

Maturity Model for Performance Measurement Practice

Performance measurement is more than a tracking mechanism for results. When done properly, it is a strategic tool for companies to uncover deficiencies and make sound decisions for action. Without it, companies risk investing valuable resources in the least impactful work.

The maturity model provides an assessment tool to evaluate the maturity of a company's performance measurement practice. The evaluation covers the key elements for sound performance measurement.

How to Use the Model

For each area of practice, four levels of maturity are described. To the right of the table, there are four blank columns for you to rate your company's maturity. To assess the maturity of your performance measurement practice, select a maturity level (M-1, M-2, M-3, or M-4) that reflects closely what you do. If it happens to fall between two maturity levels, pick the one that is more than 80% true. The ratings will give you an idea on areas where more work is needed.

Print out this document and place a check mark for the maturity levels that best describe your performance measurement practice. Then, count the total number of check marks for each column and note them in the Total Count boxes at the bottom.

Maturity of Performance Measurement Practice

Subject	Area of practice	Maturity Level				Check the level best describes your practice			
		M-1	M-2	M-3	M-4	M-1	M-2	M-3	M-4
Measures	Design	Use predominantly financial measures and basic functional measures.	Include industry benchmark measures to supplement a basic list.	Brainstorm ideas for measures to reflect desired business outcomes.	Use a deliberate process to clearly define measures that reflect success.				
	Linkages	A mix of measures that appear to be logical.	A combination of lead and lag indicators at the functional level.	Functional measures that loosely support the corporate strategy.	Tightly linked measures from corporate to business units to teams across the whole organization.				
	Quantity	Include everything measurable.	Each functional area maintains a list that focuses on its own mandate, challenged to determine which ones are useful for reporting up.	Functional areas monitor key activities and those that have cross impacts on other areas.	Focus on a handful of critical measures that hone in on core activities at each work level to drive strategic results.				
Data	Quality	Don't have the data and rely on surrogate data.	Known data gaps that can be accommodated.	Have data or generated them from building on reliable data.	Complete, consistent, and timely data.				
	Accessibility	Cumbersome process to extract data from sources.	Batch approach to extract data and upload them to the reporting tool.	Access data through a data warehouse or data lake.	Expedient access to real-time data.				
	Systems and tools	Excel to prepare the report/dashboard, with data exported from sources.	Native reporting capabilities, supplemented with Excel.	Custom report/dashboard development in existing applications.	Business analytics tool to create dashboard, integrated with data sources.				

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Ownership	Accountability	High level assignment through budgeting exercise.	Explicit assignment of target performance for non-financial measures by function.	Ownership assignment for the performance of key processes.	Clear ownership and line-of-sight at all levels from corporate to business unit to team to job function and process.				
	Follow-up action	Reliance on budget owners.	Each functional owner works independently to deliver targets.	Limited collaboration among owners to optimize results.	Full collaboration among owners across the organization to align decisions and actions.				
	Discipline	Regular reviews of financial results but has adhoc approaches for other measures.	Diligent with results review at functional level though inconsistent with follow-up actions.	Disciplined review and identification of follow-up actions, despite a lack of follow-through to ensure changes are made.	Scheduled reviews where issues are tabled, consistent follow-up and follow-through across the organization.				
Culture	Management support	Leaders do what is needed to satisfy reporting requirements.	Select leaders acknowledge the significance and educate others within their own areas.	Most leaders recognize the business benefits and work actively to rally broader support.	All leaders are fully aligned on the approach and walk the talk.				
	Employee buy-in	View measurement as a necessary business management exercise, a 'just do it' mindset.	Small percentage understands the purpose, though cautious about sharing poor results.	Majority recognizes the advantage, open to discuss issues and collaborate on solutions.	Full embracement by all with keen interest to improve business results.				
	Education	There is no education about the value. Infrequent communication of results beyond the senior leaders.	There is little education. Narrow focus by functional leaders to hone performance for their respective areas.	Pockets of leaders take the lead to educate subordinates and collaborate with other teams they work with to improve performance.	Regular dialogues at all levels. Demonstrated value in leveraging performance measurement.				
Total count									

Understanding the Maturity of Your Performance Measurement Practice

Scores of >7 in M-1: Missed opportunities

You have basic reporting in place. There are missed opportunities for attaining higher performance due to a lack of meaningful information from what you monitor and potential mis-alignment of execution. Despite good intent, teams could be directing resources in conflicting directions.

Scores of >7 in M-2: Exploratory mode

You have incongruent measurement practices. Disconnects across functional areas might lead to performance excellence in one area at the expense of another. Limited support makes it challenging to drive broader alignment and adoption of sound performance measurement.

Scores of >7 in M-3: On the accelerator pedal

You have a plan on how to leverage effective performance measurement. You have got many key foundational elements in place. The adoption has helped to make better decisions and deliver better business performance.

Scores of >7 in M-4: Strategic execution

Congratulations! You have a coherent approach to performance measurement that is supported. You are able to gain insight from the results reported and make sound decisions. Alignment on the performance measurement approach and the mindset around effective results monitoring expedite focused execution, leading to consistent delivery of high performance.

Scores scattered in different maturity levels: Gaining traction

You attempt to harness the power of performance measurement despite limited alignment. Teams that are disciplined are able to demonstrate the value of performance measurement. They enjoy higher performances. You actively seek to expand cohesive implementation throughout the organization.

What are the Next Steps?

If you fall into “Missed opportunities”:

- Pick a business unit or team to hone performance measurement.
- Seek support from a senior executive to champion the drive.
- Closely monitor progress to ensure the right results are monitored and used for driving improvements.

If you're in "Exploratory mode":

- Look at the areas where you have the M-2 maturity level and identify measurement improvements that you can work on.
- Focus on one or two areas to avoid overwhelming those involved.
- Make an effort to engage the management team for support and build momentum.

If you're "On the accelerator pedal":

- Ensure the culture is where you need it to expedite advancement of sound measurement practices.
- Review areas where you have lower maturity levels and work on them.
- Encourage collaboration to advance coherent results monitoring and performance.

If you have "Strategic execution":

- Seek advancement in areas that you need to further advance your measurement practice.
- Continue to cultivate a healthy culture for performance excellence.
- Review measures regularly to validate usefulness.

If you're "Gaining traction":

- Seek alignment and support from the management team.
- Identify one or two areas that you can work on and make progress quickly.
- Share success stories and build traction.

Keep in Mind

Building a sound performance measurement practice takes time. In order to attain insightful information from measurement, you need to measure the right things for your business.

When you are clear on the results you aim for and have the appropriate measures to monitor their progress, you are in a position to direct resources to work that matters. Align everyone to leverage this overlooked practice to accelerate results.

To Learn More

You can:

- Connect with Connie Siu @ConnieSiuCMC or via email csiu@cdcsynectics.com
- Pick up a copy of [Get Results that Count](#), a practical guide on performance measurement
- Subscribe to [video tips](#)