Reporting Performance Measures

Overview

Reports must be designed to accommodate the requirements of the different levels in the organization (board, senior management team, middle management, and the various teams). KPI reporting needs to be performed 24/7, daily or weekly, as appropriate to support timely decision making. This chapter displays some better practice formats that will help speed up this vital step and features the work of Stephen Few.

There is a major problem with reporting. The writers often do not understand enough about the science of reporting. In addition, too many reports have been prepared monthly, which is far too late for prompt action.

The reporting framework used in an organization must accommodate the requirements of the different levels in the organization (board, senior management team, middle management, and the various teams) and the reporting frequency that supports timely decision making. This chapter displays some better practice formats that will help speed up this vital step. This chapter should be read in conjunction with the white papers and books written by Stephen Few[1] (see www.perpetualedge.com). Stephen Few is the expert in this field, having written Amazon's top three bestselling books[2] on data visualization.

The Work of Stephen Few in Data Visualization

Data visualization is an area that is growing in importance. No longer is it appropriate for well-meaning accountants and managers to dream up report formats based on what looks good to them. There is a science behind what makes data displays work.

All reporting of winning KPIs and other performance measures is vastly improved if one adopts Few's design techniques in all forms of balanced-scorecard reporting.

Stephen Few has come up with a very useful list of common pitfalls in dashboard design which include:

Exceeding the boundaries of a single screen	Here Few is warning us to think about the design carefully and avoid giving the reader the option to access different options. We need to define what should be seen instead of leaving the manager to click on an icon to get the important data.
Supplying inadequate context for the data	Far too often we show dials which do not give enough information as to what is good or bad performance.
Displaying excessive detail or precision	Graphs should summarize the information and be a big picture view. The graph should have no more than a five point scale and this should avoid unnecessary precision, e.g., $5m instead of 5,000,000.00.
Starting scale midway	Often to emphasize a point the press will show an exchange rate between a very narrow band, say US$ to Euro between a five cents range magnifying the movement. Few is adamant that this may mislead and give rise to poor decisions. Better to express the graph starting the scale from zero.
Choosing inappropriate media in displays	Choosing the wrong graph, especially a pie chart! Few points out that it is far better to use a horizontal bar graph instead of a pie chart.
Introducing meaningless variety	Introducing a myriad of different graphs just because we can do them.

Arranging the data poorly	Not linking issues together and not positioning graphs about the same issue together on the dashboard.
Using a lot of color to highlight everything	Few points out that many readers cannot distinguish between certain colors and it is better to be a minimalist with color, only using red to highlight areas of concern.
Cluttering the screen with useless decoration	Managing the white space is important. Only things that matter to the reader should be included.

Each one of these is explained in detail in Few's white paper on the topic, "Common Pitfalls in Dashboard Design," available on www.perceptualedge.com/articles.

Reporting the KPIs to Management and Staff

Reporting measures to management needs to be timely. As mentioned previously, KPIs need to be reported 24/7, daily, or, at the outside, weekly; other performance measures can be reported less frequently (monthly and quarterly).

Intraday/Daily Reporting on KPIs

The main KPIs are reported 24/7 or daily. Exhibit 14.1 shows how KPIs should be reported on the intranet. Some form of table giving the contact details, the problem, and some history of performance is required.

Another benefit of providing senior management with daily/ weekly information on the key performance areas is that the month end becomes less important. One government department had a 9 o'clock news report every morning covering the processing of bene-fit payments by each office around the country. Regional management teams were able to compare their service levels and achievements on a daily basis.

In other words, if organizations report their KPIs on a 24/7 or daily basis, management knows intuitively whether the organization is having a good or bad month.

EXHIBIT 14.1 Example of a Daily KPI Report

Planes more than two hours late

Time: 4.30pm 12 Sept 201X

| Flight number | Statistics of last stop | | | Region manager's name | Current time at location | Contact details | | | Number of planes over one hour late | | |
	Arrival late by	Departure late by	Time added			Work	Mobile	Home	Past 30 days	30-day average of past three months	30-day average of past six months
BA123	01:40	02:33	00:53	Pat Carruthers	18:45	xxxxx	xxxxx	xxxx	4	4	2
BA158	01:45	02:30	00:45	Basil John	10:48	xxxxx	xxxxx	xxxx	2	3	1
BA120	01:15	02:27	01:12	xxxxxxx	20:45	xxxxx	xxxxx	xxxx	4	4	7
BA146	01:25	02:24	00:59	xxxxxxx	21:45	xxxxx	xxxxx	xxxx	5	4	4
BA177	01:15	02:21	01:06	xxxxxxx	22:45	xxxxx	xxxxx	xxxx	1	4	2
BA 256	01:35	02:18	00:43	xxxxxxx	23:45	xxxxx	xxxxx	xxxx	5	4	5
BA124	01:45	02:15	00:30	xxxxxxx	00:45	xxxxx	xxxxx	xxxx	2	4	6
Total	7 planes										

Intraday Exception Reporting to the Chief Executive Officer on Human Resources Issues

It is vital that key exceptions are reported to the chief executive officer (CEO) immediately when they occur. The following issues need to be addressed in private and public organizations:

- All job offers that are more than three days outstanding should be personally followed up by the CEO. The lack of acceptance means, in most cases, that the candidate is still looking around. A personal call from the CEO saying, "I understand, Pat, that we have offered you the position of _____. I believe you will succeed well in this role and I will take a personal interest in your career. What do we need to do to get your acceptance today?" could help convince the candidate to accept. This 10-minute call could well save over $20,000 of recruiting costs, a return of $120,000 per hour!
- In-house courses that are poorly attended because staff think that daily firefighting is more important.
- They remain caught in the "catch-22" cycle—the CEO should phone the managers who have not registered staff in the workshop and make it clear that this is not good enough.
- Staff members who have been ill for over two weeks who do not have an activated back-to-work program—the CEO should phone the HR advisers responsible for setting up the back-to-work program, visits to the company doctor, and partial return planning (e.g., a couple of half days in the office each week).
- Most CEOs treat accidents or safety breaches seriously and, therefore, these are reported—an acceptable report-back time would be within an hour of the incident.
- The CEO should follow up on all crucial staff members who have handed in their notice. This would be reported within an hour of resignation. A personal phone call may be enough to turn around the situation or, at the very least, open the door for a return in the future.

The aforementioned issues are set out in a suggested intranet-based report, see Exhibit 14.2. This report should be accessible by HR staff, the senior management team, and the CEO.

EXHIBIT 14.2 Example of a Daily HR Exception Report

Position offers still outstanding	Candidate	Contact details		Details	
		Home	Mobile	Manager	Days outstanding
Financial Controller	Pat Curruthers	xxxxx	xxxx	Jim Curruthers	3
Stores manager, Brisbane	Basil John	xxxxx	xxxx	Sally Smith	3

Teams not represented in the in-house courses due in next two weeks	Manager	Work	Mobile	Expected numbers from team	Average training days of team in past six months
Team xx	Jim Curruthers	xxxxx	xxxx	3	1
Team yy	Sally Smith	xxxxx	xxxx	4	1.25
Team zz	Jim Curruthers	xxxxx	xxxx	2	1.5
Team ss	Ted Smith	xxxxx	xxxx	1	0

Staff who have been ill for over two weeks	Manager	Work	Mobile	Length of illness	Back to work program started
xxxx xxx	Jim Curruthers	xxxxx	xxxx	10	Yes
xxx xxxxxxxxxxx	Sally Smith	xxxxx	xxxx	15	Yes
xxxxx xxxxx	Ted Smith	xxxxx	xxxx	25	No

Accidents and breaches of safety	Manager	Work	Mobile	Remedial action
Pat Gow was in a car crash, unhurt but needs two weeks' recovery time	Jim Curruthers	xxxxx	xxxx	Increase participation in advanced driving courses paid by company

Staff who have handed in their notice today	Staff member	Work	Mobile	Length of service	Manager
Susan George	Tom Bent	xxxxx	xxxx	<1	John Bull
John Doe	Sally Shell	xxxxx	xxxx	<1	John Bull
Jenny Gilchrist	Ted Snell	xxxxx	xxxx	15	Sarah Marshall

Weekly KPI Reporting to the CEO

Some KPIs need only be reported weekly. Set out in Exhibit 14.3 is an example of how they could be presented. Note that while all the KPIs will be graphed over time, at least 15 months, only the three KPIs showing a decline would be graphed. The other two KPI graphs would be maintained and used when necessary.

Reporting Performance Measures to Management

Management will need some weekly reports covering *result indicators* and *performance indicators*. There thus will be a mix of financial and nonfinancial measures.

Weekly Human Resources Update to CEO

There are some HR issues that the CEO needs to focus on weekly. They are not as critical as the intraday or daily HR exceptions, and thus are not considered KPIs.
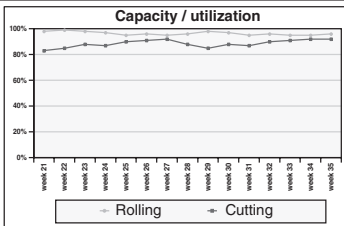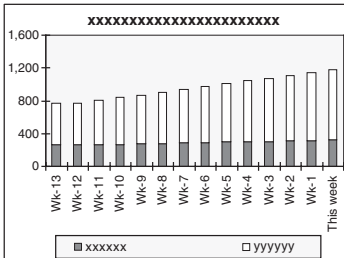
The following HR issues need to be addressed in most organizations:

- It is not uncommon for new staff to miss out on the planned induction program. This can have a negative impact on their performance over the short- to medium-term. The CEO should make it known that there is an expectation that staff will attend induction programs and that phone calls will be made to follow-up on exceptions.
- In-house courses to be held within the next two months should be highlighted weekly.
- Higher-than-average sick leave in a team may indicate a problem with leadership. The CEO should follow up when next in the area.
- The CEO needs to keep a weekly focus on the recognitions planned for the next week or two weeks. Peters and Waterman[3] and Collins[4] have emphasized the importance of celebration as a communication tool and a way of inspiring staff to exceed normal performance benchmarks.

The suggested intranet-based report that should be accessible to the HR staff, senior management team, and CEO is shown in Exhibit 14.4.

Top Five KPIs
Weekly Report xx xxxx 20xx

Top Five Weekly KPIs	Target	Result	Rating
Xxxxxxx xxxxx xxxxx (see graph below)			☹
Xxxxxxx xxxxx xxxxx (see graph below)			☹
Xxxxxxx xxxxxxx xxxxxxx.			☺
Xxxxxxx xxxxx xxxxx (see graph below)			☹
Xxxxxxx xxxxxxx xxxxxxx..			☺

Issues:

Actions to be taken:

Issues:

Actions to be taken:

Issues:

Actions to be taken:

Note: This report would be superseded when a reporting application is available.

