



DOING WITHOUT PERFORMANCE MANAGEMENT

At the end of the day what you actually achieve is what really counts. We call this performance. However, while a good performance management framework is not difficult to develop, it takes old-fashioned effort and focus to make it work.

When an organisation has no vision of where it wants to be in the future, managers and staff are forced to work in a vacuum, doing the best they can. The absence of a clear idea of where the organisation is going means that nothing is ruled in and or ruled out. The organisation pursues everything all at the same time, generating a proliferation of draft objectives and strategies.

Many of the strategies never see the light of day or are converted into a bewildering array of vague and inequitable targets. Everything has the same priority. As a result, little work-planning takes place, and important tasks may be scheduled at a time when staff are already busy. Often they just do not have the skills to deliver.

Reviews and appraisals take place infrequently, and no follow-up action is taken. Bad performers are rewarded on the same basis as good ones. Sometimes good performers are even subtly punished. Not sure how? They are given the work not completed by the bad performers.

Training and development is left to chance. The best way to do this is to give it to hard-pressed frontline managers to deliver on-the-job courses.

Performance Management provides an alternative to this chaos, by connecting the long-term strategy of the organisation to the day-to-day performance of its people, specifying targets and monitoring performance against these targets.

The expected outcome is continuous improvement in organisational, team and individual performance.

Performance Management takes the long-term vision of an organisation and turns it into a collection of targets and actions that get you there. Bit by bit. It is an ethos, rather than a set of procedures to be taken from one organisation to another. Most importantly Performance Management helps each individual to understand and recognise just what it is that they have to do to make the organisation successful.

The benefits are pretty obvious really. The organisation has clarity of purpose. Having a clear idea of what needs to be done allows managers to delegate work more effectively and makes people more accountable for their work.

A good framework allows you develop the effectiveness of your managers by setting clear standards and monitoring performance.

And finally a systematic approach to managing performance helps an organisation to make more rational business decisions, as the long-term organisational vision provides the context within which decisions are made.

A good performance management

framework means that:-

- *You have a clear idea of where you want to be in five to ten years time.*
- *People know what the organisation's values are, and what behaviour is expected. What will get praise and what will get a good telling off.*
- *You have a good business planning process as well as a decent business plan.*
- *Your plans provide meaningful objectives and targets for your organisation, your teams and your people.*
- *You review regularly how your plans are being achieved at all levels in the organisation.*
- *People feel connected to the leadership of the organisation. They see visible and approachable directors and chief executives.*
- *Managers walk the talk. They embody the values of the organisation and explain the vision.*
- *Human Resources policies are closely aligned to the delivery of your organisational objectives.*

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Competencies

At ValueAdding.com "We help clients to respond to customer requirements by improving their processes and costs through the skills of their people."

SUBJECT AREAS

PROCESS REDESIGN

Led by Richard Coombes:

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CUSTOMER RELATIONSHIP MANAGEMENT

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SKILLS FRAMEWORKS

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Death of the One Night Stand

As the marketing guru, Theodore Levitt, has said, "The age of the one night stand in supplier/customer relationships is over. It is now more like marriage, where each partner is committed to the other."

It is neither quick nor easy to achieve partnerships with customers, for your customer must fully experience the level of commitment you, as a supplier, will invest in the relationship. Partnerships do not flourish without constant effort to review, develop and reinforce the relationship. Managing these relationships is a 'key business process' for any company looking for sustainable growth.

The key is a systematic approach which reinforces the value of the partnership for both parties.

ValueAdding's Relationship Review Process (RRp) supports and drives progress towards loyal customers by systematically gathering actionable data, and using this to develop the relationship. Only by gaining comprehensive feedback can further development be made in strategic partnership development.

The RRp provides real-time evidence of your customers' perceptions about your products and services in a collaborative and non-confrontational way. Following training by ValueAdding, the customer interviews are conducted by your own staff, so that they are intimately involved in the relationship-building process.

The very act of performing an RRp interview strengthens the relationship on its own. The information you gather will help you identify what you can do to satisfy the requirements of both companies. Taking action based on this information will show the customer just how committed your organisation is to their success, so building a collaborative relationship.

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Steps in the Relationship Review Process

To implement the Relationship Review Process within an organisation we follow an eight-step programme.

What does E-government mean in practice?

The way that we communicate and go about our lives is changing, and the Government is trying to ensure that public services reflect how we now live, both in how we can access these services and in how they are delivered.

We can now order pizzas through our television, receive football scores via SMS text messaging on our mobile phones and book theatre tickets via the Internet. We can view our bank accounts and make purchases online. We expect to be able to contact virtually any service at any time – at our own convenience, not that of the service-provider. Why should we not be able to go online to seek an environmental process authorisation, pay tax or report an abandoned vehicle to the local council?

As yet, few local authorities can support these simple transactions. Things are changing, however.

The government's UK online strategy envisages public services tailored to the needs of the individual and business, with a seamless flow of information across government.

The e-Government Interoperability Framework (e-GIF) sets out the government's mandatory policies and specifications for achieving interoperability and ICT systems coherence across the public sector. The e-GIF, a cornerstone of the overall e-Government strategy, defines the pre-requisites for joined-up and web-enabled government, the main thrust of which is to adopt the Internet and World Wide Web specifications for all government systems.

