

**YANGON UNIVERSITY OF ECONOMICS  
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**PERFORMANCE ANALYSIS OF  
MYANMAR INDO BEST COMPANY LIMITED**

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**PERFORMANCE ANALYSIS OF MYANMAR INDO BEST CO., LTD.**

**A thesis submitted as a partial fulfillment towards the requirements for  
the degree of Master of Banking and Finance (MBF)**

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## **ABSTRACT**

The objective of the study is to analyze the non-financial and financial performance management of Myanmar Indo Best Company Limited. It is measured using a balanced scorecard approach with customer satisfaction, a learning and growth perspective, an internal business process perspective and a financial perspective. In this research, primary data is collected from the business clients and responsible persons from Yangon area of Myanmar Indo Best Company Limited by conducting interviews and questionnaires. Secondary data is collected from relevant text books, previous research paper, the Internet, website and the company's four-years annual reports.

The results of the non-financial performance which according to the finding from the customer satisfaction survey, show that the majority of respondents were satisfied with product factors. The level of customer satisfaction on pricing with the quote is lower than the level of product satisfaction. There are many areas for improvement in performance management, among which software systems cannot yet be properly implemented. The results of the financial indicator showed that the overall results of the company are satisfaction and beneficial with a high profitability ratio, high return on assets, use of assets, and liquidity ratio. The rate of return is the best than others. Therefore, the company should keep maintaining their existing performance and set a proper idea or plan to improve the company's scale up performance towards the long-term sustainability.

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## **LIST OF ABBREVIATIONS**

BSC	Balance Scorecard
MIB	Myanmar Indo Best Company Limited
FMCG	Fast Moving Consumer Goods
OEM	Own Equipment Manufacturing Products
CEO	Chief Executive Officer
Dept.	Department
IT	Information Technology
HR	Human Resources
KPI	Key Performance Indicator
KRA	Key Result Area
HOD	Head of Department
SOP	Standard Operating Procedure
SKU	Stock Keeping Unit
ROA	Return on Assets
ROE	Return on Equity
SFA	Sales Force Automation (Integrated Application)
ERP	Enterprise Resource Planning (Enterprise Application)
LC	Letter of Credit

## CHAPTER I

### INTRODUCTION

Fast moving consumer goods (FMCGs) are now part of the human needs. FMCG products are usually purchased in retail to meet the daily needs of consumers. FMCG products are affordable products that you buy regularly, such as drinks, food and beverages, soaps, household cleaning products and personal care products for beauty. FMCG companies that supply large quantities and products at low prices have long competed to gain market share. The industry is now discovering that fast-growing countries in Southeast Asia, such as Indonesia, the Philippines and Vietnam are rapidly gaining importance. The FMCG sector has a bright future and depends on a constantly growing consumer market, and demand for these products will continue to grow, albeit somewhat inelastic, despite recessions and inflation. (Shilpa Pai Mizar<sup>1</sup>, 2018)

Distribution includes all activities carried out by the manufacturer, alone or in partnership, at the end of the finished product or service, until it belongs to the consumer. Distribution understands that the main components are the sales network and the marketing channel of the sales network, logistics and physical distribution. A series of activities and operational processes related to the transport of goods from producers to consumers for the efficient distribution of goods requires the best conditions using existing sales channels and logistics systems. One of the essential characteristics of distribution is to execute a sales contract. A sales contract changes owner by transferring the actual goods and the subsequent ownership of the production to the consumer. An economic circulation route for raw materials called a sales channel.

The FMCG companies pursue three sales objectives which are the availability of the brand, the quality of the products and the effective distribution of prices. Brand offer: end consumers can only buy products when they are on shelves. Brand availability should reflect the customer profile in each area. Product quality: companies must guarantee consumers the best products in terms of freshness, appearance and quality. Efficient price distribution: Improving product availability and quality plays a key role in effective sales. Better distribution reduces costs, makes poor investments in too many products, improves communication for everyone involved in distribution, and increases profits.

The performance of distribution services is an essential element of commercial activity. In the distribution sector, it is generally divided into wholesale and retail transactions. The distribution industry is one of the fastest growing industries in

Myanmar. This division has experienced strong long-term growth. In today's competitive world, resellers compete in a dynamic and complex environment. As the population of digital connectivity grows, purchasing power increases and more options are needed. All companies strive to maximize profits, minimize costs and maximize market share. Therefore, this study focuses on using a balanced scorecard to measure the performance of a major consumer goods distributor in Myanmar.

## **1.1 Rationale of the Study**

Performance management is designed to help you achieve your goals effectively and efficiently at all times. Performance management, like many other areas, can focus on the performance of a company, service or employee, or on the product or service development process. As a process of adjusting organizational resources, systems and people with strategic goals and priorities. In general, the most powerful performance measurement systems are the primary responsibility of corporate employees for integrating programs, financial data and organizational data to measure their progress and success.

Performance measurement systems play an important role in business organizations. The purpose of this document is to apply BSC-based performance measures to retailers. Balanced scorecard is tactical planning and management structures used by companies, industries, government agencies and non-profit organizations around the world. Monitor organizational performance as business activities improve internal and external communication based on the organization's vision and strategy. Relation to strategic goals (Sinha, 2015).

The main goal of BSC is to improve commercial and internal communication based on the vision and strategy of the organization and to monitor the organization's results in terms of strategic goals. Balanced scorecards measure organizational performance in four sustainable perspectives: finance, customer awareness, internal business processes, learning and development (Keplan and Norton, 2005). The Balanced Scorecard (BSC) has won many literary awards from original heroes, Professor Robert Kaplan and David Norton. Traditional KPIs are one dimension, with a particular focus on financial indicators representing past performance. BSC is multidimensional because it includes financial and non-financial resources that can be used to help in both reports and

forecasts. A combination of key indicators of BSC's outstanding success and the latest ratings to match current ratings with strategic results. Operational activities and strategic results depend on the mission, vision and stage of organization development. This paper examines the effectiveness of balanced scorecards as a measure of Myanmar Indo Best Company's performance.

## **1.2 Objectives of the Study**

The objectives of the study are:

1. To identify the performance management practice of Myanmar Indo Best Company Limited
2. To evaluate the non-financial and financial performance management of Myanmar Indo Best Company Limited

## **1.3 Scope and Methods of the Study**

The scope of this study focuses on the performance management of Myanmar Indo Best Company (MIB) starts from 2015 to 2019. Descriptive methods for navigating are the basics of MIB performance management to apply. This study focuses on non-financial and financial perspectives to find MIB performance management. To investigate non-financial analysis, we gathered basic data from interviews and questionnaire surveys with MIB customers (wholesalers) and employees with a focus on learning growth and customer satisfaction. Surveys relate to customer satisfaction in quality, service, and timing. 25 out of 50 business customers (wholesalers) targets to learning & growth perspective questionnaires and 75 out of 150 MIB employees targeting only in Yangon branch are randomly selected as sample respondents.

It is to analyze the financial statements from 2015-2016 to 2018-2019 in consideration on the financial analysis of MIB. This includes the balance sheet, income statement, and cash flow statement, which is used to review performance through ratio analysis. Secondary data is collected in company records, previously published dissertations, early research dissertations, relevant textbooks and international studies through Internet websites. All data collected must be used with appropriate financial and non-financial ratios, based on a performance measurement of balance scorecard.

## **1.4 Organization of the Study**

This study is organized into five chapters. Chapter one is introduction and it is included rationale of the study, objectives of the study, scope and method of the study and organization of the study. Chapter two is presented theoretical background of performance measurement using the Balance Scorecard tool. Chapter three is the profile and identify the operation functions of Myanmar Indo Best Company Limited. Chapter four is analysis on the financial performance of Myanmar Indo Best company and the later section is the analysis on the customer perception. Chapter five captures the summary of findings, recommendations, suggestions and needs for future research.

## **CHAPTER II**

### **THEORETICAL BACKGROUND OF PERFORMANCE MANAGEMENT**

This chapter presents theoretical background of performance measurement in distribution. Therefore, this chapter includes important of performance management in distribution industry. The specific areas covered here are theoretical background of balance scorecard (BSC), the balance scorecard as a tool for performance measurement of Myanmar Indo Best Company and measuring performance indicators of MIB.

#### **2.1 Performance Management**

Performance management is the process of ensuring that activities and results in order to gain organizational goals efficiently and effectively. Performance management aims on the performance of the organization, department, employee or process used to manage a particular activity. Performance management standards are generally organized by business leaders and business owners of an organization. It provides timely feedback and education, including work specifications and results and allows you to compare actual employee performance and behavior with desired outcomes, behavior, and rewards. Managing employee and system performance and setting goals drives effective strategy implementation and operational goals. (Sheta and Ayes, 2013).

