PuMP

PRE-WORKSHOP WARMUP MESSAGE

The PuMP® Performance Measure Blueprint Workshop
A pre-workshop warm-up to help you get the most out of the workshop.

Stacey Barr, the Performance Measure Specialist and creator of PuMP®

G'day. I'm Stacey Barr, the Performance Measure Specialist of www.staceybarr.com, creator of the PuMP® methodology, and creator of the PuMP® Blueprint Workshop.

This is a special pre-workshop message for you, to help you prepare and get the most out of the workshop. There are a few things we'll cover, including:

1. the 3 reasons so many people are still struggling with performance measurement, which this workshop will directly address

2. the structure of the 2-day PuMP® Blueprint Workshop and how it flows together as a process you'll practice with me at the workshop AND take back to work ready to implement

3. how to start thinking now about how you will first implement what you learn at the workshop, so you can return to work after our 2 days together and keep building the momentum for better performance measures and performance improvement

4. what to bring along with you to the workshop, and why

The PuMP® Blueprint Workshop has been going since 2006, both publicly and in-house for our clients too. Personally, I teach between 6 and 10 workshops per year, around the world. And now, we have a growing, global network of PuMP® Consultants to teach the workshops for their clients also. They are here in Australia, and also in the United States, Canada, Africa and Scotland.

STACEY BARR

Basically, what we've learned is that *everyone* has the same performance measurement struggles, no matter their industry, sector, culture or unique circumstances. And if the struggles are the same, then it stands to reason that there are some underlying causes.

The 3 biggest struggles with performance measurement

Struggle 1: Your strategy or goals or objectives don't seem measurable at all.

One of the main reasons why your strategy or goals or objectives don't seem measurable is that they are probably written using weasel words.

Open up your strategic or operational plan, and compare its objectives or goals with these examples:

- "To align internal resources and business processes to support strategic objectives while remaining focused on continuous improvement by embracing innovative approaches"

- "Deliver effective, efficient and expert regulation."

- "Enhance the learning outcomes of students."

- "Optimise the efficiency and effectiveness of our core processes."

- "Refine and accelerate the client team approach"

If these example objective statements sound familiar to you, then your strategy isn't measurable! It's filled with words like effective, efficient, productive, sustainable, engaged, innovative, key, outcomes, quality - and I'll bet you've got no idea how to meaningfully measure it!

This first struggle is often completely outside the awareness of executives, managers and staff, and they waste an inordinate amount of time trying to find measures for their goals and objectives. And

they either never do find good measures, or they adopt measures that are a meaningless waste of time that no-one owns and no-one uses to drive performance improvement.

This first struggle often causes the second struggle...

Struggle 2: Try as you might, you can't seem to find any good performance measures.

The most likely reason for not finding good performance measures is that you've taken an approach that isn't deliberate enough. Likely, you've been using brainstorming to come up with measures and KPIs.

It usually goes something like this: You have an objective in your business plan that reads like this: "Optimise the efficiency and effectiveness of our core processes". Then you brainstorm measures – or KPIs – and end up with things listed down the flipchart page like:

- customer complaints
- implement Lean methods to improve processes
- errors
- rework
- standards
- need to do benchmarking
- get it right first time
- and so on...

Most of those things aren't even performance measures! They're milestones or improvement ideas or just quasi-related words. So you just pick the one that gets the most votes – probably customer complaints because the data is easy to get - and type those words up in the KPI column in the business plan.

And what you have are more lame and inert measures that don't focus and inspire and drive people toward real performance improvement.

Again, this second struggle is usually outside people's awareness, because we don't come out of high school or university or management school or our previous jobs with the tools for how to design the quantitative information we need. So we don't know how to go about designing performance measures. And brainstorming just doesn't include the essential and deliberate – but very simple – steps of measure design.

This second struggle is also one of the things behind the third struggle...

Struggle 3: Your colleagues just won't buy in to measurement or take ownership of their measures.

Usually the reasons are that people dislike measurement, and do it just because they have to. Or they do all they can to avoid it altogether. They'll play with the data to make their measures show good trends, or they'll only measure what they know they're already doing well at.

When asked to create measures, or come to a measures workshop, your colleagues have really good excuses:

- I have "real" work to do!

- Measuring has never worked in the past, so why should it work now?

