



IfM Briefing Day

Measuring What Matters

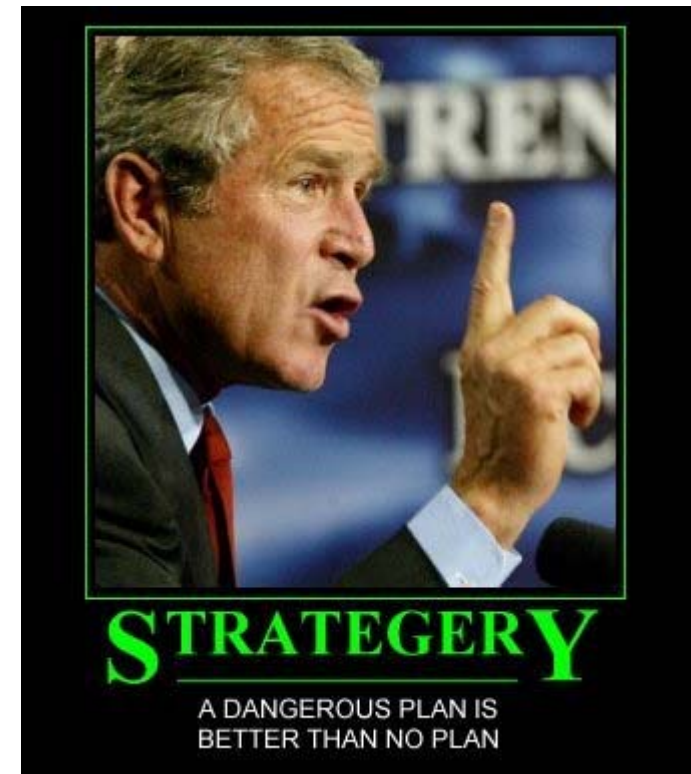
Professor Andy Neely

Head, Institute for Manufacturing

Measures drive behaviour

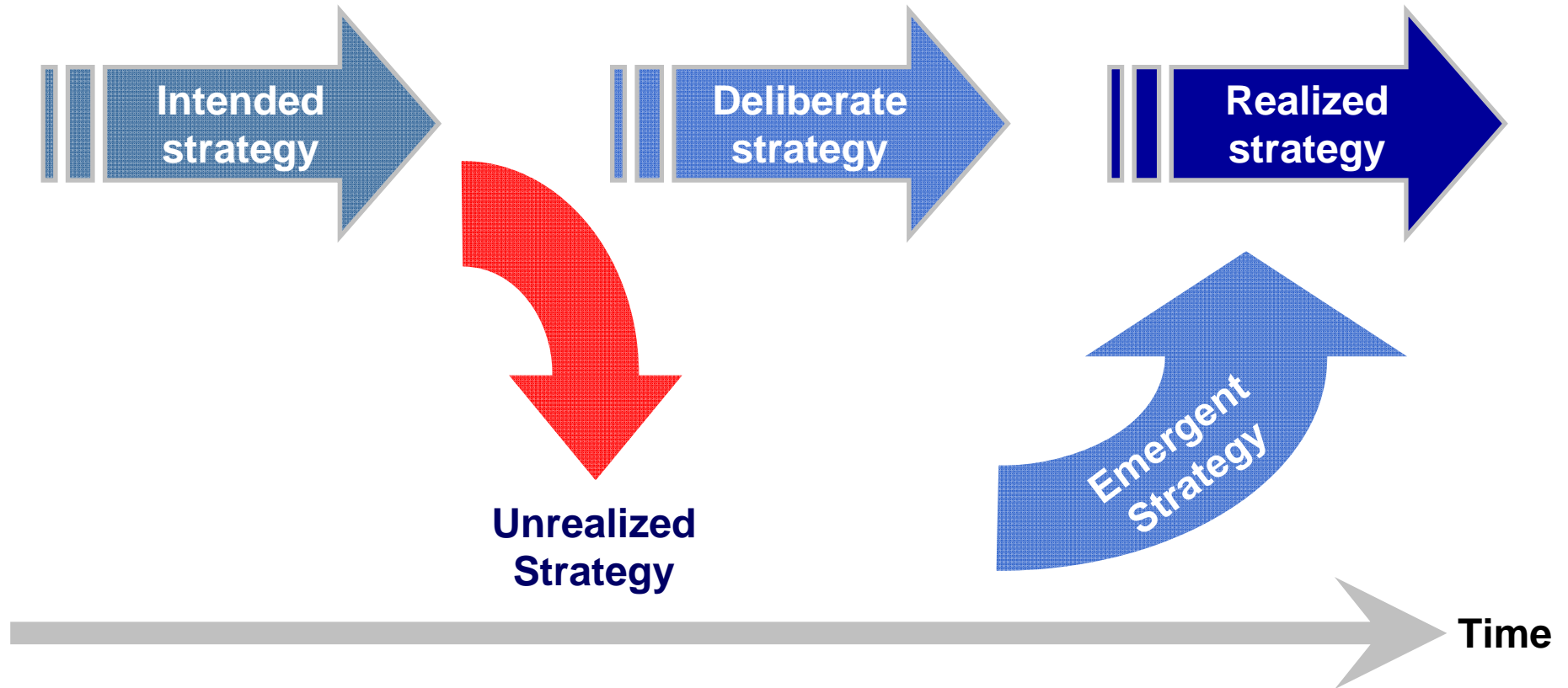
What is strategy?