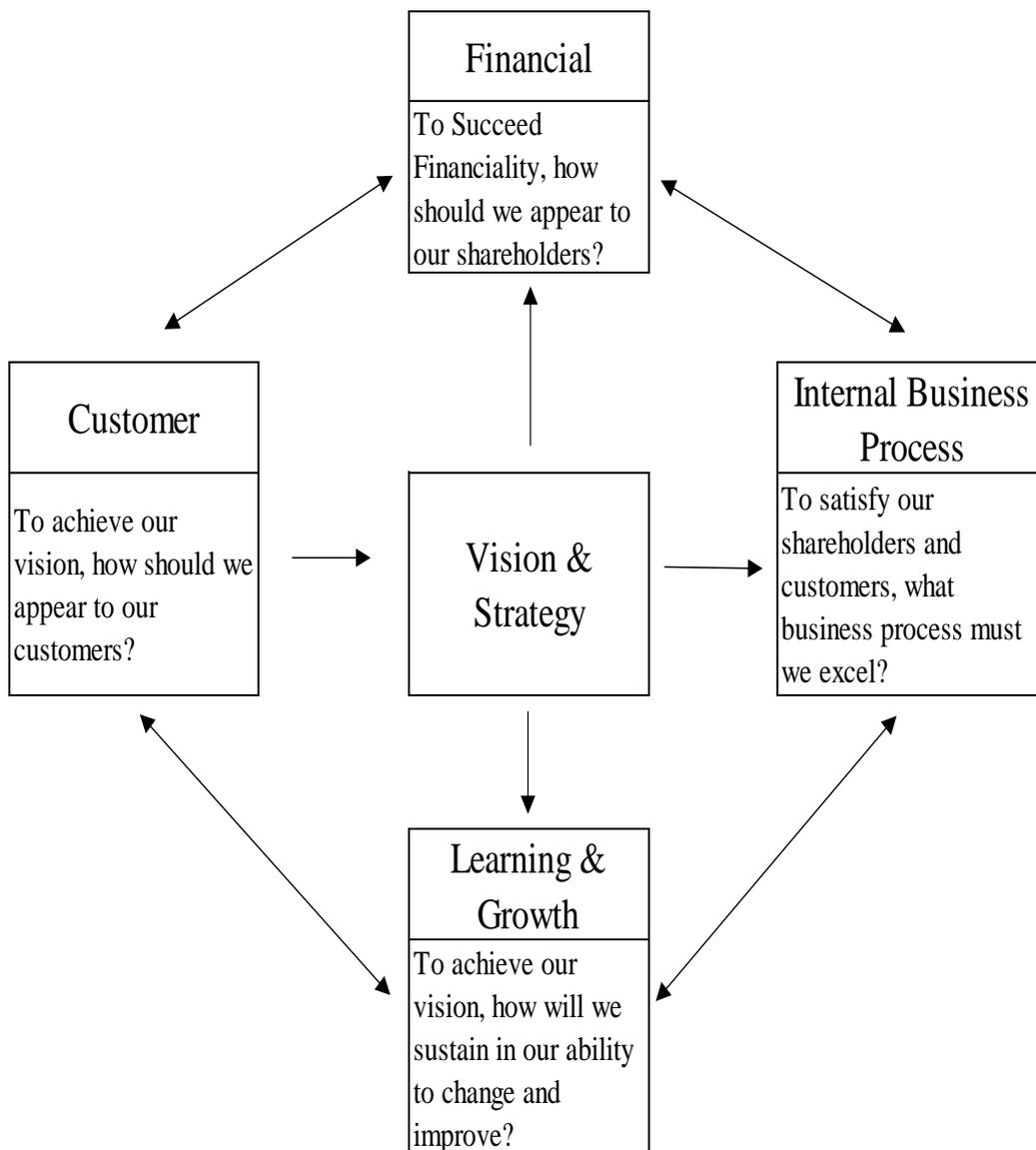
Performance management is an important part of management function. This is a movement that can be carried out temporarily and systematically for the whole company and for a specific purpose. Each company has its own reason for performing performance measurements. This is typically an activity designed to understand customer needs and determine whether the business meets those needs. This activity ensures that information about the company's markets, the strategies carried out by the company are correct, and determines the success of the strategy. You need to make sure that the decisions you make are based on facts, not assumptions. It also try to find out the problem by revealing the problem, showing how to solve and improve these problems (Ferreira & Otley, 2009).

#### **2.2 Balance Scorecard Concept**

Balance Scorecard is a tactical planning and management structure that aligns the activities of a company with the vision. Its objective is to translate some of the ambiguous

aspirations contained in the company's vision or mission into practical aspects for better business management. The comprehensive scorecard consists of a series of integrated performance indicators that derive and support a company's strategy. It is important that the measures contained in a balanced control panel of the company are specific to the respective strategy. With the Balanced Scorecard, senior management can implement its strategy in four groups of key figures for financial performance, customers, internal business processes and learning and growth that employees can understand and influence.

**Figure (2.1) The Balance Scorecard Model**



Source: [www.balancedscorecard.org](http://www.balancedscorecard.org), Balanced Scorecard Institute, USA

### **2.3 Balanced Scorecard as Performance Measurement Tool**

A balanced board is a measure of performance used in strategic management to identify and improve the various internal functions of a company and its external results. Balanced control panels are used to measure organizations and provide feedback. Data collection is essential to provide quantitative results, as managers and executives collect, interpret and use the information to make better decisions for the business.

The extensive scorecard is based on non-financial and financial measurements. Senior management is usually responsible for measuring financial results. Non-financial measures are made out and managed by subordinate administrators. It includes resources that can influence and support the activities of the General Committee, which are balanced by the Individual Committee. The whole organizations need sustainable management. Everyone needs a personal and balanced board. The extensive scorecard describes the specific means to achieve the desired result. The overall scorecard contains relevant measures of cause and effect. Improving performance measurement will improve the desired performance measurement as follows. Compensatory incentives must be associated with key numbers on the overall scorecard.

The four perspectives of the scorecard allow for a balance between short-term and long-term goals, desired outcomes and the performance of the drivers of these outcomes, and between objective and smoother and subjective measures.

#### **(1) Customer Perspective**

From the customer perspective of a balanced scorecard, the manager identifies clients and market segments with which the business unit will compete, and measures the business unit's performance in these target segments. This perspective usually includes some key or general measures of successful outcome of a well-established and implemented strategy. Key performance indicators include customer satisfaction, customer retention, new customer acquisition, customer profitability and target market share.

However, the customer perspective should also include specific measures of the value proposition the company will offer to its customers in the target market sector. Segmental factors affecting the effectiveness of key customers are an important factor in helping customers switch to suppliers or maintain loyalty. For example, customers may

appreciate short lead times and on time delivery. They can appreciate the continuous flow of innovative products and services. Or a supplier who can anticipate new needs and develop new products and approaches that meet these needs. Customer perspective allows business unit managers to clearly formulate customer and market-based strategies that will ensure excellent future returns (Kaplan and Norton, 1996).

## **(2) The Learning and Growth Perspective**

The viewpoint of learning and development describes the infrastructure to be built by the company to achieve long-term growth and improvement. Present the data from the prospect of how can we help our ability to change and strength in order to achieve strategic goals. The customer point of view and internal business processes represent the most important factors for current and future success. Current technologies and ability are not likely to assist companies achieve their long-term mission for internal processes with customers. Also, in a global competition, companies need to continually improve their technology and provide added value to customers and shareholders.

Learning and organizational development occurs from three main sources: people, systems, and organizational processes. Balanced financial scorecards, customers, and internal goals of business processes generally represent a significant gap between people's existing capabilities, systems and the elements needed to achieve innovative performance goals. To bridge these gaps, companies need to invest in employee training, improving IT technology and systems, and adapting organizational procedures and processes. These goals are developed in relation to the overall scorecard learning and development. From a customer perspective, employee-related measurements include not only employee satisfaction, employee retention, employee training and employee skills, but also the identification of specific skills needed in a new competitive environment.

For these common measures, such as indicators, include a combination of common result measures for a particular element. The function of the information system can be measured based on the real-time availability of accurate customer information and internal processes for line-of-business employees. The organization's processes can examine how employee incentives align with the organization's overall success factors and measure metrics to improve key internal and customer processes.

### **(3) Internal Business Process Perspective**

In terms of internal operations, managers identify critical internal processes that need to lead the organization. This process provides value proposition that meets the expectations of shareholders where profit organizations attract and retain customers in the market segment and achieve good financial returns. Resources should focus on internal processes that have the greatest impact on customer satisfaction and achieving the company's financial goals.

It shows two fundamental differences between traditional dashboard approaches and advanced dashboard approaches for measuring the performance perspective of business processes. Traditional approaches seek to monitor and improve existing business processes. It can go beyond simple monetary steps, such as quality and time steps. However, we continue to focus on existing processes. However, a comprehensive scorecard approach generally identifies a completely new process that companies must guide to achieve their financial and customer goals. The goals of the internal business process emphasize the most important processes for a successful business strategy.

### **(4) Financial Perspective**

Financial Performance indicators determine the long-term goals of an activity. Most companies focus on profitable goals, but other financial goals are also possible. Companies with a lot of products early in their life cycle can focus on fast-growing goals, and mature companies can focus on maximizing cash flow. The extensive scorecards use financial performance measures such as net profit and investment returns for use by all profitable organizations.

