

THE WEST REPORT

Charting Pathways to Excellence

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Performance Improvement... Added Power for Your Business in the 21st Century

How many times during the last three months have you used or heard your boss, associate or a friend use the term "Performance Improvement" (PI)? If your answer is no time, once or several times, BEWARE! The likelihood of hearing PI more frequently is on the rise based on a survey of M. H. West & Co., Inc.'s senior consultants and specialists. Findings are that they heard PI used some 35 times during the last month and the term was used in conversations and discussions held in a wide range of settings such as hospitals, museums, health clubs, churches, chambers of commerce, restaurants, schools and the legislature. Although you may be wondering what the hype is over PI if your organization is thriving from its use of the process, there are many other organizations yet to realize the full power of this management tool.

WHAT IS PI?

Performance Improvement is a process of assessing progress toward achieving pre-determined goals, including information on the efficiency with which resources are transformed into goods and services, how well the goods and services are delivered to clients and the extent to which clients are satisfied, the results of a program activity compared to its intended purpose and the effectiveness of operations in achieving objectives. (Source: National Performance Review Fall 1998).

In other words, PI provides clues and strategies to a business about consequences that result from actions taken and actions not taken. Because PI can "cut the grey out" of operating a business, a major benefit to CEOs/COOs is more time to focus on issues that are generally easier to manage and resolve because they are "black" or "white."

By using PI organizations also have closed the gap between:

- **success and failure**
- **large and small profits**
- **quality and marginal products and services**
- **satisfied and dissatisfied employees**
- **superior and inferior customer service**

Financial Value and Profitability Measures

- **Return on Investment**
- **Return on Equity**
- **Return on Asset**
- **Return on Capital Employed**
- **Economic Value Added**
- **Market Value Added**
- **Net Income**

Customer Measures

- **Loyalty/Retention**
- **Satisfaction**
- **Market Share**
- **New Markets**
- **Number of Prospects**
- **Percent of Potential Contracts Closed**
- **New Business**
- **Product/Service Quality**
- **Competitive Pricing**
- **Delivery Service/Timeliness**

Workforce Measures

- **Employee Satisfaction**
- **Measures of Turnover**
- **Measures of Retention**
- **Measures of Absenteeism**
- **Employee Performance Output**
- **Quality of Output**
- **Knowledge, Skills and Abilities**
- **Knowledge of Mission Statement**

Operations/Program Measures

- **Confidence in Leadership**
- **Communication/Response**
- **Teamwork**
- **Environmental Safety/Incident rate**
- **Timeliness/Accuracy of Information**
- **Responsiveness to Customers**
- **Product/Service Reliability**
- **Knowledgeable Employees**