- I don't have time to do all the data collecting and reporting.

- I already know what's going on, I don't need measures to tell me.

- Yeah whatever, let's just get it over with. (And the half-hearted and futile brainstorming begins...)

People's avoidance of measurement is because of how they see measurement. It's threatening, it's boring, it's time-consuming. It pins them down to targets they don't feel in control of reaching. It trivialises the results they really produce. So they don't buy in.

Removing the causes of our KPI struggles…

Like I said before, *everyone* has the same performance measurement struggles, no matter their industry, sector, culture or unique circumstances. Our struggles are the result of some very specific causes. To stop all of our struggles – because these three we've just discussed aren't the only ones – we need an approach to measurement that removes those causes. And that's what PuMP offers to you.

I really want you to understand that PuMP – the performance measurement process I use now, and that my clients use – did *not* come from years of theoretical research. It came from the trenches. It came from all the struggles I personally had early in my career as a measurement consultant, with the obstacles and challenges we all face with measuring performance. And it also came from the struggles in my own head, about being brave enough to challenge the KPI status quo, which I believed was a collection of bad habits that somehow became common practice.

Performance measurement has been the focus of my work since the early 1990s, when I left my job as a research statistician to become the Measurement Consultant at Queensland Rail. I got to learn about quality and business process improvement and discovered how to generalise my statistical qualifications into the organisational performance measurement field, which at that time was really only just taking off, with the introduction of the Balanced Scorecard.

People were finding that the Balanced Scorecard wasn't really helping them *choose* the right measures. They were finding that there really wasn't a true methodology to choose the right measures, especially for less tangible goals. That's when PuMP® was born. Essentially it's because I was one of those people!

The PuMP® Blueprint Workshop evolved with me as I found solutions to those struggles. I experimented with how to meaningfully measure performance, and all those how-to solutions became a series of techniques that we now call PuMP. They are very practical and really work with much more ease and enjoyment than you might think is possible with such a dry topic as performance measurement.

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In fact, PuMP has become one of the world's most practical and detailed performance measurement methodologies. It's now replacing those bad KPI habits in approximately 45 countries around the world by well over 1000 people, plus their colleagues. It's being used as a tool to complement the Balanced Scorecard, and other methodologies like Lean and Six Sigma.

By the way, a lot of people ask where the name came from. The name 'PuMP' is an acronym for 'Performance Measurement Process'. I wanted people to realise that performance measurement isn't an event; it's *not* a brainstorming exercise after the planning workshop or in a team meeting. Performance measurement is a *process* that should be embedded into the very fabric of how we manage our organisations. But 'Performance Measurement Process' is a mouthful and when a client nicknamed it 'PuMP', it quickly stuck. My client said the 'u' means that it's up to *you* – it won't happen by itself. And of course, it can't.

But to make it as easy, fast and enjoyable as possible, the PuMP® Blueprint Workshop teaches you how to implement that 'Performance Measurement Process' and equips you with the templates to get it done.

So how about we take a closer look at how the PuMP® Blueprint Workshop is going to work over the 2 days we'll have together and I'll tell you about the PuMP® techniques it will teach you…

About our case study: Greenspark Energy

For many years we asked people to bring along their own strategic plans and goals and measures to work on during the 2-day workshop. But we've found that learning and implementing at the same time is just too overwhelming. Now we use a case study for you to practice with during the workshop: the Greenspark Energy case study.

The case study is a combination of several generic performance problems that any organisation can face. In fact, it's based very much on my real clients. I've worked with many clients in both the public, private and non-profit sectors, in different countries around the world, in different industries and from small businesses to multi-national corporations. The performance measurement struggles are incredibly similar, so you can be confident there will be plenty of relevance for you in the Greenspark Energy case study.

Greenspark Energy is a fictitious electricity generation company that uses both sustainable and fossil fuel sources. Their mission statement is "to provide uninterrupted and affordable energy without causing harm to the community or its environment". And their vision is "to generate a surplus of renewable electricity that displaces enough fossil-based energy production to compensate for traffic and industrial emissions".

We will be using PuMP to help Greenspark Energy, and one of its divisions, measure and improve several strategically and operationally important areas in the business. You'll work in a small team with some of your workshop colleagues, called Measures Team, to collaborate on applying what you learn to the Greenspark case study.