## **2.4 Non-Financial and Financial Performance Measurement**

Many managers and advisers who have adopted the basic logic of a comprehensive scorecard will develop this by incorporating traditional financial and non-financial measures. However, the most commonly used non-financial measures, such as customer satisfaction and employee attitude, have the same limitations as financial measures. First of all, the finding which ultimately describes the organization's approach, provides tips on how to use it in the future. Second, the financial instruments they use are

general instruments that have nothing to do with specific strategic goals that provide long-term advantages. (Kaplan and Norton in 1996)

The basic financial and non-financial data of the balance sheet should be the result of the unique strategies of the business units. Due to a balanced scorecard, managers have a whole range of relevant key performance indicators that can be used to implement a company's vision and strategy. The measurement includes all the resulting measurement and performance components. Managers can use the energy, technology and detailed knowledge of the organization's employees to achieve long-term business goals, shaping the goals of the organization's goals and driving these results.

Many people see measurements as a tool to monitor behavior and evaluate past results. Existing performance measures and control systems aim to bring organizational units and units to deadlines. Managers use comprehensive scorecard indicators in a variety of ways to develop business strategies, communicate business strategies, and tailor individual, organizational and cross-cutting shared initiatives the objectives. The administrator uses the whiteboard for communication, information systems and analysis instead of the existing control system. However, using a sustainable panel in this way requires that the indicators provide a clear picture of the company's long-term strategy for competitive success.

**CHAPTER III**

**PERFORMANCE MANAGEMENT PRACTICE**

**OF MYANMAR INDO BEST COMPANY LIMITED**

This chapter presents the background history of Myanmar Indo Best Company Limited. It includes the profile of Myanmar Indo best Company, Organization Structure of MIB and indicators of Performance Measurement in MIB as a tool of Balance Scorecard.

**3.1 Background History of Myanmar Indo Best Company Limited (MIB)**

Myanmar Indo Best Company Limited was incorporated in the Republic of the Union of Myanmar under the Myanmar Companies Act. Based in the Union of Myanmar, MIB was established in 1996. Major business activities of MIB is import trade distributes of Fast Moving Consumer Goods (FMCG) throughout Myanmar. MIB has developed an integrated sales and distribution network which covers all Myanmar and is actively working in close content with customers. Mission of MIB is to build a business that adds value to customer’s life HEALTHIER HOMES and vision is to build a strong portfolio of quality products for customers’ healthy living at the most affordable price.

MIB distributes consumer products by direct marketing channel to consumers and the next is two intermediary levels which include wholesalers and retailers. MIB import the fast moving consumer goods that Own Equipment Manufacturing Products (OEM) which brands are “Happy Mammy” diaper and wet tissue and baby wipe, “Pyomay” sanitary napkin, “Let-Weit-Kyaw” anti-mosquito coil. MIB Company Limited is located at Corner of No. (2) Main Road and Lay Daunt Ken Road, South Dagon Township, Yangon. The company has strong linkage throughout the Myanmar from the head office in Yangon and branches in Mandalay, Taunggyi, Monywa, Mawlamyine. Total employees have over 300 employees in MIB. MIB drives a strategy for growth to continuously increase its market share and enable sustainable profit growth as MIB help its business partners expand their businesses. MIB achieves this by focusing on existing

businesses, strengthening service offering, increasing operational efficiency and a financially stable and dependable partner.

### **3.2 Performance Management Practices of MIB**

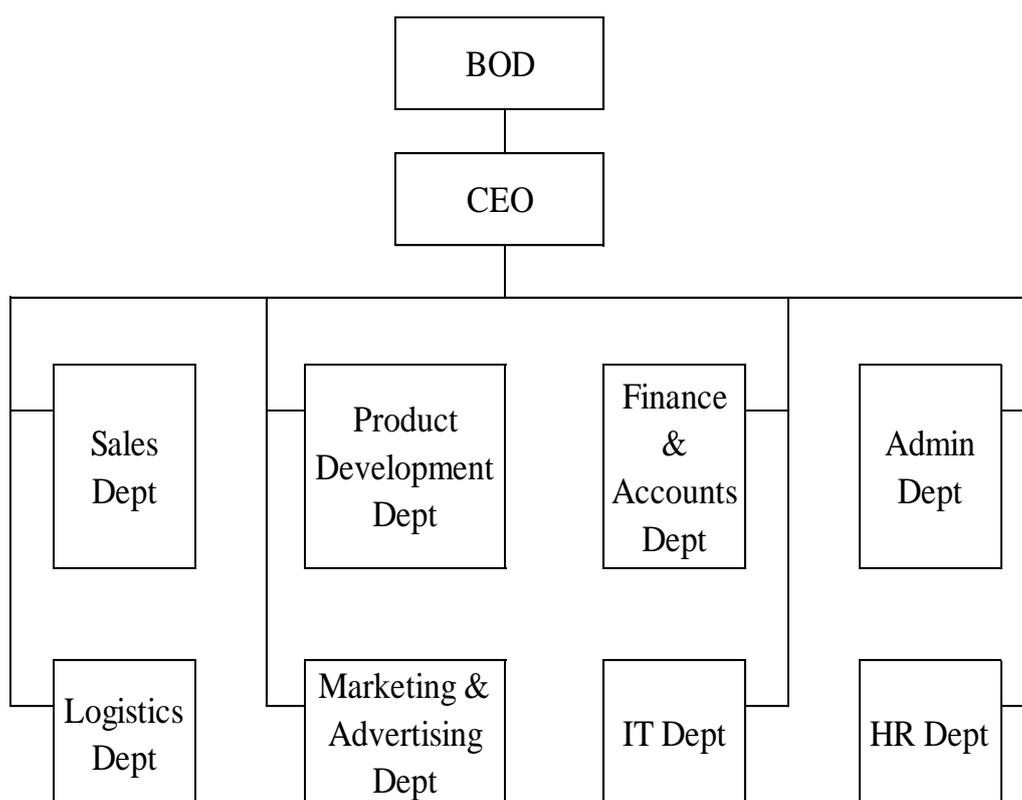
The services of the MIB Company mainly target on fast moving consumer goods (FMCG) as well as personal care items and daily products. Suppliers and customers can take advantage of MIB's large-scale comprehensive logistics and distribution infrastructure for cost-effective and efficient service, and MIB has its own warehouse and transportation and distribution, billing, cash collection and new product information services. In the distribution industry, the service provided is an important factor, because excellent service ensures customer satisfaction and quality of service, thus increasing the market share of the distribution industry among competitors. As a result, MIB provides intangible services with strong benefits and a clear experience. MIB provided information about customer products, order and delivery processes, optimal inventory level monitoring, money collection services, business marketing activities, customer loyalty programs, business campaigns, and inventory management. When the product is ready for launch, MIB supports brochures, and flyers to immediately provide specific information about new products and brands, and provide high quality to customers at the best price for the process and performance completed in the market. Customers can participate in business campaigns to learn new product directions and expand their business to gain market share.

MIB distributes and delivers products through various channels depending on the level of application of the customer. The types of MIB distribution channels are Modern Business, Retail, Retail, and Retail. Modern shopping channels include department stores, supermarkets and shopping centers. Sales include retail customers who directly contact end users. The wholesale market consists of Shwe Pyay Sone Zay, Yuzana Plaza, Nyaung Pin Lay Market, convenience stores, etc. Regional selected partners include in agent channel. When MIB receives customer order, each department will continue the order receipt, billing and delivery process. The MIB always handles the customer's inventory level and sales, filling the call frequency to get the optimal inventory level from the consumer. MIB deliver on a weekly basis. The MIB also monitors customer sales through the channel, and if necessary, the MIB helps customers move their products quickly and conveniently and deliver just in time.

### 3.3 Organization Structure of MIB Company

Organization structure of MIB is illustrated in Figure (3.1).

**Figure (3.1) Organization Structure of MIB**



Source: Annual Report of MIB, 2019

As shown in figure 3.1, the Chief Executive Officer (CEO) is responsible for the daily activities and decisions, such as Planning, Organizing and Controlling. Among the activities managed by the CEO are the management of hiring, developing, training and evaluating the performance of employees and staffs and controlling investments in order to keep the foundation financially healthy. The staffs returned their objectives, targets, performance indicators and actions for achieving them because this was the first time they were participating in the strategic planning process and performance measures were part

of their daily activities. The team (with some modifications to its composition) was gathered again in a different venue to start the strategic planning process, now for a long-term period. According to their experience and discourses, the results were very good.

The Heads of Departments were confident that the MIB framework had helped to focus on objectives and performance indicators were important tools for helping to control performance and targets. As results and after a small ballot, the group decided to maintain the MIB as a strategy and performance management framework. The CEO put the guidelines to be followed in the period ahead to improve company's image a reference of managing agreements and contracts, to extend affirmative action towards being acknowledged as a supporting entity to the business, to seek alternative sources of resources due to the reduction in private funds, to fit action within a sustainable framework, to improve the human resource development process. The company is organized into eight functional areas: (1) Sales Department (2) Logistics Department (3) Marketing & Advertising Department (4) Product Development Department (5) Finance & Accounts Department (6) IT Department (7) Administration Department (8) Human Resources Department.

### **(1) Sales Department**

The main goal of the Sales Department is to achieve sales goals and enlarge market share. The sales department focuses on the following roles and responsibilities: (i) Find sales opportunities for existing and new customers to sell products and services. (ii) Provide effective presentations to customers about required products and services. (iii) Regular relationships with clients to meet their needs and requirements (iv) Identify target budgets for each year with the next percentage of budget implementation quarterly. (v) Business opportunities each customer is included in the target budget or forecast list. (vi) Establish relationships with all current and new clients to learn about their future plans and coordinate them with the Marketing Department to achieve strategic goals.

