Index

10/80/10 rule, 81–82

A
Abandonment
  foundation stone of performance management, 45–46
  foundation stone of winning KPIs, 111–112
  Peter Drucker, 31–34, 45–46

B
Balanced scorecard (BSC)
  differences between BSC and winning KPIs methodology, 301–304
  for management not the board, 18
  government and non profit agencies, 3–4, 6
  not first off the blocks, 17–18
  six perspectives, 18–20
  six perspectives (exhibit), 16, 19
  team scorecard, 202
  Barr, Stacey, 157–158, 206
  Beyond budgeting, 239–240
  Board Dashboard (exhibit), 198–201

C
Case studies
  golf club, 161–165
  government department, 169–170
  professional accounting body, 170–171
  surf life saving, 166–168
CEO
  KPI team reporting directly to CEO, 120

letter: invitation to put winning KPIs in your organization, xv–xvii
measurement leadership from CEO, 57–60
senior management commitment, step one, 115–120
transfer of power to the front line, 107–108
what they need to read, 59
Collins, Jim, 35–36, 55
Critical success factors (CSFs)
  characteristics of CSFs, 90
  common CSFs and their performance measures, 177–183
  common CSFs for a hospital, 244
  common CSFs for a school/university, 247
  common CSFs for a local municipality, 250
  common CSFs for a police force, 253
  common CSFs for an armed forces, 256
  common CSFs for a development bank, 259
  common CSFs for a tax collecting agency, 262
  common CSFs for a professional body, 265
  common CSFs for a professional body, 269
definition, 85
foundation stone of revitalising performance, 45
four tasks for identifying organization-wide CSFs, 91–100
Critical success factors (CSFs)

importance of knowing your CSFs, 86–90
linkage to strategy (exhibit), 86
presenting the CSFs to the board
(slide templates), 293–299
relationship mapping (exhibit), 94–98
source of KPIs, foundation stone to implementing KPIs, 110–111

D
Dashboard for the board dashboard
(exhibit), 198–201
Database
list of useful measures (appendix), 273–292
recording performance measures in a database (step 7), 134–137
Drucker, Peter, 32–34, 55, 225

E
Edersheim, Elizabeth, 56
Emotional drivers, 118, 173–174
Empowerment, 107–108
Examples
accident and emergency department, 5
airline, 107
British Airways, 74–75
car manufacturer, 108
city train service, 4–5
distribution company, 75
government department, 109
road construction company, 229–230
Virgin Atlantic, 20

F
Facilitator to KPI team
external appointment, 118
role, 118–119, 121–123
Few, Stephen, 52, 146, 153, 185–186, 194–195, 204, 206, 208
Focus group workshop, 119
Fraser, Robin, 24–25, 212, 239–240
Future measures, 79

H
Hamel, Gary, 43–44, 55
Holland, Bruce, 63, 67
Hope, Jeremy, 24–25, 212, 239–240
Hoshin Kanri, forerunner to the balanced scorecard, 17–18
Human behavior
dark-side of measures, 4–6
understanding human behavior
foundation stone, 27–29

I
Innovation
Gary Hamel’s views, 43
Jack Welch’s views, 38
Jim Collins’s views, 36
Kaizen, 53
Peter Ducker’s views, 32
Implementation
eight-phase implementation for SMEs, 115–116
eight-phase implementation for SMEs (exhibits), 115–116
foundation stones for implementing KPIs, 105–113
foundation stones and the 12 steps, 117
next steps, 205
rollout duration (exhibit), 130
twelve steps (exhibit), 116
twelve steps outline, 115–116
Step One: senior management commitment, 115–120
Step Two: establishing a “winning KPI” project team, 120–124
Step Three: establishing a “just do it” culture and process, 124–127
Step Four: setting up a holistic KPI development strategy, 127–131
Step Five: marketing the KPI system to all employees, 131–134
Step Six: identifying organization-wide critical success factors, 85–103
Step Seven: recording performance measures in a database, 134–137
Index

Step Eight: selecting team-level performance measures, 137–142
Step Nine: selecting organizational “winning KPIs”, 143–144
Step Ten: developing the reporting framework at all levels, 145–148
Step Eleven: facilitating the use of winning KPIs, 148–150
Step Twelve: refining KPIs to maintain their relevance, 151–152

J
“just do it” culture and process (step 3), 124–127

K
Kaizen, 53
Kaplan, Robert S, 6, 18–22, 66, 120, 206, 301–304
KPI team
establishing a “winning KPI” project team (Step Two), 120–124
establishing a “just do it” culture and process (Step Three), 124–127
mix of oracles and “young guns”, 121
reporting lines (exhibit), 120
training, 123
Key Performance Indicators (KPIs)
all performance measures are KPIs myth, 22–23
background, 74–77
case studies, 74–75
characteristics of KPIs (seven), 76–77
definition and description, 74
difference between KPIs and KRIs (exhibit), 78
examples, 178–183
facilitating the use of winning KPIs (Step Eleven), 148–150
financial indicators myth, 23
linkage to strategies (exhibit), 9
linking KPIs to pay myth, 14–15
refining KPIs to maintain their relevance (Step Twelve), 151–152
selecting organizational “winning KPIs” (Step Nine), 143–144