EXHIBIT 14.3 Weekly KPI Report

Source: David Parmenter, *Key Performance Indicators: Developing, Implementing, and Using Winning KPIs,*
2nd ed. Copyright © 2010 by David Parmenter. Reprinted with permission of John Wiley & Sons, Inc.

EXHIBIT 14.4 Example of the Weekly Human Resources Report

New staff who have not attended an induction program	Start Date	Manager details			Staff turnover in past two years
		Name	**Office**	**Mobile**	
Alan Bevin	12/12/xx	Pat Curruthers	xxxxx	xxxx	30%
Carl Dodds	11/11/xx	Sam Smith	xxxxx	xxxx	40%

In house training courses due in next two months	Enrollments	Expected numbers	Date of course	Days left
First Aid	5	20	xxxxx	25
Supervisors Part 1	3	45	xxxxx	18
Leadership part 2	40	60	xxxxx	14
Presenting	6	20	xxxxx	15

Teams with above average sick leave	Days lost		
	This month	**Days per employee**	**Average per month for past three months**
Team xx	5	1.5	4
Team yy	8	2	7

CEO recognitions planned for next week	Manager	Date
Project _____	Jim Curruthers	xxxxx
Finance team	Sally Smith	xxxxx
_____	Ted Smith	xxxxx

Weekly/Monthly Updates to Management and CEO

There are endless ways these can be shown (see Exhibit 14.5) through icons, gauges, traffic lights, and so on. There are many reporting tools available that are more robust than a basic spreadsheet. It is highly likely that your organization has the license to use at least one such reporting tool.

Stephen Few has introduced a new concept called "bullet" graphs. These are particularly powerful when combined with Edward Tufte's[5] "sparkline" graphs, see Exhibit 14.6.

A sparkline graph looks like a line graph without the axes. Even with this truncated diagram you can still see the trend. The bullet graph shows different details about current performance. The shades used range from dark gray (to indicate poor performance) through to lightest gray (to indicate good performance). The dark vertical line indicates a comparative measure such as a target or last year's result.

Stephen Few is very cautious about the use of color. He points out that many readers will have some form of color blindness. In Exhibit 14.5b, the only use of color would be red bullet points indicating the exceptions that need investigation and follow up.

Reporting Performance Measures to Staff

It is a good idea to have some form of monthly icon report for staff. If this report happens to be left on a bus, it would not be damaging to the organization if it found its way to a competitor. Icon reports are ideal because they tell you what is good, what is adequate, and what needs to be improved without giving away core data. Exhibit 14.7 is an example of an icon staff report that covers the critical success factors and reminds staff about the strategies.

Reporting Performance Measures to the Board

Entities in the private and public sectors need to report to a board, a council, or an elected government official. To simplify, let's call the reporting body a board.
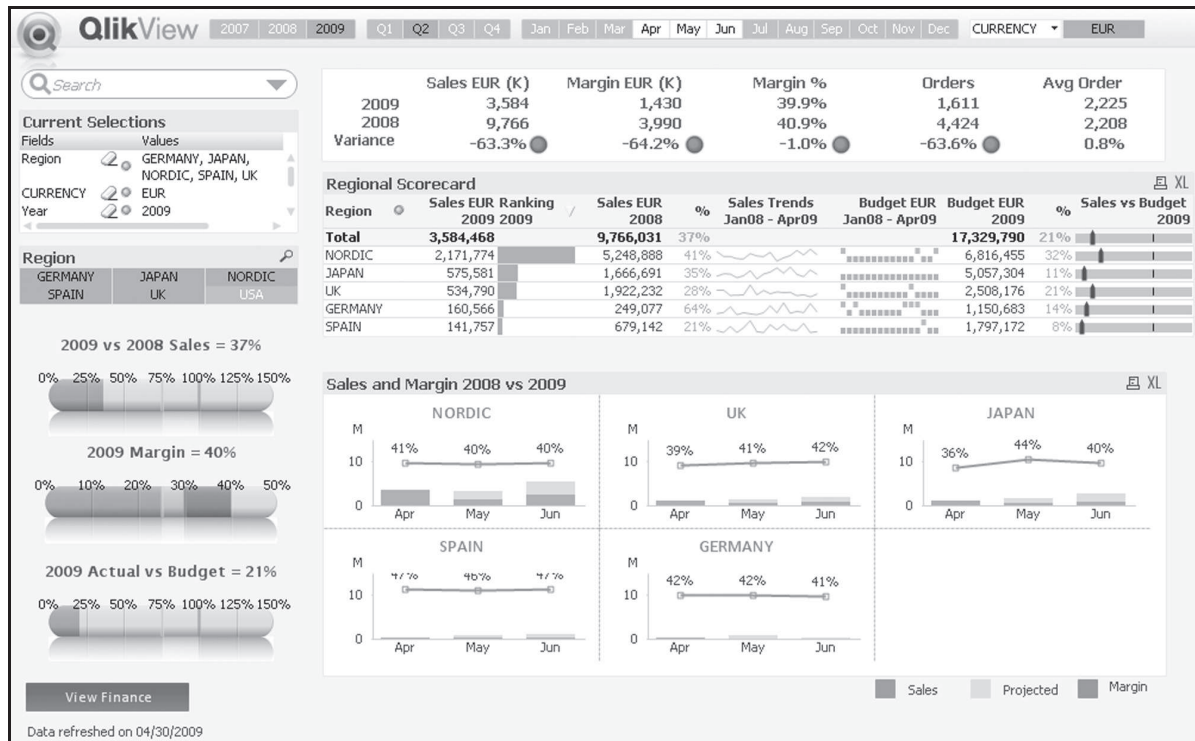
EXHIBIT 14.5(a) Examples of a Monthly Report to Management

