Chapter Appendices From

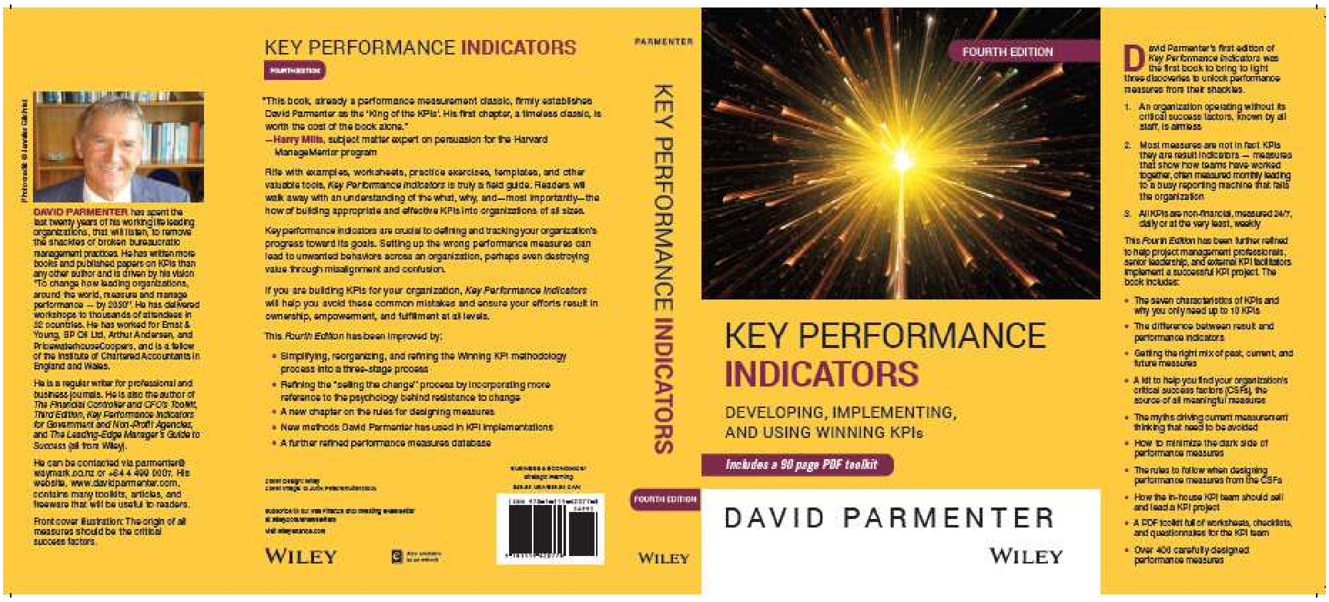
KEY PERFORMANCE INDICATORS

Developing, Implementing, and Using Winning KPIs

Fourth Edition

DAVID PARMENTER

WILEY



Preface

With all my books, there is a heavy focus on implementation. The purpose of this book is to prepare the route forward for the KPI team, to second-guess the barriers the finance team will need to cross, and to set out the major tasks they will need to undertake. Naturally, each implementation will reflect the organization's culture, future-ready status, and the level of commitment from the CEO, the in-house KPI team, and the organization's staff.

The PDF toolkit is to be read and used in conjunction with Key Performance Indicators: Developing, Implementing, and Using Winning (Fourth Edition).

A PDF

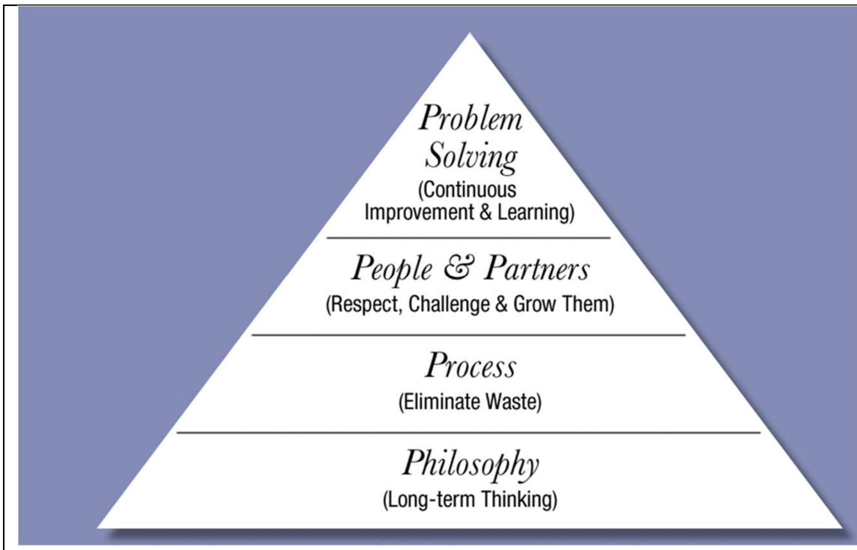
This **9**0-page toolkit of checklists, resource material, and templates, along with all the diagrams in the book, can be purchased electronically from www.davidparmenter.com

Additional material: Introduction

	Less than 250	Between 250-3,000	Over 3,000 staff
Overview of Toyota’s 14 management principles	Maybe useful	Y	Y
Overview of the advice from the paradigm shifters such as Peter Drucker, Jim Collins, Jack Welch, Tom Peters, Gary Hamel, and Jeremy Hope relevant to a KPI project	Y	Y	Y
“The Right Stuff – make the most out of external consultants” By David Parmenter, Finance Management Faculty ICAEW December 2013	Y	Y	Y

Template 1 Toyota’s 14 Management Principles

I believe Toyota to be possibly the greatest company in the world. It has 14 principles, which are the backbone of its culture and Toyota can embed these principles in all countries it operates within. Its Kentucky plant in the USA exceeded all Toyota expectations with its acceptance of the Toyota Way. To understand the Toyota principles, one needs to read Jeffrey Liker’s book The Toyota Way. He has broken them down into four categories, as set out in Exhibit 1.



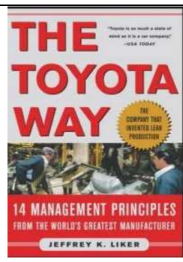


Exhibit 1 Jeffrey Liker’s analysis of Toyota’s 14 principles

I believe that Toyota’s 14 principles should be incorporated in all private, government, and non-profit agencies as best they can. They would make a profound impact on the organizations, benefitting the staff, management, board, and customers. The 14 principles are set out in Exhibit 2.

Exhibit 2 Toyota's 14 principles

Philosophy	Principle 1: Base your management decisions on a long-term philosophy, even at the expense of short-term financial goals.
Process (Eliminate waste)	Principle 2: Create a continuous process flow to bring problems to the surface.
	Principle 3: Use "pull" systems to avoid overproduction.
	Principle 4: Level out the workload (Heijunka).
	Principle 5: Build a culture of stopping to fix problems, to get quality right the first time.
	Principle 6: Standardized tasks are the foundation for continuous improvement and employee empowerment.
	Principle 7: Use visual control so no problems are hidden.
	Principle 8: Use only reliable, thoroughly tested technology that serves your people and processes.
People and Partners (Respect, Challenge, and Grow Them)	Principle 9: Grow leaders who thoroughly understand the work, live the philosophy, and teach it to others.
	Principle 10: Develop exceptional people and teams who follow your company's philosophy.
	Principle 11: Respect your extended network of partners and suppliers by challenging them and helping them improve.
Problem-solving (Continuous Improvement and Learning)	Principle 12: Go and see for yourself to thoroughly understand the situation (Genchi Genbutsu).
	Principle 13: Make decisions slowly by consensus, thoroughly considering all options, and then implement the decisions rapidly.
	Principle 14: Become a learning organization through relentless reflection (Hansei) and continuous improvement (Kaizen).

Create a continuous process flow to bring problems to the surface

This is an important principle for the finance team to master. Here, each process is reviewed for its current timeline and then shortened to eliminate waste. The finance team needs to master lean for themselves and the organization. Mastering this will leave a legacy and add to your salary.

One of the best methods to monitor timelines is "Post-It" re-engineering which is covered later on in the paper.

Level out the workload (Heijunka)

This is a major breakthrough. It points out that if you streamline processes and eliminate bottlenecks, you can make smaller production runs viable and indeed desirable. In a tractor company where the major sales are for the midsized tractor, the lean manufacturer would manufacture them according to daily demand, as Exhibit 3 shows. The better-matched production to demand reduces the need for finished goods stock holding considerably.

The traditional view of long production runs	Manufacture according to customer demand

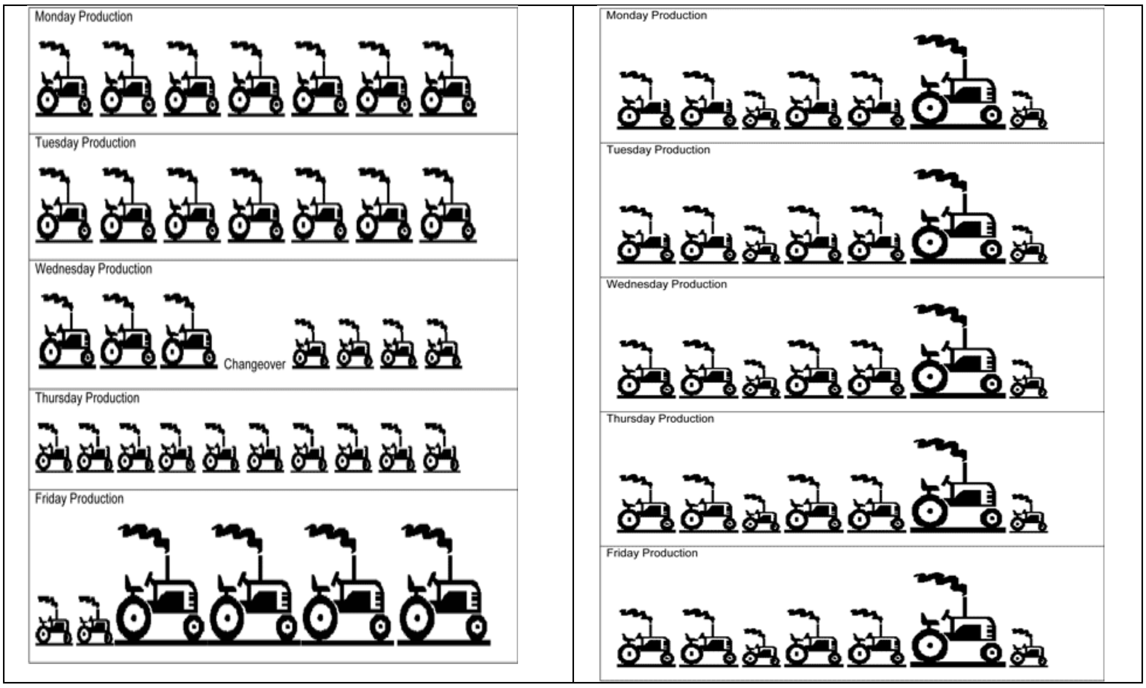


Exhibit 3 Matching production to sales

Build a culture of stopping to fix problems to get quality right the first time

This is an important principle for the finance team to master. Finance teams invariably go from:

- one month-end to another without improvement
- one annual plan to another without improvement
- one year-end to another without improvement.

Whereas if we adopted this Toyota principle, we would evaluate after the process has finished and ask what we can do better next month or next year.

We would reduce the number of internal transactions and the number of spreadsheets and constantly review each process's timeline to eliminate waste and shorten timelines further.

Use visual control so no problems are hidden

Toyota is famous for its "andon cord" if problems occur. Andon refers to the pull cord where any worker on the production line can stop production and ask for help if they see a fault that they cannot fix or the next workers before a panel will cover it up. Immediately, lights flash, and that part of the production line is halted. The workers below are unaffected as there is a feed in line with about eight minutes of product to work on.

Trained engineers rush in and fix the problem. They have up to eight minutes before the whole production line will be halted. The ability of anyone to stop production and activate the flashing lights to get the roaming engineers to the spot quickly is a major advantage Toyota and other manufacturers have when using this visual control.

Visual control is an important principle for the finance team to master, as many reports need a rocket scientist to read them. Whereas if we adopted this Toyota principle, we would make:

- All reports are so clear that nobody needs to ask questions about them – I call it passing the 14-year-old test
- use some "andon cord" like a "red cone" so staff within the accounting function can signal that they are having a problem that might delay an accounting process at month-end / annual planning/ annual accounts
- use of staff notice boards and monitors in canteens to report progress

Respect your extended network of partners and suppliers by challenging them and helping them improve

This is an important principle for the finance team to master as it will involve:

- ensuring all transactions from major long-term suppliers are paperless
- maximizing the use of the G/L, planning tool, and reporting tool by constantly improving the use of their features
- streamlining certain processes to one contractor, e.g., purchasing stationery, travel requirements from one national supplier

Use only reliable, thoroughly tested technology that serves your people and processes

Toyota is never the first to use a new technology. They let others 'break in' the new ground. They are, without doubt, the best users of a new technology once they have ascertained that it will serve their staff and their processes.

This has important ramifications for the finance team in the selection of a new G/L, a planning tool, and a new accounts payable system.

Go and see for yourself to thoroughly understand the situation (Genchi Genbutsu)

Toyota supervisors and managers are always expected to "walkabout" to see for themselves what is happening. They do not rely on written reports or meetings. The Finance team should do more walkabouts, especially with:

- setting up new "paperless processes" with key suppliers
- reducing waste within operations
- visiting best practice sites around the world.

I firmly believe that if CFOs visited more sites that are using their intended new applications, they might think twice. I am referring to some of the large G/L applications that are so complex that only rocket scientists can implement them, and the organization and their bank account are now taken hostage for the foreseeable future.

Make decisions slowly by consensus, thoroughly considering all options, and then implement the decisions rapidly

Toyota is very slow in the planning stage but very fast in the implementation and commissioning as everything, I mean everything, has been discussed, and contingency plans agreed upon, ready for action if required. The Finance team should take heed of this principle, especially with the following:

- changing of the general ledger
- purchasing a planning tool
- migration from annual planning to quarterly rolling forecasting

Become a learning organization through relentless reflection (Hansei) and continuous improvement (kaizen)

One thing that sets Toyota apart from nearly all organizations is its continuous improvement. Every employee is expected to reflect each day, "What could I do better tomorrow?" and come up with at least one innovation per month, no matter how small. The Toyota average, internationally, is 10 innovations per employee per year.

All the great paradigm shifters such as Peter Drucker, Jim Collins, Peters, and Waterman have preached the need to innovate and not spend too much time trying to guess second whether it will work or not.

All the built-to-last companies came up with their big ideas through a bit of serendipity. Jim Collins refers to it as very much like Darwin's survival of the fittest. Try many things and only let the strong ideas survive. In the Motorola example, he points out that Motorola sees innovation very much like a growing tree; you let it branch out, but you are also constantly pruning.

Jim Collins has created a blue print for evolutionary progress based on analyzing 3M. These five steps are:

- **Give it a try and make it quick**. When in doubt, vary, change, solve the problem, seize the opportunity, experiment, and try something new, even if you can't predict precisely how things will turn out. No matter what, don't sit still.
- **Accept that mistakes will be made.** Since you can't tell ahead of time which variations will prove to be favorable, you have to accept failures as an evolutionary process.
- **Take small steps.** It's easier to tolerate failed experiments when they are just that: experiments, not massive corporate failures.
- **Give people the room they need.** When you give people room to act, you can't predict precisely what they will do, and this can be beneficial. 3M gives their staff 15% of discretionary time to play around with ideas. The "Post It" note was developed this way.
- **Mechanisms/build that ticking clock.** 3M ideology creates an environment where innovation is cut loose. 3M does not just throw a bunch of smart people in a pot and hope that something will happen. 3M lights a fire under the pot and stirs vigorously.

Template 2 Advice From The Paradigm Shifters

Peter Drucker's Advice

The more I read Peter Drucker's work, the more I realize that his wisdom will transcend time. We will be examining his work for years to come, the way we look at Shakespeare's work and say, shaking our heads, 'How did he do it?'

For management to undertake their role without an in-depth understanding of Peter Drucker is like deciding to sail around the world with your family without having completed a harbor masters' course. Yes, you can do it. Yes, you may arrive safely, but you have put everybody at risk.

Peter Drucker's wisdom
Difference between management and leadership Management is ensuring that staff are doing <u>things right,</u> and leadership is ensuring that staff are <u>doing the right thing.</u> He talked about the need for more orchestration-based leadership
Recruitment is a life-and-death decision Drucker emphasizes the importance of getting the right people on the bus and that it deserves time and effort. Recruiting should be treated as the most important activity a manager does.
Do not give new staff new assignments. He referred to these jobs as widow makers. Jobs where the incumbent did not have a chance to succeed.
The scarce resource in an organization is performing people. Drucker highlighted that these scarce resources need to be specifically monitored and not taken for granted. Their goals should be hard enough to stretch them and keep them interested.

Outstanding performance is inconsistent with a fear of failure.
What everybody knows is frequently wrong.
Make obsolete your past success. Drucker is saying that we need always to look forward and recognize that the cash cows of today will be overtaken by technology.
Abandonment "The first step in a growth policy is not to decide where and how to grow. It is to decide what to abandon. In order to grow, a business must have a systematic policy to get rid of the outgrown, the obsolete, the unproductive." "Don't tell me what you're doing. Tell me what you've stopped doing." Measuring the extent of innovation and abandonment will help focus management's attention on these two important areas. Abandonment is a sign that management is recognizing that some initiatives will never work as intended, and it is better to face this reality sooner than later.
Have an outside-in focus on your business See the operation from your customers' perspective. Especially your important customers' perspectives.
Collaboration with other organizations, even your competitors Jack Welch turned General Electric into a powerhouse by striving to focus on what GE was good at. This led Jack Welch to follow Drucker's advice that "Your backroom is someone's front room." In other words, if others can do a job better, then you can subcontract to them rather than diverting energy to be good at everything, a task that is impossible to achieve. We thus need to measure the extent to which we are utilizing this opportunity.
What information do I need to do my job? From whom? When? and how? By asking these basic questions, we can streamline much of the reporting formats;. Dispensing with those reports that add no value.
Importance of self-renewal Drucker was always preaching to executives constantly to grow their knowledge and experiences. He was a supporter of having a second passion, outside work, as he recognized the self–renewal benefits of such a work-life balance.
Have three test sites Drucker pointed out that to do one test site was never enough.
Do what you are good at (look to your strengths) Peters and Waterman said, "Stick to your knitting," Jim Collins said, "focus on your flywheel."
Execution first and always Drucker, like all the other writers, did not follow the model of planning in such detail that the execution of steps was seen as a secondary event.
Place people according to their strengths Drucker was adamant that you focus on what people can do rather than focus on what they cannot do well.
Generate three protégés for senior positions. Drucker was adamant that the CEO and the C-suite should be homegrown.

Jim Collin's Advice

Best books to read:

Jim Collins and Jerry Porras "Built to Last: Successful Habits of Visionary Companies," HarperBusiness 1994

Jim Collins, "Good to Great: Why Some Companies Make the Leap, and Others Don't," HarperBusiness, 2001

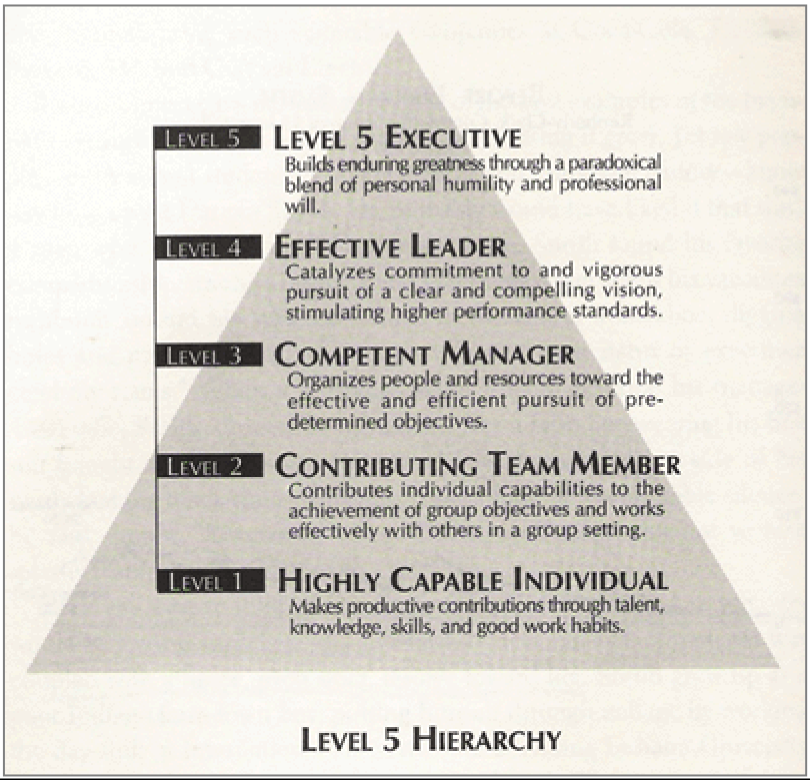
Jim Collins "How The Mighty Fall: And Why Some Companies Never Give In." Jim Collins 2009

I am a fan of Jim Collin's thinking. His analysis, understanding, and communication are outstanding. His books are a must-have on the thoughtful businessman's bookshelf.

Jim Collin's wisdom

Jim Collin's five levels of leadership are shown in Exhibit 1. The second chapter of his book, "Good to Great," should be read after this paper. You will see the consistency between the facets of level five leadership and "winning leadership.

Exhibit 1: Jim Collins's Five Levels of Leadership



Getting the right people on the bus

An organization needs to place more emphasis on recruiting. Managers who have a record of failure should be retrained or relieved of recruiting duties.

Find your hedgehog

Jim Collins tells the parable of the fox and the hedgehog and how, every day, the hedgehog is saved by simply rolling up into an impenetrable ball of spines. He points out that organizations need to find their hedgehog, a place where the three circles collide. See Exhibit 2 below.

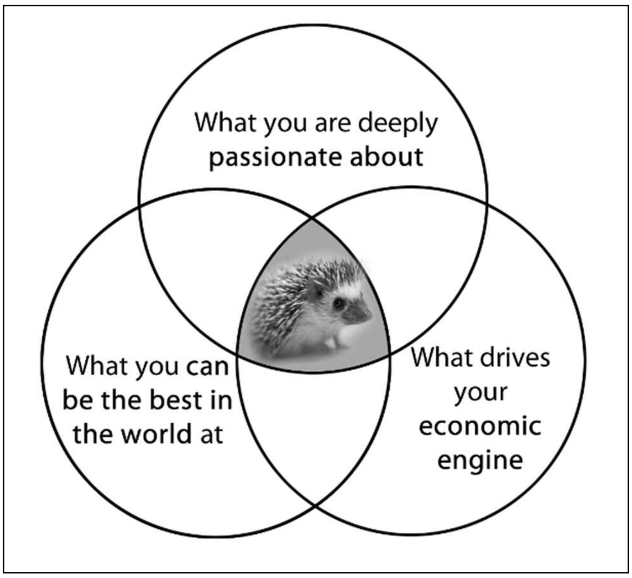


Exhibit 2: Jim Collins hedgehog concept

Staying focused on the flywheel.

Collins points out the importance of staying focused on your core activities. With constant attention and effort, the large flywheel will gather momentum and start spinning freely without much effort, see Exhibit 3. Read Chapter 8 of his book "*Good to Great*".