- **Plan:** a conscious course of action...
- **Ploy:** move to outwit a competitor...
- **Pattern:** in a stream of decisions and actions...
- **Position:** a choice about where the organisations wishes to locate...
- **Perspective:** a way of seeing the world...



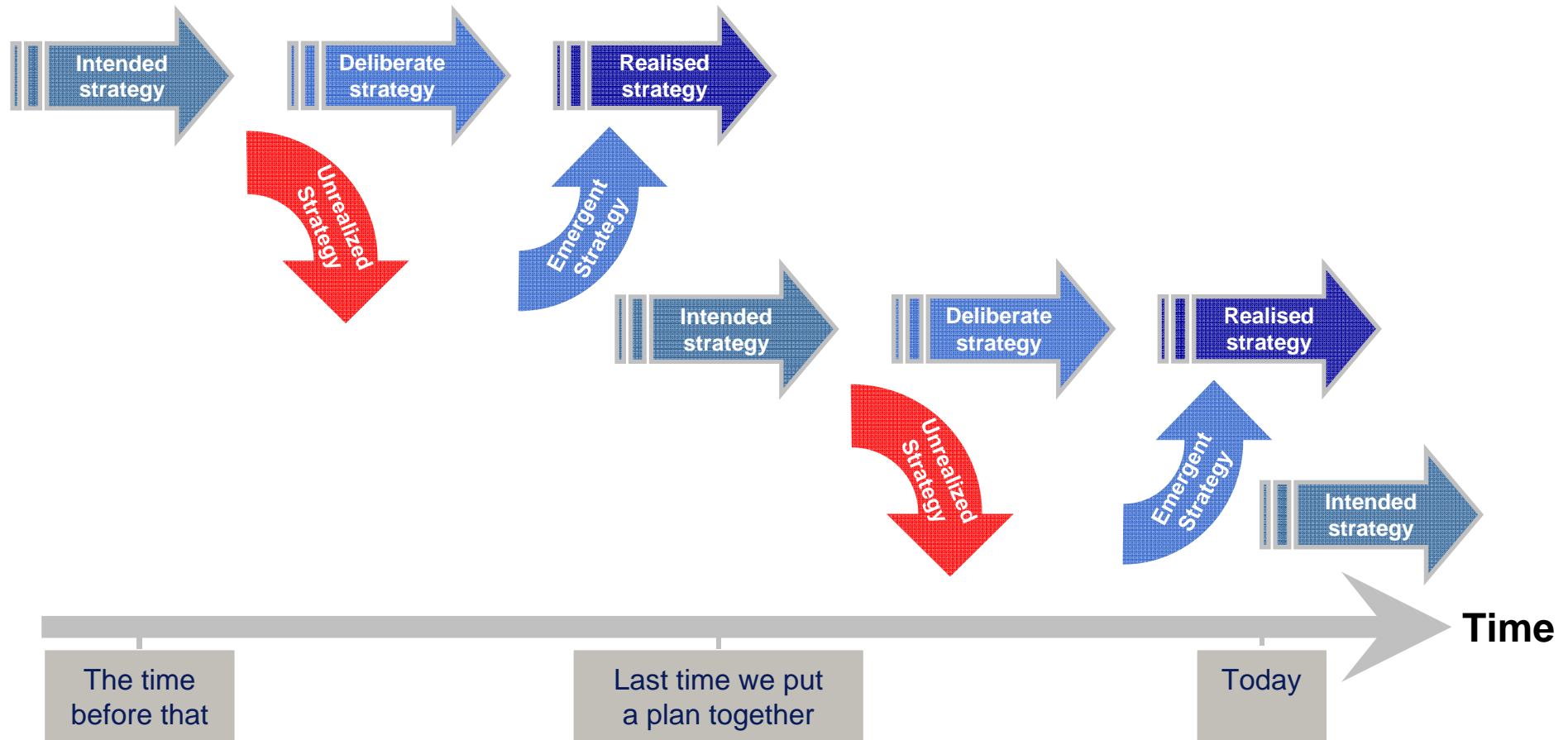
Mintzberg, H. (1987) "The Strategy Concept I: The Five Ps For Strategy", California Management Review, Fall, 11-24.