The underlying infrastructure will free up public sector organisations to concentrate on serving the customer, by building value-added information and services. It will be for the organisations themselves to consider how their

business processes can be made more effective by increased interoperability.

The impact for the Public Sector

So how does a Local Authority, or any other organisation, achieve this vision? Our experience tells us there are two key elements for success:

1. A single point of contact
2. Capable supporting processes.

The contact interface needs to be one point – no matter what means of communication is used – a personal visit, a phone call, a letter or access through an Internet portal. The end result must be the same too.

By establishing a contact centre you ensure control and consistency in approach.

When someone reports by telephone that a repair is needed the process the Council follows is exactly the same as if it were reported by e-mail or a personal visit. Whether your company requires an environmental process authorisation or you need to make a planning application, the point of entry is the same.

Crucially, the back-office processes must support this approach. Without a supportive operational environment, the Contact Centre will be a Chaos Centre.

The success of any operation depends on the existence of clear and achievable processes, which support stakeholders and their enquiries. To be able to migrate them into a Contact Centre we need to understand:-

- *What the processes are and their triggers*
- *The controls and measures that are in place, and those that are required*

- *The outputs and responsibilities*
- *How the processes are managed and fed back to the organisation*

Too often we see organisations trying to change their structure without first fully understanding their processes. This leads to confusion about responsibilities, and lack of communication.

Contact Centre processes must support a 'front office/back office' structure. The front office is the interface with stakeholders, receiving all forms of enquiries in all media. The back office is the continuation of the processes initiated by the front office. To the Customer it appears seamless. But chaos will start if the processes and responsibilities are unclear, for the front office will give Customers wrong information and false expectations.

The change process brings many opportunities for improvement. Gaining greater understanding of processes facilitates their re-evaluation. A skills review will lead to resource issues. Roles and responsibilities will change, with implications for Human Resources and Unions, who need to be involved at a very early stage for best results. This only reflects what we all know, which is that if you want to improve your organisation, ask the people who are doing the job!

In parallel to this, there needs to be a clear, concise and effective Communication Strategy, to emphasise the improvements you are making to service stakeholders better!

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The Public Sector gets a dedicated approach.

We have dedicated a new website www.ValueAdding.CO.UK to the Public Sector, which includes the NHS and the Probation Service in addition to Local Authorities. All use frameworks and tools originally developed in the private sector. All face difficult "customers" and yet are required to give an ever-improving service.

Is the Public Sector more complex than commerce? Certainly! Where in the private sector does an accounts receivable department have many of their bad debts in the hands of the socially deprived, drug and alcohol abusers and the physically abusive? How many commercial organisations have to budget for unpredictable items such as graffiti?

Local Authority performance reviews are conducted and published by the Audit Commission as Comprehensive Performance Assessments (CPA). These form the basis of the league tables.

Increasingly, Local Authority CEOs seek help in working out how to improve their CPA scores. Even the best-performing authorities such as Cheshire and Derbyshire recognise the need to improve, in order to retain their high scores.

Apart from having considerable experience in the Public Sector, ValueAdding.com also has experience in Balanced Scorecard exercises for the commercial world - although we recognise that CPA requires a somewhat different approach.

Our website is just the first part of our response to the demands of this important sector. A visit to www.ValueAdding.co.uk demonstrates that we speak the right language.

Alastair Watson

MBA MA BA DipM CMC

Alastair recently became a Director of ValueAdding.com Ltd, having worked with us for over five years. He is a graduate of Oxford University and an experienced consultant and trainer in the area of business process improvement/redesign, organisational development, teamwork, leadership and change management. He is also a visiting lecturer at the University of Westminster in the area of strategic planning and policy.

His extensive experience, gained in the public and private sectors, covers process analysis, diagnostic assessments, strategic planning at senior level, leadership development, facilitator training, performance measurement systems, team based problem solving and process redesign.

Prior to a career in consultancy, Alastair attained a Masters Degree in Business Administration at Cranfield on his return to the United Kingdom after seven years in New Zealand working in management at a large aluminium smelter. His clients have included the BBC, BT, Inmarsat, NatWest, Norwich Union, QinetiQ (DERA), Taunton Deane Borough Council, Vehicle Inspectorate.



Sally Trevaskis

MBA BA



Sally specialises in helping improve performance, and works with local authorities and housing associations to facilitate Best Value Reviews. She is skilled in Strategic Planning, Organisational Development and Communications, Performance

Management and Change Management projects.

Prior to becoming a consultant Sally was head of Housing Management at Westminster City Council. She then became Strategy and Resources Manager at Westminster Management Services, the contractor side of the Housing Department, where she was responsible for the business planning and Performance Management process; the Finance, Human Resources, Training, internal and external communications functions; the development of best practice and competitive tendering across the whole organisation.

Later, as a director of WMS Haywards, a subsidiary of the Erinaceous Group and the vehicle to tender for WCC's Housing Department Contracts, Sally worked on cross group strategic management projects such as establishing Human Resources, Health and Safety and Business Planning frameworks.