CERTIFIED KEY PERFORMANCE INDICATORS PROFESSIONAL

Towards the use of a rigorous KPI Management Framework

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"It is impossible for a man to learn what he thinks he already knows."
Epictetus

Online resources

smartKPIs.com
The smart choice in performance management

purposefulIdentity
Values . Mission . Value drivers . Vision vmvdv.com

integratingPerformance
All about Performance Management eablP.com

BalancedScorecardReview
Reviewing the BSC (r)evolution BSC20.com

PERFORMANCE MAGAZINE

TKI eLearning

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http://www.purposefulidentity.com/
http://www.balancedscorecardreview.com
http://www.integratingperformance.com
http://www.performancemagazine.org/
http://elearning.smartkpis.com/

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IN WORDS

Vision:

Change the world - More happy people, acting ethically in beautiful organizations and a sustainable environment.

Values:

- **Added value:** offering more through innovation and value for money
- **Best know-how:** through own research and integration of multidisciplinary global expertise
- **Common sense:** respect, modesty and friendship
- **Data and facts:** expertise and opinions based on specific data
- **Efficiency**: key principle for prioritisation and getting things done

Mission:

Establish performance integration as a discipline through research, publications and educational programs.

IN NUMBERS

3: offices – Australia, Europe, Middle East

5: continents on which we delivered training

10: years spent on researching KPI best practice

11: global partner organisations

20: countries where we delivered educational programs

31: staff members

75: countries with research clients

117: research reports published to date

480: training hours delivered

2,500: professionals trained

2004: year of establishment

20,475: KP examples published on smartKPIs.com

28,000: companies registered on smartKPIs.com

73,000 members in our online communities

654,949: professionals reached through smartKPIs.com

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RESEARCH

smartKPIs.com
The smart choice in performance management

At the core of smartKPIs.com is an online catalogue of over **20,000 KPI examples** from **16** business functional areas and **25** industries.

purposefulIdentity
Values . Mission . Value drivers . Vision
vmvdv.com

a free online catalogue illustrating the use of corporate identity elements in practice by organizations from around the world.

integratingPerformance
All about Performance Management
eablP.com

a platform for integrating performance management knowledge, at strategic, operational and individual levels.

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RESEARCH

BalancedScorecardReview
Reviewing the BSC (r)evolution
BSC20.com

the most comprehensive online resource dedicated to the Balanced Scorecard.

TKI eLearning

an online platform which contains learning resources for the courses delivered by The KPI Institute.

PERFORMANCE MAGAZINE

an online magazine containing more than **500 articles** on topics like strategy, Balanced Scorecard, KPI, organizational performance, operational performance, individual and personal performance.

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PUBLICATIONS

Top KPIs Reports by Functional Area



Details at: http://kpiinstitute.org/publications/

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EDUCATION







Certified KPI Professional / Practitioner

Integrated Performance Management

Implementing and using a Balanced Scorecard based Performance Management System

KPI Essentials / Key Performance Indicators Masterclass

Data based decision making

From KPIs to KRIs and Predictive Analytics

Supplier Performance Management

KPIs, Dashboard & Scorecard for Purchasing / Logistics

KPIs, Dashboard & Scorecard for HR

KPIs, Dashboard & Scorecard for Hospitals and Medical Centres

Managing and improving employee performance

Deploying and Employee Engagement Program

Applied change management

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OUR CLIENTS

In-house training and advisory services

Telecommunication

Cellcard Cambodia's No.1
SKMM MCMC
STC

Chemicals, Oil & Gas

OXY
شركة صلالة للميثانول ش.م.م. (المنطقة الحرة) Salalah Methanol Company L.L.C. (SFZ)
جاسكو GASCO شركة أبوظبي لصناعات الغاز المحدودة Abu Dhabi Gas Industries Ltd.
شركة تطوير حقل زاكوم (زادكو) Zakum Development Company (ZADCO)
سابك sabic

Public Authorities

Australian Government Australian Taxation Office
Australian Government
Centrelink giving you options
BRISBANE CITY
State Government Victoria
Department of Treasury and Finance
KISR Kuwait Institute for Scientific Research
صندوق معاشات ومكافآت التقاعد لإمارة أبوظبي Abu Dhabi Retirement Pensions & Benefits Fund

Airlines

المركز العسكري المتطور للصيانة والإصلاح والعمرة ADVANCED MILITARY MAINTENANCE REPAIR OVERHAUL CENTER
أمرك AMMROC
السعودية SAUDIA
ALPHA STAR AVIATION SERVICES

Energy

مجموعة الخريّف Alkhorayef Group
شركة كهرباء المناطق الريفية ش.م.ع.م Rural Areas Electricity Company s.a.o.c

State Of Qatar دولة قطر
المجلس الأعلى للصحة Supreme Council Of Health
SFDA
الهيئة العامة للغذاء والدواء Saudi Food & Drug Authority

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OUR CLIENTS

Open Courses

Manufacturing

TOYOTA
CRH
Holcim
PEPSICO
HIDADA الحـــــدادة

Chemicals, Oil & Gas

PERTAMINA
ADNOC ادنوك
QAFCO قافكو شركة قطر للأسمدة الكيماوية QATAR FERTILISER COMPANY
Saudi Aramco ارامكو السعودية

Public Authorities

ISKANDAR REGIONAL DEVELOPMENT AUTHORITY
URA Uganda Revenue Authority DEVELOPING UGANDA TOGETHER
CITY OF MELBOURNE
MINISTRY OF MANPOWER

Healthcare

Cleveland Clinic
Riyadh Military Hospital
وزارة الصحة مدينة الملك فهد الطبية King Fahad Medical City

Financial Institutions

BANK INDONESIA
ING
بنك دبي التجاري Commercial Bank of Dubai
GATEHOUSE BANK

Energy

PT. PLN (PERSERO)
TENAGA NASIONAL BERHAD
الشركة السعودية للكهرباء Saudi Electricity Company

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PROFESSIONAL FORMATION

Economics | Business Administration | Performance Management

Academic

Universitas Napocensis Tradito Nostra Unacum Europae Virtutibus Splendet 1581 Romania Babes-Bolyai

The University of Melbourne

Academy of Management Melbourne

Melbourne Business School

The Australian National University

Professional Associations

Strategic Planning Society

Australian Institute of Management

AMI Australian Marketing Institute

ANZAM Australian and New Zealand Academy of Management

PMA www.performanceportal.org

Certifications

Certified Key Performance Indicators The KPI Institute Management Framework v1.0 2012 KPI Professional

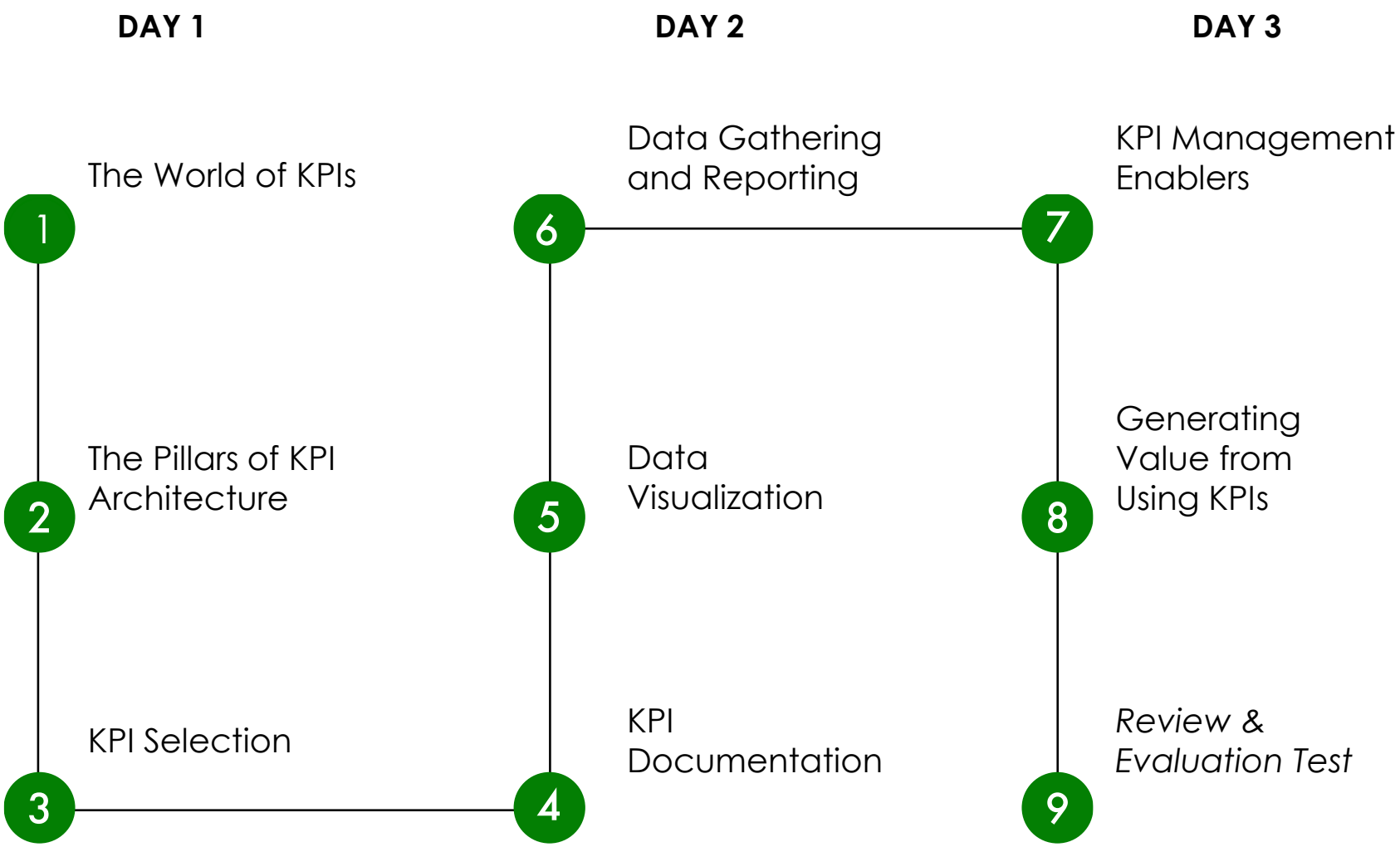
Certified Key Performance Indicators The KPI Institute Management Framework v1.0 2012 KPI Practitioner

PRINCE2®

The Open Group TOGAF® 9 Certified

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AGENDA



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LEGEND



Key learning points

Case Study

Session Review

Exercise

Video

References

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AGENDA

DAY 1 DAY 2 DAY 3

1. Challenges in performance measurement
2. The value added by KPIs
3. Performance management terminology review
4. KPI concept map
5. Management theories related to performance management

1 The World of KPIs

The Pillars of KPI Architecture

Data Visualization

Generating Value from Using KPIs

8

Key Learning Points

1. Address the challenges in performance measurement
2. Differentiate between performance management concepts
3. Define objectives, KPIs and initiatives according to terminology standards
4. Understand 3 important theories governing performance management

KPI Selection

3

4

KPI Documentation

Review

9

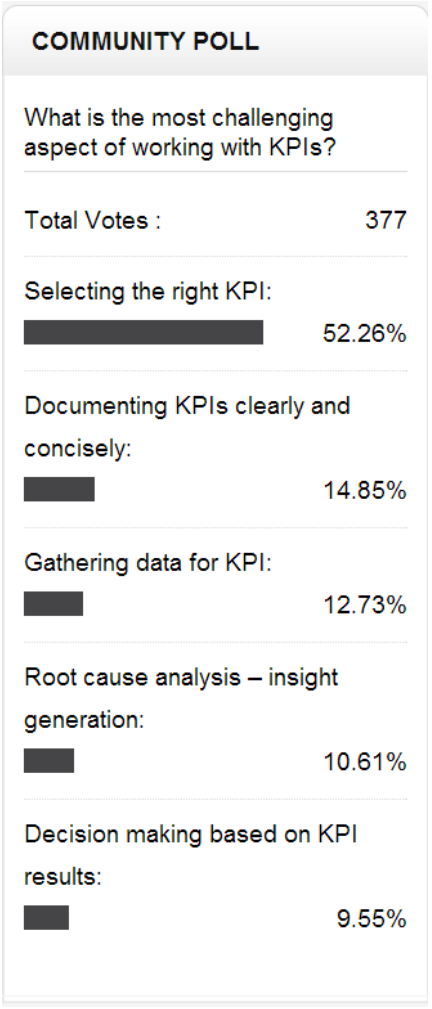
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DISCUSSION

Challenges in Performance Management

Which are the major challenges:

- You are interested in addressing?
- Your organization/ team is facing?
- Are relevant to the practice overall?



Note: Survey results – **smartKPIs.com** LinkedIn group

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EXERCISE: KPI Selection

Financial
Increase profitability
Maintain financial discipline
Customer
Maintain high levels of customer satisfaction
Serve new market segments profitability
Internal Processes
Optimize water delivery
Improve process management capability
People, Learning & Growth
Nurture engagement, creativity and innovation
Develop workforce skills and competences
Ensure talent availability

KPIs list	
1	$ Operating expenses
2	% Employees meeting professional development requirements
3	# Complaints from customers
4	% Profitable customers
5	% Budget variance
6	# Innovation ideas
7	# Employee engagement index
8	# Training hours per full time equivalent (FTE)
9	% Market share
10	% Net profit margin
11	# Procedures reviewed
12	$ Net cash flow
13	% Transportation capacity utilization rate
14	# Positions filled
15	% Customer satisfaction
16	# Water volume delivered
17	% Critical positions with succession plans in place
18	% Processes improved

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Main ROLES of BPM systems

		Atkinson (1998)	Atkinson et al. (1997)	Bititci et al (1997)	Bourne et al (2002)	Forza & Salvador (2000)	Gates (1999)	Ittner et al (2003)	Kaplan & Norton (1996)	Kerssens-van Drongelen & Fisscher (2003)	Lebas (1995)	Lynch & Cross (1990)	Maisel (2001)	McGee (1992)	Neely (1998)	Neely et al, (1995)	Otley (1999)	Rogers (1990)	TOTAL PERCENTAGE
1.	**Strategy implementation/ execution**	x					x	x	x			x	x	x	x		x	x	59
2.	**Focus attention/ provide alignment**	x						x					x	x	x		x	x	41
3.	**Internal communication** *(communicating performance, and priorities / objectives)*			x		x				x		x			x	x	x		41
4.	**Measure performance/ performance evaluation**								x	x	x		x	x	x	x			41
5.	**Monitor progress**	x	x										x	x	x	x			35
6.	**Planning**				x								x	x				x	29
7.	**External communication**									x				x	x				24
8.	**Rewards**	x													x		x		18
9.	**Performance Improvement**														x	x			18
10.	**Managing Relationships**	x	x																12
11.	**Feedback**					x											x		12
12.	**Double-loop Learning**	x									x								12
13.	**Strategy formulation**														x				6
14.	**Benchmarking**														x				6
15.	**Compliance with regulations**														x				6
16.	**Control**												x						6
17.	**Influence Behaviour**																x		6

Source: https://dspace.lib.cranfield.ac.uk/bitstream/1826/2789/1/Towards%20a%20definition%20of%20business%20performance%20measurement%20system.pdf

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VALUE ADDED BY KPIS: Clarity-Focus-Improvement

Function	What they do	Why it matters
CLARITY	Provide a detailed numerical view of which are the desired results aimed to be achieved	Specificity
	Facilitate line of sight by mapping contribution to success across organisational levels	Alignment
FOCUS	Convey what matters	Resource allocation
	Convey what requires attention	Corrective actions taking
IMPROVEMENT	Objectively evaluate the level of achievement of desired results	Track progress
	Readily available data which accelerates corrective action initiation	Decision making
ENGAGEMENT	Lead to a sense of ownership through responsibility and accountability	Commitment
	Motivate in achieving better results	Stimulate effort
	Contribute to building a performance culture	Results sustainability
COMMUNICATION	Provide common understanding of the numbers that matter	Standardisation
	Enables precise stakeholder communication	Transparency
	Demonstrate interest and ability to use state of the art management concepts	Credibility
LEARNING	Enable comparison of results in time, to reflect trends	Identify patterns
	Identify opportunities by comparing to others	Benchmarking
	Lead to a better understanding of the business	Educate stakeholders

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PERFORMANCE MEASUREMENT VS PERFORMANCE MANAGEMENT

Performance Measurement =
evaluation and assessment of results.

1. Sub-process of performance management
2. Focuses on the
   - identification of KPIs
   - tracking of KPIs
   - communication KPIs results

Performance Management =
taking action based on the results of the evaluation to ensure targets achieved.

1. The overarching discipline that deals with performance.
2. Reflects the approach one entity has towards performance
3. Includes sub-processes such as:
   - The formulation of a plan
   - Actively monitoring implementation
   - Readjusting the plan
   - Performance measurement
   - Capability development

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TERMS & TOOLS LINKED TO "PERFORMANCE"

- Budgets
- Communications
- Dashboards
- Discussions
- Forums
- Goals
- KPIs
- Meetings
- Objectives
- Performance reviews
- Plans
- Projects
- Reports
- Rewards
- Scorecards
- Targets
- Technology
- Training

… Plenty of tools already in use in most organizations…

…we need to use them in alignment through a Performance Management System.

Better structure, alignment, integration and use of what is already in place is the answer to improve performance management practices.

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INTEGRATION OF TOOLS WITHIN A PERFORMANCE MANAGEMENT SYSTEM

Organizational Level

- System Map
- Desired State of Evolution
- Strategy Map
- Performance Scorecard
- Organisational KPI Catalogue
- Portfolio of Initiatives
- Dashboard
- Performance review meetings

Departmental Level

- System Map
- Desired State of Evolution
- Strategy Map
- Performance Scorecard
- Organisational KPI Catalogue
- Portfolio of Initiatives
- Dashboard
- Performance review meetings

Individual Level

- Individual performance plans
- Performance evaluations
- Performance conversations

Personal Level

- Personal performance plans
- Performance reviews



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SYSTEM INTEGRATION

ORGANIZATIONAL STRATEGY

INTEGRATED PERFORMANCE MANAGEMENT SYSTEM



OUTCOMES

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EXERCISE: Understanding performance management tools

Match	Description	No.	Tool
	90%	1	Goal
	# Employees	2	KPI
	% Employee satisfaction	3	Initiative
	Change Management Program	4	Metric
	Complete 50% of the project by 30 June	5	Milestone
	Identify key positions for the succession plan draft	6	Mission Statement
	Integrity	7	Program
	Optimize recruitment	8	Objective
	Opt 1. Provide best talent for the business / Opt 2. Growth for the business	9	Target
	Quality	10	Task
	We aspire to be the preferred Global Water Company because of our commitment to the creation of value, quality of life, the safety of people and of supply, the protection of the environment and customer focus.	11	Value Driver
	Succession plan roll-out	12	Value Statement
	To support long-term client partnerships, by delivering high quality services.	13	Vision Statement

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KPI RELATED TERMINOLOGY

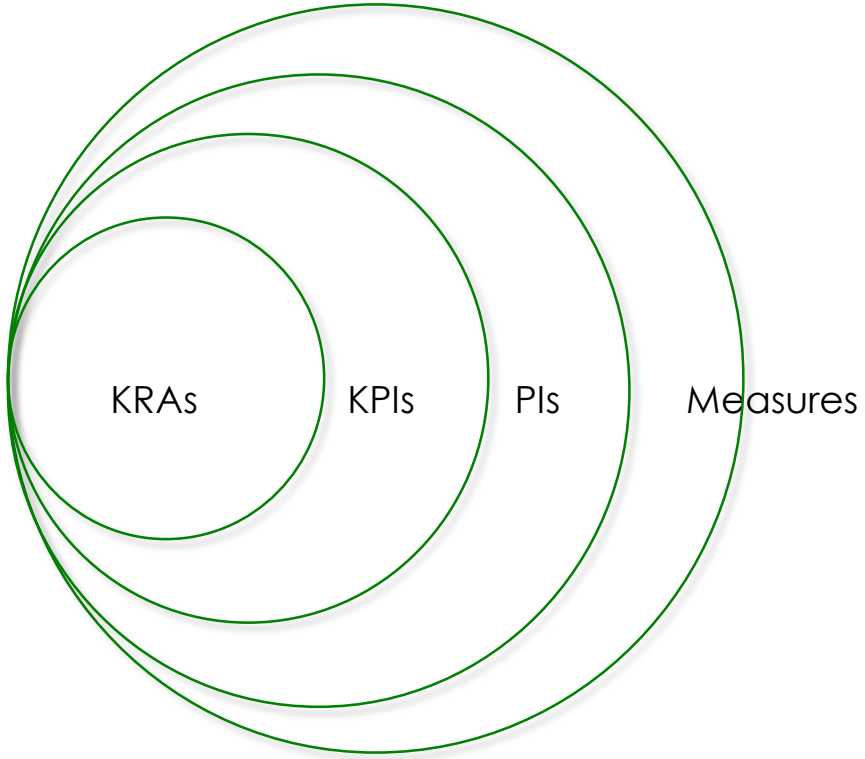
- Key Result Areas (KRAs)
- Key Performance Indicators (KPIs)
- Performance Indicators (Pis)
- Measures
- Metrics
- Key Result Indicators (KRIs)
- Analytics
- Evaluation criteria

OPTION 1

KPIs – to evaluate performance

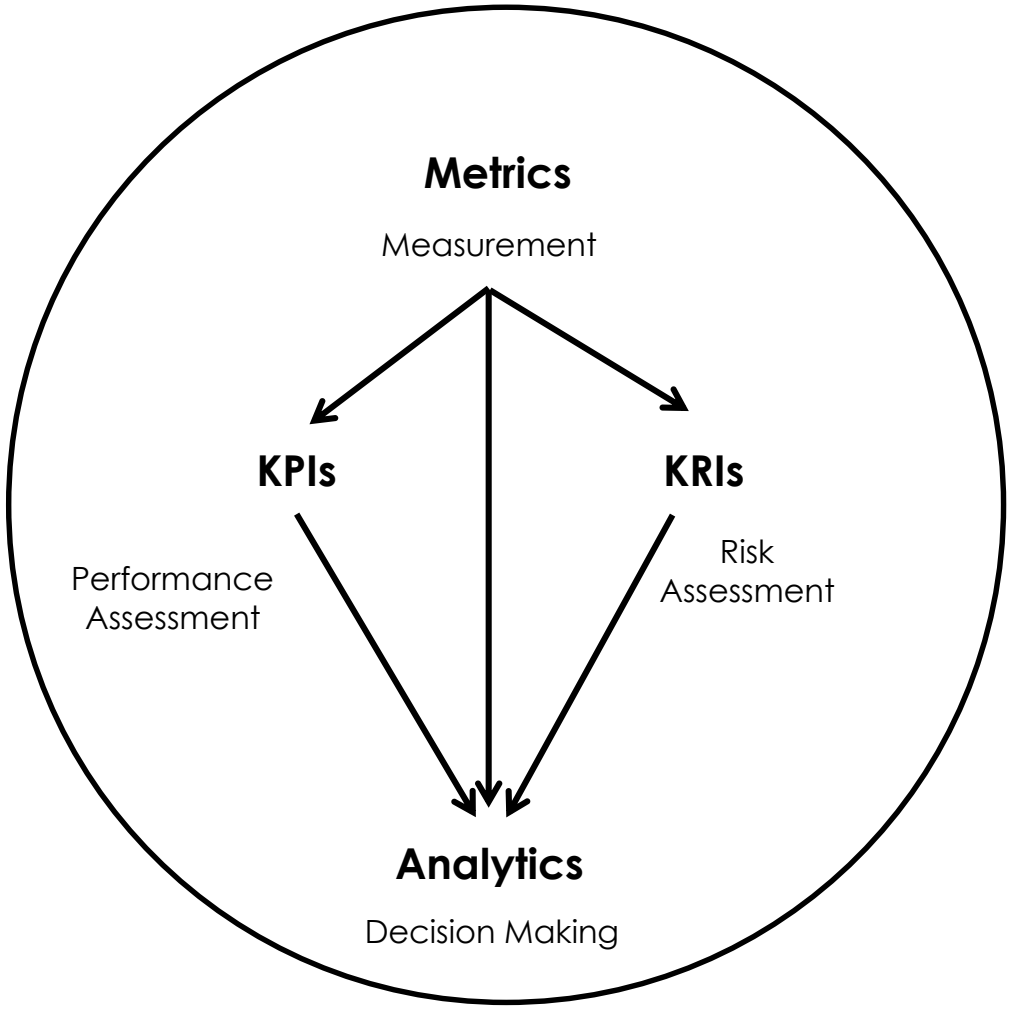
Metrics – to inform decisions

OPTION 2



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METRICS – KPIs- KRIs - ANALYTICS



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METRICS

Air temperature

Air humidity

Air purity

Square meters per room

Lumen per square metre (lux)

Employees

Highway kilometres

Employee age

Working hours per year

Car weight

$ Budget

Local hotels

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KPIs

% Net promoter score

% Budget variance

% Employee turnover

% Hotel occupancy rate

$ Earnings

Time to process requests

% Conversion rate



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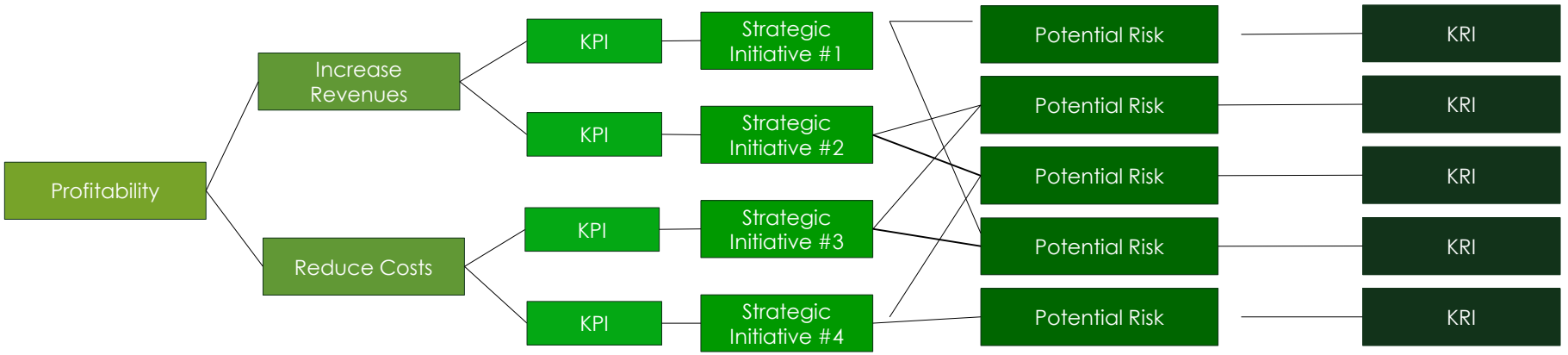
KEY RISK INDICATORS

Key risk indicators are metrics used by organizations to provide an early signal of increasing risk exposures in various areas of the enterprise.

Objective: Manage the collection of accounts receivable to reduce loss due to write-offs

Key Performance Indicator (KPI)	Key Risk Indicator (KRI)
Data about write-offs of accounts in most recent month, quarter, year.	Analysis of reported financial results for the company's 25 largest customers or general collection challenges throughout the industry that highlight trends signaling future collection concerns.
$ Write-offs of accounts	**% Large customers in financial difficulty**

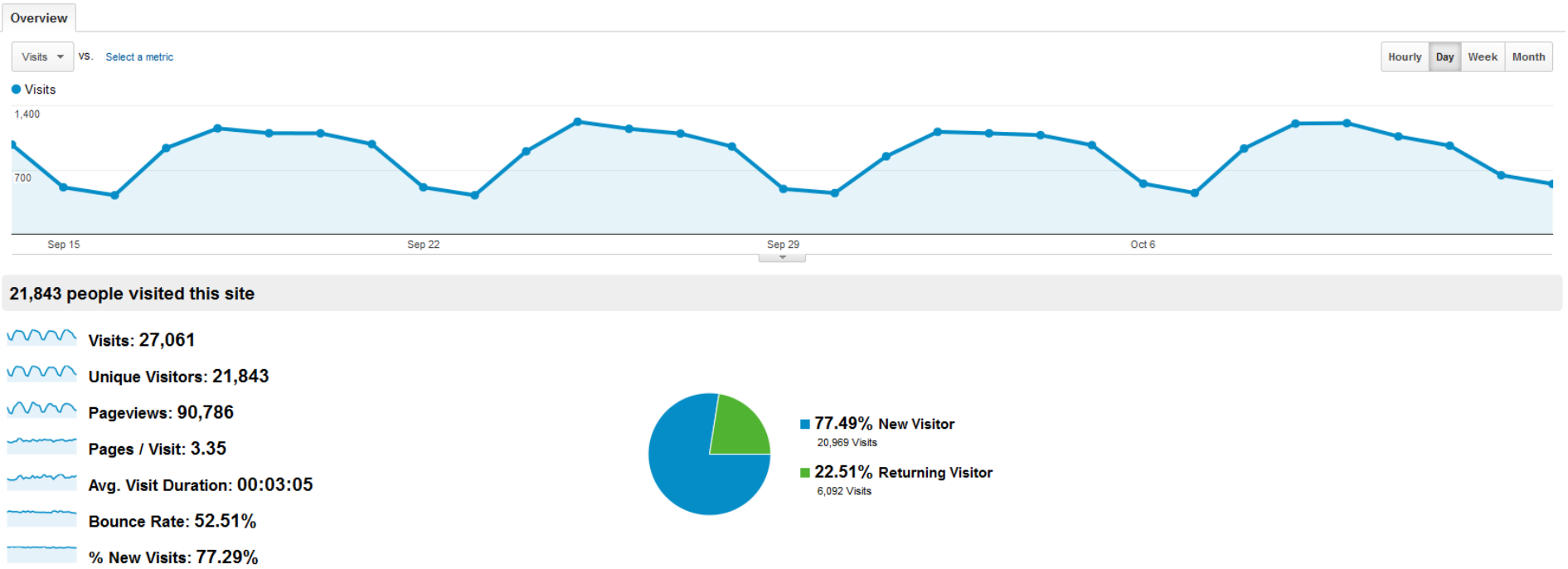
Linking Objectives to Strategies to Risks to KRI's



Source: http://www.coso.org/documents/COSOKRIPaperFull-FINALforWebPostingDec110_000.pdf

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ANALYTICS



Source: http://www.google.com/analytics/

EXERCISE: Which of the statements below are KPIs?

1. ✔ % Employee satisfaction
2. ✔ $ Turnover
3. ✘ Finalise project by 31 December
4. ✔ # Clients from referrals
5. ✘ # Employees
6. ✔ % Projects on time and on budget
7. ✘ Quality
8. ✔ # Defects
9. ✘ $ Budget
10. ✘ Increase market share to 28%

KPI Definition:

A measurable expression for the achievement of a desired level of results in an area relevant to the evaluated entity's activity.

(The KPI Institute)

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CASE STUDY: Panama Canal Authority corporate goals 2009

Identify the projects and objectives from this list

Corporate Goal 1 – To obtain profit before interest, taxes, depreciation and amortization (EBITDA) ≥ B/.1,110 million up to September 30, 2009.

Corporate Goal 2 – To establish a new pricing structure up to September 30, 2009 depending on the phases established in the work plan.

Corporate Goal 3 – To provide a preliminary report of the Technical Cooperation Project up to September 30, 2009.

Corporate Goal 4 – To implement planned activities for the Third Set of Locks Project up to September 30, 2009, in compliance with the milestones of the established schedule.

Corporate Goal 5 – To make optimal use of the existing plant to meet transit demands, ensuring a service level compliance average ≥ 85 percent.

Corporate Goal 6 - To adapt the organization through the improvement of the processes identified up to September 30, 2009.

Corporate Goal 7 – To implement 100.0 percent the activities of the Sustainability and Corporate Social Responsibility Action Plan scheduled for fiscal year 2009.

Corporate Goal 8 – To develop the Monitoring and Evaluation Plan for Sustainable Development and Integrated Management of Water Resources for the Panama Canal Watershed up to September 30, 2009.

Corporate Goal 9 – To prepare a talent management plan and to provide a generational shift and to meet emerging needs in the operation up to September 30, 2009.

Corporate Goal 10 – To improve the working environment ≥ 5.0 percent, measured by a satisfaction, commitment and work climate survey up to September 30, 2009.

Corporate Goal 11 – To ensure that the Corporate Performance Index (CDI) is ≥ 100, up to September 30, 2009.

Source: https://www.pancanal.com/eng/general/reporte-anual/20

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DECOMPOSING SMART OBJECTIVES

SMART Objective	Increase customers base to reach 20% market share by FY end under Sales Director leadership
=	
Objective	Increase customers base
+	
KPI	% Market share
+	
Target	20%
+	
Timeframe	By Financial Year End
+	
Responsible	Sales Director

1

2

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TERMINOLOGY STANDARDS

Objectives – start with verbs	Increase costumer satisfaction
KPIs – start with symbols	
$ = Value of	$ Revenues per client
# = Number of	# Complaints
% = Percentage of	% Customer satisfaction
Initiatives – start with nouns or adjectives	Customer Relationship Management Software Implementation

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GOAL SETTING THEORY

Principles

- Goals should be challenging, but attainable.
- Goals should be specific rather than vague.
- Employees should be involved in the process of setting their own goals.
- Goals should be measurable in terms of being clearly understood by employees: quantity, quality, time, and cost.



Ed Locke



Gary Latham

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GOAL SETTING THEORY

Mechanisms

1. **Directive function.** They direct attention and effort toward goal-relevant activities and away from goal irrelevant activities.
2. **Energizing function.** High goals lead to greater effort than low goals.
3. **Impact on persistence.** When participants are allowed to control the time they spend on a task, hard goals prolong effort.
4. **Affect action indirectly** by leading to the arousal, discovery, and/or use of task-relevant knowledge and strategies.

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AGENCY THEORY

1. The desires or goals of the principal and agent conflict.

2. It is difficult or expensive for the principal to verify what the agent is actually doing.



Kathleen Eisenhardt

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AGENCY THEORY

* "*…an agency relationship has arisen between two (or more) parties when one, designated as the agent, acts for, on behalf of, or as representative for the other, designated as principal…*" (Ross, 1973).

* Organizations are composed of a complex network of relationships between individuals and entities with conflicting objectives.

* Both the principal (i.e. employer) and the agent (i.e. employee) are wealth seeking "economic men" who pursue their own self interest.

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AGENCY THEORY

Mechanisms

1. There is an **information asymmetry** between the principal and agent.
2. **Moral hazard**, as the principal can't determine the effort level employed by the agent and cannot be sure if the agent has put forth maximal effort.
3. **Adverse selection**, as agents may claim their skills and experience level is higher than the actual one.
4. The difference between principal and agent in terms of **attitude towards risk**. Often the principal is assumed to be risk taker while the agent risk averse.

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GENERAL SYSTEMS THEORY

Since Descartes, the "scientific method" had progressed under two related assumptions.

1. A system could be broken down into its individual components so that each component could be analysed as an independent entity, and
2. the components could be added in a linear fashion to describe the totality of the system.



Ludwig Von Bertalanffy

In 1928 Ludwig Von Bertalanffy proposed that both assumptions were wrong. On the contrary, a system is characterized by **the interactions of its components and the nonlinearity of those interactions.**

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SESSION REVIEW

1. Value added by KPIs: clarity – focus – improvement;
2. Performance measurement: a sub-process of performance management;
3. The integration levels of performance management: organizational, departmental, individual and personal;
4. KPI definition: a measurable expression for the achievement of a desired level of results in an area relevant to the evaluated entity's activity.
5. Metrics: used for measurement. KPIs: when showing performance. KRIs: when showing risk. Analytics: when used for decision making;
6. Terminology standards: objectives start with a verb, KPIs start with symbols (#, %, $), initiatives start with a noun;
7. The management theories: Goal setting theory, Agency theory, General systems theory.

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- Arundel, A. and Bordoy, C. (n.d.), Developing internationally comparable indicators for the commercialization of publicly-funded research, United Nations University, available at: http://www.merit.unu.edu/archive/docs/hl/200610_200610_arundel_bordoy.pdf
- Beasley, M. S., Branson, B. C. and Hancock, B. V. (2010.), Developing Key Risk Indicators to strengthen enterprise risk management: How Key Risk Indicators can sharpen focus on emerging risks, available at: http://www.coso.org/documents/COSOKRIPaperFull-FINALforWebPostingDec110_000.pdf
- Panama Canal Authority (2009), Annual report, available at: http://www.pancanal.com/eng/general/reporte-anual/2009/pdf/InformePDFingles.pdf
- National Drug Authority Uganda (2011), Strategic plan June 2011-july 2016, available at: http://www.nda.or.ug/docs/strategic_plan%20July%202011%20-%20June%202016.pdf
- UK Food Standards Agency (2008), UK Local Authority Food Law Enforcement 1 April 2008 to 31 March 2009, available at: http://www.food.gov.uk/multimedia/pdfs/board/fsa100309v3.pdf

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AGENDA

DAY 1 DAY 2 DAY 3

2 The Pillars of KPI Architecture

1. Interdisciplinary systemic worldview
2. KPI Management Framework Concept Map
3. KPI lifecycle
4. KPI use case scenarios
5. KPI architecture toolkit
6. KPI architecture skills

The Pillars of KPI Architecture
Data Visualization
Generating Value from Using KPIs
8
KPI Selection
3
KPI Documentation
4
Review
9

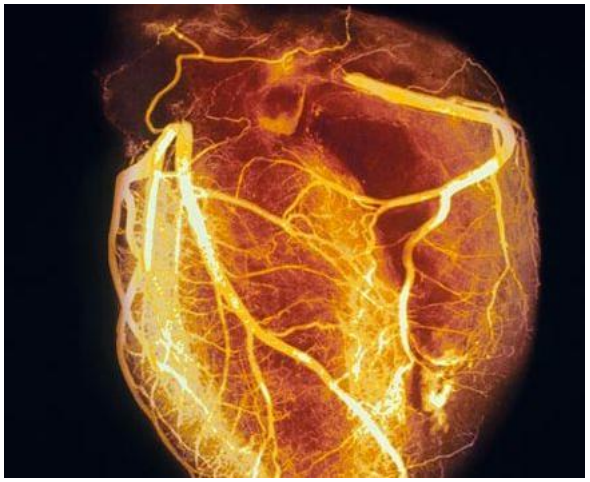
Key Learning Points

1. Understand the KPI management framework
2. Cover the 3 stages of a KPI lifecycle
3. Identify 18 specific contexts where KPIs can be used
4. Analyze 9 tools of the performance management toolkit
5. Have an overview of the annually and monthly performance management process

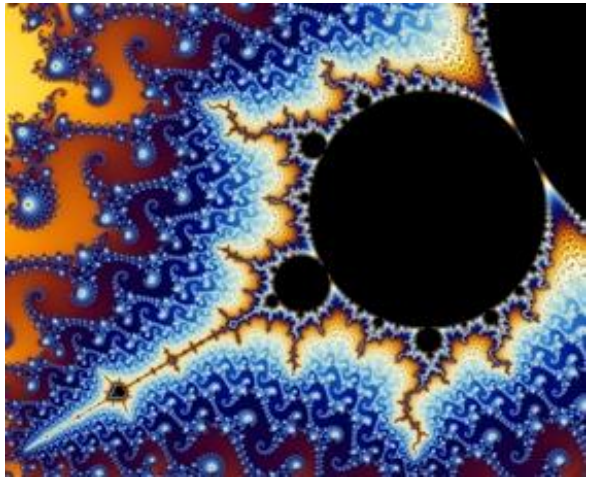
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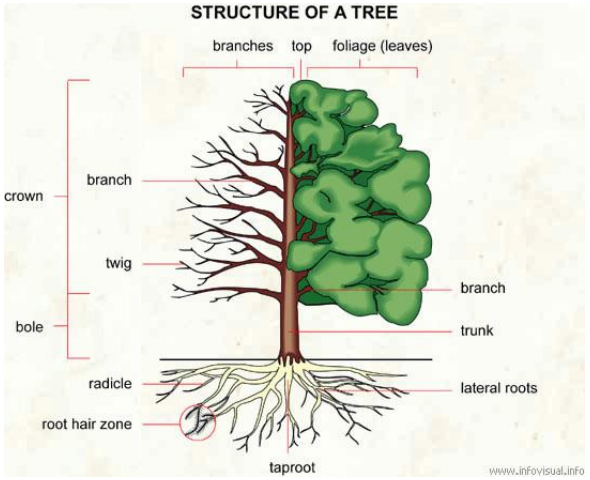
An integrated approach to performance management: From strategy to results







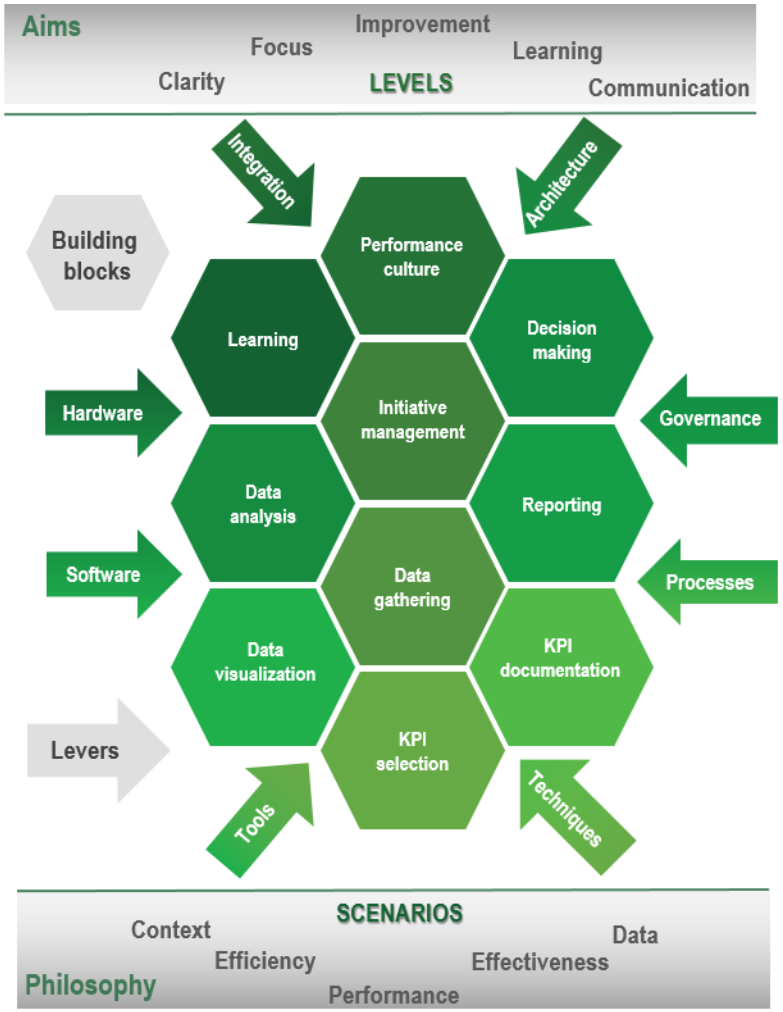






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KPI management framework concept map



KPI LIFECYCLE

KPI lifecycle – Stage 1 Establishment	KPI lifecycle – Stage 2 Use	KPI lifecycle – Stage 3 Evolution
• Need identification		
• Selection		
• Documentation		
• Visualization		
• Activation	• Data gathering	
• Reporting	• Reporting	
• Analysis	• Analysis	• Maintain
• Decision making	• Decision making	• Refresh
• Communication	• Communication	• Conserve/Suspend
• Documentation refresh	• Documentation refresh	• Supercede

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KPI ESTABLISHMENT PROJECT PLAN

Communication and stakeholder engagement
- Inform staff and management
- Consult relevant stakeholders
- Establish online presence

KPI selection
- Primary/ secondary/ internal/ external research
- KPI selection workshop

KPI documentation and activation
- Documentation form completion
- Data gathering arrangements

KPI reporting
- Data gathering
- Report generation
- Report analysis

KPI value generation
- Decision making
- Initiative management
- Results communication

KPI maintenance
- Documentation refresh

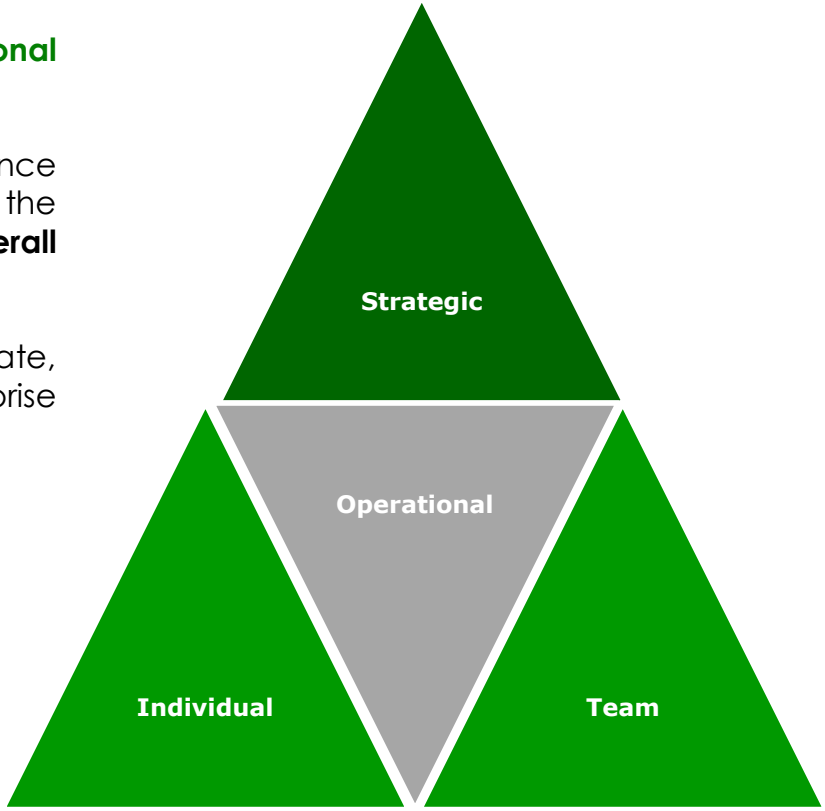
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ORGANIZATIONAL LEVELS

Strategic / organizational performance management

At strategic level, performance management deals with the achievement of the **overall organizational objectives**.

It is referred to as corporate, business or enterprise performance management.



Operational / departmental performance management

Is in the realm of operational management, as it serves is the **achievement of operational objectives**.

Although aligned with corporate strategy, it has a functional focus, using tools such as dashboards and scorecards. HR Dashboards are used to collect and analyze human resources management indicators that guide the management decisions of HR departments. Similar tools in other functional areas are Marketing Scorecards, Portfolio Dashboards and Supplier Scorecards.

Individual performance management

The traditional level at which performance management is used in organizations is the individual level, looking at the performance of employees in the context of the organization in which they work.

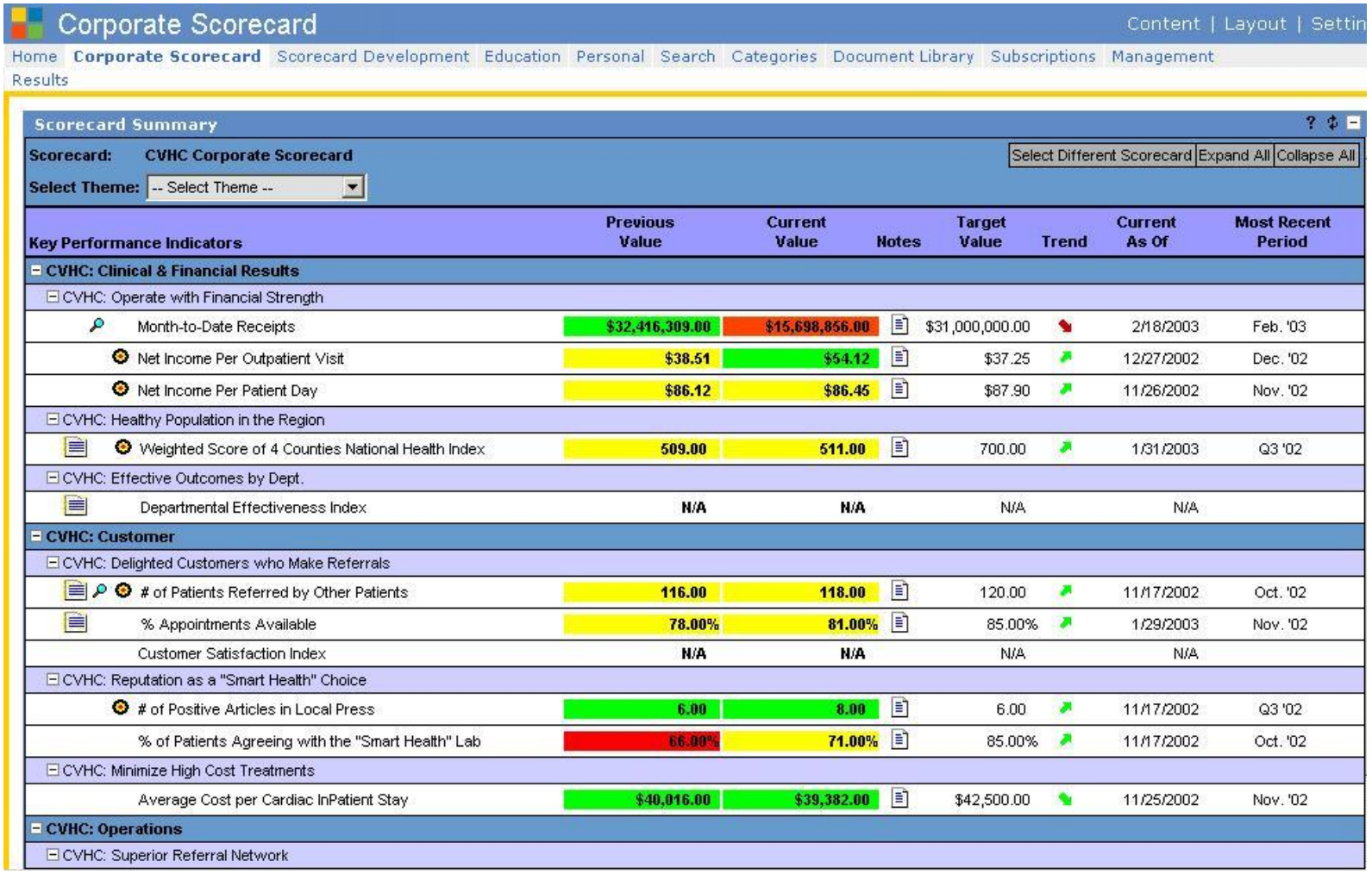
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KPI USE CASE SCENARIOS

Strategy management	1	Organizational strategy
	2	Organizational operations tracking
	3	Departmental strategy
	4	Departmental operations tracking
Interlink level	5	Alliances/Joint Ventures Relationship Scorecard
	6	Portfolio Management
	7	Project Management
Operations management	8	Quality / process management
	9	Service Level Agreements
	10	Supplier Performance Management
Individual performance	11	Employee Performance Management
Personal performance	12	Fitness training
	13	Personal management
Evaluation	14	Sustainability performance reporting
	15	Benefits realization management
	16	General Strategic / Operational reporting
	17	Audit
	18	Compliance reporting (micro and macroeconomic level)

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1. Organizational strategy



Corporate Scorecard

Content | Layout | Settin

Home | Corporate Scorecard | Scorecard Development | Education | Personal | Search | Categories | Document Library | Subscriptions | Management

Results

Scorecard Summary

Scorecard: CVHC Corporate Scorecard

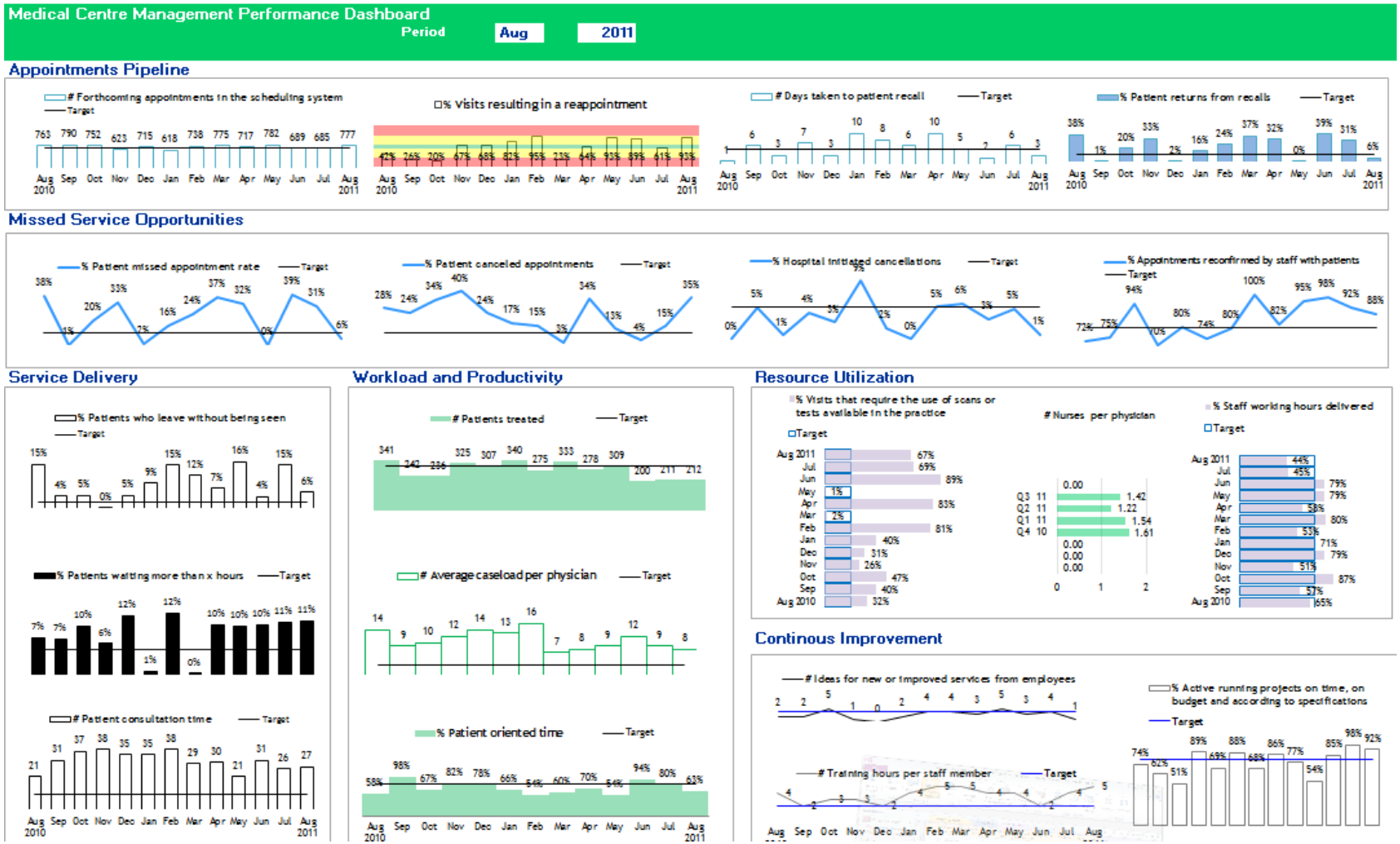
Select Different Scorecard | Expand All | Collapse All

Select Theme: -- Select Theme --

Key Performance Indicators	Previous Value	Current Value	Notes	Target Value	Trend	Current As Of	Most Recent Period
CVHC: Clinical & Financial Results							
CVHC: Operate with Financial Strength							
Month-to-Date Receipts	$32,416,309.00	$15,698,856.00		$31,000,000.00		2/18/2003	Feb. '03
Net Income Per Outpatient Visit	$38.51	$54.12		$37.25		12/27/2002	Dec. '02
Net Income Per Patient Day	$86.12	$86.45		$87.90		11/26/2002	Nov. '02
CVHC: Healthy Population in the Region							
Weighted Score of 4 Counties National Health Index	509.00	511.00		700.00		1/31/2003	Q3 '02
CVHC: Effective Outcomes by Dept.							
Departmental Effectiveness Index	N/A	N/A		N/A		N/A	
CVHC: Customer							
CVHC: Delighted Customers who Make Referrals							
# of Patients Referred by Other Patients	116.00	118.00		120.00		11/17/2002	Oct. '02
% Appointments Available	78.00%	81.00%		85.00%		1/29/2003	Nov. '02
Customer Satisfaction Index	N/A	N/A		N/A		N/A	
CVHC: Reputation as a "Smart Health" Choice							
# of Positive Articles in Local Press	6.00	8.00		6.00		11/17/2002	Q3 '02
% of Patients Agreeing with the "Smart Health" Lab	66.00%	71.00%		85.00%		11/17/2002	Oct. '02
CVHC: Minimize High Cost Treatments							
Average Cost per Cardiac InPatient Stay	$40,016.00	$39,382.00		$42,500.00		11/25/2002	Nov. '02
CVHC: Operations							
CVHC: Superior Referral Network							

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2. Organizational operations strategy



Source: http://store.kpiinstitute.org/medical-practice-performance-management-system-toolkit.html

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3. Departmental strategy

Performance Scorecard - Human Resource Department			Select period	July	2011				
				Trend *		Results			
				↗	Increasing	✓	On or above targets		
				-	Constant	☼	Within tolerance limits		
				↘	Decreasing	✗	Under target		
Perspective / Goal Strategic Objectives / KPIs	**smartKPIs.com #**	**Standard reporting frequency**	**Previous Period Results**	**Current Results**	**Trend ***	**Target**	**% Target complete**	**Result**	**Comments**
Customer - 2 Strategic Objectives / 4 KPIs									
Maintain high levels of internal customer satisfaction									
% HR customer satisfaction with service levels	sK2379	Q	78%	82%	↗	75%	123%	☼	Comments Jul 2011
# Satisfaction of employees with HR services	sK2038	Yr	77	65	↘	70	93%	☼	Comments Jul 2011
Ensure high service delivery standards									
# Employee complaints resolution timeliness	sK1938	M	62	88	↗	50	176%	☼	Comments Jul 2011
% On-time delivery of HR service requests	sk2278	M	66%	95%	↗	60%	159%	☼	Comments Jul 2011
Financial - 3 Strategic Objectives / 5 KPIs									
Provide good value for money to the organisation									
% HR operating expense rate	sK2046	M	25%	34%	↗	30%	114%	✓	Comments Jul 2011
# FTEs per HR department FTE	sK44	M	24	23	↗	30	97%	☼	Comments Jul 2011
Seek efficiencies to minimise cost base									
$ Cost per hire	sK49	M	485.00	543.00	↗	350.00	155%	☼	Comments Jul 2011
$ Cost avoidance savings	sK262	M	372.00	332.00	↘	500.00	186%	✓	Comments Jul 2011
Maintain financial rigour in budget projection and execution									
% HR budget variance	sK479	M	-2%	4%	↗	2%	183%	✗	Comments Jul 2011
Internal Processes - 2 Strategic Objectives / 5 KPIs									
Optimize recruitment and retention									
# Open requisitions	sK241	Q	13	15	↗	12	125%	✓	Comments Jul 2011
# Time to fill a vacant position	sK688	M	30	28	↘	15	187%	☼	Comments Jul 2011
% HR performance appraisals completed on time	sK769	M	59%	76%	↗	60%	127%	☼	Comments Jul 2011
Improve HR service delivery capability									
% HR projects on time, on budget and according to specifications	sk2863	M	65%	49%	↘	60%	82%	✗	Comments Jul 2011
% HR processes optimised	sk2284	M	41%	67%	↗	60%	111%	☼	Comments Jul 2011
People, Learning & Growth - 3 Strategic Objectives / 6 KPIs									
Build an environment that fosters creativity and innovation									
# HR employee engagement index	sK1836	Q	56	34	↘	65	52%	✗	Comments Jul 2011
# Ideas for new / improved service from HR employees	sK4657	M	10	32	↗	30	107%	☼	Comments Jul 2011
Develop workforce skills and competences									
# Certifications per HR employee	sK4659	Q	1.46	1.15	↘	2.00	57%	☼	Comments Jul 2011
# Training hours per HR full time equivalent (FTE)	sK7	M	19	5	↘	8	63%	✗	Comments Jul 2011
Maintain high performing motivated employees									
% HR employee satisfaction	sk5912	Q	89%	50%	↘	60%	84%	☼	Comments Jul 2011
% HR employee turnover	sK1	M	12%	2%	↘	5%	45%	☼	Comments Jul 2011

*Trend - current vs. previous month results — Data not available due to measure being inactive

Helicopter view business statistics	Previous month	Current month	Trend
Human Resources - Snapshot			
# HR team members	149	150	↗
# Employees	1,224	1,223	↘
# HR service requests received	1,588	1,593	↗
$ HR Budget ('000)	395	393	↘

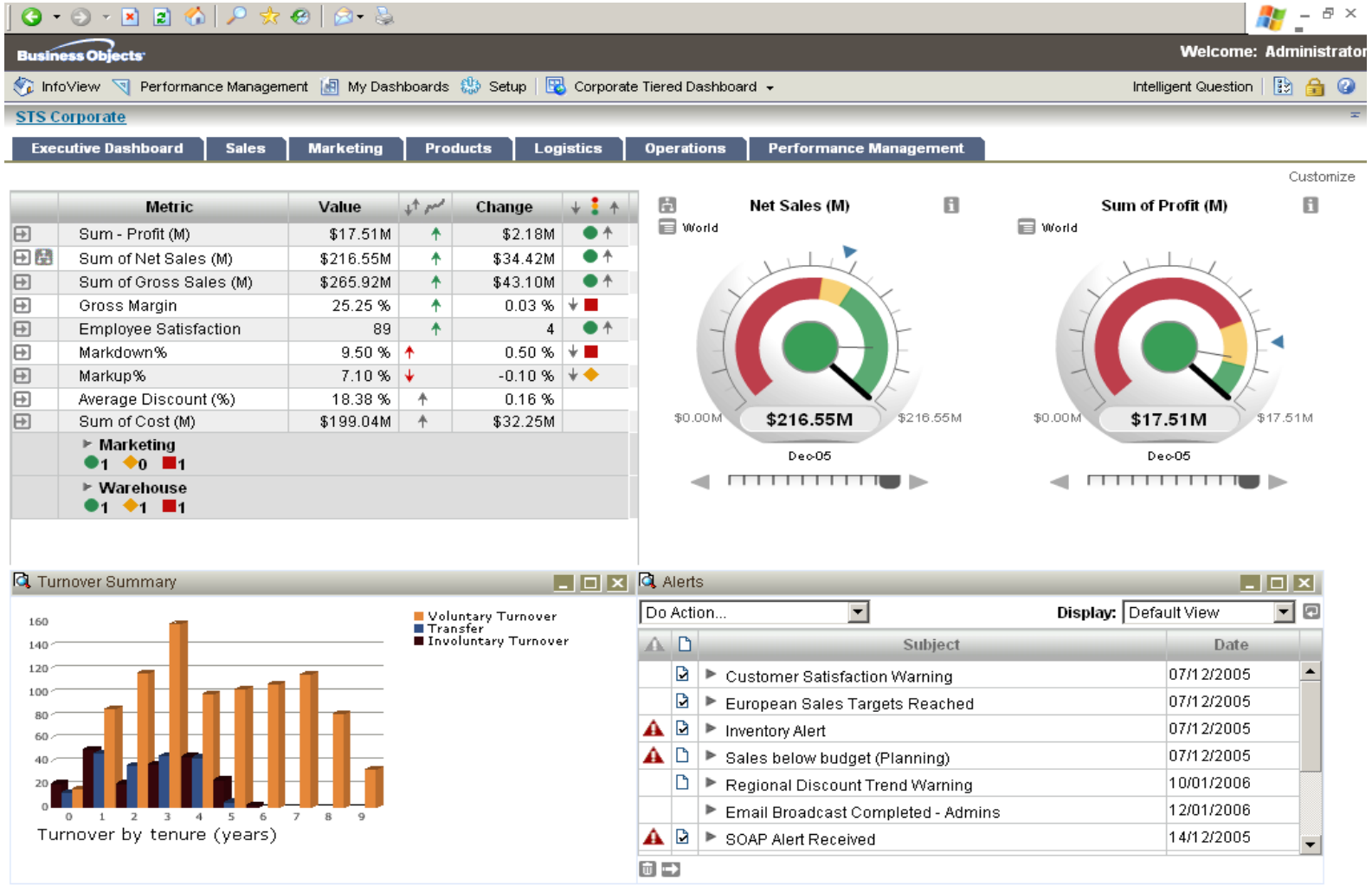
Other comments

20 KPIs tracked in the scorecard with targets
Min 1 KPIs for each objective
4 Metrics monitored as statistics

Source: http://store.kpiinstitute.org/hr-performance-management-system-toolkit.html

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4. Departmental operations tracking



Source: http://www.godrejinfotech.com/godrej/godrejinfotech/offerings/products/sap/pro_sap_busiObj.html

5. Alliances / Joint Ventures relationship scorecard

Sr.	Relationship Objectives	Performance Measure	Unit Of Measure	Target 2003	Actual 2003	Indicator	Best In Class
A	**Relationship Value**						
A1	Improve engagement predictability by ensuring that each engagement meets its stated quality and productivity goals	Average PQR Index	Index				
		No. of engagements meeting stated Q&P goals	(#) / (##)				
A2	Improve schedule adherence to ensure that all engagements meet the committed milestones as planned	No. of milestones delivered as per plan	(#) / (##)				
		% Change requests serviced	%				
A3	Reduce cost of IT management for DC by effectively leveraging the global delivery model and maximizing offshore content	Estimated cost saving to DC	$ Mn				
		Onsite-offshore ratio	Ratio				
A4	Anticipate and effectively manage risks associated with IT implementation through proactive mitigation planning	No. of projects with effective risk mitigation plans	#				
B	**Relationship Strength**						
B1	Improve DC's satisfaction with the deliverables and relationship and address operational issues effectively	Client satisfaction index (7 point scale)	(#) / 7				
		Critical issues pending beyond SLA	%				
B2	Proactively respond to DC's requirements and needs by developing an understanding of critical business issues	DC managers' satisfaction with responsiveness	(#) / 7				
B3	Build DC's confidence with end-to-end service offerings and partner in key opportunities to leverage Infosys capabilities	No. of services leveraged by client	(#) / (##)				
		No. of IT solutions under discussion	#				
C	**Future Value And Growth**						
C1	Strengthen engagement mgmt capabilities, leverage tools / techniques and maintain continuity of key personnel	No. of tools used for effective engagement mgmt.	#				
		No. of hours of cultural sensitivity training	#				
		% Retention of key staff allocated to DC	%				
C2	Improve sustainability of technology solutions by strengthening management of DC's knowledge assets	% Knowledge assets created as per plan	%				
C3	Build technology expertise in line with the technology evolution plans of DC to ensure adequate support in the future	No. of future technology applications co-researched	#				
C4	Develop domain competence and provide insights into the use of technology for business transformation in DC's business	No. of engagements supported with domain experts	#				

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6. Portfolio management

GSG Portfolio Profile 10-Oct-07

Introduction

The purpose of this report is to provide various snapshots of the GSG Projects Portfolio from different angles. This enables a better understanding of the projects mix and highlight potential bottlenecks.

