

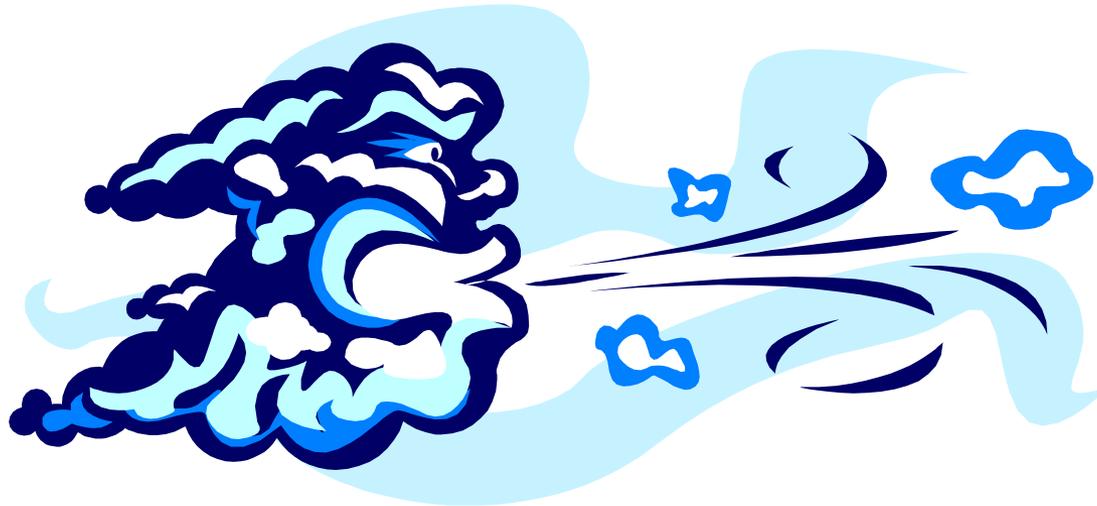
Business Excellence: “What Gets Measured Gets Done”

Presented by
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- Do you remember the last major initiative you watched die in your organization?
- Did it go down with a loud crash? Or was it a slow quiet suffocation by other competing priorities?
- By the time it finally disappeared, it is likely no one even noticed.
- What happened?

*Adopted from: The 4 Disciplines of Execution
McChesney, Covey, Huling
2012, Free Press*

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The “whirlwind”

Adopted from: *The 4 Disciplines of Execution*
McChesney, Covey, Huling
2012, Free Press

Learning Objectives

At the end of this session you will be able to:

- Differentiate Results Measures (RM) from the Performance Measures (PM) that drive results
- Recognize frequency (future, current, and past) of RM and PM to achieve breakthrough performance
- Develop a practice for setting, measuring and reporting goals

How Do You Measure Performance?

What are you measuring?

Are you measuring what's important?

- Results or
- What drives results?

Measure Everything You Do

You cannot improve what you cannot or do not measure

Lord Kelvin, British Scientist

What You Measure is What You Get

- Traditional financial/accounting measures
 - Results measures
- Non-financial measures – less “traditional”
 - Performance measures

Operations Measures Types and Mix

10/80/10 Rule (100 or less):	<u>%</u>	<u>Frequency</u>
<ul style="list-style-type: none"> • Key Results Measures (KRM) <ul style="list-style-type: none"> – Overview of past performance Monthly/quarterly 		≤10
<ul style="list-style-type: none"> • Results measures (RM) and <ul style="list-style-type: none"> – Summary on a specific area • Performance measures (PM) <ul style="list-style-type: none"> – Target measures identify action required 	~80	24/7, daily, weekly, monthly/quarterly
<ul style="list-style-type: none"> • Key Performance Measures (KPM) <ul style="list-style-type: none"> – Tell staff what needs to be done to dramatically improve performance 		≤10 24/7,daily, weekly

Measure 24/7, daily, weekly if you want to create change

Source: Robert S. Kaplan, Harvard Business School, and David P. Norton, The Palladium Group, 2012

“Leading” and “Lagging” Measures

- Past measure (last week/last month)
- Current measure (yesterday’s or today’s activities)
- Future Measure (commitments made in the future)

Source: Robert S. Kaplan, Harvard Business School, and David P. Norton, The Palladium Group, 2012



- What matters?
 - What's missing?
 - What's next?

4/2011	228	Pounds
6/2011	224	Pounds
12/2011	218	Pounds
4/2012	208	Pounds
5/2012	188	Pounds
10/2013	205	Pounds
12/2013	197	Pounds

WHY?

The 4 Disciplines of Execution (4DX)

- A proven set of practices for execution of most important strategies in the midst of whirlwind.
 - Simple
 - Measureable
 - Accountable
 - Repeatable
 - Sustainable
 - Can produce breakthrough results

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The 4 Disciplines of Execution (4DX)

- Wildly Important Goal (WIG)

_____ from this to that by when

- Measures (2)
 - Goal
 - Activities
- Compelling Scoreboard
- Commitment and Accountability (Personal)

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Most Important Goal

- Make it simple
- Make it action – A VERB
- Measure it – ***From this to that by when***
- ***What*** you are wanting to achieve, ***not how*** to achieve it
- It is achievable

Adopted from: *The 4 Disciplines of Execution*
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What are the performance measures?

- Measured in small steps
- Behavior (activity) measures

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McChesney, Covey, Huling

2012, Free Press

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Measure What Matters

When we deal in generalities, we will seldom succeed; when we deal in specifics, we will seldom fail. When performance is measured, performance improves; *when performance is measured and reported, the rate of improvement accelerates.*

Thomas S. Monson

Keep the score

- Simple – keep score for the players
- Easily seen and understood
- Show results and performance measures
- Can tell at a glance if winning – personalize
- Update it
 - Easy
 - Frequency
 - Visibility

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Cadence of Accountability

- Frequency
- **Account:** Report on prior week commitment
 - What worked
 - What didn't
 - What are the road blocks
- **Review** the scoreboard: Learn from success/failure
- **Plan:** What is the commitment for the coming week
 - What will have the biggest impact
 - It's all about me
 - This week, not next

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Example/ Practice