Source: Used with the permission of Inside Info, www.insideinfo.com.au.
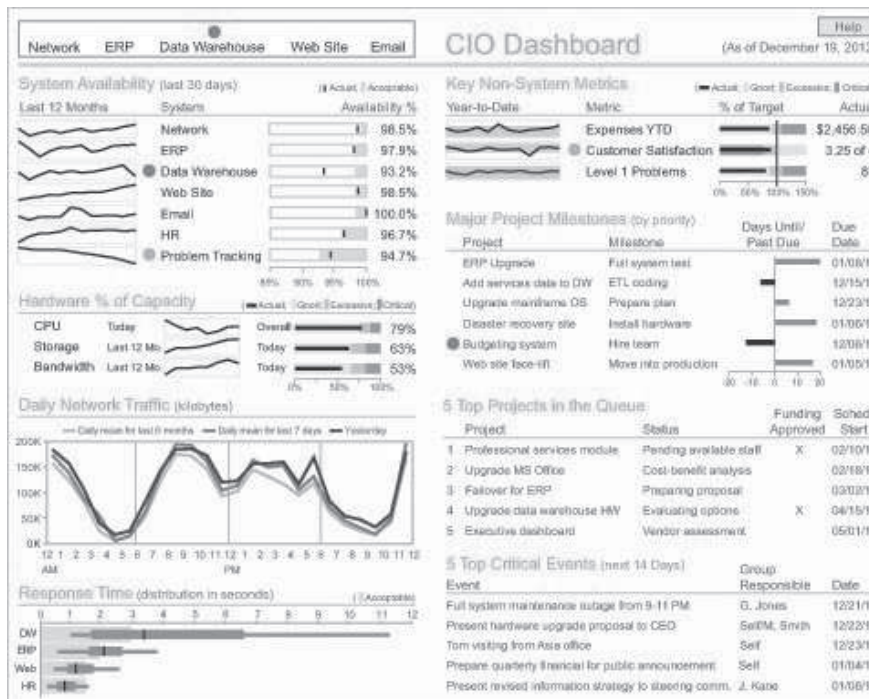
EXHIBIT 14.5(b) Examples of a Monthly Report to Management

Source: Used with the permission of Stephen Few, www.perceptualedge.com.
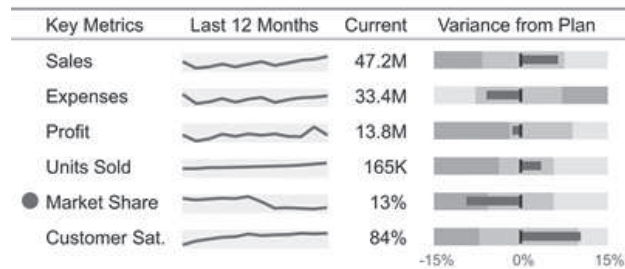
Sales Dashboard

Key Metrics	Last 12 Months	Current	Variance from Plan
Sales		47.2M	
Expenses		33.4M	
Profit		13.8M	
Units Sold		165K	
● Market Share		13%	
Customer Sat.		84%	-15% 0% 15%

EXHIBIT 14.6 Combination of "Sparklines" and "Bullet" Graphs
Source: Used with the permission of Stephen Few, www.perceptualedge.com.

In most organizations that have boards, there is a major conflict of interest over what information is appropriate for the board to receive. Because the board's role is clearly one of governance and not of management, it is totally inappropriate to be providing the board with KPIs. As mentioned in Chapter 2, it is a myth that a balanced scorecard can report progress to both management and the board.

To me, KPIs are the very heart of management. Used properly, many of them are monitored 24/7 or at least weekly; they are certainly not measures to be reported monthly or bimonthly to the board.

We need indicators of overall performance that need only be reviewed on a monthly or bimonthly basis. These measures need to tell the story about whether the organization is being steered in the right direction at the right speed, whether the customers and staff are happy, and whether we are acting in a responsible way by being environmentally friendly.

These measures are called key result indicators (KRIs). Typically a board would need to see between 6 and 12 graphs covering the critical success factors and all six balanced scorecard perspectives. These measures work particularly well in helping the board focus on strategic, rather than management, issues, and they will support management in their thrust to move board meetings away from the monthly cycle. These KRIs are best reported in a dashboard.

A dashboard should be a one-page display (see Exhibit 14.8) with the graphs, summary financials, and commentary all appearing on the page.