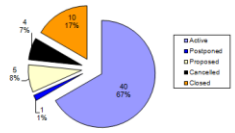
Portfolio Update

> At 10 Oct 2007 the GSG project portfolio comprised 60 projects.
> 100% of these projects are tracked using EPM.

Notes:

- Half of all active projects are managed by the Strategy and Planning Tower.
- There is an almost equal split between projects subject to PMO governance and other GSG projects using a lighter governance model.
- The largest group projects are considered to be flagship projects (18), 14 of them driven by the SP tower.

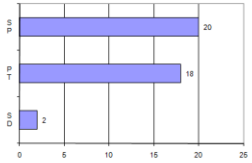
Project State (07/08)



Project State - identifies the current lifecycle of projects.

Active = Projects being actively managed
Postponed = On hold pending availability of budget, resources or policy decision, etc.
Proposed = An initiative under discussion but not approved as a project
Cancelled = Formally discontinued by a PCB
Closed = Delivered projects

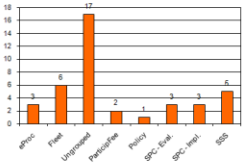
Organisation



Organisation - groups projects by the organisational tower responsible with delivery

SP = Strategy Tower
PT = Projects Tower
SD = Service Delivery Tower

Project Clusters



Program Name - groups projects based on the delivery profile or related outcomes.

SPC-Eval = SPC Evaluation
SPC-Impl = SPC Implementation
Policy = Policy Reform
Particip'Fee = Participation Fee
SSS = Shared Services Strategy
Fleet = Fleet Strategy
eProc = End to End Procurement
Ungrouped = Single projects

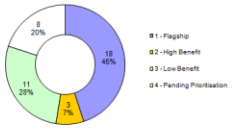
Project Governance



Project Governance - identifies the governance applied to projects

- Standard = Multi stage projects with detailed tasks and milestones for management and specialist products (applies to flagship and high benefit projects)
- Lite = Vanilla PRINCE2 stages with milestones for management products only
- None = High level milestones with no oversight of products

Project Priority



Project Priority - groups projects by contribution to primary GSG objectives.

1 - Flagship
Priority One outcome as directed by the GSG Directors. Standard governance.
2 - High Benefit
Benefits < $5 million. Standard governance.
3 - Low Benefit Benefits
< $1million Lite governance.
4 - Pending Prioritisation
No reliable cost or benefit information available. No governance.
5 - N/A - BAU
Infrastructure / Business As Usual projects. No governance.

GSG Active Projects Portfolio Report

Monday, 19 November 2007

Seq No.	Project Name	Project Manager	Data Currency	Project Budget	Benefits Type	Estimated Benefits in Year One	Budget Status (% Spent)	Current Stage	Schedule Status (Date Variance)	% Stage Complete	Stage Start Date	Stage Finish Date	Project End Date	Comments
	Strategy and Planning Tower						0% 50% 100%			0%				
1	Accounts Payable Central Billing (SPC)	Andrew Nandan	☑	$0	Direct	$0		Startup	☒	0%	1/10/2007	2/01/2008	1/10/2008	White Paper created. Pj. Planning in progress
2	Fleet Strategy	Peter Chappell	☒	$0	Indirect	$1,000,000		Startup	☑	0%	??/??/2007	??/??/2007	9/10/2007	
3	Identity and Access Management Framework Polic	David Hart	☒	$0	Enabling	$0		Startup	☑	0%	??/??/2007	??/??/2007	1/08/2007	
4	Information Management Framework Policy Develo	Greg Mullumby	☑	$200,000	Enabling	$0		Initiate	☑	85%	8/06/2007	31/10/2007	1/07/2008	
5	Lotus Notes and Diary consolidation (ICT)	Mike Delaney	☑	$0	Indirect	$0		Initiate	☒	0%	26/11/2007	31/07/2008	1/08/2008	
6	Organisation GSG	Shayne Hyman	☒	$360,500	Indirect	$0		Startup	☑	73%	24/08/2007	7/09/2007	30/06/2008	
7	Participation Fees - Fleet	Tushar Panchal	☉	$0	Direct	$975,000		Planning	☑	12%	19/11/2007	14/12/2007	6/09/2007	Commencing planning phase
8	Participation Fees - Procurement	Tushar Panchal	☒	$0	Direct	$8,700,000		Startup	☑	0%	??/??/2007	??/??/2007	1/08/2007	Investigating area beyond Fleet participat. fees
9	Policy Review	Peter Chappell	☒	$0	Strategic	$0		No Governance	☑	0%	??/??/2007	??/??/2008	11/06/2008	
10	Server virtualisation (ICT)	Matt Howard	☒	$0	Direct	$5,000,000		Startup	☒	0%	??/??/2007	??/??/2007	15/08/2007	
11	Shared Services Strategy Benchmarking	Bruce Hawkins	☒	$0	Direct	$0		Control and Deliver	☒	0%	8/10/2007	1/08/2008	4/08/2008	
12	Spend Map - Procurement	Ryan Geddes	☒	$0	Enabling	$0		Startup	☒	0%	??/??/2007	??/??/2007	9/08/2007	
13	WoVG Desktop Strategy	Mike Delaney	☑	$600,000	Unknown	$0		Startup	☒	75%	21/08/2006	7/08/2007	11/07/2008	
	Project Delivery Tower						0% 50% 100%			0%				
1	Category Management Tools (ICT)	Michael Kony	☒	$0	Enabling	$0		Startup	☑	0%	1/07/2007	8/01/2009	30/06/2009	
2	Electricity For Large Sites (SPC)	Terry Gilson	☑	$0	Direct	$2,000,000		Procurement	☑	80%	1/07/2007	2/11/2007	31/12/2007	Origin proposed a Force Majeure clause in contr.
3	eServices Refresh 1	Leo Hogan	☑	$0	Enabling	$0		No Governance	☑	9%	9/10/2007	28/03/2008	4/04/2008	
4	eTender Box (ICT)	Michael Mallis	☒	$0	Indirect	$0		Initiate	☑	0%	30/04/2007	14/05/2007	31/07/2008	Project schedule is under review
5	External Third Party Credentials (ICT)	Andrew Probert	☑	$3,216,962	Direct	$0		Planning	☑	44%	2/07/2007	16/01/2008	28/08/2009	Project scope options tabled at PCB
6	Intra Government Secure Network (SPC)	Peter Eades	☑	$15,000	Direct	$200,000		Procurement	☑	17%	9/07/2007	6/06/2008	2/07/2009	
7	IT servers (SPC)	DHS Lead Agency	☒	$0	Direct	$2,000,000		Startup	☑	83%	19/10/2006	6/11/2006	24/09/2007	
8	Lease funding portfolio change	DHS Lead Agency	☒	$0	Unknown	$0		Control and Deliver	☑	99%	1/05/2007	31/08/2007	31/08/2007	
9	Microsoft Enterprise Agreement (SPC)	Allan Thompson	☒	$0	Direct	$0		Startup	☑	2%	17/09/2007	27/11/2007	25/08/2008	Project start up / risk assessment
10	Natural Gas (SPC)	Terry Gilson	☑	$0	Direct	$600,000		Startup	☑	67%	1/02/2007	31/08/2007	30/04/2008	Business Case Stage 1 under review.
11	Rosetta Directory Upgrade (ICT)	Jane Woodfield	☑	$113,719	Indirect	$0		Deployment	☑	74%	5/03/2007	25/02/2008	25/02/2008	User acceptance testing
12	Security Services (SPC)	Nicole Crockford	☑	$0	Direct	$0		Procurement	☒	85%	5/10/2007	4/03/2008	31/03/2008	Evaluating vendor responses
13	Tender Evaluation Tools (ICT)	Tushar Panchal	☒	$0	Indirect	$57,850		Initiate	☑	0%	5/06/2007	6/06/2007	2/07/2010	
14	Transition To TRIM	Debra Barron	☒	$0	Indirect	$0		No Governance	☑	0%	??/??/2007	??/??/2007	15/02/2008	
15	TRIM Licence Consolidation (ICT)	Greg Mullumby	☑	$156,000	Direct	$4,000,000		Control and Deliver	☒	0%	19/11/2007	23/01/2008	20/02/2008	Implementing new contract arrangements
16	Uniforms and Corporate Wardrobe (SPC)	Charmayne Rose	☒	$0	Direct	$1,000,000		Startup	☑	0%	19/10/2006	6/11/2006	28/08/2009	
17	VGPB referrals database (ICT)	Liliana Sousa	☒	$0	Indirect	$0		Control and Deliver	☒	0%	19/07/2007	3/12/2007	4/12/2007	Design complete
18	Web Content Management Standardisation (ICT)	Greg Mullumby	☑	$0	Indirect	$0		Control and Deliver	☒	0%	3/12/2007	1/04/2008	1/04/2008	Stage plan being reviewed
	Service Delivery Tower						0% 50% 100%			0%				
1	Re-tender Property Management Contract	Ian Liddle	☒	$0	Direct	$0		Startup	☒	80%	1/07/2007	3/07/2007	11/07/2007	
2	Terminate CBA facility	Sandra Ostrowski	☒	$0	Direct	$10,000,000		Planning	☒	0%	4/07/2007	4/07/2007	10/07/2007	

Benefits Type
- **Direct** = A measurable financial benefit
- **Enabling** = Benefits are indirect but the project is justified in that it relates to other projects with "Direct benefits"
- **Indirect** = Infrastructure / Business as usual
- **Strategic** = No direct financial benefit or follow-on project to be undertaken within the same program of work. Strategic projects create a framework.

Data Currency
- ☑ Updated in the last 7 days
- ☉ Updated between 7 and 14 days ago
- ☒ Updated over 14 days ago

Standard Governance Stages
1. Startup
2. Planning
3. Requirements Gathering
4. Procurement
5. Deployment
6. Close

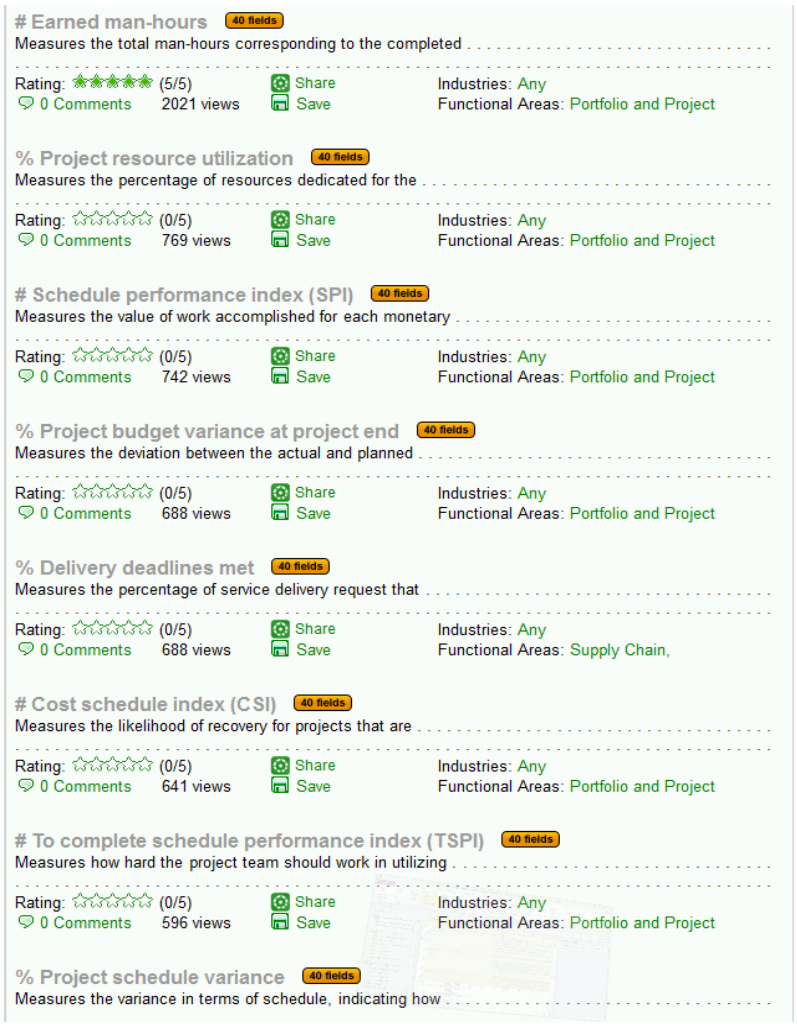
Lite Governance Stages
1. Startup
2. Initiate
3. Control and Deliver
4. Close

Schedule Status
- ☑ Variance under 7 %
- ☉ Variance between 7-10%
- ☒ Variance over 10%

% Stage Complete
Reflects the rolled-up summary of the completion status of all the stage tasks in EPM.

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7. Project management



 # Earned man-hours 40 fields
Measures the total man-hours corresponding to the completed
Rating: (5/5) Share Industries: Any
0 Comments 2021 views Save Functional Areas: Portfolio and Project

% Project resource utilization 40 fields
Measures the percentage of resources dedicated for the
Rating: (0/5) Share Industries: Any
0 Comments 769 views Save Functional Areas: Portfolio and Project

 # Schedule performance index (SPI) 40 fields
Measures the value of work accomplished for each monetary
Rating: (0/5) Share Industries: Any
0 Comments 742 views Save Functional Areas: Portfolio and Project

% Project budget variance at project end 40 fields
Measures the deviation between the actual and planned
Rating: (0/5) Share Industries: Any
0 Comments 688 views Save Functional Areas: Portfolio and Project

% Delivery deadlines met 40 fields
Measures the percentage of service delivery request that
Rating: (0/5) Share Industries: Any
0 Comments 688 views Save Functional Areas: Supply Chain,

 # Cost schedule index (CSI) 40 fields
Measures the likelihood of recovery for projects that are
Rating: (0/5) Share Industries: Any
0 Comments 641 views Save Functional Areas: Portfolio and Project

 # To complete schedule performance index (TSPI) 40 fields
Measures how hard the project team should work in utilizing
Rating: (0/5) Share Industries: Any
0 Comments 596 views Save Functional Areas: Portfolio and Project

% Project schedule variance 40 fields
Measures the variance in terms of schedule, indicating how



% Overdue project tasks 40 fields
Measures the percentage of overdue tasks out of the total
Rating: (0/5) Share Industries: Any
0 Comments 508 views Save Functional Areas: Portfolio and Project

% Order value variance from original contract value 40 fields
Measures the percentage of variance in order value, from
Rating: (0/5) Share Industries: Construction & Capital Works
0 Comments 508 views Save Functional Areas: Supply Chain,

 # Project issues identified 40 fields
Measures the number of new project issues that are
Rating: (0/5) Share Industries: Any
0 Comments 500 views Save Functional Areas: Portfolio and Project

 # Conflicts arising during the project 40 fields
Measures the total number of conflicts that have arisen
Rating: (0/5) Share Industries: Any
0 Comments 483 views Save Functional Areas: Portfolio and Project

$ Estimate at completion (EAC) 40 fields
Measures the expected total cost of a scheduled activity as
Rating: (0/5) Share Industries: Any
0 Comments 477 views Save Functional Areas: Portfolio and Project

$ Cost variance 40 fields
Measures the difference between the budgeted cost of work
Rating: (0/5) Share Industries: Any
0 Comments 445 views Save Functional Areas: Portfolio and Project

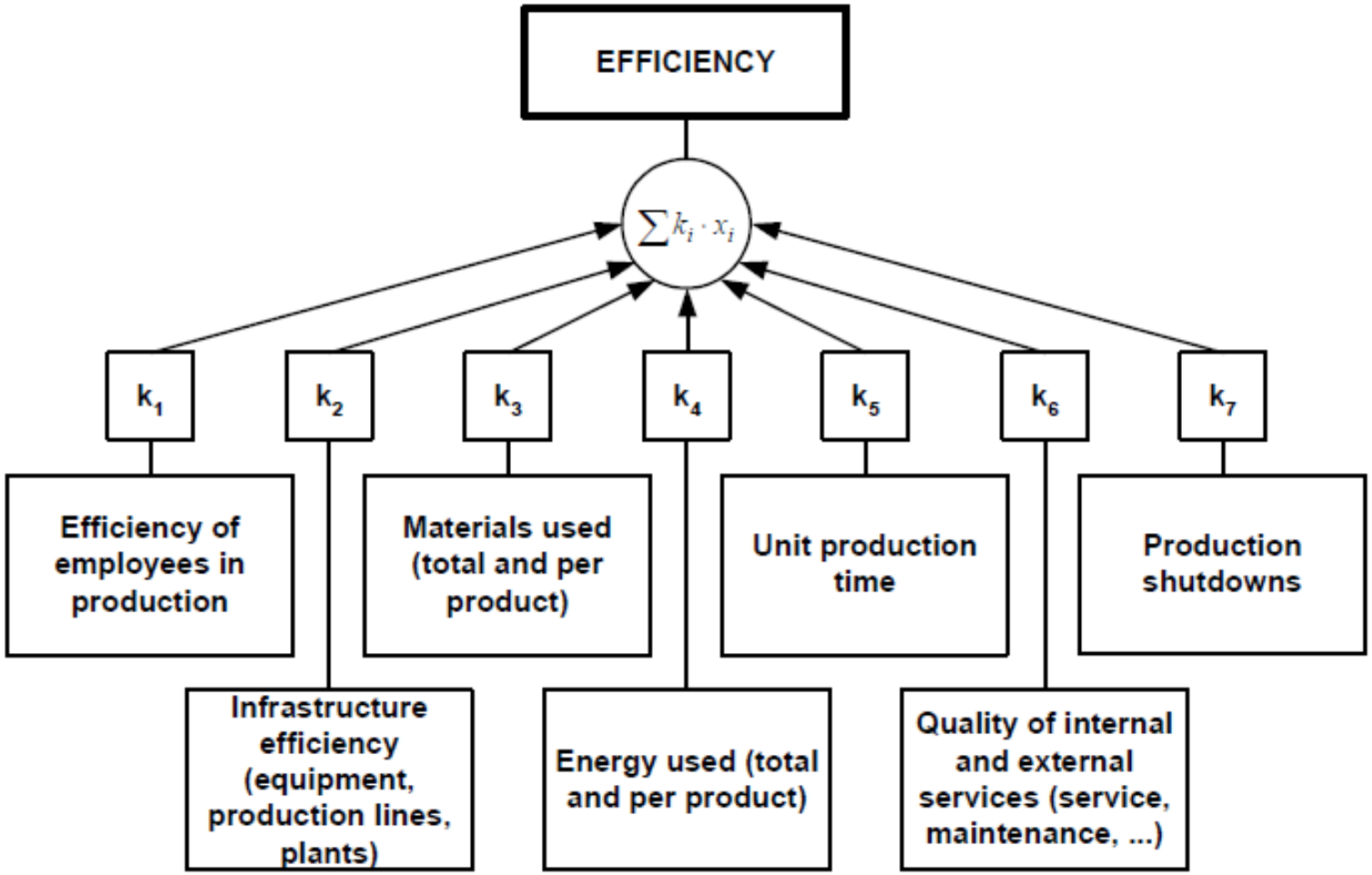
 # To complete performance index (TCPI) 40 fields
Measures the future required cost efficiency needed to
Rating: (0/5) Share Industries: Any
0 Comments 442 views Save Functional Areas: Portfolio and Project

% Requirements changed during project execution 40 fields
Measures the percentage of the initial requirements that

Source: http://www.smartkpis.com/kpi/functional-areas/portfolio-and-project-management/project-management/

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8. Quality / process management

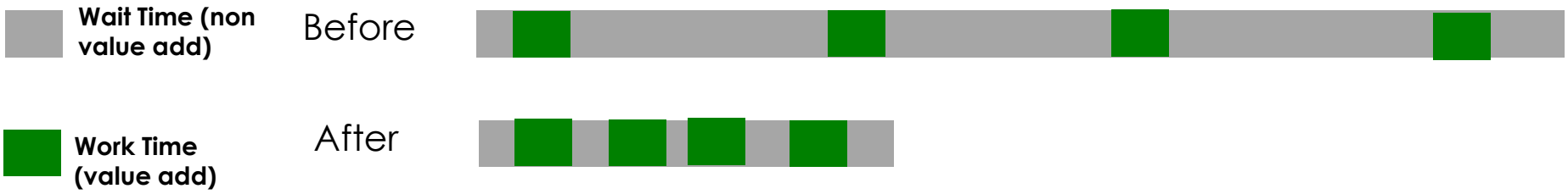


Source: http://ukacc.group.shef.ac.uk/proceedings/control2004/Papers/073.pdf

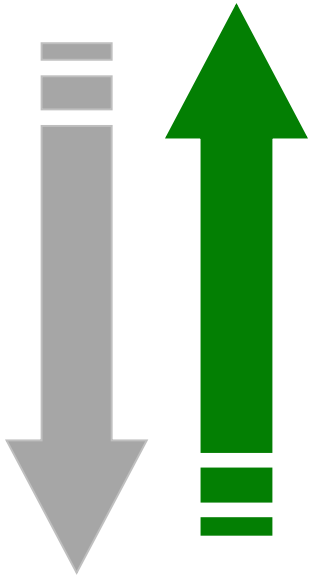
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8. Quality / process management

Process improvement



- ✓Cost
- ✓Defects
- ✓Lead time
- ✓Inventory
- ✓Space
- ✓Waste!



- ✓Capacity
- ✓Cash flow
- ✓Customer satisfaction
- ✓Customer responsiveness
- ✓On time delivery
- ✓Productivity
- ✓Profit
- ✓Quality

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9. Service level agreement

Incident Response

Urgency	Effect	Acknowledgement Response Time (not resolution time)	Target Resolution Time	Target% of Calls Resolved on Time
Urgent	The system is not available; there is an interruption of an important component or a critical business process for one or several business units that cannot be remedied by a workaround.	Response time within one half (1/2) hour. TR will work on resolution until completed and provide timely updates after the initial response. TR will continue problem resolution efforts beyond standard service hours. (Production systems are technically covered 7X24.)	<=4 hrs	90%
High	A significant effect on the business is caused by a failure of a critical process or function (e.g., printing or interface), however a workaround is available.	Response time within 1 hour and TR will communicate a plan to bring this function back to operation.	<=8 hrs	90%
Medium	A minor effect on the business is caused by a failure of a non-critical process or a function. No significant effect on the business is expected and a workaround is available.	Response time within 2 hours and TR will communicate a plan to bring this function back to operation.	<=24 hrs	80%
Low	A general improvement in the system is required.	1 business day	3 business days	80%
Service Request		1 business day	5 business days-7 calendar days	80%

Source: http://www.tr.txstate.edu/ser-cat/sc-object.html

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10. Supplier performance management



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11. Employee performance management

Individual Performance Scorecard

A	Exceends expectations	Legend
B	On track or delivered as planned	**Qualitative measure evaluations**
C	Within tolerance limits - Requires attention	
D	Under expectations - Requires urgent attention	

Name:CS

Position: HR Manager

Perspective / Objective / KPI	Q1	Q2	Q3	Q4	Target	End of year result	Comments
Customers - 3 Strategic Objectives / 4 Measures							
1.1 Provide for Consolidation strategy.							
# Transfers managed within agreed Transfer Plan timelines and arrangements	1	2			**6**		
# Industrial action or adverse publicity	0	0			**0**		
* All key transition management capabilities and HR financial resource requirements in place to meet program implementation requirements	C	B			**B**		
* Feedback from People & Culture Advisory Committee and other relevant committees/forums (e.g. SAC)	C	B			**B**		
1.2 Be a trusted adviser that our customers consistently go to for advice.							
# Policy/compliance requirement breaches	0	0			**0**		
* Feedback from People & Culture & Advisory Committee and principal stakeholders (e.g. SAC) as well as findings of the Culture Survey)	D	B			**D**		
* Workforce Plan which identifies the HC contribution to organisational success in place by 30 June 10	C	B			**D**		
Services - 4 Strategic Objectives / 10 Measures							
2.1 Deliver reliable, secure, cost justified services that meet or exceed our service level targets.							
$ Cost-efficiency savings achieved for Government	$10	$25			**$57**		
% Variation from HC budget	2%	4%			**10%**		
% Recruitment to business critical roles achieved within 4 weeks from approval to recruit	68%	79%			**100%**		
2.2 Continually improve our services.							
$ HR contribution to achieving projected cost-efficiency savings	$5	$10			**$20**		
% Specialist consulting service contracts negotiated to ensure service deliverable achieve value-for-mone	68%	90%			**100%**		
% Relevant HC projects in line with Workforce Plan timelines and agreed budgets (e.g. on-line induction p	78%	85%			**100%**		
2.3 Build, implement and deliver the corporate transformation program.							
# Significant unresolved staffing issues resulting from ITIL roll-out	0	0			**0**		
* Future-State business model and associated organisational structure developed as per program timeline	D	B			**D**		
* Organisation/operating structure in place by 30 June 2010	C	B			**D**		
* HC contribution to the Service Management roll-out meets with the approval of the People & Culture Advisory Committee and KPIs in Business Plan	C	B			**B**		

Source: http://store.kpiinstitute.org/individual-performance-management-toolkit.html

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12. Fitness training

Civil Air Patrol
Cadet Physical Fitness Test (CPFT) Score Card
(Minimal requirements are based on Age, Gender and Achievement Number)

Cadet Name:		Date:	
Current Grade:		President's Challenge: 25th percentile	

Phase I - Indicate Achievement: ☐ 1.Curry ☐ 2. Arnold ☐ 3. Feik ☐ **Milestone**: Wright Brothers Award

	Cadet Age & Sex (Circle one)	Male						Female					
		12	13	14	15	16	17+	12	13	14	15	16	17+
Actual	P. 23 Sit & Reach (cm)	21	20	23	24	25	28	25	24	28	31	30	31
	P. 24 Sit Ups (60 sec)	34	36	39	38	38	38	29	30	31	30	30	28
	P.25 Push Ups (1 every 3 seconds)	12	16	18	22	24	26	9	9	9	11	11	12
	P. 26 (30 feet) Shuttle Run (seconds)	11.2	10.8	10.5	10.2	10.0	9.9	12.1	11.8	11.9	11.7	11.7	11.7
	P. 27 Mile Run (minutes)	10:22	9:23	9:10	8:49	8:37	8:06	12:46	12:29	11:52	11:48	12:42	12:11

Indicate: ☐ Pass ☐ Needs to Retest CPFT Testing Officer:

Equipment needed: Stopwatch; meter ruler; 2 chalkboard erasers; copy of CAPR50-18 1April 2003 Page 1 of 6

Reference: CAPR 50-18 1 April 2003 Developed by 1st LT Marty Lynn, CAP MISSISSIPPI WING Developed 5/03; Revised 7/03

Source: http://www.coloradowingcap.org/LinkClick.aspx?fileticket=5uc9FVIRtY4%3D&..

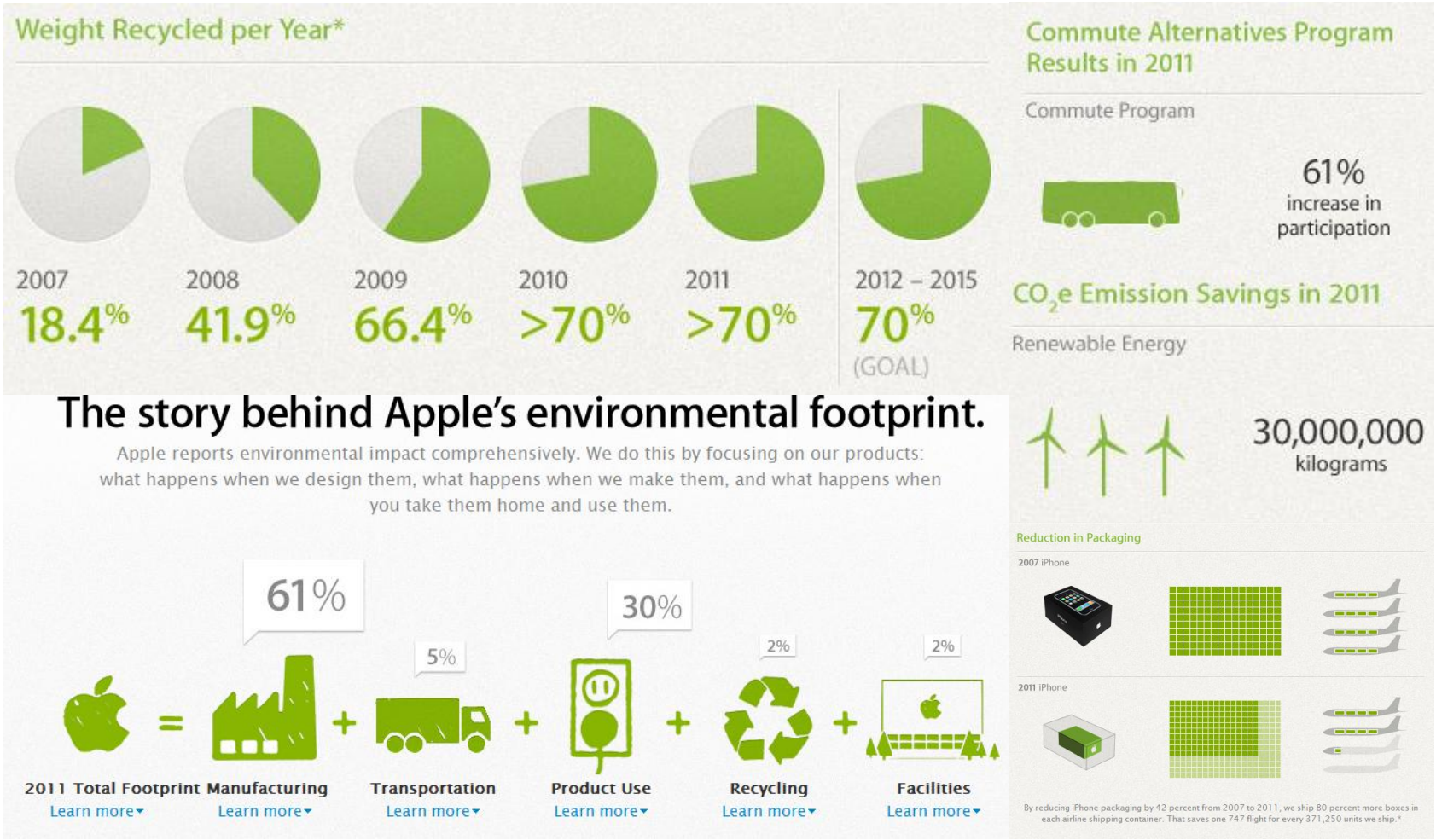
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13. Personal management

Financial		
	Income	% Variance from income target
	Expenditure	% Variance form planned expenditure
	Debt	% Debt level
	Savings	% Variance from target savings
	Investments	% Investments level
		% Investment return
Work performance		
	Individual performance	As per individual performance plan
	Professional goals	Achievement of professional goals
Relationships		
	Friends	% Feedback and assessment survey
	Colleagues	% Feedback and assessment survey
	Social Network	% Feedback and assessment survey
Processes		
	Time Management	% Wake-up on time
		% Bed time on time
		% Meeting times met
	Reliability	% Promisses met
		% Work deadlines on time
	Communication	% Emails responded within 3 days
		% Voice messages responded to within 1 day
	Use of tools	% To do list tasks achieved as planned
Personal Development		
	Training	# Books read
		% Completion of learning targets
		# Points gained in the pesonal skills register
	Experience	# Major events attended
		# New places visited
	Introspection	# Hours spent on thinking about theself

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14. Sustainability performance reporting



Source: http://www.apple.com/environment/

15. Benefits realization management

A. Estimated transactions in a full year (Source Deliverable A)	1,300,000
B. Estimated transaction time saving with new policy	1 hr
C. Assume only 50% of transactions have a saving	50%
D. Assume most buying is done at admin officer	$28
Calculation (AxBxCxD)	
Estimated Total Benefit Per Annum (Rounded)	$18,000,000
Part Year Effect	$9,000,000

A. Average cost of calling and awarding a contract based on a level 6 salary	
- RFT	$5,000 per contract
- RFQ	$3,000 per contract
B. Cost Difference	$2,000 per contract
C. Number of contracts between $50K and $100K p.a.	800 p.a.
Calculation (BxC)	$1,600,000
Estimated Total Saving Per Annum from New Tendering Threshold	$1,600,000
Part Year Effect (since August 2004)	$1,450,000
D. Estimated savings in moving from written to verbal quotes	$1,000 per contract
E. Number of contracts	1,500 p.a.
Calculation (DxE)	$1,500,000
Estimated Total Saving Per Annum from New Quoting Threshold	$1,500,000
Part Year Effect (since August 2004)	$1,375,000

Source: Western Australia Department of Treasury and Finance (2005), 2004-05 Procurement Reform benefits realisation report

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16. General operational reporting

Table 1

IT Help-Desk Services, Sample of Summary Metrics

	MIT			Stanford			
	FY02	FY03	Change	FY02	FY03	Change	Comments
Cases per Help-Desk Full-Time-Equivalent (FTE) Employee	1,595	1,776	11%	1,614	1,786	11%	Case volume increased; staffing remained relatively constant
Cases Resolved in Less Than One Day (MIT) or at First Tier (Stanford)	78%	76%		62%	67%		Steady performance despite increased case workload
Overall Client Satisfaction (1–5; 50 surveys per week)	n/a	4.5		n/a	4.2		Began measurement in Jan. 2003; good performance despite increasing volumes
Abandon Rate (phone only)	12%	12%		17%	9%		Successfully driving customers to use electronic submission
Help-Desk Expenditures per Case	$42	$40	-5%	$55	$56	2%	Further reduction expected as changes bear fruit in FY04

Source: http://www.educause.edu/EDUCAUSE+Quarterly/EDUCAUSEQuarterlyMagazineVolum/ManagementbyFactBenchmarkingUn/157278

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17. Audit

Entity / Program	Example of a Typical Deliverable	Qualitative Indicator provided?	Quantitative Indicator provided?	Target provided?
Customs Program 1.1	Regulate and facilitate international passengers through assessment of passengers and crew on arrival including, through deployment of detector dogs and real-time officer assessment and response activities.	✓	×	×
Program 1.4	Northern Waters surveillance ACV Triton (patrol days).	×	✓	×
FWA Program 1	Orders relating to industrial action—good faith bargaining.	×	×	×
Program 1	Dispute resolution, minimum wages, orders and approval of agreements.	×	✓	✓
NFSA Program 1.1	Australian feature length films acquired.	✓	✓	✓
Program 1.1	New media works acquired (new separate KPI).	✓	✓	✓
RET Program 2	Timely processing of applications for offshore petroleum and mineral titles and promotion of offshore petroleum acreage release.	✓	×	×
Program 4	Provision of accurate, timely and effective policy advice to the Minister and Australian Government on tourism related issues.	✓	×	×

Source: http://www.anao.gov.au/~/media/Uploads/Audit%20Reports/2011%2012/201112%20Audit%20Report%20No%205.pdf

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18. Compliance reporting

Metric Number		Performance Metrics	High	Low	Mean
Governance and Process					
STAGE 1 Core Supply Chain Operations	1	Proportion of Items Under Contract	99.7%	10.8%	75.9%
	2	Purchasing Response Time from Requisition to Purchase Order (PO) Release	15.0	3.5	9.1
STAGE 2 Emerging Supply Chain Practices	1	Compliance with Group Purchasing Organization (GPO) Contracts	100.0%	55.0%	88.8%
Financial					
STAGE 1 Core Supply Chain Operations	1	Cost to Issue a Purchase Order	$106.12	$12.93	$43.93
	2	Inventory Turnover	40	11	18
Transactions and Technology					
STAGE 1 Core Supply Chain Operations	2	Proportion of Rush Purchase Orders	5.7%	0.5%	2.1%
	3	Number of Purchase Orders Placed per FTE per Day	33.0	5.9	18.1
	4	Average Lines per Purchase Order	5.0	2.4	3.4
	5	Number of Purchase Orders Placed per Supplier per Week	30.0	1.4	6.1
	7	Proportion of Invoice Mismatches	16.0%	3.7%	8.3%
	8	Proportion of Low Dollar Value Purchase Order Transactions	14.0%	0.0%	5.9%
STAGE 2 Emerging Supply Chain Practices	1	Proportion of Electronic Requisitions	100.0%	0.0%	48.0%
	2	Proportion of Electronic Purchase Orders (EDI)	28.0%	2.0%	11.8%
		Proportion of Electronic Purchase Orders (auto fax or e-mail)	100.0%	60.0%	82.7%
	3	Proportion of Invoices Received Electronically	2.0%	0.0%	0.3%
	4	Proportion of Invoices Paid via EFT (Electronic Funds Transfer)	3.0%	0.0%	0.6%
Customers					
STAGE 1 Core Supply Chain Operations	1	Stock-Out at the Cart Level	1.1%	0.3%	0.7%
	2	Fill Rates to End Users	98.9%	95.0%	97.9%
	3	Proportion of Items Added to the Master File (Collected as # of Items in One Month)	622	1	185
	4	Proportion of Items Deleted from the Master File (Collected as # of Items in One Month)	3327	0	508
Suppliers					
STAGE 1 Core Supply Chain Operations	1	Proportion of Invoices Paid within Due Date	100.0%	0.0%	58.5%
	2	Supplier Performance (Proportion of On-Time and Complete Deliveries for Top 10 Suppliers)	98.4%	87.3%	93.5%

Source: www.ontariobuys.fin.gov.on.ca

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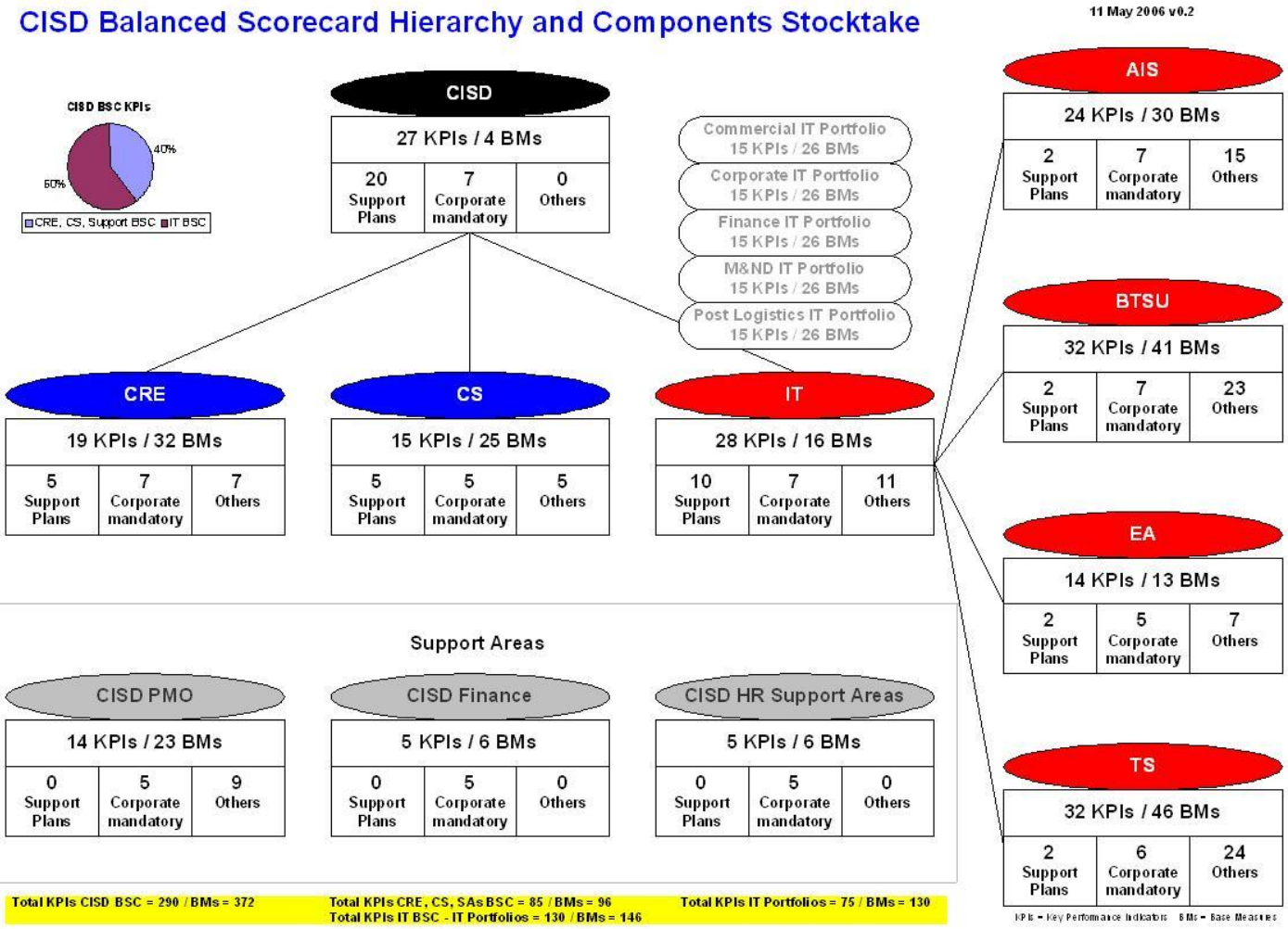
Main FEATURES of BPM systems

		Atkinson (1998)	Atkinson et al. (1997)	Bititci et al (1997)	Bourne et al (2002)	Forza & Salvador (2000)	Gates (1999)	Ittner et al (2003)	Kaplan & Norton (1996)	Kerssens-van Drongelen & Fisscher (2003)	Lebas (1995)	Lynch & Cross (1990)	Maisel (2001)	McGee (1992)	Neely (1998)	Neely et al, (1995)	Odley (1999)	Rogers (1990)	TOTAL PERCENTAGE
1.	**Performance Measures** *(including features such as Multi-dimensional, leading/lagging, efficiency/effectiveness, internal /external, vertically & horizontally integrated, multi-level)*				x		x		x		x	x		x	x	x	x		53
2.	**Objectives / Goals** *(often referring to strategic objectives)*	x						x	x				x	x			x		35
3.	**Supporting infrastructure** *(which can include data acquisition, collation, sorting, analysis, interpretation, and dissemination (Neely, 1998))*	x				x				x				x	x				29
4.	**Targets**					x	x	x									x		24
5.	**Causal models**	x									x								12
6.	**Hierarchy/cascade**															x		x	12
7.	**Performance contract**	x	x																12
8.	**Rewards**	x															x		12

Source: https://dspace.lib.cranfield.ac.uk/bitstream/1826/2789/1/Towards%20a%20definition%20of%20business%20performance%20measurement%20system.pdf

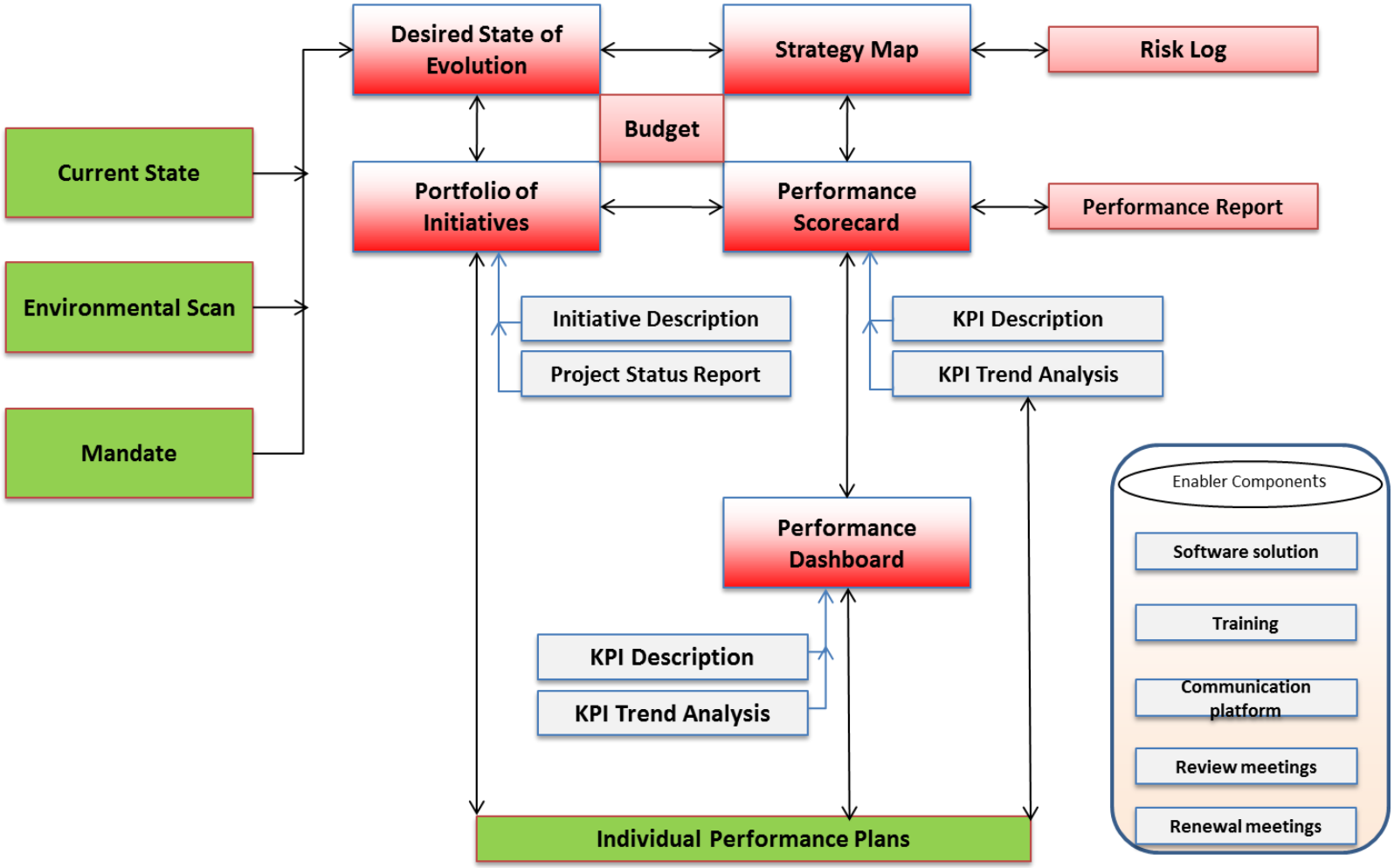
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CASCADING ARCHITECTURE

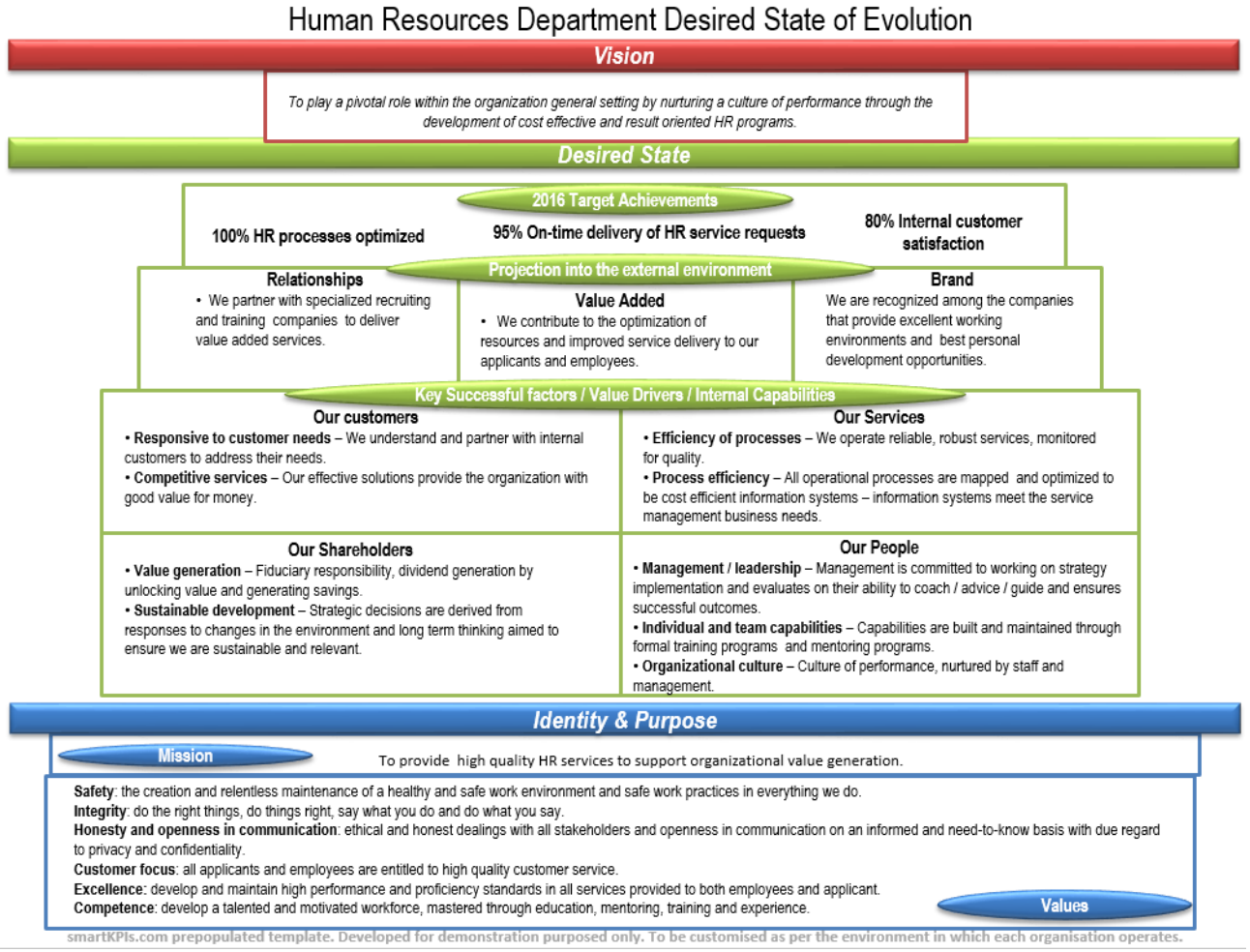


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PERFORMANCE MANAGEMENT SYSTEM ARCHITECTURE



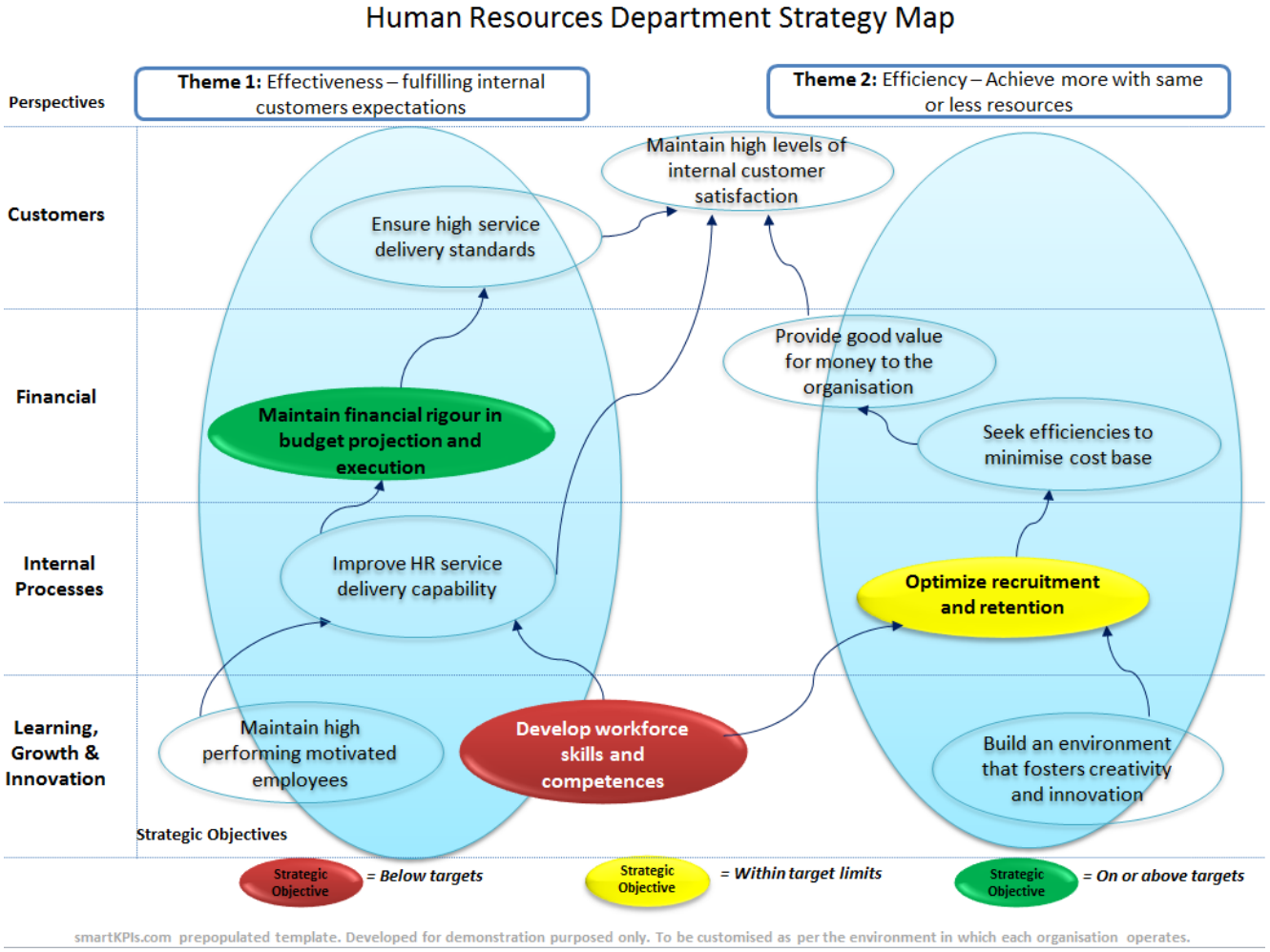
1. Desired state of evolution



Source: http://store.kpiinstitute.org/hr-performance-management-system-toolkit.html

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2. Strategy map



Source: http://store.kpiinstitute.org/hr-performance-management-system-toolkit.html

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3. Performance scorecard

Human Resources Department Performance Scorecard — Results: June 2010

Data custodians

Results		Trend *	
On or above targets	✓	Increasing Trend	⇗
Within tolerance limits	○	Constant Trend	▫
Under target	✗	Decreasing Trend	⇘

Perspective/Goal Strategic Objectives / Measures	Freq	Previous Period	Current Results	Target	% Target	Result	Comments	Trend *
Customer – 2 Strategic Objectives / 4 Measures								
Maintain high levels of internal customer satisfaction								
% HR customer satisfaction with service levels	Q	60%	50%	80%	63%	✗		⇘
# Satisfaction of employees with HR services	M	75	75	80	94%	✓		▫
Ensure high service delivery standards								
# Employees complaints resolutions timeliness	M	10.00	10.00	10	100%	✓		▫
% On-time delivery of HR service requests	Q	65%	76%	90%	84%	○		⇗
Finance – 3 Strategic Objectives / 5 Measures								
Provide good value for money to the organisation								
% HR operating expense rate	Q	50%	60%	100%	60%	✗		⇗
# FTEs per HR department FTE	Q	100	120	100	120%	○		⇗
Seek efficiencies to minimise cost base								
$ Cost per hire	Q	$1,000	$1,200	$800	150%	✗		⇗
$ Cost avoidance savings	Q	$3,000	$5,000	$2,000	250%	✓		⇗
Maintain financial rigour in budget projection and execution								
% HR budget variance	Q	8%	5%	3%	167%	○		⇘
Internal Processes – 2 Strategic Objectives / 5 Measures								
Optimize recruitment and retention								
# Open requisitions	M	8	12	3	400%	✗		⇗
# Time to fill a vacant position	Q	30	45	21	214%	○		⇗
% Performance appraisals completed (on time)	M	50%	60%	100%	60%	✗		⇗
Improve HR service delivery capability								
% HR projects on time, on budget and according to specifications	Q	50%	60%	80%	75%	✗		⇗
% HR processes optimised	M	80%	95%	95%	100%	✓		⇗
People, Learning & Growth – 3 Strategic Objectives / 6 Measures								
Build an environment that fosters creativity and innovation								
# HR employee engagement index	M	4	5	5	100%	✓		⇗
# Ideas for new or improved service from HR employees	M	2	2	1	200%	✓		▫
Develop workforce skills and competences								
# Certifications per HR employee	M	0.50	1.00	2	50%	○		⇗
# Training hours per HR full time equivalent (FTE)	M	10.17	18.83	10	188%	✓		⇗
Maintain high performing motivated employees								
% HR employee satisfaction	M	50%	60%	80%	75%	○		⇗
% HR employee retention	M	80%	95%	95%	100%	✓		⇗

* Trend - current vs. previous month results ** Figures expressed in thousands of dollars Data not available due to measure being inactive

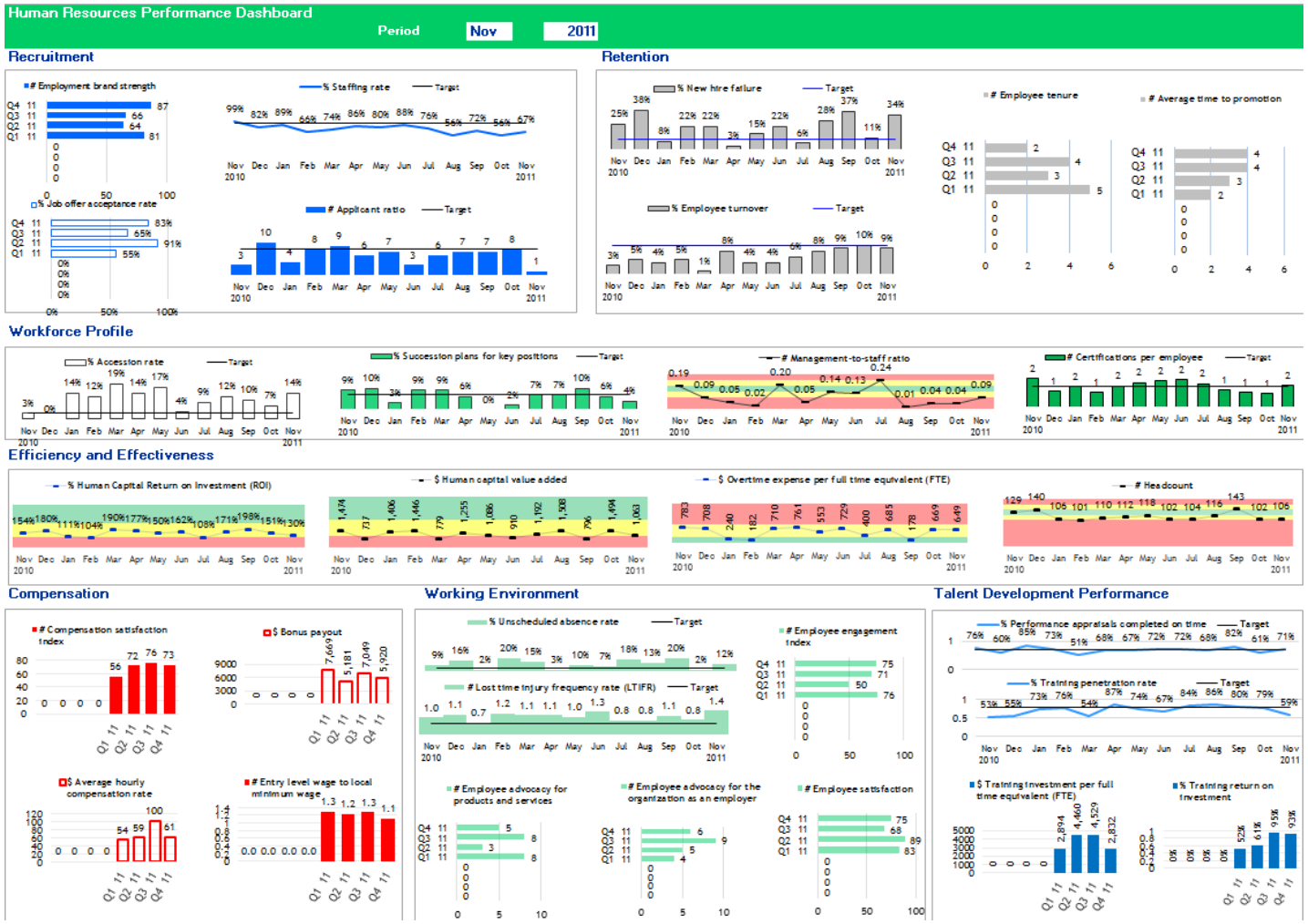
Helicopter view business statistics	Current month	Previous month
Human Resources - Snapshot		
# Staff	153	149
# Customers	1,250	1,260
$ Transactions	$ 15,850	$ 14,000
$ Workforce spending	$ 1,000,000	$ 1,500,000

Other comments
20 KPIs active
Min 1 KPI for each objective
4 Metrics monitored as statistics

Source: http://store.kpiinstitute.org/hr-performance-management-system-toolkit.html

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4. Performance dashboard



Source: http://store.kpiinstitute.org/hr-performance-management-system-toolkit.html

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5. KPI documentation form

KPI Description

Unique identification			
KPI name	% HR customer satisfaction with service levels		
smartKPIs.com no.	sK2379	Organisational measure no.	HRKPI001
Definition and useage			
Definition	Measures the percentage of internal customers who are satisfied with the HR department's overall service levels out of the total number of internal customers surveyed.		
Organisational area	HR Department	Balanced Scorecard perspective	Customer
Calculation			

Subordinate measures used for calculation	A = # Customers stating they are satisfied with the service levels
	B = # Customers surveyed		

Calculation formula	(A/B)*100	Trend is good when (figures are)	Increasing
Focus			
Purpose	To indicate whether the HR department"s services correspond to internal customer expectations, as this impacts future customer behaviour (purchases, recommendations, complaints etc.).		
Strategic Objective	Maintain high levels of internal customer satisfaction		
Measurement focus	Satisfaction	Measurement type	Quantitative
Impact stage	Outcome	Indicator focus	Leading
Level	Strategic	Presence at other levels	Upstream
Data profile			
Data capture period	Spot	Standard reporting frequency	Q
Automation fit	Not recommended	Data integrity	Medium
Limitations	It reflects only a level of general satisfaction, not areas in which dissatisfaction exists or causes for that. Measurement is based on internal customer surveys, thus being susceptible of inaccuracy due to subjectivity of respondents. This makes it also expensive.		
Targets			
Target	80%	Green threshold	>80%
Benchmarking fit	Suitable	Yellow threshold	60-80%
Other intermediate targets	n/a	Red threshold	<60%
Measure administration			
Measure owner (title)	HR Manager	Data custodian (title)	HR Analyst
Measure owner (name)	Firstname Lastname	Data custodian (name)	Firstname Lastname
Current status	Active	Activation date (past or future)	1/1/2009
Data gathering			
Lead time	5 days		
Data source (DB name, System...)	Employee		
Who maintains DS	HR	When is data produced	End of quarter
Comments			
Extended analysis of the surveys helps evaluate in what areas of service customers are not satisfied and what ideas for service improvement can be evidenced.			

