

## PuMP Step 8: Reaching Performance Targets

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### Step 8.1: Set sensible targets

When you understand how to validly interpret your performance measures using the PuMP Measure Interpretation technique and XmR charts, you realise quickly that we need to change the way we typically set targets. Rather than setting an annual target, or a monthly target, we need to set targets for the Central Line or upper and/or lower Natural Process Limits in our measures' XmR charts. These values represent the capability of our processes and their current performance level, so it makes most sense to set targets to improve these.

Here are some more target setting tips:

- Avoid setting targets for perfection, like zero incidents (that might be your vision, but as a target it will easily demoralise people) – set targets for step-improvements toward an ideal.
- Set interim and stretch targets – reach the easy interim targets to build momentum and wisdom for how to achieve the stretch targets.
- There is no science to it, you have to find a balance between what people believe they can attempt and what you want to inspire them to reach.

### Step 8.2: Prioritise performance gaps

Not every measure points to an urgent improvement. There are a few conditions that suggest you have a performance gap well worth closing:

- Where is current performance moving away from targeted performance?
- Where is current performance making no progress toward targeted performance?
- Where is current performance improving, but not fast enough to reach targeted performance?
- Where is current performance heading back below targeted performance?

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## SUMMARY PAGE

### Step 8.3: Find the causes

It's often not until you start using your performance measures – and any supplementary information – that you begin to realise the type of information you really need. New questions often come up when you interpret your measures, new questions about causes.

Too many initiatives to reach performance targets are about educating people, increasing budget or increasing resources – all treating symptoms. You need to dig deeper than the obvious. Flowcharting business processes and looking for weak links or disconnects in their design is great way to find the root causes and avoid treating symptoms. All results come from a process or system that produces them.

It can also be worth the time to drill down into more data to see if you can answer these questions, so you don't jump to a premature conclusion about what to fix.

### Step 8.4: Choose high-leverage solutions

Performance measurement should go hand in hand with strategy execution, the implementation of those initiatives and projects that were chosen to achieve the strategic and operational goals. Sometimes your performance measures will show you that the strategies are working. But often they can show the opposite.

There's no crime in cancelling a strategic initiative if it just isn't improving performance. In fact, it's a crime if you don't because you're wasting precious time and money. When you need another way to close a performance gap, the design of the business process producing that result will hold the clues.

Have a 'no excuse' mentality, which means focus on what you can influence, not just what you can control!

### Step 8.5: Look for signals and check for impact

In the context of the cause analysis, look for signals that suggest whether the initiatives or improvements or strategies you have implemented have had the impact you wanted. Look for true signals, NOT limited comparisons like this month compared to last month or this month compared to target! You'll simply need to look back at your measure's XmR chart a few periods after you made the improvement, to see if there's a long run or short run there to see if your improvement worked.