

What next? Make performance measurement about continuous improvement

Transcript

I am hoping that this whole idea of Smart Charts hasn't just taught you a really good way of graphing your measures but that it's reinforced this idea that performance measurement is not about judgement. It's about continuous improvement.

It's about turning our attention to how we can change the way that we have designed our business processes and business systems so that we can tweak those designs and change those designs to make them produce the results we designed them to produce, or to make them produce the results that customers and other stakeholders are now wanting them to produce.

Performance measurement is not about the people, it's about the process and that the spirit in which XmR charts – the father or mother of Smart Charts – were developed as well. It's all about process improvement.



The PuMP® Performance Measure Blueprint

The PuMP® Blueprint is my model of a performance measurement process and it too is developed in that spirit of continuous improvement; of making things better and of people being the instigators of change, not the things that have to change.

Measures, as tools within people's hands, means that we are much more likely to get the improvements in our business and our results, than if we use measures as a way to judge people.

[Step 1] Smart Charts do their best work when you have meaningful KPIs that are used as part of your performance management process. So that means having everybody focusing on measurement with a continuous improvement philosophy.

[Step 2] It means you have a strategy or set of goals that truly are measurable about the things that matter.

[Step 3] That you are designing measures deliberately and they truly are the best evidence of those results.

[Step 4] That you engage the right people to build buy in beyond just the people that have created the measures – anyone that will be impacted by or will impact the measures.

[Step 5] That you are clear about exactly the right way to bring your measures to life – that you have the right calculation and the right data.

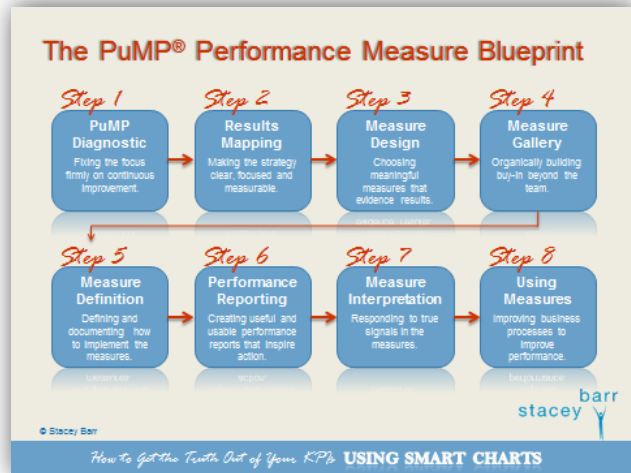
[Step 6] And that you are reporting the measures in a useful way and Smart Charts have their first impact right here in how you display your measures in reports or on dashboards.

[Step 7] Smart Charts also help the people that are using those reports or dashboards to interpret their measures validly.

[Step 8] And to put those measures to use with a focus on improving business process and using the measures to validate the impact that our process improvement initiatives actually have for real. They help us learn.

Sometimes your Smart Charts will reveal that you don't really have the right KPIs yet; that they are not as useful or as relevant as you thought, or that they're not focussing people on the right things. So always be aware of this broader context of performance measurement.

The whole process has to be working well for Smart Charts to lead to those true insights about performance that you know they can.



When your team is ready for the next level of performance...

Some of you have already done the Performance Measure Blueprint and some of you haven't so if you do want to learn that whole Blueprint process it would be remiss of me to talk about it but not give any information about it.

We run it as a workshop and the latest workshops are always on www.performancemeasureblueprint.com. There aren't any at the moment but there will be shortly because we are working out our 2013 schedule of live workshops around the world.

Any time you feel like it, you can get a membership at www.performancemeasureblueprintonline.com and you can take the course online just like this, where you are watching replays of live webinars and you can learn at your own pace.

They are the two ways that you can learn more about that Blueprint.

When your team is ready for the next level of performance...

www.performancemeasureblueprint.com www.performancemeasureblueprintonline.com

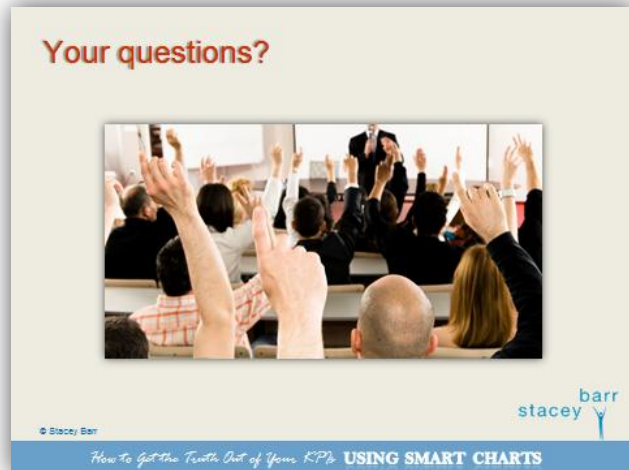
© Stacey Barr

How to Get the Truth Out of Your KPIs USING SMART CHARTS

Your questions

Your questions and comments – what have you got for me? Is there anything that I didn't cover that you hoped to that you would like to ask a question about now? Is there anything that I covered that was a little confusing that you would like me to revisit? Do you have any comments at all about what the course has done for you and what you are planning on doing with the course?

Elke has the first comment, she said



“Although it’s been midnight for me in the UK the three days of this webinar have been absolutely worth it. I’ve already been able to create some Smart Charts – keen to hear your feedback via email.”

Elke took the option where she could do the webinars but also send me her Smart Chart for feedback so I am looking forward to getting your charts and having a look. She also said,

“I have clear ideas on how to spread this throughout the company.”