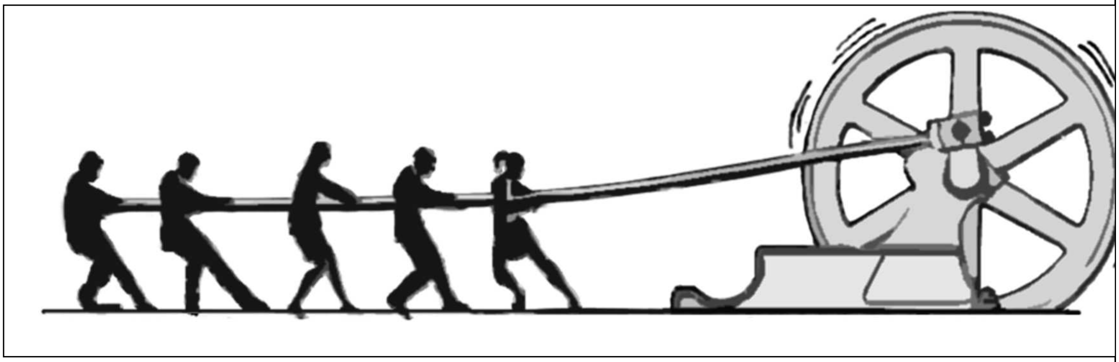



Exhibit 3: Jim Collin's flywheel
Big hairy audacious goals (BHAGs) Jim Collins and Jack Welch are at one here. They say incremental improvement will never stretch your thinking. With BHAGs, we are asking what we would need to do to achieve this BHAG. It is not saying that if we do not, we will be unsuccessful or that your bonus will not be paid.
The silent creep of impending doom Collins warns us about the first stage of decline, "Hubris born of success." Excessive pride leading the management team down the slippery slope. An organization always needs to focus on its economic engine, make sure its flywheel is turning, and maintain a profound understanding of the fundamental reasons for success.
Undisciplined pursuit of more Collins also warns us about the undisciplined pursuit of more. While this is primarily a private sector issue, the public sector and not-for-profit agencies can easily succumb to catastrophic management practices. Probably the worst is an addiction to reorganizations. A process that gets nowhere quickly while ensuring the talent is frustrated, disenfranchised, and, therefore, moves on.
Denial of risk and peril Collins specifies that when making decisions, you need to know if they will affect you above or below the waterline if they go wrong. The 'below the waterline' will obviously sink the organization. Government and not-for-profit agencies are protected by their surety of annual income from the public purse and hence are so easily blind to these risks.
Grasping for salvation Collins points out the propensity to bring in an outside CEO to be the savior. These initiatives fail more than they succeed. As Welch observes, bringing in a CEO from outside is a sure sign that your organization failed to nurture protégés. In the public sector, it is even worse where excellent protégés are deliberately overlooked to bring in a person from outside. It is thus important for the public sector to revisit its values and to include a statement that indicates they should develop their leaders. In the private sector, this stage of decline is categorized, as Collins points out, as the silver bullet. A massive merger that will turn the organization around. Naturally enough, less than one in six of these mergers ever break even.

Jack Welch's Advice

Straight-talking Jack Welch and his book "Winning," co-written with Suzy Welch, is a must-read. Peter Drucker profoundly influenced Jack Welch; therefore, you are getting another slice of Peter Drucker's wisdom. Welch has not held back any punches, which is indicative of the Welch style of communication.

Jack Welch's wisdom

Candor

Welch has reinvigorated this word and placed it in front of management. He said, "It is a leader's obligation to tell their staff how they are doing and how they can improve performance in a candid way." As Welch points out, candor allows more people to participate in the conversation, generates speed, cuts costs, and encourages underperformers to reflect on their achievements and move forward or move on.

Jack Welch's 20/70/10 "differentiation" rule

Tied to candor is Welch's 20/70/10 "differentiation" rule. The top 20% of performers should be promoted into jobs that are a good fit for their strengths, assist the next 70% to meet their potential better and make it clear to the bottom 10% that their future lies elsewhere. Good communication will see these staff moving on to better pastures for themselves. Failing that, these staff must be fired.

As Welch would say, "We made a mistake employing you, and you made a mistake accepting our job offer. Let's work together to find you a job where your passions lie, where you will go to work with a spring in your step. In the meantime, we expect you to put your best foot forward so we can be open and honest to your potential employer without compromising your chances."

A cluster of mentors

As Welch says, "There is no right mentor for you; there are many right mentors." He sees mentoring more holistically. A mentor can come from a staff person many levels below who passes on their knowledge. Welch, in his book "Winning," was forever grateful for the young HR advisor who patiently helped him master email.

Read, read, read

Great leaders have a thirst for knowledge and are constantly looking at ways to move their learning on; they are constantly reinventing themselves. Welch was an avid reader of the financial and management press and journals. He makes it very clear that it is a leader's role to be up to date. While truly great leaders are probably born, not made, many good qualities can be embedded in one's makeup.

Raise the profile of HR in your organization

Great leaders like Jack Welch have always recognized that the HR team is vital to the organization. The head of HR was a member of the C-suite and was involved in all recruiting, promoting, training, and disciplining processes. Leaving HR to a young graduate to write meaningless policy inserts for a 'never read' manual is a surefire way to run down an organization.

Make innovation work

Welch was a champion of innovation. He wanted innovation to be part of the culture. Workshops were held called "work-out process," where groups discussed better practices. At least 75% of all recommendations from the brainstorming sessions had to be given a "Yes or No" by the manager at the close of the workshop, and the remaining recommendations had a maximum 30-day gestation period before a decision had to be made. This technique forced the decision-makers to apply innovation practices, which allowed for some failure but ensured much success at the same time.

Recognition and celebration

Welch says great leaders celebrate more. As he points out, "Work is too much a part of life not to recognize moments of achievement." You can sense from listening to him that his celebrations would have been fun to attend.

Welch was all about making business fun, as he realized that it is not life or death but a game you want to win.

Crisis management

All exceptional leaders are great in a crisis, and Welch is no exception. He had a large realism streak in his body. He would take the necessary action, face the music, and move on. Welch handled each crisis on the following assumptions:

1. The crisis will be worse than it first appears.
2. The bad news will come out sometime, so we may as well face the music now.
3. The situation will be portrayed in the worst possible light by 'the press.'

4. There will be carnage. 5. His organization (GE) would survive.
Setting goals that stretch (Big hairy audacious goals, as Jim Collins would say) Welch liked to see goals that were a mix of between possible and the impossible. He went on to say, “Effective leaders are not afraid to envision big results.” By raising the bar so high, staff and management were forced to rethink the route plan totally. New ways had to be found to succeed, and so often, this was achieved. Drucker was adamant that goals should stretch the team. They should have been possible but were quite challenging. He was, however, equally adamant that they should not be used to beat up staff who were not achieving them. Drucker pointed out that it is only worth focusing on people's strengths.
Be number one or two in the game Welch was aware that many of GE's investments did not make sense. The answer would have been “No” to the Drucker question, “If you were not in the business, would you enter it now?” Consequently, Welch was known as ruthless with his view of either ‘Fix it, sell it or close it’ when a business did not meet the strict criteria of being either number one or two in that particular sector.

Thomas Peters and Robert Waterman’s Advice

Best book to read Thomas J. Peters and Robert H. Waterman, In Search of Excellence: Lessons from Americ a's Best Run Companies, Harper and Row, 1982.

Now and again, there arises a masterpiece in thought, word and deed. "In Search of Excellence" is one such masterpiece, which is a must-read because it is so timeless and encompassing.

Peters and Waterman's wisdom
Understand human motivations This book has as its foundation an emphasis on understanding human nature. Peters and Waterman go into much detail about behaviorist studies in Chapter 3.
Importance of chaos rather than unnecessary order Throughout the first three chapters of "In Search of Excellence," the importance of allowing overlap, internal competition, and impromptu contact while minimizing head office "command and control" was highlighted through the case studies quoted.
A bias for action The emphasis is on action, getting something into prototype, test, test, test rather than trying to guess second. The disbanding of committees that meet and do not convert anything to action is a very strong message.
Close to the customer Being close to the customer not only helps with customer retention it is the major source of innovation. Peters and Waterman found compelling evidence that customers are the main source of innovative ideas.
Autonomy and entrepreneurship As Peters and Waterman observed, radical decentralization and autonomy, with its attendant overlap, messiness, lack of coordination, and internal competition, were necessary in order to breed the entrepreneurial spirit and champions required to take risks in developing new ideas. They went on to say you need to: ▪ Have intense communication ▪ Tolerating failure ▪ Encourage internal competition ▪ Promote legends ▪ Eliminate overplanning and paperwork
Productivity through people They went on to say you need to: ▪ Have unabashed hoopla ▪ Family atmosphere ▪ Available information ▪ Trust ▪ Keep units small so they are fast and flexible
Stick to the knitting As an organization, we need to focus our measurement in the important areas. Robert Johnson of Johnson & Johnson said, "Never acquire a business you do not know how to run."
Simply form, lean staff They went on to say you need to: Avoid the trap of economies of scale – they seldom eventuate Constantly hiving off into new divisions Maintain a small corporate office Have a flat organizational structure

Gary Hamel's Advice

Best book to read Gary Hamel, "The Future of Management" Harvard Business School Press 2007.

Gary Hamel, for some time, has been making management think about the future. His book "The Future of Management" has many lessons for leaders to consider.

Gary Hamel's wisdom
Continuous management innovation You need to have a process for continuous management innovation. To be an organization that is capable of trauma-free renewal rather than one that is moved to change through a crisis.
Beware of creative apartheid Hamel advocates that most human beings are creative in some sphere of their lives. He believes creativity can be strengthened through instruction and practice; e.g., Whirlpool has trained more than 35,000 employees in the principles of business innovation.
Beware of too much hierarchy and too little community Hamel points out that hierarchies are good at aggregating effort (coordinating activities) but not good at mobilizing effort (inspiring people to go above and beyond). The more you consolidate power in the hands of a few leaders, the less resilient the system will be.
Aggregate collective wisdom Hamel points out the compelling evidence that "a large group of people is often smarter than the smartest people in them."
Embrace your staff who are different Hamel believes organizations can only excel if they embrace irregular people, as their irregular ideas can be very valuable. He says to look for positive deviants!
Mission matters Hamel says that the mission must be compelling enough to overcome the gravitational pull of the past and spur individual renewal.
Let staff choose what they want to commit to Hamel says organizations should have an opt-in and self-chosen commitment.
New management order Hamel wants to see a new management order, and the Internet is an excellent example of this order. He points out why the internet has been so successful because: ▪ Everyone has a voice ▪ The tools of creativity are widely distributed ▪ Easy and cheap to experiment ▪ Capability counts more than credentials and titles ▪ Commitment is voluntary ▪ Authority is fluid and contingent on value-added ▪ The only hierarchies are "natural" hierarchies ▪ Just about everyone is decentralized ▪ Ideas compete on an equal footing ▪ It's easy for buyers and sellers to find each other ▪ Resources are free to follow opportunities ▪ Decisions are peer-based

While there are many other writers in this space, these writers are the ones that have resonated with me.

The Right Stuff – make the most out of external consultants

URL Access: https://davidparmenter.com/wp-content/uploads/2024/09/The-right-stuff-make-the-most-out-of-external-consultants-Finance-Management-December-2013.pdf

Additional material for Chapter 4: Leading and Selling the Change

	Less than 250	Between 250-3,000	Over 3,000 staff
Draft employee questionnaire	Maybe useful	Y	Y
Addressing staff concerns and learning issues worksheet		Maybe useful	Y
Draft agenda for a road show to staff		Maybe useful	Y
Checklist for marketing the KPI system to all employees		Maybe useful	Y
Half a day workshop for the C-suite on implementing KPIs – and getting it right the first time	Not required	Not required	Y
One-day focus group on CSFs and implementing KPIs	Not required	Not required	Y
PowerPoint presentations checklist	Y	Y	Y
Selling KPIs in your organization	Y	Y	Y

Template 1 Draft Employee Questionnaire

It is important to hold an employee questionnaire before the KPI roadshow (larger organizations only) and Staff KPI workshops, which are held in stages four and five. With the help of the human resources team, make a selection of experienced staff covering all regions, levels of staff, and so forth. This sample should not be greater than 200, less than 30, or larger than 5 percent of the total staff. Too large a sample will make data mining more difficult and seldom raise any new issues. A suggested draft questionnaire, which is designed so that it can be completed within five minutes and captures the important qualitative information, is set out below.

Over the years of running surveys, I have always found the gold in open-ended questions. It is thus important to always use statistical sampling when running a survey, as one would never be able to handle ten thousand responses to these questions. A feedback sample survey with a 90% confidence level would be more than adequate.

Employee questionnaire

The comment fields are a useful part of the feedback process. Please take time to make comments as specific as possible and provide examples where appropriate.

Please return no later than .... by Email to ....

Existing performance information is:	
▪ well understood	☐ Yes ☐ No
▪ easily obtainable	☐ Yes ☐ No
▪ used to aid improvement	☐ Yes ☐ No
▪ thought to be used to allocate blame	☐ Yes ☐ No
▪ regarded as accurate/credible	☐ Yes ☐ No
▪ regularly reviewed in a formal manner	☐ Yes ☐ No

What are your three main issues of concern with the introduction of KPIs?

What are the three main issues that should be addressed in initial employee briefings?

This employee questionnaire assesses current understanding of the purpose and use of performance information. Generally, the more no responses, the bigger the educational task ahead. The answer yes to the question “Existing performance information is thought to be used to allocate blame” provides insight into the current measurement culture.

The responses to “What are the three main issues that should be addressed in initial employee briefings?” will highlight issues that will need to be raised during initial employee briefings. These may include:

- Why KPIs are being introduced: discuss the organization’s current position, competitive/external pressures, and future direction; explain how KPIs assist in achieving the desired future direction
- How KPIs will be developed: stress the points at which employee involvement, training, and consultation will take place
- How KPIs will be used: emphasize team and work group use to achieve performance improvement
- What KPIs will not be used for: develop a list, addressing employee concerns, of what KPIs will not be used for (e.g., to reduce workforce size or discipline individuals)

Template 2 Addressing Staff Concerns and Learning Issues Worksheet

Employee concerns on performance measurement need to be addressed. The questionnaire will have brought them to the surface. Now, the KPI team has to ensure that they deal with all of them. In many organizations there will be staff from different countries, and there needs to be careful consideration as to how you will get the message across.

Complete the worksheet to ensure that all staff concerns and learning issues have been addressed.

This worksheet addresses language, literacy, and numeracy issues in KPI briefings for employees. In the longer term, your organization may need to consider specific programs to address the language, literacy, and numeracy needs of its employees.

If you have significant numbers of employees who have difficulties with language, literacy, and numeracy, your initial briefing strategy (and your later KPI development process at the team level) will need to be tailored to meet their particular requirements.

In the short term, there are two options to help overcome these potential barriers to KPI development and use:

1. **English-language barriers**. Generally, most non-English- language-speaking groups within an organization rely on those in their group with the highest level of English comprehension to act as translators. Therefore, to achieve an effective understanding of the purpose and use of KPIs, you will need to direct briefings toward those bilingual employees. These employees then will need to receive assistance in briefing the employees in their language group.
2. **Literacy and numeracy barriers**. Reasonable comprehension can be achieved by all if groups are structured so that employees with literacy and numeracy barriers are not grouped together. Additional time should be allocated in all briefing sessions for discussion in small groups to allow these employees to confirm their understanding.

1. For each concern identified, indicate how it is to be addressed	
Area of Employee Concern	How the concern is to be addressed

2. How many employees need to be briefed about KPIs?	____ employees
What percentage of employees who need to be briefed have:	
Limited levels of English language comprehension?	____%
A low level of literacy?	____%
A low level of numeracy?	____%

3. How should these briefings be conducted?				
	Group:1	Group:2	Group:3	Group:4
The person giving the briefing				
Size of groups				
Time allocated				
Locations				
Proposed dates				

Template 3 Agenda for the Road Show to Staff (Larger Organizations)

In large organizations, you may need to have a separate "selling the concept" road show before the staff KPI workshops

Objectives

- Ensure that staff are fully aware of the requirements to implement effective performance measurement.
- To outline the changes associated with introducing KPIs into the organization.
- By the road shows conclusion, all employees should at least believe that they need to do something differently.
- A core group will evolve, and they will need to be clear about implantation issues and how performance measures will be used.

Timetable

9:00 A.M. Welcome from the CEO (or delivered by a member of the C-suite with a video from the CEO). Outlining progress to date and what the outcome of the workshop will be.

9:10 A.M. Presentation by a skilled presenter from the KPI project team (or access a video from David Parmenter.com). The content would include:

- The feedback from employee perceptions of performance measures
- The myths of key performance indicators (KPIs), including the dark side of performance measures
- Why we need to revisit our performance measures
- How these performance measures are to work (to help alignment, to be separated from performance-related pay)
- The importance of knowing what the organization's critical success factors (CSFs) are
- The goal is to have an A3 picture of the CSFs in every workplace
- The next steps (the staff workshop)

10:00 a.m. Presentation by Union representative(s). The content would include:

- Impact of performance measures on members in different organizations
- Possible dangers that will be closely monitored by the union
- The Union's qualified support

Template 4 Marketing the KPI System to All Employees Checklist

The checklist can be used as an aid to the KPI project team, ensuring that important tasks are not overlooked. The KPI team, with the facilitator, should amend this checklist before use to suit the organization and desired approach.

Checklist for marketing the KPI system to all employees	
Have you delivered joint briefings to employees with the C-suite, project team and union representatives presenting on the same platform?	☐ Yes ☐ No

Has all material been reviewed by a PR expert? (FS)	☐ Yes ☐ No
Have initial briefings specifically addressed employee concerns by stressing the consultative, training-related processes by which employees in teams will develop their own KPIs?	☐ Yes ☐ No
Has a broad vision of what change is required been spelled out?	☐ Yes ☐ No
Have you sold the need for KPIs through emotional drivers that mean something to the employees?	☐ Yes ☐ No
Have you described the next steps in the process of developing and implementing winning KPIs?	☐ Yes ☐ No
Have you indicated the key roles for employees to play?	☐ Yes ☐ No
Has the C-suite set aside funding for in-house workshops to be rolled out covering all teams?	☐ Yes ☐ No
Have the project team and the C-suite addressed people’s concerns about change and performance measurement?	☐ Yes ☐ No
Has sufficient interest been aroused so employees want to participate in the KPI project?	☐ Yes ☐ No
Have you used success stories to help sell the message?	☐ Yes ☐ No
Have you provided training on how employees can best use the KPI project home page?	☐ Yes ☐ No
Have you published a time frame with appropriate milestones and a realistic deadline?	☐ Yes ☐ No

FS = step that links to a foundation stone.

Template 5 Half a day workshop for the C-suite on implementing KPIs – and getting it right the first time

This workshop is useful where the C-suite will not be present in the two-day CSF workshop, as explained in Chapter 7.

Workshop objective:

- To ensure the C-suite are fully aware of what is required to implement performance measurement that works
- For the C-suite to understand the required level of involvement, the necessity for speed, and the inherent hurdles performance measurement projects face
- To convey the difference between the organization's current performance measurement practices and one that links day-to-day activities to the strategic objectives

Requirements:

1. All C-suite to attend.
2. Pre-reading of the KPI articles
3. Workshop administrator to help co-ordinate attendees
4. One laptop, data show, screen, and 2 electronic whiteboards, quiet workshop space away from the offices

8.00	Introduction from CEO
8.10	▪ The new thinking on key performance indicators ▪ The difference between the three types of performance measures ▪ The characteristics of a winning KPI - two stories ▪ The 10/80/10 rule for performance measures ▪ Critical success factors ▪ Case studies ▪ The myths around KPIs ▪ The difference between the organization's current use of performance measures and the one proposed
9.00	**Commence workshop #1** Working with a list of success factors, rework them to reflect the current thinking of the C-suite
10.00	Morning tea
10.15	As a group exercise design, some appropriate measures
10.45	**Commence workshop #2** In small groups, design some appropriate measures for the organization from some selected success factors
11.15	Short presentation on the way forward
12.00 pm	Finish of workshop

Template 6 One-Day Focus Group on CSFs And Implementing KPIs

This workshop is required in large organizations where there will need to be a broad acceptance of the need for the project to succeed.