### **(2) Logistics Department**

It is the arrangement and controlling logistics, warehouse, transport and customer services. Instructions, optimization and coordinating of the order cycle. It has to make partnerships and negotiations with suppliers, distributors and customers. Strategically planning on logistics, warehouse, transport and customer service management. Adjust

optimization to manage the entire order cycle. Track quality, quantity, inventory levels, shipping costs and shipping efficiency. It also includes warehouse and product catalog preparation, route planning, shipping processing. It would be part of solve a growing problem or complaint, supervise, lead and train warehouse staff. To meet your goals for cost, efficiency, accuracy and timeliness, keep metrics and analyze data to evaluate performance and implement improvements.

### **(3) Marketing Department**

Marketing involves investigating and assessing customer needs, as well as assessing and deciding whether they have real benefits. Marketing proceeds throughout the life of the product, looking for new customers, improving product appeal and performance, and managing repeatable sales. Marketing department roles and responsibilities as: (i) creating value for products and services; (ii) building strong brand and implementation plans; (iii) development relationships with customers and business partners; (iv) excellent customer service and profit transfer (v) return of investment and shareholder value (vi) new strategic marketing plans that need to be revised from time to time depending on market trends.

### **(4) Products Development Department**

The MIB is gradually growing, and has become one of Myanmar's major FMCG distributors. In 2014, MIB launched its product as an Original Equipment Manufacturing products (OEM), are made according to product specifications and products with customized designs, materials, dimensions, features, colors to meet local market requirements and increase customer satisfaction.

New product development is widely described as transforming into marketable products of market opportunities. Product development first releases new products without bringing solid data to support it. In general, this investigation involves conducting a careful and detailed investigation to support the project. Product specifications, production forecast cost, production time it will take to produce. The research function prepares the way of new product development. Based on the concepts and requirements coming from the research phase of a new product development project.

Often do prototyping, see how the actual model of the product works before it goes into full production. An important part of the development phase is to ensure that new products meet the guidelines and statutory requirements. Processes of New product development are

- (i) Innovation clearly defines the goals and objectives of new products.
- (ii) Collective brainstorming of ideas through internal and external sources.
- (iii) Screening- to reduce the number of brainstormed ideas.
- (iv) Concept Tests- Organize ideas into detailed concepts.
- (v) Business Analysis- Understand the costs and benefits of new products and determine whether they meet the company's goals.
- (vi) Product Development
- (vii) The marketing mix is tested by commissioning the product.
- (viii) Commercialization-Introduce the product to the public.

#### **(5) Finance & Accounts Department**

The MIB company was founded by Myanmar Citizen investors, shareholders and stakeholders. The financial report follows with the applicable Myanmar Accounting Standards. All financial indicators are calculated and recalculated to facilitate communication with stakeholders. The main goal is to present the financial statements on the 9th of the month to make the company's revenue and payment of effectively and efficiently. This section controls a master budget for each department every month. Prepare master budget each year in October and present it in the second week of November.

- (i) The Finance and Accounts department sets out financial management policies that are applied by anyone who has contact with cash or cash equivalents. Financial management includes, among other things, the level of risk that a company can take at any time. The financial function is usually managed by the financial manager. The company's financial functions are all activities carried out by the person responsible for implementing the financial policy.
- (ii) Cost management to what extent cost management, the essence of accounting is cost management and reporting of activities. If it does not actively participate in cost reduction activities, it will not have an accounting department. Accounting departments often log in earlier with other departments to reduce costs.

- (iii) For the billing and credit control, Finance and Accounting departments are responsible of ensuring for paying the right invoice to the customer at the right time.
- (iv) The accounting and finance department deals with tax issues.
- (v) Preparation of financial statements is the legal responsibility of company directors, but the Finance & Accounting department must always prepare financial statements.
- (vi) Accountants and Finance Specialists play a key role in protecting company assets. Design, implement and perform these executable internal and administrative controls.
- (vii) Inventory control & management fall within the scope of finance & accounting departments. Calculate and confirm the buffer stock when preparing the next import order.
- (viii) Budget control and management is one of the business tools used to control operations. Basically, the function and responsibility of the finance & accounting department is to support budgeting and budget control.
- (ix) There is nothing better for orders than managing the internal accountant.
- (x) The asset management function of the organization is the function of the finance & accounting departments. Basically, it is a comprehensive asset book.
- (xi) Accountants and finance specialists demonstrate value to employers.
- (xii) Manage cash flow and liquidity problems
- (xiii) Fraud prevention
- (xiv) Recruitment of accounting and finance employees
- (xv) Facilitation of training of accounting staff

## **(6) Information Technology (IT) Department**

It includes install and configure computer software and system, solve software or hardware problems. Leading colleagues and clients can step to solve technical problems and manage reports and provide technical support throughout the organization. It is to analyze history and logs to identify underlying trends and potential problems, to create a new user account and troubleshoot password or login problems. Test, evaluate and determine the new technology of the company. Attend business meetings and gain insight into technical requirements.

## **(7) Administration Department**

Office Administration is a daily activity related to financial planning, invoices and documents, personal and physical placement and logistics within the MIB organization.

The role of the admin department is one of the most important departments in the MIB. The administration department is primarily responsible for licensing, legal registration, administrative areas, security, and maintenance of the organization across the business. The Administration also manages activities related to daily car service, fuel control and maintenance. Store and order office supplies is also needed. Coordinate office activities and operations to ensure efficiency and compliance with corporate policies. Separate duties from administrative staff supervision to ensure efficiency.

### **(8) Human Resources Department**

HR mainly focus on recruitment, selection, orientation, training and a safe working environment for the staff of MIB. Human Resources to make sure personal development of all staffs. Measured using key performance indicators (KPIs), including employee performance reviews, key result areas (KRAs) and competencies is also a must thing to add. Job descriptions are key results areas, and professional skills include attitudes, communication, trust, loyalty and commitment. Next, KRA will also determine the KPIs and possibilities defined by the head of department. Head of Department (HOD) agreed with their subordinates to this KPI before performing the HOD measurement. After measuring KPI in HOD checked it with all employees. Based on the results of a performance review who increased their position and who increased their salary or decided. All employees were satisfied with the upgrade process to check performance.

## **CHAPTER IV**

### **ANALYSIS ON THE NON-FINANCIAL AND FINANCIAL PERFORMANCE MANAGEMENT OF MYANMAR INDO BEST COMPANY LIMITED**

In this chapter, analyzes the performance management with financial and non-financial of Myanmar Indo Best Company Limited. Financial information is obtained from the financial statements and annual reports of MIB. The non-financial reports are presented in figures. These factors are analyzed by Balanced Scorecard of performance measurement followed by customer, learning & growth, internal business process and financial.

#### **4.1 Research Design**

The primary data was collected by conducting personal interview and questionnaires data with the year start from 2015-2016 to 2018 -2019. The questionnaires were structured into sections organized to capture the BSC key performance measurement elements including non-financial performance which are customer, internal business processes, learning and growth and financial performance.

In regards of non-financial sector considering into customer satisfaction, 25 out of total 50 wholesalers especially its MIB Yangon area aims to fulfill their needs and wants by boosting product variety with competitive price. 75 out of 150 MIB employees, Yangon area targeting to employee learning and growth in order to scale up the employee skills such as increased productivity and improved consumer confidence. The world keeps changing so rapidly now that companies have to reinvent themselves constantly. That means which workers also need to reinvent themselves by improving their skill and learning new thing.

#### **4.2 Demographic Design**

In this study, data of the demographic and background characteristics of respondents on the socio-cultural factors are presented such as age, gender, education, experiences in field and average monthly income are presented based on survey data. All the data obtained from the questioners collected are summarized in frequency and

percentage distribution. The frequency analysis of demographic data of respondents is showed in the frequency table which are the count of frequency and their percentage.

#### 4.2.1 Profile of Respondents (Customers)

The survey has been conducted to deliver the questionnaires to 25 customers (wholesalers) who were randomly selected from among total 50 customers (wholesalers) of MIB, in Yangon area. Questionnaires are mainly focus for demographic characteristics of customers and their satisfactions upon the services of the MIB company.

##### Gender of Respondents (Customers)

Table (4.1) Gender Group of Customers

Gender	Frequency (No. of Respondents)	Percent
Male	16	64
Female	9	36
Total	25	100

Source: Survey data, 2019

In demographic profile, the first analysis of respondent is to find out the gender research. Table (4.1) indicates a total of 25 respondents, 16 of whom are male (64%) and 9 (36%) are female.

##### Age of Respondents (Customers)

Table (4.2) Age Group of Customers

Category (Years)	Frequency (No. of Respondents)	Percent
20-30	2	8
31-39	5	20
40-49	12	48
50 and Above	6	24
Total	25	100

Source: Survey data, 2019

According to the Table (4.2), the total respondents of 25 shows that the oldest age range is 50 and above with the results came out as 24%, the range between 40-49 is 48% which are 12 respondents and the youngest age range is 20-30 with 2 respondents (8%).