Strategy as pattern



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Strategy is cumulative over time. You build capabilities and rigidities



The strategy supertanker



Strategy, measures & behaviour

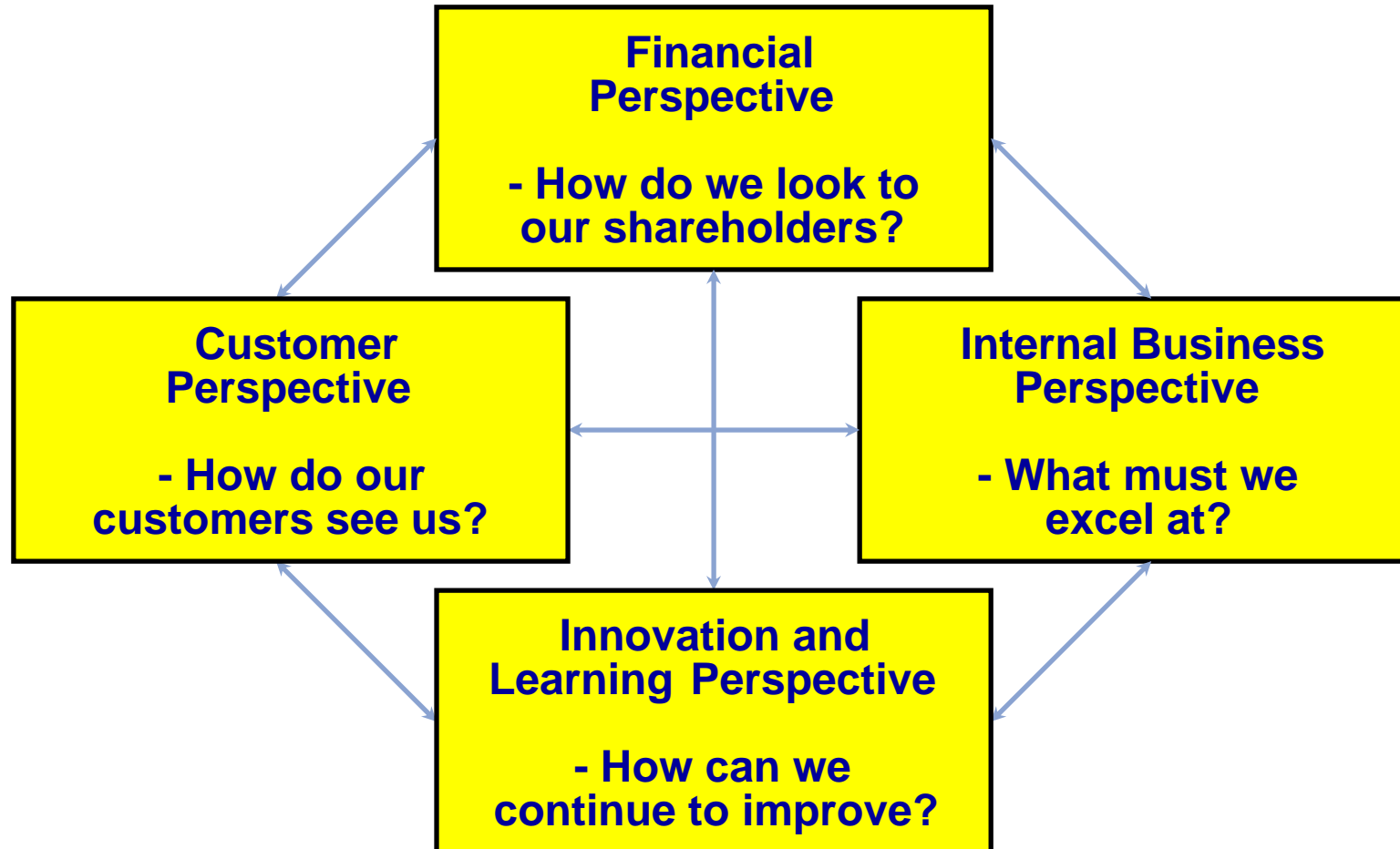


Three ideas for getting better measures!

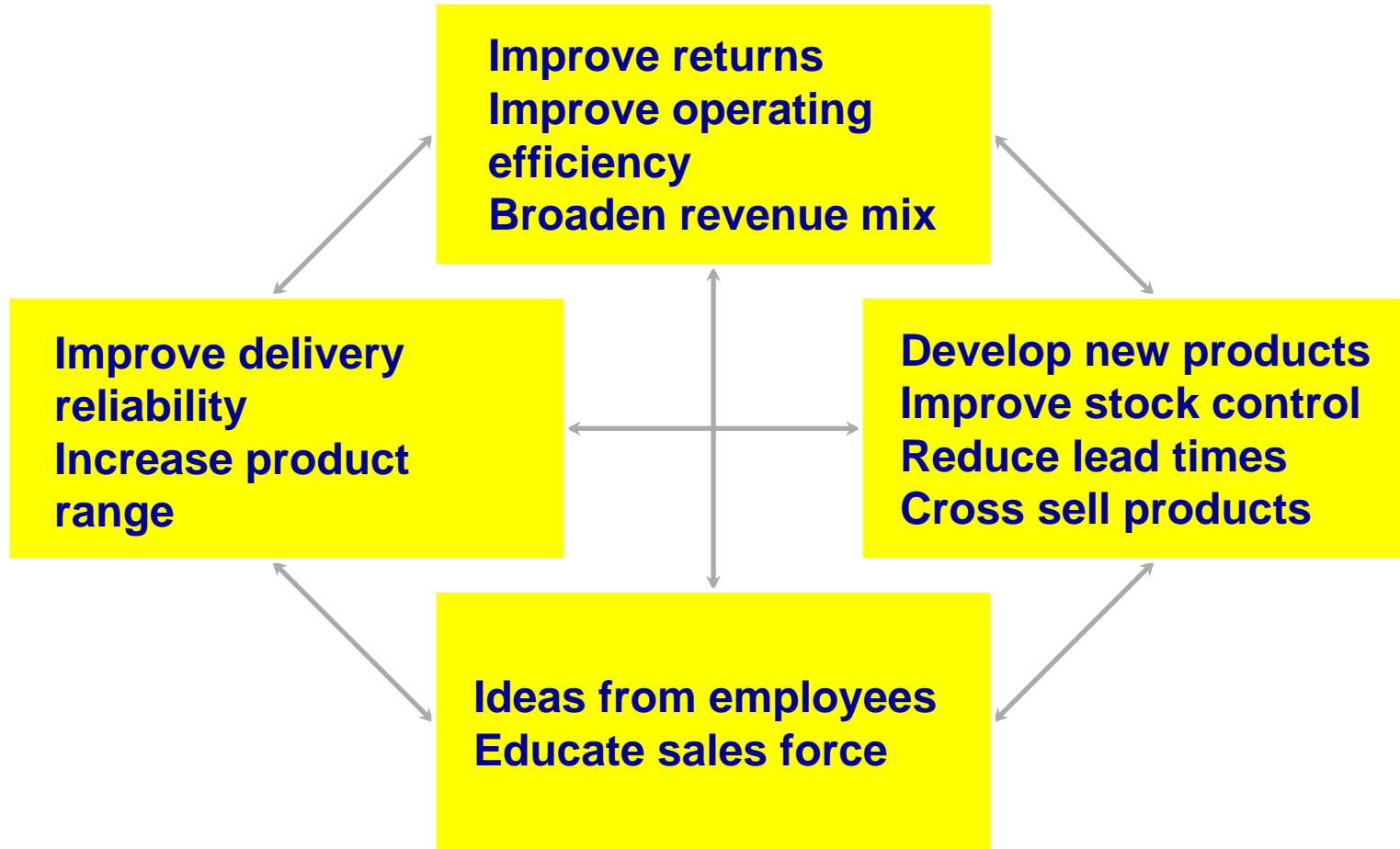
1. Don't start with measures – start with success maps...

