE	Monitoring reports
FACILITATOR	WALKERPACK MPL
UPDATE	Biannual
REPRESENTATION OF THE	Bar chart

INDICATOR'S EVOLUTION	
RESPONSIBLE SECTION	Stock Control department

Source: Own elaboration.

Table 28: Sheet of internal process indicator 3

INTERNAL PROCESS PERSPECTIVE	
STRATEGIC OBJECTIVE	To increase productivity
INDICATOR	Investments in R&D
METHOD OF CALCULATION	Percentage of investment in R&D
STATED GOAL	Increase investment in Investments in R&D by 20%
SOURCE	Financial report
FACILITATOR	WALKERPACK MPL
UPDATE	Anual
REPRESENTATION OF THE INDICATOR'S EVOLUTION	Bar chart
RESPONSIBLE SECTION	Quality department

Source: Own elaboration.

Missing parts are documents that Walker sent to Ford to inform them of the lack of material. This document is sent in advance, so that Ford makes appropriate activities to not stop line. So, fewer documents are sent, better quality service

9.1.4 Learning and growth indicators sheets

Table 29: Sheet of learning and growth indicator 1

LEARNING AND GROWTH PERSPECTIVE	
STRATEGIC OBJECTIVE	To ensure that staff feel part of the company
INDICATOR	Rotation of employees
METHOD OF CALCULATION	Percentage of rotation employees
STATED GOAL	Increase rotation employees by 10%
SOURCE	HR reports

FACILITATOR	WALKERPACK MPL
UPDATE	Biannual
REPRESENTATION OF THE INDICATOR'S EVOLUTION	Bar chart
RESPONSIBLE SECTION	HR department

Source: Own elaboration.

Rotation of employee assumed that each of them make different tasks of the company and thus create multipurpose employees. It is an indicator that tell us the degree to which employees feel part of the company.

Table 30: Sheet of learning and growth indicator 2

LEARNING AND GROWTH PERSPECTIVE	
STRATEGIC OBJECTIVE	To increase employee satisfaction
INDICATOR	Overall satisfaction level
METHOD OF CALCULATION	Anonymous employee surveys
STATED GOAL	Get 100 % of satisfied employees
SOURCE	HR reports
FACILITATOR	WALKERPACK MPL
UPDATE	Biannual
REPRESENTATION OF THE INDICATOR'S EVOLUTION	Bar Chart
RESPONSIBLE SECTION	HR department

Source: Own elaboration.

Table 31: Sheet of learning and growth indicator 3

LEARNING AND GROWTH PERSPECTIVE	
STRATEGIC OBJECTIVE	To increase staff performance
INDICATOR	Average uptime
METHOD OF CALCULATION	Average time workers
STATED GOAL	Get an average of 15 minutes per process

SOURCE	Production reports
FACILITATOR	WALKERPACK MPL
UPDATE	Annual
REPRESENTATION OF THE INDICATOR'S EVOLUTION	Bar Chart
RESPONSIBLE SECTION	Production Manager

Source: Own elaboration.

10. BALANCED SCORECARD FOR WALKERPACK MPL S.L.

Table 32: BSC of Walkerpack mpl S.L.

PERSPECTIVE	OBJECTIVES	INDICATORS	GOALS	ACTION PLAN
FINANCIAL	To increase profitability	Margin	Increase in margin of 15%	A study of competitors , customers and market
FINANCIAL	To reduce costs	Indirect manufacturing costs	Reduce indirect manufacturing cost by 5%	Implementation of Lean Manufacturing tool to reduce costs organizational structure
FINANCIAL	Long-term sustainability	Return on assets	Increase return on assets by 5%	Plan for use the company resources more efficiently
CUSTOMER	To increase market share	% Market share	Increase market share by 5%	Developing a growth plan
CUSTOMER	To acquire new customers	% New customers	Increase new customers by 5%	Analysis of new customers, to provide the service they need and capture them
CUSTOMER	Customer profitability	% Revenue orders	Increase customer profitability by 20%	Strategy to obtain an image of prestige
CUSTOMER	Customer satisfaction	% Customer's complaints	Reduce customers complaints by	Training strategy for customer service staff