### **Education Background of Respondents (Customers)**

Table (4.3) Educational Background of Customers

Category	Frequency (No. of Respondents)	Percent
Under Graduate	15	60
Graduate	9	36
Post Graduate	1	4
Total	25	100

Source: Survey data, 2019

Table (4.3) shows that the total respondents of 25 among them, most of respondents are under-graduate which is 60%, the respondents who graduated which is 36% and the respondents who has been post graduated which is 4% respectively.

### **Income per Month of Respondents (Customers)**

Table (4.4) Income per Month of Customers

Income per Month (kyats)	Frequency (No. of Respondents)	Percent
Under 1,000,000	1	4
1,000,000 > 2,000,000	3	12
2,000,000 > 3,000,000	10	40
3,000,000 and above	11	44
Total	25	100

Source: Survey data, 2019

The figure found that the monthly income level of respondents, mostly are 44% who earn the income of 3,000,000 Ks and above, 40% of total respondents are in the

range of Ks 2,000,000 > Ks 3,000,000 and 12% of total respondents are in the range of 1,000,000 > Ks 2,000,000.

### **Sales per Month of Respondents (Customers)**

Table (4.5) Sales per Month of Customers

Sales per Month (kyats)	Frequency (No. of Respondents)	Percent
Under 10,000,000	1	4
10,000,000 > 25,000,000	4	16
25,000,000 > 50,000,000	12	48
50,000,000 and above	8	32
Total	25	100

Source: Survey data, 2019

Table (4.5) highlight that the highest sales per month is Ks 50,000,000 and above as the respondents of 32% and the lowest sales per month is under 10,000,000 kyats as the respondents of 4%.

### **Experiences of Respondents (Customers)**

Table (4.6) Experiences in field of Customers

Experience (Years)	Frequency (No. of Respondents)	Percent
Under 2	3	12
2 > 5	4	16
5 > 10	7	28
10 > 15	10	40
15 and above	1	4
Total	25	100

Source: Survey data, 2019

According to the table (4.6), the highest experience in wholesales field are 15 years and above as 4% of the total respondents and the lowest experience in wholesales field is under 2 years as 12% of the total respondents.

#### 4.2.2 Profile of Respondents (Employees)

The survey has been conducted to deliver the questionnaires to 75 employees who were randomly selected from among total 150 employees of Yangon branch in MIB. Questionnaires are mainly focus for demographic characteristics of employees and then satisfactions upon the services of the institution.

##### Gender of Respondents (Employees)

Table (4.7) Gender Group of Employees

Gender	Frequency (No. of Respondents)	Percent
Male	35	47
Female	40	53
Total	75	100

Source: Survey data, 2019

According to the Table (4.7), a total of respondents are 75 employees which is 47% are male and 53% are female respectively.

##### Age of Respondents (Employees)

Table (4.8) Age Group of Employees

Category (Years)	Frequency (No. of Respondents)	Percent
18 - 28	35	47
29 - 39	29	39
40 - 50	8	10
Above 50	3	4
Total	75	100

Source: Survey data, 2019

In Table (4.8) the total respondents of 75 shows that the oldest age range is 50 and above with the results came out as 4%, the range between 40-50 is 10% which are 8 respondents and the youngest age range is 18-28 with 35 respondents (47%).

##### Education Background of Respondents (Employees)

Table (4.9) Educational Background of Employees

Category	Frequency (No. of Respondents)	Percent
Under Graduate	21	28
Graduate	49	65
Post Graduate	5	7
Total	75	100

Source: Survey data, 2019

Table (4.9) shows that the total respondents of 75 among them, most of respondents are graduated which is 65%, the respondents who under-graduated which is 28% and the respondents who has been post graduated which is 7% respectively.

### **Department Types of Respondents (Employees)**

Table (4.10) Department Types of Employees

Department	Frequency (No. of Respondents)	Percent
Management	4	5
Head of Department	8	11
Sales Department	27	36
Logistics & Warehouse Department	6	8
Product Development Department	3	4
Marketing Department	4	5
Finance & Accounts Department	11	15
Admin Department	6	8
HR Department	2	3

IT Department	4	5
Total	75	100

Source: Survey data, 2019

According to the Table (4.10), the total of 75 respondents among them, mostly are from sales department as 36%, from finance & account department as 15%, from head of department as 11% and from HR department as 3% which is the lowest.

### **Income per month of Respondents (Employees)**

Table (4.11) Income per Month of Employees

Income per Month (Kyats)	Frequency (No. of Respondents)	Percent
Under 200,000	6	8
200,000 > 500,000	21	28
500,000 > 700,000	19	25
700,000 > 1,000,000	12	16
1,000,000 and above	17	23
Total	75	100

Source: Survey data, 2019

The table (4.11) found that the monthly income level of respondents, mostly are 28% who earn the income of Ks 200,000 > Ks 500,000, 25% of total respondents are in the range of Ks 500,000 > Ks 700,000 and 23% of total respondents are in the range of Ks 1,000,000 and above.

### **Experiences of Respondents (Employees)**

Table (4.12) Experiences in MIB of Employees

Experience (Years)	Frequency (No. of Respondents)	Percent
Under 1	19	25
1 > 3	24	32
3 > 5	16	22

5 > 7	10	13
7 and above	6	8
Total	75	100

Source: Survey data, 2019

According to the table (4.12), the highest experiences is 7 years and above as 8% of the total respondents and the lowest experience is under 1 years as 25% of the total respondents.

### 4.3 Analysis on Non-Financial Performance

Non-financial performance indicators are which include customer satisfactions level on product, distribution, pricing, service quality of employee of MIB and to improve internal business processes and decision making. In this study, growth in number of new products per year are indicated for internal business process perspective. And, learning and growth perspectives are investment rate in human capital and information and technology and systems, skilling up training provided by MIB.

#### 4.3.1 Analysis on Customer (Wholesaler) Satisfaction

In this study, sample customers (wholesalers) are required to respond how much they agree of satisfy with these factors which are product, price, distribution, service quality of employee.

#### (1) Customers (Wholesalers) Satisfaction Level on Product of MIB

Table (4.13) Customer Satisfaction Level on Product

Sr. No.	Statement	Mean
1	MIB Company is distributing qualified FMCG products	4.33
2	MIB Company is choosing healthy products	4.02
3	MIB Company is providing in various sizes for more choices	4.26
4	MIB Company is choosing modern products design	4.01
5	MIB Company is creative product formula	4.19

	Average	4.16
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Source: Survey Data, 2019

Table (4.13) reports the average mean score is 4.16 shows that mostly are satisfied on MIB product. The highest mean score 4.33 shows that customers are well satisfied on the qualification of MIB's products as the good products to the customers. The least mean value mentioned MIB company's choice of modern products design so based on the table, MIB needs to also emphasize on the product design.

## (2) Customer Satisfaction Level on Distribution of MIB

It shows that the result of the customer satisfaction level on distribution.

Table (4.14) Customer Satisfaction Level on Distribution

Sr. No.	Statement	Mean
1	MIB products can be available in the nearest distribution point around my shop/warehouse	3.90
2	Company provides timeliness of getting back to me when ordering from us.	4.00
3	MIB products I purchase are delivered when promised	4.13
4	Availability abundantly when I purchase from MIB	4.34
5	I have good understanding of the ordering process	4.20
	Average	4.11

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Source: Survey Data, 2019

Table (4.14) reports the average mean score is 4.11 shows that there is customer satisfaction on MIB's product. The highest mean score 4.34 shows that customers are availability abundantly when purchase from MIB which means that MIB has good distribution for the customers by providing variety of products. The least mean value is on the availability of nearest distribution point so that MIB should more consider to open warehouse near customers' shops.

### (3) Customer Satisfaction Level on Pricing

It shows that the result of customer satisfaction level on pricing.

Table (4.15) Customer Satisfaction Level on Pricing

Sr. No.	Statement	Mean
1	Pricing of MIB makes me easy calculation of costing	4.00
2	MIB's products prices can be compared with other products	3.89
3	MIB Company set negotiable payment terms & conditions	3.90
4	Discounted price saves on volume	4.26
5	Fairness of pricing	4.11
	Average	4.03

Source: Survey Data, 2019

Table (4.15) reports the average mean score is 4.03 shows that there is customer satisfaction on MIB's product. The highest mean score 4.26 shows that customers are really satisfied on MIB discounted price saves on volume purchase of customer. The lowest mean value is price compare with others. Therefore, MIB has good satisfaction level on the pricing.

#### **(4) Customer Satisfaction Level on Service Quality of Employee**

It shows that the result of the customer satisfaction on service quality of employee.

Table (4.16) Customer Satisfaction Level on Service Quality of Employee

Sr. No.	Statement	Mean
1	I feel employees are courtesy and professionalism	4.00
2	Listing carefully and being responsive to my needs	4.10
3	I feel customer care service of MIB Company is reliable	4.33
4	I feel employees of MIB Company values me as a customer	4.20
5	Employees are doing quality of work	4.08
	Average	4.14

Source: Survey data, 2019

Table (4.16) reports the average mean score is 4.14 shows that there is customer satisfaction on MIB's product. The highest mean score 4.33 shows that customers are really satisfied on customer care service of MIB Company is reliable.