Objective:

- To ensure a key group of staff and management are fully aware of what is required to implement performance measurement that works.
- To fully understand the required level of involvement, the necessity for speed, and the inherent hurdles the KPI project will face

Requirements:

- A focus group is to be selected from 15 to 30 experienced staff covering the business units, teams, area offices, and head office and covering the different roles from administrators to C-suite members.
- Workshop administrator to help co-ordinate attendees
- At least 3 lap tops, data show, screen, three electronic whiteboards, quiet workshop space away from the offices

9.00	Introduction from CEO
9.10	Presentation #1: The new thinking on key performance indicators: ▪ The difference between the three types of performance measures ▪ KPI stories ▪ The difference between the four types of performance measures ▪ The characteristics of a winning KPI ▪ The 10,80,10 rule for performance measures ▪ Why finding measures needs more rigor ▪ Importance of knowing your organization's critical success factors ▪ Wording success factors by avoiding empty words ▪ The difference between the organization's current use of performance measures and the proposed performance measures
10.00	**Commence workshop #1** Revisiting your organization's success factors (SFs) and outcomes. All prework that has already been done in wording success factors will be tabled.
10.30	Morning tea
10. 50	**Re Commence workshop #1** Revisiting your organization's success factors (SFs) and outcomes. All prework that has already been done in the wording of the success factors will be tabled.
11. 20	Presentation#2: More on CSFs and mapping SFs: ▪ How critical success factors differ from outcomes ▪ The end goal for the CSFs ▪ How to perform relationship mapping by using the airline example During this discussion, two staff are to update the success factors list and prepare the A3 relationship mapping page.
11.40	**Commence workshop 2** Relationship mapping using an airline's success factors.
12.00 pm	Lunch

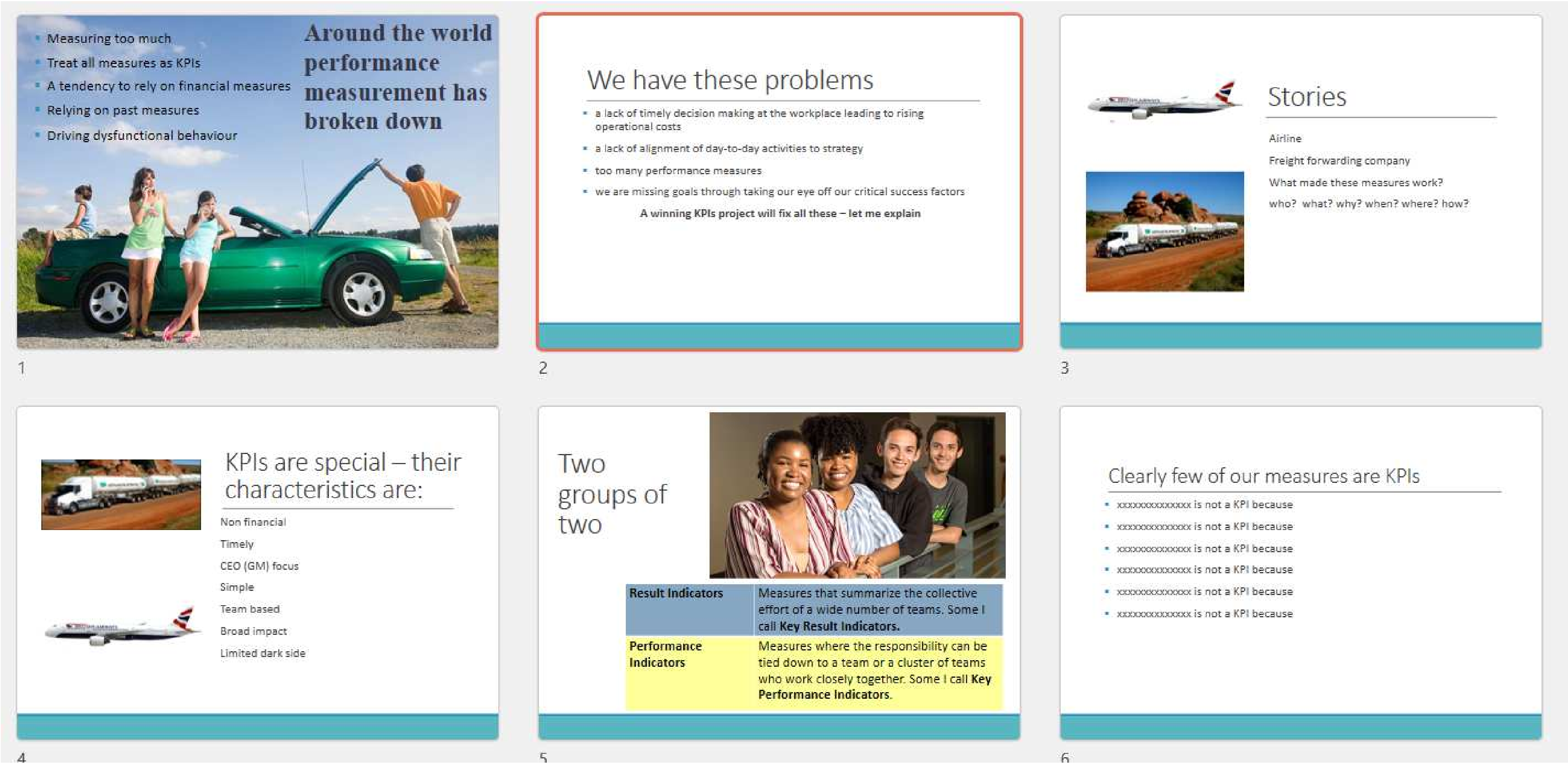
12.45 pm	Demonstrate how measures are ascertained from a success factor (an example of this is on davidparmenter.com).
1.15 pm	**Commence workshop 3.** In different groups, ascertain some performance measures using a selection of the success factors from workshop 1 for a couple of selected teams. (This task will take a further 10- to 16-week period to finalize for all business units and teams.)
2.00 pm	Feedback from groups
2.20 pm	Afternoon tea
2.40 pm	**Commence workshop 4** Review of existing measures. Separating the measures used by the workgroups into performance and result indicators.
3.40 pm	Short presentation on the way forward – the implementation program.
4.00 pm	The focus group state their opinion on whether to go forward, the key issues to address, and the resources required for the C-suite. The C-suite are invited to come back to hear the focus group.
4.30 pm	Finish of workshop

Template 7 PowerPoint Presentations Checklist

Planning	
Have set the number of slides you will need? For a sales pitch, 10-12 slides should suffice, as you will only have around 20 minutes.	☐ Yes ☐ No
Have you performed enough research on the subject?	☐ Yes ☐ No
Have you researched your audience (their likely resistance to the KPI methodology, their default future)?	☐ Yes ☐ No
The creative phase	
Have you done the mind map Post-It stickers exercise?	☐ Yes ☐ No
Have you reviewed recent articles or recent seminars you have attended for clever and concise diagrams?	☐ Yes ☐ No
Have you a compelling story to start the presentation? Avoid jokes at all costs.	☐ Yes ☐ No
Have you found some compelling photographs that help emphasize key points in the presentation?	☐ Yes ☐ No
Have you developed some clear and concise diagrams to help give structure and clarity to the presentation?	☐ Yes ☐ No
The editing phase	
The person preparing the slides would be advised to read "Presentation Zen: Simple Ideas on Presentation Design and Delivery" by Garr Reynolds[i] and "Slide:ology: The Art and Science of Creating Great Presentations" by Nancy Duarte[ii].	☐ Yes ☐ No
Do you have a progression slide that shows the audience the main points to be covered and where you are in the presentation?	☐ Yes ☐ No
Have you got some slides where the entire slide is a picture without any text?	☐ Yes ☐ No
Are all detailed diagrams expanded to the whole slide to maximize visibility?	☐ Yes ☐ No
Have you avoided complex diagrams where the text will be less than 18 point?	☐ Yes ☐ No
Have you limited text slides to five to six separate points per slide?	☐ Yes ☐ No
Have you repeated a key diagram slide if you are talking about each section of it separately?	☐ Yes ☐ No
Have you used the "Speak selected text" option in the quick access toolbar to read back to you the words on the slides?	☐ Yes ☐ No
Have you got someone with proficient editing skills to read through the slides?	☐ Yes ☐ No
First run-through of the presentation	
Have you done a couple of practice runs with one or two of your peers? The test audience is to note down improvements as they are spotted.	☐ Yes ☐ No
Does the presentation fit the allotted time?	☐ Yes ☐ No
Have you practiced the improved presentation based on this feedback? For short 15- to 20-minute presentations, up to five full practices will be necessary.	☐ Yes ☐ No
Have you prepared the master copy of the slides and checked that all slides are clear?	☐ Yes ☐ No
Have you organized the printing of the slides? I give all attendees a copy of the presentation, six slides per page and double-sided. Any complex diagrams are printed out separately.	☐ Yes ☐ No
Have you checked all workshop exercises for clarity? I always get them checked by a work colleague.	☐ Yes ☐ No
Have you tested your laptop on at least two data shows? Some custom settings that maximize your network can prevent your laptop from linking to data shows.	☐ Yes ☐ No
Travel arrangement	
Have you organized to travel the night before?	☐ Yes ☐ No
Have you a spare power extension lead and an HDMI laptop to data show cable with you?	☐ Yes ☐ No
Have you considered bringing your spare data show with you?	☐ Yes ☐ No

Night before presentation	
Have you avoided late changes? Nothing annoys the audience more than the presentation being in a different order from the presentation handout. You will make a rod for your own back when you get requests for the missing slides!	☐ Yes ☐ No
Have you tested the data show projector? You may find that the connecting cable is missing.	☐ Yes ☐ No
Have you avoided alcohol the night before the presentation? If you want to give your best presentation, be alcohol-free.	☐ Yes ☐ No
Are you using your laptop for the presentation?	☐ Yes ☐ No
Have you practiced the first five minutes? Aim for one or two stories in the first five minutes.	☐ Yes ☐ No
On the day of the presentation	
Have you done a brief run-through of the first five minutes at the proper speed before breakfast? I often practice this while I am doing some light exercise.	☐ Yes ☐ No
In the 30 minutes leading up to the start have you greeted as many attendees as you can **before the presentation?** This process will help calm your nerves and give you the opportunity to clarify their knowledge, and you can ask for their participation such as at question time.	☐ Yes ☐ No
Have you planned a 2-minute short break-out session in the presentation? This is where attendees talk to the person next to them about "The statements that have resonated with them most and any statements delivered that they disagree with." I use this break to talk to someone about the speed of delivery and impact so far.	☐ Yes ☐ No
Have you planned a celebration? As you have done your best.	☐ Yes ☐ No

Template 7 Selling KPIs into your organization



Our top five measures are thus

xxxxxxxxxx	Reviewed monthly	KRI
xxxxxxxxxx	Reviewed weekly	RI
xxxxxxxxxx	Reviewed daily	PI
xxxxxxxxxx	Reviewed daily	KPI
xxxxxxxxxx	Reviewed quarterly	KRI

7

8

The CSFs on the walls in every workplace

9

Suggested next steps

- Selection of in-house KPI team
- Ascertain CSFs
- Have the CSFs on the wall of every work area
- Commence journey to ascertain the suite of measures
- Pilot with 2-3 core areas to test and prove the approach based on the difficulty we have measuring what we do and defining success

10

Additional material: Chapter 5: Obtaining Senior Management Team Commitment

	Less than 250	Between 250-3,000	Over 3,000 staff
Senior Management Team Commitment Checklist	Maybe useful	Y	Y
Senior Management Team Commitment Questionnaire		Maybe useful	Y
Checklist for Selecting a Facilitator	Y	Y	Y
Setting Up a Holistic KPI Development Strategy Checklist		Maybe useful	Y
Holistic KPI Development Strategy Worksheet	Maybe useful	Maybe useful	Y
Checklist of the External Facilitator’s Main Tasks	Y	Y	Y

Template 1 Senior Management Team Commitment Checklist

This checklist can be used as an aid to the KPI project team, ensuring that important tasks are not overlooked. The KPI team, with the facilitator, should amend this checklist before use to suit the organization and desired approach.

(FS= Foundation stone step)	
Have you prepared and practiced your elevator speech to get the C-suite’s attention?	☐ Yes ☐ No
Have you read Chapter 6, which will help you deliver a compelling 20-minute pitch?	☐ Yes ☐ No
Have you sold the project using adequate emotional drivers?	☐ Yes ☐ No
Have you prepared and delivered a compelling 20-minute presentation to get the green light to hold a focus group workshop?	☐ Yes ☐ No
Is the CEO prepared to be the champion of this process?	☐ Yes ☐ No
If not, have you considered delaying the project until this level of commitment can be achieved?	☐ Yes ☐ No
Has all relevant background reading been provided for the C-suite?	☐ Yes ☐ No
Has a presentation been made to the C-suite to clarify the difference between KRIs, RIs, PIs, and KPIs? (FS)	☐ Yes ☐ No
Have you made a decision to hold a half-day briefing to the C-suite or defer it to the two-day CSFs workshop?	☐ Yes ☐ No
Have you held a one-day focus group meeting?	☐ Yes ☐ No
Are the following C-suite members willing to set aside time to be available for interviews and workshops:	
(Insert names)	☐ Yes ☐ No
	☐ Yes ☐ No
	☐ Yes ☐ No

	☐ Yes ☐ No
	☐ Yes ☐ No
Are some of the C-suite willing to set aside time for the occasional site visit to a better practice organization?	☐ Yes ☐ No
Have likely candidates been selected for an in-house team to lead such a project?	☐ Yes ☐ No
Has the C-suite empowered the KPI team to make the decisions other than major investments? (FS)	☐ Yes ☐ No
Does the C-suite fully understand the linkage between measurement, reporting, and performance improvement? (FS)	☐ Yes ☐ No
Do the C-suite realize they will need to set aside time to make an important contribution in helping establish the CSFs that link to the current strategies? (FS)	☐ Yes ☐ No
Has adequate marketing been performed on C-suite members who are not fully supportive of the initiative?	☐ Yes ☐ No
Are you setting aside time to prepare a weekly elevator speech so the C-suite can be updated with quick wins?	☐ Yes ☐ No

Template 2 Senior Management Team Questionnaire

This questionnaire is for the C-suite (C-suite) to complete. It will help the project team gauge the level of understanding within the C-suite. This information will be useful for marketing and educational initiatives directed at the C-suite.

The attached questionnaire is for the C-suite to complete. It will help the project team gauge the level of understanding within the C-suite and thus provide useful information for marketing and educational initiatives directed at the C-suite.

Senior Management Questionnaire

The successful introduction of key performance indicators requires C-suite commitment. Your feedback is appreciated.

Comments are an especially helpful part of the feedback process. Please take time to make comments as specific as possible and include examples where appropriate.

Please return **no later than** __________[Insert Date] by e-mail to __________[Insert Name].

Have you worked with KPIs on a daily or weekly basis anytime in the past?	☐ Yes ☐ No
Do you understand the difference among KRIs, RIs, PIs, and KPIs?	☐ Yes ☐ No
Are you prepared to delegate authority to teams so that they can take immediate action if KPIs go “off track”?	☐ Yes ☐ No
Are you prepared to set aside at least two hours a week for the next 16 weeks for interviews, reading progress reports, making decisions, providing input as required, etc.?	☐ Yes ☐ No
Are there any major initiatives in the next 16 weeks that would limit your involvement?	☐ Yes ☐ No
Are you prepared to attend a half-day work-shop to kick-start the KPI project?	☐ Yes ☐ No
Are you prepared to attend a two-day CSF workshop?	☐ Yes ☐ No
Are you prepared to monitor on a daily basis (approximately 20 minutes a day) the eventual top five KPIs?	☐ Yes ☐ No

What are the three main ways the KPI project team could help you maintain your commitment to this project?

Template 3 Selecting a Facilitator Checklist

Due to the nature of the role, a facilitator needs to have certain experience and a detailed skill set. This is a checklist to send out to potential facilitators.

Are you prepared to invest enough time in getting this recruitment right?	☐ Yes ☐ No
Have you inquired from past consultants who have worked well with you or your organization, for referrals?	☐ Yes ☐ No
Have you shortlisted three to five consultants based on reputation?	☐ Yes ☐ No
Having made a short list, have you contacted a couple of their previous clients to ask, “Would you take Pat Carruthers on for another consulting assignment?”	☐ Yes ☐ No
Is the facilitator familiar with the Key Performance Indicators book by David Parmenter?	☐ Yes ☐ No
Is the facilitator familiar with The Balanced Scorecard: Translating Strategy into Action by Kaplan & Norton?	☐ Yes ☐ No
Has the facilitator listened to the webcasts on www.davidparmenter.com?	☐ Yes ☐ No
Has the facilitator delivered one- and two-day workshops with over 30 attendees?	☐ Yes ☐ No
Does the facilitator understand the difference among CSFs, KRIs, RIs, PIs, and KPIs?	☐ Yes ☐ No
Has the facilitator worked in management positions in a decision-making role for more than five years?	☐ Yes ☐ No
Has the facilitator worked in a “Blue Chip” organization with international connections?	☐ Yes ☐ No
Has the facilitator worked in an international consultancy firm?	☐ Yes ☐ No
Is the facilitator over 35 years of age? (unlikely that anyone younger will have the desired mix of skills and experience)	☐ Yes ☐ No
Does the facilitator have tertiary qualifications?	☐ Yes ☐ No
Has the facilitator received training in delivering presentations	☐ Yes ☐ No
Has facilitator experience in reporting performance measures	☐ Yes ☐ No
Is facilitator experience with coaching in-house staff	☐ Yes ☐ No
Does the facilitator have an excellent command of English and local language?	☐ Yes ☐ No
Is the facilitator’s voice easy to understand?	☐ Yes ☐ No
Can the facilitator work confidently with technology (notebooks, data shows, etc.)	☐ Yes ☐ No

Template 4 KPI Development Strategy Checklist

This checklist can be used as an aid to the KPI project team, ensuring that important tasks are not overlooked. The KPI team, with the facilitator, should amend this checklist before use to suit the organization and desired approach.

Checklist for setting-up a holistic KPI development strategy	
Has it been decided what needs to be abandoned to make room for this KPI project?	☐ Yes ☐ No
Is this the right time to embark on a CSF and KPI project?	☐ Yes ☐ No
Has it been decided how best to implement winning KPIs across our organization?	☐ Yes ☐ No
Have we maximized the fit with the other changes our organization is pursuing to achieve world-class performance?	☐ Yes ☐ No
Have the stakeholders reached an agreement on the initial purpose, spread, and penetration of KPIs throughout the entire organization? (FS)	☐ Yes ☐ No
Have the stakeholders reached an agreement on the pace at which the KPI introduction and implementation will proceed? (FS)	☐ Yes ☐ No
Have you evaluated the existing measurement culture in your organization?	☐ Yes ☐ No
Has the C-suite agreed to the provision of the training and education required to empower employees to create their own performance measures and take immediate remedial action when necessary? (FS)	☐ Yes ☐ No
Has a decision been made as to whether KPIs are going to be developed for the whole organization or just specified business units?	☐ Yes ☐ No
Has the size of the KPI team required been ascertained?	☐ Yes ☐ No

FS = step that links to foundation stone.

Template 5 KPI Development Strategy Worksheet

The worksheet should be completed by the project team, having consulted widely with managers who have been with the organization for some time and been reviewed by selected members of the C-suite.

Some gaps may appear, and additional documentation may be required by the strategic planning team. It is important that the KPI team does not get sidetracked into developing or refining the strategy—they just need to identify the gaps.

Have any of the following been developed for your organization?	
Vision Statement	☐ Yes ☐ No
Mission Statement	☐ Yes ☐ No
Strategic Plan	☐ Yes ☐ No
Identification of the key strategies for achieving the vision	☐ Yes ☐ No
Organisational values	☐ Yes ☐ No
Do the sanctioned change and improvement programs contain or require measurement to succeed? (Please list the programs)	☐ Yes ☐ No ☐ Yes ☐ No
	☐ Yes ☐ No
	☐ Yes ☐ No
	☐ Yes ☐ No
	☐ Yes ☐ No
Has your organization identified and agreed upon a strategy for pursuing better practice?	☐ Yes ☐ No
Does a partnership between management, employees, and unions (or employee representatives) operate in relation to this strategy?	☐ Yes ☐ No
Taking into account all the change and improvement strategies in progress, can you answer 'Yes' to the following statements?	
Senior management has already clarified, or is prepared to clarify, the CSFs for the organization	☐ Yes ☐ No
Management accepts its obligation to adopt a consultative approach to the pursuit of better practice and the introduction of KPIs	☐ Yes ☐ No
Management is prepared to resource KPI development through training, provision of facilitators, and time off the job for employees	☐ Yes ☐ No

Are there any key strategic issues that the project team should be aware of?

Supporting Notes for template 5

Question 1. If you answered "no" to the existence of vision and mission statements or a strategic plan, it is advisable for a separate project team to address these elements. This team should communicate regularly with the KPI team. Although the development of strategic direction requires senior management involvement, consultation with employees and customers is highly beneficial.

Suppose you answered yes to the existence of vision and mission statements or a strategic plan. In that case, you will need to obtain those documents and possibly approval for the release of the information contained in them to all the organization's employees. Any information that is deemed too sensitive for release due to market competition will need to be redrafted to allow communication with employees.

If you answered yes to the existence of a set of organizational values, you should review these to identify the behavioral standards your organization is promoting in relation to:

- Access to information
- Communication and consultation processes
- The introduction of change

You must keep these behavioral standards in mind as you develop KPIs (following the six stages) to ensure that the process aligns with the organization's stated values.

Question 2. Depending on your location and position in the organization, you may need to consult widely to develop this list. Most large organizations will have a number of change and improvement strategies underway or planned at any given time.

Major events or already committed programs may require the deferral of the KPI project to a more convenient time.

Question 3. For a change process to succeed, there needs to be a holistic strategy for achieving performance improvement that is developed, agreed to, and shared by management and its employees or their representatives

Question 4. Much of what follows relies on this partner- ship's being in place. If you cannot answer yes to question 4, some major wide-ranging consultation is recommended before KPI development is pursued.

Question 5. You need three yes responses to be able to commence a change strategy, based on partnership, designed to achieve best practice. If you are unable to achieve three yes responses, it may be advisable to review the general principles in Chapter 1

Template 6 Checklist of the External Facilitator's Main Tasks

This is a checklist of the main tasks you will need to consider. It is important that the facilitator's role is just that; it should never become the project manager's role.

The facilitator's role is to:	Task completed
1. Help the C-suite (C-suite) pick the KPI project team.	☐ Yes ☐ No
2. Convince management that these staff members need to be committed full-time.	☐ Yes ☐ No
3. Help select a liaison person for all business units/service teams.	☐ Yes ☐ No
4. Ensure that C-suite members are not on the project team.	☐ Yes ☐ No
5. Help sell the concept to the C-suite.	☐ Yes ☐ No
6. Access performance measures and reporting templates that have been used in other organizations to avoid reinventing the wheel.	☐ Yes ☐ No
7. Introduce case study material.	☐ Yes ☐ No
8. Obtain a sufficient level of commitment from the C-suite.	☐ Yes ☐ No
9. Sell the concept to any new C-suite members.	☐ Yes ☐ No
10. Guide the C-suite to accept the balance scorecard perspectives recommended in this book.	☐ Yes ☐ No
11. Ensure that the KPI project team and C-suite refine the hundreds of performance measures to fit the 10/80/10 rule.	☐ Yes ☐ No
12. Help the team differentiate among key result indicators, result indicators, performance indicators, and KPIs.	☐ Yes ☐ No
13. Ensure that the organization does not consolidate business unit performance indicators and end up calling them KPIs.	☐ Yes ☐ No
14. Ensure, with the C-suite, that project team members are encouraged, given regular feedback, given recognition when milestones have been achieved, and so forth.	☐ Yes ☐ No
15. Empower and educate the KPI project team members, ensuring that the KPI team leader can become the chief measurement officer and the in-house expert on measurement.	☐ Yes ☐ No
16. Promote the use of existing in-house applications for database and reporting purposes during the first 12 months.	☐ Yes ☐ No
17. Ensure the KPI project team sets up a database to record all performance measures identified and communicate these through the KPI intranet home page.	☐ Yes ☐ No
18. Ensure that work on team performance measures does not divert the project team from ascertaining the organization's KPIs.	☐ Yes ☐ No
19. Ensure that the KPI team has made good use of the reporting templates outlined in Chapter 10 before attempting to develop any of its own.	☐ Yes ☐ No

Additional material: Chapter 6: Skill In-House Resources to Manage the KPI Project

	Less than 250	Between 250-3,000	Over 3,000 staff
Establishing a Winning KPI Team Checklist	If over 170 staff	Y	Y
KPI Team Establishment Questionnaire	Not required	Maybe useful	Y
KPI Team 360-Degree Questionnaire	Not required	Maybe useful	Y
Establish a “Just-Do-It” Culture and Process Checklist	Not required	Maybe useful	Y
Establish a “Just-Do-It” Culture and Process Worksheet	Not required	Maybe useful	Y
Job Description for The KPI Team Leader Role	If over 170 staff	Y	Y
Workshop Preparation Checklist	Y	Y	Y
Guidelines for Running Workshops	Y	Y	Y
Typical KPI Questions and Suggested Answers	Y	Y	Y

Template 1 Establishing a KPI Project Team Checklist

The checklist can be used as an aid to the KPI project team, ensuring that important tasks are not overlooked. The KPI team, with the facilitator, should amend this checklist before use to suit the organization and desired approach.

Have a maximum of four staff been appointed to the KPI team?	☐ Yes ☐ No
Are at least half of the KPI team working full-time on the project?	☐ Yes ☐ No
Has the KPI team received all designated training?	
Have all business units or service teams allocated a liaison person to work with the project team?	☐ Yes ☐ No
Has the C-suite to step aside from project team responsibilities?	☐ Yes ☐ No
Are KPI project team members a balanced mix of oracles and young guns?	☐ Yes ☐ No
Has the project team developed its intranet page to include: Photos, CVs, interests, and contact details of the KPI team members? Is there a linkage between performance measures (as they are being developed) and the organization's CSFs, strategies, vision, and mission? (FS) Database of performance measures as they are being developed? Useful KPI reference material (articles, etc.)? Team scorecards as they are finished? Contact details of all the business unit coordinators? Implementation program and details about each step? A forum for sharing ideas and answering questions? Progress reports	 ☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No

FS = step that links to foundation stone.

Template 2 Establishing KPI Team Questionnaire

This questionnaire is to be completed by the proposed KPI team members and their peers and managers. Training gaps that are highlighted will need to be addressed before the project gains too much momentum.

It is important that you answer these questions honestly so that any training gaps can be rectified quickly. Comments are an especially helpful part of the feedback process. Please take time to make comments as specific as possible and include examples where appropriate.

