



Performance Measurement

What gets measured gets done. And unfortunately, what is not measured is often not done. We face so much complexity in the service world that we are easily distracted. Performance is often lost to the crisis of the moment as we spend our time fighting fires.

Organizations can have excellent strategies that are planned exquisitely to meet business goals and fail to execute them without measures. Strategic planning must include developed performance measures that help the organization know if they are achieving their goals and objectives. Even simple measures are better than no measures. A simple measure can be refined after execution is underway. Failure to develop performance measures during strategic planning means that the organization must repeat a significant amount of its planning in the next cycle – a waste of energy that could be used to execute well laid plans.

The service world is filled with distractions because we deliver service to customers every day, and their needs change. As customers demand different services, we must either adapt or lose business. Our natural order is reactive, but to be successful business must be proactive. A successful strategy sets a proactive course of action and develops performance measures to gauge execution. Reviewing performance on a monthly basis tells us if we are on track. If not, we can take corrective action to improve performance and meet goals. The approach can best be described as Plan, Do, Check, Act.



This model is simple and effective. It is continuous and permits a quick check at any point in time. We do not

need the perfect plan or perfect measure, but we do need a plan and measure to remind us regularly of our goals when the chaos of everyday service starts to drive us toward reaction and away from the plan.

A good measure relates to the outcome we want to achieve if we execute our strategy. It measures the result of a system, relative to the aim. For example, the outcome measure could be the percentage of people who do not get polio. An output measure, for example, would be the number of people vaccinated with the polio vaccine. Often management focuses on output measures which do not tell you about the success but rather are a measure of activity. Care should be taken to define good outcome measures to use in determining the success of programs and in determining the whether improvement projects result in improved outcomes.

Measures simplify planning in the future, and integrate planning, doing, and measuring into a continuous process that yields performance improvement. Managers can make incremental change in a process and monitor the outcome. It may take more than incremental change to meet some objectives, but we will know that only if we measure. If we do not measure, it will likely not get achieved.