

Business Performance Summit 2010: Connected Performance

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The world is changing...



Yesterday's measurement crisis...

- We measured the wrong things.
- We measured everything that was easy to measure.
- The measures we had bore no relationship to our strategies.
- The only measures that mattered were the financial ones.

Measurement used to be a necessary chore!

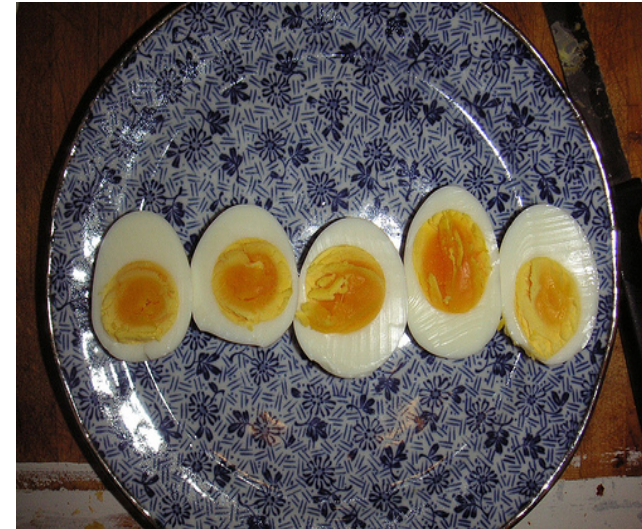
A spaghetti of solutions...



Today's measurement crisis...

- We measure too much.
- We spend too much time and effort trying to quantify the unquantifiable.
- Our measurement systems are so complex that nobody understands what our priorities are.
- We measure, but we fail to fully analyse and take action on the data we gather.

Tomorrow's measurement crisis?



Millions of sensors and systems tracking billions of transactions, activities and people

The positive - we're making progress...