			50%	
INTERNAL PROCESS	To improve production process	% Production errors	Reduce production errors by 100%	Control over quality standards
INTERNAL PROCESS	To improve service quality	% Missing parts	Reduce missing parts by 50%	Comprehensive control of parts, and training employees to avoid missing parts
INTERNAL PROCESS	To increase productivity	Investments in R&D	Increase investments in R&D by 20%	Establish a program of budgets
LEARNING AND GROWTH	To ensure that staff feel part of the company	Rotation employees	Increase rotation employees by 10%	Competence management plan
LEARNING AND GROWTH	To increase employee satisfaction	Overall satisfaction level	Get 100 % of satisfied employees	Program of remuneration in kind
LEARNING AND GROWTH	To increase staff performance	Average uptime	Get an average of 15 minutes per process	Constant realization of courses and training for employees

Source: Own elaboration.

10.1 Balanced Scorecard Control.

Once the BSC is implemented, it is important that management will be able to control whether the defined objectives and strategies are developed favorably. Through the BSC, management must be able to measure the level of compliance with each target, the difficulties encountered in their implementation and results achieved. Entire organization must be involved in achieving the objectives, propose actions to avoid the mistakes of the past or look for opportunities for improvement

11. CONCLUSIONS AND RECOMMENDATIONS.

The development of this strategic plan, using the tool BSC is aimed at the company Walkerpac, the purpose of which will serve to establish and track the targets set for each perspective, that is, to control goals to follow and achieve that way.

Given that it is a growing company that caters to a major customer, this tool resulted in some important aspects to consider, such as establishing strategies to attract more customers, offer more variety of services to grow in the market... The company must evolve to new horizons without stagnating in a single customer, and try to grow as much as possible. In addition, despite the economic and financial crisis in the country, the automotive sector, and consequently, the auxiliary automotive sector, are on the rise, so it is an ideal time to take action to grow.

It is also important to note the lack of motivation of employees, so it is important that the company consider strategic initiatives raised to eradicate this situation. Motivation plays a key role in the achievement of goals and objectives. A motivated workforce will make the company work effectively. It is important to make employees feel part of the organization, conduct training, compensation in kind... In this way the organization will achieve obtain a pleasant working environment, workers assume greater commitment and be more productive in their jobs.

In short, all the objectives proposed in this study are related. It is necessary in order to grow the company to offer quality services, thus acquire new customers and retained existing customers. To provide quality services, it is necessary to have a motivated and trained staff. Thus it is demonstrated the importance of the implementation of the BSC.

12. REFERENCES LIST .

Amat, O. y Campa, F. (2013). *Manual del Controller*. Profit Editorial.

Armijo, M.(2011). *Planificación estratégica e indicadores de desempeño en el sector público*. Santiago de Chile.

Ayestarán, R., Rangel, C. y Sebastián, A. (2012). *Planificación estratégica y gestión*

de la publicidad. Esic Editorial. Madrid.

Boletín Oficial del Estado (BOE). Recuperado el 20 de mayo de 2016 de <http://www.boe.es/>

Comercio Exterior. Recuperado el 20 de mayo de 2016 de
<http://www.comercio.mineco.gob.es/es-es/comercio-exterior/paginas/comercioexterior.aspx>

DALMAU, J. I. (2005). *Competencia y Estrategia*. Valencia: Editorial de la Universidad Politécnica de Valencia. Valencia.

Datos macroeconómicos España. Recuperado el 26 de mayo de 2016 de
<http://www.datosmacro.com/>

Diario electrónico El País, (Noviembre 2015). El Gobierno ampliará el plan PIVE a 2016.
Recuperado el 15 de mayo de 2016 de <http://economia.elpais.com/>

España Exportación e Inversiones. (ICEX). Recuperado el 25 de mayo de 2016 de
<http://www.icex.es/>

Guerras, L.A. y Navas, J.E. (2007). *La Dirección Estratégica de la Empresa: Teoría y Aplicaciones*. Editorial Thomson Civitas. 4º Edición.

Índice de innovación en España. Recuperado el 27 de mayo de 2016 de
<http://www.altran.es/>

Instituto Nacional de Estadística (INE). Recuperado el 15 de mayo de 2016 de
<http://www.ine.es/daco/daco42/daco4211/epa0315.pdf>

Kaplan, R. and Norton, D. (2004). *Strategy Maps: Converting Intangible Assets to Tangible Outcomes*. Harvard Business Press. Massachusetts.

