

Guide on Performance Measures

How effective are your measures in steering your business success? Review the questions in the table and determine what changes are necessary to leverage measures to drive high performance.

Question	Consideration
1. How many measures do you look at?	Fact: It takes time and effort to collect data, analyze the data and create the report Focus: Critical measurements that matter
2. How many measurements are finance-related?	Fact: Financial results are lag indicators—it is too late to change anything when you see them Focus: Measure work that are drivers for results
3. Are milestones of activities included?	Fact: Milestones are perfect for project management—they monitor progress of activities Focus: Results rather than activities
4. Is there any statistical measurement?	Fact: Statistical data are great for planning—they are drivers for resource allocation Focus: Results that are indicative of quality of work and improvement
5. How do you select what measures to use?	Fact: Brainstorming and adopting others' measurements risk misdirecting resources to things that don't align with corporate goals Focus: Look at your strategy and priorities, articulate clearly the results you want to achieve
6. Do the measures reflect the outcome you aim to achieve?	Fact: Results matter Focus: Evidence of success
7. Do the measurements incentivize the desired behaviour?	Fact: You get what you measure Focus: Take a big picture view and avoid silo mentality
8. Do you measure activities that drive results?	Fact: Pareto principle says 80% of the effects come from 20% of the causes Focus: Measure critical activities for they must be done well
9. How well do the measurements correlate to the corporate goals?	Fact: Goals can be achieved only when you are clear on the results you want Focus: Clearly articulate results and measure with conviction
10. Can employees relate their work to the corporate goals?	Fact: It is not possible to align decisions and day-to-day operations if there is gap in the understanding of the corporate goals Focus: Tie departmental measures with corporate measures to link up activities for optimal alignment