Please return no later than by e-mail to ________________________.

Have you ever worked with key performance indicators (KPIs) on a daily or weekly basis?	☐ Yes ☐ No
Do you understand the differences among critical success factors (CSFs), key result indicators (KRIs), result indicators (RIs), performance indicators (PIs), and KPIs?	☐ Yes ☐ No
Are you prepared to work full-time on this project?	
Are you prepared to set aside at least 16 weeks for interviews, site visits, liaison with facilitators and in-house coordinators, research, analysis, presenting findings, making recommendations, etc.?	☐ Yes ☐ No
Have you ever worked with key performance indicators (KPIs) on a daily or weekly basis?	☐ Yes ☐ No
Have you had experience with: Problem-solving? Running workshops? Information display and charting? Delivering presentations to the C-suite? Interviewing? What is your skill base?	 ☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No ☐ Yes ☐ No

Are you a self-starter?	☐ Yes ☐ No
Have you demonstrated innovation in the past?	☐ Yes ☐ No
Have you advanced communication skills?	☐ Yes ☐ No
Are you an "active" listener?	☐ Yes ☐ No
Do you have a good track record in finishing projects you start?	☐ Yes ☐ No
Are you able to maintain a big-picture focus while working on a project?	☐ Yes ☐ No
Do you have the flexibility at home to be able to work overtime at critical times?	☐ Yes ☐ No

What are the three main strengths you bring to the KPI project team?

What are the three main skill and experience gaps you have?

Template 3 KPI Team 360-Degree Questionnaire

Obtaining 360-degree feedback on the short-listed team members will be most valuable in assessing their strengths and weaknesses. This questionnaire should be completed by their manager and up to five of the peers with whom they work.

____________ has been short-listed for the team. It is important that you provide an unbiased response about ______________'s experience and skills so that any training gaps can be rectified quickly.

Comments are an especially helpful part of the feedback process. Please take time to make comments as specific as possible and include examples where appropriate.

Please return no later than by e-mail to ________________________.

Has __________demonstrated problem-solving skills?	☐ Yes ☐ No
Has _________ demonstrated brainstorming skills?	☐ Yes ☐ No
Is __________good at writing clear and concise reports?	☐ Yes ☐ No
Is __________ good at delivering thought-provoking presentations?	☐ Yes ☐ No
Has __________good interviewing skills?	☐ Yes ☐ No
Has _________demonstrated project management skills?	☐ Yes ☐ No
Is _________a self-starter?	☐ Yes ☐ No
Has _________demonstrated innovation in the past?	☐ Yes ☐ No
Does _________ have advanced communication skills?	☐ Yes ☐ No
Is _________a good listener?	☐ Yes ☐ No
Does _________ have a good track record in finishing projects s/he starts?	☐ Yes ☐ No
Is _________ a good team player?	☐ Yes ☐ No
Does _________ work overtime to meet agreed time frames?	☐ Yes ☐ No

What are ___________________ three main strengths?

What are________________ three main skill and experience gaps?

Template 4 "Just Do It" Culture and Process Checklist

This checklist 4 can be used as an aid to the KPI project team, ensuring that important tasks are not overlooked. The KPI team, with the facilitator, should amend this checklist before use to suit the organization and desired approach. This worksheet helps the team to do just that!

Is the KPI project being managed by in-house resources?	☐ Yes ☐ No
Have you ensured that the process will help cultural consistency?	☐ Yes ☐ No
Are the KPI foundation stones acceptable to the C-suite?	☐ Yes ☐ No
Has the C-suite openly supported and promoted a “just do it” culture?	☐ Yes ☐ No
Has the project intranet page emphasized the “Just do it” culture?	☐ Yes ☐ No
Have you introduced a moratorium on existing KPIs?	☐ Yes ☐ No
For the first 12 months, are existing in-house applications being utilized?	☐ Yes ☐ No
Have the C-suite ensured that the stakeholders have been consulted and have contributed to the thinking on:	
Initial purpose of the introduction of KPIs	☐ Yes ☐ No
Uses and application of KPIs	☐ Yes ☐ No
Initial spread and penetration of KPIs throughout the entire organization	☐ Yes ☐ No
Pace at which KPI introduction and implementation will proceed	☐ Yes ☐ No
Training and education required to empower employees to create their own KPIs (FS)	☐ Yes ☐ No
Has the C-suite announced that it has delegated authority to the KPI team and will abide by their decisions? (FS)	☐ Yes ☐ No
Have the appointed KPI coordinators in business units and teams been given an induction to the processes (understand the difference between KPIs, performance indicators, and result indicators, what are critical success factors, the foundation stones, the three project stages) (FS)	☐ Yes ☐ No
Has the KPI project team set up a KPI database?	☐ Yes ☐ No

FS = step that links to foundation stone.

Template 5 "Just Do It" Culture and Process Worksheet

The worksheet should be completed by the project team.

Where will the KPI development process start?	
All teams at once. KPIs will be introduced as a common program in all teams	☐ Yes ☐ No
Pilot teams to lead the process. Some teams will pilot the process so that they can then be a leadership resource	☐ Yes ☐ No
If pilots are to be used, the following criteria may help decide which teams to select. Desirable requirements for a successful pilot of team performance measures (PIs & KPIs) include:	
The pilot team(s) have been briefed and understand the organization-wide critical success factors (CSFs).	☐ Yes ☐ No
The pilot team(s) have been trained to use the KPI manual and the performance measure database.	☐ Yes ☐ No
The pilot team leader is enthusiastic about participation.	☐ Yes ☐ No
Pilot team members have been on a workshop to understand performance measures	☐ Yes ☐ No
The pilot team(s) can be easily supported by the KPI team	☐ Yes ☐ No
Pilot team(s) function well under their leader	☐ Yes ☐ No
Management is happy to delegate decision-making to the team to allow corrective action when a KPI is off track	☐ Yes ☐ No
What is the time frame for KPI introduction?	____ Months

4	What level of resource support is available to support the introduction of performance measures into teams?
	______________________________
	______________________________
	______________________________
	______________________________
	______________________________
	______________________________
	______________________________
	______________________________
	______________________________
	______________________________

What type of approval or validation process is to be used to ensure team performance measures are aligned with organization-wide CSFs?	
Teams are to work with all organizational CSFs.	☐ Yes ☐ No
Database to record the CSFs the teams have finally selected	☐ Yes ☐ No
Teams are to enter all measures into the shared database	☐ Yes ☐ No
. The KPI team will have the final say on what measures stay and what measures go	☐ Yes ☐ No
Will an external facilitator (mentor) be available to help pilot teams develop their performance measures?	☐ Yes ☐ No
Will in-house facilitators be trained by the external facilitator to help?	☐ Yes ☐ No

7	Who has been identified to be trained as an in-house facilitator?		
	Name	Title	Location/business unit

What three internal processes support a “just do it” culture?

Supporting Notes for Template 5

Question 1. Change does not occur at a uniform pace. Some will embrace the concepts of partnership and empowerment before others. Early results from these teams should be marketed to those who are progressing at a slower rate.

- At least three criteria can be applied to assist selection of priority areas to pilot the introduction of winning KPIs and associated performance measures:
- 1. *Acceptability*. Launch KPIs first in those teams that the C-suite members believe will be the most responsive to the concept and the process
- 2. *Urgency*. Launch KPIs in those teams that are responsible for key processes that require the most urgent performance improvement. Your key customers could help identify these areas
- 3. *Consistency*. Launch performance measures in teams that need performance information to complement change strategies already underway. These include:
- Customer-first program teams
- Process improvement teams
- Benchmarking teams

Questions 2 to 5. No notes required

Question 6. It is essential to use an external facilitator to bring alternative perspectives and expertise to both the winning KPI project team and the chosen pilots. Although the KPI project team, once trained, can offer assistance to the pilot teams, it is important to avoid the blind leading the blind.

Question 7. The best in-house facilitators of the process are those team members displaying leadership within their team. In-house facilitators should be trained in KPI development, facilitation, training, and mentoring skills.

In the spirit of partnership and empowerment, it may be appropriate to call for volunteers. This will depend on how successfully this method has been used in the past. When in doubt, use a targeted selection by management of the best-skilled facilitators, countering the resulting

Template 6 Job Description for the KPI Team Leader Role

The Chief Measurement Officer is responsible for driving 21st-century measurement practices within the organization. The position provides support and coordination on various projects and activities related to performance management and measurement.

Outline

Performance measurement is worthy of more intellectual rigor in every organization on the journey from average, to good, and finally to great. The Chief Measurement Officer needs to have high credibility within the organization, have advanced interpersonal skills, be experienced in delivering training, and be proficient at selling change.

This position has a status equivalent to the senior IT, accounting and HR officials. The position reports directly to the CEO, befitting the knowledge and diverse blend of skills required for this level of responsibility. Only when we have this level of expertise, within the organization, can we hope to move away from measurement confusion to measurement clarity.

The Chief Measurement Officer would be responsible for:

Continually selling	Assisting in communicating measurement standards and key performance indicators to all members of the organization.
Making the CSFs come alive	Ongoing support for the CSFs.
	Planning and running the CSF workshop.
Working in other related areas	Delivering performance management-related workshops.
	Driving corporate operational excellence initiatives such as Lean, Total Quality Management, etc.
	Providing assistance, as needed, to departments to improve performance and efficiencies.
	Recommending Kaizen process improvements that maximize efficiencies.
	Replacing annual planning by introducing quarterly rolling planning.
	Reviewing and updating performance appraisal tools and technologies.
Promoting the organization	Publicly representing the organization at conferences to create external branding around the progress made. This is designed to attract like-minded individuals to apply for positions in the organization.
Research	Learning about the latest thinking in performance measurement, including work by Stacey Barr, Dean Spitzer, Paul Niven, Kaplan, and Norton.
	Learn the KPI methodology.
	Managing and cultivating relationships with best practice organizations and professional bodies involved in Six Sigma, Organizational Excellence, Agile, and Lean.
	Overseeing all benchmarking with third parties.
	Being the resident expert on the behavioral implications of performance measures
Determining measures and getting them to work	Develop training materials so new staff can be trained.
	Developing and improving the use of performance measures in the organization.

	Facilitate the ongoing use of performance measures.
	Leading all balanced scorecard initiatives.
	Monitoring and verifying the integrity of the data to be reported and reviewed with local management before distributing.
	Preparing and reporting all performance measures (i.e., the monitoring tool) to corporate and local management.
	Promoting the abandonment of measures that do not work.
	Running a series of in-house performance measures workshops.
	Selection of systems to record and report measures.
	Vetting and approval of all KRIs and KPIs.
	Testing of measures to ensure the dark side of a performance measure is minimized.
	Refine CSFs and measures after 12 months.
KPI team management	Maintaining KPI team morale.

Skills and experience

It is unlikely that the organization will have many staff who can undertake this role. In addition, the role will be very difficult for someone coming in from outside as they would not have the business understanding nor the credibility within the organization, which would be fundamental for this role. Thus, it is important to sell the significance of this role to the few individuals who have the capability to fulfill the role. These individuals are likely to be in high demand, and thus, a decision needs to be made as to where the KPI project fits among the organization's priorities.

For organizations with over 500 employees, there will be enough talent to find someone who:

- Has tertiary qualifications and thus is able to absorb new methods and practices swiftly.
- Has a successful track record in project management.
- Is known for well thought out and interesting presentations.
- Is well respected within the organization – has favors to call on.
- Is an analytic and decisive decision maker with the ability to prioritize and communicate to staff key objectives and tactics necessary to achieve organizational goals.
- Can be freed from their role and sent on a sabbatical to upskill their understanding of their role.
- Has been able to sell change within the organization successfully.
- Has advanced interpersonal skills and an understanding of human behavior.
- Has strong written and verbal communication skills, being a persuasive and passionate communicator with excellent public speaking skills.
- Is action-oriented, entrepreneurial, flexible, and demonstrates an innovative approach to operational management.
- Has passion, humility, integrity, a positive attitude, is mission-driven, and is self-directed.

Any gaps in their experience gaps can be filled with one-to-one training with a suitable mentor.

Template 7 Workshop Preparation Checklist

This is a checklist I use when I deliver workshops around the world.

	Site 1	Site 2
Tasks to do before sending material		
Footer and page number on slides		
Workshop instructions prepared		
Workshop exercise sheets prepared		
Confirmed data projector at site		
Confirmed whiteboard at site		
Sent seating plan		
A week prior to the workshop		
Handouts sent and have been received		
All presentations on laptop		
Tested presentations loading onto laptop		
Back-up presentation and handout copies on USB stick		
web site loaded with reference material, if necessary		
Day before travel		
Hotel booking details are packed		
Pack laptop		
Pack power cable for laptop		
Pack wireless mouse (with laser pointer)		
Pack phone charger in briefcase		
Pack spare HDMI data projector cable		
Pack workshop handout master		
Pack electronic flight tickets		
Pack background material in briefcase (reading on plane)		
Pack business cards		

Template 8 Guidelines for Running Workshops

When I run a workshop, I follow some basic rules. These are more of a guide rather than instruction. Experienced facilitators will undoubtedly have their own successful methods.

- Try to limit any presentations to 40 to 60 minutes; after that time, commence a workshop.
- After complex issues have been raised, ask the audience to discuss in groups of twos and threes what they agree with, what they disagree with, and what they do not understand. This two- to three-minute breakout gives attendees the chance to learn from each other, as some will understand the points that have confused other attendees.
- Always have detailed workshop instructions on a handout, read them out twice, and give attendees an example. You will be amazed how instructions can be misunderstood.
- Avoid speaking three days in a row, particularly if you are the sole presenter. You will be speaking for most of the day, so you will need a break. You may think you can do it without affecting quality, but I assure you, your enthusiasm cannot be sustained.
- While the workshop is being presented, get the invitation sent out by the CEO and ensure acceptances are either monitored by the CEO’s personal assistant or reported directly to the CEO. You need a full workshop.
- It is best to have a venue away from the office. If the workshop is held on-site, you run the risk of people disappearing to their desks during the break and never returning.
- If you send out pre-reading material, do not expect it to be absorbed. Many will have read the material quickly, on the way to the workshop.
- Place cryptic notes on the slide to trigger a story, and place a (Q) when you want to trigger a question to the audience. Best to show the slide rather than bringing in material point by point—attendees can read three times faster than you can talk, so utilize this benefit.
- Never read the points on a slide; the attendees have already done that. Your role is to amplify each point. Thus, you never need to have long sentences on the slide; cryptic phrases are best. Keep the sentences to the handouts.
- I always have a discussion paper that contains all the complex slides in a larger version. If I am showing a financial statement, I will show it on the slide and then direct the audience to the appropriate page in the paper.
- Follow the basic PowerPoint slide rules set out in Appendix C, Delivering Bulletproof PowerPoint Presentations.
- Print out the slide handout, three slides to a page, as the detailed slides are shown in the attached paper.
- While the groups are in the workshop, leave the room and reflect on how it is going, what has been omitted, what needs to be changed, and so on.
- Over coffee breaks, chat briefly with attendees to ask how the workshop is going for them, the pace of the workshop—is it too fast, just right, or too.
- Set up the workshop in classroom style (e.g., with a table in front). This is better than conference style (e.g., using a round table), as some attendees are sitting at an awkward angle through the presentations.
- For larger groups, have small notepads available and ask the audience to write their questions on them. I then have a question-and-answer session after each break. The benefits of the notepads are that the more introverted members, who often have pertinent questions, get a chance to raise them.

Template 9 Typical KPI Questions and Suggested Answers

The process of KPI development will generate concerns and questions that reflect the situation and culture of the particular organization. The questions that follow represent the typical or likely issues you may need to respond to as a facilitator. The questions are divided into three broad categories, questions about:

1. Why performance measures are being introduced
2. How performance measures will be introduced
3. How performance measures will be used

The suggested responses to each question are derived from the philosophy and values that underlie the seven foundation stones for KPI development and use.

Questions Related to Why Performance Measures Are Being Introduced

Why are we being asked to cooperate in the introduction of performance measures?

Your response should focus on two key issues:

1. Make it clear that the way performance measures are to be introduced and used is different from previous applications of performance measurement in the workplace. That is, performance measures typically have been instigated, collected, analyzed, and used by managers and supervisors. In contrast, this best-practice approach to KPI development and use is completely concerned with involving employees in what gets measured, how things are measured, and what gets done as a result of the information. In short, a best-practice approach to performance measures cannot succeed without the cooperation, involvement, and empowerment of the organization’s employees.
2. Be prepared to explain how performance measures fit in with the other strategies for improvement in the organization. This link could be related to a customer-focused program, a quality improvement program, enterprise bargaining, and so forth. Making the link clear will remove any concerns about the timing of KPI introduction—that is, the “Why now?” question.

Why does management need new performance measures?

Your response should focus on three key issues:

1. The new performance measures are for everyone in the organization to use (i.e., not just management).
2. The purpose of performance measures is to enable everyone to focus on the key aspects of organizational performance that determine health and success. With a best-practice approach to KPI development, everyone understands what these aspects are for your organization.
3. New performance measures are required to ensure that the company takes a broad view of what determines health and success. That is, companies need performance measures that help them to improve in relation to:

- Customer focus
- Financial performance
- Innovation and Learning
- Internal process
- Employee satisfaction
- Environment and Community

Are these performance measures going to be used against us?

The purpose of KPIs, PIs, KRIs, and RIs in a best-practice approach is to empower employees to use the information to assist them in improving performance. Performance measure reporting does not create report cards. The results are more like a progressive scoreboard that enables teams to assess the current position and plan the response they want to take.

Questions About the Introduction of Performance Measures

Who will decide what gets measured?

Each team will select the performance measures that relate to its own efforts and actions. There are three key criteria for teams to address when selecting measures.

1. Each team should assess how the team can affect the organization's critical success factors (CSFs).
2. The ease of use of measures and the ability of the team to take action based on the information need to be assessed before any decision is made.
3. A performance measure must be carefully vetted by the KPI team and C-suite (C-suite) before it can be called a KPI.

Do we all need the same performance measures?

No. Everyone should focus on the same organization-wide CSFs, but what is measured will vary according to the team's function and how the team believes the item impacts the CSFs.

Over time, as you build an integrated system of KPIs, RIs, PIs, and KRIs, your team will be able to look at a hierarchy of performance measures, as shown in Exhibit 1.

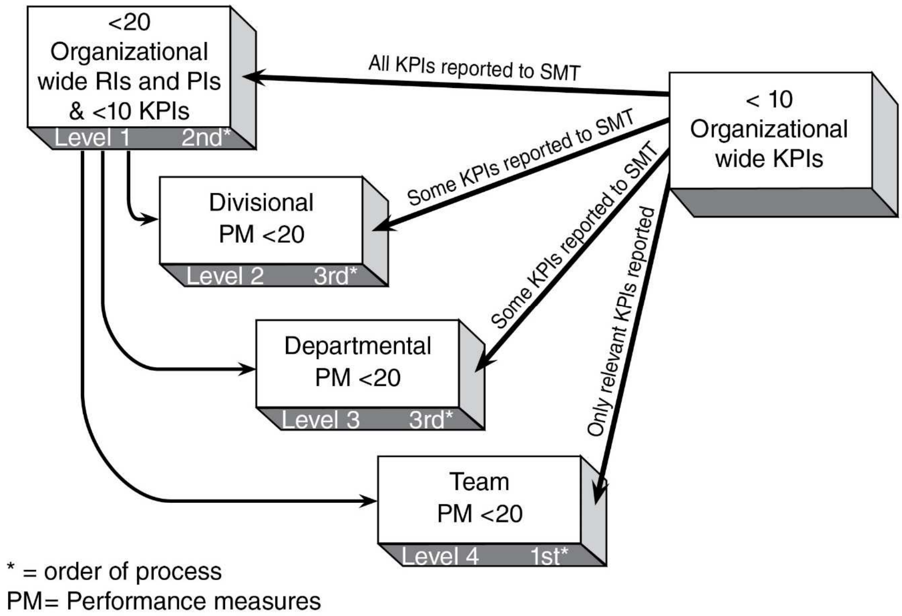


Exhibit 1 Interrelated Levels of Performance Measures in an Organization

Can we be forced to measure a particular aspect of performance?

Forcing a team to measure something contradicts the principles of partnership and empowerment. In short, teams should be encouraged to select performance measures that relate to the organization-wide CSFs. If the KPI team or C-suite believes that a particular team is not measuring performance in a key area (e.g., an aspect of customer service), the KPI team may suggest that the team review its performance measures.

How many performance measures do we need?

There is no perfect number of performance measures. What you need to consider is:

- Have you introduced performance measures that cover all the CSFs?
- Can you easily sustain the number of performance measures you are proposing to use?
- Is each particular performance measure, in fact, providing useful information that the team can use to analyze and improve the key processes for which it is responsible?
- Less is better than more

Often, these criteria result in up to 15 performance measures for a team. Remember that teams can modify their performance measures whenever they believe they are not meeting their needs. Mention the 10/80/10 rule for the total number of measures in the organization (see Exhibit 2).

Key result indicators **(Board KPIs)**	**10**	Overview of the organization's past performance and are ideal for the Board
Result indicators	**80**	Summarize activities of a number of teams and thus have a shared responsibility
Performance indicators		Can be tied back to a team but are not "key" to the business
Key performance indicators **(Operational KPIs)**	**10**	Can be tied back to a team and are critical for the organisation's current and future success

Exhibit 2 10/80/10 Rule for Performance Measures

Do we need to start from scratch and develop totally new performance measures?

It is probably not necessary, as your goal is to develop a set of performance measures that address the CSFs for the organization. You may well be able to use some existing measures. In other cases, new performance measures may be required.

What do you do when it is difficult to measure something?

In simple terms, do the best you can. Sometimes, it is necessary to develop a performance measure that is a proxy for what you are seeking to track. For example, a team may want to measure morale. This can be achieved by using a survey approach. However, surveys generally are done on a sample basis and no more frequently than quarterly. The team may decide to focus on measures that are proxies for morale, such as attendance, occupational health and safety indices, or the number of errors or mistakes.

Questions Related to the Use of Performance Measures

Who decides how performance measures are used?

Under the principle of partnership, the uses and application of performance measures should be agreed to by the consultative committee (or equivalent) and each individual team.

The use of performance measures can evolve over time; however, the direction of this evolution is a subject for consultation and agreement.

Will performance measures evaluate individual performance?

No. The focus of performance measures is on key processes and key outcomes that determine organizational health and success. At the team level, performance measures should target team performance rather than individual performance.

Will performance measures be used for disciplinary purposes?

No, performance measures should be used to help teams to analyze and improve processes. In the case of a performance problem in relation to a team or an individual, the standard process for addressing such an issue should be pursued.

What happens if a KPI target or goal is not achieved?

If a team has set some goals for improvement related to its performance measures, it is, of course, possible that these targets or goals may not be achieved.

This is not a crisis. The focus should be on analyzing why the goal could not be achieved. Through this problem-solving focus, the team can progressively identify and eliminate the barriers to the achievement of the goal.

