

CHAPTER 9

Implementation Variations for Small-to-Medium Enterprises and Not-for-Profit Organizations

When I first wrote about the 12-step process, I set out an indicative implementation Gantt chart (see Exhibit 9.1). Attendees from small-to-medium enterprises (SMEs) often request my advice on a simpler truncated process.

Small-to-Medium Enterprises

For SMEs, it is possible to truncate and merge the 12 steps into eight phases. The major changes to the implementation, as shown in Exhibit 9.2, are:

- The “senior management team (SMT) commitment” and “setting up a holistic KPI strategy” are merged together. The SMT ensures that the timing is right before the project starts (e.g., no major projects or events will sidetrack the SMT in the next six weeks).
- Kick-start the process by having a two-day critical success factor (CSF) workshop. This helps sell the concept to those attending and delivers the CSFs to management and the board. Even if the project is canceled at this stage, much would have been gained.

EXHIBIT 9.1 Twelve-Step Implementation, 16-Week Timeline

	Project week	pre	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	post
1 SMT commitment		■																	
2 Establishing a winning KPI project team		■	■																
3 Establishing a "just do it" culture and process			■	■	■														
4 Setting up a holistic KPI development strategy			■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
5 Marketing KPI system to all employees				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
6 Identifying organization-wide critical success factors				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
7 Recording of performance measures in a database				■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
8 Selecting team performance measures							■	■	■	■	■	■	■	■	■	■	■	■	■
9 Selecting organizational winning KPIs												■	■	■	■	■	■	■	■
10 Developing the reporting frameworks at all levels																			
11 Facilitating the use of winning KPIs																			
12 Refining KPIs to maintain their relevance																			

Note: The blocks indicate the elapsed time, not actual time taken.

EXHIBIT 9.2 Six-Week Timeframe for Organizations with Fewer than 200 FTEs (version 1)

Phase	Steps	Project week	pre	1	2	3	4	5	6	post
1	1, 4	Selling the change and agreeing on the appropriate timing	■	■	■	■	■			
2	1, 6	Focus group workshop to find the organization's CSFs		■						
3	2, 3	KPI project team trained and empowered	■	■	■	■	■	■	■	
4	5, 7, 8	Rolling workshops involving all employees where they start their team scorecards			■	■	■	■	■	■
5	9	Selecting organizational winning KPIs					■	■	■	
6	10	Developing the reporting frameworks at all levels			■	■	■	■	■	
7	11	Facilitating the use of winning KPIs						■	■	■
8	12	Refining KPIs in 12 months to maintain their relevance								■

Note: The blocks indicate the elapsed time, not actual time taken.

Key Performance Indicators

- The key performance indicator (KPI) team will have gained much from attending the workshop. After their training and empowerment, they commence a series of rollout team scorecard workshops. At the workshops, the SMT stresses the importance of active participation and the reasons for the project, and introduces the KPI team who are delivering the workshop. The workshop only needs to last one day. It can be run successfully with up to 80 staff.
- The KPI team selects the winning KPIs after they have run the team workshops. It is highly likely that the KPIs will have emerged from that process.

It is possible for an SME to further shorten the process. The CSF workshop can incorporate a team scorecard component, as shown in phase 2 in Exhibit 9.3. This modification requires much more organization before the workshop and representatives of teams attending the CSF workshop.

This process need not cost a huge amount of money. The key issue is commitment of the SMT, the freeing up of two staff members to be full time on the project, and a will to finish what has begun.

Not-for-Profit Organizations

Not-for-profit organizations need to drive focus, accountability, and alignment just as much as private sector organizations do. In not-for-profit organizations, intangible assets increasingly make the difference in performance. Staff knowledge, stakeholder relationships, and cultures of innovation and change need to be managed and enhanced. I believe there needs to be a rewording of the balanced scorecard perspectives, as set out in Exhibit 9.4.