#### **(5) Summary of Customer Satisfaction**

Regarding the overall satisfaction on performance evaluation of customers (wholesalers), the following table shows that the results are of the overall satisfaction.

Table (4.17) Summary of Customer (Wholesaler) Satisfaction

Sr. No.	Statement	Mean
1	Mean Average Product Factor	4.16
2	Mean Average Distribution Factor	4.11
3	Mean Average on Price Factor	4.03
4	Mean Average on Service Quality of Employee	4.14
	Average	4.11

Source: Survey Date, 2019

Table (4.17) reports the individual mean scores of the evaluation of MIB Company. The overall mean score achieving 4.11 shows that customers are really satisfied on MIB's product. The highest customer's satisfactory is on product factor with 4.16.

#### **4.3.2 Analysis on Learning and Growth Perspective**

The learning and growth perspective is applied to monitor the acquisition, cultivation and exploitation of core competencies. The study targeted 75 out of 150 employees of MIB Company who were working at the Yangon in Myanmar. 75 employees filled questionnaires were collected. The response rate largely demonstrates a willingness of the respondents to participate in the study. The perspective identifies the capabilities in which the organization must excel to achieve superior internal process that creates value for customers and shareholders. It is geared towards measuring a company's innovation and continual improvement capacity. It includes capacity building of human capital and corporate cultural attitudes.

Kaplan and Norton (2001) had found that most companies use employee objectives drawn from a common core of three outcome measurements, namely employee retention, which is the percentage of employee turnover, employee satisfaction, which is determined by how much staff is involved in decision making; whether they experience job recognition; whether they have sufficient information to take action in their jobs; whether their initiatives are encouraged; whether the staff function is supported; and how much company satisfaction employee have; and employee productivity, namely revenue per employee, factoring in costs involved in generating the revenue. Employee learning

and capacity building is a major factor affecting organizational performance. Employees skills development should allow for the identification of various user groups, assess the level of knowledge, recruiting needs, and define the scope of the training curricula, targeting the various key audiences (Balogun, 2003). According to Hendriks (2012), training and development programs should be based on training of and management needs identified by a training need analysis so that the time and money invested in training and management developments is linked to the core business or goals of the organization during strategic change. (GLADYS W. JEHU, 2017)

The BSC indicates the importance of investing for the future and not only in the traditional areas of investment, such as new equipment and new product development and research. Equipment, research and development investments are important, but they are unlikely to be sufficient by themselves. Organizations must also invest in their technological infrastructure and if they are to achieve ambitious, long-term financial growth objectives. technological infrastructure which include the strategic technology, strategic database, the capturing of experience; propriety software, and the patents and copyrights of the organization and climate for action which refers to the key decision cycle, strategic focus, staff empowerment, personal alignment, morale, and teaming in the organization (Kaplan & Norton, 2001).

Human Resources Department arranged yearly training program and the company provided the training as per Table (4.18).

Table (4.18) Yearly Training Program from 2015-2016 to 2018-2019

Sr. No.	Training Course	Target Level/ Department	Number
1	Managerial Skill	Management Level	3
2	Problem solving and Decision Making	Head of Department	2
3	Presentation Skills	Sales & Marketing Dept.	3
4	Personal Grooming		2
5	Product Knowledge	Product Development, Sales & Marketing Dept.	3
6	Carrier Development	All Office Staff	1

7	Standard Operation Procedure (SOP)		3
8	Microsoft Excel		2
9	Software Training (SFA)	Sales, Marketing, Accounts Dept.	2
10	Software Training (ERP)	Sales, Logistics, Accounts Dept.	2
11	Cross-department Training	All Departments	1

Source: Annual Report of MIB Company, 2019

The company provided the training to the employees so as develop the skill and competency in the respective field. Providing training to the employees is a kind of motivation to the employee as well as retaining to the skillful employee. The incentives are also provided for long service to the company. The managerial skill, product knowledge and software training are important so that the company provide these programs annually. HR well to the whole organization, provided the managerial skills to the management level. Product development, Sales and Marketing are being provided the Product knowledge training. Well understanding of the product knowledge will be effectively use in product distribution. Company growth depends on the human resource development and staffs' competency in their respective role.

There have two types of level that we give out the incentive for staff motivation stated as: (i) Management level (ii) Operation Level. As management level, the staffs who can have eligible on benefits all kind of incentive but overtime allowance is not included. In regards of operation level, the staffs can benefit of all incentives such as leave, overtime, sales commission, annual bonus, performance bonus, trip offer, training for both oversea and local, education facilities and staff loan offer.

Table (4.19) showed the turnover rate of employees from the year 2015-2016 to 2018-2019. Employee's turnover is related to the staff incentive system. Employees are motivated to work in the company's working environment when they believed they could get benefits.

Table (4.19) Employee Turnover Rate

Year	Total Employee	Number of Resign Employee	Turnover %
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2015-2016	141	17	12
2016-2017	211	22	10
2017-2018	298	28	9
2018-2019	312	24	8

Source: MIB Company Annual Report, 2019

According to the table (4.19), employee turnover rate is the highest in 2015-2016, but later that year the rate became decrease year by year. Employee turnover rate is reducing from the financial year 2015-2016 to 2018-2019. Company implemented the award for long service employees. So, the training programs are effective for the employees and they really satisfy on the program.

Table (4.20) Learning & Growth Perspective in Measuring Performance

Sr. No.	Statement	Mean
1	The use of the relevant software system in the business can improve the skills of employees	3.88
2	Cross-department training provides employees with a better understanding of their work	3.70
3	MIB facilitates employees' development by offering incentives like study loans	4.11
4	MIB has good working environment for the staff	4.02

Source: Survey data, 2019

The finding show that the respondents agreed with a mean 4.11 that MIB Company facilitates employees' development by offering incentives like study loans. Also, the respondents agreed with a mean of 4.02 that MIB Company has good working environment for the staff. Further analysis how that the respondents agreed with a mean of 3.88 that the use of the relevant software system in the business can improve the skills of employees. In addition, the respondents agree with a mean of 3.7 that the cross-department training provides employees with a better understanding of their work. The

objective of the study sought to establish the effectiveness of learning and growth perspective of the BSC on MIB Company’s performance.

### 4.3.3 Analysis on Internal Business Perspective

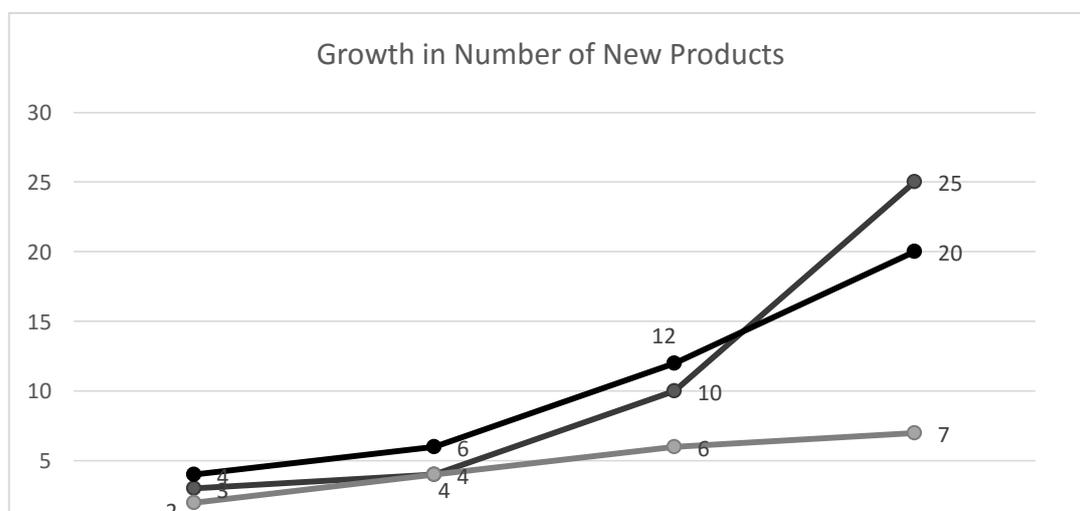
The internal business perspective makes an organization consider what processes it must excel at in order to achieve financial and customer objectives. The perspective aims to improve internal processes and decision making. In order to analyze the internal business perspective of MIB Company Limited with number of new products per year. MIB Company believes in supporting retail outlets to get the best products and brands at the best price, and MIB provides them with knowledge and market insights to achieve customer satisfaction on the services of MIB. MIB provides services along the entire value chain, offering any combination of sourcing, marketing, sales and distribution. Growth in number of new products per year are shown in Table (4.21).

Table (4.21) Growth in Number of New Products

Year	NO. of New Products (Diaper & Wet Tissue)	No. of New Products (Sanitary Napkin)	No. of New Products (Anti-Mosquito Coil)
2015-2016	3	4	2
2016-2017	4	6	4
2017-2018	10	12	6
2018-2019	25	20	7

Source: Annual Report of MIB, 2019

Figure (4.1) Growth in Number of New Products



Source: Annual Report of MIB, 2019

Figure (4.1) show that it is founded that total new product of MIB during 2015-2016 is 9 SKUs and 52 SKUs in 2018-2019. It shows that growth in number of new products is increased year by year.

