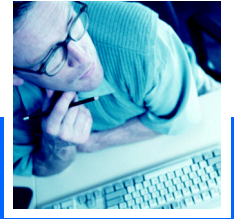


How to set up a measurement cascade

By Nick Whale



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Synopsis

You get what you measure. It is vital, therefore, that you measure the right things in the right way throughout your organisation. The right performance measures also liberate the energy of your people. This article tells you how to successfully set up a balanced scorecard and a cascade of key performance indicators (KPIs).

How to ...

How to measure and control your progress towards your strategic goals.

How to motivate and focus your team's energy on strategic progress.

How to use Key Performance Indicators and a Balanced Scorecard.

Nick Whale

At the international level, Nick has been implementing change successfully, as a line manager and consultant, for 25 years. Now based in Europe, he acts as an independent consultant helping international organisations to define their visions and turn them into reality. He has an MBA from Cranfield School of Management in the UK.

Introduction

You get what you measure. Too often people in organizations work hard at the wrong things because the measurement system is wrong or does not exist. Think of all that precious time, effort and investment going to waste.

The measurement system must be set up in the right way. The measures must permeate your organization so that everyone understands what the right things are. They must connect to each other so that managers at every level always have visibility of how their part of the business is performing. This is a key performance indicator (KPI) cascade.

Poor measurement crushes initiative and creativity. People hesitate to innovate because they do not know if it is the right thing to do. The organisation becomes risk averse and slowly starts to decline. Good measurement encourages people to use their initiative because they know they are working on the right things.

Good measurement also releases energy and enthusiasm. Staff will know what customers want because they deal with them every day. If they are forced to do the wrong things because they are measured on the wrong things they become frustrated and dispirited.