The balanced scorecard

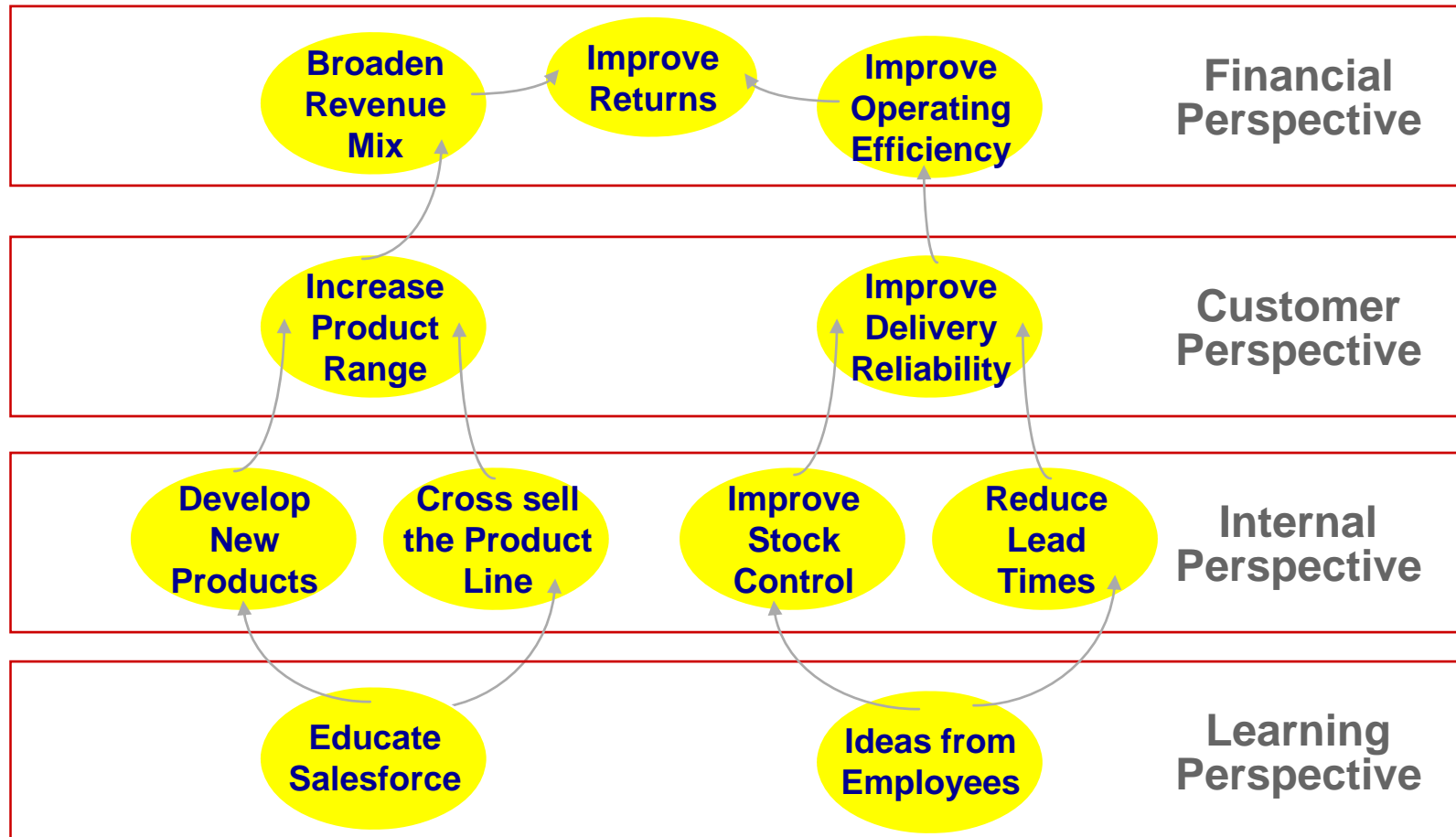
Kaplan, R.S. and Norton, D.P. (2000) "The Strategy-Focused Organization", Harvard Business School Press, Boston, Mass.