Additional material: Chapter 7: Finding Your Organization’s Operational Critical Success Factors

	Less than 250	Between 250-3,000	Over 3,000 staff
A Suggested Draft of the CEO Invitation to Attend the Two-Day CSF Workshop	If over 170 FTEs	Y	Y
Preparing a List of Draft Operational Success Factors Checklist	Y	Y	Y
List of Common Operational Success Factors	Y	Y	Y
A Checklist of Common Outcome Statements	Y	Y	Y
Critical Success Factor Workshop Timetable	Y	Y	Y
A Checklist for Planning a Workshop	Y	Y	Y
Additional Pointers on How to Organize the Critical Success Factor Workshop	Y	Y	Y
Instructions for Break-out Exercises	Y	Y	Y
A List of Empty Words to Avoid When Wording Success Factors	Y	Y	Y
Sphere of Influence Mapping Exercise	Y	Y	Y
Sphere of Influence Mapping Template	Y	Y	Y
Common CSFs and their possible measures	Y	Y	Y

Template 1 A Suggested Draft of the CEO Invitation to Attend the Two-Day CSF Workshop

Date

Invitation to attend a two-day critical success factor workshop [Date]

Understanding, measuring, and managing critical success factors (CSFs) is increasingly important to ensure the survival and future prosperity of organizations in these times of economic recession and uncertainty.

Most organizations, like us, know their success factors; however, few organizations have:

- *Worded their success factors appropriately.*
- *Segregated their success factors from their strategic objectives.*
- *Sifted through the success factors to find their critical ones – their CSFs.*
- *Communicated the CSFs to staff.*

It is the CSFs, and the performance measures within them, that link daily activities to the organization's strategies. We have thus asked [Name] to run a two-day workshop to help us to separate the CSFs from our success factors. During this workshop we will also commence brainstorming measures within these success factors. [Name] will introduce the new thinking on 'Winning KPIs' based on the work of David Parmenter, from his book, which is a best seller in performance measurement.

Our aim is to use fewer performance measures and to measure only what is important. As well we wish to measure these important factors more frequently.

We are seeking a group selected from experienced staff covering the regions and head office and covering the different roles from administrators to the C-suite. I believe you would offer much to this exercise and request that you set aside the time to attend.

I welcome your support on this important project. The project team of [Person 1], [Person 2], [Person 3], and [Person 4] will need and appreciate your support.

Please confirm availability to attend this workshop held at [Place] on [Date], having discussed it with your manager. Confirmations are to be emailed to [Person 1] [email address]. I look forward to meeting you at the workshop.

Kind regards

CEO

Template 2 Preparing a List of Draft Operational Success Factors Checklist

The KPI team needs to review the strategic documents in your organization covering the past 10 years, then extract and develop success factors from these documents.

The KPI team should also interview as many of the organization's "oracles," the wise men and women whom everybody refers to for advice, as possible, along with the entire C-suite.

From this information, you will be able to come up with a list of success factors. Here is a checklist to help you to prepare a list of draft operational success factors

In your search for the organization's operational success factors, have you reviewed:	
Vision statement?	☐ Yes ☐ No
Mission statement?	☐ Yes ☐ No
Values statement?	☐ Yes ☐ No
Strategic plans over the last 5 to 10 years	☐ Yes ☐ No
In your search for the organization's operational success factors, have you covered:	
An analysis of economic, social, political, environmental, and technological trends that will shape the general context in which the organization operates?	☐ Yes ☐ No
Analysis of the markets in which the organization operates and identification of future trends and developments?	☐ Yes ☐ No
Review of current expectations and satisfaction levels of the organization's *key* customers?	☐ Yes ☐ No
Analysis of likely *future* customer expectations and requirements?	☐ Yes ☐ No
Review of current supplier performance and likely future requirements and the status of those relationships or partnerships?	☐ Yes ☐ No
Analysis of the financial status of the organization and the available capacity to meet future requirements?	☐ Yes ☐ No
Review of the human resource capabilities of the organization, taking into account the identified future requirements?	☐ Yes ☐ No
Review of the existing organizational culture and its appropriateness for meeting the anticipated challenges?	☐ Yes ☐ No
Have you checked to ensure that the wording of each success factor is as specific as possible?	☐ Yes ☐ No
Have you looked for missing success factors?	☐ Yes ☐ No

Template 3 List of Common Operational Success Factors

Please note that success factors (SFs) do not neatly fit within a perspective; often, they can be in more than one perspective.

Important success factors that could well be in your final selection of operational critical success factors	
Stay, say, and strive engagement with staff who contribute to our success both now and in the future	
We recruit the right people all the time, ensuring that recruits have similar values, and have skills, and experiences that will add value to _________	
We develop exceptional people and teams who have the ability to undertake all ________ core activities in-house.	
We continuously explore new approaches to our activities to minimize duplication of work, simplify requirements, and improve the quality of our services.	
Willingness to abandon activities, processes, and initiatives that are not working or are unlikely to succeed	
We make decisions slowly by consensus, thoroughly considering all options, and then implement the decisions rapidly	
Delivery in full, on time, all the time to our key customers	

Environment & Community Focus Success Factors	
Supporting staff who are involved in community interactions	

Supporting educational institutions (who are the sources of new employees)	
Helping make a positive difference in our community	
Supporting local businesses (percent of purchases to have local content)	
Internal Process Focus Success Factors	
Maintaining a healthy and safe workplace (safety always comes first)	
Respect your extended network of partners and suppliers by challenging them and helping them Improve (a Toyota principle)	
Completion of projects on time and to budget (respond in a timely and appropriate way to sub-optimal project implementation)	
We fix problems to get quality right the first time	
Use visual control so no problems are hidden (a Toyota principle)	
We select and invest in reliable and thoroughly tested technology that serves our people and operations	
We provide timely, accurate, internally consistent, and concise information to management, stakeholders, and customers	
We finish what we start by closing deals efficiently, completing projects, and limiting new projects until existing projects are completed	
We administer change management processes successfully	
We rigorously pursue paperless information flow with both our key suppliers and key customers	
Finance Focus Success Factors	
We are constantly assessing and managing risks	

Running the operations with strong controls and error-free processing	
Fiscally responsible managers	
Cash collection is a key activity	
New revenue activities in the off-season	
Negotiating with customers to get a greater recovery of chargeable hours	
Customer Focus Success Factors	
Constantly looking for opportunities and new services that will be of interest to our key customers	
Seeking excellence in every aspect of our interaction with our key customers	
We understand our key customers' needs, gain their trust, and develop new services to benefit them	
Improve turnaround time from order to delivery for our key customers	
Our key customers being active advocates and referring new customers to our business	
Innovation and Learning Focus Success Factors	
Be a learning organization through relentless reflection and continuous improvement (a Toyota principle)	
Go and see for yourself to thoroughly understand the situation (a Toyota principle)	
More open access for staff to strategic information	
Staff are encouraged to make decisions within their expertise	
Investing in staff development is a top priority	

Employee Satisfaction Focus Success Factors	
Recognition of staff efforts and achievements is seen as a daily activity	
Promoting and supporting a balance in working and home life	
We recognize the value of different experiences and opinions and actively share knowledge between teams.	
We celebrate as an organization when success has been achieved	
Maintaining an attractive, healthy, safe, and family-friendly workplace	

Template 4 A Checklist of Common Outcome Statements

Sarah J. Buek of Insight Partners recommends that your outcome statements should be:

#1 Outcomes, not Outputs

Make sure your outcomes are, in fact, outcomes and not outputs. Outputs tell you how much you did. Outcomes tell you what difference it made. Outputs tell you how busy you are. Outcomes tell you how effective you are.

#2 Segmented

While your outcomes need to be specific and clear, they also need to be defined for the program as a whole, inclusive of diverse participants and their experiences. However, not all clients participate at the same levels or in the same services. In those cases, organizations need to specify "who" in their outcome statements so they can define success for different subsets. For example, ___% of participants who _____ will ________.

#3 Compelling

Increasing the specificity of your outcome statements will often make them more compelling. Sometimes, though, you need to include a little extra of the "so what" when you're reporting your outcomes, especially to your external stakeholders in documents like newsletters, annual reports, marketing pieces, and even grant reports. Not every reader will understand the nuances of the problem you seek to solve or the needs of your population, so they might not understand the significance or value of the changes you're making.

Outcomes	**Your reworded version**
Skilled and "can do" workforce	
Increased profitability by selling a higher percentage of higher-margin products	
Perceived as having leading Industry service standards	
Employer of choice	
Delivering market-leading innovative solutions so we are one or two in the chosen markets -	
A normalized return on capital employed of __% or better	
Certainty and diversity of longer-term funding to securely support our growth	
Be recognized as a trusted supplier	
Seamless service to our intermediaries	
Turn customers into advocates by exceeding their expectations.	

Retention of key customers or growing business through our major customers	
Achieving a high level of stakeholder satisfaction	
Our staff feel they are valued and supported	
Revenue grows from diverse sources	
Providing top quality as perceived by the customer	
Industry leader in productivity (or top quartile in industry)	
Industry leader in use of technology (or top quartile in industry)	
Industry leader in innovation (or top quartile in industry)	
Embracing an ever-increasing ability to change	
Growing leaders, so over 75% of tier one and two managers have come up through the ranks	
Industry leader in waste reduction and minimization of environmental impact (or top quartile in industry)	

Template 5 Agenda and Timetable for A Two-Day CSF Workshop

[name of organization]

Learning Outcomes: Attendees after this workshop will be able to:

- Describe the new thinking on performance measures
- Distinguish the different performance measures: KRIs, RIs, PIs and KPIs
- Identify how KPIs can work in your organization
- Recall the Critical Success Factors developed in the workshop
- Use techniques to develop meaningful measures
- Design dashboards and reports using Stephen Few's guidelines

Suggested attendees:

- CEO (at least first and last session)
- Selection of senior management (whole workshop)
- Experienced staff from different business units around the organization (the oracles)
- All performance management / Balanced scorecard staff / KPI project team
- A local consultant who knows the business if one is being used to mentor the project team

Recommended pre-work:

Attendees to listen to the D Parmenter webcast on 'Introduction to winning KPIs', which can be accessed from www.davidparmenter.com

Requirements:

Appoint an event secretary to document agreements as they are reached in the workshop. Organize a laptop and flip chart for the workgroup, a data show projector, 2 whiteboards, a data show screen, and a lapel microphone for the presenter(s).

Day 1

From 8.30 am	Registration and breakfast
9.00	Opening remarks by CEO - Setting the context of the workshop
9.10	Presentation#1: The new thinking on key performance indicators: ▪ KPI stories ▪ The difference between the four types of performance measures ▪ The characteristics of a winning KPI ▪ The 10,80,10 rule for performance measures ▪ Why finding measures needs more rigor ▪ Importance of knowing your organization's critical success factors ▪ Wording success factors by avoiding empty words
10.20	Commence workshop #1 Revisiting your organization's success factors (SFs) and outcomes. All work that has already been done in wording success factors will be tabled.

10.40	Morning break
11.00	Recommence workshop #1 Revisiting your organization's success factors (SFs) and outcomes. All work that has already been done in wording success factors will be tabled.
11.20	Groups give their feedback on the SFs and outcomes. During this discussion, two staff update the success factors list and show any contrasting versions side by side
11.40	**Review of existing measures.** Separating the measures used by the workgroups into performance and result indicators. During this session a panel meets to determine which competing rewording of the success factors and external outcomes is to survive.
Noon	Presentation #2: More on CSFs and mapping SFs: ▪ How critical success factors differ from outcomes ▪ The end goal for the CSFs ▪ How to perform relationship mapping by using the airline example ▪ During this discussion, two staff update the success factors list and prepare the A3 relationship mapping page.
12.15	Commence workshop #2 Sphere of influence mapping using an airline's success factors During this discussion, two staff update the success factors list and show any contrasting versions side by side.
12.30	Commence workshop #3 Sphere of influence mapping of [your company]'s success factors (using the work from workshop #1)
12.45	Lunch
1.15	Recommence workshop #3 Perform the Sphere of influence mapping of [your company]'s success factors
2.15	Feedback from workgroups on their top 5 success factors. Use the provided summary table.
2.30	Presentation #3: Ascertaining measures from success factors: ▪ How to work out measures (worked example) ▪ Common problems with measures ▪ How to find good measures from a CSF ▪ A team of up to four staff remap the top 10-12 success factors to ascertain the CSFs.
2.45	Commence workshop #4 Design performance measures for the operational critical success factors (operational CSFs) that have been identified. One CSF is allocated to each workgroup. The team remapping the top 10-12 success factors continues their work.
3.00	Afternoon break
3.20	Recommence workshop #4 Design performance measures for the operational critical success factors (operational CSFs) that have been identified. One CSF per team The team remapping the top 10-12 success factors continues their work.
4.15	Presentation #4: Reporting measures and the rules from Stephen Few: ▪ Reporting formats ▪ Stephen Few's graph rules & spark and bullet graphs
4.45	Commence workshop #5 Design / redesign the dashboard for the Board / C-suite
5.30	End of Day 1 for participants

Day 2

8 am	Presentation #5 on the three-stage process ▪ The seven foundation stones ▪ The three stages ▪ Selling & leading change
8.40	The In-house KPI team present the shortlisted CSFs
9.00	Recommence workshop #4 Design performance measures for the operational critical success factors (operational CSFs) that have been identified. One CSF per team
9.30	Presentation #6: The myths of performance measurement
10.00	Morning Tea
10.20	Question & Answer session
10.40	Presentation #7: The performance measurement gallery: ▪ How it works, and what we want you to do.
10.50	Recommence workshop #4 Design performance measures for the operational critical success factors (operational CSFs) that have been identified. One CSF per team The KPI team prepares the performance measure gallery
11.30	Commence workshop #6 Teams are allocated one CSF and associated measures, and they delete duplications, inferior measures Using laptops, the teams edit their assigned CSF
12.15	Lunch During lunch, the KPI team review the edits, approve or reinstate, and then print out all the measures by CSF and stick the pages (print in a large typeface e,g, 16 pitch) and set up the performance measurement gallery.
13.00	Workshop #7: Teams are given Post-it stickers to comment on performance measures All staff
13.45	Commence workshop # 8 Teams prepare their presentation of their next steps Teams prepare a small PowerPoint presentation (3 to 4 slides covering new measures, measures that are to be discarded, their next steps, implementation timeline, and team meeting date)
2.30	Afternoon tea
2.45	Groups give their feedback via a small PowerPoint presentation (2 or 3 slides). (All senior management who are not present join the session)
3.30	Closing remarks by CEO
3.45	End of Day 2 of workshop

Template 6 A Workshop Planning Checklist

Scheduling the date, venue, and attendees:	
? Have you obtained the CEO's commitment?	☐ Yes ☐ No
? Has a date been set to fit with the executive team's commitments?	☐ Yes ☐ No
? Have you an agreed list of the attendees?	☐ Yes ☐ No
? Has a letter gone out from the CEO inviting the selected staff?	☐ Yes ☐ No
? Have the CEO and senior management diaries' been booked?	☐ Yes ☐ No
Book venue and equipment:	
? Checked adequacy of room	☐ Yes ☐ No
? Finalized costs	☐ Yes ☐ No
? Organized flip charts (one for every six to seven staff members)	☐ Yes ☐ No
? Organized labeled microphone and audio speakers	☐ Yes ☐ No
? Lectern & Two whiteboards	☐ Yes ☐ No
? Organized meals, including special dietary requirements	☐ Yes ☐ No
? Layout of room	☐ Yes ☐ No
Workshop pre-work:	
Prepared a list of the currently understood success factors	☐ Yes ☐ No
Set up the draft success factors in a Word document, landscape format, placing each SF in a box (e.g., like the airline example in TEMPLATE 7.9) so it can be updated quickly for workshop #*3*?	☐ Yes ☐ No
Sent out the workshop timetable and pre-reading?	☐ Yes ☐ No
Organizing the workshop facilitators	☐ Yes ☐ No
? Booked flights	☐ Yes ☐ No
? Asked the facilitator to familiarize him- or herself with this white paper and material on www.davidparmenter.com	☐ Yes ☐ No
? Booked accommodation for the facilitator at or near the venue	☐ Yes ☐ No
? Organized taxi to meet and greet facilitator at airport	☐ Yes ☐ No
During the process, have you consulted with:	☐ Yes ☐ No
? Employee representatives?	☐ Yes ☐ No
? Key customers?	☐ Yes ☐ No
? Key suppliers?	☐ Yes ☐ No
? The Board?	☐ Yes ☐ No
Have you short listed to between five to eight operational CSFs?	☐ Yes ☐ No
Have you used the workshop processes suggested?	☐ Yes ☐ No
Do the operational CSFs address all six of the balanced scorecard perspectives?	☐ Yes ☐ No
Have you tested the short-listed operational CSFs to ensure that, between them, they link back to *all* the organization's strategic objectives?	☐ Yes ☐ No

Template 7 Additional Pointers on How to Organize the Critical Success Factor Workshop

To assist you with running the two-day CSF workshop, I have provided these additional notes.

Selling the workshop to the CEO

You need to sell the need for change based on the CEO's emotional drivers. In preparing for the selling process to the CEO, listen to my webcasts on "finding your critical success factors" and "revitalizing a failing scorecard." I cover the sales process in detail and suggest a selling pitch. The CEO will need to send out an invite; see Template 1 for an example.

Getting the workshop administration on track

This is best handled by a staff member who has done this before. The success of an event is in the detail.

Preparing the success factor list

The preparation before the workshop is vital to the workshop's success. The old adage of 'garbage in garbage out' is most pertinent here.

Getting the success factor list ready for the sphere of influence mapping process

Two or three staff update the success factors list from the feedback received in workshop #1, and the U.S. fanfold (A3) sphere of influence mapping template, see Appendix 10, is updated, ensuring each success factor is numbered. The U.S. fanfold (A3) sheet is included in the PDF. This preparation ensures that staff can commence workshop three without delay.

I have used whiteboards, but there is too much duplication of writing to make this efficient. These need to be prepared for each workgroup before the commencement of the workshop. The team designated to summarize the output from workshop #2 will have only 40 minutes, so preparation beforehand is important. You cannot afford any delays in starting workshop #3.

Checking that each team is understanding how the sphere of influence mapping works

It is easy for teams to get the arrows the wrong way around. We are looking at cause and effect. Understandably, some relationships are two-way. In this case, we draw two arrows.

To ensure teams have the right idea, I ask them to map one shaded box in the airline example, as shown in Appendix 9 (this has been provided electronically). This is a particularly pertinent exercise as all attendees understand the fundamentals of the airline industry. I assign each workgroup one of the shaded success factors, the success factors that I know are important to an airline. It is good to have different workgroups working on the same success factor.

I select the "timely departures and arrivals of planes" and draw some arrows out to success factors that are influenced by this success factor. I then get them started. After 15 minutes, I ask "How many arrows out have you got?" We then collate results. The beauty of this exercise is that it does not matter that one team has 10 and another 16 arrows out for the same success factor. Each team will have a different materiality level when establishing the arrows, e.g., one team may find twenty relationships from 'timely arrivals and departures of planes', other groups 10, 12, 15.

It is important not to rush this training. In a recent exercise, I discovered one team had not gained the skill, and thus their scoring was very error-prone.

The importance is to find out what are the top five success factors from each group. One group's 16 arrows out will thus equate to another group's 12 arrows out.

Mapping the relationships of the organization's success factors

During the airline exercise, a small group has been busily preparing for workshop 3, see Appendix 6 for attendee instructions. We hand the U.S. fanfold (A3) sheet and ask the teams from between five to seven people to map the relationships as they see them. See the output of a workshop in TEMPLATE 6.1.

Selecting a skilled facilitator

This workshop needs to be facilitated by a skilled workshop presenter familiar with the content of this book. Ideally, it would be a member of the KPI team who has been selected because of their ability to deliver workshops. If an in-house resource is not available, you can access accredited coaches who can deliver in-person or remotely via web-based training. For accredited coaches, visit www.davidparmenter.com.

Running breakout sessions (workshops 1-8)

Whilst every facilitator has their own style, one universal teaching technique is to always demonstrate what is intended for the whole group before they commence an exercise. Hand out the written instructions, as set out in Appendix 6, and then read the instructions twice.

I ensure that each workshop group is between five to seven people from different functions within the organization.

I always ask for a volunteer chairperson. I say, "If you do not want to give feedback to the whole group, volunteer to be the chairperson, and then you can delegate the feedback task to someone else."

If you have set the workshop up properly, you will find that the workgroups start this exercise quickly. A sign of success is that you can leave the room for a period of fifteen minutes or so, leaving the workgroups to make their own way.

To ensure all progress is documented by each group, it is necessary that one attendee in each group brings their laptop and that the electronic templates they are to work on are loaded on the laptop. Workgroups will then be able to update the success factor template, record their measures, and start drafting new report formats during the workshop.

As mentioned, to help organizations find their operational CSFs, I have provided the electronic templates I personally use when facilitating the CSF workshop.

Template 8 Instructions for Break-out Exercises in the CSF Workshop

Exercise 1: Revisiting some of your performance measures

Learning outcome: Restating measures in the current and future time frames

Steps	Time
Working by yourself, list a couple of measures you currently use and restate them in the current and future context. Use the attached worksheet to document your work. e.g. # of late planes last week becomes Late planes in the air over 2 hours late (current) and the number of initiatives to be implemented this month to target areas which are causing late planes (future).	10 mins

Workshop #1: Revisiting [Your company's] success factors (SFs)

Learning outcome:

- Understand the difference between outcomes and operational success factors
- Shortlist the success factors (SFs) that are relevant
- Reword the SFs to make them SMART statements

Steps	Time
Select a chairperson - their role is to ensure everybody understands the outcome, understands the instructions, and has an opportunity to contribute	
▪ Look at the SFs from the perspectives you have been assigned ▪ Is the SF wording as specific as possible? ▪ Have we avoided empty words? ▪ Are any SFs missing? ▪ Are they a clear and concise statement (SMART)? ▪ Have we deleted all outcome statements?	20 mins
Each group reports back on their SFs, and a master list is prepared.	5 mins for each group

Workshop #2: "Sphere of influence" mapping using an airline's success factors

Learning outcome: Learning how to do "Sphere of Influence" mapping.

Steps	**Time**
1. Using the Airline success factors, map the "Sphere of Influence" between the success factors assigned to your group. Draw the arrow, ensuring the direction of influence is clearly visible. Avoid recording the sphere of influence of the other success factors; just concentrate on the one success factor assigned to you.	15 mins
2. When you have finished, count the 'out' arrows and note the total.	

Workshop #3: Perform the "sphere of influence" of [your company]'s success factors to find the organization's top 5 to 8 critical success factors

Learning outcome: ascertain the five to eight critical success factors that are relevant to [your company]

Steps	Time
Using the list of success factors supplied and the "sphere of influence" mapping technique, map the "sphere of influence" each success factor has on the other success factors. Draw the arrow, ensuring the direction of influence is clearly visible. If relationships go both ways, draw two arrows. Start this process in the designated area of the A3 page assigned to you.	80 mins
When you have finished, count the 'out' arrows. List the three success factors which have the most arrows going out. If a team has managed to map all the success factors, ask for their top five success factors.	
Each group reports back on the top three SFs in their assigned area, or the top five SFs if they managed to complete the whole sheet.	3 mins for each group

Workshop #4 Design performance measures for the operational critical success factors (operational CSFs) that have been identified

Learning outcome: To design measures that will enforce the appropriate actions to take place.