Key Result Indicators (KRIs)
background, 71
definition, 71–73
difference between KPIs and KRIs (exhibit), 78

L
Lead and lag indicators myth, 24
Liker, Jeffrey, 50, 56

M
Marketing
marketing the KPI system to all employees (Step Five), 131–134
selling by emotional drivers, 118, 173–174
Measurement
appoint a chief measurement officer, 60
barriers to measurement leadership, 57–58
measurement leadership, 57–60
myths of performance measurement, 13–25
the dark side, 4–6
Mission
background, 61–62
definition, 62
exhibit, 62

N
Niven, Paul, 61, 206–208
Nonfinancial measures, 23, 76
Norton, David P., 6, 18–22, 66, 120, 206, 301–304

O
Outcome measures, 24
Index

P

Parmenter, David


Key Performance Indicators: Developing, Implementing, and Using Winning KPIs, 2nd ed., xiii, xiv, 103

People management

Jack Welch’s 20/70/10 differentiation rule, 49

Performance management

the foundations stones, 27–46
revitalizing performance management, 27–55
dysfunctional performance measures checklist, 30

Performance measures

avoid putting in measures that do not work (list), 30
brain storming measures, 156–158
benefits, 8–10
current, 79
dark side of measures, 4–6
database layout (exhibit), 135
description, 71
four types of performance measure (exhibit), 72
future measure, 79
list of measures, 273–292
progress checklist, 6–7
past measure, 79
past, current, future measures (exhibit), 80
performance driver measures, 24
timely measurement, 82–83
the myths of performance measurement, 13–25
where to start first (exhibit), 138

Performance indicators (PIs)

background, 3–5, 71
definition, 3, 73–74
difference between PIs and RIs (exhibit), 79

Performance related pay

foundation stones, 211–221
not linking pay to KPIs, 14–15, 47–48

Peters, Tom, 41–42, 55
Porras, Jerry, 55

Quarterly rolling planning, 231–237
Quarterly rolling planning (exhibit), 232

R

Reading list

who should read what chapters, xvii–xix
recommended reading for project team, 124

Recruiting

14 great questions to ask, 225–226
effective recruiting, 223–228
Jim Collins’s views, 35, 48
Jack Welch’s views, 48–49
Peter Ducker’s views, 32, 48, 225

Reporting

developing the reporting framework at all levels (Step Ten), 145–148
framework (exhibit), 82
portfolio (exhibit), 203
templates, 187–202
KPIs to management and staff, 186–191
performance to management, 191–195
performance to staff, 195–196

Result Indicators

background, 71
definition, 73–74
difference between PIs and RIs (exhibit), 79

Rolling planning, 229–240

S

Selling change

by the emotional drivers, 173–174
emotional drivers example, 173–174
Index

letter to the CEO, xv–xvii
marketing the KPI system to all
employee (Step Five), 131–134
presenting the CSFs to the board
(slide templates), 293–299
to the senior management team,
174–175
Senior management team (SMT)
commitment (Step One), 115–120
Selling change, 174–175
Shortcuts, 119, 131, 140–141
Small to medium enterprises (SMEs),
115–116
Spitzer, Dean, 5, 15, 25, 28–29, 60,
112
Strategy
how strategy and critical success
factors work together (Exhibit), 16
balanced strategy, 64
Jack Welch’s strategy slides, 241–242
linking performance measures to
strategy through the CSFs, 88–89
linkage to performance measures,
61–67
monitoring implementation of your
strategy, 65–66
mapping strategies to the balanced
scorecard perspectives (exhibit),
65
setting up a holistic KPI
development strategy (Step Four),
127–131
Strategy Mapping
mapping strategies to the balanced
scorecard perspectives (exhibit),
65
relationship mapping, an alternative,
91–100
strategy mapping myth, 20–22
Success factors
description, 89, 91–92
relationship mapping success factors
(exhibits), 95–96
success factors for a hospital,
244–246
success factors for a
school/university, 247–249
success factors for a local
municipality, 250–252
success factors for a police force,
253–255
success factors for an armed forces,
256–258
success factors for a development
bank, 259–261
success factors for a tax collecting
agency, 262–264
success factors for a professional
body, 265–268
success factors for a professional
body, 269–272
T
Team
performance measures, 137–142
team scorecard (exhibit), 202
Time frame for implementation
eight phase (exhibit), 116
twelve steps (exhibit), 116
Toyota
The Toyota Way by Jeffrey K. Liker,
50, 56
Toyota’s 14 principles, 50
V
Values
background, 61–63
definition, 63
linkage to KPIs (exhibit), 62
Vision
background, 61–62
definition, 62
linkage to KPIs (exhibit), 62
W
Waterman, Robert, 41–42, 55
Welch, Jack
lessons, 37–40, 55
strategy slides, 241–242
views on annual planning, 229