The structure of the 2-day PuMP® Performance Measure Blueprint Workshop

The PuMP® Blueprint has 8 practical sessions, because it's made up of 8 specific steps of performance measurement implementation. At each step we'll explore what it's about, why it's important and how to do it. You'll have a practical activity at each step too, to practice the new technique you've learned with the Greenspark Energy case study.

STEP 1: Understanding Measurement's Purpose: Fixing our focus firmly on continuous improvement as the purpose for measurement.

The first session of the workshop is about STEP 1 of the PuMP® Blueprint. It's called Understanding Measurement's Purpose, and it's about preparing to take on a fresh approach to performance measurement that focuses on continuous improvement, so we can avoid repeating the same approaches in the past that didn't work.

- You'll learn how to use the PuMP® Diagnostic Discussion tool, which serves as both a means of exploring the criteria of good measurement AND a means of benchmarking where your performance measurement maturity is currently at. That's useful, because after you

implement PuMP®, you can take the Diagnostic again and you'll have a measure of the impact PuMP® has had.

- And you'll have a little practice at using this PuMP® Diagnostic Discussion tool at the workshop.

STEP 2: Mapping Measurable Results: Translating our strategy into clear, focused and measurable performance results.

The second session of the workshop is about STEP 2 of the PuMP® Blueprint, Mapping Measurable Results. Before we talk about measures, before you're allowed to say "yeah, but how do you measure that?", we're going to explore why it's so important to make your goals or objectives measurable FIRST!

- You'll learn a couple of very practical techniques to fix this problem. First there are the five PuMP Measurability Tests that you can use to make sure you're starting with a goal or objective that really is measurable.

- The second is the PuMP® Results Mapping technique, which links your goals together into a one-page picture of the important things to measure, aligned from corporate direction all the way down to operational teams.

- You'll start practicing using the Measurability Tests and Results Map using the Greenspark Energy goals, to make them clear and measurable.

STEP 3: Designing Meaningful Measures: Choosing the most feasible and relevant measures that provide evidence of our performance results.

Designing Meaningful Measures is STEP 3 of the PuMP® Blueprint, and therefore our third session of the workshop. Designing Meaningful Measures is what you're going to do instead of brainstorming your measures, or measuring what others measure, or measuring just what you have data for. You will be able to create feasible and relevant measures that truly do provide evidence of the results that matter most.

- There are, in fact, a few typical approaches people take to selecting measures, and generally they fail to produce good measures. Brainstorming is just one of them!

- You'll learn the PuMP® Measure Design technique to deliberately create or select measures that are meaningful, relevant, cost-effective, and will drive the right behavior.

- You'll start practicing using the Measure Design template to design measures for one of Greenspark's goals.

STEP 4: Building Buy-in to Measures: Getting ownership from our stakeholders quickly, easily and engagingly.

The fourth session of the workshop is all about Building Buy-in to Measures, STEP 4 in the PuMP® Blueprint. It's not really a technique, but a special kind of event designed to engage a lot of people in your measures, and in measurement in general, in a very quick and easy and fun way.

- People don't buy in to performance measures all that readily, and there are a few reasons that send them running for the hills when they're asked to produce KPIs.

- You'll discover how to design and host a PuMP® Measure Gallery and use it as one of your MAJOR strategies to quickly build buy-in and generate excitement about performance measures and what their real purpose is. Which, I remind you, is to collaboratively improve performance of your organisation or company as a whole.

- You'll work in a Measures Team at the workshop to host a mini Measure Gallery to get buy-in from other workshop participants for the results and measures you created for Greenspark.

STEP 5: Implementing Measures: Documenting in detail the data, analysis and reporting requirements for each of our measures.

In the fifth session of the workshop, you will learn the Measure Definition technique, which is STEP 5, Implementing Measures, in the PuMP® Blueprint. A little bit of discipline goes a long way in performance measurement, and this step is where most of that discipline is exercised. It's about defining, for each of your measures, exactly how it should be brought to life.

- There are some shaky assumptions that lead to so many measures never being brought to life. And what I mean by "brought to life" is that for each of your measures, the data is collected, analysed and reported so the measure can be used as it was intended to be used, in the way it was intended to be used, and by the people it was intended to be used by.

