

Evaluation of Business Performance



A CONSUMER-FIRST MINDSET. WE HELP BUSINESSES GROW AND NURTURE A

WEEK 2



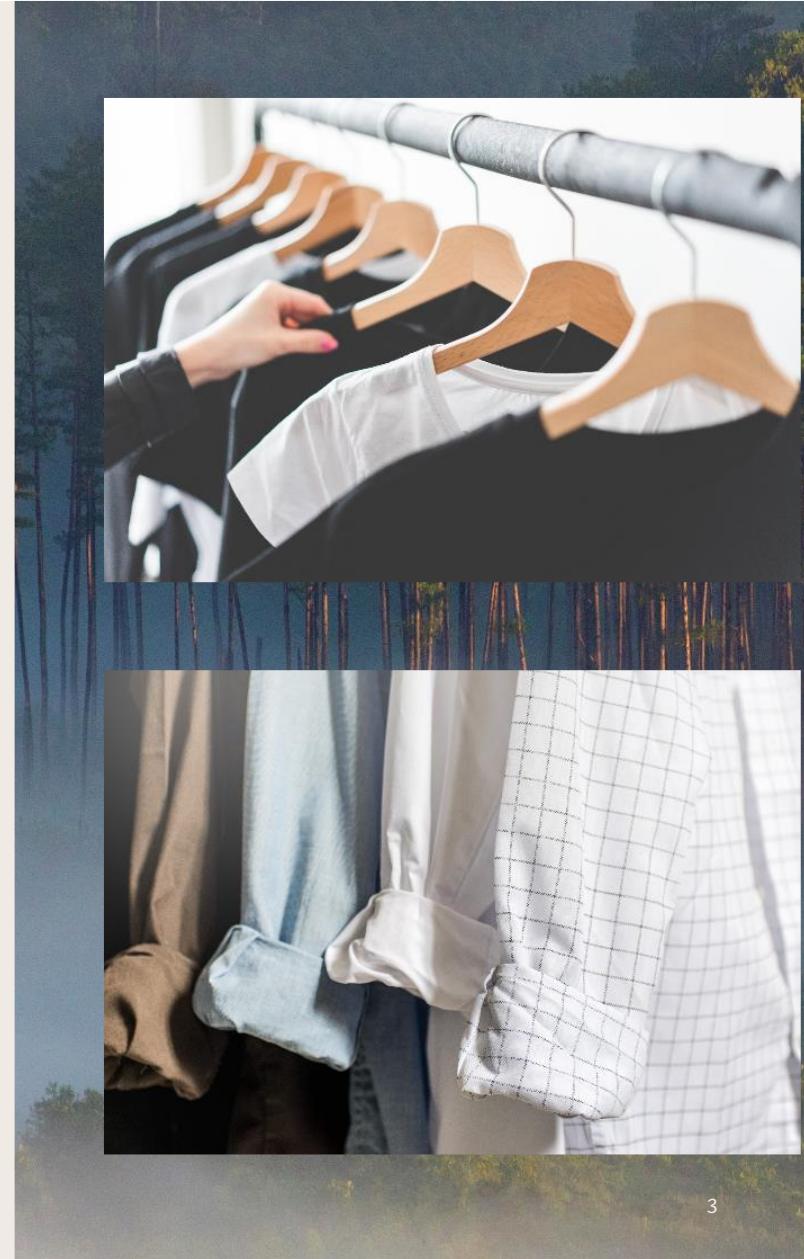
COURSE DESCRIPTION

- The course is intended to provide the student with the experience in assessing information systems
- and the different tools to be used in conducting system evaluation.
- It will discuss topics such as Data warehousing, KPI/KRA, business intelligence, and quality metrics.

