

ABSTRACT

PT PP London Sumatra Indonesia Tbk Kertasarie Tea Factory is a business unit responsible for the production and processing of tea, playing an essential role in advancing the company's overarching strategic objectives. Nevertheless, its prevailing performance evaluation mechanism remains predominantly centered on financial aspects, thereby constraining a holistic appraisal of strategic alignment and organizational effectiveness. In response to this gap, this study aims to design a performance measurement system based on the Balanced Scorecard framework. The design process begins with a diagnostic assessment of internal and external factors utilizing a SWOT analysis, followed by the formulation of strategic alternatives through the TOWS matrix. These strategies are then mapped into strategic objectives aligned with the four dimensions of the Balanced Scorecard, which include financial, customer, internal business process, and learning and growth. Subsequently, the strategic objectives are further translated into 13 Key Performance Indicators (KPIs), systematically derived from the company's vision, mission, and goals. The prioritization of each KPI is determined using the Analytical Hierarchy Process (AHP) method. The evaluation of the designed performance measurement system is conducted using a scoring system and a traffic light system to assess its implementation effectiveness. Empirical findings reveal that of the 13 KPIs assessed, 11 are classified in the green category and 2 in the yellow category, culminating in an aggregate performance score of 0.942, which is categorized as Outstanding. Thus, the Balanced Scorecard-based performance measurement system is considered effective in providing a structured and measurable strategic framework that support decision-making and enhances the company's competitiveness.

Keywords: *Performance Measurement, SWOT Analysis, Balanced Scorecard, Key Performance Indicator, Analytical Hierarchy Process.*