

Advantage Note 22b

Performance Management Capability Series

Best Practice for Goals & Measurements (Part 2 of 4)

By Declan Kavanagh



Performance Management is a critical capability in every organisation yet it is often not very well defined or integrated. In the Digitally mature organisation it becomes more sophisticated and more powerful. How do we get it right so that the performance of Individuals, Teams, Processes, Machines, Information and Materials all contribute to the organisations strategic goals and KPI's This series of short papers provides a guide for enhancing an organisations performance management capabilities and the system overall.

@Note 22a “Critical Success Factors” for Performance Management

@Note 22b “Best Practice Goals, Objectives, KPI's & Measurements” for Performance Management

@Note 22c “The main pitfalls and how to avoid them?”

@Note 22d “Adapting Performance Management for the Digitally mature organisation”

Best Practice for Goals & Measurements (paper 2 of 4)

Performance management is fundamentally about having a clear understanding of the current state “of performance” and also of the target state while understanding the gaps between them. It also requires having a process that enables the organisation system identify and execute those actions that move towards and beyond the target state, in line with available resources and timeframes. Thus achieving the target state in the shortest possible time frame. Within the process there must be a continuous awareness of progress, and reviews in and between the system elements, to adapt to the emerging environment.

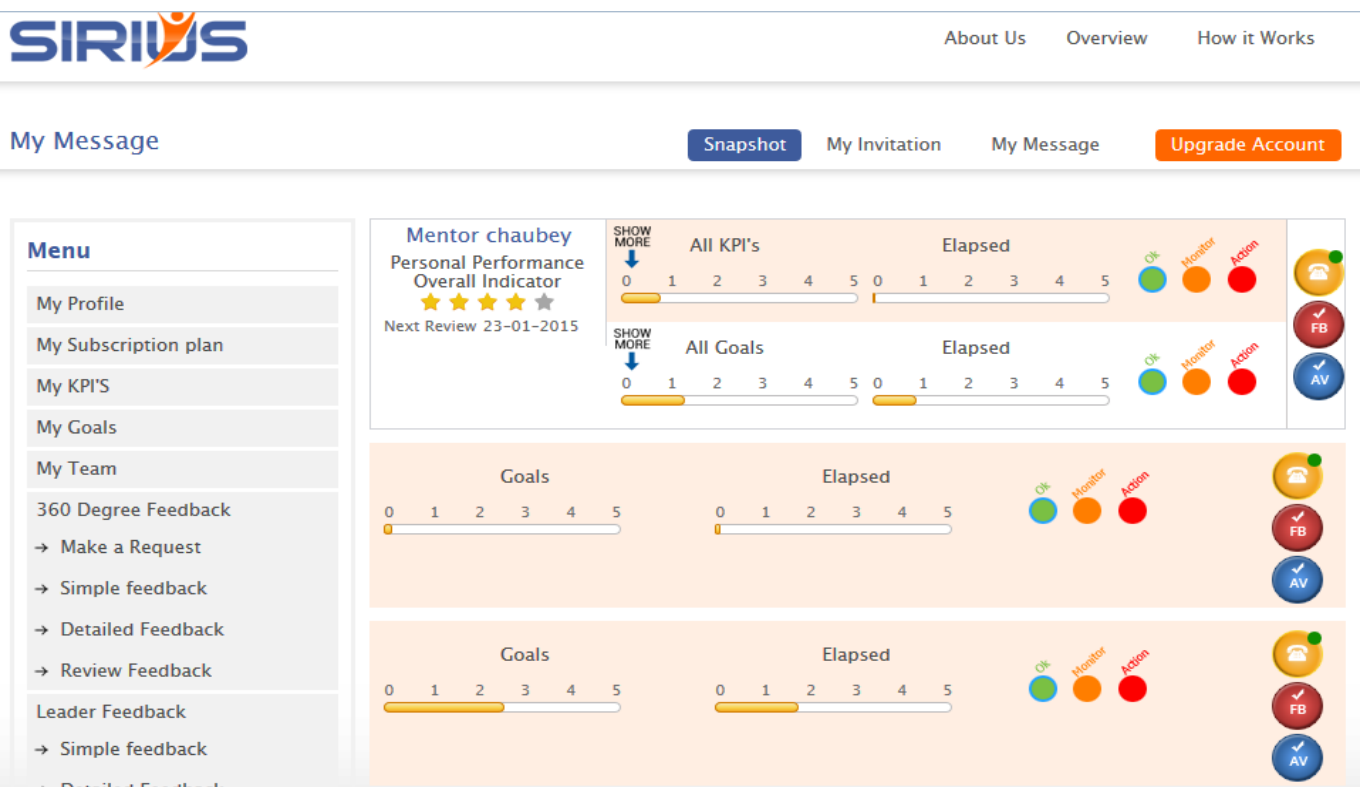
In paper 1 of this series we discussed the critical success factors for performance management (<http://bit.ly/1BQMbbQ>). Two critical success factors that are really important are:

- setting SMART² Goals where deliverables and performance standards are clear and shared.
- having effective and productive measurement of performance at all levels for key deliverables (performance standards) and Key Performance Indicators (KPI's)

In this paper we elaborate what is important when setting Goals, Objectives and measurement targets, while using these to drive improvements. We also consider goals and measurements when you are enabling transformation and change and how you identify and select those measurements that facilitate behavioural change associated with transformation initiatives.

In order to support the readers understanding we use some graphics from “Sirius” a new and innovative PC & mobile application (App) which was developed to leverage new digital technology and techniques to enable individuals, leaders and teams set effective goals and KPI's , monitor progress and accelerate performance improvement, by implementing best practice and eliminating the overhead and complexity often associated with poor implementation of performance management.

Sirius is currently in Alpha test mode and is delivering great results for individuals and leaders who have tried it for both personal development and goal management relating to their life and also with their work and careers.



The screenshot displays the SIRIUS application interface. At the top left is the SIRIUS logo. Navigation links include 'About Us', 'Overview', and 'How it Works'. Below the header, there are tabs for 'My Message', 'Snapshot', 'My Invitation', 'My Message', and an 'Upgrade Account' button. A left-hand menu lists various user options like 'My Profile', 'My Subscription plan', 'My KPI'S', 'My Goals', 'My Team', and '360 Degree Feedback'. The main content area shows a dashboard for 'Mentor chaubey' with 'Personal Performance Overall Indicator' (4 stars) and 'Next Review 23-01-2015'. It features progress bars for 'All KPI's' and 'All Goals', each with an 'Elapsed' section and status indicators (OK, Monitor, Action). A sidebar on the right contains communication icons for phone, Facebook, and AV.

Setting good Goals

SMART² is an enhancement of the term SMART when applied to a goal or objective, in a SMART objective each letter has one meaning to guide in the definition of good/effective objective or goal statements. However it has been found that by enhancing it to where each letter has two guiding principles that stronger goals and objectives can be defined and written.

- **S**
 - *Specific* (Clear, Definitive & Precise)
 - *Short* (Brief & Concise)
- **M**
 - *Measurable* (Can be measured, a metric/target applied)
 - *Meaningful* (Symbolic, significant, relating to target value)
- **A**
 - *Attainable* (Can be achieved, realistic)
 - *Assigned* (Owned, identified as responsible)
- **R**
 - *Relevant* (Related, pertinent, connected)
 - *Results based* (Outcomes & Deliverables are clear)
- **T**
 - *Time Bound* (time associated with achievement)
 - *Traceable* (connected, tracking, association record)

Unambiguous focus on purpose

Relevant indicator of progress

Owner confidence in successful outcome

Visible output with impact where intended

Contributes to top goals in timeline


What structure does a SMART² have?

Objective (Target1)

Statement	Outcome	Target Date	Performance STD	Plan
Strength Improvement	More press ups in 10 minutes demonstrating fitness	30 Nov 2014	No of press ups in 10 minutes	50,

The Objective
This can be a written statement or can be entered in an App such as Sirius

Start

Current Situation	Goal Link	Start Date	Performance STD	Start
Strength	Go to Goal	31-Oct-2014	No of press ups in 10 minutes	40, 

