Strategy Implementation and Performance Measurement

Dr Pietro Micheli

Professor of Business Performance and Innovation

Warwick Business School, UK

About me

- PhD in performance management in the public sector

- Professor at Warwick Business School, UK (2012-)

- Director of the Italian Commission for public sector evaluation (2009-2011)

- Previously Senior Lecturer at Cranfield's Centre for Business Performance and Fellow at the Advanced Institute of Management in London

- Research and consultancy in the areas of:

    - Performance measurement and management

    - Strategy implementation

    - Design thinking and innovation management.

I've worked with…
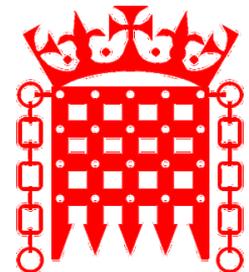
In the public sector

- Training of directors and heads of agencies

- Facilitation of senior management meetings

- Consultancy in relation to design and implementation of strategic plans and performance measurement systems

- Review of existing performance targets and KPIs.

Agenda

- Strategy implementation

- Performance measurement

- Practical suggestions

- The role of leadership

- Conclusions

Aspirational

Broad

Consistency

Mission, vision, values

Strategic goals
and objectives

Consistency

Tangible

Performance
indicators,
targets, rewards

Specific

FOCUS

Bad performance measurement is often the result of 'Bad Strategies'

What is bad strategy?

- Fluff

- Failure to face the organization's main challenge(s)

- Mistaking aims / desires for strategy

- Bad strategic objectives (impracticable, vague…)

- Mistaking targets for objectives.

(Rumelt, 2011)

What is 'strategy'?

1. **Plan** – Deliberate strategy: some sort of consciously intended course of action, guidelines to deal with a situation. Strategy is defined in advance and is purposefully developed.

2. **Position**: a match between organisation and environment, i.e., between the internal and the external context.

3. **Pattern** – Emergent strategy: plans may go unrealised, while patterns may appear without preconception.

4. **Perspective**: not just of a chosen position, but a way of perceiving the world. What is key here is that strategy is a perspective shared by members of an organisation, through their intentions and / or by their actions.

Adapted from Mintzberg, Ahlstrand and Lampel (2002), "Strategy Safari"

Performance measurement

Is NOT:

- Something that you can *fix*

- An objective means to 'find' something

- A value-added activity *per se*

- A set of tools used mainly to ensure control and compliance

- A set of carrots and sticks
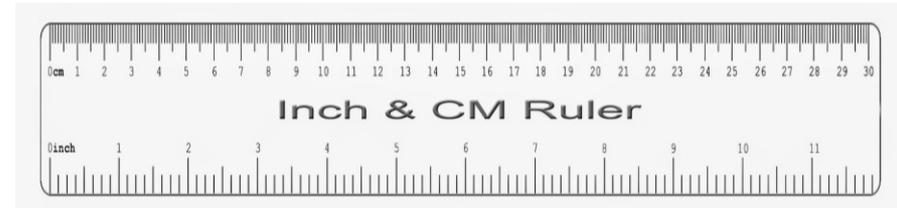
IS:

A fundamental organizational process which can help you:

- Evaluate and communicate activities and results

- Forecast and plan

- Focus attention and trigger change

- Guide behaviours

- Learn and improve.

The performance challenge

1. **Technical** – data, KPIs, targets, scorecards, information systems as well as capabilities, competencies, skills

2. **Managerial** – strategy, processes, structure, organisation, resource allocation

3. **Cultural** – common values, behaviours, shared practices, organisational alignment

4. **Leadership** – vision, shared picture, motivation, support, good working environment, possibility to have different ways of thinking and doing, promotion of innovation

5. **Communication** – both within and outside the organization, knowledge management systems.

Practical suggestions

1. Rules vs. principles → Principles should convert into practices and routines

2. Measures help to manage, but you should never manage only through measures

3. Governance: oversight, coordination and review?

4. Strategy implementation is a process: think of whom to involve, at what stage and for what reason.

"The key to executing your strategy is to have people in your organization understand it"

(Kaplan and Norton, 2000; p. 167)

Our ✅ Values

Welcoming Kind Positive Respectful Professional

Outcomes
What we will aim to achieve

- 1- Provide an integrated service that is safe, effective and provides a good patient experience
- 2- Support people so they can manage their lives and wellbeing
- 3- Be a continuously improving and financially viable organisation

Our people
Who we will involve and communicate to

- **Service Users:** We will involve service users in what we do
- **Partners:** We will work collaboratively with other agencies
- **Commissioners:** We will be transparent, open and responsive
- **Staff:** We will develop and maintain a skilled, engaged, caring, and high performing workforce
- **Regulators:** We will deliver and evidence national standards of performance
- **Communities:** We will reduce stigma associated with mental health and learning disabilities