EXHIBIT 9.3 Six-Week Timeframe for Organizations with Fewer than 200 FTEs (version 2)

Phase	Steps	Project week	pre	1	2	3	4	5	6	post
1	1, 4	Selling the change and agreeing on the appropriate timing	■	■	■	■	■			
2	1, 6, 7, 8	Workshop to find the organization's CSFs and start team scorecards		■						
3	2, 3	KPI project team trained and empowered	■	■	■	■	■	■		
4	7, 8	Teams complete their scorecards and record their measures			■	■	■	■		
5	9	Selecting organizational winning KPIs					■	■	■	
6	10	Developing the reporting frameworks at all levels			■	■	■	■	■	
7	11	Facilitating the use of winning KPIs						■	■	■
8	12	Refining KPIs in 12 months to maintain their relevance								■

Note: The blocks indicate the elapsed time, not actual time taken.

Key Performance Indicators

EXHIBIT 9.4 BSC Perspectives for Not-for-Profit Organizations

Singapore Government Agency	Balanced Scorecard Institute	Surf Life Saving (not-for-profit)
Stakeholder/ customer	Citizens/students/ parents/stakeholders	Satisfaction of districts and clubs
Learning & development	Organizational capacity	Learning & growth of full-time staff
Operational excellence	Internal process	Internal process
Resource management	Financial stewardship	Financial
<i>Need to add</i> Environment & community	<i>Need to add</i> Environment & community	Environment & community partnerships
Staff satisfaction	Staff satisfaction	Staff & member satisfaction

Not-for-profit organizations often tell me that performance measurement “will need to be different in our sector” (e.g., “We do not have any need for daily or weekly KPIs”). I disagree with this view; there are a number of measures that not-for-profit organizations need to monitor on a daily/weekly basis. These include:

Daily Notification to Chief Executive Officer (CEO)

- Complaints from key stakeholders or donors
- Abandon rate at call center—caller gives up
- Complaints not resolved on first call
- Candidates for new positions who have outstanding job offers

Implementation Variations for Small-to-Medium Enterprises

- Expressions of interest from candidates that have not been responded to within 24 hours of receipt of interest

Weekly Notification to CEO/Senior Management Team

- Number of attendees registered by division for the in-house training course(s) to be run in the next fortnight
- Late reports by manager
- Late/overdue projects by manager
- Number of employees who have received recognition in past week, two weeks, month
- Number of recognition events and awards to staff planned for next two weeks, four weeks
- Percentage of waste generated/recycled in past week
- Expected launch dates of new services or fundraising campaigns
- Capital expenditure projects running behind schedule (top 20 projects)
- Average mainframe response time
- Percentage of staff who have been absent for more than two weeks, who have a back-to-work program
- Percentage of days where key systems were backed up overnight this week
- Number of post-project reviews still outstanding
- Number of initiatives implemented from stakeholder satisfaction survey
- Number of initiatives implemented from the recent staff opinion survey
- Number of initiatives implemented post-employee satisfaction survey

This list is by no means complete. In other words, much can be measured during the month in not-for-profit organizations.

No doubt some of the 12 steps will need to be handled more carefully (e.g., consultation with employees and unions,

Key Performance Indicators

EXHIBIT 9.5 Private Sector versus Not-for-Profit Implementation

Private sector	Not-for-profit sector
The four foundation stones	No change
Seven KPI characteristics	No change
12-step or 8-phase process	Based on the size rather than the sector
16-week timeframe	Government agencies will have additional cultural problems around swift implementations
Find an external project facilitator	Just as valid
CEO involvement	Will need more checks and balances to ensure this is maintained
Start off with a six-perspective balanced scorecard template	The same six perspectives will be required; you may need to include "stakeholder and customer" satisfaction together
Find the critical success factors	No change
Follow the 10/80/10 rule	No change
Select a small KPI team to be full time on the project	No change, albeit there may be a culture of unfinished projects
"Just do it"	As important as ever; there may be a tendency to try to intellectualize the exercise
Use existing systems for the first 12 months	No change
Trap all performance measures in a database and make them available to all teams	No change
KPI reporting formats are an art form, not a science	No change
You may need to rename the scorecard	No change

Implementation Variations for Small-to-Medium Enterprises

speed of implementation, whether the key performance indicator project can fit in the appropriate window of opportunity).

Exhibit 9.5 demonstrates that the key processes and steps remain constant whether the implementation is for a private sector or not-for-profit organization.