Source: http://store.kpiinstitute.org/hr-performance-management-system-toolkit.html

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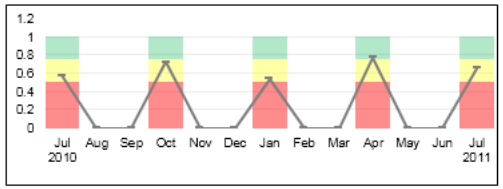
6. KPI report form

KPI Record

KPI % HR customer satisfaction with service levels

Data History

Trend chart
Increasing



Comments		Decisions	
Jul 2010	Comments Jul 2010	Jul 2010	Decisions Jul 2010
Aug	Comments Aug 2010	Aug	Decisions Aug 2010
Sep	Comments Sep 2010	Sep	Decisions Sep 2010
Oct	Comments Oct 2010	Oct	Decisions Oct 2010
Nov	Comments Nov 2010	Nov	Decisions Nov 2010
Dec	Comments Dec 2010	Dec	Decisions Dec 2010
Jan	Comments Jan 2011	Jan	Decisions Jan 2011
Feb	Comments Feb 2011	Feb	Decisions Feb 2011
Mar	Comments Mar 2011	Mar	Decisions Mar 2011
Apr	Comments Apr 2011	Apr	Decisions Apr 2011
May	Comments May 2011	May	Decisions May 2011
Jun	Comments Jun 2011	Jun	Decisions Jun 2011
Jul 2011	Comments Jul 2011	Jul 2011	Decisions Jul 2011

Source: *http://store.kpiinstitute.org/hr-performance-management-system-toolkit.html*

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7. Portfolio of initiatives

Human Resources Department Portfolio of Initiatives

Perspective / Objective / Initiative	Organisational initiative no.	Initiative owner	Initiative coordinator	Priority	Status	Budget	Comments	Start Date	End date	No within perspective
Customer										
Maintain high levels of internal customer satisfaction										
Quarterly evaluations of the HR deartment's performance with other departmental managers										1
Monthly spot survey of staff to assess their satisfaction with the service provided by the HR department	oi2	ION2	ICN2	High	Approved	20000	comments2	date2	dateE2	2
Ensure high service delivery standards										
Tracking system of employee complaints resolution	oi3	ION3	ICN3	High	In progress	30000	comments3	date3	dateE3	3
Finance										
Provide good value for money to the organisation										
No active initiatives in place										
Maintain financial rigour in budget projection and execution										
No active initiatives in place										
Internal Processes										
Optimize recruitment and retention										
Annual "Performance appraisal day"	oi5	ION5	ICN5	High	Approved	60000	comments5	date5	dateE5	1
Improve HR service delivery capability										
Process optimisation initiative	oi6	ION6	ICN6	High	In progress	80000	comments6	date6	dateE6	2
People, Learning & Growth										
Build an environment that fosters creativity and innovation										
No active initiatives in place										
Develop workforce skills and competences										
HR certification program	oi7	ION7	ICN7	High	In progress	45000	comments7	date7	dateE7	1
Maintain high performing motivated employees										
No active initiatives in place										

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8. Initiative description form

Initiative Description

Unique identification			
Initiative name	Monthly spot survey of staff to assess their satisfaction with the service provided by the HR department		
Organisational initiative no.	4	Departmental initiative no.	12
Description and allocation			
Description	Development of a questionnaire in order to survey to level of staff satisfaction with the service provided by the HR department.		
Organisational area	HR Department	Balanced Scorecard perspective	Customer
Scope			
Strategic objective	Maintain high levels of staff satisfaction		
Current state	0%		
Desired state	100%		
Expected outputs	Primary: A monthly report reflecting the state of staff satisfaction and recommendations for improvement. Secondary: Developed staff satisfaction survey. Developed plan for data gathering.		
Measurement			
KPIs	% Staff satisfaction		
Current result	67%	Target result	90%
Initiative administration			
Initiative owner (title)	HR Specialist	Initiative coordinator (title)	HR Manager
Initiative owner	Ana T	Initiative coordinator	Dan T
Budget	$20,000	Budget source	BS2
Priority	High	Status	Approved
Implementation details			
Start date	01.01.2014	End date	01.12.2014
Major activities	Develop the questionnaire framework. Analyze the data collection solutions and develop a data gathering plan, with identified solutions. Collect data. Generate report.		
Risk profile	Medium Budget overrun		
Interdependencies	Data gathering systems		
Comments			

Source: http://store.kpiinstitute.org/hr-performance-management-system-toolkit.html

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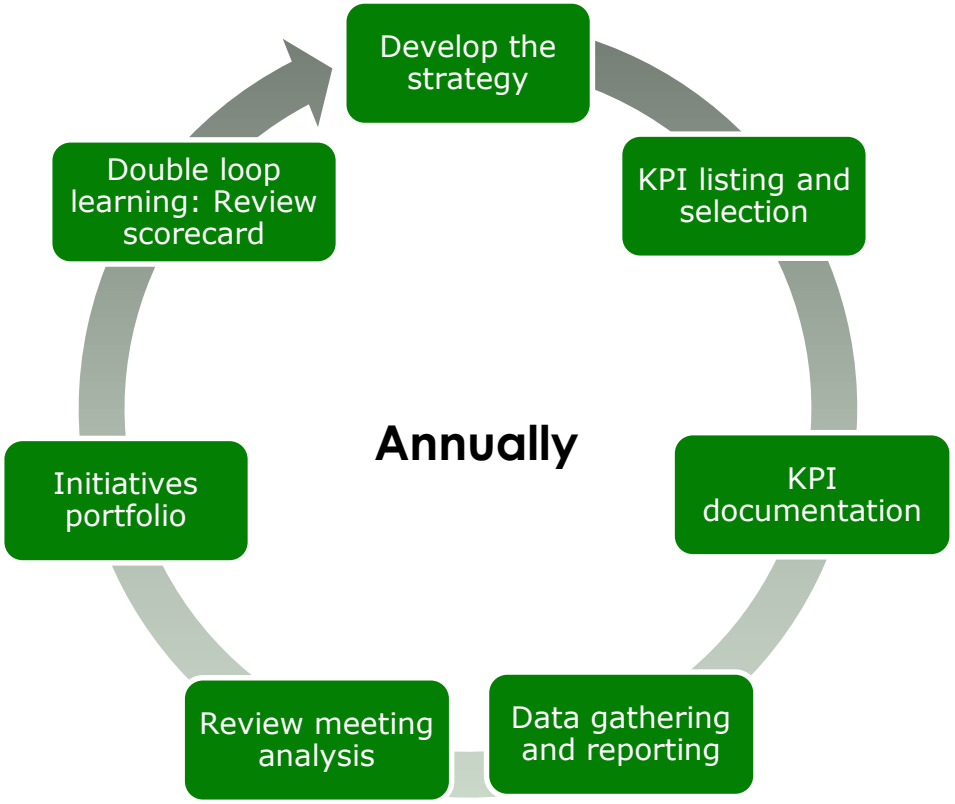
Main PROCESSES of BPM systems

		Atkinson (1998)	Atkinson et al. (1997)	Bititci et al (1997)	Bourne et al (2002)	Forza & Salvador (2000)	Gates (1999)	Ittner et al (2003)	Kaplan & Norton (1996)	Kerssens-van Drongelen & Fisscher (2003)	Lebas (1995)	Lynch & Cross (1990)	Maisel (2001)	McGee (1992)	Neely (1998)	Neely et al, (1995)	Otley (1999)	Rogers (1990)	TOTAL PERCENTAGE
1.	**Information provision** *(feed-forward & feedback)*	x		x		x				x	x	x		x	x			x	53
2.	**Measures design/ selection**								x		x			x	x	x			29
3.	**Data capture**	x				x						x		x	x				29
4.	**Target setting**					x		x									x		18
5.	**Rewards**	x													x		x		18
6.	**Identify stakeholders needs & wants**	x	x																12
7.	**Strategic objectives specification**	x															x		12
8.	**Data analysis**											x			x				12
9.	**Decision making**							x							x				12
10.	**Performance evaluation**							x		x									12
11.	**Interpretation**														x				6
12.	**Review procedures**																	x	6
13.	**Planning**																	x	

Source: https://dspace.lib.cranfield.ac.uk/bitstream/1826/2789/1/Towards%20a%20definition%20of%20business%20performance%20measurement%20system.pdf

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PERFORMANCE MANAGEMENT PROCESS



Description	Process Flow Chart	Notes
Completed performance templates for the month has just ended and due within 2 weeks from month end.	Month end-data collection commences	The two-week deadline was established, as some report data is not available at month end. For this example, month end is **January 31**
An email reminder is sent out to each data custodian, having attached the data collection template.	Email reminder	A courtesy notification is sent our by the BSC administrator to remind data custodians that their data is due in a week's time. For this example the reminder date is **February 7**
The performance data for the past month is due.	Data is due	Completed data collection templates are submitted by data custodians to the PMS administrator. For this example the due date for data is **February 13**
Data is captured from the input templates and processed in the performance reporting software	Data processing	It should generally take no more than one day for the PMS administrator to process the data, extract the reports and prepare the PMS results for the month. The date set aside for this is **February 14**
Monthly performance reports are discussed in team meetings. A feedback and analysis process takes place. Initiatives are established to adjust areas of improvement.	Performance reporting	A performance report is presented in team monthly meetings. For this example the date is **February 21**
Performance Reports are promoted using face-to-face and electronic channels.	Staff communication	Performance reports communicated to wider team. **February 21**
Initiatives established for the current month are entered in the PMS software, communicated to all team and monitored to completion.	Initiatives tracking	By the end of the forth week from the end of the month initiatives are established, communicated to teams and tracked **February 28**

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KPI ARCHITECTURE SKILLS

Interpersonal
Coaching
Facilitation
Communication

Performance Management
Strategy
Performance architecture
Data visualization

Technology
Microsoft Excel
Dashboard/ Scorecard Software
Microsoft PowerPoint

Data
Research
Analysis
Synthesis

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SESSION REVIEW

1. Stages of the KPI lifecycle: establishment, use, evolution;
2. Examples of 18 KPIs use case scenarios;
3. Components of the Performance Management Toolkit:

Desired State of Evolution;
Strategy Map;
Scorecard;
Dashboard;
KPI Documentation Form;
KPI Report Form;
Portfolio of Initiatives;
Initiative Description Form;

4. The steps of the annually and monthly performance management processes;
5. Cascading KPIs from organizational to departmental and individual level;
6. The set of KPI architecture skills: data, technology, performance management, interpersonal.

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AGENDA

DAY 1 DAY 2 DAY 3

1. KPI typology
2. KPI selection preparation
3. KPI selection techniques

The World of KPIs
3 KPI Selection
KPI Management Enablers
The Pillars of KPI Architecture
Data Visualization
Generating Value from Using KPIs
8
KPI Selection
KPI Documentation
Review
3
4
9

Key Learning Points

1. Understand KPIs typology and their characteristics
2. Identify relevant sources for selecting KPIs
3. Exercise 7 KPI selection techniques
4. Understand the importance of KPI filtering criteria

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KPI TYPOLOGY

1. **Availability**: Existing / Potential
2. **Data quality**: Low / Medium / High
3. **Data source**: Internal / External / Mixt (data comes from within the company or outside)
4. **Frequency of reporting**: Daily to Annually
5. **Generation**: Automated / Determined (if data generated automatically or the KPI needs to be calculated)
6. **Independency**: Primary / Secondary (it does not or does rely on other KPIs to be calculated)
7. **Indicator focus**: Leading / Lagging
8. **Influence**: Human / Technological (exposed more to human errors or to system errors)
9. **Impact stage**: Input / Process / Output / Outcome
10. **Level:** Strategic / Operational
11. **Popularity**: General / Occasional / Particular (how often is used among companies)
12. **Reflects** Efficiency / Effectiveness, Quality / Quantity
13. **Status**: Active / Inactive
14. **Transparency**: Public / Internal (the KPI is published for a wide audience or reported only within the organization)
15. **Trend:** Increasing / Decreasing / Within range

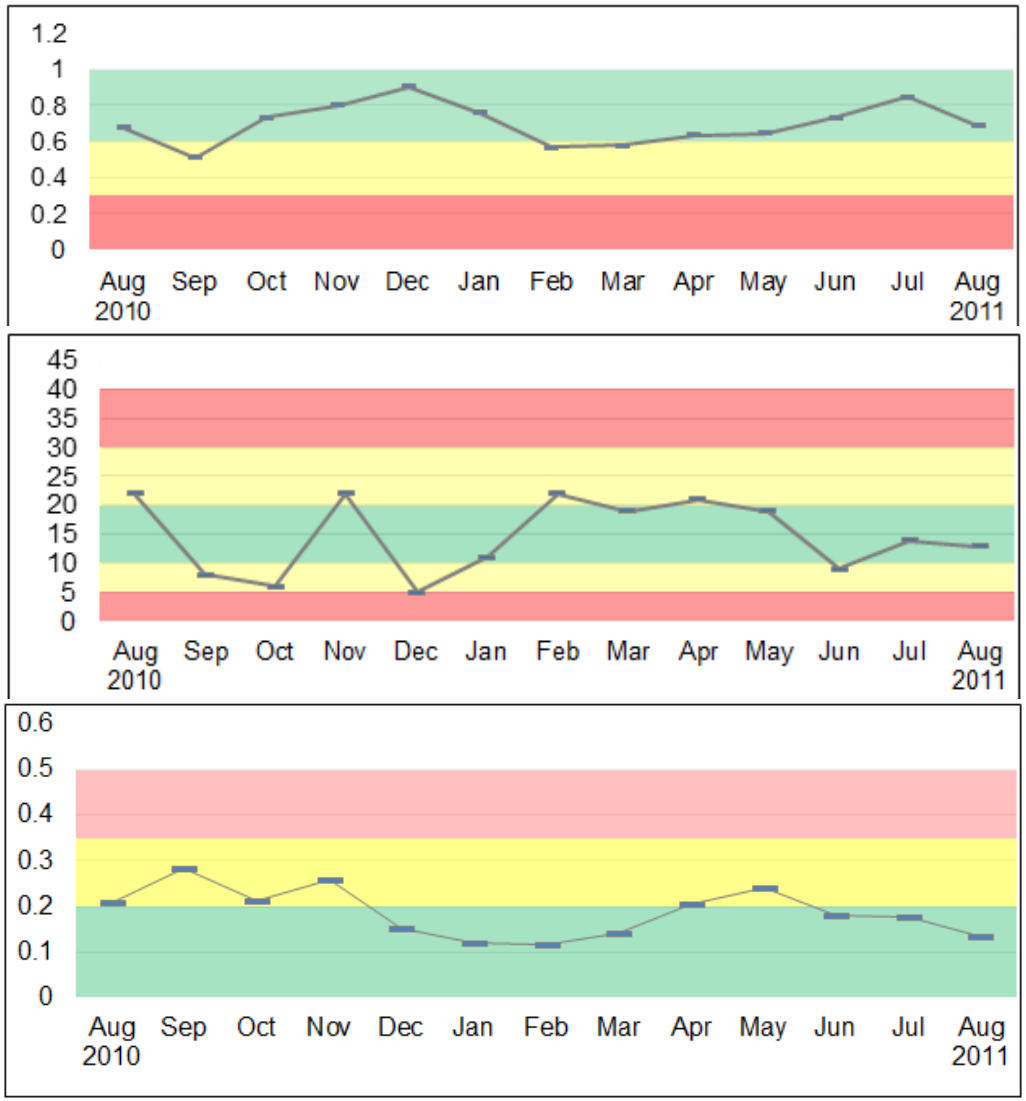
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KPIs BY TREND

Increasing

Within range

Decreasing



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QUALITATIVE KPIs?

Provide timely high-quality advice meeting ministerial expectations

% Advice provided on time
# Versions for advice reports
% Satisfaction with advice

NCOS implementation

NCAT implementation

Ensure timely and smooth processing of applications

% Applications processed within SLA timeframe
% Applications processes correctly first time
# Average delay in processing applications

Key performance indicator	2010–11 result
Timely high-quality briefing and advice meeting ministerial expectations provided in relation to the government's climate change mitigation policies.	The department provided timely and high-quality briefing which enabled the government to navigate a complex and interconnected set of policies and issues. In particular, the department provided extensive and detailed briefing that underpinned the development of the carbon price package—often to extremely tight timeframes.
Timely quality information to the Multi-Party Climate Change Committee.	The department provided timely and high-quality information to the Multi-Party Climate Change Committee, which allowed the committee to successfully negotiate the architecture of a carbon pricing mechanism.
Enhanced Renewable Energy Target (RET) scheme subordinate legislation is finalised by December 2010.	Regulations to provide the administrative framework to separate the RET scheme into the Small-scale Renewable Energy Scheme (SRES) and the Large-scale Renewable Energy Target (LRET) were made in December 2010, including new rules relating to compliance and safety standards and compliance inspections for small generation units.
Finalise assessments to enable assistance under the RET to be provided to firms conducting emissions-intensive trade exposed (EITE) activities.	The department assessed 15 EITE activities in 2010–11. These activities were included in regulations for the RET and are eligible for partial exemptions under the RET. The department's ability to undertake EITE activity assessments is dependent on firms' voluntary participation; given uncertainty around carbon pricing policy, this was lower than anticipated.
National Carbon Offset Standard (NCOS) implemented by 1 July 2010 and Domestic Offsets Integrity Committee established to approve offset methodologies.	The NCOS was implemented by 1 July 2010 and 17 Greenhouse Friendly™ clients were assisted in making the transition to the NCOS Carbon Neutral Program. A stakeholder workshop to scope an NCOS review was held and discussion papers were drafted. An interim committee was established to consider proposed offset methodologies, pending the passage of legislation to formally establish the committee.
National Carbon Accounting Toolbox (NCAT) implemented for forestry and agriculture.	The Carbon Farming Initiative Mapping Tool and the Reforestation Modelling Tool were released. Feedback from stakeholders was positive.
Timely and smooth processing of applications to the Designated National Authority (DNA) and a Designated Focal Point (DFP) to enable Australian industry to establish offset projects in other countries.	The DNA provided, in response to applications received, nine letters of approval to Australian companies participating in Clean Development Mechanism projects in other countries. Target processing times were achieved in almost all cases.

Source: Australian Federal Government (2011), Department of Climate Change and Energy Efficiency annual report 2010–11

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THE ROOTS OF THE LEADING / LAGGING INDICATORS IDEA

Leading indicators = measure things that address what can create future value

Vs.

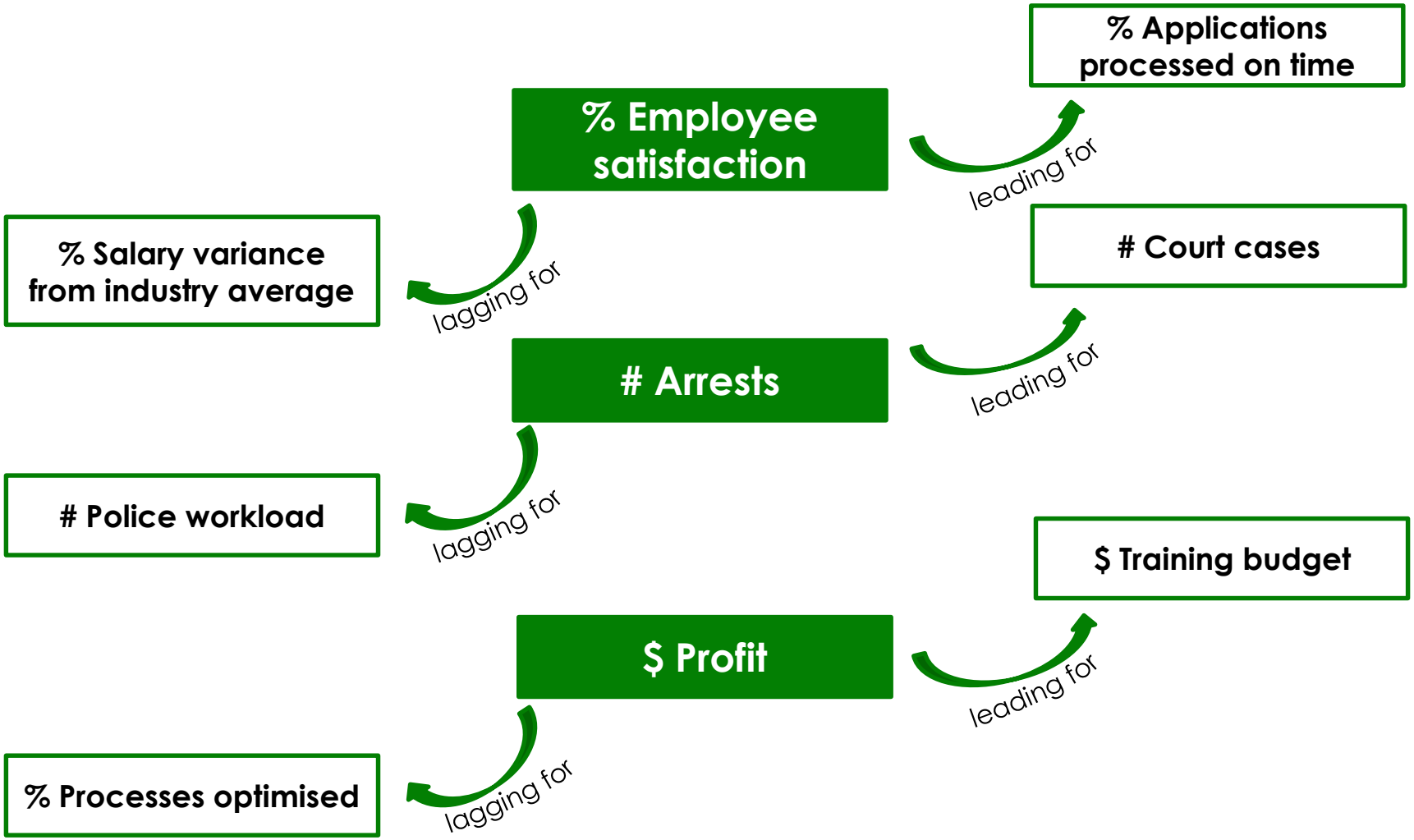
Lagging indicators = look back at past performance

- In May 1938, Wesley C. Mitchell and Arthur F. Burns published a research study in the National Bureau of Economic Research (NBER) Bulleting 69, under the title "Statistical indicators of cyclical revivals" and classified series in lead, coincident and lag.

- Their work was continued by Geoffrey H. Moore, who in 1983, published a paper called "When lagging indicators lead: The history of an idea".

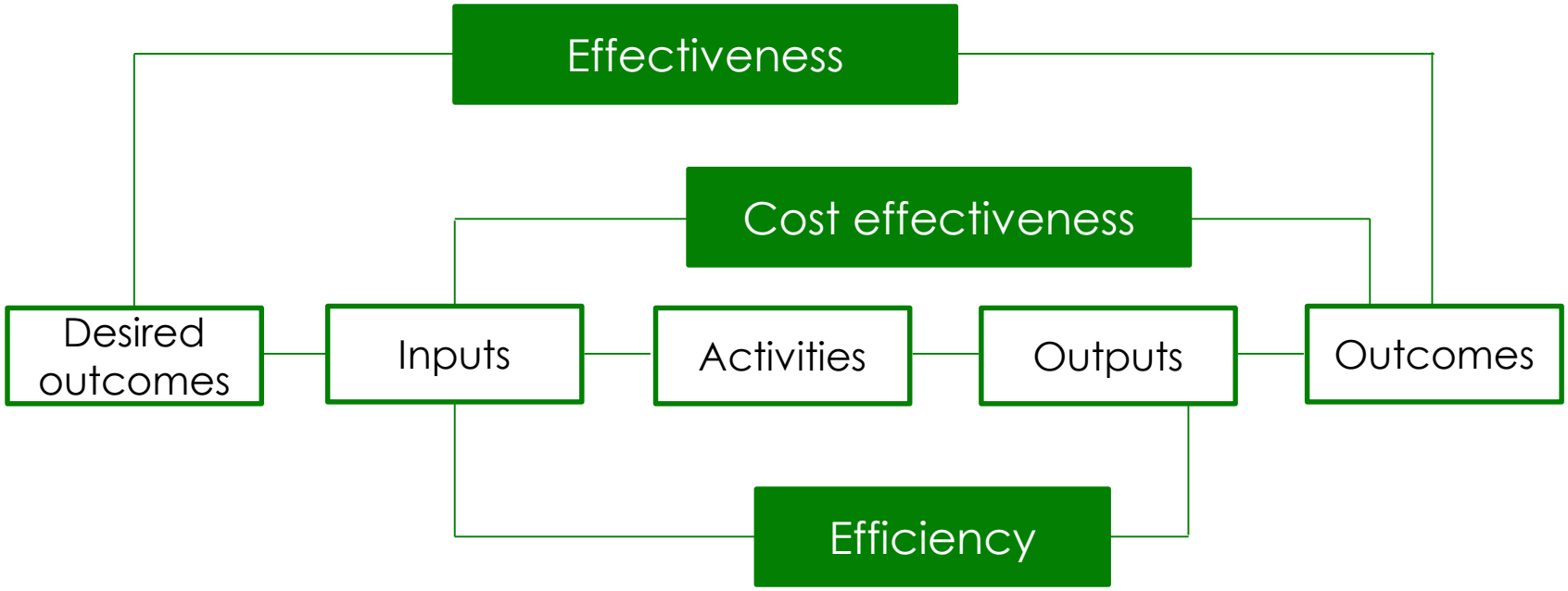
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LEADING VS LAGGING INDICATORS



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VALUE FLOW/PROGRAM LOGIC ANALYSIS



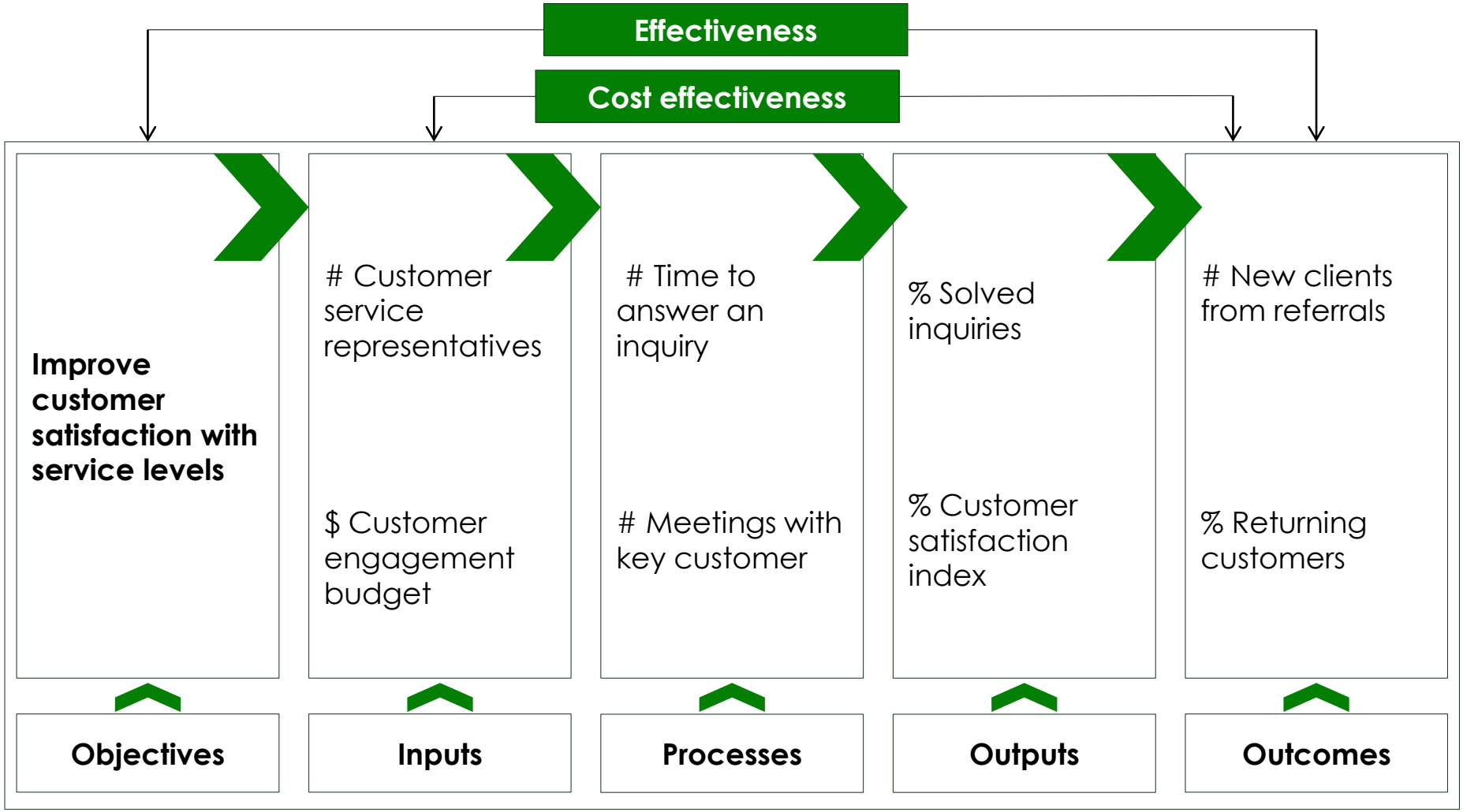
- **Efficiency** = extent to which time, effort or cost are well used for the intended purpose.
- Used to relay the capability of a specific application of effort to produce a specific outcome effectively with a minimum amount of waste, expense and effort.

- **Effectiveness** = the extent to which a desired effect is achieved
- Used to relay the capability of producing a desired outcome, the success in achieving a given result.

Source: Adapted from Australian National Audit Office (1998), Better practice principles for performance information

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VALUE FLOW ANALYSIS



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INPUT METRICS

- Measure the quantity/quality of input resources to organizational activities
- Generally include: budget, human resources, materials, systems
- Examples:
  a. Funding: $ Budget, # Grants, $ Bank loans
  b. Human resources: # Employees, # Customer representatives
  c. Equipment, materials, supplies: # Maintenance equipment available, # Water plants



Source: Adapted from Performance monitoring indicators handbook - World Bank Technical Paper, No 334

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PROCESS METRICS

- Measure the quantity/quality of the activities required to provide certain expected outputs
- Generally include: transformation in terms of time, utilization, availability
- Examples:
  a. # Time to build 1 km of transportation network (water network expansion project
  b. # Time to perform maintainance services (maintenance project)
  c. % Transportation capacity utilization (water supply coverage project)
  d. % Time to evaluate green initiatives (environment protection project)



Source: Adapted from Performance monitoring indicators handbook - World Bank Technical Paper, No 334

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OUTPUT METRICS

- Measure the quantity/quality of the goods or services created or provided through the use of inputs;
- They generally include: results
- Examples:
  a. # Network length built (water network expansion project
  b. % Network with maintenance performed (maintenance project)
  c. % Residential properties connected to water (water supply coverage project)
  d. # Green initiatives implemented (environment protection project)



Source: Adapted from Performance monitoring indicators handbook - World Bank Technical Paper, No 334

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OUTCOME / IMPACT METRICS

- Measure the quantity/quality of the results achieved through the provision of goods and services
- They generally include: added value, impact
- Examples:
  a. % Population with access to water supply services (water network expansion project
  b. # Frequency of unplanned water interruptions (maintenance project)
  c. # Water consumption (water supply coverage project)
  d. % Compliance with environmental regulator(environment protection project)



Source: Adapted from Performance monitoring indicators handbook - World Bank Technical Paper, No 334

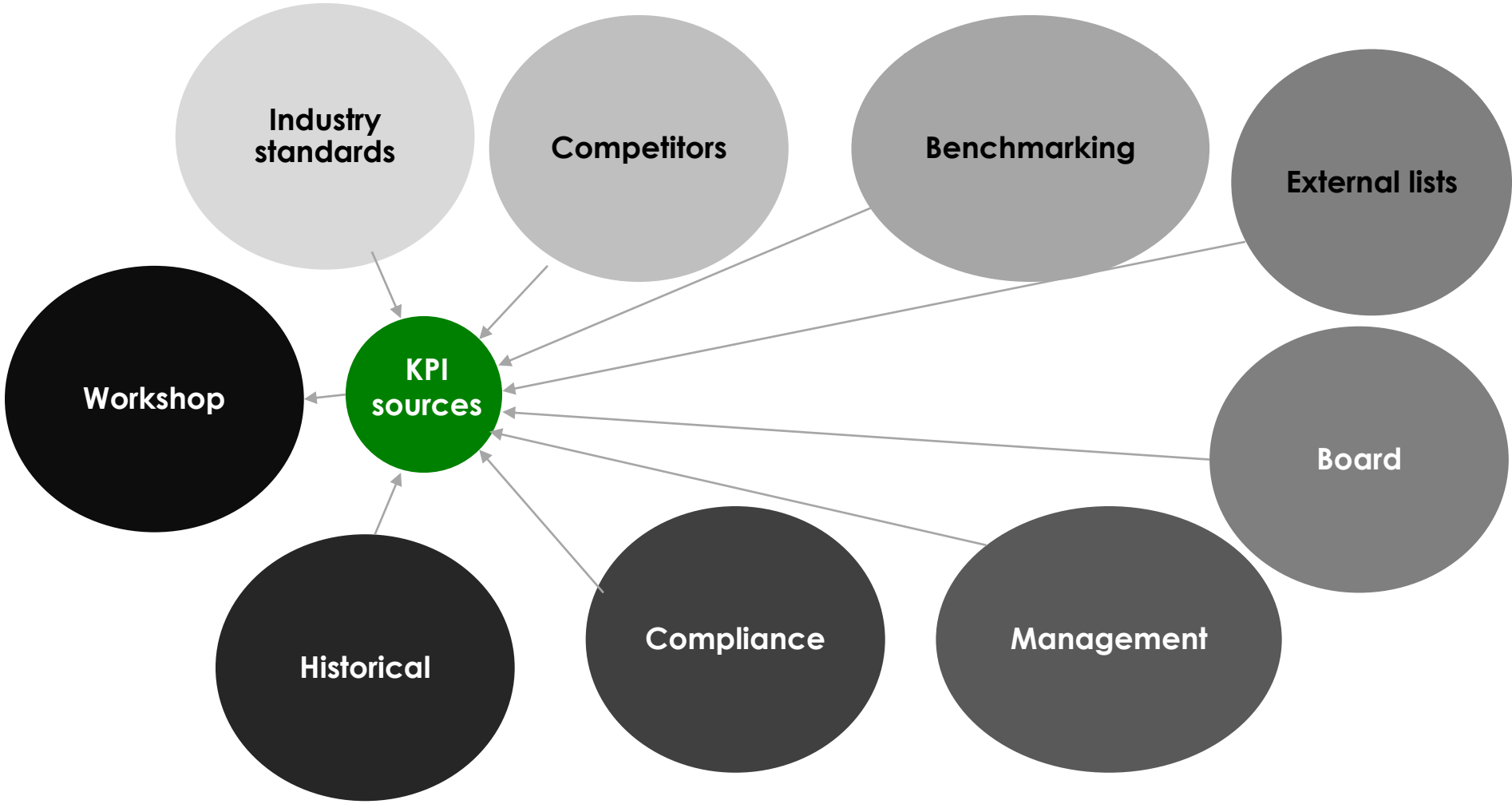
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VALUE FLOW ANALYSIS

PROJECT	INPUT	PROCESS	OUTPUT	OUTCOMES
Water network	$ Expansion budget # Employees	# Time to build 1 km of transportation network	# Network length built	% Population with access to water supply services
Maintenance	$ Budget # Maintenance personal	# Time to perform maintainance services	% Network with maintenance performed	# Frequency of unplanned water interruptions
Water supply coverage	$ Budget # Water plants	% Transportation capacity utilization	% Residential properties connected to water	# Water consumption
Environment Protection	$ Budget # Employee	% Time to evaluate green initiatives	# Green initiatives implemented	% Compliance with environmental regulator

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KPI SELECTION PREPARATION



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KPI SELECTION SOURCES

	Internal	External
Secondary	- Strategic development plan (3-5 years); - Annual business / strategic plan; - Annual reports; - Internal operational reports.	- Competitor review reports; - Printed catalogues; - Online catalogues (http://www.smartkpis.com/) - Annual reports of other organizations (KPIs in Practice).
Primary	- Front-line employees input; - Managers input; - Board input.	- Suppliers input; - Customers input; - Expert advice; - Questions in discussion forums.

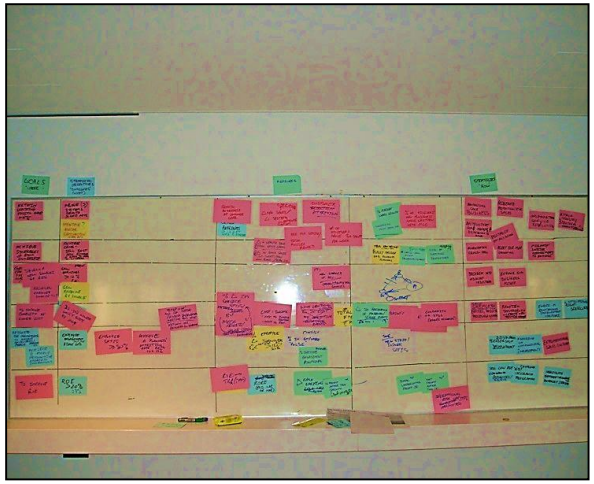
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KPI SELECTION WORKSHOP AGENDA

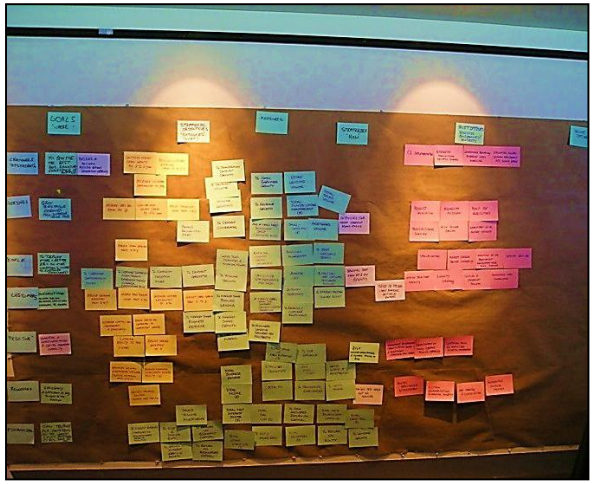
Duration (240 minutes)	Topic
	Context (60 minutes)
5	Agenda and meeting scope review
5	Needs review
10	Terminology and KPI format clarification
20	Selection process and tool review
20	Sample Value Flow Analysis (VFA) as a model
	Selection activities (140 minutes)
60	Interactive VFA team exercises
60	Consolidation of KPI wall
20	List revision based on filtering criteria
	Review and closing (40 minutes)
20	Review of draft
10	Answering questions
10	Clarifying next steps

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KPI SELECTION WORKSHOP



Clients
Suppliers
Employees







Board
Management
Facilitators



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KPI SELECTION TECHNIQUES



Needs identification

KPI expo

KPI clustering

Relevant performance questions

Value flow analysis

KPI balancing

KPI selection criteria

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NEEDS IDENTIFICATION

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- Implies consulting relevant stakeholders to complete a list of the company's needs, both at organizational and departmental level.



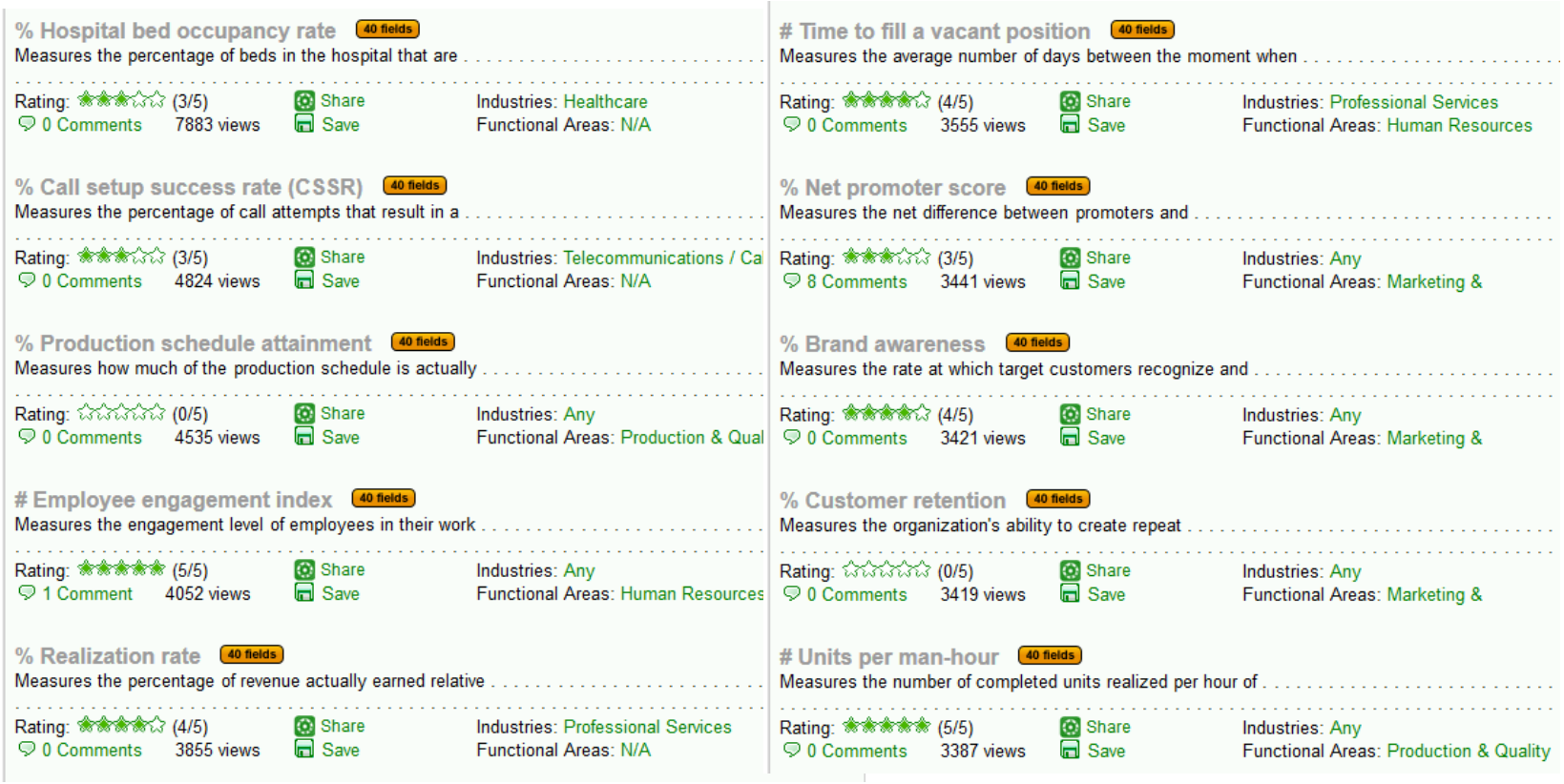
Source: http://www.seec.schulich.yorku.ca/Custom_1_Organizational_Needs_Analysis.aspx

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KPI EXPO

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Essential KPI examples



% Hospital bed occupancy rate 40 fields
Measures the percentage of beds in the hospital that are
Rating: (3/5) Share Industries: Healthcare
0 Comments 7883 views Save Functional Areas: N/A

% Call setup success rate (CSSR) 40 fields
Measures the percentage of call attempts that result in a
Rating: (3/5) Share Industries: Telecommunications / Ca
0 Comments 4824 views Save Functional Areas: N/A

% Production schedule attainment 40 fields
Measures how much of the production schedule is actually
Rating: (0/5) Share Industries: Any
0 Comments 4535 views Save Functional Areas: Production & Qual

 # Employee engagement index 40 fields
Measures the engagement level of employees in their work
Rating: (5/5) Share Industries: Any
1 Comment 4052 views Save Functional Areas: Human Resources

% Realization rate 40 fields
Measures the percentage of revenue actually earned relative
Rating: (4/5) Share Industries: Professional Services
0 Comments 3855 views Save Functional Areas: N/A

 # Time to fill a vacant position 40 fields
Measures the average number of days between the moment when
Rating: (4/5) Share Industries: Professional Services
0 Comments 3555 views Save Functional Areas: Human Resources

% Net promoter score 40 fields
Measures the net difference between promoters and
Rating: (3/5) Share Industries: Any
8 Comments 3441 views Save Functional Areas: Marketing &

% Brand awareness 40 fields
Measures the rate at which target customers recognize and
Rating: (4/5) Share Industries: Any
0 Comments 3421 views Save Functional Areas: Marketing &

% Customer retention 40 fields
Measures the organization's ability to create repeat
Rating: (0/5) Share Industries: Any
0 Comments 3419 views Save Functional Areas: Marketing &

 # Units per man-hour 40 fields
Measures the number of completed units realized per hour of
Rating: (5/5) Share Industries: Any
0 Comments 3387 views Save Functional Areas: Production & Quality

Source: http://www.smartkpis.com/

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EXERCISE: KPI clustering

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Scenario:

- You are part of the management team operating in a niche industry.
- The board asks you to present 5 KPIs you will be using to track the performance of the organization.

Task:

- Write down 5 KPIs you would recommend.
- Use one single post-it note for each KPI (5 post-it notes per team).



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RELEVANT PERFORMANCE QUESTIONS

	FAQs	During the workshop	Questions to prepare in case they are asked
1	What are the most relevant sources for KPI selection?	How many KPIs should we select?	What will we do with KPI results?
2	What is the order of importance in which the KPI selection sources should be analyzed?	What is the procedure for validating the KPIs selected?	What efforts are required for data gathering for each KPI?
3	Who should participate in the KPI selection process?	What process are we going through and how long will it take?	What will we learn from the data?
4	What is the ideal format for KPI selection process?	What figures will reflect the achievement of company objectives?	How do we link KPI results with bonuses?
5	What are the most relevant criteria for the KPI selection?	What sort of data we need to keep track of to ensure informed decision making?	
6	What are we trying to achieve by setting up KPIs?	What matters?	
7	What is in it for me?	So what?	

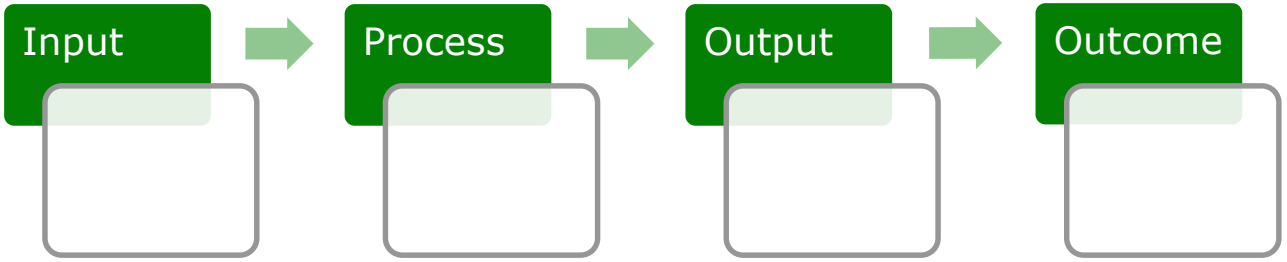
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EXERCISE: Value flow analysis

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Given the strategic objective "***Operate in an environment that fosters creativity and innovation",*** place each of the metrics below in the appropriate value flow stage. List in each column the number corresponding to the correct tool.

1	# Innovation champions in each area	4	# Staff in the innovation program team	7	$ Value generated by innovation ideas	10	% Innovation ideas funded
2	# Innovation focus groups	5	# Time to evaluate an idea	8	% Ideas evaluated within the SLA target of 2 weeks	11	% Innovation ideas implemented
3	# Patents	6	$ Budget	9	% Innovation ideas evaluated	12	% Innovation ideas that generated value



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EXERCISE: Value flow analysis

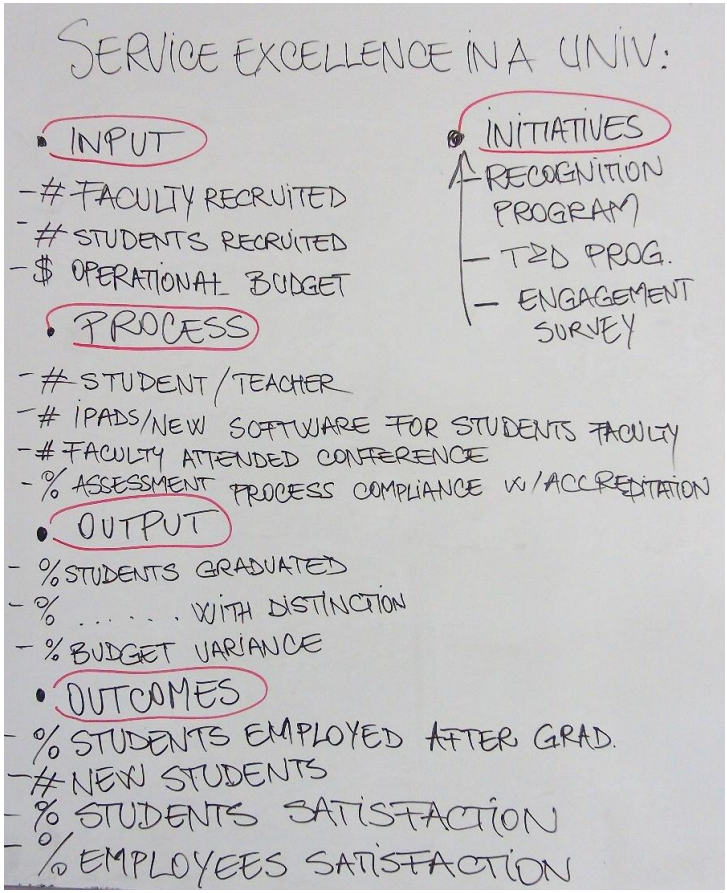
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Scenario:

- Select one objective of your choice.

Task:

- Write at least 2 input, 2 process, 2 output and 2 outcome metrics
- Select from these metrics 2-3 KPIs to measure the achievement of the objective
- Propose 1-2 initiatives to address the implementation of the objectives



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EXERCISE: KPI balancing

Write the correct KPI number under each objective, in order to assure a balanced approach.

FA	Objectives	No.	KPIs
Customer Service	**A. Increase the quality of customer service**	1	# New water services installed
		2	% First call resolution rate
		3	# Duration of unplanned water interruptions
Operations	**B. Ensure operational excellence**	4	# Complaints submitted
		5	# Water quality index
		6	% Transportation network with maintenance up to date
	C. Expand water services reach	7	# Call duration
		8	$ Cost per new service installed
		9	# Water supplied
Production	**C. Optimize water quality**	10	% Customer satisfaction with service level
Any	**E. Increase customer satisfaction levels**		

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BALANCING KPIS

1
2
3
4
5
6
7

Quantity	Quality	Industry
# Maintenance requests closed	% Maintenance requests resolved within SLA	Water & Sewage
# Ideas expressed	% Ideas implemented	Education

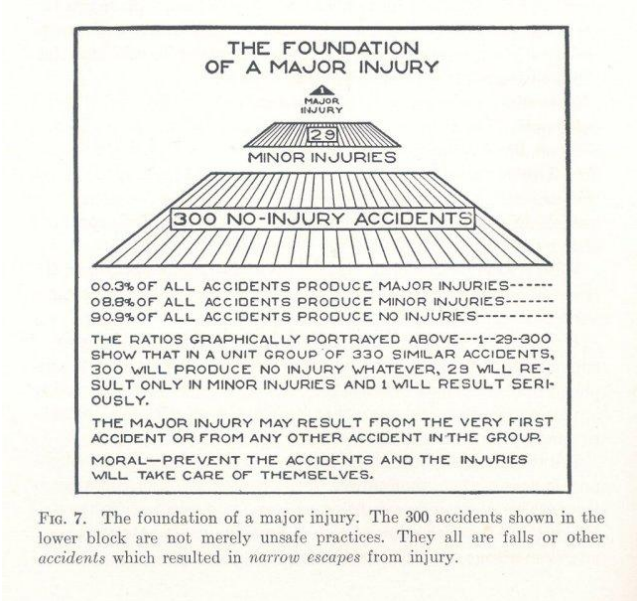
Subjectivity	Objectivity	Industry
# Customer satisfaction	# Customer complaints received	Utilities
% Net promoter score	# Clients from referrals	Professional Services

Efficiency	Effectiveness	Industry
$ New customers acquisition cost	# New customers	Retail
# Call duration	% First call resolution rate	Call Centre

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HEINRICH'S PYRAMID

1
2
3
4
5
6
7



THE FOUNDATION OF A MAJOR INJURY

MAJOR INJURY

29

MINOR INJURIES

300 NO-INJURY ACCIDENTS

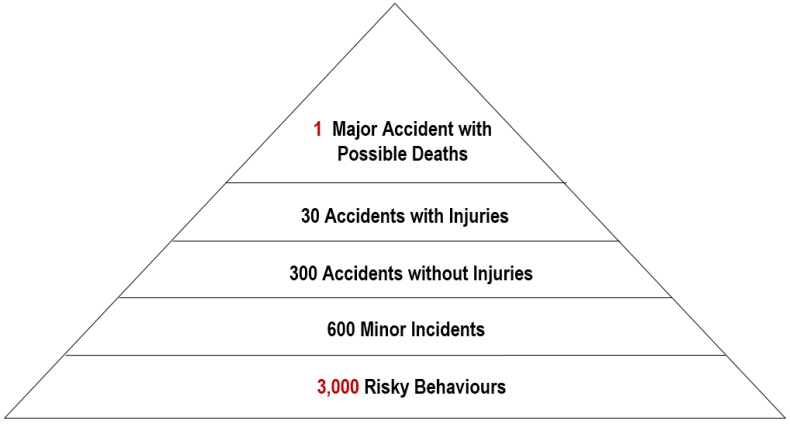
00.3% OF ALL ACCIDENTS PRODUCE MAJOR INJURIES------
08.6% OF ALL ACCIDENTS PRODUCE MINOR INJURIES-------
90.9% OF ALL ACCIDENTS PRODUCE NO INJURIES----------

THE RATIOS GRAPHICALLY PORTRAYED ABOVE---1--29-300 SHOW THAT IN A UNIT GROUP OF 330 SIMILAR ACCIDENTS, 300 WILL PRODUCE NO INJURY WHATEVER, 29 WILL RESULT ONLY IN MINOR INJURIES AND 1 WILL RESULT SERIOUSLY.

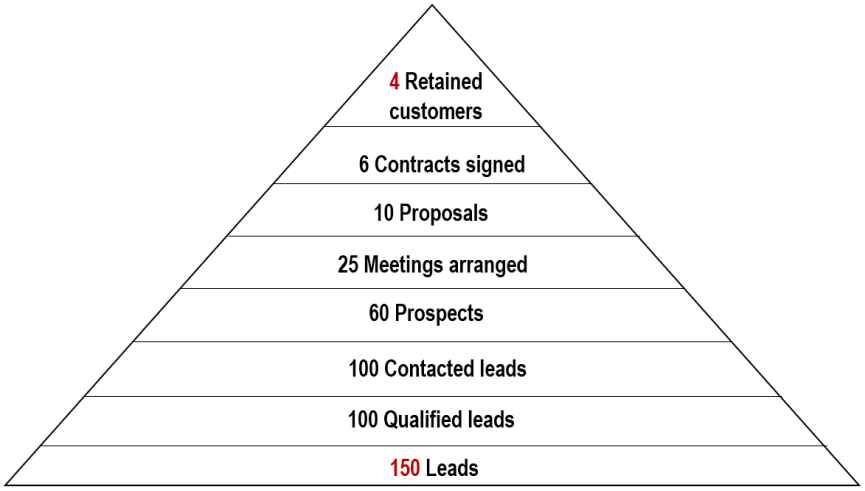
THE MAJOR INJURY MAY RESULT FROM THE VERY FIRST ACCIDENT OR FROM ANY OTHER ACCIDENT IN THE GROUP.

MORAL—PREVENT THE ACCIDENTS AND THE INJURIES WILL TAKE CARE OF THEMSELVES.

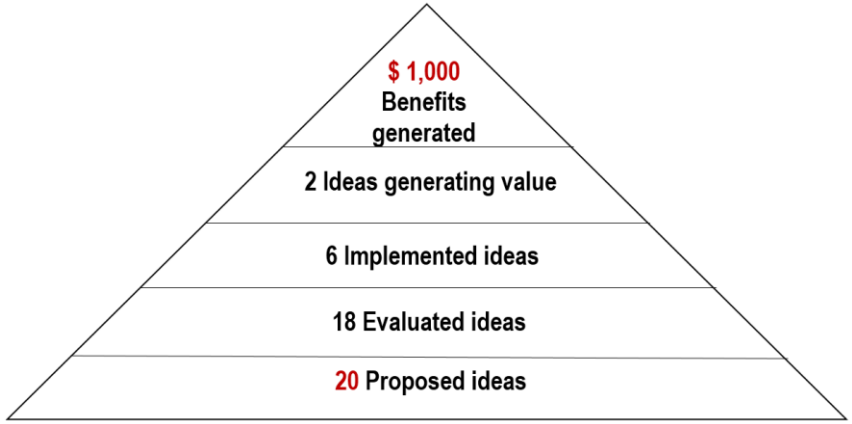
FIG. 7. The foundation of a major injury. The 300 accidents shown in the lower block are not merely unsafe practices. They all are falls or other *accidents* which resulted in *narrow escapes* from injury.



Sales funnel



Innovation funnel



Source: Heinrich, H.W. (1931). Industrial accident prevention: A scientific approach. McGraw-Hill

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KPI SELECTION CRITERIA

1
2
3
4
5
6
7

- Attainable
- Balanced
- Complete
- Clearly defined
- Direct
- Incentivized
- Objective
- Practical
- Reliable
- Relevant
- Specific
- Tested
- Time bound
- Useful for management

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SESSION REVIEW

1. KPI typology:
   - trend (ascending / descending / within limits);
   - measurement interpretation (quality / quantity);
   - indicator focus (leading / lagging);
   - impact stage (input / process / output / outcome);
2. KPI selection sources: internal and external, primary and secondary;
3. KPI selection techniques: needs identification, KPI expo, KPI clustering, relevant performance questions, Value Flow Analysis, KPI balancing, KPI selection criteria.

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AGENDA

DAY 1

4 KPI Documentation

1. KPI documentation form functions
2. KPI documentation form design
3. KPI documentation process
4. Weights and indexes
5. Target setting process
6. Targets in practice
7. Challenges in working with targets

DAY 3

Key Learning Points

1. Understand the KPI documentation form functions
2. Document a KPI
3. Follow the target setting process
4. Identify KPI target sources
5. Understand the negative impact of target setting

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KPI DOCUMENTATION FORM FUNCTIONS

- Ensures understanding of KPIs by providing clarity and meaning to KPI names
- Facilitates communication through standardisation
- Activation prerequisite
- Automation enabler
- Knowledge management
- Educates stakeholders (KPI owners, data custodians)
- Contributes to buy-in by involving the stakeholders

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KPI DOCUMENTATION

✓ **What?**

- Identify metadata fields
- Fill in the required fields for each KPI

✓ **Why?**

- Simplify communication
- Alignment
- "Setting the rules"

✓ **How?**

- Standardized KPI documentation form

✓ **Benefits of the organizational KPI Library**

- Top performers are **53%** more likely than the industry average to **maintain a library of KPI examples** and **39%** promote the use of performance management to their employees.



Source: http://www.aberdeen.com/Aberdeen-Library/6659/RA-enterprise-performance-management.aspx

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KPI DOCUMENTATION FORM DESIGN

Form sections	Fields
Identification	Name, number, functional area
Definition	Link to strategic objective
Calculation	Sub-measures, formula, trend
Orientation	Meaning, impact, implementation level, indicator type
Purpose	Link to strategic objective
Data profile	Automation, frequency, time-lag, integrity, limitations
Targets	Intervals, benchmarking fit
Administration	Owner, custodian, source

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KPI DOCUMENTATION FORM (1)

KPI Description

Unique identification			
KPI name	% HR customer satisfaction with service levels		
smartKPIs.com no.	sK2379	Organisational measure no.	HRKPI001
Definition and useage			
Definition	Measures the percentage of internal customers who are satisfied with the HR department's overall service levels out of the total number of internal customers surveyed.		
Organisational area	HR Department	Balanced Scorecard perspective	Customer
Calculation			

Subordinate measures used for calculation	A = # Customers stating they are satisfied with the service levels
	B = # Customers surveyed		

Calculation formula	(A/B)*100	Trend is good when (figures are)	Increasing
Focus			
Purpose	To indicate whether the HR department"s services correspond to internal customer expectations, as this impacts future customer behaviour (purchases, recommendations, complaints etc.).		
Strategic Objective	Maintain high levels of internal customer satisfaction		
Measurement focus	Satisfaction	Measurement type	Quantitative
Impact stage	Outcome	Indicator focus	Leading
Level	Strategic	Presence at other levels	Upstream
Data profile			
Data capture period	Spot	Standard reporting frequency	Q
Automation fit	Not recommended	Data integrity	Medium
Limitations	It reflects only a level of general satisfaction, not areas in which dissatisfaction exists or causes for that. Measurement is based on internal customer surveys, thus being susceptible of inaccuracy due to subjectivity of respondents. This makes it also expensive.		
Targets			
Target	80%	Green threshold	>80%
Benchmarking fit	Suitable	Yellow threshold	60-80%
Other intermediate targets	n/a	Red threshold	<60%
Measure administration			
Measure owner (title)	HR Manager	Data custodian (title)	HR Analyst
Measure owner (name)	Firstname Lastname	Data custodian (name)	Firstname Lastname
Current status	Active	Activation date (past or future)	1/1/2009
Data gathering			
Lead time	5 days		
Data source (DB name, System...)	Employee		
Who maintains DS	HR	When is data produced	End of quarter
Comments			
Extended analysis of the surveys helps evaluate in what areas of service customers are not satisfied and what ideas for service improvement can be evidenced.			

Source: http://store.kpiinstitute.org/hr-performance-management-system-toolkit.html

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KPI DOCUMENTATION FORM (2)



Suppliers

Metric 5.1:
Percentage of Invoices Paid within Due Date

Objective:
To increase compliance with agreed-upon payment terms to maintain good supplier relationships

Calculation:

$$\frac{\text{Number of invoices paid within agreed-contract terms}}{\text{Total number of invoices}} \times 100\%$$

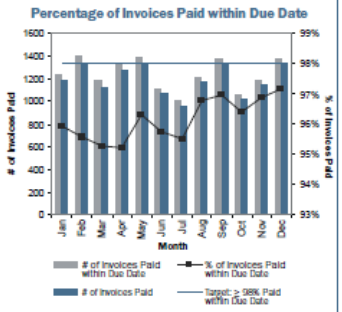
Target: ≥ 98% by net invoice date

Benefits:

Financial Stewardship: By reliably complying with contract terms, organizations will be able to negotiate more favourable future contracts with suppliers.

Process Efficiency: Implementing automated invoicing and payment processes will speed up the payment cycle, capture efficiencies, and reduce accounts payable workload.

Supplier Relationships: Paying invoices according to negotiated contract terms improves supplier relations and supports potential future preferential contract terms and pricing.



Underlying Leading Practices:

- RFP Development & Compliance Management
- Tight Supply Chain/Accounts Payable Organizational Relationship
- Rebate/Discount Management
- "End to End" eSupply Chain

Target Considerations

Establishment
The Working Group has limited experience with this measure and few people are currently tracking it. The group recommends setting an initial target of 98 per cent, with a review six to twelve months after implementation.

Impact of Other Metrics
To pay suppliers on schedule, hospitals require access to accurate payment term information and a short payment cycle process. Automated processes such as three-way matching of invoices can increase payment speed, but these processes rely on error-free data to work effectively. Initiatives to improve this metric should be considered in conjunction with metric 3.7 Percentage of Invoice Matches.