So what's the strategy?



Success mapping



Three ideas for getting better measures!

1. Don't start with measures – start with success maps...
2. Pay attention to design of KPIs...

Measures design template

Measure	Title of the measure
Purpose	Why do you want to measure this
Relates to	To which of the business' objectives does this measure relate?
Target	What level of performance are you targeting?
Formula	How will you make this measure?
Frequency	How often will you make this measure?
Who measures?	Who will make this measure?
Source of data	From where will they get the necessary data?
Who acts?	Who will act on this measure?
What do they do?	What will they do?
Notes	Any other notes and/or comments?

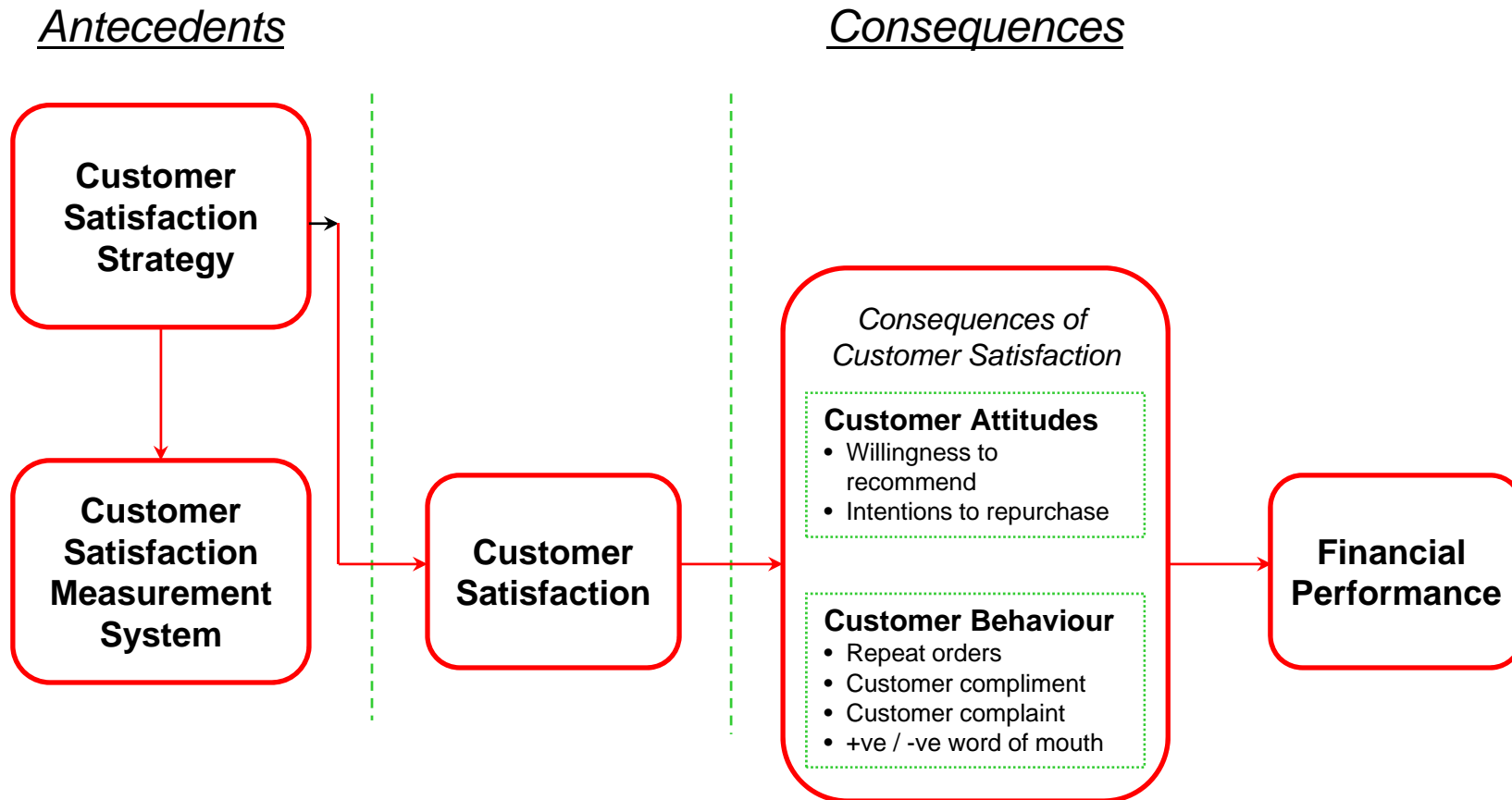
Three ideas for getting better measures!