- You'll learn the PuMP® Measure Definition technique for specifying exactly how each measure should be implemented. It's not at all hard or technical – and you certainly don't need to be a 'numbers person' to get it. In fact, you don't need to be a 'numbers person' to understand and use any of the PuMP® Blueprint.

- The Measure Definition technique is also a brilliant foundation to build your corporate performance measure dictionary, so you can eventually remove all the duplication and wasted effort that goes into collating data for reporting.

- You'll start practicing using the Measure Definition template to define one of the Greenspark performance measures.

STEP 6: Reporting Performance Measures: Creating useful and usable performance reports that inspire us to action.

STEP 6 of PuMP® is Reporting Performance Measures, and that's our focus for the sixth session of the workshop. This is about how you design performance reports – or how you present your measures – so that they answer three essential questions that every performance report should answer, in a useful and usable way that inspires action.

- There are a few problems that most performance reports and dashboards have that stop them from being useful and being used. Some of these problems come from some of the most popular features and graphs that almost all dashboard and scorecard software provides. Silly gauges and dials, and the absence of one very important chart type, are some of these features.

- You'll learn the PuMP® Report Design technique for designing useful and usable performance reports that gives special consideration to layout and structure and graph design and to what information to include and exclude, so your performance reports can

answer the three most important questions that they should answer. Can you guess what they are?

- You'll start appreciating the PuMP® Report Design technique by actually using one of Greenspark's performance reports to identify priorities for improvement.

STEP 7: Interpreting Signals from Measures: Focusing ourselves on gaps between as-is and to-be performance.

In the seventh session of the workshop, we're up to STEP 7 in the PuMP® Blueprint, my personal favourite step. It's my favourite because it is where you really hear your measures speak for the first time, and when you adopt the technique of STEP 7, you'll be hearing the truth from your measures about the gap between as-is and to-be performance. This step is called Interpreting Signals from Measures.

- It's so easy to misinterpret performance measure signals, and it's absolutely frightening that most people do. Not only do they end up reacting to signals that aren't there, but also missing signals that are there which they just can't see from the way their measures are presented. So, people are hearing half-truths or even blatant lies from their measures. Not because the measures are bad, necessarily, although this can be the case if they are poorly designed and defined. I'm talking about how we interpret our measures to work out if performance is getting worse or getting better, or staying the same.

- Our traditional approaches for doing this, like comparing this month to last month or comparing this month to a target, are wrong. These approaches are misleading, and you'll find out why at the workshop. It might even rock your world!

- The technique you'll learn to solve this problem with how we interpret our measures is a technique that's been around for almost a century, but most managers have never heard of it. I nickname this technique "Smart Charts" and you'll discover how powerful these Smart Charts are and be pleasantly surprised, I think, at how easy they are to create and to use.

- You'll start practicing the PuMP® Measure Interpretation technique by creating a Smart Chart right there at the workshop. You'll use data for one of Greenspark's measures.

STEP 8: Reaching Performance Targets: Improving our business processes to move as-is performance toward to-be.

In the eighth and final session of the workshop, STEP 8 in the PuMP® Blueprint is what we'll wrap up with. It's called Reaching Performance Targets, and it's about how to make sure that your performance measures lead to true and fundamental performance improvement; that they close the gap between as-is and to-be performance.

- I say 'fundamental' performance improvement because most of our improvement initiatives or projects are too often focused on treating symptoms, rather than the underlying constraints holding performance back from our targets. We throw money, resources and education at problems and don't realise that all we're doing is *compensating* for processes that have design faults. It's almost always the processes that need to be improved. Not the people, not the resourcing, not the funding.

- You'll learn the PuMP® Using Measures technique that focuses on the essential behaviours we need to develop as a new habit for responding to our measures, so we get the biggest improvements – and the most lasting improvements – in performance, for the least effort.

- You'll practice the Using Measures technique to identify a fundamental performance improvement for one of Greenspark's measures.

We're also going to wrap up our 2 days with you working on your take-away action plan, so you know exactly what you'll do to start implementing what you learn. That's quite powerful – when you know the very next thing to do, it dramatically increases the chances you'll do it. Don't for a minute think this will be a typical theoretical training course! It's all about practicality.

What will you experience at the workshop?

So, in each of these sessions over our two days together, we'll be doing a combination of discussing the important issues, learning a practical technique to deal with those issues, and practicing the technique on a real-life case study.