Related Metrics and Standards

Related Metrics:	***Related Standards:***
1.1 Percentage of Active Items under Contract	1.1 Purchasing Policies and Procedures
3.6 Percentage of Invoices with Purchase Orders	1.3 Boilerplate Contracts and Key Legal Principles
3.7 Percentage of Invoice Matches	5.1 Supplier Performance Management Process

Implementation

Calculation Parameters

Calculation

$$\frac{\text{Number of invoices paid within agreed-contract terms}}{\text{Total number of invoices}} \times 100\%$$

Variable	Include	Exclude
Number of invoices paid within agreed-contract terms	Include PO invoices for which payment is sent to suppliers by the due date for the types of orders and categories below	Do not include invoices with late payments or for the types of orders or categories below
Total number of invoices	Include invoices that are both for the following types of orders: · POs · Blanket order releases **AND** for the following categories: · Stock items · Non-stock items · Capital · Services	Do not include invoices that are either for the following types of orders: · Non-purchase order invoices · Standing order releases · Purchasing card transactions **OR** for the following categories: · Pharmacy · Food

Source: http://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb.nsf/Attachments/BPSPerformMeasurePhaseII-UserGuide-pdf-eng/$FILE/perf_meas_userguide-eng.pdf

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KPI DOCUMENTATION FORM (3)

3.1.3 Water supply interruptions

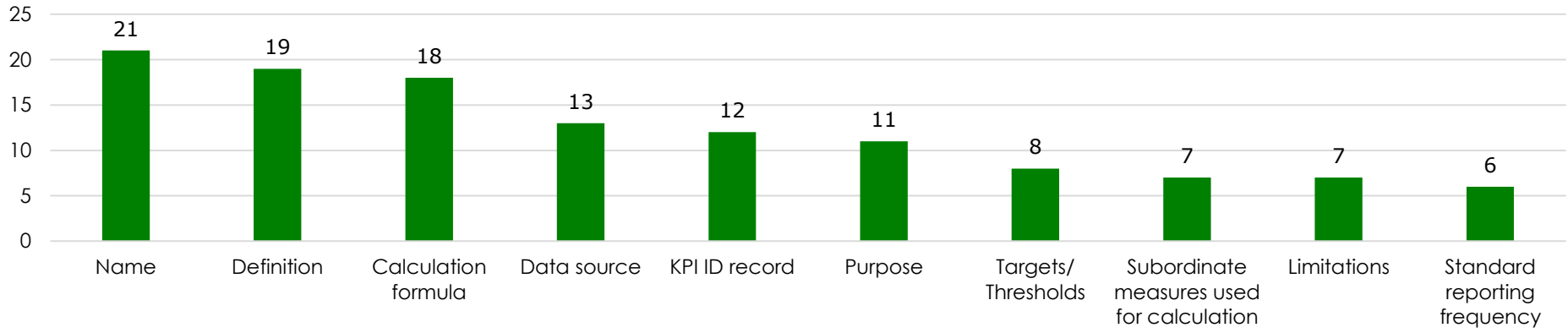
Definition of measure	Number of hours lost due to water supply interruptions for three hours or longer, per property served.
Obligation	Water Supply and Sewerage Services (Customer Service Standards) Regulations 2008 (The GSS Regulations) – Regulation 8. General water supply duties include: • Section 37 – general duties of water undertakers (companies must maintain an efficient and economical system of water supply); • Section 52 – domestic supply duty; • Section 55 – non-domestic supply duty; • Section 57 – duty to supply water for fire fighting; • Section 59 – public purposes supply duty; • Section 63AC – interim duty of water undertaker: domestic and non-domestic supply; and • Sections 66A and 66C – wholesale water supply duties. Supply duties can be overridden in certain circumstances, including: • Section 60 – disconnections for necessary works; and • Section 75 – prevention of damage and contamination.
Calculation	Number of hours lost per property served in the year with supply interruption greater than three hours (irrespective of whether it was planned, unplanned or caused by a third party). Per property served is the number of connected properties (domestic and non-domestic) for water supply. This includes properties which are connected but not billed (for example, temporarily unoccupied) but excludes properties which have been permanently disconnected. A group of properties supplied by a single connection should be counted as multiple properties. They should only be treated as a single property if a single bill covers all properties in the group.
Target	To deliver a reliable water supply to customers.
Frequency	Annually
Tolerance	
Green	This is a new measure that was not included as a final determination output at the 2009 price review. The companies should specify their expected performance and the tolerances they will apply.
Amber	
Red	

Source: http://www.ofwat.gov.uk/regulating/compliance/gud_pro1203kpi.pdf

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KPI DOCUMENTATION FORM

- Organizations use on average 12 different field to document a KPI
- The most popular fields are:



Source: The KPI Institute Research 2014

© The KPI Institute 2014

KPI DOCUMENTATION PROCESS

- Review of internal literature
- External resources review
- Consultations with staff collecting or using the data
- Presentation to owner for approval
- Review and approval by KPI architect / SME / Strategy Manager
- Approval by management team
- Addition to organizational KPI library

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DEVELOPING THE ORGANIZATIONAL KPI LIBRARY

- Design the initial KPI documentation form – **the KPI implementation team or the Strategy / Performance Office**
- Update KPI documentation forms – **data custodians**
- Review, update and sign-off KPI documentation forms – **KPI owners**
- Approve – **management team**
- Centralize all KPI documentation forms in a KPI library – **the KPI implementation team or the Strategy / Performance Office**

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WEIGHTS AND INDEXES

Weights

- Refer to emphasizing the input of certain indicators, by attributing them weights;
- The weights of each indicators are multiplied by the actual achieved performance, and then totaled, in order to obtain the final performance rating.

Indexes

- Refer to a set of items that aggregate multiple, but distinctly related aspects under a single indicator;
- They are an accumulation of scores from a variety of individual items.

Source: http://scm.ncsu.edu/scm-articles/article/performance-measurements-and-metrics-an-analysis-of-supplier-evaluation *Source:* http://www.uky.edu/~kdbrad2/EDP656/Handouts/Chapter6B.doc *Source:* http://sociology.about.com/od/Research-Tools/a/indexes-scales.htm

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WEIGHTS – EMPLOYEE ASSESSMENT

- Used for individual performance evaluations;
- Implies evaluating employees based on assigning weighting factors to different work assignments and responsibilities;
- Works best when the weighted factors are correlated with established performance goals.

Assigning Weighting Factors	
Purpose:	• To establish relative priorities as part of overall performance expectations
Use in *GPS:*	• Introduced as an option element in the 2007 *GPS* process • Mandatory for 2008 *GPS* appraisal process • Provides an important discussion point between supervisor and staff member
What gets weighted:	• Key accountabilities – weighting factors must total 100% • Significant special projects – weighting factors must total 100%
Weighting based on:	• Importance to the position, department, college/stem, and/or University • Impact of expected outcomes (i.e., bigger impact = larger weight) • Not necessarily the amount of time spent
Frequency:	• Establish at start of performance cycle • Priorities change — confirm or adjust periodically

Source: http://www.lehigh.edu/~inhro/documents/GPS_WeightingFactors_Handout.pdf

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WEIGHTS – EMPLOYEE ASSESSMENT

Section Weight: 95.0%			
2009 Key Accountabilities	**Descriptor Rating**	**Weights**	**Numerical Rating**
Coordinate the graduate admissions process.	Fully Successful	30.0%	3.0
Assist and advise undergraduate/graduate students.	Exceeds Some Expectations	30.0%	3.5
Provides administrative support for the department.	Meets Most Expectations	25.0%	2.5
Coordinates meetings and events.	High Contributor	15.0%	4.0
Section Weight: 5.0%			
2009 Special Projects/Assignments	**Descriptor Rating**	**Weights**	**Numerical Rating**
Serve on the departmental faculty search committee	High Contributor	100.0%	4.0
Plan the departmental holiday party	Not Rated	0%	0.0

Source: http://www.lehigh.edu/~inhro/documents/GPS_WeightingFactors_Handout.pdf

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WEIGHTS – EMPLOYEE ASSESSMENT

Sr. No.	Dimension	KPI	Weightage	Target	Performance Levels[1]		
					Fair	*Good*	*Excellent*
1	Financial	CFA Revenue - Basic (LL) (Rs. Cr.)	5%	100%	324	432	540
2	Financial	CFA Revenue - Broadband (Rs. Cr.)	5%	100%	207	276	345
3	Customer / Market	Broadband connections added	5%	100%	0	0	0
4	Customer / Market	Leads generated	10%	100%	0	0	0
5	Customer / Market	Leads converted to connection	10%	100%	45%	60%	75%
6	Customer / Market	% of Leads provisioned within 15 days	10%	60%	36%	48%	60%
	Operations	Weekly meeting with GM(S&M-CFA)	5%	52	31	42	52
7	Operations	Analysis of SSA Weekly Reports	10%	100%	17x31	17x42	17x52
9	Operations	Coordinating with MM Cell for Stores	5%	100%	***17x2.4***	***17x3.2***	***17x4***
10	Operations	Submission of weekly statements to BSNL C.O on time	10%	100%	2x31	2x42	2x52
11	Operations	Fixing Targets for Incentives	5%	100%	17x7.2	17x9.6	17x12
12	Employee Development	Staff Training	10%	1	0	0	1
13	Overall performance	Overall performance (on scale of 1 to 5 - to be assessed by Head - CFA at SSA)	10%	5	3	4	5
		Total	*100%*				

Source: http://www.sneatn.com/files/GPMS/IPMS/IPMS%20Scorecards%20territirial%20circle.xls

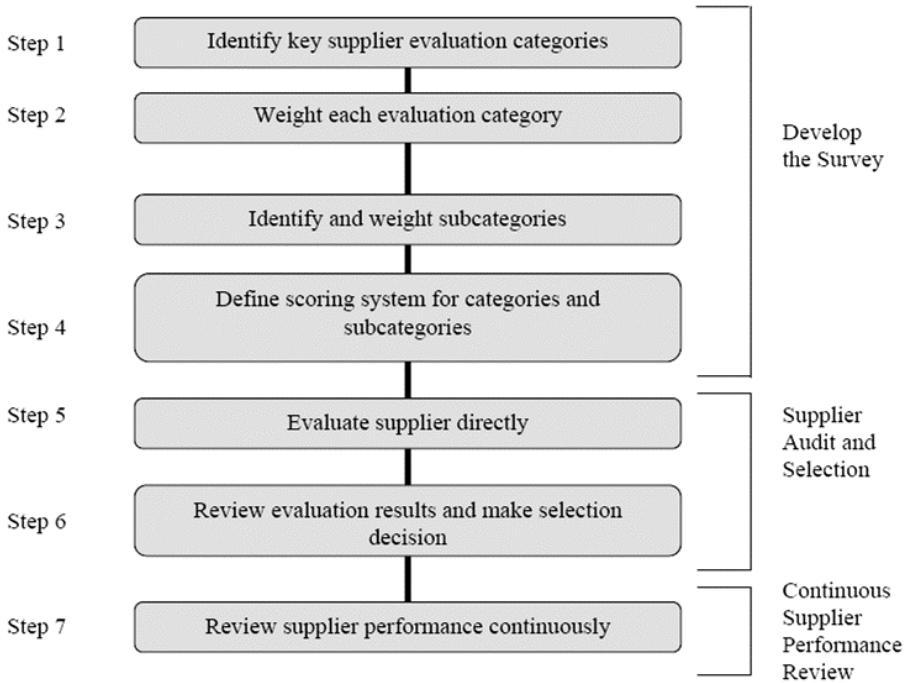
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WEIGHTS – SUPPLIER ASSESSMENT

Used for ranking suppliers, by rating their performance based on standardized weighting methods;

It implies assigning weights to supplier attributes, depending on their relevance to the overall performance;

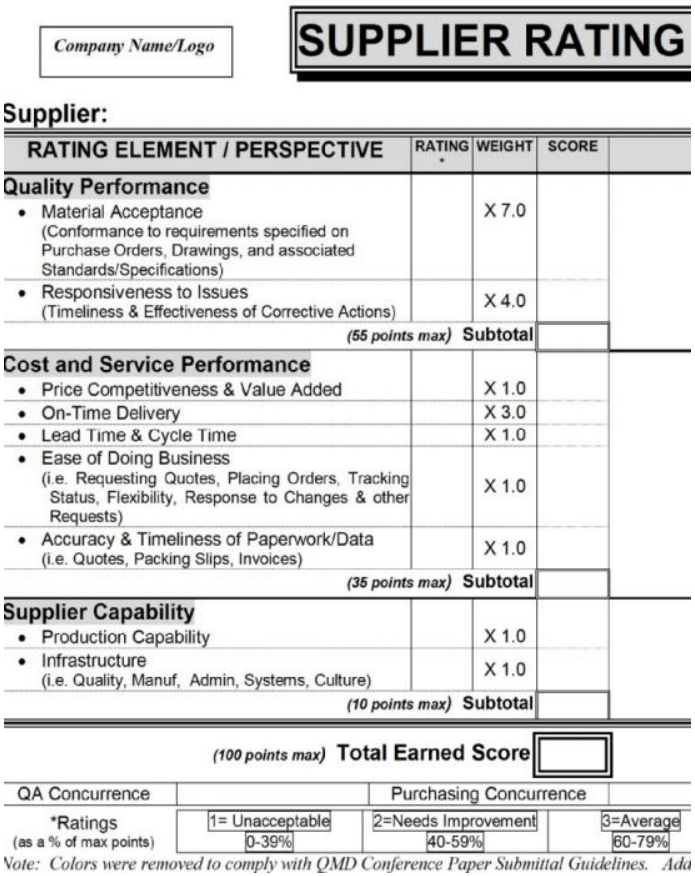
It combines quantitative and qualitative performance metrics into a single system.



Source: journalofbusiness.org/index.php/GJMBR/article/download/479/426

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WEIGHTS – SUPPLIER ASSESSMENT



Company Name/Logo

SUPPLIER RATING

Supplier:

RATING ELEMENT / PERSPECTIVE	RATING *	WEIGHT	SCORE
Quality Performance			
• Material Acceptance (Conformance to requirements specified on Purchase Orders, Drawings, and associated Standards/Specifications)		X 7.0	
• Responsiveness to Issues (Timeliness & Effectiveness of Corrective Actions)		X 4.0	
(55 points max)		**Subtotal**	
Cost and Service Performance			
• Price Competitiveness & Value Added		X 1.0	
• On-Time Delivery		X 3.0	
• Lead Time & Cycle Time		X 1.0	
• Ease of Doing Business (i.e. Requesting Quotes, Placing Orders, Tracking Status, Flexibility, Response to Changes & other Requests)		X 1.0	
• Accuracy & Timeliness of Paperwork/Data (i.e. Quotes, Packing Slips, Invoices)		X 1.0	
(35 points max)		**Subtotal**	
Supplier Capability			
• Production Capability		X 1.0	
• Infrastructure (i.e. Quality, Manuf, Admin, Systems, Culture)		X 1.0	
(10 points max)		**Subtotal**	

(100 points max) **Total Earned Score**

QA Concurrence		Purchasing Concurrence	
*Ratings (as a % of max points)	1= Unacceptable 0-39%	2=Needs Improvement 40-59%	3=Average 60-79%

Note: Colors were removed to comply with QMD Conference Paper Submittal Guidelines. Ada

Supplier Scorecard						
Supplier:						
Period:						
Date of Scorecard:						
	Weights	**Target**	**Performance**	**Difference**	**Corrective Action Needed**	**Date Required**
Financial (40%)						
a. Cost Savings Year Over Year	60%	5%				
b. Total Cost Improvement	40%	3%				
Customer Satisfaction (40%)						
a. Quality improvement	40%	10%				
b. Deliver Performance Improvement	40%	10%				
c. Responsiveness	20%	10%				
Innovation (20%)						
a. Number of Ideas Accepted	70%	1/month				
b. Value Engineering Gains	30%	5%				
Overall Score						
Score Last Period						
Difference						

Source: http://www.asq-qm.org/resourcesmodule/download_resource/id/348/
http://www.calyptusgroup.com/whitepapers/Developing-A-Supplier-Scorecard.pdf

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WEIGHTS – SUPPLIER ASSESSMENT

Risk Probability Index Tool

		Weight	Supplier A Score	Supplier A Weighted Score
Basic Supplier Information		**20%**		
1	How many years has Supplier been in business with a semicon/LS customer base? 1=<1 year; 3= 5-10 years; 9= >10 years	5%	9	0.45
2	Any single customer (including ATMI) represents XX% of revenues for Supplier? 1= >50%; 3= 30-50%; 9= <30%	5%	3	0.15
3	Does Supplier have a current and acceptable business continuity plan on file with ATMI? 1=No; 9=Yes	5%	9	0.45
4	Is there an agreement with Supplier (based on or equivalent to ATMI standard Ts & Cs)? 1=No; 9=Yes	5%	9	0.45
	Section Sub-Total			1.05
Material Availability		**35%**		
5	Is this a sole source material? 1=Yes; 9=No	10%	9	0.9
6	Is a Change Notification Agreement in place (or included in agreement per above)? 1=No, 3=Yes, with 6+ months notice, 9=Yes, with 12+ months notice	5%	3	0.15
7	Does Supplier have more than one source for its raw material(s)? 1=No, and no others exist; 3=Yes, but Suppliers are not qualified; 9=Yes, qualified sources exist	5%	9	0.45
8	If we need to use an alternate source, how long would it take for ATMI to qualify that source? 1=One or more quarters; 3= 1-3 months; 9= No qual required	5%	3	0.15
9	How available is this material in the market/industry? 1=Only one source/constrained capacity; 3=2-3 sources/sufficient capacity; 9=multiple sources/excess capacity	5%	3	0.15
10	Is Supplier's capacity acceptable? 1=No - below requirement; 3 = Yes, can meet 100% of requirement 9=Yes, can exceed 130%	5%	9	0.45
	Section Sub-Total			2.25
Supplier Financial Health		**20%**		
11	Z-Score per: http://www.creditguru.com/CalcAltZ.shtml 1=<2.7 or will not provide financials; 3=2.7-3; 9=>3	20%	3	0.6
	Section Sub-Total			0.6
Quality		**25%**		
12	Does Supplier have acceptable control methods (SPC/SQC)? 1=No; 3=Yes, but not complete for all key processes; 9=Yes	5%	9	0.45
13	Is there a documented/signed specification with Supplier? 1=No; 9=Yes	5%	9	0.45
14	What are the results of Supplier's QCAST performance over the last 2 periods? 1=<70%; 3= 70-80%; 9= >80%	10%	9	0.9
15	What are the results of Supplier's last assessment (adjusted score if CIPs are implemented)? 1=<70%; 3= 70-80%; 9= >80%	5%	3	0.15
	Section Sub-Total			1.95
	Risk Probability Index (RPI) Score			**5.85**

Legend	<3 High Risk	3-7 Med. Risk	>7 Low Risk

Source: https://www.kpmg.com/US/en/IssuesAndInsights/ArticlesPublications/Documents/supplier-category-management.pdf

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INDEXES - #Customer satisfaction index

The American customer satisfaction index

It is calculated based on survey data from more than 70,000 people over the course of a year. These people are customers of more than 200 firms that have significant enough market share to influence overall national consumer satisfaction and demand for goods and services.

Airlines

	Base-line	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	Previous Year % Change	First Year % Change
JetBlue	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	81	83	79	-4.8	-2.5
Southwest	78	76	76	76	74	72	70	70	74	75	73	74	74	76	79	81	79	81	77	81	78	-3.7	0.0
Delta	77	72	67	69	65	68	66	61	66	67	67	65	64	59	60	64	62	56	65	68	71	4.4	-7.8
All Others	NM	70	74	70	62	67	63	64	72	74	73	74	74	75	75	77	75	76	74	72	70	-2.8	0.0
Airlines	**72**	**69**	**69**	**67**	**65**	**63**	**63**	**61**	**66**	**67**	**66**	**66**	**65**	**63**	**62**	**64**	**66**	**65**	**67**	**69**	**69**	**0.0**	**-4.2**
American	70	71	71	62	67	64	63	62	63	67	66	64	62	60	62	60	63	63	64	65	66	1.5	-5.7
US Airways	72	67	66	68	65	61	62	60	63	64	62	57	62	61	54	59	62	61	65	64	66	3.1	-8.3
United	71	67	70	68	65	62	62	59	64	63	64	61	63	56	56	56	60	61	62	62	60	-3.2	-15.5
Continental	67	64	66	64	66	64	62	67	68	68	67	70	67	69	62	68	71	64	#			N/A	N/A
Northwest Airlines	69	71	67	64	63	53	62	56	65	64	64	64	61	61	57	57	61	#				N/A	N/A

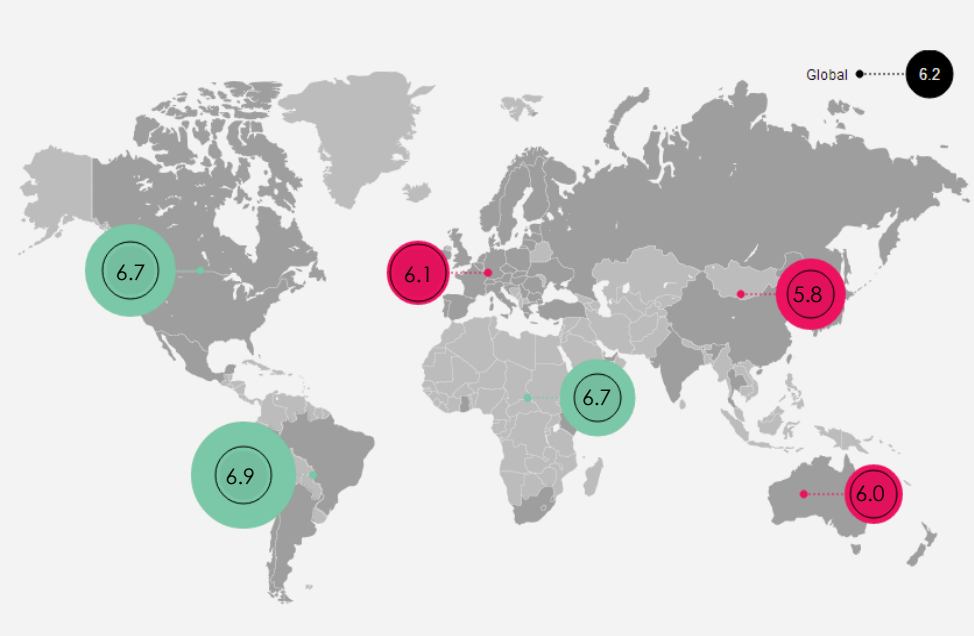
Source: https://www.kpmg.com/US/en/IssuesAndInsights/ArticlesPublications/Documents/supplier-category-management.pdf

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INDEXES - #Employee engagement index

The Global Employee Engagement Index

It is a global survey conducted by Effectory International that surveys the work-related opinions of employees in 47 different countries. Respondents are asked more than 100 questions, in order to gain a detailed insight into global work-opinions.



Source: http://www.employee-engagement-index.com/

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INDEXES - #Leadership index

The National Leadership Index

It is a survey of more than 1,000 Americans, towards their leaders, looking to thirteen of the country's major sectors.

Appendix 2 INDEXING WEIGHTS, CONFIDENCE SCORES, AND MEAN CHANGES BY SECTOR

Sector	Indexing Weight	2005 Mean (*SD*)	2006 Mean (*SD*)	2007 Mean (*SD*)	2008 Mean (*SD*)	2009 Mean (*SD*)	2010 Mean (*SD*)	2011 Mean (*SD*)	2012 Mean (*SD*)	Mean change (2010–2011)	Cohen's *d* (2010–2011)
Business	0.08	100.9 (26.1)	98.4 (26.1)	100.0 (25.3)	86.6 (29.0)	90.1 (28.2)	92.5 (25.3)	87.3 (29.7)	92.8 (28.1)	5.4*	0.19
Congress	0.10	96.8 (28.7)	93.3 (28.0)	92.5 (28.5)	84.5 (29.6)	85.6 (30.9)	81.4 (27.6)	73.2 (27.8)	74.6 (27.6)	1.5	0.05
Education	0.02	107.6 (27.4)	105.5 (28.0)	103.0 (28.2)	96.8 (29.8)	96.3 (29.2)	93.7 (28.9)	88.3 (31.9)	88.7 (30.6)	0.5	0.01
Executive Branch	0.21	96.2 (37.2)	92.8 (36.2)	89.2 (35.9)	79.6 (36.2)	93.7 (39.4)	90.8 (36.7)	84.5 (39.9)	87.3 (42.4)	2.8	0.07
Local Government	0.05	100.8 (28.5)	102.6 (27.8)	98.3 (29.6)	99.2 (28.7)	99.2 (28.8)	96.1 (28.2)	95.5 (28.6)	97.9 (27.4)	2.3	0.08
Medical	0.05	112.0 (24.4)	110.8 (25.8)	109.0 (26.6)	109.1 (27.3)	103.1 (28.7)	108.4 (25.8)	105.1 (28.4)	105.7 (27.2)	0.6	0.02
Military	0.12	115.4 (27.3)	114.2 (28.4)	113.3 (29.1)	112.5 (29.9)	119.7 (25.8)	114.2 (26.7)	112.1 (29.5)	117.4 (25.1)	5.3*	0.19
News Media	0.03	87.7 (30.6)	87.5 (30.3)	83.5 (30.7)	84.3 (30.8)	77.0 (30.2)	82.7 (27.7)	84.4 (31.9)	77.5 (30.9)	-6.9*	-0.22
Nonprofit & Charity	0.02	106.1 (27.5)	106.1 (27.9)	102.5 (26.1)	103.0 (28.3)	100.2 (28.9)	103.0 (25.5)	97.8 (28.0)	99.6 (27.3)	1.8	0.07
Religious	0.07	106.2 (29.5)	103.5 (30.6)	101.6 (30.3)	94.0 (33.5)	92.2 (31.6)	93.9 (30.0)	94.1 (31.8)	94.8 (31.4)	0.7	0.02
State Government	0.08	98.5 (29.5)	100.0 (29.7)	101.0 (29.0)	96.4 (29.7)	89.8 (31.9)	87.8 (29.0)	87.8 (31.4)	89.8 (31.9)	2.0	0.06
Supreme Court	0.09	105.4 (28.7)	104.9 (28.6)	104.9 (28.0)	99.3 (31.1)	99.6 (29.0)	100.3 (27.7)	92.7 (29.2)	93.5 (29.0)	0.8	0.03
Wall Street	0.08	91.3 (28.1)	91.4 (28.0)	92.2 (28.8)	72.4 (28.1)	69.7 (27.4)	74.6 (27.0)	70.8 (27.2)	75.3 (28.1)	4.5*	0.16

Source: http://www.centerforpublicleadership.org/images/pdf/NLI/cpl_nli_2012.pdf

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WORKING WITH TARGETS



- Show the **desired result** level for KPIs
- Represent the starting point in the measuring and analysis process (comparing to actual / desired level)
- **Impact behavior**

"It was evident that our business goals needed to shift. We adapted our business plan to increase the emphasis on new business generation and customer retention. Setting targets for key performance indicators (KPIs) was the way forward."

Wendy Trevett, Operations Director, Lucy Britow Appointments, UK

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TARGET SETTING

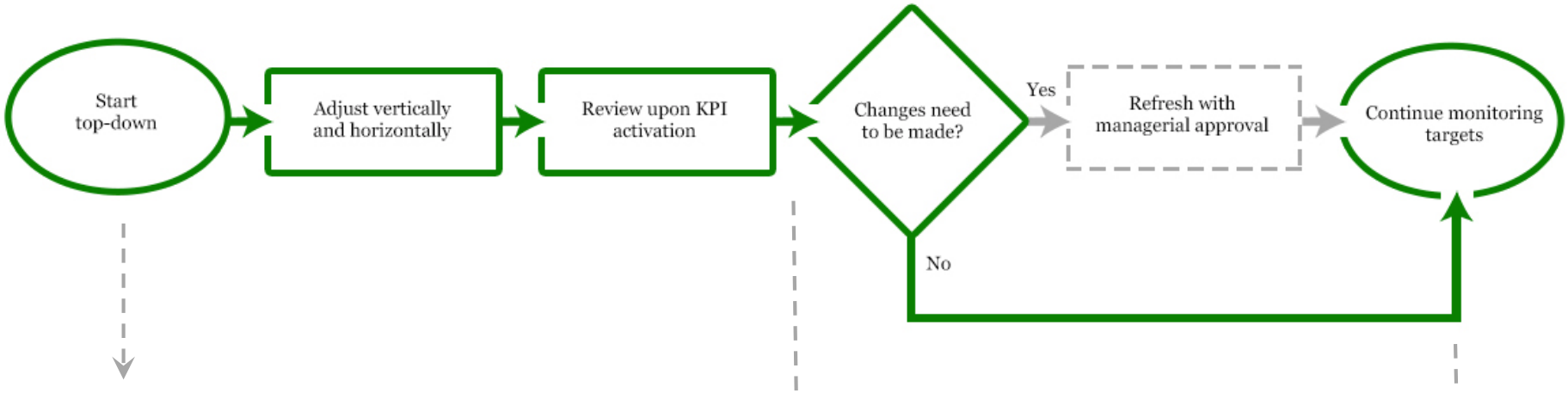
Contextual analysis
Historical records
Internal Benchmarking
External Benchmarking

Comparative data
External analysis (market trends)

Approaches
Start target
Drilled-down target

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TARGET SETTING



Consultations in target setting should start with the top management.

As KPIs are active and data is gathered, targets may be reviewed and recalibrated

Targets need to be adjusted periodically as the internal and external environment of the company is in a permanent change.

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ESTABLISHING THRESHOLDS

Perspective / Goal Strategic Objectives / KPIs	smart KPIs.com #	Standard reporting frequency		✖	☼	✓
Financial - 2 Strategic Objectives / 5 KPIs			Trend	Below Target	Within Target	Above Target
Increase company profitability						
% Net profit margin	sK467	Q	↗	<10%	10-15%	>15%
$ EBIT (Earnings Before Interest and Taxes)	sK190	M	↗	<80,000	80,000-100,000	>100,000
$ Net cash flow	sK67	M	↗	<7,000	7,000-10,000	>10,000
Optimize revenues and expenses						
$ Cost per call (CPC)	sK2384	M	↘	>40	30-40	<30
$ Sales-to-date	sk2345	Q	↗	<250,000	250,000-500,000	>500,000
Customer- 3 Strategic Objectives / 6 KPIs						
Maintain high levels of customer satisfaction						
% Net promoter score	sK1303	Yr	↗	<50%	50-70%	>70%
% Call abandon rate	sK168	M	↘	>30%	20-30%	<20%
Build and enhance the customer network						
# New customers	sK188	M	↗	<80	80-100	>100
% Market share	sK1282	Q	↗	<5%	5-10%	>10%
Increase customer profitability						
$ Revenue per client	sK4096	M	↗	<500	500-1,000	>1,000
$ Customer acquisition cost	sK1367	M	↘	>2,000	1,000-2,000	<1,000
Internal Processes - 2 Strategic Objectives / 4 KPIs						
Increase call handling efficiency						
# Call handling time	sK165	M	↘	>19	12-19	<12
% Agent schedule adherence	sK1384	M	↗	<80%	80-90%	>90%
Optimize service delivery capability						
% Processes optimized	sk2284	M	↗	<60%	60-80%	>80%
% Active running projects on time, on budget and according to specificatio	sk2863	M	↗	<30%	30-60%	>60%
People, Learning & Growth - 3 Strategic Objectives / 6 KPIs						
Build an environment that fosters creativity and innovation						
# Employee engagement index	sK1836	Q	↗	<75	75-95	>95
# Ideas for new / improved service from employees	sK4657	M	↗	<3	3-10	>10
Continuously develop skills and competences						
# Training hours per full time equivalent (FTE)	sK7	M	-	<2; >8	2-4; 6-8	4-6
% Employees meeting continuing professional development requirements	sk4673	Q	↗	<70%	70-80%	>80%
Nurture high performing and motivated employees						
% Employee satisfaction	sk5912	Q	↗	<60%	60-80%	>80%
% Employee turnover	sK1	M	-	<5%; >25%	5-10%; 20-25%	10-20%

1. Determine the trend of each KPI – the trend is favorable when: **increases, within range, decreases.**

2. Determine the thresholds and use colors to represent them – **below target, within target, above target.**

3. Define each threshold by setting specific levels of results: **<75; 75-95; >95%**

4. When defining thresholds and targets consider the frequency of reporting for each KPI.

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% CUSTOMER SATISFACTION and % FIRST CALL RESOLUTION RATE

Chunghwa Telecom

The method used was based in a scale from 1 to 5 (where 5 = the maximum level of satisfaction).

The scale from 1 to 5 was replaced by a scale from 1 to 10 (where 10 = the maximum level of satisfaction).

Key Performance Indicators for Customer Service Hotlines

	2009	2010	2011	
	Actual Value	Actual Value	Target Value	Actual Value
Rate of Response within 20 Seconds	82.61%	82.9%	81.5%	77.9%
Customer Satisfactio	4.74	4.59	4.37	4.57
First Call Resolution Rate	86.17%	79.6%	74.45%	79%

Customer Satisfaction Survey

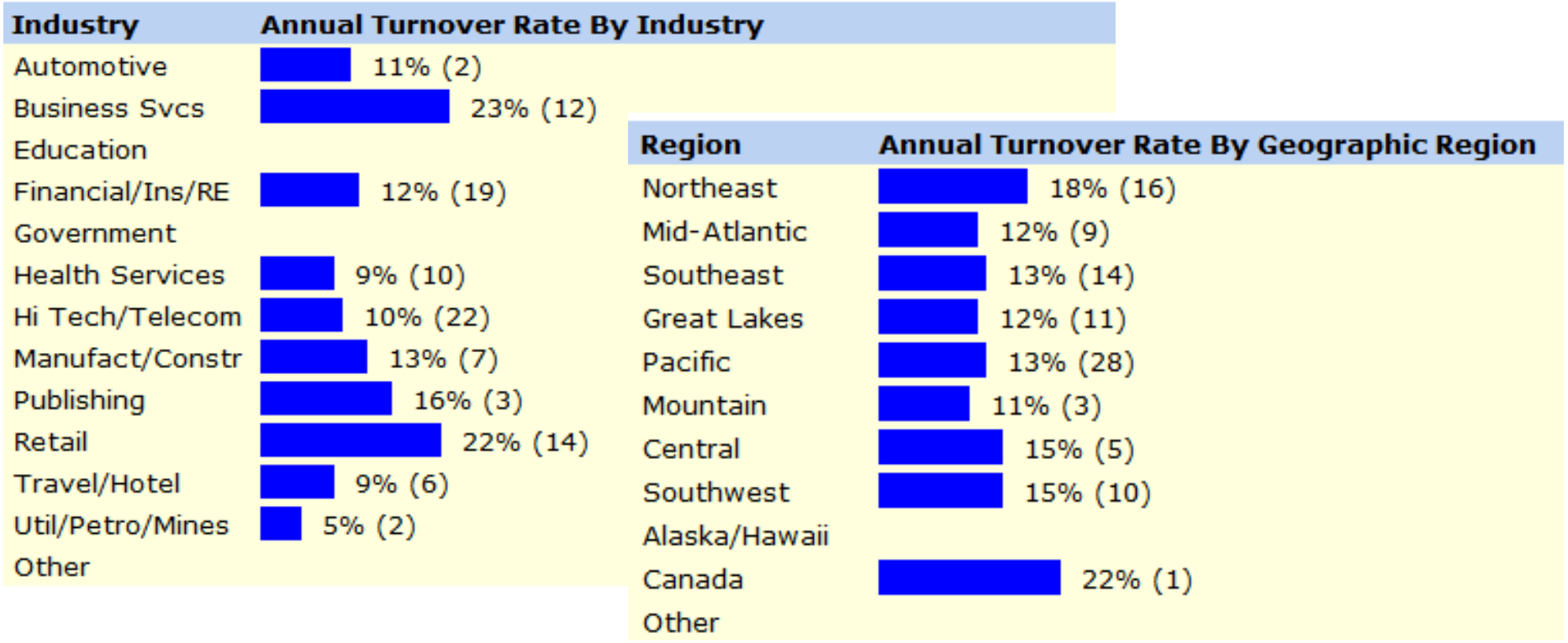
	2009	2010	2011
Large Enterprises	4.67	4.77	9.45
Small and Medium Enterprises	4.34	4.36	8.68
Customer	3.73	3.81	7.17

Source: http://www.cht.com.tw/en/csr/rpt_down/upload/files/2011_Corporate_Social_Responsibility_Report_All.pdf
http://www.annualreport2011.wartsila.com/en/ar/sustainability/personnel-and-social-performance/customer-satisfaction

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% EMPLOYEE TURNOVER

Turnover Rates For Fortune Magazine's 100 Best Companies



Source: http://www.nobscot.com/survey/surveyresults.cfm?id=2

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#EMPLOYEE ENGAGEMENT

Randstad

Each year, Randstad conducts a global people survey to research employee engagement levels throughout the Group. We target an overall engagement score of at least 7.5 on a 10-point scale. The 2012 result has slightly improved to 7.5, while participation rates again grew in 2012 to 81.4%, coming from 80.7% in 2011 (our target is at least 70).

employee engagement score

	2012	2011	2010
Total engagement	7.5	7.4	7.4
Participation rate	81.4%	80.7%	74.4%

source: people survey

employee engagement 2012 by geography

on a 10-point scale

	engagement score	participation rate
North America	8.2	81.8%
France	6.8	85.7%
Netherlands	7.4	74.2%
Germany	7.5	81.6%
Belgium & Luxembourg	7.8	73.8%
United Kingdom	7.5	83.1%
Iberia	8.0	91.2%
Other European countries	7.3	85.2%
Rest of the world	7.1	86.7%
Corporate	8.0	86.5%
	7.5	**81.4%**

source: people survey

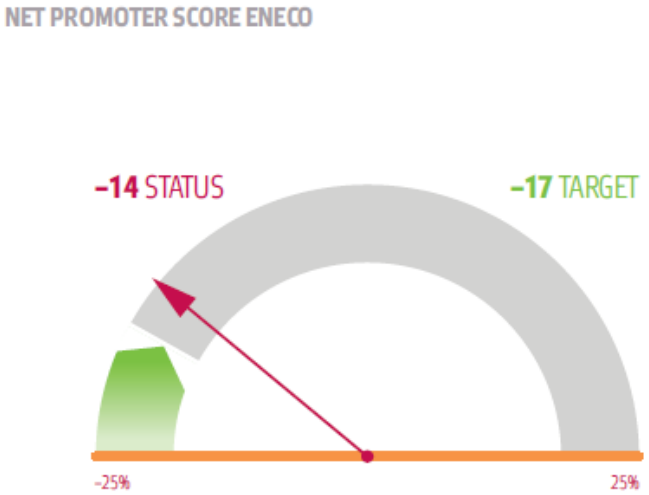
Source: http://www.randstadannualreport.com/pdfondemand/printpdf?docId=106363&nodes=108752

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% NET PROMOTER SCORE

According to Bain & Company studies:

- **Average firms have between 5 - 10% NPS**;
- Many companies, even entire industries have negative NPS
- Strong companies like Amazon, Rackspace, TD Bank, Harley Davidson, Zappos, Costco and Dell operate at NPS efficiency rating of 50 - 80%.

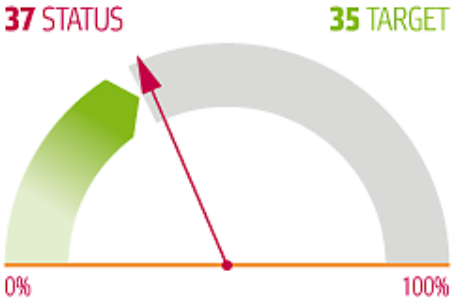


Source: *http://www.netpromotersystem.com/about/measuring-your-net-promoter-score.aspx*
http://annualreport2012.eneco.com/progress/strategic-kpis

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CO2 EMISSIONS

Eneco



KPI 10: CO2 emissions reduction per employee compared with 2007. Target met.

Generating energy together

Accessible, local and profitable production of energy together with customers

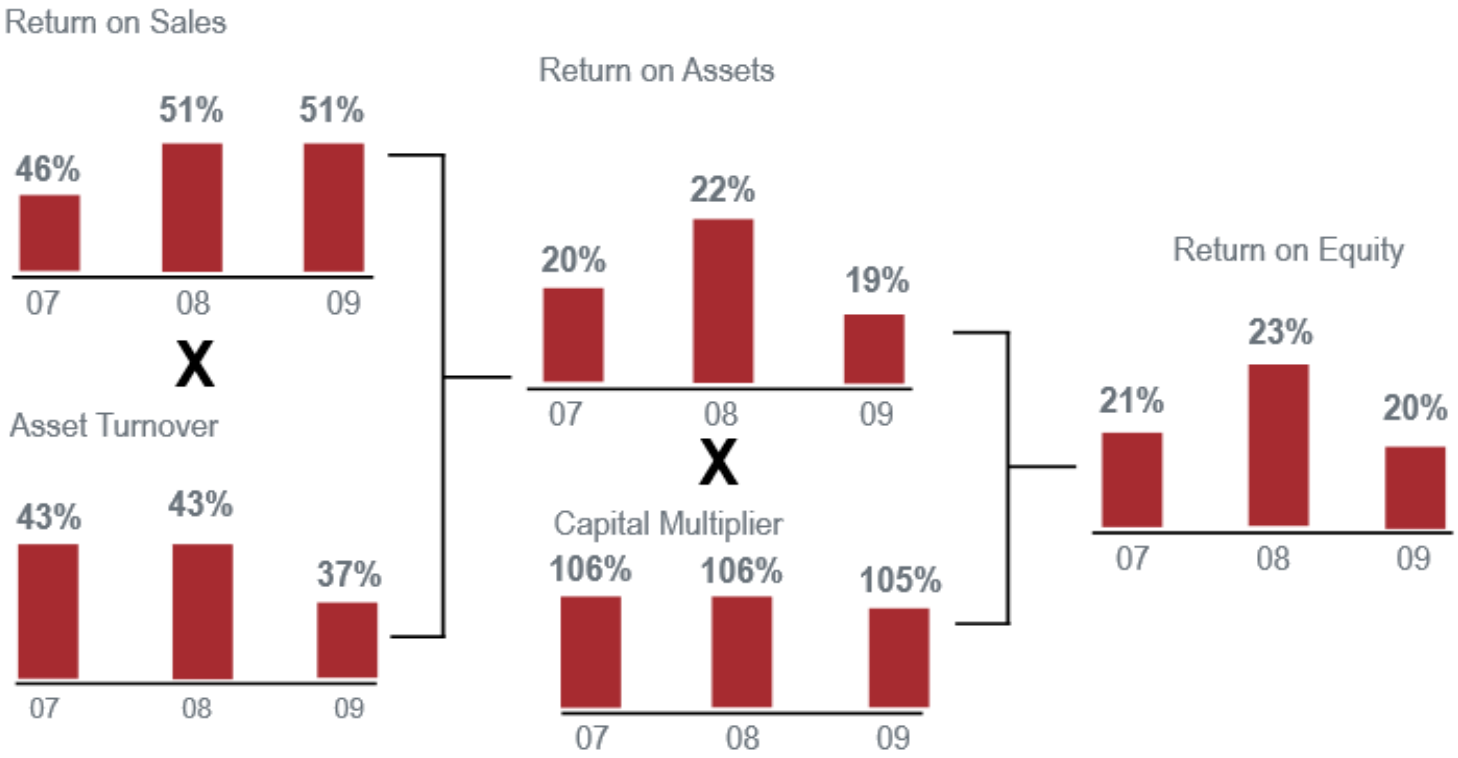
		Realisation 2011	Target 2012 [6]	Realisation 2012 [6]	Target 2013
4	Share of sustainable electricity production in total supply portfolio [%] [3]	9.9	≥ 15	12.6	≥ 20
5	CO_2 per produced kWh [gram] [3], [7]	154.1	≤ 300	226.9	≤ 300

Source: http://www.netpromotersystem.com/about/measuring-your-net-promoter-score.aspx
http://annualreport2012.eneco.com/progress/strategic-kpis

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% FINANCIAL RATIO

Panama Canal Authority



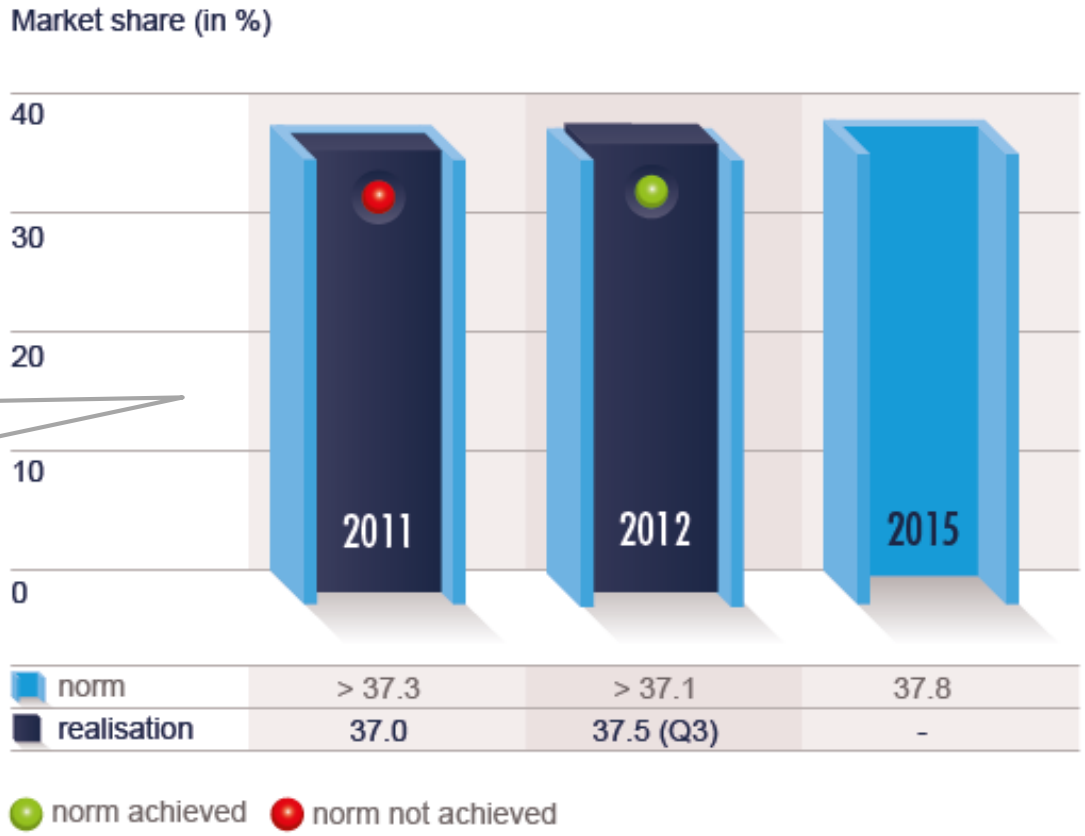
Source: http://www.netpromotersystem.com/about/measuring-your-net-promoter-score.aspx
http://annualreport2012.eneco.com/progress/strategic-kpis

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% MARKET SHARE

Port of Rotterdam

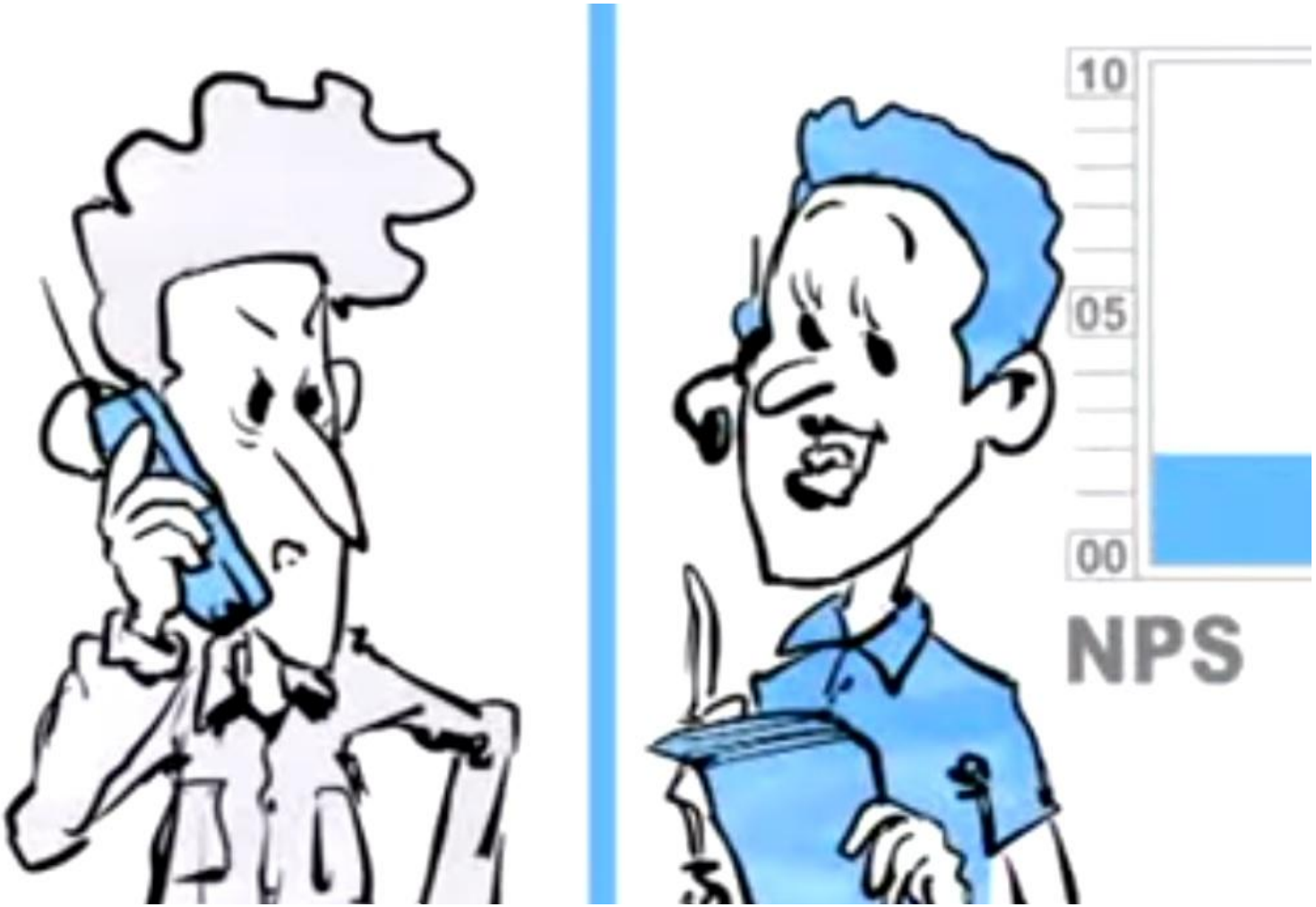
It is a good practice to monitor the achievement of targets using traffic lights symbols.



Source: *http://www.netpromotersystem.com/about/measuring-your-net-promoter-score.aspx*
http://annualreport2012.eneco.com/progress/strategic-kpis

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VIDEO



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CHALLENGES IN WORKING WITH TARGETS

Which negative behaviors are associated with performance based pay? Allocate the correct number in front of each statement.

Match	Description	No.	Behavior
	Establishing lower targets than the realistic level estimated as possible.	1	Gaming
	Looking after the achievement of own targets, without consideration of the implications for other areas in the organization.	2	Sandbagging
	Disregarding environmental and safety considerations in the process of meeting targets.	3	Tunnel behavior
	Influencing results through unapproved means to ensure target achievement.	4	Unethical behavior

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NEGATIVE BEHAVIORS CATALOGUE

No.	Organization	Industry	Year	Behavior
1	Atlanta Public Schools	Education	2001-2011	Gaming
2	Bank of America	Banking	2011	Unethical behavior
3	Ford Motor Company	Automotive	1967	Unethical behavior
4	Sears, Roebuck and Co.	Retail	Early 1990s	Unethical behavior
5	Stafford Hospital	Healthcare	2005-2008	Tunnel behavior
6	Victorian Hospitals	Healthcare	2009	Gaming
7	Victorian Hospitals	Healthcare	2010	Tunnel behavior

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SESSION REVIEW

1. KPI documentation form functions:
    - Provides an easier understanding of KPIs;
    - Facilitates communication;
    - Prepares KPIs activation;
    - Enables automation;
    - Ensures knowledge management;
    - Educates stakeholders;
    - Contributes to buy-in;
2. Metadata fields of KPI documentation form: definition, target;
3. Target setting references: approaches, contextual analysis, comparative data;
4. Differences in target setting of generic and specific KPIs;
5. Negative behaviors of target setting: gaming, sandbagging, tunnel behavior, unethical behavior.

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AGENDA

DAY 1

5 Data Visualization

1. Data visualization guidelines
2. Commonly used graphs in practice
3. Usability in terms of visual design
4. In practice: Examples of performance reports
5. KPI toolkit spotlight

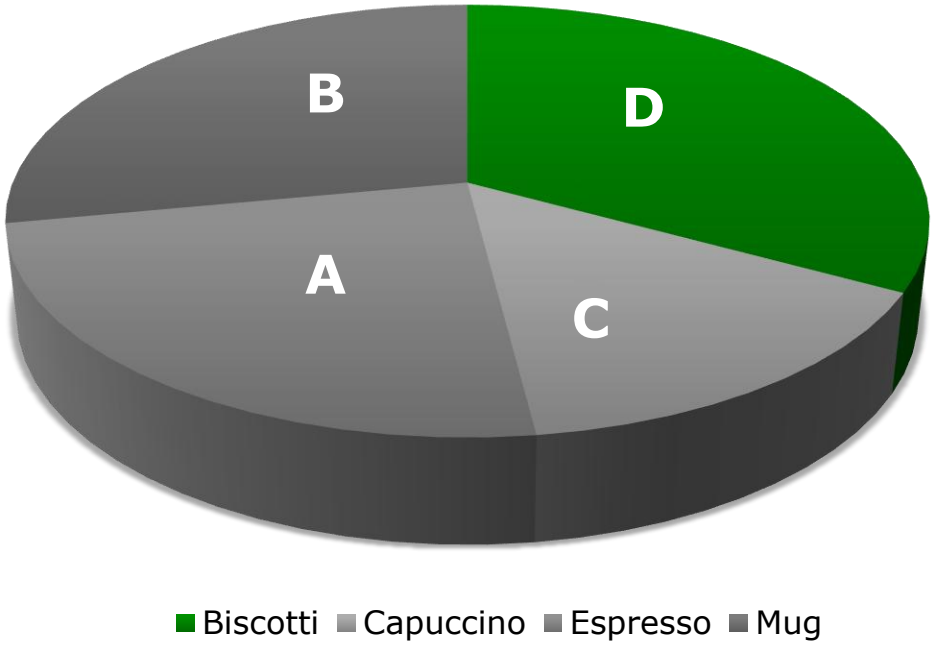
Key Learning Points

1. Understand how data can be represented by different types of graphs
2. Define rules in data visualization
3. Review graphs in practice
4. Analyze examples of performance reports
5. Identify advantages and disadvantages of scorecards and dashboards design

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DATA VISUALIZATION GUIDELINES

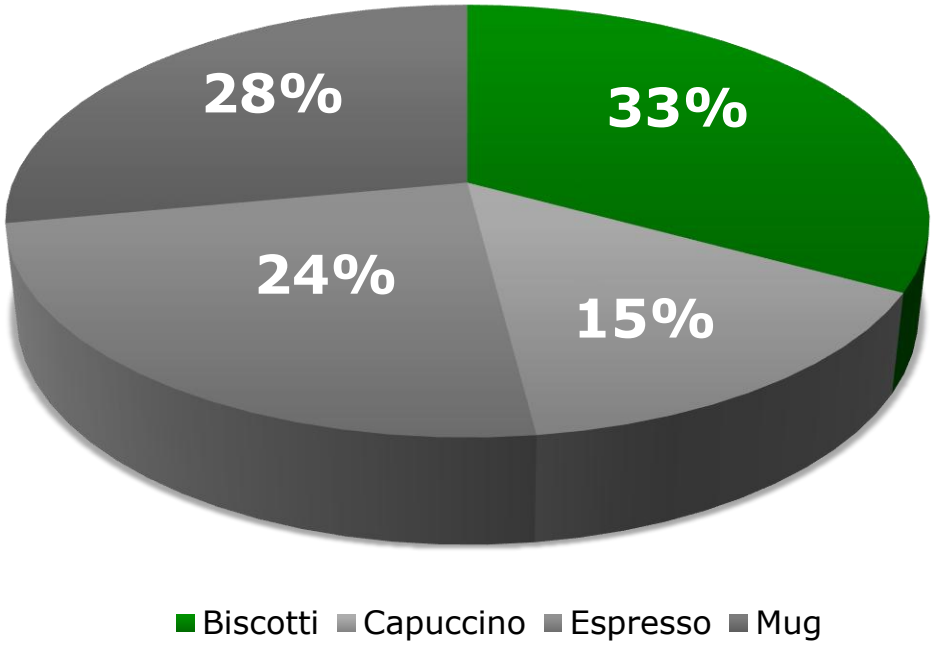
Exercise: The importance of data visualization Estimate the value of A, B, C and D.



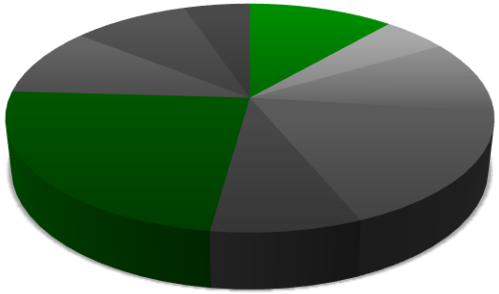
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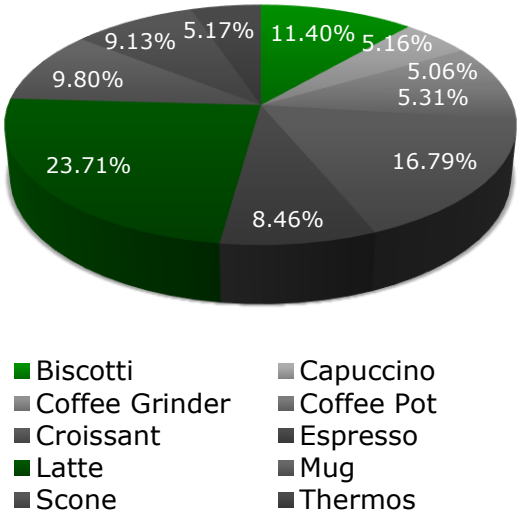
DATA VISUALIZATION GUIDELINES

Conclusion: Pie charts are not ideal for graphical representation of data.

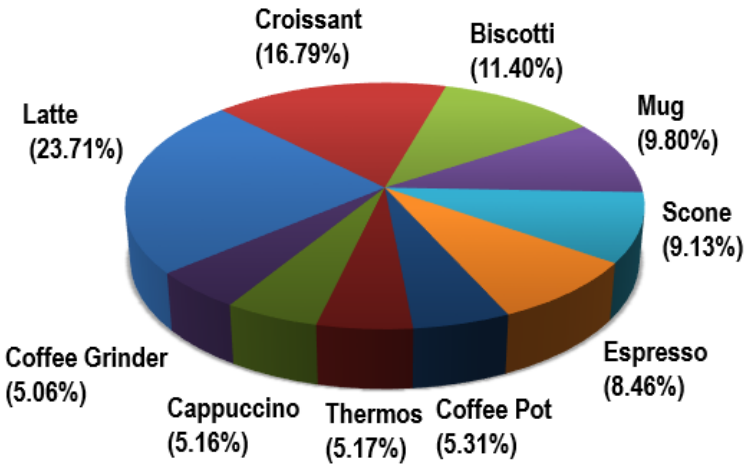


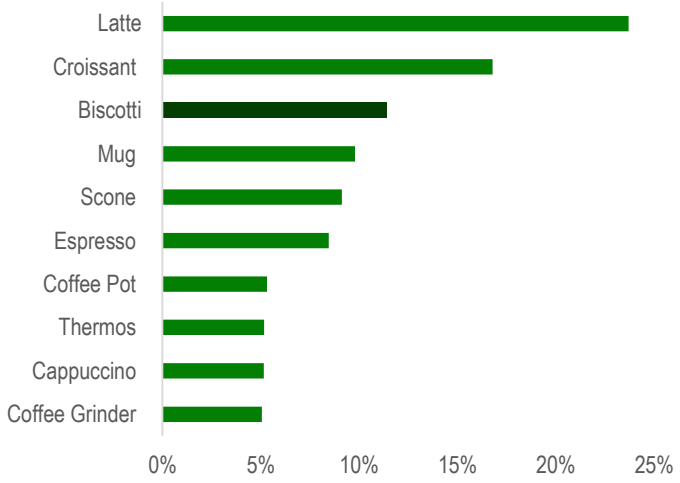
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Product	Share
Latte	23,71%
Croissant	16,79%
Biscotti	11,40%
Mug	9,80%
Scone	9,13%
Espresso	8,46%
Coffee Pot	5,31%
Thermos	5,17%
Cappuccino	5,16%
Coffee Grinder	5,06%





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TRENDS IN DATA VISUALIZATION

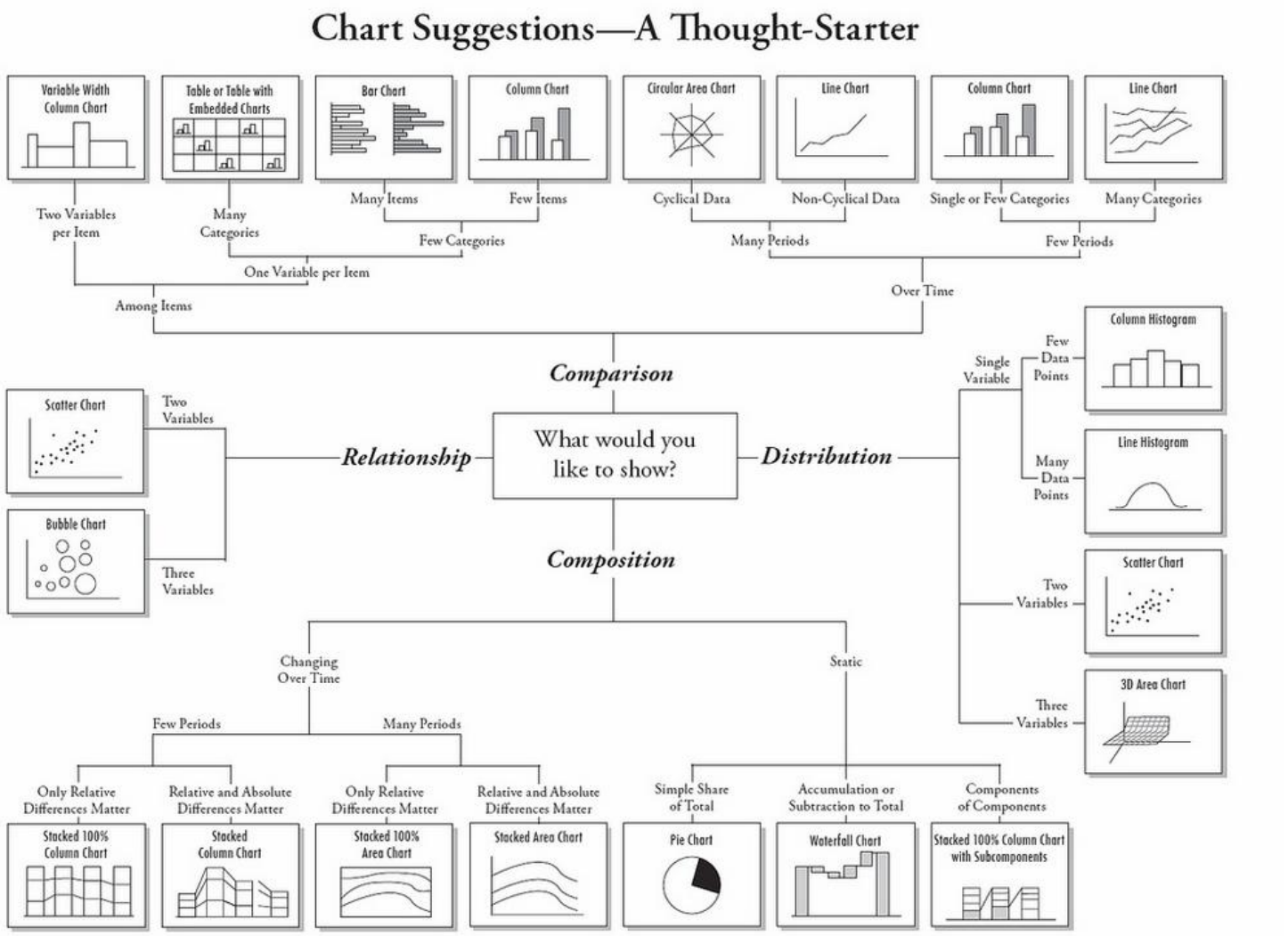
Data visualization is important, not only data in itself. (Image of New York City Mayor, Michael Bloomberg, at a press conference).

March 2010 – USA President, Barack Obama named Edward Tufte (Yale university emeritus professor in political sciences, statistics and information technology at Yale University), as a representative in "Recovery Independent Advisory Panel" (responsible for monitoring the $787 billions allocated to the economic recovery efforts).