1. Don't start with measures – start with success maps...
2. Pay attention to design of KPIs...
3. Understand the 4 C's of measurement...

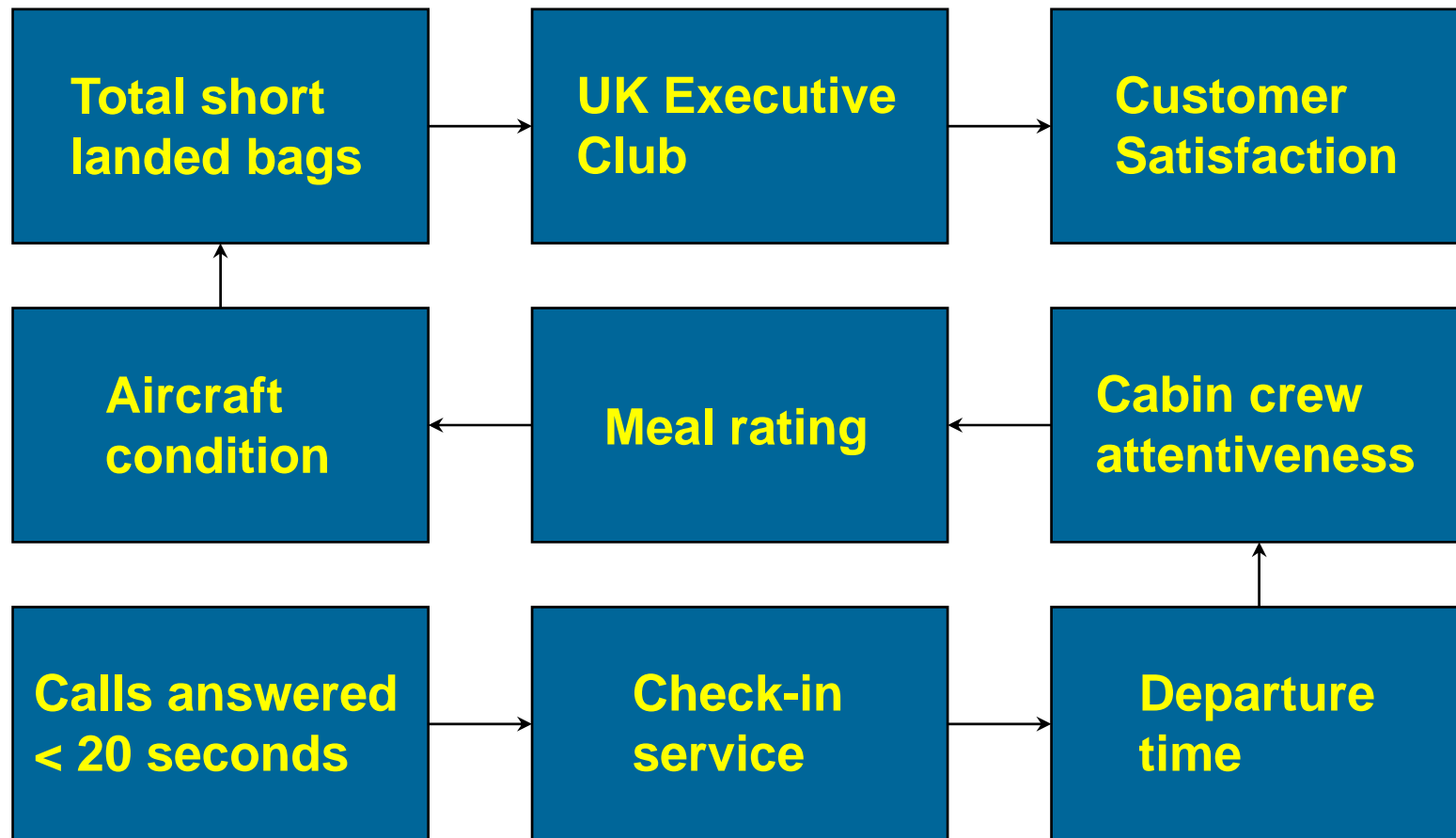
The 4 C's of measurement

1. Measurement as a means of clarifying strategy...
2. Measurement as a means of communicating strategy...
3. Measurement as a means of checking strategy is being implemented...
4. Measurement as a means of challenging strategy...

