

PERFORMANCE DASHBOARDS

[This concept and the formula for setting up dashboards is taken from the work of Christopher Meyer & partly derived from a review written by Meyer with Rick Ross]

Why a “dashboard”.

When you drive a car you have a number of measures of performance right in front of you and we call the display area a dashboard. This looks different in each model and of course much more complex in an aeroplane. The principle is pretty familiar to us and adapts well to the need to see various measures of performance in the workplace.

In a car there is a rapidly changing speedometer (*rate of progress*), a slower odometer (*distance travelled*) an external temperature gauge and clock that help with *environmental awareness* and warning gauges for oil level, battery charge or engine temperature to *alert us to impending breakdown*. Some cars have calculators that will show us petrol consumption and *engine efficiency* or a GPS that confirm *current position*. The words in italics would all apply equally to progress on a project and might usefully be available measures for the staff involved.

Focusing performance measurement

Both professional learning and progress on intermediate steps towards important business goals require *personalized, specifically targeted* feedback.

Let us start by taking a non-business example. You are running in a cross country race or a marathon. The start is staggered so you are competing with the clock and do not see most of the other runners in the race at all. You want to win and set a record time. How do you know if you are running fast enough and whether you are likely to be in the top three?

Any fool can distinguish running from walking from sprinting but this is not specific enough for your purpose; measures of how fast you are running or how far you have still to go will be needed. So you could *measure current performance*. Your time to reach some early distance point for example will provide you with both of these answers but then what?

Perhaps you can see that *calculating needs and planning* is a good strategy. You actually need to know how much harder you can run for the remainder of the race within your available energy reserve. You will probably have considered in advance what sort of pace you need to run at in order to be amongst the winners and in sight of the record. To maintain that pace you could arrange for someone to time segments of the remaining distance to see if you are keeping up or indeed have someone on your team run with you and push you to raise your speed.

Think about this for yourself. What ideas can you come up with?

Mine are as follows.

Modelling successful competitor behaviour is always a good tactic and you could tag on to the person who won last time around and aim to beat them.

How about *process improvement*? You might want to know the state of other variables that might affect your muscular performance such as dehydration or temperature control or blood sugar level. You might have difficulty with the latter in an actual race but what if you could do some trials in training that showed you how much to eat and drink for optimum muscle performance and how to judge whether to add or shed a layer of clothing. These would be substitute measures (*surrogate measures*) for the real thing that would help you perform maximally.

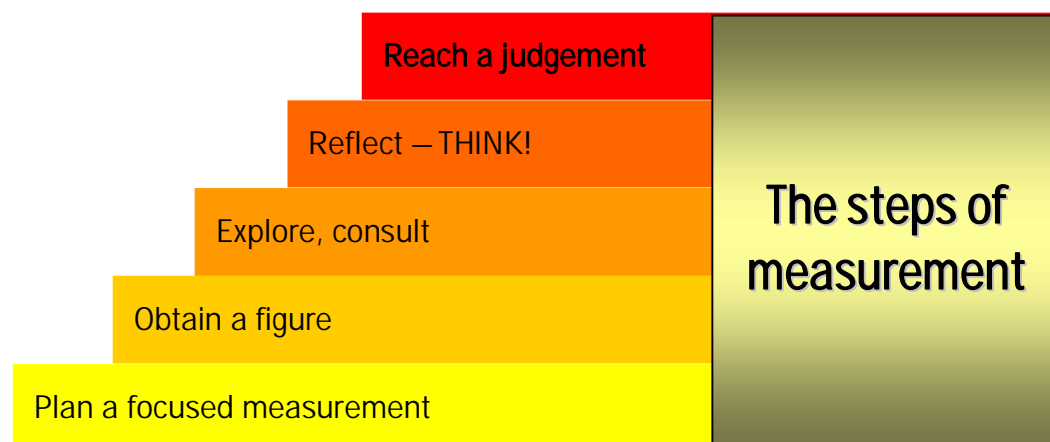
The metaphor only stretches so far but I am sure that you appreciate that I am suggesting not just measurement of what is happening but focusing that measurement on the performance issues that matter for winning. This includes planning specific measures for each task that test whether you or the team is performing both maximally and qualitatively, in a way that increases your chance of being first past the post.

