

Tips on Performance Measurement

How effective are your measures in helping your business attain its goals? Review the questions in the table and determine what changes are necessary in order to leverage performance measurement for focused execution and better business outcomes.

Question	Consideration
1. How many measures do you look at?	Fact: It takes time and effort to collect data, analyze the results and create the report Focus: Critical measurements that matter
2. How many measures are finance-related?	Fact: Financial results are lag indicators—it is too late to change anything when you see them Focus: Activity drivers that have direct impacts
3. Do you measure action or result?	Fact: Milestones are perfect for project management—they monitor progress of activities Focus: Outcomes rather than progress of activities
4. Are there any statistical measurements?	Fact: Statistical data are great for planning—they are useful for resource allocation Focus: Results that are indicative of the quality of work and improvements
5. How do you select relevant measures?	Fact: Brainstorming and adopting others’ measures risk misdirecting resources to things that don’t align with your own goals Focus: Look at your strategy and priorities, articulate clearly the results you want to achieve
6. Do the measures reflect the outcomes you aim to achieve?	Fact: Results matter Focus: Evidence of success
7. Do the measurements incentivize the desired behaviours?	Fact: You get what you measure Focus: A coherent big picture view would avoid conflicting priorities and 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: Sound performance of the critical activities influences the final outcomes
9. How well do the performance measures support the corporate goals?	Fact: Goals can be achieved expeditiously when you are clear on the results you want Focus: Monitoring of the clearly articulated results implied in the corporate goals
10. Can employees relate their work to the corporate goals?	Fact: It is not possible to align decisions and day-to-day operations if employees don’t understand the corporate goals Focus: Clear line-of-sight between departmental performance measures and corporate measures