Operations
What we will do and how

- 4- Provide high quality, evidence-based services
- 5- Communicate and give clear expectations to staff, service users and commissioners
- 6- Implement care pathways which are outcomes focussed, recovery oriented, and responsive to individual needs
- 7- Build capacity to reflect service need
- 8- Ensure our processes are cost-effective

Resources
What we will need

- 9- Retain and grow sources of income to deliver on our outcomes
- 11- Retain and attract staff with the right skills and expertise
- 13- Promote a culture of continuous improvement
- 10- Recognise and develop staff's strengths
- 12- Ensure management and IT systems are effective

Main indicators

	Performance indicator	Objectives
1	Rate of service users which would recommend the Trust's services to friends and family	1
2	Clinical outcomes through Honos	1
3	Serious incidents	1
4	Complaints and compliments	1
5	Service user feedback	1, 2
6	The proportion of people who have completed IAPT treatment having attended at least 2 treatment contacts and are moving to recovery	1, 2
7	Emergency readmissions to hospital within 30 days	2
8	Proportion of people in employment	2
9	Proportion of settled accommodation for adults with mental health problems	2
10	Surplus against plan	3
11	Continuity of Service Risk Rating (CoSRR)	3

The Seven Habits of Highly Ineffective Organisations

- Senior management team develops the organisation's strategy

- Creates a scorecard

- Develops strategy map ('plan on a page')

- Allocates KPIs within the organisation

- Sets and assigns main targets

- Makes sure KPIs and targets are linked to rewards and action plans

- Reviews results monthly and/or quarterly.

Leadership and 'organizational maturity'

1. Leadership – From pushing top-down to supporting and coaching

2. Management – From executing to enabling

3. Staff – From acting to contributing

4. Means: build an internal 'academy' – different levels of awareness and competence

→ Reach the tipping point of embedding something in the culture

Leadership

What would a good future scenario look like?