That is fantastic Elke, I am so glad it's meant that to you.

John has a comment,

“Thank you Stacey, very valuable. Now need time to now develop our own Smart Charts.”

You do indeed and I think the sooner you can get stuck in and develop some of those the quicker you will be able to figure out if you do have any residual questions about the course and again I will remind you of that offer to email me any time next week with any questions you have about what we have covered.

Elke is getting very personalised feedback and that's not what I am offering to everybody unless you actually bought that option. All I am offering to everybody is in general if there's anything you have a question about that didn't make sense. And I'm going to collate all of those questions and my responses to them and publish them as an extra bonus resource for you as well.

Mala, I see that your hand is up so I will un-mute you and see if you have a comment or question as well. Okay, Mala you are un-muted so go right ahead.

Mala: It was really worth the time taking this course. Thank you very much. I would just like to know about ROI – what exactly are the investments we can take into consideration like trainings. Do these categories come under ROI?

Stacey: Yes, they do. ROI, or Return on Investment, is a fairly generic measure that you can apply to anything. It's really where you have invested time or money or effort into something that you want to make a difference through. Whatever you invest into that you can incorporate into the measure. Generally the most traditional way to do an ROI is to keep both the numerator and the denominator financially based, so that would mean if you had a program to increase profit well that naturally makes your return measure easy – it's the amount of profit that was generated through your initiative. But then the investment could be people's time, it could be actual spent money on resources or training programs, there could be a whole range of things that could come under that investment part and as long as you list them all out and then convert them to some kind of dollar value and add them all up you definitely can include them into the investment part of that calculation Mala.

Mala: Thank you Stacey. Right now I could think of two things.

Stacey: So certainly your training costs but not just the actual cost of the training, possibly the cost of people's time that you sent on the training course – if they spent a day's worth of their time at the training course that would be a day's worth of salaries that you could include in the investment as well, plus time of them working in a project to do it. So it's not just about the training but what they came back to apply that training to, the time they spend working on that project could also be a cost. Opportunity costs can also be included as well, so if a staff member had a choice of working on project A or project B and you are working out the ROI of project B you could actually work out an opportunity cost of them not being involved in project A. So maybe Project A is a little less effective on account so you could include that as well. It's really up to you what you include and just a little bit of research on the internet might give you even more ideas than that.

Mala: Thank you Stacey.

You are welcome Mala. I'll put you back on mute now.

No more comments coming through from anybody else so next week you will have all of that week to shoot through any final questions and at the end of next week, possibly into the next week to give me some time to collate it all, I will post a Q&A resource up on the website for you and I will email you and let you know when it's there.

Final tips...

Final tips to wrap us up.

One of my mantras is 'patterns not points' and this means that you should always be looking for patterns in your data, never focusing on the actual values of your performance measures individually. Hopefully that came through nice and strong through the course.

Final tip #2 is remember that Smart Charts might be easy, once you understand them, but they are not trivial them.

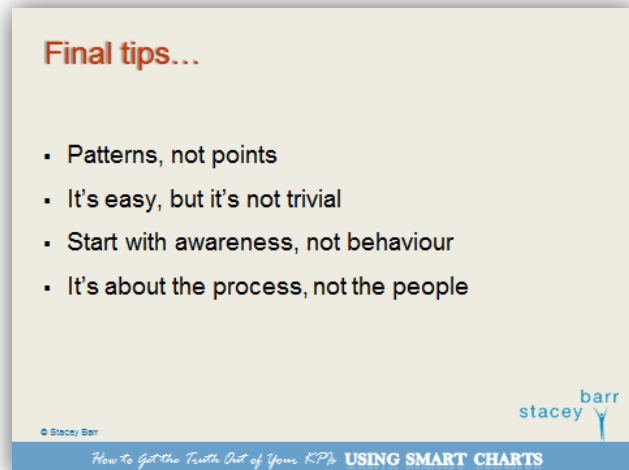
It's really important to get the calculations right. It's really important to understand exactly what you are doing and to follow the instructions that I have given you. It's going to be hard for you to teach this to somebody else and have them get it right until you have had a really good amount of experience in doing it and testing out all the different aspects of what I have taught you.

There is a lot of experience that goes into being able to do this 'second nature' so until you are at that point where it does feel 'second nature' just be wary of some of the risks of teaching it directly to your colleagues. It's much better that you teach them how to use a Smart Chart and interpret it and don't worry too much about teaching them how to actually calculate it yet unless they are doing it alongside you and you are doing it together.

Also, as you are introducing Smart Charts to your colleagues start with raising their awareness not changing their behaviour. So help them see the limitations of the misleading interpretations they are making of their measures – don't just throw a new Smart Chart at them and say 'This is better'. You have to lead them from awareness through to a change in belief through to a change in behaviour.

Finally, it is about the process not the people. It's about continuous improvement of our business processes and systems, not about improvement of people. Measures should not be used for that. I think it's too undignifying and certainly the unintended consequences of doing it are very large and severe so let's turn our measure's attention to monitoring our processes and use Smart Charts to help us work together in teams to work on our processes and get the results that we really want.

The ball is in your court now everybody. Have fun with Smart Charts and the satisfaction you will get from how well they direct you and your colleagues to the right



actions that really will improve performance. This is one of my favourite steps in the performance measurement process and I've loved sharing it with you. I would love to see more of your Smart Charts too as you create them. Please stay in touch via www.staceybarr.com.

For now though this is Stacey Barr signing off with a smile. Thanks a million for joining me!

End of transcript.