#### **4.4 Analysis on Financial Performance**

The financial performance considers whether the organization meets the expectations of its shareholders and how it created value of the company. The key financial performance measurement indicators are used by MIB. The Primary sources of financial information are come from financial report of MIB. MIB is subject to strict requirements concerning financial reporting with respect to compliance with Myanmar Financial Reporting Standard and based on historical cost conversion. Therefore, financial information is reliable, transparent, consistent and timely reporting of financial performance enhances shareholders' and other shareholders' confidence in MIB and provide equal opportunity to act on such information. In order to analyze the financial performance of the MIB, profitability ratio and liquidity ratio.

##### **4.4.1 Profitability Ratio**

Profitability ratios measure an organization's ability to generate earnings relative to sales, assets and equality and in doing so, highlight how effectively the profitability of a company is being managed. They are (a) Gross Profit Margin (b) Net Profit Margin (c) Return on Assets (d) Return on Equity. They are derived from the income statement and balance sheet information.

##### **(1) Gross Profit Margin**

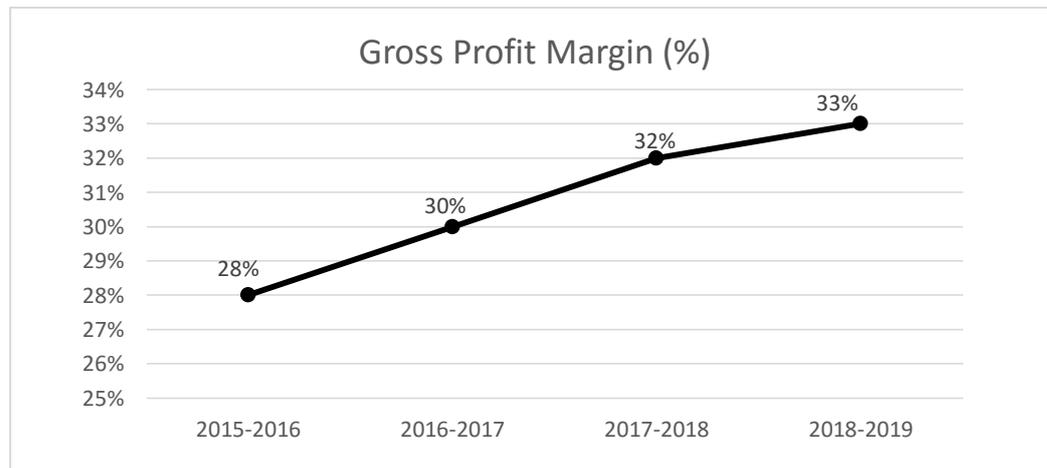
Gross profit margin is a measure of the gross profit earned on sales. The gross profit margin considers the organization's cost of goods sold, but does not include other costs. It determines the gross profit to divide by net sales. For the four years' period from 2015-2016 to 2018-2019 financial year, the Gross Profit Margin statistics are shown in the following table (4.22)

Table (4.22) Gross Profit Margin

Sr. No.	Year	Gross Profit Million (kyat)	Revenue Million (kyat)	Gross Profit Margin (%)
1	2015-2016	1,142	4,080	28%
2	2016-2017	1,980	6,600	30%
3	2017-2018	2,880	9,000	32%
4	2018-2019	4,752	14,400	33%

Source: Financial Report of MIB (2015-2016 to 2018-2019)

Figure (4.2) Gross Profit Margin



Source: Financial Reports of MIB, (2015-2016 to 2018-2019)

Figure (4.2) show that the gross profit margin is 28% in the year 2015-2016. The gross profit margin increase year by year and the gross profit margin of 2018-2019 is the highest 33% because revenue increase 60% and the gross profit margin increase 65% over previous year and the gross profit margin of 2015-2016 is the lowest 28% because revenue was kyat 4,080 million and the gross profit was kyat 1,142 million company strive year.

## (2) Net Profit Margin

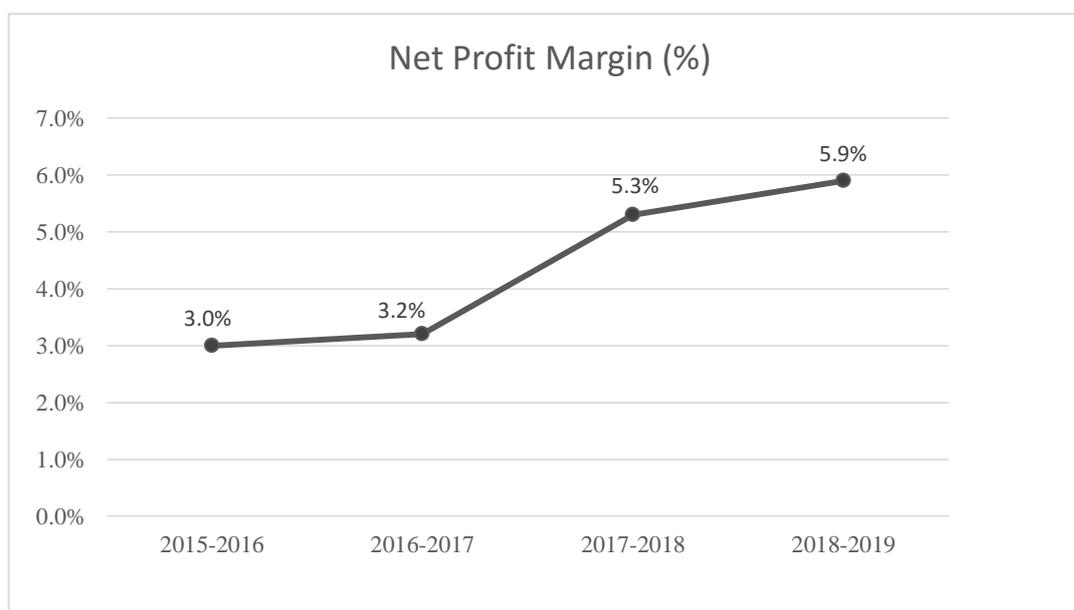
The net profit margin of Myanmar Indo Best Company Limited measures the percentage of each sale remained after all expenses has been deducted. The net profit margin is commonly cited measure of the organization's success with respect to earnings on sales. Good net profit margins differ considerably across industries. The higher net profit margins are the better for any company.

Table (4.23) Net Profit Margin

Sr. No.	Year	Net Profit Million (kyat )	Revenue Million (kyat)	Net Profit Margin (%)
1	2015-2016	122	4,080	3.0%
2	2016-2017	211	6,600	3.2%
3	2017-2018	477	9,000	5.3%
4	2018-2019	850	14,400	5.9%

Source: Financial Reports of MIB (2015-2016 to 2018-2019)

Figure (4.3) Net Profit Margin



Source: Financial Reports of MIB (2015-2016 to 2018-2019)

Figure (4.3) show that the net profit margin is 3% in the year 2015-2016. The net profit margin of 2018-2019 is the highest 5.9% because revenue increase 60% and the net profit margin increase 78.1% over previous year and the net profit margin of 2015-2016

is the lowest 3% because revenue was kyat 4,080 million and the net profit was kyat 122 million.

### (3) Return on Assets

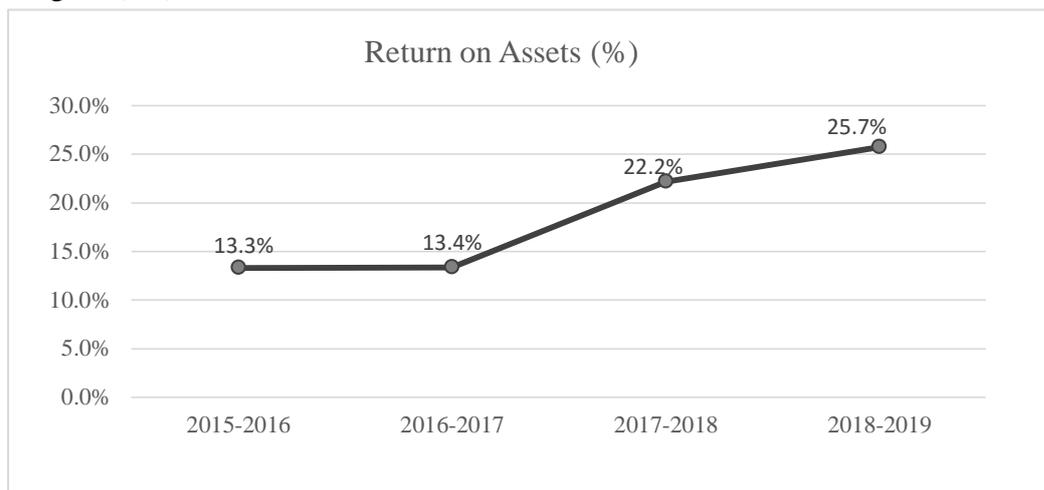
The return on assets ratio can be directly computed by dividing net income by average total assets. It finds out the ability of the company to utilize their assets and measure of efficiency of the company in generating profits. These ratios are shown in the following table.