Steps	Time
With the given operational CSFs, first work out five aspects or areas that should be measured in this critical success factor. Look for keywords in the CSF wording.	30 +45+ 45 mins
Start with the easiest aspect and ascertain the likely measures. No suggestion is wrong. It can be deleted later. Make sure the measures are not just statements like "survey"; they should be specific "date of next staff satisfaction survey"	
The next stage is to mark the measures that are: ▪ Past measures (# of recognitions given last week by department) ▪ Current measures (# of incidents or near misses yesterday or today) ▪ Future measures (# of planned celebrations in next week / next fortnight)	
Assign one person to document the performance measures on the 'recording measures found' template.	
Stick your measure maps on the wall. Ensure all measures proposed are underlined and clearly written.	
Each group reports back on three of the most important measures it has in its operational CSF. Please do not discuss measures already covered by other teams.	2 mins for each group

Workshop #5 Design a dashboard for the Board or C-suite

Learning outcome: Develop innovative graphs for a new dashboard for the Board

Steps	Time
In your workgroups using the shortlisted CSFs, look for some meaningful KRIs	20 mins
Design two graphs for a dashboard on the flip charts. One person in each work group to draft the graph electronically using the template provided.	10 mins
One member of your team is to look around the room at the measures other teams have unearthed to utilize alternative ideas in the room.	
Each work group reports back on the design and mentions the features that will make it work	50 mins per group

Workshop # 6 Teams are allocated one CSF and associated measures, and they delete duplications, inferior measures

Learning outcome: re-develop the measures in your team scorecard

Steps	Time
In your work groups, rotate the chairperson – Their role is to ensure everybody understands the outcome, understands the instructions, and has an opportunity to contribute.	
With your allocated CSF, review all measures derived by the different teams and, working in revisions mode, delete duplications and mark measures that you consider are weak.	60 mins
Each group reports back on three of the most important measures it has in its operational CSF. Please do not discuss measures already covered by other teams.	2 mins for each group

Workshop #7 Workgroups work on the performance measure gallery.

Learning outcome: Understand how a performance gallery works

Steps	Time
Use the existing chairperson –Their role is to ensure everybody understands the outcome, understands the instructions, and has an opportunity to contribute.	
Stick your measure maps on the wall. Ensure all measures proposed are underlined and clearly written.	
Write comments on Post-it stickers about measures. Comment about issues, potential dark side, historical background of the measure, and whether you think it should be used or abandoned.	20 mins

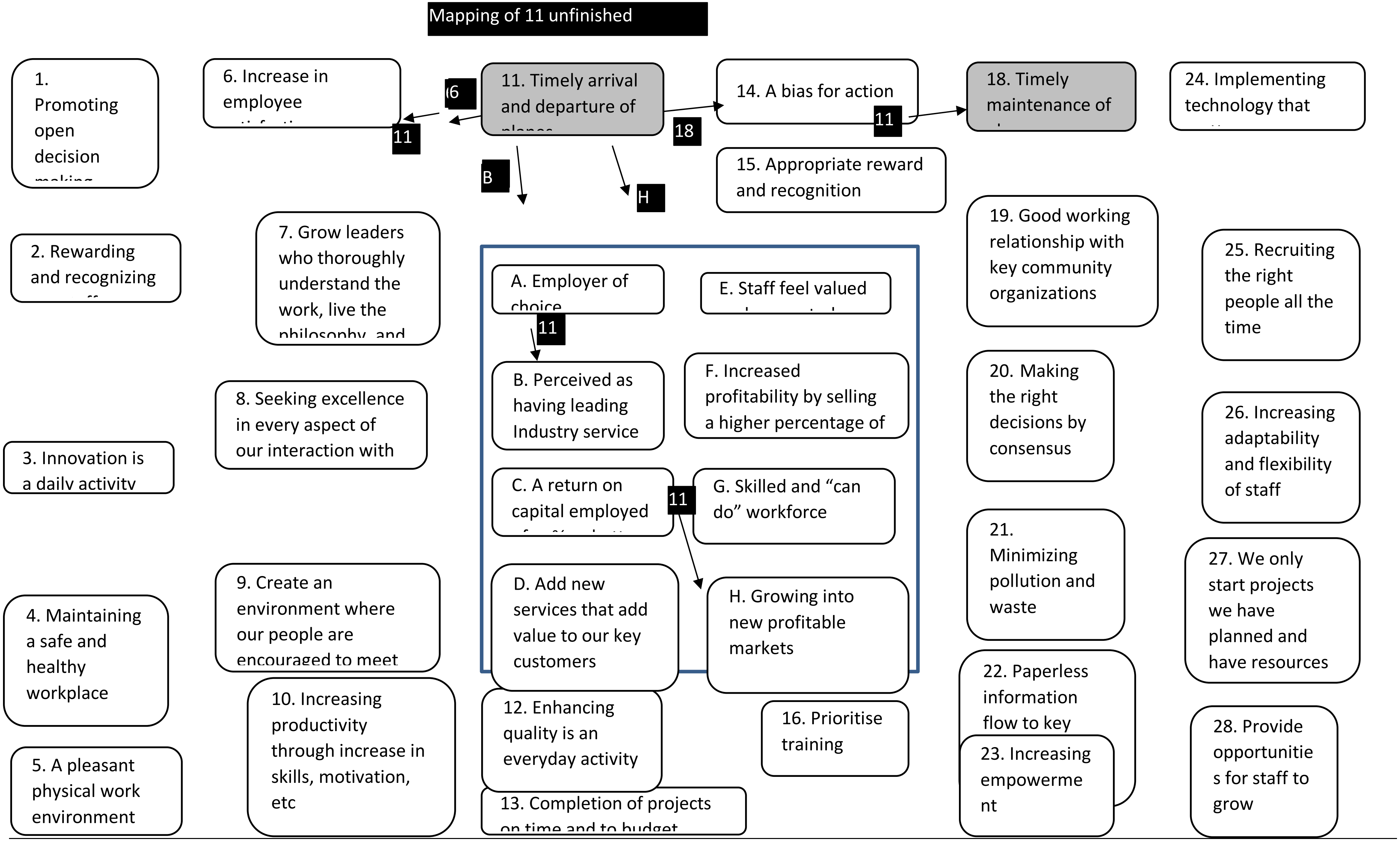
Workshop # 8 Teams prepare their presentation of their next steps

Learning outcome: Learning from other team's implementation plans.

Steps	Time
Working in teams (policy, accounting, dispatch, production, sales, etc), select a chairperson - their role is to ensure everybody understands the outcome, understands the instructions, has an opportunity to contribute	
Look at your existing team scorecards and analyze the measures included in them (what changes do we need to make? What is missing?)	10 mins
Plan your next steps, and prepare a few slides to present to the C-suite	40 mins
Teams present their next steps when the senior management re-joins the group (There may be time for only four or five presentations)	3 mins for each team

Template 9 A List of Empty Words to Avoid When Wording Success Factors

accelerate, accessibility, adaptive, balanced, barriers, basic, benchmarked, benefits, best practice, best in class, capability, capacity, challenges, client-driven, collaborative, compelling, competence, competitive, consultative, continuing, core, delivery, diversity, drive, dynamic, effective, efficient, embedded, empowered, end-to-end, end-user, evidence-based, empowered, engaged, enhancements, established, excellence, fit for purpose, flexibility, focused, forward-looking, governance, ground-breaking, high-value, holistic, implications, improvements, inclusive, innovative, input, integrated solutions, integrity, interdependent, interface, key, lean, leveraged, mandated, needs, network, one-stop-shop, opportunities, optimized, outcomes, outputs, participation, pathways, perfection, performance, priority-driven, proactive, productivity, products, professional, progressive, quality, real-time, reenergize, reform, reliability, renewal, responsibility, responsive, results-orientated, rigorous, roadmap, robust, significant, solution, strategically, streamlined, supported, sustainable, synergies, tailor-made, targeted, transformation, transparent, underpinning, unique, utilized, value, value-added, vanilla-solutions, vibrant, well-being, win-win, world-class


Mapping of 11 unfinished
1. Promoting open decision
6. Increase in employee
11. Timely arrival and departure of
14. A bias for action
18. Timely maintenance of
24. Implementing technology that
6
11
18
11
B
H
15. Appropriate reward and recognition
2. Rewarding and recognizing
7. Grow leaders who thoroughly understand the work, live the
19. Good working relationship with key community organizations
25. Recruiting the right people all the time
A. Employer of
E. Staff feel valued
11
B. Perceived as having leading Industry service
F. Increased profitability by selling a higher percentage of
20. Making the right decisions by consensus
8. Seeking excellence in every aspect of our interaction with
26. Increasing adaptability and flexibility of staff
3. Innovation is a daily activity
C. A return on capital employed
11
G. Skilled and “can do” workforce
21. Minimizing pollution and waste
27. We only start projects we have planned and have resources
9. Create an environment where our people are encouraged to meet
D. Add new services that add value to our key customers
H. Growing into new profitable markets
4. Maintaining a safe and healthy workplace
10. Increasing productivity through increase in skills, motivation, etc
12. Enhancing quality is an everyday activity
16. Prioritise training
22. Paperless information flow to key
23. Increasing empowerment
28. Provide opportunities for staff to grow
5. A pleasant physical work environment
13. Completion of projects

Template 11 Sphere of Influence Mapping Template

Template 12 Common CSFs and their possible measures

Common CSFs	KRI	RI	PI	KPI
Stay, say, strive engagement with staff	▪ Staff satisfaction (if monitored at least 3 to 4 times a year)	▪ Turnover of experienced staff (do not count staff who are moved on soon after joining)	▪ Number of staff innovations implemented (by team reported weekly) ▪ Staff who have been ill for over two weeks and do not have a back-to-work program (reported weekly to manager and GM)	▪ Staff who have handed in their notice today. Staff in key positions would be notified directly to the CEO, other staff would be reported to the relevant GM or senior manager. (The CEO has the opportunity to try and persuade the staff member to stay) ▪ Number of initiatives implemented post the staff satisfaction survey (monitored weekly after the survey for up to three months) ▪ Teams not represented in the in-house courses are to be held in the next two weeks. Report daily to the CEO ▪ Accidents and breaches of safety are to be reported to the CEO immediately ▪ New staff who have not attended an induction program within two weeks of joining will be reported to the CEO on a weekly basis. ▪ No. of CEO recognitions in last week / last fortnight ▪ No. of CEO recognitions planned for next week/fortnight
Recruiting the right people all the time	▪ No. of staff who have left within 3,6,12 months of joining the organization by division (reported quarterly)	▪ No. of managers trained in recruiting practices	▪ Recruitments in progress where the last interview was over two weeks ago ▪ Confirmed date of testing of candidate's capabilities	▪ Key position job offers issued to candidates that are outstanding over 48 hours (report daily all key position offers to CEO / GM) ▪ List of shortlisted candidates where the next round of interviews has yet to be organized (report daily)

Grow leaders who thoroughly understand the work, live the philosophy, and teach it to others.	▪ Number of key positions with at least two protégés by division (reported quarterly)	▪ Number of high-performing staff by division (reported monthly) ▪ Number of promotions for high-performing staff planned in the next 3 months (reported monthly)	▪ List of high-performing staff who have been in the same position for over two years. (monthly list) ▪ Date of next executive course to be attended by C-suite member (monthly update)	▪ Number of CEO recognitions in last week / last two weeks ▪ Number of CEO recognitions planned for next week/ two weeks
	▪ Number of managers who have attended leadership training (by manager level)	▪ Number of managers who are scoring over ____ on their leadership from the 360 feedback surveys (by manager level)	▪ Date of next leadership program and the list of suggested attendees by division (report weekly to CEO) ▪ Date of next 360 feedbacks for level 1 &2 managers	▪ Number of vacant leaderships places on the in-house course (reported daily to the CEO in the last three weeks before the course)
	▪ Level of staff satisfaction with empowerment and fulfillment (assumes a survey is done 3 to 4 times a year)	▪ Staff retention by department looking at a 15-month rolling trend	▪ Date of next survey (reported monthly)	▪ Number of initiatives implemented post the staff satisfaction survey (monitored weekly after the survey for up to three months)
	▪ Note: Unlikely to have a KRI on mentorship	▪ Percentage of level 1 & 2 managers who have mentors (reported quarterly) ▪ Percentage of high-performing staff who have a mentor (reported quarterly)	▪ Number of high-performing staff who do not have a mentor (reported weekly to the GMs.) ▪ List of level 3 managers who do not have mentors (reported weekly to the GMs) ▪ Note: These measures would only need to be operational for a short time on a weekly basis.	▪ List of level 1 & 2 managers who do not have mentors, reported weekly to the CEO. ▪ Note: This measure would only need to be operational for a short time on a weekly basis.
Innovation is a daily activity (finding better ways to do the things we do every day)	▪ Innovations implemented over last 18 months by division	▪ Innovations that are running behind (weekly update) ▪ Number of patents ▪ Date of prototype completion ▪ Date of next test	▪ Number of innovations implemented last month by team (Reported monthly to the CEO). ▪ Date of next innovation training sessions (monthly) ▪ Date of next innovation to our key services (monthly)	▪ Number of innovations planned for implementation in the next 30 days, 60 days, and 90 days. (Reported weekly to the CEO)

Embracing abandonment: Willingness to abandon initiatives, opportunities that are not working or unlikely to succeed	▪ Number of abandonments over last 18 months by division (reported monthly)	▪ Time saved each month through abandonments by team (reported monthly featuring the top quartile performing teams in this area)	▪ List of abandonments in last month by team (reported monthly) ▪ Number of committees/task forces disbanded this month ▪ Number of monthly reports terminated ▪ Date of planned replacement of service that has now become outdated	▪ Number of abandonments to be made in the next 30 days, 60 days, and 90 days. (Reported weekly to the CEO)
Making the right decisions by consensus with ready contingency plans	▪ Major implementations in last 18 months showing degree of success (exceeded expectations, met, less than, abandoned)	▪ Major projects awaiting consensus (sign-off (report weekly to CEO)	▪ Managers with the most success with implementations over last three years (report quarterly to CEO) ▪	▪ Major projects awaiting decisions that are now running behind schedule (report weekly to CEO) ▪ Major projects in progress without contingency plans (report weekly to CEO)
Delivery in full on time, all the time, to our key customers	▪ Percentage of on-time in full delivery to key customers, other customers. (Show last 18 months)	▪ Percentage of on-time in full delivery to other customers. (report weekly to GMs)	▪ Teams with the best on-time delivery record (report weekly to GMs, all staff) ▪ Calls on hold longer than _____ seconds (reported immediately)	▪ Emergency response time when it is over a given duration. Reported immediately to the CEO ▪ Late deliveries /incomplete deliveries to our key clients (report 24/7 to CEO, GM, all staff) ▪ Complaints from our key customers that have not been resolved within 2 hours (report 24/7 to CEO and GMs) ▪
Getting closer to our customers	▪ 18-month trend showing take-up of new services.	▪ Date of next outside-in activity to enhance senior-management team understanding of customer needs (e.g., Date of next C-suite interface frontline positions).	▪ Number of initiatives implemented to improve key customer satisfaction (monthly) ▪ List of key customers where time since last order is >x weeks (report weekly to sales team and the GM) ▪ Date of next think tank with major customers ▪ Date of next initiative to attract targeted 'non-customers'	▪ Date of next visit to major customers by customer name (report weekly to CEO and General Managers) ▪ Late deliveries /incomplete deliveries to our key clients (report 24/7 to CEO, GM, all staff) ▪ Key customer complaints not resolved within two hours reported to the CEO immediately.

We finish what we start	▪ Status of projects reported monthly	▪ Number of projects finished in the month.	▪ Number of overdue reports/documents by weekly to the C-suite. ▪ Number of projects that are managed/staffed by contractors or consultants	▪ List of late projects by manager reported weekly to the C-suite. ▪ List of projects that are at risk of non-completion (unassigned / manager has left/ no progress made in last three months, etc)
A bias for action	▪ New initiatives completed. (show past 18 months)	▪ New initiatives that will be fully operational in the next three months by department.	▪ Number of recognized mistakes highlighted last month (if number is too low, you have an unhealthy environment) ▪ Number of bureaucratic processes abandoned in month	▪ Number of prototypes/pilots commenced in month by division ▪ Date of next new service initiative

(note: added post-publishing date)

1. ____________

2. ____________

3. ____________

4. ____________

5____________
_

6. ______________

7. ______________

8.

9.

10. ______________________
__

11. ____________

12. ______________________

Strategic outcomes

A.

B ____________

C. ______________

D. ____________

E.

F. ________________

G. ________________

H. ____________

13. _______________

14. _______________

15. ___________

16. ______________

17.

18. _______________

____

21. ____________

22. ______________

23. ____________

24. _______________

25. ___________

26. _____________

27. ____________

28. ___________

Additional material: Chapter 8: Characteristics of Meaningful Measures

	Less than 250	Between 250-3,000	Over 3,000 staff
Answers to the Rewording of Measures Exercise	Maybe useful	Y	Y
Answers to the Categorize Measures Exercise		Maybe useful	Y
Rewording of Measures Exercise Template	Y	Y	Y
Categorizing Measures Exercise Template		Maybe useful	Y

Template 1 Possible Answers to the Rewording of Measures Exercise

Original measure: Number of staff where a promotion is planned

The improvement and the reasoning: “List of high-performing staff who have been in the same position for over two years.” A result indicator, measured quarterly, which will highlight those high-performing staff who might be tempted to greener pastures because they do not see an immediate future for themselves in the organization.

Original measure: Number of late projects

The improvement and the reasoning: "Projects running late" (sorted by project managers with most late projects). A performance indicator that should be measured weekly and reported to the executive committee. This will highlight managers who have issues progressing and finishing projects. They will be called to account every week, so they will soon avoid further project responsibilities and focus on what they can do well.

Original measure: Number of managers who have been trained in best recruiting practices

The improvement and the reasoning: "Number of recruiting managers who have not been trained in recruiting." Measured monthly to reduce the likelihood of managers recruiting poorly through a lack of training. Focusing on the exception.

Original measure: Employee satisfaction percentage derived from the staff opinion survey

The improvement and the reasoning: "Number of initiatives implement post employee survey." Result indicator measured weekly for the next six to eight weeks after the survey results have been released. This measure focuses management on the important issue of implementing change based on feedback. Otherwise, a survey should not have taken place.

Original measure: Number of employees on job rotation

The improvement and the reasoning: “Percentage of cross-trained personnel per team.” A performance indicator that should be measured quarterly. We want to be able to highlight the high-performing teams so they act like a beacon. “Number of staff who are earmarked for a job rotation within the next three months.” A result indicator that is measured quarterly.

Original measure: Lead time taken to recruit staff

The improvement and the reasoning: “Recruitments in progress for which the last interview was over two weeks ago.” A performance indicator is updated daily. Far too often, due to busy workloads, a good candidate is snapped up by a more responsive competitor. “Candidates who have not responded within 48 hours to their job offer.” This performance indicator measured daily, would be reported to the CEO for important positions and to the general managers for less important positions. We are expecting a call to be made to the candidate to help persuade them to sign.

Original measure: Number of staff referrals

The improvement and the reasoning: "Staff referrals that come from high-performing staff." A result indicator that is measured monthly. This measure recognizes that it is more probable that we will get more successful applicants from our higher-performing staff. We thus can ask high-performing staff, who have yet to refer their contacts as potential employees, to invest some time in this important area.

Original measure: Number of recruitments where checks of authenticity of the qualifications are still outstanding

The improvement and the reasoning: "Positions over ________ level where checks of the authenticity of the qualifications have not yet been done." A performance indicator targeting the “at risk” positions. This measure that should be reported to the C-suite.

Template 2 Answers to Categorizing Measures

Measure	Result Indicator (R) or Performance Indicators (P)	Measuring at "Top (T) or Bottom (B)" of the cliff	Past (P), Current (C), Or Future indicator (F)	Targeted (T) /Not Targeted indicator (NT)
Abandon rate at call center—caller gives up (daily)	P	T	C	T
Number of initiatives planned within the next three months to increase sales staff time in front of customers (monthly)	P	T	F	T
Number of referrals from key customers (monthly)	R	B	P	T
Complaints from our key customers that have not been resolved within ___ hours, reported to the chief executive officer (CEO) and general managers	P	T	C	T
Number of initiatives completed from the recent key **customer satisfaction** survey (weekly)	P	T	P	T
Late deliveries / incomplete deliveries to key customers (24/7)	P	T	C	T
Number of defect key products returned this week (weekly)	R	T	P	T
Health and Safety issues raised and not resolved after two weeks (weekly)	R	T	P	T
Date of next environmental disaster clean-up practice exercise (quarterly)	R	B	F	T
Key position job offers that are over 48 hours old and have not yet been accepted by the chosen candidate (daily)	P	T	C	T

Measure	Result Indicator (R) or Performance Indicators (P)	Measuring at "Top (T) or Bottom (B)" of the cliff	Past (P), Current (C), Or Future indicator (F)	Targeted (T) /Not Targeted indicator (NT)
Number of planned CEO recognitions for next week/two weeks (weekly)	P	T	P	T
List of high-performing staff who have been in the same position for over two years (quarterly)	R	B	P	T
Number of initiatives implemented after staff satisfaction survey (weekly)	P	T	P	T
Number of staff members who have left within three months, six months, and 12 months of joining the organization. Reported division by division (quarterly)	R	B	P	NT
Return on capital employed (monthly)	R	B	P	NT
Number of abandonments to be actioned in the next 30 days, 60 days, and 90 days (monthly)	R	T	P	T
Number of key positions with succession plans (quarterly)	P	T	P	T
Number of stock-outs in week of major inventory items (weekly)	R	B	P	T
Number of manual transactions converted to automated electronic feed in last quarter (quarterly)	R	B	P	NT
Staff who did not attend a course due to work commitments (weekly)	R	B	P	NT
List of late projects by manager reported to the C-suite (weekly)	P	T	P	T

Measure	Result Indicator (R) or Performance Indicators (P)	Measuring at "Top (T) or Bottom (B)" of the cliff	Past (P), Current (C), Or Future indicator (F)	Targeted (T) /Not Targeted indicator (NT)
Number of projects in progress, by project manager, by department (weekly)	P	B	P	NT

Template 3 Rewording of Measures Exercise Template

How would you reword the following? I have provided how I would have reworded the measure in the attached PDF.

