MEASURING AND MANAGING PERFORMANCE

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THE RELEVANCE OF PERFORMANCE MANAGEMENT

Leadership

Performance Improvement

Data Explosion
MANAGING AND MEASURING PERFORMANCE

PERFORMANCE METRICS
- Types
- Principles
- Quality

DASHBOARDS
- Alignment
- Dimensions
- Technology

STRATEGIC USE
- Perf. Improvement
- Project justification
- Benchmarking
PERFORMANCE METRICS
TYPE OF PERFORMANCE METRICS

FINANCIAL
PRODUCTIVITY
VELOCITY
QUALITY
## PRINCIPLES OF PERFORMANCE METRICS DESIGN

<table>
<thead>
<tr>
<th>0.1 Balance</th>
<th>between the four types</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.2 Alignment</td>
<td>with goals of the business</td>
</tr>
<tr>
<td>0.3 Control</td>
<td>over the metrics</td>
</tr>
<tr>
<td>0.4 Lateral Coherence</td>
<td>amongst metrics</td>
</tr>
<tr>
<td>0.5 Aggregability</td>
<td>upward</td>
</tr>
</tbody>
</table>
CHARACTERISTICS OF PERFORMANCE METRICS

Specific Measurable Attainable Realistic Timely
PERFORMANCE DASHBOARDS ALIGNMENT

- GROWTH
- PROFITABILITY
- LIQUIDITY
- EFFICIENCY
- VALUE CREATION
TRIDIMENSIONAL PERFORMANCE DASHBOARDS

Object

Context

Perspective
STRATEGIC PERFORMANCE MANAGEMENT
PERFORMANCE IMPROVEMENT

WHAT CAN’T BE MEASURED CAN’T BE IMPROVED
PROJECT JUSTIFICATION

• Internal Rate of Return
• Project Payback
• Net Present Value
• Economic Value Added
• Return on Capital
BENCHMARKING
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Measuring and Managing Performance in Supply Chain and Logistics Operations

QUESTIONS?

Supply Chain Management Series

Measuring and Managing Performance in Supply Chain and Logistics Operations

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