Progress Report for July xxxx

Our Mission	To provide our customers energy at the right price at the right time
Our Vision for next five years	To be the preferred energy provider in the xxx
Our Strategies	1. Acquiring profitable customers 2. Increase cost efficiencies 3. Innovation through our people 4. Using best business practices

Our progress against our critical success factors

Delivery in full on time to key customers		We are a learning organization		Innovation is a daily activity	
On time deliveries to key clients	☺	Staff training this month	☹	Ideas adopted last month	☺
Goods rejected due to quality defects	☺	Staff with mentors	☺	Paperless transactions with key suppliers/customers	☺
We are warriors against waste		**We grow leaders**		**We are respected in the communities we work in**	
Wastage reduction programs started in month	☹	Leaders appointed from within last month	☺	Community participation by employees in month	☺
Waste reduced from existing programs	☺	Managers in leadership programs	☺	New initiatives planned for community, next three months	☺
We finish what we start		**Attracting new profitable customers**		**Increase in repeat business from key customers**	
Number of late projects	☺	New customer orders	☺	Order book from key customers	☺
Number of project finishes in month	☹	Feedback from new customers	☺	Number of product developments in progress	☺
Points to note: xxxxxxxxxxxx xxxx xxxx xxxxx xxxxxxx xxxxxx xxxxxx xxxxx xx x x xxxxx xxxxx xxxxx xxxxx xxxxx xxxxx xxxx xxxx xxxxx xxxx xxxx xxxx xxxxx xxxxxxx xxxxxx xxxxxx xxxxx xx x x xxxxx xxxxx xxxxx xxxxx xxxxx xxxxx xxxx xxxx					

EXHIBIT 14.7 Example of a Monthly Report to Staff

Source: David Parmenter, *Winning CFOs: Implementing and Applying Better Practices.* Copyright © 2011 by David Parmenter. Reprinted with permission of John Wiley & Sons, Inc.

Board Dashboard March 20xx

Staff satisfaction

Div 1 — Div 2 — Div 3

Operating expenses (excl depn and interest) to revenue ratio

— Actual — Target

Return on capital employed

— Actual — Target

Steady increase in the provision of housing

☐ additional bedrooms ☐ loans underwritten
☐ grants allocated for housing ☐ Low deposit rural loans

NPBT falling just short of budget

—◆— YTD Actual ━━ Budget —▲— YTD Forecast — Last year

Alarming increase in accidents

☐ Tenants ☐ staff —◆— Rolling 12 months

Rent collected vs rent in arrears

☐ Rents collected ☐ rent arrears

Good increase in new housing stock

☐ 0–2 bedrooms ☐ 3 bedrooms ☐ 4+ bedrooms

Waiting lists rising

☐ Auckland ☐ Rest of country

Financial Performance for the ___ months ended _____

	Actual	Budget	Variance[1]	Variance %	Actual to annual budget %[2]
All figures are $'000					
Revenue					
Crown	55,000	60,000	(5,000)	–8%	35%
Other	42,000	41,000	1,000	2%	39%
Total Revenue	97,000	101,000	(4,000)	–4%	37%
Expenses					
Personnel	50,000	53,000	3,000	6%	40%
Operating	41,000	42,000	1,000	2%	32%
Restructuring	–	–	–	0%	0%
Depreciation	5,000	5,300	300	6%	40%
Total	96,000	100,300	4,300	4%	36%
Surplus / (Deficit)	1,000	700	300	43%	7%

1. Positive numbers represent under expenditure
2. xx.xx% of the year has been completed.

Statement of Financial Position

	As at XXX 20XX $000	As at last month $000	Movement $000	Movement %
Shareholders' Funds	25,500	25,000	500	2.0%
Represented by:				
Bank and Cash	6,000	9,500	(3,500)	(36.8%)
Debtors and Receivables	5,000	5,500	(500)	(9.1%)
Total Current Assets	11,000	15,000	(4,000)	(26.7%)
Plant, property and equipment	16,000	18,000	(2,000)	(11.1%)
Intangible assets	23,000	18,000	5,000	27.8%
Total Long Term Assets	39,000	36,000	3,000	8.3%
Total Assets	50,000	51,000	(1,000)	(2.0%)
Creditors and payables	9,000	9,000	-	-
Unearned income	5,000	6,500	(1,500)	(23.1%)
Employee entitlements	6,500	6,500	-	-
Total Current Liabilities	20,500	22,000	(1,500)	(6.8%)
Non Current Liabilities	4,000	4,000		
Total Liabilities	24,500	26,000	(1,500)	(5.8%)
Net Assets	25,500	25,000	500	2.0%

1. Working capital ratio: _____

Areas of Concern

- The expected shortfall at year-end is largely a result of the electrical consumer division and the yyyyyy division.
Xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
Xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
Xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Areas to Note

- The electrical consumer division decline is of concern. A special strategy meeting is being held on xx June to investigate new revenue avenues to help weather this storm.
Xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
- Xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Areas to Note

Debtors have benefited from the work done to reduce outstanding debt.
The amount which is overdue more than 30 days is now $5.0m down from $5.5m
- Xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
Xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
- Xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
Xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

An extract from David Parmenter's white paper "Decision Based Reporting – producing reports that make a difference" visit www.davidparmenter.com
This template is available to you from my website. The password is on the slides deck.

EXHIBIT 14.8 Board Dashboard on a Large (A3/U.S. Fanfold) Page

Reporting Performance Measures

A board dashboard completed overnight

One accountant, after attending a KPI workshop went home and prepared a Board dashboard for the board meeting the following day. It was not hard as most of the graphs required had been prepared for previous papers. He simply updated and repositioned them. He arrived early to meet the Chairman and said, "I know you do not like surprises but I have just prepared a one page summary of the organization, I think you will find it useful". The Chairman agreed and opened the Board meeting explaining the origins of this new one pager. It was such a success that accountant was instructed to make it the first page of all future the Board papers.