Original measure: Number of staff where a promotion is planned

Rewording:

Original measure: Number of late projects

Rewording:

Original measure: Number of managers who have been trained in best recruiting practices

Rewording:

Original measure: Employee satisfaction percentage derived from the staff opinion survey

Rewording:

Original measure: Number of employees on job rotation

Rewording:

Original measure: Lead time taken to recruit staff

Rewording:

Original measure: Number of staff referrals

Rewording:

Original measure: Number of recruitments where checks of authenticity of the qualifications are still outstanding

Rewording:

Template 4 Categorizing Measures Exercise Template

Measure	Result Indicator (R) or Performance Indicators (P)	Measuring at "Top (T) or Bottom (B)" of the cliff	Past (P), Current (C), Or Future indicator (F)	Targeted (T) /Not Targeted indicator (NT)
Abandon rate at call center—caller gives up (daily)	P	T	C	T
Number of initiatives planned within next three months to increase sales staff time in front of customers (monthly)				
Number of referrals from key customers (monthly)				
Complaints from our key customers that have not been resolved within ___ hours, reported to the chief executive officer (CEO) and general managers				
Number of initiatives completed from the recent key customer satisfaction survey (weekly)				
Late deliveries / incomplete deliveries to key customers (24/7)				
Number of defect key products returned this week (weekly)				
Health and Safety issues raised and not resolved after two weeks (weekly)				
Date of next environmental disaster clean-up practice exercise (quarterly)				
Key position job offers that are over 48 hours old and have not yet been accepted by the chosen candidate (daily)				
Number of planned CEO recognitions for next week/two weeks (weekly)				
List of high-performing staff who have been in the same position for over two years (quarterly)				
Number of initiatives implemented after staff satisfaction survey (weekly)				

Number of staff members who have left within three months, six months, and 12 months of joining the organization. Reported division by division (quarterly)				
Return on capital employed (monthly)				
Number of abandonments to be actioned in the next 30 days, 60 days, and 90 days (monthly)				
Number of key positions with succession plans (quarterly)				
Number of major inventory stockouts in week (weekly)				
Number of manual transactions converted to automated electronic feed in last quarter (quarterly)				
Staff who did not attend a course due to work commitments (weekly)				
List of late projects by manager reported to the C-suite (weekly)				
Number of projects in progress, by project manager, by department (weekly)				

Additional material: Chapter 9 Designing and Refining Measures

	Less than 250 FTEs	Between 250-3,000 FTEs	Over 3,000 FTEs
Proposed Agenda for the Performance Measures Workshop	Y	Y	Y
Exercises in the Performance Measures Workshop	Y	Y	Y
Assess the Level of Understanding of the Organization's CSFs Worksheet	If over 170 FTEs	Y	Y
Checklists to Ensure That You Have a Successful Performance Measures Workshop	Y	Y	Y
Key Tasks for Recording Performance Measures in a Database	Y	Y	Y
Selecting Organization-Wide Winning KPIs Worksheet	Y	Y	Y
Checking KPIs Against the Seven Characteristics	Y	Y	Y
Design a Dashboard for the Board or Senior Management Team	Y	Y	Y

Template 1 Proposed Agenda for the Performance Measures Workshop

TWO-DAY PERFORMANCE MEASURES WORKSHOP

[name of organization]

Learning Outcomes: Attendees after this workshop will be able to:

Describe the new thinking on performance measures

Distinguish the different performance measures: KRIs, RIs, PIs and KPIs

Identify how KPIs can work in your organization

Recall the Critical Success Factors

Use techniques to develop meaningful measures

Design dashboards and reports using Stephen Few's guidelines

Suggested attendees:

- CEO (To open and close session)

- Wide selection of management and staff for first half day
- Experienced staff from different teams from around the organization who will be working with measures

Recommended pre-work:

Attendees to read D Parmenter articles, accessible from wwwdavidparmenter.com/kpis

Requirements:

- Workshop administrator to help coordinate attendees.
- At least a laptop, whiteboards, and flip chart pad for each workgroup
- Data show, screen, quiet workshop space away from the offices.

Day 1

8.30 a.m.	Registration and refreshments
9:00 a.m.	Opening remarks by CEO - Setting the context of the workshop ▪ Emphasizing that this is a valuable use of your time and that they bought into this ▪ Their involvement in the CSFs workshop ▪ Introduction to the KPI project team members
9:10 a.m.	Outline of Day by the KPI team ▪ Introduce KPI project team ▪ Outlining progress to date ▪ The outcomes of this workshop ▪ The day's agenda
9:20 A.M.	Presentation #1 by a skilled presenter from the KPI project team (or access a video from David Parmenter.com). The content would include: ▪ The feedback from employee perceptions of performance measures (if survey has been done) ▪ Why we need to revisit our performance measures ▪ The characteristics of KPIs – two stories and the four types of performance measures ▪ The 10/80/10 rule for performance measures ▪ The six perspectives of a balanced scorecard ▪ The need for past, current, and future measures ▪ The importance of knowing what are the organization's critical success factors (CSFs) Break out session (3 minutes) in groups of two and three; the attendees to discuss what they agree with, what needs further clarification.
10:30 a.m.	Morning break
10.45 a.m.	Introduce the CSFs – Head of the Local Business Each of the CSFs is shown on the screen and why it is so important.
11:00 a.m.	Group discussion on the CSFs. They break into groups to discuss the CSFs and select the CSFs most relevant to their team
11.20 a.m.-	Presentation #2: How you ascertain performance measures from a critical success factor ▪ How to work out measures (worked example) ▪ Common problems with measures ▪ How to find good measures from a CSF ▪ How to word measures properly

11:40 a.m.	Commence workshop 1. Teams to ascertain their performance measures, using the CSFs most relevant to the teams. ▪ Each workgroup is to be no more than seven people (if a team has 10 staff present, you would break them into two groups of five, and the tasks would be shared between them) ▪ The teams to check to see that they have a balance of past, current, and future measures ▪ Teams to ascertain measures using the techniques already shown ▪ One person should record all the measures on a simple database word template for collection by the KPI team. ▪ Teams are to come up with 10 to 15 measures for each CSF they work on. After each 30-40 minutes, gather the whole group together so that one workgroup can present what they have found.
12:30 p.m.	Lunch. After lunch, those invited to the morning session leave having understood about the CSFs and how measures are derived.
1.15 p.m.	Recommence workshop #1 Teams to ascertain their performance measures, using the CSFs most relevant to the teams. Make sure that you have a matrix to record which CSFs have been reviewed by which teams. See Chapter 11.
2.15 p.m.	Presentation #3: Reporting measures and the rules from Stephen Few ▪ Reporting formats ▪ Stephen Few's graph rules & spark and bullet graphs
2:45 p.m	Afternoon break
3:00 p.m	Recommence workshop #1 Teams to ascertain their performance measures, using the CSFs most relevant to the teams.
3:30 p.m	Cover the implementation program, including: ▪ The implementation program ▪ The piloting of measures ▪ The KPI team's role
4.00 p.m.	End of Day 1 for participants

Day 2

8 a.m.	Presentation #4 on the three-stage process ▪ The seven foundation stones ▪ The three stages ▪ Selling & leading change
8.40 a.m.	Recommence workshop #1 Teams to ascertain their performance measures, using the CSFs most relevant to the teams.
9.30 a.m.	Presentation #5: The myths of performance measurement
10.00 a.m.	Morning Tea
10.20 a.m.	Question & Answer session
10.40 a.m.	Recommence workshop #1 Teams to ascertain their performance measures, using the CSFs most relevant to the teams.
11.40 a.m.	Presentation #6: The performance measurement gallery: how it works and what we want you to do.
12.00 p.m.	Teams are given Post-it stickers to comment on performance measures All staff
12.30 p.m.	Lunch During lunch, the KPI set up the performance measurement gallery
1.15 p.m.	Removal of duplicated measures All measures from the workshop are printed out by CSF and stuck up on the walls so participants can cross out duplicated measures

1.45 p.m.	Commence workshop # 2 Teams prepare their presentation of their next steps ▪ Their views on the suggested KPIs (concerns, potential dark sides, and other suggested KPIs) ▪ The measures that are relevant to them discussing the features of the measures (past, current, or future, why they will work, frequency of measurement) ▪ Any issues with the critical success factors ▪ The success factors that have been used to find relevant performance measures ▪ The target date when they will be operational with their balanced scorecard
2.30 p.m.	Afternoon tea
2.45 p.m.	Groups give their feedback via a small PowerPoint presentation (2 or 3 slides). (All senior management who are not present join the session)
3.30 p.m.	Closing remarks by CEO
3.45 p.m.	End of Day 2 of workshop

Template 2 Exercises in the Performance Measures Workshop

Workshop 1: Teams to ascertain their performance measures, using the CSFs most relevant to the teams

Learning Outcome: Ascertain the appropriate performance measures for your team which link to the organization's CSFs

Steps	Time
1. Select a chairperson - their role is to ensure everybody understands the outcome, understands the instructions, and has an opportunity to contribute.	5 minutes
2. Select the CSFs that are relevant to your team.	5 minutes
3. Ascertain the selected CSFs, check to see that you have a balance of past, current, and future measures. Teams are to come up with 10 to 15 measures, first concentrating on the CSFs and then relevant success factors. One person should record all the measures on the team scorecard template and a simple Microsoft Word table for collection by the KPI team.	60 minutes (split over two sessions)
4. Select some other relevant SFs and brainstorm them. One person should record all the measures on the team scorecard template and a simple Microsoft Word table for collection by the KPI team.	30 minutes
5. Each work group reports back on two or three measures, stating how they are to be measured, what type of measure they are, and how the measure has been fine-tuned (teams are asked not to discuss measures already covered by other teams).	3-5 minutes for each group

Workshop 2: Teams prepare a short presentation covering some of their measures

Learning Outcome: The staff attending gain collective understanding

Steps	Time
1. Use the same chairperson from workshop 1.	
2. Teams complete a worksheet covering their understanding of the organization's CSFs.	20 minutes

▪ 3. Teams prepare their presentation. The presentation is to be three or four slides covering: ▪ Their views on the suggested KPIs (concerns, potential dark sides, and other suggested KPIs) ▪ The measures that are relevant to them discussing the features of the measures (past, current, or future, why they will work, frequency of measurement). ▪ Any issues with the critical success factors. ▪ The success factors they have used to find their team performance measures. ▪ The target date when they will be operational with their balanced scorecard.	1 hour

Template 3 Assess the Level of Understanding of the Organization’s CSFs Worksheet

This worksheet can be used to assess a team’s understanding of the organization’s CSFs.

1	What do we mean by CSFs? Think about your own personal health and well-being. What are the major factors that determine how long we live and the physical quality of life we enjoy? (e.g., condition of heart, condition of lungs)

2 In the same way, the CSFs for our organization are about the things that determine its health and long-term survival. Fill in the organization’s CSFs and indicate which balanced scorecard perspective they affect.						
Critical success factor	**Financial Results**	**Customer focus**	**Staff satisfaction**	**Innovation & learning**	**Internal process**	**Environment & community**
e.g., timely arrival and departure of planes	✓	✓	✓	✓	✓	possible
1.						
2.						
3.						
4.						
5.						

6.						
7.						
8.						

3. Can you see the importance of each CSF? [[[

Critical success factor	
1.	☐ Yes ☐ No
2.	☐ Yes ☐ No
3.	☐ Yes ☐ No
4.	☐ Yes ☐ No
5.	☐ Yes ☐ No
6.	☐ Yes ☐ No
7.	☐ Yes ☐ No
8.	☐ Yes ☐ No

4	Do you have any additional questions about CSFs and performance measures?
	Question

5	How can the project team help your team develop their performance measures?

▪

Template 4 Checklists to Ensure You Have a Successful Performance Measures Workshop

Preparation for the Performance Measures Workshop Checklist	
Have you delivered joint briefings to employees with C-suite, project team and union representatives presenting on the same platform? (FS)	☐ Yes ☐ No
Has all material been reviewed by a PR expert? (FS)	☐ Yes ☐ No
Has the workshop material specifically addressed employee concerns by stressing the consultative, training-related processes by which employees, in teams, will develop their own KPIs?	☐ Yes ☐ No
Has a broad vision of what change is required been spelled out?	☐ Yes ☐ No
Have you sold the need for KPIs through emotional drivers that mean something to the employees?	☐ Yes ☐ No
Have you described the next steps in the process of developing and implementing winning KPIs?	☐ Yes ☐ No
Have you indicated the key roles for employees to play?	☐ Yes ☐ No
Has the C-suite set aside funding for in-house workshops to be rolled out covering all teams?	☐ Yes ☐ No
Have the project team and the C-suite addressed people's concerns about change and performance measurement, which have arisen from the employee questionnaire?	☐ Yes ☐ No
Has sufficient interest been aroused so employees want to participate in the KPI project?	☐ Yes ☐ No
Have you used success stories to help sell the message?	☐ Yes ☐ No
Has a template been prepared for attendees to document measures that can be cut and pasted into the performance measures database?	☐ Yes ☐ No

FS = step that links to a foundation stone.

Running the Staff Workshop Checklist	
Do all team members clearly understand the characteristics of KPIs?	☐ Yes ☐ No
Do they understand the CSFs?	☐ Yes ☐ No
Have teams brainstormed their measures from relevant CSFs and SFs?	☐ Yes ☐ No
Have teams checked back to ensure that they have covered all the CFSs with performance measures? (FS)	☐ Yes ☐ No
Have teams demonstrated an understanding of how to design measures	☐ Yes ☐ No
Have teams restricted themselves to a maximum of 15 measures?	☐ Yes ☐ No
Have teams populated the database with their agreed measures? (This will help other teams and ensure greater consistency)	☐ Yes ☐ No

FS = step that links to a foundation stone.

Follow-up Post the Staff Workshop Checklist	
Have the employees been trained and encouraged to accept the delegated empowerment to fix issues when a KPI is off track? (FS)	☐ Yes ☐ No
Have you set up a KPI project "website" on the organization's intranet?	☐ Yes ☐ No

Have you published a time frame with appropriate milestones and a realistic deadline?	☐ Yes ☐ No

FS = step that links to a foundation stone.

Template 5 Key Tasks for Recording Performance Measures in a Database

1. Check that there is a field in the database for each of the following	
▪ Name of measure	☐ Yes ☐ No
▪ Unique number of measures	☐ Yes ☐ No
▪ The CSF which is the source of measure	☐ Yes ☐ No
▪ Time zone (past, current, future)	☐ Yes ☐ No
▪ Frequency of measurement (24/7, daily, weekly, monthly)	☐ Yes ☐ No
2. Add the following fields for the KPI team to fill out after the workshop	
▪ Type of measure (KRIs, RIs, PIs, or KPIs)	☐ Yes ☐ No
▪ Type of Performance Measure, Key results indicator (KRI), result indicator (RI), performance indicator (PI), key performance indicator (KPI)	☐ Yes ☐ No
▪ Teams interested in using the measure	☐ Yes ☐ No
▪ Strength of the measure	☐ Yes ☐ No
▪ Feasibility of the measure	☐ Yes ☐ No
▪ KPI team comment field	☐ Yes ☐ No
▪ Revised names for measure (leave the existing name entry for continuity)	☐ Yes ☐ No
▪ Proposed target or the ranges of acceptable performance	☐ Yes ☐ No
▪ How are we to measure it	☐ Yes ☐ No
▪ Which teams should be using it? We reword the original heading "Teams interested in using measure"	☐ Yes ☐ No

Template 6 Selecting Organization-Wide Winning KPIs Worksheet

Do the organization-wide KRIs, RIs, PIs, and KPIs cover all balanced scorecard perspectives?	☐ Yes ☐ No
Are the organization-wide KRIs, RIs, PIs, and KPIs consistent with the current strategies?	☐ Yes ☐ No
Have the organization-wide KRIs, RIs, PIs, and KPIs been discussed with the relevant key stakeholders? (FS)	☐ Yes ☐ No
Have KPIs selected been limited to 10 or fewer?	☐ Yes ☐ No
Are the C-suite and particularly the CEO happy to champion the organizational KRIs, RIs, PIs and KPIs?	☐ Yes ☐ No
Have all KPIs been included in all team performance scorecards where relevant?	☐ Yes ☐ No
Do KPIs make sense to the teams who should be using them?	☐ Yes ☐ No
Have you put every KPI through the KPI checklist?	☐ Yes ☐ No
Has the C-suite formally delegated authority to the relevant employees to fix issues affecting any KPI? (FS)	☐ Yes ☐ No
Have you checked that KPIs do not include KRIs, RIs, or PIs?	☐ Yes ☐ No
Have plans been put in place to build systems to report KPIs 24/7, daily, or weekly as appropriate?	☐ Yes ☐ No

FS = step that links to a foundation stone.

Template 7 Checking KPIs Against the Seven Characteristics

Characteristics	Key Performance Indicators								
	#1	#2	#3	#4	#5	#6	#7	#8	#9
Nonfinancial measures (e.g., not expressed in dollars, yen, Euros, etc.									
Measured frequently (e.g., 24/7, daily, or weekly)									
Acted on by CEO and C-suite									
Clearly indicate what action is required by staff (e.g., staff can understand the measures and know what to fix)									
Measures that tie responsibility down to a team or a group of teams that work closely together									
Significant impact (e.g., it impacts most of the core									

CSFs and more than one BSC perspective)									
Encourage appropriate action (e.g., have a minimal dark side).									

Template 8 Designing a Dashboard for the Board or Senior Management Team

Workshop: Teams design a dashboard

Learning outcome: Develop innovative graphs for a new dashboard for the Board or C-suite

Steps	Time
Teams indicate whether they are going to design a dashboard for the Board or C-suite. Ensure an even split between the groups.	
In your workgroups using the shortlisted CSFs look for some meaningful KRIs	20 mins
Design two graphs for a dashboard **on the flip charts**. One person in each work group to draft the graph electronically using the template provided.	10 mins
One member of your team is to look around the room at the measures other teams have unearthed to utilize alternative ideas from the room	
Each work group reports back on the design and mentions the features that will make it work	5 mins per group

Additional material: Chapter 10 Reporting of Performance Measures

	Less than 250 FTEs	Between 250-3,000 FTEs	Over 3,000 FTEs
Developing the Reporting Frameworks at All Levels Checklist	If over 170 FTEs	Y	Y
Developing Display, Reporting, and Review Frameworks at All Levels—Worksheet		May be of use	Y
Reporting examples from the book	Y	Y	Y

Template 1 Developing the Reporting Framework at All Levels Checklist

Checklist for developing display, reporting, and review frameworks at all levels (FS = step that links to a foundation stone)		
1.	Has the KPI team been given the delegated authority to finalize the reporting framework?	☐ Yes ☐ No
2.	Have you based reporting around a decision-based process? (e.g., avoiding the trap of large, late information memorandums that do not help the decision-making process)	☐ Yes ☐ No
3.	Have you accessed some better-practice reporting templates?	☐ Yes ☐ No
4.	Have you developed separate reporting for the board? (based around key result indicators)?	☐ Yes ☐ No
5.	Have you developed a team scorecard template that teams can complete easily using standard systems?	☐ Yes ☐ No
6.	Have you developed an organizational scorecard for the C-suite?	☐ Yes ☐ No
7.	Have you developed an organizational scorecard for staff?	☐ Yes ☐ No
8.	Have you developed 24/7 and daily reporting of KPIs on the intranet?	☐ Yes ☐ No
9.	Have you developed weekly reporting of KPIs on the intranet?	☐ Yes ☐ No
10.	Is there a moratorium on changing reports and graphs for at least 6 months?	☐ Yes ☐ No
11.	Have you established company graph standards that comply with better practice?	☐ Yes ☐ No

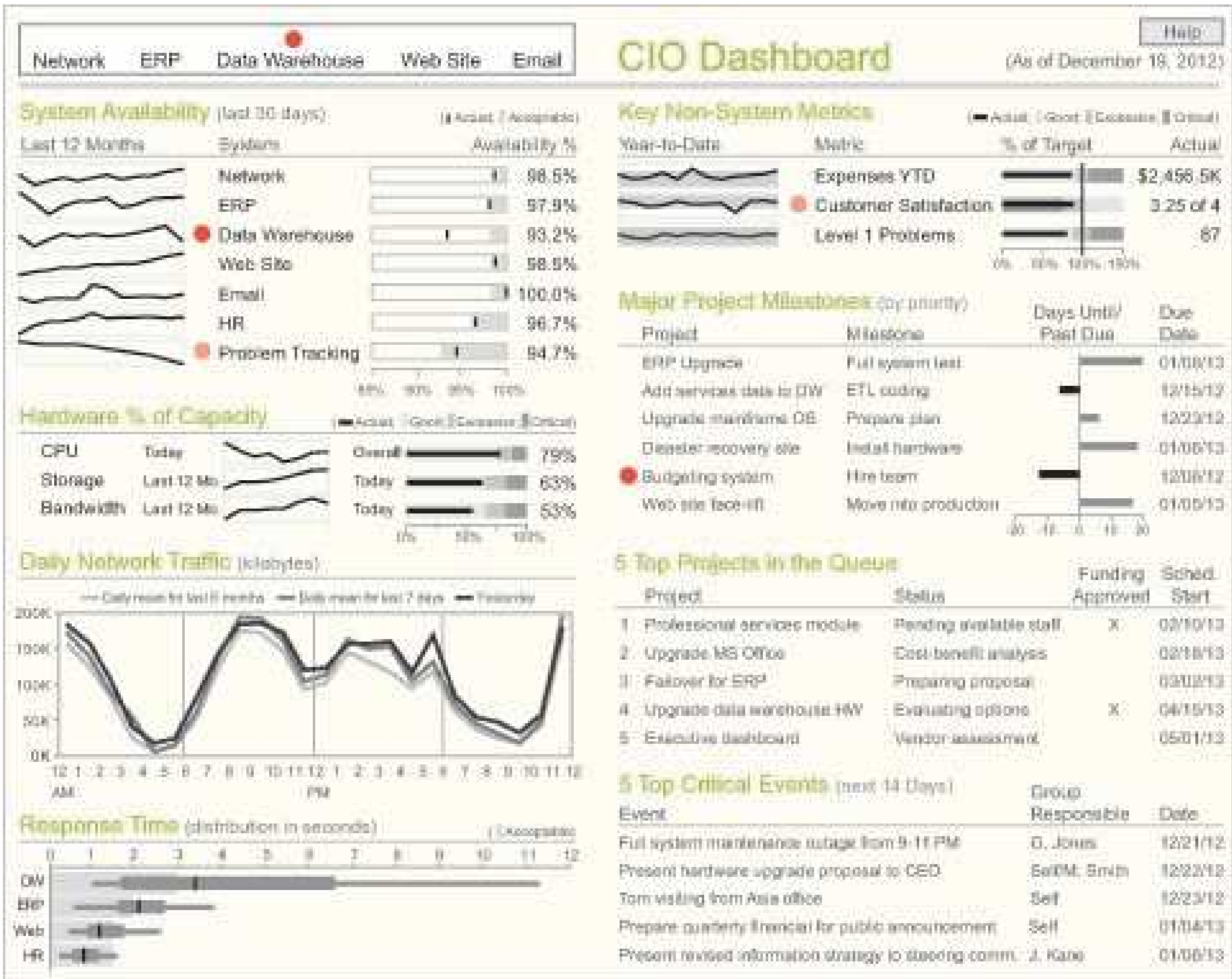
12.	Have you supplied electronic templates of these graph standards to all teams?	☐ Yes ☐ No
13.	Are there notice boards where staff can see these measures in hard copy?	☐ Yes ☐ No
14.	Can the relevant stakeholders access the KPIs that are relevant to them? (e.g., the union should be advised if "delivery in full, on time" is becoming an issue)? (FS)	☐ Yes ☐ No

Template 2 Developing Display, Reporting, and Review Frameworks at All Levels Team - Worksheet for Completion

Where will the results of performance measures be displayed each week?			
▪ Team notice board			☐ Yes ☐ No
▪ Team meeting room			☐ Yes ☐ No
▪ Canteen/eating areas			☐ Yes ☐ No
▪ Team intranet page			☐ Yes ☐ No
▪ Other (company newsletter)			☐ Yes ☐ No
When will team/division/department/area performance measures be reviewed?			
If there are key performance indicators (KPIs) in your area of influence, what immediate action should be taken to correct KPIs that are off target?			
The KPIs relevant to the team		Action staff should take immediately (already have delegated authority)	
Late planes in the sky	The action staff should take immediately (already have delegated authority)	Double up cleaning staff, chaperon at-risk passengers (elderly and unaccompanied minors) to business lounge, prevent late check-in, etc.)	
Has the delegated action been conveyed to all relevant teams?			
Team ______			☐ Yes ☐ No
Team ______			☐ Yes ☐ No

Template 3 Reporting examples from the book

Example of a Monthly Report to Management



Source: Stephen Few wwwperceptualedge.com

Example of a Monthly Report to Staff

Progress Report to Staff - For our Operations Throughout September 20___

Our mission	**To provide _________ at the right price at the right time**
Our vision for next five years	**To be the preferred _______provider in _________**
Our Strategies (what we are doing to achieve our vision)	**1. Acquiring profitable customers**
	2. Increase cost efficiencies
	3. Innovation through our people
	4. Using best business practices