Note that in my example as in business we need to segregate *outcome goals* from *performance (process) goals*.

Measure always, reflect & consider, judge last.

However, it is important to recognise that the figure that is the result of your measurement is **not** the answer. Rather, it is the beginning of your evaluation.

You need to know *why* the figure is what it is before you jump to a conclusion. A week with poor sales when compared with the average performance might actually reflect a phenomenal sales success. If this was a week when the weather, the condition of the local motorway or the next saga in England's attempt to relearn how to win football matches have spirited all the punters elsewhere then you might have really outstripped the competition and successfully minimised the loss.



So reflect and consider, even consult with your team before you conclude. Remember that a judgement is a carefully considered conclusion that is only reached after much reflection and a consideration of all known information.

Setting performance measures.

A coaching style of leadership requires that the options and solutions come mainly from the coachee/learner or group of staff members. This does not mean that you cannot outline the territory and objectives, support the decision with appropriate questioning or test the validity of the solutions offered.

So it is best to involve the staff in setting outcome measures. The measures used to make up the dashboard should reflect what in their experience will show them (and you) what is happening on the ground. They need to rapidly see their progress towards agreed goals. This often best displayed by indicators of process, rates of change or degrees of efficiency.

Some measures will be simple quantitative indices for example numbers of services sold or total income generated. Others might show individual rates of change towards a goal. Such a measure might be either numerical or perhaps the show the breadth of services provided.

There may need to be qualitative measures of the environment that you might see as rather "soft " indicators. Do not despise measures such as indicators of staff morale or customer satisfaction. Remember as well to include warning gauges that show say dangerously low stock levels, or high levels of holiday/sickness absence that make it difficult to meet customer demands.

Comparability across the workforce.

All participants should be shown in an equal way and their effort should be comparable. It is better to show *percentage increase* in productivity or outcome rather than absolute numbers. The percentage approach allows your part-timers to match the full timers in performance if not in absolute numerical terms.

So in the same vein, show special treatments or add-on sales *per customer* not as the overall numbers of these extra sales achieved.

Prioritising and ensuring relevance.

You could measure everything that contributes to the bottom line but that would lessen the impact. This is about performance and increasing performance.

You must decide or rather *your workgroup should decide* which five or six items will be the key indicators. Let me emphasise again that having the workforce pick and agree the items is important. You will, of course, ask them to explain why a particular choice is useful to them and coach them to their best solution. See this as a workforce motivator not as a data collection exercise for your accountant.

Once you have an agreement of say six to eight items you can test your prototype dashboard against the target audience and get their reaction. Do not be tempted to add additional measures and especially do not include non-local measures that

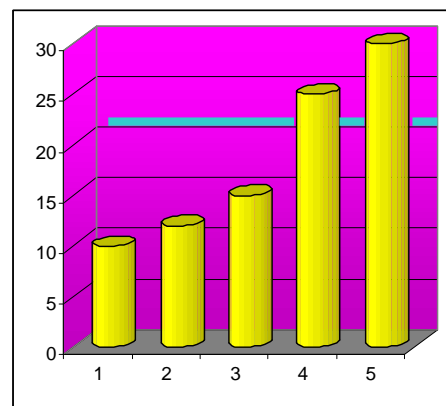
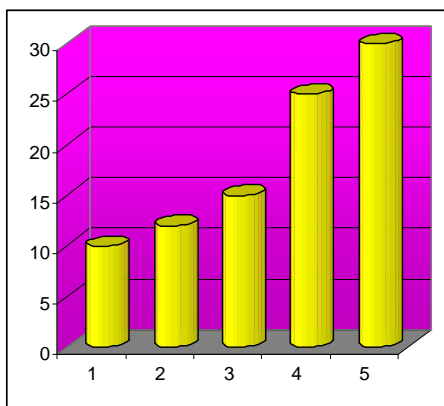
have little direct relevance to these individuals. If there is a competition between two work sites then this works best as the subject of a separate display.

The chosen items will need to run for several weeks before you ask the team if they would like to change anything.

