

ABSTRACT

This thesis attempted to analyze *Strategy Map* and *Balanced Scorecard* as a performance measurement system. The objective of the research was to develop the *Strategy Map* and design the *Balanced Scorecard* for Garuda-Citilink airline.

The first step in developing the *Strategy Map* was translating the company's vision, mission, basic values, goals, and strategy in to the strategic issues. Some strategic issues included a orientation, commitment and instrument necessary to mobilize the resources and business energy with the view of putting the predetermined goals into reality. The organization's goals represented principal targets in the coming years which in turn highly determined company's direction and its survival. Such goals should be formulated appropriately to provide a direction or guidance about how the organization would pursue its dreams in the future.

The strategic issues in Garuda-Citilink in the light of the research results were revealed below. First, as for the financial aspect, the strategic issues were related to the revenue growth and cost reduction. Second, the strategic issues in associated with customer were an improvement in service quality and the improved relationship with customers. Third, the financial factor related strategic issues consisted of the improvement in quality of processes involved in service innovation, the increased service quality process delivered to the customers and an integration of internal service process. Finally, the growth and learning perspective had strategic issues in the form of developing strategic skill, MIS utilization, and personal growth.

The comprehensive *Balanced Scorecard* development for Garuda-Citilink airline not only required *Strategy Map* but also *strategic issues, strategy measures, targets, and initiatives* necessary for *Balanced Scorecard* development.

Key-words: Strategy Map, Balanced Scorecard, strategic issues, strategy measures, targets, initiatives.