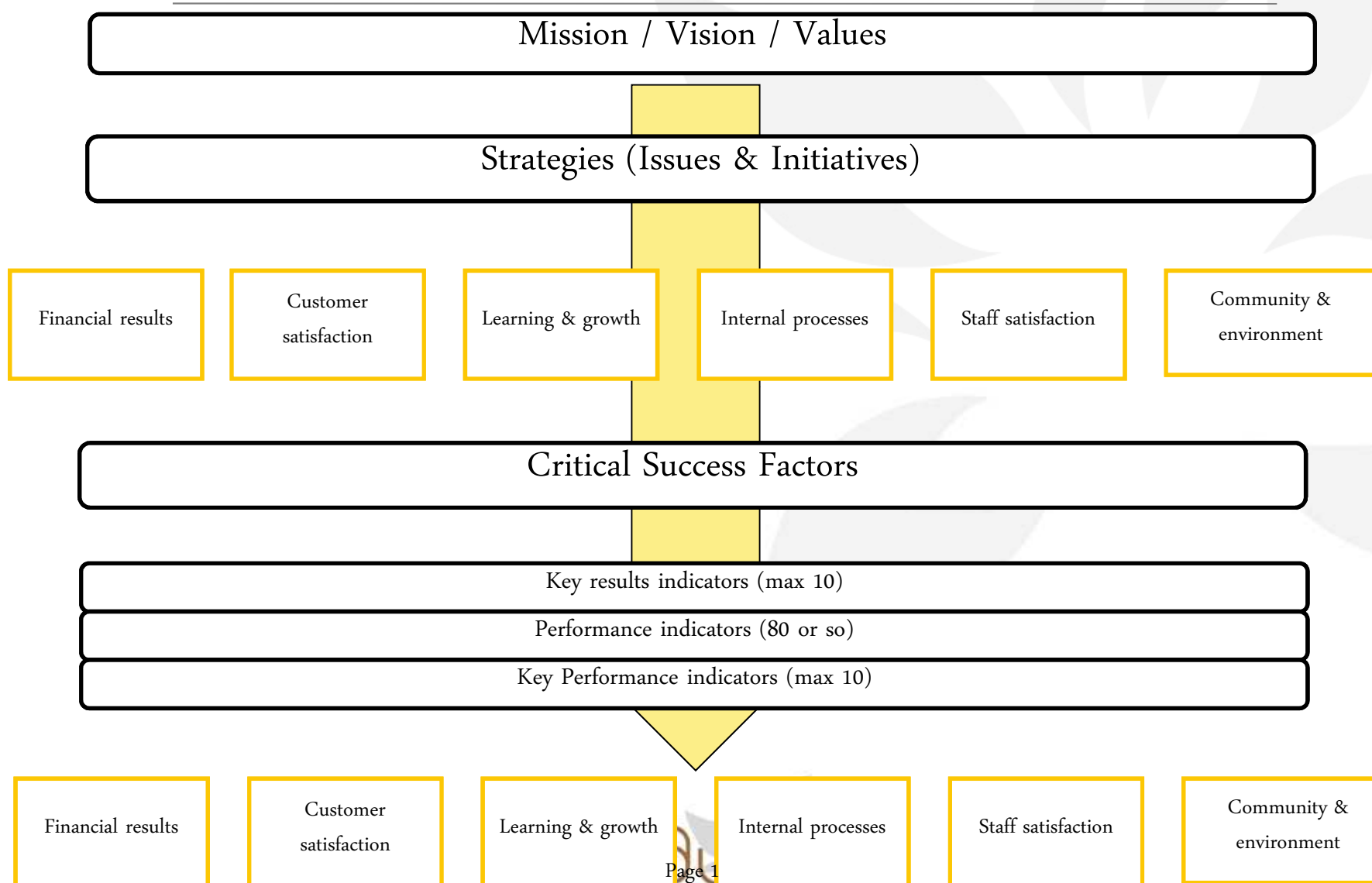


Journey from a Mission and Vision to Performance Measures



Some Definitions

Mission is like the timeless “beacon” that may never be reached

Vision is where we want to go. It is stated with clarity, time bound and supported by the Senior Management.

Strategy is the way an organization intends to achieve its vision.

Some Definitions

- KRI*** **Key Results Indicators**, inform on what has been done, covers a longer period, reviewed on a monthly or quarterly basis, they tell as to whether the organization is being steered in the right direction, approx. 10 KRIs in an organization
- PI*** **Performance Indicators**, numerical measure of achievement, easily collected, informs on what to do, approx. 80 PIs in an organization
- KPI*** **Key Performance Indicators**, focuses on those aspects of the organizational performance that are the most critical for the current and future success of the organization, what to do to increase performance, what action to implement, approx. 10 KPIs in an organization

Seven Characteristics of KPIs...

1. Nonfinancial measures (when a \$ sign appears it is a KRI)
2. Measured frequently
3. Acted on by the CEO and senior management team
4. Understanding of the measure and the corrective action required
5. Tiers responsibility to the individual or team
6. Significant impact (affects the CSFs and more than one BSC perspective)
7. Positive impact, has a flow-on effect

Bringing it together...

1. Critical Success Factors (CSF) – something that needs to be in place to achieve the objectives, determines an organization's health and vitality (5 to 8)
2. KPIs, PIs and KRIs, cascade from CSFs, should be linked, they should have a common thread that is documented and reported

Six Balanced Scorecard & Critical Success Factors