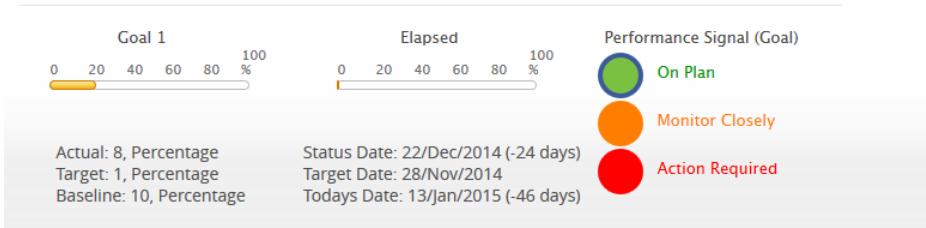
The Starting Point
The current situation is recorded and is important for measurement and display

Associated Status Update

Status	GOAL Actual	Status Date	% Achieved	% Time Used	Goal Remark
strength	44,1	31-Oct-2014	40.00%	0.00%	making progress ★★★★★

Review & Record
Regular review and records create a dynamic approach to improvement and results

Metrics By Objective



Dashboard & Display
Creates self-awareness and communicates status and progress efficiently

What are Key Performance Indicators (KPI's)?

A set of quantifiable measures that a company, organisation or industry uses to gauge or compare performance in terms of setting and meeting their strategic and operational goals. KPI's vary between companies, organisations and industries, depending on their priorities or performance criteria. KPI's are used to drive and measure performance improvement at all levels. KPI's have a very useful communications function especially where a KPI's improvement is a result of a range of activities across an organisation that may not have a direct connection to the activity of specific groups or individuals. KPI's are also useful at an operational and individual level especially for routine and regular activity/outcomes where a range of changes and task may be undertaken to improve the key performance for that activity.

What Structure does a KPI have ?

KPI's are a very effective communication and comparative tool because they are most usually represented by a numerical figure compared with a target. We use the structure below to ensure we think about our selection and use of KPI's and focus only on those that will have the maximum target impact and we have capacity to measure and use.

Key Performance Indicator

Key Performance Indicator (KPI)	Plan/Target (Target KPI,Units) (Target Date)	Starting Performance	Starting Date	Measure Frequency
Production Schedule Adherence Customer Services and REvenues	Target 100, Percentage 01 Jan 2015	80, Percentage	13 Jan 2015	Daily

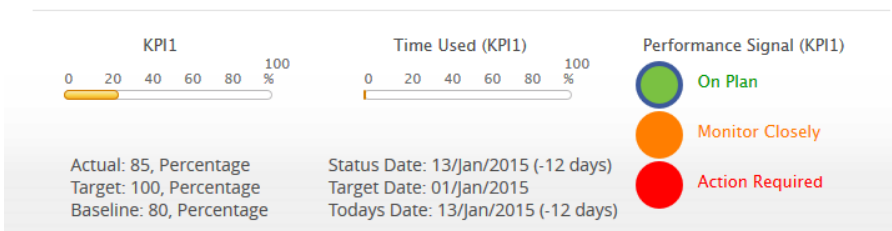
The Target & Start
Stating what our current performance is with target ensures the measurement is normative and magnitude of change is visible

Associated Status Update

Status	KPI Actual	Date	% Achieved	% Time Used	KPI Remark
Week 1 Performance	85,Percentage	13-Jan-2015	25.00%	0.00%	Still behind plan ★ ★ ★ ★ ★

Review & Record
Regular review and records create a dynamic approach to improvement and results

Performance



Dashboard & Display
Creates self-awareness and communicates status and progress efficiently

Enabling and Behavioural change measurement

In many improvement and change scenarios and often in routine business processes there are specific measurements that are critical to achieving the end performance. For example it is accepted that sales activity level such as outbound calls or customer (prospect meetings) have a significant impact on the ultimate goal of achieving new sales (Revenues). Often when we make a change we introduce a new or modified activity or interim deliverable. For example the move to digital marketing (to generate qualified leads) requires on-line activity and interventions that drive traffic to web landing pages which are designed to navigate and qualify the visitor towards making a purchase. New metrics arise not just around using web site analytics but the setting up of the various activities that target the marketing database or grow the marketing database. Or as an example the use of social collaboration platforms in a knowledge centric business to drive innovation, productivity, knowledge sharing etc. often require new KPI's that incentivise stakeholders to register and use the functions within the platform. The activity within the platform is indicative of the health of the new ways of working. For example the number of profiles, the number of new forums/groups, the level of activity within a group.