Measurement frameworks

Deliver alignment

Translate strategy into action

Enable strategy challenge

Methodologies

Measures selection

Measures design

Performance visualisation

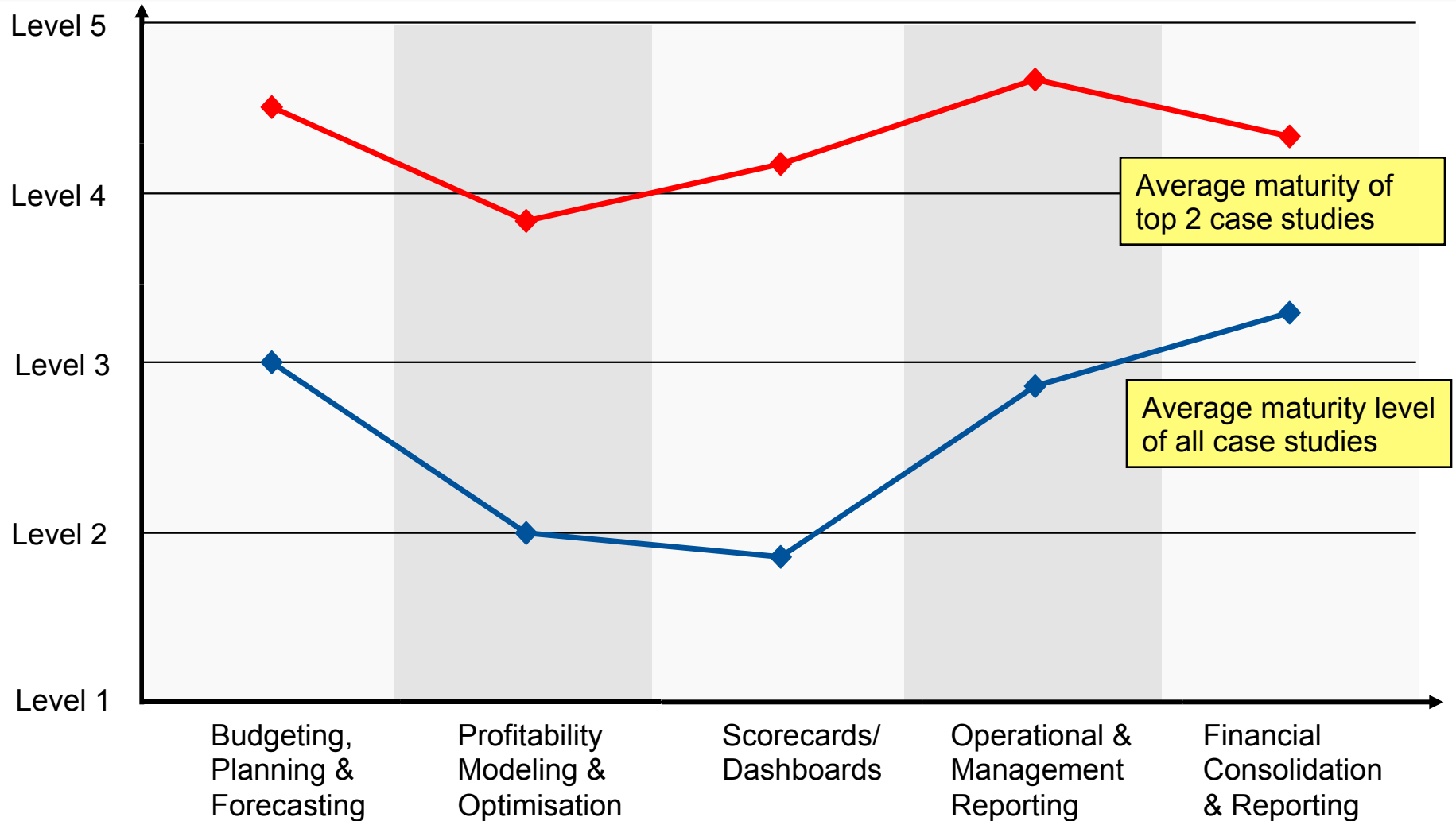
Technologies

Consistent data
– one version of the truth

Enabling people to focus on data analysis not capture

Increasing integration and consolidation

But often its islands of progress...



Today's reality

Drowning in data, yet thirsting for insight

Poor data – data not trusted by the majority of executives

Poor measures

We measure the wrong things.

We measure the easy to measure.

Increasingly we are measuring too much.

Putting too much emphasis on the financial measures.

And failing to track the true drivers of value.

Poor infrastructure

We have multiple, fragmented sources of data.

Often with conflicting definitions of the same measure.

Co-ordinated business information models don't exist.

So there is no comparability across products, customers or geographies.

Poor integration

We have separate planning and budgeting, financial consolidation, capital allocation and strategy management systems.

Our incentive and individual performance management systems are not aligned with our management systems.

We have no clear governance structures to manage data and system integration.

The information house of cards

Let's go back to basics...

