

Performance Management Diagnostic

(Prepared by Pamela Fay of Business Performance Perspectives)

Purpose of the Tool:

The *BPP Diagnostic Tool* is intended to be used by management in a business to give a quick self-assessment of how you currently rate, as well as an indication of where you would like to be, for each of the performance management elements.

This is particularly useful for businesses embarking on the implementation of a performance management process for the first time, as it identifies the gap and the potential priority areas for implementation.

How to Use the Tool:

Each of the *BPP Ltd* sub-processes (1-10) is listed above.

To assist you in making that assessment, the tool has a qualitative description of what it “feels” like to be at a rating of “1” in the “From” box, and what it “feels” like to be at “10” in the “To” box.

The tool is most effectively used by a Management Team, where each member of the team completes the tool independently (completing the current rating and desired rating).

When the results are collated they should be shared and used as the basis for a discussion on further development with *Business Performance Perspectives Ltd*.

No.	BPM Process	Traditional Management	Ideal Process	Current Rating	Desired Rating
1	Performance Target Setting	Bargaining between the management team departments to agree future targets.	Management embraces the principle of SMART goals across the group. Goals are agreed with the teams and targets are owned by the management and teams. Targets comprise a mix of activities and financial targets.		
2	Strategic Planning	Annual strategic planning exercise not linked to the day to day working.	Strategic planning is an ongoing dynamic process owned and shared by all employees. Continuous learning is fed back to enrich the strategic thinking and execution plans are amended as required. Plans are reviewed monthly.		
3	Balanced Scorecard	An annual contract to agree financial targets and bonus.	A key management tool that provides absolute clarity on what needs to be achieved to execute the first year of the strategy. The performance commitment is stated in terms of SMART KPI's supported by a small number of change initiatives. This is a living, working document, regularly updated to show progress, and highlighting the issues that remain to be managed.		
4	Brand & Sales Plans	Brand and sales plans are compiled from prior year numbers – normally expressed as a % relationship to net sales. This assumes continuing with a basket of activities that equate to a similar level of investment.	Brand and sales plans are compiled using consumer and client trends. A forward looking active document that is linked to overall company strategy.		
5	Strategy to Action (Link KRA's to individuals)	A few senior managers develop the strategic plan and the content is kept confidential.	Strategic plans are developed by cross-functional teams. KRAs are cascaded down to inform the SMART objectives for all staff.		
6	Monthly Reporting (KPIs)	Focus on historical financial data, supported by lengthy explanations for not achieving budget.	A single management report comprising a balance of financial and non-financial indicators that informs whether the business is on track to		

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			execute the agreed strategy.		
7	Performance Reviews	Reviews may include detailed discussion of business performance but this only extends to senior and/or “front line” staff. Reviews for all other staff do not have a consistent structure and tend to focus on individual or local team tactical priorities. KRAs set at the start of the year are not reviewed frequently and become out of date as the business moves on.	Reviews are recognised as an integral part of the performance process, as they provide every individual with a regular opportunity to discuss their contribution to the achievement of the strategy. Reviews provide a forum to celebrate individual success, capitalise on learnings, and identify detailed action plans specific to an individual, which are aligned to delivering on their objectives.		
8	Performance Meetings	A few senior managers meet to assess financial performance.	A cross-functional meeting with the purpose of supporting delivery of the Balanced Scorecard, achieved by: <ul style="list-style-type: none"> •Identification of significant performance issues and opportunities. •Development and deployment of solutions against issues. • And appropriate resourcing and activities to support opportunities. 		
9	Quarterly Reviews	General reviews.	Working sessions on strategic issues facing the business. A dynamic forum that provides real pace and edge to decision making and where learnings and actions are key drivers helping to resolve issues real-time.		
10	Communication	Communication on performance kept within a small group of senior managers only. Communication to all employees is instead limited interim and final results.	Monthly communication on current and prospective performance and implementation of business strategy is made throughout the company, in a variety of reports and meetings.		