To help teams, there are ten good KRIs graphs in Exhibit 14.9 that you might want to use.

EXHIBIT 14.9 Key Result Indicators for a Board
Source: David Parmenter, *Winning CFOs: Implementing and Applying Better Practices*. Copyright © 2011 by David Parmenter. Reprinted with permission of John Wiley & Sons, Inc.

Staff satisfaction:	
No different or less important than customers' satisfaction. As one person said, "Happy staff make happy customers, which makes happy shareholders." If you believe in this connection, run a survey now! A staff satisfaction survey need not cost the earth and should never be done covering all staff; instead it should be replaced by a rolling survey. See my article on "How to seek staff opinion and not blow your budget" www.davidparmenter.com.	
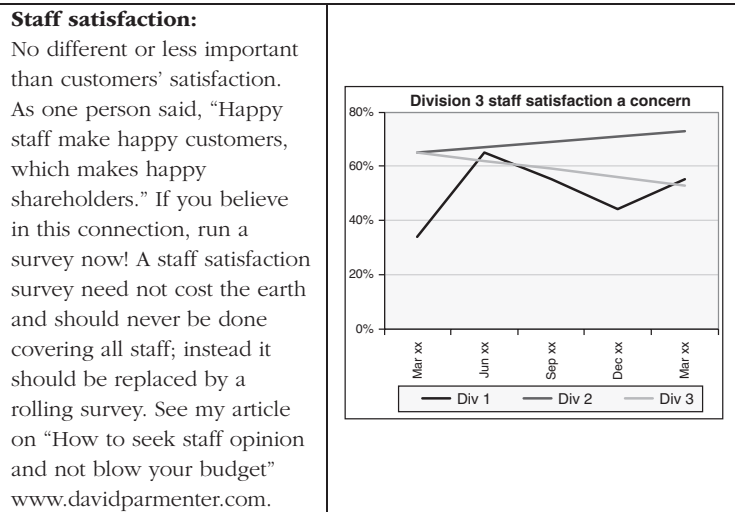
(*continued*)

Winning KPI Methodology

EXHIBIT 14.9 (*Continued*)

Expenses to revenue as a ratio: The Board should be interested in how effective the organization has been in utilizing technology and continuous improvement to ensure cost of operations is tracking well against revenue.	**Expense to revenue ratio in line with expectations** (chart showing Actual and Target lines from Aug xx to Sep xx, y-axis 0% to 60%)
Customer satisfaction: This needs to be measured at worst every three months by using statistical samples and focusing on your top 10 to 20 percent of customers (the ones that are generating most if not all of your bottom line). This process does not need to be overly expensive. If you think once a year is adequate for customer satisfaction, stick to running a sports club as you are not safe in the public or private sectors.	**Key customers' satisfaction** (chart showing Customers group A, Customers group B, Customers group C from Sep xx to Sep xx, y-axis 0% to 100%)
Value of new business: All businesses in the private sector need to focus on the growth of their rising stars. It is important to monitor the pickup of this new business, especially among the top 10 to 20 percent of customers.	**Value of new business taking off** (chart showing New product 1, New product 2, New product 3 from Aug xx to Sep xx, y-axis 0 to 8)

EXHIBIT 14.9 (*Continued*)

Net profit before tax (NPBT): Since the board will always have a focus on the year-end, it is worthwhile showing the cumulative NPBT. This graph will include the most recent forecast which should be updated on a quarterly basis. Access my article "Throw away your budget" www .davidparmenter.com.	
Health and safety: All boards are interested in this area as the well-being of staff is a much higher priority these days.	
Return on capital employed: The old stalwart of reporting. The difference now that it is no longer a KPI, but a KRI.	

(*continued*)

EXHIBIT 14.9 (*Continued*)

Cashflow:

This would be projected out at least six months forward.

Cashflow impacted by heavy reinvestment

Legend: Operating — Investing — Financing

Capacity:

This monitors the capacity of key equipment and facilities. It would go forward at least 6 to 12 months. The board needs to be aware of capacity limitations, and such a graph will help focus the board on new capital expenditure requirements.

Utilization of capacity on target

Legend: Mainframe — Internet — xxxxx

Operational efficiency:

This measure looks at the operational efficiency of key units (e.g., key plant and equipment).

Operational efficiency below expectations

Legend: Actual — Target

There are some key points that need to be understood about the graphs in Exhibit 14.9, including:

- The rules of Stephen Few covered in this chapter need to be understood and applied.
- The guidelines in Task 2, Establish a Suite of Meaningful Graphs That Are Easy to Understand, in Chapter 13 should also be applied.
- From experience, you will only need to report the six to nine measures most relevant to the board.
- Trend analysis is required, going back at least 15 months to ensure any seasonality in the operations is captured. Remember business has no respect or interest in your year-end; it is merely an arbitrary point in time.
- There is no room to show a flawed monthly or year-to-date budget line, an arbitrary apportionment of the annual planning number that was done at the last minute and was wrong from the very start. It is like setting your race plan for the Americas Cup regardless of the wind conditions on the day of racing. See my current articles on this at www.qrf.davidparmenter.com/articles/.
- Key turning points on graphs should be explained by a note on the graph and comments need to highlight major issues.