Display options

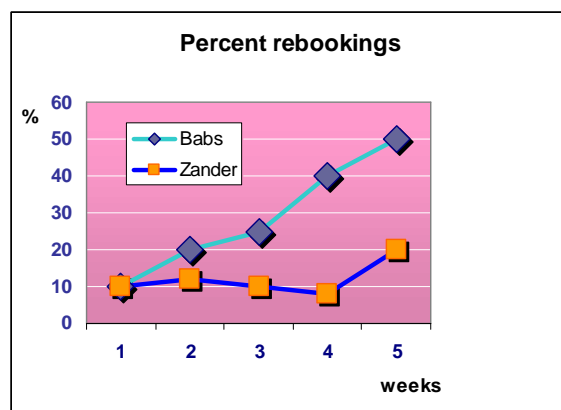
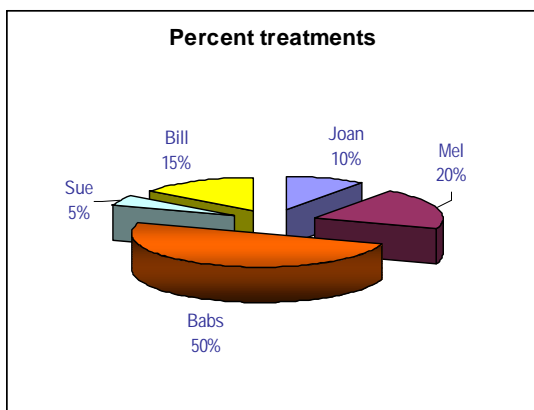
There are many possibilities. You can draw these or use a standard graphics package such as the embedded function in MS Excel to display weekly or monthly results as needed.

A simple bar chart can have the target level included as shown on the right.



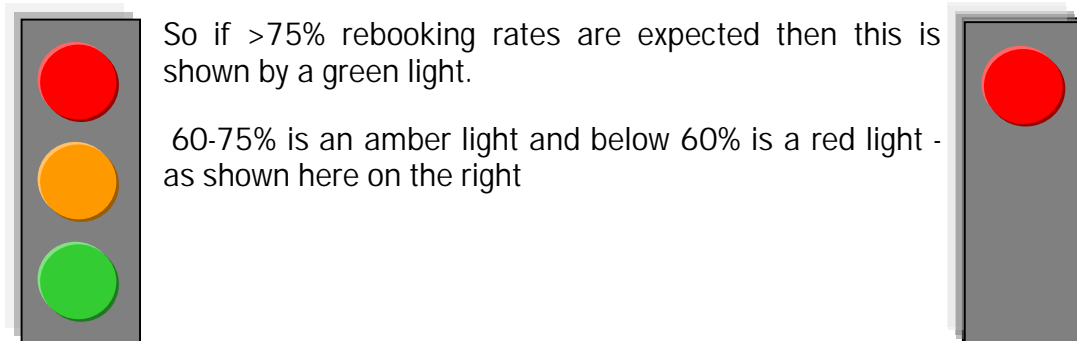
Or you can include several issues on the one chart.

Its easy to show absolute figures but perhaps more informative to show change over time.

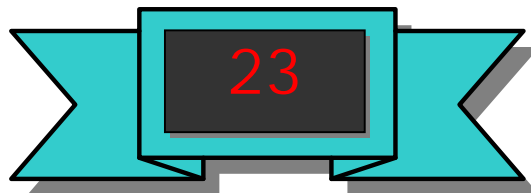
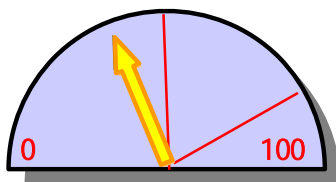


Some issues are well shown as a warning function - a sort of traffic lights.

In other words sometimes all that is required is to show if performance is above the line (satisfactory) or not.



Other options include a dashboard speedometer design or a simple numerical LCD type indicator.



Evaluation

You will need to review frequently and update the results in order to keep interest. Do not be tempted to change the dashboard until you have tried the format out for several weeks or the team all agree that a particular measure has not proved useful. You are looking essentially at how performance varies from the set targets and how rapidly people are moving towards the target. You can set intermediate steps or incremental goals on the dashboard so everyone can see milestones passed.

Finally

Have fun.