It will be very interactive and informal – plenty of time to deepen your knowledge and skill and ask questions and share ideas. And this is important, because like the majority of people who have already been to a PuMP® Blueprint Workshop, I want you to feel confident to put the Blueprint into practice very quickly.

Of course you won't immediately be a master, and of course you won't get it all perfect first time. That's not the point. The point is that you take a deliberate approach to measurement, practice it, learn from your practice, and make it an automatic part of your "real work". One good performance measure that leads you to make a fundamental improvement in something that matters is FAR better than a dozen measures that no-one feels any ownership for, or uses to make anything truly better.

And with that in mind, there are a few tips I can share with you now, to help you prepare before you come to the workshop, to increase your implementation success.

Think now about how you will first implement what you learn at the workshop.

I really believe that the purpose of any good training is to prepare you to hit the ground running. Sure, you won't be an expert and you'll still feel a bit tentative, but you will be equipped with the techniques and tools to give your first implementation a really good go. And I'm really motivated to support you with this, because one of my strategic results for my own business is the percentage of successful first-time PuMP® implementations.

So let's go over 5 tips for things you can do now, to get the most out of the workshop and truly hit the ground running when you go back to work:

Tip 1: Choose a focus.

If you go back to work with the goal of transforming your whole organisation's or business's measurement system at once, you're virtually doomed to fail.

We've discovered time and again that those people with the greatest success started small first, and let the scope of their PuMP® implementation grow naturally with the momentum and excitement and success they built up from those small beginnings.

So before we meet at the workshop, give some very direct thought to what your first area of focus should be:

- a particular goal or strategy
- a high priority or known problem
- a project or initiative with no clear outcomes
- the strategic goals for your organisation
- one team's or process's key results: community engagement

Tip 2: Choose a team ready for measures.

You won't be doing performance measurement on your own, it's simply impossible. You need the involvement of your colleagues to choose the measures, to implement them and to put them to good use. Buy-in can't happen any other way, and you'll be limited by the quality of measures you can come up with on your own.

So it will help you now if you start thinking about who you want to involve. Talk to these people before the workshop, and form as a Measures Team to work together on your chosen focus area following the workshop.

From experience, the people who bring along colleagues to the workshop are the people who implement the PuMP® Blueprint sooner and get more success. The people who don't bring colleagues with them very often regret missing the opportunity to learn and plan their performance measurement as a team, and even more often send their colleagues to the next workshop.

So if you're coming alone at this stage, seriously consider if any of your colleagues really should come with you, to help you increase the chances of implementation success and save you the delay of waiting until the next workshop to get them trained and ready to work with you.

If you're not sure who to bring along with you or who to involve in your Measures Team, here are some ideas:

- Business analysts who will be involved in reporting the measures

- Team members who will need to have ownership of the measures and assist in choosing or implementing them

- Decision-makers who will be responsible for using the measures

- You could even invite others in your organisation who you might not work with directly but whose support and collaboration would be valuable, like people in management accounting or strategic planning or business intelligence

If you decide you'd like to bring along some colleagues with you, remember you can all get a 10% discount if you're coming to a public workshop.

If you're coming to an in-house PuMP Blueprint Workshop, just talk to your internal organiser. Email us at info@staceybarr.com if need help to sort this out.

Tip 3: Think about your first implementation as a pilot.

Following on from the tip that you'll be most successful if you choose a small area to focus on for your first implementation, it also will help a great deal if you frame your first implementation as a pilot. You want to go through your first PuMP® project not so much with the intention of making it perfect, but of learning what you can about how PuMP® best integrates with your organisation's culture, and maximising the engagement by taking away the expectations of getting it absolutely right first time.

Your pilot will most likely still be a success, because PuMP® will overwhelmingly produce better measures than you've ever had before, and it does engage people along the way because of its collaborative and dialogue-based techniques. And your pilot can also be a success if you use it to build your first case study that you can use to introduce great performance measurement to other colleagues and show them how useful and inspiring it can be.

So think about these things as you plan your first implementation of the PuMP® Blueprint:

- Try to be fast and focused, maybe plan a six or eight week sprint, doing one PuMP® technique a week, to build some momentum and learn more quickly.

