Contents

Preface		xiii
Acknowledge	ments	xxi
PART I	SETTING THE SCENE	
CHAPTER 1	Background	3
	Are Agencies Really Non Profit Agencies?	3
	Measurement in Government and Non Profit Agencies	3
	Unintended Behavior: The Dark Side of Measures	4
	Balanced Scorecards within Government and Non Profit Agencies	6
	Checklist: Where Are You in Your Journey with Performance Measures?	6
	Major Benefits of Performance Measures	8
	Notes	10
CHAPTER 2	Myths of Performance Measurement	13
	Myth 1: Measuring Performance Is Relatively Simple and the Appropriate Measures Are Very Obvious	13
	Myth 2: You Can Delegate a Performance Management Project to a Consulting Firm	14
	Myth 3: Your In-House Project Team Can Achieve Success while Continuing with Their Other Duties	14
	Myth 4: By Tying KPIs to Pay You Will Increase Performance	14
	Myth 5: Most Measures Lead to Better Performance	15

	Used to Help Manage Implementation of Strategic Initiatives	16
	Myth 7: The Balanced Scorecard Was First Off the Blocks	17
	Myth 8: Measures Fit Neatly into One Balanced-Scorecard Perspective	18
	Myth 9: The Balanced Scorecard Can Report Progress to Both Management and the Board	18
	Myth 10: There Are Only Four Balanced-Scorecard Perspectives	18
	Myth 11: Strategy Mapping Is a Vital Requirement	20
	Myth 12: All Performance Measures Are KPIs	22
	Myth 13: Monitoring Monthly Performance Measures Will Improve Performance	23
	Myth 14: KPIs Are Financial and Nonfinancial Indicators	23
	Myth 15: The More Measures the Better	23
	Myth 16: Indicators Are Either Lead (Performance Driver) or Lag (Outcome) Indicators	24
	Myth 17: We Know What Good Performance Will Look Like Before the Year Starts and, thus, Can Set	24
	Relevant Year-End Targets	24
	Notes	25
CHAPTER 3	Revitalizing Performance Management	27
	Foundation Stone 1: Understanding Human Behavior	27
	Foundation Stone 2: Knowledge of the Paradigm Shifters (Drucker, Collins, Welch, Hamel, Peters,	20
	Waterman, and Others)	29
	Foundation Stone 3: Using an Appropriate Strategy	44
	Foundation Stone 4: Critical Success Factors Known by All Staff	45
	Foundation Stone 5: Abandon Processes That Do Not Work	45
	Rejuvenating Human Resources	46

Contents

	Performance-Related Pay: Correcting the Errors	47
	Reviewing an Individual's Performance	48
	Getting the Right People on the Bus	48
	Jack Welch's 20/70/10 Differentiation Rule	49
	Secrets from High-Performing Teams	49
	Toyota's 14 Principles	50
	Role of Performance Measures: Implementing Winning KPIs	51
	Quarterly Rolling Planning: The Setting of Targets	51
	Reporting Performance	52
	Outside-In View	53
	Adopting Kaizen	53
	Working Smarter Not Harder	54
	Getting Technology to Deliver	54
	Moving from Management to Leadership	55
	Notes	55
CHAPTER 4	Measurement Leadership Has to Come from the Chief Executive Officer	57
	Barriers to Measurement Leadership	57
	The Way Forward for the Chief Executive Officer	58
	Appoint a Chief Measurement Officer	60
	Notes	60
CHAPTER 5	Strategy and Its Relevance to Performance Measures	61
	Define Your Organization's Mission, Vision, Values	61
	Create a Strategy That Is Understood by Staff	63
	Ensure That Your Strategy Is Balanced	64
	Monitor Implementation of Your Strategy	66
	Creating the Future	66
	Replace the Annual Planning Process with	
	Rolling Planning	67
	Notes	67