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DATA VISUALIZATION GUIDELINES (1)

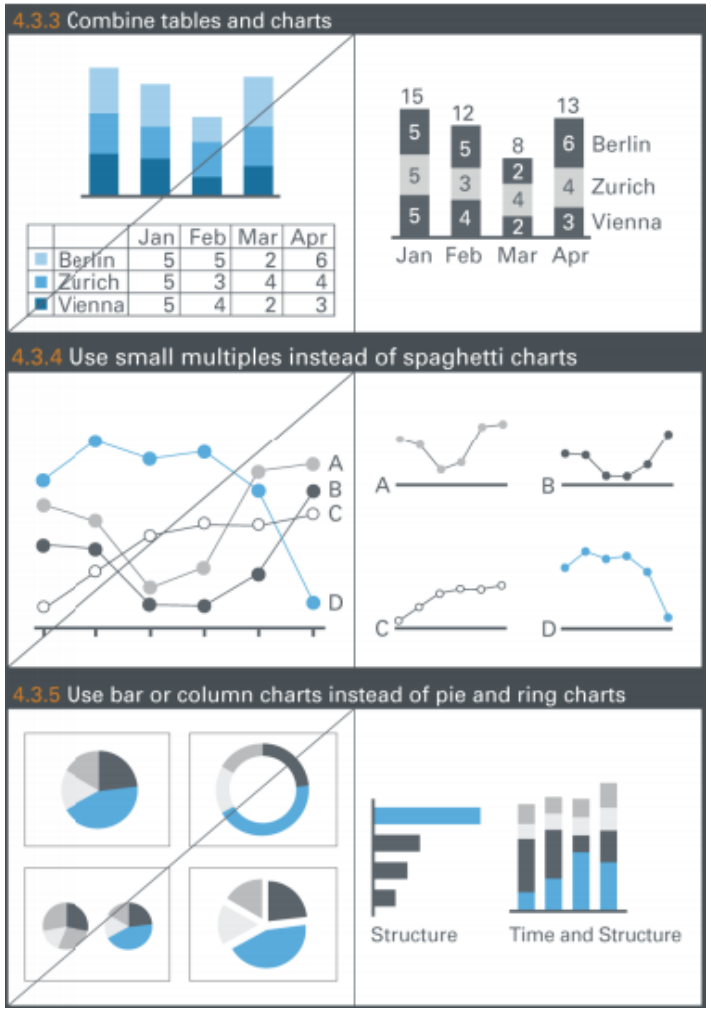


Source: http://www.labnol.org/software/find-right-chart-type-for-your-data/6523/

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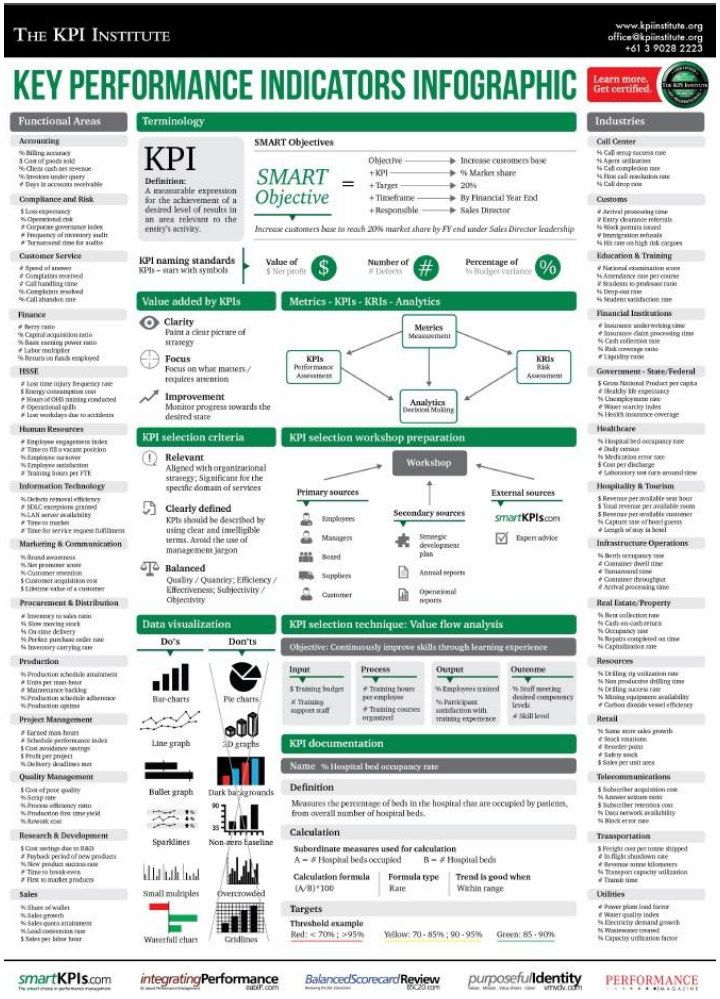
Graphical Representation Checklist:

- ✓Is it necessary that the viewer makes his own calculations?
- ✓Is data missing?
- ✓Are the axes visible enough?
- ✓Do lines intersect the data?
- ✓Is there an informative title?
- ✓Are all tags correctly associated with the graph elements?
- ✓Are there too many dimensions in the graph?
- ✓Are there scales for all axes included?
- ✓Is 0 included in all line graphs?



Source: http://www.hichert.com/downloads/shop/Poster/SUCCESS_RULES_A1.pdf

DATA VISUALIZATION GUIDELINES (3)



Source: http://store.kpiinstitute.org/key-performance-indicators-infographic.html

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GRAPHS IN PRACTICE CATALOGUE

1. Area charts
2. Bar charts
3. Bubble charts
4. Bullet graphs
5. Dial graphs
6. Doughnut charts
7. Histograms
8. Line charts
9. Pie charts
10. Radar charts
11. Small multiples
12. Spaghetti charts
13. Sparkline
14. Waterfall chart

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COMMONLY USED GRAPHS IN PRACTICE

1. Bar charts
2. Bullet graphs
3. Dial charts
4. Line charts
5. Pie charts
6. Sparkline

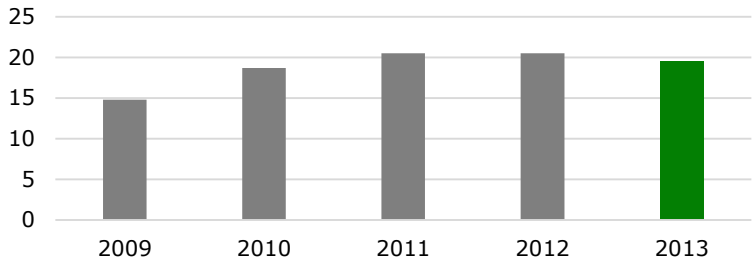
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BAR CHARTS

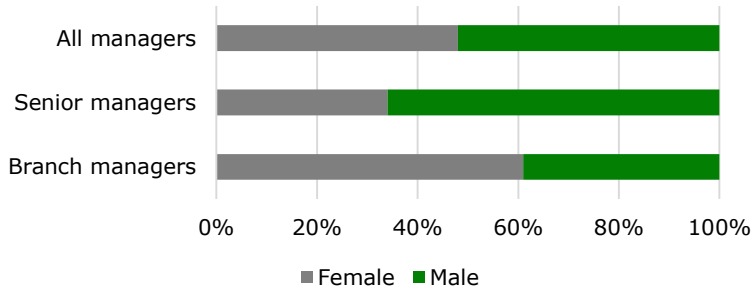
For comparing individual values

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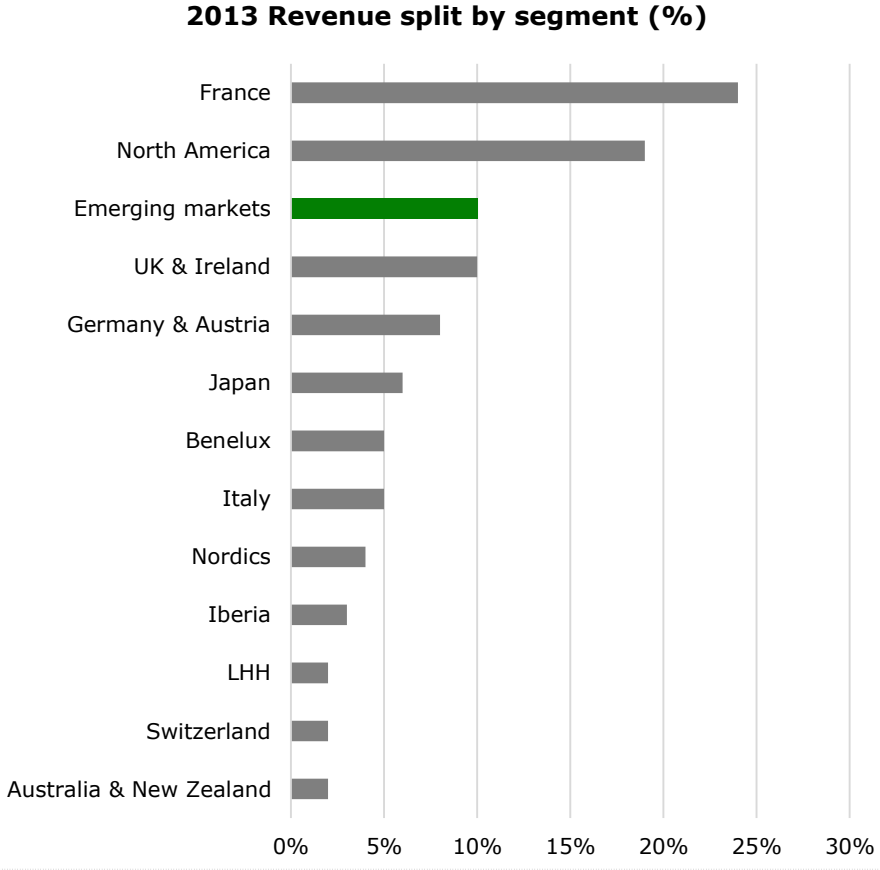
Column chart



Stacked-bar chart



Bar chart



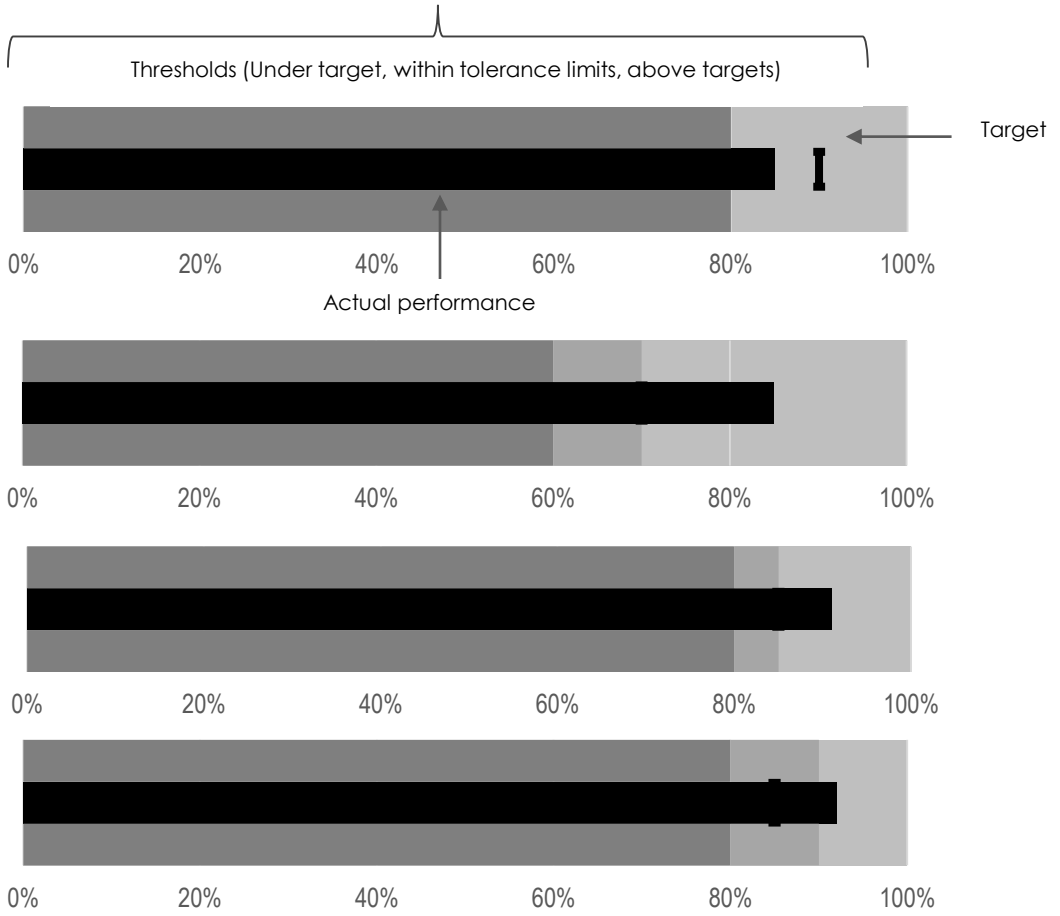
Source: Adapted from http://annualreport2013.adecco.com/fileadmin/user_upload/redakteure/ar2013/pdf/Adecco_Group_AR2013.pdf

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BULLET GRAPH

To compare actual results to targets

1. % Community satisfaction
2. % Medical practitioner satisfaction
3. % Practice manager satisfaction
4. % Pharmacist satisfaction
5.
6.



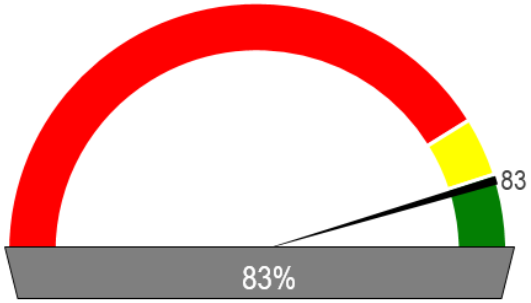
Source: Adapted from http://www.humanservices.gov.au/spw/corporate/publications-and-resources/annual-report/resources/0910/medicare-australia-annual-report-0910-full-report.pdf

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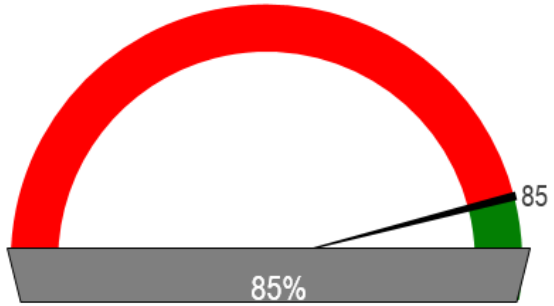
DIAL CHARTS

Useful for signaling threshold values

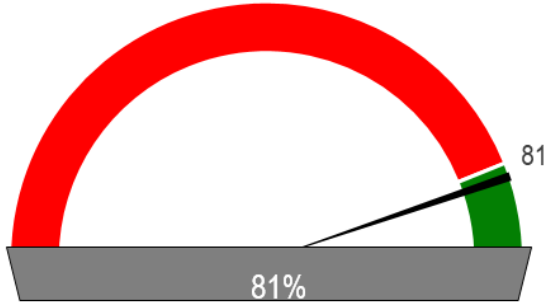
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Quality of road surface



Congestion Free Travel on Interstates
Daily Updates



Projects on time

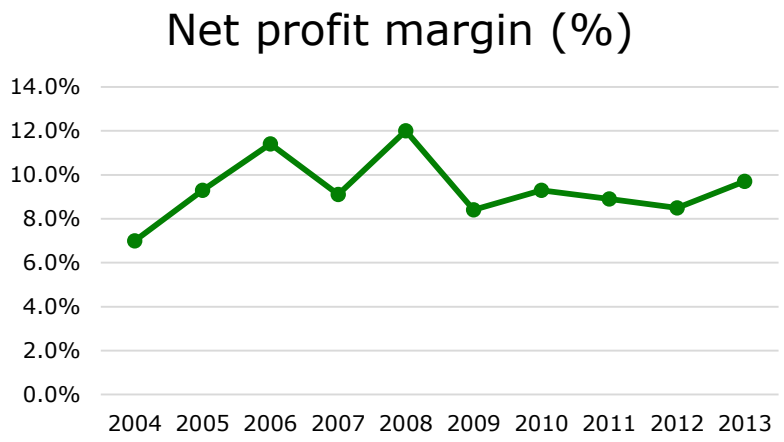
Source: Adapted from http://dashboard.virginiadot.org/default.aspx

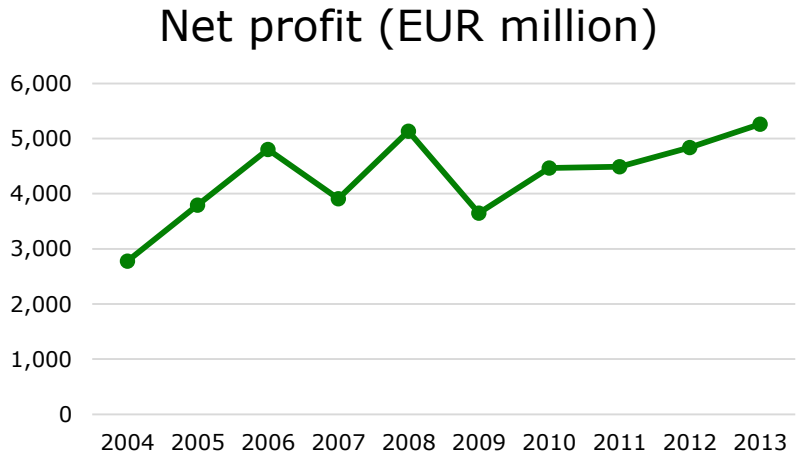
© The KPI Institute 2014

LINE CHART

Useful to track **trends**

1
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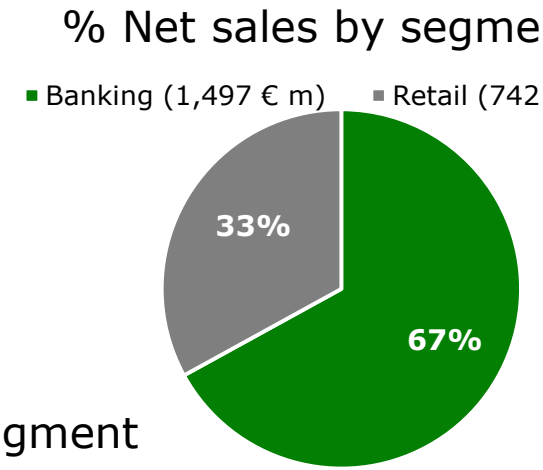
Source: Adapted from http://www.unilever.com/images/ir_UNI_10-Year_Charts_2013_030314_tcm13-384260.pdf

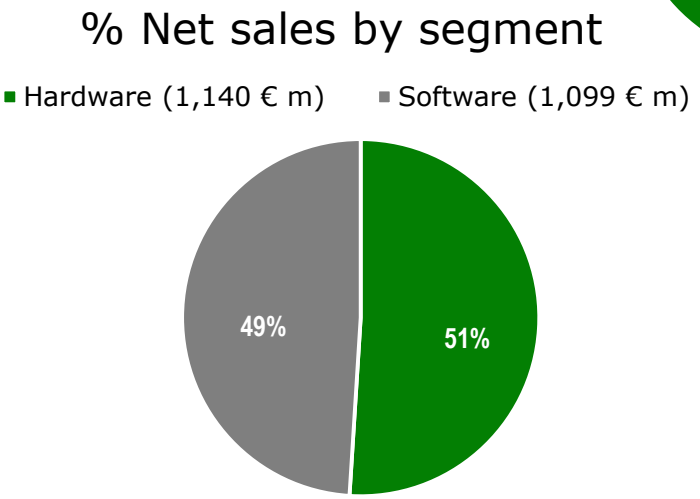
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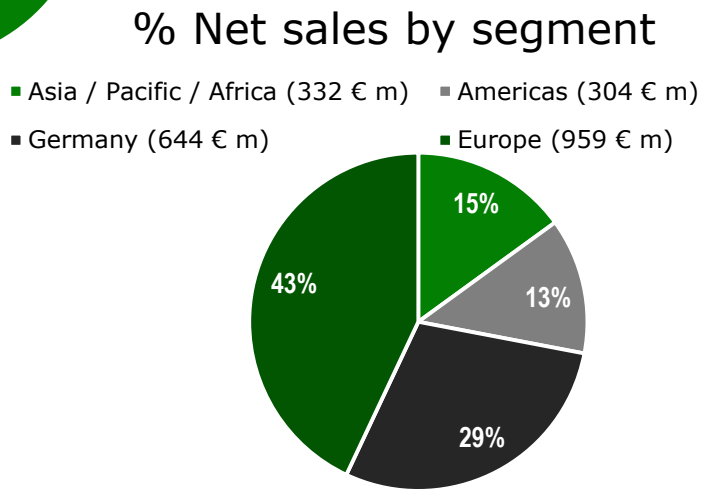
PIE CHART

Useful to compare different parts of a whole

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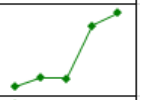
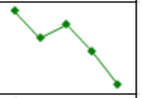
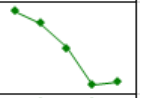
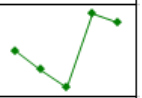
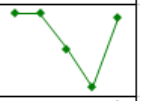
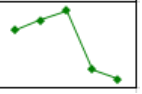
Source: http://www.wincor-nixdorf.com/static/finanzberichte/2009-2010/q4/en/servicepages/imagepopup/27278.html?cat=b

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SPARKLINE

To show data **trends** in a condensed manner

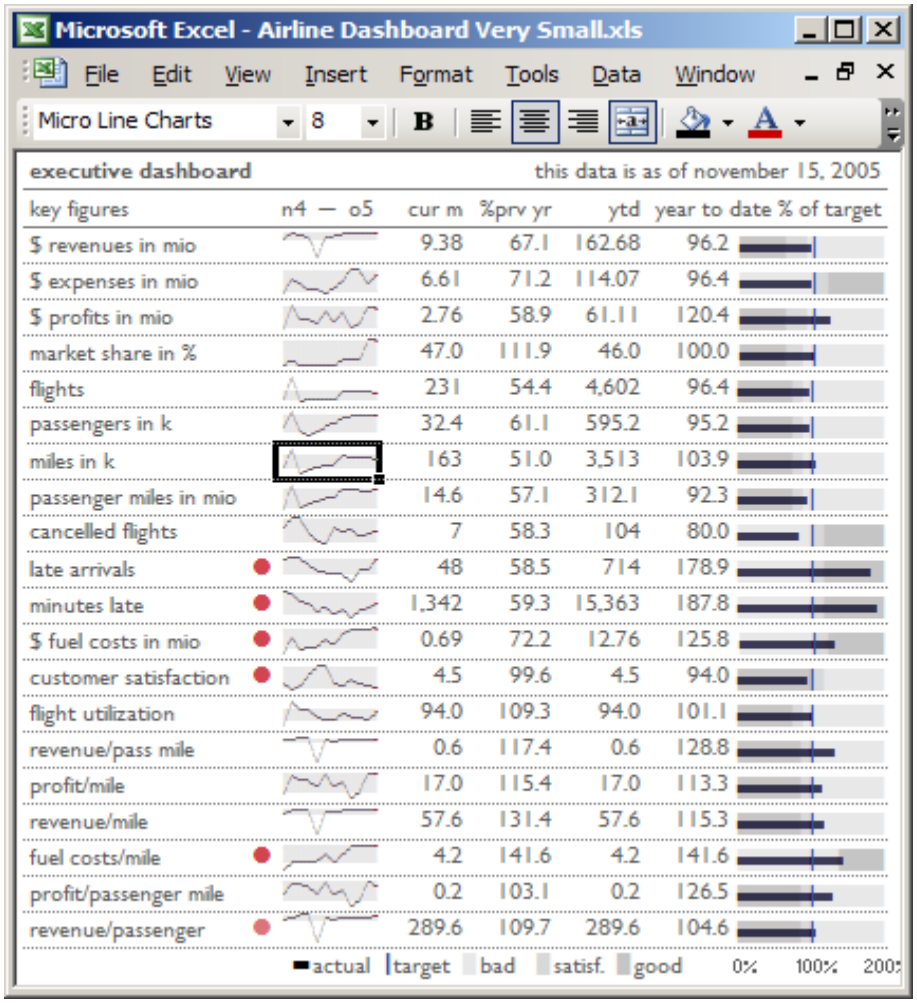
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KPI	2007	2008	2009	2010	2011	Trend
# Customer satisfaction with HR solutions, products and services	84	84	84	80	100	
# Retirement claims processing timeliness (days)	30	42	41	108	125	
% Customers satisfied with overall retirement services	87%	83%	85%	81%	76%	
# Days to pay Federal Employess Group Life Insurance claims	6.7	6.3	5.5	4.3	4.4	
% Agencies with violations of veterans preference laws, rules and regulations	25%	33%	18%	33%	30%	
% Health benefits calims processed within 30 working days	97%	99%	98%	99%	98%	
% Deficient investigations due to errors in investigation processing	0.12%	0.10%	0.08%	0.16%	0.15%	
% Payments processed using Prompt Pay Act guidelines	99.9%	99.9%	92.9%	85.3%	98.9%	
$ Unit cost for processing retirement claims	80.03	74.28	81.97	105.94	107.62	
% Federal long-term care insurance program customers satisfied with overall customer	97%	98%	99%	93%	92%	

Source: Adapted from http://www.opm.gov/about-us/budget-performance/performance/2011-annual-report.pdf

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SPARKLINES & BULLET GRAPHS DASHBOARD



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USABILITY IN TERMS OF VISUAL DESIGN

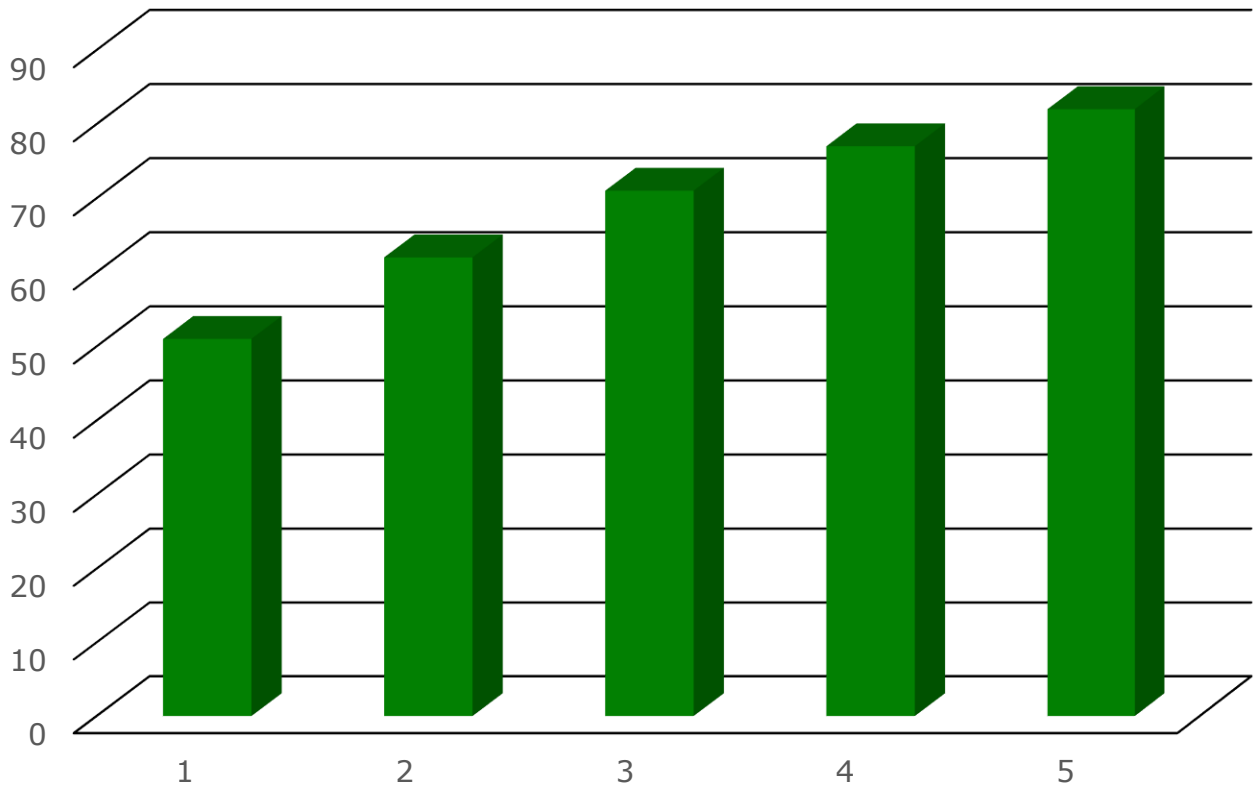
1. 3D
2. Pie chart
3. Donut chart
4. Crowded graphs
5. Scales from 0
6. Background

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USABILITY IN TERMS OF VISUAL DESIGN

3D or not?

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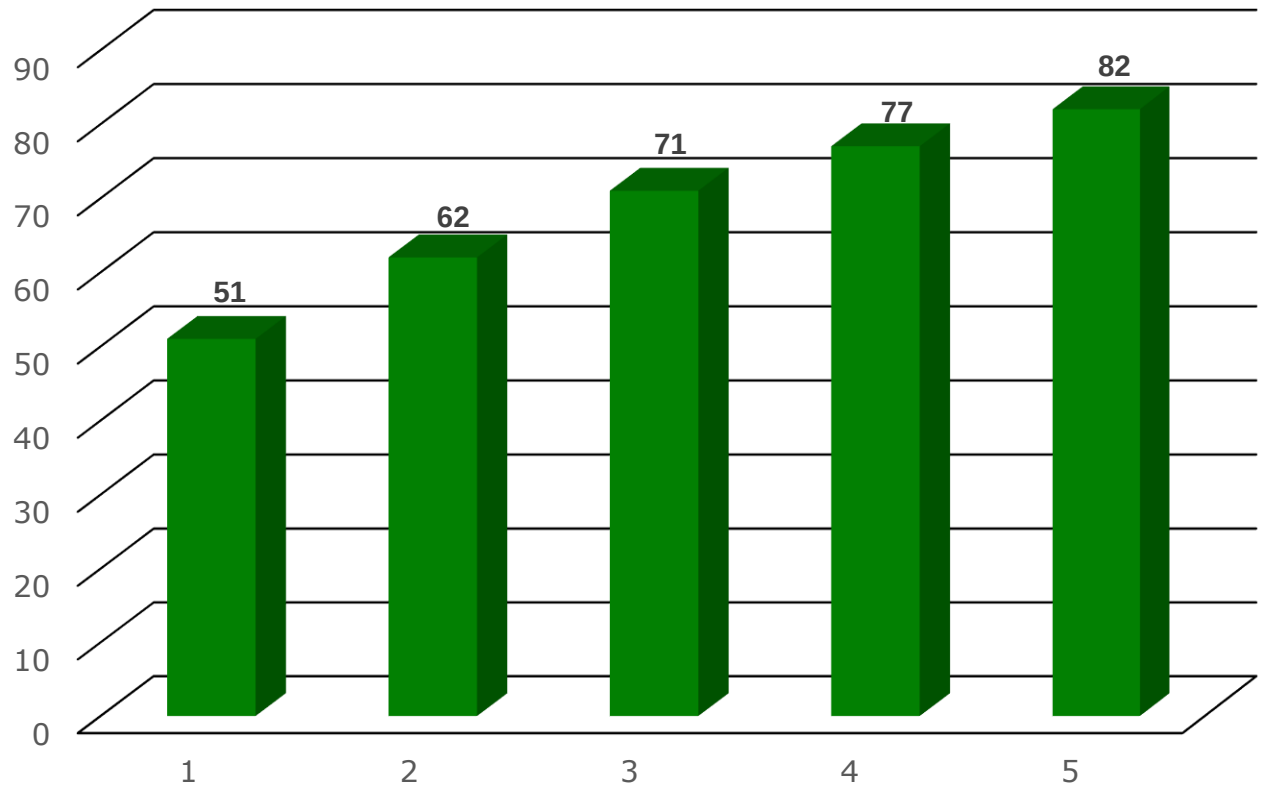
Source: Adapted from http://annualreport2013.adecco.com/fileadmin/user_upload/redakteure/ar2013/pdf/Adecco_Group_AR2013.pdf

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USABILITY IN TERMS OF VISUAL DESIGN

3D or not?

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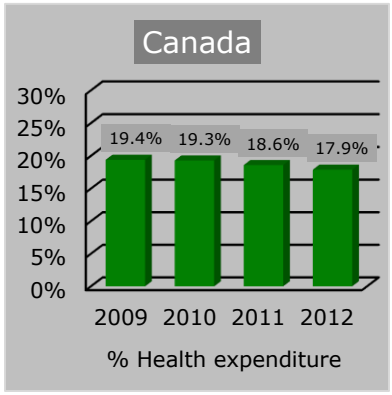
Source: Adapted from http://annualreport2013.adecco.com/fileadmin/user_upload/redakteure/ar2013/pdf/Adecco_Group_AR2013.pdf

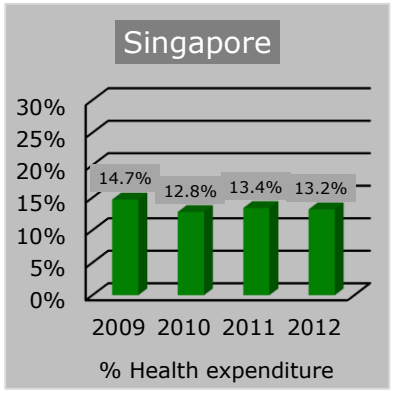
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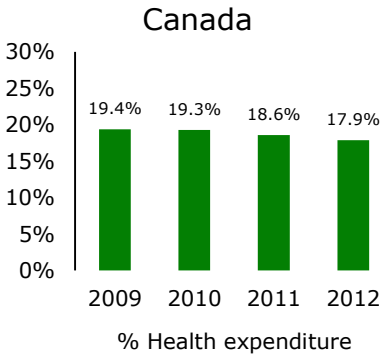
USABILITY IN TERMS OF VISUAL DESIGN

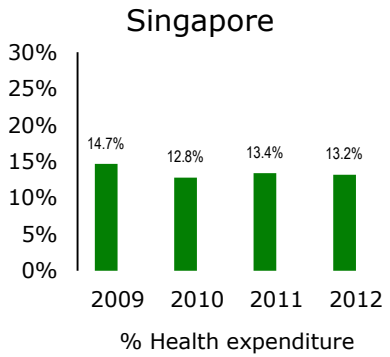
Avoid 3D graphics

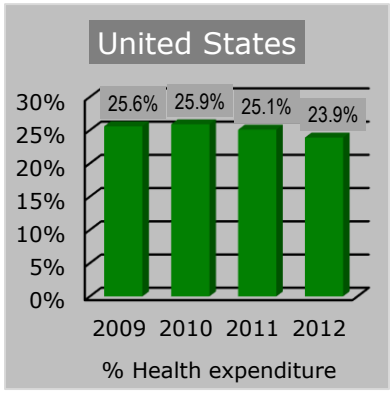
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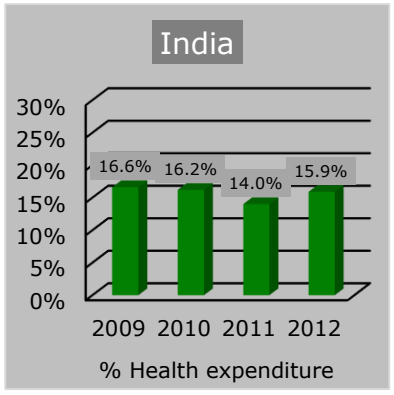


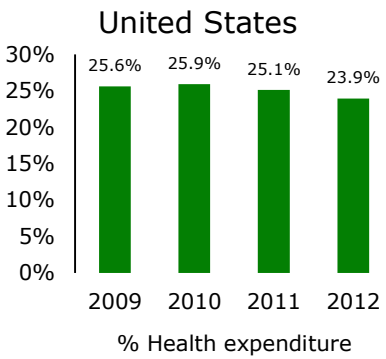


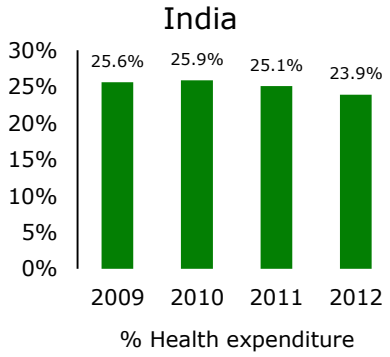












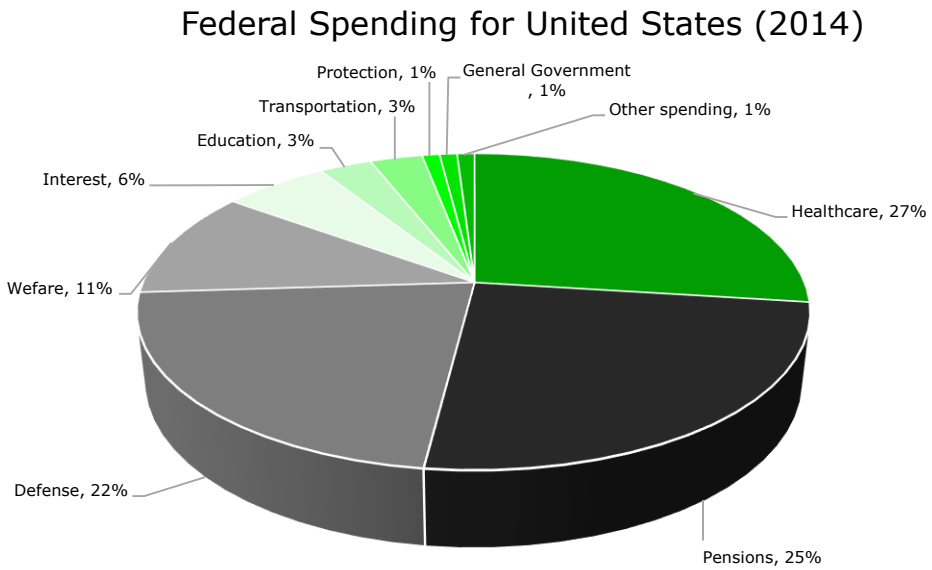
Source: Adapted from http://data.worldbank.org/indicator/GC.XPN.TOTL.GD.ZS/countries/1W-DE?display=default

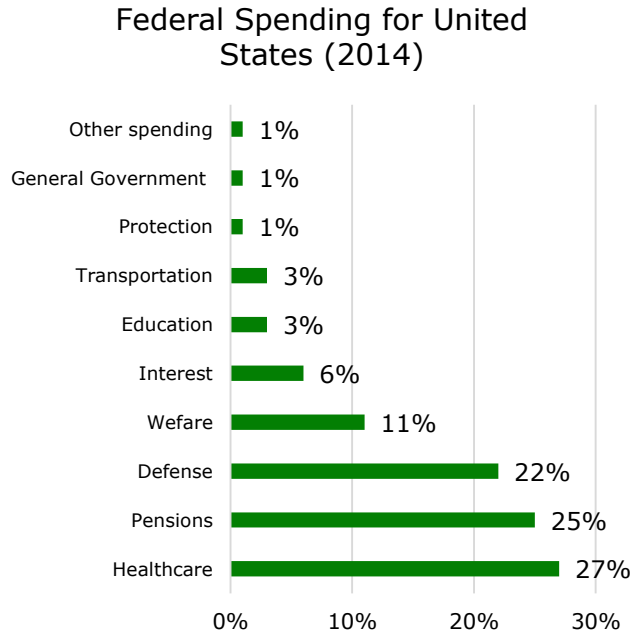
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USABILITY IN TERMS OF VISUAL DESIGN

Pie charts: Inefficient use of space

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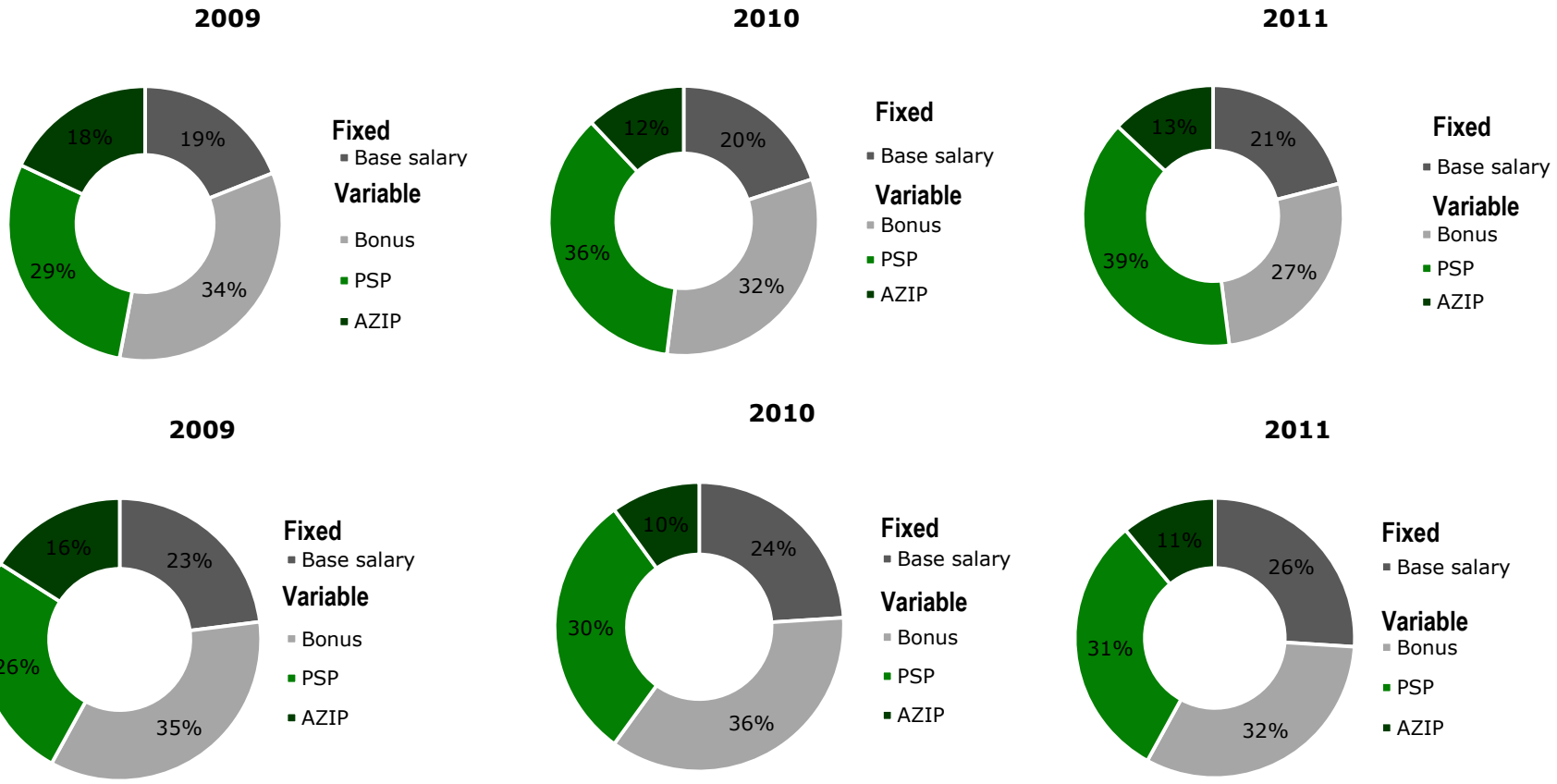
Source: Adapted from http://www.usgovernmentspending.com/federal_budget_pie

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USABILITY IN TERMS OF VISUAL DESIGN

Doughnut charts = an ink saving version of pie-charts

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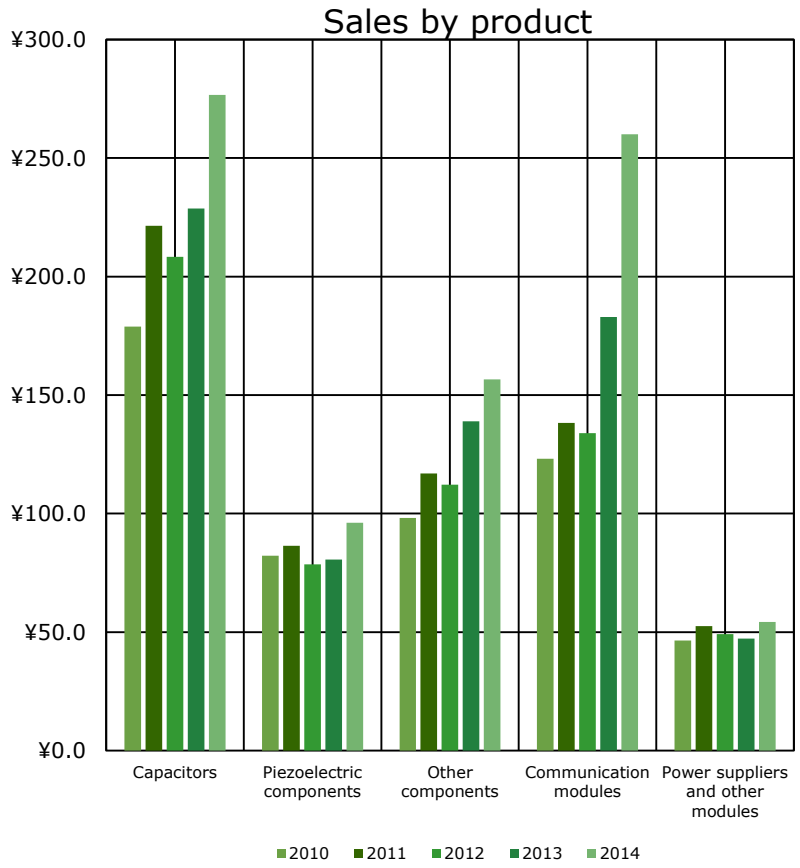
Source: Adapted from http://www.astrazeneca-annualreports.com/2011/documents/pdfs/annual_report_pdf_entire.pdf

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USABILITY IN TERMS OF VISUAL DESIGN

Avoid **crowded** graphs

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Too much information on one graph, creates confusion and relevant data is no longer spotted.

Source: Adapted from http://www.murata.com/ir/information/sales_product/index.html

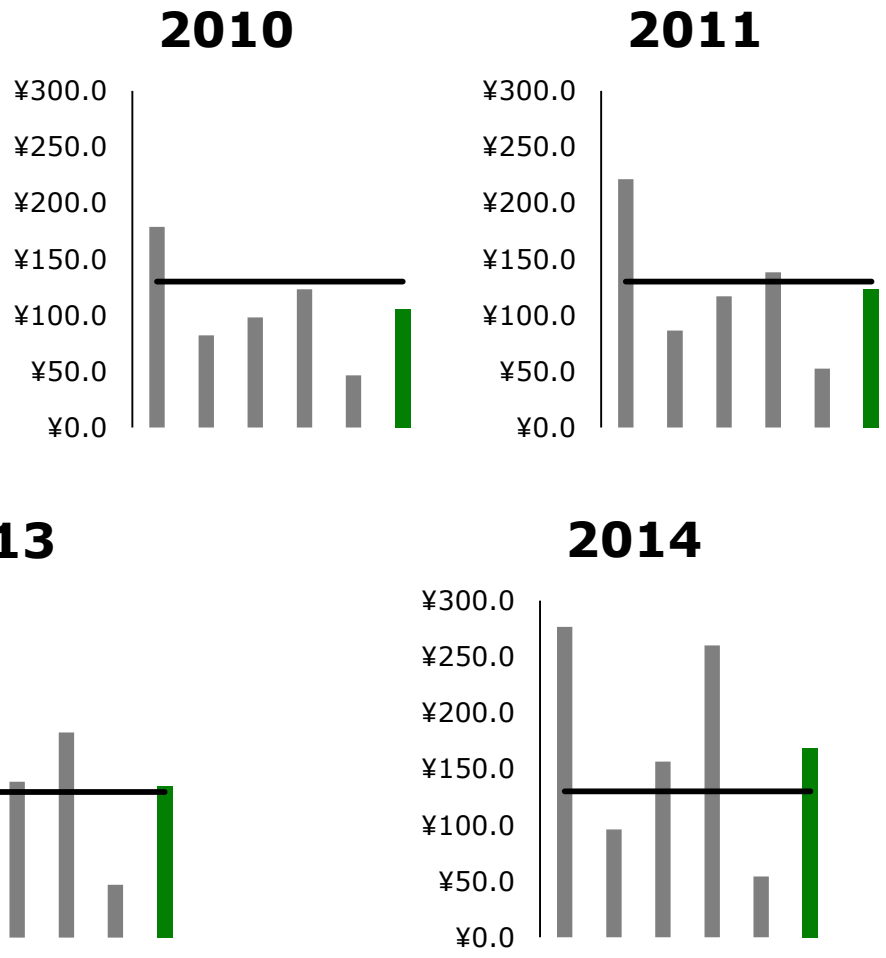
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USABILITY IN TERMS OF VISUAL DESIGN

Avoid **crowded** graphs

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*The black line represents the average value of the 5 analyzed years
*The green column represents the average sales value of all products



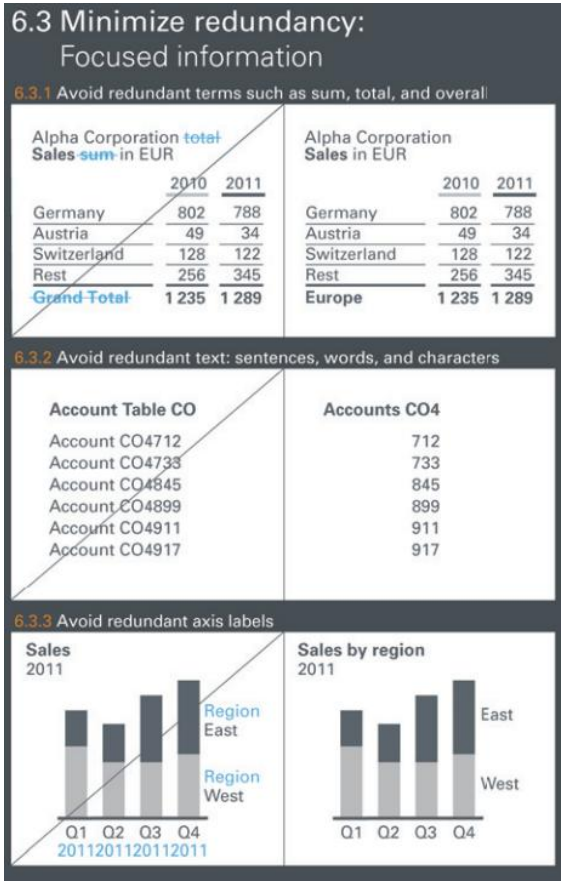
Source: Adapted from http://www.murata.com/ir/information/sales_product/index.html

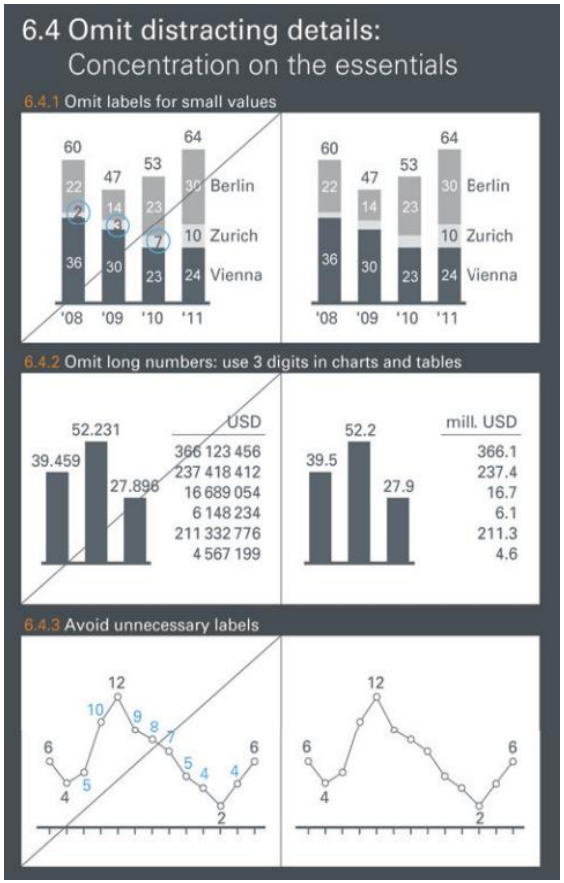
USABILITY IN TERMS OF VISUAL DESIGN

"Simplicity is the ultimate sophistication" – Leonardo DaVinci

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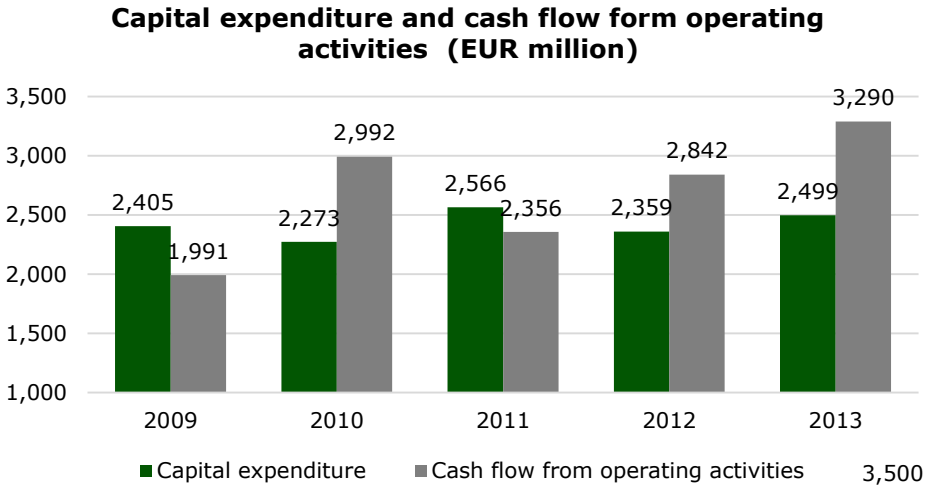
Source: http://www.hichert.com/downloads/shop/Poster/SUCCESS_RULES_A1.pdf

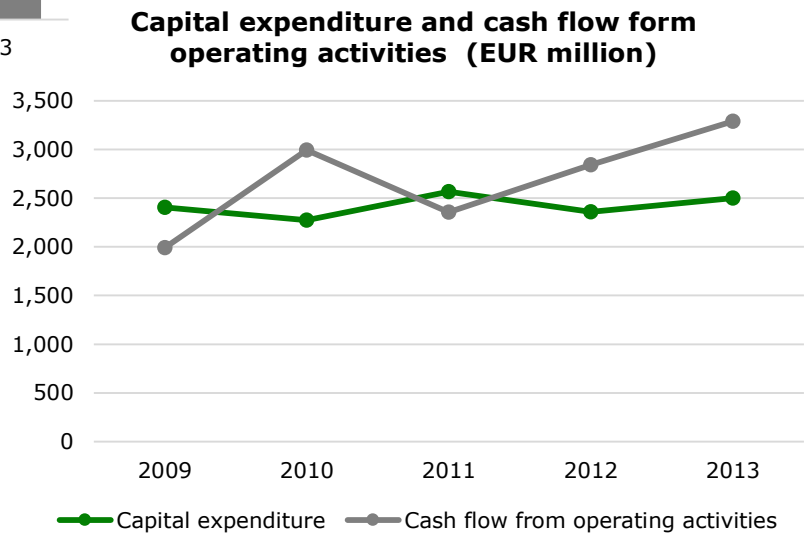
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USABILITY IN TERMS OF VISUAL DESIGN

Scales should start from 0

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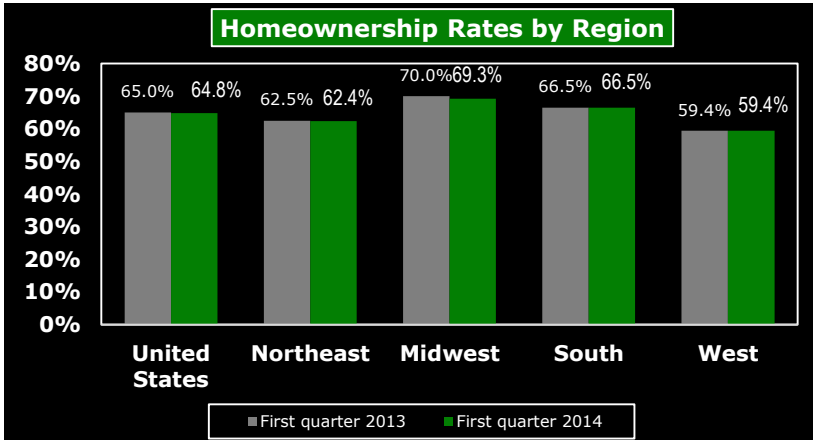
Source: Adapted from *http://investor-relations.lufthansagroup.com/fileadmin/downloads/en/financial-reports/annual-reports/LH-AR-2013-e.pdf*

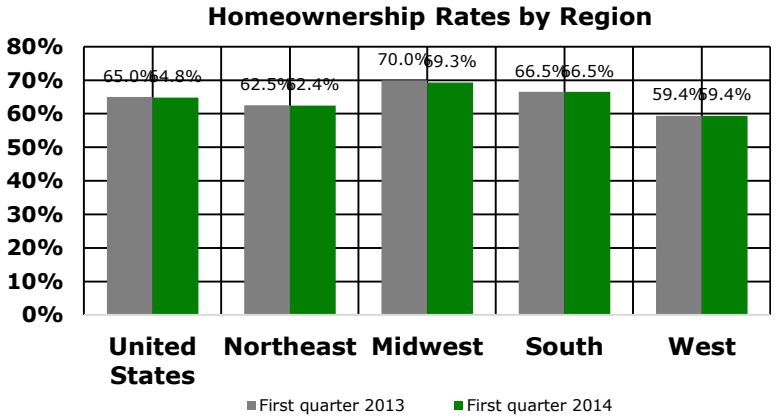
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USABILITY IN TERMS OF VISUAL DESIGN

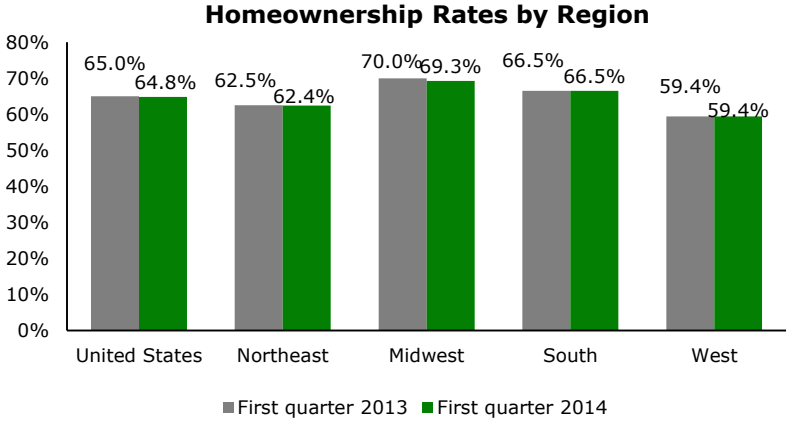
Background

1 2 3 4 5 6





Strong colors are not recommended for backgrounds



Avoid using strong gridlines, as they hinder visibility of data.

Source: Adapted from http://www.census.gov/housing/hvs/files/qtr114/hown114.png

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IN PRACTICE: Examples of performance reports

Eskom

The South African government, represented by the Minister of Public Enterprises, is Eskom's sole shareholder

Each year, in consultation with the shareholder, Eskom agrees on its performance objectives, measures and indicators, as well as its annual targets, in line with the Public Finance Management Act (1999).

The table below sets out Eskom's performance for the year to 31 March 2014 in terms of the shareholder's compact. All key performance indicators (KPIs) on the compact refer to the Eskom company only. Commentary on performance is contained in the "Performance on strategic objectives" section of this report.

Key performance indicators of the shareholder's compact

Key performance areas	Performance indicator	Unit	Target 2013/14	Target achieved?	Actual 2013/14	Actual 2012/13	Actual 2011/12	Page ref
Focus on safety	Employee lost-time incidence rate (LTIR)	Index	0.36	✓	0.31	0.40[1]	0.41	85
Keep the lights on	Maintenance backlog reduction based on Eskom technical governance committee approval	Number	0	✓	0	–	n/a	106, 114
	IDM demand savings	MW	379	✓	410	595	365	106, 111
	Internal energy efficiency	GWh	15.0	✓	19.4	28.9	45.0	106, 113
Put customer at the centre	Customer service index	Index	88.7	✗	86.6	86.8	85.6	96
Improve operations	Normal UCLF[2]	%	10.00	✗	12.61	12.12	7.97	89, 91
	Less: Constrained UCLF[3]	%	–	–	*1.63*	*3.41*	–	
	Underlying UCLF[4]	%	–	–	*10.98*	*8.71*	–	
	EAF	%	80.0	✗	75.13	77.65	81.99	
	Total system minutes lost for events <1 minute	Minutes	3.40	✓	3.05	3.52	4.73	89, 93
	SAIDI[5]	Hours	45.0	✓	37.0	41.9	45.8	

South West Water Company

KEY PERFORMANCE INDICATOR

LEAKAGE ML LOST PER DAY

2012/13	84.2
2011/12	81.3
2010/11	83.7
2009/10	82.4
2008/09	84.2

Leakage control

In 2012/13 South West Water met its leakage target of 84Ml lost on average per day.

The company expanded its pressure management activity to reduce water losses in the network, increased its use of remote technologies to improve the efficiency of its leak detection teams, and took steps to improve the analysis of flow data in order that potential problems can be identified more quickly.

South West Water works with its leak detection and repair partners to ensure that additional resources are in place, when necessary, to meet the challenge of extreme weather events. The company also continues to encourage customers to report leaks and bursts using on and offline systems, including via social media.

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IN PRACTICE: Examples of performance reports

Middlesex Water Company

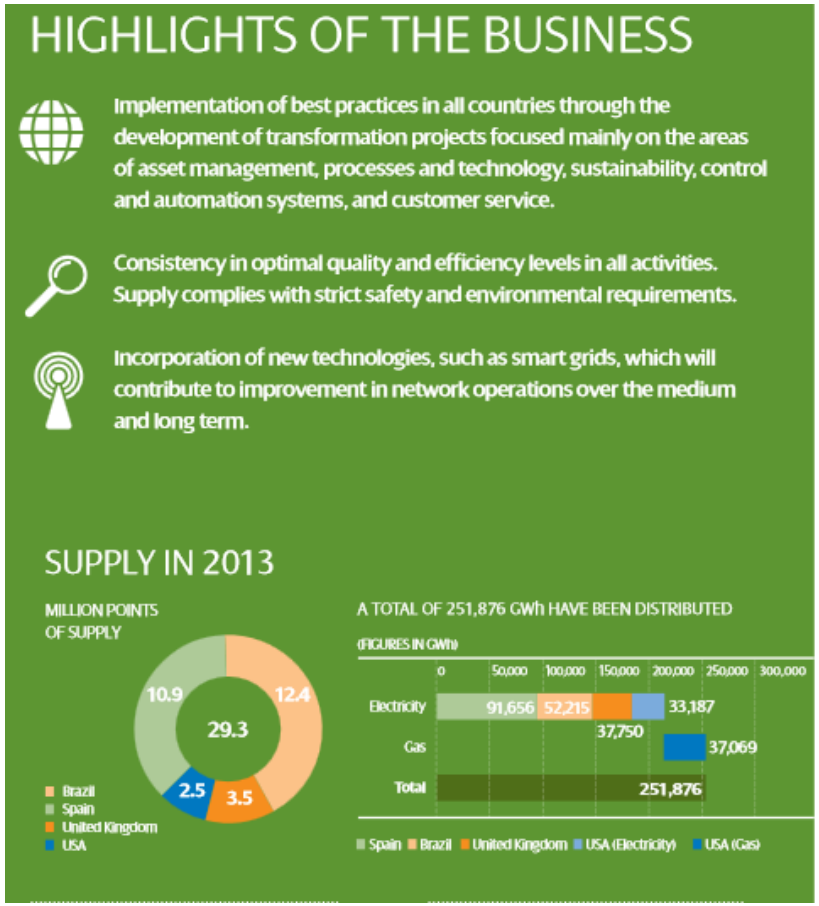


Financial Highlights

(Millions of Dollars, Except per Share Data)	2012	2011	2010
Operating Revenues	$110.4	$102.1	$102.7
Operation and Maintenance Expenses	60.5	56.6	55.5
Depreciation	10.4	9.7	9.2
Income and Other Taxes	19.2	18.0	18.2
Interest Charges	6.7	6.4	6.9
Net Income	14.4	13.4	14.3
Earnings Applicable to Common Stock	14.2	13.2	14.1
Basic Earnings per Share	0.90	0.85	0.96
Diluted Earnings per Share	0.90	0.84	0.96
Cash Dividends Paid per Share	0.74	0.73	0.72
Utility Plant	535.6	514.6	483.5
Return on Average Common Equity	8.0%	7.6%	9.0%

On the Cover: From generation to generation, Middlesex Water has worked to earn the trust of customers, employees and shareholders, as a quality service provider, valued employer and sound investment. Driven by a firm set of values, we strive to deliver quality of life and economic stability and growth for current and future customers by providing a comprehensive suite of sustainable water and wastewater services.

