



# The C factor

Last month we explored why organisations need to take critical success factors seriously. Here, David Parmenter gives a step-by-step guide to implementing them

Following from last month's article on the importance of critical success factors (CSFs), let's look at how you can apply the concept to your organisation.

In my view, CSFs should have the following seven characteristics.

- \* They should be worded so everyone will understand them and buy into them.
- \* They shouldn't come as a surprise to management and the governing body, as they should have been discussed already.
- \* They should apply broadly across the organisation. For example, 'Innovation is a daily activity'.
- \* They must be highly relevant to the organisation, and ought not to be broken down into department CSFs.
- \* There shouldn't be too many of them – five to eight is sufficient.
- \* They should have a significant influence on other success factors.
- \* They ought to emphasise a precise operational activity, rather than being the abstract statements that strategic objectives often are.

For a conglomerate, the CSFs will be largely sector specific (they will be different for an airline than for a retailer, for example). So, there would be more than the suggested five to eight CSFs.

## Finding your inner CSF

To help your organisation find its CSFs, you can undertake a four-task process.

- \* **Task 1:** Document the already identified success factors. Review the strategic plans covering



the past 10 years, then extract and develop success factors from them. You may find an old strategic document, written by a talented executive who has long since left, containing success factors that are still relevant. The key performance indicator (KPI) team should interview the CEO and senior management team, as well as some of the organisation's 'oracles'. These are the wise men and women who everybody refers to for advice ('You need to talk to Pat'). From this, draw up a list of success factors.

- \* **Task 2:** Determine the operational critical success factors in a two-day workshop. This should be attended by oracles as well as many of the senior management team as possible. It is really important to have experienced people rather than new staff at this workshop.
- \* **Task 3:** Communicate the CSFs to those senior managers, managers and staff who have not been part

### Key performance webinar

See David Parmenter's KPI webinar series at [bit.ly/parmenterkpi](http://bit.ly/parmenterkpi)

of the process. They will need to understand how they came about and their significance. The CSFs need to be discussed with employee representatives and conveyed to staff to maximise the benefits. If staff members are told what is important, they can align their daily activities to enhance their contribution.

- \* **Task 4:** Make sure the CSFs are put on the wall in every workplace. This is an important step; however, from my observation it is often overlooked. The only way the CSFs will make a change in an organisation is when staff live, breathe and own the CSFs. For that to happen, the CSFs need to be communicated and agreed in a meaningful way rather than just written up as a list. I came across a brilliant example of how to do this: the company in question prepared a cartoon representation of what it wanted to achieve in the year, printed on A3 paper in full colour, and the staff pinned it on their office walls. I believe this is an ideal way to present the CSFs to all staff. <sup>AS</sup>

David Parmenter is a writer and presenter on measuring, monitoring and managing performance

### More information

[davidparmenter.com](http://davidparmenter.com)