COURSE OBJECTIVES

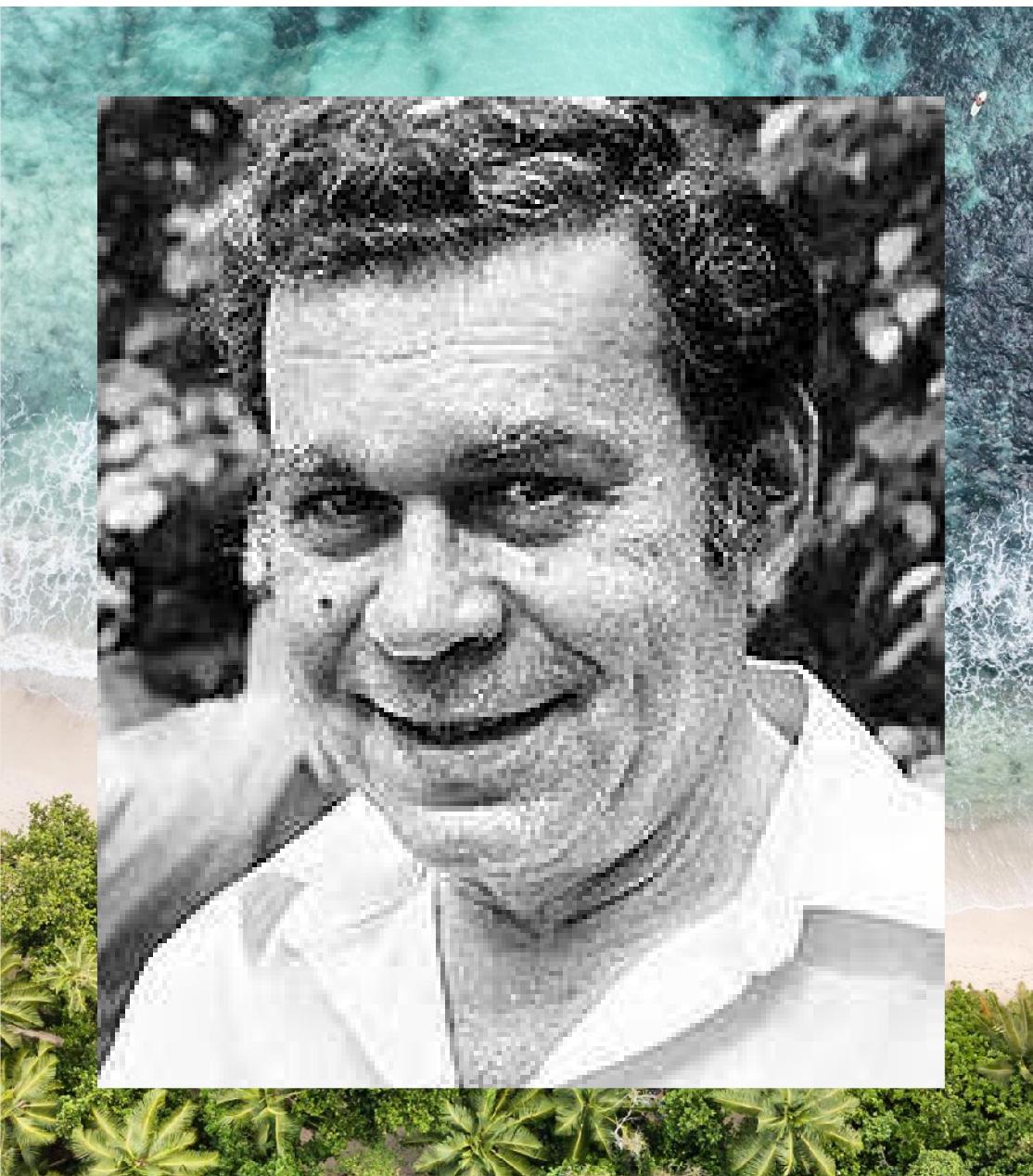
Upon completion of this course, the student should be able to:

1. Discuss performance evaluation consistent with quality management and continuous improvement
2. Develop quality metrics for assessment of customer satisfaction at all phases of the life cycle



Why Performance Measurement Matters





Why Measure?

“You tell me how you measure me, and I will tell you how I will behave.”

Eliyahu Goldrat

Why measure?

To Plan?

To Comply?

To Manage?

To Optimize?

To Innovate?



What gets measured gets done.