Iberdrola



Sou

http://www.google.ro/url?sa=t&rct=j&q=&esrc=s&source=web&cd=8&ved=0CDMQFjAH&url=http%3A%2F%2Fwww.annualreports.com%2FClick%2F9411&ei=al8iVIPdOonLygOL5YDADQ&usg=AFQjCNG_k6zBt0rZIbP_B1imW_RQg68YlQ&sig2=CZy4xMWjN73oBPkoBYCFHQ&bvm=bv.76180860,d.bGQ

https://www.iberdrola.es/webibd/gc/prod/en/doc/IA_InformeAnual2013.pdf

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KPI TOOLKIT SPOTLIGHT: Balanced Scorecard

Performance Scorecard - Human Resource Department	Select period	July	2011

Trend *		Results	
↗	Increasing	✓	On or above targets
-	Constant	☼	Within tolerance limits
↘	Decreasing	✗	Under target

Perspective / Goal Strategic Objectives / KPIs	smartKPIs.com #	Standard reporting frequency	Previous Period Results	Current Results	Trend *	Target	% Target complete	Result	Comments
Customer - 2 Strategic Objectives / 4 KPIs									
Maintain high levels of internal customer satisfaction									
% HR customer satisfaction with service levels	sK2379	Q	78%	92%	↗	75%	123%	☼	Comments Jul 2011
# Satisfaction of employees with HR services	sK2038	Yr	77	65	↘	70	93%	☼	Comments Jul 2011
Ensure high service delivery standards									
# Employee complaints resolution timeliness	sK1938	M	62	88	↗	50	176%	☼	Comments Jul 2011
% On-time delivery of HR service requests	sk2278	M	66%	95%	↗	60%	159%	☼	Comments Jul 2011
Financial - 3 Strategic Objectives / 5 KPIs									
Provide good value for money to the organisation									
% HR operating expense rate	sK2046	M	25%	34%	↗	30%	114%	✓	Comments Jul 2011
# FTEs per HR department FTE	sK44	M	24	29	↗	30	97%	☼	Comments Jul 2011
Seek efficiencies to minimise cost base									
$ Cost per hire	sK43	M	485.00	543.00	↗	350.00	155%	☼	Comments Jul 2011
$ Cost avoidance savings	sK262	M	372.00	332.00	↘	500.00	186%	✓	Comments Jul 2011
Maintain financial rigour in budget projection and execution									
% HR budget variance	sK479	M	-2%	4%	↗	2%	183%	✗	Comments Jul 2011
Internal Processes - 2 Strategic Objectives / 5 KPIs									
Optimize recruitment and retention									
# Open requisitions	sK241	Q	13	15	↗	12	125%	✓	Comments Jul 2011
# Time to fill a vacant position	sK688	M	30	28	↘	15	187%	☼	Comments Jul 2011
% HR performance appraisals completed on time	sK769	M	59%	76%	↗	60%	127%	☼	Comments Jul 2011
Improve HR service delivery capability									
% HR projects on time, on budget and according to specifications	sk2863	M	65%	49%	↘	60%	82%	✗	Comments Jul 2011
% HR processes optimised	sk2284	M	41%	67%	↗	60%	111%	☼	Comments Jul 2011
People, Learning & Growth - 3 Strategic Objectives / 6 KPIs									
Build an environment that fosters creativity and innovation									
# HR employee engagement index	sK1836	Q	56	34	↘	65	52%	✗	Comments Jul 2011
# Ideas for new / improved service from HR employees	sK4657	M	10	32	↗	30	107%	☼	Comments Jul 2011
Develop workforce skills and competences									
# Certifications per HR employee	sK4659	Q	1.46	1.15	↘	2.00	57%	☼	Comments Jul 2011
# Training hours per HR full time equivalent (FTE)	sK7	M	19	5	↘	8	63%	✗	Comments Jul 2011
Maintain high performing motivated employees									
% HR employee satisfaction	sk5312	Q	89%	50%	↘	60%	84%	☼	Comments Jul 2011
% HR employee turnover	sK1	M	12%	2%	↘	5%	45%	☼	Comments Jul 2011

* Trend - current vs. previous month results

Data not available due to measure being inactive

Helicopter view business statistics	Previous month	Current month	Trend
Human Resources - Snapshot			
# HR team members	149	150	↗
# Employees	1,224	1,223	↘
# HR service requests received	1,588	1,593	↗
$ HR Budget ('000)	395	393	↘

Other comments
20 KPIs tracked in the scorecard with targets
Min 1 KPIs for each objective
4 Metrics monitored as statistics

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IN PRACTICE: Examples of Balanced Scorecard

Wessex Water

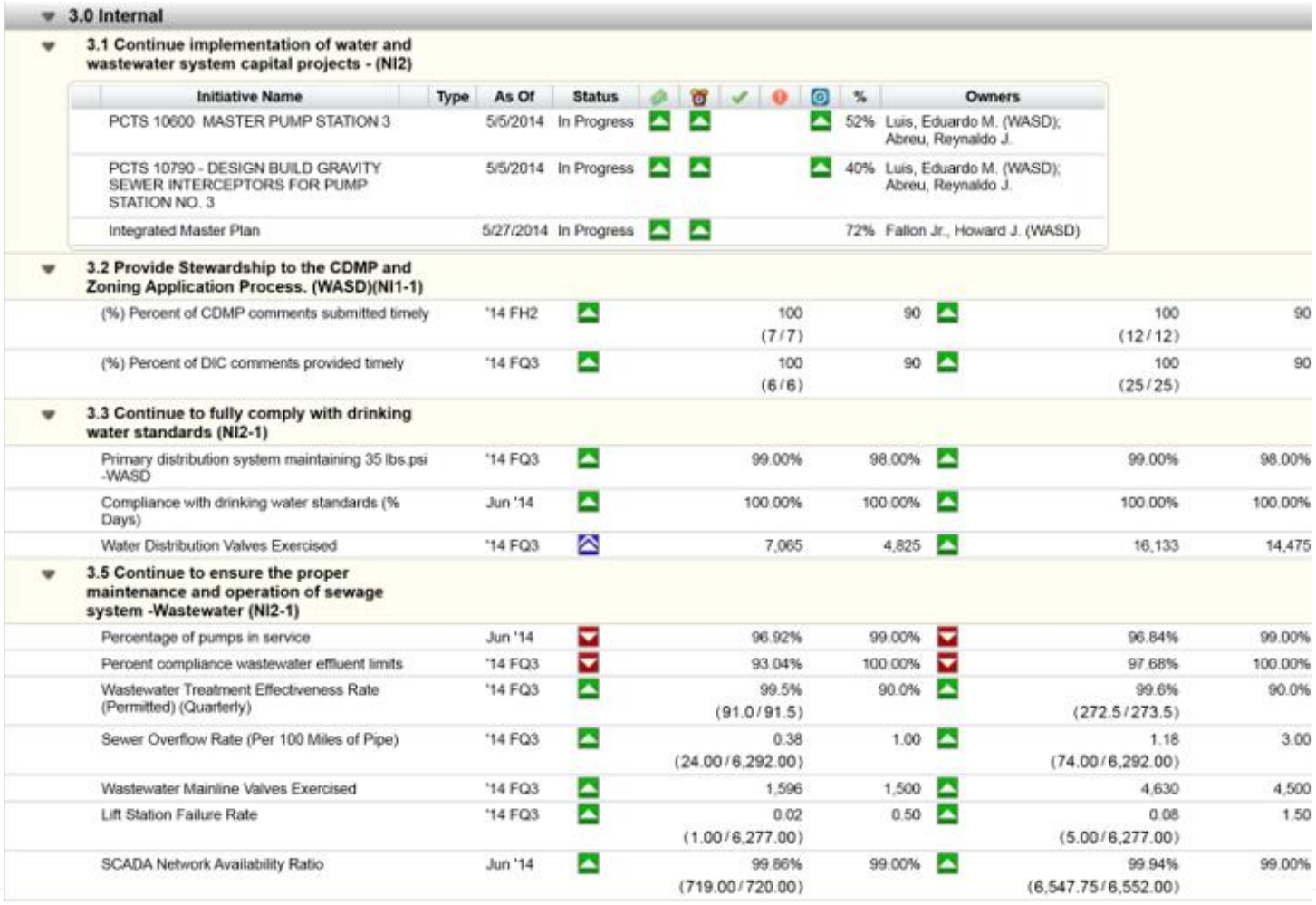
Key performance indicators	Performance level			Performance 2005-10 average	Status
	2005-10 average	2010-11	2011-12		
CUSTOMER SERVICE					
Service Incentive Mechanism (SIM)*	New measure	83	85	Industry leader	a
SIM customer satisfaction score	New measure	89%	91%	Industry leader	b
SIM customer contact score (lower is better)	New measure	119	109	Industry leader	b
Billing contacts dealt with in 5 days	100%	100%	100%	Same	b
Written contacts dealt with in 10 days	100%	100%	100%	Same	b
WATER SUPPLY					
Serviceability water non-infrastructure*	Stable	Stable	Stable	Same	a
Serviceability water infrastructure*	Stable	Stable	Stable	Same	a
Water quality compliance	>99.9%	>99.9%	>99.9%	Same	b
Properties at risk of receiving low pressure	178	173	166	Better	b
Properties experiencing supply interruptions over 12 hours	79	61	21	Better	b
Water supply interruptions (hours per property served)*	New measure	0.8	0.6	New measure	d
Properties experiencing supply restrictions	0%	0%	0%	Same	b
Total leakage (million litres per day)*	73	71	69	Better	a
Security of supply index*	100%	100%	100%	Same	a

Source: http://www.wessexwater.co.uk/about/threecol.aspx?id=8812&linkidentifier=id&itemid=8812

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IN PRACTICE: Examples of Balanced Scorecard

Miami Dade Water and Sewege Department



3.0 Internal

3.1 Continue implementation of water and wastewater system capital projects - (NI2)

Initiative Name	Type	As Of	Status	%	Owners
PCTS 10600 MASTER PUMP STATION 3		5/5/2014	In Progress	52%	Luis, Eduardo M. (WASD); Abreu, Reynaldo J.
PCTS 10790 - DESIGN BUILD GRAVITY SEWER INTERCEPTORS FOR PUMP STATION NO. 3		5/5/2014	In Progress	40%	Luis, Eduardo M. (WASD); Abreu, Reynaldo J.
Integrated Master Plan		5/27/2014	In Progress	72%	Fallon Jr., Howard J. (WASD)

3.2 Provide Stewardship to the CDMP and Zoning Application Process. (WASD)(NI1-1)						
(%) Percent of CDMP comments submitted timely	'14 FH2	100 (7/7)	90	100 (12/12)	90	
(%) Percent of DIC comments provided timely	'14 FQ3	100 (6/6)	90	100 (25/25)	90	
3.3 Continue to fully comply with drinking water standards (NI2-1)						
Primary distribution system maintaining 35 lbs.psi -WASD	'14 FQ3	99.00%	98.00%	99.00%	98.00%	
Compliance with drinking water standards (% Days)	Jun '14	100.00%	100.00%	100.00%	100.00%	
Water Distribution Valves Exercised	'14 FQ3	7,065	4,825	16,133	14,475	
3.5 Continue to ensure the proper maintenance and operation of sewage system -Wastewater (NI2-1)						
Percentage of pumps in service	Jun '14	96.92%	99.00%	96.84%	99.00%	
Percent compliance wastewater effluent limits	'14 FQ3	93.04%	100.00%	97.68%	100.00%	
Wastewater Treatment Effectiveness Rate (Permitted) (Quarterly)	'14 FQ3	99.5% (91.0/91.5)	90.0%	99.6% (272.5/273.5)	90.0%	
Sewer Overflow Rate (Per 100 Miles of Pipe)	'14 FQ3	0.38 (24.00/6,292.00)	1.00	1.18 (74.00/6,292.00)	3.00	
Wastewater Mainline Valves Exercised	'14 FQ3	1,596	1,500	4,630	4,500	
Lift Station Failure Rate	'14 FQ3	0.02 (1.00/6,277.00)	0.50	0.08 (5.00/6,277.00)	1.50	
SCADA Network Availability Ratio	Jun '14	99.86% (719.00/720.00)	99.00%	99.94% (6,547.75/6,552.00)	99.00%	

Source: http://www.miamidade.gov/performance/library/quarterly-reports/FY2013-14/Q3/neighbor_wasd.pdf

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IN PRACTICE: Examples of Scorecard

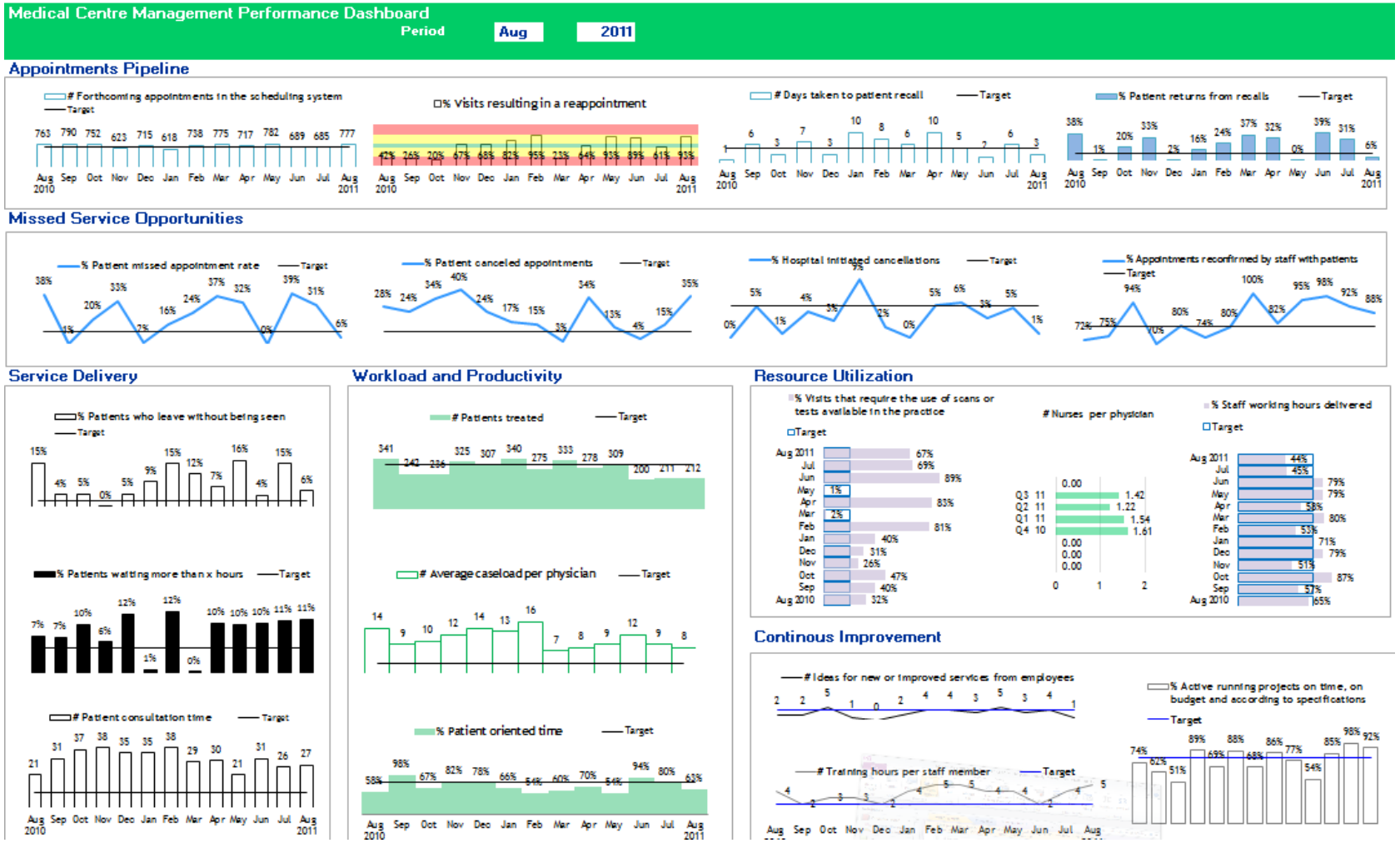
Eskom

Key performance areas	Performance indicator	Unit	Target 2013/14	Target achieved?	Actual 2013/14	Actual 2012/13	Actual 2011/12
Focus on safety	Employee lost-time incidence rate (LTIR)	Index	0.36	✓	0.31	0.40[1]	0.41
Keep the lights on	Maintenance backlog reduction based on Eskom technical governance committee approval	Number	0	✓	0	–	n/a
	IDM demand savings	MW	379	✓	410	595	385
	Internal energy efficiency	GWh	15.0	✓	19.4	28.9	45.0
Put customer at the centre	Customer service index	Index	88.7	✗	86.6	86.8	85.6
Improve operations	Normal UCLF[2]	%	10.00	✗	12.61	12.12	7.97
	Less: Constrained UCLF[3]	%	–	–	*1.63*	*3.41*	–
	Underlying UCLF[4]	%	–	–	*10.98*	*8.71*	–
	EAF	%	80.0	✗	75.13	77.65	81.99
	Total system minutes lost for events <1	Minutes	3.40	✓	3.05	3.52	4.73

Source: http://integratedreport.eskom.co.za/pdf/full-integrated.pdf

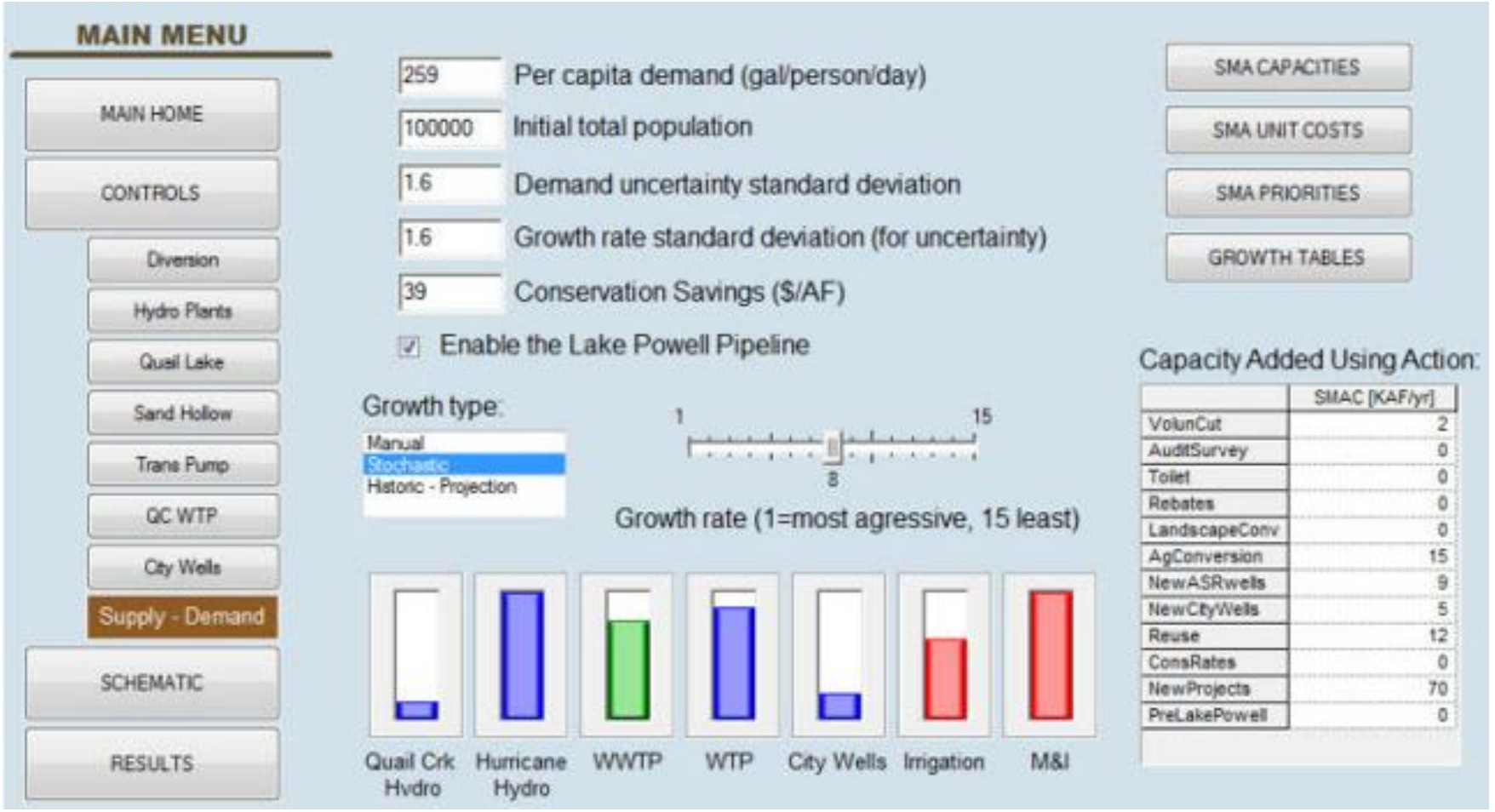
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KPI TOOLKIT SPOTLIGHT: Dashboard



IN PRACTICE: Examples of Dashboard

Gold Sim, USA

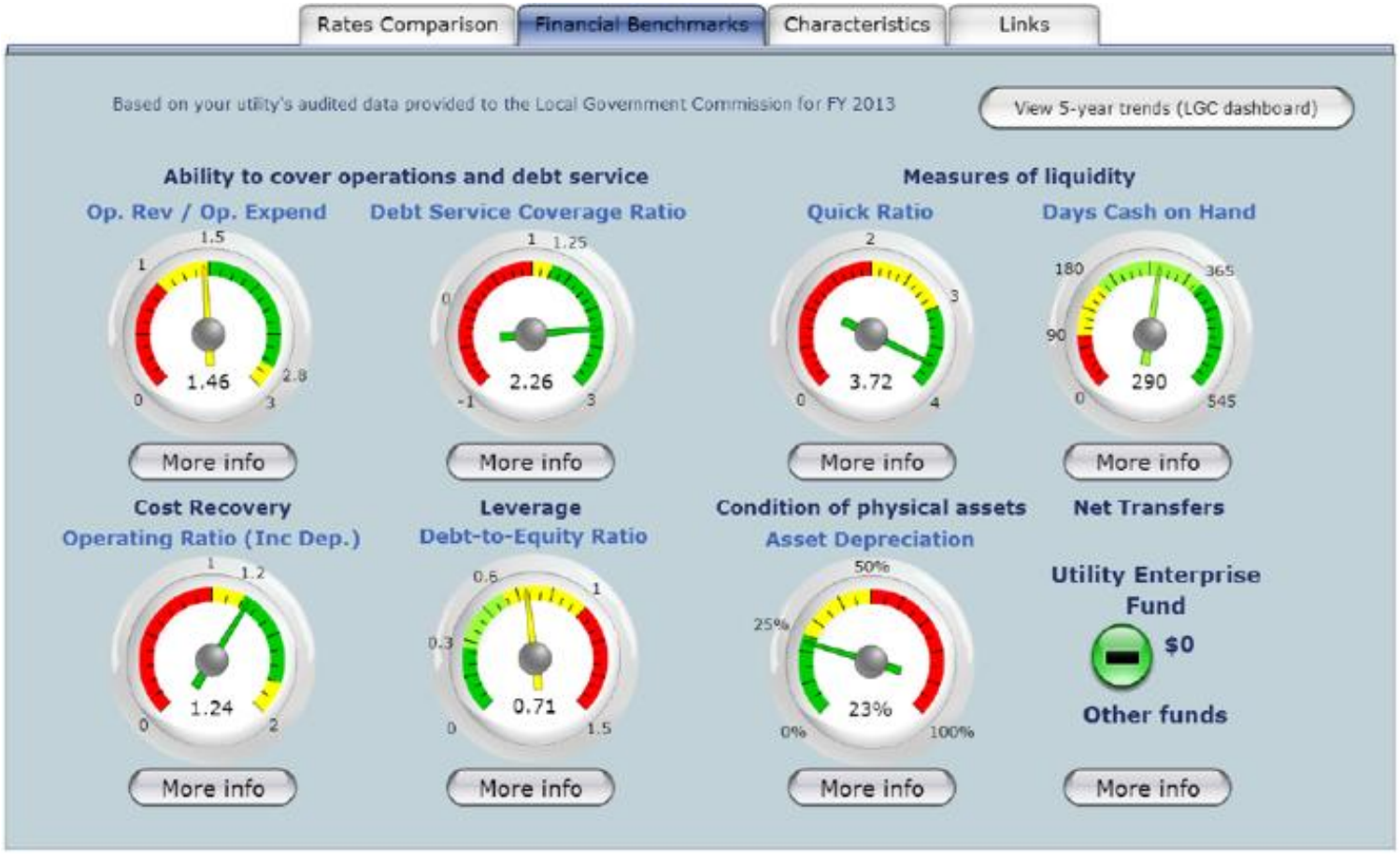


Source: http://www.goldsim.com/Web/Solutions/EnvironmentalSystems/WaterResources

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IN PRACTICE: Examples of Dashboard

North Carolina Water and Wastewater, USA

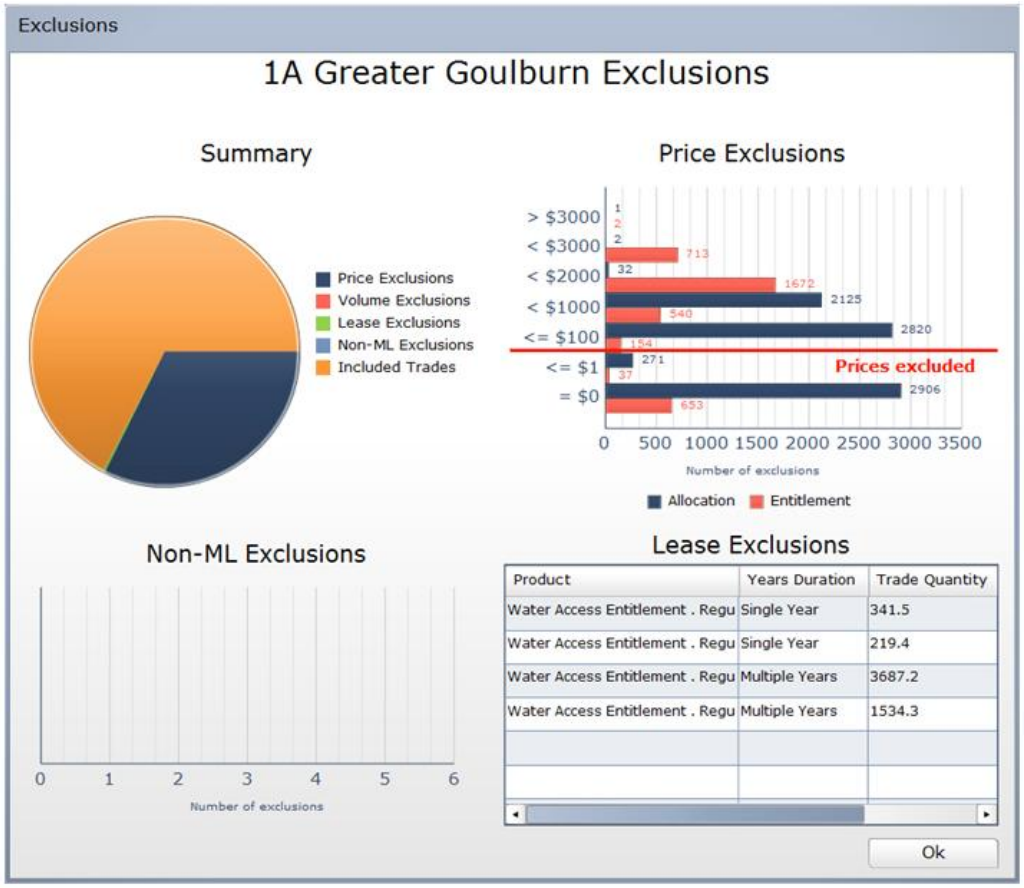


Source: http://www.efc.sog.unc.edu/reslib/item/north-carolina-water-and-wastewater-rates-dashboard

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IN PRACTICE: Examples of Dashboard

National Water Market, Australia



Source: http://www.nationalwatermarket.gov.au/water-market-reports/regional-dashboard-help.html

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CASE STUDY

The design process for the HR Dashboard

Efficiency and Effectiveness
$ Human Capital Return on Investment (ROI)
$ Human capital value added
$ Overtime expense per full time equivalent (FTE) employee
# Headcount

Workforce profile
% Accession rate
% Succession plans for key positions
% Staffing rate
# Net hire ratio

Working environment
% Unscheduled absence rate
# Average time lost per health & safety incident
# Employee engagement index
% Employees who are willing to recommend the organization as an employer

Talent development
% Performance appraisals completed on time
% Terminations by performance rating
$ Average training cost per full time equivalent (FTE)
% Training return on investment

Compensation
Compensation satisfaction index
Entry level wage to local minimum wage
$ Average hourly compensation rate
# Options exercised per employee

Retention
% New hire retention
% Employees that leave the organization in a given time period
# Employee tenure
% Involuntary termination rate

Recruitment
Employment brand strength
Employment offer acceptance rate
% Internal promotion rate
# Applicant ratio

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KPI TOOLKIT SPOTLIGHT: Performance Healthogram

Perspective Dimensions / KPIs	smartKPIs.com #	Standard reporting frequenc	Previous Period Results	Current Results	Trend *	Target	% Target complete	Result:	Comments
Resources - 2 Dimensions / 8 KPIs									
Financial									
% Operating budget spent	sK7046	Q	80%	85%	↗	100%	85%	☼	Comments Mar 2012
$ Expense per employee	sK43	Q	$ 5,325.00	$ 5,179.00	↘	$ 8,000.00	65%	☼	Comments Mar 2012
% Operating expense rate	sK2046	Q	61%	54%	↘	50%	108%	✓	Comments Mar 2012
% Stratex budget spent	sK7047	Q	82%	90%	↗	100%	90%	☼	Comments Mar 2012
Talent									
# Departmental employees	sK9	Q	12	14	↗	14	100%	☼	Comments Mar 2012
# FTEs per department FTE	sK44	Q	7	6	↘	10	60%	☼	Comments Mar 2012
% Staffing rate	sK763	Q	48%	97%	↗	70%	139%	☼	Comments Mar 2012
% Core skills coverage	sK7048	Q	88%	92%	↗	70%	132%	☼	Comments Mar 2012
Capabilities - 6 Dimensions / 12 KPIs									
Talent development									
# Training hours per departmental full time equivalent (FTE)	sK7	Q	26	21	↘	20	105%	✓	Comments Mar 2012
% Employees meeting continuing professional development requirements	sK4673	Q	68%	76%	↗	80%	95%	☼	Comments Mar 2012
Innovation									
# Ideas for new or improved service from employees	sK4657	Q	27	24	↘	30	80%	☼	Comments Mar 2012
% Ideas approved for implementation	sK7049	Q	96%	44%	↘	50%	89%	☼	Comments Mar 2012
Performance management									
% Compliance with performance architecture	sK7050	Q	81%	99%	↗	80%	123%	☼	Comments Mar 2012
% Active KPIs	sK7051	Q	97%	84%	↘	80%	105%	☼	Comments Mar 2012
Performance culture									
% Positions with Professional Development Plans in place	sK6772	Q	83%	78%	↘	80%	98%	☼	Comments Mar 2012
% Performance appraisals completed on time	sK763	Q	92%	77%	↘	90%	85%	✗	Comments Mar 2012
Project management									
% Planned projects that have started	sK7052	Q	78%	91%	↗	85%	108%	☼	Comments Mar 2012
% Projects on time, on budget and according to specifications	sK4396	Q	99%	93%	↘	85%	109%	☼	Comments Mar 2012
Process management									
% Processes mapped	sK6843	Q	92%	81%	↘	85%	96%	☼	Comments Mar 2012
% Processes optimized	sK2284	Q	92%	96%	↗	85%	113%	☼	Comments Mar 2012
Stakeholders - 3 Dimensions / 12 KPIs									
Internal customers									
% Internal customers satisfaction with service levels	sK1290	Q	89%	73%	↘	80%	92%	☼	Comments Mar 2012
# Satisfaction of employees with departmental services	sK2038	Q	11	12	↗	10	120%	☼	Comments Mar 2012
% On-time delivery of service requests	sK2278	Q	85%	98%	↗	85%	115%	☼	Comments Mar 2012
% Unscheduled absence rate	sK1955	Q	8%	2%	↘	5%	40%	✓	Comments Mar 2012
Departmental employees									
# Departmental employee engagement index	sK1836	Q	100	84	↘	95	88%	☼	Comments Mar 2012
% Departmental employee satisfaction	sK5912	Q	82%	98%	↗	70%	140%	☼	Comments Mar 2012
% Departmental employee turnover	sK1	Q	0%	0%	↗	2%	15%	✓	Comments Mar 2012
# Rewards and recognition awards offered	sK6751	Q	2	8	↗	5	160%	☼	Comments Mar 2012
Suppliers									
# Value added suppliers	sK7053	Q	5	8	↗	6	133%	☼	Comments Mar 2012
# Ideas for new or improved service from suppliers	sK7054	Q	6	3	↘	6	50%	✗	Comments Mar 2012
# Contract concessions	sK7055	Q	11	14	↗	15	93%	☼	Comments Mar 2012
# Rating of supplier performance	sK7056	Q	71	65	↘	70	93%	☼	Comments Mar 2012
Shareholders - 1 Dimensions / 3 KPIs									
% Departmental budget variance	sK479	Q	4%	6%	↗	7%	79%	✓	Comments Mar 2012
$ Savings achieved	sK7057	Q	$ 2,482.00	$ 1,688.00	↘	$ 2,000.00	84%	☼	Comments Mar 2012
$ Revenue per departmental FTE	sK725	Q	$ 2,054.00	$ 2,544.00	↗	$ 2,000.00	127%	☼	Comments Mar 2012

*Trend - current vs. previous month results — Data not available due to measures being inactive

Australia Post

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WORKFORCE ATTENDANCE

CENTRELINK AGREEMENT 2009–2011

As a key enabler in supporting our people to deliver government commitments, the Centrelink Agreement 2009–2011 builds on Centrelink's strategic objectives through stronger links to performance, learning and development, attractive pay and conditions, and more flexibility for employees.

The agreement ensures communication, consultation, cooperation and input from our employees and their representatives on issues that affect their workplace.

During the year consultation with the Community and Public Sector Union led to Human Services Access Protocols and Facilities Arrangements for the Community and Public Sector Union, and a framework for consulting with the union on service delivery reform.

PERFORMANCE MANAGEMENT

The performance management system applies to all employees in Centrelink and full participation is the responsibility of every employee. The system aims to:

- provide employees with a clear understanding of their role and what is expected of them at work
- measure employee business outcomes
- provide incentives for improved performance through salary advancement
- support Centrelink's business planning process

The system is also designed to increase productivity across Centrelink.

Performance pay

Centrelink's new salary advancement model will start in September 2010 based on July 2009 to June 2010 performance. It includes percentage-based salary increases which depend on annual performance ratings. To ensure a consistent rating scale is applied, a five-step consistency process was incorporated in the online performance management system, as well as automated salary advancement and more accurate reporting methods.

During the annual performance review, employees who have performed duties at a higher classification for 18 weeks or more will receive individual performance ratings of between one and five for both their nominal and temporary performance. Salary advancement then takes effect if the employee gains a rating of 3 ('fully effective') or above. (See also Appendix H: *Employee remuneration overview* on page 226.)

Workforce attendance

The 2009–10 unscheduled absence result was 13.77 days per full-time equivalent (FTE) employee, a small increase on the 2008–09 result of 13.6 days per FTE employee. This is a significant improvement from the peak of 15.88 days absence per FTE employee in 2003–04. Centrelink is committed to achieving high levels of workforce availability through effective people management, health and safety and high levels of employee engagement.

Senior executive remuneration

Senior executive remuneration is determined by the Centrelink Chief Executive Officer and reflects work value, individual capability, contribution and performance. Relevant market factors and the organisational performance of Centrelink are also taken into account. Remuneration is reviewed at the end of the annual performance cycle.

Conditions of employment for all senior executives are provided through a determination made under section 24(1) of the *Public Service Act 1999*.

(See also Appendix H: *Employee remuneration overview* on page 226.)

Individual agreements

For most employees covered by the Centrelink Agreement 2009–2011, Centrelink's performance management cycle is 12 months, starting in July each year. After the business planning process (around June/July each year), each employee and their team leader/manager together develop a performance agreement in line with Centrelink's outcome statement.

As part of their performance management cycle, each employee receives ongoing performance feedback throughout the year, a mid-way performance review and an annual performance review.

Performance

At the end of the June quarter in 2010:

- 97.6 per cent of employees had a verified performance agreement in place—the target is 90 per cent
- more than 60 per cent of Centrelink employees performed to a high standard following significant investment in the performance management system.

PEOPLE CAPABILITY FRAMEWORK

During the year Centrelink continued to work with managers across the organisation to develop and update competency-based job descriptions for a number of job roles. The People Capability Framework continued to support a number of key projects including:

- employee skill tagging to build on HR system enhancements, establish a data collection and reporting methodology, and conduct workshops to collect customer service skill tags
- job coding to develop functionality to record generic job descriptors against each establishment position and trial recording methodology for all information technology positions
- advising specific business projects on work level assessments and job statement development for new positions and job families.

In preparing for portfolio integration, work began to develop portfolio-wide work level standards and capability frameworks.

Source: http://www.humanservices.gov.au/spw/corporate/publications-and-resources/annual-report/resources/0910/centrelink-annual-report-0910-full-report.pdf

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Absenteeism is a point of failure between the employee, their manager and the organisation

Absenteeism reflects sick organisation

PUBLISHED: 07 FEB 2012 00:04:00 | UPDATED: 07 FEB 2012 07:47:26

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JASON MURPHY, FIONA SMITH AND PETER ROBERTS

The "Great Australian Sickie" is costing employers a fortune, but few organisations are taking the relatively simple steps required to fix the problem.

When the president and chief executive of Toyota Motor Corporation Australia, Max Yasuda, complained to *The Australian Financial Review* last week about high levels of absenteeism, he reignited the perennial debate about unplanned absences.

Yasuda says as many as 30 per cent of employees in some part of the plant will take the day off as a "sickie" if a Friday work day follows a Thursday public holiday – as was the case with Australia Day recently.

There are some effective measures that have a good track record of cutting absenteeism, but employers are reluctant to come to grips with them, managing director of Direct Health Solutions Paul Dundon says.

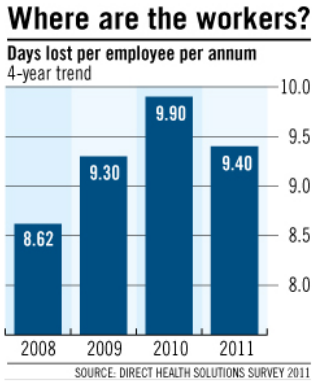
Dundon estimated absenteeism was costing Australian business up to $30 billion per year, or $385 per day per employee. An acceptable level of absenteeism is an average 6.5 days of sick leave per year, he says. The Australian average is 9.4 days a year (five days for corporate staff), compared with seven days in the UK.

Some organisations – generally those with professionals as employees – aim for a rate of two to three days per employee.

In areas where workers have little control over their work and do not have access to flexible work practises – which allows them to take time off when they need it – average absences can rocket to 20 days a year.



Peter Wilson, the national president of Australian Human Resources Institute, says high absenteeism can be the result of poor leadership. Photo: Tamara Voninski



"From what I've heard about other parts of the public service, there's lots of hangers on and people who just sit around all day."

In fact, commonwealth public servants took an average 11.1 days off work in 2010-2011.

The national president of the Australian Human Resources Institute, Peter Wilson, says organisations with an absentee problem should really take a look at themselves.

"Sometimes, it is very bad leadership and the employees hate going in to work," he says.

High absenteeism is generally a sign that something is amiss.

It could indicate industrial unrest, job insecurity and redundancies and bad job design. "It does come down to enlightened leadership. If you have a draconian system people will play games," Wilson says.

Source: Murphy, J. et. al (2012), Absenteeism reflects sick organisations, Financial Review, available at: http://afr.com/p/national/work_space/absenteeism_reflects_sick_organisation_QvCKWp1Cz5dtUNGF1rdhaN

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CASE STUDY

Managing performance through KPI reporting



Source: https://www.youtube.com/watch?v=pKbakXit9H4

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SESSION REVIEW

1. Commonly used graphs:

- Bar chart: to compare individual values;
- Bullet graph: to compare actual results to targets;
- Dial chart: to indicate threshold values;
- Line chart: to track trends;
- Pie chart: to compare different parts of a whole;
- Sparkline: to show trends in a condensed manner;

2. Avoid using:

- 3D graphs: distort data
- pie and donut charts: inefficient use of space;
- crowded graphs: data is no longer spotted;
- strong colors for backgrounds: hinder visibility;

3. Examples of performance reports, scorecards, dashboards from practice.

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AGENDA

DAY 1

6 Data Gathering and Reporting

1. Data quality dimensions
2. KPI reporting data sources
3. KPI activation tools and techniques
4. Report compilation
5. Levels of KPI analysis
6. Business analysis techniques
7. Performance review and decision making
8. Initiative management

Key Learning Points

1. Understand the data gathering process
2. Apply KPI activation techniques and tools
3. Analyze business analysis techniques
4. Define rules in performance reports compilation
5. Understand the benefits of initiative management

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DATA QUALITY DIMENSIONS

Is all necessary data present?

Are all data values within the value domains specified by the business?



Is the data available at the time needed?

Does data reflect the real world objects or a verifiable source?

Are the relationships between entities and attributes consistent? Within tables and between?

Is data consistent between systems? Do duplicate records exists?

Source: http://www.information-management.com/issues/2007_58/master_data_management_mdm_quality-10015358-1.html

DEVELOPING AND IMPROVING THE DATA COLLECTING PROCESS

The data collecting process has its own challenges. The main ones are:

- **Completeness/availability**: 20-30% of the KPIs have never been measured and the data is not available.
- **Timeliness**: oftentimes data custodians delay the reporting due to conflicting schedules.
- **Accuracy:** data inaccuracies due to human error or software configuration errors.

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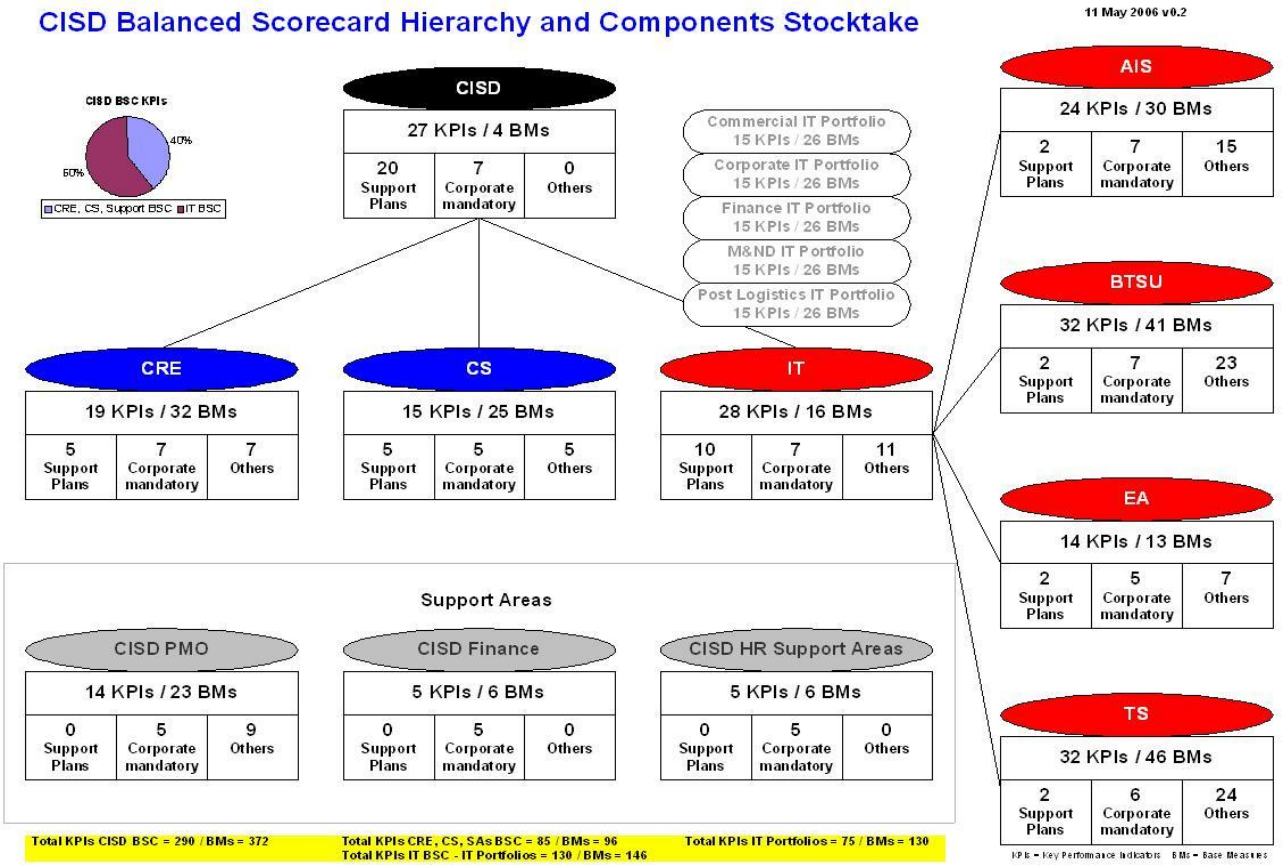
KPI ACTIVATION

- Data custodians meeting
- Agreement on target date
- Addressing challanging inactive KPIs
- Securing activation budget
- KPI data gathering notification
- Activation templates
- Reminders
- Peer pressure
- Automation

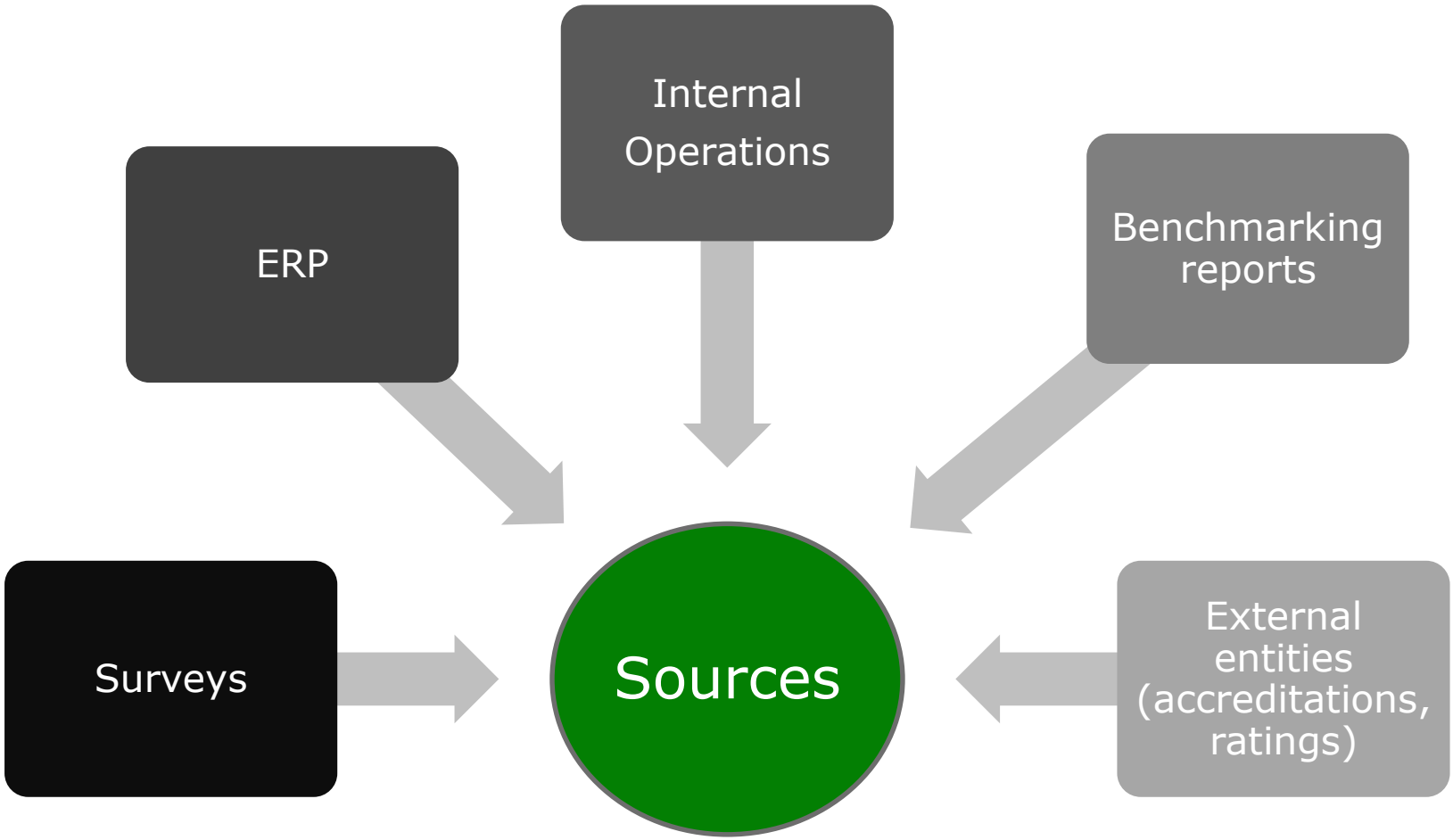
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GOVERNANCE

The persons appointed for KPI activation and Data gathering process can be KPI owners.



KPI REPORTING DATA SOURCES



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KPI ACTIVATION TOOLS AND TECHNIQUES

Tools:

1. Data gathering process map
2. KPI documentation form
3. Data gathering template

Techniques:

1. Meeting KPI data custodians in person
2. Involving data custodians in a community of practice
3. Sending reminder email

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KPI ACTIVATION TECHNIQUE (1)

Meeting KPI data custodians in person

Based on white paper published by the Maritz Institute, there are three main benefits for conducting in person meetings:

- Capturing attention, especially when new initiatives or projects are developed;
- Inspiring a positive emotional atmosphere that paves the way for innovation and collaboration.
- Building human networks and business relationships, when these are strengthened, the organization has the opportunity to advance in following its shared goals.

Source: http://www.eqavet.eu/gns/about-eqavet/mission.aspx

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KPI ACTIVATION TECHNIQUE (2)

Involving data custodians in a community of practice

- Provides a common platform for data custodians to communicate and share work related experience.
- Stimulates learning by supplying a medium for sharing best practices and tutoring.
- Creates collaborative processes that add value and maximize data custodian efficiency.



Source: http://www.eqavet.eu/gns/about-eqavet/mission.aspx

KPI ACTIVATION TECHNIQUE (3)

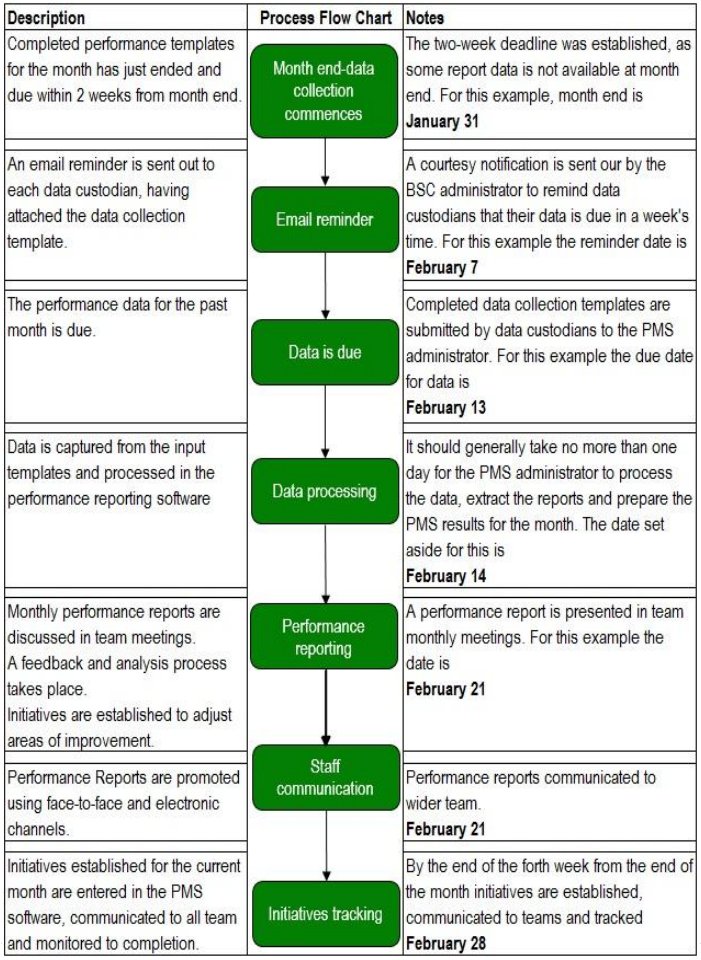
Sending reminder email

Custodian name	# KPIs to report	# KPIs already reported on	Delta	Outstanding	Due date	Status	Traffic light	Comment
John Doe	8	8	0	none	13-Jun-13	Submitted		
Ann Smith	9	8	1	% IT budget out of total operational budget	13-Jun-13	Outstanding		
Emory Lafayette	5	3	2	% Profit rate, $ Revenue seat per kilometer	13-Jun-13	Outstanding		
Carlos Mendoza	6	5	1	% Profitable routes	13-Jun-13	Outstanding		
Ahmed Alsaudi	5	3	2	# Staff per passengers, # Staff per flight	13-Jun-13	Outstanding		
Luis Ramirez	4	3	1	# Fuel consumption per flight	13-Jun-13	Outstanding		
Anthony Gleason	2	0	2	# Service quality rating, % Ticket price variance from market average	13-Jun-13	Not submitted		
Mike Myers	1	0	1	% Market share	13-Jun-13	Not submitted		

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KPI ACTIVATION TOOL (1)

Data gathering process map



Description	Process Flow Chart	Notes
Completed performance templates for the month has just ended and due within 2 weeks from month end.	Month end-data collection commences	The two-week deadline was established, as some report data is not available at month end. For this example, month end is **January 31**
An email reminder is sent out to each data custodian, having attached the data collection template.	Email reminder	A courtesy notification is sent our by the BSC administrator to remind data custodians that their data is due in a week's time. For this example the reminder date is **February 7**
The performance data for the past month is due.	Data is due	Completed data collection templates are submitted by data custodians to the PMS administrator. For this example the due date for data is **February 13**
Data is captured from the input templates and processed in the performance reporting software	Data processing	It should generally take no more than one day for the PMS administrator to process the data, extract the reports and prepare the PMS results for the month. The date set aside for this is **February 14**
Monthly performance reports are discussed in team meetings. A feedback and analysis process takes place. Initiatives are established to adjust areas of improvement.	Performance reporting	A performance report is presented in team monthly meetings. For this example the date is **February 21**
Performance Reports are promoted using face-to-face and electronic channels.	Staff communication	Performance reports communicated to wider team. **February 21**
Initiatives established for the current month are entered in the PMS software, communicated to all team and monitored to completion.	Initiatives tracking	By the end of the forth week from the end of the month initiatives are established, communicated to teams and tracked **February 28**

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KPI ACTIVATION TOOL (2)

KPI Documentation form

KPI Description

Unique identification			
KPI name	% HR customer satisfaction with service levels		
smartKPIs.com no.	sK2379	Organisational measure no.	HRKPI001
Definition and useage			
Definition	Measures the percentage of internal customers who are satisfied with the HR department's overall service levels out of the total number of internal customers surveyed.		
Organisational area	HR Department	Balanced Scorecard perspective	Customer
Calculation			

Subordinate measures used for calculation	A = # Customers stating they are satisfied with the service levels
	B = # Customers surveyed		

Calculation formula	(A/B)*100	Trend is good when (figures are)	Increasing
Focus			
Purpose	To indicate whether the HR department"s services correspond to internal customer expectations, as this impacts future customer behaviour (purchases, recommendations, complaints etc.).		
Strategic Objective	Maintain high levels of internal customer satisfaction		
Measurement focus	Satisfaction	Measurement type	Quantitative
Impact stage	Outcome	Indicator focus	Leading
Level	Strategic	Presence at other levels	Upstream
Data profile			
Data capture period	Spot	Standard reporting frequency	Q
Automation fit	Not recommended	Data integrity	Medium
Limitations	It reflects only a level of general satisfaction, not areas in which dissatisfaction exists or causes for that. Measurement is based on internal customer surveys, thus being susceptible of inaccuracy due to subjectivity of respondents. This makes it also expensive.		
Targets			
Target	80%	Green threshold	>80%
Benchmarking fit	Suitable	Yellow threshold	60-80%
Other intermediate targets	n/a	Red threshold	<60%
Measure administration			
Measure owner (title)	HR Manager	Data custodian (title)	HR Analyst
Measure owner (name)	Firstname Lastname	Data custodian (name)	Firstname Lastname
Current status	Active	Activation date (past or future)	1/1/2009
Data gathering			
Lead time	5 days		
Data source (DB name, System...)	Employee		
Who maintains DS	HR	When is data produced	End of quarter
Comments			
Extended analysis of the surveys helps evaluate in what areas of service customers are not satisfied and what ideas for service improvement can be evidenced.			

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KPI ACTIVATION TOOL (3)

Data gathering template

Reference point -->		0					1					2					3				
KPI		# Call volume					# Call arrival rate					% Call transfer rate					% Blockage				
smartKPIs.com # Trend is good when (figures		sK2376					sK1328					sK1017					sK2386				
Standard reporting frequency		Within range					Within range					Decreasing					Decreasing				
		M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M	M
Sep		8.154	2.000	5.000	8.000	13.000	1	0	2	4	10	27%	15%	25%	50%		28%	10%	20%	30%	
Oct		6.585	2.000	5.000	8.000	13.000	1	0	2	4	10	26%	15%	25%	50%		12%	10%	20%	30%	
Nov		5.690	2.000	5.000	8.000	13.000	4	0	2	4	10	28%	15%	25%	50%		22%	10%	20%	30%	
Dec		8.895	2.000	5.000	8.000	13.000	2	0	2	4	10	16%	15%	25%	50%		21%	10%	20%	30%	
Jan	2010	9.163	2.000	5.000	8.000	13.000	3	0	2	4	10	21%	15%	25%	50%		19%	10%	20%	30%	
Feb		7.238	2.000	5.000	8.000	13.000	2	0	2	4	10	18%	15%	25%	50%		7%	10%	20%	30%	
Mar		8.092	2.000	5.000	8.000	13.000	2	0	2	4	10	3%	15%	25%	50%		26%	10%	20%	30%	
Apr		7.336	2.000	5.000	8.000	13.000	5	0	2	4	10	26%	15%	25%	50%		20%	10%	20%	30%	
May		6.009	2.000	5.000	8.000	13.000	2	0	2	4	10	21%	15%	25%	50%		29%	10%	20%	30%	
Jun		7.603	2.000	5.000	8.000	13.000	2	0	2	4	10	19%	15%	25%	50%		12%	10%	20%	30%	
Jul		7.394	2.000	5.000	8.000	13.000	4	0	2	4	10	4%	15%	25%	50%		7%	10%	20%	30%	
Aug		6.695	2.000	5.000	8.000	13.000	3	0	2	4	10	25%	15%	25%	50%		8%	10%	20%	30%	
Sep		7.774	2.000	5.000	8.000	13.000	5	0	2	4	10	11%	15%	25%	50%		27%	10%	20%	30%	
Oct		5.883	2.000	5.000	8.000	13.000	5	0	2	4	10	14%	15%	25%	50%		11%	10%	20%	30%	
Nov		9.013	2.000	5.000	8.000	13.000	1	0	2	4	10	15%	15%	25%	50%		8%	10%	20%	30%	
Dec		6.512	2.000	5.000	8.000	13.000	1	0	2	4	10	31%	15%	25%	50%		24%	10%	20%	30%	
Jan	2011	6.599	2.000	5.000	8.000	13.000	5	0	2	4	10	21%	15%	25%	50%		7%	10%	20%	30%	
Feb		7.029	2.000	5.000	8.000	13.000	1	0	2	4	10	15%	15%	25%	50%		23%	10%	20%	30%	
Mar		9.235	2.000	5.000	8.000	13.000	3	0	2	4	10	30%	15%	25%	50%		30%	10%	20%	30%	
Apr		6.776	2.000	5.000	8.000	13.000	3	0	2	4	10	13%	15%	25%	50%		2%	10%	20%	30%	
May		5.527	2.000	5.000	8.000	13.000	4	0	2	4	10	28%	15%	25%	50%		14%	10%	20%	30%	
Jun		8.578	2.000	5.000	8.000	13.000	5	0	2	4	10	10%	15%	25%	50%		0%	10%	20%	30%	
Jul		9.797	2.000	5.000	8.000	13.000	4	0	2	4	10	16%	15%	25%	50%		28%	10%	20%	30%	
Aug		8.442	2.000	5.000	8.000	13.000	3	0	2	4	10	12%	15%	25%	50%		23%	10%	20%	30%	
Sep		9.434	2.000	5.000	8.000	13.000	5	0	2	4	10	17%	15%	25%	50%		20%	10%	20%	30%	
Oct		9.254	2.000	5.000	8.000	13.000	4	0	2	4	10	13%	15%	25%	50%		19%	10%	20%	30%	
Nov		5.561	2.000	5.000	8.000	13.000	1	0	2	4	10	8%	15%	25%	50%		14%	10%	20%	30%	
Dec		6.765	2.000	5.000	8.000	13.000	5	0	2	4	10	4%	15%	25%	50%		24%	10%	20%	30%	

Source: http://store.kpiinstitute.org/call-center-scorecard.html

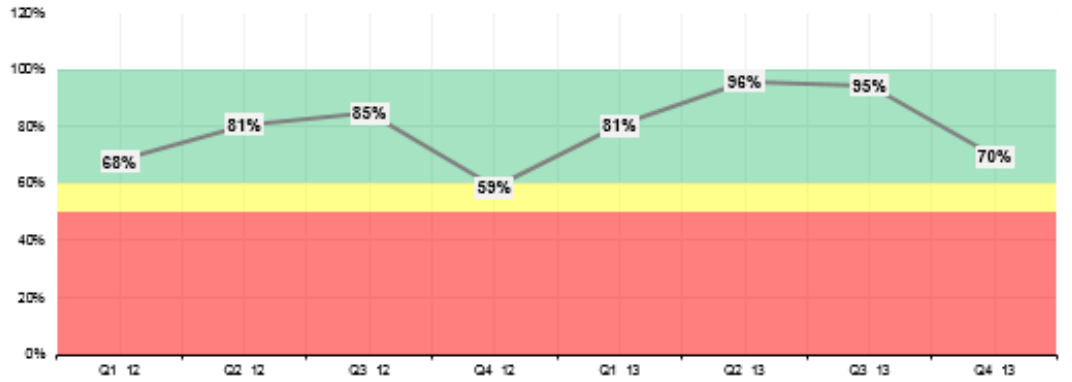
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REPORT COMPILATION

- Check submissions for accuracy
- Process data
- Quality assurance review
- Analysis and commentary
- Report generation

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KPI - % Employee satisfaction index



	Q1 12	Q2	Q3	Q4	Q1 13	Q2	Q3	Q4
Actual	68%	81%	85%	59%	81%	96%	95%	70%

Business Commentary

Achievements

-

Challenges

-

Opportunities

-

Next Steps / Corrective action (deadline required to be specified to implement the next steps / corrective action)

-

Comparative data & benchmarking

	2010	2011	2012	2013
Actual History	68%	77%	68%	81%

Benchmarking Data

	Data Source 1
	Data Source 2

Schedule of sub-initiatives aligned with the KPI- to achieve the KPI target

Sub-Initiative description	Status

Definition

Measures the employees' satisfaction and motivation level with aspects regarding the job and working environment: job responsibilities, team and management, workplace and professional development.

Measure administration

Measure owner (title)	HR Manager
Measure owner (name)	Firstname Lastname
Current status	Active
Data custodian (title)	HR Analyst
Data custodian (name)	Firstname Lastname
Activation date (past or future)	05.30.2013
Standard reporting frequency	Quarterly

Comments

HR managers use various scales to measure employee satisfaction based on customized survey, and targets can vary from one organization to another. Younger employees are usually more motivated towards their jobs and work. Benchmarking of this KPI is not recommended, due to the variety of questions used by organizations in their surveys.

Data gathering

Lead time	1/0/1900
Data source (DB name, System...)	1/0/1900
Who maintains DS	HR Department
When is data produced	1/0/1900

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Our Performance in 2011 marked our 39th consecutive year of profitability. Staying true to our Customer Service commitment in 2011, we once again earned the leading U.S. Department of Transportation Customer Satisfaction ranking. We also achieved a record load factor, grew our domestic market share, and maintained our distinction as the largest domestic airline.[1] Through continued revenue management, network optimization, and ongoing revenue initiatives such as Business Select, All New Rapid Rewards®, and EarlyBird Check-In™, we grew our unit revenues by 5.6 percent. Our outstanding revenue Performance helped blunt soaring jet fuel prices, but ultimately, fuel drove the year-over-year decline in earnings. With fuel costs accounting for 37.7 percent of our operating expenses in 2011, we continue our focus on our cost Performance—primarily on improving productivity and eliminating waste. In addition, we continue to implement fuel conservation measures and manage our fuel hedging program. Despite the 2011 decline in earnings, we ended the year in a strong financial position. In 2012, we are focused on making progress toward our financial targets and are carefully monitoring our capital spending with a focus on generating free cash flow.[c]

On May 2, 2011, we acquired AirTran Holdings, Inc., the former parent company of AirTran Airways, Inc., for a combination of cash and Southwest Airlines' common stock. In the Performance section, Southwest Airlines data includes the May 2, 2011, through Dec. 31, 2011, results for AirTran, unless otherwise stated. Data presented also includes the impact of purchase accounting as of May 2, 2011, where applicable.