PART II	WINNING KPIS METHODOLOGY	
CHAPTER 6	The Great KPI Misunderstanding	71
	Key Result Indicators	71
	Performance and Result Indicators	73
	Key Performance Indicators	74
	Seven Characteristics of KPIs	76
	Difference between Key Results Indicators and KPIs	78
	Lead and Lag Confusion	79
	10/80/10 Rule	81
	Importance of Timely Measurement	82
	Note	83
CHAPTER 7	Finding Your Organization's Critical Success Factors	85
	The Missing Link	85
	Importance of Knowing Your Organization's Critical Success Factors	86
	Four Tasks For Identifying Organization-Wide Critical Success Factors	91
	Strategy Mapping	100
	Notes	103
CHAPTER 8	Foundation Stones for Implementing Key Performance Indicators	105
	"Partnership with the Staff, Unions, and Third Parties" Foundation Stone	105
	"Transfer of Power to the Front Line" Foundation Stone	107
	"Measure and Report Only What Matters" Foundation Stone	108
	"Source KPIs from the Critical Success Factors" Foundation Stone	110
	"Abandon Processes That Do Not Deliver" Foundation Stone	111
	"Understand Human Behavior" Foundation Stone	112

	Definition" Foundation Stone	113
	Notes	113
CHAPTER 9	Implementing the 12-Step Process	115
	How the 12-Step Model and the Seven Foundation	115
	Stones Fit Together Stone One Senior Management Team Commitment	115
	Step One: Senior Management Team Commitment Step Two Establish a Winning VPI Team Working	115
	Step Two: Establish a Winning KPI Team Working Full Time on the Project	120
	Step Three: Establish a Just-Do-It Culture and Process	124
	Step Four: Set Up a Holistic KPI Development Strategy	127
	Step Five: Market the KPI System to All Employees	131
	Step Six: Identify Organization-Wide Critical	
	Success Factors	134
	Step Seven: Record Performance Measures in a Database	134
	Step Eight: Select Team-Level Performance Measures	137
	Step Nine: Select Organizational Winning KPIs	143
	Step Ten: Develop the Reporting Framework at	1/5
	All Levels	145
	Step Eleven: Facilitate the Use of Winning KPIs	148
	Step Twelve: Refine KPIs to Maintain Their Relevance	151
	Notes	152
CHAPTER 10	Determining the Measures	155
	How to Derive Measures	156
	Brainstorming Measures	156
	Stacey Barr's PuMP	157
	Checking KPIs for Behavioral Alignment	159
CHAPTER 11	Case Studies	161
	Golf Club (Non Profit Membership Organization)	161
	Surf Life Saving (Non Profit Membership Organization)	166
	Government Department	169
	Professional Accounting Body	170
	O	

CHAPTER 12	Selling Change	173
	Selling by Emotional Drivers	173
	Selling the Move to Winning KPIs	174
CHAPTER 13	Common Critical Success Factors and Their Likely	
	Measures for Government and Non Profit Agencies	177
CHAPTER 14	Reporting Performance Measures	185
	The Work of Stephen Few in Data Visualization	185
	Reporting the KPIs to Management and Staff	186
	Reporting Performance Measures to Management	191
	Reporting Performance Measures to Staff	195
	Reporting Performance Measures to the Board	195
	Reporting Team Performance Measures	201
	How the Reporting of Performance Measures Fits Together	204
	Notes	204
Epilogue: Res	ources	205
Appendix A: F	oundation Stones of Performance-Related Pay Schemes	211
	ffective Recruiting—Getting the Right People on the Bus	223
Appendix C: T	he Public Sector Can Abandon the Flawed Budget Process	229
Appendix D: Je	ack Welch's Strategy Slides	241
Appendix E: S	uggested Success Factors for Government and Non	
Profit Agencie	S	243
Appendix F: Li	ist of Performance Measures Suitable for Government and	
Non Profit Age	ncies	273
Appendix G: P Government O	resenting the Critical Success Factors to the Board/ Official	293
	lain Differences between the Balanced-Scorecard and	4/3
Winning-KPIs	Methodologies	301
Index		305