Reporting Team Performance Measures

Set out in Exhibits 14.10 and 14.11 are examples of the weekly and monthly reporting a team would do to monitor its own performance.

EXHIBIT 14.10 **Example of a Weekly Team-Progress Update**
Source: David Parmenter, *Winning CFOs: Implementing and Applying Better Practices*. Copyright © 2011 by David Parmenter. Reprinted with permission of John Wiley & Sons, Inc.

Weekly Progress Update During May			
	Week 1	**Week 2**	**Target (month)**
Proactive visits to in-house clients	0	1	6
Number of staff recognitions made	0	0	6
Projects in progress	7	7	<8
Reports/documents still in draft mode	12	15	<5
Initiatives underway based on satisfaction survey	0	0	5 by 30 June

Information System's Scorecard

Customer Focus

Help desk	This month	Target
Program visits to managers	4	6
Service requests outstanding (faults, works requests) at month end	24	15
Service requests closed in month	45	55
% calls fixed by Help Desk from 1st call	55%	65%
Initiatives underway based on satisfaction survey	0	5 by 30 June

Services outages Vs SLA's	This month	Target
Average Mainframe Response Time	1 sec	
Outage time per month / # of times	None	<1hr/mth

ISSP	This cycle	Target
Program visits to managers	4	12
Presentations of ISSP to managers	2	6

Projects status

Percentage complete

■ Risk of non-completion ▨ Behind □ On-track □ Done

Internal Process

Disaster recovery	This month	Target
Backup every night	100%	100%
Months since last back-up tested at remote	3	<4
Rolling checks on C drives	25	40

Our ability to deliver	This month	Target
% of jobs completed on time or budget	44%	60%
% of time of developers spent on high priority / high value work	55%	65%
Staff trained to use _____ system	45	150

Completions	This month	Target
Projects in progress	7	<8
Reports/documents still in draft mode	15	<5

Innovation & Learning

Training needs outstanding	Next 3 months	Last 12 months
Chief information officer	0	2
Team xxxx	0	5
Team xxxx	0	2
Team xxxx	0	1
Team xxxx	0	1
Average for all IT staff	**<0.1**	**2.5**

Coaching sessions	This month	Last quarter
Number of staff who have had one-on-one coaching sessions	0	4

Innovations implemented	This month	Target
Number of staff innovations implemented	10	23

Environment and Community

	This month	Target
Presentations given to third party organizations	1 in last 12 months	>3 in year
Number of Finance staff involved in community activities	10	>15

IS Team Satisfaction

	This month	target
No. of formal staff recognitions made in the month	1	>2
Staff functions planned to occur in next three months	0	>2

Financial Results - Progress Against Plan

■ Annual plan   ----- Forecast cumulative
▲ Actual cumulative   Last year

Findings:

xxxxxxxxxx xxxx xxxxxxxxxx xxxxxxxxx xxxxx   xxxxxxxxxxx xxxxxx xxxxxxxx xxxxx xxxxx xxxxxx
xxxxxxxxx xxxxxx xxxxxxxxxxxxx xxxxx   xxxxxxxxxx xxxxxx xxxxxxxx xxxx xxxxxxxxx xxxxxxxxx xxxxx   xxxxxxxxx   xxx
xxxxxxx xxxxxxxx xxxxx xxxxx xxxxxx
xxxxxxxxx xxxxxx xxxxxxxxxxxxx xxxxx   xxxxxxxxxxx xxxxxxx
xxxxxxxxx xxxx xxxxxxxxxx xxxxxxxxx xxxxx   xxxxxxxxxxx xxxxxx xxxxxxxx xxxxx xxxxx xxxxx
xxxxxxxxx xxxxxx xxxxxxxxxxxxx xxxxx   xxxxxxxxxxx xxxxxxx

Action to be taken:
xxxxxxxxx xxxx xxxxxxxxxx xxxxxxxxx xxxxx   xxxxxxxxxxx xxxxxx xxxxxxxx xxxxx xxxxx xxxxx
xxxxxxxxx xxxxxx xxxxxxxxxxxxx xxxxxx   xxxxxxxxxxx xxxxxxx
xxxxxxxxx xxxx xxxxxxxxxx xxxxxxxxx xxxxx   xxxxxxxxxxx xxxxxx xxxxxxxx xxxxx xxxxx xxxxx
xxxxxxxxx xxxxxx xxxxxxxxxxxxx xxxxxx   xxxxxxxxxxx xxxxxxx
xxxxxxxxx xxxx xxxxxxxxxx xxxxxxxxx xxxxx   xxxxxxxxxxx xxxxxx xxxxxxxx xxxxx xxxxx xxxxx
xxxxxxxxx xxxxxx xxxxxxxxxxxxx xxxxxx   xxxxxxxxxxx xxxxxxx

EXHIBIT 14.11 Example of an IS Monthly Team Balanced Scorecard
Source: David Parmenter, *Winning CFOs: Implementing and Applying Better Practices*. Copyright © 2011 by David Parmenter. Reprinted with permission of John Wiley & Sons, Inc.

The examples shown are in Excel, a useful template tool until a more robust and integrated solution is found.

The weekly report tracks those measures too important to leave until the end of the month.

Team reports should be communicated only to the team members until they are proud enough to report their performance to the rest of the organization on the intranet.