CONSOLIDATED HIGHLIGHTS

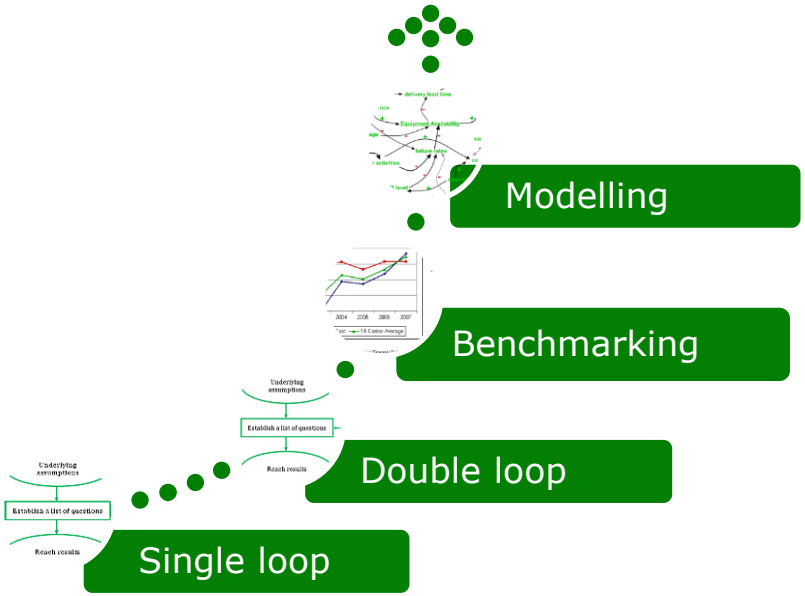
dollars in millions, except per share amounts (GAAP)[2]

	2011	2010	Change
Operating revenues	$15,658	$12,104	29.4%
Operating expenses	$14,965	$ 11,116	34.6%
Operating income	$ 693	$ 988	(29.9)%
Operating margin	4.4%	8.2%	(3.8) pts.
Net income	$ 178	$ 459	(61.2)%
Net margin	1.1%	3.8%	(2.7) pts.
Net income per share, basic	$ 0.23	$ 0.62	(62.9)%
Net income per share, diluted	$ 0.23	$ 0.61	(62.3)%
Stockholders' equity	$ 6,877	$ 6,237	10.3%
Return on average stockholders' equity	2.7%	7.9%	(5.2) pts.
Stockholders' equity per common share outstanding	$ 8.90	$ 8.35	6.6%
Revenue Passengers carried	103,973,759	88,191,322	17.9%
Revenue Passenger miles (RPMs) (000s)	97,582,530	78,046,967	25.0%
Available seat miles (ASMs) (000s)	120,578,736	98,437,092	22.5%
Passenger load factor	80.9%	79.3%	1.6 pts.
Passenger revenue yield per RPM	15.10¢	14.72¢	2.6%
Operating revenue yield per ASM	12.99¢	12.30¢	5.6%
Operating expenses per ASM	12.41¢	11.29¢	9.9%
Aircraft in service at yearend	698	548	27.4%
Fulltime equivalent Employees at yearend	45,392	34,901	30.1%

"We had a strong revenue Performance in 2011."– Gary C. Kelly, Chairman of the Board, President, and Chief Executive Officer, Southwest Airlines

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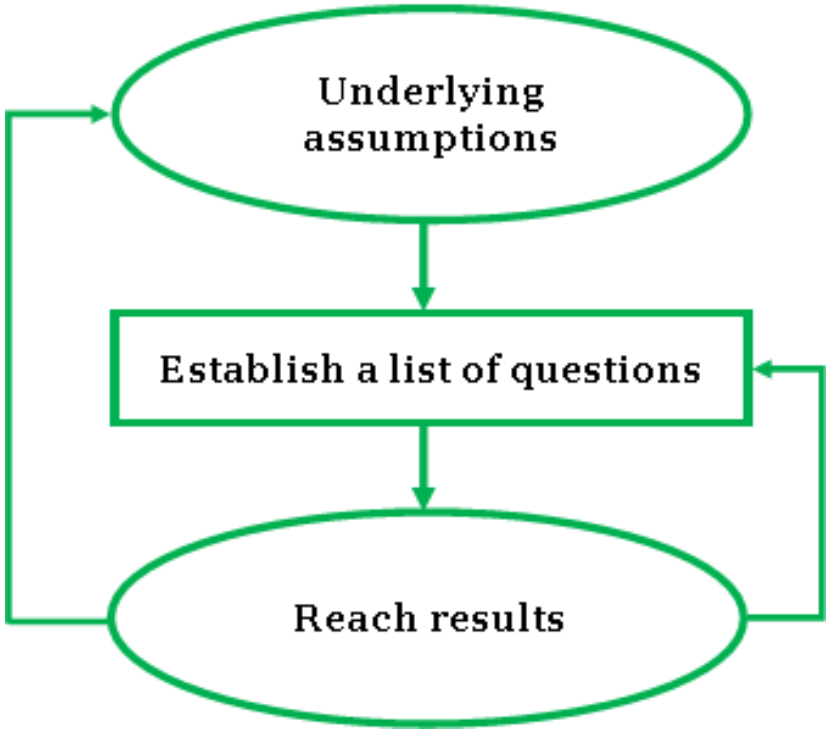
LEVELS OF KPI ANALYSIS



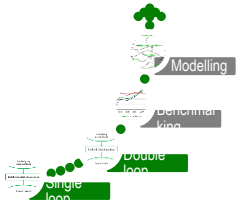
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SINGLE / DOUBLE LOOP LEARNING

DOUBLE LOOP



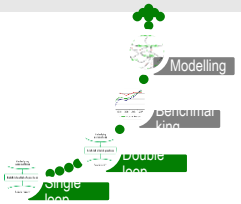
SINGLE LOOP



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SINGLE / DOUBLE LOOP LEARNING

Single-loop learning	Double-loop learning
Used when the current goals, values and strategies are sound, not questionable. The emphasis is on techniques and their effectiveness.	Used when the strategy is reviewed. It is focused on learning and reviewing previous situations.
The decision-making process and the organizational structure are accepted, the emphasis being on fixing unwanted variances.	Assumptions, premises and speculations are questioned in order to raise the decision-making process efficacy.
Errors that can be corrected are detected and acted upon, while maintaining the basic structure.	After identifying errors, the organizational rules, policies and objectives are re-examined and modified.



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BENCHMARKING

The concept of value disciplines is based on the observation that companies have taken leadership positions in their sectors and have done so by delivering superior customer value based on one of three areas:

Operational Excellence – achieved by product and services provision at the lowest cost and with the least inconvenience by focusing on cost management and operational effectiveness (e.g. Opodo, Zara, Dell and Wal-Mart).

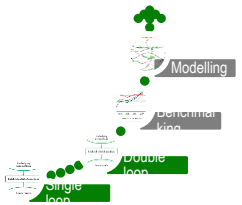
Customer Intimacy – achieved by the cultivation of lasting relationships with customers and striving to satisfy their unique needs (e.g. bespoke holiday agent Powder Byrne, Airborne Express, BUPA, and the Four Seasons hotel chain).

Product Leadership – achieved by the offer of the best products by focusing on innovation (e.g. Intel and Nike).

According to this theory, to be successful, a company must focus relentlessly on one of the value disciplines in order to be the best in that area, whilst being at least industry average in the other two disciplines.

At one Marriott hotel, senior managers benchmark two or three competitor outlets each week by holding meetings at competitor hotels.

Opodo benchmarks against competitors and relevant 'best in class' service providers every month. It monitors the trends and, importantly, acts on the results. Such rapid action, of course, needs robust performance management systems.



Source: http://www.ashridge.org.uk/Website/IC.nsf/wEARATT/When%20Operational%20Excellence%20Meets%20Customer%20Intimacy/$File/OperationalExcellence-CustomerIntimacy.pdf

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Home

Eleven Measures of Airline Performance, First Quarter 2002-2007

This series of Airline Industry Performance Measures is provided to offer insight into the operational performance of the network and low-cost carrier segments of the airline ndustry. These eleven measures, developed by the Bureau of Transportation Statistics (BTS), examine three different performance categories.

Financial

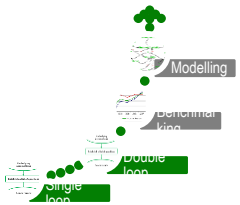
1. System Operating Profit/(Loss) per Originating Passenger
2. System Operating Expenses (excluding Regional Jet Contract) per Originating Passenger
3. System Operating Expenses (excluding Regional Jet Contract) per Aircraft
4. Passenger Revenue per Originating Passenger (excluding Regional Jet Contract)

Employment and Traffic

5. Full-Time Equivalent Employees per Aircraft
6. Average Monthly Available Seat-Miles (ASMs) per Full-Time Equivalent Employee
7. Average Monthly Revenue Aircraft Minutes per Full-Time Equivalent Employee
8. Average Monthly Originating Passengers per Full-Time Equivalent Employee

Operating Expense

9. Fuel Cost per Originating Passenger
10. Average Full-Time Equivalent Employee Compensation per Originating Passenger
11. Average Annual Full-Time Equivalent Employee Compensation



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Table 1: System Operating Profit/(Loss) per Originating Passenger Passenger Airlines by Group Ranked by First Quarter 2007 Performance

(Dollars of Profit or Loss per Originating Passenger)

Excel | CSV

2007 Rank		2002	2003	2004	2005	2006	2007	Change 2002-2007
1	Network	-48.89	-61.39	-22.48	-25.30	-12.75	13.52	62.41
2	Low-Cost	0.23	0.86	2.37	-6.74	3.12	3.06	2.83
	14-Carrier Average	**-34.33**	**-40.86**	**-13.92**	**-19.12**	**-6.85**	**9.40**	**43.73**
	Group Dollar Difference	**49.12**	**62.25**	**24.85**	**18.56**	**15.87**	**10.46**	**-38.66**

Source: Bureau of Transportation Statistics, Form 41 Airline Financial Data and DB1B Origin & Destination Data

Table 2: System Operating Profit/(Loss) per Originating Passenger Network Carriers Ranked by First Quarter 2007 Performance

(Dollars of Profit or Loss per Originating Passenger)

Excel | CSV

2007 Rank	Network	2002	2003	2004	2005	2006	2007	Change 2002-2007
1	Northwest	-29.18	-49.20	-14.78	-39.30	-0.98	27.42	56.60
2	Delta	-34.99	-47.96	-38.29	-35.91	-46.09	16.17	51.16
3	US Airways	-55.51	-38.41	-27.05	-29.65	8.69	16.07	71.58
4	American	-57.31	-74.45	-1.90	-3.10	3.61	13.55	70.86

Table 3: System Operating Profit/(Loss) per Originating Passenger Low-Cost Carriers Ranked by First Quarter 2007 Performance

(Dollars of Profit or Loss per Originating Passenger)

Excel | CSV

2007 Rank	Low-Cost	2002	2003	2004	2005	2006	2007	Change 2002-2007
1	America West	-28.34	-15.17	4.84	14.53	25.28	15.31	43.65
2	Spirit	4.48	1.27	2.32	-4.24	-9.04	8.36	3.88
3	Southwest	3.39	2.99	2.87	6.69	5.05	4.13	0.74
4	AirTran	-1.94	4.59	4.84	-3.56	-3.42	3.28	5.22
5	JetBlue	22.31	19.97	13.66	8.33	-6.34	-2.97	-19.34
6	Frontier	9.96	-20.44	-12.56	-2.33	-5.67	-3.42	-13.38
7	ATA	5.20	-2.24	-14.39	-298.34	-51.64	-66.35	-71.55
	7-Carrier Average	**0.23**	**0.86**	**2.37**	**-6.74**	**3.12**	**3.06**	**2.83**

Source: Bureau of Transportation Statistics, Form 41 Airline Financial Data and DB1B Origin & Destination Data

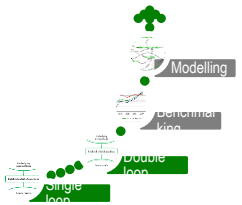
At Measure 1: System Operating Profit/(Loss) per Originating Passenger (Tables 1-3):

In 2007, the network carriers generated a system operating profit per originating passenger in the first quarter for the first time since 2000.

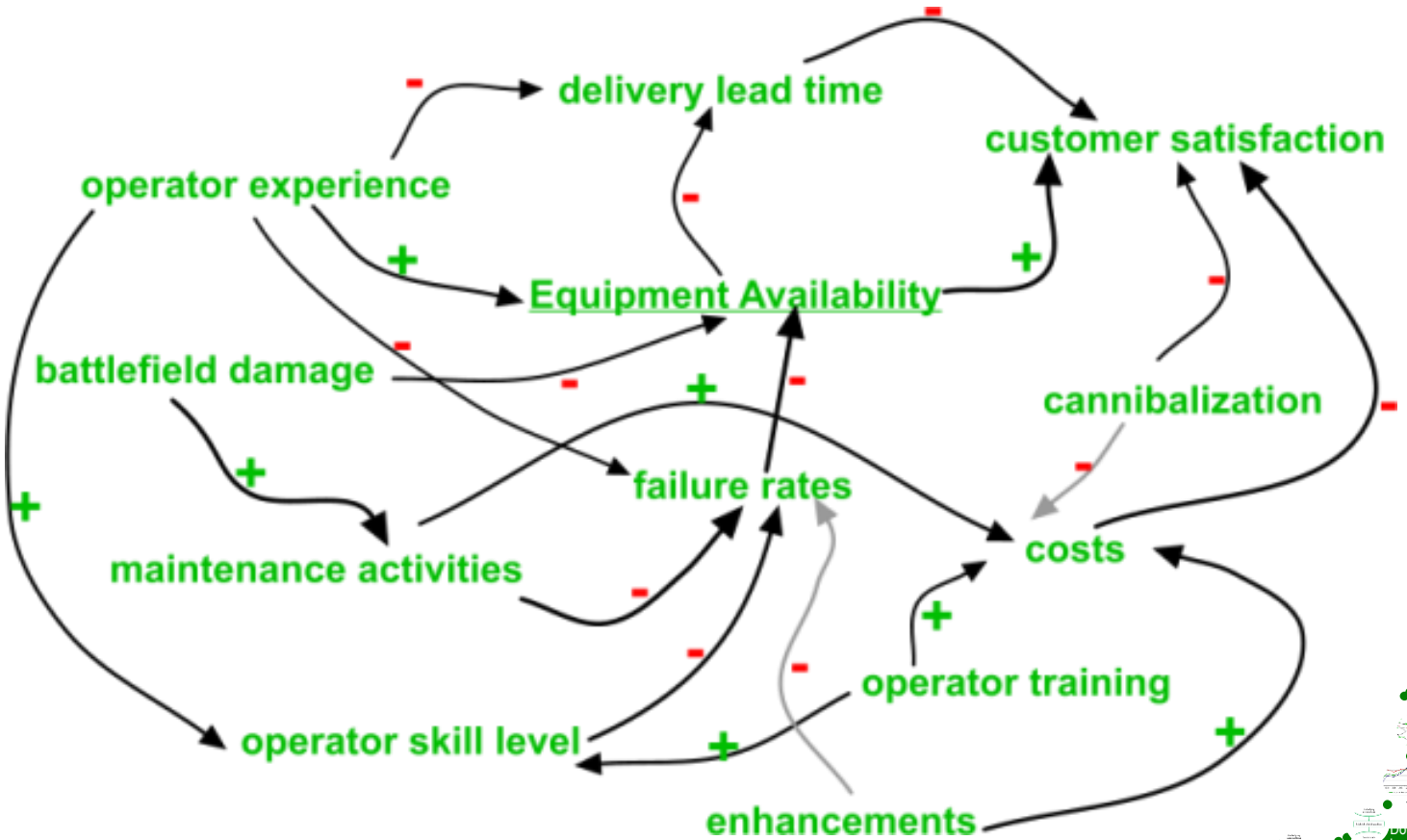
In 2007, three network carriers - Northwest, Delta and US Airways -exceeded the profitability per originating passenger of America West, the most profitable of the low-cost airlines.

The 2007 results reversed the post 9/11 trend when network carriers showed large losses while low-cost carriers, led by Southwest, consistently reported a profit per originating passenger. Although their profits continued, the low-cost carriers have not returned to the profit levels of 2000 and 2001.

Northwest with more than $25 of profit per originating passenger topped the network carriers. American, Delta and US Airways profit exceeded $10 while United's was just below $10. America West was the leader among low-cost carriers with over $15 profit per passenger. Spirit, Southwest and AirTran also reported profits. Frontier, JetBlue and ATA reported operating losses per originating passenger. ATAs loss per originating passenger was $66.35.



MODELLING



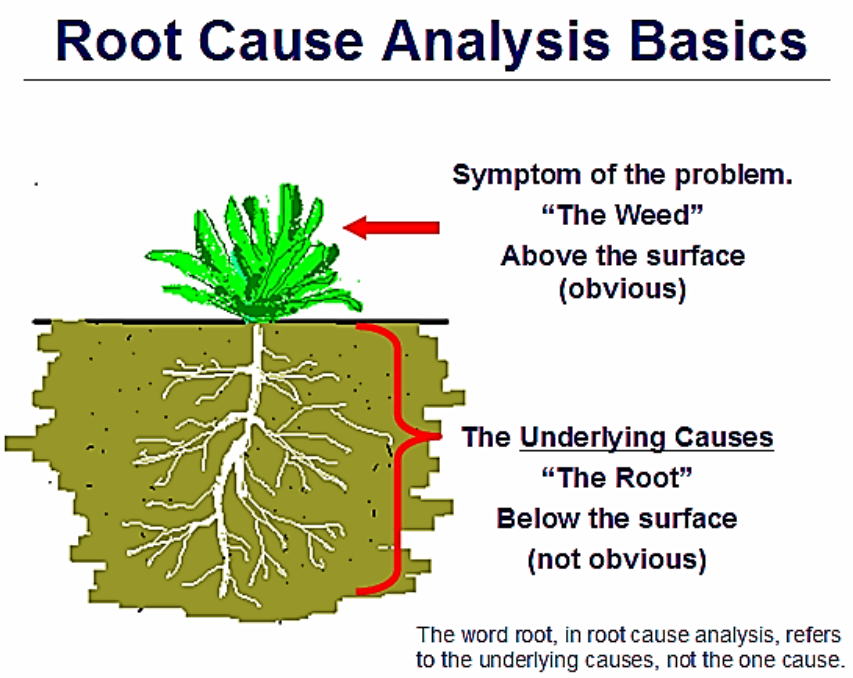
Source: http://www.simafore.com/blog/bid/123840/Internet-of-things-enabled-predictive-maintenance-identifying-KPIs

BUSINESS ANALYSIS TECHNIQUE (1)

Root cause analysis

Analysis of causal relationship

- Premise: Problems are best solved by eliminating causes, not by eliminating only the symptoms
- Continuous improvement technique
- Over time, this method prevents problems

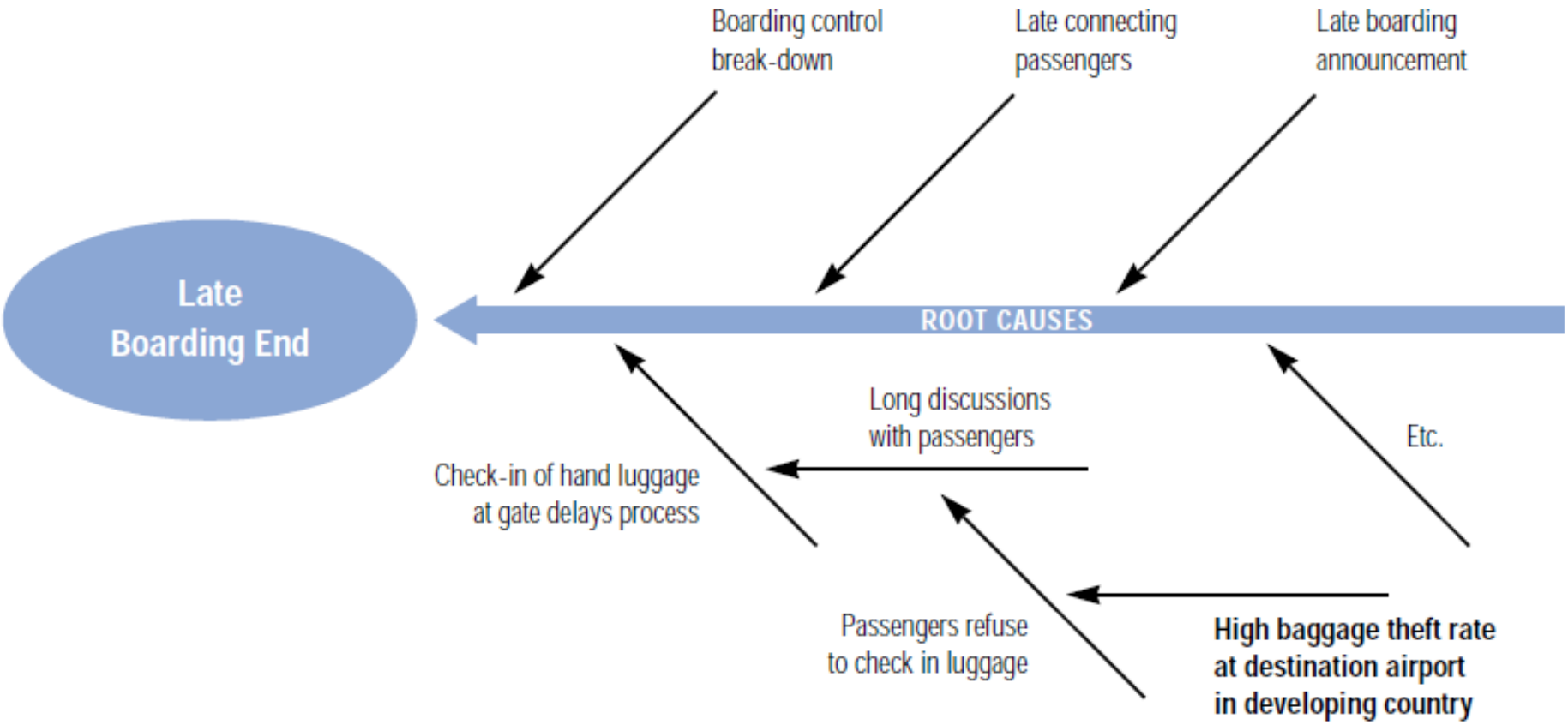


Source: www.thinkreliability.com

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BUSINESS ANALYSIS TECHNIQUE (2)

Ishikawa diagram

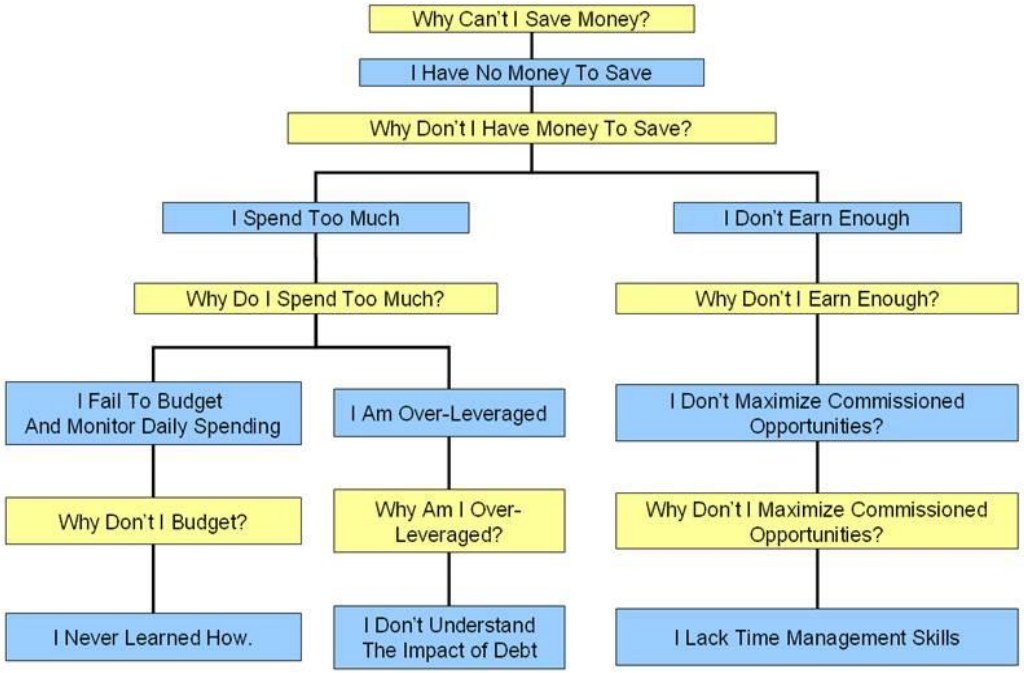


Source: Booz, Allen & Hamilton, Punctuality: How airlines can improve on-time performance

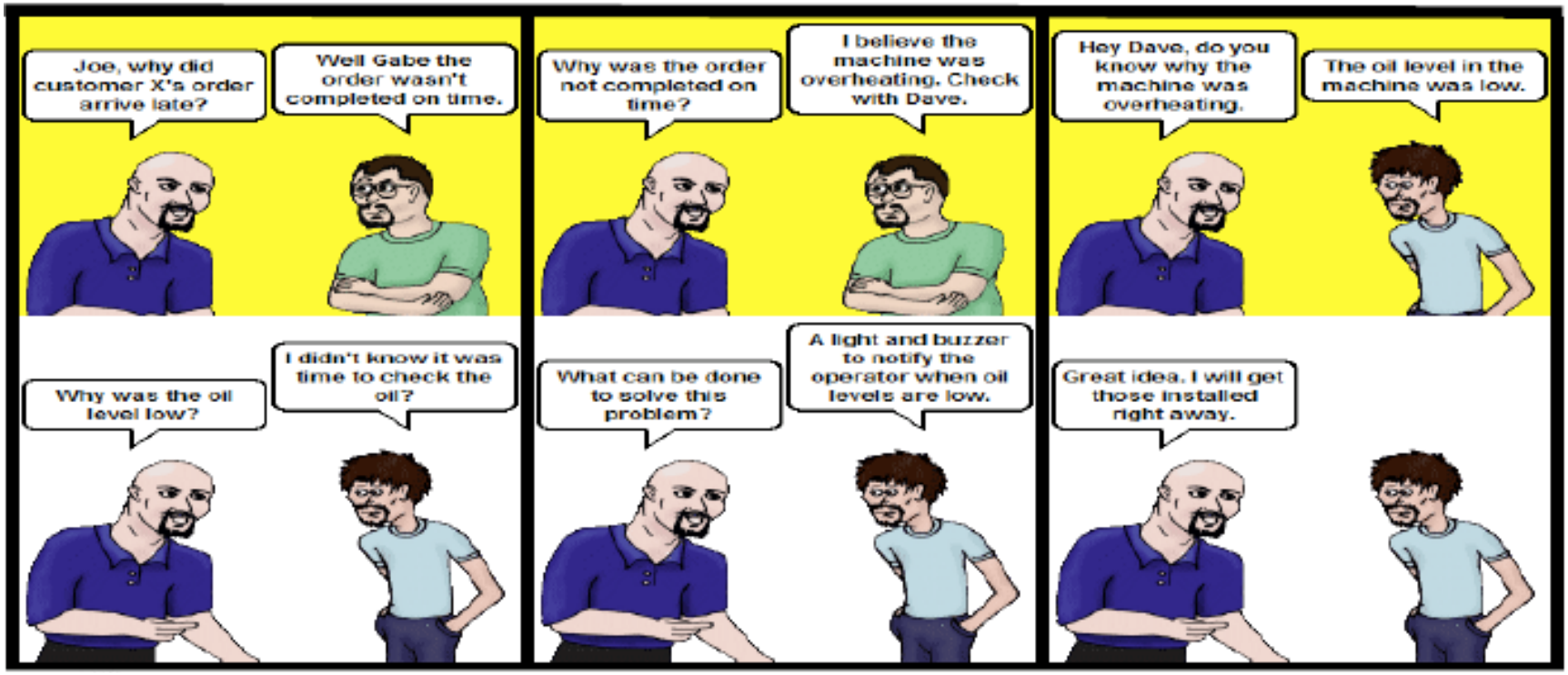
BUSINESS ANALYSIS TECHNIQUE (3)

The 5 "Why?"

- Used in the Toyota production system
- Complete the analysis of causal relationship, by addressing the question "Why?" for 5 times
- Helps to identify the causes of the problem
- Easy to learn, easy to apply



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Problem Statement: Customer satisfaction dropped 25% in the month of January 2008	
Question	**Answer**
Why did customer satisfaction data drop?	The customer doesn't like our delivery
Why doesn't the customer like our delivery?	The customer didn't know when we would ship the order.
Why didn't the customer know when we would ship the order?	They keep getting different answers.
Why are they getting different answers?	People in our company have different sources of information.
Why do we have different sources of information?	We don't have standard operating procedures for answering customer questions.

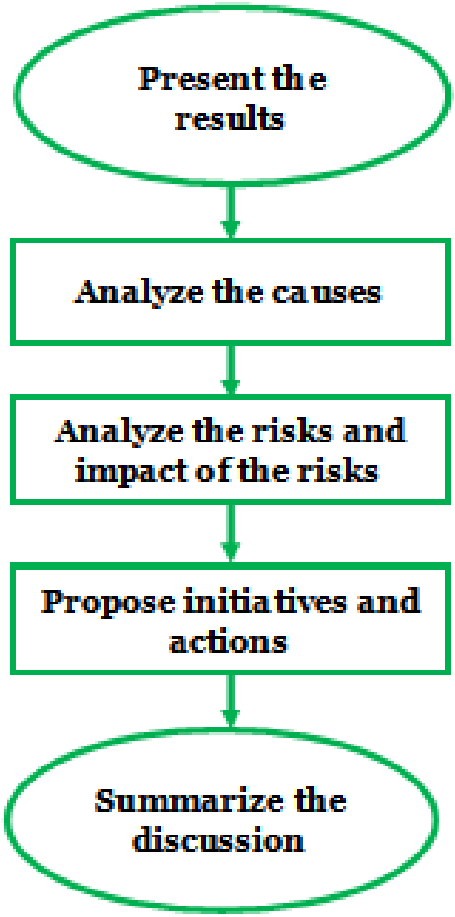
Source: http://www.apollosmedia.com/foodipc/index.php?option=com_content&view=article&id=39:problem-solving&catid=1:foodipc&itemid=8

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CONDUCTING PERFORMANCE REVIEW MEETINGS

Meeting agenda

- Presenting results;
- Analyzing causes;
- Analyzing risks and impact of the risks;
- Proposing initiatives and actions to improve performance and the responsibility assignment;
- Monitoring the status of the suggested initiatives.



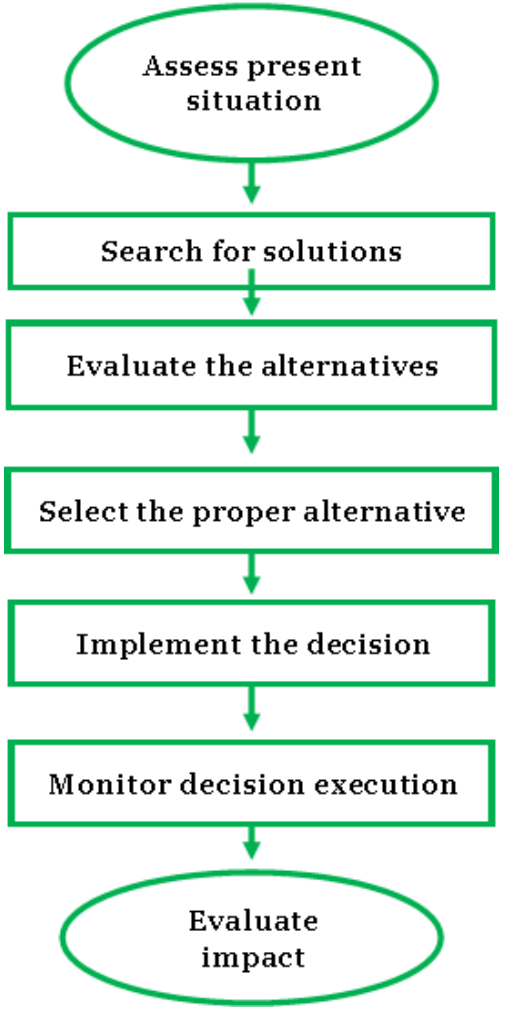
Follow up

- Summarizing the discussion;
- Completing and documenting the initiatives;
- Implementing approved initiatives;
- Respecting the deadlines.

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DECISION MAKING AND EVALUATION

- Decisions should be always based on concrete data;
- For some decision it can be useful to consult with colleagues or other staff;
- An important part of the process is to make sure the decision is correctly implemented and to assess its impact. Based on past experience, better decisions can be taken in the future.



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INITIATIVES PORTFOLIO

Human Resources Department Portfolio of Initiatives

Perspective / Objective / Initiative	Organisational initiative no.	Initiative owner	Initiative coordinator	Priority	Status	Budget	Comments	Start Date	End date	No within perspective
Customer										
Maintain high levels of internal customer satisfaction										
Quarterly evaluations of the HR deartment's performance with other departmental managers										1
Monthly spot survey of staff to assess their satisfaction with the service provided by the HR department	oi2	ION2	ICN2	High	Approved	20000	comments2	date2	dateE2	2
Ensure high service delivery standards										
Tracking system of employee complaints resolution	oi3	ION3	ICN3	High	In progress	30000	comments3	date3	dateE3	3
Finance										
Provide good value for money to the organisation										
No active initiatives in place										
Maintain financial rigour in budget projection and execution										
No active initiatives in place										
Internal Processes										
Optimize recruitment and retention										
Annual "Performance appraisal day"	oi5	ION5	ICN5	High	Approved	60000	comments5	date5	dateE5	1
Improve HR service delivery capability										
Process optimisation initiative	oi6	ION6	ICN6	High	In progress	80000	comments6	date6	dateE6	2
People, Learning & Growth										
Build an environment that fosters creativity and innovation										
No active initiatives in place										
Develop workforce skills and competences										
HR certification program	oi7	ION7	ICN7	High	In progress	45000	comments7	date7	dateE7	1
Maintain high performing motivated employees										
No active initiatives in place										

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INITIATIVE MANAGEMENT

Initiative Description

Unique identification			
Initiative name	Monthly spot survey of staff to assess their satisfaction with the service provided by the HR department		
Organisational initiative no.	4	Departmental initiative no.	12
Description and allocation			
Description	Development of a questionnaire in order to survey to level of staff satisfaction with the service provided by the HR department.		
Organisational area	HR Department	Balanced Scorecard perspective	Customer
Scope			
Strategic objective	Maintain high levels of staff satisfaction		
Current state	0%		
Desired state	100%		
Expected outputs	Primary: A monthly report reflecting the state of staff satisfaction and recommendations for improvement. Secondary: Developed staff satisfaction survey. Developed plan for data gathering.		
Measurement			
KPIs	% Staff satisfaction		
Current result	67%	Target result	90%
Initiative administration			
Initiative owner (title)	HR Specialist	Initiative coordinator (title)	HR Manager
Initiative owner	Ana T	Initiative coordinator	Dan T
Budget	$20,000	Budget source	BS2
Priority	High	Status	Approved
Implementation details			
Start date	01.01.2014	End date	01.12.2014
Major activities	Develop the questionnaire framework. Analyze the data collection solutions and develop a data gathering plan, with identified solutions. Collect data. Generate report.		
Risk profile	Medium Budget overrun		
Interdependencies	Data gathering systems		
Comments			

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INITIATIVE PROGRESS REPORT

Project Status Report

For the Period Sep 1, 2006 to Sep 30, 2006

#	Title	Manager	Sponsor	Business Unit	Planned Start	Planned Finish
5	CRM Implementation	Charles Howell	Mark Marketing	Marketing	6/1/06	4/7/07

OBJECTIVE

We need a 360 view of the customer. This will give the salesperson all the info they need when making a customer call or visit, enabling them to address any issues and spot new opportunities.

STATUS

Health	Phase	Budget	Schedule	Scope	Schedule Start	Schedule Finish
Needs Attention	3-Executing	On Budget	May be late	On Target	6/1/06	4/6/07

Last Status Update: May/14/2007 **By:** David Blumhorst

HIGH PRIORITY ISSUES

Priority	Issue Name	Description	Assigned To	Date Created	Deadline	% Complete
High	Hardware late	Hardware is backordered		6/27/06 11:48:21 AM	7/4/06	100%
High	Resource constraints	Key resources are overbooked and unavailable for this project. Significant delays anticipated.	Charles Howell	9/23/06 9:13:22 PM	9/30/06	0%
High	Sponsor late w/ requirements			10/30/06 11:06:28 AM	11/6/06	0%

MILESTONES

Task Name	Task Status	Planned Finish	Actual Finish
Project Charter Approval	Completed	6/30/06	9/24/06
Plan Approval	Completed	7/28/06	10/24/06
Customer Acceptance	Overdue	1/5/07	
Close Project	Overdue	4/6/07	

COMPLETED LAST PERIOD

WBS	Task Name	Planned Start	Planned Finish	Actual Finish
1.4	Project Charter Approval	6/30/06	6/30/06	9/24/06
2.2	Gather Requirements	7/3/06	7/27/06	9/24/06
2.3	Fill out task plan (WBS)	7/10/06	7/13/06	9/24/06
2.4	Create Budget	7/10/06	7/12/06	9/24/06

OVERDUE

WBS	Task Name	Planned Start	Planned Finish	% Complete
1	1-Initiating	6/1/06	7/7/06	75%
1.2	New Task	6/26/06	7/7/06	0%
3	3-Executing	7/31/06	1/5/07	51%

Source: http://www.effectiveitgroup.com/project_status.html

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CASE STUDY

Managing performance through KPI reporting

We plan to achieve our financial targets through our expanded route network, synergies from our AirTran acquisition, and execution of our other strategic initiatives. [F]

Section Shortcuts >

Please see our Investor Relations site at http://southwest.investorroom.com/ for our most current financial results and outlook.

Our financial target remains 15 percent pre-tax return on invested capital. We plan to achieve our financial targets through our expanded route network, synergies resulting from our AirTran acquisition, and through execution of our other strategic initiatives, including those discussed below. Through our fuel conservation efforts and fuel hedging program, we intend to mitigate fuel price risks that have impacted the airline industry over the past several years.

- AirTran integration
- Fleet modernization
- *Evolve: The New Southwest Interior*
- All-New Rapid Rewards®
- Reservation system replacement
- Network optimization
- Inflight Internet connectivity
- Operational efficiency

Reservation System Replacement

To keep up with the evolution of the Southwest Airlines network, we intend to replace our reservation system. Our existing reservation system was developed for a simpler pricing system and more limited network than we have today. We intend to replace our existing reservation system with a system that would provide the ability to serve international destinations and would allow for other revenue management and Customer Service enhancements. Our reservation system replacement will be a multi-year project.

Network Optimization

In 2012, we plan to add 33 new Boeing 737-800s and retire 40 Classic aircraft, which will result in a combined fleet of 691 aircraft. With the new larger gauge -800s and additional seats from the *Evolve* retrofit on our 737-700 aircraft, we forecast 2012 available seat mile capacity to be similar to that of 2011 combined, despite decrease in fleet.

We will continue to refine our AirTran network. In 2012, AirTran plans to close 15 cities and add two new international destinations—Cabo San Lucas and Mexico City. In February 2012, Southwest Airlines began service to Atlanta with 15 daily flights, which will increase to 24 daily flights by summer 2012. Based on our joint schedules announced as of March 2012, the combined network will serve 97 destinations at the end of 2012.

Inflight Internet Connectivity

As of March 2012, more than 200 of our Southwest Airlines aircraft offer WiFi service onboard, and we plan to have the entire Southwest 737-700 fleet WiFi enabled in 2013. In addition, all 737-800s will be WiFi equipped as they enter Southwest Airlines service. Our agreement with our WiFi provider, Row 44, allows us to set the pricing of this service—currently $5 per device to our Customer's final destination, including stops or connections. We offer complimentary service to our A-List Preferred Members who log in with their Rapid Rewards® account numbers.

Operational Efficiency

We're continuing our commitment to technology improvements to support ongoing operations and initiatives. In December 2011, we announced that Southwest Airlines will be the first U.S. airline to equip Ramp Employees systemwide with hands-free wireless headsets to enable the Ground Crew and Pilots to better communicate and coordinate the process of pushing back planes from concourse gates. The new devices are expected to add another level of safety. The headset system also will help to improve departure times and fuel efficiency. We continue to deploy the headset system nationwide at all Southwest Airlines gates in 2012.

Source: http://www.southwestonereport.com/2011/#!/performance/future-performance

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#DAY SALES OUTSTANDING - Importance

- **Organizational context:** International office and paper supplier (USA)
- **Value drivers:** Efficiency, Quality

KPIs:

Phone calls;

DSO; *measures the average number of days that a company takes to collect revenue after a sale has been made*

$$DSO = \frac{\text{Accounts Receivables}}{\text{Invoiced Sales in Period}} \times \text{Days in period}$$

Stock time;

% Lost calls rate

KPI improvement:

DSO from 39 to 38 days results in $50,000 in savings per year

Source: Burnett, J. (2009), The DSO calculation, available at: http://www.greenbill.com/2009/03/dso_calculation/

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#DAY SALES OUTSTANDING – Corrective actions

- Late payment penalties

What is the Late payment fee?

A late payment fee of $12 may apply to bills for supply addresses in NSW, SA and Queensland not paid in full by the due date. Some exemptions apply. For example, if your supply address is in New South Wales, a late payment fee will not apply if:

- for electricity contracts, the account holder receives the Low Income Household Rebate or the Medical Energy Rebate;
- if the bill that was not paid by the due date, or another bill under your contract, is the subject of a matter being considered by the energy ombudsman;

If you experience any difficulties in paying your energy bills, we can help. Please contact us and we can look at ways to help manage the payment of your bills.

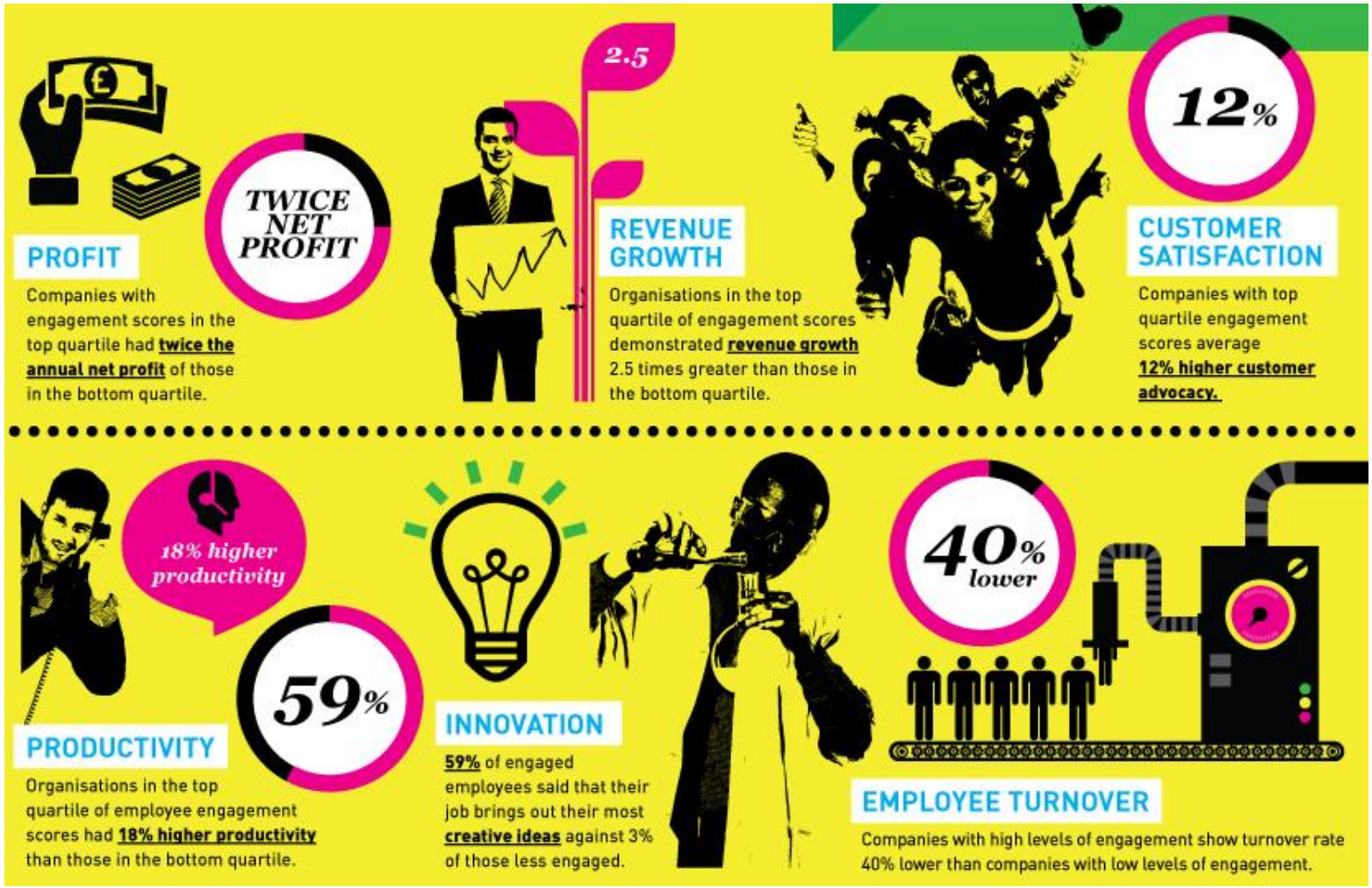
Natural gas and electricity - **13 24 61**
Interpreter service - **13 14 50**

- Discounts for paying on time: 3-5% for utilities bills

Source: Originenergy.com (n.d.), Your bill FAQs, available at: http://www.originenergy.com.au/2389/Bill-FAQs/

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% EMPLOYEE ENGAGEMENT - Importance



Source: http://www.engageforsuccess.org/ideas-tools/employee-engagement-the-evidence/#.UMO8Dne2rJg

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% EMPLOYEE ENGAGEMENT – Corrective actions

- Lunches with staff
- Debrief staff following management team meetings
- Reward and recognition program (linked to objectives, behaviours, innovation)
- Transparency in decision making and direction (communication boards)
- Every manager has employee engagement plan
- Coach people on the process; assign mentors
- Corporate Games
- Open Days
- Job rotations to understand the business
- Recruitment practices revisited



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SESSION REVIEW

1. Data quality dimensions: validity, accuracy, consistency, integrity, timeliness, completeness;
2. KPI reporting data sources: surveys, ERP, internal operations, benchmarking reports, external entities;
3. KPI activation tools: data gathering process map, KPI documentation form, data gathering template;
4. KPI activation techniques: meeting data custodians in person, involving data custodians in a community of practice, sending reminder email;
5. Levels of KPI analysis: single loop, double loop, benchmarking, modelling;
6. Business analysis techniques: root cause analysis, Ishikawa diagram, the 5 "Why";
7. KPIs in practice: # Days sales outstanding, % Employee engagement.

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AGENDA

DAY 1

7 KPI Management Enablers

1. Overview of KPI software marketplace
2. Software spotlight
3. Hardware spotlight
4. Communicating strategy
5. Comments on performance management

Key Learning Points

1. Identify the software solutions available on the market that support the performance management system
2. Use the Spider Strategies software solution
3. Review the list of hardware components that facilitate the communication of the performance management system
4. Identify good practices in communicating the organizational performance
5. Increase awareness about the variety of opinions regarding the implementation of the performance management system

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OVERVIEW OF KPI SOFTWARE MARKETPLACE

- Microsoft Excel
- Off-the shelf software
- Custom-designed software

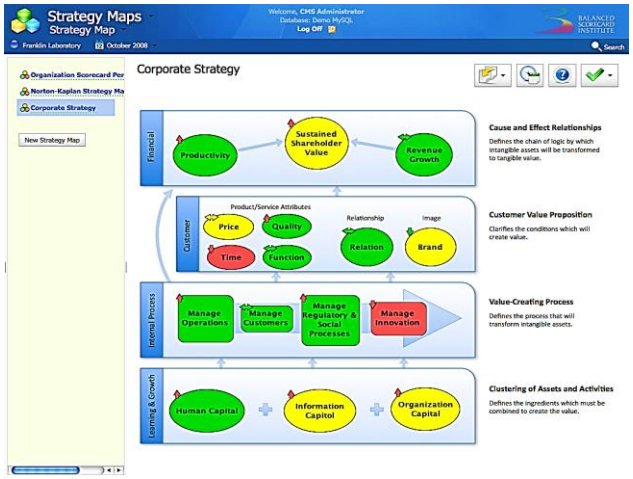


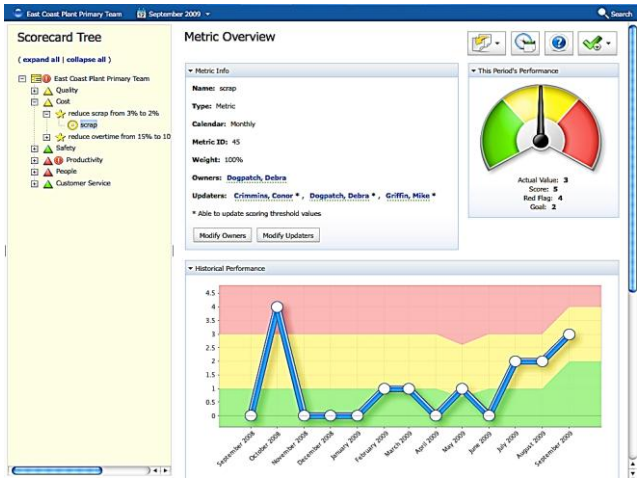
Source: Gartner (February 2014)

Source: Gartner (2014), InsightFormation

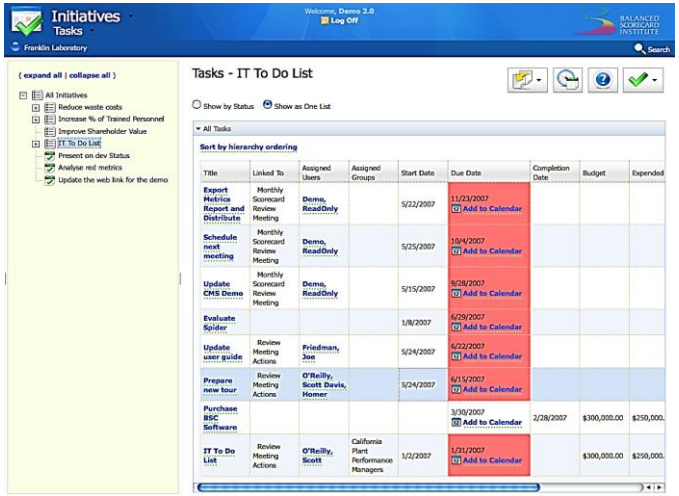
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SPIDER STRATEGIES





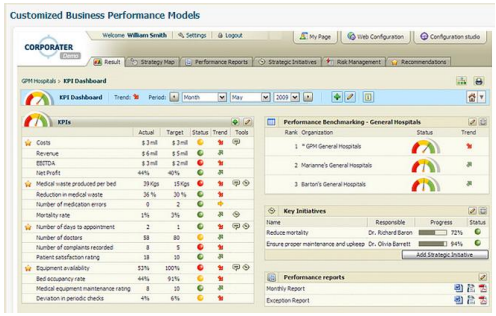


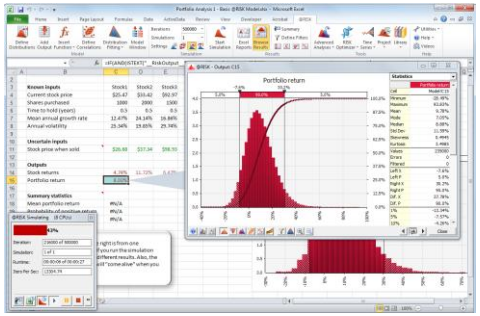


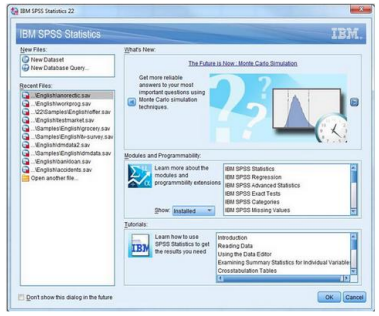
Source: http://www.spiderstrategies.com/tour/balanced-scorecard-software/

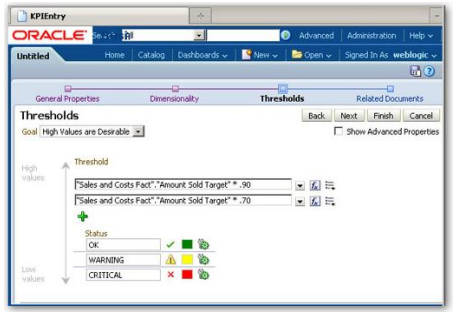
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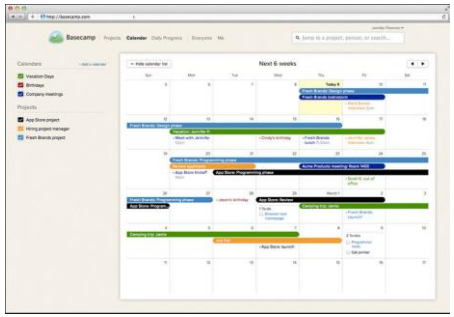
SOFTWARE SPOTLIGHT

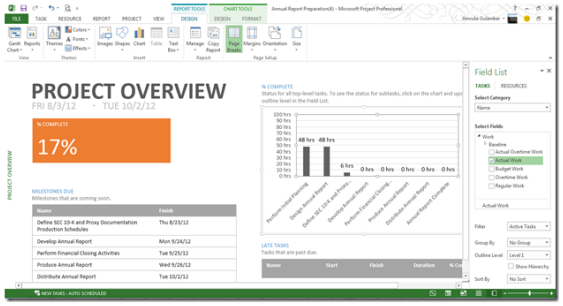


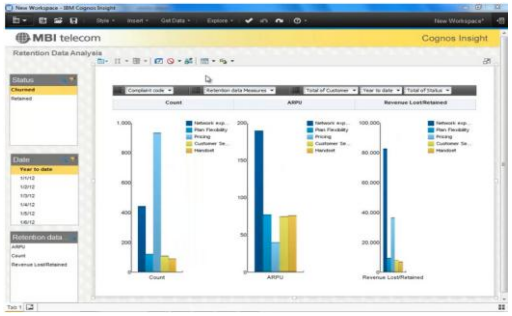


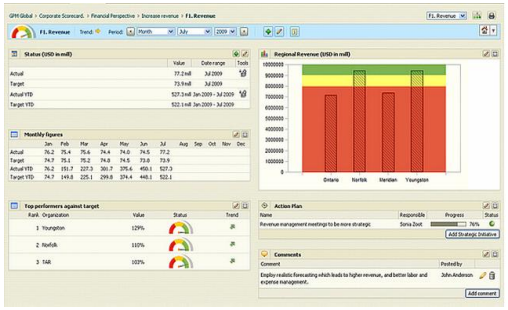


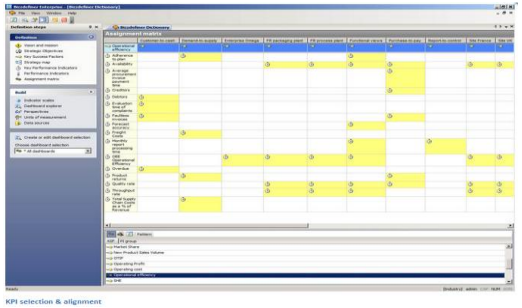








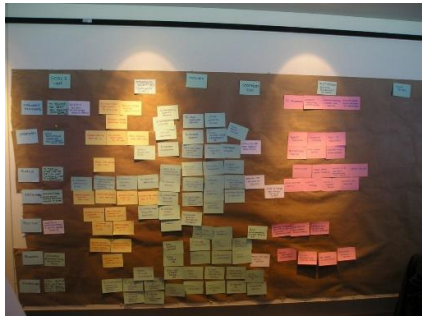




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HARDWARE SPOTLIGHT



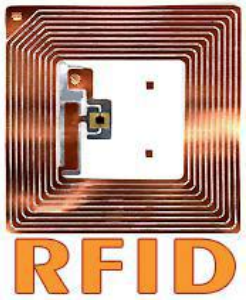


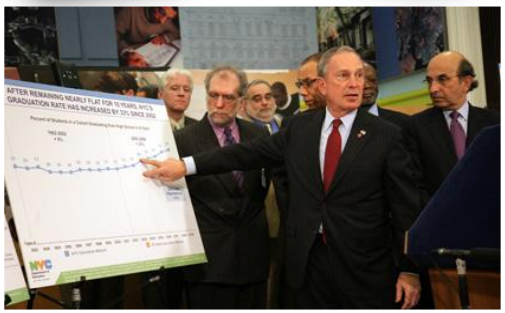










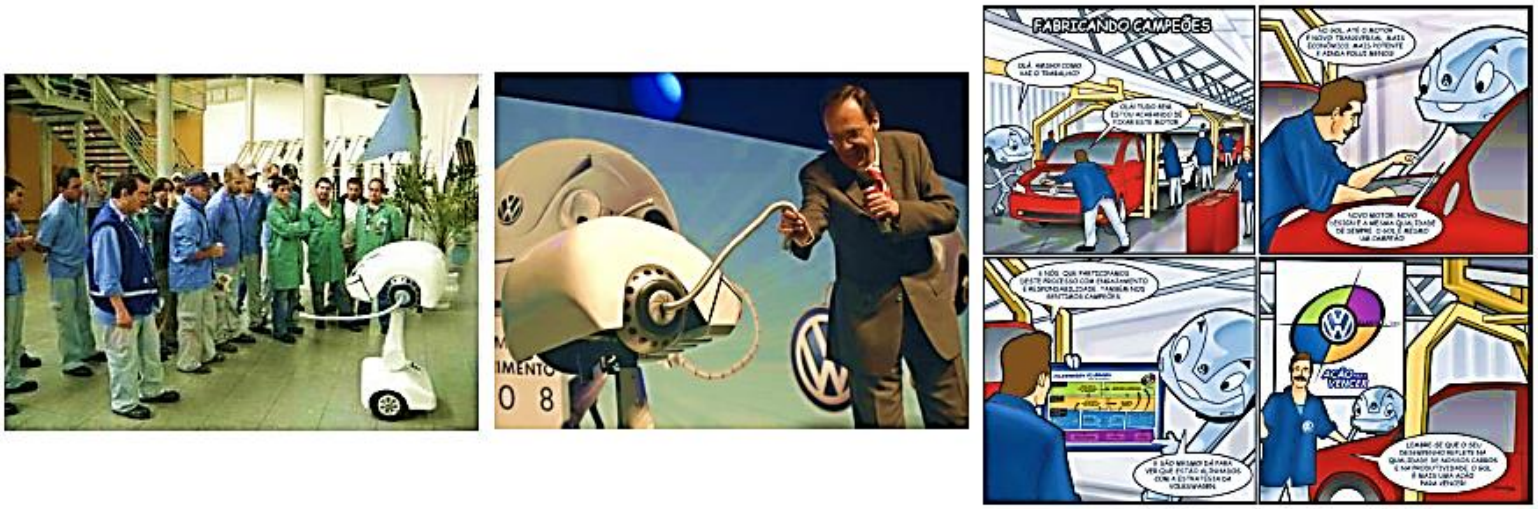


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CASE STUDY

Volkswagen do Brasil: Using a Robot to communicate strategy

Giga, the Act to Win mascot...



...he interacts with employees physically and via comic strips reinforcing the company's strategy.

Source: Senn, J. F. (2012), Mobilizing for strategy execution

CASE STUDY

Communicating with the Balanced Scorecard – Interview with Paul Moody, CEO at Britvic, UK

Outline of the interview:

Communication is a key factor

- Deliver a clear and inspirational message about where the business is heading for;
- Important for employees to recognize what is the organization's "desired state of evolution".

Communication focus

- A lot of effort focus must be involved towards communicating clearly and openly with everyone in the organization, to know and understand what is the organization strategic direction and what is their role in the organization.
- Converting the strategic vision in simple answers to questions, such as: *What does this mean for me? What do you want me to do? How do I deliver strong performance?*, is of critical importance for the first lines of the business.

Balanced Scorecard as a strategy communication enabling tool

- *"Balanced Scorecard is a means by which we communicate to the organization the objectives that we set ourselves for the upcoming year and in the strategic plan for the next 3 years";*
- *"Enables to communicate the "big number" but also enables people to understand what does strategy really mean for them, and how their work contributes to achieve the desired outcome".*



Source: http://www.bbc.co.uk/news/business-12764519

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STAFF OPINIONS ON PERFORMANCE MEASUREMENT

- *It is currently a waste of time. It represents nothing.*
- *A good idea in theory, but in application usually short-sighted and hypocritical.*
- *Essential for the systematic management of human resources.*
- *Performance Management is integral for the organization to achieve its goals. Need to understand where we are against organization objectives.*
- *Necessary but really annoying to do.*
- *Performance management or PPDP as it's well known here is not done at regular intervals. Last time we had one done in our team was 12 months ago.*
- *A waste of time. It seems that just doing a good job and concentrating on doing a good job is not enough for management to give you a CPI increase, you have to prove to them that you will jump thru hoops to make them happy. If you are good at sucking up to management then you will receive good reviews, if you have no interest in progressing, but want to just be recognised for doing an excellent job, you are over looked.*

Note: Unedited comments from survey respondents

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POSITIVE PERFORMANCE MANAGEMENT METAPHORS

- *Performance Management is like driving on a journey to a destination. The more information and feedback together with the most appropriate vehicle will get me and my colleagues to the destination in a faster, safer and fuel efficient manner.*

- *PMS is like a household, if all is done well it looks great and things are running well.*

- *Provision of a service without agreed performance management parameters is like navigating a ship without a radar. The ship may never reach its destination, may arrive late or damaged, because the pilot cannot effectively navigate it.*

- *Working on a sunny day - it can be frustrating while you're doing it but the rewards for getting finished are there if you make an effort.*

Note: Unedited comments from survey respondents

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NEGATIVE METAPHORS ON PERFORMANCE MANAGEMENT

- *All lights, movement and drama; scripting and weasel words provided undigested via the latest MBA trend; story, meaning and intent instantly forgotten by everyone as soon as the show ends. Then do it all again next year.*
- *Performance is like visiting a dentist - hopefully once a year and can be painful exercise !*
- *Like a1930s school - to remove innovation and individualism whilst ensuring conformity to a perceived business 'norm'*
- *Like a diet - loads of effort goes into it initially then it is forgotten and everything goes back to the way it was before the diet began.*

Note: Unedited comments from survey respondents

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SESSION REVIEW

- Levels of BI solutions: Microsoft Excel, off-the shelf software, custom-designed software;
- Software spotlight: Basecamp, Bizzscore, Corporater, IBM Cognos Insight, IBM Many Eyes, IBM SPSS Statistics, Microsoft Project, Oracle, Palisade, SAS Visual Analytics, Spider Strategies, Tableau Software, TouchViz;
- Hardware spotlight: customer feedback system, electronic displays, post-it-notes, posters, Radio Frequency Identification (RFID), smartphones, tablets, whiteboards;
- The importance of communicating the strategy with the Balanced Scorecard.

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AGENDA

DAY 1 DAY 2 DAY 3

8 Generating Value from Using KPIs

1. Capability pillars
2. Organizational Capability Maturity Models
3. Building a performance culture

The Pillars of KPI Architecture

Data Visualization

Generating Value from Using KPIs

Key Learning Points

1. Understand the 10 capability pillars of performance management
2. Review of the existing Performance Measurement Maturity Models
3. Understand the major building blocks of a performance culture
4. Analyze 2 examples of bonus systems from public and private sector
5. Explore gamification, as a means to address the limits of bonuses

KPI Selection

KPI Documentation

KPI Review

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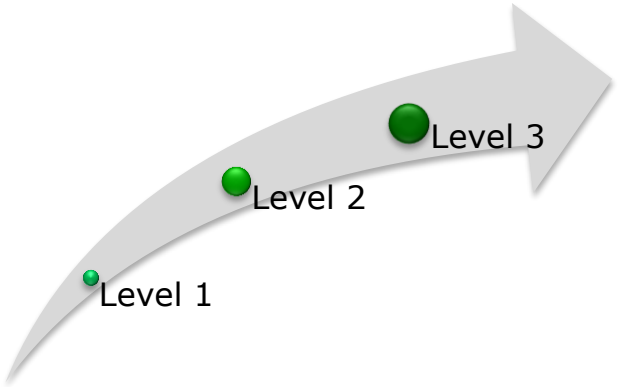
CAPABILITY PILLARS

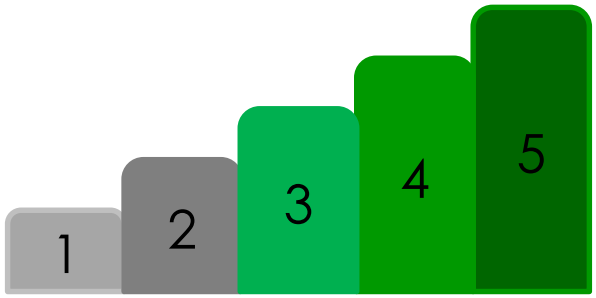
1	People
2	Skills
3	Understanding of the discipline
4	System
5	Tools
6	Processes
7	Software
8	Performance leadership (vision - support)
9	Culture (goodwill, credibility)
10	Communication, projection

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ORGANIZATIONAL CAPABILITY MATURITY MODELS

- The most popular maturity models are:
  - **Capability Maturity Model Integration (CMMI)**, developed by the Software Engineering Institute (SEI) at the Carnegie Mellon University, USA
  - **Portfolio, Programs, and Project Management Maturity Model (P3M3)**, developed by the Office of Government Commerce, UK
- **Characteristics of a Maturity Model**
- The capability development level is rated on a scale from 1 to 5.
- Each level has specific requirements.
- The process of developing organizational maturity implies progress from one level to another.