Kaplan R. S. y Norton D. (2001). El cuadro de mando integral; Algo más que números.
Harvard Deusto Business Review, 190-198

Kaplan R.S and Norton D.P (1996). *Balanced Scorecard: Translating Strategy Into Action*. Harvard Business Press. Massachusetts.

Martínez, D. y Milla, A. (2005). *La elaboración del Plan Estratégico y su implantación a través del Cuadro de Mando Integral*. Diaz de Santos: Madrid.

Porter, M. (2009). *Ser competitivo*. Ediciones Deusto. Barcelona

Porter, M. (1985). *Creating and sustaining superior performance*. Free Press. New York.

13. BIBLIOGRAPHY

Amo, F. (2010) *El Cuadro de Mando Integral. < Balanced Scorecard>*. ESIC Editorial. Madrid.

Abaloui, F. and Karami, F. (2003). *Strategic Management in Small and Medium Enterprises*. Thomson Editores. London.

Dávila, A. (1999). *Nuevas herramientas de control: El Cuadro de Mando Integral*. IESE Revista de antiguos alumnos.

Gómez, J.C (2012). *El cuadro de mando integral*. URL:
<http://vinculando.org/articulos/negocios/el-cuadro-de-mando-integral.html> en Revista Vinculando.

Kaplan, R. and Norton, D. (2013). *The Strategy - Focused Organization: How Balanced Scorecard companies thrive in the new business environment*. Harvard Business Press. Massachusetts.

Matilla, K. (2008). *Los modelos de planificación estratégica en la teoría de las Relaciones Públicas*. Editorial UOC. Barcelona

Núñez, F. (2016) El Banco de España afirma que la incertidumbre política amenaza el

consumo y la inversión. Diario Electrónico El Mundo. 1 de abril de 2016.

Sekhar, S. (2010). *Business Policy and Strategic Management*. New Delph Editoriali. India

14. IMAGES, FIGURES AND TABLE

IMAGES	PAGE
1. Identifying logo	15
2. View Industrial Plant 3	16
3. Industrial Plant 1, seats	18
4. Industrial Plant 3, mirrors	20
5. Industrial Plant 4	22

FIGURES	PAGE
1. Strategic map model	10
2. Balanced Scorecard Perspectives model	11
3. Walker organization chart	24
4. The Value Chain	31
5. Strategic Environment Profile	42
6. Five forces model of Porter	43

TABLES	PAGE
1. Example of indicators of financial perspective BSC in an industrial company	12
2. Example of indicators of customer perspective BSC in an industrial company	12
3. Example of indicators of internal process perspective BSC in an industrial company	13

4. Example of indicators of learning and growth perspective BSC in an industrial company	13
5. Pieces of Industrial Plant 1	19
6. Example of pieces of Industrial Plant 2	19
7. Example of pieces of Industrial Plant 3	21
8. Example of pieces of Industrial Plant 4	22
9. Evolution of the trade balance (2007-2015)	32
10. Evolution of Spain deficit (2007-2015)	33
11. Evolution of Spanish public debt (2007-2015)	34
12 Evolution of Spain GDP (2007-2015)	35
13. Evolution of unemployment in Spain (2007-2015)	36
14. Evolution of general IPC in Spain (2007-2015)	37
15. SWOT Matrix of Walker	46
16. Strategic objectives proposed for Walker	48
17. Strategic map	51
18. Strategic indicators	52
19. Sheet of financial indicator 1	53
20. Sheet of financial indicator 2	53
21. Sheet of financial indicator 3	54
22. Sheet of customer indicator 1	55
23. Sheet of customer indicator 2	55
24. Sheet of customer indicator 3	56
25. Sheet of customer indicator 4	56
26. Sheet of internal process indicator 1	57
27. Sheet of internal process indicator 2	57
28. Sheet of internal process indicator 3	58
29. Sheet of learning and growth indicator 1	58
30. Sheet of learning and growth indicator 2	59
31. Sheet of learning and growth indicator 3	59