- Test PuMP® and the Blueprint in your organisation or business and take notes about how to fine-tune it for next time.

- Create a powerful real-life case study to show your colleagues how it will work, in a context they are familiar with and understand.

- Practice the techniques and build your skill and capability to keep rolling PuMP® out to more teams and more areas of your organisation.

Tip 4: Consider whether you'd like some support early on.

You don't have to go it alone with your first implementation of the Blueprint. There are a few ways my team can support you, if you feel more comfortable with some "hand-holding" during your first implementation.

This hand-holding can be in the form of the structured PuMP Professional Program, which is our advanced training beyond this Blueprint Workshop. Or it can be group coaching, where we schedule a series of online or in-person meetings to implement each step of the PuMP Blueprint with your team. Or it can be personal coaching, when you just want some one-on-one help from me or any of our PuMP Consultants.
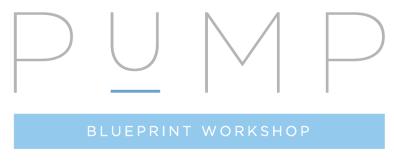
Feel very welcomed to ask us for more information at the workshop.

Tip 5: Set time aside to get started in the week following our workshop.

To hit the ground running is so much easier when you know exactly when you're going to get started. At the workshop we'll be helping you decide on your first actions, but for now just make sure you put time aside in your diary for the week following the workshop so you can get started quickly and don't lose momentum! It's very likely that in your first week you'll be doing something like:

- planning the details of your implementation, using the process and techniques and templates you'll get at the workshop

- getting started with engaging your team and sharing what you've learned at the workshop

- officially forming your Measures Team

- scheduling meetings and tasks to start applying each of the 8 steps you'll learn

For that first week, I'd suggest blocking out a couple of 2-hour appointments in your diary on different days. If you'd like to include some of your colleagues who don't join you at the workshop, then obviously schedule one of these appointments in their diaries too.

Use one of the 2-hour appointments for your own time, to recap what you learned at the workshop, to fine-tune your pilot plan, and to prepare what you'll share with your colleagues. Use the other 2-hour appointment to do that sharing, and start a dialogue with your colleagues about how to get started.

Now, there are a few things you'll want to bring with you to the workshop, to be sure you don't miss any opportunity to capture actions and ideas for improving your current measurement approach…

What to bring along with you, and why

Bring along your organisation's or team's strategic or operational or business plan, the document that lists and describes your current goals, objectives and targets. During Step 2 at the workshop, you'll want to highlight where those goals aren't yet measurable and some ideas for where to start improving their measurability when you get back to work. If you don't have anything like this at all, then bring along a list of some of the goals or performance improvement priorities you know need to be measured. You can't find meaningful measures without knowing what you want to achieve or improve.

Bring along your existing performance measures or KPIs – a list of them, their definitions, or graphs or tables of their current and historic results. Just because you'll be learning how to design measures from scratch, doesn't mean you need to throw away what you've already got. The same PuMP® technique can be used to re-evaluate your existing measures. If you don't have any measures at all, don't worry, you'll have some after the workshop!

Bring along your current performance report or dashboard screenshot – whatever you use to report progress against your goals, objectives and initiatives. You won't have to share this information with anyone at the workshop, but it will be a great opportunity to test how it stands up against the PuMP® Report Design technique. You'll probably jot down a few very practical ideas to

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give it an overhaul, too. If you don't have a performance report, again, don't worry. You'll design a great one from scratch after the workshop.

Are you feeling ready and excited?

So you <u>can</u> have measures that focus you on what matters most, measures that give you the feedback you need to stay on track toward your goals, measures that help you find the leverage to improve your results to reach your goals, and measures that your colleagues will own and even feel excited by.

Good performance measures can radically – dramatically – shift your organisation's culture. And I mean in a good way! And PuMP will give you the power to do it.

Now, do you feel warmed up for our PuMP® Blueprint Workshop? If you have any questions in the meantime about the workshop, simply email me at info@staceybarr.com. Or email the PuMP Consultant who is teaching your workshop.

I so want you to enjoy the workshop, and to give you the boost you need to get meaningful measures much faster and easier than you ever have before. Expect to be a little bit challenged, expect to get more than a few very powerful insights, and expect to have a little bit of fun, too!

This is Stacey Barr, signing off. Have a great workshop!