What we have to do well every day - our critical success factors (CSFs)	Our performance measures in the CSFs	Actual	Target
Delivery in full on time to key customers	On time deliveries to our key customers	98%	99%
	Goods rejected by key customers due to quality defects	3%	4%
We are warriors against waste	Wastage reduction programs started in month	6	2
	Waste reduced from existing programs	9%	10%
We finish what we start	Number of late projects	5	15
	Number of project finishes in month by due date	9	10
We are a learning organisation	Staff training hours this month	150	220
	Staff with mentors	35	80
We grow leaders	Leaders appointed from within last month	4	2
	Managers in leadership programs	9	10
Attracting new profitable customers	Orders from new customers	3	10
	Positive feedback from new customers	3	2
Innovation is a daily activity	Ideas adopted last month	9	20
	Ideas for implementation within 3 months	20	50
We are respected in the communities we work in	Community participation by employees in month	30	20
	New initiatives planned for community, next 3 months	3	2
Increase in repeat business from key customers (KC)	Order book from key customers	$500,000	$400,000
	Number of product developments in progress	3	2

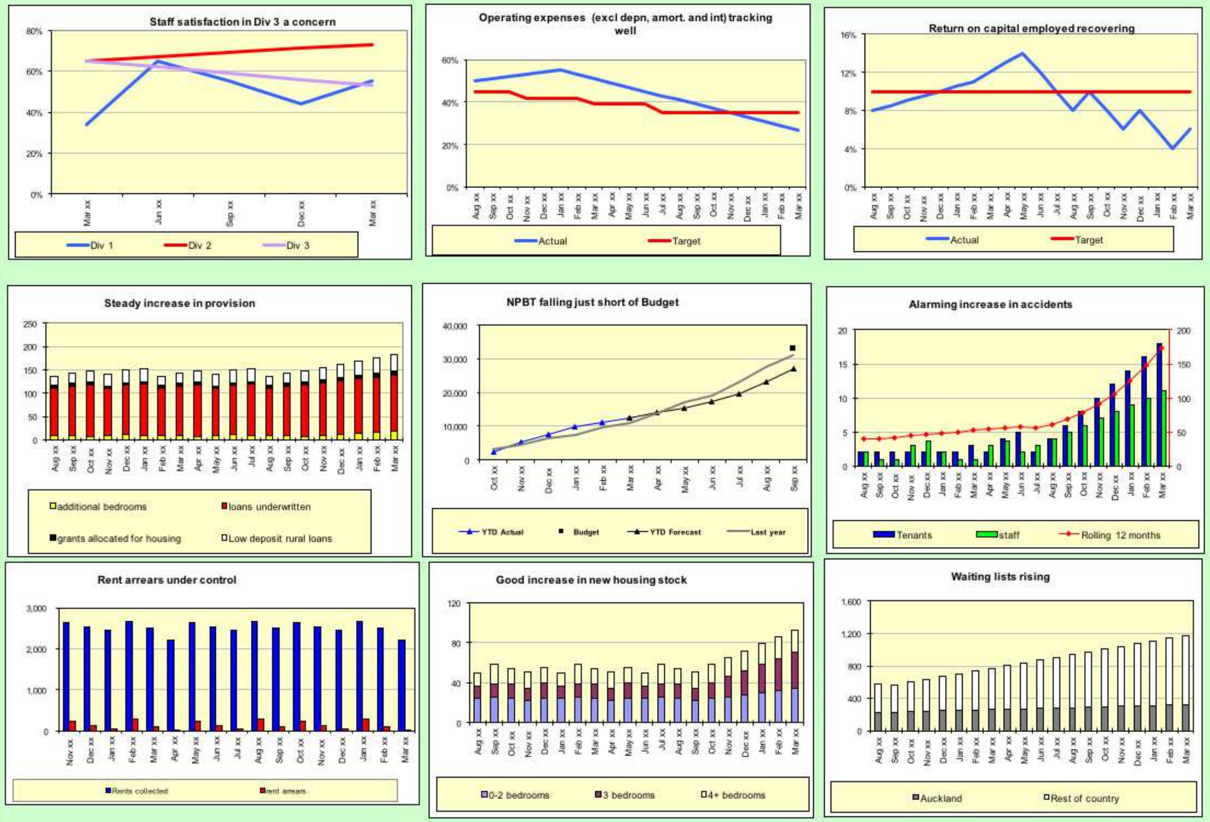
Amber (acceptable)

Red (poor)

Green (good)

Board Dashboard on an A3 Page

Dashboard for Board - March 20___



Areas of concern

- The expected shortfall at year-end is largely a result of the electrical consumer division and the __________ division.
- ______________________________________
- ______________________________________

Areas to Note

- The electrical consumer division decline is of concern. A special strategy meeting is being held on xx June to investigate new revenue avenues to help weather this storm.
- ______________________________________
- ______________________________________

Financial Performance for the __ months ended ______ 20__

All figures are $Ms	YTD			Full Year		
	Actual	Budget	Variance[1]	Forecast	Plan	Variance
Revenue						
________	55.2	60.1	(4.9)	73.6	85.9	(12.3)
________	42.1	41.7	0.4	56.1	59.6	(3.4)
Total Revenue	**97.3**	**101.8**	**(4.5)**	**129.7**	**145.4**	**(15.7)**
Expenses						
Personnel	50.2	53.4	3.2	66.9	76.3	9.4
Accommadation costs	28.1	26.0	(2.1)	35.6		
Telecommunication costs	10.2	11.5	1.3	14.7	16.4	1.7
________	4.5	3.0	(1.5)	5.0		(5.0)
________	5.1	5.3	0.2	6.8	7.6	0.8
Total	**98.1**	**99.2**	**1.1**	**11.8**	**7.6**	**6.9**
Surplus/(deficit)	**(0.8)**	**2.6**	**(3.4)**	**117.9**	**137.9**	**(8.8)**

1. Positive numbers represent under expenditure or additional revenue
2. xx.xx% of the year has been completed.

Statement of Financial Position

All figures are $Ms

	As at ____	Previous month	Movement
SHAREHOLDERS' FUNDS	**25.5**	**25.0**	**0.5**
Represented by:			
Bank and Cash	6.3	9.5	(3.2)
Debtors	5.3	5.5	(0.2)
Total Current Assets	**11.6**	**15.0**	**(3.4)**
Property and equipment	16.2	18.1	(1.9)
Intangible assets	22.6	18.2	4.4
Total LT Assets	**38.8**	**36.3**	**2.5**
Total Assets	**50.4**	**51.3**	**(0.9)**
Creditors and payables	9.1	9.5	(0.4)
Unearned income	5.3	6.1	(0.8)
Employee entitlements	6.3	6.5	(0.2)
Total Current Liabilities	**20.7**	**22.1**	**(1.4)**
Non Current Liabilities	4.2	4.2	-
Total Liabilities	**24.9**	**26.3**	**(1.4)**
NET ASSETS	**25.5**	**25.0**	**0.5**

1. Working capital ratio: __:1

Areas to Note

Debtors have benefited from the work done to reduce outstanding debt.
The amount which is overdue more than 30 days is now $5.0m down from $5.5m

- ______________________________________
- ______________________________________

Example of an IS Monthly Team Balanced scorecard

Information System's Scorecard

Customer Focus

Help desk	This month	Target
Programme visits to managers	4	6
Service requests outstanding (faults, works requests) at month end	24	15
Service requests closed in month	45	55
% calls fixed by Help Desk from 1st call	55%	65%
Initiatives underway based on satisfaction survey	0	5 by 30 June
Services outages Vs SLA's	**This month**	**Target**
Average Mainframe Response Time	1 sec	<0.75 sec
Outage time per month / # of times	None	<1hr/mth
Information Systems Strategic Plan	**This cycle**	**Target**
Programme visits to managers	4	12
Presentations of ISSP to managers	2	6

Environment and Community

	This month	Target
Presentations given to third part organizations	1 in last 12 months	>3 in year
Number of Finance staff involved in community activities	10	>15

IS Team Satisfaction

	This month	target
No. of formal staff recognitions made in the month	1	>2
Date of next planned celebration	30-Jun	>1 per month
Number of abandonments made this month	5	>5 per month
___________________________		
Staff functions planned to occur in next three months	0	>2

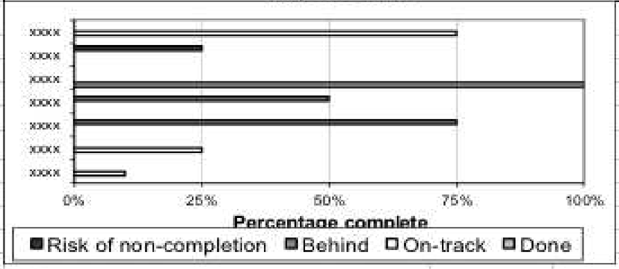
Internal Process

Disaster recovery	This month	Target
Backup every night	100%	100%
Months since last back-up tested at remote site	3	<4
Rolling checks on C drives	25	40
Our ability to deliver	**This month**	**Target**
% of jobs completed on time on budget	#REF!	60%
% of time of developers spent on high priority / high value work	55%	65%
Staff trained to use _____________ system	45	150
Completions	**This month**	**Target**
Projects in progress	#REF!	<8
Reports/documents still in draft mode	#REF!	<5

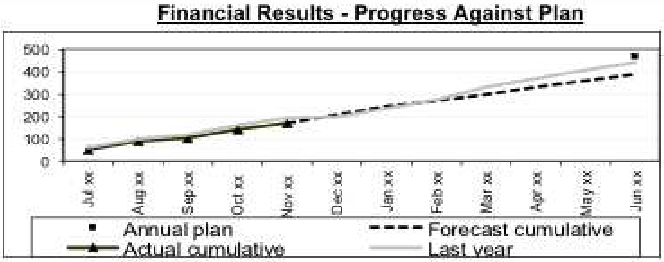
Innovation & Learning

Training needs outstanding	Next 3 months	Last 12 months
Chief information officer	0	2
Team ___________________________	0	5
Team ___________________________	0	2
Team ___________________________	0	1
Team ___________________________	0	1
Average for all IT staff	**<0.1**	**2.5**
Coaching sessions	**This month**	**Last quarter**
Number of staff who have had one-on-one coaching sessions	0	4
Innovations implemented	**This month**	**Target**
Number of staff innovations implemented	10	23

Projects Status



Financial Results - Progress Against Plan



Findings:

____

____

____

____

Action to be taken:

____

____

____

____

Additional material: Chapter 11 Ongoing Support and Refinement of KPIs & CSFs

	Less than 250 FTEs	Between 250-3,000 FTEs	Over 3,000 FTEs
Facilitating the use of KPIs Checklist	Y	Y	Y
Draft Agenda for a Staff Workshop	Y	Y	Y
Refining KPIs to Maintain Their Relevance Checklist	If over 170 FTEs	Y	Y
Refining KPIs to Maintain Their Relevance—Worksheet for Completion	If over 170 FTEs	Y	Y
Draft Agenda for a One-Day Focus Group Meeting to Revisit the Performance Measures	If over 170 FTEs	Y	Y
Draft Agenda for a Two-Hour Team Workshop to Revisit a Team's Scorecard	If over 170 FTEs	Y	Y
Proposed Workshop Exercise to Ascertain performance Measures for all New Critical Success Factors	Y	Y	Y

Template 1 Facilitating the use of KPIs checklist

1. Have all staff members who are to operate with a KPI attended a workshop covering what the KPIs are, how they operate, what delegated authority staff have, etc..?	☐ Yes ☐ No
2. Has the KPI rollout been undertaken in conjunction with all the stakeholders?	
▪ Management	☐ Yes ☐ No
▪ Employee representatives	☐ Yes ☐ No
▪ Key customers	☐ Yes ☐ No
▪ Key suppliers	☐ Yes ☐ No
▪ Unions	☐ Yes ☐ No
▪ Management	☐ Yes ☐ No

3. Is the C-suite actively supporting the empowerment of staff? (FS)	☐ Yes ☐ No
4. Are the C-suite monitoring the KPIs on a daily basis and following up on shortfalls with relevant staff?	☐ Yes ☐ No
5. Have outdated performance measures been abandoned?	☐ Yes ☐ No
6. Have KPIs been set up with relative comparisons where relevant (e.g., comparisons to third parties)?	☐ Yes ☐ No
7. Have you ensured performance measures are a mix of past, current, and future measures?	☐ Yes ☐ No
8. Have you avoided the use of the terms *lead*, *lag indicators?*	☐ Yes ☐ No
9. Is the KPI team still together, albeit may be on a part-time basis?	☐ Yes ☐ No
10. Are you providing one-to-one training, where necessary, to ensure that staff commit time to take accurate measurements of performance, understand the reports, and are motivated to take action in the appropriate time frames	☐ Yes ☐ No
11. Is the KPI team giving ongoing help to teams who are using KRIs, RIs, PIs, and KPIs?	☐ Yes ☐ No
12. Is there a mixture of KRIs, RIs, PIs, and KPIs still within the 10/80/10 rule?	☐ Yes ☐ No
13. Are the C-suite and particularly the CEO focusing on the KPIs every day?	☐ Yes ☐ No

FS = step that links to a foundation stone.

Template 2 Draft Agenda for a Staff Workshop

Objectives

Ensure that all operational staff members who are to operate with the KPIs are aware of who is to collect data and by when, the systems to be used, the monitoring and action to be taken by C-suite, and the delegated empowerment that employees have to correct situations as they rise on a 24/7 basis.

Requirements

Workshop administrator to help coordinate attendees

At least three laptops, data show, screen, three electronic whiteboards, quiet workshop space away from the offices

9:00 A.M.	Introduction by local senior manager
9:10 A.M.	Show the video, which should include the following: ▪ Introduction by CEO ▪ The new thinking on key performance indicators presentation (a recording of a presentation by a skilled presenter from the project team): ▪ The critical success factors for the organization ▪ Selling the benefits through the emotional drivers ▪ How the KPIs are to be collected and reported ▪ Example of expected correction action that employees will be expected to take ▪ The importance to the organization ▪ Closing motivational statement by the CEO
10:00 A.M.	**Commence workshop.** Brainstorm in groups of five to seven from different teams the fail-safe procedures that will need to be adopted to ensure these KPIs are kept in the acceptable ranges. Also, discuss the required delegated authority to ensure immediate corrective action can be taken by staff.
10:30 A.M.	Break.
10:50 A.M.	Recommence workshop
11:20 A.M.	Feedback from groups and a common understanding is reached on the delegated authority and what expected actions are to take place.
12:00 P.M.	Conclusion and lunch.

Template 3 Refining KPIs to maintain their relevance checklist

Checklist for refining and modifying KPIs	
1. Have the CSFs been reviewed as part of the strategic planning cycle?	☐ Yes ☐ No
2. Are the KPIs reviewed during the strategic planning cycle?	☐ Yes ☐ No
3. Does each team review its KPIs and performance indicators at least annually?	☐ Yes ☐ No
4. Are key customers informed when relevant customer satisfaction and internal process performance measures are modified?	☐ Yes ☐ No
5. Are key suppliers informed when relevant internal process performance measures are modified?	☐ Yes ☐ No
6. Have measures been put in place covering any vertical integration of systems with key customers and key suppliers?	☐ Yes ☐ No
7. Is there active continuing education to further develop staff and management understanding of KPIs?	☐ Yes ☐ No
8. Have new staff and management, particularly new members of the C-suite, been educated about the benefits of "winning KPIs"?	☐ Yes ☐ No
9. Have all proposed changes to measures, reports, and delegated authorities been carefully thought through? (FS)	☐ Yes ☐ No
10. Are KRIs, RIs, PIs, and KPIs evolving over time?	☐ Yes ☐ No
11. Are rigorous controls and checks in place to ensure changes to PIs and KPIs are genuine improvements?	☐ Yes ☐ No

FS = a step that links to a foundation stone.

Template 4 Refining KPIs to Maintain Their Relevance—Worksheet for Completion

This worksheet should be completed by the project team to ensure all KPIs remain relevant.

Selecting an appropriate review time frame:		Months:	
	6	12	18
Key performance indicators	☐	☐	☐
Organization-wide performance indicators	☐	☐	☐
Division performance indicators and result indicators	☐	☐	☐
Team performance indicators and result indicators	☐	☐	☐
Key result indicators	☐	☐	☐
Since critical success factors (CSFs) were established, what major changes have occurred in markets and the external environment within which your organization operates?			
______________________________			
______________________________			
______________________________			
Do any of these changes:			
Reduce the significance of current CSFs	☐ Yes ☐ No		
Suggest the need to modify or create new CSFs.	☐ Yes ☐ No		
Require change to organization-wide KPIs as a result?	☐ Yes ☐ No		
How will the new critical success factors be communicated to all levels of the organization?			
______________________________			
______________________________			
______________________________			
______________________________			

For each team performance measure, indicate the level of change achieved in performance over the last 6 months:		
Performance measure	Performance six months ago	Current performance

Has improvement in any team performance measures reached the maximum possible level given current circumstances?	☐ Yes ☐ No
If Yes, is your "customer" satisfied with the performance level now being achieved?	☐ Yes ☐ No

If Yes, what are the risks associated with replacing these performance measures with other new indicators?	
Current performance measure	Risks if replaced

If there are no serious risks, what new performance measure could be introduced?

Template 5 Draft Agenda for A One-Day Focus Group to Revisit the Performance Measures

Objectives:

Revisit the performance measures with a key group of staff and management.

Learn from experience and enhance the value gained from using performance measures.

Requirements:

A focus group selected from 15 to 30 experienced staff covering the business units, teams, area offices, head office and covering the different roles from administrators to C-suite members.

Workshop administrator to help coordinate attendees

At least three laptops, data show, screen, 3 electronic whiteboards, quiet workshop space away from the offices

9.00 A.M.	Introduction from CEO
9.10	The current status of performance measurement in the organization The success stories What has not worked so well The lessons learned The current issues The new technological solutions available
9.40	Determine what measures being used should be abandoned
10.20	**Commence workshop 1** Revisit the critical success factors (CSFs) of the organization to see if they are still relevant and whether any new ones should be included.
10.45	Break
11.00	**Commence workshop 2.** Perform “sphere of Influence” mapping on any new success factor(s) and redo the existing CSFs sphere of Influence mapping to see if the impact of the new success factors warrants them being added to the CSFs and to determine which CSF should be removed.
11.20	**Commence workshop 3** redesign the KRIs for the board where necessary.
12.00 P.M.	Lunch
12.45	**Commence workshop 4** Ascertain new measures, using the mind-mapping technique described in Chapter 11. One person should record the measures on the existing team scorecard template and save them in a specified area on the hard drive.
2.00	Finish of workshop

Template 6 Draft Agenda for a Two-Hour Team Workshop to Revisit a Team's Scorecard

Team Workshop to Revisit Team Scorecard

Objectives

Revisit the performance measures.

Learn from experience and enhance the value gained from using performance measures.

Requirements

One laptop, data show, screen, quiet workshop space away from the offices.

Agenda

9:00 A.M. Introduction from team leader.

9:10 A.M. The current status of the team scorecard:

- Which measures have worked
- Which measures have not worked so well
- New CSFs or SFs that should be brainstormed

9:40 A.M. Commence workshop. Brainstorming performance measures for all new critical success factors.

10:40 A.M. Finalize new team scorecard.

11.00 A.M. Finish of workshop with morning coffee.

Template 7 Proposed Workshop Exercise to Ascertain Performance Measures for All New Critical Success Factors

Learning outcome: Refining your likely performance measures

Steps	Time
Select a chairperson - their role is to ensure everybody understands the outcome, understands the instructions, and has an opportunity to contribute	
Ascertain new measures, using mind-maps, in any new CSFs that have arisen from the one-day focus group. One person should record the measures on the existing team scorecard template and save them in a specified area on the hard drive.	60 mins (split over two sessions)
Check back against the six BSC perspectives for any additional measures.	15 minutes
Each group reports back on its measures; please only discuss those that have already been raised	3-5 mins for each group

(note, added post-publishing)

Additional material: Chapter 12 Implementation Case Studies and Lessons

	Less than 250 FTEs	Between 250-3,000 FTEs	Over 3,000 FTEs
Chapter-by-chapter review of Robert Kaplan and David Norton's The Balanced Scorecard: Translating Strategy into Action	Y	Y	Y
Chapter-by-chapter review of Stacey Barr's "Practical Performance Measurement: Using the PuMP Blueprint for Fast, Easy, And Engaging KPIs"	Y	Y	Y

Template 1 Chapter by Chapter Review of Robert Kaplan and David Norton's *The Balanced Scorecard –Translating Strategy into Action*

Chapter 1 Measurement and management in the information age	A useful chapter. However, it does miss linkage to Hoshin Kanri.
Chapter 2 Why does business need a balanced scorecard	A useful chapter. Describes the four perspectives. I think their whitepaper is a better introduction as it talks about Innovation and learning rather than learning and growth. The cause and effect section is where the winning KPIs methodology parts company.
Chapter 3 Financial Perspective	A must-read for all the KPI team members.
Chapter 4 Customer Perspective	A must-read for all the KPI team members. There are some useful case studies.
Chapter 5 Internal Process Perspective	A must-read for all the KPI team members.
Chapter 6 Learning and Growth Perspective	A must-read for all the KPI team members.
Chapter 7 Linking Balanced Scorecard measures to your Strategy	This work, I believe has undone many scorecard implementations. Form your own view.
Chapter 8 Structure and Strategy	This work, I believe has undone many scorecard implementations. Form your own view.
Part Two Managing Business Strategy	A must-read for all the KPI team members.
Chapter 9 Achieving Strategic Alignment: From Top to Bottom	Some useful diagrams. However, two dangerous areas: firstly, cascading of measures and secondly, the rewards systems linkage. The linkage to pay in this chapter has given rise to many flawed performance-related pay schemes.
Chapter 10 Targets, Resource Allocation, Initiatives, And Budgets	I did not find this chapter of use.
Chapter 11 Feedback and the Strategic Learning Process	I did not find this chapter of use.
Chapter 12 Implementing a Balanced Scorecard Management Program	I did not find this chapter of use.
Appendix Building a Balanced Scorecard	A must-read for all the KPI team members.

Template 2 Chapter-by-Chapter Review of Stacey Barr's Practical Performance Measurement: Using the PuMP Blueprint for Fast, Easy, And Engaging KPIs

Chapter 1 What exactly is performance measurement	A very useful chapter that should be re-read a few times by the KPI project team. The sections on "events or milestones are not performance measures" and "Measures of activity are (mostly) not performance measures" are very important
Chapter 2 Does your performance measurement process work?	A very useful chapter that should be re-read a few times by the KPI project team. The section "The common struggles with performance measurement" is a masterpiece,
Chapter 3 The Eight-week PuMP Blueprint Pilot Project	Read this after you have read the eight steps in Chapters 3 to 11 inclusive.
Chapter 4 Step 1: Understanding Measurement's Purpose	A very useful chapter that should be re-read a few times by the KPI project team. The section "The common performance measurement habits are bad habits" is excellent.
Chapter 5 to 11 Covering steps 2 to 8:	These chapters are a must-read for the KPI team. Along with a visit to Stacey Barr's website, the team is now in a position to see which methodology they want to use.
Chapter 12 Resources for PuMP implementation success	An outline of the resources Stacey Barr has made available to the KPI project team.

[i] Garr Reynolds, Presentation Zen: Simple Ideas on Presentation Design and Delivery, (New Riders, 2008).

[ii] Nancy Duarte, Slide:ology: The Art and Science of Creating Great Presentations, (O'Riley, 2008).