How the Reporting of Performance Measures Fits Together

Exhibit 14.12 shows how the reporting of performance measures should work in a private, public, or not-for-profit organization.

The important reports are the daily and weekly reports shown in the left-hand column. These are seen by the senior management team and the relevant operational staff. Some of these would be intranet-based, being updated 24/7 (e.g., late planes in the sky).

At month's end, summary information would be given to:

- The board, to help them understand the operations and general progress within the critical success factors
- The staff, to give feedback on their efforts in progress with the critical success factors
- The management, summarizing progress in the critical success factors, which will have been monitored in the daily and weekly reports, and other success factors that are monitored only monthly
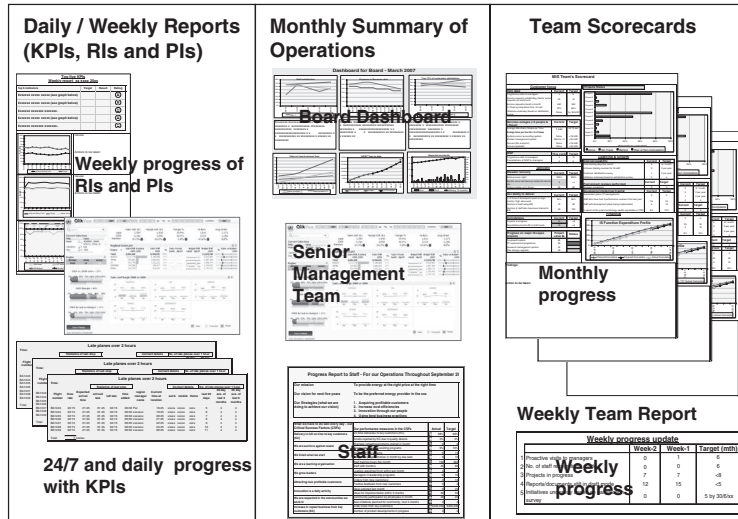

EXHIBIT 14.12 Performance Reporting Portfolio
Source: David Parmenter, *Winning CFOs: Implementing and Applying Better Practices,* copyright © 2011 by David Parmenter. Reprinted with permission of John Wiley & Sons, Inc.

In the right-hand column of Exhibit 14.12, we show that teams will be monitoring performance through their scorecards. If a team is involved with a KPI, they would also be monitoring the KPI reporting shown in the left-hand column of Exhibit 14.12.

Designing Reports Around Current Technology

It is important to design your reports based on the user's technology. Many 24/7, daily, or weekly reports will now be read via the user's phones and tablets. See Exhibit 14.13 for an example from
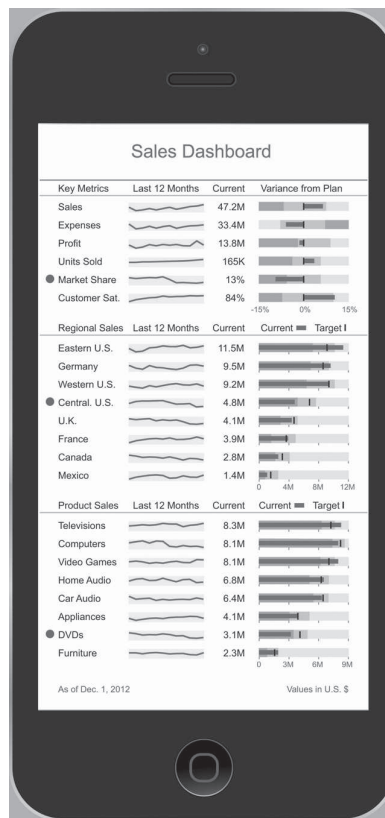

EXHIBIT 14.13 An IPhone Dashboard
Source: Used with the permission of Stephen Few, www.perceptualedge.com

Stephen Few.[6] There is a whole raft of suppliers who can revolutionize your reporting. Some of the current solutions on offer, at the time of writing, are:

- Tableau software
- Targit
- Dundas Dashboards
- qlikview
- Board
- Cognos BI
- Crystal reports
- Proclarity

There are many more. Start by asking your GL provider who are the best users of our GL who are within a day's travel from you. Contact them and organize a benchmarking visit. During the discussions about better use of the GL ask them, "What reporting tool do you use?" These companies will have done the homework for you, and you will be able to see their clever use of this technology.

Notes

1. Stephen Few, *Information Dashboard Design: Displaying Data for At-a-Glance Monitoring* (Burlingame, CA: Analytics Press, 2013); *Show Me the Numbers: Designing Tables and Graphs to Enlighten* (Burlingame, CA: Analytics Press, 2004); *Now You See It: Simple Visualization Techniques for Quantitative Analysis* (Burlingame, CA: Analytics Press, 2009).
2. Few, *Information Dashboard Design*; *Show Me the Numbers*; *Now You See It*.
3. Thomas J. Peters and Robert H. Waterman, *In Search of Excellence: Lessons from America's Best Run Companies* (New York: Harper & Row, 1982).
4. Jim Collins, *Good to Great: Why Some Companies Make the Leap and Others Don't* (New York: HarperBusiness, 2001).
5. Edward Tufte, *Beautiful Evidence* (Graphics Press, 2006).
6. Stephen Few, *Information Dashboard Design: Displaying Data for At-a-Glance Monitoring* (Burlingame, CA: Analytics Press, 2013).