—Peter Drucker

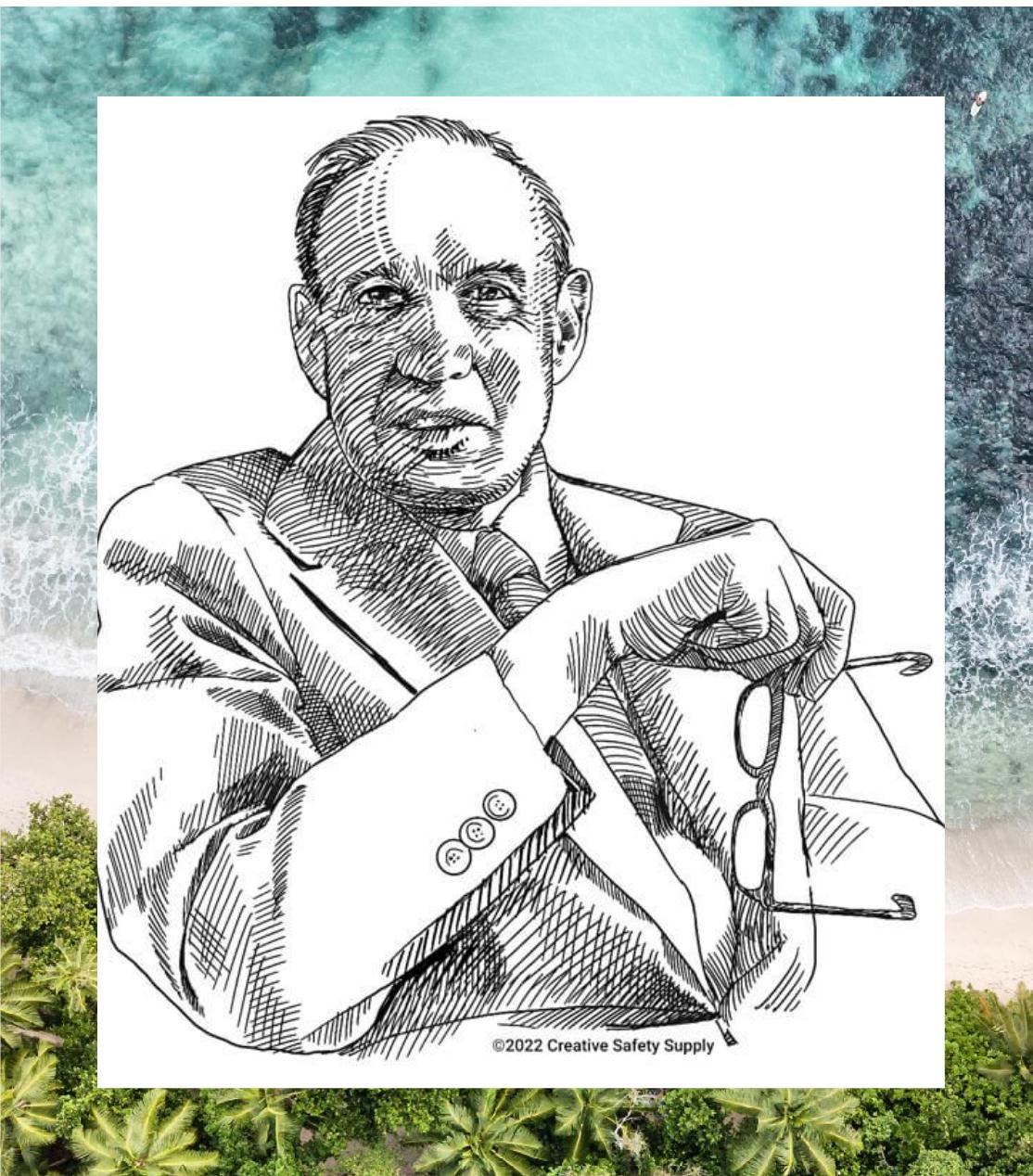


*Performance is not about mandates,
it's about management*

PERFORMANCE MEASURES ALLOW
YOU TO:

- ✓ STRATEGIZE
- ✓ COMMUNICATE
- ✓ MOTIVATE
- ✓ MANAGE





Why Performance Measurement Matters

“Above all... measurement is meant to enable us to take purposeful action based on knowledge rather than opinion or guesswork.”

Peter F. Drucker in the Practice of Management

Why does Performance Measurement Matter to You?

- What ways have you, personally, started to use performance data in your day to day life?
 - Bathroom scale? Weight?
 - Calories?
 - Number of steps?
 - BP?
 - *GPA*?
- Why do you care about any of these things?



Why does Performance Measurement Matter for Government?

- “Value for Money”
- Transparency
- Funders require data



Familiar Areas of Performance Measurement

- Internal
 - Staff performance appraisals
 - Budget Variance Report
 - Other?
- External
 - Strategic Plans
 - Benchmark
 - Economic Development Reports
(eg: Economist Livability Index)
 - Other?



Common Performance Measurement Areas

- Customer satisfaction rates
- Customer to staff ratio
- Employee turnover rate
- Employee engagement and satisfaction rates
- Return on investment



What Issues Arise when you Commit to a Performance Measurement Framework?

- What is the purpose of the reporting?
 - Pay for performance?
 - Budget cutting?
 - Optimizing performance?
- Who is the audience of the reports and how sophisticated are they?
 - Internal management?
 - Lawmaker?
 - Taxpayers?
- What do I want them to know and not know?
 - “telling the executives is not going to me any good.”



Downsides of Performance Measurement

- Ideas?



What do we mean by Performance?

Examples of metrics regularly seen in “performance reports”

- Regular tracking of activity
 - eg: number of fire calls, number of performance appraisals completed, number of development applications received etc.
- Tracking of performance to targets
 - eg: budget to actuals variance, emergency call response times, number of development applications processed on time, etc.
- Monitoring of Indicators
 - eg: credit rating, air quality, precipitation, GDP, construction starts, etc.
- Benchmarking