Table (4.24) Return on Assets

Sr. No.	Year	Net Income Million (kyat )	Total Assets Million (Kyat)	Return on Assets (%)
1	2015-2016	122	920	13.3%
2	2016-2017	211	1580	13.4%
3	2017-2018	477	2150	22.2%
4	2018-2019	850	3300	25.7%

Source: Financial Reports of MIB (2015-2016 to 2018-2019)

Figure (4.4) Return on Assets



Source: Financial Reports of MIB (2015-2016 to 2018-2019)

Figure (4.4) show that return on total assets is 13.3% in the year 2015-2016. Then the ratios are 13.4% in the year 2016-2017, 22.2% in the year 2017-2018 and 25.7% in the year 2018-2019 growth continuously. The return on total assets of 2018-2019 is the highest return 25.7% because total assets kyat 3,300 million and net income kyat 850 million low value of assets. It means that revenue growth is higher than assets growth

throughout the periods. It also means that MIB use more assets in the previous period and stabilized later.

#### (4) Return on Equity

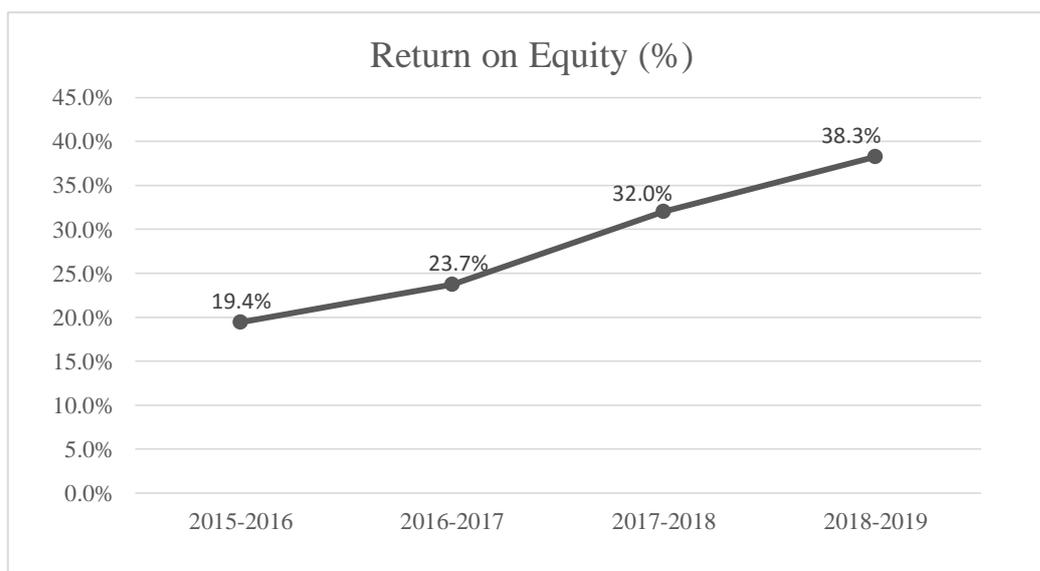
The return on equity of MIB measures the earned on the owners was varying depending on capital intensity and value of assets. Return on equity is computed by dividing net income by total equity. It demonstrates how a company to generate earnings growth for using investment fund. These ratios are shown in following table (4.4).

Table (4.25) Return on Equity

Sr. No.	Year	Net Income Million (kyat)	Total Equity Million (kyat)	Return on Equity (%)
1	2015-2016	122	630	19.4%
2	2016-2017	211	890	23.7%
3	2017-2018	477	1,490	32.0%
4	2018-2019	850	2,220	38.3%

Source: Financial Reports of MIB (2015-2016 to 2018-2019)

Figure (4.5) Return on Equity



Source: Financial Reports of MIB (2015-2016 to 2018-2019)

Figure (4.5) show that the return on equity ratio is 19.4% in the year 2015-2016. Then the ratios are 23.7% in the year 2016-2017, 32% in the year 2017-2018 and 38.3%

in the year 2018-2019 growth continuously. The return on equity of 2018-2019 is the highest return 38.3%. Revenue growth is higher than equity growth throughout the periods.

#### 4.4.2 Liquidity Ratio

Liquidity ratios show the ability to pay its debts as come due over the next year. This is used to determine a company's ability to pay off its short-terms debts obligations. Generally, the higher the value of the ratio, the larger the margin of safety that the company possesses to cover short-term debts.

Table (4.26) Liquidity Ratio

Liquidity Ratio	2015-2016	2016-2017	2017-2018	2018-2019
Current Ratio (Times)	2.90	1.86	2.08	2.30
Acid Test Ratio (Times)	0.70	0.72	0.83	0.84

Source: Financial Reports of MIB (2015-2016 to 2018-2019)

The ratio of current ratio is measured dividing total current assets by total current liabilities. Table (4.26) show that the current ratio is the highest in the year 2015-2016. The higher the current ratio, the better in liquidity. The acid test ratio is the highest in the year 2018-2019, so company's ability to pay debt is also high.

## **CHAPTER V**

### **CONCLUSION**

The main objective of the study is to measure the performance management of Myanmar Indo Best Company Limited. This chapter includes three main parts. The first part includes the findings based on analyzing the performance management on financial and non-financial perspectives. The second part presents suggestions for Myanmar Indo Best Company Limited. The last part is need for further study.

#### **5.1 Findings**

In regards of non-financial performance related with customer satisfaction survey result, it is showed that the majority of respondents satisfied the product factors because MIB provides distributing the qualified products with many various sizes. The overall customer satisfaction mean value came out with good result. The mean of customer satisfaction of MIB's products price is low because cost of good quality and healthy products cannot get cheap. There are number of area to improve on performance management, among them SFA and ERP software are not implemented completely yet, even there was several meetings held happened in year around, however cannot proper implement up to now. In sales department, it is needed to recruit more qualify staffs and pursuit to consume many reports from sales software. In 2015-2016 and 2016-2017, the employee turnover rate was significantly high because new competitors are entering to distribution market and employee has more opportunities to move new companies. But, the employee turnover rate has decline in recent years according to set of employee retain plans in MIB Company.

In regards of financial performance related with survey result, it is showed that 2018-2019 is the year when the actual revenue achieves the targeted revenue. Gross Profit margin of 2018-2019 was the top position because sales revenue got high level for product SKUs more than previous years. Growth in number of new products is increased year by year. Net Profit growth in 2018-2019 was the highest because got gross profit high level and maintain the expenses. The total sales revenue of the company has been increased continuously in the year 2015-2016 to 2018-2019. At the year of 2018-2019, Return on Equity (ROE) of MIB was the highest because the company's operation team could manage better service with reasonable service charge and good quality.

In this year, management of MIB decided to increase the product SKU for more market share by product development. In the analysis of asset utilization ratio, it is found that assets utilization ratio of MIB is fluctuated due to nature of the business but its trend is increasing. The lowest of assets utilization ratio in 2015-2016, net income of company got low. According to the analysis of liquidity ratio, it is shown that commonly acceptable current ratio. MIB management team can be using their current assets or its short-term financing facilities efficient in 2015-2016, 2017-2018 and 2018-2019. Optimal debt ratio is considered to be about 0.5. It is found average of debt ratio of MIB is more than optimal and all debt ratios for within four years are good situations. Another point is no payable transactions that supplier payments is advance for import case.

## **5.2 Suggestions**

The main objectives of the profit organization are to increase the profit in short term and to increase the shareholders' wealth in long term. The company should consider the profitable condition even if the company focuses on the customer satisfaction and innovation. In addition, the company should make a balance between the financial and non-financial in order to increase not only in profit but also in shareholder wealth.

Myanmar Indo Best Company needs to deal with suppliers to get a credit team and should be implement Letter of Credit (LC) system for importing. For import company, LC is very important and good support the financial position. Letter of credit is a letter from a bank guaranteeing that a buyer's payment to a seller will be received on time and for the correct amount that the buyer is unable to make a payment on the purchase, the bank will be required to cover the full or remaining amount of the purchase. MIB's products price need to compare with other competitive products. There is very important to get the lowest purchase price and to minimize logistics cost. For distribution company, warehouse and depot need to exist at the strategically locations. The management team should be seriously care to complete implementation system of SFA and ERP software. Sales operation staffs need to know advantage of using system application, software and information technology. Management of Myanmar Indo Best Company Limited should set strategy to meet target and each employee's performance should be link with reward. But the reward scheme needs enough to attract, motivate, retain for employees. MIB needs to promote their team performance in order to compete with other distribution companies.

The study found that the learning and growth perspective of the adequately measures the performance of MIB Company. It is therefore recommended that MIB

Company provides conducive working environment that promotes innovation and continual improvement. This will contribute to higher employee satisfaction levels. The study also recommends for increased training and capacity building of the Company's human capital. This will enhance employees' skill as a catalyst for motivation and empowerment.

### **5.3 Needs for Further Study**

This study is conducted on financial and non-financial performance of Myanmar Indo Best Company Limited. It is not covered all the performance measurement and practices of distribution industry. This study is only focused on the data from financial year 2015-2016 to 2018-2019. As time and resource limitation, this study only compares within the organization performance indicators and cannot benchmark with other distribution companies with the industry. This study is only based on data provided by Myanmar Indo Best Company Limited.

Moreover, further analysis on an expanded period, which is year by year and based on more effective indicator, will be effective and efficient tool for measuring performance in the organization. The extended period is about to provide evidences highlighting the significant of applying the non-financial and financial ratio against with benchmark indicators set by management of Myanmar Indo Best.

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