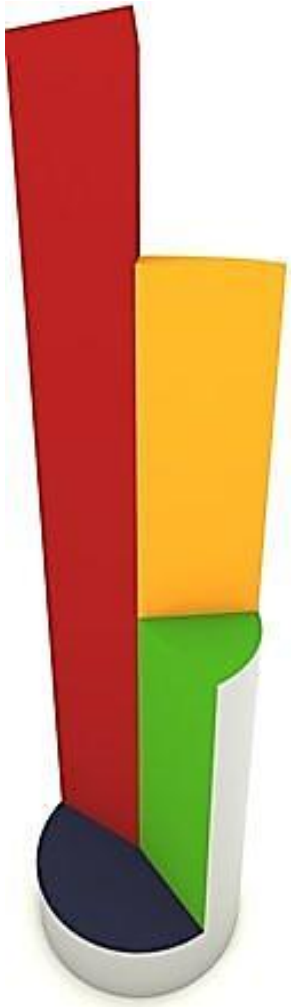


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ORGANIZATIONAL CAPABILITY MATURITY MODELS

Reasons to use a maturity model

- Gaining a better understanding of strengths and weaknesses in order to enable improvement
- Justifying investments in process improvement
- Providing a roadmap for continual progression and improvement
- Focusing on the organization's maturity rather than specific initiatives



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BUILDING A PERFORMANCE CULTURE



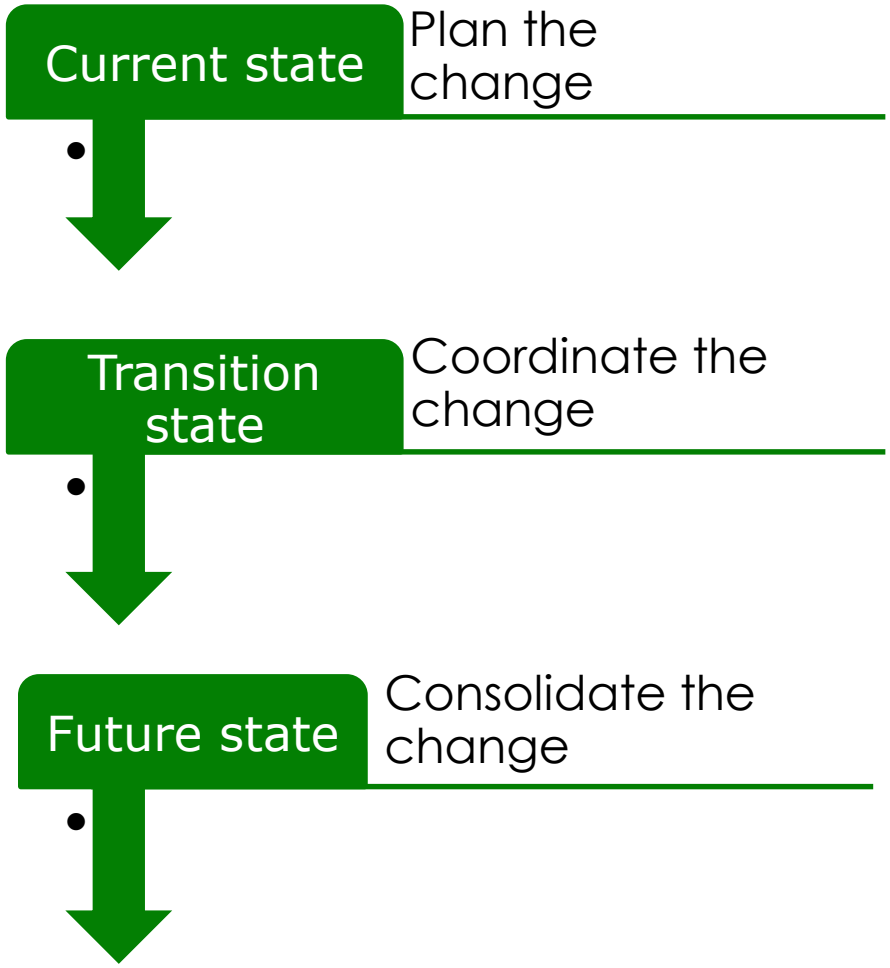
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CHANGE MANAGEMENT

The process, tools and techniques needed to coordinate people towards change, in order to obtain the desired results.

Characteristics:

- it involves the entire personnel;
- it efficiently communicates the reasons for change and the expected outcomes;
- it allows a fast adaptation to changes.



Source: Armstrong. M. and Baron, A. 2005), Managing Performance: Performance Management in Action

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CHANGE MANAGEMENT

Issues:

- lack of effective project management;
- poor communication;
- individual change initiatives not aligned to the organizational change strategy;
- employee resistance to change.

More effective:

- an active communication between employees and managers;
- linking the changes across the organization coherently;
- an appropriate and timely employee training.

CIPD research suggests that less than 60% of re-organizations met their stated objectives which are usually bottom line improvement.

Source: http://www.cipd.co.uk/hr-resources/factsheets/change-management.aspx

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ASSESMENTS TECHNIQUES: Individuals

Employee Self-Assessment

- Employee self-assessment is a technique that combines the use of the performance review form and the performance review meeting.
- It is recommended that the employee completes his performance review approximately two weeks in advance of the performance review meeting with the line manager.

Performance Plan

Major Responsibilities	Evaluation of Goal Achievement
1. Manage Quality of Service	1 ..... 2 ..... 3 ..... 4 5
2. Meet employee productivity targets	1 ..... 2 ..... 3 ..... 4 5
3. Complete one on ones with all staff	1 ..... 2 ..... 3 ..... 4 5
4. Facilitate team communication	1 ..... 2 ..... 3 ..... 4 5
5. Manage change in our team	1 ..... 2 ..... 3 ..... 4 5
6. Appropriate Reward and Recognition	1 ..... 2 ..... 3 ..... 4 5
7. Assist others	1 ..... 2 ..... 3 ..... 4 5
8. Achieve employee attendance targets	1 ..... 2 ..... 3 ..... 4 5
9. Achieve turnover targets	1 ..... 2 ..... 3 ..... 4 5
10. Meet financial targets	1 ..... 2 ..... 3 ..... 4 5

Behavior / capabilities	Evaluation of Goal Achievement
1. Acts with integrity	1 ..... 2 ..... 3 ..... 4 5
2. Is passionate about outcomes	1 ..... 2 ..... 3 ..... 4 5
3. Communicates effectively	1 ..... 2 ..... 3 ..... 4 5
4. Treats people with respect	1 ..... 2 ..... 3 ..... 4 5
5. Contributes to the business strategy	1 ..... 2 ..... 3 ..... 4 5
6. Considers the impact of their actions	1 ..... 2 ..... 3 ..... 4 5

Source: http://www.whatmakesagoodleader.com/Performance-Appraisal-Forms.html

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REMMUNERATION SYSTEMS

• **Pay tariff in the light of time systems**

These systems are most common. Compensation is in default rates, per hour or per week, and generally do not vary with the effort and results. The advantages of such a system are that organization exercises control over production and employees benefit from predictable earnings. But there are also disadvantages and biggest is that some workers are tempted to slow the pace of activity where there is no element of direct stimulation, but everything depends in this case on the quality of supervision. These systems have some benefits such as easy to apply, ensure predictable earnings, cost labor can be controlled at any time, foster collaboration among employees, not competition, stimulate flexibility of labor.

• **Remuneration systems according to the results (payment-by-results)**

Here we talk about systems that bring in direct report remuneration with production or effort and are providing the best textbooks in activities involving repetitive operations in a cycle within a relatively short time. Best known is the "agreed" or "the piece", where the employee is paid based on the number of pieces made at a rate agreed on the piece. The advantages of this system would be that employees may be motivated to seek additional and otherwise can achieve higher production volumes. Disadvantages are higher than the benefits, as can be seen: the fixed rate cut may be often subject to dispute, the effort is productive in the pocket of every employee in part, and the quality has sometimes suffered because of intense efforts in achieving a certain higher quantity production.

• **Incentive systems at company level**

In a system at the company level there is a prize for each existing employee, based on productivity achieved throughout the company. Typically, the amount of award is determined on a key measure of labor productivity, for example, the relationship between labor and unit of product, or production man-hours. Unlike payment systems based on the results, which tend to encourage competition between employees, those of stimulation at the company level are based primarily on work group and team collaboration. Also, it is important that employees receive an adequate feedback about performance, both in terms of expectations of management and of the results obtained. Such systems do not require a very detailed study of the behavior of productive employees, as happens with most systems of incentives at the individual level.

• **Systems based on single status**

These systems are designed to harmonize the system of remuneration which operates in an organization, primarily by the distinction made between the treatment applied to manual workers and the one applied to staff carrying a brain work. The benefits of this unique system would be that the organization realizes savings in terms of administrative costs, may lead to improve professional relationships; manual workers benefit from a wider range of benefits than before. Chapter disadvantages: the increase of labour costs, due to improving conditions offered to manual workers. The latter ones must wait a whole month, instead of a week, to be paid.

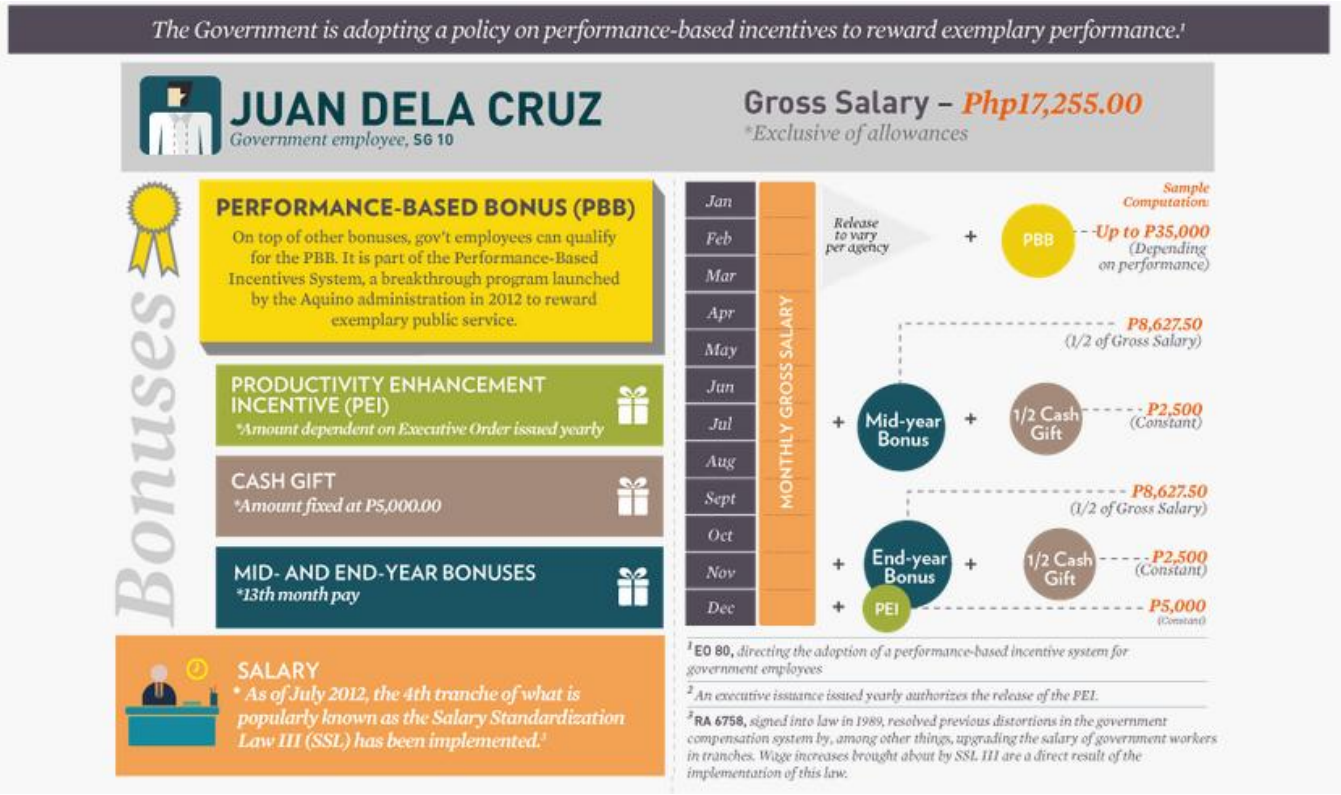
• **Systems of remuneration on the basis of competence (skill-based pay)**

This system puts the remuneration in direct report with appropriation/acquiring skills and knowledge needed and is especially applicable where the work practice involves higher qualification. An important condition of this system, necessary and obligatory, is a clear set of rules, including criteria for performance evaluation. Employees will be considered rather to satisfy a particular professional role, which involves performing a series of tasks and obligations. These systems also require a solid basis of communication between employees and a specific training component of exercise, so that they can be used effectively.

Source: http://www.ascentgroup.eu/en/ramona-bosinceanu/blog/remuneration-systems

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BONUS SYSTEMS



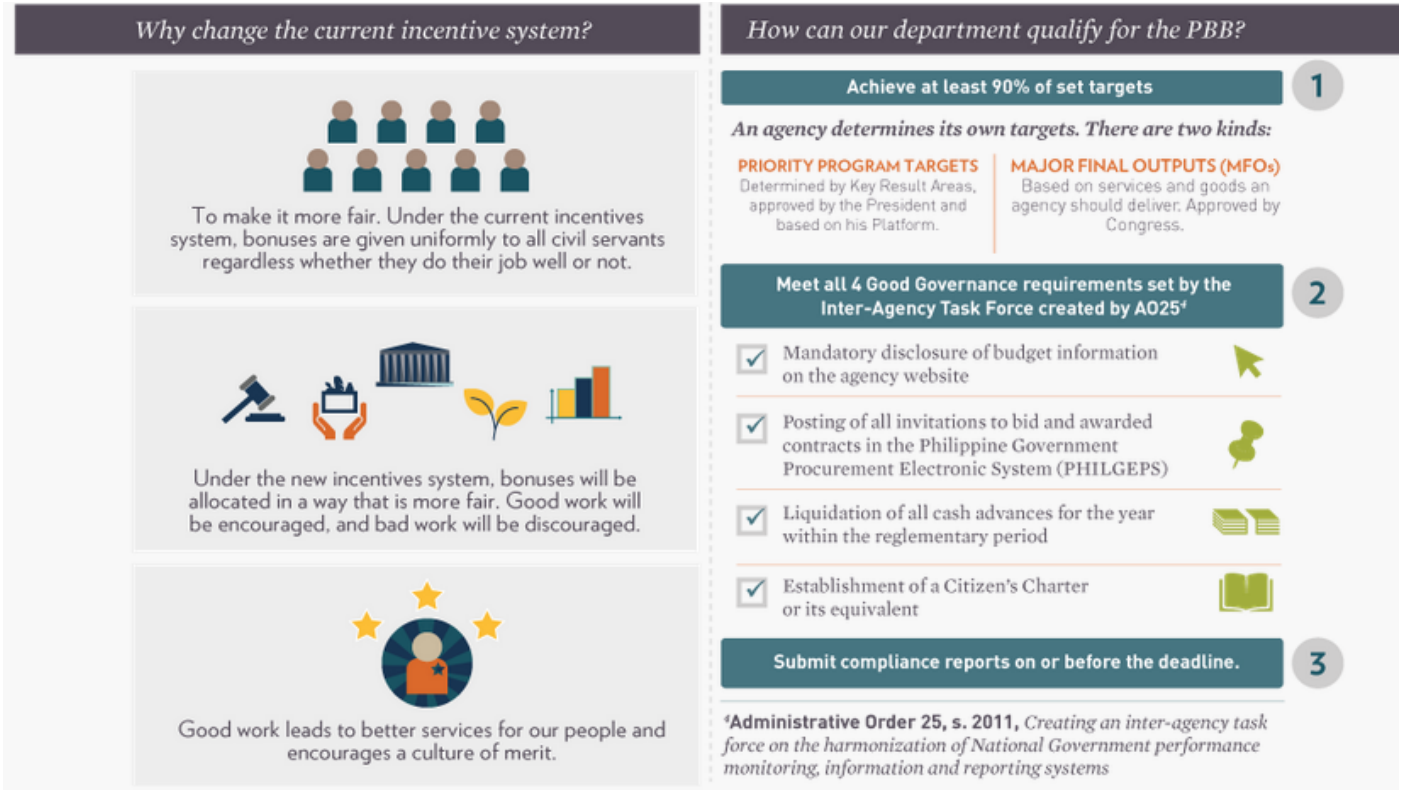
The Philippine Government

The Performance-Based Bonus (PBB) is a bonus system which rewards the performances of the employees working for the Government.

Source: http://www.gov.ph/pbb/

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BONUS SYSTEMS



The Philippine Government

The system was introduced in 2012, aiming at rewarding employees more fair.

Source: http://www.gov.ph/pbb/

BONUS SYSTEMS

Tesco

Remuneration strategy

Tesco's most important asset is its people. Business success depends on the performance and contribution of each individual colleague but outstanding performance comes from teamwork. Therefore, our approach to remuneration throughout Tesco is guided by a framework of common objectives and principles which are outlined in the table below.

Reward objectives	Reward principles
Attract • Enable Tesco to recruit the right people **Motivate** • Incentivise colleagues to deliver our business goals together **Recognise** • Acknowledge individual contribution and performance **Align** • Create shareholder value by focusing colleagues on making what matters better **Retain** • Foster loyalty and pride in Tesco so that colleagues want to stay with us and strive to do their best	**Competitive** • We assess competitiveness on a total reward basis including financial and non-financial rewards • Reward reflects an individual's role, experience, performance and contribution • Reward is set with reference to external market practice and internal relativity **Simple** • Reward is simple, clear, and easy to understand • We avoid unnecessary complexity • Reward is delivered accurately



Fair
- Policies are transparent, and applied consistently and equitably
- Reward decisions are trusted and properly governed
- Reward is legal and compliant

Sustainable
- Reward is aligned to the business strategy, reflects our performance, and is affordable
- Our reward framework is flexible to meet the changing needs of the business
- We reward in a responsible way

Source: http://files.the-group.net/library/tesco/annualreport2013/pdfs/tesco_annual_report_2013.pdf

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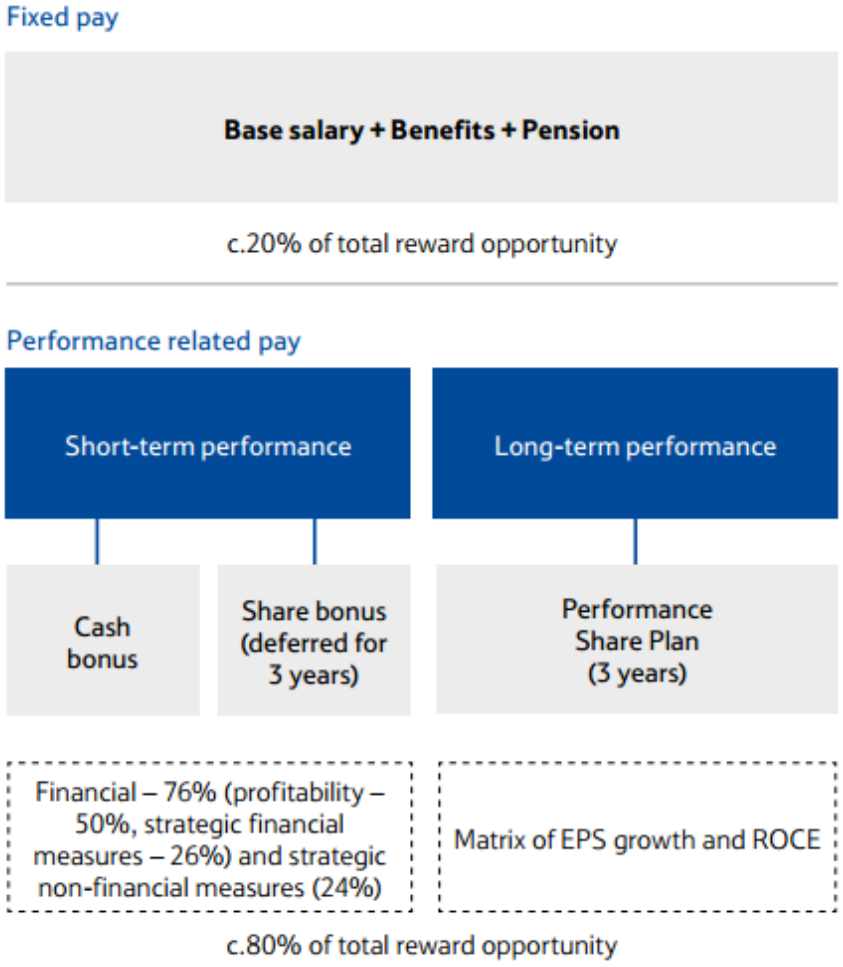
BONUS SYSTEMS

Tesco

Annual bonus

- The annual bonus will be less heavily weighted towards short-term profits but linked to a more balanced scorecard of financial, strategic and operational measures. However, bonuses will only be paid if profits have grown.
- The profit measure used will be based on Trading Profit rather than Underlying Profit. Trading Profit does not include property profits, which reflects our fundamentally different approach to space going forward.
- We have replaced UK ROCE with Group Working Capital. The Committee feels that ROCE is an important capital efficiency measure but is better suited to long-term incentives. Management have more line-of-sight and control of Working Capital over the short term.
- The measures for customer service and colleague engagement will reflect overall Group performance rather than just the UK as used in previous years.

Below target performance	• No bonus payout • No vesting under the Performance Share Plan
On target performance	• 50% annual bonus payout • 50% vesting under the Performance Share Plan
Maximum performance	• 100% annual bonus payout • 100% Performance Share Plan vesting



Source: http://files.the-group.net/library/tesco/annualreport2013/pdfs/tesco_annual_report_2013.pdf

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BONUS SYSTEMS

Tesco

Performance related pay	Annual bonus (One-year performance) (Cash and shares)	• The role of the annual bonus is to incentivise Executives to deliver our annual financial, strategic and operational goals. • The performance measures have been selected as they are considered to be closely aligned to the delivery of our seven-point strategy, building a stronger underlying business and long-term shareholder value creation.	• Maximum opportunity of **250%** of base salary. • **50%** in **cash**. • **50%** in shares which are **deferred** for three years. • **Clawback** applies to deferred shares to allow the Committee to scale back deferred share awards prior to vesting in the event that results are materially misstated.	• Maximum opportunity of **200%** of base salary.	• 76% of bonus based on financial performance: – 50% of bonus based on **Trading Profit** performance. – 26% based on **strategic financial** performance measures. • 24% of bonus based on performance against key **strategic non-financial** performance measures focused on customer, colleague and community objectives. • All objectives are specific and measurable.	• In April 2012, we set out detailed plans to 'Build a Better Tesco', which included investing in the UK business to improve the shopping experience for customers and some fundamental changes to our approach to capital allocation – focusing on improving returns through reducing space growth, improving the performance of existing stores, and investing more in the digital revolution that is shaping the future of the retailing industry. • To ensure that our incentives are aligned to our plans, the Committee has decided to expand the success factors against which annual performance is assessed to create a better balance between incentive payouts, financial results, and the strategic drivers of sustainable shareholder value.
	Performance Share Plan (Three-year performance) (Shares)	• The role of the PSP is to reward Executive Directors for achieving Tesco's long-term strategy and creating sustainable shareholder value. • To enhance shareholder value by motivating Executives to grow earnings over the long term while maintaining a sustainable level of return on capital. • To align the economic interests of Executives and shareholders. • To act as a retention tool.	• Maximum award of **275%** of base salary. • **Clawback** provisions apply to awards, allowing the Committee to scale back awards prior to vesting in the event that results are materially misstated.	• Maximum award of **225%** of base salary.	• Based on a **matrix of ROCE/EPS growth** performance.	• In light of our business priorities for the foreseeable future and the financial performance that shareholders can expect us to deliver in the current economic environment, we have amended the performance targets for the 2013 PSP award. The calculation of earnings growth performance will also exclude property profits to reflect our fundamentally different approach to space growth going forward. The revised targets are set out on page 52.

Source: http://files.the-group.net/library/tesco/annualreport2013/pdfs/tesco_annual_report_2013.pdf

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PAY FOR PERFORMANCE & KPIs







Source: https://www.youtube.com/watch?v=u6XAPnuFjJc

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GAMIFICATION

- Involves applying gaming-like elements into non-gaming situations in order to provide motivation or to influence behavior.

- The use of gamification usually consists in employing elements such as point-based rankings, merit badges, or progress bars so as to engage employees in their work activities.

- Proper implementation of gamification engages and motivates employees, provides room for individual development and creates a basis for innovation.



Source: http://www.nice.com/performance-management-gamification-infographic

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GAMIFICATION

Carat

Use an employee engagement and recognition **platform**

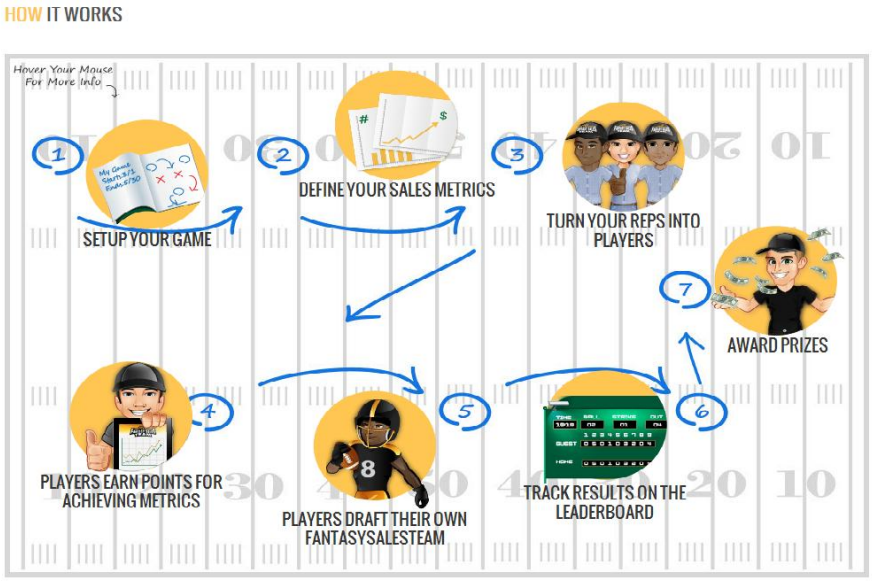
- **Weekly**: the employee with the most points receives a gift voucher
- **Monthly**: a different company value is chosen and the employee with the most Woos tagged in that value receives an experience
- **Quarterly**: the team with the most Woos is invited to lunch with the CEO



Source: http://technologyadvice.com/gamification/blog/wooboard-employee-engagement-gamification/

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GAMIFICATION



The model of player motivation has three main components and 10 subcomponents :

- **Achievement**: advancement, mechanics, competition
- **Social**: socializing, relationship, teamwork
- **Immersion**: discovery, role-playing, customization, escapism

Source: http://gamification-research.org/wp-content/uploads/2011/04/11-Dixon.pdf
http://www.fantasysalesteam.com/how-it-works

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EXTERNAL COMMUNICATION

Media Development Authority, Singapore

MDA is committed to providing prompt and timely services to all parties.

To expedite response times, licence applicants should ensure that their application forms are duly completed with the necessary supporting documents and information. MDA will strive to process applications within the stated service response times listed below.

Note: These service times apply to standard cases that do not require additional inputs or external consultation, and "Working days" are defined as Mondays to Fridays, excluding public holidays.

Counter Services

Service Owner : Vanny Tan

For enquiries, please click here.

1) Walk-in customers will be attended within 10 minutes from the time the queue ticket is issued. Please be advised that the waiting time might be longer during peak period. We appreciate your patience and kind understanding.
2) MDA will attend to all customers who have an appointment within 10 minutes of the scheduled time.

Customer Service Hotline

Service Owner : Vanny Tan

For enquiries, please click here.

MDA will respond to calls within 20 seconds from the time a caller selects the option to speak to an officer. Please be advised that there may be difficulty in reaching an officer for immediate assistance during peak periods due to the high call volume. We appreciate your kind understanding and patience.

Emails/Faxes/Feedback and Correspondences

Service Owner : Francis Lim

For enquiries, please click here.

MDA will:
1) Acknowledge receipt of any enquiries within 1 working day
2) Reply to enquiries within 3 working days

Arts Entertainment Licence

Service Owner : Norsabariah Tubi

For enquiries, please click here.

MDA will process Arts Entertainment Licence applications within 20 working days*.

*To allow sufficient time for any classified rating or advisory to be included in an arts event's publicity materials, applicants are required to submit their applications in accordance to the submission guidelines.

Imported Publications Application

Service Owner : Gunavathy Kumarassamy

For enquiries, please click here.

MDA strives to process
1) Applications for Imported Magazines within 3 working days
2) Applications for Imported Books, Comics and Other Publications within 20 working days

Should there be any content concerns, MDA may require more time to review and we seek your understanding in this. MDA will keep you posted on the progress of your application.

New TV Channels and Radio Stations Applications (for Existing Licensees)

Service Owner : Ginny Goh

For enquiries, please click here.

MDA will process applications for New TV Channels and Radio Stations within 20 working days upon receipt of all information required.

Source: http://www.mda.gov.sg/AboutMDA/ServiceStandards/Pages/default.aspx

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CASE STUDY

Airlines Performance vs. Perception

When it comes to ***on-time performance***, ***baggage handling***, and fewer ***customer complaints*** and ***overbooked flights***, U.S. airlines are **performing at their highest level** in at least 22 years, according to a study released today.

And **discount carriers**, such as AirTran, Hawaiian and JetBlue led the industry on those basic measures, as they did the previous year.

"In the two decades we've tracked airline quality, 2011 was the best year ever," said Brent Bowen, head of the Department of Aviation Technology at Purdue University and one of the authors of the study.

- *The results might be a shock to the flying public, many of whom are weary of mediocre service, cramped seating in coach class and being nickeled and dimed for checked bags and onboard meals. Indeed,* ***a survey of frequent fliers to be released this week by the same researchers shows just 11% of fliers think the airlines are improving****.*
- ***Why the disconnect between actual performance and what fliers are feeling?***
- "***Performance versus perception***" *Bowen said. "That's a challenge to the industry."*

Again in 2011, discount airlines performed best, taking the top five slots in the rankings. One explanation is that ***low-cost carriers might receive fewer complaints because passengers have lower expectations*** because they paid less and they might be less likely to complain, Bowen said.

Source: : http://articles.chicagotribune.com/2012-04-02/business/ct-biz-0402-airline-ratings-20120331_1_airline-quality-rating-baggage-rate-discount-airlines/2

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CASE STUDY

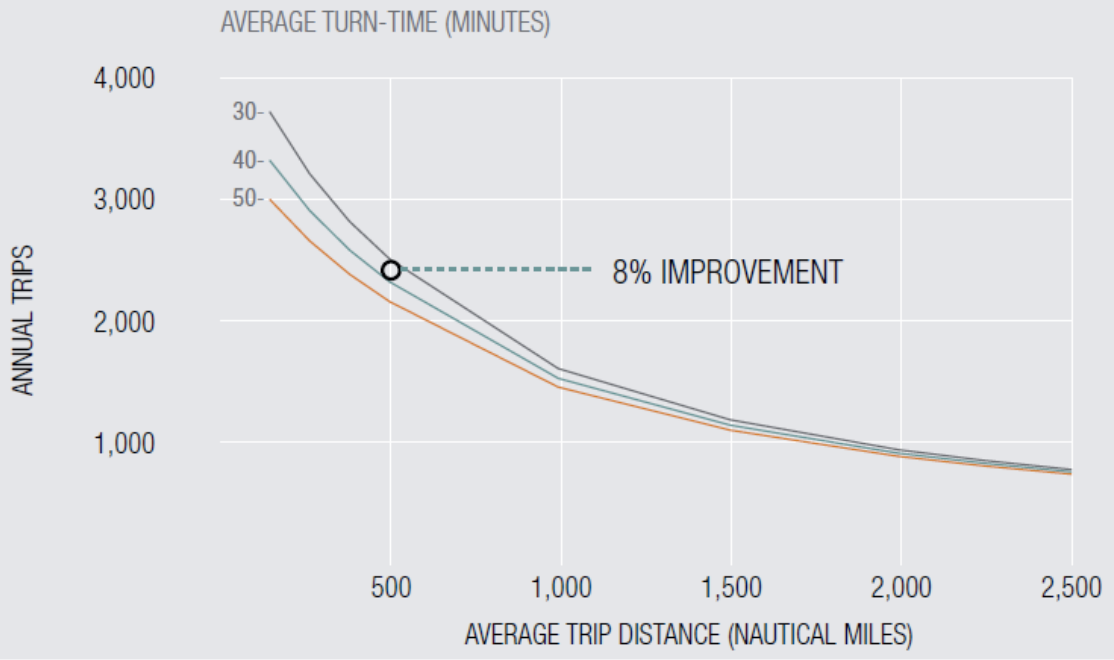
Turn-time – link to process improvement

Saving 10 minutes on 2,000 trips per year means an additional 20,000 minutes — or more than 300 hours — available for additional flights.

EFFECTS OF TURN-TIME REDUCTIONS ON AIRPLANE UTILIZATION

Figure 3

Reducing turn-time by 10 minutes with an average trip length of 500 nautical miles improves airplane utilization by 8 percent.

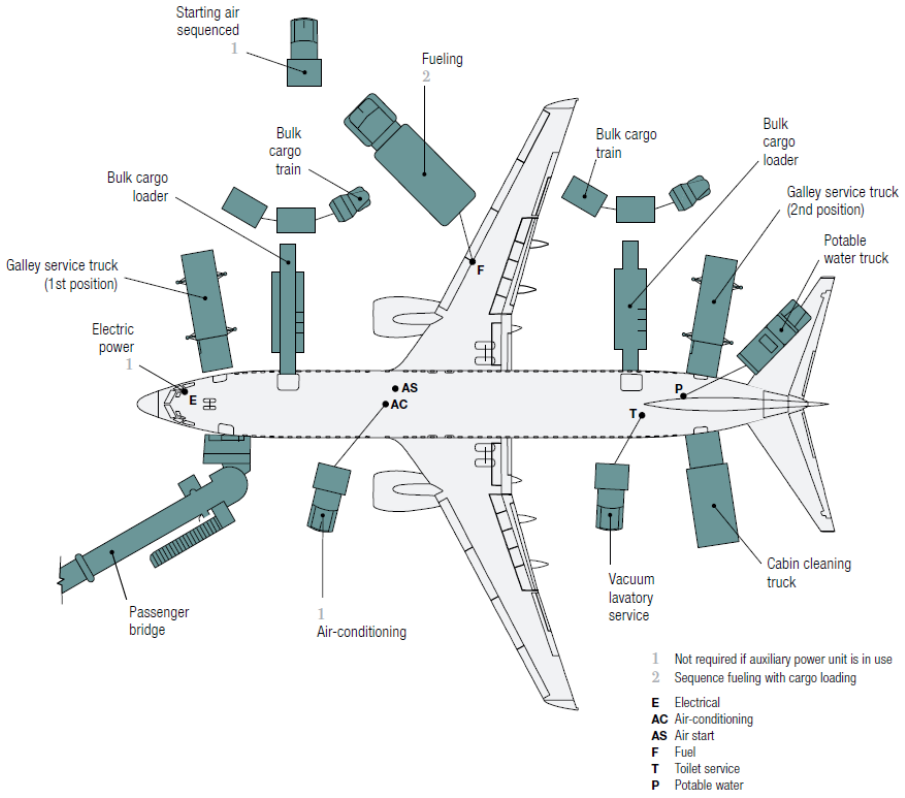


Source: http://www.boeing.com/commercial/aeromagazine/articles/2013_q3/archive.html

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#TURN-TIME - Inefficiencies and opportunities for improvement

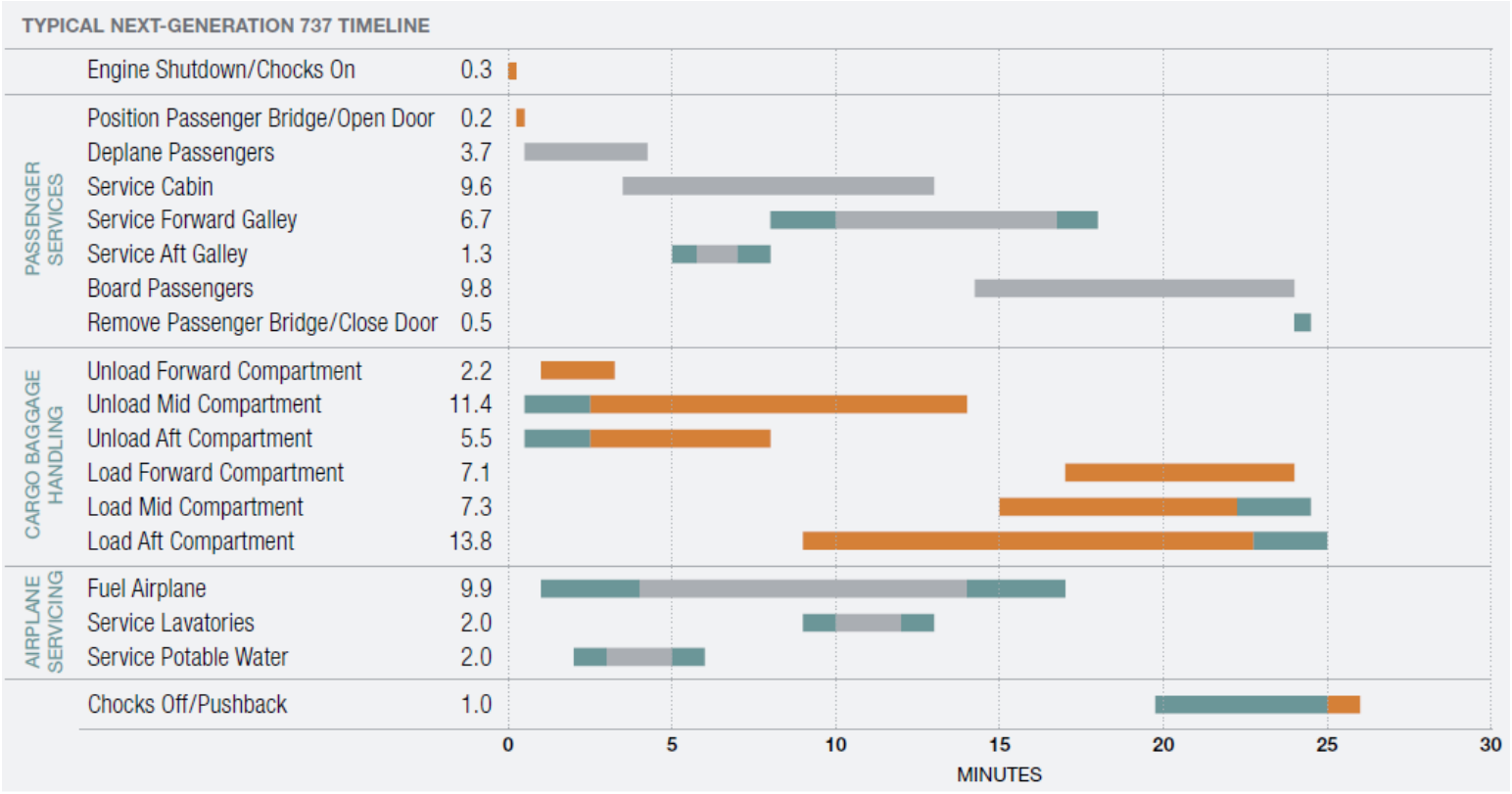
- Cabin grooming.
- Cargo loading and unloading.
- Fuelling.
- Galley servicing.
- Meal and beverage provisioning.
- Passenger boarding and deplaning.
- Potable water replenishment.
- Pre-flight check.



Source: http://www.boeing.com/commercial/aeromagazine/articles/2013_q3/archive.html

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#TURN-TIME – Corrective actions at process level



PARAMETERS

- *142 passengers off, 121 passengers on*
- *2 doors used to deplane and enplane*
- *1 galley service truck*
- *1 lavatory service truck*
- *1 potable water service truck*

NOTE

- *Belt loader used at cargo hold*
- *Aft galley, potable water, and lavatory service complete before passenger boarding*

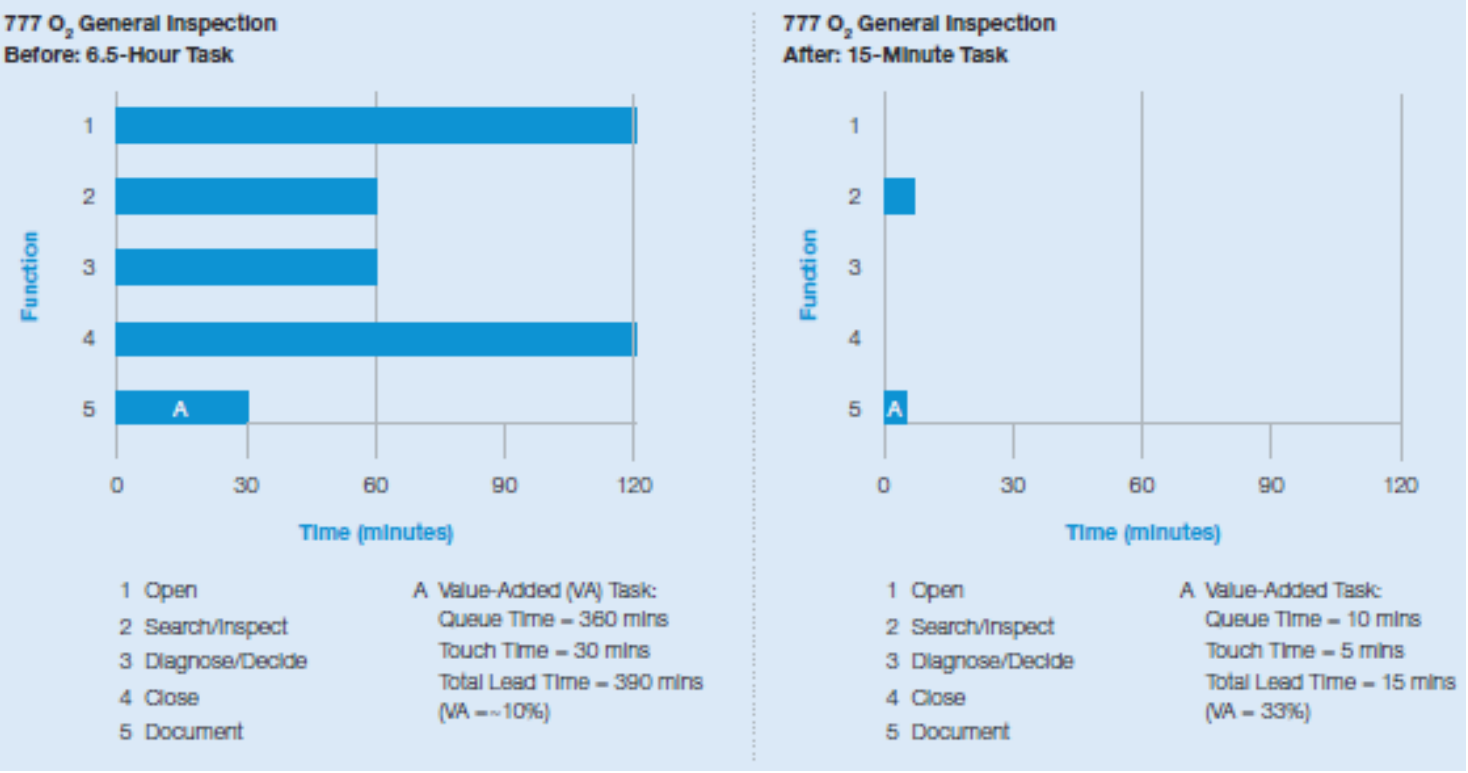
Source: http://www.boeing.com/commercial/aeromagazine/articles/2013_q3/archive.html

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CASE STUDY

Performance improvement through Innovation

RFID Integrated Solutions reduces the time required for a 777 oxygen generator inspection from six and a half hours to 15 minutes, which represents a reduction of more than 90 percent.

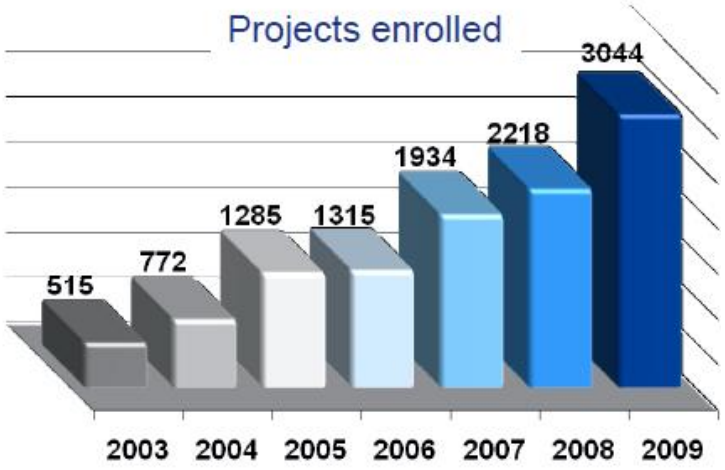


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PERFORMANCE MANAGAMENT AS A CATALYST OF INNOVATION



- Categories aligned with BSC
- Big recognition party



Source: Dr. Josef-Fidelis Senn (2009), Mobilizing for strategy execution

SESSION REVIEW

1. Capability pillars: people, skills, understanding of the discipline, system, tools, processes, software, performance leadership, culture, communication;
2. Most popular maturity models: CMMI, P3M3;
3. Reasons to use a Maturity Model: a better understanding of strengths and weaknesses, a roadmap for improvement, an increased focus on the organization's maturity;
4. The link between the Performance Management System and the performance culture;
5. Steps in building a performance culture: change management, employee assessment, bonus systems, gamification;
6. KPIs in practice: # Turn time.

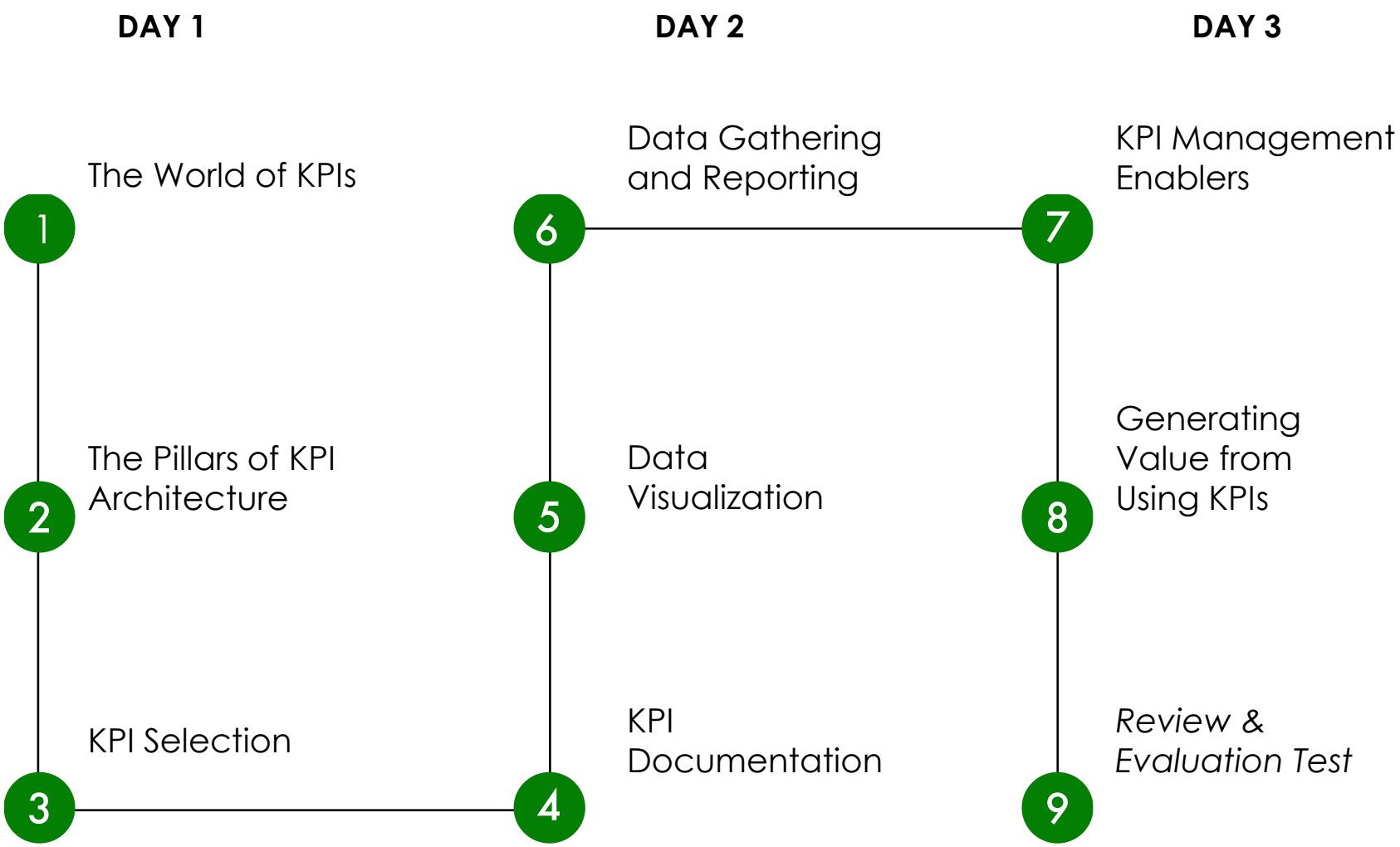
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AGENDA



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COURSE REVIEW

- KPI definition: A measurable expression for the achievement of a desired level of results in an area relevant to the evaluated entity's activity;
- KPI naming standards: #, %, $;
- 9 components of the Performance Management Toolkit;
- 7 selection techniques;
- Negative behaviors linked to target setting;
- Relating data to the corresponding graphs;
- The link between KPI activation, reporting and decision making;
- Enablers of the Performance Management system: software, hardware, communication;
- The importance of building a performance culture;
- Getting value from KPIs: # DSO, # Turn-time, % Employee engagement

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9. MEASURING AND LEARNING WITH KPIs

- Pitfalls in performance measurement
- Case studies: Gaming behavior examples

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PITFALLS IN PERFORMANCE MEASUREMENT

1. Using an unbalanced number of KPIs (too many or not enough, risking to measure too few critical aspects)

Solutions:

- A careful analysis of the value drivers
- An articulated KPI selection, documentation and refinement process

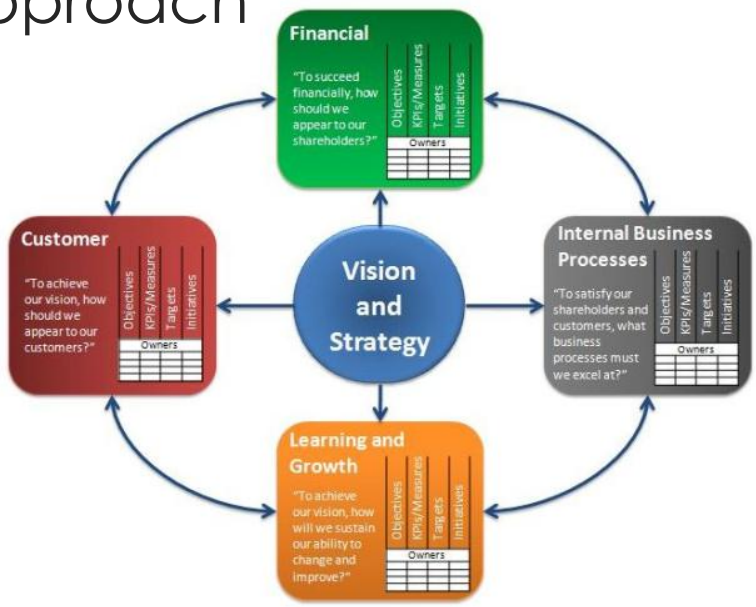
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PITFALLS IN PERFORMANCE MEASUREMENT

2. Using too many financial indicators, compared with capability or quality indicators

Solution:

- Using a Balanced Scorecard approach



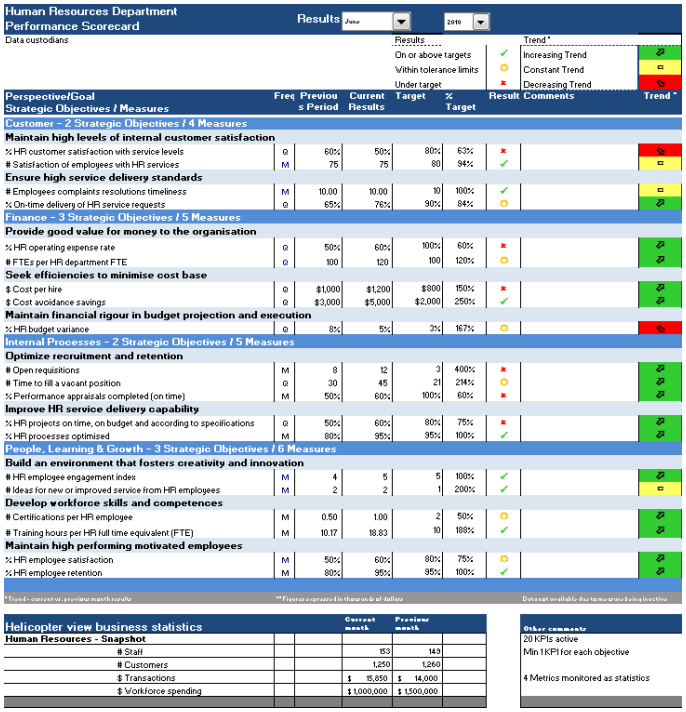
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PITFALLS IN PERFORMANCE MEASUREMENT

3. Concentrating on achieving short-term targets

Solution:

Using an integrated approach (Scorecard + Dashboard)



Human Resources Department Performance Scorecard

Results — Data custodians

Results: On or above targets; Within tolerance limits; Under target

Trend*: Increasing Trend; Constant Trend; Decreasing Trend

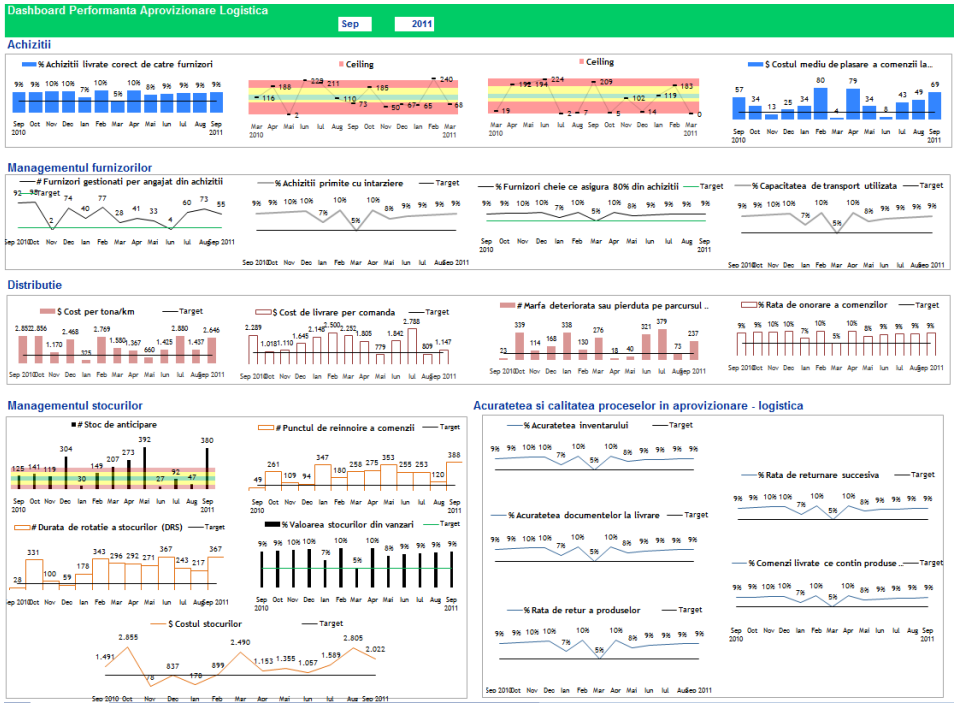
Perspective/Goal Strategic Objectives / Measures	Freq	Previous Period	Current Results	Target	% Target	Result	Comments	Trend*
Customer – 2 Strategic Objectives / 4 Measures								
Maintain high levels of internal customer satisfaction								
% HR customer satisfaction with service levels	Q	60%	50%	80%	63%	✗		
# Satisfaction of employees with HR services	M	75	75	80	94%	✓		
Ensure high service delivery standards								
# Employees complaints resolutions timeliness	M	10.00	10.00	10	100%	✓		
% On-time delivery of HR service requests	Q	65%	78%	90%	84%	○		
Finance – 3 Strategic Objectives / 5 Measures								
Provide good value for money to the organisation								
% HR operating expense rate	Q	50%	60%	100%	60%	✗		
# FTEs per HR department FTE	Q	100	120	100	120%	○		
Seek efficiencies to minimise cost base								
$ Cost per hire	Q	$1,000	$1,200	$800	150%	✗		
$ Cost avoidance savings	Q	$3,000	$5,000	$2,000	250%	✓		
Maintain financial rigour in budget projection and execution								
% HR budget variance	Q	8%	5%	3%	167%	○		
Internal Processes – 2 Strategic Objectives / 5 Measures								
Optimize recruitment and retention								
# Open requisitions	M	9	12	3	400%	✗		
# Time to fill a vacant position	Q	30	45	21	214%	○		
% Performance appraisals completed (on time)	M	50%	60%	100%	60%	✗		
Improve HR service delivery capability								
% HR projects on time, on budget and according to specifications	Q	50%	60%	80%	75%	✗		
% HR processes optimised	M	80%	95%	95%	100%	✓		
People, Learning & Growth – 3 Strategic Objectives / 6 Measures								
Build an environment that fosters creativity and innovation								
# HR employee engagement index	M	4	5	5	100%	✓		
# Ideas for new or improved service from HR employees	M	2	2	1	200%	✓		
Develop workforce skills and competences								
# Certifications per HR employee	M	0.50	1.00	2	50%	○		
# Training hours per HR full time equivalent (FTE)	M	10.17	18.83	10	188%	✓		
Maintain high performing motivated employees								
% HR employee satisfaction	M	50%	60%	80%	75%	○		
% HR employee retention	M	80%	95%	95%	100%	✓		

* Trend - current vs. previous month results ** Figures expressed in thousands of dollars Data not available due to measure being inactive

Helicopter view business statistics	Current month	Previous month
Human Resources - Snapshot		
# Staff	153	143
# Customers	1,250	1,260
$ Transactions	$ 15,650	$ 14,000
$ Workforce spending	$ 1,000,000	$ 1,500,000

Other comments:
20 KPIs active
Min 1 KPI for each objective

4 Metrics monitored as statistics



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PITFALLS IN PERFORMANCE MEASUREMENT

4. The absence of linkage between KPIs and strategy can lead to monitor irrelevant and non-priority aspects

Solution:

- Organizing an articulate performance management process, with a top-down approach (from strategy to results)

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PITFALLS IN PERFORMANCE MEASUREMENT

5. Not involving the stakeholders can lead to reporting on irrelevant KPIs or data "unavailability"

Solution:

- Constantly involve stakeholders (people in charge, data custodians, objectives and KPI owners)

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PITFALLS IN PERFORMANCE MEASUREMENT

6. Making irrelevant comparisons through flawed benchmarking

Solutions:

- Comparisons with similar organizations (by industry, dimensions, history)
- Comparisons only for standardized KPIs with the same calculation formulas

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PITFALLS IN PERFORMANCE MEASUREMENT

7. Data manipulation ("gaming")

Solution:

- Understanding and concentrating on what is important for stakeholders

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PITFALLS IN PERFORMANCE MEASUREMENT

8. Concentrating on what is easy to measure, not on what is important

Solution:

- Critical analysis, validating KPIs from a relevance and importance point of view

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PITFALLS IN PERFORMANCE MEASUREMENT

9. Setting conflicting objectives and KPIs

Solution:

- Analyzing objectives and KPIs, not in isolation, but in correlation with each other (creating Strategy Maps)

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PITFALLS IN PERFORMANCE MEASUREMENT

10. The performance management system and KPIs out of touch with the environment

Solutions:

- Analyzing the environment and its impact on organizational objectives
- Flexible and adaptable approach

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PITFALLS IN PERFORMANCE MEASUREMENT

11. Inefficient communication (determines the wrong understanding of the process, may encourage competition and discourage team work)

Solutions:

- Meetings during all the phases of the project (development, monitoring)
- Clarifying context, terminology and reasons for using KPIs (needs addressed)

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PITFALLS IN PERFORMANCE MEASUREMENT

12. The lack of results-based decisions and actions

Solutions:

- Periodical performance evaluation meetings
- Initiative portfolio

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CASE STUDY (1)

Public transport operator (through externalization from Public Administration) (AU)

Target: Offering secure and high-quality public transportation

Framework: Service Level Agreement

KPIs:

- **% Punctuality**. A tram service is considered to be on time if it arrives between 59 seconds before and 4 minutes 59 second after the scheduled time.
- **% Service delivery**. Service delivery reflects the percentage of planned services delivered.

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CASE STUDY (2)

Scotland Yard (UK)

KPIs: #Tickets; # Handled Folders; # Recorded domestic issues

Behavior:

Increasing the number of tickets by the end of the month, achieving monthly targets

Reclassifying folders in order to achieve the targets

Recording domestic issues as two separate disputes

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GAMING

Health Services

- Tony Blair was confronted by a voter two days before an election. She told him she has been unable to book an appointment with her doctor at a time when suited her as all appointments had to be made by no more than 24 hours in advance, to meet the government targets. If she wanted an appointment further out than that she had to return two days beforehand and make it.

- Rooms set up beside Accident and Emergency (A&E) departments where people can be deposited to "take them off" the waiting time calculation. Ambulances are holding patients who ought to be in A&E because holding them outside means they don't count.

Source: John Seddon (2008), Systems thinking in the public sector, Triarchy Press

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GAMING

Public Administration (1)

- Gaming with the time it takes to process a claim. Keep the claim form out of the reported statistics until they had been completed, which might take weeks. Nil-qualifying the claimant for not producing all the required information. The claimant has to start the entire process again. Processing time measured as 28 days. From the user point of view 98 days.

- Some authorities make an artificial decision by allocating a nominal income - that is high enough to prevent any payment – to claims. The claimant is then notified that they have nil entitlement. When he or she returns to object and provide correct income information, the case will no longer count in the reported statistics.

Source: John Seddon (2008), Systems thinking in the public sector, Triarchy Press

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GAMING

Public Administration (2)

- Queues outside the benefits office. People were queuing down the high street form as early as 7:30am despite the fact that the benefits office only opened at 9am. Manager had developed a version of the supermarket delicatessen system, with a vital change: only people holding the first 50 tickets could ask a question – everyone else could only hand in documents. And just one question was allowed – if a claimant had another they would have to come back again – for fear of preventing others being seen in the required time. Not surprisingly, applicants had learned to turn up early if they wanted to get their problems solved.

- Queue in front of a service centre – solution – move the reception desk 10m further back into the office.

Source: John Seddon (2008), Systems thinking in the public sector, Triarchy Press

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GAMING

Public Administration (3)

- In the front office, managers are preoccupied with seeing people quickly. It is not unusual to find housing benefits staff working to the requirement to see people within 15 min. As a result, claimants have to be dealt with as quickly as possible. If the quickest means of dealing with them is to give them a form or send them home to fetch another document, then that will be done.

Source: John Seddon (2008), Systems thinking in the public sector, Triarchy Press

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GAMING

Call Centers

- Recording a query and sending it on takes less time than solving it. This allows staff to meet their activity targets, but as a result the problems are not being solved.

- A device is used that limits the number of callers in a queue, the rest hearing an engaged tone. The service level measure (no. Of calls picked up within 3 rings) thus only identifies how long it takes to answer the people allowed in the queue. It doesn't tell anything about the true nr. of people calling in. 700 vs. 5,000.

Source: John Seddon (2008), Systems thinking in the public sector, Triarchy Press

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GAMING

Police

- Police: issuing fines to make up numbers towards the end of the month.
- Police: reclassifying cases to make up numbers.
- Police: booking a domestic dispute as two separate incidents.

Source: John Seddon (2008), Systems thinking in the public sector, Triarchy Press

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GAMING

Academic education

Due to the increasing competition for shrinking government budgets for research and the disproportionately large rewards for publishing in the best journals, the temptation to falsify information or intentionally leave out inconvenient data has increased.

A 2009 study done was conducted by Daniele Fanelli of the University of Edinburgh in which he surveyed researchers on the theme of falsified research. The study found that an average of 1.97% of scientists admitted to having "fabricated, falsified or modified data or results at least once – a serious form of misconduct by any standard – and up to 33.7% admitted other questionable research practices. In surveys asking about the behavior of colleagues, admission rates were 14.12% for falsification, and up to 72% for other questionable research practices."

Source: http://www.theguardian.com/science/2012/sep/13/scientific-research-fraud-bad-practice

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