The performance challenge
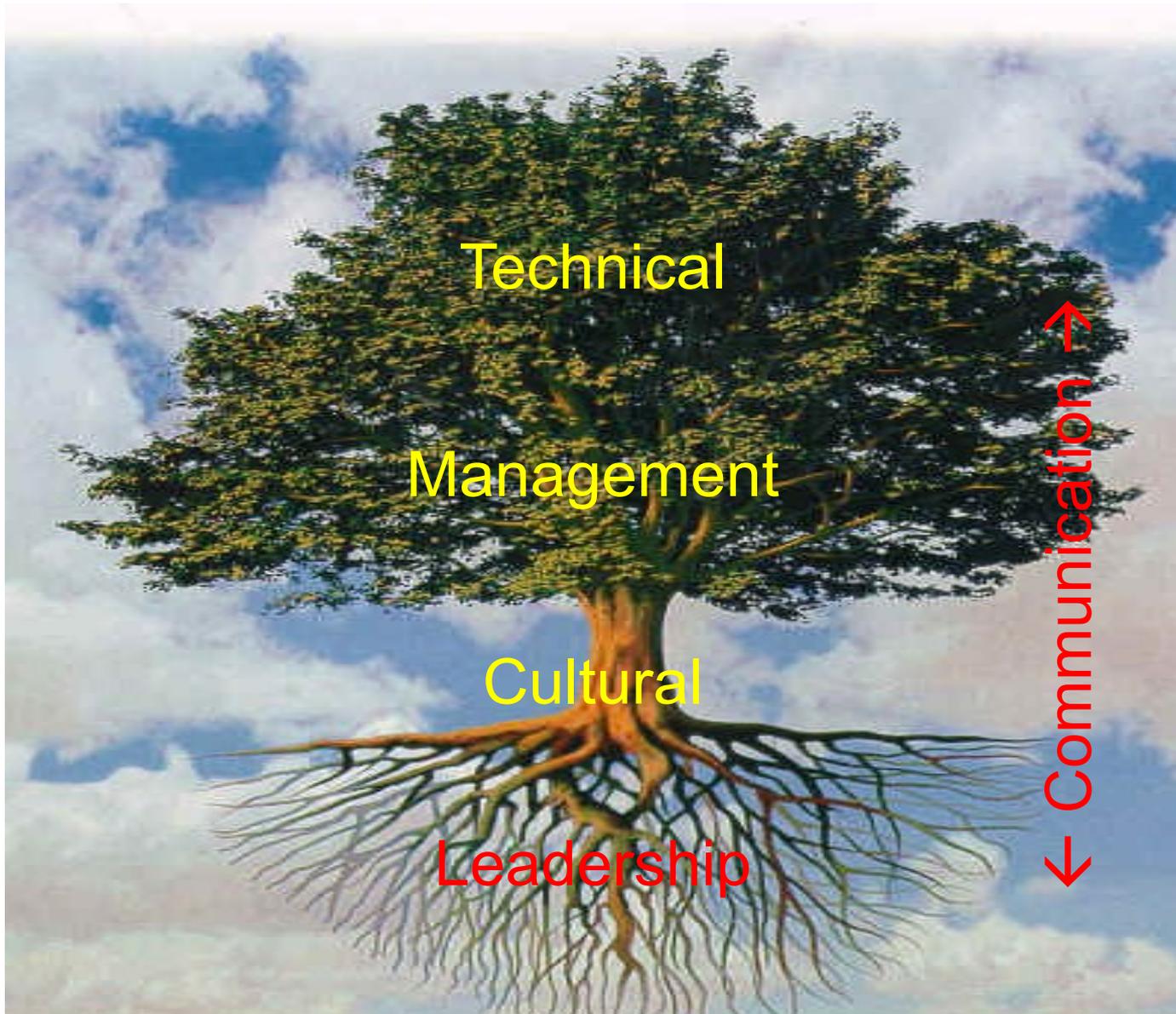
The performance challenge
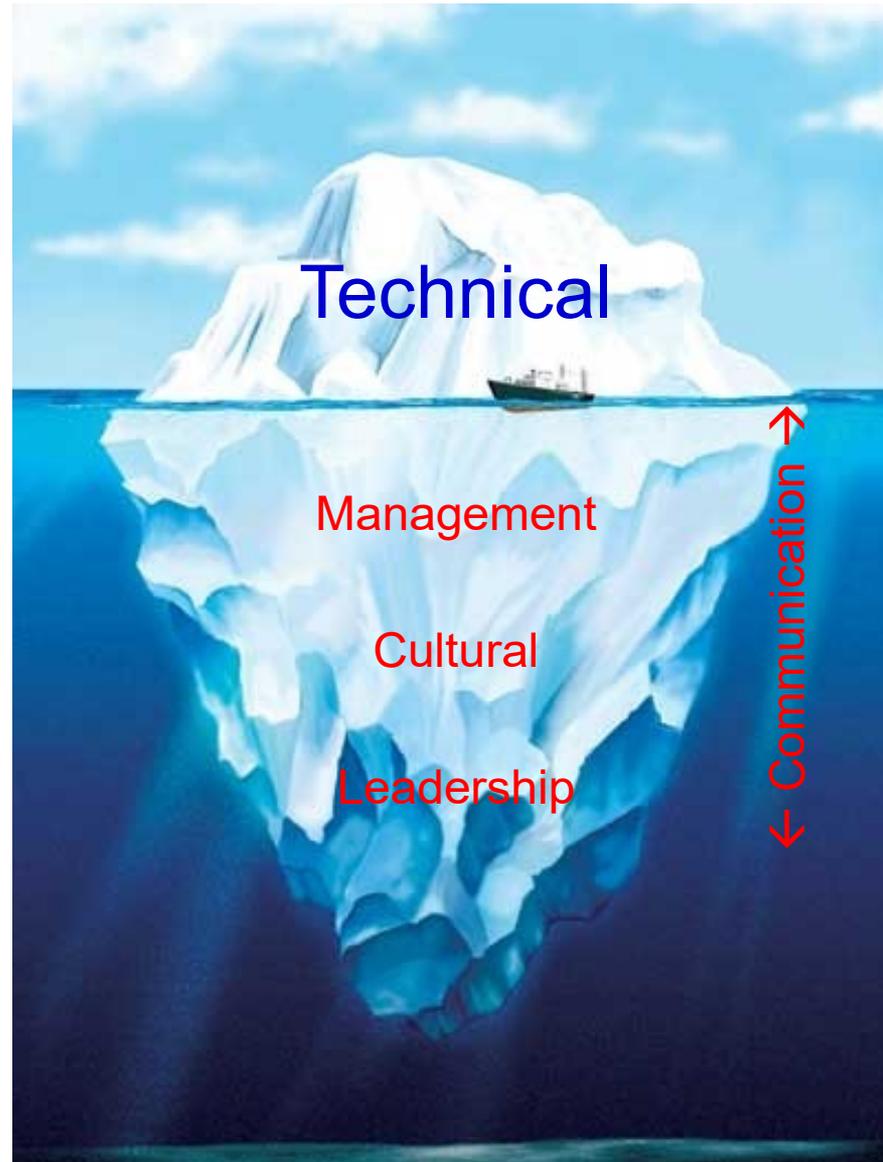
Contact Information

Dr Pietro Micheli

Professor of Business Performance and Innovation

Warwick Business School

University of Warwick

Coventry CV4 7AL

United Kingdom

Tel: +44 (0)24 7615 0882

E-mail: pietro.micheli@wbs.ac.uk

LinkedIn: uk.linkedin.com/in/pietromicheli

Twitter: @pietromicheli13