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Performance Measurement

PROF. STEFANO BARALDI

Course aims and intended learning outcomes

The course will point out the evolution that management control systems have shown in the last two decades. The main pitfalls of a traditional approach to performance measurement will be analyzed as well as the characteristics of a new generation of tools for measuring and managing organizational performance. Students will therefore obtain a basic understanding about the critical aspects, when developing a performance measurement (PM) system. The focus will especially be driven on the techniques of the activity-based management (ABM), the balanced scorecard (BSC), and the beyond budgeting (BB).

Upon successful completion of this course, students will be able to:

- explain the general considerations involved in designing PM systems;
- describe the strategic and operational role of ABM;
- explain what a BSC is and in what it is different from a simple list of financial and non-financial measures;
- describe BB, the steps in developing BB systems, and the benefits of a BB system;
- effectively use PM tools and techniques to influence people's behaviors and support strategy execution;
- cope with the main issues to consider when implementing PM systems;
- develop critical skills related to the use of PM information in decision making and change management processes;
- present and communicate effectively the results of their work, argue their positions, build up cooperative relationships and collaborative working within groups, draft reports and essays;
- develop and increase their problem solving and learning skills through the presentation and discussion of case studies as well as the participation in a business simulation.

Course content

The course provides basics in PM. The main topics, which will be handled, are:

- the PM revolution
- Activity Based Management: the activity-based revolution, how to implement and use an activity-based PM system
- Balanced Scorecard: the balanced scorecard revolution, how to implement and use a balanced scorecard PM system
- Beyond Budgeting: the beyond-budgeting revolution, how to implement and use a beyond budgeting PM system
- new frontiers in PM

Reading list

S. BARALDI, What's left for the PM revolution?, McGraw-Hill, 2017.

Additional readings will be made available on Blackboard.

Teaching method

Teaching methods will stimulate learning by doing and will require students with a full participation. Case histories and business cases will be frequently discussed. Attending students will be involved in a multi-player



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simulation, experiencing the benefits and challenges of using a scorecard to implement strategic initiatives and monitor firm performance. The course will be taught in English.

Assessment method and criteria

Attending students are assessed by: a) an intermediate written test (2 open questions, 1 short business case) during the course (40%); b) a final written test (2 open questions, 1 short business case) at the end of the course (40%); c) their performance in the multi-player simulation (20%); d) an evaluation of their active class participation (0-3 additional marks). Only students passing the intermediate test can take the final test. Students who fail the intermediate or the final test take their exam according to the standard rules.

Not attending students are evaluated through a written test (two open questions, 1 short business case) on the whole program of the course (including case studies).

Notes and prerequisites

Basic knowledge of management accounting and management control is required. Students should be familiar with financial accounting and financial statement analysis (basic), cost and managerial accounting (basic).

Students who do not have such knowledge are responsible for acquiring it to the extent necessary during the course.

Further information can be found on the lecturer's webpage or on the Faculty notice board.