



## have you got ugly performance measures?

Good performance measures are comparisons that provide objective evidence of the degree to which a performance result is occurring over time.

The following examples of so-called measures for a customer service goal are NOT good performance measures:

- “Win Customer Service Award”
  - It’s an event: not regular, ongoing, actionable feedback!
  - Any customer service award worth its salt would ask you for your customer measures.
- “Implement Customer Relationship Management by June 2011”
  - It’s evidence of an action, not result!
  - It’s a milestone for project management, not a measure for performance management.
- “Staff Productivity”
  - Not relevant evidence of the result!
  - Staff productivity can improve at the expense of customer service!
- “Customer Loyalty”
  - Too ambiguous: not a universal standard defined measure!
  - Loyalty means different things: retention, lifetime value, referral, % share of pocket, etc...
- “Customer Survey”
  - It’s a data collection method, not a measure!
  - Why surveys are usually too long and not useful: don’t define the measures first.

Here are what good measures are like:

- Overall Customer Satisfaction = a quarterly average satisfaction rating provided by active customers about their overall experience with us
- Delivery Cycle Time = the average time in days from customer order to customer receipt of goods, calculated monthly for completed deliveries

Use the template over the page to assess if your current performance measures are good, bad or downright ugly...