Managing the development and communication of performance insights

Develop Performance Insights

Work with Data

Hypothesise

Gather

Analyse

Interpret

Engage

Make
Informed
Decisions

Plan &
Expedite
Actions

Add Value
to Stakeholders

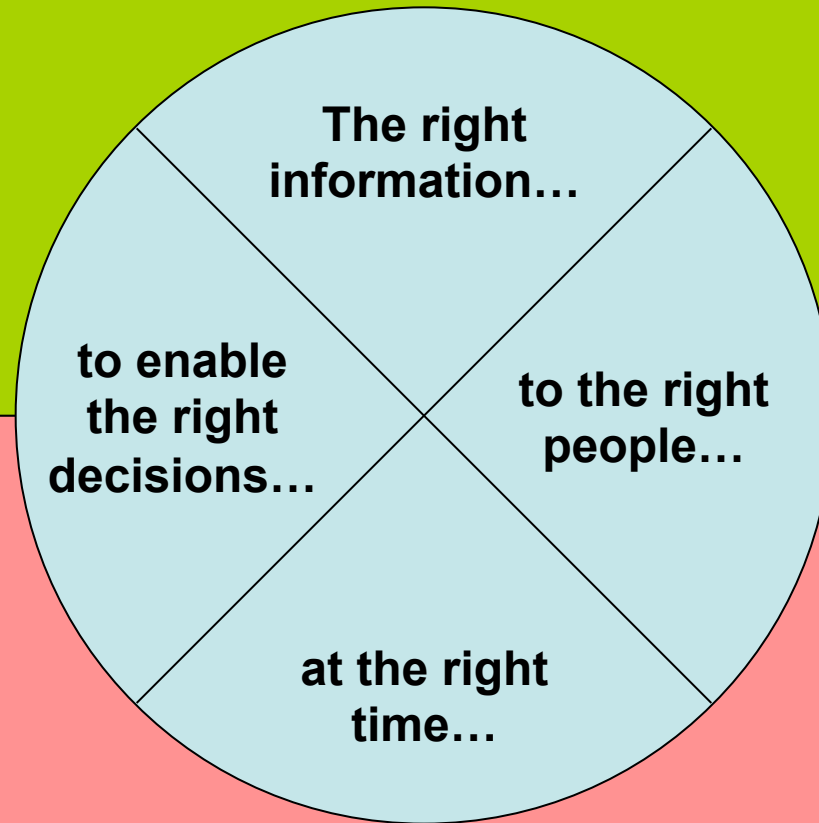
Apply Performance Insights

*Extract insight from data to uncover
the story in a connected world*



Fundamentally... It's R⁴IPTD

New organisational context – the connected world



Technological infrastructure

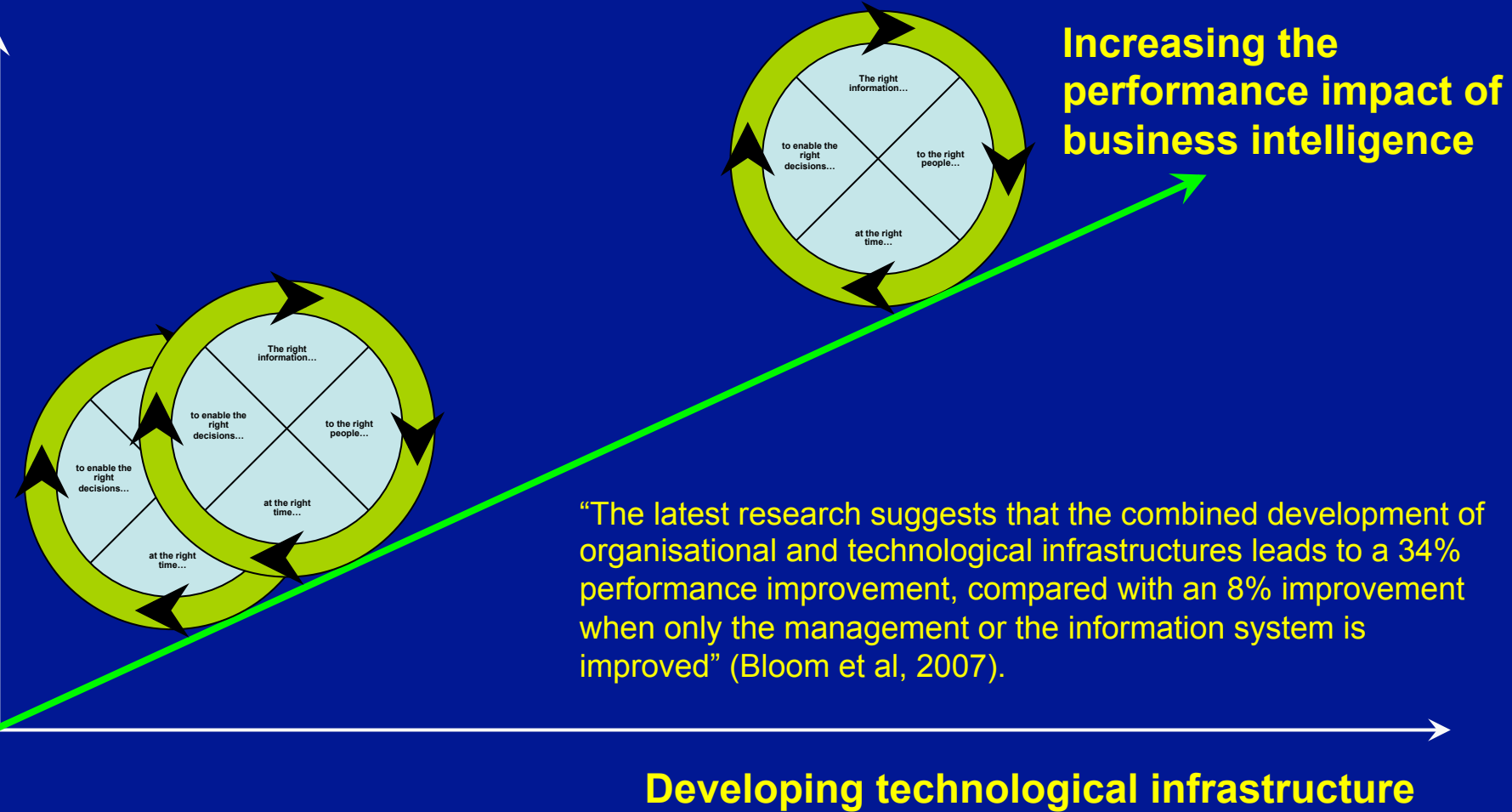
Organisational infrastructure

Enabling infrastructure



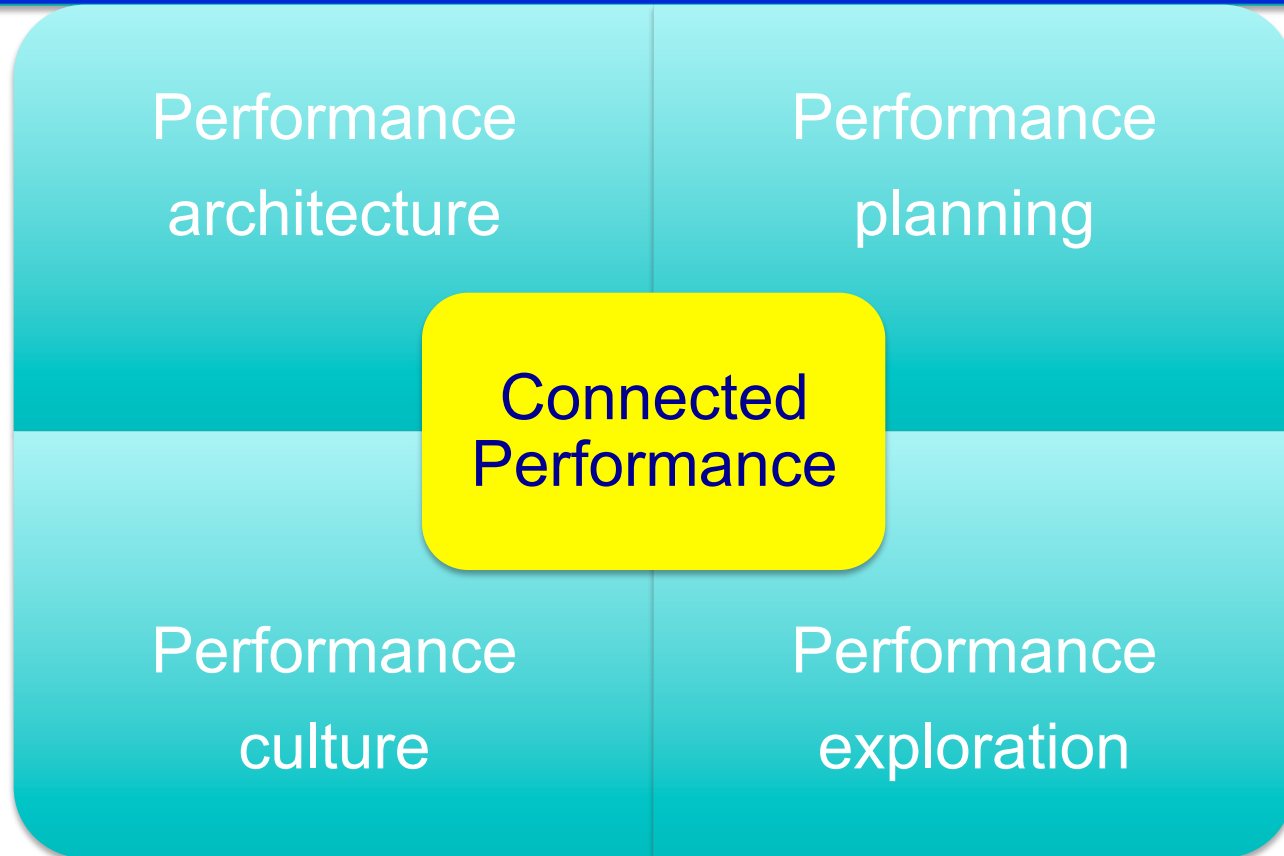
The theory of complementarities...

Developing organisational infrastructure



We have spent too much time and effort on the technological infrastructure.

What is organisational infrastructure?



Thinking in terms of Connected Performance

Performance architecture

1. Have you specified who in your organisation needs to come together to look at what and why?
2. Have you specified clear decisions rights, that conform with the ABC principles?
3. Have you specified the frequency and scheduling of performance planning meetings?
4. Have you ensured alignment across the organisation (horizontally and vertically) in terms of performance priorities?

Four key questions to ask of your architecture

Performance planning

1. Do your discussions focus on how are we going to get to where we want to be, rather than why are we where we are?
2. Does the necessary preparation take place prior to your performance planning meetings so you can deliver actionable insights?
3. Have you moved beyond excel and into the realm of visualisation when exploring your performance data?
4. Have you established clear rules and principles for the escalation of performance challenges?

Four key questions to ask of performance planning

Performance exploration

1. Do your performance planning meetings deliver regular “ah-ha’s” for you and your customers?
2. Have you created the infrastructure you need to explore performance information quickly and interactively?
3. Are actions implemented and evaluated quickly – are you learning through performance?
4. Is management by fact the dominant driving force in your organisation?

Four key questions for performance exploration

Performance culture

1. Is performance planning role modeled throughout your organisation?
2. Do people exercise their authority to act, when the action is beneficial and compliant (ABC)?
3. Is there a hunger for performance insights in the organisation?
4. Is your performance system having a demonstrable difference to the way you do things?

Four testing questions of your performance culture

Some opening observations...

- **New opportunities for performance measurement and management – new data, new technologies, new analytics.**
- **Some fundamental challenges – poor measures, poor infrastructure, poor integration.**
- **Some progress with addressing these challenges – through frameworks, methodologies and technologies.**
- **And some useful lessons learnt along the way – some of which you'll hear about in the next two days.**
- **But don't forget – delivering performance is about people, as well as processes and systems – getting the organisational infrastructure right matters.**

For further information...

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