

PERFORMANCE IMPROVEMENT

How do you monitor and improve the performance of your business? It is easy to get lost in day-to-day pressures but to run an effective business you must regularly step back and consider your progress against mid to long-term plans. So you need an appropriate set of key performance indicators (KPIs) to track your business performance. You also need to assign responsibilities amongst your team and hold them and yourself to account to deliver.

BUSINESS DASHBOARD

Your business is like a car - very dangerous to drive without a dashboard. In your car you have a speedometer, fuel gauge, warning lights etc. These provide vital information so you can adjust your driving to keep you and your car safe from harm. You need a dashboard of KPIs for your business too. The exact KPIs you use will be specific to your business but they should provide overall coverage of core business functions like finance, sales, customer service, operations & quality. Don't have too many KPIs though. Keep things simple; just stick to the most important ones otherwise their impact will diminish.

SETTING TARGETS

Having defined your KPIs you need targets for each one. Ambitious businesses will have targets that get tougher over time to stretch and grow the business. Each KPI should have a defined owner who has overall responsibility to deliver. They in turn should cascade team and individual goals to their direct reports to align all staff to the business aims.

TRACK PERFORMANCE

Use a simple dashboard to present actual performance against target. Graphs and charts often work better than tables and numbers. Review this regularly with your team (minimum monthly) and share a summary with all staff. Celebrate success where performance meets or exceeds target. Where performance does not meet target identify causes and actions to improve in future.