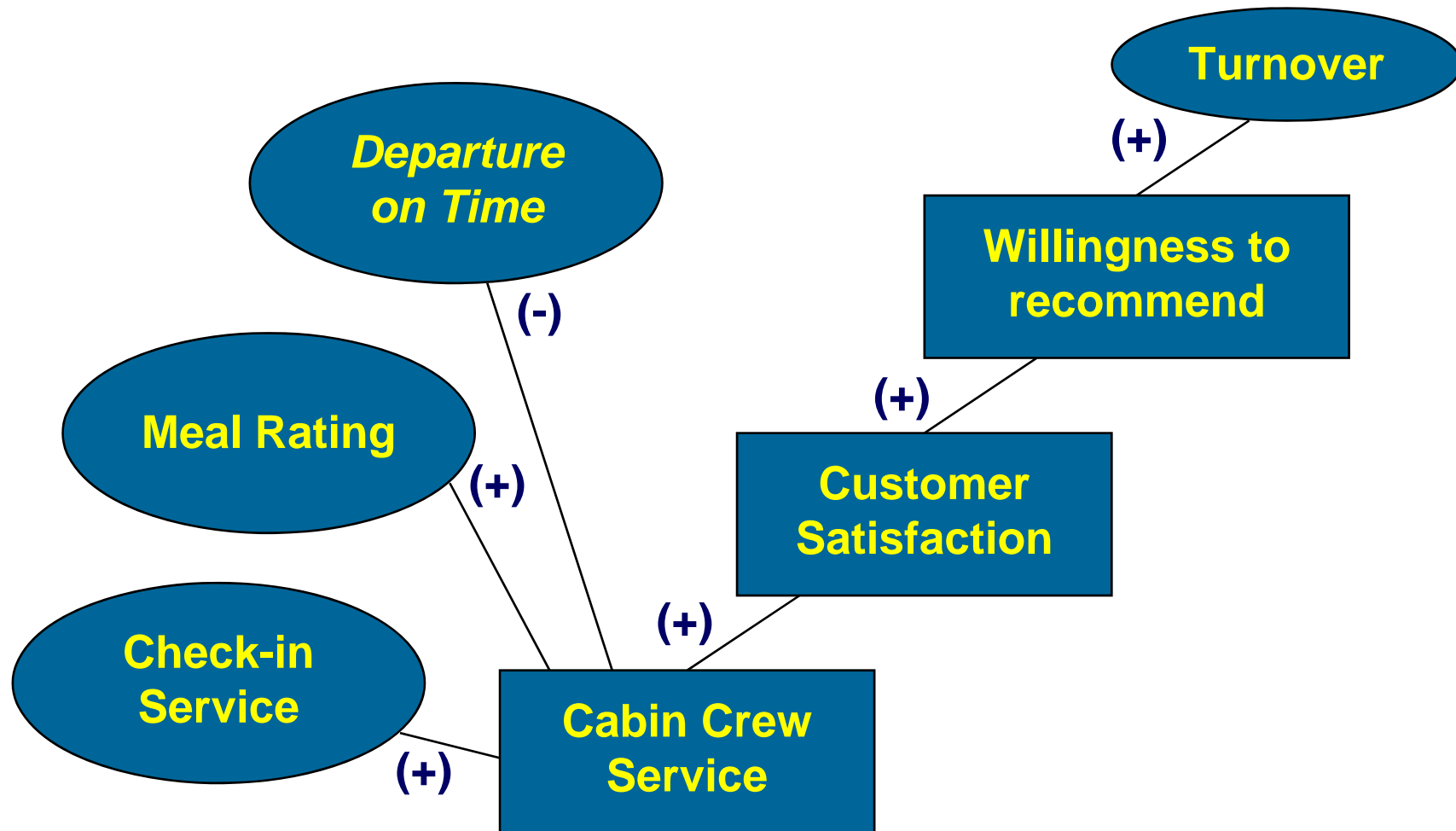
Drivers of customer satisfaction



The passenger's moments of truth



A revised theory – based on data...



Three ideas for getting better measures!

1. Don't start with measures – start with success maps...
2. Pay attention to design of KPIs...
3. Understand the 4 C's of measurement...